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CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 Introduction

According to the World Tourism Organisation (2005), tourism is one of the biggest contributors to global economic and employment growth. Equally vital is the role accommodation plays in the tourism industry. Callon, Miles and Muniesa (2007: 21) assert that the "*accommodation sector is one of the most important sectors of the tourism industry*". In fact, accommodation, or lodging, is by far the largest and decidedly ubiquitous sub-sector within the tourism industry. With very few exceptions, tourists require a location where they can rest and revive during their travels, or a place to stay when arriving at a tourism destination. This means that accommodation is an essential support facility in destination regions. There is immense diversity in the types of tourist accommodation offerings, ranging from accommodation that provides for one or two guests in a simple home style setting, to 'bedroom factories' with the capacity to cater for up to 5000 guests. Most forms of the accommodation are characterised by spatial ‘fixity’ (Pender and Sharpley, 2005). This means they occupy fixed locations within environments which may change and there is therefore the need to adapt to the changing business circumstances.

Page (2003) points out that accommodation provide the base from which tourists can engage in the process of staying at a destination. In essence, accommodation is a focal point for the hosting of guests and visitors, where a guest may pay a fee in return for a specified service. The development of accommodation facilities has normally accompanied the growth of resorts and areas of tourism activity, relative to the demand for visiting a specific locale. As is the case with tourists themselves, accommodation assumes many different forms and not all of them fit the conventional image of the hotel. Recent trends in the tourism industry have seen great changes in the form and nature of accommodation provision.

Accommodation is actually one of the vital sectors of the global tourism industry that contributes a reasonable percentage to overall tourism income. Traditionally, graded hotel accommodation was viewed as a tourist-attracting business but nowadays things have changed drastically. Hotels are nothing more than accommodation facilities at a destination and are graded according to the nature and quality of accommodation. According to Abram, et al. (1997) tourists seek from the tourism site both authenticity and some elements of fun and relaxation. This is exactly what most hotels strive to provide. It can therefore be assumed that hotels receive a bigger share of tourism generated economic output than smaller institutions. The core findings in the work of Beaver (2002) reveal that the growth of small tourism accommodations is often constrained by the power and dominance that is enjoyed by the so-called large enterprises. Nevertheless, hotel accommodation remains the dominant sector within all tourism enterprises.

As tourism grew, tourists could be found in almost every accessible corner of the world. Their presence everywhere gradually led to different types of tourism accommodation facilities emerging (e.g. guesthouses, resorts, caravan parks, B&B establishments and lodges) to offer experiences of a different nature in response to a growing clientele that was beginning to look for something different for a variety of reasons. The large accommodation enterprise is not found in every tourist's field of interest. Small, family-owned operations are nowadays common in most countries of the world. Unfortunately, researchers have largely concentrated on graded hotels while ignoring the small-scale tourism accommodation providers that are fast becoming the preferred accommodation choice of many tourists. Studies undertaken by scholars like Abram, et al. (1997) and Singh, Timothy and Dowling (2003), show that only establishments with 30-bedrooms or more represent a typical hotel establishment. This view is in contradiction with contemporary practice. Most recently, in many parts of the world, including South Africa, the accommodation sector has diversified in type, size and function. Accommodation with 10 to 15 bedrooms is sometimes classified as a hotel rather than as a guesthouse. However, there are many misconceptions around classifying tourism accommodation.

Associated with increasing diversification are many challenges facing accommodation provision. Different emerging tourism accommodation providers are faced with addressing issues concerning meeting changing consumer demand, new marketing procedures and exacting operational challenges posed by sophisticated technology. For them to survive "niche marketing" is one of the best possible strategies.

According to George (2001), some of the big hotels are even tailoring their products and services to meet their threshold market. For example, although part of South Africa's Gambling Act 33 of 1996 restricts the number of casinos, there is a suspicion that there are some big hotels operating under the guise of a different name (Rogerson: 2005). Branded multiple operators can offer a range of products from budget to luxury, medium to small size tourist accommodation exacerbating competition that has developed between large, medium and small scale tourism accommodation enterprises. On the other hand, an important survival-strategy for small, independent hotels is to be a member of a marketing consortium representing similar operations at a national or international level. At local level, the best strategy for survival could involve adopting a strategic plan that identifies a specific niche market at the best possible locality.

The focus of this study is non-metropolitan small- to medium-sized tourism accommodation (NSMTA) in Limpopo, the challenges relating to their capacity and their potential role in tourism promotion and development in the province. The small to medium size tourism entrepreneurs in the accommodation sector form the core component of the study. It is thus necessary to look at both the formal, conventional, as well as the informal, non-conventional types of tourism accommodation in the study area. The majority of the targeted sites appear to be non-conventional because the buildings were previously used for a different purpose**.** Examples are an old age home being turned into B&B accommodation and residential houses being leased out as tourist accommodation. In the preliminary investigation it was established that Black South Africans owned very few of the widely diverse small size non-metropolitan tourism accommodation facilities. According to the South African Government Gazette (2003), these are the kind of enterprises that should be benefiting. In fact, the majority of small accommodation enterprises, such as B&B establishments in the family home or holiday cottages on a farm, represent examples of white owned businesses, which are effectively adding revenue to the main source of income (Webster, 1998). By implication, this means that such operators are generally not concerned about development, growth and improvement of their operations as envisaged by the South African Government's White Paper (1996) on Tourism. The DEAT, the Business Trust, and Ebony Consulting International launched the R129-million Tourism Enterprise Programme to promote growth in the tourism industry (South Africa DEAT, 2004). The money has been used but who is benefiting from such money is not clear.

1.2 The geographical area in tourism context

Limpopo is the most northerly located province in South Africa. It is named after the great Limpopo River that flows along the country's northern border. The province, which offers a mosaic of superb scenic landscapes, has a fascinating cultural heritage, an abundance of wildlife species and many nature based tourism opportunities. Limpopo is home to the greatest concentration of South Africa's game farms, nature reserves and national parks. It offers the quintessential African heritage experience, with important cultural sites such as Mapungubwe and the Makapan valley, home to at least twelve distinct cultures. Limpopo forms part of the Great Limpopo Transfrontier Park, which is one of the greatest conservation initiatives in Africa. It is envisaged that the Great Limpopo Tourism Route will encourage even more tourism infrastructure synergy, projects and improved services. The route forms part of a plan to link four biosphere initiatives, two Transfrontier parks, 32 conservancies and thousands of game farms, reserves and national parks into the integrated Great Limpopo Biosphere Reserve. This vision will offer expansive opportunities and will certainly increase the demand for non-metropolitan tourism accommodation. Such diverse tourism opportunities will indeed bring about an extended variety of offerings in the accommodation sector.

Limpopo is divided into four tourism regions: Capricorn, Bushveld, Soutpansberg and the Valley of the Olifants. Figure 1.1 shows the different tourism regions of Limpopo.

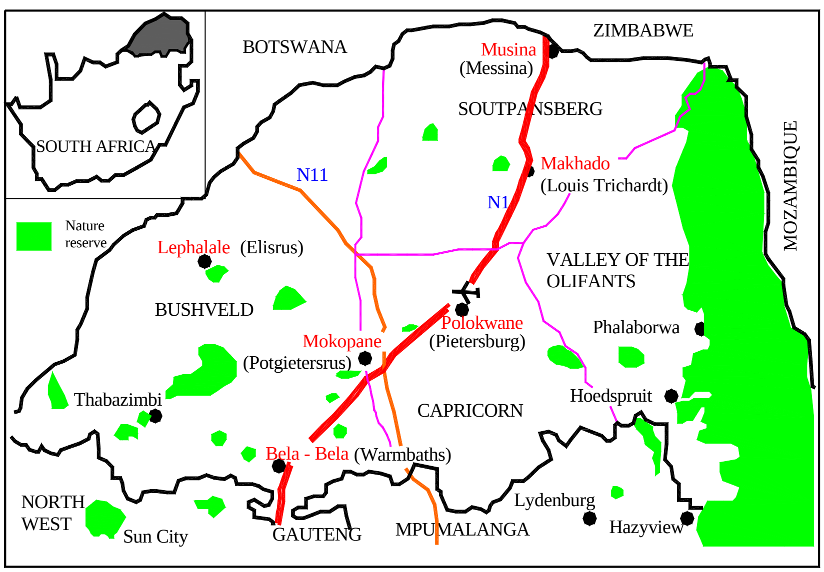

Figure 1.1 A Map of Limpopo's

1.2.1 The Capricorn region

The Capricorn region stretches from the Ysterberg, all along the foothills of the lush Wolkberg, to the Tropic of Capricorn in the north. The region's position makes it a perfect stopover between Gauteng and the northern areas of the province and between the country's northwestern areas and the world-renowned Kruger National Park. It is also in close proximity to the neighbouring countries of Botswana, Zimbabwe, Mozambique and Swaziland. The tourism hotspots of the region are Bela-Bela hot springs (formerly Warmbaths), Nylsvlei Nature Reserve and Bela-Bela Recreational Centre. The types of accommodation available are as follows:

Table 1.1: Capricorn region accommodation facilities and their status[1]

Accommodation Type	Registered Number	Grading	Capacity
Holiday Resort	6	N/A	23 – 176
Guesthouse	4	1*	12 – 26
Self-catering/ Lodge	13	2 **	10 – 103
Holiday Flats	7	0 – 3***	–
B&B	3	N/A	10 – 30
Hotel	3	2**– 3***	16 – 46
Back-packers hotel	–	–	–

1* = rating of one star, 2*= two star rating 3*= three star rating 4*= Four star rating, 5*= five star rating

Source: Compiled from Statistics South Africa [Stats SA (2006)]

On analysis of the above table it is clear that there are serious gaps in the data that need to be filled. This is problematic as even a limited field survey revealed the existence of operations that were unregistered but functional. Clearly, further

[1] Note * the asterisks refer to the rating stars and apply to all tables giving similar information.

research in this sector of tourism in this region is required to present a more accurate record of all facilities and their status.

