

## **Benchmarking caravan and tourist park operations**

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### **ABSTRACT**

There are an estimated 1,825 caravan and tourist parks spread throughout Australia. Collectively they are the second largest provider of short term accommodation (19.7%) after motels (37.6%) (Australian Bureau of Statistics, 2004). These caravan and tourist parks vary in scale, complexity and level of service provision; much like other sectors of the accommodation industry.

However, while there has been ongoing interest, expansion and upgrading of caravan and tourist parks throughout Australia, particularly along the Pacific Coast, there has been relatively little attention paid to caravanning (and caravan parks) as social phenomenon and even less in terms of their business dimensions. Partly this is a consequence of the dispersed nature of the industry but also a reflection of its perceived status within the overall accommodation sector.

This study examines two fundamental areas of management performance, visitor service quality and operational management, with a view to assisting caravan and tourist parks operators to develop national industry driven benchmarks for both these key areas. Preliminary benchmarks are established and recommendations for their further development are proposed.

**Key Words:** Benchmarking, Caravan park, Visitor service quality, Customer satisfaction, Operational management.

## INTRODUCTION

### *BACKGROUND TO THE INDUSTRY*

There are an estimated 1,825 caravan and tourist parks spread throughout Australia. Collectively they are the second largest provider of short term accommodation (19.7%) after motels (37.6%) (Australian Bureau of Statistics, 2005). These caravan and tourist parks vary in scale, complexity and level of service provision; much like other sectors of the accommodation industry. They range from small-scale businesses of 20-25 sites situated in regional and rural areas to large resort-style operations along coastal New South Wales (NSW) and Queensland. Many of this latter group has recreation rooms, barbecues, resort-style pools, restaurants, tennis courts and mini-golf courses. 'Chalets', 'villas', 'beach houses' and 'cabins', as well as the traditional caravan and camp sites, make up their accommodation mix.

The majority of caravan and tourist parks is located outside the major cities and are often the major form of accommodation available in regional areas. Data from the Domestic Tourism Monitor (1998) indicates that 31 per cent of all holiday nights in tourist accommodation in regional Australia are spent caravanning or camping. National Visitor Survey data (2003) estimated that the caravanning and camping sector accounted for over 30 million domestic visitor nights. In respect of international visitors, over one million nights were spent in campervans and the majority of these would have been spent in a caravan park or camping ground.

In economic terms, the Australian Bureau of Statistics estimated that caravan parks generated direct revenue of \$844 million in 2003-2004. Nearly 90% of this income was received from accommodation. Further, analysis by the Bureau of Tourism Research (Occasional Paper 31, 1998) identified the importance of this sector of the tourism industry to regional Australia when it stated that the caravan and camping industry is worth in excess of \$1.5 billion annually to the Australian economy and directly employs more than 15,000 people (see also Ward & Lee 1999). This pattern is likely to continue with a reported annual 15 per cent growth in caravan and camping activity ([www.caravanandcampingsa.com.au](http://www.caravanandcampingsa.com.au)).

In Australia, caravan and tourist parks are typically small businesses and many are operated by family companies. The majority of sites operate independently while others are members of co-operative marketing groups such as *Top Tourist* and *Big 4*. These groups operate along similar lines to those of hotel and motel chains. The largest of these, *Top Tourist*, is a national organisation with over 180 members ([www.toptouristparks.com.au](http://www.toptouristparks.com.au)).

While there has been ongoing interest, expansion and upgrading of caravan and tourist parks throughout Australia, particularly along the Pacific Coast, there has been relatively little attention paid to caravanning (and caravan parks) as social phenomenon (Marles 2005 – pers. comm.) and even less in terms of their business dimensions. Kelly's (1994) work on caravan

parks as the 'cinderella' of the Australian hospitality sector was a timely (now dated) recognition of their role in supplying accommodation in regional areas. More recently, Prideaux & McClymont (2005) examined the travel characteristics of caravanners, while Cridland (2003) in his pithily titled work investigated caravanning in the context of the 'migratory patterns' of 'grey nomads'.

The above notwithstanding there has, relative to other sectors of the accommodation and hospitality sectors, been only modest consideration by researchers of fundamental management issues such as customer service (including satisfaction). Partly this is a consequence of the dispersed nature of the industry but perhaps also a reflection of its perceived status within the overall sector (Whitmont & Bailey, 2002 -pers. comm).

