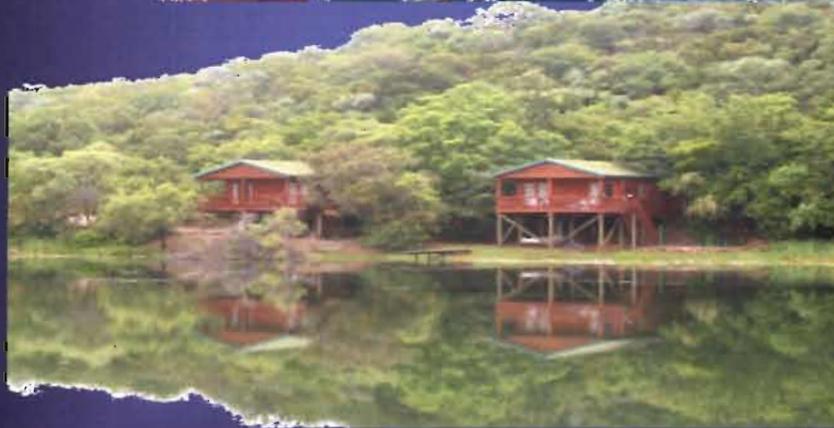




A competitiveness model for tourism products
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A competitiveness model for tourism products

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Magister Artium

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Statements and suggestions made in this thesis are those of the author and should not be regarded as those of the North-West University (Potchefstroom Campus)

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ABSTRACT

Competitiveness is an important matter receiving increasing attention by the tourism industry. There is an intense focus on destination competitiveness and it became evident that smaller tourism products are mostly excluded. The main aim of this study was therefore to develop a competitiveness model for tourism products.

Five research objectives were derived from the main aim of the research. The first objective was to analyse various research methodologies and structures. Secondly, positioning and travel decision-making and the role thereof in competitiveness were analysed. The third objective was to analyse the key components of competitiveness. Fourthly, to interpret the results from the empirical research enabling the identification of key components of the competitiveness model for tourism products. The fifth objective was to draw conclusions and lastly recommendations were made.

In order to achieve this goal, a literature study was firstly necessary to identify key components of competitiveness in general and to develop the questionnaire. The key words included competitiveness, competitiveness model, tourism industry, competitor and competitor analysis.

After the literature study, the empirical research was done by means of a questionnaire. After pilot testing the questionnaire, the research was conducted amongst tourists visiting Klein-Kariba Holiday Resort. With the application of this process 372 useable questionnaires were received. The results of the questionnaires were statistically processed and utilised in designing the competitiveness model.

The study indicated that even with smaller tourism products, effective positioning is critical in order to be competitive. Through travel decision-making the most important variables or attributes of positioning are identified and are therefore crucial to understand as these variables or attributes lead to purchase behaviour and have a direct influence on competitiveness. The study also indicated that competitiveness refers to those forces, indicators and success factors that contribute to each tourism product's own uniqueness, allowing the identification of the relative strengths and weaknesses. A valuable contribution was therefore made in determining the relationships between the variables in the model, which directly indicates the importance of certain aspects in increasing competitiveness.

Based on the literature and empirical study a competitiveness model for tourism products was developed which can aid managers and product owners in making tourism products more competitive.

Descriptors: competitiveness, competitiveness model, tourism industry, competitor and competitor analysis.

OPSOMMING

Die hoofdoel van die studie was om 'n mededingendheidsmodel vir toerismeprodukte te ontwikkel weens die feit dat kompetisie binne die toerismebedryf toenemend aandag ontvang. Daar word sterk gefokus op mededingendheid van bestemmings en dit het geblyk dat kleiner toerismeprodukte meestal uitgesluit word.

Vyf navorsingsdoelwitte het uit die hoofdoelwit van die navorsing ontstaan. Die eerste doelwit was om die verskillende navorsingsmetodologieë en -strukture te ontleed. Tweedens, om posisionering en reis-besluitneming te ontleed, asook die rol daarvan binne mededingendheid. Die derde doelwit was om die kernkomponente van mededingendheid te ontleed. Vierdens, om die resultate van die empiriese navorsing te interpreteer om sodoende die identifisering van sleutelkomponente van die mededingendheidsmodel vir toerismeprodukte moontlik te maak. Die vyfde doelwit was om gevolgtrekkings en aanbevelings te maak.

Om hierdie hoofdoel te bereik, was 'n literatuurstudie eerstens nodig om algemene sleutelkomponente van mededingendheid te identifiseer en om die vraelys te ontwikkel. Sleutelwoorde het ingesluit mededingendheid/kompetisie, mededingendheidsmodel, toerismebedryf, mededinger en mededinger-ontleding.

Na afloop van die literatuurstudie is die empiriese navorsing met behulp van 'n vraelys gedoen. Na die loodsnavorsing het die navorsing plaasgevind onder toeriste wat Klein-Kariba-vakansieoord besoek het. Met die toepassing van hierdie proses is 372 bruikbare vraelyste ontvang. Die resultate van die vraelys is statisties geanaliseer, geprosesseer en aangewend in die ontwikkeling van die mededingendheidsmodel.

Die studie het aangetoon dat effektiewe posisionering selfs in die geval van kleiner toerismeprodukte uiters belangrik is om mededingend te kan wees. Die belangrikste veranderlikes of kenmerke van posisionering kan geïdentifiseer word deur reis-besluitneming, en is uiters belangrik om te verstaan omdat dit ook hierdie veranderlikes of kenmerke is wat aanleiding gee tot koopgedrag, en dus 'n direkte impak het op mededingendheid. Die studie het verder aangetoon dat mededingendheid verwys na daardie kragte, aanwysers en suksesfaktore wat bydra tot elke toerismeproduk se eie uniekheid, waardeur die sterk en swak eienskappe geïdentifiseer kan word. 'n Waardevolle bydrae is dus gelewer om die verwantskappe tussen die veranderlikes in die model te bepaal, wat 'n direkte aanduiding gee van die belangrikheid van sekere aspekte ten opsigte van toenemende mededingendheid.

Gebaseer op die literatuur en empiriese studie is 'n mededingendheidsmodel vir toerismeprodukte ontwikkel wat bestuurders en produkeienaars kan aanspoor om meer mededingende toerismeprodukte daar te stel.

Sleutelwoorden: mededingendheid, mededingendheidsmodel, toerismebedryf, mededinger en mededinger-ontleding.

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1

"The business executive is by profession a decision-maker.

Uncertainty is his opponent. Overcoming it is his mission"

John McDonald

1.1 INTRODUCTION

The tourism environment is becoming increasingly competitive, dynamic and impacted by various global issues (Heath, 2003:1). Especially in South Africa this is clearly evident in the growth of the number of tourism products and tourists travelling in and to South Africa (Visser, 2002:37-38). Hundreds of millions of rands are spent by government to promote tourism products and enhance tourism development which involves the utilization of resources, for example accommodation and transport facilities (O'Sullivan, 2000:1). Tourism therefore promotes external economies and can be seen as a path for economic development (Saayman, Saayman & Naude, 2000:443).

Dwyer, Forsyth and Rao (2000:9) state that "tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourism industry, and qualitative factors affecting the attractiveness of a destination". Hence competitiveness of tourist destinations is important especially as products strive towards a bigger competitive advantage and market share (Gomezelj & Mihalic, 2008:294). It is, however, a complex concept, encompassing various aspects, which are difficult to measure (Gooroochurn & Sugiyarto, 2004:1).

In order to grow sustainable as a tourism destination, tourism products, such as guesthouses, resorts and game lodges, in South Africa should position themselves more effectively against competition. A competitiveness model for tourism products can lead to a more thorough analysis of competition, effective position and an increase in tourist numbers.

The aim of this chapter is to formulate the problem statement, discuss the aim and objectives of the thesis as well as the method of research and chapter classification.

1.2 PROBLEM STATEMENT

The continuous development of tourism destinations and products world-wide creates more competition.

In order to be more competitive, factors and forces that have an influence on competitiveness and positioning must be identified and better understood (**Jonker, 2004:2**). The measurement of competitiveness can be regarded as a crucial factor in ensuring the success of tourism destinations (**Gooroochurn & Sugiyarto, 2004:1**). It is, however, a concept consisting of a range of elements making it difficult to apply.

Competitiveness forms part of the positioning process within the marketing environment. In being more competitive tourism products can position themselves with greater success in a diverse market environment (**Chacko, 1997:1**). Competitiveness can be seen as “the capacity of businesses, industries, regions, and nations exposed, and remaining exposed, to international competition to secure a relatively high return on the factors of production and relatively high employment levels on a sustainable basis” (**European Commission, 1994:17/371**).

According to **Newall (1992:94)** competitiveness is about producing more and better quality goods and services that are marketed successfully to consumers at home and abroad. It contributes to well-paying jobs and to the generation of resources required to provide adequate infrastructure of public services and support for the disadvantaged. **Scott and Lodge (1985:3)** refer to a country’s ability to create, produce, distribute and/or service products in international trade while earning rising returns on its resources as competitiveness. **Fajnzylber (1988:12)** describes it as the capacity of a country to improve, expand and sustain its international market share and the people’s standard of living.

The notion of competitiveness can be associated with four major groups of thought. These are:

- ❖ comparative advantage and/or price competitiveness perspective;
- ❖ a broad schema and empirical studies;
- ❖ a strategy and management perspective;
- ❖ a historical and socio-cultural perspective (**Kim, Choi, Moore, Dwyer, Faulkner, Mellor & Livaic, 2001:17,18**).

Economists focused on price and the country-specific economic characteristics of competitiveness, while managers and strategists have focused on specific characteristics of the organisation. Sociologists and political theorists have analysed various social, political and cultural characteristics underlying the notion of competitiveness. Moreover, each group has suggested different indicators to explain or measure competitiveness (**Porter, Ketels & Delgado, 2006:51**). Some of these determinants are indicated in Table 1.1.

Table 1.1: Determinants of destination competitiveness

Endowed Resources	Nature Culture
Created Resources	Tourism infrastructure Range of activities Shopping Entertainment Special events/festivals
Supporting factors	General infrastructure Quality of service Accessibility of destination Market ties
Destination management	Destination management organisation Destination marketing management Destination policy, planning and development Human resource development
Demand factors	Awareness Perception Preferences
Market performance indicators	Visitor statistics (numbers) Visitor statistics (expenditure) Contribution of tourism to economy Indicators of economic prosperity Tourism investment Price competitiveness indices Government support for tourism

According to **Dwyer and Kim (2003:400)** the resources indicated in Table 1.1 can determine destination competitiveness and refer to the following:

- ❖ **Endowed (inherited) resources** - These resources can also be classified as natural, for example mountains, lakes, beaches, rivers and climate. It can also refer to heritage or cultural resources, for example cuisine, handicrafts, language, customs, belief systems and so on. Endowed resources are crucial for many forms of tourism and visitor satisfaction. Although a smaller product such as a resort does not have all of the above-mentioned resources some of these are visible at smaller tourism products.

- ❖ **Created resources** - These include tourism infrastructure, special events, the range of available activities, entertainment and shopping. Created resources are considered as the five most important resources regarding destination competitiveness.
- ❖ **Supporting resources or enabling factors** - According to various perspectives this can be an important source of a sustained competitive advantage and consists of the following:
 - **general infrastructure** - For example road networks, airports, train system, bus system, water supply and so on.
 - **quality of service** - The service dimension of the tourism experience is vital and destinations have become increasingly reliant on the delivery of quality products and services. Commitment to quality by every tourism product in a destination (public or private) is necessary to achieve and maintain international competitiveness (**Go & Govers, 2000:80**).
 - **accessibility of the destination** - For example how well can the industry accommodate people with disabilities. **Prideaux (2000:56)** notes that tourist choice between alternative destinations is influenced by inefficiencies in the transport system such as uncompetitive practices, safety concerns, comfort levels and journey time.
 - **hospitality** - Hospitality relates to the perceived friendliness of the local population and community attitudes towards tourists.
 - **market ties** - This refers to linkages with people in origin markets which the destination establishes.
- ❖ **Destination management** - Five types of destination management activities have a potentially important influence on destination competitiveness, namely:
 - **destination marketing management** - Shows the importance of positioning, branding, image and awareness, as determinants of destination market share and overall destination competitiveness (**Uysal, Chen & Williams, 2000:94**).
 - **destination planning and development** - The destination's vision provides direction for development (**Newsome, Moore & Dowling, 2002:147**).
 - **destination management organisation** - Coordination, provision of information and monitoring and evaluation are important aspects. According to **Mihalic (2000:66)** it can improve competitiveness if carefully selected and well-executed.
 - **human resource development and environmental management** - It is argued that skills play a very important part in competition and human resources is regarded as part of these skills as also indicated by researchers such as **Bueno (1999)**.

- ❖ **Demand conditions** - This includes perceptions and awareness as well as preferences of the market. A destination might be competitive for one group of visitors, but not for another.
- ❖ **Market performance indicators** - Some destinations are competitive based on the destination's performance with regard to the number of visitors as well as expenditure and investment, but there is no single or unique set of competitiveness indicators that apply to all destinations at all times.

These determinants are applicable to tourism destinations. However, some of these are not directly applicable to smaller, privately owned tourism products such as destination policy, planning and development. Aspects such as the perceptions and involvement of the community can play a bigger role in the competitiveness of smaller tourism products.

Various models have been developed to improve the understanding of destination competitiveness in the tourism industry. **Kim et al. (2001:31)** developed a model for measuring destination competitiveness. The model focuses on four dimensions, namely primary, secondary, tertiary and resultant sources of competitiveness. The primary sources include an analysis of the environment, the subject and resources. The secondary sources refer to tourism policies, planning, investment, tax and price as well as management. The tertiary sources of competitiveness are tourism infrastructure, accommodation system, attractiveness and human resources. Lastly, the resultant sources of competitiveness include tourism demand, employment, performance and export. Kim's model is linear, but some criticism observed by other researchers indicated that it fails to acknowledge the interactive effects between different sources of destination competitiveness. No justification is given for labelling the sources of destination competitiveness as primary, secondary, tertiary or resultant.

Crouch and Ritchie (1994, 1995, 1999) and Ritchie and Crouch (1993, 2000) focused on overall tourism competitiveness. These authors examined the applicability of competitiveness research and other models to tourism destinations. They concluded that the most competitive destination is one which brings about the greatest success, that is, the most well-being for its residents on a sustainable basis as indicated in **(Kim et al. 2001:31)**. Although not directly focused on tourism products or destinations **Porter (1990:72)** explains global competitiveness with a series of models. The familiar "five forces of competition model" identifies the basic sources of competition at organisation and product level which include industry competitors, substitutes, potential entrants, suppliers and buyers. These five forces lie within the domain of the company's competitive micro environment.

The integrated model as developed by **Dwyer and Kim (2003:377)** consists of many of the elements as proposed by researchers already mentioned, especially **Crouch and Ritchie (1995, 1999) and Ritchie and Crouch (1993, 2000)**, but differs in certain areas.

The model explicitly recognises demand conditions as an important determinant of destination competitiveness. It also recognises that destination competitiveness is not an ultimate end of policy-making, but is an intermediate goal towards the objective of regional or national economic prosperity.

The model indicates that destination competitiveness depends on the value added to core resources. These resources and attractors are regarded as primary motivation for destination appeal, but different resources have different levels of appeal to different tourists. It only serves as a 'pull factor' for some types of tourism.

As previously mentioned, these models focus on destinations as attractions and not smaller tourism products such as guesthouses and lodges. With these models and major groups of thought in mind it was found that competitiveness consists of various determinants which support the fact that it is a multi-faceted concept and therefore difficult to measure.

Various studies have been conducted with regard to competitiveness and destination competitiveness as can be seen in Table 1.2 below. These studies focused on measuring the competitiveness of destinations. More detailed studies are needed to determine the competitiveness of smaller tourism products such as Klein-Kariba Holiday Resort in South Africa.

Table 1.2: Previous studies regarding competitiveness in the tourism industry

THEME OF RESEARCH	SOURCE
Competitiveness	Paulo, Jorge & Paulo, 2000; Department of Environmental Affairs and Tourism, 2004; Gooroochurn & Sugiyarto, 2004; Drohan & O' Connor, 1998; Viviers, Saayman & Muller, 2004; Hayden, 2005; South African Tourism, 2004; Barney, 2002.
Destination competitiveness	Du Plessis, 2002; Pike, 2005; Jonker, 2004; Heath, 2003; Gonzales & Falcon, 2003; Bergen & Peteraf, 2002; Subramanian & Ishak, 1998; Chandler, 2004; Trufino, Petruzzellis & Nigoro, 2006; Zelko, 2003; Ritchie & Crouch, 2003; Dwyer & Kim, 2003; Enright & Newton, 2005.

A major reason for developing a model of competitiveness for tourism products is that there appears to be a fundamental difference between the nature of the smaller tourism product and the more traditional goods and services for which other models were developed.

In contrast to a specific manufactured product, for example, a tourism destination may be regarded as “an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited” (Dwyer & Kim, 2003:373). None of these models of destination competitiveness that have been proposed to date are entirely satisfactory.

These models intend to serve as a framework for determining the competitiveness of an entire country as a tourism destination. It is necessary to explore the relevance of the different indicators for determining the competitiveness of a smaller tourism product. With the number of competitors in mind as well as the fact that South Africa is a developing tourism country this model can assist in ensuring more competitive products delivering a better service.

1.3 AIM AND OBJECTIVES OF STUDY

This study attempts to achieve the following aim and objectives:

1.3.1 Aim

The main aim of the study is to develop a competitiveness model for tourism products.

1.3.2 Secondary objectives

Objective 1

- ❖ To analyse various research methodologies and structures.

Objective 2

- ❖ To analyse positioning and travel decision-making and the role thereof in competitiveness.

Objective 3

- ❖ To analyse the key components of competitiveness.

Objective 4

- ❖ To interpret the results from the empirical research in order to identify the key components of the competitiveness model for tourism products.

Objective 5

- ❖ To draw conclusions from the literature study and the empirical research and to make recommendations with regard to the implementation of the competitiveness model.

1.4 RESEARCH METHODOLOGY

The research methodology was twofold. It consisted of a literature study and secondly an empirical research survey.

1.4.1 Literature study

The literature study was based on articles, books, brochures, theses and dissertations as well as internet surveys. Academic research, online databases (Science Direct, Ebsco Host et cetera) were also used to conduct searches for information. The literature study assisted in the development of the questionnaire. The key words included competitiveness, competitiveness model, tourism industry, competitor and competitor analysis.

1.4.2 Empirical research

1.4.2.1 Research design and method of collecting the data

The research design for this study was causal in nature and a questionnaire was used as a method for collecting the data.

1.4.2.2 Development of the random test plan

The research was conducted amongst tourists visiting Klein-Kariba Holiday Resort. This is one of the average tourism products in South Africa and currently very successful. Four hundred questionnaires were distributed during December 2007 at the resort.

For the purpose of this research, a quantitative research method was used, related to a non-probability sampling classification system. Within this system the convenience sampling approach was utilised due to the fact that during the time the empirical research was conducted, the questionnaires were distributed to tourists who were available and willing to participate at the specific location.

1.4.3 Development of the questionnaire

After completion of the literature study the questionnaire was developed based on the questionnaire used by **Kim et al. (2001)**. This questionnaire was used as the basis of measuring competitiveness.

It was adapted according to the information gathered in the literature study. The questionnaire was divided into two sections. Section 1 focused on demographic information of the respondents and included questions with regard to age, gender, occupation and so on.

Section 2 consisted of questions related to the competitor analysis which consisted of positioning and travel decision-making, attractiveness of the resort as well as facilities and services.

The purpose of the questionnaire was therefore to identify the key components to be used in the competitiveness model for tourism products.

Close end and likert-scale type questions were used in the questionnaire. A pilot study was conducted and 10 questionnaires were distributed in Potchefstroom to experts in the field of tourism in order to detect weaknesses in design. The questionnaire was adapted for final printing.

1.4.4 Data analysis

The researcher analysed and interpreted the data obtained from the questionnaires. Statistical Services at the North-West University (Potchefstroom Campus), processed the data and was consulted in order to assist in statistically analysing the data using the Statistical Package of Social Sciences (SPSS). Firstly, frequency distributions were analysed and secondly, factor analyses were done to determine the relevant factors to be included in the competitiveness model.

A factor analysis is applied when a large number of attitudinal measures have been gathered in a market study and are reduced to a smaller subset of explanatory factors for easier interpretation. It can also be referred to as a data-reduction interpretive technique. Thirdly, canonical analyses were performed to determine if there were any correlations between the variables of competitiveness and the variables of positioning. Fourthly, multiple regression was done to determine which of the variables best predict each of the variables of competitiveness.

In other words the compilation of competitiveness was regarded as the criterion variable and the other variables as the predictors. In order to achieve this it was important to look at each latent variable of competitiveness and determine how it can be predicted by the other variables.

1.5 CONCEPT CLARIFICATION

The following concepts will be used throughout the study and therefore need clarification.

1.5.1 Tourism product

Kotler, Bowen and Makens (2003:15) defines a product as anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need. **Gunn (1993:71)** defines tourism products as a bundle of activities, services and benefits that constitute the entire tourism experience. This bundle consists of five components: destination attractions, destination facilities, accessibility, images and price.

Jonker (2004:18) is of the opinion that it consists of the physical destination, quality of service as well as the quality of experience offered to the tourist as the destination.

According to **Saayman (2001:190)** there are three aspects that also define a tourism product, namely physical structures, services and experiences. **Saayman (2001:190)** is also of the opinion that the product can be divided into tangible and intangible aspects from a product development point of view. Tangible aspects include structures such as hotels, buildings, resorts and airports. Intangible aspects refer to tour packages and tourism routes.

1.5.2 Tourism destination

Jonker (2004:20) defines a tourism destination as a specific geographical area that offers a unique cluster of attractions, products and services that will be consumed under the brand name of the destination.

Buhalis (2000:97) describes a tourism destination as an amalgam of tourist products and services which are consumed under the brand name of the destination. A tourist destination thus produces a compound package of tourist services based on its indigenous supply potential (**Cracolici & Nijkamp, 2009:336**).

1.5.3 Tourism industry

According to **McIntosh, Goeldner and Ritchie (1995:15)** all the services, for example transportation, lodging and food services and other activities that serve the traveller embrace the tourism industry.

Weaver and Oppermann (2000:3) describe the tourism industry as relationships that are formed during the process of attracting, transporting, hosting and managing tourists and other visitors. It is also described as the interaction among these tourists, business suppliers, host governments, host communities, country of origin governments, universities, community colleges and non-governmental organisations.

According to **Jonker (2004:16)** the tourism industry involves businesses, public agencies and non-profit organisations that create products to facilitate travel and activity for people away from home.

1.5.4 Competitiveness

Competitiveness can be associated with the economic prosperity of the residents of a country (**Crouch & Ritchie, 1999:150; Buhalis, 2000:106**). **Hassan (2000:239)** defines competitiveness as the destination's ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors. Competitiveness may be defined as the degree to which a country can, under free and fair market conditions,

produce goods and services which meet the tests of international markets while simultaneously maintaining and expanding the real incomes of its people over the longer term (Dwyer & Kim, 2003:371).

Dwyer, Forsyth and Rao (2000:9) stated that 'tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination'.

1.5.5 Competitiveness model

A competitiveness model seeks to capture the main elements of competitiveness which can lead to better monitoring of a specific position in the market. It contributes in identifying indicators that can be used to measure the competitiveness of any given destination (Dwyer & Kim, 2003:369).

1.5.6 Klein-Kariba Holiday Resort

Klein-Kariba Holiday Resort is situated close to Pretoria and only one and a half hour's drive from Johannesburg. It is a self-catering holiday resort and is situated in one of the Waterberg mountains' most beautiful ravines (outside Bela Bela).

The resort is aimed at the family holiday experience and offers a wide variety of accommodation and a myriad of activities and facilities. With a shop and a restaurant overlooking the waterfall, Klein-Kariba is the bushveld destination where one can relax. The resort is situated on the bushveld tourist route and is the ideal home base, from where day trips to nearby tourist attractions can be enjoyed. It has five spacious and well-equipped venues for conference groups of up to 900 people. There are also facilities for weddings and team-building. The resort has 177 self-catering units and 73 camping sites such as Boekenhout, Wildesering and Mispel. The resort is part of a group known as the ATKV (Afrikaanse Taal & Kultuur Vereniging). (ATKV-Klein-Kariba, 2009).

1.6 CHAPTER CLASSIFICATION

The thesis is divided into six chapters.

Chapter 1 - provided an overview of the problem statement, purpose of the study, objectives and method of study, as well as the clarification of concepts that will be discussed in the thesis.

Chapter 2 – will provide an overview of available research methods and indicating the reasons for choosing the appropriate methodology for this study. The appropriate research design and methodology will be chosen through clarifying the research problem and nature of the data to be collected. Various aspects will be discussed such as the research process, research design,

research methodology, data collection and data analysis. Attention will also be given to the research process followed in this study and the reasons for doing so.

Chapter 3 – will focus on the importance of positioning and travel decision-making in competitiveness. It will consist of the process and flow of positioning, which includes choices that tourists have to make regarding destinations as well as push and pull factors that are involved during decision-making. Thereafter the travel decision-making process will be discussed in order to determine where positioning plays a role and how these fields are interlinked. This will be followed by discussing positioning from a marketing perspective.

Chapter 4 - analyses competitiveness and the attributes thereof. Through the analysis of key components of competitiveness, the concept of competitiveness will be addressed. This will be achieved by firstly discussing the indicators for destination competitiveness and secondly to indicate possible components required to develop a competitiveness model for tourism products. Other aspects of discussion will consist of models regarding destination competitiveness, a comparison of models, the competitor analysis process or framework, effective competitor benchmarking as well as building competitive advantage.

Chapter 5 – will provide the results of the survey and identify the components of the model. Results will be obtained by means of a questionnaire that will be divided into two sections. Section 1 will focus on demographic information of the respondents and will include questions with regard to age, gender, occupation and so forth. Section 2 will consist of questions related to the competitor analysis and will consist of positioning and travel decision-making, attractiveness of the resort as well as facilities and services. The results of the questionnaire will be statistically processed and utilised by means of a factor analyses, canonical analyses as well as a regression analyses in designing the competitiveness model.

Chapter 6 - concludes the study and will suggest some recommendations. Conclusions will be drawn in terms of research methodologies and structures, the analysis of positioning and travel decision-making and the role thereof in competitiveness, the analysis of the key components of competitiveness and with regard to the results and the development of the competitiveness model for tourism products. General recommendations will also be made as well as recommendations regarding further research.

CHAPTER 2

RESEARCH METHODOLOGY

2

"The great end of life is not knowledge but action"
Aldous Huxley

2.1 INTRODUCTION

To be able to convert the ordinary into possible researchable issues, there is a need for specific sets of knowledge and competences as well as a dialogic and inquiring mindset (**Henning, Van Rensburg & Smit, 2004:10**). Researchers use various methods to collect, interpret and analyse information, but there is no commonly agreed method to acquire knowledge (**Struwig & Stead, 2001:3**). It therefore involves "the input of a variety of disciplines each with different perspectives" (**Jennings, 2001:441**).

Tourism research acquires various skills and knowledge and without research, sufficient knowledge cannot be gained (**Jennings, 2001:2**). The researcher unequivocally remains the main instrument of research and presents meaning from the engagement in the project. This meaning is usually presented as findings (**Henning et al. 2004:7**).

According to **Henning et al. (2004:12)**, research cannot be conducted in a theoretical vacuum. When a researcher sets out to investigate an issue, it is done from a position of knowledge and this knowledge frames the inquiry. In order to come to a better understanding, all these different perspectives on how information is acquired and understood can be grouped under the following two approaches namely:

- ❖ Quantitative research, and
- ❖ qualitative research.

In order to determine the appropriate methodology for this study the purpose of this chapter is to analyse various research methods. Attention will also be given to the research process followed in this study and the reasons for doing so. First and foremost it is important to understand research properly. This will be followed by a discussion of the research process, research design, research methodology, data collection and data analysis.

2.2 UNDERSTANDING RESEARCH

The following concepts, as identified by **Jennings (2001:136)**, are used in research projects, as well as in this study and therefore needs clarification:

- ❖ **Population** – This refers to the focus of the research project, which comprises the study subjects (tourists, visitors, hosts, family, friends, employees, managers) or study units (attractions, transport providers, accommodation facilities) (**Ticehurst & Veal, 1999:160**).
- ❖ **Target population** - The target population is the units in the population that the researcher wishes to target for study (**Neuman, 2000:201**).
- ❖ **Sample** - A sample is a selection of subjects or units from the overall population (**Sarantakos, 1998:139**).
- ❖ **Sampling** - Sampling is the means by which subjects or study units from the target population are included in the research project (**Sarantakos, 1998:139**).
- ❖ **Sampling ratio** - A sampling ratio is the size of the sample in relation to the size of the target population (**Neuman, 2000:221**).
- ❖ **Sample frame** - A sample frame is a list that represents all members or units of a study population (**Neuman, 2000:201**), such as electoral roles and telephone directories, as well as passenger lists, hotel guest lists and client databases.
- ❖ **Sample unit** - A sample unit is an individual subject or study unit drawn from the overall study population and included in the sample (**Jennings (2001:136)**).

According to **Phillips and Pugh (1994:47)**, research is distinguished from information gathering as well as decision-making by three distinct, but interrelated characteristics, namely

- ❖ **Research is based on an open system of thought** - researchers are entitled to think anything and continually test, review and criticise each other's work. This is one of the important ways in which thinking develops.
- ❖ **Researchers examine data critically** - Data and sources are critically examined so that the basic research response to provoking statements, not to agree or disagree but to ask: "What is the evidence?" Non-researchers often become impatient waiting for research results. Researchers go to great lengths to get systematic, valid and reliable data. In order to interpret and understand the data, knowledge of existing theories and the literature in the field, as well as the researchers' personal experiences and perspectives becomes important.
- ❖ **Researchers generalise and specify limits on generalisations** - Quantitative research aims to obtain valid generalisations. Generalisations can be established most effectively through the development of explanatory theory. Explanatory theory is the application that turns fact-finding into research. It is very important to know to which samples and in which contexts a researcher's findings are applicable.

Quantitative and qualitative methods, or a combination of the two are often included in the research process. According to **Jennings (2001:2)** the main focus of tourism research has changed recently. The main focus now is mostly on the tourist and experience as well as the social, environmental and economical impacts. It therefore totally shifted attention from counting numbers and determining economic benefits. Although tourism research is seen as a “discipline”, the main argument still remains whether it can be seen as a multidisciplinary or an interdisciplinary field of study (**Jennings, 2001:4**).

According to **Przeclawski (1993:11)**, multidisciplinary research involves the study of concepts and methods. In other words; the study of theoretical and methodological paradigms from an individual’s discipline. This involves the input of a variety of disciplines each with different perspectives (**Jennings, 2001:441**). According to **Tribe (2004:57,59)**, interdisciplinary and multidisciplinary knowledge has no framework upon which to crystallise and is created around the non-business issues of tourism.

According to **Janesick (1994:215)** the understanding of method and data can be broadened through the utilisation of an interdisciplinary approach. This approach allows other disciplines to inform the research process; which enhances a better understanding of method and data.

The challenge for the above-mentioned disciplines therefore remains to move to a rigorous and academic profile, during which theory informs applied research. As well as where researchers practically apply “intellectual depth and sophistication” (**Smith, 1988:182**). It is important to keep in mind is that there is no single fixed method or methodology that dares to be reified, but there is a wide range of methods and techniques that can be used in various combinations. One proven way of doing a research project will not necessarily be the best way to do the next one. The researcher designs and redesigns, depending on the purpose of the study.

2.3 THE RESEARCH PROCESS

Bouma (1996:18) is of the opinion that the challenge of the research process is to relate theory and research in such a way that questions are answered. **Thomas (2004:197)** indicates that there lies a complex interplay of choices and decisions which mould the nature and direction of research. The end result of the research process is neither theory nor data but knowledge. Various writers proposed different models for the research process such as **Saayman (2001)** and **Jennings (2001)**.

According to **Saayman (2001:126)** it is important in the research process as indicated in (Figure 2.1) to identify the problem. This will direct the rest of the process and influence the decisions made in terms of methodology and sampling. With the problem in mind step two focuses on determining the information needed to solve the problem. Thirdly, the researcher needs to

determine what of the identified information is already available through secondary research. If enough reliable secondary research is available it is not necessary to do primary research. However, if there is not enough information available to solve the problem the research methodology needs to be determined for the primary research process. Now that the researcher knows what is needed and how to obtain the information the budget can be determined. If there is not enough money to conduct the research in the preferred format, changes need to be made in terms of the design and methodology. Research is a costly process and should not be done unless there is enough money available to do it thoroughly. **Saayman (2001:126)** summarizes the research process in Figure 2.1.

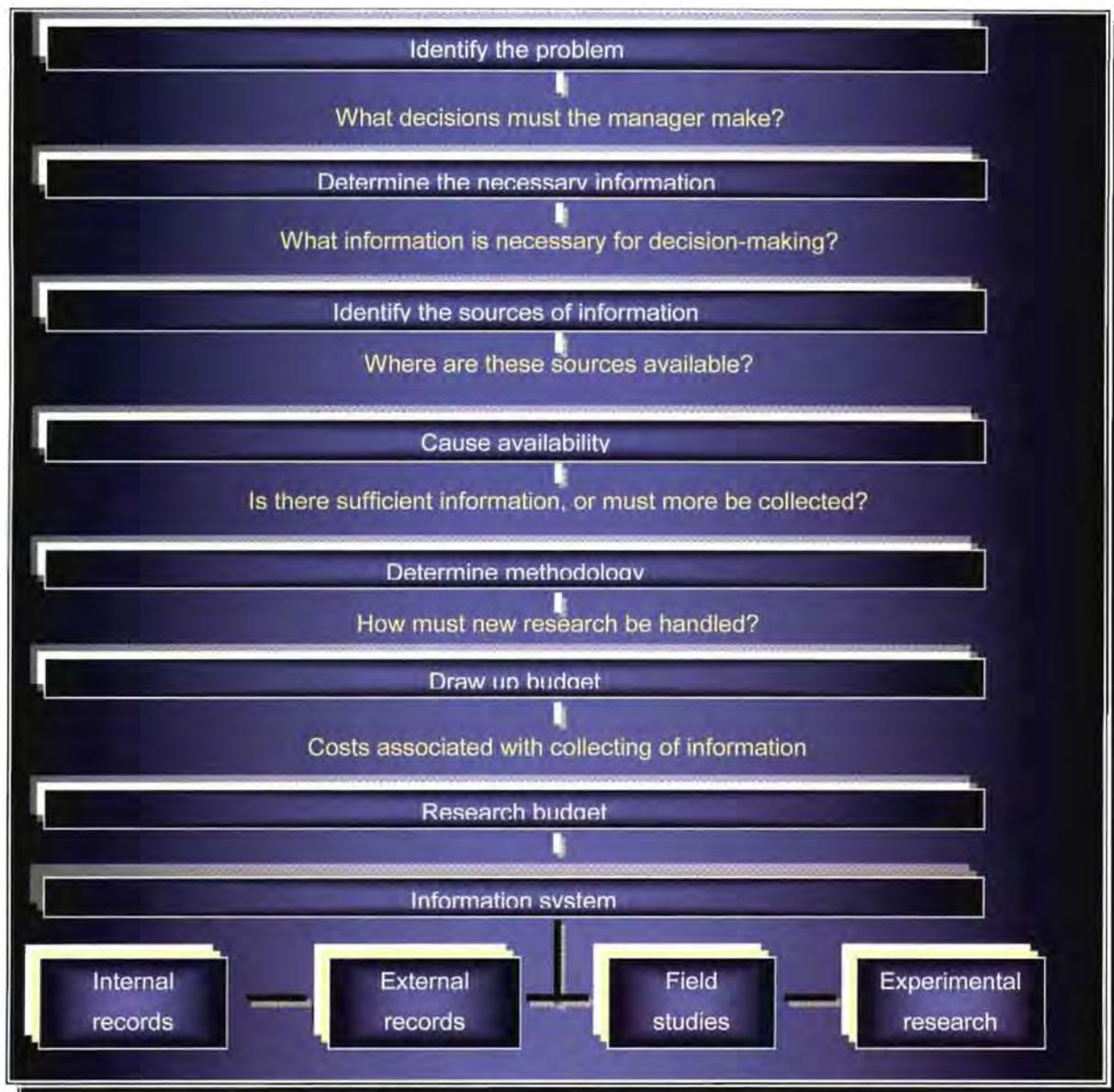


Figure 2.1: Research process

Source: Saayman (2001:127).

The process as proposed by **Saayman (2001)** in Figure 2.1, is slightly similar to the process as proposed by **Jennings (2001)**, however, the model of **Saayman (2001)** does not address data analysis. According to **Jennings (2001:13)**, the research process can basically be divided into two phases, which consist of the following:

Phase 1 - Gathering data or information and

Phase 2 - The writing process during which research aims or the hypotheses (related to the researcher's information needs) are formulated. During this formulation, it shifts the researcher to the development of data collection tools/ methods. After this, the reporting of findings remain, which is regarded as the final step. (**Jennings, 2001:13**).

Phase one can also be sub-divided into four phases. **Jennings (2001:23-24)** propose these as follows:



Figure 2.2: The research process

Source: Jennings (2001:23).

According to **Jennings (2001:23)**, the model in Figure 2.2 is presented in a circular path due to the fact that the report of the research findings may lead the researcher onto another research project based on those findings. Figure 2.2 indicates four phases namely:

Phase 1 - Identify the research topic:

Research topics may arise from personal interests of the researcher, or direction from a supervisor, or from the identification of a problem, from an information gap or from government planning requirements. Once identified, the research topic may be presented as a research aim and associated objectives, or as a hypothesis or hypotheses.

Phase 2 - Develop the research design:

During this phase there has to be decided upon the method of data collection. The information needs of the project will determine the methodology upon which the research will operate. It can either be qualitative, or quantitative or mixed method. It will also determine the type of sampling that will be undertaken as well as the pilot study development.

Phase 3 - Implement the research design:

This phase involves two major activities, namely data collection and data analysis. Both are related to ethical issues relating to permission to conduct the study, as well as to the researcher acting ethically during data collection and analysis. During this phase the researcher will be involved in running a pilot study.

This can be regarded as a trial run of the data collection tools (as well as the analysis) using the same sample population that will be used in the final study. Implementing the research designs involves "field work" and completing the data collection.

Phase 4 - Report the findings:

This is the last phase and consists of the preparation of the final report. The output from this phase may generate further research or contribute to other researchers identifying research topics.

The writing process as proposed in Figure 2.3, and as mentioned above, is linked to the entire research process.



Figure 2.3: The research process: writing process

Source: Jennings (2001:25).

Murray (1982:15) has identified three stages in the writing process which consist of the following: pre-writing, writing and rewriting. **Macrorie (1980:297)** also sees a four phase model namely: collecting, imitating, revising and writing. In a sense, all these models are describing the same process. According to **Bouma and Ling (2004:223)** this refers to the last activity in one cycle of the research process. **Jennings (2001:25)** propose the model in Figure 2.3.

During the rehearsal stage, the writer brainstorms, and engages in a stream of consciousness writing, outlines a structure plan of the writing, and collects relevant data as well as other resources to assist the writing process. The writer should also keep the audience, purpose of writing, topic as well as the text type or genre in mind.

The writer's key focus should be on clarifying intent to ensure that the text clearly conveys the writer's meaning during the drafting and revising stages. Issues such as punctuation, syntax and grammar are attended to during the proofing stage. The publishing stage refers to the final document that is presented in refined form for diffusion to the appropriate audiences. If the writer is in the beginning phases of the research process, the writing of a research proposal will be in the forefront of the writer's mind (**Jennings, 2001:25,26**).

Other writers such as **Neuman (2000)**; **Weaver and Opperman (2000)** and **Veal (1992)** also suggested models for the research process, but after thorough analysis of the available processes, it was decided to implement the process of **Saayman (2001)** and **Jennings (2001)** and adapt the process according to the needs of the study.

2.4 RESEARCH DESIGN

Jennings (2001:13,14) indicates that research is determined according to a certain design, methodology and type. This section of the study will focus on analysing the research design as indicated in Figure 2.4.

Essentially, there are two primary divisions of research namely:

❖ Pure research

Pure research can usually be seen as basic research. It is mostly research from which models and frameworks are constructed, and is usually exploratory, descriptive or explanatory in nature. An example of pure research is research like "what motivates people to travel". This will provide the opportunity to test, for example Maslow's hierarchy. This type of research may also be descriptive, explanatory or exploratory (**Jennings, 2001:13,14**).

❖ Applied research

Applied and basic researchers adopt different orientations towards research methodologies.

Basic researchers mostly try to conduct near-perfect research, where applied researchers try to get quick, usable results (Jennings, 2001:14). Applied research can be described as some particular problem or set of outcomes addressed by research which are constrained by set time schedules. (Smith, 1988:182).

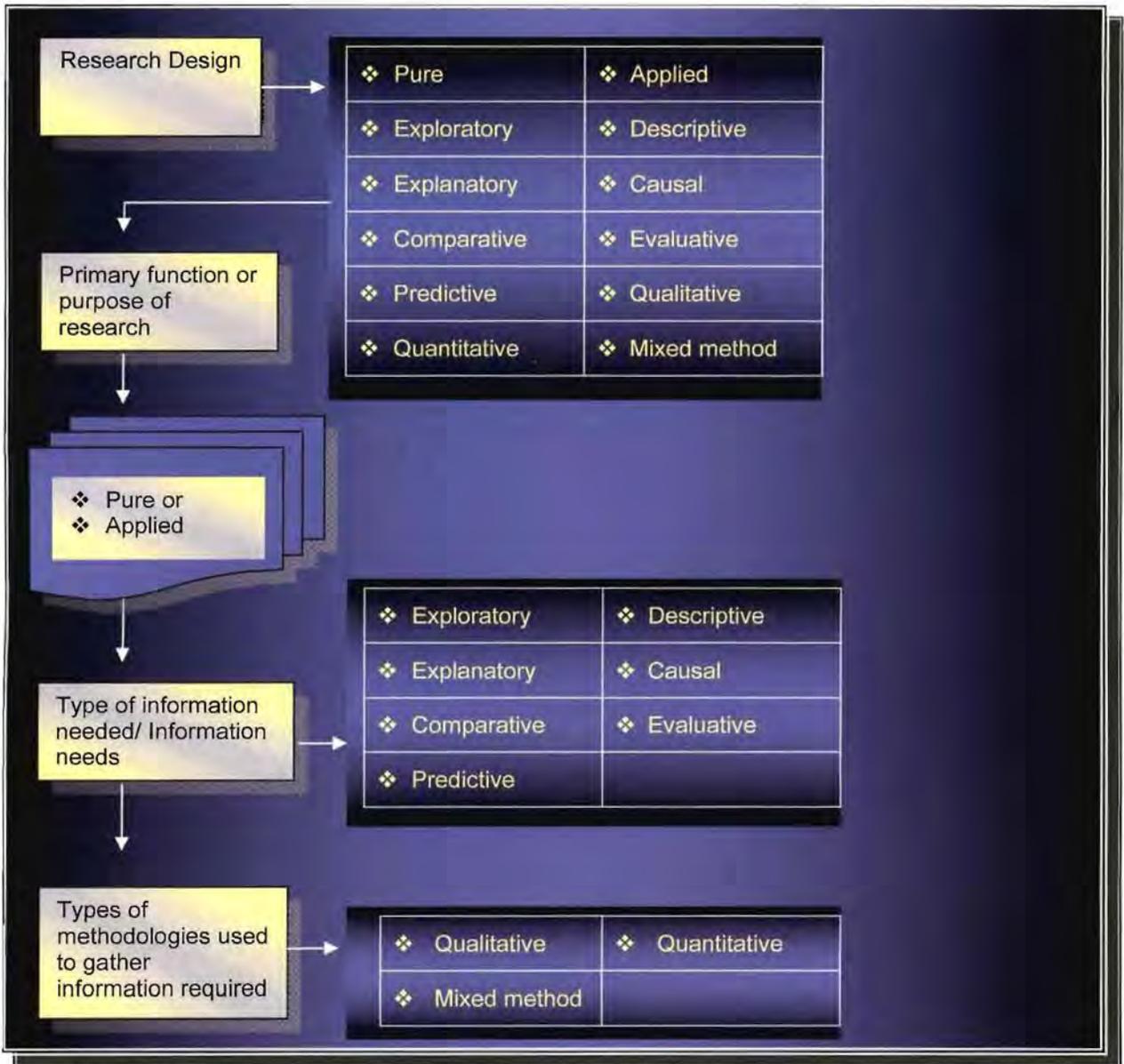


Figure 2.4: Analysing research

Source: As adapted from Jennings, (2001:13).

