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CREATING PACKAGE TOURS IN TOUR OPERATOR BUSINESS: ANALYSIS OF KEY BENEFITS FOR TOURISTS

Kreiranje paket aranžmana u turoperatorskom
poslovanju: Analiza ključnih koristi za turiste

Abstract

The main feature of the modern tourism market is an increasingly emphasized competitive pressure. Due to more extensive travel experience and improvement of quality in the process of supplying information by the travel agencies, as well as due to a wider range of travel destinations, tourists are now more demanding and sophisticated in their preferences and expectations. Innovativeness in business is the basic prerequisite of successful operation and survival of companies in the tourism market. Tourism is a complex system and a great number of different companies (travel agencies, tour operators, transporters, hotels, different companies at travel destinations, etc.) take part in designing a tourist product. Tour operators have a significant role in the tourism value chain as the most relevant type of intermediaries in sales of services. Within their business activity, the tour operators combine different services to form package tours and organize travels for tourists. In modern tourism there is a pronounced trend of independent searches and bookings, which directly reflects on the demand for products and services offered by tour operators. Due to changes in the tourism market, there is an increasing need to adapt the business activities of tour operators. Package tours are the core product of tour operators, and their business results largely depend on the success in the designing and sales of such products. This paper analyzes different elements of tour operator package tours, aiming to determine the level of significance of different benefits which the package tours offer to tourists. The research has been conducted based on the application of the AHP research methodology. The basic idea behind the paper is to use the AHP methodology to determine the most significant benefits in order to conduct an in-depth analysis of significance of different elements of package tours designed by the tour operators for tourists for the purpose of defining basic guidelines for designing the offer and achieving competitive advantage in the market.

Keywords: *tour operators, package tours, benefits, tourists, preferences, segments, the AHP model*

Sažetak

Savremeno turističko tržište karakteriše sve izraženiji konkurentski pritisak. Turisti su sve zahtevniji i sofisticiraniji u preferencijama i očekivanjima usled sve većeg iskustva u putovanjima i unapređenja kvaliteta procesa informisanja od strane turističkih preduzeća i destinacija. Inovativnost u poslovanju je osnovna premissa uspešnog poslovanja i opstanka preduzeća na turističkom tržištu. Turizam je složen sistem i u kreiranju turističkog proizvoda učestvuju veliki broj različitih preduzeća (turističke agencije, turoperatori, prevoznici, hoteli, različita preduzeća u turističkim destinacijama i dr). U lancu vrednosti u turizmu turoperatori imaju istaknutu ulogu kao najznačajniji tip posrednika u prodaji usluga. U okviru poslovne delatnosti, turoperatori objedinjuju različite usluge u paket aranžmane i organizuju putovanja za turiste. U savremenom turizmu izražen je trend samostalnih pretraga i rezervacija, što se direktno odražava na tražnju za proizvodima i uslugama turoperatora. Usled promena na turističkom tržištu, potreba prilagođavanja poslovnih aktivnosti turoperatora sve je izraženija. Paket aranžmani su osnovni proizvod turoperatora, pa od uspešnosti njihovog kreiranja i plasmana u najvećoj meri zavise i poslovni rezultati. U radu su analizirani različiti elementi paket aranžmana turoperatora sa ciljem da se utvrdi koliki značaj imaju različite koristi koje oni nude za turiste. Istraživanje je sprovedeno na bazi primene AHP istraživačke metodologije. Osnovna ideja rada je da se korišćenjem AHP metodologije utvrde najznačajnije koristi kako bi se dublje analizirao značaj različitih elemenata paket aranžmana koje turoperatori kreiraju za turiste, kako bi se definisale osnovne smernice za kreiranje ponude i ostvarivanje konkurentске prednosti na tržištu.

Ključne reči: *turoperatori, paket aranžmani, koristi, turisti, preferencije, segmenti, AHP model*

Tour operators in the modern tourism market

Over the past decades the tourism has become one of the fast growing economic sectors with average growth rate above 4% [38]. According to the official data published by the World Tourism Organization, the number of international travels in 2014 was about 1.13 billion, which is by 4.3% higher compared to the previous year of 2013. Official data for 2015 are yet to be published, but estimates are that the growth rate exceeded 4.0%. Europe is still the dominant tourist region, with about 582 million foreign tourists per year. The number of international travels on a global level should be supplemented with 5-6 billion of domestic tourists [38].

Apart from quantitative growth, the modern tourism market is characterized by a pronounced dynamics and intense competition. Globalization, as well as technological and informational changes have been conducive to significant shifts in the tourism market, which resulted in the change of the role of its participants. As present-day tourists possess a higher level of knowledge and familiarity regarding the offer, new requirements to adjust the offer are placed every day before the tour operators [10, p. 40]. The principle of "Fordian" mass tourism prevailed in the 1980s, while individual and customized travel is more dominant in the period after 2000 [32, p. 55].

