



CHAPTER 1

JUSTIFICATION AND DEMARCATION

INTRODUCTION

Travel and tourism can in all probability be traced back to the origins of social life in the human race. There are many indications, for instance, of the commercial selling of accommodation and food and beverage in some of the oldest documents on the history of mankind. Artefacts from geological and paleontological excavations are another source of confirmation for the earliest forms of travel and tourism.

Today, mass tourism activity is something which affects most countries in the world, either because people travel to them or from them, or both, and because most of their own population travel on visits around their own country. However, 80 percent of the international tourist trips made in 1986 were made by people living in the 12 richest countries in the world. On a worldwide basis, over 358 million international tourist trips were made in 1987. In 1986, the total universal expenditure on travel and tourism amounted to more than 54.029 million US dollars.

More than seven hundred thousand international tourists came to South Africa in 1985, constituting an expenditure of 427 million US dollars. This figure represented 0.71% of the Gross National Product (GNP) for that year. These inbound



tourists came from a wide spectrum of different regions of the world : 44.80% came from Africa, 37.38% from Europe, 10.56% from the Americas, 4.82% from Asia and 2.43% from Australia (Central Statistical Service: 1986). Compared with Taiwan (R.O.C.), South Africa has much greater land space and more opulent natural resources. Nevertheless, 1452 Million US dollars were spent on tourism in Taiwan in the same year (2.42% of the GNP.) This should make it obvious that there is an enormous potential for improving the tourism industry of South Africa.

Yet, despite the fact of its obvious significance as a major component of national economies, few guidelines exist and little research has been done on the marketing of tourism. Tourism has, in fact, not been operationalised adequately as a specialised field of services marketing to allow meaningful basic research in this area. Against this background, the purpose of this study is to explore and explicate tourism as a marketing activity, and to apply the principles of marketing to the specific context of tourism with a view to constructing a conceptual framework for the marketing of tourism.

The rest of this chapter will be devoted to the following:

- * Defining tourism and identifying its native terms
- * Describing tourism as a service industry
- * Proposing the structure and content of this dissertation

TOURISM : DEFINITIONS AND PRIMITIVE TERMS

A major barrier to the development of a broadly acceptable definition of tourism is the fact the planner and analysts will always need to formulate operational definitions specific to their needs. Despite the need for flexibility in the creation of definitions for different purposes, there is still value in having some generally accepted definitions for a deducible background to the study.

Several definitions have been proposed that begin to suggest a possible industry definition. One of the earliest was offered by a United Nations conference on tourism (UNCTAD : 1971) :

" . . . the tourism sector of the tourism industry can be broadly conceived as representing the sum of those industrial and commercial activities producing goods and services wholly or mainly consumed by foreign visitors or domestic tourists."

According to UNCTAD (1971), these industrial and commercial activities include commercial passenger transportation, travel agents, tour operators, accommodation and food serving, recreation and attractions, manufacturers of souvenirs and crafts, and governmental organisations involved with regulating or monitoring the tourism industry.

Although the definition above covers most of the primitive terms of tourism, the definition suggested by Davidson (1989) will be taken as the basis for this study :



"Tourism is about people being away from their own homes, on short term, temporary visits, for particular tourism purposes" (p xx). Each of the constituent components of this definition needs to be discussed in greater detail.

Firstly, tourists are described as being "away from their own homes". From this statement, it can be deduced that there are tourists with different kinds of attributes. However, this study focuses on the international inbound visitors.

The second specification indicates that tourists are "on short term, temporary visits". For the purpose of defining and classifying international travellers, the World Tourism Organisation (WTO) guidelines (WTO: 1981) are perhaps the best known. These guidelines evolved out of the recommendations first made in 1937 by the Committee of Statistical Experts of the short-lived League of Nations. The definitions for international travellers recommended by the WTO were as follows :

An international traveller is a person who is :

1. intending to emigrate or obtain employment in the destination country;
2. visiting in the capacity of a diplomat or a member of the armed forces;
3. a dependant of anyone in the above categories;
4. a refugee, nomad or border worker;
5. going to stay for more than one year, but who is or may be

6. visiting for the purpose of recreation, medical treatment, religious observances, family matter, sporting events, conferences, study or transit to another country;
7. a crew member of a foreign vessel or aircraft stopped in the country on a lay-over;
8. a foreign commercial or business traveller staying for less than one year, including technicians arriving to install machinery or equipment;
9. an employee of international bodies on a mission lasting less than one year, or a national returning home for a temporary visit.

International visitors were further divided into international tourists and international excursionists. International visitors : visitors who spend at least one night in accommodation in the destination country. International excursionists : visitors who do not spend at least one night in accommodation in the destination country.

The third constituent element of Davidson's (1989) definition states that tourists are in a particular country "for particular tourism purposes". What are the different purposes associated with tourism? The two reasons for travelling which make people tourists are business and leisure.

Business tourism consists of travel for various reasons, mainly:

- Business meetings - people travel to meet each other in order to discuss some kind of business.

- Exhibitions and trade fairs - business people who offer a particular service or product may gather together for a few days at an exhibition centre to exhibit their services or products in the hope of attracting buyers.

- Conferences and conventions - a group of people with something in common may gather together for one or more days usually to discuss a range of topics of interest to them all.

The second main purpose associated with tourism is people travelling for leisure. Leisure tourism also includes travel for various reasons, such as spending holidays, playing and watching sport, study, religious visit, health, visiting friends and relatives, etc.

This study focuses predominantly on the leisure purpose associated with tourism.

TOURISM IS A SERVICE INDUSTRY

It can be said that, in general, tourism demonstrates all the qualities of a service industry. This is reinforced by the nature of its constituent service trades. All of the trades provide the visitor with his essential needs. They are separate industries in their own right, and usually will have their own distinct "market" selling to residents and visitors alike.



These primary trades are transport, accommodation and catering. The primary tourist services will be offered by travel agents and tour operators, information agencies (public and private) and guiding staff. Entertainment and specialist activities for visitors are offered in visitor destinations.

Secondary trades range from shops, personal services such as banking, hairdressing, laundering and a considerable range of businesses supplying tourist enterprises, such as building, maintenance, light and heat and professional services including the tourism marketers. This broad division can only be indicative since the inclusion of businesses or institutions in the tourism category depends so much on the incidence and impact of tourism in their area of business and the proportion of their trade that aimed at visitors.

However, in order to clearly establish tourism as a service industry, it is necessary to first define and describe what is meant by services.

A definition of services

The American Marketing Association definition of services of 1960 describes them as "Activities, benefits or satisfactions which are offered for sale, or are provided in connection with the sale of goods"(p xx).

For a number of years this seems to have been the most widely accepted and used definition of the services



industry. Its chief weakness though is that it does not discriminate sufficiently between goods and services; goods are also offered for sale because they provide "benefits" and "satisfactions".

A refinement of the AMA definition by Stanton (1981) is: "Services are those separately identifiable, essentially intangible activities which provide want-satisfaction, and that are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However, when such use is required, there is no transfer of title (permanent ownership) to these tangible goods".

