

CHAPTER V

TOURISM POLICY, PLANNING AND MARKETING

5.1 INTRODUCTION

To guide the development of tourism at a destination area, it is necessary to establish a tourism policy. The principles underlying such a tourism policy are addressed in this chapter. Because of the potential importance of tourism to the destination area, public sector involvement is often desirable for setting and carrying out that policy (World Tourism Organisation (WTO), 1994).

5.2 ESTABLISHING A TOURISM POLICY

A statement of tourism policy must provide a set of guidelines for all those directly and indirectly involved in tourism by specifying the broad goals and objectives, priorities and actions that will provide the basis for the future development of tourism in the destination area (Mill, 1992). The tourism policy should be formulated such that most of the needs of a region are identified (for example, creation of employment and economic diversification).

5.2.1 Tourism goals

Tourism goals must reflect these overall needs, but indeed they are constrained by the existing market and resource factors. A series of strategies and programmes should flow from the overall policy that is aimed at achieving the tourism goals. Due to the fragility of tourism, its development should be carefully planned. In the process of formulating the policy, both positive and negative effects of tourism development should be considered. Mill (1992) came up with the self-destruct theory of tourism development. These are four phases of development and decline:

Phase 1: Remote and exotic location offers rest and relaxation, that is, it provides an escape for rich tourists.

- Phase 2: Tourism promotion attracts tourists of middle incomes grounds - they come for rest and to imitate the rich. More hotels are built and transforms the original character away from an 'escape paradise'*
- Phase 3: Area develops mass tourism, attracting a wide variety of tourists and lead to social and environmental degradation*
- Phase 4: As resorts sinks under the weight of social and environmental problems, most tourists exit - leaving behind derelict tourism facilities. Most of population cannot return to original way of life.*

Goals for tourism have to be set before policy statements can be developed. It is also essential that tourism goals are set in concert with the broader economic, social, cultural and environmental objectives of the destination. They must support broad national or regional interests.

Typical tourism goals include :

(a) Economic goals:

To optimise the contribution of tourism and recreation to economic prosperity, full employment, regional economic development and improved international balance of payments.

(b) Socio-cultural goals:

To contribute to the personal growth and education of the population and encourage their appreciation of the geography, history and ethnic diversity. To avoid the encouragement of activities that have the potential of undermining the social and cultural values and resources of the area and its traditions and lifestyles. And to make the opportunity for and the benefits of travel and recreation universally accessible to residents and visitors.

5.2.2 Market development goals

Market development goals encourage the free and welcome the entry of foreigners, while balancing this goal with the need to monitor persons and goods entering the country with



laws protecting public health, and these goals need to be well defined.

5.2.3 Resource protection and conservation goals

The main goal in this regard is to protect and preserve the historical and cultural foundations as a living part of community life and development, and to ensure future generations an opportunity to enjoy the rich heritage of the area. Furthermore, the goal is to ensure the compatibility of tourism, recreational and activity policies with other broader interests in energy development and conservation, environmental protection and judicious use of natural resources (Singh and Kaur, 1982).

5.2.4 Tourism objectives

Having stated the tourism goals and considered the constraints associated with it, more specific tourism objectives should be articulated. Sometimes conflicts arise between goals or within goals, for example, should casino gambling be encourage ? To do so may be consistent with tourism's economic goals, but may conflict with the country's socio - cultural goals. Conflict can also arise within goals, for example, encouraging more foreigners to visit tourist attractions in the region may help to improve the balance of payments, thus helping achieve part of an economic goal, but this may not be compatible with another economic goal of maximising regional economic development.

"The agreed - upon tourism objectives, carefully formulated to complement the tourism goals, constitute the main element of the tourism policy for a destination area"
(Mill, 1992).

5.3 TOURISM DEVELOPMENT PLANS

Tourism planning takes place at various levels ranging from the national and regional macro levels to the various micro local planning levels. At the local level, tourism plans are prepared for resorts, cities, towns and villages. Plans are prepared for development of tourist attraction features - and organisation of tourist activities. At the local level, determination and adoption of tourist facility development and design standards are

essential to ensure that facilities are appropriately sited and designed with respect to the local environmental conditions and desired character of the development. The macro level of tourism development provides the framework for developing tourism at the community level (McIntyre, 1993).

