

# Residents' awareness and support of tourism for strategic management purposes in Mahikeng



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Dissertation submitted in fulfilment of the requirements for the degree Master of Commerce in Management at the Mafikeng Campus of the North-West University

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## **ACKNOWLEDGEMENTS**

*I would like to thank Jesus Christ my Lord and Saviour for giving me strength, grace and the will to complete my studies.*

*“You did not choose Me (Jesus), but I choose you (Alpheaus) and Appointed you that you should go and bear fruit, and that your fruit should remain, that whatever you ask the Father in My name He may give you.”*

**John 15:16**

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## **ABSTRACT**

Tourism is recognised as a means of boosting the national and regional economy. Increasingly destinations, and specifically cities, are turning to tourism as an important element in their economic portfolio. The Provincial Government of the North West province in South Africa considers tourism as an important sector that can contribute towards the economic growth, and for achieving broader social goals.

One of the challenges tourism is facing is that governments and other role players do not always provide sufficient investment for the potential development of tourism and this then results in only marginal resources being assigned to tourism as an economic sector. Achieving competitive advantage in times of rapid change requires tourism to gather information and develop a clear understanding of the direction in developing tourism and its implications for a particular destination. Since tourism is intertwined with other economic sectors, tourism trends should ideally not be considered in isolation from the key drivers that shape South Africa's economic future.

The main purpose of the study was establishing residents' (1) awareness and their (2) propensity to support tourism in Mahikeng. The reason for this is that a resident of a particular region or city forms a key factor contributing towards the development of a lucrative and prosperous tourism industry. This has enabled the researcher to gather insights and reasonable findings with regard to the level of residents' awareness and their likeliness to support tourism in Mahikeng. Consumer information, such as residents' awareness and support for tourism, is indispensable for strategic management purposes and contributes towards sustainable tourism development in Mahikeng.

A total number of 365 questionnaires were distributed among residents of which 303 were completed and used. Questionnaires were distributed at residents' residential places and selected public areas. Data retrieved from the questionnaire were used and captured in the form of figures and tables. The main variables in this study were gender, age group, marital status, level of employment, occupational status, number of years residing in Mahikeng, and the number of times residents have visited tourism attractions in Mahikeng for the last 2 years.

The result obtained can contribute towards the strategic planning and management of the North West Parks and Tourism Board (NWP&TB) and also towards stakeholders formulating strategies to grow and develop tourism in Mahikeng. Suggestions from the respondents were that those responsible for destination marketing should increase marketing efforts with the objective of raising the level of awareness amongst residents as that will prompt more support for tourism facilities. The development of sustainable tourism is difficult without the support and participation of local residents. Thus, the support of residents is a critical factor for ongoing development.

**Key words:** Strategic management, Domestic tourism, Residents, Provincial government, Destination Marketing Organisation, Consumers.

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## **ACRONYMS**

|        |  |
|--------|--|
| ANOVA  | Analysis Of Variance   |
| CEO    | Chief Executive Officer  |
| DEDECT | Department of Economic Development, Environment, Conservation, and Tourism |
| DMOs   | Destination Marketing Organisations  |
| DMO    | Destination Management Organisation  |
| GSI    | Government Supported Institution   |
| GGP    | Gross Geographic Product   |
| ICTs   | Information Communication Technologies                                     |
| ITs    | Information Technologies   |
| MEC    | Members of Executive Council   |
| NTSS   | National Tourism Sector Strategy   |
| NW     | North West   |
| NWP&TB | North West Parks and Tourism Board   |
| QoL    | Quality of Life  |
| SADC   | Southern African Development Community                                     |
| SAT    | South African Tourism  |
| SPSS   | Statistics Package for Social Science                                      |
| SWOT   | Strengths, Weaknesses, Opportunities and Threats                           |
| UNWTO  | United Nations World Tourism Organisation                                  |
| USA    | United States of America   |
| VFR    | Visiting Friends Relatives   |
| WEF    | World Economic Forum   |

# CHAPTER 1

## INTRODUCTION AND PRÉCISING

### 1.1 INTRODUCTION

Tourism is viewed as an amalgamation of activities, services and industries providing a memorable experience by combining transportation, accommodation, attractions, retailing, and destination marketing. These activities require goods and services which in exchange do and can provide economic benefits for not only businesses involved therein but also for destinations such as South Africa, the North West, and Mahikeng in particular.

Tourism is recognised as a means of boosting the national and regional economy. Increasingly destinations, and specifically cities, are turning to tourism as an important element in their economic portfolio. The Provincial Government of the North West considers tourism as an important sector that can contribute towards the economic growth and for achieving broader social goals. However, some destinations appear to be more successful with tourism and should be regarded as benchmarks of best practices (Zhou, 2005:2).

This study is based on residents' awareness and their propensity to support tourism in Mahikeng. The reason for this is that residents of a particular region or city are a key factor contributing towards the development of a lucrative and prosperous tourism industry. Following is a brief background of tourism, in particular domestic tourism, and how residents' awareness and support of tourism is an important contributor towards sustainable tourism development. This is followed by a presentation of the research problem, aims and objectives. A synopsis of the existing literature on residents' awareness and support for tourism is then presented. A discussion of the significance, the research methodology, and the limitations of this research study then follow; this chapter then concludes with an outline of the context of this study.

## **1.2 BACKGROUND AND MOTIVATION**

The focus of this study is on residents' awareness of tourism facilities and infrastructure in the Mahikeng area and their likeliness to support tourism, as well as to discover what their specific needs, wants and preferences are concerning supporting tourism.

Tourism on a global scale has had a significant impact on the economic development of industries both related and non-related to tourism. Many countries recognise tourism as an important tool for regional economic growth and development. Many countries employ tourism to stimulate the local economy and for securing foreign investment and capital from currency exchange. However, governments in developing countries only started to get involved in tourism planning and development since the 1990s, noted by Marzuki (2011:25).

The South African Department of Environmental Affairs and Tourism published the White Paper on the Development and Promotion of Tourism 1996 and stated that tourism development in South Africa had largely been a missed opportunity; and that the focus on a narrow market had reduced the potential of the tourism industry to spawn entrepreneurship, and to drive local economic development (Republic of South Africa, 2002:1).

Retailing, according to Yuksel (2004:751), makes a significant contribution to tourism and forms a major tourist activity, and those sectors prevail mainly of information on how domestic and international visitors perceive the components of tourism (attractions, accommodation, transportation, destination marketing organisations, and retail entities such as tour operators). This study is based on domestic tourism and should ideally be extended at a later stage to include the international tourism market as well.

The advantage of international tourism is that tourists bring cash into the country to pay for goods and services. In return this brings additional revenue for both private companies and government, and the circulation of additional funds contributes towards an improved standard of living for local residents by creating employment and supporting small and medium sized enterprises such as guest houses, tour operators, restaurants, and shops.

Domestic tourism does not bring foreign currency into a country but it brings currency from one province and/or region into another and thus contributes towards increased employment opportunities in a local area, the development of infrastructure, development in rural areas, increased tax revenues from economic activity, as well as providing an opportunity for local residents to explore local tourism attractions and interesting places (Postcard From Bishkek, 2009).

Domestic tourism can be cultivated to make a significant contribution towards establishing and maintaining infrastructure. A South African tourist is more likely to visit regional and remote areas in South Africa, thus enhancing the geographical spread of visitors throughout South Africa. Domestic tourism could also be used as a tool to manage the seasonality of tourism by ensuring that tourism attractions and facilities are utilised throughout the year. Tourism is furthermore an important source of employment, in particular domestic tourism, as noted by Athanasopoulos and Hyndman (2006:2).

Interest in domestic tourism in developing countries is ascribed to the size, the rapid growth, the economic value, and domestic tourism's ability to counter the seasonality of tourism, as well as its valuable contribution towards local development. The internal attributes of a destination are a necessary but not sufficient condition for tourism development. A destination has to be known to local residents in order for them to support local tourism facilities and attractions. The tourism agency in the North West of South Africa is the North West Parks and Tourism Board (NWP&TB), which is making an enduring commitment to improve and market the North West, and in particular Mahikeng (Garin-Munoz, 2009:6).

A number of tourism academia and practitioners suggest that effective tourism planning requires residents' awareness of the components of tourism, involvement to mitigate the negative impacts, and to clarify the benefits associated with tourism. In return for mitigating impacts and clarifying benefits, tourism planners can earn residents' support for tourism initiatives and create a favourable attitude (Wang & Pfister, 2008:84).

### **1.3 RESEARCH PROBLEM**

One of the challenges tourism is facing is that governments and other role players do not always provide sufficient investment into the development and promotion of tourism and this then results in only marginal resources being assigned to tourism as an economic sector, according to Spenceley *et al.* (2002:6). Achieving competitive advantage in times of rapid change requires tourism to gather information and develop a clear understanding of the direction in developing tourism and its implications for a particular destination. Since tourism is intertwined with other economic sectors, tourism trends should ideally not be considered in isolation from the key drivers that shape South Africa's economic future.

There is increasing competition between destinations worldwide (between established markets and from new markets), between destinations domestically, and between organisations and service providers within a destination. Consumer information, such as residents' awareness and support for tourism, is indispensable for strategic management purposes. This study aims to obtain information the North West Parks and Tourism Board (NWP&TB) and other tourism stakeholders can use when planning the strategic development of tourism and tourism-related facilities for Mahikeng.

Tourism would be supported more by residents if they are aware of the tourism facilities in and around Mahikeng and the problem statement for this study is formulated as: The NWP&TB would be in a better position to plan the strategic development and management of tourism in Mahikeng should they be knowledgeable about residents' awareness of and their propensity to support tourism.

### **1.4 RESEARCH OBJECTIVES**

Research aims are broad statements of desired outcomes or the general intentions of research, which paint the picture of an entire research project. Research objectives are the steps that are intended to answer the research problem (Walliman, 2008:340).

Research aims and objectives both consist of two essential parts: an action verb and a subject content reference. It is written from the perspective of a researcher; what is to

be achieved after completing a research project. Upon reading aims and objectives a clear understanding should be obtained of what result should be attainable to successfully complete a research project (Leedy & Ormrod, 2010:145).

The objectives of this study are presented below.

#### 1.4.1 PRIMARY OBJECTIVE

The primary objective for this study is:

- To obtain an understanding of residents' awareness of and their propensity to support tourism in Mahikeng.

#### 1.4.2 SECONDARY OBJECTIVES

The secondary objectives for this study are:

- To obtain the demographic description of the research population.
- To establish the tourism attraction visitation practices of residents in Mahikeng.
- To investigate residents' awareness and support of tourism in Mahikeng.
- To investigate the importance of tourism to the residents of Mahikeng.
- To obtain an impression of the preferences and needs of residents in terms of tourism attractions in Mahikeng.

### 1.5 LITERATURE REVIEW

A review of the literature forms the secondary data accessed for the purpose of this study and is also the theoretical foundation upon which this study is based.

Tourism is an economic sector that directly and indirectly contributes to the performance of almost all industries and to the development and prosperity of destinations. Visitors' expenditure flows through a wide range of businesses that provide services to visitors and this stimulates the economy (Garcia-Buades & Dieðrich, 2008:515). Tourism attracts investment and this leads to the provision of infrastructure, services and facilities that cater to both visitors and also residents. Tourism relies heavily on public utilities and infrastructural support and tourism planning and development would not be

possible without for example airports, hotels, shopping malls, nature reserves and national parks, roads, electricity, and also water and sewerage.

Tourism is recognised as an important component of economic development initiatives around the world. Planners who have traditionally been responsible for economic development consider tourism as a viable strategy as traditional industries tend to relocate to obtain cheaper labour and resources. At the same time, residents in many areas are encountering the impacts and benefits of tourism for the first time. To gain support for tourism projects and initiatives, many strategic planners now strive to understand how the public perceives the tourism industry. For planners with little exposure to tourism other than being tourists themselves, the learning curve about tourism and residents' attitudes toward tourism can prove to be daunting, according to Harrill (2004:1).

Residents of local communities play a vital role in developing a healthy and prosperous tourism industry. There are two important reasons why tourism needs the support of the local community. *Firstly*, residents are often asked to vote for tax increases to support infrastructure maintenance and development. *Secondly*, a welcoming local community is critical for successful tourism. Resident support of tourism, as professed by Stockton (2011:2), is regarded as an essential element for successful sustainable tourism development.

For a tourism-related economy to sustain itself, residents must be willing partners in the process. This is because of the frequency of interaction between residents and tourists – residents' willingness to serve as hosts is critical to the success of tourism. Therefore, residents should ideally be involved in the planning of tourism and their attitudes toward tourism and their perceptions of the importance of tourism and its impact on the community should be continually assessed. Ko and Stewart (2002:522) said at the turn of the century that local residents' involvement could lead to residents developing a positive attitude towards tourism and this would then lead to them supporting additional tourism development, accepting restrictions on tourism development, and supporting special tourism taxes (if needed), and this is still applicable today.

A tourism perspective of the social exchange theory, according to Brida *et al.* (2004:2), means that residents examine costs and benefits as a result of tourism and, if their assessment is positive, then residents' attitude towards tourism will be positive. Therefore, residents perceiving more positive (benefits) than negative (costs) effects arising from tourism are likely to support the exchange. In general, if residents display positive attitudes and perceptions toward tourism, they will then encourage future local tourism development.

There are many ways in which tourism may influence an individual's Quality of Life (QoL). An improvement of QoL can be experienced through the development of tourism products that can also be enjoyed by residents, such as festivals, restaurants, natural and cultural attractions, and outdoor recreation opportunities. An improved QoL can also be realized through for example a higher personal standard of living, and also through the creation of employment opportunities and increased tax revenues. However, Andereck and Nyaupane (2010:249) specifically warn that tourism can also result in negative QoL. This refers to impacts such as crowding, traffic and parking problems, increased crime, and increased cost of living, friction between tourists and residents, and changes in residents' way of life, all which can be detrimental to residents' level of satisfaction with life.

There is increasing competition in tourism between destinations worldwide, between established markets (such as the United States of America (USA)) and emerging markets (such as Brazil), between destinations on a domestic scale (such as Cape Town and Johannesburg) and between tourism related organisations within a destination (such as lodges and guest houses in the Mahikeng area). Dwyer *et al.* (2008:63) emphatically stated that the greater the knowledge of trends underpinning tourism development the greater would be the capacity of destination managers and tourism stakeholders should formulate strategies to achieve competitive advantage.

Tourism destination's attractions, according to Zhou (2005:3), have their own unique attributes which can be an important source of its attractiveness. This study will serve as a future reference for researchers on the subject of the strategic management and marketing of tourism.

## 1.6 SIGNIFICANCE OF THE STUDY

Both the private and public sectors are in need of information concerning the performance of an economic activity, such as tourism, as well as how residents perceive the attributes of Mahikeng as a tourism destination. This can then be incorporated into the strategic development and management of tourism as one of the several prospective economic contributors towards the affluence of Mahikeng.

## 1.7 RESEARCH METHOD

The overriding purpose for a discussion on research methods is to provide meaningful information on how a study was undertaken and following is an outline of the research method followed for the purpose of this study.

### 1.7.1 RESEARCH DESIGN

The research design outlines how data is to be collected from different sources using methods and describing techniques to analyse the data collected. The reasons chosen for a particular data collection and analysis method are determined by the nature of the research outcomes, according to Walliman (2008:270). There are three research design types, as discussed by Tustin *et al.* (2005), and these are: *exploratory* research (searching for insights into the general nature of a problem); *descriptive* research (to answer who, what, when, where and how questions); and lastly, *causal* research (investigating whether one variable causes or determines the value of another variable).

The research design most suitable for researching residents' awareness of and their propensity to support tourism in Mahikeng is the descriptive research design. According to Tustin *et al.* (2005) and Babbie (2007:89), descriptive research involves quantitative surveys with a questionnaire, and this type of research design enables the accurate description of the facts and characteristics of a research population.

## 1.7.2 INFORMATION NEEDS

There are two data collection methods and both primary and secondary data were used to obtain the information needed, relevant and insightful for achieving the objectives of this study.

### 1.7.2.1 Secondary data

Researching secondary data refers to re-analysing documents and data obtained by others and the secondary data needed for the purpose of this study was obtained through published research sources and electronic databases. The secondary data research was undertaken in order to lay the theoretical foundation upon which this study is based. The secondary data sources accessed for this study included reports, journals, policy documents, statistics and legislation in order to provide a better understanding of not only tourism as a lucrative economic sector for any given destination but how residents should be involved in the strategic development and management of tourism at a destination.

### 1.7.2.2 Primary data

It was doubtful whether the available secondary data would be able to yield all the information needed to materialize the objectives of this study and empirical research was therefore undertaken. There are two approaches that could be followed to obtain primary data and these are quantitative and/or qualitative research. Qualitative research is more subjective than quantitative research and uses different methods for collecting information, mainly individual in-depth interviews (Leedy & Ormrod, 2010:182). The quantitative research approach was decided upon as the main method and a number of respondents (residents) were involved. The quantitative approaches with both closed-ended and open-ended questions were used to collect the primary data needed for the purpose of this study.

Primary information was obtained by means of a survey and a structured questionnaire was utilised.

### 1.7.3 SAMPLING PLAN

A sample plan outlines the subset or sample of the population that was studied because it was not possible to include the entire population of interest in this study. Following is a presentation of the sampling plan of this study.

#### 1.7.3.1 Research population (N)

The study was conducted in Mahikeng, the capital city of the North West. The research population is thus the total number of residents in Mahikeng, of which 75% of the area is rural. It was for logistical purposes not possible to conduct a census and sampling was undertaken.

#### 1.7.3.2 Sample frame

A sample frame is a set of information that is used to identify a sample population for statistical treatment. A sampling frame consists of a numerical identifier for each individual, plus other identifying information about the characteristics of individuals to aid in analysis and allows for division into frames for more in-depth analysis. However, it was not possible to obtain or compile a comprehensive list (sample frame) of all the residents in Mahikeng during the course of this survey.

#### 1.7.3.3 Sampling method

A sample, according to Collis and Hussey (2009), is made up of some members of the target population. There are two main categories of sampling used and these are:

- **Probability sampling**  
Probability sampling entails that it can be specified in advance that each segment of a population will be represented in the sample. A sample frame is needed for this purpose.
- **Non-probability sampling**  
There is in this case no way of forecasting or guaranteeing that every element of a population will be represented in the sample and the sampling techniques used in such an event are convenience sampling, quota sampling and purposive sampling.

Based on the above, the most appropriate technique for this study was non-probability convenience sampling, due to the absence of a sample frame.

#### 1.7.3.4 Sample size (n)

The sample size (n) decided upon was 350 residents of Mahikeng who reside within the municipal areas. A total number of 365 questionnaires were distributed among residents of which 303 were completed and used. To be able to facilitate the grouping of data for comparison purposes, only adult residents (18 years and above) were approached to act as respondents, and sample members ideally ranged from all age and income groups. Residents were the study subjects and tourists from other regions, provinces, and also international tourist who were in Mahikeng during the course of this survey were excluded.

#### 1.7.3.5 Sample drawing

The survey instrument was distributed by the researcher to sample members at selected public areas such as public transport terminals, shopping centres and sports grounds.

### 1.7.4 RESEARCH INSTRUMENT

There are different methods that can be used to obtain information needed and a survey was regarded as the most appropriate for the purpose of this study. The questionnaire consisted of three sections starting with obtaining a demographic description of the research population. This was followed by a series of questions concerning respondents' awareness and willingness to support tourism. The last section dealt with the importance of tourism to residents, as well as obtaining information concerning the tourism-related needs, wants, and preferences of the residents.

### 1.7.5 DATA COLLECTING AND EDITING

The data collection process usually involves the ways in which data is collected and this refers to fieldwork. Data collection also involves gathering both numeric information (for example, survey instruments) as well as text information (for example, interviews). For

purpose of this research, the database was represented by quantitative information (Creswell, 2003:20).

The collection of data is in its raw form and then needs to be edited. Editing data ensures that all responses are clear to understand. Bringing clarity is important, otherwise the wrong inferences can be drawn from the data. The field editing style was adopted for this study. This style facilitates the editing of data during the fieldwork process (because it was not possible to go back to respondents to obtain missing data) and not at the end of the study, which makes it cost and time efficient.

#### 1.7.6 DATA CODING

Data coding is described by Tustin *et al.* (2005:457) as a technical process whereby codes are assigned to responses prior to its tabulation. Coding is another form of transforming data into a form understandable by computer software. Codes were assigned to the responses before the questionnaire was completed (pre-coding), as well as after the questionnaire had been completed (post-coding).

The classification of information is an important step in preparing data for computer processing with statistical software.

#### 1.7.7 DATA CAPTURING, CLEANING AND STORING

When the data capturing process had been completed, the entering of the data into computer format followed, which is called data capturing. For this particular study, the package used was a spreadsheet and the Statistical Package for Social Science (SPSS) data entry (software package).

Daymon and Holloway (2011:75) state that data cleaning follows data capturing and this is the process of removing data in a database that is incorrect, incomplete, improperly formatted, or duplicated. Once the data had been captured and cleaned, the data was stored electronically. After the editing, coding capturing and cleaning process were completed the realised sample was 303 (83%) which was then statistically analysed.

### 1.7.8 DATA ANALYSIS

The completed questionnaires were coded and the data captured into a spread sheet for analysis purposes. Statistical methods were used with the sole aim of addressing the research objectives. The statistical methods utilised/used consist of descriptive and inferential statistics.

### 1.7.9 RELIABILITY AND VALIDITY

Golafshani (2003:598-599) explains the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under similar methodology, then the research instrument is considered to be reliable. Golafshani (2003:599) further asserts that validity in quantitative research is described as 'constructive validity'. The construct is the initial concept, notion, question or hypothesis that determines which data is to be gathered and how it is to be gathered.

Reliability and validity in quantitative research reveal two stands: *Firstly*, with regards to reliability – whether the results are replicable. *Secondly*, with regards to validity – whether the means of measurement are accurate and whether they are actually measuring what they intend to measure.

## 1.8 LIMITATION OF THIS STUDY

The findings of this study cannot be generalised about tourism in other regions in the North West, South Africa, or elsewhere. This is a conclusive study because of the lack of substantial resources in terms of finances and time. Another limitation is that the researcher had accessibility only to organisations within the Ngaka Modiri Molema Region (Central Region) of the North West in which Mahikeng is situated.

## 1.9 ETHICAL CONSIDERATIONS

There are several reasons, according to Resnik (2011:1), why it is important to adhere to ethical norms in research. Firstly, ethical norms promote the aims of research, such as knowledge, truth, and avoidance of error. Secondly, since research often involves a

great deal of cooperation and coordination among many different people in different disciplines and institutions, ethical standards promote the values that are essential to collaborative work, such as trust, accountability, mutual respect, and fairness.

The goal of a research project is to facilitate learning through a better understanding of research and how it influences practice. However, an understanding of research, the project leader will frequently be required to seek information from individuals who are normally of the education process (for example, local residents, consumers, managers, employees). The project leader will need to ensure that no harm occurs to these voluntary participants and that all participants have made the decision to assist the project leader after receiving full information as to what is required and what, if any, potential negative consequences may arise from such participation (Ritchie & Lewis, 2003:49).

Particular attention was paid to the ethical conduct of research and the policy of the North-West University (NWU). An ethical clearance letter (certificate number: NWU-00261-14-A9, see Annexure A) was obtained from NWU and provided to external organisations dealt with for the purpose of this study, such as the NWP&TB.

## **1.10 DEFINITION OF CONCEPTS**

The main concepts forming part of this study are presented below.

### **AWARENESS**

According to Huang and Sarigollu (2011:92), awareness is knowledge that something exists, or understanding of a situation or subject at the present time based on information or experience. Trimeche *et al.* (2012:25) describes awareness in marketing context, as a measure of how well known a brand, organisation, or product is. Organisation usually set a target for the degree of awareness they intend to achieve, and then plan a promotional campaign to reach that target.

### **STRATEGIC MANAGEMENT**

The field of strategic management deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilisation of resources to enhance performance of organisation in their external environment,

according to Harrington and Ottenbacher (2011:441). Strategic management is the continuous planning, monitoring, analysis and assessment of all that is necessary for an organisation to meet its goals and objectives (Waligo *et al.*, 2013:344).

### **DOMESTIC TOURISM**

According to Li and Petrick (2008:236), domestic tourism comprises the activities of residents of a given country travelling to and staying in places inside their residential country, but outside their usual environment for not more than 12 consecutive months for leisure, business or other purpose.

### **DESTINATION MARKETING ORGANISATION**

Marketing is a continuous, sequential process through which a destination marketing organisation (DMO) plans, researches, implements, controls and evaluates programmes aimed at satisfying traveller's needs and wants as well as the destination's and DMO's visions, goals and objectives. To be effective, the DMO's marketing programs depend upon the efforts of many other organisations and individuals within and outside the destination, described by Morrison (2013:9).

### **TOURISM DEVELOPMENT**

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities, according to Richards (2011:10).

## **1.11 STUDY EXPOSITION**

The nature of this study encompasses various disciplines and also requires extensive discussion in order to fully comprehend the underlying theory relevant to this study and it is therefore necessary to divide this study into different chapters. Following is an overview of the content of every chapter.

### **Chapter 1 Introduction and précising**

This chapter introduces the research topic, which is residents' awareness and support of tourism in Mahikeng. This chapter further presents the problem statement, a synopsis

of the literature, and this is followed by an explanation of the research objectives and the research method followed for the purpose of this study.

## **Chapter 2 Strategic management**

This chapter explores the nature of strategic and destination management in depth. The literature review serves as secondary information to provide meaningful insight and knowledge about strategic management and on how tourism stakeholders could formulate strategies, such as developing a destination to gain a competitive advantage over other destinations within a country and countries globally.

## **Chapter 3 Provincial governance**

This chapter investigates the nature of the North West provincial governance. Tourism has been marked as one of the fundamental components of economic development in South Africa, and in particular in the North West (NW). The North West Government refers to tourism as an ideal economic sector that can contribute positively to the Gross Domestic Product of the province, and tourism is ideally suited to add value to the many natural, cultural and other resources of the province.

## **Chapter 4 Domestic tourism marketing**

This chapter explores the concept of domestic tourism. This literature review provides meaningful knowledge about domestic tourism marketing and the elements that are needed to promote and sell a destination to potential domestic tourists. Tourism destination marketers use promotional and marketing communication strategies to influence a destination's image, and the benefits of creating a positive image will assist in creating awareness and support for tourism amongst residents.

## **Chapter 5 Research method**

This chapter explores research methods and their application to this specific study. The purpose is to fully explain the process followed for collecting data and the measuring instrument used. The research process is a scientific formula according to which the design is used to collect, analyse and interpret the data in order to provide meaningful insight in terms of Mahikeng's residents' awareness and likeliness to support tourism.

## **Chapter 6 Results presentation**

This chapter presents the results after the data was statistically analysed in the form of discussions, figures and tables. The results were compared to detect concurrences and contradictions. The results are presented and interpreted without being biased, misleading, or intentionally misrepresented.

## **Chapter 7 Conclusion and recommendations**

The last chapter summarizes the theoretical and empirical findings of the study where recommendations are formulated, based on the results and interpretation of the findings in the previous chapter. The objectives indicated in Chapter 1 form the basis of the last chapter and the study then terminates with a final conclusion.

## **CHAPTER 2**

### **STRATEGIC MANAGEMENT AND TOURISM**

#### **2.1 INTRODUCTION**

Tourism as a global phenomenon is increasing and expanding continuously. Tourism, among various other economic sectors, has the ability to expand the economy of any country through improving the balance of payment, infrastructure development, job creation, and potentially being the world's largest export earner. The tourism market today is significantly more competitive than ever before, and those responsible for the numerous destinations around the world are formulating strategies and action plans to establish a competitive advantage over rival destinations.

However, when considering the competitive nature of tourism, no destination can succeed without taking action. Destination Marketing Organisations (DMOs), Provincial and Local Government, the private sector and all other role players must invent policies and strategies which are aligned to develop tourism to its fullest potential. Now only is it possible to achieve the tourism-related long-term goals of a destination, as well as gaining a competitive advantage through adding value and this includes tourists.

The focus of this chapter is on strategic management in tourism and deals with what strategic management is (a framework to guide thinking and a process to guide action).

#### **2.2 STRATEGIC MANAGEMENT**

Strategic management is concerned with the overall effectiveness and choice of direction within a dynamic, complex and ambiguous environment. Strategic decisions have long-term implications and concern an entire organisation. Strategic management is not concerned with strategic planning only, but has to ensure that strategy is also implemented, according to Louw and Venter (2008:20). This concept of strategic management will be presented in general and it should be noted that these principles also apply to strategic tourism and destination management.

An organisation (as well as a destination as in this case) has a competitive advantage when it implements a strategy competitors are unable to duplicate or find too costly to imitate. An organisation can only be confident that its strategy has resulted in one or more useful competitive advantages after competitors' efforts to duplicate its strategy have ceased or failed. In addition, it is important to keep in mind that no competitive advantage is permanent. The speed with which competitors are able to acquire the skills needed to duplicate the benefits of an organisation's value-creating strategy determines how long the competitive advantage will last (Hitt *et al.*, 2009:5).

Tourism today is the product of radical change and the factors, product features and competencies that made a destination successful in the past do not necessarily guarantee success today. On the contrary, those factors might even lead to a destination's downfall in today's intense tourism environment. The new competitive landscape, characterised by significant and discontinuous change that emerged in the 1990s drastically altered the rules and engagement of a successful destination. The impact and spread of access to the World Wide Web (www) and the Internet, as well as continual change in the global economy, the ever-changing needs and wants of consumers, as well as Government policy amendments are just some of the new dimensions of the competitive landscape that "altered the rules of strategic management in creating a successful destination" (Ehlers & Lazenby, 2010:1).

A comprehensive discussion of strategic management is provided for the sake of completeness and those involved in tourism destination strategic management are advised to select what applies to their specific situation. The nature of strategic management will now be further deliberated.

### 2.2.1 NATURE OF STRATEGIC MANAGEMENT

Strategic management as a process has been described by numerous academics and following is a synthesis of the description. Table 2.1 presents different descriptions of the strategic management process.

**TABLE 2.1: STRATEGIC MANAGEMENT DESCRIBED**

| AUTHOR                              | DESCRIPTION  |
|-------------------------------------|--|
| Thompson & Martin (2005:34)         | To survive you have to learn to fight by the rules of the game. The rules of the business game have changed in response to economic, technological and social dislocation and require new approach to market combat. Companies that will survive and prosper will be those which recognise the new rules of the market-place and adopt end-game strategies which reflect the combative nature of the market. |
| Hitt <i>et al.</i> (2009:6)         | A full set of commitments, decisions, and actions required for an organisation to achieve strategic competitiveness and earn above-average returns.  |
| Ehlers & Lazenby (2010:3)           | The process whereby all the organisational functions and resources are integrated and coordinated to implement formulated strategies which are aligned with the environment, in order to achieve the long-term goals of the organisation and therefore gain a competitive advantage through adding value for stakeholders.   |
| Goranczewski & Puciato (2010:47)    | Strategic decisions have long-term implications and concern the entire organisation, are described as identifying long-term objectives and conditions for development, and making decisions on the allocation of resources needed to meet objectives.  |
| Louw & Venter (2010:21)             | Strategic management is concerned with the overall effectiveness and choice of direction in a dynamic, complex, and ambiguous environment.   |
| Harrington & Ottenbacher (2011:441) | Strategic management deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving the utilisation of resources to enhance the performance of firms in their external environment.   |

The following synthesis is derived from these descriptions. Hitt *et al.* and Ehlers indicate similarities in their description of strategic management and describe strategic management as the integration of functions and coordination of resources to formulate strategies that will enable an organisation to gain a competitive advantage and earn a positive return on investment. Louw and Venter (2010) and Goranczewski and Puciato (2010) indicate similarities in their descriptions of strategic management by describing strategic management as identifying the long-term objectives of an organisation and allocating resources needed to meet those objectives. Thompson and Martin, and Harrington and Ottenbacher shift the focus of their descriptions unto the utilisation of resources to enhance the performance of an organisation in the external environment.

The key aim of strategic management of a given territorial unit is to maintain its presence in the market and to maintain opportunities for development. With reference to a tourism destination, the main aim will be to ensure the extended economic and social lifespan of a destination by creating a tourism product that is competitive and which will contribute to the possibility of generating income from tourism in the long run (Goranczewski & Puciato, 2010:47). The development of a strategy continues to be a

basic instrument of strategic management in tourism. Strategy, as noted by Kachru (2005:5), is “a set of key decisions made to meet objectives”.

An organisation cannot operate effectively without a strategy. The strategy may have been developed explicitly through a planning process or it may have evolved implicitly through the operations of various functional departments – but in order to function effectively in the marketplace, an organisation should have answers to the following questions:

- What business are we in? What products and services will we offer?
- To whom?
- At what prices? On what terms?
- Who are our competitors?
- On what basis will we compete?

Organisations asking these key questions and finding answers are likely to have a strategy in place (Katsioloudes, 2006:13).

A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain competitive advantage. Understanding how to exploit a competitive advantage is important for organisations that seek to earn above average returns. Organisations without a competitive advantage, or that are not competing in an attractive industry earn, at best, only average returns (Hitt *et al.*, 2009:6).

Competitive advantage is best described as the reason why a customer pays a particular organisation a profitable price for its products or services. Thus, competitive advantage is about creating value in specific transactions, for specific customers, in a specific context. Competitive advantage, thus, is not just a state of being; it is a distinction that has to be earned with each interaction. Competitive advantage is defined less by an organisation's relationship with its competitors than by an organisation's relationship with its customers. Competitive advantage is the source of an organisation's success and the target of an organisation's competitors. As such, competitive advantage must be constantly developed, nurtured and grown because it will erode and decline if left alone. Strategic management is then managing this ongoing process of actions that can create and sustain competitive advantage (Amason, 2011:13).

From a tourism perspective, Saayman and Du Plessis (2003:58) explain that competitiveness implies the ability to compete in world markets with a global strategy. Competitiveness is about staying in the race. In order to achieve this in tourism, note should be taken of changes in tourists' needs and the demand of globalisation in today's sophisticated and highly competitive tourism industry. In the light of today's global tourism, competition among tourism destinations has become very intense. More destinations are competing on the experience level and a significantly higher market transparency regarding prices.

Strategic management is a short- and a long-term process, involving both plans and actions reflecting the immediate realities of the business environment whilst providing stimulus for innovation, adaptation, and change. The strategic management process consists of five steps, as illustrated in Figure 2.1, and these steps are:

**Step 1 – External Analysis** of opportunities and threats (or constraints) that exist in the organisation's external environment, including industry and forces in the external environment.

**Step 2 – Internal Analysis** of the organisation's strengths and weaknesses, considering the context of managerial ethics and corporate social responsibility.

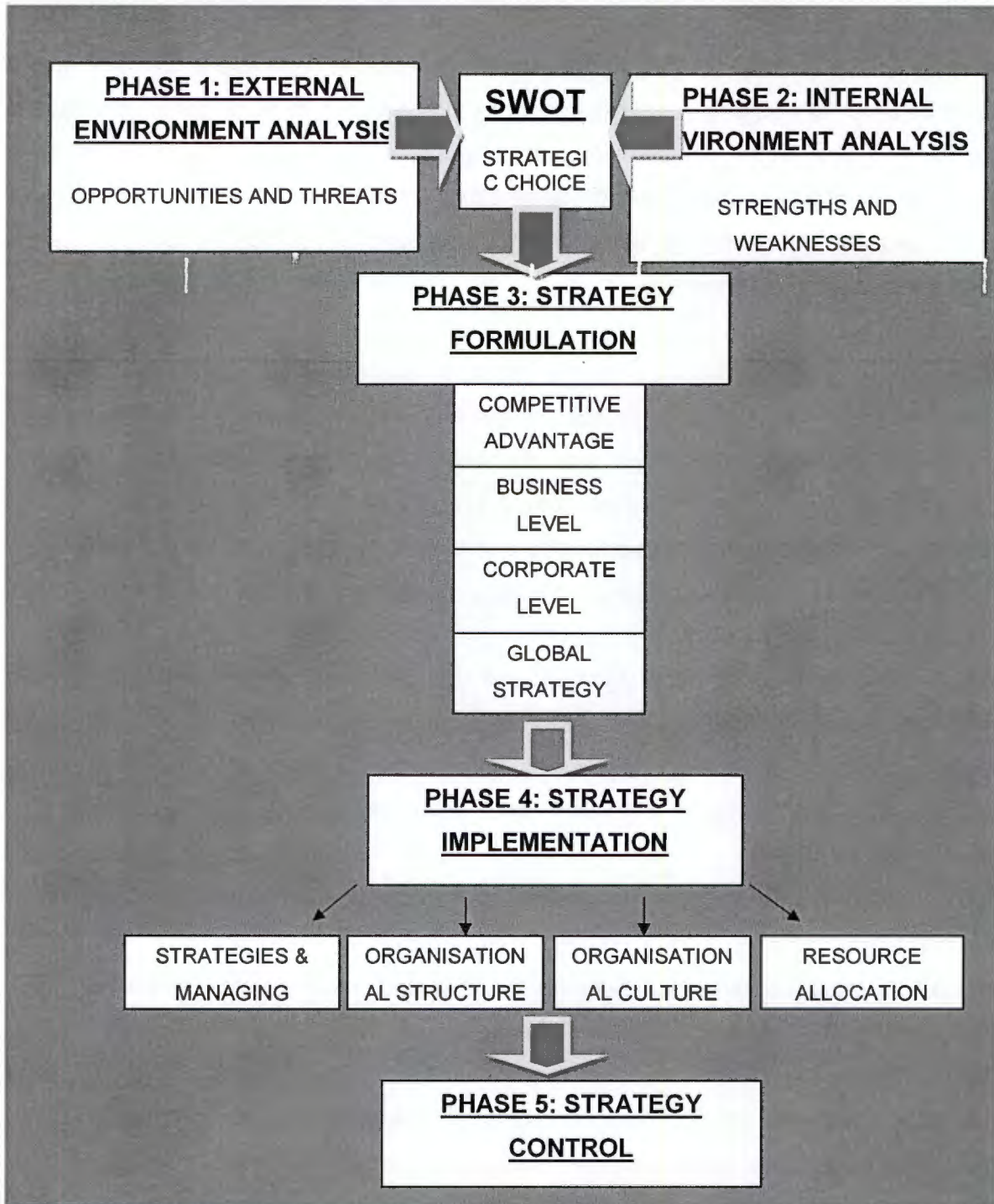
**Step 3 – Strategy Formulation** is building and sustaining competitive advantage by matching the organisation's strengths and weaknesses with the environment's opportunities and threats.

**Step 4 – Strategy Implementation** involves implementing the strategies that have been developed.

**Step 5 – Strategy Control** is measuring success and making corrections when the strategies are not producing desired outcomes.

This chapter provides an overview of the general strategic management process. The major components of the model are illustrated from the principal themes of the subsequent discussion. The steps of the strategic management model differ amongst authors and following is a synthesis of the steps as indicated in academic literature. Hill and Jones (1998:5), Miller (1998:42), and also Pearce and Robinson (2011:15) indicate the sequence as: (1) Company mission, (2) Internal analysis, (3) External environment, (4) Long-term objectives, (5) Generic grand strategies, (6) Short-term objectives, (7) Action plans, (8) Functional tactics, (9) Policies to empower action, (10) Restructuring,

**FIGURE 2.1: STRATEGIC MANAGEMENT PROCESS**



Source: adapted from Parnell (2014:3); Hill & Jones (2009:12)

reengineering, and refocusing the organisation, and lastly, (11) Strategic control and continuous improvement. Whereas Hough *et al.* (2007:19) explain that the process commences with (1) Developing a strategic vision, and this is followed by (2) Setting objectives, (3) Crafting a strategy to achieve the objectives and vision, (4) Implementing

and executing the strategy, and (5) Monitoring developments, evaluating performance, and making corrective adjustments. Parnell (2014:3) states that the strategic management process starts with (1) External analysis, (2) Internal analysis, (3) Strategy formulation, (4) Strategy implementation, and (5) Strategy control. The external environment serves as the initiator or starting point and this argument is supported by Kajanus *et al.* (2004:502), Lynch (2006:18), and also Louw and Venter (2008:28).

For the purpose of this chapter the latter strategic management process, as illustrated in Figure 2.1, has been adopted. A thorough understanding of the organisation and its environment is essential if an appropriate strategy is to be developed, put into action, and controlled. The external environment should be analysed before the internal environment, as depicted in Figure 2.1. However, internal goals, resources, and competencies are viewed in combination with the external environment within the context of the industry and the factors that drive it, as in this case the tourism industry.

## 2.2.2 EXTERNAL ENVIRONMENT ANALYSIS – OPPORTUNITIES AND THREATS

A host of external factors influence an organisation's choice of direction and action and, ultimately, its structure and internal processes. The "objective of external analysis is to identify strategic opportunities and threats in the organisation's operating environment", according to Hill and Jones (1998:7), and this is supported by Dyson (2004:635).

Robbins and Coulter (1996:262) explain that an analyses of the external environment is a crucial phase in the strategy management process because an organisation's external environment defines management's available resources. A successful strategy will be one that aligns well with the environment. Rao and Krishna (2009:52) describe that an organisation's external environment is challenging and complex, because of the impact the external environment has on performance and that an organisation must develop required skills to identify opportunities and threats in the external environment. Rossouw *et al.* (2007:31) state that all organisations are open systems, which are dependent on the external environment for their survival and success. It is therefore essential that an organisation regularly analyses the external environment to ensure that it stays abreast of changes in the external environment.

Tourism is one of the most dynamic and fastest growing global industries. It has been recognised as an important economic development tool generating revenue and employment for many economies. However, tourism is fragile and vulnerable to external fluctuations and it is more susceptible to disasters, either natural or human-involved, according to Wickramasinghe and Takama (2009:1). The different dimensions of the external environment (also known as the macro environment) are grouped into four external factors and these are illustrated in Figure 2.2.

**FIGURE 2.2: EXTERNAL FACTORS IMPACTING A DESTINATION**



Source: compiled from Ehlers & Lazenby (2010:140); Louw & Venter (2010:180)

Any planning activity should involve thinking about the future (Dobbins, 2004:1). However, the focus of strategic planning is not on predicting the future but on making better decisions today in order to reach a desired future. To be successful, strategists should find a fit between what the business environment wants and what the destination provides, as well as between what the destination needs and what the environment can provide. Strategic planning requires that, to be able to think about the future, managers must have access to information about both the external economic environment in which the destination operates and the internal characteristics of the destination organisation.

Macro environmental factors tend to exert forces that have a major influence on industries and hence on organisations operating in those industries. These macro environmental factors do not affect all industries and/or organisations in those industries

in the same way. The factors emanating from the macro environment in the global environment and from individual countries may therefore have a profound impact on a destination's strategic direction, competitiveness, profitability, accumulated market share, and ultimately on its survival.

The influences and trends of these factors can have a positive (opportunity) or a negative (threat) impact on a destination. There are, however, changes that occur in the different environmental factors that will have an effect on a destination. A change in one of these factors may pose a threat for one destination, but it can be an opportunity for another destination. The effect of these factors is uncontrollable for any individual destination, but they can have serious effects on the destination, according to Ehlers and Lazenby (2010:140). The external environment factors, as illustrated in Figure 2.2, are:

- Political, governmental and legal factors
- Technological factors
- Economical factors
- Social, cultural and demographic factors

These macro environment factors will now be further explained.

#### 2.2.2.1 Political, governmental and legal factors

The political environment includes the parameters within which organisations and interest groups compete for attention, resources and a voice in overseeing the body of laws and regulations that guide the interactions between organisations and the environment (Ehlers & Lazenby, 2010:141). Political decisions by government can have a tremendous influence on a country – events in Zimbabwe are a good example. Organisations throughout this country are severely affected by the decisions of government. Any government is a major regulator, deregulator, subsidier, employer and customer of an organisation. In this respect, the South African Government has the following aims, according to Ehlers and Lazenby (2010:141), that could have an influence on organisations:

- To enhance the process of social and economic transformation.
- Changing regulating policies on immigrants to South Africa which might have an inverse impact on the tourism industry.

- To stimulate job creation in alliance with the private sector.
- To be seen as being serious in its approach to dealing with law and order.

The key factors, as explained by Dwyer *et al.* (2009:65), which sparked international terrorism, are likely to continue over the next 15 years and the threat of terrorism is likely to become more decentralised, due to Internet use. Security, including bio-security, resulted in stricter border controls, thus creating barriers or deterrents to tourism. The growth in tourism brings with it the unprecedented risk of infectious diseases such as malaria and deadly Ebola, and other health-related crises. Destinations ought to develop coping strategies for such contingencies. Peace, safety, security, and political stability are fundamental requirements for sustainable tourism development. Political stability is an important precondition for the prosperity of tourism to and at any destination.

Political ties help organisations to obtain key regulatory resources. Governments in emerging economies guide economic activity by devising industry development plans and setting regulatory policies. Political connections provide organisations with crucial access to policy and aggregate industrial information. For example, the Chinese government controls a significant portion of their scarce resources such as land, bank loans, subsidies and tax breaks and organisations' connections with government officials offer shortcuts to such resources. Political ties also improve an organisation's political legitimacy or the extent to which government officials or agencies assume that the organisation's actions are desirable and proper, as explained by Sithole *et al.* (2013:108).

