

CHAPTER 8:

CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

This chapter gives a brief summary of the study and offers recommendations for further research on the topic. The core finding of the study is that the accommodation sector is at the centre of Limpopo's tourism industry, endorsing work recently done by other researchers in other parts of the world. Actually, accommodation is a core element of the tourism industry. The study findings could be interpreted to suggest that NSMTA enterprises form an integral part of the overall tourism infrastructure. However, a particularly striking observation in this research is that there has been limited, if any, use of strategic planning in the operation of Limpopo's NSMTA facilities.

8.2 The nature of enterprises and their extent

Although Limpopo's tourism accommodation sector is characterised by a mix of non-metropolitan businesses, the scope of this survey was confined to small- to medium-sized operations employing between one employee and two hundred employees.

Limpopo's tourism accommodation offerings are largely dominated by NSMTA enterprises that are located in the peripheral (rural areas) areas of the province. This finding answers the first research question as stated in section 1.5. The findings suggest that the choices of location have been influenced by a myriad of factors ranging from proximity to tourism destinations (40%), locational inertia (26%) and other personal reasons. The location of tourism accommodation facilities was determined by land ownership status and the availability of

resources. This in turn affected the level of business competition because site allocations are not in line with the provision of the Competition Act 89 of 1998. The local authorities claim that 'site allocation is carried out in accordance with the Development Facilitation Act 67 of 1995'. A range of enterprises operates within the so-called NSMTA sector. The research identified a large number of businesses operating as hotels with limited service provision, B&B establishments, lodges, guesthouses and other forms of lodging with restricted or specialised amenities. This revealed the various types of enterprises that are operating within this sector in answer to the second research question (Section 1.5). In line with the literature review (Section 2.4.2), the study found that NSMTA facilities provide both serviced and non-serviced functions.

The researcher established that there were more than 543 small- to medium-sized tourism accommodation enterprises in Limpopo even though the actual number could not be confirmed. The number is more than the official record (Table 3.2).

The longstanding notion that the majority of small business owners in South Africa come from the lower end of the socio-economic scale is not supported. More than half (55%) of the sampled enterprises belonged to highly ranked professionals, such as school principals, farmers and chief executive officers of big companies. These accommodation facility owners did not rely solely on the performance of their business as they had other sources of income. This finding shed light to the first part of the third research question of section 1.5 (who are the owners/managers of enterprises). Surely, their business philosophy should be to maximise profit and minimise cost because such enterprises were established to supplement regular salaries.

The distribution and representation of Limpopo's NSMTA facilities differ according to the tourism region in which they are located. The facilities found in the Waterberg and the Valley of the Olifants regions are more advanced in terms

of services rendered. Their choice of site has to do with their rural character. Ownership style ranges from individual owner (single handed) to company owned. Single individuals own at least 42% of the facilities, representing the highest number of enterprises. This has a direct bearing on business competitiveness, growth and development. Although 62% of the owners try to update and upgrade their services consistently, the market trends outpace their lone attempts. Perhaps it is because the updating and upgrading exercise involves research and strategic planning, which is not easy for owners/managers who personally take on all the administrative responsibilities.

8.2.1 Purpose for business establishment

The researcher established that, despite diverse backgrounds and reasons for engaging in the business, the operators' approaches generally tended to focus beyond the mere provision of accommodation as a single, complete product. They strove to complement accommodation provision with quality service, diverse tourist amenities and a tourist experience with a competitive edge. This approach raises the standard of service to some extent and enhances competition, which is good for the industry as a whole. The addition of other tourism amenities to NSMTA facilities opens new areas for academic research. However, with an average of only 15% of the operators citing "contribution to the growth of tourism industry" as the purpose for a business establishment, it creates unhealthy progress because 28% of the operators use the business as a source of supplementary income (Section 7.3). This answers the second part of the third research question (what motivates owner/managers to establish their enterprises?). It means they cannot be professionally committed to the extra activities of a running tourism business. Growth and development of the tourism industry does not take any precedence.

With the rise in competitiveness among the small- to medium-sized tourism accommodation establishments, the need for professional training and strategic

functioning of operations become basic concerns (Section 7.2.4). NSMTA operators should have the business skills that are necessary for better management of all aspects of their businesses. For the effective and efficient operation of an accommodation facility, business acumen is the hallmark of success. Limpopo's NSMTA operators still need to be persuaded to function as a unit in a more professional way that will empower the less privileged operators. The philosophy of operating from "hand to mouth" and "the house turned into business" is not doing much good to the industry at large (Section 7.2.3). On that score, the use of a generic strategic plan would be most helpful.

8.2.2 Service quality and development

The literature review (Sections 2.4.2 and 2.4.3) emphasised the role of accommodation as a tourism product in terms of development and the study findings (as indicated in Sections 7.2.3 and 7.2.3) link management style with service quality. It is common knowledge that quality service promotes further business expansion and development. As indicated above, it became clear to the researcher that Limpopo's tourism regions are not identical in terms of services offered and the level of competition that prevails. Some regions, like the Waterberg and the Valley of the Olifants appeared to be ahead. Their facilities are of a high standard with professional practices. The researcher assumed that this could be attributed to locational influence as they are close to Gauteng and Mpumalanga provinces, respectively. As indicated in Chapter 7 (Section 7.2.2), to some extent these two tourism regions offer niche attractions and better tourism opportunities than the other two tourism regions.