One of the most critical, aspects of a tourism plan is the preparation of an effective strategy to determine tourism, tourism development opportunities and to take advantage of the strengths, minimise the weaknesses, and aid in the maximisation of potential tourist markets (Chuo, 1992). It is essential to have appropriate experience and expertise to conduct successful strategies. Through the private enterprise suppliers, tourism organisations co-operate and participate in the operation of strategies that will make the plan to be completed successfully. Thus, there are several major areas of information that are required for analysis before a tourism product plan can be prepared (McIntyre, 1993).

5.3.1 Preparing a resource inventory

The preparation of a resource inventory provides a basis for assessing the significance of the tourism resources in the area and to determine the possibilities for future tourism development (Fowkes, 1992).

The ability to create a tourist demand needs to be objectively assessed based on the quality, uniqueness and capacity for development of local assets. Although natural and or created attractions are important in encouraging tourists to visit an area, so too are accommodations, food services, shops, entertainment and other resources.

(op. cit.). It is therefore important to analyse tourism in terms of operating season length, carrying capacity and competitiveness to determine if there is a lack of resources or sufficient resources to carry out the development plan.

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

(Ferrario, 1981). Usually, the considered factors used to evaluate the strengths and weaknesses of resources are :

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

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

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

The resource inventory should be summarised by identifying:

- * the improvements required to increase the satisfaction of existing tourists.*
- * any gaps in the present situation*
- * any improvements needed for existing attractions, or creation of new ones, to expand the present tourist base.*
- * any ways in which the length of a seasonal tourist base can be stretched out.*
- * any ways in which new markets can be encouraged(Chuo, 1992).*

5.3.2 Conducting an economic impact analysis

Economic impacts must be covered in some depth in a tourism product plan. Direct economic impacts such as revenue potential and employment should be included. Indirect economic impacts such as the relative costs of equipment also need to be explored (McIntyre, 1993).

It is apparent from the available literature that the economic impact of tourism in the

world have been studied in depth. On a regional level the effects of tourism development can be seen in the increased demand for particular goods and services, the creation and absorption of employment, the generation of income in both private and public sectors and the creation of investment opportunities often financed by the capitalisation of rising land and property values. Spending on travel and tourism also benefits government revenue through taxes, duties fees and rates (WTO, 1994).

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

The indirect impact of the initial tourism spending results from an important economic concept, that is the multiplier effect. As income rise within a region, local consumption expenditure increases and this may induce an even greater impetus to the regional economy. The magnitude of the multiplier depends on the degree to which a regional economy is able to retain as income the money spent by visitors. This in turn, is a function of that economy to produce the various items and services consumed by tourists.

The smaller the size of the region's economic base and the fewer the intra-regional linkages, the more goods and services which may have to be brought into the region from outside. In these circumstances, the greater will be the leakage and hence, the lower the value of the multiplier.

5.3.3 Conducting a social and cultural impact analysis

Archer (1973) explains that the social impact of tourism has received less attention in published studies than the economic effects of tourism, largely because of problems of measuring social impact. He pointed out that significant interactions occur among the

host, tourist and origin cultures , for example, the residents in destination areas gain new understanding of other customs, habits, beliefs and institutions. At the same time, the visitors also can pollute the socio-culture in the same way.

Tourism can also make a valuable contribution in supporting a wider range of amenities and services that would otherwise not have been viable if it depend entirely on local patronage.

5.3.4 Planning tourist attractions

Tourist attractions are what induce tourists to visit an area and these attractions must be carefully planned and managed. The planning of tourist attractions features is a specialised discipline and the approach must be adapted to the character of the particular attraction being planned. For the planning of tourism, use of natural attractions such as national parks and many archaeological and historic places planning is generally as follows:

- 1. Determination of the development and conservation objectives within the framework of the parks and conservation policy.*
- 2. Establishment of visitor carrying capacities, based on assumptions of types of visitors use.*
- 3. Projections of visitor demand by type of use.*
- 4. Determination of types of visitor facilities needed and facility space requirements.*
- 5. Formulation of the plan, including preparation and evaluation of outline plans and selection of the final plan with any staging of development indicated.*
- 6. Preparation of a visitor use organisation and flow patterns where appropriate.*
- 7. Final environmental impact analysis.*
- 8. Implementation of the plan and continuous management of the resources and its visitor use (McIntyre, 1993).*

5.4 *MARKETING TOURISM*

Having tourism attractions in an area can be fruitless if those attractions are not known to potential tourists all over the country/world. Whilst dealing with tourism development strategies, it seems necessary to first briefly review the general principles of tourism marketing.

