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<td>I (full names &amp; surname): Nosilonge Mahlangu</td>
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4. I did not make use of another student’s previous work and submitted it as my own.
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ABSTRACT

One of the sectors within the tourism industry which is considered to be large and continuously expanding is the business tourism sector, also known as MICE tourism (meetings, incentives, conferences and exhibitions). Countries and cities rely heavily on investment in infrastructure to support the development of this sector and to ensure sustained growth, many destinations use destination management organisations (DMOs) and convention bureaus to provide leadership. These organisations are also tasked to actively promote the destination for leisure travel and it is necessary to understand the distinct requirements that set business tourism development and promotion apart from leisure tourism.

This study employed multi-method qualitative research to investigate the roles and functions that DMOs perform in order to develop business tourism in a destination. This included understanding the challenges faced within varied destinations. Data was collected through interviews with a sample of nine major DMOs at various levels and four major conference centres across South Africa. Strategic documents and website content was also analysed as supplement to the primary data.

The study shows the importance of especially DMO stakeholder engagement, marketing, identification of opportunities to host business tourism events within the destination, as well as bidding support as the main roles and functions that need to be performed to ensure sustained growth of business tourism. A framework is presented depicting the interaction between DMOs at the national, regional and local levels, as well as with the various industry stakeholders.

Keywords: Destination management organisations, business tourism, convention bureaus, South Africa.
Acknowledgement

To God who gave me strength. My supervisor Dr Elizabeth du Preez who gave me guidance and motivated me. My parents and siblings who supported me. All the respondents who were willing to help. To the Department of Tourism and the University of Pretoria, for providing me with a bursary. Without a single one of you none of this would be possible, so to you all I say Thank you.
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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 BACKGROUND

Over the past fifty years tourism has grown to become one of the major industries in the world; playing an important role in the economies of many countries, particularly in developing countries (Balli, Curry & Balli, 2015; Jesus, 2013; Samimi, Sadeghi & Soraya, 2013; Tugcu, 2014). It has become the world's fourth largest export industry after food, fuels and chemicals (Ramphul, 2017) and has emerged as a vital sector in the process of economic development (Banu, 2016). Tourism is a sector which supports policy makers in overcoming problems such as unemployment, fiscal and monetary instabilities through the supply of foreign exchange which can be used for financing of domestic/foreign debts, creating regional employment opportunities that are crucial in coping of unemployment and promoting transportation, construction, accommodation and the food/beverage sectors which in turn foster economic growth by providing added value (Tugcu, 2014). It is one of the key drivers of economic expansion and employment creation in South and Southern Africa (Kirsten & Rogerson, 2002; Rogerson, 2014). Tourism contributed an estimated R402.2 billion (9.3%) to South Africa’s GDP and assisted in creating 1 533 000 jobs in 2016 (WTTC, 2017). One of the sectors within the tourism industry which is considered to be large and continuously expanding is the meetings, incentive, conference and exhibition (MICE) industry, having become integral to the travel and tourism industry (Banu, 2016; Para & Kachniewska, 2014; Schroeder, Pennington-Gray & Bricker, 2014; Sumithra & Mishra, 2016). The growth of the industry can be attributed to various factors including globalisation, growth of technological and business advancements (Para & Kachniewska, 2014). In South Africa, this aspect of business tourism spending contributes 33.8% (R94.1 billion) to South Africa’s GDP and is estimated to rise by 5.6% per annum to R326.6 billion in 2027 (WTTC, 2017).

Hosting meetings, incentives, conferences and exhibitions is regarded as a key strategy to improve national and regional economies because of the high expenditure by delegates...
and increased employment outcomes from hosting these events (Buhalis & Costa, 2007; Para & Kachniewska, 2014; Schroeder et al., 2014; Swarbrooke & Horner, 2001; Tanford, Montgomery & Nelson, 2012; Wang & Lee, 2011; Weber & Chon, 2002; World Tourism Organisation, 2014). Delegates require sleeping rooms for those who travel long distances as well as food and beverages services for those attending (Banu, 2016). Donaldson (2013) argued that delegates are motivated to travel to a destination because of MICE events. Business tourism is characterised by high levels of growth potential, added value, and beneficial innovations, as well as large inputs, opportunities and industry associations; it presents efficient utilisation of human resources, technological know-how and assets, decreases seasonality and increases brand awareness, while also adding to development of a knowledge economy (Para & Kachniewska, 2014; Schroeder et al., 2014; World Tourism Organisation, 2014). This has resulted in one of the main directions of modernisation and an increase in competitiveness of any country’s tourism in the diversification of additional services which results in the encouragement of business tourism (Nicula & Elena, 2014). If the spatial extent of international tourism activities depends on the distribution and quality of natural factors and anthropogenic elements that affect foreign tourists, business tourism development, especially viewed through the prism of economic effects, lies in a direct correlation with the volume, quality and diversity of additional benefits. Given the fact that the basic tourist services are performed at parameters comparable to those of competing countries, business tourism services can play a role that ensures the attractive force of a destination (Nicula & Elena, 2014). This study focused on the supplier perspective of the tourism system.

Countries and cities rely heavily on investment in infrastructure development to support the development of both the leisure and business tourism sectors (Banu, 2016). To ensure growth of business tourism, destinations use destination management organisations (DMOs) and national and local convention bureaus to provide leadership in the destination as well as to actively promote their countries and cities as a travel destination (Banu, 2016; Bornhorst, Ritchie & Sheehan, 2010; Para & Kachniewska, 2014). As the MICE industry is a dynamic phenomenon with numerous associative or operative structures between organisations and professionals (Nicula & Elena, 2014; Zee & Vanneste, 2015), the use of DMOs is essential. MICE tourism operates with a wide range of business corporations such as tour operators, travel agencies, hotel chains, organisers of trade fairs and
exhibitions and business centres. Considering that although destination marketing functions are within a single organisational structure, most convention centres, regardless of the operating model, partially rely on sales and marketing support from an independent DMO (Nicula & Elena, 2014; Pearlman & Mollere, 2009). DMOs play the critical role in efforts to ensure that the expectations of stakeholders are satisfied to the greatest extent possible (Komppula, 2014). They are required to establish and support collaborative tourism marketing practise between DMOs and tourism firms (d'Angella & Go, 2009; Wang, 2008). There are instances where tourism marketing alliance have successfully been created and operated for a number of years (Reid et al., 2008). DMOs however face varied challenges (Hays, Page & Buhalis, 2013; Morgan, 2012) and increasingly have to be innovative in the way that they establish and grow sustainable stakeholder relationships for the benefit of the destination. Business tourism development arguably holds unique challenges to DMOs due to the intensifying levels of competition among destinations to be recognised as attractive host destinations.

Business tourism is one of the key focus areas for growth in South Africa’s national tourism sector strategy and national marketing strategy (Department of Tourism, 2016; National Department of Tourism, 2013). The country has also received international recognition as a host destination, having been ranked 34th from 38th globally by the International Congress and Convention Association (ICCA) (International Congress and Convention Association, 2016; International Congress and Convention Association, 2017). Its importance has also been identified by the National DMO, South African Tourism (SAT) as an important growth market for the respective provinces. The Western Cape and Cape Town Convention Bureau for example secured 47 bids which are estimated to have an economic impact and contribution of approximately R590 million between 2011 and 2016, the city having hosted 48 events in 2015 (International Congress and Convention Association, 2016). Still, South Africa has not reached its full potential. Of the meetings listed by the ICCA (2017), hosted in South Africa in 2016, 59% of these events were held in the Western Cape, 17% were hosted in Gauteng, 13% in Kwa-Zulu Natal and 5% in Mpumalanga – reflecting that business tourism in South Africa is mainly concentrated in three provinces. The other provinces do not experience the benefits business tourism can afford a destination and are not fully benefiting from South Africa’s National DMO strategy to develop business tourism.
1.2 PROBLEM STATEMENT

Business tourism plays an important role when contributing to a destination’s tourism economy and with business tourism on the rise, there is continued room for growth (Banu, 2016; Donaldson, 2013; Para & Kachniewska, 2014; Schroeder et al., 2014). However, there is a lack of research as to the unique role the DMO plays in attracting business tourism to a destination and whether the DMO has an influence on the development of business tourism in a destination. According to Rogerson (2015), business tourism is an under-researched theme in tourism studies. Unlike leisure tourism which is a business-to-consumer activity, business tourism is mostly a business-to-business activity (Hankinson, 2005; Tseng, Wu, Morrison, Zhang & Chen, 2015). When developing leisure tourism DMOs focus on the end consumer; however, DMOs focus their business tourism activities mostly on businesses, organisations or associations. Therefore, models developed to assist leisure tourism managers may not be relevant in the context of business tourism (Hankinson, 2005). Numerous studies have been conducted to determine the roles and functions performed by DMOs in terms of stakeholder collaboration (d’Angella & Go, 2009; Saito & Ruhanen, 2017; Volgger & Pechlaner, 2014) and studies have been conducted on the importance of business tourism in a destination (Rogerson, 2014; Rogerson, 2015; Tanford et al., 2012; Wang & Lee, 2011). However, there is a lack of research as to how DMOs contribute specifically to the development of business tourism in a destination.

1.3 PURPOSE STATEMENT

The main purpose of this study was to investigate the unique functions and roles that DMOs need to perform in order to develop business tourism within a destination, by determining current roles and functions performed by DMOs on the national, regional and local levels in South Africa as case study. The empirical objectives of the study were:

- To determine whether DMOs have policies with regards to business tourism on a local, regional and national level.
- To determine the differences in DMOs' strategies for business versus leisure travel promotion.
- To determine the role played by DMOs with regards to bidding for international business tourism events.
• To determine how DMOs collaborate and facilitate communication with suppliers of business tourism products.
• To determine how DMOs at a national, regional and local level communicate with each other in terms of developing business tourism.
• To develop a framework for effective development of business tourism by DMOs.

1.4 ACADEMIC VALUE AND CONTRIBUTION OF THE STUDY

Donaldson (2013) described business tourism as part of a thriving economy which helps stimulate inward investment. Hankinson (2005) argued that the models used to assist leisure tourism manager may not be relevant in the content of business tourism. It is evident that business tourism is important (Banu, 2016; Para & Kachniewska, 2014; Schroeder et al., 2014), however a model used for leisure tourism cannot necessarily be used for business tourism. A gap therefore exists with regards to a model as well as wider knowledge of how DMOs undertake the task of developing business tourism within a destination.

This study contributes to the existing body of knowledge on the role which DMOs play in business tourism. Furthermore, to provide an understanding of the unique roles and functions DMOs perform in an emerging destination where the resources and stakeholders involved in business tourism development differ from established host destinations. It identifies the fundamental differences with regards to strategies for business tourism versus leisure tourism. It also describes the similarities and integration of business tourism strategies employed at different levels within a destination.

The study presents a framework that could enable DMOs and their stakeholders to better understand the importance and unique role played by the DMOs in developing business tourism. Such a clarification would arguably contribute to improved stakeholder relations through role clarification and management of expectations when establishing partnerships for collaboration. It may also inform DMOs on how they have to collaborate as entities at the different levels of destination management, and how their policies can be complementary to one another along with sufficient communication. These guidelines
could ultimately assist in creating the desirable enabling environment in which to grow business tourism in a destination.

1.5 DELIMITATIONS

The study had a number of delimitations related to the constructs, context and theoretical perspective of the study. First, it was limited to the context of DMOs and the role they play in developing business tourism within destinations. This study did not be focus on how other suppliers contribute to development of business tourism within a destination. Second, the study focused mainly on business tourism within a destination and excluded leisure tourism. The study was concerned with the impact and influence DMOs have in developing business tourism within a destination as opposed to the influence DMO has when developing leisure tourism. Third, the study focused on how DMOs involve other stakeholders in order to develop business tourism. The aim was to understand the format of communication (if and how), as well as inclusion in strategy formulation on business tourism. Although communication is a two-way process the focus was on how DMOs initiate communication and not how stakeholders initiate communication, nor on strategies that the various stakeholders may have on developing business tourism. Finally, the literature was primarily limited to literature from destination management organisations, stakeholder theory and business tourism. Literature from related disciplines such as business travel and destination branding were only consulted in passing.
1.6 DEFINITION OF KEY TERMS

Table 1 contains a list of the definitions of key concepts as they were applied in the study.

**Table 1: Definition of key terms**

<table>
<thead>
<tr>
<th>Destination Management Organisation</th>
<th>Definition of key terms</th>
</tr>
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<tbody>
<tr>
<td>Destination Management Organisation</td>
<td>Non-profit organisations aimed at generating tourist visitation for a particular area (Gretzel, Fesenmaier, Formica &amp; O'Leary, 2006).</td>
</tr>
<tr>
<td>Business Tourism</td>
<td>A trip which is undertaken by an individual on behalf of a business/company with the purpose of attending a conference, meeting, exhibition, event or as part of an incentive (MICE) (Van Schalkwyk, Xasa &amp; Makhubela, 2012).</td>
</tr>
<tr>
<td>Destination</td>
<td>A tourism destination can be defined as a geographic region, political jurisdiction, or major attraction, that creates a tourism flow in both space and time (Pike &amp; Page, 2014) providing visitors with a range of satisfying to memorable visitation experiences (Bornhorst et al., 2010). A destination can be a whole country, a region, an island, a town or city, a village, or a self-contained centre or attraction (Bornhorst et al., 2010; Carter &amp; Fabricius, 2007).</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Stakeholders are groups or individuals that may be influenced by or influence the decisions, actions, practices, policies or goals of an organisation. In tourism destination stakeholders may be referred to as the host (the local community and environment), the industries (supplier) and the tourists (demand) (Anuar, Ahmad, Jusoh &amp; Hussain, 2012).</td>
</tr>
<tr>
<td>Bidding</td>
<td>The concept of bidding is well known for associations, corporate as well as public-sector events. Where the bid process generally starts with identifying a concept and developing it by means of a formal proposal. The proposal is submitted to the appropriate party (event organiser) and/or delivered by way of a pitch by the interested party (Berridge &amp; Quick, 2010).</td>
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### Table 2: Abbreviations used in this document

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Meaning</th>
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<tr>
<td>AMC</td>
<td>Association Management Companies</td>
</tr>
<tr>
<td>CVB</td>
<td>Convention and Visitor Bureau</td>
</tr>
<tr>
<td>DMC</td>
<td>Destination Management Company</td>
</tr>
<tr>
<td>DMO</td>
<td>Destination Management Organisation</td>
</tr>
<tr>
<td>DOT</td>
<td>Department of Tourism</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IATA</td>
<td>International Air Transport Association</td>
</tr>
<tr>
<td>ICCA</td>
<td>The International Congress and Convention Association</td>
</tr>
<tr>
<td>LTO</td>
<td>Local Tourism Office</td>
</tr>
<tr>
<td>MICE</td>
<td>Meeting, Incentive, Conferences and Events</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NDT</td>
<td>National Department of Tourism</td>
</tr>
<tr>
<td>NTO</td>
<td>National Tourism Organisation</td>
</tr>
<tr>
<td>NTSS</td>
<td>National Tourism Sector Strategy</td>
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<tr>
<td>PCO</td>
<td>Professional Conference Organisers</td>
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<tr>
<td>PTO</td>
<td>Provincial Tourism Office</td>
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<tr>
<td>ROI</td>
<td>Return of Investment</td>
</tr>
<tr>
<td>RTO</td>
<td>Regional Tourism Office</td>
</tr>
<tr>
<td>SANCB</td>
<td>South Africa National Convention Bureau</td>
</tr>
<tr>
<td>SAT</td>
<td>South African Tourism</td>
</tr>
<tr>
<td>UIA</td>
<td>Union of International Association</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organisation</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
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CHAPTER 2: DESTINATION MANAGEMENT ORGANISATIONS

A major trend in the tourism industry is the increasing competition amongst tourism destinations, with UNWTO forecasting international arrivals in emerging economy destinations to keep on growing at a pace of +4.4% per year, double the pace of advanced economies at +2.2% per year. Consequently, the share of international tourism of emerging economies will surpass advanced economies in 2015 (Mariani, Buhalis, Longhi & Vitouladiti, 2014). Due to increased competition it is important for destinations to retain a competitive advantage, and succeed and achieve its objectives. To this end, many destinations are led by destination management organisations (DMOs) to oversee the management of tourism in the destination (Bornhorst et al., 2010).

Tourism destinations can be perceived as a complex system which can be difficult to manage (Fyall, 2011), structured with a supply and demand side and with success depending on the development of its critical resources. In order to ensure destination success, it is important to take into consideration innovation, collaboration and human resources on a regional as well as a local level (Boes, Buhalis & Inversini, 2015). Destination management is crucial to address the many and often conflicting issues arising in contemporary tourism; with the destination marketing function being acknowledged as a pillar of the future growth in an increasingly globalised and competitive market for tourists (Pike & Page, 2014).

This chapter focuses on defining a tourism destination, how a tourism destination should be managed, as well as how DMOs assist in this task. It also highlights the task of stakeholder management and discusses the challenges faced by DMOs.

2.1 DEFINING A TOURISM DESTINATION

Before one can effectively speak of DMOs in tourism, it is important to first define “destination”. Though there is no widely accepted definition of the term (Pike & Page, 2014), a tourism destination can be defined as a geographic region, political jurisdiction, or major attraction, that creates a tourism flow in both space and time (Pike & Page, 2014).
providing visitors with a range of satisfying to memorable visitation experiences (Bornhorst et al., 2010). It is seen as a latent or cluster of suppliers (public and private sector) or a network of suppliers activated by visitors’ demand (Laesser & Beritelli, 2013). Rubies (2001:39) defines cluster as “an accumulation of tourist resources and attractions, infrastructure, equipment, service providers, other administrative organisms whose integrated and coordinated activities provide customers with the experiences they expected from the destination they chose to visit.”. Kozak and Baloglu (2011) regard a tourism destination as a place which consists of distinct and interrelated products and services which fall under a brand name and is generally considered in a geographic area.

According to Morrison (2013), a tourism destination is a geographic area that attracts visitors. The following aspects are essential in order to consider a destination as a tourism destination:

- It is a geographical area which has administrative boundaries.
- A place where tourists can find overnight accommodations.
- There is a destination mix available to visitors, including among others restaurants, events and attractions, transportation, infrastructure and hospitality resources.
- A tourism marketing effort exists, and steps have been taken to market and promote the place to tourists.
- A coordinating organisation structure has been created; usually a DMO which coordinates and leads the tourism efforts of the place.
- An image of the area exists in the mind of the tourist as a place where they can participate in tourism activities; this image may be accurate or inaccurate.
- Government agencies have introduced laws and regulations to control different aspects of tourism.
- There is a mixture of tourism stakeholders, in the both the private and public sector; non-profit organisations, individuals and other entities which have an interest in tourism (Morrison, 2013).

It can therefore be viewed that a tourism destination can be a whole country (e.g. South Africa), a region (e.g. Gauteng), an island (e.g. Bali), a town or city, a village, or a self-contained centre or attraction (e.g. Sun City) (Bornhorst et al., 2010; Carter & Fabricius, 2007). From a stakeholder’s perspective, a destination can be seen as an open social system of interdependent and multiple stakeholders (Beritelli, 2011). Tourism within the
destination is required to have a significant or potential significance to the economy of the destination (Carter & Fabricius, 2007). In order for the visitor to be classified as a tourists, they are required to, at a minimum, be visiting a destination temporarily outside of the normal place of residence for more than 24 hours, however less than one consecutive year (Bornhorst et al., 2010; Pike & Page, 2014).

This definition enlightens the views that a tourism destination is an amalgamation of touristic products and services (Boes et al., 2015). It is required to have a destination mix of products available in which the tourist can participate in (Morrison, 2013). The amalgamation of these products is regarded as the critical resources needed to be development in order to ensure that a destination is successful. These resources are known as the six A’s (Attraction, amenities, accessibility, activities, available packages and ancillary services) (Boes et al., 2015) and are amalgamated in contemplation of adding value to the touristic experiences whilst increasing the benefits and the profits within the destination (Boes et al., 2015). According to Rogerson (2015), much of business travel is often incorporated with a leisure components which means that the developed of these services for business travellers often intersect with that of tourism products geared to leisure travellers. Therefore, it is important to understand the component which make a destination successful. The UNWTO enhances these key characteristics of a tourism destination and concludes the following six substantial elements (UNWTO, 2007):

- **Attractions**: Attractions can be separated into three categories namely natural (i.e. mountains, beaches,), built (i.e. religious buildings, monuments), or cultural (i.e. museum, theatres). An intangible attraction, such as the uniqueness of a destination, is also of great importance. Attractions are often the initial motivation for the tourist to visit a destination. They can be either in the private or public sphere.

- **Amenities**: This includes the overall supporting services and facilities of a visitors’ stay. This includes basic infrastructure (e.g. utilities, roads) to the direct services (e.g. accommodation, shopping and catering facilities, recreational facilities).

- **Accessibility**: Regardless of its attractions and amenities, a destination also needs to be easily accessible to a large population base through roads, air transportation, rails or cruise ships. Visitors should be able to travel with relative ease once they are in the destination. Transportation is not the only accessibility criteria; in addition, there are visa requirements and any other entry conditions to a country.
• **Image**: Image is fundamental for attracting visitors this includes the uniqueness of the destination, its sights and scenes, the environmental quality, destination’s safety standards and the friendliness of local people. It is not only of utmost importance for a destination to have a wide range of attractions and amenities but for potential tourists to be aware of them. A destination image can be promoted through various ways (e.g. branding, marketing, e-marketing etc.).

• **Price**: Price can be regarded as a competitive factor for a destination and can be a determining factor for potential tourists; whether to choose a particular destination over another. There are various pricing factors which are related to a destination, these include, accommodation costs, the cost of transportation to and within the destination, food costs etc. There are also other factors which influencing the price such as the currency exchange which is taken into consideration by the tourist.

• **Human Resources**: Human resources are important for two main reasons: Firstly, tourism is a labour-intensive industry and secondly the host communities have constant interaction with tourists; with both perspectives playing a critical role to the overall tourism experience. In order to ensure a good tourism experience, it is essential that the personnel is well trained and the locals should be aware of the benefits and their responsibilities which are associated to tourism activities. The aforementioned needs to be communicated and managed according to the destination’s strategic plan.

The six A’s and the above mentioned UNWTO factors do not guarantee the success of a tourism destination. Morrison (2013) argues that in order for a destination to be successful, there are a total of 10 A’s that need to be in-place in order to ensure a destination’s success:

• **Awareness**: This attribute is related to the tourists’ level of knowledge about the destination. It is influenced by the amount and the nature of information that they receive.

