

CHAPTER ONE

1. BACKGROUND AND EXPOSITION OF STUDY

1.1 INTRODUCTION

The Sabie and Shingwidzi nature reserves were joined in 1926 and proclaimed as the Kruger National Park (KNP). It is the biggest park in South Africa that is managed by the National Parks Board. It covers an area of 1 948 528 hectare and is 350 km long from north to south, at most 60 km in width. It represents one of the outstanding examples of the world's biggest and best-known national parks. It is an important tourism end destination for many South Africans and offers a unique nature experience to many local people because it has the most game species compared to any park in Africa. A delicate balance is constantly attempted to be maintained between the needs of the tourist and that of nature. One of the main objectives of the park management is to maintain the ecosystem in its natural state for the enjoyment and enrichment of visitors.

The Kruger Park represents one of the outstanding examples of the world's national parks and is described as the flagship of the National Parks Board. The Kruger Park with its 25 rest camps is the biggest of two decentralised business units, with its head quarters in Skukuza. During 1990/1991 the Kruger Park covered 60,7% of the total areas that were managed by the National Parks Board; 79,1% of the overnight capacity was managed and 81,4% of the total income was generated by the organisation. Its natural assets, its scientifically funded management policy and the extensive range of opportunities and facilities that are presented to tourists acquired this status. The park is situated near the big Pretoria-Witwatersrand-Vereeniging market, that assures its attraction for local visitors, although people from all-over the country visit this flagship of the National Parks Board.

After the Kruger Park was proclaimed in 1923, ecotourism was introduced in the Sabie Nature Reserve. The last 75 years an ecotourism industry was established that made provision for effective and efficient divergent

expectations, with regard to opportunities and experiences that were presented and facilities to fit all tastes and moneybags. These activities and facilities are in accordance with the basic national park's philosophy (Robinson, 1993: 6-7, Joubert 1994: 20). The Kruger Park has matured through many vicissitudes to become one of the most renowned sanctuaries for wild animals in the world.

Robinson (1993: 6) is of the opinion that:

- Tourism is one of the fastest and biggest growing industries in the world. It has the potential to create jobs.
- The Government should protect and preserve South Africa's natural assets so that they do not perish.

He (1992: 7) proposes a new definition for ecotourism. Ecotourism is the responsible and sustainable tourism that demands the protection of living and non-living natural assets and the promotion of appropriate and environmental sympathetic development; and that adds to achieve the goals such as the improvement of the quality of life and stability, especially for communities in the immediate vicinity of the protected area (national or regional reserve).

1.2 TOURISTS' PERCEPTION OF PRICE

Price shows the published or negotiated terms of an exchange transaction for a product; it determines also the terms of the voluntary transaction between clients which are willing to buy and producers which are willing to sell. It is one of the variables in the four "P's": product, price, place and promotion (Middleton, 1988: 58-59). *"Pricing is one of the most important elements in the tourism marketing mix. Tourism customers rate the product at a price and without a price there is no indication of value. Pricing decisions are therefore essential for the profitability of the tourist establishment, as it has a tremendous impact on demand and sales volume. Pricing is also often considered an indication of quality"* (Meidan, 1989: 307). Price is an important variable in the regional marketing mix, especially with regard to the Kruger National Park. The "right" price must satisfy both the tourists and meet the

profit objectives of the tourism business. It is necessary to develop the price structure, objectives and strategies to establish the strategic role of price in the marketing mix, while enough flexibility must be retained to respond to changing conditions (Heath and Wall, 1992: 160). All marketing mix decisions contain costs for an organisation and have implications for sales volume (McIntosh and Goeldner, 1986: 378-379).

The real meaning of price to tourists can be overlooked by tourism organisations like the National Parks Board. In a regional context there are actual charges of accommodation facilities, effort costs, time costs and psychological costs. Consumers use the price of a product as an indicator of its quality (Heath and Wall, 1992: 141-142). "*Perceptions are the consumer's subjective reality*" and is important in influencing travel behaviour... Price and quality interact to produce the value for money concept. "*Measurers of travellers' price/quality perceptions are key to determining a country's or industry's competitiveness, because competitive advantage grows out of a value that a country is able to create for its buyers which exceeds the cost of creating it*" (Stevens, 1992: 44, 48).

1.3 PRICE STRATEGY

According to McIntosh and Goeldner (1995: 433-434) marketing managers must take the following factors into account that affect **price strategies**:

- 1) Product quality
- 2) Product distinctiveness
- 3) Extent of competition
- 4) Method of distribution
- 5) Character of the market
- 6) Cost of the product and service
- 7) Cost of distribution
- 8) Margin of profit desired
- 9) Seasonality
- 10) Special promotion prices, and
- 11) Psychological considerations.

Pricing decisions are crucial since ultimately the price that is charged for the product, in relation to the company's costs, will determine the profit or loss that is made. The price also gives the consumer an indication of the quality of the holiday, and also plays a part in creating the company's corporate identity. Pricing decisions are thus an inherent part of a company's marketing strategy.

A few steps are necessary when **pricing a product**:

- 1) Determine the likely level of demand for the product
- 2) Determine the price elasticity of demand in each of the market segments in which it operates, and
- 3) Establish the costs of production (Hind, 1989: 226-231).

Tourism pricing is a very complex decision because of the variability of the product, the high degree of competition in certain tourism markets, and difficulties in accurately forecasting the level of demand. A number of **basic characteristics of the tourist industry affect pricing**:

- 1) Perishability
- 2) Intensive capital investment
- 3) The cost of intensive staff employed
- 4) Customer characteristics (Meidan, 1989: 305).

Mill and Morrison (1992: 440-441) reckons **many factors influence pricing policy**:

- 1) Elasticity of demand
- 2) Expected length of the product life cycle and the destination or organisation's position on it
- 3) Competition, and
- 4) The needs of the selected target market(s).

Vaccaro (1993: 84-85) is of the opinion that price is traditionally a basis for **market segmentation**.

Pricing is a potential powerful tool to move towards greater efficiency, fairness and environmentally sustainable nature-based tourism. Moneymaking behaviour is not part of the usual administrative culture for public authorities in charge of parks and wildlife (like the Kruger National Park). Because of the maintenance cost of a park, visitors should pay for their direct use, e.g. capital and operating costs of trails, interpretative centres and information. To visit a

park a tourist must be willing to pay. A price strategy should include general entrance fee, fees for use, concession fees, royalties and profit shares, licences and permits, taxes and voluntary donations (Laarman and Gregerson, 1996: 250, 253).

1.4. PRICE SENSITIVITY

Price sensitivity is defined as "*the highest price (what economists call the reservation price) that a consumer would pay to buy the desired quantity of that brand*". On a market-level analysis we will ask: "*How much will our customer pay?*" On a market or segment level price sensitivity is called **price elasticity**, and is defined as "*the percentage change in a product's unit sales resulting from a given percentage in its price*" "*Any study of price sensitivity should begin with the collection of buyers - who they are, why they buy, and how they make their purchase decisions - since those are the essential inputs in the formulation of judgement*" (Nagle and Holden, 1995: 100, 350).

Psychographical profiles of buyers indicate their psychological motivations for the purchase. The measurement of price sensitivity is not an end result, but a catalyst to learn more about one's buyers. Results may not agree with expectations. Thus one can learn more about a product's buyers and the factors that determine their price sensitivity.

The **ten factors that influence price sensitivity** are, according to Nagle and Holden (1995: 95-100):

- 1) Perceived substitutes effect
- 2) Unique value effect
- 3) Switching cost effect
- 4) Difficult comparison effect
- 5) Price-quality effect
- 6) Expenditure effect
- 7) End-benefit effect
- 8) Shared cost effect
- 9) Fairness effect, and
- 10) Inventory effect.

Conjoint analysis is the most used category of price sensitivity measurement methods.

1.4.1 Conjoint analysis (trade-off analysis)

Huisman (1992: 26) summarised it as follows: *"by letting respondents trade off a series of products which have been constructed from a number of features it is possible to calculate for each individual the relative value to him/her of each specification of each feature involved. This relative value is called 'utility.'With the utilities of the features as 'raw material' it is possible to estimate a respondent's preference and aggregate the results for all the respondents, resulting in indicators of the preference for the product in the market"*.

Conjoint analysis examines these trade-offs to determine the combination of attributes that will be most satisfying to the consumer. Four models are used to indicate preferences and to simulate with:

- 1) 'First Choice model'
- 2) 'Share of Preference model without correction for product similarity'
- 3) 'Share of Preference model with correction for product similarity'
- 4) 'Purchase Likelihood model'.

1.4.2 Measuring price sensitivity with the help of conjoint analysis

Conjoint analysis can be implemented in various ways to **measure price sensitivity** in the case of multi-attribute products:

- The price of the product(s) is specified as an attribute of the product
 - Using absolute prices (for example R200; R250; R300, etc.)
 - Using respondent specific prices (for example base price + R500; or + 5%, etc.)
- The attributes are priced separately
 - Each attribute is priced separately at various levels, price attributes are traded off

- Each attribute is priced separately at various levels and the products traded off are priced as the sum total of the prices of the attributes (Huisman, 1992: 26).

1.4.3 Price sensitivity measurement in a broader perspective

Conjoint analysis is very important to help estimate price sensitivity. It generates the basis for further analysis and helps to understand buyers. This can lead to the anchoring of a price strategy. By clustering on utilities benefit segments can be identified (Huisman, 1992: 31), (Hair, Anderson, Tatham and Black, 1995: 556-599).

1.5 EXPOSITION OF THE STUDY

Marketing, the nature and extent of marketing, the market environment and the demand and supply side of the market will be explained in chapter 2. Marketing will be viewed from a consumerism point of view (Webster: 1993, 1-261). A complete discussion will follow of a conceptual framework for the strategic marketing planning (based on Heath and Wall, 1992: 1-226). The framework for planning and marketing is the same as in tourism marketing (chapter 3, figure 3.1). The marketing mix is very important.

