

**Evaluating Marketing Strategies during Crisis:
The Case of the Egyptian Tourism Sector**

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ABSTRACT

Marketing during crisis has increasingly gained the attention of scholars in the marketing field due to the rise of the critical situations companies face and which accordingly require urgent action. Research has revealed that marketing strategies play a key role in crises. Therefore, the marketing strategies that companies adopt in normal circumstances change in response to the crisis they are facing. The Marketing Crisis Theory is based on research during financial crises and are mostly conducted in developed countries. This study evaluates the marketing mix strategies during political crises, with a focus on the Egyptian Revolution in January 2011 and the period of political turmoil following it. The research is applied to the Egyptian tourism sector. The period the research covers, is from the beginning of 2011 until the end of 2013, which is the period of instability. The participants of the research were the Marketing Managers of the top one hundred travel agencies in Egypt. Structured interviews were conducted in order to evaluate the marketing mix strategies applied during the political crisis and examine how it affected their performances.

The research has concluded that there is an increase in the focus on the marketing mix strategies during political crisis which has a positive effect on the institutions' performances. In addition, the study has highlighted the importance of considering the services marketing mix when conducting research on marketing of services during political crisis. It also concludes that the personnel strategies are those that are mostly focused on and not the price strategies which is the case in other types of crises as revealed in existing body of knowledge. The main aim was to extend the Marketing Crisis Theory by adding information about marketing during political crisis, focusing on the services marketing mix in crises, and applying the research to a developing country.

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DEDICATION

*Dedicated to my husband Mahmoud
and
My daughters Azzahraa and Mariam.*

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AUTHOR'S DECLARATION

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

1. INTRODUCTION

1.1 Background to the Research

The emergence of marketing and the use of marketing strategies is as old as trade, 'since mankind has been capable of producing a surplus' (Lancaster and Massingham, 1993, p. 7). Different marketing techniques have been used over time in order to market goods or services the organization is providing. But marketing as an academic field is not as old as the practice of marketing. It can be considered that it began as an academic field in the beginning of the twentieth century (Converse, 1945; Jobber and Fahy, 2009). Since then, more attention was given to the field of marketing as a study field, and research has been conducted in several issues related to the subject of marketing and on marketing strategies, such as marketing functions, market research, classification of goods and services, and marketing problems (Converse, 1945).

There is great emphasis on the marketing strategies that are embraced either in normal circumstances in order to achieve the required level of growth, market share and profitability, or in unusual circumstances where the organization is facing a threat either in its internal or external environment and aims to achieve growth or in some cases, just survival (Grossberg, 2009; Hooley, Piercy, and Nicouland, 2012; Pearce and Michael, 2006). The marketing strategies any institution embraces have to be consistent with the institution's goals and objectives. However, when the organization faces unusual circumstances considered as a crisis or a disaster to the organization, its goals change from gaining market share and profitability to survival. This leads to the changing of the marketing strategies in order to achieve the new goals. Marketing strategies play a key role in crises (Kİrtiř and Karahan, 2010). Crises that institutions face are numerous, especially if the institutions exist in sectors which are interrelated with other sectors and are subject to crisis by national or international conditions.

These unusual conditions can be either economic (e.g. inflation and stagflation), financial, political (such as wars, military coups, and political instability), or natural (such as volcanoes, hurricanes, floods and earthquakes) (Faulkner, 2001; B. W. Ritchie, 2004).

1.2 Research Gap

There has been a growing body of research about marketing during crises (they are discussed in detail in chapter 3). The Marketing Crisis Theory is based on information obtained by these studies. Some of these studies are empirical and others are conceptual. These studies discuss the marketing strategies that institutions use or can use during turbulent times. However, as it will be argued in this dissertation (see chapter 4), most of these studies are applied on financial and economic crises. But there are still some important aspects that we do not know. There is lack of research on other types of crises compared to the financial and economic crises as can be seen above. Therefore, we need to know:

- 1- If the same strategies are used during other types of crises, in particular political crisis.
- 2- If the services marketing mix strategies (adding the process, personnel, and physical evidence strategies to the 4Ps) are also focused on during crises in services industries.
- 3- Whether the effect of using these strategies on the performance of these institutions during types of crises other than financial and economic is the same.

It is not stated in the literature of the marketing crisis theory which marketing strategies organisations embrace during political crises. And as there has been a rise in the political crises that countries have been experiencing (as will be discussed in detail in chapter 2), there is a need for research to identify the marketing strategies that are applied during political crises, to determine which of

these strategies affect the performance positively and which affect them negatively. It is not known if the marketing strategies applied are the same or not during different kinds of crises. Furthermore, there is no information about whether the marketing strategies applied by organisations during financial and economic crises are the same or different to the strategies applied during other types of crises. This gap will be bridged by the thesis.

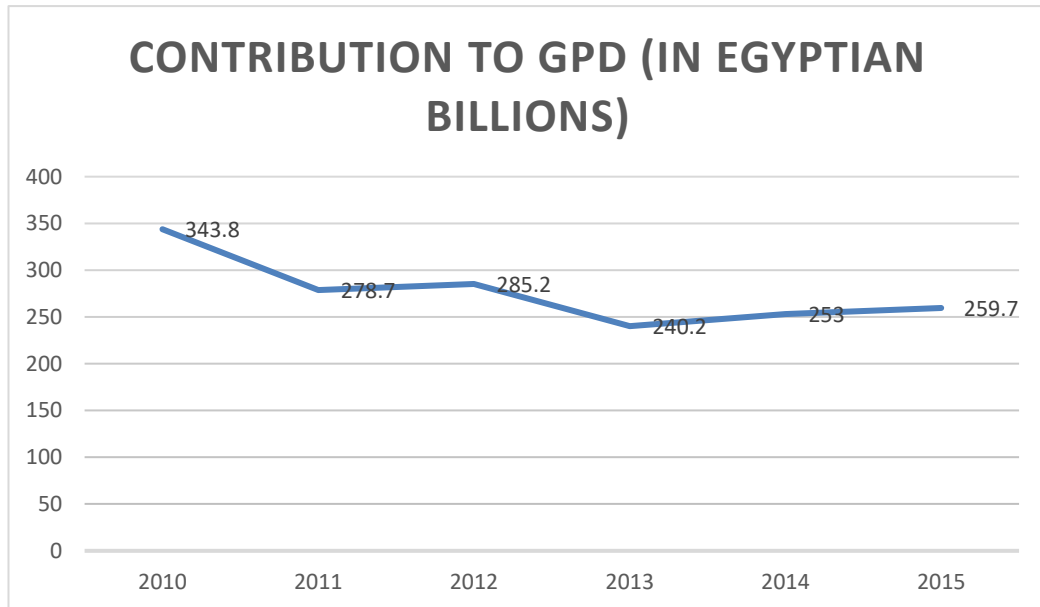
1.3 Research Questions

This study will give special prominence to the role of marketing and the marketing strategies in periods of political crisis. The marketing strategies examined in this thesis are the marketing mix strategies. The study will be applied to the tourism sector. The reason for choosing this sector is its importance in the recovery of a country from a crisis and the fact that its recovery is an important indicator that the country has overcome the crisis (Rossi, 2012). The tourism sector that this study will consider is the Egyptian tourism sector.

Egypt is a country with a very strategic location which has given it an importance geographically and historically especially in the industry of tourism. Egypt has an ancient civilization which dates back to 7,000 years (SIS, 2012). The monuments from the ancient civilization such as the Great Sphinx, the Pyramids of Giza (the only remaining wonder of the ancient seven wonders of the world), the Temples of Karnak, the Valley of the Kings, the Step Pyramid- which was built in year 2816 B.C (SIS, 2012)- in addition to a lot of historic places and antiquities that still exist, are of interest to a lot of tourists which makes tourism an important and vital industry in Egypt.

Moreover, because this sector is so sensitive to prevailing circumstances (e.g. economic, political, social, or environmental), the graph (figure 1-1) is clearly able to demonstrate the effect on this sector of the political instability following the Egyptian revolution at the beginning of 2011.

Figure 1-1- The total contribution of tourism to the GDP in Egypt (2010-2015)



Source: WTTC Report, Egypt, 2016.

As is shown in figure 1.1, the tourism sector is one of the main sectors that contribute to the GDP in usual circumstances. The year (2010) shows the contribution of the industry to the GDP of the country just before the revolution and the political instability that followed in the period after until 2015.

The Egyptian Revolution took place on the 25th of January 2011. It started with demonstrations to protest against the corruption in nearly all systems in the country and to the bad social and economic conditions the Egyptians were facing, the social inequality, and the humiliation of citizens by the police personnel (SIS, 2012). Although the protests were non-violent, the security forces responded with violence, killing 840 and injuring 6000 protestors according to the announcement of the Egyptian Ministry of Health at that time (Rashwan, 2011). This led to the upsurge of their demands to ‘ending the regime of the president’. With the continuous protests, which Rodenbeck (2011) described as a ‘volcano of youthful rage’, security in the country nearly ended up with a collapse in the police system. As a result, several countries warned their citizens against going to Egypt or staying there if they were already in the country (Nassar, 2012). The tourism sector

was severely affected due to the political instability during and after the revolution and tourism institutions had to find a way to face this crisis.

Thus, this study aims to answer the following research questions:

1. Are there changes in the marketing mix strategies during periods of political crises in the tourism industry?
2. What is the effect of changes in marketing strategies applied by tourism organisations on the performance of these organisations during a political crisis?
3. Is the amount of change made to the strategies of personnel, process and physical evidence the same as the amount of change made to strategies of price, product, place, and promotion?
4. Are there specific elements of marketing mix which organisations focus on during political crisis?
5. Is there a difference in the performance of organisations that focused on different marketing mix elements?

This study will cover a critical research gap by answering the above questions through:

- Covering a type of crisis on which there is no empirical research applied from the marketing perspective, mainly the political crisis, and specifically the revolutions and military coups that can affect any country and all its sectors when taking place.
- Identifying the strategies that are applied during political crisis, and determining whether they are similar or different to the strategies applied

during other types of crises especially the financial crises as it has received the major amount of focus in the literature.

- Evaluating the services marketing mix strategies (adding the process, personnel, and physical evidence strategies to the 4Ps) during a political crisis. It has to be noted that there is no research that took these strategies into consideration in the empirical studies that have evaluated the marketing strategies used during crisis (see discussion in section 4.4).
- Whether the effect of using these strategies during political crisis on the performance of the companies is the same as their effect during financial and economic crises as provided in the literature of the Marketing Crisis Theory.

The following are the hypotheses of the study:

H1- Changes in marketing strategies have a positive impact on the performance of organisations during a political crisis.

H2- There is no significant difference between the amount of change in the basic marketing mix elements (4Ps) and the amount of change in the services/extended marketing mix elements (7Ps) applied by organisations during a political crisis.

H3- There is a significant difference between the amount of changes applied to the marketing mix element 'Price' and other marketing mix elements; Product, Place, Promotion, Personnel, Process, and Physical evidence, during a political crisis.

H4 - Changes in promotion strategies positively affect the performance of organisations during a political crisis.

H5 - Changes in the price strategies negatively affect the performance of organisations during a political crisis.

H6 - Changes in the product strategies positively affect the performance of organisations during a political crisis.

The development of these hypotheses is explained in details in section 5.6.

1.4 Research Importance

The importance of this study can be reflected by its importance in the academic phase, and its importance in the practical phase.

In the academic phase:

1. The results of this study can be used in studies that are applied on the tourism institutions in developing countries, as it will help them understand the marketing practices in these institutions that are effective during political crisis especially since most of the Middle East countries are going through political crisis since the Arab Spring. Tourism is also considered important to these countries, which are known for heritage tourism like Egypt in addition to other types of tourism.
2. This study can benefit the studies that are concerned with applying research on institutions that provide different kinds of services like banking for example, as there will be commonalities between the marketing strategies used by service providers, especially if they exist in the same country during political crisis, Egypt in this case.
3. The relevance of marketing in the periods of political crises.

In the practical phase:

1. Helping marketing practitioners in the tourism industry to understand the relationship between embracing certain marketing strategies and the performance of their organisations in reflection to other strategic options.

2. Identifying the marketing strategies that are used in political crises circumstances.
3. Identifying the extent to which certain marketing strategies can help organizations to survive or prosper, and which strategies are not effective when facing unusual circumstances.
4. Providing information to other institutions that provide services, especially those that exist in developing countries.

1.5 Research Objectives

1. To conduct a critical evaluation of the literature on marketing strategies in crisis in different parts of the world.
2. To identify the different marketing strategies used by the tourism organizations in crisis circumstances with an emphasis on political crises.
3. To define the role of marketing strategies in crisis periods in certain services' industries such as the tourism industry.

1.6 Outline of the Thesis

Following the introduction, a chapter about tourism in Egypt in the present and the past reports the history of the tourism industry in Egypt in order to highlight how it developed and what kinds of crises it has gone through before. This is accomplished through stating how the industry was founded, the main types of tourism in Egypt in the past, and how it has changed through the years since the nineteenth century. The chapter includes the different types of tourism that existed when this industry first developed and the types of tourism that exists now. It attempts to address whether there have been any changes over time in the ranking of the most required type of tourism in Egypt particularly with the continuous growth of new types of tourism in the country (i.e., beach tourism). A discussion

about the alignment of the existence of such industry in Egypt compared with the existence of the global industry of tourism is also included. The last section of this chapter is about tourism and crises in Egypt historically and the marketing strategies embraced are mentioned briefly. This is done by using Thomas Cook and Son as a case study. The chapter draws on various sources, such as archives and statistics from international and local specialized organizations in the field of tourism.

Chapter 3 defines and discusses one of the main themes in this research which is crises. It begins with a brief explanation of the different perspectives from which the word ‘crisis’ is defined and the interrelation between ‘crisis’ and ‘disaster’. Following, is an explanation of the different risks that can cause a crisis. In addition, the different types of crises that Egypt has been exposed to in the past few decades are discussed briefly. The chapter ends with section 3.4, which highlights the main and most known crises that have affected the tourism sector in different countries around the world, accompanied by an example of the same type of crisis that occurred in Egypt including the reaction of tourism officials or government in each crisis. A special focus is given to the main crises this thesis discusses which is the Egyptian revolution in 2011 and the following period of political instability, why it took place, its impact on Egypt in general and on the tourism sector in particular, and the expected and actual role of the government during this crisis.

Chapter 4 starts with discussing the marketing strategies that are embraced by different kinds of institutions in normal conditions. The second section emphasises the marketing strategies that are used in the service sector. The third and last section is concerned with the marketing strategies used in unusual conditions, particularly, in crisis. The literature about marketing during crisis in the form of both empirical and theoretical studies is reviewed and summarized in different tables. Then, a critical discussion about these studies and the research gap is identified. The last part of the chapter consists of a classification of the different marketing strategies considered by researchers, either those who have

conducted empirical research or others who have implemented conceptual and theoretical research. This is accompanied with a discussion of this classification with reference to the relationship between these strategies and the types of crisis mentioned in each research. The research gap is identified based on this discussion which eventually leads to defining the marketing strategies that are included in the questionnaire of my research and which are considered as the independent variables as discussed in the methodology chapter.

After identifying the research gap in Chapter 4 and the research questions and aims in Chapter 1, Chapter 5 introduces a scientific method to answer these questions and hence, fill in the research gap. The chapter presents the research approach which this research adopts, the research strategy, and the research methods. In this study, the author applies an objectivism approach which was chosen according to the researcher's ontological and epistemological perspectives. The research also conducts a mono quantitative method using a cross-sectional design (Saunders, 2011). The research variables are mentioned, with a discussion of their availability in previous research, the methods of measurement used for these variables, and the methods this study chooses. This is then followed by information about the data collection process which presents the population and sample of this research, how big they are, the characteristics of the sample, the basis on which the sample was chosen, and the sampling methods implemented. The data is collected through structured interviews with closed questions asking the participants (marketing managers) from the chosen travel agencies about the changes that have taken place in their marketing strategies during the period of political instability caused by the revolution in 2011 and the other events that had affected tourism in a devastating way during the period of the study (2011-2013). The last part of the chapter explains how this data is analysed and some ethical considerations stating that the questionnaire is approved by both the Ethical Committee of the University of York and also by the Egyptian government.

Chapter 6 provides a preview about the reliability and validity of the constructs in the questionnaire. This is followed by the analysis of the data. The analysis starts with the descriptive analysis of the participating companies. Then, tests for multicollinearity and non-response bias which were considered essential are conducted before starting hypotheses testing. Descriptive statistics of the research variables are then presented. Following, the hypotheses are tested in which some of them are supported while others are not. Each hypothesis is stated and discussed separately. The discussion entails whether the result of the testing aligns or does not align with the existing literature and what contribution is added to the literature. The chapter then includes an overall discussion about what can be interpreted and learnt from the results. A more detailed discussion on the contribution of this study is presented in the chapter that follows.

Chapter 7 starts with a summary of the whole study, explaining what knowledge has been gained in each chapter. The contribution of the thesis is then emphasized through answering the research questions. The implications of the study are stated in detail. Followed by the limitations of this research. Eventually, the thesis ends with some future research recommendations.

2. TOURISM AND CRISIS IN EGYPT: THE PAST AND THE PRESENT

2.1 Introduction

This chapter looks at the evolution and the importance of the tourism industry in Egypt since the nineteenth century until the present day. Although tourism in Egypt existed before the nineteenth century, this period was chosen as the start of marketing Egypt as a tourist destination to Europe and America. It will identify and explain periods of expansion and recession. In addition to this, it states the different institutions that existed for organising the tourism industry and also the role of the government in the development of this industry. A discussion about the alignment of the existence of such industry in Egypt compared with the existence of the global industry of tourism is also included.

In this chapter, the importance of the tourism industry to Egypt in different periods and the different phases it has gone through is clarified. Furthermore, how to identify the importance of the tourism industry to a country is also discussed. The chapter includes the different types of tourism that existed when this industry first developed and the types of tourism that exists now. It tries to address if there are any changes in the ranking of the most requested type of tourism in Egypt over time especially with the continuous existence of new types of tourism in the country. Such different types of tourism can be considered as a response to the changes in the tourists' lifestyles and interests and the efforts done to exploit all natural sources Egypt possesses.

Although the different types of crises that have affected the tourism industry in Egypt and in other countries are discussed in detail in Chapter 3, the last section of this chapter is about tourism and crises in Egypt historically. The marketing strategies embraced are mentioned briefly. This will be accomplished by using Thomas Cook and Son as a case study. Thomas Cook and Son is a travel agency

that has started its operations in Egypt in 1869 and is still operating at the current time. It is introduced as an example of how travel agencies used to work, the crises they faced and the marketing strategies they employed in order to face the crises. The chapter draws on various sources, such as archives and statistics from international and local specialized organizations in the field of tourism.

2.2 Tourism Worldwide

Before exploring the tourism worldwide, it is worth knowing what the word 'tourism' means. This word emerged from a Greek word used for an instrument to sketch a circle. It refers to the 'circle' through which the tourists go starting from one point (the country of residence), to another taking the tour (to the country of destination), and back again to the same point. The word was first used in the fifteenth century during the period of the Grand Tour (Leiper, 1979), but was that the time when tourism emerged? Logically, the answer will refer to the existence of tourism as an activity before trying to define such activity. However, there is a need to discover when this activity really began. Nasser (2007) claims that the emergence of global travel which is interdependent with tourism - in the Middle East, started in the Achaemenid period (550 BC) when the trade of silk and spices to the Mediterranean was the main purpose for travelling. Nasser (2007) then reports that with the emergence of Islam, there was more travelling of Muslim pilgrims, and therefore facilities were established in certain areas for those travellers. With the development of these facilities, and the increase in the number of travellers, people began to go to these places as their destinations.

Several writers have defined tourism in different ways due to the differing aspects in which the tourism activity is involved (Tribe, 1997). Definitions of the economists concerned with the economic effect of tourism for example differs from the definition of the politicians concerned with the relations among nations and differs from the social entities' definition concerned about the effect of tourism on culture, behaviour, and well-being of the citizens in the host country.

The most recent definition of tourism by the United Nations World Tourism Organization is:

Tourism is a social, cultural and economic phenomenon, which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure (UNWTO, 2013).

Tourism has always been a subject of concern to many researchers due to its ancient existence, to the rapid development it has experienced, and its increasing importance as it is connected to many industries (Alavi and Yasin, 2000; Butnaru and Ion, 2012; Diab, 1994; Leiper, 1979). The share of the Travel and Tourism Industry in the world's GDP reflects its importance. It is equal to US \$6.3 trillion, and has provided jobs for 225 million people in 2011 (WTTC, 2012a). This represents 9.1 per cent of the global GDP, and one in every 12 jobs worldwide. It has become one of the leading sectors in the process of economic growth and the highest in terms of generating new job opportunities because of being a labour-intensive industry and its interdependence with other sectors such as manufacturing, transportation, retail, agriculture, housing and banking. It is related to nearly seventy sectors where new jobs are generated (AlexBank, 2010).

Due to the importance of inbound tourism to Egypt and the fact that leisure tourism is the dominant type of tourism in Egypt with a percentage of 87 (Euromonitor, 2012b), this research focuses on inbound tourism and leisure tourism and excludes business tourism.

2.3 The Evolution of Tourism in Egypt

Egypt has attracted tourists for a long time due to its historical past and the ruins of different eras Egypt has undergone, especially the ancient Egyptian era. When investigating about the evolution of tourism in Egypt, referring to tourism from the beginning of the nineteenth century would probably be the most relevant period to explore. Egypt at that time was part of and ruled by the Ottoman Empire which was considered as an important tourism destination (Nance, 2007).

The first incident in the nineteenth century which affected tourism in Egypt was the French campaign of Napoleon (1798-1801). It is considered to have planted the seeds of tourism to Egypt as a result of the existence and effect of the team of scientists, engineers, and archaeologists that had accompanied the campaign (Kevan, 1993). They reported what they had discovered and stated their achievements in books and introduced them to Europe. In addition to these books, paintings of scenes from Egypt by the artists who also came with the campaign were presented to their countries.

The most important achievements of this team was the discovery of the Rosetta Stone (which currently is located in the British Museum) and the publishing of 'Description de l'Egypte' (Hazbun, 2007). The Rosetta Stone is the main reason to understand the ancient Egyptian hieroglyphs written on the ruins and in the tombs of ancient Egypt after being deciphered by Jean-François Champollion (Robinson, 2011). The 'description de l'Egypte' contained a description of Egypt in the past and in the time the campaign existed. This led to an increase in people's interest in Egypt especially in Europe and America. Lyth (2013) claimed that it became the main source of information about Egypt to the Europeans for a half century.

Tourism after this campaign had witnessed continuous development over time as each ruler in Egypt gave special care and attention to the tourism industry (F. R. Hunter, 2004). The number of tourists began to increase during the first half of the

nineteenth century (Ramadan, 1977). Tourism in Egypt in the period 1805-1848 was given a remarkable boost when Muhammad Ali Pasha ‘the father of Modern Egypt’ ruled the country as he tried to make contributions to the tourism industry by constructing the ‘Overland Route’ in 1840 to deliver mails from London to India through Egypt. This helped to promote the transit tourism and in 1845 an institution was specifically established for tourists, mails and trading (Diab, 1994). In addition to this, there was a prevalence for security which encouraged the arrival of tourists. Egypt began to be considered as ‘a convenient and fashionable tourist destination’ (Barrell, 1991).

The number of hotels also increased with the growing numbers of tourists to Egypt. The number of hotels increased from two to five in Alexandria, and from two (Shepherd in 1841 and Monai during the French campaign) to three in Cairo. Added to this, was the great numbers of guidebooks about Egypt that were published by different tourists coming mainly from Europe or America. In 1840, John Murray issued his guidebook that included Egypt (Wilkinson, 1847). These guidebooks were of great importance. They helped in attracting more people to visit Egypt and have the desire to “explore the exotic ‘other’” as described by (Cobb, 2011). Barrell believes that the period from 1830-1860 was “probably the highpoint of admiration in Europe and the United States of the culture of the Ancient Egyptians” (Barrell, 1991, p. 97).

Tourism continued to develop, and the first regulations concerning the places for the tourists and foreigners to stay in Egypt were issued in May 1849 in order to provide security for them. Later, in March 1857, other regulations were issued in order to organize all the issues concerning tourists upon arrival, and until they leave. Medical tourism began to exist and its importance increased (Diab, 1994).

Furthermore, tourism gained a lot of propaganda, which helped to promote the industry as a result of two events. The first was Egypt’s contribution in the Paris exhibition in 1867, which enabled the ordinary population and the elite to get to learn more about Egypt and want to see what they have heard about and seen in

the pictures of several painters who had visited Egypt (Ramadan, 1977). The second incident was the opening of the Suez Canal in November 1869 in which the Khedive Ismail had travelled to Europe to invite kings and rulers to the opening. This opening was the reason why a number of important sites were built in order to be visited by those who were to attend the opening; The Opera, The Egyptian Museum, Aljazeera Palace and The Zoo. Moreover, there was a special importance given to the restoration of the Egyptian monuments that needed to be restored (Diab, 1994).

Brendon (1991) argued that what had had an impact on tourism in Egypt by the late nineteenth century, and the early twentieth century, was the ease of travelling and rising number of tours (Brendon, 1991). The number of tourists increased from 33,429 in 1856 to 67,772 in 1872 and was in a continual increase in the number of tourists (Ramadan, 1977). Travel firms such as that of Thomas Cook and Son and Henry Gaze – who was one of the most powerful competitors to Thomas Cook – organized tours for the wealthy and the upper middle classes (Bryan and Bair, 2009). Egypt had become an international destination for tourists and this affected the development of international tourism as Hazbun reports: “the expansion of tourism networks across Egypt and the intensified commodification of Egyptian travel marked a critical era in the international tourism industry’s development” (Hazbun, 2007, p. 22). This agrees with what Vitalis also noted that “the global tourist industry began with Thomas Cook and Son’s monopoly of Nile steamboat traffic” (Vitalis, 1995, p. 2).

An important aspect in the evolution of the tourism sector in Egypt is the changing of the nationality of the visitors that form the highest percentage of tourists. During the nineteenth century, the majority of the tourists were from America and Europe especially Britain due to the increasing number of tours to Egypt, books about Egypt and the increasing connection between the two countries at that time (Barrell, 1991; Diab, 1994; Nance, 2007; Nasser, 2007; Ramadan, 1977; Vitalis, 1995). During the twentieth century, the numbers of Arabs and Americans increased after the liberalization policies Egypt applied by Anwar El Sadat in 1974

(Gray, 1998). In 2011, the majority of tourists were from Europe, in particular Russia followed by the British who formed the majority until the year 2006 (Euromonitor, 2012a). Russian tourists visit Egypt as it is considered as a cheap destination compared to other destinations that offer the resort/beach tourism such as Sharm Elsheikh and Hurghada which most Russian tourists head for (Sahoo, 2015).

2.4 The Official Body of Tourism in Egypt

The layout of the official body of the tourism sector in Egypt is needed to understand the structure of the sector and identify what parts this study will be applied to due to its importance and effect on the Egyptian economy. The Egyptian Ministry of Tourism is the official and main body that plans and organizes tourism in Egypt. It was established in 1966 (ETF, 2011). There are five tourism industry organizations in Egypt:

1. Egyptian Hotel Association (EHA) which represents the hotels and Nile cruises in Egypt (The hospitality industry).
2. Egyptian Travel Agents Association (ETAA) which represents the travel agencies that are responsible for all tourism activities related to the inbound tourism and tickets' bookings.
3. Egyptian Chamber of Tourist Establishments (ECTE) representing the registered restaurants (fixed or floating), casinos, cafes, night clubs, and entertainment places.
4. Egyptian Chamber of Tourists Commodities (ECTC) representing the tourists' shops.
5. Chamber of Diving and Water Sports (CDWS) representing diving centres.

Members from all these organizations are elected and form the General Assembly of the Egyptian Tourism Federations (ETF) which is responsible for the progression of the tourism industry and the sustainable tourism development (ETF, 2011). It ensures this through its cooperation with the five organizations mentioned above and the Ministry of Tourism.

This study will be applied on the Marketing Managers and/or the Marketing Director and/or the Sales Manager of the travel agencies in Egypt from the ETAA. In this research, the top one hundred travel agencies in Egypt in the year 2013 will present the population of the study. The reason this research depends on the travel agencies, is that it has connections with all the other institutions in the tourism industry. It is considered as the centre of the tourism industry. Bitner and Booms (1982) stated that travel agents are the most important institutions in the travel system so the researcher has chosen them and in order to represent the tourism sector due to the limitations of time and money to include all institutions.

Most of the tourism institutions mentioned above are located in Cairo, the capital of Egypt. It was founded in 969 and is considered to be the eighteenth largest urban area in the world (Demographia, 2012). Most of the hotels in different places in Egypt are branches of their main hotels which are in Cairo. Cairo, Sharm El Sheikh and Hurghada are the principal three places which are considered as the hub of the main hotels due to the attractiveness of these places to tourists. About 97 per cent of the 3, 4 and 5 stars floating hotels exist in Cairo (*The Egyptian Hotel Guide*, 2012). In addition, 94 per cent of the travel agencies in Egypt exist in Cairo. Furthermore, the owning and managing companies of hotels all are located in Cairo.

Cairo is also known with its internal and external tourism capacity due to the existence of some important sites in or near to Cairo. For example, the Pyramids of Giza, the Egyptian Museum, the Cairo Tower, The Step Pyramid, the Mosque of Mohammed Ali, the Nile cruises and the Azhar University which was founded

in 970 and is the main institution for Islamic and Arabic studies in the world (Britannica, 2013).

2.5 The Types of Tourism in Egypt

The kinds of tourism varied in the nineteenth century as there was:

- **Transit tourism:** this type of tourism developed after the construction of the Overland Route as passengers going from London to India stopped at Egypt for a tour and then continued their journey (Diab, 1994)
- **Seasonal tourism:** it includes spending the winter in Egypt due to its warm weather in winter (Hazbun, 2007; Nasser, 2007).
- **Bird hunting tourism:** tourists liked to hunt birds in Egypt which caused problems due to hunting peoples' birds (Ramadan, 1977). This type of tourism still exists in Egypt but is not very popular compared to the historical tourism and beach tourism (Baha El Din, 2005).
- **Medical tourism:** The Medical Tourism Association (MTA) defines medical tourism as "Medical Tourism is where people who live in one country travel to another country to receive medical, dental and surgical care while at the same time receiving equal to or greater care than they would have in their own country, and are traveling for medical care because of affordability, better access to care or a higher level of quality of care" (MTA, 2016). Egypt has been known to have this kind of tourism since ancient times (Magazine, 2010). The main factor that has helped develop this type of tourism is Egypt's weather and sulphur springs (F. R. Hunter, 2004). Medical tourism played an important role in the Egyptian economy at that time (Kevan, 1993).

- **Religious tourism:** especially with the existence of St. Catherine's Monastery which was built in the year 540 (Diab, 1994), Mount Moses and other ancient mosques and churches from different eras.
- **Educational tourism:** existed for those who were trying to explore the archival documents in St. Catherine's Monastery and also the botanists who were interested in exploring the different kinds of plants in Sinai.
- **Leisure tourism:** also developed in Egypt, as a result of focusing on all the ways that could make the tourists' trips more comfortable and safe (Gray, 1998).

The kinds of tourism that Egypt has had centuries ago has remained and new kinds of tourism have emerged with the development that Egypt has witnessed over the years, such as conferences tourism, safari tourism, sports tourism and beach tourism.

The most ancient type of tourism is archaeological tourism (Wahab, 1996). It has remained the most important type of tourism in Egypt and still attracts thousands of tourists every year, as Egypt possesses monuments and museums with different characteristics and from different eras such as the Pharaonic, Greek, Islamic and Roman eras. It is stated that Luxor in Egypt owns nearly a third of the worldwide discovered monuments (SIS, 2012). This fact is reflected by the percentage of tourists who reported that their attraction was given to the historic buildings and museums which exceeded 60 per cent of the total tourists in 2010 (Euromonitor, 2012b).

The type of tourism that did not exist in the nineteenth century is beach tourism, which is currently of great importance to the tourism sector in Egypt. Developing the resort and beach tourism started in the 1980s on the Red Sea coast and in Sinai (Gray, 1998).

Egypt's popular resorts and beaches which are mostly visited by tourists are Sharm ElSheikh and Dahab in Sinai and Hurghada on the Red Sea coast. Sharm

ElSheikh was chosen in 2007 and 2011 as the world's leading dive destination (WorldTravelAwards, 2011). This has contributed to the growth of leisure tourism in Egypt. There are tourists who visit Egypt for this type of tourism only, with no interest to the historic and cultural tourism. Russians and Arabs are the main tourists who prefer this type of tourism and this fact has helped to mitigate the severe decrease in the tourism receipts in 2011 (Euromonitor, 2012a).

The Russian tourists form the largest number Egypt receives every year since 2006 as it can be seen in table 2-1 below. The German tourists formed the majority before 2006. The United Kingdom and Italy also are considered as main markets for Egyptian tourism.

Table 2-1 The number of visitors to Egypt from the four biggest markets

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Russia*	110108	122546	117515	-	-	-	210212	382536	497465	785419	777665	998149	1516561	1825312	2035330	2855723	1832388	2518275	2393908	3138958
United Kingdom	284611	319229	324200	230897	319226	358781	324821	357546	357248	546892	837950	1033761	1055012	1201859	1346724	1455906	1034413	1011775	955344	905713
Germany	319312	436809	438372	273838	547855	786336	715066	730323	693445	993178	979631	966386	1085930	1202509	1202339	1328960	964599	1164556	885479	877228
Italy	257272	366320	389081	373067	667460	752166	594549	701210	795903	1010444	823199	786130	983293	1073159	1047997	1144384	555246	718703	504110	400356

Source: World Tourism Organization (2016), Yearbook of Tourism Statistics dataset [Electronic], UNWTO, Madrid, data updated on 12/01/2016.

* The numbers of tourists during the period 1998-2000 are not available.

2.6 The Importance of Tourism in Egypt

Tourism has been important to Egypt especially during the nineteenth century. This is evident in the previous section which referred to the evolution of tourism in the nineteenth century and how the rulers of the country helped to develop the tourism sector. One of the most important rulers of Egypt who added a lot to the Egyptian tourism sector is the Khedive Ismail who ruled Egypt from 1863-1879 (Diab, 1994; Nasser, 2007; Ramadan, 1977). He tried to add to the beauty of Egypt's cities so they would be the same as the most beautiful cities around the world at that time such as Paris. Tourism was given great prominence and it was considered profitable to work and invest in this field (Nance, 2007).

Tourism continued to gain importance in Egypt, although it was interrupted for a period by the British occupation of Egypt in 1882. The number of tourists increased afterwards in 1886 and so did the number of hotels and improvements in the means of transportation of the tourists especially steamers and 'dahabiyas' (small boats used before the invention of steamers). The number of tourists to Cairo in the winter of the year 1889-1890 was equal to about eleven thousand, and at the end of the nineteenth century the Nile 'had become the favourite winter resort of westerners' (F. R. Hunter, 2004).

Tourism to Egypt flourished after the opening of the tomb of Tutankhamun in 1923 which was considered as a great discovery (Brendon, 1991). Tourism was also considered important after Egypt had gained its independence. It is reported that Gamal Abdel Nasser who was the president in 1956 after the 1952 Revolution did not give much importance to the tourism sector (Gray, 1998). The reason was that Egypt was facing a hard economic situation and he was giving priority to the agriculture and industrial sectors to improve the condition of the citizens and the country as a whole. However, the existence of the Suez Canal still was a reason to attract many visitors to Egypt as Gray (1998) states.

Tourism has flourished after the ‘open economy’ policy of Anwar El Sadat in 1974. The numbers of tourists increased gradually starting in 1975 (Wahab and Pigram, 1997). Tourism was also considered important in the period in which Mubarak ruled the country from 1981. The tourism product was diversified, and new types of tourism were focused on such as resort tourism and tourism in general had developed in this period (Alhiwarmagazine, 2013).

Tourism in Egypt plays an important role in shaping the economy. It is considered as one of the important sources of foreign currency as it contributed a percentage of 20 per cent in 2010 (Ragab, 2011). Travel and tourism in Egypt have also contributed to the employment of 3,079,500 jobs with a percentage of 13.1 per cent of total employment in 2011 and in the same year contributed to 14.8 per cent of the GDP (WTTC, 2012d), although they were seriously affected in 2011 by the Egyptian revolution.

Table 2-2 The importance of the Egyptian tourism sector (2009-2014)

Total Contribution*	2009	2010	2011	Ranking in 2011**	2012	2013	2014
GDP (EGP bn)	186.5	211.3	198.5	29	233.4	218.1	255.0
Employment ('000)	3,635.8	3,685.2	2,981.1	13	3,177.5	2,730.2	2,944.1

Source : information extracted from different tables in (WTTC, 2012d, 2015).

Total Contribution* includes the direct, indirect and induced contribution.

Ranking in 2011**: The ranking of Egypt is compared with 183 other countries that are measured by the WTTC

It appears from the table that the travel and tourism sector do have a great impact on the country’s economy. Despite the bad conditions Egypt’s tourism sector has gone through and the severe decrease in the number of tourists due to the instability and insecure circumstances in 2011, the sector still helped in employing about three million persons. Egypt has exceeded the world average in the total contribution to employment, capital investment, and visitor exports. Although these figures seem to be optimistic, the reality is that Egypt’s tourism sector is

going through a crisis, and the numbers of tourists have decreased severely compared to the year 2010.

But how is the importance of tourism measured?

In order to determine the importance of any industry or sector in a country, there has to be a specific criterion to assess its contribution to the country's economy. Estimating the effectiveness of the tourism sector in Egypt faced two major problems. First, more than one official institution reported the statistics related to the relating sector, and each institution had different numbers. (Sakr, Massoud, and Sakr, 2009). The cause of this problem was that each institution or organization had its own criteria and standards for which it used in order to measure the importance of tourism in Egypt. Second, the figures calculated by these institutions did not reflect the importance of such sector. For example, the percentage reported for tourism's share in Egypt's GDP for 25 years (1982-2007) by the Ministry of Economic Development ranged from less than 1 per cent to nearly 4 per cent. It is apparent that this percentage does not reflect the importance of a sector to the country or its contribution to the country's economy.

On this case, the criteria was for measuring the direct impact of hotels and restaurants assuming that they reflected, neglecting all other activities and sectors related to tourism sector by excluding the direct expenditure on several activities including tourism services such as travel agencies, bazaars, and transportation.

There were trials by several researchers to use different measures in order to compute the total contribution of the tourism sector to the GDP, employment, and investments. There was an attempt by Tohamy & Swinscoe (2000) to use a tool that could track the indirect effects of tourism. This tool was the Economic Impact Analysis (EIA). The main deficiency of using this analysis was its use of a constant multiplier with an economy that is exposed to continuous changes in its structures (Sakr et al., 2009). Others tried to use simulation models, but these models also suffered from deficiencies of not receiving the information from

formal governmental institutions, and the fact that they do not reflect the total importance of the tourism sector (Sakr et al., 2009).

To avoid the deficiencies of the previous measuring system, an internationally agreed upon criteria TSA (the Tourism Satellite Account) was recommended to be used in order to receive accurate numbers representing the actual role of the Egyptian tourism sector (Sakr et al., 2009; Tohamy and Swinscoe, 2000). This measure can be defined “Tourism Satellite Account (described in the Tourism Satellite Account: Recommended Methodological Framework 2008) is, besides the International Recommendations for Tourism Statistics 2008, the second international recommendation on tourism statistics that has been developed in a framework of consistency with the System of National Accounts. Both recommendations are mutually consistent and provide the conceptual framework for measuring and analysing tourism as an economic activity” (UNWTO, 2012). This measurement tool was a result of cumulative research and the cooperation of the UNWTO experts, the OECD, the WTTC, the ILO and other organizations, and was approved by the UN's Statistical Commission in March 2008 (Frechtling, 2010).

By 2010, 60 countries were using the TSA exercise. Some of them applied the whole programme while others were developing the program to apply (WTO, 2009). Egypt started taking forward steps in the TSA exercise in February 2008. Adla Ragab, the Economic Advisor to the Ministry of Tourism in the eleventh meeting of the UNWTO Committee on Statistics and TSA in Madrid 2010, described the steps taken in the first phase. This helped Egypt to identify the contribution of the tourism sector in the country's economy by international standards. Egypt has gained a high ranking as a tourist destination; it was ranked eighteenth in the table of the most important sites in the world, and the first in Africa and the Middle East in 2010 (Ragab, 2011).

2.7 The History of Crises in Egypt

Egypt has been subject to different crises throughout its history (Tucker, 1981). Some researchers have tried to report the crises it has faced for different reasons. For example, one group is concerned with archaeology and geology, trying to discover the sequence of crises caused by natural disasters such as the floods, earthquakes and droughts (Kahn, 2005). Others are concerned with the frequency of the crises and the extent to which the crisis management concept is adopted ("EM-DAT ", 2013). Some are concerned with the political view and the role of the government in causing crises and how it deals with the crises after they occur (Ansani and Daniele, 2012).

Chapter 3 is mainly about crises in which the different types are discussed with a focus on the most recent and most severe crises that have happened in Egypt and other countries and how they affected the country in general and the tourism sector in particular. Reactions taken by the governments are also discussed. However, this section is different. It focuses on the history of crisis in Egypt and aims at exploring the historical view of the existence of different kinds of crises overtime.

Crises have existed for hundreds of years in Egypt as reported by Bell (1971) who has gone back in history to ancient Egypt. Bell claimed that the country experienced a severe drought in the period 2180-2130 B.C and another less severe in the period 2002-1991 B.C (Bell, 1971).

This was a view from very long period. If we try to get a more recent history of crises in Egypt, it can be reported that Egypt was subject to different types of crises. Tucker (1981) revealed that Egypt faced different crises during the thirteenth, fourteenth and fifteenth century. Examples are: ‘hard rain’ in 1298, 1340 and 1373; droughts in 1304 and 1427; cold and starvation in 1374 and 1423; storms in 1323 and 1422; famines from 1293 to 1295; epidemics in 1348-49 and earthquakes in 1302 (Tucker.W.F., 1981). The researcher determined that “Famines and epidemic were by far the most severe disasters to affect Egypt

between 1250 and 1500” (Tucker.W.F., 1981, p. 219). Epidemics have occurred during the nineteenth and twentieth centuries as follows: bubonic plague in 1801 and 1834-1836, cholera in 1831, 1848, 1865, 1881, 1902 and 1947, falciparum malaria from 1942 to 1944 and relapsing fever in 1946 (Abulnour, 2013).

Most of the crises that have been mentioned from ancient Egypt until the twentieth century are caused by natural disasters. What about the other types of crises? When did they exist? To answer these questions, one will have to realise that other types of crises develop with the complexity and development of tools used by human beings such as means of transport, chemicals, factories and weapons.

This development has led to a number of crises in which people lost their lives and others were affected especially during the twentieth and twenty first century. Nine out of the ten deadliest ‘technological disasters’ in Egypt as classified by the EM-DAT, from 1900 to 2013 are transportation accidents (“EM-DAT”, 2013). Egypt has also faced a lot of different types of crisis such as political, environmental and economic crises which will be discussed in the next chapter.

2.8 The Growth of Mass Tourism in Egypt: The Role of Thomas Cook & Son

It has been clear from the previous sections how important tourism is and has always been to Egypt and to the tourists aiming to visit it decades ago. Travel agencies play an essential role in the tourism industry. This is a result of their experience in travelling to certain places, the advice they provide, and the planning of the trip for which they take responsibility (Hui and Wan, 2006). This could save the travellers time and help avoid visiting places that are of high risk or not visiting places they would have wanted to due to lack of knowledge about the transport system, or the safety of the place. In this section, one travel agency will be introduced, highlighting the main crises it faced and the strategies used to show the relation between tourism, crises and marketing strategies. The travel institution is Thomas Cook and Son, which was chosen because of its influence on the

Egyptian and international tourism industry since the mid-nineteenth century as referred to by Vitalis (1995).

Thomas Cook, the founder, was a British entrepreneur who is considered to be one of the main founders of international tourism. He was specialized in tours around Europe and North America in the mid nineteenth century (Wahab and Pigram, 1997). He began his business in Britain by offering tours between British cities in 1841 and afterwards conducted tours to Europe and America. Thomas Cook had a great effect on the international tourism industry in general and to the Egyptian tourism industry in particular (Vitalis, 1995). Hazbun has claimed that Thomas Cook was the first person to introduce 'packaged tours', and that Cook was the main reason for 'the expansion' tourism in Egypt (Hazbun, 2007). This was the reason Cook favourably presented and described Egypt in its publications (F. R. Hunter, 2004). The main reason for Cook's success in Egypt was his ability to provide middle class tourists with the opportunity to visit Egypt at affordable prices. In addition, he granted British Victorian women the opportunity to travel alone and feel the freedom they had never experienced before away from the rigid Victorian society in Britain at that time (Lyth, 2013).

Thomas Cook made an exploratory tour of Egypt in 1868 to equip him for a proposed group tour in 1869 to witness the opening of the Suez Canal. He was invited by the ruler of Egypt, Khedive Ismail, to attend the opening (Manley and Abdel-Hakim, 2004). As a result of this trip, Egypt was the first place in the Middle East to be considered as a 'tourist destination', as tours before that time only took place in Europe and America (Gray, 1998).

A year later, in 1870, Khedive Ismail gave Thomas Cook & Son exclusive permission to run the Nile traffic between Cairo and Aswan. And afterwards the firm was also appointed to transport official mail (F. R. Hunter, 2004). Tourism in Egypt started to flourish, thanks to Thomas Cook's son John Mason Cook's activities and developments in the country (Brendon, 1991). By the year 1872, Egypt and Palestine were considered as the main source of money for the Thomas

Cook & Son agency and its first office was opened in Cairo in the same year (Nance, 2007).

Tourism in Egypt faced several crises and so did Thomas Cook and Son respectively. These crises started in 1881 with the revolt led by Colonel Urabi against the bad conditions the country was experiencing and British interference in Egyptian affairs (Brendon, 1991). This was followed by the British occupation of Egypt in 1882. Tourism was harmfully disrupted (Hazbun, 2007). John Cook's business did not cease in Egypt, but it was not tourism. Instead of moving tourists on the Nile, he used his steamers to transport soldiers from Britain to Egypt, and between Cairo and Alexandria in Egypt (F. R Hunter, 2003). In 1883 the British government assigned Thomas Cook to undertake an expedition to rescue General Charles Gordon in Sudan. It is reported that Cook received significant profits and support from the British government for playing this role (Brendon, 1991; F. R. Hunter, 2004). The strategy Thomas Cook & Son used here was targeting a different market in which to operate in -the British government- and providing the same service by transporting the soldiers on the Nile for war purposes instead of tourists for leisure purposes.

These events affected the tourism business of Cook. One of the challenges Cook faced was that the steamers were in bad condition due to using them for the army's activities during the war (Brendon, 1991). Another important challenge was the increasing competition Cook was facing. The major competitors included: Dean & Dawson, John Frames tours, Quintin Hogg's Polytechnic tours and Sir Henry Lunn's tours who were mostly founded in the 1870s and 80s (Brendon, 1991) except for Henry Gaze who had been competing with Cook since the 1950s and had conducted tours to the Holy Land before Thomas Cook (Saad, 2000). It has to be reported that a major contribution to the success of the Thomas Cook and Son firm would not have been achieved without John Mason Cook's close relationship with both the ruling family in Egypt and the British government (Hazbun, 2007).