Limpopo's tourism accommodation stock has shown dynamism in terms of operational change, growth and response to tourist demand in terms of the quality of service. Although the NSMTA sector has received limited attention from renowned scholars, the researcher sees it as set on an undeniable path of continued growth that deserves not only scholarly attention but also more

professional assistance. As is hypothesised in the problem statement, the levels and profiles of tourism demand vary across the various categories of small- to medium-sized accommodation enterprises, in harmony with the different geographies of the province and within individual operations.

The research findings revealed that few operators use or consider strategic planning as an essential part of their day-to-day operation. The main reasons why operators did or did not engage in business-planning activities were varied. If the owner/manager felt satisfied with the level of business performance, the desire to grow vanished. Stating that it was merely an 'external requirement' was often the only reason given for developing a formal business plan. For example, a formal business plan had to be presented when a potential operator needed to secure a bank loan. Such planning is costly and requires professional assistance, yet that is no guarantee of success. This gives an answer to the fourth and ninth research questions (Section 1.5).

8.2.3 Business prospects

Despite all the challenges facing NSMTA operators, what has emerged is that they have a promising future. This assumption is based on the high returns recovered from the sampled operations, even though annual business turnover varied markedly across the regions and sectors. Average gross income in the Waterberg region was just over R500 000, indicating reasonably high incomes for the majority of businesses. The lodge accommodation sector comprised over 60 percent of all the businesses, with an average turnover of over R400 000. Many smaller operations, mainly home-based accommodation establishments like guesthouses, generated an average turnover of R300 000. B&B operations are capital intensive and usually had a higher turnover than is usually expected from a small-scale business. In many cases, the tourism business was only a supplementary source of family income. This was particularly the case with

home-based accommodation where only about 10 percent of the owners were financially dependent on this activity.

The tourism regions in Limpopo differed markedly in terms of reliance on international visitors. The majority of operators in the Capricorn region and a fair number in the Valley of the Olifants relied more heavily on international visitors than on domestic clientele. Two exceptions were the small but luxury lodges that received more international visitors - over 60 percent of their intake, whereas, in general, the rest of NSMTA facilities operators received more of domestic visitors than international visitors. Despite an increasing number of international visitors to the Limpopo province in the last five to six years, the majority of the accommodation operators still largely relied on the domestic market and were making enough profit from their businesses for their survival. In terms of their cultural background and knowledge of offshore markets, the operators from the Soutpansberg and Valley of the Olifants regions relied heavily on international guests also visiting the Kruger National Park. A high proportion of free, independent travellers were common in all four regions.

Both the survey and in-depth interviews embraced an array of individuals engaged in the NSMTA sector. Their socio-economic and cultural characteristics, such as geographical origin, age, education and previous business experience were taken into consideration. Such diversity reflects the widely recognised business attractiveness of the tourism sector that can be ascribed to an amalgamation of the push factors of necessary entrepreneurship, and the pull component referred to as opportunity entrepreneurship. Participants were owners or managers who had followed a diverse range of career paths before entering tourism ventures as mentioned above. Perhaps the lack of collaboration or working relationship amongst operators could as well be attributed to that seventh research question (Section 1.5). As indicated in section 7.3, the majority of business owners are professional people. Enterprises are established inside private farms where other farming activities are still practised.

The long-accepted notion that the majority of small business owners in South Africa come from the lower end of the socio-economic scale was not supported by this study given the percentage of highly ranked professions (e.g. senior managers) as well as the large number of highly educated participants in the sample. Small- to medium-sized tourism accommodation owners/managers in Limpopo had high levels of formal education. Almost a third had a university degree. They were using their tourism-related business to supplement their formal job salaries, thus they do not rely on the performance of their business as such. A more formalised approach to the management of the business appeared to be strongly associated with the profiles and personal motivation of those involved in the tourism industry as owners or managers. However, other factors such as lack of finance, knowledge, skills and availability and access to external assistance could not be ignored in the assessment of the success of a business and its contribution to tourism development.

8.3 The operation of the business

A wide diversity of NSMTA facilities is operating in Limpopo (Figure 7.1). The ways they operate differ in terms of their sizes, types and management style. Stakeholders like the South African Tourism Grading Council, Provincial and National Tourism Parks Board and the DEAT, in their own respective way affect the operations of these businesses.

8.3.1 The role of government in the development of enterprises

The provincial government of Limpopo, by virtue of its decision to operate its Parks Boards within its own institutional structure, is a key player in the local tourism market and can directly and indirectly influence its development and management. Both national and provincial governments have tourism development plans, but unfortunately local governments are expected to adopt the broader national plan with very little or no input or help with regard to adaptations to local conditions. The suggestion from this study was that local municipalities should be encouraged to develop their own plans in order to unlock their distinctive tourism potential within a given area (Section 7.3.3). Such a plan should not contradict the national or the provincial goals. In Limpopo, the idea of using tourism as a vehicle for poverty alleviation, for instance, should filter down to the most remote local municipality.