1.2.2 The Bushveld region

The Waterberg comprises a range of mountains that stretch along more than 5000km^2 of spectacular vistas and scenic valleys. The area is steeped in history and some artefacts found here date back to the Stone Age period. The different rural tribes reflect the area's rich mosaic culture and tradition. The accommodation trend does not differ much from that found in the Capricorn region.

Table 1.2: Bushveld region accommodation facilities and their status

Accommodation Type	Registered Number	Grading	Capacity
Holiday Resort	6	N/A	23 –176
Guesthouse	4	1*– 2**	10– 0
Lodge	17	Not graded	8–140
Holiday Flats	7	0 – 3***	–
B&B	1	Not graded	10–30
Hotel	2	2** – 3***	15–50
Chalets and cottages	15	Not Graded	6–28
Self-catering	9	Not Graded	2–50
Camp	2	Not Graded	–

1* = rating of one star, 2*= two star rating 3*= three star rating 4*= Four star rating, 5*= five star rating

Source: Compiled from Statistics South Africa [Stats SA (2006)]

1.2.3 The Soutpansberg region

Across the northwest, and framing the northern border of the province, lays the Soutpansberg area. One of the main geographical features of this region is the Limpopo River, which forms South Africa's northern border. It is in this region that visitors find the former homelands of Lebowa and Venda where traditional African culture still thrives. In fact, this fertile valley has been home to cultures dating back to the Iron Age.

Table 1.3: Soutpansberg region accommodation facilities and their status

Accommodation Type	Registered Number	Grading	Capacity
Holiday Resort	4	N/A	18 – 160
Guesthouse	4	1*– 2**	10 – 30
Game Lodge	7	Not graded	8 – 70
Holiday Flats	–	–	–
B&B	13	Not graded	9 – 60
Hotel	8	2** – 5***	5 – 50
Chalets and cottages	31	Not- Graded	6 – 50
Lodge	30	Accredited – 5	6 – 110
Self-catering	9	Not Graded	2 – 50
Backpackers/Budget Hotel	4	Accredited	10 – 80
Tented Camp	2	Not Graded	–

1* = rating of one star, 2*= two star rating, 3*= three star rating, 4*= Four star rating, 5*= five star rating

Source: Compiled from Statistics South Africa [Stats SA (2006)]

1.2.4 The Valley of the Olifants region

Travelling east, visitors will discover the rich natural heritage of the Lowveld and the famous Kruger National Park. The region falls in the valley of great Olifants River that meanders through the Kruger National Park. The accommodation statistics are as follows:

Table 1.4: The Valley of the Olifants region accommodation facilities and their status.

Accommodation Type	Registered Number	Grading	Capacity
Holiday Resort	6	N/A	18–160
Guesthouse	7	1*– 2**	10–30
Game Lodge	11	Not graded	8–70
Holiday Flats	–	–	–
B&B	9	Not graded	9–60
Hotel	68	2** – 5***	15–50
Chalets and cottages	23	Not Graded	6–50
Lodge	48	Accredited - 5	6–110
Self-catering	16	Not Graded	2–50
Backpackers/Budget	5	Accredited	10–80
Tented Camp	8	Not Graded	–

1* = rating of one star, 2*= two star rating, 3*= three star rating, 4*= Four star rating, 5*= five star rating

Source: Compiled from Statistics South Africa [Stats SA (2006)]

The above statistics are by no means a true reflection of the situation on the ground. The total number of establishment from the four tourism regions is 416. The estimated number of beds in the province was over 3000 by the end of 2004, [Sustainable Tourism Research Institute of Southern Africa (STRISA), 2004]. Most of the beds (1022) are available in lodges and second to that are chalets

(1009), followed by guesthouses (553) and farmhouses (231). Hotels (113) and motels (89) also have a number of beds. Permanent tents (145) and tent stands (129) are less numerous, with a mere 12 beds in bush camps. It is interesting to note that while lodges and chalets have the largest number of beds, they have relatively low occupancy and are characterised by short stay duration.

The highest occupancy rates are noted in hotels and guesthouses that are graded and even more expensive. It is really surprising because tourism demand in Limpopo relates to outdoor and wildlife aspects with 74% of tourists belonging to the explorer category (STRISA, 2004). The smaller accommodation facilities were expected to be more readily used. On the other hand, South African DEAT (2004) states that the majority (55%) of the international tourists to South Africa are from immediate neighbours, i.e. Botswana, Zimbabwe, Mozambique, Lesotho and Swaziland, and they would normally opt for cheaper accommodation. The reason why they go for bigger enterprises is not yet clear. The report went further to say that, in 2004, Limpopo accounted for 6% of foreign tourists and received 9.4% of the domestic tourists. The numbers are not that impressive, especially when considering the fact that the province is said to have been repositioning itself for an increased share of the tourism market over the past three years.

1.3 Problem statement

The study focused on the problems that are mainly linked to the lack of the use of strategic planning strategies to promote tourism development among non-metropolitan small- to medium-sized tourism accommodation operators. First, the growth in the number of NSMTA facilities that operate without strategic plans in Limpopo poses a developmental problem. This does not contribute favourably to either provincial or national tourism growth or development. Such facilities cannot be relied upon to bridge the gap that exists between tourism demand and tourism supply. Second, the lack of visible, co-ordinated effort on the part of relevant provincial tourism stakeholders to promote tourism development through strategic planning is a matter of concern. This can be inferred from the poor working relationship that exists amongst NSMTA enterprises and the non-existence of an adequate enterprises database.

Tourism accommodation is a widely diverse sector covering a variety of facilities. The extent of the range seems to depend on demand and the availability of resources. For example, backpacking tourists require simple constructed accommodation, rather than large-scale developments. Tourism expansion is certainly accompanied by the increasingly varied nature of the demand for accommodation. This situation presents challenges to multiple brand operators as they respond by offering a range of products from budget to luxury NSMTA. The establishment of 'new' tourism routes in Limpopo has given impetus to the geographic extension of NSMTA initiatives. The majority of these small-sized non-metropolitan tourism accommodation initiatives have not been established for economic reasons. Rogerson (2004: 273) states: "*Structurally, South Africa's tourism accommodation sector is dominated by small groups of locally owned large tourism organisations led by Sun International, Protea and Southern Sun enterprises*". Although these large companies dominate the sector, the vast majority of South African tourism accommodation business concerns are non-metropolitan small enterprises (with fewer than 30 rooms, not more than 20 employees and less than R5 100 000 annual turnover).

The graded non-metropolitan hotels tend to be located relatively far from the actual tourism destinations. For example, the majority of hotels in Limpopo are located closer to towns like Makhado (formerly Louis Trichardt), Modimole (formerly Nylstroom), Polokwane (formerly Pietersburg) and Tzaneen. Most of these towns are more than 100km away from major tourism destinations like the Kruger National Park (KNP), the Mapungubwe heritage site and other provincial tourism hotspots. The small accommodation operators are the ones located closer to tourism attractions but there is little co-operation between them or with government and other major tourism stakeholders. Such a discrepancy creates disparities in terms of tourism demand and supply. Different emerging non-metropolitan small tourism accommodation facilities are faced with the challenge of meeting changing consumer demand, marketing and operational strategies especially those associated with digital expertise and modern telecommunication facilities, areas in which the bigger enterprises have the technical advantage.

