Niche Market and Product Customization: Approaches to Increase the Arab Tourist Arrivals to Egypt: A Study of Hotels and Travel Agents
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Abstract
According to the tourism competitiveness report, Egypt occupied the 64th rank globally in 2010, 75th in 2011, and 85th in 2013, while regionally Egypt occupied the 6th rank in 2009, and the 9th rank in 2013. This decrease in Egypt’s rank globally and regionally is mainly due to the lack of political stability and terrorist attacks in the Arab Area. While efforts could be made to retrieve the international arrivals, two alternatives could be adopted to promote tourism activities and support the contribution of tourism to the country’s economy; the first is to promote internal tourism activities, while the second is to target a niche market and customize a specific product/service to satisfy the requirements of its customers. A niche market is the subset of the market on which a specific product is focused. The market niche defines the product features aimed at satisfying specific market needs, as well as the price range, production quality and the demographics that is intended to impact. Product customization is producing a physical good or a service that is tailored to a particular customer’s or market’s requirements.

Having Egypt in its location in addition to having the same language, culture, and similar habits should push tourism stakeholders to make use of that in targeting the Arab tourism market. Therefore, this study aims to identify the approaches that hotels and travel agents in Egypt can adopt to attract the Arab tourist and increase the Arab arrivals to Egypt. The study focuses on two approaches (niche market and product customization) through which hotels and travel agents can produce specific packages to attract the Arab Tourist.

To achieve the aim of this study, the quantitative-qualitative approaches will be incorporated in this research. A questionnaire form will be used to collect the perceptions of travel agent and hotel managers towards the Arab niche market and customizing a product to target this significant global market subset. Personal interviews will be conducted with some managers of travel agents and hotels to help identify the needs of the Arab tourism market.

This study has many managerial implications to hotels and travel agents and significant insights to public authorities to encourage the Arab tourists and improve the numbers of tourist arrivals to Egypt.

Key Words: Niche Market, Product customization, Arab Tourists, Hotels, Travel agents, Egypt.

Introduction
Egypt, a country that is rich in cultural heritage (with 7 World Heritage sites), ranks a low in the Travel and Tourism Competitiveness Index (TTCI) (58th). Additionally, Egypt has excellent price competitiveness, where it is ranked 5th overall with low comparative prices generally, including fuel prices, as well as relatively low ticket taxes and airport charges. Furthermore, the government is seen to be prioritizing the travel and tourism industry, with high government spending on the sector (ranked 19th). Furthermore, the government has ensured the country’s presence at major tourism fairs (4th) (Blanke and Chiesa 2013).

According to the tourism competitiveness report, Egypt occupied the 64th rank globally in 2010, 75th in 2011, and 83th in 2015, while regionally Egypt occupied the 6th rank in 2009, and the 9th rank in 2013. This decrease in Egypt’s rank globally and regionally is mainly due to the lack of political stability and terrorist attacks in the Arab Area. This assessment was arguably influenced by the uncertainty caused by the political transition the country has experienced since the events of the Arab Spring (Sala-i-Martin, Bilbao-Osorio et al.)
While efforts made to retrieve the international arrivals, two alternative approaches could be adopted to promote tourism activities and support the contribution of tourism to the country’s economy; the first is to promote internal tourism activities, while the second is to target a niche market and customize a specific product/service to satisfy the requirements of its customers (Franceschini, Galetto et al. 2006).

This study aims to explore the needs and requirements of the Arab visitors (their preferences and profiles), as the target niche market; compare the needs identified by the Arab tourists staying in hotels and travel through travel agents; provide insights to travel agents and hotels in order to attract the Arab tourist and increase the Arab arrivals to Egypt. The study focuses on two approaches (niche market and product customization) through which hotels and travel agents can produce specific packages to attract the Arab Tourist. This study could help people in charge for marketing in focusing on new trends in marketing and targeting Arab tourists and satisfy their needs to support the recovery of tourism to the Egyptian destination.

**Literature review**

**Changes in tourism from mass market to niche markets**

The term ‘niche tourism’ is largely borrowed from the term ‘niche marketing’, which in turn has appropriated the niche concept from the language of the relatively recent discipline of ecology (Novelli 2005, Millington 2006, Marson 2011). Marson (2011) has widely credited with introducing the concept of ‘niche’ referring, in its widest sense, to a region in a multidimensional space characterised by environmental factors that affect the welfare of the species.

In marketing, niche refers to two inter-related ideas. First that there is a place in the market for a product, and second, there is an audience for this product, where both place and audience are seen to be entities. This can be extended further to refer to a specific product tailored to meet the needs of an audience/market segment (Kotler 1989, Franke and Schreier 2008, Wu, Ho et al. 2016). The clear premise is that the market should not be some simplistic homogeneous whole with general needs, but rather as sets of individuals with specific needs relating to the qualities and features of particular products (Shani and Chalasani 2013).