• **Attraction**: This is the number and geographic scope of appeal of destination’s attractions.

• **Access**: This attribute focuses on the ease of movement to and within the destination as well as the ease of making bookings and reservations within the destination.
• **Appearance**: What kind of impression does the destination have on first arrival as well as throughout their entire stay.

• **Activities**: This include the extended array of activities available to the tourists for the duration of they stay.

• **Assurance**: This attribute focuses on the safety and the security of the destination for tourist.

• **Appreciation**: This is the level of hospitality and welcome that the tourist feels in the destination.

• **Action**: The availability of long-term marketing and tourism plan, from which the destination is required to take action.

• **Accountability**: This is ensuring and evaluating the performance of the destination management organisation within the destination.

Importantly, these 10 attributes will not guarantee success of a destination as there are still other criteria that could be added to the list, such as the economical contribution of tourism to the destination (Morrison, 2013). Economic contribution is regarded as one of the two primary roles which a tourism industry. Bornhorst et al. (2010) stated that a tourism destination has two primary roles and a great number of secondary roles. The primary role of the tourism destination is to seek to enhance the well-being of residents (within the boundaries) economically and socially by offering a range of activities and experiences of the kind that is identified as tourism experience. Success in tourism might be regarded as the provision of these ranges of activities and experiences, which are enjoyed by visitors at a price which they are willing to pay, and which enable the destination to operate in a sustainable manner (environmental, economic, cultural and social) while benefiting the residents. Good management of a destination should be able to deliver quality of visitor experiences that exceed expectations, contribute to the longer-term prosperity and development of the local community, with regards to jobs, income and amenities. It should be able to improve the profitability of the business sector, which is the lifeblood of any destination’s tourism industry. Lastly, an effective destination should ensure that there is a responsible and a sustainable balance between socio-cultural, economic and environmental impacts of tourism (Carter & Fabricius, 2007). The amalgamation of diverse and eclectic range of businesses and people at a destination who might have a vested
interest in the prosperity of their destination, require destination management in order to succeed as individual tourism ventures (Pike & Page, 2014).

2.2 MANAGING A DESTINATION

As seen above tourism consists of two sides and features a negotiation between two main forces: the demand-side and the supply-side. The demand-side is represented by the consumer-travellers, who seek for travel service and products to satisfy certain needs. The supply-side is the travel and tourism industry, which seeks to stimulate demand for services and products (Pike, 2012) and also seeks to fulfil the tourists needs.

The elements mentioned above need to be coordinated in a strategic approach, which involves key stakeholders to connect them; this is done through destination management. Destination management can also be considered the process which calls for the cooperation of many organisations and interests, working and aiming towards a common goal (Papadopoulou, 2016). A DMO is a formal structure which has the leading role of coordinating the various stakeholders’ activities in a consistent strategy, aiming towards the same goal. The tourism industry has plenty of organisations and business oriented functions (supply side) such as travel agencies, hotels, and tour operators just to mention a few, which need to cooperate with DMOs (Papadopoulou, 2016). DMOs perform the upper level process of coordinating and integrating the management of demand and supply, resources and function (Pearce, 2015). Morrison (2013:7) defines destination management as “a professional approach to guiding all of the efforts in a place that has decided to pursue tourism as an economic activity. Destination management involves coordination and integrated management of the destination mix (attractions and events, facilities, transportation, infrastructure and hospitality resources).” DMOs are teams of tourism professionals that coordinate and lead tourism stakeholders. Effective destination management involves long-term tourism planning and continual monitoring and evaluation of the outcome from tourism efforts (Morrison, 2013).

Morrison (2013) expresses that DMOs are scattered throughout the world and span over many different organisational types and sizes. These are several types of DMOs, and they are categorised depending on their geographic region (UNWTO, 2007):
• **National Tourism Organisation (NTOs) or Authorities (NTAs):** They are responsible for management and marketing of tourism at a national level.

• **Regional, provincial or state DMOs (RTOs):** They are responsible for management and marketing of tourism in a geographical region defined for that purpose (e.g. province, state, country.)

• **Local DMOs (LTOs):** Responsible for a smaller geographic area or town/city. This form of local level DMOs usually operates tourism information office frequently with a retail shop.

The types of DMOs include the entities at four geographic levels namely country; state, province and territory; region; and county / city (Morrison, 2013). However, Kozak and Baloglu (2011) argue that a DMO be known by a variety of names such as convention and visitor bureaus (CVBs) or authorities, tourist organisation, tourist bureaus, councils, tourist offices and so forth. DMOs are normally funded by government or tax money (Kozak & Baloglu, 2011).

Papadopoulou (2016) points out that in some instances there are a number of DMOs which covers a destination, thus there should be a cooperative character amongst them, in order to share the necessary information of the different audiences. A DMO’s roles also change due to the environment of the DMO as it needs to satisfy the wants and the needs of all stakeholders and achieve a complex range of different strategic objectives (Kozak & Baloglu, 2011). In order to avoid duplication as far as promotion, training, business support, visitor services and identification of management, joint management is needed. Thus, the governance of destination management could take many forms: a department of a single public authority or a partnership of public authorities; a combination of public and private sector with the forma to outsource delivery to private companies; public-private partnership for certain functions often takes place in a form of a non-profit company etcetera (Papadopoulou, 2016). The structure the DMO takes will be dependent on governmental administrative structure. There are both strengths and weakness in whether a DMO should be either a public or private controlled organisation. According to Morrison (2013), the strengths of a public sector operated DMOs are regarded to be:

• Governments have a mandate to have long-term, strategic planning and they are good at it.
• Destination awareness if high amongst governments due to their extensive responsibilities as well as their grass-root knowledge and activities.
• Public administrators are skilled in the management of complex organisations and may be better able to get financial support from government.
• Government often provide grants including other support to small and medium enterprises (SMEs).
• Public agencies may have greater powers in operating quality assurance programmes.

It has however been argued that government agencies face a few challenges including that they are extremely bureaucratic and slow to accomplish tasks. Other challenges and criticisms include that they are politically influenced and that key staff members are frequently changed. Governments are also considered not to be very skilled at marketing (Morrison, 2013) - which is a key role for a DMO. The strengths of the private sector DMOs include:
• The private sector is good at the implementation of short-term tactics.
• Decision-making within the private sector is fast.
• The private sector is very skilled and experienced in sales and marketing approaches.
• The private sector is aware of market opportunities.
• A business management approach is followed.
• The private sector has well-developed programmes for customer relationship management (CRM).

It is argued that as the public sector has weaknesses so do the private sector. These weaknesses include that the private sector is not particular good at the long-term planning that is required for a tourism destination. The private sector is also more profit-motivated and may not be concerned about the community residents and the environment in which they operate. The private sector may also not be able to get financial support from government agencies (Morrison, 2013). Whether an organisation operated by the public sector, private sector or a public-private partnership has been formed, the roles of the DMO seldom differ. These roles will now be discussed.
2.2.1 A DMO and its roles

DMOs operate within a destination and are usually non-profit organisations aimed at generating tourist visitation for a particular area (Gretzel et al., 2006). Page (2015:362) states that DMOs/NTOs “are not producers or operators in a tourism context, but seek to influence the images which visitors and potential visitors may hold of the county or region”. DMOs provide essential leadership (Bornhorst et al., 2010) and are responsible for developing a unique image and marketing the destination, coordinating most public and private tourism industry constituencies, providing information to visitors as well as to lead the overall tourism industry within a destination (d'Angella & Go, 2009). The domains of tourism destination management include the following activities (Bornhorst et al., 2010; Laesser & Beritelli, 2013; Morrison, 2013):

- Leading and coordinating many constituent elements of the tourism sector and ensure service coordination, which includes local, civic, political, business and visitor industry representatives in order to achieve a single voice for tourism. Therefore, it should be leading and coordinating all the shareholders’ tourism activities within the destination.
- Marketing the destination. All the marketing efforts a DMO should be made in order to attract visitors to the destination. This includes the destination’s promotion, unbiased information, facilitation and operation of bookings, and CRM.
- Fulfilling both a leadership and advocacy role for tourism within the local community in which it serves. The DMO needs to be a visible organisation that draws attention to tourism so that residents of the destination understand the significance of the visitor industry.
- Assisting to ensure the development of an attractive set of tourism facilities, events and programs and an image that will help position and promote the destination as a competitive one in the experiences that it offers.
- Assisting visitors through the provision of visitor services such as pre-visit information, and additional information on arrival to ensure that a seamless customer experience is created.
- Serving as a key liaison to assist external organisations, such as tour operators, meeting planners and travel agents who are working to bring visitors to the destination.
Figure 1 illustrates the four roles of DMOs along with the elements of a destination.

**Figure 1: UNWTO definition of destination management roles**

The roles of DMOs can be summarised in broad terms as working towards the enhancement of the well-being of destination residents, to do everything necessary to help ensure that visitors are offered visitation experiences which are highly satisfactory and when possible, highly memorable, while ensuring the provision of effective destination management and stewardship (Bornhorst *et al.*, 2010). Tourism destination management can also essentially equate to the management process that aims to attract visitors (same-day travellers and tourists and the revenue which they bring), and allocate money and time in a particular geographic area (as defined by visitors). Successful sustainable destination management involves the ability to:

- establish and implement a common destination vision, along with values and priorities that accommodate the needs of an increasingly diverse set of stakeholders;
- embed long-term sustainability values and priorities in the mind-set of destination stakeholders who are perpetually driven by short-term decision-making requirements; and
- maintain an equilibrium between the three pillars of sustainability: social/cultural (particularly the local community); economic (which focuses on the organisations involved in the tourist industry); and environmental (where natural resources and the territory as a whole are used, however protected) (Laesser & Beritelli, 2013).

As discussed earlier there are different levels of DMOs. According to Morrison (2013) the national DMOs are typically the most powerful within a country and set the overall agenda for tourism within the destination. There are therefore roles and activities which are performed by a national DMO, including:

- Tourism legislation and regulations: Introducing and enforcing legislation and regulation related directly to tourism. This may include the articulation of the minimum standards for operation for certain type of tourism businesses such as tour-guiding, accommodation, travel agencies, restaurants.
- Tourism policy-making: Preparing overall tourism policies for their countries.
- Tourism planning and strategies: Coordinating the processes for developing country-level plans and strategies.
- Tourism development: Encourage selected types of tourism developments through technical and financial assistance.
- Tourism research: Conducting research at a national level.
- Destination marketing: Implement domestic and international marketing strategies and plans.
- Education and training programmes: Developing and facilitating education and training programmes which increase professionalism in the countries tourism sector.
- Quality improvement and assurance: Introducing strategies and programmes to improve tourism quality that in some cases involve operating quality assurance schemes.
- Sustainable tourism: Promote sustainable tourism practices in the country and operate specific programmes which encourage sustainable tourism.

The role of provincial and territorial DMOs are similar to those of national DMOs, but they place more emphasis on domestic tourism in destination marketing and on destination marketing in general (Morrison, 2013). There are four models which are widely used to undertake this task:
1. Full state intervention: the state promotes the brand image; a method commonly occurring in the former Eastern Europe, Africa (excluding South Africa) and South America.

2. A public/private sector partnership: the private sector contributes to the marketing efforts of government. This approach is widely used in Australia and Europe (excluding Germany, Greece and Italy).

3. A minimalist public-sector role: the private sector plays the dominant role. This approach is mostly followed in the Netherlands, Japan and the USA.

4. Other models are entirely funded from taxation of tourists and tourism rather than state support for destination marketing as a concept.

2.2.2 Marketing as a main role for DMOs

In common practise a DMO is more related to the marketing of a destination and not the management. However, depending on the institutional regulatory context, this organisation may also undertake other activities (Laesser & Beritelli, 2013). According to Page (2015) the imagery and place promotion is not as new task as it was previously performed by private transportation companies who collaborated with destinations to promote their attractions. Recent years have seen a shift however where this task is largely undertaken by destination organisations such as DMOs; resulting in the evolution of place promotion. Destination management and destination marketing are the two most interrelated concepts existing in tourism (Morrison, 2013). Morrison (2013) argues that destination marketing forms one part of the functions within the broader concept of destination management. Marketing is an exchange process between the two different forces and is defined by Kotler et al.(1999) cited in Pike (2012) as “a social and managerial process by which individuals and groups obtain what they need though creating and exchanging products and value with others”.

Most DMOs/NTOs are engaged in destination promotion which is usually aimed at the international market. These organisations are also involved in the maintenance of a network of tourism offices in key international source markets; this is however limited in less developed counties with restricted budgets (Page, 2015). Expenditure on marketing is only one of the influences that affect the tourism volumes within a destination. There is
however no easy way to link the marketing spend to the performance in the attraction of visitors though DMOs use visitor numbers and their spending as a Return on Investment (ROI) measurement to justify their expenditure on promotion to stakeholders (Page, 2015). An important task of the DMO is to manage stakeholder relations and harness the collective power of suppliers within the destination. The next section focuses on this important task.

### 2.2.3 The DMO managing stakeholder relationships

Tourism has an impact on different factors: the environment (i.e. natural and built), the economy, the local population as well as the tourists themselves (Papadopoulou, 2016). This leads to a wide range of stakeholders involved or affected and to a variety of production factors required to produce goods and services for the visitors. Therefore, tourism development, management and monitoring needs to be addressed holistically (UNWTO, 2008). Due to the competitiveness of the tourism industry and especially business tourism, an organised management approach that is based on strong collaborations and a common vision for all the stakeholders is required. In order for a destination to be managed effectively a strategic approach aligned with the destination vision is needed (Papadopoulou, 2016).

Both the supply and demand sides present stakeholders and these can be defined as "groups and individuals that have a direct and indirect interest in the management of the tourism destination" (Morrison, 2013:23). Figure 2 illustrates five different main groups of stakeholders, including tourists, community, tourism sector organisations, community, government and environment. All of these stakeholders have a direct and indirect interest in how the destination is managed.
As mentioned in the definition, a destination is considered to be an amalgamation of tourism products that offers an integrated experience to tourists. This interdependence of various stakeholders causes complications with regards to destination management (Boes et al., 2015; Presenza, Sheehan & Ritchie, 2005). The numerous stakeholders involved in determining the role and development of an area as a tourist destination results in different interests and objectives that should ultimately converge to support the marketed image of the destination (Gretzel et al., 2006; Saito & Ruhanen, 2017) Destinations are however characterised by high fragmentation, which makes destinations difficult entities to manage (Bregoll, 2012). In the light of the fragmentation of destinations on the one hand there’s a need to provide tourists with a seamless experience, while on the other the pivotal task of coordination of the stakeholders working within the destination (Bregoll, 2012).

Figure 2 illustrated seven tourism sector stakeholders. A study conducted by Bornhorst et al. (2010) found DMOs’ ability to interact effectively with stakeholders in a destination as important to success. Functions which are important for a DMO to fulfil in stakeholder
relations include “operational activities, working with stakeholders, getting input, listening to suppliers, collaborating with stakeholders to be a central rally point for tourism stakeholders as well as to have community buy-in”(Bornhorst et al., 2010). However, DMOs still act mostly by themselves, which means that they forgo important opportunities to create capacity to change through the pooling of resources and continuous knowledge exchange across organisational boundaries (Gretzel et al., 2006).

Morrison (2013) mentioned that there are eight most important activities which DMOs need to perform in relationship management with tourism stakeholders. These activities are illustrated in Figure 3.

**Figure 3: Tourism sector stakeholder engagement**

![Diagram of tourism sector stakeholder engagement](source: Morrison (2013:240))

Collaboration and cooperation within the tourism destination and amongst the tourism stakeholder is important because, while competition among tourism destinations has increased significantly, competitive advantage is characteristically sustained on a shorter and shorter time span, and collaboration and cooperation can result in a relevant strategy for a destination to achieve competitive advantage in the longer run (Mariani et al., 2014). It is thus essential for a DMO to assess its relationships and understand stakeholders’ intentions, to develop meaningful interactions within the network, and to manage their
levels of satisfaction with the services offered by the DMO (d'Angella & Go, 2009). Bregoll (2012) argued that coordination of stakeholders working within a destination is one element requiring the involvement of different organisations in the decision-making process. d'Angella and Go (2009:429) explain that “the battlefield has been redefined: instead of competing against each other independently, tourism firms are cast as actors in a tourism business network trying to out-rival other destination networks.” A DMO seeks to coordinate decision making on management, design and organisation of relationships in the network, on which the economic performance of the DMO and its stakeholders depends. Bregoll (2012) stresses that the difficulties of co-ordination and control have the potential to undermine a strategic approach.

Collaboration is defined by d'Angella and Go (2009:429) as a “formal institutionalised relationships among existing networks of institutions, interests, and/or individual stakeholders”, while Bregoll (2012) defines collaboration as the process through which the actions of different organisations are managed towards a common goal. Collaboration between the public sphere and the private sector is critical for destination marketing and management (Mariani et al., 2014). DMOs should coordinate the efforts of private companies in order to instil them with a culture for cooperation and get them to cooperate towards the shared aim of better destination marketing (Mariani et al., 2014). It should be noted that tourism businesses will cooperate, as well as compete simultaneously with other companies and build a complex and dense system of inter-organisational relationships (Wang, 2008). In a hyper-competitive tourism sector, pure competition at a destination level is not the only way to achieve a sustainable competitive advantage; on the other hand, in many cases collaborative and cooperative logics should be undertaken by decision-makers both within destinations (i.e. between private and public stakeholders) and among destinations (e.g. between NTOs and relevant DMOs) (Mariani et al., 2014). Cooperation is defined by Bregoll (2012:213) as the “act of sharing resources in order to take advantage of collective opportunities”. Both collaboration and coordination is essential in order to cope with the interdependencies that develop between organisation (Bregoll, 2012).

It is important to have the buy-in and resources from stakeholders, as well as have a great focus on functions such as marketing or other service aspects in order to ensure the
success of the DMO (Bornhorst et al., 2010). Collaboration and co-operation generates a high transaction cost and therefore the role of destination management becomes crucial in orchestrating relevant team players, especially with regards to joint innovation efforts. To achieve this, the system awareness of stakeholders needs to be increased by having knowledge of all stakeholders to ensure awareness and information sharing. Papadopoulou (2016) argues that there are five main groups of stakeholders in destination management including:

• Government: state, national, regional etc.
• Environment: environmental agencies, NGOs etc.
• Community: resident associations, business associations etc.
• Tourism sector organisations: DMOs, transportation, hotels etc.
• Tourists: leisure, business etc.

However, Morrison (2013) argues that within the local tourism sphere, there are eight tourism stakeholder which need to be considered in cooperation and coordination of the destination. These stakeholders do not include government agencies, utility companies, non-tourism business associations, banks/financial institutions, education institutions and non-profit organisations. The main tourism stakeholders at a local level are illustrated in Figure 4.
Epp (2013) states that, since each stakeholder is different, the stakeholder theory “does not imply that all stakeholders…should be equally involved in all processes and decisions” Therefore, stakeholder participation will range from complete non-participation, to the presentation of stakeholders’ opinions upon request, to membership in the group that has and makes final decisions over an issue. Pretty (cited in Epp, 2013) suggests six types of typologies for stakeholder participation that is applied at managerial lens which range from “passive” (being told what has been decided after the fact) to “connected” (taking initiatives independently and having complete control over resources). These typologies are further discussed in the table below:

**Table 3: Typologies for stakeholder participation**

<table>
<thead>
<tr>
<th>Typology</th>
<th>Characteristics of each type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passive participation</strong></td>
<td>• People participate by being told what has been decided or has already happened.</td>
</tr>
<tr>
<td></td>
<td>• The information being shared belongs only to external professionals.</td>
</tr>
<tr>
<td><strong>Participation by consultation</strong></td>
<td>• People participate by being consulted or by answering questions.</td>
</tr>
<tr>
<td></td>
<td>• Process does not concede any share in decision making and professionals are under no obligation to take on board people’s views.</td>
</tr>
<tr>
<td>Typology</td>
<td>Characteristics of each type</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Bought Participation</td>
<td>• People participate in return for food, cash or other material incentives.</td>
</tr>
<tr>
<td></td>
<td>• Local people have no stake in prolonging technologies or practices when the incentives end.</td>
</tr>
<tr>
<td>Functional participation</td>
<td>• Participation seen by external agencies as a mean to achieve their goals, especially reduced costs.</td>
</tr>
<tr>
<td></td>
<td>• People participate by forming groups to meet predetermined objectives</td>
</tr>
<tr>
<td>Interactive participation</td>
<td>• People participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions</td>
</tr>
<tr>
<td></td>
<td>• Learning methodologies used to seek multiple perspectives and groups determine how available resources are used.</td>
</tr>
<tr>
<td>Self- mobilisation and connectedness</td>
<td>• People participate by taking initiatives independently of external institutions to change systems.</td>
</tr>
<tr>
<td></td>
<td>• They develop contacts with external institutions for resources and technical advice they need, but retain control over resource use.</td>
</tr>
</tbody>
</table>

Source: adapted from Epp (2013:5)

The process of the identification of numerous stakeholders and their engagement towards the organisation assists decision makers to adopt appropriate strategies for each stakeholder and to manage them in an effective manner. Each stakeholder group needs a different management technique, dependent upon its potential of threat or cooperation (Papadopoulou, 2016). Morrison (2013) suggested that there are different managerial strategic approaches which are based on the classification of the stakeholders’ potential to cooperate and potential to threaten the organisation:

- Collaborative: stakeholders with high potential to cooperate and with high potential to threaten.
- Involvement: stakeholders with high potential to cooperate and low potential to threaten.
- Defensive: stakeholders with high potential to threaten and low potential to cooperate.
- Monitoring: stakeholders with low potential to cooperate.
Sheehan and Ritchie (2005) suggest that DMOs would prefer to follow collaborative and involvement strategies with stakeholders. This means that DMOs then want to focus on individuals and organisations that have a high potential for cooperation and not to engage with those where there is a low potential to cooperate. However, Epp (2013) identified significant gaps when applying Savage et al.'s (1991) diagnostic typology of organisational stakeholders to DMOs across North America. These gaps identified were addressed by Ford, Peeper and Gresock (2009), and provided practical examples of how the DMOs can engage with a wide range of stakeholders based on their perceived salience (refer to Table 4). This model is useful in providing a management strategy which encompasses the full range of participation as mentioned by Pretty, with an emphasis on the proactive strategies to move a stakeholder from one type to another (Epp, 2013).