As part of this study finding, it was noted that local communities did not feature much in terms of benefits accrued by accommodation operators. With almost half (48%) of the operators failing to identify a single tangible benefit resulting from tourism development that had penetrated the local community, a person could question whether government intervention, be it provincial or local, should attempt to prescribe or control entitlements for local communities. Only a small proportion, about 21% of the sample, acknowledged receipt of financial support from the government's multi-million small business development-funding initiatives (Section 7.3.3). A mere 7% of the participants strongly agree that 'the provincial government should have the overall control on tourism service providers'. On the other hand 31% strongly disagree while 35% disagree with the idea of provincial government taking overall control of the tourism service providers as posed by question 49 from the questionnaire. This information suggests that only a small number of NSMTA facilities operators benefit from the government's SMME development programme (Section 7.3.3.). Perhaps this can be used to justify the researcher's view that the lack of co-ordinated joint efforts

amongst tourism stakeholders to enhance the provincial growth and development of tourism industry is a handicap.

A further marked finding related to changes resulting from current government policy. Post-1994 economic and political restructuring has tended to shape the contemporary locational patterns and emerging trends of Limpopo's NSMTA operations. This has led to broader economic diversification, especially in the more peripheral areas where NSMTA enterprises are located. International investment in NSMTA facilities is still low because companies own individuals own only 13% and 42%. The research finding differs with the WTO (2005) assumption that international companies are predominantly extending their investment into small entrepreneurs. Interestingly, a focus of this study was its attempt to understand how the effects of small business development have, in fact, shaped regional tourism developments in Limpopo. This section helped in answering the eighth question of the research question from section 1.5.

8.3.2 The need for skills and training

In chapter seven it was pointed out that NSMTA facilities rely on semi-skilled and low labour cost strategies. This is not in line with government's requirement of fair labour practice. It was also indicated that a strategic plan could only be carried out successfully when all stakeholders are informed and understand the mission and the vision of the business in which they are working (Section 7.4.1). Therefore, it is important that employees be exposed to in-service staff training to acquire necessary business skills. Operations managers were found to be dominantly single-handed owners of the enterprises who used their establishments as a supplementary source of income rather than relying on the business as their main source of livelihood. It is contended that, if that were not the case, their operations would have played a greater role in supporting regional tourism infrastructural development, local information centres and the growing number of partnership arrangements amongst all stakeholders. Meeting these

expectations will require the development of on-going management training programmes to ensure that skills are honed to meet the challenges that face the NSMTA sector. It could probably be the responsibility of the DEAT and the relevant SETA (e.g. THETA as part of tourism development programme stated in Section 3.7), to ensure that these needs are met.

The proposed strategy placed great emphasis on technological developments and improved means of processing information. The development of IT (Information and Technology) skills amongst operators is one element that should be made compulsory in order to ensure success in the accommodation sector at provincial level.

A key element in the generation of a specific operational business plan could be the inclusion of training plans for each individual staff member within the organisation. Arising from the implementation of performance appraisal procedures, personnel should be fully equipped to optimise their contribution to the business in their individual capacity. Provision of funds should also be available from government resources to supplement any additional training costs. This could help in protecting employees from abuse and lead to enhancing the quality of village life through the development of the rural economy in a sustainable way to enhance the commercial life of local communities.

8.3.3 Marketing and branding

A marketing and branding strategy for the region, in line with the national tourism guidelines, should be based on collaboration between the provincial government of Limpopo, the Limpopo Tourism Authority and the Parks Board who would primarily be responsible for promoting the planning of the area as a destination on generic marketing principles. This needs to take the form of, *inter alia*, creating web sites, distributing prepared brochures, offering booking facilities,

establishing or improving information centres, trade fair promotions and Internet marketing.

Unfortunately, the situation has been found to be a bit different as only the parasitical enterprises that operate under the Limpopo Parks Board are the ones that benefit from the government's marketing efforts. It became clear during the investigation that packaged marketing is neither significant nor is it taken seriously enough at provincial level. The need to market Limpopo's accommodation products as part of destination marketing requires some kind of intervention, even from professional private marketing organisations. This does not detract from the efforts made by individuals and their innovative promotional strategies. Browsing SAT's website reveals the dominance of South Africa's coastal provinces and inland Gauteng. Limpopo's tourism web site is not as user-friendly as those of Kwazulu-Natal and Western Cape.

Tourism marketing was discussed in detail in both Chapter 4 and Chapter 7. NSMTA businesses are positioned in areas that attract short-stay visitors and as such, they should be able to retain their usual customers as well as accept new customers who come in response to enhanced marketing initiatives. Recognising this situation would be necessary as alternative options are not available in non-metropolitan areas of Limpopo that are far away from bigger metropolitan areas, the beaches and core areas of modern entertainment facilities of the country.