In chapter 3 the **marketing of tourism** will be discussed. Several aspects, i.e. the uniqueness of tourism marketing, the nature and characteristics thereof, their marketing implications, and the difference between the marketing of services and goods will be surveyed. Client service in the tourism industry with reference to customer need and the customer experience will be discussed. The role of service in the tourism industry, especially quality of service, improving the design of services, implementing change in the delivery of services and the service-driven service company are new concepts to be looked at. Managing tourism services and tourism satisfaction, total client satisfaction, a client-centred marketing approach, and quality of service control, good service quality and total quality management in tourism will be theoretically discussed. The **tourism marketing mix** will be discussed. **Tourism marketing and the Kruger National Park** will briefly be looked at.

In chapter 4 **the role of price and pricing in tourism marketing** will be discussed. Tourists' perception of price is the first aspect to be looked at. This will be followed by price strategy, pricing decisions and pricing considerations. Economics of pricing in travel and tourism, consumer demand and price elasticity will be discussed. **Price sensitivity** and the ten factors that influence price sensitivity will be explained in detail and conjoint analysis to measure price sensitivity will be briefly explored.

In chapter 5 **experimentation, experimental design, conjoint analysis and research methodology** will be discussed. The descriptive research design was done according to Pizam (1994: 97-98), Schreuder (1995: 228-229) and Emory and Cooper (1991: 148-150), scaling and attitude measurement according to McDougall (1994: 115-129), and the sampling design was based on Cannon (1994: 131-146). The **various conjoint analysis models** to measure consumer preferences amongst competitive tourism products and services will be discussed. The **design of a conjoint experiment** will be given in detail.

The **methodology** that was used is:

- 1) **A detailed literature research** (qualitative research). All secondary data of factors about price sensitivity and the measurement thereof, which are relevant with reference to marketing, tourism marketing and implementation, were checked in detail in existing research articles, tourism handbooks and magazine articles.
- 2) **A Survey** (quantitative research)
 - Two structured bilingual questionnaires (Afrikaans and English), including a **pairwise trade-off conjoint analysis** to simulate a real purchase situation, were used for the survey during the last two weeks of November 1997 in the Kruger National Park.
 - The Kruger Park was divided into a northern, middle and southern area for the rest of the camps. The private and bushveld camps are sporadically distributed in these areas and are not representative of the rest camps because they consist only of luxurious accommodation. If they were

included the sample would have been too large because it would have to be enlarged by 25%. Each area was subdivided into large and small camps with >300 and <300 available beds per night respectively, and they were further divided into **luxurious accommodation** (cottage/rondavel/hut (shared and private ablution), **furnished tents** (shared ablution), and **camping** (caravan and tents) (shared ablution). Only one representative camp was chosen per area for a proportional stratified sampling of 357. The smallest number of respondents per category was 16. Because of the disproportionate relationship between the large and small camps, a minimum of 20 questionnaires was needed where the allocation was lower than twenty. The sample was enlarged by 20% from 357 to 428, and was proportionally allocated for the total of 6443 available number of beds that can be accommodated per night by visitors in **1) the luxurious accommodation and 2) the camping sites** (chapter 5, table 5.4).

- Before the commencement of the real survey, the questionnaires were tested in a pilot survey in Pretoria to determine whether the respondents understood the questions correctly, were able and prepared to answer them, and if the information that was to be collected, was in fact the information that was needed.
- When the local tourists arrived they were asked if they would be willing to help with the gathering of data about the factors that influenced the **price sensitivity and pricing in the demand for accommodation of local tourists in the Kruger National Park**.
- Subsequently the questionnaires with the **30 trade-off questions and additional questions** were presented to the respondents in the selected camps of the Kruger National Park. They could use the language of their choice.

In chapter 6 the **conjoint and price elasticity findings, and conclusions from the price sensitivity hypothesis** will be given. In the **recommendations** the ecotourism, service, pricing and marketing aspects that could have an effect on the demand for a holiday at the Kruger Park, i.e. the perception about the affordability thereof will be surveyed.

The **bibliography** will give all the consulted research documents, articles in magazines and handbooks.

Appendix A will show all the answers from **Section B (Additional Questions)** in percentages for the **six representative camps**, i.e. three big and three small ones.

Appendix B will show the **questionnaire in English and Afrikaans**, and a **copy of the introductory letter** and the **instructions to fill in the questionnaire**.

CHAPTER 2

2. MARKETING

2.1 PERSPECTIVES ON MARKETING

The perspectives on marketing are described according to Marx and Van der Walt (1989: 1-31), and Van der Walt, Strydom, Marx and Jooste (1996: 1-36).

2.1.1 How marketing originated

Marketing originated in the form of bartering transactions between two people for basic necessities in primitive times. Exchange usually took place only if both parties were satisfied that the items they exchanged were more or less equal in nature. A gap developed between those who had to barter and those who needed to. A middleman who was paid for the additional services in a medium acceptable to both parties (information and transport) bridged it. With time the services by middlemen became increasingly important. Today they represent wholesalers, retailers and agents who act as middlemen between buyers and sellers to facilitate bartering in a sophisticated, highly developed economy. Today, in modern society, marketing is very crucial for economic development.

2.1.2 The gap

Marketing activities are needed to bridge the different gap theories between participants in the marketing processes, i.e. space, time, information ownership and value gaps respectively. The activities needed to bridge this time gap on various levels are inter alia transportation and store. Only if all five gaps between sellers and buyers are bridged, there could be talk of and successful marketing.

2.1.3 Marketing activities

The primary activity is transport, while the supporting ones are obtaining and supplying of information, standardisation and grading, reassortment, storage, financing and risk taking. Thus the most important characteristics of marketing are that they:

- Must be prepared
- Can be divided, and
- Can be shifted.

Intermediaries such as wholesalers and retailers perform these activities. They consist of middlemen, sales intermediaries and auxiliary enterprises, and are mainly concerned with distribution tasks.

2.1.4 The marketing process

The marketing process is defined as: "*The marketing process which has been described by a simple bartering process between at least two participants (namely the producers and the consumers), is managed by the marketing department. The product involved in the bartering transaction is more than a physical object - it can better be described as a marketing offering*" (Van der Walt et al, 1996: 13). Marketing management has four marketing instruments at its disposal to create a marketing offer:

- Product
- Distribution (place)
- Marketing communication media and message (promotion)
- Price.

Thus the main objective is maximisation of profitability in the long-term. These are offered to the target market that sacrifices money to get it. The target market also has needs in terms of the utility offered by the product in exchange for a sacrifice in terms of money. The main object is total need satisfaction. The marketing environment also influences relationships between marketers and consumers, and competes with other markets. Marketing research is conducted to determine wants before any decision about a marketing strategy is taken, because marketing management needs information about needs, demands and preferences of consumers in different market segments.

2.1.5 The evolution of the marketing thought

Several phases in the evolution process developed with time:

- In the beginning of 1600 AD the first phase in management was production-orientated. People were mostly self sufficient and specialists.
- After the industrial revolution the management was sales-orientated.
- After the Second World War the management was marketing-orientated.

- Since 1970 there was a more strategic approach to marketing management in the USA - they were more consumer-orientated.

2.1.6 The marketing concept

It is regarded as the ethical code or philosophy according to which the marketing task is performed. The foundations of marketing decisions and activities are:

- Consumer satisfaction
- Striving for long term-profit maximisation
- Creation of an integrated system
- Societal responsibility.

Thus the marketing process is indeed complicated, but must be properly managed according to the concept.

2.1.7 Management tasks of marketing management

There must be a continuous process of planning, organising, co-ordinating, leading and controlling marketing activities.

The five management tasks are:

- 1) **Planning.** Identify opportunities and threats, Set marketing objectives according to enterprises. Decide on the marketing instrument.
- 2) **Organising.** Organise the activities in the marketing department. Consider strong and weak points.
- 3) **Co-ordinating.** Ensure the intent and extend of co-operation.
- 4) **Leading.** Provide leadership in the planning and implementation of the marketing strategies.
- 5) **Control/evaluation.** Control marketing activities.

2.1.8 Mega marketing in the 1900's

There must be a closer involvement between the public relations and the marketing departments because there is less trust in the effectiveness of promotion messages. **Public relations** were added to the four P's (**price, product, promotion** and **place**) to influence consumers' perceptions of products. Mega marketing is the total market-orientated approach driven by accelerated technological developments and world-wide communication

networks. Thus the organisation must be market orientated in all its activities (Van der Walt **et al**, 1996: 34).

2.2 THE NATURE AND SCOPE OF MARKETING

According to Drucker (as cited in Kotler, 1991: 1) marketing is so basic that it cannot be regarded as a separate function. It comprises the whole business seen from the standpoint of its final result, i.e. from the standpoint of the client. Jooste (1995: 250) is of the opinion that "*Marketing is about anticipating demand, recognising it and finally satisfying it. It is about understanding what can be sold, to whom, when, where and what products*". A more recent definition is given by Marx and Van der Walt (1989: 28) "*Marketing consists of management tasks and decisions directed at successfully meeting opportunities and threats in a developing and dynamic environment and transferring a need-satisfying market offering to consumers, in such a way that the objective of the enterprise, the consumer and the society will be achieved*". Kotler and Armstrong (1993: 3) define marketing as: "*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*". The core of the marketing concept consists of needs, wants, demand, products, exchange, transactions, and markets. They are all linked and each concept builds on the one preceding it (Kotler and Armstrong, 1993: 3-8). The definition stresses two characteristics of marketing:

- 1) Marketing as a managerial process aimed at assessing consumer demand and needs.
- 2) It is concerned with the fulfilment of consumer needs by means of a marketing offering (Jooste, 1995: 251).

Other definitions according to Kotler (1991: 4, 10) are that marketing is:

- 1) The process by which an organisation is creative, productive and profitable in relation to the marketplace.
- 2) The art to create clients at a profit and to satisfy them.
- 3) To supply the right goods and services to the right people, on the right time, at the right place, with the right communication and promotion.

McDonald (1992: 119) reckons "*.....marketing is a management process whereby the resources of the whole organisation are utilised to satisfy the needs of selected customer groups in order to achieve the objects of both*

parties. Marketing, then, is first and foremost an attitude of mind rather than a series of functional activities”.

"Marketing is the process of planning and execution of the conception, pricing, promotion and distribution of ideas, goods and services to create an exchange that will satisfy individuals and satisfy organisational targets" (AMA, 1985 as cited in Crane, 1989: 4). Marketing is the integration of many functions and, as a process, it includes identifying and understanding of consumer needs/wants, developing of products that will satisfy these needs/wants, informing consumers that the product exists, delivering of the product, and assurance of satisfaction after the exchange.