Furthermore, the problem is also compounded by the mushrooming of different types of tourism accommodation in the non-metropolitan areas that do not promote tourism growth. A critical finding in this regard was that of Buhalis (1998:324) who stated that "*despite the numerical dominance of tourism economies in most parts of the world, small tourism accommodations lack a lobbying voice within the matrix of stakeholders at the destination*". This means that they tend to loose out to stronger voices of large enterprises that are more organised and connected. For example, small tourism accommodation firms do not complement each other, mostly because some are established for personal reasons such as being a source of additional family income. They seem to operate in ways that threaten each other's viability and survival. The emerging NSMTA providers will not be competitive enough while the significance of social, 'lifestyle' or non–economic factors dominate the reasons for their existence.

The accommodation sector has been a particular focus of attention with regard to the establishment, development and dynamics of small tourism enterprises (Thomas, 2004). However, the growth of small non-metropolitan tourism accommodation has been severely constrained by the presence of large enterprises that have advantages against which smaller organisations cannot compete. Bennett and George (2004) state that an important finding from empirical research conducted both in the United Kingdom and New Zealand is that the majority of small tourism firms offering accommodation do not aspire to grow and instead are often motivated by non-financial considerations. This concurs with the argument by the South Africa DEAT (2004), which states that, despite the relative economic success of tourism and a broad range of state policy, strategy and programme interventions that attempt to overcome economic disparities, entrenched inequalities continue to characterise the South African economy. These act as a deterrent to growth, economic development, employment creation and poverty eradication.

In terms of the number of operations, the NSMTA sector is decidedly dominant, yet is overwhelmed by problems related to an inability to respond adequately to ‘new’ tourism demands that are driven by the need to match demand with supply. One contributory factor that has been identified by this study is the lack of management skills amongst NSMTA operators. The presence of such skills could help in dealing with the dominance of large enterprises penetrating into peripheral areas where SMMEs should actually out-compete the large enterprises. Meanwhile, the NSMTA sector needs the support and the protection of the government to succeed in the peripheral areas. This would depend on the formulation and correct implementation of strategic planning to ensure the promotion of small enterprises. It is hoped that the recommendations of this study could help in that regard.

1.4 Aims and objectives of the study

According to Rogerson (2004), few reliable statistics relate directly to South Africa’s NSMTA sector. This could suggest that not much is known and documented about this important sector of tourism. On the other hand, it could also be linked to the fact that, although there is compulsory registration of tourist accommodation facilities in South Africa, this directive and procedure is neither monitored nor enforced. The actual number of tourist accommodation establishments is not known for certain (SAT, 2004). In view of this deficiency and gap in documenting developments in all facets of the South African tourism industry, this particular study intends shedding more light on the NSMTA sector in Limpopo.

The main aim of the study is to present a generic strategic plan that could be used to ensure prompt response by the accommodation sector to the change in tourism demand and supply as well as the ongoing adjustment of services. In order to achieve this, the aim of the study is divided into three sections. Under each section there are related objectives.

1.4.1 The distinguishing characteristics of the enterprises

The first aim is to determine the nature of the enterprises in terms of their locality, size, ownership and management styles. The following objectives were set:

- (i) to identify the preferred areas where NSMTA facilities are positioned in the Limpopo province.
- (ii) to establish the range of enterprises in terms of their type and size.
- (iii) to determine the types of ownership and management styles commonly used amongst NSMTA operators.

1.4.2 Operational nature of the business

The second aim is to assess the operational nature of the business in terms of professionalism in operation, self-evaluation of business performance and collaboration between stakeholders. This was enhanced by the following objectives:

- (i) to establish the level of professionalism within Limpopo's NSMTA sector.
- (ii) to determine if Limpopo's NSMTA operators use strategic business assessment mechanisms to assess their business performance.
- (iii) to determine the kind (if any) of working relationship that exists amongst Limpopo's NSMTA operators and their contribution to tourism growth.

1.4.3 The extent to which strategic planning is considered

The third section is to determine the extent to which strategic planning is considered and used by Limpopo's NSMTA facility providers. The following objectives were set to assist in that regard:

(i) to determine the extent to which strategic plans are used and valued in the operation of NSMTA establishments.

(ii) to present a generic strategic plan that could be used to ensure a prompt response by the accommodation sector to changes in the tourism demand and supply situations.

1.5 Research questions

This study is guided by the following research questions:

(i) Where in Limpopo, are the NSMTA enterprises located and what has influenced their choice of site? The answer to this question will provide an indication of the nature and the extent of competition in a specific area and also provide some evidence of a required collection of resources for the enterprises.

(ii) What types of NSMTA facilities are prevalent in Limpopo? The answer to this question will reveal the range of enterprises that are present in the province.

(iii) Who are the owners/managers of NSMTA enterprises and what motivated them to establish their enterprises in Limpopo? The answer to this question will address the operational nature of the enterprises, the operators' business philosophy and level of professionalism.

(iv) Is there any evidence of the use of a strategic plan (i.e. in a form of vision and mission statement) by accommodation operators? The answer to this question will reflect the level of professionalism within the business.

(v) Is there evidence of the application of business assessment mechanisms (e.g. SWOT analysis, benchmarking, scorecard analysis and value chain analysis) by existing tourism accommodation facilities operators in Limpopo? The assumption is that these mechanisms can be used during the process of developing a strategic plan or during the process of monitoring business performance.

(vi) Is there any form of a working relationship between NSMTA providers, large enterprises and other tourism stakeholders? What is the nature of the relationship? Information from this question will be used to achieve the fifth objective of the study. It can also shed more light on answers to the first and the third questions above.

(vii) What is the role of government in the promotion of the enterprises? This research question seeks to determine the kind of support that enterprises need and receive from the government. It will also reveal the role of government in the development of the small enterprises.

(viii) What role does the non-metropolitan tourism accommodation sector play in the growth and development of the local tourism industry? The focus of this question is on these enterprises' contribution to tourism development.

(ix) To what extent is strategic consideration given to non-metropolitan tourism accommodation development in Limpopo?

The research questions are used as the frame of reference for the investigation. They are also captured under the general framework of the survey questionnaire under sections relating to general information (the nature of enterprises), operational (business performance) and strategic questions (strategic plan).

1.6 The rationale of the study

The focus in this study is on the non-metropolitan small accommodation sub-sector within the accommodation sector of the tourism industry. It has actually become common knowledge that the tourism industry is one of the most important industries in the world today. Despite its importance, not enough research has been done in the field of non-metropolitan accommodation offerings. Non-metropolitan tourism accommodation has been clearly ignored despite its numerical dominance in certain areas in the industry. The reason for this could possibly be that government has targeted the more conventional mass tourism sector as the best strategy for rapid economic and social development.

Rogerson (2004) indicates that the significance of small tourism enterprises is greatly heightened by the South African government's commitment to transform the ownership structure of the tourism industry through several interventions. Yet, there is no official database for this important sector of the country's economy. It is for reasons such as this that the importance of this kind of research needs to be emphasised. For both the development and future sustainability of this sub-sector more research is crucial. In line with the objectives tabled in government's rural development and BEE programmes, this research is relevant as it highlights issues of national interest. Furthermore, this study is important because it brings the plight of the non-metropolitan tourist accommodation providers to the fore. From the literature reviewed, it appears that a study on this topic has not been conducted before. No clarity regarding the exact numbers of non-metropolitan tourism accommodation practices in Limpopo was found.

A further point is that the findings will be of value not only for the people within the accommodation sector, but also to other stakeholders within the wider tourism industry. Considering the fact that ecotourism is expanding rapidly in many peripheral areas in the form of specific application of the principles of general ecotourism, heritage tourism, cultural tourism and agro-tourism, the contribution of this study could enhance the basis on which opportunities for further tourism development would be considered. The study will certainly contribute to the body of knowledge associated with the tourism industry and provides a more nuanced understanding of South African non-metropolitan tourism accommodation. Moreover, it offers the additional goal of rethinking the nature of support interventions for emerging entrepreneurs and sub-sectors. Finally, it is anticipated that the findings and the ultimate strategic plan as devised and presented in Chapter 8 could be acceptable and useful for the implementation of local, provincial and national government initiatives to address the lack of strategic planning in this sub-sector.

According to South Africa Tourism (SATOUR now called SAT) (2003), South Africa has recorded considerable growth in tourism activities over the past two decades. This can also be used as the basis from which to argue that the accommodation sector deserves special attention when it comes to research.