Table 4: Stakeholders range of participation

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Examples of how DMO can cultivate participation</th>
</tr>
</thead>
</table>
| Critical friends   | DMO governance  
|                    | Ongoing communication and regular, scheduled meetings  
|                    | Provide data-driven evidence  
|                    | Invite to participate in community events and tradeshows                                                     |
| Weak friends       | Program participation (e.g. Web or print listings, brochures racking)  
|                    | Regular email communication  
<p>|                    | Consultation and input requested                                                                               |</p>
<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Examples of how DMO can cultivate participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiet competitors</td>
<td>Communicate how missions may overlap</td>
</tr>
<tr>
<td></td>
<td>Invite to meetings</td>
</tr>
<tr>
<td></td>
<td>Extend support</td>
</tr>
<tr>
<td>Indifferent</td>
<td>Extend support</td>
</tr>
<tr>
<td></td>
<td>Include when a win-win possible</td>
</tr>
<tr>
<td>Aggressive</td>
<td>Illustrate how DMO contribute to community</td>
</tr>
<tr>
<td>competitors</td>
<td>Develop reciprocal paths of involvement to intertwine missions</td>
</tr>
<tr>
<td></td>
<td>Find and demonstrate linkages or wins-wins</td>
</tr>
<tr>
<td>Envious</td>
<td>Offer help</td>
</tr>
<tr>
<td></td>
<td>Demonstrate linkages</td>
</tr>
</tbody>
</table>

Source: adapted from Ford et al. (2009:176)

In order for DMOs to be able to create a good marketing and management strategy, market segmentation and target marketing has become increasingly important (Mariani et al., 2014:270). Marketing of a destination is more about the subliminal changes made to a visitor’s perceptions, which encourages and shapes their interest in a place rather than a direct influencer of demand, in the same way that advertising affect fast-moving consumer goods. The process of marketing to consumers and changing their perceptive of a destination is no easy task. DMOs are required to create strategies which will result in some consumers' desire to visit the destination (Page, 2015). The involvement of all stakeholders is essential to strategy formulation. The DMOs strategy needs to offer a mechanism for generating sales and a convenient method of communicating with the consumer. This strategy includes the move towards e-commerce, as the tourism sectors and business environment have a greater focus on e-commerce. It can be beneficial for DMOs since tourists select particular place products (i.e. destinations) in their holidays decision-making process (Page, 2015).

DMOs are required to market a destination as tourists normally consider a limited set of place products, which are often on the based on limited knowledge of the destination and available options. In contrast, the various businesses and organisations associated with tourism focus on specific aspects of the place products (e.g. an attraction or facility). Therefore, DMOs may often seek to address any shortcomings in the destination through the application of more sophisticated marketing techniques that change the visitor’s perception. The e-commerce strategy of a DMO and the provision of the visual information and images of a destination may help broker the tourist as a purchaser of the tourism
product. The strategy can assist in the promotion of an initial interest registered by a potential tourist after they became aware of the destination, and encourages a follow-up visit to a website. This link of purchaser and seller electronically often requires DMOs and the tourism sector to work collaboratively through a partnership approach (Page, 2015).

The destination marketing process for DMOs is illustrated in Figure 6.

**Figure 6: The destination marketing process for DMO**

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*Source:* Page (2015:369)
Figure 6 highlights the different options which are available, though the range and nature of activities will dependent on the nature of the budget, as well as DMOs permits that has been established by legislation. The figure also reinstates the coordination and liaison roles the DMOs perform and how tourism businesses interact with the public sector. The role performed by national tourism boards is a function to the regional or local area tourist boards. These bodies in turn emphasise the attributes of their local area and many local authorities seek to promote their city or locality; seeking to establish themselves as distinctive and unique places to visit (emphasizing the unique selling proposition or USP).

Strategy formulation of DMOs is influence by government policy. The tourism public policy can help the cause and consequences of the policy decision making process. Tourism policy-making is inherently a political activity, which is affected by the formal structure of the government and hence a wide range of influencing factors (Page, 2015). According to Hall and Jenkins (as cited in Page, 2015), public policy in tourism is whatever governments choose to do or not to do, as it is a function of three interrelated to issues according to the intention of political and other key factors; the way in which the decision and non-decisions which are required to be made; and the implication of these decisions.

Policy-making is of a continuous nature; it requires understanding of the nature of the institutions and organisations involved in the shaping of policy, as policy-making is filtered through a range of different institutions that may seem complex to the uninitiated observer. These institutions help shape the policy outcomes because they are involved in the negotiations as well as the bargaining to achieve their own organisations objectives. Simultaneously, interest groups (producer groups such as national tourism associations), non-producer groups (e.g. environmental organisations) and single issue groups (e.g. opponents of an airport project) seek to influence the decision-making element of policy-making (Page, 2015) (refer to Figure 7).
Tourism policies do not work in isolation and in a vacuum as various agencies exist and implement policy. The implementation is a resolution of conflict and an attempt to meet the needs of stakeholders whilst meeting the national or local tourism development needs (Page, 2015). It is important to note that the government is not the only influence on policies, but there is a range of non-governmental agencies (NGOs) such as the UNWTO and other lobby groups and interest groups (for example International Air Transport Association (IATA) heading the aviation industry). These bodies promote the interest of their members who have a vested interested in tourism. Amongst the most influential agencies that develop policy for tourism in individual countries are:

- Ministries of tourism, which fund or form a part of (NTOs).
- NTOs on their own.
- RTOs, which manage the implementation of national and regional policy in their respective areas.
- Local authorities and other agencies, which set policies at the local level.

Given the various roles and stakeholder relationships that need to be managed, it is understandable that DMOs face various challenges in performing their core business of managing and marketing a destination.
2.3 CHALLENGES FACED BY DMOS

The tourism industry is multi-faceted and of a complex nature with multiple players, resulting in DMOs facing several challenges in formulating and implementing effective marketing strategies (Gretzel et al., 2006; Hristov & Naumov, 2015; Kozak & Baloglu, 2011). Destinations and DMOs face remarkable challenges in the light of the global aftermath and continuous political turmoil (Hristov, 2017; Hristov & Naumov, 2015). Turbulence in the operational environment coupled with the rapid development of tourism as the multi-faceted industry (Hristov & Naumov, 2015). According to Hristov and Naumov (2015), DMOs face the a challenge of free-riding, in which businesses benefit from collective investment in tourism, marketing and promotion in a destination, without directly contributing to it. According to Ayikoru (2015), there are DMOs which have the challenge of generating accurate information about the sector; a challenge especially prevalent in developing tourism destination. This is in despite of the availability of national and regional comparative data from official reports. Other challenges emerging from a change within the industry as well as the macro environment include changes in the industry’s markets and structure, technological progress, climate changes and natural disasters as well as issues related to diseases (Gretzel et al., 2006). These changes and challenges have introduced a state of crisis that affect DMOs in a fundamental way.

A study conducted by Gretzel et al. (2006) determined six challenges and factors faced by DMOs (refer to Table 5).

Table 5: Challenges faced by DMOs

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adapting to technological change</td>
<td>• Lack of human and financial resources</td>
</tr>
<tr>
<td></td>
<td>• Internet technology is not just a substitute for old ways of marketing</td>
</tr>
<tr>
<td></td>
<td>• Web sites not catering to customers’ unique needs</td>
</tr>
<tr>
<td>Managing expectations</td>
<td>• Leadership role of DMOs in local communities</td>
</tr>
<tr>
<td></td>
<td>• Growing number of constituencies</td>
</tr>
<tr>
<td></td>
<td>• Communicating more effectively by recognising changes in consumer behaviour</td>
</tr>
<tr>
<td></td>
<td>• Need for community relations plan</td>
</tr>
<tr>
<td>From destination marketing to destination management</td>
<td>• More complex DMO responsibilities</td>
</tr>
<tr>
<td></td>
<td>• Increasing involvement in planning and development projects</td>
</tr>
<tr>
<td></td>
<td>• Need to change bureau structures</td>
</tr>
<tr>
<td>Challenge</td>
<td>Factor</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Confronting new levels of competition</td>
<td>• Fight for market share with other destinations</td>
</tr>
<tr>
<td></td>
<td>• Emergence of for-profit destination management companies</td>
</tr>
<tr>
<td></td>
<td>• Compete for increasingly limited funding with other sectors</td>
</tr>
<tr>
<td>Recognizing creative partnering as the new way of life</td>
<td>• Partnerships beyond geographical boundaries and/or jurisdictions</td>
</tr>
<tr>
<td></td>
<td>• Lack of incentives for partnering</td>
</tr>
<tr>
<td></td>
<td>• Need for creative partnering ideas</td>
</tr>
<tr>
<td>Finding new measures of success</td>
<td>• Increased need to demonstrate accountability</td>
</tr>
<tr>
<td></td>
<td>• Finding the right benchmarks and benchmarking partners</td>
</tr>
<tr>
<td></td>
<td>• Responsibilities and marketing tools have changed but evaluations</td>
</tr>
<tr>
<td></td>
<td>still based on traditional methods</td>
</tr>
</tbody>
</table>

Source: Gretzel et al. (2006:118)

Not only do DMOs have to deal with these challenges as part of their overall functioning as complex entities, they also face the task of presenting destinations to diverse markets. This chapter defined a destination and a DMO, discussing the roles which DMOs perform within a destination and highlighted the relationship of a DMO and its' stakeholders and challenges faced by the DMOs. Chapter 3 now focuses on business tourism as a market for DMOs.
CHAPTER 3: BUSINESS TOURISM

This chapter focuses on defining business tourism as well as identifying the characteristics of business tourism. There is a brief overview on the history of business tourism as well as the important aspect which need to be present in order to develop business tourism in a destination. The user and the supplier of the business tourism products are discussed, as well as the benefits and challenges of business tourism. The role which DMO perform in development is looked at, and lastly the situation of business tourism in South Africa is provided.

3.1 DEFINITION AND CHARACTERISTICS

Business tourism, also known as MICE tourism, is a relatively new segment which arose from the increase in the number of conferences and exhibition enterprises (Chiu & Ananzeh, 2012). It is a very large and fast growing segment (Chiu & Ananzeh, 2012; Pearlman & Mollere, 2009) which has become important to the economic sector of many parts of the world and in the modern global market (Kumar, Hussain & Ali, 2014). Some analysts argue to situate business tourism as a complex phenomenon which sits at the heart of the global economy (Rogerson, 2015). It constitutes as an essential component of the contemporary international tourism economy, accounting for one quarter of all tourism in some destinations (Rogerson, 2015). Business tourism is considered as one of the most desirable forms of tourism development at destinations worldwide (Dragićević, Jovičić, Blešić, Stankov & Bošković, 2012). It is regarded as a high quality and high yield sector, it can be positioned as a key part of an economic development strategy and the sector is much more resilient to the type of events and economic downturns that affect leisure tourism. Therefore, the number of destinations that realise the benefits of business tourism development is continuously increasing, thereby also increasing competition (Dragićević et al., 2012).

Business tourism has been defined as a trip which is undertaken with the purpose of attending a meeting, as part of an incentive, conference, and/or exhibition (MICE) (Van Schalkwyk, Xasa & Makhubela, 2012). The UNWTO defines it as “travel to attend an
activity or event associated with business interest” (UNWTO, 2007:7) The fundamental premise of a business event is to bring together the purveyor of a message with its recipients (Whitfield & Webber, 2011). MICE tourism is defined by different aspects. A meeting is defined as fewer than 50 participants gathering in resorts, hotels or convention. Incentive is defined as a reward trip offered to a participant, which may include attending a meeting with a large number of delegates and exhibitions consist of two types: consumer shows and trade shows (Chiu & Ananzeh, 2012). A conventions and conferences are about bringing people together to be able to communicate through the sharing of information and ideas, to launch new products and disseminate the latest research, to inspire and motivate and/or to negotiate in order to reach a consensus on different challenges that are faced by our world (Whitfield, Dioko, Webber & Zhang, 2012).

3.2 HISTORY AND DEVELOPMENT OF BUSINESS TOURISM

It can be said that mankind has been gathering to confer since the beginning of civilisation (Roger & Davidson, 2016a). Lawson cited in (Roger & Davidson, 2016a) suggests that there are several factors that facilitated the rapid growth of the MICE industry in the second half of the twentieth century:

- Expansion of the government and quasi-government organisations, together with an increasing need for meetings between private and public sector.
- Growth of multi-national corporations and pan-national agencies, necessitating more inter-regional and interdepartmental meetings.
- Changes in the use of product launches, sales techniques and sales promotion meetings.
- Developments in association interests, co-operatives, pressure groups and professional groups.
- The need to update methods and information through in-company management training, continuing professional development and attendance at scheduled or ad-hoc meetings.
- Development of subject specialisation (conferences create a platform that enables experts to pass on information).

A study conducted by the International Congress and Convention Association (ICCA) defined the growth of the international meeting industry. The growth of the international
The business tourism events represent a variety of event types such as medical meetings, academic and trade-related meetings, scientific meetings as well as professional bodies (Page, 2015). The surge of demand for conferencing and business events resulted with many cities throughout the industrialised world and later the developing world to recognise the potential economic benefit of hosting conferences; equipping themselves with purpose-built conference centres often capable of hosting different types of national and international events and in which several thousand of delegates can attend (Roger & Davidson, 2016a).

Over 100 years after the creation of the world’s first convention bureau in Detroit, the MICE industry has now been established with an international scope. In the twenty-first century, the MICE industry comprises of millions of people worldwide who organise business events; providing facilities and services required by conferences. These services include but are not limited to: interpretation, audio visual equipment, and organisations
who are responsible for the marketing of venues as well as the destinations (Roger & Davidson, 2016a). Complex MICE venues have been developed to provide appropriate services and facilities for attendees/delegates as well as to ensure further benefits for business tourism (Whitfield et al., 2012). The aim is to be able to integrate business tourism with leisure related elements such as food and beverage, accommodation providers, transportation, shopping malls, retailers, sports events, gaming, entertainment and communication hubs (Whitfield et al., 2012).

According to Gustafson (2012), factors critical for the underpinned expansion in business tourism are the globalisation and geographically expanded markets, new organisational trends such as outsourcing, networking and working in project teams, growing number of multi-unit companies and the improved infrastructure for mobility working. The growing international significance of business tourism is a direct consequence of new organisation structures of production and processes of globalisation (Rogerson, 2015). The next section presents the benefits and challenges of this sector.

3.3 BENEFITS AND CHALLENGES OF BUSINESS TOURISM

All human activities and industries have an impact, which can either be negative or positive. These impacts may be seen primarily in changes to the conditions of the economy, to the built and natural environment, and to the people’s quality of life and the culture of society in a greater sense (Roger & Davidson, 2016b). Business tourism is one of the most significant modern means to bring economic and social development at not only a micro level but as well at a macro level (Seymour, 2016). According to Rogerson (2015), activities of business tourism is considered as a fundamental construction of “the network society” as well as the knowledge-economy. It leads to an increased need for updates and knowledge transfers. On a micro level business events firstly contribute to tourism spend in a destination (Seymour, 2016). The MICE industry is the most lucrative segment of the tourism industry, as it can take place any time of the year (Chiu & Ananzeh, 2012). It has a positive reflection on the economy especially in the off-peak seasons. Besides the economic benefits there are numerous related social and cultural benefits for the hosting destination including augmentation of exchange commutation of
ideas and information; forums for continuing education and training; and adoptive business connections and technology adoption (Rogers, 2013).

For each impact, various stakeholders may be affected, negatively or positively (Roger & Davidson, 2016b). As one of the primary motivations for a community to develop any industry is the economic benefits (Roger & Davidson, 2016b), a large number of large-scale infrastructure projects relevant to business tourism have been undertaken throughout much of the Pacific rim and Asia, in the former East European countries, in the Middle East, and in a number of African countries (particularly South Africa), as well as in South America (Rogers, 2013). Numerous reasons exist for such investments that are mostly being funded by the government and other public sector funds (Roger & Davidson, 2016b; Rogers, 2013). This includes countries and destinations having an active leisure tourism sector and developing much of the infrastructure for this sector which is the same such as airports, communication facilities, 3-5-star hotels, attractions and trained staff, which is a requirement to attract international conference business. Destinations see business tourism as a complement to leisure tourism business in the same way that that the developed destinations do. Conference and business tourism is of high quality, high yield end of the tourism spectrum, which brings large economic benefits for developed and developing countries. Figure 9 illustrates the economic impact of business tourism in the industry. These benefits include foreign exchange earnings and year-round jobs. There is also a potential for future inward investment from conference delegates who liked and were impressed by what they have seen in the country, while attending a conference meeting or event in the county while attending a conference there and return to set up a business operation, or persuade their own employers to do so. There is also a prestige associated with being selected to host a major international conference or event, and some less developed countries may see this as a way to gain a credibility and acceptance on the international political stage.
Roger and Davidson (2016b) explains that the foreign currency which is injected into the destination, is money that is spent by visitors to the city this means that it is ‘new’ spending that is coming into local businesses such as shops, entertainment centres restaurants and taxis. For nations which are greatly dependent on foreign earnings, a single international conference can make a substantial impact on the national economy (Roger & Davidson, 2016b). Business tourism delegates also arguably spend more than other tourists on a per-capita basis (Morrison, 2013). Tax generated for local and central government, can be categorised into two groups either indirect or direct contribution. Indirect contributions are those which originate from taxes and duties levies on good and services supplied to delegates, such as value added tax (VAT) charged on the good consumed at the business event. Direct contributions are generated by taxes on incomes from employment in the business event industry, taxes collected on the profits of businesses operating in the sector, and by the direct levies on delegates such as airport departure taxes (Roger and
Davidson (2016b). Stimulation of investment is also another economic benefit that has been stated in the above figure. The stimulation of investment by stating that the development of the business tourism industry can be induced by the local and national governments to make infrastructure improvements such as better roads, water and sewage systems, public transport and telephone networks, electricity supply, all of which can improve the quality of life for the residents as well as facilitate a further expansion of the MICE industry at the destination (Roger and Davidson (2016b)).

There are also other benefits to the destination besides economic benefits. Hosting destinations and conference venues also have a chance to showcase their skills and capabilities to attract future mega events to the destination, as well as to build up good sense of excitement, community, coherence and pride (Kumar et al., 2014). MICE events are considered to be able to be an image-enhancement tool or as the image makers of modern tourism, and this is the reason why countries compete to host these events (Chiu & Ananzeh, 2012; Seymour, 2016). It is important to note that the value of business events go way beyond tourism. Events are one of the most important forms of training and post tertiary education. Furthermore, they encourage networking between peers in a particular field and increase the level of knowledge of a particular discipline. They also develop and in some case establish particular industries (Seymour, 2016). Business events can also be used as a powerful means of micro economic development or social responsibility, where business event organisers can be coaxed into making use of emerging service providers, mentor the youth and encourage them to enter a the industry, as well as using congresses as a platform for tours to exciting experiences on the outskirts of a destination and as a key selling point for local art and crafts (Seymour, 2016). This is further elaborated by Morrison (2013) who stated that the legacy of business events can be felt long after the high-yield visitors have departed from the destination. These benefits include:

- Exposure to, and promotion of, world’s best practice.
- Networking and enhancing business-to business relationships.
- Education.
- Trade opportunities from exhibitions and commercial sponsorships.
- Exposing original research to the marketplace.
- Leveraging existing exports such as medicine, mining and technology.
- Fundraising opportunities.
- Enhancing international prestige.
- Business migration inflow.
- Showcasing host-nation infrastructure.

Importantly, the MICE industry can also have negative impacts on, and present challenges to a destination. As shown in Figure 9, the public funds needs to subsidize the development and facilities the development of infrastructure necessary for the operation of a significant MICE industry can cost national and local governments a great amount of money and can require substantial outlay of funds long before the first business event arrives in the destination. In order for a destination to be able to equip itself to receive a large number of delegates, the government may need to improve airports, roads and other element of infrastructure. The government might also be required to provide investment incentives, tax breaks and other financial advantages to conference centres and hotel developers as an example (Roger & Davidson, 2016b). Industry cooperation is an essential part of the industry, but perhaps is also the greatest challenge for MICE tourism. It is vital for the success of MICE that stakeholders coordinate in the delivering of their product (Mistilis & Dwyer, 1999). The complexity in the relationship between organisations in MICE tourism and provides greater opportunity to maximise cooperation. Cooperation is important at the associate level, as well as in areas of marketing, planning and training (Mistilis & Dwyer, 1999). Convention and tourism competitive advantage is a growing concern, the synergy between tourism and the convention industry is good or not is largely dependent on the degree of their coordination relationship (Wu & Zhang, 2013). Other challenge mentioned by Morrison (2013) is when there is a taught economic situation travel is the one of businesses first cuts, DMOs are required to incorporate the use of social media network sites. DMOs are also required to rely greatly on other organisations and facilities to execute the business tourism event in a satisfactory way to the client and delegate. Lastly Morrison (2013) mentioned that technology has also become a substitution for travel, with organisation opting to use video conferencing and teleconferencing as a convenient alternative to traditional business events.

With the background to the business tourism sector established, the discussion now turns to explaining the different aspects and functioning thereof.
3.4 CHARACTERISTICS OF BUSINESS TOURISM

Business tourism can involve a substantial leisure element (Rogers, 2013). Incentive travel, for example, may consist entirely of leisure, entertainment and sport. This can also be true for conference delegates, visitors to trade fairs and individual business travellers, excursions to places of entertainment, sightseeing tours or a local restaurant which can be a way of relaxing at the end of the working day. Socialising in this way can be an important part of the business tourism experience for groups, as it gives colleagues or delegates the opportunity to unwind together and get to know each other on a less formal basis. Beaverstock, Derudder, Faulconbridge and Witlox (2010) further argue business tourism remains an important mode of production in firms with amongst other things travel being used to attend firm training sessions and meetings; visit clients to close deals, pitch business or provides product support; and visit sub-contractors and suppliers to monitor quality control negotiate new business. According to Page (2015) there are four main purposes and roles to business tourism (illustrated in Figure 10).