In using this definition Stanton (1981) makes it clear that activities like medical care, entertainment and repair services are included, but that credit, delivery and other services which exist only when there is the sale of a product or another service are excluded. He also recognises that the consumer may take temporary possession or make temporary use of any goods that may be required in the production of a service (e.g.. a hotel room). Also, by suggesting that service organisations are those which do not have as their principal aim the production of tangible products which buyers will possess permanently, he is close to the idea of Gronroos (19xx) that the service is the object of marketing, i.e.. the company is selling the service as the core of its market offering.

Another similar definition is that of Kottler (19xx) : "A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything; Its production may or may not be tied to a physical product".

What these and other definitional approaches share in common is their emphasis, directly or by implication, on the essentially intangible nature of a service. This quality of intangibility is central to another approach to service definition which focuses on the distinctive characteristics of services.

Characteristics of services

A number of characteristics have been suggested to help distinguish between goods and services. It is the combination of these characteristics which creates the specific context in which a service organisation must develop its marketing policies. The more commonly stated characteristics of services are:

- **Intangibility** : Services are essentially intangible. It is often not possible to taste, feel, see, hear or smell services before they are purchased. A repeat purchase may rely upon previous experience, the customer may be given something tangible to represent the service, but ultimately the purchase of a service is the purchase of something intangible.

- **Inseparability** : Services often cannot be separated from the person of the seller. A corollary of this is that creating or performing the service may occur at the same time as full or partial consumption of it.

- **Heterogeneity** : It is often difficult to achieve standardisation of output in services. Even though standard systems may be used, for example to handle a flight reservation, to book in a customer's car for service or to quote for insurance on his life, each "unit" of a service may differ from other "units". Service producers may attempt to ensure a standard of conformity, but ultimately it is difficult to ensure the same level of output in terms of quality. From the viewpoint of customers, it is also difficult to judge quality in advance of purchase.

- **Perishability** : Services are perishable and cannot be stored. Spare seats on a package tour or an empty hotel room represent capacity lost forever. In addition, with some services, there is fluctuating demand which may aggravate the perishability feature. Key decisions have to be made on what maximum capacity level should be available to cope with surges in demand before service levels suffer. Equally, attention has to be given in times of low level of usage on whether spare capacity will lie idle or whether short-term policies (e.g.. differential pricing, special promotions) will be adopted to even out fluctuations in demand.

- **Ownership** : Lack of ownership is a basic difference between a service industry and a product industry because a customer may only have access to or use of a facility (e.g. a hotel room). Payment is for the use of, access to or hire of items. With the sale of a tangible good, barring restrictions imposed say by a hire purchase scheme, the buyer has full use of the product.

EXPLICATING TOURISM AS A SERVICE INDUSTRY

Before any country, or any area within a country, can attract tourists on a large scale, certain important facilities and services to cater for their needs from their time of arrival to their departure must exist for tourists. The businesses and organisations which provide these facilities and services make up what is known as the tourism industry. It is the tourism industry which looks after tourists and provides for their particular needs. Because the tourism industry provides the service for tourists' needs, it is important to consider what tourists' needs are before looking at the relationship between tourism industry and service industry.

In the basic definition above, tourists were described as people who:

- are away from their own home;
- are on visits which are short term and temporary;
- are travelling for leisure or for business.

A clear implication of the definition is that there should be some essential services for the tourists. The following are the most important services constituting the tourism industry:

- **Travel and transport**

In order to get away from their own homes and out of the countries they stay, people need some kind of transport to enable them to travel to their destination. Without travel and transport, there could be no tourism, so this is the first sector of the tourism industry.

- **Catering and accommodation**

Tourists away from home need somewhere to stay and they need to be fed. The vast sector of the tourism industry which provides tourists with these services is known as the catering and accommodation sector.

- **Leisure and business facilities**

Tourists need a reason to travel in the first place. Leisure and business are the two main reasons which lead to tourist activity and the businesses and organisations which provide leisure, recreation and business facilities make up the third sector of the tourism industry.

It is obvious that all these services provided by the sectors of the tourism industry subscribe to the characteristics of the service industry discussed above.

5. STRUCTURE OF THIS STUDY

Earlier, the exploration of a conceptual framework for the marketing of tourism has been proposed as the primary objective and purpose of this dissertation. Tourism has also concisely been demonstrated to be subscribing to the attributes of the services industry, thus requiring to be approached from the specific viewpoint and principles of services marketing.

Against this background, the remaining chapters of this dissertation will be devoted to the explication, within the specific context of tourism, of the following aspects of marketing:

Chapter 2 : The general principles of marketing

Chapter 3 : The tourism marketing process

Chapter 4 : The product in tourism

Chapter 5 : The consumer in tourism

Chapter 6 : Distribution in tourism

Chapter 7 : The promotion of tourism

Chapter 8 : Conclusions and recommendations



CHAPTER 2

GENERAL PRINCIPLES OF TOURISM MARKETING

INTRODUCTION

In Chapter 1 it was stated that no adequate explication of the marketing of tourism as a particular service industry exists in general literature in this field. Therefore the purpose of this dissertation is to explore the parameters of a framework for the marketing of tourism. However, in order to approach the specific context of tourism, it seems necessary to first briefly review the general principles of tourism marketing.

KEY DEFINITION AND CORE CONCEPTS OF MARKETING

Marketing has been defined in various ways by different writers. There are, however, two typical approaches that can be found in definitions of marketing :

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler 1988).

Marketing is the process of planning and executing the concept, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives. (Official definition of the American Marketing Association, 1985).



It seems obvious that some important communal core concepts of marketing will be found in comparisons of various definitions. The following are some of the core concepts: demands, product / service, utility (value / satisfaction), exchange (transaction /) markets and marketing. Some of these concepts can actually be seen as a linear process forming a chain :

Figure 2.1

Core concepts of marketing

Demands	Products	Utility	Exchange	Markets
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Demands are wants for specific products that are backed up by an ability and willingness to buy them.

Products / services are anything that can be offered to someone to satisfy a need or want. It is normal that we use the expression products and services to distinguish between physical objects and intangible ones.

Utility is the consumer's estimate of the products' or services' overall capacity to satisfy his or her needs. The value depends on the utility in relation to the price. After making the choice, the consumer will get a certain satisfaction. The concepts of utility, value and satisfaction are crucial to the discipline of marketing.

Exchange is the act of obtaining a desired product from someone by offering something in return. Therefore exchange

is described as a value creating process, that is exchange normally leaves both parties better off than before the exchange. Transactions are the basic unit of exchange. A transaction consists of a trade of values between two parties.

A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want. Economists use the term market to refer to a collection of buyers and sellers who transact over a particular product or product class. But from the viewpoint of marketing, however, the sellers can be seen as constituting the industry and the buyers as constituting the market.

These core concept of markets brings the process of marketing to a full circle. Marketing entails human activity taking place in relation to markets and the activating of markets to actualise potential exchanges for the purpose of satisfying human needs and wants.