5.4.1 *Key definitions and core concepts of marketing*

Marketing has been defined in various ways. However, the typical approaches are :

"Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others" (Fowkes, 1992);

"Marketing is the process of planning and executing the concept, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives" (official definition of the American Marketing Association), as quoted by Chuo (1992); and

"Marketing is the process by which the destination and tourist enterprises sell their products and services to potential customers"(McIntyre, 1993).

The core concepts that can be extracted from these definitions are : demands, products, utility, exchange and markets.

- * Demands are wants for specific products that are backed up by an ability and willingness to buy them.*
- * Products/services are anything that can be offered to someone to satisfy a need or want.*
- * Utility is the consumer's estimate of the product's or service's overall capacity to satisfy his/her needs. The value depends on the utility in relation to the price. After making the choice, the consumer will get a certain satisfaction.*

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

- * *A market consist of all the potential customers sharing a particular need /or want who might be willing and able to engage in exchange to satisfy that need or want. In economics the term market refers to a collection of buyers and sellers who transact over a particular product or product class.*

5.4.2 Marketing plan

The first step in preparing the marketing plan is the formulation of marketing objectives and strategy; which then provide the basis for specifying the tourism promotion programme. According to McIntyre (1993) the marketing objectives will be represented by the market analysis. These targets are set for long, medium and short-term periods. The marketing strategy is then formulated based on the objectives. This strategy sets the most effective approach for achieving the market targets.

The marketing strategy concerns:

- * *the type of promotional techniques to be used*
- * *the timing or priority scheduling of promotional efforts to the various market sources*
- * *the image to be conveyed*
- * *obstacles to be overcome*
- * *the relationship of marketing to certain major development projects in the area, such as a resort or major attraction feature.*

Tourism promotion can include paid advertising in the media, brochures and other printed materials disseminated through travel professionals and information centres, travel agents, tour operators and attention-getting and good will building activities through varied public relations and public schemes.

5.4.3 Target marketing

A company that decides to operate in some broad market, recognises that it normally

cannot serve all the customers in that market. The customers are too numerous, widely scattered, varied in their buying requirements.

The heart of modern strategic marketing can be described as STP (segmenting, targeting and positioning) (Chuo, 1992). In other words, target marketing calls for three major steps; market segmentation, market targeting and product/service positioning.

5.4.3.1 Market segmentation

Markets consist of buyers, and they differ in one or more respects. They may differ in their wants, resources, geographical locations, buying attitudes and buying practices. Any of these variables can be used to segment a market. We may define market segmentation as the process of breaking down a heterogeneous market into segments which are relatively homogeneous and identifiable for the purpose of designing a marketing mix to meet the needs, of consumers in segments that are attractive to the firm (Fowkes, 1992).

5.4.3.2 Market targeting

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

5.4.3.2 Product/service positioning

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

5.4.4 Applying the general marketing components to tourism

One way of generally applying the basic principles of marketing to tourism, is to use the



seven O's questions and answer approach of the market place as spelled out by Ghali (1977):

<i>who constitute the market ?</i>	<i>occupants</i>
<i>what does the market buy ?</i>	<i>objects</i>
<i>why does the market buy ?</i>	<i>objectives</i>
<i>who participates in the buying?</i>	<i>organisations</i>
<i>how does the market buy ?</i>	<i>operations</i>
<i>when does the market buy ?</i>	<i>occasions</i>
<i>where does the market buy ?</i>	<i>outlets</i>

(1) Who constitutes the market ? - Occupants

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

The more usual methods of tourism market segmentation according to Mill (1992) are as follows:

(i) Socio-demographic characteristics.

These features are age, sex, family size, occupation, education, religion and net family income;

(ii) Socio-economic features, which subdivides the population into groups which are indicative of occupation and income;

(iii) Travel motivations. Motivations are imprecise and evolving. There are primary and secondary motivations operating within the parameters of possibility which include deterrents for example, time, affordability, age

and physical ability, weather, politics and fashion. Primary motivations extend from a wish to be a conference delegate or to study or simply need for a change, while secondary motivations include culture, value for money or vicarious pleasure.