8.3.4 Provincial (Limpopo) SWOT analysis

Limpopo is renowned for its quiet ambience, being affectionately known as the 'province of peace'. With regard to safety and security, tourists, both domestic and external, have a comfortable feeling when bringing their families to the province. The province is further endowed with bountiful natural resources creating serene, pristine environments in natural settings. This includes 54 provincial nature reserves and many private game reserves that make the

proliferation of small to medium tourism accommodation facilities unavoidable, thus, giving strength to the province's tourism industry. With this essential capacity on the supply side, the research findings confirm that the recent expansion in tourism service offerings is scheduled to continue. Most operators report continued growth in room occupancy although, on average, such achievement on the demand side has been curbed. The growth that has taken place can be attributed to efforts within the corporate and the government sector as well as those of individual operators working in their personal capacity. Ninety percent of the sampled operators expect the 2010 World Cup sporting event to be a springboard that will surely stimulate further growth.

Because small- to medium-sized accommodation enterprises are prominent in Limpopo's tourism industry, for general tourism industry development these enterprises need and deserve support by the government. For instance, the survey found that 14 % of the visitors to Limpopo perceive the province as unsafe and insecure because of its remoteness from the rest of South Africa or its proximity to Zimbabwe. The region is currently receiving an ever-increasing number of immigrants and refugees, legal and illegal, many of whom are work-seekers escaping social and political turbulence in their homeland. This perception rubs off on tourists especially in the northern tip of the Soutpansberg tourism region and the eastern side of the Waterberg region. Unfortunately, this negative feeling with regard to safety and security is more of a perception than reality. High profile action to counter this perception is crucial when seeking to attract larger volumes of tourists. Every effort must also be made to preserve the province's good safety and security record.

Reviewed literature indicates that nothing destroys a tourism business more quickly than criminal activities that impact on tourists. Tourists are in search of good times. The bad experience lives with tourists for a very long time and they talk and tell others about their misfortune and associated anguish. It needs, therefore, to be mentioned once more, that Limpopo is a 'gateway' to Africa. If a

neighbouring state is in turmoil, as is the current situation in Zimbabwe, across South Africa's and Limpopo's northern boundary, any business strength can change into a threat.

Another aspect of safety and security is signage. Tourists like to know where they are at all times. If they get lost, or think they are lost, they get nervous and feel unsafe, thus the positive perception of safety and security is quickly reinforced as a threat in such circumstances. The challenge in this regard for the province is that the routes to some of the destinations in Limpopo that are not easily accessible, and located far from the main tourism transport route, should be more clearly and frequently indicated on roadside signboards. The current problem is compounded by the general poor signage, or complete lack of it, to the area from the main routes. This is clearly a weakness within the region as far as tourism development is concerned.

Two other major areas of weakness for which there is a need for improvement are poor road maintenance on access roads to tourism attractions and poor transportation services within the area. Addressing these shortcomings will be a challenge, as a concerted effort needs to be made to align service providers with local government planning and development programmes. SWOT analysis was applied to the sampled operations themselves and discussed in Chapter 7 to answer the fifth stated research question of the study (Section 1.5).

8.4 Recommendations

There is no single way to plan for a successful tourism accommodation business, as different plans can be equally effective. The study findings and the reviewed literature are consolidated to create a new path to the development of NSMTA facilities. The path is based on eight (8) different but interconnected themes. The researcher called these themes 'the critical success factors for Limpopo's

NSMTA enterprises'. The critical success factors need priority attention for successful NSMTA enterprises. These are:

- **Development:** Developing the tourism industry through strategic planning practice for the establishment of NSMTA facilities. Accommodation should precede any other type of development within the vicinity of the tourism destination.
- **Diversification of market:** The ability to perceive and adapt to changes in the marketplace, including recognising future industry trends, a competitive environment and customer feedback, through continuous market research. This would lead to market intelligence.
- **Demand driven:** The ability to provide clear direction, delegate, engage in sound and structured decision-making and long-term planning, through the formulation and implementation of a strategic plan. The existence of informed and knowledgeable strategic leadership will form the core of tourism business strength.
- **Distribution facilitation:** A detailed vision for the future growth of the tourism establishment, a shared understanding of its uniqueness and identity through the determination of a clear business vision with stated short and long term goals and objectives.
- **Community empowerment:** The promotion of the local economy by using local resources (natural and human) creates snowball effects to general tourism growth. The mutual partnership between private and public partnership could create stability and future sustainability of the tourism industry.
- **Consistency in service delivery:** The business philosophy of 'thinking and planning globally but acting locally' could enhance the delivery of a world-class visitor's experience. Quality always goes with value. Therefore operators should set specific action steps to achieve best quality accommodation-related services.

- **Collaboration and promotion:** The ability to support business strategies through efficient functioning of internal operations, systems and organisational structures are the core responsibilities of an individual operator. The envisaged strategic plan recommends joint or collective planning but acting individually, retaining authenticity and uniqueness service provision.
- **Competitive edge:** Key performance indicators are of absolute importance to ensure professionalism and gaining competitive edge over one's competitors. The integration of data from a global perspective to the niche market provides a valuable database for the market leaders.