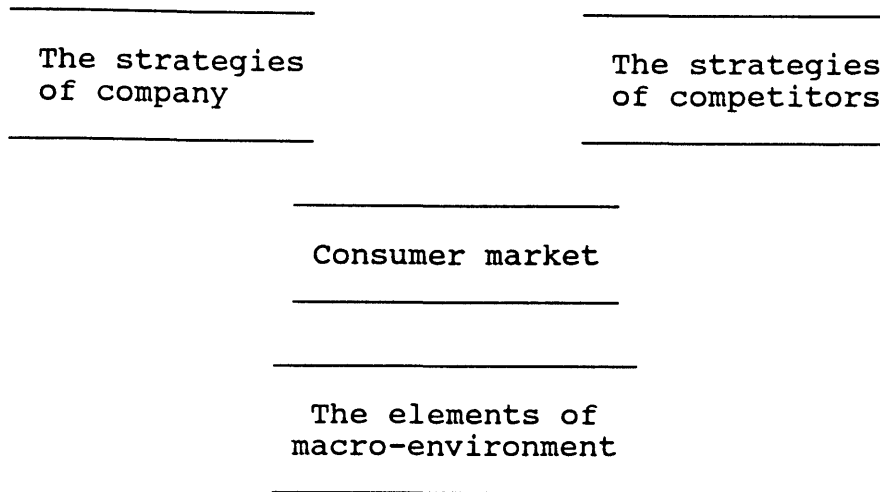
THE MARKETING ENVIRONMENT

There are many forces, actors and factors that influence the marketing activities. From the viewpoint of marketing, the consumers are always the terminal aim of all the marketing activities. Therefore the consumer market (target market) is certainly the central subject in the marketing environment. Figure 2.2 shows that consumers (the target

market) are influenced by all the variable factors of marketing environment.

Figure 2.2

Factors that influence the target market



- The strategies of company are the controllable factors of the marketing environment. Strategies are directly developed according to the particular marketing mix.
- The strategies of competitors are the uncontrollable factors of the marketing environment. A company rarely stands alone in its efforts to serve a given customer market. Its efforts to build an efficient marketing system to serve the market are matched by similar efforts on the part of others.
- The elements of the macro-environment continually and uncontrollably mold and reshape the target market. At the same time, they are the forces that influence the other two factors. Thus, the elements of the macro-environment will



not only alter the present marketing strategies of a company and its competitors, but also present new threats and opportunities. These elements involve different categories of resources, as well as demographic, social, technological, economic and political or legal factors.

- The consumer market consists of all the individuals that buy or acquire goods and services for personal consumption.

Consumers vary tremendously in age, income, educational level, mobility patterns and other characteristic. It is customary to distinguish between different consumer groups or segments and to develop products and services tailored to their needs.

In order to understand the consumers in a specific market, it is always useful to ask and seek answers to the most important questions about any market. One of the best known approaches in this regard is known as the Seven O's of the market place :

Who constitutes the market?	Occupants
What does the market buy?	Objects
Why does the market buy?	Objectives
Who participates in the buying?	Organisation
How does the market buy?	Operations
When does the market buy?	Occasions
Where does the market buy?	Outlets



TARGET MARKETING

A company that decides to operate in some broad market, recognises that it normally cannot serve all the customers in that market. The customers are too numerous, widely scattered and varied in their buying requirements.

The heart of modern strategic marketing can be described as STP (segmenting, targeting and positioning) marketing. This formula took a long time to be developed. Three stages of evolutionary development occurred : mass marketing, product variety marketing and target marketing.

Today's companies are finding it increasingly unrewarding to practice mass marketing or product variety marketing. Rather, they are increasingly embracing the concept of target marketing. Target marketing helps sellers identify marketing opportunities better. The sellers can develop appropriate approaches for each target market. They can adjust their prices, distribution channels and advertising to reach each target market efficiently.

Target marketing calls for three major steps: Market segmentation -- Market targeting -- Product / service positioning.

Market segmentation

Markets consist of buyers and buyers differ in one or more respects. They may differ in their wants, resources, geographical locations, buying attitudes and buying



practices. Any of these variables can be used to segment a market.

We may define market segmentation as the process of breaking down a heterogeneous market into segments, which are relatively homogeneous and identifiable for the purpose of designing a marketing mix to meet the needs of consumers in segments that are attractive to the firm. In other words, market segmentation is the process of examining a market place by subsegments, with each member of a subsegment being relatively similar to other members of that subsegment. (McDaniel & Darden, 1987)

Market targeting

The company, in evaluating different market segments, must look at three factors, namely, (i) segment size and growth; (ii) segment structural attractiveness; and (iii) company objectives and resources. As a result of evaluating different segments, the company must now find one or more market segments worth entering and decide which and how many segments to enter.

Product / service positioning

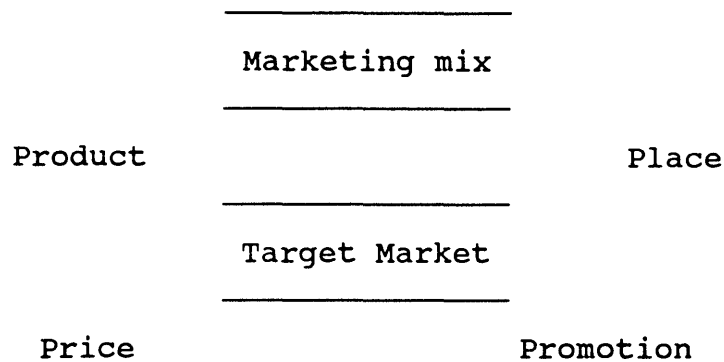
Product / service positioning is creating a product or service consumers will view in a certain manner relative to other products. The company positions its goods or services so that it has a certain image among potential customers.

MARKETING MIX AND STRATEGIES

The marketing mix is the set of marketing tools that firms use to pursue their marketing objectives in the target

market. In other words, it is the unique blend of pricing, promotion, product offerings and a distribution system designed to reach a specific group of consumers. Actually, there are literally dozens of marketing mix tools. McCarthy (1981) popularised a four-factor classification of these tools called the Four Ps : product, price, place (i.e. distribution) and promotion. The particular marketing variable under each P are shown in Figure 2.3.

Figure 2.3
The marketing mix



Product - Quality, features, options, style, brand name, packaging sizes, services, warranties, returns.

Price - List prices, payment period, discounts, credit terms, allowance.

Promotion - Advertising, personal selling, sales promotion, public relations.

Place - channels, coverage, locations, inventory, transport.



Marketing strategies defines the broad principles by which the business unit expects to achieve its marketing objectives in a target market. It consists of basic decisions on total marketing expenditure, marketing mix and marketing allocation.

APPLYING THE GENERAL MARKETING COMPONENTS TO TOURISM

As stated in Chapter 1, the purpose and objectives of this study are to explore and explicate tourism as a services marketing activity, and then to apply the principles of marketing to the specific context of tourism. One way of generally applying the basic principles of marketing to tourism, is to use the Seven O's question and answer approach referred to earlier.

1. Who constitutes the market? - Occupants

As above, the market consists of all the individuals that buy or acquire tourism services for personal consumption. However, tourism is not a homogeneous movement. Tourism is heterogeneous because consumers vary tremendously in a variety of characteristics. The tourism organisation which must analyse its markets and identifies marketing opportunities will have to understand the characteristics of individual markets and will have to assess how environmental factors impinge on its marketing. They constitute the forces which determine the marketing opportunities and constraints. The organisation does have the opportunity to choose markets, and to adapt to the environmental forces,



but above all to analyse and segment its markets into meaningful target groups. All markets are capable of segmentation and this will determine which marketing strategy will be adopted by the organisation.