Thus, a ‘niche market’ is a more narrowly defined group whereby the individuals in the group are identifiable by the same specialised needs or interests and are defined as having a strong desire for the products on offer. The size of a niche market can vary considerably but effectively it needs to be balanced between being large enough to produce sufficient business and small enough so that it is overlooked by competitors (Walton 2014). Behind the idea of a niche market lies a knowledge process that involves hotels, researching, identifying and targeting specific audiences and maintaining a relationship with them in the face of competition (Walton 2014, Wu, Ho et al. 2016). A further important association with the niche idea is one of intimacy in terms of process. There is almost a tinge of amateurism connected with the niche tourism idea (Millington 2006, Shani and Chalasani 2013).

Holidays for photography or steam engine enthusiasts and the like invoke a certain feeling of ‘anorakism’. Niche tourism is however far from intimate and amateur in its operations. Indeed, it is generally representative of a highly-sophisticated approach to marketing which allows a marked degree of segmentation and ongoing relationships built with a client base. Niche tourism may be a packaged form of tourism and in terms of the potential numbers of niches it can fill comes close to a mass phenomenon (Novelli 2005, Millington 2006). At one level this is operated through a network of small hospitality and tourism establishments (tour operators, hotels, etc.), making use of the low barriers to entry that are
a feature of the tourism industry, and employing information technology as a form of 'cottage industry' (McNamara 2006).

At another level, niche tourism can be operated through very large, transnational hospitality and tourism establishments (that also deliver mass tourism packages) using highly developed expert systems that can deliver product variety but in an effective, standardised way. From the perspective of the tourist, the product appears to be ‘niched’ to their highly individual needs, but is delivered to what can be an exceedingly large number of individual tourists sharing similar interests and needs (Shani and Chalasani 2013).

**The drivers for niche tourism**

As Wu, Ho et al. (2016) highlight, tourists’ consumer behaviour has produced a more segmented, specialised and sophisticated market and we can conceive of the development of niche tourism as a response to consumer needs; as a way of allowing the development and expression of identity through specific activities that also overlap with other consumer preferences.

In other words, if cycling as a home leisure phenomenon provides a way of social and individual identification/distinction (complete with the purchases of clothing, equipment, attendance at cycling events, etc.), such a market will also seek to express itself in its holiday choices such as looking for destinations and resorts with a cycling friendly environment (McNamara 2006). Of course, this may not always amount to a specific ‘niche’ holiday built solely around cycling; it nonetheless provides the tourism industry with a specific market to target for ‘cycling holidays’. Similar scenarios may be presented in relation to other sport activities like golf, climbing, walking and water rafting (Millington 2006).

The notion of an increasingly experienced group of tourists demanding specialist holidays to meet their specific desires provides a necessary condition for the growth of niche tourism, but it is far from sufficient. Amongst tourism businesses the creation of niche tourism be an element of competitive strategy (Millington 2006, Wong and Lesmono 2013). As tourism, has grown as a business, companies have increasingly sought to gain competitive advantage in an expanding, and crowded marketplace. In basic terms, competitive advantage relates to a company being able to generate higher profits as a proportion of sales than does its competitors (Novelli 2005, Robinson and Novelli 2005).

**Niche markets and business providers’ growth**

Markets were accompanied with the growth of providers and increased competition, particularly in the delivery of all-inclusive holidays. Although increasing turnover, market share and price-wars have been dominant features of tour operators’ strategies, profit margins amongst large and medium sized tour operators, particularly in the UK, have been narrow. The development of niche products has been part of a wider structural process of diversification as the tourism industry has sought to capture new, more profitable markets, either by internal development and building a new customer base or by acquiring other (usually smaller) companies that specialise in high value tailored products (Tohamy and Swinscoe 2000, Franceschini, Galetto et al. 2006). The existence of low barriers of entry to the tourism business sector has tended to polarise a relatively small number of large companies, and many small businesses (Walton 2014).

Establishing market niches has allowed small businesses to gain their own edge in a highly competitive and generally price-sensitive market. With their abilities to be close to their market and offer personalised service and high levels of product knowledge, such businesses have could carve out specialist tours and holiday packages (Shani and Chalasani 2013).
A cursory glance at the UK’s Association of Independent Tour Operators Directory reveals the full range of niche tourism products on offer. Therefore, there appears to be a strong correlation between the growth of niche tourism products and a steady growth in levels of entrepreneurial activity that builds upon the special interests of enthusiasts who frequently seek to transform these interests into a business venture. However, little research has been carried out in this field. Issues of whether niche tourism is product led or consumer led are in many ways in danger of overlooking the realities of a form of tourism that is increasingly able to deliver a wide range of experiences to ever growing numbers of tourists (Franceschini, Galetto et al. 2006).

Whatever the mechanisms behind niche tourism, whatever its deceptions and contestability, it provides a connection between tourist dreams, desires, imaginings and experience. No longer can we understand tourism as some composite and solid whole with its implications of composite and easily definable markets and mainstream tourists. Now, even the most extreme corners of human imagination can be catered for in a packaged way (Franceschini, Galetto et al. 2006, Flynn and Vencat 2012).