A closer look will now be taken at technology as a component of the external environment of strategic management.

#### 2.2.2.2 Technology

The technological environment, as described by Ehlers and Lazenby (2010:146), includes all the activities involved in creating new knowledge and translating that knowledge into new outputs, products, processes and materials. Given the rapid pace of technological change (50 per cent of all products known today have been developed

in the last 20-30 years), it is vital for organisations to thoroughly study the technological environment and the opportunities and threats it represents when formulating strategies.

The implication of technology innovation and advancements are as follows:

- It dramatically affects organisations' products, services, markets, suppliers, distributors, competitors, customers, manufacturing processes, marketing practices and competitive position.
- It creates new markets.
- It results in the proliferation of new and improved products.
- It changes the relative cost positions in an industry.
- It makes existing products and services obsolete.
- It reduces or eliminates cost barriers between businesses.
- It creates shorter production runs.
- It creates shortages in technical skills.
- It results in changing values and expectations of employees, managers and customers.
- It creates new competitive advantages that are more powerful than existing ones.

Technological progress and tourism are interlinked and Information Communication Technology (ICT) has been transforming tourism globally since the 1980s. Developments in ICT have changed business practices and strategies, as well as industry structures (Buhalis & Law, 2008:1).

Technological development creates opportunities as well as posing threats to tourism, as explained by Dwyer *et al.* (2009:66). Tourism is highly dependent upon information and also needs innovation and scientific discoveries to renew and develop its products and services. The success of tourism destinations is based on their efforts to add value to products and services through the use of technology to produce competitive advantage. Tourism managers must be able to imagine, perceive, and gauge the effects of oncoming science and technology upon demand, supply, and distribution. The evolution and revolution in technology will continue to influence suppliers, visitors, as well as the tourism industry's business environment in its entirety (Dwyer *et al.*, 2009:66).

ICT driven re-engineering is gradually generating a new paradigm-shift, altering tourism's industry structure and developing a range of new opportunities and threats. ICTs empower consumers to identify, customise and purchase tourism products and services, thus supporting the globalisation of tourism by providing opportunities for developing, managing and distributing tourism offerings on a worldwide scale. ICT is increasingly playing a crucial role in the competitiveness of not only tourism products, but also in the realms of tourism destinations. ICT is nowadays a key cause of organisational competitiveness and this incorporates an extended range of technological developments. Successful ICT development requires innovative management that is knowledgeable about developments and which devises solutions to aid competitiveness, as explained by Buhalis and O'Connor (2005:7).

Tourism is mentioned by Buhalis and Law (2008:2) as an international industry and as the biggest provider of employment on planet earth, boasting a greater array of heterogeneous stakeholders than in many other industries. The dynamic growth and development of global tourism are possibly mirrored only by the growth of ICT. The accelerating and synergistic interaction between technology and tourism in recent times has caused fundamental changes within tourism as an industry, and also to people's perception of the nature of tourism. The information science and technology of today brought new levels of interactivity, enabling on-line management.

Buhalis (2000:1) advocates that Information Technology (IT) is a blending of various tools and this facilitates the creation of new industries, restructuring existing industries, and also change the way organisations and destinations compete. IT thus brings about new forms and levels of competition in almost all economic activity, IT is linking consumers and suppliers, and IT is also adding value to products and services. Hence, IT is changing the nature of competition, regardless of the industry, the location, or the size of the organisation. In particular, technology affects competitive advantage as it determines the relative cost position or differentiation of an organisation.

Increasingly, ICT plays a critical role in the competitiveness of tourism organisations and destinations, as well as on the industry in its entirety. Buhalis and Law (2008:2) assert that developments in search engines, carrying capacity and speed of networks have influenced the number of travellers around the world who are using technology for

planning and experiencing their travels. ICT also changed the efficiency and effectiveness of tourism organisations, the way business is conducted in the marketplace, as well as how consumers interact with organisations.

Tourism as an industry requires a diverse range of information and lends itself well to the support offered by developing multimedia, communication technologies and information systems. ICT is changing global tourism and the Internet and other upcoming interactive multimedia platforms, used mainly for tourism promotion, are altering the structure of tourism as an industry (Buhalis & Deimezi, 2006:3).

ICT contributes to the economic growth of a country by improving efficiency in the production of goods and services. The national economy of a country has an impact on industries, business and non-profit sectors, consumers, tourism, and society in general. The economical factors as an influence on strategic management will now be deliberated.

#### 2.2.2.3 Economical factors

The health of a nation's economy affects individual destinations, organisations and industries because economic factors affect the nature and direction of the economy in which an organisation operates. Ehlers and Lazenby (2010:143) explain this as why organisations have to study the economic environment to identify changes and trends, and the strategic implications. Economic factors have a direct impact on the potential attractiveness of a tourism destination and the attractiveness of various strategies and consumption patterns in the economy, and also have significant and unequal effects on organisations in the tourism industry in different locations. Inflation, recession, interest rates and so on influence the demand for goods and services because consumers are forced to reconsider their consumption priorities. An adverse economic effect of a destination's weak currency can result in attracting tourists to that particular destination due to its affordability of products and services and this in the short term can boost the economic growth of a country.

Globalisation is the result of access across borders. For the tourism industry, this means more foreign tourists, as well as increased global competition from international

tourism destinations. The main factors, according to Dwyer *et al.* (2009:65), that will combine to promote widespread economic dynamism and growth and which will continue to drive globalisation include:

- *Improved macroeconomic policies* – the widespread improvement in economic policy and management sets the stage for future dynamism.
- *Deregulation/liberalisation* – efforts to remove barriers to international travel by means of the ongoing liberalisation of transport and other forms of deregulation are expected to continue.
- *Rising trade and investment* – international trade and investment flows will grow, spurring increases in world GDP.
- *Diffusion of information technology* – the pervasive incorporation of information technologies will continue to produce significant efficiency gains in developed economies.
- *Increasingly dynamic private sectors* – rapid expansion of the private sector in many emerging market countries will spur economic growth by generating competitive pressures to use resources more efficiently.

A closer look will now be taken at the fourth and last macro environmental factor influencing strategic management, namely the social, cultural and demographic factors.

#### 2.2.2.4 Social, cultural, and demographical factors

Social-cultural factors are explained by Louw and Venter (2010:180) as those forces in the external macro environment which change social values, beliefs, attitudes, traditions, lifestyles, and other culture-related elements of a nation, society or a group. These are important factors, seeing that they affect an industry and its organisations as changes could create opportunities and/or threats. Changes are often in response to shifting environmental factors that influence buyer behaviour by gradually altering values and beliefs. Changing socio-cultural factors affect the strategies of organisations needing to create new products for emerging markets, or adapt existing products to avoid becoming obsolete.

Unprecedented demographic shifts and social changes have an impact on almost every social institution, including tourism destinations. There is a worldwide trend towards urbanisation and the expectation is that the number of very large cities (megatropolises

of more than 10 million people) will double to about 30 in the nearby future, according to Dwyer *et al.* (2009:66). Managing huge cities will be a significant new problem. As a consequence, tourists will tend to favour holidaying away from crowds. The growing overcrowding of urban areas in both developed and developing countries causes a need increasingly felt by people to engage in discretionary tourism, to escape and indulge. Subsequently, cities will need to work hard to convince tourists that they are destinations worth visiting for more than just a short break, preferably for larger groups and for more often visits (Dwyer *et al.*, 2009:66).

From the 1960s through to the 1980s, the external environment was the primary focus and determinant of strategies that organisations selected to achieve organisational objectives. The late 1980s and 1990s experienced increased external complexity and this led to the belief that an organisation's unique internal collection of resources and capabilities should be the focus for strategy – referred to as the Resource Based View (Oosthuizen, 2005:70).

Analysing the external environment is the first phase in the strategic management process, because it is the phase in which an organisation scans the external environment for opportunities that can be taken advantage of and also prepare the organisation to avoid threats that can have an adverse effect on the organisation. An organisation then proceeds to the second phase, as illustrated in Figure 2.1 – analysing the internal environment for strengths and weaknesses. A discussion of the internal environment is dealt with in more detail in the following section.

### 2.2.3 INTERNAL ENVIRONMENT ANALYSIS – STRENGTHS AND WEAKNESSES

Analysing the internal environment is the second phase of the strategic management process and Rossouw *et al.* (2007:57) describe that the internal environment analysis involves the evaluation of an organisation's internal strengths and weaknesses, which is the foundation of competitive advantage. Hill and Jones (1998:109) indicate that this determines an organisation's efficiency, innovative capability, product quality, and customer responsiveness. The internal environment analysis is undertaken "in order to exploit environmental opportunities to its advantage", as stated by Rao and Krishna (2009:53). Hill and Jones (2009:18) further explain that the focus of the internal analysis

is on reviewing resources, capabilities, and competencies. Thus, the goal is to identify strengths and weaknesses (of a destination as in this case).

Tourism has become a fiercely competitive business amongst tourism destinations on a global scale. Competitive advantage is no longer natural but increasingly man-made, driven by science, technology, information, and also innovation. It is thus not simply the stock of natural resources of a destination, such as the mountains and natural scenery in South Africa, which will determine its share in the tourism market but rather how these resources are managed and integrated with other competencies to create a competitive advantage.

Strengths (internal positive factors) are the most important resources, skills and competencies which improve competitive position. In the case of a tourism destination, these may include unique tourism advantages (natural and anthropological), a well-developed tourism infrastructure, highly qualified human resources and a destination brand. Weaknesses (internal negative factors) which hinder development may include for example the poor financial standing of a local government unit, a poorly developed technical infrastructure, and also incompetent authorities, as explained by Goranczewski and Puciato (2010:49).

Analysing the internal environment takes place in phases and Table 2.2 highlights the six phases of this process.

**TABLE 2.2: ANALYSIS OF THE INTERNAL ENVIRONMENT**

| INTERNAL ENVIRONMENT   |                |                         |                         |                 |                                   |
|------------------------|----------------|-------------------------|-------------------------|-----------------|-----------------------------------|
| 1. STRATEGIC DIRECTION | 2. VALUE CHAIN | 3. LONG TERM OBJECTIVES | 4. STRATEGIC LEADERSHIP | 5. STAKEHOLDERS | 6. ETHICS & SOCIAL RESPONSIBILITY |

Source: compiled from Clarke & Fuller (2011:90)

Each one of these components will now be further deliberated.

### 2.2.3.1 Strategic direction

Most organisations, as explained by Hough *et al.* (2007:5), have considerable difficulty and uncertainty in choosing the precise strategy. Some strive to improve their performance and market standing by achieving lower costs than rivals, while others pursue product superiority or the development of competencies and capabilities that rivals cannot match. Some deliberately confine their operations to local or regional markets; others opt to compete nationally, internationally (several countries), or globally (all or most of the major countries and markets worldwide).

Similarly, organisations need a driving force, or strategic intent, that will inform and shape how they define their operations, and where an organisation finds its unique strategic advantage. A clear strategic intent gives an organisation and business managers a central point of departure from which to make decisions about the future of their organisations and to assess product options and market decisions. Unclear strategy and conflicting priorities, an ineffective senior team, and a leader who is too controlling or too disengaged in management style, can all interact to prevent a team from developing a high-quality business and organisational direction (Magliolo, 2007:12).

Organisations that lack a clear strategic intent, as indicated by Louw and Venter (2010:109), often “face conflicting priorities, wasted resources, indecision, frustration in different organisations, and confusion in the marketplace”. When priorities conflict and scarce resources need to be allocated, managers need to know how to make a tough decision. Management needs a touch point which will shape the future and explain the past, and devise long-term objectives for the organisation (destination). Organisations need new long-term objectives and the capability to deliver; and this, as explained by Jones and Hill (2008:30), requires open communication and a team approach, a willingness to listen and respond to customers, the delegation of real power, the ability to share learning across all role players involved, and also the ability to convey aims and values.

### 2.2.3.2 Value chain

The value chain is a useful concept for analysing an organisation's strengths and weaknesses and understanding how these might translate into competitive advantage or disadvantage. The value chain describes the activities that comprise the economic performance and capabilities of an organisation to transform inputs into outputs. Specifically, the value chain identifies primary and support activities needed to create value for customers. Primary activities in the value chain include inbound logistics, operations, outbound logistics, marketing, and service. Support activities include the organisational infrastructure, human resource management, technology, and procurement. Each of these activities takes part in the transformation process and can be evaluated in terms of effectiveness and efficiency, "ultimately connoting strengths and weaknesses" (Parnell, 2014:248).

There are three broad categories of organisation resources, as explained by Clegg *et al.* (2012:88), forming the foundation for an organisation's strengths and weaknesses and these are:

- Human resources

The organisation's collective experience, capabilities, knowledge, skills, and judgement of its employees. The most attractive organisational and physical resources are useless without a competent workforce of managers and employees.

- Organisational resources

The organisation's systems and processes, including its strategies at various levels, its structure, and its culture. The alignment between organisational resources and business strategy is critical for long-term success.

- Physical resources

Included are plant and equipment, geographic locations, access to raw materials, distribution network, and technology. Physical resources can differ considerably from one organisation to another, even among close competitors.

Following is an elaboration of the third component of an internal environment analysis, long-term objectives, as depicted in Table 2.2.

### 2.2.3.3 Long-term objectives

Long-term objectives should be quantitative, measurable, realistic, understandable, challenging, hierarchical, obtainable, and congruent among organisational units in an effort to steer an organisation (destination) to establish and sustain its competitive advantage (Poister, 2010:248). Objectives are commonly stated in terms of any of the following: growth in assets, growth in sales, profitability, market share, degree and nature of diversification, degree and nature of vertical integration, earnings per share, and social responsibility. Clearly established objectives offer numerous benefits such as providing direction, allowing synergy, aid in evaluation, establish priorities, reduce uncertainty, minimise conflicts, stimulate exertion, and aid in both the allocation of resources and the design of jobs.

Clearly stated and communicated long-term objectives are vital to success for various reasons. *Firstly*, long-term objectives help stakeholders understand their role in success for many reasons. *Secondly*, long-term objectives help stakeholders understand their role in the future of an organisation. *Thirdly*, long-term objectives provide a basis for consistent decision-making by managers whose values and attitudes differ. By reaching consensus on objectives during strategy formulation activities, management can minimise potential conflicts later during implementation. Without long-term objectives, an organisation would drift aimlessly towards some unknown end. It is hard to imagine a destination or individual being successful without clear objectives and the success of a destination in achieving its objectives rarely occurs accidentally. Rather, it is the result of hard work, as professed by Dyson (2004:635).

### 2.2.3.4 Strategic leadership

Strategic leadership is needed for successful competition in the turbulent and unpredictable global business and tourism environment of today. Organisations usually set strategic direction through a vision statement, the development of strategic intent or a mission statement. Strategic leadership will ultimately be possible if strategic intelligence is determined and improved where necessary. This is not only important to developing a strategy, but strategic leadership is also important for strategy formulation and implementation, as discussed later on in this chapter and as illustrated in Figure 2.1.

Strategic leadership is viewed as a person's ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate change that will create a viable future for the organisation (Ehlers & Lazenby, 2010:59). Strategic leadership is described by Resick *et al.* (2009:1365) as establishing a collective purpose, communicating a vision, managing culture, and creating adaptive capacities. According to Doz and Kosonen (2010:371), strategic leadership is typically managers motivating and persuading staff to share the same vision, and this can be an important tool for implementing change or creating organisational structure within a business. The process of immense change sweeping through every destination, market and sector calls for new approaches in preparing for a future in which threats need to be side-stepped and opportunities need to be exploited.

Strategic leadership is about understanding the entire tourism industry and environments within which it operates. Thompson and Martin (2005:395) stated that strategic leaders "come in all shapes and sizes" and they are to think, make things happen, engage the support of other people and, on occasion, be the public face of the organisation. The strategic leader has an overall responsibility for clarifying direction, for deciding upon strategies by dictating or influencing others around them and for ensuring that strategies are implemented through decisions made on structure, style and systems.

Many destinations tend to focus on and use information or online information in the public domain. The quality of intelligence is related to the investment in obtaining intelligence from internal and external information sources which are in line with the strategic direction decided upon. It is also related to the use of integrating mechanisms in the form of people, processes, and technology to add value to the intelligence for the sake of decision-makers. This is not necessarily a cheap and easy option, but research and experience have shown that organisations willing to do this have the opportunity to develop a competitive advantage (Louw & Venter, 2010:164).

A destination is an open system; all its strategic decisions have direct impact on the various stakeholders involved in the tourism sector. A strategic decision maker of destination needs to consider its stakeholders when formulating strategies in order to

align their intent with those of society and a closer look will now be taken at stakeholders.

#### 2.2.3.5 Stakeholders

A concept that must be considered in understanding destinations as networks of organisations is that of the stakeholder. This concept is related to changing public sector governance as well as participatory management in the private sector, and stakeholders are the people who matter to a system. A stakeholder is “any person, group or institution that has an interest in a development activity project or program” (Dwyer *et al.*, 2009:63). To qualify as a stakeholder there must be a legitimate interest in aspects of an organisation’s activities and, thus has the power to either affect an organisation’s performance or has a stake in the organisation’s performance (Baggio & Cooper, 2010:3).

Within a tourism setting, stakeholders interact to jointly meet visitors’ needs and produce the experiences tourists consume. Destination stakeholders include for example, accommodation establishments, tourism attractions, tour companies, other commercial services, government agencies and tourism offices, as well as representatives of the local community. The interaction of these stakeholders is complex and dynamic, and subject to external influences. The basic premise of tourism destination management is that through cooperative planning and organisational activities, the effectiveness of joint interactions can be improved to the benefit of individual stakeholders, according to Baggio and Cooper (2010:51).

Tourism is a complicated setting involving a diverse group of active stakeholders who each has different interests in the tourism market. For destination stakeholders, such as Destination Marketing Organisations (DMOs), accommodation establishes, and activity operators, to survive in an increasingly competitive environment it is essential that a consistent approach is used by all tourism stakeholders involved within a single destination to be able to survive in the increasingly competitive environment.

Tourism has often been promoted as a promising solution to the various social and economic challenges faced by rural, remote and less developed regions. Unfortunately,

the reality of tourism for many outlying destinations is that it rarely lives up to what is promised and is often marked by community conflict and concern. Communities as stakeholders in emerging tourism destinations (especially South Africa) can create and use knowledge about tourism to enhance their power to make decisions concerning tourism development in their regions. Giving more power to resident communities to develop and present their own social representations of tourism itself is, according to Moscardo (2011:423), a necessary prerequisite for the governance of more sustainable approaches to tourism. Governance is a concept which refers to relationships between multiple stakeholders and how they interact with one another. It involves how stakeholders determine, implement and evaluate the rules for their interaction. Thus, differences in the governance arrangements of tourism destinations may be presumed to lead to differences in the effectiveness of joint stakeholder interactions and hence to improvements in destination competitiveness, as argued by Baggio and Cooper (2010:51).

Collaborative governance and a public-private partnership can also refer to the same phenomenon. Public-private partnerships typically require collaboration to function, but their goal is often to achieve coordination rather than to achieve decision-making consensus. A public-private partnership may simply represent an agreement between public and private actors to deliver certain services or perform certain tasks. Collective decision-making is therefore secondary to the definition of public-private partnership. By contrast, the institutionalisation of the collective decision-making process is central to the definition of collaborative governance, according to Ansell and Gash (2007:548).

#### 2.2.3.6 Business ethics and corporate social responsibility

Strategic action taken by an organisation inevitably affects the welfare of its stakeholders whom it does business with, as well as the general public. While a strategy may enhance the welfare of some stakeholder groups, it could inevitably harm others.

Parnell (2014:123) states that the temptation to engage in unethical activities is often tied to the notion that compromising one's ethics can be good for an individual and an organisation's profits. Some contend that organisations with strong ethical orientation outperform their rivals, but this issue remains unresolved. Indeed, cutting ethical corners

can be viewed as profiting unfairly at the expense of others. Alternatively, a strong ethical stance can enhance an organisation's reputation and may help retain existing customers (tourists, as in this case) and attract new ones.

The purpose of business ethics is not so much to teach the difference between right and wrong as it is to give people the tools for dealing with moral complexity, tools that staff can use to identify and think through the moral implications of strategic decisions. The task of business ethics, therefore, is to make two central points (Hill & Jones, 1998:60): (1) business decisions do have an ethical component; and, (2) managers must weigh the ethical implications of strategic decisions before choosing a course of action.

Corporate social responsibility is described by Katsioloudes (2006:39) as the recognition and consideration of the impact of activities on society. Overall, the organisation (tourism destination management in this case) is a corporate citizen and should develop a philosophy and comprehensive programs, rules, and regulations that will eventually contribute to personal, organisational, and community development. Management has increasingly come to recognise that legislation regarding social responsibility is inevitable. As a result, strategists might easily see potential legislation on the horizon and take corrective steps if needed. This is known as behaving proactively (as opposed to reactively), and it can be a very profitable strategy.

In concluding the above discussion, the essence of a SWOT (Strength, Weakness, Opportunities, and Threats) analysis is to enable compatibility between a destination's resources and the prevailing conditions in its environment. Consequently, strengths should be used, weaknesses should be eliminated, opportunities should be seized, and threats should be neutralised. Analysing the internal environment is the second phase of the strategic management process and the focus is on scanning for internal strengths and weaknesses within an organisation. Following is a discussion of the third phase, strategy formulation, as illustrated in Figure 2.1.

#### 2.2.4 STRATEGY FORMULATION

Strategy formulation is the intellectual or thinking phase of strategic management, whilst implementation is the phase where these thoughts are operationalised and turned into

action. Strategy formulation is mostly a market-driven activity with an external focus and requires good intuitive and analytical skills, whilst strategy implementation requires motivation and leadership skills (strategy implementation is dealt with later on in this chapter).

Strategy formulation is described by Pearce and Robinson (2011:19) as executives defining the business or industry their organisation is in, the ends it seeks, and the means needed to be able to accomplish those ends, and this also applies to any tourism destination. The approach of strategic formulation is an improvement over that of traditional long-range planning. Strategy formulation is described by Hill and Jones (1998:6) as the task of analysing an organisation's external and internal environment and then selecting an appropriate strategy. Strategy formulation is "a process by which an organisation chooses the most appropriate courses of action to achieve its defined goals" (Thompson *et al.*, 2007:56). This process is essential for an organisation's success, because it provides a framework for the actions needed to achieve anticipated results. Strategy formulation forces an organisation to take a closer look at the changing environment and to be prepared for possible changes that may occur. Strategic formulation also enables an organisation to evaluate its resources, allocate budgets, and determine the most effective plan for maximising return on investment (ROI).

Strategy formulation issues include deciding what new business to enter, what businesses to abandon, how to allocate resources, whether to expand operations or diversify, whether to enter international markets, whether to merge or form a joint venture, and how to avoid a hostile takeover. Because no organisation, or destination for that matter, has unlimited resources, strategists must decide which alternative strategies will be most beneficial. Strategy-formulation decisions are a commitment to specific products, markets, resources, and technologies over an extended period of time. Strategies determine long-term competitive advantage and have major multifunctional consequences and enduring effects, according to Fourie and Jooste (2009:5).

Strategy formulation is a process, as illustrated in Figure 2.3. It should be noted that not all of the steps included in this discussion are applicable to strategic destination management but a comprehensive discussion is included for the sake of completeness.

**FIGURE 2.3: STRATEGY FORMULATION PROCESS**



Source: compiled from Hill & Jones (2008:14)

The strategy formulation process evolved as an innovative way of aligning an organisation's unique resources and capabilities (internal strengths and weaknesses) with the ever-changing and increasing competitive external environment (external opportunities and threats) in pursuance of its goals by devising business, corporate, and global strategies that will enable an organisation to gain and maintain competitive advantage.

An organisation and the environment within which it operates are not closed systems because they influence each other, as explained by Ehlers and Lazenby (2007:101). Thus, an organisation cannot be successful if it is not in step with its environment, and the fact that the organisation interacts with its environment means that it is acting as an open system and will both affect and be affected by the environment, and this also applies to the external opportunities and threats as discussed in phase one of the strategic management process and illustrated in Figure 2.1.

The first step of the strategy formulation process, as illustrated in Figure 2.3, is competitive advantage and this will now be dealt with in more detail.

#### 2.2.4.1 Competitive advantage

All strategies seek the same fundamental thing – competitive advantage, for all of their complexities and in all their various manifestations. Competitive advantage is described as the ability of an organisation to perform better than its rivals and organisations that

perform above the average for their industry are regarded as having a competitive advantage (Jonker *et al.*, 2004:1; Ivanovic & Saayman, 2013:144). Competitive advantage relates directly to an organisation's value because it relates directly to earnings (Amason, 2011:9). Organisations with strong competitive advantage are in a position to earn more than their competitors and, as a consequence, are more valued.

The average return on investment approximates what shareholders, analysts, banks, and stakeholders demand. An organisation can obtain an advantage over other organisations when it has successfully competed for an above average share of the industry's profits. Organisations that consistently earn more profits (and or meet some other performance standard important to stakeholders, such as number of tourists) have found a way to sustain their advantage. Competitive advantage is difficult to sustain over time because rival strategists are highly motivated to copy success, as warned by Huff *et al.* (2009:19). On the micro perspective, in order to be competitive, an organisation must provide products and services for which customers are willing to pay a favourable price. In the long-run, and in a free enterprise system, competitiveness is measured by the ability of an organisation to stay in business (to remain a destination of choice) and to protect the organisation's investments (infrastructure and stakeholder interests), to earn a return on investments (profit maximisation for destination stakeholders), and ensure employment opportunities for the future.

Dwyer and Kim (2003:372) explain that there is a range of factors influencing organisational competitiveness – price and non-price factors, and that there is a need to develop indicators which reflect this. The development of a set of competitiveness indicators would serve as a valuable tool in identifying what aspects or factors influence tourists in their decision to visit destinations. The development of an associated set of indicators will allow for the identification of the relative strengths and weaknesses of different tourism destinations, and this can be used by industry and governments to increase tourism numbers, expenditure, economic contributions and the quality of life for residents.

The tourism sector can be described as competitive only when tourist destinations are attractive with high-class products and/or services that are competitive in terms of quality, compared to products and services of other tourism destinations aimed at the

same market segments (Jonker *et al.*, 2004:2). The competitiveness of tourism encloses many factors, such as the natural environment (for example geographic location, climate, scenery), the artificial environment (such as tourism infrastructure, transport, the supply of leisure and entertainment services, retail stores, as well as the accommodation network), and the globalisation of markets, according to Johan (2014:145). For example, most tourists would rather visit a destination with superior tourism products and attractions they know will ultimately satisfy their needs, unless exploration and adventure is their motive for travel.

Destination competitiveness, according to Struwig and Smith (2002:320), is “the ability of a destination to maintain its market position and improve its market share through time”. It 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. Competitiveness also refers to a destination’s ability to create and integrate value-added products that sustain its resources while maintaining its market position relative to competitors; the relative ability of a destination to meet visitor needs on various aspects of the tourism experience, or to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists.

The constantly growing number of accessible destinations and the enhanced quality of the existing, place high demands on the shoulders of those responsible for finding better ways of competing in today’s international tourism domain, and to do so in a sustainable manner, according to Jonker *et al.* (2004:1). The competitiveness of a destination is mentioned by Richards and Wilson (2006:1212) as the overall competitiveness of the tourism industry and it is vital for survival and growth in this highly competitive market, because of increasing available leisure time and rising levels of disposable income. In 1950, the top fifteen tourism destinations attracted almost all of the total number of tourists worldwide, sixty years later the percentage decreased from 98% to 57%. Given the situation of the world economy today, the strategic focus of tourism and destinations has shifted from simply attracting more tourists to making tourism destinations more competitive.

Getz and Brown (2006:80) explain that the competitive positioning of wine tourism regions has become an important strategic issue, as the volume of wine tourism has been increasingly substantial and numerous regions are currently aggressively marketing to attract high-yield wine tourists, especially from Australia and the USA. Wine tourism planning and improvements in infrastructure (roads, special events, signage, and a wine centre) are desirable. Wine tourism in the Stellenbosch region of South Africa, with particular emphasis on the nature of the wine industry and how wine tourists typically visit and tour is catered for and dominated by one of the wine-related tourism attractions in South Africa – Spier Resort, capitalising on the growing number of day-visitors.

Rady (2002:2) explains that Egypt's famous historical heritage sites have enabled Egyptians to carry out simple market promotions for a long time, but conditions have changed at the onset of the 1990s with the addition of marine resort tourism to the main tourism products of Egypt. Egypt also competes with competitor countries in many aspects, such as service levels and price in the marine resort market. It is therefore important to develop an appropriate market promotion plan. There is a need to look into diversification of customers (not only group visitors, but also free independent visitors) in order to access this market segment.

The success of China's market-oriented reforms has drawn attention worldwide, from politicians to business circles and the general public. China's rapidly developing business environment is already responsible for a major part of the growth in tourism in recent years. Not only are foreign investments flowing into the country, China is also increasing the number of entrepreneurs who typically combine pleasure with business trips. There is little doubt that China will soon be as successful in the tourism business as any competitor in the international marketplace, according to Candea *et al.* (2009:376). The tourism industry has evolved over the years and it has become highly competitive, and for a tourism destination to survive, grow and prolong its life cycle, those responsible for the strategic development and management of a destination should devise and formulate essential strategies that will enable the destination to obtain and maintain a competitive advantage.

The next step in the strategy formulation process is business level strategies (also known as generic strategies), as illustrated in Figure 2.3. This step will now be dealt with.

#### 2.2.4.2 Business level strategies (generic strategies)

An organisation's competitive strategy, according to Huff *et al.* (2009:143), deals exclusively with the specifics of management's game-plan for competing successfully. Its specific efforts to please customers; its offensive and defensive moves to counter the manoeuvres of rivals; its responses to whatever market conditions prevail at the moment; its initiatives to strengthen its market position; and its approach to securing a competitive advantage. Organisations on a global scale are creative in conceiving competitive strategies to win customer favour. The challenge for organisations is to do a better job than their rivals in providing what consumers are looking for and thus create a stronghold in the market. Following is an explanation of the generic strategies and these are indicated in Table 2.3.

The three distinct generic strategic alternatives, as explained by Hough *et al.* (2007:151), that can be selected from are presented below.

**TABLE 2.3: GENERIC STRATEGIES**

| GENERIC STRATEGIES   |                      |            |
|----------------------|----------------------|------------|
| 1<br>COST LEADERSHIP | 2<br>DIFFERENTIATION | 3<br>FOCUS |

Source: compiled from Clarke & Fuller (2011:90) and Hough *et al.* (2007:151)

##### (1) Cost Leadership

This strategic alternative attempts to achieve cost advantages relative to other organisations in order to achieve an above-average rate of return. A successful cost leadership strategy requires the development of efficient-scale facilities and processes so that a product or service is produced at a lower cost than what competitors would be able to provide it at (Clarke & Fuller, 2011:90).

## (2) Differentiation

Consumers are willing to pay more for products or services that stand out from that of competitors. Differentiation originates from a variety of many sources, including brand image, technology, features, customer service, dealer networks, and unique complementary support (Clarke & Fuller, 2011:90).

## (3) Focus

The third generic strategic alternative is based on focus. This strategy targets a particular segment of the market (often referred to as a niche) and the organisational objective would then be to more efficiently and effectively meet the specific needs of this selected target group, thereby provoking buyer loyalty and hopefully above-average industry profits (Hough *et al.*, 2007:151).

Buhalis (2000:13) contends that a well-developed generic strategy, which is widely used by all industries, provides clear guidance for strategists to position their products/services in order to maximise profitability and improve competitiveness. In particular, this kind of strategy can address the specific needs of tourism and specifically the scarcity of resources at destination level. Unfortunately, environmental resources, both natural (such as coral reefs or mountain landscapes) and man-made (for example archaeological sites or architectural structures), have a limited capacity that can be accommodated. Many resources in tourism are irreplaceable once destroyed, and therefore a strategy should ensure that its use is limited to prevent any threat to their sustainability in the long term.

The focus of the following discussion is on step 3 (corporate-level strategy) of the strategy formulation process, as illustrated in Figure 2.3.

### 2.2.4.3 Corporate-level strategy

This step of the strategy formulation process specifies actions an organisation can take to gain a competitive advantage through selecting and managing a group of different businesses when competing in different product markets. Corporate-level strategies drive an organisation's business model over an extended period of time and determine

which types of business- and functional-level strategies should be chosen to maximise long-run profitability (Levicki, 1999:133).

Three basic strategic alternatives exist at the corporate level and these will now be dealt with in more detail.

#### (1) Growth strategies

A growth strategy seeks to significantly increase an organisation's revenues or market share. Although some executives may argue that growth is always the single best strategy for a healthy organisation, this is not always the case. Rather, it is recommended that an organisation adopts a growth strategy only if growth is expected to increase organisational value (Parnell, 2014:154).

Growth is attained primarily by two means, as explained by Parnell (2014:154). *Internal growth* is accomplished when an organisation firstly increases its revenues, production capacity, and its workforce (internal growth); and secondly, *external growth* occur by growing an existing business or creating new ones. External growth is accomplished when two organisations merge, or one acquires another (acquisitions). A merger occurs when two or more organisations (usually of similar sizes) combine into one through an exchange of shares. An acquisition is a form of a merger whereby one organisation purchases another, often with a combination of cash and stock.

External growth can take numerous forms, as explained by Parnell (2014:157). Five of these forms are listed and briefly discussed. Although these forms are not always mutually exclusive, it is appropriate to consider each one individually.

- Horizontal (related) integration

One organisation acquires other organisations in the same line of business. Doing so allows an organisation operating in a single industry to grow rapidly without moving into other industries. The primary impetus for such a strategy is a desire for increased market share.

- Horizontal (unrelated) integration

An organisation engages in horizontal related diversification when it acquires a business outside its present scope of operation but with similar or related core competencies. The

organisation's key capabilities and collective learning skills are fundamental to its strategy, performance, and long-term profitability.

- Conglomerate (unrelated) diversification

When an organisation acquires a business in an unrelated industry to reduce cyclical fluctuations in cash flows or revenues. Whereas diversifying into related industries is pursued for strategic reasons, diversifying into unrelated industries is primarily financially driven (Leaven & Levine, 2005:266).

- Vertical integration

This refers to merging various stages of activities in the distribution channel. Organisations in some industries tend to be more vertically integrated than those in other industries. However, variations can exist among similar organisations. An organisation that acquires its suppliers (that is expanding 'upstream') is engaging in backward integration whereas an organisation acquiring its buyers (that is expanding 'downstream') is engaging in forward integration.

The above growth strategies are invested upon to gain greater market share within the market and this will enable an organisation to accumulate more profits.

## (2) Stability strategies

A stability strategy, as explained by Parnell (2014:159), is for an organisation that has operations in multiple industries and that wants to maintain the current array of businesses for two reasons. *Firstly*, stability enables organisations to focus managerial effort on enhancing existing business units by fostering productivity and innovation. *Secondly*, the cost of adding new business may exceed the potential benefits. An organisation may adopt a stability strategy in leaner times and shift to a growth strategy when economic conditions improve. Stability can be an effective strategy for a high-performing organisation, but it is not necessarily a risk adverse strategy.

## (3) Retrenchment strategies

Growth and stability strategies are usually adopted when organisations are performing well. When performance is disappointing or declines are anticipated, a retrenchment may be appropriate. Retrenchment may take one or a combination of three forms, as explained by Parnell (2014:160), and these are:

- Turnaround strategies

Turnaround strategies are explained by Thompson and Martin (2005:606) and are likely to address those areas which must be developed if there is to be a sustained recovery. These involve changes in the overall marketing effort, including the repositioning or refocusing of existing products and services, together with the development of new ones.

- Divestment strategies

Divestment is a form of retrenchment strategy used by organisations when downsizing the scope of their business activities. Divestment usually involves eliminating a portion of the business. Organisations may elect to sell, close, or spin-off a strategic business unit, major operating division, or product line (Chakrabarti *et al.*, 2011:10).

- Liquidation strategy

It is the winding up of an organisation by selling off assets to convert it into cash to pay unsecured creditors. Any remaining amount is then distributed amongst the shareholder in proportion to their shareholdings (Schwab & Cater, 2008:32).

Corporate level strategies are formulated to assist organisations in achieving a competitive advantage over its rivals. Following is a discussion of the last step of the strategy formulation phase, as indicated in Table 2.4.

#### 2.2.4.4 Global corporate strategy

An organisation (destination management) may choose to be involved in only its domestic market, or it may compete abroad at one of three levels: (1) international, (2) multinational, or (3) global. Effective operation at any of these levels often but not always necessitates economies of scale and a relatively high market share, according to Parnell (2014:166).

Globalisation is explained by Rothaermel (2013:271) as “a process of closer integration and exchange between different countries and people worldwide, made possible by falling trade and investment barriers, tremendous advances in telecommunications, and drastic reductions in transportation costs”. Combined, these factors reduce the costs of doing business around the world, opening doors to a much larger market than any one country only. Consequently, the world’s market economies are becoming more integrated and interdependent.

Strategists need to weigh the advantages against the disadvantages when deciding on going global and the advantages and disadvantages of expanding internationally is indicated in Table 2.4.

**TABLE 2.4: ADVANTAGES AND DISADVANTAGES OF EXPANDING INTERNATIONALLY**

| ADVANTAGES  | DISADVANTAGE   |
|---|--|
| <p><i>Gain access to a larger market</i> – becoming a multinational enterprise provides significant opportunities for companies, given the huge economies of scale and scope that can be reaped by participating in a much larger and more diverse market.</p>        | <p><i>Liability of foreignness</i> – this liability consists of the additional costs of doing business in an unfamiliar cultural and economic environment, and of coordinating across geographic distances. Despite such costs, many firms find that benefits of doing business abroad outweigh the costs.</p> |
| <p><i>Gain access to low-cost input factors</i> – access to cheap raw materials such as lumber, iron ore, oil, and coal is key driver behind globalisation. Companies have expanded globally to benefit from lower labour cost in manufacturing and services etc.</p> |  |
| <p><i>Develop new competencies</i> – some multinational enterprises also pursue global strategy in order to develop new competencies. These companies are making foreign direct investment to be part of communities of learning.</p>                                 |  |

Source: adapted from Rothaermel (2013:272)

Strategies for organisations, as explained by Pearce and Robinson (2005:138), that are attempting to move toward globalisation can be categorised by the degree of complexity of each foreign market being considered, and by the diversity in the organisation's product line. Together, the complexity and diversity dimensions form a continuum of possible strategic choice. Combining these two dimensions highlights many possible actions and the competitive strategies organisations could consider before entering, foreign markets are:

- Niche market exporting

The primary niche market approach for a company that wants to export is to modify selected product performance or measurement characteristics to meet special foreign demands (such as the conferencing industry).

- Licensing/contract manufacturing

Licensing involves the transfer of some industrial property rights from a licensor to a motivated licensee. These are mostly patents, trademarks, or technical know-how that are granted to the licensee for a specified time in return for a royalty and for avoiding tariffs or import quotas.

- Franchising

This is a special form of licensing, which allows the franchisee to sell a highly publicised product or service, using the franchise holder's or franchisor's brand name or trademark, carefully developed procedures and marketing strategies.

- Joint ventures

As the multinational strategies of organisations mature, most will include some form of joint venture with a target organisation.

- Foreign branching

A foreign branch is an extension of an organisation in its foreign market, a separately located strategic business unit directly responsible for fulfilling the operational duties assigned to it by corporate management, including sales, customer service, and physical distribution.

- Wholly owned subsidiaries

Wholly owned foreign subsidiaries are considered by organisations that are willing and able to make the highest investment commitment to the foreign market. These companies insist on full ownership for reasons of control and managerial efficiency.

Once long-term goals have been set and the appropriate strategy or strategies selected, the strategic management process then moves onto the next phase, which is strategy implementation as illustrated in Figure 2.1.

## 2.2.5 STRATEGY IMPLEMENTATION

Strategy implementation, or execution, is the action phase of strategic management. Implementing strategies in an environment characterised by rapid change (such as the dynamic global tourism market) is a tremendous challenge. An organisation needs to ensure that the entire workforce is committed to strategy implementation and change, in order to achieve successful strategy implementation.

The following synthesis is derived from after comparing various descriptions of strategy implementation. Smit *et al.* (2000) and Ehlers & Lazenby (2010:234) has indicate similarities in their description of strategy implementation and they describe strategy implementation as a series of intervention concerning organisational structures, key personnel actions, and control systems designed to control performance in order to

reach desired ends. Mosia and Veldsman (2004:31) and Pitt and Koufopoulos (2012:180) indicate similarities in their descriptions of strategy implementation by describing strategy implementation as the process of strategy implementation as rational and systematic frames that emphasise the role of careful strategic planning and control, treating implementation as a logical extension of strategy formulation as an organisation works towards its critical aims and objectives.

Hitt *et al.* (2005:606) describe that strategy implementation is usually played out over longer periods of time than the formulation of plans. Strategy formulation is usually more time bound and focused than the implementation of plans generated (the former lasting weeks or months but the latter often lasting years). The longer the time period, the more likely it is that competitors' actions and unforeseen factors come into play and will have to be handled. Competitors' actions, for example, are occasionally contrary to those predicted during strategic planning, and organisational reactions then need to be developed or altered over time. Extended time frames also suggest the movement or turnover of key personnel, reallocation of resources, and other changes that increase the difficulty of focusing on implementation programs without distraction.

Strategic management of tourism destinations is taking on ever-greater importance in the real world. Tourism organisations should perceive how critical this level is in implementing effective competitive strategies. By the same token, the economic policies of many countries treat tourism destinations as 'business units' that is the privileged competitive context through which a country system positions itself on the tourism market (Ambrosini & Bowman, 2009:30).

The process of implementing a chosen strategy (or strategies) forces change within an organisation, which needs to be managed, and a strategic leader is of critical importance in terms of managing change within an organisation. Strategy implementation for the purpose of this study is the communication, interpretation, adoption and enactment of strategic plans (Baumgartner & Ebner, 2010:79). It is the phase in which management aligns or matches leadership, organisational culture, organisational structures, reward systems and resource allocation with the selected strategy or strategies. Organisations and tourism destinations make use of various

strategy implementation drivers, and these strategy implementation drivers are depicted in Figure 2.4.

**FIGURE 2.4: STRATEGY IMPLEMENTATION DRIVERS**



Source: compiled from Mosia & Veldsman (2004:29); Ehlers & Lazenby (2007:215)

Each one of the strategy implementation drivers will now be further deliberated.

#### 2.2.5.1 Strategic leadership and managing change

Incremental change is sometimes sufficient to implement a strategy but strategic change is often more appropriate. The required organisational change does not happen spontaneously, nor does a strategy implement itself. Somewhere in the organisation someone must have a vision of an ideal state and be willing to guide the organisation to the achievement of this vision through successful strategy implementation. Such a person is referred to as the strategic leader. Leadership drives strategic change, and strong leadership is perhaps the most important ‘tool’ that a strategist can have in the implementation toolkit – to give direction and purpose to integrated strategic direction, formulation, implementation, and control (Ehlers & Lazenby, 2007:217).

Leadership is important in strategy implementation as it is only through effective strategic leadership that organisations are able to use the strategic management process successfully. Implementation incorporates a number of aspects, some of which can be changed directly and some of which cannot be changed. The latter aspect is more difficult for strategic leadership to control and change. According to Thompson

and Martin (2010:633), the success of a strategic leader in managing both the direct and indirect aspects influences the effectiveness of:

- The implementation of strategies and strategic changes which are determined through the planning and visionary modes of strategy creation.
- The ability of the organisation and its managers to respond to changes in the environment and adapt in line with perceived opportunities and threats.

Because an organisation, according to Amason (2011:64), must stay fit to its environment, and because that environment will inevitably change, change on the part of the organisation is inevitable. As such, change is often avoided, put off, or even delayed until the need becomes so great that a revolution takes place. Revolutions can be costly to undertake and difficult to control. Yet, paradoxically, the only way that revolutions can be truly avoided is by assuming numerous and regular evolutionary change over time. An example of this is the implementation of new strategies in pursuance of utilising resources to take advantage of an opportunity that has presented itself in the environment. By enabling such small, evolutionary changes, an organisation can prevent the revolutionary changes that it so wants to avoid. But, embracing evolutionary change requires a prior measure of consistency.

Jenkins and Ambrosini (2002:132) assert that strategic leaders must take action to make innovation and change happen, even when so doing is unpopular with followers or seems contrary to conventional wisdom. Leaders must cast the vision, communicate the purpose of a strategy, and motivate and direct others towards a goal that will likely not be obvious or well understood. Leaders must understand when to change and when to stay on a course so that the organisation produces greater value and grows more valuable as a result. Like every facet of strategic management, change and innovation are tools for furthering competitive advantage. Good leadership is the ability to catalyse and lead strategic implementation and change when and as necessary to move an organisation forward, from strength to new strength, and from success to greater success.

There are a variety of change levers strategic leaders can choose from. Choosing the appropriate levers, rather than following a set of formula for managing strategic change, is of pivotal importance. This will depend on the change context and the skills and styles

of those managing change. For example, if the need is to overcome resistance to achieve fast results, then emphasis may have to be on achieving behavioural compliance to a change programme. On the other hand, if there is a need and time to 'win hearts and minds' then there will need to be a focus on changing people's values and a much greater emphasis on their involvement in changing the culture of the organisation, according to Leaven and Levine (2005:541).

