

# **PROSPECTS OF HOTEL INDUSTRY IN HAZARA REGION UNDER CPEC**



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## CERTIFICATE

This is to certify that this thesis entitled: **“Prospects of hotel industry in Hazara region under CPEC”** submitted by Mr. Armaghan Khan is accepted in its present form by the Department of Business Studies, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree of **Master of Science in Management Sciences**.

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# **DEDICATION**

**Dedicated to my beloved**

***Mother***

***My Pillar, My Strength & My Entire World.***

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## **Abstract**

The purpose of this study is to establish whether the opening of a new corridor and motorways that extends along the Northern areas of Pakistan has significantly contributed to the growth of hotel industry in the Hazara region. Some of the most important tourist Valleys in Pakistan, are in this region, such as Naran Kaghan, Nathia Gali Ayubia, Shogran Siri Payee Meadows and Thandiani. The E-35 Hazara motorway, also part of the China Pakistan Economic Corridor (CPEC) road network, is not only a faster and safer means of road communication for tourists but also provides a new gateway for hoteling and tourism industry, connecting to Gilgit Baltistan to Khunjerab pass border China. Using primary data, two questionnaires were used for the collection of data from the hotel manager/owner and tourist regarding their response on hotel industry growth in Hazara region under CPEC. Frequency distribution, percentage, graphs were used to capture social economic characteristics of tourists and hotel managers. Adopting multivariate analysis, two logistics regression were used one for manager response and second for tourist response regarding their expectation on hotel industry growth. Our result finds that there are high chances of hotel industry growth in Hazara Region under CPEC.

**Keywords:** CPEC, Hotel Industry Growth, Tourism, Hazara Region, Primary Survey, Binary Logistic Model.

## **List of Abbreviations**

**BRI:** Belt and Road Initiative

**COTHM:** College of Tourism and Hoteling Management

**CPEC:** China Pakistan Economic Corridor

**GDA:** Galiyat Development Authority

**GDP:** Gross Domestic Product

**HFS:** Hotel facility score

**KPK:** Khyber Pakhtunkhwa

**KPEZMEC:** Khyber Pakhtunkhwa Economic Zones Development and Management Company

**OBOR:** One built one road

**PHA:** Pakistan Hotel Association

**PTDC:** Pakistan Tourism Development Corporation

**SEZs:** Special Economic Zones

**SMEs:** Small and Medium Enterprises

**TCKP:** Tourism Corporation of Khyber-Pakhtunkhwa

**TTCI:** Travel and Tourism Competitiveness Index

**UNWTO:** United Nation World Tourism Organization

**WEF:** World Economic Forum

**WTTC:** World Travel and Tourism Council

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# CHAPTER I

## INTRODUCTION

The China- Pakistan Economic Corridor (CPEC) is the realization of China's vision of "One Belt, One Road" (OBOR), a means through which landlocked countries gain interconnectivity (Wang, 2016). A two protracted approach, based on the idea of opening and marching up through landlocked countries over water (Yu, 2017). This project is being supposed as game changer project for the economy of Pakistan and for the peoples of China. The aim of this Economic Corridor (i.e. OBOR) is to develop a vast network of infrastructure, a formation of industrial zones and trade routes across the world.

The CPEC is a flagship project of OBOR and 3000 km network of roads, railways, oil and gas pipelines from Gwadar Port to Kashgar city in the Northwestern China's region Xingjiang Uygur region. It is considering a hub of employment opportunities and a revolution for a recession by boosting Small and Medium Enterprises (SME's) development and new opportunities for investment. It is a mega project, by national, regional and international standards when completed, the project will have a deep impact on Pakistan's economy, regional economics, and international connectivity. It is a vision of various projects with a worth of 46 to 57 billion US dollars are to be completed in three to fifteen year (Amir, 2017). CPEC will bring economic ways for Pakistan and could strengthen regional, cross-regional economic and trade integration among South Asia, Central Asia, East Asia and West Asia (Hussain *et al.*, 2016).

There is a lot of growth opportunities for hoteling industry under CPEC. It is not just an economic project but has many civilizational, cultural, political and strategic dimensions. For example, since ancient times, the Silk Road culture has maintained and supported multi-nationalities. The local rulers along the Silk Road had supported the thousands of caravanserais and bazaars from Istanbul,

Damascus, Isfahan, Khiva, Bukhara, Samarkand, Andijan, Osh, Kashgar, Hotan, and Dunhuang, all the way to Xi'an by boosting service sector and trade opportunities (Ferdinand, 2016). It was therefore necessary to look at the CPEC from different angles and this effort has been made by seeing the prospects for hoteling industry by considering Hazara region a case study.

Ghafoor (2018) Managing Director of Pakistan Tourism Development Corporation (PTDC) said that "The CPEC will improve the quality of tourism services between the two countries with lasting impact on socio-economic development". Travel and Tourism Competitiveness Index (TTCI) report (TTCI, 2017) said that around 1,429,580 people are employed to this sector of Pakistan. This sector contributes 2.4% of the total employment and 2.8% to the GDP. Furthermore, 965,498 international tourists visited Pakistan during a year.

Ian (2017) a Canadian tourist who traveled to 188 Countries of the world shared his experience in Pakistan saying that "Never would have I imagined Pakistan to be the way it was! I had pictured something like India and Bangladesh. But it is far from it! It has its very own flavor and culture; its people are particularly friendly, and its landscape is breathtaking! Kind of a mix between Iran, Afghanistan and India and Nepal at the same time." (Lonely Planet, 2018) that is one of the leading global tourism guidance organization ranks Pakistan as the top-ranked country among twenty countries of the back-packer tourists in 2018. According to him Pakistan has "home to some of the world's friendliest and most hospitable people and offers some of the world's dramatic mountain scenery."

Forbes (2018) which is one of the most popular business magazines in America that listed Pakistan in top 10 countries to visit in 2019 via renowned Karakorum Highway that will hopefully boost tourism in Pakistan. According to PTDC last year, there has been seen a surprising increase in the number of visitors to Northern areas of Pakistan. Pakistan Hotel Association (PHA), counted

CPEC as a major factor for rising demands for guest checking into hoteling in future. According to Fouzia Azhar, Secretary General of the PHA, said that near future the demand for Hotels increasing under CPEC, due to more foreign dignitaries, businessmen and industrialists are visiting and as the security situation improves and CPEC makes progress.

Hoteling and tourism industry is going hand in hand, the first one offers the services like food, beverage, accommodation, transportation, leisure, and recreation. The second one is the activity done by the tourists where they involve in traveling to destinations and where they want to experience recreational and leisure activities and most of the time, they need the services like accommodation, food, and beverage. Simply hoteling is the supplier of the services for tourism. Hoteling provide a safe and pleasant environment for tourist which are a necessary requirement for tourism. The growth and development of the hoteling and tourism industry completely depend on each other. Recently tourism growing day by day due which demand of hoteling also increase to meet the national and international tourists. The prosperities of the tourism industry have always been linked to the prospects of the hoteling industry and hoteling is the foremost demand driver of the industry.

Hazara region located in the east of Indus river and northeastern part of the Khyber Pakhtunkhwa Province and in the Northern area of Pakistan. It has two popular Districts namely: Abbottabad and Mansehra. The total area of this region is 18,013 km.<sup>2</sup> Due to its high altitude the temperature in this region is cooler and the atmosphere is pleasant across the year. This region is like a door to heaven, opening for visitors a World replete with natural beauty. It was a favorite gateway for Mughal, Durrani, and Sikhs during their rules from the plains into Kashmir.

The District Mansehra is a gateway for tourism in the Northern areas of Pakistan, it has been playing a vital role in the development of tourism, hoteling and GDP contribution to Pakistan.

Mansehra is the best example of natural beauty it has a very famous area which is a glittering, dazzling and nice look to the eyes where weather is very pleasant in summers due to thick forests. The most attractive and visited places to this region are Kaghan Naran, Shogran and Siri payee meadows. The District Abbottabad is well known throughout Pakistan for his pleasant weather, high standard educational institutions and for hosting the Pakistan Military Academy. It has a popular hill station attracting thousands of tourists every year outside of Pakistan. The Karakoram Highway, which traces one of the paths of ancient Silk road passing along the city and continuous to District Mansehra. It has beautiful tourist spot like Thandiani, Nathia Gali and Ayubia.

**Table1: Visited Places for Tourist in Hazara Region**

<b>TOURIST SPOT</b>	<b>TEHSIL</b>	<b>DISTRICT</b>
Ayubia	Abbottabad	Abbottabad
Kaghan Valley	Balakot	Mansehra
Lake Safe-ul-Malook	Balakot	Mansehra
Naran Valley	Balakot	Mansehra
Nathia Gali	Abbottabad	Abbottabad
Pakhal Valley	Mansehra	Mansehra
Shogran	Balakot	Mansehra
Siran Valley	Mansehra	Mansehra
Thandiani	Abbottabad	Abbottabad

The importance of this region also increases because the Silk road or China-Pakistan friendship Highway are passed in this region. The eastern alignment of CPEC also passing through the Mansehra, Abbottabad, Haripur and Battagram districts of the relatively peaceful Hazara region in KP, this part of the corridor will also run through Muzaffarabad, the capital of Azad Jammu and Kashmir – and reaches Khunjrab after passing through Diamer and Gilgit areas in Northern Pakistan. The route of Karakoram traces one of the many paths of the ancient silk road.

Under the CPEC an industrial zone in this region, a mega industrial zone is also being developed near Hattar Industrial Estate by KPEZMEC (Khyber Pakhtunkhwa Economic Zones Development and Management Company) and it will not only be the backbone of Pakistan's industry but will also play a major role in the economic development of the country. It is pertinent to mention that 29 SEZs (Special Economic Zones) are expected as a part of this CPEC project and out of these, Five SEZs will be established in Hazara (Sial, 2014).

In addition, Prime Minister Pakistan, Shahid Khaqan Abbasi on inaugurated the 57-kilometer-long Burhan-Shah Masood Interchange section of Hazara Motorway on Dec 27, 2017, that is an important part of CPEC which will connect Northern areas with major seaports in the country's South. The Hazara motorway is an important segment of CPEC and is the second project that attained successful completion in Khyber Pakhtunkhwa after the M-1 motorway.

According to Planning commission of Pakistan, Peshawar being the main economic center of KP is well-positioned to serve the increasing business, while being on the route of CPEC, Hazara will become the main access point for all goods, and related investment, coming along CPEC transit. Thus, the transactions will generate several visitor opportunities along the route of CPEC at Hazara region (Ali *et al.*, 2017).



### **1.1 Problem Statement:**

The development of CPEC in Hazara region will come with new emerging trends for SME's and economic growth i.e. opportunities for the development of new industries, People to People connect and socio-cultural aspects. Particularly, due to increased numbers of tourists, travelers and being a logistic route, the improvement of hotel industry will be a popular demand. Presently, hotel industry in Hazara region does not have state of art infrastructure, skills, and values addition that is needed to grasp the attention of tourists and travelers i.e. hoteling services, managerial practices, lodging services etc.

Thus, the present study is designed to find out the prospects for hoteling industry in Hazara region under CPEC.

### **1.2 Significance of the Study:**

The significance of our study includes multiple dimensions i.e. Academics, a base for policy guidelines, commercial as well directional approach for Hotels.

Academically, very little work particularly in Pakistan to study prospects for hotel industry in Hazara region. Previously, not such a study is found in the literature because CPEC is a new intervention. Thus, our study provides guidelines to the research scholars and academic practitioners who are interested in hoteling industry under CPEC. Moreover, our study provides further future guidelines to the research scholars.

Our study can be used as a base for policy guidelines for policy development institutes, ministries, and other relevant institutions, who are involved in the formation of policy-making process for hoteling and tourism industry.

For hoteling industry our study has multiple directions that can be very useful for hoteling owners, managers to develop their infrastructure and skills according to the emerging demand of CPEC.

### **1.3 Objective of Study:**

Thus, study has the following objectives:

- i. To examine the growth of hotel industry in Hazara region under CPEC.
- ii. To explore the influence of tourism on hotel industry in Hazara region.
- iii. To know the knowledge of hotel manager/owners on CPEC and their expectation on future investment in hotel industry in Hazara region.

### **1.4 Study Questions:**

Following study questions will be studies:

- i. What is the growth of CPEC on hotel industry in Hazara region?
- ii. What will be the influence generated by tourist on hotel industry in Hazara region?
- iii. What is the expected knowledge of hotel manager/owners on CPEC and their expectation on future investment in hotel industry in Hazara Region?

## CHAPTER II

### LITERATURE REVIEW

#### 2.1 Potential of Hotel Industry Under CPEC

Moving away from its over 100 years of passive integration into the world, China has now taken the initiative to establish a new relationship with its neighboring and western countries by announcing One Belt One Road (OBOR). It's a revival of old silk road named as "The New Silk Road", encourages a diverse culture of trade, tourism, win-win cooperation and development of different routes for the purpose of regional connectivity. This development will be a witness of sharing multiple common interests of geopolitical and geo-economic cooperation along with the development of socio-economic benefits to the local communities of the respective region (Ferdinand, 2016). The same beliefs have been linked with the development of CPEC, a flagship project of OBOR, a 2700 km corridor starts from Gwadar, Baluchistan to Xinjiang, China (Hanjra *et al.*, 2017).

Priemus & Zonneveld (2003) define corridors as the "bundles of infrastructure" that link two or more urban areas in the form of highways, rail links, separate bus lanes, sea connections or air connections. Further, (Priemus, 2003) defines "Corridor" a development model that uses a different mode of transport for the purpose of carrying of both passenger and freight transport. The term "economic corridor" has also been used by economic geographers as a connective line between two metropolitan centers, officially used by Asian Development Bank (ADB) in launching Greater Mekong Development Program in 1992 (Priemus & Zonneveld, 2003).

Prema & Suresh (2018) define corridor as.

*“The economic corridor is an integrated framework of economic development within a designated geographic area, which places trade-related infrastructure at the core, but goes further to encompass interconnected issues of public policy, regulations and operational practices required for stimulating economic growth and development within the designated area.”*

The definition has three key elements as infrastructure development, trade facilitation (logistics), and improving investment climate. A rich example of this is the development of European Union (EU), is a rich corridor concept that has turned into multiple socio-economic trends i.e. development and formation of industrial zones, service industry, transport sector, tourism and as well as hoteling sector. The development of corridors led to the base of formation of new types of the industry most particularly transportation, tourism and hoteling sector (Ferri, 2003).