**Product Customization: Why Customization is the Future of tourism and how to Profit from it?**

Blecker, Friedrich et al. (2004) define customization as “...producing in response to a particular customer’s desires.” The authors pointed out that it is relevant to make the distinction between variety and customization. Whereas customization strives for fulfilling individual customer’s needs, variety simply involves more choice from which the customer can choose. “Fundamentally, customers do not want choice; they just want exactly what they want”.

Customization is intended to add increased customer perceived value to a product, since a customized product – compared to a mass-produced product – increasingly fulfils the need of the customer(Du, Jiao et al. 2006, Fynes, Professor Paul Coughlan et al. 2015). When defining the term product customization, it is relevant to include the product perspective which can be a physical good or a service. Thus, product customization can be defined as producing a physical good or a service that is tailored to a particular customer’s requirements. In this context, customer involvement is an important issue; because customers dictate what the enterprise should produce (Franke and Schreier 2008, Wong and Lesmono 2013).

**Product Customization and Competitive Advantage**

“Competitive advantage fundamentally grows out of the value a hospitality and tourism establishment is able to create for its buyers that exceeds the cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price”(Pine 1993).

It is obvious that Du, Jiao et al. (2006) emphasizes the value offered to the customer as the most important factor which determines the extent of competitive advantage. In this context, offering customized products seems to be a source of competitive advantage because the ability to develop customer-tailored products that can be marketed as a differentiating and distinctive capability that provides customers with superior value. Therefore, product customization can be considered as a feature to differentiate services from those of competitors (Blecker, Friedrich et al. 2004, Wong and Lesmono 2013).

Mass customization is a business strategy that aims at fulfilling individual customer needs with near mass production efficiency. Whereas the literature includes many contributions that discuss the strategic benefits of mass customization, there are large deficits concerning
its implementation in practice (Pine 1993). Companies that want to pursue this strategy need a set of practical tools to make mass customization work efficiently. The main problem is about how to be able to produce many customer oriented product variants by simultaneously providing prices that do not considerably differ from those of mass products (Franke and Schreier 2008, Fynes, Professor Paul Coughlan et al. 2015).

The main concern is to determine the specific organizational requirements and favourable market factors that will contribute to an increase in the probability of the success implementation of mass customization. For instance, according to Blecker, Friedrich et al. (2004) success in mass customization is attained when the supplier provides customers with superior customer value – in contrast to hotels’ offerings –through customization on a mass scale. Fynes, et al. (2015) who identified six strategic success factors, namely: costs, quality, time, flexibility, service, and product variety.

**Mass Customization in the Hospitality and Tourism Industry**

Ritz-Carlton uses software to personalize guests’ experience by linking to database filled with quirks and preferences of half a million guests. Any bellhop or desk clerk can find out whether a guest is allergic to feathers, their favorite newspaper, or whether they like extra towels. The company stores guest information in a database and uses it to tailor the service to each guest on his/her next visit. This is a way to transparently customize for those customers who do not want to be bothered with direct collaboration (Walton 2014).

The decision to offer customers a great number of variants of a product assumes that under these circumstances they can appreciate the product utility and then decide to buy it. But the strategies of product proliferation do not always produce the same effect. On the contrary, sometimes they have a negative impact on sales (Blecker, Friedrich et al. 2004, Wong and Lesmono 2013, Fynes, Professor Paul Coughlan et al. 2015).

**Tourism and hospitality in the Arab region**

The tourism and hospitality industry has taken on a growing importance in the Arab world, which has experienced a significant increase in tourism over the past decade. According to the World Tourism Organization (UNWTO), the Middle East’s average annual increase in tourist arrivals, the fastest growth of any region and comparable with worldwide tourism and hospitality growth of 2.7 percent. Importantly, the tourism and hospitality sector in the Arab world has proven resilient to regional conflict and security concerns (Blanke, 2012).

Despite the large number of Arab countries and the considerable size of their collective population, the Arab region's tourism size is limited, which may be one of the reasons for the limited progress of Arab cooperation. Arab countries are geographically close, with most having common borders. Yet, high tariff barriers, the lack of adequate infrastructure and different means of transportation all increase the cost of tourism between these countries and erode the comparative advantage of proximity (Sala-i-Martin, 2014). While the types of tourism that appeals to Arab tourists vary, the most favoured types of tourism include leisure/entertainment, adventure, and shopping. Leisure tourism is the most preferred among Arab tourists, where the main purpose of their holidays is entertainment and enjoyment (Abodeeb 2014).
Table 1: The number of Arab tourist arrival to Egypt during the period 2010-2014

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Arab tourists (million)</th>
<th>Total number of tourists</th>
<th>Percentage of Arab tourists to the total tourists %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2.1</td>
<td>14.7</td>
<td>14.2</td>
</tr>
<tr>
<td>2011</td>
<td>1.8</td>
<td>9.8</td>
<td>18.3</td>
</tr>
<tr>
<td>2012</td>
<td>2.3</td>
<td>11.5</td>
<td>20</td>
</tr>
<tr>
<td>2013</td>
<td>1.8</td>
<td>9.5</td>
<td>20</td>
</tr>
<tr>
<td>2014</td>
<td>1.6</td>
<td>9.9</td>
<td>16.3</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism (2013; 2014)

Desires of Arab Tourists

This type of tourism attracts all segments of the Arab society, including children and adults. In addition, adventure tourism such as scuba diving, mountain climbing, surfing, horseback riding, paragliding and gliding, and hunting are often sought by the Arabian tourists (Sala-i-Martin, Bilbao-Osorio et al. 2014).