After the war ended, the number of tourists demanding to visit Egypt increased, especially British tourists who were the major tourists at that time (F. R. Hunter, 2004). This led Cook to resume his tourism activities and expand his operations. Cook promoted Egypt as a place with an abundance of historical sites. The covers of Thomas Cook's tourist guides were illustrated with ancient Egyptian symbols, pharaohs, the Nile, and different monuments to be explored (See Appendix B for images received from Thomas Cook archives). This reflects that the type of tourism that prevailed and was heavily promoted was historical and cultural tourism. And as mentioned above, historical and cultural tourism still dominate the type of tourism in Egypt.

The next crisis for Thomas Cook and Son was the First World War. The tourism industry was disrupted internationally, and in Egypt, the steamers did not operate for tourism from 1914, but were used for the war effort by the British army (Brendon, 1991). This led to the decline of Thomas Cook and Son's agency. And because its power was gained from its successful relationship with both the British government and the ruling family in Egypt (Hazbun, 2007; F. R. Hunter, 2003), the firm suffered more, as Hunter described 'when British power weakened, so did Cook's' (F. R. Hunter, 2004, p. 50). Another significant event which also had its effect on weakening the firm's position was the 1919 revolution to gain independence from Britain (Brendon, 1991).

The first marketing strategy the firm adopted was to focus on a different product which was the Shipping and Forwarding service which grew at that time by being assigned to transport the enemy mail. The second strategy was offering the same service - transporting tourists for leisure – in different geographical areas where there was no war, and peace prevailed (Brendon, 1991). After the war, when the tourism industry was recovering, Thomas Cook and Son benefited and gained remarkable profits (F. R. Hunter, 2004).

The crisis which followed was the Second World War. Tourism again suffered severely and as did likewise the Thomas Cook and Son firm. In Egypt, the

steamers that existed at that time were commandeered for the war (Brendon, 1991). Thomas Cook and Son embraced the same strategy to face the crisis as the one used during the first world war, which was focusing on another product offered by the Shipping and Forwarding department, in addition to providing supplies services to the forces (Brendon, 1991). The Second World War was followed by a tourism boom which Cook could not take advantage from due to the attempts of the Egyptian government to control and gain from the tourism profits (F. R. Hunter, 2004).

Another reason was the nationalists' protests and the 1952 revolution to gain full independence from Britain which was preceded with violence and set fire to all the British organizations including the Thomas Cook and Son's office in Cairo. Thomas Cook and Son tried to continue their activities from another office in a different area in Egypt, but it failed especially after the invasion in 1956 (Brendon, 1991). The firm was able to reopen in 1960, and at that time, there were a lot of restrictions concerning conducting businesses in Egypt by foreign investors until liberalization policies were applied in 1974 which resulted in more freedom for companies (Gray, 1998). This led to more tourism companies investing in Egypt, and by 2013 there were 1192 travel agencies including Thomas Cook providing tourist services (Travel Agencies and Tourist Establishments Sector, 2015).

2.9 Conclusion

Tourism in Egypt existed before the nineteenth century due to its history including the ruined sites of different eras which attracted thousands of tourists. Tourism has always been an important industry to Egypt. The development of the Egyptian tourism industry in the nineteenth century is related to the development of the international tourism industry. The industry has witnessed prosperity since the 1870s due to packaged tours and the ease of travelling in the following decades. The main type of tourism in Egypt was cultural tourism in which tourists were interested in visiting the ruins of ancient Egypt and different eras and has remained the main type of tourism. Europeans formed the major number of tourists and

especially the British in the nineteenth century, and the Europeans still form the majority in the twenty first century. The government of any country has a major role in the development of its tourism sector. Tourism in Egypt was important to the governments in the nineteenth century and hence witnessed tremendous developments. Tourism development can be interrupted by different crises any country can face. Egypt has been subject to several crises which have affected its tourism industry over time. Tour operators have existed in Egypt since the mid nineteenth century. Thomas Cook and Son was one of the most popular and successful travel agencies that operated in Egypt and other countries. Thomas Cook and Son have had a positive effect on the Egyptian tourism industry and although subjects to several crises, by using different marketing strategies they were able to overcome the difficulties.

3. CRISIS AND TOURISM: A RELATIONSHIP

3.1. Introduction

This chapter discusses one of the main concepts in this research which is crises. Section 3.2 begins with a brief explanation of the different perspectives from which the word ‘crisis’ is defined and the interrelation between ‘crisis’ and ‘disaster’. This is followed by an explanation of the different risks that can cause a crisis. Section 3.3 focuses on the main and most widely known crises that have affected the tourism sector in different countries worldwide, together with an example of the type of crisis that occurred in Egypt and the reaction of the tourism officials or government in each crisis. A special focus is given to the main crises this thesis discusses and its impact worldwide, followed by its influence on Egypt and how the Egyptian government reacted. Section 3.4 provides a conclusion of the chapter.

3.2. Crisis Worldwide

Crises and disasters that companies are subject to are either external or internal. Examples of internal crises are the Johnson & Johnson Tylenol tampering in 1982, the Exxon oil spill near Alaska in 1989 (Pauly and Hutchison, 2005), and the bribery scandal of FIFA in choosing the world cup 2022 to be in Qatar (Jennings, 2016). Crises that institutions face externally are numerous, especially if the institution exists in a sector which is interrelated with other sectors and is subject to crises by national or international abnormal conditions like the tourism sector. As will be discussed below, these unusual conditions can be either economic (such as inflation and stagflation), financial, political (such as wars, military coups, and political instability), or natural (such as volcanoes, hurricanes, floods and earthquakes).

The complexity in phases of living, globalisation, and continuous economic changes have led to an increase in the number of crises and disasters that take place every day (Faulkner, 2001; B. W. Ritchie, 2004).

Faulkner (2001) has related the crisis and disasters that are taking place to the chaos theory. He built the first disaster management framework in the field of tourism (B. W. Ritchie, 2004). Faulkner (2001) claimed that the previous management theory, assumed that the internal and external environment were stable, and that changes that took place (if any), were made gradually and not suddenly, which is not the case of how things work in organisations or in the external environment.

According to the Chaos theory of Edward Lorenz, there is no stability in any system, even the systems that seem to be stable. These systems are ‘on the edge of chaos’ in which any event can lead to a serious change in the structure of the system itself (Faulkner, 2001). This does not mean that the change leads to a worse situation. Fink (1986) revealed that crises are not necessarily destructive for institutions, but can be an opportunity for the institution to be in a better situation in the future. An opportunity can be the need for creativity or innovations which enhance the organisation.

3.2.1. What is a Crisis?

Before talking about the crises that take place and affect the tourism industry, the definition of what is meant by crisis is explained and how it differs from the word ‘disaster’. There are many different definitions to the word crisis and disaster. Shrivastava (1993) revealed that the word crisis developed from the Greek word ‘krisis’ which means ‘a moment of decision’. These moments were considered vital as the consequences can totally change a whole situation. The term crisis was then used in the medical field to mean “the fatally dangerous health condition of an organism. The organism could not recover from this condition without permanent damage, external intervention and basic restructuring” (Shrivastava, 1993, p. 25). The term was eventually used in social sciences to reflect the

problems that take place economically, financially, politically...etc. These problems, which were referred to as 'crises', result in a core change in the system (Shrivastava, 1993).

Scott and others (2008) claimed that the Chinese word crisis (危機) means 'danger' and 'opportunity'. The opportunity can be the necessity of dealing with new markets due to crisis or disaster and discovering after a while that it is more profitable than the previous markets for (Scott, Laws, and Prideaux, 2008). Crises can have a positive effect on touristic destinations (Scott and Laws, 2006).

One of the most popular definitions is that of Falkner (2001). Falkner defined a crisis as *"a situation where the root cause of an event is, to some extent, self-inflicted through such problems as inept management structure and practices or a failure to adapt to change"* and a disaster as *"situations where an institution (or collection of enterprises in the case of a tourist destination) is confronted with sudden unpredictable catastrophic changes over which it has little control"* (Falkner, 2001, p.136). Falkner (2001) stated that the difference between crises and disasters is vague, and the main difference is the 'root cause' of what had led to the crisis or disaster.

The definition of crisis has another perspective in international tourism. One of the main reasons of the international tourism growth was the "development of mass commercial aviation in the late 1960s and early 1970s" (Hall, 2010, p. 402). This made it easier financially for people to afford to travel for business or for leisure and in much less time and effort. Therefore, the normal state would be to have large numbers travelling every year, and when the numbers of travellers decrease, this is considered a crisis. The UNWTO stated that if the increase in travelling is less than 2 per cent every year, then this is a crisis (Papatheodorou, Rosselló, and Xiao, 2010).

Because of globalisation and the interrelations between countries, a crisis in one place can greatly affect other places such as in the global financial crisis in 2008

or the Gulf War in 1991. Hall (2010) claimed that the effect of the global financial crisis in 2008 was drastic. International tourist arrivals decreased by 4 per cent according to the UNWTO (2010). Because the tourism industry is interdependent with other industries and countries, the effect of any event can be dramatic (B. W. Ritchie, 2004). It is not that the events which result in crises increased; it's this interdependence of the industries and the world that have emphasised these crises and their effects (Hall, 2010). Any tourism destination will face a crisis or disaster at some time (Speakman and Sharpley, 2012).

Institutions in the tourism sector or any sector that face a crisis, should be tolerant to change in order to overcome any crises (Boukas and Ziakas, 2014) This is because, when the organisations successfully recover from a crisis, it is most likely that the state they were in before the crisis will not exist, and rather, a new system will exist with new ways of operating (Scott et al., 2008). Scott et al (2008) argued that the crisis can change the network in which the sector works with the stakeholders to a better structure. They explained it by stating that “from this social network perspective, the tourism system is a network of organizations. The effect of a disaster or crisis is to place stress on these relationships. This stress is also systematic to the extent that the impact of a disaster on one organisation or destination may in turn lead to a knock-on effect on others” (Scott et al., 2008, p. 156).

3.2.2 Crisis Management

One of the main reasons for the academic emphasis given to crisis management were the events related to security in the Middle East and other places in the 1990s (Carlsen and Liburd, 2008). In addition to that, although crises and managing them is not a new subject, the framework of crisis management in tourism designed by Faulkner in 2001 increased the interest in the field (Speakman and Sharpley, 2012). Ritchie (2004) claimed that management of such crises can prevent or reduce the effect of the ‘outward chaos’ which can be caused between organisations or even industries, such as the crisis of security and tourism in the Arab Spring, the industries of agriculture and tourism as is the case in the Foot

and Mouth Outbreak in the UK, or the industries of environment and tourism like the Southeast Asian Haze in 1997.

The framework of Faulkner (2001) was generic and classified the phases that organisations go through from the pre-crisis phase until the long-term recovery phase. Classifying the stages which the crisis goes through can be considered beneficial in order to know which stage the crisis has reached and how to prevent it from going through to the next stage, or how to react currently and to know what to expect in the short term. However, Ritchie (2004) referred to the difficulty of specifying which stage the crisis or disaster is currently in due to the spread of the crisis differently in large areas or regions in the country and the fact that they are different in the stage they are going through. For example, the stages of political instability caused by the Revolution in Egypt in 2011 were different in different regions. Cairo and Alexandria were in the same stage where all the main protests took place, but it was different from the stage which Sharm Elsheikh and Hurghada were in where no protests were taking place and the security forces were heavily surrounding the tourist areas (Mohammad, Jones, Dawood, and Sayed, 2012).

The management of crises has been changing throughout the years from being reactive to being proactive (Shrivastava, 1993) which involves prevention or mitigation strategies respectively. According to Casson and Lopes (2013), prevention strategies are applied before a crisis occurs in order to prevent such crisis from taking place, while the mitigation strategies are implemented after a crisis occurs in order to minimize or eliminate the losses the institution faces from this crisis. In addition, the aim of the management itself changed. Previously, it was to return the organisation to the status it was in before the crisis took place, but now the aim is to restructure the organisation in order for it to be more sustainable and prevent the bad effects it can experience if the same crisis occurred again (Carlsen and Liburd, 2008). Hence, research in the field has experienced changes too. Researchers previously focused on how to make the organisation return to the normal state it was in before the crisis took place (Scott et al., 2008).

However, bearing in mind that a crisis can actually be an opportunity; the focus in current literature is how to be in a better position and structure than the pre-crisis position. Continuous changes are needed due to the increase in the types of crises and their effect on the tourism industry.

That is the reason Speakman and Sharpley (2012) observed that the systematic models and frameworks (like Faulkner's model and models created later) suffer limitations. They do not work on all kinds of crises, although they can still be beneficial when dealing with others. They highlighted that "crisis management models typically follow a logical, step-by-step format that is unable to embrace the complex and frequency chaotic characteristics of tourism crises and disasters which, by their very nature, often do not proceed as might be expected" (Speakman and Sharpley, 2012, p. 68). Ritchie (2004) stated that it was also claimed previously among other researchers that crisis management could not be solved using the system theory. The reason behind this is that crises and disasters can be chaotic. Speakman and Sharpley (2012) claimed the chaos theory is more appropriate for tourism crisis management. They revealed that systematic models are linear and involve a series of steps, which do not take into consideration the complexity, and the chaos of the crisis taking place. In addition, Boukas and Ziakas (2014) argued that "in the context of tourism crisis management, linear approaches are predominant overlooking the chaotic characteristics and transformations of the complex tourism system" ((Boukas and Ziakas, 2014, p. 191).

Scott et al (2008) presented a 'wider systems perspective' in which they took in consideration the complexity or chaos theory and at the same time, considered tourism as a social network. The alternative perspective of the systems theory would help in taking into consideration the system boundaries by acknowledging that the crisis affects all the members of the system differently and its effects can transfer outside the system (tourism sector in this case) through the organisational relationships with stakeholders (i.e. airlines, banks, ...etc.). Using this wider systems perspective can help companies put in pre-established plans which should

be flexible according to the type of crises they are facing. The cost of having or working on a plan, even if there would be changes, can be much less than the cost of losing customers by not visiting the planned destination (B. W. Ritchie, 2004).

3.3. Crisis and Tourism

Tourism is a very sensitive sector in which any circumstances, either local, or international can greatly affect it. This can be a result of its interdependent nature with other sectors in the same country, and the relation to the external world where tourists come from. There are a lot of elements that can influence tourism in any country, having a tremendous effect on that country's economy, especially the developing countries where in some of them, the tourism sector is considered as a main component to the country's development. Researchers have differed in their classifications of crises or disasters to which the tourism sector can be exposed. They can be divided to natural disasters and human-caused disasters (Faulkner, 2001; Sönmez, Apostolopoulos, and Tarlow, 1999). Others have had their different classification. An example of another classification with more expansion than just being natural or human-caused is the classification of Othman and Farag (2009) where they divided the effects between environmental, economic, political, terrorism, transportation accidents, and diseases and epidemics.

Having different classifications of risks that can lead to a crisis or disaster, the researcher has combined all the risks that any country can be exposed to, and which can affect the tourism sector in that country in different ways depending on the nature of the risk. These risks can differ in their consequences in a dramatic way, some of which can barely affect the tourism sector, and others which destroy the sector for a long period as will be shown in the discussion below.

Risks that can affect a tourism sector in any country can include the institutional systems risks, which, when they are inefficient, make the destination unattractive for tourists, the environmental risks which can be caused by the nature or by the people living in the area, economic risks especially with the existence of globalisation, cultural and racism risk, and political risks which can be the result of terrorist attacks (especially when targeting tourists), elections and protests, wars, conflicts between countries or groups in countries, and revolutions and military coups.

It is important to clarify that in this chapter the researcher discusses the crises or disasters on a national level where the risk of a crisis or disaster taking place is related to the country. Hence, the tourism sector operating in that country, being a sensitive and interrelated industry is affected. In the next chapters, the unit for analysis will be the institutions in the tourism sector as the study is applied to the Egyptian tourism sector and specifically to the Egyptian travel agencies representing the sector.

The following section will deal with each risk alone, by stating when this risk existed in Egypt, whether it affected the tourism sector, and what the response of the tourism sector and government was to the risks. In addition to this there would be a comparison with another country that has faced the same risk, how it affected its tourism industry, and the response of the country where it took place will be stated also.

3.3.1. Institutional Systems

The institutional system is crucial to all sectors in each country. The system in which every institution is organized and managed, and the laws controlling organizations and people, help different sectors to work in an effective way. A country that is facing problems with its institutional system, such as having a weak police system which cannot provide safety to people living or visiting the country, or having bad infrastructure which affects the roads and leads to accidents, will definitely face problems in different sectors. Being a very sensitive and

interdependent sector, tourism can be affected by the problems a country is facing in its institutional systems. The following are brief examples of problems in the institutional system that influenced the tourism sector:

3.3.1.1. *Transportation*

Facing a tourism crisis can occur due to transport accidents that occur in a place with subsequent effects on the lives of people. An example of a country that faced a tourism crisis due to transportation accidents was Brazil. In 2006, Brazil faced a dramatic accident when a Boeing 737 collided with an Embraer Legacy in mid-air in September 2006. The passengers and the crew of the Boeing 737 all died (BBC, 2011). In the same year, a radar system failed, which resulted in the cancellation and delay of many flights (CAPA, 2008). Subsequently, the air traffic controllers went on strike as they felt they were being put under great pressure, and as a result, 55 per cent of the flights were delayed (Costa, Lohmann, and Oliveira, 2010). This resulted in a tourism crisis as the tourism sector was greatly affected, especially North Brazil which faced a decrease of 35 per cent and over fifteen thousand employees were dismissed (Costa et al., 2010). The government dealt with this problem by hiring a new minister of defence (air traffic was controlled by military institution) who made several re-arrangements in the airports and airlines system (Brazil.News, 2007)

Referring to transport accidents in Egypt, one can claim that there would be an agreement from tourists and the citizens of Egypt that the roads and transport systems need to be improved. In his research concerning services quality and positioning in Egypt, Eraqi (2007) concluded that the weakest point that needed further concern was the poor-quality transport services that are related to tourism, such as the quality of the airport services and drivers' bad behaviour. The poor transport infrastructure in Egypt has heavily impacted on tourism revenues (Elshaer and Saad, 2017). This could be seen in the case of the Russian airplane which was brought down by terrorists in October 2015, which led to the death of 224 Russian tourists (SIS, 2016). The number of tourists dropped significantly due

to the advice against visiting Egypt issued by several countries (Elshaer and Saad, 2017).

3.3.1.2. Police System

A weak police system that cannot assure the safety of tourists can be considered a massive risk to the tourism sector. This is the case in Haiti. The tourism sector is greatly affected by the weak and useless (as some perceive) police system in Haiti (OSAC, 2016).

The police forces in Haiti are ranked by some organisations as the most corrupt in the world, and Haiti itself was ranked as the fourth most corrupt country in the world in 2008 by Transparency International's Corruption Perception Index (Pike, 2016).

The presence of crimes such as rape, thefts, carjacking, and different criminal activities certainly would not attract visitors to the country, as safety is a concern in general for tourists. If a destination has a negative image and is perceived to be insecure, tourists will easily choose another destination that offers the same product they are seeking (Baker, 2014). The USA warned its citizens against visiting Haiti unless absolutely necessary, and warned about 'armed robberies' and described the security conditions in the country as follows: "Haitian authorities' ability to respond to emergencies is limited and in some areas non-existent" (travel.state.gov, 2016).

Beginning on 28th January 2011, during the Egyptian Revolution, the police system withdrew its services, thus rendering the country unsafe for both citizens and tourists. Other countries began to warn their citizens not to visit Egypt and those who already lived in the country were told not to leave the places they lived in unless they knew they could move safely. The protesters flooding the streets mainly in Cairo and Alexandria, had outnumbered the riot police who caved in (Rodenbeck, 2011).

As a result, tourism was affected. The military stepped in to maintain order and troops were detailed to provide a visible presence on the streets, both to reassure the population and guard prisons and other government institutions (Albrecht and Bishara, 2011).

3.3.2 - Environmental Risk

The environment of any country can be either an advantage or a disadvantage to its tourism sector. Having good weather or natural landscapes can attract tourists, while being subject to natural disasters could be a threat which might discourage tourists from visiting a specific site. Environmental risks can be natural, such as floods, hurricanes and volcanoes, or can be human orchestrated such as air pollution, water pollution and nuclear problems (De Sausmarez, 2004).

3.3.2.1 Natural Environmental Risks

Concerning environmental risks, Egypt has not been exposed to many natural disasters that have affected tourism to a great degree. The most well-known disasters which occurred were, an earthquake in 1992, resulting in the death of 552 people and affecting more than 92 thousand, and a flood in 1994 which resulted in the death of 600 and affected 160,660 people (as recorded by The Cabinet Information and Division Support Centre in Egypt). Both incidents are not considered to have affected the tourist industry.

However, in 2010 Egypt's main beach resort –Sharm Elsheikh- was subject to shark attacks which resulted in one tourist being killed and four others injured. According to the Federation of Russian Tourism Industry, Russian tourism to Egypt dropped by 20 per cent (Farouk, 2010). The government has compensated those injured, closed the beaches and banned swimming in any area deemed unsafe. Foreign marine biologists and other experts were invited to find out the result of such attacks (BBC 2010). Afterwards, the beaches were open again and tourism in these places was back to normal until the protestations at the beginning of the following year, ended in the Egyptian revolution, 25th of January 2011.

Thailand and other countries in South Asia also examined a disaster that destroyed their tourism sector. A 2004 tsunami which hit the coastal resorts in 14 countries led to the death of 270,000 people, and injured 500,000 people and disturbed the life of nearly 5 million people according to the World Health Organization in 2005 (as cited by Henderson, 2007, p.233). On Thailand, where 5000 people were killed, almost half of them being tourists, together with Sri Lanka and the Maldives were exposed to the most severe damage in their tourism infrastructure and had their local settlements also destroyed. Flights to Phuket - Thailand's second international gateway- saw an 85 per cent decrease in international tourist arrivals (Henderson, 2007).

The government's response included providing emergency financial aid, exempting companies and agencies from taxes, and giving compensation loans. By the start of the year 2008, it was reported that tourism in Thailand had recovered (Szep, 2009).

3.3.2.2 Epidemics

Diseases have always existed in Egypt and sometimes they turn into a disaster. Swine flu in 2007 and bird flu in 2004 were the most recent diseases that spread in Egypt. Flu epidemic Egypt was one of the twelve most severely infected countries out of three continents, Europe, Asia and Africa. (Kuo, Chang, Huang, Chen, and McAleer, 2008). However, very little information can be given regarding the effect of this on tourism in Egypt compared with different Asian countries where a comparison would not make sense due to the huge difference in the spread of the disease and its effect on the country in general, and the tourism sector in particular.

3.3.2.3 By-human Environmental Risk

Environmental risks to the tourism sector can be a result of human actions. Examples of such risks can include water pollution, air pollution and nuclear radiation. The Fukushima nuclear crisis in Japan in 2011 is considered the world's worst nuclear crisis since the Chernobyl crisis in 1986 (WTTC, 2012c). The

nuclear crisis was caused by the Tohoku earthquake and tsunami in March 2011. The Japanese authorities announced the accident as a ‘major accident’ which reached 7 on the International Nuclear Event Scale previously (only Chernobyl had reached this level) and people living near the nuclear plant were evacuated for their safety as the level of nuclear radiation increased (Aldrich, 2012). The tourism sector was affected as foreign tourists did not use Japan as a tourist destination at that time, and the Japanese residents decreased their leisure trips both in Japan itself and to other countries (WTTC, 2012b).

The government of Japan quickly reacted to the crisis and closed most of the nuclear plants in order to make further safety tests and only 6 out of 54 were in use by December 2011 (Aldrich, 2012). The tourism sector also tried to recover by taking several actions such as holding a Tourism Crisis Management Conference in March 2012 in Naha, the Okinawa capital in Japan, opening the World Tourism Summit which was to be held in Tokyo, in Sendai which was impacted severely by the disaster of the Fukushima and earlier accidents (Beirman, 2012). A beach near Fukushima was reopened in July 2012 after being closed for more than a year due to high radiation levels in sea water following the crisis (cbsnews, 2012).

3.3.3 Culture and Racism

Racism can be defined as “the belief that all members of each race possess characteristics, abilities, or qualities specific to that race, especially so as to distinguish it as inferior or superior to another race or races” (Oxford.Dictionaries, 2012). The existence of racism in a country to a certain type of people according to their colour, religion, or culture can affect the country’s tourism sector and can be considered as a great risk.

Australia has faced the risk of racism after the 11th of September attacks in 2001. Muslims, Arabs and Australians coming from a Muslim or Arab background were discriminated against as mosques, school buses and schools the children attended were subject to attacks of petrol bombs and stones (R. Phillips, 2001). They were

abused and attacked everywhere; in streets and public places, at schools, in the media, at workplaces and at shops (Poynting and Noble, 2004). A study in 2003 conducted by the University of New South Wales concluded that one in every eight Australian interviewees had intolerance towards Muslim Australians although the majority of them had never dealt with a Muslim Australian (Hassan, 2005). Muslim Australians and Arabs acknowledged this fact and this affected them in a negative way and affected their perceptions of identity and self-confidence (Mansouri and Trembath, 2005). This presented a challenge to the tourism sector in Australia. Tourism statistics of Australians visiting several Arab countries decreased in 2002 compared with 2001 such as Lebanon, Bahrain, and Iraq. Also, tourism to Australia from other Arab countries showed a decrease in 2002 and 2003 respectively including Morocco, Tunisia, Kuwait, Jordan, Egypt and Saudi Arabia. The numbers of tourists from Algeria decreased in 2002, 2003 and 2004 respectively (WTO, 2012b). The Australian government took several steps to minimise violence against the Arabs especially the Muslims, through 'Living in Harmony' initiative. The project included was called: 'Towards a Better Understanding of Islam and the Muslim Community in Australia' with the Australian Federation of Islamic Councils in 2002. Furthermore, in 2004, a 'Constructing a multi-faith network' was developed and more interaction with the Islamic Council and other governmental bodies was facilitated and encouraged (J. Phillips, 2007).

3.3.4. Economic Risks

The economic risks that countries are exposed to are numerous and can affect their tourism sector which is interrelated with many other sectors in the economy. The global financial crisis of 2008 can be considered as the most recent economic crisis that not only affected tourism in Egypt and other countries, but has affected nearly all the sectors in most countries especially the most developed countries where the crisis began in the first place. Because nearly all literature about marketing during crises is applied to the global financial crisis (as can be seen in tables 4-1 and 4-3 in section 4.4), special focus will be given to this kind of risk, as the results of this study will be compared later to the results obtained from the research applied to

the financial crisis. First, there will be an explanation of how this crisis emerged, how it affected countries and regions around the world, how it affected Egypt, and eventually its impact on the tourism sector internationally in general and on the Egyptian tourism sector in particular.

Economists and researchers have a different view about when this crisis emerged. In their reports or researches where they refer to the crisis, some will name it according to the time when the effects of this crisis had already taken place, as the 2008 banking crisis such as (Butnaru and Ion, 2012; Casson and Lopes, 2013), while others refer to it as the crisis of 2007, depending on the time this crisis was starting such as (Neaime, 2012; Papatheodorou et al., 2010).

3.3.4.1. How did the crisis emerge?

The emergence of such crisis is claimed to have started with the sub-prime crisis where mortgage companies offered homes to be owned and paid for by affordable payments due each month, with a low rate of interest- rising with time- over a long-time period (Neaiame, 2012). This increased the numbers of those who were in need of homes and who started dealing with such companies, and even the speculators who believed that it was profitable to buy a home in this way although the prices of the houses were high. The payments were to be paid to banks. What occurred was that the borrowers after a period of time borrowers were unable to pay their loans to the banks, and banks suffered from the lack of liquidity and faced problems in financing the projects they were working on and some banks and mortgage companies went to bankrupt (Alexander, 2010). Other banks were affected especially after those who lost confidence in the banking system withdrew their savings in order not to lose them. A disturbance in the international banking and finance system prevailed due to the inevitable connection between banks and financial companies around the world. Then an increase in the price of food, raw materials, and energy resulted (Butnaru and Ion, 2012; J. Ritchie et al., 2010).

The effect of the crisis

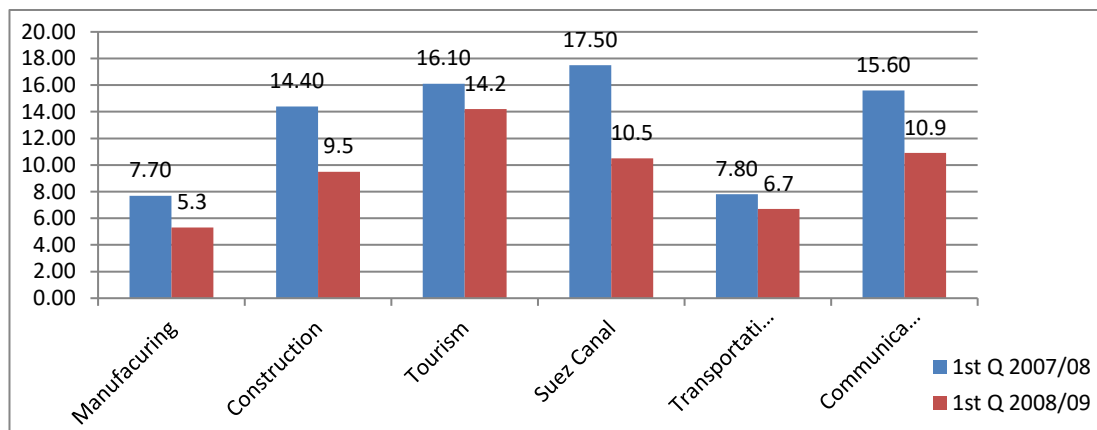
This crisis was described as the most severe crisis since the Great Depression in 1929, and was referred to as ‘the credit tsunami’ (Neaime, 2012; Quelch and Jocz, 2009; J. Ritchie, Amaya Molinar, and Frechtling, 2010; Smeral, 2010). This is because of the negative impact this crisis had on the economy of the whole world. The crisis led to an increase of companies going out of business, which resulted in the increasing unemployment after thousands had to leave their jobs either because the place they work can in no longer continue its business, or has less work to do that requires a smaller number of employees so lays off the employees, resulting in employees being paid off. 61 million people were left unemployed (ILO, 2009) as cited by (Alexander, 2010, p. 118). Appendix C shows the Stock market capitalization in MENA (Middle East and North Africa) countries including Egypt 2005-2010 and how they were affected by the global crisis.

Examining the effect of the financial crises on Egypt, which has already been partly referred to regarding the effect on the MENA countries and Arab countries Egypt being included in both classifications, it can be noticed that Egypt was affected by the financial crisis as it has been open to global markets and has been embracing liberalization policies since 1974. The government has adopted several agreements and strategies in order to encourage the flow of foreign direct investment. Egypt experienced a significant drop in its stock market ratios which reached 63 per cent in 2009 compared with what it had achieved in the mid-2008. (Brach and Loewe, 2010). It has also been subject to a decrease of 25 per cent in the earnings of the Suez Canal alone, as a result of the decrease in international trade since the crisis, which is equivalent to nearly one percent of its GDP and about the same percentage decrease of the remittances that it receives (Brach and Loewe, 2010). Neaime (2012) described what Egypt had faced with three other countries as “a four-edged sword, i.e. plunging asset prices, higher cost of capital, a slowdown in capital inflows, and a decrease in exports” (p.269). In a survey done by the Egyptian Centre for Economic Studies, the results they achieved from 474 large companies in different sectors in Egypt covering the period of the second half of the year 2008, they concluded that 50 per cent stated that they witnessed a decrease in the economic growth, 62 per cent reported lowered or stable domestic

sales, 40 per cent had lower international sales, and 37 per cent claimed that they faced higher prices (Business Barometer, Jan 2009).

Figure 3-1 shows the changes that occurred in the GDP real growth rates of key sectors in Egypt in the beginning of 2008/2009 compared to the same period in the previous year. It is clear from the figure that there is a negative growth in the key sectors' contribution to Egypt's GDP which reflects the condition of the economy during the crisis.

Figure 3-1 The impact of the financial crisis on different sectors in Egypt in 2008/2009



Source: The Egyptian Center for Economic Studies- Ministry of State for Economic Development (2010).

As can be seen from figure 3-1, the global financial crisis had a negative effect on all the main sectors in Egypt. The greatest effect was experienced by the Suez Canal, which is considered as the main contributor to Egypt's GDP. This would be expected as the financial crisis led to problems in trading which directly affected the Suez Canal. There can also be a logical link between all the other industries of manufacturing, construction, transportation, and communications and the financial crisis. The effect on the tourism sector, although not as bad as that of the Suez Canal, was still important and expected. This is because Egypt receives millions every year Europeans visiting the country along with Russians who form the majority, and from the USA and other countries (per the WTO statistics, 2016). The potential tourists who had lost their jobs, or were at a risk of

losing their jobs, would be economically careful on how they spent their money and would choose to focus on the necessities (Quelch and Jocz, 2009) as is discussed in the next chapter. The effect of the global financial crisis on Egyptian tourism is discussed in more details below.

The crisis had its impact on the international tourism. It was clear that tourism worldwide was affected as a result of the financial crisis. The tourist arrivals witnessed a negative growth in fifteen sequential months- starting in August 2008 until October 2009 (WTO, 2012b). Several hotels and companies related to the tourism sector were directly or indirectly affected by the crisis. Thousands of employees in these companies either lost their job or had their wages decreased as a result of the company decreasing its activities. Table 3-1 below shows the effect of the global crisis on international tourism.

Table 3-1 The effect of the global financial crisis on tourism internationally

Year	95	96	97	98	99	00	01	02	03	04
International Tourist Arrivals (in millions)	527	561	587	602	625	674	675	696	692	704
Year	05	06	07	08	09	10	11	12	13	14
International Tourist Arrivals (in millions)	809	854	910	928	891	949	997	1038	1087	1137

Source: UNWTO Annual report 2014

It is clear from the table that there was an annual positive growth in the numbers of international tourists from the year 1995 until the year 2014 except for two years. The first decrease in the international tourists' arrivals was in the year 2003. This was a result of the severe acute respiratory syndrome (SARS) outbreak in February 2003 starting in China, and spreading to other countries in Asia, including Singapore and Hong Kong (Wilder-Smith, 2006). The second decrease, which was much more severe, was a result of the global financial crisis in 2008,

which affected the tourism industry massively in 2009 as discussed above and shown in the table.

On examining how far the Egyptian tourism sector was influenced by negative events, studies which have been applied to Egypt in order to assess the effect of the crises, show a clear effect on both tourism and all the sectors which depended on it, or interacted with it. The effect on the tourism industry can be reflected by Egypt's income from tourism which decreased with an amount ranging from 10 per cent to 15 per cent in the first two quarters (from January to June) in 2009 and 10 per cent in the period from October to December 2009 compared with the income in the previous year 2008 (Abdo, 2009). Furthermore, the statistics from the Ministry of Tourism showed a decrease in 9 respective months (from October 2008 to June 2009). Moreover, Egypt has claimed in December 2008 that the tourists' bookings for 2009 have decreased by 15 per cent (Othman and Farag, 2009). This is because the tourists' behaviour changes in crisis, and they tend to cancel, postpone or change the destination of their trips as some of them are either laid off, receive a lower salary, or are not sure what will happen in the future concerning their job. This has caused the hotels and companies that rely on the tourism sector to have less work to do and consequently, they lay off employees and lowered the wages of others. Egypt was the country most affected by the decisions of the tourists, because tourism in Egypt depends mainly on the tourists coming from abroad, especially tourists from Europe. This was reflected in the instability in the hotel occupancy rates in Egypt.

3.3.5. Political Risks

Political risks are one of the most powerful risks that can affect tourism. Their effects are clearly visible either the country as a whole or in specific regions. Political risks can include wars - either in the host country or the tourists' country, conflicts between countries, military coups and revolutions, elections and protests.

3.3.5.1. Terrorism

Terrorism has proven to have affected tourism in several countries, regardless the country's status as a developed country or a developing one; it has had a devastating effect on countries since the terrorist attacks began to occur (Aziz, 1995; Blake and Sinclair, 2003; Chan, Hui, and Yuen, 1999; Pizam and Fleischer, 2002; Rittichainuwat and Chakraborty, 2009). Terrorism has increased at a rapid pace internationally since the late 1960s (Sönmez et al., 1999).

Egypt was subject to several terrorism attacks, and the tourism industry was affected in each attack, but in varying degrees. The most infamous and deadliest incidents were the hijacking of an Egyptian plane heading to Egypt from Athens in 1985, and the Luxor massacre in 1997. Both destroyed the Egyptian tourism sector severely, as tourists began cancelling their trips to Egypt concerned about their safety (Euromonitor, 2012a). The tourism sector along with the government had to deal with the reactions instantly. Sonmez and others have described the way Egypt reacted to these attacks; they stated that Egypt increased its security, embraced aggressive marketing and promotion strategies, and made its police system carry out new preventative and proactive measures. The statistics of the Ministry of Economic Development show that these precautions have led to a success in overcoming the negative image and consequences that had occurred.

Similarly, there are other countries that had their tourism destroyed for a period of time due to the terrorist attacks. The September 11 attacks in the USA were an example. The annual growth rates of domestic and international passenger enplanements at US airports in September 2001 decreased by 34 per cent for the domestic and 23 per cent for international travel, compared with the previous 12 months (Blake and Sinclair, 2003). Thus, the American government in response adopted security measures, law enforcement activity, and disaster relief. They claimed that by June 2002, some recovery had taken place.

Another case was the Bali bombings of October 2002 in Indonesia. These attacks resulted in a severe downturn in the Indonesian travel and tourism industry which

in turn affected the island's economy in a significant way (B. W. Ritchie, 2004). Hitchcock and Putra (2005; p67) claimed that "international arrivals as measured by immigrations at Ngurah Rai airport declined sharply in 2003, and were running at less than half those of the previous two years". The response was similar to that of Egypt and the USA, as there were new police plans set to assure the safety of tourists. Hotels were in turn run by the police. Also, joint prayers were held in order to avoid the disruption of the inter-communal relations especially since the Indonesian police had realized that the terrorists responsible for the attacks were Muslims.

3.3.5.2. Wars

Egypt's tourism sector was affected tremendously by the Gulf War in 1991 when Iraq invaded Kuwait. Egypt's military forces were one of the leading contributors along with the USA (the leader) to defend Kuwait against the invasion. A lot of countries had warned their people not to go to the Middle East countries for tourism, the insurance for the airports increased, prices for energy increased, and the prices of the tickets increased as a result and people did not feel secure (Elzawawy, 2010).

The tourism share to Egypt's gross domestic product according to governmental statistics reported a severe decrease in the year 1990/1991 compared with its share in the previous year (MOED, 2008).

Any research that has mentioned the Gulf War and tourism has pointed to the fact that the tourism industries in many countries were affected including Egypt. For example, Pizam and Fleischer (2002, p.338) noted, "this event was a regional war rather than a terrorist event". The reason behind this description was the fact that this war affected tourism around the world and the tourism industry in the Middle East the most (Hollier, 1991). Studies referring to the status of Egyptian tourism after the war ended claimed that Egypt had quickly recovered from the negative impact it had experienced during the war. A study analysing the growth in tourist arrivals in four major countries in the Middle East (Egypt, Israel, Jordan, and

Syria) from six regions of the world (Africa, Americas, eastern Asia, Europe, southern Asia, and western Asia) from the period (1988 to 1992) which indicates the inclusion of the Gulf War, had reached the fact that “of the four countries studied, only Egypt had actual growth beyond its ‘market share’” (Alavi and Yasin, 2000, p. 151). The researchers adopted the view that the reason for this result was attributed to the comprehensive and intensive marketing and promotional strategies adopted by Egypt. Another study conducted, assured that after the Gulf War in 1991 ended, the industry of tourism in Egypt witnessed a great recovery, and that “the Egyptian ministry of tourism regarded 1992 as a peak year for the tourism industry” (Aziz, 1995, p. 92).

Comparing the effect on the Egyptian tourism sector with another country (the USA) that was open to the same risk ‘the Gulf War’, and that was also a contributor in defending Kuwait, with Egypt -having been affected also by this war- we would find that, the American tourism sector was also affected as tourism agencies claimed that vacations were being cancelled, or by tourists changing overseas travel plans. Tourists planned their vacations closer to home, transport would be cheaper and it would also be safe. Goodrich (1991) argues that during the Gulf War, many state and local tourism organizations pursued new and aggressive marketing strategies to attract tourists to their destinations. Those tourists were from Japan, Europe, and the Americans themselves. Also, security had been tightened in American airports and hotels to ensure the safety of the travellers. Pricing policies were also adopted to reduce the price of tourism products and services. All these strategies helped in the recovery of the tourism industry in the USA.

3.3.5.3 Conflicts

When a conflict exists between two countries, it is expected that the residents from both countries will not want to visit each other’s country for tourism, either because of safety or political concerns. For example, the USA had announced that it would no longer provide the UNESCO with the money it used to contribute as a response to give Palestine full membership in October 2011 (Donnison, 2011).

Palestinians would feel that they were let down by the USA and in turn, rarely would Palestinians choose to visit the USA. And vice versa, the Americans would not consider visiting Palestine because of concern for obtaining safety, as they are from the country that is trying to prevent the Palestinians from their rights.

Another example is the political situation between Malaysia and Israel. According to the belief of the Malaysian Government there is no country called Israel, and it refuses to acknowledge the existence of the country. Malaysian passport holders are allowed to travel to any country except Israel. So, there will never be Malaysian tourists in Israel, nor will any Israeli go to Malaysia as a tourist, except for religion tourism. Malaysians' passports include the following sentence: *"This passport is valid for all countries except Israel"* (Yegar, 2006).

3.3.5.4 Elections and Protests

During elections in a country, either presidential or parliamentary, instability or a higher risk of security problems arise, especially in the developing countries. Facing problems during elections or having on-going protests can represent a risk to the tourism sector. An example of elections that had a very bad effect on the tourism sector was the presidential elections in Cote d'Ivoire in November 2010, especially after announcing the results of the elections and problem continued until April 2011. A conflict and disagreement about the results of the elections between the two competitors in the presidential elections, Alassane Ouattara and Laurent Gbagbo, and their supporters ended with the arrest of Gbagdo in April 2011 (Mbeki, 2011).

The parliamentary elections of 2010 in an Egypt is example of great risk to tourism especially, since it involved the abuse of human rights which has a negative effect on tourism to the country due to the negative image it displays (Rossi, 2012). The harassment and abuse of the humans' rights who were not supporting the regime and who were calling for change, increased like never before (Lesch, 2011; Rodenbeck, 2010).

Hundreds of well-known Muslim brothers were arrested and jailed in 2009 in order to hinder them from participating in the elections of 2010. It was not difficult to find accusations against them before and during any elections. Because the Muslim brotherhood were the only real opposition group with power, a lot of those against the regime would vote for them. Also the torture they were exposed to, raised the sympathy of the people (Joya, 2011).

It looked as if the whole process was in the hands of the Minister of Interior Affairs, who controlled it through his police officers and forces in order to prevent any competition with the NDP candidates. There was a great dependency on the police power to deter any protest. To make it even worse, the plainclothes security personnel would joined in any event that needed suppressing so that they could have an easy access to the place, make chaos, and also, not to be held accountable for the crimes they commit (Rodenbeck, 2011).

Criticism increased drastically in proportion to the violence that took place against the opposing parties, who decided to boycott the second round. In response to this criticism, the government closed nineteen television channels, controlled the news in the newspapers, and if any journalists refused to stand with the corrupted regime, they would be jailed and tortured. Even the guests in the TV programs such as the talk shows were regulated and the owners of the channels had to have approval for whom they invite to talk, or their channels would be subject to closure. One of the most obvious tools used for the suppression was the prevalence of the plainclothes Secret Security Intelligence (SSI) officers applying the harassment to any opposing party or supporters. The National Democracy Party (NDP) won ninety-seven per cent of the seats in the People's Assembly in 2010 and this election was described by Lesch (2011, p.46) to have made the people in Egypt "pushed to the brink". It was also an indicator of how the presidential elections will go in the following year, and increased the frustration among the youth who hoped for a democratic country to live in. The elections, and what had taken place during them, were a main cause of the Egyptian Revolution in 2011 as will be explained in the next section.

3.3.5.5 Military Coups and Revolutions

Military coups and revolutions can be a risk to the tourism sector as they are accompanied with instability and insecurity. They can also have long term effects that can take years to recover. Cote D'Ivoire as an example has experienced a military coup in 1999, which greatly affected the country and has been facing social and economic problems since that year and to the present day (WTO, 2012a). In 1997, Cote D'Ivoire reported the highest percentage of international tourist receipts in Africa, which equalled 17 per cent (Iain T and Doreen E, 2001). This reflects that the country was a tourist destination before the military coup in 1999 and indicates the effect coups can have on a country particularly if it is not strong enough to rebuild its institutions and end the internal conflicts. The country planned for further improvements in its tourism sector in addition to other sectors starting from 2012 (WTO, 2012a) in order to improve the efficiency of all the sectors after the long period of instability in the country's economic, political and social position.

The Egyptian Revolution in 2011

Egypt has witnessed three revolutions in its modern history; the 1919 revolution, which was against the British occupation, the 1952 revolution which started with a military coup by officers in the Egyptian army, and the last revolution which took place in January 2011 against the president at that time; Hosni Mubarak. This research takes the revolution in 2011 as the main event for the study. Before stating how the political instability caused by this revolution has affected tourism, it is considered beneficial to clarify the political status of the country and the reasons why this revolution took place. Rodenbeck (2011) copied what a young doctor had described the situation in Egypt as follows:

“We pretend to work, and they pretend to pay us. We pretend to praise our leaders, and they pretend to represent us. We pretend to obey laws, and they pretend to apply them.”

So, when and how did the revolution start?

The Egyptian revolution took place after the Tunisian Revolution, which resulted in the ousting of the Tunisian president Zain El-Din Bin Ali. The revolution in Egypt began with demonstrations on the 25th of January (the police national day) 2011 by groups of young people protesting against the bad conditions the country was experiencing, especially the economic and social conditions mentioned above, and depose the corrupted regime of the country. One of the reasons for choosing the police national day was opposition to police brutality and the abuse of human rights by the police forces.

Sharrock and others (2011) claimed that the uprising was unexpected by the West and by the Egyptians who were mostly corrupt at that time and had formed the elite, and described the uprising as a 'shock' to them. Other researchers see that it was apparent that something was going to take place according to the situation in the country before the protests. Joya (2011) stated that "warning signs of a social upheaval were everywhere" and noted that in January 2011, before the uprising, the IMF had commented on the situation in Egypt that more social help should be offered, given the increase in the food prices, the increase in unemployment, and what was taking place in Tunisia. In addition to that, before the protests even took place, Rodenbeck (2010) argued that the prevailing tension and anger that was growing in Egypt in 2010 (before the uprising) was the same as the conditions before the revolution in 1952, because of corruption and injustice. Rodenbeck anticipated a great change to take place in Egypt, based on how Egyptians from the middle and lower class were feeling and the bad living conditions they were experiencing. This anticipation was discussed under a subtitle; "Change is bound to come, but when?"

Browsers (2009) claimed that the motivation for change had started after Kifaya - which was founded in 2004 and was considered to be the second largest opposition group to the regime after the Muslim Brotherhood -, had led the largest protests (until that date) against the regime, in February 2005. Kifaya means 'enough' in the Arabic language which reflected what the group was trying to say to the regime

(Browsers, 2009). Kifaya was the first opposing movement to call for change of the regime (Lesch, 2011).