Each of the above types has its own function and purpose and contributes differently to understanding the phenomenon of tourism. Just as pure research draws on several approaches such as exploratory, descriptive and explanatory, so does applied research. However, applied research draws on a wider range namely: exploratory, descriptive, explanatory, causal, comparative, evaluative as well as predictive (Struwig & Stead, 2001:7).

These descriptors are related to the type of information required.

- ❖ Exploratory research - This research is usually undertaken when there is very little knowledge of the research topic or subject under investigation. This research is usually informed by a qualitative methodology (**Jennings, 2001:17,440**).
- ❖ Descriptive research - In this case the variables within a situation are described (**Jennings, 2001:17,439**). The focus within this research approach is usually on “who” and “what”. According to **Neuman (2000:21–22)**, exploratory research is more about “what”, and descriptive research covers “who” and “how”. Qualitative or quantitative or mixed methodology methods can be used to develop this type of research.
- ❖ Explanatory research - This approach mainly covers “how” and “why”. This research is basically the same as casual research and mainly involves the cause of, for example a specific tourism pattern or behaviour. It also reflect the characteristics of the true experiment (**Sruwig & Stead, 2001:9**).
- ❖ Casual research - It is linked to a quantitative methodology and mainly focuses on the cause, and effect relationships between different variables, for example the lowering of airfares and the increase in visitation rates (**Jennings, 2001:18,437**).
- ❖ Comparative research - This once again involve all three methodologies and can assist with planning and development strategies, marketing programmes and much more (**Jennings, 2001:19,437**).
- ❖ Evaluative research - This is mostly applied research and is, for example more interested in determining the outcomes of changes in strategies. Once again all three different types of methodologies can be utilised to develop evaluative research (**Jennings, 2001:19**).
- ❖ Predictive research - This type of research usually involves information regarding future events and is used to assist, for example decision-making. Other researchers like **Mill and Morrison (1998)** also indicated that three time periods are involved during this research namely: short term (one or two years), medium term (two to five years) and long term (five to 10 years). During this research, one or all three methodologies can be used (**Jennings, 2001:20**).

For the purpose of this study, applied research is conducted because the research revolved around a particular problem, which focused on the need to develop a competitiveness model for tourism products which does not exist. The type of information required is casual of nature as relationships will be determined between selected variables influencing competitiveness. . This will be done by means of canonical analyses.

Once the approach has been determined with regard to the information needs, an appropriate methodology has to be selected and suitable tools for data collection have to be chosen.

2.5 RESEARCH METHODOLOGY

There are three methodologies involved that informs research. All three of these methodologies are based on different paradigms. **Babbie and Mouton (2001:75)** indicates that research methodology focuses on the kinds of tools, the process as well as procedures used. According to **Guba (1990:17)**, a paradigm can be described as “a basic set of beliefs that guide action”.

The terms qualitative, quantitative and mixed method relate to the type of methodologies.

2.5.1 Qualitative methodology

Jamal and Hollinshead (2001) and Riley and Love (2000) focused on what exactly qualitative research is, which more recently, have gained greater prominence in the field of tourism research. The emphasis is not placed on the collection and analysis of statistical data. It usually involves a small number of respondents, and provides insight information regarding these respondents (**Jennings, 2001:21,444**). For example, the studying of a tourist or tour guide and his/her specific entrepreneurial skills. The above-mentioned methodology is grounded in the interpretive social sciences paradigm.

Qualitative methodology tools (Jennings, 2001:162–181):

- ❖ **Interviews** - The researchers asks for information verbally. There are also three types of interviews, each positioned in its own methodological context. These interviews involve the following: Structured, semi-structured and unstructured. Using interviews enables the researcher to adopt an inductive approach and like all research methods, each has strengths and weaknesses (**Jordan & Gibson, 2004:221**).
- ❖ **Participant observation** - A researcher who collects data by becoming a member of the system from which the data is collected.
- ❖ **Focus groups** - Group consisting of eight to 12 randomly chosen members who discuss any given topic. The opinions can then serve as a basis for further research. The synergy generated between group and individual interviews techniques is a key differentiating characteristic and the focus group method is still regarded to be useful **Oates (2000:186,187)**.
- ❖ **Longitudinal studies** - During several points in time, data is gathered to answer a research question.
- ❖ **Delphi techniques** - Experts are repeatedly interviewed until consensus has been reached.

- ❖ **Case studies** - According to **Yin (1994:13)** it is an empirical inquiry that investigates within real-life context a contemporary phenomenon, especially when boundaries are not clearly evident. **Stake (1995:xi)** defines a case study as the study of a single case, focusing on its activity.
- ❖ **Action research** - This involves the common interest of a group of people devising a plan to improve some aspect. It is usually driven by a sense of social action (**Henning et al. 2004:47**).
- ❖ **Documentary method** - This method is overall mostly concerned with secondary data sources. It mostly involves written texts and cultural artefacts.

2.5.2 Quantitative methodology

The next methodology that can be utilised involves the quantitative methodology which is based in the positivist social sciences paradigm. In contrast to the above methodology the quantitative method is based on the collection and analysis of statistical data and is mostly concerned with obtaining a limited amount of information on a large number of respondents (**Jennings, 2001:22,444**). It is also mainly concerned with theories and hypothesis and obtaining and analysing data from the real world and then rejecting or supporting the hypothesis (**Struwig & Stead, 2001:4**).

Quantitative methodology tools (**Jennings, 2001:228–240**):

- ❖ **Mail surveys** - Questionnaires which are mailed to the respondents, filled in and returned to the researcher.
- ❖ **Telephone surveys** - It is structured interviews, using closed questions and consist of the advantage of voice-to-voice (personal contact).
- ❖ **Self-completion questionnaires** - These questionnaires are completed by the respondent.
- ❖ **Interviewer – completed questionnaires** - Questionnaires are administered by the interviewer. Usually in this case, the interviewer asks the questions, provides the response sets and records the answers. This type of questionnaire can also be subdivided into intercept surveys (survey is conducted while respondent is engaging in some activity) and household interviews.

Other types of surveys:

- ❖ **On-site surveys** - This type of survey can either be self-completed or interviewer-completed. It is also one of the intercept surveys that can be used especially in tourism research.

- ❖ **En-route surveys** - This form of survey can be conducted during the travel experience and has the advantage of keeping trends in the travel markets up to date. It is also another survey that forms part of the intercept surveys.
- ❖ **Household surveys** - During this type of survey either self-completed or interviewer-completed questionnaires can be utilised. It usually focuses more on attitudes and opinions about travel and tourism products as well as developments. It usually occurs when the respondents are at home and not during the travel experience.
- ❖ **Omnibus surveys** - This form of survey usually consists of demographic questionnaires and questions generated by organisations, agencies and other researchers.
- ❖ **E-questionnaires** - This involves on-line questionnaires.

2.5.3 Mixed methodology

This is where the one methodology is predominantly used over the other (**Jennings, 2001:22**).

Mixed method tools: (Jennings, 2001:133).

- ❖ Mixing qualitative and quantitative methods.

It is very important to note the differences between the two methodologies when choosing the methodology. Table 2.1 gives a clear, comparative indication of the differences between each methodology (**Jennings, 2001:129**).

Table 2.1: Differences between qualitative and quantitative methodologies

QUALITATIVE METHODOLOGY	QUANTITATIVE METHODOLOGY
❖ Qualitative researchers believe that rich descriptions of the social world are valuable	❖ Quantitative researchers have more etic (objective) and nomothetic commitments and are less concerned with such detail
❖ Specific research approach is more inductive	❖ Research approach is more deductive
❖ The epistemological view is more subjective or emic (insider)	❖ Are more objective/etic (outsider)
❖ Analysis of themes and motives	❖ Statistical analysis
❖ The representation of findings are narrative	❖ Statistical tables and graphs

QUALITATIVE METHODOLOGY	QUANTITATIVE METHODOLOGY
❖ Voice of the researcher: First person active	❖ Third person passive
❖ Reflection of the real world	❖ Representative

Source: Jennings (2001:132).

To determine the most applicable research design and methodology, the research problem and nature of the data to be collected should be clarified. The main problem researched in this study is:

What are the components of a competitiveness model for tourism products?

The following objectives were identified and addressed to deal with and solve the main problem:

- ❖ What is the role of positioning and travel decision-making in competitiveness as proposed or discussed in the literature?
- ❖ What are the key components of competitiveness as proposed or discussed in the literature?
- ❖ What is considered by tourists as the key components of competitiveness as determined in the empirical study?
- ❖ How can the results of the three objectives be integrated in developing the competitiveness model for tourism products?

A literature study was conducted to address the first two objectives. The literature study was based on articles, books, brochures, theses and dissertations as well as internet surveys. Academic research, Online databases (Science Direct, Ebsco Host and so forth) were also used to conduct searches for information. The literature study assisted in the development of the questionnaire. The key words included competitiveness, competitiveness model, tourism industry, competitor and competitor analysis.

The results were reported in chapter three and four. A number of key components with regard to positioning, travel decision-making and competitiveness were identified and described.

The third objective required information and an evaluation regarding the key components of competitiveness according to tourists. Since tourists make the final travel-decision it is important to know what they consider as important aspects with regard to competitiveness. This implied the use of the descriptive survey, a non-experimental research method.

The analysis of the data provided by the survey and its subsequent interpretation and integration with the information obtained in the literature study, addressed the fourth objective. For the purpose of this research, it was decided to follow a quantitative research approach as this may lead to objective results.

2.6 DATA COLLECTION

According to **Nieuwenhuis (2007:70)** questionnaires, interviews and rating scale checklists are techniques for gathering survey data. The questionnaire is one of the most widely used data collection methods. It usually requires minimal administration, especially the self-completion questionnaires. It also allows the participant to complete the questionnaire at own pace, and the questionnaire can be completed at a convenient time (**Jennings, 2001:235**). Surveys are also less expensive and it maintains an objective position (**Jennings, 2001:244**). Interviews provide another means of gathering information. Interviews can usually be adapted to the situation, and personal interviews are the most versatile and flexible method (**Struwig & Stead, 2001:86**). Another question format that is often used to gather data on attitudes and perceptions are scaled-response checklists. Two examples refer to the Likert-type scale that is usually linked to a number of statements to measure attitudes or perceptions and 5 point or 7 point scales are often used. A semantic differential scale is similar to a Likert-type scale, but only the two bipolar adjectives are mentioned on a scale of between 7 and 11 points. Ranking questions allow the respondent to rank a list of items from most important to least important (**Struwig & Stead, 2001:95**).

In studies focused on competitiveness various of the methods discussed above have been used (**Paulo, Jorge & Paulo, 2000; Department of Environmental Affairs and Tourism, 2004; Gooroochurn & Sugiyarto, 2004; Dwyer & Kim, 2003; Drohan & O' Connor, 1998; Viviers, Saayman & Muller, 2004; Hayden, 2005; South African Tourism, 2004; Barney, 2002; Enright & Newton, 2005**). It was therefore clear that there is no specific method implemented in competitiveness studies. In this study questionnaires will be used because of its relatively low cost, ease of administration and ability to reach respondents physically removed from the researcher.

2.6.1 Questionnaire

Bouma & Ling (2004:68) stated that the type of data generated is directly influenced by the questions and statistical techniques used to analyse the data as well as the respondent. They indicated that the appearance of the questionnaire is important as well as the question sequence, wording of the questions and response categories. The choice of the individual questions is determined by the data needed and can be developed by the researcher, or adopted or adapted from other questionnaires. The researcher should choose carefully

between open-ended and close-ended questions. Where open questions are used to generate research hypotheses, closed questions are used to test research hypotheses.

In the questionnaire used in this study (See Appendix A), some new questions were formulated and others were adopted from the questionnaire used by **Kim et al. (2001)** (See Appendix B). Section A is dedicated to demographic information while positioning, travel decision-making and competitiveness are targeted in Section B. The contents of some of the questions in Section B is based on the literature review discussed in chapters 3 and 4.

Tourists wants to relax while on holiday and therefore it was decided to use more close-ended questions in the questionnaire as this type of question is easier and quicker to complete. The capturing and analysis of the data is also easier. A few open-ended questions were included where it was difficult to anticipate the number of possibilities. The closed questions were a combination of what **Struwig and Stead (2001:94-95)** refer to as list, ranking, filter, follow-up and scale questions. List and filter questions include a list of responses from which the respondent can choose the relevant response. These were mainly used for the demographic information. Follow-up questions were mainly used to establish why respondents chose a specific option. Scale questions consist of a scale with a sequence of defined numbers. A 5-point rating scale was used to determine respondents' opinions regarding the influence of certain positioning attributes, travel decision-making factors and competitiveness components on the competitiveness of a tourism product. The questions were coded in order to analyse the data.

The length of the questionnaire can also influence the response rate. The questionnaire used in this study covered three A4 pages: the first page focused on the demographic characteristics, page one and two positioning and travel decision-making attributes and factors and lastly page two and three competitiveness.

2.6.2 Pilot testing

Pilot studies enable researchers to verify that methods are credible before entering the field of commencing data collection. Pilot studies clarify question wording, structure and design, and enable a trial of the analysis process (**Jennings, 2001:153**).

Since most of the questions were adopted from the questionnaire used by **Kim et al. (2003)** only 10 questionnaires were distributed in Potchefstroom to experts in the research field of tourism in order to detect weaknesses in design. Changes were made where questions were not fully understood by respondents before final print.

2.6.3 Sampling

A sample is a segment of the total population, however, it should be large enough to be representative of the total population. According to **Sarantakos, (1998:139)** a sample is a selection of subjects or units from the overall population. Sampling is the means by which subjects or study units from the target population are included in the research project (**Sarantakos, 1998:139**). A sampling ratio is the size of the sample to the size of the target population (**Neuman, 2000:221**). A sample frame is a list that represents all members or units of a study population (**Neuman, 2000:201**), such as electoral roles and telephone directories, as well as passenger lists, hotel guest lists and client databases. A sample unit is an individual subject or study unit drawn from the overall study population and included in the sample.

Saayman (2001:129) and **Jennings (2001:138–146)** identify the following two classificatory systems for sampling as indicated in Figure 2.6 namely: non-probability (non-random) sampling and probability sampling (random sampling) methods. Non-probability (non-random) sampling is generally associated with qualitative research methods, and probability sampling (random sampling) with quantitative research methods, however, non-probability (non-random) sampling may be used for quantitative research as well (**Jennings, 2001:138**).

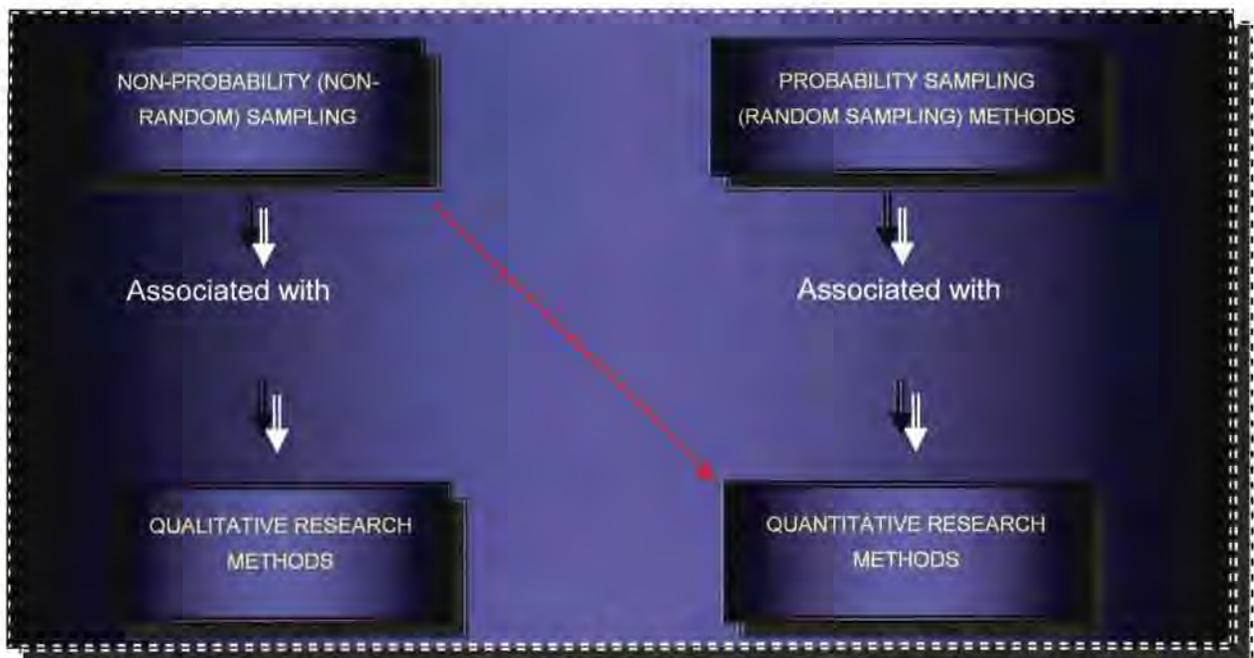


Figure 2.5: Classificatory systems for sampling

Source: Jennings, (2001:138).

Probability sampling - Each unit of population being studied has an equal chance of being selected. This sampling method consists of the following methods **Jennings (2001:138–146)**:

- ❖ **Random sampling** - Every unit has an equal chance of being selected. Some of the techniques include the following:
 - ❖ **Lottery method** - Requires a sample frame or list of all the members of the population.
 - ❖ **Computer method** - Each participant is listed, to which the researcher has access, and is awarded a number. The participant of the number that is selected from random numbers is then identified by the computer programme.
 - ❖ **Name method** - Alphabetical listings, using the alphabet as organiser for the selection.
 - ❖ **Date of birth method** - Date of birth is randomly selected, and the lottery method is repeated.
 - ❖ **Number method** - Numerically organised and is then randomly selected, for example room numbers from 0-50, and the number from 0-9 are selected using the lottery method. The researcher, however, has to decide where the number will appear, for example: all the last numbers in the listings.
- ❖ **Stratified random sampling** - Population in this case is divided into strata (gender, age and country), which makes up the final sample in the study.
- ❖ **Cluster or area sampling** - The researcher wants to study clusters in geographical areas, for example a big city. The whole population cannot be used, so the city will be divided into suburbs. Then the researcher will sample a number of blocks within the suburbs randomly selected and then households within these blocks and then one representative from each household.

Another probability sampling method identified by **Jennings (2001:142)** includes:

- ❖ **Systematic sampling** - Also known as the file method. For example, out of a list of 50 passengers, the researcher wishes to choose 10 passengers. Usually it involves the following fraction: The sampling fraction is $k = N$ (number of units in the target population) \div n (number of units in the sample). For instance, if the sampling fraction was 3 (it would have been every third name), then the researcher adds k to that number until 50 passengers have been selected.

Non-probability sampling - Each unit of population being studied does not have an equal chance of being selected. It consist of the following:

- ❖ **Convenience sampling** – It is not a systematic selection process. The participants are selected based on proximity and ease for researcher to access these participants.

- ❖ **Judgement or purposive sampling** – the researcher decides on who and what study units will be involved.
- ❖ **Quota sampling** - The researcher calculates a set number of participants based on predetermined characteristics, for example people with the same gender and age. **Saayman (2001:129)** describes it as the researcher finding and interviewing a prescribed number of people in each of several categories.

According to **Neumann, (2000:199)** and **Jennings (2001:140)** other forms of non-probability sampling consist of :

- ❖ **Snowball sampling** - it can also be seen as network sampling. It is used when the participants are difficult to reach. Once one member of the study population is identified, other members can be reached by the researcher through this member. The process continues like this until all the participants are contacted.
- ❖ **Expert sampling** - It only involves participants who the researcher regards as experts and whom consist of specialist knowledge.

The size of the sample is usually determined by the size of the budget. Research is therefore something that should be done by someone who has sufficient experience. If a lack of expertise occurs regarding this, it will be better to outsource (**Saayman, 2001:129**).

Research can be overwhelming and confusing when engaging research literature or texts for the first time, for example, research may be described as pure or applied, or exploratory, descriptive and much more. Various classification systems exist to describe the types of research that can be undertaken (**Jennings, 2001:13**).

For the purpose of this research, convenience sampling will be applied and questionnaires will be distributed to tourists available and willing to participate in the survey. Convenience sampling is based on a non-probability sampling classification system.

The research was conducted amongst tourists visiting Klein-Kariba Holiday Resort. There are approximately 176 chalets and 73 camping sights. Only one questionnaire was distributed per family resulting in four hundred questionnaires distributed during December 2007 at the resort.

2.6.4 Administration of the questionnaire

The following process was followed during the administration of the questionnaire. Firstly, permission was granted by management of Klein-Kariba Holiday Resort to distribute the questionnaires at the resort. It was agreed that the questionnaires would be distributed from 17 to 21 December 2007. This decision was based on the fact that the resort is fully booked due to high-season. Upon arrival on the 17th of December 2007 at the holiday resort, the researcher

met with the manager, Mr. Coen Aveiling, and the final distribution process discussed. The researcher followed two distribution routes: some questionnaires (approximately 150) were left at reception, and the rest were distributed by hand at the various chalets and camping sites such as Boekenhout, Wildesering and Mispel. Respondents were asked to leave the questionnaires at reception or the researcher collected the questionnaires after completion. With the application of this process 372 useable questionnaires were received. Day visitors were not included.

2.7 DATA ANALYSIS

After all the questionnaires were received each was numbered, in no particular sequence. A spreadsheet was developed by means of Microsoft Excel software to facilitate the capturing of the data. The rows and columns were labelled according to the respondents' numbers as well as the question numbers. The data analysis was done by means of SPSS 14.0 (Statistical Package for Social Sciences) by the Statistical Consultation Services of North-West University. The data was therefore imported to SPSS for analysis. The following SPSS statistical functions were utilised:

- ❖ Frequencies - tables and graphs were developed to obtain an overview of the results before further analyses were done.
- ❖ Means - the mean refers to the average score. It is a hypothetical value that can be calculated for most data sets (**Field, 2005:4**).
- ❖ Factor analysis - factor analyses were applied as a method of data reduction and also to identify the variables of the model.
- ❖ Canonical analysis - canonical analyses were also applied to determine the relations between the variables.
- ❖ Multiple linear regression - Multiple linear regression was applied for the prediction of a dependent variable from a set of independent variables.

2.8 CONCLUSION

The aim of this chapter was to analyse various research methodologies and structures. The research in general as well as the research process followed to address the research problem was described. In summation it consisted of the following:

The research process consisted of seven steps.

Step 1 - A research topic was selected through scanning other literature studies, identifying certain problems that were worth further investigation. The literature study was based on

articles, books, brochures, theses and dissertations as well as internet surveys. Academic research, Online databases (Science Direct, Ebsco Host and so forth) were also used to conduct searches for information.

Step 2 - After collecting background information regarding the topic, the process began formulating the main problem as well as sub-problems and key concepts. The key words included competitiveness, competitiveness model, tourism industry, competitor and competitor analysis. The appropriate research design and methodology was therefore chosen through clarifying the research problem and nature of the data to be collected.

Step 3 - During this step, the primary objective was identified and formulated as well as secondary objectives. The main problem researched in this study was to identify the components of a competitiveness model for tourism products. The other objectives identified and addressed to deal with were: the role of positioning and travel decision-making in competitiveness as proposed or discussed in the literature; to identify the key components of competitiveness as proposed or discussed in the literature; what was considered by tourists as the key components of competitiveness as determined in the empirical study and how could the results of the three objectives be integrated in developing the competitiveness model for tourism products (cf. 1.3).

Step 4 - During this step it was possible to provide explanations for the main and sub-problems. The results were reported in chapter three and four. A number of key components with regard to positioning, travel decision-making and competitiveness were identified and described.

The third objective required information and an evaluation regarding the key components of competitiveness according to tourists. Since tourists make the final travel-decision it is important to know what they consider as important aspects with regard to competitiveness. This implied the use of the descriptive survey, a non-experimental research method.

The analysis of the data provided by the survey, and its subsequent interpretation and integration with the information obtained in the literature study, addressed the fourth objective.

Step 5 - The method of collecting data was determined as well as possible techniques for the statistical processing. The research proposal was formulated.

For the purpose of this research, a quantitative research method was used, which is related to a non-probability sampling classification system. Each unit of population being studied did not have an equal chance of being selected, which related to the non-probability system, where the convenience sampling approach was utilised. The participants were selected based on proximity and ease for the researcher to access these participants.

Step 6 - The research was conducted through distribution of questionnaires. The reliability of the data was also ensured during the processing of the questionnaires by using SPSS. Then the results were interpreted.

A questionnaire was used in this study (See Appendix A), some new questions were formulated and other questions were adopted from the questionnaire used by **Kim et al. (2001)** (See Appendix B). Section A was dedicated to demographic information while positioning, travel decision-making and competitiveness are targeted in Section B. The contents of some of the questions in Section B were based on the literature review discussed in chapters 3 and 4. Since most of the questions were adopted from the questionnaire used by **Kim et al. (2001)**, only 10 questionnaires were distributed in Potchefstroom to experts in the field of tourism, in order to detect weaknesses in design as part of the pilot testing procedure.

The research was conducted amongst tourists visiting Klein-Kariba Holiday Resort. Four hundred questionnaires were distributed during December 2007 at the resort. 372 questionnaires were received.

Received questionnaires were numbered from 1 to 372, in no particular sequence. A spreadsheet was developed (on computer) by means of Microsoft Excel software to facilitate the input of the data. The rows and columns were labelled according to the respondents' numbers as well as the question numbers. The data was therefore imported to SPSS for analysis. The following SPSS statistical functions were utilised: frequencies; mean; factor analysis; canonical analysis; and multiple linear regression.

Step 7 - During this step the results were reported (cf. 2.3).

CHAPTER 3

POSITIONING OF A TOURISM PRODUCT

3

"Successful industry is about change, if it isn't changing, it's dying"
Sir John Harvey-Jones

3.1 INTRODUCTION

All tourism products and destinations must obtain a certain position in the minds of tourists in order to be competitive. The position held, can either be managed or it can be allowed to drift (Fill, 2005:375). Over the last decade, the tourism industry has been moving away from mass-standardised and rigidly packaged tourism. This has forced destinations and tourism products to look at alternative marketing strategies that can identify and exploit new opportunities. These strategies are dependent on identifying how consumers perceive the destination's tourism products, how these products are designed to satisfy the needs of the target market and how the consumers go about making travel decisions (Ibrahim & Gill, 2005:173).

Marketing managers are often challenged to create positive product perceptions. Some service providers may need to supply resources to match demand and meet tourist expectations, and thus create an enhanced perception of existing resources and improve travel decisions in favour of the product (Uysal, Chen & Williams, 2000:90). The product's or destination's position in the mind of consumers, may be the only means of differentiating one product from another. Therefore it is very important to position a destination or product in the minds of actual and potential customers in order to be competitive. Whatever the position chosen, either deliberately or accidentally, it remains the means by which consumers understand the products' market position, and often provide signals to determine the main competitors (Fill, 2005:374).

In markets where the intensity of competition is increasing and tourists have greater choice, the identification and understanding of a product's intrinsic values become critical. The uniqueness of a product as well as the perceived benefits contribute to effective positioning, favourable travel decisions and can enhance competitiveness (Determan, 1999:1). The aim of this chapter (cf. 1.3.2) is to analyse positioning and travel decision-making and indicate the role of competitiveness in both these processes. This will be achieved by firstly analysing positioning. Thereafter the travel decision-making process will be discussed in order to determine where positioning plays a role and how these fields are interlinked. This will be followed by discussing positioning from a marketing perspective.

3.2 ANALYSING POSITIONING

Positioning can be defined as the process of designing an image and value so that tourists within the target segment understand what the destination, product or brand stands for in relation to its competitors. According to **Stanton, Etzel, Walker, Abratt, Pitt & Staude (1992) (as cited in Saayman, 2001:137)**, positioning refers to strategies and actions created to favourably distinguish a tourism destination or product from those of its competitors. (**Uysal, Chen & Williams, 2000:90**). In some studies like in **Ries and Trout (1982)** it is argued that positioning is first and foremost a communication strategy and any failure to recognise this will undermine the whole marketing mix. Positioning is also about visibility and recognition of what a product or service represents for a buyer (**Fill, 2005:375**). Positioning, therefore is the natural conclusion to the sequence of activities that constitute a core part of the marketing strategy. Market segmentation and target marketing are prerequisites to successful positioning (**Fill, 2005:375**).

Positioning can be seen as the third strand of marketing being segmentation, targeting and positioning (STP), and forms part of the marketing strategy (**Wilson & Gilligan, 1997:302**). It is more than just image creation. Positioning differentiates a destination from competitors on attributes that are meaningful to tourists and gives it a competitive edge. It therefore plays a crucial role in competitiveness. Positioning should be seen as a single-minded concept, an umbrella from which everything else in the organisation flows (**Harsah, 1997:1**).

Product positioning refers to how the target market defines the product in relation to its competitors and involves finding a niche (gap) for the product, according to certain variables (**Determan, 1999:1; Brink, 1999:84**). According to **Determan (1999:1)** there is unvarying competition, competing for potential customers' attention. If there is a unique benefit, there is a chance at gaining attention.

Positioning is relevant to both the micro and macro levels of marketing and contributes to the favourable distinction of one product from its competitors. It can also be described as a facilitating process that co-ordinates marketing functions; and it can either be tangible (physical characteristics of a product), or intangible (based on images created through promotional efforts) (**Botha, 1998:10**).

Often destinations or products fail to signal the competitive advantages strongly and then lead to three errors:

- ❖ Confused positioning – where buyers/tourists are unsure of what the destination or product stands for;
- ❖ Over-positioning – where tourist's perceive the destination's products as being expensive and fail to recognise the full breadth of range; and

- ❖ Under-positioning – where the message is simply too vague and tourists have little real idea of what the product stands for (**Wilson & Gilligan, 1997:302-303**).

In summation, positioning can therefore be viewed from two perspectives namely: from a tourist point of view because it is consumer orientated and the “optimum selling idea” that motivates tourist’s decisions and its aim is to find a niche in tourists’ minds. The other perspective, from a products’ point of view, is based on the fact that the product’s intrinsic values is crucial. Positioning is therefore all about how the product compares, in the customer’s mind with competing offerings (**Surovitskikh & Lubbe, 2008:77**).

Tourism products compete on more than just image, differentiation, and benefits offered. Consistency among the various offerings therefore remain important and the positioning statement guides this consistency. In order to test effective positioning one needs to firstly establish a position that must be believable in the tourist’s mind and secondly deliver that promise on a consistent basis. This will improve competitiveness of a product.

The first step towards effective and competitive positioning and creating a competitive edge is to analyse the process that tourists follow to make travel decisions and to determine the role of positioning in this process. Attention is given to this aspect in the next section.

3.3 THE TRAVEL DECISION-MAKING PROCESS

Travel decision-making is the study of identifying and choosing alternatives; based on the values and preferences of the decision-maker and in this case the tourist. Making a decision implies that there are alternative choices to be considered, and in such a case one does not only want to identify as many of these alternatives as possible, but one also wants to choose the alternative that best fits the goals, desires, lifestyle, and values of people. The chosen product will have the competitive advantage above others. Decision-making is also about reducing uncertainty and doubt in order to allow a reasonable choice. Important to remember is that every decision involves a certain amount of risk because complete knowledge about all possible alternatives is seldom possible (**Kotze, 2005:46**).

Even though it appears as though tourists make a simple decision of “to go or not to go” more intensive research/scrutiny reveals that the tourists (high-involvement decision makers) go through an elaborate decision process and that there are different factors involved that influence the decision-making such as budget, family life cycle, preferences, previous experiences and so on (**Visser, 2002:14; Kotze, 2005:46**).

The travel decision-making process is explained in Figure 3.1 as adapted from **Saayman (2001:32), Mill and Morrison (1989:5) and Goodall (1991:58-75)**. It therefore represents the following decision-making models in tourism, namely:

- ❖ The model consisting of the phases in the holiday decision (**Goodall, 1991**);
- ❖ The decision-making model in tourism (**Saayman 2001:32**);
- ❖ The model indicating the needs, desires and motives (**Mill & Morrison, 1989: 5**) and;
- ❖ The model of how an individual formulates an image (**Saayman, 2001:170**).

Within each of the phases identified in Figure 3.1 positioning plays an important role and therefore has a direct influence on competitiveness. It refers to the travel decision-making process and the role of positioning, combined with components of the tourism market and marketing activities.

3.3.1 Phase 1 - Motivation and identification of problems

As can be seen from Figure 3.1 most discussions of tourism motivation tend to revolve around the concepts of “pull” and “push” factors (**Goosens, 2000:301**). The motivation to travel embraces a two-dimensional approach to travel motivation: “The concept involves the theory that people travel because they are pushed and pulled...” (**Uysal & Hagan, 1993:800**).

These factors are also better known as the attributes or variables of positioning (**Uysal, Chen & Williams, 2000:90; Saayman, 2001:3**). According to **Assael (1995:78)**, these push and pull factors lead to purchase behaviour and therefore have a direct influence on the competitiveness of a tourism product.

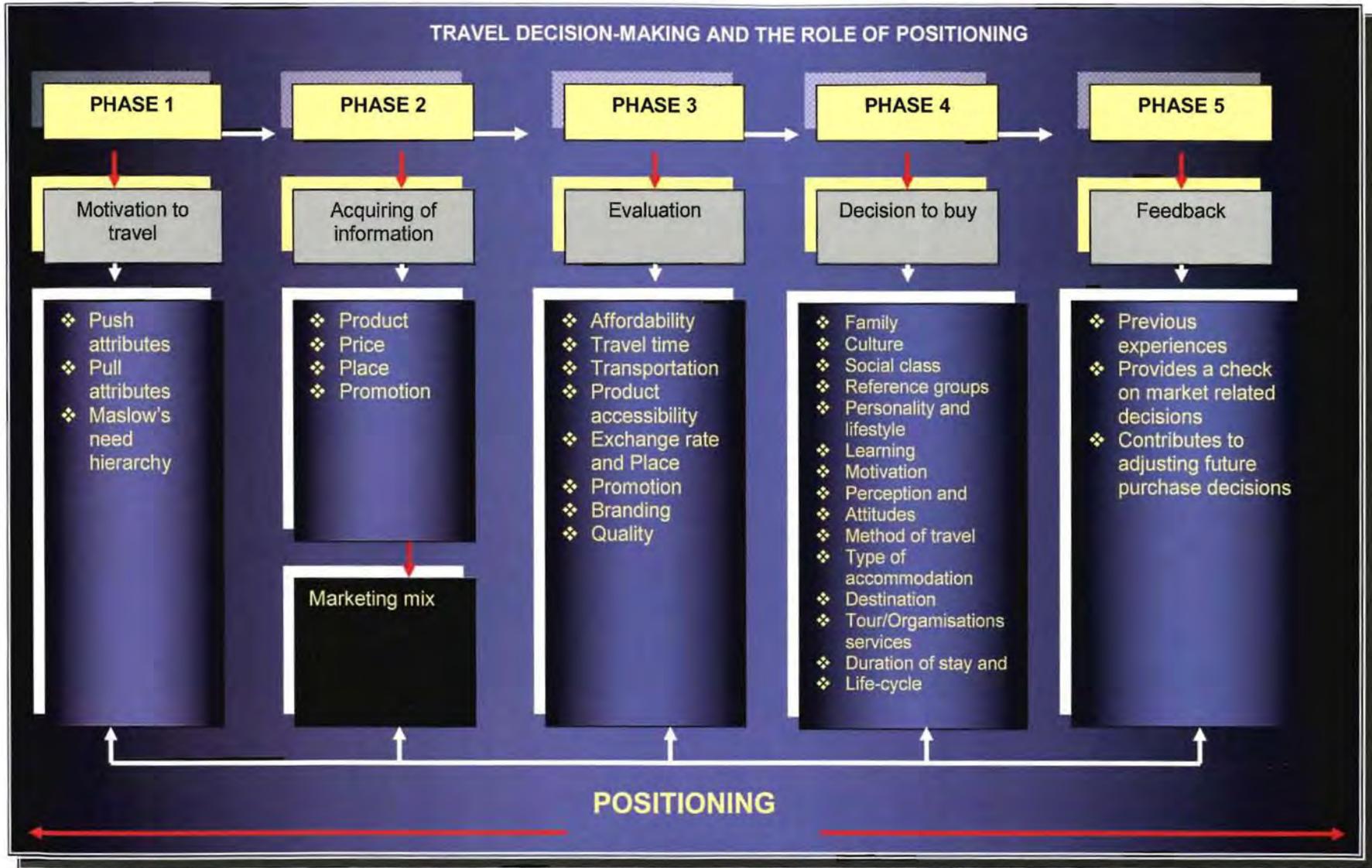


Figure 3.1: The decision-making process and role of positioning

Source: Adapted from Saayman (2001:32); Mill & Morrison, (1989:5); Goodall, (1991:66).

During this motivation process the tourist is knowingly or unknowingly, implicitly or explicitly, influenced by a variety of stimuli. Problems usually originate when a need or a lack of a specific recreation activity occurs (**Saayman, 2001:37**). Therefore, specific reasons can lead/motivate tourists in the choice of a specific type of holiday or destination in preference to all the alternatives of which the tourist is aware. These reasons as identified by **Crompton (1979) (as cited in Saayman, 2001:7)**, include:

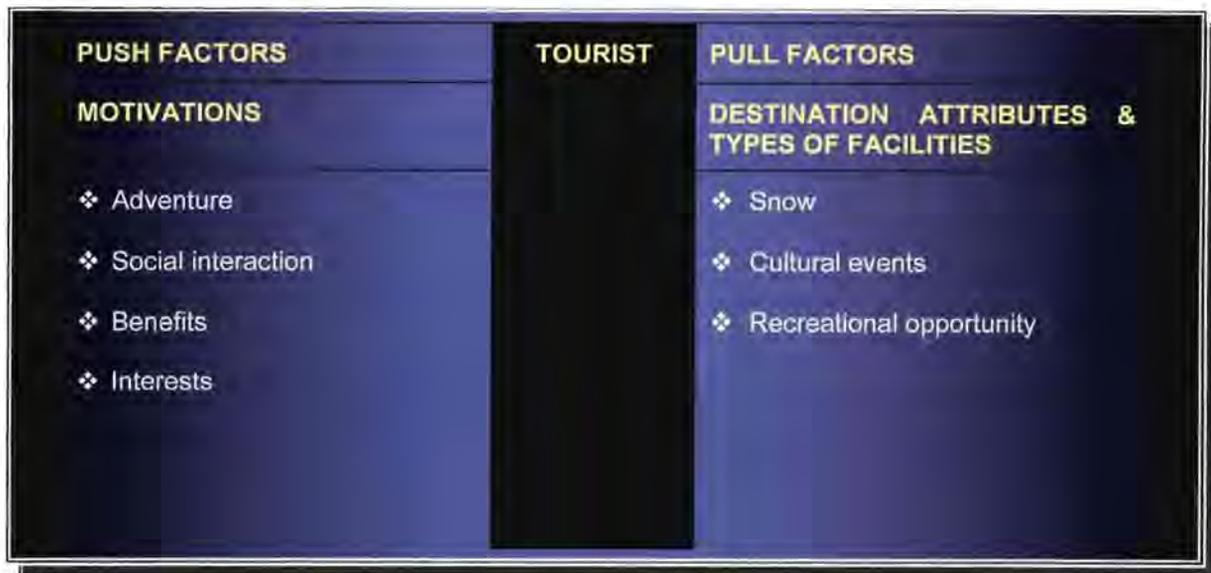
- ❖ Escape from an everyday environment;
- ❖ Discovery and evaluation of oneself;
- ❖ Relaxation/recreation;
- ❖ Prestige;
- ❖ Regression;
- ❖ Strengthening of family ties; and
- ❖ Facilitation of social interaction.

These different reasons can also be seen as push factors or attributes of tourism motivation.

It is noted that tourists travel for reasons such as “escape” or as **Rivers (1972:162)** states “to free themselves”, or to “relieve tension”, in essence to satisfy a *basic physiological need*, which can be for either physical or mental relaxation. These motivations are mostly influenced by the tourist’s personal characteristics which also influences decision-making as indicated in studies such as **Clow and Baack (2004)**. Table 3.1 below summarizes some of these “push” and “pull” factors. Tourism products need to recognize their ability to pull tourists to the product or create a situation where tourists are being pushed towards the product. This can increase the product’s level of competitiveness.

Table 3.1: Potential push and pull attributes of tourism motivation

PUSH FACTORS	TOURIST	PULL FACTORS
MOTIVATIONS		DESTINATION ATTRIBUTES & TYPES OF FACILITIES
❖ Escape		❖ Climate
❖ Rest and relaxation		❖ Historical site
❖ Self-esteem		❖ Scenic beauty
❖ Prestige		❖ Beaches
❖ Health and fitness		



Source: Uysal and Hagan (1993:802).

Therefore, the first step in the decision-making process refers to the recognition of a problem. A problem is present when there is a recognition of a need or a want. This is not always a cognitive event. Motivation theories indicate that individuals constantly strive to achieve a state of stability, a homeostasis. This homeostasis is disrupted when the individual becomes aware of a need deficiency which creates wants. After recognising the need, the tourist must then do something to satisfy the need or want that exists. This leads to motivation due to the fact that the individual wants to satisfy that need. In order to be motivated to satisfy that need, an objective must be present. For the objective to be present the consumers must certainly be aware of a product or service and must perceive the purchase of that product or service as the only thing having a positive effect on satisfying that conscious need (Mill & Morrison, 1985:4; Goossens, 2000:302).

For instance, organisations may want to inform prospective tourists about products; enhance persuasion to prefer certain brands, products or venues, attend particular entertainment events or perform a variety of behaviour. Studies such as Morgan and Pritchard (2001) indicates that tourism marketing planners aim to persuade customer action, in directing buying behaviour towards the offering and encourage purchase as soon as possible (Kotze, 2005:46).

One way to improve awareness and persuasion is through effective positioning, which is the optimum selling idea. Through effective positioning the uniqueness of the product, relative to its competitors in the same market can be identified, and can therefore be offered to the tourist in fulfilling that specific need. The product therefore will become noticeable as a more unique product, offering something different. This can only contribute to the final decision-making. At this point the customer is motivated to buy (Mill & Morrison, 1985:4; Goossens, 2000:302).

Tourist behaviour is therefore the result of an attempt to satisfy unfulfilled needs. When a tourist realises that a need is unsatisfied, a feeling of discomfort occurs or tension drives the tourist to action. Researchers like **Nylen (1993)** indicates that this drive is called motivation, and it serves to trigger the travel decision-making process as the tourist seeks to satisfy the unfulfilled need (**Kotze, 2005:49**). It becomes evident that both information and motivation therefore play an important role in the decision-making process and ultimately positioning.