Thus, like other economic corridors, CPEC is a connective lane between China and Pakistan, expanding OBOR to its adjacent countries for commerce, trade, industrial development and growth of tourism. It has been anticipated a greater industrial development, trade activities, energy infrastructure, construction of industrial zones and a bustling of Gwadar Port along with socio-economic impacts through CPEC (Hanjra *et al.*, 2017). Long term plan of CPEC has preference policy for the development of travel and tourism sector, that’s considered a substantial factor to foster socio-economic activity (Khan *et al.*, 2017).

Multiple researchers have found a significant positive relationship between tourism and economic activities (Gunduz & Hatemi, 2005; Brida & Pulina, 2010). Tourism developments in the region boost service sector jobs, most specific the development of hoteling sector (Werner, 2003). It has become a prominent industry of the world in the last few decades. According to a data set

(2014) of 180 countries, travel and tourism have contributed 9.4% of total global employment and expected to share 10.7% of global by 2025 (WTTC, 2015).

Corte *et al.* (2010) developed a “ Six A’s” model to measure the attractiveness of tourist destinations as follows, (i) Accessibility of the destination (ii) Attractions (iii) Accommodation structures (iv) Amenities; (v) Assemblage (vi) Ancillary services. Furthermore, transportation is one of the most prominent factors for any tourism industry (Truon, 2016).

Ferri (2004) Opening of new motorway along the east coast of Spain has increased the hotel and tourism industry in the Valencia region. This A-7 motorway has opened the new gateway to Europe for tourism and simultaneously it directly impacts increases in the hoteling industry of Spain. One of the most important key factors that contribute to the success of the tourism industry is transportation that has a major contribution to the promotion of tourism (Palhares, 2003).

Travel and Tourism (T&T) sector under the CPEC has an important role in the contribution of the Tourism Industry. The contribution of this sector to the GDP of Pakistan is 2.8% (Khan *et al.*, 2018). The construction of E-35 Highway (a part of CPEC) has a great impact on the socio-economic uplift in Hazara region and intended to enhance the connectivity to the regions (Khan & Ali, 2018). The study reported that by the year 2025 it is estimated that Pakistan will have 1,742,000 tourist arrivals and in 2016, there is increasingly seen in occupancy of the hotel up to 80% while in the previous year that was 35% only (Jovago, 2017).

## **2.2 Tourism Industry Around the Globe**

Tourism is one of the emerging industries from few decades, accounting 9.8% GDP and employment opportunities of 9.4% around the globe. Experts predicted that this will increase up to 10.5% contribution from the tourism sector and 10.7% of global employment through tourism

in the coming years (WTTC, 2015). As tourism can be considered from a wide range of perspectives many researchers have adopted a reductionist approach by analyzing it through its parts (Ryan, 2000; Page, 2007). Tourism is a major element of contemporary life and influences the economy, social and cultural foundation of almost every country worldwide (O'Connor and Cronin, 1993). Tourism for many countries, including Ireland, represents a major income generator accounting for approximately six percent of world GDP (Holloway and Taylor, 2006; Binkhorst and Den, 2009).

The World Tourism Organization (UNWTO) is the lead agency responsible for the development of standardized tourism definitions. This agency states that tourism is defined by

*“The set of activities of a person traveling to a place outside his or her usual environment for at least one night, but less than a year, and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited”.*

The phrase “usual environment” excludes trips within the person’s community of residence and routine commuting trips. The phrase “exercise of an activity remunerated from within the place visited” excludes migration for temporary work paid by an economic agent resident in the place visited. This, however, does not apply to business-related travel such as sales calls, installation of equipment, or conventions where the traveler’s employer is located elsewhere than the place visited.

Tourism is the industry which means sightseeing, attraction, and relaxation which can be divided into three categories domestic, inbound and outbound tourism (Khan *et al.*, 2016). Tourism industry as a profession has an important role in the national economy of the country and source

of generation of the revenue, awareness has given to society for the promotion of tourism (Gupta, 2013). Tourism in hill stations is attracted to tourist because of its cool, calm, natural environment and scenic beauty. The resorts in hill station increase the demand for check-in (Mishra & Juyal, 2012). Tourism is the relationship between the traveler and the host, in which traveler come to observe the culture, visit the tourist places while host provides the facilities and service to accommodate the tourist (Naik & Jangir, 2013). Tourism is most simply defined as the travel and associated activity of persons away from their usual home environment (Smith, 1994). It is also a collective term for businesses catering to the needs of those persons, which (Medlik and Middleton, 1973) describe as a bundle of activities, services, and benefits. Tourism enterprises are many and diverse, which makes sectoral definition difficult (Cooper, 2008).

The tourism industry is often defined as those enterprises and organizations involved in facilitating travel and activity away from one's usual environment. One challenge in this approach to defining tourism is, of course, the fact that many enterprises which produce commodities for tourists also serve non-tourist (Nelson, 1993). The latest trend in the tourism industry is called "ecotourism", which refers to travel that combines preserving the natural world and sustaining the well-being of the human cultures that inhabit it (Mowforth and Munt, 2003).

### **2.3 Hoteling Industry Around the GLOBE**

The word hotel is derived from the French word 'l'otel' or Hotel (meaning host), which referred to a French version of a townhouse or any other building seeing frequent visitors, rather than a place offering accommodation. Hoteling is basically based on the host and guest relationship. It refers to the quality or disposition of receiving and treating guests and visitors in a warm, friendly, and generous way (Lashley, 2008).

Chu & Choi (2000) Hotel is selected by tourist and travelers (business, leisure) on the basis six important factors were: services, availability of rooms, recreation, hotel facilities, food, and security. Education of the hotel manager has a key role in the hoteling industry, so the education of manager must be considered (Lashley, 1999). Silk road, which has a universal tourism image all over the World, Caravanserai and tourist come to this region and there is a need of international standard hotels to this route (Ghasemi & Gholamalizadeh, 2015). Hotel industry should be a focus on their service bonding, availability of services, effective communication and timeline of their services to improve overall service quality (Barta, 2014).

Assaf *et al.* (2015) the attractiveness for International hotels depends on many factors some of them are infrastructure, welcomeness and attractive location for hotels in the host country. Services and facilities are important for the hotel which includes restaurant, accommodation, food, hotel or motel management (Popat, 2013). Tourist is important for the hoteling industry. So, it is important for hoteling sector to take care of their customer and knowledge of their customer (Naveed, 2012). Hoteling industry are depending on the tourist that is come to the region and they contribute to the economy but still, we are lacking from the international tourist to gain the expected foreign exchange. The constraint for the international tourist is because we have a lack of satisfactory infrastructure, accommodation and proper services (Sharma & Kukreja, 2013).

Dolnicar & Otter (2003) the characteristics or features of a hotel that are thought to appeal to customers are termed hotel attributes, and these can be viewed from three perspectives: before the actual booking, during the stay at the hotel, and after the hotel experience. Hotel attributes significantly influence customer decision making and can be classified as tangible or intangible. Tangible attributes are hotel facilities such as the bar/lounge, health/fitness facilities, swimming pool, intangible attributes include cleanliness, comfort, and security (Callan, Bowman & Dube,



Renaghan, 2000). The study proposed a five-feature structure to explain the dimensionality of hoteling specifically in the context of hotel services. Personalization was the most important factor followed by a warm welcome, special relationship e.g. accommodating guest requests, sincerity, comfort and Good service (Ariffin and Maghzi, 2012).

## **2.4 Hoteling and Tourism Industry**

Hoteling and tourism industry are interlinked with each other, hoteling provides primary services to the customers like accommodation, transportation, and restaurant. Demand for this sector depends on the tourism sector because traveler requires accommodation during their leisure trips. According to World Travel and Tourism Council (WTTC), this sector which includes hotels is contributed to 2.9% to the GDP of Pakistan (Lee & Yuan, 2017). These industries are interlinked with each other, the scope of this industry is increasing.

WTTC (2010) this industry in the US generated a revenue of around 1.3 trillion dollars and 8 million jobs to the people. According to (UNWTO, 2014) this industry generated 7.6 trillion US dollars, representing the 10% of global GDP. The tourists traveled abroad is 1.1 billion which is an increase from the previous year by 4.7%, it is also forecasted that the growth of tourism also increases to 4% annually from 2015 onwards.

Prasain & Monsang (2014) hotels are key for services provided to the tourism and this industry depend on the hoteling for the services rendered. When we talk about hoteling we talk about the services. Tourism contributes the services to domestic and international tourists i.e. like transport, and accommodation in hotels (Srivastava, 2011).

The tourism and hoteling industry in Pakistan has gone through a period of robust growth and bust, from its heyday during the 1970s when the country received unprecedented amounts of foreign

tourists, thanks to the Hippie trail (Paracha and Nadeem, 2008). In 2016, the number of foreign tourists visiting Pakistan was 965,498. If we compare, then almost 50 million domestic tourists make the short trip to various locations of Pakistan usually between May to August. Beside domestic, the tourists from UK, USA, India, and China also contributed to tourism inflow (Bush, 2010).

## **2.5 Tourism Infrastructure**

Javanovic & Ivana (2016) tourism infrastructure has satisfied the needs of tourists and increase their satisfaction during stayed. It also increases the demand for hotel rooms. Suez Canal that connects the Mediterranean with the Red Sea has open the doors for tourism and tourist facilities like accommodation, hotels, motels, and resorts (El-bastawisy & Abd-al-whab Helmy, 2006). Foreign tourist focused on the development of infrastructure in the host country. Their study finds that tourist is more sensitive to the infrastructure (Seetanah *et al.*, 2011).

Baccelli *et al.* (2015) Suez Canal that is directly impacted on these business sectors like tourism, transport, hoteling, and logistics directly or indirectly that is associated with the intercontinental maritime route. Corridors have an important role in infrastructure, urbanization and economic development. Corridors have a bundle of infrastructure which connects two or more regions, by highways, canals and railway links through which the investment opportunities increase (Priemus & Zonneveld, 2003). Mediators for example infrastructure and tourist accommodation has a key role in tourism. These mediators promote tourism in the central Asian country through the Silk road (Werner, 2003).

Slawomir *et al.* (2015) Infrastructure development is an important component to increase the demand for accommodation services. Tourism infrastructure has increased the demand for

accommodation and number of beds to accommodate the tourist in the European countries. Belt and Road Initiative (BRI), is the 21<sup>st</sup> century Maritime Silk Road Initiative that was initiated by China in 2013. The purpose of this project is the connectivity among countries by roads, sea routes and build economic zones (Lam *et al.*, 2018). China's initiative to the revival of the Silk road open the doors for the tourism industry to neighboring countries especially to Pakistan under CPEC, through which the new tourist destinations and tourism doors open and overall services quality to this industry is great to improve (Ali *et al.*, 2017).

## **2.6 Literature Gap**

By studying a detailed literature review, it has observed that the hoteling and tourism industry has been directly linked in many types of research. There is vast literature about the development of the hotel industry with the prospects of tourism under different corridors. No evidence has been found for hotel industry under CPEC, especially for Hazara region.

It has been established that economic corridors play a positive role in socio-economic development at the regional and country level as well. Thus, by considering this notion, it is believed that CPEC will positively impact on the regional development of multiple sectors i.e. service industry, small and medium industry and others as well. Also, CPEC economic corridor has the main central purpose of transportation and motorways which will results in the development of tourism and hoteling industry. Thus, the objectives of study have been established.

## **CHAPTER III**

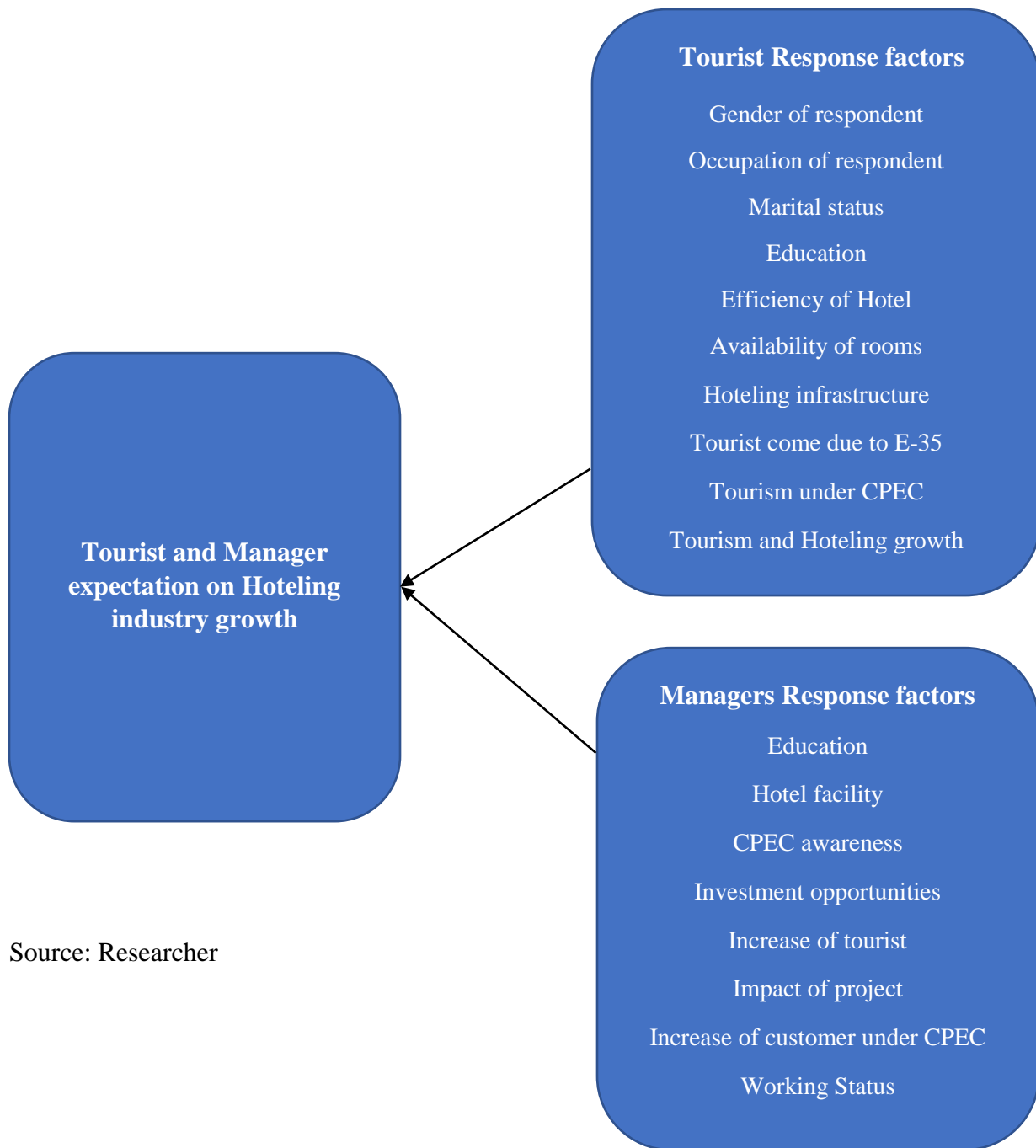
### **METHODOLOGY**

#### **3.1 Conceptual Framework**

The conceptual framework shows that the tourist and manager expectation on hotel industry growth under CPEC is affected by many factors. The factors for tourist response are as follow. gender of respondent, occupation of respondent, marital status of the respondent, the education of respondent, efficiency of hotel (tourist response), availability of rooms, Hoteling infrastructure is enough to meet the tourist demand, Tourist come due to E-35 CPEC, increase in tourism under CPEC, Expectation for tourism and hoteling industry growth and the factors for manager response are as follows. Education of manager, Hotel facility score, awareness of CPEC, investment opportunities in Hoteling under CPEC, an increase of tourist, the impact of the project, the customer will increase under CPEC and current working status.