These strategies and proposals for change cannot be divorced from the implementation implications but it should be ensured that the structure is well capable of implementing the formulated strategy. Following is a discussion on organisational structure, the second driver of strategy implementation as depicted in Figure 2.4.

#### 2.2.5.2 Organisational structure

The structure of an organisation is designed to break down the work that needs to be carried out (the tasks) into discrete components which might comprise individual businesses, divisions, and functional departments. People work within these divisions and/or functions and their actions take place within a defined framework of objectives, plans and policies designed to direct and control effort. In designing the structure and making it operational, it is important to consider the key aspects of empowerment, employee motivation and reward. Information and communication systems within an organisation should ensure that efforts are co-ordinated to the appropriate and desired extent and that the strategic leader and other senior managers are aware of progress and results, as explained by De Wit and Meyer (2005:203).

The strategic leader, as explained by Thompson and Martin (2010:633), is charged with ensuring that there are appropriate targets and milestones, establishing a suitable organisational structure and securing and allocating the relevant strategic resources, such as employees and money. Employees then use the strategic resources and work within the structure to execute tasks allocated. It is important that actions are monitored and evaluated to ensure that targets and objectives are achieved. The outcome of strategies is related to the extent to which it deals with competitive and environmental pressures the organisation has to deal with, and it is expected of the strategic leader to provide the broad strategic direction.

One of the drives that will enable organisations to successfully implement their strategy is organisational culture; the following topic to be discussed.

### 2.2.5.3 Organisational culture

Organisational culture, the third driver as illustrated in Figure 2.4, refers to “the way we do things around here” (Rossouw *et al.*, 2007:273). Organisational culture is the set of important, often unstated, assumptions, beliefs, behavioural norms and values shared by members of an organisation (Rossouw *et al.*, 2007:273). An organisation’s culture is its personality. It is a system of taken-for-granted practices that determine how activities for which there are no rules are performed. An organisation’s culture is manifested in its stories, legends and traditions, its ways of approaching problems and making decisions, its values, and its do’s and don’ts. It is also manifested in the organisation’s belief system, behaviour, thought patterns, its philosophy about how business ought to be conducted, its policies, its stakeholder relationships and its approach to corporate governance and ethics, according to Lynch (2006:248).

Organisational culture and leadership, according to Ehlers and Lazenby (2007:224), are closely related. Leadership in strategic implementation, as mentioned earlier, is creating an organisational culture, and its attitudes, beliefs and values are an important manifestation of the organisation’s culture. An organisation’s founders are particularly important in determining its culture, as they often imprint their values and leadership style on the organisation’s way of doing things. As an organisation grows, it typically attracts managers and recruits employees that share in the founder’s values and belief system. Subsequently, an organisation’s culture becomes more and more distinct as its workforce becomes more similar.

One of the frustrating realities of corporate strategy, as stated by Thompson *et al.* (2007:414), is that synergy is much easier to envision than to realize. Indeed, in case after case, organisations believe that they can diversify and create new value, only to find that the envisioned synergy never materialises and an organisation consumes more value than it creates. While this occurs for a number of reasons, one of the main reasons is that an organisation cannot get business units to change as necessary to

fulfil their new roles. One of the main causes of this common problem is the culture clash of organisations (Amason, 2011:188).

The final driver illustrated in Figure 2.4 is resource allocation, needed to enable an organisation to be successful in implementing strategy and this will now be dealt with.

#### 2.2.5.4 Resource allocation

Organisations differ from one another in terms of their sets of experiences, assets, skills and organisational cultures, as explained by Ehlers and Lazenby (2007:257). These sets of resources and capabilities determine how effectively and efficiently an organisation performs its activities. It can thus be said that an organisation will succeed if it has the best and most appropriate resources for its strategy. In organisations that do not follow a strategic management approach, resources are often allocated on a political or personal basis and not according to the priorities established by the objectives. Other factors that may hinder effective resource allocation include a short-term financial focus, an over-protection of resources, a reluctance to take risks, and also vague targets.

The main types of resources stated by De Wit and Meyer (2005:345) organisations can use to implement strategies are:

- Financial
- Human
- Information
- Physical
- Technological

It is a fundamental economic principle that all resources are scarce, in other words an unlimited supply of resources does not exist. Because resources are scarce, the use of them can never be costless. In the strategic management process, organisations are often faced with the challenge of making decisions on the allocation of scarce and costly resources between competing alternatives, according to De Wit and Meyer (2005:345).

The value of a resource allocation plan, as described by Ehlers and Lazenby (2007:257), lies in its alignment with the organisation's strategic objectives. If too few

resources are allocated it can slow down and/or restrict strategy implementation efforts. The allocation of too many resources causes the wastage of costly resources and this reduces financial performance. A change in strategy requires resources to be reallocated in order to support new decided upon objectives and priorities. A new strategy must also drive the resource allocation process.

Destination organisations have recognised that the critical need to achieve consistency in terms of attracting more visitors is to allocate resources that will improve the tourism products and refurbish infrastructure. This will assist a destination to prolong its destination life cycle and avoid slippage into the decline phase. Many destinations promote similar attributes such as scenery, history, and culture. However, effective strategic destination management requires quality product attributes and a unique selling proposition that is sustainable, believable, and relevant and that “the competition wants and is maybe able to copy but which they cannot surpass” (Elbe *et al.*, 2009:286).

Strategic implementation is an action phase that translates formulated plans and strategies into action required to accomplish goals and objectives. The last phase in the strategic management process, as illustrated in Figure 2.1, is strategy control and this will be deliberated in the following section.

#### 2.2.6 STRATEGY CONTROL

Strategy control is the fifth and last phase on the strategic management process and this is where feedback is provided on the formulation and implementation phase of the strategic management process. Feedback will indicate the adjustments an organisation need to make in order to align itself with its environment, and it will also improve the likelihood of successful strategy implementation. Strategy control results may lead to changes in the choice or strategy, or to changes in how the strategy is being implemented, as explained by Ehlers and Lazenby (2007:276).

The discussion of strategy control will firstly deal with the nature of strategic control and this is followed by presenting the strategic balance scorecard, an effective tool that can be used.

### 2.2.6.1 Nature of strategic control

A strategy is built around several assumptions. These relate to the dynamics of the environmental and organisational factors. Strategies, once formulated, are not immediately translated into action because the implementation process takes a lot of time. During the intervening period, changes might occur that could influence a strategy's success. The traditional post action controls should be replaced by some early warning systems to help strategists take corrective action as strategies are implemented. Strategic control is described by Rao and Krishna (2009:606) as the tracking of a strategy as it is being implemented, detecting problems or changes in its underlying premises, and making necessary adjustments where and when necessary.

Strategy control "is an ongoing dialogue or journey, resulting in evolving strategy formulation that have to take into cognisance the changing factors in the external environment, rather than a destination", according to Oosthuizen (2005:71). Strategic control is explained by Poskela and Martinsuo (2009:678) as performance targets that may need raising or lowering in the light of past experience and future prospects and this might result in strategies needing to be modified because of shifts in long-term direction and/or because new objectives need to be set or because of changing conditions in the environment.

The most important purpose of strategic control is to aid management in achieving organisational goals through monitoring and evaluating the strategic management process. If a strategy is to be successfully executed, then there should be strategic controls in place, tailored to the strategy being pursued, as indicated by Louw and Venter (2008:238). Issues such as the organisation's innovativeness or the sharing of knowledge and technologies can determine whether competitive advantage is gained and/or sustained. The maintenance of an appropriate organisational architecture is also an issue. Whatever strategic controls management selects, it must be communicated throughout the entire organisation and then closely and consistently monitored. Failure to do this is frequently a source of strategic deviation and a lack of competitiveness.

Strategy control is an important component of the strategic management process as chosen strategies can become obsolete as an organisation's environment changes. Strategic control identifies and interprets critical events, or change triggers, in the

external environment and this requires a response from the organisation. Timely strategy evaluation can alert management of a deviation and problems, or potential problems, which may require corrective action. Strategic control should initiate managerial questioning of performance, assumptions and expectations in order to determine to what extent the organisation is achieving its short-term objectives. It is important that strategy evaluation is undertaken on a continuous basis, and not only at the end of specified periods of time (Ehlers & Lazenby, 2007:277).

Kachru (2005:453) explains that a strategic control system monitors the main elements of a strategy and its objectives. The crucial point of this is to obtain information in time to be able to take action. Information, however, has limited value; the real test is whether it is useful and timely to be able to revisit the implementation process, when and where required. Strategic control systems will include some financial measures but will also involve:

- Customer satisfaction.
- Quality measures.
- Market share.

It may also be necessary to apply indicators externally to monitor competition, in order to assess the relative performance of the organisation against others (benchmarking) in the market place (Lynch, 2006:638). A strategic control system can be utilised by destination organisations to evaluate whether the formulated strategies will/do attract tourists, satisfy their needs, and gain a substantial market share from its rivals, taking into consideration current and future tourism trends.

Because strategic controls are non-quantitative and often ill-defined, strategists then resort to financial controls. Trends in the return on investment, return on assets, cash flow, risk, or even economic value added all enable management to monitor progress, particularly against competitors. The best control measure recommended is the Strategic Balance Scorecard.

### 2.2.6.2 The Strategic Balance Scorecard

The Strategic Balance Scorecard was initially conceived as an organisational performance measurement tool and included non-financial as well as financial measures. This ensures that all of the objectives and measures inherent to it are derived from an organisation's vision and its resulting strategy. Strategy-focused organisations have transformed the Strategic Balance Scorecard from a performance management tool into a strategic tool. In Strategic Balance Scorecards, value-creating processes and critical roles for intangible assets are clearly portrayed in the correct context of how those intangibles create value, providing the measurement and management framework for knowledge-based strategies (Kaplan & Norton, 2001:3).

However, financial performance measures, according to Garrison *et al.* (2007:451), are not sufficient in themselves – it should be integrated with non-financial measures in a well-designed Strategic Balance Scorecard. *Firstly*, financial measures are lag indicators that report on the results of past actions. In contrast, non-financial measures of key success drivers, such as customer satisfaction, are leading indicators of future financial performance. *Secondly*, managers are ordinarily responsible for the financial performance measures, not lower level managers.

The Strategic Balance Scorecard provides an opportunity to move beyond the use of financial measures as a basis for strategic control. The four pillars of the Strategic Balance Scorecard, as illustrated in Figure 2.5, translate the organisation's vision and strategy into quantifiable objectives and measures.

The four pillars of the Strategic Balance Scorecard are:

- Financial

The financial pillar measures whether an organisation's strategy and its execution are contributing to creating shareholder value. The strategy for growth, profitability and risk, is viewed from the perspective of the shareholder.

- Customer

The customer pillar includes measures such as customer satisfaction, customer retention, and new customer acquisition. The strategy for creating value and differentiation is viewed from the perspective of the customer.

**FIGURE 2.5: STRATEGIC BALANCE SCORECARD AS A TOOL FOR STRATEGIC CONTROL**



Source: compiled from Garrison *et al.* (2007:448)

- **Internal business process**

This pillar evaluates the process that an organisation uses to deliver its product or service to its customers. The strategy prioritises business processes, creating customer and shareholder satisfaction.

- **Learning and growth**

The focus of this pillar is on learning and adopting new methods on how the organisation can improve its operations that will result in satisfying customer needs better than its rivals. The priorities are to create a climate that supports organisational change, innovation and growth.

The strategic management process is a rational approach organisations use to achieve strategic competitiveness and earn above-average returns. Organisations analyse their external environment for opportunities and threats and then decide how to utilise resources, capabilities, and core competencies in the organisation to pursue opportunities and overcome threats.

## **2.3 SUMMARY**

This chapter introduced strategic management in tourism which will enable a destination organisation to obtain and maintain a competitive advantage. The process of strategic management was discussed and commenced with identifying the strategic direction the destination organisation wanted to adopt and incorporated good governance. This was followed by explaining the strategic formulation phases which entails scanning the environment for possible external threats and opportunities, and in turn taking a closer look within the organisation for internal strengths and weaknesses, before devising relevant strategies that will enable an organisation to take advantage of opportunities and devise defensive strategies that will lessen the impact of threats. The strategy implementation phase then followed, which is all about putting the formulated strategies into action and this requires strategic leadership to ensure all stakeholders' actions and resources are devoted to achieving a common goal. Strategic control and evaluation is the last phase of the strategic management process and involves providing feedback on the strategy formulated and implemented.

The following chapter deals with Provincial governance and the development of tourism.

# CHAPTER 3

## PROVINCIAL GOVERNANCE AND TOURISM

### 3.1 INTRODUCTION

The concept of governance applied to a tourism destination consists of setting and developing rules and mechanisms for a policy, as well as business strategies, by involving all relevant institutions and individuals. Tourism destination territories are similar to areas or regions that have organisations as their main service suppliers, but they also have political bodies involved, such as municipalities and provincial governments. Tourism has grown to be a major social and economic force in the world today. Tourism is not only the North West but also in South Africa can contribute significantly to the economy. Tourism development in the NW province may become a significant factor in redressing provincial imbalances in employment and income.

The focus of this chapter is on provincial governance in tourism and deals with: (1) a discussion on how Provincial Governance can use tourism as a tool to further develop the economy of the North West and the different districts of this province. The discussion then continues with (2) Destination Management, because of the critical role this plays in making it possible to build sustainable competitive advantage. This is followed by (3) Strategic development, which is essential for the long-term success and sustainability of a destination. The layout of this chapter is illustrated in Figure 3.1.

**FIGURE 3.1: PROVINCIAL GOVERNANCE AND TOURISM**



## 3.2 PROVINCIAL GOVERNANCE

South Africa's economy was traditionally rooted in its mineral resources and favourable agricultural conditions. Since the early 1990s, economic growth has been driven mainly by the tertiary sector which includes wholesale and retail trade, tourism and communication (Provincial government, 2012). South Africa is now moving towards becoming a knowledge-based economy, with greater focus on technology, e-commerce and finance, and other services. Among the key sectors that contribute to the Gross Domestic Product (GDP), and keeping the economic engine running, are manufacturing, retail, financial services, communications, mining, agriculture and tourism (Provincial government, 2012).

South Africa has nine provinces, each with its own legislature, premier and executive council – and distinctive landscape, population, economy and climate. Figure 3.2 is a graphic representation of the location of the provinces of South Africa: The nine provinces of South Africa are: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, North West, Northern Cape, and the Western Cape. Population density correlates with the provinces' slice of the South African economy, with Gauteng making the biggest contribution.

FIGURE 3.2: NINE PROVINCES OF SOUTH AFRICA



Source: South African Map, 2014

Gauteng is the smallest province geographically and contributed 33.7% to the national gross domestic product in 2010, and 10% to the GDP of Africa as a whole, followed by KwaZulu-Natal with 15.8%, then the Western Cape with 14.1%. These three provinces collectively contributed nearly two-thirds to the economy (Provincial government, 2012).

Tourism has been earmarked as a growth industry in South Africa, and in particular the North West. The Provincial Government of the North West refers to tourism as an ideal economic sector that can contribute positively to the Gross Domestic Product of the province, and tourism is ideally suited to adding value to the many natural, cultural and other resources of the province. The development of tourism as an economic sector in the North West is attainable if there is collaboration between Provincial and Local Governance. For this purpose, the nature of Provincial Governance will now be further deliberated.

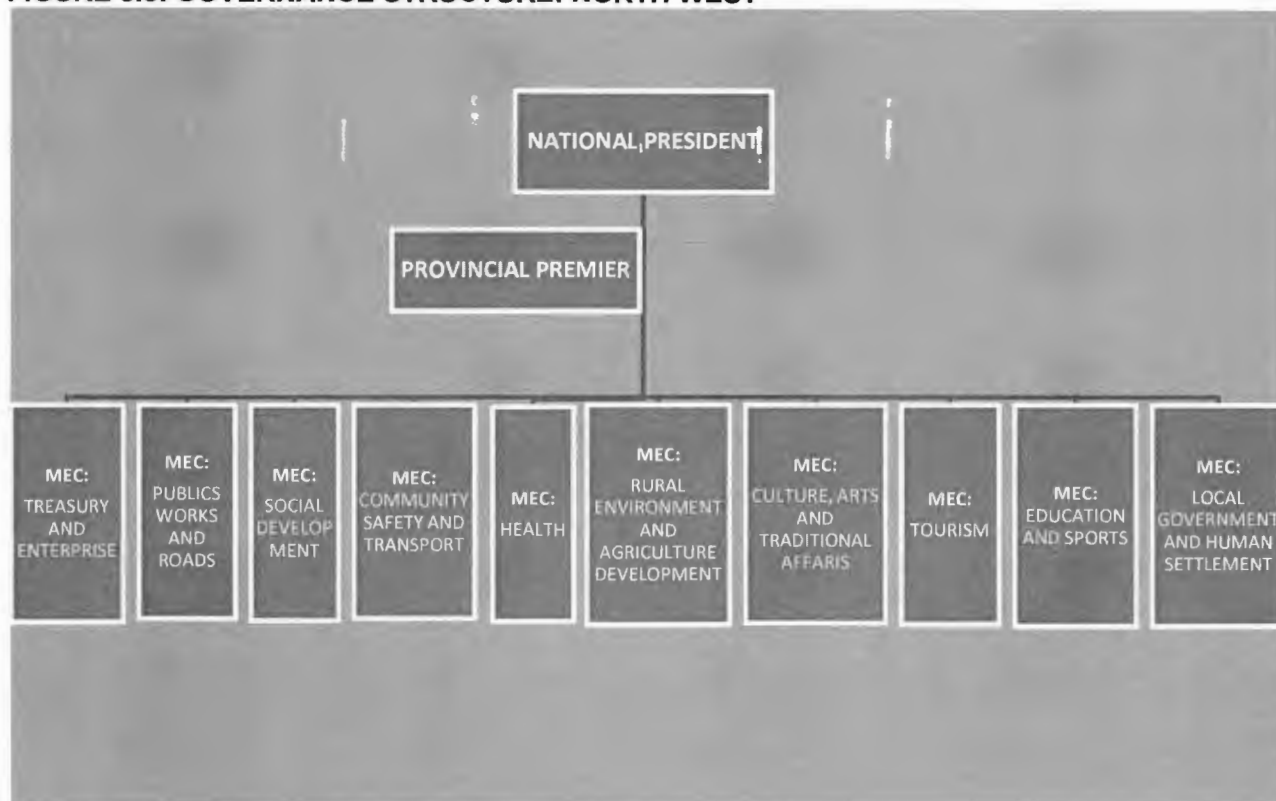
### 3.2.1 NATURE OF PROVINCIAL GOVERNANCE

All nine provinces has its own provincial government, with legislative power vested in a provincial legislature and executive power vested in a provincial premier and exercised together with other members of a provincial executive council.

The provincial legislature has between 30 and 80 members elected for a five-year term, based on the province's portion of the national voters' roll. The legislature is empowered to pass legislation within its functional areas, and the premier is elected by the legislature and, as with the President at National level, is limited to two five-year terms in office. The premier appoints the other members of the executive council (MECs), which functions as a cabinet at provincial level. The ultimate success of a province depends on the collective efforts of all economic sectors – all the MECs, and that each one needs to do strategic planning and management. The members of the executive council are accountable individually and collectively to the legislature (North West Province Government, 2014). The North West Provincial Government (NWPG) structure is depicted in Figure 3.3.

The North West is divided into four district municipalities for local government purposes, which in turn are sub-divided into 19 local municipalities, as shown in Figure 3.4. The focus for the purpose of this study is on how provincial governance can utilise tourism

**FIGURE 3.3: GOVERNANCE STRUCTURE: NORTH WEST**



Source: compiled from NWPG (2014)

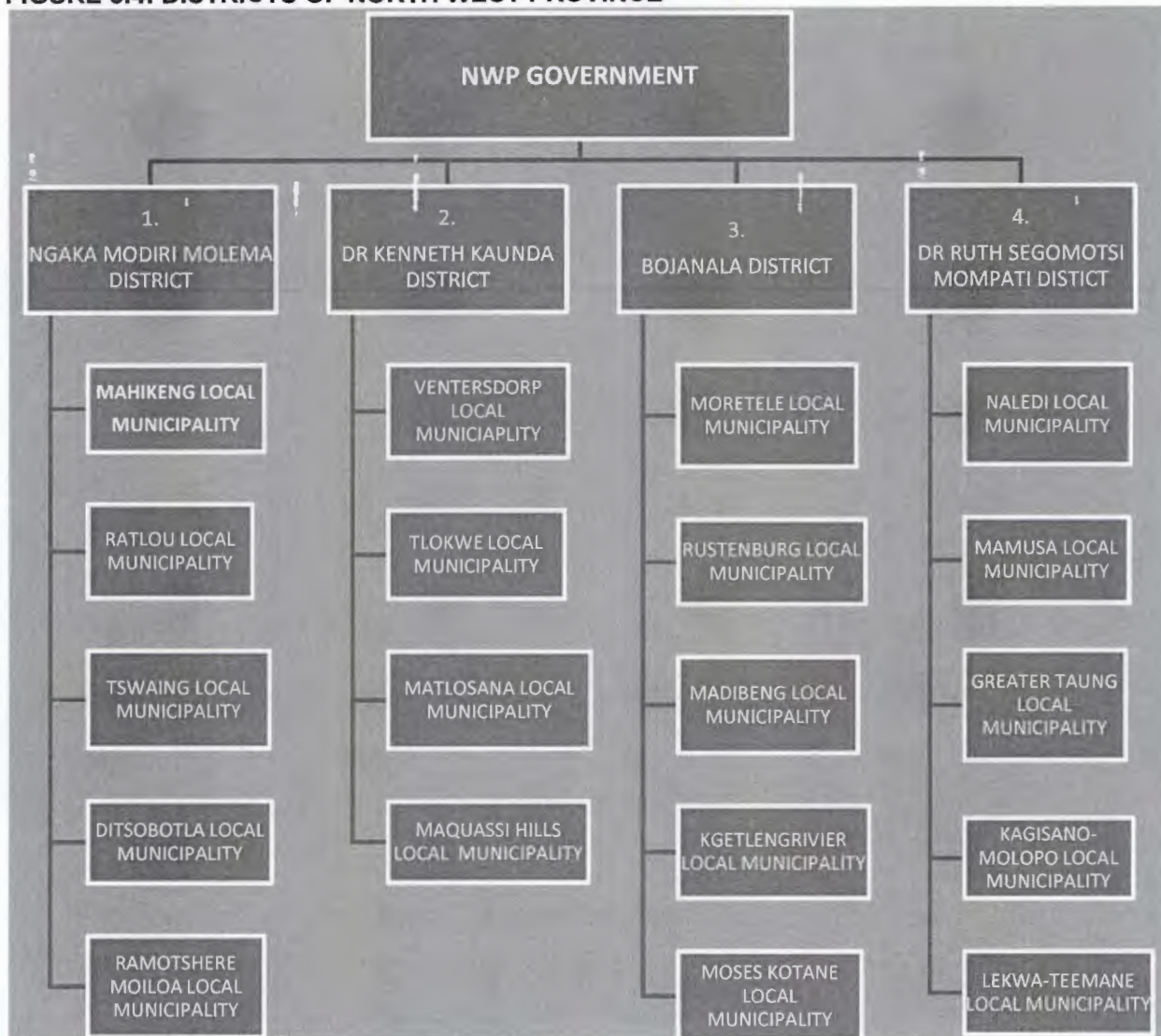
as a vehicle to contribute towards the development and economy of the North West, in particular the area in and around Mahikeng, the capital city of the province. This study takes a closer look at tourism only and that tourism development depends on all economic sectors and also influences all other economic sectors in the province.

Tourism cannot develop on its own and cannot on its own develop the province. Tourism is regarded as a modern-day engine of growth and is one of the largest industries globally. One of the advantages of tourism as an export earner is that it is less volatile than the commodity sector. What especially makes tourism a valuable export product is that, if cared for properly, it is a sustainable and renewable resource.

Unlike primary resources such as petroleum or minerals, tourism is not finite. No matter how many people visit the ocean, the ocean is still the ocean, and no matter how many

people view a mountain, the mountain remains in place, as explained by Tarlow (2010). The North West province will now be dealt with.

**FIGURE 3.4: DISTRICTS OF NORTH WEST PROVINCE**



Source: compiled from NWPG (2014)

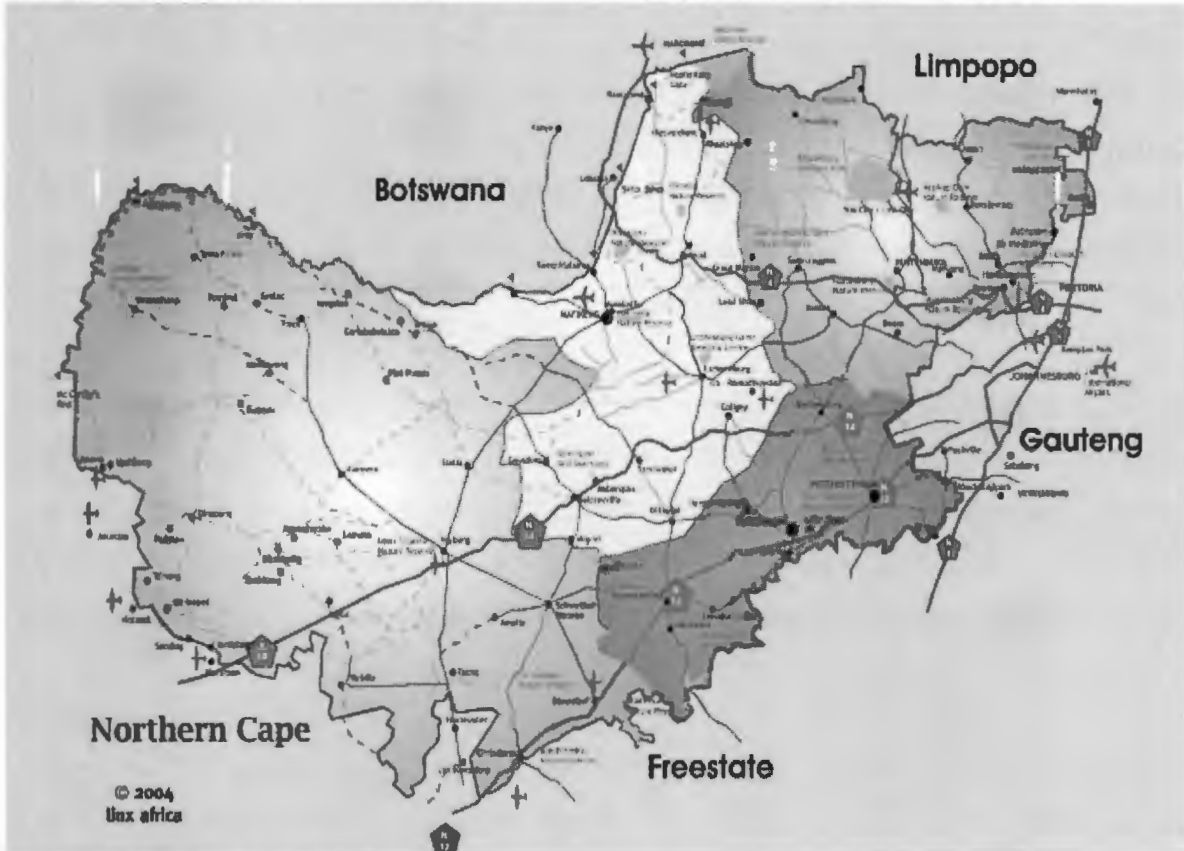
### 3.2.2 THE NORTH WEST

The North West province of South Africa is bounded in the north by Botswana, in the south by the provinces of Free State and the Northern Cape, and in the north-east and east by Limpopo, and Gauteng, as illustrated in Figure 3.5.

The mainstay of the economy of the North West is mining, which generates more than half of the province's gross domestic product and provides jobs for a quarter of its

workforce. The main minerals are gold (mined at Orkney and Klerksdorp); uranium (mined at Klerksdorp); platinum (mined at Rustenburg and Brits), and diamonds, (mined

**FIGURE 3.5: PROVINCIAL DISTRICTS OF THE NORTH WEST IN SOUTH AFRICA**



Source: North West Map (2014)

at Lichtenburg, Christiana, and Bloemhof). The northern and western parts of the province have many sheep farms, and cattle and game ranches. The eastern and southern parts of the province are crop-growing regions that produce maize (corn), sunflower, tobacco, cotton and citrus fruits.

Provincial governments' reform and restructuring is now a common feature of many economies, influenced by the social and economic developments streaming from globalisation and neoliberalism. On 27 June 2014, the Premier of the North West, Mr Supra Mahumapelo, gave the State of the Province Address. The Premier, on the first session of the fifth legislature of the North West, gave special mention to the importance of tourism as an economic sector that could uplift the economy of the province (NWPG, 2014).

The department previously mandated with foreseeing the development and growth of tourism in the North West was called the Department of Economic Development, Environment, Conservation, and Tourism. This department had three subsidiaries called Invest North West, North West Parks and Tourism Board, and the North West Gambling Board. The Premier announced that tourism will be reconfigured in 2015 into a provincial department, to create a single mandate portfolio called the Department of Tourism. The purpose is to enhance focus, delivery and accountability. The new Department of Tourism will be embarking on tourism development in accordance with the Premier's objective, to turn the North West into a prime tourism destination in South Africa.

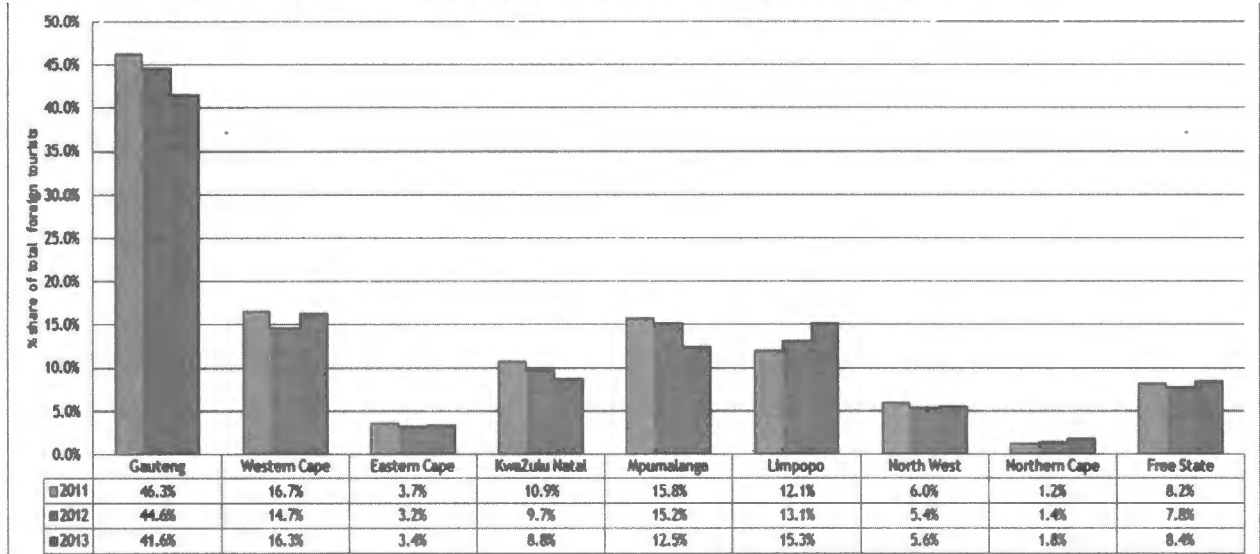
Bigano *et al.* (2007:27) reports that domestic tourism accounts for 86% of total tourism in South Africa. Despite its size in comparison to international tourism, there are relatively few studies that analyse domestic tourism demand. These often focus on domestic tourists of one country or in one region of a particular country. Furthermore, domestic tourism has been overlooked in the research on tourism. On the whole the focus has been on international tourism.

According to South African Tourism (2013), North West acquired 4.0% of the total market share of domestic tourists that visited provinces in South Africa in 2013, compared to Kwa-Zulu Natal that recorded 27% of the total market share, followed by Limpopo with 20%, Gauteng with 16%, Mpumalanga with 12%, Western Cape with 9.0%, Eastern Cape with 8.0%, Free State with 3.0%, and lastly the Northern Cape with only 2.0%. South African Tourism (2015) further reports that 5.8 million trips were taken between April-June 2015 which represents a 16% decrease from the 6.9 million trips the same period in 2014. The decline can partly be attributed to the decrease in the average number of trips from 2.3 in Q2 (Apr-Jun 13) to 1.7 in Q2 (Apr-Jun 14).

Figure 3.6 represents a comparison of the share of tourists' arrivals among the provinces in South Africa and it is indicated that Gauteng was the most visited province in 2013 with 41.6% from foreign tourist arrivals visiting this province, compared to the Western Cape being a modest 16.3%. Despite being the most visited province in 2013, the percentage foreign tourists to Gauteng declined by three basis points from 2012. The Western Cape and Limpopo were the only provinces that realised an increase in

share of foreign tourist arrivals in 2013. The Northern Cape, followed by Limpopo, had the highest growth in the number of foreign tourist that visited the provinces, with an increase of 39.8% and 22.1% respectively. Free State, Eastern Cape and North West also showed an increase in the number of foreign tourists who visited these provinces whilst the remaining three provinces showed a decline.

**FIGURE 3.6: PROVINCIAL DISTRIBUTION: SHARE OF FOREIGN TOURISTS**



Source: South African Tourism (2013)

The North West Parks and Tourism Board (NWP&TB), a subsidiary of the newly formed Department of Tourism, will be the steer to champion the development and growth of tourism in the North West. The NWP&TB was established as a Government Support Institution (GSI), pursuant to the North West Parks and Tourism Board Act No. 3 of 1997. It is the product of the amalgamation and restructuring of various organisations including the former Bophuthatswana National Parks, the Transvaal Provincial Conservation Authority, and the Cape Provincial Conservation Authority, the North West Council, part of the Department of Education, including the Institute of Hotel and Tourism Management, as well as the Ga-Rankuwa Hotel School (North West Parks and Tourism Board Act, 1997).

The primary purpose of the NWP&TB is to facilitate sustainable responsible tourism development and conservation area management. The underlying thrust behind the creation of a single Government Supported Institution (GSI), combining tourism marketing and development and protected areas management, was refocusing aspects

of the conservation function in order to create synergies between tourism promotion and conservation, in the interest of job creation and economic development. Hospitality training is the third core mandate added to that of the NWP&TB.

The underdeveloped regions of the North West can greatly benefit from tourism development. Four of the regions contain areas of high scenic beauty and cultural attractions, and these are the Bojanala (the eastern region), Ngaka Modiri Molema (in the north/central region), Dr Kenneth Kaunda (the southern region), and Dr Ruth S. Mompati (the western region). These areas, if developed for tourism purposes, could bring abundant prosperity to the local people. Tourism development in these regions could be a significant contribution towards redressing regional imbalances in employment and income.

Tourists' expenditure at a particular tourism area greatly helps the development of such areas, for example creating employment. The majority of employment opportunities associated with tourism tends to come in the form of direct service jobs in tourism-related facilities and attractions at a destination and in tourism generating areas. These jobs are available primarily in the accommodation sector (for example hotels), travel intermediaries (travel agents and tour operators), restaurants, shops selling discretionary goods and travel enterprises. In addition, employment opportunities are also available in other sectors of the economy which service and supply the tourism sector; such as manufacturing, transport services, banking, and agriculture. Many jobs are thus created in areas where few alternative employment opportunities are available, according to Adeleke *et al.* (2004:138-139).

The North West has in certain areas a sophisticated tourism industry, being home to the Sun City complex that is next to the Pilanesburg National Park, attracting the bulk of the province's international tourists, as well as Hartebeespoort Dam with its adventure activities such as the Aerial Cableway and many more. Tourism growth and development are skewed towards Bojanala (the eastern side of the province) with its striking tourism components (hotels, infrastructure, leisure and business activities) and scenic landscape, attracting tourists from different segments.

The development of tourism products and infrastructure in other regions of the province will prolong tourism's product life cycle in the province and enhance the competitive position of the North West in comparison to the other provinces in South Africa. Destination managers could divert the development of tourism to other regions of the province, such as towards the Ngaka Modiri Molema District Municipality in Mahikeng, the Capital City of the North West. This can be achieved by combining the resources of all tourism stakeholders, investing in the development of Mahikeng, and formulating marketing strategies that will build awareness, create interest, provide information, and stimulate demand and support among local residents.

Following is a synopsis of the history of Mahikeng, the focus of this study.

### 3.2.3 HISTORY OF MAHIKENG

The original name, Mafikeng, literally means 'the place among rocks'. The name refers to the volcanic rocks that provided temporary shelter to Stone Age humans in their hunt on animals drinking water in the Molopo River. The Mafikeng name was given to the area in 1852 by early BaRolong chiefs who settled along the river, near the present day village of Rooigrond, after the upheaval of the 'Difequane'. The 'Difequane' was a period of intertribal war, aggravated by the passage of the exiled Zulu chief, Mzilikazi (History of Mahikeng, 2014).

British mercenaries came to Mafikeng in the 1880s and they were granted land by warring Barolong chiefs in return for war services. The town itself was laid out close to their farms by British Commander Sir Charles Warren. Mafikeng became the administrative centre of the region and the headquarters of the peace-keeping Bechuanaland Border Police. The Siege of Mafikeng, during the Anglo-Boer War in 1899, made Mafikeng world-famous. Colonel Baden-Powell led the defence of the town, and during the siege Baden-Powell first used boys as 'scouts' to take messages and assisting in duties around the town. The town's relief, after 217 days, made him a hero in Britain, and his fame and popularity enabled him to start the Boys Scout Movement a few years later (History of Mahikeng, 2014).

Mmabatho (meaning 'mother of the people') was the capital city of the former independent 'homeland' of Bophuthatswana. Bophuthatswana was incorporated into South Africa in 1994 and Mmabatho became part of the greater Mafikeng. Mafikeng was renamed Mahikeng in 2009. Today, Mahikeng is the provincial capital city of the North West (History of Mahikeng, 2014).

#### 3.2.4 MAHIKENG TODAY

The western suburb of Mahikeng houses the provincial parliament at the impressive government offices known as Garona. The nearby Mmabana Cultural Centre promotes music and many artistic disciplines through numerous practical workshops and exhibitions. The Mmabatho Convention Centre has facilities to host up to 6 000 delegates. The Institute of Hotel and Tourism Management has three campuses: the Garankuwa Campus in Pretoria, the Taung Campus, and the Mahikeng Campus. This institution provides hospitality and tourism training. The North-West University (NWU) also has three campuses; the Mahikeng Campus, the Potchefstroom Campus, and the Vaal Triangle Campus. The Mahikeng Campus is the second largest of the university's three campuses. The Mahikeng Campus of the NWU has a well-resourced Soccer Institute that is helping to develop soccer in the province and the country (History of Mahikeng).

To the eastern region of the province is the notorious inland diving venue, Wondergat. This is a vast underwater network of caves used principally for diving instruction. Mahikeng is served by excellent hotels, guesthouses, and bed-and-breakfast establishments, and there are gambling facilities available at the Mmabatho Palms Casino Resort. There are two golf courses: the Leopard Park Golf Club (located in the western suburbs) and the Mahikeng Golf Club. The International School of South Africa attracts students from all over Africa and it is located on extensive and finely manicured grounds in Mahikeng.

The 4 600 hectare Mayani Game Reserve hosts a wide variety of game species and is one of the principal breeding parks for white Rhino. The Botsalano Game Reserve, 30km to the west of the city, is also a popular weekend attraction for game viewing. To the south of the road towards Vryburg is the Lotlamoreng Cultural Reserve and the

Montshioa Dam with a cultural village, a recreational area and a waterfowl sanctuary. Nearby is the Modimolla Dam, an angling and weekend picnicking site (History of Mahikeng, 2014).

Provincial stakeholders, in particular a Destination Management Organisation (DMO), should formulate strategies on how to develop and manage Mahikeng as a tourism destination of choice and create awareness and pride amongst its residents. The DMO should take into consideration technological innovation, as well as all other external factors that drive the twenty-first century competitive landscape of the province and tourism. The challenge in strategic destination management is to achieve strategic competitiveness while being sustainable in the global environment. Only when strategy is grounded on a competitive advantage will it contribute towards above-average returns by offering value to customers, according to Wheelen and Hunger (2004:26).

Therefore, Mahikeng as a tourism destination, with carefully development planning, indicated as a requirement for success by Ruhanen (2010:60), is likely to experience success in terms of a high level of tourist satisfaction, positive economic benefits, and minimal negative impacts on the local social, economic, and natural environments. The environmental benefits of tourism are worthwhile when satisfying the needs of stakeholders, residents, and guests alike.

The discussion now continues with Tourism Destination Management, the second section of this chapter as illustrated in Figure 3.1.



### **3.3 TOURISM DESTINATION MANAGEMENT**

Strategic management of tourism destinations is taking on ever-greater importance in today's global competitive environment. Destination organisations perceive how critical this level is in implementing effective competitive strategies. By the same token, the economic policies of many countries treat tourism destinations as 'business units' in the competitive environment through which a country positions itself in the tourism market.

In an environment of strong international competition and rapidly changing consumer needs, tourism destinations should continuously perform product, process, and market

innovation. This differentiation is critical in the determination of destination choice. It can also help limit discounting and as previously indicated, prevent slippage into the maturation phase of the destination life-cycle. Destinations also need to renew their products, services, and infrastructure to ensure market access. Many destinations promote similar attributes such as scenery, history, and culture. However, effective destination branding requires a unique selling proposition that is sustainable, believable, and relevant, and that competition wants and is maybe able to copy, but which they cannot surpass or usurp (Blain *et al.*, 2005:331).

For a destination to develop and meet the ever changing needs of consumers in today's highly competitive and intense tourism industry there is need to understand three important concepts, according to Morrison (2013:5-9) and illustrated in Figure 3.7.

**FIGURE 3.7: TOURISM DESTINATION MANAGEMENT**



Source: compiled from Hill & Jones (2008:14); Morrison (2013:5-9)

The three concepts of tourism destination management are:

- A Destination Management Organisation (DMO) is a body that should coordinate the efforts of many stakeholders to achieve the destination's vision and goals for tourism which it is responsible for.
- Destination Management involves coordination and integrating the management of the destination mix (attractions and events, facilities, transportation, infrastructure and hospitality resources).

- Destination Marketing is a continuous and sequential process through which management plans, researches, implements, controls and evaluates activities designed to meet customers' needs and wants.

The Destination Management Organisation is being deliberated in the following section.

### 3.3.1 DESTINATION MANAGEMENT ORGANISATION (DMO)

Tourism is a rapidly evolving industry, as indicated by Presenza *et al.* (2009:84), and tourism has become increasingly competitive in the global marketplace. With destinations now competing directly with others around the world, it is possible to assert that tourism is a sector in a state of transition. For DMOs, this transition means becoming a destination management organisation instead of only a destination marketing organisation. In this regard, DMOs are becoming more prominent as 'destination developers' by acting as catalysts and facilitators for the realisation of tourism development. Historically, DMOs have been viewed as destination marketing organisations, indeed, recognising that marketing remains the principal function of DMOs. However, increasingly, there is a shift towards recognising that the role of a DMO goes well beyond marketing to include other activities that are important to the success of tourism in a destination, from a competitive and sustainable perspective.

DMOs is described by Berritelli *et al.* (2007:96) as organisations responsible for the management and marketing of destinations and generally falls into the following categories:

- National Tourism Authorities or Organisations (NTO)

NTOs are responsible for the management and marketing of tourism at a national level (for example South Africa Tourism, responsible for promoting and selling destination South Africa).

- Regional, Provincial, or state DMOs

These are responsible for the management and marketing of tourism in a geographic region defined for that purpose; sometimes, but not always, an administrative or local government region such as a country, state or province (for example NWP&TB, responsible for developing and managing tourism in the North West).

- Local DMOs

These are responsible for the management and marketing of tourism based in a smaller geographic area or city (for example Harties Tourism Association, promoting and selling tourism attractions in the Hartbeespoort Dam area).

The organisational structures of DMOs also vary. Presenza *et al.* (2009:88) indicate that the various structures are inclusive of government department or division of government department, a quasi-governmental organisation (such as crown/government corporation), a joint public/private agency, a not-for-profit membership-based organisation, and a private organisation. DMOs' funding may be derived from several sources but is generally reflective of the organisational structure as well as the context in which the DMO operates. An example include government allocations of public funds, specific tourism taxes or levies such as hotel/room taxes, membership fees paid by tourism organisations, sponsorships and advertising in a destination's promotional activities.

DMOs tend to be part of the local, regional or national government and have political and legislative power, as well as the financial means to manage resources rationally and to ensure that all stakeholders benefit over the long-term. Destination management and marketing should act as tools and facilitators to achieve a complex range of strategic objectives, which will ultimately need to satisfy the needs and wants of stakeholders. Hence, DMOs should not only be regarded as a tool for attracting more visitors to a region or cities, as it has been the case for most destinations. Instead, tourism marketing should operate as a mechanism to facilitate regional development objectives and to rationalise the provision of tourism in order to ensure that the strategic objectives of destinations are achieved, according to Buhalis (2000:4).