The tourism industry is a complex one, which is supported by the fact that a great number of factors related to travel destinations and services provided by different participants during the travel have an impact on designing the tourist product [12]. Many different companies that make up the tourism system, or the industry as referred to it by certain authors [37, p. 1630], are involved in providing services to tourists during their travel. Macro value chain in tourism is used for analysis of different companies and business systems relevant for the actualization of the travel. Macro value chain has been analyzed by a great number of authors from different perspectives [15, 30, 42, etc.]. Yilmaz and Bitici [42, p. 342] have defined the value chain from the tourists' perspective in a way that includes all business systems involved in the provision of services from the moment the travel decision is made, through performance of necessary activities prior to travel, to the

very return from the travel. According to these authors, the most significant participants in the actualization of travel are: (1) travel agencies (provide services before the travel); (2) tour operators (provide services before the travel and during the travel); (3) transporters (provide services during the travel); (4) hotels (provide services during the travel) and (5) destination as an attraction business system within which a large number of companies perform their business activities (restaurants, cafés, ship renting agencies, markets, etc.) and in doing so they contribute to the quality of the tourists' stay.

Tourists who travel for holiday use a large number of different services and enjoy attractions at destinations that they perceive as parts of a unique product [33, p. 111]. Over time, motives and reasons for travel have undergone an evolution, so expectations of tourists with respect to travel changed significantly. The desire for experience, or the so called "hunger" for experience, is one of the main reasons for travel in modern tourism [34, p. 1227]. The need to satisfy personal, social and business needs has evolved into the need for a unique sensation and experience. Having in mind that changes happen intensively in the tourism market, the creators of tourist offers are under constant pressure to be innovative, flexible and to deliver superior value for tourists through provision of unique service.

Tour operators have a significant role in the tourism market. Their role is particularly important for tourists travelling for holiday and relaxation, while this relevance is less expressed when it comes to business tourists [16, 33].

According to the Package Travel Act (1079/1994) [38], the travel organizer, i.e. tour operator, "designs and provides packages and offers them for sale indirectly through cooperation with other organizations or directly on one's own account". This has defined the role of the tour operator as one who combines and merges different tourist services by designing unique package tours. Tour operators most frequently purchase services directly from the service providers (hotels, transport companies, etc.), combine them in attractive packages, and then sell them directly to tourists or indirectly through travel retailers. Having in mind their significant negotiating power, the tour operator giants are able to secure lower prices on products and services which they are purchasing, and

this in turn enables them, through the economy of scale, to offer lower prices of package tours to customers [32, pp. 60-61].

Due to changes in the tourism market, which is now dominated by individual custom-made travels for tourists, tour operators, as creators and initiators of mass tourism, are also compelled to adapt their offer to individual requirements and preferences of tourists, to make it unique, flexible and diversified. Hence, the role of the tour operators has taken on new forms in the past few years, which was a forced response to the impending crisis of the traditional form of tour operator service provision. Influenced by powerful informational and technological changes, the role of tour operators and travel agents has been significantly modified and, accordingly, they evolved from pure package tour providers to full-fledged tourist travel consultants. This diversification has elevated the quality of their business to a considerably higher level [6, p. 42].

Having in mind the progress achieved in the tourism market, it is important to consider the extent of the tour operators' contribution to the achieved results. There are no precise data in any of the reference sources based on which exact conclusions can be made regarding the role of tour operators in the tourism market. On the basis of the performed analyses it may be observed that in Europe, the most developed market for organized travels, two mega tour operators have been created – the TUI Travel Group and Thomas Cook Travel Group [8, p. 12]. These two giants serve more than 55 million tourists from over 30 different countries of Europe per year, and together they have a portfolio of 230 brands [39, 41]. This establishment of two market leaders in Europe is the result of current trends of globalization and concentration in tourism. Based on the analysis of annual financial statements of Thomas Cook Travel Group [40], it may be observed that the annual growth rate in 10 most important emitting markets (the United Kingdom, Germany, France, Belgium, the Netherlands, four Nordic countries and Canada) is 2.8%. The earnings from sales of package tours, which generate about 29 billion pounds of income, exhibit a growth rate of 2.1%. For intermediary online services, it is projected that 25% of growth recorded in 2009 will escalate to 31%

in 2016. In 2014, Thomas Cook, the tour operator with predominant presence in the area of central and northern Europe, recorded a total income of £ 9,808.9 million, which is approximately an increase of 10% compared to 2010.

According to the annual statement of the TUI group for 2013/2014 [42], in 2014 this tour operator generated a total turnover of € 18,330.3 million, which was by 4.9% higher compared to the previous year.

In addition to the two large tour operators in the European market, there is a great number of minor tour operators that specialize in narrower market niches. The indicators of global operation of tour operators, such as the facts presented for the two largest ones, also show substantial growth.

In the USA small independent travel agencies still hold the dominant position. However, at the same time, a number of large agencies is emerging, especially the so-called mega agencies, such as the American Express Travel Services and Uniglobe Travel and Morris Travel [2]. Unlike the market of Great Britain and Germany, where major portions of market share are held by the TUI Group, Thomas Cook and Thomson Holiday, and which are characterized by a pronounced inclination of population towards tourist travels organized by tour operators, the American market exhibits a high share of individual travels in the total number of undertaken travels. The trends prominent in Europe were present also in America before the period of mass use of the Internet.