- (iv) *Travel patterns of behaviour or psychographic groups. Such factors are suitability of the climate, need for rest and relaxation and interest in different cultures. The marketer must determine whether the segment is measurable, in terms of being able to quantify it - and meaningful, in terms of it representing a discrete group which can be fairly precisely targeted using relevant media. In short, the occupants which constitute the market are segmented into a particular group from heterogeneous consumers. Therefore, one of the principal roles of a tourist office should be to develop new markets and new segments.*

- (2) *What does the market buy? - Objects*

The central question is, what kind of product or service is offered in the tourism market? In considering a product/service, there are three levels involved. The most fundamental level is the core product, which answers the question: what is the market really buying? Every product/service is really the packaging of a want-satisfying offering. A young lady buying a BMW is not simply buying a vehicle. "In the factory, we make cosmetics, in the store we sell hope." Therefore, for the same reason a woman buying a lipstick is not simply buying lip colour.

A tourist attending tourism is not just taking part in a tour. We must uncover the needs hiding under the tourism service and not merely know the ostensible features. The core product stands at the centre of the total product.

The core product of the tourism service is directly dependent on the purpose of the tourists travel, such as holidays, sports, study, religion, health, visiting

friends and even for stress-releasing purposes. The tourist office turn the core product into a tangible one (Chuo, 1992).

(3) *Why does the market buy ? - Objectives.*

Why does the consumer (tourist) choose the object to satisfy his/her want/need and to achieve his/her objective ?

The best way to answer is to look at the whole range of the buyer's decision - making process as indicated in Table 5.1.

TABLE 5.1: FOUR TYPES OF MARKETING ALTERNATIVES

<i>WHAT DESIRE DO I WANT TO SATISFY?</i>	<i>WHAT DO I WANT TO ENTERTAIN?</i>	<i>WHAT TYPE OF TOUR?</i>	<i>WHICH BRAND DO I WANT?</i>
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Source: Chuo, 1992

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

(4) *Who participates in the buying? - Organisation*

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

- (a) *in the planning and facilitating of tourism, including the provision of financial aid;*

- (b) *in the supervision and control of component sectors of the tourism industry;*
- (c) *in direct ownership of the components of the industry; and*
- (d) *in the promotion of the nation and its tourist products to home and overseas markets (op. cit.).*

The rest of the questions on how does the market buy; when does the market buy and where does the market buy emphasis the operations of the market, the occasions of buying and distribution techniques respectively.

5.4.5 Marketing approach

McIntyre (1993) looked at the following aspects as constituting the basic marketing approach :

- * *Inventory of existing tourist attractions and activities, assessment of potential attractions and activities that could be developed and analysis of the possible competition with the neighbouring communities.*
- * *Clarify community tourism and general development and conservation objectives, including economic environmental and socio-cultural considerations.*
- * *Estimate level of demand and carrying capacity*
- * *Assess support services, tourist facilities, services and related infrastructure.*
- * *Match attractions with the potential tourist market segments.*

5.5 IMPLEMENTING THE TOURISM PLAN

Implementing a tourism development plan requires various approaches and techniques. First, the roles of the public and private sector should be decided. These vary depending on the national and local situation, but the private sector often assumes much

of the responsibility for development and management (McIntyre, 1993). However, local government must perform several important functions in providing a conducive framework for development and management. It appears that close co-operation and co-ordination between the public and private sector is of paramount importance - throughout the implementation and management process. Adequate infrastructure is essential for the successful implementation of a tourism plan and in maintaining environmental protection and local resource conservation.

Implementation of specific development projects should be pursued according to a systematic approach, including carrying out feasibility analyses. As has been mentioned above, the implementation is the responsibility of both government and private sector. With respect to government involvement, the organisation and policies of the local government must be considered in the planning and implementation process. The role of the government at all levels is a critical one with respect to deciding tourism development policy; developing major infrastructure, including access to the tourism area, administering land use and environmental protection regulations and to encourage private sector investment in tourism when and where necessary, (Inman, 1985).

5.5.1 Public - private sector co-ordination in implementing the tourism plan

Some of the costs of developing and maintaining infrastructure such as water supply, electric power, and certain attractions such as museums and historic sites, can be recovered as user fees. For residents to have easy access to attractions features, it is common practice for higher admission fees to be charged to non-residents. The development of tourist facilities and services, such as hotels, tour and travel agencies, restaurants, commercial type tourist attractions and activities is usually the responsibility of the private sector which can profit from these facilities and services. However, in some newly developing tourism areas and places where private capital is limited, it may be difficult to attract private investment. Therefore, it may be necessary for the

government to make the initial investment or to offer incentives such as free land and infrastructure or tax exemptions to attract private sector capital investment. Also, joint ventures between the government and private investors is a common technique to get tourism development started in some areas. When tourism is well underway and has proven its profitability in the area, the government can sell its investment share in facilities to the private sector. Most arguments suggest that investment incentives should be retained only as long as necessary and then reduced or eliminated so that there is no undue loss of capital or potential revenue to the government.