1.7 Framework of the study

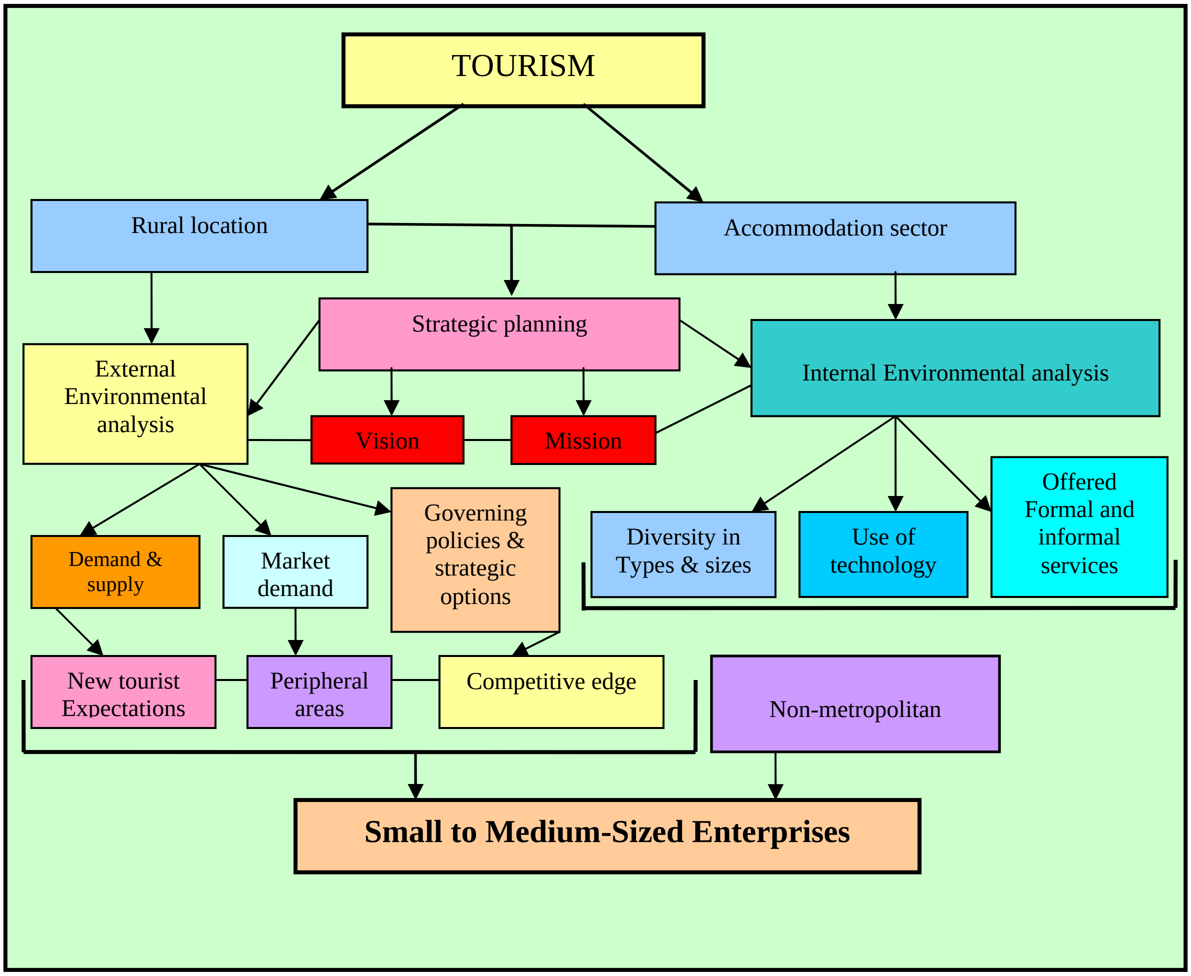

Figure 1.2: The framework of the study

In summary, the study focused on NSMTA enterprises. This is a sub-sector of the accommodation component of the tourism industry and, in this study; it is rural or peripheral-based. The external environmental analysis of these enterprises reveals that they are located in a rural setting that is non-metropolitan. In terms of SWOT analysis, the positioning or locality of these enterprises appeared to be their strength in terms of the spread of tourism and their contribution to tourism development. The actual positioning of non-metropolitan tourism accommodation facilities gives these enterprises characteristics that differ from urban-based accommodation facilities. It appeared to be a strength (or advantage) to some of the enterprises. For others, it worked against them as a weakness, because they were too far from the tourism hotspots. The study reflects on characteristics like challenges faced by these enterprises ranging from the lack of adherence to a strategic business plan where it existed, to the non-existence of a written strategic plan amongst operating enterprises, seen as a weakness.

A critical issue is the emergence of 'new tourists' (Poon, 1994) with high and specific demands who need satisfaction in areas that still lack basic technological expertise. Another concern focuses on the opportunities that allow the enterprises to cater for a wide diversity of tourism needs giving rise to the emergence of many different types of facilities in terms of size, function and services offered. Technology can expose the vulnerability of some NSMTA operators. The prevalence of a general inability to process electronic payments, limited access to the Internet and poor network coverage can be considered threats to business development and expansion in the tourism industry. The study attempts to establish the linkages between the sector's identified characteristics and the resultant effect of such linkages should they exist. However, the strategic planning issue is the core of the investigation. The study hypothesis is that tourism development can be achieved through the adoption of a well-formulated generic strategic plan for NSMTA facilities. The generic strategic plan should be based on a sound business philosophy that is governed by viable tourism business management principles together with a sound operational foundation.

The first facet dealt with in this thesis is the location of the facilities, indicated as comprising the external environment in strategic planning analysis. This is acceptably understood to be influenced by tourism demand, government policies and other external variables. The second aspect of the investigation is mainly on the strategic plan as a business tool that governs the goals and the intentions of enterprises. This relates to internal analysis wherein the availability or lack of vision and mission statement of an enterprise is considered. The expected outcome in this regard was assumed to show the extent to which NSMTA facilities adhere to or use strategic plans to achieve their business goals.

The third focus is more on the ownership and the management styles used by operators in the particular accommodation sector under review to determine the relationship between management style and diversity of services offered by the different operators within the non-metropolitan tourism accommodation sector. The services are expected to relate to the changing tourism demands generated by the ‘new tourist’. The fourth aspect relates to the existence of a feasible working relationship between different operators. Other issues include the identification of major challenges facing the NSMTA enterprises, the role of the government in the promotion of the enterprises and the mechanisms used to assess the business performance of these enterprises. For the development of these enterprises, the adoption and adaptation to the new trends in technology and future prospects mark the conclusion of the investigation.

In the penultimate chapter, attention is drawn to the kind of relationship that exists between the locational distribution of the accommodation establishments and the availability of tourism resources. The economic development of NSMTA enterprises is shown to be clearly linked to the incorporation of relevant management skills within the organisation and the implementation of an appropriate strategic plan in its business operation. Moreover, services offered are seen to intentionally meet the projected demand. The final chapter presents an overview of the study with comment on the research findings.

1.8 Conclusion

On the basis of the above deliberations it can confidently be stated that this study envisages shedding some light on the plight of NSMTA operators in the Limpopo province of South Africa and the country as a whole. The findings of this study will share new knowledge about tourism accommodation in terms of strategic needs. Findings are flagged to reveal the uniqueness and diversity within NSMTA facilities. The distribution and the provision of NSMTA is claimed to be subject to numerous variables ranging from locational choice, ownership and management style, regulatory codes and laws in terms of government policies (e.g. locality and safety legislation), as well as specialist laws governing food safety where food is served. The investigation considers both registered and unregistered establishments, their role in tourism development as an industry and their general economic development contribution.

A grading system exists to denote the quality of the establishment and accommodates different types of accommodation facilities. Whether statutory or voluntary, it can certainly form the basis of small enterprise benchmarking.

Large premises require a wide range of skilled staff to operate key departments, such as front office, food and beverage services, housekeeping services and concierge and portage staff, whereas these tasks are performed in a different way in the small to medium non-metropolitan establishments. The high cost of servicing the premises and the fact that owners or managers seek to optimise occupancy levels to cover costs, is assessed against the absence of a generic strategic plan. All accommodation enterprises, be they non-metropolitan or not, seek to sell their rooms, as they are assets that cannot be left idle but should be used for income generation in such a way to optimise latent potential.

Location often determines the appeal and accessibility of properties, and the small to medium non-metropolitan operators seem to be very aware of the advantages that go with positioning themselves with regard to the choice of the best location.

The next chapter is a review of literature that gave direction to the formulation of the study's focus. It deals with the different types of NSMTA enterprises and their respective role in the industry.

CHAPTER 2

THE NATURE OF TOURISM ACCOMMODATION AND ITS ROLE IN THE TOURISM INDUSTRY

2.1 Introduction

Although a rich international literature has been developed on the linkage between tourism and economic development, little South African based research has focused explicitly on tourism accommodation as part of a development strategy. For quite some time there has been an upsurge in the exploration of tourism accommodation development strategies, with Rogerson (2001; 2002; 2004) taking the lead in a series of investigations particularly in South Africa.