**Figure 10: The purpose and role of business travel**

![Diagram](source: adapted from (Page, 2015))

The MICE industry is a competitive industry and destinations are required to contest against one another to attract and find a competitive edge to win bids for hosting business events (Morrison, 2013). It is an attractive market as a business tourist spends more than double that of a leisure tourist (Seymour, 2016; Whitfield *et al.*, 2012). Business tourism
events also lengthen visitors’ average length of stay; they generate additional business opportunities, whilst increasing employment (Whitfield et al., 2012). Rogerson (2015) argues that business tourism is a critical component the “space of flows” in the global economy, which involves a constant and substantial flow of people from distant places for longer or shorter stays. Therefore, every year destinations worldwide compete in attracting business events (Dragićević et al., 2012). Competitive edge can be obtained through pricing, which is a major factor for site selection, with some destinations offering larger price ‘incentives’ to secure events – an activity regarded as ‘buying the business’ (Morrison, 2013). Promotion of business tourism is generally undertaken by DMOs and is usually done in tandem with promotion of itself as a leisure destination, but can also be undertaken by establishing a separate entity. Regardless of which method, a clear majority of countries and cities around the world have some form of tourism organisation or convention bureau to undertake this promotional task. The costs of establishing and maintaining these organisations can be a considerable drain on the public resources of some countries, especially when in many cases offices must be maintained in key overseas markets (Roger & Davidson, 2016b).

In the tourism industry competition amongst territorial areas is usually not centred on a single aspect of the tourist product (transportation, environmental resources, hospitality, tourism services, etc.), but on the tourist destination as an integrated set of facilities for tourist (Buhalis, 2000; Ritchie & Crouch, 2000). This also holds true for business tourism, as according to (Dragićević et al., 2012), the services provided in a destination and its facilities are critical to the success of the MICE destination. As argued by Page (2015), the choice of venues and locations for business tourism events is a very competitive undertaking. Destinations have to offer sufficient accommodation (if a venue is non-residential), meeting, attraction, good accessibility to the generating markets, as well as efficient transport system within the destination.

There are numerous studies focusing on the factors that are most important for the development of a business tourism destination, though none of these clearly highlight or emphasise the role of the DMO. Seymour (2016) argues that there are 27 factors that determine the success of a business event destination (refer to Table 6).
Table 6: The core variable that relate to business tourism destination competitiveness and success

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS TOURISM FACILITIES AND SERVICES</strong></td>
<td></td>
</tr>
<tr>
<td>Meeting venues</td>
<td>The extent, range and quality of business tourism related venues in a destination.</td>
</tr>
<tr>
<td>Accommodation</td>
<td>The extent or scale, quality and range of tourism accommodation in a business tourism destination.</td>
</tr>
<tr>
<td>Safety and security</td>
<td>Perceptions of the levels of safety and security of a business tourism destination.</td>
</tr>
<tr>
<td>Service levels</td>
<td>Perceptions of overall quality of service delivery and friendliness; of a business tourism destination.</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>Perceptions of the level of grime in a business tourism destination.</td>
</tr>
<tr>
<td>Value for money</td>
<td>Belief that the price paid for a product or service was worth it.</td>
</tr>
<tr>
<td><strong>ACCESSIBILITY AND TRANSPORT SYSTEMS</strong></td>
<td></td>
</tr>
<tr>
<td>Access into and from the destination.</td>
<td>Ease of entry to a business tourism destination and its venues in terms of effort, time and financial costs.</td>
</tr>
<tr>
<td>Access within the destination.</td>
<td>Ability to reach business tourism venues in terms of effort, time and financial costs.</td>
</tr>
<tr>
<td><strong>ENDOWED RESOURCES AND DESTINATION TOURISM</strong></td>
<td></td>
</tr>
<tr>
<td>Climate</td>
<td>Mild weather and climate patterns.</td>
</tr>
<tr>
<td>Distinct experiences, attractions, ambiance</td>
<td>The range and quality of experiences and attractions of a business tourism destination that can add to the overall experience of a business tourism related event.</td>
</tr>
<tr>
<td>Convention bureau</td>
<td>Specialist destination management organisation responsible for the promotion and development of business tourism in a particular tourism destination.</td>
</tr>
<tr>
<td>Professional conference organisers</td>
<td>The extent and range of professional conference organisers in a business tourism destination.</td>
</tr>
<tr>
<td>Destination management companies</td>
<td>The extent and range of destination management companies in a destination</td>
</tr>
<tr>
<td><strong>LEADERSHIP AND MANAGEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Strategic leadership</td>
<td>Committed leaders in a business tourism destination with a vision of developing the business tourism destination and a willingness to provide the necessary resources to realise such a vision.</td>
</tr>
<tr>
<td>Ethical business behaviour</td>
<td>Assuring that the highest legal and moral standards are adopted in relationships with the 11a business tourism organisations business community.</td>
</tr>
<tr>
<td><strong>KNOWLEDGE AND PROFESSIONALISM OF ROLE-PLAYERS</strong></td>
<td></td>
</tr>
<tr>
<td>Skills</td>
<td>The range and level of business tourism related skills in a destination.</td>
</tr>
<tr>
<td>Aggressive bidding</td>
<td>Research to identify business tourism opportunities. Engaging the decision makers responsible for those opportunities. Providing support, including incentives, to pursue those opportunities.</td>
</tr>
</tbody>
</table>

…continues on next page
Table 6: The core variable that relate to business tourism destination competitiveness and success (continued)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>The financial resources that are required to develop and promote the business tourism opportunities of a destination.</td>
</tr>
<tr>
<td>Appropriate technology</td>
<td>The use of the latest communication and meetings technology in meeting venues and by business tourism providers.</td>
</tr>
<tr>
<td>Destination information and research</td>
<td>to guide and monitor the business tourism strategies of business tourism destination and its marketing collateral</td>
</tr>
<tr>
<td>Marketing and communication</td>
<td>Perceptions of the level of grime, in a business tourism destination.</td>
</tr>
<tr>
<td>Image and branding</td>
<td>Overall perception of a business tourism destination.</td>
</tr>
<tr>
<td>Marketing-oriented strategy</td>
<td>Situational analysis of the macro and market environment of a business tourism destination. Development of a focused, long term marketing orientated strategy and short-term action plans to deal with the challenges and opportunities that exist in that environment, and through the innovative use of the extended marketing mix associated with business tourism.</td>
</tr>
<tr>
<td>Pricing</td>
<td>Price of venues and business tourism services relative to those of similar business tourism destinations.</td>
</tr>
<tr>
<td>Networking, relationships and partnerships</td>
<td>Level and extent of relationships which a business tourism destination, particularly its convention bureau and meeting venues, have with meeting decision makers and core intermediaries that make up the business tourism distribution channel.</td>
</tr>
<tr>
<td>Ambassadors</td>
<td>Key opinion leaders, members of international associations, corporate and government departments who are residents of a particular business tourism destination and who can influence meeting decision makers to consider their destination for future business tourism-related events.</td>
</tr>
</tbody>
</table>

**RESPONSIBLE PRACTICES**

<table>
<thead>
<tr>
<th>Practice</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible environmental practices</td>
<td>Adoption of measures to sustain or protect the natural environment by meeting venues and business tourism services in a destination.</td>
</tr>
<tr>
<td>Social responsibility practices</td>
<td>Adoption of measures to uplift the local community</td>
</tr>
</tbody>
</table>

Source: Seymour (2014: 310)

According to Dragićević et al. (2012), there are eight primary categories or choice factors in the selection of a host destination: accessibility (frequency, time, cost, convenience, and barrier attributes); local support (convention and visitors’ bureau/convention centre, local chapter and subsidies attributes); extra conference opportunity (shopping, entertainment, sightseeing, recreation, and professional opportunities); accommodation facilities (cost, service, capacity, security and availability); meeting facilities (layout, cost, capacity, ambiance, availability, security and experience attributes); information (marketing and...
reputation attributes); site environment (climate, setting and infrastructure attributes); and other criteria (such as profitability, risks, association promotion and novelty attributes). Accessibly of the congress site to the majority of attendees, attractive pre- and post-congress vacationing or recreational opportunities, as well as an appealing destination image are also highlighted as critical in the destination selection process. Qua, Lib and Chuc (2000), Crouch and Weber (2002), Crouch and Louviere (2004), Chacko and Fenich (2000) also expressed that accommodation, accessibility, conference facilities, infrastructure system and safety, transportation, and destination attractiveness are all important and major attributes to choose a business tourism destination. (Dragićević et al., 2012) state that a destination needs to create a unique combination of attributes to develop a strong competitive positions using knowledge of the factors that meeting buyers and planners value most in their site choice decisions. This can arguably only be achieved through the collective effort and coordination of the various stakeholders.

3.5 THE STAKEHOLDERS OPERATING IN THE BUSINESS MARKET

Numerous stakeholders from both the demand and supply sides are involved in the MICE industry to enable a destination to host such events. There are two separate levels of buyers which need to be considered and destinations have need a sound understanding of the specific need of each type of buyer (Roger & Davidson, 2016a). The coordination of production, supervision of local managers, meeting with consultants, purchasing of supplies, product serving and marketing all require visits from company officials, technicians or sales personnel (Rogerson, 2015). All these tasks and stakeholders need to be understood by a DMO in order to lead and control the business tourism sector.

3.5.1 Initiators of demand

These buyers represent the primary source for the demand of various conference services and facilities offered by the suppliers in the MICE market. Each type of buyer can be regarded as a market segment in their own right with particular needs and characteristics. The principal segments are as follows (Roger & Davidson, 2016a):
• **Corporate buyers**: Generally agreed to be the largest single market segment. They have a number of important motives for holding meetings. Companies can hold meetings on their own premises, however they understand that there are number of reason of not holding their meeting onsite.

• **Association buyers**: There are countless different clubs, associations, federations and societies which exist throughout the world. They are normally non-profit groups, whose members affiliate with one another as they share a common profession, interest or trade in a specific cause. Member can be drawn locally, regionally, nationally or internationally and therefore the geographical spread of their membership will determine the location of their meetings events. Associations hold meeting for various purposes; however most often these are information/training sessions or the association’s annual conference offering the members the opportunity to meet for one or more days in order to discuss matters of importance to their profession or their common cause.

• **Government and public-sector buyers**: Governments from all level which includes local municipalities to the international, intergovernmental scale, as well as public bodies are all an important part of the MICE sector. Events can be high profile events with extensive media coverage or a smaller event held by the local government.

• **SMERF buyers**: SMERF is the names given to conferences which are held in the social, military, educational, religious and fraternal sectors. They normally include non-profit and association sectors. Meetings occur when groups travel and congregate for a wide rand of purposes such as discussing issues that are pertinent to their lives, reuniting or sharing their common memories, experiences or faith.

As it is noted above each of the MICE market segments have very different characteristics requiring different marketing strategy. The key characteristics if these four principal market segment are summarised in Table 7.
Table 7: Characteristics of the different market segments

<table>
<thead>
<tr>
<th>CORPORATE</th>
<th>ASSOCIATION</th>
<th>GOVERNMENT</th>
<th>SMERF</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The process of deciding where to hold events is relatively straightforward</td>
<td>• The process of choosing a destination can be prolonged</td>
<td>• Considerable variety in terms of length of event and budgets available</td>
<td>• Price-sensitive, regarding</td>
</tr>
<tr>
<td>• But the actual corporate meeting buyer may be difficult to identify within the initiator’s organization: secretaries, personal assistants, marketing executives, directors of training and many others may book corporate meetings</td>
<td>• A committee is usually involved in the choosing of the destination; and the organizers may be volunteers from the association’s membership</td>
<td>• High security measures are indispensable: these meetings are frequently accompanied by demonstration and disruption</td>
<td>• Accommodation rates and venue rates; but more recession-proof than corporate meetings</td>
</tr>
<tr>
<td>• Attendance is usually required of company employees</td>
<td>• Attendance is voluntary.</td>
<td>• Held by organizations that are run by volunteers – so the ask of identifying them can be challenging</td>
<td>• Price-sensitive, regarding</td>
</tr>
<tr>
<td>• Lead times can be short.</td>
<td>• The annual convention may be booked many years in advance</td>
<td>• Frequently held over weekends and in off peak periods</td>
<td>• Price-sensitive, regarding</td>
</tr>
<tr>
<td>• Events typically last 1–2 days</td>
<td>• Events typically last</td>
<td>• Often held in 2nd-tier cities, using simple accommodation and facilities</td>
<td>• High security measures are indispensable: these meetings are frequently accompanied by demonstration and disruption</td>
</tr>
<tr>
<td>• A higher budget per delegate</td>
<td>• 2–4 days</td>
<td>• Attended by delegates who bring their spouses/families and are likely to extend their trips, for leisure purposes</td>
<td>• Price-sensitive, regarding</td>
</tr>
<tr>
<td>• Venues used: hotels, management training centres, unusual venues</td>
<td>• A lower budget per delegate, since for</td>
<td>• Considering some attendees, price is a sensitive issue and they may be paying their own costs</td>
<td>• Held by organizations that are run by volunteers – so the ask of identifying them can be challenging</td>
</tr>
<tr>
<td>• Delegates’ partners are rarely invited, except in the case of incentive trips</td>
<td>• Venues used: conference centres, civic and academic venues</td>
<td>• Venues used: conference centres, civic and academic venues</td>
<td>• Frequently held over weekends and in off peak periods</td>
</tr>
</tbody>
</table>

Source: Roger and Davidson (2016b:8)

Most attendance of MICE events is voluntary with the notable exception of those attending a corporate meeting. Attendees to the event are known as delegates or sometimes called participants or guests and are therefore the ultimate buyers, or the end consumer of the
MICE product. The continuing participation of delegates is essential as the industry cannot function without their participation, and it is therefore vital that delegates experience of the MICE product is a satisfactory one (Roger & Davidson, 2016b). However, the experience of the delegates is greatly dependent on the decisions made by other stakeholders, notably the initiators of the event and the intermediaries working on their behalf. These are the stakeholders who select the destination, the accommodation, the venue and other key features of the MICE product (Roger & Davidson, 2016b). As stated by Seymour (2016), business event delegates are also known to return to the destination at a later stage with their family and friends as a leisure tourists if they had a particularly good experience at that destination.

3.5.2 Suppliers of business tourism products

The supply-side of stakeholders are those who supply facilities and services that are vital to the effective operation of a business tourism event. The supplier of the business tourism product include (Roger & Davidson, 2016b):

- **Venue**: which can range from a basic level where it is a closed space to a location which is purpose-built conference centres. Business events are hosted at a growing variety of venues, these areas can include museums, theatres, cruise ship or more of an “unusual venue” for example product launches and team-buildings were the event is more attractive and memorable.

- **Accommodation providers**: can be independent from the conference venue or part of the venue. Organisers may book a “block” of rooms with a particular hotel or hotels to ensure that their delegates can be accommodated close to the actual conference. Due to the fact that hotel rooms can be substantially filled for several days, a valuable rate can be negotiated.

- **Transport providers**: which are responsible for carrying delegates to and from the conference venue and within the destination.

- **Food and beverage**: meals and refreshment breaks serve a number of purposes beyond sustaining the delegates for example they provide an opportunity for the delegates to network and see each other in a more relaxing setting; or supply context for entertainment or the participation of celebrity speakers like in a gala dinner.
• Technical services: include the provision of audio-visual expertise and equipment which are vital to the effective functioning of most modern conferences.

As stated by Saito and Ruhanen (2017), it is important for stakeholders to utilise and mobilise these various sources at various times to achieve their objectives within a specific context. According to Roger and Davidson (2016a), destination management is very much to do with building partnerships and collaboration across the destination. Bornhorst et al. (2010) stated that the DMOs’ ability to interact effectively with stakeholders in a destination is an important element to succeed. This includes getting input, listening to suppliers, collaborating with stakeholders and being a central rally point.

A vast proportion of all conferences take place with the involvement of some form of an intermediary or intermediaries. They form a link between the supplier and buyers, and the effective functioning of the business tourism market is depend on their specialist knowledge and skills (Roger & Davidson, 2016b). Intermediaries can either work on behalf of suppliers or buyers.

3.5.3 Intermediaries working on behalf of suppliers

3.5.3.1 Destination Marketing Organisations

Suppliers of facilities and service mostly market themselves either individually or through marketing consortia, but also recognising that the success of their own business is partially dependent on the reputation and the image of the destination in which they operate (Roger & Davidson, 2016b). As discussed in the previous chapter, this is the responsibility of the DMOs. As the MICE industry is highly competitive and there is no shortage of a suitable location to host a business event (Dragićević et al., 2012; Roger & Davidson, 2016b), it is generally easier to attract a MICE event to a well-marketed destination (Roger & Davidson, 2016b). The effectiveness of the DMO in this task is arguably dependent on their focus and available resources. DMOs function at different levels and have the dual function of promoting their destination to the leisure market as well as to the business tourism market. The proportion of DMO resources devoted to attracting business tourism events varies largely from destination to destination. However, it is extremely rare for any destination to ignore the conference market entirely (Roger & Davidson, 2016b).
3.5.3.2 Convention and Visitor Bureau

The use of Convention and Visitor Bureau (CVB) originated from the United States (Roger & Davidson, 2016b). Such an entity is usually a not-for-profit and very similar to a DMO but being focused on stimulating interest in the destination among conference buyers who choose to hold their business events within that particular destination, or among intermediaries who recommend them to their clients (Roger & Davidson, 2016b). A CVB may work in tandem with colleagues whose role is to market the same destination for leisure such as holidays, day-trips, short-breaks and so on (Roger & Davidson, 2016b). Similar to a DMO, the CVB is not only responsible for promoting a favourable image for their destination, they also serve as the focus to unify the marketing efforts of the various suppliers operating in the area, providing a shared sense of direction and unity to a range of individual marketing programmes. Harill (2005) describes the CVB as an “umbrella” marketing or promotional agencies, under which a collective of businesses promote their own services and products. This “consolidated” marketing approach can, if applied well, result in a greater unity and strength and therefore enhanced results. A CVB may reflect the same structure as a DMO and the function can be performed at any geographical level: a country, a region within a country, or within a specific town or city; with the vast majority operating at the level of individual cities or town on behalf of suppliers. They do not always work as individuals, but sometimes join forces to market a particular region (Roger & Davidson, 2016b). Regardless of a CVB’s geographical scope and responsibilities, they derive their funding from one or more of the following sources (Roger & Davidson, 2016b):

- Public sector contributions.
- Lodging or hotel transient occupancy taxes.
- Membership fees (From members, such as accommodation providers, venues, transportation operators, etc).
- Contributions from members participating in joint commercial activities.
- Commission charged to venue members in return for conference business placed with them.
3.5.4 Intermediaries working on behalf of buyers

Associations and companies may use their own staff to organise an event, however most buyers rely on the experience and the expertise of a range of professional intermediaries (Roger & Davidson, 2016b). The is mostly the case when the business event which need to be organised is large and complex and technical knowledge is required, or when the event to be held is far from the company’s or association’s office. DMOs also liaise and work with these speciality intermediaries to ensure that the MICE event is a success as the role of a DMO includes developing the education and training of the destination’s workforce which will equip service providers with the skills and knowledge needed to provide an efficient and professional service. DMOs also have an important part in creating understanding and recognition across the community for the economic importance of the MICE sector (Roger & Davidson, 2016b). The five main categories of intermediaries that work on behalf of buyers are subsequently described (taken from Roger & Davidson, 2016b) in order to illustrate the types of assistance that could be required from DMOs.

3.5.4.1 Professional conference organisers (independent meeting planners)

Professional Conference Organisers (PCO) are independent, specialist meeting planners who work on a consultancy basis; being temporarily hired by a company or an association to organise a specific event or series of events. This is in exchange for a fee, they can offer a very comprehensive range of services, including:

- Venue selection, booking and liaison.
- Reservation and management of delegate accommodation promotional.
- Materials, PR and media co-ordination, presentations to organising committees and boards.
- Conference programme planning, speaker selection and briefing.
- Provision of an administrative secretariat, handling delegate registrations, recruitment and briefing of conference staff.
- Co-ordinating of delegates’ travel arrangements.
- Organization of exhibitions, including sales and marketing functions.
- Advising on and co-ordinating audio-visual services and the production of the event, including the provision of multilingual interpretation and translation services.
• Arranging social events, tour programmes and technical visits.
• Arranging security cover and advising on health and safety issues.
• Recording, transcribing and producing the proceedings of meetings for publication, arranging poster sessions, processing of abstracts.
• Preparation of budgets, managing event income and expenditure, generating revenue through sponsorship, exhibitions and satellite meetings, handling VAT and insurance issues.
• Preparation of contracts with venues and other suppliers.

3.5.4.2 Venue-finding services

This intermediary is also known as a conference placement agency. They provide a much more limited service, however one which is extremely valuable to any buyer who simply needs a few suggestions of where their meeting can be held. They can save the client, time and effort by finding them a suitable venue for the event. They undertake the necessary research based on the information provided by their client. The agency may also set up viewing appointment for their clients. This service is usually provided free to the client as the agency will receive a commission from the venue which was booked.

3.5.4.3 Association management companies

The management of associations include the undertaking a considerable number of tasks: such as attracting and maintain members, public relations and lobbying on behalf of members, financial management, training opportunities and providing education for the members, publishing the annual report of the association newsletters, and organising an annual conference and other events. These duties were normally undertaken by a volunteer staff from the association's own membership or in the case of a large associations, by a full time salaried staff based in their headquarters. However, over the last few decades, many associations have become aware that there are limitations in this model. As the staff, might not have the necessary skills and expertise to carry out these tasks effectively; and maintaining a full-time staff and office may result in major investment in overheads for the association. Therefore, many associations turned to an association management company (AMC) to provide a professional management of their association. An AMC is a firm which has skilled professionals whose goal is to provide management
expertise and specialised administrative services to professional societies and trade associations in a cost-effective way.

3.5.4.4 Destination management companies

A destination management company (DMC) assists organisers of large, complex conferences to perform their jobs effectively, particularly in a destination which the organiser is unfamiliar. DMC are also known as “ground handlers”, these intermediaries are agencies that are based in the host destination, and their valuable contribution to the event planning process derives from their familiarity of the local suppliers as well as their in-depth knowledge of the destination; this includes the knowledge of services as well as language and customs of the destination. DMCs act, therefore, PCOs and other event planners, as the realm local contractor for logistical services. They can provide with a range of service including creative proposals for special events within the meeting; pre-and post-event tours; VIP amenities and transportation; shuttle services; staffing within the conference centre, entertainment, on-site registration services, and accommodation services.