One cannot test a holiday and therefore promotion becomes critical, having a greater role in establishing the nature of the product than in most other markets. Promotion is the product as far as the potential tourist is concerned. The tourist buys a holiday purely on the basis of symbolic expectations established promotionally through words and pictures. In this way, leisure and tourism experiences are literally constructed in the target markets' imagination through advertising in newspapers and magazines. Indeed, it has often been said that tourism marketing is about the selling of dreams and that tourism itself is about illusion, or about the creation of atmosphere (**Kotze, 2005:51**).

The motivation for tourists to travel therefore plays a decisive role within tourism marketing and in order to keep motivating the tourists, it is of great importance to maintain a positive image in the minds of these tourists. This is a huge challenge for marketing managers (**Uysal, Chen & Williams, 2000:90; Saayman, 2001:3**).

Once the decision in favour of a vacation is made, the second phase is concerned with where to go. Information is developed and transmitted by the marketer. Tourists acquire information concerning alternatives which assist in the travel decision-making process. Marketing programmes that do not directly or indirectly influence a tourist's decisions are by definition failures. Since tourists are already motivated they make an effort to obtain information which is phase 2 (**Kotze, 2005:49-51**).

3.3.2 Phase 2 - Acquiring information about the product characteristics

Once a need or want is recognised, the tourist conducts a search for information regarding the products available. **Schoell and Gultinan (1995:102)** define information as "data that have been converted to a useful form for decision-making in order to solve a problem. It is relevant, timely, accurate and cost effective, and reduces risk in decision-making".

Acquiring information begins with an internal search: the tourist mentally recalls images of products that might fulfil or meet the need. Often, the individual remembers how the need was satisfied in the past. If a particular product, such as a resort, was chosen and the experience with that product was positive, the tourist may repeat the purchase decision. Previous experience therefore directly influences travel decision-making. Further, tourists expand an

information search after hearing about a new or a different product from a friend or because of a positive response to an advertisement. The value of word-of-mouth marketing is underrated. An individual's level of education and the tendency to conduct external searches are closely connected. Educated individuals are more likely to spend time searching for information. The four factors that make up an external search consist of:

- ❖ Ability;
- ❖ Motivation;
- ❖ Costs; and
- ❖ Benefits.

These factors are normally all considered at the same time. Newspapers and magazines are usually not expensive and the high information content can motivate a tourist to visit a product. The process of acquiring and organising information refers to the direction of a purchase decision and of using and evaluating products and services. This process encompasses the stages of searching for, purchasing, using, evaluating, and disposing of products and services. Newspapers and magazines usually carry articles on different products which make it possible for the tourists to compare and evaluate the different products (**Kotze, 2005:54**). This allows the tourist to identify the strengths and weaknesses of the tourism product of interest. These strengths and weaknesses reveal the positioning attributes. In other words, the pull and push attributes that motivate a tourist to travel to that specific product, fulfilling that special need.

According to **Botha (1998:87-88)** tourists are likely to be aware of products gained through passive information. This includes messages from the media (editorial or advertisements), and from others (subconsciously). The more active information search concerning alternative tourist destinations or products include sources such as advertisements, travel agents and discussions with friends and family. Advertising emerges as a key marketing tool in the tourism and leisure industries where potential tourists must base buying decisions on mental images of product offerings, rather than being able to physically sample alternatives as this is not possible in tourism.

Through marketing, a potential visitor develops organic images of a relatively large set of potential products which have been passively acquired. The term "organic image" is passively formed through the process of exposure to newspaper reports, magazine articles, television reports and other non-tourist-specific information sources. An organic image evolves into an induced image (whose development is influenced by tourist organisations' directed information gained through, for example, travel agents, brochures and travel posters).

An active search for information is then guided by the motives and desires of the tourist. Different tourism products are evaluated against personal organic images, information from personal contacts (word-of-mouth), and benefits as portrayed through marketing communication. This process leads to the development of induced images of alternative destinations (**Saayman, 2001:169-170**). A more complex image will develop through actual contact after the selected product has been visited. Image is a core element in a communication strategy especially in regards to destination branding and positioning strategy (**Frochot & Kreziak, 2008:298**).

It is pointed out that, in order to develop a positive image, particular attention should be given to "departing" tourists. **Crompton and Lamb (1986:215)** add to this by pointing out that "a positive image affects more than just potential client use decisions. Internally, an improved image can bring such benefits as improved morale, lower employee turnover, and greater employee awareness and loyalty to the agency. In addition, it impacts exchanges with other external publics with whom an organisation does business".

If visitors are dissatisfied at the end of a holiday, it can have an influence on the whole holiday experience, and people are more likely to remember those unpleasant experiences, than to recall the satisfactory features (**Visser, 2002:26**). Decisions are therefore made on the basis of image because it represents the totality of what is known about a destination. **Kotler and Dubois (1974:194)** indicate that people with a negative perceived image of a destination will avoid it, while those perceiving a positive image will be attracted to it. Positive images can therefore enhance a products' competitiveness.

According to **Saayman (2001:110)** there are eight components that contribute to the development of a positive image namely:

- ❖ **The efficiency of a destination** - this refers to its impact, integrity and reputation. Feedback from potential visitors can be obtained through questionnaires and interviews.
- ❖ **A client orientation** - it is essential for a good tourism product to be responsive to the visitors' needs and "user friendly". People are more likely to select a tourism product if it closely meets their needs - therefore, market segmentation is essential and can lead to a competitive advantage.
- ❖ **The "magic" of the tourism product** - people are more likely to have a positive image of a product if it has unique features that distinctively differentiate it from other products.
- ❖ **Branding** - people are more likely to identify with a familiar product, franchise or chain, such as Sun International Hotel Group, and to stay loyal to it if it is positively perceived.

- ❖ **The sensory effect of the tourism product** - a synonym for sensory is “feeling” or “pleasing”. Thus, if the product has a pleasing effect on visitors, these visitors will have a positive feeling towards it, which will contribute to the formulation of a positive image.
- ❖ **The history of the tourism product** - in this context, past experience plays an essential role. If a previous encounter with a product was positive, a person will most probably visit that product again or recommend it to others.
- ❖ **The virtue of the tourism product** - this includes the aura of goodness associated with the product, which is essential in formulating a positive image.
- ❖ **The atmosphere generated by the product** - does the product generate a positive or a negative atmosphere?

It is during the initial consideration set that tourists formulate a more defined image and a black and white perception is shifted to a more qualified perception of the product. During this stage there is also an inert, hold and inept/reject set. There can also be an excluded set.

- ❖ **Inert set** – Products that tourists are likely to be aware of. Tourists have no interest in these tourism products. This set is also then subdivided into a foggy set and a hold set.
 - ❖ **Foggy set** - refers to the possible tourism products that tourists may know of but due to a lack of information; these products cannot be judged positively or negatively.
 - ❖ **Hold set** - Those tourism products to which tourists are indifferent irrespective of whether or not tourists have enough knowledge about them.
- ❖ **Inept/reject set** – Tourism products that have been rejected due to the fact that they were perceived negatively. The rest of the products that are still considered are funnelled to the next stage.

The process of image formulation is based on the following **Visser (2002) (as cited in Saayman, 2001:171-174)**:

- ❖ **Past experience**

Holiday makers have a number of goals and expectations which need to be satisfied (**Asworth & Goodall, 1990:45**). These goals are formed on a basis of past experiences and by “word-of-mouth” communication, already mentioned earlier in this chapter regarding the experience of others. A tourist stores negative information and will remember a negative image for future reference. Another important contributor to image formulation is the media. **Fakeye and Crompton (1991:11)** state that: “experience with a destination will feed back and influence evaluation of alternative destinations on the next occasion when a selection is made”.

❖ **Media communication**

The media play an integral role in creating a destination's image, and selection of the right media to reach a specific target market is therefore essential (**Saayman, 2001:172**). The advertiser's message is presented to the potential visitor through the media. **Mandell (1985:488)** points out that a "vehicle" is needed to deliver an advertising message to a selective target market. This "vehicle" is called the media. As already mentioned earlier in this chapter, there are many ways the media go about promoting tourism products to tourists, but the most effective and powerful method seems to be "word-of-mouth" communication as also indicated in studies such as **Pickton and Broderick (2001)**.

Word-of-mouth communication is an effective way of spreading news very fast. Through word-of-mouth communication the tourist will decide whether the information is worth listening to, or if some of the information can be disregarded. This will depend on the tourist. This process is known as selective perception (**Visser, 2002:27**).

❖ **Selective perception**

Selective exposure occurs during the process in which the potential visitor decides to make themselves available for receiving information. The potential visitor will only perceive information that will be relevant to the identified needs. **Belch and Belch (1993:127-128)** state that selective perception refers to a: "...filtering or screening of exposure, attention, comprehension and retention" which can occur at various perceptual stages.

After informing a tourist, it is important to convince the tourist to buy the specific holiday package or product. Another important objective to reach is to remind the tourist of the product after he/she has been convinced to purchase the product. This will be easier if the tourist is already positively disposed towards the product.

Research that has been conducted into the subject of how potential tourists choose destinations suggests that the following sources are mainly consulted (**Hanefors & Mossberg, 2000:179-188**)

- ❖ Leaflets, brochures and advertisements;
- ❖ Travel guidebooks;
- ❖ Travel articles/supplements in newspapers;
- ❖ Media liaison;
- ❖ TV travel shows; and
- ❖ A very important source: word-of-mouth communication.

Of these, the travel industry and tourism products have substantial control only over the first category. The rest are generally independently produced and therefore allow a wide range of opinion.

Communication factors are therefore of paramount importance in attitude change. The importance of who says it (the communicator), what is said (the communication), and to whom it is said (the audience) must be taken into consideration in communicating with the target audience. Word-of-mouth communication, for example, is incredibly effective, although it cannot be directly controlled. Mass media such as advertising are mostly consulted in the beginning and personal media such as salespersons, friends and personal advice are mainly used at a later stage of the vacation planning (**Kotze, 2005:52,56-57**).

Success therefore depends on a product's ability to create satisfied tourists due to its impact on repeat patronage and positive word-of-mouth communication. Age, income, and education have often been found to influence the amount of pre-purchase information in tourist durables, but this has seldom been done in the case of experience goods such as tourism. Instead, trip specific variables such as size of a vacationer's evoked set, amount of pre-trip planning time available, distance travelled, and the frequencies of repeat visitation to a tourism product have proven to be far more productive in explaining the total amount of information collected and each source's subsequent degree of influence on vacation decision-making (**Kotze, 2005:58-59**).

From a positioning point of view, promotion therefore plays an important role in marketing and more important in creating a competitive advantage. Promotion is very strongly related to positioning. If promotion fails, the image of the product fails and the product can therefore not be positioned because it will not sell to the consumer. Another disadvantage of poor promotion is the fact that the product's intrinsic values cannot be transferred effectively to the consumer.

It therefore becomes evident that marketing plays an important role during the acquisition of information (**Kotze, 2005:3**). It is the role of marketing to create awareness and to suggest objectives to satisfy needs (**Goossens, 2000:302**). According to **Slabbert (2002:12)**, destination marketing is increasingly becoming competitive. The objectives of destination marketing comprises the following:

- ❖ Information provision;
- ❖ Portraying an image of the product;
- ❖ Amenity provision for locals;
- ❖ Increased pride;
- ❖ Improved international ties; and

- ❖ Promotion of attractions.

Marketing has successfully migrated from being a functional discipline to being a concept of how businesses should be run (**Hooley, Saunders & Piercy, 2004:3**). From a marketing perspective, tourism services and complementary products can be “designed” and marketed as solutions to consumers' needs. By measuring the response of the target group to the marketing policy/strategy, the destination can better determine the success of its policy (**Goossens, 2000:304**).

According to **Botha (1999:2-3)** it would be wrong to think of marketing only as selling and advertising. The central focus of marketing is satisfying customer requirements. Selling and advertising are part of a larger marketing mix which is a set of tools, working together to affect the marketplace and create a competitive advantage.

The marketing mix should be researched and used to identify or create a unique selling point for a tourism product allowing for differentiation from competitive products. The marketing mix consists of the following:

- ❖ Product - refers to the product/service that is offered.
- ❖ Price - price should reflect the product's value to the consumer. It also concerns the relative price versus quality level that the product maintains against competitors.
- ❖ Place - refers to distribution or place where the product is to be sold.
- ❖ Promotion – the combination of marketing communication methods used to inform the target market of the product.

The marketing mix allows for the successful transfer of the product from the producer to the consumer (**Theron, 1999:128**).

3.3.2.1 Product

A product can be defined as anything that can satisfy a want or a need and be offered to a market for attention, acquisition, use or consumption (**Visser, 2002:18; Kotler, Bowen & Makens, 2003**). The tourism product has no value if it is not placed in the hands of the consumer, namely the tourist. Important to remember is that the tourist must be brought to the product. This can only be achieved through promotion or marketing. The tourism product consists of physical/tangible components, for example vehicles, buildings and food. Secondly, there is a service component which is misunderstood in many instances. Unlike most other services, tourism contributes to an everlasting experience (**Saayman, 2001:68**). Experience cannot come into its own without both the physical and the service components.

The product also refers to the accessibility of a product, and facilities needed to satisfy the needs of the tourist. Important to remember is that the tourism product differs from a manufactured product in the sense that it cannot be tasted or touched since it is produced while it is being consumed (**Saayman, 2000:233**). Therefore it has to be experienced and is therefore primarily a service. This adds to the difficulty of being competitive in the tourism industry. Due to the intangibility of the product, the tourism manager has a difficult task to determine if the package or product will meet the tourist's needs.

According to **Theron (1999:129)**, some marketers add another level to the product concept namely the "message or product image". For example, the promotion message and the price level conveys a certain "message" to the consumer. Marketers operating in a very competitive market sometimes rely more on the image it has created for its product than on its real attributes, as a means of counteracting the actions of competitors.

From the tourist point of view, it refers to the product that is offered. This adds to the difficulty of developing a positioning strategy. If the product offers some variables that are more unique than other product's (competitors), its position will become even stronger.

3.3.2.2 Price

In tourism, price can be seen as the value which a potential tourist places on the product (**Saayman, 2001:72**) and this has a definite influence on competitiveness. Price is influenced by the experience and the quality of service. From the viewpoint of the consumer or tourist, price is the financial sacrifice that must be made in order to acquire the product or holiday. If one tourism product offers more to the tourist than the next product for a better price chances are good that the cheaper product will attract the tourist.

Price can also contribute to the travel decision-making process, and is also evaluated when a decision is being made, thus a comparison is being made between various tourism products. Keep in mind that not all tourists are willing to pay the same price for the same product being offered (**Visser, 2002:19; Kerekes & Tonvall, 2001:4**). When determining prices it is important that the tourist receives value for money. In other words, when the supply is more than the demand, prices should be lowered. When the demand is more than the supply, the prices should increase (**Saayman, 2001:209**).

Value for money can be quantified in terms of quality of service. Quality on the other hand is valued in terms of the value that a tourist experiences when making use of a product (**Saayman, 2001:357-358**). Value for money leads to tourist satisfaction and loyalty, which will lead to growth and profit in the organisation. Comparable prices and quality relationships will therefore influence perceptions and choice of the tourism product. Poor service can thus lead

to avoidance of a specific product, and can therefore have an impact on the economy and lead to disregarding the tourism product and considering alternatives.

Many organisations are sometimes linked to a basic decision regarding whether to compete on price-related issues in the market or to follow the route of non-price competition. Meeting a competitor's prices implies that the organisation is satisfied with its current market position. When a strategy is followed of price stability, it is implied that there is a little difference between the prices of a competitor's products and services. By implementing this, price competition is limited and price stability in the market prevails. Important to note is that price-competition can degenerate into destructive price wars which adversely can affect long-term profitability of all the competitors (**Strydom, 1999b:231**). Positioning by price/quality can be powerful due to the fact that it says something about the tourism product itself. Price is likely to segment a tourist market from one that is willing to pay to one that is not. This does not imply that high quality is unaffordable (**Wilson & Gulligan, 1997:303; Botha, 1998:25-30**).

After the tourism product has been priced, it is a matter of making the tourist aware of the product. Distribution and promotion have a direct influence on getting the product to the consumer.

3.3.2.3 Place (Distribution)

The distribution channel is the part of the marketing mix that delivers the product to the final consumer. In this process middlemen are used to present a product, service or idea to the final consumer (**Strydom, 1999a:148**). This can only be achieved through distribution channels. Seeing that the product (service) is intangible, it cannot be stored, and therefore the tourism marketers endeavour for a continuous flow of product consumers in the same ratio as product availability (**Saayman, 2001:223**).

A product cannot be successful unless one is aware of the accessibility factor. This is catered for through the distribution channels. Tourism products are limited because there is only a limited number of resources, and carrying capacity cannot easily be expanded. During the distribution process, accessibility, transport and safety during transport is also very important. Thus, to make a product more accessible it is important to:

- ❖ Determine the ability of the tourism product to satisfy the tourist's needs;
- ❖ Provide transport that is compatible with the tourism market; and
- ❖ Compile a priority list to reach the needs of the tourism market;

- ❖ Facilitate movement into a country through effective customs, good infrastructure (roads) that is safe, and clear directions and assistance to tourists. This can only be made possible by the central, local and provincial authorities ; and
- ❖ Keep in mind that seasons as well as a lack of information offices (especially in terms of safety and security) may also have an impact on access to an area or facility.

The distribution components of the marketing mix appear to have two functions which is first of all to enhance the accessibility of the product or attraction as well as to distribute information concerning the attraction or product. The organisation usually decides which channel of distribution is going to be used and what costs will be involved (**Saayman, 2001:224-226**).

The distribution decision also has an influence on other elements for example:

- ❖ The role of central, provincial and local authority;
- ❖ Infrastructure;
- ❖ Product prices can disqualify certain target markets;
- ❖ Seasons, which may impede access to an area, place or facility; and
- ❖ Lack of information offices can hinder distribution of information (**Saayman, 2001:224-225**).

In the distribution channels there are middle-men who link tourists to service providers, for example airlines, car rental companies and hotels with each other. These middle-men are the tour operators, travel agents and authorities. The middle-men also play a very important role in providing information to tourists (**Visser, 2002:19-20**). Factors that determine the distribution policy include the position of the sales point, type of product, cost of distribution, effectivity of the marketing effort, the image of the product as well as the motivation of the tourist regarding tourism product.

If the product is positioned well enough, the availability of products will be easy and more convenient for the customer. The more accessible the product the greater the competitive advantage.

3.3.2.4 Promotion

This is also better known as marketing communication. The objectives of promotion are mainly to inform, convince and remind. Promotion is necessary to persuade customers to change buying habits. Potential consumers must be aware of the product.

A factor that also affects and highlights the importance of marketing communications is the increasing level of competition.

Industries tend to compete for the customer's attention through marketing communication and the better the marketers perform, and the better the product is positioned, the more selective the customers can be (**Machado, 1999:168-169**). A tourism products' promotional activities can be organised into three general types. These are:

- ❖ Promotions aimed at influencing potential visitors before leaving home;
- ❖ Promotions aimed at influencing the traveller while en-route from home to a product area; and
- ❖ Those aimed at influencing visitors after arriving at the product.

In all three general types of promotional activities newspapers and magazines play an important role (**Kotze, 2005:61**). Decisions with regard to promotion should, however, be directed at the appropriate market in order to increase competitiveness. Promotion can definitely not be ignored, so the more effective the promotion, the better the chances to compete against other similar tourism products. It is also a way to position the product in such a manner that it will become the only, as well as the, final choice enhancing the uniqueness of the product.

3.3.3 Phase 3 – Evaluation of motives

During this phase all the motives and alternatives are compared with one another. These include aspects such as affordability, travel time, transportation, product accessibility, exchange rate and place, promotion, to name a few. During this evaluation process positive information and negative information are also compared and tourists start to consider probable products within a certain period of time (**Visser, 2002:28**).

External variables that influence the decision-making process include confidence in the travel trade intermediary, image of the product, previous travel experience, travel constraints, time cost and assessment of risk. With regard to the destination, cost and value play an important role, involving attractions, travel opportunity, travel arrangements as well as the quality and quantity of travel information available as indicated in studies such as **Moutinho (2000) and Kotze (2005:60)**.

Researchers such as **Pizam and Mansfeld (1999)** indicated that in evaluating which product to visit, tourists base judgements on certain decision criteria. Two of the more important criteria are quality and price. At the same time, tourists may engage in an active external information search. Tourists may not have enough good information in their memories to make adequate vacation purchase decisions. In such cases the tourist will seek to acquire additional information to evaluate the possible alternatives. Magazines and newspapers are usually

bought when additional information is required. These mediums are high in information content and considered as credible (Kotze, 2005:61).

Although decisions to purchase the same vacation appear identical across the scope of repeat tourists using habitual decision-making, differences do exist in terms of loyalty to the tourism product. Repeat purchasers can be induced to change purchase habits because of little commitment possessed to the product. On the other hand, product loyal tourists are highly committed to the preferred product and will not change easily (Kotze, 2005:60–63).

If the positioning attributes are more unique and stronger against those of the competitors, the chances increase of being selected as holiday product.

3.3.4 Phase 4 – Decision-making

The following sets of choices must be considered by the tourist in the decision-making process. These factors as identified by Brown and Lohmam, 1989 (as cited in Kotze, 2005:63) consist of the following as identified in Figure 3.2.

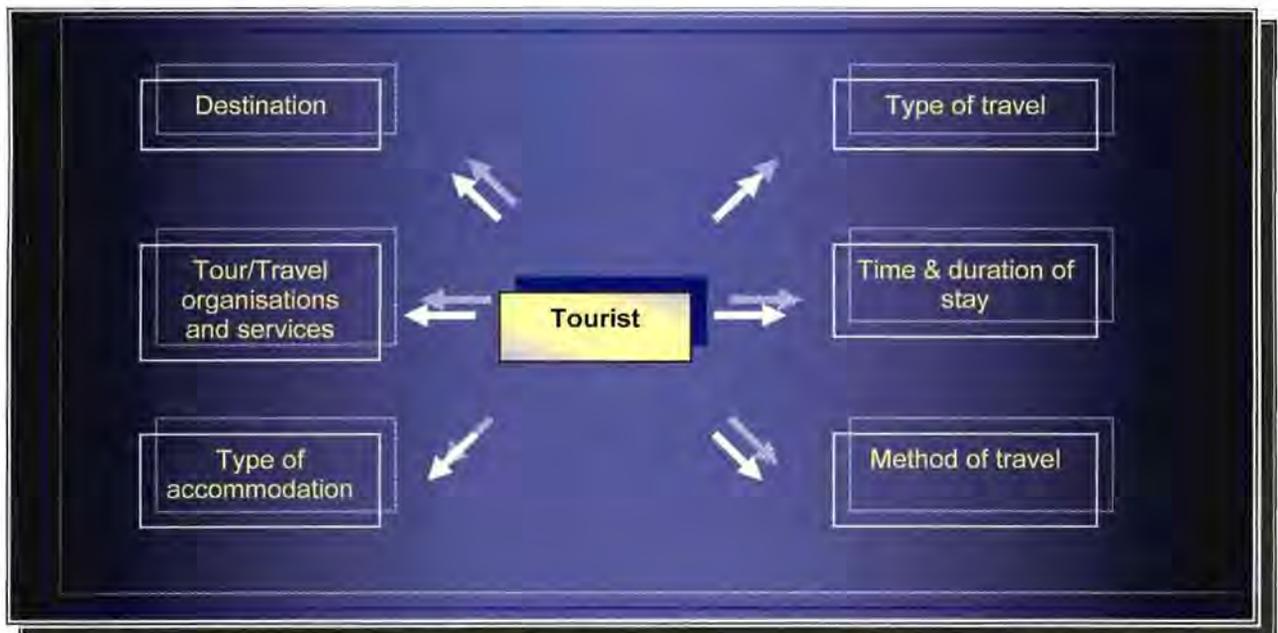


Figure 3.2: Travel decision-making: sets of choices

Source: Brown and Lohmam (1989) cited in Kotze (2005:64).

According to Saayman (2001:46), non-destination related motivators are easier to determine than those that are destination related. Motivators that are non related to a product give a person little to no choice of going to that tourism product. The determining factor is thus rather the reasons for undertaking the journey than the product in itself, for example, business, education, health, faith and visiting friends and relatives.

Destination related motives are those that offer tourists the opportunity to choose where they want to visit. In other words, tourists are not restricted to a specific tourism product. Comparisons can be made in order to make decisions. The reasons for product related journeys are often difficult to determine and include amongst others, curiosity about other cultures, places, people, faiths and political systems. The art galleries can also awaken a desire to visit places like the opera houses in Europe (**Saayman, 2001:48**).

According to **Laws (2002) (as cited in Kotze, 2005:65)** the decision to visit a particular product entails a series of choices, including the budget for holidays, the time available, travel companion, and forecasts of the satisfaction they are likely to experience at each possible product. Understanding the factors that underline product choices and the way products are experienced is important to managers in developing effective promotional campaigns and, since the choice of places to visit is inextricably linked to what it provides, this is also critical in determining how best to manage and develop its facilities.

The view that holidays are high-involvement purchases leads to a presumption that considerable care will be invested in the choice of resort, with potential tourists undertaking a detailed and extended study of brochures, reading and watching holiday advertising, and visiting travel agencies for advice to identify suitable places to visit. However, it could also be argued that a tourist's involvement is often with the concept of holiday, rather than the attraction of a given destination. From this perspective, the product itself may become a subsidiary choice, since the tourist is effectively choosing from the range of holidays rather than products offered by retail agencies and tour operators on the basis of utilities such as accessibility or price comparisons. Increasingly, the choice of places to visit is determined by tour operators and retailer objectives of growth, cost reduction, unit profitability or increased market share, as well as relative selling strength compared to the resort (**Kotze, 2005:65**).

Tourists' preference structure for a particular destination is based on a set of factors, and as additional objective information modifies that set, effective judgements for the destination can be expected to change over time. Among those factors are the internalised environment influences, which include cultural norms and values, family and reference groups, financial status and social class. Travel stimuli can appear via mass media like newspapers and magazines or personal sources, and it has either a significant or symbolic connotation related to attributes such as quality, price, distinctiveness, prestige, service and availability. Tourists do not use raw information provided by mass communication like newspapers and magazines, but process it before using it. Also, messages arriving with the tourist vary in degrees of stimulus ambiguity. This leads to the search for additional data and holds a confrontation of information received and real experience (**Kotze, 2005:66**).

The accommodation sector is central to international tourism when it comes to making a decision about where to stay. Tourism flows are directly influenced by the size of this sector, by the way it adapts to demands and by the quality of the accommodation on offer. When choosing accommodation attributes such as natural resources, climate, culture, historical resources, ethnicity and accessibility are taken into account (**Kotze, 2005:66; Saayman, 2001:53**).

There are different modes of transport. The different modes of transport in existence are significant to the growth of international tourism. The cost of transport often determines the total cost of tourism products and directly influences the choice of tourism destination. Air transport has contributed to the creation of new tourism markets far from tourism generating countries which are not accessible either by road or by sea. The air transport industry occupies an important part of the tourism industry and the world economy (**Kotze, 2005:67**). Transport leads to mobility and mobility increases the economic value of products because it makes products available in other places. Practically all tourists demand a degree of transport and transport is also necessary for the expansion of national and international markets (**Kotze, 2005:67**).

Research by **Schoell and Gultinan (1995:133)** indicated that the following factors may also play a role during decision-making, and these factors may serve either as facilitators or inhibitors. These factors include the following:

- ❖ Family;
- ❖ Culture;
- ❖ Social class;
- ❖ Reference groups;
- ❖ Personality and lifestyle;
- ❖ Learning;
- ❖ Motivation;
- ❖ Life cycle;
- ❖ Perception; and
- ❖ Attitudes.

If a position is not located in the mind of a potential tourist, and if the product is not desired by the tourist, and cannot fulfil in the specific need or want at that time, the tourist will not buy and therefore consider alternatives.

3.3.5 Phase 5 – Feedback

This phase represents the consideration of previous decisions as well as the actual experience. Future decisions are not only determined by the value of the previous experience, because personal, situational and contextual variables are other factors that must be taken into consideration. It is always important to get feedback from tourists as this indicates the problems leading to dissatisfaction (**Saayman, 2001:35**).

The visitor usually has previous experiences that influence present and future behaviour and once they have been actual visitors at an attraction it becomes part of the experience that will influence the tourist's behaviour. In other words, the model needs a feedback loop from the actual visitor position to the potential visitor position. Although attractions offer satisfaction to tourists, (**Kotze, 2005:67**). Post-choice evaluation feedback has a significant impact on the decision-maker's set and subsequent behaviour. One of the key elements noted as affecting a tourist's expectations is the satisfaction with post-purchase. Post-purchase evaluation has three major purposes. First, it adds to the tourist's store of experiences and it is through post-purchase assessment that experience is taken into the tourist's frame of reference. Hence, it broadens personal needs, ambitions, drives, perceptions and understanding and also influences future word-of-mouth communication with regard to the product and the experience. Second, post-purchase assessment provides a check on market-related decisions. Third, it provides feedback to serve as a basis for adjusting future purchase behaviour (**Kotze, 2005:67**).

The final choice of a destination is likely to be based on the key benefits of attractions, which emerge from the induced images (**Saayman, 2001:169-170**). Feedback is also an effective way to see how the product can be improved in relation to competitors especially in terms of positioning which directly influences travel decision-making. One way of achieving this is to conduct research analysing positioning attributes with regard to the product as well as previous travel experiences and so on.

With the clear understanding of positioning and the importance thereof in the travel decision-making process it is important to further analyse positioning and determine how a certain position can be created through marketing.

3.4 POSITIONING FROM A MARKETING PERSPECTIVE

Prior to creating a positioning strategy, the following questions should be answered:

- ❖ What position, if any, does the product already have in the prospect's mind?
- ❖ What position wants to be owned?
- ❖ Which other products will be used as the comparative framework?

- ❖ Is there enough marketing money to occupy and hold the position?
- ❖ Is one consistent positioning strategy going to be used?
- ❖ Does the creative approach match the positioning strategy? (**Botha, 1998:26**).

Burnett (1993:59) indicated that “positioning is only as good as the research it is based on”. Therefore marketing research is needed foremost before formulating any positioning strategy.

Botha (1998:23-26) highlighted the importance of research in selecting the right position for a tourism product as indicated in Figure 3.3. These steps can be regarded as central to effective positioning. Researchers like **Crompton (1992)** also compiled a positioning model (adapted from **Aaker & Shansby 1982, and Morrison, 1989**). This model also suggested the six stages needed for positioning as indicated by Botha. These stages consist of the following:

Stage 1 - Identify the competitive products

The best way to identify competitive products will be to evaluate tourists, and list the products visited by them in recent years and for them to identify their ideal tourism products.

Stage 2 - Identify potential visitors’ perceptions of the product of interest’s strengths and weaknesses

During this stage the tourist will have to identify the strengths and weaknesses of the product of interest. These strengths and weaknesses reveal the positioning attributes. In other words the pull and push attributes (as already discussed) that motivate a tourist to travel to that specific tourism product.

Stage 3 - Identify the benefits sought by potential visitors in the target market

It is important that the benefits are identified. These benefits refer to attributes that potential visitors might regard as unique and which can only be found at a certain tourism product.

Stage 4 - Identify potential visitors’ perceptions of the strengths and weaknesses of preferred competitive products

The strengths and weaknesses of preferred competitive products have to be identified to determine how the product can improve in relation to competitors.

Stage 5 - Determine the attributes that potential visitors perceive differentiating a product relative to its competitors

According to **Brink (1999:87)** it is very useful to consider positioning with respect to a competitor especially for product differentiation. The image of the competitor may be well-

established over many years, and that image can then be used as a benchmark or standard for product differentiation.

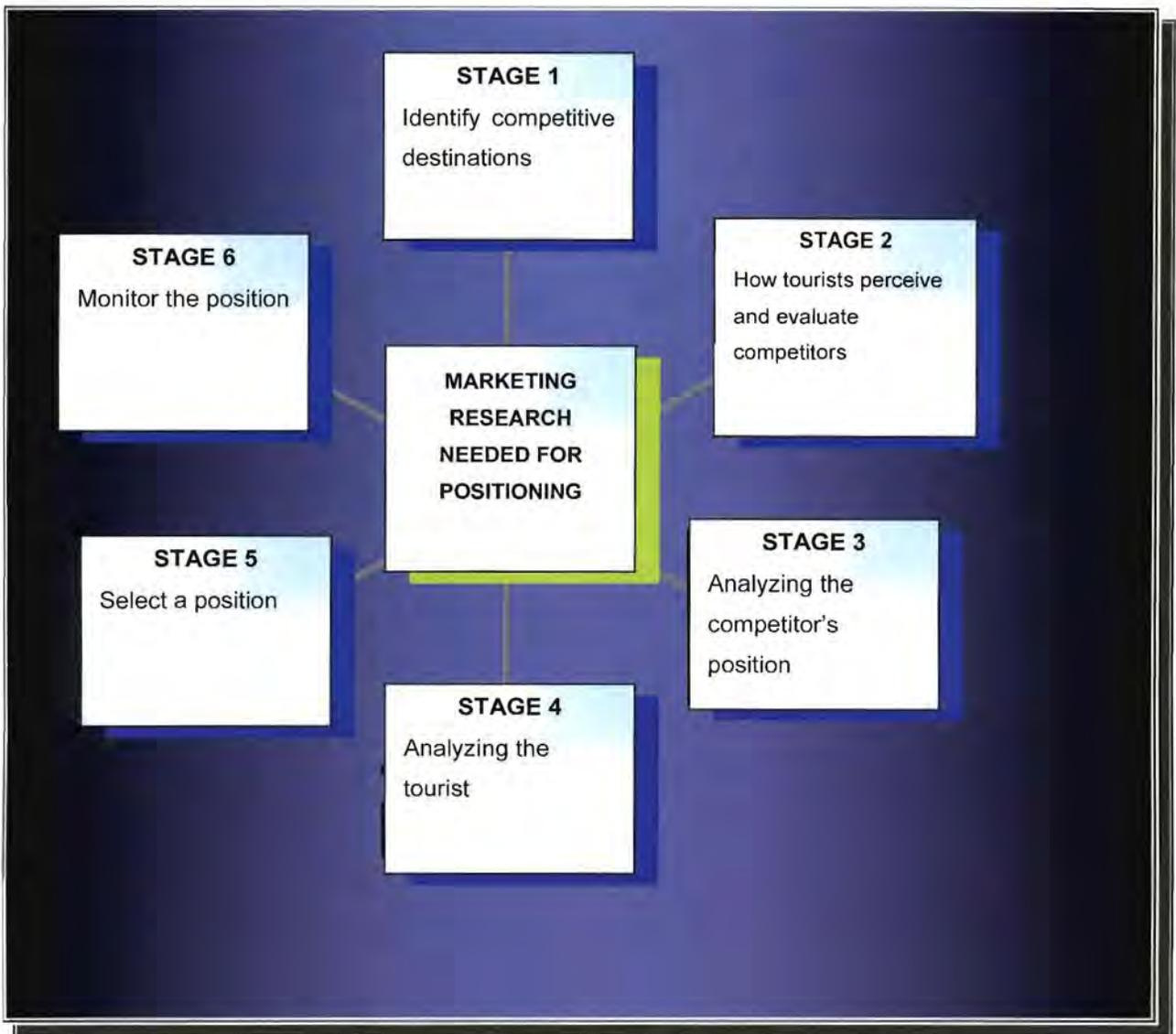


Figure 3.3: Marketing research needed for positioning.

Source: Botha (1998:23)

Also important to remember is that a product must be:

Important - The difference delivers a highly valued benefit to the target buyers.

Distinctive - Competitors do not offer the difference, or the company can offer it in a more distinctive way.

Superior - The difference is superior to other ways that the customer might obtain the same benefit.

Communicable - The difference can be explained and communicated to the target buyers.

Pre-emptive - Competitors cannot easily copy the difference.

Affordable - Buyers can afford to pay the difference.

Profitable - Company can introduce the difference profitably (**Determan, 1999:1**).

The biggest concern must be with the attributes that will determine the final selection. It might seem of lesser importance to the tourist, but this is where the significant differences between the products are apparent to tourists.

Stage 6 - Selection of an optimum position for a destination

During this final stage there are six positioning strategies that can be identified and used, but the strategy most popular is usually positioning by attribute. Important to remember is that very different positioning strategies might be needed depending on whether the product is a market leader, follower or challenger. Market followers should try to avoid positioning themselves too closely or directly against the market leader. Smaller products should try to establish their own positions and develop its own customer base (**Wilson & Gilligan, 1997:303**).

Mandell (1985:182) also compiled a model which indicates the sequential process by which a positioning strategy may be constructed as represented in Figure 3.4.

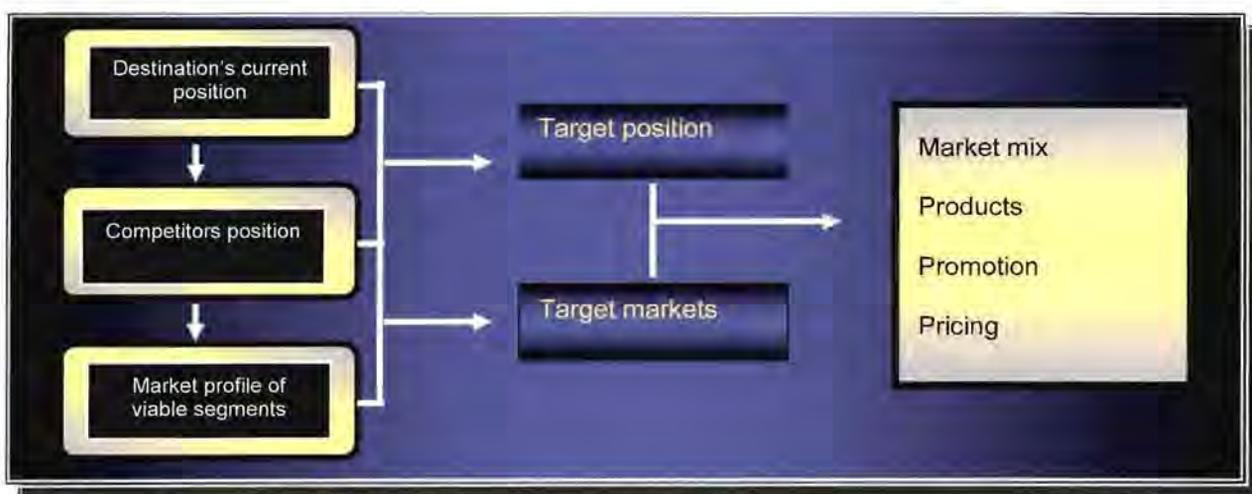


Figure 3.4: Model of construction of a positioning strategy

Source: Mandell (1985:182).

According to **Mandell (1985:182)**, information is gathered first to determine the current position of the destination and to determine how it compares with the position of competitors. The market profile reveals the range of market segments that might be viable for a product to target. Finally, a marketing mix for each specific market is designed to project the desired position.

The six positioning strategies as mentioned above are as follows (**Wilson & Gulligan, 1997:303; Botha, 1998:25-30**):

- ❖ **Positioning by attribute** - Many attributes are difficult to evaluate because these attributes may be hidden qualities which are not always obvious to the tourist. This is where the communication which emphasises these attributes to the target market becomes a challenge for the marketer. Segmentation based on benefits desired is usually the most meaningful type to use from a marketing standpoint as it directly facilitates product planning, positioning, and advertising communications.
- ❖ **Positioning by price/quality** - This can be powerful due to the fact that it says something about the destination itself. Price is likely to segment a tourist market from one that is willing to pay to one that is not. This does not imply that high quality is unaffordable.
- ❖ **Positioning by application** - Refers to particular reasons for using a service.
- ❖ **Positioning by product user** - Featuring tourists visiting certain products, for example, attracting senior citizens and therefore use this class in advertisements.
- ❖ **Positioning by product class** - This can be effective if a destination aims to be exclusive, for example, a golf estate that only allows people to play golf if they own a property within the golf estate.
- ❖ **Positioning by competitor** - Most applicable when it is necessary to address the competition head on in order to identify the differences and services as well as offerings at a particular destination. Also important in this strategy is to identify the strengths and weaknesses in order for differentiation to take place.

As indicated by **Botha, (1998:27–29)** a positioning strategy consists of two components:

- ❖ The first component refers to *perceived positioning*: Position of a product is not located by the product itself, but in the mind of a potential tourist. A desired position clearly distinguishes an attraction from the competition based on attributes considered as important by the relevant market segment.
- ❖ The second component refers to positioning in the *competitive set* of destinations: It includes the consideration of the set of primary competitors and is used by marketers to position a new attraction according to attributes mostly desired by tourists. These attributes make a huge contribution towards the “projected image” as well as the desirability of the destination.

Lewis, Chambers and Chacko (1995:362) recommend that the following checklist should be used in order to develop a positioning strategy:

- ❖ Tourist product:- - Identify strengths and weaknesses, resources, present marketing position, where is the product now and where is the product headed for?
- ❖ Product/Service - What are facilities, location, attributes (tourists preferences, attributes in top of mind), important (prior to, during, or after the decision-making process), or physical condition, level of service, why do/should tourists come, what is it and what does it do in functional terms?
- ❖ Product position - What is awareness, loyalty, image? How does it compare to the competition?, What are the market segments?, What are the perceived attributes and how are they distributed to each segment? Where is the product positioned?
- ❖ Tourists - What are the needs and wants of a particular segment? What beliefs do tourists seek? What is the optimal position of attributes of each segment?
- ❖ Competition - Who are visiting the competition and where else do they go? What does the competition do better or not do? How does segmentation take place? What positions do the competition occupy?
- ❖ The marketplace - Where is it? What are the segments? What is the generic demand? What is the market share? How are the segments reached?
- ❖ Opportunities - What needs are unmet? Can these be met? Can there be improved on these needs? What innovations are needed? Is it worth pursuing? Are there new tourists visiting the destinations and is the occupation rate higher?
- ❖ Decision - What is the best overall position?

In such a competitive market as the tourism industry, it is important to satisfy the needs of tourists even though it does not guarantee success. The real question is whether the destination or product can satisfy tourists better than the competition (**Kerekes & Tonvall, 2001:4**). To be able to create competitive advantage through positioning it is not only enough to provide greater value, but to consider all elements of the tourism product.

3.5 CONCLUSION

The aim of this chapter was to analyse positioning and travel decision-making and indicate the role of competitiveness in both these processes. It was also important to determine the factors that would influence competitiveness in positioning and travel decision-making.

Firstly positioning was analysed and it was found that it is valuable for tourism marketers. To position successfully requires recognising the marketplace, the competition, and tourists' perceptions. Positioning analysis on a target market basis provides the tools to identify opportunities for creating the desired image that differentiates a destination or tourism product from its competitors and for serving the target market better than anyone else. The more successful the positioning, the greater the chance of selling the product and identifying weaknesses and strengths of competitors.

The positioning analysis therefore answers the following questions: What position does a destination or product own now? (In the mind of the target market.). What position does the destination or product want to own? (Look for positions or holes in the marketplace.). Who must the destination or product out position? (Manipulate what's already in the mind.). How can it be done? (Select the best approach that will work for the target market.)

Secondly, the travel decision-making process was analysed and it was found that the process consists of five phases. These phases consisted of motivation to travel, acquiring information, evaluation, decision to buy as well as feedback and these phases are interlinked with positioning. Through travel decision-making the most important variables or attributes of positioning are identified and it is therefore crucial to understand because it is also these variables or attributes that lead to purchase behaviour and therefore have a direct influence on the competitiveness of a tourism product. It also reflects the needs and desires of the market.