NWP&TB and other role players ought to formulate strategies that will enable the North West and cities within the province to attract consumers and remain relevant in the minds of consumers in the ever changing tourism environment. Destinations are some of the most difficult entities to manage and market, due to the complexity of the relationships between local stakeholders. Managing and marketing destinations is also challenging because of the variety of stakeholders involved in the development and production of tourism products.

The above discussion elaborated on DMOs and following is an exploration of Destination Management, the second important concept mentioned earlier.

### 3.3.2 DESTINATION MANAGEMENT

The destination experience essentially comprises regions, resources and amalgams of tourism facilities and services, which often do not belong to individuals. Instead, they represent a collection of both professional and personal interests of all the people who live and work in a given area. Managing conflicting stakeholders' interests often makes controlling and marketing destinations as a whole extremely challenging. Hence, strategies and actions should, according to Paskaleva-Shapira (2007:112), take into account the wishes of all stakeholders, namely indigenous people, business and investors, tourists, tour operators and intermediaries.

Destination Management plays a key role in addressing the many and sometimes conflicting issues that arise in contemporary tourism. Destinations present complex challenges for management and development in that management must serve the range of needs of tourists and tourism-related businesses, as well as the resident community, local businesses and industries. Destination Management is described by Presenza *et al.* (2005:9) as the strategic, organisational and operative decisions taken to manage the process of definition, promotional and commercialisation of the tourism product, to generate manageable flows of incoming tourists that are balanced, sustainable and sufficient to meet the economic needs of the local actors involved in the destination.

According to Sainaghi (2005:1055), the actions of Destination Management are long-term, and the process of implementing a given action is often modified. This may be due to new information acquired through that action, or it may be advisable to maintain internal consensus. Strategic management of tourism destinations, as illustrated in Figure 3.8, is taking on ever-greater importance. Tourism destinations, according to Rodriguez *et al.* (2008:55), could be regarded as having, within themselves, a prescriptive change process or an internal logic that the life cycle seems to expose.

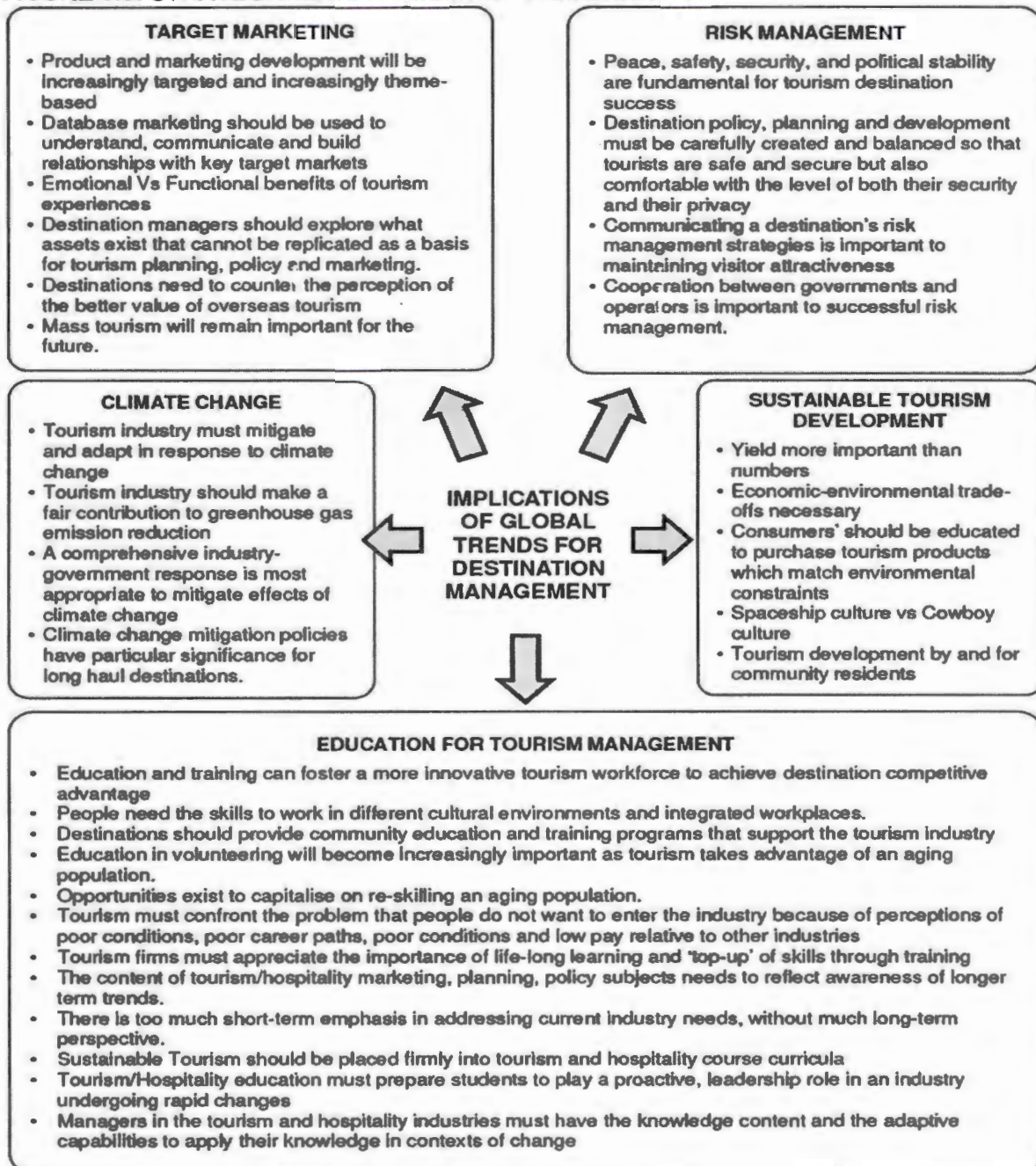
Thus, development and change should be capable of being predetermined. However, changes in tourism destinations can also be influenced by other elements including the environment (geographic, economic, political and social variables), the ideologies and beliefs of the groups and individuals in the destination, the available resources, past results and proposed objectives or strategies, as well as chaos and random events.

Major shifts in the leisure and tourism environment are reflective of the global trends in destination management, such as changing consumer values, political forces, environmental changes, climate changes, emergence of new risks to the tourism destination success (terrorism), and the explosive growth of information and community technology.

Destinations and individual operators who make decisions on the supply side that do not match changing customer needs could suffer the phenomenon of 'strategic drift'. A strategic drift occurs when an organisation's strategy gradually moves away from addressing the forces in the external environment with no clear direction. The challenge for tourism stakeholders in both private and public sectors is to account for these changes proactively, by strategically planning to achieve and maintain competitive advantage for their destination and partner organisations. Research can play a major role in assisting strategy formulation by suppliers of the tourism product – DMOs and other role players (Dwyer *et al.*, 2009: 63).

Tourism managers need to be more proactive in developing strategies to address global trends. Given the changes in the external environment, tourism destinations and enterprises must be managed strategically – that is, managers must formulate, implement and evaluate cross-functional decisions that enable an organisation to achieve its objectives in the face of changes in the external environment (Baggio & Cooper, 2010:3). Tourism strategists need to be proactive in knowledge creation, product development and knowledge sharing in order to grow overall destination competitiveness. Knowledge management must increasingly be embedded and embodied in an organisation in order to be able to anticipate change, take informed action and develop new products, services and marketing approaches.

**FIGURE 3.8: STRATEGIC MANAGEMENT OF A DESTINATION**



Source: Dwyer *et al.* (2009:66)

According to Tovstiga (2013:7), winning in the modern tourism context involves formulating strategies for a destination through periods of change and securing its competitive well-being over time. The competitiveness of the North West and South Africa, both as destinations, rests on the ability to be differentiated – that is, being different from its competitors. Destinations should be differentiated on their ability to create and deliver a superior value offering to stakeholders. The Destination Managers,

referring to the Executive Management from all three spheres of Government (Provincial, Regional, and Local), in partnership with private companies, especially in the North West, should put strategic plans in place to lay the foundation for tomorrow's success while competing to win in today's market place.

The fundamental task of destination management in the domestic and international market is to understand how a tourism destination's competitiveness can be enhanced and sustained, as advocated by Gamezelj and Mihalic (2008:294). There is a strong need to identify and explore competitive (dis)advantages and to analyse the actual competitive position. A destination's competitiveness can be improved through appropriate matches between tourism resources and management strategies supported by tourism stakeholders, especially government and tourism industry managers. Tourism can take a successful position in the development of the North West, depending on which and how tourism attractions develop value for tourists, and how well destination resources are managed.

Long-term trends in urban tourism are turning many cities and regions into new engines of growth and local prosperity. At the same time, increasing competition between urban destinations for resources and abilities to support development is placing a growing emphasis on the sector as a source of competitive advantage, inspiration to visitors, lifelong memories, and empathy to place, people, culture, heritage, and language (Elbe *et al.*, 2009:284).

Equally important, as the basis of competitive advantage shifts from tourism to urban areas as systems of interconnected elements, functions, and processes, the creation of difference no longer resides solely in the sector. Urban tourism now becomes a strategy for building quality services and products and sustainable management of the urban community, a means of attracting responsible tourists, and a way of developing competitive destinations that combine a comparative supply able to meet visitors' expectations with a positive contribution to the development of urban areas and the well-being of their residents, according to Paskaleva-Shapira (2007:108).

The above discussion elaborated on Destination Management and following is an explanation of Destination Marketing, the third important concept mentioned earlier.

### 3.3.3 DESTINATION MARKETING

Destination Marketing is increasingly becoming extremely competitive and destinations need to differentiate their products and develop partnerships between the public and private sector in order to co-ordinate delivery. DMOs, public organisations, and private organisations should integrate their resources to formulate and implement strategies and take advantage of new technologies. The Internet also enables destinations to enhance their competitiveness by increasing visibility, reducing costs and enhancing local co-operation. DMOs must be a catalyst and lead the optimisation of tourism impacts and achievement of the strategic objectives for all stakeholders (Buhalis, 2000:3).

Marketing is a continuous and sequential process through which a destination management organisation (DMO) plans, researches, implements, controls and evaluates programmes aimed at satisfying tourists' needs and wants, as well as the destination and DMO's vision, goals and objectives. To be most effective, the DMO's marketing programs depend upon the efforts of many other organisations and individuals within and outside the organisation. The DMO is usually the leader in tourism marketing and an innovator that other stakeholders follow. It is, according to Morrison (2013:9), a main source of tourism marketing ideas and programmes.

Destination Marketing, according to Elbe *et al.* (2009:283), is a concept used to denote deliberate, often strategically developed activities performed in order to attract visitors (tourists) to a specific location. DMOs are often given a central role in the marketing of a destination because they are created to take the overall responsibility for promoting tourism and for attracting visitors to a place or region defined as their domain. This is a particularly challenging task for many DMOs because they often have small budgets. To be able to develop co-ordinated marketing activities for their domain, DMOs need to adopt a strategy where a key component is the mobilisation of resources controlled by stakeholders involved.

A destination can be seen as a brand constituted by an image of the combined experiences, services and goods available to tourists. Considering the destination as a brand implies that the actors delivering the components of the tourism product are interdependent. All tourism stakeholders have an interest in attracting tourists to their

specific destination, and what they offer and how they do this affect both their own brand image and the image of the entire destination and thereby also the image of other actors. This situation of interdependence also creates incentives for combined action, according to Blumberg (2007:47).

Originally, marketing focused on the supply side and was mainly concerned with the supply side, the sale of existing products with the help of sales increasing instruments. In contrast, modern marketing is a concept of business management, a philosophy and culture where in the interest of the achievement of the organisation's goals, business activities are oriented towards the current and future conditions of the market.

The above discussion dealt with Tourism Destination Management as a widely recognised essential component in the management of destinations. The NWP&TB as a DMO needs to adopt strategies that will develop and promote tourism in order to attract visitors to the place, or the region, or the province. Strategic development, the last important component of this chapter as depicted in Figure 3.1, will now be dealt with.

### **3.4 STRATEGIC DEVELOPMENT IN TOURISM**

Tourism is playing an increasing role as an identified priority in the strategic development of South Africa seeing that tourism has been included on all levels of government, that is National, Provincial, Regional, and Local government, in developmental strategies. The strategic planning of tourism is thus regarded as important in this chapter on provincial governance and forms part of broader strategic management as discussed in Chapter 2. Many efforts are underway to increase the understanding of how tourism can contribute to poverty reduction and how to translate this understanding into concrete action. The objectives of these efforts include increased tourism arrivals and overnight stays, promoting domestic tourism amongst local residents, more out-of-pocket spending, and a bigger share of the tourism economy benefiting the community (Ashley, 2006:1).

The Minister of Tourism, Derek Hanekom (The New Age, 15 July 2015), recently stated during a visit to the North West that "South Africa should strive to bring all tourism sector players together and work to build a strong industry that attracts money from

markets such as the USA, Germany and the UK, and to promote travelling amongst the residents of South Africa which will further expand the tourism industry.” The Minister further said that there is only one way to achieve this and it is “through integration and partnership.” The MEC for Tourism, Desbo Mohono, announced at the same meeting that the “North West has adopted tourism, heritage and events strategies, if fully and successfully implemented these will see the province growing its economy by 6% and becoming the second most preferred province by tourists”.

The strategic planning and ongoing management of a destination will contribute to the continuous improvement and success of it as a tourism destination. According to Morrison (2013:38-39), every destination needs to have a long-term direction for its tourism sector, a shared path for all stakeholders to follow for the next five, ten or more years. Consumers have had a significant influence on tourism planning in recent years. For example, their greater demands for greater transparency by government and others have led to tourism plans being publicly available documents, rather than being accessible to only select people. Consumers’ use of the Internet and their affection for using social media channels means there is more open discussion of tourism planning processes and planning documents. Additionally, the need to input tourists’ opinions, perceptions and expectations through gathering primary research has become more recognised as an important input to tourism plans.

Destination management organisations (DMO) are often the only advocates for the entire tourism industry in a place; and they need to ensure the mitigation of tourism’s negative impacts to the environment and local communities, as well as sharing opportunities for a vibrant exchange of people. In fact, a DMO may best serve to facilitate dialogue among the private sector, the public sector, consumers, local communities, and all other stakeholders that may otherwise never collaborate or understand how their decisions might influence all involved in the long value chain of destinations. Because of this, DMOs are instrumental for tourism planning and development, especially in developing destinations where tourism is an important economic driver and mechanism for rightful social capacity building (Stange *et al.*, 2010:2).

### 3.4.1 BENEFITS OF STRATEGIC PLANNING FOR TOURISM

Destination planning, promotion and marketing also are important concerns for national tourism strategies. Deepening tourism success involves diversifying tourism products, the building of human resources and a close monitoring of environmental and social impacts. In the context of increased competition within the global tourism economy it is argued by Magombo and Rogerson (2012:47) that in order to sustain tourism competitiveness and embedded comparative advantages, national tourism industries require, among other things, the development of new innovative products and markets, heritage preservation initiatives, the upgrading of tourism skills and competencies, and, most importantly, a set of careful and coordinated planning initiatives for social and environmental sustainability, all considered as integral to the long-term success of destinations.

There is no doubt that every destination, according to Morrison (2013:40), needs long-term tourism planning, yet not all destinations have long-term plans for tourism. Therefore, the DMO must be able to clearly articulate the benefits of long-term planning for tourism such as:

- Clear future directions

Destination long-term tourism planning procedures clear overall directions for all stakeholders on how tourism will be developed and progressed in future years.

- Greater attention and emphasis for tourism

Initiating and conducting long-term planning tend to draw greater attention and focus to tourism within the destination.

- Vision and goals for tourism

Targets are set for the destination to achieve within specific timeframes.

- Identification of opportunities

Specific strategies and development opportunities are identified that will enhance and improve tourism in the destination.

- Shared plan ownership

If the planning process is done openly with the involvement and contributions of all stakeholders, there will be a feeling of shared ownership in the plan.

- Implementation and evaluation guidelines

The planning process produces steps for implementation and measures for assessing the effectiveness of the plan.

National, Provincial, Regional, and Local Governments, as well as DMOs and all other role players must engage in strategic plans and other means to enable a destination to harvest the full share of benefits from tourism and above all, must address the challenge of making tourism more socially inclusive and necessarily engage with the different pathways whereby tourism can be a vehicle for poverty alleviation.

### **3.5 Summary**

This chapter introduced the Provincial government of the North West that referred to tourism as an ideal economic sector that can contribute immensely to improve the standard of living and reduce poverty among the community. The development of sustainable tourism in the North West can be attained through a collaboration of DMOs, provincial and local governments. The ultimate success of a province depends on the collective efforts of all economic sectors such as agriculture and transport. The NWP&TB, a subsidiary of the newly formed Department of Tourism has the responsibility to develop and create a sustainable tourism industry. The NWP&TB's main task is to bring all the efforts of all provincial tourism stakeholders together, primarily to achieve the objectives of employing tourism as a key tool in supplementing the GDP of the province. The strategic management of a tourism destination is taking on ever-greater importance in today's global competitive environment. For a destination to develop and meet the ever changing needs of consumers in today's highly competitive an intense tourism industry, all role players should integrate their efforts and resources to satisfy the needs of consumers and create a viable industry to the benefit of all parties involved.

The following chapter deals with domestic tourism in South Africa and consumer behaviour as a dynamic field in tourism marketing. Global consumption of tourism means that there are many different aspects of the environment influencing people and, consumer behaviour in destinations encompasses not only tourists but also residents.

## **CHAPTER 4**

### **DOMESTIC TOURISM AND MARKETING**

#### **4.1 INTRODUCTION**

Tourism plays a prominent role in today's economy on a global scale, and it is a major source of income for especially developing countries. This economic prominence has led to fierce competition amongst destinations. Diversification of tourism activities and the quality of the local environment play a key role in this competition as tourists unremittingly seek unique, aesthetically pleasant and culturally attractive places (Cengiz, 2012:178) to visit.

There are different stakeholders involved in tourism development, including the private sector, government (public sector), donor agencies, civil societies and local people themselves. Local residents are regarded as an important asset in tourism development as it is within their surroundings that proposed developmental tourism activities will take place. The participation of local residents is of pivotal importance in sustainable tourism planning and the strategic development of tourism. In this respect, residents' expectations of tourism, their perspectives on tourism and their perceptions of natural and cultural values all play an important role in the development of sustainable tourism planning and management strategies.

The focus of this chapter is on tourism, specifically domestic tourism, as a point of departure for tourism development for strategic management purposes, and also tourism marketing. This chapter deals with: (1) domestic tourism in South Africa, and this is followed by (2) the participation and support of local residents in tourism development. The chapter then continues with (3) consumer characteristics and behaviour. The layout of this chapter is illustrated in Figure 4.1.

## 4.2 DOMESTIC TOURISM IN SOUTH AFRICA

FIGURE 4.1: DOMESTIC TOURISM MARKETING



An important observation made by Haddad (2011:3) is that the relative consumption of basic goods such as food and clothing has been decreasing in favour of other consumption alternatives, such as tourism. Tourism thus has become a developmental priority, especially from the point of view as a provincial strategic priority. Despite wars, political turmoil, natural disasters, medical scares, terrorist attacks, economic and energy crises in various parts of the world, international trade in tourism services has grown exponentially since the 1970s. This argument is supported by Skanavis and Sakellari (2011:234). In 2012, international tourist arrivals worldwide reached 1.035 billion. Bonham and Mak (2014) present the following facts: there were just 166 million international tourist arrivals worldwide in 1970. Noteworthy to countries and destinations dependent on tourism is that tourism's share of GDP can exceed twice the world average. Today, international tourism receipts exceed \$1billion per year in some 90 nations. Worldwide, domestic tourism is typically several times larger. Tourism truly has become a global economic and social force.

Morrison (2013:434) maintains that domestic travel in several countries is what sustains the tourism sector and not so much international tourism. It might be thought of as the 'staple food' or 'bread-and-butter' market for many Destination Marketing Organisations (DMOs) and tourism sector stakeholders. While domestic tourism may not hold the same glamour for some destinations as international tourism, it is hugely important to

many parts of the world. Moreover, many local people say they want to 'discover their own countries first' before venturing abroad.

To set the scene, it is imperative to be conversant of the meaning of the term 'tourism' and Table 4.1 presents different descriptions of tourism in this regard.

**TABLE 4.1: DESCRIPTION OF TOURISM**

| Source                                  | Description   |
|---|---|
| Wit <i>et al.</i> (2013)                | The temporary movement of people to destinations outside their normal places of work and residence and the activities undertaken during the time spent at those destinations.   |
| Yang & Wong (2012:2)                    | A dynamic and competitive industry that requires the ability to adapt constantly to customers' changing needs and desires, as the customer's satisfaction, safety and enjoyment are particularly the focus of tourism businesses.                                   |
| Perch-Nielsen <i>et al.</i> (2010:132)  | The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. |
| Eugenio-Martin <i>et al.</i> (2010:535) | An activity which is serviced by a number of other industries such as hospitality and transportation, and supported by the private and public sector.   |
| Swartbrooke & Horner (2007:4)           | The short-term movement of people to places some distance from their normal place or residence to indulge in pleasurable activities.  |
| Dwyer <i>et al.</i> (2004:307)          | The temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.  |
| Raveendran (2004:106)                   | All activities of persons travelling to and staying in places for not more than one consecutive year for leisure, business and other purposes.  |

The following synthesis is derived from these descriptions of 'tourism' stated in Table 4.1. Raveendran, Wit *et al.* and Perch-Nielsen *et al.* indicate similarities in their description of tourism and they explain tourism as persons travelling to and staying in places outside their usual environment for leisure or business purpose; whilst Yang & Wong and Dwyer *et al.* show similarities in their descriptions as they describe tourism as a competitive industry that requires adapting constantly to customers' needs and wants to ensure that the needs are fully satisfied. Eugenio-Martin *et al.* state that tourism is an activity that is serviced by a number of other industries such as hospitality and transportation and that it is supported by the private and public sector. Swartbroke & Horner describe tourism as the short term movement of people to places some distance from their normal place or residence to indulge in pleasurable activities.

Yang & Wong's description of tourism is more in line with this study, as this study seeks to explore the level of residence awareness and their inclination to support tourism in Mahikeng. The results of this study will provide meaningful understanding of residents' level of awareness of tourism and their propensity to support tourism, whereby it will assist the DMO and other role players tasked with strategic development of tourism to acquire information and insight on what the needs and preferences of residents are in this regard.

Many destinations, as described by Akkemik (2011:792), experience an increase of tourism demand as an alternative to traditional economic activities. Provided tourists consider a region/destination as an attractive place to visit, tourism offers a significant opportunity for economic growth and development. Tourists need accommodation, food, transportation, and entertainment and all of these are labour intensive and development will provide growth for destinations in terms of income and employment. Tourism is divided into two main groups and these are: international and domestic tourism. *International tourism* (incoming and outbound) refers to people who cross international frontiers to travel to countries other than their usual country of residence whilst *domestic tourism* is generally taken to be people travelling within their own country, as explained by Witt *et al.* (2013:2).

Yap and Allen (2011:1367) point out that tourism as an economic sector provides a significant multiplier effect for other economic sectors, such as retailing and banking services. Tourism also contributes towards the current account of the balance of payment. Along this line, increasing inbound international tourism demand has been a world-wide common target and international tourism has developed rapidly on a global scale since the late 1970s. According to the United Nations World Tourism Organisation (UNWTO), the total international tourist arrivals increased from 25 million in 1950 to 277 million in 1980, 439 million in 1990, 684 million in 2000, and 922 million in 2008. Total tourism revenues worldwide increased to 944 billion US dollars in 2008. According to UNWTO in 2012, receipts from international tourism in destinations around the world grew by 4% from 2011, reaching US\$ 1 075 billion.

According to the World Economic Forum's (WEF) travel and tourism competitiveness index (2013), South Africa ranks amongst the most tourist-friendly countries, listed as

number 48 out of 141 countries. The WEF ranking placed South Africa at the top of the sub-Saharan African table, ahead of the Seychelles and Mauritius. Indicative of this position is South Africa's rich natural and cultural resources, as well as a positive business environment characterised by little red tape, modest administrative and relatively good infrastructure, in comparison to its neighbouring countries. The importance of domestic tourism should, however, never be underestimated.

Morrison (2013:434) asserts that domestic tourism offers significant economic, social and cultural benefits for tourism in a country. Some of the benefits that have been attributed to domestic tourism are the following:

- Enhancement of national pride

Local residents could become better 'tourism ambassadors' for their own countries if they have travelled and experience their own country more extensively.

- Greater appreciation of environmental conservation and local culture

Better educated local people are able to develop a deeper awareness of the natural and cultural resources of their countries.

- Greater geographic spread of tourism

Dispersing travellers across and deeper into a destination and stretching the tourism activity and attractions beyond the borders of main cities.

- Hard currency retention

Beneficial to domestic destinations is the retaining of the hard currency that would otherwise leave the country in the form of outbound travel expenditures in foreign markets.

- Increased employment

Domestic tourism generates employment opportunities for local people in the tourism sector (both direct and indirect) as a result of greater and ongoing tourism activity.

- Leisure-time experiences

Domestic tourism enables domestic residents who have disposable income to participate in productive and satisfying experiences during their leisure time.

- Lower carbon footprint

Travelling domestically may have a lower carbon footprint than travelling to other parts of the world.

- Reduction of seasonality

Creating year-round tourism activity lessens the valleys and troughs in seasonality curves, enabling tourism operators to operate for extended periods of time.

- Social and cultural benefits

Providing social and cultural benefits to residents who might otherwise not be able to experience the cultural and natural richness of their own countries.

- Wealth redistribution

Domestic tourism enables the redistribution of wealth within a country's boundaries. For example, people from the cities go to rural and poorer areas of a country and spend money in these more economically depressed regions.

The focus of this study is on the role of domestic tourism. Encouraging domestic tourism has two positive effects for a country. On the one hand, it helps retaining the benefits within the country and on the other hand, it also contributes towards the growth of less developed regions by transferring consumption from richer to poorer regions. Nevertheless, not all countries and regions are equally able to retain or attract domestic tourists from other regions of a country (Eugenio-Martin & Campos-Soria, 2010:2) and strategic planning, development, and management then becomes a requirement for success.

Domestic tourism, as stated by Patuelli *et al.* (2007:2), was the first form of tourism and continues today to account by far for most of tourism as an activity in its totality. It is estimated that worldwide, out of the 4.8 billion tourist arrivals per year, 4 billion (83 per cent) corresponds to domestic tourism. UNWTO (2015) scholars estimate that, globally, domestic tourism represents:

- 73 per cent of total overnight stays;
- 74 per cent of arrivals and 69 per cent of overnight stays at hotels; and
- 89 per cent of arrivals and 75 per cent of overnight stays at other (non-hotel) establishment.

In Italy, domestic tourism represents the greatest share of the entire tourism sector and produces a remarkable macroeconomic impact in terms of value added and labour force. In 2007, domestic tourism provided, on a regional scale up to 88 and 90 percent of arrivals and overnight stays, respectively, in Italy alone. However, it is estimated that domestic tourism flows in Italy, in 2013, decreased by 2% from 2012, reaching 61

million trips. This performance is ascribed to the negative economic environment and the lower available incomes of Italians. In particular, increases in petrol prices contributed to shortening the distance travelled, with an increase in trips within regions of residence or to neighbouring regions.

Euromonitor International (2014) revealed that Australian domestic travel in 2013 recorded only a 2% growth in visitors numbers, down from 6% in 2012, whilst in previous years this strength in visitor numbers was fuelled by business travel. In 2013 it was largely due to a recovery of leisure travel. Australian holiday makers had enjoyed the opportunity to take advantage of Australia's attractive exchange rate to holiday overseas, but with the Australian dollar depreciating, such plans were postponed and domestic holidays increased. This attracted many of those holiday makers who previously purchased beach resort holidays at destinations such as Indonesia, Thailand, Botswana, and South Africa.

Post-colonial political-economic changes embraced tourism as a potential passport to development in several African countries, most importantly Egypt, Kenya, Morocco, and Tunisia. The arrested decolonisation of southern Africa and the transition of South Africa to full democracy in 1994 meant that much of the focus was on tourism policies and tourism-led economic and social development. Nevertheless, the notion of tourism development as a strategic management tool has been widely and enthusiastically embraced across southern Africa (Rogerson & Visser, 2011:252).

Euromonitor International (2014) contents that many South Africans increasingly embrace the culture of travelling around the country. Sustained efforts by the Department of Tourism to boost domestic tourism are some key reasons why the number of people in South Africa travelling generally continues to increase. The Department of Tourism has invested substantial amounts in educating people throughout South Africa on the travel options which are available for people with varying levels of spending power. Domestic travel is culturally perceived to be an unnecessary luxury which is relatively expensive, although this attitude is slowly changing as more people learn how they can save money on travel and tourism by using cheaper options in terms of both transportation and travel accommodation.

Rogerson and Lisa (2005:89) noted that the South African government focused their efforts at promoting tourism by targeting particularly the country's black population, who was previously largely excluded from mainstream hotels, beaches and other tourist facilities. From the mid-1980s, however, the racially discriminatory restrictions placed on black participation in tourism, as well as on the freedom of movement, were eased gradually, posing a suite of new challenges for the South African domestic tourism industry.

The promotion of domestic tourism has been identified as a key strategy that might lead to economic upliftment, community development, and poverty relief in South Africa. The nature of domestic tourism in South Africa will now be further deliberated.

#### 4.2.1 NATURE OF DOMESTIC TOURISM IN SOUTH AFRICA

Tourism has become a global industry with increasing impacts on regional and local development. Many regions and countries in sub-Saharan Africa increasingly perceive tourism as a strategy by which to attract foreign direct investment and create employment. Similarly, tourism as a development tool has received significant prominence in South African policy discourse recently, perhaps even more forcefully than in the past 15 years.

For the first time, according to Visser and Hoogendoorn (2011:5-6), the South African president, Jacob Zuma, specifically highlighted tourism in his 2011 and then again in the 2015 State of the Nation Addresses. Two decades ago, given South Africa's pre-1994 policy, tourism on both the international and domestic fronts was not regarded as a viable development priority. However, since the democratic transition, international tourist arrivals have increased from around 1 million in 1990 to more than 10 million by the end of 2010, positioning South Africa as the continent's leading tourist destination. According to the UNWTO 2013, South Africa features as number 33 amongst the top tourism destinations globally and second to Morocco in terms of arrivals of international tourists, attracting 9.5 million international tourists in 2013 compared to 9.1 million in 2012. In addition, the domestic tourism market, given the repeal of pre-1994 legislation that limited free movement, has seen significant growth with residents undertaking

approximately 52 million trips in 2009, with as many as 152 million bed-nights taken up by domestic tourists.

According to South African Tourism (2011), more people have travelled but the total number of trips declined. There has been a decline in average holiday spending at R1.6 million in 2011 compared to R1.65 million in 2010. However, the general average spending increased from R710 000 in 2010 to R780 000 in 2011. Thus, generally, people who are travelling are spending more per trip than what they spent in previous years. According to the Annual Tourism Performance Report 2013 (South African Tourism, 2014), the number of domestic trips taken declined by 1% from 25.4 million in 2012 to 25.2 in 2013. Although the average number of trips taken by South African adults increased from 2.0 in 2012 to 2.1 in 2013, fewer adults took a domestic trip in 2013 as the incidence of travel dropped to 35% in 2013, from 40% in 2012.

Domestic tourism has largely been an under-researched aspect of tourism economies in the developing world. This neglect of domestic tourism is partly a result of the emphasis accorded by national governments and policy makers to foreign exchange earnings derived from international tourism flows. In addition, the lack of research is linked also to the fact that domestic tourism is more difficult to track than international tourism as it occurs within the country of residence and thus does not involve the crossing of international borders at entry points into a country where visitors are counted. The weakness of knowledge concerning domestic tourism explains why “existing policies in developing countries tend to concentrate overwhelmingly on expanding international tourists arrivals” and to ignore the potential benefits from the emergence of domestic tourism, as described by Rogerson and Lisa (2005:88).

The National Tourism Sector Strategy (NTSS), approved by the National Department of Tourism and launched in March 2011, firmly place South African tourism on a new and ambitious growth trajectory for the future. The NTSS provides inter alia for the development of a domestic tourism growth strategy, focusing on domestic tourism's contribution to a sustainable tourism economy. Research has shown that domestic tourism tends to play a major role in the sustainability of most successful tourism destinations. South Africa shows year-on-year growth in tourism's contribution to the

gross domestic product (GDP), with the domestic-tourism percentage-share contribution recorded at 54,8% and 58,8% in 2009 and 2010, respectively (SAT, 2011).

#### 4.2.2 DEVELOPMENT OF DOMESTIC TOURISM IN SOUTH AFRICA

Rogerson (2010:317) reports that the National Government of South Africa has declared tourism as one of the six pillars for economic growth, in line with the New Growth Path. The National Department of Tourism is committed to create 225 jobs and increase tourism's economic contribution to the GDP by 499 billion by the year 2020, amongst other imperatives. The commitment provided for in the National Tourism Sector Strategy called for the development of a Domestic Tourism Growth Strategy for South Africa. This was in recognition that domestic tourism is an essential contributor to the growth of the tourism economy.

In Brazil, India, Mexico, Thailand and China, leisure travel extends beyond the growing middle class to include participation of the lower middle class. In Kenya, domestic tourism is encouraged through offering reduced accommodation rates to local people. In Cuba, the state is encouraging a form of 'socially driven' domestic tourism. The expansion of a second-home as holiday accommodation is a new influence on the flows of domestic tourism in Thailand, and also in South Africa. In developing market economies, the usual motivation for domestic travel encompass pilgrimages, visiting friends and relatives, business travel, health tourism, as well as leisure tourism. Leisure tourism, involving visits to national parks and areas of scenic beauty, has been examined in Saudi Arabia, South Africa, Sri Lanka, and also in India (Skanavis & Sakellari, 2011:235).

Kruger & Douglas (2015:304) asserts that South Africa represents one of the few examples of a developing country where national government has made domestic tourism an explicit priority. The National Department of Tourism envisages an increasing contribution of domestic tourism towards the GDP of South Africa, from 54.8% in 2009 to 60% by 2020, according to SAT (2011). Strategies to achieve this include increasing domestic tourism expenditure, tourist volumes, and enhancing a travel culture among South Africans.

The emerging black domestic market for leisure tourism presents a distinct opportunity to achieve these objectives, given the significant growth potential in terms of size and spending power displayed by this market segment. Despite promotional efforts that started some 20 years ago, domestic trips have shown a decline and a call has been made to the industry to respond with product offerings that appeal to members across all market segments, as indicated by SAT (2011). Such initiatives will arguably fail without sufficient market knowledge, as is the case in most developing markets.

There has been a number of successful domestic tourism initiatives over the years in South Africa, both from the public and the private sector. The following are but just a few examples of such initiatives:

- Loyalty incentive schemes, particularly within the hospitality sector, have increased in terms of uptake and have also made a contribution in terms of converting business tourists into future holiday tourists.
- New developments such as online booking systems and the emergence of easily accessible transaction points at retail outlets (for example the Checkers Business Centres) have started contributing towards better conversion.
- Government products, in particular the national and provincial parks, as well as some local government resorts and theme parks (such as Pilanesburg National Park, free gate entrance for primary and secondary pupils during tourism month, which is September), have significantly contributed to stimulating and providing for domestic tourists.
- Awareness raising through promotional programs such as the Sho't Left campaign. However, the awareness established by the Sho't Left campaign has decreased slightly in 2011. Television is by far the most important medium through which South Africans learned about the Sho't Left campaign.
- A school angling programme was launched at the Bloemhof Dam in 2011. These initiatives have exposed 80 children and teachers to coaching clinics and workshops. The long-term goals were to have top performing schools to compete in national leagues and short-term goal are to create awareness amongst the community of the Bloemhof Dam Nature Reserve.
- The Heritage Park Walk involves a walk by community residents and backpacker tourists from neighbouring countries such as Botswana and Lesotho. The walk

stretches from Pilanesberg National Park to the Madikwe Game Reserve and is aimed at creating awareness of tourism and conservation in the North West.

These and other initiatives have certainly contributed towards developing the domestic tourism market in South Africa and its contribution towards the economy, but an incoherent and uncoordinated approach and the absence to a clear vision and direction could be a challenge for sustainability. The Sho't Left campaign is one of the most important endeavours of government to establish a domestic tourism culture in South Africa and more attention will now be devoted to this initiative.

Since the political changes in South Africa, as mentioned by Rogerson and Lisa (2005:89), a progressive trend has been for national government policy initiatives in South Africa to incorporate the formerly excluded black communities as part of wider strategies for promoting domestic tourism. At the heart of current marketing for domestic tourism is the 'Sho't Left' campaign. This term derives from everyday taxi language and refers to a situation when a passenger wants to jump off the taxi immediately or just around the corner, i.e., 'Sho't Left drive'.

The Sho't Left campaign is the current flagship of new marketing initiatives that were launched by South African Tourism in conjunction with the National Department of Tourism and provincial tourism authorities to expand domestic tourism, and in particular to address the untapped potential of domestic tourism. Given the economic and development situation of the North West, the promotion of domestic tourism can bring substantial relief on more than one level through influence on a variety of industries.

According to the former Minister of Tourism, Mr van Schalkwyk (2013), with non-travelling South Africans having indicated that they could not afford to travel or were not aware of accessible offerings, tourism had to work harder to address the information and cost barriers. The new domestic marketing campaign – dubbed “Nothing more fun than a Sho't Left” – also tackles the affordability challenge while seeking to bring fun back to travel. The Sho't Left campaign also offers a number of holiday package deals designed in partnership with South African Tourism's travel partners, to deliver fun, easy, accessible and affordable holidays (South African Tourism, 2013).

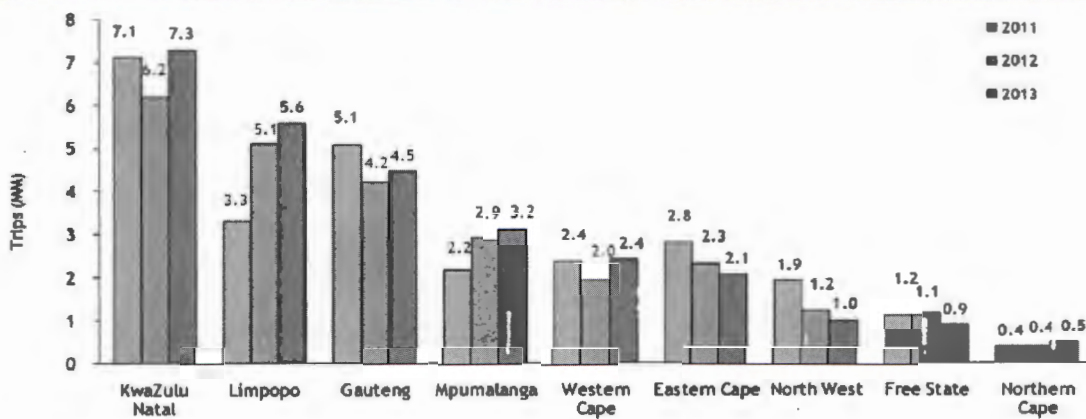
By 2011, only 44% of the South African adult population was said to be participating in domestic travel, although this number has shown improvement. Although Visiting Friends and Relatives (VFR) remained the major purpose for domestic travel, the share thereof decreased by 5% from 77% to 72% in the period July to September 2013, compared with the same period in 2012. The biggest inhibiting factors have been identified as the perception that travel is not affordable and that people have no reason to take a trip (Kruger & Douglas, 2015:305).

SAT (2014) indicated that the destination management organisation at national level that continued to have the highest percentage of domestic travellers and was the biggest recipient of domestic tourists in 2011 to 2013, as shown in Figure 4.2 was KwaZulu Natal. As in previous years, the most popular destination for domestic trips remains KwaZulu-Natal which recorded an 18% growth from 6.2 million trips in 2012 to 7.3 million trips in 2013. Domestic trips to Limpopo grew by 9% to 5.6 million trips in 2013 whilst Gauteng realised a growth of 6%, to reach 4.5 million trips in the same period.

Domestic trips to the North West decreased by 0.83% from 1.2 million trips in 2012 to 1.0 million trips in 2013. The Provincial Government of the North West, the North West Parks and Tourism Board, and other stakeholders have identified the need to formulate growth strategies aimed at both the lower and higher ends of the market, to create a holiday culture among previously disadvantaged groups, and to extend visiting friends and relatives (VFR), and visits for leisure tourism-purposes.

The Member of the Executive Council (MEC) for Tourism in North West, Desbo Mohono, mentioned at the Local Government Tourism Conference in Gauteng that “the North West province was rich in agriculture, culture, and other tourism products that could be explored by holiday makers” (Mafikeng Mail, 2015). The MEC urged and encouraged the people of the North West to visit places they have never been to in the province. The message was that there are heritage sites (a tourism component) and most of the people who visit those sites (tourism components) are people from outside the province. The provincial government’s intention is to ensure that people of the province know and advocate the wonders of this province.

**FIGURE 4.2: ANNUAL TRIPS TO EACH PROVINCE (DESTINATION MARKETS): 2011-2013**



| Market share      | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
|-------------------|------|------|------|------|------|------|------|------|------|
| Market share 2011 | 27%  | 13%  | 19%  | 8%   | 9%   | 11%  | 7%   | 4%   | 1%   |
| Market share 2012 | 24%  | 20%  | 17%  | 11%  | 8%   | 9%   | 5%   | 4%   | 1%   |
| Market share 2013 | 27%  | 20%  | 16%  | 12%  | 9%   | 8%   | 4%   | 3%   | 2%   |

Source: SAT (2014)

The above discussion shed some light on domestic tourism and its development in South Africa and a closer look will now be taken at domestic tourism and its development in the North West.

#### 4.2.3 DOMESTIC TOURISM IN THE NORTH WEST

Changes to South Africa’s Immigration Act have been blamed for the sudden and drastic drop in the numbers of tourists from the world’s fastest-growing tourism markets, China and India. However, these changes in legislation affecting international tourism should have no direct impact on domestic tourism. Tourism South Africa’s statistics indicate that in the last quarter of 2014, there was a 14% decline in the number of local trips taken by South Africans, compared with the same period the previous year, up to 8.2 million (Sunday Times, 2015).

Sunday Times (2015) reports that domestic tourism has been downplayed, and even ignored, in favour of potential international arrivals. One of the reasons for this is that the marketing of South Africa internationally is properly funded and organised by South African Tourism (SAT), whilst the marketing of domestic tourism is undertaken by the nine provincial authorities. In most cases, these authorities are not well funded, and hence there is a gap in marketing and exploring the domestic market.

Domestic tourism can make a significant contribution to regional growth and development in South Africa and it should therefore be an integral part of any regional development plan. The North West is one of nine provinces in South Africa that contributed 5 per cent to total GDP during 1995. This province is predominantly a rural province with an unemployment rate of approximately 36 per cent (1994), which is higher than the South African average.

Statistics South Africa (2014:10) explained the comparison of the average of the real economic growth rates from 2003 to 2013 by the provincial economies. The South African economy recorded an average growth rate of 3.7%. Western Cape and Gauteng were above the national average with rates of 4.2% each, as was KwaZulu-Natal with a rate of 4.0%. All other provincial economies recorded growth rates lower than the national average, and North West posted an average economic growth rate of 2.3% over the same period.

However, the province offers a wide variety of tourism attractions, ranging from conservation, culture, geology, history to the world-renowned Sun City theme park. The economy of North West is dependent on mining, which contributed 42% to the province's gross geographical product (GGP), followed by agriculture at 13 percent (Saayman *et al.*, 2001:444-445).

The tourism and cultural authorities of the North West recently used the opportunity to market the best of what the North West has to offer during the Cape Town International Jazz Festival, which took place during the last weekend of March 2015. The provincial tourism department and other key stakeholders of the province worked together to promote destination North West at this acclaimed festival, among other domestic and international products being marketed. The MEC of tourism mentioned that it was "decided to be a part of the festival because in that way we are sure to target relevant people and further introduce them to the tourism products offered by the North West" (The New Age, 2015).

The Premier of North West, Supra Mahumapelo, successfully relaunched the Pilanesberg and Mahikeng routes on the aviation map. The relaunch took place on 26 March 2015 at the Pilanesberg Airport after the Provincial Government signed a

memorandum of understanding with SA Express. This was initiated to shorten the distance between North West and other provinces, as well as other countries within the Southern African Developing Community (SADC). The Premier stated that “the operation of the flights will open a lot of doors to local people. Those who are tired of using roads and getting traffic fines and long travelling hours can now fly locally and internationally from the province” (Mafikeng Mail, 2015).

A tri-lateral agreement between the North West Tourism Department, Sun International and SA Express was sealed for direct flights from the OR Tambo International Airport and Cape Town International Airport to Sun City, to promote tourism. The Tourism Acting Head of Department, Mr Charles, stated that “Flights to Pilanesberg from Johannesburg as well as Cape Town each has the capacity to accommodate 50 travellers and the South African community is taking full advantage of the flights to Pilanesberg, accounting for 60% of sales while international travellers make up the remaining 40%. This agreement was in line with the vision of rebranding, renewal and reposition of the province. During the first few months of operation, SA Express’ direct flights to Pilanesberg carried close to 600 passengers into the North West. The volumes were expected to grow as awareness of the service grows” (Business INC., 2015).