A number of studies have indeed highlighted the important role that tourism can play in non-metropolitan areas. From the wide range of documented material consulted, those sources considered particularly relevant to this study, and therefore worth mentioning, are referred to in this particular review. According to Frederick (1992), tourism has many potential benefits for non-metropolitan areas. There is no doubt that tourism is an important source of employment for non-metropolitan communities, especially those that are economically underdeveloped. Furthermore, Brown (1998) emphasised that tourism could lead directly to unsightly sprawl in rural areas by creating a demand for development involving different sectors within the tourism industry. One such sector is accommodation. Accommodation has been a travel requirement since the first trading, missionary and pilgrimage routes were established in Asia and Europe in pre-Christian times. The basis for such accommodation was generally non-paying, as travellers were provided with a roof over their heads and sustenance as part of a religious obligation or in the hope that similar hospitality might be offered to the host in the future. The first reference to commercial accommodation provision in Europe dates back to the thirteenth century (English Tourism Council, 2001). This concurs with the traditional perception that associates tourism with hotels. Traditionally, hotels played a central role in the development of tourism industry. Similarly, tourism accommodation in general and the NSMTA facilities in particular can be used as a tool for tourism development. In contrary to the traditional perception, this particular study establishes that tourism is one of the most dynamic industries that change with time. Nowadays tourism is associated with service industry that embraces business principles like competitiveness, sustainability and many others that will hopefully come-up in the proposed generic strategy in the final chapter of this study. The association of tourism with business brings accommodation to the centre of tourism studies.

Several scholars (Vallen and Vallen, 1991, Smith, 1991, Hall, 2005) regard accommodation as a basic, functional business within the tourism industry. Most tourists experience the extreme luxury and opulence of tourism when accommodation is of a high standard. Such accommodation can either be informal and private or it may be provided within units operated by major multinational organisations in conjunction with governments or independently. If one considers the traditional view of a hotel as an establishment that provides accommodation, food and beverage services to short-stay guests on a paying basis, the level of luxury would depend on personal choice and expectations. However, this is a somewhat inadequate description in view of the growth of ancillary activities commonly associated with non-metropolitan tourism accommodation in particular, whether for leisure, business or other purposes. Moreover, associated with this development, is the emergence of a tourism-orientated food and beverage industry that still need to be served under some kind of shelter or accommodation.

Hotels constitute a greater proportion as a sub-sector of tourism accommodation businesses. Most of the existing studies only focused on hotels, ignoring the fact that there is a diverse array and numerous classifications of accommodation facilities related to the tourism industry. In short, tourism accommodation in South Africa has been researched, but with a strong bias towards the more conventional perception that hotel accommodation is the only place where tourists stay [Rogerson, 2001, 2002, 2004, Visser, 2003, 2005(a)]. However, this is no longer the case. The preliminary findings (for this study) reveal that nowadays tourists prefer different types of accommodation (non-metropolitan small- to medium-sized tourism accommodation) to bigger hotels. To add on that, Bennett (2001) suggests that today tourists want to experience something new and are insisting on impeccable, first-class service and fair value for monetary outlay. The expectations of these so-called *'new tourists'(*as defined by Poon in 1994) have led to the emergence of new demand dynamics for a different type of tourism experience and means that the strategic provision of hotel accommodation has to be complemented by other types of tourism accommodation. These opportunities also deserve academic consideration, a need addressed in this research, partly justifying the envisaged investigation (Chapter 1, Section 1.6).

2.2 Classification of accommodation facilities

Classification of accommodation may be defined as "*the categorisation of accommodation facilities into different rating in terms of offered amenities, type of property and their size*" (Gee, 1997:67). Accommodation types may differ in terms of their style of operation (formal or informal), size (large or small), the service offered and the standard of the product. Although tourism accommodation has always been linked with entertainment facilities, food and hospitality, changes in the tourism industry have brought about the existence of different kinds of accommodation that do not necessarily adhere to traditional patterns. Cooper *et al*. (2000) state that hotels have always been major providers of a food service but this role has changed in recent years. Today customers have a choice of whether they need catering or not.

Classification of accommodation varies with countries. According to the WTOBC (2003), the capacity provided by accommodation determines the type of accommodation. For instance, if an operation provides both motel and camping grounds, and the majority of its provision units are motel rooms, then it will be classified as a motel.

Classification in terms of accommodation size reveals that smaller establishments tend to be more numerous when compared to the bigger establishments. This conforms to the classical geographical theories of sizes and spacing such as 'The Rank Size Rule' and 'The Central Place Theory', which claim that the number of bigger centres within a given area will always be fewer than the number of smaller centres. This means that the smaller accommodation establishments would have a bigger share of the number of tourists within a given area as has been shown to be the case in Australia. The pie chart (Figure 2.1) shows the percentage share of accommodation establishments in Limpopo in terms of their tourist carrying capacity. Establishments, which take 1 to 15 guests, outnumber the establishments, which take more than 15 visitors at a given time (SATGC, 2003).

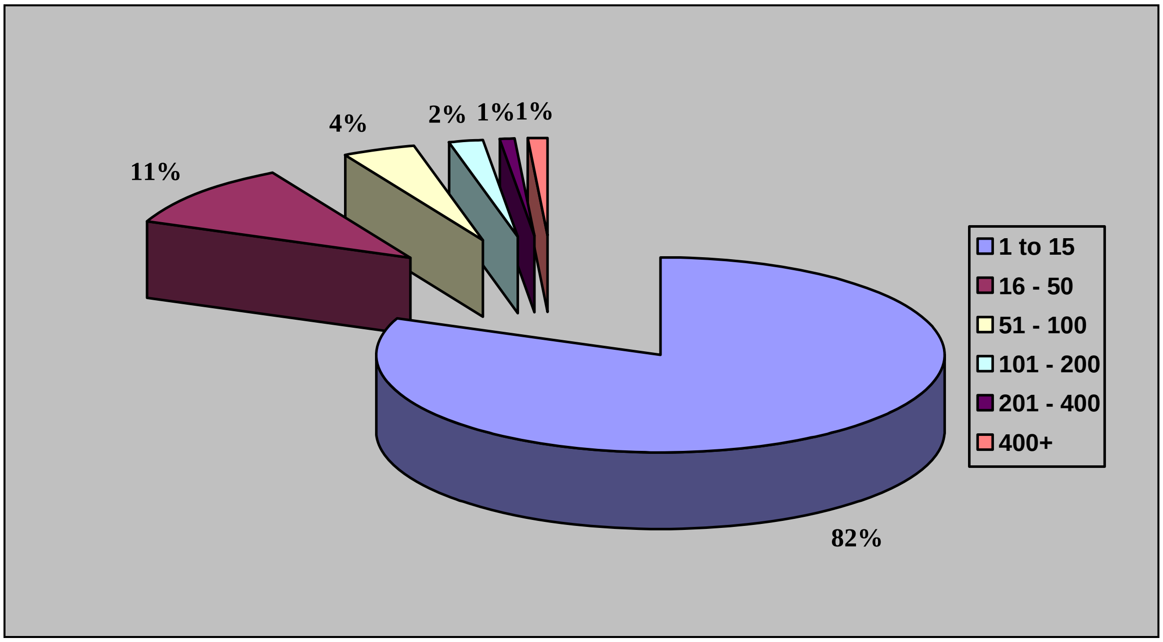

Figure 2.1: Accommodation Establishment by size and category

Source: Compiled from www.golimpopo.com

Figure 2.1 clearly indicates that the micro-enterprises are the most dominant category. This means that, if the small- to medium-sized enterprises were to be given special attention in terms of strategic development and promotion, they could make a huge difference in the whole sphere of tourism accommodation provision and the development of tourism industry in general. It is the hope the researcher that the proposed generic strategic plan can be adopted or adapted to contribute in that regard.

2.2.1 Accommodation grading

Grading emphasises quality dimensions. In practice, most national or commercially operated schemes concentrate on classification with quality perceived to be an add-on which does not impact upon the star rating of an establishment. It is common practice for almost all areas of the tourism accommodation sector to adhere to certain standards despite the fact that they are products of local or global forces representing socio-political, technological, and economic factors. The interplay of these factors does influence the sector's heterogeneity. In reality, a thoroughly scientific comparison of the tourism accommodation facilities is difficult because every business is based in a particular setting that is determined by specific local determinants. However, the process of accommodation grading still serves as the best mechanism to ensure standards in tourism accommodation.

In South Africa, two major bodies, the National Accommodation Association (NAA) and the South African Tourism Grading Council (SATGC) play a major role in tourism accommodation grading. Unfortunately, the reviewed literature indicates that only registered accommodation facilities may be graded, yet most of non-metropolitan tourism accommodation establishments remain unregistered and unnoticed. Furthermore, for grading, they need to apply formally and there are no obvious incentives for small non-metropolitan operators to register their enterprises. In fact, various accommodation grading and classification schemes have been applied for comparative purposes. Accommodation classification or grading is predominantly associated with large accommodation enterprises like hotels, lodges, B&B and few guesthouses and campsites. The South African Tourism Board keeps the inventory of the graded establishments (South Africa DEAT, 2003).