Generally, the Arab tourists are looking for destinations that offer different types of water entertainment resorts or wilderness opportunities where they can enjoy their families have fun and entertainment. Importantly, Arabs usually travel with their family, preferring to rent private cars rather than use public transport, and stay at hotels that are equipped with interconnected rooms and/or suites or apartments. Shopping, however, is perhaps the most popular and desired tourist activity among Arabs (Franceschini, Galetto et al. 2006).

As some Arab tourists, especially those from the Arab Gulf countries prefer destinations that possess an abundance of different types of markets that compete with the finest brands in the most important world markets, and especially those that have goods at affordable prices (Tohamy and Swinscoe 2000). This is in addition to the popular and historical markets that distinguish one tourism destination from another.

Therefore, shopping centres are an important priority for Arabian tourists (Abodeeb 2014). Providing a diverse shopping centres is essential to attract Arab tourists, who are famous for their propensity to purchase jewellery during high spend shopping expeditions (Sala-i-Martin, Bilbao-Osorio et al. 2014). Overall, the level of spending by Arabs is relatively high. One study estimated that about 15,000 visitors from the Middle East were spending $78 million on Egypt each year, compared with 114,000 Chinese tourists spending $67 million (Sala-i-Martin, Bilbao-Osorio et al. 2014). This makes the Middle East tourist group the largest spending group per capita on Egypt (Hazbun 2003).

Previous Studies on the Motivations of Arab Tourists

There has been scant attention paid by researchers towards the motivations of outbound tourists from Arab countries. However, there are many notable exceptions. One study was undertaken by Mustafa (2010) in Saudi Arabia and examined both the ‘push’ and ‘pull’ domestic tourism motivations in Islamic and Arabic cultures on the basis that cultural variables play a significant role in travel motivation Factor analysis revealed nine ‘push’ motivational categories: cultural value, utilitarian, knowledge, social, economic, family togetherness, interest, relaxation, and convenience of facilities. There were nine ‘pull’ motivational categories that resulted from factor analysis (safety, activity, beach sports/activities, nature/ outdoor, historical/cultural, religious, budget, leisure, and upscale).

So far the most important of the ‘push’ and ‘pull’ factors for Saudi tourists are cultural and religious values. Moreover, Hazbun (2003) investigates the implicit and other motivations for Saudi outbound tourism, as well as the influence of Saudi culture, demographic variables and tourists’ motivations on destination selection. Factor analyses were
conducted to identify tourism motivations and cultural factors of Saudi society. The findings indicated that the tourism motivations, cultural factors and demographic variables have an influence on destination selection (Tohamy and Swinscoe 2000). Thus, most studies on Arab tourists’ motivations found that Arab tourists’ culture and religion are affecting their motivations and destination choice.

Research Methodology
This study employs mixed methods methodology, quantitative-qualitative. This implies exploring the characteristics and preferences of Arab tourists and then comparing these quantitative results with the qualitative data collected from managers of travel agents and hotels. The sequential design is popular when using mixed methods. Here, quantitative data collection and analysis is conducted first, followed by qualitative. The weight in this design is given to the quantitative data. The two types of data (quantitative and qualitative) are separate but connected. In the sequential explanatory design, the quantitative results are explained; then the qualitative data is used to help further explain and interpret the findings arising from the quantitative stage, including any surprising results. The strength of this strategy is its straightforward design and clear separate stages (Creswell 2009).

Quantitative is mostly used to refer to certain data collection techniques (questionnaires) or data analysis procedures (statistics), while qualitative denotes data collection methods such as interviews or data analysis procedures (Saunders, Thornhill et al. 2009). In this study, questionnaire surveys are used to collect the quantitative data from Arab tourists while personal interviews are used to collect the qualitative data from managers of travel agents and hotels.

The study used online questionnaire to collect exploratory data from Arab tourists regarding their preferences, desires, and expenditure. The interviews are used to collect data on how travel agents and hotels design their packages and services to meet the needs of the Arab tourists. The semi-structured questionnaire online link was sent randomly to tourists via email and across social media (Facebook) to collect their ideas and preferences towards tourist products and services in Egypt. The questionnaire requested demographic data about respondents, their visits to Egypt, preferred cities to visit in Egypt, accommodation types, food and beverages, motivations of visit, activities they prefer when visiting Egypt, transport and other arrangements in their travel packages, expenditure, and the suggestions to encourage Arab tourism. Many of travel agents and hotels were contacted to conduct some interviews with managers via semi-structured interviews led by a list of themes and questions. A total of 250 questionnaires were collected from Arab visitors and 12 interviews were conducted randomly (6 with travel agents’ managers and 6 with hotels’ managers).