According to the data of the United States Tour Operators Association (USTOA), 10 million Americans in average decide to purchase package tours from tour operators. The total value of purchased package tours is about 8 billion dollars, which is a far smaller amount compared to the leading European emitting areas. Estimates are that organized travels participate with about 30% in the total number of foreign travels in the USA. It was estimated that in 2014 two thirds of tour operators that were members of this association experienced a sales growth, whereas 40% of them recorded growth by more than 10%. According to the USTOA survey conducted before the Paris terrorist attack, as many as 90% of the tour operators that are members of this association offered optimistic prognoses with respect to sales in 2016, where

60% of them forecasted their growth to be between 7% and 10% [46].

According to the data of the National Association of Travel Agencies and Tour Operators (YUTA), in 2014 in Serbia 874,322 tourists travelled for holiday using tour operator services. The number of tourists who used only accommodation services was 212,432. According to the data of the said association, the total population that used package tours containing at least accommodation and transport was 661,890. The association estimates that 70% of this number travelled for summer holiday.

According to the presented analysis, it may be concluded that tour operators still occupy a very important position in the tourism market, even though tourists' requirements have undergone radical changes.

Package tours: benefits for tourists

Tour operators provide services to tourists by selling package tours and by organizing travels. The term "charter travel", which primarily refers to mass tourism and trips realized by air organized by tour operators, is frequently used in relevant sources to refer to tour operator services [32, p. 60].

Package tours may be defined as a combination of prepared services offered at closed price, which includes at least transport and accommodation. Save for specific cases, package tours are usually sold by tour operators or retail travel agents. Package tours combine travel services with the period of use over 24h or with mandatory boarding included. This definition of the package tour has been provided in The Package Travel Act (1079/1994) document [38].

One of the most influential authors in the field of tourism marketing, Middleton [25, p. 292], defined package tours as "a standardized offer, with controlled quality, made of one, two or more elements: transport, accommodation, food, destination sights, entertainment activities, organized visits to sights, etc.". Package tours have traditionally referred to the domain of mass tourism. In modern tourism, package tours are highly individualized and customized products which are designed for a narrow targeted market niche [35, p. 3].

Tour operators have designed a great number of benefits for tourists, and these are called package tour elements. Benefits (elements) are the basic value drivers that promote the use of tour operator services. One of the elements of the package tours is the travel price reduction, which is an extremely relevant benefit for tourists. Tour operators have a relatively high negotiating power which they are able to exploit due to economy of scale (the number of passengers they serve), as well as the possibilities of advance payment for services to hotels and other participants, which enables them to obtain significantly lower prices in the market [28, 16]. Holloway [15] points out that tour operators form their price according to a much higher level of occupancy of capacities compared to the other bidders, and this, in turn, allows them to lower the sales price for tourists. Having in mind that price is a marketing mix instrument, which is strategically relevant in building competitive market position in the tourism market, it is important to emphasize the relevance of this source of benefit included in the tour operator package tours [39, p. 581; 11, p. 179].

Some authors point out that regardless of the stereotype definition stating that, due to the reduced price of travel, package tours are mainly used by lower and middle class population, research have confirmed that lower price is not the only reason for opting for package tours [39, p. 112]. Characteristics of a travel program are often one of the basic reasons (benefits) why tour operator services are chosen, since these make up a special experience that tourists can enjoy during their travel [33, p. 112]. Benefits for tourists contained in the travel program are a result of connecting different services from different parts of the value chain into unique packages, all with the aim to maximize the total value [23]. Combining different services into unique packages is particularly significant for tourists who travel for holiday [33, pp. 111-112]. Kolb [20] has emphasized that basic benefits for tourists based on the purchase of travel programs which include greater number of services are: (1) increase of comfort through purchasing the entire package tour instead of individual elements; (2) savings on expenses, as well as on time spent on planning and selection of travel as a unique product; (3) budget planning and more detailed identification

of holiday expenses; and (4) increased guarantee that products included in the program will provide a unique and expected experience. The role of tour guides is significant in designing benefits for tourists offered by the tour operators [4, 16, 11, 26, etc.].

Transportation arrangements are also a significant source of benefits contained in the tour operator travel program. Dallen [9, p. 108] has indicated that transport of tourists has a relevant role in creating value for tourists. Travels imply a physical change of location which requires transport services. Tourist transport services to and from a destination imply that tourists will reach the desired destination with a high degree of safety, and with as little effort as possible [3]. The basic benefits for tourists in this respect are the speed of travel and comfort offered by the means of transport. Transport in modern tourism is reflected in several aspects, which are divided into leisure and non-leisure ones. Dallen [9, p. 110] has indicated in his paper that transport of tourists is an attraction in its own right that is most frequently organized by the tour operator. Transport between destinations allows tourists to enjoy visits and sightseeing between destinations [13, p. 160]. Visiting sights between destinations has a significant impact on tourist experience [13, p. 160], as does the entertainment in the means of transport (e.g. ship transport, railway transport, etc.) during the travel between two destinations [9, p. 111] where tour operators can significantly improve the quality of customer experience through provision of various services.