The above features could be used as a basis for NSMTA facilities. They all function to better the image of tourism products and the related services (including accommodation).

8.4.1 Strategic focus

The problem statement and the main aim of the study are based on strategic focus. Chapter 7 justified the need for a generic strategic plan in the sense that evidence of the non-existence of strategic planning was revealed and possible resultant effects were highlighted. On that basis it is felt that tourism is a competitive business wherein the deployment of a strategic plan is no longer optional but compulsory. The findings from this study point out that a generic strategic plan for NSMTA businesses is a necessity that would bring positive results to the tourism industry at large. As already mentioned in the Chapter 7 (Section 7.4) such a strategy should seek to nurture into reality the operation's vision, mission, strategies and objectives, formulated as part of the planning initiatives of an individual operation. It would simplify profiling the business and the marketing strategies for developing a competitive edge. At provincial or local levels, the plan could identify shortfalls in the development of facilities in the area concerned and determine specific categories of opportunities to feed into future

business plans, thus to support the growth initiatives of individuals operating in the tourism sector.

The researcher found tourists who visit the province demanded more than just accommodation. They expect serviced accommodation with an array of tourist facilities. This kind of demand necessitates the promotion of product packaging in the non-metropolitan areas of Limpopo. Limpopo's NSMTA enterprises also host international visitors, particularly British and American tourists, even though the number is smaller. These tourists often follow the Ivory Route or are en route to the Kruger National Park. They actually create an opportunity to function as a springboard for the extension of NSMTA facilities to serve the world tourism market. This is not to suggest that the sector is not recognised internationally, but that it should exhibit and create stronger growth in the province, by increasing the number of beds available throughout the whole of Limpopo province. The sector should also lure a larger number of non-South Africans to show interest in the province. With the variety of tourism possibilities that the province possesses, NSMTA sector has the potential to contribute to the achievement of the central government's drive to encourage economic growth through tourism development.

Although there are few records that allow for meaningful analysis of the economic impact of tourism in the province, an assessment of the levy base of the tourism regions could be useful. In that the tourism industry NSMTA facilities generate reasonable revenue. If 20% of the study participants generate an income of between R301million, 18 facilities could have a turnover of around R7.2m per annum. Moreover, the local economy could be boosted with the injection of at least the lowest of salaries being paid to 2296 employees. It must be noted though, that these approximations are based on non-metropolitan facilities that excludes not only metropolitan based facilities but also other smaller motels, inns and farmhouse accommodation operations.

8.4.2 The development strategy

Strategic growth as discussed in Chapter 4 refers to the changes that take place as the firm develops its capabilities to exploit its presence in the marketplace. It is necessary for the business to adapt its strategy as it develops through different stages of its life cycle. For example, in the start-up and early growth stages, the strategy is mainly aimed at survival, whereas in the next stage the focus is on developing a customer base, maintaining a profit and obtaining further resources.

The researcher found that Limpopo's NSMTA sector did not follow any of the theoretical growth strategy patterns as discussed in the literature review. As part of the envisaged provincial initiatives to promote overall tourism development, NSMTA could contribute more effectively by adopting particular growth strategies. Growth strategies differ in time span, namely, short term (e.g. 1 - 5 years), medium term (e.g. 5–10) and long term (e.g. 10 years and more) strategies.

Despite some reluctance to participate in the survey, almost all the sampled operators, in one way or another, expressed a desire to see progress in their business operation. This is crucial for the industry in general because desires trigger action. It is the view of the researcher that, such a desire is not confined to the sampled operators but to other stakeholders as well. What is essential, as proposed in this research, is a workable solution for being able to achieve the common goal of working towards excellence in tourism accommodation service deliverance.

8.4.3 Proposed generic strategic plan

An integrated, long-term strategic approach is needed to ensure that consistent, incremental improvements are made and to encourage the various organisations involved in tourism accommodation in Limpopo province to follow convergent strategies to achieve common goals.