Webster (1993: 14) investigated consumerism in South Africa and expands the definition of marketing: *"Marketing could thus be defined as a way of doing business, rather than being a mere function. It is the process of initiating and maintaining exchanges between suppliers and consumers in a way that develops an enduring relationship in which their natural long-term objectives and satisfactions are achieved, and society as a whole is benefited. It is a process that makes the customer an integral part of the business and the central focus of attention."* The **nature of marketing** is summarised by him (1993: 44) as *"...a pervasive business philosophy, a way of doing business that involved three functions: the mutually beneficial and free exchange of values between consumers and suppliers, the creation of new customers, and the maintenance of those customers by fostering a long relationship with them. Performed sensitively and creatively this process would ensure that the consumer's existing frustration and dissatisfaction with the exchange process would be largely eliminated, thereby increasing the long-term profitability of the enterprise.... Marketing is a complex activity, necessitating a guiding philosophy to ensure a consistent focus on the essentials of profitable marketing practice. This guiding philosophy is called the marketing concept"*. Marketing revolves around the customer. Webster (1993: 45) gives a new definition of the marketing concept based on Kotler (1980: 31; 1991: 26): *"The marketing concept is a management orientation that holds that the key task of the enterprise is to determine the needs, wants and interests of consumers in target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being, and ensures the long-term profitable survival of the enterprise"*. The word 'enterprise' can be replaced by

'organisation' and the word 'profitable' by 'effective', in the case of non-profit organisations. The central focus of attention is always creating a customer, maintaining customer satisfaction, the needs, wants, perceptions, convenience, satisfaction and delight of the customer (Webster, 1993: 72-73).

According to Buttle (1989: 235-236) marketing can be viewed from different aspects:

- 1) A philosophy, i.e. a way to do business. It is said that companies that work according to this is market-orientated. Such a business believes that its whole function is to create and retain clients. The whole business, its personnel and its technical systems are tuned in to supply client satisfaction, and to make profit.
- 2) A Management process. It comprises the following steps: investigates client demand for a class of products; identifies a group of clients whose demands can be better satisfied; develops a product at a level that will bear the market and that will give profit; supplies the product through the disposable channels to the client; does promotion so that the product can achieve a desired unit of income volume of demand. Based on an accurate analysis of alternative opportunities, as well as organisational strengths and weaknesses, marketing plans are drawn up, implemented and controlled to achieve marketing goals.
- 3) A series of instruments to manipulate demand. The term **marketing mix**, popular known as the **four P's (product, price, promotion, place)**, is used. The marketer mixes these variables to achieve a target volume of demand. The marketing manager is a demand manager.

2.3 THE MARKET ENVIRONMENT

The market environment is part of the total market environment. The marketing management is daily in close contact with the demand and supply side of the marketing environment. Marketing management's task is therefore to utilise these opportunities and to counter threats where it is possible to identify them.

A market consists of two sides, i.e. a demand and supply side. On the demand side are the potential customers at whom the market offering is directed. On the supply side are the potential customers competing for

consumer patronage and the suppliers offering all kinds of products and services.

The South African market is relative complicated. The marketing management carefully scans this complex market to ensure that:

- The consumer needs, demands and preferences are met
- The society is not harmed in any way
- The struggle against competitors is won
- Profitability is attained by the enterprise (Van der Walt, 1989: 69-72).

2.3.1 Description of the concept 'market'

There are several types of markets. The demand side of the market environment consists of the final consumers (individuals and households), who purchase products for their own consumption. At the supply side of the market there are the competitors and suppliers who strive, each in their own area, to gain patronage of the consumers (Van der Walt, 1989: 72).

2.3.1.1 The demand side of the market

The **demand side** of the market consists of a relatively large number of individuals:

- Needing a specific product
- Having the ability to purchase
- Willing to purchase and
- Having the authority to purchase.

All the above-mentioned prerequisites must be met. In an indifferent way certain numbers of the public are involved: government and other organisations guarding the interests of consumers and the general public. To summarise: the demand side of the consumer market consists of potential consumers who have the authority to purchase and are willing to so. Demand can, however, be influenced by certain other organisations (Van der Walt, 1989: 71-72).

Kotler (1991: 11) reckons the marketing management's task is to influence the level, timing and composition of demand in a way that will help the

organisation to achieve its objectives. Marketing management is essentially demand management.

Eight demand states and corresponding marketing tasks exist:

- 1) **Negative demand:** A market is in a state of negative demand if a major part of the market disfavours the product and may even pay a price to avert it. The marketing task is to determine why the market dislikes the product, and also whether a marketing program consisting of product redesign, lower prices, and more positive promotion can ultimately change the market beliefs and attitudes.
- 2) **No demand:** Target consumers may be indifferent or uninterested in the product. The marketing task is to find ways to connect the benefits of the product with the consumer's natural needs and interests.
- 3) **Latent demand:** Many consumers have a strong need that cannot be satisfied by any existing product. The marketing task is to measure the size of the potential market and develop effective services and goods that would satisfy the demand.
- 4) **Falling demand:** Sooner or later every organisation will experience a decreasing demand for one or more of its products. The marketer must analyse the causes of the market decline and determine whether demand can be restimulated by new target markets, changing the product features, or developing more effective communication. The marketing task is to reverse the declining demand through creative remarketing of the product.
- 5) **Irregular demand:** Many organisations face demand that varies on a seasonal, daily or even hourly basis. It causes problems of idle capacity or overworked capacity. The marketing task, called *synchronmarketing*, is to find ways to alter the same pattern of demand through flexible pricing, promotion and other incentives.
- 6) **Full demand:** Organisations face full demand when they are pleased with their volume of business. The marketing task is to maintain the current level of demand in the face of changing consumer preferences and increasing competition. The organisation must maintain or improve its quality and continuously measure consumer satisfaction so that a good job is done.
- 7) **Overfull demand:** Some organisations face a demand level that is higher than they can or want to handle. The marketing task, called *demarketing*, is to find ways to reduce the demand temporarily or permanently. General demarketing is to discourage demand by raising prices, and reducing

promotion and service. Selective demarketing is to reduce the demand coming from the less profitable or less in need of service parts of the market. Demarketing aims not to destroy demand, but only to reduce its level, temporarily or permanently.

- 8) Unwholesome demand:** Unwholesome products will attract organised efforts to discourage their consumption. The marketing task is to influence people who like something to give it up, by using fear communication, price hikes and reduced availability (Kotler, 1991: 12-13).

2.3.1.2 The supply side of the market

True competition is one of the essentials of a free-market system. The advantage from a marketing point of view and more satisfied customers and a higher standard of living all around. **Competitors** can be classified as market leaders, challengers and avoiders (Van der Walt, 1989: 71-72).

2.4 A FRAMEWORK FOR STRATEGIC MARKETING PLANNING

Kotler (1991: 47-59) describes the business strategic planning process, while McDonald (1992: 78-99) describes a strategic planning approach to marketing. Cravens (1997: 1-26) gives a short account of the strategic marketing process in four steps: marketing - situation analysis, designing marketing strategy, marketing program development and implementation and control. Thompson and Strickland (1990: 84-86) investigate the strategic management process. Heath and Wall (1992: 1-199) outline the strategic planning approach of the marketing of tourism destinations, and is shown by them in a table as: "*A conceptual framework for regional strategic marketing planning of tourism*" (1992: 12, figure 3.1). It can be used and applied exactly in the same way for marketing (figure 2.1). In the rest of the chapter a joined description of all the authors will be used.

2.4.1 Deciding how to compete

According to Cravens (1997: 4-6) the **strategic vision** of the organisation is *when, where* and *how* to compete, and *how not* to compete (SWOT analysis). Thus knowledge of the market needs and trends, competition and the strengths (and weaknesses) of the organisation is necessary. **To achieve competitive advantage** is obtained by offering superior value to the customer

Figure 2.1 A conceptual framework for strategic marketing planning



Source: Adapted to Heath, E. and Wall, G. 1992. Marketing tourist destinations. A strategic planning approach. New York, Chichester: John Wiley & Sons, p. 9.

through lower prices for equivalent benefits and/or benefits that more than offset a higher price. **Important considerations** are:

- 1) Process should be customer-focussed
- 2) Analysis of needs/wants (requirements) should look at groups of buyers with similar preferences
- 3) Opportunities for advantage occur when gaps exist between what customers want and competitors' efforts to satisfy them
- 4) Opportunities are created by finding segments of buyers which are not satisfied
- 5) Customer satisfaction analysis should look for the best opportunities for the organisation to create superior value.

A core requirement is **competitive advantage** because the relationship among business functions (manufacturing, marketing, research, and human resources) is becoming integrated in many companies. Teams of people from different functions are working together, which leads to the design of new processes and improve better customer service.

A **market orientation** makes the customer the focal point of the organisation. It requires competition, intelligence, and co-ordination among business functions. To become market orientated a major change is necessary in the culture, process, and structure of traditional pyramid organisations organised into functional units. Market orientation is about customer focus, competitor intelligence, interfunctional co-ordination. To become a market-orientated organisation the interrelated requirements are information acquisition, interfunctional assessment, and shared diagnosis and action. In a business strategy and marketing organisation context the chief marketing manager's responsibility is developing marketing strategies that follow the business strategic priorities.

2.4.2 Business mission

Each business unit in a corporation must define the **company's mission** in its industry scope, market segment scope, and geographical scope. This will provide employees with the broad goals and policies of the business unit, and will give them a shared sense of purpose, direction and opportunity (Kotler, 1991: 47-48, 59).

2.4.3 Marketing analysis

The purpose of a **corporate plan** in its simplest form is to answer three central questions:

- Where is the company now?
- Where does the company want to go?
- How should the company organise its resources to get there?