Findings
1. Quantitative results
Findings revealed that 70.2% of respondents involved in this study are males versus 29.8% females. 76% of them are university level, 16.3% are post-graduates, and 7.7% are high school graduates. 35.6% of respondents are 31-40 years, 32.7% are 19-30 years, 22.1% are 41-50 years, and 9.6% are more than 50 years. For the nationality of respondents, 36.5% are Saudis, 15.4% Sudanese, 10.6% Jordanians, 9.6% Iraqi, 7.7% Lebanese, 6.7% Tunisian, 5.8% Kuwaitis, 4.8% Yemeni, 1.9% Emirati, and 1% Moroccan.

Asking respondents if they visited Egypt in the past, 84.6% of them replied ‘yes’ versus 15.4% did not visit Egypt before. Of those visited Egypt, 51% visited Egypt 1-3 times in the last two years, 37.5% did not visit Egypt, 6% visited Egypt 4-6 times and 4% visited Egypt more than 6 times. It is clear that a large per cent of respondents did not visit Egypt.
recently, may be because of political instability. The main reasons of respondents to visit Egypt are leisure, visiting friends and relatives (VFR), study, attending conferences, business, health concerns, and festivals’ attendance (Figure 1).

Figure 1: Reasons of Arab tourist to visit Egypt

As for organizing their tours and travel arrangements, 48.1% of respondents arrange their tours themselves, 34.7% arrange their tours via travel agents, and 17.3% of respondents have their tours arranged by friends or relatives. 42.3% of visitors travel to Egypt with their families while 31.7% travel alone. 24% travel with friends, and 1.9% travel as a part of a teamwork. 43.3% of visitors stay for 6-10 days, 26.9% stay for 1-5 days, 23.1% stay for 11-15 days, 5.8% for 16-30 days, and 1% stay for more than a month. For the accommodation, respondents prefer hotels, resorts, tourist apartments, and friends’ and relatives’ houses (Figure 2). 65.4% prefer full-board accommodations versus 34.6% prefer self-catering accommodation.

Figure 2: Accommodations preferred by Arab visitors

For cities that Arab visitors prefer to visit, figure (3) shows that they prefer visiting Cairo, Sharm El-Sheikh, Alexandria, Hurghada, Luxor and Aswan.
Asking about the activities of Arab visitors in Egypt, 60.7% enjoy rest and recuperation during their visit, 55.8% prefer free tours and unplanned visit program, 47.2% prefer cruises, 46.7% visit beaches, 44.6% visit museums and temples, 42.5% stay in resorts, 40.6% go for shopping 38% visit archaeological sites, and 36.4% do safari and desert activities. Asking about the internal means of transport preferred by Arab visitors, 24.8% of them prefer tourist buses, 33.7% prefer private cars, 19.8% prefer Taxis, 8.7% prefer internal air flights, and 5.8% prefer the underground. For places to eat their meals, 65% of respondents prefer hotels, 45.2% prefer tourist restaurants, 28.8% prefer local restaurants, and 6.7% prefer taking their meals in fast-food restaurants. Local food is preferred by Arab visitors, this includes chicken, sea food, and other meals provided in Table 1.

Table 2: Egyptian meals preferred by Arab tourists

<table>
<thead>
<tr>
<th>Meals</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fattah</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Koshary</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Stuffed duck</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>Vegetables</td>
<td>3</td>
<td>2.9</td>
</tr>
<tr>
<td>Flafel, fish and shrimps</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Flafel, Koshary and Kebab</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Koushary</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Mango juice, Egyptian bread, kassab</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Koushary and molokhiya</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Koftah</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Mashwi</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Stuffed pigeons</td>
<td>3</td>
<td>2.9</td>
</tr>
<tr>
<td>Molokhiya</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>Mashawi</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Khass</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>Egyptian desserts</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Kebab_kofta</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Kabssa</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Hammam</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Grilled chicken</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>Halawa</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Fetteermeshaltet</td>
<td>2</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Ranking the incentives that encourage Arabs to visit Egypt, 63.5% of respondents believe that having the same language is the first significant incentive, 33.1% select the exchange rate as the second factor, 21.2% ranked the short travel time and service quality as the third factor, 11.5% of respondents ranked the low prices factors as the fourth, 6.7% select similar habits and traditions, moderate climate, and hospitality of Egyptian people as the fifth incentive, 2.9% select the same religion, 1.9% believe in the diversity of the Egyptian tourist products, and 1.9 visit Egypt to encourage the intra-Arab tourism.

For marketing media, the Arab visitors prefer websites, travel agents and hotels’ offers and promotions, social media, email, newspapers and magazines, word of mouth, TV and lastly flyers/booklets (figure 4).

![Figure 4: Marketing tools preferred by Arabs](image)

For the priority of expenditure of Arab visitors, 70.2% of respondents said the accommodations have the highest expenditure of their travel budget; this is followed by food and beverages, travel tickets, tours and visits, shopping, and internal transport (Figure 5).