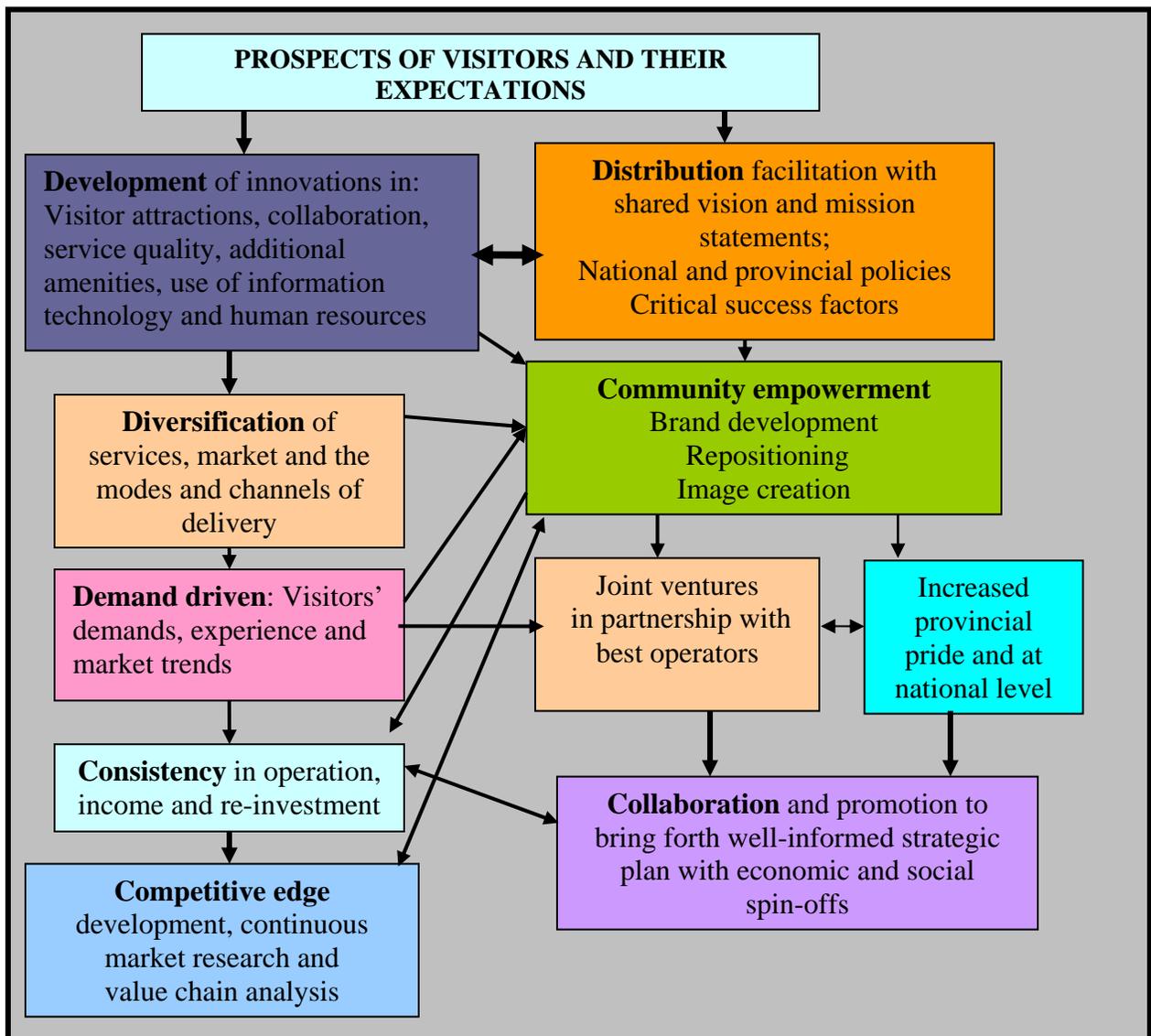


Figure 8.1: Variables for the envisaged generic strategic plan

It is proposed that Figure 8.1 be considered in line with generic strategic themes as illustrated in Figure 8.2 and ultimately with the generic strategic plan (Figure 8.3). The three figures form a progression towards a consolidated generic strategy that could be applied to NSMTA enterprises nation-wide. The strategy is called the '4Ds 4Cs' strategy. It is composed of eight strategic themes (Development, Diversification, Demand driven, Distribution, Community Empowerment, Consistency and Collaboration and Competitive edge. The eight strategic themes embrace the proposed generic strategic plan for Limpopo's NSMTA facilities.

A main aim of the study was to propose the development of the Limpopo tourism industry through the application of a generic strategic plan for NSMTA facilities, namely theme 1 of the proposed plan (Figure 8.2.) The second theme (2) is on the diversification of tourism accommodation facilities (Figure 8.2) in terms of size, types and services offered, to enhance the province's chance of meeting the so-called "new tourist demand". Researching global market trends and tourism development is seen as a cornerstone for further development and reflects the principle of tourism being a demand-driven industry (Theme 3). Facilities development and Infrastructural management promote and effect equitable tourism service distribution (Theme 4). The other four themes for the 4Cs deal with development as experienced at global, national, regional, provincial and local levels (Figure 8.2). Strategic issues addressed under different themes are interlinked and they often overlap because they all focus on the same goal of creating a broad generic strategy. Basically they all emanate from the main idea of promoting development, theme 1.