An **audit** [analysis] is a systematic, critical and unbiased review and judgement of the environment and of the company's operations. A marketing audit forms part of the larger management audit, and is concerned with the marketing environment and marketing operations. Thus the audit is a structured approach to the collection and analysis of information and data in a complex business environment, and is an essential prerequisite to problem solving. Any company will be faced with two kinds of variables. Firstly there are those over which the company has no direct control, and can be described as environmental, market and competitive variables - thus the **external audit [analysis]** is concerned with these. It starts with an examination of information on the general economy and the outlook for the growth of the markets served by the company. Secondly, there are those over which the company has direct control, and can be described as operational variables - thus the **internal audit [analysis]** is concerned with these. The purpose is to assess the organisation's resources as they relate to the environment and to the resources of competitors (McDonald, 1989: 21-22). The situation analysis consists of two steps: the external environmental analysis and the internal environmental [resource] analysis. Some authors call it the **SWOT analysis**.

2.4.3.1 External environmental analysis

In such an analysis the **identification of opportunities and threats** that face the business is monitored. The following areas should be investigated:

- **Business and economic environment:**
 - Economic
 - Political/fiscal/legal
 - Social/cultural

- Technological
- Intro-company
- **The market:**
 - Total market size, growth, and trends (value/volume)
 - Market characteristics, developments and trends with respect to products, prices, physical distribution channels, communication and industry practices
- **Competition:**
 - Industry structure
 - Industry profitability (McDonald, 1989: 23-25).

The tourism environment consists of three components: the **macro environment**, the **market environment** and the **competitive environment**. They can affect organisations and business units. This leads to a **market analysis** where organisations must monitor and analyse trends and changes in the needs and perceptions of the existing and potential markets. **Environmental scanning** is necessary to determine **present opportunities and threats**, while **environmental forecasting** must be done to understand what the future may be like. This will enable an organisation to set appropriate objectives and develop a better strategy to reach them, and the environmental scanning, a **resource analysis** is also necessary to identify **strengths and weaknesses** of the market environment and other organisations. This will indicate the degree to which environmental opportunities can be exploited, and threats avoided or minimised (Heath and Wall, 1992: 39, 58-59).

2.4.3.2 Internal environmental analysis

The goal is to assess the organisation's resources as they relate to the environment and to the resources of competitors, and determine its strengths and weaknesses in a marketing context. The following areas should be investigated:

- **Own company:**
 - Sales (total, by geographical location, by industry type, by customer, by product)
 - Market shares
 - Profit margins
 - Marketing procedures
 - Marketing organisation

- Sales/marketing control data
- Marketing mix variables (market research, product development, product range, product quality, unit of sale, stock levels, distribution, dealer support, pricing discounts, credit, samples, exhibitions, selling, sales aids, point of sale, advertising, sales promotion, public relations, after-sales service, training)
- **Operations and resources:**
 - Marketing objectives
 - Marketing strategy
 - Structure
 - Information system
 - Planning system
 - Control system
 - Interfunctional efficiency
 - Profitability analysis
 - Cost-effective analysis (McDonald, 1989: 25-26).

Cravens (1997: 10) reckons that information provided by the marketing situation analysis to guide the **design of a new strategy** is needed by marketing managers and leads to the design of a new strategy or to changing an existing one. It is conducted on a regional basis:

- Analysing markets and competition
- Market analysis
- Competition
- Segmenting markets, describing possible customer groups
- Continuous learning about markets give information about analysis and decision making.

2.4.3.3 Key success factors

After the audit and SWOT-analysis, **assumptions** must be written. There are certain key determinants of success about which assumptions have to be made before the planning process can begin. It is thus a question of standardising the planning environment. Assumptions should only be a few in number (McDonald, 1989: 31-33).

Key success factors are the main determinants of financial and competitive success in an industry. It highlights the things all firms in the industry must

pay close attention to - the specific outcomes that are crucial to success in the marketplace, and also the functional skills with the most direct bearing on company profitability. The identification of these factors is a top priority strategic consideration, and can serve as the cornerstones on which a business strategy is build. Types of key success factors are related to technology, manufacturing, distribution, marketing, skills and organisational capability (Thompson and Strickland, 1990: 83-86). The ten success factors for the 1990's are, according to McDonald (1992: 206-207):

- Environmental sensitivity. Because the 1990s are different from any other decade, changes that are taking place in one's own environment must continuously be understood and monitored in one's own external environment (opportunities and threats).
- Competitive analysis. Competitors' strengths and weaknesses in each segment in which one competes must be continuously monitored.
- Internal sensitivity. A formal position audit of one's own strengths and weaknesses must be done especially one's own product/market position in each segment in which one competes.
- Understand the sources of competitive advantage in total and by segment. A deep understanding of the needs of specific customer groups, for whom one develops specific offers that have a differential advantage over the offers of competitors, will lead to overall competitive advantage.
- Understand one's portfolio (of products and markets). One cannot be all for everybody. A good understanding of the portfolio analysis will help to allocate one's appropriate sources and formulate appropriate marketing goals.
- Develop clear strategic priorities. Focus one's best sources on the best opportunities to achieve long-term growth in terms of income and revenue.
- Be disciplined. Manage the economics of one's business' with a strong discipline that focuses on the main performance indicators in relation to one's strategic priorities.
- Customer orientation in all functions. Make sure that every function in the organisation is understood and believe that they are there to serve the client, not one's own closely related functional interests.
- Commitment to innovation. Strive to serve the client in a continuous better way. It means to be innovative.
- Leadership. Do not let doom and gloom pervade one's thoughts. The hostile environment offers many opportunities for companies with

toughness and insight. In the first place, govern the management team strongly. Do not accept poor performance in the most critical positions.

2.4.4 Goal formulation

Goal formulation is to get clarity as to what is expected to be achieved with tourism development. First a **mission statement** should be formulated for tourism, followed by **goals** that should be established to spell out the qualitative values that must be pursued (image development, increase in market share, and new product developments) and then specific **objectives** must be determined with respect to magnitude, time and responsibility (Heath and Wall, 1992: 63-73, 88).

2.4.5 Designing strategic marketing strategies

Cravens (1997: 9) defines **strategic marketing** as: "*...the analysis, strategy development, in selecting market target strategies for the product markets of interest to the organisation, setting marketing objectives, and developing, implementing, and managing the marketing programs and positioning strategies to meet the needs of customers in each market target*".

The first part of the process is a **product-market analysis**, market segmentation and continuous learning about markets. These guide the choice of market strategy. The **market definition** establishes the overall competitive arena. **Market segmentation** shows the possible customer groups for targeting by business. **Competitor analysis** looks at strengths and weaknesses, and strategies of main competitors. **Continuous learning about market suppliers** for information for analysis and decision making.

Strategies grow out of and reflect the environmental analysis, resource analysis and goal formulation steps. In seeking feasible strategies it can be proceeded in two stages: 1) Develop a **product portfolio strategy** to decide what to do with each of the current major tourism products. 2) Develop a **product-market expansion strategy** to decide on what new products and markets to concentrate on in the future. These steps form the basis of a marketing strategy, positioning strategy and an effective marketing mix. The results of the strategies can provide the basis for the formulation of the organisation's strategic plans (Heath and Wall, 1992: 16-18, 74-88).

A marketing strategy is developed at the business unit level. Within a given environment marketing strategy deals with the interplay of three forces, known as **the strategic 3 C's: customer, competition and corporation**. A marketing strategy is thus an endeavour of a corporation to differentiate itself positively from its competitors, by using its relative corporate strengths to satisfy customer needs better, in a given environmental setting (Jain, 1990: 24-25).

The situation analysis identifies market opportunities, defines market segments, makes evaluations of competitors, and assesses the organisation's strengths and weaknesses. This information is the basis for designing marketing strategies, positioning, and building market relationships, and also developing and introducing new products. The situation analysis guides the selection of the people (or organisations) to be targeted. A **target market** describes individual buyer groups and needs to be satisfied by making program-positioning strategies. This indicates how the organisation will position itself against key competitors in meeting the needs of buyers in the target market. Relationship strategies spell out relations to be developed with customers, other organisations, and company personnel. New product strategies to give a stream of new entries to replace mature products that are eliminated.

2.4.5.1 Market targeting positioning strategy

Marketing advantage is influenced by the type of firm, difference in buyers' needs, and specific competitive advantage of the company in designing marketing strategy (Cravens, 1997: 14-17, 28).

2.4.6 The marketing mix in the designing of marketing strategies

The elements of the **marketing mix** consist of the following **strategies: product, price, distribution, and promotion** (four P's) (Heath and Wall, 1992: 126). Specific marketing mix programs must be developed for the four P's to implement the positioning strategy selected by marketing managers. They are the main levers or controls available to the marketing managers in their continuous endeavours to achieve the planned objectives and targets, expressed as sales volume and revenue from identified customer groups. The mix decisions are based on a mixture of marketing research and marketing

planning procedures, and also the judgement of individual managers who are engaged in a battle of wits with their competitors (Middleton 1988: 63). The marketing mix decisions will help implement the positioning strategy. The object is to achieve favourable positioning, while allocating financial, human and production resources to markets, customers, and products as effectively as possible. In summary, the real objective is to combine marketing mix components to accomplish market objectives in a cost-effective manner (Cravens, 1997: 18-20).

2.4.7 Implementing and managing marketing strategy

This is the last phase of the marketing plan. The focus is on marketing organisational design and marketing strategy. It must be implemented and controlled to achieve the marketing strategy. The marketing plan must be reviewed from time to time. Lastly, the marketing performance must be evaluated and controlled (Cravens, 1997: 18-20).

2.4.8 Organisation and management supporting systems

If a strategic marketing planning framework is to be implemented effectively, an organisation must have the necessary structure and people to develop strategies that will contribute toward reaching regional goals in a dynamic, changing environment. Particular attention is necessary for the appropriate **organisation design**, and also to the relationship with, and role of, other regional bodies.

The management supporting systems must include:

- An information system
- A planning system
- An evaluation system (Heath and Wall, 1992: 165-189, 197).

2.4.9 The marketing plan

In summary, it spells out the actions to be taken, which should be responsible, deadlines to be met, and the sales forecast budget. It also describes the marketing decisions and it guides the implementation of the decisions, and the evaluation and the management of the marketing strategy.

CHAPTER 3

3. MARKETING OF TOURISM

3.1 DEFINITONS AND CORE CONCEPTS IN TOURISM MARKETING

"In essence travel and tourism is a total market reflecting the demand of consumers, for a very wide range of travel related products. It is of national and international importance its potential for further growth, its economic contribution measured in terms of investment, employment and balance of payments, its effect on host communities and its impact on the physical environment of visited destinations. Marketing is important in travel and tourism because it is the principle management influence which can be brought to bear on the size and behaviour of this major global market" (Middleton, 1988: 3).