The role that tour guides have in designing benefits for tourists is reflected in different aspects of assistance during the travel that facilitate the very process of travelling [16]. During the travel, tour guides are very important as the mediators who introduce the tourists to the visited sights, and all this contributes to the increase of quality of interpretation and enhances positive experience for tourists. Black and Weiler [4, p. 35] especially emphasize the role of tour guides in designing positive experience through high-quality personal communication with tourists and in providing information on the sights visited during the travel.

Since tourism would not exist without tourist sights, which are the basic component of tourism industry [12]

and one of the “demand generators” [27], it is necessary to present them in an adequate manner, which additionally emphasizes the significance of the tour guide’s role. Competitiveness of a destination is largely dependent on available sights, so the tour guide occupies an important position when it comes to raising the level of satisfaction and offering adequate experience to visitors and tourists [5, p. 269]. Having in mind that tourists observe a destination from a holistic perspective, it is necessary that all elements of a tourist product provide the ultimate experience, i.e. the maximum experience of adventure for the tourists [7, p. 336].

Research conducted in this field have identified the tour guide service as one of the crucial elements, both for the selection of package tours, and for the achieved level of tourist satisfaction [18, pp. 3-4].

Empirical research

Analysis of package tours in previous research

Over the last few decades, tour operators have been the most important mediators in international travels in Europe, and their role is pronounced in the USA market, as well. Despite the increasing use of the Internet in the process of travel planning, most Europeans still decide to purchase package tours, which is particularly expressed in the markets of Germany and Great Britain [21, p. 65].

Wong and Kwong [40, pp. 590-591] have researched into the selection criteria for “all-inclusive” package tours applied by tourists from Hong Kong. The research results showed that crucial elements in making a decision on purchasing are types of travel package tours and quality of services. Apart from the stated elements, the tour operator’s reputation (brand), expected quality of services provided in terms of transport and accommodation, expertise and experience of tour guides, guaranteed departure, safety of the route and a convenient itinerary are also significant.

Johns, Avcı and Karatepe [19, p. 96] conducted a research based on SERVQUAL scale, and the results showed that participants were most concerned with the efficiency of service delivery, and far less with the degree of personalization of offered services.

In order to define the main sources of customer satisfaction among the users of package tours, Hsu [17, p. 291] carried out a study based on factor analysis which included over 55 different attributes of travel package tours. Flexible itinerary, tour guide expertise and package tour price were identified as the key elements that have an impact on the level of overall tourist satisfaction with the entire service provided by tour operators. One of the important factors frequently mentioned as essential for reaching a travel decision is the price. Even a slight difference in price may have a significant impact on travel demand, having in mind its feature of high elasticity [28]. Given that tour operators have a dominant role in the development of tourism in Greece, a research was conducted regarding the degree of reliability of tour operators on the island of Crete. One of the conclusions indicated that price margins for individual travels are higher compared to margins in case of package tours, resulting in smaller participation of individual tourists in the market, compared to those who used tour operator services [1, p. 33].

The study performed by Geva and Goldman [11, p. 184] showed that performance of the tour guides is indeed of vital importance for businesses of tour operators, but a doubt remains regarding the widely distributed presumption that a company directly benefits from the success of the tour guide's work, in the sense of it being conducive to positive effects on the corporate image, the increase in the number of repeated purchases and of loyal customers. The authors consider that even though the tour guide is an employee and representative of the tour operator, the travel participants will not identify him/her with the tour operator itself. Hence, the satisfaction with the good work of the tour guide will not be entirely reflected on the overall level of satisfaction with the package tours. On the other hand, research have shown that tour operators' ability and professionalism directly influence the level of satisfaction with the entire guided tour, and indirectly shape the level of satisfaction of tourists with tour operator services, i.e. with the entire service provided. Therefore, this study has confirmed that tour guides do have a significant role in the process of making a decision on purchasing package tours, since they have an impact on the level of tourist satisfaction [18, p. 29].

Previous research have shown that different tourists prefer different elements of travel package tours and, accordingly, their decisions on purchasing package tours will differ significantly. In order to know which package tours to offer to a certain tourist segment, it is necessary to learn their needs, desires and expectations.

In accordance with the previously stated arguments, the research presented in this paper is based on the evaluation of significance of individual elements of package tours by applying the AHP model. The research was conducted in the Republic of Serbia with the aim to determine critical elements for making decisions on purchasing travel package tours.

Research methodology

Upon consulting the relevant sources, it may be observed that modern-day tourist demand is characterized by a high level of heterogeneity and individuality, and that the use of the Internet has brought about changes in the habits of modern tourists. Relevant research performed in the last 10 years indicated that there is a need to analyze preferences of modern tourists and to adjust the tour operators' offer to modern tendencies for the purpose of designing package tours which are competitive in the market.

The idea of empirical research is to determine the significance of different benefits for tourists contained in package tours designed by tour operators. The basic methodological approach used in the research is the AHP. Based on the AHP, significance level of different benefits contained in package tours was determined for each participant.