Taken from the perspective of the consumer, the indicators they have of 'performance' are often tied to caravan park rating or 'star' systems that were initially instigated by motoring organisations ([www.aaatourism.com.au](http://www.aaatourism.com.au)) and more recently through the marketing groups noted above. However, rating schemes are typically input measures and are not necessarily concerned with site management or the satisfaction of customers. Indeed, customer service outputs are typically of little concern in such rating systems.

At the enterprise level, given the small-business and family managed nature of these businesses, many operators do not have ready access to management expertise or possess the financial resources necessary to engage in the management or administrative development of empirically based customer service or operational management processes. These resource limitations are further exacerbated by their location—many are isolated from both capital-city based expertise and the best practice operations of comparable businesses operating in similar markets.

As a first step toward gaining a clearer understanding of the caravan 'business', while at the same time making some contribution to its performance, the research team identified service quality, including key marketing concepts such as satisfaction (Oliver, 1997) and operational management as two foundation areas for some initial investigation within the context of a much broader applied research program. The work undertaken and reported here was funded under the auspices of the nationally funded Sustainable Tourism Co-operative Research Centre.

#### *RESEARCH OBJECTIVES*

In developing our approach to examine the above we were cognisant of the necessity to work closely with industry. Caravan and tourist park operators are typically resistant to change and conservative in their approach to business (Whitmont & Bailey, 2002 -pers. comm). Thus, in order to undertake research which may ultimately challenge existing management practices and culture, the research had to be seen as both a collaborative partnership - working with caravan and tourist park managers and owners - and of direct benefit to them.

Given this reasoning it was determined that benchmarking, where there is a clearly identifiable and tangible 'product', would be a worthwhile approach. Methodological processes for this industry engagement were developed with a view to examining both customer outcomes and management performance. The aim was to determine best-practice measures which would ultimately be available to all the industry. With these considerations in mind, three key objectives for the study were established. These objectives were to develop for caravan and tourist park sites:

- a set of national operational management benchmarks;
- a set of national service quality benchmarks; and
- a decentralised knowledge management process for the national dissemination of the practices, protocols and benefits of the project.

Taken together, it was our view that once developed, customer and operational benchmarks would provide the basis for improving the quality of service provision to caravan and tourist park customers, improve management performance, and lead to the sustainability of their businesses.

In addition to these more practical objectives relating specifically to caravan parks, the research also sought to: develop a benchmarking 'process' that may have application more broadly for tourism operators and managers; and to provide a theoretical framework for managing the relationship between operational performance outcomes and customer service quality. These latter research outcomes were aimed to move the paper beyond the case specific nature of the extant research project (Bell & Crilley, 2002a; Crilley, 2005).

## REVIEW OF LITERATURE

### *INTRODUCTION*

The notion of benchmarking as a business tool has its origins in the relatively straightforward idea of comparing an organisation's performance with that of a successful competitor and, further, to use the information gathered to increase competitive advantage through the adoption and monitoring of best practice. Importantly, benchmarking is not a static concept but rather part of the process of continuous improvement (Elmuti & Kathawala, 1997; Bendell, Boulter & Goodstadt, 1998).

Dorsch and Yasin (1998) provide an extensive overview of the literature of the application of benchmarking in the services, manufacturing and public sectors. Bendell, Boulter and Goodstadt (1998, pp.82-84) suggest that the approach to benchmarking can be conceptualised around four key areas: internal benchmarking; functional benchmarking; generic benchmarking; and competitor benchmarking.

Internal benchmarking is concerned with the measurement of organisational processes over time. Thus it seeks to compare present with past performance on identified indicators. Internal benchmarking has the advantage of enabling an organisation to examine change over time based on improved internal processes. The major disadvantage is its potential lack of relevance to industry best practice.

Functional benchmarking is based on an examination of best practices in non-competitor organisations or related industry sectors. While functional benchmarking may lead to innovative or novel approaches, its lack of direct comparability at a functional level is a potential disadvantage.

Generic benchmarking is similar to functional benchmarking but is broader in scope in that it compares business processes that cut across a variety of functions in different industries. Its capacity to compare processes and outcomes with direct competitors is a significant limitation.

Finally, competitor benchmarking is concerned with the gathering of data which has direct industry relevance, often from competitors. Potentially this is a valuable source of information but notions of confidentiality and the potential loss of competitive advantage often weaken its implementation.