Standardisation and the establishment of uniform service and product create an orderly travel market distribution system. This is also useful for travellers who have to choose from the range and types of accommodation available to suit their needs within a destination area. It also helps in the promotion of a destination and development of a competitive edge for different categories of accommodation. Different classes of accommodation require different standards of facilities and services within their respective grades.

2.3 The diversity of tourism accommodation facilities

South African tourism accommodation sector can be categorised into two broad groupings, graded and un-graded accommodation. The graded includes formally registered accommodation like hotels, guesthouses and lodges. The un-graded are generally not registered and they are “informal” in nature. These range from self-catering, camps, holiday flats and many other small types of accommodation. Sheppard (2002) indicates that the grading of “formal” tourism accommodations in South Africa still range from one to five stars. The level of grading is based on SAT star grading system. The one star graded is the least rated while the five star is the most luxurious. With more people engaging in tourism with a budget-conscious mind, the use of highly rated five star accommodation is associated with the wealthy, while the middle-income groups prefer the middle graded three star accommodation (Sheppard, 2002).

Statistics South Africa (2006), reported that, achieved room rates in the Hoedspruit area for 2005/6 ranged from R150 to R400 per room for un-graded self-catering accommodation, R230 to R480 per room per person for B&B and R990 to R2500 per room per person in game lodges. All were un-graded. On the other hand, the graded ones happened to be even more highly priced. Generally, in the Zoutpansberg and Waterberg regions, the graded self-catering accommodation started at R280, yet charges could be as high as R1200. The B&Bs started at R350 and went as high as R3000. This implies that the charges and income rates differed according the grading status (Statistics South Africa, 2006).

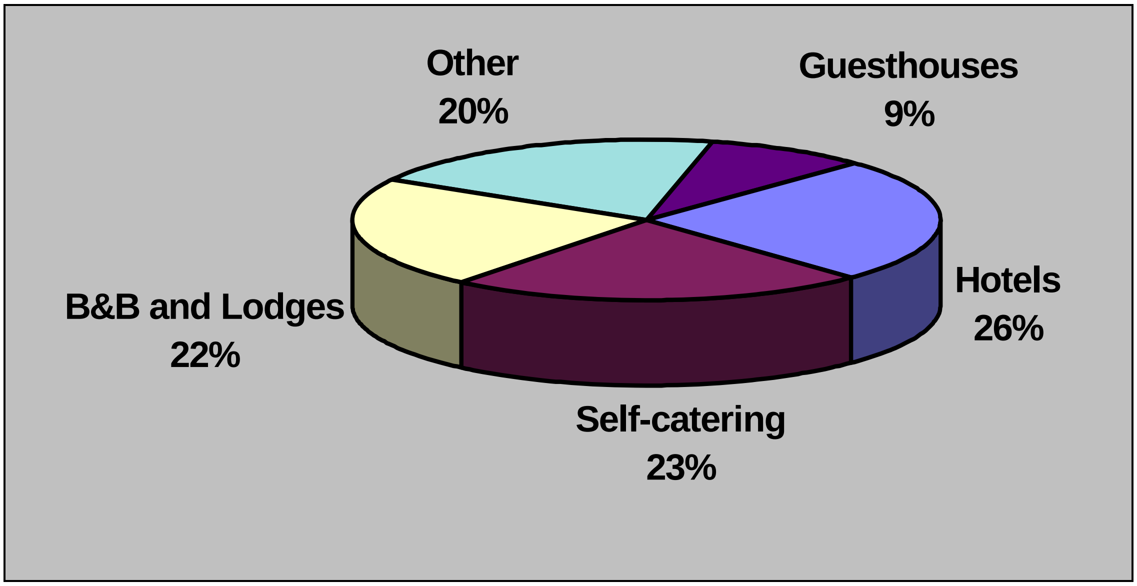

Figure 2.2: **Generalised types of tourism accommodation in Limpopo**
Source: **South Africa Tourism (2003:21)**

Figure 2.2 illustrates the different types of tourism accommodation in Limpopo and their percentage contribution to provincial tourism accommodation facilities. It suggests a few things to the researcher. Primarily, it does not seem to capture the actual reality as it stands today in terms of the types of tourism accommodation available in the province. This could either suggest that the tourism sector is growing rapidly because by 2007, the 20% denoted as "Other" in the pie chart, appears not to capture an accurate percentage. 'Others' entails resorts, camping sites and farmhouses. A preliminary investigation undertaken at the commencement of this study, documented that lodges are quite prominent in Limpopo. South Africa Tourism (2003) reported that international tourists who visited Limpopo in 2002/3 spent 55% of their funds on hotel accommodation whereas for domestic tourists, hotel accommodation accounted for 35% of their expenses. Figure 2.2 shows hotels as the slightly dominant type of tourism accommodation in Limpopo. Due to the rural setting of the province, the prevalence of self-catering accommodation and lodges make Limpopo a versatile tourism destination with a reasonable choice of accommodation for tourists. This study finds that self-catering category entails different types (i.e. Resorts, Camps, Holiday cottages and Backpackers facilities).

2.3.1 Guesthouses facilities

The guesthouse forms a sub-sector of tourism accommodation. It actually embraces different types of tourism operations with similar characteristics that offer beverage, food and accommodation in a small family style environment. These kinds of operations could offer relatively the same kind of service offered by small hotels although the guesthouse also includes a more homely environment where tourists may share facilities and meals with the hosts.

Internationally there are contrasts in the operation of this sub-sector. In the United Kingdom, B&B and guesthouse enterprises are not significantly different, although the former requires fewer controls or licences in order to operate. Indeed, it is a sub-sector where many operators take guests on a seasonal or sporadic basis and, as a result, can offer a flexible accommodation resource to both metropolitan and non-metropolitan areas (0lsen *et al.,* 1998).

B&B enterprises in the USA tend to be rather more sophisticated in their approach and comprehensive in their services. In European terms, they resemble inns or small hotels and are frequently members of national or regional marketing consortia. In Canada, inns are similar and can be grouped together on a theme or regional basis for marketing purposes. The Heritage Inns of Atlantic Canada is one example and membership depends upon a number of criteria, one of which is age of the buildings. All properties must have been built before 1930. Some Canadian inns offer very sophisticated facilities. An example is the Spruce Pine Acres Country Inn in Port, Newfoundland, which is a modern purpose-built facility with just six bedrooms. Its services also include a licensed dining room, a well-equipped meeting room and a business centre with Internet access (http://www.ctc.co.za).

In South Africa the phenomenal growth in the B&B industry has led to the formation of the BABASA. B&B establishments have increased from approximately 300 in 1993 to an estimated 30000 in 2004. BABASA was established to unite the industry nation-wide. Individual establishments and associations were often unable to attain their full potential in matters such as national advertising, national networking, collective bargaining, and representation at national level, staff training and other matters, which could contribute to the running of a more efficient and financially sound venture (SAT, 2003).

Farmhouse accommodation is becoming a popular concept in farming areas where agricultural tourism is dominant. Since farming is one of Limpopo's major economic practices, making use of farmhouse facilities for tourist accommodation is not by chance. This has also become a major feature of international tourism accommodation development in different countries, for example, in Ireland and New Zealand. Poon (1993) too draws attention to the fact that farmhouses form a component of rural tourism plans for countries in Eastern Europe and Asia.

Associated with farmhouse accommodation is the increasing popularity of hunting, especially in the Limpopo Bushveld**.** Accommodation is generally in the form of farmhouse with B&B on offer. Provision is usually within a working farm environment and guests may even participate in various aspects of the agricultural working routine as part of their leisure activities. Several researchers suggest that marketing of farmhouse accommodation includes consortia operating either at national or international levels (Gee, 1997; Burton, 2000; Dasgupta, 2003). In the South African context offering hunting with accommodation facilities either often operates at a personal level or at private level enterprise.

2.3.2 Self-catering facilities

Touring is an adventure that people can only enjoy if essential food and refreshments for daily sustenance are readily accessible. Self-catering accommodation offers an advantage in this regard by providing more than just sleeping arrangements since they are equipped with amenities for recreation and food preparation on personal basis, allowing them to prepare food according to their own preferences. This type of accommodation has become a sought-after component of lodging for touring people, especially families. Guests are housed in individual cottages or rooms that might have been adapted from normal residential use or purpose-built bungalows developed and marketed as a distinct brand.

In South Africa, there are different types of self–catering accommodation, some of which are privately owned and some controlled by the government like the Aventura resorts in Limpopo, Phillip Sanders in Orange Free State, Manyeleti in Mpumalanga and other former army barracks country wide now converted for vacation purposes.