Close co-ordination on plan implementation, development and management should be maintained between the local government and private sector. A common organisational mechanism is to establish a co-ordinating body on tourism in the area, such as a tourism advisory board or co-ordinating committee comprised of representatives of government and private sector. This body usually meets regularly to consider tourism matters of mutual interest, exchange ideas and information, advise responsible authorities to take appropriate actions and act jointly when necessary.

5.6 MANAGING THE TOURISM INDUSTRY

Continuous management of tourism is as important as proper planning and development. The management process requires the establishment and maintenance of a tourism information system. Such a system provides a data base for marketing, development and monitoring. Monitoring is suggested as the key to effective management of all aspects of tourism. In order to monitor and manage tourism it is essential to know how to maximise opportunities and mitigate problems in a systematic and comprehensive manner (Rogers and Slinn, 1993).

Many tourism areas have development which was initially not planned. Or the planning was not implemented and the result is uncontrolled development. Also, planning and

implementation, even when achieved are not infallible and circumstances change also resulting in problems.

Coping with improper development and often the resultant saturation and over development of an area are essential aspects of management. Managing successful tourism requires suitable education and training for employees in both the public and private sectors. Effective tourism management requires the efforts of all parties involved: public and private sectors, non-governmental organisations and tourists. Then, establishing organisational structures to co-ordinate these various efforts is essential.

5.6.1 Establishing a tourism information system.

For the effective management of tourism and to provide a data base for development, marketing and monitoring, it is essential to establish a tourism information system for the tourism area. What should be recorded on a Tourism Information System ? (Van Riet, 1992).

- * *Arrival of tourists : where they come from, and why they come to a specific area.*
- * *Accommodation : supply, types, locations and occupancy*
- * *Receipts : how much tourists spend in your area, and where tourists spend their money.*
- * *Attractions and other facilities: visitation rates and patterns.*
- * *Other types of information, such as tourist attitudes towards local attractions, facilities and services can also be recorded in the information system.*

5.6.2 *Monitoring*

Monitoring provides a key for determining the effectiveness of the development programme. It also allows for the detection of any problems before they become serious and the adoption of measures to put the programme back on track. More generally, monitoring is used to evaluate whether the overall tourism development policy, plan and programme are effective for achieving the development objectives. If certain approaches are determined to be deficient, adjustments can be made. Effective tourism planning and development require some experimentation with different approaches to determine which are the most appropriate ones for the area.

5.6.3 *Coping with saturation*

According to McIntyre (1993) tourism is one of the fastest growing activities in the world, hence, there is a danger that at some point the carrying capacity of either the natural or social environment or the infrastructure will be reached. Saturation will occur and the quality of the tourism product will decline, with the environment and local community negatively impacted. As quality drops, the number of tourists and their satisfaction level will also decrease or less desirable type of tourism will develop.

Saturation levels of tourism sites and areas need to be anticipated and appropriate management strategies applied. Ferrario (1981) suggested three strategies in this regard namely, to increase the capacity; disperse the pressure; and limit the access.

(1) *Increasing the Capacity*

To increase the capacity, studies can be undertaken to determine which elements of the environment are reaching saturation and how to increase these particular



aspects of capacity. In some, but not all, cases capacity can be increased. Some of the management techniques which can be implemented for increasing capacity are as follows:

- * Expand capacity of utility services such as water supply, sewerage and solid waste disposal and telecommunications.*
- * Provide the high - use attraction features close to access points to reduce transportation demand.*
- * Disperse tourist attractions and facilities so that no one place becomes too congested.*
- * Create one - way traffic systems to improve visitor flows.*
- * Provide visitor education to modify visitor behaviour.*
- * Provide public awareness programmes to educate residents about the importance of tourist and how to cope with tourists.*
- * Ensure that amenity features and facilities are available to residents at reasonable costs.*

At a regional/provincial level actions may be taken to improve major infrastructure such as airports and highways; and providing grants or special loans to undertake necessary redevelopment in local areas.