While Bendell, Boulter and Goodstadt (1998) conceptualise benchmarking around the four key areas, in practice organisations are likely to use some combination of each. 'However, effective benchmarking needs to extend the process to the identification of gaps in performance and the implementation of improvement strategies' (Bell & Crilley, 2002a, p.85).

#### *BENCHMARKING IN TOURISM*

In tourism, the hospitality sector has been the principal proponent of benchmarking, particularly in the area of hotel operations (Cano, Drummond, Miller & Barclay 2001; Wober, 2002). Phillips and Appiah-Adu (1998) in their study of benchmarking in the United Kingdom, argued that the most successful hotel groups in the future will be those who use benchmarking as a strategy for continuous improvement. At the same time they were critical of those organisations that focused on benchmarking purely in terms of financial management.

In the United States, Morey and Ditman (1995) examined the efficiency of general managers as a method for establishing benchmarks. Other studies, for example Min and Min (1997) proposed a range of different processes and approaches to benchmarking. Bell and Crilley (2002a, p.86) in drawing these studies together noted that 'while some standardisation of reporting systems and sharing of information appears to have taken place across industry groups such as hotel franchise chains, the pooling of longitudinal data to establish continuous review benchmarks for the specific sector is not evident in the hospitality literature'.

In the broader tourism area there have been studies of destination benchmarking (Kozac & Rimmington, 1998; Kozac & Nield, 2004; Fuchs & Weirmair, 2004); tourism websites (Schegg, Frey, Steiner & Murphy, 2002); service quality (Fach, 2000); bed and breakfast operations (Miciak, Kirkland & Ritchie, 2001); visitor attractions (Gilling, 1999); and corporate travel management (Bell & Morey, 1995.) Hudson's (1997) study of tour operators in northern Australia; Davidson's (2000) work on higher education tourism courses; and a self-assessment report of performance in the meetings industry (Meetings Industry Association Australia, 2000) are examples within the Australian context. The establishment of the National Tourism Satellite Account (Australian Bureau of Statistics, 2000) is an illustration of a macro approach to the development of 'benchmark' tourism indicators.

In respect of caravan and tourist parks specifically, there have been some attempts to establish standards as performance 'benchmarks' in Australia, for example by *AAATourism* ([www.aaatourism.com.au](http://www.aaatourism.com.au)). However, standards in this circumstance are typically concerned with facilities (much like a rating system) and do not take into account the interactions of visitor service quality with management performance.

Commercial research organisations have also become involved in benchmarking studies of the financial performance of the caravan park sector. For example, the *Entrepreneur Business Centre* (EBC) conducts ongoing benchmarking studies of caravan park operations in Australia ([www.ebc.com.au](http://www.ebc.com.au)). The EBC collect data on key performance indicators including among others, a range of income and operating cost measures, turnover, and occupancy rates. However, the methodology and data generated are considered commercial in-confidence and consequently unavailable for consideration in the context of the present study.

A study commissioned by the Sustainable Tourism Co-operative Research Centre on the benchmarking of small hotels may provide some further insight for the project but these data are not accessible at the time of writing (Sears, 2005 – pers.comm.)

In spite of the individual work noted, 'in relation to the concept of benchmarking as a process of continuous improvement, most studies do not address the longer-term strategic issues; more often presenting one-off studies of business performance or industry developments at a particular point in time. This weakness of excluding the longer-term strategic issues was reinforced in the Bergin, Jago and Deery (2000) analysis of benchmarking in the hospitality industry, and Dorsch and Yasin's (1998) review of benchmarking in the public sector' (Bell & Crilley, 2002a. pp 86-87).

In the context of this study, and the weaknesses identified above, the work of the Centre for Environmental and Recreation Management (CERM) at the University of South Australia is apposite. The work of CERM is underpinned by the notions of Total Quality Management (TQM) which, in part, advocates the involvement of all stakeholders in the strategic decision-making of a business. Utilising these principles, CERM has been conducting collaborative

research projects across various sectors of the leisure industry since the early 1990s. However, the CERM approach has not typically been applied to commercial enterprises nor in accommodation settings typical of caravan parks.

The CERM approach involves stakeholders (management, customers and employees) in the process of developing key operational management indicators and customer service quality attributes. Operational management indicators include: finance; facilities; human resources; marketing; utilities; and services. These standard criteria are then able to be compared with like firms on similar operational indicators. Over time these indicators become benchmarks by which all participating organisations can compare their performance against others.