Thirdly, it was found that competitiveness plays a very important role in both positioning and travel decision-making and therefore needs to be researched and analysed in the broader marketing context including all the elements of the marketing mix. From a positioning and travel decision-making perspective the following factors were found to have an influence on competitiveness: motives to travel (cf. 3.3.1), price and travelling costs (cf. 3.3.2.2), previous experiences (cf. 3.3.5), service quality (cf. 3.3.2.2), experiences at tourism product (cf. 3.2.2), distance travelled (cf. 3.3.2), facilities and activities available (cf. 3.3.1 and 3.3.2.1 and 3.3.4), location of the product (cf. 4.3.4), research (cf. 3.3.2), attributes (cf. 3.2), aspects of attractiveness such as accommodation (cf.3.3.4). These factors will then be measured in the survey of this study.

CHAPTER 4

ANALYSING COMPETITIVENESS

4

"Analysis is an important pre-requisite of action".

Charles Handy

4.1 INTRODUCTION

Competitiveness is an important matter receiving increasing attention by the tourism industry, but it remains a complex concept encompassing various aspects and various explanations from different disciplines (**Gooroochurn & Sugiyarto, 2004:1,2**). Global competition in tourism remains a challenge as different countries compete to be a preferred tourist destination, and tourism products have to face this challenge (**Du Plessis, 2002:16**).

In the tourism industry, competition between tourism destinations and products have become very intense (**Cracolici, Nijkamp & Rietveld, 2008:325**). A significant higher market transparency regarding prices and/or other comparable attributes have increased competition. More products are thus competing on the experience level (**Saayman, 2000:92**). Although there is intense focus on destination competitiveness, it becomes evident that smaller tourism products are left behind even though they have to become more competitive to survive.

Dwyer and Kim (2003:369) are of the opinion that a competitive advantage can be achieved by any destination or product through ensuring that overall 'appeal', and experience offered, is superior to that of alternative destinations. An extensive literature analysis has indicated that competitiveness remains a complex concept because it is influenced by a range of factors.

In order to address the concept of competitiveness, this chapter will focus on the analysis of the key components of competitiveness. This will be achieved by firstly discussing the indicators for destination competitiveness and secondly to indicate possible components required to develop a competitiveness model for tourism products. Other aspects of discussion consist of models regarding destination competitiveness, a comparison of models, the competitor analysis process or framework, effective competitor benchmarking as well as building competitive advantage.

4.2 UNDERSTANDING COMPETITIVENESS

Within the tourism industry there can be distinguished between competitiveness, destination competitiveness as well as tourism competitiveness. Firstly, according to **Kim, Choi, Moore,**

Dwyer, Faulkner, Mellor and Livaic (2001:18), from a macro perspective, competitiveness is of national concern and its ultimate goal is to improve the real income of its citizens.

It is a very broad construct encompassing all social, cultural and economic variables affecting the performance of a nation in international markets. **Kim et al. (2001:103)** therefore regard the notion of competitiveness as associated with four major groups of thought namely:

- ❖ A comparative advantage and/ or price competitiveness perspective;
- ❖ A broad scheme and empirical studies;
- ❖ A strategy and management perspective; and
- ❖ A historical and socio-cultural perspective.

Ivancevich, Lorenzi, Skinner and Crosby (1997:50), define competitiveness as “the degree to which a nation/organisation can, under free and fair market conditions, produce goods and services that meet the test of domestic and/or international markets while simultaneously maintaining or expanding the real incomes of its citizens”.

Certainly the most detailed work undertaken by tourism researchers on overall tourism competitiveness is that of **Crouch and Ritchie (1995, 1999)** as well as **Ritchie and Crouch (1993, 2000)**. The research included the applicability of competitiveness research and models to tourism destinations; spanning companies and products, national industries, and national economies, as well as competitiveness related to service industries. **Dwyer, Forsyth and Rao (2000:9)** state that “tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourism industry and qualitative factors affecting the attractiveness or otherwise of a destination”. It also claimed that the most competitive destination is one which brings about the greatest success; that is, the most well-being for its residents on a sustainable basis (**Ritchie & Crouch, 2000:5**).

Thirdly, **Hassan (2000:239)** defines destination competitiveness as the destination’s ability to create and integrate value added products that sustain its recourses while maintaining market position relative to its competition.

For the purpose of this study competitiveness can therefore be seen as those forces, indicators and success factors that contribute to each tourism product’s own uniqueness, allowing the identification of the relative strengths and weaknesses. These indicators as proposed by various researchers will be discussed next.

4.3 INDICATORS FOR DESTINATION COMPETITIVENESS

Dwyer and Kim (2003:369), sought to develop a model and indicators of destination competitiveness. The main purpose regarding the model was to enable comparison between countries and between tourism sector industries.

Also to identify relative strengths and weaknesses of different tourism destinations in order to increase tourist numbers, expenditure and positive socio-economic impacts resulting from tourism growth.

Associated with the model was a set of indicators that can be used to measure the competitiveness of any given destination. These indicators of destination competitiveness sort under the main elements of the destination competitiveness model as identified by **Crouch and Ritchie (1995, 1999)** and **Ritchie and Crouch (1993, 2000)**. These indicators and elements comprises the following (Figure 4.1):

- ❖ Resources;
- ❖ Supporting factors;
- ❖ Destination Management;
- ❖ Situational conditions;
- ❖ Demand factors; and
- ❖ Market performance indicators.

4.3.1 Resources

Resources can be divided into two types: endowed (inherited) and created resources. These core resources and attractors are regarded by Crouch and Ritchie as 'the primary motivation for destination appeal' (**Crouch & Ritchie, 1999:146**). As Crouch and Ritchie state, 'Whereas the core resources and attractors of a destination constitute the primary motivations for inbound tourism, supporting factors and resources exert more of a secondary effect by providing a foundation upon which a successful tourism industry can be established' (**Crouch & Ritchie, 1999:148**). Of course, different resources have a different appeal to different tourists. **Dwyer and Kim (2003)** are of the opinion that tourist motivations can be classified in several ways, and core resources are only a 'pull factor' for some types of tourism (**Dwyer & Kim, 2003:380**).

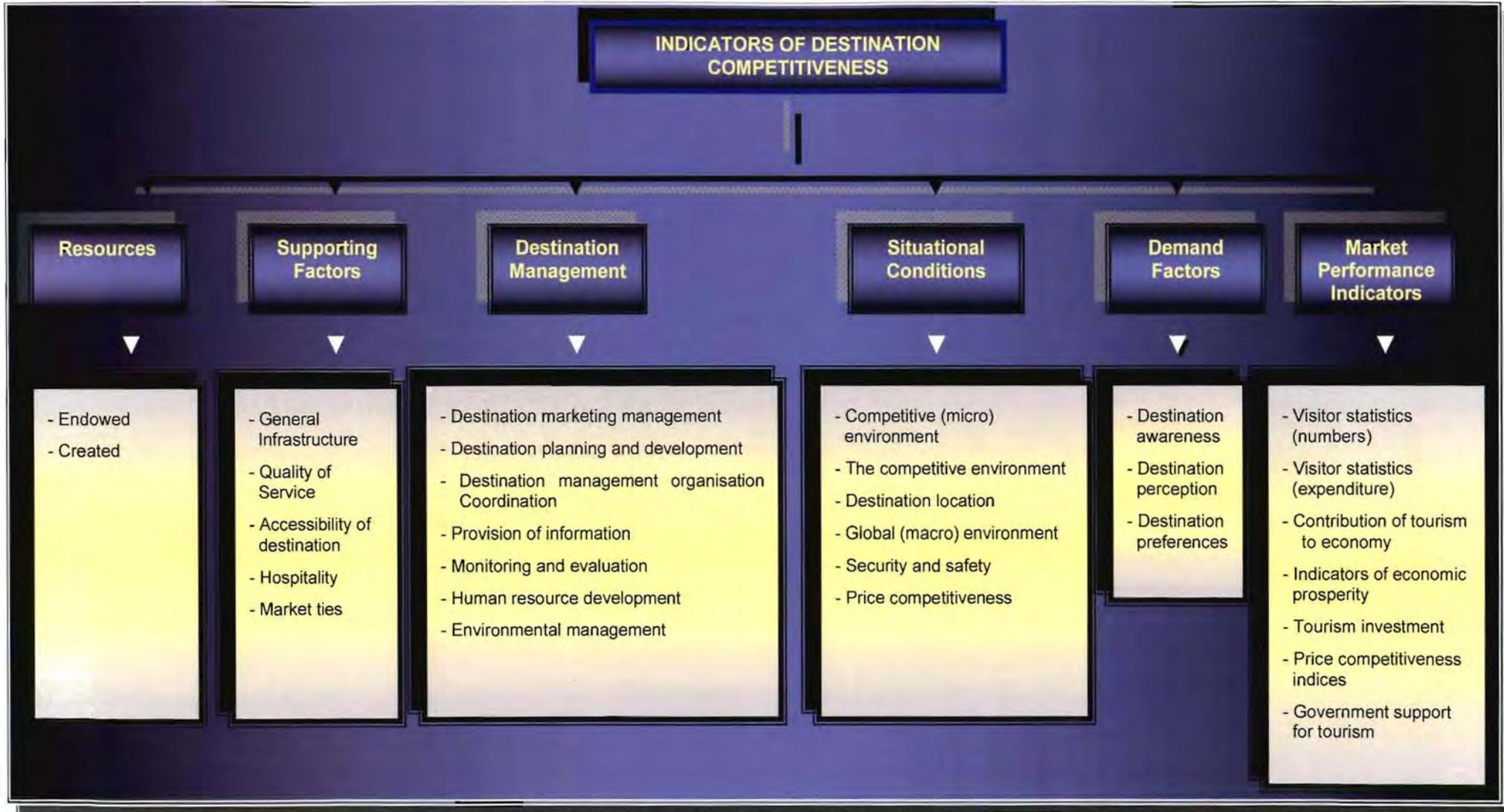


Figure 4.1: Indicators of destination competitiveness

Source: Dwyer and Kim (2003:380–405)

4.3.1.1 Endowed resources

Endowed resources can be classified as: **(Table 4.1)**

- ❖ Natural, for example mountains, lakes, beaches, rivers, climate; and
- ❖ Heritage or cultural, for example cuisine, handicrafts, language, customs, belief systems.

According to **Dwyer and Kim (2003:377)** the natural resources of a destination define the environmental framework within which the visitor enjoys the destination. These include physiographic features, climate, flora and fauna, scenery and other physical assets. While in the context of manufacturing competitiveness emphasised by management theorists resource disadvantages can be overcome by adding value to the goods and services produced, in the tourism context natural resources have a substantial capacity to attract visitors, regardless of any 'value added' by human providers.

The heritage and culture of a destination, its history, institutions, customs, architectural features, cuisine, traditions, artwork, music, handicrafts and dance, provide a basic and powerful attracting force for the prospective visitor **(Dwyer & Kim, 2003:381)**.

4.3.1.2 Created resources

Created resources include tourism infrastructure, special events, the range of available activities, entertainment and shopping **(Dwyer & Kim, 2003:381)**.

There would seem to be at least five types of 'created' or 'built' resources that influence destination competitiveness, namely:

- ❖ **Tourism infrastructure** - includes features such as accommodation facilities, food services, transportation facilities, themed attractions, fast food outlets, taverns/bars, tour wholesalers, tour operators, travel agents, car rental firms, local convention and visitor bureaus.
- ❖ **Special events** - category is intended to capture those happenings where the visitor tends to be highly involved as a participant or those events where simply 'being there' is significant.
- ❖ **Range of available activities** – the range of available activities as well as the mix of activities possible within a destination are important tourism attractors. These can include recreation and sports facilities.

In South Africa many examples of these activities include - summer facilities, for example (golf and tennis); winter facilities like (rugby as well as hiking trails); water sports (swimming, boating, fishing); night clubs/night life; facilities for special interest visitors such as adventure tourists, ecotourism, cultural/heritage tourism and biking trails.

- ❖ **Entertainment and shopping** - entertainment primarily encompasses behaviour where the visitor assumes a rather passive 'spectator' role such as the theatre and film festivals.

Entertainment can be found in many forms. From a consumer perspective, the amount of entertainment available at a destination is probably less important than its perceived quality or uniqueness. Even more important for destination competitiveness is the degree to which the entertainment offerings are 'appropriate' to the destination.

Of course, many cultural/heritage attractions of a destination may be 'created' or 'built', but these historic sites are more appropriately regarded as comprising elements of destination (inherited) culture and heritage. For many tourists, the opportunity to shop in an exotic location, or 'duty free shop', is an important 'pull factor' of outbound travel.

Table 4.1: Indicators of competitiveness: Resources

RESOURCES	
ENDOWED RESOURCES	CREATED RESOURCES
<p>Natural</p> <ul style="list-style-type: none"> ❖ Comfortable climate for tourism ❖ Cleanliness/Sanitation ❖ Natural wonders/Scenery ❖ Flora and fauna ❖ Unspoiled nature ❖ National parks/Nature reserves 	<p>Tourism infrastructure</p> <ul style="list-style-type: none"> ❖ Accommodation quality/variety ❖ Airport efficiency/quality ❖ Tourist guidance/information ❖ Local transport efficiency/quality ❖ Visitor accessibility to natural areas ❖ Convention/Exhibition facilities (capacity/quality) ❖ Food services quality/variety
<p>Culture/Heritage</p> <ul style="list-style-type: none"> ❖ Historic/Heritage sites and museums ❖ Artistic/Architectural features ❖ Traditional arts ❖ Variety of cuisine ❖ Cultural precincts and (folk) villages 	<p>Range of activities</p> <ul style="list-style-type: none"> ❖ Water based ❖ Nature based ❖ Adventure activities ❖ Recreation facilities ❖ Sports facilities
	<p>Shopping</p> <ul style="list-style-type: none"> ❖ Variety of shopping items ❖ Quality of shopping facilities ❖ Quality of shopping items ❖ Value for money of shopping items ❖ Diversity of shopping experiences

	Entertainment <ul style="list-style-type: none"> ❖ Amusement/Theme parks ❖ Entertainment quality/variety ❖ Nightlife
	Special events/festivals

Source: Dwyer and Kim (2003:400)

In the destination competitiveness model (**Dwyer & Kim, 2003:400-405**) supporting factors and resources as indicated in Table 4.2 underpin destination competitiveness.

4.3.2 Supporting factors

Private- and public-sector organisations that support tourism activity, which possess a collection of specific skills not easily imitable by rivals can be an important source of sustained competitive advantage. Supporting resources or enabling factors, include general infrastructure, quality of service, accessibility of destination, hospitality and market ties. Other work undertaken by researchers regarding this is that of **Barney (1991)** as well as **Prahalad and Hamel (1990)**.

These supporting factors as mentioned in Table 4.2 include:

- ❖ **General infrastructure** - A destination's general infrastructure includes road networks, airports, train system, bus system, water supply, telecommunications, sewerage, health-care facilities, sanitation, the electricity generation system, financial services, and computer services. Other work undertaken by tourism researchers regarding this aspect includes studies such as **Smith (1994)** and **Watson and Kopachevsky (1994)**. The research included that service infrastructure is housed within the larger macro-environment of the destination and argued that tourist experiences cannot be properly understood unless the larger context and setting in which these encounters take place are taken into account. Consumer research on service experiences undertaken by **Bitner (1990)** also confirms this notion.
- ❖ **Quality of service** - The service dimension of the tourism experience is vital. Efforts must be made to ensure quality of service and there is now recognition of the need to take a total quality of service approach to visitor satisfaction. Provision of reliable and responsive visitor services enhances a destination's competitive advantage. Initiatives to enhance the quality of the experience provided by a tourism destination include: establishment of standards for tourism facilities and performance of personnel; programmes to objectively and subjectively monitor the quality of experiences provided; and monitoring of resident attitudes towards visitors and towards development of the tourism sector. Since meeting visitor needs and

achieving business goals are increasingly inseparable, a commitment to quality by every enterprise in a destination (public or private) is necessary to achieve and maintain international competitiveness (Go & Govers, 2000:80). Indeed, it has been argued that the quality of service production and delivery deserves 'a comprehensive approach and a definitive integration among its key stakeholders (residents, visitors, trade) and an in-depth knowledge of their needs and expectations (Go & Govers, 2000:80).

- ❖ **Accessibility of the destination - Prideaux (2000:56)** notes that tourist choice between alternative destinations is influenced by inefficiencies in the transport system such as uncompetitive practices, safety concerns, comfort levels and journey time. Ease of access to a destination may be facilitated through upgraded distribution channels or through developing a more extensive network of sales contacts. Improving inter-modal linkages among transportation systems contributes to destination competitiveness.
- ❖ **Hospitality** - Hospitality relates to the perceived friendliness of the local population and community attitudes towards tourists. It includes: warmth of reception by local population; willingness of residents to provide information to tourists; attitudes towards tourists and the tourism industry. Tourist guidance and information, including good signage, is important to visitors feeling 'valued' by residents of a destination. Resident support for tourism development fosters a competitive destination. The perceived hospitality of residents is a major social factor forming part of the macro-environment.
- ❖ **Market ties** - This category includes several dimensions along which a destination establishes and builds linkages with people in origin markets.

Table 4.2: Indicators of competitiveness: Supporting factors

SUPPORTING FACTORS	
General infrastructure	
❖	Adequacy of infrastructure to meet visitor needs
❖	Health/medical facilities to serve tourists
❖	Financial institution and currency exchange facilities
❖	Telecommunication system for tourists
❖	Security/safety for visitors
❖	Local transport systems
❖	Waste disposal
❖	Electricity supply
Quality of service	
❖	Tourism/hospitality firms which have well-defined performance standards in service delivery

- ❖ Firms have programmes to ensure/monitor visitor satisfaction
- ❖ Visitor satisfaction with quality of service
- ❖ Industry appreciation of importance of service quality
- ❖ Development of training programmes to enhance quality of service
- ❖ Speed/delays through customs/immigration
- ❖ Attitudes of customs/immigration officials

Accessibility of destination

- ❖ Distance/flying time to destination from key origins
- ❖ Direct/indirect flights to destination
- ❖ Ease/cost of obtaining entry visa
- ❖ Ease of combining travel to destination with travel to other destinations
- ❖ Frequency/capacity of access transport to destination

Hospitality

- ❖ Friendliness of residents towards tourists
- ❖ Existence of resident hospitality development programmes
- ❖ Resident support for tourism industry
- ❖ Ease of communication between tourists and residents

Market ties

- ❖ Business ties/trade links with major tourist origin markets
- ❖ Sporting links with major tourist origin markets
- ❖ Ethnic ties with major tourist origin markets
- ❖ Religious ties with major tourist origin markets
- ❖ Extent of foreign investment in local tourism industry

Source: Dwyer and Kim (2003:401)

Some destination management activities also have a potentially important influence on destination competitiveness.

4.3.3 Destination Management

Five types of destination management activities have a potentially important influence on destination competitiveness, namely:

- ❖ **Destination marketing management** - When implementing marketing activities, destination management organisations (DMOs) can contribute to the achievement of sustainable tourism through various actions depending on whether the focus is a promotional or facilitation strategy. The marketing activities of DMOs are mainly centred on the promotion of the destination as a whole. However, a natural extension of such efforts is a facilitation role that typically includes collecting, analysing and disseminating market research data, establishing a representation in the main target markets of origin, participating in trade shows, organising

and coordinating familiarisation trips and supporting the private sector in the production and distribution of literature such as information relating to analysis of characteristics of key travel markets related to travel volume and associated spending.

Hassan (2000:240) argues that to maintain tourism competitiveness, destination management should focus on a systematic examination of unique comparative advantages that provide a special long-term appeal to the target travel customer segments. He claims that 'destinations are winning competitive battles by careful analysis and response to the core values and needs of the segmented marketplace'.

Marketing a tourism region involves complex and coordinating action among the central attractions (both public and private) that draw tourists to a region, the transportation network to connect visitors to a variety of attractions, the hospitality services to fill basic needs while away from home, and information to help tourists meet needs and find their way in a new environment (**Uysal et al. 2000:94**). Enhancing the appeal of a destination involves a programme of marketing efforts designed to influence the decision process of prospective visitors.

These efforts may focus on increasing awareness of the existence of the destination or improving the perceptions of the features of the destination to different demographic, psychographic and behavioural market segments. Relevant activities include: development of a strong destination image; creation of a high level of destination awareness and awareness of the destination's specific products and service offerings; identification of high yield customer bases; development of strong links with tourism wholesalers and retailers; development of attractive price competitive tour packages tailored to customer needs.

- ❖ **Destination planning and development** - Tourism planning takes place on many levels: site, destination, region, national, international. Planning is carried out by different agencies, organisations, and businesses for different purposes and at different scales, possibly with the aid of external consultants.

The destination 'vision' provides direction for development. According to **Newsome et al. (2002:147)** 'the basic task of planning is to visualise the area, that is the product, as visitors and managers wish it to be in the future'. Visioning is an important step in formulating a tourism plan.

- ❖ **Destination management organisation** - Various areas and levels of government are involved in the promotion, regulation, presentation, planning, monitoring, maintenance, coordination, enhancement and organisation of tourism resources. As **Buhalis (2000:108)** notes, destination management organisations (DMOs), which include convention and visitor bureaus, national and regional tourism organisations, 'have overall responsibility for the entire destination product and through incentives and policies facilitate the development of

products, and create local partnerships for the delivery of seamless experiences' (Buhalis, 2000:108). According to Mihalic (2000:66) 'a carefully selected and well-executed program of destination management can serve to improve the competitiveness of a tourism destination'. Three aspects of destination management organisation are especially important to competitiveness. These are: **coordination, the provision of information, and monitoring and evaluation.**

- **Coordination** - There is increasing recognition of the importance of broad community participation, of effective coordination and support between all involved parties as crucial to achievement of sustainable tourism and hence destination competitiveness. The primary function of the DMO is to serve as a coordinating body for the many public- and private-sector organisations involved in tourism (Kim *et al.* 2001:50). In some cases the DMO will also provide the leadership necessary to provide overall direction for tourism development within the destination.

In all cases the function is to enable the many parts of the tourism sector to work together, and thus compete more effectively, design and implement public consultation techniques and processes in order to involve all stakeholders in making tourism-related decisions. The DMO can improve the management and development of tourism by ensuring coordination and cooperation between the different agencies, authorities and organisations concerned at all levels, and that, where such institutions exist, jurisdictions and responsibilities are clearly defined and complement each other. It can also help to raise awareness of sustainable tourism and its implementation by promoting the exchange of information between governments and all stakeholders on best practice for sustainable tourism, and promote broad understanding and awareness to strengthen stakeholder attitudes, values and actions that are compatible with sustainable development.

- **Provision of information** - Destinations that gather and use information effectively can improve their competitive position. An effective use of information systems can provide managers with the information required for understanding customer needs, and for appropriate new product development and marketing by tourism organisations in both the private and public sectors. Two categories of information are important: first, information that is internal to the destination provides an ability to better manage the performance of the destination's product. The better the system of information management, the greater the ability of firms in a destination to manage different aspects of the destination product (Kim *et al.* 2001:51). Second, research results provide the information basis to enable a destination to adapt to changing market conditions through its marketing strategy, for example visitor statistics on patterns of tourist behaviour, performance measures which identify problems, tourist satisfaction studies which identify problems and opportunities,

economic, social and environmental impacts of tourism development, information which monitors and tracks the attitude of the local population towards tourism. Such information can enhance the ability of tourism stakeholders to forecast demand to aid long-term planning.

- **Monitoring and evaluation** - Strategic scanning and monitoring of the competitive environment is an integral part of policy and strategy formulation, including the need to systematically evaluate the effectiveness of major policies and strategies that have been previously implemented in efforts to enhance destination competitiveness. **Connelly (2007:85)** indicates that there is a need to demarcate policies orientated towards 'strong' (innovative) and/or 'weak' (reproduction) competition because these dimensions have major impacts on the success and failure of local tourism regimes.

- ❖ **Human resource development** - The human resource function is critical to the performance of any organisation as identified in studies by **David (2001)** and **Narasimha (2000)**.

These studies indicate that human resources management (HRM) should be an integral part of corporate strategy and not just remain a functional strategy. The perspective of organisations as knowledge stocks reinforces the importance of considering all employees as making up the 'organisational brain'. The resource-based perspective has begun to emphasise increasingly the role that organisational knowledge can play in sustaining a firm's competitive superiority.

In a tourism context, the work of **Bueno (1999)** argues that human resources are a central factor in achieving competitiveness because of the new opportunities brought about by new technologies and the importance of consumer loyalty in maintaining high demand and also due to the fact that competition between firms is determined by skills.

- ❖ **Environmental management** - As noted above, destination environment in terms of climate, scenery, ambience and friendliness has been found to be a key predictor of destination 'quality' (**Murphy, Pritchard & Smith, 2000:50**). As Hassan notes, 'sustainable development is critical to the conservation of nature and the preservation of indigenous culture' (**Hassan, 2000:239**). It is critical for future destination development plans to be compatible with environmental integrity for the tourism industry to maintain its economic viability. All tourism stakeholders have an important role to play here. As the WTTC notes, sustainable travel and tourism development relies upon policies which support harmonious relationships among travellers, local communities, the private sector and governments to balance natural, built and cultural environments with economic growth and stability (**WTTC, 2001:3**).

Mihalic claims that destination attractiveness (appeal) and its competitiveness can be increased by proper management of environmental quality of a destination (**Mihalic,**

2000:67). It is argued that destination competitiveness can be enhanced through such initiatives as codes of conduct, self-developed environmental practice, certified or award-based best practice and accreditation schemes. Mihalic argues that in many cases environmental objectives and practice must be incorporated into the current attitudes, management strategies and methods. In order for destinations to stay competitive maintaining a high level of overall environmental quality is important for the competitiveness of most types of tourism destinations and thus a primary concern for destination managers (Mihalic, 2000:67).

While a concern for the environment may require that the resources are redirected from other profitable opportunities which can lead to a rise in costs and prices and a loss of markets, there is an alternative view that an environmental policy improves competitiveness by pushing firms into developing more efficient ways to produce and therefore reduce costs.

Hassan has claimed that 'environmental commitment will be the forefront issue for the economic revitalisation of the tourism industry' (Hassan, 2000:244).

Table 4.3: Indicators of competitiveness: Destination management activities

DESTINATION MANAGEMENT	
Destination management organisation	
❖	National Tourism Organisation (NTO) acts as coordinating body for private and public sector tourism organisations
❖	NTO effectively represents views of all tourism stakeholders in tourism development
❖	NTO liaises effectively with private sector in tourism policy, planning and development
❖	NTO provides statistical information as input to tourism policy, planning and development
❖	NTO strategically monitors and evaluates the nature and type of tourism development
Destination marketing management	
❖	Reputation of NTO
❖	Effectiveness of destination positioning
❖	Strength/clarity of destination image
❖	Efficient monitoring of destination marketing activities
❖	Effective packaging of destination experiences
❖	Links between destination tourism organisations and travel trade
❖	NTO identification of target markets
❖	NTO strategic alliances with other NTO
❖	Destination marketing is based on knowledge of competitor products
❖	Present 'fit' between destination products and visitor preferences

Destination policy, planning, development

- ❖ Existence of formal long-term 'vision' for tourism industry development
- ❖ Destination 'vision' reflects resident values
- ❖ Destination 'vision' reflects tourism industry stakeholder values
- ❖ Tourism policy conforms to a formal destination 'vision'
- ❖ Tourism planning and development conform to a formal destination 'vision'
- ❖ Tourism development is integrated into overall industrial development
- ❖ Ongoing tourism development is responsive to visitor needs
- ❖ Extent to which research findings are integrated into tourism planning and development
- ❖ Inventory of most significant attractors, facilities, services and experiences offered in destination
- ❖ Identification of major competitors and their product offerings
- ❖ Community support for special events

Human resource development

- ❖ Public sector commitment to tourism/hospitality education and training
- ❖ Private sector commitment to tourism/hospitality education and training
- ❖ Training/education responsive to changing visitor needs
- ❖ Range/quality of tourism/hospitality training programmes

Environmental management

- ❖ Public-sector recognition of importance of 'sustainable' tourism development
- ❖ Private sector recognition of importance of 'sustainable' tourism development
- ❖ Existence of laws and regulations protecting the environment and heritage
- ❖ Research and monitoring of environmental impacts of tourism

Source: Dwyer and Kim (2003:402-403)

It is useful to classify situational conditions as falling within a destination's operating (industry) environment or remote environment.

4.3.4 Situational Conditions

The remote environment comprises those forces and events outside the destination that constrain the strategic options of organisation or destination managers, but over which they have no control (**Johnson & Scholes, 1997:89; Tribe, 1999:158**). These situational conditions as indicated in Table 4.4 consist of the following:

❖ **Competitive (micro) environment** - This includes the components that shape the immediate industrial environment within which products in the tourism industry must adapt in order to compete. A competitive destination depends in part on the local tourism industry consisting of numerous alternative suppliers that must survive on the basis of services that are either unique or superior in some way, or available at a lower cost. Competition among destinations creates an environment for excellence. For a destination to develop in a sustainable way, business operations must be sustainable. Sustainable development for business means 'adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be needed in the future' (**International Institute for Sustainable Development, 1994:4**).

Small products tend to display a lack of appreciation of the importance of staff training. Managers make bad investment decisions. Many have little understanding of how to finance their business decisions. Many fail to recognise their dependency on the competitiveness of the destination as a whole. It appears likely that future economies will consist of 'virtual corporations' involving a network of smaller enterprises. This will have enormous implications for destination competitiveness that will depend on the strategic alliances between individual firms. The competitive (micro) environment can be classified in several ways namely:

- **The capabilities of destination firms and organisations** - Pechlaner emphasises that core products and services based on core competencies are a good basis for destination competitiveness (**Pechlaner, 1999:335**). The core competencies of suppliers and decision-makers, their knowledge and their developed skills, are those that are difficult to imitate. The appropriate combination of these competencies and skills contribute to a destination's competitiveness (**Pechlaner, 1999:339**).
- **The strategies of destination firms and organisations** - The health, vitality and sense of enterprise, entrepreneurship, and new venture development in a destination contribute to its competitiveness in a variety of ways. **Gilbert (1990); Poon (1993) and Porter, Sachs, Cornelius, McArthur and Schwab (2001)**, all emphasise how an organisation can achieve 'value-competitive advantages'. A healthy system of enterprise ensures that market gaps and unmet needs remain unrecognised and unfilled for only a short period of time.
- **Specialisation** - There is a growing industry trend in many countries towards differentiated new product strategies by tourism organisations to capture different market segments. Ideally, each firm in the tourism industry will seek to develop new products while focusing on its core competencies and expertise. **Buhalis (2000:107)** argues that the utilisation of new technology provides the opportunity to customise products according

to customers' specific requirements. Concentrating on core functions and outsourcing all peripheral activities to networks of virtual cooperatives should enable destinations and enterprises to innovate and to adapt to the needs of consumers constantly.

- **Innovation** - Local businesses must continue to seek out and implement new technologies to improve their productivity (**Porter et al. 2001**). **Poon (1993) (as cited in Dwyer & Kim, 2003:393)** argues that 'flexible specialisation' or 'permanent innovative and ceaseless change' provides for the demands of the 'new tourism'. Developments in information and communication technology have greatly increased the potential for collaboration between businesses by making it much easier to integrate and coordinate network activities.
- **Investment** - A diversified portfolio of tourism products, services and experiences can enhance destination attractiveness and therefore competitiveness. Ideally, investors should have a strong commitment to environmental quality and sustainable development (**Hassan, 2000:243**).
- **Risk taking** - A destination's competitiveness is strengthened in the course of struggles by entrepreneurs to overcome high risks and maximise returns to achieve competitive advantages over rivals.
- **Productivity** - These include variables that are hypothesised to develop skills and/or conditions that are likely to increase the quantity and quality of output of tourism 'experiences' for a given level of resource input. These variables relate to improving the quality of the people providing the experience as well as the facilities and equipment that assists them in their efforts. Improved training and better relationships between management and labour form the basis for increased flexibility of labour that is a critical component in today's rapidly changing environment.
- **Ethical business behaviour** - Management theorists argue that a healthy corporate culture should cultivate a basic respect for all individuals, and emphasise honesty, fairness, open-mindedness, team spirit, loyalty, dedication, frank and full communication, life-long learning and constant improvement. Competition takes place in a society that business presumably both serves and depends on, and it is only within the bounds of mutually shared concerns that competition is possible. The purpose of business has been defined as the satisfaction of public demand; the introduction of innovative, more efficient, more cost-effective products to fill a need; and the optimal, on-going relation between producer and consumer. For business competition to make sense, the larger interests of the consumer and the society must be kept in mind.

- **Alliance formation** - Buhalis states that 'partnerships between public and private sector and close cooperation between all local suppliers is the key to the ability of destinations to offer quality products' (Buhalis, 2000:111).

Hassan recognises, 'in the tourism context, the multiplicity of industries involved in creating and sustaining destinations requires the development of a competitiveness model that examines the extent of cooperation needed for the future of competitiveness' (Hassan, 2000:239). He advocates a relationship approach to promoting destination competitiveness through building capacities for partnerships among three key constituencies: the private sector, the public sector and non-governmental organisations including citizen groups (Hassan, 2000:243).

Collaborative arrangements of various types have become an increasingly important strategic method of development, particularly in the travel sector of the industry (Evans, Campbell & Stonehouse, 2003:250). Alliances differ in their motives, their scope, their structures, their objectives and the ways in which they are managed (Evans *et al.* 2003:251). Research is needed on the information needs of small firms and the ways in which government and industry associations could assist. Unfortunately, very little is known about the effectiveness of industrial policy in stimulating the desired behaviour of entrepreneurs in tourism.

- **The competitive environment** - A competitive destination depends in part on a local tourism industry consisting of numerous alternative suppliers who must survive on the basis of services that are either unique or superior in some way, or available at a lower cost.
- **Destination location** - Destination location determines the physical distance from markets and must affect travel time from origin markets, even allowing for changes in transportation technology. A destination's location, particularly from major source markets, has much to do with its ability to attract visitors.

❖ **Global (macro) environment** - Tourism is influenced by a range of global forces including laws and regulations, growing concern for the environment, restructuring of economies, shifting demographics of the marketplace, the increasingly complex technology–human resource interface, including computerisation. Such forces represent both challenges and opportunities to the tourism industry.

Pechlaner argues that political regulations have an effect on destination competitiveness (Pechlaner, 1999:338). An important economic variable impacting on destination competitiveness includes the exchange rate, with a direct effect on destination price competitiveness. Other important economic variables include interest rates that affect the amount of investment undertaken to respond to changing patterns of tourism demand. The

government macro economic policy stance can affect the economic contribution of tourism demand.

Socio-cultural and demographic changes have a profound influence on the travel motivations of people. A necessary requirement for destination competitiveness is that there be a 'fit' between tourist preferences and the destination's product offerings.

Technological forces represent major opportunities and threats that must be considered in formulating strategies. Technological change can, *inter alia*, create new markets, change relative cost positions in an industry, reduce or eliminate cost barriers between businesses, create shortages in technical skills, result in changing values and expectations of employees, managers, customers, and create new competitive advantages. Taking advantage of new technologies and the Internet can also enable destinations to enhance their competitiveness (**Buhalis, 2000:113**). E-commerce capabilities can help boost a destination's competitiveness because of the efficiencies gained through Internet technologies. Technology can improve the efficiency of local suppliers and also provide tools for the development and delivery of differentiated tourism products. The macro competitive strategy of a country either reinforces or nullifies the competitive edge of the companies in that destination. Thus, there is a very close relationship between the micro and macro competitive strategies in a country.

- ❖ **Security and safety** - Safety and security within a destination can be a critical qualifying determinant of its competitiveness. Elements include: political instability/unrest, probability of terrorism, crime rates, record of transportation safety, corruption of police/administrative services, quality of sanitation, prevalence of outbreak of disease, quality/unreliability of medical services, and availability of medication (**Crotts, 1996 as cited in Dwyer & Kim, 2003:397**). The world downturn in tourism following the terrorist attacks of September 11 2001 is affecting both the volume and pattern of tourism flows. Particular destinations, including the USA and countries in the Middle East, are experiencing greater turndowns in visitors than others because of visitor safety and security considerations. Issues of security and safety are now firmly established as key elements of destination competitiveness.
- ❖ **Price competitiveness** - The financial cost of a tourism experience, in its broadest terms (i.e. including transportation costs to and from the destination as well as costs incurred at the destination), influence travel decisions. Visitors may be prepared to trade quality of experiences for lower prices (**Buhalis, 2000:106**). Providing value for money is one of the key challenges facing any tourism destination. A wide range of pricing techniques are available to tourism firms and organisations, but regardless of what actual prices may be, it is ultimately visitor perceptions of those prices and value that count.

Table 4.4: Indicators of competitiveness: Situational conditions

Situational Conditions	
Competitive (micro) environment	
❖	Domestic business environment in destination
❖	Management capabilities of tourism firms and organisations
❖	Extent of competitive rivalry between firms in domestic tourism industry
❖	Level of cooperation between firms in destination tourism industry
❖	Links between tourism/hospitality firms and firms in other industrial sectors
❖	Entrepreneurial qualities of local tourism stakeholders
❖	Access to venture capital
❖	Tourism/hospitality firms operate in an ethical manner
❖	Firms use computer technology/commerce to achieve competitive advantage
Destination location	
❖	Perceived 'exoticness' of location
❖	Proximity to other destinations
❖	Distance from major origin markets
❖	Travel time from major origin markets
Global (macro) environment	
❖	The global business context
❖	Political stability
❖	Legal/regulatory environment
❖	Government policies for tourism development
❖	Economic conditions in origin markets
❖	Socio-cultural environment
❖	Investment environment for tourism development
❖	Technology changes
Price competitiveness	
❖	Value for money in destination tourism
❖	Exchange rate
❖	Air ticket prices from major origin markets
❖	Accommodation prices
❖	Destination package tour prices
❖	Price of destination visit relative to competitor destinations

Safety/Security

- ❖ Level of visitor safety in destination
- ❖ Incidence of crimes against tourists in destination

Source: Dwyer and Kim (2003:403).

While the discussion of the competitiveness of destinations as appearing in the general literature focuses on supply-related items, demand factors assume special importance in determining destination competitiveness.

4.3.5 Demand Conditions

Demand factors play an important part due to the fact that a destination may be competitive for one group of visitors but not for another group, depending on their motivations for travel. 'Pull' factors can be regarded as destination attributes that fulfil visitors' travel motives. By contrast, 'push' factors are forces arising from within the individual and from the individual's social context. These are real motivational forces and determine a destination's 'competitiveness' from the tourist viewpoint.

In the wider research literature on competitiveness, the nature of demand for the industry's product is regarded as having an important influence on firm, and hence destination, competitiveness. Demand conditions, particularly domestic demand and its internationalisation to foreign markets, establish the 'proving grounds' for the industry. A high domestic demand confers static efficiencies and encourages improvement and innovation. Things seem to be no different in the tourism context. In many cases it is domestic tourism that drives the nature and structure of a nation's tourism industry. Foreign demand thrives more readily when domestic demand is well established.

With respect to destination price competitiveness, given the different purchasing patterns of tourists according to motivation for travel, destination price competitiveness varies for different groups of visitors. This again reveals the importance of considering the 'demand side' in discussion of the underlying factors of destination competitiveness.

For demand to be effective, tourists must be aware of a destination and its specific offerings, which can only be achieved through effective positioning as indicated in chapter 3 (cf. 3.3). There must also be a 'fit' between the types of experiences generated by these products and consumer expectations. Thus, the competitiveness framework comprises three main elements of tourism namely: demand-awareness, perception and preferences. Awareness can be generated by various means, including destination marketing activities. The image projected can influence perceptions and hence affect visitation. Actual visitation will depend on the match between tourist preferences and perceived destination product offerings.

Table 4.5: Indicators of competitiveness: Demand conditions

Demand Conditions
❖ Destination awareness
❖ Destination perception
❖ Destination preferences

Source: Dwyer and Kim (2003:404).

As noted, individuals may differ in perceptions of the same 'purpose'. The indicators of destination competitiveness, can be categorised according to whether they are 'objective' or 'subjective'.

Thus, these key indicators can also be classified according to whether they are 'hard' or soft' measures. These would include the economic or market performance indicators.

4.3.6 Market performance indicators

'Hard' measures are those that are 'objectively' or 'quantitatively' measurable. Examples of 'hard' measures of a destination's competitiveness, in respect of, for example natural resources, would be indicators such as the size of areas devoted to national parks and nature reserves, topography, average mean temperatures, sunshine levels, number of coral reefs and many others. These are mainly destination related and not necessarily product related. In contrast, 'soft' measures are those that relate to visitor perceptions and thus tend to be more 'subjective' or 'qualitative' in form. 'Soft' measures of a destination's competitiveness in natural resources would be those relating to 'aesthetics', 'grandeur' and 'beauty'. These also apply to smaller tourism products.

It must be emphasised that, any number of indicators may be employed as measures. The research of **Dwyer and Kim (2003)** only highlighted certain relevant indicators; relevant to determine destination competitiveness as presented in Table 4.6.

Table 4.6: Indicators of competitiveness: Market performance indicators

MARKET PERFORMANCE INDICATORS
Visitor statistics (numbers)
❖ Number of foreign visitors
❖ Growth rate of foreign visitors
❖ Market share of destination – world, regional
❖ Shifts in market share

- ❖ Average length of stay
- ❖ Rate of revisit

Visitor statistics (expenditure)

- ❖ Expenditure of foreign visitors (FX receipts)
- ❖ Growth rate of expenditure of foreign visitors
- ❖ Share of destination in total tourism expenditure – world, regional
- ❖ Shifts in expenditure share
- ❖ Foreign exchange earnings from tourism as percentage of total exports

Contribution of tourism to economy

- ❖ Contribution of tourism to value added (absolute values and percentages, and rate of growth)
- ❖ Domestic tourism
- ❖ International tourism
- ❖ Contribution of tourism to employment (absolute numbers; percentage of total employment and rate of growth)
- ❖ Domestic tourism
- ❖ International tourism
- ❖ Productivity of tourism industry sectors

Indicators of economic prosperity

- ❖ Aggregate levels of employment
- ❖ Rate of economic growth
- ❖ Per capita income

Tourism investment

- ❖ Investment in tourism industry from domestic sources
- ❖ Foreign direct investment in tourism industry
- ❖ Investment in tourism as percentage of total industry investment (and trend)

Price competitiveness indices

- ❖ Aggregate price competitiveness indices
- ❖ By journey purpose
- ❖ By tourism sector

Government support for tourism

- ❖ Budget for tourism ministry
- ❖ Budget for NTO
- ❖ NTO expenditure on destination marketing (comparison with competitors)

- ❖ Support for transport infrastructure
- ❖ Industry programmes accessed by tourism industry
- ❖ Tax concessions
- ❖ Subsidies to industry
- ❖ Export marketing assistance
- ❖ Vocational education skills/training for tourism industry

Source: Dwyer and Kim (2003:404-405).

The indicators discussed above need to be captured in a model in order to understand the importance of these as well as the relationships between the factors. The most detailed work undertaken by tourism researchers regarding competitiveness models is most certainly **Porter (1990) and Crouch and Ritchie (1994, 1999, 2000)**. Each of these researchers contributed to the development of various models to be discussed in the next section.

4.4 MODELS REGARDING DESTINATION COMPETITIVENESS

Figure 4.2 indicates the models of destination competitiveness to be discussed. These models will also be compared with one another in order to identify the development, similarities and differences between the various models.