(2) Dispersing the pressure

Dispersing the pressure within the tourism area requires development of new attractions and tourist facility areas and the connecting transportation linkages. But, this is possible only when assuming that tourism resources of natural or cultural attractions exist elsewhere or that new "man - made" attractions can feasibly be developed.

Opening up new tourism areas not only relieves pressure on existing tourist destinations, but also provides economic benefits of additional income and

employment (McIntyre, 1993). However, opening of new tourism areas requires much public and private investment in facilities and marketing of these new places. Another dispersal technique suggested by Natal Parks Board (1991) is the extension of the visiting season in conjunction with an effort to "demarket" overutilised attractions and facilities during their peak season period and increase marketing efforts for the low seasons periods. This can sometimes be accomplished through policies and other incentives or disincentive techniques.

(3) *Limiting access*

An extreme measure that can be applied during peak season periods is to limit access to the number of tourists which can be handled within the carrying capacity levels. McIntyre (1993) mentioned among others the following access limitation techniques:

- * Imposing self - limiting measures, such as higher prices on room rates and admission fees.*
- * Closure of certain places, such as environmentally fragile nature areas at certain times.*
- * Establish a maximum number of persons to be allowed at certain tourist attraction features at any given time.*
- * Limit parking, passenger seat availability or another type of transportation capacity.*

5.7 SUMMARY

This chapter has shown that tourism is a fragile phenomenon that need proper administration and management. Very important also is the process of policy formulation, to serve as a guide to all the interest groups because of the fragility of



tourism.

It became apparent that assessment of the situation (for example, a SWOT analysis) is crucial to guard against unnecessary externalities and to maximise the benefits. The issues that the tourism policy has to address can be summarised as follows:

(a) Negative public perceptions

Tourism must be viewed as an economic activity rather than merely as a leisure activity. As such, the importance of the industry should be stressed in terms of its capacity to generate employment, surplus flows of funds to remote areas, investment and foreign exchange.

The tourism policy should create awareness of the economic opportunities that the industry presents at all levels, this should include an assessment of the backward and forward linkages that the industry generates. Furthermore, policy should ensure that the economic benefits of the industry accrue to all people of the region, not to specific vested interests and groups.

(b) A limited tourist typology

It should be recognised that the tourism market is complex, involving a myriad of potential tourists with different needs and expectations. The provincial policy should aim to exploit the full spectrum of the market. Policies should also be geared to both local mass market and the international market.

(c) Limited and inappropriate human resources training

According to McIntyre (1993), human resources could emerge as the single most important issue facing the tourism industry in the next century. Training and human resources development strategies are lacking in South Africa

as a whole, and in the tourism industry specifically. The regional tourism policies should be premised on developing the region's human resources to its full potential, and overcoming past imbalances. The objective of such training would be to ensure a greater degree of effective participation in the industry at all levels.

It should be noted also that an understanding of the institutional structure, policies and the process of tourism development is an essential prerequisite for managing the tourism industry in a way that will yield maximum private and social benefits. There are a number of stages that are involved in the process of developing a tourist industry as well as legislation (policy) which will guide the participants in the industry. Tourism activity is a multidimensional phenomenon, as a result it requires participation of different institutions, with each having its role to play. There has to be an inventory of the required resources, and during the planning stage a thorough marketing plan has to be drawn up, as it is essential that tourist attractions are promoted effectively. Once the tourism industry is developed to an operational level, it has to be properly managed to avoid it to reach a saturation point.

CHAPTER VI

SUMMARY AND CONCLUSIONS

The traditional disparity between the import and export of commodities and services, and the erratic behaviour of foreign investment, have been a major constraint on the socio-economic development of South Africa. The removal of these constraints is a prerequisite for more rapid and sustained economic growth and the upliftment of the living conditions and general welfare of the people of South Africa. The high propensity to consume as well as the high levels of unemployment and the unequal distribution of income are adverse factors as far as savings are concerned, therefore, any development route (for example, investing in the tourism sector) that can significantly address these factors, should be explored. Based on this premise, it can be said that the country is critically dependent on the improved performance by the external sector as a major input in its growth effort.

Based on an assessment of the problems, constraints and opportunities facing KwaZulu-Natal tourism industry, the concept of "Responsible Tourism" emerged as the most appropriate concept for the development of tourism in KwaZulu-Natal and in the RSA as whole.