Similarly, service quality indicators are developed in consultation with customers; examining what they see as the essential dimensions of customer service quality. These include attributes such as cleanliness, maintenance, staff interactions and value for money. Customers are then required to record both their expectations of the identified attribute (in essence its importance to them) and then to note the extent to which performance on the characteristic has been achieved by the organisation. The difference between expectation and performance identifies service 'gaps' – either positive or negative. Currently, over 200 organisations participate in the CERM PI® benchmarking program (Crilley, 2001-pers. comm.; Howat, Crilley, & Murray, 2005 ).

#### *CONCLUSION*

While it is recognised that benchmarking has the capacity to both monitor and improve performance within the tourism industry, its application has been limited primarily to the hospitality sector. Even with such application, implementation strategies tend to be 'one off' audits or reviews rather than ongoing programs of intra sector comparison and quality improvement programs.

Conversely, the CERM approach addresses the limitations of some existing programs while at the same time providing a framework for longer term strategic planning with specific sectoral applications. Bell and Crilley (2002a) argue that the CERM methodology is cost effective and provides sustainable benefits to all parties concerned. While the tourism industry has not been specifically targeted in the past, the caravan industry was seen as a sector with substantial potential for the application of a modified CERM PI® framework.

## METHODOLOGY

### INTRODUCTION

The overriding 'template' for the project was modelled on the CERM approach. Given the objectives of the study, two discrete, yet interrelated processes of instrument development and data collection were required – the development of operational management indicators and the development of service quality attributes and related implementation protocols for each. The overriding rationale was to design a series of research protocols and indicators in a grounded manner to ensure that they were both relevant and meaningful to the managers of caravan and tourist parks. Three research phases were implemented. The work involved in each of these phases and their outcomes is noted in the following.

#### *Instrument development*

For the purposes of each phase, project team members located and liaised independently with caravan and tourist park management and staff. In respect of *operational management (OM)* indicators, instrument development sessions were conducted with management and staff at eight different pilot sites. Existing CERM PI® indicators were used as a basis for the initial discussions. Focus groups were held with managers and staff and were organised around four key areas/questions:

1. Work Tasks - what are your main work responsibilities?
2. Task Relationships - can these responsibilities be grouped, for example, facilities or administration?
2. Work Performance - as a staff member/manager, how do you know when you are doing a good job?
3. Site/Operational Performance - what things do you use to rate or judge the quality of a caravan/tourist park?

Following the development of draft indicators, further meetings were held at selected sites to clarify and refine the indicator descriptors. Finally, the indicators were discussed with representatives of the Caravan and Camping Industry Association (NSW). The indicators were then formally trialled in Phase 2 of the project.

*Visitor service quality (VSQ)* indicators were developed through customer/visitor focus groups. Seventeen sessions were held at selected caravan and tourist park sites in South Australia, Victoria and Queensland. The main objective of these sessions was to identify key aspects of service quality that were important to visitors. Multiple sessions were conducted at some sites to ensure that visitors from a range of categories (for example, different age groups) were given the opportunity to provide input into the indicators. Visitors were either issued with a written invitation to attend the sessions upon arrival at the park or verbally invited by project staff once they were in the park.



Each focus group was conducted according to a standard protocol and facilitated by a member of the research team who introduced the project and the purpose of the session. Similar to the operational management protocol, the group focused on four key areas/questions, viz:

1. Expectations - what do you look for (expect) when you visit a caravan/tourist park?
2. Performance (Positive) - What is the best caravan and tourist park you have visited and what services or facilities make it stand out from the rest?
3. Performance (Negative) - what would spoil your visit to a caravan/tourist park?
4. Contributing Factors - what other factors contribute to the quality of your caravan or tourist park experience?

Individual responses were recorded on individual cards and displayed. These responses were then reviewed by the group to develop some form of overall consensus. This process provided an opportunity for key points to be clarified while engaging in sometimes broad ranging discussion. At the conclusion of the session, cards were collected and collated by the researcher.

Interestingly, there were no specific issues raised by visitors in terms of the broader 'environment' impacting upon the quality of their visit. However, it could be that visitors, as with park staff in their focus groups, see the environment as outside of the realm of control of caravan park managers. Arguably, considerations relating to the macro environment in which the park is located are perhaps more closely linked to the destination choice decision-making process.

Taken together, the focus group results, discussions with industry collaborators and input from the three University-based research units were used to develop instruments and protocols in preparation for Phase 2, the pilot study.