AHP (Analytic Hierarchy Process) is a complex mathematical model developed primarily to analyze the complex process of decision making [31, p. 997]. The AHP model is structured in such a way so as to determine the relative significance of different elements being evaluated using a systematic approach [22, p. 180]. The model was developed by Saaty and it is predominantly based on fuzzy math logic that enables comparison of significance between alternatives for the purpose of determining the relative significance of each of them [14].

The research procedure which employs the AHP methodology implies several connected stages [36, p. 144]:

- stage one implies dividing the subject of the research into several components in a way so to make the division logical and clear to the participants of the study;
- stage two implies placing the elements which are being researched into mutual relations associated with the components defined in stage 1. This stage implies developing a diagram with several hierarchy levels;
- stage three is the comparison of significance of different alternatives grouped within the same hierarchy level. Essentially, the idea is that each participant compares different alternatives.

According to the model developed in 1980 by Saaty [36], on the basis of the results of the comparison, fuzzy numbers are obtained through complex algebraic operations. Fuzzy matrix and fuzzy vector are formed based on these numbers and they serve as the basis for obtaining evaluations to determine the level of significance of each element under evaluation.

Evaluations of comparison of each alternative are translated into the Saaty scale. An example of evaluation of comparison of two alternatives has been presented in Table 1.

Based on the comparison of alternatives, the comparison matrix is formed. The comparison resulted in fuzzy numbers based on which the comparison matrix is formed and fuzzy vector defined by triangular fuzzy numbers.

In order for evaluations to be valid, it is important to test the consistency of the matrix, i.e. responses provided

by the participants regarding the comparison of different elements [24, p. 4801]. The indicators of consistency are the consistency index (CI) and consistency ratio (CR). Consistency ratio indicates whether comparisons made by the participants were consistent or not. Saaty [36] states that the requirement of 10% cannot be made smaller such as 1% or 0.1% without trivializing the impact of inconsistency.

Based on the evaluations obtained by applying the AHP methodology, estimates for specifying significance level for each participant have been determined. Cluster analysis has been applied to the obtained evaluations to identify different segments.

On the basis of single factor analysis of variance (ANOVA), hypothesis has been tested with regards to whether the more efficient method for market segmentation is the one based on evaluation of significance of different benefits contained in the tour operator package tours or the one based on application of traditional segmentation criteria.

Research procedure

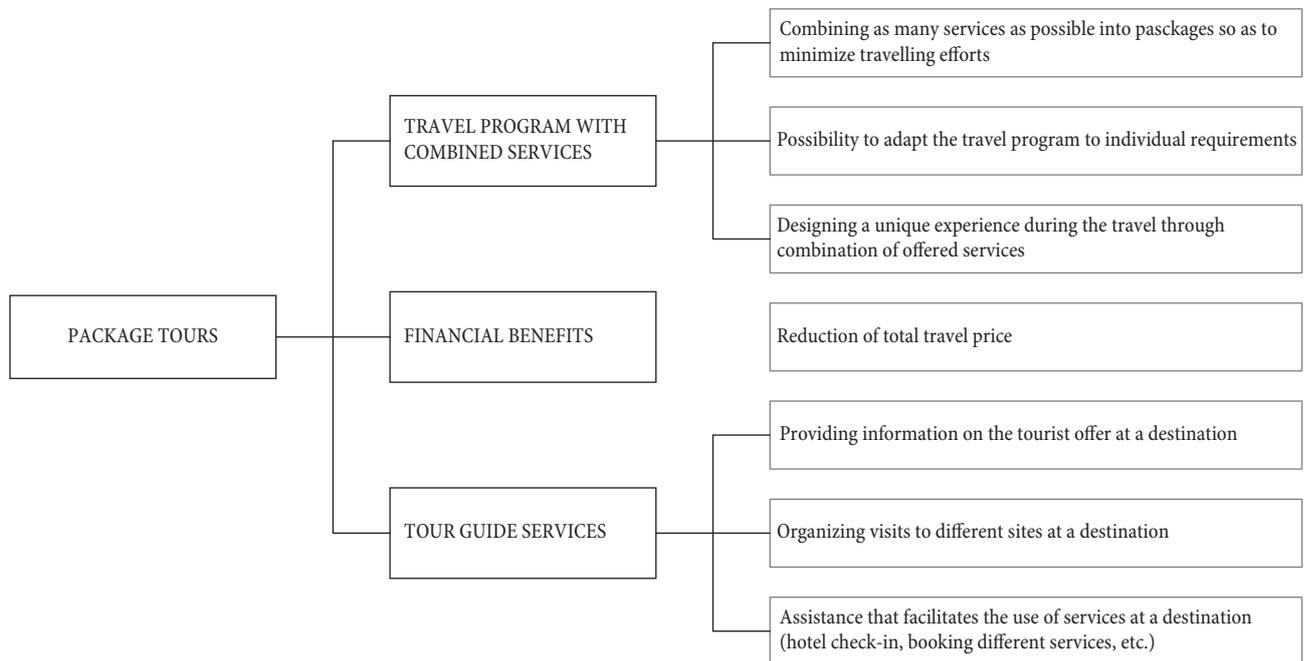
Research has been conducted in several connected stages in accordance with the principles of the AHP methodology and research objectives. According to the theoretical analysis presented in the theoretical part of the paper, package tour elements for tourists who travel for holiday have been determined. Hierarchical relations, which are necessary to be defined in order to evaluate different benefits, have been presented in the hierarchy diagram in Figure 1.