Holloway and Plant (1992: 4) give the Chartered Institute of Marketing's definition (with regard to tourism marketing): *"Marketing is the management function which organises and directs all those business activities involved in assessing customer needs and converting customer purchasing power into effective demand for a specific product or service, in moving that product or service to the final customer or user so as to achieve the profit target or other objective set by the company or other organisation"*. The definition has the following implications:

- It is a management function.
- It underlies and provides the framework for all the activities which a business undertakes.
- It places the emphasis on customers' needs as the starting point for the business operation.

According to Crane (1993: 8) professional services providers must embrace marketing in order to be successful in today's marketplace. The marketing concept is central to the needs of the client, and it is about equitable exchange and client satisfaction.

The five component sectors of the travel and tourism industry are:

- Accommodation sector
- Attractions sector

- Transport sector
- Travel organisers sector and
- Destination organisers sector (Middleton, 1988: 7-9).

3.1.1 Aspects of the demand for travel and tourism

The main determinants of demand are:

- Economic
- Demographic
- Geographic
- Socio-cultural
- Comparative prices
- Mobility
- Government/regulatory and
- Media communications (Middleton, 1988: 57-29, Laws, 1991: 16-29).

3.1.2 Travel motivations and buyer behaviour

Marketing managers must know how the internal and psychological processes influence individuals ('motivations') to decide on the choice of a particular holiday destination, and a particular product within this choice of destination, or vice versa (Middleton 1988: 48-54).

3.2 THE UNIQUENESS OF TOURISM MARKETING

"Marketing is a vital activity in all types of tourism establishment. As a discipline marketing does not differ from commercial organisations. Tourism marketing is an adaptation of the basic principles of marketing which have been developed and practised across a wide spectrum of consumer products" (Middleton, 1992 as cited by Jooste, 1995: 251). Tourism marketing differs from traditional marketing:

- Tourism products show the typical characteristics of services, namely **intangibility, inseparability, heterogeneity quality and perishability**.
- The tourism product consists of several services and products offered by different organisations and the components thereof are usually offered by different organisations and are marketed directly to the tourist by the individual organisations or as a combined package.

- The tourism product and services are usually removed from potential clients. Thus specialised intermediaries are used to bridge the gap between producers and customers.
- Because tourism demand is highly elastic and seasonal, preferences and price can influence it.
- The tourism product is marketed at two levels: 1) The national, regional or local level and, 2) the individual level (Jooste, 1995: 251-252).
- Burke and Resnik (1991: 224) adds complementarity because the sale of a travel product also influences other travel products such as restaurants, shops, etc.
- Easiness of entrance to the industry
- Another approach is necessary for the marketing of goods. There are differences in marketing mix, the distribution system, and the accent is on relations and client service (Jooste, 1995: 251-252, Bennet, 1995: 285-286).

The marketing of services is to satisfy needs, while services keep people happy. A service is an activity or benefit that one party can offer to another and is in essence intangible and cannot be owned by anybody. The production may or may not be coupled to a physical (Kotler and Armstrong, 1993: 494). Buttle (1989: 235-236) looks at marketing as: 1) 'n philosophy, 2) management process, and 3) A series of instruments to manipulate demand.

3.2.1 Distinguishing features of services - marketing implications

The main features that distinguish services from goods are:

- 1) Intangibility
- 2) Inseparability
- 3) Heterogeneity
- 4) Perishability and
- 5) Ownership is not transferable (Bennet, 1995: 285-286).

3.2.1.1 Intangibility of services

It implies that a service can be experienced and delivered, but ownership cannot exist. There is a double intangibility of services because they cannot be tasted, sensed, heard, or smelled. A thorough evaluation of a service is thus not possible before the purchase.

3.2.1.2 Perishability of services

Unused capacity of a service is perishable service because it cannot be stored at present or in the future. A hotel room or unused aeroplane seat that is not sold on a specific day, cannot be sold again.

3.2.1.3 Heterogeneity of services

Heterogeneity means that services are difficult to standardise. Services are not homogenised - their quality may vary a lot, depending on who delivers it, also when, where and how. Because clients who buy services are in direct contact with the service employees, and experience their behaviour attitude, service cannot be standardised. The management cannot solely control personal performance.

3.2.1.4 Inseparability of services

Services are sold and produced and consumed at the same time - many times on the property of the service organisations. They cannot be separated from their suppliers (people or machinery). This causes problems that marketers of goods do not have. Because the client is present when the service is produced, the supplier-client interaction is a special characteristic of the marketing of services. Both the supplier and the client influence the service result.

3.2.1.5 Summary of the characteristics and marketing implications of services

Intangibilities must be made more intangible by the management of the physical environment and by effective promotion, i.e. indications, image, and brand development. Personal development and education of employees are important because they act at the delivery of services both as sales representatives and production workers. An effective balance is necessary and must be maintained between people and machines (Edgett and Parkinson, 1993: 32-34).

3.2.1.6 Marketing differences between goods and services

Lovelock (1991: 7-8) reckons seven broad generic differences tend to distinguish services marketing from goods marketing:

- 1) Nature of the product
- 2) Greater involvement of customers in the production process
- 3) People as part of the product
- 4) Greater difficulties in maintaining quality control standards
- 5) Absence of inventories
- 6) Relative importance of the time factor
- 7) Structure of distribution channels.

According to Crane (1989: 5-6) the characteristics of services, which are the main source of difficulty in managing and marketing professional services are:

- 1) Intangibility
- 2) Perishability, no storability
- 3) No pre-trial
- 4) No recall of service delivered
- 5) Inseparability of production and consumption
- 6) Labour intensive, high degree of human interaction
- 7) Non-standardisation of service delivery and quality.

3.3 CLIENT SERVICE IN THE TOURISM INDUSTRY

The various aspects of client service will be discussed.

3.3.1 Customer need

"Satisfaction of customer need is the ultimate test of a business unit's success. Thus an effective marketing strategy should aim at serving the customer needs and wants better than the competitors do. Focus on customers is the essence of marketing strategy" (Jain, 1990: 118).

Traditionally, needs have been classified to Maslow's hierarchy of human needs:

- Physiological (lowest level needs)
- Safety
- Belongings
- Self-esteem

- Self-actualisation (highest level needs)

Needs at each level of the hierarchy can be satisfied only after the needs at the levels below it have been satisfied. Once a need has been satisfied, it is forgotten, and it creates space for the awareness of other needs. In a marketing context, it means that customers need periodic reminders of their association with a product, particularly when satisfied. At the highest level, self-actualisation, the customer feels a close identification with the product (Jain, 1990: 118-119).

3.3.2 The customer experience

A person's evaluation of a service is often based on numerous impressions that include performance of supplementary services as well as the core service (Lovelock, 1991: 22).

3.4 THE ROLE OF SERVICE IN TOURISM MARKETING

This is one of the most important aspects in the tourism industry, and the role service plays is crucial for competitive advantage. The focus in the marketing of tourism has shifted in the last few years to the customer to serve him better than the competitors, with the emphasis on better quality and the management of it.

3.4.1 Quality of service

The quality state of mind is part of all the levels of the firm and all its functions. The management should further implement quality education for all its personnel - including top management and the council. It should be done with an education program that includes a capacity for the expression and determination of some quality problems on the employee level, because quality processes represent responsible behaviour.

By this quality becomes a regulating mechanism through which the elements of quality are maintained at an optimal value from the point of view of the tourist and tourist firm. In the policy the importance of education must be stressed. Because control is a new approach of management, it needs enormous attempts of training at all levels. Firstly there must be a total involvement of everybody in the firm. Under these circumstances leaders shall

have the necessary enthusiasm and strength to lead their colleagues. Quality control requires an intense knowledge of marketing. It is a subject that must be taught thoroughly. Quality control needs continuous education in the field of communication and in the leadership of teams. Quality control is thus the key to excellence in tourism (Lanquar, 1989: 345-349).

3.4.2 Improving in the design of services

Awareness is growing of the gap between received theories, philosophies, and techniques of management and the needs of service organisations. The **management of service quality** must be researched, to see how customer experience can be more fully integrated in the design of services (Teare, Moutinho and Morgan, 1990: 250, Connor and Davidson, 1985: 21-33). A **client-centred marketing approach** is the organised and co-ordinated activities designed to develop and enhance relationships with clients and manage the firm's image with targeted individuals and organisations. For survival and prosperity, the application of strategic management of marketing encompassing the client-centred approach and use of leveraging becomes a necessity for all professional firms.

3.4.3 Implementing change in the delivery of services

With changes in the market place, service firms will have to develop new strategies to maintain market share. Technological developments in material and the information processing, and the availability of skilled personnel are likely to have a large impact on policy, planning and strategy. Service firms will need to respond to these challenges with appropriate recruitment programs, personnel development, and training at all organisational levels, from operative to executive. A strategic response is also necessary for social and demographic change.

Effective action will be required for more information about customers, defining market segments with greater precision and giving higher priority to brand differentiation

3.4.4 The service-driven service company

In this new model of service, companies:

- Value investments in people as much as investments in machines, and sometimes more
- Use technology to support the efforts of men and women on the front line, not just to monitor or replace them
- Make recruitment and training as crucial for salesclerks and housekeepers as for managers and senior executives
- Link compensation to performance for employees at every level, not for just those at the top.

An important aspect in the economy of service is the critical role of the client-contact employee. Human resource management is the main component of this and will lead to a quality service organisation. It was further developed to the service-profit chain model (Schlesinger and Heskett, 1991: 71-81).

3.4.5 Managing tourism services and tourism satisfaction

A specialised understanding of service management is required to ensure the satisfactory outcomes for tourists, the staff and organisation. The quality of services is an important factor in clients' future decisions. Therefore managers have a critical responsibility to reduce any factors in a service system that cause their clients' dissatisfaction, and emphasising the satisfying aspects of service. The service manager's task is to support the diversity of response especially between the customer and the frontline people of the organisation. A distinctive level of customer service must be created. The management must understand and shape the customer's pre-purchase expectations, influence his/her evaluation of post-purchase quality, and ensure that the process of being served is not only painless and easy, but enjoyable (Laws, 1991: 101, 116-117).