According to Saayman *et al.* (2001:452) by the turn of the century, initiatives will assist to grow domestic tourism in the province because the North West is also ideally situated close to Gauteng with its high concentration of high-income earners, and to the most important gateway to South Africa, the OR Tambo International Airport. The excellent situation is that domestic tourists can now fly directly to Pilanesberg from areas such as Cape Town, Johannesburg and Durban. A well-established domestic tourism industry usually creates an environment and conditions that are favourable for the development of international tourism. Thus, the importance of developing domestic tourism as precursor to entice international tourism.

The Member of the Executive Council (MEC) for Tourism in North West, Desbo Mohono, further mentioned that the North West had pledged support for the fast growing Bray July horse racing which attracted many people from as far as Botswana and other neighbouring places. The Department has realised that this competition has the capacity to contribute immensely to the core mandate of the province, which is

tourism, and further contribute positively towards the growth of the provincial economy. The Department will continue to market this event amongst the residents of this province and also to those outside of the province to the point that it becomes as big and popular as the Durban July (Business INC., 2015).

Haddad *et al.* (2011:3) contends that many geographically peripheral regions with attractive scenery and a rich history but limited industrialisation are encouraged to view tourism as a current and future foundation upon which to build an economic base, and this would be ideal for the North West. Employment in tourism is often seasonal (although not so much applicable to the North West). Tourism is however often relatively low paid. Whether the benefits of tourism as an economic base are equivalent to those of other sectors depends on the degree of linkage within or leakage from the regional economy. Despite uncertainties over the benefits, tourism is an alluring source of income to struggling regions within a country.

There are different subtypes of tourism and these are described in Table 4.2.

It should be noted that this list is not an all-inclusive and conclusive list of the subtypes of tourism as new terms are coined on a continuous basis. For the purpose of this study the focus is primarily on two subtypes of tourism, that being (1) local community tourism and (2) tourists as excursionists with the purpose of investigating residents' awareness and support for tourism in their community. However, all subtypes can be incorporated into the strategic development of Mahikeng as tourism destination for domestic tourists and local residents.

**TABLE 4.2: DIFFERENT SUBTYPES OF TOURISM**

| SUBTYPE            | DESCRIPTION  | AUTHOR(S)              |
|--------------------|--|------------------------|
| Adventure tourism  | Any domestic or international trip that includes at least two of the following three aspects: physical activity, interaction with nature and cultural learning   | Morrison (2013:477)    |
| Backpacker tourism | A person that spends one or more nights in either backpacker or hostel accommodation.  | Ooi & Laing (2010:195) |
| Business tourism   | Travel associate with attendance at meetings, conferences, exhibitions, and incentives events unlike leisure tourism, which is business-to-consumer activity, business tourism is business-to-business activity. | Hankinson (2005:24)    |
| Casino gaming      | While destinations such as Monte Carlo have  | Morrison (2013:480)    |

|                     |  |                             |
|---------------------|--|-----------------------------|
|                     | always been associated with casinos, other destinations have drawn more attention recently.  |                             |
| Cruise tourism      | The average length of a cruise is around 7 days and passengers are very satisfied after experiencing this type of tourism and its important source of demand for destinations in the Caribbean and other maritime.   | Morrison (2013:478)         |
| Culinary tourism    | Any tourism experience in which one learns about, appreciates and consumes food and drink that reflects the local, regional, or national cuisine, heritage, culture, tradition or culinary techniques.   | Morrison (2013:481)         |
| Cultural tourism    | Cultural tourism is visiting museums and archaeological sites, and is an increasing segment of tourism demand that can reduce seasonality. The data provided by the Italian Statistics Office show, that, in 2005 in Italy, cultural tourism, defined as the registered number of tourists in art cities, scored in terms of arrivals the highest market share (33.5% of the total), better than sun-and-sea tourism (22.8%).          | Cuccia & Rizzo (2011:590)   |
| Dark tourism        | As the act of travel to tourist sites associated with death, suffering or the seemingly macabre such as the Sharpsville massacre that took place in South Africa in the 1960s when South African Police shot and killed protestors outside the Sharpsville police station. Dark tourism as a cultural representation of particular death has been referred to as a contemporary mediating institution between the living and the dead. | Stone (2012:1566)           |
| Educational tourism | Tourism experience that aim to provide structured learning through active and engaged intellectual praxis and a tourism experience for the identified target group with the sole aim of establishing business partners in future.  | Pitman <i>et al.</i> (2010) |
| Excursionist        | A short trip or outing to some place, usually for leisure, business, sport etc., with the intention of a prompt return usually within a day not involving staying a night.   | Oh & Schuett (2010:32)      |
| Health tourism      | A commercial phenomena of industrial society which involves a person travelling overnight away from the normal home environment for the express benefit of maintaining or improving health, and supply and promotion of facilities and destinations which seek to provide such benefits  | Hall (2011:6)               |
| Hedonistic tourism  | Is the type of traveller that only seeks pleasure. These types of tourists are travelling for recreation and fun activities only instead of business.  | Hosany & Gilbert (2010:514) |
| Heritage tourism    | Whether it be an object, monument, inherited skill or symbolic representation, must be considered as an identity marker and distinguished feature of a social group. Heritage tourism can therefore play a crucial role in providing certain "ritualised circumstances" through which shared social memory can be effectively inscribed and  | Park (2010:119)             |

|                          |   |                                   |
|--------------------------|---|-----------------------------------|
|                          | collectively communicated within specific heritage settings. Heritage tourism enables people to conceive, imagine and confirm their belonging to the nation   |                                   |
| Industrial tourism       | Is where people visit the sites or building of existing or former industries.   | Morrison (2013:484)               |
| Leisure tourism          | Is tourism for a purpose other than business. One visiting another place for their own entertainment or other benefit such as taking a holiday at Hartbeespoort Dam for a boat cruise   | Zheng & Zhang (2013:192)          |
| Local community tourism  | A community that plans and uses tourism as an alternative means of strengthening its economic development that develops sustainable tourism to meet the needs and demands of its residents. The development of sustainable tourism is difficult without the support and participation of community residents  | Lee (2012:1)                      |
| Medical tourism          | Individuals travelling often great distances to access health-care services that are otherwise not available due to high costs, long waiting lists or limited health-care capacity in the country or region of origin.  | Hall (2011:7)                     |
| Nature-based tourism     | Has been defined to cover activities that people do while on holiday and which focus on engagement with nature and usually includes an overnight stay. Typically this means travelling to and staying overnight in locations close to protected areas, forests, lakes, or sea or the country site and participating in activities compatible with the location's natural qualities. | Fredman & Tyrvaainen (2011:7)     |
| Religious tourism        | Whereby religion is a powerful motivating force for travel and source of tourist attractions such as Muslim population worldwide, results in mass movements of travellers to and within Saudi Arabia during the Hajj season and many Christians visiting Jerusalem  | Henderson (2011:541)              |
| Scenic tourism           | A scenic route, tourist road, tourist route, or scenic byway is a specially designated road or waterway that travels through an area of natural or cultural beauty.   | Jacobsen & Denstadli (2011:780)   |
| Shopping tourism         | Shopping as the principal purpose and reason for a trip. When people travel to places like malls of America, malls in Paris and Dubai.  | Morrison (2013:487)               |
| Social tourism           | The relationship and phenomena in the field of tourism resulting from participating in travel by economically weak or otherwise disadvantaged elements in society. This category aim to offer tourism experiences that are already accessible to a majority of persons to groups who are excluded from them, usually for financial or health reasons                                | Minnaert <i>et al.</i> (2011:404) |
| Special interest tourism | Is a niche market acting like activity tourism, but it differs in that it involves little or no physical exertion. Nevertheless, the types of interest are diverse, some of the most popular being: painting,   | Swabrooke & Horner (2007:37)      |

|                                |  |                                  |
|--------------------------------|--|----------------------------------|
|                                | gastronomy, both learning to cook and enjoying gourmet meals, in restaurants, military history and visiting battlefields, visiting gardens, attending music festivals etc.   |                                  |
| Sport tourism                  | As specific travel outside of the customer's usual environment for either passive or active involvement in sport where sport is the prime motivational reason for travel. Sports tourism is a multi-billion dollar business, one of the fastest growing areas of the \$ 4.5 trillion global travel and tourism industry. | Klaus & Maklan (2011:4)          |
| Urban tourism                  | The town and cities with melting pots of national culture, art, music and magnificent architecture and urban design. It is the concentration and quality of activities and attributes put certain towns and cities on the tourism map.   | Edward <i>et al.</i> (2008:1032) |
| Visiting Friends and Relatives | Travellers whose main purpose of travel was family-related, and were therefore distinct from tourist, business, or long-term travellers such as missionaries or other volunteers.  | Barnett <i>et al.</i> (2010:164) |
| Volunteerism tourism           | Those individuals who, for various reasons, volunteer in an organised way to undertake holidays that might involve aiding or alleviating the material poverty of some groups in society.   | Ooi & Laing (2010:195)           |
| Wine tourism                   | Visitations to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and experiencing the attributes of a grape wine region are the prime motivation factors for visitors' example being the vineyards situated in the Western Cape, South Africa.   | Quadri-Felitti & Fiore (2012:4)  |

The following point of importance is residents as domestic tourists and the local community's support for tourism, as illustrated in Figure 4.1.

### 4.3 RESIDENTS AS DOMESTIC TOURISTS

Domestic tourism is important for developing countries as it is less seasonal than international tourism and contributes to the volume of tourism throughout the year. Domestic tourism is vital because it is not severely affected by external factors such as political instability, immigration act amendments, xenophobia attacks, and threats such as the Ebola outbreak on the African continent.

Edward *et al.* (2008:1032) maintains that today's tourism consumes substantial amounts of space within urban destinations: tourist-historic urban cores, special museums of many kinds, theme parks and specialized precincts all contribute to this consumption. Significant numbers of tourists in urban areas are visiting for a primary

purpose other than leisure, including business, conferences, shopping, and visiting friends and relatives. Local residents are also significant users of attractions (often the majority) and of infrastructure which has generally been developed for non-tourism purposes.

Urban destinations appeal to a number of different tourist markets as they offer the communications, transport, services and facilities which meet tourist needs. These markets include: a more educated population whereby they are likely to appreciate the cultural events in the city of Rustenburg (such as the Setswana traditional concerts) and the historic heritage sites such (as the house of the former President of Bophuthatswana), situated in Mahikeng.

Ashworth and Page (2011:8) assert that towns are by its nature places of high levels of people-activity, compounded by the growth of the 7/24 hour society. Additional tourism attractions, catering facilities and the like may extend tourists' stay by a few hours, but staying overnight will substantially increase tourist spending. Sites and attractions need to be combined within larger packages within a town and with other towns, especially in towns such as Rustenburg/Hartbeespoort Dam that endure the profitable high impact day-trip market. Tourists are sometimes seen by locals as free-riders on the facilities someone else is paying for, although domestic tourists as citizens and tax payers do contribute towards such facilities. The opposite situation is also possible, namely residents may reap the benefits from the presence of tourists and tourism services. These may also 'free-ride' upon tourism facilities, enjoy an urban atmosphere of animation or just gain psychic profits of pride and self-esteem.

Ooi and Laing (2010:193) state that backpacking can also be promoted amongst residents. Backpacker tourism is one of the subtypes of tourism and has the potential to make valuable contributions toward local economic development for communities and lead to reductions in seasonality, as this tourism niche allows for year-round flows of visitors. The backpacker tourism may include wilderness adventures, local travel, and travel to nearby regions such as Taung, the Vredefort Dome, and the Pilanesberg National Park.

Visser and Hoogendoorn (2011:10) assert that backpack tourism encourages local residents to visit nearby tourism facilities and learn more about their surroundings. This may be less costly for residents as they are able to use public transport, inexpensive lodging such as youth hostels and camping, and visiting remote areas of the region. Backpacking is perceived as being more than a holiday, but a means of education. Currently, South African tourism research suggests that backpacker accommodation is also provided in rural and remote regions, which allows great opportunities for the transformation of the tourism industry by enhancing the involvement of communities in domestic tourism, especially those who are price sensitive.

A destination such as Mahikeng that plans to use tourism as an alternative means of strengthening its economic development should develop sustainable tourism to meet the needs and demands of its residents. The development of sustainable tourism is difficult without the support and participation of residents in its immediate community. Thus, the support of residents is a critical factor for ongoing community development (Lee, 2012:1). Factors such as attitudes, perceived effects, community attachment, and perceived benefits may affect residents' support for sustainable tourism development.

Local community tourism, according to Aref (2011:20), plays an important role in fostering community support for tourism development and may enhance its long-term sustainability as a broad basis for the strategic planning of tourism development. Developing a sense of community contributes to participation by enabling people to feel connected and motivated to live in harmony and work together towards common goals. A sense of community can be seen as the capacity of the local people to participate in development activities. Tourism developers often encourage a sense of community belonging and pride among residents as a way of contributing to tourism development.

Tourism development may change residents' relationships with one another and towards their communities. It is generally felt that the perception and attitudes of residents toward the impacts of tourism are likely to be an important planning and policy consideration for successful development, marketing, and operation of existing and future tourism programs, as explained by Ko and Stewart (2002:521). Residents in many areas are encountering tourism's impacts and benefits for the first time. To gain

support for tourism projects and initiatives, planners should understand how the public perceives the tourism industry, as recommended by Harrill (2004:1).

The nature of local tourism and how it can contribute to community development will now be further deliberated.

#### 4.3.1 NATURE OF THE LOCAL COMMUNITY IN TOURISM

The term community has been described by numerous academics and Table 4.3 presents a selection of some of the different descriptions of the term.

**TABLE 4.3: THE TERM 'COMMUNITY' DESCRIBED**

| <b>AUTHOR(S)</b>              | <b>DESCRIPTION</b>  |
|-------------------------------|---|
| Lee (2012:3)                  | Persons in social and cultural interaction within a geographical area and having one or more additional common ties.  |
| Pitea and Sala (2010:32)      | People who live within a geographically defined area and who have social and psychological ties with each other with the place where they live.                 |
| Aref <i>et al.</i> (2009:156) | Residents contained by geographical boundaries, local zoning, or politics; the ethnicity of its residents or the resources or industry established in the area. |
| Pike (2009:4)                 | A group of people living in the same place or having particular characteristics in common.  |
| Hampton (2003:87)             | A social group of any size whose members reside in a specific locality, share government, and often have a common cultural and historical heritage.             |

The following synthesis is derived from these descriptions. Pitea and Sala and Lee indicate similarities in their descriptions of the term community and they describe a community as people in social and cultural interaction within a specific geographical area. Aref *et al.* and Hampton indicate similarities in their descriptions and indicate that a community consists of residents contained within geographical boundaries, who share government, with resources or industry established in an area. Pike describe a community as a group of people living in the same place and having similar characteristics. This study adopted the description of Pike and intends to explore whether local residents (the community) within the geographical boundaries of Mahikeng in the North West, South Africa, who share the government of this area, with its own resources and industry, are aware of and will support local tourism facilities. The hope is expressed that the findings could serve as input in pursuit for the strategic development of Mahikeng, and ideally also other regions in the province

Community is one component for understanding community development for tourism purposes but it is also important to appreciate how a community affects local tourism development. Local communities play a key role in tourism development as they are crucial in providing an appealing environmental condition for tourists. Local communities are a basic element of modern tourism development. Local communities are the focal point for the supply of accommodation, catering, information, transport, facilities and services.

The White Paper on the Development and Promotion of Tourism (1996) states that tourism is driven by the private sector and is firmly based in local communities. The White Paper states that local government influences tourism products in how they manage their socio-economic environment and how local government provides services to communities (Spenceley *et al.*, 2002:7).

#### 4.3.2 COMMUNITY RESIDENT RELATIONS

Tourism is a tool that can be used to support the development of activities such as traditional or specialist agriculture, craft, education, health or other socio-economic activities, rather than solely operating separately from other activities in the destination region. Tourists must be seen as more than just customers; tourists must be seen as human resources for regional development.

Local government organisations, for example, have three compelling reasons, according to March and Wilkinson (2009:456), for being involved in the promotion of tourism in the local community:

- Increased tourism generates additional revenue for the local authority, by creating more local jobs and thus lowering unemployment. Increased expenditure on tourism may also improve the image of an area and encourage further tourism and non-tourism-related investment.
- In regional areas, in particular, the private sector is unlikely to have the necessary financial (or managerial) resource to allocate for effective destination marketing.
- Local government organisations are responsible for providing the vital elements of the tourism experience, such as interpretation of cultural and historical sites,

visitor information centres and maintaining of infrastructure such as signage, parks and gardens, street cleaning, car parks, and retail districts.

Tourism is increasingly becoming capital-intensive, with large firms becoming involved in building and operating hotels and so on. There is decreasing local ownership and involvement as local people become increasingly marginalised by a transactional tourism industry on their doorstep (Hampton, 2003:86-87).

Community based tourism centres, according to Blackstock (2005:39), can contribute towards involving a host community in planning and maintaining tourism development in order to create a more sustainable industry. The tourism industry is dependent on local resident involvement through their role as employees or local entrepreneurs, and on residents' goodwill towards tourists. Thus, community development explicitly seeks to dismantle structural barriers to participation and develop emancipator collective responses to local issues. Understanding and assessing tourism impacts in communities is important in order to maintain sustainability and long-term success of the tourism industry. Once an economy becomes largely dependent on tourism, a decline in the tourism market can be devastating (Buades & Diedrich, 2008:512).

Morrison (2013:224) contends that having community support is the major desired outcome from the community relations role of destination management, and there are potential benefits that may result from building and maintaining closer relationships with community residents. This includes the following:

- Residents are potential customers of the tourism sector.
- Residents interact and share local facilities and services with tourists.
- Residents can give tourists an unforgettable experience of welcome.
- Residents take their friends and relatives to local attractions, restaurants, shops and other tourism venues.
- Residents vote, so political leaders are concerned about their opinions.
- Residents write about their communities on paper, social media, and in blogs. It is much better for tourism if they do so in a positive way.
- The local community is a labour pool for the tourism sector; if residents positively perceive tourism, they may be more willing to work in the sector.

- Tourists often ask local people for directions and advice on what to do and see, and where to eat in the community.

Tourism as an industry has the potential to offer many benefits to local residents and communities. Tourism can improve the quality of life in a host community by increasing employment opportunities, economic diversity, festivals, restaurants, cultural activities, and outdoor recreation opportunities, and improved infrastructure. Although tourism can bring many benefits to a host community, it may also cause negative impacts. Specific negative impacts may include increased crowding, traffic, crime, cost of living, parking problems, friction between residents and tourists and changes in residents' way of life. To limit the negative impacts while capturing the benefits, tourism must be strategically planned and developed (Stockton, 2011:2).

Participation of local people is important in sustainable tourism planning because tourism, if strategically planned and managed, could have a positive impact on residents' quality of life. The following section discusses tourists as excursionists.

#### 4.3.3 TOURISTS AS EXCURSIONISTS

The primary goal of market segmentation is to identify the segments that are most interested in specific products and to focus marketing efforts in the most effective manner. Excursionists are a distinct group of tourists tourism authorities can identify as key markets that can increase domestic tourism in many regions of South Africa.

An excursionist, also known as a day-tripper, is generally a domestic tourist and is the core market for most visitor attractions, many seaside resorts and some rural areas. This, however, does not exclude international tourists as many of these are also excursionists. In general, an excursionist does not wish to travel too far, given that they only have one day or less available for leisure activities. This often results in the day-trip market for tourism attractions dependent on those who live within one and a half hours' driving time. Although, in larger countries such as the USA, excursionists may be willing to travel further than this for a day trip. While the duration of a day-trip is generally regarded as the entire day, it can also be for a few hours. Some day-trips require preplanning and booking but the majority do not. Day-tripping can also be a

spontaneous decision. Day-trippers have a day spare and could decide in the morning what to do and where to go to. Their decision may well be influenced by the weather. If it is sunny, a theme park trip might be selected, while rainy weather could well result in the selection of an indoor attraction such as a museum (Swarbrooke & Horner, 2007:133).

An excursionist is described by Morrison (2013:122), as a tourist who does not stay overnight in/at a destination. This can be especially important to places that receive a large proportion of day-trippers, for example the area surrounding Hartbeespoort Dam in the North West, where day-trippers visit the Harties Aerial Cableway for leisure purposes. Excursionists can serve as a catalyst in combating one of the disadvantages tourism is facing, that of seasonality. The cultivation of the excursion market is an ideal tool for supporting local tourism facilities which will ultimately inject revenue into regional and local economies.

Excursions and additional options can be used effectively to increase the attractiveness of a destination and its tourism facilities to non-residents with the aim of enticing tourists in the first place and then to induce them to stay longer and spend more. Excursions can also be the main appeal of a vacation where accommodation itself (the lodge or the hotel) plays a secondary role, the key examples of this being the great variety of niche and special interest tours being sold, many of which often take place along specific routes. New routes can lead to the development of local enterprises, increasing the demand for goods and services of the poor. This could also provide employment opportunities, which can increase both individual income as well as the collective income of the whole community. This in turn can also lead to capacity building and the development of local infrastructure (Moseley, 2014:14).

Thus, encouraging local residents to become excursionists and venture into the peripheries of a destination can stimulate the economy in those areas and provide income and employment. For the goal of encouraging and promoting local residents to be excursionists, tourism authorities and role players need to understand local residents' behaviour when coming to visit the different tourism facilities in and around Mahikeng. Therefore, consumer behaviour as a dynamic and electric field of tourism marketing will now be presented, as illustrated in Figure 4.1.

## 4.4 CONSUMER BEHAVIOR

The subject of consumer behaviour is key to the underpinning of all marketing activities which are carried out to develop, promote and sell tourism products. To optimise the effectiveness and efficiency of marketing activities, it must be understood how consumers make their decisions to purchase and/or use tourism products. The focus of this study is on residents' awareness of the different components of tourism in the Mahikeng area and their propensity to support tourism, as well as to discover what their specific needs, wants and preferences are concerning supporting tourism.

The DMO and other role players ought to have an understanding of the level of awareness amongst residents concerning the tourism facilities, and also marketing knowledge on the specific needs, wants and preferences for residents to support tourism. Morrison (2013:405) explains that people are faced with a wide array of potential destinations for their travel trips. They can travel locally, regionally, nationally (domestically) and internationally. The following factors have been found to affect destination selection:

- Socio-psychological (personal)

These internal inputs include the personal characteristics, motives, values and attitudes of tourists (residents). These characteristics are linked closely with people's motives for travelling, and these characteristics would be discussed in length later on.

- Situational factors

The constraints individuals or families have in terms of available time and financial resources to travel.

- Interpersonal (social)

The numerous influences various role-players, such as family members, other relatives, friends, business associates, opinion leaders and others have on a decision.

- Awareness levels

Tourists (residents) have to be aware of tourism products in order to visit and support it. People have 'awareness sets' and 'evoked sets' of a destination. The 'awareness' set includes all the tourism attributes and attractions that a person has thought about. The 'evoked set' is a smaller group of tourism attributes and attractions from the 'awareness set' that are feasible for a specific visit based on situational and other factors.

- Destination images

These are the perceptions that people have of specific destinations.

- Destination products

The destination mixes offered by alternative destinations may be influential and especially the specific attractions, events, experiences and activities offered to tourists.

- Marketing and promotional communications

The messages and images transmitted by DMOs and tourism sector stakeholders through a variety of channels.

- Information search

The process of searching for information on 'evoked set' of tourism facilities and the information gathered may influence decisions.

- Past experience in visiting

The history and experiences of visitors to particular tourism facilities. It is generally accepted that previous visitors to a tourism establishment have a higher probability of visiting than those who have not yet visited.

- Geographic origins and cultures

Tourism statistics clearly indicate that travel destinations' popularity varies by geographic origin.

Consumer behaviour, according to Swarbrooke and Horner (2007:3), is a fascinating but difficult subject to research. This statement is particularly relevant to tourism where the decision to purchase is of emotional significance. Purchasing a holiday will probably provide the consumer with the major highlight of the year – a chance to escape from work and routine to revitalise body and soul. Consumers are influenced in their decision-making process by many internal and external motivators and determinants when choosing products. The DMO and other role players should seek to understand what influences the decision-making process of residents in Mahikeng when choosing tourism products and then provide the most appropriate stimuli.

Martinez (2012:13) specifically warned that many tourism organisations have an imperfect picture of their consumers. Many organisations consider that they are sufficiently close to their visitors and therefore do not need to commit resources to more formal consumer studies. Others are constrained by limited marketing budgets and by the fact that researching the consumer motivation and buying process can be a time-

consuming and difficult procedure. This, however, could spell danger for the strategic development and management of destinations.

The nature of consumer behaviour in terms of residents as domestic tourists will now further be deliberated.

#### 4.4.1 NATURE OF CONSUMER BEHAVIOUR

Consumer behaviour as a process has been described by numerous academia and following is a synthesis of the description. Table 4.4 presents different descriptions of the consumer behaviour process.

The following synthesis is derived from these descriptions. Arnould *et al.* and Nam *et al.* indicate similarities in their descriptions of consumer behaviour by describing it as individuals or groups acquiring, using, and disposing of products, services, ideas, or experiences. Swarbrooke and Horner and Diffley *et al.* indicate similarities in their descriptions of consumer behaviour as they describe consumer behaviour as those activities directly involved in obtaining, consuming, and disposing of products and services so as to satisfy their needs and desires.

**TABLE 4.4: CONSUMER BEHAVIOUR DESCRIBED**

| <b>AUTHOR(S)</b>                | <b>DESCRIPTION</b>  |
|---------------------------------|---|
| Diffley <i>et al.</i> (2011:62) | The process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires.  |
| Nam <i>et al.</i> (2011:1012)   | The decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services.   |
| Joubert (2010:2)                | The study of individuals, groups, or organisations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society |
| Swarbrooke & Horner (2007:3)    | Those activities directly involved in obtaining, consuming, and disposing of products and services including the decision processes that precedes and follows these actions.  |
| Arnould <i>et al.</i> (2004:5)  | Individuals or groups acquiring, using, and disposing of products, services, ideas, or experiences.   |

Joubert describes consumer behaviour as individuals and groups who search for products, services, and ideas to satisfy needs and the impacts that these processes have on the consumer and society. The latter definition by Joubert implies that there are

indirect influences on consumer decisions, and that the decisions involve more than the buyer and the seller. Furthermore, it implies that when the term 'customers' is used, reference is made not only to individual purchasers but also to families, groups and organisations.

For an organisation to be successful in satisfying the needs of the market, the market has to be taken into account. This means that consumers must be understood, as well as how they make decisions, particularly how they make a decision concerning travelling to a specific destination. It is a basic rule of marketing that, through understanding consumers and their purchasing habits, marketers can design effective offerings to enable the organisation to achieve its objectives. Joubert (2010:1) explains that marketing serves as the link between the consumer and the organisation and marketers therefore need to be able to answer basic questions regarding the market, such as who the consumers are and why they buy.

Consumer behaviour, as described by Antonides and Raaij (1998:14), entails the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services they expect to satisfy their needs. The behaviour of consumers plays – and will continue to play – a decisive role in the operations of business organisations on a global scale, including tourism destinations. All organisations wanting to be successful over the long-term should (or rather must) consider consumer behaviour – particularly consumer buying behaviour.

#### 4.4.2 CONSUMER BUYING BEHAVIOUR

Consumers do not function in isolation – they are influenced by many individual and environmental factors that are collectively referred to as the psychological domain. These variables constantly and simultaneously interact, and play a significant role in the final outcome of consumers' choices.

Consumers make purchases in order to satisfy needs (Prakash, 2010:64) and some of these needs are basic and must be fulfilled by every person (for example, food and shelter) while other needs are not required for basic survival and vary depending on the person (for example, a second car, leisurely or sports tourism). It probably makes more

sense to classify needs that are not a necessity as wants and desires. In fact, in many countries where the standard of living is very high, a large portion of the population's income is spent on wants and desires rather than on basic needs, such as tourism.

Joubert (2010:131) contends that in any buying situation, individuals absorb information from the external environment and integrate or combine it with their inner needs, motives, perceptions and attitudes. The choice they make may also be influenced by their past, the act of recalling, and also their personality factors. The past may operate through experience or learned patterns of behaviour and patterns of thinking, many of which are unconscious. For example, as explained by Swartbrooke and Horner (2007:75), while planning a holiday a consumer might recall the interaction with a travel agent at Flight Centre who planned the holiday, offering a good package and giving efficient service.

It should also be kept in mind that consumers are profoundly influenced by their surrounding environment, including the family, cultural influences, peer group pressure, reference groups, economic demands and advertising. For example, while planning for a holiday a consumer may:

- Choose places to visit – for example, the Drakensberg, Table Mountain, Pilanesberg National Park, the Kruger National Park – based on positive feedback from family and friends (or reference groups).
- Choose to visit Dubai because Flight Centre is offering an excellent holiday package (advertising).
- Choose a destination that will not be too expensive, because of the need to distribute limited resources (spendable money) across unlimited needs while facing constant price increases (economic demand factors).
- Choose a destination based on an art gallery displaying the kinds of paintings preferred, or religious institutions of choice (cultural influences).

Many marketing strategies are closely related to consumer factors and behaviours, for example, strategies targeting contemporary consumers. The factors influencing consumers' behaviour will now be dealt with in more detail and these factors are indicated in Table 4.5. Knowledge about these consumer factors is crucial for the sustainable and successful implementation of a marketing strategy.

**TABLE 4.5: FACTORS INFLUENCING CONSUMER BEHAVIOUR**

| CULTURAL     | SOCIAL                 | PERSONAL                     | PSYCHOLOGICAL         |
|--------------|------------------------|------------------------------|-----------------------|
| Culture      | Reference groups       | Age and life-cycle stage     | Motivation            |
| Subculture   | Family                 | Occupation prestige          | Perception            |
| Social class | Role models and status | Economic circumstances       | Learning              |
|              |                        | Lifestyle                    | Beliefs and attitudes |
|              |                        | Personality and self-concept |                       |

Source: adapted from Swarbrooke & Horner (2007:42)

The factors influencing consumer behaviour will now be further deliberated to explain the effect of these factors on residents' willingness and preferences in terms of tourism attractions. Culture, as factor one in Table 4.5, will now be dealt with in more detail.

#### 4.4.2.1 Cultural factor

Cultural values are a determinant key factor in consumer decision making and the discussion firstly deals with culture and this is followed by subculture, and social class.

**Culture** is the most basic determinant of a person's wants and behaviour. It comprises the basic values, perceptions, wants, and behaviours that a person learns continuously in a society. Culture, as explained by Kotler *et al.* (2006:199), is expressed through tangible items such as food, architecture, clothing, and art. It determines what consumers eat, how they travel, where they travel to, and where they stay. Culture and exposure to other cultures can be an integral part of tourism and marketers should continuously endeavour to identify cultural shifts in order to devise products and services that might find a receptive market.

Culture is divided into **Subcultures** and Du Plessis and Rousseau (2007:51) explain that this is a distinct cultural group that exists as an identifiable segment within a larger, more complex society. Members of subcultures have their own set of beliefs, values, and customs that set them apart from other members of the same society. Subcultures can be identified by, for example, age, geography or ethnic identity. In South Africa, ethnic subcultures are based on languages spoken, religion, and ethnicity. Subcultures can also be grouped around lifestyle choices, for example a group of consumers that own motor bikes and prefer to visit National Parks for camping. The fact that cultures can be divided into different market segments makes it essential for marketers to regularly update subcultural profiles for marketing purposes as subcultural shifts do take place.

Sheth *et al.* (1999:176) pass the remark that many sociologists, consumer economists, and consumer researchers consider **social class**, rather than personal worth, to be a more meaningful characteristic to understand and predict consumer behaviour. Social class is the relative standing of members of a society so that a higher position implies a higher status than those in the lower social class. Status results from wealth, political power, education, professional success, and so on. Income is an important factor in deciding a person's social class, but it is not the only determinant. Social class also depends considerably on a person's education and occupation so that, despite a relatively low income, a highly educated person or someone in a more prestigious occupation could be accorded higher social class, and vice versa. This is important for marketers to understand, for example, an educated tourist would most likely visit archaeological sites and museums to gather insight on the history of the Batswana people of Mahikeng.

Marketers continuously need to identify and understand cultural differences in order to devise products and services that will find a receptive market. Social factors as the second influence on consumer behaviour as indicated in Table 4.5 will now be discussed.

#### 4.4.2.2 Social factors

Social variables such as reference groups, families, role models and status represent sources of information, whereby knowledge can be acquired on consumer decision making. The different social factors are dealt with below.

A **reference group** is any group with which an individual identifies in such a way that he/she tends to use it as a standard for self-evaluation and as a source of personal values and goals. A reference group serves as a reference point for an individual in the formation of beliefs, attitudes, and behaviour. A consumer can be either a member of a reference group, such as a family, or aspire to belong to a reference group, such as an elite sports club. Reference groups are important to marketers because they represent sources of information and influence.

The **family** is an important example of a consumer's close-contact reference group. Families are groups of people who are related by blood, marriage, or adoption, who function together for security and the perpetuation of the unit. Families are important to marketers because members not only influence one another in individual decision-making, but also because families often make collective decisions on the purchase of products and services that are jointly consumed (Du Plessis & Rousseau, 2007:11). A family travelling with children represents a significant proportion of most domestic tourism markets. Tourism marketing often focuses on the children in families, as indicated by Morrison (2013:444), to attract them to destinations such as theme parks. An example of this is Gold Reef City in Johannesburg.

**Role models** can come from commonplace sources such as family, friends, colleagues at work, and from the more exciting world of adventure, sport and entertainment. Marketers all around the world exploit this need for role models by associating their brands with people admired by the organisation's target market. Wright (2006:360) describes **status** as the relative position that individuals, groups and roles have in social hierarchy and this is based on such things as money and wealth, occupation, education and breeding. Status in most societies is important, as most people seem to need and want the admiration and adulation of others. As with social groups, status can be ascribed, for example being born into money or it can be acquired, for example, a pop star, premier club footballer, or a business entrepreneur.

Social factors provide an important opportunity for marketers to insert and incorporate within their communication strategies and satisfy the needs of consumers. Following is the third influencing factor on a consumer's behaviour: personal factors, as indicated in Table 4.5.

#### 4.4.2.3 Personal factors

Marketers have long tried to appeal to consumers in terms of their personal characteristics. What consumers purchase, and when and how they consume, are likely to be influenced by variables such as age and life-cycle stage, occupation, economic circumstances, lifestyle, personality, and also their self-concept.

The **age and life-cycle stage** is explained by Batra and Kazni (2008:87) as a classification of different age groups of a target market on the basis of their life-cycle stages, because consumer needs and desires change as they mature and move from stage to another during their life. The four basic age and life-cycle categories are: child young adult, adult, and older adult. According to East *et al.* (2013:120), the post-retirement proportion of many populations is rising and many members of this group are becoming richer with more time to travel. Euromonitor (2011) reports that the percentage of the world's inhabitants over the age of 65 has moved from 5.9 in 1980 to 8.0 in 2011 and that, in western-Europe, the percentage is 16.5 compared to the 23 percent in Japan. Moreover, the current over 65s are closely followed by an even larger group of those born between 1946 and 1964 (the 'baby-boomers') who are now beginning to retire. Baby-boomers also vary widely in their spending, social commitments, visiting for holidays, and lifestyle and are, collectively, the wealthiest group of older people in history. Marketers and policy-makers must take into account these changes and understand these consumers because they will change economic priorities. Central to this understanding is knowledge concerning how older consumers buy.

In a system which define people to a great extent by what they do for a living, **occupational prestige** is one way to evaluate their worth. Hierarchies of occupational prestige tend to be quite stable over time and across cultures. Researchers find similarities in occupational prestige in countries as diverse as Brazil, Ghana, Guam, Japan, and Turkey. A typical ranking includes a variety of professional and business occupations at the top (for example, CEO of a large corporation, physician, and professor), whereas jobs near the bottom of the scale include shoe shiner, ditch digger and garbage collector. Because a person's occupation links strongly to his/her use of leisure time (holiday), the allocation of family resources, aesthetic preferences, and political orientation, many social scientists consider it the single best indicator of social class (Solomon, 2011:495).

Joubert (2010:28) explains that personal performance may also help to indicate social class, as a person's performance in a certain occupation (when compared to others in the same occupation) may set one apart and in a higher social class. For example, a professor who publishes many accredited articles is accorded more status than an

academic who does not publish any accredited articles. A person may also be perceived to be in a higher social class through voluntary tourism/charity involvement, or working in various community programmes to uplift those less fortunate.

Market demand is described as the amount of goods and services consumers are willing and able to buy over a particular period of time. However, people have unlimited amounts of wants and needs and so demand in the national and global market can only be effective where there is the ability to pay. **Economic science** is the study of the relationship between production, distribution and consumption of wealth in a country and how apparently endless wants are settled in the best possible way with restricted means. Into consideration must be taken problems such as scarcity, finance, debt, taxation, labour, law, inequity, poverty, pollution, as well as war. Economists are of the opinion that consumers will act rationally in their own self-interest when selecting goods and services. A basic assumption is that the lower the price the more consumers will purchase and the higher the price the fewer they purchase (Wright, 2006:9). The result of inflation is that consumers spend less on tourism and prefer to utilise available income to rather buy what is needed to satisfy basic needs such as food, rent and clothes. Inflation, in its simplest form, is explained as an increase in the price of a common 'basket' of goods and services, as measured from period to period.

In traditional societies class, caste, village, or family largely dictates a person's consumption options, as explained by Solomon (2011:252). However, consumers today are within their budgetary limitations free to decide on the set of products, services, and activities that define the self and, in turn, create a social identity, also referred to as **lifestyle**. Lifestyle defines a pattern of consumption that reflects a consumer's choice of how to spend time and money. In an economic sense, lifestyle represents the way consumers elect to allocate income, both in terms of relative allocations to different products and services, and to specific alternatives within these categories. A lifestyle marketing perspective recognises that people sort themselves into groups on the basis of the things they prefer to do, how they spend their leisure time, and how they choose to spend their disposable income. Spontaneous individuals will probably enjoy more adventurous activities and backpacking tourism whilst a conservative individual probably will enjoy a safari and cultural tourism more.

Consumers with high and low levels of need for stimulation differ in their purchase behaviour. If an individual's lifestyle is such that it offers the desired level of stimulation, she/he is quite satisfied. If the level of stimulation falls short of the desired level, such a person is bored. Consumers with high stimulation needs tend to be the first to buy new products, actively seek information and get involved in variety-seeking buying behaviour. They tend to be curious about advertisements they notice, but they are also likely to get bored by it. These buyers are also likely to buy products with greater risk (Eiatra & Kazmi, 2008:98).

**Personality** is described by du Plessis & Rousseau (2007:216) as a dynamic integration of physiological and psychological functions of an individual, through which his/her unique adjustment to a particular environment is determined. Personality variables reflect steady and lasting patterns of behaviour and are intensely imbedded in an individual's total make-up. Personality characteristics are of great value to marketers because these characteristics influence consumers' behaviour and can:

- Serve as basis for market segmentation,
- Direct product positioning,
- Guide copy writing in advertising, and
- Act as media guidelines.

Consumers have an image of themselves and this is known as their **self-concept**. This refers to the attitude a person holds about himself/herself. Parumasur and Roberts-Lombard (2013:211) contend that most individuals are aware of how they are differentiated from their surroundings and this awareness is referred to as an individual's sense of self. Self-concept can be regarded as the totality of the thoughts and feelings an individual maintains about himself/herself. Similarly, in the same way that an individual has an attitude towards a car or a holiday destination, the self is also a subject of evaluation. An overall self-attitude is frequently positive, but not always; there are certainly parts of the self that are evaluated more positively than others. For example, a man may feel better about himself as a company director than as a ladies' man.

Marketers should take cognisance of the personal factors that influence consumers' behaviour, in particular their behaviour towards tourism as in this case. Variables such

as age and life-cycle stage, occupation prestige, economic circumstances, lifestyle, personality and self-concept need to be consistently monitored and evaluated to assist marketers in understanding consumer behaviour and abandon old stereotypes which may often not be representative of the realities of South Africa, or elsewhere in the world today. The fourth influence on consumer behaviour, psychological factors as indicated in Table 4.5, will now be discussed.

#### 4.4.2.4 Psychological factors

Consumers do not function in isolation and Parumasur and Roberts-Lombard (2013:252) explain that consumers are influenced by many individual and environmental factors that can collectively be referred to as psychological factors. These variables are interrelated continuously and concurrently, and exert a meaningful role in the final outcome of consumers' choices. In any buying situation, individuals obtain information from the external environment and incorporate this with their own set of motives, perception, learning, beliefs and values, and attitudes.

**Motivation** is what moves people. It is the driving force for all human behaviour. Motivation is described as the state of drive or arousal that impels behaviour toward's a goal-object, as described by Sheth *et al.*(1999:342). Shiffman and Kanuk (2004:94) explain that motivation is the driving force within individuals that impels them to action. This driving force is produced by a state of tension, which exists as the result of an unfulfilled need. Thus, motivation has two components: (1) drive or arousal, and (2) goal-object. A drive is an internal state of tension that produces actions purported to reduce that tension. A goal-object is something in the external world whose acquisition will reduce tension. Arousal or drive provides the energy to act; goal-object provides the direction for one to channel that energy.

Individuals attempt both deliberately and subconsciously to reduce this state of tension through behaviour anticipating fulfilling their needs and discharging stress experienced. The specific goals selected and the patterns of action undertaken to achieve goals are the results of individual thinking and learning. Motivation is a very forceful concept that is frequently changing in terms of reaction to life experiences. Needs and goals change and grow in response to an individual's physical condition, environment, interactions

with others, and experiences. If consumers do not achieve their goals they will endure to strive for old goals, or alternatively goals are merely substituted.

**Perception** is explained by Wright (2006:106) as the way humans intellect to explore, experience and attempt to understand the world around them. Perception begins with birth and continues until the moment of death. Perception includes all the sensory receptors (sight, sound, smell, touch and taste) people use in their interaction with the environment. The use of each will vary according to thoughts, emotions and the situation at hand, as well as other factors such as culture, illness and disability (such as deafness or being blind). Perception plays a critical part in marketing programmes, where the use of pictures, images, the spoken and written language, colour, noise, music, tastes and smells can be used in numerous combinations. It is thus vitally important that marketers understand how it works to be able to use it effectively.

From a marketing perspective, **learning** is the process by which consumers acquire the buying and consumption knowledge and experience they apply to future-related behaviour. This implies that the learning process is evolving and that it changes with newly attained knowledge and/or experience. Knowledge and experience are both regarded as feedback to the consumer. Subsequently, consumers' future behaviour is based on their knowledge and experience.

Szmigin (2003:11) says that we as humans learn because what was learned enables us to respond better to the environment within which we function. A child who accidentally touches a hot object learns not to touch anything resembling that object. Similarly, a consumer who was trapped into buying a sub-standard product on non-returnable terms will most likely not buy anything from that organisation again. Consumers faced with a multitude of product and service choices learn to adapt and respond to this environment (East *et al.*, 2013:11).

Schiffman and Kanuk's (2004:408) descriptions of beliefs and values will be followed for the purpose of this study. A **belief** is described as the accumulation of feelings and priorities that individuals have about 'things' and possessions. Beliefs consist of the mental or verbal statements that reflect a consumer's knowledge and assessment of something (another person, a store, a destination, a product, or a brand). **Values** are

also beliefs but need to meet the following criteria: (1) are relatively few in number, (2) serve as a guide for culturally appropriate behaviour, (3) are enduring or difficult to change, (4) are not tied to specific objects or situations, and (5) are widely accepted by society. Therefore, in a broad sense, both values and beliefs are mental images that affect a wide range of specific attitudes that, in turn, influence the way a person is likely to respond in a specific situation.

**Attitudes** are feelings and beliefs that people develop about objects, events, people and issues over a lifetime through learning and experiential interaction with people and the environment. A belief can develop into an attitude according to the strength of the feeling involved. The stronger the belief the stronger the attitude will be and the more likely it will influence a consumer's behaviour. Attitudes also imply a sense of generalisation and permanence. For example, a particular resident might feel strongly about the noise coming from a party next door and believe that the neighbours should turn the volume of the music down. However, if it were a special event, the strength of the belief would be minimal and soon forgotten. However, if it occurred regularly then the belief in the need for quietness and consideration might become so strong that an attitude about all late night noisy parties might become part of the way the world is observed by the specific person, as explained by Wright (2006:256).

Solomon (2011:282) explains that consumers have attitudes toward a wide range of attitude objects, from very product-specific behaviours (for example, using Sensodyne toothpaste rather than Colgate) to more general, service-related behaviours (for example, how often should a family be taken on vacation in a given period). Attitudes help to determine who is chosen to socialise with, what music is listened to, whether a consumer will engage in recycling, or whether to become a consumer researcher for a living.

An understanding of the different factors influencing consumer behaviour discussed above is an integral part to the success of any marketing campaign, especially in destination marketing. The cultural, social, personal, and psychological factors are extremely useful in segmenting markets, the development of marketing and promotional strategies, and for positioning products in the market. However, despite these

pressures, the decision whether to buy or not in the final buying situation is an individual one and following is an explanation of the consumer decision-making process.

