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# Economic Effects of Administrative Boundary Adjustment on Tourism: A Case Study in Shanghai

By Yang Guo, Jia Hu & Shengyang Wang
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*Abstract-* In recent years, China's government has enforced several adjustment steps in relation to administrative divisions. It brought all kinds of the economic effects to city's development and reflected the government's exploration on urban economic spatial adjustment. This paper chose Huangpu District in China as the research case, the empirical analysis results showed that these boundary adjustments led to a series of economic and policy effects. These effects collectively advanced high regulatory demands for government behaviours in the context of an internationalization tourism strategy. Local governments should cope with the new opportunities and challenges caused by these adjustments to develop the tourism economy.

*Keywords: administrative division, boundary adjustment, economic effects.*

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# Economic Effects of Administrative Boundary Adjustment on Tourism: A Case Study in Shanghai

Yang Guo [α], Jia Hu [σ] & Shengyang Wang [ρ]

*Abstract-* In recent years, China's government has enforced several adjustment steps in relation to administrative divisions. It brought all kinds of the economic effects to city's development and reflected the government's exploration on urban economic spatial adjustment. This paper chose Huangpu District in China as the research case, the empirical analysis results showed that these boundary adjustments led to a series of economic and policy effects. These effects collectively advanced high regulatory demands for government behaviours in the context of an internationalization tourism strategy. Local governments should cope with the new opportunities and challenges caused by these adjustments to develop the tourism economy.

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## I. Introduction

The governance model based on the units of administrative divisions immensely affects the economic and cultural development of society. The organization of administrative divisions can facilitate a rapid regional economic development with regional resources. However, it can also hinder coordinated development because of the economic competition between industrial isomorphism and protectionism. As a comprehensive industry involving other industries and departments, the tourism industry characteristically crosses over various fields, regions, and areas. However, the industry similarly faces numerous issues on the administration of a scenic region, environmental consumption, market source, and rational competition, which are caused by adjustments in the administrative division. In recent years, China's government has enforced several adjustment steps in relation to administrative divisions. In 2009, Tianjin canceled the districts of Tanggu, Hangu, and Dagang, and established the Tianjin Binhai New Area. In 2010, the districts of Dongcheng, Chongwen, Xicheng, and Xuanwu in Beijing were adjusted into two new districts: the new Dongcheng and Xicheng Districts. In the same year, Shenzhen and Xiamen expanded their scales in the administrative division. Chongqing also established the Liangjiang New District, which covers three previous administrative districts (Jiangbei, Yubei, and Beibei) and several previous functional economic zones (Chongqing's Northern New District, Lianglu-Cuntan Free Trade Port Zone, and Liangjiang Industrial Zone). In addition, numerous national-level New Districts, such as the Zhoushan Archipelago New District in Zhejiang Province, the Lanzhou New District in Gansu Province, the Nansha New District in Guangzhou City, and the Zhengdong New District in Zhengzhou City, were founded.

In 2009, the administrative district of Nanhui was integrated into the Pudong New Area. In 2000, the Nanshi and Huangpu Districts were integrated into the New Huangpu District, whereas the Luwan District was merged with the New Huangpu District in 2010. The two adjustments on the administrative division of the central area in Shanghai within a decade reflect the government's exploration on urban economic spatial development.

This paper discusses the following three main questions relative to administrative adjustments: Does the adjustment of administrative boundaries positively influence the improvement of urban spatial administrative structure and the function of the central area? How should local governments cope with the new opportunities and challenges caused by these adjustments? How should they maximize such adjustments to develop the tourism economy?

## II. Review of Relevant Literature

Chinese researchers have discussed numerous aspects of administrative division adjustments and consequently, these studies engendered several categorizations. First, some studies put forward different definitions of administrative division. From the perspective of law, the administrative division is a portion of the hierarchical management system with a national government function. From the political point of view, administrative division is the national territory formed for the purpose of strengthening resident governance. In geography, the geographical conditions, regional historical traditions, economic relation, and ethnic distribution are deemed as the divisions of the management area. The adjustment of administrative

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division mainly includes modifications in the organizational system (such as adding, dissolving, and resetting), administrative region boundary, administrative government location, subordinate relations, administrative level changes, and administrative designation.

Regional economic development typically expands within a specific geographical space. Administrative districts and economic zones, which are connected but differentiated, are the carriers of regional economic development. An administrative district is a complex political and economic body that depends on the horizontal economic network, the major participants of which are the corporate enterprises (Zhou, 1999). An economic zone, which is a production complex built based on regional economic differences and division of labor, emphasizes external collaboration and optimal resource allocation. In contrast, an administrative district depends on the jurisdiction of the authority and is characterized by geographical restrictions on economic policies. To some extent, the local protectionism can block resource flow and results in market fragmentation. Administrative districts and economic zones mutually affect one another. An administrative district with outstanding economic development may have a radiation effect on its surrounding areas and thus, it contributes to the formation of a broad economic zone.

Second, some studies have focused on the "administrative district economy" as a special regional economic phenomenon. This phenomenon emerged in the processes of China's transformation from planned to market economy and of the change of the regional economy from vertical to horizontal mode of cooperation. The administrative district economy is a result of the rigid administrative division constraints on regional economy (Liu, 1996). In addition, the administrative district economy also refers to a special type of regional economy. This concept demonstrates how enterprise competition and production flow factors are considerably affected by the economic behaviors of the local government and how the administrative center and economic center are highly consistent, and characterized with intense economic centralization and exhaustive economic boundaries (Shu, 2003). To eliminate the "administrative district economy" phenomenon, the government should improve legal protection, promote the diversification of the administrative subject, and ensure the smooth coordination of economic operations (Meng, 2006). The administrative district economy leads to a block of factors that facilitate the flow or stagnation of economic development. Thus, the government should establish and improve resource sharing mechanisms, encourage regional cooperation, and enhance coordinated development (Xiong, 2007). The government can promote the integration of economic zones and administrative districts and avoid vicious competition on industry layout and resource allocation (Gao, 2010).

Third, studies have reported the economic effects of administrative division adjustment on tourism. The current literature mainly comprises research from the perspectives of economic development and planning layout. Case studies primarily focus on the division adjustment of traditional tourism cities, the impact of administrative boundary adjustment, and the centralized management of tourism resources and tourism image. The adjustment of administrative division has positive effects on regional tourism development. However, tourism cities should conduct risk assessments to address concerns, such as, whether the adjustment is beneficial to the preservation of the integrity of the tourism culture and resources, whether it favors the environmental protection of the scenic spot and the urban landscape, whether it is conducive to the sustainable development of regional tourism industry, whether it is advantageous to the coordination between the interests of local residents and economic development, and whether it enhances tourism management (Yu et al., 2006). Administrative boundary adjustment is a means to adapt the superstructure to the economic base, reconstruct tourism resources, and coordinate the interest structure. This approach can weaken the limits of market barriers, release development space, and improve tourism management efficiency. Thus, the government should consider the potential positive and negative effects of the administrative boundary adjustment in practice (Yin, 2009), because such consideration positively affects the division adjustment of the tourism city and could address some existing problems (Wang & Zhao, 2007). Administrative division adjustment is a policy instrument that can be employed to promote regional coordination. However, despite its capability to promote the innovative development of tourism city, it should be applied prudently (Wang, 2009).

Finally, studies have also focused on government behaviors in regional tourism development. From a macro perspective, the role of government in the tourism industry development lies in legal improvement, guidance policy, tourism planning, infrastructure construction, and tourism environment creation (Zhang, 2002). The government should devote pertinent attention to formulating a tourism development strategy, cultivating a sound market system, implementing favorable industrial policies, improving the supporting facilities, and fostering tourism enterprises that have immense potential and viability (Deng, 2000). The government should play a leading role in creating tourism regulations, strengthening the protection of tourism resources, providing public goods, gathering and delivering tourism market information, and promoting tourism image (Li et al., 2000). The



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government should act as a pioneer at the beginning of China's tourism development and serve as a policy regulator, image propagandist, and interest coordinator as the tourism industry prospers (Hao, 2001). From the micro point of view, the development of regional tourism products should not be relegated to the government. The government's monopoly in relation to investing on public tourism products should be broken up and non-state economic investments should be promoted because these can speed up the reform of tourism management system (Liang et al., 2002).

The studies by foreign scholars mainly focused on the role played by the government in tourism development. The International Union of Official Travel Organizations (IUOTO) was the first to conduct a study on the government's role in the tourism industry. The organization pointed out that government should play the role of interest coordinator, whose connotation deepens with the rapid development of tourism and increasing complexity (IUOTO, 1974). The government should also act as planner, legislator and administrator, and development driver (Mill & Morrion, 1997). The roles of social tourism provider and interest protector should also be played by the government (Hall, 1994). However, the mistrust of enterprises on the government and the government's ineffective tourism management are the two main factors that hinder the sustainable development of the regional tourism industry (Berry & Ladkin, 1997). Jose and de Oliveira (2003) investigated the role of government in tourism investment management from the perspective of environment management through a case study.

## III. Economic Effects of Administrative Boundary Adjustment on Tourism

This study chose the Huangpu District in Shanghai as the research subject and used the panel data of the other eight central districts in Shanghai as reference. Linear regression results were combined to analyze the impacts of regional economy and tourism development in the context of the administrative boundary adjustment in the Huangpu District in 2010. In this context, the increment of economy aggregate (X11), increment of tertiary industry (X22), fiscal revenue (X33), local fiscal revenue (X44), total retail sales of consumer goods (X55), travel agency reception of tourists (X66), operating revenue of travel agency (X77), hotel reception of visitors (X88), number of hotel rooms (X99), occupancy rate of hotel rooms (X100), and operating revenue of hotel (X110) were selected as the variables for statistical analysis. The data resources were as follows: Huangpu Statistical Yearbook, Shanghai Tourism Yearbook, Shanghai Almanac, and Counties Statistical Bulletin.

After analyzing the linear regression of travel agency reception of tourists (X66) and increment of economy aggregate (X11), increment of tertiary industry (X22), and local fiscal revenue (X44), we found a corresponding relation among these variables. In 2010, when the administrative division in Huangpu District was adjusted, the association relationship between X44 and X66 depicted a significant fluctuation.

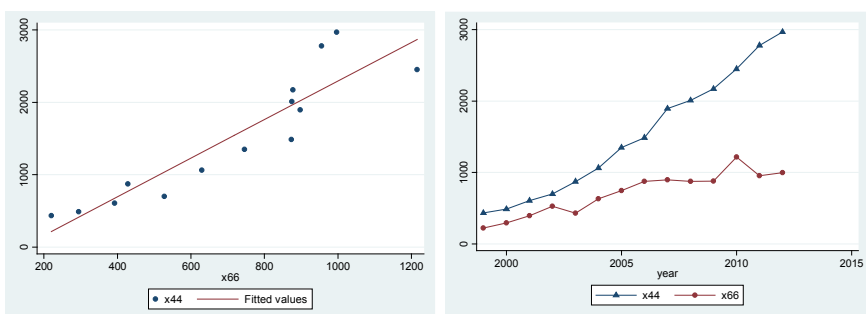


*Figure 1 :* Scatter diagram and data trend of associated variables

Testing the structure and characteristics of the data set allowed us to determine that these data are in accordance with the requirements of the panel data: $n = 14$, $T = 10$, and n is bigger than $T$; therefore the data set can be considered as the panel data. In the development process, data from the travel agency were directly collected to reflect the development of tourism industry. Thus, we selected the travel agency's reception of tourists (X66) as the explained variable to show its relevance in tourism development. Considering the co-linear relation between the explanatory variables, the function model is specified as:

$$X66_{it}=X_0+X_1X11_{it}+X_2X33it+X_3X77_{it}+X_4X100_{it}+\S, \quad (1)$$

where *X66it* denotes the travel agency reception of tourists of district *i* in year *t*, *X11it* refers to the increment of economy aggregate of district *i* in year *t*, *X33it* represents local fiscal revenue of district *i* in year *t*, *X77it* is the operating revenue of the travel agency of district *i* in year *t*, and *X100it* refers to the occupancy rate of district *i* hotel rooms in year *t*.

Data correction was initially accomplished by discounting price factors. Moreover, according to the multicollinearity estimating method of variance inflation



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factor, VIF=1/ (1-Rk$^2$) shows that the maximum value of VIF is 3.06, which is below 10, and thus, no multicollinearity is observed. Finally, based on the Hausman Test, we selected an appropriate regression model for the analysis of the panel data. The value of *P* is 0.0077, which indicates the suitability of the fixed effect (FE) model for the analysis.

We chose the method of piecewise regression to analyze the effect of the administrative boundary adjustment in the Huangpu District in 2010 on the urban tourism development, and we conducted FE analysis on the data from 1999 to 2010 and from 2011 to 2012. Regression results are as shown in Table.

*Table 1 :* Analysis of Data from 1999 to 2010（Base on X66）

| X66 | Coef. | Std. Err. | t | P>\|t\| | [95% conf. | Internal] |
|---|---|---|---|---|---|---|
| X11 | .0015102 | .0338464 | 0.04 | 0.965 | -.0657021 | .0687225 |
| X77 | 1.417274 | .4776762 | 2.97 | 0.004 | .4687035 | 2.365844 |
| X33 | -.2651008 | .2069081 | -1.28 | 0.209 | -.6759793 | .1457777 |
| X100 | -.0501805 | .4892727 | -0.10 | 0.919 | -1.021779 | .9214181 |
| _cons | 68.45674 | 31.69654 | 2.16 | 0.033 | 5.513686 | 131.3998 |
| sigma_u | 30.719513 | | | | | |
| Sigma_e | 41.747385 | | | | | |
| rho | .35126634 | | | | | |

*Table 2 :* Analysis of data from 2011 to 2012（Base on X66)

| X66 | Coef. | Std. Err. | t | P>\|t\| | [95% conf. | Internal] |
|---|---|---|---|---|---|---|
| X11 | -.0210167 | .0435884 | -0.48 | 0.640 | -.1181377 | .0761043 |
| X77 | 1.70436 | .7506507 | 2.27 | 0.047 | .0318057 | 3.376913 |
| X33 | .0509967 | .1668191 | 0.31 | 0.766 | -.3206995 | .4226928 |
| X100 | .4581598 | .5867255 | 0.78 | 0.453 | -.8491462 | 1.765466 |
| _cons | 37.50753 | 24.33402 | 1.54 | 0.154 | -16.71205 | 91.7271 |
| sigma_u | 3.3390142 | | | | | |
| Sigma_e | 45.652813 | | | | | |
| rho | .00532089 | | | | | |

Regression analysis results show that X66 will increase 0.0015102 when X11 increases by 1, which demonstrates the existence of a positive correlation before the integration of Huangpu District. After the integration of the administrative division, the changing tendency of X11 shows a negative correlation with X66. Furthermore, the analysis of the data from 2011 indicates the positive correlation of X33 and X100 with X66, which explains the change in the tourism industry from traditional sight-seeing to self-service travel mode in the context of urban tourism development.

We selected X22 as the explained variable to verify the impact of administrative boundary adjustment on the development of service industries, which are closely related to the tourism industry. We divided the panel data into three sections: the complete period from 1999 to 2012, the sub-period from 1999 to 2010, and the sub-period from 2011 to 2012. Considering the co-linear relation between the explanatory variables, the function model is specified as:



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$$X22_{it}=X_0+X_1X11_{it}+X_2X44_{it}+X_3X55_{it}+X_4X66_{it}+X_5X88_{it}+X_6X100_{it}+\$, \quad (2)$$

where *X22it* represents the tertiary industry increment of district *i* in year *t, X11it* denotes the increment of economy aggregate of district *i* in year *t*, *X44it* represents the local fiscal revenue of district *i* in year *t, X55it* refers to the total retail sales of consumer goods of district *i* in year *t*, *X66it* represents the travel agency reception of tourists of district *i* in year *t, X88it* refers to the hotel reception of visitors of district *i* in year *t, X100it* represents the occupancy rate of hotel rooms of district *i* in year *t*.

Results of the data analysis indicate a significant positive correlation between X22 and X44 after the integration of the administrative division. Each 1% increase in the local fiscal revenue will lead to a 3.68267% increase in the increment of the tertiary industry. X100 is also positively correlated with X22, whereas the explained variable X22 demonstrates a strong positive correlation with X55, X66, and X88. Results of the data analysis suggest that the spatial adjustment of administrative division has economic effects on the tourism development, local fiscal revenue, and service industries.

## IV. Results and Discussion

The administrative boundary adjustment of the Huangpu District led to a series of economic and policy regulatory effects, including re-organizing effect on the urban tourism resources of the new Huangpu District, an integrating effect on tourism image, a disseminating function of tourism culture, and a policy effect on the urban tourism development in the Huangpu District. These effects collectively advanced high regulatory demands for government behaviors in the context of an internationalization tourism strategy.

Based on the economic statistics from 1999 to 2012, the study selected and analyzed the following variables: the increment of economy aggregate, increment of tertiary industry, fiscal revenue, local fiscal revenue, total retail sales of consumer goods, travel agency reception of tourists, operating revenue of travel agency, hotel reception of visitors, number of hotel rooms, occupancy rate of hotel rooms, and operating revenue of hotel, with the corresponding codes of X11, X22, X33, X44, X55, X66, X77, X88, X99, X100, and X110. Results of the linear regression analysis indicate a fluctuation of these variables when the Huangpu District was undergoing an administrative boundary adjustment.

After analyzing data before and after the adjustment in 2010, we found a positive correlation between increment of economy aggregate and travel agency reception of tourists before the integration of the Huangpu District. Moreover, a changing tendency that depicts a negative correlation was observed afterwards. In addition, the data indicate that local fiscal revenue and the occupancy rate of hotel rooms are positively correlated with travel agency reception of tourists. The increment of the tertiary industry is associated with, but with varying levels of effect, the following variables: total retail sales of consumer goods, travel agency reception of tourists, hotel reception of visitors, and occupancy rate of hotel rooms.

The reconstruction of the regional tourism planning policy on the adjustment of administrative division in the central urban area, specifically for the Huangpu District, which underwent the integration adjustment in 2010, is a complex mechanism. This process is characterized by continuous adjustment along with the overall development framework of Shanghai urban tourism, economic social development progress, and the people's tourism consumption concept. As a core factor of the regional tourism, urban tourism resources are considerably promoted by the administrative boundary adjustment. If the local government prefers to maximize the economic impact after integration, scattered resources should be re-organized under an overall regional economic development framework.

Given the background of internationalization, the local government of the central urban area should devote sufficient attention to the supporting factors of urban tourism development, such as, improving the infrastructure of urban tourism, strengthening the industry supervision, and encouraging the innovation of tourism enterprises. The local government should also place increased emphasis on protecting local tourism culture and eco-system, promoting the image of urban tourism and brand marketing strategies, and transmitting local tourism culture through events and promotions.

Owing to the internal institutional and spatial boundary changes of the administrative division, the adjustments can create problems, including reversed policies, low efficiency, and negative work attitude, which can comprehensively affect the regional tourism economy. These problems will demand high governing capacity from the local government.

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# How Innovation Shapes the Spa Industry and Determines its Evolution

By Javier Vazquez-Illá Navarro

*Abstract-* This paper pursues the creation of theory that helps in the understanding of how the spa industry innovates and how innovation impacts its evolution. Methodologies employed include literature review, analysis of a sample of spas, and case study research on a European spa company. Conclusions highlight that easy to imitate innovation shapes the industry which makes first movers advantage vanish very quickly, since the emergence of dominant design at maturity does not deter new entrants. This brings about a scenario of high intensity competition that may be overcome through the development of innovative low-cost business models based on critical industry success factors such as spa design with more emphasis on collective use, standardization of service providing and product bundling.

*Keywords: innovation, spas, product life cycle, business models.*

*GJMBR-F Classification : JEL Code: L00*

HOWINNOVATIONSHAPESTHESPAINDUSTRYANDDETERMINESITSEVOLUTION

*Strictly as per the compliance and regulations of:*

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# How Innovation Shapes the Spa Industry and Determines its Evolution

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*Abstract-* This paper pursues the creation of theory that helps in the understanding of how the spa industry innovates and how innovation impacts its evolution. Methodologies employed include literature review, analysis of a sample of spas, and case study research on a European spa company. Conclusions highlight that easy to imitate innovation shapes the industry which makes first movers advantage vanish very quickly, since the emergence of dominant design at maturity does not deter new entrants. This brings about a scenario of high intensity competition that may be overcome through the development of innovative low-cost business models based on critical industry success factors such as spa design with more emphasis on collective use, standardization of service providing and product bundling.

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## I. Introduction

Spas have existed since ancient times. Fans of "taking the waters" or, more recently, wellness seekers have been the target of reinvented business modalities of dealing with the human need for getting away from it all or the desire to be forever young.

The International Spas Association (ISPA 2002-2008) defines spas as *places meant to provide well-being through professional services that allow the renewal of mind, body and spirit.* The current and predominant spa business model is the amenity spa (the "wellness area" is an ancillary service), due to its offering of a more comprehensive experience than the traditional destination spa (Mak et al, 2009; Keri et al, 2007). Travellers whose main motivation is not wellness (those who usually attend amenity spas) represent 87% of wellness tourism trips (Stanford Research Institute, 2013).