Self-catering holiday accommodation can be accessed in different ways, usually as part of a vacation package, through an agency or independently directly from the owner. In some countries, self-catering accommodation is rented or leased out. In France and Greece, ownership of a country or beach cottage is not confined to the wealthy people. It is also a very common phenomenon in developed areas, particularly so in Moscow. Also available in South Africa are holiday homes that are not necessarily purpose-built, but purchased within the normal housing market, a practice that can create considerable distortion in the local property market and extend the gap between tourism demand and supply, which is constantly in a state of flux. Resentment arises within local communities when they see prices rise precluding them from buying. Furthermore, if the local housing market stock comprises a preponderance of holiday rather than residential homes, the impetus for growth in the provision of tourist accommodation facilities is curbed. North and West Wales are examples of areas where holiday homes have been a sensitive political issue in the past. It is quite common for local residents' homes to form the accommodation base for self-catering vacations (Vallen and Vallen, 1991). Jeffrey's Bay in South Africa also comes to mind because of the growing tendency to succumb to the alluring Cape, often for politico-cultural reasons.

2.3.3 Camping and caravan sites

The accommodation levels provided on the camping or caravan parks have improved greatly from the camping experience of earlier generations but are still restricted in terms of space and privacy. An important provider, within tourism, is the sub-sector offering sites for campers or caravans. Such sites may be basic fields with few, if any, utilities provided or sophisticated resort locations including a range of comfort services as well as leisure, food service and retail options. This form of accommodation is very popular in Nature Tourism and has an increasingly interested market. Permanent caravan sites include vehicles and sites for short-term renting, as well as those owned by visitors who may use the accommodation on a regular basis throughout the season (English Tourism Council, 2001). Although there is not much written about this kind of facilities in Limpopo, the study preliminary findings confirm the existence of camping and caravan sites in the province.

2.4 Contextual bases for the accommodation sector

Tourism accommodation provision in remote wilderness areas tends not to be generally favoured by big multinational operators because it would be too costly for them to develop such areas at both macro and micro levels. However, visitors' fascination with the most fragile natural, historic and cultural environments may create a demand for accommodation in such locations that, otherwise, would be totally off the beaten track and beyond the scope of big companies' business interests.

2.4.1 Human resources

Productive businesses within the accommodation sector, irrespective of size, are usually labour-intensive and are likely to remain that way. This is in spite of considerable improvement in productivity through use of technology, training, systems efficiency and management effectiveness. There are few labours-saving initiatives that could drastically reduce the level of employment in say, housekeeping. By contrast, the budget or economy sector is able to provide a quality product without service levels by minimising the level of staffing employed, e.g. Internet marketing and on-line services.

In spite of changes in the use and productivity of labour within the sector, accommodation remains an area that provides employment opportunities for a wide range of skills and aptitudes, reflecting not only the diversity of businesses that operate under the accommodation umbrella but also the variety of tasks that working in the sector demands. In many communities, accommodation businesses contribute socially by providing employment for people who would find it difficult to work in other sectors of the economy. Accommodation also provides relatively easy access to employment for new immigrants, legal and illegal, as well as those entering the labour market for the first time like school-leavers and students. These positive dimensions must be counterbalanced by recognition of the perceived and actual problems associated with work conditions, pay and general industry image issues, in both developing and developed countries.

Tourist use of catering facilities varies according to the specific service on offer and on their being located throughout cities, often in association with and servicing other facilities (Smith, 1998). Many catering establishments in cities reflect local community needs and tourism complements the existing pattern of use. Nevertheless, Ashworth and Tunbridge (1990: 65) acknowledge that "*restaurants and establishments combining food and drinks with other entertainment, whether night-clubs, discothèques, casinos and the like, have important location characteristics that render them useful in the sense that they have a distinct tendency to cluster together in particular streets or districts*". The preliminary findings concur with Tunbridge (1990) in the sense that NSMTA are clustered in certain localities within tourism route. Tourism developers in the non-metropolitan areas should take note of these observations.

Among the 'secondary elements' (Ghemawat, 1999) of the leisure product in urban areas, three components emerge as central to servicing tourist needs. These are accommodation, transportation and catering elements. One popular example of such accommodation in South Africa is Zandvlakte farm in the Eastern Cape. It is considered a hideaway where life is balanced between the great wonders of the world's ecosystems and the technological challenges of the new millennium. It is remote but not isolated.

2.4.2 The role of accommodation in tourism development

Tourist accommodation performs an important function within both the context of rural and urban tourism. It provides the opportunity for visitors to stay for a length of time to enjoy the locality and its attractions, while their spending contributes to the local economy. Accommodation forms a base for the tourists' exploration of the urban and the non-urban environments. The tendency for establishments to locate in urban areas precludes peripheral opportunities from expansion thus intensifying their need to find a relevant *modus operandi* rather than relying on what happens in the metropolitan areas and within established urban tourism initiatives.

The importance of infrastructure and accessibility comes clearly to the fore when hotels are built to serve specific markets. For example, an exhibition and conference market will need hotels adjacent to major conference and exhibition centres (Laws, 1995). However, this does not, by any means, suggest ignorance of the locational viability of the accommodation business.

The reviewed literature shows that functions of the accommodation sector within urban tourism can be divided into serviced functions and non-serviced functions sectors. Each sector has developed in response to the needs of different markets, and a wide variety of organisational structures have emerged among private sector operators to develop this area of economic activity. The rural accommodation sector can also be divided into different categories and this particular study will consider the nature of such categories in detail (Section 7.2). Pearce (1989) notes that many large chains and corporations now dominate the accommodation sector, using vertical and horizontal forms of integration to develop a greater degree of control over their business activities.

2.4.3 Accommodation as a tourism product

Generally, accommodation do not attract tourists on its own right, rather they provide support services that are the core-element of tourism industry. It can thus be argued that accommodation does not generate the tourist’s motivation for travelling. The motivation to travel is usually led by the desire to experience a wider tourism product at a particular resort or locality with accommodation as one of the crucial tourism product.

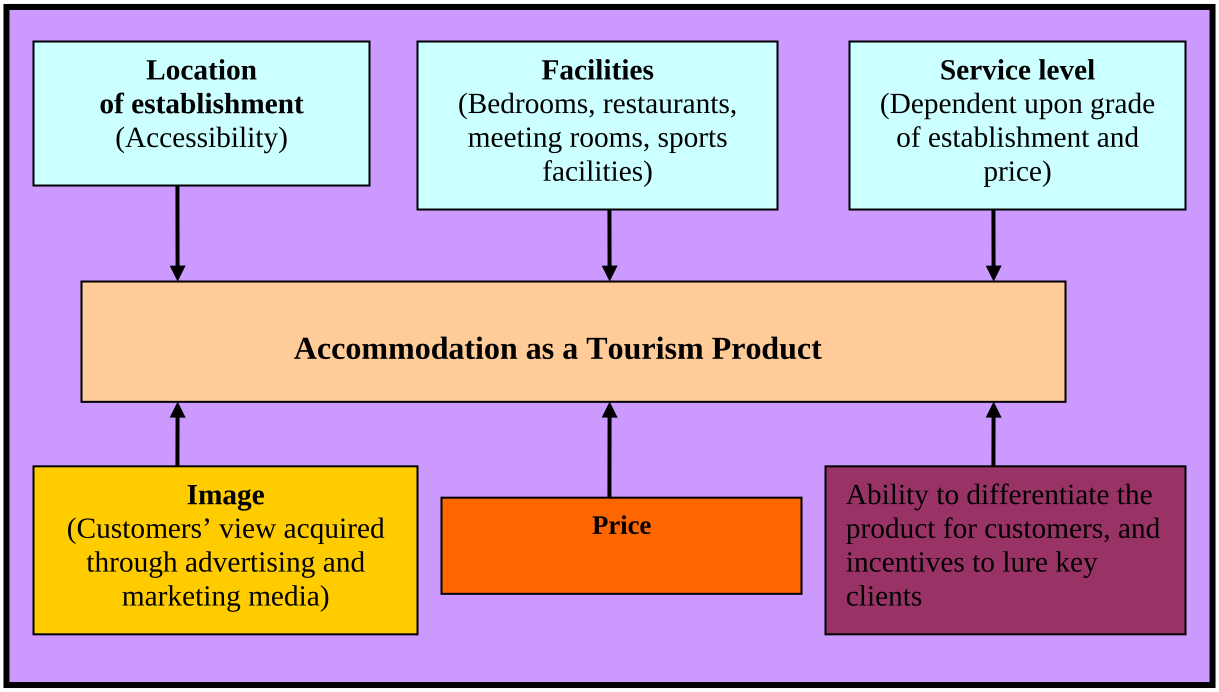

Figure 2.3: Accommodation as a tourism product.