The more usual methods of tourism market segmentation are as follows:

- a) Socio-demographic characteristics, which are all used in the **Reiseanalyse** survey conducted in Germany annually. These are age, sex, family size and social level, occupation, education, region of residence, religion and net family income.
- b) Socio-economic, which is not perhaps as popular as it was, subdivides the population into groups which are indicative of occupation and income - A, B, C1, C2, D and E.
- c) Travel motivation. Motivations are imprecise and evolving. There are primary and secondary motivations operating within the parameters of possibility which include deterrents (time, affordability, age and physical ability, weather, politics, fashion). Primary motivations extend from a wish to be a conference delegate or to study, a wish to explore one's "roots" or simply need for a change, while secondary motivations include culture, value for money or vicarious pleasure.
- d) Travel patterns of behaviour or psychographic groups which will be considered further. Such factors are suitability of the climate, need for rest and relaxation,

interest in different cultures, liking for adventure or experimenting with new and different things.

In segmenting the market, it is relatively straight forward to obtain data on age, sex, income groups and regions of residence. However, it is much more difficult to identify meaningful market segments using travel motivations or psychographics as the criteria. The marketer must determine whether the segment is measurable, in terms of being able to quantify it, and meaningful, in terms of it representing a discrete group which can be fairly precisely targeted using relevant media.

In short, the occupants which constitute the market are segmented into a particular group from heterogeneous consumers. Therefore, one of the principal roles of a tourist office should be to develop new markets and new segments.

2. What does the market buy? - Objects

Generally speaking, the consumers of course buy some particular product or services in the trade of the market. But, what kind of product or service is offered in the tourism market? First, we must understand the definition of product, which also includes services.

A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. (Kotler, 1988).



In considering a product / service, there are three levels involved. The most fundamental level is the core product, which answers the question : What is the market really buying? Every product / service is really the packaging of a want-satisfying offering. A young man buying a Jeep is not simply buying a vehicle. Charles Revson of Revlon, Inc. recognised this early: "In the factory, we make cosmetics, in the store we sell hope." Therefore, for the same reason a woman buying lipstick is not simply buying lip colour. A tourist attending tourism is not just taking part in a tour. We must uncover the needs hiding under the tourism service and not merely know the ostensible features. The core product stands at the centre of the total product.

The core product of the tourism service in this study is directly dependent on the purpose of the tourists travel, such as holidays, sport, study, religion, health, visiting friends and relatives or even for stress releasing purposes.

The tourist office turn the core product into a tangible product. Different kinds of tours are offered to the consumers. So-called tangible products may have as many as five characteristics : a quality level, features, styling, a brand name and packaging (actually, not really "tangible"). Finally, the product may be offered with additional services and benefits that make up an augmented product.

Now, we can answer the question : What does the market buy?
The objects are not only different kind of tours but also
the various purposes of travel.

3. Why does the market buy? - Objectives

As we now know what the tourist wants to buy, the further
question should be asked : "Why?" Actually, the extension
of the question will be more literally : "Why does the
consumer choose the object to satisfy his / her want or need
and to achieve his / her objective?" The best way for us to
answer is grasping the full range of the buyer's decision
making process.

Figure 2.4

Four types of alternatives

What desire do I want to satisfy?	What do I want to entertain?	What type of tour?	Which brand do I want?
Desire Alternatives	Generic Alternatives	Form Alter- natives	Brand Alter- natives
Socialising Exercising Entertainment . . .	Movie Theatre Hobby . . .	Custos Tour Conticki . . .	A agency B agency C agency . . .

What does a buyer think about that eventually leads to
purchasing something? Suppose a person has been working
hard and needs a break. The person asks, "What do I want to



do now?" Among the possibilities that pop into his / her mind are socialising, exercising, entertainment and eating. (See Figure 2.4). These are desire alternatives. Suppose the person's most immediate need is to have entertainment. Then the question becomes, "What do I want to entertain me?" Different activities come to mind, such as to see a movie, theatre, dancing, hiking, a hobby and tourism. These can be called generic alternatives in that they represent different basic ways to satisfy the same need. At this point, the person decides on a tour and asks, "What type of tour do I want?" Different tour forms come to mind, such as custos tour, conticki tour They all represent product form alternatives in that they are different forms for satisfying a desire for a tour. Finally, the consumer decides on a custos tour and faces several brands (tourism agents). These are brand alternatives.

The objectives of buyer's purchasing is obviously directed at satisfying the needs and wants through certain objects, and the decision is made through the four types of alternatives.

4. Who participates in the buying? - Organisation

Actually, there is a wide range of organisations that take part in the total process through which the tourist achieves his "tourism product" buying. Government is virtually always to a certain extent involved in the organisation of tourism. The government's role in tourism can be seen at four levels, namely:

- a) in the planning and facilitating of tourism, including the provision of financial aid;
- b) in the supervision and control of component sectors of the tourism industry;
- c) in direct ownership of the components of the industry; and
- d) in the promotion of the nation and its tourist products to home and overseas markets (Holloway 1985 : 223).

In the eighties, the South African government entered a new era of state involvement and planning with the establishment of the South African Tourism Board, Regional Development Advisory Committees and Regional Development Associations. In addition, several government departments render indispensable support services to the tourism industry:

- * The Department of National Education, which plays a major role in advancing culture and sport.
- * The Department of Community Development through surveys and mapping and the Department of Internal Affairs through passports and passport control, all play an indirect role in the tourism industry.
- * Although Departments such as Environmental Affairs as well as Economic Affairs have a direct impact on the tourism industry, the South African Tourism Board is the major government linked organisation that is involved in tourism on a national level.

* On a regional level the Department of Constitutional Development through its Regional Development Advisory Committees and Regional Development Associations has the potential to play a major role in the development of regional tourism.

On a national level, a feature of the South African tourism industry is the extent of association (voluntary or otherwise) that has taken place between businesses that share the same interest. In the private sector there are also various organisations that cater for the specific sectors of the tourism industry. Some of the major organisations in this regard are the hotel society FEDHASA (Federated Hotel, Liquor and Catering Association of South Africa), the travel agents ASATA (Association of South African Travel Agents), the tour operators SATSA (South African Tourism and Safari Association), and the car rental companies SAVRALA (South African Vehicle Renters and Leasers Association). Two organisations that fulfil a major co-ordinating function and are not sectorially orientated are the tourism chamber of the Afrikaanse Handelsinstituut and the tourism committee of Assocom. The National Parks Board is another important organisation in the area of tourism, although its primary aim is the protection of the country's flora and fauna. The respective provincial administrators also play a major role with regard to making available diverse facilities. Various local authorities play an important role in the funding of their local publicity

associations and information offices (van der Merwe 1985 : 51).

5. How does the market buy? - Operations

The essence of this question should lay more emphasis on the operations of the market than on how the tourist buys. After all, when the tourist has made the decision to have a particular tour, paying the price is the only and simple thing that he / she has to do. But the operations of the market are quite interesting, complex and significant.