3.5.4.5 Conference production companies

A conference production company is normally used for a high-profile event which requires advanced specialised technical facilities and expertise. These intermediaries are a valuable source if the ideas and inspiration necessary to make the meeting memorable—especially in case where the event is important such as an award ceremony, product launches and other motivational events. Technical knowledge and creativity are essential qualities that the production company brings to the success of the operation. They are particularly valued for in the field, design and printing of conference materials, lighting, sound, projection, stage/set design, script writing, video production and web-streaming.

It is evident that DMOs need to understand the requirements of these varied intermediaries in order to tailor marketing efforts and support services for them as distribution channels of the business tourism product. Understanding of the business tourism product components is also essential to determine whether a destination adequately provides these resources and identify areas that need further development to
present the destinations as attractive option. The next section touches on other strategic tasks that need to be performed in a destination to develop business tourism.

3.6 STRATEGIC TASKS IN THE DEVELOPMENT OF BUSINESS TOURISM

Apart from promoting the destination as an attractive business tourism host and coordinating the various stakeholders, governments need to take a strategic approach to business tourism development. Destinations need to develop a balance of convention products, which is in line with market segments being targeted for their main business (Roger & Davidson, 2016a). DMO/government development of business can entail looking at local planning regulations which ensures that the facilitation and rather does not hinder appropriate product investment, as well as proactively approaching potential investors in order to stimulate and attract new investments. Management of the destination also means protecting product which have been developed with the use of a sustainable policy (Roger & Davidson, 2016a).

DMO and stakeholder investment has been discussed in the previous chapter, however one of the emerging trends in recent years, and one that is certainly grow, which is being adopted by many cities is the strategy of aligning their bidding for events with their strengths of their particular local economy. This is not just local industry and commence such as manufacturing and service sector businesses but also a look at the local “knowledge economy”. The “knowledge economy” encompasses research centres, universities and institutes and so forth. The alignment of strategy assists the destination in marketing as the budget is finite. It is therefore appropriate to target not only those events that they have the most chance of winning but also those that have synergies with the destinations’ own economy (Roger & Davidson, 2016a). The alignment of strategy can result in a gain of more support from the city to attract conferences and events from these particular sectors. Meetings and events can support foreign direct investment and grow these sectors, having a take-up effect on the sectors and create and support new jobs (Roger & Davidson, 2016a).

A subvention fund is also an important element in the development of business tourism within a destination at strategic level. Roger and Davidson (2016a:193) define subvention
as “grant of money, especially from a government”. Subvention is often seen as an increasingly as a requisite component in bids to secure international and often national business tourism events. Subvention can take variety of forms from monetary and in-kind support such as provision of a civic reception (Roger & Davidson, 2016a). The key objective and uses for subvention includes the following:

1. To attract high spend, high yield international conferences linked to a country’s areas of expertise in commerce, sciences, industry and medicine, which boosts the economy and benefit inward investment.

2. To enable a destinations cities and country to be competitive within the international conference market.

3. To attract additional international conferences that may be attracted without subvention.

The funding and loan to associations have become increasingly popular; these enable funding allocations to be recouped by the city and assists both parties (association and city) to attract more delegates through the increase of marketing (Roger & Davidson, 2016a). Destinations that provide subvention evaluate the qualification of associations applying through the analysis of the economic benefit generated by business tourism events. This can include room nights, total spend value and other values such as marketing, PR or profits gained as a result of the business meeting taking place. Many require accommodation of delegates to book through the DMO’s own booking services in order to qualify and justify the subvention which has been provided. Other evaluation criteria include the synergy of the conference content with the specific strengths of the local destination economy and with the ambassador recruitment to assist in the bidding process (Roger & Davidson, 2016a). There has also been a trend in which national governments are increasingly lending their support to regional/city convention bureaus in the process of bidding for and delivering of major business tourism events (Roger & Davidson, 2016a). Apart from these strategic functions, other functions performed by governments and that are more frequently provided include practical support such as welcoming receptions, banners within town, and welcome desks at ports of entry which are all provided free of charge to conferences.

South Africa as the case study of this research is subsequently presented.
3.7 BUSINESS TOURISM IN SOUTH (AND SOUTHERN) AFRICA

South Africa has been recognised the potential of business events to improve the country’s knowledge economy, and by hosting international events in which South Africa is a global leader (Roger & Davidson, 2016a). The growth of business tourism in South Africa is also evident as illustrated in Figure 11.

Figure 11: Location of Exhibitions Venues and Available Exhibition Space

Source: Rogerson (2005:188)
MICE tourism in South Africa has been identified as an important growth market for provinces, particularly in the Western Cape, Gauteng and KwaZulu-Natal (Donaldson, 2013) as illustrated in Figure 12.

Figure 12: Spatial distribution of business tourism in South Africa

![Spatial distribution of business tourism in South Africa](image)

**Source:** Rogerson (2015)

The WTTC has estimated South Africa’s business travel industry to have had a spend of R 94.1bn in 2016, is expected to grow by 3.1% in 2017 to R 189.6bn, and is set to rise by 5.6% per annum to R 326.6bn in 2027 (WTTC, 2017). The increase of business tourism in South Africa is evident from the increase in the number of trips in terms of total tourism trips for the period 2001-2012 (refer to Table 8) (Rogerson, 2015).
Table 8: Business tourism trips in South Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of trips</th>
<th>Share of all trips (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2 501 190</td>
<td>10.8</td>
</tr>
<tr>
<td>2002</td>
<td>2 952 393</td>
<td>10.5</td>
</tr>
<tr>
<td>2003</td>
<td>3 241 228</td>
<td>10.2</td>
</tr>
<tr>
<td>2004</td>
<td>3 169 645</td>
<td>9.7</td>
</tr>
<tr>
<td>2005</td>
<td>2 947 301</td>
<td>9.0</td>
</tr>
<tr>
<td>2006</td>
<td>3 057 722</td>
<td>9.2</td>
</tr>
<tr>
<td>2007</td>
<td>3 302 765</td>
<td>9.9</td>
</tr>
<tr>
<td>2008</td>
<td>3 509 457</td>
<td>10.4</td>
</tr>
<tr>
<td>2009</td>
<td>3 645 532</td>
<td>9.9</td>
</tr>
<tr>
<td>2010</td>
<td>3 817 381</td>
<td>10.2</td>
</tr>
<tr>
<td>2011</td>
<td>3 880 742</td>
<td>10.9</td>
</tr>
<tr>
<td>2012</td>
<td>4 106 219</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Source: (Rogerson, 2015)

The Cape Town and Western Cape Convention Bureau has secured 47 bids with a combined estimated economic impact of R590 million between 2011 and 2016. This translates into 22 combined conference days and a potential 173 550 bed nights (Donaldson, 2013). The macro economic impact of business events in South African province of Kwa-Zulu Natal alone is an annum amount of well over R3 billion (Seymour, 2016). The collective impact across South Africa is conservatively estimated at direct spending of R1 million; generating or maintaining some 7 – 8 jobs for a period of a year. Some of 60% of these jobs are menial in nature and 40% are more highly skilled jobs. This spend helps to keep hotels full in times when leisure tourism is low and other tourism services such as taxi driver operating and tour operators (Seymour, 2016).

The former Minister of Tourism (2009-2014), Marthinus Van Schalkwyk, affirmed the importance of business tourism at a national level and stated that the newly formed National Conventions Bureau played an important role (Donaldson, 2013). The National Conventions Bureau, better known as South Africa National Convention Bureau (SANCB) is a division of SAT and deals exclusively with growing the business events industry in
South Africa. According to Van Schalkwyk (2012), “the conferencing industry holds immense global potential to boost our international arrivals further. In 2011, 10 000 association meetings rotated worldwide, 6500 of which were regional and 3 500 international. Africa hosted only 304 meetings, and South Africa only 86. South Africa is currently ranked number 37 globally”. This indicates that even though the country has only managed to secure 200 international conferences for the next five years, which are estimated to attract at least 300 000 delegates and provide an increase of more than R1. 6 billion for the economy, there is still opportunity left to grow (Donaldson, 2013). Therefore, the role of SANCB has become extremely important. SANCB aims to provide a “one stop” solution for assistance and independent information, giving neutral advice on all aspects of organising and hosting a business event in South Africa (Kotze-Nhlapo, 2014). They co-ordinate national bidding, undertake collaboration and research with city and provincial convention bureaus to promote business events in South Africa (SANCB, 2013).

A deeper understanding of the role of the DMO and clear conceptualisation of the various tasks arguably stands to benefit any destination that has either already benefited or that wants to tap into this lucrative market. With this task in mind, the research methodology of the study is presented in the next chapter.
CHAPTER 4: RESEARCH DESIGN AND METHODS

This chapter provides a detailed account of the research methodology chosen by the researcher to achieve the objectives of this study. It describes the research philosophy driving the approach as well as the broad research design and description of inquiry strategy. The sampling plan used is outlined before a description of the data collection method is given. The analysis techniques used is explained in the section of data analysis followed by a motivation for quality and rigour and ethical consideration.

4.1 RESEARCH PARADIGM / PHILOSOPHY

This study was conducted from an interpretivism point of view as the researcher conducted the study amongst human beings in order to have an in-depth understand their role as social actors within the tourism industry (Saunders, Lewis & Thornhill, 2012). An attempt was made to uncover which roles and functions need to be performed in a destination in order to develop it as a business tourism destination; thus, aiming to understand the reality as socially constructed by participants. An interpretivist approach is deemed suitable when management or business research is conducted, in order to have an in-depth exploration of meanings as socially constructed participants (Saunders, Lewis & Thornhill, 2009).

Interpretivism ontology indicates that the researcher accepts their inseparability from reality and further acknowledges that the knowledge is socially constructed. The epistemology of interpretivism states that interpretivists create knowledge reflecting on their own experiences, cultures and goals. In order for this knowledge to be produced, the researcher has to socially interact with participants and understand the reasons behind the participants’ actions. The axiology of an interpretivist researcher suggests that the researcher is bound to the research being conducted and will therefore be subjective (Saunders et al., 2009). An interpretivist point of view is normally coupled with qualitative research, as it requires the researcher to conduct in-depth investigations amongst a small sample (Saunders et al., 2009). This was also the case for this study as will be explained next.
4.2 DESCRIPTION OF INQUIRY STRATEGY AND BROAD RESEARCH DESIGN

The purpose of this study was to determine which unique functions and roles are performed by a DMO in order to develop business tourism within a destination. In seeking to understand this phenomenon the study aimed to address five empirical research objectives namely:

- To determine whether DMOs have policies with regards to business tourism on a local, regional and national level.
- To determine the differences in DMOs’ strategies for business versus leisure travel promotion.
- To determine the role played by DMOs with regards to bidding for international business tourism events.
- To determine how DMOs collaborate and facilitate communication with suppliers of business tourism products.
- To determine how DMOs at a national, regional and local level communicate with each other in terms of developing business tourism.
- To develop a framework for effective development of business tourism by DMOs.

Qualitative research is fundamentally grounded on a constructivist philosophical position, being concerned with how the complexities of a socio-cultural world is interpreted, experienced and understood in a particular context as well as at a particular point in time (Bloomberg & Volpe, 2012). Qualitative research is an umbrella term covering many research approaches that assist us in understanding and explaining the meaning and complexities of phenomena with as little disruption to the natural setting in which the phenomena occurs (i.e. “the real-world”) (Kotzé, 2013; Leedy & Ormrod, 2013). It intends to examine or interact in a social situation by allowing the researcher to enter the world of others and attempts to achieve a holistic rather than a reductionist understanding (Bloomberg & Volpe, 2012). Qualitative research is also associated with an interpretive philosophy where the researcher wants to find out why and how the phenomena happens as well as more importantly, why it happens the way it does (Kotzé, 2013). Emphasis is on description and discovery, and the main objective is generally focused on the extraction and interpretation of the meaning of experience. These objectives are in contrast with those of quantitative research, aimed at the testing of hypotheses in order to establish...
facts and to distinguish and designate relationships between variables (Bloomberg & Volpe, 2012). It was the researcher's contention that a purely quantitative method was unlikely to extract the rich data required to achieve the research purposes. In the view of the researcher the fundamental assumptions and key features that distinguish what it means to proceed from a qualitative position matches the study. These features include:

- Understanding of the processes by which the events and actions take place.
- Ability to develop a contextual understanding.
- Ability to facilitate interaction between the researcher and participants.
- Ability to adopt an interpretive stance.
- Maintain design flexibility.

Within the framework of a qualitative approach, this study was most suited for a case study design. A case study is an intensive description and analysis of a phenomenon, social unit, or system bounded by place or time (Bloomberg & Volpe, 2012). Myers (2013:78) defines case study research as the use of “empirical evidence from one or more organisations where an attempt is made to study the subject matter in context. Multiple sources of evidence are used, although most of the evidence comes from interviews and documents”. There are three aspects of case study research: firstly, case study research in business almost always involves a firm or organisation even if the main topic, subject matter or issue being studied is not the firm or organisation being observed. Secondly, it does not normally involve participant observation or fieldwork but rather on interviews. Lastly, case study research can be conducted according to interpretive, positivist or critical tenets of which is regarded to be good research. As Merriam (1998) indicates, qualitative case study can be seen as an ideal design for understanding and interpreting economic phenomenon. She describes it as “employed to gain an in depth understanding of the situation and meaning of those involved. The interest is in process rather than outcomes, in context rather than a specific variable, in discovery rather than confirmation. Insights gleaned from case studies can directly influence policy, practice, and future research” (Merriam, 1998:19). The study well suited Merriam’s and Myers criteria because it looked to better understand what unique factors and roles DMOs are required to perform in order to develop business tourism within a destination.
The following are appropriate descriptors that best describe the broad research design of the study:

- **Empirical study**: Both primary and secondary data was collected and analysed; thus, making it a multi-method qualitative study.

- **Basic research**: Basic research was conducted as it is not fully understood as to what unique factors are required by destination to develop business. Basic research aims to obtain new or greater knowledge of an experimental or theoretical nature on a specific topic and is problem-solving based and focuses on solving complicated, or not fully understood questions (Cooper & Schindler, 2014).

- **Qualitative data**: The data collected was non-numerical and included words through semi-structured interviews and text analysis (Kotzé, 2013).

- **Cross-sectional research**: The research was collected at a single point in time, representing a snapshot of that point in time, with no repetition over an extended period of time (Cooper & Schindler, 2014).

- **Communication research**: Primary data was collected by posing questions to respondents and gathering their responses through personal or impersonal means (Cooper & Schindler, 2014). Secondary data sources such as websites and documents were also analysed to address the research problem.

- **Descriptive research**: The aim of this study was to provide an in-depth description of the function required by DMO to develop business tourism in a destination.

This study was neither conducted in field conditions nor in laboratory conditions, as field research occurs under actual environmental conditions and laboratory research under staged or manipulated conditions (Cooper & Schindler, 2014). The study gathered information from respondents via telephone interviews, email and face-to-face interviews as illustrated in Figure 16 pg 80 and therefore the respondents were in a modified participant routine (Cooper & Schindler, 2011). As respondents were aware that they are participating in the study, they are out of their normal routine, meaning that their awareness could have influenced the outcome of the research (Cooper & Schindler, 2011).

The use of multiple methods and triangulation was critical in order to obtain an in-depth understanding of the phenomenon under the study. This strategy added breadth, depth
and rigor to the study and provided corroborative evidence of the data obtained (Bloomberg & Volpe, 2012). Triangulation was done through checking presentations and strategic documents provided, comparing against what the participant had described in the interviews, as well through information available on website of participants.

4.3 SAMPLING

4.3.1 EMPIRICAL DATA

Non-probability sampling was used as the probability of any particular member of the population being chosen is unknown (Zikmund & Babin, 2010). Convenience sampling in the form of purposive sampling is aimed at sampling participants that are thoughtfully, purposefully recruited based on their knowledge or expertise. Purposive sampling is typically used in case study methodology (Bloomberg & Volpe, 2012). The researcher strived to contact the CEOs of the sampled companies, as it is assumed their opinions can be generalised as the opinions of the company as they are the ultimate decision makers of the company. In the case where a CEO was not available, the manager in charge of business tourism was approached. Thus, expert sampling was used. Expert sampling is a type of purposive sampling technique which is used when a researcher needs to gather knowledge from individuals that have particular expertise (Etikan, Musa & Alkassim, 2016). In this study the expert needed to have knowledge of the roles performed by DMOs and how they fit into the larger tourism system as well as the situation of business tourism within selected the destination. The expertise was required during the exploratory phase of the qualitative research to highlight potential new areas of interest or opening doors to other participants (Etikan et al., 2016). The criteria for selection were:

- CEO/Managers managing the national DMO and convention bureau.
- Individuals managing the regional DMOs in the Western Cape, Kwa-Zulu Natal and Gauteng. These provinces were chosen as they are regions with the largest business tourism influx.
- Individuals managing three local DMOs from Western Cape, KwaZulu-Natal and Gauteng. This was chosen based on the size of business tourism within these provinces.
- Individuals managing the major convention centres and convention bureaus in the Western Cape, KwaZulu-Natal and Gauteng. These convention centres were chosen by the size of business tourism events that they can host.

The researcher aimed to have a total of 16 respondents as illustrated in Figure 13 and Figure 14.

**Figure 13: DMOs aimed to be interviewed**

![Diagram showing levels of DMOs and targeted conference centres]

**Figure 14: Conference centre targeted to be interviewed**

- Cape Town Conference Centre
- Durban Conference Centre
- Sandton Conference Centre (Johannesburg)
- CSIR Conference Centre (Tshwane)
A total of 13 respondents were interviewed (with the profile depicted in Figure 15). The organisation and individuals interviewed have been renamed as the anonymity of the participants is important; therefore, the names of the organisations and participants are not mentioned in the study. The interviewed respondents were from a national, regional and local level; they differ as some DMOs have convention bureaus and other DMOs do not. These DMOs as well as conference centres were referred to as per these codes in the data analysis and discussion chapters. Regarding the sample size, there is no set number of participants that are required to participate in a qualitative study to make it valuable. Marshall (1996:523) states that “[a]n appropriate sample size for a qualitative study is one that adequately answers the research question. For simple questions or very detailed studies, this might be in single figures…” The fact that South Africa’s major business tourism provinces, namely Western Cape, Kwa-Zulu Natal and Gauteng have one regional DMO each and there is only one national DMO for South Africa, restricted the possible number of participants. Furthermore, within these regions very few LTOs were found that actively promote business tourism and would possibly have a formal strategy in place. The sample included major conference centres of South Africa. Despite the limited sample size, the researcher believes that current practise on business tourism in South Africa was efficiently capture through including the sample of experts from leading organisations and role players in the sector. The use of only experts can result in saturation which forms an important part of the scientific process of a qualitative study, this is where no new information is achieved. This supports the small number of participants where the “how” and the “why” of research is more important. The fact that organisations at all three levels (national, regional/provincial, local) and of varied nature/functions were included, could also be regarded as a strength of the sample.

**Figure 15: Participant profile**
4.3.2 SECONDARY DATA

The secondary data was collected after the interviews were conducted and data from the interviews had been categorised. The aim of the secondary data was to verify information provided in the interviews. Therefore, the primary data was used to determine the content of secondary data to be collected. Secondary data was collected by means of the internet focusing on the websites of the interviewees. Documentation provided by the interviewees were also collected.

**Table 9: Secondary data sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Number</th>
<th>Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Websites</td>
<td>13</td>
<td>DMO 1 – 9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CC 1-4</td>
</tr>
<tr>
<td>Tshwane Tourism Association meeting presentation</td>
<td>3</td>
<td>DMO 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 5</td>
</tr>
<tr>
<td>Strategic documents</td>
<td>4</td>
<td>National government, DMO 1 (2015)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 3 (2016/17)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 2 (2013)</td>
</tr>
<tr>
<td>SANCB Factbooks</td>
<td>4</td>
<td>DMO 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DMO 3</td>
</tr>
<tr>
<td>South Africa Bidding report</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td></td>
</tr>
</tbody>
</table>

The following sources were analysed:

- Local and regional DMO websites in order to identify whether these DMOs offer information, and what type of information is offered about business tourism on their respective websites. The DMO websites analysed were from all interviewed respondents. The analyses also determined which website links are provided to other suppliers.

- Conventions bureau websites to identify and compare the information to the public with regards to business tourism and how this information relates to the information provided on the DMO websites.

- Convention centre websites in order to identify and compare information provided on DMO websites on business tourism.
The criteria for selection of the secondary data sources were:

- Websites were required to be the official websites of the DMOs or convention bureaus.
- Websites should have been updated in the last three years.
- Other source should have been updated in the last five years.
- Strategies should have been updated in the last 15 years.

It should be noted that when using secondary data sources problems with availability, quality of data and format might occur. The extent of the problem will vary for source to source. The following issues need to be kept in mind when using secondary data (Bryman & Bell, 2014; Saunders et al., 2012):

- Reliability and validity.
- Personal bias: Information which is collected from personal diaries, magazines and newspapers may have issue with personal bias as the writers are more likely to exhibit less rigour and objectivity.
- Availability of data: Data which is required might not be freely available, or might be expensive to obtain. There might be no secondary data available (i.e. organisation not having a website).
- Format and definition of terms: The terms and format which is used in the secondary data may be presented in a different form than the study.
- Absence of key variables: One or more key variables may not be present. The inability to examine a missing variable can arise.
- Complexity of the data: Some datasets have large number of respondents and variables so it can be problematic to manage the volume of data. Hierarchical datasets are also collected at an individual and organisational level. The researcher needs to determine which level of analysis to employ.

The research experiences two main issues with the collection of secondary data: firstly, a lack of availability of strategic documents and up-to-date websites; and secondly, the different formats and definitions of terms across the cases. The number of strategy documents was dependent on availability in the public domain. Other relevant documents/sources arose as referrals during the interview process.
4.4 DATA COLLECTION

4.4.1 PRIMARY DATA

Primary data was collected through conducting interviews face-to-face, via email and telephonically of the instruments were semi-structured in-depth interview. The interview method was deemed most useful for this study because it offered the opportunity to elicit rich, thick descriptions. Further, it gave the researcher an opportunity to clarify statements and probe for additional information. The major benefit of collecting data through semi-structured interviews was that it allowed the researcher to capture participants’ perspectives of business tourism development (Bloomberg & Volpe, 2012) Questions were explained thereby reducing errors in data collection where the interviewer could have been misunderstood.