#### ***Pilot study***

Phase 2 involved field testing the instruments and protocols at eight pilot sites – three in NSW and Queensland and two in South Australia. Only the VSQ indicators were field tested with customers. In respect of the OM indicators, no raw management/operational data were collected. Each site was requested to examine the data requirements of the instrument and to model these requirements with their existing data sources and recording mechanisms.

Following the pilot phase, interim reports were prepared for each site followed up by visits from the research team. These visits were used to discuss the interim outcomes and to clarify and assist with any data collection/management issues being experienced on-site. The project then moved to the third phase, the main study.

***Main study***

Following the pilot study, the structure and content of both the VSQ instrument and the OM template were finalised. The main study involved further data collection from the eight pilot sites along with an additional twelve sites throughout NSW, Queensland, South Australia and Western Australia. In this larger sample, an attempt was made to gather data from three specific geographic locations, urban, coastal and inland. These were defined as follows:

- Urban sites – sites located on the fringe of capital cities which serviced tourist needs (as distinct from people using the caravan site as a place of semi-permanent residence).
- Coastal Sites – sites located adjacent to the coast. This was the largest group surveyed as they make up the significant majority of caravan and tourist park sites in Australia.
- Inland Sites – sites located away from the city and coast. Many of these are located on transit routes and usually in close proximity to a major inland town.

**DISCUSSION AND RESULTS: VISITOR OVERVIEW**

From the 21 caravan and tourist parks originally agreeing to participate in the study, a total of 2,126 visitor service quality responses were collected from 17 sites, and operational management indicators from 18. The following three sections reflect the outcomes from these data sets.

***VISITOR PROFILES***

An overview of the visitors who responded to the questionnaire is as follows:

- 56 per cent of those who responded were from Queensland followed by South Australia (27%), NSW (11%), and Western Australia (6%)
- 54 per cent of respondents were females
- 54 per cent of respondents were in the 40-64 years age bands while the 50-59 year olds were the largest single group (21%).
- more than 90 per cent of respondents were staying with a member of their family reinforcing the image of caravan and tourist parks as ‘family’ oriented venues.

***SITE RESPONSES***

***Location***

- As noted in the methodology, sites were grouped according to location – Metropolitan, Coastal or Inland. Consistent with overall park developments and use, more than 65 per cent of responses were from coastal sites.

***Reason for choosing park***

- A site's location (27%) and its 'membership of well-known park group' (18%) accounted for nearly half the total responses. In terms of location, it is unclear whether this is related to the specific location of the park itself or the destination overall. The membership factor is particularly interesting given the relatively low ranking of 'accreditation', and to a lesser extent, the 'star rating' on site choice. It is likely that consumers view park-group membership as an implicit quality standard. These data have significant marketing implications for individual operators and the industry overall.

***Accommodation***

- The type of accommodation used at each site reflects ongoing trends in the development of caravan and tourist parks. Caravan /campervan sites still make up more than 40% of overall site use.
- Cabins with superior facilities, in particular ensuite bathrooms, account for more than 35% of visitors. As noted later it is likely that 'high yield' cabins will continue to be developed by operators given the comparative return on investment for each individual cabin 'site'.

***Purpose of Visit***

- Visitors were primarily in the park for a holiday of less than two weeks (34%) or part of an extended holiday or lifestyle visit (32%).

***Number of Other Parks Visited***

- More than half the visitors (55%) were regular caravan and tourist park users having previously visited seven or more sites. This pattern may be indicative of the age group within the sample and/or the number in the sample who were on an extended lifestyle holiday.

***Period of Stay***

- As would be expected, the majority of visitors used the parks during the late Spring and Summer months.

**DISCUSSION AND RESULTS: VISITOR SERVICE QUALITY (VSQ)**

***INTRODUCTION***

Section A of the VSQ questionnaire asked respondents to rate both their level of *expectation* (E) and the level of *performance* (P) achieved from 1 ('disagree') to 6 ('very strongly agree').

The Expectation (E) mean calculated from the data refers to the extent to which visitors believe a particular service attribute or level of quality should be provided/expected at a caravan and tourist park. A high mean may represent the impact of the visitors' previous caravan and tourist park experience or their more general views on expectations of customer service quality.

Alternatively, a low mean on expectations may indicate the visitor has limited interest or need for this service attribute or has lower service quality expectations generally.