Another term used for market operations is "product presentation". Product presentation can mean:

- a) creating a marketing co-operative with central booking facility for independently owned products;
- b) presenting a collection of similar products to selected audiences for a specific purpose;
- c) creating a range of packaging components so that the independent travellers can do it themselves, plan the trip and so benefit from price advantages;
- d) co-operating with similar attractions in the development of a thematic approach at local level;
- e) translating consumer wishes into a tailored product based on a particular theme;
- f) encouraging the creation of events, exhibitions, and trails to mark a particular anniversary;
- g) developing theme years at the national level;

- h) literally presenting the product and enhancing interpretation.

Product presentation can take a variety of forms all stemming from the creativity of the operator and from the special skills which he can call on and co-ordinate. At one end of the spectrum product presentation is concerned with making it easy for the consumer to buy through marketing co-operatives and central booking facilities, or creating a range of components which the purchaser can build into a tailored package. At the other end of the spectrum it is concerned with enhancing the visitor experience through interpretation, which is becoming increasingly exciting and benefiting from the developments in technological advancement. In this whole field the market is ahead of the trade.

6. When does the market buy? - Occasions

The occasion of buying is a major and fundamental factor which is at once a problem and an opportunity in the field of tourism. Festivals, commemorations, anniversaries and special events (e.g.. exhibitions, pageants and historical presentations, religious events, sports events, such as the Olympic Games and marathons) are all basic material for tourism. They provide the essential attraction at the destination, the activity and the desired satisfaction which makes the visit worthwhile, or indeed provide the reason for the choice of the destination and often an excuse for making the trip. The distinguishing features of these tourist



attractions are that they are special, requiring professional treatment in planning, promotion and operation. And the most important feature is that they are limited in time.

Special occasions can attract large numbers of visitors. Therefore, large numbers of tourists always buy a particular "tourism product" in a certain limited time. That is the reason that seasonality, or how to level out the demand, is a perennial problem and the single biggest challenge facing the tourism industry today.

7. Where does the market buy? - Outlets

Due to its nature, the tourism "product", unlike manufacturing products, cannot be packed and distributed to the consumer, nor can it be held in storage. While eliminating the functions and problems of transportation and warehousing, additional pressures are felt in the tourism context in the sense that every time a hotel room or airline seat is not sold, that sale is lost forever.

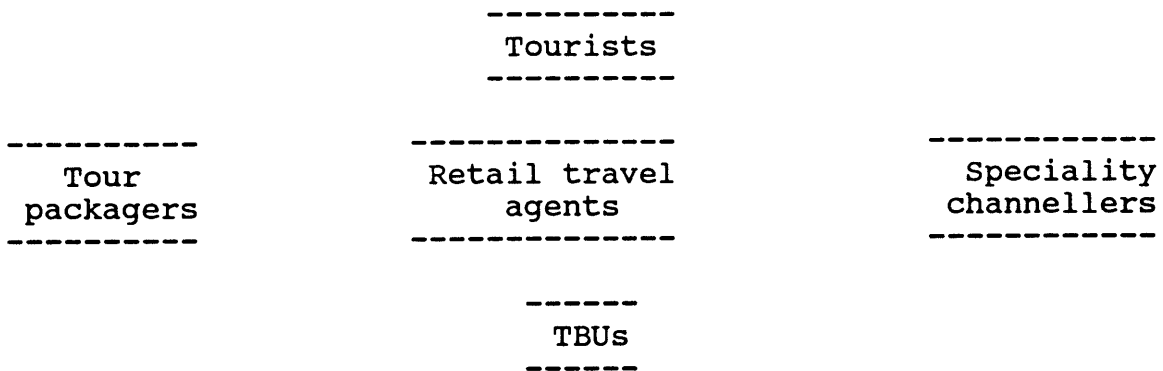
Referring to distribution, Mill & Morrison (1985 : 400) observe that in the tourism industry, more than in any other industry, sales intermediaries (businesses or individuals that operate between the producer and consumer) are the rule rather than the exception. A major task of the intermediaries is the "packaging" of the number of complementary tourism products to achieve a vacation experience for the tourist. A retail travel agent may book an airline seat, a hotel room, sightseeing excursions and

offer this vacation package to the tourist. A tour operator may assemble the above components into a tour to be promoted in a brochure and sold through retail travel agents. The system thus aims to get the necessary information to the tourist to make a sale, and allow for the sale to be made and confirmed by the travel agent.

McIntosh (as quoted in Mill & Morrison, 1985 : 400) defines the tourism channel of distribution as : "... an operating structure, system or linkages of various combinations of travel organisations through which a producer of travel products describes and confirms travel arrangements to the buyer". Distribution may be direct (when the producer sells directly to the consumer) or indirect (when the sale to the consumer is made through an intermediary).

Figure 2.5

The travel distribution system



Source : Adapted from Bitner & Booms (10\982 : 39).

Bitner & Booms (1982 : 39) have developed a conceptual framework which focuses on the intermediaries who link travelling with the suppliers of travel services (airlines, hotels, car rental firms and others). As indicated in

Figure 2.5 there are three main categories of travel intermediaries : tour packagers, retail travel agents and speciality channelers.

Travel agents form the retail sector of the tourism distribution chain, buying travel services at the request of their clients and providing a convenient network of sale outlets catering for the needs of the local market area. Tour operators (packagers) buy a wide range of tourism products in bulk (e.g.. airline seats and hotel accommodation) and "package" these for subsequent sale to travel agents or to tourists direct. By buying a number of individual items of tourist services and packaging them into a single product - the "package holiday" - the tour operators can be seen as middlemen in the tourism distribution chain. Brokers can also play a major role in the tourism distribution system particularly in the field of air transport, although they may also bulk purchase hotel accommodation or certain services. By purchasing these products in quantity, they are able to negotiate lower prices and in turn sell individual air seats or hotel rooms to travel agents at a mark-up that allows them an acceptable level of profit. Included in the speciality channelers category are incentive travel firms, meeting and conference planners, hotel representatives and others. Each intermediary has the power to influence when, where and how people travel. In other words, they control to some degree how much business an individual airline, hotel or car rental

firm gets. They can therefore play a major role in the success of a particular region as a tourist destination.

Even among the three main intermediary categories different combinations and interactions occur, resulting in a wide range of channel configurations.

With regard to the regional distribution system, the regional tourism organisation can provide a meaningful service in the region by:

- a) providing information on how the various industries that comprise the regional distribution system are structured;
- b) providing information on how tourists flow through the system and how they are influenced and handled by intermediaries along the way;
- c) providing forecasts of future markets so as to enable both suppliers and intermediaries to have base from which to make strategic marketing decisions;
- d) providing guidance to tourism business units on how to effectively utilise the services of the intermediaries;
and
- e) providing guidance to intermediaries on how to function more profitably through effective interaction with tourists and tourism business units.



CHAPTER 3

THE PRODUCT IN TOURISM MARKETING

INTRODUCTION

In the preceding chapters, reasons were put forward for the need for conceptual clarification of the tourism marketing process and an overview given of the general principles and concepts relevant to this process. In this chapter attention will be given to the product in tourism marketing.

The prime function of marketing is to make and sell what buyers want, rather than simply selling whatever can be most easily made. Therefore, how to develop a product which consumers require, must be assessed through marketing research so that business units or relevant organisations can direct their activities toward optimal marketing through the satisfaction of those requirements.