#### **3.2 Figure of Factors Influencing the Expectation of Tourist and Hotel Managers on Hoteling Industry Growth**

The factor influencing the expectation of tourist and managers on the hoteling industry growth are as follow. The main tourist response factors are Education of the respondent, availability of rooms, hotel efficiency, the occupation of respondent and main manager response factors is Hotel facility, the impact of the project, an increase of tourist, hoteling infrastructure and awareness of CPEC.



Source: Researcher

### **3.3 Construction of Hotel Facility Score (HFS)**

In this current study, HFS index is constructed which consist of 6 questions regarding facilities and services in the Hotel. This index (HFS) is in binary form if the answer of manager to the question for specific hotel services is “Yes” it assigned=1, otherwise 0 if the answer is no. Further, this index is categorized into three groups; normal, average and High/satisfactory. Facilities in hotels the value range for normal HFS group from 0 to 3 and for average HFS group from four to five and further for high/satisfactory HFS group range of value is 6 to 9. The total range is for this group is 0 to 9. HFS high/satisfactory shows that hotel has maximum facilities. The facilities that asked from manger are 1-Restaurant services 2- Room services 3- credit card 4- Conference Hall 5- Medical facilities 6- outdoor sports 7- Telephone 8- safety locker 9-Foreign Exchange.

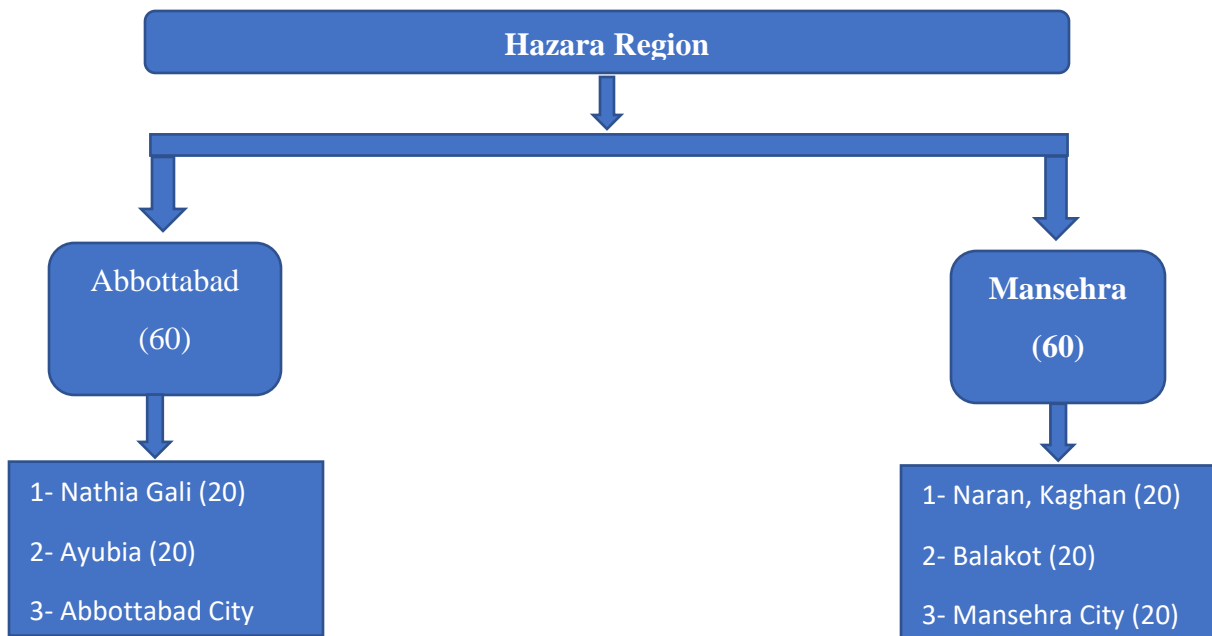
### 3.4 Study Area and Sampling

This study discusses the Hazara region for research by covering two districts Abbottabad and Mansehra. According to Tourism Corporation of Khyber Pakhtunkhwa (TCKP), and Galiyat Development Authority (GDA) these districts has been observed the most visited places for tourists and CPEC is also passing from this region.

Purposive simple random sampling was used for this study. The sample of 120 were allocated for tourists and 112 were allocated for hotel manager response. Sample survey for this study is accompanied with the help of a questionnaire. Sampling unit for a questionnaire was Tourist at the selected destinations and hotel managers. Two questionnaires were designed to assess the response of tourist and hotel manager regarding their expectation on hoteling industry growth under CPEC.

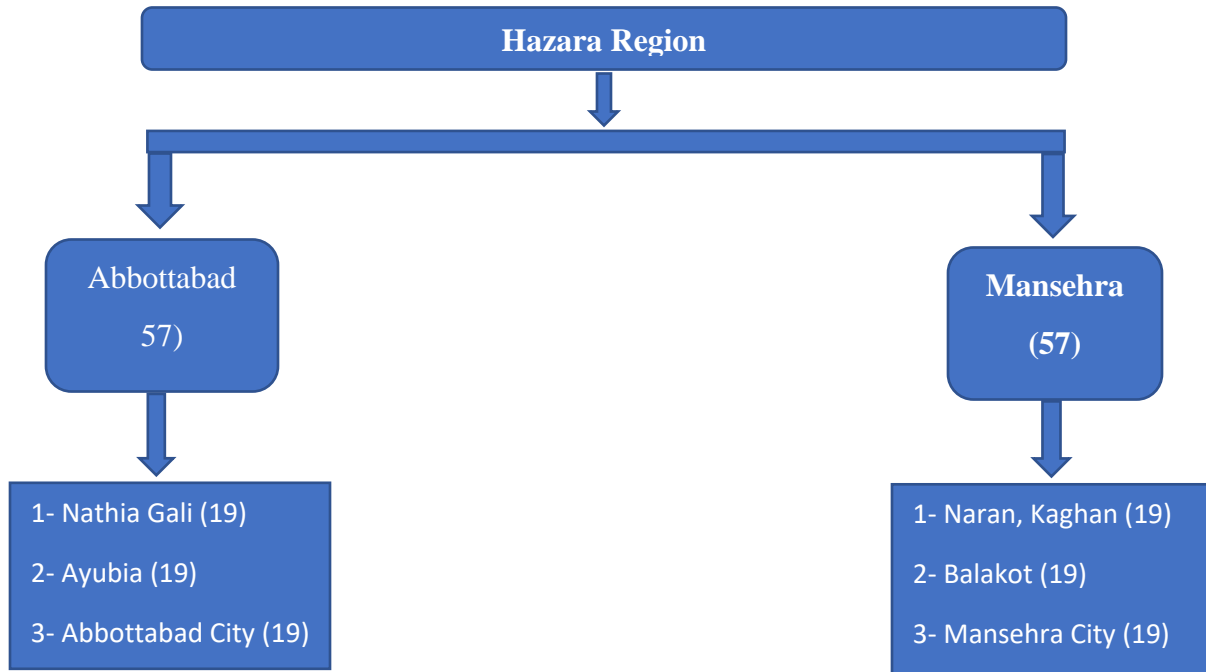
#### 3.4.1 Figure of structure of sample design for tourist response

Figure explain the data collected from a tourist in Hazara region namely two districts Abbottabad and Mansehra. The sample of 120 were allocated from both districts 60 from Abbottabad and 60 from Mansehra.



### 3.4.2 Figure of structure of sample design for manager response

Figure explain the data collected from the hotel Manager in Hazara region namely two districts Abbottabad and Mansehra. The sample of 112 were allocated from both districts 57 from Abbottabad and 57 from Mansehra.



### 3.5 Data Collection

This study used primary data, the information is obtained through structured questionnaires from 120 tourists and 112 managers from three most visited tourist places of both districts Abbottabad and Mansehra. The sample is divided equally for three places. Most specifically Purposive simple random sampling techniques were used, the questionnaire cover required a response from both Manager and Tourist regarding hoteling industry growth under CPEC. One manager/owner is taken as one respondent as a manager response. So, manager response was taken from 112 Hotels. This study, the data was gathered for 2 months in the study area from July 2018 to August 2018.



### 3.6 Method of Analysis

In the method of analysis, both bivariate and multivariate analysis were used. For bivariate analysis percentage, graphs and frequency distribution were used and for multivariate analysis logistic regression were used.

#### 3.6.1 Bivariate and the multivariate analysis

Both bivariate and multivariate analysis were used in the study for both manager and tourist response. For bivariate analysis, we used frequency distribution, percentage, graphs using Excel 2016. For multivariate analysis logistics regression were used for the determinants of hoteling industry growth. For multivariate analysis, this study is divided into two parts. In the first part, the study estimated the one logistics regression for tourist response on hoteling industry growth and one logistic regression were for the determinants of the industry growth under CPEC for manager response.

#### 3.6.2 Logistic regression analysis

Logistic regression is used when the response or dependent variable is dichotomous (i.e., binary, or 0-1). The predictor variables may be quantitative, categorical or a mixture of the two. Suppose, the probability of the occurrence of an event.

Y, [P (Y=1)] depends on a set of explanatory variables X1, X2, X3, ..., Xk

$$EM = \beta_0 + \beta_1 Edu + \beta_2 HFS + \beta_3 AOC + \beta_4 IOHIUC + \beta_5 IMOP + \beta_6 IOT + \beta_7 CIUC + \beta_8 CWS + E_t \dots \dots \dots (1)$$

1= Hoteling growth under CPEC      0= No effect of CPEC on Hoteling growth

$$ET = \beta_0 + \beta_1 GOR + \beta_2 MS + \beta_3 OCCUPOR + \beta_4 EduOR + \beta_5 AOR + \beta_6 TCDTH + \beta_7 ITUCPEC + \beta_8 THG + \beta_9 HSEFD + \beta_{10}EOH + E_t \dots \dots \dots (2)$$

1= Tourism will increase under CPEC    0= Tourism will not increase

$$P_i = \frac{e^Z}{1 + e^Z}$$

$$P_i = \frac{e^{\beta_0 + \beta_1 Edu + \beta_2 HFS + \beta_3 AOC + \beta_4 IOHIUC + \beta_5 IMOP + \beta_6 IOT + \beta_7 CIUC + \beta_8 CWS}}{1 + e^{\beta_0 + \beta_1 Edu + \beta_2 HFS + \beta_3 AOC + \beta_4 IOHIUC + \beta_5 IMOP + \beta_6 IOT + \beta_7 CIUC + \beta_8 CWS}}$$

$$P_i = \frac{e^Z}{1 + e^Z}$$

$$\frac{e^{\beta_0 + \beta_1 GOR + \beta_2 MS + \beta_3 OCCUPOR + \beta_4 EduOR + \beta_5 AOR + \beta_6 TCDTH + \beta_7 ITUCPEC + \beta_8 THG + \beta_9 HSEFD + \beta_{10}EOH}}{1 + e^{\beta_0 + \beta_1 GOR + \beta_2 MS + \beta_3 OCCUPOR + \beta_4 EduOR + \beta_5 AOR + \beta_6 TCDTH + \beta_7 ITUCPEC + \beta_8 THG + \beta_9 HSEFD + \beta_{10}EOH}}$$

Where Z, is a linear function of a set of predictor variables, X1, X2, X3, .... Xk , given by

$$Z = b_0 + b_1X_1 + b_2X_2 + \dots \dots \dots + b_kX_k,$$

b0, b1, b2, .... . bk are regression coefficients.

Logit of P is derived by taking natural logarithm, that is,  $\log [(p/1-p)] = Z$

The quantity [(p/1-p)] is called the odds and hence  $\log [(p/1-p)]$ , the log odds.

The coefficients b0, b1, b2,.....bk are like regression coefficients and are called logit regression coefficients.

Variable used in the details about the logistic model are as follows.

### 3.6.3 Econometric models

Majority of this study is divided into two parts for econometric analysis. In the first part, this study estimated one logistic regression for tourist expectation for hoteling industry growth under CPEC (TEH). In the second part, the study estimated one logistic regression for the manager expectation for hoteling industry growth under CPEC (MEH).

In the first part tourist expectation for hoteling industry growth under CPEC is taken as a dependent variable and in the construct in binary form (1,0). The response which taken from tourist is that: do you expect that under the CPEC hoteling industry will grow or not?

#### Model-1

Model-1 explain the tourist expectation on the hoteling industry growth. The response is in binary form (1,0). 1 is for Yes and 0 is for No.

$$TEH = \beta_0 + \beta_1 GOR + \beta_2 MS + \beta_3 OCCUPOR + \beta_4 EduOR + \beta_5 AOR + \beta_6 TCDTH + \beta_7 ITUCPEC + \beta_8 THG + \beta_9 HSEFD + \beta_{10} EOH + E_t \dots \dots \dots (3)$$

1= if tourist expects that under CPEC industry will grow (mean response is Yes).

0= Otherwise (if the response is No)

In the second part of the study expectation for Hotel industry growth under CPEC is taken as a dependent variable and in a construct in binary form (1,0). The response which taken from manager is that: do you expect that under CPEC hoteling and tourism industry will grow or not?

#### Model-2

Model-2 explain the hotel manager expectation on the hoteling industry growth. The response is in binary form (1,0). 1 is for Yes and 0 is for No.

$$MEH = \beta_0 + \beta_1 Edu + \beta_2 HFS + \beta_3 AOC + \beta_4 IOHIUC + \beta_5 IMOP + \beta_6 IOT + \beta_7 CIUC + \beta_8 CWS + E_t \dots \dots \dots (4)$$

1= if manager expects that under CPEC Hoteling industry will grow (mean response is Yes).

0= Otherwise (if the response is No)

### 3.7 Statistical Analysis

Excel 2016 was used for bivariate analysis and Stata used for logistic regression in the study for statistical analysis and the significant level is set at <0.05

### 3.8 Operation Definitions

In the operation definitions, the two Models variables explain with their names and their explanations. In Model 1 manager response variables explain and in Model 2 tourist response variables explains. The operations definitions of both Models are as follow.

#### 3.8.1 Figure of operational definition of the variables used in the Model 1

In the operational definition of model 1 manager response variables defined, dependent variable and the explanatory variables. The dependent variable is CPEC hoteling industry growth expectation and Explanatory variables are Educations of manager, Hotel facility, awareness of CPEC, investment opportunities, the impact of the project, an increase of Customer and increase of tourist under the CPEC.

**Variables' Names****Variables' Operational Definitions****Dependent Variable**

MEH (Manager Expectation for hoteling industry growth under CPEC) 1 if yes, 0 if no

**Explanatory Variables**

Education of Manager (Edu\_M)

1 for basic education, 0 for higher education

Hotel facility score (HFS)

1 for normal, 2 for average, 3 for high/satisfactory

Awareness of CPEC (AOC)

1 if yes, 0 if no

Investment opportunities in hoteling industry under CPEC (IOHIUC)

1 if yes, 0 if no

Impact of the project (IMOP)

1 if yes, 0 if no

The increase of tourist (IOT)

1 if yes, 0 if no

Customer increase under CPEC (CIUC)

1 if yes, 0 if no

Current working status (CWS)

1 if the owner, 0 if the manager

**3.8.2 Figure of operational definitions of the variables used in the Model 2**

In the operational definition of model 2 tourist response variables defined, dependent variable and the explanatory variables. The dependent variable is tourist expectation on hoteling industry growth under CPEC and Explanatory variables are Gender of respondent, Occupation of respondent, Marital status of respondent, Education of respondent, Tourist response on efficiency of hotel, availability of rooms, hoteling, and tourism industry growth, increase of tourism under CPEC and tourist come due to E-35 CPEC Highway.

## Variables' Names

## Variables' Operational Definitions

### Dependent Variable

TEH (Tourist expectation for hoteling industry under CPEC) 1 if yes, 0 if no

### Explanatory Variables

Gender of Respondent (GOR)	1 for male, 0 for female
Occupation of Respondent (OCCUPOR)	1 for not working, 2 for own business, 3 for services
Marital status of Respondent (MS)	1 for married, 0 for unmarried
Education of Respondent (EDUOR)	1 for educated, 0 for not educated
Tourist response Efficiency of Hotel (EOH)	1 for satisfied, 0 for not satisfied
Availability of room (AOR)	1 if yes, 0 if no
Hoteling infrastructure enough for tourist demand (HSEFD)	1 for easily available, 0 for not easily available
Tourist come due to the highway (TCDTH)	1 for yes, 0 for no
The increase of tourism under CPEC (ITUCPEC)	1 for yes, 0 for no
Hoteling and tourism growth (THG)	1 for yes, 0 for no

## CHAPTER IV

### DESCRIPTIVE ANALYSIS

#### 4.1 Descriptive Analysis of Manager Response

In this chapter, the descriptive analysis of our selected variables is examined to estimate the opinion of selected respondents regarding expectations of the hoteling industry growth under CPEC in a selected region. The Primary data was collected from hotels of 112 hotel manager/owner in the selected region regarding their awareness of CPEC, education, hotel facilities, hoteling industry growth, and investment opportunities etc. Using Excel 2016, we have found the percentages and graphs for dependent variables based on selected independent variables. Results of our descriptive analysis are as under:

##### 4.1.1 Education of manager/owner

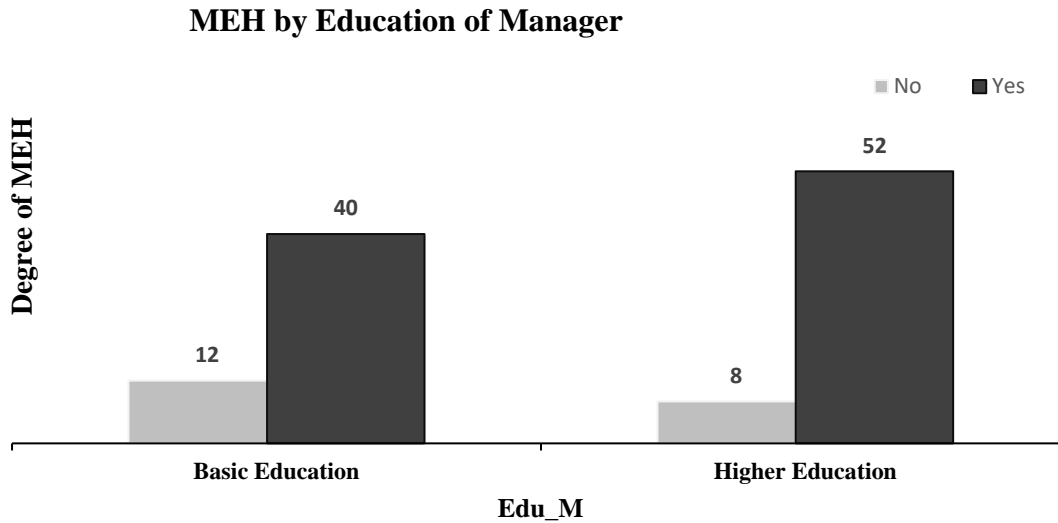
Table explain that Majority of 53.57% respondent managers were high educated while only 46.42% managers were having basic education. Education of manager has an important role in the growth of hoteling industry (Lashley, 1999). Majority of the managers were high educated 53.57% who expected that under the CPEC there are high chances for hoteling industry growth in Hazara region.

**Table 4.1.1: Comparison of MEH by Education of Manager/Owner**

Education of Manager	MEH by <i>Education of Manager/Owner</i>		
	No	Yes	Grand Total
Basic Education	12 (10.71%)	40 (35.71%)	52 (46.42%)
Higher Education	8 (7.14%)	52 (53.57%)	60 (53.57%)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.1: MEH by Education of Manager**



Source: Survey data

**4.1.2 MEH and Hotel Facility Score**

Chu & Choi (2000) hotel is selected by tourist on the basis of services and hotel facilities provided by the hotel to the tourists. Facilities are an important factor for hoteling growth.

The table explains that 82.14% managers responded in favor regarding hotel facilities and services satisfaction while only 17.85% Manager were not responded in favor. The managers who's responded yes, 25% of 82% were highly satisfied from hotel services in this region and this 82% manager expect that under the CPEC there are high chances of hoteling industry growth.

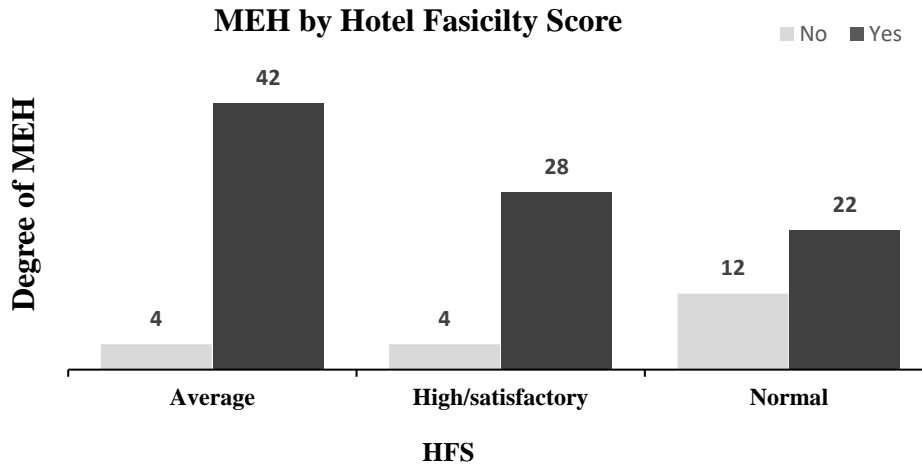
**Table 4.1.2: Comparison of MEH by Hotel Facility Score**

Hotel Facility Score	MEH by <i>Hotel Facility Score</i>		
	No	Yes	Grand Total
Average	4 (3.57%)	42 (37.50%)	46 (41.07%)
High/Satisfactory	4 (3.57%)	28 (25%)	32 (28.57%)
Normal	12 (10.71%)	22 (19.64%)	34 (30.35%)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data



**Figure 4.1.2: MEH by Hotel Facility Score**



Source: Survey data

#### 4.1.3 MEH and Awareness of CPEC

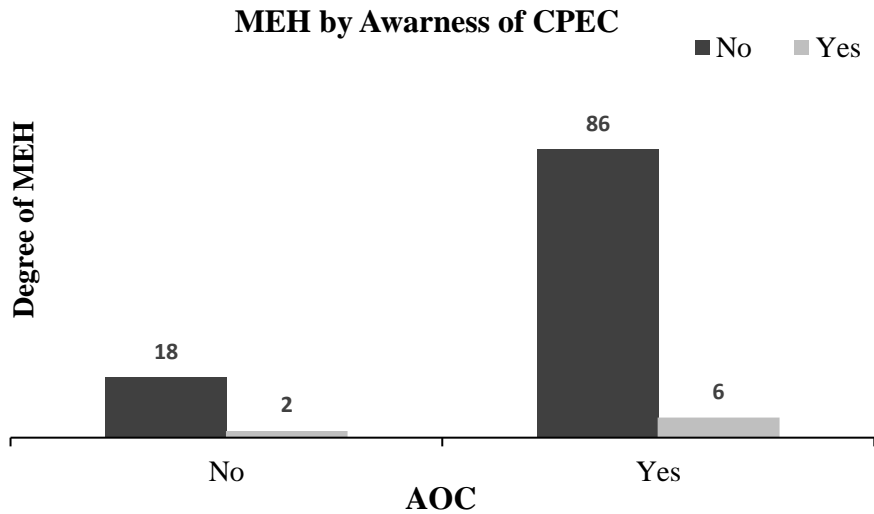
**Table 4.1.3: Comparison of MEH by Awareness of CPEC**

Awareness of CPEC	MEH by <i>Awareness of CPEC</i>		
	No	Yes	Grand Total
Aware	18 (16.07%)	86 (76.78%)	104 (92.85%)
Not Aware	2 (1.78%)	6 (5.36%)	8 (7.15%)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

Table explains that 92.85% managers were aware of CPEC opportunities for this region while only 16.07% are not aware regarding CPEC. Majority of manager expected that under the CPEC there are high chances of hoteling industry growth in Hazara region.

**Figure 4.1.3: MEH by Awareness of CPEC**



Source: Survey data

#### 4.1.4 MEH and Investment Opportunities

China’s initiative to the revival of the Silk road open the doors for the tourism industry to neighboring countries especially to Pakistan under CPEC, through which the new tourist destinations open and investment opportunities to this industry increases (Ali *et al.*, 2017).

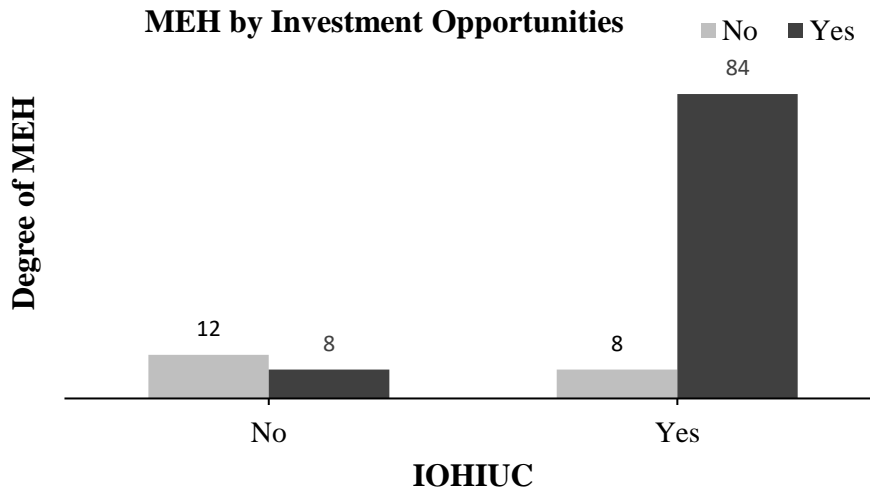
Table explain that 82.14% managers responded in favor regarding Investment Opportunities for Hoteling Industry while only 17.85% manager was responded in the opposite. The managers who’s responded yes, 75% of 82.14% were highly expecting for the hotel industry in this region and this 82.14% managers expect that under the CPEC there are high chances of hoteling industry growth

**Table 4.1.4: Comparison of MEH by Investment Opportunities**

Investment Opportunities	MEH by <i>Investment Opportunities</i>		
	No	Yes	Grand Total
No Opportunities	12 (10.71%)	8 (7.14%)	20 (17.85%)
Opportunities	8 (7.14%)	84 (75%)	92 (82.14%)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.4: MEH by Investment Opportunities**



Source: Survey data

**4.1.5 MEH and Impact of Project**

Development of corridors led to the base of formation of new types of the industry most particularly has an impact on transportation, tourism, and hoteling sector (Ferri, 2003).

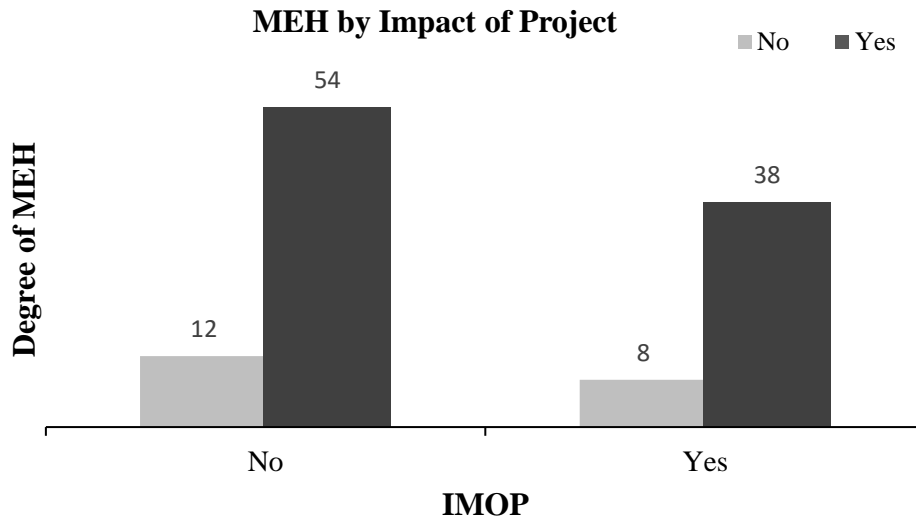
Table shows that 58.92% managers responded that currently there is Low impact on a project regarding CPEC while out of 41.07% respondents 33.92% managers responded that in near future there will be high impact of CPEC project than in result hoteling industry will grow under CPEC.

**Table 4.1.5: Comparison of MEH by Impact of Project**

Impact of Project	MEH by Impact of Project		
	No	Yes	Grand Total
Low Impact	12 (10.71%)	54 (48.21%)	66 (58.92%)
High Impact	8 (7.14%)	38 (33.92%)	46 (41.07%)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.5: MEH by Impact of Project**



Source: Survey data

**4.1.6 MEH and Increase of Tourist**

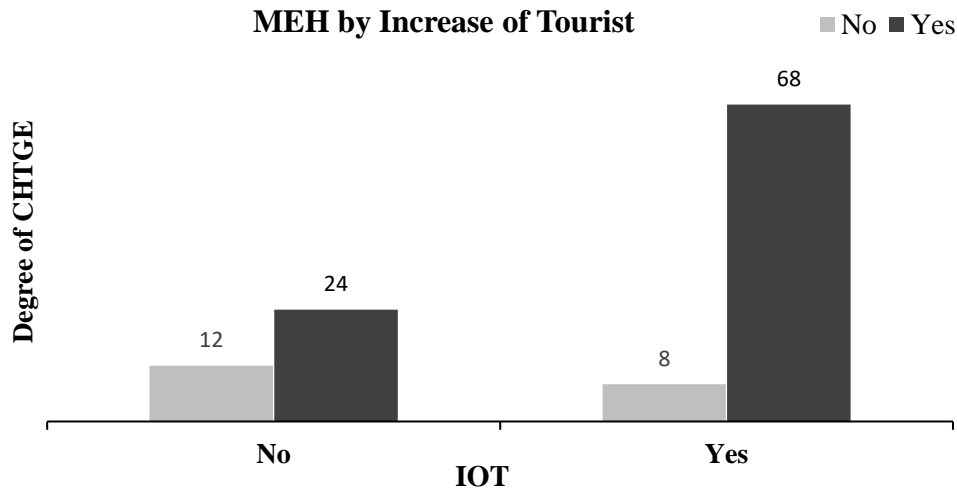
Ferri (2004) Opening of new motorway along the east of Spain has increased the tourist in the Valencia region. The following table shows that 82% managers responded yes about the increase of tourist under CPEC while only 17.85% manager was responded no. The managers who’s responded yes, 67.85% of 82.14% were highly expecting for the hotel industry in this region and this 82.14% manager expect that under the CPEC there are high chances of hoteling industry growth.

**Table 4.1.6: Comparison of MEH by Increase of Tourist**

Increase of People	MEH by Increase of People		
	No	Yes	Grand Total
Not Increase	12 (10.71%)	24 (21.42%)	36 (32.14 %)
Increase	8 (7.14%)	68 (67.85%)	76 (67.85 %)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.6: MEH by Increase of Tourist**



Source: Survey data

#### **4.1.7 MEH and Increase of Customer under CPEC**

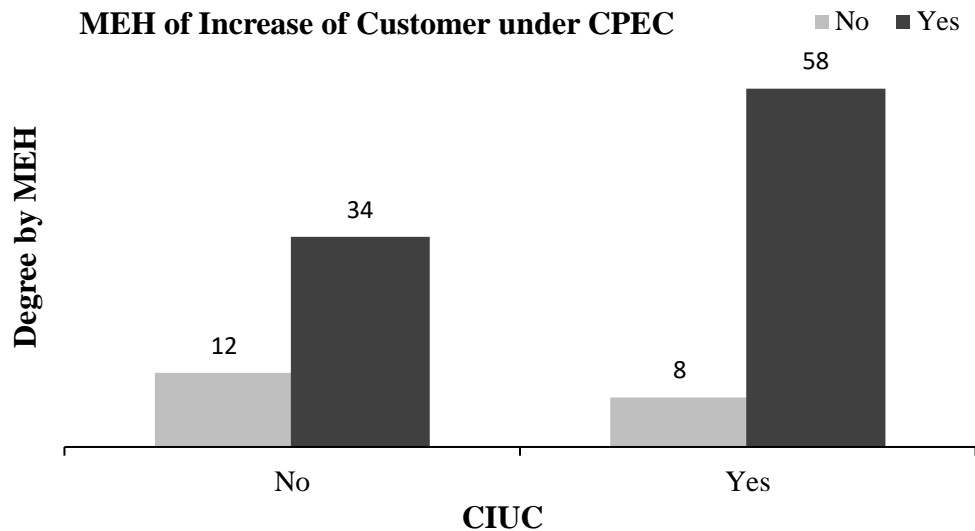
The opening of new motorway along the east of Spain has increased the tourist in the Valencia region (Ferri, 2004). Table explain that 58.92% managers responded that customer increase under CPEC due to E-35 highway completion while 41.07% managers responded not increase of tourist in current but they were expected that due to this highway in near future tourist increase and demand for hotel increase due to which there are high chances for hoteling industry growth in Hazara region under CPEC.

**Table 4.1.7: Comparison of MEH by Increase of Customer under CPEC**

Increase of Customer under CPEC	MEH by Increase of Customer under CPEC		
	No	Yes	Grand Total
Not Increase	12 (10.71%)	34 (30.35%)	46 (41.07 %)
Increase	8 (7.14%)	58 (51.78%)	66 (58.92 %)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.7: MEH by Increase of Customer under CPEC**



Source: Survey data

#### **4.1.8 MEH and Current Working Status**

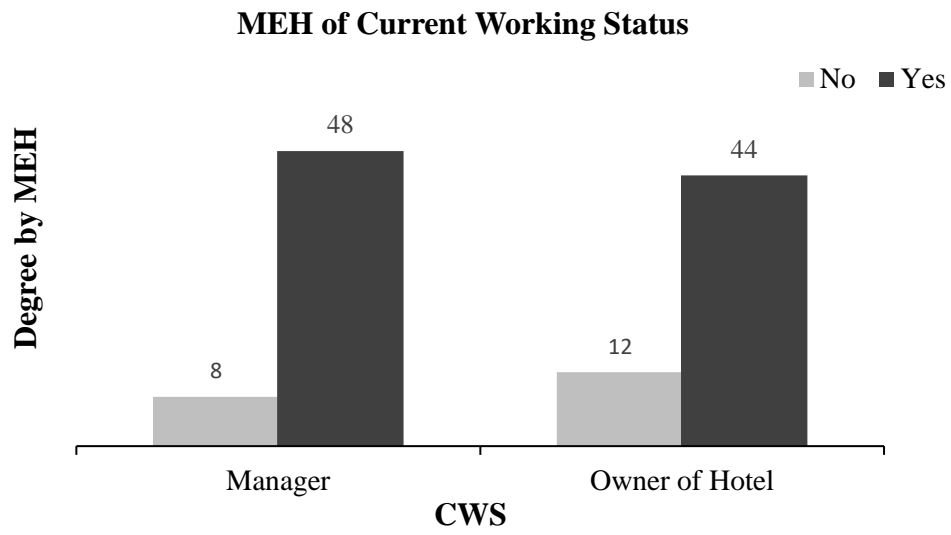
Table shows that 82.14% respondent in favor for hoteling industry growth while only 17.85% does not respond in favor. Both Manager and Owner of Hotel were highly expecting that under the CPEC there are high chances of hoteling industry growth.

**Table 4.1.8: Comparison of MEH by Current Working Status**

Current Working Status	MEH by Current Working Status		
	No	Yes	Grand Total
Manager	8 (7.14%)	48 (42.85%)	56 (50 %)
Owner of Hotel	12 (10.71%)	44 (39.28%)	56 (50 %)
<b>Total</b>	<b>20 (17.85%)</b>	<b>92 (82.14%)</b>	<b>112 (100%)</b>

Source: Survey data

**Figure 4.1.8: MEH by Current Working Status CPEC**



Source: Survey data

## 4.2 Descriptive analysis of Tourist Response

The descriptive analysis of our selected variable is examined to estimate the opinion of tourists of the selected region regarding the tourism growth under CPEC in the selected region. We used Primary data that was collected from 120 tourists in the selected region regarding their education, facilities of the hotel, availability of rooms, efficiency of the hotel, gender of the respondent, expectation for tourism and hoteling, occupation of respondent and hoteling is enough to meet the tourist demand etc. Using Excel 2016, we have found the percentages and graphs for dependent variables based on selected independent variables. Results of our descriptive analysis are as under:

### 4.2.1 TEH and Gender of Respondent

Table explain that 83.33% respondent tourist both 43.33% male and 40% female respond yes for hoteling industry growth under CPEC while only 16.67% tourist were responded no regarding tourism growth. Most of the Tourist were expects that under the CPEC there are high chances of tourism and hoteling growth.

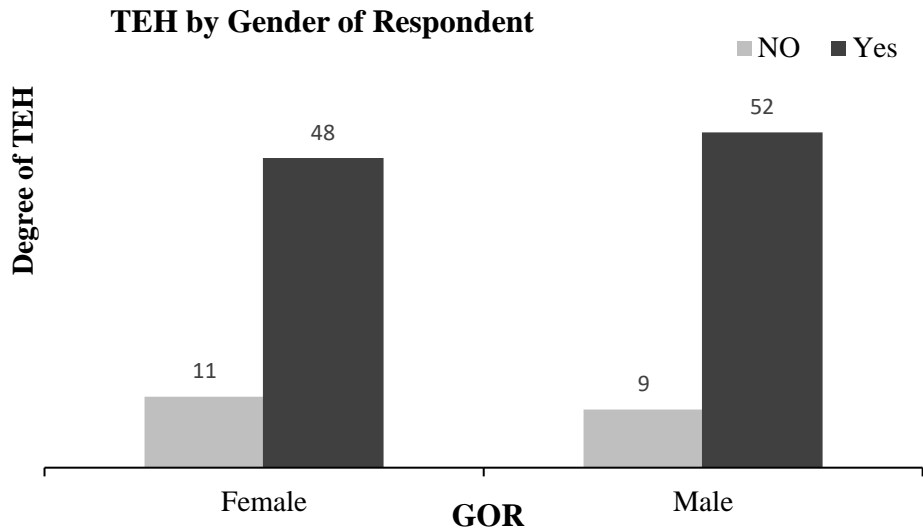
**Table 4.2.1: Comparison of TEH by Gender of Respondent**

Gender of Respondent	TEH by Gender of Respondent		
	No	Yes	Grand Total
Female	11 (9.16%)	48 (40%)	59 (49.17 %)
Male	9 (7.5%)	52 (43.33%)	61 (50.83 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data



**Figure 4.2.1: TEH by Gender of Respondent**



Source: Survey data

#### **4.2.2 TEH and Occupation of Respondent**

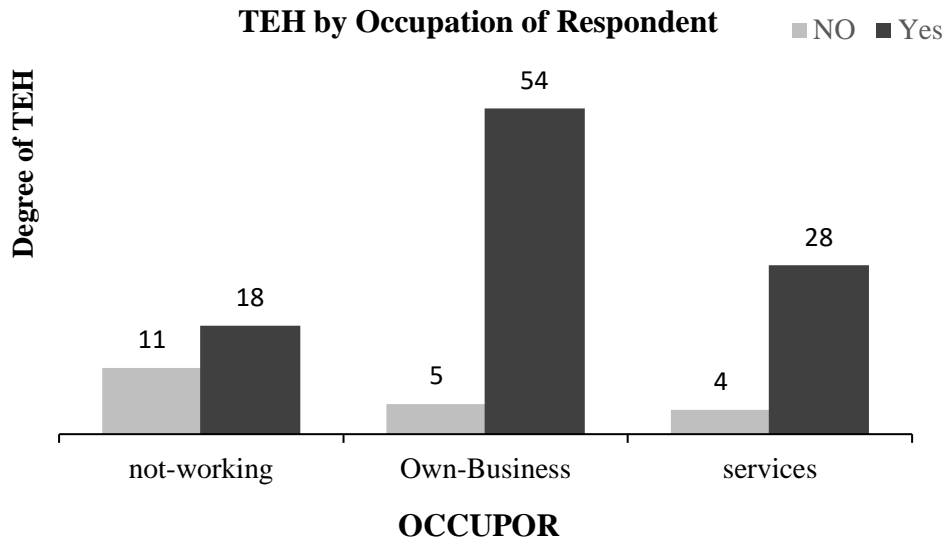
Table explains that most of the tourist respondent around half percent of total tourist sample belongs to own business by occupation and 26.66% respondent are linked with services by profession. The response of 45% own businessman and 23% services sector tourist regarding tourism growth were yes. They expect that in future this industry will increase under the CPEC.