The Performance (P) mean measures how a service attribute or an aspect of service quality is perceived to be performing. A high mean for performance may indicate an attribute of service quality perceived by visitors to be well delivered. A low performance mean may be indicative of a problem requiring correction. Alternatively, it may be due to the unique circumstance of a particular site which is understood and accepted by management.

These two means are used to calculate the 'VSQ gap' for each visitor service quality attribute—that is, the extent to which performance does not meet expectation thus:

$$\text{Performance Mean (P) - Expectations Mean (E) = VSQ Gap}$$


Where performance exceeds customer expectations, the VSQ Gap may also be positive. As a corollary, a positive performance gap, or indeed a match between expectation and performance for an attribute suggests higher levels of customer service which may contribute to greater levels of satisfaction (Howat, Murray & Crilley, 1999).


The performance of caravan and tourist parks on each of the service quality attributes contained within the questionnaire is noted in Table 1. Further, the preliminary national VSQ Gap (either positive or negative) is identified.


**Table 1:** Visitor Service Quality 2003/04

VSQ ATTRIBUTES	Expectation (E)	Performance (P)	VSQ GAP National Median
1. Safety and Security	4.6	4.4	-0.2
2. Park cleanliness	4.9	4.9	0.0
3. Park maintenance	4.7	4.9	0.2
4. Range of recreational facilities	4.6	4.7	0.1
5. Accommodation comfort (cabins, on-site vans etc.)	4.7	4.9	0.2
6. Site layout	4.6	4.7	0.1
7. Staff efficiency	4.7	5.0	0.3
8. Staff friendliness	4.8	5.0	0.2
9. Staff knowledge of local attractions & facilities services	4.6	4.7	0.1
10. Staff put in extra effort to help	4.5	4.6	0.1
11. Management of park	4.6	4.7	0.1
12. Suitable secondary services	4.4	4.4	0.0
13. Value for money	4.6	4.5	-0.1

**Key\***

 *Strengths:* Attributes with high expectations ratings, high performance ratings and small negative or positive VSQ gaps.

 *Monitoring:* Attributes that could benefit from monitoring in the future.

 *Areas for development:* Attributes with high expectations ratings, comparatively low performance ratings and large VSQ gaps (particularly when compared to the national figures).

\*Given the exploratory nature of this study and its goal of building benchmarks, the research team, based on prior CERM PI ® experience, determined that a VSQ gap of + or – 0.2 would be considered as a strength or an area for development. Further testing of these assumptions will take place with more robust data as a result of an increased sample size and diversity of operations as the project develops.

### *NATIONAL STRENGTHS*

In reviewing the data outlined in Table 1, it is clear that the caravan and tourist park industry is performing well in broad terms in meeting the visitor service quality expectations of its customers. In particular in the areas of: Park Cleanliness; Park Maintenance; Comfort of Accommodation; Staff Efficiency; and Staff Friendliness.

In each case, these service quality performance outcomes also have amongst the highest levels of expectation. While further investigation with visitors to discriminate between the relative importance of visitor service quality attributes would be necessary to draw definitive conclusions, arguably the above attributes are also fundamental to overall visitor satisfaction. The effectiveness of staff in dealing with customers is a point of particular note.

### *AREAS FOR MONITORING AND DEVELOPMENT*

Two particular issues, *Safety and Security* and *Value for Money* stood out as requiring further consideration or action by park managers.

*Safety and Security* was not in the highest group in respect of expectations but clearly visitors have some apprehension about the performance of the parks on this attribute. Further research is needed to gain insight into the particular aspects that are of concern to visitors. For example, are visitors concerned with the theft of their belongings; personal safety; or traffic movements around the site and the potential for endangering young children?

*Value for Money* presents a particular challenge to park managers. Historically, caravan and tourist parks developed as venues that provided well located, readily available and affordable accommodation for families or budget conscious singles. In earlier times, there were likely lower expectations about the level of service and quality of facilities provided. Such expectations were also matched by park tariffs. However, with the diversity and growth of facilities and services provided by parks, the prices of all forms of accommodation have risen. One could be drawn to the conclusion that prices may have outstripped service and facility provision. Further research is needed to tease out this service quality attribute.

It should be noted that an analysis of individual parks on each of these attributes has been reported by the principal researchers to the caravan and tourist park sites participating in the study.

### *VISITOR RELATIONS*

A further series of measures were incorporated into the data that are also indicative of visitor service quality. These indicators are broad 'outcome' responses by visitors: levels of satisfaction; recommendation to others; intention to revisit the park; and the level of problems experienced and resolved.