Earlier, reference was made to McCarthy's (1981) popularised four-factor classification of marketing tools, called the Four P's, that the firm can use to pursue its marketing objectives in the target market : product, price, place (i.e. distribution) and promotion.

This well-known marketing mix model provides the basic framework for viewing the tourism market from a marketing management perspective. The marketing mix model portrays the marketing management process as a strategic blending of the four basic controllable marketing variables to meet the

demands of market segments to which the firm wishes to appeal.

The major tasks of this study are to seek out and describe the way in which the Four P's are manifested in tourism marketing within a competitive and dynamic environment. In this particular chapter, the purpose is to describe the first of the Four P's, namely the product, in tourism marketing.

DEFINING THE PRODUCT IN TOURISM MARKETING

According to the preceding descriptions of tourism, we can undoubtedly state that tourism constitutes a particular kind of market in the service industry. But when we want to describe tourism from the viewpoint of marketing management, we must make sure what the "product" is in tourism.

"A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. In this conception, products consist broadly of anything that can be marketed, including physical objects, services, persons, places, organisations and ideas" (Kotler, 1988).

This general definition and explanation, which indicates a starting point and a certain direction from which to explore the product of tourism, also becomes apparent from a review of other literature.

Ashworth & Voogd (1990) make a direct comment : "Tourism destinations can undoubtedly be treated as products. They

are logically the point of consumption of the complex of activities that comprises the tourism experience and are ultimately what is sold by place promotion agencies on the tourism market".

Jefferson & Lickorish (1988) describe the tourism product as follows: "The tourism product is a collection of physical and service features together with symbolic associations which are expected to fulfill the wants and needs of the buyer".

The National Marketing Plan for Historic Environments, produced by the Netherlands Research Institute for Tourism (1988), for example, treats historic artefacts and associations as important tourism products and Kirby (1985) argues that leisure as a whole could be treated as a "commodity".

Van Hauenshilds (1978) considers that the tourism product is comprised of physical service and symbolical factors expected to yield satisfaction or benefits to the buyer, and contends that the tourism product is made up of the tourism resources and tourism industry forming the environment under the governmental tourism policy.

Baud-Bovy (1982) defines the tourism product as "... the sum of several tourist facilities and services utilised in a given area by a given category of tourists. Its components may be classified in three categories : resources at the destination, facilities at the destination, transport from



the home country / region to the destination". He suggests that the "package tour" offered for sale at an inclusive price by a tour operator and bringing together all these elements is the simplest example of a tourist product. An individual, however, travelling alone and buying separately the available facilities and service, composes his own product.

Jansen-Verbeke (1990) even gives us the conception of the "tourism product mix" : "Leisure shopping has become one of the buzz words in retail development planning and shopping is playing an increasingly important role in the tourism attraction of places". From this point of view, he considers that the combination of leisure and shopping constitutes the tourism product mix.

Finally, the comprehensive representation of the product in tourism - the total tourism product (TTP) - is described in varied forms by several authors (cf. Medlik & Middleton, 1973; Middleton, 1988; Goodall & Bergsma, 1990).

This viewpoint implies that for the tourist, the holiday is more than simply the activities at the destination - it is the whole experience, including attitudes and expectations, from the time of leaving home to the time of return. The tourists' visit involves a mix of travel, accommodation, excursions, attractions and facilities. These components are perceived by the tourist as the total tourism product (TTP).



The TTP is recognised as comprising five components :

- attractions of the destination, both natural and human made;
- facilities and services available at the destination, e.g. accommodation, retail and leisure;
- accessibility of the destination, i.e. transport, infra-structure, travel modes, operational factors (time/cost), regulatory measures;
- images of the destination, which influence prospective tourists' expectations;
- total price to the consumer of the complete holiday package.

The first two are integral components of any tourism place product, whereas the latter three are really attributes of those place components. All the components together contribute to the tourists' satisfaction with the holiday, but in differing degrees for different tourists. However, all the individual components are seldom under the control of one organisation - each component is normally controlled and often marketed by a separate organisation.

After the review of these definitions and representations, we can distinctly understand what the tourism product is and even distinguish its components.

CHARACTERISTICS OF THE TOURISM PRODUCT

It should be obvious that the characteristics of the tourism product will be quite different from those which belong to the products of other industries. In order to understand



the characteristics and features of tourism products in comparison with other products, we need to describe these differences.

Differentiating attributes of the tourist product

* Most of the products in the market are sold in a certain package exhibiting or describing the quality of the product. The tourism product, however, must be sold before it can actually be seen.

* The tourism product inevitably has the characteristic of intangibility. For this reason that it cannot be packaged and sampled. Furthermore, it is easy to imitate by its competitors and difficult to compare with other similar tourism products. And certainly it cannot be patented.

* There is no transfer of ownership when the trade occurs. The buyer may only have access to or have use of the tourism product. Payment is for the right to use or have the access.

* The tourism product has the characteristic of inseparability. It cannot be separated from the seller or provider. The corollary of this is that production of tourism product will take place simultaneously with consumption of it.

* The tourism product has the characteristic of heterogeneity. It is difficult to accomplish standardisation of output in tourism products. Each "unit" of the same tour may differ from other "units". From the



buyer's viewpoint it is also difficult to judge quality before consumption.

* The tourism product has the characteristic of perishability. The tourism product is perishable and cannot be stored. Spare seats on a package tour or an empty hotel room represents capacity lost forever. So there are no inventories and stock of the tourism product.

THE CONSUMER PRODUCT AND MARKETING MECHANISMS

In order to understand the market mechanisms related to the product in tourism marketing, it is necessary to describe the factors of product demand and supply, and the competitive situation resulting from these.

The demand for tourism products

Consumers of a tourism product generally have little or no brand loyalty. And the demand for tourism products always fluctuates rapidly by the reason of weather and the seasons. This means that the demand curve is mostly highly elastic. In addition, the tourism product is dependent upon changes in demand caused by fluctuations in currency rates, altered economic conditions, political upheavals in countries with unstable governments, and similar situations, or subject to fads, fashions and changes in tourist motivation. The summary is that the changes in demand and the quantity demanded are both variable.

The supply of tourism products



There is no way to increase the supply of tourism products in the short run. The supply is fixed. For example, a hotel has only so many rooms and an aircraft only has so many seats.

The competitive situation

Due to the characteristics of the tourism market, the following factors characterise the competitive situation in tourism marketing:

- a. There are numerous providers in the market.
- b. The attributes of different tourism products are dissimilar.
- c. The providers only have limited influence on the price making.
- d. It is quite easy for providers to enter the market.

THE TOURISM PRODUCT LIFE CYCLE

From the viewpoint of marketing management, the product life cycle (PLC) is a significant concept. In addition to fluctuating economic conditions and altering competitive situations, the product also plays different kind of roles in different stages of its life - the same principle as in the performance of a human being.

Each product exists by the reason of the fact that there is a particular demand or need for it in the market. Consequently, the concept of product life cycle should not be thought as deriving from the product, but rather from the prevailing need or demand. The product life cycle is an



attempt to recognise the distinct stages in the sales history of the product.