The White Paper on Tourism Development Policy (1992) proposes Responsible Tourism as the key guiding principle for tourism development. Responsible tourism implies a proactive approach by tourism industry partners to develop, market and manage the tourism industry in a responsible manner, so as to create a competitive advantage. Responsible tourism implies tourism industry responsibility to the environment through the promotion of balanced and sustainable tourism and focus on the development of environmentally - based tourism activities (for example, game-viewing and diving). Responsible tourism means responsibility of government and business to involve the local communities that are in close proximity to the tourism attractions through the development of meaningful economic linkages (for example, the supply of agricultural produce to the lodges, out-sourcing of laundry). It implies the

responsibility to respect interest in and develop local cultures and protect them from over-commercialisation and over-exploitation. It also implies the responsibility of local communities to become actively involved in the tourism industry, to practice sustainable development and to ensure the safety and security of the visitors. Responsibility to visitors through ensuring their safety, security and health is another consequence of responsible tourism. Responsible tourism also implies the responsibility of both employers and employees in the tourism industry both to each other as well as to the customer. Responsible trade union practices and responsible employment practices will be the hallmarks of the new tourism in South Africa. Responsible tourism also implies responsible government as well as responsibility on the part of the tourists themselves to observe the norms and practices of South Africa, particularly with respect to the environment and culture of the country.

The constraints on economic growth and development imposed by the imbalance of the external accounts, cannot be remedied by increasing the volume or prices of export of primary products of the agricultural and mining sectors, because the prices of such exports are not within the control of the local producers. The precarious world market position of products of the mining industry, as far as pricing is concerned, can only be addressed by beneficiation and processing before export at a national level. Tourism is considered as an appropriate means of earning foreign exchange for the country and as a vehicle for rural development and community upliftment, however, there are many negative public perceptions regarding the tourism industry, for example, that it is only for the wealthy, white South Africans and foreigners. Thus, the economic and social problems mentioned in Chapter I can be reduced by improving the performance and increasing the number of participants in the tourism sector.

As has been discussed on Chapter I, the level of socio-economic development in KwaZulu-Natal is not satisfactory and most of the development indicators are at the minimum level. It has also been explained that tourism as an economic sector fall within the category of a service industry. As a service industry, it can only exist with the presence of some basic infrastructural facilities which can be regarded as the inputs to the development of the

output of the tourism industry. Apparent in Chapter III, is that tourism products can be classified into two categories: (a) Tourism Oriented Products - being the economic activities which are directly related to the tourism industry (goods and services produced primarily for consumption by tourists). and (b) Resident Oriented Products - being the products produced primarily for use by the residents of a tourism destination, but can also be used by tourists.

In Chapter II, it has been indicated that KwaZulu-Natal has a very huge tourism potential as compared to other provinces in terms of its attractions, which are spread throughout the province, and as a result enjoys a larger share of tourism revenue. There are a number of institutions that are potential stakeholders ranging from governmental, private sector, non-governmental and community-based organisations, with each having its role to play and to complement each other. The role of government becomes crucial in levelling the field for the other partners to take-over. In this respect the relationship becomes very crucial between all the potential stakeholders for the process of tourism development to be effectively followed. The stages of tourism development (planning, marketing and management) becomes very critical for the industry to generate expected benefits in terms of stimulating the economy.

It has also been shown in Chapter III that the operation of the tourist market is governed by the same economic principles as any other market. Prices are determined by the interaction of demand and supply forces and that any factor that affects the demand or the supply for tourists products leads to a disequilibrium position. Such shifts and the extent of market outcomes are dependent on the elasticities of demand and supply of tourists products.

To a larger extent, the tourism industry has a macroeconomic impact in that it influences the balance of payments, employment rate, government revenue, economic growth and the level of development in general. Related to this is the fact that tourism industry is one industry that can ensure regional growth. Caution has also been given to the effect that there are externalities associated with the tourism industry.

Worldwide, tourism is an important source of income and foreign exchange and it is an area where South Africa has a competitive advantage to take on international competitors. The South African share of world tourist market is not as bad as one would assume looking at the economic situation within the country.

The tourism industry in South Africa presently contributes significantly to the economy of the country. This is confirmed by the number of job opportunities created up to 1995 which amounted to 550 000. The contribution to GNP, however, does differ much from that of the world (5 per cent and 10 per cent for South Africa and the world respectively). Also reflected is the potential of the industry to earn foreign exchange. In this regard South Africa ranks number 4 in the world based on the R13 billion that was received in 1995. Generally, the projections by major world tourists organisations are very positive about the growth of the tourism industry in South Africa. Furthermore, this industry is a major source of government revenue as it contributed R6,4 billion in 1995 (Finansies en Tegniek, July 1996). Thus, improvements and development of the industry can lead to increased government revenue. Therefore, the government has to take initiatives to ensure the proper functioning of the industry.