Source: Author

Accommodation as a tourism product has to reflect the vital components of any business product. For sustainability, a product has to be well positioned or located. The location needs to be accessible in terms of transport, information technology and infrastructure. Location often determines the appeal and accessibility of properties. Typically, the distance decay principle applies to decision-making when considering accommodation locations. Luxury properties are located on prime town sites that have maximum access to attractions and facilities. Infrastructural facilities should include access to computers, the Internet and all sorts of entertainment and recreational opportunities. The quality of the service should relate to the grading and the value of products. Quality products create a good image that can easily be advertised through mass media. All these components of the tourism product are interrelated. The attractiveness of a product is of paramount importance.

Accommodation is an integral part of the overall tourism infrastructure as without it tourists will not visit the location. There are situations where its provision has dominated development plans. Moreover, it also assists in attracting wider investment in the tourism product at the locality. Hall (2000) gave the example of the province of Newfoundland, in Canada, where four hotels were built in strategic locations as part of its tourism development strategy in the early 1980s.

Talking about tourism economics, Boone and Kurtz (2007) agrees that accommodation could feature as an element in wider economic development strategies but it needs to play a primary and varied role as a successful tourism product too. If a hotel is simply a support facility for wider economic development only, it could easily operate at a deficit. Accommodation also plays an important role in the overall economic contribution, which tourism makes at a local and national level.

It is difficult to generalise about the proportion of total tourist expenditure that is allocated to accommodation because this varies greatly according to the market, accommodation type and nature of product purchased. A generally accepted estimate is that a third of the total trip expenditure is allocated to this sector. This figure decreases in the case of fully inclusive packages to say the Mediterranean or similar resorts, where intermediaries negotiate low-cost bulk purchases of apartment or hotel rooms. By contrast, the proportion may be considerably higher in the case of domestic tourism where total transportation costs are generally lower than is the case with international travel. Accommodation may be sold as a 'loss leader' to promote expenditure on other components of the tourism product. Off-season offers are frequently promoted whereby hotel rooms are provided 'free' on condition that guests spend a specified minimum amount on food and beverage. Such strategies recognise the highly volatile and fluctuating demand that exists on a seasonal and weekly basis, a broader dimension of the accommodation sector.

Accommodation can act as a catalyst for a range of additional sales opportunities within the complex tourism and hospitality business. Casino hotels have discounted accommodation in anticipation of generating considerable profit from customers at the gaming tables, while golfing hotels may seek to generate good profits from green fees rather than room revenues. Indeed, accommodation pricing in general, is a complex and sometimes controversial area. Rack room rates (those formally published as the price of the room) are rarely achieved and extensive discounting for group bookings, advance reservations and corporate contracts are widespread.

Fixed pricing is only successful and commonplace within the budget hotel sector. Yield, measured against potential, rarely runs at much more than 60% in the mid- to upper-market levels of the hotel industry and yield management systems are in place within most large companies in order to maximise achieved rates while optimising occupancy potential. Managing contracts in order to maximise yield is also an important strategy for accommodation units with the objective of replacing low yield groups or airline crew business with higher yield business or FIT guests (Stats SA, 2006).

2.4.4 Transport and accommodation

From the above review, it is clear that accommodation is an important facet of tourism. Transport and tourism are closely related industries. No one can really have tourism without travel**.** Tourists use transport to go to tourism destinations. The complementarity of the relationship between tourist transport and tourist accommodation tends to be the yardstick for tourism development. Tourism transport is an essential element of the tourist product in two ways. First, it is a means to reach the destination and, second, it is necessary for moving around at the destination. Increasingly, as part of the hospitality sector, the journey there is as important as the accommodation being closer to or at the destination area. Similarly, tourists consider basic elements like safety, convenience, service quality and flexibility with regard to transportation as they do with accommodation. Some of these issues will be addressed in this particular study. Young (1993) and Smith (1991) suggest that resorts went through various recognisable stages of land use change from the 1950s to the late 1960s when self-catering, caravanning and camping were less popular than they are now. Pearce (1989) suggests that most resorts still make allowances for this trend but anticipates that modification would accompany any change that would take place. However, traditional transport systems, like animal drawn wagons, and indigenous housing styles, like thatched houses, are still worth recognition and could be part of the tourism product package even in the technology-driven times of the present era.

2.5 Diversity within tourist market

Decreasing employment opportunities and less disposable income force more people to venture into different types of leisure activities. Sheppard (2002) identifies market segments that specifically require cheap accommodation with readily available services. Callon, Miles and Muniesa (2007) emphasises that accommodation is a segment of the tourism product that should be viewed in terms of its production, distribution and consumption. Converting residential properties into tourist accommodation is a process taking place in some formerly solely residential areas and is actually associated with the introduction of new job opportunities. Unlike formal sector accommodation that caters even for things like conferences, workshops and other big public gatherings, this kind of tourism production is essentially a micro-level initiative, the potential for which has not been established, especially in the peripheral regions.

The tourism industry has the capacity to promote this kind of accommodation especially in the field of ecotourism, which is said to be environmentally friendly. The issue of land use change control and private sector screening could be of high value in this regard and could bring greater economic benefit to the entire neighbourhood. Otherwise, neighbouring communities may exert pressure for the removal of this type of development. Hall and Page (2006) describe this kind of land use as having both economic and social impact on the surrounding communities. The adopted approach for this study is in line with Vallen and Vallen's (1991:113) tourism proclamation that it is "*an irreversible socio-cultural and economic reality*". Its influence in the sphere of human life is particularly important and it increases because of the known conditions of that activity's development potential. Such development poses a serious problem when it comes to the type of accommodation that the tourists would like. The tourists generally do not seem to favour typical indigenous African accommodation, a perception that actually suggests that the role of indigenous African accommodation style is of less quality. Considering the fact that accommodation in tourism promotion has been ignored for too long, this particular study intends bringing it to the fore. Currently the most desirable attributes for holiday destinations sought by prospective tourists are not only scenic beauty but also comfortable accommodation with very good security. Africa is capable of offering that. Today, tourists are increasingly seeking accommodation outside the city, which is more restful yet meets their holiday needs.

2.5.1 Checking the remaining gaps

The Tourism Business Council of South Africa (TBCSA) has compiled a number of documents related to the BEE Scorecard and the tourism industry, including background information and the tourism targets to be met by 2014. However, it did not pay much attention to the issue of non-metropolitan tourism accommodation.

In 2002 the Cape Town Conference came-up with a declaration, which was organised by the Responsible Tourism Partnership and the Western Cape Tourism Board as a side event preceding the 2002 Johannesburg WSSD. The Conference theme was "Responsible Tourism in Destinations". The Declaration embraces guiding principles in the social, economic and environmental spheres, in line with the ethos of responsible tourism being recognised at destinations, yet not specifically addressing the hidden non-metropolitan or rural accommodation facilities.

Similarly, the DEAT and the Tourism Business Council have compiled information on tourism funding programmes. It is aimed at assisting small and medium sized businesses within the tourism industry by providing information, giving criteria for funding and explaining the funding application process. However, most of the SMMEs in non-metropolitan areas are not benefiting yet from such initiatives. Hopefully, the work of this research will come to the attention of such operations as it offers a strategy that could assist peripheral tourism destinations gain easy access to such funding as part of its management policy.

The 2003 Durban Tourism Indaba conference released a paper on "Strategies, Impacts, and Costs of Pro-Poor Initiatives in South Africa" that describes strategies devised by five private sector enterprises to address poverty and development issues in neighbouring communities. There is no doubt that tourism has become one of the focal points for growth and development in South Africa. This particular study is aimed at contributing highly to national or even international objectives by suggesting the significance of promoting tourism development in non-metropolitan areas through initiatives undertaken by small and medium sized enterprises, particularly in tourism accommodation provision.

2.6 Conclusion

The above discussion shows that accommodation is the largest and arguably the most important sub-sector of the tourism industry. It is large and highly diverse. Together with the transport industry, the accommodation industry caters for international tourists, regional tourists, and national tourists as well as locally based tourists. In a way, it meets the needs of virtually all tourism market groups. The different categories of tourism accommodation were identified and confirmed by different scholars. Looking at all the different categories that are given in the above review only two broad categories can still identified the formal multi-national category and informal localised category.

Of the two categories, the former seems to have received more scholarly attention than the latter**.** Issues such as standardisation, employment capabilities and environmental responsibilities are generally addressed. The rapid change within this sector of tourism does not only bring fierce competition, but it also brings about new products and new service standards. It is the new product, with new service standards, that becomes the focal point of this study. Challenges posed by technological development within the accommodation sector of the industry are still to be addressed from a different perspective.

From all the literature sources reviewed, none was found to address the topic of this study in terms of the nature and role of an overall strategic plan in the management of non-metropolitan tourism accommodation facilities. The potential role of a strategic plan in terms of tourism accommodation demand and supply is either ignored or unknown.

The next chapter reviews the literature that addresses the issue of demand and supply.