#### 4.4.3 STAGES IN THE DECISION-MAKING PROCESS

Consumer decision making is best understood as a process consisting of five stages as the consumer moves from a very low level of involvement with a purchase to a high level of involvement where decision making becomes increasingly complex. Following is a narrative of this process and the process is illustrated in Figure 4.3.

**FIGURE 4.3: CONSUMER DECISION-MAKING PROCESS**



Source: adapted from Cant *et al.* (2002:177); Joubert (2010:131);Prakash (2010:64)

Problem recognition is the first stage of the consumer decision-making process and the discussion will follow the sequential stages of the process.

##### 4.4.3.1 Problem/need recognition

Problem recognition is the first stage in the consumer decision-making process and it occurs before decision making can begin. The recognition of a problem is the result of a discrepancy between a desired state and an actual state that is sufficient to arouse and activate the decision-making process. The kind of action taken by consumers in response to recognised problems relates directly to the situation, its importance to the consumer, and the dissatisfaction or inconvenience created by the problem (Hawkins *et al.*, 1986:540).

Problem recognition, as explained by Joubert (2010:131), is an awareness of the need to change the existing state to conform to the desired or ideal state. For example, a stressed chief executive officer (CEO) of a major South African company may realise that a holiday has not been taken for a long time and that a vacation is needed. Problem recognition is predominantly a perceptual phenomenon. The difference between the existing and desired state of affairs triggers a state of motivational behaviour.

The process of problem recognition can vary widely and is dependent on the effect of the various influencing factors. Three factors that affect need or problem recognition are information stored in memory, individual differences, and also environmental influences. In addition, social influences are important for consumers who value the responses of others. Need or problem recognition, especially in complex decision-making, is likely to be multi-faceted and complex (East *et al.*, 2013:149).

Most consumer problems, according to Cant *et al.* (2002:177), arise as a result of the following:

- Assortment inadequacies

Meaning, a consumer's supply of a particular item is running out; for example, when the end of a tube of toothpaste is reached.

- New information

Creating a state of awareness that makes a consumer feel the need for a product and/or service and view it as a solution to their problem(s), for example, when a sport fanatic sees an advertisement of an upcoming soccer event to be played at a local stadium which will be convenient to visit the stadium.

- Expanded or reduced means

This results from the fact that people are endlessly driven by their desire to advance their standard of living, resulting in a desire for new goods and services; for example, a local resident staying overnight at a local guest house and wanting to stay a night at a luxury hotel. Expanded desires can be caused by consumers' constantly changing roles, lifestyles, views and images.

- Expanded or reduced means

This causes customer problems. An increase in income will most likely mean an increase in customer spending. For example, someone, who is promoted at work and

therefore gets a pay increase might decide to travel overseas, instead of taking a domestic holiday. A financial loss of some kind or losing a job can have the opposite effect.

#### 4.4.3.2 Search for and processing of information

The second stage in the consumer decision-making process is searching for and processing information (Joubert, 2010:133). In many buying situations, once a consumer is aware of a need, he/she begins to search for information. Consumers' search is the mental and physical activities undertaken to obtain information on identified needs/problems. It is a learning process by which consumers become aware of alternative products or brands, specific stores, specific trading centres, prices of products, terms of sale and consumer services. The process provides information that is necessary for consumers before alternatives can be evaluated in order to arrive at the best choice/solution.

Once recognition has occurred, the consumer may then engage in a search for potential need satisfiers. Search, the second stage of the decision-making process, can be described as the motivated activation of knowledge stored in the memory and the acquisition of additional information from the environment. Engel *et al.* (1995:182-183) suggest that information search can be either internal or external in nature. *Internal* search involves the retrieval of knowledge from memory; the information comes from the learning process in the past. Whereas *external* search consists of collecting information from the marketplace, this involves the business and marketing forces of advertising, in-store promotions and personal selling, neutral sources such as booklets, brochures and pamphlets, human sources such as financial consultants, and social and cultural influences.

#### 4.4.3.3 Evaluating options

The evaluation of options to solve a problem is the third stage in the consumer decision-making process and is described by Cant *et al.* (2002:181) as the act of identifying alternative solutions to a problem and weighing up the comparative advantages and

disadvantages of each. When evaluating alternatives, consumers make a comparison between a set of criteria and this could include, for example, product features.

Consumers, as explained by Joubert (2010:137), buy products towards which they hold favourable and positive attitudes and which are in keeping with their personalities. Schiffman and Kanuk (2004:45) identified four types of individuals involved in decision-making:

- The economic individual

This consumer takes calculated, rational decisions based on complete information; for example a car buyer who carefully considers issues of economy such as cost, fuel consumption and resale value when choosing a car.

- The passive individual

These consumers are not knowledgeable and can be manipulated by a marketer. They react impulsively and irrationally, for example the car buyer who is easily influenced by an advertisement claiming that the buyer's social status will improve if he/she buys the advertised make of car.

- The emotional individual

This consumer makes decisions based entirely on personal and irrational needs; for example, a car buyer who buys a car only because his/her family always owned that make.

- The cognitive individual

These consumers base their buying decisions on information from the environment, on social influences, on personal needs, attitudes and perception, and on experience; for example, a car buyer who carefully considers all the evaluative criteria and actively seeks information from various sources before making a decision.

Ideally, the cognitive individual best represents consumer behaviour, since the theory of consumer decision-making focuses on the behaviour of cognitive consumers that actively and rationally evaluate a range of products in order to arrive at the decision that provides optimum utility and satisfaction (Cant *et al.*, 2002:182).

#### 4.4.3.4 Purchase

Purchasing is the fourth stage in the consumer decision-making process and Funk (2008:29) explains this as the outcome of evaluation and that it involves the mental process of selecting the most desirable alternative from a set of options the consumer generated during the previous phase. The most suitable choice is the one that comes closest to the evaluation criteria decided upon. It is the information obtained as a result of the search activity and the effort that lays the foundation for evaluation and deciding. The appropriate decision is dependent upon adequate information (Funk, 2008:29).

#### 4.4.3.5 Post-purchase

Post purchase is the final stage of the consumer decision-making process. Consumers buy things in order to fulfil needs and seek greater satisfaction. Hence, a crucial question from a marketing point of view is whether consumers are satisfied once they have bought a particular product. Thus, post-purchasing assessment involves a consumer's evaluation of the performance of the product or service, in relation to the criteria, once it has been bought. That is, it is the consumer's perception of the outcome of the consumption process (Joubert, 2010:139). The post-purchasing phase involves different forms of psychological process consumers can experience after having bought something.

Post-purchasing learning means that after having bought something, the customer discovers something about a product or service, stores this new knowledge in long-term memory, modifies relevant attitudes, and is ready for the next decision-making process with an improved base of knowledge, while some maintain that the result of buying can either be satisfaction or dissatisfaction (Cant *et al.*, 2002:183).

Consumers engage in decision making because they have unlimited wants and limited resources to satisfy those wants. To make sure that their most important needs are fulfilled first and that they derive maximum utility from their purchases, consumers undergo the process of decision-making. Sometimes a consumer can go through the entire decision making process without even realising it, while at other times consumer decision-making may be complex, deliberate and time-consuming.

The tourism industry is as dynamic, sensitive, and complex as many other industries, whereby marketers and destination managers need to constantly monitor, review and evaluate the needs of consumers. This will make it possible for marketers and destination managers to formulate and implement strategies that will ensure the long-term sustainability of tourism in/at/to destinations.

#### **4.5 SUMMARY**

This chapter introduced domestic tourism in South Africa and highlighted the South African Government's endeavour in promoting domestic tourism amongst residents and local communities. The National Tourism Sector Strategy (NTSS), launched by the National Department of Tourism, was formulated and implemented with the purpose to develop domestic tourism growth and contribute to a sustainable tourism economy. Creating awareness through the implementation of the Sho't Left campaign and other initiatives was initiated to create a culture of and promoting domestic tourism, particular amongst previously disadvantage communities. This initiative was further supported by the North West province government that have recently re-launched Pilanesberg and Mahikeng on the aviation map with the expectancy of growing domestic tourism in the province. The different subtypes of tourism were introduced and these should be promoted amongst the residents in pursuant of educating them about nearby tourism facilities, what their surroundings have to offer, and to encourage residents to become excursionists in anticipation that this would contribute immensely towards domestic tourism. Many marketing strategies should revolve around consumers' characteristics and behaviour to assist in satisfying the needs and wants of consumers.

The following chapter deals with research methods and its application in this study as a guideline for solving a research problem and achieving the objectives stated for the purpose of this study.

## CHAPTER 5

### RESEARCH METHOD

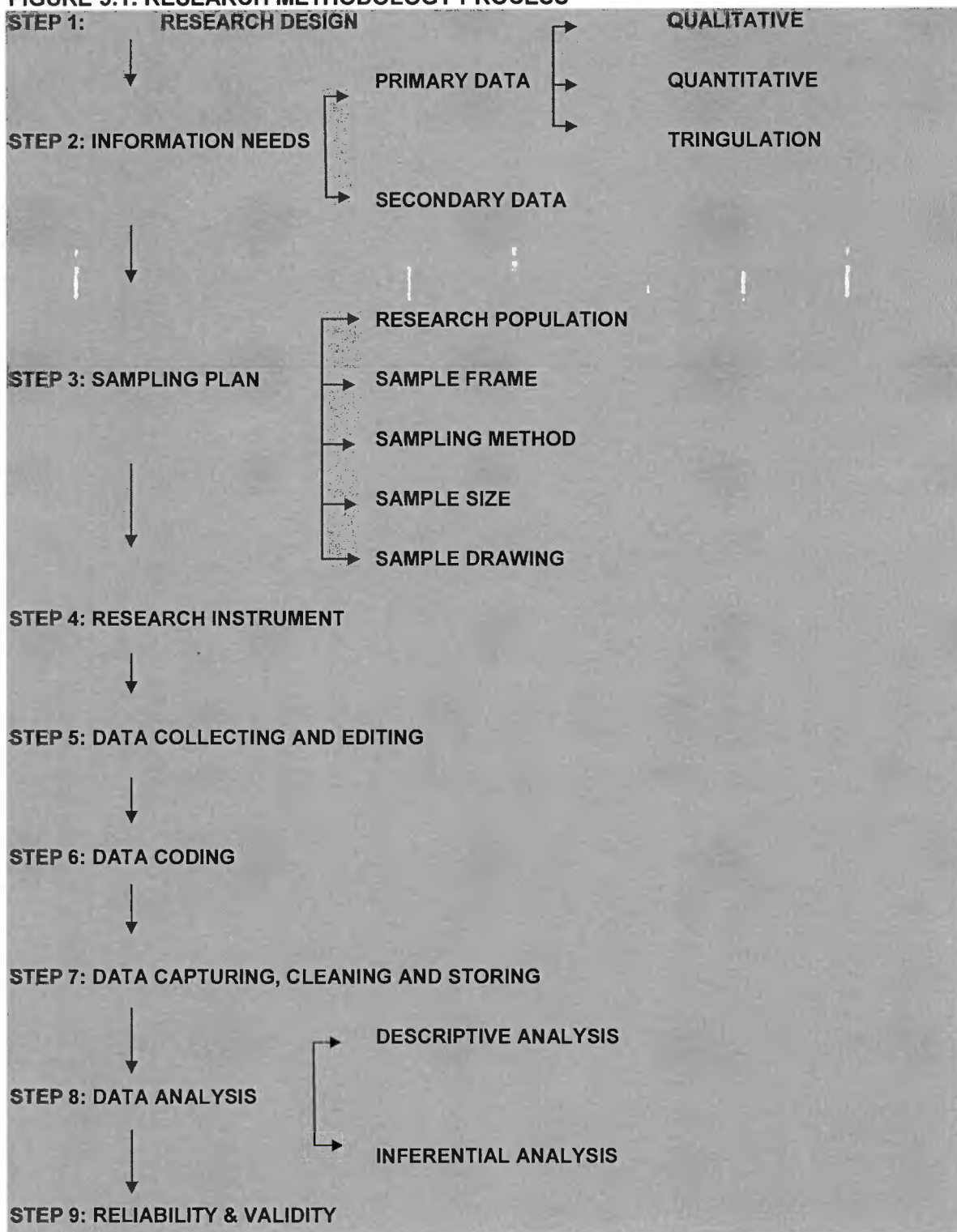
#### 5.1 INTRODUCTION

The purpose of this chapter is to provide sufficient technical background to appraise the quality of the data and findings of this research. Research, as explained by Six and Bellamy (2012:1), is the understanding of how to proceed from the findings of empirical research to making inferences about the truth – or at least the adequacy – of theories. Its importance stems from the fundamental insight that findings about empirical facts are often most interesting when they enable making deeper judgments about what might be going on beneath facts.

The point of understanding is that a research method should enable a researcher to design research so that defensible conclusions could be drawn about what might be causing observations and how people think about the world. According to Rajasekar *et al.* (2013:5), research methods concern the methods by which knowledge is gained and aims to give a workplan for research. However, Tustin *et al.* (2005:728), testify that a researcher is compelled to explain the essentials of the research method followed and the reasons for selecting it.

This study seeks to examine residents' awareness of the tourism facilities and infrastructure in the Mahikeng-area and their propensity to support tourism, as well as to discover what their specific needs, wants and preferences are in terms of tourism. The focus of this chapter is on research methodology, explaining the techniques used in order to adhere to the objectives of this study. The chapter commences with an explanation of (1) what research design is and this is followed by (2) information needs. The discussion then continues with (3) the sampling plan, this is followed by (4) research instruments, and then by (5) data collection and editing. The discussion then continues with (6) data coding and this is followed by (7) data capturing, cleaning and sorting. The discussion then continues with (8) data analysis and the chapter concludes with (9) validity and reliability. The layout of this chapter is illustrated in Figure 5.1.

**FIGURE 5.1: RESEARCH METHODOLOGY PROCESS**



Source: Mackey & Gass (2005); Tustin *et al.* (2005)

A research design is the plan to be followed to realise the research objectives or hypotheses, and the following section will explain research design in detail.

## 5.2 STEP 1: RESEARCH DESIGN

A research design outlines how data is to be collected from different sources using methods and describing techniques to analyse the data collected. The reasons chosen for a particular data collection and analysis method are determined by the nature of the research outcomes (Huff, 2009:5). There are three research design types, according to Tustin *et al.* (2005), and these are:

- Exploratory research

This is research conducted for a problem that has not been clearly defined. Exploratory research helps determine the best research design, data collection method and selection of subject, and assists to draw definitive conclusions only with extreme cautions.

- Descriptive research

This refers to the type of research question, design, and data analysis that will be applied to a given topic. The objective of descriptive research is to describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product.

- Causal research

This design is to determine which variable might be causing certain behaviour, that is whether there is a cause and effect relationship between variables. In order to determine casualty, it is important to hold the variable that is assumed to cause the change in the other variable(s) constant and then measure the change(s) in the other variable(s).

Harrison and Reilly (2011:56) maintain that there are limits as to how far design and data collection can be changed without a study losing coherence. However, it is important to keep the research design under review as a study proceeds, and follow theory and data collection to inform each other. The research design most suitable for this study is the descriptive research design and it involves a quantitative survey with a questionnaire to describe the characteristics of the population being studied.

Research is merely aimed at acquiring the most basic type of information – but it is still research in a very real sense because it requires firstly to identify a research problem, the methods or techniques that will be used to gather information from the identified

group of respondents, where to go for information, and whom to ask, and also what questions to ask, according to Adams *et al.* (2007:19). The following step in the research process is information collection, as illustrated in Figure 5.1.

### **5.3 STEP 2: INFORMATION NEEDS**

There are two major approaches, as explained by Kumar (2014:171), to gather information about a situation, person, problem or phenomenon. When undertaking a research study, in most situations, information needs to be collected. However, sometimes the information required is already available and needs only to be extracted. Based upon these broad approaches to information gathering, data can be categorised as either secondary or primary. These will now be further explained

#### **5.3.1 SECONDARY DATA**

Researching secondary data refers to information that has been collected for a purpose other than the current study but has relevance and can be used as data in descriptive research, as described by Braun and Clarke (2013:336). The skill of a researcher, according to Easterby-Smith *et al.* (2012:12), is demonstrated by exploring new relationships and patterns within existing data. Another form of secondary data is represented by published literature, and all research studies need to demonstrate familiarity with existing literature, both to ensure that the research is not merely repeating something that has already been done, and to provide the opportunity to build on what has been done before.

For the purpose of this study, secondary data was obtained by researching published sources and electronic databases. The secondary data sources accessed for the purpose of this study included reports, journals, policy documents, statistics and legislation in order to provide a better understanding of not only tourism, but also to assist in making primary data collection more specific and meaningful.

### 5.3.2 PRIMARY DATA

Primary data is new information that is collected directly by a researcher for specific purpose. The value of primary data is that it can lead to new insights and greater confidence in the outcomes of the research (O'Leary, 2013:8). There are two approaches that can be followed to obtain primary data and these are quantitative and qualitative research. A third approach is added, according to Kumar (2014:14), and this is known as the mixed method (also referred to as triangulation by Bryman, 2011:1142) where the quantitative and qualitative methods are used in combination. Following is a synopsis of the different approaches to doing primary research.

#### 5.3.2.1 Quantitative research

Howell (2004:103) contends that "quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or computational techniques". The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships. Quantitative data is any data that is in a numerical form, such as statistics and percentages. In layman's terms, this means that the quantitative researcher asks specific and narrow questions and collects numerical data from participants to answer these questions.

Quantitative research, described by Coldwell and Herbst (2004:15) and Neuman (2012:182), generally involves the collection of primary data from large numbers of individual units, with the intention of projecting the results to a wider population. Managing numbers is an important part of understanding and solving problems. The collection of numbers and their classification, together with other facts and opinions, provide the data. These data is called 'information' when it reaches the user and the user makes use of it to solve the research problem at hand. This research study followed the quantitative research method for the reason that large volumes of respondents were involved.

### 5.3.2.2 Qualitative research

Verzani (2005:86) asserts that “qualitative research is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences but also in market research and further contexts”. Qualitative researchers aim to gather an in-depth understanding of human behaviour and the reasons that govern such behaviour. The qualitative method investigates the why and how of decision making, not just what, where, and when. Qualitative methods produce information only on the particular cases studied and any more general conclusions are only propositions.

The term qualitative research, as stated by Braun and Clarke (2013:4), is used to refer both to the techniques (of data collection or data analysis) and to a wider framework for conducting research, or paradigm. Paradigm here refers to the beliefs, assumptions, values and practices shared by the research community, and it provides an overarching framework for research. Qualitative research is not just about data and techniques – it is about the application of qualitative techniques within a qualitative paradigm, which is quite different from a quantitative paradigm. Marshall and Rossman (2011:142) explain that there are different methods for collecting qualitative information and these are: observational methods, individual in-depth interview group discussions, narratives, and analysis of documentary evidence.

Primary information was obtained by means of a survey with a structured questionnaire. This research study used only the quantitative data whereby both close-ended and open-ended questions were used to collect the primary information.

## 5.4 STEP 3: SAMPLING PLAN

Sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. What is important to bear in mind is what the size of a sample should be, and whether the size is statistically justified, and lastly, what method of sampling is to be used. As for all sampling, the time and cost for a survey should be kept in mind, whether it is a small-scale or a large-scale study (Adams *et al.*, 2007:87). A sample, as described by Tustin *et al.* (2005:337), is a subset of a population (or universe).

A sample plan outlines the subset or sample of the population that was studied because it was not possible to include the entire population of interest in this study. Following is a presentation of the sampling plan followed for the purpose of this study.

#### 5.4.1 RESEARCH POPULATION

A research population is described by Tustin *et al.* (2005:96), as “the group from which the sample will be drawn. It should include all the people or establishments whose opinions, behaviour, preferences and attitudes will yield information for answering the research question”. This study was conducted in Mahikeng, which is the provincial capital city of the North West. The research population was the total number of residents in Mahikeng during the course of this survey, and it should be kept in mind that 75% of the area is regarded as rural.

According to Verzani (2005:62), if the entire population is sufficiently small and the entire population can be included in a study, then this research is called a census study because data is gathered on every member of the population. In the event of this study, the population was too large to attempt to survey all in the research population.

#### 5.4.2 SAMPLE FRAME

This involve obtaining or constructing a list of all members of a research population from which the sample will be drawn. There are various examples of sample frames and these are telephone directories (listing telephone ownership by area), industry registers (firms listed by sector type according to company name, address and contact details), and geographic maps (area mapping by street name) that can be utilised to draw samples. However, it was not possible to obtain or compile a comprehensive list of all the residents in Mahikeng during the course of this survey.

#### 5.4.3 SAMPLING METHOD

A sample, according to Collis and Hussey (2009), is made up of some members of a research population. There are two main categories of sampling used and these are:

- Probability sampling – specifying in advance that every member of the research population is represented in the sample. A sample frame is needed for this purpose. Tustin *et al.* (2005:350-358) mention the techniques for probability sampling: simple random sampling, stratified random sampling, systematic random sampling, cluster sampling and multistage sampling.
- Non-probability sampling – there is no way of forecasting or guaranteeing that every element of the research population will be represented in the sample. The techniques of sample drawing used in this case are: convenience sampling, quota sampling, and purposive sampling.

Random sampling was thus not possible for the purposes of this study due to the absence of a research frame. Based on the above, the most appropriate type of sample drawing for this study was convenience sampling. It can thus not be generalised that the results obtained are representative of the entire population in and around Mahikeng due to the limitations of this study.

Convenience sampling, as explained by Kumar (2014:244), is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to a researcher. Convenience sampling was selected for this study because of the naturally formed groups amongst residents in areas in and around Mahikeng – all 303 respondents were from public areas and shopping malls (Creswell, 2003:164).

#### 5.4.4 SAMPLE SIZE

Sample size is not a simple question. Sample size is affected by “what you want to know, the purpose of an inquiry, what is at stake, what will be useful, what will have credibility, and what can be done with available time and resources” (Akerlind, 2005:325), such as the quality of data, the scope of the study, the nature of the topic, the amount of useful information obtained from each participant, the numbers of interviews per participant and the qualitative method and study design used also affect how much data was needed.

The sample size (n) decided upon was 350 residents of Mahikeng who reside within the municipal areas and who could be assessed at selected public areas. A total number of 365 questionnaires were distributed and 303 were completed and used. To be able to facilitate the grouping of data for comparison purposes, the following factors applied: respondents should be fairly distributed among males and females, respondents must be over the age of 18 (for ethical purposes), and sample members ideally ranged from all age and income groups. Residents were the study subjects and sample drawing excluded tourists from other regions, provinces, and also international tourists in Mahikeng during the course of this survey.

#### 5.4.5 SAMPLE DRAWING

The survey instrument was distributed by the researcher to sample members at public areas such as, shopping malls, public transport terminals and sport grounds.

### 5.5 STEP 4: RESEARCH INSTRUMENT

There are different types of instruments used in research and these include questionnaires, interviews, observation and reading. Essentially, a researcher should ensure that the instrument chosen is valid and reliable, as stated by Devore (2008:15). The validity and reliability (dealt with later on in this chapter) of any research project depend to a large extent on the appropriateness of the research instrument. Whatever procedure is used to collect data, it must be critically examined to check the extent to which it is likely to provide the expected results, and a survey is regarded as the most appropriate for the purpose of this type of study.

#### 5.5.1 QUESTIONNAIRE

A questionnaire is a written list of questions, the answers to which are recorded by respondents or an interviewer. Tustin *et al.* (2005:142) assert that there are two ways to collect primary research data, and they are (1) an interview-administrated survey using a traditional paper questionnaire to collect primary data mainly by means of verbal communication, and (2) a traditional paper questionnaire used for self-administrated surveys, which allows respondents to complete the questionnaire themselves in writing

their own answers. In this case, respondents read the questions, interpret what is expected and then write down their answers. There is no one to explain the meaning of the questions to respondents, and it is important that the questions are clear and easy to understand. Also, the layout of a questionnaire should give special attention to ensure that it is easy to read and pleasant to the eyes, and that the sequence of questions are easy to follow. The questionnaire for the purpose of this study was developed in an interactive style, as recommended by Kumar (2014:178).

In addition to this, Burgess (2001:16) investigated the requirements of constructing a good questionnaire and following are some requirements that must be adhered to:

- A well-designed questionnaire should meet the research objectives. Many research surveys omit important aspects due to inadequate preparatory work, and do not adequately probe particular issues due to poor understanding. Every survey is bound to leave some questions unanswered and provide a need for further research, but the objective of good questionnaire design is to minimise these problems.
- A questionnaire should obtain the most complete and accurate information possible. The questionnaire designer needs to ensure that respondents fully understand the questions and prevent respondents' likeliness to refuse to answer, lie to the interviewer or try to conceal their attitudes. A good questionnaire is organised and worded to encourage respondents to provide accurate, unbiased and complete information.
- A well-designed questionnaire should make it easy for respondents to give the necessary information and for the interviewer to record the answer and it should be arranged so that interpretation is possible.
- A questionnaire should be constructed in such a way that it keeps the interview brief and to the point whilst maintaining respondents' interest throughout the interview.

A questionnaire was regarded as the most appropriate instrument to be used for this study because of its potential to collect large amounts of data from the identified group of respondents in a short period of time and in a relative cost effective way. The data obtained could also be analysed scientifically and objectively. According to Tustin *et al.* (2005:387), the questionnaire is an important element in the research process. The quality of data is largely determined by the design of the questionnaire and the questions it contains.

The questionnaire (see Annexure B) consisted of the following sections, starting with (1) obtaining a demographic description of the research population and this was followed by (2) a series of questions concerning respondents' awareness and willingness to support tourism. The following section dealt with (3) the importance of tourism to residents, as well as (4) obtaining information concerning the tourism-related needs, wants, and preferences of the residents.

The questionnaire is an important element in the research process. The quality of data is largely determined by the design of the questionnaire. Poorly designed and phrased questionnaires, as advocated by Tustin *et al.* (2005:387), will yield inappropriate or inaccurate data.

## **5.6 STEP 5: DATA COLLECTION AND EDITING**

The data collection process is often referred to as fieldwork. Fieldwork also involves control and firm control needs to be exercised over interviewers, moderators and administrators handling questionnaire dispatch and return. Data collection is the process of gathering and measuring information on variables of interest in an established systematic fashion that enables one to answer stated research objectives. Regardless of the field of study or preference for defining data (quantitative and/or qualitative), accurate data collection is essential to maintain the integrity of research. Data collection was orchestrated by the researcher alone whereby sample members were approached in public areas and requested to participate in this survey.

Data editing is the process that involves the review and adjustment of collected data, and the purpose is to control the quality of the collected data. Data editing can be performed manually, with the assistance of a computer or a combination of both. Sometimes the respondents make spelling and grammatical mistakes which the editor needs to correct. Editing involves following up on incorrect or uncertain responses. This study adopted a field editing type whereby the editing took place during the fieldwork, when the information was collected. Where it was identified that information was not indicated, respondents were requested to provide the missing information. This type of editing saved time and costs because the editing process commenced during the field work, and not only after completion of the study (Tustin *et al.*, 2005:100).

## **5.7 STEP 6: DATA CODING**

Hammick *et al.* (2010:5) points out that data coding “allows the reduction of large quantities of data into a form that can be easily handled, in particular by computer programs (for example, spreadsheets). In essence, responses are transformed into a computer-readable format”. When coding data, according to Kumar (2014:297), the first level of distinction is whether a set of data is qualitative or quantitative in nature. For qualitative data a further distinction is whether the information is descriptive in nature or is it generated through discrete qualitative categories. For example, the following information about a respondent is in discrete qualitative categories: income (above average, average, below average). Each of the variables is measured either on a nominal scale or on an ordinal scale. Qualitative and quantitative data go through a process that is primarily aimed at transforming the information into numerical values, called codes, so that the information can be easily analysed, either manually or by computer. Not all data need to be coded and there are also content analysis computer programs that help researchers to code textual data for qualitative or quantitative analysis.

Coding is another form of converting data into a form understandable by computer software. For the purpose of this study, codes were assigned to the responses before the questionnaire was completed (pre-coding), as well as after the questionnaire had been completed (post-coding). The questionnaire used for this study (see Annexure B) provided some opportunities for respondents where they could express their reasons, opinions, and needs in the form of open-ended questions. The responses obtained through these questions were grouped for analysis purposes.

## **5.8 STEP 7: DATA CAPTURING, CLEANING AND STORING**

Once data have been coded, it is captured into a computer spreadsheet and this process is known as data capturing. This process involves transferring data from the user form (questionnaire) onto the excel worksheet (Tustin *et al.*, 2005:102). Kinnear and Taylor (cited in Tustin *et al.*, 2005:469) mention six ways of capturing data: traditional, edge coding, direct punching, mark-sensed entry, respondent mark-sensed entry and direct computer entry. For this particular study, the data had firstly been

captured into an Excel spreadsheet before it was imported into the Statistical Package for Social Science (SPSS). The usefulness of spreadsheets becomes apparent when the typical format of a spreadsheet is visualised.

A typical spreadsheet consists of a grid of rows and columns, each specifying a column-row address called a cell. It is then easy to find or verify any obvious capturing mistakes (data cleaning). Data cleaning is the process of amending or removing data in a database that is incorrect, incomplete, improperly formatted, or duplicated. One method is first to check to see whether there is a discrepancy between the total number of cases in the data matrix (that is, number of rows) and the size of the sample.

Once data has been captured and cleaned, it is stored electronically. Data storage requires technology consisting of computer components (spreadsheet software) and recording media (removable disks) used to retain digital data in any data storage device that records (stores) or retrieves (reads) information (data) from any medium, and includes the medium itself.

## **5.9 STEP 8: DATA ANALYSIS**

Descriptive and inferential statistical methods are used with the sole aim of addressing research objectives. Typically, in most research conducted on groups of people, both descriptive and inferential statistics are used to analyse the results and draw conclusions. Both the descriptive and inferential statistics was used for the purpose of this study, each providing different insights into the nature of the data gathered.

### **5.9.1 DESCRIPTIVE ANALYSIS**

Keller (2010:2) describes that in a descriptive study, data is collected to define or describe some group or phenomena. The term descriptive is given to an analysis of data that helps to describe, show or summarise data in a meaningful way such that, for example, patterns might emerge from the data. Using words or numbers, descriptive research depicts conditions as they exist in the particular setting. With descriptive research, qualitative data sources or quantitative data sources, or both, can be used. Descriptive statistics do not, however, allow making conclusions beyond the data

analysed or reach conclusions regarding any questions that might have been made. It is simply a way to describe the data.

Devore (2008:20) asserts that descriptive statistics is very important because if raw data is simply presented it would be hard to visualise what the data was showing, especially if there was a large amount of data. Descriptive statistics therefore enables a researcher to present the data in a more meaningful way, which allows simpler interpretation of the data. Typically, there are two general types of statistics that are used to describe data, namely measures of central tendency and measures of spread.

#### 5.9.1.1 Measures of central tendency

Measures of central tendency “are ways of describing the central position of frequency distribution for a group of data”, according to Bowerman and O’Connell (2007:58). Every set of data has a tendency to cluster around a central value. To describe the central position a number of statistics are used, including the Mean, Median, and Mode.

##### (1) Mean

For most statistical analyses, the mean (arithmetic average) is the most often used measure of central tendency. The mean is most often used because of its relationship to the variance statistic. The mean is also important in the sampling distribution, which is formed from the distribution of all possible individual sample means and has as its centre, the mean of the population. The mean is affected by the presence of extreme scores (outliers) which may not be typical of the sample (or population) as a whole. The mean is preferred when a distribution is symmetric and interest is centered on a score that represents all scores (Bowerman and O’Connell, 2007: 58).

##### (2) Mode

The mode is defined as the most frequently observed value. For grouped data, the mode is the most commonly observed category and for ungrouped data, the mode is the value which occurs most frequently (Keller, 2005:93).

##### (3) Median

Keller (2010:319) explains that the median (exact centre) is the value that divides a frequency distribution in two equal parts (the distribution is arranged in ascending or

descending order of magnitude). The median value is an appropriate indicator of central tendency when the distribution of points is skewed and when the most typical value is desired (typical is described as the middle point between the extremes).

#### 5.9.1.2 Measures of variability

Chistensen *et al.* (2014:375) indicate that although measures of central tendency are very useful statistics for describing a set of data, they are not sufficient. Two sets of data that are very different can have identical means or median. There are a number of descriptive statistics that measure how spread out the scores are, that is, how much variability there is, and this is referred to as the measure of variability. The four most frequently encountered measures are: the factor analysis, range, standard deviation, and correlation.

##### (1) Factor analysis

Devore (2008:25) explains that factor analysis “is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors”. For example, it is possible that variations in four observed variables mainly reflect the variations in two unobserved variables. Factor analysis searches for such joint variations in response to unobserved latent variables.

##### (2) Range

The range is simply the difference between the highest and the lowest score and is determined by subtraction. If the range is small, the scores are close together, if it is large, the scores are more spread out. Similar to the mode, the range is not a very stable measure of variability, and its main advantage is that it gives a quick rough estimate of variability (Chistensen *et al.*, 2014:375).

##### (3) Standard deviation

The standard deviation is defined as the root-mean-square-of-deviation-around-the-mean. The standard deviation for a sample can be expressed as the square root of the variance and is represented by SD. The advantage of the standard deviation is that it is expressed in the same unit as the original variable (Howell, 2004:79).

#### (4) Correlation

Yoo *et al.* (2010:525) indicate that correlation “is a statistical technique that can show whether and how strongly pairs of variables are related”. For example, income and age are related; respondents that are older tend to have more income than the younger residents. Although this correlation is fairly obvious, data may contain unsuspected correlations. An intelligent correlation analysis can lead to greater understanding of data.

Descriptive analysis of the data obtained for the purpose of this study enabled the data to be summarised and grouped by using a combination of tabulated descriptions (tables), graphical descriptions (graphs and charts), and also statistical commentary (discussion of the results).

### 5.9.2 INFERENCE ANALYSIS

Inferential statistics are techniques that allow making generalisations about the populations from which the samples were drawn. It is, therefore, important that the sample accurately represents the population. Inferential statistics arise out of the fact that sampling naturally incurs sampling error and thus a sample is not expected to perfectly represent the research population. The inferential statistics will now be explained (Christensen *et al.*, 2014:407).

#### (1) Analysis of variance

Wegner (2007:383) describes Analysis of Variance (ANOVA) as a general technique that is used to test the hypothesis that the means among two or more groups are equal, under the assumption that the sampled populations are randomly distributed.

#### (2) Cross tabulation

A cross tabulation is a joint frequency distribution of cases based on two or more categorical variables and a tool used to compare relationship between two or more variables, as explained by Robert and Reilly (2011:25).

(3) Chi-Square

Chi-square is an interesting nonparametric test that allows a determination of what a person observe in a distribution of frequencies is what is expected to occur by chance (Salkind, 2014:302).

(4) Cronbach alpha

According to Gliem and Gliem (2003:82), cronbach alpha is measure of internal consistency, that is how closely related a set of items are as a group.

(5) Pearson correlation coefficient

The Pearson correlation coefficient examines the relationship between two variables, but both of those variables are continuous in nature (Salkind, 2014:82).

## **5.10 STEP 9: RELIABILITY AND VALIDITY**

In designing the questionnaire as research instrument to collect the data needed, validity and reliability were considered. Cooper and Schiendler (2011:87) express that there are four major criteria for evaluating a measurement instrument. The same authors explain these criteria as follows:

- Validity refers to the extent to which a test measures what is actually wished to be measured.
- Reliability has to do with the accuracy and precision of a measurement procedure.
- Practicality is concerned with the accuracy and precision of a measurement procedure.
- Including a wide range of factors of economy, convenience and interpretability.

The reliability is a necessary contributor to validity but it is not a sufficient condition for validity. Cooper and Schiendler further assert that reliability is concerned with estimates of the degree to which a measurement is free of random or unstable errors. In ensuring validity and reliability, the questionnaire with the same set of questions was provided to the residence of Mahikeng.

### 5.10.1 Assessing the reliability and validity of responses

Correlation is the statistic that is used to assess reliability. Perfect positive correlation equals 1.0. In testing reliability, the closer the correlation is to 1.0, the more reliable are the scores on a scale. The different types of reliability are presented below.

#### (1) Assessing reliability

Reliability is the degree to which an assessment tool produces stable and consistent results. The following are the tools used to assess reliability.

- Internal consistency

This is used to assess the reliability of scales or subscales. Internal consistency only applies to scales (also called measures) that have multi items. This means that there is consistency in the way that the participant or observer responds to the multi items. Cronbach's alpha is one common way to compute internal consistency; it computes the correlation between responses to all of the items in a scale. For a scale to be considered internally consistent, an alpha of 7.0 or higher ( $\geq 7.0$ ) is desired, although slightly below that is usually considered acceptable.

#### (2) Assessing validity

Validity generally refers to how accurately a conclusion, measurement or concept corresponds to what is being tested. The following are the tools used to measure validity:

- Face validity

Face validity is commonly used to judge whether something measures what it is supposed to measure. Previous studies were referred to during the literature review.

- Construct validity

This concerns whether a measure is reflective of the objective of a variable, the aim was to "establish consistency between theory and the test items based on the theory" Salkind (2014:124). Construct validity for the purpose of this study was established by referring to the research instruments used in relevance and recent studies.

The reliability and validity of any research is very important as this ensure that results and findings can be trusted and acted upon. The following statistical tests were used for

the purpose of this study: cross-tabulations, Chi-Squares, ANOVA, Cronbach Alpha, and Pearson Correlation Coefficient.

## **5.11 SUMMARY**

The purpose of elaborating on the research method followed is to fully explain the process that was followed from the inception of this research idea to collecting data, and the statistical methods to be used to analyse the data collected. This chapter presented the research process in a step-by-step format and these steps also guided the execution of this research study. The research process started with the conception of the research problem and then continued to selecting the most appropriate research design that would enable the attainment of the stated research objectives. The research design guided the collection, analyses and interpretation of the data to provide meaningful insight into residents' awareness of and willingness to support tourism in Mahikeng. The research instrument used was a specially designed questionnaire and 303 residents contributed towards the data acquired. The validity and reliability of the study were taken into consideration and no compromises were made in this regard. Residents were the study subjects of this study and sample drawing excluded visitors/tourists from other regions, provinces, and also international tourists who were in Mahikeng during the course of this survey.

Chapter 6 deals with data results obtained and the interpretation of the results, which is used to transform the data collected into credible evidence.

## **CHAPTER 6**

### **RESEARCH RESULTS AND INTERPRETATION**

#### **6.1 INTRODUCTION**

The purpose of Chapter 6 is to present the results obtained after the data had been collected by means of the survey, and subjected to statistical analysis. This chapter will enable the North West Parks and Tourism Board and other role players to be in a better position to plan the strategic development and management of tourism in Mahikeng, once they are knowledgeable about residents' awareness of and their propensity to support tourism. Residents are regarded as an important asset in tourism development as it is within their environment that these activities take place. When local residents are unaware of tourism facilities and activities in and around Mahikeng, then there is the likelihood that there will be a modest or even no support for tourism activities. One of the core elements of strategic tourism development and management is to encourage local residents' participation, as it is central to the sustainability of tourism as an economic sector.

This chapter presents the results obtained after the data had been analysed. An especially designed questionnaire (See Appendix B) was used to research residents' awareness of tourism in the Mahikeng area, and their likeliness to support tourism. The chapter is organised as follows: (1) a demographic description of the respondents and (2) tourism attractions in Mahikeng; this is followed by (3) respondents' awareness and support for tourism and (4) the importance residents place on tourism; and then lastly (5) the preference and needs of residents in terms of tourism attractions. The layout of this chapter is illustrated in Figure 6.1.

**FIGURE 6.1: Results presentation and interpretation**



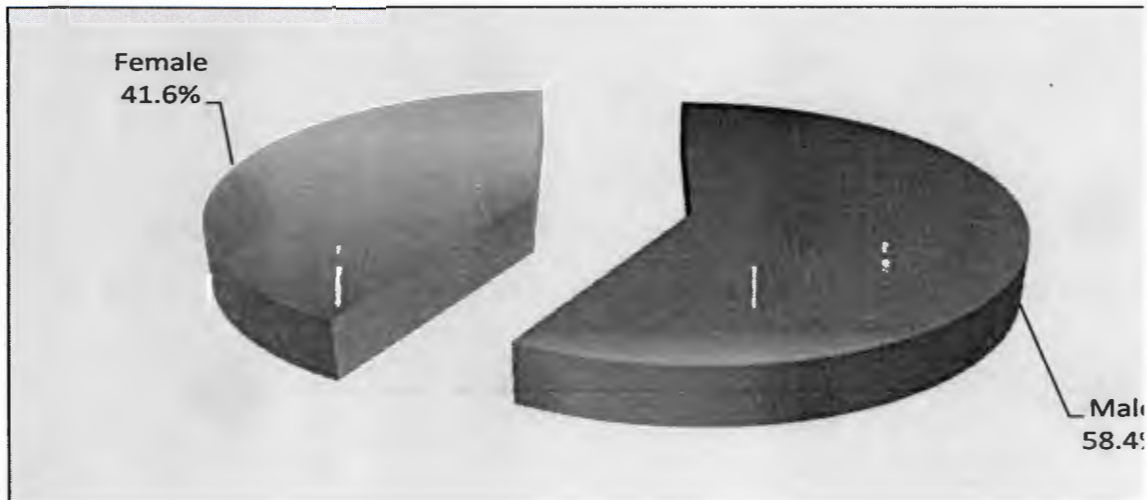
## **6.2 DEMOGRAPHIC DESCRIPTION**

This section examines the respondents on the basis of their demographics and five descriptions were used for this purpose. Following is a presentation of the results that emanated and this is followed by a cross-tabulation of the variables (descriptors).

### **6.2.1 GENDER**

A summary of how the respondents are distributed on the basis of gender is presented in Figure 6.2. As observed in the figure, males constitute the bulk of the respondents namely 58% whilst females constitute 42% of whom participated in this survey. This might instigate the significance of channelling relevant marketing communication messages to different gender segments in raising awareness about tourism in Mahikeng.

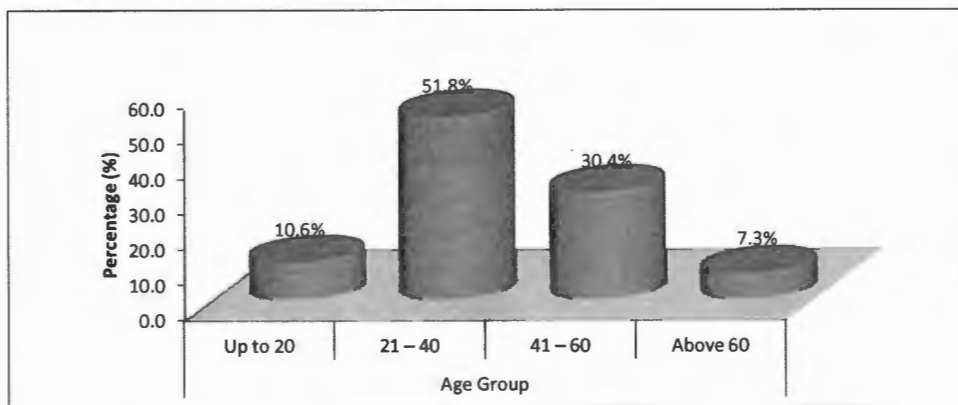
**FIGURE 6.2: GENDER DISTRIBUTION**



### 6.2.2 AGE GROUP

A greater percentage of respondents (82.2%) range between the age of 21 to 60, as illustrated in Figure 6.3. This was followed by those who are below the age of 20 (10.6%). This noticeably highlights that the greater percentage of respondents are in their economical active phase and in all probability earning an income that might enable these residents to be more inclined to support tourism in Mahikeng, if only they are aware of it.

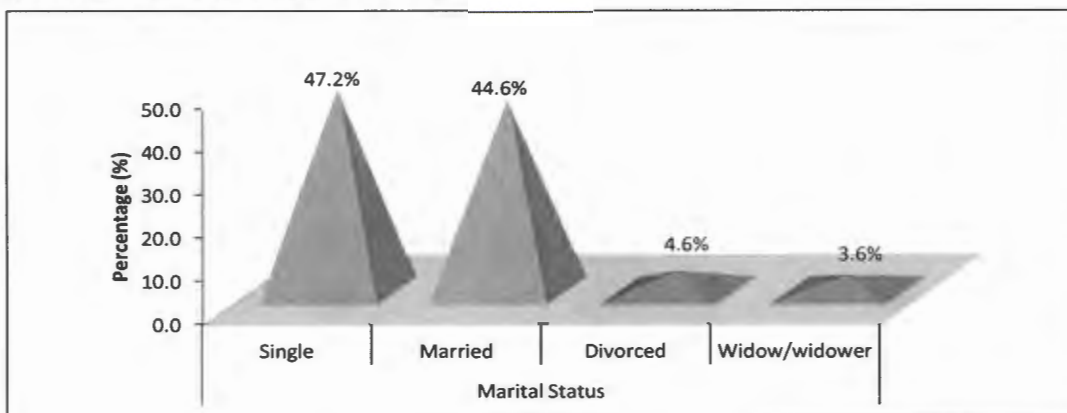
**FIGURE 6.3: AGE DISTRIBUTION**



### 6.2.3 MARITAL STATUS

The largest percentage of respondents (47.2%) indicated that they are single, followed by 44.6% that are married, 4.6% is divorced and 3.6% widowed, as shown in Figure 6.4. This result may propose to marketing organisations that respondent needs and preferences in terms of tourism could be distinct from one segment to the other, such as respondents that are married would more likely seek facilities that have children activities in contrast to single respondents whom might prefer something different.