3.4.6 Total client satisfaction, client-centred marketing approach, and the creating and protection of client income

Horovitz and Jurgens-Panak (1992: v-x, 1-158) did two years of research on the top 50 companies in Europe. Certain areas are important for good quality service management:

- Corporate culture is essential
- Power leadership
- Communicate - internally and externally

- Service strategy: create clever differences
- Obtain advantage of technology
- Measuring and monitoring
- Middle-level management: cornerstone in the corporate structure
- Recruit correctly, good training

3.4.7 Why good service quality?

Good service quality makes a big difference in an organisation. There are two types of services:

- 1) The providing of a good designed service means 'do the right work' for the right client. The service design pertains to the basic 'payable' service supplied to clients. It is determined by the company's marketing strategy and comprises the 'packet' offered to the buyer. In the case of a service company it is the basic service supplied.
- 2) The supply of a good designed service means 'do the work right'. Supply of service pertains to the 'non-payable' aspect of the service or how the work was done (Horovitz and Jurgens-Panak, 1992: xiii-xiv).

Two types of competencies exist:

- 1) The strategy of 'do the right work'. The presentation of a well designed service means that what your clients expected were evaluated correctly in terms of service and the creation of service 'packets' which reflect those expectations.
- 2) The operational or 'do the work right'. Client expectations must also comply with the requirements of service delivery. The supply of a good delivered service means that there is an assurance that the service packet has no faults, when and wherever the client comes in contact with the firm. It is known as zero default service (Horovitz and Jurgens-Panak, 1992: xiv-xviii).

3.4.8 Guidelines for total quality management (TQM) in tourism

Guidelines for the successful implementation of TQM in services are grouped into three classes (Witt and Muhlemann, 1994: 422-423):

- 1) Elements of the product/service package
- 2) The human aspects of the delivery system
- 3) Measurement issues in service quality.

3.4.9 Corporate culture is essential

According to Horovitz and Jurgens-Panak (1992: 1-21) to have the right corporate culture, is critical for achieving of good service. Managers said this was the element in companies that contributed the most to good client service. To achieve a corporate culture that stimulated client service, is achieved by main success factors:

- Define shared values
- Let time do its work
- Use cultural levers to promote changes
- Re-enforce the message by designs, legends, examples and symbols
- Change the structure to let energy free

3.4.10 Power leadership

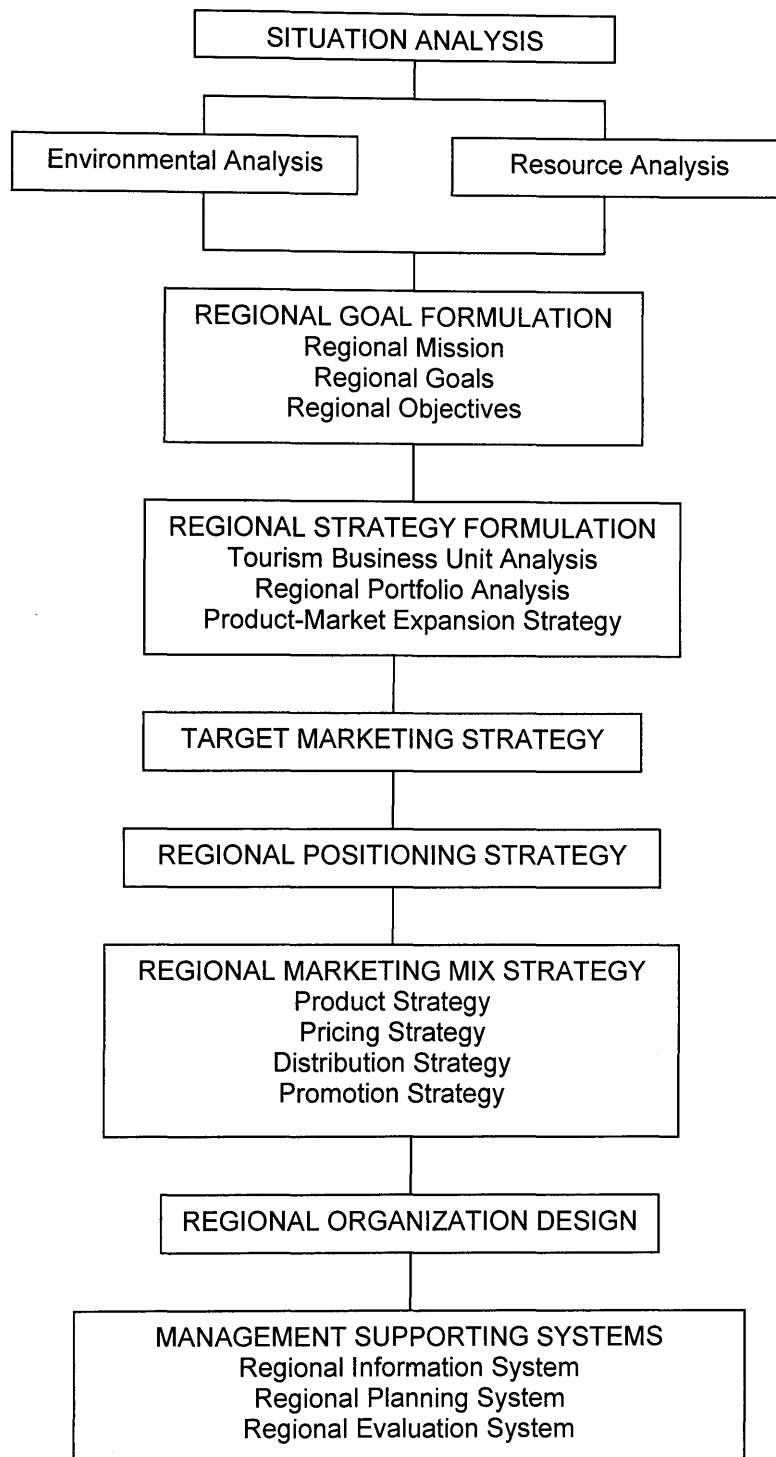
Service quality companies are led by dynamic leaders; people with an enormous belief in what they do and a total obligation to do the right thing for the client. They have two main qualities in them:

- They are inflexible when it comes to the manner of how to handle clients.
- They are perfectionists when it comes to service delivery - at one or more aspects of service. There is no talk of 'management by consensus'. These leadership styles encourage the development of other conditions that are positive for the organisations:
 - A strong team spirit - each one strives to reach the same goal, in other words that of the leader.
 - Give credit/complement - because the standards are so high that the employees encourage each other to achieve it. The highest honour is the approval of the leader. He is usually aware of it and uses it to steer people in that direction.
 - Take initiatives - people are willing to take risks because they have a need to get recognition from the boss and because they know that it is a good way, i.e. they want a place in the sun. Consensus management is thus queried (Horovitz and Jurgens-Panak, 1992: 22-34).

3.5 A FRAMEWORK FOR STRATEGIC MARKETING PLANNING OF TOURISM

It is the original model that was proposed by Heath and Wall (1992: 9-25) for

Figure 3.1 A conceptual framework for regional strategic marketing planning of tourism



Source: Heath, E. and Wall, G. 1992. Marketing tourist destinations. A strategic planning approach. New York, Chichester: John Wiley & Sons: 9.

regional tourism, and can be accepted, used and implemented with great success by regional tourism organisations like the Kruger National Park (see chapter 2, point 2.3). It is shown as figure 3.1. De Bruyn (1995: 166-185) described the strategic management for tourism organisations.

Hind (1989: 197) shows the **six steps in the marketing of tourism**:

- Segment the market
- Develop a profile of the consumers in each market segment
- Determine the attractiveness of each market segment
- Select the target market(s)
- Develop a positioning strategy for each target market
- Develop a marketing mix for each target market:
 - Product, promotion, price, place, personnel, physical environment, and process.

Crane (1989: 3) has a more modern approach to the **key steps in the professional services marketing process**:

- Identifying and comprehending consumer needs/wants
- Developing products to meet those needs/wants
- Pricing products effectively
- Informing consumers that the products exist
- Delivering the products efficiently
- Ensuring satisfaction during and after the exchange process.

Thus professional service marketers must embrace marketing in order to be successful in today's marketplace. Central to the marketing concept are the needs of the customer. Marketing is about equitable exchange and customer satisfaction (Crane 1993: 8).

3.5.1 Situation analysis

Tourism takes place in a dynamic and rapidly changing environment, and it must be monitored and adapted by every one involved in the tourism industry. The development of a situation analysis is very important for regional tourism. A regional situation analysis consists of two broad elements:

- 1) The identification of **opportunities and threats** that might originate from changes in the environment (environmental analysis); and

- 2) The identification of **strengths and weaknesses** of the region and business units in the region (resource analysis).

Crane (1993: 3) uses a **marketing audit** as a slightly different approach, and it is defined as: "*A comprehensive, systematic examination of a firm's total marketing activities. It examines all the marketing controllable factors (or the marketing mix) on a diagnosis and prognosis basis. The marketing audit should always be conducted in conjunction with the environmental scan and before the marketing plan is constructed*". It should be as objective as possible, and should determine internal strengths and weaknesses providing the firm with an indication of where it is going. Components of a professional audit are:

- Practice philosophy
- Physical operating environment
- Client base
- Service process and delivery
- Professional fees
- Communications.

3.5.1.1 Environmental analysis

The regional tourism environment consists of three major components: the macro-environment, the market environment, and the competitive environment. In such an analysis the **identification of opportunities and threats** that face the business is monitored. In an **analysis of macro-environmental factors** different types of **environments** can be distinguished:

- Economic
- Sociocultural
- Political
- Technological
- Ecological.

This leads to a **market analysis** where organisations must monitor and analyse trends and changes in the needs and perceptions of the existing and potential markets. **Environmental scanning** is necessary to determine **present opportunities and threats**, while **environmental forecasting** must be done to understand what the future may be like. This will enable an

organisation to set appropriate objectives and develop a better strategy to reach them (Heath and Wall, 1992: 31-57, 58-59).