4.4.1.1 Interview Process

The researcher sent individual e-mails to prospective participants describing the purpose of the study, inviting them to participate in the study and requesting a convenient date and time for a telephonic, face-to-face, skype or email interview (Appendix C, p.132). Responses from four DMOs and one conference centre were received after reminders were sent. Due to a lack of email response the researcher attended a prominent tourism trade show on the national calendar, Indaba held at the Durban ICC from 7 to 9 May 2016 in order to get more respondents. The researcher made appointments in advance where possible. At the trade show the researcher was able to conduct seven interviews with six DMOs and one conference centre; however, two interviews were not used as their final content did not fit into the scope of the study. Lastly the interviewer received two referrals from a participant (snowball sampling) leading to an additional telephonic and email interview. Figure 16 below represents the data collection and final sample in a diagram:
4.4.1.2 **Data collection instrument**

The participants were asked to answer a series of questions in a face-to-face interview by using a semi-structured interview schedule (refer to Appendix A pg. 126). The interview had freedom in terms of its structure, question wording, order and contents. This enabled the researcher to ask questions which are relevant to the situation. An interview enabled the researcher to explore intensively and extensively and dig deeper into the research objectives.

The research used the six stated research questions as a framework within which to develop the interview questions. A series of probing questions were also included. These questions were derived from the literature. A pilot test was conducted through expert evaluation by using tourism industry professionals and feedback was incorporated to ensure that all information required to answer the research questions was likely be gathered from the questions.
4.4.2 SECONDARY DATA

Secondary data was collected by means of major search engines, by visiting the associated official webpages of the DMOs, convention bureaus and convention centres of the participants interviewed, as well as any available documentation they found relevant to share. These documentations included strategic documents, which are made available to the public, presentation which were made to industry by participants as well as national government strategy documents which have been published.

4.4.3 DATA STORAGE

The primary data received was treated as confidential and has been stored on the researcher’s computer, which is password protected. Some information was received electronically; other information was recorded on a tape recorder, after which it was electronically transcribed. Additionally, the information received was printed out and will be kept, for a period of 10 years, in the researcher’s Home Department at the University of Pretoria, where only the supervisor and Head of Department will have access to the data. The secondary data analysed is freely available on the internet and permission was given to attend an association meeting to use and therefore not treated as confidential.

4.5 DATA ANALYSIS

The challenge throughout data collection and analysis is to be able to make sense of the large amount of data, reduce the volume of information, be able to identify significant patterns, and construct a framework (Bloomberg & Volpe, 2012). According to Bryman and Bell (2014) content analysis can be performed through concepts and then categorisation. In order to ensure quality of the data the researcher recorded the interviews. All of the tapes from the interviews were then transcribed. The use of transcripts made it easier for the researcher to pick up on details. A content analysis was then carried out manually. The formal process of data analysis began with assigning alphanumeric codes according to the descriptors and categories of the study’s research instrument. The researcher organised themes into a chorological order, the data was then categorised, categories were clustered
into meaningful groups. A pattern was identified and then synthesised and generalised. Once a pattern had been identified the data was coded and developed into a conceptual framework. Once a conceptual framework was created, the secondary data was used to guide as well as verify the primary data that was collected from the interviews. The secondary data was therefore grouped according to the categories created in the first step of the data analysis process.

**Figure 17: Data analysis process**

4.6 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE STUDY

There are two types of main errors which can occur when using in-depth interviews as a qualitative research method namely interviewer bias and/or interviewee bias (Kotzé, 2013). Interviewer error is where the non-verbal behaviour, comments and tone of the interviewer create bias in the way in which the interviewee responds to the questions being asked. This may occur when the researcher is attempting to impose their own beliefs and frame of reference through the questions that are asked. This can lead to interviewee or response bias. To avoid this type of bias it was important for the interviewer to be well prepared.
Researcher tool measures to overcome interviewer and interviewee bias included the researcher having an adequate level of knowledge about the context of the organisation within which research interviews were conducted. An appropriate interview location was selected to ensure that participants spoke without any bias. The researcher focused on the nature of the opening question and the approach to which questions were asked, to ensure clarity and to avoid answers being lead in a specific direction. The researcher was aware as not to cause impact during the interview by attentively listening as well as recording data accurately and fully (Zikmund, Badin, Carr & Mitch, 2012). Other challenges faced in qualitative research is validity/credibility and reliability/dependability and transferability (Bloomberg & Volpe, 2012) and were addressed as explained in the following sections.

4.6.1 VALIDITY AND CREDIBILITY

This refers to whether the participants’ perceptions are the same as the researcher’s portrayal thereof does the researcher accurately represent what the participants think, do and feel. Support of credibility and validity is evidential and can take many forms (Bloomberg & Volpe, 2012). This includes clarification of bias up front, which is important, the researcher continuously monitored her own subjective perspective and biases by recording reflective field notes and keeping a journal throughout the research process. The researcher checked the interpretation of the processes and whether interaction was valid by collecting multiple sources of data. The information provided by these different sources was compared through triangulation in order to corroborate the researcher’s conclusion. Triangulation of the data collection methods also lends to credibility. The uses of multiple methods corroborate the evidence which is obtained via different means (Bloomberg & Volpe, 2012; Bryman & Bell, 2014).

4.6.2 RELIABILITY AND DEPENDABILITY

Work can be considered as reliable when two researchers study the same phenomenon and will come up with compatible observations. Dependability refers to whether one is able to track the procedures and process used in collecting the data. Reliability and dependability is not assessed through statistical procedures. Tracking of the process was
done (Bloomberg & Volpe, 2012) by providing a detailed and thorough explanations of how the data was collected and analysed. Furthermore, peers/colleagues were asked to code four interviews, this established inter-rater reliability. This process of checking on the consistency between raters can reduce the potential bias of a single researcher collecting and analysing the data.

4.6.3 TRANSFERABILITY

Although qualitative researchers do not have the expectation for their findings to be generalised to all other settings, it is likely that the lessons learnt in the one setting can be used in another. Transferability is not whether the study includes a representative sample but rather how well the study has made it possible for the reader to decide whether similar processes will be able to work in their own communities and settings. This is done by understanding in-depth how they occur at the researcher’s site. Therefore, transferability can be referred to as the ability to fit or match between the research context and other contexts as judged by the reader. The researcher aimed to increase trustworthiness and transferability (Bloomberg & Volpe, 2012) by providing rich descriptions of the state of business tourism in the case study through detailed explanation of industry practices and the environment in which entities have to operate; including vivid descriptions of participants’ experiences. Furthermore, detailed information was provided regarding the context and/or background of the participants and by explaining the profile, similar DMOs and destinations may relate to the context, thus making the knowledge transferable.

4.7 RESEARCH ETHICS

In any research study, ethical issues are related to the protection of the participants. A social science researcher is responsible for both informing as well as protecting the respondents. The research process involves enlisting voluntary cooperation, and it is a basic premise that participants are informed about the study’s purpose (Bloomberg & Volpe, 2012). The researcher met the needs of the Research Ethics Committee. No work was plagiarised, and all resources needed were referenced in the study. Participants were not provided with any monetary or non-monetary incentives. The researcher obtained written consent from the organisations to participate in the study. All participation in the
study was voluntary and respondents had the right to withdraw without any negative consequences, along with the right to privacy and confidentiality as the anonymity of the participants are important, the names of the organisations or the participants are not mentioned in the study; with the only exception of the national DMO and CVB. The researcher was required to remain objective, honest and have integrity at all times. This includes no falsification of data and misleading or false reporting of research findings (Kotzé, 2013).
CHAPTER 5: RESULTS AND DISCUSSION

In this chapter the results from the data collected are analysed and discussed. The sections follow the order of the objectives stated in Chapter 1: the position of business tourism in South Africa and strategies in place for business tourism; the roles that DMOs play in developing business tourism; how DMOs bid for events; how DMOs communicate with across the different tiers; how DMOs communicate with stakeholders (also whether the message being communicated to the target market is consistent across different platforms and amongst stakeholders); and lastly challenges faced with developing business tourism. The section integrates the primary data from the interviews with secondary data collected to further strengthen, elaborate and clarify the discussion.

5.1 THE IMPORTANCE AND POSITION OF BUSINESS TOURISM IN SOUTH AFRICA

5.1.1 BUSINESS TOURISM VS LEISURE TOURISM

Participants were asked why it is important to have business tourism in a destination. Most of the participants mentioned that business tourists spend much more than leisure tourism with CC1 stating that:

“business tourism can also be responsible for induced leisure tourism …. some of those delegates who might be here, the company or the association is paying for them to attend the conference they are so impressed with South Africa as a destination many of them return on their own buck with their families in subsequent years and it is further investment that is induced by that. It is a driver of leisure tourism in one sense but without that just the money that they spend for business tourism for the purposes generally conferences or incentives is far greater per-capita than all the leisure tourists who is spending money out of his own pocket that just a fact. That is the number one reason I think that why it’s so important for a destination”

Business tourism leads to a positive economic impact which results to having economic growth benefits. The more people spend in the country and city, especially foreign visitors, the more money becomes available to plough back into the economy (CC3). It also results
in sustaining and creating jobs (CC2, CC3) by maximizing worker development (CC4). Business tourism also alleviates seasonality to a great extent, especially in other traditional leisure peak demand periods (CC1), by enriching the event calendar of a city (CC4). These business events and meetings leave behind a knowledge legacy (DMO2) while developing a “knowledge economy and capacity of professional in a particular destination” (DMO3). It enhances the reputation/image of a destination and stimulates further business flow (DMO3). It can also attract new business into the destination (CC4) and promotes industry within the destination (DMO3). This is in support to the statement UNWTO (2007) and Morrison (2013) made that image of a destination is fundamental for attracting visitors to a destination (UNWTO, 2007) and awareness is an attribute which is related to the tourists knowledge of the destination (Morrison, 2013).

Participants were asked what the fundamental differences are between leisure and business tourism and how these two markets are approached respectively. The fundamental differences stated by DMO1 is that when a destination is marketing and promoting they “don’t speak to a personal pocket” with regards to business events as the delegate does not have to pay from their own pockets to attend the business event. In most instances their organisation will pay for the delegate to attend the event, therefore as stated by DMO1 this also results in them bringing people with them as they may then have personal funds available. Another difference is that “delegates don’t have a choice. If they want to attend an international meeting they have to go to that particular destination. Therefore, the destination has a ‘captive audience’.” As the delegates will be travelling to the destination, the DMO/CB then has the opportunity to speak to the delegates in such a way that “they love the place so much that they want to come back.”

This is in contrast to leisure tourism and leisure marketing (DMO1): firstly, potential tourists need to determine if they have the disposal income to go on holiday; secondly, exposure to market material does not directly translate into leisure travel to the destination. In the case of business tourism, a delegate does not have a choice in whether or not to travel to the destination. Another main difference is that associations hold events for three main reasons: “education, regulation and networking” and when a destination bids to host an event they need to ensure that they are able to provide the delegates with an opportunity to network with each other. There is a knowledge base being made available in that
particular destination which will be a motivation beyond the destination itself as it will result in an opportunity to learn and be educated and have inputs into regulations that would not otherwise be possible to individuals (as stated by DMO1, CC1, CC2 and DMO2). This is supported by Page(2015) purpose and role of business tourism, as mentioned in the previous chapter.

5.1.2 BUSINESS TOURISM IN SOUTH AFRICA

There are different DMO models implemented by destinations in order to lead, develop and control business tourism. These models are created to ensure the facilitation of business tourism activities. Participants from convention bureaus and convention centres were asked whether they are a division of the DMO in their region. DMO1 stated:

“there are different models of DMOs we are a DMO and South African Tourism (SAT) is a DMO and SAT markets and sells South Africa as a business event destination, as a leisure destination and with the Grading Council with quality assurance. So, we are not outside, we are a business unit of SAT. So as a convention bureau inside the DMO the reason why we have a brand as a convention bureau is because that what is around across the world…This is our model, then you find…let’s take for example Germany because that is also a country. Germany convention bureau is standalone entity, so they are basically the considered the DMO for conventions and meeting in business events industry/meeting industry for Germany”

The nationwide business tourism model was launched in April 2012 due to the NDT noticing a strategic gap as stated in the NTSS of 2012 that there is “No coordinated effort at national level to attract international events”. The action determined by the NDT was that the NCB would be responsible for business events, bid coordination and support, and the development and roll-out of a significant business tourism and events strategy. Former Minister of Tourism Martinus Van Schalkwyk told delegates at the opening of Meetings Africa 2012:

“The NCB will add considerable value to the country’s business tourism industry…(it) will strengthen and support efforts already being made to drive expansion in business tourist arrivals to make South Africa a truly global force….South Africa is also well-placed to play host to any local or international
The Tourism Act 2014 (Act No 3 of 2014) outlined that the function for the National DMO Board with regards to business tourism would be to market South Africa as a destination for business events by:

- Coordinating bidding for international conventions;
- Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and
- Reporting to the Minister on the work performance of the National Convention Bureau.

This unique role was also expressed by DMO1 defined the DMO as a specialised “vehicle that actually markets and sells South Africa as a business event”, with DMO8 stating that “DMOs play a major role because it gives a total picture, whereas individual business is concentrated on their businesses.”

The convention bureau deals with all the business tourism activities and renders specific services to the business tourism sector only. This model enables the DMO to go beyond the mere support of bids and making sure that they attract bids to the country, but they also provide other services which include delegate boosting, on-site events services, and site inspection support (which will be discussed later in this chapter).

The business tourism development strategy outlined above was adopted on a national, provincial and local level, as DMOs 2, 3, 4 and 5 all stated that their CB forms part of the existing DMO within their region. According to DMO1, DMOs can only establish convention bureaus if they comply with specific criteria/services and are able to “render those services specifically on a region and a city level” (DMO7). The criteria include:

- Recognition by local authority as the CB;
- Minimum budget/staffing;
- Scope of programming;
- Memberships: e.g. ICCA, EXSA, SITE, SAACI;
- Agreed fees for certain marketing activities; and
Active participation in key programmes, e.g. IMEX, Meetings Africa, or a minimum of two international sales missions per year

In cases where a CB has not been established within a DMO, due to various reasons such as financial and human resources, a business events unit within the DMO is required to perform the business tourism function for that particular region. DMO7 expressed that such a unit does not have the “additional resources” as a convention bureau and therefore cannot “spread your net or cast your net even wider in attracting more”. This statement is corroborated by DMOs 6, 7, 8 and 9’s websites: these four DMOs do not have a CB within their organisation. Their websites do not offer/or state services offered for business tourism. These websites only show suppliers such as venues and accommodation establishments which individuals can contact to make arrangements for a business tourism event. This differs from DMOs which have CBs within their organisation as they have a tab which links to their CB division, listing the services on offer specifically for business tourism (these services will be discussed later in the chapter). DMO3 was an exception as this website does not show any information on business tourism, or suppliers which can assist with hosting a business tourism event in the destination. DMO3 also does not offer a link to the region’s convention bureau.

5.2 STRATEGY AND POLICIES

The strategy for the NCB has been aligned with the South African government’s National Development Plan (NDP) (DMO1); as stated in South Africa’s Tourism strategic plan 2012-2020:

“SA Tourism is entrusted with a critical mandate of contributing towards creating an environment for sustainable employment and inclusive economic growth through tourism. SA Tourism has specifically interrogated and aligned its role to the National Development Plan 2030.”

It looks to “speak to the development sectors that we are looking out for in the development plan” (DMO1). The development of the strategy had extensive stakeholder input and the strategy was developed as a “South African events strategy and not as a South African National Convention Bureau strategy” (DMO1). Two participants (DMOs 6
and 7) at a regional level that do not have a CB expressed that they do not have a business tourism strategy, but are working closely with the NCB and “feed off that main strategy...almost like giving it legs” (DMO7). However, not all DMOs followed the national tourism strategy. DMO9 stated that they formulated their own business tourism strategy with the help of their local university and input for stakeholders to develop a first-of-its-kind in South Africa: a living conference centre where all the accommodation products, all venues, conference venues and suppliers participate in hosting medium to bigger sized conference and events in the town.

The national strategy was developed by first determining what needs to be done by DMOs to develop business events and where to position themselves in order to ensure growth. However, before the strategy was finally approved it went “around the country more than three times” (DMO1). Once finalised two events were held, first to present findings to the industry where they signed a pledge stating that they would help the NCB to reach its targets and as a collective grow the country, and a second ceremony event was held where “everyone pledged with their hands on their hearts that they will help” (DMO1). The strategic planning process for the national DMO (DMO and CB) is depicted in Figure 18.

Figure 18: National DMO adapted strategic management process

![National DMO adapted strategic management process](image)

**Source:** SAT Strategy Plan 2015-2020 (2015)
The NCB prioritised the following as illustrated in Figure 19 in order to develop business tourism in the destination and to ensure growth within the industry.

**Figure 19: Strategy for business tourism growth**

The NCB firstly defends the international association segment, by focusing on lead generation by attending trade shows and performing sales activities. Lead generation also includes the use of international sales representatives. Focus is also on local associations which have links to international associations in order to assist bringing association meetings to South Africa. The local industry is included as suppliers for support services. Growth of the African association segment is fostered by establishing an African association for association executives, targeting African roadshows, having sales missions focusing specifically on the African market. Meetings Africa (held annually in Sandton) is set to have an African Association focus, followed by making contact and establishing relationships with African Associations based in South Africa. Lastly NCB focuses on the improvement South Africa’s ICCA (International Congress and Convention Association) and Union of International Association (UIA) rankings.; improving the economic impact of the sector on the country; the number of delegates coming into the country; as well as determining the return of investment (ROI) and the total number of business events hosted.

*Source:* SANCB Presentation (2016)
NCB attracts business events by targeting and focusing on a number of specific industries and sectors regarded as key in the South African economy:

- **Business Process Outsourcing**: outsourcing and offshore support activities, particularly in the financial services, insurance, telecoms, after-sales and IT.
- **Manufacturing**: including auto motive, chemicals, pharmaceutical, agri-processing, electronics and biofuels.
- **Creative Industries** creative industries that help to promote the ZA brand including film and video, music and crafts.
- **Information and communication technology**: including software development, electronic financial applications, and fraud prevention.
- **Mining and Metals**: Key areas for development are in precious metals and minerals, mining expertise and technology and minerals beneficiation.
- **Life Sciences**: Events in the areas of medical specialities, biotechnology and medical devices.

Each province has a focus on different key industries as illustrated in Figure 20 in which were mentioned above:

**Figure 20: Key industries/sector by provinces**

Source: SANCB Presentation (2016)
However, it seems like this strategy for the different industries per province isn’t applied as CC1 stated:

“needs to be transparency in terms of the national convention bureau use the allocation of events, because sometimes we will be told don’t bid for that because Cape Town is bidding for this, and we don’t feel that is fair. We feel that, that is almost collaboration being told that you can’t bid for this because, If it jeopardises the chances of the country winning it at all then that, if the client want to see a bid for each country and doesn’t want a bid from each city in a country, fine we respect that but then who gets to make that call surely we should then compete as the three convention bureaus or as the three centres and almost audience for the national convention bureau and put together the most convincing bid they should then win but it doesn’t seem to be that way, we are not auditioning for the national convention bureau at all we are just hearing that we can’t bid for this, we can bid for that and that to me seems a bit weird, I would love to see more transparency about how they make those decisions and why everything goes to Joburg. We collaborate within our destination but as a collective, as a country no… We don’t even have an equal chance to bid for the business…. It doesn’t make sense for Joburg to have a fishing and ports conferences. The biggest ports conference happens in Joburg, the mining indaba happens in Cape Town”

CC1 feels that there is unequal opportunity for all provinces to bid to host events, especially when these events form part of the key industry in their particular destination. The knowledge economy which is created by the event in the destination is not imparted to the community which will find the information most useful and beneficial. NCB focuses on the following markets (refer to Table 10) as is evident in the decisions on geographic location or staging of major international events; priority target within those markets; and South Africa’s potential to attract delegates.
Table 10: Target market for business events

<table>
<thead>
<tr>
<th>TARGETED GEOGRAPHIC LOCATIONS</th>
<th>MEETINGS</th>
<th>INCENTIVES</th>
<th>CONVENTIONS</th>
<th>EXHIBITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SADC, Europe, USA and Asia</td>
<td>SADC, Europe, USA and Asia</td>
<td>UK, Europe, USA, BRICS and Asia</td>
<td>Europe, USA and Africa</td>
<td>South Africa, Europe and US</td>
</tr>
<tr>
<td>TARGET AUDIENCE</td>
<td>African product launches and user groups, as well as African regional meetings of multinational corporations</td>
<td>Incentive companies, corporate agencies, and in-house planners</td>
<td>Associations with South African key contacts or areas of specialisation</td>
<td>Internationalising national shows and African versions of existing titles</td>
</tr>
<tr>
<td>SOUTH AFRICA’S POTENTIAL</td>
<td>Limited</td>
<td>Strong</td>
<td>Strong</td>
<td>Limited</td>
</tr>
</tbody>
</table>


The national strategy also called for the establishment of a coordinating forum. The SANCB’s support services known as the Business Events Coordinating Forum, was formed as one of Cabinet’s resolutions (DMO 1). This forum consists of all the qualifying CBs. Regions that do not have a CB are represented by a Provincial Tourism Boards (PTO) and business event units in City Tourism Organisations as illustrated in Figure 21.

Figure 21: Business Event Coordinating Forum

Source: SANCB Presentation (2016)
The coordination forum holds status meetings quarterly to discuss “where are we, where do we go and what media buy do we do together” (DMO1). The coordination forum plays a number of important roles within the business tourism sector mainly:

- **Coordination**: It ensures that the national, provincial and local DMOs are working together, and that there is a lack of conflict when it comes to hosting and bidding for events.
- **Financial bidding requirement/restrictions**: It ensures that no association bidding happens unless it has gone through the forum. This ensures that a region/city does not offer to bid for events where the country cannot afford, and the county is not committed.
- **Joint marketing**: As all public DMOs share only one budget the forum decides on joint media purchasing.
- **One bid per country**: This ensures that there is only one bid from the country for association meetings and events. This is done through bid-off (cities bid against each other internally), blocking of events if another region/city has been put in or generated the lead. This ensures that the mandate of industry development in certain areas is met.

Even though there is a coordinating forum CC1 expressed the need for collaboration:

“greater collaboration with the National Convention Bureau and clarity on how they work with the province guys as well because it seems sometimes that they are at logger heads with each doesn’t make sense”

Therefore, it seems like the coordinating forum which was formulated as part of the strategy is not as transparent as initially intended. This echoes the previous opinion of CC1 with regards to unfair bidding processes.