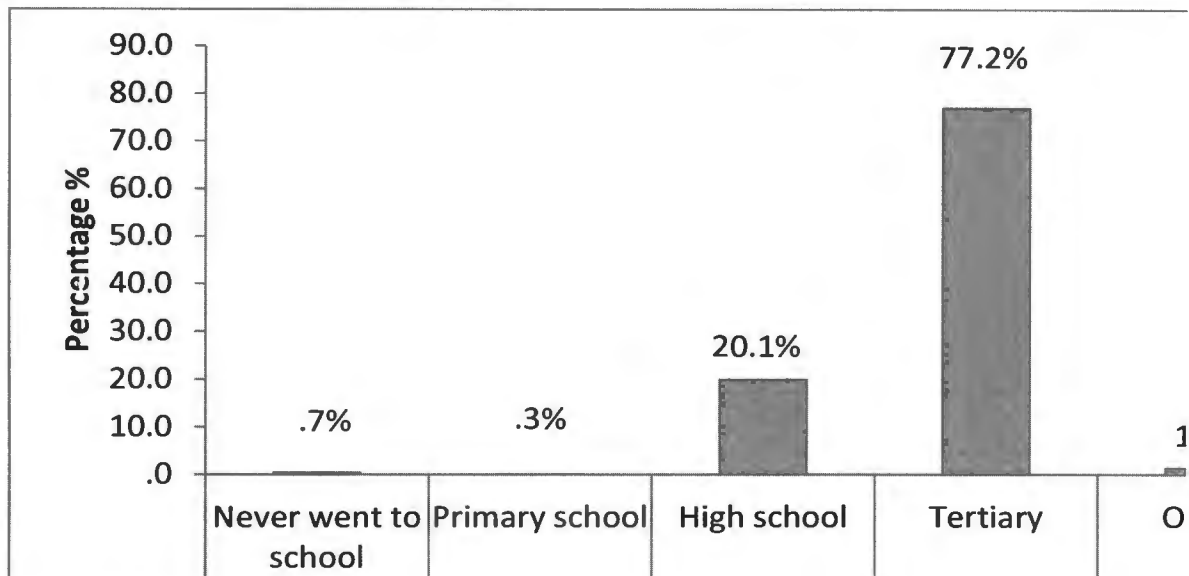
**FIGURE 6.4: MARITAL STATUS**



### 6.2.4 LEVEL OF EDUCATION

Figure 6.5 illustrates that a large percentage of the respondents (77.2%) have tertiary education training, and this is in line with a study recently completed by Mokabe (2014). This is followed by 20% with a Grade 12 qualification and 1.7% of the respondents indicated that they are still studying. Only 2 respondents indicated that they never went to school. This suggests that most of the respondents should most likely have a considerable knowledge of the importance of supporting tourism and its overall impact on the economy of Mahikeng.

**FIGURE 6.5: LEVEL OF EDUCATION**

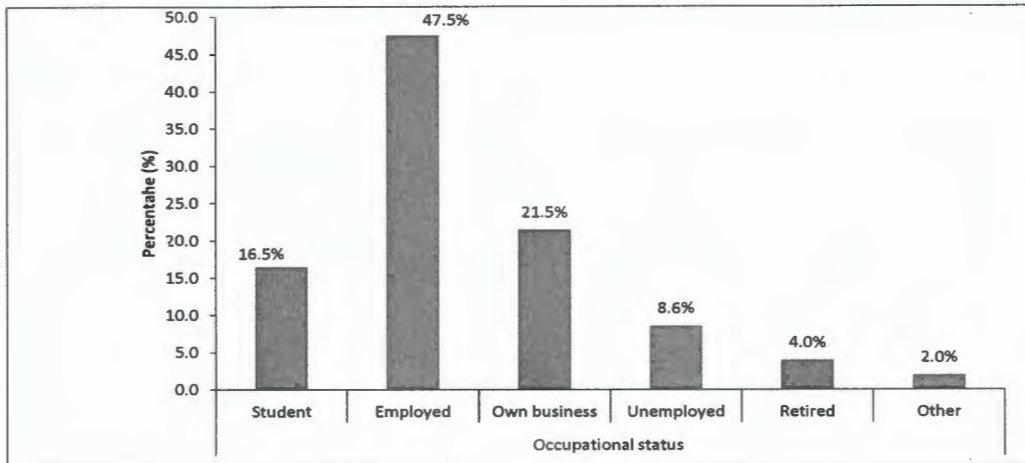


\*NOTE: Tertiary includes any form of training after school.

### 6.2.5 OCCUPATION

A greater percentage of respondents, 69.0% (49.5+21.5), are economically active and earn income from an organisation by whom they are employed, or as entrepreneurs. Of those 21.5% of the respondents own a business and student respondents amounted to 16.5%, unemployed respondents were 8.6%, and those who are retired are 4.0%. These results are indicated in Figure 6.6. There is a high number of respondents who have a source of income and this might suggest that this market do have financial resources available to visit and support tourism in Mahikeng.

**FIGURE 6.6: Occupational status**



**6.2.6 LENGTH OF STAY IN MAHIKENG**

Based on the information indicated in Table 6.1, it is evident that the majority of respondents (75.2%) have been residing in Mahikeng for 10 years and more, followed by 24.7% that have been residing in Mahikeng for less than 10 years. This indicates that there is a viable percentage of prospective support for tourism development in Mahikeng.

**TABLE 6.1: Length of residence in Mahikeng?**

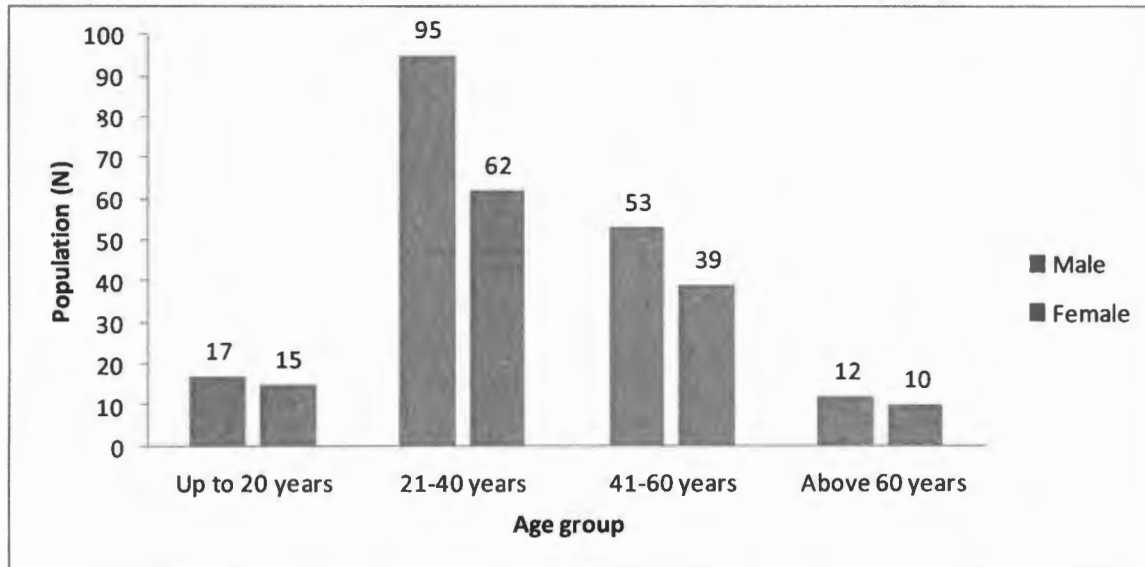
| NUMBER OF YEARS | FREQUENCY | PERCENTAGE |
|-----------------|-----------|------------|
| Up to 5         | 27        | 8.9%       |
| 5 – 10          | 48        | 15.8%      |
| Above 10        | 228       | 75.2%      |
| TOTAL           | 303       | 100%       |

**6.2.7 CROSS TABULATION – DEMOGRAPHIC VARIABLES**

Cross-tabulation is one of the most useful analytical tools in research. A cross-tabulation is a two (or more) dimensional table that records the number (frequency) of respondents that have the specific characteristics described in the cells of the table (depicted in figures). Cross-tabulation figures provide a wealth of information about the

relationship between variables. Figure 6.7 illustrates the distribution of the respondents in terms of their gender and age groups.

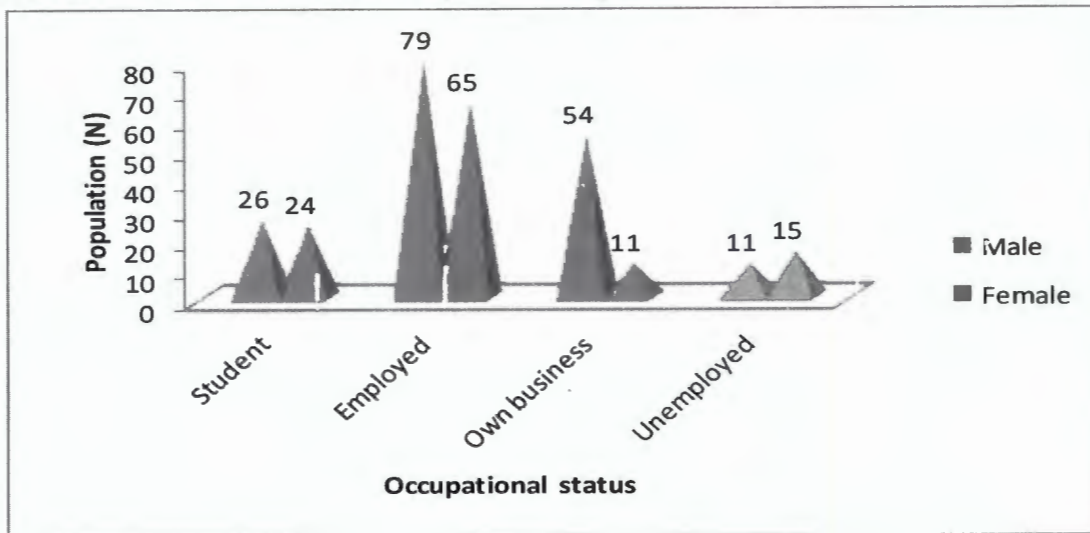
**FIGURE 6.7: Distribution of respondents: gender versus age group**



The figure above clearly depicts that a great majority of respondents, 148 (95+53), are male and between the age group of 21 and 60 years. This may persuade role players tasked with local tourism development and expansion to consider formulating marketing strategies in an endeavour to create more awareness of tourism in anticipation of more support from gender and age group–related market segments.

Figure 6.8 below presents a summary of how the respondents are distributed in terms of gender and occupational status. Employed males (79) and male business owners (54) and employed females (65) and female business owners (11) have a regular form of income since they are either employed or have their own businesses. There were 50 students who are not economically active. However, employed and self-employed residents could be a prospective market segment that could sustain the local tourism economy over the medium to the long-term basis.

**FIGURE 6.8: Distribution of respondents: gender versus occupation status**



The following section discusses the number of times residents had visited tourism attractions in Mahikeng during previous two years.

### 6.3 TOURISM ATTRACTIONS IN MAHIKENG

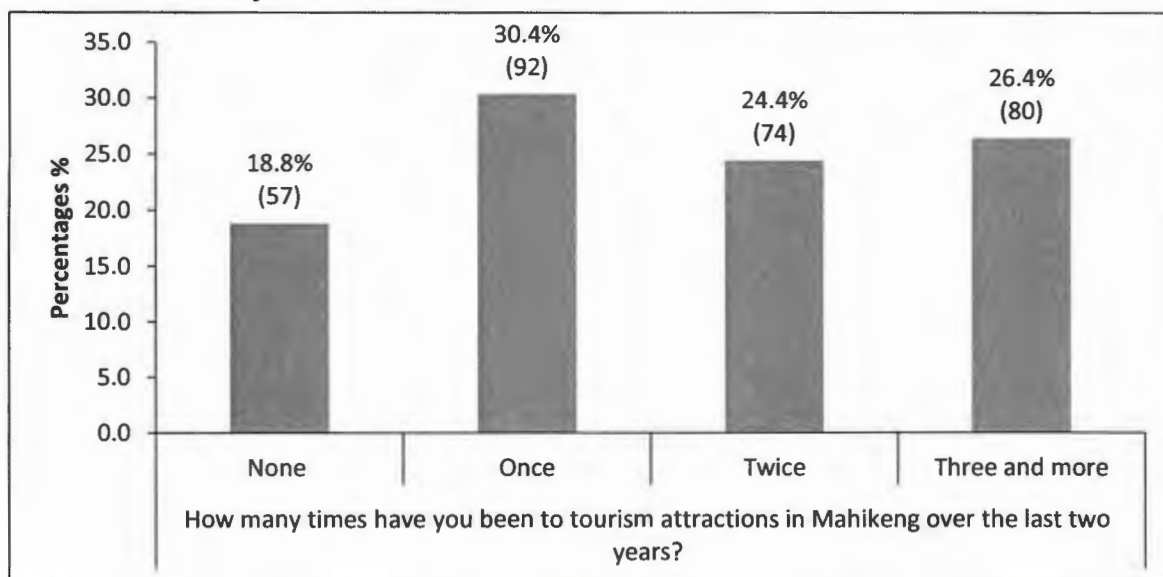
This section seeks to investigate the number of times residents visited the existing tourism attractions in Mahikeng during the previous 2 years and if not, endeavours to assemble their reasons for not visiting the tourism attractions in Mahikeng.

#### 6.3.1 NUMBER OF VISITS TO TOURISM ATTRACTIONS

Many of the respondents (30%) indicated that they had visited tourism attractions in Mahikeng at least once during the previous 2 years. This is followed by 26.4% whom visited three and more times. The responses obtained are illustrated in Figure 6.9, which also indicates that 24.4% of respondents had visited tourism attractions twice during the previous 2 years, followed by 18.8% that had not visited any of the tourism attractions. There is a high percentage of respondents who had visited tourist attractions only once but they did not necessarily revisit the same attractions. This might

probably be a result of deteriorating infrastructure, a lack of public amenities, or concerning levels of service rendered at the tourism attractions in Mahikeng. However, those tasked with the responsibility of developing tourism in Mahikeng should investigate the causes of this result.

**FIGURE 6.9: Number of visits to the tourism attractions in Mahikeng during the previous two years**



### 6.3.2 TOURISM ATTRACTIONS VISITED DURING THE PREVIOUS 2 YEARS

Tourism attractions perform a motivating role and are major pull factors for tourists and local residents. Tourism attractions are possibly the most important component in gathering a destination's residents involved in the tourism system. The tourism attractions of Mahikeng, according to the North West Parks and Tourism Board (2014), are indicated in Table 6.2.

**TABLE 6.2: Tourism attractions in Mahikeng**

| ATTRACTIONS*                                   | MENTIONED (%)** |
|--|-----------------|
| BaRolong-Boora-Tshidi                          |                 |
| Botsalano Game Reserve                         | 11%             |
| Cookes Lake                                    |                 |
| Disaneng Dam                                   |                 |
| Gaabo Motho Cultural Village                   |                 |
| International School of South Africa           |                 |
| Leopard Park Golf Club                         | 6%              |
| Local Night Club                               |                 |
| Local Shopping Malls and Restaurants           | 9%              |
| Lotlamoreng Cultural Village and Montshioa Dam |                 |
| Mahikeng Airport                               |                 |
| Mahikeng Broadcasting Centre                   |                 |
| Mahikeng Rugby Stadium                         |                 |
| Mahikeng Game Reserve                          | 11%             |
| Mahikeng Hotel School                          |                 |
| Mahikeng Museum                                |                 |
| Mmabatho Cultural Centre                       | 7%              |
| Mmabatho Palms                                 | 15%             |
| Modimola Dam                                   | 14%             |
| Molemane Eye Nature Reserve                    | 13%             |
| North-West University                          |                 |
| Protea Hotel                                   | 9%              |
| Provincial Parliament                          |                 |
| Scout Centre of Excellence                     |                 |
| Sol Plaatjie House and Cemeteries              |                 |
| Wondergat                                      |                 |

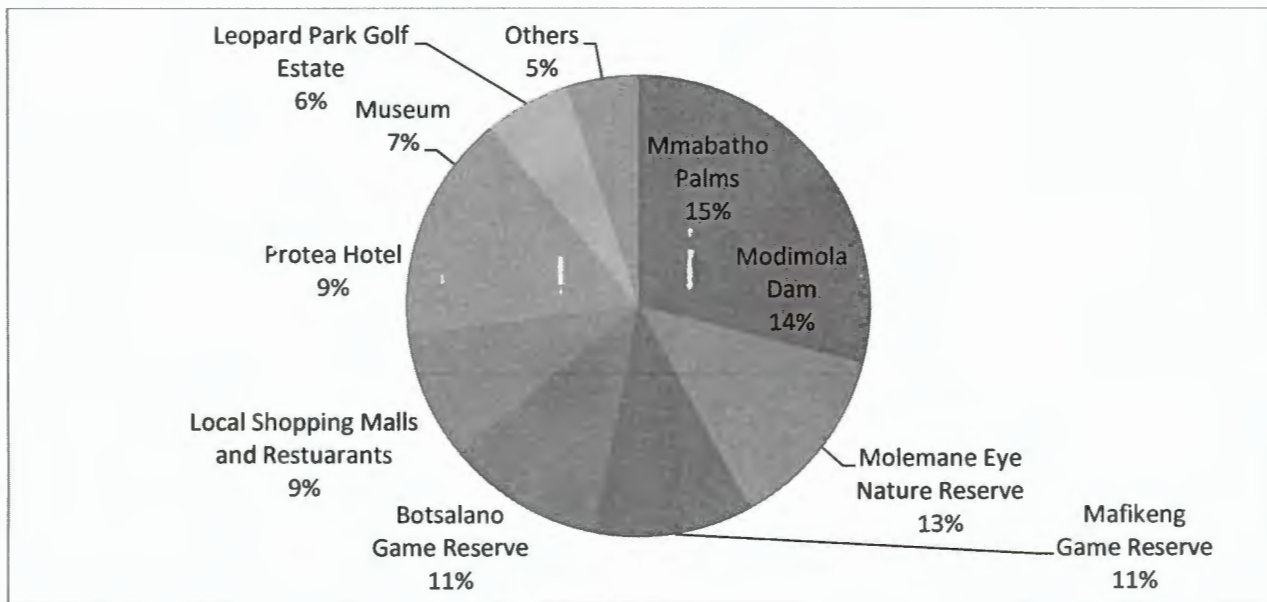
**Note:**

\* Attractions as listed on NWPTB website.

\*\* Only these attractions were mentioned by respondents.

An open ended question requested respondents to list the attractions they had visited during the previous two years without providing a list of available attractions. This was intentionally done to obtain an indication of the level of awareness of residents. The results obtained for the tourism attractions visited by the respondents during the previous 2 years are illustrated in Figure 6.10. As indicated, the Mmabatho Palms Resort was the most visited attractions during the previous 2 years and this resort provides gambling activities (casino), a health spa, and other activities. This is followed by protected areas of importance for wildlife, camping, fishing and other special interests.

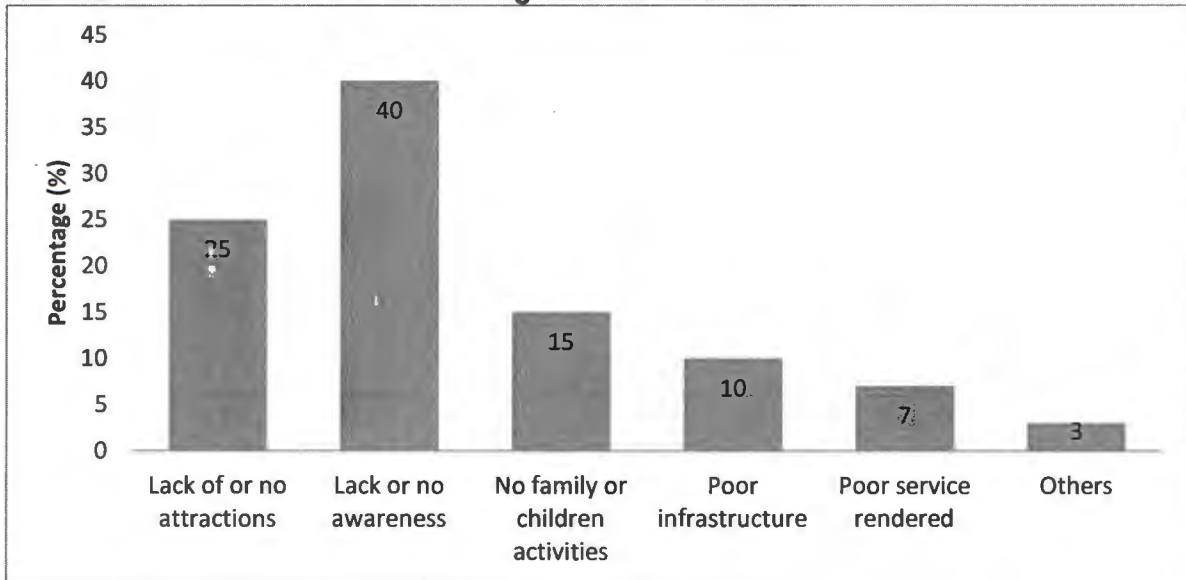
**FIGURE 6.10: Tourism attractions visited during the previous 2 years**



What is very concerning is that there are many attractions and facilities not mentioned by any of the respondents when the results in Figure 6.10 are compared to the list of attractions indicated in Table 6.2. Respondents were presented with a series of closed-ended questions supplemented with open-ended questions. One of the open-ended questions posed to respondents was to provide reasons why they had not visited any of the tourism attractions during the previous 2 years. Figure 6.11 below, shows the responses to this question.

As illustrated in Figure 6.11, a large percentage of respondents (40%) stated that the fact that they were not aware of tourism attractions was the reason they had never visited any tourism attractions in Mahikeng during the previous 2 years. Furthermore, there is the interesting observation that a significant percentage of respondents stated that the reason why they had never visited any local tourist attraction during the previous 2 years was that there were no family or children activities. This is in concurrence with Figure 6.12, where it is indicated that a high number of respondents were married but they had never visited any tourism attractions during the previous 2 years.

**FIGURE 6.11: Reasons for not visiting tourism attractions**



### 6.3.3 CROSS-TABULATION: DEMOGRAPHICS AND TOURISM ATTRACTIONS

A cross-tabulation was conducted and the results obtained are depicted in Figure 6.12 of how respondents are distributed in terms of their marital status and the number of times they visited tourism attractions in Mahikeng during the previous 2 years. There is a concerning large number of respondents (51) who had not visited any tourism attractions in Mahikeng during the previous 2 years, particularly respondents who are married. This might suggest that there is an inadequate number of tourism attractions to satisfy the needs and wants of married respondents, such as family parks and theme parks.

**FIGURE 6.12: Distribution of respondents: marital status versus number of times tourism attractions were visited during the previous 2 years**

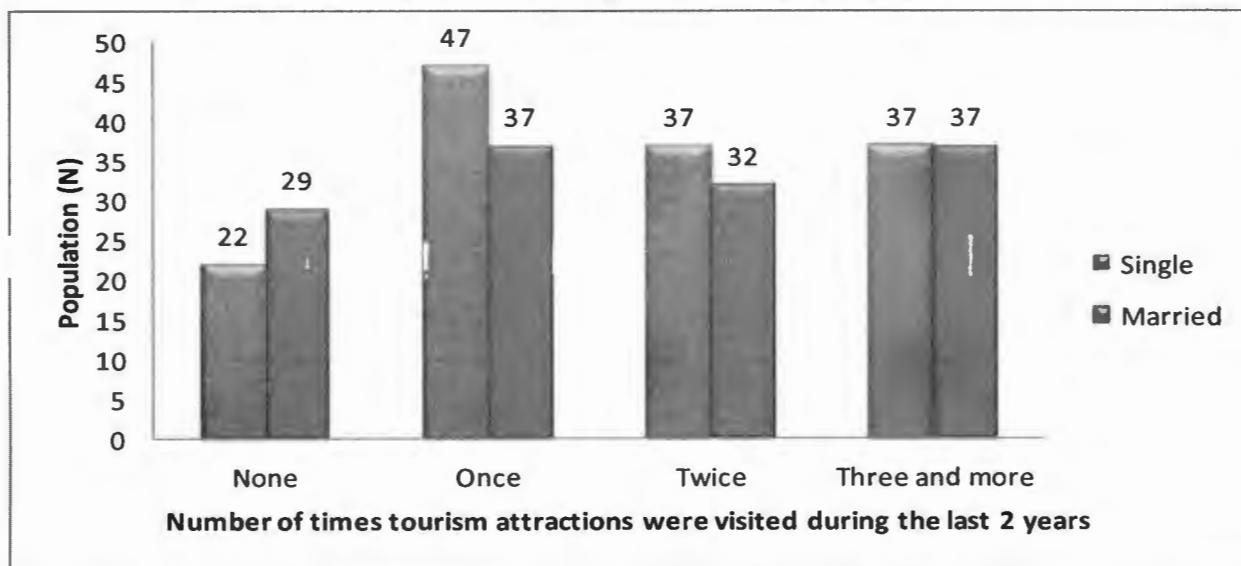
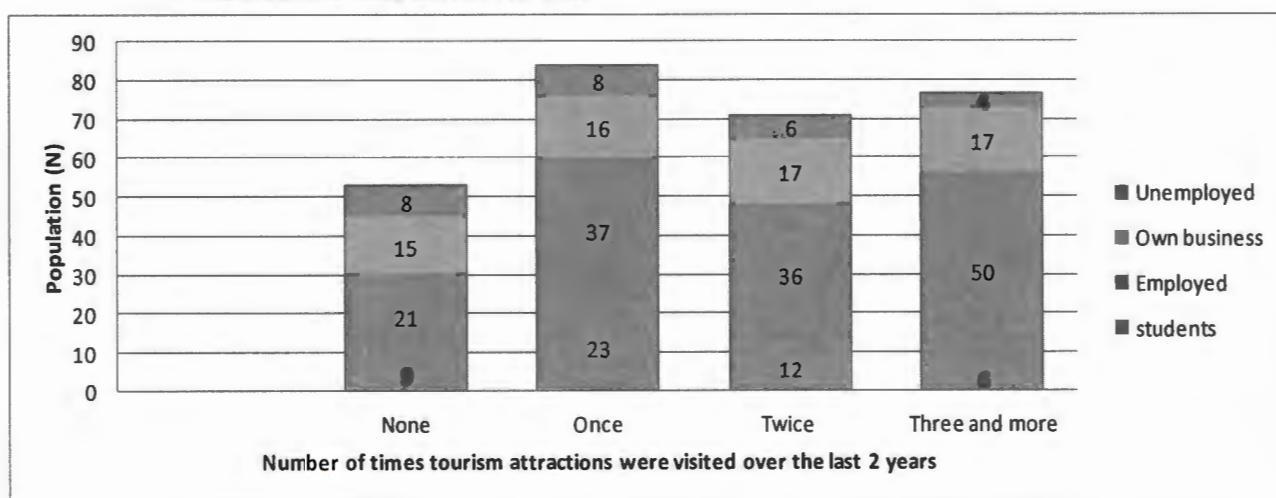


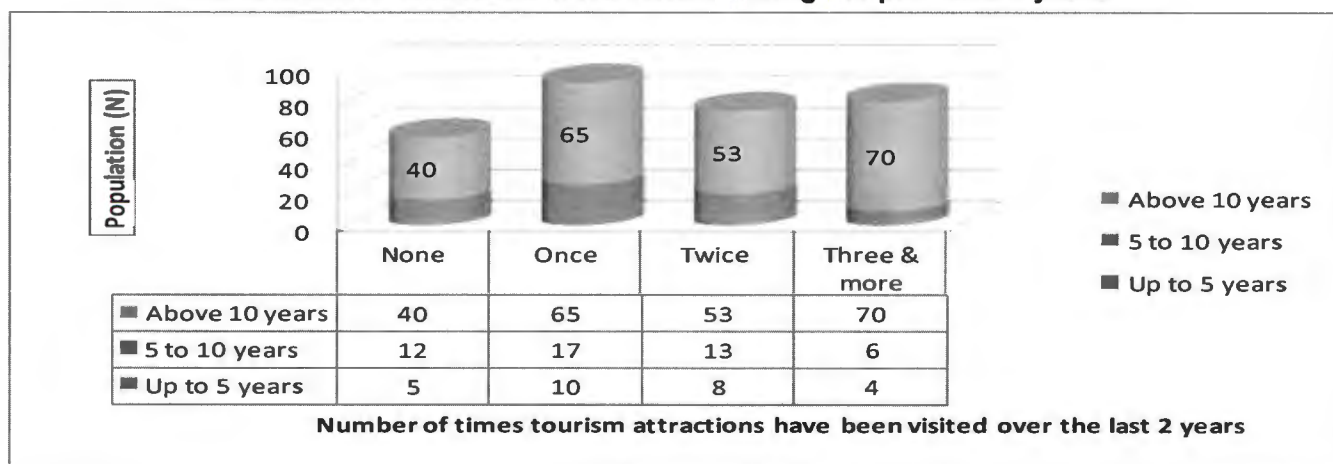
Figure 6.13 illustrates the distribution of the respondents in terms of their occupational status and the number of times tourism attractions had been visited in Mahikeng during the previous 2 years. There is a greater portion of respondents, 43%, who were earning an income that had visited tourism attractions in Mahikeng only once or never during the previous 2 years. This indicates an opportunity for developing tourism facilities and applying available resources to create more awareness amongst this market segment in anticipation of generating more monetary support from this market.

**FIGURE 6.13: Distribution of respondents: occupational status versus number of times attractions had been visited**



As shown in Figure 6.14, a vast number of respondents, 46%, who had been residing in Mahikeng for more than ten years have visited tourism attractions in Mahikeng only once or never during the previous 2 years. It could be speculated that the respondents' lack of support for tourism might be a result of numerous factors, such as a lack of awareness about the tourism attractions together with possible deteriorating infrastructure, poor service rendered, or even a lack of diverse tourism facilities, which all result in respondents not visiting tourism attractions. This could signify that no satisfaction was derived from their visits, consequently resulting in no repetition of visits.

**Figure 6.14: Distribution of respondents: years residing in Mahikeng versus number of times tourism attractions were visited during the previous 2 years**



#### 6.3.4 COMPARISON OF VARIABLES: DEMOGRAPHIC DESCRIPTION AND TOURISM ATTRACTIONS

Following are demographic descriptions of the respondents and them visiting tourism attractions in Mahikeng during the previous 2 years. In this test, the parameter  $p$  is used to measure relationships. If the  $p$  value is equal or less than 0.05, then there is a significant relationship between the variables. If the  $p$  value is greater than 0.05, then there is no significant relationship. The chi-square test revealed the following:

- The descriptor *gender* does not have any significant relationship ( $p=0.812$ ) with the variable of how many times a respondent visited tourism attractions during the past two years because the value of  $p$  is greater than 0.05.

- There is no significant relationship indicated between *age group* and the number of times respondents have visited tourism attractions as the value of *p* is greater than 0.05 ( $p=0.469$ ).
- The descriptor *marital status* does not have any significant relationship ( $p=0.515$ ) with the variable of how many times a respondent have visited tourism attractions during the previous two years because the value of *p* is greater than 0.05.
- A significant relationship does exist for the *level of education* and *occupational status* in terms of the number of times respondents had visited tourism attractions in Mahikeng during the previous two years because the value of *p* is less than 0.05. A possible explanation for this could be that high educated respondents usually have higher occupational status with more spendable income and higher levels of exposure to tourism and attractions. However, this needs to be further researched.
- The *p* value for the descriptor of the *length of stay in Mahikeng* is 0.158, which means that it does not have any significant relationship with the variable of how many times a respondent had visited tourism attractions during the previous two years, because the value of *p* is greater than 0.05.

The above results are indicated in Table 6.3

**TABLE 6.3: Chi-square results – visiting tourism attractions in Mahikeng**

| DEMOGRAPHIC                | TOURISM ATTRACTION ( <i>p</i> ) |
|----------------------------|---------------------------------|
| Gender                     | 0.812                           |
| Age Group                  | 0.469                           |
| Marital Status             | 0.515                           |
| Level of Education         | 0.001*                          |
| Occupational Status        | 0.028*                          |
| Length of stay in Mahikeng | 0.158                           |

**Note:** \* Significance:  $p \leq 0.05$

The focus of the following section is on residents' awareness and support for tourism in Mahikeng.

## 6.4 RESIDENTS' AWARENESS AND SUPPORT FOR TOURISM

The focus of this section is on the respondents' awareness and support for tourism in Mahikeng. The results as discussed are based on a 4-point scale and responses could

range from (1) strongly agree, (2) agree, (3) disagree, and (4) strongly disagree. The mean values and standard deviation associated with residents' awareness and support for tourism are indicated in Table 6.4 and the discussion is supplemented by cross-tabulation tables to compare the relationship between variables.

#### 6.4.1 FREQUENCY DISTRIBUTION

Table 6.4 depicts that most of the respondents, 43% of the 303, disagreed that their level of knowledge and awareness of the tourism facilities in Mahikeng was good and only 28% of the respondents agreed. Based on the mean and standard deviation of the results, it is clear that respondents feel that their knowledge and awareness of the tourism facilities in Mahikeng was not good. This indicates that respondents were not aware of and lacked knowledge concerning the tourism facilities in Mahikeng. When respondents were asked to indicate whether residents play a vital role in developing a healthy and prosperous tourism industry, a greater percentage (64%) of the respondents strongly agreed that residents do play a vital role and only 6% disagreed. This indicates that residents would be inclined to adopt and support a healthy and prosperous tourism industry, only if they are made aware of and have knowledge of the tourism facilities and activities in Mahikeng.

Respondents were asked to indicate whether residents' support for tourism was a vital element for successful tourism development and a large group (74%) strongly agreed and only 5% disagreed, as indicated in Table 6.4. This clearly indicates and substantiate that residents are willing to contribute towards the successful development of tourism. However, tourism facilities have to be known to local residents in order for them to support it. Respondents were asked whether tourism was an important component in the economic development of Mahikeng and a surprising percentage of 80% strongly agreed with this statement. This indicates that residents recognise that tourism is an important component of economic development and that it can contribute to creating employment, providing infrastructure and quality facilities that will improve the standard of living for residents.

Respondents were asked to indicate whether residents' positive attitude and perception toward tourism would encourage future local tourism development and once again,

almost 80% strongly agreed. This indicates that residents do have a positive attitude and perception toward tourism and this should encourage planners who are responsible for the economic development of Mahikeng to consider tourism as a viable strategy and to invest in tourism. Respondents were also asked to indicate if there was a need to educate residents of Mahikeng about tourism facilities and 81% strongly agreed with this statement and only 1% strongly disagreed.

**TABLE 6.4: Level of knowledge, awareness and support of tourism facilities in Mahikeng**

| Please indicate your level of knowledge, awareness and support of tourism facilities in Mahikeng  | Strongly agree | Agree | Disagree | Strongly disagree | Mean | STD  |
|---|----------------|-------|----------|-------------------|------|------|
| My knowledge and awareness of tourism facilities in Mahikeng is good.   | 14%            | 28%   | 43%      | 15%               | 2.6  | 0.9  |
| Residents play a vital role in developing a healthy and prosperous tourism industry.  | 64%            | 28%   | 6%       | 2%                | 1.45 | 0.69 |
| Residents' support for tourism is vital element for successful tourism development.   | 74%            | 21%   | 5%       | 0%                | 1.32 | 0.58 |
| Tourism is an important component in the economic development of Mahikeng (e.g. job creation and infrastructure development).               | 80%            | 18%   | 1%       | 1%                | 1.23 | 0.51 |
| Residents' positive attitude and perception toward tourism will encourage future local tourism development.                                 | 79%            | 19%   | 2%       | 0%                | 1.23 | 0.48 |
| There is need to educate the residents of Mahikeng about tourism facilities.  | 81%            | 16%   | 2%       | 1%                | 1.24 | 0.56 |
| Awareness of tourism facilities will lead to more support by residents  | 84%            | 16%   | 0%       | 1%                | 1.18 | 0.44 |
| There is adequate marketing or marketing strategy for tourism in Mahikeng.  | 3%             | 16%   | 50%      | 31%               | 3.09 | 0.77 |
| Tourism information is easily accessible.   | 3%             | 16%   | 49%      | 33%               | 3.11 | 0.76 |
| Sufficient information about tourism provided through social networks etc. to create awareness amongst residents.                           | 6%             | 37%   | 34%      | 24%               | 2.76 | 0.88 |
| There are various tourism activities in Mahikeng (safaris, casinos, picnic sites, clubbing, packaged tours).                                | 18%            | 39%   | 26%      | 17%               | 2.41 | 0.97 |
| Infrastructure, facilities, transport, entertainment centres, and level of service require major attention to enhance tourism satisfaction. | 83%            | 14%   | 2%       | 1%                | 1.21 | 0.52 |
| Mahikeng has a positive image as a tourism destination amongst residents.   | 3%             | 17%   | 58%      | 22%               | 2.98 | 0.72 |
| The tourism products and services in Mahikeng provide value for money.  | 20%            | 54%   | 23%      | 3%                | 2.09 | 0.74 |

|   |     |     |    |    |      |      |
|---|-----|-----|----|----|------|------|
| The development and support of tourism in Mahikeng needs support and involvement of the local residents.  | 59% | 39% | 1% | 1% | 1.43 | 0.56 |
| The tourism industry is dependent on resident involvement (through the role as employees, local entrepreneurs, and on resident goodwill towards tourists).                            | 63% | 35% | 2% | 1% | 1.40 | 0.56 |
| Tourism is a tool to support the development of formal and informal sectors (agriculture and crafts).   | 69% | 30% | 1% | 1% | 1.34 | 0.53 |
| Partnership and collaboration between all role players is critical in the development of sustainable tourism (public and private entities, tourism authorities, and local residents). | 70% | 29% | 1% | 1% | 1.33 | 0.53 |

This clearly points out that residents are unaware and have limited knowledge about the tourism facilities in Mahikeng. This means that there is a need for a Destination Marketing Organisation and other role players to educate residents and advocate the benefits of tourism to all relevant stakeholders, in particular local residents. Educating residents about Mahikeng’s natural sceneries, historic sites, cultural assets, local tourism facilities, and local events is a must.

As further observed from Table 6.4, 80% of the respondents of the survey indicated that Mahikeng had a negative image as a tourism destination. This might be because of the poor state of the infrastructure, tourism facilities, and service in Mahikeng that could be blamed for this negative image amongst residents. Respondents were also asked to indicate if they considered tourism as a tool that could be used to support the development of formal and informal businesses, and the results obtained are illustrated in Table 6.4. An overwhelming 99.0% (30.0%+69.9%) of the respondents responded positively. Tourism is an economic sector that can directly and indirectly contribute to the performance of almost all formal and informal industries and to the well-being of Mahikeng as a destination.

#### 6.4.2 CROSS-TABULATION: DEMOGRAPHICS AND AWARENESS & SUPPORT FOR TOURISM BY RESIDENTS

A cross-tabulation was conducted and below are the results that emanated.

## (1) AGE

As indicated in Table 6.5, of the 303 respondents, most respondents (68) of the age between 21-40 years disagreed that their knowledge and awareness of tourism facilities in Mahikeng was good, followed by 37 respondents between 41-60 years of age as well. A reasonable number of respondents (48) of the age between 21-40 years agreed that their knowledge and awareness of tourism facilities in Mahikeng was good, followed by 25 respondents between 41-60 years of age who agreed as well. This market segment, between 21-40 years, is a young market that holds future potential for tourism development in Mahikeng, as well as the market segment between 41-60 years old that is more mature and an older market interested in different activities such as picnic sites and entertainment facilities for children.

**TABLE 6.5: Cross-tabulation of demographic description versus age group**

| Statement  | Range             | Age group      |               |               |                |
|--|-------------------|----------------|---------------|---------------|----------------|
|  |                   | Up to 20 years | 21 – 40 years | 41 – 60 years | Above 60 years |
| My knowledge and awareness of tourism facilities in Mahikeng is good.                | Strongly Agree    | 2              | 19            | 16            | 4              |
|  | Agree             | 6              | 48            | 25            | 7              |
|  | Disagree          | 16             | <b>68</b>     | 37            | 9              |
|  | Strongly Disagree | 8              | 22            | 14            | 2              |
| Residents play a vital role in developing a healthy and prosperous tourism industry. | Strongly Agree    | 22             | <b>103</b>    | 56            | 14             |
|  | Agree             | 9              | 43            | 26            | 7              |
|  | Disagree          | 1              | 8             | 8             | 0              |
|  | Strongly Disagree | 0              | 3             | 2             | 1              |
| Residents' support for tourism is vital element for successful tourism development.  | Strongly Agree    | 24             | <b>116</b>    | 70            | 14             |
|  | Agree             | 7              | 31            | 17            | 8              |
|  | Disagree          | 1              | 10            | 4             | 0              |
|  | Strongly Disagree | 0              | 0             | 1             | 0              |

Of the 303 respondents who participated in this survey, Table 6.5 indicates that a large portion of respondents, 75%(103+56+43+26=228), between 21-60 years old are positive that residents play a vital role in developing a healthy and prosperous tourism industry. Thus, this clearly indicates that the participation and support of local residents are imperative for the sustainability of the local tourism industry. This might imply that respondents view tourism development as an opportunity for investment, development, and infrastructure spending that will benefit tourists and residents alike.

A greater number of respondents concurred with the statement that residents' support for tourism is a vital element for successful tourism development, as indicated by the majority of those between the ages of 21-60 years, 77% (116+70+31+17=234), as shown in Table 6.5. This clearly indicates that this market segment understands the importance of local residents playing a vital role in developing a healthy and prosperous tourism industry for all stakeholders, an essential element for successful sustainable tourism development. The understanding of residents' views and the solicitation of such support are of great importance for local government, the North West Parks and Tourism Board, policy makers, and businesses alike.

## **(2) Level of education**

Based on the information indicated in Table 6.6, it is evident that a vast number of respondents, 34%(70+37=107), who had obtained a tertiary qualification oppose the statement that their knowledge and awareness of tourism facilities in Mahikeng were good. This indicates that there is great number of residents that are not aware of the tourism facilities in Mahikeng and that role players within the tourism industry should begin to formulate and implement strategies that will create awareness amongst local residents. Higher education qualifications can lead to increased earnings or more income that in turn could result in more support for tourism facilities in Mahikeng.

Most of the respondents, 90%(34+157+23+60=274), indicated that they had acquired a high school qualification and post high school qualification and were in agreement that residents play a vital role in developing a healthy and prosperous tourism industry, as

indicated in Table 6.6. This clearly indicates that respondents who obtained a high school and a tertiary qualification understand the importance of tourism and the role they could play, since the goodwill and cooperation of local residents are essential for the success and sustainability of any tourism development project, and the solicitation of such support is of great importance for local government, profit making entities, policy makers and DMCs.

**TABLE 6.6: Cross-tabulation of demographic description versus level of education**

| Statement  | Range             | Level of education   |                |             |                 |       |
|--|-------------------|----------------------|----------------|-------------|-----------------|-------|
|  |                   | Never went to school | Primary school | High school | Tertiary school | Other |
| My knowledge and awareness of tourism facilities in Mahikeng is good.                | Strongly Agree    | 0                    | 0              | 2           | 37              | 2     |
|  | Agree             | 2                    | 0              | 13          | 70              | 1     |
|  | Disagree          | 0                    | 0              | 30          | 99              | 1     |
|  | Strongly Disagree | 0                    | 1              | 16          | 28              | 1     |
| Residents play a vital role in developing a healthy and prosperous tourism industry. | Strongly Agree    | 2                    | 1              | 34          | 157             | 1     |
|  | Agree             | 0                    | 0              | 23          | 60              | 2     |
|  | Disagree          | 0                    | 0              | 3           | 13              | 1     |
|  | Strongly Disagree | 0                    | 0              | 1           | 4               | 1     |

### (3) Occupational status

As observed from Table 6.7, a large number of respondents who are employed, 47% (113+30=143), are positive that awareness of tourism facilities would lead to more support by residents and only 1 of the 303 respondents disagreed. As further observed from Table 6.7, 56 of the 303 respondents who owned their own businesses strongly agreed that awareness of tourism facilities would lead to more support by residents, followed by 47 students. This might suggest that residents are willing to visit and support local tourism facilities more if the relevant parties, particularly the DMO, would

craft and implement marketing strategies to create more awareness amongst local residents.