Most discussions of the product life cycle (PLC) portray the sales history of a typical product as an S-shaped curve, going through the stages of its introduction into the market, its subsequent growth and maturity, and the decline that normally follows. These life cycle stages can each be described as follows:

- Introduction

At first, when the new product is introduced in the market, sales of the product always go through a period of slowly increasing. Some of the reasons are the fact that there may be no comprehensive distribution and familiar operation systems, a lack of innovative customers, etc. There are merely low or even non-existent profits in this stage because of massive promotional expenses for product introduction.

- Growth

In the second stage, when the product is rapidly penetrating the market, sales of the product go through a growth phase. The reasons are : More customers follow the example of innovators, the distribution and operational systems are getting conventional, the competitors and imitators enter the market, etc. Profit margins peak as experience effects serve to reduce unit costs and promotional expenses are spread over larger sales volumes.



- Maturity

The third stage, when the product has already achieved acceptance and even saturated the market, sales of the product is in a slowdown phase. The most important reason is that the product has penetrated to most of the potential consumers. Profits are changing from stability to decline. Because of the increasing of competitors and product offerings, the marketing expenses need to be enlarged in order to defend the fiercely competitive situation.

- Decline

In the last stage, the sales of the product shows a rapid downward drift. The reasons are : The demand, fashions or tastes have changed, an advanced substitute is launched, etc. Declining sales naturally cause a reducing profit.

The PLC in tourism marketing

When the PLC concept is applied to tourism product, Butler (1980) indicates that there will be six stages in the life cycle of the tourism product. These stages are exploration, involvement, development, consolidation, stagnation and either a decline or rejuvenation.

However, in spite of the different designations of the stages, the essence of the tourism PLC is the same as the normal PLC. But the duration of each stage and the exact point at which a tourism product shifts from one stage to another stage will vary between different kinds of tourism products.



The life cycle of a regional tourism product may be short (e.g.. a religious festival), or long (e.g. a tour of the Kruger National Park). Generally speaking, tourism product life cycles often depend on how they are marketed and on the visitor's motivations. These life cycles can be short term, medium term or long term (Coltman, 1989). Coltman's classification can be concisely represented as follows:

Short-term life cycles occur within a year or less. These cycles are generally quite obvious (e.g.. a resort with a seasonal cycle).

Medium-term life cycles occur over a few years. The change is often slow and can be caused by such factors as altered customer preferences, changes in demographics, changes in the economy of the host area or the area where the majority of its tourist guests live, currency value fluctuations and even changes in the local environment.

Long-term life cycles are often described as having the four stages as previously described.

With regard to using the life cycle concept in tourism marketing, Heath (1987) emphasises that the significance of the life cycle can be based on its possible use as a tool for strategic marketing planning of tourism regions. Haywood (1986) suggests that in order to make the regional tourism life cycle operational, various conceptual and measurement decisions have to be considered, such as : the unit of

analysis; the relevant markets; stage of the life cycle; the carrying capacity; and the unit of measurement.

PRODUCT PLANNING IN TOURISM MARKETING

Planning objectives

It is obvious that, during this century, many governments in the world recognised developing the potential of the tourism industry as a way of economic development, especially after World War II. Some entrepreneurs also estimated that there is certain amount of potential profits in the tourism market. In the history of tourism development, there are different motivations and objectives of the development plan. In the early years after the War, almost all the motivations and objectives were concentrated on economic expansion and other considerations e.g.. the reconstruction and preservation of the environment, and the control over cultural erosion. In these stages, local residents' attitudes were usually ignored. At that time, marketing efforts were primarily selling oriented rather than customer or even society oriented.

In actual fact, it is not incorrect to regard improvement of the tourism industry as a method of economic expansion. Just as the recognition of the United Nations that the tourism industry is "... a basic and most desirable human activity deserving praise and encouragement of all people and governments, and an important factor in economic development and international trade, (which) can and



does make a vital contribution to economic growth" (Economists Corner, 1981).

It should be recognised, however, that the tourism industry is a consumer industry and not simply a passive one that generates economic benefits. And it needs careful initial planning because of the interrelationship of its various components (e.g.. physical, economic, social, environmental and cultural). It also needs subsequent effective management for its future development so that initial plans can be adapted to changing markets.

At one end of the scale in tourism planning are improvements in the economic and social situations for a tourism product or the destination area and, it is hoped, net benefits. At the other extreme are changes that lead to an over-dependency on tourism that does provide economic growth but also leaves an underplanned and underdeveloped social situation that only ends up reinforcing the status quo for most local residents. A few developers and others involved in tourism gain, but most people do not.

How a destination area views tourism and the opportunities it provides depends to a large degree on its general perception of tourists. This perception derives from the type of tourism both to the area and to local residents, and the pressures imposed on local residents in terms of the volume of business a tourism product (or destination) can cope with (Coltman, 1989).



Coltman (1989) considers that most of tourism's problems are due to too many tourists, too much adverse visitor impact, and an oversupply of tourism infrastructure. Some of the planning questions that need to be answered to avoid these problems are :

- What should the extent of tourism be in a particular area?
- How intensive or dominant should it be in the area?
- Should it be concentrated or dispersed?
- What will its impact be on the local economy, environment and culture?
- What undesirable elements of a foreign culture might it bring in?
- How much foreign capital will it bring in, or be allowed to bring in?

The reason for asking these questions is to establish objectives. These objectives provide a framework for detailed physical planning. They should be established so that they provide a general direction for planning rather than strict, rigid outlines. Objectives must be achievable and have the support of area residents. They must be complementary to the community's overall objectives and the wider the support, the more credible will the tourism product be.

To achieve this support, an objective might be to reduce tourism. This might occur when a tourism destination is so dependent on tourism that the community is at real risk in an economic downturn. Unfortunately, too many objectives are established with the sole aim of commercial and economic



growth. According to Coltman (1989), realistic objectives could be based on any or all of the following:

- Providing a base for improving standards of local residents as a result of tourism's economic benefits.
- Developing an appropriate infrastructure to cope with tourism levels desired.
- Providing recreational facilities for visitors and residents.
- Allowing types of tourism development that are appropriate to the community's overall objectives.
- Establishing a tourism plan consistent with the cultural, social, economic and environmental philosophy of the government and the people of the destination area.

The product planning process

The next step of the discussion about the tourism product will move from the micro to the macro point of view. Although the actual and practical planning process of the tourism product is conducted by the provider, the planning objectives are requirements that come from outside the provider's business.

According to Jain (1987), both the macro and micro contexts of the tourism product should be considered in the product planning process. A tourism product provider interested in the tourism market should first define its business intent based on the objectives of both the corporation (or industry) and the local or national government. The product objectives of a tourism product provider would flow from the definition of its business. Ultimately, the offering should provide satisfaction to the customer and the local



residents, which would be reflected in the realisation of the goals of both the corporation and the local or national government.

Product objectives

Product objectives emerge from government and corporate objectives combined via the business definition. The provider's goals usually are stability, growth, profits and return on investment. Stated differently, the objectives of the corporation or tourism industry may be defined in terms of integration (in the vertical offering chain, the providers of each period of the total tourism product can be harmonious and co-operative), positive competition (in the horizontal offering level, different providers of the same period of the total tourism product do not start fierce wars of price or rivalry), and both of these in combination with each other. Government objectives may vary depending on the national or local economic, political, social, physical, cultural and environmental situations.