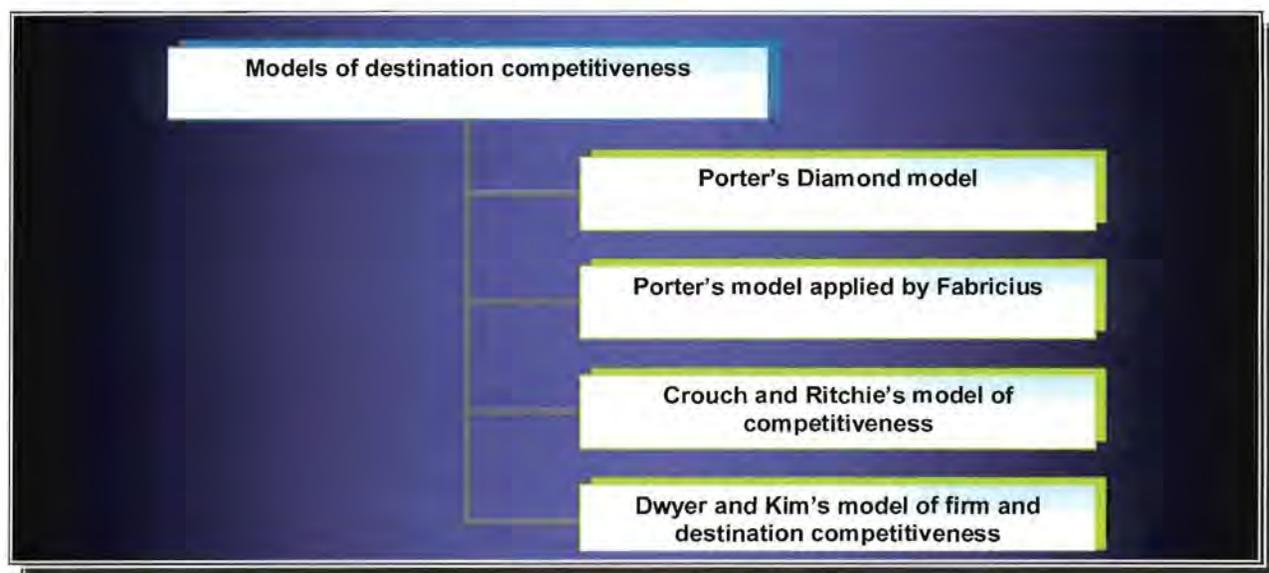


Figure 4.2: Models of destination competitiveness

Source: Author's own construction

4.4.1 Porter's diamond analysis

Various researcher's works on international strategy particularly those of **Hill (2000:83)** as well as **Hough and Neuland (2000:34)**, indicated that national resources and factors are important

in determining competitive advantage and identified Porter's diamond analysis as one of the best techniques to analyse these recourses and factors.

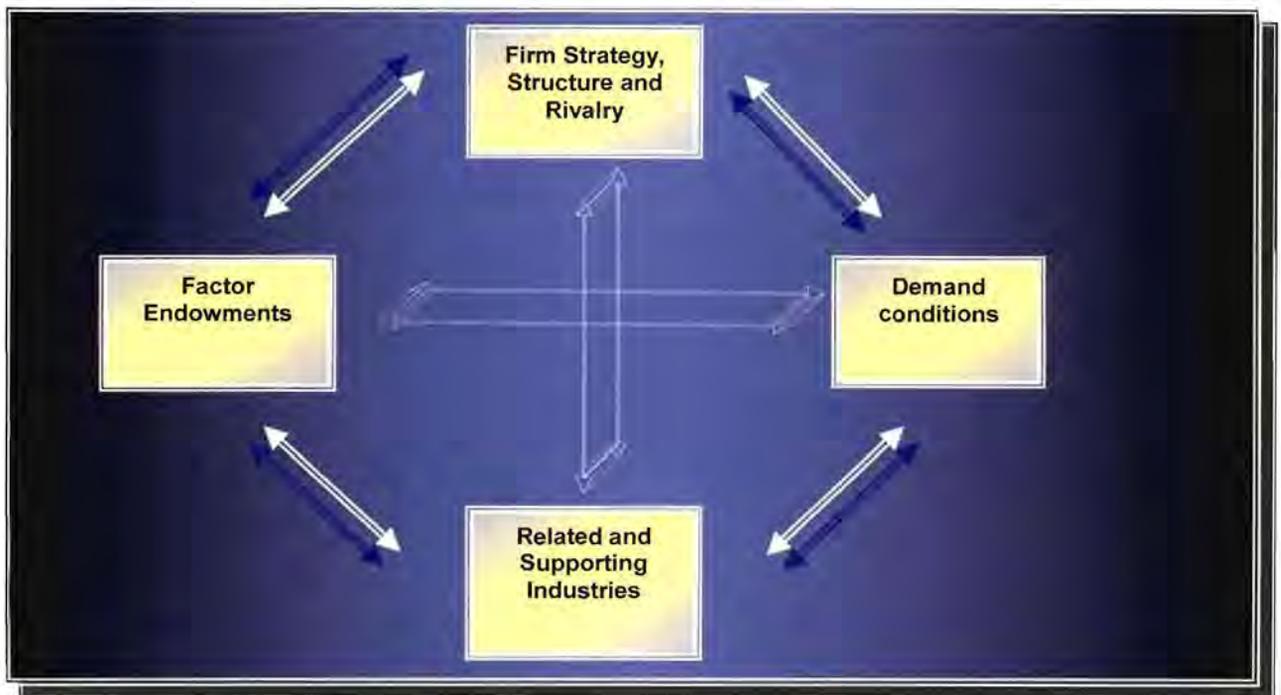


Figure 4.3: Porter's Diamond model

Source: Porter (1990:77).

Porter (1990:78) identified four attributes constituting the diamond. He argues that firms are most likely to succeed in industries or industry segments where the diamond is most favourable. He also argues that the diamond is a mutually reinforcing system and that the effect of one attribute is contingent on the state of others. These attributes consist of the following:

- ❖ **Factor endowments** – a nation's position in factors of production such as skilled labour or the infrastructure necessary to compete in a given industry.
- ❖ **Demand conditions** – the nature of home demand for the industry's product or service.
- ❖ **Related and supporting industries** – the presence or absence in a nation of supplier industries and related industries that are internationally competitive.
- ❖ **Firm strategy, structure and rivalry** – the conditions in the nation governing how companies are created, organised and managed and the nature of domestic rivalry.

Fabricius (2001:30) applied Porter's diamond to a tourism destination as indicated in Figure 4.4.

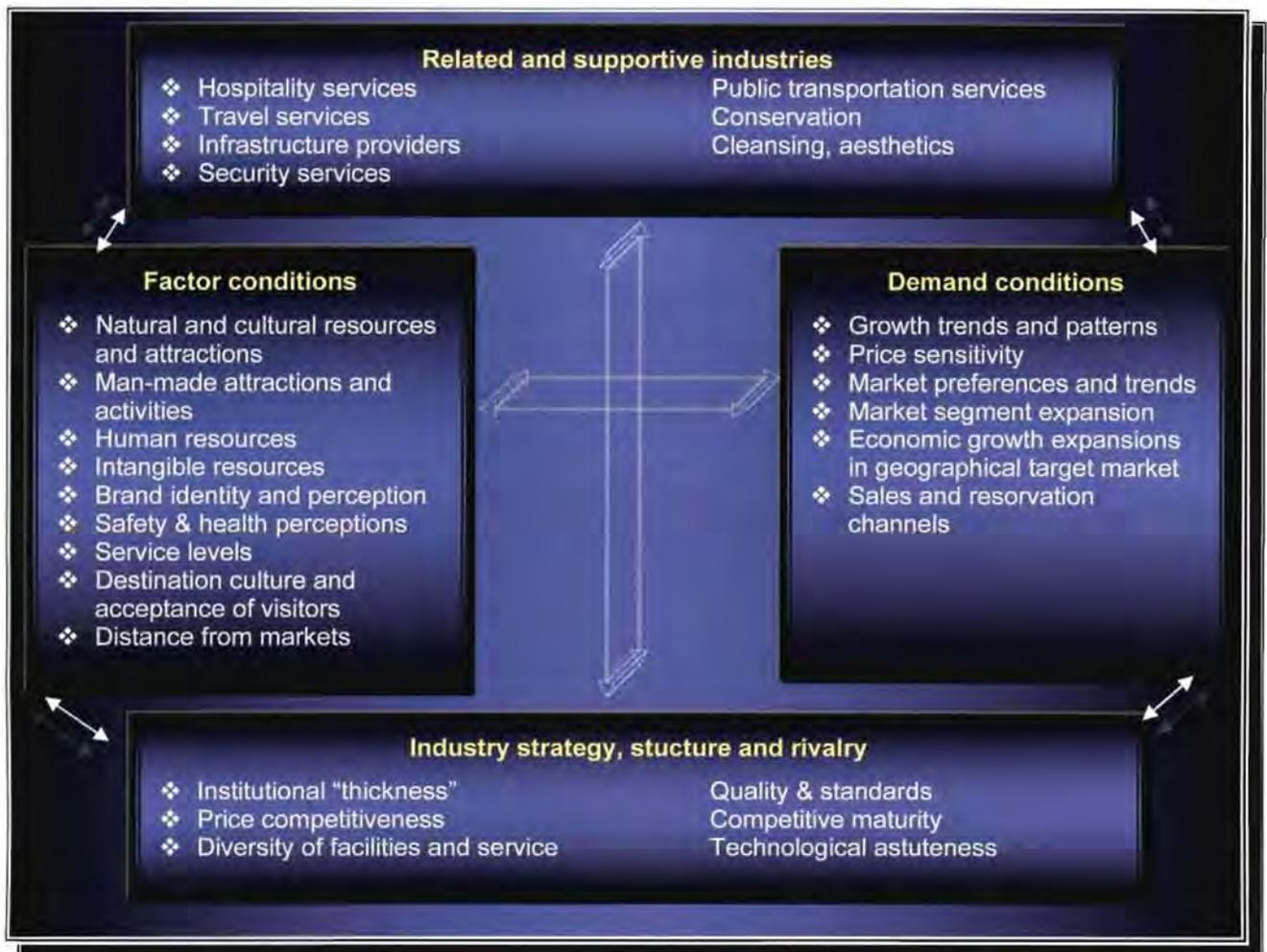


Figure 4.4: Porter's national diamond framework applied to a tourism destination

Source: Fabricius (2001:30).

Fabricius (2001:30-31) argues that there are important qualities in the tourism industry that must be taken into consideration when applying Porter's diamond model to a tourism destination namely:

- ❖ The primary tourism product which is not a tangible product or service, but rather an experience due to the fact that tourists travel to destinations based on tastes, attitudes as well as judgement of the consumer and to enjoy the experience.
- ❖ The product cannot be delivered to the market. The market is actually subject to pictures, perceptions as well as personal interactions through media exposure.
- ❖ The tourism experience is not delivered to the consumer as a finished product. Various components of the experience are purchased by the consumer, which are delivered at the destination as the experience unfolds. The comparative advantages are therefore mainly located in the factor conditions, that is i.e. the inherent attractiveness to specific market segments.

For international competitiveness the components of Porter's diamond framework are utilised as follows:

❖ **Factor conditions** – Porter distinguishes between basic factors (natural resources, climate, location and demographics) as well as advance factors (communication, infrastructure, skilled labour, research facilities as well as technological know-how). These advance factors are regarded by Porter as the most significant for competitive advantage and a product of investment by government as well as individuals. **Crouch and Ritchie (1999:140)** and **Fabricius (2001:29)** argue that both basic and advance factor conditions are an important source for competitiveness of a tourism destination.

❖ **Demand conditions** – Porter argues that a destination can gain competitive advantage when its domestic customers are sophisticated and demanding. It is the demand conditions that establish the "proving grounds" of the destination.

❖ **Related and supportive industries** – The third broad attribute of national advantage in an industry is the presence of internationally competitive suppliers or related industries that pose own advantages which can stimulate the industry. An example is the leisure and recreation as well as the retailing and entertainment industries which share activities that compliment the tourism industry.

❖ **Strategy, structure and rivalry** – Porter indicates two important points here, namely:

- Nation's are characterised by different "management ideologies" which either help or do not help to build national competitive advantage.

- Secondly, is the strong association between vigorous domestic rivalry and the creation and persistence of competitive advantage in an industry. Domestic rivalry creates pressure to innovate, improve quality, reduce costs, and to invest in upgrading advanced factors. Within South Africa's tourism industry, high levels of rivalry are, for example, accommodation, transportation and travel agency sectors. Low levels are, for example, among tour operators.

4.4.2 Crouch and Ritchie's model of destination competitiveness

Crouch and Ritchie (2000) also developed a competitiveness model. It is regarded by many as the most comprehensive model by far. Competitiveness is illusory without sustainability. To be competitive, a destination's development for tourism must be sustainable, not just economically and not just ecologically, but socially, culturally and politically as well.

It is also argued by studies such as **Crouch and Ritchie (2000)** that the true measure of destination competitiveness/ sustainability must be a blend of two dimensions: the actual success of the destination which tourism makes in enhancing the sustainable well-being of

destination residents and the extent to which the foregoing level of success has been achieved through an effective deployment of destination resources.

The Crouch and Ritchie model includes 7 groups of factors in the model and shows high resemblance with the indicators discussed in the previous section :

Core resources and attractors - represent factors that have core appeal and that act to attract tourists. Within this group Crouch and Ritchie highlight physiographic, culture, market ties, mix of activities, special events, entertainment and superstructure.

Supporting factors and resources - provide the necessary foundations for a strong tourism sector. They include infrastructure, accessibility, facilitating resources, hospitality and enterprise.

Destination management - includes those factors that shape and influence a destination's competitive strengths. They include resource stewardship, marketing, finance and venture capital, organisation, human resource development, information/research, quality of service and visitor management.

Destination policy, planning and development - seek to create an environment within which tourism can flourish in an adaptive manner. Specific factors include system definition, philosophy, audit, positioning, development, competitive/collaborative analysis, monitoring and evaluation.

Qualifying and amplifying determinants - are constraints or influences governing a destination's competitive potential. They include location, interdependencies, safety/security, awareness/image/brand, and cost/value.

Competitive (Micro) Environment - comprises the most salient elements that define the immediate arena of competition. This category includes tourism stakeholders such as members of the travel trade, residents, employees, citizen groups, media, financial institutions and government departments. In their role as components of the tourism system, they shape the immediate environment within which a destination must adapt in order to compete (**Crouch & Ritchie 1999:146**).

Competitive (Macro) Environment - tourism destinations are influenced by a range of global forces such as growing concern for the environment, economic restructuring, shifting demographics of the marketplace, the global spread of democracy, the technology-human resource interface and so on. These forces present a given destination with a number of special concerns, problems, issues that it must either adapt to or overcome if it is to remain competitive as indicated in the next figure (**as cited in Jonker, 2004:111**). (**See Figure 4.5**)

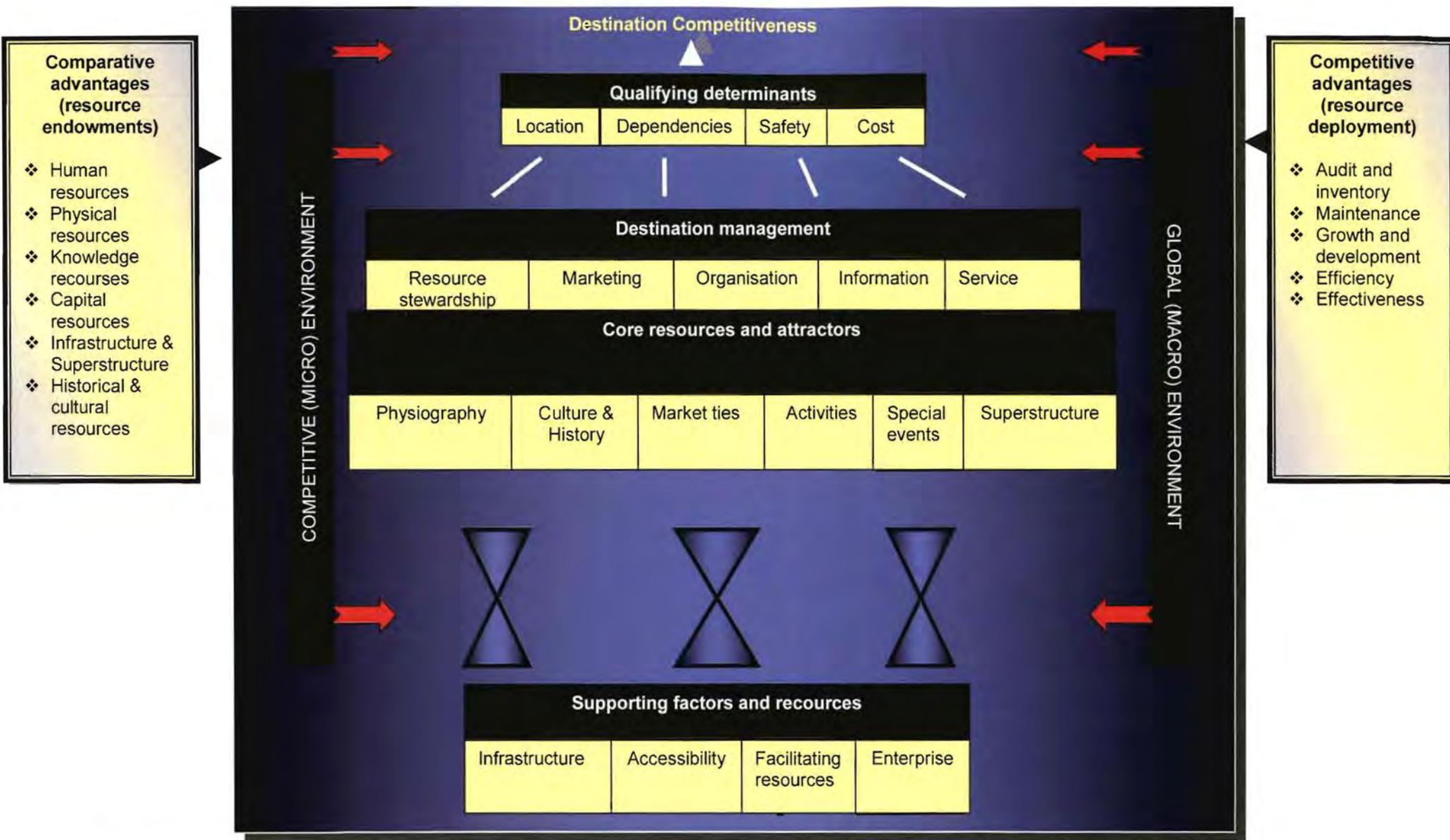


Figure 4.5: Destination Competitiveness

Source: Jonker (2004:111).

4.4.3 Dwyer and Kim's model of the main elements of destination competitiveness

Dwyer and Kim (2003:378) also developed a model which brings together the main elements of national and firm competitiveness as discussed in the wider literature and the main elements of destination competitiveness as proposed by various tourism researchers, especially Crouch and Ritchie in particular.

The model below explicitly recognises demand conditions as an important determinant of destination competitiveness as indicated in Tables 4.1 to 4.6. It also explicitly recognises that destination competitiveness is not an ultimate end of policy making, but is an intermediate goal towards the objective of regional or national economic prosperity.

In Dwyer and Kim's model created, endowed as well as supporting resources are allocated in separate boxes. These boxes are, in turn grouped within a larger box. Together, these provide various characteristics of a destination that make it attractive to visit and indicate the foundations upon which a successful tourism industry is established. Together it provide the basis for destination competitiveness. The destination management factors can enhance the appeal of core resources and attractors.

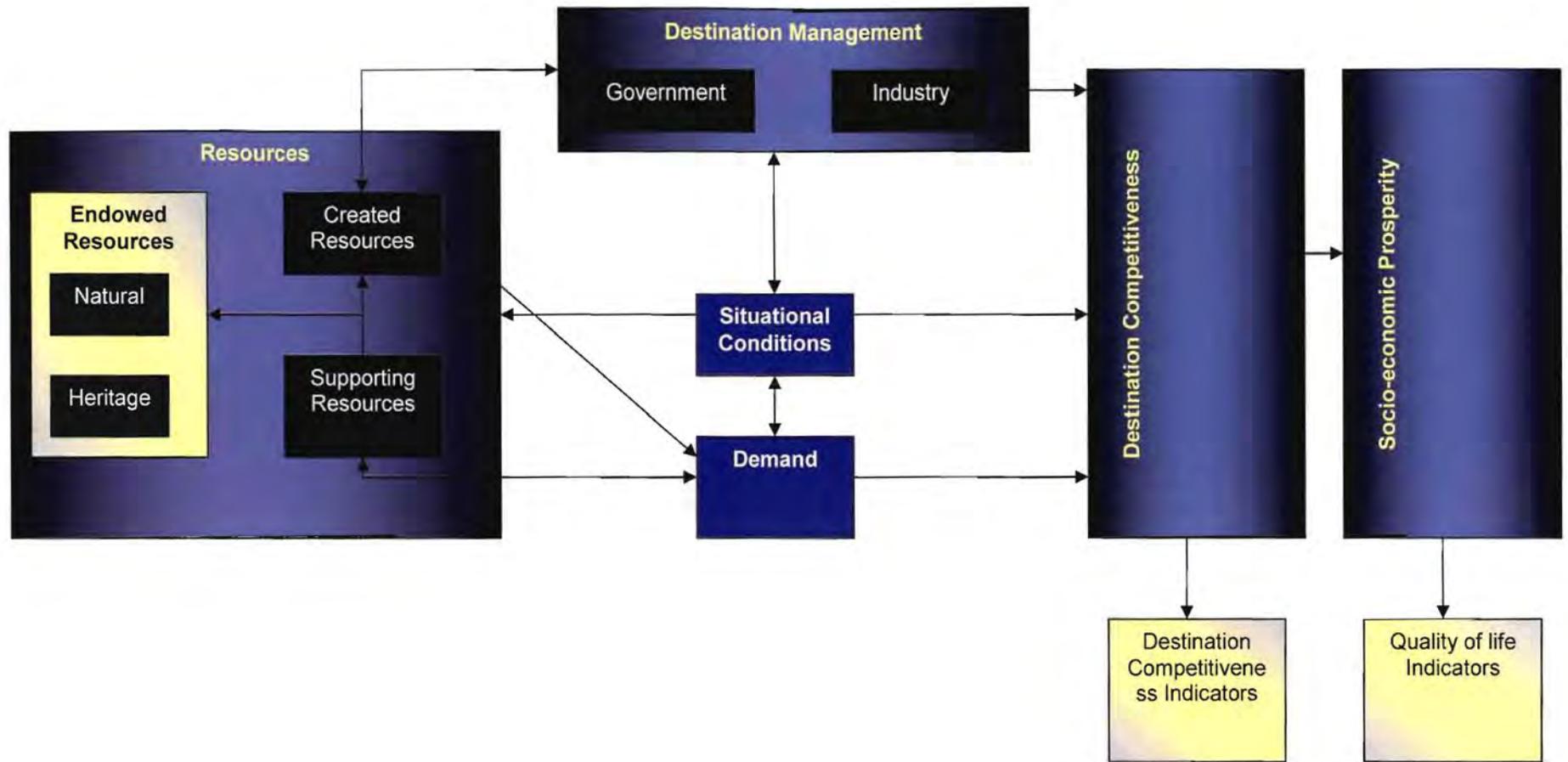


Figure 4.6: Integrated model: main elements of destination competitiveness
 Source: Dwyer and Kim (2003:378).

Many of the above models identified certain forces and indicators that contributed to destination competitiveness. Allowing identification of each tourism destination's or product's own uniqueness, it becomes important to study and compare to competitors. It is therefore important that the destination must know the consumers and the services that are provided to them. This can be tangible or intangible and can only be achieved through analysing competitors.

4.5 A COMPARISON OF MODELS

It is appropriate to compare the models in order to determine areas of similarity as well as differences. Many of the models that have been developed owe much to the work of Crouch and Ritchie. **Kim et al. (2001:62-64)** indicated that the Crouch-Ritchie model implies that there is a linear, chronological relationship between the main determinants of destination competitiveness and the outcome (prosperity of residents). The base of core resources and attractors as well as supporting factors and resources are influenced by the competitive (micro) environment and the global (macro) environment, but are unconnected with the other determinants. However, Crouch and Ritchie would not hold that there are no links between these determinants and the other elements of the model, but this implication follows from the way the model is drawn. In contrast the integrated model of Dwyer and Kim, makes explicit the links between the different types of determinants.

The integrated model of Dwyer and Kim includes some types of determinants missing from the Crouch-Ritchie model. These include:

- ❖ The distinction between inherited (endowed) and created resources, explicitly drawn in the integrated model, but not in the Crouch-Ritchie model, seems to be a useful one, which has policy significance. As Crouch and Ritchie recognise, destination competitiveness will depend importantly on both types of assets. In the integrated model market ties are included among the supporting factors and resources, rather than under core resources and attractors as in the Crouch-Ritchie model.
- ❖ The integrated model explicitly recognises demand conditions as an important determinant of destination competitiveness.

Tourist awareness of alternative destinations, tourists' perceptions of different destinations, and tourists' perception of the extent to which the destination's product offerings will meet their needs, are critical to tourist flows. A destination's product must develop in a way that matches the evolving consumer preferences, if the destination is to enhance or even maintain competitiveness. The Crouch-Ritchie model seems to excessively neglect the demand side of competitiveness determination. Focus on the supply side determinants gives an incomplete picture of destination competitiveness.

- ❖ The integrated model explicitly recognises that destination competitiveness is not an ultimate end of policy making but is an intermediate goal toward the objective of regional or national economic prosperity. It therefore explicitly allows for selected performance indicators to be highlighted.

The integrated model does not provide a separate box for destination, policy and development, but comprises this determinant type under destination management. Thus, in the integrated model destination management includes those factors that shape and influence a destination's competitive strength as well as those that create an environment within which tourism can flourish in an adaptive manner. The category destination management now comprises five major dimensions- destination management organisation, destination marketing management, destination policy, planning and development, human resource development and environmental management.

The category, qualifying and amplifying determinants in the Crouch-Ritchie model is now relabelled as situational conditions.

- ❖ In the integrated model, the competitive (micro) environment and the global (macro) environment are included among the situational conditions. This is consistent with strategic management theory where firms operate within two types of external environments: an industry (micro) environment as well as a more remote (macro) environment.
- ❖ In the Crouch-Ritchie model interdependencies between destinations are included as a separate heading under qualifying determinants whereas in the integrated model these are recognised to relate to the ease of combining travel to different destinations, that is, accessibility attributes, and so appear under that element of supporting resources.
- ❖ The Crouch-Ritchie model includes awareness/image/brand among the qualifying determinants. In the integrated model potential visitor awareness is included as a demand condition. The image and brand of a destination also have relevance for demand, but are acknowledged also to be fashioned by destination marketing management, a major sub category of destination management.

The integrated model groups some of the elementary determinants of destination competitiveness differently than the Crouch-Ritchie model.

- ❖ The Crouch-Ritchie model lumps all infrastructure together under the label superstructure and includes this among the core resources. In contrast, the integrated model distinguishes between *tourism* infrastructure and *general* infrastructure and allocates only the former to created resources. General infrastructure does not have tourist pulling power as such and is therefore included among the supporting resources.

- ❖ The Crouch-Ritchie model includes enterprise under supporting resources. The integrated model includes enterprise within elements of the competitive (micro) environment. This acknowledges the views of Porter and others who have argued that the strategies of firms and organisations in the home country, and its competitive environment generally, provide the context for productivity increases. In the integrated model, in admiration of Porter's five forces analysis of competition, the competitive (micro) environment is discussed under three headings: the capabilities of destination firms, their strategies, the extent of competitive rivalry and collaboration among firms, with the customer environment included under demand conditions.
- ❖ The Crouch-Ritchie model does not have a separate attribute for shopping. The shopping sector is subsumed under mix of activities in that model. In contrast, the integrated model recognises the importance of shopping as a major attraction in its own right and one which can impact substantially on visitor flows. Shopping is included in the integrated model with other created resources such as tourism infrastructure, special events, range of available activities and entertainment.
- ❖ Quality of Service, which is included under destination management in the Crouch-Ritchie model, appears under supporting factors and resources in the integrated model. This is to regard service quality, associated with hospitality, as one of the foundations upon which a successful tourism industry is established.
- ❖ Finance and venture capital, included under destination management in the Crouch-Ritchie model is regarded as an element of the competitive (micro) environment within situational conditions in the model presented here.

The integrated model attempts to provide a more realistic display of the linkages between the various elements of destination competitiveness than the Crouch-Ritchie model. Thus, certain of the boxes drawn have two-way arrows between them indicating interactive, rather than one way, effects (**Kim *et al.* 2001:62-64**).

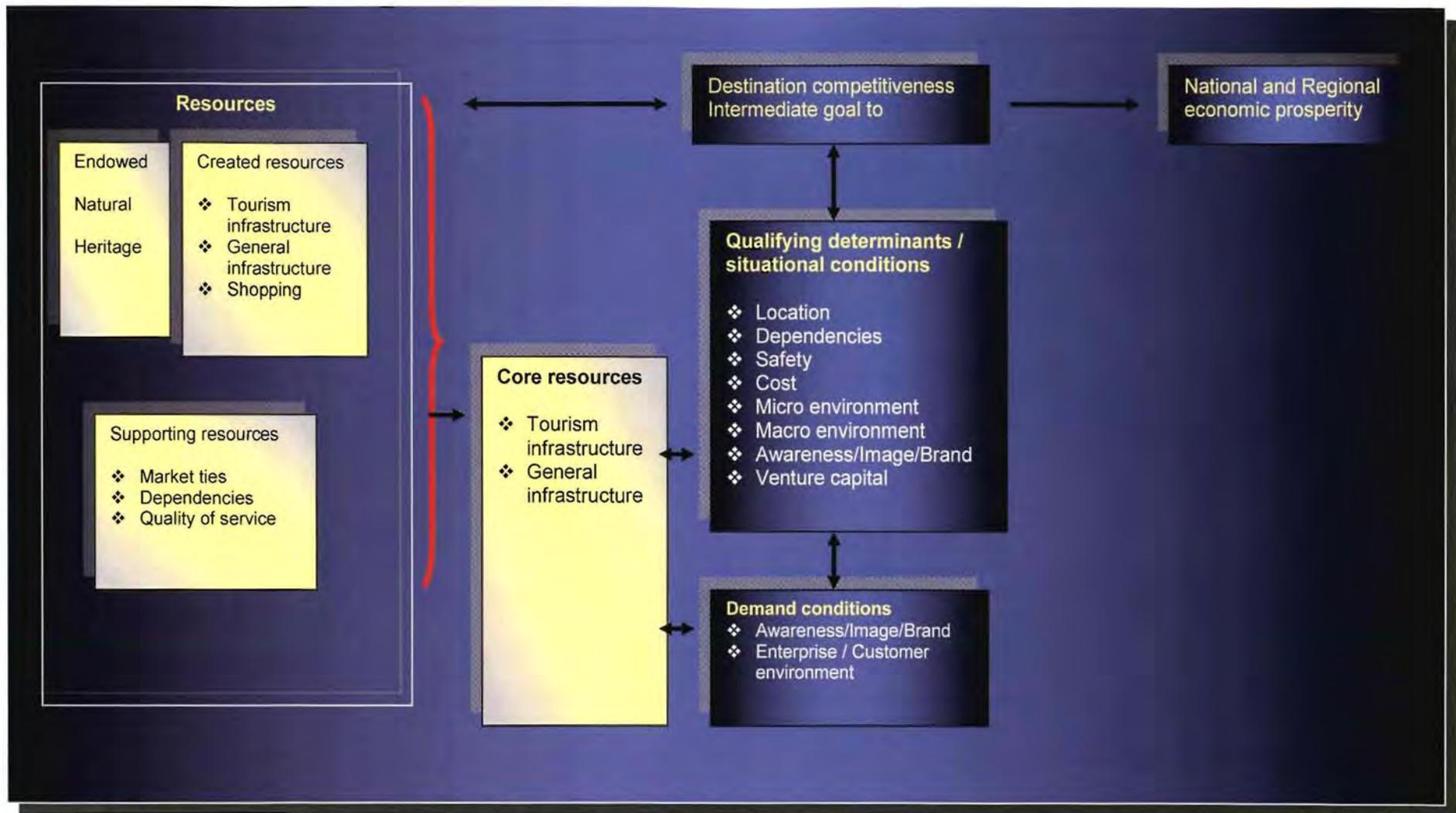


Figure 4.7: A comparison of the integrated model and Crouch and Ritchie model

Source: As cited in Dwyer and Kim (2003:378).

After the analyses of all models and literature, the following model (Figure 4.8) was constructed and will be used as a framework.

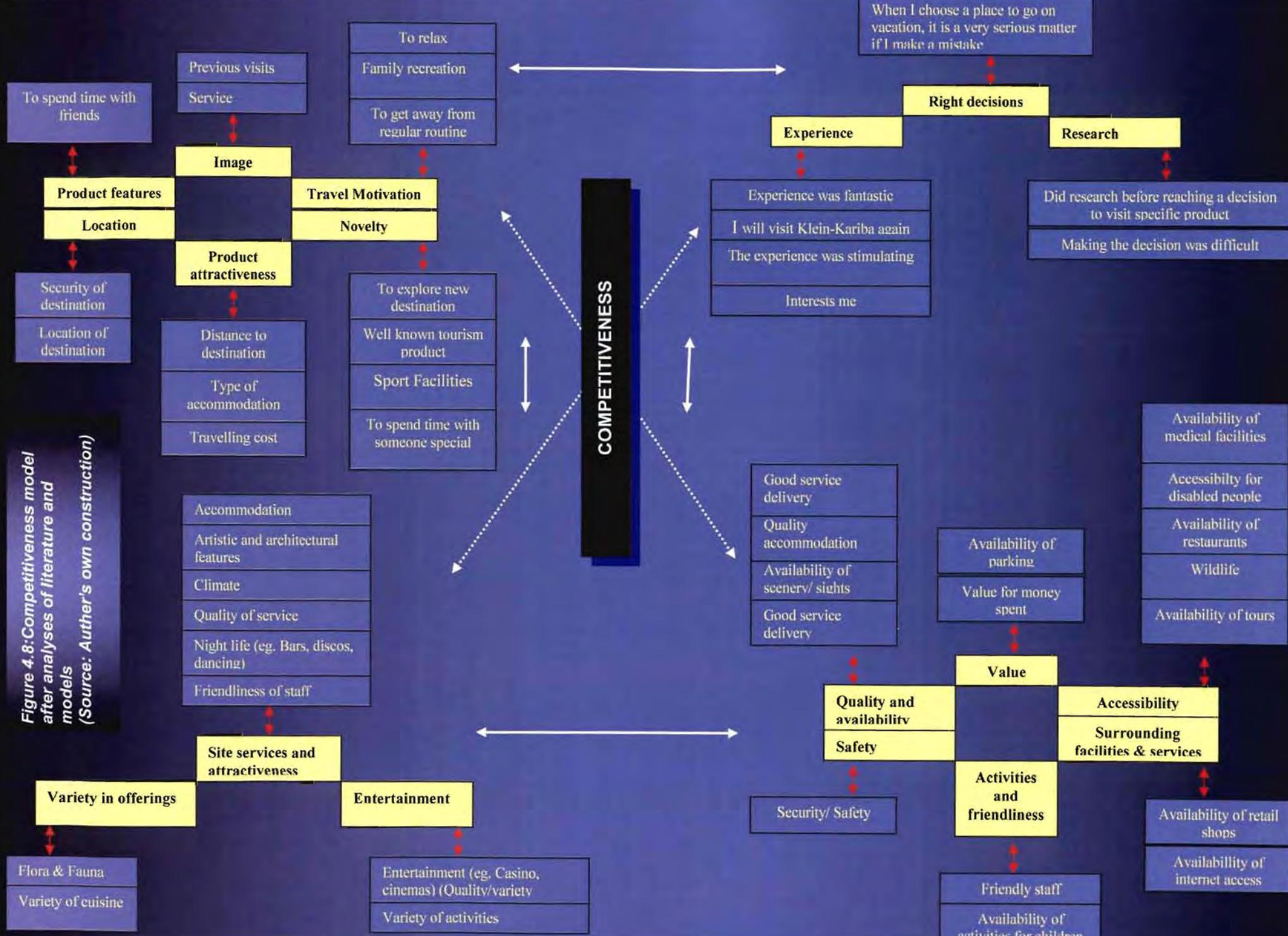


Figure 4.8: Competitiveness model after analyses of literature and models (Source: Author's own construction)

4.6 THE COMPETITOR ANALYSIS PROCESS / FRAMEWORK.

The competitor analysis does not occur in isolation. It usually refers to the research conducted for product positioning (Botha, 1998:20). There are many different steps and models involved in a competitor analysis as also indicated in work by Drohan & O'Connor (1998) and (Botha, 1998:20). The analysis consists of the following steps:

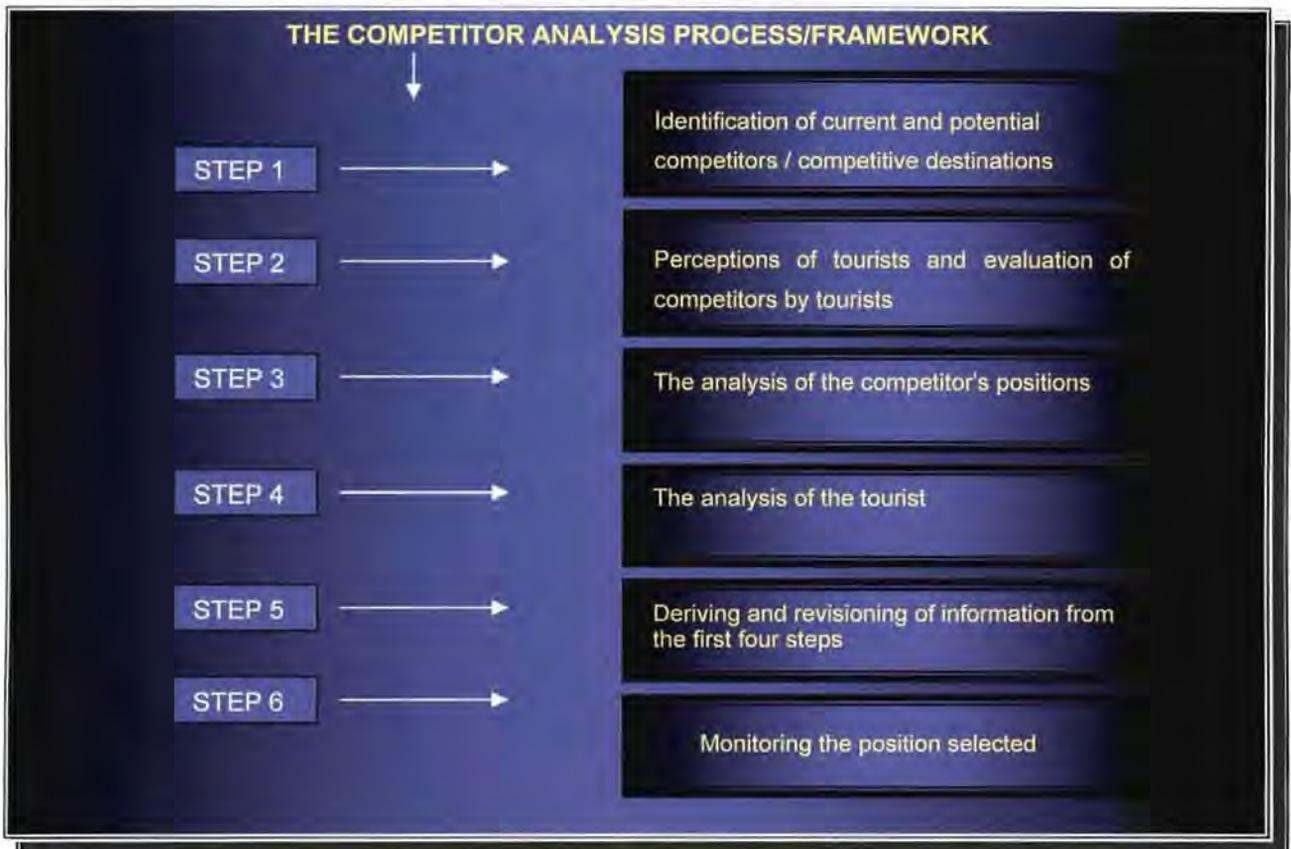


Figure 4.9: Competitor analysis process
Source: As adapted from Botha (1998:20).

4.6.1 Step 1 - Identification of current and potential competitors / competitive destinations

Step one focuses on the identification of primary and secondary competitors. As already stated competitors are any other destination or attraction that can serve the same market or tourists in any way. Knowledge in terms of competitors is thus important in order to increase competitiveness. Firstly, it is important to identify the possible categories of competitors and then refine the search by identifying four to five possible main competitors. Good sources for identifying possible competitors are through newspaper articles, magazines and trade publication articles.

If these competitors are interviewed, especially in the specialised field of the destination's similar area one can gain ideas and more information with regard to the competition. Most people enjoy sharing knowledge and do not realise the value of the information communicated to the media.

4.6.2 Step 2 - Perceptions of tourists and evaluation of competitors by tourists

During this step there are several questions that might be asked. These questions describe the way the destination is associated and compared to a competitive destination. Tourists can be interviewed, and some of the questions that could be asked to gather information entail the following:

- ❖ What other destinations solicit/ request the tourist's membership?
- ❖ Which other destinations were considered before joining yours?
- ❖ What other groups have already been joined by these customers?
- ❖ What other destinations or organisations have colleagues joined?

4.6.3 Step 3 - The analysis of the competitor's positions

It consists of gathering basic information. When four to five main competitors remain, a matrix can help to organise basic information about each of the competitors. List competitors down to the left-hand side of the grid, with the headings at the top across which denote gross revenue, number of members, location, services offered (conferences, meetings, publications and so forth. measuring each competitor's characteristics or analyzing the competitor's position). Another process to use is attribute-based multidimensional scaling where tourists are asked to scale various elements on the attribute dimension, or by a non-attribute-based multidimensional scaling which reflects the similarity of two objects in the tourists' eyes.

4.6.4 Step 4 - The analysis of the tourist

The tourist must identify destination attributes perceived being most important and then groups of tourists must be identified who value the same attributes. The best way of doing this is to talk to the tourists who are familiar with each competitor. This can include customers or tourists from the past, future or potential tourists. This step also involves in-depth-research of information gathered from the first four steps. This is necessary for the next step of selecting a position.

This in-depth-research entails the following:

Once all the competitors are listed and all information has been gathered about each other, the real competitor analysis process can begin. It is often difficult to obtain in-depth data of each

competitor. Even with incomplete data, the marketing strategist can develop a sense of what core values the competitor consists of, identify the competitor, determine the uniqueness of the competitor's product, determine the competitor's future planning and all the other important aspects (**Drohan & O'Connor, 1998:103**).

The following aspects should be determined for each competitor.

- ❖ Which specific segments does the competitor serve? This will help to delineate/ define the potential customers one has in common, to evaluate the extent of the competition the destination is facing, and designate/allocate areas of expansion.
- ❖ Which of the competitor's products and services are most important to customers/tourists? This will provide insight into services one may want to introduce or improve.
- ❖ What is most important to customers or tourists in choosing a destination? The primary "joining hierarchy" must be identified. In other words the primary reasons in priority order for decision to go to a specific destination. This will provide the ability to compare services and expectations, current and potential customers or tourists indicated as important as opposed to what is offered.
- ❖ The strengths and weaknesses of competitors need to be identified in terms of:
 - ❖ services and benefits offered;
 - ❖ marketing strategies pursued in "selling" the destination or attraction;
 - ❖ operations in terms of technological sophistication, consistency, efficiency and accuracy and other factors related;
 - ❖ financial strength exhibited;
 - ❖ unity of values as shown by clarity of purpose of management and of the board of directors;
 - ❖ general managerial ability demonstrated by leadership qualities of the executive director as well as board of directors by flexibility and adaptability, by results of volunteer training, recruitment and retention. This information might give guidance as to which areas the destination must focus on.
 - ❖ what is the competitor's thrust/drive? Is the strategy one of finding a niche or is it that the competitor is trying to be all things to all people or being a leader in the industry or trying something else that is different? It is important to understand the competitor's position in order to determine the appropriate position to compete.