Strategic themes

Development	Diversification of Market	Demand driven	Distribution facilitation	Community Empowerment	Consistency in service delivery	Collaborations and promotion	Competitive edge
Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6	Theme 7	Theme 8
Developing tourism industry through strategic plan	Diversifying tourism accommodation facilities to meet new tourist demand	Researching on market trends and development	Infrastructural and Facilities development for the retention of customers	Promote local economy by using local resources and personnel for long term future	World class service delivery at all times for a valuable customers experience	Marketing Limpopo as a unique, vibrant, all year round tourism facilities	Ensure on going marketing research and information provision to specific areas
Strategic issues	Strategic issues	Strategic issues	Strategic issues	Strategic issues	Strategic issues	Strategic issues	Strategic issues
Generic strategic plan	Strategic positioning	Strategic Focus	Management strategy	Strategic partnership	Strategic growth	Strategic collaboration	Strategic alliance for best practices
Broader tourism focus	Market differentiation	Change in demand	Chain linkages	Specialized partnership	Explore new areas	Marketing mix	Quality oriented
Government policy	Open new markets	Flexibility	Advanced facilities	Create opportunities	Quality assurance	Partnerships	Business profiles
Stakeholders role	Broaden the market	Future needs	Identify opportunities	Mutual partnership	Best practices	7 Ps for marketing	Integrate data
Facilities development	Set market standards	Supply resources	Consolidate business	Improving skills	Authenticity	Strengthen ties on regional block	Database availability
Further development	Alternative services	Continuity in focus	Professionalism	Empowerment	Maintain uniqueness	Recent technique	Resource sharing
Business mechanism	Benchmarking	Market analysis	SWOT analysis	Scorecard analysis	Best service delivery	Value chain analysis	Strategic evaluation
Growth in technology	Internet and websites	IT	E-business	Indigenous knowledge	Online technology	ICT	Use of technology
Broadening capacity	Customers retention	Co-operation	Management profile	Development support	Quality control	Joint ventures	Professionalism
New innovations	Segmentation	New trends	Communication skills	Joint ownership	Meeting expectations	Parity in service	Knowledge based
Sustain growth and development	Unity in diversity	Global market	Explore new heights	Think global act local	Value feedbacks	Information provision	Key performance Indicators and targets
Global focus	Specialized markets	Market research	Connectivity	Multiplier effects	Universal approach	Market intelligence	Niche focus

Figure 8.2: Generic strategic themes for non-metropolitan small- to medium-sized tourism accommodation facilities.

Figure 8.2 deals with the eight (8) themes that are literally different but operationally linked. They are the critical success factors for the NSMTA facilities. The strategic issues for consideration differ with strategic themes. Development theme embraces the overall generic strategy for NSMTA facilities. It deals with development from infrastructural level, policy issue, stakeholders and border focus to the tourism industry. The widening of facilities to meet new tourists demand and new markets trends are facilitated through diversification of market and services offerings. The diversification is sorted in accordance with strategic positioning of individual businesses. The philosophy of 'unity in diversity' allows mutual business integration within segmentation. For example, the different types like guesthouse and B&B are to be unified under the same brand 'tourism accommodation facilities" even though they are different they can still marketed jointly. The demand driven theme is envisaged within the dynamism of tourism industry and the changing market demands. Strategic focus is used in this theme to bring a measure of control so that the changes are done within the focus of the individual business. The trend of linkage amongst different themes can easily be inferred from Figure 8.2 and Figure 8.3.