![Figure 5: Expenditures of Arabs in their visits](image)

Arab visitors have listed a number of services that should be included to encourage their travel to Egypt, the first issue was cancelling visas to visit Egypt, adding more ATMs in airports and tourist areas, declare transport fees of taxis and other private cars, and entry fees in tourist areas, online transactions, Arab restaurants and meals, free Wi-Fi, and information offices in tourist areas and airports.
As for negative concerns discourage Arab visitors to visit Egypt: congestion, pollution, lack of safety in tourist areas, begging and tips requests, bargaining, lack of cleanliness, the big range in services’ prices in different places, lack of quality, and lack of good reception services particularly in airports.

Asking respondents to give their opinions on some vital aspects of the Egyptian destination, Table (2), depicts that respondents have neutral opinions regarding the adequacy and quality of many aspects including internal transport, quality of tourist services, health services, spa places, cleanliness of tourist areas, safety and security, prices of tourist packages, prices of accommodation, entertainment and night life, exhibitions and festivals, attitudes of Egyptian people towards tourists. This is in line with the negative aspects mentioned by visitors earlier in this research. However, respondents have positive responses towards variety of tourist activities and places, Egyptian and local cuisines, bazaars, shopping malls/centres, and prices of food and beverages.

Table 3. Respondents’ opinions in some aspects of destinations

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety and security</td>
<td>3.32</td>
<td>1.193</td>
</tr>
<tr>
<td>Quality of tourist services/ products</td>
<td>3.23</td>
<td>1.209</td>
</tr>
<tr>
<td>Prices of tourist packages</td>
<td>3.39</td>
<td>0.908</td>
</tr>
<tr>
<td>Prices of accommodation</td>
<td>3.43</td>
<td>1.104</td>
</tr>
<tr>
<td>Prices of food and beverages</td>
<td>3.54</td>
<td>1.105</td>
</tr>
<tr>
<td>Cleanliness of tourist areas</td>
<td>3.29</td>
<td>1.129</td>
</tr>
<tr>
<td>Entertainment and night life</td>
<td>3.45</td>
<td>1.069</td>
</tr>
<tr>
<td>Internal transport</td>
<td>2.81</td>
<td>1.107</td>
</tr>
<tr>
<td>Variety of tourist activities and places</td>
<td>3.77</td>
<td>0.997</td>
</tr>
<tr>
<td>Egyptian and local cuisines</td>
<td>3.65</td>
<td>1.104</td>
</tr>
<tr>
<td>Shopping malls/centres</td>
<td>3.60</td>
<td>0.876</td>
</tr>
<tr>
<td>Health services</td>
<td>3.29</td>
<td>1.103</td>
</tr>
<tr>
<td>Exhibitions and festivals</td>
<td>3.45</td>
<td>1.004</td>
</tr>
<tr>
<td>Attitudes of Egyptian people towards tourists</td>
<td>3.37</td>
<td>1.062</td>
</tr>
<tr>
<td>Spa places</td>
<td>3.29</td>
<td>1.002</td>
</tr>
<tr>
<td>Bazaars</td>
<td>3.64</td>
<td>.954</td>
</tr>
</tbody>
</table>

For the average expenditure of Arab visitors per visit, Figure (6) illustrates that 46.2% of respondents spend between 1500 to 3000 USD. This category stays in average 5-10 days. 31.7% of respondents spend between 500 to 1500 USD. 16.3% spend between 3000 to 5000 USD, and 3.8% spend from 7000 to 10000 USD per visit. This category is those who stay between 16 to 30 days.
As for suggestions to encourage the Arab visitors to come to Egypt, a top priority mentioned by respondents was retrieving safety and security, raising the issue of receiving the Arab tourists and the way of treating them, improving infrastructure, customizing products to meet the needs and desires of Arab tourists based on their habits and traditions, assigning marketing campaigns targeting Arab tourists, improving the quality of services, controlling prices, marketing the tourist activities in Egypt and tourist sites, raising the level of cleanliness of tourist sites, diversifying tourist products and marketing it to different markets in the Arab region, and decreasing begging.

2. Qualitative results

Twelve personal face-to-face interviews were conducted with managers of travel agents (6 interviews) and hotels (6 interviews) to explore the needs and requirements of Arab visitors; this includes the preferences of Arabs in accommodations, meals, transports, and other facilities. The suggestions of encouraging Arab tourists were also discussed.

A. Interviews with Travel agents’ managers

Asking travel agents’ managers about the reasons of visit as perceived by Arab visitors, the responses had words such as ‘safe destination, moderate climate, generosity, civilization land, and attractive nature, low prices, shopping, and escaping from routines’. These words reflect impressions of the Arab tourists about Egypt. These impressions are the positive attitudes and the strength points that attract the Arab visitors as a promising niche market to visit the Egyptian destination. The perception of Egypt as a safe destination comes first in the reasons of visiting Egypt. The natural environment and landscape are other reasons for visiting Egypt.