The Global Wellness Institute and the Stanford Research Institute (2013) emphasize that the wellness or spa industry accounts for $438.6 billion, which represents 14% of all domestic and international tourism expenditures.

Several organizational theories have dealt with how industries or firms evolve from a dynamic (the PLC or S Curve, Lewitt, 1965-1966) or a static (Five-Forces Framework, Porter, 1980; Business Models, Zott et al., 2011) viewpoint. Anita Mc Gahan (2000) stresses that both approaches are not enough to explain industry evolution and predict profitability. This is related to the pattern of innovation present in each industry. A similar position to Mc Gahan's is maintained by Abernathy & Clark (1985), who affirm that industries grow according to four different models of innovation which are closely linked to different managerial environments and evolution processes.

The study of the spa industry according to the PLC and business model theories has evidenced that both constructs have not entirely elucidated its evolution (Vazquez-Illa, 2014).The kind of innovation present in the spa industry is clearly pointed out as the reason for its high competitive intensity and the industry's partial nonconformity to PLC theory. Early entry into the industry, size, and the achievement of a dominant design at maturity does not deter new entrants which eventually increases rivalry among incumbents. The competition is further reinforced by the fact that real estate investments are not easily discarded when confronted with a crisis (PKF, 2009). New entrants are attracted to the industry *by the apparent ease in gaining a position in the market* (Vazquez-Illa, 2014) as a result of the short-lived dominant designs in the industry.

All the mentioned factors lead to pose the question of how innovation shapes the spa industry and how it determines its evolution. This paper aims to answer this question.

Employed methodologies are literature review, an analysis of a sample of European and American spas, and an in-depth case study on a European spa company. Research methodologies include both primary and secondary web-based approaches. More than 50% of Spain's resort spas or spa resorts, plus the ten most distinguished European and North American destination spas have been subject to direct observation.

The use of qualitative methodologies is a result of the embryonic state of research on this sector and, consequently, the lack of a commonly-shared theory to aid in the explanation of the whole phenomenon that would justify deductive methods.

Abercrombie et al. (1980), Yin (1984), Eisenhardt (1989) stress the usefulness of the case-study in the preliminary stages of research because it allows the development of hypothesis that eventually may be proved with a higher number of cases.

Although qualitative methodology is mainly reserved for the development of theory by using the inductive method, this does not deny the principle

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recommending the use of a series of theoretical propositions as a guide for the researcher (Glasser and Strauss, 1967).

Consequently, the work is structured in the following way. First, theoretical propositions are developed. Second, the illustrative case of the Company Terma Europa Spas is subject to analysis to unveil how the company deals with innovation. Third, a discussion on spa industry conformity to the propositions is carried out. Fourth, innovative proposals on spa business models are introduced. Finally, conclusions are drawn.

Conclusions underscore that easy to imitate market niche innovation (Abernathy& Clark, 1985) shapes the industry, bringing about a scenario of high intensity competition due to the low entry barriers. As a result, early entry and size do not become crucial factors in imposing a dominant design and defending a position in the market since innovation is mainly introduced by new entrants. On the other hand, market-pull innovation rules the industry because of its multiple customer contacts. The design of low-cost and low-luxury models whose choices incorporate the industry's critical factors of success (spa design with more emphasis on collective use, standardization of service providing, and product bundling) seems to be the best way to flee the vicious spiral of intense rivalry.

## II. Theoretical Propositions

*a) Proposition 1*

Early innovation comes as a consequence of companies concentrated in geographical clusters, which makes the quick diffusion of tacit knowledge (Audretsch and Feldman, 1996) possible.

Tidd et al. (2005) define innovation as changes affecting product, process, position or paradigm, i.e., *changes in the underlying mental models which frame what the organization does*. They highlight the difference between incremental or evolutionary innovation, and radical, disruptive or paradigmatic innovation. Paradigmatic innovation derives from Kuhn's reflections on the structure of scientific revolutions (1962), stating that a paradigm is what members of a scientific community share. Kuhn's notion of paradigms as a set of expected solutions to accepted problems is also applied to the definition of technological paradigms (Peine, 2008). It turns out from its application that there are industries in which different paradigms coincide and paradigm communities can cooperate to make innovation happen.

*b) Proposition 2*

New competitors are the advocates of product innovation at the preliminary stages while present incumbents are the driving force of process innovation at the maturity stage (Klepper, 1992-1996-1997; Mueller and Tilton, 1969; Utterback and Suarez, 1993; Plog, 2001; Agarwal and Audretsch, 2001).

The lack of a commonly-accepted design at preliminary stages tends to foster product innovation outside the standards and procedures of present incumbents, favouring new competitors. However, when a design is widely accepted at the maturity stage, innovation tends to focus on the production process rather than on the product itself which enhances incumbent position when faced with new entrants.

*c) Proposition 3*

A business model with open innovation makes the task of detecting changes in the environment easier (Kuhn, 1962; Abernathy and Clark, 1985; Durand, 2001; Chesbrough, 2007; Chesbrough et al., 2007; Peine, 2008).

Many outside changes may question a business model viability, especially when an industry reaches its carrying capacity; hence, the importance of designing models with open innovation or the ability to incorporate innovative activity developed by other companies.

*d) Proposition 4*

Market-pull innovation characterizes the service sector and, especially, the hospitality industry (Narver and Slater, 1990; Mansury and Love, 2007; Hall et al., 2009; Trigo, 2009; Hjalager, 2010).

The significant number of customer contacts in the spa industry allows for the development of close ties with the customer which eventually brings about demand-pull innovation through the detection of articulated and even latent market needs.

*e) Proposition 5*

The emergence and duration of stages is a function of the way an industry shapes innovation (Abernathy and Clark, 1985; Mc Gahan, 2000; Ricart, 2010; Tid et al., 2005).

Some authors (Abernathy & Clark, 1985 and Mc Gahan, 2000) explain different industry responses to changes in the environment, success rate of new entrants and the duration of every stage in the product life cycle in relation to the way innovation is embodied by each industry. Managers should know their industry's innovation pattern to be able to compete effectively.

Abernathy & Clark's transilience map (1985) and Mc Gahan's (2000) four models of industry evolution differentiate among innovations of an architectural scope (paradigm disruption) and non-architectural change. Architectural innovation involves changes in technology and new linkages with customers and suppliers, although Abernathy and Clark depart from Mc Gahan's underlining niche creation innovation, where a mere refinement in technology (non-architectural) leads to the emergence of new linkages with the market, and revolutionary innovation, where the disruption of a technology design (architectural



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innovation) does not imply a questioning of market linkages.

Market niche innovation is easily subject to imitation due to its reduced impact on present technology. As a result, it does not allow for the development of a sustainable competitive advantage. Eventually, it only triggers an increase in industry competition with the subsequent reduction of income.

## III. Case-study Analysis

*a) Justification*

TermaEuropa was selected for study due to its consideration as the first hotel spa company that was launched in Spain (2001) to cater to emerging segment needs (the relaxation segment). The company represents the transition from the older paradigm to the new one, the wellness and well-being paradigm.

It involves a case study with multiple levels of analysis. Its justification derives from Yin's (1984) and Eisendhardt's (1989) defence of the selection of a single case with multiple levels of analysis in order to better illustrate the occurrence of a phenomenon in its preliminary stages.

Eisendhardt (1989) points out that case-study methodology combines ways of gathering data such as: analysis of company files and records, interviews, surveys and observation. In the case of TermaEuropa, the instrument used was analysis of company files and records with qualitative and quantitative information, observation and empirical evidence.

The rigor of the analysis is demonstrated by the observation of the principles of internal validity: there is a cause/effect relationship between the company's strategy and the achieved results. Construct validity: the variables subject to study are set forth and described. External validity: analytical generalization based on the theoretical propositions is possible; and reliability: the absence of random error is assured through the possibility of examination of original documents by other researchers (Campbell and Stanley, 1963).

*b) Innovations*

The company's success is undoubtedly a function of its relentless effort to innovate as a way to remain competitive. All the company's innovation derives from its relationship with the customer. The customer's opinions and latent demands are subject to scrutiny though a monthly survey from the beginning of operations. Surveys address, in a consistent way, quality and marketing issues, allowing TermaEuropa's executives to make decisions that closely follow its target markets; this provides a high probability for success.

Table 1 presents some of the innovations implemented according to each category.

*Table 1 :* Innovations at TermaEuropa

| Innovations meant to increase demand | |
|---|---|
| **PRODUCT INNOVATIONS** | **MARKETING INNOVATIONS** |
| The company itself | Marketing Intelligence |
| Link of motivations with target markets-product/service offering and programmes to relax, look better and feel well | Relationship marketing |
| Product presentation | Communications |
| **Innovations meant to reducing costs and increasing production capacity** | |
| **PROCESS INNOVATIONS** | **ORGANIZATION INNOVATIONS** |
| New call center and its impact on customer quality perception | Implementation of a revenue management system |
| Standardization of service | New compensation policy for hotel general managers |

*Source: own*

i. *Critical Product Innovations*

The company itself can be considered its greatest product innovation. Never before had a hotel spa chain been launched in the Spanish market under the same brand with common procedures and operations while having different hotel designs in each location. Offering packages well focused on the determinant motivations of customers is the second product innovation. Reviewing TermaEuropa's company files and records one may clearly establish the link between target market motivations and its product offerings meant to exceed expectations:

*Feeling well. Relieving an ailment, being pampered, and getting away from it all… Our treatments aim at all of these pleasurable sensations for our guests. Therefore, we train our therapists to do not only a good job but also to convey tranquillity and make our client feel as if they were the only one.*



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*The décor and design of our facilities don't play a minor role in this whole process seeking to help us get rid of stress and ease our ailments, reproducing an environment that conjures up images of remote paradises, in silence perhaps broken only by the sound of water.*

*It is precisely the thermal and mineral water used in many of our establishments what differentiates them from the rest. After having a thermal bath or a shower, or after being massaged under the water, the skin is soft and brilliant, and our body has assimilated some of the minerals in the mineral water.*

*Sleeping, perhaps dreaming. A large 2x2 bed which lets us sleep and dream. A good shower, warm decoration, where elegance and efficiency coalesce in aharmonious ensemble. Our complimentary bath robe, free mini-barand amenities. You only have to sit in front of the window and contemplate the countryside.*

*Always walking. Guided hiking is the most demanded activity by our clients. The location of our spa resorts surrounded by nature makes it possible to enjoy this activity intensely.*

*Meeting is a prize in health. An important decision taking, a well-deserved break for the team, a convention, an incentive trip… Find out how to achieve unbeatable teams, making them live a memorable experience.*

The call for target market motivations depicted above, is complemented with an array of programmes that translate expectations into benefits to be obtained with multiple treatments:

Packages: Relaxation-Beauty-Therapy

To unwind, getting away from it all, feeling the thermal water's sedative powers.

To look better, achieving soft skin and a fresh look with beauty treatments reinforced by mineral water.

To feel well, relieving numerous ailments.

The traditional product offering at spas is not overlooked but presented in a different way under the name *feeling well* that matches perfectly with its primary segment's (the relaxation segment) broad concept of health.

Product innovations are also derived from new product offerings under the terms "relaxation" and "beauty," unknown in most European spas until the dominant paradigm changed in the 1990s.

ii. *Process Innovations*

An efficient running of daily operations underlies the success of TermaEuropa. Due to the company's belonging to a market that was emerging, heavily fragmented and less professional, the introduction of several management tools which were highly extended in other sectors has evolved into a phenomenon of innovative. This has triggered a virtuous effect in all the company departments.

The first process innovation is the restructuring of the reservations system. Until the emergence of TermaEuropa, the usual procedure was to collect reservations in manual form. Customers could make hotel reservations, but not the reservation of treatments. This hindered efficient organization of service providing (timely allocation of personnel and resources). When clients at hotels wanted to contract a service, they were told to remain in their rooms waiting for a phone call from the treatment area, or even worse, to idle in the waiting room for an indefinite period of time.

In the industry, it was widely considered that it was not possible to reserve a treatment room before the client's arrival, since the treatment had to be decided upon by the spa physician. In fact, Micros-Fidelio, the most extended software in the hotel industry, did not distribute spa management software until the late 1990s. Hence the first spa management software had to be customized to resort needs.

The implementation of a call centre with highly trained operators in the hotel spa field produced a positive impact on the TermaEuropa project. In one call, customers could reserve both room and treatments and were advised what program to buy according to their objectives.

The standardization of service providing constituted the second critical process innovation. Until then, the extended belief was that it was not possible to standardize treatments like massages in the way it is done in other areas of hotel service. The experience of TermaEuropa shows that it is possible.

Massage standardization implies that therapists must understand they are generating an experience for the customer where everything counts: a warm welcome, what it is said, how it is said, the atmosphere, and the way of massaging the client. The urban legend saying that it is impossible to produce a massage equal to another one since a pair of hands are not equal to another is hardly true. This fact does not belie the principle that operating procedures may be established to determine how hands have to move, the exact pressure exerted or the points to be covered. This obviously requires sound training sessions for therapists. Here, the advantages are paramount: the company may focus on selling time since the customer does not notice any difference among therapists, staffing becomes easier, workload is adequately distributed, and, eventually, labour costs are reduced for the establishment.

Examining TermaEuropa's operations manual is highly illustrative of the steps taken in an effort to standardize the service:

*Massage room preparation before the service:*
*Light should be dimmed to recreate an intimate space*

*Temperature must be adapted to the client's comfort*
*The room must be equipped as established*



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*Information about workload*
*Customer service*
*Procedure to welcome the client*
*How to communicate the client the procedure to follow*
*How to apply the massage*
*Client's farewell*

iii. *Organizational Innovations*

Two organizational innovations are outlined: the implementation of a revenue management strategy at La Alameda Day Spa (one of Terma Europa's properties), and the linkage of Terma Europa's management salaries to the company's productivity.

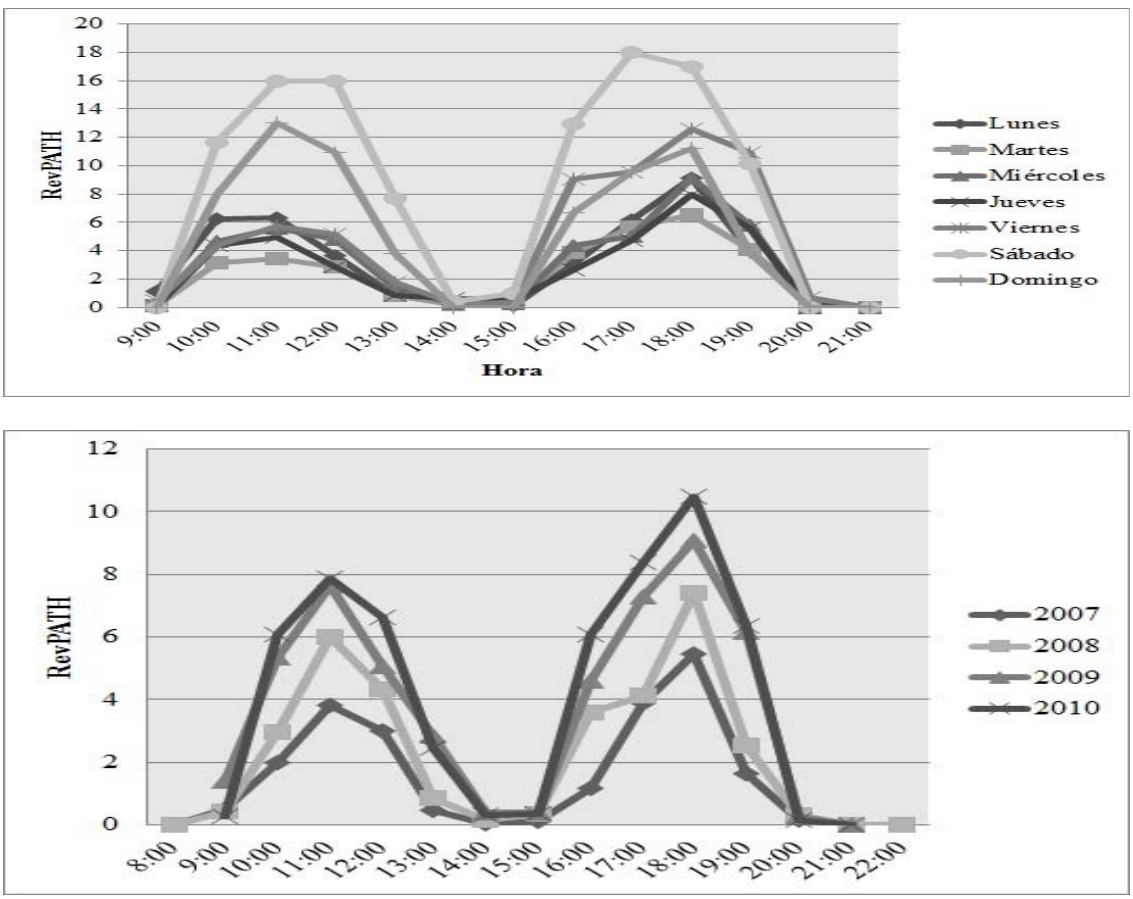
The application of revenue management within the spa industry is still in its infancy. However, it is an innovation with the capacity to generate revolutionary effects if being applied from a strategic viewpoint, allowing for value capture for the company together with value creation for the customer (Kimes, 2009).

Revenue management, yield management at first, was born in the field of the airline industry as a way of obtaining the maximum possible yield per available seat. The hotel industry incorporated this tool later on as a way of obtaining better performance per available room, even per available seat in a restaurant. In essence, it is about selling the adequate capacity to the adequate customer, at the right moment and at the right time.

Hotel rooms, restaurant seats, and treatment rooms (and available spaces for sale at activity pools) are perishable inventories. In these kinds of industries, the lack of occupancy or sale of an available capacity entails two types of costs (Kimes, 2009): a labour cost from unused workforce and an opportunity cost from the income lost as a result of the lack of occupancy of available capacity for sale.

The first stage in developing a revenue management strategy consists of evaluating demand.

Figure one describes how the demand evolves at La Alameda Day Spa by time of the day and week day. The representation of the data reveals some conclusions regarding demand behaviour and facilitates the measures to be taken in order to obtain a better yield in those facilities.




*Source: Terma Europa's company files and record*

*Figure 1 :* Weekly and yearly evolution of demand at La Alameda day spa



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The demand analysis is fully developed, covering different services, times and days in order to develop a guide to help in forecasting demand and correctly allotting human resources and products. This strategy implementation has positively impacted the operation's bottom line, discarding the previously ubiquitous general discounting that was clearly damaging the spa's returns, and endorsing fenced rates.

Herein follows some examples of how the company implemented the revenue management strategy on the internet.

*Criteria for implementing online reservations according to revenue management protocol for the Roman Bath and the Activity Pool:*

*The client can make reservations on the following products (treatment reservations will also be available at a later date): Roman Bath and Activity Pool.*

*All the published rates are VAT included. There are different prices according to days/times/services. Management may change the rates.*

*To obtain a discounted rate, there is no time span for these two facilities, however, for treatment reservations some time period will be demanded to allow for adequate staffing; the reservation should have been entirely paid; reservations must be made through the web.*

*Cancellation policy: there is no possibility to cancel, only to move the reservation to another day/time if available.*

Table 2 shows a display of prices and services offered throughout the week under the principles of revenue management. Rates are fenced to specific times to allow for product differentiation and targeting of different market segments.

*Table 2 :* Fenced rates for the activity pool according to time and weekday

**PRECIOS PISCINA TERMAL POR HORA Y DÍA DE LA SEMANA**

| HORARIOS | LUNES | MARTES | MIÉRCOLES | JUEVES | VIERNES | SÁBADO | DOMINGO |
|---|---|---|---|---|---|---|---|
| 9:00-10:00 | 10 | 10 | 10 | 10 | 20 | 20 | 20 |
| 10:00-11:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 11:00-12:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 12:00-13:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 13:00-14:00 | 15 | 15 | 15 | 15 | 20 | 20 | 20 |
| 14:00-15:00 | 15 | 15 | 15 | 15 | 20 | 20 | 20 |
| 15:00-16:00 | 15 | 15 | 15 | 15 | 20 | 20 | 20 |
| 16:00-17:00 | 15 | 15 | 15 | 15 | 20 | 20 | 20 |
| 17:00-18:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 18:00-19:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 19:00-20:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 20:00-21:00 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 21:00-22:00 | 10 | 10 | 10 | 10 | 20 | 20 | |

PRECIO OFICIAL
PRECIO DESCUENTO
PRECIO SUPER DESCUENTO

20 ESPACIOS DISPONIBLES PARA SU VENTA CADA HORA

*Source: Termaeuropa's company files and records*

Another organization innovation with a positive impact on productivity is the linkage between the salary compensation of hotel spa general managers to the fulfilment of an array of financial and quality objectives (see table 3).The study of the *Ratios of Control for TermaEuropa hotel spa General Managers* shows Kaplan and Norton's influence on TermaEuropa's upper management in the sense that financial results are not the only critical aspect to be considered when analysing companies. Staff capacity, the fulfilment of established procedures and client satisfaction are also key factors for success. Financial data give an overall picture of the company at the present time; however, quality ratios anticipate future value creation for the shareholders.