- ❖ what are the competitor's goals and how are outcomes measured against these outcomes? Knowledge of a destination's goals will help determine what is important to each destination and how satisfied the destination is with its present financial and membership position and how it will react to competition and other outside forces.

Another way of pursuing it can be to query own members who may know of people in the destination one is researching. The more data the more consistent and stable the information will be. Another source of information is from the destination itself. This can be done by requesting information packages and other information material from the source through which the services are offered, the focus as well as level of sophistication can be identified. The latter can be portrayed by colour, glossy brochures in comparison to simple folded pamphlets.

The data collection can take time, and commitment is required from staff. It is important that staff members must also be able to share information as obtained, but it is nevertheless very important to make subtle judgements. When the same information is being heard from many different sources, the search is nearly completed. All that is left is a summary consisting of the strengths, weaknesses, market served, products and services most important to tourists, the mission or objective of the destination as well as any other relevant data.

Then a comparative analysis of competitors must be conducted. This is to compare the destination with the competitor. It involves questions which are open-ended. These questions are as follows:

- ❖ How do the strengths and weaknesses compare to those of the competitor?
- ❖ Are there services not offered by the destination important to tourists?
- ❖ Are potential tourists rather going to other destinations where more services are available?
- ❖ Are membership fees an issue?
- ❖ Which market segments is the competitor covering, which the destination is not and perhaps should be considered?
- ❖ Are there ways one can take advantage of competitors' weaknesses by offering different services or by serving a part of the market that is not covered yet?
- ❖ Is there growth potential in some niches in the industry that none of the competitors are not filling?
- ❖ In which areas is the competitor stronger?

4.6.5 Step 5 - Deriving and revisioning of information from the first four steps

A position can be selected by deriving and revisioning of information. There are five considerations regarding the final decision on a position including:

- ❖ Decision should be guided by an economic analysis based on potential market size and penetration probability;
- ❖ Segmentation commitment;
- ❖ Stick with successful advertising;
- ❖ Not trying to be something different;
- ❖ Consideration of symbols likely to be associated with a tourist's destination.

4.6.6 Step 6 - Monitoring the position selected

It remains important to monitor the position since it may change over time.

In order for a destination to gain a competitive advantage in a marketplace a few undemanding tools are considered necessary to assist destinations or companies to benchmark the destination against direct or indirect competitors.

4.7 EFFECTIVE COMPETITOR BENCHMARKING

Benchmarking is best used and described as a framework for strategic planning. Once elements of study are identified, metrics can be applied to the key or critical success factors (K/CSFs) of the industry or marketplace and these measures or "benchmarks" are then used to develop future quality and market initiatives for the destination to enhance its overall competitive position (**Johnson, 1999:1**). Since most of the measures in a benchmarking process fall into one of two categories, financial resources and product strategy, this understanding can often be used to simplify the framework of analysis.

Competitor benchmarking is done in seven steps, as explained below. However, this analysis of intra- and sometimes inter-industry competitors can also form the foundation for future competitor analysis.

The seven steps, are as follows: (**Johnson, 2000:1**):

- ❖ Determine which functional areas within the destination are to be benchmarked -- those that will benefit most from the benchmarking process, based upon the cost, importance and potential of changes following the study.
- ❖ Identify the key factors and variables with which to measure those functions -- usually in the general form of financial resources and product strategy.

- ❖ Select the best-in-class companies for each area to be benchmarked -- those companies that perform each function at the lowest cost, with the highest degree of customer satisfaction. Best-in-class companies can be direct competitors (foreign or domestic), or even companies from a different industry (parallel competitors with replacement or substitute products or services; latent competitors which might backwards- or forwards-integrate into the market; or, out-of-industry firms with whom one does not compete, but which have best-in-class areas to be studied.
- ❖ Measure the performance of the best-in-class companies for each benchmark being considered -- from sources such as, companies themselves, articles in the press or trade journals, analysts in the market, credit reports, clients and vendors, trade associations, the government or from interviews with other organisations willing to share prior research or exchange it.
- ❖ Measure own performance for each variable and begin comparing the results to determine the gap between the destination and the best-in-class examples. It is important to estimate results, as exact measures are usually disproportionately difficult to obtain and often do not significantly add value to the study.
- ❖ Programmes and actions have to be specified to meet and surpass the competition based on a plan developed to enhance those areas that show potential for compliment. The destination can choose from a few different approaches -- from simply trying harder, to emulating the best-in-class, changing the rules of the industry or leapfrogging the competition with innovation to technology from outside the industry.
- ❖ Implement these programmes by setting specific improvement targets and deadlines, and by developing a monitoring process to review and update the analysis over time. This will also form the basis for monitoring, revision and recalibration of measurements in future benchmarking studies.

The whole competitor analysis cannot be worthwhile unless it leads to action. Through these actions and analyses the most important benefits can definitely be obtained. These include:

- ❖ Identifying where the destination could gain differentiation, identifying market segments where a clear advantage can be gained.
- ❖ Possible competitors operating in the similar sector of the market can possibly be identified.

All this can contribute to developing a competitive advantage which will be discussed in the next section.

4.8 BUILDING COMPETITIVE ADVANTAGE

The concept of competitive advantage refers to the added value, the tourism sector-firm's ability and it must also indicate that competitive advantage grows from the way businesses organise and perform discrete activities (**Du Plessis, 2002:32**). **Porter (1989:11)** is of the opinion that within the tourism industry the addition of value is accelerated by the factors of primary tourism supply. There are two main sources of pure competitive advantage namely:

- ❖ Low cost;
- ❖ Differentiated products that are sold at premium prices.

In order to achieve this competitive advantage, **Porter (1989:11)** discusses three competitive generic strategies:

- ❖ First strategy – Low cost, leadership in achieving the lowest production cost among competitors. The quality of the tourism product, however, may be influenced by cost reduction, which can imply cheaper services, thus lower quality.
- ❖ Second strategy – Achieving superior performance in important customer benefit areas on mass market, differentiation.
- ❖ Third strategy – This strategy include the needs of smaller market segments, which is either cost focused or differentiation focused.

Competitive advantage can therefore be gained through lower cost and differentiation. Differentiation refers to the ability to provide a unique and superior value to customers in terms of product quality, special features, or after sales services. Competitive scope designates the extent of the organisation's target within its industry as well as the range of product variables that will be produced. It also consists of the way in which products are distributed. The last strategy, namely the cost leadership strategy involves keeping costs and process lower than competitors.

Another viewpoint of competitive advantage is described by **Lazonick (1993:172)** as producing goods and services which require knowledge. Knowledge can only be acquired through learning, and given a society's endowment of physical resources, the more learning, the greater its productive potential.

Another way to simplify the process and build competitive advantage is through implementing an innovative approach, namely to create an invented competitor and then consider what type of strategy the competitor might employ (**Fahey, 2002:5**). For many, the invented competitor strategy is a spur to bold and innovative thinking.

4.9 CONCLUSION

The aim of this chapter was to analyse key components of competitiveness. Firstly, competitiveness was analysed and it was found that it refers to those forces, indicators and success factors that contribute to each tourism product's own uniqueness, allowing the identification of the relative strengths and weaknesses. Literature also indicated that within tourism one can distinguish between competitiveness, destination competitiveness as well as tourism competitiveness.

Secondly, the indicators of destination competitiveness was analysed. **Dwyer and Kim (2003); Crouch and Ritchie (1995, 1999);** as well as **Ritchie and Crouch, (1993, 2000)** provided a broader view concerning these factors. These indicators were based to measure the competitiveness of any given destination. These indicators of destination competitiveness sort under the main elements of the destination competitiveness model as identified by **Crouch and Ritchie (1995, 1999) and Ritchie and Crouch (1993, 2000)**. These indicators and elements comprised the following resources; supporting factors; destination management; situational conditions; demand factors; and market performance indicators (cf. Figure 4.1):

Thirdly, different competitiveness models regarding destination competitiveness were analysed and these models contributed in identifying certain forces and indicators mentioned above.

The basic indicators were derived mostly from the models of **Porter (1990)** and **Ritchie & Crouch (1993)**. These basic indicators refer to the following: altering the basis of competition, competing for a good price, offering a superior or a unique product, cost-control, involvement of the government in the formulation of strategies; and innovation that leads to successful competition, upgrading the home environment.

Fourthly, it was necessary to compare the models in order to determine areas of similarity as well as differences. Many of the models that have been developed owe much to the work of Crouch and Ritchie. **Kim and Dwyer (2001:62-64)** indicated that the Crouch-Ritchie model implies that there is a linear, chronological relationship between the main determinants of destination competitiveness and the outcome (prosperity of residents). (cf. 4.5).

The competitor analysis process indicated that it consists of six steps namely:

Step 1: Identification of current and potential competitors / competitive destinations

Step 2: Perceptions of tourists and evaluation of competitors by tourists

Step 3: The analysis of the competitor's positions

Step 4: The analysis of the tourist

Step 5: Deriving and revisioning of information from the first four steps

Step 6: Monitoring the position selected

Effective competitor benchmarking indicated that in order for a destination to gain a competitive advantage in a marketplace a few undemanding tools are considered necessary to assist destinations or companies to benchmark the destination against direct or indirect competitors. This can be done in seven steps. This analysis of intra- and sometimes inter-industry competitors can also form the foundation for future competitor analysis. These seven steps consist of the following: determine which functional areas within the destination are to be benchmarked, identify the key factors and variables with which to measure those functions, select the best-in-class companies for each area to be benchmarked, measure the performance of the best-in-class companies for each benchmark being considered, measure own performance for each variable and begin comparing the results to determine the gap between the destination and the best-in-class examples, programmes and actions have to be specified to meet and surpass the competition based on a plan developed to enhance those areas that show potential for compliment, implement these programmes by setting specific improvement targets and deadlines, and by developing a monitoring process to review and update the analysis over time

Finally, literature indicated that building competitive advantage refers to the added value, the tourism sector-firm's ability and it must also indicate that competitive advantage grows from the way businesses organise and perform discrete activities. Two main sources of pure competitive advantage were indicated namely: low cost; and differentiated products that are sold at premium prices.

In order to achieve this competitive advantage, **Porter (1989:11)** discussed three competitive generic strategies:

- ❖ First strategy – Low cost, leadership in achieving the lowest production cost among competitors. The quality of the tourism product, however, may be influenced by cost reduction, which can imply cheaper services, thus lower quality.
- ❖ Second strategy – Achieving superior performance in important customer benefit areas on mass market, differentiation and
- ❖ Third strategy – This strategy includes the needs of smaller market segments, which is either cost focused or differentiation focused.

Other key components from a competitiveness point of view: value for money (cf. 3.3.2.2); quality accommodation (cf. 1.1; 1.2; 3.3.4); accessibility (cf. 1.2; 3.3.2.1); quality of service (cf. 1.2; 3.2; 3.3.1); unique offerings / resources (cf. 4.3.1); fauna & flora and climate (Appendix A

section B B a,c 1); wildlife (cf. Appendix A section C f 1) friendliness of staff (cf. Appendix A section B j 1) facilities such as medical and sport facilities (Appendix A section C i,j 1) costs / price (3.3.2). These factors will then be measured in the survey of this study.

CHAPTER 5

RESULTS OF EMPIRICAL RESEARCH

5

"It is not what we know but what we use"

Marchant

5.1 INTRODUCTION

The empirical results form part of the core of this thesis and will be discussed in this chapter. The focus of the survey was to determine the most important factors to be included in the competitiveness model for tourism products. Results were obtained by means of a questionnaire that was divided into two sections. The first section focussed on socio-demographic information (Section A), and the second section focussed on the competitor analysis (Section B). The latter focused on aspects such as positioning, travel decision-making, attractiveness of the tourism product (Klein-Kariba Holiday Resort) in comparison with other tourism products as well as facilities and services. With the application of this process 372 useable questionnaires were received.

The information is to be utilised in the development of the competitiveness model for tourism products. The aim of this chapter is therefore to reflect the results of the survey and identify the elements of the model as well as the correlations between the model elements.

5.2 INTERPRETATION OF THE RESPONSE: DESCRIPTIVE STATISTICS

This part is divided into two sections focusing on the descriptive results of the survey. The socio-demographic information is discussed in Section A. Please note that percentages in Tables 5.1 – 5.6 and Figures 5.1 – 5.6 are rounded off. Therefore the percentages may not add up to 100%.

5.2.1 SECTION A - SOCIO-DEMOGRAPHIC INFORMATION

This section aims to provide an overview of the profile of participating respondents as this can have an influence on the interpretation of further data analyses.

According to Figure 5.1 (below), 90% of the respondents were Afrikaans-speaking while 10% were English-speaking. The fact that Klein-Kariba Holiday Resort is a product of the ATKV (Afrikaans Language and Culture Society), which mainly focuses on the Afrikaans-speaking market, could have influenced the results above.

a. Home language



Figure 5.1: Home language

b. Age

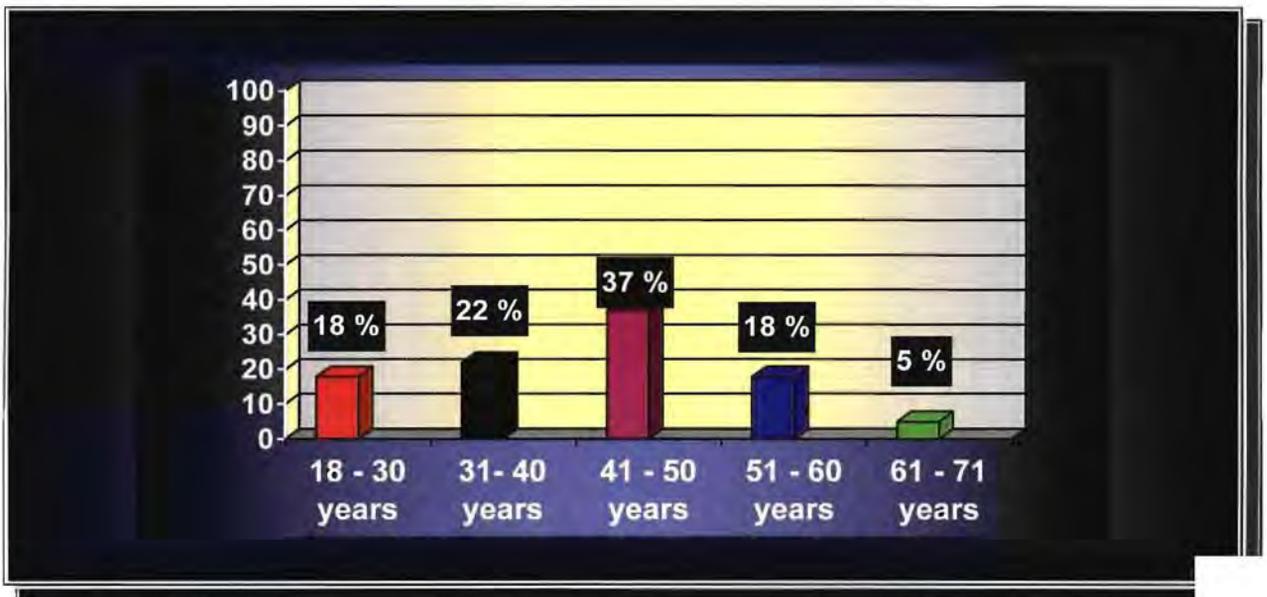


Figure 5.2: Age

Thirty-seven percent of the respondents were between 41 and 50 years of age and 22% between 31 and 40 years of age as indicated in Figure 5.2. The respondents between 18 and 30 years of age as well as 51 and 60 years of age were 18% respectively. Only 5% were between 61 and 71 years of age.

c. Marital status

Figure 5.3 (below), indicates that 71% of the respondents were married. Sixteen percent were not married and 8% divorced. Three percent represented widowers and 2% were living together.

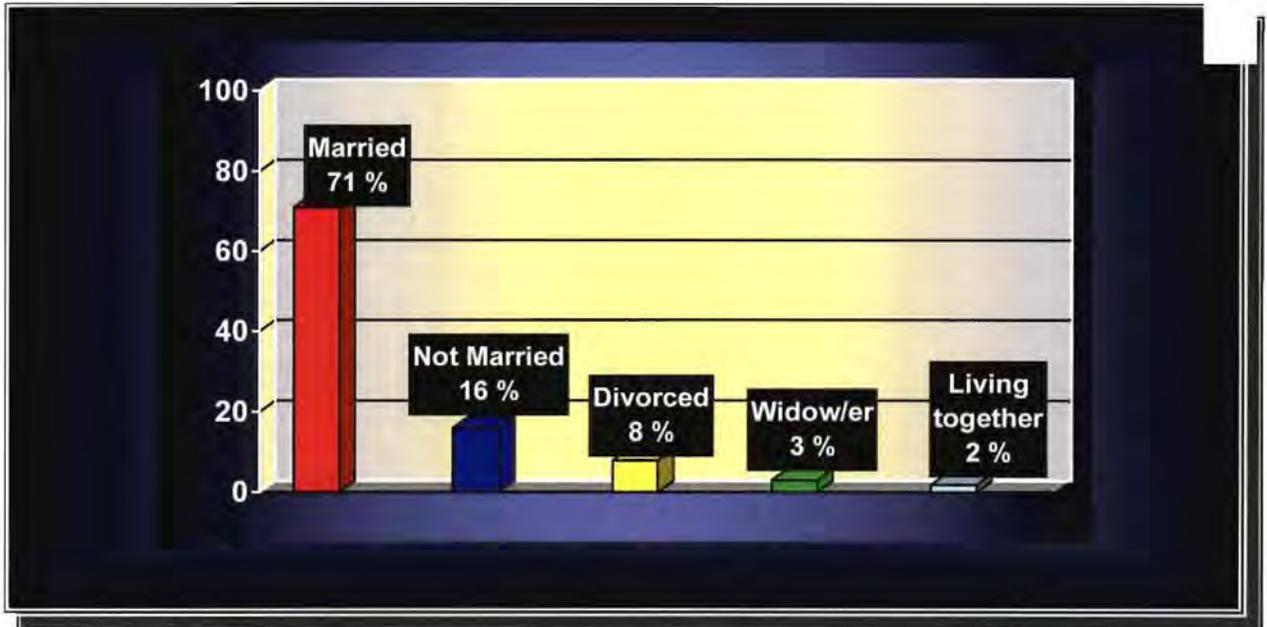


Figure 5.3: Marital status

d. Province of residence

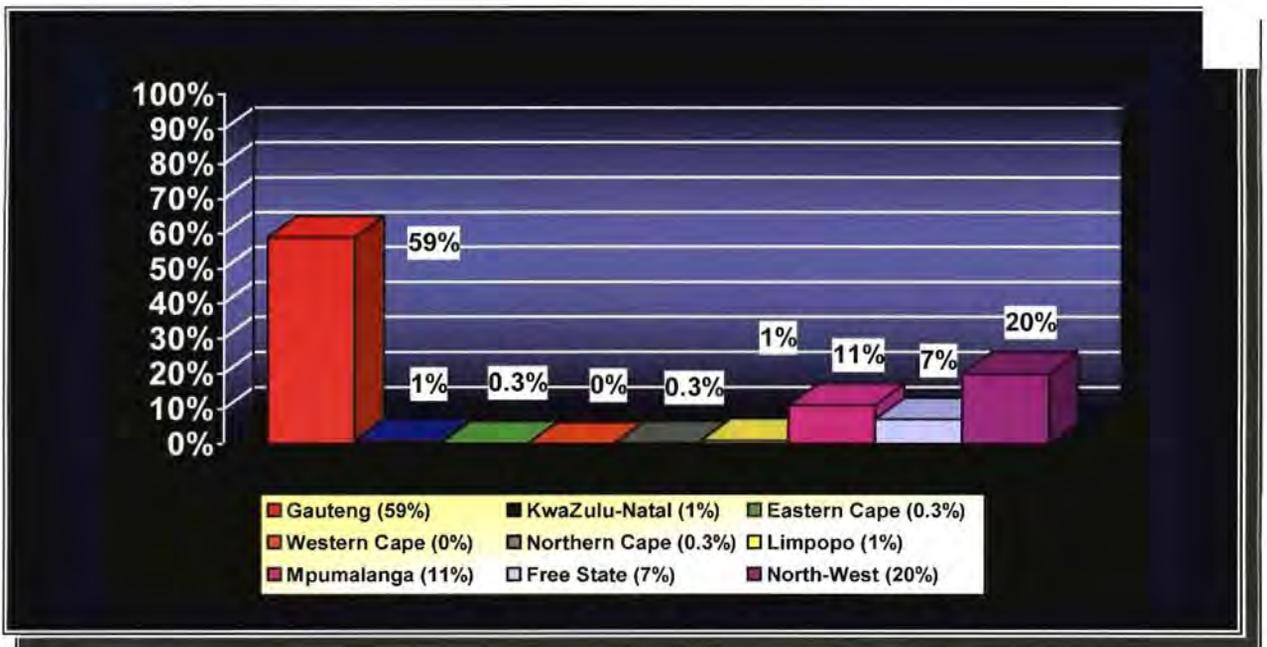


Figure 5.4: Province of residence

It is evident from Figure 5.4 that most of the respondents came from Gauteng (59%), followed by visitors from North-West (20%), Mpumalanga (11.3%), and Free State (6.5%). Only a small number of visitors came from KwaZulu-Natal (1.3%), Eastern Cape (0.3%), Northern Cape (0.3%) and Limpopo (1.3%). The latter is also the home province of Klein-Kariba Holiday Resort. There were no respondents from Western Cape.

e. Purpose of visit

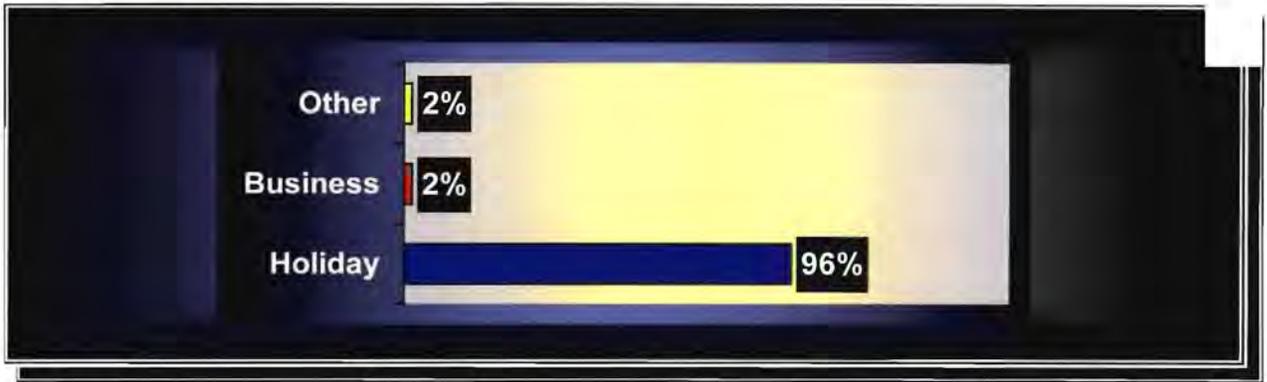


Figure 5.5: Purpose of visit

Most of the respondent's visited Klein-Kariba for holiday reasons (96%). Only 2% indicated business as a reason for visit and 2% indicated other reasons. These include functions, such as weddings, as well as strengthening of family ties.

f. Level of education

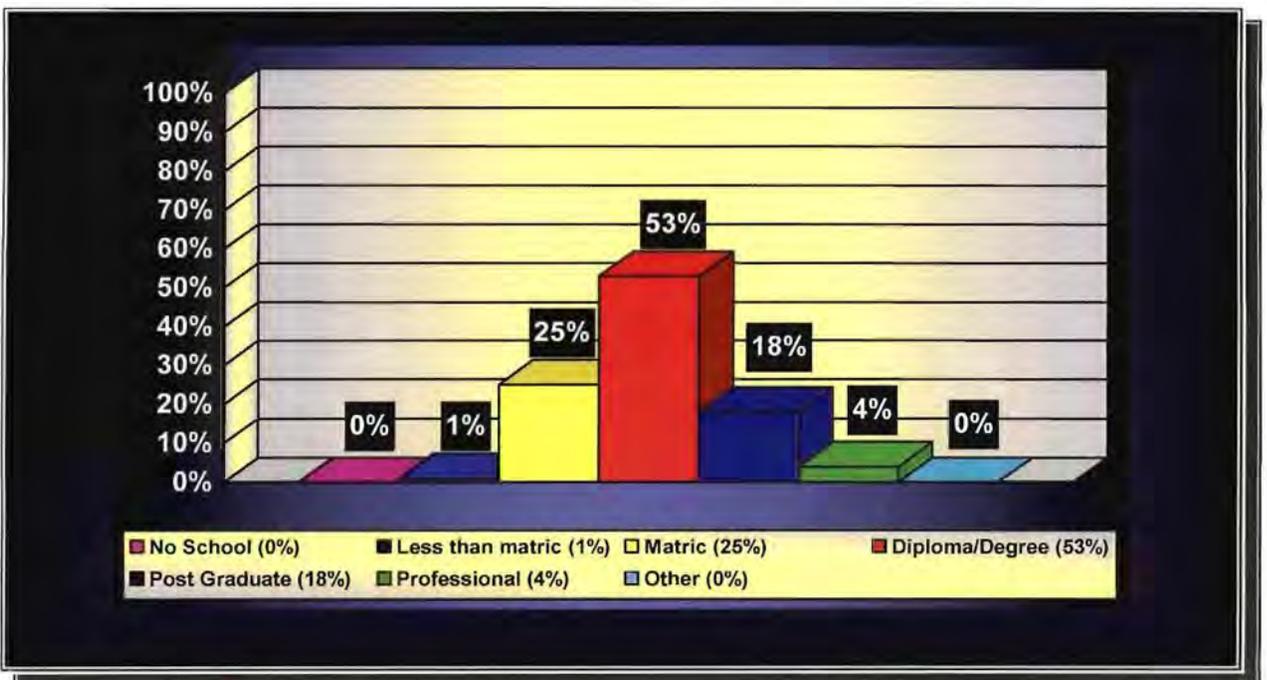


Figure 5.6: Level of education

Fifty-three percent (53%) of respondents indicated that they had either a diploma or degree. Twenty-five percent (25%) indicated that they obtained matric as highest level of education. One percent indicated less than matric with 18% of the respondents with a post graduate qualification. Only four percent of the respondents have a professional qualification. Therefore most respondents had a tertiary qualification.

In conclusion, respondents were mainly Afrikaans-speaking, between the ages of 41 and 50 years, well-educated, married, from Gauteng and visit the resort for holiday purposes. This profile fits the description of the main travelling market in South Africa as also found in studies done at the Klein Karoo National Arts Festival (**Slabbert, Viviers, Saayman, Saayman & Dreyer, 2008**).

5.2.2 SECTION B - COMPETITOR ANALYSIS

This section is divided into three parts, namely positioning and travel decision-making, attractiveness of the resort compared to the competition and facilities and services.

POSITIONING AND TRAVEL DECISION-MAKING

a. Positioning and travel decision-making

The following (Table 5.1) indicates the extent to which certain aspects influenced the respondents' decision to visit Klein-Kariba as holiday resort.

Table 5.1: Aspects influencing the decision to visit Klein-Kariba

	1	2	3	4	5
5 - Extremely important					
4 - Very important					
3 - Important					
2 - Less important					
1 - Not at all important					
To get away from my regular routine	1%	3%	15%	27%	54%
To relax	1%	2%	11%	38%	48%
To explore a new destination	4%	18%	32%	22%	24%
To spend time with my friends	5%	6%	26%	32%	31%
Affordable tariffs	4%	6%	20%	35%	36%
For family recreation	0.8%	8%	21%	29%	42%
To spend time with someone special	4%	2%	8%	30%	56%
It's a well-known tourism product	3%	5%	24%	37%	31%
Previous visits	8%	7%	26%	32%	27%
Service	1%	8%	17%	37%	37%

	1	2	3	4	5
Unique experience	3%	13%	27%	36%	22%
Entertainment	1%	11%	21%	37%	30%
Travelling cost	2%	18%	23%	25%	32%
Type of accommodation	2%	4%	17%	39%	38%
The distance to the destination	3%	11%	16%	35%	35%
Sport facilities	16%	25%	15%	21%	24%
Security of the destination	2%	9%	10%	22%	57%
Location of the destination	2%	11%	16%	31%	40%

The following factors played an *extremely important* role in the decision to visit Klein-Kariba Holiday Resort (Table 5.1):

- ❖ security of the destination (57%);
- ❖ to spend time with someone special (56%);
- ❖ to get away from regular routine (54%);
- ❖ to relax (48%);
- ❖ for family recreation (42%);
- ❖ location of product (40%);
- ❖ type of accommodation (38%);
- ❖ service (37%);
- ❖ affordable tariffs (36%);
- ❖ distance to destination (35%);
- ❖ travelling cost (32%);
- ❖ to spend time with my friends (31%);
- ❖ as well as sport facilities (24%).

The following factors played a *very important* role in the decision to visit Klein-Kariba Holiday Resort:

- ❖ type of accommodation (39%);
- ❖ it's a well-known tourism product (37%);
- ❖ service (37%);
- ❖ entertainment (37%);
- ❖ unique experience (36%);
- ❖ affordable tariffs (35%);
- ❖ distance to the destination (35%);
- ❖ previous visits (32%) and
- ❖ to spend time with friends (32%).

The following factor played an *important* role in the decision to visit Klein-Kariba Holiday Resort:

- ❖ to explore a new destination (32%).

The following factor played a *less important* role in the decision to visit Klein-Kariba Holiday Resort:

- ❖ sport facilities (25%).

These results have a direct impact on the competitiveness of the product and will be analysed for inclusion in the model. It is, however, evident that respondents were strongly influenced by two motivational factors (cf. 3.3 and 3.3.1) namely, to get away from regular routine, to spend time with someone special as well as a product attribute namely the security of the destination (cf. 3.3.2.3).

b. Heard about Klein-Kariba Holiday Resort

Most of the respondents heard about the resort from family (32%) and friends (28%). Sixteen percent heard through word-of-mouth and other sources respectively (Figure 5.7). Only eight percent gained information through brochures and one percent from tour operators. Therefore word-of-mouth is an important means of delivering a message to tourists. Literature agrees with the importance of word-of-mouth as marketing medium (cf. 3.3.2). The positioning and competitiveness of the product are thus influenced by messages spread based on previous visits.

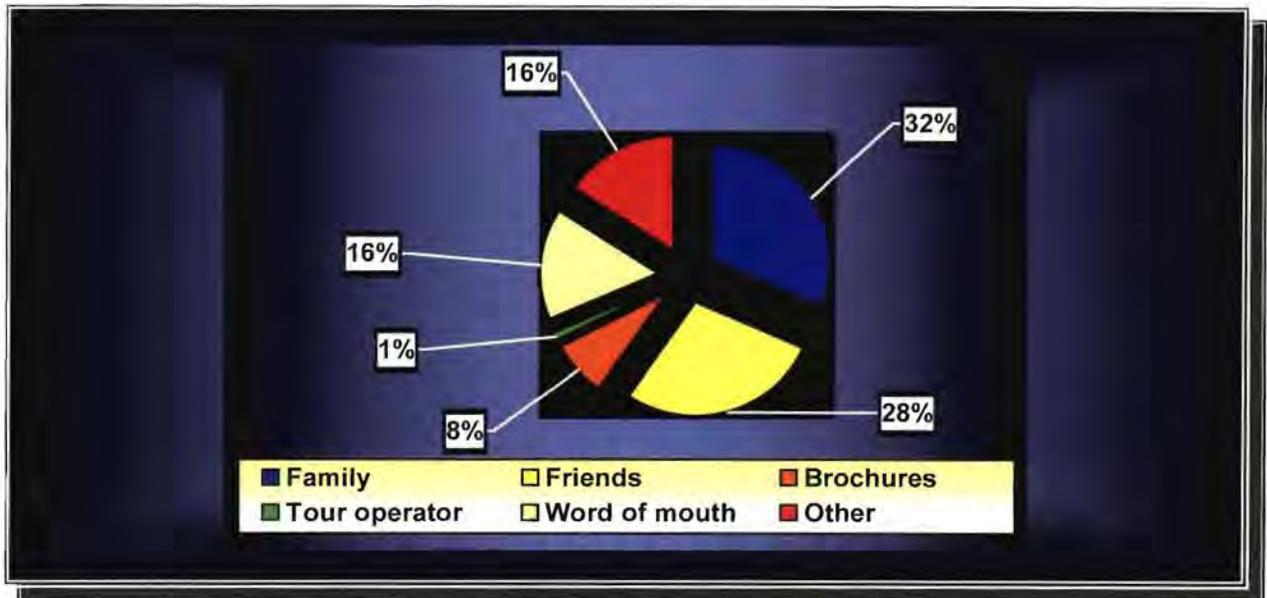


Figure 5.7: Heard about Klein-Kariba Holiday Resort

c. Consideration of holiday products

Respondents were asked to indicate the other products considered before deciding to visit Klein-Kariba Holiday Resort. This provides insight into the competition of the resort.

Table 5.2: Main holiday products considered

TOURISM PRODUCTS	PERCENTAGE	MAIN REASONS
Aldam	48%	Excellent accommodation
Buffelspoort	25%	Price is better
Weesgerus	8%	Better accommodation
Other	40%	Better facilities and prices

Please note: This was an open question and therefore the percentages do not calculate to 100%.

Aldam (48%), Buffelspoort (25%) and Weesgerus (8%) were considered as the competition of Klein-Kariba Holiday Resort. These are all family resorts, some are also part of the ATKV holiday resorts like Buffelspoort and some of them just offer similar products. Forty percent of the respondents considered other possible holiday products such as Bela-Bela, Uvongo, Wawielpark, Mbizi, Badplaas, Goudini Spa to name a few. These resorts were considered due to the following reasons: sea as attraction, affordability of these products, previous visits as well as location.

d. Travel decision-making

The factors identified in Table 5.3 played an important role during the travel decision-making process (cf. 3.3). Respondents were requested to indicate their agreement with these factors on a 5-point Likert-scale as indicated below:

Table 5.3: Travel decision-making

	1	2	3	4	5
5 – Definitely agree					
4 – Agree					
3 – Neither agree nor disagree					
2 – Disagree					
1 – Strongly disagree					
During the travel decision-making process I compared Klein-Kariba with nearby products	8%	13%	25%	28%	27%
I will visit Klein-Kariba again	9%	2%	4%	22%	64%
The experience was stimulating	0.8%	7%	11%	52%	29%
The experience was fantastic	3%	7%	11%	38%	43%
Making the decision to visit Klein-Kariba was difficult	32%	24%	19%	21%	4%
Klein-Kariba interests me	1%	3%	25%	38%	33%
When I choose a place to go on vacation, it is a very serious matter if I make a mistake	16%	9%	16%	29%	30%
I did research before reaching my decision to visit Klein-Kariba	17%	12%	29%	29%	14%

Respondents *definitely agree* with the following influencing factors in travel decision-making (Table 5.3):

- ❖ respondents will visit Klein-Kariba Holiday Resort again (64%);
- ❖ the experience was fantastic (43%);
- ❖ holiday decisions are a serious matter especially if a mistake is made (30%);
- ❖ the nearby products were compared with Klein-Kariba Holiday Resort (27%).

Respondents *agreed* with the following influencing factors in travel decision-making (Table 5.3):

- ❖ the experience was stimulating (52%);
- ❖ Klein-Kariba Holiday Resort interests respondents (38%);

- ❖ research was done before deciding to visit Klein-Kariba Holiday Resort (29%);
- ❖ holiday decisions are a serious matter especially if a mistake is made (29%);
- ❖ the nearby products were compared with Klein-Kariba Holiday Resort (28%).

It is interesting to note that 29% also neither agreed nor disagreed with the assumption that research was done before making the decision to visit Klein-Kariba Holiday Resort. Thirty-two percent of the respondents strongly disagreed that making the decision to visit Klein-Kariba Holiday Resort was difficult.

ATTRACTIVENESS OF KLEIN-KARIBA HOLIDAY RESORT COMPARED TO OTHER TOURISM PRODUCTS

a. Klein-Kariba Holiday Resort in comparison with other tourism products

The factors identified in Table 5.6 indicate the comparison of Klein-Kariba Holiday Resort with other tourism products, based on factors of attractiveness. Each respondent was requested to indicate their agreement with these factors on the scale as indicated in Table 5.4:

Table 5.4: Comparison of Klein-Kariba Holiday Resort with other tourism products in South Africa

	1	2	3	4	5
5 – Excellent					
4 – Good					
3 – Fair					
2 – Poor					
1 – Very poor					
Climate	2%	1%	22%	38%	37%
Quality of service	0%	3%	19%	47%	31%
Flora and fauna (eg. animals, birds, forests)	1%	1%	18%	36%	44%
Artistic and architectural features	2%	4%	37%	39%	18%
Variety of cuisine	1%	9%	46%	29%	15%
Variety of activities	4%	3%	29%	34%	31%
Entertainment (eg. casino, cinemas) (quality/variety)	8%	7%	26%	28%	31%
Night life (eg. bars, discos, dancing)	11%	17%	29%	24%	19%
Accommodation	2%	2%	23%	38%	36%
Friendliness of staff	5%	1%	9%	39%	45%

The respondents indicated the following factors as *excellent* in comparison with other tourism products in South Africa (Table 5.4):

- ❖ friendliness of staff (45%);
- ❖ flora and fauna (44%);
- ❖ climate (37%);
- ❖ accommodation (36%) and
- ❖ entertainment (31%).

The respondents agreed that with regard to the following factors Klein-Kariba Holiday Resort compared well/good with other products:

- ❖ quality of service (47%);
- ❖ artistic and architectural features (39%);
- ❖ accommodation (38%);
- ❖ climate (38%) and
- ❖ variety of activities (34%).

In comparison with other tourism products the following factors were rated as fair:

- ❖ variety of cuisine (46%);
- ❖ artistic and architectural features (37%) and
- ❖ night life (29%).

No factors were indicated as poor or very poor.

Klein-Kariba holiday resort seems to be attractive according to the climate, flora and fauna as well as the friendliness of the staff. Of lesser importance is the variety of cuisine and night life. One of the adults in the family was requested to complete the questionnaire and this could have an influence on the latter. Self-catering is also a feature of the resort which may imply a natural preference for self-catering.

FACILITIES AND SERVICES

a. Importance of facilities and services during the holiday experience

Table 5.5 focuses on the importance of certain facilities and services in the holiday experience.

Table 5.5: The importance of facilities and services in the holiday experience

	1	2	3	4	5
Quality accommodation	1%	0%	11%	19%	70%
Good service delivery	0%	0%	7%	28%	65%
Availability of entertainment	0%	8%	15%	32%	45%
Availability of scenery/ sights	0%	8%	22%	34%	37%
Reasonable price	1%	1%	8%	33%	57%
Wildlife	2%	10%	27%	38%	23%
Availability of restaurants	2%	14%	26%	36%	23%
Security/ Safety	0.3%	0%	3%	14%	83%
Availability of sport facilities	7%	13%	27%	19%	35%
Availability of medical facilities	1%	4%	21%	21%	54%
Availability of tours	6%	17%	24%	27%	26%
Accessibility for disabled people	2%	5%	18%	28%	47%
Availability of parking	1%	1%	12%	31%	55%
Availability of activities for children	0.3%	6%	13%	19%	62%
Friendly staff	0%	2%	7%	30%	62%
Travelling costs	1%	5%	24%	23%	48%
Location	2%	1%	15%	38%	43%
Value for money spent	3%	0%	3%	25%	69%
Availability of internet access	22%	28%	16%	11%	24%
Availability of retail shops	1%	14%	26%	19%	40%

The following facilities and services played an *extremely important* role in the holiday experience (Table 5.5):

- ❖ security/safety (83%);
- ❖ quality accommodation (70%);
- ❖ value for money (69%);
- ❖ good service delivery (65%);
- ❖ availability of activities for children (62%);
- ❖ friendly staff (62%);
- ❖ reasonable price (57%);
- ❖ availability of parking (55%);
- ❖ availability of medical facilities (54%);
- ❖ travelling costs (48%);
- ❖ accessibility for disabled people (47%);
- ❖ availability of entertainment (45%);
- ❖ location (43%);
- ❖ the availability of retail shops (40%);
- ❖ the availability of scenery/ sights (37%) and
- ❖ the availability of sport facilities (35%).

Respondents rated the following factors as very important:

- ❖ wildlife (38%);
- ❖ availability of restaurants (36%) and
- ❖ availability of tours (34%).

Availability of internet access was indicated as less important. No factors were indicated as important as well as not at all important. Therefore quality of accommodation, good service delivery, security, activities for children, friendly staff and value for money are important facilities and services to be provided during the stay.

b. Describing Klein-Kariba Holiday Resort

In order to get an idea of the picture respondents have of the resort this question focused on key words that can describe the resort. The following responses were obtained (Table 5.6).

Table 5.6: Description of Klein-Kariba

DESCRIPTION	PERCENTAGE
Peaceful	14%
Nice	13%

DESCRIPTION	PERCENTAGE
Beautiful	12%
Relaxing	11%
Other	50%

Please note: This was an open question and therefore the percentages do not calculate to 100%.

It is evident that most of the respondents (14%) would describe Klein-Kariba Holiday Resort as peaceful while 13% would describe the resort as nice and 12% indicated beautiful. 11% indicated the resort as relaxing. Fifty percent of the respondents indicated other descriptions such as neat, affordable, appealing, poor, versatile, family resort, private, enjoyable and safe. It is also clear that most descriptions of the resort were positive which is ideal for word-of-mouth communication with family and friends. These can also be considered in marketing campaigns as it is the view of the respondent and probably one of the reasons why he/she preferred to visit this resort. The only negative descriptions included deterioration, the resort is boring and the service levels are poor.

c. Competition

Competition is divided into two parts, namely the identification of the competition and secondly the reasons for being competition to Klein-Kariba Resort.

❖ Identification of the competition

Regarding the question which other tourism products respondents consider as Klein-Kariba Holiday Resorts' biggest competition it was indicated as Buffelspoort (also an ATKV resort) (20%), followed by Weesgerus (9%) and "Die Oog" (7%). These resorts offer similar products as Klein-Kariba Holiday Resort. Other tourism products (20%) included places such as Aventura, Badplaas, Forever Resorts, Sun City, Hartenbos and Sodwana.

These results correlate with the results discussed according to Table 5.2. It is interesting to note that although Aldam was considered in the travel decision-making process it was not identified as competition for Klein-Kariba Holiday Resort in this question.

❖ Reasons for being competition

Seven percent of the respondents indicated that price as well as better facilities were influencing factors. Four percent indicated that the other resorts mentioned offered more

activities, better accommodation, are more affordable and medical facilities were also listed. Facilities, pricing and the availability of activities seem to create a competitive advantage for tourism products.

The following section focuses on the identification of the model components by means of factor analyses, canonical analyses and lastly regression analyses.

5.3 IDENTIFICATION OF MODEL COMPONENTS

In order to identify the model components (variables) factor analyses were done, and in order to determine the correlations between the variables canonical analyses were done. Lastly, in order to identify the factors that predict competitiveness successfully regression analyses were performed.

5.3.1 FACTOR ANALYSES

This section focuses on exploring aspects influencing positioning, travel decision-making as well as competitiveness by means of factor analysis as a method of data reduction. The identified factors will form part of the competitiveness model for tourism products.