***Level of Satisfaction***

- Nearly 90 per cent were satisfied or very satisfied with their visit.

***Recommendation to Others***

- Over 85 per cent of visitors indicated they would recommend the caravan and tourist park site to others - a positive indicator of overall customer satisfaction.

***Intention to Revisit***

- More than 75 per cent of visitors indicated their intention to revisit the park. It is unclear from the data whether those who indicated they would not return is a consequence of a poor service quality outcome or simply a destination decision.

***Problems Experienced, Reported and Solved***

- Over 25 per cent of visitors responding to this question experienced some problem during their visit.
- The extent to which problems are resolved when reported is an important service quality indicator. If action is not taken, visitors may feel that their requests are not being taken seriously by the manager or that management is unsympathetic to meeting customer service expectations. The nature of the problems experienced is not clear from the data and requires further investigation. For example, some problems may not be able to be resolved in a timely manner and others beyond the control of management. However, of the 25 per cent of visitors who experienced problems, over 40 per cent of these were reported to management. Of those reported, just under half were resolved.

***Value for Money***

While more than 80 per cent of visitors agreed that the caravan and tourist park provided good value for money, there are some inconsistencies in the data. The VSQ attributes outlined in Table 1 suggest that value for money is a problem with at least some parks. Further investigation of this variable, including comparisons with complementary studies using similar conceptual frameworks, is required. One such assessment of the value of using similar attributes and measures for visitor management has been made by Crilley (2005).

**DISCUSSION AND RESULTS: OPERATIONAL MANAGEMENT INDICATORS**

***INTRODUCTION***

Data for this part of the project were collected using the Operational Management Questionnaire. Following completion of the main study, data across the 17 sites were combined. The median was adopted as the 'benchmark score' in preference to the mean. By using the median in the calculations the distorting influence of very small or very large figures typically associated with calculating the mean are minimised. This decision was also based on the previous benchmarking experience of CERM.

BENCHMARKING CARAVAN AND TOURIST PARK OPERATIONS

Nineteen indicators of operational management were measured. The indicators were replicated for each site to enable individual operators to compare their data to national benchmarks. The data reported reflect the 'national benchmark' calculated from the returns of each sample site. Given the sample size, these benchmarks should be considered provisional at this time. The indicators, and the national benchmark associated with each indicator, are noted in Table 2.

**Table 2: Operational Management Indicators – National Benchmarks**

<b>Indicator</b>	<b>National Benchmark</b>
<b>INCOME SHARE</b>	
Cabins	49%
Powered Sites (no ensuite)	25%
Ensuite (powered) Sites	6%
Unpowered Sites	1%
Secondary Spend	7%
<b>COST SHARE</b>	
Cleaning	12%
Maintenance (routine)	10%
Energy (gas, electricity)	8%
Water	2%
Marketing	7%
Labour	44%
<b>OTHER by unit cost/income</b>	
Labour cost to gross revenue	32%
*Operational expense recovery	N/A
Site occupancy	37%
Cabin cleaning and maintenance costs	\$11.13
Secondary services per visitor night	\$ 0.99
Secondary services by sites occupied	\$ 2.44
Labour cost per visitor night	\$ 5.44
Labour cost per site occupied	\$12.07

\*The data for this variable were not incorporated at the request of key stakeholders. However, these data were reported, in confidence, to each site within their individual reports. For the sake of completeness it has been noted in the table to acknowledge that it has been considered.



### *OPERATIONAL MANAGEMENT INDICATORS*

In respect of income, the importance of 'new' accommodation types is highlighted in the data. The income from cabins, in their various forms, accounts for nearly half the total revenue and provides 10% more income than all other sources combined.

Anecdotal evidence suggests that the potential yield from cabins is driving caravan and tourist park operators towards their development at the cost to other sites. Given the returns, such a move makes economic sense. However, it is unclear whether the demand for cabins is being driven by new customers to caravan and tourist parks or existing customers changing their accommodation preferences. Further research is needed to investigate these changing demand patterns.

A further economic consideration in respect of costs concerns the labour/ income tradeoffs of increasing the number of cabins. Cabins require more ongoing maintenance and attract additional cleaning costs when compared to 'traditional' forms of site usage. Keeping labour costs in check given their percentage of cost share is therefore fundamental to the relative profitability of site operations. It should be noted that, in terms of the reliability of the self reported data in the study, the Australian Bureau of Statistics (2005) report approximately the same labour cost share.