Other methods that are included to increasing business tourism mentioned by DMO9 and DMO1 is by having the headquarters of companies/city in your country, which guarantees that meetings and events will be held at your destination. DMO1 also mentioned there is a five-year ambassador program where individuals are identified, empowered and enabled to possibly bring bids to the destination.
The Tourism Act 2014 (Act No 3 of 2014), NTSS, NDP, and SAT strategic plan all serve as a guideline for provincial and national DMOs to create business tourism strategies for their particular region. However not all DMOs have created a business tourism strategy as of yet. Table 11 illustrates which interviewed participants have a business tourism strategy.

Table 11: DMOs with business tourism strategies

<table>
<thead>
<tr>
<th>DMO</th>
<th>Business Tourism Strategy.</th>
<th>Stakeholders consulted in strategy development.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMO 2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>DMO 3</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>DMO 4</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>DMO 5</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>DMO 6</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DMO 7</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DMO 8</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DMO 9</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

5.3 ROLES AND IMPORTANT FACTORS IN ATTRACTING BUSINESS TOURISM

Participants were asked what factors they believe are important to develop business tourism in a destination. Having the right role players and service providers were mentioned by most of the participants. The role players mentioned included:

- sufficient, good quality hotels, which are in close proximity to the conference venue which has to be of high quality and standard;
- good transportation within the destination;
- universities which will have a knowledge centre which help bring in academic conferences;
- a “knowledge centre which has skills, technical skills should be reachable that will attract people to come to the particular destination” (DMO2); and
- a DMO that has the ability to sell the country.

The DMO’s ability to sell the country aligns with destination appeal mentioned by a participant who said that “It starts with destination awareness…is a huge problem it is one
thing people need to know that the destination exists and they need to some sort of positive association with it” (CC1).

Other factors mentioned included accessibility and infrastructure (the second most mentioned factor). With regards to accessibility CC 1 mentioned that having direct flights to the destination has a huge influence on events as “a number of clients and associations who say I want my delegates to fly directly, I don’t want them to catch connecting flights”. Another factor was great investment and networking opportunities at the destinations, along with a safe environment (third most mentioned factor). Other factors include stakeholder collaboration and the destination needs to offer value for money. Collaboration is supported Zhang (2013) view that the synergy amongst the stakeholders is of utmost importance. The roles that need to be performed as well as the factors of importance are listed in Table 12.

Table 12: Roles or functions that need to be performed to develop business tourism

<table>
<thead>
<tr>
<th>Role or function</th>
<th>Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engage with all the stakeholders, has a relationship with the industry</td>
<td>CC3, DMO3, DMO6, DMO5</td>
</tr>
<tr>
<td>Sell the country</td>
<td>CC2, CC3, CC4, DMO1, DMO8, DMO2, DMO9, DMO5, DMO4</td>
</tr>
<tr>
<td>Find Opportunities through research and market intelligence; gathering information</td>
<td>CC2, CC3, DMO2, DMO3</td>
</tr>
<tr>
<td>Knowledge of which event is best suited for which destination</td>
<td>CC3, DMO2</td>
</tr>
<tr>
<td>Bid support</td>
<td>CC1, CC2, CC3, DMO1, DMO2, DMO3, DMO4, DMO6, DMO7, DMO8 DMO9</td>
</tr>
<tr>
<td>• Put together bids</td>
<td></td>
</tr>
<tr>
<td>• Familiarisation trips</td>
<td></td>
</tr>
<tr>
<td>• Bid Presentation</td>
<td></td>
</tr>
<tr>
<td>• Gift from destination</td>
<td></td>
</tr>
<tr>
<td>• Delegate boosting</td>
<td></td>
</tr>
<tr>
<td>• Welcome activation</td>
<td></td>
</tr>
<tr>
<td>Brand awareness/brand building</td>
<td>CC1, DMO1</td>
</tr>
<tr>
<td>Research on impact of bidding</td>
<td>DMO3</td>
</tr>
<tr>
<td>Service in kind</td>
<td>DMO8</td>
</tr>
<tr>
<td>Licencing</td>
<td>DMO8</td>
</tr>
<tr>
<td>Convention planning support</td>
<td>DMO7</td>
</tr>
<tr>
<td>On-site event services</td>
<td>DMO1</td>
</tr>
<tr>
<td>Event support</td>
<td>DMO5</td>
</tr>
<tr>
<td>Developing an effective strategy for business events development in a destination</td>
<td>DMO3</td>
</tr>
</tbody>
</table>
DMOs/CBs perform different roles and services at different levels, with some functions and roles overlapping. Participants were asked which of the above-mentioned roles are performed by DMOs and which of these factors they think DMOs are responsible for, to develop business tourism. The main mandate of all DMO and CB was identified as being “an agency whose primary task is to market a destination as a business and leisure tourism destination” (DMO4) as well as to “brand as a tourist’ destination” (DMO3). All the roles performed by the DMO and CB as mentioned by the participants are included summarised by the researcher Table 13 from most to least mentioned.

Table 13: Role performed by DMO/CB

<table>
<thead>
<tr>
<th>Role performed by DMO/CB</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand building</td>
<td>By build a brand that is capable of being the preferred destination for meeting.</td>
</tr>
<tr>
<td>Marketing and public relations</td>
<td>By marketing the city, province or country at local national and international platforms and media and providing material to the tourism industry.</td>
</tr>
<tr>
<td>Promotion</td>
<td>By promoting the destination to prospective business for investment, or bidding to host an event with the local association.</td>
</tr>
<tr>
<td>Market intelligence and knowledge centre</td>
<td>It is important to know which sectors and events the destinations is able to bid for because they can’t run after each and every bid, this will ensure that resources aren’t wasted. To also have well-rounded knowledge to know which events are best suited for where.</td>
</tr>
<tr>
<td>Market research and lead identification/generation</td>
<td>Tourism is driven by research, DMO find opportunities as well which will lead to the research and lead generation to a conversion of bids. They also research the impact an event will have on a destination.</td>
</tr>
<tr>
<td>Bidding services and support</td>
<td>They also prepare bid proposals, presentation in close collaboration with clients. Negotiate hotel rates for conferences, assist with room blocks at hotel, secure special letter of support and welcoming. Other service provided will be discussed below.</td>
</tr>
<tr>
<td>Product development</td>
<td>Developing an effective strategy for business events development within the destination.</td>
</tr>
<tr>
<td>Business event support</td>
<td>Act as liaison between event planner and local officials to if necessary such as secure permits, street closures etc. Help meeting planners, business travellers and leisure tourists find the perfect location and fit. Arrange visits to local attraction and recreation site for participants. Helping clients to identify support services such as PCOs and DMCS.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Acting as an umbrella for the entire chain of events by bringing all the stakeholders together and engaging all sectors. They support stakeholders ensuring that they getting the job done at the best possible standard.</td>
</tr>
</tbody>
</table>

...continues on the next page
Table 13: Role performed by DMO/CB (continued)

<table>
<thead>
<tr>
<th>Subvention</th>
<th>Getting seed money to support bids or events that will further develop other sectors and investment in a destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving SMEs access to the market</td>
<td>This also includes linking business and visitors</td>
</tr>
<tr>
<td>Leveraging off the event</td>
<td>The use of events to provide services to the local community</td>
</tr>
<tr>
<td>Visitor centre</td>
<td>Provide information to tourists about destination</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s own construct

Two roles that are performed solely by the NCB is to ensure that there is no national media and brand disaster through bidding for same international event; this is done through a system which enables cities and provinces to “lock” an event which prevent other cities or provinces to bid on the same event or through an internal bid off where cities/provinces submit a bid to the NCB and the coordinating forum determines which is the stronger bid which everyone should back as discussed in section 5.3. The other role played solely by the NCB is the gathering of statistics to place in the international arena which enables South Africa to be ranked properly (for example the ICCA rankings). Regional and Local DMOs feed the information up to the NCB.

As mentioned above bidding is an essential service that a DMO/CB can provide as “it leads to the securing of actual business events” (DMO3). CC 1 also stated one of the primary roles of a DMO as being bidding, which leads to economic and or social development of a destination. This important role will now be elaborated on.

5.3.1 **BIDDING AND EVENT SUPPORT**

Participants were asked whether they assist in bidding for events, or whether they are assisted by DMOs to bid for events. DMO1 stated that a bid document/presentation is only complied when an association or event organisers has sent out a request for proposals (RFP). This is when an association or organisation seeks to host an event and requests destinations to put together their product offerings which best suit this event or research
has been done by the DMO/CB and a lead has been generated (DMO2, DMO3) (as discussed in Table 13 pg. 99). Once an RFP has been sent or a lead has been generated, it is then determined by the coordinating forum if the country has the resources to bid and host the particular business tourism event and whether the event aligns with the business tourism strategy of South Africa and the NDP (illustrated in Figure 22).

**Figure 22: Process in submitting a bid**

![Flowchart](image)

**Source:** Researcher’s own construct

There are processes followed by associations after sending out an RFP. With regards to international events “a decision-making process of a meeting is first a continent, then a country and then a city.” (DMO1). In order to ensure that the decision-making process is as efficient as possible an RFP will always contain “what the country can do” (DMO1) in order for the host destination to be aware of what is required of them as a destination, and for the DMO submitting the proposal to include evidence of its ability to act as host destination. The NCB has developed a bidding template under the South African brand to be used by all prospective event host bidders, ensuring that South Africa has one clear and focused brand.
Participants were asked whether DMOs should be assisting in the bidding of events, and why is it important that they assist in bidding for events. CC 3 expressed the need to show government support:

“In terms of international events, the international client wants to know if it is a country bid or city bid, that it is not a venue bid. If it is a city or country bid then it is more government, so looking at that it also gives them an idea of we (our event) has got government support and that already lends credibility. It gives the impression that these people really want us to come to their destination and we are very important.”

This statement expresses the fact that one of the biggest factors for association meetings is government support – this is shown by the DMO/CB submitting the bid. The bid needs to include support letters as part of a three-tier support for bids; serving as evidence that the host destination understands the requirement and is in full support of hosting the event. They include letters from national, provincial as well as the local DMO/CB. Which DMO/CB finally submits the bid is determined by the coordinating forum or according to which DMO generated the lead. The NCB does not submit any physical bids but supports regional and local DMO/CB in the submission of a bid. Whether the submission is done by the regional or local convention bureau, all involved CBs’ support is required. The use of DMO/CB (i.e. government support) ensures that the destination has the necessary resources to host that particular event and that the country is not committed to a bid that it cannot afford” (DMO 1).

The importance of government support was not the only reason mentioned as why it is important for DMOs to support bids, as expressed by DMO7:

“It is important because of the event is successful, the success results in word of mouth, our destination becomes popular for the fact that we are able to host such events. It demonstrates our ability to hold these events or however small that event is. It also helps us grow our economy because bums on beds the speed in the cities translates to more revenue. Most of these events, they come with media coverage so it helps us get our destination more profiled by the media.”

Bidding is also viewed as a specialised function (DMO2), with a DMO/CB being a “one stop shop” (DMO 9) that has all the information and thereby making the bidding process
more seamless. DMO assistance in bidding also contributes to achieving other wider goals of hosting events such as social cohesion (DMO6). The reasons why DMO bid support is important is summarised in Table 14.

**Table 14: Reason DMO/CB support in bidding is important.**

<table>
<thead>
<tr>
<th>Reason</th>
<th>DMO/CB Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence of government support</td>
<td>DMO1, CC2</td>
</tr>
<tr>
<td>Ensure event has positive economic impact</td>
<td>DMO6, DMO 7, CC2</td>
</tr>
<tr>
<td>Assist in reaching government goals</td>
<td>DMO6, CC2</td>
</tr>
<tr>
<td>Return on investment</td>
<td>DMO6, DMO1</td>
</tr>
<tr>
<td>Connection, relationship and has information of all stakeholders</td>
<td>DMO9, CC1, CC3</td>
</tr>
<tr>
<td>Events further market destination</td>
<td>DMO7, DMO1</td>
</tr>
<tr>
<td>Destination profiling</td>
<td>DMO7</td>
</tr>
<tr>
<td>Specialised process and long-lead time before event takes place</td>
<td>CC1, DMO3</td>
</tr>
</tbody>
</table>

Participants further elaborated that the importance of DMOs to assist in bidding is return of investment, there is an economic impact towards the city and it helps develop the countries, province or cities goals, for example social cohesion (DMO6). It does not only bring in revenue into the city but it also promotes the city at the same time, all the while people get employment during the event (DMO8). If the event is successful it will translate into word of mouth, and the destination will become more popular for hosting events. It will also demonstrate the destination’s ability to host a successful event and most events come with media coverage so the media helps profile the destination (DMO7).

The role of the DMO/CB goes beyond submitting the bid however. The regional and local convention bureau is required to be able to “open doors and have discussions” (DMO1) which enables an event to take place. These ‘doors’ get the right role players on board to ensure that the three objectives of an associations meeting are met, including regulation of the industry they represent, networking and education (DMO1). Therefore, these business tourism events have a great impact on host destination as well – the reason why South African government has chosen to align business tourism events with the countries’ national development plan and with each provinces having their own focal areas (as illustrated in Figure 20).
The overall event support provided by DMO/CB can be divided into three different stages namely: bidding stage, delegate boosting state and onsite event services stage. This happens in partnership with the national, provincial and city DMO/CB and with or other departments. The support is also regarded as either organisation/key decision-maker focussed or delegate/consumer focussed. It can also either be financial and non-financial support. These distinctions are explained below.

**Organiser/Key decision maker focussed:**

- **Bid support:** This includes lead development, bid strategy, creation of bid documents, lobbying and testimonials, bid promotion and bid presentation (as explained above).

- **Site inspection support:** Also known as a familiarisation trip. This is bidding site inspection or convention planning site inspection. The DMO/CB plays a specific role in bringing the members of the selection committee for example paying for the air-ticket if necessary. The provincial or local DMO/CB will make all the ground handling arrangements to see all necessary sites, such as accommodation, conference venue and attractions. The itinerary will be developed in line with the RFP.

- **Convention planning support:** This is when the client has decided to award the bid to South Africa and the contract is signed, the DMO/CB provides planning support and supplier recommendation.

**Delegate/Consumer focussed:**

- **Delegate boosting or building attendance:** This includes marketing support to promote the SA conference as well as delegate attendance promotion.

- **On-site events services:** All the marketing products and make sure that the people have a memorable experience so that they can come back. This includes welcoming and banners at the airports, welcoming the delegates ensuring that they have a memorable experience

Support given by provincial and local DMOs/CBs do not exclude any of the services which are performed by the National DMO/CB mentioned above, but also include:

- **Assisting with local logistical arrangements:** This includes but is not limited to disaster management, ambulances, law enforcement.

- **Provision of destination marketing material.**
• Pre-and post-tours and accompanying persons’ program (to encourage maximum economic impact).
• Guarantee licencing- when a licence is required to host a particular business event.

Which authority should take responsibility for these support services once the bid has been awarded, has been stipulated by a policy as being the lead generating DMO/CB. This DMO/CB will become the project leader on the bid and will be required to coordinate particular information, get all endorsement letters, coordinate funding and meetings and talk to the client. The other DMOs on the other level will then provide support the project leader (DMO2).

5.4 COMMUNICATION

In order for a system to work well and effectively it is essential that there is communication and coordination amongst all the stakeholders. The coordination includes the message communicated to the target market (associations and organisations.). Participants were asked whether DMOs/CBs from different levels facilitate communication with them. All participants said that DMOs/CBs do facilitate communication with them either through emails and/or meetings. However, the frequency is not the same for each participant.

5.4.1 STAKEHOLDERS AND DMO GENERAL COMMUNICATION

This theme focused on which stakeholders DMOs mainly communicate with when meetings are held. DMOs/CBs facilitate communication with stakeholders that are already on their database and are relevant to a particular event. DMO9 regards communication with stakeholders as essential, as the tourism industry is membership driven industry, therefore DMOs need to communicate constantly with stakeholder and provide members with information.

Participants were also asked is the message communicated by the stakeholder and DMO/CB to the target audience similar. All participants said that the messages communicated are similar and “focussed aimed at the business decision makers” (CC2). CC 3 shared this sentiment that the message communicated is similar as they are required
to work hand in hand with DMOs/CBs. CBs also work with the leisure side of their DMO to communicate through press releases and media hosting. The extent to which DMO websites communicate their business tourism activities (illustrated in the Table 15).

| DMO 1 | Yes | Yes | Yes | Yes | - |
| DMO 2 | Yes | Yes | Yes | No  | Yes |
| DMO 3 | Yes | No  | is a CB website | Yes | No |
| DMO 4 | Yes | Yes | Yes | Yes | No |
| DMO 5 | No  | No  | is not a DMO website, is a municipality website | Yes | No |
| DMO 6 | Yes | No  | Yes | No  | Yes |
| DMO 7 | Yes | No  | Yes | Yes | Yes |
| DMO 8 | Yes | Yes | Yes | No  | Yes |
| DMO 9 | Yes | No  | No  | No  | Yes |

### 5.4.2 DMOS AND STAKEHOLDER COMMUNICATION WITH REGARDS TO BIDDING

The frequency of communication by DMOs varies from DMO to DMO. Some DMOs communicate with stakeholders and amongst each other on an ad-hoc basis (CC1). In other cases, they meet once every two weeks with the local DMO/CB, to determine “what they have on the books and to see what we have in ours” (CC3) or meetings on a quarterly basis (DMO8). There is also communication with the provincial DMO when there is a bid (CC3). The coordinating forum (illustrated in Figure 21) meets quarterly and discusses “where are we, where do we want to go, what media buy to do together” as they only have one budget. (DMO1). CC2 meets with the DMO/CB on a monthly basis to give each other feedback on projects. Participants CC2 and CC3 meet with their local DMOs to share leads. In the case of DMO6 meets on ad hoc basis – when an event is coming to the destination and then affected stakeholder will be invited. DMO9 has monthly networking
meeting, and newsletters and information on website. DMO7 holds quarterly member meetings, or ad hoc if support is needed.

5.5 CHALLENGES FACED BY DMOS

Any system is bound to face a few challenges. Participants were asked if they face any challenges with developing business tourism in their destination (refer to Table 16).

Table 16: Challenges faced within business tourism

<table>
<thead>
<tr>
<th>Finance</th>
<th>Lack of bidding funds</th>
<th>Lack of money</th>
<th>More money goes to leisure</th>
<th>Equal and province city contribution to bid and bid support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DMO5, DMO3, DMO1, DMO2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Destination Brand Image</th>
<th>Even after hosting world cup</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DMO1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lack of coordination Partnership</th>
<th>Marketing</th>
<th>With Each Other</th>
<th>The stakeholders with destination</th>
<th>Host event and Marketing other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CC1, DMO6</td>
<td></td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Process</th>
<th>Timeframe, government has policies which create red tape. Easy to win but hard frustrating afterwards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CC3</td>
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<table>
<thead>
<tr>
<th>Competition amongst DMO</th>
<th>Lack of equal opportunity for smaller DMOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CC1, DMO6</td>
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<table>
<thead>
<tr>
<th>Collaboration and coordination</th>
<th>Communication with what is in a presentation.</th>
<th>Marketing</th>
<th>DMOs choosing to do their own thing, not working with national CB strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CC1, DMO7, DMO1</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Industry Knowledge</th>
<th>New to industry and don’t know what to do</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>CC1</td>
</tr>
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<table>
<thead>
<tr>
<th>No Challenges</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>CC4, CC2</td>
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</table>

<table>
<thead>
<tr>
<th>Stakeholder commitment and knowledge</th>
<th>Not all DMOs and stakeholders see value in business tourism and is therefore difficult to get their buy-in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DMO1, DMO2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Not enough communication</th>
<th>Proactive</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>CC1</td>
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</table>

Lack of money was the most mentioned challenge, as more money goes to leisure tourism than business tourism as being fairly new (since 2012) focus from national level. This is followed by a lack of communication, coordination and partnership. Multiple participants
mentioned that there is also a lack of collaboration when it comes to tradeshows, instead of having one stand which includes the DMOs at different levels and stakeholders such as the convention centres, each of these stakeholders and DMOs have their own stand, which increase expenses and there are numerous stakeholders at one trade show selling the same product. DMOs also work in silos and are not aware of what the stakeholders are doing such as convention centres to market the destination. There is also a lack of provincial and local CBs coordinating with the NCB, as some local DMOs feel that information is not always passed down from the top.

There is a lack of balance as some cities and provinces do not contribute to bid and provide bidding support as they do not see the economic development part of business tourism. Therefore, cities and provinces that contribute carry a greater burden to develop business tourism in the country. Some cities and provinces do not yet see the value and the impact business tourism has on a destination.

Participants also feel that sometimes there is competition amongst the DMOs and that the opportunity to get an event is not spread out evenly across the country. A participant also expressed that when bidding for an event, DMOs sometimes lack knowledge of the changes in law in certain industries, and are not always up to date for example in the pharmaceutical industry they are not allowed to host large lavish events with a huge leisure component however when a DMO was bidding for a pharmaceutical event they were largely focused on the leisure component element of the event

Another challenge is the perceptions about what South Africa as a country can do, this is even after the country successfully hosted the 2010 FIFA World Cup. Other challenges are faced after a bid has been won (CC2): it is easy to win an event and a bid, however after the bid has been won there is a timeframe issue and a lot of red tape that the client experiences.
CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

This chapter focuses on a proposed framework derived from the research, conclusions, limitations of the study and recommendations for future research.

6.1 DISCUSSION

The aim of this study was to investigate the unique functions and roles that a DMO needs to perform in order to develop business tourism within a destination. This was done by determining the current roles and functions performed by DMOs with regards to business tourism on the national, regional and local level. The objectives of the study were identified as:

- To determine whether DMOs have policies with regards to business tourism on a local, regional and national level.
- To determine the differences in DMOs’ strategies for business versus leisure travel promotion.
- To determine the role played by DMOs with regards to bidding for international business tourism events.
- To determine how DMOs collaborate and facilitate communication with suppliers of business tourism products.
- To determine how DMOs at a national, regional and local level communicate with each other in terms of developing business tourism.
- To develop a framework for effective development of business tourism by DMOs.