3.5.1.2 Resource analysis

Together with the environmental scanning, a **resource analysis** is also necessary to identify **strengths and weaknesses** of the regional tourism organisations, the region at large, the communities of the region, and the tourism business units in the region. This will indicate the degree to which environmental opportunities can be exploited, and threats avoided or minimised. An important aspect is the identification of a distinctive competence. An inventory of regional resource sectors is necessary. They are accommodation, transportation, events and attractions, outdoor recreation and parks, business and conferences, travel services, retail trade and hospitality. With the mapping completed, the capacities of the various tourism resources in the region can be measured or estimated (Heath and Wall, 1992: 52-59).

After all the analysis, **assumptions** must be written down. They should be few in number, and if a plan is possible irrespective of the assumptions made, then assumptions are unnecessary (McDonald, 1992: 84-85).

3.5.1.3 Key success factors in the South African tourism industry

A number of key success factors has been identified for each of the six most important sectors in the South African tourism industry, and also for the industry as a whole by Conradie (1993: iv-viii). Accommodation, transport, entertainment, curio shops and jewellers, tour operators, travel agents/wholesalers were the industry sectors. The six most important factors for success in the tourism industry were:

- Quality of service rendered
- Quality of product offered
- Operational efficiency
- Managerial know-how
- Value for money
- Knowledge of the industry.

Critical issues in the South African tourism industry are according to "A Strategic Framework for Tourism Development in South and Southern Africa" (1991: 15-35):

- Environment/culture
- Infrastructure
- Tourism plant
- Entrepreneurial support
- Marketing
- Training/service
- Education awareness
- Legal issues
- Information management
- Structure/co-ordination.

In the White Paper: "National strategy for the development and promotion of tourism in South Africa" (1996: 24) to achieve its vision for the South African tourism industry, ten critical success factors are identified:

- Sustainable environmental management practices
- Involvement of local communities and previously neglected groups
- A safe and stable tourism environment
- Globally competitive strategies by offering quality service and value for more money
- Innovative and responsive customer needs
- Focus on product enhancement and emphasis on diversity
- Effective tourism training, education and promotion of tourists
- Creative and aggressive marketing and promotion
- Strong economic linkages with other sectors of the economy
- Appropriate institutional structures
- Appropriate supportive infrastructure.

A new flexible tourism starts to develop. Consumers drive it on the demand side and technology on the supply side. Five main forces give rise to this new tourism:

- Changes in the industry's framework conditions
- New consumers
- New technologies
- New production practices
- New management techniques (Poon, 1993: 84-89, 107-108).

3.5.2 Regional goal formulation

The environmental and resource analysis is followed by **regional goal formulation** to get clarity as to what is expected to be achieved with tourism development in the region. To do it:

- 1) **A mission statement** should be formulated for tourism.
- 2) **Regional goals** should be established to spell out the qualitative values that must be pursued.
- 3) **Specific regional objectives** must be determined with respect to magnitude, time, and responsibility. Realistic goals can place an organisation in a position to:
 - Determine what it should be doing
 - Assist in developing effective strategies and plans
 - Set or assist in setting objectives for the performances of individual tourism business units
 - Evaluate results.

3.5.2.1 Mission statement development

A regional tourism organisation must have a clear **mission statement** about its philosophy and purpose. It should be feasible, motivating and distinctive. It can provide everyone in the organisation, and also those being affected and influenced by the organisation's activities, with a shared sense of purpose, direction, significance, and achievement, and will hopefully motivate them. The purpose of the mission statement is what it is trying to accomplish with regard to tourism development in the region, with the emphasis on what should be aimed at in the long-term opportunity.

3.5.2.2 Goals

Major tourism **goals** should be developed for the future. It can guide the organisation in accomplishing its mission and can also serve as guidelines for the individual tourism business units. They can further provide standards for evaluating the organisation's performance and of the destination as a whole. A major factor that a regional organisation will emphasise for long-range purposes is image development, increase in market share, and new product development. Goals are usually not quantified or limited to a specific time period.

3.5.2.3 The development of regional objectives

The chosen goals must be restated in an operational and measurable form called **objectives**. A clearly defined objective statement can assist the regional tourism organisation to think in terms of planning, programming and control aspects of pursuing that objective. It can further serve as a specific guide to tourism business units with regard to their own strategic marketing planning. A measurable goal should be made specific with respect to magnitude, time, and responsibility (Heath and Wall, 1992: 14, 63-73, 88).

3.5.3 Strategy formulation

The **strategy formulation** should culminate in an overall strategy for the destination and give assistance in strategy formulation for tourism business units destinations such as hotels, attractions, and entertainment facilities. It should include decisions about its current activities and programs, and whether to maintain, build or drop them and add new ones for the future. The underlying objective of regional strategy formulation is to translate the current conditions in the region into desired situations. Thus a broad strategy is determined to reach the region's goals.

Strategies grow out of and reflect the environmental analysis, resource analysis and goal formulation steps. Two steps are necessary:

- 1) Develop a **product portfolio strategy** to decide what to do with each of the current major tourism products. Analytical models to assist are the Boston Consulting Group and General Electric portfolios.
- 2) Develop a **product-market expansion strategy** to decide what new products and markets to concentrate on in the future. The results of the strategies can provide the basis for the formulation of the organisation's strategic plans (Heath and Wall, 1992: 16-18, 74-88).

A marketing strategy is developed at the business unit level. Within a given environment marketing strategy deals with the interplay of three forces, known as **the strategic 3 C's**:

- 1) Customer
- 2) Competition
- 3) Corporation.

A marketing strategy is thus an endeavour of a corporation to differentiate itself positively from its competitors, by using its relative corporate strengths to satisfy customer needs better, in a given environmental setting (Jain, 1990: 24-25).

Levit (1983) as cited in Blankenship and Breen (1993: 3) reckons: "*The purpose of a business is to create and keep a customer. There can be no corporate strategy that is not in some fundamental fashion a marketing strategy, no purpose that does not respond somehow to what people are willing to buy for a price.*"

3.5.4 Target marketing strategy

In **target marketing** a distinction is made between the different groups of which the market consists and appropriate tourism products and marketing mix strategies for each target market are developed. **Market segmentation** is the underlying base for target marketing. Various bases for segmenting the tourist market have been developed, and consist of geographic, socio-economic and demographic, psychographic, and behavioral. To a large extent the effectiveness of the segmentation process will depend on arriving at measurable, accessible, substantial, defensible, stable and feasible segments (Heath and Wall, 1992: 91-103, 120).

Segmentation is an essential element of a market strategy at all levels - for individual organisations or groups of organisations, resorts, regions, or countries. It can give an indication in what direction the product should be adapted. It is furthermore necessary to get the best financial results with limited financial resources. In certain circumstances an individual organisation cannot ignore the market segmentation arrived at and used for marketing at a higher level in which it operates such as a resort, a tourist region, or even a whole country (Vanhove, 1994: 305-307).

3.5.5 Positioning strategy

After the selection of the target, a **positioning strategy** must be developed relative to the other suppliers of similar tourism offerings that serve the same target market. Positioning can be seen as the development and communication of meaningful differences between a region's tourism offerings

and that of its major competitors serving the same target market(s). Steps in the positioning strategy development are the assessment of the current regional position, selection of the desired position, planning to achieve the desired position, and the implementation of the strategy (Heath and Wall, 1992: 114-120, 121, 196).

Positioning is valuable for service marketers because it forces explicit characteristics of the overall service concept. The identification of opportunities for serving a particular segment's need better than anyone else, can be done by combining an analysis of customer needs on a segment-by-segment basis with an understanding of competitive offerings. Its offering of such a service is seen as compatible with the organisation's resources and values; the firm should then be able to develop a profitable niche for itself in the market (Lovelock, 1991: 116).

3.5.6 The regional marketing mix

The **marketing mix** consists of every factor that influences the marketing effort. It is essentially a positioning strategy because it combines the marketing capabilities of the various tourism business units into a package of actions intended to position the destination's offerings, and also that of the individual tourism units against those of the major competitors, in order to compete for the tourists comprising the target market(s). It must also be consistent with the region's capacity. The individual activities undertaken by the business units and everyone involved should complement each other. The **elements of the marketing mix** consist of the following **strategies: product, price, distribution, and promotion (four P's)**. *"It is of vital importance that none of the above-mentioned marketing mix variables should be considered in isolation from each other, as their interaction produces a combined impact on the existing and potential tourism markets"* (Heath and Wall, 1992: 160). The combination of the marketing mix is used by the marketing manager to let supply equals demand (Cohen, 1989: 517). They are the main levers or controls available to the marketing managers in their continuous endeavours to achieve the planned objectives and targets, expressed as sales volume and revenue from identified customer groups. The mix decisions are based on a mixture of marketing research and marketing planning procedures, and also the judgement of individual managers who are engaged in a battle of wits with their competitors (Middleton, 1988: 58-63).

3.5.6.1 Regional product strategy

The **product** is the shape or form of what is offered to the tourist, in other words the characteristics of the product designed by management decisions. It must be continuously adapted to match market segments' needs, expectations, and ability to pay (Middleton, 1988: 58), or "*A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, service, places, organizations, and ideas*" (Kotler, Bowen and Makens, 1996: 308). The term 'tourism or service offering' is preferred to that of 'tourism product', because in tourism the service interaction and symbolic associations are the very core of the process. They are intangible and differ considerably from a traditionally manufactured product. **Brands**, known as tourism offerings, need an understanding of both the market and service life cycles. The main aim is to match the development of these offerings to fit the nature of the marketing environment. Some guidance is provided by the new product development model (Lumsdon, 1997: 151).

The **product strategy** should be sensitive to both the physical as well as other salient attributes of the regional tourism offering. It must also include the regional product mix decisions, the management of the region's tourism products over their life cycles, the development of new tourism products, and the development of appropriate regional product strategies (Heath and Wall, 1992: 20).

3.5.6.2 Regional price strategy

Price is a very important variable in the regional marketing mix. Pricing strategies must be developed so as to establish the strategic role of price in the marketing mix, while enough flexibility must be retained to respond to changing conditions. Consideration is also necessary to pricing strategies for new tourism products (Heath and Wall, 1992: 140-147,160). In the determination of price strategies, tourism marketers must be aware of consumer perceptions, propensities to travel and the degree of competitor activity. Key issues are parity pricing, which seek to add value and customer service, to encourage improved relationships with customer segments. Pricing policies to enhance and/or protect the environment can prove to be very successful in reducing marginal customers (Lumsdon, 1997: 165).