The impact of income from secondary spending is also noteworthy. The goods and services associated with secondary spend (for example food, drink, gas, and bike hire) provide the same income as ensuite sites and un-powered sites combined. The income /expense equation in respect of these two is difficult to calculate from the data and would, in any case, have site specific characteristics.

Site occupancy rates are generally lower than other accommodation sectors. Hotels for example typically have break even occupancy rates of greater than 55 per cent. However, these rates may be very much related to both seasonality and the relative capacity of the individual site. For example, sites may be under occupied in winter and autumn (excess capacity) and have excess demand for sites in spring and summer (under capacity). A better understanding of this variable can only be answered at the individual site level.

Marketing expenditures are also relatively low which may be directly correlated to the excess capacity scenario noted above. Again, site specific data would need to be examined on this variable.

### **SUMMARY AND IMPLICATIONS**

The caravan and tourist park industry is a substantial provider of short term accommodation. However, it is a sector that up to quite recently has not attracted significant academic attention.

This study sought to in part redress this apparent neglect by investigating two management fundamentals – service quality and operational management. Our study found that there were high levels of satisfaction with the service outcomes of caravan and tourist park sites generally. The particular strengths were: park cleanliness; park maintenance; quality of accommodation; staff efficiency; and staff friendliness. Those areas requiring monitoring or action were: safety and security; and value for money.

In addition to these attributes, other indicators of service quality were identified in the area of visitor relations. These indicators are broad ‘outcome’ responses by visitors including: levels of satisfaction; recommendation to others; and intention to revisit. In terms of visitor satisfaction, a significant majority (90%) were either satisfied or very satisfied with their visit. There were also significant recommendation levels with over 85 per cent indicating they would recommend the site to others. Seventy five per cent indicated their intention to revisit the park.

In terms of operational management, the benchmarks identified are in their early stages of development. However, the various benchmarks do provide some indicative data for managers of caravan and tourist parks. From their perspective, the current data will allow them to examine their relative performance against the identified national benchmarks. It will also enable them to study the internal distribution of income and expenses across their own data. While not reported due to commercial in-confidence considerations, each site was provided with a precise breakdown of their own income and cost ratios for the purposes of direct comparison with the benchmark data.

#### *MANAGEMENT IMPLICATIONS AND CONTRIBUTIONS TO RESEARCH PRACTICE*

Benchmarking studies typically focus on short term outcomes and are typically not used strategically (Bergin, Jago and Deery – 2000). The work undertaken in this study has attempted to look beyond simple measurement and provides a basis for both short term management interventions and strategic planning. The contribution here is to highlight the interdependence of both forms of benchmarks and how they might be used as part of an overall management strategy - an apparent limitation in existing benchmarking discourses.

To move this reasoning to a practical level, a manager could in the short term examine the relationship between greater levels of staff training (an operational cost) and visitor rated levels of recommendation (a visitor service quality outcome). If improved staff training leads to higher recommendation levels (and the potential for repeat visitation) the manager may engage in more strategic thinking about longer term employment and training practices. Equally, decisions on overall human resource management might be made in the context of cutting back on specific services and examine their impact on operational performance and visitor satisfaction.

While the above focuses on the intersection of theory and practice, this study contributes a methodological dimension through its adaptation and extension of the CERM model into the accommodation / hospitality sector. In this study the development of both operational management indicators and visitor service quality attributes were driven by stakeholder groups and not 'artificially' constructed. This process brought commitment from each of the stakeholders – particularly the site managers. In the context of other research groups engaging in benchmarking studies, it is a replicable and recommended process.

#### ONGOING WORK

Given the outcomes of the project there is now a need to more clearly theorise the findings in the context of the extant literature. Theorising of this nature is beyond the scope of the current paper but a companion document is under development.

The findings of this research project have been presented at the conferences of each state caravan and camping industry association. Further, a user friendly version of the project is to be placed on the national industry association website. We are also investigating the establishment of a national data base for self reporting, on a subscription basis. This would require broad agreement on both the sets of indicators, their measurement and what is regarded as credible 'benchmarks'..

Work is also being undertaken to increase the sample in terms of diversity and size to make the indicators more robust. An expanded data set will provide more detailed information and allow for clearer segmentation of the various markets and issues identified with the current study.

In terms of the study's objectives overall, this is very much a living project. While substantial work has been undertaken, the data and its interpretations are evolving.

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