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*Table 3 :* Ratios of Control for TermaEuropa hotel spa general managers

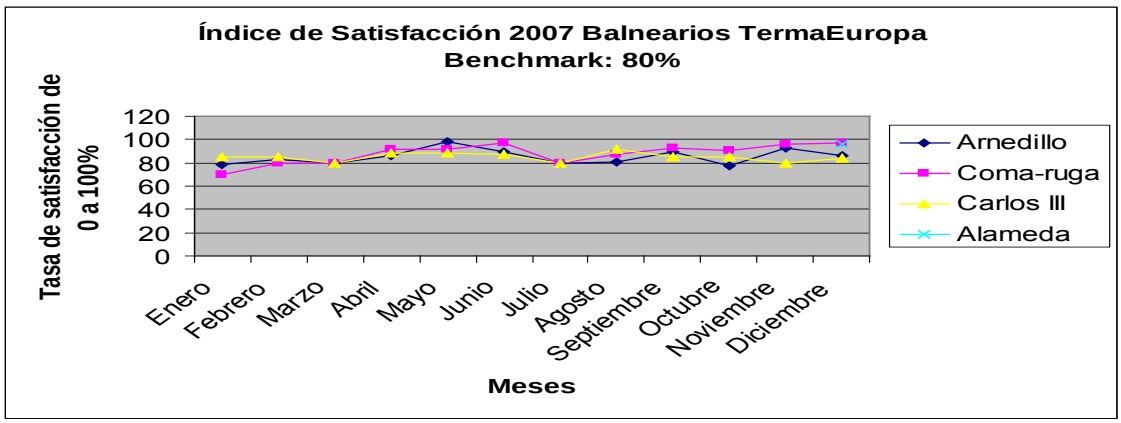
| Ratios de Control y Asignación Bonus para Directores TermaEuropa | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Mínimos a Alcanzar Ligados al Cobro del Salario Base** | | | | | | | | **Bonus por Encima de Mínimos: 20%** | |
| 1 | Índice de satisfacción del cliente: 80% (4 puntos sobre 5)<br>Procedimiento de control: Encuestas | | | | | | | | |
| 2 | Cruzado mágico: TE: 14-34-20 (consumos-salarios-operativos no asignados)<br>Procedimiento de control: Cuenta de Explotación | | | | | | | | |
| 3 | Superación auditorías internas: 4 puntos: | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | | | |
| | Limpieza<br>Servicio<br>Mantenimiento<br>Organización | | | | | | | | |
| 4 | Superación auditorías externas: | | | | | | | | |
| | | Sí | | | | | No | | |
| | Presencia Leghionella<br>Presencia Bacterias Cocina | | | | | | | | |

| | Mínimos | Mínimos Mejora |
|---|---|---|
| 1 | 80% | 5% |
| 2 | 14-34-20 | 5% |
| 3 | 4 | 5% |
| 4 | NO | 5% |

*Source: TermaEuropa's company files and records*

General Managers obtain a quarter of their bonuses if their customers rate their properties 4 out of 5 on average, or express satisfaction more than 80 per cent of the time. Their bonuses are also dependent on financial concerns. The so-called *magic formula* stipulates that cost of sales must not go beyond 14 percent of net sales (5 percent in the case of a day spa); wages should be 34 percent of net sales or less; the rest of non-assigned operating costs should not go beyond 20 percent of net sales. Finally, salary compensation is also determined by internal quality surveys and independent external surveys regarding tricky issues such as the presence of bacteria at water sources or the kitchen.

Instruments used for data collection in order to establish manager bonuses are: the satisfaction survey, the tabulation system and the evaluation form. Next, the 2007 satisfaction index for TermaEuropa spas and the standard customer survey are displayed as figures 2 and 3, respectively.




*Source: TermaEuropa's company files and records*

*Figure 2 :* Customer satisfaction index at TermaEuropa



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## ENCUESTA DE SATISFACCIÓN DEL CLIENTE

CUSTOMER SATISFACTION SURVEY

Por favor, valore del 1 al 5 cada uno de nuestros servicios. Siendo 1 la nota más baja y 5 la más alta.
Please, fill in the blank boxes with your marks for our service, being 1 the lowest score and 5 the highest one.

| RECEPCION-Check-in-out | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Amabilidad del personal-Kindness | | | | | |
| Eficacia del personal-Competent staff | | | | | |
| Nota Media-Average | | | | | |

| RESERVAS-Call center | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Amabilidad del personal-Kindness | | | | | |
| Eficacia del personal-Competent staff | | | | | |
| Nota Media-Average | | | | | |

| HABITACION-Room | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Limpieza-Cleanliness | | | | | |
| Mantenimiento-Maintenance | | | | | |
| Nota Media-Average | | | | | |

| SPA | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Limpieza-Cleanliness | | | | | |
| Mantenimiento-Maintenance | | | | | |
| Tratamientos-Treatments | | | | | |
| Amabilidad del personal-Kindness | | | | | |
| Eficacia del personal-Competent staff | | | | | |
| Nota Media-Average | | | | | |

| RESTAURANTE-f&b facilities | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Amabilidad del personal-Kindness | | | | | |
| Eficacia del personal-Competent staff | | | | | |
| Calidad de la comida-Food Quality | | | | | |
| Variedad de la comida-Food Variety | | | | | |
| Nota Media-Average | | | | | |

| ZONAS COMUNES-Other | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Limpieza exterior- Outside facilities cleanliness | | | | | |
| Limpieza salones-Lobby cleanliness | | | | | |
| Mantenimiento exterior-Outside Maintenance | | | | | |
| Mantenimiento salones-Lobby Maintenance | | | | | |
| Nota Media-Average | | | | | |

| INDICE DE SATISFACCIÓN-Satisfaction Index | ☹ 1 | ☹ 2 | 😐 3 | ☺ 4 | ☺ 5 |
|---|---|---|---|---|---|
| Valoración general-Overall Satisfaction | | | | | |
| Posibilidad de volver de nuevo-Probability of coming back | | | | | |

**A continuación señale con una " X " la opción que crea más adecuada:**
Please, fill in the blank boxes with your answer

**1-¿Cuál ha sido el motivo de su visita?:**
What´s the reason for your visit?
- Profesional-Business 0
- Placer-Leisure 0
- Evento en el hotel-Event 0

**2-¿Cómo nos ha conocido?**
How did you hear about us?
- Ya había estado antes-I was here before 0
- Recomendación-Referral 0
- Medios de información-Media 0
- Internet 0

**3-Marque la respuesta correcta:**
Please, fill in you answer
3.1- I´ve stayed here before 0
3.2- Es la primera vez y conozco otros balnearios-This is the first time but I´ve stayed in other resorts
¿ Cuales ? Which ones? 0

**4-Si ha marcado 3.1¿Qué le gusta más del balneario?:**
If you´ve filled in 3.1, what do you like most ?
- Las instalaciones-Facilities 0
- El golf-Golf courses 0
- El trato-Service 0
- La comida-Food 0
- Otros-Other 0

**5-Si ha marcado 3.2¿Por qué nos ha elegido en esta ocasión?**
If you´ve filled in 3.2, why did you decide to stay at our resort spa this time?
- Paquetes-Packages 0
- Me gusta cambiar-I like to change 0
- Precio-Rates 0
- Emplazamiento-Location 0
- Proximidad a mi domicilio-Proximity 0
- Instalaciones nuevas-New Facilities 0
- Otros-Other 0

**6-Grupo de edad**
- Hasta-Until 30 0
- Hasta-Until 45 0
- Hasta-Until 60 0
- Mas de-More than 60 0

**7-Indique, por favor, su provincia de procedencia-Where do you come from?**

**NOTA: Si rellena esta encuesta y la entrega en recepción será invitado a una consumición no alcohólica.**
NOTE: If you fill in this survey and hand it in at the reception desk, we will invite you to a non-alcoholic drink.

*Source: TermaEuropa's company files and records*

*Figure 3 :* TermaEuropa's marketing survey

iv. *Marketing Innovations*

These innovations take place in the field of marketing intelligence, relationship marketing and communications. Marketing intelligence emphasizes that knowledge of market trends, consumer viewpoints and competition are key factors for increasing

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probabilities for success in marketing (Nykiel, 2007). Relationship marketing is every step taken to enrich customer data bases to reinforce links with the customer and promote their loyalty. It is derived from the fact that a company's customer data base constitutes its most valuable asset (Lewis and Chambers, 1989).

Communication is one of the marketing-mix tools meant to *tangibilize* the product/service offering (Renaghan, 1981). Some instances of the communication strategy followed by the company are reproduced to illustrate its business concept.

The brochure of figure four shows how the company attempts to connect with its primary target market's expectations: a massage and water treatment to encourage sales.

*Source: TermaEuropa's company files and records*

*Figure 4 :* TermaEuropa's brochure

The advertisement displayed in figure five insists on the captivating message*, escape and relax*, to draw attention from potential customers, with the addition of pictures that highlight a secluded location to reinforce the appeal of the destination.



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*Source: TermaEuropa's company files and records*

*Figure 5 :* Advertising campaign of Carlos III spa resort

The billboard shown in figure six refers to the opening campaign of La Alameda Day Spa. A striking picture of a lady in downtown Valencia wearing the traditional spa costume, a bathrobe, is used to capture passers-by's attention.



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*Source: TermaEuropa's company files and records*

*Figure 6 :* Opening campaign at Alameda Day Spa

## IV. Discussion of Spa Industry Conformity to the Theoretical Propositions

Former analysis of the case study, industry observation, and literature review (see below) confirm spa industry compliance with theoretical propositions on innovation, except for proposition number 2.

*a) Proposition 1*

England, the leading country in the Industrial Revolution in the manufacturing sector, is also a country at the forefront of the leisure industry, developing the first thermal spa resorts in the late 18th century (Bacon, 1997). Spa resorts were concentrated in that country reaching the figure of 200 units by the mid-19th century. This reinforces proposition number 1 that claims preliminary innovation tends to appear in geographic clusters.

*b) Proposition 2*

However, contrary to proposition number 2, process innovation was carried out by new entrants, the renewed German spa towns. New entrants are also the protagonists of product and process innovation when amenity spas appeared for the first time in the last quarter of the 20th century; when the wellness paradigm prevails, most of the companies that capitalize on relaxation trends are new entrants from the hotel sector and without links to the hospitality sector (Weisz, 2001; Orbeta Heytens and Tabacchi, 1995).

*c) Proposition 3*

Proposition number 3 holds true through recent history. The growth stage of the industry extends up to the last quarter of the 19th century when maturity comes and, eventually, declines due to the questioning of the Hygienic movement -whose principles fostered the change of environment, like the one typically experienced at a stay in a spa, as the best remedy for any disease- and the rising competition of beach resorts (San Pedro, 1994).

The decline was not overcome until the 1960s in the US (Tabacchi, 2010). The new destination spa did not have anything to do with its predecessor (radical



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innovation), nor were its customers the same, nor were its treatments, putting aside thermal waters and opting for strict diets and strenuous exercises as the way to beauty. The radical US change may be considered an architectural one in the sense depicted by McGahan (2000) because the principles of the thermal paradigm are subject to substitution.

In Europe, however, the traditional destination spa survives, slowly incorporating (incremental innovation) some of the services provided by American spas (Bywater, 1990; Intelligent Spa Pte Limited, 2009). The influence of the fitness craze is more evident in the increasing number of fitness day spas that started to open since then.

The fitness destination spa model was gradually replaced by the amenity spa business model in the US in the 90s (evolutionary innovation) (Orbeta Heytens & Tabacchi, 1995; Van Putten, 2003).

In Europe, the transition from the pseudo-traditional destination spa to the amenity spa business model took place in a more drastic way, bringing about a new paradigm (radical innovation) (Bell & Vazquez-Illa, 1996). The spa sector experienced radical innovation due to the questioning of the thermal spa paradigm in order to open industry establishments to younger clients yearning for relaxation treatments. This was very distant in its concept and execution from the traditional rheumatic treatments meant for the older segments.

Only those spa business models with open innovation were able to adapt its value proposition to the emerging relaxation segment, both in US or Europe (Les Dossiers de la Lettre Touristique, 1992; Bywater, 1990; Orbeta Heytens and Tabacchi, 1995). The analysis of the TermaEuropa Spas Company clearly supports this.

*d) Proposition 4*

Most innovations in the industry are of a demand-pull type (proposition 4), as a consequence of multiple customer contacts (McNeils and Ragins, 2005; Montenson and Singer, 2003). Demand-pull innovation presides over the evolution of the industry as previously demonstrated in the case study.

Table four displays several innovation proposals relating to the spa industry, all of a demand-pull type. The list differentiates between innovations aimed at increasing product demand or marketing innovations- and those meant to improve production capacity and cost reduction -process and organization innovations (OECD/European Communities, 2005)-.

Some product innovations indirectly generate cost reductions, such as in the case of spa suites, short treatment menus or low-cost models. Within marketing innovations, the creation of theme packages stands out. It is worth noting the implementation of revenue management strategies as an organizational innovation, and the redesign of service providing for emerging segments as process innovation, among innovations aimed at increasing production capacity.

*Table 4 :* Innovation in the spa industry

| INNOVATIONS AIMED AT INCREASING DEMAND | |
|---|---|
| **PRODUCT INNOVATIONS:** | **MARKETING INNOVATIONS:** |
| TREATMENTS AND FITNESS (McNeil & Ragins, 2005) | THEME PACKAGES (Monteson & Singer, 1992) |
| CHOICE OF THERAPIST GENDER (McNeil & Ragins, 2005) | BASIC PACKAGES (Monteson & Singer, 1992) |
| LESSENING SPA MENU (Monteson & Singer, 2003) | SELLING OF BRANDED PRODUCTS (Reena, 2007) |
| SPA CLUSTER SUITES DEVELOPMENT (Reena, 2007) | PRESENCE IN THE RESORT (Monteson & Singer, 1992) |
| CONDO-SPA PARA "YOUNG OLDS" (Dwight, 1991) | POSITIONING (Monteson & Singer, 1992) |
| SPA COSMETICS BRAND (ISPA, 2009) | BRIDAL SHOWERS (Monteson & Singer, 1992) |
| LOW-COST MODEL (Rogers, 2008) | CREATE MANLY NAMES (McNeil & Ragins, 2005) |
| | CROSS-SELLING STRATEGIES (McNeil & Ragins, 2005) |
| | FIRST-TIME WEB USERS(McNeil & Ragins, 2005) |
| | LIFESTYLE SEGMENTATION (Vyncke, 2002) |
| **INNOVATIONS AIMED AT REDUCING COSTS AND INCREASING PRODUCTION CAPACITY** | |
| **PROCESS INNOVATIONS:** | **ORGANIZATION INNOVATIONS:** |
| IN-ROOM MASSAGES (Cavallari, 2008) | FLEXIBILITY AND VERSATILITY (Monteson & Singer, 1992) |
| | EMPLOYEE CATEGORIZATION (Monteson & Singer, 1992) |
| | REVENUE MANAGEMENT (Kimes, 2009) |
| | LOWERING SPA LABOR COSTS (Monteson & Singer, 2003) |

*Source: own*

*e) Proposition 5*

The way innovation shapes the industry determines the duration of the stages of its life cycles and the constant reconfiguration of the industry (proposition number 5). Herein lies the reason why the kind of innovation present in the industry -market-niche innovation, where mere refinements in technology may bring about new linkages with the market and affect



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incumbents' position while reducing entry barriers-determines the current intensity of competition and the shorter duration of life cycle stages. Furthermore, this kind of innovation is easily subject to imitation due to its reduced impact on present technology (Abernathy and Clark, 1985), which prevents companies from gaining a sustainable competitive strategy based on the features of their innovations.

The turbulent state of the industry and its predominant business model characterized by inadequate product design, on the supply side, and confusion or/and discontent, on the demand side (Vazquez-Illa, 2014), are explained by market-niche innovation that shapes the spa industry. This kind of innovation is derived from a specific managerial culture which is very dependent on their ties to customers (demand-pull innovation characterizes the industry as stated previously), allowing for constant instability regarding the dominant design. Since innovations are not of an architectural scope, it is easier for new entrants to foray into the market through mere refinements in technology which brings about new ties to customers.

## V. Proposal of New Spa Business Models

As a result of the preceding analysis, two new business models are proposed that incorporate and further develop many of the innovations pointed out in previous sections.

Low-cost concepts have lately been at the forefront of the business arena, and in every single sector, as a general attempt to determine operating models allowing for good quality products at affordable prices and, therefore, outstanding profits (Montenson & Singer, 2003; Marti, 2010). Furthermore, Johnson (2010) states that there is a business opportunity for a company capable of providing *IKEA-style hospitality*: a company that is highly focused on its target market permitting differentiating and affordable service providing.

In the last two decades, most amenity spas have mistakenly reproduced the destination spa business model without counting on its core segment: which are followers of a holistic approach to the use of spa services and, as a consequence, potent consumers of a variety of treatments. The results of that strategy have globally been very poor, mainly for those hotels without a local market to target. Most hotel customers are peripheral spa consumers (they never book a treatment) or, that being the case, it is a relaxation related service, i.e., a plain massage (Tabacchi, 2010; Keri et al, 2007). As a result, as a norm, developing large establishments with an array of services fully resembling the destination spa business model is destined for failure.

Even destination spas are excessively equipped with facilities designed for the holistic health segment: this is what has prevented them from fully taking advantage of social trends in fitness and relaxation. The tendency to replicate the destination spa model has brought about treatment rooms equipped with medical appliances nobody uses or sophisticated baths subject to unending amortization periods. At the same time, collective areas are scarce when their return rate is notably superior to individual treatments' rate, whose ratio of one employee per customer becomes a heavy burden to assume. The growth stage of the spa product cycle has allowed it, however, to capitalize on fitness and relaxation trends, although something is changing on the horizon.

### *a) Low-cost spa*

The proposed low-cost spa (figure 7) is a concept designed to cater to peripheral consumers' needs (the fact of being a secondary segment comes from its lack of conscious empathy with the industry's philosophy, not because its numbers are not critical at vacation times). This customer mainly goes to spas at vacation periods and never books a treatment. This consumer only patronizes spas for having a good time and for using its collective and mainly water-related facilities: activity pools or water courses with pools at different temperatures, sauna and steam rooms. Thus, all the spa treatment rooms, costly to build and costly to equip, become unnecessary. Furthermore, labour costs are heavily trimmed as a consequence of reduced customer contacts.

The proposed concept is designed to question the three main features of the traditional spa business model: capital intensity; people intensity and quality control intensity. The low-cost spa concept is a back-to-basics strategy giving hospitality customers what they really expect from a spa experience and, thereby, reducing spa overhead and dramatically improving its results.

The shift to low-cost spas is likely to be considered as the next paradigm innovation in the spa industry, lowering prices and costs to open its services to larger markets.



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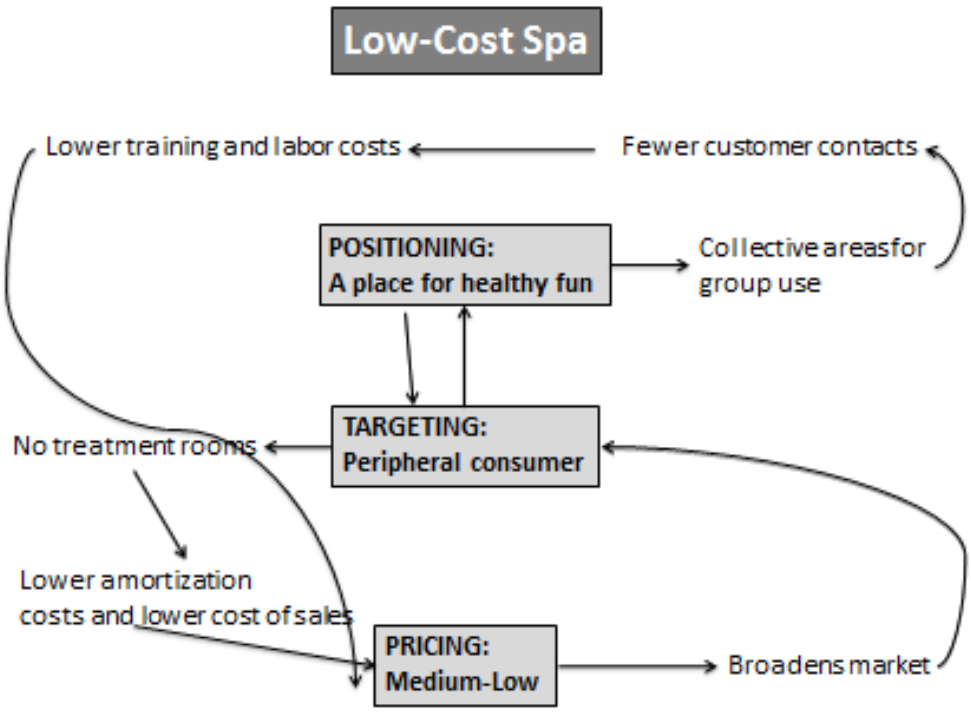


*Source: own*

*Figure 7 :* Low-cost spa business model

Figure seven is a representation of the proposed low-cost spa business model. The critical components of a strategy (positioning, targeting, pricing) are used to uncover the model's choices:

– Positioning: A place for healthy fun;
– Targeting: Peripheral consumer;
– Pricing: Medium-Low;

The choices bring about the consequences set forth herein.