Having shopping centers in Egypt, which are the main preference of activities of Arabs when visiting Egypt, is an important reason for Arab visitors to visit Egypt. Another important reason is the low prices of tourist and hospitality services in Egypt comparing to other competitive destinations. This is consistent with the rank of Egypt in the Travel and Tourism Competitiveness Index as fifth in the prices of travel and tourism services.

Enquiring about the commendation preferences of Arab visitors in the opinions of travel agents’ managers, they mentioned ‘hotels, resorts, and tourist apartments’. This result reflects and links to the previous result of low prices of accommodation services. Therefore they prefer hotels and resorts and sometimes they accommodate in tourist apartments particularly if they have their families in the visit. The managers of travel
agents ranked the cities preferred by the Arab tourists as ‘Sharm El-Sheikh, Hurghada, Luxor, Alexandria, and Cairo’.

As for the marketing tools preferred by the Arab visitors, travel agents’ managers ranked the tools as ‘newspapers, TV, internet websites, videos, and social media’. This also reflects the choice of travel agents for marketing tools when communicating with Arab tourists. In addition, regarding the expenditure of Arab visits, travel agents managers stated that the major part of the expenditure goes to ‘accommodation’ and this links to the previous responses that Arabs prefer hotels, resorts and tourist apartments for accommodation. Second, Arab tourists spend in ‘shopping’ which is their main preferred activity when visiting Egypt and one vital reason of visiting the Egyptian destination. Comes next in expenditure list is ‘night life’ preferred by the Arab tourists. Finally travel agents’ managers said that food and beverages ‘meals’ have a significant part of the expenditure’s budget of the Arab tourists. The managers of travel agents estimated the average expenditure of the Arab tourist during their visits to Egypt by ‘4000 to 5000 US$’ spent on the above mentioned expenditures (i.e. accommodation, shopping and so on). The results perceived by travel agents should be carefully considered where they take the intermediary role between tourists and travel and tourism suppliers and they can conclude many aspects of the visits and the preferences of those niche market and its habits.

B. Interviews with Hotels’ managers

Hotel managers are selected to be interviewed where they offer accommodation, food and beverages, and night life activities and those three elements have the most significant parts in the Arab tourists’ expenditure in Egypt. The second reason that Most Arab tourists do not use travel agents to organize their visits to Egypt and book their hotel accommodation directly. Hotels’ managers stated that Arab tourists visit Egypt because it is ‘a low cost destination, night life activities, shopping, and moderate weather’. These responses are consistent with reasons cited by travel agents where Egypt has cheap prices of travel and tourist services, and the Arab tourists’ main activity in Egypt during their visits is shopping. They also spend a significant part of their expenditure in shopping, and night life activities.

Hotel managers agree to a great extent with travel agents’ managers that the Arab tourists prefer ‘hotels and tourist apartments’ for their accommodation. The majority of the Arab visitors book their hotel directly and organize their visits to Egypt through friends. Hotel managers ranked ‘Sharm El-sheikh’ as the preferred city to visit by Arab tourists, followed by ‘Hurghada’, ‘Cairo’, and ‘Alexandria’.

Differently from travel agents, hotel managers believe that ‘social media and internet websites’ are the preferred tools of marketing tourists’ services for the Arab guests. However they agree the most significant part of the Arab’s expenditure during their visits goes to ‘accommodation’ and ‘hotels’ in particular. This can be interpreted as hotels offer a wide range of facilities preferred by the Arab tourist and in particular three main elements: accommodation, food and beverages, and night life activities and these three segments have the majority of the Arab tourists’ expenditure. Differently from travel agents, hotel managers stated that Arab tourist’s expenditure during his visit ranges from ‘2000 to 3000 US$’ which is lower than the budget estimated by travel agents’ managers.

Discussion of Findings

Niche market is a choice for many destinations to increase their inbound arrivals of tourists, and to satisfy customer needs. For Egypt, targeting the Arab tourist market is important where this market has a lot in common with the Egyptian culture, habits, language, religion, and customs.
Although the Arab tourists consider Egypt as one of their main destination for tourism purposes, there is a need to improve their satisfaction and meet their expectations through product customization strategy. Product customization is somehow linked to the niche market concept where the product should fulfil the needs of this target niche market. This study explores the preferences of Arab tourists who visited the Egyptian destination and finds out if travel agents and hotels recognize the needs of Arab tourists and how they customize their products to meet their expectations.

Using the mixed method approach helps understand the perceptions of the target market of tourists and its travel and tourism service providers. Looking at the results of the study in the previous section, it is clear that travel agents and hotels have agreed with many points relate to the Arab tourists such as their reasons of visit, accommodations, cities of visit, and their expenditure priorities.

It is revealed that one main reason for the Arab tourists to visit the Egyptian destination is the low prices of tourist and hospitality services in Egypt comparing to regional destination. This result is consistent with the rank that Egypt occupies in the competitiveness index declared by the as the fifth in this issue (Blanke and Chiesa 2013). Another reason for the Arab visitors to Egypt is their interest in shopping which they find in Egypt and they spend significantly on it. This result is in line with Abodeeb (2014) and Franceschini, Galetto et al. (2006) who claimed that shopping is the most preferred activity among Arab tourists.

The Arab tourists’ main motivation to travel is entertainment. Arab visitors are classified as leisure travel tourists. They like cities with water shores, and prefer some water activities. This explains why they choose Cairo, Sharm El-sheikh, Hurghada, and Alexandria when they visit Egypt. This finding is similar to that of Sala-i-Martin, Bilbao-Osorio et al. (2014) who claimed that some Arab tourists like to dive, and enjoy adventure tourism.

There is an agreement among Arab tourists, managers of travel agents, and managers of hotels that the Arab visitors prefer hotels and resorts for accommodation. Mostly Arab tourists prefer unplanned visits and book their hotel and taking free tours around the destinations. However, it is noticed that travel agents differ from hotels in their perceptions about marketing tools to promote tourism services for Arab visitors. While the Arab respondents selecting internet websites, offers/promotions, and social media as top three tools, travel agents claim that newspapers come first followed by TV, videos, internet and social media comes last. This difference should be considered and the tools selected by respondents should be used to meet visitors’ desires.

The expenditure of the Arab tourists goes to accommodations, meals, shopping, and night life activities and travel agents and managers agree to this sequence. Therefore, these services should be considered when designing or offering tourist products/tour packages to the Arab tourists. These results are concurrent Franceschini, Galetto et al. (2006) who cited that tourists prefer staying in hotels with inter-connected rooms and enjoy their meals and night life activities. There is also an agreement that the Arab tourist spends around 1500 to 3000 US$ during their visits and this expenditure is valuable and worth consideration and attention by travel and tourism providers and public authorities. The high expenditure of the Arab tourist is claimed by Sala-i-Martin, Bilbao-Osorio et al. (2014) and this expenditure is mainly on accommodation, meals, and shopping.

The other point that should be addressed to have a customized products for the Arab tourists is to handle their complaints. They complain from congestion, pollution, begging and tips requests, lack of cleanliness, and lack of good reception services particularly in airports. They have also suggested improving the welcoming reception in airports, adding more services in airports such as ATMs, Wi-Fi, and information desks. They requested a
declaration of taxis’ fees and entry fees in tourist areas. Increasing Arab restaurants and meals is another suggestion to attract more Arab tourists to Egypt.

Conclusion and implications
The results of this study provide a clear picture of Arab perceptions of Egypt as a tourist destination as well as the motivations that drive Arab tourists to travel for tourism. It addresses how these perceptions and motivations are influenced by some factors as well as by cultural background. It further explains how tourists’ motivations, perceptions and cultural factors affect the selection of a destination. It is therefore possible to draw the following conclusions for practitioners in promoting Egypt as a tourism destination.

Destination marketers need to be aware of any ideas and images that might not hold ‘true’ in the eyes of the tourist. This study found that there are differences between the image of Egypt that Arab tourists just assume to be true and the real image of it that they form when they visit this destination. This result is supported by interviews results. So, the gap between destination image as a held by tourists and the image as portrayed by marketers will have negative impacts on the effective brand of the destination.

Destination Marketing Organizations should pay careful attention to the relation between motivation and culture background of the target market segments. Where it useful to examine motivation and culture background when designing promotional programmes and packages as well as when making decisions concerning the development of destinations. As such an understanding offers a better explanation of the motives behind tourists’ behaviour and thus allows tourism planners to foresee tourists’ actions. The findings of this study reveal that Arab tourists are motivated by multiple motivations which are ‘shopping’, visit entertainment places, gain knowledge of local customs and traditions, the opportunities for adventure and the attendance at local cultural festivals. Therefore, tourism planners who study Egypt could tap into these motivations when designing and setting promotional programmes that target the Arab market.

Travel agent managers and marketers should consider the cultural differences and how it influences tourists’ perceptions towards the destinations. As the current study reveals, most Arab tourists from collectivist countries are also from high power distance society and have high uncertainty culture. In addition, the outcome of this research to hospitality and tourism establishments that this background culture has an impact on Arab tourists’ perceptions and perspectives. It is therefore, possible to use these findings as a basis for successful promotional strategies. For instance, the advertisements should reflect that this city is suitable for family tourists' groups and it provides entertainment places for all family members and that these places have halal food and prayer rooms. As such, these advertisements which target tourists from collectivist countries will have a positive impact on their perceptions and motivations towards this destination because they are more interested in the comfort of family members.

Therefore, destination marketers should take this into consideration when designing promotional programmes. Thus, regarding promotional messages, the study finds that tourism practitioners should concentrate on promoting the fact that Egypt provides places that satisfy Arab tourists' motivations. In addition, the promotional message should portray Egypt as a diverse attractions destination. Consequently, perceptions are related to different cultural dimensions. Participation of various cultural groups in tourism facilities may be encouraged by a comprehension of diverse cultural values on the part of travel agent managers and marketers.
References
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