**Table 4.2.2: Comparison of TEH by Occupation of Respondent**

Occupation of Respondent	TEH by Occupation of Respondent		
	No	Yes	Grand Total
Not Working	11 (9.17%)	18 (15%)	29 (24.16 %)
Own Business	5 (4.16%)	54 (45%)	59 (49.17 %)
Services	4 (3.33)	28 (23.33%)	32 (26.66%)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.2: TEH by Occupation of Respondent**



Source: Survey data

**4.2.3 TEH and Marital Status of Respondent**

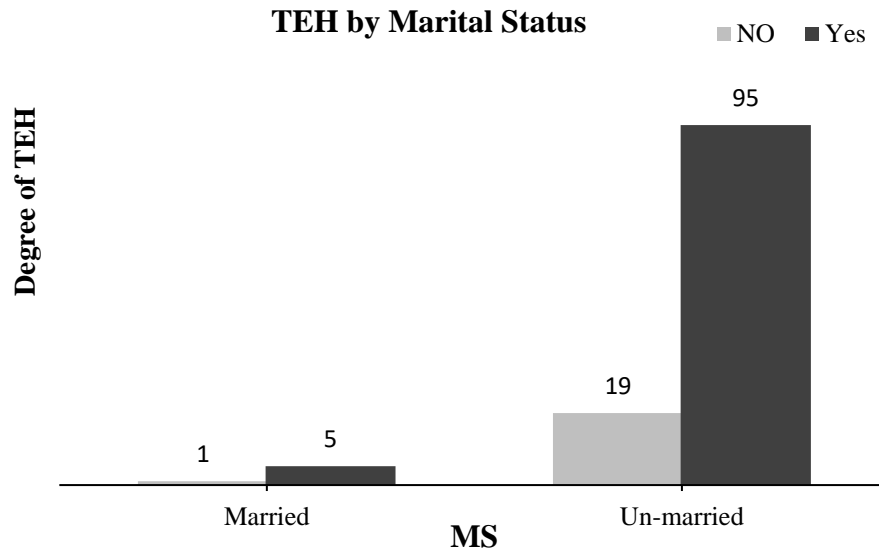
Table shows that most of the respondents 83% responded yes for hoteling industry growth while only 16% responded not in favor. Both 79% unmarried and 4% Married of them expect that under the CPEC in future the growth of this industry will increase.

**Table 4.2.3: Comparison of TEH by Marital Status of Respondent**

Marital Status of Respondent	TEH by Marital Status of Respondent		
	No	Yes	Grand Total
Married	1 (0.83%)	5 (4.16%)	6 (5 %)
Unmarried	19 (15.83%)	95 (79.17%)	114 (95 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.3: TEH by Marital Status of Respondent**



Source: Survey data

#### **4.2.4 TEH and Education of Respondent**

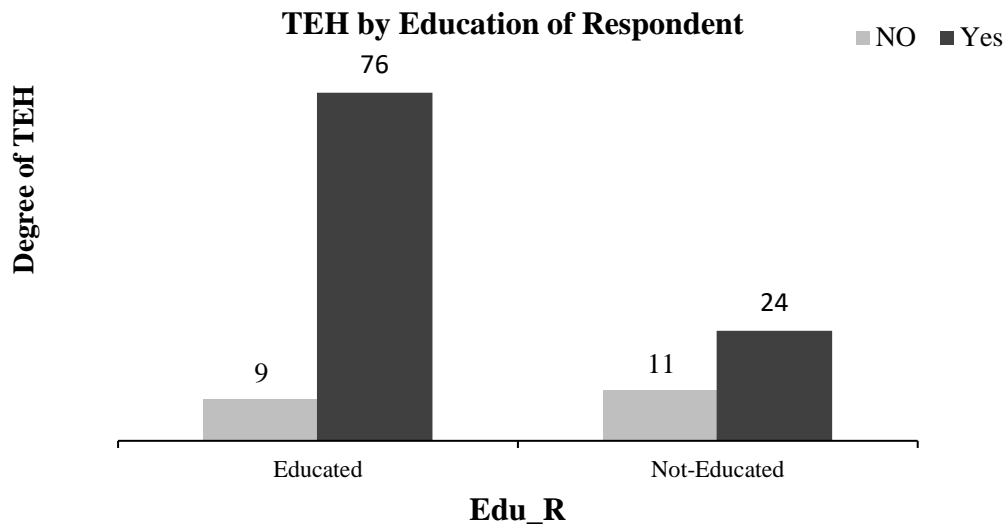
Tourist is important for the hoteling industry. The education and knowledge of tourist are important for hoteling sector growth (Naveed, 2012). Table Shows that majority of tourist respondents were educated (70.83%) and around 63% of them expect that under the CPEC there are high chances of hoteling industry growth in this region.

**Table 4.2.4: Comparison of TEH by Education of Respondent**

Education of Respondent	TEH by Education of Respondent		
	No	Yes	Grand Total
Educated	9 (7.5%)	76 (63.33%)	85 (70.83 %)
Not Educated	11 (9.17%)	24 (20%)	35 (29.17 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.4: TEH by Education of Respondent**



Source: Survey data

#### **4.2.5 TEH and Efficiency of Hotel**

Silk Road, which has a universal tourism image all over the world, Caravanserai and tourist come to this region and there is a need of efficiency of the hotel and international standard Hotels to this route (Ghasemi and Gholamalizadeh, 2015).

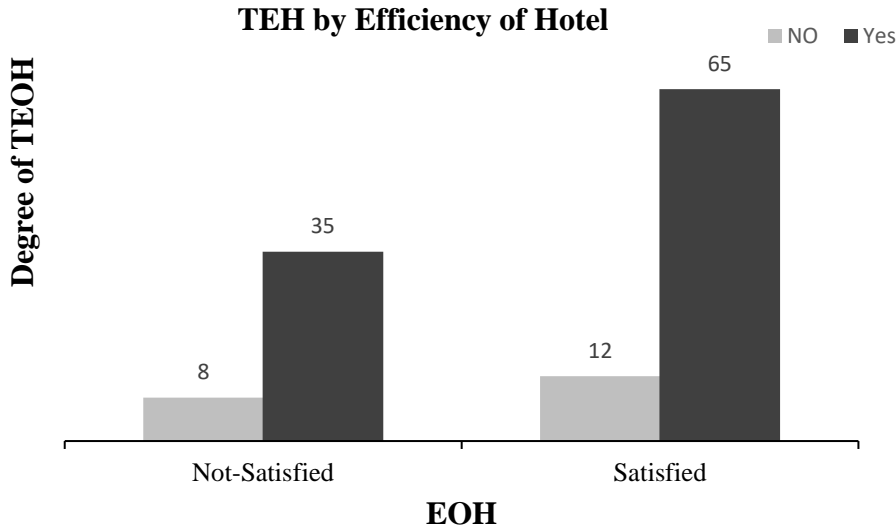
The table explains that most of the respondents were satisfied (64.17%) by the efficiency of the hotel and around 54% of them expect that under the CPEC there will be high chances of hoteling industry growth in this region.

**Table 4.2.5: Comparison of TEH by Efficiency of Hotel**

Efficiency of Hotel	TEH by Efficiency of Hotel		
	No	Yes	Grand Total
Not Satisfied	8 (6.67%)	35 (29.17%)	43 (35.83 %)
Satisfied	12 (10%)	65 (54.16%)	77 (64.17 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.5: TEH by Efficiency of Hotel**



Source: Survey data

**4.2.6 TEH and Availability of Room**

Hotel is selected by tourist and travelers on the basis Availability of Rooms and Facilities provided by the hotel (Chu & Choi, 2000).

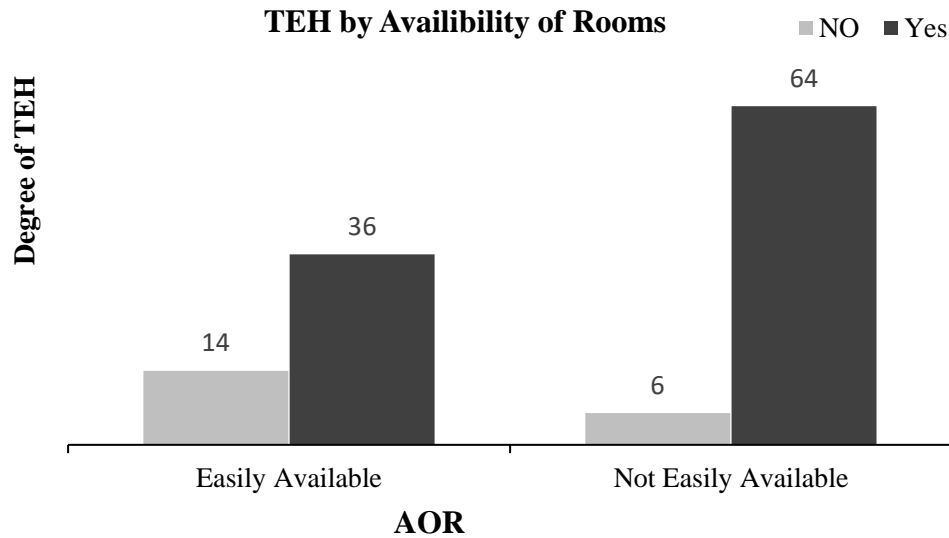
The table explains that around 41.67% tourists respond that rooms are easily available while 58.33% tourists say that rooms are not easily available. The tourists who said that rooms are not easily available, among them 53.33% expect that under the CPEC in near future there are high chances of hoteling industry growth.

**Table 4.2.6: Comparison of TEH by Availability of Rooms**

Availability of Room	TEH by Availability of Rooms		
	No	Yes	Grand Total
Easily Available	14 (11.67%)	36 (30%)	50 (41.67 %)
Not Easily Available	6 (5%)	64 (53.33%)	70 (58.33 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.6: TEH by Availability of Room**



Source: Survey data

#### **4.2.7 TEH and Hoteling infrastructure**

Hoteling and tourism infrastructure have satisfied the needs of tourists and increase their satisfaction during stayed. It increases the demand for hotel rooms (Javanovic & Ivana, 2016).

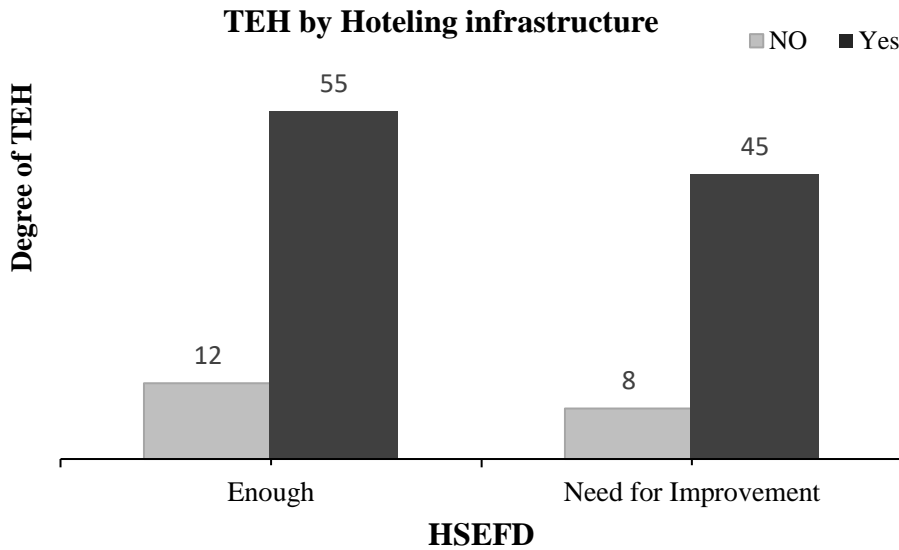
The table explains that around 55.84% tourists respond that hoteling infrastructure is enough to meet the demand of tourists while 44.17% tourists said that hoteling structure is not enough to meet the demand and there is need of improvement. Both who says Yes regarding their expectation on hoteling industry growth under the CPEC in future were 83.33%.

**Table 4.2.7: Comparison of TEH by Hoteling infrastructure**

Hoteling infrastructure	TEH by Hoteling infrastructure		
	No	Yes	Grand Total
Enough	12 (10%)	55 (45.83%)	67 (55.83 %)
Need for Improvement	8 (6.67%)	45 (37.50%)	53 (44.17 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.7: TEH by Hoteling infrastructure**



Source: Survey data

**4.2.8 TEH and Tourist come due to E-35 CPEC Highway**

Ferri (2004) Opening of new motorway along the east coast of Spain has increased the hotel and tourism industry in the Valencia region. This A-7 motorway highway has opened the new gateway for tourism and simultaneously it directly impacts increases in the hoteling industry of Spain.

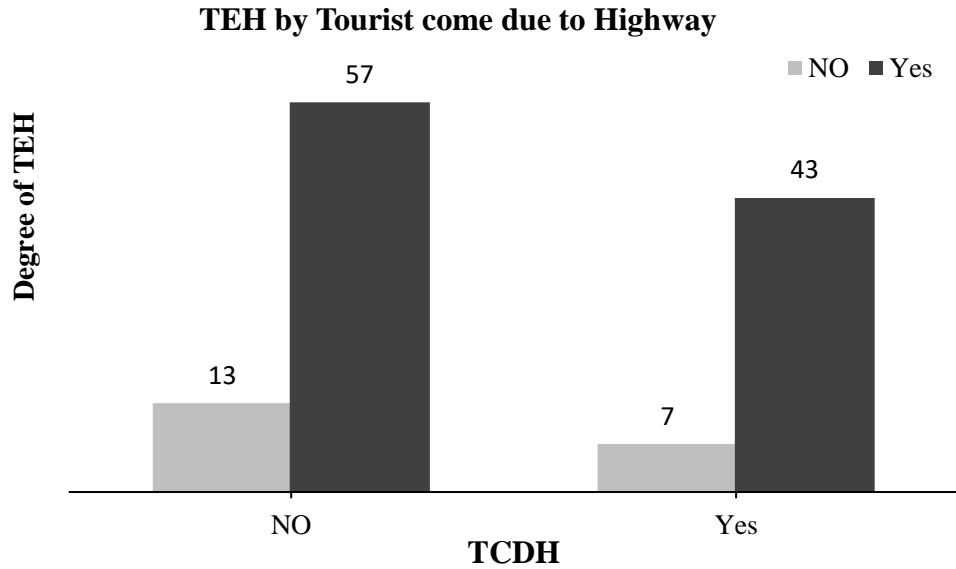
Table explains that 58.33% tourists respond that tourist did not come for tourism due to E-35 highway while 41.67% tourists say that more tourist will come for tourism due to E-35 highway. Both were said Yes regarding their expectation on hoteling industry growth under the CPEC in near future were 83.33%.