The situation at a provincial level is not the same as that at a national level. Provinces differ widely in terms of their economic potential in different economic sectors. After Gauteng, KwaZulu-Natal makes the largest contribution to the country's GDP. For instance, in 1993, only three provinces contributed more than 10 per cent. GDP was R344,9 billion, of which Gauteng's share was R130,3 billion (38%); KwaZulu-Natal - R51,4 billion (15%) and Western Cape's R48,3 billion (14%). For visitors who seek the African experience, but wish to enjoy it in Western comfort, KwaZulu-Natal offers a warm climate, lush scenery, well equipped game reserves, the Drakensberg resorts and a long coastline with sandy beaches and a warm ocean.

As the findings from the survey and projections of tourist demand have shown, this province has a potential in the tourism sector to be the largest contributor to the GDP. The government together with interest groups has to ensure proper implementation of the tourism policy and the strategies as suggested by the Growth and Development Strategy document.



The Department of Economic Affairs and Tourism, together with the Regional Economic Forum, has been allocated the responsibility of drawing up a provincial development policy and development strategy (the KwaZulu-Natal Growth and Development Strategy) by the Cabinet of KwaZulu-Natal. This process was completed in February 1996 and will feed into a National Development Strategy. According to this study the development perspective for KwaZulu-Natal revealed a number of important implications for a development strategy. These implications can be grouped into broad components such as: Industrial Development; Commerce, Finance and Trade; Institutional Development; Agricultural Development and Agrarian Reform; Spatial Policy; and Tourism.

According to this study, the wide range of natural and other resources in KwaZulu-Natal, and the potential that Durban act as a gateway into the rest of Southern Africa, means that the tourism sector has a unique ability to service a variety of niche markets. The fact that resources are relatively accessible and that flexible usage is possible, can form the basis of the tourism strategy. In addition, the province has a well developed sports, culture and leisure infrastructure which act as a drawcard to a wide range of tourists.

To implement a strategy based upon niche markets, differentiated small and medium tourist services will have to be supported. This could include the provision of facilities which allow for opportunities in local low income tourism to be developed, while retaining the local middle income family tourist market.

The appropriate facilities and strategies which capture niches in the international tourist market will have to be developed. In this respect, sporting events such as the Comrades marathon, can perform a catalytic function, as can the province's major natural attractions, such as the Drakensberg Mountains and the St Lucia Wetland. There is also a potential in KwaZulu-Natal to serve as a platform for tourism into Mozambique from Maputaland, the Lesotho Highlands from the Southern and Northern Drakensberg, and the Wild Coast from the South Coast.



More specifically, the tourist potential of KwaZulu-Natal could be more clearly differentiated in order to develop tourist "clusters" with reinforcing linkages. Examples could be the South Coast being increasingly geared towards the local family market, the North Coast up to the Tugela River being orientated towards the higher income and international resort market, and from the Tugela onwards, low and medium usage eco-tourism could be targeted, which could include luxury leisure based tourism, as well as adventure nature based tourism such as hiking and climbing.

Within the Durban Functional Region, the beach front, offers 4 kilometers of under-exploited opportunities. As one possibility, small business expansion could be encouraged along the beach front, especially on the northern beaches, which are geared towards lower income family tourists. The Esplanade could be developed as an interface between the city and harbour, with greater access opened up. Durban also possesses a number of unique and undeveloped features, notably the Bluff, the Point and the river valleys (uMngeni and uMbilu). A coherent strategy is required for tourism as a whole, and other areas of potential in the city need to be taken up before the utilisation of these resources can be optimally realised.

Nonetheless, small and medium scale development can be promoted in these areas, with priority given to the creation of safe vehicle parking, a secure "parks and gardens" development, the extension of short leases to restaurants and other entertainment venues, and the preservation of historic buildings. This would allow recreation space to be developed which enhances the attractiveness and use of the city for residents and tourists.

The views and opinions of the people involved in tourist activities and the analysis of the findings of the survey should be seriously considered. With all this taken into consideration by the relevant authorities the tourism industry in KwaZulu-Natal can prosper.