– The positioning statement seeks to develop collective areas such as activity pools, quite suitable for group use (family or friends), which provide great satisfaction to their users and allow for sharing a common enjoyable experience. This reduces a spa's customer contacts which lowers labour and training costs. This justifies a medium-low price strategy that fosters the scope of the market, allowing for the targeting of the peripheral consumer and the depicted positioning statement.
– The targeting of the peripheral consumer is crucial for the success of the model. While a secondary segment for the spa industry, peripheral consumers are great in numbers and necessary clients to fill spas at vacation times. This spa user does not reserve individual treatments, hence spas save construction costs for treatment rooms and those incurred in furnishing rooms. This reinforces the medium-low pricing strategy and triggers the already stated consequences.
– The medium-low pricing strategy has the positive effect of enlarging the target market to become an attractive offering even for peripheral consumers.

*b) Low-luxury spa*

The low-luxury spa (figure 8) is a variety of the low-spa concept. It is meant to cover the relaxation segment's needs. This consumer considers spas as places for relaxation and is the predominant client at most spas. Their sought after spa experience is that of a relaxation massage followed or preceded by a sort of relaxing bath. Standardization of the service and product bundling are key factors of success for this kind of spa in order to control costs while preserving quality perception.



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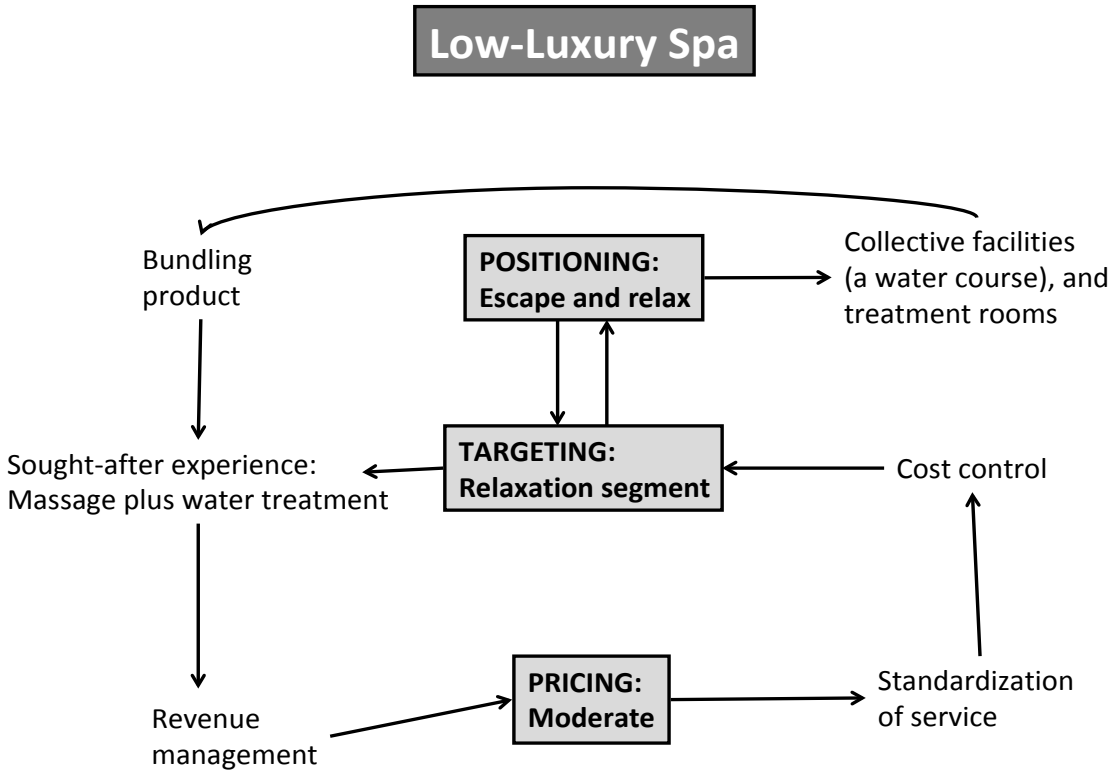


*Source: own*

*Figure 8 :* Low-luxury spa business model

Figure eight is a representation of the proposed low-luxury spa business model. The critical components of a strategy (positioning, targeting, pricing) are used to uncover the model's choices:

– Positioning: Escape and relax;
– Targeting: Relaxation segment;
– Pricing: Moderate;

The choices bring about the consequences set forth herein.

– The positioning statement leads to developing collective areas such as water courses, and treatment rooms. This implies product bundling in order to tangibilize the offering to the target market. The tangibilization must incorporate the target segment's sought-after experience of a massage plus a water treatment. This requires a revenue management strategy to obtain the highest yield per available space and the highest productivity per employee; this supports a moderate pricing strategy requiring the standardization of the service providing to assure a cost control strategy that eventually favours the targeting of the relaxation segment and a positioning statement of *escape and relax.*
– The profile of the relaxation segment is the most common at spas worldwide (PKF, 2009; Stanford Research Institute, 2013). The satisfaction of its expectations activates the series of consequences already described.
– The moderate pricing strategy implies the standardization of service as a way to reach the necessary cost control making the targeting of the relaxation segment with a positioning statement of *escape and relax* possible.

## VI. Conclusions

The research's objectives were the creation of theory to help in the explanation of how innovation occurs in the spa industry and how the kind of innovation present in the industry determines its evolution.

The undertaken research yields the following results:

1. Preliminary innovation happens in clusters.
2. Spas with open innovation have always anticipated and capitalized on changes in the environment.
3. Market-pull innovation rules the industry as a consequence of its multiple customer contacts.
4. New entrants lead product and process innovation as a result of the kind of innovation present in the industry.



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5. Easy to imitate niche-creation innovation characterizes the industry nowadays. This kind of innovation encourages new entrants, enticed by low market entry barriers, to establish (temporarily) a position in the industry, and it determines the life cycle in the shorter stages of the spa product.

Future prospects are clearly conditioned by the implementation of innovative low-cost models that fulfil critical industry success factors:

1. Spa design with more emphasis on collective use.
2. Standardization of service providing.
3. Product bundling.

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# Research on the Long-term Mechanism of Housing Supply under Urbanization in Guangzhou

By Li Ai Shan & Zhou Wei JI
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*Abstract-* Through analysis of 2011 Guangzhou city housing situation, this paper discusses the tendency of the per capita housing area. The equation of fitting the per capita housing area is Y = 7.1955 Ln (x) + 1.7867, speculated the housing need of Guangzhou (2012-2020), proposed the problems existing in the Guangzhou housing supply. Finally, this paper creates a path for long-term mechanism, according to current situation of housing problems and the future change of housing supply.

*Keywords: guangzhou, housing supply, demand forecast, long-term mechanism.*

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RESEARCHONTHELONGTERMMECHANISMOFHOUSINGSUPPLYUNDERURBANIZATIONINGUANGZHOU

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# Research on the Long-term Mechanism of Housing Supply under Urbanization in Guangzhou

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## I. Introduction

### a) The research background

Guangzhou Tenth Party Congress in 2011 has established the first strategic transformation and upgrading, the construction of Guangzhou happiness ideas, goals and major measures, with the Guangzhou grand blueprint of the development of the next. Its spiritual essence converge is to take a new path of urbanization with the characteristic of Guangzhou. New urbanization with no existing standard model, nor is the concept of the renovation, but the concept of urban development system innovation and enhance the shape of urban civilization. Guangzhou as a big city, "city disease" phenomenon is getting worse. Urban village housing, living environment deteriorate, traffic jams, infrastructure and public facilities is not complete, low efficiency of the use become the realistic dilemma of urbanization construction. New urban development will inevitably lead to changes in the way cities use spatial pattern of land and real estate, change people's awareness of the value of the house, in order to protect the housing needs of urban residents, and promote social and economic harmony, sustainable development, the government must establish long-term effective mechanism of housing supply.

## II. Situation Analysis and Prediction of Guangzhou City Housing

### a) Population Status and carrying capacity of Guangzhou City

According to the "Guangzhou statistical yearbook 2011" population statistics data, in 2010 the city of Guangzhou (including Zengcheng City, Conghua city) by the end of the year the household register population reached 8061400 people, the resident population reached 12709600 people . According to the fifth, sixth national population census data, Guangzhou, the average annual growth rate is 2.48%, with an average annual increase of the resident population of nearly 275800 people.

According to Liang Guiquan's research, the force from the following four aspects is to consider the carrying capacity of Guangzhou city in 2020: the water capacity of 14.13 million people, ecological environment capacity of 19.5 million people, the land resources population capacity of 18 million people, economy, population capacity of 15 million people.

### b) Housing market situation

i. *Commodity housing construction*

1. Analysis of structure and transaction new commodity housing in Guangzhou city in 2011. The largest area of the new commodity housing is Panyu with 1.8083 million square meters, the second is Huadu with 1.739 million square meters, the minimum is 64400 square meters in Huangpu. The main structure of the new housing apartment layout has three kinds: 90 square meters, with 90-144 square meters and 144 square meters. The 90square meters of the total 29.63% sets, fold 12541 yuan / square meter; 90-144 square meters of the total 55.86% sets, fold 11963 yuan / square meter; more than 144 square meters of the total 14.51% sets, fold 17183 yuan / square meter.
2. Analysis of 2011 Guangzhou commodity housing stock structure and transaction. In 2011, the total area of 5.9926 million square meters, the largest trading volume is 1.669 million square meters in Panyu District, 965000 square meters of Tianhe District, Luogang is the lowest of 82000 square meters. The main apartment layout structure of the housing stock is of three kinds: 90 square meters, with 90-144 square meters and 144 square meters. Of which 90 square meters of purchased account for 65.44% of the total volume, average price is 7127 yuan/square meters; 90-144 square meters of a cycle of total number of 28.47%, the average price is 6976 yuan/square meters; More than 144 square

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meters of residential account for 6.09% of the total volume, average price is 7632 yuan/square meters.

From the above housing market situation, the development of the housing market in recent years in Guangzhou is stable. The amount of housing starts, completed quantity, sales are rising steadily year by year. Per capita housing area has been improved, increased from 3.97 in 1980 to 21.4 square meters in 2010. As the center of city construction and transformation projects completed, the central city primary real estate has been very little, but there are plenty of second-hand housing transactions. New homes are mainly concentrated in Panyu District, Huadu District, Nansha District and Baiyun district. The transaction price of the highest is in Tianhe District, Yuexiu District, Liwan District and Haizhu District, but the largest price increases is Baiyun District, Guangzhou City Development Strategy is mainly presented in "North excellent", so the area's infrastructure and living environment quality have been improved, attracting a large number of home buyers to settle in the region.

ii. *Construction of affordable housing*

In 2011 the total construction of Guangzhou security housing is 5.29 million square meters, including the construction of public housing, the largest of 2.47 million square meters, accounting for 46% of the total area of affordable housing construction, mainly distributed in Yuexiu, Haizhu, Panyu, Huangpu, Huadu and Liwan; The construction of Capped-price housing is 2.37 million square meters, 45% of the total area of affordable housing construction, the price-limited housing all by developers to invest in the construction, centralized distribution on two districts in Baiyun and Luogang.

The construction of low-rent housing of 250000 square meters, accounting for 5% of the total area of affordable housing construction, the low rent housing is mainly distributed in the Baiyun, Tianhe, Haizhu and Liwan four areas; The construction of affordable housing is 200000 square meters, accounting for 4% of the total area of affordable housing construction, mainly distributed in the Tianhe, Baiyun, Haizhu, Liwan and Yuexiu five area.

From the situation of Guangzhou security housing construction, the indemnificatory housing type is complete, including low-cost housing, public rental housing, affordable housing, low-cost, etc. From the perspective of various types of security, the number of public rental housing and low-cost housing are the most, and the least number is low-cost housing. At the same time, the unit area of low rent housing is small, only 8 square meters /room. From the distribution of the indemnificatory housing , affordable housing distribution of the original is quite reasonable, closer to the center of the city, but the price-limited housing and several security housing planning is far away from the downtown, and is not conducive to the community living.

*c) The housing demand forecast in Guangzhou*

1. Guangzhou urban per capita housing area of change and forecast. With the acceleration of urbanization, Guangzhou urban resident per capita living space is greatly improved. According to statistical data, released Guangzhou urban residents per capita housing area of 3.9 square meters from 1980 up to 2010's 21.4 square meters. According to the long-term trend method, and through the Excel function of office software to get the following prediction formula: Y = 7.1955 Ln (x) + 1.7867. According to the formula, predicted in 2020 Guangzhou's per capita living area is about 25 square meters, and per capita building area to control in 40 square meters.
2. Guangzhou urban housing demand forecasting. According to the Guangzhou moderate population scale control and forecast the per capita living area, to 2020, Guangzhou, the city's total population of 15 million people, and per capita housing area of 30 square meters, the total area of 450 million square meters of housing were required. In 2011 Guangzhou housing area of 291.07 million square meters, and need housing area of 158.3 million square meters. Considering the Guangzhou rural housing area of 181.2 million square meters, through the way as "three old reform", out of which 20% market (mainly rental), you can free up36.24 million square meters of housing. In this way, by 2020 the Guangzhou housing shortfall is about 103.94 million square meters. From 2012 to 2020, Guangzhou City, the annual need of new housing area is approximately11.55 million square meters.

## III. The Existence of Guangzhou City Housing Supply Problems

For the operation of Guangzhou commercial housing, affordable housing in the analysis, combined with the future housing demand forecast, summarizes the Guangzhou housing supply and demand on the following problems:

1. Housing site selection and layout is unreasonable, And publicfacilities based local area pressure. According to 2010 Guangzhou sixth national census data, the city's resident population, the urban area of less than 50% of the land area gathered nearly 90 percent of the population, at present, the resident population is mainly concentrated in the old eight areas. The concentration of Yuexiu District household population density reached a maximum of34239 people / km2, and the household register population density in the area of Conghua was only 301 people per square kilometer. Urban planning to



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improve the urban land development intensity, cause local high population density, lead to serious overload of the foundation of the local city and public facilities become the important factor of deterioration of living environment.

2. The structure of housing units needs to be improved and property needs clarity.

Before 2008, because there was no limit housing units, the developers were keen to develop large-family housing, led to the development of the low proportion of small units of housing. Rural housing units are in the area of 110 square meters to 229 square meters, with an average of 152 square meters, most of these houses are single-layer or multi-layer, large area, low efficiency in the use of. Meanwhile, rural housing lack of unified planning, building and acceptance procedures, but also lack of a unified base construction investment and public facilities. Besides the rural housing property is not clear, homestead house mixed with small property construction, disrupting the normal real estate market, affecting the government's management and decision-making of the real estate market.

3. Affordable housing cannot be fully functional. In the construction of housing, although a substantial increase in the number of homes affordable than ever, but relatively speaking commodity housing, whether in quantity or in the location of choice, are not comparable. Meanwhile, the number of various types of affordable housing also needs to determine accurate prediction. In the use of affordable housing, especially public housing and low rent housing, are not fully in accordance with the market rules and regulations procedures for the allocation and use of effects, affect the persistent and fairness of the affordable housing consumption.
4. Part of the conditions of the regional living facilities need to be improved. In addition to the old town has an excellent education, health care, transportation, entertainment, shopping, sports, leisure facilities and other conditions, the new city infrastructure, there is a big imperfect, affecting the quality of living of residents. Such as Panyu plate, Huaduplate, Zengcheng plate, etc., prices are relatively cheap, but there exists a problem of supporting facilities. The latest development of Nansha district and Luogang area is also a complete lack of appropriate infrastructure.

## IV. Creating Ways of Guangzhou City Housing Supply of Long-term Mechanism

*a) Increase the supply of affordable housing and renovation of commercial stocks*

1. Increase the development and investment in affordable housing construction. The guide used in accordance with the Guangzhou municipal industry, reasonable to determine the number of housing construction in Guangzhou City, the type and location, to ensure everyone has a house to live in, but also does not cause the housing vacant waste. Increase efforts to develop affordable housing to solve the housing needs of low-income people. Give full play to the decisive role of the market in the allocation of resources, and better regulation of the regulatory role of the government. By speeding up the low rent housing, public rental housing construction, expansion of low rent housing and public rental housing benefit coverage, invest in the construction of affordable housing and launch the limit commercial housing. Further research should formulate specific affordable housing property management approach, the implementation of the housing property management system in the districts, the play value of property management services.
2. Clean up idle land, remediation backlog of vacant housing, inefficient development of rural collective construction land, prompting the stock of housing to enter the market as soon as possible. For the idle land resumption, Guangzhou City has taken a series of measures, but how to re-enter the market after the land is recovered, will have to be carefully considered. Under no violation in the early period of the overall urban planning, can be appropriately increased the intensity of land development, appropriate changes to the affordable housing purposes.

*b) Increase the number of construction land, control the residential dwelling size.*

1. According to the Guangzhou city land for industry guidelines, under the total cultivated land ownership control indicators, moderately reduce the amount of construction land; explore the potential to make full use of the stock of urban construction land. Meanwhile, the moderate increase in urban land development intensity, increase floor area ratio and building density, retained space for urban development. In addition to determine the reasonable housing vacancy rate, the appropriate housing vacancy, meet the needs of city of Guangzhou under the background of the rapid development of urbanization.
2. Strict control of residential dwelling size, with a reasonable size and area.

Small family policy implementation increases the small and medium-sized residential family homes, increasing the residential land and commercial housing supply and to crack down on hoarding and speculation, increasing the real effective commodity houses. According to the above forecast of Guangzhou's population change and per capita living area standard,



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the planning scheme of Guangzhou city residential construction is published. The government or developers in determining the plots in each apartment layout control indicators, per site should build more small family model, away from the city center to increase the appropriate proportion of apartment layout, away from the city center to increase the proportion of units appropriate to ensure that the intensive use of land resources.

*c) Establish a unified real estate registration information platform*

Establish a unified real estate registration information platform; promote the process of legislation of property tax. The establishment of a unified real estate registration information platform can play a clear background, to fully grasp the role of real estate information, so that the future of real estate regulation is more well-founded. In addition, after the enforcement of the real estate registration, the property tax will also get technical support, on the basis of "through the reasonable rate setting, the scope of Taxation setting, forcing many property owners to release the idle housing market, increasing the market supply, promoting the house prices down". Regulation of the real estate market economic means to become more prominent, with tax means changing the structure of market demand, adhering to the "investment", to bring the market back to rationality, the property market long-term regulation mechanism gradually formed.

*d) Reform the transfer ways of the land use right*

1. Reform the transfer ways of the land use right and implement annual rent system of the housing land. Practicing a system of paid use of land in China for over 30 years has made great achievements. Increasing land revenue greatly enhances the government's financial strength, improves the urban infrastructure construction, and improves the urban residents living conditions and office. But the land transfer system also has many disadvantages, such as in pursuit of political achievements, local government sold a large amount of land, which not only makes a lot of "land Kings" and indirectly boosts house prices and affect the healthy development of the housing market, also affects the intensive and sustainable utilization of land resources. Reason should be innovative land system; land lease mode should be modified as rent mode, which maintains the stability of the market. Using the way of partial payment for transfer fee of the right to use the land for decades is beneficial to people in country.

## V. Conclusion

The new development of urbanization, urban land use patterns and spatial pattern of real estate will be great changes, which will change consumers' attitude and awareness of the value of residential. In order to protect the housing needs of urban residents, the government must establish a long-term mechanism housing supply. This paper takes the current situation of Guangzhou city housing in 2011 as the research object, analyzes the existing problems of Guangzhou city housing supply, and to predict the future demand for housing in Guangzhou City, and finally puts forward to create the path to Guangzhou city housing supply of long-term mechanism.

Through the analysis of the housing needs of Guangzhou, This paper creates long-term effective mechanism of the housing supply in Guangzhou; it has reference significance for the development of the city. Study of housing supply of long-term mechanism is a systematic project, it involves many fields, and this paper is hard to avoid the omission. Path way in future studies still need to be more comprehensive and detailed market survey, to get more practical long-term mechanism housing path.

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# Philosophy and Policy, then and Now: Unfolding the Rural Tourism Policy Perspectives in Malaysia

By Siow May Ling, Sridar Ramachandran, Ahmad Shuib & Syamsul Herman M. A.
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*Abstract-* The paper examines the evolution of political philosophers from the time of Plato (428 BC), Ibn Khaldun (1406) and Confucius (479 BC) to the current day political philosophers represented by John Dewey (1952) and Harold Lesswell (1978). The paper further examines how this departure has diluted philosophy from the policy making process, from what used to be an integration of philosophy and policy making to separating the philosophical component from it. This is seen as anissue in modern day policymaking as philosophy is legitimately concerned with the human affair and serves as guidance to humanity. Taking it into the Malaysian context, a snapshot of the Malaysian Ecotourism Plan will be used as an example to further illustrate the absence of philosophy in modern day policy making. This policy is important, as it serves as the backbone to the overall conservation of rural tourism in Malaysia.

*Keywords: philosophy, political philosophy, policy evolution, malaysian ecotourism plan, rural tourism.*

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## I. Introduction

The question of why people behave justly is quite uncertain. To some extent people behave because they fear societal punishment, while others are trembling before the notion of divine retribution. Is it possible to seem to behave justly due to the simple fact that there is good in people? The political system has been a central part of every nation's journey in development and growth. In further understanding this, the working definition of the political sciences is the knowledge of and in decision process of the public and civic order (Lass well, 1971). Much debate has been done in various countries talking about the contradictions in public policy and the policy process, or it being an oxymoron. For instance, why is sugar subsidised in Malaysia when obesity is on the rise and is healthy eating is highlighted in the mainstream media? Or a more extreme example, setting out to assassinate people is generally not permitted, neither is setting out to harm, take them prisoner or destroy their shelter and vehicles. But these in a civilised war, where only certain types of people get hurt is acceptable (Shue, 2010).

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Thesesort of questions motivate political scientist to further question the ideological and political persuasion to understand public problems and to find solutions to them (Birkland, 2005).

The political sphere can come in various dimensions. For instance, a school, a university, nation or even the world, however regardless of the scale, it is crucial to highlight that public policies address issues that are public and not private (Birkland, 2005). The knowhow of policy and its sciences should dedicate its solution of societal problems and other human dimensions within the prescribed space and time configurations or context. This is especially related to those having authority over allocation of valued resources be it wealth, power, skill, enlightenment, affection or well being (Brewer, 1973). Political science is not a new phenomenon. In fact, political science has its ancient roots where it has been governing as early as 500bc in the days of Plato in the West and Confucius in the East. The objective of this paper is to compare examples of classical and modern day distinction and evolution of political sciences, its importance and application in the modern day dimension and how can this knowledge be imparted into the context of rural tourism in Malaysia.

## II. Evolution of Policies

The policy science focuses on the relevance of knowledge and in decision making (Lass well, 1971).. The study of public policy is generally seen as an important component of political science (Birkland, 2005). The evolution of human nature has been the highlight of political influence. The history of political philosophy includes many of the greatest most widely works of philosophy (Matravers, 2001). Great classical policy founders like Plato,IbnKhaldun, and Confuciusfor instance initiated a point of departure for the evolution of present day policies.

### *a) Plato*

Plato was born in 428 B.C. in Athens to an upper-class family. His father was a descendent of Codrus (the last king of Athens) and mother Perictione of Solon who is an Athenian lawgiver. Plato has shaped the fundamental social and political by rejecting cynical



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interpretations of leadership as merely an exercise of power inflicted by self-interest elites (Williamson, 2008).This is coined by two major events. Plato was believed to have written the west's first legal theory. He is also responsible to write the west's first systematic philosophies of ethics and policies (Heinze, 2007). The *Republic,* is the first book by Plato to explicitly highlight about the fundamental idea of societal, or political justice, deriving from an analogous concept of individual justice (Plato, 360 B.C.). The *Republic* also mentioned that there were two major events that took place during the time the book was written. Firstly, the assumption of power by two groups namely the Four Hundred and the Thirty. After the Peloponnesian War, Athens was turned into an oligopolised nation, controlled by the wealthy. He was critical about the fact that the government at that point was very instable and oppressive, and was actively trying to restore democracy (Plato, 360 B.C.). Nonetheless, Plato cares not just about justice *per se*, but rather who and how Athens is controlled (Heinze, 2007). The second major event happened when his mentor, Socrates stood before a jury as he was charged for not recognising the gods of the state, of inventing new deities and for corrupting the youth of Athens. However, during that time amnesty was brought upon political offenders. Nonetheless, Socrates was found guilty of other charges but managed to escape a narrow death sentence (Plato, 360 B.C.)

*b) Plato's political view as a philosopher*

Plato expresses his philosophy through dialogues (Osborne, 2006).Plato's work has given practitioners the fundamental concepts of freedom, democracy, rules, positivism, individualism, community, morals, politics and government (Heinze, 2007). His work is divided into three parts which means ethics, epistemology and metaphysics (ontology) and was heavily influenced by other philosophers including Heraclitus, Parmenides and Socrates. The Theory of Forms, the foundation of Plato's work (Robjant, 2012, Silverman, 2012) indicates that all things share a common feature in the universe. Therefore, although a ball regardless if it is a basketball or a circle drawn on a blackboard is round, it shares a common feature in the universe, i.e. a Form. This task of metaphysics is to pass beyond the experience in which the world exists, but also to further understand it (Robjant, 2012).

He believes that the virtue of happiness requires knowledge, that is the knowledge of good and evil (Silverman, 2012). He quotes from the *Republic* that

"Until philosophers rule as kings or those who are now called kings and leading men genuinely and adequately philosophise, that is, until political power and philosophy entirely coincide, while the many natures who at present pursue either one exclusively are forcibly prevented from doing so, cities will have no rest from evils [...] nor, I think, will the human race" Republic, 473 d-e (Plato 1997, 1100) taken from (Bocancea, 2009).

It was also mentioned that the proposed political analogy adopted was the idea of morality constructed within a community (Plato, 1993). Therefore the philosophy to Plato was reviewed as a dialect in which represents the art of contentious reasoning in order to ever last the validation of true options (Bocancea, 2009).Policies and law in his era did not emerge explicitly from changing issues of social and cultural life, nor did it come from the great deeds and inspiring events from predecessors. Instead, they are simply fabricated in terms of well-established principles and procedures by the artisan (Steinberger, 1989). His method does not always lead to the truth, but is seen as a substitute to truth. Philosophy was therefore used to govern and make politics (and or policies) (Bocancea, 2009).

*c) IbnKhaldun*

IbnKhaldun (1332–1406), born in Tunis of Spanish-Arabic descendent and settled in Egypt in 1382 received education from reputed scholars (Chapra, 2008). He was born to a family that held high rankings in the civil services that had connections to the Spanish culture. His family was also connected to the Hafid dynasty and considered themselves part of a foreign elite. (Bocancea, 2009). The era of the Black Death (1340's) claimed the lives of his family including friends, teachers and members of his society (Chapra, 2008). Ibn Khaldun has been acclaimed as one of the greatest of its kind, created in any time or place where is seen as a system of Muslim jurisprudence and adaptation to Greek philosophy (White, 1959).

*d) IbnKhaldun's political views as a philosopher*

In his work, he postulates the notion of "everything is a function of man and a human social organisation" This notion of anthropocentrism (White, 1959) was a barrier especially in instilling social responsibility amongst the political elite. He was seen as one of the greatest figures of the fourteenth century where he was known as a tremendously able politician and rhetoric and jurisprudence (Burns, 2006). He talks about the dynamic theory of development where it talks that a development or decline of an economy or society does not depend on a singular factor, but rather an interaction of moral, social, economic, political and historical factors over a period of time (Chapra, 2008) or generational time (Inayatullah, 1998).

Amongst his work, he mixes philosophy, sociology, ethical and economic considerations that are influenced by physical, nonphysical, social and economic environments. The *Muqaddimah,* the first of his seven books highlighted the importance of social organisation of production in order for an adequate livelihood (Boulakia, 1971). In this book, he particularly tried to analyse the closeness in interrelated roles of moral, psychological, political, economical, social, demographic and historical factors over three



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generations, or 120 years (Chapra, 2000). He talks about the theory of distribution, the theory of cycles and how his theories forces the government to spend more and to levy more taxes bringing about production cycle (Boulakia, 1971).

IbnKhaldun's critique of philosophy and theology was to distinguish his new science from the aspect of political philosophy and dialectical theology. His analysis, was not static but more dynamic and multidisciplinary (Chapra, 2000).He states that these attempts would not show how people should be governed nor take the path indicating that the Islamic system is correct, but rather undertake a scientific examination of the different types of government that have existed and their relation to human nature (Burns, 2006).

*e) Confucianism*

Confucius (551–479 BC) coined the ideology of Confucianism around 2500 years ago. Confucianism has its influence on political, social and cultural ideologies (Fengyan, 2004, Hang, 2011)with a moral and spiritual base. The Han dynasty 202 BC to 220 AD abandoned Taoism and adopted Confucianism as an official ideology (Hang, 2011). This ideology preaches the notion that harmony and cooperation were preferred over disagreement and competition, and it is believed to be once coexisting with Buddhism and Christianity (Fukuyama, 1995). This form of thinking has been a far-reaching influence and dominating on traditional Chinese culture for years (Fengyan, 2004)

*f) The Confucius' political views as a philosopher*

The general principle for good governance would include strive for peace, ideally unified and peaceful. The doctrine includes the notion of one ruler obtaining dominance over the whole world without fighting to gain territory (Bell, 2006). The notion of 'peace' is not synonym with the absence of violence, but it refers to the united world that is governed by benevolence (Bell, 2006, Lam, 2003).

Scholars have questioned this claim of Confucianism's ideology of democracy being contradicting (Hu, 1997, Tan, 2003). For instances scholars postulates that Confucianism as the ideological underpinning of 'oriental despotism', hence dismissing it as anti-democratic (Hu, 1997) and inherently collectivistic, patriarchal and authoritarian (Tan, 2003)but on the other hand also claims that Confucianism is full of humanism and was far from being undemocratic (Hu, 1997). This is due to the fact that Western and Eastern ideologies on democracy are poorly defined and hence would result in a debate of this doctrine (Hu, 1997, Tan, 2003). Tan (2003) postulates that one of the main reasons is that the Western ideologies do not understand the basic philosophies and religious assumptions underlying a particular civilisation.

*g) Modern Day Philosophers and their political views*

*John Dewey*

John Dewey (1985-1952) was considered one of the most significant and influential philosophers in the American history and is well known for his interpretation of pragmatism (Cutchin, 2008, Fott, 1991, Glassman and Kang, 2010, Dalton, 1997). He dwells into the metaphysics of his philosophy in particular concerning the areas of nature and continuity, contingency and change, situated sociality and transactions (Cutchin, 2008). He authored 3 major books including School and Society (1956), How we think (1997) and Democracy and Education (1997) (Fallace, 2012).

His philosophy of pragmatism, where was regarded as a distinctive American philosophy, interpreted as an intelligence in action, not isolated and self-reflective, where it involves intelligent criticism and discrimination of values (Boisvert, 1985). It was known as a philosophical position that brings together the concept of determination by examining the consequences of acting upon that concept, and not by striving to grasp a timeless form that concepts partakes (Fott, 1991). The meaning of pragmatic perspective does not develop hierarchically (top-down) from those with knowledge to those who lack knowledge but instead developed through lateral relationship through individuals working together to create dynamic knowledge (Glassman and Kang, 2010). To further emphasis, in 1902 Dewey placed teachers, and non experts at the center of the process of designing classroom-learning experiences. His argument was that only teachers could psychologise the subject matter as they teach. He further states that this is a reinterpretation of the basic concepts and methods that the teacher could deliver, reflecting in an engaging and powerful way of teaching (Smith Iii and Girod, 2003).

In the context of philosophy, Dewey had a different outset of metaphysics as opposed to the previous scholars of pragmatism. He initially shared his stand on anti-foundationalist worldview such as process, pluralism and the critique of enlightenment philosophy. However, in the last 25 years of his life, he had a radical view that strongly critiqued the a priori basis of reality that surrounds the philosophies of materialism and idealism. Branded as a "reluctant metaphysicist", he then realizes that he had ignored 'life as an experience, an emergent happening'. Therefore, the metaphysics for Dewey was to discover a reality called radical empiricism that is forever immediate and emergent, discovered and created, instead of ultimate, abstract or cognitive reality (Cutchin, 2008).

Much of his work has been a reflection to scholars especially in their interpretation of his metaphysics and his approach on pragmatism (Fott, 1991, Berger, 2008, Turnbull, 2006, Regan, 1978, Smith Iii and Girod, 2003, Swanson et al., 2010). For instance,



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in the topic of policy Dewey postulates that policies be treated as experiments, with the aim of promoting continual learning and adaptation in response to experience over time (Swanson et al., 2010)

*h) Harold Lasswell*

Harold Lasswell (1902-1978), known as the founding father and a contemporary pioneer (Bell, 1993)of public policy as a field of study that would foster and achieve a commonwealth of human dignity for all (Lasswell, 1971). He believed that democratisation was an on-going process and addressed the challenging process of how to ensure that policy-making is an interaction between knowledge, producers and users. His studies include the contribution of important insights, concepts, methodologies and exemplars where he looked ahead of his time (Bell, 1993, Eulau, 1958). However, his main contribution would be his concern with methodology concept of developmental analysis (Bell, 1993) where the methodological problem is nothing but a connecting statement of value of preference, statement of facts and statement of expectations (Eulau, 1958). In the concept of decision making, W. Bell (1993) mentions that Lassell quotes three essential ingredients – facts, expectations and values.

*i) Expectation*

Laswell postulates that making decisions diligently means having expectations of the future and (Bell, 1993) that prediction of the future is the rationale behind any decision-maker's agenda, Lass well has identified that there are three types of decision-making behaviours predicting on three types of level of thoughts (Eulau, 1958, Almond, 1987). The goal-thinker, relating his analysis towards achieving a selection of objectives, the trend-thinker involves the analysis of past trends and the scientific-thinker referring to the analysis of limiting conditions through application of appropriate skill (Eulau, 1958). Laswell further emphasises that 'knowing the future' is not part of the decision-making process, but he understood that various alternatives might be presented as possibilities for the future. This would be seen as real and that deliberate decision making is inconceivable without some knowledge of predicting the future (Bell, 1993)

*j) Facts*

In the concept of decision making, W. Bell (1993) mentions that Lass ellunder stood that making a conscious decisions would fall upon having a worldview. A worldview seen as a basic set of beliefs that guide action (Lincon and Guba, 1985), beliefs about how the world really is and how it works including understanding the cause and effect relationship and understanding trends (Bell, 1993). In Las well's work, he also commented that cognitive maps of physical and social realities from navigating and manipulating the world would require some knowledge on how realities work.

*k) Values*

The classification of goals or base value included power, wealth, respect, well-being, affection, skill, rectitude, and enlightenment (Almond, 1987) were also understood by Lasswell as a part of decision making and policy making. This was considered the basis towards the guessing the consequences of action while judging the relative goodness or badness of that different consequences (Bell, 1993).

*l) Joining the dots, the old and the new*

Philosophy is not a contemplation, reflection or communication. It is not a contemplation because contemplations are things themselves as seen in creation of a specific concept, not a reflection because philosophy is not needed to reflect on anything, and philosophy does not find refuge in communication (Deleuze and Guattari, 1994). The theme of philosophy is broad, and hence indefinite and can be seen from various points of views (Heidegger, 1956). However, May (1992) suggests that:

"We all 'do philosophy' in the ordinary course of our work, no matter how diverse our interests and approach to inquiry"

However, she also suggests that if the person pays more attention to when and how philosophies are used, a more thoughtful outcome can be produced (May, 1992). Hook (1970) has similar thoughts where he mentions that philosophy is legitimately concerned with large problems of human affairs and that philosophers should have a say in issues concerning the public. But most importantly, philosophies are guidance to humanity (Nussbaum, 1998).

In the era of Plato, they established true aristocracy of Greek philosopher-politician regime (Salkever, 2007), whereby ruling to them was a simple fabrication of technical matter of construction or fashioning laws and institutions (Steinberger, 1989). IbnKhaldun and Confucius were also great philosophers and also served as policy makers. This would be a reasonable relationship as philosophical underpinnings would be useful in managing strategies (Mir and Watson, 2000). However, authors have questioned the basic principles of ethics, political philosophy (Ferguson, 2004) that should be within the policy making system (Bell, 1993).

The question now lies in the modern philosophers, and where their stance is in their say of policies. John Dewey believed that the central and continuing issue revolving around philosophy involved the problems of moral choice and that policies were the means as to how all humans must act (Hook, 1970). In the case of Lass well, he claimed that political philosophy with its rational methods has no better claim than the capacity to set future goals in the area of social science (Easton, 1950). As mentioned earlier, the concept of decision making, W. Bell (1993) mentions that Lassell quotes three essential ingredients – facts,



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expectations and values. It is believed that both Dewey and Lass well are merely 'preaching' about their philosophical underpinnings and thoughts on public policy but none of them were actively involved in the actual constructions of policies.

This shifts from the early days where philosophers and politicians were the same people and today where political philosophers and policy makers may be two separate individuals. In modern day policies, it is reasonable to assume that some overlap of philosophers and politicians may occur.

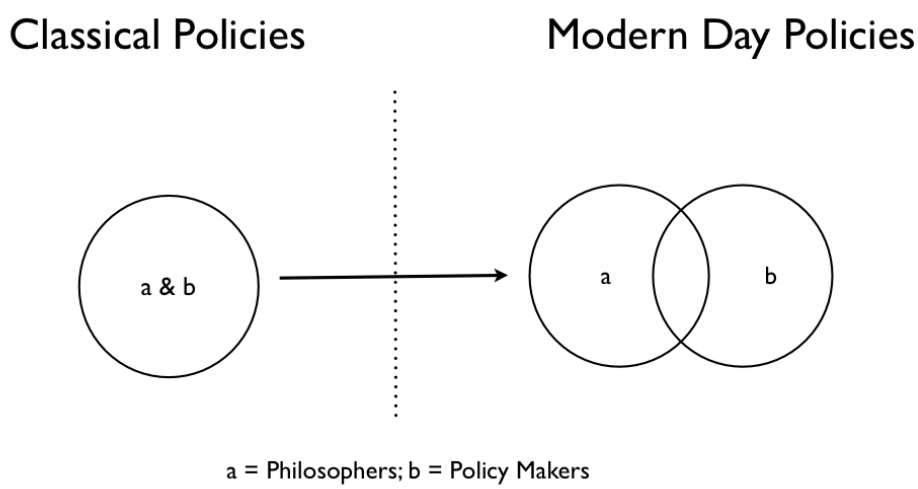


*Figure 1 :* illustrates the possible linkages and evolution of policies and philosophers, then and now.

*m) Rural Tourism Policies in Malaysia*

Malaysia has always placed rural development as their forefront of its development plan. In the 7th Malaysian plan, the government highlighted the importance of community participation in tourism. Also highlighted in the 9th Malaysian plan were to create opportunities for farmers to expand and diversify agricultural products such as agro tourism (Kunasekaran et al., 2011). Nonetheless, the success and the sustainability of it depends on the role of the government and its agencies in formulating policies, shape practices and deliver services (Baum and Szivas, 2008).

Research has found that despite all these policies, conservation enactments and legislations and efforts to conserve the environment are in place, recent studies have shown that it is still evident that the concerns regarding the protection and conservation of these areas remain a topic amongst scholars (Corpuz, 2008, Jakobsen et al., 2007, Praveena et al., 2012, Teh et al., 2005, Teh and Cabanban, 2007). Also a similar study postulates that there is serious attention that needs to be focused on the policies surrounding tourism and ecotourism in order to mitigate further environmental impact (Siow et al., 2012).

In the Malaysian rural tourism context, policies pertaining to conservation of environmental impacts would be The National Ecotourism Plan. This plan, drafted by The Ministry of Culture, Arts and Tourism and World Wide Fun for Nature (WWF) in 1996sets as abackbone towards rural tourism policies in Malaysia. The aim of this plan is to assist the Government both at Federal and State level in the development of Malaysia's ecotourism potentials, with the effective tools for conserving of the natural and cultural heritage of the country while providing socio-economic benefits to the local communities (Chin, 2010).



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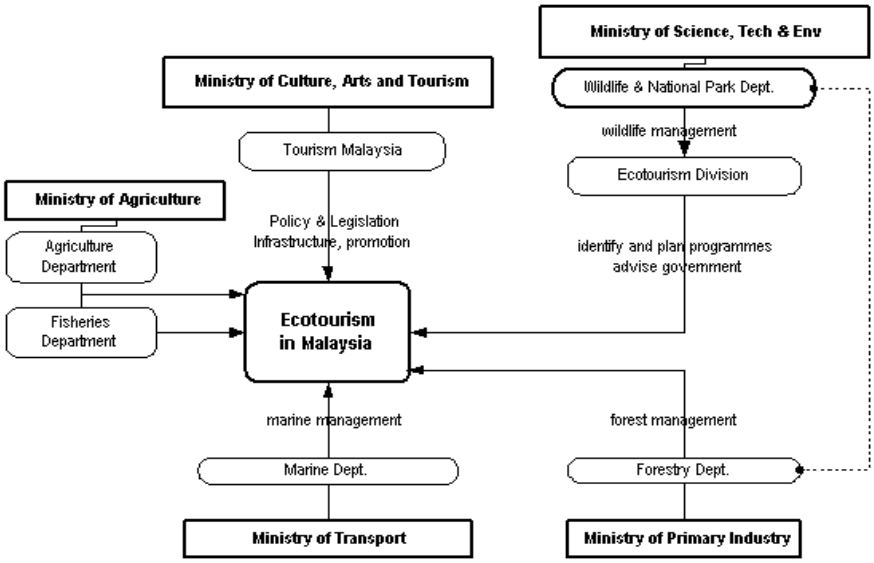


*Figure 2 :* The engagement of ministries and department in the formulation of the Malaysian Ecotourism Plan (Mohamed, 2002)

Figure 2: shows the organisation in which the policy was formulated. At first glance, it is seen that no philosophers or political philosophers were present in the making of this policy. However, it is unknown at this juncture if philosophers were consulted or were within the policy makers themselves. Nonetheless, it is imperative that philosophy be taken into account as it serves as a practical guide to humanity (Nussbaum, 1998, Hook, 1970) and democracy (Plato, 2003, Bell, 2006, Tan, 2003).

## III. Conclusion

Plato's philosophy was influenced heavily by Socrates (Plato, 2003), George W. Bush's philosophy was heavily influenced by Jesus Christ (Persons, 2004). As philosophy involves the problem of moral choice and policy (Hook, 1970), philosophy should not be isolated from the policy making process. While philosophy can mean different things in different disciplines (May, 1992) the rural tourism industry in Malaysia is no exception. This is because this industry touches on three major dimensions which are economic, social and environmental situations while addressing tourism policies (Blancas et al., 2011). Therefore practical guides to ethics, humanity and democracy must be part of the system.

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# Stimulating Attendees' Leisure Experience at Music Festivals: Innovative Strategies and Managerial Processes

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*Introduction-* A number of important qualitative changes in demand have taken place in recent years, such as the rise in education, income and status levels in the market (Richards 2007). This means that the public's general knowledge is increasing, making them become more demanding and better informed. This change, along with greater interest in experiences (Monteagudo 2008) and creativity and the growing presence of technology, social media and digital platforms (Bryce 2001; Castells 2001, 2005; Gere 2002; Lévy 2007; Qualman 2009; Nimrod and Adoni, 2012; Fernandez 2013) is forcing many industries to shiftfrom the traditional management model to a new one where the main actor is the audience and what they feel, with the offer focusing on facilitating memorable experiences (Pine and Gilmore 1999; Monteagudo 2008) rather than merely selling information or services..

*GJMBR-F Classification : JEL Code: L85*

STIMULATINGATTENDEESLEISUREEXPERIENCEATMUSICFESTIVALSINNOVATIVESTRATEGIESANDMANAGERIALPROCESSES

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# Stimulating Attendees' Leisure Experience at Music Festivals: Innovative Strategies and Managerial Processes

June Calvo-Soraluze [α] & Ana Viñals Blanco [σ]

## I. Introduction

A number of important qualitative changes in demand have taken place in recent years, such as the rise in education, income and status levels in the market (Richards 2007). This means that the public's general knowledge is increasing, making them become more demanding and better informed. This change, along with greater interest in experiences (Monteagudo 2008) and creativity and the growing presence of technology, social media and digital platforms (Bryce 2001; Castells 2001, 2005; Gere 2002; Lévy 2007; Qualman 2009; Nimrod and Adoni, 2012; Fernandez 2013) is forcing many industries to shiftfrom the traditional management model to a new one where the main actor is the audience and what they feel, with the offer focusing on facilitating memorable experiences (Pine and Gilmore 1999; Monteagudo 2008) rather than merely selling information or services.

The same trend is taking place in the events sector and more specifically in the case of music festivals. Current audiences do not attend festivals and merely listen to the concert, but are simultaneously tweeting, taking photos or videos to upload them, sharing the opinions of the concert with their Facebook or Whatsapp friends. This shows an evolution in the way people attend festivals and a change in their expectations of music events. This transformation constantly challenges festival creators and managers to reinvent their festivals to achieve the attendee reactions they desire (Bonet 2009; Calvo-Soraluze 2011, 2013). Therefore, festival managers intend to maximize and enrich the experience taking into account the aspects that today's attendees' value most such as interactivity (Kerckhove 1999; Bryce 2001; Nimrod and Adoni, 2012), participation or emotional bonds (Iso-Ahola 1980; Nicholson and Pierce 2000, 2001; Monteagudo 2008; Torralba 2010; Kleiberet al. 2011; San Salvador del Valle 2011).

Hence, the goal of this chapter is to find out what innovative strategies and managerial processes current festivals are implementing in order to stimulate their attendees' leisure experience and achieve more dynamic participation and engagement.

In the first part, we examine the phenomenon of the network society and digital culture as a way to understand the context we live in and the main changes that technology is bringing to current society. In the second part, we delve more deeply into social media as a social digital phenomenon that is changing the way we communicate and interact in different contexts. In the third part, we focus on the influence of technology and social media in music festival management to subsequently analyse the innovative strategies and managerial processes that current festivals are implementing. In the fourth part, we concentrate on a specific case: the BBK Live Festival. Finally, in the last part, we present a brief conclusion of the main ideas and some lines for further research.

## II. Network Society and Digital Culture

The spread of Information and Communication Technologies (henceforth ICTs) together with the development of network infrastructure (Internet) and the democratization of Social Media (social networks, blogs, wikis, virtual communities, etc.) have resulted in a digital and social revolution that has transformed and digitalized many areas of human action. Consequently, time and space dimensions, which are constituent elements of human life and culture, have been altered. Localities are becoming detached from their cultural, historical and geographical significance and reintegrating into functional networks or collages of images causing a *space of flows and time is being rescheduled, becoming continuous and timeless* (Castells 1997).

The number of Internet users increases day after day and there are currently 2,405 million Internet users worldwide, which accounts for almost 35% of the total world population (Internet World Stats 2012). Internet is already infrastructure of our lives (Castells 2013) and cyberspace is seen as a social, cultural, educational, work and leisure environment, as well as a new context for civic participation and the enjoyment of digital culture, among others. The Net is something more than a support, a mere communication tool or a

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platform for online services, and is now becoming an important virtual environment for cultural coproduction, exchange and collaboration. A real laboratory for social and emotional experimentation (Aranda and Sánchez-Navarro 2010) and a space to learn and empower citizens (Reig 2013).

As a consequence, the traditional way of understanding "culture" has changed (Uzelac 2010). The Network has caused new social paradigms to emerge, which are now called "Global Informational and Transformational Era" (Fernández 2013), 'Cyber Culture' (Lévy 2007; Kerckhove 1999), "Age of Information" (Castells 2005), "Digital Culture" (Gere 2002), "Network Society" (Castells 2001), "Third Environment" (Echeverría 1999), "Digital World" (Negroponte 1995) or "Knowledge Society" (Drucker, 1994), among others. This new social paradigm has some inherent characteristics such as interactivity, connectivity, hyper-textuality, ubiquity, synchronicity anonymity, virtual reality, transparency, totality, convergence, immersion, random access, mobility, (Kerckhove, 1997; 1999; 2005; Nimrod and Adoni, 2012) which have exerted a significant influence on social behaviour and changed the way that culture is conceptualized.

All these characteristics inherent to the Internet have contributed to establishing cyberspace as a large server that hosts an infinite amount of fragmented data which is created, destroyed, mixed and modified thanks to the joint action carried out by people through online connections (Siemens, 2006). The digital nature of data with the design of the Internet as an open network (O'Reilly, 2005) has enabled the construction of an online digital culture catalogued as digital heritage. So, how can we define "culture" in the digital era?

The rapid development and deployment of ICTs globally have prompted the need to take a new approach to the term "culture", establishing and more precisely redefining it to include the influence of the intrinsic characteristics of the network in the culture that we have previously underlined. Mass-scale implementation of digital innovations and the constant proliferation of online content have brought about great opportunities for the cultural sector. One of the most noticeable impacts of the development of digital technologies has been their impact on all sectors of the value chain for classic works of art. "From creation to production, distribution and consumption of cultural goods and services, including the demands, uses and ways in which culture is enjoyed" (European Commission 2010).

The Digital Era has influenced a large cultural industry which, according to Eurost at (European statistics database), covers eight areas: monuments and heritage, archives, libraries, books and press, visual arts, architecture, performing arts, audio-visual and multimedia; and six functions: preservation, creation, production, dissemination, trade, and education. A new digital economy where the intangible value of culture determines material value has been created. This is due to the fact that consumers want to have new enriching experiences as well as content (Pine, J.B. and Gilmore, J. H. 1999).

Access to the net, remixing content and interaction as opposed to contemplation, are the keys to the new digital formats. These are new processes linked to online, distance and collaborative work which, on the one hand, have made possible the creation of a more social and collective culture and, on the other, have fostered a more ephemeral, diffuse and fragmented kind of art. The means of cultural production and distribution are now more readily available than ever, and the boundaries between creators and audiences are being reinvented at an increasingly faster pace, and in a more permeable way. This causes the exchange of roles between creators and receivers to occur more easily. Today's consumers are also culture producers, hence the emergence of "cultural prosumers", people who, thanks to the Net, not only consume digital cultural content, but also produce it.

Today's digital cultural content is defined by the parameters of co-creation, collectively created content (Lévy, Rheingold, Surowiecki, 2004), sharism (Mao, 2008), remix of contents, active participation, collaboration, converge of media (Jenkins, 2008), trans media narratives (Scolari, 2013) etc. In other words, the Internet has become "the largest shop-window in history; it is the expression of a way of producing, disseminating, sharing and consuming culture which tends to prevail" (Igarza, 2012:153).

Hence, the UNESCO (2003) had to adapt and include the emerging digital cultural contents in the official categorisation of "cultural heritage". Heritage is defined in UNESCO documents as "our legacy from the past, what we live with today, and what we pass on to future generations". Heritage is something that is, or should be, passed from generation to generation because it is valued. In the digital era humans are creating and sharing digital resources – information, creative expression, ideas, and knowledge encoded for computer processing - which they value and want to share with others over time as well as across space. So, in a digital context, the definition of "cultural heritage" also needs to be re-formulated.

According to the "UNESCO Charter for the Preservation of Digital Heritage"[1] (2003) the digital heritage consists of:

> "Unique resources of human knowledge and expression. It embraces cultural, educational, scientific and administrative resources, as well as technical, legal, medical and other kinds of

[1] Available from: http://portal.unesco.org/en/ev.php-URL_ID=17721&URL_DO=DO_TOPIC&URL_SECTION=201.html (Last accessed on 15 February 2014)

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information created digitally, or converted into digital form from existing analogue resources. Where resources are "born digital", there is no other format but the digital object. Digital materials include texts, databases, still and moving images, audio, graphics, software and web pages, among a wide and growing range of formats. They are frequently ephemeral, and require purposeful production, maintenance and management to be retained. Many of these resources have lasting value and significance, and therefore constitute a heritage that should be protected and preserved for current and future generations. This ever-growing heritage may exist in any language, in any part of the world, and in any area of human knowledge or expression" (UNESCO, 2003:75)

For this reason, in the digital age "cultural heritage" [2] does not end at monuments and collections of objects (tangible cultural heritage such as movable cultural heritage paintings, sculptures, coins, manuscripts etc.; immovable cultural heritage monuments, archaeological sites, and so on; and underwater cultural heritage shipwrecks, underwater ruins and cities), intangible cultural heritage (traditions or living expressions inherited from our ancestors and passed on to our descendants, such as oral traditions, performing arts, social practices, rituals, festival events, knowledge and practices concerning nature and the universe or the knowledge and skills to produce traditional crafts) and natural heritage (natural sites with cultural aspects such as cultural landscapes, physical, biological or geological formations). The cultural heritage of the digital era also includes "digital heritage" made up of computer-based materials.

Whereas in theory (position 1), we can consider digital culture as the sum of tangible, intangible, natural and digital cultural heritage and, in praxis (position 2), we can define digital culture in a double direction: on the one hand, as the digitization of traditional cultural contents or practices and, on the other, as the materialization of, originally digital heritage. The point (position 3) at which all stances cross gives rise to what we understand as our present-day cultural model (see figure 1). A new space supporting communicative needs, creative practices, new trans media narratives and social transformations; a context that we are unable to control and that is gradually encroaching on our daily lives.

Nevertheless, although the theory shows a digital culture based on the values of co-creation, participation and collaboration, many studies demonstrate a different digital content reality. There are some researches which have analysed the use that citizens in general, and youth in particular, make of the Internet (Aranda, Sánchez-Navarro, Tabernero, 2009; Bringué, Sádaba, 2009; Busquet, 2012; Fumero and Espiritusan to, 2012; MacArthur Foundation. Reports on Digital Media and Learning, 2010; Pew Research Center's Internet and American Life Project, 2012; Ito, 2009), and the majority have noted a tendency for it to be used superficially.

Thus, what happens in the case of music festivals? Do festival managers take advantage of the use of social media to stimulate attendees' leisure experience? In the third part of the article we focus on the influence of technology and social media in music festival management to subsequently analyse the innovative strategies and managerial processes that current festivals are implementing. However, we first describe the different uses of the Internet. How rewarding our digital experiences will be basically depends on the use we make of ICTs and social media.

## III. Different uses of Digital and Social Technologies

The Internet is the widest and fastest technological revolution in history, and in only 23 years has become a real social and digital revolution. In 1990 the Internet was little more than a promising technology redoubt of a minority of power users and companies offering Internet services and information seekers. In the first stage of the Internet (Web 1.0), these companies simply used the Internet as a channel to publish information about their products and services, so users merely adopted a passive attitude and consumer networking products for their individual benefit. However, as a result of the development of all kinds of increasingly accessible, cheaper and easier to handle digital technologies, social media and web applications; the network has evolved today into a real techno-social environment.

In just over 10 years, the Internet has gone from being a static platform (Web 1.0), to become a social and participatory space (Web 2.0). The year 2000 marked this paradigm shift in the network (second stage of Internet) placing people (users or audience) in the centre of the virtual action as protagonists, offering them the ability to create and generate content and services online. Therefore the Internet and social media, as a social digital phenomenon, are gradually changing almost all the spheres of man's life (communication, politics, education, participation, employment, leisure etc.). However, what we are referring to when we talk about "social media"?

### *a) The Social Media Revolution and the Power of Social Networks*

Social media is the set of an infinite number of applications and digital network services which enable

[2] Although other UNESCO heritage websites such as the submarine heritage or heritage in the event of armed conflict specify this, we collect only the main categories. See: http://www.unesco.org/new/en/culture/themes/illicit-trafficking-of-cultural-property/unesco-database-of-national-cultural-heritage-laws/frequently-asked-questions/definition-of-the-cultural-heritage/ (Last accessed on 15 February 2014)



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people, as users, to evolve from being mere spectators and consumers of what the Internet offers, to become creators and generators of content and services. However, it is important to highlight that when we talk about social media we are referring not only to social networks, because the concept of social media encompasses much more than social networks and refers to blogs, virtual communities, wikis, forums etc.

Therefore, today, it is very common to talk about concepts such as Web 2.0, Social Web, Web of persons, Next Generation Web, Web of People, Web hypermedia, participatory Web, etc. That is, different notions used to define the virtual space where the user is king (Nafría, 2007). People connected have the possibility to participate in networks proactively, providing content and knowledge network, transforming and modifying existing information, generating debate and ultimately contributing to the momentum of the so-called collective intelligence (Lévy, 2004), the power of smart mobs (Rheingold, 2004) or the wisdom of crowds (Surowiecki, 2004).

The Revolution 2.0 has promoted cyberspace that hosts an infinite number of services, digital applications and data. Thus, it is extremely complicated to draw up a complete map that includes social media and tools covering all the sub-universe 2.0 and which is also valid over time. However, some authors have made different categorizations to show an overall idea of the mass social phenomenon that led to the network of networks. As an example, we show the structure of social media established by Cristobal Cobo Romani (2007) who designed a media map 2.0 based on four main lines that form the four pillars of the Social Web: 1) *Social Networking tools* designed to create spaces that promote or facilitate the creation of virtual communities and instances of social exchange; 2) *Platform contents* that encompass all media that support reading and writing online as well as their distribution and exchange; 3) *Resources* for optimum social and intelligent organization of information that serve to tag, organize and index, and facilitate order and information storage; and 4) *Mashups* that include all kinds of tools, software, online platforms and hybrid resources created to provide value-added services to the end user.

However, the social media revolution would not have been so successful without the parallel revolution of social networks. In just 10 years, hundreds of people have included social networks in their daily lives[3]. Therefore, referring to social networks means talking about life, society and people, this is nothing new. The concept of social network is not something that has emerged with the arrival of the Internet. Its social meaning and scope date back to an era before the Internet and computers. However, it is important to note that social networks are not just connected computers, but are real people who create online community, in this case called virtual communities.

In the last five years, social networks have developed into an authentic social and mass phenomenon. The innate characteristics of the Internet have introduced four radical changes in the way we interact socially: enormity, community, specification and virtuality. These characteristics have made social networks a true social, digital and mass revolution that, for some authors, is simply a fashion or trend. Nevertheless, at present it is transforming the way we live and interact.

In essence, social networks offer new forms of communication. Depending on the use made of them, it is possible to distinguish different types. The barrier separating some other types is sometimes very thin, and their classifications depend on the author. For example, the consulting agency The Cocktail Analysis distinguishes between "pure social networks: Facebook, My space, Hi5, LinkedIn, Spaces, Xing, Twitter or Badoo, among others, and "social network of community-communication", that is, networks which mainly focus on creating community-communication, such as forums, blogs, video platform YouTube or leisure virtual communities. Other authors, however, made simpler distinctions, distinguishing between "vertical social networks "(thematic networks, photography, music or video) and "horizontal networks" (networks of personal, professional and microblogging contacts). Meanwhile, Muñoz Calvo and Rojas Llamas (2009) classify social networks into four groups, depending on the purpose for which they are used:

- Personal Social Networks
- Professional Social Networks
- Thematic Social Networks
- Local Social Networks

In short, social networks as a whole are networks whose main use is communication. However, it is very common to find that such digital tools are used for "hipercomunication" i.e., to communicate, to inform, to build, to maintain networks, to share, to participate, to collaborate, to gossip etc. It is important to know about the different uses of the Internet and reflect on how we actually use it. Because do we take advantage of potential Internet and social media users? Do music festival managers use them to stimulate their attendees' leisure experiences and achieve more dynamic participation and engagement?

*b) Different Uses of the Internet, Social Media and Social Networks*

To answer these questions, we refer to two models of analysis. The first has been developed by the social psychologist Dolors Reig (2012), who distinguishes between three levels of technology use:

[3] More information: https://www.youtube.com/watch? v=HOqRjNXxXBA; https://www.youtube.com/watch?v=0eUeL3n7fDs



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1. ICT: Information and Communication Technologies
2. LKT: Learning and Knowledge Technologies
3. EPT: Empowerment and Participation Technologies

Thus, far from considering digital media as being exclusively Information and Communication Technologies (ICT), the digital network culture is leading us to understand technology, as noted by the social psychologist Dolors Reig, as Technologies for Learning and Knowledge (LKT) and Empowerment and Participation Technologies (EPT). That is, as digital tools that ultimately enable our enjoyment, involvement and personal development through the Net.

On the other hand, the categorization by Irvine researcher Mizuko Ito (2010) and her team is worth mentioning. They identified three participation genres that describe different degrees of commitment to media engagement: *Hang Out, Mess Around and Geek Out*. These three genres are a way of describing different levels of intensity and sophistication in media engagement with reference to social and cultural contexts, rather than relying exclusively on measures of frequency or assuming that certain forms of media or technology automatically correlate with "high-end" and "low-end" forms of media literacy.

- *Hanging Out* refers to communication, relationships, gossip, chatting, flirting and dating with the desire to maintain social connections to friends.
- *Messing Around* represents the beginning of a more intense, media-centric form of engagement; that is people begin to take an interest and focus on the workings and content of the technology and media themselves, tinkering, exploring, and extending their understanding. It involves experimentation and exploration with relatively low investment, where trial, error, and even failure have few consequences.
- *Geeking Out* involves learning to navigate esoteric domains of knowledge and practice and participating in communities that traffic in these forms of expertise. It is a mode of learning that is peer-driven, but focused on gaining deep knowledge and expertise in specific areas of interest. As in the case of messing around, geeking out requires the time, space, and resources to experiment and follow interests in a self-directed way.

These two models on the use of technology serve us as a basis for analysing how the music festival organisers use digital technologies as a part of their strategies and managerial processes. In the case study (Bilbao BBK Live Festival) presented in this article we compare these two models with reality. We first describe how technology and social media influence management of music festivals.

## IV. The Influence of Technology and Social Media in the Management of Music Festivals

The growing presence of social networks and the new applications of technological devices such as mobile phones and tablets in daily life open new and unsuspected horizons in the field of experiences and co-creation (Bryce 2001; Nimrod and Adoni 2012) which can be applied in the events sector. In fact, technology and social media are increasingly being used in music festivals to heighten the leisure experience.

Furthermore, current audiences do not go to festivals and just listen to the music; they are tweeting, taking photos or videos to upload them, sharing their opinions of the concert with their Facebook or Whatsapp friends and many other activities that involve some form of technology, digital application or social media. In fact, 92% of the people that attended a European music festival in 2013 used Facebook, followed by Youtube 71%, Twitter 33%, Instagram 32%, and Google Plus 20% (EFA & CGA 2014). This shows an evolution in the way people attend festivals and a change in their expectations of music events. This transformation challenges festival creators and managers to constantly reinvent their festivals to achieve the attendee reactions they desire. Therefore, festival managers intend to maximize and enrich the experience taking into account the aspects that todays' attendees value most, such as interactivity, participation or emotional bonds.

For this reason, festivals across the world are beginning to use technology and social media sites before, during and after the event to further promote their festivals, and add another layer to the festival experience. Almost all the European festivals are present on all the personal social networks and some thematic ones for music (Spotify, Deezer and Vevo) and video (mainly Youtube). Festivals use these social platforms to offer promotional deals, release teasers or create personalized playlists. Some of the most interactive ones like *Primavera Soundor Melt! Festival* also create official forums and blogs so that the public can give their opinions, pose doubts or suggest ideas.

Some other festivals are also using social media for people who could not attend the event to help them enjoy it from afar and create a loyal fan base offering live streaming through their own social media channels. Many of them also have agreements with social networks like YouTube to offer live streaming concerts or clips from festivals. In fact, consumption of streaming video over the top (OTT)[4] and streaming

[4] Over-the-top content (OTT) refers to delivery of video, audio and other media over the Internet without a multiple system operator being



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music services are the two fastest growing sub-segments according to the PwC report *Global entertainment and media outlook* with annual rates of 28.1% and 13.4% respectively.

Related to audio-visual content, some festivals are trying to find new ways of introducing the line-up and promote the event. For instance, *Primavera Sound* created a short and featured a preview screening in some cinemas, uploading the content on YouTube afterwards. In the case of *Tomorrow land*, the festival is well known because of the after movies they create and upload on YouTube following each edition of the festival.

Most of the festivals also have official mobile apps that can be downloaded to any smart phone. Most of these applications are free and contain important information about the festival. Although each festival includes different functions and services with the application, the free download usually contains: set times, a map of the festival site, information about the performers, camping and transportation options, the ability to scan food vendor menus, create custom schedules, rate food items or take pictures with Instagram. The most advanced apps also send push notifications during the festival notifying fans of set changes and secret pop-up shows.

Due to the growing importance of mobile phones at festival sites, some such as *Roskilde* Festival or *Jelling Musik festival* are including mobile charging stations or portable chargers. Therefore, festival goers do not have to worry about running out of power and they can be connected during the whole festival. The mobile charger connects with a short cable to the phone, for the charger to easily fit into a pocket, bag or wherever it suits the attendee. It recharges the phone allowing festival goers to focus on enjoying the festival and share their experience anywhere at any time.

Some of the most innovative festivals are even integrating smart wristbands that are connected to social networks and allow the audience to publish new states on their Facebook wall directly or know who of their Facebook friends are at the festival site. There are festivals like the *Benidorm Low Festival* that currently use this technology and call themselves a 2.0 festival.

All these uses of technology and social media are changing interaction with and among the audience, and, as a consequence, the design process and management of the festival. Hence, technology is making a major difference in the industry. Some of the aspects that have been transformed are (EFA & CGA 2014):

- The way managers understand the audience at their festival. New information and communication technologies, personal computers, Internet and mobile phones, have drastically changed norms and practices in all life domains. Individuals' access to leisure and culture, leisure behaviour and experiences have been transformed, changing the ways in which people spend their time, determining their cultural preferences and developing their social ties and networks (Bryce 2001; Nimrod and Adoni 2012). Therefore, technological change has influenced concepts of leisure and its organization, both in terms of access and experience (Bryce, 2001). Social networks, blogs, forums and the Internet in general offer new ways not only for the festival and the audience to communicate, but also to understand behaviour, collaborate and co-create. Thus, managers have new possibilities to comprehend and engage the audience. In fact, managers can use social media analysis tools in order to understand ticket-buyers and the potential audience more fully than ever before.
- The option to reach thousands of people. By the end of 2013, Facebook was being used by 1.23 billion users worldwide (monthly active users), adding 170 million in just one year (Kiss 2014). The average monthly active users on Twitter were 255 million as of March 31 2014, an increase of 25% per year (Twitter Report 2014). YouTube has more than 1 billion unique users visiting each month and is localized in 61 countries in 61 languages (Youtube Statistics 2014). The Instagram community has grown to more than 200 million users capturing and sharing their photos every month (Instagram blog 2014). All these numbers show the potential that social networks and the Internet offer for a festival to reach thousands of fans in a faster and a more direct way than ever before.
- The chance to be connected to the audience the whole year. Those communications are no longer restricted to audiences for a few months before and after the event; they can now continue 365 days a year. This enables ideas to be put out to fans to obtain their feedback. This deeper understanding of fans is being used by the most savvy to take a lot of the guesswork out of catering to their consumers' desires. This better understanding of the audience can be used not only to improve the festival, but also to increase users' participation and engagement. The option of developing the potential of festivals through networks and collaboration with technology companies. Nowadays, creativity from technology companies is improving event design and the way promoters manage festivals in many ways, helping them understand more, communicate more, plan better, and be more efficient. Some advanced technologies introduced in festivals

involved in the control or distribution of the content. The provider may be aware of the contents of the Internet Protocol packets but is not responsible for, nor able to control, the viewing abilities, copyrights, and/or other redistribution of the content. This is in contrast to purchase or rental of video or audio content from an Internet service provider (ISP), such as pay television, video on demand or an IPTV video service, such as AT&T U-Verse.



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include cashless payment methods, sophisticated planning software, high speed wireless internet at greenfield sites, the use of live streaming as a powerful marketing tool, increasingly sophisticated apps and the like (EFA & CGA 2014).

Another important sign that technology and social media are making a major difference at music festivals is the creation of the community manager role. Although many different business companies are also bringing this role into their firms and it is not exclusive of the events sector, the community manager role is more important at music festivals than in any other kind of business. This is due to the seasonal, intangible and experiential character of festivals where the importance of keeping in touch with the audience becomes the key to the success of the next edition.

Community managersare responsible for building and managing the festival's online community on the Internet by creating and maintaining stable and lasting relationships with fans, getting them involved. Among other things, they are in charge of the following tasks (AERCO 2009; Jason Keath2012; The Community Roundtable 2014):

- Create attractive and qualitative content. Not only on social networks, but also on other online platforms for the festival such as the webpage, the blog or digital apps. The key is to have a holistic strategy for all the online platforms for the festival and manage them as a 'digital eco-system'.
- Know their target. Not only fans, but also potential ones. Thus, they can set out the strategy and identify the actions that will be most successful among the different targets.
- Know the best time to publish the content. There are tools that indicate the best time of the day and the best day of the week to ensure the content will have greater acceptance. There are also tools to schedule the publishing of the content. It is advisable to schedule content not only for primetime (although the best is to focus on these slots), but also for the rest of the slots in order to reach all the different targets.
- Monitor their own publications, analysing their acceptance and engagement by users. The most common way to do so is to measure the number of likes, comments and shares of the content. This indicates the engagement rate. For instance, in the case of Facebook, the rate can be calculated as follows (Leander 2011; Socialbakers 2013):

Average Post Engagement rate (on Facebook) = Likes + comments + shares on a given day / Wall posts made by page on a given day / Total number of fans.

The rate number means the number of interactions fans have per post on average. The results (by percentage) can be explained in the following way: above 1% engagement rate is good, 0.5%-0.99% is average and engagement below 0.5% most likely means that the organization needs to realign the messages to the audience's expectations and in the process attract more compelling and engaging messages from the community members.

- Identify intermediaries. Fans who are able not only to interact, but also to recommend and defend the festival. The community manager must know these intermediaries, their tastes and motivations to carry out specific actions and increase their level of participation and engagement.
- Monitor all the publications and news from the industry. The community manager ends up becoming the eyes of the organization on the Internet. This practice is not only useful to identify opportunities and threats in time, but also to detect the most relevant content from the competition and the industry.

Due to the importance of this role and its increasing professionalization, a new company has recently been created to help different organizations in the music sector. This firm is called Music+ and is the first digital marketing agency for the music industry (Hernández 2014). The agency is formed by a multidisciplinary team of experts who are capable of identifying and addressing the needs of the music industry through consulting digital promotion, social media, online revitalization and technology in a customised way. The agency argues that is not enough to have a community manager role or allocate a budget for online advertising without a strategic vision and resource optimization (Music+ official website[5]). The main challenge lies in being open to new practices and ways of working, but always with a pragmatic sense in which the tools used and the data go far beyond being mere information to become key pieces in the overall strategy of the industry.

Hence, technology can make extremely large contributions and transformations to promote co-creative and memorable event experiences at music festivals. The question is how managers can use technology and social digital platforms to its full potential and bring it into the festival to achieve audience engagement. As Erik Qualman says "We do not have a choice on whether we do social media, the question is how well we do it" (Qualman 2009).

## V. A Case Study: The bbk Live Festival

Bilbao BBK Live is a rock and pop music festival that takes place every July in the city of Bilbao, Spain, for three days. Since its beginnings, the festival has been held in its entirety at a special complex built

[5] www.musicplus.es



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specifically for the event on the slopes of Mount Cobetas, located southwest of the city. The festival area is 100,000 square meters, with the capacity and the infrastructure to accommodate 40,000 people per day. The festival area has four stages, VIP areas, backstage, a wide variety of food stands, sponsorship stands, camping area, market and free bus service every five minutes to the festival area from Bilbao and Barakaldo (Last Tour International Report, 2014).

The first edition was organized by the Basque musical promoter Last Tour International and sponsored by the Bilbao City Hall in the year 2006 under the name of *Bilbao Live Festival*. Since the following year, the festival has been sponsored by the local savings bank Bilbao Bizkaia Kutxa (BBK), which gave it its current name. The festival is the first of its kind and size to be held in the region. In the 2011 edition, the festival had over 100,000 visitors for the first time, doubling the 2006 attendance (bi fm, 2013). The 2013 event was reported to have had an economic impact estimated at over 17.5 million euros in the city (Europa Press, July 2013). This year, 2014, is the first time that the festival has sold out all the tickets. See the evolution of the number of spectators in Table 1.

The festival was nominated for 'Best Foreign Festival' at the UK Festival Awards in 2010 and 2011 and for 'Best Medium-Sized European Festival' at the European Festival Awards five consecutive times in 2009-2013 (Europa Press, October 2013).

Regarding the line-up, bands and performers such as Radiohead, The Cure, Coldplay, The Police, Metallica, Red Hot Chili Peppers, REM, Depeche Mode, Iron Maiden, Green Day, Lenny Kravitz, Guns n' Roses and many more have played during the eight-year history of Bilbao BBK Live (bi fm, 2013).

The profile of the public attending the festival has the following characteristics (Last Tour International Report, 2014):

- 53.8% are men and 46.2% women.
- Most of the public are between 25 and 40 years old.
- 74.5% come from Spain. Of these, 15.7% come from the Basque Country, 18.5% from Madrid, 5.85% from Barcelona and 34.45% from the rest of Spain. The remaining 25.5% come from outside Spain.
- 48.1% of the attendees have a bachelor's degree, 21.7% a postgraduate degree, 8.7% are currently studying and 21.5% do not have university studies.
- 80% of the attendees are employed and the remaining 20% are students or unemployed.

With respect to technology and social media, the festival has been developing and investing in what they call a digital ecosystem platform that will allow the organisers to have direct communication with fans, followers, institutions, brands and media. The festival is almost on all the personal social networks: Facebook with 87,994 followers, Twitter with 29,600 followers, Instagram with 3,167 fans and Google Plus with 43,762 fans and 353,053 views. It is also on some thematic social networks. Related to videos, it is on YouTube with 179 subscribers and more than 200,000 views. As for music, the festival is on Spotify with an official profile and different playlists adapted to each edition (Bilbao BBK Live official website).

BBK Live also has an official website with 1.301.645 views per year and 213.720 users. The organisers send newsletters to fans with 110.000 contacts and for media with 4,500 contacts. The festival also has an official application that can be downloaded to mobile phones. Nowadays, the app has 30.680 downloads and contains practical information like bands, performance schedules, camping and transportation options, a map of the festival site: stages, W.C., food stands etc., all the info about the performers and information related to how to get to the festival and how to get to Bilbao (Last Tour International Report, 2014).

## VI. Analysis

As the main goal of this chapter is to find out the innovative strategies and managerial processes that current festivals are carrying out through technology and social media, in this section we analyse how and at what level the Bilbao BBK Live Festival is using Facebook in order to stimulate their attendees' leisure experience and achieve more dynamic participation and engagement.

We chose Facebook since it is the most used social network by European festival goers (92%) and therefore gives us more clues about the way the BBK Live Festival is trying to connect with its fans and at what level (Hang Out, Mess Around, Geek Out).

For that purpose, we have taken the posts published on Facebook by BBK Live and we have analysed how the festival organisers used it in the last edition (year 2013). The publications of the festival were examined one week before the festival took place (3th, 4th, 5th, 6th, 7th, 8th and 9th of July), during the three days of the festival (11$^{th}$, 12$^{th}$ and 13$^{th}$ of July) and after a week the festival was held (14$^{th}$, 15$^{th}$, 16$^{th}$, 17$^{th}$, 18$^{th}$ and 19$^{th}$ of July). In each post the number of likes, comments and shares was taken into account to calculate the percentage of engagement before, during and after the festival. The content of each post was also classified according to the level of intensity and sophistication in technology engagement: Hang Out or ICT, Mess Around or LKT and Geek Out or EPT.

Table 2 shows the data collected in the pre-festival phase. The organization published seventeen posts in total a week before the music event was held. Some days like the 5$^{th}$ and 6$^{th}$ of July had no posts and the day immediately before the festival with the most



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posts, six in total. Nevertheless, what we really want to know is the type of the content of these publications. 88.2% of them are ICTs and the remaining 11.8% are LKT. That means that the festival used Facebook mainly to give promotional or practical information. Although most of the publications go with pictures, videos or links, all of them have an informative or communicative goal. Furthermore, there is no content related to the Geek Out or EPT level. Therefore, in this phase the organization does not use Facebook to create knowledge or encourage active participation in the festival, but to promote the event. The publications offer discounts and raffles for tickets to the festival and in general, all kinds of information to announce the music event and sell tickets. Regarding the engagement, the percentage is quite low with a rate of 0.242%. That indicates that in the pre-festival phase on average there are 0.00242 interactions per post by each fan.

With respect to the three days of the festival, the data collected are shown in Table 3. In this case, the activity on the social network is higher with more posts in less time, specifically twenty-five posts in three days. That means eight posts per day on average. Nevertheless, the content type does not show major changes compared to the pre-festival phase. The main posts continue to focus on providing information, that is, ICT content. In fact, the percentage grows to 92% and the posts focus on giving practical information about the festival. The type of publications particularly emphasises useful information related to performance schedules, location of the stages, food and drink stands and in general, any information that can help to move around the festival site. 4% is LKT content type and the remaining 4% is EPT. The engagement rate grows compared to the preceding phase, but it continues to be low at0.432%.

The data collected on the post-festival phase can be seen in Table 4. The number of posts decreases after the festival, even if it is one week. In total, thirteen posts were published, which means not even two per day. As the week after the festival progresses, the number of posts decreases and there are none on 20th and 21th of July. In relation to the content, 100% of the publications were linked to the Hang Out phase. The organization mostly uploaded images and videos about how the festival was held, emphasizing its success. In regard to the engagement rate, it continues to be similar to the previous phase of the event with a percentage of 0.476 specially influenced by all the reactions to fans' pictures and videos at the festival.

In general, we can observe that the rate of engagement before, during and after the festival is quite low, not exceeding 0.5% in any of the phases. Therefore, in this case we can state that the organization does not facilitate a digital structure where the users have a prosumer role and interact with the festival in an active way. The festival does not make a collaborative and sharing scenario possible through social networks or digital platforms and this, results in low audience engagement. This is related to the fact that the content of the posts are essentially ICT type, making it more difficult to engage the audience with only this kind of content. The festival is positioned in the Hang Out phase and hardly moves to other types of phases that require a higher level of participation and commitment.

## VII. Main Reflections about the Case Study

Recent social changes including the rise of the network society and the transformation of time and space have affected many areas of our society. The growth of networks has transformed the nature of interaction, allowing people to be connected to many others simultaneously (Bryce, 2001; Nimrod & Adoni, 2012). Hence, there is a possibility of more co-creation, participation, sharing and remixing. In fact, we have seen throughout the chapter how these trends are also affecting the events sector and, more specifically, music festivals. Technology and social media have changed the way we attend live music festivals and they offer an excellent opportunity to enhance the leisure experience.

Furthermore, the potential that current technology and social media have to engage the audience is a very important factor. The point is how music festivals are using it.

With the case of the BBK Live Festival, we have seen that festivals particularly use social media and digital platforms to:

- Provide information
- Before the festival. The information is focused on the line-up, music and biography of the bands, ticket prices, the poster for the specific edition and in general, all the aspects related to advertising the festival. Sometimes, depending on the strategy of the music event, they also offer information about what to do and see in the city where the festival takes place.
- During the festival. The information is focused mainly on practical facts such as performance schedules, location of stages, the festival site, food and drink stands, the announcement of pop-up performances and camping and transportation options.
- After the festival. The information is focused on how the festival was held. Publications are related mainly to videos (e.g. after movies), pictures and reports about the festival.
- Offer discounts, raffles and benefits.
- Advertise the festival in different ways: videos, pictures, news and any content that helps to announce the music event.



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Other less frequent uses of social media and digital platforms that we have seen with the example of the BBK Live Festival and other European festivals are:

- Stimulation of participation through: smart wristbands that give the opportunity to upload pictures, like, comment and share; contests to take part in the design of the festival; personalization of some services; forums and blogs.

Therefore, most of the festivals are in the *Hang Out* phase where technology and social media are used at a lower level of intensity and engagement (see Figure 2). These live music events carry out strategies related to information and communication. That is, they particularly use technology and social media to provide information, communicate some kinds of content to users and keep up the relationship with them. The problem with strategies of this type is that audience engagement is not very high. As we have seen in the case of the BBK Live Festival, engagement was 0.242% before, 0.431% during and 0.476% after the festival although it was a successful festival in terms of the number of spectators.

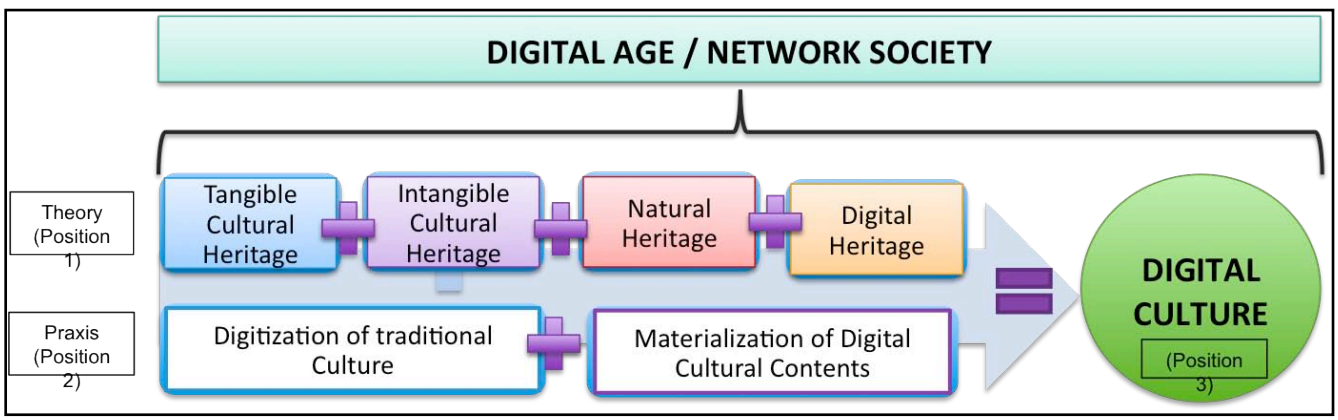
For this reason, festivals do not take advantage of the full potential of technology and social media and therefore the festival strategy regarding the levels of intensity and sophistication in technology engagement needs to evolve (see Figure 2). Today's live music festivals could evolve to *Mess Around* and/or *Geek Out* phases and in this way develop learning and knowledge-related strategies (which would mean more engagement, tinkering, exploring, looking around, information searches, experimentation, online exploration) and empowerment and participation (andin turn would mean an intense commitment with media and/or technology, participation in communities, specialised knowledge networks, interest-based communities and organizations, feedback and learning, recognition and reputation).

## VIII. Final Conclusion

According to Kaplan & Haenlein (2010) Social Media represents a revolutionary new trend that should be of interest to organizations. When used as a marketing tool, social media can have a strong impact on consumers and allow any kind of organization to add value to their brands. Nowadays, technology and social media have become a powerful tool in the network society. On account of this, festival strategies need to evolve in terms of technology use related to information broadcasting via new media. They could move towards strategies for learning and empowerment and create more collaborative, co-creative and interactive events enhancing the audience experience to the fullest. In this way, audiences can become more involved and engaged by assuming a prosumer role. Moreover, as Powell (2011) states, technology and social media are not just for marketing. Social media also supports many other business functions linked to marketing. Technology and social media can also be used for product development and innovation by listening to customer input, in market research to understand trends and information affecting their brands, and for lead generation for business-to-business marketers. Technology and social media are a valuable way to reach the masses. And not only the masses but the specific niche group of any particular organization.

This chapter highlights the idea of this new context where technology and social networks are transforming and can continue to transform festival experience design.

However, the concepts outlined in this chapter call for further research to better understand the role that both technology and audiences can have in creating scenarios where managers produce interactive, participative and shared events and therefore, stimulate attendees' leisure experience and achieve a higher level of engagement.




*Source: Author's own elaboration.*

*Figure 1 :* Contemporary definition of the term 'digital culture'



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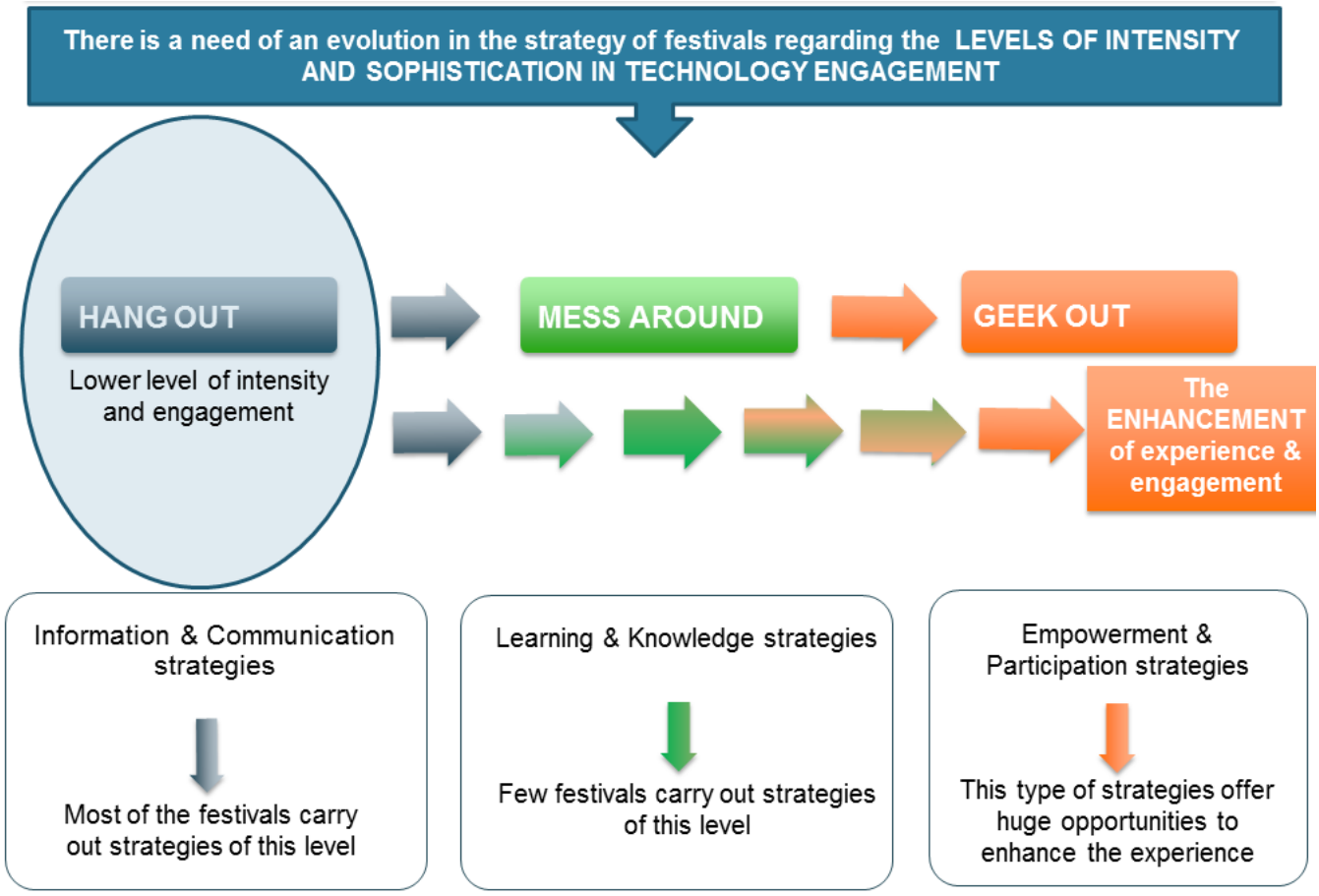


*Source: Author's own elaboration. Based on Ito 2012 and Reig 2012*

*Figure 2 :* Strategy of festivals regarding the levels of intensity and sophistication in technology engagement

*Table 1 :* The evolution of the number of spectators in Bilbao BBK Live

| Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Nr of spectators | 51.000 | 94.712 | 79.810 | 52.663 | 76.579 | 103.083 | 110.000 | 105.000 | 120.000 |

*Table 2 :* Analysis of Facebook posts – Pre-festival phase

| Number of post | Number of LIKES | Number of COMMENTS | Number of SHARES | Type of post | Type of CONTENT | Engagementrate |
|---|---|---|---|---|---|---|
| 3th of JULY | | | | | | |
| Post 1 | 84 | 29 | 30 | Picture | ICT | |
| TOTAL | 84 | 29 | 30 | | | 0.0025 |
| 4th of JULY | | | | | | |
| Post 1 | 264 | 39 | 112 | Picture + Link | ICT | |
| Post 2 | 119 | 60 | 43 | Picture + Link | ICT | |
| Post 3 | 79 | 1 | 28 | Video promo | ICT | |
| TOTAL | 462 | 100 | 183 | | | 0.00434 |
| 7 of JULY | | | | | | |
| Post 1 | 39 | 2 | 1 | Video promo | ICT | |
| TOTAL | 39 | 2 | 1 | | | 0.00073 |
| 8 of JULY | | | | | | |



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| | | | | | | |
|---|---|---|---|---|---|---|
| Post 1 | 88 | 11 | 17 | Picture + Link | ICT | |
| Post 2 | 128 | 10 | 30 | Picture+comment | ICT | |
| Post 3 | 66 | 55 | 38 | Commentinfo | ICT | |
| TOTAL | 282 | 76 | 85 | | | 0.00258 |
| 9 of JULY | | | | | | |
| Post 1 | 50 | 5 | 1 | Video promo | ICT | |
| Post 2 | 330 | 5 | 29 | Video of a band | ICT | |
| Post 3 | 115 | 1 | 37 | Video 'backstage' | LKT | |
| TOTAL | 495 | 11 | 67 | | | 0.00334 |
| 10 of JULY | | | | | | |
| Post 1 | 121 | 6 | 0 | Picture + Link | ICT | |
| Post 2 | 139 | 22 | 28 | Picture | ICT | |
| Post 3 | 38 | 2 | 1 | Video 'backstage' | LKT | |
| Post 4 | 31 | 2 | 1 | Picture+Linkapp | ICT | |
| Post 5 | 687 | 43 | 88 | Pictures | ICT | |
| Post 6 | 690 | 15 | 113 | Picture | ICT | |
| TOTAL | 1.706 | 90 | 231 | | | 0.0059 |
| Average | | | | | | 0,00242 |

*Source: Author's own elaboration. Data from Bilbao BBK Live official Facebook page*

*Table 3 :* Analysis of Facebook posts – Festival phase

| Number of the post | Number of LIKES | Number of COMMENTS | Number of SHARES | Type of post | Type of CONTENT | Engagementrate |
|---|---|---|---|---|---|---|
| 11th of JULY | | | | | | |
| Post 1 | 59 | 4 | 3 | Link (map) | ICT | |
| Post 2 | 40 | 10 | 13 | Link (underground) | ICT | |
| Post 3 | 84 | 2 | 44 | Picture | ICT | |
| Post 4 | 685 | 25 | 65 | Picture | ICT | |
| Post 5 | 172 | 39 | 11 | Video | ICT | |
| Post 6 | 271 | 19 | 17 | Picture (withinfo) | ICT | |
| Post 7 | 96 | 3 | 21 | Video | ICT | |
| TOTAL | 1407 | 102 | 174 | | | 0,00419 |
| 12th of JULY | | | | | | |
| Post 1 | 604 | 61 | 119 | Picture + Link | ICT | |
| Post 2 | 269 | 14 | 83 | Video | ICT | |
| Post 3 | 632 | 30 | 79 | Picture | ICT | |
| Post 4 | 52 | 3 | 3 | Video | ICT | |
| Post 5 | 33 | 11 | 2 | Picture | ICT | |
| Post 6 | 64 | 3 | 2 | Pictures | ICT | |
| Post 7 | 55 | 9 | 16 | Video | ICT | |
| Post 8 | 13 | 2 | 1 | Video (artista opinion) | LKT | |
| Post 9 | 303 | 30 | 97 | Video | ICT | |
| TOTAL | 2025 | 163 | 402 | | | 0,00502 |
| 13th of JULY | | | | | | |



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| | | | | | | |
|---|---|---|---|---|---|---|
| Post 1 | 283 | 18 | 45 | Video | ICT | |
| Post 2 | 357 | 16 | 50 | Picture + Link | ICT | |
| Post 3 | 36 | 1 | 2 | Picture | EPT | |
| Post 4 | 41 | 8 | 2 | Video | ICT | |
| Post 5 | 186 | 6 | 0 | Picture | ICT | |
| Post 6 | 71 | 10 | 2 | Video | ICT | |
| Post 7 | 43 | 6 | 2 | Picture | ICT | |
| Post 8 | 16 | 0 | 1 | Video | ICT | |
| Post 9 | 598 | 26 | 88 | Picture | ICT | |
| TOTAL | 1631 | 91 | 192 | | | 0,00371 |
| Average | | | | | | 0,00431 |

Source: Author's own elaboration. Data from Bilbao BBK Live official Facebook

*Table 4 :* Analysis of Facebook posts – Post-festival phase

| Number of post | Number of LIKES | Number ofCOMMENTS | Number ofSHARES | Type of post | Type of CONTENT | Engagementrate |
|---|---|---|---|---|---|---|
| 14 DE JULIO | | | | | | |
| Post 1 | 774 | 34 | 301 | Video | ICT | |
| Post 2 | 720 | 61 | 150 | Picture | ICT | |
| Post 3 | 308 | 15 | 17 | Sharedpublication | ICT | |
| TOTAL | 1.802 | 110 | 468 | | | 0,01386 |
| 15 DE JULIO | | | | | | |
| Post 1 | 39 | 3 | 1 | Pictures | ICT | |
| Post 2 | 201 | 14 | 25 | Pictures | ICT | |
| Post 3 | 188 | 3 | 13 | Pictures | ICT | |
| Post 4 | 1215 | 45 | 162 | Sharedpublication | ICT | |
| Post 5 | 284 | 47 | 357 | Video | ICT | |
| TOTAL | 1.927 | 112 | 558 | | | 0,00907 |
| 16 DE JULIO | | | | | | |
| Post 1 | 231 | 1 | 25 | Pictures | ICT | |
| Post 2 | 14 | 1 | 1 | Pictures | ICT | |
| Post 3 | 12 | 2 | 0 | Pictures | ICT | |
| TOTAL | 257 | 4 | 26 | | | 0,00167 |
| 17 DE JULIO | | | | | | |
| Post 1 | 265 | 21 | 163 | Video | ICT | |
| TOTAL | 265 | 21 | 163 | | | 0,00784 |
| 19 DE JULIO | | | | | | |
| Post 1 | 224 | 14 | 84 | Video | ICT | |
| TOTAL | 224 | 14 | 84 | | | |
| TOTAL | 4475 | 261 | 1299 | | | 0,00562 |
| Average | | | | | | 0,00476 |

*Source: Author's own elaboration. Data from Bilbao BBK Live official Facebook*



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The "FARSC" is a dignified title which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., FARSC or William Walldroff, M.S., FARSC.

The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as "Institutional Board of Open Association of Research Society"-(IBOARS).

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The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA) The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.

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The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of "Open Association of Research Society, U.S.A (OARS)" so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.

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After nomination of your institution as "Institutional Fellow" and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf.
The board can also take up the additional allied activities for betterment after our consultation.

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Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.

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- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
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- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in–depth understanding of the application of suitable techniques to a particular area of research practice.

**Note :**

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- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of "Difference of Opinion [if any]" among the Board members, our decision will be final and binding to everyone. "

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**Author Guidelines:**

1. General,

2. Ethical Guidelines,

3. Submission of Manuscripts,

4. Manuscript's Category,

5. Structure and Format of Manuscript,

6. After Acceptance.

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Complete support for both authors and co-author is provided.

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Original research paper: Such papers are reports of high-level significant original research work.

Review papers: These are concise, significant but helpful and decisive topics for young researchers.

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Research letters: The letters are small and concise comments on previously published matters.

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The recommended size of original research paper is less than seven thousand words, review papers fewer than seven thousands words also.Preparation of research paper or how to write research paper, are major hurdle, while writing manuscript. The research articles and research letters should be fewer than three thousand words, the structure original research paper; sometime review paper should be as follows:

**Papers**: These are reports of significant research (typically less than 7000 words equivalent, including tables, figures, references), and comprise:

(a)Title should be relevant and commensurate with the theme of the paper.

(b) A brief Summary, "Abstract" (less than 150 words) containing the major results and conclusions.

(c) Up to ten keywords, that precisely identifies the paper's subject, purpose, and focus.

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(e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition; sources of information must be given and numerical methods must be specified by reference, unless non-standard.

(f) Results should be presented concisely, by well-designed tables and/or figures; the same data may not be used in both; suitable statistical data should be given. All data must be obtained with attention to numerical detail in the planning stage. As reproduced design has been recognized to be important to experiments for a considerable time, the Editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned un-refereed;

(g) Discussion should cover the implications and consequences, not just recapitulating the results; conclusions should be summarizing.

(h) Brief Acknowledgements.

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*Language: The language of publication is UK English. Authors, for whom English is a second language, must have their manuscript efficiently edited by an English-speaking person before submission to make sure that, the English is of high excellence. It is preferable, that manuscripts should be professionally edited.*

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Abbreviations supposed to be used carefully. The abbreviated name or expression is supposed to be cited in full at first usage, followed by the conventional abbreviation in parentheses.

Metric SI units are supposed to generally be used excluding where they conflict with current practice or are confusing. For illustration, 1.4 l rather than 1.4 × 10-3 m3, or 4 mm somewhat than 4 × 10-3 m. Chemical formula and solutions must identify the form used, e.g. anhydrous or hydrated, and the concentration must be in clearly defined units. Common species names should be followed by underlines at the first mention. For following use the generic name should be constricted to a single letter, if it is clear.

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Many researchers searching for information online will use search engines such as Google, Yahoo or similar. By optimizing your paper for search engines, you will amplify the chance of someone finding it. This in turn will make it more likely to be viewed and/or cited in a further work. Global Journals Inc. (US) have compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

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- It may take the discovery of only one relevant paper to let steer in the right keyword direction because in most databases, the keywords under which a research paper is abstracted are listed with the paper.
- One should avoid outdated words.

Keywords are the key that opens a door to research work sources. Keyword searching is an art in which researcher's skills are bound to improve with experience and time.

Numerical Methods: Numerical methods used should be clear and, where appropriate, supported by references.

*Acknowledgements: Please make these as concise as possible.*

References

References follow the Harvard scheme of referencing. References in the text should cite the authors' names followed by the time of their publication, unless there are three or more authors when simply the first author's name is quoted followed by et al. unpublished work has to only be cited where necessary, and only in the text. Copies of references in press in other journals have to be supplied with submitted typescripts. It is necessary that all citations and references be carefully checked before submission, as mistakes or omissions will cause delays.

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## TECHNIQUES FOR WRITING A GOOD QUALITY RESEARCH PAPER:

**1. Choosing the topic:** In most cases, the topic is searched by the interest of author but it can be also suggested by the guides. You can have several topics and then you can judge that in which topic or subject you are finding yourself most comfortable. This can be done by asking several questions to yourself, like Will I be able to carry our search in this area? Will I find all necessary recourses to accomplish the search? Will I be able to find all information in this field area? If the answer of these types of questions will be "Yes" then you can choose that topic. In most of the cases, you may have to conduct the surveys and have to visit several places because this field is related to Computer Science and Information Technology. Also, you may have to do a lot of work to find all rise and falls regarding the various data of that subject. Sometimes, detailed information plays a vital role, instead of short information.

**2. Evaluators are human:** First thing to remember that evaluators are also human being. They are not only meant for rejecting a paper. They are here to evaluate your paper. So, present your Best.

**3. Think Like Evaluators:** If you are in a confusion or getting demotivated that your paper will be accepted by evaluators or not, then think and try to evaluate your paper like an Evaluator. Try to understand that what an evaluator wants in your research paper and automatically you will have your answer.

**4. Make blueprints of paper:** The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**5. Ask your Guides:** If you are having any difficulty in your research, then do not hesitate to share your difficulty to your guide (if you have any). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work then ask the supervisor to help you with the alternative. He might also provide you the list of essential readings.

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**7. Use right software:** Always use good quality software packages. If you are not capable to judge good software then you can lose quality of your paper unknowingly. There are various software programs available to help you, which you can get through Internet.

**8. Use the Internet for help:** An excellent start for your paper can be by using the Google. It is an excellent search engine, where you can have your doubts resolved. You may also read some answers for the frequent question how to write my research paper or find model research paper. From the internet library you can download books. If you have all required books make important reading selecting and analyzing the specified information. Then put together research paper sketch out.

**9. Use and get big pictures:** Always use encyclopedias, Wikipedia to get pictures so that you can go into the depth.

**10. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right! It is a good habit, which helps to not to lose your continuity. You should always use bookmarks while searching on Internet also, which will make your search easier.

**11. Revise what you wrote:** When you write anything, always read it, summarize it and then finalize it.

**12. Make all efforts:** Make all efforts to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in introduction, that what is the need of a particular research paper. Polish your work by good skill of writing and always give an evaluator, what he wants.

**13. Have backups:** When you are going to do any important thing like making research paper, you should always have backup copies of it either in your computer or in paper. This will help you to not to lose any of your important.

**14. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several and unnecessary diagrams will degrade the quality of your paper by creating "hotchpotch." So always, try to make and include those diagrams, which are made by your own to improve readability and understandability of your paper.

**15. Use of direct quotes:** When you do research relevant to literature, history or current affairs then use of quotes become essential but if study is relevant to science then use of quotes is not preferable.

**16. Use proper verb tense:** Use proper verb tenses in your paper. Use past tense, to present those events that happened. Use present tense to indicate events that are going on. Use future tense to indicate future happening events. Use of improper and wrong tenses will confuse the evaluator. Avoid the sentences that are incomplete.

**17. Never use online paper:** If you are getting any paper on Internet, then never use it as your research paper because it might be possible that evaluator has already seen it or maybe it is outdated version.

**18. Pick a good study spot:** To do your research studies always try to pick a spot, which is quiet. Every spot is not for studies. Spot that suits you choose it and proceed further.

**19. Know what you know:** Always try to know, what you know by making objectives. Else, you will be confused and cannot achieve your target.

**20. Use good quality grammar:** Always use a good quality grammar and use words that will throw positive impact on evaluator. Use of good quality grammar does not mean to use tough words, that for each word the evaluator has to go through dictionary. Do not start sentence with a conjunction. Do not fragment sentences. Eliminate one-word sentences. Ignore passive voice. Do not ever use a big word when a diminutive one would suffice. Verbs have to be in agreement with their subjects. Prepositions are not expressions to finish sentences with. It is incorrect to ever divide an infinitive. Avoid clichés like the disease. Also, always shun irritating alliteration. Use language that is simple and straight forward. put together a neat summary.

**21. Arrangement of information:** Each section of the main body should start with an opening sentence and there should be a changeover at the end of the section. Give only valid and powerful arguments to your topic. You may also maintain your arguments with records.

**22. Never start in last minute:** Always start at right time and give enough time to research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**23. Multitasking in research is not good:** Doing several things at the same time proves bad habit in case of research activity. Research is an area, where everything has a particular time slot. Divide your research work in parts and do particular part in particular time slot.

**24. Never copy others' work:** Never copy others' work and give it your name because if evaluator has seen it anywhere you will be in trouble.

**25. Take proper rest and food:** No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

**26. Go for seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**27. Refresh your mind after intervals:** Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

**28. Make colleagues:** Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

**29. Think technically:** Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

**30. Think and then print:** When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

**31. Adding unnecessary information:** Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

**32. Never oversimplify everything:** To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

**33. Report concluded results:** Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

**34. After conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

## Informal Guidelines of Research Paper Writing

**Key points to remember:**

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

**Final Points:**

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.

Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

**General style:**

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

· Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

· Use standard writing style including articles ("a", "the," etc.)

· Keep on paying attention on the research topic of the paper

· Use paragraphs to split each significant point (excluding for the abstract)

· Align the primary line of each section

· Present your points in sound order

· Use present tense to report well accepted

· Use past tense to describe specific results

· Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives

· Shun use of extra pictures - include only those figures essential to presenting results

**Title Page:**

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.

**Abstract:**

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript--must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

**Introduction:**

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.

- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

**Procedures (Methods and Materials):**

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

**Results:**

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently.You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.

Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

**Discussion:**

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.

## The Administration Rules

Please carefully note down following rules and regulation before submitting your Research Paper to Global Journals Inc. (US):

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- Do not give permission to anyone else to "PROOFREAD" your manuscript.

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- To guard yourself and others from possible illegal use please do not permit anyone right to use to your paper and files.

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| Topics | Grades | | |
|---|---|---|---|
| | **A-B** | **C-D** | **E-F** |
| ***Abstract*** | Clear and concise with appropriate content, Correct format. 200 words or below | Unclear summary and no specific data, Incorrect form<br><br>Above 200 words | No specific data with ambiguous information<br><br>Above 250 words |
| ***Introduction*** | Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited | Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter | Out of place depth and content, hazy format |
| ***Methods and Procedures*** | Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads | Difficult to comprehend with embarrassed text, too much explanation but completed | Incorrect and unorganized structure with hazy meaning |
| ***Result*** | Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake | Complete and embarrassed text, difficult to comprehend | Irregular format with wrong facts and figures |
| ***Discussion*** | Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited | Wordy, unclear conclusion, spurious | Conclusion is not cited, unorganized, difficult to comprehend |
| ***References*** | Complete and correct format, well organized | Beside the point, Incomplete | Wrong format and structuring |

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