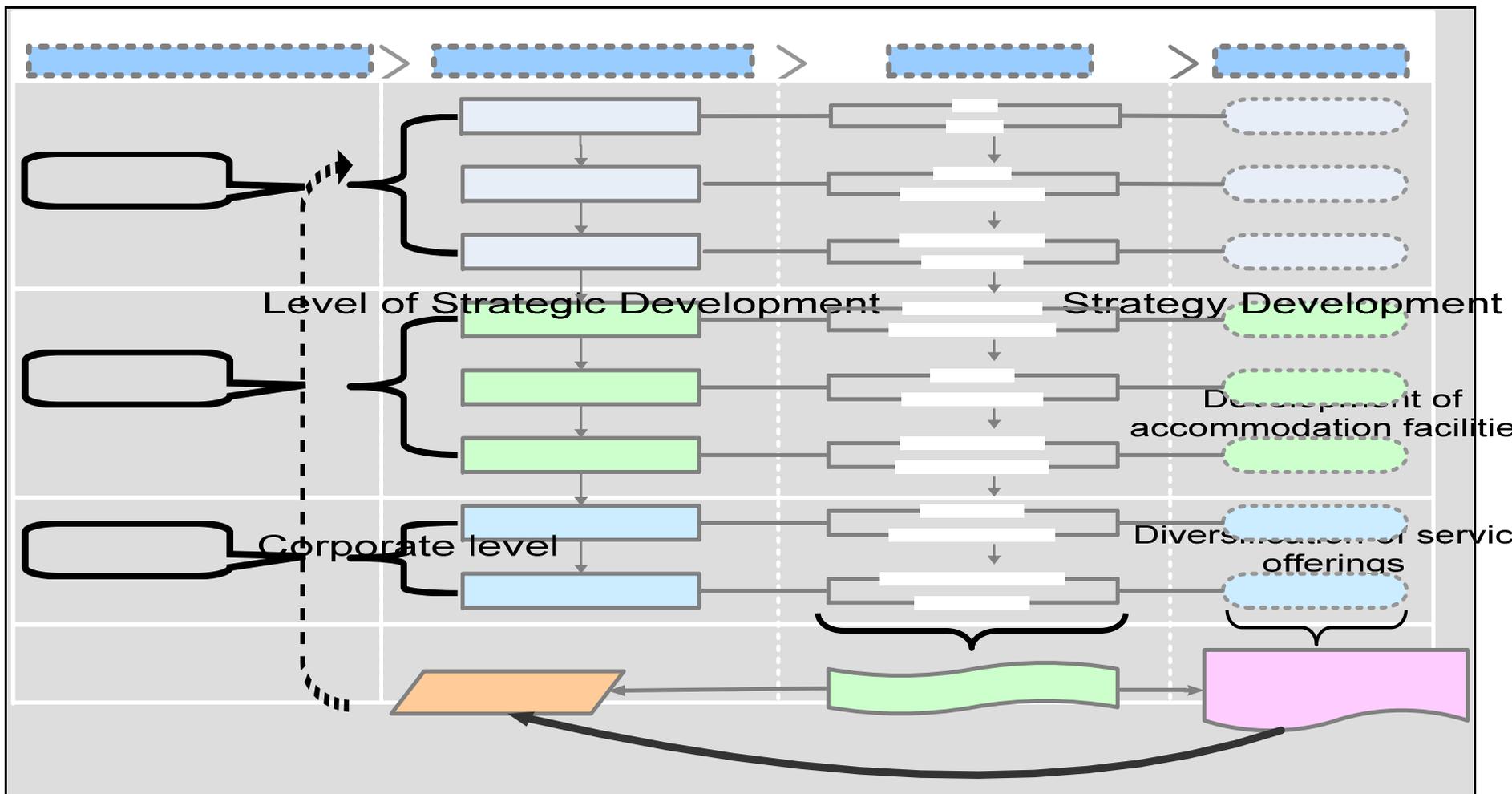


Figure 8.3: Generic strategic plan for non-metropolitan small- to medium-sized tourism accommodation facilities

Business level

Community empowerment

Consistency in service delivery

The objective of this generic approach is to position Limpopo's sector as a world-class competitor in the global tourism industry and as South Africa's premier 'home-away-from-home' tourist destination, as well as to present a model strategic plan to assist them to maximise their economic spin-offs.

The type of business, managerial competence, the intensity of competition and the turbulence of socio-economic and environmental factors, call for a planning system compatible with the reality on the ground. Limpopo's accommodation operators should tailor-make their systems to fit their corporate culture, organisational structure and administrative processes. An enterprise will have an appropriate planning system in place when its degree of planning competence matches the degree of complexity of the operation. It is in this context that the proposed plan should be adopted.

This strategy is intended to be a flexible framework for action that complements, at a provincial level, objectives and actions articulated at a national and regional level. It aims to provide a point of reference in the context of ever-changing structures, initiatives, circumstances and markets. It integrates fundamental principles unlikely to change in the short to medium term, which are essential for the successful management and performance of a visitor destination. Detailing actions required to deliver the vision of the industry at large will evolve and develop over time, but the key, from a local municipality point of view, should be to ensure the establishment of sustainable tourism enterprises. Moreover, it is important to make sure that every operation's management and performance relates to a formulated policy that has a workable strategy and contributes to service delivery across the province. It provides a key to regeneration, thus, contributing to market growth and maximising benefit to local communities. An effective tourism strategy is formed from the synergy of a systematic approach to business and service management.

The National DEAT has the responsibility of raising awareness of tourism-related matters with other service departments, identifying ways of better communication, and highlighting where improvements can be made, in response to issues raised by visitors or the industry in terms of the proposed generic themes. Through implementation of its business plan, it could establish mechanisms for the application of an integrated approach to destination management within the entire country, monitoring the actions set out, and setting targets where possible or practical.

A particular concern is the use of technology in the industry. Even though the economic hubs like Gauteng, Western Cape and Kwazulu-Natal dominate Internet marketing in South Africa, the provision of this facility in the more remote areas would be beneficial. Moreover, that nature of, and need for, capacity-building initiatives in field of technology as related to small tourism business enterprises in this specific industry also warrants further investigation. Research into the approaches that would encourage liaison amongst the tourism stakeholders at this level could enhance the general growth of the local tourism industry, particularly if businesses were to be well schooled as to how to implement the strategic plan as presented in this thesis

8.5 Conclusion

Tourism growth stimulates competition through diverse demand and dynamic supply conditions. A practical approach is the best option for small- to medium-sized tourism accommodation businesses to follow, irrespective of whether their status is formal or informal. This study has revealed that minimal consideration of a strategic plan amongst small- to medium-sized tourism accommodation enterprises works against the tourism industry as a whole. As the findings categorically suggest, this sector of tourist accommodation provision is not doing enough as far as local community development is concerned. This disappointing observation can be explained by the supportive evidence this study has offered

with regard to inadequate structure and implementation of a sound strategic plan and recognition of the requirements of public policies.

The research findings have exposed a number of challenges facing the NSMTA providers in Limpopo, a province of South Africa that has much to offer the country's growing tourism industry. These identified challenges relate to critical aspects of tourism development, namely, marketing, business management, tourism supply and demand, and the need for co-operative alliances and partnerships. There is no way that all the challenges could be fully investigated in one academic research endeavour. However, this research should be considered as paving the way for further investigation into the extent and nature of the field of NSMTA enterprises that have been sidelined in favour of large and urban-based enterprises.