3.5.6.3 Regional distribution strategy

Distribution is a major consideration because it is important that the regional tourism offerings are made available and accessible to the envisaged target markets. Distribution decisions centre on what channels and institutions can and should be used, to give the tourist the most effective access to the tourism products (Heath and Wall, 1992: 147-152, 196). Lumsdon (1997: 197) adds that the customer has to be enticed to travel to the destination. It has led to a sophisticated set of distribution channels, which convey a wide range of information and tourism offerings to a mass market. Major intermediaries are the travel agent, tour operator, and international carriers. Computerised reservation and booking systems have been developed to make holidays both easy and accessible. Distribution issues also address locational analysis in the development of new resorts.

3.5.6.4 Regional promotion strategy

Promotion strategies are used to communicate the benefits of the tourism offering to potential tourists. It includes advertising, sales promotion, public relations, personal selling, and publicity. The 'right' promotional mix should be developed where each of these promotional techniques is used when it is needed. It is thus necessary that a co-ordinated regional promotional strategy is developed that includes the steps of identifying target audiences, developing promotional objectives, determining the promotional grant, and establishing the promotional components to be used (Heath and Wall, 1992: 152-160, 196). Lumsdon (1997: 166) is of the opinion that the **promotional mix** refers to **external promotional activity**, whereas the **communications mix** encompasses **external** and **internal activity**. A tourism organisation must know the theory of communication and how it might be applied to any given marketing campaign. Brochures and printed material are still the most important promotional material, but organisations and destinations are turning increasingly to direct marketing by using the Internet and CD-ROMS. Other promotional techniques are public relations, sales promotion, incentive travel and sponsorship. They are enjoying increased success within the more conventional framework of the above-the-line communication techniques such as advertising.

All the marketing mix variables should not be used in isolation, because their interaction produces a combined impact on existing and potential markets.

3.5.6.5 Augmentation of the four P's

Service marketers critically investigated the original four P's. Booms and Bitner (1981) as cited in Buttle (1989: 236, 240-246) proposed a reformulation on the basis of the four distinctive properties of services - intangibility, perishability, heterogeneity and inseparability. The new marketing mix consists of the original four P's plus three additional ones: **participants**, **physical evidence** and **process**. Holloway and Plant (1992: 28) add three elements: **personnel**, **physical environment** and **process**. Other authors added two to three elements so that it is called six P's to seven P's. MacGrath (1986) as cited by Heischmidt and Hekmat (1991: 70-71) describes three additional elements in the marketing mix (seven P's): **personnel**, **physical facilities** and **process management**. Mason and Mayer (1987) as cited by Ellis and Mosher (1993: 129-144) augment the traditional four P's to six P's for the professional services firms with two elements: **people** and **presentation**. Burke and Resnik (1991: 26) describe eight variables (eight P's) that a company can control when it is trying to achieve its goal for success in tourism:

- **Product** (what a company offer to sell)
- **Process of delivery** (delivery channels)
- **Price** (the amount of money paid for a product by a buyer, based on certain factors)
- **Promotion** (activities that stimulate the interest in a product)
- **Physical environment** (the environment where sales take place, the environment in which the product is produced and consumed)
- **Purchasing process** (marketing and information search)
- **Packaging** (the putting together of complementary travel products)
- **Participation** (the transaction or experience).

3.5.7 Regional organisation and management supporting systems

If a strategic marketing planning framework is to be implemented effectively, an organisation must have the necessary structure and people to develop strategies that will contribute toward reaching regional goals in a dynamic, changing environment. The regional organisation design is a crucial issue that

should be addressed so as to ensure that tourism development takes place effectively (Heath and Wall: 165-189, 197).

3.5.7.1 Regional organisation design

For the implementation of a strategic marketing planning framework to be implemented effectively, an organisation with the necessary structure and people is required to develop strategies that will contribute toward reaching the regional goals, particularly now in a dynamic and changing environment. Particular attention is necessary for the appropriate **regional organisation design**, and also to the relationship with, and role of, other regional bodies. It may be necessary to transform existing organisational structures and also retrain people occupying key positions (Heath and Wall: 165-189, 197).

3.5.7.2 Management supporting systems

An effective regional tourism organisation must develop and execute appropriate and effective marketing plans. There is a need for:

- **An information system**

Kotler (1981) as cited in Ritchie (1994: 14) reckons research as a source of information. Schreuder (1995: 218-219) discusses research and competition. He is of the opinion that present managers have a crying need for information. If marketing information is valuable, it must be accurate, available and affordable. It can give a competitive advantage to the user of it. The instrument to achieve it is known as a marketing information system ('MIS'). Heath and Wall (1992: 188) reckon that an effective regional organisation requires relevant, timely, and accurate information to carry its effective strategic marketing plans. Therefore a **marketing information system** must be developed. Four sub-systems can facilitate this information system:

- Internal records system
- Market intelligence system
- Marketing research system and
- Analytical marketing research system

- **A planning system**

The information must be incorporated into an appropriate **planning system** to guide the tourism organisation and its tourism business units in the dynamic market place.

- **A valuation system**

To ensure that the regional goals, strategies and systems are optimally adapted in the dynamic marketing environment, a **regional evaluation system** should be developed. A major tool to help is a strategic marketing planning audit. It can be described as a comprehensive, systematic, independent, and periodic examination of a region's marketing environment, goals, and strategies to determine problem areas and opportunities, and also recommending a plan of action (Heath and Wall, 1992: 165-189, 197).

3.6 MARKETING OF THE KRUGER NATIONAL PARK

For the marketing of the Kruger National Park, various aspects are important for the future.

3.6.1 Economic, financial and ecotourism aspects

Engelbrecht and Van der Walt (1993: 113, 116, 119) did research on the economic use of the Kruger National Park (KNP). They found that the present use of land represented by the park was more effective than allocation to agriculture. The aim with economic efficiency is to maximise the net value or benefits from the use of a resource for the economy or the society as a whole. The use of the KNP for conservation purposes was discussed. They estimated the impact of direct income and tourism. Foreign tourism creates little contribution to the national economy in the form of employment creation, foreign exchange, increases in domestic product (GDP) and household income. The same results are valid for local visitors. The current use of the KNP creates **additional benefits** because expenditure by foreign and local tourists has a substantial impact on the economy. They concluded that the present use of the KNP for conservation and tourism creates substantially more net social benefits for society than to agricultural use.

The view that accommodation in a national park is too expensive, is possibly only a perception. National parks offer a wide spectrum of lodging, from camping places, furnished tents and basic huts to more expensive family houses and luxury chalets or guesthouses. National parks are far from the metropolis and travel and associated costs increased sharply during the last years. From the 'expensive' visit to a national park the lodging accounts only

for a portion of the total holiday costs. Furthermore it is unreasonable to expect from the National Parks Board to commercialise in order to stop privatisation, without using the most important marketing mechanism - price. The National Parks board manages its accommodation and commercial activities according to recognised business principles without bulging the public (Havenga, 1994: 30).

The following is suggested for:

1) Conservation areas

It is very important that a healthy and appropriate planning of tourism development should be done. Accessibility, carrying capacity and environmentally friendly visitors planning is the key to success for the KNP. Planning should have the following aspects included:

- A solid market research analysis
- Research and analysis for a zoning and soil employment plan
- An environmental impact determination
- The involvement of and recognition of the local community in all stadiums of and levels of development
- The development and promotion of cost advantage models, vitality studies and financing possibilities
- The introduction of reform possibilities (All must be done by one authority/organisation or can certain services be handled by other expert organisations)
- Observance of international and local views (Robinson 1993: 7-8)

2) Infrastructure

One way routes can be constructed (Robinson, 1993: 8).

3) Service and client orientation

- An important part of ecotourism planning is that, if they are ecological sensitive, protected areas must not be protected for the sake of animals only, but also for humans. It is thus important that visits to protected areas will be characterised by quality, visitor-friendly service and the offering of educational facilities.
- Visitors must feel welcome. They must have convenient lodging and enjoy good food at reasonable prices in a cosy atmosphere. This will

ensure that they will return, and will generate greater revenue that could be ploughed back into the development and upkeep of the natural environment.

- It is important to get rid of the 'government service' label by better service across the conservation area and in particular the in ecotourism.
- People in the conservation and ecotourism industries must realise that they are part of a service industry. Deliberate and long-term actions must be taken to create a culture of excellent service, and should be part of the in-service training. All employees should have a service obsession, and when dealing with the public they should have the right disposition.
- Excellent service as seen by the client in comparison with the competitor, must be far better. Thus the service provider can ask higher prices and get a bigger part of the market share.
- The first contact with an organisation is usually by telephone, Therefore the employee must show the right disposition.
- Brochures and pamphlets must be produced professionally. They must be accurate, on the point and user friendly. The management of and management principles for service are used as instruments to position the organisation in the market and increase its market segment. This will enable thousands of employees to understand their internal service role. Service and the achieving of it became a science. Ecotourism can succeed if everybody know the developments and new techniques in this dynamic area (Robinson, 1993: 9).

3.6.2 Marketing aspects of the Kruger National Park

A marketing strategy is necessary for each organisation, developed at the business unit level, like the Kruger National Park. It deals within a given environment with the interplay of three forces, known as **the strategic 3 C's**: customer, competition and corporation. In a given environmental setting a marketing strategy is thus an endeavour of a corporation to differentiate itself

positively from its competitors, by using its relative corporate strengths to satisfy customer needs better (Jain, 1990: 24-25).

Dearlove (1993: 13) reckons that marketing is not a concept that is not normally associated with a conservation organisation like the National Parks Board. It is much easier coupled with the introduction and selling of a commercial product. Marketing is however included as a fundamental principle in the future planning for national parks. Without sound business principles, dynamic strategies and efficient marketing, the National Parks Board will not have part in the expected upswing in local and international tourism and cannot share and become financially independent. This goal will be achieved by understanding the needs of the tourist; provision of clean, commodious lodging and facilities at affordable prices and rendering of outstanding quality. This will all be introduced by efficient marketing strategies. A National Park's holiday will in this way become a way of life of an increasing number of visitors. Robinson (1994: 12) adds that the objective is to market various national parks to satisfy the divergent tastes of visitors, that ranges from luxurious facilities and equipped lodging to wilderness experiences.