**Table 4.2.8: Comparison of TEH by Tourist come due to E-35**

Hoteling Structure	TEH by Tourist come due to E-35		
	No	Yes	Grand Total
Tourist Not come	13 (10.83%)	57 (47.50%)	70 (58.33 %)
Tourist Come	7 (5.84%)	43 (35.83%)	50 (41.67 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.8: TEH by Tourist come due to E-35 Highway**



Source: Survey data

**4.2.9 TEH and Increase of Tourist under CPEC**

Ferri (2004) Opening of new motorway along the east of Spain has increased the tourist in the Valencia region.

Table explains that around 91% tourists respond that in near future tourist will increase under CPEC while around 9% tourists respond not in favor. The tourists who say that in near future tourist will increase under CPEC, among them 76.67% expect that under the CPEC there are high chances of hoteling and tourism industry growth.

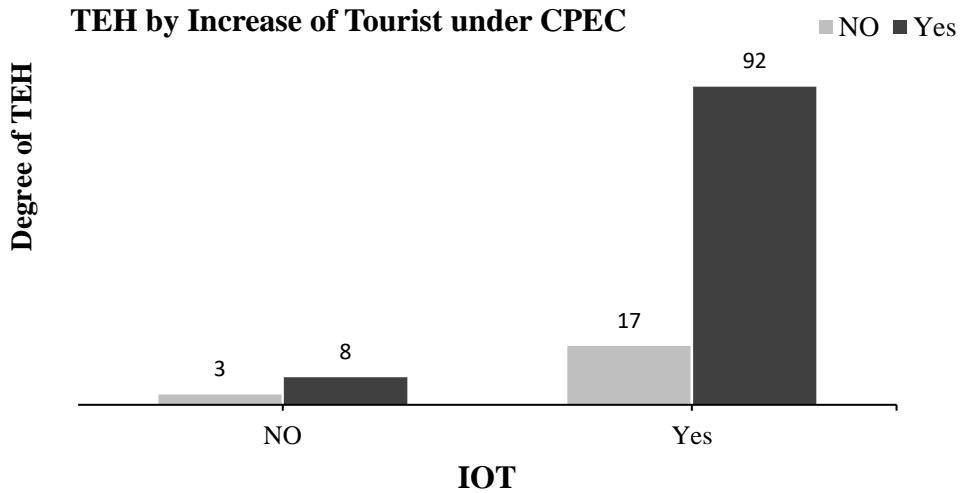
**Table 4.2.9: Comparison of TEH by an increase of Tourist under CPEC**

The increase of tourist under CPEC	TEH by Increase of tourist under CPEC		
	No	Yes	Grand Total
Not increase	3 (2.5%)	8 (6.67%)	11 (9.17 %)
Increase	17 (14.17%)	92 (76.67%)	109 (90.83 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data



**Figure 4.2.9: TEH by Increase of tourist under CPEC**



Source: Survey data

**4.2.10 TEH and Tourism and Hoteling Growth**

The development of corridors increases the growth of new types of the industry most particularly tourism and hoteling sector (Ferri, 2003).

Explains that 58.33% tourists respond that tourism and hoteling industry will grow under CPEC while 41.67% tourists respond opposite. Both who says Yes regarding their expectation on tourism and hoteling industry growth under the CPEC in future were 83.33%.

**Table 4.2.10: Comparison of TEH by Tourism and Hoteling Growth**

Tourism and Hoteling Growth	TEH by Tourism and Hoteling Growth		
	No	Yes	Grand Total
No	16 (13.33%)	34 (28.33%)	50 (41.67 %)
Yes	4 (3.34%)	66 (55%)	70 (58.33 %)
<b>Total</b>	<b>20 (16.67%)</b>	<b>100 (83.33%)</b>	<b>120 (100%)</b>

Source: Survey data

**Figure 4.2.10: TEH by Tourism and Hoteling Growth**



Source: Survey data

## CHAPTER V

### RESULTS AND DISCUSSIONS

The results of the binary logit model are discussed in this chapter. To estimate expectation of hoteling industry growth under CPEC. We used primary data collected from 112 hotel managers in Hazara region regarding their individual expectation or response hoteling industry growth under CPEC. While second logit model attempts the objective to estimate the expectation of tourist on hoteling industry growth under CPEC. For this purpose, we collected data from 120 tourists in Hazara region regarding their expectation on hoteling industry growth under CPEC.

#### **5.1 Model-1 (*Manager Response*)**

After synthesizing data for the required variables of our study, our sample size is 112 managers for our first model. The regression results of this model show that the manager's expectation of hoteling industry growth under CPEC (MEH) is positively and significantly associated with the hotel facility score (HFS), manager's awareness of CPEC (AOC), investment opportunities in hoteling industry under CPEC (IOHIUC), impact of project seen in this region after initiating of Project (IMOP) and increase of tourist due to E-35 CPEC highway (IOT). While there is a negative and significant effect of current working status of manager (CWS) on manager's expectation of hoteling industry growth under CPEC. Out of the total eight variables, six show significant results. In our first model, these factors are significant statistically. Likelihood ratio test explains the overall significance for the logit model, this value is significant in this first model  $\chi^2(9) = 60.59$  (p-value=0.0001).

**Table 5.1: Binary Logit regression results for Prospects of Hotel Industry growth Under CPEC**

List of Variable	Coefficients	Standard Error	Z- value	P-value
<b>Education of Manager (Edu_M)</b>				
Higher Education	-.5172308	.9315119	-0.56	0.579
<b>Hotel Facility Score (HFS)</b>				
Average	3.864092	1.240694	3.11	0.002***
High/Satisfactory	2.056917	1.239043	1.66	0.097*
<b>Awareness of CPEC (AOC)</b>				
Yes	6.095758	2.174363	2.80	0.005***
<b>Investment opportunities in Hoteling Industry under CPEC (IOHIUC)</b>				
Yes	5.590861	1.340161	4.17	0.000***
<b>Impact of Project seen in this region after initiating of Project (IMOP)</b>				
Yes	2.167832	1.042161	2.08	0.038**
<b>The increase of Tourist E-35 CPEC Highway (IOT)</b>				
Yes	3.98173	1.281171	3.11	0.002***
<b>Customer will increase under CPEC (CIUC)</b>				
Yes	1.827398	1.30444	1.40	0.161
<b>Current Working Status (CWS)</b>				
Owner of Hotel	-1.576032	.9202243	-1.71	0.087*
<b>No. of observations= 112</b>		<b>Prob&gt;Chi<sup>2</sup>= 0.0000</b>		
<b>Likelihood ratio test <math>\chi^2</math> (9) = 60.59</b>		<b>Pseudo R<sup>2</sup>= 0.5764</b>		
Significance level: ***p < 0.01, **p < 0.05, *p < 0.1				
<b>Reference category:</b> Edu_M: Basic Education, HFS: Normal, AOC: No, IOHIUC: No, IMOP: No, IOP: No, CIUC: No, CWH: Managers of Hotel				

Source: Primary data from the survey.

### ***5.1.1 Investment Opportunities in Hoteling Industry under CPEC (IOHIUC)***

The result shows that the investment opportunities in hoteling industry under CPEC is positively and significantly related to hoteling industry growth under CPEC. Our results are consistent with (Ali *et al.*, 2017) that investment opportunities in tourism and hoteling industry under CPEC has a positive impact on this industry growth. Majority of 82.14% managers responded that in near future there will be a high chance of investment opportunities in hoteling industry under CPEC.

### ***5.1.2 Awareness of CPEC (AOC)***

The result shows that the manager's awareness on CPEC is positively and significantly related to hoteling industry growth under CPEC. During the survey, most of the managers responded that they were aware of CPEC and the data also shows that 92.85% managers are aware of CPEC project. The 76.78% out of 92.85% managers responded that in near future there are high chances of hoteling industry growth under CPEC.

### ***5.1.3 Impact of Project seen in this region after initiating of Project (IMOP)***

The result shows that the impact of CPEC project is positively and significantly related to hoteling industry growth under CPEC. Our results are consistent with (Ferri, 2004) that construction of highway project has a positive impact on hoteling and tourism industry growth. Most of 41.07% managers responded that in near future there will be high impact of CPEC project then in result hoteling industry will grow under CPEC.

### ***5.1.4 Increase of Tourist E-35 CPEC Highway (IOT)***

The result shows that the increase of tourist due to E-35 CPEC highway is positively and significantly related to hoteling industry growth under CPEC. Our results are consistent with (Ferri, 2004) that A-7 motorway highway project in Spain increases the tourist in the northern

region and has a positive impact on hoteling and tourism industry growth. Majority of 67.85% managers responded that in near future there will be high chances of hoteling industry growth under the CPEC due to an increase of tourist E-35 CPEC highway.

#### ***5.1.5 Current Working Status (CWS)***

The result shows that the owner of the hotel is less likely regarding hoteling industry growth under CPEC as compared to the manager of the hotel counterpart. Most of the owner did not have their understanding regarding pros and cons of CPEC investment opportunities in service sector due to lack of their expertise and awareness when we give awareness most of them expected that there are high chances of hoteling industry growth in this region under the CPEC.

#### ***5.1.6 Hotel Facility Score (HFS)***

The result shows that the Hotel Facility Score is positively and significantly related to hoteling industry growth under CPEC. Our result consistent with (Chu and Choi, 2000) that hotel facilities have a positive impact on the growth of the hotel industry. Both categories of HFS are significant as compare to HFS normal category which shows that as much as facilities and services of hotel increases there are high chances that the hotel industry will grow under CPEC. Because tourists have more concern regarding basic facilities and services while planning the tour and most of the time their focus remain on hotel facilities in a specific tour place.

## **5.2 Model-2 (*Tourist Response*)**

After synthesizing data for the required variables of our study, in the second model our sample size is 120 tourists. The regression results of this second model show that tourist's expectation of hoteling industry growth under CPEC (TEH) is positively and significantly associated with the occupation of respondent (OCCUPOR), availability of rooms (AOR), tourist will come due to E-35 CPEC highway (TCDTH), increase in tourism under CPEC (ITUCPEC), tourism and hoteling growth (THG) and hoteling infrastructure is enough to meet the tourist demand (HSEFD). While there is a negative and significant effect of efficiency of hotel (EOH) on tourist's expectation of hoteling industry growth under CPEC. Out of the total ten variables, seven show significant results. In our second model, these factors are significant statistically. Likelihood ratio test explains the overall significance for the logit model, this value is significant in this second model  $\chi^2(11) = 57.01$  (p-value=0.0001).

**Table 5.2: Binary Logit regression results for Prospects of Hotel Industry Under CPEC**

List of Variable	Coefficients	Standard Error	Z- value	P-value
<b>Gender of Respondent (GOR)</b>				
Male	.0886043	.8560815	0.10	0.918
<b>Marital Status of Respondent (MS)</b>				
Married	3.192968	2.262525	1.41	0.158
<b>Occupation of Respondent (OCCUPOR)</b>				
Own Business	5.234786	1.478141	3.54	0.000***
Services	3.614106	1.228157	2.94	0.003***
<b>Education of Respondent (EDUOR)</b>				
Educated	.9982637	1.012299	0.99	0.324
<b>Availability of Rooms (AOR)</b>				
Not easily available	4.905531	1.417136	3.46	0.001***
<b>Tourist come due to Highway E-35 CPEC (TCDTH)</b>				
Yes	4.00462	1.324799	3.02	0.003***
<b>Tourism increased under CPEC (ITUCPEC)</b>				
Yes	2.90668	1.266644	2.29	0.022**
<b>Tourism and Hoteling growth (THG)</b>				
Yes	2.12504	.9610256	2.21	0.027**
<b>Hoteling infrastructure is enough for tourist demand (HSEFD)</b>				
Need improvement	1.867002	.975147	1.91	0.056*
<b>The efficiency of the Hotel (EOH)</b>				
Not satisfied	-2.003874	1.114164	-1.80	0.072*
<b>No. of observations= 120</b>		<b>Prob&gt;Chi<sup>2</sup>= 0.0000</b>		
<b>Likelihood ratio test <math>\chi^2</math> (11) = 57.01</b>		<b>Pseudo R<sup>2</sup>= 0.5272</b>		
Significance level: ***p < 0.01, **p < 0.05, *p < 0.1				
<b>Reference category:</b> GOR: Female, MS: Unmarried, OCCUPOR: Not working, EDUOR: Illiterate, AOR: Easily Available, TCDTH: No, ITUCPEC: No, THG: No, HSEFD: Enough, EOH: Satisfied				

Source: Primary data from the survey.



### ***5.2.1 Availability of Rooms (AOR)***

The result shows that the availability of rooms has a positive and significant impact on the expectation of hoteling industry growth under CPEC. Our result consistent with (Chu & Choi, 2000) that the availability of rooms has a positive impact on hoteling industry growth. The result shows that Not-easily available category of AOR is positively related with the expectation of hoteling industry growth under CPEC as compared to the easily available category of AOR. Because tourism of a specific area is based on facilities available in that area more specifically in term of residence or room availability. Availability of rooms is also the main factor which can affect hoteling and tourism growth.

### ***5.2.2 Occupation of Respondent (OCCUPOR)***

The results show that the occupation of tourist has a positive and significant impact on the expectation of hoteling industry growth under CPEC, both categories of tourist's occupation are significant as compare to the not-working category which shows that as tourist occupation in terms of income increase this will increases the chances of hoteling industry growth under CPEC. Because income is the main factor for any type of tourism.

### ***5.2.3 Tourist come due to CPEC Highway E-35 (TCDTH)***

The results show that tourist come due to CPEC E-35 Highway has a positive and significant impact on the expectation of hoteling industry growth under CPEC. Our result is consistent with (Ferri, 2004) that highway has a positive impact on hoteling industry growth. With the start of the CPEC project in this region, E-35 highway is the part of this which is almost completed. Roads are the main factor to access any area. So, it is expected that due this road tourism and hoteling industry will grow.

#### ***5.2.4 Tourism Increased under CPEC (ITUCPEC)***

The results show that tourism has increased under CPEC has a positive and significant impact on the expectation of hoteling industry growth. Our result is consistent with the (Ferri, 2004) that there is a positive impact of the corridor for an increase of tourism. The government has given much importance to tourism and they take many steps to encourage tourism in this region such as the construction of roads and providing infrastructure. Due to this step tourism has increased according to TCKP. So, results prevail that hoteling industry will grow in this region under CPEC.

#### ***5.2.5 Tourism and Hoteling growth (THG)***

The result shows that in future there will be a high chance of Tourism and Hoteling industry growth and has a positive and significant impact of hoteling industry growth in this region under China Pakistan Economic Corridor. Our result is consistent with (Ferri, 2004) that corridor has a positive impact on Tourism and Hoteling growth. Due to CPEC project, the new motorway is building in this region and approximately the work on the completion stage around 59 km motorway was completed through which there is seen an increase of tourist and near future, there are high chances of tourism and hoteling growth.

#### ***5.2.6 Hoteling infrastructure is enough to meet tourist demand (HSEFD)***

The result shows that Hoteling infrastructure is enough to meet tourist demand is positively and significantly related to the expectation of hoteling industry growth under CPEC. Our result is consistent with (Jovanovic & Ivana, 2016) that hoteling infrastructure has a positive impact on the growth of this sector. The result shows that the need for improvement category of HSEFD is positively related with the expectation of hoteling industry growth under CPEC as compared to enough category of HSEFD. As the data which is taken from managers on hotel facilities explains

that most of the hotels have fewer facilities in hotels. So, this can be a reason for the need for improvement of hoteling infrastructure to meet the demand of tourists.

### ***5.2.7 Efficiency of Hotel (EOH)***

The result shows that the efficiency of the hotel is negatively and significantly related to the expectation of hoteling industry growth under CPEC. Our result consists of (Ghasemi and Gholamalizadeh, 2015). The result shows that not-satisfied category of EOH is negatively related with the expectation of hoteling industry growth under CPEC as compared to the satisfied category of EOH. As the data which is taken from managers on hotel facilities explains that most of the hotels have fewer facilities in hotels. So, this is a reason for not-satisfaction of tourist from the efficiency of the hotel.

## CHAPTER VI

### CONCLUSION AND POLICY RECOMMENDATION

#### 6.1 Conclusion

The logistic result of first model shows that some factors such as hotel facility score (HFS), Manager's awareness of CPEC (AOC), investment opportunities in hoteling industry under CPEC (IOHIUC), impact of project seen in this region after initiating of project (IMOP) and Increase of tourist due to E-35 CPEC highway (IOT) are contributing in growth of hoteling industry under the CPEC and these are very important factors for enhancing the hoteling industry growth under CPEC. In the light of results, most of the local businessman are not aware regarding investment opportunities under CPEC. Results also show that after the launch of project economic activities is increases and infrastructure have also improved which is E-35 CPEC highway. Further, there is also a need to improve the infrastructure in the hoteling sector.

While the logistic result of the second model shows that tourist's expectation of hoteling industry growth under CPEC (TEH) is positively and significantly associated with the occupation of respondent (OCCUPOR), availability of rooms (AOR), tourist come due to E-35 CPEC highway (TCDTH), increase in tourism under CPEC (ITUCPEC), tourism and hoteling growth (THG) and hoteling infrastructure is enough to meet the tourist demand (HSEFD).

The results in the second model shows that demand for rooms has increased due to an increase in tourism and rooms are not easily available. The current hoteling infrastructure is not enough to meet the demand for a tourist, it needs improvement. The results also show that the E-35 CPEC highway will increase the tourism in Hazara region.

The finding of the study stress on hoteling infrastructure needs improvement to meet the demand of tourist because in this area there is a lack of rooms availability, awareness of CPEC to investors, lack of hotel facilities i.e. medical facilities, international foods, and lack of communication for investment opportunities in hoteling industry under CPEC. So, there is a high demand for investment in hoteling industry not for local but also for foreigners because tourism is improving but there is a lack of facilities. A number of hotels should be increased as well as facilities to meet the demand for tourist.

## **6.2 Limitation and Future Research**

Our Study has few limitations and provides future directions for further research. First, the study is based on Hazara region which has specific cultural contexts from other regions situated along the CPEC i.e. region under Punjab, Sindh, Baluchistan and Gilgit Baltistan.

The existing research is the pioneer study in hotel industry with respect to CPEC. Due to constraints of time and limited resource, the research only has covered Hazara region as a case study. But we see the same opportunities in others district and regions of Pakistan as well. i.e. Gilgit Baltistan, Baluchistan, Sindh, Punjab, and KPK simultaneously other regions. Thus, future research is invited in order to explore the opportunities for hoteling industry with prospects of CPEC in these regions.

### **6.3 Policy Recommendation**

There are some policy recommendations for hoteling industry growth under CPEC.

The results show that there are high investment opportunities for hoteling industry under CPEC and result in further shows that awareness on CPEC of local investor is not adequate. Thus, for this at the government level, there should be awareness programs/sessions in the form of conferences at the local level. Moreover, Government starts a campaign for attracting international investors to invest in hoteling sectors by ambassadors at all over the world.

We also suggest that Thematic Research Grants should be encouraged more in result-oriented research projects and there is a need to establish “Centre of Excellence for Tourism” at public universities.

Hoteling infrastructure should be improved to meet the demand for tourist. Numerous hotels should be increased. Hotels with high standards such as 3-star, 4-star and 5-star should be made to meet international tourist demand because in the future it is expected that local as well as international tourism will be increased. Facilities in existing hotels should also be enhanced to meet the current tourist need. For this purpose, institutions like the College of Tourism and Hoteling Management (COTHM) is to be established in the Hazara region to provide free skilled and technical education needs for hoteling industry.

The government also designs “Easy Loan Schemes” by the partnership of public Banks to promote small and medium enterprise for hoteling Industry.

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## Appendices

Managers Response Model 1

logit MEH i.Edu\_M i.HFS i.AOC i.IOHIUC i.IMOP i.IOP i.CIUC i.CWS

```

Logistic regression                Number of obs   =       112
                                   LR chi2(9)         =       60.59
                                   Prob > chi2        =       0.0000
Log likelihood = -22.258781        Pseudo R2       =       0.5764
  
```

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MEH	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
<hr/>						
Edu_M						
Higher Education	-.5172308	.9315119	-0.56	0.579	-2.342961	1.308499
HFS						
Average	3.864092	1.240694	3.11	0.002	1.432376	6.295808
High/satisfactory	2.056917	1.239043	1.66	0.097	-.3715626	4.485396
AOC						
Yes	6.095758	2.174363	2.80	0.005	1.834086	10.35743
IOHIUC						
Yes	5.590861	1.340161	4.17	0.000	2.964193	8.217529
IMOP						
Yes	2.167832	1.042161	2.08	0.038	.1252339	4.210429
IOT						
Yes	3.98173	1.281171	3.11	0.002	1.470682	6.492778
CIUC						
Yes	1.827398	1.30444	1.40	0.161	-.7292582	4.384054
CWS						
Owner of Hotel	-1.576032	.9202243	-1.71	0.087	-3.379639	.2275745
_cons	-7.951739	2.196781	-3.62	0.000	-12.25735	-3.646128

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Tourist Response Model 2

logit TEH i.GOR i.MS i.OCCUPOR i.EduOR i.AOR i.TCDTH i.ITUCPEC i.THG i.HSEFD i.EOH

```

Logistic regression                Number of obs   =      120
                                   LR chi2(11)        =      57.01
                                   Prob > chi2        =      0.0000
Log likelihood = -25.563638        Pseudo R2       =      0.5272
    
```

TEH		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
-----							
	GOR						
	Male	.0886043	.8560815	0.10	0.918	-1.589285	1.766493
	MS						
	Married	3.192968	2.262525	1.41	0.158	-1.241499	7.627434
	OCCUPOR						
	Own-Business	5.234786	1.478141	3.54	0.000	2.337683	8.131889
	services	3.614106	1.228157	2.94	0.003	1.206962	6.02125
	EduOR						
	Educated	.9982637	1.012299	0.99	0.324	-.985806	2.982334
	AOR						
	Not Easily Available	4.905531	1.417136	3.46	0.001	2.127996	7.683066
	TCDTH						
	Yes	4.00462	1.324799	3.02	0.003	1.408061	6.601178
	ITUCPEC						
	Yes	2.90668	1.266644	2.29	0.022	.4241036	5.389257
	THG						
	Yes	2.12504	.9610256	2.21	0.027	.2414647	4.008616
	HSEFD						
	Need for Improvement	1.867002	.975147	1.91	0.056	3.778255	.0442516
	EOH						
	Not-Satisfied	-2.003874	1.114164	-1.80	0.072	-4.187596	.1798478
	_cons	-8.007476	2.424327	-3.30	0.001	-12.75907	-3.25588



**PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS (PIDE), QUAID-I-AZAM UNIVERSITY CAMPUS, P.O. BOX 1091, ISLAMABAD, PAKISTAN**  
**Prospects of Hotel Industry in Hazara Region under CPEC**  
*(Questionnaire-1) Hotel Manager /Owner Response* **Form No:**

**Dear Respondent,**

I am a MS Scholar at Pakistan institute of development economics, Islamabad. To expand the scope of my knowledge, I intend to conduct research on “Prospects of Hotel Industry in Hazara Region under CPEC”. In this regard, I have prepared the following questionnaire, and submitted to you with a request to return it duly answered. I appreciate you for sparing some time from your busy schedule for this purpose. It may be noted that, on one hand, this research is expected to contribute good insights aiming at an overall improvement in Hotel Industry; while on the other hand, your identity will be kept secret. So, an impartial opinion is likely to make the research work more meaning full and successful. Your cooperation is highly appreciated. Any input, suggestion by your good-self will be perceived a matter of encouragement for me.

**Armaghan Khan**

[armaghankhan39@gmail.com](mailto:armaghankhan39@gmail.com)

**1. Personal Information of Hotel Manager/Owner**

1. Name:	
2. Sex: Male-1 Female-2	
3. Age in years:	
4. Current working Status: Manager-1 Owner of Hotel-2	
5. Salary:	
6. Marital Status: Married-1 unmarried-2	
7. Education Qualification: Illiterage-1, Middle-2, SSC-3, HSSC-4, Bachelor-5, Master-6	
8. Overall relevant working experience in years?	
9. Place of residence: Local area-1 From other area of Pakistan-2	
10. From how much times you are serving this Hotel?	

**2. Information regarding Hotel**

11. Name and address of the Hotel:	
12. Status of your Hotel: 1 star-1, 2 star-2, 3 star-3, 4 star-4, 5 star-5	
13. Do you have record system? Yes-1 No-2	
14. Is this record system computerized or manual? Computerized-1 Manual-2	
15. Which of the following advertising and marketing techniques does your hotel use?	

<b>Advertising Marketing Media Used</b>	<b>Yes-1 No-2</b>
15.a Print Media Advertising	
15.b Social Media Advertising	
15.c TV Advertising	
15.d Direct Mail	
15.e Loyalty Programs	
15.f Your Web site	

<b>Monthly Occupied rooms</b>		
16. On Average, what is the hotel's percentage of Occupancy per month of the year?		
16.a	January	Percentage
16.b	February	
16.c	March	
16.d	April	
16.e	May	
16.f	June	
16.g	July	
16.h	August	
16.i	September	
16.j	October	
16.k	November	
16.L	December	

17. Please give your period of room occupancy in your hotel during the following seasons? Lean-1      Normal-2      Peak-3		
18. What type of media are you using for advertisement? Press Media-1    Tourist officers-2    Travel agent-3    Sign board-4		
19. Who is your most important customer group? Business people-1      Tourist-2      Families-3      Parties with Children-4 Young people ( 15 to 30 age group)-5      Any others-6		
20. Please give what kind of the following strategies is used in pricing? Seasonal Discounts-1    Trade Discounts-2    Special Discounts-3    Others-4		
21. Are you providing the following services to your customers?		
<b>Services/Facilities</b>		Yes-1    No-2
21.a Restaurant Services		
21.b Room services		
21.c Credit card		
21.d Telephone		
21.e Television in Room		
21.f Conference Hall		
21.g Entertainment		
21.h Medical Facilities		
21.I Travel agent		
22. Do you think that customers are fully satisfied with your services?		Yes-1    No-2
23. Are you adapting the suggestion / feedback given by tourist?		Yes-1    No-2
24. Are you maintaining suggestion book?		Yes-1    No-2
25. Any comment / suggestion of tourists to improve services & facilities provided in your hotel is accepted and implemented in your hotel?		Yes-1    No-2

<b>3. Hotel Manager Response regarding CPEC</b>			
26. Are you aware of CPEC?	Yes-1	No-2	
27. Do you expect that under CPEC there is investment opportunities for Hotel Industry?	Yes-1	No-2	
28. Are you aware about value addition under the opportunities of CPEC? If yes, Why	Yes-1	No-2	
29. Do you expect that under CPEC there is high chances of Hoteling Industry growth?	Yes-1	No-2	
30. After initiating of CPEC project in this region any impact seen on Hotel Industry?	Yes-1	No-2	
31. Do you expect Tourist come more due to E-35 CPEC Highway?	Yes-1	No-2	
32. Are Tourist come to this region for stayed?	Yes-1	No-2	
33. What kind of Tourist stayed?	Lower middle class-1	Middle class-2	Upper class-3
34. Is Hoteling Infrastructure is enough to meet tourist demand?	Yes-1	No-2	
35. Is Tourism increase due to E-35 CPEC Highway?	Yes-1	No-2	
36. Are you improve your Hotel facilities?	Yes-1	No-2	
37. Foreigner are come to this region?	Yes-1	No-2	