Obviously, the objectives of government, industry and provider can be poles apart. In any emerging market worldwide, however, no company can hope to succeed without aligning itself with the national concerns of the government. There are no models to use in seeking a description of such an alignment. Conceptually, however, a macroanalysis of a country's socioeconomic perspectives should provide insights into its different concerns and problems. The company can then figure out how its business



would help the country, communities, local residents, and consumers in any way, directly or indirectly. The business definition should then be developed accordingly (Keegan, 1977; Hill, 1981; Jain, 1987).

The definition of product objectives should emerge from the business definition. Product objectives can be defined in physical or marketing terms. In marketing terms, the objective statement would emphasise the satisfaction of a customer need. The latter method is preferred because it reinforces the marketing concept (Abel, 1980).

Planning considerations

One of the most critical aspects of a tourism plan is the preparation of an effective strategy to determine tourism, tourism development opportunities and to take advantage of the strengths, minimise the weaknesses, and aid in the maximisation of potential tourist markets (Coltman, 1989).

It is essential to have appropriate experience and expertise to conduct successful strategies. Through the private enterprise suppliers and relative tourism organisations co-operate and participate in the operation of strategies that will make the plan to be completed successfully. Thus, there are several major areas information that are required for analysis before a tourism product plan can be prepared.



1. Preparing a resource inventory

The preparation of a resource inventory provides a basis for assessing the significance of the tourism resources in the area and to determine the possibilities for future tourism development. The ability to create a tourist demand needs to be objectively assessed based on the quality, uniqueness and capacity for development of local assets. Although natural and/or created attractions are important in encouraging tourists to visit an area, so too are accommodations, food services, shops, entertainment and other resources. It is important to analyse tourism in terms of operating season length, carrying capacity and competitiveness to determine if there is a lack of resources or sufficient resources to carry out the development plan.

A realistic assessment must be made of the resources in relation to other competitive tourism destination areas. Resources must be developed as effectively as possible, not only to successfully attract visitors, but also try to retain them and have them return.

Usually, the considered factors used to evaluate the strengths and weaknesses of resources are:

- Type and number
- Seasonality
- Quality
- Profitability
- Value for money spent by tourist



If a tourism base already exists in a certain area, resources can be assessed through evaluation of any present marketing programs for those resources. The following factors might be used in this evaluation:

- Information provided to actual and potential tourists.
- Quality of promotional material used (such as brochures).
- Creativity and originality of this promotional material.
- Duplication of any promotion efforts used.
- Value of money spent on present marketing programs.

The resource inventory should be summarised by identifying:

- The improvements required to increase the satisfaction of existing tourists.
- Any gaps in the present situation.
- Any improvements needed for existing attractions, or creation of new ones, to expand the present tourist base.
- Any ways in which the length of a seasonal tourist base can be stretched out.
- Any ways in which new markets can be encouraged.

2. Conducting and economic impact analysis

Economic impacts must be covered in some depth in a tourism product plan. Direct economic impacts such as revenue potential and employment will be included. Indirect economic impacts such as the costs of relative equipments development also need to be explored.

It is apparent from the literature that the economic impact of tourism have been studied in depth. One of the more comprehensive models providing a framework for identifying



possible impacts in an area was developed by Duffield and Long (1981). Other economic impact models have been developed by Pearce (1981), who established a framework for analysing costs and benefits of tourism, and Lundgren (1973), who focussed on entrepreneurial activity. These models could have significance as a basis for determining the economic impact of tourism in the regions of South Africa.

On a regional level the effects of tourism development are readily seen in increased demand for particular goods and services, the creation and absorption of employment, the generation of income in both private and public sectors and the creation of investment opportunities often financed by the capitalisation of rising land and property values. Spending on travel and tourism also benefits government revenue through taxes, duties fees and rates. (Australian Tourism Commission, 1984).

The tourism industry uses unskilled and semi-skilled labour as well as employees at the middle and top management level. It therefore covers a wide spectrum of job opportunities, and because it is not physically consumed, the industry has the ability to continue creating and maintaining job opportunities (Van der Merwe, 1985). Tourism also expands and disperses employment opportunities. Employment is created in areas with a potential for tourism, but which have no industrial development (as opposed to relentless urbanisation) (Fedhasa, 1985). Duffield and Long (1984)



estimate that for about every two jobs in the direct sector (hotels, retail outlets, restaurants and so on), a further job is created or supported elsewhere in the economy.

The indirect impact of the initial tourism spending results from an important economic concept, known as the multiplier effect. Furthermore, as incomes rise within a region, local consumption expenditure increases and this may induce an even greater impetus to the regional economy. The magnitude of the multiplier depends on the degree to which a regional economy is able to retain as income the money spent by visitors. This in turn, is a function of that economy to produce the various items and services consumed by tourists. The smaller the size of the region's economic base and the fewer the intra-regional linkages, the more goods and services which may have to be brought into the region from outside. In these circumstances, the greater will be the leakage and hence, the lower the value of the multiplier (Cooper & Pigram, 1984).

3. Conducting a social and cultural impact analysis

Until recently almost all cases of tourism planning tended to ignore the social and cultural impact of tourism. The English Tourist Board (1981) explains that the social impact of tourism has perhaps received less attention in published studies than the economic effects of tourism, largely because of problems of measuring social impact. Notwithstanding its obvious importance, social and cultural impact models are not so well developed. There are,

however, some important models. For example, Jafari (1982) points out the interaction among host, tourist and origin cultures. Kariel & Kariel (1982) modelled the evolution of socio-cultural effects of tourism in rural areas.

There are some significant interactions among the host, tourist and origin cultures, e.g. the residents in destination areas gain new understandings of other customs, habits, beliefs and institutions (Gunn, 1979). At the same time, however, the visitors also can "pollute" the socio-culture in the same way.

Tourism can also make a valuable contribution in supporting a wider range of amenities and services that would otherwise not have been viable if it depended entirely on local patronage (English Tourist Board, 1981).

4. The potential negative impact of tourism

The real trend of the potential problems in the tourism industry, according to Kahn (1979), is that the tourist market will continue to grow at a faster rate than will the tourism destinations. The result will be a shortage of space at desired locations, producing a problem of how to ration what is available.

Coltman (1989) suggests that planners need to be aware of the social carrying capacity for tourism. Social carrying capacity is the stage in tourism growth at which local residents perceive an intolerable level of negative social impacts from tourism's development. Each destination can



accept only so much tourism because resources are limited, and an awareness by tourism planners of this capacity will ensure that the tolerance level is considered in their plans. Tourism has the ability to create its own pollution that can cause irreparable environmental and social damage and spoil an area for its inhabitants (Schultz, 1984).

Therefore, McIntosh & Goeldner (1984) warn that as tourism is eagerly sought for by the developing nations as an important source of revenue, it may provoke serious disruptions and cause ultimate long range damage in these societies. The consequences cannot yet be fully foreseen, but from what we already know of the impact of mass tourism it can be safely predicted that mass tourism in developing countries, if not controlled and regulated, might help to destroy whatever there is still left of unspoiled nature and of traditional ways of life.