Four factor analyses were done, two focusing on positioning and travel decision-making, one on the attractiveness of the product and one on the facilities and services associated with the tourism product. In order to determine the appropriateness of principal components analysis (the data reduction procedure) for the collected data a correlation matrix, Kaiser-Meyer-Olkin measure of sampling adequacy as well as the Barlett test of sphericity were examined. The Kaiser-Meyer-Olkin measure of sampling adequacy aims to examine if the strength of the relationship between variables is large enough to proceed a factor analysis. The Barlett test is found to be significant if $p < .00001$ thereby indicating that the data reduction by principal components would be legitimate. In all cases a factor analysis with varimax rotation was performed. The varimax rotation method was chosen due to very small correlations between factors in all cases.

Only factor loadings of above 0.4 were used for item inclusion. Cronbach's coefficients were also examined for each factor in order to analyse the reliability of the data and serve as a measure of internal consistency among the items. The Alpha values should, however, be interpreted with caution in some cases due to the limited number of items (statements) that loaded successfully onto the same factors. The following section presents the results of the factor analyses

5.3.1.1 Positioning and travel decision-making

a. Factor analysis 1 - Positioning and travel decision-making related to the resort

The factor analysis was performed to identify the essential dimensions of the aspects influencing the respondents' decision to visit Klein-Kariba as well as the positioning of the resort. This resulted in six factors labelled as: (1) Image, (2) Travel motivation, (3) Novelty, (4) Product attractiveness, (5) Location, (6) Product features (See Table 5.7).

Table 5.7: Factor analysis of positioning and travel decision-making

Factor label	Factor 1 Image	Factor 2 Travel Motivation	Factor 3 Novelty	Factor 4 Product attractiveness	Factor 5 Location	Factor 6 Product features
Previous visits	.730					
Unique experience	.708					
Entertainment	.553					
Service	.494					
To relax		.831				
To get away from my regular routine		.727				
Family recreation		.509				
To explore a new destination			.828			
It's a well-known tourism product			.650			
Sport facilities			.613			
To spend time with someone special			.526			
The distance to the destination				.883		
Type of accommodation				.658		
Travelling cost				.537		
Security of the destination					.850	
Location of the destination					.696	

Affordable tariffs						.817
To spend time with friends						.443
Cronbach Alpha	.719	.688	.706	.761	.660	.477

Kaiser-Meyer-Olkin: .795

Barlett's Test: .000

Total variance explained: 69.20%

Eigenvalue: All greater than 1.03

The factors identified in Table 5.7 were image, travel motivation, novelty, product attractiveness, location and product features which are related to travel decision-making and positioning.

Image usually consists of previous experiences, entertainment and service. The image of a tourist destination plays an important role in travel decision-making and positioning. The formation of image is related to previous experiences, the uniqueness of the experience, as well as the perception of entertainment opportunities and service levels.

Travel motivation entails aspects such as spending time with family, breaking away from regular routine and being able to relax. This is specifically important in travel decision-making.

Novelty is also essential due to the fact that it represents uniqueness which can mostly be identified by exploring new products as well as the acquaintance / reputation of the product. In tourism it is therefore important to experience new products and services.

Product attractiveness is also crucial for travel motivation. It can also enhance competitiveness and positioning especially if the travelling costs and distance are in favour of the tourist. This is also related to location. A safe location is more attractive.

Product features consist mostly of affordable tariffs and spending time with friends. All of these factors encompass a huge impact on positioning and travel decision-making. These can serve as motivators to visit a specific product.

b. Factor analysis 2 - Positioning and travel decision-making related to competitors

The factor analysis was performed to identify the essential dimensions of positioning and travel decision-making of the tourism product in relation to competitive products. This resulted in three factors and was labelled as: (1) Experience, (2) Research, (3) Right decisions.

Table 5.8: Factor analysis on positioning and travel-decision making related to competitors

Factor label	Factor 1 Experience	Factor 2 Research	Factor 3 Right decisions
Experience was fantastic	.892		
I will visit Klein-Kariba again	.887		
The experience was stimulating	.839		
Klein-Kariba interests me	.443		
During the travel decision-making process I compared Klein-Kariba with nearby products		.835	
I did research before reaching my decision to visit Klein-Kariba		.767	
Making the decision to visit Klein Kariba was difficult		.582	
When I choose a place to go on vacation, it is a very serious matter if I make a mistake			.904
Cronbach Alpha	.798	.584	.904

Kaiser-Meyer-Olkin: .616

Barlett's Test: .000

Total variance explained: 67.51%

Eigenvalue: All greater than 1.08

All these are also related to positioning and travel decision-making as it applies to the competition. Factor 1 refers to the *experience*. This usually contributes to positioning and enhances the prospect of visiting again. This is an important aspect to consider as part of the tourism product.

Factor 2, *research*, indicated that some tourists definitely do research before deciding on a final product. It therefore supports the fact that decisions to travel are not taken randomly.

Factor 3 is labelled as *right decisions*. Research indicated that when a wrong decision is made, it is a very serious matter. As only one item loaded on Factor three it should be used with caution.

5.3.2 Competitiveness

Competitiveness was measured according to the attractiveness of the product as well as the facilities and services available at the product.

5.3.2.1 Attractiveness

This section focuses on exploring aspects influencing competitiveness in terms of attractiveness of the tourism product. This resulted in three factors labelled as: (1) Site services and attractiveness, (2) Entertainment, (3) Variety in offerings.

Table 5.9: Factor analysis on competitiveness

Factor label	Factor 1 Site services and attractiveness	Factor 2 Entertainment	Factor 3 Variety in offerings
Friendliness of staff	.731		
Night life (eg. Bars, discos, dancing)	.725		
Quality of service	.692		
Climate	.677		
Artistic and architectural features	.612		
Accommodation	.588		
Entertainment (eg. Casino, cinemas) (Quality/variety)		.929	
Variety of activities		.840	
Flora & Fauna			.854
Variety of cuisine			.694
Cronbach Alpha	.750	.796	.433

Kaiser-Meyer-Olkin: .620

Barlett's Test: .000

Total variance explained: 61.20%

Eigenvalue: All greater than 1.29

The factors identified in Table 5.9 indicated that site services and attractiveness, entertainment, and variety in offerings were labelled as the three factors influencing attractiveness, and indirectly competitiveness.

Site services and attractiveness such as friendliness of staff, night life, quality of service, climate, artistic and architectural features and accommodation differs from product to product.

These are the factors differentiating one product from another making it more attractive. If these are of high quality the product can be more competitive.

Entertainment is also important especially when the target market is younger. The younger the target market, the more entertainment and activities are required.

Variety in offerings such as fauna and flora and cuisine may also contribute in differentiating one product from another in order to improve competitiveness. This depends on the needs of the tourists.

5.3.2.2 Facilities and services

This section focuses on exploring aspects influencing facilities and services in the vacation experience by means of a factor analysis. This resulted in six factors and were labelled as: (1) Quality and availability, (2) Accessibility, (3) Value, (4) Surrounding facilities and services, (5) Activities and friendliness, (6) Safety.

Table 5.10: Results of a factor analysis on competitiveness

Factor label	Factor 1 Quality and availability	Factor 2 Accessibility	Factor 3 Value	Factor 4 Surrounding facilities & services	Factor 5 Activities & friendliness	Factor 6 Safety
Good service delivery	.879					
Quality accommodation	.806					
Availability of scenery/ sights	.783					
Availability of entertainment	.725					
Availability of tours		.742				
Wildlife		.736				
Availability of restaurants		.622				
Accessibility for disabled people		.603				

Availability of medical facilities		.574				
Location			.784			
Travelling costs			.703			
Value for money spent			.690			
Reasonable price			.625			
Availability of parking			.461			
Availability of retail shops				.802		
Availability of internet access				.647		
Availability of sport facilities				.476		
Availability of activities for children					.798	
Friendly staff					.743	
Security/ Safety						.767
Cronbach Alpha	.825	.785	.742	.668	.508	.767

Kaiser-Meyer-Olkin: .720

Barlett's Test: .000

Total variance explained: 70.09%

Eigenvalue: All greater than 1.16

Factor (1) *quality and availability*, identified in Table 5.10 include good service, quality accommodation, availability of scenery sights and entertainment which all forms part of facilities and services provided to tourists. The better the facilities, the more competitive the product.

Factor (2) indicated *accessibility*. The lack of medical facilities can have a serious impact. Accessibility also includes accessibility for disabled people. There are not many products that cater for these tourists. Eventually this might be a factor enhancing competitiveness.

Factor (3) namely *value*, included value for money spent, and reasonable price. Tourists will return when it is felt that they received value for money at the specific product.

Factor (4) namely, *surrounding facilities and services* included availability of retail shops, availability of internet access and availability of sport facilities. It is therefore not just the product in itself that is important but also the surrounding facilities.

Factor (5) indicated *activities and friendliness*. This is also very important in order to attract tourists.

Factor (6) consisted of *safety*. The safety of tourists is always important. Factor 6, safety, did not correlate with any of the items, but, is still considered as important in terms of competitiveness.

In conclusion the factor analyses revealed that positioning and travel decision-making of a tourism product is influenced by Image, travel motivation, novelty, product attractiveness, location and product features. In comparison with competitors the factors analysis revealed that positioning and travel decision-making is influenced by the experience, research and making the right decisions. Regarding the attractiveness of a product, directly linked to competitiveness, site services and attractiveness, entertainment as well as a variety of offerings are considered as important. Lastly, regarding the facilities and services of a product, also directly linked to competitiveness, quality and availability, accessibility, value, surrounding facilities and services, activities and friendliness of staff as well as safety are important. As the most important components of the competitiveness model have been identified it is important to determine the correlations between the identified factors which will be done by means of canonical analyses, to be discussed in the next section.

5.4 CANONICAL ANALYSES

If the square root of the eigenvalues is taken, then the resulting numbers can be interpreted as correlation coefficients or canonical correlations. Because the correlations pertain to the canonical variants, they are called *canonical correlations*. Like the eigenvalues, the correlations between successively extracted canonical variants are smaller and smaller. Therefore, as an overall index of the canonical correlation between two sets of variables, it is customary to report the largest correlation, that is, the one for the first root. However, the other canonical variants can also be correlated in a meaningful and interpretable manner. This analysis allows us to investigate the relationship between two sets of variables. www.statsoft.com/textbook/stcanan.html.

Steyn (2005:17-18), indicates that the first step in a canonical analysis is to determine the canonical variables within the two sets named A and B. The first canonical variables are therefore a linear combination of the variables in each set in order to explain the maximum proportion of variance. Thereafter a second linear combination is found, which explains the

maximum proportion of the residual variance. This process continues until a linear combination is found. This is done for both sets of variables (A and B). Correlations are then calculated for these canonical variables in sets A and B (Steyn, 2005:17-18).

The square of the canonical correlation provides the proportion of variance explained, better known as the eigenvalue. Steyn (2005:18) indicates that the redundancy as well as the proportion of variance explained can be viewed as measures of the strength of the relationship between two multivariate sets of variables. The guideline values of 0.01, 0.1 and 0.25 can be interpreted as small, medium and large effects.

Canonical analyses were therefore done to determine the correlations between aspects influencing competitiveness as determined in the factor analyses. These correlations will be used in the competitiveness model and the importance thereof indicated in the model.

The following results were obtained:

5.4.1 Canonical analysis between *Competitiveness* and *Positioning*

Canonical analyses were performed in order to explore the correlations between the *Competitiveness* set of multivariate variables (site services and attractiveness, entertainment and variety in offerings) and the *Positioning* set of variables (image, travel motivation, novelty, product attractiveness, location and product features).

Table 5.11: Canonical correlations

Root Removed	Chi-Square Tests with successive Roots Removed					
	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
0	0.752	0.565	418.971	18	0.000	0.317
1	0.515	0.265	115.044	10	0.000	0.730
2	0.085	0.007	2.656	4	0.617	0.993

By extracting canonical roots one can compute the eigenvalues or canonical R^2 . These can be interpreted as the proportion of variance accounted for by the correlation between the respective canonical variants. One can compute as many eigenvalues as the minimum number of variables in either of the two sets and in this case *Competitiveness*.

From Table 5.11 it is evident that the first and second canonical correlations (R^2) were larger than 0.2 with p-values <0.0001 , which means that it is of practical and statistical significance and importance, especially the first correlation which is larger than 0.5. The first canonical component explains 56% of the overlapping variance between competitiveness and positioning.

Therefore there is a significant relationship between the multivariate variables of *Competitiveness* and *Positioning*.

The square root of the eigenvalues results in numbers that can be interpreted as correlation coefficients. Due to the fact that the correlations pertain to the canonical variants, they are called canonical correlations. The total redundancy for competitiveness is 33%, and for positioning 28%. The redundancy is larger than 25% which indicates a practical significant relationship between the two sets of variables.

Further investigation (Table 5.12) indicates that within the *Competitiveness* set medium (0.1) to large (0.25) correlations are observed between variables.

Table 5.12: Canonical correlations for the Competitiveness set

Root Removed	Correlations, left set (Competitiveness)		
	Site service	Entertainment	Variety of offerings
Site service	1.000	0.256	0.232
Entertainment	0.256	1.000	0.112
Variety of offerings	0.232	0.112	1.000

Within the *Positioning* set (Table 5.13) a high occurrence of large (>0.3) correlations are observed between variables, especially between product attractiveness and image (0.54) where the largest correlation existed.

Table 5.13: Canonical correlations for the Positioning set

Root Removed	Correlations, right set (Positioning)					
	Image	Travel motivation	Novelty	Product attractiveness	Location	Product features
Image	1.000	0.414	0.398	0.537	0.356	0.337

Travel motivation	0.414	1.000	0.418	0.485	0.452	0.296
Novelty	0.398	0.418	1.000	0.483	0.354	0.413
Product attractiveness	0.537	0.485	0.483	1.000	0.335	0.395
Location	0.356	0.452	0.354	0.335	1.000	0.235
Product features	0.337	0.296	0.413	0.395	0.235	1.000

Correlations between the *Competitiveness* set and the *Positioning* set (Table 5.14) indicate medium to large correlations. The correlation between site service and image was the largest (0.54).

Table 5.14: Canonical correlations between the Competitive set and the Positioning set

Root Removed	Correlations, left set (<i>Competitiveness</i>) with right set (<i>Positioning</i>)					
	Image	Travel motivation	Novelty	Product attractiveness	Location	Product features
Site service	0.541	0.417	0.422	0.409	0.469	0.062
Entertainment	0.252	0.341	0.275	0.244	0.325	0.141
Variety	0.157	0.394	0.405	0.362	0.404	0.419

All the above results indicate a relationship between competitiveness and positioning.

5.4.2 Canonical analysis between Positioning and Experience (related to competition)

Canonical analyses were performed in order to explore the correlations between the *Positioning* set of multivariate variables (image, travel motivation, novelty, product attractiveness, location and product features) and the *Experience* set of variables (right decision, experience and research).

Table 5.15: Canonical correlations

Root Removed	Chi-Square Tests with successive Roots Removed					
	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
	0	0.675	0.455	346.365	18	0.000
1	0.458	0.210	124.592	10	0.000	0.710
2	0.316	0.100	38.512	4	0.000	0.899

It is clear from Table 5.15 that the first and second canonical correlations (R^2) were larger than 0.2 with p-values <0.0001 , which means that it is of practical and statistical significance and importance, especially the first correlation which is larger than 0.4. The first canonical component explains 45% of the overlapping variance between *Positioning* and *Experience*. Therefore there is a significant relationship between the multivariate variable of *Positioning* and *Experience*.

The total redundancy for *Positioning* is 19%, and for *Experience* 25%. Although the redundancy for *Positioning* is smaller than 25% it indicates a medium practical significant relationship between the two sets for variables.

Correlations within the *Positioning* set were already reported with high correlations between the variables (See Table 5.13). Further investigation indicates that within the *Experience* set small (0.01) and therefore statistically insignificant correlations exist between the variables (Table 5.16).

Table 5.16: Canonical correlations for the Experience set

Root Removed	Correlations, right set (Experience)		
	Right decision	Experience	Research
Right decisions	1.000	0.083	-0.072
Experience	0.083	1.000	0.044
Research	-0.072	0.044	1.000

Correlations between the *Positioning* set and the *Experience* set (Table 5.17) indicate medium to large correlations. The correlation between *Image* and *Experience* was the largest (0.52).

Table 5.17: Canonical correlations between Positioning set and the Experience set

Root Removed	Correlations, left set (Positioning) with right set (Experience)		
	Right decisions	Experience	Research
Image	0.019	0.520	0.228
Travel motivation	0.175	0.359	0.191
Novelty	-0.032	0.246	0.471
Product attractiveness	0.023	0.216	0.215
Location	0.051	0.479	0.041
Product features	0.217	0.052	0.155

These results indicate a relationship between *Positioning* and *Experience* although small to medium.

5.4.3 Canonical analysis between *Positioning* and *Facilities and Services*

Canonical analyses were performed in order to explore the correlations between the *Positioning* set of multivariate variables (image, travel motivation, novelty, product attractiveness, location and product features) and the *Facilities and Services* set of variables (quality, accessibility, value, surrounding facilities and services, activities and safety). The variables of *Positioning* as well as the variables of *Facilities and Services* focus on exploring which aspects influence respondents' decisions to visit Klein-Kariba.

Table 5.18: Canonical correlations

Chi-Square Tests with successive Roots Removed						
Root Removed	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
0	0.695	0.483	587.252	36	0.000	0.198
1	0.634	0.402	347.477	25	0.000	0.384
2	0.522	0.273	160.414	16	0.000	0.643
3	0.292	0.085	44.618	9	0.000	0.884
4	0.174	0.030	12.316	4	0.015	0.966
5	0.056	0.003	1.143	1	0.284	0.996

It is clear from Table 5.18 that the first, second and third canonical correlations (R^2) were larger than 0.2 with p-values <0.0001 , which means that it is of practical and statistical significance and importance, especially the first two correlations which is larger than 0.4. The first canonical component explains 48% of the overlapping variance between *Positioning* and *Facilities and Services*, and the second component 40%. Therefore there is a significant relationship between the multivariate variable of *Positioning* and *Facilities and Services*.

The total redundancy for *Positioning* is 32%, and for *Facilities and Services* 24%. The redundancy is bigger than or approximately 25% which indicates a practical significant relationship between the two sets of variables.

Correlations within the *Positioning* set were already reported with high correlations between the variables (See Table 5.13). Further investigation indicates that within the *Facilities and Service* set small (0.01) to large (0.5) correlations are observed between the variables (Table 5.19). The largest correlation is between surrounding facilities and services and accessibility (0.60).

Table 5.19: Canonical correlations for the Facilities and Service set

Root Removed	Correlations, right set (Facilities and Service)					
	Quality and availability	Accessibility	Value	Surrounding facilities and services	Activities and friendliness	Safety
Quality and availability	1.000	0.413	0.161	0.230	0.095	0.211
Accessibility	0.413	1.000	0.372	0.599	0.150	0.156
Value	0.161	0.372	1.000	0.246	0.158	0.135
Surrounding facilities and services	0.230	0.599	0.246	1.000	0.245	0.153
Activities and friendliness	0.095	0.150	0.158	0.245	1.000	0.266
Safety	0.211	0.156	0.135	0.153	0.266	1.000

Correlations between the Positioning set and the Facilities and Service set (Table 5.20) indicate small (0.1) to large (0.5) correlations. The correlation between image and quality and availability was the largest (0.59).

Table 5.20: Canonical correlations between the Positioning set and the Facilities and Service set

Root Removed	Correlations, left set (Positioning) with right set (Facilities and service)					
	Quality and availability	Accessibility	Value	Surrounding facilities and services	Activities and friendliness	Safety
Image	0.589	0.184	0.114	0.078	0.010	0.115
Travel motivation	0.397	0.235	0.105	-0.084	-0.061	0.055
Novelty	0.454	0.496	0.319	0.271	0.022	0.160
Product attractiveness	0.447	0.400	0.366	0.157	-0.045	0.144
Location	0.394	-0.021	0.159	-0.210	0.048	0.109
Product features	0.180	0.207	0.528	0.072	-0.133	-0.074

The results therefore indicate a relationship between Positioning and Facilities and Services which is directly linked to competitiveness.

5.4.4 Canonical analysis between *Experience* and *Facilities and Services*

Canonical analyses were performed to explore the correlations between the *Experience* set of multivariate variables (right decisions, experience and research) and the *Facilities and Services* set of variables (quality, accessibility, value, surrounding facilities and services, activities and safety).

Table 5.21: Canonical correlations

Chi-Square Tests with successive Roots Removed						
Root Removed	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
0	0.544	0.296	260.477	18	0.000	0.490
1	0.507	0.257	132.328	10	0.000	0.696
2	0.252	0.063	23.934	4	0.000	0.937

It is clear from Table 5.21 that the first two canonical correlations (R^2) were larger than 0.2 with p-values <0.0001 , which means that it is of practical and statistical significance and importance. The first canonical component explains 30% and the second canonical component 26% of the overlapping variance between *Experience* and *Facilities and Services*. Therefore there is a practical significant relationship between the multivariate variables of *Experience* and *Facilities and Services*.

The total redundancy for *Experience* is 20%, and for *Facilities and Services* 13%. The redundancy is smaller than 25% but larger than 10%, which indicates a medium practical significant relationship between the two sets of variables.

Within the *Experience* set small (0.01) correlations were found between the variables (Table 5.16) and within the *Facilities and Services* set small (0.01) to large (0.5) correlations were observed between the variables (Table 5.19).

Correlations between the *Experience* set and *Facilities and Services* set (Table 5.22) indicate small to medium and one large correlation. The correlation between experience and quality and availability was the largest (0.42).

Table 5.22: Canonical correlations between the Experience set and the Facilities and Services set

Root Removed	Correlations, left set (Experience) with right set (Facilities and services)					
	Quality and availability	Accessibility	Value	Surrounding facilities and services	Activities and friendliness	Safety
Right decisions	-0.035	-0.049	0.121	-0.105	-0.189	0.038
Experience	0.422	-0.036	-0.090	-0.195	-0.124	0.093
Research	0.338	0.366	0.153	0.434	0.116	0.051

The results therefore indicate a relationship between *Experience* and *Facilities and Services*.

5.4.5 Canonical analysis between *Competitiveness* and *Experience*

Canonical analyses were performed to explore the correlations between the *Competitiveness* set of multivariate variables (site services and attractiveness, entertainment and variety in offerings) and the *Experience* set (right decisions, experience and research).

Table 5.23: Canonical correlations

Root Removed	Chi-Square Tests with successive Roots Removed					
	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
0	0.670	0.449	272.097	9	0.000	0.476
1	0.336	0.113	53.784	4	0.000	0.864
2	0.164	0.027	9.999	1	0.002	0.973

It is clear from Table 5.23 that the first canonical correlation (R^2) was larger than 0.4 with a p-value <0.0001 , which means that it is of practical and statistical significance and importance. The first canonical component explains 44% of the overlapping variance between *Competitiveness* and *Experience*. Therefore there is a practical significant relationship between the multivariate variables of *Competitiveness* and *Experience*.

The total redundancy for *Competitiveness* is 23%, and for *Experience* 20%. The redundancy is less than 25% indicating a medium practical significant relationship between the two sets of variables.

Within the *Experience* set small (0.01) correlations were found between the variables (Table 5.16) and within the *Competitiveness* set medium (0.1) to large (0.25) correlations were observed between variables (Table 5.12).

Correlations between the *Competitiveness* set and the *Experience* set (Table 5.24) indicate small to large correlations. The largest correlation is found between site service and experience (0.57).

Table 5.24: Canonical correlations between the Competitiveness set and the Experience set

Root Removed	Correlations, left set (Competitiveness) with right set (Experience)		
	Right decisions	Experience	Research
Site service	0.026	0.565	0.316
Entertainment	-0.050	0.388	0.044
Variety	0.323	0.208	0.021

The results indicate a relationship between *Competitiveness* and *Experience*.

5.4.6 Canonical analysis between Competitiveness and Facilities and Services

Canonical analyses were performed in order to explore the correlations between the *Competitiveness* set of multivariate variables (site services and attractiveness, entertainment and variety in offerings) and the *Facilities and Services* set of multivariate variables (quality, accessibility, value, surrounding facilities and services, activities and safety).

Table 5.25: Canonical correlations

Root Removed	Chi-Square Tests with successive Roots Removed					
	Canonical R	Canonical R-sqr.	Chi-sqr.	df	p	Lamba Prime
0	0.648	0.420	302.039	18	0.000	0.437
1	0.411	0.169	103.201	10	0.000	0.754
2	0.304	0.093	35.484	4	0.000	0.907

Table 5.25 clearly indicates that the first canonical correlation (R^2) was larger than 0.4 with p-values <0.0001 , which means that it is of practical and statistical significance and importance. The first canonical component explains 42% of the overlapping variance between *Competitiveness* and *Facilities and Services*. Therefore there is a significant relationship between the multivariate variable of *Competitiveness* and *Facilities and Services*.

The total redundancy for the *Competitiveness* is 25%, and for the *Facilities and Services* 11%. Although the redundancy for *Facilities and Services* is smaller than 25% it indicates a medium practical significant relationship between the two sets of variables.

Correlations within the *Facilities and Services* set were already reported with small (0.01) to large (0.5) correlations between the variables (Table 5.19) and within the *Competitiveness* set medium (0.1) to large (0.25) correlations were observed between variables (Table 5.12).

Correlations between the *Competitiveness* set and the *Facilities and Services set* (Table 5.26) indicate medium to large correlations. The correlation between site service and quality was the largest (0.62) for these two sets of variables, but also the largest overall

Table 5.26: Canonical correlations between the Competitiveness set and the Facilities and Services set

Root Removed	Correlations, left set (Competitiveness) with right set (Facilities and services)					
	Quality and availability	Accessibility	Value	Surrounding facilities and services	Activities and friendliness	Safety
Site service	0.625	0.193	0.021	0.108	0.006	0.137
Entertainment	0.268	0.129	0.034	-0.172	-0.030	0.180
Variety	0.207	0.197	0.334	0.023	-0.078	0.028

The results reported above indicate a relationship between *Competitiveness* and *Facilities and Services*.

In summary the following table (Table 5.27) indicates the canonical correlations in table format, only highlighting the largest correlations with yellow. This colour and others will also be used in the presentation of the model.

Table 5.27: Summary of correlations according to the canonical analyses

	POSITIONING AND TRAVEL DECISION-MAKING RELATED TO THE RESORT						POSITIONING AND TRAVEL DECISION-MAKING RELATED TO COMPETITION			COMPETITIVENESS: ATTRACTIVENESS			COMPETITIVENESS: FACILITIES AND SERVICES					
	Image	Travel motivation	Novelty	Product attractiveness	Location	Product features	Experience	Research	Right decisions	Site services & attractiveness	Entertainment	Variety in offerings	Quality and availability	Accessibility	Value	Surrounding facilities and services	Activities and friendliness	Safety
Image		0.414	0.398	0.537	0.356	0.337	0.52	0.228	0.019	0.541	0.252	0.157	0.589	0.184	0.114	0.078	0.01	0.115
Travel motivation	0.414		0.418	0.485	0.452	0.296	0.359	0.191	0.175	0.417	0.341	0.394	0.397	0.235	0.105	-0.084	-0.061	0.055
Novelty	0.398	0.418		0.483	0.354	0.413	0.246	0.471	-0.032	0.422	0.275	0.405	0.454	0.496	0.319	0.271	0.022	0.16
Product attractiveness	0.537	0.485	0.483		0.335	0.395	0.216	0.215	0.023	0.409	0.244	0.362	0.447	0.4	0.366	0.157	-0.045	0.144
Location	0.356	0.452	0.354	0.335		0.235	0.479	0.041	0.051	0.469	0.325	0.404	0.394	-0.021	0.159	-0.21	0.048	0.109
Product features	0.337	0.296	0.413	0.395	0.235		0.052	0.155	0.217	0.062	0.141	0.419	0.18	0.207	0.528	0.072	-0.133	0.074
Experience	0.52	0.359	0.246	0.216	0.479	0.052		0.044	0.083	0.565	0.388	0.208	0.422	-0.036	-0.09	-0.195	-0.124	0.093
Research	0.228	0.191	0.471	0.215	0.041	0.155	0.044		-0.072	0.316	0.044	0.021	0.338	0.366	0.153	0.434	0.116	0.051
Right decisions	0.019	0.175	0.032	0.023	0.051	0.217	0.083	-0.072		0.026	-0.05	0.323	-0.035	-0.049	0.121	-0.105	-0.189	0.038
Site services and attractiveness	0.541	0.417	0.422	0.409	0.469	0.062	0.565	0.316	0.026		0.256	0.232	0.625	0.193	0.021	0.108	0.006	0.137
Entertainment	0.252	0.341	0.275	0.244	0.325	0.141	0.388	0.044	-0.05	0.256		0.112	0.268	0.129	0.034	-0.172	-0.03	0.18
Variety in offerings	0.157	0.394	0.405	0.362	0.404	0.419	0.208	0.021	0.323	0.232	0.112		0.207	0.197	0.207	0.023	-0.078	0.028
Quality and availability	0.589	0.397	0.454	0.447	0.394	0.18	0.422	0.338	-0.035	0.625	0.268	0.207		0.413	0.161	0.245	0.095	0.211
Accessibility	0.184	0.235	0.496	0.4	-0.021	0.207	-0.036	0.366	-0.049	0.193	0.129	0.197	0.413		0.372	0.599	0.15	0.156
Value	0.114	0.105	0.319	0.366	0.159	0.528	-0.09	0.153	0.121	0.021	0.034	0.334	0.161	0.372		0.246	0.158	0.135
Surrounding facilities and services	0.078	-0.084	0.271	0.157	-0.21	0.072	-0.195	0.434	-0.105	0.108	-0.172	0.023	0.23	0.599	0.246		0.245	0.153
Activities and friendliness	0.01	-0.061	0.022	-0.045	0.048	-0.133	-0.124	0.116	-0.189	0.006	-0.03	-0.078	0.095	0.15	0.158	0.245		0.266
Safety	0.115	0.055	0.16	0.144	0.109	-0.074	0.093	0.051	0.038	0.137	0.18	0.028	0.211	0.156	0.135	0.153	0.266	

5.5 REGRESSION ANALYSES

The second phase of the empirical analysis entails regression analyses. The purpose of the regression analyses are to determine whether competitiveness can be predicted by other variables. According to the factor analysis, entertainment, site services and attractions as well as a variety of offerings add to the competitiveness of a tourism product. Therefore entertainment, site services and attractions as well as a variety of offerings can be regarded as the criterion variables and the other variables as the predictors. In order to achieve this it is important to look at each latent variable of competitiveness and determine how it can be predicted by the other variables.

By assessing the coefficient of determination (R^2), a measure is provided of the proportion of the variance of the dependent variable that is explained by the set of independent variables (**Hair, Tatham, Anderson, & Black, 1998:142**).

The guidelines for interpretation are:

R^2 0,01 – small

R^2 0,1 – medium

R^2 0,25 – large and is practically significant

5.5.1 Regression analysis - Entertainment as determinant of competitiveness

The first regression analysis to be conducted was for entertainment as a determinant of competitiveness, where entertainment was specified as the dependent variable. The eight independent variables were experience, travel motivation, safety, right decisions, surrounding area, accessibility, product features and novelty. The R^2 value of 0.29 implies that the independent variables explained a practically significant amount (29%) of the variation in entertainment (**Steyn, 2005:7**).

The stepwise regression, depicted in Table 5.28, indicates the contributions of each variable to R^2 . Experience is indicated as the best predictor of entertainment with a medium to large contribution (0.15), and travel motivation (0.04) the second best predictor with a small (0.04) contribution to R^2 .

Table 5.28: Stepwise regression for Entertainment

Variable	Summary of Stepwise Regression: Entertainment						
	Step +in/-out	Multiple R	Multiple R-square	R-square change	F – to entr/rem	p-level	Variables included
Experience	1	0.388	0.150	0.150	65.590	0.000	1
Travel motivation	2	0.444	0.198	0.047	21.394	0.000	2
Safety	3	0.466	0.217	0.020	9.085	0.003	3
Right decisions	4	0.481	0.232	0.015	7.068	0.008	4
Surrounding facilities & services	5	0.500	0.250	0.018	8.626	0.004	5
Accessibility	6	0.529	0.280	0.031	15.474	0.000	6
Product features	7	0.537	0.289	0.009	4.391	0.037	7
Novelty	8	0.540	0.291	0.003	1.391	0.239	8

5.5.2 Regression analysis - Site services and attractions as determinants of competitiveness

The second regression analysis to be conducted was for site services and attractions as determinants of competitiveness, where site services and attractions were specified as the dependent variable. The thirteen independent variables were quality, experience, research, location, product attractiveness, product features, image, novelty, right decisions, value, surrounding areas, accessibility and travel motivation. The R² value of 0.59 implies that the independent variables explained a practically significant amount (59%) of the variation in sites services and attractions (Steyn, 2005:7).

The stepwise regression, depicted in Table 5.29, indicates the contributions of each variable to R². Quality is indicated as the best predictor of site services and attractions with a large contribution (0.39) and experience the second best predictor with a medium to large contribution (0.11) to R².

Table 5.29: Stepwise regression for site services and attractions

Variable	Summary of Stepwise Regression: Site service and attractions						
	Step +in/-out	Multiple R	Multiple R-square	R-square change	F – to entr/rem	p-level	Variables included
Quality	1	0.625	0.391	0.391	236.502	0.000	1
Experience	2	0.708	0.501	0.111	81.597	.0.000	2
Research	3	0.724	0.524	0.023	17.478	0.000	3
Location	4	0.737	0.543	0.019	15.038	0.000	4
Product attractiveness	5	0.743	0.551	0.010	7.558	0.006	5
Product features	6	0.754	0.568	0.016	13.622	0.000	6
Image	7	0.758	0.574	0.006	4.913	0.027	7
Novelty	8	0.760	0.577	0.003	2.796	0.095	8
Right decisions	9	0.762	0.580	0.003	2.553	0.111	9
Value	10	0.763	0.582	0.002	1.571	0.211	10
Surrounding facilities	11	0.765	0.585	0.003	2.307	0.130	11
Accessibility	12	0.767	0.588	0.003	3.040	0.082	12
Travel motivation	13	0.768	0.590	0.002	1.305	0.254	13

5.5.3 Regression analysis: Variety of offerings

The third regression analysis to be conducted was for variety of offerings as a determinant of competitiveness, where variety of offerings was specified as the dependent variable. The twelve independent variables were product features, location, right decisions, novelty, research, image, product attractiveness, travel motivation, surrounding areas, experience, value and safety. The R² value of 0.44 implies that the independent variables explained a practically significant amount (44%) of the variation in the variety of offerings (Steyn, 2005:7).

The stepwise regression, depicted in Table 5.30, indicates the contributions of each variable to R². Product features is indicated as the best predictor of variety of offerings with a medium to large contribution (0.17).

Table 5.30: Stepwise regression for Variety of offerings

Summary of Stepwise Regression: Variety of offerings							
Variable	Step	Multiple	Multiple R-	R-square	F – to	p-level	Variables
	+in/-out	R	square	change	entr/rem		included
Product features	1	0.419	0.176	0.176	78.602	0.000	1
Location	2	0.524	0.275	0.099	50.194	0.000	2
Right decisions	3	0.575	0.331	0.057	31.010	0.000	3
Novelty	4	0.612	0.374	0.043	25.135	0.000	4
Research	5	0.625	0.391	0.017	10.249	0.001	5
Image	6	0.634	0.402	0.011	6.816	0.009	6
Product attractiveness	7	0.650	0.423	0.020	12.702	0.000	7
Travel motivation	8	0.656	0.430	0.007	4.674	0.031	8
Surrounding facilities	9	0.661	0.437	0.006	4.146	0.042	9
Experience	10	0.664	0.441	0.004	2.730	0.099	10
Value	11	0.666	0.444	0.003	2.133	0.145	11
Safety	12	0.669	0.447	0.003	2.210	0.138	12

It is thus evident that the best predictor of entertainment is the experience, the best predictors of site services and attractions are quality and experiences and the best predictor of variety of offerings is product features. Experience regarding entertainment, quality and experience regarding site services and attractions and product features regarding variety of offerings have a direct influence on competitiveness.

5.6 CONCLUSION

The aim of this chapter was to reflect results of the empirical survey and identify the key elements of the competitiveness model as well as the correlations between the model elements.

Firstly, results were obtained by means of a questionnaire that was divided into two sections. The first section focused on socio-demographic information (Section A), and the second section focused on the competitor analysis (Section B). The latter focused on aspects such as positioning, travel decision-making, attractiveness of the tourism product (Klein-Kariba Holiday Resort) in comparison with other tourism products as well as facilities and services (cf. 5.1). From Section A of the questionnaire It was found that respondents were mainly Afrikaans-speaking, between the ages of 41 and 50 years, well-educated, married, from Gauteng and visit the resort for holiday purposes.

Section B of the questionnaire was divided into three parts, namely positioning and travel decision-making, attractiveness of the resort compared to the competition and facilities and services. Results indicated that respondents were strongly influenced by two motivational factors, namely, to get away from regular routine, to spend time with someone special as well as a product attribute, namely the security of the destination. The positioning and competitiveness of the product are thus influenced by messages spread based on previous visits. It also indicated that Buffelspoort, which is also an ATKV resort (20%) was regarded as Klein-Kariba Holiday Resorts' biggest competition. Weesgerus (9%) and "Die Oog" (7%) were also considered as competition. Results regarding attractiveness indicated that Klein-Kariba holiday resort seems to be attractive according to the climate, flora and fauna as well as the friendliness of the staff.

Four factor analyses were done, two focusing on positioning and travel decision-making, one on the attractiveness of the product and one on the facilities and services associated with the tourism product. The crucial factors identified were image, travel motivation, novelty, product attractiveness, location and product features which are related to travel decision-making and positioning (cf. 5.3.1.1). The essential dimensions of positioning and travel decision-making of the tourism product in relation to competitive products resulted in three factors namely: experience, research, and right decisions. Competitiveness was also measured according to the attractiveness of the product as well as the facilities and services available at the product. This section focused on exploring aspects influencing competitiveness in terms of attractiveness of the tourism product. This resulted in three factors namely: site services and attractiveness, entertainment and variety in offerings (cf. 5.3.2.1).

A canonical analysis was performed in order to explore the correlations between the competitiveness set of multivariate variables; site services and attractiveness, entertainment

and variety in offerings with the positioning set of variables, namely image, travel motivation, novelty, product attractiveness, location and product features (cf. 5.4.1) Results indicated a significant relationship between the multivariate variables of competitiveness and positioning. Further investigation into the results indicated that the correlation between product attractiveness and image was the largest.

A canonical analyses was also performed in order to explore correlations between the positioning set of multivariate variables namely, image, travel motivation, novelty, product attractiveness, location and product features with the experience set of variables, namely right decision, experience and research. The variables of positioning as well as the variables of experience focused on exploring which aspects influence respondents' decision to visit Klein-Kariba as well as the positioning of the tourism product. An important fact was that the experience variables also contribute to positioning, but focus more on the experience side of positioning (cf. 5.4.2). Further investigation of the results of the canonical correlations indicated that there was a significant relationship between the multivariate variables of positioning and experience. The variables of positioning as well as the variables of facilities and services focuses on exploring which aspects influence respondents' decisions to visit Klein-Kariba as well as the competitiveness of the tourism product. All the results indicated that there was an important relationship between positioning and facilities and services (cf. 5.4.3) The variables of experience also focused on positioning The only correlations that were large were those between quality and experience, and research and surrounding facilities and services (cf. 5.4.4)

The correlations between the competitiveness set of multivariate variables, namely site services and attractiveness, entertainment and variety in offerings with the experience set of variables, namely right decisions, experience and research indicated that the correlations between competitiveness and experience were small to medium. The only correlations that were large were those between site services and experience. The correlation between the competitiveness set of multivariate variables, site services and attractiveness, entertainment and variety in offerings with the facilities and services set of multivariate variables, namely quality, accessibility, value, surrounding facilities and services, activities and safety indicated that the correlations between competitiveness and facilities and services were small to medium. The only correlations that were large were those between site services and quality.

The second phase of the empirical analysis entailed regression analyses, and it indicated that experience, accessibility, surrounding facilities and services and safety are the variables with the most statistical significance for entertainment (cf. 5.6.1). From the regression summary for site services it became evident that product attractiveness, location, product features, experience, research and quality are the variables with the most statistical significance. The regression summary for variety indicated that image, novelty, product attractiveness, location,

and product features as well as right decisions are the variables with the most statistical significance. From the regression analyses it also seems that site services and attractions can be regarded as the best predictor for competitiveness with an R^2 value of 0.59 (cf. 5.6 2).

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS



"Change starts when someone sees the next step"

William Drayton

6.1 INTRODUCTION

Chapter six concludes this study. From Chapter 1 it is evident that the tourism environment is becoming increasingly competitive and dynamic, not only for tourism destinations, but also for smaller tourism products, such as guesthouses, resorts and game lodges. It is important to position tourism products more effectively against competition. Competitiveness therefore plays a very important role in both positioning and travel decision-making.

The main aim of this research was to develop a competitiveness model for tourism products with Klein-Kariba Holiday Resort as case study. Five research objectives were derived from the main aim of the research. The first objective was to analyse various research methodologies and structures. Secondly, positioning and travel decision-making and the role thereof in competitiveness were analysed. The third objective was to analyse the key components of competitiveness. Fourthly, to interpret the results from the empirical research enabling the identification of key components of the competitiveness model for tourism products. The fifth objective is to draw conclusions and lastly recommendations have to be made.

In Chapter 1, the overview of this research was discussed. The introduction and problem statement were clarified, namely to explore the relevance of different indicators for determining the competitiveness of tourism products. The other research objectives were determined after which the research methods and basic concepts were explained and clarified.

Chapter 2 focused on the appropriate research methodology and structure for this study, which is the first objective (cf. 1.3.2) of the study indicating the importance of understanding research properly. This was followed by a discussion of the research process, research design, research methodology, data collection and data analysis. Attention was given to the research process followed in this study and the reasons for doing so.

The second objective was reached through the literature study in Chapter 3 focusing on positioning and travel decision-making and the role thereof in competitiveness (cf. 1.3.2).

Positioning was analysed and it was found that it is valuable for tourism marketers; where after the travel decision-making process was discussed in order to determine where positioning plays a role and how these fields are interlinked. This was followed by discussing positioning from a marketing perspective. Very often an implementation of a model is structured according to specific issues like management, supporting factors and recourses (cf.4.3, 4.3.1, 4.3.2, 4.3.3), and little attention is paid to other issues that do not seem very important, but are actually crucial, such as positioning which provides the tools to identify opportunities for creating the desired image that differentiates a destination or tourism product from its competitors (cf. 3.5). Through travel decision-making the most important variables or attributes of positioning were identified and are therefore crucial to understand, because it is also these variables or attributes that lead to purchase behaviour and therefore have a direct influence on the competitiveness of a tourism product (cf. 3.3.1).

The analysis of competitiveness was conversed in Chapter 4. This was done according to the third objective (cf. 1.3.2). The indicators for destination competitiveness were discussed followed by possible components required to develop a competitiveness model for tourism products. Other aspects of discussion consist of models regarding destination competitiveness, a comparison of models, the competitor analysis process or framework, effective competitor benchmarking as well as building competitive advantage. The indicators of destination competitiveness sorted under the main elements of the destination competitiveness. These indicators and elements comprised the following: resources; supporting factors; destination management; situational conditions; demand factors; and market performance indicators (cf. 4.3 and Figure 4.1). Other key components from a competitiveness point of view were identified and measured in the survey of the study as (cf. Appendix A, section B): value for money; quality accommodation; accessibility; quality of service; unique offerings/ resources (cf. 4.3.1); fauna & flora and climate; wildlife; friendliness of staff; facilities such as medical and sport facilities and costs.