The main places where the protests took place were Cairo, Alexandria, Ismalia, Luxor, Aswan, and the Suez (El wakil and Sarant, 2011, as cited in Joya, 2011). The protests were non-violent and had reached millions of protesters by the 28th of January (three days since the beginning of the protests), who came from different social and religious backgrounds. One of the main demands was getting rid of the minister of interior affairs Habib Aladly who was responsible for all the crimes that were continuously taking place in the police stations, the jails, the elections, and in the streets, by his men (Rodenbeck, 2011). The security forces fought the protesters back, although their protests were peaceful. It was mainly civil-resistance which was not permitted at that time in Egypt as even protests including more than five people were criminalised (Joya, 2011). The protesters did not intend to start a revolution; they were just protesting to live in better conditions and were calling for 'Bread, Freedom, and Social justice' (Rodenbeck, 2011). However, the power used to repress these protests by the police and the increasing number of deaths and injured people announced by the media, was the main reason for the demonstrations to continue. The numbers of protesters reached millions instead of the predicted hundred or hundreds as was always the case when the opposing groups called for protest (Lesch, 2011). Egyptians from all different ages and backgrounds regardless of their economic situation felt free from the fear they were living in continuously (Makara, 2013) and from the regime with its security forces. They were encouraged to participate and increased the level of their demands to ask for an end of the whole regime and the ousting of Hosni Mubarak and a transition to a civilian rule (Joya, 2011). The revolutionary uprising lasted for eighteen days of protest in which the clashes between the protesters who were peaceful and shouting '*Silmiya, Silmiya*' (which means Peaceful, Peaceful in the Arabic Language) did not last for long as the protesters had outnumbered the riot forces. Police personnel were ordered by the minister of interior affairs, Habib Al-adly to withdraw from their positions in order to cause chaos in the country to fulfil what Mubarak had promised before when he

commented on the protests against his regime by saying: “*me or the chaos*”. In addition, communication by internet and phone were disconnected to prevent, or at least minimise, the spread of information about what was taking place in Tahrir Square and the other main places of protestation. Ahmed Nazif was convicted of cutting off communication during the revolution as he was the minister of communications at that time.

Although the regime was successful in repressing protests or strikes taking place by the opposing groups, in January 2011, the whole regime failed to quell the protests. There are many different reasons mentioned as to why they failed, documented by several researchers (Rodenbeck, 2010). The main reason for the revolution’s success was the fact that the military had chosen not to stand with the regime and stood with the protesters and this is what Makara (2013, p.339) calls ‘military defection’. Makara defined military defection as the refusal to repress massive uprisings against the regime. Makara stated that “This minimal definition includes instances in which the armed forces simply refuse to fire on demonstrators, as well as cases in which they take power for themselves or fight alongside an armed opposition to the regime” (Makara, 2013, p. 339). In this research, the first case is what took place. Makara stated that the Arab countries which are all described as being authoritarian had been adopting “three coup-proof strategies: building parallel security institutions, distributing material incentives, and exploiting communal ties” (Makara, 2013, p. 335). These strategies can be effective when the situation is stable in the country, but the case is different when the regime is facing massive uprisings. While the first two strategies form intra-security apparatus, the military defection taking place or not depends on the third strategy; the communal ties. Makara argued that there are three types of communal ties; ‘a-communal’ in which there are no privileged group in the process of ‘staffing’ the military personnel. The second group is ‘communal’ which is opposite to the a-communal, in which a privileged group is chosen when staffing the most important positions. The third group is the ‘partial communal’, where part of the personnel is recruited to the most important positions in the military and security apparatus. During an uprising, in the first case, a defection will be as

what happened in the case of Egypt and Tunisia. In contrast, in the second case, the security apparatus will stay loyal and suppress the protests as their existence depends on maintaining the regime as is the case of Syria and Bahrain. In the third case, a division can take place as part will be loyal to the regime, and the other part will defect as in the case of Yemen and Libya (Makara, 2013).

The effect of the revolution and the period of political instability following on tourism

Given such grievous circumstances, it is only to be expected that the tourist industry would be greatly affected. That a brutal regime would sanction the killing of 846 protesters and the injury of almost 60000 would surely make any prospective tourist have second thoughts about a holiday in such a country (SIS, 2011).

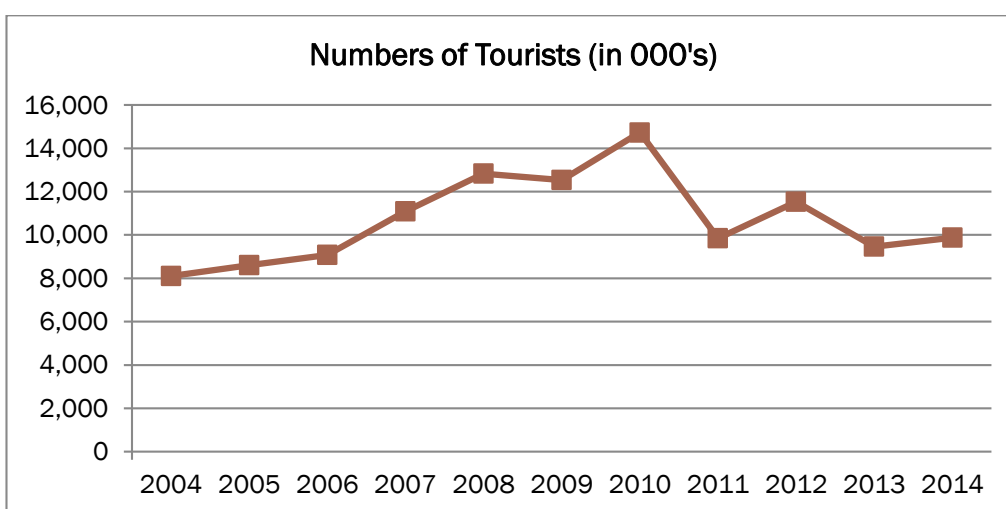
As a direct effect on tourism of the revolution, around one million tourists were sent back to their countries during these 18 days, as they were all advised to contact their embassies in Egypt to arrange departure from the country for their safety and many trips planned in the following months were cancelled (Mohammad et al., 2012). In 2011 in general, the international tourists' arrivals and revenues decreased by 33 and 26 per cent respectively compared to the year 2010 (Weigert, 2012). Most people working in hotels were laid off because of the sharp decrease in occupancy rates (Mohammad et al., 2012). One of the main causes of reduced tourism after the revolution ended, was the fear of the Islamists taking hold of the country, which would pose a threat to tourists. The western media played a great role in this perception although "scholars have concluded that religion, is neither the chicken nor the egg when it comes to creating terrorists" (Weigert, 2012, p. 60).

Mansfeld and Winckler (2015) described the Arab Spring crises on tourism as 'unique'. The reasons are; firstly, the aftermath of the revolutions or riots had lasted for a long time and still exist in some countries such as Libya and Syria, while the crises that took place in the years before the Arab Spring such as terrorist

attacks, were short lived and the industry usually recovered quickly. Secondly, political instability is caused which makes the image of the country less desirable as a tourist destination. Thirdly, there was usually financial aid provided to help the industry get back on its feet after each crisis, but in this case, there was a lack of aid. The country itself was facing financial difficulties and aid from other countries which had helped in previous crises (notably the USA) in this case was not forthcoming (Mansfeld and Winckler, 2015). Mohammed et al (2012) argued that the effect was different on different tourist destinations in the country. Cairo is considered as one of the most important tourist destinations in the country and had been severely affected by the events of the uprising, especially in light of the location of the Egyptian Museum at the edge of Tahrir Square where protests took place. During the 18 days of the revolution, Cairo declared as a ‘war zone’.

The effect of the revolution on the Egyptian tourism sector was much greater than the impact of the global crisis that had affected the sector in 2009. As can be seen from figure 3-2, tourism statistics had improved in 2010 as a recovery from the financial crisis, but decreased sharply in 2011 and 2013 as a reflection of the conditions Egypt was undergoing due to the revolution.

Figure 3-2 Tourist arrivals to Egypt from 2004-2014



Source: World Tourism Organization (2016), Compendium of Tourism Statistics dataset [Electronic], UNWTO, Madrid.

The graph reflects how harsh the effects of the revolution and the incidents following mostly in 2011 and 2013 as shown in the previous table 3-1 (p.52). The year 2013 was even worse than the year of the revolution 2011 and was described by the minister of tourism -at that time, Hisham Zaazou as "worst year in modern history" (Kingsley, 2014). The year 2012 also had included protests and violent clashes. Therefore, stability had not yet taken place. Also, some researchers have claimed that the increase in the arrival of tourists in 2012 has cost more than was gained, in the form of tourist revenues due to the vast amount of money paid by the government to attract Arab tourists to visit the country and all the other activities related to promoting tourism to the country.

The country had experienced an unstable period as it witnessed many events which led to the killing and injury of hundreds. The deadliest events are the revolution to get rid of the corrupt regime of Hosni Mubarak and the Raba'a massacre which was executed by the Egyptian army and police forces against people who were protesting about the ousting of the first democratically elected president, Mohammed Morsi, one year after he ruled the country. Political instability could also be reflected in the number of people (or institutions) that ruled the country during this period. At the beginning of the year 2011, Hosni Mubarak was still president until the 11th of February, when he was forced to resign because of the revolution. The SCAF then took control of the country until the presidential elections on 30 June 2012, in which the Muslim Brotherhood candidate Mohammed Morsi won the elections. A year after that on the 3rd of July 2013, SCAF announced the ousting of Morsi and assigned the head of the Constitutional Court to rule the country until the next elections which took place on the 8th June 2014 and which was won by General Abdul Fatah El-Sisi who had lead the military coup in 2013.

The role of the government

One of the reasons that tourism in Egypt still does not compete internationally as the European destinations, is the existence of corruption and nepotism. Being a democratic country will raise opportunities for much more advancement in the tourism industry and will, therefore, increase opportunities of competing with the major European destinations that offer the same triple –S tourism services (Weigert, 2012). This means that making a transition to becoming a democratic country can help the country to recover faster and even perform better than it previously did before the revolution, through international competition with the destinations that provide the same product but still receive most of the tourists.

Analysts' perception about how Egypt will get out of the crisis referred to the fact that Egypt is resilient and has the ability to overcome crises in a relatively short time (Euromonitor, 2012a). Mansfeld and Winckler (2015) stated that the government had ensured several times that the country is safe to visit and that any problems the country is facing are political and have nothing to do with touristic places, which are heavily secured to ensure the safety of the tourists. This has taken place by either the statements released by the minister of tourism on several occasions, or by the minister of tourism at any tourism related event, either in Egypt or in other countries. Also, improving the image of a country as a safe place to visit and enjoy has taken place by launching campaigns with slogans such as "We are friendly. We are open-minded. We are proud of our country. We are Egypt. See you soon in Egypt" in November 2011 by the Egyptian Tourism Authority. The campaigns tried to develop an image of Egypt as a 'hero' or a 'success story'. Slogans included: 'welcome to the country of peaceful revolution' 'the pyramids are still here and yet we are making history' 'Tahrir- a square rocks the world' (Euromonitor, 2012b).

The government allowed the visits of VIPs to the Tahrir Square which is considered as the symbol of the revolution including: Hillary Clinton, David Cameron, and John Kerry in February and March 2011. This had the intention of giving an impression that the country is safe and that people in such sensitive and important political positions worldwide had visited the square which reflected the

safety in the country. And also, to promote a new image of the country as people who fought peacefully to regain their rights. In addition to that, President Morsi in his first speech in July 2012, tried to reassure international tourism institutions that tourism is a main priority for the government and that it would be provided special care to recover. The UNWTO welcomed his initiative and ensured their readiness to cooperate (Mohammad et al., 2012).

The government increased the level of security in tourists' places, enhanced international public relations in order to reassure safety in the country, especially that there were no incidents of tourists being attacked during the uprising (Weigert, 2012). It also provided financial compensation to the hotels that were affected by the events of the political turmoil during 2011 as Egypt had experienced several labour strikes, violent clashes with the security forces and protests, especially on Fridays which dramatically affected the hotels (Mohammad et al., 2012).

Mohammad and others (2012) argued that reducing prices for tourists is not the best strategy to be applied as it does not add any assurance of their safety or solve the main issue of fear about the security of the destination although this strategy could be useful in other crises not involving risks to the tourists' lives . This aligns with what Weigert (2012) stated that the "perceived risk may overweigh reality in forming attitudes toward destinations.... it is crucial for destination marketers to understand perceptions and attitudes in order to devise promotional strategies to address concerns and to alter negative and reinforce positive perceptions" (Weigert, 2012, p. 59) and according to Mohamad and others, it is not by reducing prices. The reason is that this could reflect a decrease in the quality of the place and affect its worth compared to other places.

Figure 3-3 The risks a tourism sector can face in any country



Source: compiled by author based on the following references: Institutional systems (Baker, 2014; Costa, Lohmann, and Oliveira, 2010; Eraqi, 2007; OSAC, 2016; Rodenbeck, 2011), Environmental risks (Beirman, 2012; De Sausmarez, 2004; Farouk, 2010; Faulker, 2001; Henderson, 2007; Szep, 2009; WTTC, 2012b; WTTC, 2012c), Culture and Racism (J. Phillips, 2007; Mansouri and Trembath, 2005; WTO, 2012b), Economic risks (Brach and Loewe, 2010; Butnaru and Ion, 2012; Neaime, 2012; Othman and Farag, 2009; Papatheodorou et al., 2010; Quelch and Jocz, 2009; J. Ritchie, Amaya Molinar, and Frechtling, 2010; Smeral, 2010), Political risks (Alavi and Yasin, 2000; Aziz, 1995; Blake and Sinclair, 2003; Chan, Hui, and Yuen, 1999; Elzawawy, 2010; Goodrich, 1991; Hollier, 1991; Iain T and Doreen E, 2001; Joya, 2011; Kingsley, 2014; Lesch, 2011; Mansfled and Winckler, 2015 Mbeki, 2011; Mohammad et al., 2012; Pizam and Fleischer, 2002; Ritchie, 2004; Rittichainuwat and Chakraborty, 2009; Rodenbeck, 2010; Rossi, 2012; Weigert, 2012; WTO, 2012a; Yegar, 2006).

3.4 Conclusion

This chapter has introduced the meaning of crisis and its origins. It has also presented two contradictory theories of how to manage crises in tourism. The first theory was the systems theory which Faulkner (2001) used to build the first model of managing crises in the tourism sector. The second theory discussed was the Chaos theory. Finally, a third theory was presented which combines characteristics from both theories and is called the alternative systems theory.

A discussion about the different types of risks that a tourism sector can be subject to, and which can turn into a crisis, was presented. And an example of every type of crises that different countries have faced was discussed and how these crises affected the tourism sector, along with the role of the governments in these countries in recovering from the crisis.

In addition to that, an example from Egypt was also provided for each type of crisis, how it affected the tourism sector, and the governments processes applied to recover from the crisis. The two main crises discussed in this chapter were the global financial crisis of 2008 which most research is based on, and the Egyptian Revolution in 2011 and the period following which is the crisis focused on in this study.

The next chapter discusses the marketing strategies used in stable and turbulent times, with an emphasis on the literature review of marketing during crisis in different industries in general and in the tourism industries in particular.

4. LITERATURE REVIEW: MARKETING STRATEGIES

4.1 Introduction

There are studies and research concerning marketing strategies embraced in different kinds of institutions in the usual conditions in which any organization exists. These marketing strategies are discussed in the first section of this chapter. The second section will emphasise the marketing strategies that are used in the service sector. The third and last section in this chapter will be concerned with the marketing strategies used in unusual conditions, particularly, in crisis. A list of the literature about marketing during crisis in the form of both empirical and theoretical studies is reviewed and summarized in different tables. This is followed by a critical discussion about these studies and the research gap is identified. The last part of this section consists of a classification of the different marketing strategies considered by researchers, either those who have conducted empirical research or others who have implemented conceptual and theoretical research. A discussion of this classification follows with reference to the relationship between these strategies and the types of crisis mentioned in each research. This eventually leads to defining the marketing strategies that will be included in the questionnaire of my research and which are considered as the independent variables as it will be discussed in chapter five.

4.2 Marketing Mix Strategies; Its Importance and Use

Strategies that firms or institutions adopt have always been a concern to researchers, especially the strategies that will affect the long term performance of the organization (Azizi, Movahed, and Khah, 2009; Lamberti and Noci, 2010; Lui, Piccoli, and Ives, 2007). These strategies are to achieve the goals of such organizations and are carefully selected according to their visions. Different strategic approaches in different industries have emerged over time, having some

agreement between practitioners about the efficiency of a number of strategies and the disagreement about the efficiency of others.

There is a great emphasis on the marketing strategies that are embraced either in the normal circumstances in order to achieve the required level of growth, market share and profitability or in the unusual circumstances where the organization is facing a threat either in its internal or external environment in order to achieve growth or just survival (Grossberg, 2009; Hooley et al., 2012; Pearce and Michael, 2006). It is reported that the main way to achieve success by using a marketing strategy is to first target the best market and plan for the positioning carefully (Law, Cheung, and Lo, 2004). Some researchers still use approaches to strategies that have emerged decades ago and just add to it according to their goals. Others adopt new approaches, as they consider that the old approaches to strategies and the strategies themselves are to be changed. The reason is that these approaches are seen as inappropriate due to the continuous change in the world that the organizations are facing or even the changes that have occurred to the customers.

The most popular marketing approach is the marketing mix concept. Researchers have mentioned different years or periods in which the marketing mix concept was introduced by Neil Borden. These researchers include Constantinides (2006), Grönroos (1997) and Van Waterschoot and Van den Bulte (1992) who have each mentioned a different year or period about when the marketing mix developed. Neil Borden himself has stated that he had been using the phrase ‘marketing mix’ for fifteen years in the book :- *Science of Marketing* (Borden, 1964), which means that this concept was used around the year 1949. Since then different marketing research presented different marketing mixes according to each authors’ perspective of marketing. The one that survived and had become the most popular was the marketing mix presented by McCarthy in 1960 (Constantinides, 2006; Kent, 1986; Meidan and Lee, 1982; Van Waterschoot and Van den Bulte, 1992). The marketing mix according to this concept includes the 4Ps: product, price, place, and promotion in which the promotion element is divided into advertising, personal selling, publicity and sales promotion. This approach has received both

a large scale of approval and criticism by marketers. The four Ps marketing mix for example has been called: the 'base' of marketing (Grönroos, 1997), the 'holy quadruplet' (Kent, 1986), the 'indispensable element of marketing theory' (Constantinides, 2006), and the 'traditional approach to marketing' (Constantinides, 2002).

Until the current day some authors present the 4 Ps as the main marketing mix in their text books. Jobber & Fahy (2009) have identified the marketing strategies that are used by different institutions according to this concept. They have also described the strategies used in each element with its own mix: the product mix, the promotion mix, the place mix and the price mix. The product mix contains strategies related to the "new product/service development, brand names, guarantees, packaging, and services that should accompany the product offerings". The pricing mix includes the strategies concerned with pricing the products, discounting and different offerings. The promotion mix strategies are concerned with "advertising, personal selling, sales promotion, public relations, direct marketing, and internet marketing". The place strategies are concerned with "distribution channels, the location of outlets, methods of transportation, and the inventory levels to be held" (Jobber and Fahy, 2009, pp. 8,9). In the tourism sector, the distribution system includes the "tour packagers, retail travel agents, and speciality channelers. Included in the speciality channelers category are incentive travel firms, meeting and convention planners, hotel representatives, association executives, corporate travel offices and others" (M. J. Bitner and B. H. Booms, 1982, p. 39)

The advantages of such marketing mix as described by Van Waterschoot and Van den Bulte (1992) according to textbooks on marketing and communication or promotion that were written in English language during the 1970s and 1980s are a) its simplicity, and includes some basic principles, b) it has become the 'traditional' classification of the marketing mix, c) its usefulness for marketing students and practitioners to develop marketing plans.

After stating the advantages, Van Waterschoot and Van den Bulte then evaluated the marketing mix according to Hunt (1991) in his book *Modern Marketing Theory: Critical Issues in the Philosophy of Marketing Science*. Hunt had asked several questions about the marketing mix and by answering these questions, the disadvantages that they claimed were as follows:

- There is no specified description of the marketing mix ingredients' nature in the marketing literature. Some consider as activities while others consider them as objects.
- There is no criterion on which this classification is built on.
- The mutual exclusiveness in the four Ps marketing mix. This exists between the sales promotion with the other sub-elements of the promotion element and with the three remaining elements as well.
- Collective exhaustiveness develops with activities that cannot be classified to be added to any of these elements.
- It does not lead to 'true theory development' about marketing mix interaction.
- It does not put in consideration the interrelation between cost, sales and competition of the products.

To overcome these disadvantages, Van Waterschoot and Van den Bulte (1992) suggested the marketing mix to consist of the product mix, price mix, distribution mix and communication mix. The communication mix is sub divided to mass communication mix, personal communication mix and publicity mix. Each element and sub elements contains a promotion mix.

Other researchers have also evaluated the four Ps marketing mix and stated their perceived shortcomings and proposed adjustments. For example, Constantinides (2006) evaluated the marketing mix according to six sub fields in marketing; consumer marketing, relationship marketing, services marketing, retail marketing, industrial marketing and electronic marketing. Constantinides (2006) identifies the limitations of the marketing mix as discussed by a number of scholars in the six marketing fields. The main shortcomings as reported in that study were (p 40): ‘The model’s internal orientation’ and the ‘Lack of personalization’.

Moreover, because this study is concerned with the services sector, I will put emphasis on what was mentioned in the sub field of services marketing. The researcher mentioned the studies that have assessed the marketing mix and whom have pointed to the drawbacks or limitations in in the services sector due to the different nature of services compared to tangible goods. It is emphasized that the marketing mix was developed for tangible goods. The author stated the researcher(s)’s arguments and their suggestions of adjustment for the marketing mix from a services marketing perspective. Eleven studies were mentioned in this aspect, each with a different adjustment in order to overcome the perceived shortcomings of the marketing mix in the services sector. These studies have all either added some factors to the four Ps or made partial or total adjustments to what the marketing mix elements should be. The intention was to have a marketing mix which also can include a focus on personalization and customer interaction.

The most popular adjustments were made by adding three other Ps which represent; people (participants/personnel), physical evidence, and process. This marketing mix is called ‘the extended marketing mix’ or the ‘services marketing mix’. It was developed by Booms and Bitner in 1981 (Hooley et al., 2012; Jobber, 2010; Jobber and Fahy, 2009). The reason they developed such marketing mix was their belief that the services sector needed a different marketing mix due to the different nature of services than goods. A study was even conducted in order to assess the acceptance of this framework by marketers and academics specialized in marketing and to determine if it could be used as a generic

marketing mix to both goods and services (Rafiq and Ahmed, 1995). They concluded that there was an acceptance among marketers and academics to use this framework as a generic marketing mix.

The strategies related to the people/participants are concerned with the personnel in the firm (employees) who provide the service and also the other customers who receive the service. Strategies for the employees are about their training, motivation, and behaviour, while those concerning the customers deal with their participation and response to the service. Physical evidence strategies deal with the environment where the service is provided to the customers. The process component strategies are concerned with the procedures needed to provide the service (Rafiq and Ahmed, 1995).

The seven Ps of the services marketing mix could be identified briefly as follows:

Product: Strategies of the different products/ packages the institution provides.

Price: Strategies used to price the product.

Promotion: Strategies used to promote the product.

Place: Strategies related to the place of delivering the service and the distribution channels.

Personnel: Strategies related to the people involved (employees).

Process: Any strategy used to ease the process of delivering the product to the customer.

Physical evidence: Strategies related to the appearance of the place providing the service.

In addition to this extended marketing mix, and due to the development in customer relationship management, a new P was added which represented the personalization. Personalisation takes place when mass customization strategies are used to provide the customer with the exact product needed (Goldsmith, 1999).

Moreover, researchers have developed a marketing mix according to specific sectors or to the type of marketing. For example, Reid and Bojanic (2009)

discussed a marketing mix for the hospitality sector which they named ‘the hospitality marketing mix’. It consists of the product- service mix, the presentation mix, the communication mix, the pricing mix and the distribution mix. The product-service mix includes all the products and services offered to the guest. The presentation mix includes the physical location, the atmosphere and the personnel. The communication mix includes advertising, marketing research and feedback from customers. The pricing mix includes such variables as volume discounts and bundling multiple products together for an overall discounted price. Finally the distribution mix includes all distribution channels available between the firm and the target market (Reid and Bojanic, 2009, pp. 18,19).

Constantinides (2002) evaluated the marketing mix according to virtual and web-marketing. This study revealed that the marketing mix is not sufficient for web marketing for two reasons in addition to the main reasons –mentioned previously- of criticizing the marketing mix; “the drastically diminished role of the Ps and the lack of any strategic element in the model” (Constantinides, 2002, p. 57). Constantinides suggested a substitute mix which consists of the 4Ss; scope, site, synergy and system. Scope is related to the strategic issues, site is related to the operational issues, synergy involves integration into the physical process and system is related to the technical issues. The researcher claimed that this marketing mix is suitable for developing what he called a ‘comprehensive strategic and marketing plan for the fast changing environment’.

4.3 Marketing Mix Strategies in the Services Sector

Marketing strategies used in industrial sectors can differ from the strategies used in the services’ sector. This is the reason why the field of ‘services marketing’ emerged after the science of marketing as a sub discipline and as a study field between the 1970s and the 1990s (Berry and Parasuraman, 1993). Studies and research concerned with the marketing strategies in services, involves using other approaches than the ones used in industrial sectors. The reason is that the services

have different characteristics than goods. The most common and known difference between services and goods are embedded in the unique characteristics of services which are intangibility, heterogeneity, inseparability, and perishability (Kerin et al, 2003; Kotler, 2003; Pride and Ferrell, 2003). These characteristics were first explained by economists, and differentiating between goods and services was first introduced by Adam Smith (Lovelock and Gummesson, 2004).

Bateson (1979; p.139) emphasized the importance of the intangibility through stating that “the crucial point about services is that they are doubly intangible”. Pride and Ferrell (2003; p.324) defined intangibility as “a service is not physical and therefore cannot be touched”. This definition expressing the service characteristic of intangibility is similar to an extent to Kotler’s (2003; p.446) “services cannot be seen, tasted, heard, felt or smelled before purchase”. Heterogeneity reflects the non-standardisation of the outcome of a service received by the customers. Pride and Ferrell (2003) claimed that there is a positive relationship between the inability to receive standard performances of services and the extent to which the service is labour-intense. Inseparability reflects how the customers are involved in the service production process. Dann (2008; p.335) reflected on this characteristic by describing the processes of services that they “take place in an interactive process.” Perishability means that “services cannot be saved, stored for reuse at a later date, resold, or returned” (Lovelock and Gummesson, 2005; p.29).

The Services Marketing Mix in Tourism

As mentioned above in section 4.2 (p.76), the product strategies are related to the different products/ packages the institution provides. In the tourism industry, this can include strategies related to adding new travelling packages, improving the quality of the service provided, the research and development strategies to improve the service - through researching the potential travellers’ preferences, thoughts, perceptions, about destinations and the services accompanied with the trips provided by the tourism institutions.

The price strategies are those used to price the product. Those strategies can include pricing according to the quality provided in the package offered, pricing the same destination differently to different markets, cutting prices temporarily for affected areas (in the case of crises) or using discounts to attract potential customers or keep loyalty of regular customers. Promotion strategies are those used to promote the product. This can include strategies related to the advertising budget, sales promotion, familiarisation trips, participating in exhibitions and trade fairs or sponsoring national or international events.

Place strategies are related to the place of delivering the service and the distribution channels. This can involve dealing with new distribution channels, (such as tour operators, hotels, airlines or any firm that supplies the tourism institution a product that is used to provide the service of travelling) or stop dealing with others that are unprofitable. In spite of the importance of the intermediaries to different types of organizations, success could not be gained without a second party which are the employees working inside the tourism institutions. These employees play a crucial role in the success of the organization, as they deal with the customers in a direct contact most of the time acting as the service providers (Barsky, 2009). This reflects the personnel strategies which is related to the people involved (employees).

Process strategies include easing the process of purchasing the product, which is considered vital especially when going through unstable circumstances in the tourism industry. This could be by providing more services like booking online, and providing all the information needed by customers to make the decisions of taking a trip or not. Any adjustment or cancellation can be done online with clear terms and conditions. Physical evidence strategies are related to the appearance of the place providing the service. In the case of travel agencies for example, it can include strategies related to the furniture and layout of the place which can affect the perceptions about the quality of the service provided and expectations' formation of the customers about the trip that they will take. It can also include the availability of facilities like computers for example which can be used by

customers to view the different packages with the prices of each. Also, it can include the availability of brochures and guides.

There will be a special emphasis on the tourism industry in this study, as it will be applied on this industry. Despite the importance of marketing to the travel and tourism industry, it is claimed that it has been underestimated which led to a misleading in perceiving the importance and value of marketing in such industry (Riege and Perry, 2000). However, researchers in the field of services marketing especially those in the tourism sector have described their point of view about the most successful marketing strategies that can be used to gain the best results.

For example, an approach used by hoteliers contains two main groups of strategies, each consisting of the related marketing strategies; the growth strategies which is related to how the hotel is planning to grow and competitive strategies which is about how the hotel is planning to compete. The growth strategies include “geographical expansion strategy, market penetration strategy, new market strategy, cost cutting strategy, and the associative strategy” and the competitive strategies including “the market leader strategy, the market challenger strategy, the market follower strategy and the nicher strategy” (Meidan and Lee, 1982, p. 173). Firms usually adopt a growth strategy according to the firm’s objectives and then it is followed by the competitive strategy to determine the targeted market position of the hotel. The first growth strategy is concerned with building new hotels in new places, while the market penetration strategy focuses on attracting new customers from the same market that the hotel is dealing with as its target market. The new market strategy is about entering new markets other than the market that the hotel is currently operating in, which means attracting new customers from different segments. The cost cutting strategy is related to the cutting of the costs of the hotels especially when the hotels are facing turbulent times. The last growth strategy, the associative strategy, is applied when the hotel works with other hotels to form a group. The penetration strategy is the most prevalent growth strategy used by the hoteliers as claimed by Meidan and Lee (1982). The competitive strategies approach can be applied by either employing

the market leader strategy which can only take place when the hotel is the leader in the market and can affect the whole industry, or the market challenger strategy which involves taking challenges for their growth, or the market-follower strategy where the hotels prefer to follow the most powerful hotels in the industry and tend to focus on profitability, or the market-nicher strategy by choosing segments which are relatively small and are not targeted by the leading hotels.

Riege & Perry (2000) also have stated 3 approaches to strategies in services. Their research focused on the different approaches to strategy which can be used by national travel and tourism organizations to market a country as a destination. The first approach is the consumer-oriented approach, which can be adopted through using mass marketing or differentiated marketing. The second approach is the competitor-oriented approach, which is also mentioned above in the study of Meidan and Lee (1982). The researchers reported that this approach focuses on the competitive position of the organization. The competitive strategies will be embraced in order to gain leadership in the cost and price or in the quality or the organization can focus on specific niches in the market. The third approach is the trade-oriented approach, which is concerned with the intermediaries due to the great role they play in the services market especially the services related to the travel and tourism industry. Riege & Perry (2000) have claimed that the role that the intermediaries play is overlooked by most marketers and that this approach is strongly related to the travel and tourism industry. The trade-oriented approach consists of the by-passing strategy, the co-operation strategy, the conflict strategy and the adaptation strategy. The type of the strategy in this approach will depend on the relationship and the collaboration between the national tourism-related organizations and the overseas intermediaries that are marketing for the country as a tourist destination. If there is no relationship and each party is working alone, then this means that a by-pass strategy is being adopted. If there is a relationship, the strategy will either be co-operative where there is collaboration between both parties, or conflict where the relationship is negative and the national organisations are working according to their own interests regardless of the effect of this on the overseas intermediaries. The adaptation strategy takes place when

the intermediaries have the power and are more effective than the national organizations, where these organisations adapt to the intermediaries and follow them (Riege and Perry, 2000, p. 1293).

4.4 Marketing Strategies and Crisis

As discussed in the previous two sections, the roles of marketing and marketing strategies are vital to all types of organizations. These marketing strategies have to be consistent with the organization's goals and objectives. However, as previously mentioned, when the organization faces unusual circumstances considered as a crisis or a disaster to the organization, the goals of the organization change from gaining market share and profitability to survival (Roberts, 2003). This leads to the changing of the marketing strategies in order to achieve the new goals. Marketing strategies play a key role in crises (Kİrtİş and Karahan, 2010). The studies mentioned in this section are all concerned with the situation where there is a crisis.

Crises that organizations face are numerous, especially if the organizations exist in sectors which are interrelated with other sectors and are subject to crisis by national or international conditions. As discussed in chapter three, these unusual conditions can be either economic (such as inflation and stagflation), financial, political (such as wars, military coups, and political instability), or natural (such as volcanoes, hurricanes, floods and earthquakes).

Some studies discuss the management strategies as a whole including the marketing strategies, and others focus on the marketing strategies only. Before discussing the studies that have focused on the marketing strategies, which is the focus of this research, the studies discussing the marketing strategies as part of the management strategies will be mentioned. This will be followed by tables including the research focusing on the marketing strategies or research giving an emphasis to the marketing strategies compared with other strategies. They are then

discussed, compared and assigned according to certain marketing topics or to the services marketing mix strategies.

The adjustments that are made by firms to face a crisis can be referred to as the adaptation strategies according to Laitinen (2000). In Laitinen's study, the researcher examined the marketing strategies in one group out of five groups of adaptation strategies. The five strategies were: efficiency improvement strategy, marketing improvement strategy, short-term assets and expenses cutting strategy, debt restructuring strategy, and fixed assets realization and share emitting strategy (Laitinen, 2000, p. 818). The study was applied in Finland and was examining the 1989-1993 recession. Laitinen reported that the 'Marketing improvement strategies' which included acquiring new customers while focusing on maintaining the current customers, new product development, and increasing the marketing spending, was widely applied during crisis (Laitinen, 2000, p. 817).

There are researchers who state a group of strategies to implement together or a certain order of strategies to be implemented in steps. Reeves & Deimler (2009) have suggested using four main strategies in order to face the recession and achieve long term success in the post-recession period. These strategies are: behavioural, social, reproductive/regenerative and evolutionary strategies (Reeves and Deimler, 2009, p. 11). The behavioural strategies include: adding value to the existing offer, use different pricing techniques, entering new markets and leaving non profitable markets that the firm used to market in, and taking advantage of any opportunity to make mergers and acquisitions. The social strategies include: working together with the suppliers or the customers to reduce the distribution costs and the inventory costs, working with competitors on specific models and trying to gain supportive actions from the government to help survive the recession. The reproductive strategies include 'adopting a store within a store concept to ensure rapid growth' (Reeves and Deimler, 2009, p. 13). The evolutionary strategies include innovation models like Nokia when it changed its model from paper business to telecom industry.

Berman and others (2010) suggested that firms employ three strategies after the crisis. They are: 'get ahead of scarcity, drive cost efficiency through productivity and agility, and find targeted approaches to grow revenue' (Berman, Christner, and Bell, 2010, p. 26). The scarcity in the resources is a result of the recession which has led to its higher prices and the increasing in the competition. Gaining cost efficiency can occur through eliminating unnecessary operations that are costly and adding procedures which will add value. Increasing the revenue can be accomplished by offering new value in the products, strengthening the relationships with customers, and concentrating on the vital role of marketing (Berman et al., 2010).

Pearce and Micheal (2006) examined the responses of organizations and the academic perspective to turbulent economic times. They claimed that the resources that are available to the firms are subject to a decrease. What is needed from firms is to be prepared for this at any time as the occurrence of recessions is inevitable. They have claimed that according to the successful examples either in the market or in the academic aspect, there are two phases that any firm should implement. The first phase is 'recession- proofing' by 'conserving the resources'. This can be accomplished through 1- entering several markets or several sectors or industries and also in different places either in the same country or in other countries, 2- being ready for any recession to occur and when the recession occurs, the company should implement a turnaround strategy. This includes retrenchment by being able to keep cash from the reduction of unnecessary assets and costs. It is then followed by a recovery strategy in order to go back to the previous sales average or even exceed it. The second phase is 'recession fighting' by 'attracting the resources' and this is by 1- Marketing during recession, advertising, developing new products, private labelling and increasing the customer base. 2- Making careful investments by making careful decisions that would help the organisation to survive through the recession and take advantage during the recovery period. Decisions would include for example dealing with employees, cost reduction and marketing spending. (Pearce and Michael, 2006).

Gottfredson and others (2008) discussed the response of two Asian companies to the recession in 2008. They claimed that there are four pressure points companies face, and that marketing strategies that deal effectively with those points can give the firm a competitive advantage. These four points are: cost; as price becomes a major concern, market position; which can change during downturns depending on the effectiveness of the way the downturn is managed, customer behaviour; which changes as soon as the recession is felt, and complexity; which is rarely apparent to most firms despite its effect on the productivity (Gottfredson, Vestring, and Maceda, 2008).

Above are the management strategies in general that can be applied during crisis. My study focuses on the marketing strategies as part of the management strategies that different companies embrace when faced by a crisis. So what are the marketing strategies that the organizations implement during crisis in order to survive and maintain their customers while attracting new customers?

Several studies have been concerned with marketing strategies during unusual conditions and crises. Tables 4-1, 4-2, 4-3, and 4-4 summarize these studies. The studies have been divided into tables according to the type of study; empirical or conceptual and to the type of crisis; financial or not financial. The studies that are empirical are the studies in which the researchers have collected data from a sample and analysed it. These are in table 4-1 and 4-2. Other studies have been focusing on the relationship between marketing strategies and different crises in different types of industries based on the literature or the academic theory perspective. They are in table 4-3 and 4-4. These studies are ranked in the tables according to the year of each study.

Table 4-1 - Details of empirical studies about marketing in financial crises

Name of researcher(s)	Year of study	Country	Industry	No. of companies	% of the total no. of companies	Time and type of crisis
Shama,A	1978	USA	US Fortune 500 Companies	104	100	Stagflation in 1973
Shama,A	1992	Yugoslavia	Not specified	75	100	Stagflation in 1989
Pearce & Michael	1997	USA	Manufacturing	118	100	Recession in 1990-1991
Ang, S.H	2001	Singapore	Communications/IT Construction Finance Hotel and restaurants Manufacturing Public sector Real estate and business Transport Wholesale and retail trade Others	Total of 50 companies	20.9 6.3 2.1 16.7 6.3 2.1 2.1 19.4 22.9 10.4	Singapore Asian crisis in 1997 against other crises
Laitinen, E	2001	Finland	Manufacturing Trade Construction Transportation Service Other	299 200 52 32 108 56	40.03 26.77 6.96 4.28 14.46 7.5	Recession in 1989-93
Roberts, K.	2003	North America, Europe and other parts	Not Specified	1000	100	Recessions from 1970s to 1990s
Srinivasan, R	2005	USA	Semiconductors and electronics Heavy manufacturing Light manufacturing	16 10 44	11 6 29	

Name of researcher(s)	Year of study	Country	Industry	No. of companies	% of the total no. of companies	Time and type of crisis
Köksal & Özgül	2007	Turkey	Telecommunications	32	21	Recession in 2002
			Computer	32	21	
			Energy and environment	10	6	
			Others	10	6	
Marketingsherpa Part 1 & Part 2	2008	81% USA & Canada	Manufacturing	128	74.4	Recession in 2000,2001
			Trade	28	16.3	
			Service	16	9.3	
Barsky, J.	2009	Not specified	Professional service sector	146	36	Global financial crisis in 2008
			Consumer products	102	25	
			Consumer services	65	16	
			Business-to-business	61	15	
Kırtış, A. K. & Karahan, F.	2010	Turkey	Other	33	8	Global financial crisis in 2008
			Travelling	211	100	
			Industrial (Large)	30	31.5	
Krzyzanowska,M & Tkaczyk,J	2010	USA	Service (Large)	30	31.5	Global financial crisis in 2008
			Small Firms	35	37	
			Consulting Companies	7	100	
Naidoo, P. et al	2011	Mauritius	Hotel sector	75	100	Global financial crisis in 2008
Alonso-Almeida, M.M & Bremser, K.	2013	Spain	Hospitality Sector	134	100	Global financial crisis in 2008

Source: compiled by author

Table 4-2 - Details of empirical studies about marketing different crisis other than financial crises

Name of researcher(s)	Year of study	Country	Industry	No. of companies	% of the total no. of companies	Time and type of crisis
Goodrich	1991	USA	Tourism:			
			Travellers	305	97	Gulf War in 1991
			Travel agents	10	3	
Evans & Elphick	2005	UK	Tourism: Tour Operators	1	100	Sep 2001 attacks in USA

Source: compiled by author

Table 4-3 - Details of conceptual studies about marketing in financial crises

Name of researcher(s)	Year of study	Country	Industry	Type of Crisis
Shama ¹	1981	USA	Not Specified	Stagflation in 1970s
Aronoff & Ward	1991	Not Specified	Family firms	Different recessions
Ang et al.	2000	Asia	Not Specified	Asian economic crisis
Ephron De Sausmarez	2001	USA	Advertising	2001 recession
	2004	Malaysia	Tourism	Asian economic crisis
Pearce & Micheal	2006	USA	Retailing	Different recessions
Gottfredson et al	2008	Asia	Not Specified	Global financial crisis in 2008
Neff	2008	USA	Not Specified	Recessions of 1933, 1980 and 2001
Brush & Brush	2009	Not Specified	Not Specified	Global financial crisis in 2008
Fennon & McRae	2009	UK	Not Specified	Global financial crisis in 2008
Grossberg	2009	USA	Not Specified	Global financial crisis in 2008

¹ It is important to report that the study of Shama (1981) is not included in the empirical studies although it was empirical because the sample and the questionnaire they answered were about the customers and how they changed. But the study is still mentioned because after identifying the changes in the customers, Shama (1981) suggested the marketing mix strategies that firms can use to deal with the changed buying behaviour of customers.

Name of researcher(s)	Year of study	Country	Industry	Type of Crisis
Lafayette	2009	USA	Not Specified	Global financial crisis in 2008
Leavy	2009	Not Specified	Not Specified	Global financial crisis in 2008
Neff	2009	USA	Cleaning and cosmetics	Global financial crisis in 2008
Neff	2009	USA	Green Industry	Global financial crisis in 2008
Quelch & Joz	2009	Not Specified	Not Specified	Global financial crisis in 2008
Reeves & Deimler	2009	Not Specified	Not Specified	Global financial crisis in 2008
Berman et al.	2009	Not Specified	Not Specified	Global financial crisis in 2008

Source: compiled by author

Table 4-4 - Details of conceptual studies about marketing in different crisis other than financial crises

Author	Year of study	Country	Industry	Type of Crisis
Henderson	1999	Singapore	Tourism	Economic and Environmental Crisis
Ioannides & Apostolopoulos	1999	Cyprus	Tourism	Political crisis (war)
Avraham	2004	Not Specified	Tourism	Destination image crisis

Source: compiled by author

It is clear from the tables that the majority of studies concentrate on economic and financial crises (tables 4-1 and 4-3). In these two tables, nearly half of the empirical studies and nearly two thirds of the theoretical studies are applied on the 2008 global financial crisis. This can reflect the severity of this crisis which had affected the whole world as mentioned and discussed in chapter three. It can also be realized in both tables that nearly one third of the empirical studies and half of the conceptual studies are applied on the USA. This may be a result of having the

financial crisis in 2008 emerge from the USA, and the fact that it owns a strong economy which is interrelated with the whole world. Some of the conceptual studies concentrate on certain countries and some discuss the marketing strategies in general without referring to a specific country. It can also be seen that some studies are about recessions. And it is important to note that recessions are a normal result of different kinds of crises regardless of the type of the crisis.

Four studies have been applied on the Asian crisis in 1997. The Asian crisis included two types of crisis; a financial crisis and an environmental crisis. Of the four studies, two of them were concerned with Singapore. The study of Ang (2001) concentrated on the financial crisis only and the study of Henderson took both crises in consideration. The other two studies were concerned with the financial aspect only. The study of De Sausmarez (2004) was applied on Malaysia and Ang and others (2000) applied their research on Asia as a whole.

The empirical studies that are not concerned with financial studies are both applied on one type of crisis which is political crises. The conceptual studies that are not concentrating on financial crises are of different types of crises. The study of Henderson (1999) is applied on the environmental crisis, the study of Ioannides and Apostolopoulos (1999) on a political crisis and Avraham (2004) on any crisis that affects the image of the country. The next two paragraphs will discuss these studies.

Avraham (2004) examined the strategies used to deal with the negative image a country or place has. When a place has a negative image, it will hardly be considered as a tourist destination, even if it used to be before a certain incident or disaster occurred in it. Several strategies were suggested in the research in order to recover from the unfavourable image a destination has gained. These strategies include: making familiarization visits to the place, presenting important events which capture the interest of people and encourage them to visit the place, converting the unfavourable image to a favourable image, such as museums with the ruins of a war or the Tahrir Square in Egypt being a place where tourists visited

right after the regime stepped down in 2011. Other strategies include ignoring the negative image and acting as if this image does not exist, advertising for the city without referring to the areas that are facing problems, such as Sharm Elsheikh and Hurghada which the tourists continued to visit during the Egyptian Revolution and afterwards despite the existence of instability in other places like Cairo. Identifying the unfavourable image, trying to solve the problem that created this image, and changing the image with a positive one are strategies that could also be implemented (Avraham, 2004)

Ioannides and Apostolopoulos (1999) tried to examine how the tourism sector in Cyprus was affected by the 1974 war and the following dividing of the country into the Turkish Republic of Northern Cyprus in the north and the Republic of Cyprus in the south. The researchers claimed that the tourism sector was tremendously affected in both areas; the north and the south. The government in the south made a lot of efforts to strengthen the tourism sector. The recovery strategies included enhancing the relationships with international tourism organizations and tour operators to facilitate the visiting to Cyprus, building international airports, and helping the private sector in investing in the tourism sector. The arrivals of tourists in 1976 had increased by 300 percent compared with 1975 and in 1995 the industry's contribution to the total GDP was equal to 20 per cent and more than ten percent of the total employment was in tourism. The north was claimed to continue its struggling due to the international non-recognition of the country and the instable economic and political environment. No marketing strategies were stated that helped the North to get over the crisis and the tourism industry suffered (Ioannides and Apostolopoulos, 1999).

The studies of Berman et al (2010), Gottfredson and others (2008), Pearce and Micheal (2006), and Reeves and Deimler (2009) which were mentioned before the tables are included in the tables as they discuss the marketing strategies as a vital part of the management strategies. Laitinen (2001) also discusses the marketing strategies as part of the adaptation strategies used in a recession in order to convert the threat into an opportunity.

Part of the studies in the tables is concerned with specific types of industries and others are general, as they discuss the strategies implemented or that should be implemented regardless of the type of industry. From the studies that are applied on certain types of sectors, the studies concerned with the tourism sector will be given special concern and will be discussed due to the relation of tourism to this research. And another reason is that the tourism sector is vulnerable to a lot of types of different crises due to its interrelations with other sectors such as construction, agriculture, transportation, and many others.

For example, De Sausmarez (2004) claimed that the developing countries that depend on tourism as a main contributor to their economy can get affected severely by crisis in their tourism sector. This is the reason Hannam (2004) emphasized the role of recovery marketing as the tourism in any place is subject to crises. Hannam claimed that destination branding is considered essential especially when the destination exists in a competitive market (Hannam, 2004). Henderson stated that the existence of a flexible crisis management plan should be established due to the continuous exposure of the tourism sector to crises that are inevitable (Henderson, 1999).

Researchers have been trying to identify strategies and plans for the tourism sector to embrace when faced with certain crises but reality reflects the continuous failure of the tourism sector to face certain kinds of crises in a lot of countries when faced with a disaster or crisis. These studies are discussed in this section in order to review all the marketing strategies that were reported in the crisis marketing field. The strategies will be mentioned as relating to the 7 Ps (product, price, place, promotion, personnel, process, and physical distribution) of the services marketing mix.

Before discussing these strategies, some main topics related to managing the whole process during a crisis is presented in subsections in order to capture the whole picture about the situation before discussing the possible strategies to embrace. It has to be noted that the strategies that are discussed in the next points

are all concerning the period in which an organisation, an industry, or a country is facing a crisis and is unstable. This will enable the researcher to identify the main marketing strategies that will be included in the questionnaire according to the 7Ps services marketing mix which is shown in chapter five.

4.4.1. Buying Behaviour and Segmentation during Crisis

When a crisis takes place in a certain part of a country, a country as a whole or a region, those affected by the crisis will be both organizations and consumers. Pearce and Michael (2006) claimed that when organisations face turbulent economic times, the resources available to these organizations decrease. This is due to the fact that first, the customers' buying behaviour changes especially if they were affected as being laid-off or even had working hours being cut, and hence lower income, or no income if they had lost their jobs. Second, the suppliers are also struggling; they include the suppliers of the raw materials or parts and the financial suppliers as the banks. Third, the competition becomes more intensive and harder.

This means that we have two main parties that can be affected by crises; the consumers and the organizations. This research is concerned with the latter party, how they are affected by these crises and how they respond in terms of marketing strategies specifically in the tourism industry. But how consumers are affected and how they respond will be mentioned first due to its importance and that it is the main reason firms change their strategies to adapt with the changes of consumers. When facing a crisis, some consumers are affected and some are not. Consumers who are affected by a crisis behave in a different way than those who are not (Ang, Leong, and Kotler, 2000; Berman et al., 2010; Hruzova, 2009; Köksal and Özgül, 2007; Leavy, 2009; Shama, 1978). Consumers who are mentioned in the following discussion are those who are affected.

Research has proved that the buying behaviour and attitudes of the consumers change during financial and economic crises (Quelch and Jocz, 2009). This occurs as consumers feel the danger coming closer especially to their financial plans

(Ang, 2001). There is an effect on the consumers who begin to feel financially insecure either as a reflection of being laid-off or of the possibility to be laid off at any time. The consumers then become more price-sensitive and try to spend in an economic way (Ang, 2001; Grossberg, 2009; Naidoo, Ramseook-Munhurrun, and Seetaram, 2010; Shama, 1981). In a research conducted on Singapore during the Asian crisis in 1997, it was stated that 86 per cent of the respondents of the study claimed that their spending has become more careful (Ang, 2001).

Some studies have focused on the consumer changes. Ang et al (2000) have reported that these changes can include less consumption, spending more time searching for information to make the buying decision, buying necessities, becoming more concerned about prices, buying local products such as durability and quality rather than image and brand name and responsiveness to discounts. Therefore, there would have to be an action taken as a response by organizations and the employees working in these organizations in order to survive and ensure they can still attract customers.

Quelch and Joz (2009) reported that in order to recover from a crisis like the recession which followed the global financial crisis in 2008, marketers have to carefully understand the customers' needs at that time and put them 'under the microscope'. This is because the customers' needs change and the marketers have to understand the new emerging needs in order to meet them. In their research, they divided the consumers according to their behaviour in a recession into four segments; the 'slam on the brakes segment, the pained-but-patient segment, the comfortably well-off segment, and the live-for-today segment'. The 'slam on the brakes' segment consists of the customers who are affected the most. Not only does include of those with a low-income, but also the consumers of high income who are not confident at all about their financial status due to the circumstances. They tend to minimize buying as much as they can. The 'pained but patient' segment consists of the customers who also reduce their spending in general but temporarily. They believe that the situation will improve after a period of time. It includes different income levels. The 'comfortably well-off' group's

characteristics are nearly the opposite of the first group. It consists of the high level income consumers and the lower-income consumers who are not anxious about the current or future situation. Their spending is affected to a limited extent. The 'live' for today segment consists of the consumers who are not affected at all by the recession and their spending does not change as long as they are still employed and have a stable source of income.

They then divided the products into four groups according to each segment to essentials which are necessarily for living, treats which are considered important but not to the same extent as the essentials, postponables which can be bought in the future and expendables which can be eliminated. Marketers should then view where their products are placed according to these segments and how it is perceived (Quelch and Jocz, 2009, p. 54).

Some products will be perceived differently, what is essential to one person can be treats to another. Tourism is an example. Ang (2001) tried to compare the response of the marketing managers in Singapore during the Asian crisis in 1997 with their counterparts in the USA during the 1973 oil crisis, the 1990 Yugoslavian stagflation, and the 1989 economic democracy in Eastern Europe. Ang examined the marketing managers' response in Singapore, and compared the results with the results obtained in the mentioned crises from previous studies. Ang (2001) claimed that consumers can decrease their leisure activities when faced with a crisis. The research did not specify which activities, if it meant travelling, then it would have been contradictory with what Barsky (2009) has revealed. Barsky conducted a research on tourists from 95 countries and ninety per cent of the leisure travellers he surveyed in 2009 claimed that travel is considered vital in their life and that they prefer it over other activities (Barsky, 2009). This can be a reason of the difference in how important this product is to different people or in different cultures.

Tourists try to reduce how much they spend by visiting nearer places to home, shortening the time of the visits, and degrading the level of their hotels or the

places where they stay (Naidoo et al., 2010). But again concerning the accommodation, this contrast with Barsky who reported that luxury travellers could choose to visit a different place than the one they had planned in order to avoid choosing staying in places with lower quality during their visit to reduce their spending. And according to the new needs of the customers that emerge, marketers should know that they might have to adopt 'Austerity marketing' in which they are marketing to customers who tend to prefer spending less or try not to spend at all except when they have to (Grossberg, 2009). This means that it is essential to establish the motivation for these customers to buy the product by using new methods other than the traditional ways of promoting a product like discounts.

The main finding of a research was that the crises affect customers in a different way which leads to different responses even if they are in the same country and are exposed to the same crisis (Ang, 2001). The effect of a financial crisis can be severe on the consumers. And this complies with what was mentioned previously by Quelch and Joz (2009) who divided the consumers by the extent of how they were affected. Some consumers after the global financial crisis in 2008 were in a shock and had lost confidence (Brush and Brush, 2009; Grossberg, 2009; Quelch and Jocz, 2009).

Grossberg (2009) claimed that when consumers are in a shock and their confidence is affected negatively, the needs' hierarchy of the customers' change, and their need for self-esteem and self-respect become very important to deal with the anxiety that they are facing. In order to meet these needs the most appropriate marketing approach to embrace at that time is the 'indulgent parsimony' (frugal indulgence) approach instead of the ascetic marketing approach which used to be adopted in previous recessions. This indulgent parsimony approach is meant to deal with the customers who are willing to pay less money for their buying and simultaneously want these products to give them comfort and enhance their self-esteem and confidence. The ascetic marketing approach depends on just making pricing and product adjustments. It can be realized that the indulgent parsimony

approach takes in consideration the psychological aspect at the time that the ascetic approach does not.

When consumers' behaviours change, this can lead to the emergence of a new segment in the market with different needs that the marketers should bear in mind. It was reported by Imrie and Fyall (2001) that segmentation based on psychographics can help the marketers understand the real needs of their customers and better identify the target markets than if using the traditional segmentation using demographics. Demographic segmentation is based on variables such as age, gender, income and education and the psychographic segmentation is based on life styles and personality (Kotler and Armstrong, 2010). But not everyone agrees with Imrie and Fyall in substituting the demographic segmentation with the psychographic segmentation. Although psychographics can be more informative than the demographics concerning the characteristics of consumers which can be more logical to use for segmentation, the information provided by the demographic segmentation is also essential (Lin, 2002). Lin (2002) claimed that using both types of segmentation simultaneously will be the best option to gain the information about consumers.

This seems to be a logical point of view especially when trying to apply this in the time of a financial or economic crisis. Any organization using segmentation based on life styles and personality will have -to some extent- an insight on how the crisis can affect its customers. What will change and how will a new segment -if any- will be developed can be predicted and tested. But at the same time the demographic variables such as the income and the age can be crucial. The reason is that the change in the income due to the crises and the age of people can affect their choices and wants and also their reaction to this crisis.

In the study of Shama (1981), the researcher also referred to the creation of a new segment in the market which had resulted from the stagflation in the 1970s. This market segment consisted of the 'voluntary simplifiers' -as was referred to by the author- who had different behaviours than the non-simplifiers due to the

psychological and financial impact of the economic conditions they were going through. Consumers were surveyed in order to identify whether they had changed their buying behaviours, and if they did, what were the changes. This was to help extract the marketing mix strategies needed to satisfy this new segment in addition to the non-simplifiers that still existed. Shama (1981) referred to the changes of this group in their buying behaviour which are similar to the changes mentioned previously in the study of Ang et al (2000). Shama (1981) stated that the marketing strategies are to be different from those that were already implemented before experiencing the hard economic situation. Also the researcher suggested several marketing strategies to use in the new market segment which will be discussed later (Shama, 1981). And due to the importance of the psychological perspective of consumers, it is important to focus on trust, quality, and credibility (Grossberg, 2009; Quelch and Jocz, 2009). This can affect the buying decisions of the customers even if it was not the best prices as it was reported that during the global financial crisis only ten per cent of consumers cared more about the price than all other aspects (Fennon and McRae, 2009).

There has been a disagreement about whether people will still buy green products during economic hard times. Neff (2009) reported that consumers who favour certain environment-friendly products in the USA have continued to make their purchases and the number of customers has increased although they were facing hard times in the 2009 recession. The increase in the number of consumers and the spending of the loyal customers on these products were with a slow pace, but still there was an increase (Neff, 2009a). Grossberg (2009) has supported this as he claimed that psychologically, after being subject to the economic crisis, consumers will prefer the products that are: 'green, clean, organic and recyclable'. But Fennon and Mcrae (2009) assumed that the customers who are economizing their spending will probably not have the green products as their first choice.

4.4.2. Customer Loyalty during crisis

In stable economic periods, the loyalty of a customer may differ from one type of customer to another, for example, it was found in a research conducted in usual

conditions on the mid-market hotels in the UK that business customers were more loyal than leisure customers (Imrie and Fyall, 2001). During crisis, as mentioned above, the customers' buying behaviour changes. Does this mean that their loyalty will negatively change respectively? Both studies of Quelch and Joz (2009) and Gottfredson et al (2008) that were concerned with the global financial crisis in 2008 agree that the loyalty decreases as a result of the consumers' financial status. Ang (2001) has also revealed that the same fact during the Asian financial crisis in 1997 existed. The same applies with the study of Pearce and Michael (2006) which was conducted on the retailing industry in the USA and was concerned with different recessions that had occurred before 2006. The researchers stated that the customers can degrade their brands to adapt with the new situation. Companies themselves can easily predict this as they are also put in the same situation with limited resources and can react the same to their suppliers to obtain the best offer (Gottfredson et al., 2008). It is important to note that these four studies focused on financial crisis, regardless the time and the place. And the logic reason can be because financial crises are related with the 'money' issues, so customers spend less and hence become less loyal.

This is the reason why researchers have emphasized the importance of loyal customers and developing loyal programs especially during crisis (Ang et al., 2000; Fennon and McRae, 2009; Grossberg, 2009; Hruzova, 2009; Marketingsherpa, 2008; Naidoo et al., 2010; Quelch and Jocz, 2009). It has been ensured that it is important not to lose loyal customers because a number of those loyal customers will keep buying the product and the organizations should focus on them and try to offer them what they really need especially that their needs might be modified according to their financial status (Grossberg, 2009; Quelch and Jocz, 2009). These loyal customers during a crisis try to find what will convince them that using the same brand is the best decision, so marketers can work on this (Fennon and McRae, 2009). In addition to this point, loyal customers have already used the product before and are happy with it (Naidoo et al., 2010). So it is advised not to make any changes to the product and in particular decreasing the quality in order to control costs because this will affect the loyal customers

who are of great importance especially during crisis (Alonso-Almeida and Bremser, 2013). Rewarding those customers by offering better services as 83 per cent of the respondents claimed they have in the study of Ang (2001) will deliver a message to the loyal customers that they are being rewarded for being loyal (Grossberg, 2009). Another advantage of having a sound loyal base is the fact that they can be a mean by which the organization can attain new customers. Barsky (2009) claimed that nearly thirty per cent of the luxury guests make their travelling decision as a result of the recommendation of someone they know who has been to that place and enjoyed the experience there.

Despite the importance mentioned about focusing on loyal customers, Tkaczyk and Krzyżanowska (2010) have stated that focusing only on loyal customers can have negative effects on the organizations by hindering the chance to retain customers who have not been loyal during the recession. It can also affect the process of attracting new customers which is of importance especially during crisis. Attracting new customers can be a positive result of the crisis as some customers can become less loyal especially in economic or financial crisis as previously mentioned. So it can be an opportunity to attract them. These customers will choose the supplier who offers what will satisfy their needs. I have used the word 'needs' and not 'wants' because the severity of a crisis can be very strong to the extent that it affects the needs of the customer, especially the psychological needs. This was also referred to by Grossberg (2009) who stated that the needs' hierarchy can change, by Fenon and McRae (2009) who assured concentrating on the 'needs' of the customers not the 'wants', and by Rita McGrath, an expert in the academic and professional field of management who was interviewed to discuss how to deal with the global financial crisis in the study of Leavy (2009).

Rita McGrath assured the importance of identifying the existing and the potential customers' needs by using a 'customer consumption chain' and restructuring the products offered to the customers according to what they really need by using a 'map of attributes of the products' in order for the products to offer the same characteristics that consumers need. This can help organizations attract new

customers and retain the current ones. The new customers can be those who were not affected by the crisis or even those who have gained an advantage such as the case of the crises caused by currency issues (Henderson, 1999) or new target markets such as the local tourists instead of focusing only on foreign tourists in Malaysia in 1997 (De Sausmarez, 2004). Organizations are advised to take care that retaining their current customers is beneficial to organizations especially that the cost of attracting a new customer is between 3-5 times costly than retaining a customer that already deals with the organization (Marketingsherpa, 2008; Roberts, 2003) and marketingsherpa.

4.4.3. Effect of crisis on organizations

A question can arise at this point, are institutions also affected by crisis negatively like consumers? Previous literature has referred to the different ways in which organisations can be affected (Fennon and McRae, 2009). Some firms will grow and others will withdraw because they are not ready to face the crisis (Srinivasan, Rangaswamy, and Lilien, 2005). There are different criteria mentioned in the literature why organisations are affected in a different way. The type of the firm can be one aspect. Aronoff and Ward (1991), who discussed how family firms deal with different financial crises, stated that family firms can be affected severely by a crisis and that their strengths and weaknesses are ‘magnified’ during a crisis, so the gains and losses that they experience also are magnified. Gottfredson and others (2008) referred to the same fact but with no reference to certain types of companies. If the firm is a part of a large group like multinational companies or leaders in the industry internationally, they can be supported much more than those firms working alone (Laitinen, 2000). Firms that exist in different markets can be affected by the same crisis differently (Fennon and McRae, 2009; Kırıtış and Karahan, 2010). Pearce and Micheal (2006) divided the industries into two types; counter-cyclical industry like the insurance, food, remodelling and alcoholic beverages industry and the non-cyclical industry which includes accounting, auditing, bookkeeping and cleaning (Pearce and Michael, 2006, p. 203). The effect on the organisations in each type of the industry will not be the same. The effect can depend on the availability of the resources to the

organizations when faced by the crisis (Ang et al., 2000). The type of the customer can be a factor. Hotels whose customers are basically business travellers will be affected more than the hotels that receive mainly the leisure travellers, as the business travellers are affected more, so the hotels will be affected respectively (Barsky, 2009).

It can depend on how the firms perceive the crisis. A research by Kİrtİş and Karahan (2010) was conducted in Turkey on large firms and small industrial and service firms. In this research, the researchers tried to explore the extent to which the size of the firms and the sector in which they exist affect how these firms perceived and reacted to the global financial crisis in 2008. They concluded that although there was no difference in how the companies perceived the crisis in terms of their size and the sector they are in, the response of the firms was different according to the size and sector (Kİrtİş and Karahan, 2010).

Another research concerned with the recession that took place in 2002 in the USA, examined the importance of proactive marketing during that recession (Srinivasan et al., 2005). The finding of this research is the same as the finding of Tkaczyk and Krzyzanowska (2010) in the fact that different responses from the marketing managers of the firms are a result of the different perception of the same crisis by these managers. Also the study assumed that organizations view recessions as opportunities rather than threats, and take actions according to this fact, which is contrary with Tkaczyk and Krzyzanowska (2010) who concluded in their study that the recession was viewed as an opportunity, threat, or both. This study was concerned with how the consulting companies in the USA perceived and responded to the global financial crisis.

Those who perceive a recession as an opportunity try to make investments in order to benefit the most from the situation (Srinivasan et al., 2005). It can be the best time for the organisations to invest and improve their performance and gain more market share (Aronoff and Ward, 1991; Ephron, 2001; Fennon and McRae, 2009; Marketingsherpa, 2008; Neff, 2008). Laitinen's study focused on the adaptation

strategies firms undertake to face a crisis. The researcher explained that the adaptation strategies are used to change the situation from a bad situation to the one in the best benefit to the firm (Laitinen, 2000).

Ang and others (2000) claimed that the Asian economic crisis in 1997 was considered as an opportunity to the Asian countries to improve the firms' products and also to develop new products. The study revealed that even the word 'crisis' in Chinese is *wei qui* which means 'opportunity' and 'danger' respectively (Ang et al., 2000). The costs, market position, customer behaviour and complexity are what firms should focus on to turn a recession into an opportunity (Gottfredson et al., 2008). Perceiving a recession as an opportunity can depend on the type of firm. Due to the nature of the entrepreneur firms, as being risk-takers, they see recessions as opportunities (Srinivasan et al., 2005). A study claimed that if a firm views the recession caused by a crisis as an opportunity, it applies an offensive strategy. If it views it as a threat, then it will overtake a defensive strategy to defend its maintenance in the market. If it perceives it as both a threat and an opportunity, then it can implement a mixed strategy (Tkaczyk and Krzyżanowska, 2010).

4.4.3.1. The effect on different places:

The effect of a crisis can be different in the places affected (Fennon and McRae, 2009; Henderson, 1999). Some markets will be severely affected and others can be barely affected. Although the effect is usually expected to be negative, there are markets that can be benefited from a crisis (Goodrich, 1991). This was reflected in a pricing strategy mentioned by Naidoo and others (2011) where the prices offered to non-affected markets were more than the price for those affected. In addition to the nature of the crisis mentioned above, country factors can also make the impact of a crisis different. These include the level of travel dependencies, the nature of the business, the socio-economic structure and the level of market sophistication (Ang, 2001, p. 264). If the level of dependency is high, then the impact of other crisis in different places will affect it due to the connections between the markets. If it is in a closed economy, the impact will only

be by the crisis inside the country. In the study of Shama (1992) the interviewees claimed that their response to the stagflation in Yugoslavia in 1989 would have been different if they existed in a more open economy (Shama, 1992). The nature of the business is the second factor, and this has been discussed before. The third factor is the socio-economic structure, and this is related to the way customers perceive and respond to the crisis. For example, the level of the acceptance of uncertainty is different among customers (Ang et al., 2000). The last factor is the level of market sophistication. The impact of a crisis decreases the more the market is sophisticated because this means that there are other substitutes (Ang, 2001).

Shama (1992) concluded that the impact of a crisis on one country differs from the impact of a similar crisis on another country, and so does the response to these crises. This study gave a special emphasis to the marketing response to a crisis. Shama has stated that the impact/response relationship can be different due to the differences in the type of economy of different countries (Shama, 1992). This result was obtained by comparing the impact of the stagflation in the USA in 1973 and the corresponding response measures by the marketing managers in the US Fortune 100 companies which were stated in a research by the same writer (Shama, 1978) with the impact of the stagflation in Yugoslavia in 1989 and the adjustments made by the marketing managers in the top 100 Yugoslav companies. In addition to the different response in different countries, Tkaczyk and Krzyzanowska (2010) state that in crises, most organizations in the same country respond with different strategies at different levels, and that the success of the firm to overcome the crisis depends on how effective this response was, and this response is affected by how the crisis is perceived (Tkaczyk and Krzyzanowska, 2010).

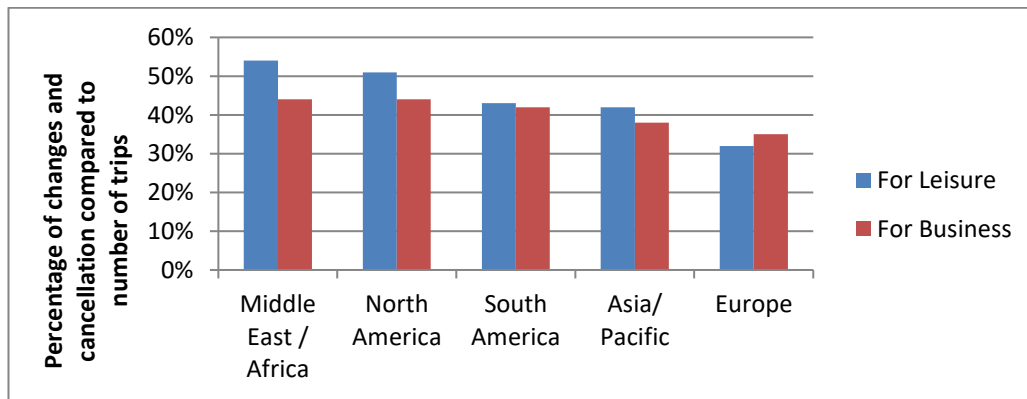
Research has also been conducted on a country in order to measure the effects in another related country which had faced a crisis. For example, Goodrich's study was based on a survey of 305 USA travellers, 10 travel agents and secondary data. The research discusses some of the impacts of the Gulf War on marketing the USA

tourism sector. During this war, the USA government issued a warning to its citizens from visiting 63 countries. It was perceived that terrorism was everywhere. This was followed by a recession in the USA. The outbound tourism was affected severely (travellers from the USA market) and tourism organizations used marketing in an intensive way to promote domestic tourism to the USA citizens.

The best example that reflects that a crisis can affect different places in a different way is the following graph from the study of Barksy (2009). The graph reveals the effect of the global financial crisis on the tourism industry worldwide. The percentage of the leisure travellers and the business travellers² who have changed their travelling plans or cancelled it in each region is shown in the graph.

Figure 4-1 – The percentage of travellers’ changes or cancelations for leisure and business trips around the world in 2009 as a result of the financial crisis.

² **Business and professional purpose (of a tourism trip):** The business and professional purpose of a tourism trip includes the activities of the self-employed and employees, as long as they do not correspond to an implicit or explicit employer-employee relationship with a resident producer in the country or place visited, those of investors, businessmen, etc. (*IRTS 2008, 3.17.2*).



Source: Barsky (2009)

Barsky revealed that there were differences over regions. This can be a result of the differences in the income levels, the different effect of the financial crisis in different places or to the cultural differences and how travelling is perceived in different places. While 54 per cent of the leisure tourists cancelled or changed their trips in order to control their costs in the Middle East and Africa, only 32 per cent of the leisure tourist in Europe did so (The change in the trips can be by either reducing the time they had planned to stay or changing to a different destination which is cheaper to travel to).

4.4.3.2.Planning in good times and reacting in bad times

How the firm is operating during stable times can affect how well it can handle a crisis or downturn (Aronoff and Ward, 1991). Evans and Elphick (2005) claimed that a large number of firms were not ready to face a crisis such as terrorist attacks. Their research focused on the response of the UK tour operators to the 9/11 attacks in the USA. The study mentioned four tour operators and claimed that they reconsidered the marketing strategies and acted ‘slightly’ different and the results were different. Evans and Elphick reported that each firm should have a plan for any unexpected event. This plan should be flexible to changes according to the situation and type of the crisis. For example, doing business in more than one country or one place in a certain country, so that when a crisis occurs in that country or part of the country, the whole business does not get negatively affected.

In my opinion, concerning the expansion aspect, it can be successful but it will depend on the situation, kind of crisis, and the affected areas. For example, during the Egyptian Revolution in Egypt in 2011, Russia, the USA, the UK, Italy, Canada, Australia and other countries had issued a warning against visiting Egypt (Farouk, 2011). Tourism organizations were negatively affected (Othman and Farag, 2009). But when it had become more safe at the end of 2011, and in 2012 and 2013, only certain areas in the country were instable due to political reasons, the warning issued afterwards was only to these certain areas such as most of Sinai while other places were receiving visitors regularly (gov.uk, 2013; Smartraveller, 2013).

Firms that are in a stable situation, are more market-oriented and possess a sound customer base, have the best potentials to be able not only to face a crisis, but to exploit any opportunities it can cause (Gottfredson et al., 2008; Pearce and Michael, 1997; Reeves and Deimler, 2009; Srinivasan et al., 2005).

The interviewee in Leavy (2009) stated that the tools needed for a firm to succeed during stable times differ greatly from the tools used to overcome a crisis. Failure can be caused by firms who continue to use the same methods and strategies they used when a crisis occurs (Ang et al., 2000). Any firm should be able to identify which procedures need to be changed to face the crisis and benefit from it (Berman et al., 2010) and this will be affected by the type of product the firm is offering (Grossberg, 2009).

Srinivasan and others (2005) stated that not all organizations need to react in the same way. Reeves and Deimler (2009) claimed that if organizations are resilient, they would be able to face the crisis. This includes owning these features: foresight, agility, staying power, entrepreneurialism, diversity and the ability to shape the competitive environment (Reeves and Deimler, 2009, p. 16).

Trying to go through different crises in different countries and examining the responses can help managers be aware of the possible actions they can make, and

whether they were beneficial or not, putting in consideration the differences between the examined firms. This was the objective of the research of De Sausmarez (2004) as she focused on the Malaysian tourism sector's response to the Asian financial crisis in 1997 to examine the possibility of creating a crisis plan on the sectorial level. Eighteen officials in tourism in the public and the private sector were questioned (De Sausmarez, 2004).

Although those interviewed believed that the government had succeeded to overcome the crisis, they believed that it took a long time, and the recovery could have been shorter if there was an existing crisis management plan for the tourism sector. The author reached to the fact that it is almost impossible to create a crisis management plan for the tourism sector due to the numerous crises it is subject to whether the crisis emerge from the tourism sector itself, or from any other sector which is related to the tourism sector such as the economic, financial and political crises (De Sausmarez, 2004).

Unlike the previous study which focused on a specific industry, Köksal & Özgül (2007) tried to examine the response of a number of firms in several industries to the 2000-2001 twin crises in Turkey. The study tried to measure the performance of the firms in accordance to their responses to evaluate how effective it was. It concluded that during the crisis firms should withdraw from the markets where they do not have a competitive advantage, and instead should enter new markets. (Köksal and Özgül, 2007). The most popular response to crisis is the attempt to decrease the costs and laying-off employees (Alonso-Almeida and Bremser, 2013; Barsky, 2009; Brush and Brush, 2009; Ephron, 2001; Grossberg, 2009; Leavy, 2009; Marketingsherpa, 2008; Neff, 2008; Reeves and Deimler, 2009; Roberts, 2003; Tkaczyk and Krzyżanowska, 2010) . The response can be different for firms even in the same industry. The four tour operators in the UK in the study of Evans took different responses to the 2001 attacks in the USA and had different outcomes (Evans and Elphick, 2005).

Some scholars blame the current marketers for their response and their lack of understanding to how they should react to the crisis or recessions when they take place. Neff (2008) claimed that these marketers do not acknowledge the opportunities that can arise from a crisis, and that is why they respond in a way that negatively affects the firm in the long term. Consulting companies in the USA all advised their customers to cut their spending during the 2008 global financial crisis (Tkaczyk and Krzyżanowska, 2010). Also the vice president of Worldwide Marketing NetSuite Inc. stated that “in a tight environment you need current results not long-term results” (Marketingsherpa, 2008).

4.4.3.3. Costs

As soon as the organizations face a crisis, their managers think of how to reduce their costs (Alonso-Almeida and Bremser, 2013). Cutting costs is practiced by a lot of firms when they face a crisis especially the financial crisis in which they mainly choose to decrease prices to maintain the sales volume and market position. Marketing spending can be the first choice for cost cutting and it will be discussed later (Hruzova, 2009). Other ways of cutting costs are through reducing or eliminating employee training and social spending or producing less costly products (Alonso-Almeida and Bremser, 2013). Also reducing the hours that employees work so the salaries decrease (Barsky, 2009). Keeping only the necessary activities and cutting or reducing costs otherwise such as the business trips of employees and using web-conferencing or phone instead (Barsky, 2009; Grossberg, 2009). Laitenen (2001) concluded that the main mean of cutting costs during the 1989-93 recession in Finland was through production and administrative costs in different industries. This aligns the suggested way of cost cutting by Berman and others (2010). In the retail industry in the USA during different recessions before the year 2006, costs were cut by renting the place of retailing rather than buying it, not selling the slow-moving expensive products which are not highly demanded by customers and laying off unneeded employees (Pearce and Michael, 2006). Some studies have put conditions to cost-cutting; the costs should be cut with care in a way that will not affect the final product or how it can be marketed (Barsky, 2009; Pearce and Michael, 2006; Quelch and Jocz,

2009; Reeves and Deimler, 2009). Gottfredson claimed that any firm should cut its costs as long as its competitors are doing so in the same industry because this will give them an opportunity to lower their prices and attract many customers or at least keep their customers.

When firms cut costs, it is better for them to put in mind how this will affect them in the long term more than how it will in the short run (during the crisis) because recovery always takes place, and planning for it while making decisions will benefit these firms eventually. It was concluded that cost-cutting does not necessarily have a negative effect on firms if it was properly and carefully implemented (Alonso-Almeida and Bremser, 2013; Srinivasan et al., 2005). Cutting costs without other strategies taking place to face a crisis will be no good to the firm's performance (Leavy, 2009).

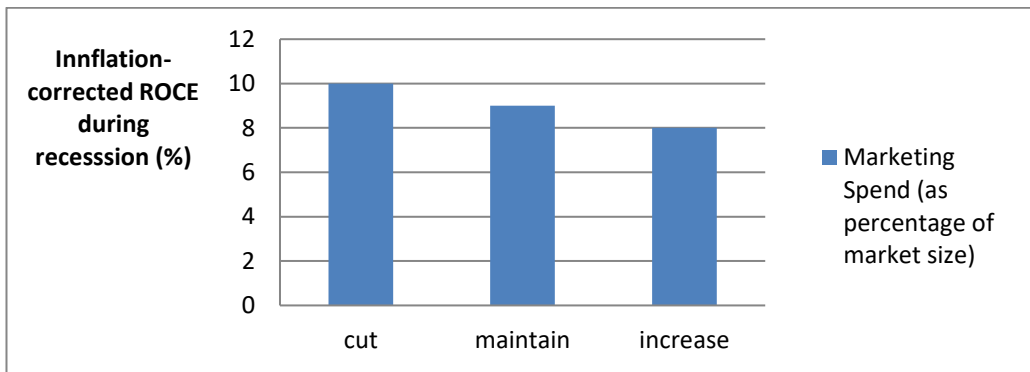
4.4.3.4. Marketing spend

How marketing managers should respond to the crisis concerning the marketing spending has been different among different organizations. Marketingsherpa (2008) claimed that the first expenses to be cut are the marketing expenses. The academic point of view, or the most supported by research, is that organisations should maintain or increase their marketing spending during the crisis (Alonso-Almeida and Bremser, 2013; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Hruzova, 2009; Köksal and Özgül, 2007; Naidoo et al., 2010; Pearce and Michael, 2006; Quelch and Jocz, 2009; Roberts, 2003; Shama, 1978). These studies are all about financial and economic crisis except for Henderson (1999) which also includes the environmental crisis in Singapore in addition to the financial crisis in 1997. Henderson (1999) explored how the tourism sector in Singapore managed the economic and environmental Asian crisis which resulted from the financial crisis and the fires in the Indonesian forests which caused an environmental problem. Countries warned their citizens against going to Southeast Asia.

The justification for keeping or increasing marketing expenditures can be that the returns for these expenses are more than what the organisations normally attain as prices get cheaper and more advertising and campaigns for example can be implemented (Pearce and Michael, 2006). This can lead to an increase in the firm's market share and improve its performance by the time the recovery starts, which is inevitable (Neff, 2009b; Quelch and Jocz, 2009). The benefit starts during the crisis and after the crisis too (Neff, 2009b).

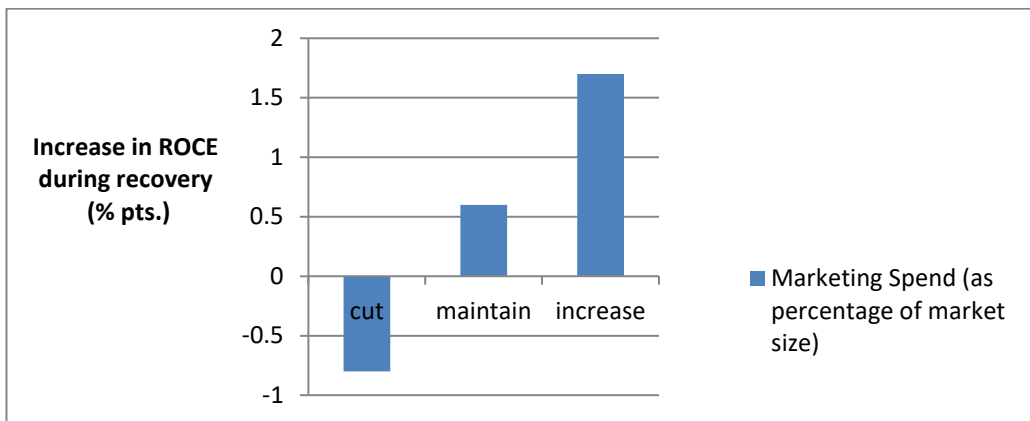
In the study of Roberts (2003), the Managing Director of the Profit Impact Marketing Strategy (PIMS), which can be described as 'a large scale study designed to measure the relationship between business actions and business results'. The primary role of the PIMS Program of the Strategic Planning Institute is to help managers understand and react to their business environment' (pimsonline.com). PIMS monitored companies that had gone through recessions from the 1970s to the 1990s mainly in North America and Europe. The study divided the businesses according to their reaction to recessions. Businesses either decreased, maintained, or increased their marketing spend when faced by recession. The following figures 4.2, 4.3, and 4.4, show how this reaction has affected each of the three groups. The effect of their action on the profitability of the three groups is presented in three phases; during the recession, just after the recession (the beginning of recovery), and after two years of recovery.

Figure 4-2 The effects of marketing spend during the recession on the profitability of organisations (ROCE).



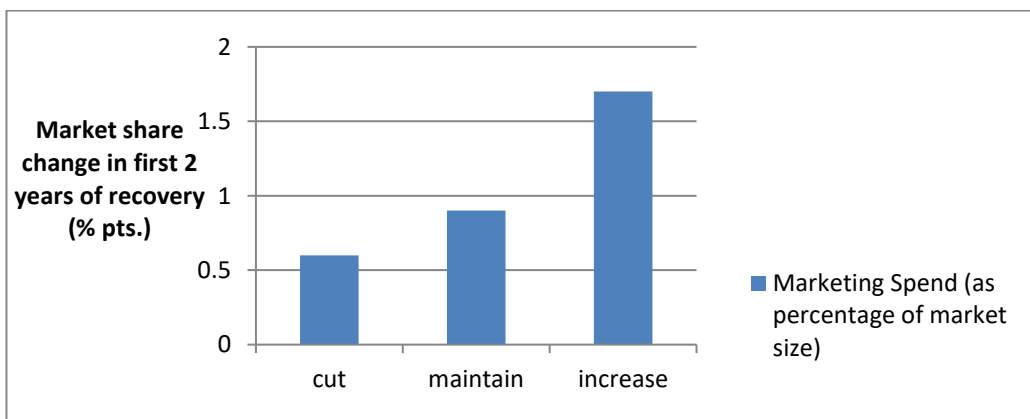
Source: Roberts (2003), p. 33

Figure 4-3 The effects of marketing spend during the recovery period on the profitability of organisations (ROCE).



Source: Roberts (2003), p. 33

Figure 4-4 The effects of marketing spend after 2 years of recovery on the profitability of organisations (ROCE).



Source: Roberts (2003), p. 33

In the first graph, it can be realised that the group of companies that cut their marketing spend had the highest profit during the recession compared to the profits of the other two groups although the difference is not significant. It has to be noted also, that those who maintained and increased their marketing spend also gained profitability and not losses according to the findings of the study.

In the second graph, it refers to the fact that the profitability that was gained by the first group was only for a short term (which is around two years after the crisis) and that losses began to take place. What can be clear from the figure is that the group that increased their spending have begun gaining profits as soon as the recovery period started, and the percentage seems much higher than those who maintained their marketing spend.

The last figure shows how profitability was shaped after two years of recovery. The leader was still the group of companies that had decided to increase their marketing spend during the recession. The graphs show that even during the crisis, increasing marketing expenses was not harmful to the organisations compared with those who cut them. The spending pays off clearly when the economy is in its recovery period.

Kİrtiř and Karahan (2010) claimed that the large industry companies increased their marketing budgets compared to small firms and service firms during the 2008 global financial crisis in Turkey. This contradicts with what was claimed by the study of Marketingsherpa (2008) - A marketing group - which conducted a survey to a large number of marketing managers in firms that exist in different industries about the same crisis in America and Canada (mostly) which revealed that 60 per cent of the large companies reported they had already or expected to decrease their marketing expenses in 2008.

Marketingsherpa also stated that thirty-four per cent of the small companies increased carefully their marketing expenses. The study reported that this can be because they are still growing and need to expand and continue marketing. This

can comply with the results of Aronoff and Ward (1991) who claimed that the family firms cut the marketing expenses much less than the non-family firms. In the 2009 recession, more than one third of the companies have either maintained or increased their investments in marketing (Fennon and McRae, 2009). And despite the benefits stated of increasing marketing spending during the crisis, Srinivasan and others (2005) claim that not all firms should do so, because they will not all benefit from this increase. The researchers claimed that if the firms were already market-oriented then they will not need to increase their marketing spending.

Barsky (2009) reported that marketing expenses were reduced during the global financial crisis in the travelling industry, and this is what the consulting companies researched advised their customers to do in the USA during the same crisis (Tkaczyk and Krzyżanowska, 2010). Krzyżanowska & Tkaczyk (2010) stated that the consulting companies are aware of the disadvantages of cutting marketing expenses such as losing clients or suppliers, or the effect on the brand's image negatively, but still support decreasing those expenses due to the benefits that can take place. These benefits include getting rid of the non-efficient employees and products, and markets which leads to cost-savings eventually and eases the impact of the crisis on firms.

Evans and Elphick (2005) stated that the response of the tour operator in their study in the UK to the attack of the September 2001 in the USA eliminated all the costs perceived as 'unnecessary', and these costs included the marketing costs. Neff (2009) reported that nearly nine per cent reduced their spending in the personal care and cleaning industry in the USA during the 2008 global crisis.

Cutting marketing spending cannot be harmful all the time. A company cut 80 per cent of its marketing expenses, and was creative in using substitute means of marketing which were much cheaper and it was successful for the firm (Marketingsherpa, 2008). Also, if the costs of manufacturing and the managerial costs are too high, and high fixed capital, they should be cut to an extent that does

not harm the productivity process. These costs can be referred to as ‘the bad costs during recession’ (Roberts, 2003, p. 33).

Marketing perception and importance

The importance organisations perceive of or give to marketing can be different and can affect how they respond to the crisis. The organisations that perceive marketing as a secondary activity that can encourage sales in stable times will probably cut the marketing costs during recession (Fennon and McRae, 2009). Others perceive marketing as essential during both, stable and unstable times (Pearce and Michael, 1997). Researchers have referred to the importance of marketing especially during crisis (Hruzova, 2009; Kİrtİş and Karahan, 2010). Marketing can ease the impact of the crisis, and moreover, can result in attracting more customers (Alonso-Almeida and Bremser, 2013). This is why a lot of tourism organisations engaged in marketing during the gulf war in 1991 (Goodrich, 1991). Laitenen (2001) considered marketing as one of the most effective adaptation strategies during recessions. Organisations during crisis or in stable economic periods can ask for consultation about the marketing strategies to use. A study conducted by Pearce and Michael (1997) on technology providers in the USA during the 1990-1991 recession concluded that the role of marketing is crucial at all times, the stable periods, and the periods in which the organization is facing a crisis. This is because using marketing in the most efficient way and managing it successfully during prosperous times, has a positive effect on the survival and growth of the firm during and after the crisis (Pearce and Michael, 1997).

Srinivasan and others (2005) also stated that the more marketing is given importance in general, the more proactive the response of the organization will be to the crisis, which aligns with the findings of Pearce and Michael (1997). But what this study has added is that despite the importance of marketing, and the marketing spending in a recession, not all organizations have to increase their

spending because the result will not be the same to different organizations (Srinivasan et al., 2005).

The study of Krzyzanowska & Tkaczyk (2010) concluded that the companies who perceived the recession as an opportunity advised for an offensive strategy, and did not mention marketing in their reports to their customers. Those who perceived it as a threat advised for a defensive strategy where marketing was considered as a main area of cutting costs. This totally contradicts the view of Roberts (2003) who stated that marketing is a 'good cost' for companies during crisis.

4.4.4. The marketing mix elements in the context of crisis

This section will introduce what the studies mentioned in the tables above have concluded about the marketing mix elements and the strategies each one involves during crises. After the discussion of each group, there will be a statement about how each marketing mix tool is linked to the hypotheses of this study.

4.4.4.1. Product

New products

One of the product strategies during crisis is to introduce new products (Brush and Brush, 2009; Evans and Elphick, 2005; Köksal and Özgül, 2007; Pearce and Michael, 2006; Quelch and Jocz, 2009; Roberts, 2003). These new products can be substitutes to the existing products (Ang, 2001; Shama, 1992). They can be offered with a lower price than the original product the firm sells (Naidoo et al., 2010). New products can be more successful when introduced in a crisis (Fennon and McRae, 2009; Laitinen, 2000). Kİrtİş and Karahan (2010) stated that large firms add new products more than small firms do during crisis. Organisations are advised to offer new products during crisis if it will give them a competitive advantage and affect their market share after the crisis ends (Ang et al., 2000). New products can develop as a response for the crisis. For example, souvenirs and other products were created in the USA during the Gulf war to increase peoples'

pride of their country and accept what the country was doing (Goodrich, 1991). The same took place in Egypt during the revolution in 2011. Different products were produced with the first date of the revolution (25th of January) printed on them.

Neff (2008) in his study identified the companies that were founded during the three recessions in 1993, 1980, and 2001 in the USA economy. The research also listed the products that were first produced in these recessions. Examples of successful products which were first produced during crises are Neil Mcelroy's Brand Manager Memo for Procter and Gamble in 1931, CNN in 1980, Small and Midsize Japanese Cars in 1975, IBM Personal Computer in 1981 , and the Ipod in 2001 (Neff, 2008, p. 4). Neff wrote "The mid -1970s recession, spawned by the first energy crisis, produced an entire new segment of imported fuel-efficient cars in the U.S" (Neff, 2008, p. 3).

In Egypt, more than one television channel was broadcasted as a result of the revolution. An example is the Capital Broadcast Center (CBC) channels which have been presented in July 2011, six months after the revolution. CBC claimed that its mission is to assist overcoming the post-revolution challenges through what it presents to the Egyptians. This is how they define themselves in their official website:

"The essence of the channel is to play a constructive role in Egypt's Society given the hard times the country is going through. The channel's objective is to widen understandings, bridge gaps, and allow the viewer to create his opinion through presenting the full story. With no political or religious inclinations, CBC aims at addressing all issues constructively, positively, and credibly." (CBC website)

Weak products

Withdrawing the weak or slow moving brands from the market and focusing on the most profitable is a strategy which also was mentioned by scholars as an important strategy during crisis (Alonso-Almeida and Bremser, 2013; Ang et al., 2000; Kİrtİş and Karahan, 2010; Köksal and Özgül, 2007; Laitinen, 2000; Quelch and Jocz, 2009; Shama, 1992; Tkaczyk and Krzyżanowska, 2010).

Product adjustments

One of the product strategies employed during the crisis is adjusting products. These adjustments can be made to improve the products' quality to be more appealing to customers (Ang et al., 2000; Barsky, 2009; De Sausmarez, 2004; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Laitinen, 2000; Quelch and Jocz, 2009; Reeves and Deimler, 2009; Shama, 1981). The adjustments can be done to adapt with the changes of the consumers' needs (Leavy, 2009). For example, during the Gulf War in 1991, some internal American airlines changed their trips from Europe to local places due to the changes tourists made by visiting nearer places for their security and to reduce costs (Goodrich, 1991). The adjustments made can be more suitable for products that are in the saturating or declining phase in the products' life cycle (Brush and Brush, 2009). Gottfredson and others (2008) claim that the market followers can be in the best situation to make product adjustments to improve their market position. Adding new services to the existing product can also be applied (Reeves and Deimler, 2009). In the tourism industry, different packages can be introduced by making shorter trips or adding other countries to the package (De Sausmarez, 2004; Henderson, 1999).

Research and Development

Market research expenditures are another type of costs that some organizations decrease or eliminate when they face hard economic times. Family firms are less likely to cut the market research and marketing expenditures compared to the non-family firms during turbulent times (Aronoff and Ward, 1991). Kİrtİş and Karahan (2010) claimed that small firms reduce their research spending more than large firms do during crisis. Brush and Brush (2009) and Pearce and Michael (2006)

have advised against reducing the market research due to the positive effects it can have on firms. Research has emphasized that increasing the research and development expenditures or at least maintaining them is considered vital to any organization as it will help it plan for the post-recession or recovery period and also will help understand the customer psychology during the recession (Leavy, 2009). This research and development during the recession can aid the organization to expand by identifying the feasibility of acquiring weak competitors that are having hard times during the recession as acquisition is one of the common strategies during recession (Ang et al., 2000; Aronoff and Ward, 1991; Pearce and Michael, 2006; Quelch and Jocz, 2009). In the study of Shama (1978), ninety per cent of the respondents reported an increase in their market research. By understanding the whole situation of the market, research can also lead to introducing new products which complies with the changes in the needs of the customers (Roberts, 2003). Marketing research can also aid a firm to track a problem that it is facing in its first stages and help solving it before it negatively affects the firm in a disastrous way (Marketingsherpa, 2008). Köksal and Özgül (2007) claimed that research has a positive effect on the firm's performance. But Srinivasan and others (2005) had concluded the opposite; there's no relationship between research and development and the performance of the firm. Although both studies were applied on financial crisis, this contradiction can be due to the nature of the recessions in different places (USA and Turkey) or the nature of the recessions was different in each country. My opinion is that if it helps the firm to understand the changes taking place in the market, and the firm responded effectively, then it would definitely affect the firm's performance.

Due to the importance of the product marketing strategies as can be seen above, this study will take in consideration the product strategies as one of the independent variables. And according to the all the research reviewed above which argue that increasing the focus on the product strategies during financial and economic crises affects the organisation positively, this study will test the hypothesis that there is a significant relationship between increasing the use of

product strategies and the performance of the firms during political crisis. The hypotheses can be seen in section 5.6 and the hypothesis is tested in section 6.3.2.

4.4.4.2.Pricing

Pricing strategies have created a debate among researchers and those in the market facing the crisis on whether to maintain prices as they were before the crisis, or decrease prices to maintain sales, or even to increase them. Firms, as mentioned before, try to reduce costs as a response to the crisis. This can give them an opportunity to reduce the prices to maintain their customer base that are also facing financial difficulties. Reducing prices has been adopted by a lot of firms during crisis (Alonso-Almeida and Bremser, 2013; Ang, 2001; Evans and Elphick, 2005; Goodrich, 1991; Henderson, 1999; Hruzova, 2009; Leavy, 2009; Naidoo et al., 2010; Shama, 1978, 1992).

Because financial and economic crises affect the financial status of the organizations and customers, there is a lot of discussion about the pricing strategies and how organizations should deal with costs during hard times. Concerning the pricing strategies during recession, the adjustments it can be subject to and the relationship between the price and the quality, has been summarised very simply by Ang et al (2000) as they stated that either “improve quality while maintaining price or reducing price while maintaining quality and avoid reducing price and quality” (Ang et al., 2000, p. 109). But there is an argument that decreasing the price can harm the brand greatly as customers can perceive the reduction to be a reflection of reduced quality or performance, (Fennon and McRae, 2009) although this does not have to be the case as there will a possibility of attracting new customers who are seeking for the best available offer.

Naidoo and others stated that 69 per cent of their study’s respondents decreased their prices during the 2008 global financial crisis in Mauritius in the tourism industry. Ang et al (2000) and Köksal and Özgül (2007) have stated that firms can reduce the prices if they will maintain the same level of quality. But if they want

to keep the prices as they are, they should improve the product's quality. A disadvantage of keeping the prices is the possibility of losing the customers who can no longer afford buying the product with its old price (Ang et al., 2000). The price reducing strategy also has two main disadvantages, which are the negative effect it can cause to the image of the brand (Barsky, 2009) especially to the loyal customers (Fennon and McRae, 2009) and the fact that once the price decreases, it becomes hard for the customers to accept the increase in prices again once the crisis is over (Ang et al., 2000; Quelch and Jocz, 2009).

Increasing the prices was only mentioned by Shama (1978, 1992) and Naidoo and others (2011). Shama suggested adding services to the product for customers to accept higher prices. Naidoo and others mentioned different strategies concerning higher prices; a low quality product with a high price to 'non-knowledgeable' customers, the product starts being offered in a high price, with the price reducing by time, high price for a high quality product, or very high price complementary product with the main product of a low price (Naidoo et al., 2010).

But I believe that for consumers facing a hard economic situation, it is hard to convince them to accept a higher price, even if the product is accompanied with other services, unless these services are considered by the customers essential and will be cheaper if offered with the product. This case seems uncommon because if the services were essential, they would have been offered by the firms accompanied to the products from the beginning. So this strategy is not profitable in my point of view and will lead to the loss of customers. I also see that offering low quality products to customers who have no knowledge about the common prices will not be successful in the long term. And if customers are not knowledgeable about the product when they first try it, as visiting a new place, they will probably gain more knowledge about the prices when they are actually in the place, and this is also not a profitable strategy. The same applies to the low price product with the high prices complementary; consumers will deal with it as a whole and will be too expensive. The only case that can be accepted for a higher

price product is if this quality greatly exceeds the quality of the competitors in the sense that it affects the durability and value of the product.

To overcome the disadvantages of decreasing the prices or increasing them, researchers have suggested that companies decrease prices moderately in terms of temporary discounts as a response to the crisis. This will send the message to the customers that their brands' firms know what they are going through and are acting accordingly. So the customers will know in advance that the prices are decreased temporarily, the firm is loyal to them and that the prices in general have not changed in the long term (Ang et al., 2000; Barsky, 2009; Fennon and McRae, 2009; Grossberg, 2009). Another strategy is to offer several packages with different prices (Marketingsherpa, 2008). Firms should be aware that changing the pricing strategies alone will not improve their performance unless these strategies are accompanied with other changes to face the crisis (Köksal and Özgül, 2007).

So we can conclude now that changing the pricing strategies during crises is common and that most scholars have not approved focusing on these strategies too much during crisis. A hypothesis (H.5) is formed related to the discussion above to test if increasing the use of price strategies can have a negative effect on the performance of the organisations or not during political crisis compared to the financial and economic crises that the studies above are applied on. The hypotheses can be seen in section 5.6 and the hypothesis is tested in section 6.3.2.

4.4.4.3.Place

The strategies concerned with the place include the location; where the firm offering the service is located, and the accessibility; how easy it is to reach the location. The strategies also include the distribution channels and the distribution coverage (Rafiq and Ahmed, 1995).

4.4.4.4.Distribution channels

Most strategies discussed for place strategies in studies are about the distribution channels. Working and negotiating with the suppliers during crisis is a strategy

that was mentioned in studies to improve the service and reduce costs (Barsky, 2009; Reeves and Deimler, 2009). Ending the dealing with the weak suppliers and switching to others are another two strategies possible to be applied during crisis (Ang et al., 2000; Goodrich, 1991; Grossberg, 2009). This can be done by ‘re-examining’ the suppliers (Shama, 1978, 1992). Köksal and Özgül (2007) concluded in their research that increasing the number of distribution channels will improve the performance of the firm during crisis. Companies that end their contracts with efficient distribution channels during crisis in order to reduce costs, may find it hard in the recovery period to gain them back (Tkaczyk and Krzyżanowska, 2010).

New markets and weak markets

Entering new markets and withdrawing from weak markets during crisis is considered a favourable strategy (Ang et al., 2000; Kİrtİş and Karahan, 2010; Köksal and Özgül, 2007; Reeves and Deimler, 2009). These new markets can be the markets that were not affected by the crisis, or that even benefited from it (Henderson, 1999). For example, during the gulf war, the Bahamas benefited from the war in terms of receiving more tourists who were planning initially to visit elsewhere and changed their trips to be closer to home and cheaper (less travel costs) to the Bahamas (Goodrich, 1991). Alonso-Almeida and others (2013) is the only study that advised against expanding in different markets to control costs. I believe that entering new markets will be in the firm’s best benefit only if the expected return is higher than the cost of entering the market.

The place strategies are also included as one of the independent variables for this study as can be seen in 5.6 and section 6.3.2.

4.4.4.5.Promotions

Promotion during crisis is considered one of the most important elements of marketing which includes the use of different strategies or the strategies that are already applied but with a change to the extent from which it was applied. The promotion strategies include advertising, public relations, using coupons and

discounts and special offers. Increasing or decreasing the promotion budget during a crisis has not been totally agreed upon among academic research and practitioners in the market. This can be a logic connection to what was mentioned about the marketing spending as promotion is the area where most of the spending takes place. Increasing the promotion budget has been reported in several studies that it was applied and the advantage of gaining better returns especially after recovery was stated (Ang, 2001; Barsky, 2009; Henderson, 1999; Shama, 1978). Ang (2001) revealed that the promotion budget was increased in Singapore as a response to the Asian crisis in 1997. Kırtıř and Karahan (2010) reported that large firms increase their promotion budget more than small firms. The use of direct marketing increased as a response to the global financial crisis (Marketingsherpa, 2008; Naidoo et al., 2010).

Advertising will be discussed alone due to its importance and the massive effect that it is subject to in crisis times. The use of coupons and discounts is a strategy researchers referred to as effective during crisis (Ang et al., 2000; Fennon and McRae, 2009; Goodrich, 1991; Hruzova, 2009; Köksal and Özgül, 2007; Marketingsherpa, 2008; Shama, 1978, 1992). It can be more effective with the products that are not highly demanded (Ang, 2001). During the gulf war , soldiers and their families were granted discounts as an appreciation to what they performed and to increase the demand on tourism (Goodrich, 1991). But Grossberg (2009) stated that discounts and coupons are not enough when the consumers are severely affected emotionally as well as financially from a crisis like the global financial crisis. The researcher said that the promotion strategy used needs to offer ‘reassurance ‘as well as be financially affordable. Shama added that it should also be of good quality (Shama, 1981).

Public relations can be subject to changes during a crisis. During the Asian economic crisis in 1997, Malaysia developed familiarization trips for foreign tourism organisations to visit the country as a public relation strategy (De Sausmarez, 2004). This was the same Public relations strategy of Hawaii with Japan which had advised against travel in 1991 (Goodrich, 1991). Singapore also

applied familiarization trips for the tourism organisations from different parts of the world in order to view the extent of the problem instead of relying on what the media was reporting (Henderson, 1999).

The case study of the tour operator in Evan's study had reduced the public relations spending in the UK as a response to the September attacks in the USA which affected the tourism industry worldwide (Evans and Elphick, 2005). Shama (1992) reported that when the demand exceeds the supply, promotion is not as effective as it would be in other cases.

Offering free trials and samples, after sales services, gifts on certain quantities of the product are also other promotion strategies (Köksal and Özgül, 2007; Marketingsherpa, 2008; Naidoo et al., 2010).

Advertising

One of the most common types of expenditures to be cut is the advertising spending. It is usually the first area that marketers think of reducing as soon as they face a crisis and have to take action (Ang et al., 2000). Ephron (2001) explains the reason why it is given the priority of cutting during crisis. Ephron claimed that marketers are looking for a quick fix during crisis for their profitability. And the amount of money lost in sales due to cutting advertising will be less than the amount of money spent on these advertisements. So it is considered to have a positive impact on profitability (Ephron, 2001). This will have the desired result in the short-term, but not when the economy witnesses a recovery.

The reason for this is that advertising is considered really important to remind the customers all the time about the organization's product even if they cannot afford it during the recession, it will still be a choice after the recovery which starts after about twelve months from the beginning of the recession or before that time (Fennon and McRae, 2009).

For this fact, most researchers believe that advertising spending should be maintained at the same level or increased during crisis although the benefits usually cannot be felt directly during the crisis (Alonso-Almeida and Bremser, 2013; Hruzova, 2009; Marketingsherpa, 2008; Pearce and Michael, 2006; Roberts, 2003).

In addition to be remembered by the customers, another advantage of keeping the advertising activity or even increasing it is the fact that advertising becomes cheaper during downturns (Ang et al., 2000; Pearce and Michael, 2006). Marketers should exploit the opportunity to advertise their products (Quelch and Jocz, 2009). Hence, they will increase their sales and market share with less cost (Köksal and Özgül, 2007).

What type of advertising would be the most beneficial during crisis? And will the advertising message change? Quelch and Jocz (2009) have revealed that the type of advertising an organization should use will depend on its target market and the type of product. For example, if the organisation is offering a product for teenagers or youth, then online advertising is the best choice. If the firm aims to advertise for older people, then it should use the television and radio adverts. If the product was a standard type, and the whole market is the target, then all types of advertising are to be used.

There is no agreement on the best mean of advertising to use during a crisis. On one hand print media is claimed to be cheaper during crisis (Kırtlış and Karahan, 2010; Pearce and Michael, 2006). Some research has revealed that it is even more beneficial and recommended utilizing especially in hard times (Ang et al., 2000; Hruzova, 2009; Köksal and Özgül, 2007). The reason is the psychological changes of the consumers who are only willing to spend their money on necessities, and in order to convince them to buy the product they will need more information which they will find in the print adverts. Organizations that chose to use this type of media should also put in mind the content of the message. The message delivered to the customers should be informative. It should express all the benefits they can

gain by using such product (Ang, 2001; Shama, 1981). Such ads should deliver what the customer is seeking; durability, honesty, quality, cost savings and an empathy message that the firm is knowledgeable of what they are facing and how they are feeling (Fennon and McRae, 2009; Köksal and Özgül, 2007). Advertising should send clear messages with a concentration on not presenting fake promises or that can be perceived as imaginary and trying to develop an emotional kind of communication with customers. Grossberg (2009) claims that the offer a marketer should provide has to send the messages to the customer that everything will get better (reassurance), the offer presents the needed value, and that it is the best price to pay for such a product.

On the other hand, some researchers have emphasized the importance of other types of advertising such as television and radio advertising. Barsky (2009) surveyed travellers in 2009 from around the world to explore the changes they have made due to the global financial crisis in 2008. Barsky claims that television and radio advertisements not only result in more purchases of travelling packages, but also help in popularizing the places advertised. Using television advertisements was used intensively in Malaysia in order to promote the country to its citizens and encourage domestic tourism (De Sausmarez, 2004). Quelch and Jocz (2009) have supported this type of advertising as it plays a role when applying undifferentiated marketing and there are no specific segments to target for the firm's product. Large industry companies relied on print advertising in Turkey during the global financial crisis compared with small companies and companies that deliver services (Kırtılış and Karahan, 2010).

Reducing the time of advertising during every week instead of having weeks without having the brand in front of the customers, advertising at times that are less expensive, and advertising at the most suitable times like seasonal periods for the product in which the effect will be quick and apparent are three strategies Ephron (2001) suggested concerning the advertising aspect. And at the time Quelch and Jocz (2009) advised using the 15 second TV spots instead of the 30 second spot to reduce cost and still have an impact; Lafayette (2009)

recommended an even shorter spot which lasts for 10 seconds. It will be cheaper and the effect of the advertisement is considered reasonable.

The internet is another important mean of advertising that was mentioned as important and efficient specifically when facing a downturn. The low cost and the ability to measure the response were considered core benefits of using online advertising. Twenty per cent of the travellers surveyed revealed that they use the internet to help them decide their next travel destination (Barsky, 2009). The marketingsherpa research (part 2) which was conducted in 2008 to measure the responses of different companies to the global financial crisis stated that the internet can be used to advertise through blogs, shopping websites, social websites and the website of the organization itself. Uploading a video on these sites presents the product, how to use it, why consumers should buy it, and its cost could be informative for consumers and encourage sales (Marketingsherpa, 2008).

Despite the research mentioned previously that recommends the print media, what actually occurred as reported by Marketingsherpa (part 1) is that the use of print advertising during the global financial crisis has decreased. Does this mean that the other means have increased in return? The same study has stated that the radio and television advertising has also experienced a decrease of 59 per cent of the research's respondents compared to 7 per cent only who have increased this type of advertising. This fact can also explain the results of Krzyzanowska and Tkaczyk (2010) which claimed that the consulting companies all advised on cutting costs and marketing spending which includes advertising as one of the first areas to be cut. It can be stated that the same thing happened in previous hard times. Ephron (2001) reported that the advertising industry in the USA was greatly affected by the 2001 recession.

In a study by Goodrich (1991), it was referred to a problem that an organization can face concerning advertising when the crisis is a war and the whole country is affected. The USA was a leader in the Gulf War and many American soldiers participated in the war. Goodrich (1991) referred to the problem advertising

campaigns faced of promoting the country as a touristic destination during the war. Although the opportunity of having a very high rate of watching television was already available, the challenge they faced was to answer the question “how do you sell fun and entertainment in times of national concern?” (Goodrich, 1991, p. 40). This issue will be examined in the survey of this study to define whether this problem existed during the Egyptian revolution in 2011.

I agree with Quelch and Jocz (2009) that the type of advertising used will depend on the product and the target market. I also believe that ‘mediagraphics’ or ‘media demographics’ which Ang (2000) has defined as “knowing what the customers read, watch and listen to” is of great importance and can be cost-saving. Organizations should try to understand how the consumers have changed psychologically during the crisis and track if any changes occur during the recovery period as well because the buying behaviour will be affected and companies will respond accordingly.

As it can be seen above, researchers have revealed that it is favourable or effective to focus more on the promotion strategies during financial crisis. The effect can be shown during or after the crises in the short or long term. So this group of strategies is also tested in this research (in H.4) to see if there is a positive relationship between increasing the use of promotion strategies during political crises as it is during financial crises as claimed by the researchers mentioned above. The development of the hypotheses can be seen in section 5.6 and the hypothesis is tested in section 6.3.2.

4.4.4.6. Personnel

The participants or the personnel include the employees; how they are dressed, speak and how they deal with the customers and the other customers; how much are there and how they behave (Rafiq and Ahmed, 1995) .

Employees

Concerning the employees, as mentioned before, laying-off employees is a popular strategy that is used by firms in different industries to reduce costs. Aronoff & Ward (1991) claim that laying off employees is with a lower percentage in family firms as family members can survive during recessions by making less profit during the recession period. Kırtış and Karahan (2010) stated that the large companies, lay-off employees less than the small firms do.

It would be beneficial for organizations to recognize the critical role that the employees can play especially in the tourism industry where there is a direct contact between the customer and the employee. Several studies refuse the strategy of laying-off employees during crisis (Brush and Brush, 2009; Köksal and Özgül, 2007; Pearce and Michael, 2006). In their study, Köksal and Özgül revealed that those who lay-off their employees during a crisis face the worst performance, and that increasing the size of the salesforce during crisis will lead to better performance (Köksal and Özgül, 2007).

There are other strategies firms can take other than dismissing the employees. Some firms exploit the opportunity that the production hours are less so they start training employees (Berman et al., 2010; Naidoo et al., 2010)

Employees should learn that the behaviour of customers can change during the crisis and they need to be heard and treated in the most appropriate way and that it is the employees' efforts that will help keep these customers coming again and in turn the employees' jobs will be secure too. It is vital to organizations to train their employees on how to deal with the customers in order to keep them loyal. Otherwise, the customers' loyalty will be affected and they will be encouraged to move to other suppliers. The loyalty of 68 percent of customers has been affected negatively by the employees' failure (Barsky, 2009). Having a good relationship and communication with employees is considered essential (Evans and Elphick, 2005; Fennon and McRae, 2009). Encouraging them to express their suggestions on how to face the crisis and improve the firm's performance can be effective (Alonso-Almeida and Bremser, 2013). Attracting the best qualified employees

being laid-off by the competitors can be a strategy used also during a crisis (Berman et al., 2010). Leadership is another aspect that is important when considering the employees' role in crises. The existence of a leader who is able to make the firm survive is one of the most important issues to consider during hard times is what the interviewee stated in the study of Leavy (Leavy, 2009).

Customers

A successful relationship with customers will help firms build a loyal customer base which is important to firms especially during hard times. Several studies have stated that during a crisis keeping communication with customers is essential and can affect the performance more positively rather than focusing solely on reducing costs or cutting prices (Alonso-Almeida and Bremser, 2013; Fennon and McRae, 2009; Laitinen, 2000). Customers' buying behaviour changes as mentioned above and firms that keep the relationship with the customers will acknowledge the changes that occurred and these firms can find out what their customers expect and would try to meet or exceed them to improve his market position (Ang, 2001; Köksal and Özgül, 2007). Communicating is essential even when the customers have reduced or stopped their spending due to their hard economic situation. With the increasing usage of the internet, firms can communicate through direct emails to the customers (Berman et al., 2010; Marketingsherpa, 2008). When customers are loyal and satisfied this can lead to attracting new customers through the current ones (Barsky, 2009). Further, the communication with customers can save costs of unwanted transactions and also direct transactions with the customers will also be cost saving (Reeves and Deimler, 2009). Henderson (1991) claimed that during the Asian environmental crisis of the air pollution, being honest about the pollution problem and updating the customers with the improvements through time helped build credibility and was a sound communication with customers.

Personnel strategies focusing on the employees will be considered as one of the independent variables. Personnel strategies were not included in previous studies as the services marketing mix was not taken in consideration. This study tests if

these strategies do change and whether there is a focus on them during the political crisis.

4.4.4.7.Process

Process improvement

Acquiring new technology or assets in order to improve productivity processes can be beneficial during crisis (Alonso-Almeida and Bremser, 2013). But the firm has to consider whether this will add value and will lead to more profits or not. The company would better weigh the costs and the benefits of anything it will add and then make the decision carefully.

Internet

With the increase of the internet usage, organizations use it in order to promote their products. It is considered less expensive and easily measurable (Marketingsherpa, 2008). This was referred to in the advertising strategies section. But the use of the internet here is about facilitating the process of the service such as booking and getting all information needed to make the decision of purchasing any service or good. Online shopping has been increasing and during downturns, some customers may prefer to shop from home to save the money of transportation. Naidoo and others have emphasised the importance of the hotel websites where all information should be available clearly and booking online can be done easily (Naidoo et al., 2010). For example, a person deciding to travel for a holiday, can use the website of a travel agency in order to get all the information he needs, ask questions if answers are not already included in available information, book online and even make some further changes or cancellations according to the flexibility of the contract that he agrees upon with the firm. The same is applied when making an order from a restaurant or when shopping online.

Customer services

One of the strategies used during crisis is increasing the level of customer service (Pearce and Michael, 1997). Nearly 83 per cent of firms in the study of Ang (2001)

and 37 per cent in the study of Shama (1992) stated that they increased their services to long-term customers. Customer services that can be offered are after sales services, warranties, discounts, flexible policies, different ways of paying, making the product more approachable, increasing the range of choices, and improving the access to information about everything concerning the product, like prices, special offers, shipping costs and times and how to pay (Ang et al., 2000; Barsky, 2009; De Sausmarez, 2004; Köksal and Özgül, 2007; Marketingsherpa, 2008; Naidoo et al., 2010).

Process strategies will be considered as one of the independent variables. This is because this study takes in consideration the services marketing mix and it will be shown in the analysis chapter whether there are any changes in these strategies during political crisis.

4.4.4.8. Physical evidence

No strategies have been mentioned in the previous literature concerning the strategies organizations have implemented related to the environment of the service firm where the service is offered to the customer. This includes: ‘environmental design, décor, signage, and business cards/ stationary’ (Bitner, 1990). These elements affect what the customer would expect from the service organization before the service is delivered. Further, the ‘noise level, odors, temperature, colors, textures, and comfort of furnishings’ can affect how the customer feels about the service after it is offered (Bitner, 1990, p. 72).

Physical evidence strategies will be considered as one of the independent variables as an element of the services marketing mix which is tested in this study as mentioned above. .

The following table 4-5 summarises the strategies that were mentioned in all the above studies that were discussed. It gives a view about which strategies have been most popular in crises like improving quality or offering new products for

example compared to those who were barely mentioned like increasing prices for example.

Table 4-5 Different marketing strategies under crisis mentioned in previous literature

Marketing Strategy	Marketing mix element	Type of crisis	Author
Offering new brands/ destinations	Product	Political (wars and terrorism), Economic	Goodrich (1991), Evans and Elphick (2005), De Sausmarez (2004), Kİrtiř and Karahan (2010), Alonso-Almeida & Bremser (2013), Shama (1978, 1992), Köksal & Özgöl (2007), Naidoo et al (2010), Ang (2001), Laitinen (2000), Pearce & Michael (2006), Roberts (2003), Quelch and Joz (2009), Ang et al (2000), Henderson (1999), Reeves and Deimler (2009), Fennon & McRae (2009), Ioannides & Apostolopoulos (1999), and Brush and Brush (2009)
Extra services	Product	Economic	Shama (1978, 1992), Ang (2001) Köksal & Özgöl (2007), Naidoo et al (2010), Pearce & Michael (1997), Ang et al (2000), De Sausmarez (2004)
Developing alternative raw materials	Product	Economic	Shama (1978, 1992) , Ang (2001)
Improve quality	Product	Economic	Köksal & Özgöl (2007), Naidoo et al (2010), Laitinen (2000), Roberts (2003), Ang et al (2000), Grossberg (2009), Gottfredson et al. (2008), Fennon & McRae (2009), Brush and Brush (2009), Barsky (2009) Quelch and Joz (2009), Shama (1981)
Stricter credit	Product	Economic	Shama (1978, 1992) , Ang (2001)
Facilitating customer credits	Product	Economic	Kİrtiř and Karahan (2010)
Product adjustments	Product	Economic	Tkaczyk and Krzyzanowska (2010), Laitinen (2000), Shama (1981), Henderson (1999), Reeves and Deimler (2009), Grossberg (2009), Leavy (2009), Brush and Brush (2009) Quelch and Joz (2009), Goodrich (1991), Naidoo et al (2010), Neff (2008) Gottfredson et al. (2008)
The use of discounts, coupons and samples	Price	Political (wars and terrorism), Economic	Goodrich (1991), Evans and Elphick (2005), Hruzova (2009), Shama (1978, 1992), Köksal & Özgöl (2007), Naidoo et al (2010) , Ang (2001), Ang et al (2000), Shama (1981), Henderson (1999), Fennon & McRae (2009)

Marketing Strategy	Marketing mix element	Type of crisis	Author
Price adjustments	Price	Political (wars), Economic	Shama (1978, 1992), Köksal & Özgül (2007), Naidoo et al (2010), Ang (2001), Laitinen (2000), Ang et al (2000), Shama (1981), Reeves and Deimler (2009)
Increase price Reduce price	Price	Economic	Naidoo et al (2010)
	Price	Economic, Political (wars)	Shama (1978, 1992), Naidoo et al (2010), Pearce & Michael (1997), Grossberg (2009), Goodrich (1991), Hruzova (2009), Ang et al (2000), Evans and Elphick (2005), Henderson (1999)
Entering new markets	Place	Economic, Political (wars)	Goodrich (1991), De Sausmarez (2004), Köksal & Özgül (2007), Shama (1992), Tkaczyk & Krzyzanowska (2010), Pearce & Michael (1997), Pearce & Michael (2006), Ang et al (2000), Henderson (1999), Reeves and Deimler (2009), Ioannides & Apostolopoulos (1999) Ang (2001), Alonso-Almeida & Bremser (2013)
Familiarization trips	Promotion	Political (wars), Environmental	Goodrich (1991), De Sausmarez (2004), Henderson (1999)
Using new means of promotion (internet, direct marketing, telemarketing, etc.)	Promotion	Political (wars), Economic	Hruzova (2009), Marketingsherpa (2009), Köksal & Özgül (2007), Naidoo et al (2010), Quelch and Joz (2009), Ang et al (2000), Shama (1981), Goodrich (1991) Barsky (2009)
Event marketing	Promotion	Economic	Marketingsherpa (2009), Naidoo et al (2010), Avraham (2004), Henderson (1999), Brush & Brush (2009)
Informative advertising	Promotion	Economic,	Köksal & Özgül (2007), Ang et al (2000) Shama (1981) Ang (2001)
Improve image of organization	Promotion	Economic	Naidoo et al (2010)
Public relations	Promotion	Economic	Köksal & Özgül (2007), Naidoo et al (2010), Ang et al (2000)
Facilitating the entrance to country	Promotion	Economic	De Sausmarez (2004)
Increase sales force	Promotion	Economic	Shama (1992)
Client engagement	Personnel	Economic	Alonso-Almeida & Bremser (2013), Berman et al (2010), Reeves and Deimler (2009), Fennon & McRae (2009)
Broaden employee responsibility	Personnel	Economic	Shama (1978, 1992), Ang (2001)

Marketing Strategy	Marketing mix element	Type of crisis	Author
Employee engagement	Personnel	Economic	Alonso-Almeida & Bremser (2013), Naidoo et al (2010), Pearce & Michael (1997, 2006), Berman et al (2010), Shama (1981), Aronoff & Ward (1991), Leavy (2009)
Consider loyal customers	Personnel	Economic	Alonso-Almeida & Bremser (2013), Shama (1978, 1992), Ang (2001), Marketingsherpa (2009), Quelch and Joz (2009), Ang et al (2000), Fennon & McRae (2009), Grossberg (2009)
Employee training	Personnel	Economic	Köksal & Özgül (2007), Naidoo et al (2010), Ang et al (2000)
More payment options	Product	Economic	Marketingsherpa (2009), Köksal & Özgül (2007)
Reducing business trips and using video conferences instead.	Process	Political (wars), Economic	Goodrich (1991), Alonso-Almeida & Bremser (2013)
Reducing labour force	Process	Political (terrorism), Economic	Evans and Elphick (2005), Kırtış and Karahan (2010), Alonso-Almeida & Bremser (2013), Köksal & Özgül (2007), Shama(1992), Pearce & Michael (1997), Laitinen (2000), Goodrich (1991), Neff (2008) Tkaczyk and Krzyzanowska (2010)
Cutting marketing expenses	Process	Economic	De Sausmarez (2004), Marketingsherpa (2009), Tkaczyk and Krzyzanowska (2010), Pearce & Michael (1997), Laitinen (2000) Barsky (2009)
Increasing the promotion budget.	Process	Economic	Kırtış and Karahan (2010), Alonso-Almeida & Bremser (2013), Shama (1978), Marketingsherpa (2009), Köksal & Özgül (2007), Naidoo et al (2010), Ang (2001), Pearce & Michael (2006), Quelch and Joz (2009), Ang et al (2000), Shama (1981), Henderson (1999), Lafayette (2009) Barsky (2009)
Terminating unsuccessful products	Process	Economic	Kırtış and Karahan (2010), Alonso-Almeida & Bremser (2013), Laitinen (2000), Ang et al (2000)
Cutting R & D expenses	Process	Economic	Kırtış and Karahan (2010)
Acquisitions and mergers	Process	Economic	Alonso-Almeida & Bremser (2013), Pearce & Michael (2006), Quelch and Joz (2009), Berman et al (2010), Ang et al (2000), Henderson (1999), Aronoff & Ward (1991), Reeves and Deimler (2009), Fennon & McRae (2009)
Reconsidering operations	Process	Economic	Alonso-Almeida & Bremser (2013), Shama (1978, 1992), Ang (2001), Laitinen (2000), Pearce & Michael

Marketing Strategy	Marketing mix element	Type of crisis	Author
Increase research and development Re-examining distribution channels Consider alternative channels Focusing on current strong markets Reduce Employee training budget Different price for different market segments Cancelling investments Imitating competitors Cost cutting Restructure departments Withdrawing from weak markets Increase marketing expenses Outsourcing Partnering with suppliers			(2006), Roberts (2003), Berman et al (2010), Gottfredson et al. (2008)
	Process	Economic	Shama (1978, 1992), Köksal & Özgül (2007), , Ang (2001), Pearce & Michael (1997), Roberts (2003), Quelch and Joz (2009), Aronoff & Ward (1991), Grossberg (2009), Gottfredson et al. (2008), Leavy (2009), Brush & Brush (2009)
	Process	Economic	Shama (1978, 1981, 1992), Köksal & Özgül (2007) , Ang (2001), Pearce & Michael (1997), Ang et al (2000), Grossberg (2009)
	Process	Economic	Ang et al (2000)
	Process	Economic	Ang et al (2000), Köksal & Özgül (2007)
	Process	Economic	Alonso-Almeida & Bremser (2013)
	Process	Economic	Naidoo et al (2010)
	Process	Economic	Alonso-Almeida & Bremser (2013)
	Process	Economic	Alonso-Almeida & Bremser (2013)
	Process	Economic	Tkaczyk and Krzyzanowska (2010), Gottfredson et al. (2008), Leavy (2009), Fennon & McRae (2009)
	Process	Economic	Alonso-Almeida & Bremser (2013), Pearce & Michael (1997), Laitinen (2000)
	Process	Economic	Pearce & Michael (1997), Ang et al (2000), Köksal & Özgül (2007), Reeves and Deimler (2009), Tkaczyk and Krzyzanowska (2010)
	Process	Economic	Köksal & Özgül (2007), Laitinen (2000), Neff (2008,2009), Roberts (2003), Berman et al (2010), Aronoff & Ward (1991), Grossberg (2009), Fennon & McRae (2009)
	Process	Economic	Roberts (2003), Brush & Brush (2009)
	Process	Economic	Reeves and Deimler (2009)

Source: Compiled by the author

As it can be recognized from the table above, offering new brands or destinations, entering new markets, increasing the promotion budget and increasing research

and development are the most mentioned marketing strategies used during crises. And before discussing these strategies it is important to note that Shama (1978), Shama (1992) and Ang (2001) will exist together in the same strategies as these studies have used the same questionnaire with very limited adjustments.

Offering new products or destinations in the case of tourism is the strategy which was mentioned in all studies. This reflects that there are changes in the market. Increasing the research and development aims at identifying these changes which can occur in the markets and the customers' behaviours and needs. This strategy also is essential in order to track the new segments that emerge in the market. This will then lead to the adjustments which need to be followed by promotion.

Also most strategies focus on economic crises which are stagflation, inflation or financial crises. All the studies that are applied on financial crises and conducted in the year 2008 onwards are concerned with the global financial crisis which took place in 2008. There are three other types of crises of concern in the studies other than the economic crises. Two of them discuss the strategies during political crises (war and terrorism) which are Goodrich (1991) and Evans and Elphick (2005) and one research is on environmental crisis (Henderson (1999)).

The strategy of making familiarization trips is the only strategy which was not mentioned in the studies of economic crises. This seems logical as it may be considered as essential for a country that faced a war and is going through instability afterwards or a country which was exposed to a critical environmental crisis like the Southeast Asian haze in 1997.

Adjusting prices is one of the most mentioned strategies too. Most researchers discussed making price adjustments. Some have mentioned increasing the price (Fennon and McRae, 2009) others have mentioned reducing the price (Pearce and Michael, 1997; Shama, 1978, 1992) and most mentioned price adjustments without identifying its increase or decrease stating that it depends on other factors such as quality.

If the marketing strategies are classified according to the extended marketing mix, it would be apparent that there are no strategies related to the physical evidence element in the case of Booms and Bitner. This research will include strategies classified according to the seven Ps: price, place, promotion, product, personnel, physical assets, and process.

4.5 The Research Gap

By now, and according to the literature reviewed above, what *we know* is that there are a group of specific strategies that are used during crises (usually financial crises as we have seen in the studies). We also know that some of them have a positive or negative relationship to the organisation's performance when the use of them increases during these crises.

But there are still some important aspects that *we do not know*. There is lack of research on the other types of crises compared to the financial and economic crises as can be seen above. Therefore, we need to know:

- 1- If the same strategies are used during other types of crises, in particular political crisis.
- 2- If the services marketing mix strategies (adding the process, personnel, and physical evidence strategies to the 4Ps) are focused on too during crises in services industries.
- 3- Whether the effect of using these strategies during other types of crises other than the financial and economic crises is the same.

How will this thesis be different from the studies shown in tables 4-1 and 4-2 and which are discussed above? The answer for this question will be stated according to the three points mentioned above about the areas that need more research.

Firstly, it was mentioned before that there are different types of crises, and they were discussed in detail in section 3.2 and 3.3. And if the studies above are mostly

on the financial crises, then there is research needed in other types of crises. This study will be applied on a type of political crisis which was not researched before in the same field. Two of those studies that are conducted by Goodrich (1991) and Evans and Elphick (2005) focus on political crises. They are shown in table 4-2. However, both studies apply their research on the tourism sector of a country that was affected by a political crisis in another country. For example, Goodrich does not talk about the tourism in Kuwait, but in the USA which was a participant in the war and Evans and Elphick focus on how the UK was affected by the terrorist attacks in the USA. So the studies mentioned in political crises were applied on countries affected indirectly (the crisis did not emerge in the country). This is different in two phases; this research focuses on the tourism sector in the same country (Egypt) which was subject to a political crisis (directly affected) and also the type of the political crisis is different as the focus in this research is the 2011 Egyptian revolution and the following period of political turmoil not a war or terrorist attack. Is this difference relevant? The answer is *yes*. This is because when a war or terrorist attack takes place against a country as was discussed in these two studies, the people of the country will all be against such attack and will be united together to get over the crisis and its consequences. There would still be instability after the crisis, but it is less severe from a revolution where not all people agree for its reasons and which is raised by citizens themselves. The absence of a consensus within the country between those who want a change and those who were at their best with the pre-revolution situation leads to more instability and requires more time to overcome this crisis especially if the country is trying to attract tourists who are concerned about their safety.

Secondly, this thesis will evaluate the extended marketing mix strategies during the political crisis researched. The services marketing mix strategies were not recognised by any of these studies despite its importance and the fact that it is mentioned in studies in the marketing field that are concerned with services. This can help identify strategies that are used in reality concerning the personnel, processes, and physical evidence but not explained in other studies. It will also help to determine if the extended marketing mix is as important to organizations

in crisis as it is in usual conditions. All previous studies who have classified their strategies have only used the main marketing mix strategies (product, price, promotion and place).

Thirdly, this research is an empirical study focusing on evaluating the services marketing strategies used in tourism during a political crisis. Based on the previous two points, there is no information provided about how the strategies that are used during a political crisis affects the performance of these companies. This will be discovered by this research through having the services marketing mix elements as the independent variables and the performance of the participating companies as the dependent variable and measuring the relationship between applying certain strategies by these companies during the political crisis from 2011 until the end of 2013 and their performance before and after applying these strategies as will be discussed in detail in the next chapter.

4.6 Conclusion

Marketing strategies are used by every institution that presents a good or service. These strategies are classified in a different way according to different scholars. The most popular classification is the four Ps marketing mix which refers to the product, price, promotion and place. Furthermore, the extended marketing mix adds three elements which are personnel, physical evidence, and process. This marketing mix is related to the services sector due to its nature. There are several approaches in marketing during both stable and unstable environments in which the organization exists and operates.

There is research about marketing during crisis. Part of this research conducted, only specify the strategies that were used during the crisis of interest. Usually the type of crisis is financial or economic. The other part of studies -which is very limited- tried to assess if the marketing strategies applied during the crisis of study affected the performance of the organisations applying them. There is lack of research in other types of crisis to identify what strategies are focused on during

these crises, and which of these could be of an advantage to the company and which could be harmful to its performance.

My research will build on the existing literature in the marketing crisis theory by examining the extended marketing mix during a specific type of political crisis. In my thesis, I identify the strategies that are used in Egypt during the political crisis of 2011-2013, and identify how similar or different the marketing strategies adopted are compared to strategies implemented others during financial and economic crises as mentioned in previous research.

In order to accomplish that, the next step is to identify the methodology of the research in order to fill in the research gap identified at the end of this chapter. The research approach chosen, the research philosophy of this research, the research strategy and design, what methods I will use in order to collect the data, information about the research variables, the research hypotheses, how will I analyse the data, and more detailed information about the research variables will all be discussed in the next chapter. How the literature reviewed in this chapter is a base for the hypotheses developed for this study can be seen in detail in section 5.6.

5. RESEARCH METHOD

5.1 Introduction

After identifying the research gap in Chapter 4 and the research questions and aims in Chapter 1, there is a need for a scientific method in order to answer these questions and hence, fill in the research gap. This chapter presents the research approach which this research adopts, the research strategy, and the research methods. The research variables are mentioned, with a discussion of their availability in previous research and what methods of measurement were used for these variables and what methods this study chooses.

This is then followed by information about the data collection process which presents the population and sample of this research, how big they are, the characteristics of the sample, the basis on which the sample is chosen, and the sampling methods implemented. The last part of the chapter explains how this data is analysed, the research limitations, and some ethical considerations.

5.2 Research Approach

A research in social sciences can apply two different types of approaches when related to theory. These approaches are known as deductive or inductive approaches. The deductive approach involves starting by a theory which already exists. The researcher then creates hypotheses that either support or contrast the theory. This is followed by the collection of data needed in order to examine these hypotheses. Then the researcher analyses this data to test the hypotheses. The analysis will lead to findings that approve or reject the hypotheses related to the theory. Accordingly, the researcher can reach to a conclusion about the specific topic researched based on the findings. The conclusion either adds to the existing theory or contrasts the theory. By contrast, the inductive approach works in a 'bottom-up approach' by starting with collecting the data as a first step (Burns and

Burns, 2008). This means that the researcher starts by collecting data and analysing this data and does not depend on an existing theory to test. The researcher can then create a theory from the data gathered (Bryman and Bell, 2011).

When referring to inductive and deductive approaches concerning the steps involving data and theory, Morgan (2006) claimed that “any experienced researcher knows that the actual process of moving between theory and data never operates in only one direction” (Morgan, 2007, p. 70).

Based on the nature of the investigation for my study, it follows the deductive approach. This is because this study is based on an existing theory in marketing about marketing during crisis. An extended marketing mix which is used for the services organisations has been approved by marketing academics and researchers and is mentioned in text books as the marketing mix for services. As discussed in the previous chapter, that in addition to the main elements of the marketing mix (place, price, promotion and product), the services marketing mix includes (personnel, process, and physical evidence). This research takes in consideration the services marketing strategies used during political crisis, identifying the most type of strategies subject to change during crisis, and the effect of these changes on the performance of the tourism organisations facing this crisis.

How this will be accomplished is discussed in detail in the rest of the sections in this chapter. Mentioning the major research philosophy would be a logical start to identify the ontological and epistemological basis that exist, and which one of them the researcher has chosen to follow in this research.

5.3 Research Philosophy

The research philosophy researchers adopt depends on the paradigm that they believe in and follow (Denzin and Lincoln, 2000). There are different definitions of the word ‘paradigm’ as was referred by Morgan (2007). The definition of the

word paradigm according to scientific studies is “the consensual set of beliefs and practices that guide a field” (Morgan, 2007, p. 49). On the other hand, Morgan described paradigm in social sciences as “systems of beliefs and practices that influence how researchers select both the questions they study and methods that they use to study them” (Morgan, 2007, p. 49).

These systems of beliefs and practices, or in other words, paradigms include ontology, epistemology, methodology, and axiology (Denzin and Lincoln, 2000). Ontology refers to “basic questions about the nature of reality and the nature of human being in the world” (Denzin and Lincoln, 2000, p.157)

When explaining the meaning of ontology by Bryman and Bell (2011) taking in consideration research applied on organisations, they defined it by raising the question “whether social entities can and should be considered objective entities that have a reality external to social actors, or whether they can and should be considered social constructions built up from the perceptions and actions of social actors” (Bryman and Bell, 2011, p. 20). Epistemology is defined as “a theory of how best to gain knowledge about the world” (Yardley and Bishop, 2007, p. 354). Methodology is about “the best means for gaining knowledge about the world” (Denzin and Lincoln, 2000, p.157). Axiology is related to the ethics in research and is referred to as the ‘theory of values’(Weinberg, 1970).

Bryman and Bell (2011) have claimed that the ‘competing paradigms’ are the ‘objectivist’ and ‘subjectivist’ paradigms. They stated that according to an objectivist paradigm, the researcher can view the organisation from the outside, as an entity that involves ‘consistently real processes and structures’. On the other hand, the subjectivist paradigm means that it is only possible to view the organisation from the inside, and only by participants who are performing in the organisation.

5.3.1 Objectivism

Objectivism which is referred to as positivism also has been defined and explained in different ways. Morgan (2007) revealed when discussing the history of the research in social sciences, and the changes that have occurred in form of the methodology, that positivism was labelled as the ‘dominant paradigm’ (Morgan, 2007). Remenyi (1998) stated that this type of paradigm “sees the researcher as an object analyst and interpreter of a tangible social reality”. And that “the researcher is independent of and neither affects or is affected by the subject of research”. (Remenyi, 1998, p. 33). Bryman and Bell (2011) have added that it is considered as “an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond” (Bryman and Bell, 2011, p. 15)

Cupchick (2001) characterised positivism as “naïve realism in which reality is deemed both real and apprehendable” (Cupchik, 2001, p. 1). And that “positivists have a greater interest in uncovering specific functional relationships between operationalised variables” (Cupchik, 2001, p. 2). Denzin and Lincoln (2000) added that “Positivism asserts that objective accounts of the real world can be given” (Denzin and Lincoln, 2000, p. 24). This clarifies the description of Bryman and Bell of objectivism, in which the researcher deals with the organisation as an ‘object’ and assumes that it holds the characteristics of this tangible object, and that it is separated from the social actors (people) that regulate, manage, and perform activities in this organisation. These characteristics include the ‘rules, regulations, hierarchy, and mission statement’ (Bryman and Bell, 2011).

5.3.2 Subjectivism

The major paradigm that has different ontology and epistemology than objectivism is called subjectivism. This paradigm is also known as the ‘interpretive’, ‘descriptive’, or ‘phenomenology’ paradigm. When compared with the objectivist, the subjectivist “argues that our awareness of the world is completely mediated by our particular subjective and socio-cultural experiences” and “it is impossible to achieve ‘objective knowledge’” (Yardley and Bishop,

2007). This description aligns with how Remenyi (1998) described it: “Unlike the positivist, the phenomenologist does not consider the world to consist of an objective reality but instead focuses on the primacy of subjective consciousness. Each situation is seen as unique and its meaning is a function of the circumstances and the individuals involved. To the phenomenologist the researcher is not independent of what is being researched but is an intrinsic part of it” (Remenyi, 1998, p. 34). And therefore, a constructivist disagrees with applying the same research methods of natural sciences to the social sciences which involves people. This is because a subjectivist’s aim is to ‘understand’ the human behaviour and not just ‘explain’ it as is the case of objectivism (Bryman and Bell, 2011).

Considering the paradigms as being purely ‘subjective’ or totally ‘objective’ is not agreed upon by researchers in the social sciences. Many researchers believe that the gap between these two paradigms has begun to ‘blur’. Morgan (2007) claimed that “the usual forced dichotomy between subjective and objective is an equally artificial summary of the relationship between the researcher and the research process” (Morgan, 2007, p.71). This is why a paradigm which includes both types can be used, and it is referred to as a pragmatic approach. Yardley and Bishop (2007) have defined pragmatism as “a basis for combining qualitative and quantitative inquiry” and have described it as “pragmatism addressed the concerns of both qualitative and quantitative researchers by pointing out that all human inquiry involves imagination and interpretation, intentions and values but must also necessarily be grounded in empirical, embodied experience” (Yardley and Bishop, 2007, p.355). This can help the researcher to avoid the criticism or disadvantages of each paradigm applied separately. But taking in consideration the limited resources researchers have available in form of time and money can lead the researcher to only focus on one type that satisfies his ontological and epistemological beliefs (Remenyi, 1998). How a researcher perceives the concept of ‘reality’ determines the paradigm to be applied in the researcher’s study (Hirschman, 1986). Furthermore, Shrivastava argued that “There is no single paradigm guiding research. Hence, personal preferences of researchers, availability of data, and institutional and resource limitations guide the choice of

study topics” (Shrivastava, 1993, p.33). In this study, the author applies an objectivism approach which was chosen according to the researcher’s ontological and epistemological perspectives.

5.4 Research Strategy

Research strategy can be defined as “a general orientation to the conduct of business research” (Bryman and Bell, 2011, p. 26). This orientation can be either to conduct a quantitative or qualitative research. Differentiating between quantitative and qualitative does not depend on the use of numeric values solely. It depends on more criteria than simply identifying the research type to whether the data collected and analysed is numerical. Table 5-1 shows a differentiation between both research strategies based on several factors:

Table 5-1- The difference between a quantitative and qualitative research strategy

Qualitative	Quantitative
The aim of qualitative analysis is a complete, detailed description.	In the quantitative approach, researchers classify and count features, and construct statistical models in an attempt to explain what is observed
Recommended during earlier phases of research projects	Recommended during latter phases of research projects.
Researcher may only know roughly in advance what they are looking for. Theory developing	Researcher knows clearly in advance what they are investigating. Usually testing a theory or elements of a theory.
The design emerges as the study unfolds.	All aspects of the study are carefully designed before data is collected.
Researcher is the data gathering instrument	Researcher uses questionnaires, attitudes scales, tests or equipment to collect numerical data.
Data are usually word, pictures (e.g. videos) or objects (artefacts).	Data are always numbers and statistics
Qualitative data are more ‘rich’, time consuming, and less able to be generalized.	Quantitative data are more efficient, able to test hypotheses, but may miss contextual detail.
Researcher tends to become subjectively immersed in the subject matter.	Researcher tends to remain objectively separated from the subject matter.

Source: Burns and Burns (2008), p.22

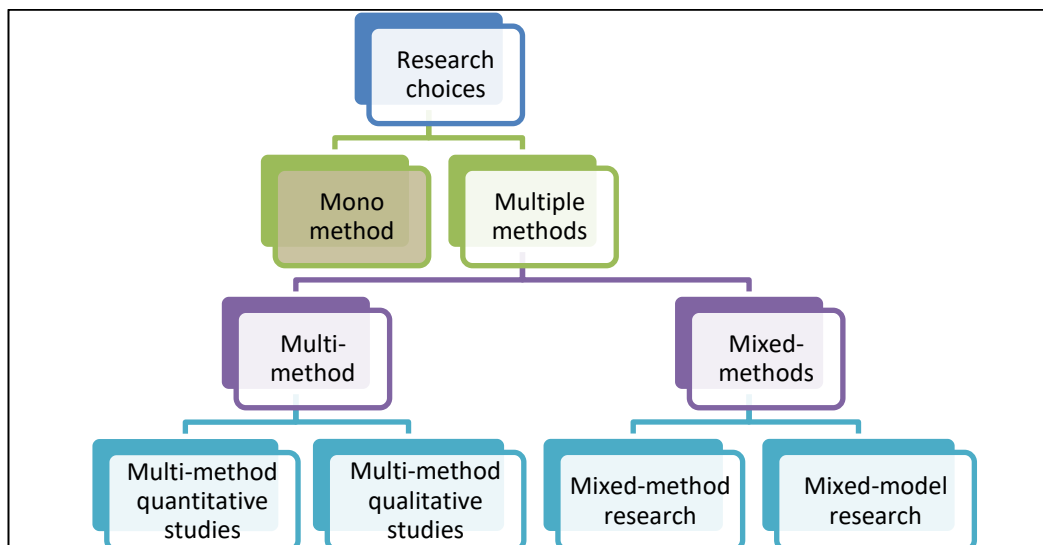
The table above has identified the major differences between the research strategies which involves the aim of the research, the movement direction between theory and data (is it testing or creating a theory), and the emergence of the design

of the research. The research strategy is chosen according to the ontological and epistemological preferences and beliefs of the researcher (Kumar, 2011). This research uses a quantitative approach as questionnaires are used, the data is in numbers, and the Crisis Marketing Theory is the theory tested.

5.4.1 Research Design

Research design gives the researcher a picture about what data will be collected, and how it will be analysed in the light of the research questions. In order for a researcher to determine this, a ‘research choice’ would have to be taken. The following figure shows all the different research choices available for researchers to form their research design:

Figure 5-1 Research choices



Source: Saunders et al, 2009, p.152

If the researcher chooses to collect quantitative data and use quantitative analysis methods, or chose to collect qualitative data and analyse it by using qualitative analysis techniques, then this research choice is referred to as a Mono method. If the researcher decides to use both quantitative and qualitative data collection methods and analysis, then this research choice is called Multiple method. There are four possibilities that underlie choosing a multiple method. When the researcher uses more than one form data collection of the same type and analysis,

this is referred to as a Multi-method. A multi-method quantitative study for example can involve using two different types of quantitative data collection methods, and this data is analysed quantitatively. A multi-method qualitative study can use more than one qualitative data collection process such as interviews and observations and then qualitatively analyse this data. A mixed method research occurs when the researcher applies both quantitative and qualitative data collection methods and analysis techniques in the same study. It has to be pointed to that, the quantitative data is quantitatively analysed, and the qualitative data collected is analysed using qualitative techniques. Using both types can be done at the same time or one done first and then followed by the other. From the literature discussed in the previous chapter, Srinivasan et al (2005) used this research choice by conducting interviews and analysing it in order to identify the variables that they wanted to test in their questionnaire which was analysed quantitatively. Shama (1978) also used this research design, when he conducted a questionnaire and then followed it by interviews. The Mixed-model research differs than the mixed-method research in the fact that the quantitative data collected is analysed using qualitative techniques and vice versa. Saunders and others (2009) referred to this process as ‘qualitising’ and ‘quantitising’ the data.

There are five different types of research designs that can have any of these research choices; experimental design, cross-sectional design, longitudinal design, case-study design, and comparative design (Bryman and Bell, 2011). The experimental design is more popular in natural sciences than in social sciences. It involves control factors which reflect “planned interference in the natural order of events” (Burns and Burns, 2008, p.83). Cross-sectional design “refers to studies which take a snapshot of a situation in time. This type of research does not attempt to comment on trends or on how situations develop over a time period. Rather cross-sectional research examines how something is done at the time of the research study and will generally seek to identify and understand differences between the various members of the study population” (Remenyi, 1998, p. 47). Burns and Burns (2008) referred to this type of research design as the ‘snapshot’ design. The cross-sectional design is considered very popular in social sciences.

This is because the participants in a cross-sectional design are contacted only one time during the period of the study to provide the type of data that the researcher needs from them. Longitudinal designs by contrast involve studying ‘change and development’ and need longer time and costs to be applied, as it is conducted over different periods of time (Saunders and others, 2009). When a research aims to find a cause –and –effect relationship, a longitudinal design can be considered the most appropriate, if resources were available (Burns and Burns, 2008). A case study design involves an intensive study of a single case. Comparative design involves studying “two or more contrasting cases” (Bryman and Bell, 2011, p.63). This can be useful to understand a social phenomenon by making the comparisons.

According to the type of data collected, the method used for the collection, and the period in which the research covers, the author of this research will apply a cross-sectional design.

5.5 Research Questions

Before stating the hypotheses of the study and their development, a reminder of the research questions is presented to acknowledge the answers this study is seeking to obtain and the reasons of developing such hypotheses. The research questions are as follows:

1. Are there changes in the marketing mix strategies during periods of political crises in the tourism industry?
2. What is the effect of changes in marketing strategies applied by tourism organisations on the performance of these organisations during a political crisis?
3. Is the amount of changes made to the strategies of personnel, process and physical evidence the same as the amount of changes made to strategies of price, product, place, and promotion?

4. Is there a specific marketing mix element organisations focus on during political crisis?
5. Is there a difference in the performance of organisations that focused on different marketing mix elements?

5.6 Hypotheses Development

This section discusses the development of the research hypotheses according to the research questions and the literature review:

5.6.1 Changes in the marketing strategies and performance

Previous literature has discussed the importance of making adjustments in the marketing strategies when faced by crises in order to face them (Ang et al., 2000; Blake and Sinclair, 2003; Gottfredson et al., 2008; Hruzova, 2009; Ioannides and Apostolopoulos, 1999). The degree of adjustments in the marketing strategies depends on several aspects; the perception of the importance of marketing in normal and abnormal circumstances, the effect of the crisis on the firm, the type of crisis, and the aim of making these adjustments. Both the theoretical and empirical studies describing or measuring the relationship between making some adjustments to the marketing strategies when facing financial crisis and the effect on performance have claimed that the result is mostly positive (Köksal and Özgül, 2007; Laitinen, 2000; Naidoo et al., 2010; Pearce and Michael, 1997).

There are very few studies about adjustments in marketing strategies during political crises. The research of Ioannides and Apostolopoulos (1999) is exploratory; it describes marketing strategies that were adopted to face the 1974 war in Turkey. The study refers briefly to positive performance after adopting certain marketing strategies in the Turkish tourism sector. The study of Goodrich (1991) describes some marketing strategies applied by a country affected by the political crisis taking place in another country (tourism in the USA affected by the

Gulf War in 1991). Goodrich has also claimed that the adjustments in the marketing strategies have had a positive effect on the tourism industry in the USA.

In light of this discussion, this study proposes this hypothesis:

H1- Changes in marketing strategies have a positive impact on the performance (as a whole) of organisations during a political crisis.

The performance is measured through five factors: employability, growth, profitability, liquidity and solvency. These factors were used to measure the performance in the study of Laitenin (2001). Laitenin claimed that the first two factors represent the competitiveness of the company while the remaining three factors represent the financial performance of the company. Accordingly, there are two more sub-hypotheses in which the performance is split into competitiveness and financial performance and the relationship with the changes taking place during the political crisis is measured separately. Hence, there are two more hypotheses as follows:

H1.1- Changes in marketing strategies have a positive impact on the competitiveness of organisations during a political crisis.

H1.2- Changes in marketing strategies have a positive impact on the financial performance of organisations during a political crisis.

5.6.2 Adjustments to the services marketing mix during crisis

Although there is a general agreement that marketing for services can best be represented by the extended/services marketing mix (Rafiq and Ahmed, 1995), empirical studies that have applied their research on services sectors during crises have not taken the services marketing mix into consideration. The services marketing mix consists of seven elements as three more elements are added to the four basic marketing mix elements and they are named as the 7Ps (promotion, place, product, price, personnel, process, and physical evidence). Research about marketing during crises that are applied only on the services industry - there are studies including different types of industries including services- have taken two

approaches; discussing the marketing strategies in general and the adjustments that have taken place to face the crisis or dividing the strategies in groups according to the 4Ps (price, place, promotion, and place). Studies of the former type include the research of Goodrich (1991) and Evans and Elphick (2005) applied on tourism, Barsky (2009) on tourism, and Krzyzanowska and Tkaczyk (2010) on consulting services. The studies of both Naidoo et al (2010) and Alonso-Almeida and Bremser (2013) are applied on hospitality services and they have presented the marketing strategies that have been adjusted to face the global financial crises of 2008 by the basic marketing mix (4Ps).

This can lead to a question, whether the strategies of personnel, process and physical evidence are subject to changes during crises as are the other types of strategies as mentioned in the literature? There have been few studies mentioning some strategies that are embraced during crises that can be allocated to personnel like ‘employee training’ (Ang et al., 2000; Köksal and Özgül, 2007; Naidoo et al., 2010) or ‘broadening employee engagement and responsibility’ (Aronoff and Ward, 1991; Berman et al., 2010; Leavy, 2009; Shama, 1978, 1992). The strategies of the process of delivering the service or the physical evidence strategies are not mentioned in any of the studies. And even the few personnel strategies have been stated are mostly mentioned in conceptual research or not allocated to a specific group in empirical research which doesn’t clearly show if these strategies that are related to the services marketing mix are adjusted as much as the basic elements of the marketing mix for industries providing tangible products.

From the above discussion, this study proposes the following hypothesis:

H2- There is no significant difference between the amount of changes in the basic marketing mix elements (4Ps) and the amount of changes in the services/extended marketing mix elements (7Ps) applied by organisations during a political crisis.

5.6.3 Changes in the different marketing mix elements during crisis

As discussed in the previous chapter, organisations tend to make some changes in the marketing strategies that they adopt when they are faced with different kinds of crises (Ang, 2001; Ang et al., 2000; Barsky, 2009; Köksal and Özgül, 2007; Laitinen, 2000; Marketingsherpa, 2008; Pearce and Michael, 1997; Quelch and Jocz, 2009; Shama, 1992). Naidoo et al (2010) concluded that the hospitality industry had applied different marketing strategies in order to face the global financial crisis during 2008-2009 in Mauritius (Naidoo et al., 2010). This conclusion is consistent with the study of Alonso- Almeida and Bremser (2013) who studied the hospitality industry's response in Spain to the global financial crisis in 2008 and resulted that firms should take 'immediate measures' when faced by a crisis (Alonso-Almeida and Bremser, 2013).

Furthermore, some studies have emphasised the type of strategies that the firms used in different crises. Ang (2001) concluded that during the 1997 Asian crisis, the major changes in the marketing strategies (price, product, place, and promotion) by the firms in the Philippines were mostly in the price strategies (Ang, 2001). Shama (1978) found out that firms during stagflation emphasise making changes mostly on the price strategies and then it is followed by changes in the product strategies (Shama, 1978). As a result of this discussion, this study proposes the following hypothesis:

H3- There is a significant difference between the amount of changes applied to the marketing mix element 'Price' and the other marketing mix elements; Product, Place, Promotion, Personnel, Process, and Physical evidence, during a political crisis.

5.6.4 The type of marketing mix element changed and performance

As mentioned above, studies have revealed that some firms make more adjustments in certain marketing mix elements when they are faced by a crisis. Can this have a positive or negative effect on the performance of the firm? Köksal and Özgül (2007) stated that the firms that made more changes in the promotional

strategies were proven to be perform better than the firms that made adjustments in the other types of strategies.

Not only have researchers specified the marketing mix element which has been adjusted the most, but some studies have described certain strategies to have been more effective than others when applied during a crisis. Others have stated the strategies to be avoided when faced by unusual circumstances. For example, Laitinen (2000) concluded that the product strategy 'new product development' and 'acquisition of new customers' strategies are of the most effective strategies to adopt in the medium term during an economic crisis (Laitinen, 2000, p. 823). Alonso-Almeida and Bremser (2013) have stated that the worst performers were those who embraced the strategy of cutting costs. Employee training, increasing the research and development budget and entering foreign markets are strategies that can have a positive effect on the performance according to Köksal and Özgül (2007). Naidoo et al (2010) in their research concluded that the pricing strategy that had the best effect on performance for hoteliers was selling products in bundles to travel agencies and tour operators (Naidoo et al., 2010, p. 10). This means that the performance can differ according to the types of strategies that are subject to more adjustments by firms during crisis. From this discussion, this study proposes the following hypotheses related to the strategies that are mentioned in the above discussion with the effect it has on the performance as claimed in the literature:

1. Promotion strategies

H4. - Changes in the promotion strategies affect positively the performance (as a whole) of organisations during a political crisis.

And as previously applied in the first hypothesis, this hypothesis and the following two are tested again but with splitting the performance into competitiveness and financial performance as follows:

H4.1. - Changes in the promotion strategies affects positively the financial performance of organisations during a political crisis.

H4.2- Changes in the promotion strategies affects positively the competitiveness of organisations during a political crisis.

2. Price strategies

H5. - Changes in the price strategies affect negatively the performance (as a whole) of organisations during a political crisis.

H5.1- Changes in the price strategies affects negatively the financial performance of organisations during a political crisis.

H5.2- Changes in the price strategies affects negatively the competitiveness of organisations during a political crisis.

3. Product strategies

H6- Changes in the product strategies affects positively the performance (as a whole) of organisations during a political crisis.

H6.1- Changes in the product strategies affects positively the financial performance of organisations during a political crisis.

H6.2- Changes in the product strategies affects positively the competitiveness of organisations during a political crisis.

5.7 Research Methods

5.7.1 Data Collection

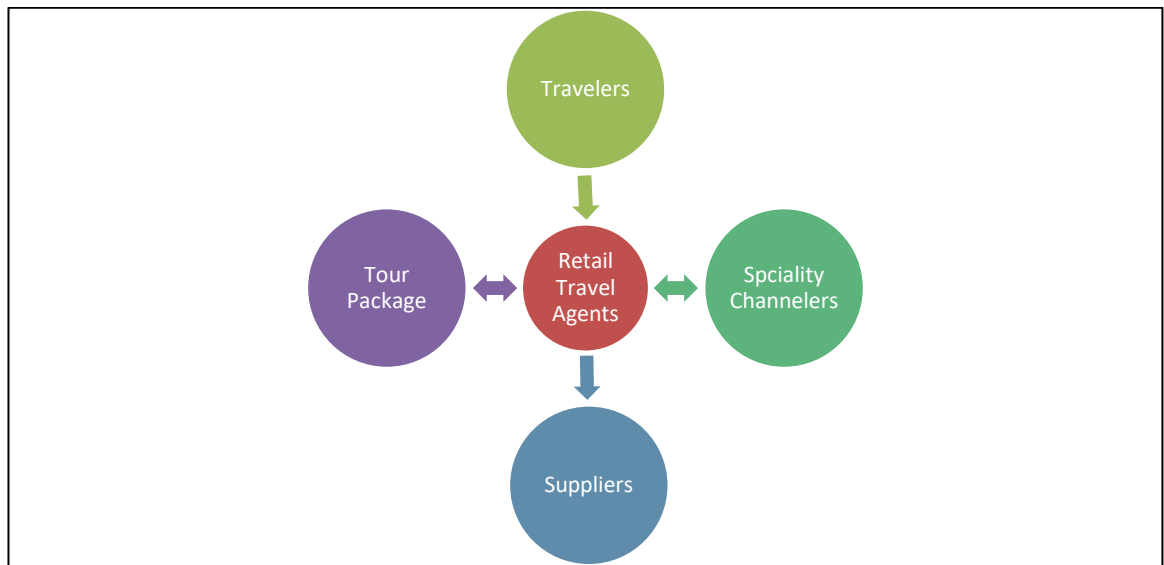
Research population: This study's population consists of the Marketing Managers and/or the Marketing Director and/or the Sales Manager of the top one

hundred travel agencies in Egypt in the year 2013. There was a total of 1129 travel agencies in 2013 in Egypt.

The reason this research depends on the travel agencies is that it has connections with all the other institutions in the tourism industry. It is considered as the centre of the tourism industry. Bitner and Booms (1982) stated that travel agents are the most important institutions in the travel system as they “are responsible for booking a greater percentage of airline seats, cruise reservations, and hotel accommodations than any other single intermediary group” (J. Bitner and H. Booms, 1982, p. 41). Despite the decrease in the use of travel agencies by a lot of travellers due to the increased dependence on the internet, travel agencies are still essential to travelling to places like Egypt. The reason is that there are challenges which meet the traveller about the safety of the place, the language barriers, and the different regulations of the country. Hence, travellers prefer to use a travel agency at least for their first visit to the country in order to get rid of all the ambiguities related to travelling there. The same applies for the outbound tourism where Egyptian travellers visit other countries in which all the above restraints mentioned still apply especially with the increase of islamophobia and the terrorism worldwide.

Figure 5-2 shows the connections of the travel agencies and how it is connected to all the traveling system components.

Figure 5-2 -Travel Distribution System



Source: Bitner and Booms (1982), p.39

The figure shows the three main ‘travel intermediaries’ that affect the tourism industry in any country. They are the tour packages, the travel agents, and the speciality channelers. Bitner and Booms (1982) stated that the speciality channelers include: “incentive travel firms, meeting and convention planners, corporate travel offices and others” (Bitner and Booms 1982, p.39).

It has to be notified that the term ‘travel agency’ in Egypt is different in its context than how it is in other places. There are three categories of travel agencies in Egypt; Category A representing the ‘General tourism’ travel agencies, Category B representing the ‘Ticketing’ travel agencies, and Category C which represents the ‘Tourist Transportation and Limousine’ travel agencies. These agencies are also referred to as ‘travel institutions’ and can include both travel agencies and tour operators. These three categories mentioned above are the only categorisation applied by the Egyptian ministry of tourism.

This research is concerned with the activity of tourism in general of travel agencies in Egypt, including the inbound and outbound tourism. The activities of ticketing and transporting are not the main focus in this research, so category A forms the main population in this study.

The number of travel agencies in category A in the year 2013 is 1192 according to the Travel Agencies and Tourist Establishments Sector in the Ministry of Tourism in Egypt. Due to the fact that there was very limited access to information about the travel agencies, and that a number of the 1192 travel agencies operate as branches or under the supervision of other larger travel agencies, and that this study aims at the marketing activity of the company which will not be available with the small companies, a sample consisting of the top one hundred travel agencies according to the revenues gained in the year 2013 was selected for the research. The year 2013 was chosen because the major events of the political crisis in Egypt were during the period 2011-2013. So the person responsible about the marketing activity in the company (either with the title of Marketing Manager or General Manager) were asked to describe the changes (if any) applied to the marketing strategies during the period 2011 to 2013.

The participants are also asked about the performance of the company at the end of the year 2010 which was a stable year with no major events affecting the tourism industry in Egypt and the performance at the end of the year 2013. This made it necessary to include only the companies that had been operating before the year 2010, otherwise the company is excluded. None of the respondents claimed that the company had been founded after the year 2010. It was necessary also for the respondent to have been in the position of marketing manager at least since 2010 in order to be able to answer the questions especially those related to the performance in that year before the crisis.

From the 100 travel agencies, a response from 73 was attained to the questions asked through a structured interview. The non-response rate was due to several reasons

- The marketing manager not being in the company since 2010
- Refusal to participate in the research because any information about the agency is considered as confidential

- No correct available address for the agency (the old address is the only one available)
- A few agencies were visited several times but were not available, nor were they answering calls from the provided phone numbers.

5.7.2 Questionnaires through structured interviews

This study applies a quantitative method in order to collect the data needed to support or not support the research questions. A questionnaire was designed for the Marketing Managers and/or the Marketing Director and/or the Sales Manager of all the travel agencies in Egypt. The questionnaire seeks to find out the changes that have been taking place concerning the marketing strategies during the political crisis and the performance of these companies as a result.

The Questionnaire

1- The designing of the questionnaire

The quality of a research can be affected by the quality of the measures used in the study (Churchill Jr, 1979). Churchill (1979) stated that the measurement has to be valid and reliable, and has presented a process the researcher is to go through to develop a good quality measure. This study's aim is to evaluate the marketing strategies used during political crisis. This means that it will measure the degree of adjustments applied to the marketing strategies during the period of the crisis and measure the performance at the beginning and the end of the crisis to show the effect of the changes applied by the organisations.

There are pre-established questionnaires in the literature measuring the adjustments in the marketing strategies in different crises (Ang, 2001; Laitinen, 2000; Naidoo et al., 2010; Shama, 1978, 1992) in addition to the studies of (Köksal and Özgül, 2007; Laitinen, 2000; Pearce and Michael, 1997) who

measured the resulting performance as well. But, there were several reasons none of these questionnaires could be adopted in this study as they are;

- Not all questionnaires can be applied on the services industry.
- All questionnaires are applied on financial crises which affect the type of some questions asked and make it not applicable when asking about a political crisis.
- The studies applied on services sectors which have chosen to divide the strategies according to the marketing mix, have used the 4Ps elements only (price, promotion, price, and place) and have neglected the other three components of the services marketing mix (personnel, physical evidence, and process) which this study will apply.

As a result, the researcher uses more than one study in order to establish the questionnaire and some refinements are done in order to be appropriate for the aim of this research. The statements were amended in order to reflect the services provided in the tourism sector. This can be shown along with the studies used in table 5-2:

Table 5-2 - Information about the original scales used to form the questionnaire and the adapted scales

Strategy type	Author and journal	Original items	Adapted items	Original scale used	Adapted scale used
Product	Koksal and Ozgul (2007, Marketing Intelligence and Planning)	1. New product development	1. The number of new packages	9-point scale. From Significantly decreased-significantly increased)	5-point scale. From Significantly decreased-significantly increased
		2. Numbers of product	2. R & D budget		
Place	Ang, S.H. (2001, International Business Review)	3. R & D budget	3. Quality of services provided.	5-point scale. None, very little, somewhat, much, and very much	From Significantly decreased-significantly increased
		4. Quality	4. Marketing expenditures		
		5. Marketing expenditures	1. Dealing with new distribution channels (hotels, airlines.....or any firm that helps deliver your product to the customer)		
Promotion	Naidoo et al (2011, Global Journal of Business Research)	2. Receptiveness to selling wholesale to consumers	2. Stop dealing with unprofitable distribution channels	5-point Likert scale. Strongly disagree-strongly agree	From Significantly decreased-significantly increased
		3. Reduce operating hours	3. Reducing operating hours		
		1. Advertising	1. Advertising budget		
		2. Sales promotion	2. Sales promotion		
		3. Direct mail	3. Familiarisation trips		
		4. Public relations	4. Participating in exhibitions and trade fairs.		
		5. Direct selling	5. Sponsoring national or international events		
Price	Naidoo et al (2011, Global Journal of Business Research)	6. Exhibitions and trade fairs	1. Price cutting for affected places	5-point Likert scale. Strongly disagree-strongly agree	From Significantly decreased-significantly increased
		7. Sponsorship	2. Different prices to different markets		
		1. Temporary price cut offered at different points in time, i.e. during holidays in markets.	3. Using discounts		
		2. Price systematically changes during certain period (e.g. peak season).	4. Pricing according to quality		

Strategy type	Author and journal	Original items	Adapted items	Original scale used	Adapted scale used
Process		<ul style="list-style-type: none"> 3. Different price for different market segment 4. Low quality product offered at high price to non-knowledgeable customers 5. New product introduced at low price to attract customers 6. Irregular discounts announced through advertisement 7. Price related to client's perception of the product 8. Product sold in a bundle or package 9. Product introduced at high price and then price goes down gradually 10. High quality product sold at high price 11. Product sold at low price but complementary at very high price 			
	Yasanallah and Vahid (2012, American Journal of Industrial and Business Management)	<ul style="list-style-type: none"> 1. Self-services 2. Investigating and resolving shoppers' problems during shopping 3. Considering the importance of shoppers' time 4. Categorizing the products based on members' convenience 	<ul style="list-style-type: none"> 1. Simplifying the booking process. 2. Possibility to book online. 3. Categorising the products according to the reason for travelling (family trip, honeymoon,etc.). 	5-point Likert scale. Very high- very low	5-point scale. From Significantly decreased- significantly increased
Personnel	Yasanallah and	<ul style="list-style-type: none"> 1. Providing necessary advices by personnel to shoppers 	<ul style="list-style-type: none"> 1. Providing all needed information to customers. 	5-point Likert scale.	5-point scale.

Strategy type	Author and journal	Original items	Adapted items	Original scale used	Adapted scale used
Physical Evidence	Vahid (2012, American Journal of Industrial and Business Management)	2. Employees' courtesy	2. Employee communication.	Very high- very low	From Significantly decreased- significantly increased
		3. Employees' enthusiasm to respond members' questions	3. Broadening employees' engagement in easing the apprehension of customers.		
	Yasanallah and Vahid (2012, American Journal of Industrial and Business Management)	1. Beautiful decoration of the cooperative	1. The furniture and layout of the place	5-point Likert scale.	5-point scale. From Significantly decreased- significantly increased
		2. Proper amenities like refrigerator and electronic scale	2. Availability of brochures and guides.	Very high- very low	
		3. Physical facilities like wheeled baskets	3. Availability of facilities like computers which can be used by customers to search for information.		
		4. Calm and enjoyable ambience of the cooperative			

Source: author of this research

The table shows the papers from which the items of the marketing mix elements are applied in this study's questionnaire. The items are stated as they were used in the studies, and in the following column are presented after the necessary adjustments in order to align with the context of this research. The scales are all multi-item scales, with a group of items representing the intended concept of measurement, which in this case are the seven services marketing mix elements. Different scales were used in these studies and they can be seen in the fifth column, whereas the last column states the unified scale used in this study. A five point Likert-scale is used ranging from 'significantly decreased' to 'significantly increased' with a mid-point representing no changes; 'maintained'. In addition, there is a choice 'not applicable' that is used if the strategy was not applied by the organisation.

An overview of the questionnaire

The questionnaire consists of three parts. The first part in the questionnaire is aimed at collecting general information about the organisation. It includes questions about the age of the organisation to make sure it existed before 2010, and that the respondent was in the position during the period of examination (2010-2013), the ownership of the company and geographic activity area. The second part consists of the marketing strategies in which the respondent is asked to state the degree of adjustments done to each strategy during the period of 2010-2013 if there were adjustments at all and if the strategy was applied by the organisation.

The third part asks about the performance of the organisation in two different periods which are before the start of the crisis (2010) and when things started to settle and Egypt began receiving more tourists (end of 2013). The performance is measured in a subjective way as the financial data is not available. This is because the travel agencies are not registered in the Egyptian stock exchange market; hence, they are not obliged to provide their financial information.

The questions in the questionnaire are closed questions as they are considered more reliable and are easy to analyse (Burns and Burns, 2008). The language of the questionnaire is English as it will be handed to the marketing managers in the travel agencies who are expected to be able to speak and deal with the English language as a minimum requirement for such position in the tourism industry. The questionnaire can be seen in **Appendix D**.

Method of collection

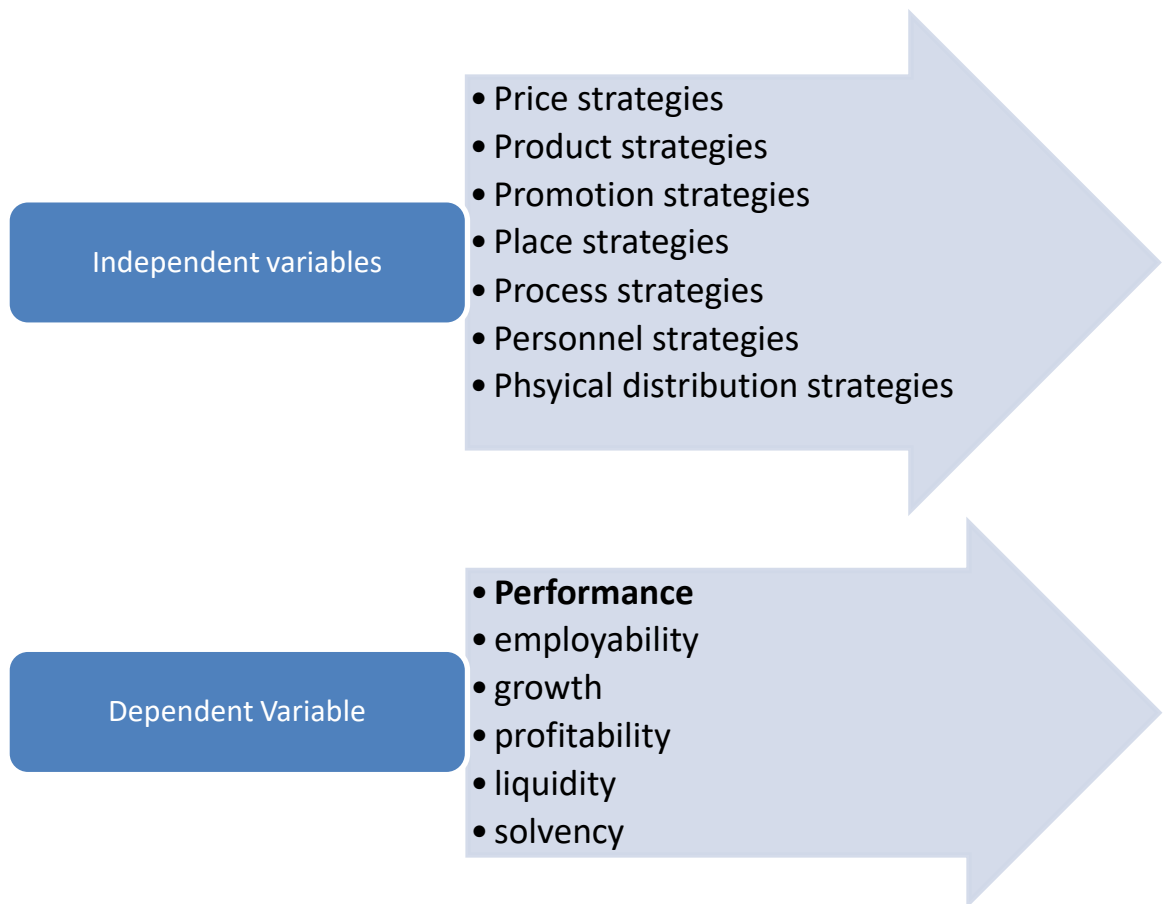
When conducting a survey using a questionnaire in a developing country, a researcher can face two main problems; the weak postage system and the lack of cooperation with researchers (Brock and Ibeh, 2004). Brock and Ibeh concluded in their study that in order to avoid such dilemmas, the researcher can use the 'drop-and-collect survey' method (DCS) to collect the needed data. Their study reveals that the DCS technique is more effective in developing countries, and that the response rate will become higher if the researcher is able to meet the potential respondents from which the data is gathered. The DCS method was used in this study to avoid the drawbacks of collecting data in developing countries but still no answers were received, so structured interviews were conducted in order to obtain the needed information.

5.7.3 Research Variables

The previous chapter discussed the different marketing strategies used in crisis. These strategies are considered as the independent variables of this research. This study examines the relationship between the services marketing mix elements as the independent variables and the performance of the organisation as the dependent variable. The services marketing mix elements consist of the price, product, place, promotion, process, personnel, and physical evidence strategies. These strategies were discussed in detail in the previous chapter. How they were measured will also be mentioned in the next section. Performance is the dependent variable. Performance has been defined in many ways depending on different perspectives. And how to measure performance is influenced by the meaning of

the concept ‘performance’ by the measurer. This study uses to measure performance in terms of competitiveness (employability and growth) and financial performance (profitability, liquidity and solvency) as used by Laitinen (2000). Figure 5-3 shows the research variables of this research.

Figure 5-3- The research variables



Source: author

5.7.4 Previous research

As it was discussed in the previous chapter, research on marketing during crisis was conducted in different ways. Some studies were conceptual; discussing the benefits or disadvantages organizations can be subject to when faced by crisis. Other studies included empirical research, in which the researcher(s) applied the study on a group of people in the field of marketing and identified the research strategies they followed.

Table 5-3 summarizes how the research applied on marketing during tourism was developed:

Table 5-3- Previous research methodology

Research	Qualitative	Quantitative	Measuring Performance
De Sausmarez, 2004	√ interviews		
Tkaczyk and Krzyżanowska, 2010	√ interviews		
Ang, 2001		√ questionnaire	
Goodrich, 1991		√ questionnaire	
Kİrtİş and Karahan, 2010		√ questionnaire	
Köksal and Özgül, 2007		√ questionnaire	√ 10-point Likert scale to measure sales, market share, and the net profit
Laitinen, 2000		√ questionnaire	√ 5-point Likert scale to measure employment, growth, profitability, liquidity, and solvency
Naidoo et al., 2010		√ questionnaire	
Pearce and Michael, 1997		√ questionnaire	√ Return on equity
Shama, 1978		√ questionnaire	
Srinivasan and others ,2005	√ interviews	√ questionnaire	
Shama, 1992	√ interviews	√ questionnaire	

Source: author

As it can be seen from table 11, some researchers chose to apply qualitative methods (De Sausmarez, 2004; Tkaczyk and Krzyżanowska, 2010) in their studies and the majority were quantitative studies (Ang, 2001; Goodrich, 1991; Kİrtİş and Karahan, 2010; Köksal and Özgül, 2007; Laitinen, 2000; Naidoo et al., 2010; Pearce and Michael, 1997; Shama, 1978). Two other studies used both types of methods; Srinivasan and others (2005) used interviews in order to help identify the variable which they then included in a questionnaire. Shama (1992) used a

questionnaire and then followed it by interviews to get more information and to discuss the findings.

The studies that chose to apply quantitative methods were different in the aim of research, the variables they measured, and the analysis tools used. But they all used questionnaires for their data collection. The aim of research for Köksal and Özgül (2007), Pearce and Michael (1997) and Laitinen (2000) was to assess the relationship between the changes that companies undertook concerning their strategies and the performance of the companies as a result. They had two main groups of variables; the strategies (as the independent variables), and the performance (as the dependent variable). The changes in strategies were all measured using different Likert type scales with different ways of grouping strategies in each study.

Measuring performance was conducted in a different way, for example, Köksal and Özgül (2007) measured the performance of organisations using a 10 point Likert scale with the sales, market share, and the net profit the indicators of the firms' performance. Pearce and Michael (1997) used the return on equity as the performance measure. Laitinen (2000) measured the performance using five main concepts; employment, growth, profitability, liquidity, and solvency using a Likert type scale.

This research will try to examine the relationship between the strategies of the tourism organisations and the performance of these organisations. The questionnaire for the strategies is divided into seven groups according to the extended marketing mix elements and the performance will be measured based on the questionnaire of Laitinen (2000) for the reason that it contains all aspects of assessing performance (measuring competitiveness and financial status), and does not depend on the financial information only.

5.8 Data Analysis

As mentioned in the previous sections, this study is applying a quantitative strategy which includes questionnaires and structured interviews. The data analysis techniques used for qualitative analysis differs from the analysis needed for quantitative data as a result of the different nature of data collected. Flick (2011) stated that when a researcher is applying a quantitative study, there are two main steps that have to be implemented before analysing the data; elaboration of the data, and cleaning the data. They are explained as follows:

1. 'Elaboration of the data' in which the researcher develops a matrix to include all the cases of the questionnaires and their responses. The answers of the respondents are given codes as numbers representing the different possible answers included for a question. The cases are also referred to by numbers.
2. 'Cleaning the data': some respondents may miss questions and not answer them, or may not follow the instructions given to them in the questionnaire by giving two answers for a question where only one was required. Missing data and invalid answers should be identified in order to prevent any errors during the analysing process.

The first part of the questionnaire includes information about the organisation. For any qualitative data asked in this part, Kruskal-Wallis tests will be applied to indicate if there was a relation between either the age of the agency, the employee size, the activity type of the agency, or the independence of the agency with the dependent variable. This test was used by Laitinen (2000) and Kİrtİş and Karahan (2010).

The second part of the questionnaire includes seven main parts which form the seven elements of the extended marketing mix. The reliability and validity will be tested. How they will be tested is discussed below in the next section.

The third part of the questionnaire asks about the performance of the organisation. This is considered the dependent variable. The measure applied by Laitinen (2000) will be adopted. It measures the performance by competitiveness and financial indicators. The regression models were used in order to find out whether there is a relationship between the marketing strategies and the performance of the travel agencies during the political crisis. The standard multiple regression is used when all the independent variables are used at the same time due to the theoretical importance of the variables and this applies to this study and can be seen in section 6.6.2.

The researcher will use the statistical package SPSS in performing the calculations of the analysis tests. Bryman and Cramer (1995) stated that “the great advantage of using a package like SPSS is that it will enable you to score and to analyse quantitative data very quickly and in different ways once you have learned how” and described the benefit of using it as having “the opportunity for using more complicated and often more appropriate statistical techniques” (Bryman and Cramer, 1995, p.17).

5.8.1 Reliability

Reliability refers to the consistency of measurement. This consistency can be measured using two elements; stability or internal reliability.

1. **Stability:** it is concerned with retesting the situation that had already been tested previously by the researcher. This test would appear to be more feasible when performing an experiment. But when conducting a social research, and for the limitations of money and time, it is expected to find it rarely if at all performed. Bryman and Cramer (1995) referred to it as the ‘external reliability’. If the results of the test are the same or really close, then stability exists within the research findings and the measurements were appropriate the first time (Bryman and Bell, 2011). In this study, the researcher tends to give out the same performance measures

that the marketing managers are asked to answer to the financial managers at the same place to test whether their answers are close or not.

2. **Internal reliability:** it tests “whether each scale is measuring a single idea and hence whether the items that make up the scale are internally consistent” (Bryman and Cramer, 1995, p. 70) . In this research, for example I would test whether the items under the marketing mix element ‘price’ all refer to the concept ‘price’. This can be done through one of the following:

❖ **Split-half method:** the researcher here splits the items that were questioned for a concept evenly and calculates the degree of correlation between the two groups. The degree will range from 0 to 1. When it equals 0.8 or more it is acceptable and refers to the fact that the items relating to the concept measured are all presenting this concept (Bryman and Bell, 2011).

❖ **Cronbach’s alpha:** a test that “calculates the average of all possible split-half reliability coefficients” (Bryman and Cramer, 1995, p. 72). It will give a result between 0 and 1. And as the split half method, 0.8 or more is preferable. This test for internal reliability has been used by most researchers (Alonso-Almeida and Bremser, 2013; Kırtıř and Karahan, 2010; Naidoo et al., 2010; Pearce and Michael, 1997; Srinivasan et al., 2005) who have applied an empirical research mentioned in Chapter 4 in table 3.

Cronbach’s alpha test will be used in this research in order to test the internal reliability.

5.8.2 Validity

In order for a researcher to ensure the validity of his findings, a question has to be answered: Have I measured the construct I intended to measure? There are several types of validity that the researcher should put in mind through the research process. Burns and Burns (2008) have divided validity into external and internal

validity. Internal validity encompasses content validity, face validity, predictive validity, concurrent validity, and construct validity.

External validity is “the degree to which the sample results are validly generalizable to a particular population or context” (Burns and Burns, 2008, p. 427). Internal validity reflects the extent to which the changes occurring in the dependent variables are really caused by the independent variables and not any other factors (Flick, 2011). Internal validity includes:

1. **Face validity:** this type is related to the face of the measure technique used. Face validity involves asking experts in the field about whether what the researcher has used is measuring the intended concept (Lee and Lings, 2008).
2. **Construct validity:** this type of validity is related to the ‘theory’ that the researcher has deduced his hypothesis from, and the ‘measuring instrument’ being adopted in the study (Cooper and Schindler, 2001).
3. **Content validity:** refers to whether the content of the measure is measuring the content of the concept being tested (Burns and Burns, 2008).
4. **Predictive validity:** the researcher uses a future performance in order to test the current measurement (Bryman and Bell, 2011).
5. **Concurrent validity:** it is similar to the predictive validity, but rather than taking in consideration the future performance, it takes the current performance to test the measurement.

This research measures the face validity, the construct validity, and the discriminant validity (see section 6.2).

5.8.3. Validity in cross-sectional research and Common method variance

As referred to previously, this research is a cross-sectional research. When conducting a cross-sectional design, the internal validity is not strong due to the fact that a causal relationship cannot be concluded, but only the relationships without figuring out if the changes in the dependent variable were caused by the changes in the independent variable. By contrast, the external validity tends to be strong especially when using probability samples (Bryman and Bell, 2011). There are several procedures to support the internal validity of a research in order to avoid the occurrence of common method variance.

Common method variance (CMV) is defined as “the variance that is attributable to the measurement method rather than to the constructs the measures represent” and it is considered as “one of the main sources of measurement error” (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003, p. 879). Podsakoff and others (2003) claimed that there are many reasons that can cause common method variance. One of the main reasons is having the same respondent for the criterion and predictor variables. Other reasons are related to the design of the questionnaire and the items included. There have been researches to identify ways of controlling the CMV either by procedural techniques or statistical techniques (Lindell and Whitney, 2001; MacKenzie and Podsakoff, 2012; Podsakoff et al., 2003).

In order to identify the CMV in cross-sectional research, the ‘Marker Variable Technique’ can be used (Lindell and Whitney, 2001). Lindell and Whitney (2001) stated that the marker variable is a variable that is ‘theoretically unrelated’ to at least one variable of the research variables and the correlation between the constructs of the marker variable and the criterion (or predictor) variable equals zero. This variable is to have been used in a previous study and has proved to have reliability. In this study the marker variable technique is used. The variable measures eating habits and it is unrelated to both, the predictor and criterion variable. It is borrowed from the study of (Vereecken, Todd, Roberts, Mulvihill, and Maes, 2006). The marker variable supports the discriminant validity. It is

better to place the marker variable after the predictor variable and before the criterion variable (Lindell and Whitney, 2001).

Although the marker variable is used as a statistical technique in order to compute the correlations between the constructs, it can also be considered a procedural remedy for CMV. This is because the variable is theoretically unrelated to the variables of interest, and thus, works as a temporal and psychological separation of measurement between the predictor and criterion variables as described by Podsakoff and others (2003) as a procedural remedy.

5.8.4. Non-respondent bias

In order to measure the difference between the respondents and the non-respondents, the suitable statistic test will be applied. A t-test method was used by Ang (2001), Koksal and Ozgul (2007), and Pearce and Michael (1997). It was used by Srinivasan et al (2005) in order to test the differences between the responses of the marketing managers and the financial managers in the same organization about the performance of the firm.

5.9 Ethical Considerations

Any research that is conducted should involve some ethical considerations to be given great importance. The following is an ethical theory created by Murphy and Dingwall mentioned by Flick (2011) for researchers:

“Their theory is based on four principles:

- *Non-maleficence: researchers should avoid harming participants.*
- *Beneficence: research on human subjects should produce some positive and identifiable benefit rather than simply be carried out for its own sake.*

- *Autonomy or self-determination: research participants' values and decisions should be respected.*
- *Justice: all people should be treated equally.” Flick, (2011, p. 216)*

There are ethical codes which are designed for universities and schools. These codes can be developed by school or the university, or developed by a national institution which obligates these schools and universities to follow. Any researcher working under the name of these schools and universities should make sure that the ethical codes is followed and is considered as a criterion to the data collection process and the final findings the researcher presents at the end of the project.

Ethical Committees are formed by members in the university or school. They are designed to ensure that the ethical considerations are all taken into account when the researchers are conducting research under the name of their university or scientific institution.

The University of York has its own ethical code which is obligatory to be followed by researchers and which is also checked to be applied on studies, and the committees either confirm or reject the data collection methods that a researcher intends to apply compared to the following of the university's ethical code. The following is the ethical code of practice which is presented on the university's website:

“Code of practice and principles for good ethical governance. This Code applies to all academic activity undertaken in the University's name or on its behalf, including research, teaching, consultancy and outreach work. This includes collaborative work even where the University is not the lead collaborator. It applies to all staff, students, visiting or emeritus staff, associates, honorary or clinical contract holders, contractors and consultants, across all subject disciplines and fields of study”.

Ethical principles and standards under the ethical code states that:

“The key principle underpinning the ethical standards which apply to academic activities is that of avoidance of harm. This principle spans a broad range of considerations, including:

- *The welfare and interests of human participants (whether participating actively or through observation)*
- *The welfare and interests of those carrying out the activity*
- *Animals*
- *Cultural heritage*
- *The natural environment*
- *The reputation of the department, the University and academia as a whole*
- *The welfare and interests of the wider community.*

Activities should neither include practices which directly impose a risk of serious harm nor be indirectly dependent upon such practices”. (University of York website): <https://www.york.ac.uk/staff/research/governance/policies/ethics-code/>

5.10 Conclusions

This chapter presented the research approach, which the researcher follows, and it is the deductive approach. The research philosophies were discussed and the objectivism approach is the philosophy adopted according to the researcher’s ontological and epistemological beliefs. The quantitative research strategy applied

in this study was also mentioned in details. The chapter also presented the research questions and the hypotheses development.

The survey method using structured interviews was the data collection method used. How the questionnaire is designed, what it includes, and how it is managed is stated. The population of the study and its characteristics, how, and why they were chosen is also included. The research variables, how they are measured in previous research, and how they are measured in this study are shown. A separate section in the chapter discussed how the data is analysed in the next chapter and how to ensure the reliability and validity of the measurements. The last section stated concerned with the ethical considerations related to the research.

6. ANALYSIS AND DISCUSSION

6.1 Introduction

This chapter starts with a preview about the reliability and validity of the constructs in the questionnaire. This is followed by the analysis of the data. The analysis starts with the descriptive analysis of the participating companies. There then follows tests for multicollinearity and non-response bias which are considered essential before starting hypotheses testing. Descriptive statistics of the research variables are then presented. Finally, the chapter ends with the hypotheses testing and discussion for each hypothesis according to the results obtained from the analysis. Some of the hypotheses were supported while others were not. Each hypothesis will be stated and discussed separately. The discussion will entail whether the result of the testing supports or does not align with the existing literature and what contribution to the literature is added.

6.2 Reliability and Validity

6.2.1 Reliability

The Cronbach alpha was computed for each construct to test the internal reliability. The values are shown in table 1. The value of the Cronbach's alpha should range from 0 and 1. The acceptable value of Cronbach's alpha stated by most scholars equals 0.7 or more (Nunnally, 1978; Pallant, 2013). Loewenthal (2001) stated that the Cronbach's alpha of 0.6 could be acceptable if the items measuring the construct are less than 10, the scale is valid, and there's a reason for using the scale (Loewenthal, 2001, p. 60).

The Cronbach alphas were computed for the constructs but were not all equal at 0.6 or more. This is familiar because when there is a small number of items for a

construct, it is usually very rare to obtain the acceptable value even if the associations between the items are strong (Loewenthal, 2001; Pallant, 2013). In order to improve the reliability, I went through the following steps discussed by Loewenthal (2001):

- Removing items that had negative correlations. Two items were removed from the Promotion variable.
- The items with an unsatisfactory item-total correlation were removed. The value of an unsatisfactory correlation is less than 0.3. One item was removed from the Product variable.
- Split-half reliability was calculated and the items with the highest correlation were retained. This resulted in the removal of two items in Price, one item in Process, and one item in Physical evidence.
- Principle component analysis was computed and the items with high loadings (0.3 or 0.4 or above) were retained. All items from the last step scored a high loading and the values are shown in the following table:

Table 6-1- Cronbach alpha for the variables of research

Name of variable	Number of items tested for each construct	Cronbach's alpha before dropping items	Number of items retained after dropping	Loadings of the items
Product	4	0.518	3	0.67, 0.56, 0.71
Price	4	0.36	2	0.795, 0.795
Place	3	0.638	3	-
Promotion	5	0.48	3	0.654, 0.76, 0.683
Personnel	3	0.823	3	-
Process	3	0.60	2	-
Physical Evidence	3	0.55	2	0.841, 0.841
Total	25		19	

As it is shown in table 6-1, there have been dropping to several items. The items retained all had a high loading after conducting the principle component analysis.

6.2.2 Validity

As mentioned in section 5.8, the scales have to be reliable and valid. The validity should be tested after ensuring the reliability of the scale. Face validity takes place before the data collection process. It involves asking experts in the field about whether what the researcher has used is measuring the intended concept. The face validity was supported for the questionnaire as it was reviewed by a group of managers and academics in the marketing field in order to ensure the suitability of the constructs' measurements.

The construct validity is supported by using questionnaires. Using questionnaires is the same measuring instrument used in the studies that are measuring the changes of strategies during crises (mentioned in table 3, section 4.4), and by using the 7Ps marketing mix concept of the marketing theory.

In order to assess discriminant validity of the questionnaire, a marker variable technique was used. The marker variable was about eating habits from Vereecken et al (2005), which are theoretically unrelated to the variables of the study; product, price, place, promotion, personnel, process and physical evidence, and changes in the performance. The absence of a theoretical relation is the first condition mentioned by Lindell and Whitney (2001). Thus, the correlation between the marker variable and the other variables should indicate no significant relationship (Lindell and Whitney, 2001). The second condition for the marker variable is to be reliable. This condition is met with a Cronbach alpha equal to 0.876. The variable has also been proven valid in the study of Vereecken et al (2005).

Table 6-2 shows the correlations between the independent variables (product, price, place, promotion, personnel, process and physical evidence), the marker variable (eating habits), and the dependent variable (changes in performance):

Table 6-2- Correlations of independent, dependent, and the marker variable

	Product	Price	Place	Promotion	Personnel	Process	Physical evidence	Eating habits	Performance change
Product	1								
Price	-.049	1							
Place	-.086	.007	1						
Promotion	.203	.248*	.263*	1					
Personnel	.269*	.326**	-.028	.371**	1				
Process	-.068	.279*	.164	-.026	.108	1			
Physical evidence	.108	-.155	.279*	.100	.056	.117	1		
Eating habits	-.114	-.152	.161	.160	.011	-.211	.117	1	
Performance change	.278*	-.029	-.188	.125	-.024	-.128	.226	.053	1

Note: N=73, * $p < 0.05$, ** $p < 0.001$

As is shown in the table above, there is no significant relationship between the predictor variables of the study and the marker variable, or between the criterion variable and the marker variable. This ensures the discriminant validity of the questionnaire according to Lindell and Whitney (2001) as mentioned above.

6.3 Data Analysis

This section presents the descriptive analysis of the data. This is followed by a number of tests conducted including tests concerning the respondent bias and multicollinearity which are considered necessary before testing the hypotheses. The section ends with the testing of the hypotheses and presenting the results. The discussion of the results obtained and the similarities or differences to the previous literature is discussed in Chapter 7.

6.3.1 Descriptive Analysis

Before being asked about the changes in the marketing strategies and the performance of the agency, the participants were asked about some general information including the age of the agency, its size (measured by the number of employees), ownership and independence of the agency, and type of activity the travel agency performs (See Appendix D).

Table 6-3 shows the answers of the respondents to the questions about these factors:

Table 6-3- A frequency distribution table describing the main features of the travel agencies

	Range or classification	No. of firms
Age of firm	4-7	12
	8-11	6
	12-15	6
	16-19	6
	20 or more	43
	total	73
Number of employees	50 or less	28
	51-100	22
	More than 100	23
	total	73
Governance	Local group	22
	International group	12
	Managed Individually	38
	Public agency	1
	total	73
Activity Area	Incoming only	20
	Outgoing only	4
	Incoming and outgoing	49
	total	73

Source: database

As mentioned previously, the companies had to be operating for at least four years as the study covers the period from 2010 to 2013. Nearly 16 percent of the

companies had been working for a period of four to seven years which is not a long period. More than half of the agencies (nearly 59 percent) are more than 20 years old. The remaining different age categories shown in the table, recorded the same percentage of nearly 8 per cent.

The size of the travel agencies based on the employment size is divided into small, medium and large. A medium sized company according to Assaad and Krafft (2015) in Egypt ranges from 51-100. The small sized firms have less than 50 employees, and the large companies employ more than a hundred employees. As is made clear from the table, the percentage of the small firms (38 percent) is relatively bigger than the medium (30 percent) and large firms (31.5 percent) which are slightly different. This shows that there is no large difference in the distribution of the respondent companies.

When looking at the number of agencies concerning the independence of the company, it is clear that more than half of the agencies are managed individually (52 percent) and are not owned to any local or international group. Nearly one-third (30.1 percent) are owned by local groups operating in Egypt only. Only one agency that is owned by the government was included in the respondents out of 2 agencies in the top 100 agencies. 17 percent of the agencies are part of international companies with other branches in different countries.

Participants were asked about the activity areas in which the agency operates. Two thirds of the respondents (67.1 percent) claimed that they operate in both the incoming visits to the country and the outgoing of residents to other places for tourism. The agencies operating only on the outgoing tourism form a very small number with a percentage of 5.5 percent. The remaining companies only receive tourists from outside Egypt which is referred to as 'incoming tourism'. This reflects that the majority of companies operate in both; the incoming and outgoing tourism activity.

Before the hypothesis testing, there are pre-tests which are essential to apply in order to confirm that the data collected can be used. These tests include the non-response bias and testing for multicollinearity. It is also essential to calculate the descriptive statistics of the research variables.

6.3.1.1. Non-Response bias

To be able to use the results obtained from the participants, it is important to see whether there is a significant difference between the companies that agreed to participate in the research and those who did not. The revenues of the companies in the year 2010 (obtained from the Ministry of Tourism in Egypt) were used in order to test if there is a significant difference between the participating and non-participating companies. A non-parametric test was used as the assumptions of normal distribution and homogeneity of variance for the independent t-test were not met. A Mann Whitney Test based on Wilcoxon scores was conducted and it revealed that there is no significance difference between the respondents ($Md = 17216784$, $n = 73$) and non-respondents ($Md = 10496497$, $n = 17$), $U = 889$, $z = -0.749$, $p = 0.454$, $r = 0.075$.

6.3.1.2. Multi-collinearity

Multi-collinearity exists when the correlation between the independent variables is as high as 0.7 or more (Pallant, 2013). Regression models cannot be applied if multi-collinearity exists. In order to check for multi-collinearity, a correlation matrix was established and the relationships were all less than 0.4. Also, a Collinearity Diagnostics was conducted on the independent variables. In order to ensure the absence of multi-collinearity, the Variance inflation factor (VIF) should be less than 10 (Field, 2009). The VIF for the variables Product, Price, Place, Promotion, Personnel, Process, and Physical evidence were all less than 10 giving the values: 1.16, 1.34, 1.24, 1.38, 1.36, 1.18, and 1.17 respectively.

A number of tests were performed before testing the hypotheses in order to indicate if there was a relation between either the age of the agency, the employee size, the activity type of the agency, or the independence of the agency with the

dependent variable. They were conducted to make sure that they do not affect the results of the relationship between independent and dependent variables. The tests and the results are explained below:

- **Age**

The Kruskal-Wallis Test was applied as the assumptions of normality were not met. The test revealed no significant difference in the changes in performance across the five different age groups (Gp1, $n = 12$; 4-7 yrs., Gp2, $n = 6$; 8-11 yrs., Gp3, $n = 6$; 12-15 yrs., Gp4, $n = 6$; 16-18 yrs., Gp5, $n = 43$; 20 or more yrs.), $\chi^2(4, n = 73) = 2.16, p = 0.716$.

- **Employment size**

A Kruskal-Wallis Test revealed no significant difference in the changes in performance across the four different groups based on the employment size (Gp1, $n = 28$; 50 or less, Gp2, $n = 22$; 51-100 employees, Gp3, $n = 12$; 101-200 employees, Gp4, $n = 11$; over 200 employees), $\chi^2(3, n = 73) = 0.415, p = 0.937$.

- **Governance**

A Kruskal-Wallis Test revealed no significant difference in the changes in performance across the three different groups based on the independence of the agency (Gp1, $n = 22$; local group, Gp2, $n = 12$; international group, Gp3, $n = 38$; managed individually), $\chi^2(2, n = 73) = 1.026, p = 0.599$.

- **Type of activity**

A Kruskal-Wallis Test revealed no significant difference in the changes in performance across the three different groups based on the type of activity (Gp1, $n = 20$; incoming only, Gp2, $n = 4$; outgoing only, Gp3, $n = 49$; incoming and outgoing), $\chi^2(2, n = 73) = 2.502, p = 0.286$.

6.3.1.3.Descriptive analysis of research variables

The descriptive statistics of the research variables were computed in order to investigate the mean changes conducted by the firms during the political crisis. Table 6-4 shows the means and the standard deviations of the research predictor and outcome variables.

Table 6-4 - Descriptive statistics of the research variables

Variable	Mean	Std. Deviation
Promotion	2.5845	.86563
Physical evidence	2.8973	.65063
Place	2.9498	.89005
Product	3.1005	.80447
Price	3.4932	1.04248
Process	3.4932	.53679
Personnel	3.8311	.65763
Performance 2010	4.4712	.46711
Performance 2013	2.3507	1.00818

As it can be seen from the results in the table above, the mean of the changes in the personnel strategies (3.8) has the highest value compared with the other predictor variables followed by the mean changes in both price strategies and process strategies (3.5). The least changes are in the promotion strategies (2.6). This reveals that during political crises, the personnel strategies are focused on the most while companies tend to focus less on promoting for their products.

The mean of the performance in 2010 equals 4.5 which reflect that the performance of the agencies before the crisis was very good. A large decrease has occurred in the year 2013 as a result of the political crisis and the negative effects it had caused to the tourism sector. The mean of 2.4 shows that the mean performance of the agencies by the end of 2013 is poor, according to the scale used in measuring the performance.

6.3.2 Hypotheses Testing and Discussion

This section will introduce each hypothesis, the testing of each hypothesis with the suitable statistical tools, and a discussion to interpret the results, referring to whether they support the previous literature or not. At the end of this discussion, there will be a clarification how these results can add a contribution to the existing literature.

6.3.2.1 Hypothesis 1

Changes in marketing strategies have a positive impact on the performance (as a whole) of organisations during a political crisis.

The first test was applied for the relationship between the changes in the 7Ps and the changes in the performances as a whole (including employability, growth, profitability, liquidity, and solvency). Standard multiple regression was used to test H1.1 with the changes in the marketing strategies as the independent variable and the performance as the dependent variable. Preliminary analyses were conducted to ensure no violation of the assumptions of normality, linearity, multicollinearity, and homoscedasticity. The total variance explained by the model was 22 %, $F(7, 65) = 2.65, p = .018$. The model shows that the changes in performance is statistically significant with the changes in three of the marketing mix elements; product, place, and physical evidence. Both variables ‘product’ ($\beta = .235, p = .05$) and ‘physical evidence’ ($\beta = .297, p = .014$) show a positive relationship and place ($\beta = -.286, p = .022$) a negative relationship. The data supports H1.

H1.1- Changes in marketing strategies have an impact on the financial performance of organisations during a political crisis.

The standard multiple regression method was used in order to assess the ability of the marketing mix variables to predict the financial performance (including profitability, solvency, and liquidity -according to Laitinen (2000)). Preliminary analyses were conducted to ensure no violation of the assumptions of normality,

linearity, multicollinearity, and homoscedasticity. The total variance explained by the model was 22 %, $F(7, 65) = 2.639, p = .018$. The model shows that the changes in performance is statistically significant with the changes in three of the marketing mix elements; promotion, place, and physical evidence. Both variables promotion ($\beta = .262, p = .046$) and physical evidence ($\beta = .297, p = .015$) show a positive relationship and place ($\beta = -.255, p = .041$) a negative relationship. The hypothesis is supported.

H1.2- Changes in marketing strategies have an impact on the competitiveness of organisations during a political crisis.

The standard multiple regression method was used in order to assess the ability of the marketing mix variables to predict the competitiveness of the agency (including employability and growth -according to Laitinen (2000)). Preliminary analyses were conducted to ensure no violation of the assumptions of normality, linearity, multicollinearity, and homoscedasticity. The total variance explained by the model was 24 %, $F(7, 65) = 2.88, p = .011$. The model shows that the changes in performance is *statistically significant* with the changes in three of the marketing mix elements; product, place, and physical evidence with both product ($\beta = .293, p = .014$) and physical evidence ($\beta = .26, p = .030$) showing a positive relationship and place ($\beta = -.287, p = .020$) a negative relationship. The hypothesis is supported.

Table 6-5 shows the strategies that have a significant relationship with the performance as a whole, the financial performance, and the competitiveness. Also shown is whether the relationship is positive or negative.

Table 6-5 The results of the regression models

	Positive significant relationship	Negative significant relationship
Performance as a whole (H1.1)	Product Physical Evidence	Place
Financial performance (H1.2)	Promotion Physical Evidence	Place
Competitiveness (H1.3)	Product Physical Evidence	Place

As it can be seen from the table above, the results of the regression model in H1.1 indicated that there is a positive significant relationship between the performance as a whole (including employability, growth, profitability, liquidity, and solvency) and both the Product strategies (focusing on the number of new packages and the quality of services provided) and the Physical evidence strategies (the furniture and the layout of the place and availability of brochures and guides). It also revealed that there is a negative significant relationship with the Place strategies (dealing with new distribution channels, stop dealing with unprofitable distribution channels, and reducing the operating hours). The same results were obtained in H1.3 between the competitiveness (including employability and growth) and the Product, Physical evidence and Place strategies. However, the result of the regression between the financial performance and the strategies was slightly different as it indicated a significant positive relationship with both the Promotion strategies (advertising budget, sales promotion, and familiarisation trips) and the Physical evidence strategies, and a negative significant relationship with Place strategies.

Discussion for the results obtained in H1, H1.1 and H1.2

After testing this hypothesis by using a standard multiple regression, the result showed that the hypothesis was supported. Increasing marketing affected the performance of the organisations positively during political crisis. The change in

performance was evaluated through measuring the changes in five subcategories; employability, growth, profitability, liquidity, and solvency.

Two separate hypotheses (H1.1 and H1.2) were tested by using a standard multiple regression between the changes in the marketing strategies and the competitiveness (employability and growth) and the second was between the changes in the marketing strategies and the financial performance (profitability, liquidity, and the solvency). Both hypotheses were supported. This result is consistent with the claims of several researchers in their studies about different types of crisis. For example, Kitris and Karahan (2010) highlighted the key role of marketing during the global financial crisis in Turkey (See Table 4-1, section 4.4). Berman et al (2009) also revealed that focusing on marketing during crisis can reflect positively on the firm's performance during the same crisis in general -they did not specify a country or industry- (See Table 4-3, section 4.4). The former study is an empirical study, while the latter is a conceptual research. In their study, Kitris and Karahan (2010) measured performance by asking the marketing managers about their perceptions of how the crisis had affected their companies (positive, neutral, or negative). These studies are discussed in more detail in sections 4.4. This research aimed at testing whether this positive effect on performance existed during a political crisis. The results obtained in this study reflect the importance of marketing during political crisis.

Changes in marketing take place when customers' buying behaviour changes because of the crises they are facing. In a political crisis, how customers change can be very different from how they change in other types of crisis. For example, when a financial crisis takes place, only some customers might be affected, and some are not depending on their financial status, their job or the country they live in. So in the tourism industry, some organisations are faced with groups that are affected, whereas others may not be. For example, Barsky (2009) revealed that the consumers in the tourism industry (travellers) responded differently to the global financial crisis in 2008. Barsky concluded that by region, Middle East and Africa travellers were affected more and hence the percentage of cancelling or

changing the trips to another destination was higher than the change that took place by travellers in other regions like Europe and Asia.

Changes in marketing are applied to align with the group of customers who are affected and have changed and also to any changes in the market caused by the crisis. Failure to survive during any type of crisis can be a result of using the same methods and strategies used before the crisis occurrence (Ang et al., 2000; Scott et al., 2008). Previous studies which are discussed thoroughly in chapter four have highlighted the importance of applying adjustments to the marketing strategies in order to face the changes resulting from the crisis taking place (Ang et al., 2000; Blake and Sinclair, 2003; Gottfredson et al., 2008; Ioannides and Apostolopoulos, 1999). Each firm should be able to determine the strategies that need to be adjusted (Berman et al, 2010). These adjustments will depend on several aspects; the type of industry the company performs in, the type of crisis, the extent to which the company was affected by the crisis, and the aim of these adjustments. All studies that have discussed the relationship between adjusting marketing strategies during crisis and performance have concluded that the performance of these firms is affected positively in the short run and long term –after the crisis ends (Köksal and Özgül, 2007; Laitinen, 2000; Naidoo et al., 2010; Pearce and Michael, 1997).

A political crisis is expected to affect all customers irrespective of their income due to its relationship with their safety and lives (Seddighi, Nuttall, and Theocharous, 2001). The main purpose of tourism is the experience and relaxing (Rossi, 2012). If the country is subject to political instability, the tourist will probably turn away from the location, as it becomes perceived as life threatening and worrying and the main purpose of the tourism trip, which is for relaxing and enjoyment has collapsed. The extent to which the tourist will choose another destination to visit depends largely on the reason of choosing that country in the first place (Feilding and Shortland, 2010). For example, the probability of a tourist visiting Egypt for sunny resorts switching to another place is much higher than a tourist specifically interested in the history of ancient Egypt or is a cultural tourist.

Not only is tourism considered important to countries as a main source of foreign income and development, but is also important to many people as part of their lifestyle. Barsky (2009) revealed that ninety per cent of leisure tourists from 95 countries he surveyed (35,000 traveller) claimed that travelling is essential in their lives. Bearing this in mind, we would find that it is a great challenge facing any country to attract tourists if it is subject to a political crisis. There are very few studies about marketing during political crisis, and how it can affect the performances of the firms. One of these studies is an exploratory research by Ioannides and Apostolopoulos (1999) in which the writer described some of the strategies applied during the war in Turkey in 1974. For example, reconnecting with the tourism organisations in Britain, Germany, and the Scandinavian countries and also making major transformations in abandoned villages into places that could attract tourists. The researcher referred briefly to the advantage of marketing just after the war. Goodrich (2001) also mentioned some marketing strategies applied by the tourism industry in the USA, which was affected by the gulf war in 1991. This included familiarisation trips for the British travel agents' representatives, the continuous efforts of convincing Japan to cancel its travel warning to visit the USA, aggressive advertising campaigns, using video conferences instead of travelling to the countries for meetings regarding the tourism in the country, and increasing the discounts for trips. Goodrich revealed that these strategies had a positive impact on the industry in general as the USA used intensive marketing in order to promote domestic tourism during the gulf war especially as customer loyalty decreases during crises.

My research is different from the studies mentioned as it is an empirical study in which the participants are the travel agencies (Goodrich's participants were mainly travellers- 315 including only 10 travel agents). In addition to that, the study focuses on a different type of political crisis; revolution and not a war which have different consequences. Furthermore, this study has measured the changes in the marketing strategies in the form of the services marketing mix elements and also measured the performance of these forms and how it changed.

This study supports what was mentioned in the previous literature of the Crisis Marketing Theory, that the increased changes in marketing can have a positive impact on the tourism organisations' performance during crises. What this research has added is testing the relationship in the case of a political crisis. It has concluded through an empirical study that when travel agencies increase the marketing strategies during political crises, their performance will be affected positively.

6.3.2.2 Hypothesis 2

There is no significant difference between the amount of changes in the basic marketing mix elements (4Ps) and the amount of changes in the services/extended marketing mix elements (7Ps) applied by organisations during a political crisis.

A paired-sample t-test was conducted to compare the scores of the basic marketing mix elements (4Ps) and the services marketing mix elements (7Ps). There is a significant difference in the scores for the 4Ps ($M = 3.0$, $SD = .51$) and the 7Ps ($M = 3.2$, $SD = .38$; $t(144) = -2.13$, $p = .035$, two-tailed). The magnitude in the differences in the means (mean difference = $-.16$, 95% CI : $-.31$ to $-.01$) was moderate (eta squared = $.06$). The hypothesis is not supported.

Discussion for the results obtained in H2

Research about marketing during crises that are applied only on the services industry have taken two approaches; discussing the marketing strategies in general and the adjustments that have taken place to face the crisis or dividing the strategies in groups according to the 4Ps (price, place, promotion, and place). Studies of the former type include the research of Goodrich (1991) and Evans and Elphick (2005) applied on tourism, Barsky (2009) on tourism, and Krzyzanowska and Tkaczyk (2010) on consulting services. These studies stated several strategies that were applied during crisis but did not group them. The latter type which includes grouping the strategies according to which marketing mix elements they represent include the studies of both Naidoo et al (2010) and Alonso- Almeida and

Bremser (2013) which are applied on hospitality services. Despite applying their studies on a service sector, they have presented the marketing strategies that have been adjusted to face the global financial crises of 2008 by the basic marketing mix (4Ps).

Therefore, it can be clear that there are no studies that take into consideration the services marketing mix elements (7Ps). This can lead to a question; whether the strategies of personnel, process and physical evidence are subject to changes during crises as are the other types of strategies (4Ps) as mentioned in the literature? There have been few studies mentioning only a very few strategies that are embraced during financial crises that can be allocated to personnel such as 'employee training' (Ang et al., 2000; Köksal and Özgül, 2007; Naidoo et al., 2010) or 'broadening employee engagement and responsibility' (Aronoff and Ward, 1991; Berman et al., 2010; Leavy, 2009; Shama, 1978, 1992). The strategies of the process or the physical evidence strategies are not mentioned in any of the studies. Moreover, even the few personnel strategies that have been stated are mostly mentioned in conceptual research or not allocated to a specific group in empirical research which doesn't clearly show if these strategies that are related to the services marketing mix are adjusted as much as the basic elements of the marketing mix for industries providing tangible products (Brush and Brush, 2009; Köksal and Özgül, 2007; Leavy, 2009; Pearce and Michael, 2006; Quelch and Jocz, 2009). This can either reflect that these types of strategies are assumed to be unchanged during financial and economic crises so they were not given importance like the other groups, or the fact that they have been just been ignored or neglected by the researchers.

So in this research I wanted to assess if the changes in these three groups of tools which So in this research, I wanted to assess if the changes in these three groups of tools which form part of the marketing strategies of firms are not significant compared to the basic marketing mix elements during a political crisis. Based on the evidence collected and the tests done in chapter 6, the hypothesis was not supported as there was a significant difference between the two groups (7Ps vs

4Ps). The result of this hypothesis not being supported would give an indication that there are changes that have taken place in the personnel, process, or physical evidence that could be significant and this is clear when the mean of the changes in personnel was higher than the changes in all the other elements as shown in table 6-4. This would emphasize the importance of the 7ps in political crisis which has not been acknowledged by existing literature. In addition, it could be argued that the same credit or importance of the 4ps should be given to the 7ps when examining the changes taking place during a political crisis. These strategies could be used along with the other basic marketing mix strategies to help repair the image of the location during the political crisis.

Using the strategies of the service marketing mix would make a difference taking into consideration that the elements of personnel and the process can have an effect on the potential tourists' perceptions and feeling about the destination if it is going through a political crisis. Place image is defined as "the sum of beliefs and impressions people hold about places. Images represent a simplification of large number of associations and pieces of information connected with a place." (Kotler, Haider, and Reiner, 1993, p.141). Forming a place image for a tourist would be implemented through two components: the cognitive component and the affective component (Alvarez and Campo, 2014). The cognitive component of place image represents the beliefs and opinions the person has about a place. Affective component of place image represents the emotions and feelings about the place. Cognitive components have the bigger affect if the place is a developed country and information about the place is easily accessible. On contrast, if the place is a developing country, then the affective dimension tends to have a greater influence. Alvarez and Campo (2014) concluded that the affective dimension affects the person more than his cognitive component when the place is continuously subjected to crisis and already has a negative image. Hence, there is a greater role played by the services marketing mix in affecting the performance of the companies during political crisis through personnel, process, and physical evidence strategies.

The result of testing this hypothesis ensures the importance of taking into consideration the services marketing mix when assessing the changes that companies in the services sector apply during political crises. It can also question whether the studies applied on the services companies during financial crises should have also focused on the personnel, process, and physical evidence strategies.

6.3.2.3 Hypothesis 3

There is a significant difference between the amount of changes applied to the marketing mix element 'Price' and the other marketing mix elements; Product, Place, Promotion, Personnel, Process, and Physical evidence, during a political crisis.

A Friedman test which is the non-parametric alternative of the one-way repeated measures analysis of variance was performed as the assumption of homogeneity of variance was not met. The Friedman test was conducted in order to indicate whether there is a significant difference in the mean scores of the marketing mix elements. The results revealed that there is a significant difference in the means $\chi^2(6, n = 73) = 109.6, p < .001$. The median value of Personnel ($Md = 4$) was greater than the median values of both the price and process ($Md = 3.5$) which were followed by Product, Place and Physical evidence ($Md = 3$), and the smallest median value ($Md = 2.67$).

The results of the Friedman Test have revealed there is a significant difference, but we still do not know which variables are significantly different from Price. Individual Wilcoxon Signed Rank Tests are performed between Price and each variable alone. This means there will be six tests. So in order to control for type 1 error, the Bonferroni adjusted alpha is used. It is calculated as $.05/6$ which equals $.167$.

H3.1- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Product'

A Wilcoxon Signed Rank Test revealed a significant increase in the changes of Price strategies compared to the changes in the Product strategies, $z = -2.66$, $p < .167$ ($p = .008$), with a small effect size ($r = .2$). The median value for Price ($Md = 3.5$) is higher than the median value of Product ($Md = 3$). The hypothesis is supported.

H3.2- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Place'

A Wilcoxon Signed Rank Test revealed a significant increase in the changes of Price strategies compared to the changes in the Place strategies, $z = -3.1$, $p < .167$ ($p = .002$), with a medium effect size ($r = .3$). The median value for Price ($Md = 3.5$) is higher than the median value of Place ($Md = 3$). The hypothesis is supported

H3.3- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Promotion'

A Wilcoxon Signed Rank Test revealed a significant increase in the changes of Price strategies compared to the changes in the Promotion strategies, $z = -5.256$, $p < .167$ ($p = .000$), with a medium effect size ($r = .4$). The median value for Price ($Md = 3.5$) is higher than the median value of Promotion ($Md = 2.7$). The hypothesis is supported

H3.4- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Personnel'

A Wilcoxon Signed Rank Test revealed no significant difference in the changes of Price strategies compared to the changes in the Personnel strategies, $z = -1.885$, $p > .167$ ($p = .059$), with a small effect size ($r = .2$). The median value for Price ($Md = 3.5$) is lower than the median value of Personnel ($Md = 4$). The hypothesis is not supported

H3.5- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Process'

A Wilcoxon Signed Rank Test revealed no significant difference in the changes of Price strategies compared to the changes in the Process strategies, $z = -.161$, $p > .167$ ($p = .872$), with a small effect size ($r = .01$). The median value for Price ($Md = 3.5$) is equal to the median value of Process ($Md = 3.5$). The hypothesis is not supported

H3.6- There is a significant difference between the amounts of changes applied to the marketing mix elements 'Price' and 'Physical evidence'

A Wilcoxon Signed Rank Test revealed a significant increase in the changes of Price strategies compared to the changes in the Physical evidence strategies, $z = -3.651$, $p < .167$ ($p = .000$), with a medium effect size ($r = .3$). The median value for Price ($Md = 3.5$) is higher than the median value of Physical evidence ($Md = 3$). The hypothesis is supported.

Discussion for the results obtained in H3

The hypothesis is not supported. The results of the statistical test show that the increasing changes in price were higher than the increase in the change of the product, place, and promotion. Because the studies that have measured the changes in the marketing strategies use only the 4Ps as discussed above, the result then aligns with what the literature had stated when discussing the changes that took place according to these marketing mix elements. Ang (2001) concluded that during the Asian economic crisis in 1997, the major changes in the marketing strategies (4ps) were mostly in the price strategies. Shama (1978) who looked at the 'Fortune 500' companies in the USA highlighted that firms during stagflation emphasised on making changes in the price strategies. Other researchers have also stated that reducing price is one of the most common strategies organisations undertake when facing a financial crisis (Alonso-Almeida and Bremser, 2013;

Ang, 2001; Evans and Elphick, 2005; Goodrich, 1991; Henderson, 1999; Leavy, 2009; Naidoo et al., 2010; Shama, 1978, 1992)

However, because this study also measures the changes in the personnel, process, and the physical evidence strategies, it can be concluded from the results that the changes in price were not significantly higher than the changes in personnel and process. It has to be noted that the mean of the changes in price (3.4932) is equal to the mean of process and lower than the mean of the personnel (3.8311) as computed and showed in table 4 in (section 6.3). The following discussion will be about these two groups of strategies; process and personnel.

The service marketing mix element 'process' includes easing the process of purchasing the product, which is considered vital, especially when going through unstable circumstances in the tourism industry. This could be by providing more services such as booking online, and providing all the information needed by customers to make the decisions of taking a trip or not. Any adjustment or cancellation can be done online with clear terms and conditions. In addition to this factor, participants were asked about other process strategies which also included: different ways of paying, increasing the range of choices, categorising the products according to the reason for travelling with employees specialised in each type or at least knowledgeable with all the required information and facilities that can be offered. According to the responses of the participants in the study, this has proved to be an important group of marketing strategies that travel agencies focus on during political crises. Some participants revealed that they had not used the option of booking online and started to use it to ease the process of booking with the company. Others stated that a lot of options and facilitations were added for the customers for the process of booking and making categorisation for the trips that did not exist before.

The personnel strategies that participants were asked about included providing all needed information to customers, employee communication, and broadening employees' engagement in easing the apprehension of customers. The changes

taking place with the personnel strategies as stated by the participants prove that there is a tremendous focus on the personnel during political crisis. Moreover, this would seem logical to know that during financial crisis, price strategies are focused on during crisis because the problem affecting the customers is related to the lack of money. Nevertheless, during a political crisis, the main problem facing the tourists is their safety and the security of the place they intend to visit which is politically unstable. Customers' behaviour is changed as soon as customers acknowledge the crisis. Gottfredson et al (2008) have stated that this change has to be dealt with immediately in order to affect the performance of the firm positively. There is a direct contact between the employees in the travel agencies and their customers. This is why more training for these employees is required, and can be eased by the fact that the working hours for some agents are less during the time of crisis, so more time is available for training. And if the previous literature emphasises the importance of the change that takes place during financial crises (Berman et al., 2010), then it would be even more essential and critical during a political crisis where these changes in the customers' needs are concerned with safety and not money as in financial crisis. Another reason for training can be due to dealing with new customers such as targeting the local market or markets the company had not dealt with previously.

When working with new customers they should build customer loyalty through satisfying the customers and making sure their needs are met in the most appropriate way. When dealing with regular customers, they should treat them for their loyalty despite a crisis taking place that could represent a threat to their lives. A good relationship and communication process is considered vital to any travel agency especially when going through crisis in general and political crisis in particular. One of the most important issues raised by Evans and Elphik (2005), is the existence of clear and precise communication and sharing any available information that relates to the organisation internally with the employees in the organisation and externally with the customers through an 'online channel of security communication' (Rossi, 2012). Laitinen (2001) argued that during unusual circumstances, the best strategy is to focus on the customers and not the

financial transactions especially that during a political crisis the ‘travel risk perception’ for the tourists outside of the region is higher than the perceived travel risk to those who come from countries in the region (Morakabati, 2013). The employees’ values in the different tourism organisations should reflect the nation brand that the country is promoting (Amujo and Otubanjo, 2012). This can also affect the future reputation of the firm.

The result of this hypothesis has added to the literature of the Crisis Marketing Theory. It has firstly added that during political crisis, the changes in price strategies are focused on more than the strategies of product, place and promotion. Secondly, when we put in consideration the services marketing mix, we would find that the strategies of personnel are subject to the most changes compared to all the other marketing mix elements during political crisis.

6.3.2.4 Hypothesis 4

Changes in the promotion strategies positively affects the performance (as a whole) of organisations during a political crisis.

A median split of the respondents for the Promotion variable was conducted. The median equalled 2.67. This resulted into two groups; 43 respondents scoring less than the median and 30 scoring above the median. An independent t-test was conducted to indicate whether there was a significant difference in the performance of the two groups. The results show that there was no significant difference for the group that did not focus on changes in promotion ($M = -2.29$, $SD = 1.14$) and the group that focused on the changes in promotion ($M = -1.87$, $SD = 1.31$; $t(71) = -1.448$, $p = .152$, two-tailed). The magnitude of the differences in the means (mean difference = $-.42$, 95% CI : $-.998$ to $.158$) was small (eta squared = 0.03). The hypothesis is not supported.

H4.1. - Changes in the promotion strategies positively affects the financial performance of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the financial performance (including profitability, solvency, and liquidity) of the two groups based on the median split performed in H4.1. The results show that there was no significant difference for the group that did not focus on changes in promotion ($M = -2.45, SD = 1.07$) and the group that focused on the changes in promotion ($M = -1.9, SD = 1.31; t(71) = -1.975, p = .052$, two-tailed). The magnitude of the differences in the means (mean difference = $-.55$, 95% $CI: -1.11$ to $.005$) was small (eta squared = 0.05). The hypothesis is not supported.

H4.2- Changes in the promotion strategies positively affects positively the competitiveness of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the competitiveness (including employability and growth) of the two groups based on the median split performed in the previous two hypotheses. The results show that there was no significant difference for the group that did not focus on changes in promotion ($M = -2.06, SD = 1.45$) and the group that focused on the changes in promotion ($M = -1.83, SD = 1.499; t(71) = -.642, p = .523$, two-tailed). The magnitude of the differences in the means (mean difference = $-.22$, 95% $CI: -.92$ to $.473$) was very small (eta squared = 0.006). The hypothesis is not supported.

Discussion for the results obtained in H4, H4.1 and H4.2

This hypothesis was not supported using the data provided by the participants. This result is not consistent with the previous literature. Koksall and Ozgul (2007) stated that the firms that made more changes in the promotion strategies during financial crisis were proven to perform better than those who did not. In addition, many researchers argued that increasing the advertising budget during economic and financial crisis affects the performance positively (Ang, 2001; Henderson, 1999; Shama, 1978, 1992). Alvarez and Campo (2014) stated that the information received by any source other than the marketer, for example; news,

documentaries, television programs, word of mouth, holds more credibility than the information presented by the marketer. This is because most people perceive this information to be presented with no bias or with no attention to present a disguised picture to make profits. Another study noted the importance of the content of the advertisements to be informative and educative rather than commercial during periods of political instability (Amujo and Otubanjo, 2012). Hull and O'Sullivan (1996) stated that one of the main elements that add advantage to a place is the 'media reporting and image-making'. In order to let the tourists, acknowledge what the place would provide them with, the "social, cultural, historical, geographical, symbolic, environmental and economic" values about the place should be expressed (Amujo and Otubanjo, 2012, p. 91). When this occurs, the performance of the firms is affected positively.

The potential tourists should be confident that they are not affected by any trouble taking place in the country and that the trip they decided to take is worth the money and time they would spend (Scott et al., 2008). Lepp and Gibson (2010) concluded that marketers of destinations affected by real or imagined risk factors need to target tourists with a higher tolerance for risk. This supports what the tourism officials' campaigns in 2012 targeted at the Arabs in the Gulf area and the Middle East which included the Slogan "Don't be late, Egypt needs you", and "Misr Orayiba" which means 'Egypt is near' in the Arabic language.

Promoting a place with political crisis can be a tremendous dilemma for the tourism industry. Seddighi and others (2001) pointed to the importance of security in order to attract tourists and investors in the tourism industry. One of the problems is the frequencies of the events (Rossi, 2012). This is because the event fades in the memories of tourists in a short time. However, if events are more frequent, then there is a problem. Another factor that can determine if there is a problem or not, is whether the incidents are taking place at touristic attractions or in non-touristic places. If not, then it will also be minimised. A third issue relates to the targets that are affected by the political instability. For example, the targets can be locals such as army forces and police or they can be the tourists.

Avraham (2016) claimed that countries sometimes adopt an ‘isolation strategy’ in which a place is marketed on its own, ignoring the fact that it is part of a country that is experiencing a crisis, but also taking the advantage of not facing any problems in that area and hence treating it as if it were an independent country. This is what the travel agents used in order to promote beach resorts in Egypt (Sharm Elsheikh and Hurghada) in order to isolate them from the trouble in the capital and other places, as they are placed very far from the capital and other cities which had protests and problems (Avraham, 2016). This can justify why Russia (where most of its nationals visit Egypt for beach tourism) formed the largest number of tourists to Egypt during the political instability according to the data provided by the electronic version of the Compendium of Tourism Statistics dataset - World Tourism Organization (2016). In this case, the country acknowledged the crisis, but dealt with the resorts as a separate destination than the country. If Egypt did not acknowledge the crisis, there would be a problem in promoting any part of the country. Rossi (2012) claims that pretending that there is no problem and refusing to admit its existence will not help the destination to recover or gain the credibility of tourists especially if the crisis is related to the tourists’ safety.

The result of the hypothesis has contributed to the literature of the Crisis Marketing Theory by revealing that unlike the financial and economic crisis, increasing the changes in promotion strategies during political crisis does not affect the performance of the companies positively.

6.3.2.5 Hypothesis 5

Changes in the price strategies negatively affects the performance (as a whole) of organisations during a political crisis.

A median split of the respondents for the Price variable was conducted. The median equalled 3.5. This resulted into two groups: 27 respondents scoring less than the median and 34 scoring above the median. An independent t-test was conducted to indicate whether there was a significant difference in the

performance of the two groups. The results show that there was no significant difference for the group that did not focus on changes in price ($M = -2.5, SD = .827$) and the group that focused on the changes in price ($M = -1.99, SD = 1.50; t(53.205) = -.795, p = .098$, two-tailed). The magnitude of the differences in the means (mean difference = $-.51$, 95% *CI*: -1.12 to $.097$) was small (eta squared = 0.04). The hypothesis is not supported.

H5.1- Changes in the price strategies negatively affects the financial performance of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the financial performance (including profitability, solvency, and liquidity) of the two groups based on the median split performed in H5.1. The results show that there was a significant difference for the group that did not focus on changes in price ($M = -2.73, SD = .82$) and the group that focused on the changes in price ($M = -1.97, SD = 1.398; t(54.796) = -2.638, p = .011$, two-tailed). The magnitude of the differences in the means (mean difference = $-.758$, 95% *CI*: -1.33 to $-.18$) was moderate (eta squared = 0.11). The hypothesis is supported.

A Pearson product-moment correlation test was conducted for both groups to test if there was a significant relationship between their changes in price strategies and their financial performance. For the group that increased their price strategies during the crisis (scoring above the median), the test revealed that there was a significant negative relationship between the two variables, $r = -.541, n = 34, p < .05$ ($p = .001$). There was also a significant negative relationship between the two variables, $r = -.483, n = 27, p < .05$ ($p = .011$) for the group that score less than the median in the price strategies during the crisis. The hypothesis is supported.

H5.2- Changes in the price strategies negatively affects the competitiveness of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the competitiveness (including employability and growth) of the two groups based on the median split performed in the previous two hypotheses. The results show that there was no significant difference for the group that did not focus on changes in price ($M = -2.17$, $SD = 1.07$) and the group that focused on the changes in price ($M = -2.029$, $SD = 1.80$; $t(55.095) = -.369$, $p = .714$, two-tailed). The magnitude of the differences in the means (mean difference = .14, 95% CI : $-.883$ to $.609$) was very small (eta squared = 0.002). The hypothesis is not supported.

Discussion for the results obtained in H5, H5.1 and H5.2

The hypothesis was not supported when the relationship between increasing the price strategies and the performance as a whole was tested. Nor was it supported when testing the relationship between the increase in price strategies and competitiveness (employability and growth). But when it was tested to see if it affected the financial performance only (liquidity, profitability, and solvency), it was supported. This is still consistent with the previous studies which concluded that focusing on the price strategies during other types of crises affects the performance negatively (Ang et al., 2000; Barsky, 2009; Fennon and McRae, 2009; Quelch and Jocz, 2009). It has to be noted that these studies only measured the financial performance in their studies, so the result of the hypothesis testing supports it, but also adds an important fact that the employability and growth of the company are not significantly affected negatively when companies focus on the price strategies during political crisis.

The pricing strategies the participants were questioned about included price cutting for affected places, using discounts, and pricing according to quality provided. Price cutting is a common strategy applied by the majority of firms when facing a financial crisis (Alonso-Almeida and Bremser, 2013; Ang, 2001; Goodrich, 1991; Henderson, 1999; Leavy, 2009; Naidoo et al., 2010; Shama, 1978, 1992). The reason for the price cutting is that, as previously explained, when

a financial crisis takes place, the customers are affected financially and start to think in a more economical way on how to fulfil their needs and wants.

In the tourism industry, it is revealed that tourism organisations have decreased the prices in order to maintain their current customers or to attract new ones as a result of financial crisis (Naidoo et al., 2010). Nevertheless, this should not affect the quality of the product being provided (Ang et al., 2000). Cutting prices has two major problems; the difficulty of raising the prices after the crisis is over, as the customers are used to being able to buy at the reduced price (Quelch and Jocz, 2009), and the negative image it can have on the brand that can cause customers to perceive that it is with lower quality (Barsky, 2009).

In summary, the testing of this hypothesis has added two main pieces of information to the existing literature for the Crisis Marketing Theory. Firstly, during political crisis, there is no significant negative relationship between increasing the prices strategies and the performance of the firms as a whole (performance measured through employability, growth, liquidity, profitability, and solvency). Secondly, if we test the relationship between increasing the price strategies and the financial performance only, then there would be a significant negative relationship.

6.3.2.6 Hypothesis 6

Changes in the product strategies positively affects the performance (as a whole) of organisations during a political crisis.

A median split of the respondents for the Product variable was conducted. The median equalled 3.0. This resulted into two groups: 25 respondents scoring less than the median and 34 scoring above the median. An independent t-test was conducted to indicate whether there was a significant difference in the performance of the two groups. The results show that there was a significant difference for the group that did not focus on changes in product ($M = -2.58$, $SD = 1.14$) and the group that focused on the changes in product ($M = -1.82$, $SD =$

.995; $t(57) = -2.718$, $p = .009$, two-tailed). The magnitude of the differences in the means (mean difference = $-.76$, 95% *CI*: -1.32 to $-.2002$) was moderate (eta squared = 0.11). The hypothesis is supported.

A Pearson product-moment correlation test was conducted for both groups to test if there was a significant relationship between their changes in product strategies and their performance. For the group that increased their price strategies during the crisis (scoring above the median), the test revealed that there was no significant relationship between the two variables, $r = .248$, $n = 34$, $p > .05$ ($p = .103$). There was also no significant relationship between the two variables, $r = -.019$, $n = 25$, $p > .05$ ($p = .928$) for the group that score less than the median in the price strategies during the crisis.

H6.1- Changes in the product strategies positively affects the financial performance of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the financial performance (including profitability, solvency, and liquidity) of the two groups based on the median split performed in H6.1. The results show that there was a significant difference for the group that did not focus on changes in product ($M = -2.61$, $SD = 1.12$) and the group that focused on the changes in product ($M = -1.99$, $SD = .912$; $t(57) = -2.353$, $p = .022$, two-tailed). The magnitude of the differences in the means (mean difference = $-.62$, 95% *CI*: -1.15 to $-.090$) was moderate (eta squared = 0.09). The hypothesis is supported.

A Pearson product-moment correlation test was conducted for both groups to test if there was a significant relationship between their changes in product strategies and their financial performance. For the group that increased their product strategies during the crisis (scoring above the median), the test revealed that there was no significant positive relationship between the two variables, $r = .284$, $n = 34$, $p > .05$ ($p = .103$). There was also no significant positive relationship between

the two variables, $r = -.181$, $n = 25$, $p > .05$ ($p = .387$) for the group that score less than the median in the product strategies during the crisis.

H6.2- Changes in the product strategies positively affects the competitiveness of organisations during a political crisis.

An independent t-test was conducted to indicate whether there was a significant difference in the competitiveness (including employability and growth) of the two groups based on the median split performed in the previous two hypotheses. The results show that there was a significant difference for the group that did not focus on changes in product ($M = -2.54$, $SD = 1.35$) and the group that focused on the changes in product ($M = -1.57$, $SD = 1.38$; $t(57) = -2.677$, $p = .010$, two-tailed). The magnitude of the differences in the means (mean difference = $-.9665$, 95% CI : -1.689 to $-.2436$) was moderate (eta squared = 0.11). The hypothesis is supported.

A Pearson product-moment correlation test was conducted for both groups to test if there was a significant relationship between their changes in product strategies and their financial performance. For the group that increased their product strategies during the crisis (scoring above the median), the test revealed that there was no significant relationship between the two variables, $r = .085$, $n = 34$, $p > .05$ ($p = .633$). There was also no significant relationship between the two variables, $r = .184$, $n = 25$, $p > .05$ ($p = .377$) for the group that score less than the median in the product strategies during the crisis.

Discussion for the results obtained in H6, H6.1 and H6.2

This hypothesis is supported. The findings are consistent with what was revealed about the product strategies during crisis. The strategies of product included new product development, the quality of products, and the marketing spending. Laitenin (2001) mentioned that new product development and increasing the marketing expenses was focused on during the 1998-1993 recession in Finland. Offering new products or destinations in the case of tourism is the strategy

mentioned in all studies concerned with changes applied in the tourism sector when there is crisis. Introducing new products was a common strategy applied during crisis according to several studies such as (Brush and Brush, 2009; Quelch and Jocz, 2009; Roberts, 2003). These products can be offered to the new markets organisations are dealing with, or to the same market the firm serves, but with adjustments in the price or quality in order to suit the crisis situation. This took place in Egypt during the political crisis. According to the respondents of my questionnaire, 68 per cent revealed that they had added other markets (mostly in the Arab countries or domestic tourism). This created the need to introduce new products that better meet the requirements of these markets. Some researchers have concluded that introducing the products during crisis offer a potential for success (Fennon and McRae, 2009; Laitinen, 2000). It is actually advisable to present new products if it can positively affect the competitive advantage of the firm and its market share (Ang et al., 2000). For the travel agencies, changing existing products such as offering shorter trips or new packages for the growing local tourism are examples. Introducing new destinations was mentioned in previous literature too, either local tourism or new places the agencies did not previously arrange trips to (De Sausmarez, 2004; Henderson, 1999).

One of the product strategies is improving the quality of the services provided. Improving the products' quality during crisis was emphasized by various researchers (Ang et al., 2000; Barsky, 2009; De Sausmarez, 2004; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Laitinen, 2000). Ang et al (2001) agreed that during financial crisis, the organisation could increase quality while maintaining price or reducing the price while maintaining quality.

Another strategy concerned the marketing spending. Previous literature shows a debate in this concern. In the actual market, it is referred to the fact that companies actually do reduce the marketing spending in a trial to reduce the costs. Tkaczyk (2010) stated that consulting companies advised their customers to decrease the marketing spending during the global financial crisis. Barsky (2009) too concluded that the marketing spending was decreased during the great financial

crisis in the travelling industry. Marketing Sherpa (2008) reported that marketing expenditure were the first expenses to be cut.

On the other hand, the academic research is different. It confirms that organisations should maintain or increase their marketing spending (Alonso-Almeida and Bremser, 2013; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Pearce and Michael, 2006; Quelch and Jocz, 2009). This would lead to performance improvement (Neff, 2009b; Quelch and Jocz, 2009). Roberts (2003) concluded that companies that cut their marketing spend can gain the most profits during financial crisis; their profitability is negatively affected during the recovery period and in long term compared to the firms that maintain or increase their marketing spending. The researcher revealed that the best results were gained by the organisations that increased their marketing spending during the recession.

Kitris and Karahan (2010) concluded that the large companies increased their marketing spending during the 2000-2001 recession in Turkey. On the other hand, Marketing Sherpa (2008) found that the small companies are the ones that increase their marketing spending and not the large firms. The reason might be their state of growing and the need to continue marketing. In this study, the travel agencies increased or maintained their marketing spending and this applies with this study as they are the largest travel agencies in Egypt and are ranked as the top one-hundred.

The testing of this hypothesis contributes to the existing literature concerning the Crisis Marketing Theory that during a political crisis, increasing the product strategies can affect the performance of the travel agencies as it does during financial crisis.

Table 6 Summary of the hypotheses results with interpretations

	Test	Result	Interpretation
H1	Standard Multiple Regression	Supported	There is a significant relationship between changing marketing strategies and the performance of the organisation during political crisis
H1.1	Standard Multiple Regression	Supported	There is a significant relationship between changing marketing strategies and the financial performance of the organisation during political crisis
H1.2	Standard Multiple Regression	Supported	There is a significant relationship between changing marketing strategies and the competitiveness of the organisation during political crisis
H2	Paired-sample t-test	Not Supported	There is a significant difference between the changes in the 7PS and the 4Ps during a political crisis
H3	- Friedman test	- Supported	There is a significant difference between changes in price and changes in other marketing mix elements
	- Individual Wilcoxon Signed Rank	- Supported in case of product, place, promotion and physical evidence - Not Supported in the case of personnel and process	There is a significant increase in the changes of price strategies compared to changes in product, promotion, place, and physical evidence but not when compared with process and personnel

H4	Median split Independent t-test	Not Supported	Increasing promotion strategies does not affect the performance of the organisation positively during political crisis
H4.1	Median split Independent t-test	Not Supported	Increasing promotion strategies does not affect the financial performance of the organisation positively during political crisis
H4.2	Median split Independent t-test	Not Supported	Increasing promotion strategies does not affect the competitiveness of the organisation positively during political crisis
H5	Median split Independent t-test Pearson product-moment correlation	Not Supported	Increasing price strategies does not affect the overall performance of the organisation negatively during political crisis,
H5.1	Median split Independent t-test Pearson product-moment correlation	Supported	Increasing price strategies affects the financial performance of the organisation negatively during political crisis.
H5.2	Median split Independent t-test Pearson product-moment correlation	Not Supported	Increasing price strategies does not affect the competitiveness of the organisation negatively during political crisis,
H6	Median split Independent t-test Pearson product-moment correlation	Supported	Increasing product strategies affects the overall performance of the organisation positively during political crisis
H6.1	Median split Independent t-test Pearson product-moment correlation	Supported	Increasing product strategies affects the financial performance of the organisation positively during political crisis

H6.2	Median split Independent t-test Pearson product-moment correlation	Supported	Increasing product strategies affects the competitiveness of the organisation positively during political crisis
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Source: compiled by author

6.4 Conclusions

The chapter has presented the support for the scale's reliability and validity. Some necessary tests were performed before using the data in the analysis. The descriptive analysis of the research variables shows that during political crises, travel agencies focus more on the strategies related to the personnel in the firm. The hypotheses' testing has revealed that there is a significant relationship between changes in marketing strategies and the performance of the organisations during political crises. There is also a negative relationship between increasing the price strategies, for example increasing discounts with the performance of the firms and it affects the competitiveness of the firm and its liquidity and solvency. In addition, results show that there was an increase in the changes in the price strategies compared to the product, place, promotion and physical evidence during the crisis. This chapter discussed the results of the hypotheses. The discussion has emphasised what this study has added to the existing literature and what complies with it and what forms a disagreement.

The results obtained from the hypotheses show that during political crisis, the performance of the firm is affected positively when the company focuses on its marketing strategies. This result was supported previously in other studies, but with a focus on financial crisis. In addition, the results have emphasised the role of the services marketing mix strategies during political crisis which have not been explicitly addressed in other studies. This extended analysis of the marketing mix has revealed that unlike financial and economic crises investigated previously, during political crisis, the focus is not on price, but on personnel. As the main concern is not about money as it is during financial crises, but about safety and

the fact that tourists need to know how the situation is exactly as their main concern during political crisis is their safety. Furthermore, focusing on the promotion strategies during political crisis is not effective as it can be during other types of crisis explored before. This can be related to the previous finding as the safety is the main concern and people tend to believe the news reports or documentaries more than they believe the promotion attempts implemented by the travel agencies to encourage them to visit the country. One more conclusion was that focusing on the price strategies during the political crisis does have a negative effect on the companies' performance, which aligns with the previous studies applied on different crises. However, when we add the factors of employability and growth to the performance, then we cannot prove that increasing the changes in price strategies can affect the performance as a whole negatively. Finally, the existing literature reveals that increasing product strategies affects the performance positively during financial crisis. This study supports this result when testing it during a political crisis.

7. CONCLUSION

7.1 Introduction

This chapter introduces a summary of the whole study and the phases that were implemented during the research. This is then followed by stating the contributions to the body of knowledge that this study has added according to the findings of this study. After highlighting the contribution that this research provides to the existing literature, the implications of these contributions are reported. The limitations are then presented in a separate section. Finally, the

chapter ends with recommendations for future research based on what this study has accomplished and the areas that could be further expanded in the future.

7.2 Summary of Study

Marketing during crisis has increasingly gained the attention of scholars in the marketing field due to the rise of the crises situations companies face and which require a fast act accordingly. Marketing strategies play a key role in crises (Kİrtiř and Karahan, 2010). Therefore, the marketing strategies that companies adopt in normal circumstance change in response to the crisis they are facing.

This study evaluated the marketing strategies during a political crisis, which is the revolution in Egypt in January 2011 and the period of political turmoil following it. It is applicable to the tourism sector. The period the research covered is from the beginning of 2011, as the revolution took place on the 25th of January 2011 and the country was politically instable until the end of 2013. From the beginning of 2014, the stability increased and tourism started recovering slowly according to the research participants' views and the statistics of the WTO (2016). The study started with a brief introduction about marketing during crises, along with an explanation about the sector chosen in this study, the country chosen and the reason why specifically this industry and this country. The objectives of the study, the main questions this study aims to answer and the research gap are presented. This is considered to be an interesting case to study for several reasons:

- the study is applied to the tourism sector which is considered to be an important industry to many countries and an indicator of a country's recovery from a crisis
- it is applied to Egypt in which one city (Luxor) possesses one third of the world's discovered monuments

- it is applied to a political crises which needed more research and which is also present in most of the middle east countries especially after the Arab Spring
- The most important point is that it helps us understand how marketing strategies are applied during political crises and how it is different from financial crises as stated in the literature.
- It highlights the relevance of using the 7Ps for the case of services, while other studies do not.

The following chapter was about tourism in Egypt in the present and the past. It reported the history of the tourism industry in Egypt in order to understand how it developed and what kinds of crises it had gone through before. The main points that were concluded in this chapter were that tourism in Egypt had existed long before the nineteenth century and this is proved through the ruins of different eras that attracted and still attract thousands of tourists. Tourism has always been an important industry to Egypt, and the development of the Egyptian tourism industry in the nineteenth century is related to the development of the international tourism industry. The industry has witnessed prosperity since the 1870s due to the packaged tours and the ease of travelling in the following decades. The main type of tourism in Egypt was the cultural tourism in which tourists were interested in visiting the ruins of ancient Egypt and different eras and has remained the main type of tourism until the present day.

Europeans formed the major number of tourists and especially the British in the nineteenth century and the Europeans still form the majority in the twenty first century. The government of any country has a major role in the development of its tourism sector. Tourism in Egypt was important to the governments in the Nineteenth century and hence witnessed tremendous developments. Tourism development can be interrupted by different crises any country can face. Egypt has been subject to several crises which have affected its tourism industry over

time. Tour operators have existed in Egypt since the mid nineteenth century. Thomas Cook and Son was one of the most popular and successful travel agencies that existed in Egypt and in other countries. Thomas Cook & Son have had a positive effect on the Egyptian tourism industry and was subject to several crises in which they embraced different marketing strategies to overcome.

Chapter 3 then discussed one of the main concepts in this research which is crises. This chapter introduced the meaning of crisis which entailed a sudden change occurring in a system and which needs radical change for the survival of the system. The term was used in the medical field before using it in social sciences, and its origin is Greek and came from the word 'krisis'. It has also presented two contradictory theories of how to manage crises in tourism. The first theory was the Systems Theory which Faulkner (2001) used to build the first model of managing crises in the tourism sector. The second theory discussed was the Chaos Theory. Finally, a third theory was presented which combines characteristics from both theories and is called the Alternative Systems Theory.

A discussion about the different types of risks that a tourism sector can be subject to, and which can turn into a crisis was presented. These included; risks of inefficient institutional systems, political crises, financial crises and natural crises. An example of every type of crises that different countries have faced was discussed and how these crises affected the tourism sector, along with the role of the governments in these countries in recovering from the crisis. In addition to that, an example from Egypt was also provided for each type of crisis, how it affected the tourism sector and the government's strategies and tactics applied to recover from the crisis. The two main crises discussed in this chapter were the global financial crisis of 2008, which most of the research is based on, and the Egyptian Revolution in 2011 and the period following which is the crisis focused on in this study.

Chapter 4 then started with discussing the marketing strategies that are embraced by different kinds of institutions in the usual conditions and during turbulent

times. Marketing strategies are used by every institution that presents goods or services. These strategies are classified in a different way according to different scholars. The most popular classification is the four Ps marketing mix which refers to the product, price, promotion and place. Furthermore, the extended marketing mix adds three elements which are personnel, physical assets and process. They were introduced by Bitner and Booms in 1982 ([Rafiq and Ahmed, 1995](#)). This marketing mix is related to the services sector due to its nature. There are several approaches in marketing during both stable and unstable environments in which the organization exists and operates. The chapter discussed the Crisis Marketing Theory through the strategies suggested by different researchers for organizations during unstable conditions or crises. There were commonalities and differences mentioned in the different studies. This can be due to the difference in the type of crisis or to the differences in the nature of the country in which the research is conducted. The review of the literature revealed that there is still a difference between what academics reveal and advise for, and what happens in the real market when faced by crises.

The researcher was able to identify the research gap which will build on the existing literature of the Crisis Marketing Theory. This is accomplished through evaluating the marketing strategies (extended marketing mix strategies) during political crisis and extending the analysis from 4Ps to 7Ps. The research concluded that the services marketing mix was not taken into consideration in these studies as only the basic marketing mix was applied and the researcher decided to use the services marketing mix elements (7Ps). There is no research evaluating the marketing strategies and its effect on the performance during political crisis. Furthermore, this research is also different than the discussed studies that have suggested marketing strategies during crisis due to the difference in the nature of the country, the type of crises, and the importance of the industry to the country and internationally.

After identifying the research gap in Chapter 4 and the research questions and aims in Chapter 1, Chapter 5 introduced a scientific method in order to answer

these questions and hence, fill in the research gap. In this study, the author applied an objectivism approach which was chosen according to the researcher's ontological and epistemological perspectives. The research also conducted a mono quantitative method using a cross-sectional design. The research variables were identified including the independent variables (product, price, place, promotion, process, personnel, and physical evidence strategies) and the dependent variable which is performance (measured through employability, growth, profitability, liquidity, and solvency). A discussion of their availability in previous research and what methods of measurement were used for these variables and what methods this study chooses was presented (see table 5-3 in section 5.7.4). The research hypotheses were developed according to the information provided in the reviewed literature and in order to answer the research questions stated earlier. This was then followed by information about the data collection process which presents the population and sample of this research, how big they are, the characteristics of the sample, the basis on which the sample was chosen, and the sampling methods implemented. The data was collected through structured interviews with closed questions. The participants were the marketing managers of the chosen travel agencies. They were asked about the changes that have taken place in their marketing strategies during the period of political instability caused by the revolution in 2011 and the other events that had affected the tourism in a devastating way during the period of the study (2011-2013). The last part of the chapter explained how this data is analysed and some ethical considerations stating that the questionnaires were approved by the Ethical Committee in the University of York and also received an approval from the Egyptian government.

In Chapter 6, the researcher presented the support for the scale's reliability and validity. Some necessary tests were performed before using the data in the analysis (tests for multicollinearity and non-response bias). The descriptive analysis of the research variables shows that during political crises, travel agencies focus the most on the strategies related to the personnel in the firm. The results obtained from the hypotheses showed that during political crisis, the performance of the firm is affected positively when the company focuses on the marketing strategies. This

result was supported previously in other studies, but with a focus on financial crisis. Also, the results have emphasised the role of the services marketing mix strategies during political crisis. In addition to this, it was revealed that unlike financial and economic crises investigated previously, during political crisis, the focus is not on price, but on personnel. This is considered as an addition to the Crisis Marketing Theory as personnel is one of the services marketing mix which was not recognised by the previous studies in this topic. Furthermore, focusing on the promotion strategies during political crisis is not effective as it can be during other types of crisis explored before. One more conclusion was that focusing on the price strategies during the political crisis does have a negative effect on the companies' performance, which aligns with the previous studies applied on different crises. But when we add the factors of employability and growth to the performance, then we cannot prove that increasing the changes in price strategies can affect the performance as a whole negatively. Finally, the existing literature reveals that increasing product strategies affects the performance positively during financial crisis. This study supports this result when testing it during a political crisis. A more detailed discussion on the contribution of this study is presented in the next section.

7.3 Contribution to the Body of Knowledge

In this section, the contribution of this study to the body of knowledge in the Crisis Marketing Theory is illustrated through the research questions in which each answer will form a contribution. This is because this research is the first empirical research applied during political crisis. An explanation of the answer follows.

Question.1 -What is the effect of changes in marketing strategies applied by tourism organisations on the performance of these organisations during a political crisis?

- **Increasing the use of marketing strategies during political crisis has a positive relationship with the performance (as a whole), the same as it does during other types of crises as investigated in previous literature.**

If we take into consideration the financial performance only:

- **Increasing the use of marketing strategies during political crisis has a positive relationship with the financial performance.**

If we take into consideration the competitiveness only:

- **Increasing the focus on changes in marketing strategies during political crisis has a positive relationship with the competitiveness of the firm.**

As discussed previously in both section 4.4 and 5.6.1, many researchers have emphasized how important it is to change the marketing strategies that the companies use in normal circumstances when they face crises (Ang et al., 2000; Blake and Sinclair, 2003; Gottfredson et al., 2008; Hruzova, 2009; Ioannides and Apostolopoulos, 1999). The marketing strategies that companies choose to change will depend on several aspects. These aspects include the industry the company operates in, the type of crisis, how the crisis has affected the company, the perception of the company's management of the importance of marketing, and the interrelations with other sectors, either locally or internationally.

It has been indicated in the previous literature in the Crisis Marketing Theory that the increase in the focus on the marketing strategies during financial and economic crisis affects the company positively (Köksal and Özgül, 2007; Laitinen, 2000; Naidoo et al., 2010; Pearce and Michael, 1997). However, the literature lacked studies about political crisis and there is no research assessing the changes in the marketing strategies during political crisis. Identifying the marketing strategies used during political crises is considered very important due to the increase in the political crises taking place especially in the Middle East with the Arab Spring.

Hence, this study aimed at answering the question stated above in order to investigate how the changes in marketing strategies affected the performance of the firms that did apply changes.

The performance was tested in three ways as in Laitinen (2000): the performance as a whole (including employability, growth, liquidity, profitability, and solvency), the financial performance (liquidity, profitability, and solvency), and the firm's competitiveness (employability and growth) consequently. The result of testing the hypothesis that increasing the use of marketing strategies during the political crisis has a positive relationship with the performance as a whole was supported. These results indicate that there is a positive relationship between the organisations increasing the use of marketing strategies during a political crisis and the organisations' performance, either the financial performance, the competitiveness of the firm, or the performance as a whole. It should be noted that this result aligns with Laitinen (2000), and also when testing the relationship with the financial performance only, the results align with Köksal and Özgül (2007) and Pearce and Michael (1997). Hence, despite facing a political crisis, marketing managers should acknowledge that it is advisable to still focus on the marketing strategies the organisation adopts during the crisis, the same as during financial crises.

Question.2 -Are the amount of changes made to the strategies of personnel, process and physical evidence different than the amount of changes made to strategies of price, product, place, and promotion?

- **The changes implemented on personnel, process, and physical evidence are different from the changes to the 4Ps (product, price, place, and promotion). The services marketing mix elements should be taken in consideration in research applied on marketing of services during political crisis.**

The existing studies that are conducted on marketing during crisis in the services sector have mostly neglected the services marketing mix. Research about marketing during crises that are applied only on the services industry - there are studies including different types of industries including services- have taken two approaches; discussing the marketing strategies in general and the adjustments that have taken place to face the crisis, or dividing the strategies in groups according to the 4Ps (price, place, promotion, and place). Studies of the former type include the research of Goodrich (1991) and Evans and Elphick (2005) applied on tourism, Barsky (2009) on tourism, and Krzyzanowska and Tkaczyk (2010) on consulting services. The studies of both Naidoo et al (2010) and Alonso-Almeida and Bremser (2013) are applied on hospitality services and they have presented the marketing strategies that have been adjusted to face the global financial crises of 2008 by the basic marketing mix (4Ps).

There has been no systematic analysis of the 7Ps. There have been very few studies mentioning some strategies that are embraced during crises that can be allocated to personnel like 'employee training' (Ang et al., 2000; Köksal and Özgül, 2007; Naidoo et al., 2010) or 'broadening employee engagement and responsibility' (Aronoff and Ward, 1991; Berman et al., 2010; Leavy, 2009; Shama, 1978, 1992). The strategies of the process of delivering the service or the physical evidence strategies are not mentioned in any of the studies. And even the few personnel strategies have been stated are mostly mentioned in conceptual research or not allocated to a specific group in empirical research which doesn't clearly show if these strategies that are related to the services marketing mix are adjusted as much as the basic elements of the marketing mix for industries providing tangible products. Therefore, whether there are changes taking place in the three additional groups of strategies or not is not clear.

In order to answer the research question 2, I tested whether the changes were significantly different between the basic marketing mix elements and the additional three to assess if they are subject to changes or not, and if the focus on these strategies is the same as the basic marketing strategies.

The result of testing the hypothesis was not supported. This indicates that there is a difference in the extent of change between the 4Ps and the 3Ps of the services marketing mix. There are changes that have taken place in the personnel, process, or physical evidence that could be significant and this is clear when the mean of the changes in personnel was higher than the changes in all the other elements as shown in table 6-4 in chapter 6. Accordingly, the following can be concluded to contribute to the existing literature based on this discussion:

This would emphasize the importance of the 7ps in political crisis which has not been acknowledged by existing literature. And it could be argued that the same credit or importance of the 4ps should be given to the 7ps when examining the changes taking place during a political crisis. These strategies could be used along with the other basic marketing mix strategies to help repair the image of the place during the political crisis.

Question.3 -Is there a specific marketing mix element organisations focus on during political crisis?

- **During political crises, firms tend to focus on the personnel strategies and not on the price strategies as they do during financial crisis.**

A hypothesis about the price strategies being the strategies most focused on during the political crisis was tested (see section 6.3.2). The hypothesis was not supported. This meant that there are other types of strategies that can be focused on other than the price strategies during the political crisis, unlike the financial crises investigated before in the literature as mentioned in section 5.6.3. Further tests were applied in order to identify the strategies that travel agencies would focus on changing more during the political crisis. The results indicated that the changes in price strategies were given a priority over the product, place, and promotion strategies, which is consistent with Shama (1978) and Ang (2001) during financial and economic crises. But this study is different than the previously mentioned studies as it took into consideration the services marketing mix (7Ps). And the results of the further tests indicated that the changes in the

element included in the services marketing mix –personnel- had been more than the changes in the price strategies. The rationale for this choice is discussed in the previous chapter in section (6.3.2) in the discussion of the results for the related hypothesis (H3). It referred to the fact that the changes taking place with the personnel strategies as stated by the participants prove that there is a tremendous focus on the personnel during political crisis. This would seem logical because during financial crisis, price strategies are focused on because the problem affecting the customers is related to the lack of money. However, during a political crisis, the main problem facing the tourists is their safety and the security of the place they intend to visit which is politically unstable. Customers' behaviour changes as soon as they acknowledge the crisis. Gottfredson et al (2008) have stated that this change has to be dealt with immediately in order to affect the performance of the firm positively. There is a direct contact between the employees in the travel agencies and their customers. If the previous literature emphasises the importance of the change that takes place during financial crises (Berman et al., 2010), then it would be even more essential and critical during a political crisis where these changes in the customers' needs are concerned with safety and not money as in financial crisis.

A good relationship and communication process is considered vital to any travel agency especially when going through crisis in general and political crisis in particular. One of the most important issues raised by Evans and Elphik (2005), is the existence of clear and precise communication and sharing any available information that relates to the organisation internally with the employees in the organisation and externally with the customers through an 'online channel of security communication' (Rossi, 2012). During unusual circumstances, the best strategy is to focus on the customers and not the financial transactions given that during a political crisis the 'travel risk perception' for the tourists outside of the region is higher than the perceived travel risk to those who come from countries in the region (Morakabati, 2013).

Question.4 -Is there a difference in the performance of organisations that focused on different marketing mix elements?

A) Promotion strategies

- **During political crisis, there is no positive relationship between increasing promotion strategies and the performance (as a whole).**

If we take into consideration the financial performance only:

- **During political crisis, there is no positive relationship between increasing promotion strategies and the financial performance.**

If we take into consideration the competitiveness only:

- **During political crisis, there is no positive relationship between increasing promotion strategies and the competitiveness of the organisation.**

The literature reviewed in section 4.4 indicated that research has proven that the more the organisations focus on increasing the change in certain strategies, the better their performance. According to Koksall and Ozgul (2007), focusing on promotion strategies during financial crisis affects the performance of the organisation positively. Other studies have also highlighted the use of promotion strategies and its importance during financial and economic crisis (Ang et al., 2000; Fennon and McRae, 2009; Goodrich, 1991; Hruzova, 2009; Köksal and Özgül, 2007; Marketingsherpa, 2008; Shama, 1978, 1992). Hence, in section 6.3.2, the hypothesis about whether there is a positive relationship between increasing the usage of the promotion strategies during the political crisis and the performance was tested. And because in this research the performance as a whole is used, and is then split into the financial performance and the competitiveness,

there were three results obtained from the three tests. These three results are mentioned above. The result of the statistical tests used showed that the three hypotheses related to the performance as a whole, to the financial performance, and to the competitiveness were not supported. This meant that there was no significant positive relationship between promotion and the performance of the agencies.

Alvarez and Campo (2014) stated that the information received by any source other than the marketer, for example; news, documentaries, television programs or word of mouth, holds more credibility than the information presented by the marketer. This is because most people perceive this information to be presented with no bias or with no intention to present a disguised picture to make profits. It is essential not to underestimate the role of media in the help of recovery or making things seem worse than they actually are, hence communication is essential (Faulkner, 2001). The media plays a great role in ‘de-marketing’ the destination through revealing pictures of the destruction in the destination especially the news channels, which are repeatedly showing these images all day. The media plays a role in changing peoples’ decisions about visiting certain places experiencing crisis. (Scott, Laws, and Prideaux, 2008). The media can exaggerate the impacts of a crisis (Ritchie, 2004).

B) Price Strategies

- **During political crisis, there is a negative relationship between increasing price strategies and the performance (as a whole).**

If we take into consideration the financial performance only:

- **During political crisis, there is a negative relationship between increasing price strategies and the financial performance.**

If we take into consideration the competitiveness only:

- **During political crisis, there is no negative relationship between increasing price strategies and the competitiveness of the organisation.**

Alonso-Almeida and Bremser (2013) revealed that what hurts the organisations' performances is increasing the price strategies during financial crisis. Other studies have criticised focusing on the price strategies including Ang et al (2000), Barsky (2009), and Quelch and Jaz (2009). This study aimed at investigating whether this applied to organisations during political crisis or not.

Similar to the previous point related to the promotion strategies, there were three tests conducted relating to this point; investigating the relationship between the increased use of the price strategies and the performance. The first test was for the performance as a whole (including employability, growth, liquidity, profitability, and solvency), investigating the relationship between the increased use of the price strategies and the financial performance (liquidity, profitability, and solvency), and investigating the relationship between the increased use of the price strategies and the firm's competitiveness (employability and growth) consequently. The first and third were not supported indicating that there is no significant negative relationship between focusing on the price strategies and the performance as a whole or the competitiveness.

However, the second hypothesis which is related to the financial performance only was supported. This is consistent with the previous studies which concluded that focusing on the price strategies during other types of crises affects the performance negatively (Ang et al., 2000; Barsky, 2009; Fennon and McRae, 2009; Quelch and Jocz, 2009). It has to be noted that these studies only measured the financial performance in their studies, so the result of the hypothesis testing supports it, but also adds an important fact that the employability and growth of the company are not significantly affected negatively when companies focus on the price strategies during political crisis.

Product Strategies

- **During political crisis, there is a positive relationship between increasing product strategies and the performance as a whole.**

If we take into consideration the financial performance only:

- **During political crisis, there is a positive relationship between increasing product strategies and the financial performance.**

If we take into consideration the competitiveness only:

- **During political crisis, there is a positive relationship between increasing product strategies and the competitiveness of the organisation.**

Laitinen (2001) claimed that focusing on increasing the product strategies has a positive effect on the performance on the organisations. Accordingly, there are three tests which were conducted in order to investigate whether there is a positive relationship between the increase in using the product strategies and the performance as a whole, the financial performance, and the competitiveness of the organisation during political crisis consequently (see section 6.3.2 for more details). The three tests were supported. Offering new products or destinations in the case of tourism is the strategy mentioned in all studies concerned with changes applied in the tourism sector when there is crisis. Introducing new products was a common strategy applied during crisis according to several studies such as (Brush and Brush, 2009; Quelch and Jocz, 2009; Roberts, 2003). These products can be offered to the new markets organisations are dealing with, or to the same market the firm serves, but with adjustments in the price or quality in order to suit the crisis. This took place in Egypt during the political crisis. According to the respondents of my questionnaire, 68 per cent revealed that they had added other markets (mostly in the Arab countries or domestic tourism). This created the need

to introduce new products that better meet the requirements of these markets. Some researchers have concluded that introducing the products during crisis offer a potential for success (Fennon and McRae, 2009; Laitinen, 2000). It is actually advisable to present new products if it can positively affect the competitive advantage of the firm and its market share (Ang et al., 2000).

One of the product strategies is improving the quality of the services provided. Improving the products' quality during crisis was emphasized by various researchers (Ang et al., 2000; Barsky, 2009; De Sausmarez, 2004; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Laitinen, 2000). Another strategy was about the marketing spending. Previous research concluded that organisations should maintain or increase their marketing spending (Alonso-Almeida and Bremser, 2013; Fennon and McRae, 2009; Grossberg, 2009; Henderson, 1999; Pearce and Michael, 2006; Quelch and Jocz, 2009). This would lead to performance improvement (Neff, 2009b; Quelch and Jocz, 2009). As it can be seen from the above discussion, during political crisis, there is a positive relationship between focusing on the product strategies and the performance of organisations just as it is during financial crises.

7.4 Implications of the Research

After determining how the research findings can contribute to the literature of marketing during crisis, it is essential to emphasise why these findings are important.

From an academic perspective:

- This research has provided a critical evaluation of the literature on the marketing strategies in crisis in different parts of the world. Moreover, it adds to the Marketing Crisis Theory the strategies that are used in political crises, which were not acknowledged through empirical research previously.

- The research has highlighted the importance of acknowledging the 7Ps when conducting research in the services sector.
- The research has identified the different marketing strategies used by the tourism organizations during political crisis. It has concluded that the most strategies companies focus on during political crises are the personnel strategies.
- The role of marketing strategies in political crisis periods in the tourism industry has been emphasized through highlighting the relevance of marketing in the periods of crises. Previous research had emphasized the importance in financial and economic crises (Ang et al., 2000; Blake and Sinclair, 2003; Gottfredson et al., 2008; Hruzova, 2009; Ioannides and Apostolopoulos, 1999).
- The results of this study can be used in studies that are applied to the tourism institutions in developing countries that are facing crisis, as it will give a view of marketing practices in these institutions such as Tunisia which had been through a similar transition process and a successful revolution like Egypt.
- This study can benefit the studies that are applied to institutions that provide different kinds of services, as there will be commonalities between the marketing strategies used by service providers, especially if they exist in the same country or countries facing similar challenges such as the banking or finance services.

From a practical perspective:

- Helping marketing practitioners in the tourism industry to acknowledge the importance of marketing during political crisis, and that there is a relationship between increasing the use of marketing strategies and the performance of their agencies during political crisis. This could apply to many tourism

organisations in countries that are going through similar political crises like Tunisia.

- The marketing managers of tourism institutions that exist in a country facing political instability can identify the marketing strategies that are used in political crises circumstances and the need to acknowledge the 7Ps.
- The marketing managers of the tourism institutions can learn the extent to which certain marketing strategies can help their organizations to survive or prosper. For example, based on the findings of this research, the marketing managers will know that they should give their attention to and focus focus on personnel strategies during political crises and not to the price strategies as is the case during financial and economic crises. Also, they learn that there is a positive relationship between increasing the product strategies and the performance of their firms.
- The strategies that this study has proven to be ineffective when facing unusual circumstances can be identified. For example, increasing the use of the promotion strategies did not prove to have a positive relationship with the performance of the travel agencies. Furthermore, they would have to know that there is a negative relationship between increasing the use of price strategies and the financial performance of the firms.
- This research can benefit institutions that provide services other than tourism during political crisis, by acknowledging the points mentioned above, especially those that exist in developing countries such as the countries of the Middle East that are facing political turmoil since the start of the Arab Spring.

7.5 Limitations of the Study

Any research has limitations; this can be for the reasons of the time the researcher has to finish the dissertation and the amount of money available for travelling in order to gather data (Remenyi, 1998).

In order to represent the tourism sector fully, the research would have been further more strengthened if it had been possible to take into consideration all the types of organisations in the tourism sector as participants, such as the hotels, the airlines, the tour operators and the governmental bodies. But for the limited amount of time available, I had to choose what represents the sector in the most effective way. I chose the travel agencies as they have connections with all the other institutions in the tourism industry. It is considered as the centre of the tourism industry. Bitner and Booms (1982) stated that travel agents are the most important institutions in the travel system as they “are responsible for booking a greater percentage of airline seats, cruise reservations, and hotel accommodations than any other single intermediary group” (J. Bitner and H. Booms, 1982, p. 41). Also it would have been impossible to take into consideration all the types of organisations, not just a sample of travel agencies in order to examine their strategies and performance. The reason is that the questionnaires were delivered personally by the researcher and structured interviews were conducted in order to increase the rate of response. The safety of the researcher, the time available and the cost are all constraints to apply the study for all the types of tourism organisations in the country.

The second limitation relates to the performance measured in the study. The performance of the firms was measured using subjective data, which the marketing managers were asked about in the questionnaire. Access to the financial data of the companies during the crisis was restricted. However, in order to make the best measure, the performance was measured using five components including two non-financial (employability and growth) as used by Laitinen (2000) through

Likert scales. In addition to that, the researcher was able to obtain the revenues of the participating companies in 2013, which was used in the analysis.

The research is applied to one country only and one crisis only. Conducting the research on more than one country facing a similar political situation like Tunisia in this case, would have been useful and could have provided more information.

7.6 Future Research Recommendations

Further studies could be applied using the same questions on different industries in the services sector during political crisis to assess whether the results would be different from the tourism sector such as the finance and banking sector, the transportation sector, or the education sector. The studies could be conducted in any country that is facing political crisis. In addition to that, in the case of money and time availability, applying the study to all of the different organisations in the tourism sector could give a wider picture of how these organisations respond to political crisis.

Furthermore, the same study could be applied to the tourism industry in different countries that are facing similar political crisis like Tunisia and Turkey. In addition, the same research could be applicable to countries that are subject to different types of political crisis in order to investigate if there are changes when other types of political crisis take place such as wars with other countries or civil wars.

Future research can be conducted to analyse the marketing strategies in the global financial crisis in 2008 and the political crisis in Egypt or any country that has going through the same circumstances in a comparison study in order to know the differences and commonalities in the marketing strategies used during two different crises.

Moreover, research could be conducted on the tourism industry but taking into consideration all the other stakeholders in the industry. For example if it is applied

in Egypt, then the five main institutions (see section 2.4) can be included to give a wider perspective to how similar or different institutions can respond to crises regarding their marketing strategies.

APPENDIX A - THE REVENUES OF THE TOP ONE HUNDRED TRAVEL AGENCIES IN EGYPT IN 2013 (ACCORDING TO REVENUES):

Ranking	Revenues (in Egyptian pounds) *
1	690,247,765
2	674,401,285
3	597,375,085
4	400,802,130
5	382,721,502
6	302,243,574
7	217,827,575
8	172,283,456
9	158,926,687
10	145,646,979
11	116,781,090
12	113,585,175
13	111,124,491
14	104,610,061
15	100,777,845
16	89,116,687
17	69,077,683
18	62,090,601
19	60,611,429
20	53,484,751
21	51,640,391
22	51,255,819
23	50,779,112
24	50,721,494
25	48,464,822
26	42,463,943
27	39,886,992

28	39,427,663
29	39,338,489
30	33,003,944
31	27,332,771
32	27,226,609
33	26,881,367
34	25,818,432
35	23,592,164
36	23,137,727
37	23,045,489
38	22,285,796
39	22,279,120
40	21,322,983
41	21,085,450
42	20,676,443
43	19,836,298
44	19,394,374
45	18,579,137
46	17,617,340
47	17,216,784
48	17,186,422
49	16,899,514
50	16,126,388
51	16,081,376
52	16,043,749
53	15,473,902
54	15,317,609
55	15,227,833
56	15,169,016
57	14,342,377
58	13,927,919

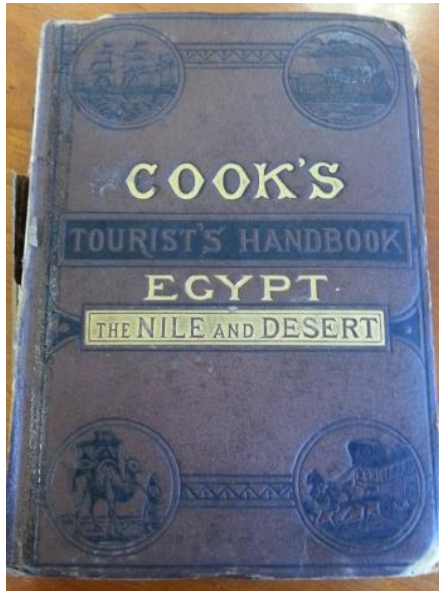
59	13,308,620
60	12,633,209
61	11,794,706
62	11,625,951
63	11,095,525
64	11,007,422
65	10,775,808
66	10,496,497
67	10,447,250
68	10,299,821
69	10,294,758
70	10,212,038
71	9,899,357
72	9,796,372
73	9,770,614
74	9,762,266
75	9,703,785
76	9,642,546
77	9,573,608
78	9,514,720
79	9,029,813
80	8,995,405
81	8,988,852
82	8,152,995
83	8,073,835
84	7,987,626
85	7,751,980
86	7,506,938
87	7,383,274
88	7,218,731
89	7,176,147

90	6,653,332
91	6,512,407
92	6,490,972
93	6,297,920
94	6,280,954
95	6,013,297
96	5,895,580
97	5,622,634
98	5,615,381
99	5,595,615
100	5,475,139

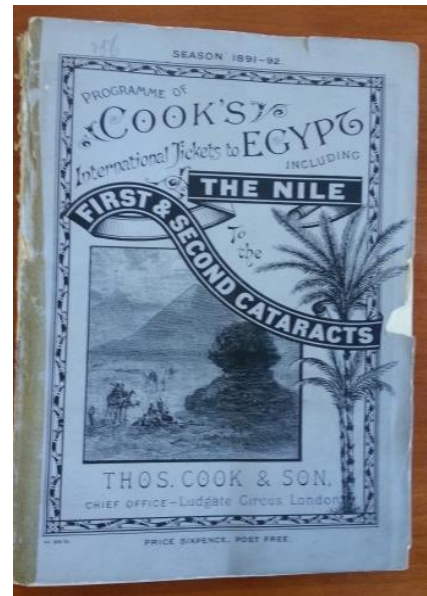
Source: The General Management of Monitoring Tourism Programs and Companies, Ministry of Tourism, Egypt.

*The researcher was given the names of the agencies, so they are available upon request.

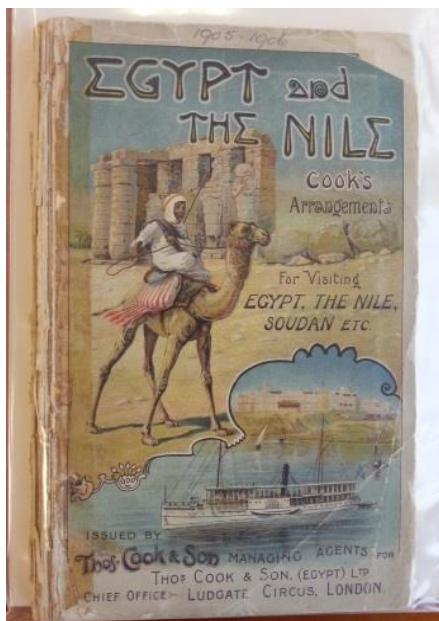
APPENDIX B – IMAGES OF THOMAS COOK’S TOURIST GUIDES’ COVERS IN DIFFERENT YEARS



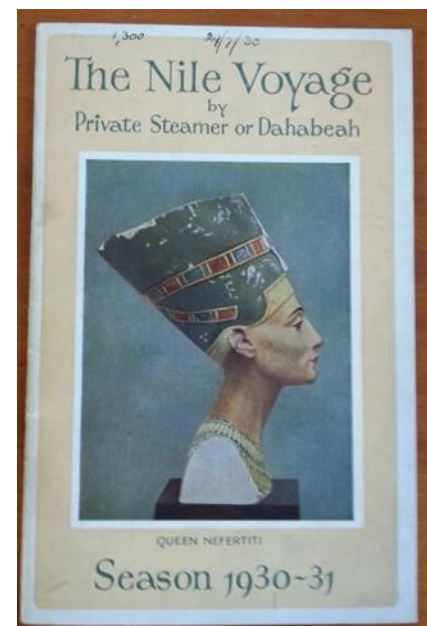
1876



1891-1892



1905-1906



1930-1931

Source: Thomas Cook Guides, Thomas Cook Archives, Peterborough, United Kingdom.

APPENDIX C - THE IMPACT OF THE FINANCIAL CRISIS ON STOCK MARKETS IN MENA COUNTRIES

Country/Year	2005	2006	2007	2008	2009	2010
Egypt	79,672	93,477	139,289	85,885	89,953	82,495
Jordan	37,639	29,729	41,216	35,847	31,865	30,864
Kuwait	130,80	128,940	188,046	107,168	95,938	119,621
Morocco	27,220	49,360	75,495	65,748	62,910	69,153
Saudi Arabia	646,104	326,869	515,111	246,337	318,765	353,414
Tunisia	2,876	4,446	5,355	6,374	9,120	10,682
UAE	225,568	138,531	224,675	97,852	109,620	104,669
Total MENA Region	1,019,079	771,352	1,189,187	645,211	718,171	770,898

Source: Arab Monetary Fund, Joint Arab Economic Report, Various Issues, and Federation of Euro/ Asian Stock Exchange (<http://www.feas.org>) as cited by (Neaime, 2012, p. 270).

APPENDIX D - THE QUESTIONNAIRES FOR THE TOURISM ORGANISATIONS

Part One: General Information about the Firm

I would like to begin with asking some questions about the characteristics of the firm. These characteristics can affect the marketing strategies that are adopted when facing different types of crises.

1- **Title of occupation**

2- **Year of assignment in this occupation**

3- **Age of the firm (in years):**

less than 4

4-7

8-11

12-15

16-19

More than 20

4- **Employment size:**

50 or less

51-100

101-200

Over 200

5- **Ownership of firm:**

Local group

International group

Managed individually

6- Geographical activity area

Local

International

7- Main markets (in form of sales) for firm before 2010 (stable period) were the following countries:

a-

b-

c-

8- In 2013, the order of these markets

Had changed (please write the order)

Was the same

a-

b-

c-

Part Two: The Reaction to the Instability Crisis

1- The Adjustments in the Marketing Strategies in the period 2011-2013 by the Firm

Research has revealed that different firms use different marketing strategies when they face unusual conditions, the adjustments your firm has made will help identify the strategies adopted in a country with special characteristics like Egypt. Please identify the extent to which your firm has adopted the following strategies to face the political instability following the 2011 revolution

Please put a (√) as appropriate:

No	Strategy	Significantly decreased	Decreased	Maintained	Increased	Significantly increased	Not Applicable
Product Strategies		Strategies of the different products/ packages the firm provides					
1	The number of new packages	0	0	0	0	0	0
2	R & D budget	0	0	0	0	0	0
3	Quality of services provided.	0	0	0	0	0	0
4	Marketing expenditures	0	0	0	0	0	0
Price Strategies		Strategies used to price the product					
5	Price cutting for affected places	0	0	0	0	0	0
6	Different prices to different markets	0	0	0	0	0	0
7	Using discounts	0	0	0	0	0	0
8	Pricing according to quality	0	0	0	0	0	0
Place Strategies		Strategies related to the place of delivering the service and the distribution channels					
9	Dealing with new distribution channels (tour operators, hotels, airlines....or any firm that helps deliver your product to the customers)	0	0	0	0	0	0
10	Stop dealing with unprofitable distribution channels	0	0	0	0	0	0

No	Strategy	Significantly decreased	Decreased	Maintained	Increased	Significantly increased	Not Applicable	
11	Reducing operating hours	0	0	0	0	0	0	
Promotion Strategies		Strategies used to promote the product						
12	Advertising budget	0	0	0	0	0	0	
13	Sales promotion	0	0	0	0	0	0	
14	Familiarisation trips	0	0	0	0	0	0	
15	Participating in exhibitions and trade fairs.	0	0	0	0	0	0	
16	Sponsoring national or international events	0	0	0	0	0	0	
Personnel Strategies		Strategies related to the people involved (employees & customers)						
17	Providing all needed information to customers.	0	0	0	0	0	0	
18	Employee communication.	0	0	0	0	0	0	
19	Broadening employees' engagement in easing the apprehension of customers.	0	0	0	0	0	0	
Process Strategies		Any strategy used to ease the process of delivering the product to the customer						
20	Simplifying the booking process.	0	0	0	0	0	0	

No	Strategy	Significantly decreased	Decreased	Maintained	Increased	Significantly increased	Not Applicable
21	Possibilities to book online	0	0	0	0	0	0
22	Categorising the products according to the reason for travelling (family trip, honeymoon, etc.).	0	0	0	0	0	0
Physical Evidence Strategies		Strategies related to the appearance of the place providing the service					
23	The furniture and layout of the place	0	0	0	0	0	0
24	Availability of brochures and guides.	0	0	0	0	0	0
25	Availability of facilities like computers which can be used by customers to search for information.	0	0	0	0	0	0

Please put a (✓) as appropriate:

	Never	Less than once a week	Once a week	2-4 days a week	5-6 days a week	Once a day, every day	More than once a day, every day
How many times a week do you usually consume...							
Fruits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vegetables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sweets (candy, chocolate)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-diet (sugared) soft drinks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2- The Performance of the Firm in 2010 and 2013

Please specify how you can describe the following performance measures in 2010:

	Very Poor	Moderately Poor	Neither Poor nor Good	Moderately Good	Very Good
1- Employment (the ability of maintaining staff level)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2- Growth (the ability to increase net sales)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3- Profitability (the ability to earn profit on capital)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4- Liquidity (the ability to pay financial obligations on time)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5- Solvency (the sufficiency of equity with respect to requirements set by financiers and legislation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify how you can describe the following performance measures **in 2013**:

	Very Poor	Moderately Poor	Neither Poor nor Good	Moderately Good	Very Good
1- Employment (the ability of maintaining staff level)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2- Growth (the ability to increase net sales)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3- Profitability (the ability to earn profit on capital)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4- Liquidity (the ability to pay financial obligations on time)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5- Solvency (the sufficiency of equity with respect to requirements set by financiers and legislation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PARTICIPANT CONSENT FORM

Evaluating Marketing Strategies during Crisis: The Case of Egyptian Tourism Sector

Researcher: Doaa Shohaieb

	Please tick the appropriate box	Yes	No
1.	I agree to participate in this study		
2.	I understand that my participation in this study is voluntary and I am free to withdraw from the research at any time during filling in the questionnaire without giving any reason and without any detriment to myself and my organization		
3.	I confirm that I have read and understood clearly the information sheet for this research and have had the opportunity to ask questions about the study. These questions have been answered satisfactorily by the researcher		
4.	I understand that only the members of the research team have access to the information collected during the study		
5.	I am aware that the information collected for the questionnaire will be used to write up a PhD thesis, and may be used in future research		
6.	I understand that information collected during the course of the research project will be treated as confidential. I understand that the questionnaires do not require any personal information. This means that any information that identifies me will not be included in the research		
7.	I would like to be informed of the outcome of the research via a report summary		

Name of Participant:	Date:	Signature:
Name of Researcher:	Date:	Signature:

LIST OF ABBREVIATIONS

CDWS = Chamber of Diving and Water Sports

CTE = Chamber of Tourist Establishments

ECTC = Egyptian Chamber of Tourists Commodities

ECTE = Egyptian Chamber of Tourist Establishments

EGP = Egypt

EHA = Egyptian Hotel Association

ETAA = Egyptian Travel Agencies Association

ETF = Egyptian Tourism Federation

GDP = Gross Domestic Product

ILO = International Labour Organization

IMF = International Monetary Fund

MEMTAA = Middle East Mediterranean Travel and Tourism Association

MENA = Middle East and North Africa

MOED = Ministry of Economic Development

MOP = Ministry of Planning

MOT = Ministry of Tourism

NBER = National Bureau of Economic Research

OECD = Organization for Economic Co-operation and Development

SIS = State Information Service

TSA = Tourism Satellite Account

UNESCO = United Nations Educational, Scientific and Cultural Organization

UNWTO = United Nations World Tourism Organization

WHO = World Health Organization

WTO = World Tourism Organization

WTTC = World Travel and Tourism Council

UFTAA = United Federation of Travel Agents' Associations

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