As shown in Table 6.7, 38%(72+42=114), of the 303 respondents who are employed are negative in terms of adequate marketing of tourism in Mahikeng and only 24 respondents agreed. As observed further in Table 6.7, a significant number of respondents (38) who had their own businesses disagreed that there was adequate

**TABLE 6.7: Cross-tabulation of demographic description versus occupational status**

| Statement  | Occupational status | Range          |           |           |                   |
|--|---------------------|----------------|-----------|-----------|-------------------|
|  |                     | Strongly agree | Agree     | Disagree  | Strongly disagree |
| Awareness of tourism facilities will lead to more support by residents   | Student             | 47             | 2         | 0         | 1                 |
|  | Employed            | <b>113</b>     | <b>30</b> | 1         | 0                 |
|  | Own business        | <b>56</b>      | <b>8</b>  | 0         | 1                 |
|  | Unemployed          | 22             | 4         | 0         | 0                 |
|  | Retired             | 9              | 3         | 0         | 0                 |
|  | Other               | 6              | 0         | 0         | 0                 |
| There is adequate marketing of tourism marketing in Mahikeng   | Student             | 1              | 10        | 20        | 19                |
|  | Employed            | 6              | 24        | <b>72</b> | <b>42</b>         |
|  | Own business        | 3              | 7         | 38        | 17                |
|  | Unemployed          | 0              | 4         | 11        | 11                |
|  | Retired             | 0              | 1         | 8         | 3                 |
|  | Other               | 0              | 1         | 3         | 2                 |
| Tourism information is easily accessible   | Student             | 1              | 8         | 18        | 23                |
|  | Employed            | 3              | 28        | <b>70</b> | <b>43</b>         |
|  | Own business        | 4              | 7         | 37        | 17                |
|  | Unemployed          | 0              | 5         | 10        | 11                |
|  | Retired             | 0              | 1         | 8         | 3                 |
|  | Other               | 0              | 0         | 4         | 2                 |
| Infrastructure, facilities, transport, entertainment centres, and level of service require major attention to enhance tourism satisfaction | Student             | 46             | 3         | 1         | 0                 |
|  | Employed            | <b>118</b>     | <b>21</b> | 3         | 2                 |
|  | Own business        | 47             | 15        | 2         | 1                 |
|  | Unemployed          | 23             | 3         | 0         | 0                 |
|  | Retired             | 11             | 1         | 0         | 0                 |
|  | Other               | 6              | 0         | 0         | 0                 |

marketing of tourism in Mahikeng, and this is followed by 20 respondents who were students. This might imply that the residents may deem that not enough measures or actions are taken by tourism authorities when it comes to marketing tourism facilities and activities amongst local residents, and this could have an adverse effect on the development of tourism in Mahikeng.

As revealed in Table 6.7, 37% (70+43=113), were negative concerning the ease of accessing tourism information about tourism in Mahikeng. As observed further in Table 6.7 a significant number of respondents who had their own business (37) disagreed that tourism information was easily accessible and this is followed by 18 respondents who were students. Better information accessibility will assist local residents with their planning and enable them to make informed decisions about supporting tourism in Mahikeng. People make decisions on information provided, based on facts they consider to be important.

As shown in Table 6.7, 45% (118+21=139), respondents was positive that infrastructure, facilities, transport, entertainment centres, and the level of service require major attention so as to enhance tourism satisfaction. Only 5 respondents were negative in this regard. As observed further in Table 6.7 a significant number of respondents who had their own businesses (47) strongly agreed that infrastructure, facilities, transport, entertainment centres, and level of service require major attention to enhance tourism satisfaction. This is closely followed by 46 respondents who were students. These results clearly indicate that residents fairly support the notion that adequate infrastructure, facilities and the level of service should be enhanced for them to visit and support the tourism facilities in Mahikeng. The development of adequate infrastructure is therefore critical to the development and sustainability of tourism in particularly Mahikeng as a tourism destination.

#### 6.4.3 DEMOGRAPHIC CHARACTERISTICS: ANOVA

One-way ANOVAs were used for the further analyses of the data. ANOVA explains how independent variables interact with one another and what effects they have on a dependent variable. When the p-value is smaller than 0.05, then there is a statistical

significant difference and the practical significant difference guideline is: 0.2 = a small effect, 0.5 = a medium effect, and 0.8 – a large effect.

When observing Table 6.8, it is clear that most of the respondents were male, mostly between the ages of 21-40 years, had a source of income as they were employed or self-employed, and held a tertiary qualification/training. However, a closer inspection of Table 6.8 indicates that there are no statistical differences between males and females for any of the given statement, although *p* for three of the statements are close to 0.05.

**TABLE 6.8: DEMOGRAPHIC CHARACTERISTICS: ANOVA**

| Variables   |        | N   | Mean | Std. Deviation | Std. Error Mean | <i>P</i> |
|---|--------|-----|------|----------------|-----------------|----------|
| My knowledge and awareness of tourism facilities in Mahikeng is good.                 | Male   | 177 | 2.63 | .902           | .068            | 0.09     |
|   | Female | 126 | 2.55 | .909           | .081            |          |
| Residents' play a vital role in developing a healthy and prosperous tourism industry. | Male   | 177 | 1.40 | .651           | .049            | 0.16     |
|   | Female | 126 | 1.52 | .745           | .066            |          |
| Residents' support for tourism is vital element for successful tourism development.   | Male   | 177 | 1.28 | .573           | .043            | 0.14     |
|   | Female | 126 | 1.37 | .588           | .052            |          |
| Tourism is an important component in the economic development of Mahikeng.            | Male   | 177 | 1.19 | .445           | .033            | 0.18     |
|   | Female | 126 | 1.29 | .581           | .052            |          |
| Residents' positive attitude and perception toward tourism will encourage             | Male   | 177 | 1.21 | .488           | .037            | 0.08     |
|   | Female | 126 | 1.25 | .472           | .042            |          |

|  |        |     |      |      |      |      |
|--|--------|-----|------|------|------|------|
| future local tourism development.  |        |     |      |      |      |      |
| There is need to educate the residents of Mahikeng about tourism facilities. | Male   | 177 | 1.22 | .513 | .039 | 0.09 |
|  | Female | 126 | 1.28 | .615 | .055 |      |

The focus of the following section is on correlation relationship between variables.

#### 6.4.4 CORRELATION OF VARIABLES: PEARSON CORRELATION COEFFICIENT

The Pearson correlation test is used to measure the strength of a linear association between two variables, where the value  $r$  (gamma) = 1 indicates a perfect positive correlation and the value  $r = -1$  indicates a perfect negative correlation. The Pearson correlation coefficient is used to measure the extent to which two variables are associated (for example, when X changes, Y tends to change also). The results obtained for this test are indicated in Table 6.9.

As shown in Table 6.9, the awareness of tourism facilities will lead to more support has no relationship with adequate marketing of tourism in Mahikeng; the result obtained is -0.155, which is close to 0. If the correlation coefficient is zero, no relationship exists between the variables. If one variable moves, no predictions can be made about the movement of the other variable; they are uncorrelated. The adequate marketing of tourism in Mahikeng has a positive relationship to tourism information being easily accessible, as it is shown to be 0.812, which is closer to 1. If the correlation coefficient is one, the variables have a perfect positive correlation. This means that if one variable moves a given amount, the second moves proportionally in the same direction. A positive correlation coefficient less than one indicates a less than perfect positive correlation, with the strength of the correlation growing as the number approaches one.

The focus of the following section is in the importance residents place on tourism in Mahikeng.

**Table 6.9: Correlation of variables: Pearson correlation coefficient**

| VARIABLE   | Awareness will lead to more support | Adequate marketing of tourism in Mahikeng | Tourism information is easily accessible | There are various tourism activities in Mahikeng | Infrastructure and other components of tourism require major attention | Mahikeng has a image positive as a tourism destination |
|--|-------------------------------------|---|--|--|--|--|
| Awareness will lead to more support                                    | 1                                   | -.155**                                   | -.090                                    | .141*  | .252**   | -.051  |
|  |                                     | .007                                      | .118                                     | .014   | .000   | .378   |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |
| Adequate marketing of tourism in Mahikeng                              | -.155**                             | 1   | .812**                                   | .332**   | -.223**  | .366**   |
|  | .007                                |   | .000                                     | .000   | .000   | .000   |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |
| Tourism information is easily accessible                               | -.090                               | .812**                                    | 1  | .357**   | -.102  | .430**   |
|  | .118                                | .000                                      |  | .000   | .075   | .000   |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |
| There are various tourism activities in Mahikeng                       | .141*                               | .332**                                    | .357**                                   | 1  | .136*  | .271**   |
|  | .014                                | .000                                      | .000                                     |  | .018   | .000   |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |
| Infrastructure and other components of tourism require major attention | .252**                              | -.223**                                   | -.102                                    | .136*  | 1  | -.095  |
|  | .000                                | .000                                      | .075                                     | .018   |  | .098   |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |
| Mahikeng has a positive image as a tourism destination                 | -.051                               | .366**                                    | .430**                                   | .271**   | -.095  | 1  |
|  | .378                                | .000                                      | .000                                     | .000   | .098   |  |
|  | 303                                 | 303                                       | 303                                      | 303  | 303  | 303  |

## 6.5 IMPORTANCE OF TOURISM TO RESIDENTS

The focus of this section is on the importance respondents place on certain elements and components of tourism attractions. Residents were provided with a number of statements they had to rate and their responses could range from (1) very important, (2) important, (3) not important at all, and (4) not applicable. Following is a presentation of the results obtained and this is followed by a cross-tabulation. This section ends with ANOVA that explains how independent variables interact with one another.

### 6.5.1 IMPORTANCE PLACED ON ELEMENTS OF TOURISM ATTRACTIONS: FREQUENCY DISTRIBUTION

Statements were used to assess the importance residents place on various aspects concerning tourism attractions as this could be a significant indicator of whether residents are likely to support tourism and its development in Mahikeng. This could also indicate areas of development that need immediate attention. The results obtained are indicated in Table 6.10

**TABLE 6.10: Frequency of distribution of importance**

| Importance of tourism attractions in Mahikeng       | Very important | Important | Not important at all | Not applicable |
|---|----------------|-----------|----------------------|----------------|
| Tourism attractions are easily accessible.          | 69%            | 26%       | 3%                   | 2%             |
| Sufficient signage and direction boards.            | 74%            | 23%       | 1%                   | 2%             |
| Excellent service rendered.                         | 80%            | 15%       | 2%                   | 3%             |
| Sufficient security provided.                       | 80%            | 15%       | 3%                   | 2%             |
| Sufficient public amenities are available.          | 73%            | 22%       | 3%                   | 2%             |
| Tourism facilities are accessible for the disabled. | 79%            | 17%       | 2%                   | 2%             |

Based on the information presented above, respondents regard all the elements as very important, with service excellence and sufficient security being the highest (80% in both cases). These are followed by accessibility for the disabled (79%). When adding 'very important' and 'important' it is interesting to observe that all elements scored 95% and above, and signify that all of these elements should be incorporated into the strategic management of tourism attractions in Mahikeng. Following is presentation of the cross tabulation of variables (demographic description and importance of tourism to residents) results obtained.

### 6.5.2 CROSS-TABULATION: GENDER VERSUS IMPORTANCE OF TOURISM ATTRACTIONS ELEMENTS

The cross tabulation records the frequency of respondents that have the specific characteristics described in the cells of the table.

Table 6.11 indicates that the majority of both males and females pointed out that easy accessibility to tourism attractions, sufficient signage and direction boards, excellent

service rendered, sufficient security provided, the availability of sufficient public amenities, and accessibility for the disabled to the tourism facilities are very important when considering to visit tourism attractions in Mahikeng.

The success or failure of a destination depends on being able to provide a safe and secure environment for tourists, and in particular local residents, whom are a vital component in creating a prosperous tourism environment and can serve as a catalyst for growing international tourism in Mahikeng. One of the most important components in all industries, but more so in the tourism industry, is quality service rendered to tourists, and it was highlighted by both males and females as very important. All role players in the tourism industry in Mahikeng should strive to improve the quality of their service, which will ultimately lead to higher levels of consumer satisfaction in the belief that this will create loyalty amongst the residents of Mahikeng. It has been proven that loyal visitors do return to a destination (attractions in this case) and recommend it to others.

**TABLE 6.11: Cross-tabulation: gender versus importance of attraction elements**

| Statement  | Gender | Range          |           |                      |                |
|--|--------|----------------|-----------|----------------------|----------------|
|  |        | Very important | Important | Not important at all | Not applicable |
| Tourism attractions are easily accessible          | Male   | 108            | 62        | 5                    | 2              |
|  | Female | 102            | 16        | 3                    | 5              |
| Sufficient signage and direction boards            | Male   | 115            | 62        | 0                    | 0              |
|  | Female | 110            | 7         | 4                    | 5              |
| Excellent service rendered                         | Male   | 130            | 40        | 3                    | 4              |
|  | Female | 113            | 5         | 4                    | 4              |
| Sufficient security provided                       | Male   | 120            | 42        | 10                   | 5              |
|  | Female | 122            | 4         | 0                    | 0              |
| Sufficient public amenities available              | Male   | 120            | 44        | 8                    | 5              |
|  | Female | 102            | 22        | 2                    | 0              |
| Tourism facilities are accessible for the disabled | Male   | 125            | 42        | 4                    | 6              |
|  | Female | 114            | 10        | 2                    | 0              |

### 6.5.3 DEMOGRAPHICS CHARACTERISTIC (Gender): ANOVA

A one-way ANOVA was used for the analyses of the data. ANOVA explains how independent variables interact with one another and what effects they have on the dependent variable. When the p-value is smaller than 0.05, then there is a statistical significant difference and practical significant difference guidelines is 0.2 = a small effect, 0.5 = a medium effect and, 0.8 = a large effect.

Table 6.12 clearly reflects that there is no practical statistical difference between males and females in terms of any one of the elements of attractions as indicated in every statement.

**TABLE 6.12: DEMOGRAPHIC CHARACTERISTICS: ANOVA**

| Variables  |        | N   | Mean | Std. Deviation | Std. Error Mean | Effect Size |
|--|--------|-----|------|----------------|-----------------|-------------|
| Tourism attractions are easily accessible.         | Male   | 177 | 1.33 | .609           | .048            | 0.16        |
|  | Female | 126 | 1.44 | .711           | .063            |             |
| Sufficient signage and direction boards.           | Male   | 177 | 1.23 | .508           | .038            | 0.26        |
|  | Female | 126 | 1.40 | .659           | .059            |             |
| Excellent service is rendered.                     | Male   | 177 | 1.16 | .466           | .035            | 0.33        |
|  | Female | 126 | 1.43 | .794           | .071            |             |
| Sufficient security provided.                      | Male   | 177 | 1.19 | .482           | .036            | 0.27        |
|  | Female | 126 | 1.38 | .725           | .065            |             |
| Sufficient public amenities are available.         | Male   | 177 | 1.25 | .552           | .041            | 0.27        |
|  | Female | 126 | 1.44 | .699           | .062            |             |
| Tourism facilities are accessible for the disabled | Male   | 177 | 1.22 | .586           | .044            | 0.20        |
|  | Female | 126 | 1.34 | .609           | .054            |             |

### 6.5.4 RELIABILITY OF VARIABLES AND CONSTRUCTS

This study has proposed the use of Cronbach's alpha reliability coefficient to check if variables and constructs are reliable for use.

According to Glien and Glien (2003:83), coefficient alpha (Cronbach, 1951) is certainly one of the most important and pervasive statistics in research involving test construction and use. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. Cronbach's alpha is not a statistical test – it is a coefficient of reliability (or consistency).

**TABLE 6.13: RELIABILITY STATISTICS**

| Reliability Statistics |            |
|------------------------|------------|
| Cronbach's Alpha       | N of Items |
| .759                   | 31         |

The alpha coefficient for the 31 items/variables is 0.759, suggesting that the items have relatively high internal consistency. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items/variables in the scale. Gliem and Gliem (2003:87) provide the following rules of thumb: “\_>0.9- Excellent, \_>0.8- Good, \_>0.7- Acceptable, \_>0.6- Questionable, \_>0.5- Poor, and \_<0.5- Unacceptable”.

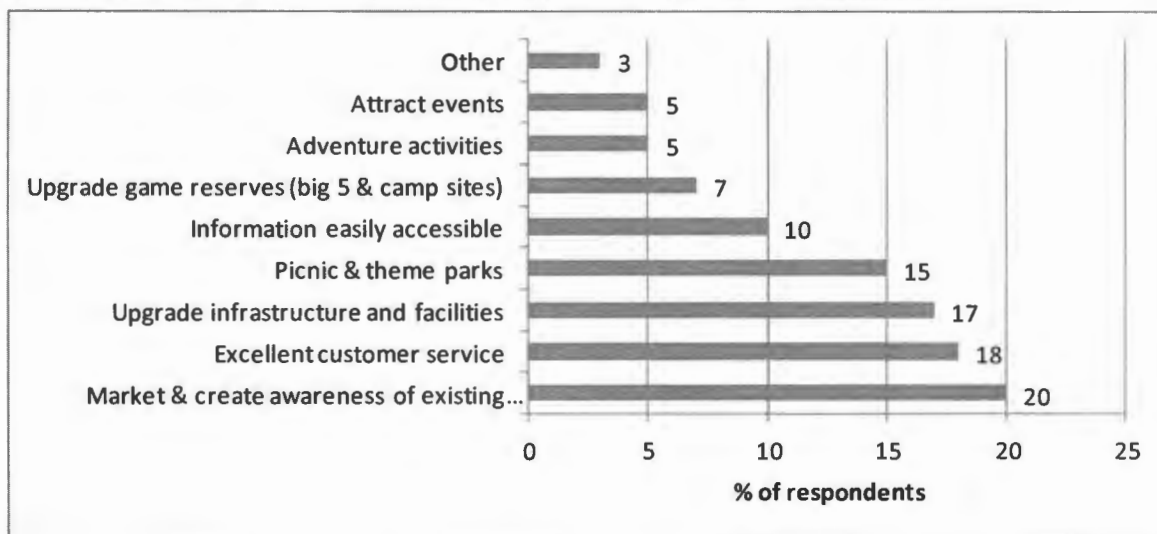
## **6.6 PREFERENCES AND NEEDS IN TERMS OF TOURISM ATTRACTIONS**

Respondents were given the opportunity to freely express their preferences and needs in terms of tourism attractions in Mahikeng by means of open-ended questions. The focus of this section is on the preferences and needs which will most likely motivate residents to visit and support local tourism attractions. The responses received were grouped and the results obtained are illustrated below in Figure 6.15.

Marketing and creating awareness of the tourism attractions in Mahikeng were mentioned most by 20% of the respondents, as depicted in Figure 6.15. This clearly indicates that tourism authorities and role players should formulate marketing strategies to create awareness, since the support, goodwill and cooperation of residents is essential for the success and sustainability of tourism development in Mahikeng.

Furthermore, the results obtained clearly indicate that infrastructure, facilities and the level of service in Mahikeng require attention to enhance the experience and

**FIGURE 6.15: Preferences and needs in terms of tourism attractions**



satisfaction of residents as local tourists. As previously indicated in Figure 6.9, it should be noted that 30% of the respondents indicated that they have visited a tourism attraction only once in Mahikeng during the previous 2 years, and this might suggest that upon their visit to the attraction they were not satisfied with their experience, level of service rendered or the state of the infrastructure.

The findings can be useful to those responsible for the development, strategic management, and marketing of tourism in Mahikeng who need to formulate strategies to establish or enhance and maintain the competitiveness of Mahikeng as tourism destination.

## 6.7 SUMMARY

This chapter presented the research findings and the demographic description indicated the gender representation among respondents, the age groups, their marital status, level of education, occupational status and the number of years respondents have been residing in Mahikeng. A significant percentage of respondents (77.2%) have tertiary education or training. A cross-tabulation of the variables gender versus age group revealed that the greater majority of respondents were males and were between 21-60 years old.

The respondents were requested to state the number of times they had visited the tourism attractions in Mahikeng during the previous two years. Not as many of the respondents (30%) indicated that they had visited tourism attractions in Mahikeng at least once during the previous 2 years. Of all the tourism attractions in Mahikeng, Mmabatho Palms Resort was the most visited by residents in the previous two years. A cross-tabulation revealed that a vast number of respondents (105 of 228) who have been residing in Mahikeng for more than ten years visited tourism attractions in Mahikeng only once or never during the previous 2 years.

Respondents were asked about the level of awareness and support for tourism in Mahikeng and a high percentage of them understood the significant importance of supporting the tourism industry, but a greater majority stated that their knowledge of the tourism facilities was not good. An astounding percentage of 80% of the respondents stated that Mahikeng have a negative image as a tourism destination amongst residents. A cross-tabulation was performed and it revealed that a large number of respondents (113+30=143) are positive who are employed, strongly agreed that awareness of tourism facilities would lead to more support by residents, and only 1 of the 303 respondents disagreed. A Pearson correlation coefficient was used to measure the extent to which two variables are associated and it showed that adequate marketing of tourism in Mahikeng has a positive relationship to 'tourism information is easily accessible'.

Thereafter, respondents were requested to place importance on certain elements and components of tourism attractions. Respondents replied by stating that all the elements are very important, with service excellence and sufficient security being the highest. A cross-tabulation in this section revealed that the most important components in all industries, but more so in the tourism industry, was quality service rendered to tourists, and it was highlighted by both males and females as very important.

Respondents were given the opportunity to freely express their preferences and needs in terms of tourism attractions in Mahikeng by means of open-ended questions. Marketing and creating awareness of the tourism attractions in Mahikeng were mentioned most by the respondents, followed by excellent customer service.

The focus of Chapter 7 is on the inferences and recommendations which are based on the findings as presented in this chapter.

# CHAPTER 7

## CONCLUSIONS AND RECOMMENDATIONS

### 7.1 INTRODUCTION

The empirical research results obtained after the data had been collected by means of the specially designed questionnaire were statistically analysed and presented in the preceding chapter by means of discussions, figures and tables. The purpose of this chapter is to present the empirical findings which are drawn from the research survey and also includes recommendations to address the research problems and objectives stated for the purpose of this study. The primary objective of this study was to obtain an understanding of residents' awareness of and their propensity to support tourism for strategic management purposes. In order to accomplish this, and solve the research problem, four secondary objectives were drawn. This study is based on the residents of Mahikeng, in the North West province of South Africa. Figure 7.1 depicts how this chapter is organised and arranged.

**FIGURE 7.1: Conclusions and recommendations**



The following section of this chapter presents the empirical findings in terms of residents' awareness and support of tourism for strategic management purposes in Mahikeng.

## **7.2 EMPIRICAL FINDINGS**

An empirical finding is a process that derives logically from the premises known to be true and a process of reasoning from factual knowledge. This study culminates in a number of findings made on the results obtained as presented below.

### **7.2.1 RESIDENTS' AWARENESS AND PROPENSITY TO SUPPORT TOURISM**

The primary objective of the study was:

***To obtain an understanding of residents' awareness and their propensity to support tourism.***

The most crucial finding from this study is that a large percentage 58% of respondents from the survey stated that their level of knowledge and awareness of tourism facilities in Mahikeng was not good. It is important to note that the majority of respondents who stated that their level of knowledge and awareness of tourism facilities in Mahikeng was not good were between the ages of 21 and 60 years. Local residents' participation and their perspective of the tourism attractions in Mahikeng play an important role in the development of sustainable tourism planning and management strategies. There is increasing competition between destinations worldwide and also domestically in South Africa. Thereby, consumer information, such as residents' awareness and support for tourism is indispensable for strategic management purposes.

A considerable percentage 95% of respondents from the survey indicated that residents support for tourism was of significant importance to the development of tourism in Mahikeng. The findings revealed that 80% of the respondents indicated that tourism is

an important instrument that could be used to stimulate economic development by increasing employment opportunities and improving the standard of living for residents.

It is important to note that 99% of the respondents is of the opinion that tourism is an important economic sector that can support the development of formal and informal businesses. For example, agriculture and tourism are interdependent on one another. Farmers supply hotels, restaurants and retail shops with processed and semi-processed food, whereby the food items are consumed by tourists.

It is imperative to point out that the findings revealed that only 26% of the respondents have visited and supported a tourism attraction three times or more during the previous 2 years, but, subsequent to that, there is a large percentage 49% that either visited once or never visited any attractions during the previous 2 years. This is a missed opportunity in the development of tourism in Mahikeng. The support of residents is a critical factor for ongoing development and the development of sustainable tourism would be difficult without the support and participation of local residents.

## 7.2.2 DEMOGRAPHIC DESCRIPTION OF THE RESEARCH POPULATION

Secondary objective 1:

***To obtain a demographic description of the research population.***

The most important finding from this study was that the level of awareness and support for tourism differed from person to person. This could be influenced by factors such as the demographic descriptors (gender, age, marital status, level of employment, occupational status, and number of years residing in Mafikeng). It is important to note that reasons for visiting tourism attractions can also be related to what consumers prefer. The findings revealed that most of the respondents are between the ages of 21-40 years, male, single, had obtained a tertiary qualification, had a source of income and had been residing in Mahikeng for 10 years or more. For example, a greater percentage

69% of those respondents who have a means of income are more inclined to support tourism facilities if only they are aware of it, in contrast with the respondents who are unemployed and who are not economically active.

Destination marketers need to take cognisance of the demographic factors of consumers that influence their consumer behaviour. Variables such as age and life-cycle stage, occupation, prestige, economic circumstances, lifestyle, personality and self-concept need to be consistently monitored and evaluated to assist marketers in understanding consumer behaviour. Understanding the consumer behaviour process will enable destination marketers to develop communication and marketing strategies that will cater for the needs of different market segments. Market segmentation is one of the key principles of marketing and an extremely important step in selecting a marketing strategy.

### 7.2.3 TOURISM ATTRACTIONS VISITED BY RESIDENTS

Secondary objective 2:

***To establish the tourism attractions visitation practices of residents in Mahikeng.***

Regarding the number of times tourism attractions had been visited during the previous 2 years in Mahikeng, the results revealed that 30% of the respondents visited a tourism attraction in Mahikeng only once, and 19% of the respondents never visited any tourism attraction during the previous 2 years. It is also important to note that the cross tabulation analytical tool indicated that the majority of respondents who were single visited a tourism attraction only once; it was further revealed that a high number of respondents (105), who had been residing in Mahikeng for 10 years or more, visited tourism attractions only once or none at all during the previous 2 years.

A further discovery from the study was the revelation that a high number of respondents who were married had never visited tourism attractions in Mahikeng during the previous

2 years. To supplement this finding, 15% of the respondents stated that there are no family or children attractions catering for families, such as picnic areas and theme parks. Furthermore, the findings revealed that 89 of the respondents who are self employed or employed had only once or not at all visited tourism attractions in Mahikeng during the previous 2 years. This might suggest that not enough marketing and awareness is created amongst the residents of Mahikeng.

These insights suggest that Destination Marketing Organisations (DMOs) may benefit from developing market segments and target markets and to cater for the specific needs and preferences of the different types of consumers within the Mahikeng community. DMOs require tools to assist their decision-making and marketing. Segmentation is a management strategy which will assist in framing management thinking and segmentation can be used by destination managers to market a destination effectively, and to maximise financial and other resources. The findings of this study revealed that there is a significant relationship ( $P=0.001$ ) between the level of education and the number of times respondents had visited tourism attractions in Mahikeng during the previous 2 years.

Very importantly, there is clear concurrence between the number of visits to tourism attractions and the level of awareness of these attractions. There is also a high percentage of respondents who had visited tourism attractions only once or not whatsoever during the previous 2 years, and this can be ascribed to them not having had any knowledge and awareness of the tourism facilities in Mahikeng.

#### 7.2.4 RESIDENTS' AWARENESS AND SUPPORT OF EXISTING TOURISM FACILITIES IN MAHIKENG

Secondary objective 3:

***To investigate residents' awareness and support of tourism in Mahikeng.***

According to this study, the findings showed that an immense portion of respondents strongly agree that if they were aware of the tourism facilities in Mahikeng then they would be more likely to support it, and in fact that only 2 respondents disagreed with the statement. Subsequent to the previous finding, 246 of the 303 respondents (81%) stated that there was inadequate marketing of tourism in Mahikeng. It is important to note that 81% of the respondents mentioned that tourism information was not easily accessible, which clearly reflects a concurrence with the inadequate marketing of tourism and the accessibility of tourism information.

DMOs ought to endeavour to understand how residents make their decisions when deciding to visit and support tourism facilities in Mahikeng. Therefore, gathering insight and knowledge of the consumer buying decision-making process is important. An integrated marketing communication strategy should be formulated and put into action to disseminate information in order to promote and sell tourism facilities amongst residents. Marketers furthermore have to select communication tools that are most suitable for different target markets. For example, advertising in sport magazines may be very good at raising awareness and developing interests amongst male residents, but not necessarily be effective when targeting single female consumers.

Furthermore, the findings highlighted the reasons why residents had visited only once or never, and these are: a great percentage (40%) of the respondents stated that it was due to a lack of or no awareness of the tourism attractions, closely followed by 25% stating that there were no tourism attractions at all, and 15% stating that there were no family or children activities, such as theme parks.

According to the study, a significant percentage of respondents (80%) stated that Mahikeng had a negative image as a tourism destination. Images influence destination positioning and ultimately a tourist's buying behaviour. As tourism services are intangible, images become more important than reality, and the tourism destination image projected in information will greatly influence the destination image as perceived by consumers (and residents as tourists).

Stylidis *et al.* (2014:264) state that residents who hold a more positive image display a greater disposition toward government for tourism development, and will be more likely to recommend Mahikeng as a place to visit, and engage in more repetitive visitation, as opposed to those holding a less positive image of Mahikeng. A positive image held by residents is accompanied by positive word-of-mouth, indirectly displaying support for tourism. Residents' image of their area may shape the organic image that non-residents have of a place (through information provided by locals), as well as, directly influencing residents' support for tourism development.

## 7.2.5 IMPORTANCE PLACED ON ELEMENTS OF TOURISM ATTRACTIONS

Secondary objective 4:

***To investigate the importance of tourism to the residents of Mahikeng***

The findings, revealed that excellent service rendered, sufficient public amenities, and sufficient security provided are viewed as very important components that will encourage residents to visit and support tourism attractions in Mahikeng. The tourism market today is more competitive than ever before, and DMOs and other role players should invent and implement strategies taking into consideration the elements mentioned by respondents, as this will lead to establishing a competitive advantage over rival destinations.

## 7.2.6 RESIDENTS' NEEDS AND PREFERENCES IN TERMS OF TOURISM ATTRACTIONS IN MAHIKENG

Secondary objective 5:

***To obtain an impression of the preferences and needs of residents in terms of tourism attractions in Mahikeng.***

The findings indicated that 20% of the respondents stated that if they were to support tourism in Mahikeng, the tourism authorities and other stakeholders needed to vigorously market and create more awareness of tourism attractions and events. Tourism destinations should utilise promotional and marketing communication strategies and create awareness amongst residents, and also influence destination images. It is important to note that this study revealed that the refurbishing and upgrading of infrastructure and facilities in and around Mahikeng will expand support for local tourism. For example, tourism authorities need to realise that good road infrastructure plays a vital role in the satisfaction of tourists and will increase the likelihood of their return.

### **7.3 RECOMMENDATIONS**

Tourism would be supported more by residents if they are aware of the tourism facilities in and around Mahikeng. The problem statement: 'tourism planners would be in a better position to plan the strategic development and management of tourism in Mahikeng should they be knowledgeable about residents' awareness of and their propensity to support tourism' formed the foundation for this study and following are recommendations addressing this problem.

Consumers' perception of tourism can play a significant role in consumers' attitude toward a product or service and the consequent decision on whether or not to purchase. The statistical findings of this study showed that a great number of respondents stated that Mahikeng as a tourism destination have a negative image. As a result, stakeholders should instigate the reasons for this. Emphasis should then be placed on determining the best means to synergise marketing tactics and strategies to build and create a desired image for Mahikeng.

DMO and other role players should also aim to raise the level of awareness and increase local residents' visitation by creating a unique brand for Mahikeng that would position and differentiate itself from other destinations. Consequently, it is critical that

DMO manages destination Mahikeng strategically to enable the development of sustainable tourism, as it is vastly becoming an important component of economic development in South Africa and in the world, providing benefits that might improve the quality of life, such as employment, restaurants, accommodation services, improved infrastructure and facilities, natural and cultural attractions, festivals and other events, and also outdoor recreational opportunities.

If residents' attitudes were favourable towards tourism they would probably support additional local tourism development and they will be more hospitable towards tourists from other regions of South Africa and around the world. The successful implementation of strategies for raising the level of awareness and attaining support from residents would assist with, not only reducing seasonality that is constantly affecting the potential growth and development of tourism and other numerous challenges, but also to increase international tourist arrivals for the sustainable tourism development of Mahikeng.

Marketing should be enhanced to improve awareness and access to information. The existing tourism attractions also do not specifically meet the needs and requirements of particular segments (for example, married residents in Mahikeng), and will require the development of new and customised products (for example, theme parks). Understanding how Mahikeng's residents acquire information is imperative for future marketing management decisions, and it was shown by this study that their level of awareness is very low and a reason for concern.

An overall turnaround strategy needs to be created by the tourism authorities, and this will involve changing the marketing efforts and includes repositioning existing tourism facilities and attractions, together with the development of new ones. Creative and effective market segmentation can lead to the development of popular new products (theme park), but unsuccessful segmentation can cost a great deal of money and still not yield the desired result (failed projects and wasteful expenditure).

The importance of integrated product development and marketing cannot be overstated. Marketing without product development is risky; product development without an accompanying marketing is often futile. If Mahikeng as an area does not have the right product for a particular market segment, no amount of promotion will produce the desired long-term result. The marketing strategy needs to objectively examine what the consumer is seeking and how a destination can fulfil that need. The marketing strategy needs to articulate the destination's identity and positioning, as well as highlight its unique selling proposition.

The strategic management process serves as engine for future tourism development in Mahikeng. Strategic management is a process through which the DMO and other role players within the tourism industry can adapt, and this will involve analysing the internal strengths and weaknesses of Mahikeng as a tourism destination and scan for opportunities and threats in the external environment. The DMO then could formulate strategies to take advantage of strengths and environmental opportunities, and neutralise the weaknesses and the environmental threats. Residents of Mahikeng should be included in the tourism development strategy as they are a key factor in contributing towards the development of a lucrative and prosperous tourism industry.

Furthermore, the community based strategic management approach reinforces the need to guide the participation of key stakeholders across broad but essential fronts. A community based strategic management approach can thereby encourage and facilitate a holistic approach to destination development, which lays down not only economic considerations but also specific environmental, social and organisation criteria as well as the achievement of current and intergenerational equity considerations.

Tourism in the future should increasingly develop the domestic and local tourism market. It is hard to otherwise imagine balanced growth of international tourism in many destinations where domestic tourism is a marginal phenomenon, but otherwise has all the prerequisites for more intensive development of international tourism.

## **7.4 FURTHER RESEARCH PROSPECTS**

This study investigated the level of awareness and propensity to support tourism in Mahikeng. There are more research prospects that could be considered:

- There should be continued research on the level of awareness and support for tourism facilities as the means of marketing communication are continuing to change and evolve.
- Researching the satisfaction level of tourists on existing tourism attractions.
- More extensive research on tourists' preferences and needs in terms of tourism attractions in Mahikeng.
- To explore the contribution of infrastructure in the strategic development of tourism in Mahikeng.
- To investigate the partnership and collaboration between all role players in the development of a sustainable tourism industry in Mahikeng.

## **7.5 LIMITATIONS**

There were a number of limitations to this study. Finding the most recent information from secondary data sources on the subject was a challenge because there are limited secondary data sources on residents' support for tourism that address this subject as there is mostly secondary data on international tourists. A total sample of 303 was obtained and ideally a larger number should have been included in this study. However, due to lack of cooperation from many of the residents and an unwillingness to participate in the survey, as well as time and monetary constraints, a larger sample remains idealistic at this stage.

## **7.6 CONCLUSION**

The deficiency in destination marketing, absence in governmental support for tourism, the unethical practices in the business sector, the low standards of service, the deficiency of infrastructure, and inadequate facilities create a negative image of

Mahikeng as a tourism destination amongst residents, which is usually accompanied by a low level of support by residents. The findings of this study revealed that a greater percentage of respondents stated that Mahikeng have a negative image as a tourism destination.

The goodwill and cooperation of local residents are essential for the success and sustainability of tourism development, as residents are the cornerstone whereby a prosperous and growing tourism industry is built and for the reason that they can recommend the tourism attractions to other tourists in South Africa or elsewhere in the world. The sustainable development of tourism in Mahikeng is vastly dependent on the development of a coherent strategy management and on understanding how Mahikeng's residents acquire information for future marketing management decisions.

Strategic management is a proactive process of achieving long-term compatibility and competitiveness in a highly intense and dynamic tourism environment. The strategic management process has all the fundamental elements that guarantee the efficiency and effectiveness for attaining sustainable tourism development in Mahikeng.

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**Annexure A**

**ETHICS APPROVAL**



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## ETHICS APPROVAL OF PROJECT

The North-West University Research Ethics Regulatory Committee (NWU-RERC) hereby approves your project as indicated below. This implies that the NWU-RERC grants its permission that provided the special conditions specified below are met and pending any other authorisation that may be necessary, the project may be initiated, using the ethics number below.

|  |             |   |   |                |   |   |   |                                |   |      |   |        |   |   |   |
|--|-------------|---|---|----------------|---|---|---|--------------------------------|---|------|---|--------|---|---|---|
| <b>Project title: Residents awareness and support of tourism in Mafikeng for strategic management purposes</b> |             |   |   |                |   |   |   |                                |   |      |   |        |   |   |   |
| <b>Project Leader:</b> Prof M Potgieter  |             |   |   |                |   |   |   |                                |   |      |   |        |   |   |   |
| <b>Student:</b> AM Liteko  |             |   |   |                |   |   |   |                                |   |      |   |        |   |   |   |
| <b>Ethics number:</b>  | N           | W | U | -              | 0 | 0 | 2 | 6                              | 1 | -    | 1 | 4      | - | A | 9 |
|  | Institution |   |   | Project Number |   |   |   |                                |   | Year |   | Status |   |   |   |
| <small>Status: S = Submission; R = Re-Submission; P = Provisional Authorisation; A = Authorisation</small>     |             |   |   |                |   |   |   |                                |   |      |   |        |   |   |   |
| <b>Approval date:</b> 2014-08-06   |             |   |   |                |   |   |   | <b>Expiry date:</b> 2019-08-05 |   |      |   |        |   |   |   |

Special conditions of the approval (if any): None

### General conditions:

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following:

- The project leader (principle investigator) must report in the prescribed format to the NWU-RERC:
  - annually (or as otherwise requested) on the progress of the project,
  - without any delay in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.
- The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the NWU-RERC. Would there be deviation from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date, a new application must be made to the NWU-RERC and new approval received before or on the expiry date.
- In the interest of ethical responsibility the NWU-RERC retains the right to:
  - request access to any information or data at any time during the course or after completion of the project;
  - withdraw or postpone approval if:
    - any unethical principles or practices of the project are revealed or suspected,
    - it becomes apparent that any relevant information was withheld from the NWU-RERC or that information has been false or misrepresented,
    - the required annual report and reporting of adverse events was not done timely and accurately,
    - new institutional rules, national legislation or international conventions deem it necessary.

The Ethics Committee would like to remain at your service as scientist and researcher, and wishes you well with your project. Please do not hesitate to contact the Ethics Committee for any further enquiries or requests for assistance.

Yours sincerely

**Prof Amanda Lourens**  
Chair NWU Research Ethics Regulatory Committee (RERC)

## **ANNEXURE B**

### **SURVEY INSTRUMENT**



Dear Resident

You are cordially invited to participate in an academic research study conducted by Alpheaus Litheko, a post-graduate student in the Department of Management at the North West University, Mahikeng.

The purpose of the study is to research residents' awareness of tourism in the Mahikeng area, and your likelihood to support tourism.

Please note the following:

- This study involves an anonymous questionnaire. Your name will not appear on the questionnaire and the answers you provide will be strictly confidential.
- Your participation in this study is important and you may choose not to participate and may also opt out of participation without consequences.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will be able to provide a summary of the findings on request.
- If you complete the questionnaire, it is assumed that you have given consent to using this data for the study.

Please complete the following by indicating an X in the appropriate block.

### A. Demographics and Tourism Attractions

|    |   |  |                     |
|----|---|--|---------------------|
| 1. | Gender  | Male   | Female              |
| 2. | Age   | 3.   |                     |
|    | Up to 20  | Single   | Marital status      |
|    | 21 – 40   | Married  |                     |
|    | 41 – 60   | Divorced   |                     |
|    | Above 60  | Widow/widower  |                     |
| 4. | Educational level   | 5.   |                     |
|    | Never went to school  | Student  | Occupational status |
|    | Primary school  | Employed   |                     |
|    | High school   | Own business   |                     |
|    | College/university  | Unemployed   |                     |
|    | Other:  | Retired  |                     |
|    |   | Other:   |                     |
| 6. | How long have you been residing in Mahikeng?                                | 7.   |                     |
|    | Up to 5 years   | How many times have you been to tourism attractions in Mahikeng over the last two years? |                     |
|    | 5 – 10 years  | None   |                     |
|    | Above 10 years  | 1  |                     |
|    |   | 2  |                     |
|    |   | 3+   |                     |
| 8. | Please list the tourism attractions you have been to over the last 2 years. |  |                     |
| 9. | If none at Q8 – please state your reason(s) why not.                        |  |                     |

**B. AWARENESS AND SUPPORT FOR TOURISM BY RESIDENTS**

|     | Please indicate your level of knowledge, awareness and support of tourism facilities in Mahikeng                                 | Strongly agree | Agree | Disagree | Strongly disagree |
|-----|--|----------------|-------|----------|-------------------|
| 10. | My knowledge and awareness of tourism facilities in Mahikeng is good.  | 1              | 2     | 3        | 4                 |
| 11. | Residents play a vital role in developing a healthy and prosperous tourism industry.   | 1              | 2     | 3        | 4                 |
| 12. | Residents' support for tourism is vital element for successful tourism development.  | 1              | 2     | 3        | 4                 |
| 13. | Tourism is an important component in the economic development of Mahikeng (eg. Job creation and infrastructure development).     | 1              | 2     | 3        | 4                 |
| 14. | Residents' positive attitude and perception toward tourism will encourage future local tourism development.                      | 1              | 2     | 3        | 4                 |
| 15. | There is need to educate the residents of Mahikeng about tourism facilities (eg. Leisure, historical, dark, cultural, heritage). | 1              | 2     | 3        | 4                 |

**C. IMPACT EVALUATION**

|     | Please evaluate the reasons why or why not residents support tourism   | Strongly agree | Agree | Disagree | Strongly disagree |
|-----|--|----------------|-------|----------|-------------------|
| 16. | Awareness of tourism facilities will lead to more support by residents.  | 1              | 2     | 3        | 4                 |
| 17. | There is adequate marketing of tourism in Mahikeng.  | 1              | 2     | 3        | 4                 |
| 18. | Tourism information is easily accessible.  | 1              | 2     | 3        | 4                 |
| 19. | Sufficient information about tourism is provided through social networks, newspapers, television, radio, word-of-mouth, blogs, etc. to create awareness amongst residents. | 1              | 2     | 3        | 4                 |
| 20. | There are various tourism activities in Mahikeng (safaris, casinos, picnic sites, clubbing, packaged tours).   | 1              | 2     | 3        | 4                 |
| 21. | Infrastructure, facilities, transport, entertainment centres, and level of service require major attention to enhance tourism satisfaction.                                | 1              | 2     | 3        | 4                 |

|     |   |   |   |   |   |
|-----|---|---|---|---|---|
| 22. | Mahikeng has a positive image as a tourism destination amongst residents.   | 1 | 2 | 3 | 4 |
| 23. | The tourism products and services in Mahikeng provide value for money.  | 1 | 2 | 3 | 4 |
| 24. | The development and support of tourism in Mahikeng needs the support and involvement of local residents.  | 1 | 2 | 3 | 4 |
| 25. | The tourism industry is dependent on resident involvement (through the role as employees, local entrepreneurs, and on resident goodwill towards tourists).                            | 1 | 2 | 3 | 4 |
| 26. | Tourism is a tool to support the development of formal and informal businesses (eg. agriculture and crafts).  | 1 | 2 | 3 | 4 |
| 27. | Partnership and collaboration between all role players is critical in the development of sustainable tourism (public and private entities, tourism authorities, and local residents). | 1 | 2 | 3 | 4 |

| Please indicate how important you view the following about visiting tourism attractions within Mahikeng |  | Very important | Important | Not important at all | Not applicable |
|---|--|----------------|-----------|----------------------|----------------|
| 28.   | Tourism attractions are easily accessible.   | 1              | 2         | 3                    | 4              |
| 29.   | There is sufficient signage and direction boards.  | 1              | 2         | 3                    | 4              |
| 30.   | Excellent service is rendered.   | 1              | 2         | 3                    | 4              |
| 31.   | Sufficient security is provided.   | 1              | 2         | 3                    | 4              |
| 32.   | Sufficient public amenities are available.   | 1              | 2         | 3                    | 4              |
| 33.   | Tourism facilities are accessible for the disabled.                                      | 1              | 2         | 3                    | 4              |
| 34.   | Express your specific preferences and needs in terms of tourism attractions in Mahikeng. |                |           |                      |                |
| 35.   | Please provide any other comments you want to add to this survey.                        |                |           |                      |                |

Thank you for participating in this study



**ANNEXURE C**

**EDITORS REPORT**

**To Whom It May Concern**

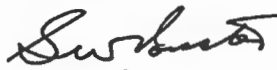
**I hereby certify that I have language edited the following text:**

**MCom dissertation titled: "Residents' awareness and support of tourism for strategic management purposes in Mahikeng"**

By

**AM Litheko**

**Date: 2015 11 03**



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