Table 1: Method to obtain evaluations of comparison between two alternatives

Evaluation	Description of difference between two alternatives	Saaty scale number
1	Very high	9
2	Between very high and high	7
3	High	5
4	Between high and medium	3
5	Equal	1
6	Between medium and low	1/3
7	Low	1/5
8	Between low and very low	1/7
9	Very low	1/9

Source: [36, p. 24]

Figure 1: Hierarchy diagram



Elements of the hierarchy diagram presented in Chart 1 have been mutually arranged in accordance with the principles of the AHP methodology. The hierarchy diagram was formulated on the basis of the presented reference sources. The first level of the diagram contains package tours. The second level includes basic elements of package tours: (1) travel program with combined services used by tourists who travel, (2) financial benefits offered to tourists by tour operators based on the reduction of total travel price, (3) tour guide services. For each of the three elements found at the second level, benefits for tourists generated based on these elements have been defined. Benefits are found at the third level of the hierarchy diagram (see the third level of the hierarchy diagram in Chart 1).

Importance of different benefits has been evaluated based on the questionnaire designed in accordance with the AHP methodology. The questionnaire included three parts. *The first part* of the questionnaire introduced the question of whether the participant travelled to summer holiday destinations by using tour operator package tours in the previous three years. Participants who replied affirmatively to this question were further asked to answer questions from the other two parts of the questionnaire. Participants who replied negatively did not reply to questions from the other two parts of the questionnaire.

The second part of the questionnaire requested that the participants make a comparison of significance between different variables defined within the same hierarchical level. Participants ranked each answer on a scale from 1 to 5 so as to demonstrate to which extent one variable was more valuable compared to the other. Possible replies were: (1) equal importance, (2) little importance, (3) strong importance, (4) very strong importance, and (5) extreme importance. *The third part* of the questionnaire contained questions regarding information on the participants such as: sex, level of education, amount of personal monthly income, level of household income.

The study was conducted in the Republic of Serbia in January 2014 on a sample of 850 participants.

The research employed a stratified sample presented in Table 2.

The criterion for defining stratum while employing the geographical criterion was determined based on the administrative division of Serbia (without Kosovo and Metohija) in four statistical regions – Šumadija and Western Serbia, Belgrade, Southern and Eastern Serbia and Vojvodina (Law on Regional Development of the Republic of Serbia, the Official Gazette of the Republic of Serbia, Nos. 51/2009 and 30/2010, 2010).

Sample survey was conducted over the phone, by randomly selecting landline telephone numbers from the

Table 2: Description of the sample used for conducting the research

		Sample	
		%	N =
Gender of the participants	Male	37.2%	271
	Female	62.8%	458
Age of the participants	18-24 years	14.5%	106
	25-29 years	17.8%	130
	30-39 years	19.9%	145
	40-49 years	19.1%	139
	50-59 years	16.6%	121
	60+ years	12.1%	88
Personal monthly income	Without income	23.7%	173
	Under 30,000 dinars	16.5%	120
	30,001-50,000 dinars	22.5%	164
	More than 50,000 dinars	14.7%	107
	Doesn't know/refuses to answer	22.6%	165
Monthly income per household member	Under 20,000 dinars	17.8%	130
	20,001-30,000 dinars	16.6%	121
	30,001-50,000 dinars	18.8%	137
	More than 50,000 dinars	11.8%	86
	Doesn't know/refuses to answer	35.0%	255
Place of residence	Belgrade	23.9%	172
	Eastern Serbia	28.9%	208
	Western Serbia	25.8%	186
	Vojvodina	21.4%	154
Obtained level of education	Quit primary school/primary school/secondary school (3 years)	7.4%	54
	Graduated from secondary school, 4 years (grammar school, vocational school)	41.3%	301
	College degree	15.2%	111
	A Bachelor's degree, Master's and PhD	36.1%	263

Telekom Srbija database. According to the evaluations obtained from the participants, the comparison matrix was formed. Based on the matrix, the significance of each value element was determined for each individual participant.

Processing the results implied testing the consistency ratio for each individual participant. Consistency ratio was tested for each pair of elements compared by the participants. Each comparison whose consistency ratio exceeded 0.05 ($CR > 0.05$) was rejected as inconsistent. Participants who had made one or more inconsistent comparison of pairs, where consistency ratio was higher than 0.05, were not included in further analysis and drawing conclusions. It was determined that 121 participants provided 173 inconsistent replies. The participants whose every reply was consistent, 729 of them in total, were analyzed.

Research results

Based on the performed research, the employment of the AHP methodology rendered results which are presented in Table 3.

By observing Table 3, it may be concluded that the reduction of total travel price in package tours has the highest level of significance for tourists. Price reduction is the result of financial benefits offered by the tour operators. Apart from price reduction, the greatest significance lies in benefits derived from travel program features, primarily the possibility to adapt the travel program to individual tourists' requirements. Overall, the lowest significance reported was in the tour guide services, although access to information offered by a tour guide regarding the details of the tourist offer at a destination is ranked as relatively significant.

Table 3: Level of significance of different benefits in package tours in the entire sample

	Level 1 (variable)	Evaluation	Level 2 (variable)	Evaluation	Result	Level
PACKAGE TOURS	TRAVEL PROGRAM WITH COMBINED SERVICES 1)	0.345	• Combining as many services as possible into packages so as to minimize travelling efforts	0.326	0.114	3
			• Possibility to adapt the travel program to individual requirements	0.345	0.13	2
			• Designing a unique experience during the travel through combination of offered services	0.329	0.112	5
	FIANANCIAL BENEFITS 2)	0.351	• Reduction of total travel price	1	0.351	1
	TOUR GUIDE SERVICES 3)	0.304	• Providing information regarding the tourist offer at a destination	0.243	0.073872	4
			• Organizing visits to different sites at a destination	0.225	0.0684	6
			• Assistance that facilitates the use of services at a destination (hotel check-in, booking different services, etc.)	0.238	0.072352	7

1) C. I. = 0.091, C. R. = 0.013, 2) C. I. = 0.0090, C. R. = 0.011, 3) C. I. = 0.011, C. R. = 0.015, 4) C. I. = 0.063, C. R. = 0.022

Cluster analysis was performed in order to examine the level of heterogeneity of demand. Two-level cluster analysis was conducted in order to determine the segments. Two-level cluster analysis implies two levels of clustering: (1) *priori clustering*, based on which the participants are grouped into pre-clusters, and (2) *hierarchical clustering*, which implies observing all clusters as individual cases and selecting the most efficient clustering based on which segments are defined [43, p. 112]. Log-likelihood distance was used as a measure of distance in the hierarchical clustering, while the BIC (Bayesian information criterion) was used as a criterion for clustering. This approach to clustering is recommended for samples above 500 and for analysis on continuous variables, which is the case with the results obtained during the conducted research.

The analysis has revealed the existence of three independent segments. The size of each segment is presented in Table 4.

Based on Table 4, it may be observed that the size of each segment is higher than 20% of the population, which suggests that segments are large enough to provide basis for their detailed analysis.

Table 4: Size of segments

	N =	%
Segment 1	346	47.5%
Segment 2	187	25.7%
Segment 3	196	26.9%

Table 5 presents the evaluations for each element of package tours in each of the three defined segments.

Based on the data presented in Table 5 we may note that the benefit of the total travel price reduction offered through the purchase of package tours is the basic benefit for all three segments. Total price reduction is a universal and most significant benefit designed by tour operators through package tours.

According to the data presented in Table 5, more precise descriptions for each of the three segments may be provided:

Segment 1 is the category of tourists for whom, apart from price reduction, the travel program bears special significance when it comes to selecting tour operator package tours. In this segment, higher level benefits are those that enable to design the program according to individual requirements, as well as those that refer to combining a greater number of services into one travel program. Tour guide services are less significant in this segment. Among the benefits derived from provision of tour guide services, the most significant benefit is the one of obtaining information on the details of the tourist offer at a destination. This category of tourists primarily chooses package tours since they guarantee a lower price, but flexibility in selection of services is also extremely important for them. The dominant benefits in this segment are those that reduce efforts, since high significance of benefits deriving from package tours with high level –

Table 5: Evaluations of significance of different benefits in package tours and levels for segments

Level 2 (variable)	SEGMENT 1		SEGEMENT 2		SEGMENT 3	
	Evaluation	Level	Evaluation	Level	Evaluation	Level
• Combining as many services as possible into packages so as to minimize travelling efforts	0.131	3	0.101	4	0.104	6
• Possibility to adapt the travel program to individual requirements	0.154	2	0.119	3	0.109	5
• Designing a unique experience during the travel through combination of offered services	0.109	5	0.142	2	0.101	7
• Reduction of total travel price	0.351	1	0.086	1	0.076	1
• Providing information regarding the tourist offer at a destination	0.129	4	0.086	6	0.128	2
• Organizing visits to different sites at a destination	0.103	6	0.092	5	0.121	3
• Assistance that facilitates the use of services at a destination (hotel check-in, booking different services, etc.)	0.1	7	0.081	7	0.111	4

(1) possibility to book a greater number of services; and (2) information provided by tour guides on the details of the tourist offer at a destination – predominantly refer to the reduction of effort in making reservations and obtaining information.

Segment 2 is the category of tourists for whom, apart from price reduction, the travel program also bears special significance. In this segment, unlike segment 1, the most relevant benefits are those that relate to designing a unique sensation and experience. Tour guide services are also less significant for this segment of tourists. However, among the benefits derived from provision of tour guide services, the most significant benefit is the one of organized visits to sights during the stay at destination, which also contributes to a better experience and quality of the tourist offer during the stay. Therefore, this category of tourists primarily opts for package tours because they guarantee lower price, but also because of a unique experience that a specially designed travel program and organized sight visits during their stay at a destination can provide.

Segment 3 is the category of tourists for whom, apart from price reduction, the tour guide services bear special significance when it comes to selecting package tours. Tour guide services are significant for this category of tourists, both with respect to providing information on the details of the tourist offer at a destination, and with respect to organizing visits to sights at a destination. Likewise, this category of tourists appreciates if the travel program offers a selection of services adapted to individual requirements. This category of tourists primarily chooses package tours because they guarantee lower price, but also because of

the services of tour guides who provide information on a destination and organize sightseeing at a destination, which improves the quality of the tourist offer during their travel. Unlike segment 2, tourists that are included in this segment prefer to design the travel program by themselves (high relevance of the benefit of being able to design the travel program as per individual requirements).

Based on the obtained results of the segmentation presented above, the importance of the difference between evaluations of variables has been tested among the segments obtained on the basis of significance of different benefits included in the package tours. According to the purpose of the research, the following research hypothesis was established:

H0: The degree of difference between segments sorted as per preferences of different benefits in package tours is statistically significant.

H1: The degree of difference between segments sorted as per preferences of different benefits in package tours is not statistically significant.

Single factor analysis of variance, ANOVA, was used to test the significance of difference. The analysis was employed to test significance of differences in evaluations between two and more independent sets. The ANOVA test is applied by calculating two evaluations of basic sets of distribution variance: (1) variance between samples, and (2) variance within samples.

By applying the ANOVA, the F-statistics was obtained and based on the value Sig. statistical significance of difference was determined. If the Sig. value is between 0.01 and 0.05, we can claim with 95% and higher certainty

that there are statistically significant differences between subgroups of categorical variable and that these differences obtained from the sample of participants actually exist in the population represented by that sample. Analysis results are presented in Table 6.

Based on Table 6 it may be concluded that the difference between segments obtained on the basis of preferences of different benefits in travel programs is statistically more significant.

Conclusion

Tour operators in the global tourism market play a vital role in travels of tourists who journey for the purpose of holiday. Over the last two decades, the tourism market has undergone significant changes. If the tour operators aim at maintaining business success, they need to adapt their business activities to the modern tendencies. Key changes in the tourism market have occurred as a result of internationalization of tourism, development of the Internet and quality improvements of marketing communications.

Starting from the period of tourism popularization, tour operators had been the most significant intermediaries in the tourist market. Benefits for tourists included in package tours, the core product of tour operators, ensure a stable operation of their businesses. However, having in mind the current trend of individual search and independent design of package tours by tourists, the tour operator's position as an important participant in the value chain is somewhat different. The opportunity for survival in the market and business development of tour operators in modern operating conditions may be

reflected in finding a specific market niche and adapting the package tour elements according to the preferences of this narrow target group.

Based on the conducted research, the total travel price reduction remains the most significant benefit which the tour operators offer to tourists by means of package tours. This benefit has traditionally been the most important element of package tours, whereas in modern circumstances its significance is relatively highly ranked, but it is not the only one. Certain relevant research indicate that this is not the only benefit with high significance [33, p. 111] which was supported by the conducted research.

According to the research, it may be concluded that demand with respect to significance of other benefits designed by tour operators in package tours is not homogenous. Research results indicate that there are three segments with statistically significant difference with respect to preferred benefits provided by package tours. Achievement of competitive advantage of tour operators therefore depends on their adjustment of package tour features to the preferred benefits. Apart from adjustments, it is important that benefits which are significant for each of the three segments are emphasized in marketing communication.

Benefits resulting from the work of tour guides have a high significance for one segment. In one scientific paper, Pond [29] has emphasized the need to perform evaluations and regulations of their work. The significance identified in the paper additionally indicates that tour guide training, permanent measurements of work quality, including briefings that are in line with a guarantee of a certain level of professionalism, must not be ignored.

Table 6: Value of the F-statistics and significance of differences between segments obtained by segmentation based on preferred benefits in package tours

Variables	SEGMENTS	
	F	Sig.
• Reduction of total travel price	41.9	0.00
• Combining as many services as possible into packages so as to minimize travelling efforts	79.5	0.00
• Possibility to adapt the travel program to individual requirements	234.5	0.00
• Designing a unique experience during the travel through combination of offered services	240.1	0.00
• Providing information on the tourist offer at a destination	119.9	0.00
• Organizing visits to different sites at a destination	161.1	0.00
• Assistance that facilitates the use of services at a destination (hotel check-in, booking different services, etc.)	157.1	0.00

The research conducted is restricted by a series of limitations. *Firstly*, the empirical research was performed based on one single methodology – the AHP, which partly limits the possibility of generalization of obtained results. *Secondly*, the empirical results indicate general preferences of tourists. The impact of situational factors, which might include: friends one is travelling with, social environment during the travel, motive for travel (honeymoon, visit to family and friends, etc.), emotional disposition, etc., may have a major impact on preferences and results of evaluations of significance of different elements in package deals. *Thirdly*, the research setting has not taken into account the impacts of all external factors on the preferences of tourists. For example, national culture, as a particularly significant external factor, has been abstracted from the research. Had the influence of other national cultures been taken into consideration, there is a possibility that the results of the analysis would have been different and that basic values would have been different compared to the obtained results.

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