In Chapter 5, the results of the empirical research were reflected in order to determine the aspects that should form part of the proposed model and to determine if there were any relationships between the different variables (cf. 5.1; 5.3; 5.4). Responses to the questionnaires were interpreted and possible elements of the model were identified. According to the factor analysis entertainment, site services and attractions as well as a variety of offerings, add to the competitiveness of a tourism product. Entertainment, site services and attractions as well as a variety of offerings were regarded as the criterion variables and the other variables as the predictors (cf. 5.6). From the research, various conclusions can be drawn regarding the research objectives. These conclusions are subsequently presented.

The research is concluded in this chapter that aims to provide conclusions of the research and to make recommendations concerning the research. The contribution of this research will also be indicated.

6.2 CONCLUSIONS

Conclusions can be drawn from the research with regard to:

- ❖ Various research methodologies and structures.
- ❖ The analysis of positioning and travel decision-making and the role thereof in competitiveness.
- ❖ The key components of competitiveness.
- ❖ The survey focusing on the identification of the key components of a competitiveness model for tourism products.

The above-mentioned are concluded in the following section.

6.2.1 Conclusions with regard to research methodologies and structures

The following are regarded as being the main conclusions with respect to research objective 1 (cf. 1.3.2):

- ❖ Various methods are used by researchers to collect, interpret and analyse information, but there is no commonly agreed method to acquire knowledge (cf. 2.1);
- ❖ The researcher unequivocally remains the main instrument of research and presents meaning from the engagement in the project. This meaning is usually presented as findings (cf. 2.1);
- ❖ Different perspectives on how information is acquired and understood can be grouped under quantitative research, and qualitative research (cf. 2.1);
- ❖ To determine the appropriate methodology it is important to understand research properly (cf. 2.1);
- ❖ Research is distinguished from information gathering as well as decision-making by three distinct and interrelated characteristics which consist of the following: research is based on an open system of thought and researchers examine data critically. Researchers also generalise and specify limits on generalisations (cf. 2.2);
- ❖ Although tourism research is seen as a “discipline”, the main argument still remains whether it can be seen as a multidisciplinary or an interdisciplinary field of study (cf. 2.2);

- ❖ The challenge of the research process is to relate theory and research in such a way that questions are answered (cf. 2.3);
- ❖ The research process can be divided into two phases. Phase one consists of gathering data or information and phase two of the writing process (cf. 2.3);
- ❖ Phase one can also be sub-divided into four phases, namely to identify the research topic, develop the research design, implement the research design, and report the findings (cf. 2.3);
- ❖ Research is determined according to a certain design, methodology and type. Essentially, there are two primary divisions of research, namely pure and applied research (cf. 2.4);
- ❖ There are three methodologies involved that inform research, namely qualitative, quantitative and mixed method (cf. 2.5);
- ❖ Qualitative methodology do not place the emphasis on the collection and analysis of statistical data. It usually involves a small number of respondents, and provides insight information regarding these respondents. Qualitative methodology tools include interviews, participant observation, focus groups, longitudinal studies, delphi-techniques, case studies, action research and documentary method (cf. 2.5.1);
- ❖ The quantitative method is based on the collection and analysis of statistical data and is mostly concerned with obtaining a limited amount of information on a large number of respondents. Quantitative methodology tools include mail surveys, telephone surveys, self-completion questionnaires, interviewer – completed questionnaires (cf. 2.5.2);
- ❖ The mixed methodology is where the one methodology is predominantly used over the other (cf. 2.5.3);
- ❖ For the purpose of this research, it was decided to follow a quantitative research approach as this may lead to objective results (cf. 2.5.3);
- ❖ Examples of data collection includes questionnaires, interviews and rating scale checklists (cf. 2.6);
- ❖ Pilot studies also enable researchers to verify that methods are credible before entering the field of commencing data collection (cf. 2.6.2);
- ❖ Sampling is the means by which subjects or study units from the target population are included in the research project. The following types of sampling methods are identified namely: non-probability (non-random) sampling and probability sampling (random sampling) methods (cf. 2.6.3);

- ❖ Finally, data analysis was done by means of SPSS 14.0 (Statistical Package for Social Sciences) (cf. 2.7).

Within the context of this study, a quantitative research method was used, namely questionnaires. A convenience sampling approach was utilised due to the fact that during the time the empirical research was conducted, the questionnaires were distributed to tourists who were available and willing to participate at the specific location. Although most of the questions were adopted from the questionnaire used by **Kim et al. (2001)** it was still deemed necessary to distribute 10 questionnaires in Potchefstroom to experts in the research field of tourism for pilot study purposes. After completion of the pilot study, changes were made where questions were not fully understood by respondents before final print. Permission was granted by management of Klein-Kariba Holiday Resort to distribute the questionnaires at the resort and it was done from 17 to 21 December 2007. This decision was based on the fact that the resort was fully booked due to the high-season.

6.2.2 Conclusions with regard to the analysis of positioning and travel decision-making and the role thereof in competitiveness

The following are regarded as the main conclusions with respect to research objective 2 (cf. 1.3.2):

- ❖ All tourism products and destinations must obtain a certain position in the minds of tourists in order to be competitive (cf. 3.1);
- ❖ Whatever the position chosen, it remains the means by which consumers understand the products' market position, and often provide signals to determine the main competitors (cf. 3.1);
- ❖ The uniqueness of a product as well as the perceived benefits contribute to effective positioning, favourable travel decisions and can enhance competitiveness (cf. 3.1);
- ❖ Positioning differentiates a destination from competitors on attributes that are meaningful to tourists. It therefore plays a crucial role in competitiveness (cf. 3.2);
- ❖ Positioning is about visibility and recognition of what a product or service represents for a buyer (cf. 3.2);
- ❖ Positioning can be seen as the third strand of marketing being segmentation, targeting and positioning (STP), and forms part of the marketing strategy (cf. 3.2);
- ❖ Positioning can either be tangible (physical characteristics of a product), or intangible (based on images created through promotional efforts) (cf. 3.2);

- ❖ Positioning can therefore be viewed from two perspectives, namely: from a tourist point of view because it is consumer orientated and the “optimum selling idea” that motivates tourist’s decisions and its aim is to find a niche in tourists’ minds. The other perspective, from a products’ point of view, is based on the fact that the product’s intrinsic values are crucial (cf. 3.2);
- ❖ Tourism products compete on more than just image, differentiation, and benefits offered. Consistency among the various offerings therefore remain important and the positioning statement guides this consistency (cf. 3.2);
- ❖ The first step towards effective and competitive positioning and creating a competitive edge is to analyse the travel decision-making process and to determine the role of positioning in this process (cf. 3.2);
- ❖ Decision-making is about reducing uncertainty and doubt in order to allow a reasonable choice (cf. 3.3);
- ❖ Positioning plays an important role within each of the travel decision-making phases and therefore has a direct influence on competitiveness (cf. 3.3; 3.3.1 – 3.3.5);
- ❖ Within phase one, motivation and identification of problems, a two-dimensional approach to travel motivation is embraced: People travel because they are pushed and pulled and these factors are also better known as the attributes / variables of positioning. These push and pull factors lead to purchase behaviour and therefore have a direct influence on the competitiveness of a tourism product (cf. 3.3.1);
- ❖ Once a need or want is recognised, the tourist conducts a search for information regarding the products available. This represents phase two, namely acquiring information about the product characteristics (cf. 3.3.2);
- ❖ Newspapers and magazines usually carry articles on different products which make it possible for the tourist to compare and evaluate the different products. This allows the tourist to identify the strengths and weaknesses of the tourism product of interest. These strengths and weaknesses reveal the positioning attributes (cf. 3.3.2);
- ❖ It is pointed out that, in order to develop a positive image, particular attention should be given to “departing” tourists (cf. 3.3.2);
- ❖ Research, that has been conducted into the subject of how potential tourists choose destinations, suggests that the following sources are mainly consulted, namely: leaflets, brochures and advertisements, travel guidebooks, travel articles/supplements in newspapers, media liaison, TV travel shows, and a very important source: word-of-mouth communication (cf. 3.3.2);

- ❖ From a positioning point of view promotion therefore plays an important role in marketing and more important in creating a competitive advantage. Promotion is very strongly related to positioning. If promotion fails, the image of the product fails and the product can therefore not be positioned because it will not sell to the consumer (cf. 3.3.2);
- ❖ It would be wrong to think of marketing only as selling and advertising. The central focus of marketing is satisfying customer requirements. Selling and advertising are part of a larger marketing mix which is a set of tools, working together to affect the marketplace and create a competitive advantage and include product, price, place and promotion (cf. 3.3.2);
- ❖ The tourism product has no value if it is not placed in the hands of the consumer, namely the tourist. It is important to remember that the tourist must be brought to the product. This can only be achieved through promotion or marketing (cf. 3.3.2.1);
- ❖ In tourism, price can be seen as the value which a potential tourist places on the product and this has a definite influence on competitiveness (cf. 3.3.2.2);
- ❖ The distribution channel is the part of the marketing mix that delivers the product to the final consumer. In this process middlemen are used to present a product, service or idea to the final consumer. If the product is positioned well enough, the availability of products will be easy and more convenient for the customer. The more accessible the product the greater the competitive advantage (cf. 3.3.2.3);
- ❖ Promotion is necessary to persuade customers to change buying habits. Potential consumers must be aware of the product. This is also better known as marketing communication. The objectives of promotion are mainly to inform, convince and remind (cf. 3.3.2.4);
- ❖ A factor that also affects and highlights the importance of marketing communications is the increasing level of competition. Industries tend to compete for the customer's attention through marketing communication and the better the marketers perform, and the better the product is positioned, the more selective the customers can be (cf. 3.3.2.4);
- ❖ During this phase of evaluation of motives, all the motives and alternatives are compared with one another. These include aspects such as affordability, travel time, transportation, product accessibility, exchange rate and place, promotion, to name a few. If the positioning attributes are more unique and stronger against those of the competitors, the chances increase of being selected as holiday product (cf. 3.3.3);
- ❖ The following factors may also play a role during phase four which is decision-making, and these factors may serve either as facilitators or inhibitors. These factors include the

following: family; culture; social class; reference groups; personality and lifestyle; learning; motivation; perception and attitudes (cf. 3.3.4);

- ❖ The feedback phase represents the consideration of previous decisions as well as the actual experience. Future decisions are not only determined by the value of the previous experience, because personal, situational and contextual variables are other factors that must be taken into consideration. It is always important to get feedback from tourists as this indicates the problems leading to dissatisfaction (cf. 3.3.5);
- ❖ It is indicated that “positioning is only as good as the research it is based on”. Therefore marketing research is foremost needed before formulating any positioning strategy (cf. 3.4);
- ❖ The importance of research in selecting the right position for a tourism product as indicated in Figure 3.4 is highlighted. These steps can be regarded as central to effective positioning. These stages consist of the following: identify the competitive products, identify potential visitors’ perceptions of the product of interest’s strengths and weaknesses, identify the benefits sought by potential visitors in the target market, identify potential visitors’ perceptions of the strengths and weaknesses of preferred competitive products, and determine the attributes that potential visitors perceive differentiating a product relative to its competitors, and finally selection of an optimum position for a destination (cf. 3.4);
- ❖ To be able to create a competitive advantage through positioning it is not only enough to provide greater value, but to consider all elements of the tourism product (cf. 3.4);
- ❖ It is important whether the destination or product can satisfy tourists better than the competition. To be able to create competitive advantage through positioning it is not only enough to provide greater value, but to consider all elements of the tourism product (cf. 3.4).

The study indicated that even with smaller tourism products, effective positioning is critical in order to be competitive. If the product does not obtain any position in the minds of the tourist, it will fade away. Through travel decision-making the most important variables or attributes of positioning are identified and are therefore crucial to understand because it is also these variables or attributes that lead to purchase behaviour and therefore have a direct influence on the competitiveness. In today’s highly competitive business world, there is a growing need for smaller tourism products to become more competitive. It seems impossible to become a competitive tourism destination without recognising smaller products first. It is the smaller products in the end that contribute to a more competitive destination.

6.2.3 Conclusions with regard to the analysis of the key components of competitiveness

The following are regarded as the main conclusions with respect to research objective 3 (cf. 1.3.2):

- ❖ Competitiveness is an important matter receiving increasing attention by the tourism industry, but remains a complex concept encompassing various aspects and various explanations from different disciplines. Extensive literature analysis has indicated that competitiveness remains a complex concept because it is influenced by a range of factors (cf. 4.1);
- ❖ There is intense focus on destination competitiveness, but smaller tourism products are left behind even though they have to become more competitive to survive (cf. 4.1);
- ❖ One can distinguish between competitiveness, destination competitiveness as well as tourism competitiveness. Competitiveness can therefore be seen as those forces, indicators and success factors that contribute to each tourism product's own uniqueness, allowing the identification of the relative strengths and weaknesses (cf. 4.2);
- ❖ Associated with the model of **Dwyer and Kim (2003:369)** was a set of indicators used to measure the competitiveness of any given destination. These indicators of destination competitiveness sort under the following main elements namely: resources; supporting factors; destination management; situational conditions; demand factors; and market performance indicators (cf. 4.3);
- ❖ Resources can be divided into two types: endowed (inherited) and created resources (cf. 4.3.1);
- ❖ Endowed resources can be classified as: natural, for example: mountains, lakes, beaches, rivers, climate and heritage or cultural, for example cuisine, handicrafts, language, customs, belief systems (cf. 4.3.1.1);
- ❖ Created resources include tourism infrastructure, special events, the range of available activities, entertainment and shopping (cf. 4.3.1.2);
- ❖ Supporting resources or enabling factors, include general infrastructure, quality of service, accessibility of destination, hospitality and market ties (cf. 4.3.2);
- ❖ Five types of destination management activities have a potentially important influence on destination competitiveness namely: destination marketing management, destination planning and development, destination management organisation, human resource development, environmental management (cf. 4.3.3);

- ❖ The remote environment comprises those forces and events outside the destination that constrain the strategic options of organisation or destination managers, but over which they have no control. These situational conditions consist of the following: competitive (micro) environment, global (macro) environment, security and safety, price competitiveness (cf. 4.3.4);
- ❖ Demand factors also play an important part due to the fact that a destination may be competitive for one group of visitors, but not for another group, depending on their motivations for travel. The nature of demand for the industry's product is regarded as having an important influence on competitiveness (cf. 4.3.5);
- ❖ As noted, individuals may differ in perceptions of the same 'purpose'. The indicators of destination competitiveness, can be categorised according to whether they are 'objective' or 'subjective'. Thus, these key indicators can also be classified according to whether they are 'hard' or soft' measures. These would include the economic or market performance indicators (cf. 4.3.5);
- ❖ Market performance indicators include: visitor statistics (numbers), visitor statistics (expenditure), contribution of tourism to economy, indicators of economic prosperity, tourism investment, price competitiveness indices and government support for tourism (cf. 4.3.6);
- ❖ The indicators discussed above need to be captured in a model in order to understand the importance of these as well as the relationships between the factors (cf. 4.3.6);
- ❖ Various models regarding destination competitiveness included **Porter's diamond analysis** which was identified as one of the best techniques to analyse resources and factors that are important in determining competitive advantage (cf. 4.4.1);
- ❖ **Porter (1990:78)** identified four attributes, namely: factor endowments, demand conditions, related and supporting industries, and firm strategy, structure and rivalry (cf. 4.4.1);
- ❖ **Fabricius (2001:30)** also applied Porter's diamond analysis to a tourism destination and indicated that there are important qualities in the tourism industry that must be taken into consideration when applying Porter's diamond model, namely: the primary tourism product which is not a tangible product or service, but rather an experience. The product cannot be delivered to the market and the tourism experience is not delivered to the consumer as a finished product (cf. 4.4.1);
- ❖ **Crouch and Ritchie's model of destination competitiveness** is regarded by many as the most comprehensive model by far. It argued that to be competitive, a destination's development for tourism must be sustainable, not just economically and not just ecologically, but socially, culturally and politically as well. The Crouch and Ritchie model includes 7

groups of factors namely: core resources and attractors, supporting factors and resources, destination management, destination policy, planning and development, qualifying and amplifying determinants, competitive (Micro) environment and competitive (Macro) environment (cf. 4.4.2);

- ❖ **Dwyer and Kim's model of the main elements of destination competitiveness** explicitly recognised demand conditions as an important determinant of destination competitiveness and recognised that destination competitiveness is not an ultimate end of policy-making, but is an intermediate goal towards the objective of regional or national economic prosperity (cf. 4.4.3);
- ❖ It is appropriate to compare the models in order to determine areas of similarity as well as differences (cf. 4.5);
- ❖ The competitor analysis process does not occur in isolation. It usually refers to the research conducted for product positioning which include many different steps and models. The analysis consists of the following steps: identification of current and potential competitors / competitive destinations, perceptions of tourists and evaluation of competitors by tourists, the analysis of the competitor's positions, the analysis of the tourist, deriving and revision of information from the first four steps and monitoring the position selected (cf. 4.6; 4.6.1 – 4.6.6);
- ❖ In order for a destination to gain a competitive advantage in a marketplace a few undemanding tools are considered necessary to assist destinations or companies to benchmark the destination against direct or indirect competitors (cf. 4.6.6);
- ❖ Benchmarking is best used and described as a framework for strategic planning. Once elements of study are identified, metrics can be applied to the key or critical success factors (K/CSFs) of the industry or marketplace and these measures or "benchmarks" are then used to develop future quality and market initiatives for the destination to enhance its overall competitive position (cf. 4.7);
- ❖ The concept of competitive advantage refers to the added value, the tourism sector-firms ability and it must also indicate that competitive advantage grows from the way businesses organise and perform discrete activities. There are two main sources of pure competitive advantage, namely: low cost and differentiated products that are sold at premium prices (cf. 4.8).

It becomes evident that competitiveness refers to those forces, indicators and success factors that contribute to each tourism product's own uniqueness, allowing the identification of the relative strengths and weaknesses. Within the context of this study, most of the researchers

focused on destination competitiveness. Most of these models also received quite a lot of criticism and are seen by many as models that are more applicable to the more advanced developed nations of the world, lacking applicability to smaller tourism products which is critical.

6.2.4 Conclusions with regard to the results and the development of the competitiveness model for tourism products

The following are regarded as the main conclusions with respect to research objective 4 (cf. 1.3.2):

- ❖ The focus of the survey was to determine the most important factors to be included in the competitiveness model for tourism products. Results were obtained by means of a questionnaire that was divided into two sections (cf. 5.1);
- ❖ The first section focused on socio-demographic information which provided an overview of the profile of participating respondents (cf. 5.1; 5.2.1);
- ❖ Most of the respondents came from Gauteng (59%), followed by visitors from North-West (20%) (cf. 5.2.1 d);
- ❖ Respondents were mainly Afrikaans-speaking, between the ages of 41 and 50 years, well-educated, married, from Gauteng and visit the resort for holiday purposes. This profile fits the description of the main travelling market in South Africa (cf. 5.2.1a; f);
- ❖ Section B of the questionnaire indicated that certain factors played an extremely important role in the decision to visit Klein-Kariba Holiday Resort, namely: security of the destination (57%); to spend time with someone special (56%), and to get away from regular routine (54%) (cf. 5.2.2 a);
- ❖ These results have a direct impact on the competitiveness of the product (cf. 5.2.2 a);
- ❖ Most of the respondents heard about the resort from family (32%) and friends (28%). Sixteen percent heard through word of mouth and other sources respectively (cf. 5.2.2 b);
- ❖ The following tourism products, namely: Aldam (48%), Buffelspoort (25%) and Weesgerus (8%) were considered as the competition of Klein-Kariba Holiday Resort (cf. 5.2.2 c);
- ❖ The respondents indicated the following factors of Klein-Kariba Holiday Resort as *excellent* in comparison with other tourism products in South Africa, namely: friendliness of staff (45%); flora and fauna (44%); and climate (37%) (cf. 5.2.2 a; b);
- ❖ Respondents considered the following as Klein-Kariba Holiday Resorts' biggest competition, namely: Buffelspoort (also an ATKV resort) (20%), followed by Weesgerus (9%) and "Die Oog" (7%). These resorts offer similar products as Klein-Kariba Holiday Resort (cf. 5.2.2 c);

- ❖ Reasons for being competitive indicated price as well as better facilities as influencing factors(cf. 5.2.2 c);
- ❖ The proposed competitiveness model has been developed from the literature (Chapters 3 and 4) and the empirical study (Chapter 5). The components included in the model have been discussed;
- ❖ The model consists of the following components which include positioning and travel decision-making of a tourism product which is influenced by: image, travel motivation, novelty, product attractiveness, location and product features. Positioning and travel decision-making which is influenced by the experience, research and making the right decisions. Attractiveness of a product, directly linked to competitiveness, site services and attractiveness, entertainment as well as a variety of offerings are considered as important. Lastly, regarding the facilities and services of a product, also directly linked to competitiveness, quality and availability, accessibility, value, surrounding facilities and services, activities and friendliness of staff as well as safety are important (Figure 6.1);
- ❖ Positioning contributes a very important role within competitiveness;
- ❖ The most important relationships between variables are indicated in Figure 6.1;
- ❖ The successful implementation of the above-mentioned should lead to a more competitive tourism product;
- ❖ The regression analyses were the second phase of the empirical analysis with the purpose to determine whether competitiveness can be predicted by other variables (cf. 5.5);
- ❖ According to the factor analysis entertainment, site services and attractions as well as a variety of offerings contributed to the competitiveness of a tourism product. Therefore entertainment, site services and attractions as well as a variety of offerings were regarded as the criterion variables and the other variables as the predictors (cf. 5.5);
- ❖ From the regression analyses it also seems that site services and attractions can be regarded as the best predictor for competitiveness with an R^2 value of 0.59 (cf. 5.5 2);
- ❖ It became evident that the best predictor of entertainment was experience, the best predictors of site services and attractions were quality and experiences and the best predictor of variety of offerings was product features (cf. 5.5.3);
- ❖ Experience regarding entertainment, quality and experience regarding site services and attractions and product features regarding variety of offerings have a direct influence on competitiveness (cf. 5.5.3).

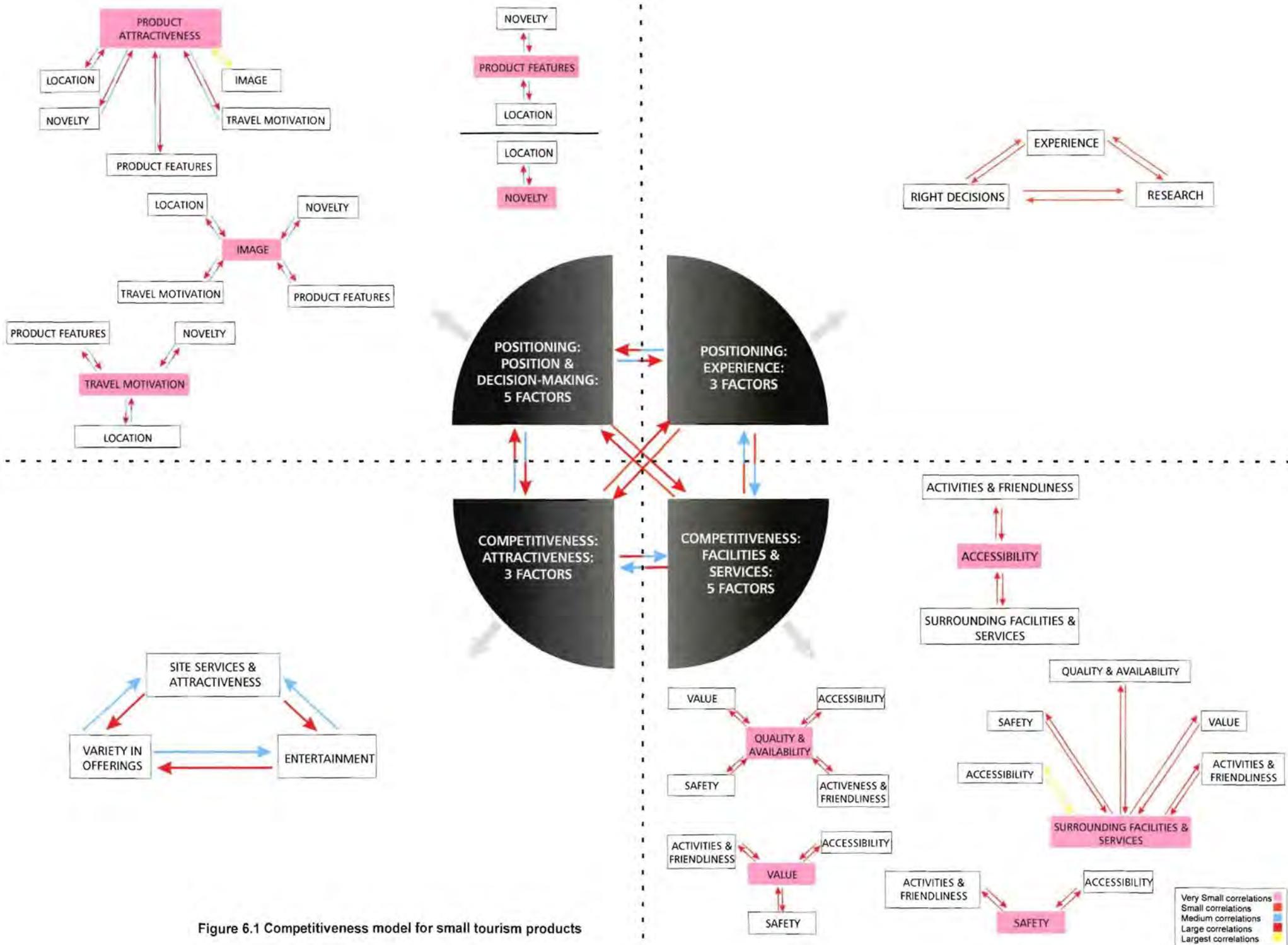


Figure 6.1 Competitiveness model for small tourism products

6.3 CONTRIBUTION OF THE RESEARCH

The contribution of this thesis is in the area of competitiveness of tourism products. More specifically, the contributions are as follows:

- ❖ Firstly, a competitiveness model for tourism products was developed which can aid managers and product owners in making tourism products more competitive.
- ❖ Secondly, the present study is the first of its kind to consider aspects influencing the competitiveness of a smaller tourism product in a South African context. Previous studies focused on tourism destinations such as South Africa.
- ❖ Thirdly, previous models did not include the aspects of positioning in competitiveness although literature indicated the importance thereof. This model therefore expanded in factors influencing competitiveness by indicating the importance of especially positioning.
- ❖ Fourthly, published empirical research on competitiveness in the tourism industry and especially in South Africa is limited. This study therefore made a contribution to the body of knowledge of the South African tourism industry in terms of competitiveness.
- ❖ Fifthly, a valuable contribution was made in determining the relationships between the variables in the model, which directly indicates the importance of certain aspects in increasing competitiveness.
- ❖ Lastly, the findings of this study should prove useful to tourism product owners interested in becoming more competitive.

6.4 LIMITATIONS OF THE STUDY

The following limitations should be kept in mind:

- ❖ The study was limited to one resort which might have influenced the results;
- ❖ A further limitation was the reliability of research (Factor 2, of Table 5.9) and product features (Factor 6, of Table 5.7) and variety of offerings (Factor 3, of Table 5.11). These factors (research, product features and variety of offerings) was below the generally accepted Cronbach value of 0.6. This implies that the items used in connection with these factors did not measure these particular dimensions very well;
- ❖ Peak season and low season.

6.5 RECOMMENDATIONS

The following recommendations can be made regarding the research as well regarding further research.

6.5.1 General recommendations

- ❖ The proposed model can be implemented by smaller tourism products;
- ❖ The model can lead to a more thorough analysis of competition and effective positioning;
- ❖ That tourism products owners should consider the importance of positioning and travel decision-making in becoming more competitive;
- ❖ Factors and forces that have an influence on competitiveness and positioning must be identified and better understood;
- ❖ The consumers perspective of the tourism product must be taken into account;
- ❖ Product owners must know how the product is designed to satisfy the needs of the target market;
- ❖ The product owner must also know the consumers, and must be aware of how the consumers go about making travel decisions;
- ❖ The product's intrinsic values are critical;
- ❖ Positive product perceptions must be created;
- ❖ Use positive product images in some of the marketing campaigns;
- ❖ Conduct thorough research in order to minimize risks and improve competitiveness.

6.5.2 Recommendations with regard to further research

The following research questions have been developed as a result of this study. These questions need further investigation:

- ❖ This model can be tested amongst other small tourism products to determine the applicability of the model to different types of tourism products.
- ❖ Which other aspects related to research, product features and variety of offerings can contribute to a more effective measurement of competitiveness?
- ❖ What practical actions can be implemented to improve competitiveness?
- ❖ Determine the factors influencing the competitive position of South Africa?
- ❖ Developing and monitoring competitor benchmarks and indicators for the tourism industry?

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APPENDIX A

QUESTIONNAIRE

**AFDELING A: SOSIO-DEMOGRAFIESE INLIGTING
SECTION A: SOCIO-DEMOGRAPHIC INFORMATION**

1 Huistaal/ Home language? English 1
Afrikaans 2
Ander (Spesifiseer)/ Other (Specify) 3

2 In watter jaar is jy gebore/ In which year were you born? 19 _____

3 Huwelikstatus/ Marital status? Getroud/Married 1
Ongetroud/Not married 2
Geskei/Divorced 3
Wewenaar, Weduwee/Widow/er 4
Woon saam/Living together 5

4 In watter provinsie is u woonagtig/
In which province do you live? Gauteng 1
KwaZulu-Natal 2
Oos-Kaap/Eastern Cape 3
Wes-Kaap/Western Cape 4
Noord-Kaap/Northern Cape 5
Limpopo 6
Mpumalanga 7
Vrystaat/Free State 8
Noordwes/North West 9

5 Land van herkoms (Indien buite RSA)
Country of residence? (If outside RSA) _____

6 Rede vir besoek/ Purpose of visit? Besigheid/ Business 1
Vakansie/ Holiday 2
Ander (Spesifiseer)/ Other (Specify) 3

7 Dui u hoogste kwalifikasie aan
Indicate your highest level of education Geen skool/ No school 1
Minder as matriek/ Less than matric 2
Matriek/ Matric 3
Diploma, Graad/ Diploma, Degree 4
Nagraads/ Post Graduate 5
Professioneel/ Professional 6
Ander (Spesifiseer) / Other (Specify) 7

**AFDELING B: MEDEDINGENDE ANALISE
SECTION B: COMPETITOR ANALYSIS**

A POSISIONERING EN REIS-BESLUITNEMING / POSITIONING AND TRAVEL DECISION-MAKING

1 Hoe het die volgende aspekte u keuse beïnvloed om Klein-Kariba te besoek/ How did the following aspects influence your decision to visit Klein-Kariba?

	Uiters belangrik/Extremely important	5					
	Baie belangrik/Very important	4					
	Belangrik/Important	3					
	Minder belangrik/ Less important	2					
	Glad nie belangrik/Not at all important	1					
			1	2	3	4	5
a	Om weg te breek uit my roetine/ To get away from my regular routine?						
b	Om te ontspan/ To relax?						
c	Om 'n nuwe bestemming te verken/ To explore a new destination?						
d	Om tyd saam met my vriende te spandeer/ To spend time with my friends?						
e	Bekostigbare tariewe/ Affordable tariffs?						
f	Vir gesinsrekreasie/ For family recreation?						
g	Om tyd saam met iemand spesiaal te spandeer/ To spend time with someone special?						
h	Dit is 'n bekende toerisme produk/ It's a well-known tourism product?						
i	Vorige besoeke/ Previous visits?						
j	Diens/ Service?						
k	Unieke ervaring/ Unique experience?						
l	Vermaak/ Entertainment?						
m	Reiskoste/ Travelling cost?						
n	Tipe akkommodasie/ Type of accommodation?						
o	Afstand na die bestemming/ The distance to the destination?						
p	Sport fasiliteite/ Sport facilities?						
q	Veiligheid van die bestemming/ Security of the destination?						
r	Ligging van die bestemming/ Location of the destination?						

2 Hoe het u van Klein-Kariba te hore gekom/ How did you hear about Klein-Kariba?

- a Familie/ Family?
- b Vriende/ Friends?
- c Brosjures/ Brochures?
- d Toeroperateur/ Tour operator?
- e Hoorsê / Word of mouth
- f Ander (Spesifiseer)/ Other (Specify)?

1	
2	
3	
4	
5	
6	

3 Watter ander vakansie bestemmings, buiten Klein-Kariba het u oorweeg en hoekom/ Which other holiday destinations, besides Klein-Kariba did you consider and why ?

Naam van bestemming/ Name of destination	Rede/ Reason
a.	
b.	

4 Antwoord die volgende afdeling op grond van die skaal soos aangedui. / Answer the following questions according to the scale as indicated.

Stem definitief saam/ Definitely agree	5					
Stem saam/ Agree	4					
Neutraal/ Neither agree nor disagree	3					
Stem nie saam/ Disagree	2					
Stem geensins saam/ Strongly disagree	1					
		1	2	3	4	5

a	Tydens my reisbesluitnemingsproses het ek Klein-Kariba met naby geleë produkte vergelyk/ During the travel decision-making process I compared Klein-Kariba with nearby products					
b	Ek sal weer Klein-Kariba besoek/ I will visit Klein-Kariba again					
c	Die ervaring was stimulerend/ The experience was stimulating					
d	Die ervaring was fantasties/ The experience was fantastic					
e	Die besluit om Klein-Kariba te besoek was moeilik/ Making the decision to visit Klein-Kariba was difficult					
f	Klein-Kariba intresseer my/ Klein-Kariba interests me					
g	Wanneer ek 'n vakansie bestemming kies en dit is 'n verkeerde keuse is ek baie ontsteld/ When I choose a place to go on vacation, it is a very serious matter if I make a mistake					
h	Voor my besluit om Klein-Kariba te besoek het ek eers navorsing gedoen/ I did research before reaching my decision to visit Klein-Kariba					

B. AANTREKLIKHEID VAN KLEIN-KARIBA IN VERGELYKING MET ANDER TOERISME PRODUKTE/ ATTRACTIVENESS OF KLEIN-KARIBA IN COMPARISON WITH OTHER TOURISM PRODUCTS

1 Hoe vergelyk Klein-Kariba as vakansie bestemming met ander toerisme produkte in Suid-Afrika in terme van: / How does Klein-Kariba compare to other tourism products in South Africa in terms of :

Uitstekend/ Excellent?	5					
Goed/ Good?	4					
Redelik/ Fair?	3					
Sleg/ Poor?	2					
Baie sleg/ Very poor?	1					
		1	2	3	4	5

a	Klimaat/ Climate?					
b	Kwaliteit van diens/ Quality of service?					
c	Flora and fauna (eg. animals, birds, forests)?					
d	Argitektuur/ Artistic and architectural features?					
e	Verskeidenheid geregte/ Variety of cuisine?					
f	Verskeidenheid aktiwiteite/ Variety of activities?					
g	Vermaak/ Entertainment (eg. casino, cinemas) (quality/variety)?					
h	Naglewe/ Night life (eg. bars, discos, dancing)?					
i	Akkommodasie/ Accommodation?					
j	Vriendelikhed van personeel/ Friendliness of staff?					

C. FASILITEITE EN DIENSTE / FACILITIES AND SERVICES

1 Hoe belangrik is die volgende fasiliteite en dienste in jou vakansie ervaring/ How important are the following facilities and services in your vacation experience?

		5	4	3	2	1
Uiters belangrik/Extremely important						
Baie belangrik/Very important						
Belangrik/Important						
Minder belangrik/ Less important						
Glad nie belangrik/Not at all important						
		1	2	3	4	5
a	Kwaliteit akkommodasie/ Quality accommodation?					
b	Goeie dienslewering/ Good service delivery?					
c	Beskikbaarheid van vermaak/ Availability of entertainment?					
d	Beskikbaarheid van besienswaardighede/ Availability of scenery/ sights?					
e	Billike prys/ Reasonable price?					
f	Besigtiging van wild/ Wildlife?					
g	Beskikbaarheid van restaurante/ Availability of restaurants?					
h	Veiligheid/ Sekuriteit/ Security/ Safety?					
i	Beskikbaarheid van sport fasiliteite/ Availability of sport facilities?					
j	Beskikbaarheid van mediese fasiliteite/ Availability of medical facilities?					
k	Beskikbaarheid van toere/ Availability of tours?					
l	Toeganklikheid vir gestremdes/ Accessibility for disabled people?					
m	Beskikbaarheid van parkeering/ Availability of parking?					
n	Beskikbaarheid van aktiwiteite vir kinders/ Availability of activities for children?					
o	Vriendelike personeel/ Friendly staff?					
p	Reiskoste na bestemming/ Travelling costs?					
q	Ligging/ Location?					
r	Waarde ontvang vir geld bestee/ Value for money spent?					
s	Beskikbaarheid van internet toegang/ Availability of internet access?					
t	Beskikbaarheid van klein-handel winkels/ Availability of retail shops?					

2 Hoe sal u Klein-Kariba beskryf teenoor u vriende/ How would you describe Klein-Kariba to your friends?

3 Watter ander bestemming/toerismeproduk beskou u as Klein-Kariba se grootste kompetisie en hoekom/ Which other destination/ tourism product do you regard as Klein-Kariba's biggest competition and why?

Naam van bestemming/ Name of destination	Rede/ Reason
a.	
b.	

4 Enige ander opmerkings? / Any other suggestions?

Dankie vir u samewerking
Thank you for your cooperation

APPENDIX B

ADOPTED QUESTIONNAIRE

Source: Kim *et al.* (2001).

Survey to Rank Korea as a Tourism Destination Against Major Competitors

A joint project between and the Korean Ministry of Culture and Tourism, the Korea Tourism Research Institute (KTRI) and the Department of Industry Science and Resources in Australia is being undertaken with the following aims:

- ❖ to develop a model of destination competitiveness.
- ❖ to use this model to rate the tourism destination competitiveness of both Australia and Korea.
- ❖ to determine the implications for public and private sector policies to increase the destination competitiveness of each country.

As a stakeholder in Korea's tourism industry you will have valuable insights which can assist us to achieve the project aims. We would greatly appreciate it if you could spend some time answering questions about Korea as a tourism destination. This survey is web-based and can be completed exclusively on your computer. It should take around twenty minutes to complete. We have tried to make it as 'user friendly' as possible. You can type your responses directly on to the web and simply 'click' the 'submit' box to return the survey.

A copy of the final report will be sent to all participants, with our grateful acknowledgment.

Thank you.

Supervisors: Dr. Chulwon Kim, Senior Researcher (T. 02-3704-0690) cwkim@ktri.re.kr.
Dr. Keetak Choi, Senior Researcher (T. 02-3704-0653)

Should you have any questions please do not hesitate to contact either of the above supervisors.

Please indicate:

Your email address
 Your industry sector
 Your gender

Note:

A **destination's competitiveness** (attractiveness) in tourism depends on its performance in various dimensions of the visitor tourism experience. In the questions below we will ask you to indicate your view of how well or how poorly you think that Korea rates compared to its major competitors.

For the purposes of this survey, and to help you focus your answers, Korea's **major competitors** include **Japan, Taiwan, Thailand, China, Hong Kong, Indonesia, Singapore, Malaysia, New Zealand and Australia.**

A. For each factor listed below, please give a rating for **how attractive** you think that **Korea is compared to its major competitors.**

1. Well below average
2. Slightly below average
3. Average
4. Slightly above average
5. Well above average
6. Don't know/not sure

Attractiveness Factors	(1)	(2)	(3)	(4)	(5)	(6)
Attractiveness of climate for tourism						
'Cleanliness' /sanitation of destination						
Natural Wonders/Scenery						
Flora and fauna (eg. animals, birds, forests)						
Historic/heritage sites, including museums						
Artistic and architectural features						

Traditional arts						
Variety of cuisine						
Unspoiled Nature						
Special events/festival						
Amusement/Theme parks						
Water based activities (eg. swimming, surfing, boating, fishing)						
Entertainment (eg. theatre, galleries, cinemas) (quality/variety)						
Nature based activities (eg. bushwalking, birdwatching, camping)						
Adventure activities (eg. rafting, skydiving, bungee jumping)						
National parks, including nature reserves						
Night life (eg. bars, discos, dancing)						
Cultural precincts/Heritage (Folk) villages						

B. Destination competitiveness (attractiveness) also depends on the types of **facilities and services** available to meet visitor needs.

For each factor listed below, please give a **rating for Korea compared to its major competitor destinations**.

1. Well below average
2. Slightly below average
3. Average
4. Slightly above average
5. Well above average
6. Don't know/not sure

Facilities, Services	(1)	(2)	(3)	(4)	(5)	(6)
Accommodation (variety/quality)						

Value for money in accommodation					
Airport efficiency/quality					
Tourist guidance and information					
Local tourism transportation efficiency/quality					
Diversity of shopping experience					
Food services facilities					
Visitor accessibility to natural areas					
Convention facilities (capacity/quality)					
Recreation facilities (eg. parks, leisure facilities, horseriding)					
Sports facilities (eg. golf, tennis)					
Health/medical facilities to serve tourists					
Financial institutions and currency exchange facilities					
Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction					
Quality of tourism/hospitality services					
Telecommunication system for tourists					
Frequency/capacity of access transport to destination					
Distance/flying time to destination from key origins					
Direct flights/indirect flights into destination					
Use of e-commerce in tourism/hospitality industry					
Use of information technology by tourism/hospitality firms					
Capabilities of managers of tourism/hospitality firms					

C. Destination competitiveness (attractiveness) also depends on aspects of **Destination Management and Policies** enacted to support tourism development.

For each factor listed below, please give a rating for Korea as compared to its major competitors.

1. Well below average
2. Slightly below average
3. Average
4. Slightly above average
5. Well above average
6. Don't know/not sure

Destination Management and Policy	(1)	(2)	(3)	(4)	(5)	(6)
Tourism/hospitality firms having well defined performance standards in service delivery						
Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction						
Industry appreciation of importance of service quality						
Existence of hospitality development programs for residents						
Investment environment for tourism development						
Security/safety of visitors						
Range and quality of tourism /hospitality training programs						
Responsiveness of tourism firms to visitor needs						
Ongoing tourism development responsive to community needs						
Ongoing tourism development responsive to visitor needs						
Packaging of destination experiences for visitors						
Value for money in destination tourism experiences						

Value for money of shopping items					
Present 'fit' between destination products and consumer preferences					
Communication between tourists and residents					
Efficiency of customs/immigration					
Attitudes of custom/immigration officials					
Attitudes of residents towards visitors					
International awareness of destination					
International awareness of destination's specific product offerings					
Community support for special events					
Destination links with major origin markets (eg. business/trade, sporting, ethnic, religious ties)					
Links between tourism destination and travel trade					
Overall destination image					
Destination has clear policies in 'social' tourism (eg. disabled, aged)					
Quality of research input to tourism policy, planning, development					
Tourism development integrated with overall industry development					
Destination 'vision' reflecting resident values					
Destination 'vision' reflecting industry stakeholder values					
Visa requirements as impediment to visitation					
Government leadership/commitment to tourism development					
Resident support for tourism development					
Public sector commitment to tourism/hospitality education & training					

Private sector commitment to tourism/hospitality education & training					
Tourism/hospitality training responsive to visitor needs					
Public sector recognition of importance of 'sustainable' tourism development					
Private sector recognition of importance of 'sustainable' tourism development					
Extent of foreign investment in destination tourism industry					
Level of cooperation (eg. Strategic alliances) between firms in destination					
Entrepreneurial qualities of local tourism businesses					
Access to venture capital by tourism firms					
Extent of cooperation between public and private sector tourism organisations					
Tourism/hospitality firms conforming to principles of business ethics					
NTO reputation for attracting visitation					

Thank you for taking the time to complete this survey. Your input is much appreciated. You will be sent a copy of the final report.

If you wish to make a comment you are encouraged to do so. Please type in your comment here:
