

CHAPTER 3

HISTORICAL OVERVIEW OF TOURISM DEVELOPMENT IN THE KNP

3.1 INFLUENCE OF AFRIKANER NATIONALISM

The objective of this chapter is to provide an exposition of the historical overview of tourism development in the KNP. It also explains the management structures of both the KNP and SANParks to illustrate how tourism is managed in relation to other park activities. It highlights successes and failures of the KNP tourism system to facilitate the formulation of an integrated management framework for tourism.

The creation of any national park anywhere in the world can only be understood in the context of time and place when the event took place (Carruthers, 1995). Apart from the need for formal protection of wildlife, which in South Africa was almost exterminated through hunting in the late 19th century (Mabunda *et al.*, 2003), the proclamation of the KNP was influenced by many intertwined circumstances including political, economic, social and cultural imperatives (Cock & Koch, 1994). On the one hand there was a general acceptance that the principle of a national park was morally correct, that the viewing and studying of wildlife constituted a legitimate and desirable action in furthering the protection of the wildlife ideal (Carruthers, 1995; Pollard *et al.*, 2003). On the other hand there were socio-political and economic reasons that are often glossed over when the story of the KNP's success is related by ecologists.

The KNP was proclaimed during a period when an aggressive, though perhaps still nascent, Afrikaner nationalism and a search for a white South African identity were unfolding (O'Meara, 1983). This national identity was manifested in the unveiling of a new South African Flag (1928), the adoption of Afrikaans as an official language (1925), the revival of Voortrekker traditions by the Ossewa Brandwag Movement led by Dr Hans van Rensburg, the resurfacing of republican ideals and the loosening of imperial ties with Britain (Davenport & Saunders, 2000). It was against this backdrop that Eskom (the electricity utility), Yskor (Iron & Steel Corporation) and others were established as a form of state economic intervention to support the growing nationalism economically (O'Meara, 1983). In the private sector Afrikaner-led businesses such as Sanlam, Uniewinkels and Volkskas supported the Union Government's economic policies in dealing with the poor white problem (O'Meara, 1983). The establishment of the NPB added value to the government's programme of offering employment opportunities

- promote academic scientific research.

3.3.1.3 *Tourism Department*

- maximize (financial) contributions from tourism operations;
- create appropriate opportunities for public use, benefit and enjoyment;
- create benefits for local communities;
- create opportunities for academic research; and
- balance tourism and conservation objectives.

3.3.1.4 *People and Conservation*²⁵

- improve demographics of park attendance to represent all South Africans;
- promote environmental education in South Africa;
- build good relationships with local communities; and
- build support among staff.

3.3.1.5 *Corporate Services Department*

- human resources management;
- finance; and
- information technology, legal services, administration, capacity building and purchasing.

3.3.1.6 *Parks Department*

- various operational conservation, tourism and support services of 19 smaller parks excluding the KNP.

3.3.1.7 *KNP Department*

- Various operational conservation, tourism and support services in the KNP (SANParks, 2002, McKinsey, 2002).

3.3.2 KNP in the SANParks stable

The KNP derives its mandate from the main SANParks vision and mission. The mission statement of the KNP is “*to maintain biodiversity in all its natural facets and fluxes, and to*

²⁵ New name since structure review in 2002 when it was then called Constituency Building.

to unskilled and semi-skilled whites (Carruthers, 1995). It was a precursor to the present day Affirmative Action.

South Africa was not an exception in the nationalistic interpretation of wildlife conservation in that early era. Countries like the USA had led the way by doing the same when establishing their national parks (Clepper, 1966). The reliance on nature as proof of national greatness began in earnest after American independence from Great Britain. The USA idea of national parks had nothing to do with preservation of nature but the mobilization of the American national feeling to satisfy a painfully felt desire for time-honoured traditions for the New World as opposed to the Old World (Europe) (Runte, 1987). In Australia, the sentiments of nationalism fed upon and encouraged the romanticization of the Australian frontier experience (Birkhead, 1992; Wallace, 1992). National parks appear to be connected to a certain stage in a country's cultural evolution and help to weld together different groups. In the KNP's case the national park status it achieved in 1926 played a crucial role in the unification of English-speaking and Afrikaans-speaking white South Africans despite their cultural differences and economically different orientations (O'Meara, 1983). The two groups found common ground and consolidated their interests in conservation to the total exclusion of black people from this newly found national interest (Carruthers, 1995).

3.2 SCIENTIFIC CONSERVATION

From the conservation perspective, and as part of the classic paradigm of protected area management, initial philosophical views regarding the KNP were influenced and shaped by internationally reputable thinkers, philosophers, scientists, biologists, preachers and activists who developed the idea of environmentalism and its significance to the survival of all life forms (Fabricius *et al.*, 2001). This was in response to the dramatic environmental degradation caused by the Industrial Revolution in Europe (Guha, 2000).

The responses to environmental degradation led to an ideology of "scientific conservation". This new ideology of rational management of resource areas brought forests and other natural resources under state control (Commoner, 1972). The growth of the wilderness idea was a direct response to the ideology of "scientific conservation". American intellectuals such as John Muir, Aldo Leopold, Ralph Waldo Emerson and Henry David Thoreau followed the examples of the likes of Shelley, Byron, Wordsworth and Keats in promoting the idea of preserving wilderness areas from the onslaught of the plough and the bulldozer (Runte, 1987). In colonies like South Africa, large areas were cleared of the indigenous people and conserved for the exclusive use of white colonizers and their progeny (Guha, 2000).

Rolston (1989), in his work *Philosophy Gone Wild*, exerts a great influence on environmental ethics based on homeostasis and natural laws. According to the homeostasis theory the planetary system is essentially closed and life proceeds by recycling transformation, a principle that is embraced by the adaptive management approach. The recycling of systems results into a balance of nature and energy in a dynamic evolutionary process. Rolston sees it as an ethical and moral obligation for mankind to come to terms with his environment and the resources at his disposal, promoting rather than disrupting those great cycles of nature – of water movement, energy flow and transformation (similar to the cycle stages of the adaptive management process) – that has made life possible. Mankind must seek to achieve a “steady state”. The planet is a homeostatic system of finite resources and careless use of such resources has implications of an impending tragedy.

Rolston (1989) further argues that the wilderness is the scarcest resource and is threatened with imminent extinction if drastic steps are not taken to protect it. Nature is so special to man because it yields commodity, beauty, wisdom, discipline and spiritual healing. Certain areas and landscapes are preserved for their beauty and value and should be protected from destruction by man. Wild beauty adds spiritual quality to life and therefore wilderness is not a luxury but a necessity for the protection of humanized nature and for the preservation of mental health.

The question that this study raises is how, in a developing country like South Africa where poverty prevails at such high levels, can it be justifiable to preserve natural resources for its sake alone and in total exclusion of human use or enjoyment as these early environmental philosophers suggest? Even in First World countries like the USA, Canada, Australia and New Zealand, national parks were set aside for human recreational enjoyment and nation building in addition to wilderness preservation (Pigram & Sundell, 1997).

The early history of the KNP and its tourism growth was influenced to a large extent by these philosophical viewpoints of environmentalism. The traits of this era are still very much alive in the KNP today as it will be demonstrated later in the philosophical position and wilderness management approaches of the different epochs of management in the park. It is imperative to briefly analyse the organizational structure and functions of SANParks and the KNP to facilitate a deeper understanding of the problems associated with a lack of a tourism management plan in the KNP and how tourism has been managed in relation to other functions since 1927.

3.3 SANPARKS AND KNP MANAGEMENT STRUCTURES

When the KNP was opened for tourists in 1927 the function of tourist management was incorporated in the ranger's primary activities. Rangers built accommodation, roads and regulated tourist behaviour (Carruthers, 1995). Until 1998 no Department of Tourism existed at the Pretoria Head Office of National Parks Board (NPB, 1996). The responsibility of this department includes, *inter-alia*, giving strategic direction to marketing, product development, sales and tourism standards within a conservation context. Phillips (2003b) describes the general policy statement and the management capacity of the Department as "very weak". Its functions are narrow when it comes to helping business units (national parks) in formulating management plans with checks and balances to manage tourism impacts and service quality. The 2003 corporate tourism business plan approved by the Directorate resembles that of a hotel group operating in an urban environment. It does not reflect the crosscutting edges of a symbiotic relationship that exist between conservation and tourism in a protected area management system context. It lacks a management philosophy to guide tourism development in a protected area and perpetrates the "two-systems-in-one" approach between tourism and conservation. Its focus is purely financial and marketing. The corporate tourism department has yet to give a comprehensive strategic tourism direction to the individual national parks.

3.3.1 Head office (Pretoria)

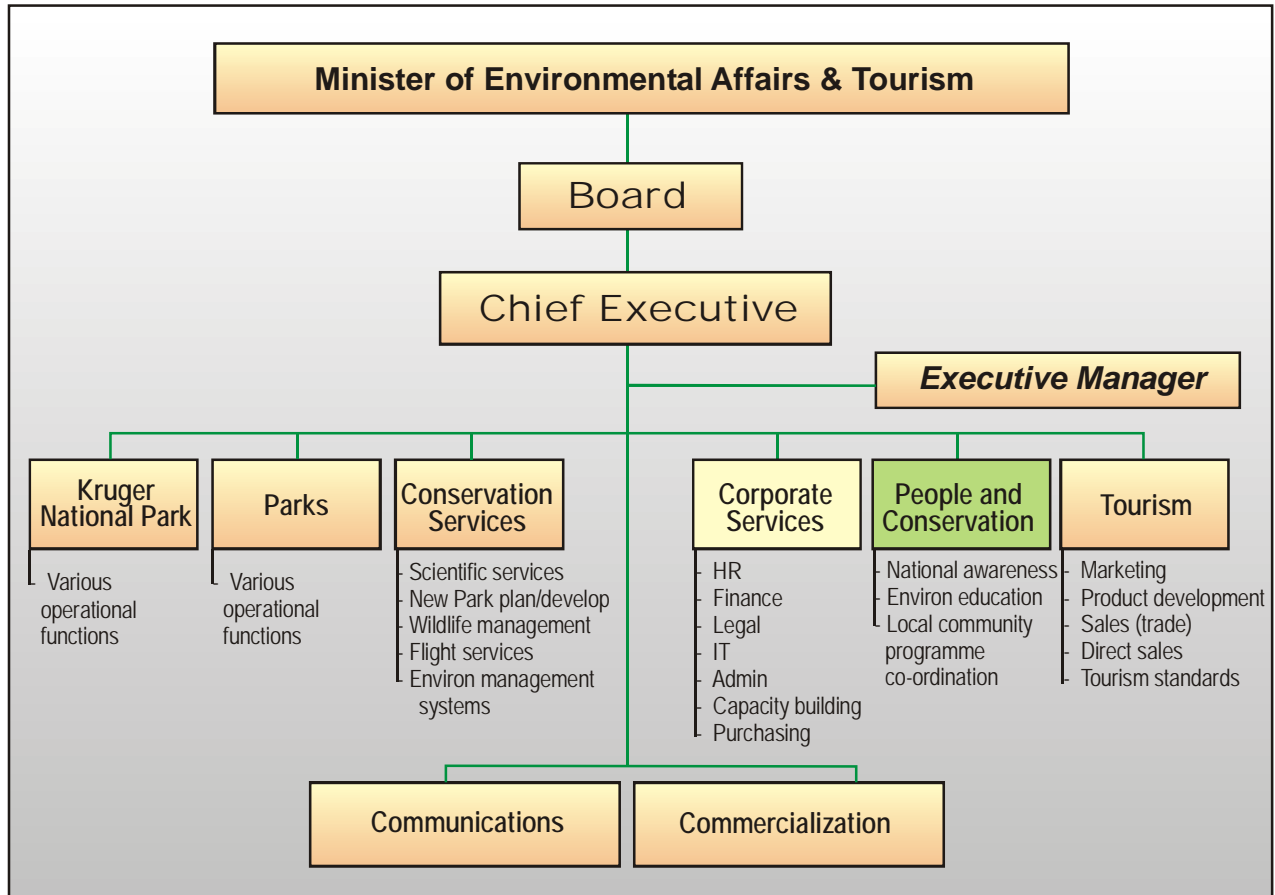
SANParks is established as a non-profit organ of state by a parliamentary statute, the National Parks Act, 1976 (Act No. 57 of 1976), as amended. The Minister of the Department of Environmental Affairs and Tourism is the political head responsible for SANParks and appoints the 18-member non-executive Board of Trustees (see Figure 3.1) to manage a system of 20 national parks across the country. The Board's term of office is three years and it is accountable for the overall performance of the organization. The Board has delegated the day-to-day management of SANParks activities to the Chief Executive and his team of Directors (executive managers).

The vision of SANParks is "*national parks will be the pride and joy of all South Africans*". The mission to achieve this vision is captured in three components:

- Protection of biodiversity through a network of national parks;
- Public use, benefit and enjoyment of national parks; and
- Building a constituency for conservation.

The mission's objectives are captured in the corporate business plan (SANParks, 2002) under different departments, as follows:

FIGURE 3.1: Organizational structure of SANParks



3.3.1.1 Chief Executive Officer

- strategic direction for all national parks;
- corporate Communications and Public Relations;
- commercialization as a special project²⁴;
- internal audit; and
- board secretariat.

3.3.1.2 Conservation Services Department

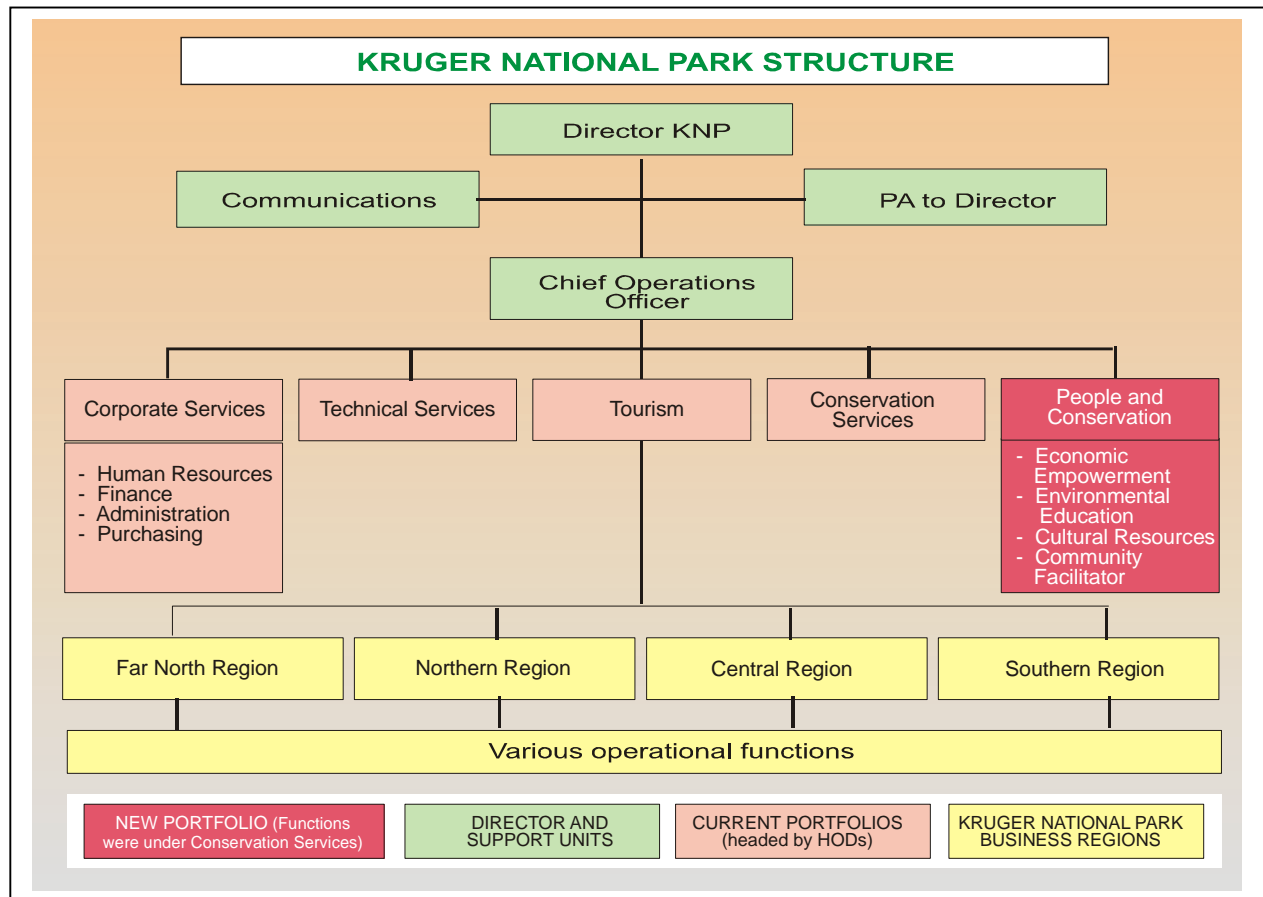
- effectively manage current parks to protect biodiversity;
- establish new parks to cover representative biomes unique to South Africa; and

²⁴ Commercialization is currently managed as a special project attached to the CEO's office. This arrangement will probably be reversed when the function will be merged with the tourism department.

provide human benefits in keeping with the mission of SANParks in a manner that detracts as little as possible from the wilderness qualities of the KNP ...” (Braack, 1997a)²⁶.

The KNP is one of the key departments reporting to the Chief Executive and because of its size, number of employees (2000) and critical mass in revenue generation (80 % of SANParks tourism turnover), it functions as a semi-autonomous business unit and has decentralized head quarters at Skukuza. Like all directorates in SANParks, the KNP has a director, who is a member of the national directorate participating in the overall management of the organization (see Figure 3.2). The KNP is a matured product in the SANParks product range. Its annual budget is approximately R250 million, including grants and donations in kind.

FIGURE 3.2: KNP management structure, 1 April 2003



From the missions of both SANParks and the KNP it is evident that national parks exist for three reasons, viz. conservation management, provisioning of public benefits through sustainable tourism and establishing mutually beneficial partnerships with communities.

²⁶ Currently a review process for improving the mission and objectives to accommodate tourism objectives is underway.

National parks are not created for financial gain but for intangible aesthetic, spiritual and societal values.

However, to achieve their mission, money is needed and because of shrinking state subsidies it becomes imperative for national parks to use their natural resources to generate maximum benefits to carry out these functions (Mabunda *et al.*, 2003). In the developed world the cost of national parks administration and operation is entirely borne by the state through the fiscus, but South Africa is not such a rich country (Mabunda & Fearnhead, 2003). Given the realities of past inequities the state is faced with challenges of providing social services, educational facilities, health facilities (including fighting the HIV/Aids pandemic), addressing the housing backlog and rising unemployment, and many other pressing needs. The future survival of national parks depends on finding innovative ways of generating revenue and embracing corporate governance practices (Mabunda & Fearnhead, 2003). The KNP, being the first national park under the old NPB to offer tourism services, laid a foundation for the development of a funding model based on offering tourism services to the public. It is therefore imperative to explore the history of tourism development to glean lessons to be used in the proposed tourism management framework. An account of how this has evolved follows.

3.4 ROLE OF EARLY GAME RANGERS IN TOURISM DEVELOPMENT

Tourism in the KNP owes its origin to the dedication and commitment of the park's early game rangers who built the initial tourist accommodation from wattle and daub material (Joubert, 1986a). By 1929 about 17 such huts had been built at Skukuza, eight at Pretoriuskop, four at Malelane, three at Lower Sabie, 22 at Satara, eight at Olifants, four at Gorge²⁷ and 12 at Letaba as initial accommodation for tourists. Tourists had to provide their own linen and food and had to fetch water from the nearest rivers or wells (Joubert, 1986a, 1986b). Unfortunately, development was often retarded by insufficient funds. In 1929 the total amount available to cover all operational and capital expenses was £11 000, comprised of grants from both central government and the provincial administrations. Progress was further delayed by periods of severe drought and poverty caused by years of depression and World War II (National Parks Board of Trustees, 1976).

In the researcher's view credit must be given to the early KNP game rangers and their black labourers for the yeoman service rendered in laying a solid foundation for the successful

²⁷ An old camp on the Olifants River gorge which was discontinued.

management of a national park that has become an icon in South Africa's national parks management system. They did this under severe constraints in a harsh untamed environment and nothing should be taken away from this achievement. If it were not for those humble beginnings there would be no world-famous KNP to showcase to the world today.

During the Twentieth Century much has been achieved in the KNP. However, as posterity now views the traversed distance, a few mistakes (to be covered in the rest of the thesis) come to the fore. Undoubtedly more mistakes will be made in the future in equally good faith. It is for the new generation management to move with the times and bring current market and ecological trends on board in sharpening service-delivery for the enjoyment of the tourists and to make the KNP the pride and joy of all citizens rather than to apportion blame.

A new business model, commercialization, is being pursued and non-core activities such as shops and restaurants are being outsourced to enable park management to concentrate on core business in line with the new SANParks mission. To do this effectively, management must be based on a solid scientific foundation and on structures that allow the KNP to adapt and respond quickly to an ever-changing system (Mabunda *et al.*, 2003). According to Pollard *et al.*, (2003:422), "*Kruger's managers need to understand the broader landscape patterns and how they have changed*" and adapt accordingly. It is therefore necessary to probe whether the KNP's current business model is up to this challenge.

3.5 BUSINESS PERFORMANCE OF THE KNP

In the context of a developing economy, a national park that conserves two million hectares of wilderness area, hosts over one million tourists per year, is 100 % self-funded from its tourism operations, generates R220 million tourism revenue (approximately R30 million is raised from donors and grant funding), directly employs approximately 2 000 people and is perceived "*to be offering local populations accessibility to their heritage*" is considered a goose that lays the golden egg. Its sustainability is crucial in terms of both conservation and economic development (Ferreira & Harmse 1999, Stevens, 2002). Whilst the above facts reflect an image of an organization that is performing well financially, reality reveals otherwise.

Fearnhead (2003) challenges Ferreira & Harmse's (1999) perception of the KNP's successful business performance. He argues that SANParks' business performance had been traditionally poor in all departments except conservation. In tourism the levels of productivity and service were far below industry norms. Costs of sales were found to be three times higher than those in the private sector. To compensate for the lack of skills and poor quality products,

SANParks staffing levels were overloaded with personnel. For example there would be more waiters than clients in the Skukuza Restaurant until a process named Operation Prevail, a staff reduction restructuring programme, right-sized the KNP in June 2001 (SANParks, 2002; Fearnhead, 2003). The profitability of the KNP is therefore circumstantial and not sustainable.

3.6 ECONOMIC IMPACT OF KNP TOURISM

Tourism revenue generated from protected areas constitutes a large part of the country's economy. Unfortunately, economic evaluation data of this kind is scarce and often unreliable. For example, tourism is not conventionally defined as an industry sector in South Africa and it does not have its own Standard Industrial Classification Code (SIC). Elements of tourism appear under various industry classifications such as transport, accommodation, retail, hotels and others (Keyser, 2002). It is not possible at this stage to know precisely what the KNP's economic impact is on the South African economy.

As a result of such deficiencies, societies tend to undervalue the benefits derived from protected areas and do not support providing capital injection needed to maximize the flow of benefits. Although the economic evaluation impacts of the KNP have not been conclusively measured to date, there exist measurements of the value of all financial transactions made by tourists, government and donors. Impacts have been measured in terms of labour income and the number of jobs created (McKinsey, 2002).

The KNP serves as a major conservation and tourism resource base to the rest of Africa and some of the Western countries constantly use the template as an example of best practice in biodiversity conservation. The KNP is one of the strongest South African brands (Grant Thornton Kessel Feinstein, 2001). A sizeable number of people abroad recognize the name of KNP better than the names of the new provinces of South Africa or the country itself. Research by independent institutions like SA Tourism and Kessel Feinstein show it to be one of the destinations most inbound tourists wish to visit. Accordingly it enjoys the predominant position as a tourist destination, estimated to constitute 16 % of the total ecotourism market in South Africa. SA Tourism records reflect that 31,5 % of all long-haul tourists visit the KNP. This makes it the second most visited destination after Cape Town. The per capita-spending in the KNP amounts to R315 per person per day. Approximately 65 % of all tourists to South Africa express a wish of having the KNP on their itinerary and that makes it (KNP) a major reason to visit South Africa. The significance of the KNP to the overall tourism spend of R27 billion by inbound tourists is that, without the KNP, more than 50 % of tourists would stay away from South Africa (McKinsey, 2002).

Approximately 2 000 permanent and 500 seasonal employees are directly and indirectly employed by the KNP. The newly established concession areas will generate another 683 permanent jobs excluding employment created during the construction phase. In general, concessionaires have undertaken to recruit 79 % of their employees from previously disadvantaged communities. Concessionaires have also undertaken to outsource minimum guaranteed Rand amounts of contracts with a commitment of R 6,3 million per annum by the third and following years (Mabunda & Fearnhead, 2003).

Statistics South Africa should be approached to design a programme in its economic data-collection system to accommodate in future the impact of protected area tourism and tourism in general to the economy. Such a step will make government realize the economic value of the national parks system to the general economy and the people of this country.

3.7 HISTORICAL GROWTH OF TOURIST NUMBERS

According to manual data collected over past decades, indicators point to an explosion in tourist numbers over the past 75 years of tourism services in the KNP. Whereas only three vehicles entered the park in 1927 and the total revenue earned was £3, 1928 saw a slight increase with the number of motor vehicles reaching 180, bringing with them 850 tourists (Carruthers, 1995). However, progress was delayed by periods of severe drought and poverty caused by the post-1929 worldwide depression. There was no money to create adequate infrastructure and the installation of the first windmill was made possible only in 1929 through a donation of £150. Since then many benefactors have assisted with donations that were used beneficially for both nature conservation and tourism infrastructure projects (Raad van Kuratore vir Nasionale Parke, 1976).

The post-World War II period was characterized by further tourist growth motivated by the quest for white unity, nationalism and a people bent on forgetting the difficult war years (Carruthers, 1995). Tourist numbers increased from 45 465 in 1947 to 366 381 by 1970. The meteoric growth influenced the Board to introduce a reservations system in 1957 to allow a smooth flow of tourists to available facilities. This did not deter tourists from flocking to what had become a “pilgrimage” for white South Africans (Brynard, 1962). Table 3.1 indicates the growth of tourist numbers in the last 20 years in the KNP.

TABLE 3.1: KNP tourist numbers over 20 years, 1982/83 – 2002/03

FINANCIAL YEAR 01/04 - 31/03	TOTAL NUMBER OF GUESTS	% CHANGE	NUMBER OF FOREIGN GUESTS	% CHANGE	% OF TOTAL
1982/1983	445 661		35 931		8,1
1983/1984	451 780	1,4	33 796	-5,9	7,5
1984/1985	509 173	12,7	30 778	-8,9	6,0
1985/1986	462 657	-9,1	26 640	-13,4	5,8
1986/1987	474 066	2,5	15 167	-43,1	3,2
1987/1988	563 989	19,0	24 247	59,9	4,3
1988/1989	625 772	11,0	53 046	118,8	8,5
1989/1990	669 167	6,9	71 090	34,0	10,6
1990/1991	696 757	4,1	78 811	10,9	11,3
1991/1992	680 443	-2,3	61 112	-22,5	9,0
1992/1993	660 568	-2,9	65 005	6,4	9,8
1993/1994	635 044	-3,9	52 287	-19,6	8,2
1994/1995	710 734	11,9	75 775	44,9	10,7
1995/1996	835 393	17,5	154 871	104,4	18,5
1996/1997	906 999	8,6	181 502	17,2	20,0
1997/1998	954 398	5,2	193 600	6,7	20,3
1998/1999	948 732	-0,6	201 423	4,0	21,2
1999/2000	898 191	-5,3	210 603	4,6	23,4
2000/2001	804 060	-10,5	202 161	-4,0	25,1
2001/2002	933 488	16,1	214 903	6,3	23,0
2002/2003	1 059 122	13,5	280 606	30,6	26,5

Adapted from Stevens, 2002

For many decades successive Park Wardens have debated at length the extent and limits to which tourist enjoyment of the park's facilities and products could be met without debasing the wilderness qualities of the park (Braack, 1997a). As early as 1930, Col. James Stevenson-Hamilton, the first Park Warden, reported that the rest camps were "overflowing" with more than 30 cars putting pressure onto the 500 km of new tourist roads (Brynard, 1962). At that time facilities were grossly insufficient (to what they are today) and as a result of these problems, tourists slept in tents or in their cars. The Park's rangers had no alternative but to accommodate some of the tourists on the verandas of their own homes (Joubert, 1986a). Each Park Warden had his own view of the tourism service reaching full capacity and on how it was to be designed and executed in order to meet growing tourist numbers. There were no written management plans or policy to regulate tourism services. Most of their ideas were motivated by their unselfish love of the park and personal concerns.

Tourist regulations therefore evolved in direct response to practical circumstances and tourist demands for more accommodation and conveniences (Carruthers, 1995). In 1956 Park Warden Louis Steyn tried to persuade the Board to peg the limit of tourists to 80 000 per year (Steyn, 1956). The Board never implemented the suggested limit and numbers have since grown and exceeded the one million mark per year without any visible loss of appeal to the public (see Table 3.1) (Stevens, 2002). During the 1970s and 80s the opening up of the park to tourists all year round, the rapid expansion of infrastructure provisioning²⁸ (roads and accommodation) and the successful malaria control programme gave park tourism an unprecedented tourist growth (KNP, 1990). However, concerns are beginning to emerge about traffic congestion during peak holiday periods in the southern region of the park (Ferreira & Harmse, 1999).

The KNP experienced a decline of tourists between 1991-1994 because the country was boiling with acts of violence between political factions. Concerns about random violence deterred tourists and numbers to the KNP plummeted. In 2000 the park was hit by devastating floods that washed away infrastructure and caused extensive damage amounting to over R100 million. The park was closed for 10 months with no trade and that affected its revenue and tourist numbers (Stevens, 2002). Tourism is a vulnerable commodity and managers need to build in contingency measures in their management plans to be able to deal with cash flows or operational financial commitments when such crunch times arrive. One such contingency plan is to grow domestic tourism to support protected areas.

There has been a massive increase of foreign tourists (25 %) to the KNP in the last five years. After the terrorist bombing of the World Trade Centre in New York on 11 September 2001, South Africa was perceived as the safest destination in the world and foreign tourists to the KNP have increased tremendously since that time. Figures released by Statistics South Africa show that 6,4 million tourists visited South Africa in 2002, an increase of 1,8 million compared to 2001. The country continues to be the world's most rapidly growing destinations with tourist figures jumping 20,1 % in the first quarter of 2002. The KNP and Cape Town continue to be major attractions although tourists are also venturing to other destinations (Sunday Times, 2003)²⁹. The KNP faces tough competition from African and national parks around the world and needs to address such competition strategically to return its market share.

²⁸ Massive investments to improve facilities and roads were made between 1958-1989.

²⁹ The strength of the Rand at R6.30 – R6.90 between October 2003 and April 2004 has made South Africa an expensive and thus unattractive destination that is still performing well on average. This has led to the decrease of tourist arrivals compared to early 2003.

3.8 COMPETITIVE ENVIRONMENT

Table 3.2 summarizes the competitive environment in which the KNP operates. The KNP competes against larger regional destinations featuring different products such as beaches, shopping malls, restaurants, casinos, big hotels and natural features rather than provincial or national parks. Notable competitors include the Western Cape, North-West (because of Sun City), KwaZulu-Natal and Eastern Cape (due to the beaches) and the growing private reserves/luxury lodges niche. There is no provincial or national park offering the same products as the KNP that attracts over one million tourists per annum in Africa; however, parks in East Africa compete at a comparable level with the KNP (IFC, 2001). These include the Ngorongoro, Serengeti, Masai Mara, Selous, Tsavo and Nairobi, to mention but a few (Matawonyika, 1989). The competitive advantage of the KNP is its developed wildlife product and its world renown brand. The private lodges along the KNP western boundary focus on the overseas top-end luxury market segment with heavy leanings on the KNP. They all use the KNP as the drawcard in their marketing strategies that they border the world-famous KNP (IFC, 2001).

Hotels and guesthouses in the Lowveld area offer more luxury levels of accommodation compared to the KNP at similar rates or lower for tour groups. The safari open-vehicle industry has established a niche for itself by offering to transport guests from neighbouring hotels and guesthouses for a day's trip to enjoy the superior KNP wildlife product. The chalet accommodation offered in KNP is basic, simple and unattractive to travellers with city hotel expectations while domestic tourists find KNP accommodation to be reasonable and affordable (see results of survey on accommodation and commercialization in 4.2.5). The biggest plus-factor for the Western Cape, North-West and the Eastern Cape is their malaria-free status which is used by marketers to lure tourists away from the KNP (although such negative marketing is detrimental to the attractiveness of South Africa as a tourism destination). However, thanks to successful malaria-control programmes run by the KNP, malaria incidents have been reduced remarkably. The KNP also competes with similar destinations in the SADC region. These include parks in Botswana, Mozambique, Zambia and the East African countries of Tanzania and Kenya (IFC, 2001). In the international arena the KNP competes with fine parks in the USA, Canada, Australia, New Zealand, South America and Europe. The accommodation facilities on offer in overseas parks are benchmarked at hotel levels and are far superior in quality to those offered in the KNP (SANParks, 2001). One of the questions this study seeks to answer is whether tourists want luxury hotel accommodation or simple, clean and natural accommodation when visiting a park (see 4.2).

TABLE 3.2: Competitive environment for KNP

CONSUMER NEEDS	KNP COMPETITIVE EDGE	COMPETITORS	COMPETITORS' COMPETITIVE EDGE
Ecotourism destination	Large well-known brand/ Conservation status well recognized/ Large surface area/ Extensive biodiversity	Provincial reserves (local and national)	Location
		Private reserves (local and national)	Location and higher service standards and product quality Well-established distribution network.
		Other national parks in SA	Location and different identity (landscape)
		National parks in Botswana, Tanzania, Zambia, Kenya etc.	Less developed and more rustic
		National parks in the USA, Canada, Australia, New Zealand, Asia, Europe, Central & South America	Closer to home/ free from malaria if outside tropics
Leisure destination	A well-known and well established experience which is attractive due to uncomplicated freedom provided in planning ones experience/ Reasonable value for money	Coastal destinations (KwaZulu-Natal, Eastern Cape and Western Cape)	Better during peak SA holiday season (December) and provides a good experience for families
		Provincial and private reserves	Location and service standards.
		Moçambique	Good value for money, scenery, adventure, coastline, culture
		Botswana	Good national parks/ more rustic and less developed
Luxury game lodge destination	All brand-new and placed within a world-renowned park	Adjoining private reserves	Well-established market distribution network
General overnight destination	Well-established and stable brand/ unique night ambience, no unnatural disturbances/ night sounds	Overnight network on periphery of Park (B&B, hotels, time-share, golf estates, guesthouses)	Less overheads and better prices with better standard of service (value for money)
General day visit destination	Very affordable (Wild Card)/ well-known brand/ large surface area/ well-established infrastructure/ well-managed/ safe destination with law enforcement	Drakensberg escarpment	Huge diversity of tourism attractions – scenery, waterfalls, adventure, historic, fishing
		Private reserves	Location

Adapted from KNP, 1990; SANParks, 2001; IFC 2001: Stevens, 2002; value-laddering (see Table 4.26)

The KNP will continue to face tough competition from hotels and guesthouses situated around its borders mainly in the independent budget traveller group and the luxury market segment. Because of the history of providing poor food and beverage services rendered by the park's restaurant and cafeteria outlets, guests in these two groups prefer to stay outside the park for better food and comfort and only enter the park as day visitors to enjoy the park's superior wildlife viewing product (McKinsey, 2002). After the recent outsourcing of restaurants and facilities as part of the commercialization programme (see 3.12), guests perceive service

levels and the quality of food to be poorer than they were before outsourcing (see 4.2.7). This matter needs urgent remedial action.

3.9 KNP OCCUPANCIES

Table 3.3 shows the occupancies of the KNP between 1993/94 – 2002/03. Unit occupancies have vacillated between 66 % and 78 % due to market fluctuations in the domestic and international sources of tourists to the KNP. Bed occupancies have traditionally been poor and the KNP has not succeeded in achieving break-even results on the number of beds sold (Fearhead, 2003). This results in under-performance, which should be addressed by various strategies such as accepting last-minute bookings, jerking up the reservations system (which does not immediately reflect available accommodation after cancellations) and a vigorous promotion strategy to fill vacant beds during low seasons. The overall SANParks tourism performance (Annexure 2) shows that, in general, bed occupancies are lower than unit occupancies. The KNP sells 92,8 % of game drive seats, 94,8 % of day walks and 52,6 % of wilderness trails while there is very little similar business generated by other national parks with similar potential (see Annexure 2). The business of tourism is not optimized in KNP and there are many opportunities that could be opened with proper management of the tourism portfolio in all national parks as it is suggested in this study.

TABLE 3.3: KNP occupancies over 10 years, 1993/94 – 2002/03

YEARS	UNIT OCCUPANCY	VARIANCE (%)	BED OCCUPANCY	VARIANCE (%)
1993/94	70,7		58,6	
1994/95	71,5	+0,8	58,7	+0,1
1995/96	78,6	+7,1	64,5	+5,8
1996/97	77,2	-1,4	62,4	-2,1
1997/98	74,2	-3,0	60,1	-2,3
1998/99	71,7	-2,5	57,5	-2,6
1999/00	66,6	-5,1	53,8	-3,7
2000/01	65,3	-1,3	52,3	-1,5
2001/02	69,7	-4,4	56,2	+3,9
2002/03	74,8	+5,1	59,8	+3,6

Adapted from KNP Annual Reports, 1993-2003

During the 2001/2 financial year the KNP only sold 51,6 % of its beds and 69,6 % of its units, thus performing far below its potential (Stevens, 2002). The importance of filling beds with

occupants cannot be over-emphasized. Less people per unit or hut results in lost revenue for the unoccupied beds. The cost of not marketing the KNP is evident on the low bed occupancy rate. The image that the KNP is inaccessible because it is fully booked abounds in the minds of the public. Only a sound marketing plan, as part of an integrated SANParks marketing plan, can address this issue. What needs to be done is to determine the type of strategy and the exact role of where this marketing activity should take place within the organization. The KNP has 80 % of the total number of beds in SANParks and is therefore justified in having its own marketing section.

3.10 QUALITY OF KNP PRODUCTS

In the case of the KNP, product quality covers scenic beauty, wildlife attraction, cultural experiences, wilderness qualities of the park in general, interpretation services, information dissemination, cleanliness of accommodation and surroundings, high service levels, house-keeping and hospitality, good food and beverages³⁰, road infrastructure, transportation, staff training, health and safety of tourists. These make up an attractive product mix. Unfortunately, senior managers at SANParks are still arguing about what constitute their product, let alone its quality.

Product quality has the potential to develop an institutions' market advantage as part of the broader destination marketing strategy. The key to gaining such a market advantage is by setting measurable standards that can be monitored by means of ongoing surveys. According to Van der Walt *et al.* (1998) a competitive advantage can be generated if an enterprise can add value to its product range that its competitors cannot emulate. This implies performing some activities better, at a lower cost or completely different from its competitors. It is therefore important that the KNP should conduct a competitor analysis survey to identify its own value-added chain as well as that of its competition.

The assessment of tourist perceptions about the current tourism and recreational value system in the KNP in Chapter 4 indicates the shortcomings of the product. Briefly, current park customers expect standards of service levels of infrastructure and quality of amenities in the KNP to be equivalent with those in comparably priced destinations outside the park. They want soft linen (not hard, starched linen), new sheets and towels (not threadbare), a good and healthy diet (not greasy canteen food), an option of double beds, televisions (where appropriate), telephones, swimming pools, facilities for children, night-time activities and

³⁰ Tourists expect good food but there are serious complaints about the quality of the food in the restaurants and cafeteria (see Chapter 4).

interactive wildlife experiences. The question of whether televisions, swimming pools, hot-air balloons and telephones are acceptable in a national park remains a contentious and recurring debate. Current thinking by conservationists in the KNP constrains such innovations. In future, such matters should be thoroughly investigated by means of credible surveys and all possibilities weighed before implementation.

Although the early game rangers and scientists did a commendable job in developing the KNP product to the level where it is today, this park now has very limited prospects of tourism success in today's highly competitive global tourism markets and in satisfying the expectations of a changing South African society. It is on the basis of these reasons that the KNP needs to graduate from the "game ranger tourism approach" to a new comprehensive and modernized tourism system by improving the quality of its products. Any management plan should encompass the above elements and aspirations to meet the robust challenges of biodiversity conservation, the dynamic tourism market and the transforming South African society. Such a system should consider adopting appropriate pricing policies to keep tourists happy and generate a fair return on the business.

3.11 PRICING POLICY

There is no recorded evidence of the existence of a pricing policy in the KNP or SANParks prior to 2003. According to Carruthers (1995) the NPB suffered in the past from a perennial shortage of money because charges were minimal and revenue earned from tourists did not meet the initial high expectations raised. The government was unwilling to commit financial support for tourism development. Tourist regulations and pricing of products evolved in response to practical circumstances (KNP, 1946). As a result of such a pricing history many of the products and services rendered by the KNP and other parks are either priced below or above current market prices and prices do not match the value of goods and products.

Traditionally, entrance fees to the KNP have been kept low as part of a broader social or educational objective, in order to facilitate "accessibility" to what is regarded as a national heritage. Such an approach might have been appropriate in a country that could afford it, because easy access does seem to cultivate an appreciation for wildlife and national parks and such a gesture generates political goodwill. However, South Africa is a developing country facing many socio-economic problems (Mabunda & Fearnhead, 2003). Only the relatively affluent and rich groups could afford to pay these "low" prices and such a benefit brings with it a high opportunity cost. The dilemma is exacerbated when the increase in international tourists is taken into account. It would therefore be unrealistic to expect the South African

Government to subsidize the use of the national natural heritage by affluent foreign tourists. Undercharging simply increases the cost to the national treasury of maintaining the park's estate and it represents an opportunity cost to biodiversity (Msimang *et al.*, 2003).

The pricing policy is a key element of park tourism worldwide. In wealthier countries protected areas are seen as a public good for the benefit of all members of society. The state funds all park operations. In poorer countries other public services like education, health, housing, social grants and other needs are deemed to be more deserving of scarce public funds. When this happens, protected areas must earn revenue from tourism or other forms of resource use as suggested earlier in 1.4 of this thesis (Eagles *et al.*, 2002).

Each park is unique and established according to a set of objectives. When formulating pricing policies, park managers must take into consideration the unique characteristics of the park, values of the area, the park's objectives and a focused rationale for fees. Each rationale must be clearly defined in order to defend it against scrutiny from park users and political bodies (Mabunda & Fearnhead, 2003).

In examining pricing schemes for access to protected areas in both developed and developing countries, Brown (2001) concluded that prices should be based on tourist demand for access (see Table 3.4). Park managers should choose fee levels that are neither capricious nor inequitable. A range of pricing schemes can be used for protected areas but flexibility in fee structure is crucial.

TABLE 3.4: Pricing schemes applicable to protected areas

PRICING SCHEME	DESCRIPTION
Peak load pricing	Different prices for different times, depending on demand.
Comparable pricing	Pricing based on average of user fees charged by other parks for equivalent attractions or services (difficulties may arise when a park is unique and there are no other comparables on which to benchmark).
Marginal cost pricing	Prices set where the added costs equal the added benefits derived from a park; prices set at the intersection of the marginal cost and marginal benefit curve.
Multi-tiered pricing	Different prices based on residency, age, location, etc. (these have been found to yield more revenue than high or low fees alone, but have limitations).
Differential pricing	Different prices based on level of service offered (e.g. different prices for camp-sites in different locations of a park may result in a more even distribution of use or increase in revenue). Different prices based on citizenship (foreign nationals paying more than locals).

Adapted from Brown, 2001

The revision of pricing policies is usually accompanied by an unavoidable price increase for certain categories of tourists, especially foreigners. Tour operators in South Africa are against the differential gate fees (Wild Card) introduced on 1 June 2003, in terms of which foreign tourists are charged more than South Africans. Very often concerns that increased fees will discourage tourists from visiting have proved to be unfounded. For example, in Costa Rica tour operators were strongly opposed to the introduction of a two-tiered fee structure, yet revenues actually went up. Similarly, when fees were doubled in Grand Canyon, Yellowstone and Western Canadian national parks, tourist numbers remained the same. In Ontario provincial parks in Canada fee increases of over 40 % resulted in substantial increases in tourists. The new income allowed for the provision of better and new recreational services, so attracting more tourists (Moos, 2002). Tourists are generally ready to pay for improved product quality.

The SANParks Wild Card is partly an attempt to introduce a pricing policy (see Annexure 3). Unfortunately, it addresses admission fee issues only (conservation fees) and leaves the whole question of product and service pricing in abeyance. The proposed tourism management framework should raise the awareness and the need to create a pricing structure to address accommodation, experiential products and other activities offered by the KNP. According to the McKinsey Report historical poor pricing has contributed to the current financial under-performance of the KNP (McKinsey, 2002). The problem of financial under-performance has coerced the KNP and SANParks to consider alternative models of revenue generation such as “commercialization”.

3.12 COMMERCIALIZATION AS A CONSERVATION STRATEGY

The term “commercialization” evokes different emotions in different people because of the wide spectrum of management options it can entail (Hughes, 2003; Mabunda & Fearnhead, 2003). It could mean development of a basic service ethic to complete privatisation of parks involving the selling of both land and infrastructure (IFC, 2001). In the case of SANParks, commercialization implies an intention to generate additional revenue as a means of ensuring better conservation of national parks. This additional revenue is generated by granting the private sector the opportunity to operate within national parks but without alienating any of the assets (Mabunda & Fearnhead, 2003).

Private companies are awarded concessions within national parks, i.e. an opportunity to build and operate a tourism facility or to take over an existing line of business like shops, restaurants, petrol stations, cleaning, the laundry, garden services, small bush camps and

concession sites (to build luxury lodges to cater for the top end of the market) (IFC, 2001). Concessionaires are expected to design, construct, operate, maintain and manage the assets they take over from SANParks for a contract term ranging from nine to 20 years under strict environmental management regulations. The Public-Private-Partnership (PPP) must exhibit the correct mix of financial strength, requisite business experience and strong empowerment credentials amounting to 20% shareholding by the empowerment component. It is estimated that, at maturity, tax receipts from commercialisation will be R60 million per annum. Commercialization at SANParks is a conservation strategy that will allow staff to concentrate on the core business, viz. conservation, and outsource peripheral businesses to PPP Partners (Fearnhead, 2003).

The founders of the KNP probably had neither understanding nor the intention of implementing “commercialization” in a conservation area (Mabunda & Fearnhead, 2003). It is now a reality that state subsidy grants, the traditional sources of funding, are fast diminishing worldwide (James, 1999). Despite the reluctance of conservationists to associate nature conservation with money, the twin components of biodiversity conservation and human access within national parks are integrated through finance. The biodiversity component has the typical public-good characteristics and no one should be excluded from enjoying its benefits (Mabunda & Fearnhead, 2003). By contrast, tourism is also another public good consumed by those who are willing to pay for it. Because protected areas have both attributes it is possible to charge for some aspects of the tourism public good and to employ the net proceeds to subsidize the environmental management component (IFC, 2001).

There are many conservationists who do not share the view that protected areas should be financially self-reliant (Kumleben *et al.*, 1998). They believe the state should pay for it, but in a country that has many competing socio-economic needs for state financial resources, it will be naïve to expect the state to fund conservation of biodiversity entirely from the public purse (Mabunda & Fearnhead, 2003). Protected area managers are increasingly turning their attention to finding innovative tourism-based funding strategies such as “commercialization” of trade businesses in parks, facility rentals, concessions and involvement of the private sector in conservation areas (Hughes, 2003).

As Hughes (2003) remarked, commercialization faces considerable opposition from the public and such a scenario compounds the complexities of the dilemma. Critics of commercialization claim that the system has a controversial history and is not sustainable. They further claim that it leads to exclusivity by hiking tariffs and the wholesale selling of animals to raise money for

investment. It would appear that the focus of commercialization is too much on profit rather than biodiversity and heritage management (Macleod, 2003).

Tourists that are looking for quietness and a simple life to escape modern city squalor are bitterly complaining about the “commercialization” of the KNP’s products sold in the shops, cafeteria and restaurants. They also complain about the use of modern utensils and equipment in the self-catering units. They demand African cuisine rather than Euro-centric or American junk food as symbolized by the advent of McDonald and Burger King. There is a substantial voiceless but powerful resistance to what tourists believe is over-commercialization of KNP products (see survey in Chapter 4).

There exist within SANParks internal conflicts and suspicions between conservationists and top management on matters of levels of tourism emphasis, commercialization strategy, product range, pricing, marketing, norms, standards, and general tourist management systems. The Scientific Services section in the KNP feels that it was not fully involved in the feasibility study before the concession areas were introduced. The KNP rangers feel they were “coerced” into submission by management against a background of a massive restructuring process dubbed, “Operation Prevail”, that was underway. The continued management of the concessionaires by the Head Office-based commercialization unit, detached from both the park and the tourism department, seems to be widening the gaps and blurring defining lines between policy and operational roles. It is difficult to manage relationships between concessionaires and park staff because such relationships are perceived to be a prerogative of the commercialization unit in Pretoria and not park-based officials³¹.

Some environmentalists, like Dr Ian Player (a former Board member), are concerned about what appears to be an exclusive focus on fundraising by park managers at the expense of sound conservation management (M-Net, 2001). The fear is that commercialization in the KNP may be encouraged exclusively for financial gain with potential negative impacts on the park’s natural resource management. On the other hand, the tourism industry, consisting of suppliers, tour operators and distributors, is very worried and vulnerable to this argument. It is possible that in future, when environmental deterioration may become evident due to lack of proper park tourism development plans and strategies, the “green movement” could blame the tourism industry for this damage and could exert considerable pressure on the government and the public to have tourism in the KNP severely curtailed (Venter, 2002).

³¹ Interview with Danie Pienaar, Head of Scientific Services, KNP, 13 May 2003.

Whilst there is a legitimate need for commercialization in protected areas it is imperative for SANParks to take the expressed concerns of the public and internal stakeholders into consideration. There were many spontaneous remarks made by respondents on the subject of commercialization and in the general remarks section of all the questionnaires and in interviews (see Chapter 4) during the empirical phase of the study. Because of the huge public outcry on commercialization, the researcher suggests that SANParks conducts intensive research that can be published and feasibility studies per project to demonstrate how commercialization will impact on the management of the park system before embarking on further commercialization options.

3.13 FINANCIAL VIABILITY

There are many conservationists who are really offended by the thought that the conservation of wildlife or biodiversity should pay its own way and believe that Government has the responsibility to protect biodiversity (Mabunda & Fearnhead, 2003). A formal expression of this sentiment appeared in the report emanating from an Investigation into the Institutional Arrangements for Nature Conservation in South Africa (also known as the Kumleben Commission of 1998).

The Kumleben Commission concluded that: *“nature conservation as such can never be self-supporting. ... It is therefore short-sighted and fallacious to expect a protected area to be economically self-sufficient”* (Kumleben *et al.*, 1998).

There are flaws in this argument because there are national parks that are so attractive to tourists that they generate revenue and make a surplus to maintain themselves adequately. In this category are the KNP, Tsitsikamma, Cape Peninsula, Kgalagadi Transfrontier Park, Mountain Zebra, Golden Gate and Addo Elephant National Park. However, there are those that will never become financially viable in the short and medium-term because, although they protect important biomes, they are not attractive to tourists. This category includes many of the developing national parks under SANParks (Mabunda & Fearnhead, 2003).

National parks in South Africa are part of a collective system and the collective could become self-funding because the contribution from the first category of parks is greater than the loss by the second category (SANParks, 2001). There has always been reluctance among some of the previous and present SANParks managers to place self-funding on the list of national parks objectives, apparently out of fear that the government would withdraw its subsidy grant.

No funding sources are guaranteed in a country that has to address an array of socio-economic needs because of the apartheid legacy of imbalances (Khumalo, 2001). Good governance requires that SANParks devise strategies to mitigate the inherent financial risks by becoming enterprising to generate more funding. Currently the state subsidizes the organization to the tune of R63,6 million (18 %) of the total SANParks budget. The balance is generated from tourism revenue, donations and sales of fauna and flora (Mabunda & Fearnhead, 2003). The finance directorate estimate of a sufficient budget is in the region of R650 million per annum to meet the current backlog on maintenance and capital projects adequately.

The government grant over the last ten years (1993/94 – 2002/03) has not increased significantly to compensate for inflation (see Table 3.5). In its 1989 submission to the Board of Trade and Industry's investigation of strategies to stimulate tourism growth in South Africa, the South African Tourism Board (SATOUR) predicted that the state subsidy to the then NPB would grow from R33 million in 1990, to R59 million by 1995, to R103 million by the year 2000 and to R182 million by the year 2005. During this period the NPB (SANParks) would devise innovative means to raise revenue to enable it to cease to be a drain on the treasury and be financially independent (RSA, 1990). Unfortunately this has not happened. The financial squeeze did not begin after 1994 as many people are led to believe by the media but was evident since the creation of protected areas because of poor governance and financial management skills. The new government started to improve the situation by re-instating the inflation-eroded R12 million roads grant discontinued in 1998. Furthermore, government has also agreed to fund the national park development programme to expand the national parks system by acquiring additional land from existing owners. The numbers are substantial: R8 million for 2002/3, R42 million for 2003/4 and R51 million in 2004/5. There is, therefore, little substance to a questioning of the government's support and commitment to funding the country's national parks although there is much room for improvement to fund the environmental management component adequately (Mabunda & Fearnhead, 2003).

Poverty relief funds amounting to approximately R250 million in the 2003/2004 financial year were also channeled to labour-intensive projects to help build more infrastructures for conservation and tourism purposes in all national parks under SANParks. This is "ring-fenced": money that cannot be used to fund operational costs like salaries and purchases. However, the government still insists that it will not subsidize national parks indefinitely, and at some future stage SANParks will be weaned from the public purse (Financial Mail, 2001). This

is all the more reason for commercialization and the adoption of a new business model that will replace the state subsidy grant³² when government decides to pull the plug on SANParks. Unfortunately, very few sections of the public are at this stage aware of this predicament facing SANParks management.

TABLE 3.5: Government grants allocated to SANParks over 10 years, 1993/94 – 2002/03

South African National Parks: <i>GRANT HISTORY</i>			
Financial year	Government R	Roads R	Total R
1993/94	40 905 000	9 625 000	50 530 000
1994/95	39 648 738	9 660 000	49 308 738
1995/96	39 814 000	10 635 000	50 449 000
1996/97	46 209 000	11 688 000	57 897 000
1997/98	46 439 000	12 857 004	59 296 004
1998/99	50 000 000	0	50 000 000
1999/00	51 000 000	0	50 000 000
2000/01	51 000 000	0	50 000 000
2001/02	51 683 000	12 000 000	63 683 000
2002/03	48 752 000	12 000 000	60 752 000

Adapted from KNP Annual Reports, 1993-2003

Despite some setbacks, the KNP is the only national park in the world that is self-reliant and finances its entire operation from revenue raised from tourism (see Financial Statement in Tables 3.6 and 3.7). In addition, it cross-subsidizes other national parks within the network of SANParks that are still at a developmental stage.

However, (in the researcher's opinion) the financial viability of the KNP as reflected in Tables 3.6 and 3.7, needs to be put into perspective to arrive at a better understanding of the financial constraints under which it operates. If the costs of buildings, depreciation, income tax, property rates, real cost of car rentals (which are hugely discounted presently), donations and other liabilities were to be included as overheads, the current profit margin would be drastically reduced or wiped out completely. The KNP still depends on substantial donations for tourism

³² The Government grant is transferred to SANParks corporate budget and not to that of the KNP (see Tables 3.6 & 3.7). These amounts exclude poverty relief grants which are a once-off phenomenon.

TABLE 3.6: KNP financial statement, 2002/03

	Actual 2002/03	Budget 2002/03	Actual 2001/02
Gross Revenue	-234 241 586	-223 172 409	-233 449 645
Retail Income	-15 400 095	-15 692 458	-21 681 263
A005 - Facilities Rental	-15 012 363	-13 130 205	-6 201 161
Gross Profit	-387 732	-2 562 253	-15 480 102
GP %	0	0	0
A010 - Sales in retail outlets	-36 666 534	-34 425 730	-72 927 744
A020 - Cost of sales	36 278 802	31 863 477	57 447 642
B010 - Tourism income	-178 227 591	-173 268 590	-154 320 740
C005 - Concession fees	-4 335 098	-2 347 884	0
Gross Operating Revenue	-197 962 784	-191 308 932	-176 002 003
C010 – Other income	-28 242 803	-8 057 118	-12 902 790
D010 – Government grant	0	0	0
D020 – Road grant	0	0	0
D030 – Grant – Local authorities	0	0	0
Total Income	-226 205 587	-199 366 050	-188 904 793
M010 - Human resource costs	103 750 183	103 206 886	97 826 206
D010 - HR costs (establishment table)	80 673 240	83 139 170	77 597 567
D013 - Pension / Provident fund	7 141 517	7 744 058	7 112 209
D014 - Other Post retirement b	0	0	0
D020 - HR costs – Other	16 150 800	12 680 607	13 573 140
D030 - Capitalizing – HR costs	-215 374	-356 949	-456 707
M020 - Maintenance costs	18 637 015	11 939 935	13 348 537
M040 - Other expenditure	63 034 819	48 962 786	37 942 601
M030 – Depreciation	6 867 865	5 962 346	6 275 626
Total Expenditure	192 289 882	170 071 953	155 392 973
EBITA	-33 915 705	-29 294 097	-33 511 820
M050 - Finance costs	990 522	3 617 452	1 991 186
Profit from Operations	-32 925 183	-25 676 645	-31 520 634
P050 - Restructuring costs	0	0	0
P040 - Discontinuation costs	0	0	308 689
P060 - Donation	-546 803	-104 000	-412 720
P020 - Grant – Land acquisition	0	0	0
P030 - Sales fauna & flora – L	-3 262 883	-2 820 000	0
Profit from ordinary activities	-36 734 869	-28 600 645	-31 624 665
C010 - Abnormal expenses	0	0	144 000
S010 - Extraordinary income	-2 597 791	0	-12 029 228
S011 - Extraordinary flood grant	0	0	0
T010 - Extraordinary expenses	4 485 715	0	12 847 263
T012 - KNP Fire Disaster Investigation	1 051 247	0	2 000 000
Net Profit	-33 795 698	-28 600 645	-28 662 630

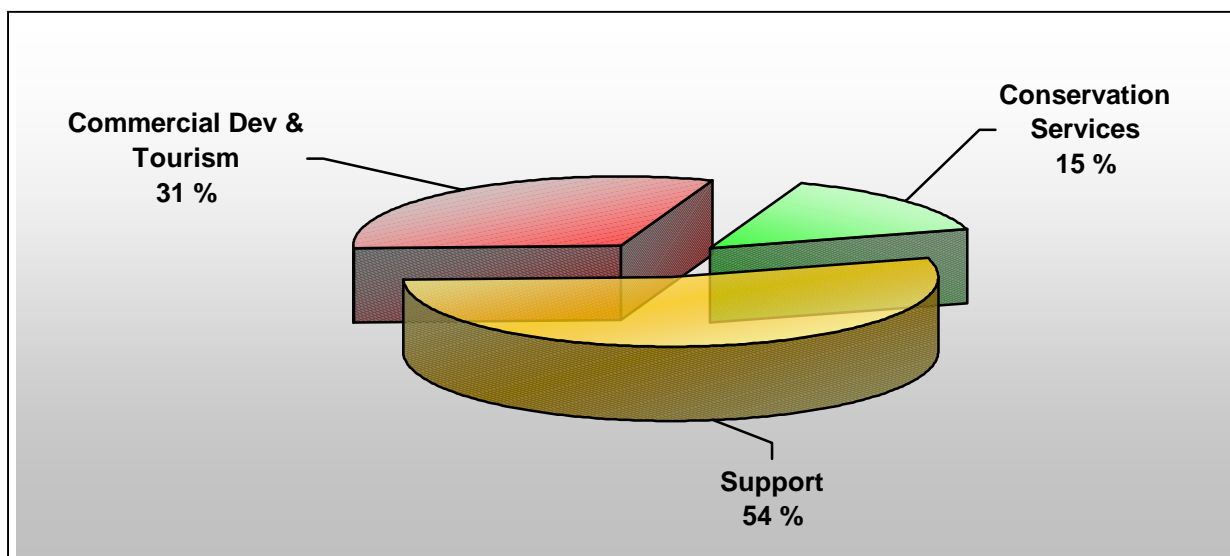
TABLE 3.7: SANParks overall financial statement, 2002/03

	Actual 2002/03	Budget 2002/03	Actual 2001/02
Gross Revenue	-317 096 544	-305 132 749	-315 047 843
Retail Income	-19 586 830	-20 388 602	-29 152 214
A005 - Facilities Rental	-17 786 173	-15 380 267	-7 531 939
Gross Profit	-1 800 657	-5 008 335	-21 620 275
GP %	0	0	0
A010 - Sales in retail outlets	-45 715 309	-46 591 662	-94 584 012
A020 - Cost of sales	43 914 652	41 583 327	72 963 727
B010 - Tourism income	-247 333 986	-240 712 936	-212 800 313
C005 - Concession fees	-6 261 076	-2 447 884	-131 579
Gross Operating Revenue	-273 181 892	-263 549 422	-242 084 106
C010 - Other income	-43 220 302	-16 690 868	-32 275 408
D010 - Government grant	-48 752 000	-48 752 000	-51 683 000
D020 - Road grant	-12 000 000	-12 000 000	-12 000 000
D030 - Grant – Local authorities	-11 506 230	-11 800 000	-11 530 172
Total Income	-388 660 424	-352 792 290	-349 572 686
M010 - Human resource costs	203 437 369	188 890 679	187 842 386
D010 - HR costs (establishment table)	142 843 361	153 449 575	136 327 829
D013 - Pension / Provident fund	11 912 927	13 163 117	11 698 826
D014 - Other Post retirement b	15 263 288	725 888	19 333 534
D020 - HR costs – Other	32 633 167	21 709 048	20 939 555
D030 - Capitalizing – HR costs	-215 374	-356 949	-457 358
M020 - Maintenance costs	34 444 058	26 591 604	21 943 666
M040 - Other expenditure	138 110 105	119 253 213	107 589 885
M030 – Depreciation	12 149 746	10 314 239	10 959 336
Total Expenditure	388 141 278	344 849 735	328 335 273
EBITA	-519 146	-7 942 555	-21 237 413
M050 - Finance costs	-6 284 698	1 219 207	2 480 740
Profit from Operations	-6 803 844	-6 723 348	-18 756 673
P050 - Restructuring costs	0	0	8 061 012
P040 - Discontinuation costs	0	0	389 522
P060 - Donation	-17 388 121	-104 000	-5 801 240
P020 - Grant – Land acquisition	-8 000 000	0	-8 000 000
P030 - Sales fauna & flora – L	-24 018 896	-2 844 000	-15 175 729
Profit from ordinary activities	-56 210 861	-9 671 348	-39 283 108
C010 - Abnormal expenses	0	0	144 000
S010 - Extraordinary income	-2 597 791	0	-12 029 228
S011 - Extraordinary flood grant	0	0	-18 000 000
T010 - Extraordinary expenses	6 428 538	0	14 241 441
T012 - KNP Fire Disaster Investigation	1 051 247	0	2 000 000
Net Profit	-51 328 867	-9 671 348	-52 926 895

accommodation, development of the transfrontier initiative, game capture, scientific research (US\$3.5 million from the Mellon Foundation), veterinary medicines, anti-poaching activities and upgrading of staff accommodation. If these were to be paid from its operating account, the KNP would be forced to close down some of its non-profitable small private and bushveld camps to improve the bottom line. After spending 54 % of its budget on support services (salaries, statutory compliances, skills development fund, regional levies and others) very little money remains for capital projects and maintenance of infrastructure. It is unacceptable that the KNP spends a mere 15 % of its budget on its core business (conservation) and 31 % on tourism services (see Figure 3.3). Due to years of budget cutbacks there is a huge backlog on infrastructure maintenance and this threatens the attractiveness of its tourism facilities and services to tourists.

The reason why overall SANParks' profitability is not increasing lies in the management capabilities of business units, which resort under the Parks Department (19 parks excluding the KNP). Conservationists who have very elementary or no financial, business and tourism management skills manage most of these parks. With the exception of Table Mountain, Tsitsikamma, Augrabies, Kgalagadi and Addo, all 16 national parks under the Parks Department are currently showing huge losses. The total contribution to the revenue earnings of SANParks (see Table 3.7) by parks other than KNP amounts to R83 million in the pool of R317 million. This situation does not bode well for the future financial independence for SANParks. The new commercialization strategy is unlikely to succeed if managers who do not believe in "marrying" conservation with commercial principles continue to be heads of some of the loss-making national parks.

FIGURE 3.3: KNP budget allocation, 2002/03



Adapted from Stevens, 2002

3.14 WILDERNESS QUALITIES AND TOURISM PLANNING

3.14.1 Era of the game rangers (1898-1950)

The early years of protected area tourism worldwide unfolded without an overall policy structure or goal and such a scenario constituted a threat to the environment in which tourism activities were to be established. According to the documented history of the KNP, the delivery of tourism services was influenced at different periods by various approaches based on the maintenance of wilderness qualities (Mabunda *et al.*, 2003).

During Stevenson Hamilton's administration (1902-1946), the *balance of nature* approach led to a *keep it simple and wild* wilderness philosophy. During the late 1940s the new Warden, Col. Sandenbergh, espoused the view that nature should be left undisturbed, human impact should be kept to the minimum and luxuries and comforts were unnecessary because the park was a place of rest away from the hustle and bustle of civilized life. He was most concerned about creating a tranquil atmosphere wherein people would experience peace and have refuge from the widespread squalor of urban life (Joubert, 1996a, 1986b).

3.14.2 Era of the scientists (1950-2003)

Stevenson-Hamilton also contributed to the retardation of tourism growth. His view was that tourists came for a wilderness experience and not for comfort or entertainment. He refused to upgrade accommodation or to provide conveniences because he believed that tourists came to the park for rustic and primitive natural experiences (Carruthers, 1995). This view became part of the founding philosophy of tourism in the park and still enjoys support from a segment of nature-conscious tourists, particularly among older clients.

The era of the Scientists commenced in the 1950s and brought another dimension to the debate on the maintenance of wilderness qualities of the park. The park's pioneer biologist, Dr T.G. Nel, perceived the existence of a 'paradox' in the thesis of '*preservation*' vs. '*recreation*' in any national parks' conservation mandate. He believed that tourists to national parks have a deep-seated love of wild nature that should be honoured and that such sanctuaries should be prevented from degenerating into playgrounds for human beings. He compared national parks to an absolute sacred trust for the preservation of fauna and flora and not a holiday resort with hotels, cinemas, tennis courts and other amenities. He challenged the NPB to make a choice whether it wanted national parks to duplicate the features and entertainment of other resorts

or to preserve the parks for something distinct and better in the national life of South Africans. Although he was not totally opposed to the reality of tourism in the KNP, he disliked the centre-stage status granted to tourism on the pretext that it was the “*goose that was laying the golden egg*” and intimations that the park’s success and future survival was dependent upon its ability to generate revenue through tourism (Joubert, 1986a, 1986b).

The views of Dr Rocco Knobel, Chief Director of the NPB and also NPB Board member during the 1950 to 1960s period, dominated prevalent philosophies on the direction that tourism was expected to take in the 1960s. According to Knobel, as quoted by Joubert (1986c), it is a half-truth that tourists go to the KNP to see animals in their natural surroundings, they could do that much cheaper and easier by going to a zoological garden...

“there is much more than that – there is that nostalgia about the romantic past of the Voortrekkers and the 1820 Settlers, the return to a little adventure, to a simple lifestyle, to camp fires that keep on burning, to bright starlit skies, to the inconvenience of roasting meat on glowing embers, to get away from neatly and fully set tables, to have eyes burning from mopani smoke, to feel the heat from fore and the cold from aft and so many things that are unique to the outdoors. Things of which we may never deprive our children...”

Dr Knobel’s remarks add credence to the observations by Carruthers (1995) regarding the ideological agenda of promoting Afrikaner nationalism that was ‘enveloped’ in wildlife appreciation with the founding of the KNP. Tourism in KNP was also couched to promote a South African national identity within the framework of Afrikaner Nationalism and *baasskap* (Cock & Fig, 2000) as part of the apartheid national way of life.

The KNP was not to be developed into a commercialized recreation resort but a tranquil bushveld destination with an atmosphere that would be amenable to *geestelike verdieping* (spiritual enrichment) (Joubert, 1986b). The major values of conservation were scientific value, economic viability and cultural heritage. Subsequent development towards an increase in tourist accommodation was often subjected to strict control and sometimes refused. For example, restaurants, although necessary, were not encouraged because they promoted *verstedeliking* (urbanization). Tourists were encouraged to cook their own food over open fires. Paraffin lanterns were preferred to electricity in the huts. Tourist numbers were curtailed and heavy fines imposed on tourists whose behaviour was incongruent with rules and regulations of the park. Organized tours in big busses and conferences were discouraged because they interfered with the bookings of individual tourists (Joubert, 1986d). The lives of tourists in the park, in the researcher’s view, were prescribed and controlled by the authorities with a myriad of laws that constituted overzealous officialdom.

3.14.3 Wilderness and management plans

During the 1980s ecologists worldwide, following the approach used in town planning, streamlined tourism development planning ideas into one policy document called a *Master Plan* (Eagles *et al.*, 2002). Generally speaking tourism planning has been defined as a process based on research and evaluation, which seeks to optimize the potential contribution of tourism to human welfare and environmental quality (Tosun & Jenkins, 1998). In protected area management this planning device was used to protect the wilderness qualities of the environment. It was during this era that Dr S.J.C. Joubert, an accomplished biologist and subsequently a KNP Director during the 1990s, began an arduous but successful project of documenting the management approaches and history of the park from its inception. Joubert's six volume Master Plan serves as the basis for newer management plans and without it the entire history of the Parks conservation and tourism activities would have been lost.

In ensuring that the concept of development planning is applied (through Master Plans) by protected areas, the IUCN strongly advises member countries to adopt zonation of recreational areas in their management plans to manage tourist activities and protect the environment against degradation (IUCN, 1994). As discussed earlier, wilderness areas – as part of a zoning system – and their management have been under discussion in the KNP over many decades. Earlier scientists of the KNP deserve praise for taking the first steps towards establishing a tourism management framework by introducing proposals for zoning of wilderness areas. Such wilderness areas are defined in the USA in terms of the Wilderness Act of 1964, as follows;

“A Wilderness, in contrast with those areas where man and his own works dominate the landscape, is hereby recognized as an area where the earth and its community of life are untrammelled by man, where man himself is a visitor who does not remain...” (Cheney *et al.*, 1996)

When dealing with the issue of wilderness there are two important components of the concept that need to be understood. Firstly, there is the concept of wilderness zones and zoning of conservation areas to make provision for the preservation of wilderness areas. The protection of such declared wilderness areas from the impacts of man should be achieved through legislation. Unfortunately, the promulgation of such legislation has not yet been successful in South Africa. A major problem with demarcation and formal proclamation of such wilderness areas in a national park is that it creates an impression that other areas outside such wilderness areas may be developed or that they do not qualify as wilderness areas (Venter, 2001). The second point relates to the creation of the Recreational Opportunity Zones (ROZ) Plan, which is discussed in detail hereunder.

3.14.4 Recreational Opportunity Zones (ROZ) plan

It is imperative to know that “wilderness qualities” are not only found within the most pristine “untrammelled” wilderness areas; other areas within a national park which have tourism infrastructure and tourist traffic also have critical and important qualities of open space, wildlife, peace and serenity, natural sounds, all of which contribute to what collectively constitute “wilderness”. Such attributes of wilderness need to be managed, or rather they need to be protected from the vagaries of humans by active management measures. The extent to which these wilderness attributes can be protected is enhanced by the development of a zoning plan, with different zones having different degrees of tourism impact and wilderness protection (see Annexure 4). In the KNP this has been achieved by the implementation of the ROZ Plan (Venter *et al.*, 1997).

To illustrate this principle and also how it may be applied in practice, the following example may be useful. In a rest camp wilderness qualities are promoted, *inter alia*, through the application of a specific type of architecture (thatched rondavels), siting of a camp (on the bank of a river or foot of a mountain), layout of the camp and gardens, as well as blending the rest camp with surrounding natural bush (Van Riet, 1987). The most recent trend is to do away with fencing of rest camps to enhance the experience of the wild. In areas used for trails and walks, different wilderness qualities apply and are maintained by preserving the wild and undeveloped character of the area, by providing a rustic experience and by restricting the number of tourists entering the area. Such areas are vitally important to:

- provide a pristine or primitive wilderness experience to tourists who prefer that kind of recreation; and
- keep future options open for use of the area in a manner that is compatible with a wilderness.

Even the use of directional signage in the KNP is influenced by the quest to protect the wilderness of the park to a large extent. Signs are produced from material taken from the surrounding environment. Stone pyramids or walls of about one meter in height are constructed to make them elephant-proof. Colours are selected to blend with the environment. No advertising billboards or bright neon lights are allowed because of the potential to erode wilderness qualities. The width of roads is narrower than town or city roads to give a tourist a different and pleasing experience compared to the freeways of Gauteng or other urban areas. The speed limit in the park is 50 km/h on tarred and 40km/h on gravel roads for the safety of animals and tourists but also for purposes of ensuring a tranquil atmosphere.

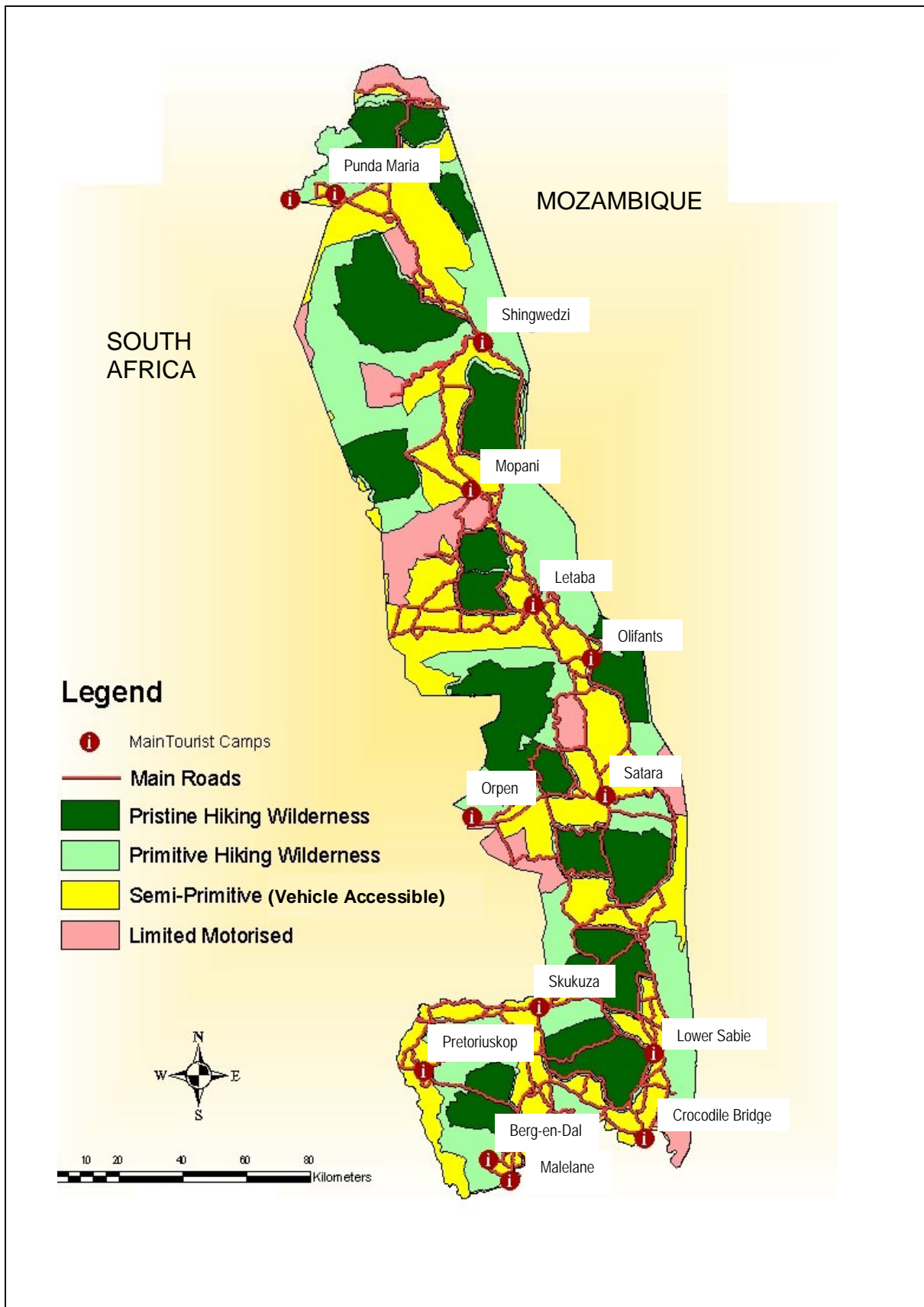
Early zoning efforts were designed to set aside extensive representative landscape types for ecosystems management (for management of rare species) and tourism development purposes. Wilderness areas were to be conserved for their own sake and kept “untouched” by man (Braack, 1997a). Over the years unsubstantiated perceptions, real or imagined, have emerged alluding that there is no part of the KNP or aspect of biodiversity that has been negatively affected by tourism development. Only three percent of the park, excluding the new concession areas, is directly affected by infrastructure such as camps, roads, dams, lookout points, picnic spots and other developments for tourists (Braack, 1997b). However, this view of no tourism impacts is challenged by literature that proves the existence of tourism impact on the environment (see 1.2).

Current reasoning is that biodiversity is not significantly affected by tourism and therefore there should be no reason to exclude humans from any area of the park. The current ROZ Plan management approach is to offer a broad range of wilderness qualities to all tourists depending on their expectations, levels of need (*and personal values in terms of this research study*). Except for possible short-term biodiversity conservation or security reasons, there is no justification to exclude humans from any area or zone anywhere in the KNP. By managing the use of such areas the impact of humans can be controlled, limited or temporarily terminated. The whole of KNP was therefore zoned within a hierarchy of wilderness management areas that are based on their pristineness and potential use (Cheney *et al.*, 1996; Venter *et al.*, 1997). The ROZ Plan represents a major paradigm shift in the park’s tourism development planning and wilderness management. Figure 3.4 shows the wilderness zones and tourism activities in such zones while details of related activities are attached as in Annexure 4.

3.14.5 Spiritual and experiential qualities

Spiritual and experiential qualities of the wilderness refer to the ambience and spirit of a place that are influenced by the physical characteristics of the area and the potential activities and experiences associated with such an area (Cheney *et al.*, 1996). It is a well-known fact that staying in a large rest camp in the KNP is an unforgettable experience for certain categories of tourists. Other tourists (*depending on their personal values and preferences*) prefer more rustic and primitive experiences and tend to shun the larger rest camps and main tourists roads (Venter *et al.*, 1997). One of the objectives in this study is to measure the values, preferences and attitudes of tourists that make them decide on the KNP as their holiday destination (see 4.3). Such information will bolster the drive to continue protecting wilderness qualities because of the role that they might be playing in the choice and enjoyment of the park’s experience by tourists.

FIGURE 3.4: Recreational Opportunity Zoning map of the KNP



Adapted from Braack, 1997b

According to the researcher the ROZ Plan in itself or applied in isolation from other essential components of tourism does not constitute a tourism management plan but rather is one of the planning tools available to a park manager to be used in tourism development planning. Nonetheless, the ROZ Plan has managed to keep the KNP in a state of relative ecological health that contributes to it being a much sought-after destination.

3.15 RELATIONSHIP WITH NEIGHBOURING COMMUNITIES

Protected areas the world over, through the leadership of the IUCN, have come to accept that adjacent communities are legitimate partners in the conservation and tourism activities of parks (SANParks, 2000). Many pieces of legislation establishing protected areas explicitly embrace adjacent communities as stakeholders and beneficiaries of proceeds accruing from conservation activities. There exist very few systems that still advocate “parks without people” (IUCN, 1994). The new Protected Areas Bill of 2003 makes it compulsory for Park authorities to embrace communities living adjacent to them in formal partnership relationships (see 2.8.2).

One of the major problems facing the KNP today is its lack of legitimacy amongst the three million black people living on its doorstep, who continue to “smell the cherry” from a distance (Makoe, 2002). Communities, whether living in the Park’s staff villages or outside the park, have seldom been involved in decision-making processes (Cock & Koch, 1994). Their experience of the Park evokes episodes of running for their lives from escaped problem animals and runaway fires. For more than a century different Park authorities have regarded communities living adjacent to it as potential poachers and this relationship has bred animosity between the Park and its neighbours (Makoe, 2002). Denial by Park management that such uneasy relationships exist between the Park and its adjacent communities further compounded the problem (Cock & Fig, 2000). There are many issues concerning the KNP that remain a concern for adjoining communities.

Among the issues that disturb neighbouring communities is the economic value that they believe they should be deriving from the Park (SANParks, 2000). Provision of service and goods were traditionally awarded on tender to large urban-based white-owned corporations to the total exclusion of the neighbouring black communities (Cock & Koch, 1994). Economic opportunities and contracts were – and still are – not entirely open to black entrepreneurs, manufacturers, consultants and suppliers of goods and services, although black enterprises comply with required standards (Cock & Fig, 2000).

According to Blignaut & Moolman (2004), the political legacy of apartheid might have ceased but economic and environmental consequences are still prevalent. They cite the poverty-stricken and environmentally degraded area of Bushbuckridge, which borders the KNP, as still excluded from the benefits accruing from the KNP. They suggest that the KNP management should consider broadening the conservation corridor by incorporating the Bushbuckridge communal land as an IUCN Category VI protected area. Such a protected area will allow sustainable resource harvesting by communities within a proper managerial and institutional system to promote trade in ecosystem goods and services.

The KNP has a long history of animosity between itself and neighbouring communities for a variety of historical and current reasons (Pollard *et al.*, 2003). The past livestock control policies and conservation laws that rendered black people liable for arrest if found in possession of wildlife outside reserves, created animosity between the Park and its neighbouring communities (Davenport & Saunders, 2000). The so-called “betterment schemes” of the previous government imposed crippling restrictions on black people’s livestock and agricultural production and helped to undermine the African tradition of conservation and agriculture (Pollard *et al.*, 2003).

An emerging view among conservationists, supported by good business practice, is that successful management of protected areas must include the cooperation and support of local people. This view is strongly supported by Blignaut & Moolman (2004) as quoted above. The exclusion of people who live adjacent to protected areas from sustainable use of natural resources without providing them with alternatives is increasingly viewed as politically unfeasible and is increasing tensions between the KNP and its neighbours (Blignaut & Moolman, 2004; SANParks, 2000). In many countries the response of protected areas to this challenge has been the linkage of biological diversity in protected areas with local social and economic development (Matawonyika, 1989; Watson & Sanders, 1997).

While the core objective of such projects is protected area conservation, they aim to achieve their goals by promoting socio-economic development and providing local people with alternative income sources that do not threaten to deplete the plants and animals within parks. Such projects, where they are in operation, have become the vanguard of what will undoubtedly develop into a broad array of initiatives attempting to link conservation and socio-economic development (Blignaut & Moolman, 2004). Examples of such programmes may include, *inter alia*, agro-forestry, wildlife utilization, irrigation and water management, soil enhancement and erosion control and the improvement of agricultural yields in general (Brandon & Wells, 1992).

Unfortunately there is very little, if any, similar park-initiated or sponsored activities happening along the western and southern boundaries of the KNP. The role and success of the Social Ecology division introduced in 1995 will need to be evaluated to determine its impact so as to effect adjustments for future success (see Survey on Relationships with Adjacent Communities in Chapter 5).

The Centre for Wildlife Management at the University of Pretoria, commissioned Herman Els to conduct a study among the black employees of the KNP between May and July 1994 (Els, 1994). The objective of the study was to measure existing value-judgements of black employees concerning certain aspects of nature and nature conservation. Another objective was to indicate the degree in which the value-judgements concerning nature and nature conservation of black employees of the KNP differed from those existing in black communities adjacent to the KNP. Information about value judgements of the black communities adjacent to the KNP has been gathered since 1991 as part of a larger research project in the Mnsi tribal authority area (Mhala District: Limpopo Province). The University of Pretoria study found that:

- selected trees (Kiaat, Maroela, Groenklapper, Rooi-Essenhout (Mahogany) and Hardekool) are regarded as beautiful because of their usefulness for subsistence (e.g. their fruit, shade and as a source of energy). In this regard the response of KNP employees was in agreement with those of people living in adjacent rural areas.
- respondents were almost equally divided on the question if man should accept responsibility for the care of the above trees (No – 46,6 %; Yes – 51,4 %).
- respondents regarded domestic animals as beautiful and not dangerous and also considered it man's responsibility to care for these animals.
- an overwhelming majority of respondents considered lions, elephants, hippos, buffalo, blue wildebeest, eland and crocodiles as dangerous animals. Consequently they maintained that man has no reason to accept responsibility for the care (conservation) of these animals.
- almost all (97,8 %) the respondents indicated that man should not care for wild animals as he should for domestic animals.
- overall, the research indicated that there is no real difference between black employees in the rest camps and the black communities adjacent to the KNP regarding perceptions and value-judgements of nature and nature conservation in the KNP (Els, 1994).

The conclusion of the study was that the KNP cares more for wild animals and the rich white tourists who visited the park. Communities and black employees resented the fact that they were not allowed to harvest firewood, medicinal plants and meat from the Park. They also felt aggrieved that wild animals, which destroyed their crops, had grass to eat while their cattle starved to death during drought periods. The study concluded that it would benefit the park to take comprehensive steps to communicate its mission to its own personnel as well as to the adjacent rural communities and to become involved in rural socio-economic development. This was subsequently done through the introduction of a Social Ecology division in 1995 (SANParks, 2000). Involving communities in tourism development could improve their economic situation and could be the only long-term value-added sustainable development path open for the future survival of the KNP.

Another important milestone in the evolution of tourism development in the KNP was the Park's effort to provide and maintain tourism infrastructure and facilities.

3.16 PARK INFRASTRUCTURE AND MAINTENANCE

On his retirement in 1945 Stevenson-Hamilton conceded that the KNP was never in a sound financial position to build rest camps and roads and never had a development plan that was ecologically friendly. This was so because *"in the early days we lived perforce from hand to mouth"*. Rest camps were not well sited and were built in the middle of the Park. He advised that, in future, new camps and hotels should be built on the periphery or outside the western boundary of the KNP with tourists being encouraged to move from west to east rather than the current south-north movement (Joubert, 1986a).

Due to the increase of tourist numbers after World War II the Board decided in the late fifties that tourism infrastructure should be upgraded and expanded to accommodate more tourists. It was then decided to establish a Division of the Engineer, later renamed Technical Services. The first park engineer, Albert Kuschke, was appointed in 1958 and the division's budget was £58 000. This budget has grown dramatically through the years and by the 1990s it amounted to R60 million per annum (KNP, 1990). The mandate of the technical division was, and still remains, management of capital projects (buildings and roads) and maintenance of infrastructure, equipment, plant and vehicles (lately on an outsourced basis) (Laubscher, 1999).

The construction and maintenance of buildings and roads infrastructure, water and sewage lines and camp fences are the most critical functions supporting tourism services in the Park.

The KNP has more than 3 000 buildings, 12 water purification plants, 45 boreholes, 11 solid waste sites, 1 743 km of gravel tourist roads, 4 900 km fire break roads and 885 km of tar roads (KNP, 2003). Without this infrastructure there would be serious negative impact on the tourists' wilderness experience.

Most of the camps in KNP were constructed between 1928 and 1991 when tourists were fewer. Many of these facilities are now aging (see Annexure 5).

Table 3.8 shows the total values, calculated according to the World Bank norms and maintenance benchmarks, and the 2002/03 KNP budget for infrastructure. From the allocated budget of R41 million the KNP experiences a shortfall of R32,5 million for 2002/03 financial year.

TABLE 3.8: KNP infrastructure replacement values, maintenance benchmarks and current budget, 2002/03

INFRASTRUCTURE	REPLACEMENT VALUE	MAINTENANCE P.A.	KNP BUDGET
Roads and bridges	R 996 million	2 %: R 19 million	R 14 million
Tourist & staff accommodation	R 465 million	7-10 %: R 33-R46 million	R 27 million
Support infrastructure (underground pipelines water, sewage and electricity)	R 80 million	7-10 %: R 5,6 – R 8 million	(Included in the R27 million budget above)
TOTAL	R 1 500 million	R 73,5 million (taken the highest figures)	R 41 million

Adapted from Schraader, 2003

Apart from the accumulated maintenance backlog, the KNP roads maintenance budget lags behind with R54 million. Most roads, sewage and water reticulation systems in the KNP have reached the end of their life cycles and need reconstruction. Due to shortages of funds emanating from decades of under-funding, successive Park Wardens took suicidal decisions and applied cutbacks on maintenance of fixed infrastructure and refurbishment of facilities. Funds set aside for this purpose were grossly insufficient given the extent of the maintenance scope. There have been many complaints induced by the aging furniture, linen and other equipment that affect tourists' enjoyment. The total maintenance and refurbishment backlog in the KNP stands at R 120 million (plus inflation and rising building costs) (Stevens, 2002; Schraader, 2003). Infrastructure is an important element of product and services rendered by

a tourism destination. Should infrastructure be allowed to deteriorate, the attractiveness of a destination is seriously debilitated (Eagles *et al.*, 2001).

The development of a national park product cycle takes decades to blossom into a profitable tourism venture. For example, Addo National Park near Port Elizabeth was established in 1931 and after 72 years it has recently managed to break even. Bontebok National Park near Swellendam was established in 1931, Mountain Zebra National Park in 1937, Augrabies National Park in 1966, to mention but a few. All these national parks have only begun realising financial surpluses recently but they have played a very important role in conserving representative biomes or landscapes that occur in South Africa only.

In the researcher's view there is a need to evaluate a national park's success in terms of a triple bottom line, *i.e.* environmentally, socially and financially. To use the financial yardstick alone is misleading and simplistic. Society does not create national parks for profit purposes but to conserve natural, cultural and historical value systems. Financial prudence in terms of resource utilization should remain obligatory for a national park but not as a measurement of success or failure. The state, on behalf of the nation, will always have a financial contribution role to play. National parks should consider adopting business strategies and marketing strategies to survive and thrive.

The lack of a marketing track record in the KNP in particular and SANParks in general has negatively influenced tourism growth to a considerable level.

3.17 MARKETING RESEARCH AND STRATEGY

3.17.1 Public sector and marketing

Owing to the long history of financing through government grants, the policy of pricing and revenue generation in national parks and protected areas is seriously neglected in the public sector (Laarman & Gregersin, 1996). Also state-owned protected areas and conservation agencies did not pay adequate attention to marketing their products or experiences to their prospective and current clients. National parks were not managed on business principles until very recently, and only after governments worldwide began instituting severe cutbacks on the subsidy grants allocated by treasury departments (Van Sickle & Eagles, 1998).

Diggines (1998) found that, although the KNP had aggregates of the marketing function residing under the jurisdiction of the Manager for Public Relations and Marketing, in reality professional marketing functions were non-existent. It had always been the belief of previous and current KNP managers that, because of its international conservation reputation, the KNP would market itself. To a limited extent it did market itself, although in recent times the KNP has faced tough competition from provincial conservation agencies such as the North-West Parks & Tourism Board, KZN Wildlife and private nature reserves (see 3.8). The theoretical management framework in Chapter 2 (see 2.9.1) suggests that the KNP should consider developing a marketing plan based on research or surveys of tourist needs. Surveys are an essential prerequisite for drawing up a marketing plan.

3.17.2 Tourist surveys

The management of the KNP is not aware of its tourist profiles because it does not conduct surveys to obtain information that will help it to adequately plan for products and services to meet tourist expectations. No effort is made to analyse the guest cards filled in at the end of each visit and even if they would be analysed the results would be flawed due to not following sampling or statistical procedures. Protected area managers must conduct market research in order to understand their tourist profiles. Examples of relevant questions asked by planners should include the following:

- who are the tourists and what are their characteristics?
- where do they come from and how did they get here?
- what percentage of tourists is domestic and international?
- how long do they stay?
- how many tourists are currently visiting the park?
- what do they do during their stay?
- what attitudes and expectations do they have?
- what would tourists like to see?
- what motivated them to choose a specific protected area as their destination?
- how satisfied are they with their visit? (Eagles *et al.*, 2001:54)³³.

Learning about and analysing tourist needs and expectations better enables park managers to provide satisfying experiences that will meet tourist expectations. Focusing on specific market segments enables park managers to target tourists more effectively. It must be pointed out,

³³ The tourist survey conducted in this study used the variables quoted by Eagles *et al.*, 2001:54 and revealed interesting results (see Chapter 4).

though, that tourists may express a desire for a particular experience, which may be incompatible with an area's image. The development of such infrastructure could be in conflict with the objectives of the protected area (Eagles, 1995b). This is the reason, for instance, why there are no casinos or hot-air balloons in the KNP.

Surveys can reveal important information to a park manager, such as who is not visiting and why (e.g. there are no more than 12 % black visitors to national parks in South Africa). Potential tourism markets can be identified for purposes of expansion. Surveys can also be useful to anticipate future conditions and trends. Identification of the types of activities that are popular with tourists enables park managers to identify appropriate sources of advertising. Magazines and journals such as *Getaway*, for example, may be a good medium of advertising. Upscale travel supplements in newspapers are other sources. Planners and managers can collaborate with tourism operators to develop brochures that should indicate the purpose and uniqueness of the destination (Eagles *et al.*, 2000). It is vital for a park to understand the behaviour of its consumers to be able to plan appropriately.

3.17.3 Consumer marketing

Successful organizations require extensive information on consumer behaviour and conduct extensive research to achieve this. *Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs and the impact that these processes have on the consumer and society* (Hawkins *et al.*, 2001:7).

Personal values play an important role in an individual's lifestyle and provide a direct and useful explanation of the multitude of interests, outlooks on life, consumption priorities and activities that determine lifestyle. Personal values are likely to determine what attributes a consumer will seek out in a product or service and are partly responsible for the formation of attitudes towards brands, companies, establishments and market place alternatives (Muller, 1991). In the case of international (and local) tourism it can be expected that values determine a consumer's choice of vacation destination and other economic behaviour related to foreign travel for pleasure. A concept of personal values will give tourism planners who work in global tourism markets, travel agents, tourists and destinations like protected areas a means of identifying the target segment through profiles that match attributes to personal values. The relationship between personal values and tourists' behaviour has tangible positive implications for marketing practitioners and policy-makers in the tourism industry because

value orientations predicts the importance people attach to specific destinations (Mellot, 1993). This is the reason behind the use of Value-laddering interviews in 4.3 if this study,

Due to the lack of a management framework and the non-existence of market research on the behaviour of its consumers, the KNP is missing an opportunity to draw profiles of its clients and market segment for purposes of mapping products and services to satisfy the needs of such consumers. Any tourism management framework designed for the KNP should include as one of its core elements market research that emphasizes consumer behaviour analysis as a basis for a continuous marketing strategy. This is because of the reality of dynamic environments, changing clientele profiles and the futuristic nature of tourism. Such a marketing approach may throw light on the reasons why people of different market segments visit or do not visit the KNP and help to strategically position the Park to meet and satisfy the needs of its clients. It would further help the KNP to strategically position itself as a preferred destination within a broader destination-marketing context and global competition.

3.18 CONCLUSION

In this chapter the historical overview of tourism growth in the KNP was discussed. SANParks and KNP organizational structures charged with tourism management and their relationships with other departments and divisions were also discussed. From this historical and organizational structure overview it is evident that tourist numbers have increased over the years and that the KNP has been and is still struggling in managing and delivering tourism services with unavoidable negative consequences on the quality of the products and services offered. There is a lack of an integrated approach to tourism management in relation to conservation/wilderness activities. Many of the employees responsible for tourism have no formal training in tourism management and contribute to the lack of quality assurance in products and services rendered. Generally the business performance of SANParks has been poor and so is that of the KNP. Due to an inability to raise sufficient revenue from tourism and government sources the Park is unable to implement cyclic maintenance on its infrastructure and refurbishment of tourist facilities. The lack of maintenance has seriously debilitated the attractiveness of the KNP as an overnight destination although, because of its global reputation and local brand loyalty, it can still draw tourists from South Africa and all over the world. The adoption of commercialization as a conservation strategy seems to have been a step in the right direction and there are strong indications that the initiative will pay dividends. However, there are some concerns over the implementation process of this new strategy and its effective management in a practical context.

Concerns have been expressed on the lack of meaningful and visible community involvement in the tourism activities of the KNP when compared to the tourism industry norms. If the Park's future is to be secured, management should consider implementing innovative means of constructive engagement with the communities to ensure that benefits accruing from conservation activities are equitably shared.

Both the mainstream tourism industry and protected areas worldwide and the KNP in particular have had a blind spot for the emerging protected area tourism phenomenon. The complexity of tourism management in the KNP is often underestimated. Managers should balance environmental protection with tourist use of the resources. However, they (managers) are struggling to deal with the demands of tourists, local residents' participation, regional interests, alignment with the national government objectives and the private tourism industry without a theoretical reference and management skills base. If the KNP and other protected areas are to succeed in managing tourism in sensitive areas, they need to establish criteria and indicators to manage tourism impacts on the environment. The current tourism facilities and tourist satisfaction levels will now be measured in Chapter 4 to establish tourism and recreational values for improvement by the proposed management framework.