It is evident that a CB plays various unique and important roles within a DMO (or the business tourism component within a DMO) in order to develop business tourism within a destination. The roles which CBs are required to perform go beyond the roles of DMOs as stated by Morrison (2013) (Figure 23).
The unique roles performed by CBs include conducting research in order to generate leads that will bring the event to the destination. Also compiling of bids; conducting familiarising trips; as well as connecting the client and service provider with each other in order to ensure that an event can be hosted. However, they are also required to perform 'traditional' DMO roles as mentioned in the figure above such as marketing the destination and bringing together all the stakeholders which will be essential to provide a seamless experience and meeting once in the destination. The destination needs to be marketed to potential clients as clients will not choose a destination if they do not have any knowledge of the destination but most important have a positive association with the destination. These finding affirms the statements made by UNWTO (2007) and Morrison (2013) that image of a destination is fundamental for attracting visitors to a destination (UNWTO, 2007) and awareness is an attribute which is related to the tourists knowledge of the destination (Morrison, 2013). These factors do not guarantee success of a destination, but however need to be in place for a destination to succeed.

Business tourism in South Africa has been developed by the NCB putting together a strategy to ensure that the business tourism sector has growth and that each province
should focus on and align themselves with certain industries as stated in the NTSS. This aligns with Papadopoulou (2016) who stated that the NTO is responsible for the management and marketing of tourism at a national level, and further emphasised by Page (2015) who stated that strategy formulation of DMOs is influence by government policy. The South African tourism business strategy is meant to ensure that resources are used in a correct manner and reducing wastefulness. All of the participants mentioned that financial resources are one of the biggest challenges they face. Similarly, financial challenges is one of the challenges mention by Hristov and Naumov (2015) in the light of the global economic aftermath. As mentioned by participants not all stakeholders see the value in business tourism, further causing strain on the financial aspect.

As found in the literature business tourism events can be used as a powerful means of micro economic development or social responsibility, where business event organisers can gain exposure to and promote world best practise, use events to educate, create trade opportunities, leverage off existing exports and network and enhance business to business relationships (Morrison, 2013); all the while mentoring the youth and encourage them to enter a the industry (Seymour, 2016). The results of the study echoed these sentiments as the researcher found that the bringing of meetings, conferences and events ensures that there is a certain level of transfer of knowledge to that particular area. It enables delegates to network as well as it creates an opportunity for investment as delegates have the opportunity to see and discover the potential that particular destinations have.

The role of the NCB in ensuring that the right cities and provinces bid for suitable events is an important and unique aspect of the DMO’s role in the business tourism context. As knowledge transfer into a particular area and investment opportunities are created, this very important by-product of business tourism is strengthened. If events go to cities and provinces the benefits of that particular event are not as extensive as they potentially can be, if the event is not aligned with core industries within that province. As stated by Seymour (2016), the most important factors is social responsibility and skills development. However, it seems that it is not always the case, as in some instances events which would be most beneficial in one area are hosted in another for example the biggest ports conferences being held inland and not at a coastal city. However, it is
important to note that the client has the final say in which province or city they would (which is often politically driven). Therefore, the coordinating forum role on ensuring that events are aligned to the NDP is limited on determining where the event can be held.

**Research and lead generation** also forms an important part of the development of business tourism. DMOs/CBs play an essential role in searching for possible events that will best suit the destination as well as developing relationship with clients. The process from lead generation to the actual hosting of the event can take up to 10 years. In this process the DMO/ CB might be required to put together a bid which has all the required supporting documentation along with a formal document or a presentation given to the potential client. The selection committee of the client might also require a site-visit of the destination (this includes the hotel, venue and surrounding attractions) depending on their needs to ensure that the destination is best suited for their event. Here, *collaboration* is essential at the different levels to organise the logistics of these visits to leave clients with the best impression of the destination. Dwyer and Mistilis (1999) stated that it is vital for the success of MICE that stakeholders coordinate in the delivering of their product. Wu and Zhang (2013) concur that convention and tourism competitive advantage is a growing concern; whether the synergy between tourism and the convention industry is good or not is largely dependent on the degree of their coordinated relationship. Therefore, various tactics are employed to ensure that the selection committee has a seamless experience and a preview of what the delegates would experience once they are in the destination.

Once the event has been won the DMO/CB *provides services* to the client to ensure that the organisation of the event *runs smoothly*. They have to ensure that the best suppliers are used, but also that is the mandates of job creation during and development of SMME business go along with the hosting of the event. As stated by (Roger & Davidson, 2016b), there are a variety of intermediaries that work on behalf of the buyer, as business tourism events are complex and require technical knowledge. They also provide *delegate boosting* - this is marketing of the event to ensure that the event is well attended by the delegates. When the event arrives, they assist with airport welcoming and information provision for the delegates.
DMOs/CBs are mandated to provide a great deal of support to stakeholders and have to facilitate constant communication amongst the stakeholder at various levels within the destination. However, they support various independent stakeholders’ participation (Epp, 2013). DMOs align their communication with stakeholders and frequency of communication according to the level of stakeholder’s cooperation (Figure 24). It was found that participants who had a higher level of cooperation with CB/DMO had a higher level of communication with the CB/DMO. There was also a higher frequency of communication amongst the CB/DMO as well as the stakeholder.

**Figure 24: Diagnostic typology of organisational stakeholders**

![Diagnostic typology of organisational stakeholders](image)

**Source**: adapted from Epp (2013:6)

Therefore, the roles which DMOs/CB perform in order to develop business tourism in a destination is represented in the table below, these roles form the foundation of the conceptual framework.
<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Brand building</td>
<td>By build a brand that is capable of being the preferred destination for meeting.</td>
</tr>
<tr>
<td>Marketing and public relations</td>
<td>By marketing the city, province or country at local national and international platforms and media and providing material to the tourism industry.</td>
</tr>
<tr>
<td>Promotion</td>
<td>By promoting the destination to prospective business for investment, or bidding to host an event with the local association.</td>
</tr>
<tr>
<td>Market intelligence and knowledge centre</td>
<td>It is important to know which sectors and events the destinations is able to bid for because they can’t run after each and every bid, this will ensure that resources aren’t wasted. To also have well-rounded knowledge to know which events are best suited for where.</td>
</tr>
<tr>
<td>Market research and lead identification/generation</td>
<td>Tourism is driven by research, DMO find opportunities as well which will lead to the research and lead generation to a conversion of bids. They also research the impact an event will have on a destination.</td>
</tr>
<tr>
<td>Bidding services and support</td>
<td>They also prepare bid proposals, presentation in close collaboration with clients. Negotiate hotel rates for conferences, assist with room blocks at hotel, secure special letter of support and welcoming. Other service provided will be discussed below.</td>
</tr>
<tr>
<td>Product development</td>
<td>Developing an effective strategy for business events development within the destination.</td>
</tr>
<tr>
<td>Business event support</td>
<td>Act as liaison between event planner and local officials to if necessary such as secure permits, street closures etc. Help meeting planners, business travellers and leisure tourists find the perfect location and fit. Arrange visits to local attraction and recreation site for participants. Helping clients to identify support services such as PCOs and DMCs.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Acting as an umbrella for the entire chain of events by bringing all the stakeholders together and engaging all sectors. They support stakeholders ensuring that they getting the job done at the best possible standard.</td>
</tr>
<tr>
<td>Subvention</td>
<td>Getting seed money to support bids or events that will further develop other sectors and investment in a destination.</td>
</tr>
<tr>
<td>Giving SMEs access to the market</td>
<td>This also includes inking business and visitors.</td>
</tr>
<tr>
<td>Leveraging off the event</td>
<td>The use of events to provide services to the local community.</td>
</tr>
<tr>
<td>Visitor centre</td>
<td>Provide information to tourists about destination.</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s own construct
6.2 PROPOSED FRAMEWORK

Taking both the literature and empirical findings into consideration, Figure 25 presents a conceptual framework for the unique roles and functions that have to be performed by DMOs/CBs to develop business tourism in a destination.

Figure 25: Framework of DMO/CB to develop business tourism in a destination

Source: Researcher’s own construct
Lead generation, marketing and communication is performed by all DMOs on all levels. There is **top-down communication** (national to local DMO) as well as **bottom-up communication** (local DMO to national DMO). Essential is a **business tourism strategy** at a national level that is adapted by provincial and local DMOs, to suit their product offering and industries which are predominate within their region. The national strategy should be created through stakeholder involvement. The national DMO/ CB should also provide support as well as regulates how provincial and local DMOs/CBs operate.

To ensure the transparency, coordination and communication of all DMOs/CBs a **coordinating forum** should be formed. A coordinating forum should encompass the national CB, all provincial tourism boards regardless of whether they have a CB within their DMO or not, and lastly local DMOs which have CBs within their organisation. The coordinating forum should be to determine **where the destination is at the moment**, and **where it would like to be**. This will entail a strategic evaluation of leads being pursued and RFQs sent out. The coordinating forum ensures that the best possible DMO/CB for the particular event assembles the bid. The budget, and how money will be spent, is also determined. Areas in which the DMOs will collaborate in marketing are also determined.

Roles performed by DMO/CB are also illustrated above. The National DMO/CB performs a function which is not performed by other DMOs/CBs. This is the **compilation of statistics** such as number of events held in order to determine the destination’s **ranking on an international platform**. Provincial and local DMOs/CBs assist the national DMO/CB with this function by sending necessary information to the national DMO/CB. The unique main roles played by DMO/CB in order to develop business tourism can either be organisational and/or delegate focused. These roles are distributed amongst the DMOs/CBs depending on what has been determined by the coordinating forum. These are however secondary roles that are performed mostly (but not exclusively) by local DMOs. Functions which DMOs perform all take place hand-in-hand with stakeholders, as the tourism industry is a product which is an amalgamation of tourism products, and the success of the business tourism event is dependent on the cohesive working of all stakeholders.
6.3 LIMITATIONS

The results of the empirical research and subsequent framework on unique roles and functions performed by DMO in order to develop business tourism is limited to the organisations and respondents targeted in this study. Thus, the results are confined to the population as delineated and cannot be generalised to apply to all destination management organisations and convention bureaus in the business tourism sector. Comparable research on the roles and functions that DMOs perform to develop business tourism within a destination will have to be done in other DMOs and CB to determine the roles and functions to be performed in that particular destination which will result in the development of business tourism in that particular destination.

An additional limitation of the study is the number of participants that were involved. Despite a very lengthy data collection period of approximately ten months (January 2016 to October 2016) and extensive follow-up efforts by means of reminder emails, telephone calls and attempting to get a hold of new respondents, the researcher obtained only 13 interviews and 24 secondary documents. Another limitation in terms of response is that the email interview responses were not as in-depth as a face-to-face interviews would be.

Despite these limitations, the study does provide a foundation for future studies.

6.3 RECOMMENDATIONS FOR FUTURE RESEARCH

The main aim of this study was to investigate the unique roles and functions which DMOs perform in order to develop business tourism within a destination. The scope was therefore limited to how DMOs develop business tourism in a destination, and not how stakeholders contribute in the development of business tourism. Future studies should focus on the extent of the impact of business tourism events on a destination as the benefits of business tourism events have the ability to benefit destination which are less developed. Such research can start with an understanding of the total economic benefit of business tourism within a destination, and how the industries within the local area in which the event is held, benefits. Furthermore, the issue of knowledge transfer and development of skills
within the industry should be further explored. The DMO/CB needs to first and foremost provide training and information session to DMOs who do not have a CB within their organisation. This can result in DMO performing the above-mentioned roles, thereby possibly expanding into the formation of a CB.

Research can also explore the most effective means to stimulate industry based promotion of less known destination who have the facilities to host smaller business tourism events. This will benefit the industries within the organisation as well as the destination. There need to be an increase in transparency. In this regard, the effectiveness and format of various communication tools and guiding mechanisms (such as a coordination manual of regional and local DMOs/CBs) could be tested.
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APPENDIX A

- Data collection instrument -
INTERVIEW QUESTIONS FOR DMOS

To determine DMOs’ policies with regards to business tourism on a local, regional and national level.

1. What is the role of your organisation?
2. What are the main functions performed by your organisation?
3. Which regions is this DMO responsible for?
4. Which sector of the tourism industry do you focus on?
5. Are you publicly or privately owned?
6. How are strategies created?
7. Who leads policy development?
8. What is the strategy for business tourism in your region?

To determine the fundamental differences in DMOs strategies for business versus leisure travel promotion.

9. Does your organisation focus on promotion?
10. Who is the promotion targeted to?
11. Which channels do you use to promote the tourism product for each mentioned in the above question?
12. What are the aspects do you aim of your promotion? (e.g. Accessibility for business vs culture for leisure)
13. Which countries do you promote to?
14. Does the promotion differ between the countries?
15. What is the fundamental reason between how you promote business tourism and leisure tourism?
16. Is there a difference in budget between the two segments?

To determine the role played by DMOs with regards to bidding for international business tourism events.
17. Do you assist in bidding for events?
18. Why is it important for you to assist in bidding for an event?
19. How do you assist in bidding for business tourism events?
20. When bidding do you focus on the whole region or a particular venue?

To determine how DMOs collaborate and facilitate communication with suppliers of business tourism products.

21. Which are the main stakeholders that you communicate with?
22. How do you communicate?
23. How often do you hold meetings with these stakeholders?
24. Are they involved in strategy formulation?
25. How do you choose which stakeholders to involve?

To develop a framework for effective development of business tourism by DMOs

26. Is the role that DMO with regards to business tourism important?
27. Does the role make the difference?
28. Do DMO help develop business tourism in a destination?
29. What other role and functions can DMO perform in order to develop business tourism?
INTERVIEW QUESTIONS FOR CONVENTION BUREAU AND CONVENTION CENTRES

1. What is the role of your organisation?
2. Are publicly or privately owned?
3. Are you a division of a DMO?
4. What factors are important to develop business tourism in a destination?
5. Which of these roles/ factors are performed by the DMO?
6. Which role do you believe that the DMO should be performing in order to develop business tourism?
7. Do DMOs facilitate communication?
8. How often do you hold meetings with DMOs?
9. Are you consulted in the strategy formulation of DMO with regards to business tourism?
10. Do you believe that DMO could communicate better with you and involve you more in strategy development?
11. Is the message that is communicated about business tourism by your organisation and DMO to the public similar?
12. Does the DMO assist in bidding for events?
13. Should the DMOs be assisting in bidding for events?
14. Is the any other support offered by the DMO?
APPENDIX B

- Informed consent form -
Dear Respondent

You are invited to participate in an academic research study conducted by Nosiphiwo Mahlangu, a Masters student from the Department Division of Tourism Management at the University of Pretoria.

The purpose of the study is to determine which unique roles and functions need to be performed by DMOs in order to develop business tourism in a destination. This also includes how the DMO works with relevant stakeholders and DMO of different levels.

Please note the following:

▪ This study consists of a descriptive interview schedule. Your name will appear on the schedule, but a generic name will be used to report in order to discuss findings.
▪ Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
▪ Please answer the questions in the attached schedule as completely and honestly as possible. This should not take more than 1 hour of your time.
▪ The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
▪ Please contact my supervisor, Dr E. Kruger (Elizabeth.kruger@up.ac.za) if you have any questions or comments regarding the study.

Please sign the form to indicate that:

▪ You have read and understand the information provided above.
▪ You give your consent to participate in the study on a voluntary basis.

__________________________________________  _______________________
Respondent’s signature  Date
APPENDIX C
- Example of permission form completed-
Dear ____________ (fill in person’s name)

My name is Nosi Mahlangu and I am currently completing my Masters Degree in the Department of Tourism Management at the University of Pretoria. The focus of my study is to determine which unique roles and functions need to be performed by DMOs in order to develop business tourism in a destination. This also includes how the DMO works with relevant stakeholders and DMOs of different levels.

Dr Elizabeth Kruger, my supervisor, suggested that I make contact with you as you are directly involved in the tourism industry / business tourism (use applicable). It would be of particular significance to the study if we could arrange a short meeting to discuss your views on this important topic. The interview should not take longer than an hour and will be arranged according to a time and venue that suits you. Alternatively, we could arrange for an interview via Skype or telephonically. As a final alternative, the interview schedule with questions could be emailed to you for completion at your own time and convenience.

Should you be willing to participate, I will follow up your response e-mail to make further arrangements.

Thank you for your time and looking forward to your reply.

Kind regards

Nosi Mahlangu
APPENDIX D

- Example of completed interview-
What is the main function of your organisation?

The main mandate of the Durban ICC is to create a positive economic impact for the city of Durban and South Africa as a whole what it means is that or primary mandate is to attract international events and sometime national events which attract spending into Durban and KZN that otherwise would not have come into the region but every time we host an international conference of 5000 delegate that last for 5 days those delegates all got onto a plane stayed in a hotel took a taxi or an uber or ground handling service, they ate in restaurants they spent money at the convention centre they probably went to one or two of the attraction in the city and a % of those will come back on a second trip , self-funded with their family to me and experience the destination that is our primary mandate and if we didn’t exist as a convention centre and if we didn’t attract do a good job at attracting those events that spending just wouldn’t be here so in one sense the hotels in Durban owe they success and they survival to a large degree to what happens at the convention centre no that being said the convention centre wouldn’t be able to operate without a network of hotels that people can be accommodated in So as a destination we all collaborate and we all work together to make the destination attractive as possible and to make sure that we are attracting high profile, international and national events into the city of Durban. That is our primary mandate our secondary mandate is to operate profitably, which sometime works against the primary mandate because we have to keep our rates competitive to attract the events to our city but at the same time we cannot give the store away because we wouldn’t making a profit now it is important to us to make a profit not for us to pay bonuses but for us to reinvest those profits into the centre to keep it at a world class standard in order to continue attracting events in the future so we are 19 years old as a centre this August but you don’t want to come to a 19 year old centre you want to come to a centre that looks brand new. So we spend a lot of money just continually upgrading this place, the end of last year we put in new carpets, we busy re-doing all of the bathrooms throughout this place, the year before that we re-did all of the kitchens so we are spending a lot so that it stay at that level.

Are you publicly or privately owned?

We are publicly owned, we are an entity of the etkheweni municipality, who donated the land and put up the initial investment for the convention back between 1992 and 1997
when we opened and they also funded the expansion we the centre doubled in size in 2007, they also paid for the expansion of that so for the last 5 years we have been self-sustaining and profitable and we’ve not been a burden to the rate-payer or the tax-payer of Durban for the last 5 years but in the first 10 – 12 years of any convention centre it takes a long time to reach profitability and because of the economic impact because of the impact that it was sent to bring into the city and the spending it brings into the city most cities are happy to support or part fund or carry the losses of a convention centre for decades sometimes because the overall benefit is far greater the money up pumping into the convention centre. Exactly

Are you a division of a DMO?

No, we are not but we will work closely with them, but we actually initiating a great program of collaboration with DMOs in our particular scenario. We want to work closer with Tourism, with TKZN, trade and investment KZN and ultimately with the provincial body the economic, tourism and environmental affairs. I think a lot of the time we are all doing the same job but sometime we are operating in silos and we are doing our own thing without being aware of what DMOs are doing in their side essentially to market the destination. Now perhaps it’s a different way at looking at it but the ICC is looking at it as our first job really is to promote the destination of Durban because every convention centre has carpets and bathrooms and walls, we are support, we are not the attraction, we have a facility which is world class and it can accommodate massive, complex global events, however that is not the reason to host the event here we understand that we are a support service within the destination but we will only succeed when the destination is marketed properly so when we go out and we are on a trade show and we are having meeting with clients the first thing we do is that we need to talk about Durban, we need to tell them how awesome Durban is, what the weather is like, what the people are like, what the transport infrastructure is like, what the attract is like and then they have got an idea of what Durban is it creates the interest or the desire to then host that event in that region, then we can start talking about what the convention centre can do and what our rate and how we can assist in that regard but if our desire is to the destination isn’t there it really is irrelevant what your centre can do or can’t do, so what we would like to see instead of us spending our money to go to a trade show and then two booths down Durban tourism or TKZN is three booths down from that then, why are we not working together why are we not sharing the cost of that, why don’t we go as a united front to present a single destination
with all of the advantages of the city, the province, the convention centre, the airport all of those things get more money for our marketing buck, and share our marketing collateral, we have outstanding footage, we have outstanding images, tourism KZN has beautiful footage of the Drakensberg and of St Lucia and of the Valley of a Thousand Hills and all of these things, and now it doesn’t make sense now for me to go hire a chopper and have somebody shoot footage that sort of thing to incorporate into my corporate DVD in order to promote the ICC, why don’t we work together you give me your footage I give you my footage, we sign an MOU that says you can use this for your marketing purposes, yes we will sign off if there is or we will sign off the proofs whatever it is but where is that forum that we can get together on a regular bases, we can share our calendar, our marketing activities, our resources, our banks, our footage, our photography and well written copy and all of those things so that we are presenting a united front putting the best of our collateral out there for the market to see.

So at the current moment there is collaboration but it is not.

There is, it is ad-hoc we will say that we are working on xyz event and then we will call a meeting and say what can you guys do, what can you guys do and lets work together lets put something together for that where we think that, that should be a regular meeting on a monthly bases once the MOUs are all sided let the marketing department of the various stakeholders met regularly to say this is what we are doing this is the success of what we did last month, this is what we envisage we want to plan this kind of event do you have a speaker in mind do u have a venue da da da da da and a lot more happens that way if it is a structure thing and it’s a set meeting a regular forum and if it is shared its going to bear a lot more fruit and that what we are trying to do now, so the ICC is like the independent party without any type of a variable or affiliation, we can be that catalyst to bring everyone to say why don’t we do this. Exactly, so we have started with that beginning of the ear we had a meeting with all those stakeholders but it takes a long time but that ball is rolling

Why do you think that business tourism is important for a destination?

Business tourism is important for two main reasons:

1.: Business tourist spends more than the leisure tourist significantly more, business tourism can also responsible for induced tourism, induced leisure tourism like I said some of those delegate who might be here, the company or the association is paying for them to attend the conference they are so impressed with South Africa as a destination many of them return on their own buck with their families in subsequent years and it is further
investment that is induced by that. It is a driver of leisure tourism in one sense but without that just the money that they spend for business tourism for the purposes generally conferences or incentives is far greater per-capita than all the leisure tourists who is spending money out of his own pocket that just a fact. That is the number 1 reason I think that why its so important for a destination.

2: It elevate seasonality to a great degree, in other traditional leisure peak demand periods. So yes Durban is South Africa playground and we know that when December school holidays role around there is going to be an influx of leisure tourist coming though but what about June, what about September, what about October right if we have got a full calendar of business events that are keeping the hotels full during the majority of the year the other nine months of the year then the destination has the best of both worlds they have business tourism 9 months out of the year and they have leisure tourism the other 3 months of the year and it really. I feel sorry for a destination like Cape Town I lived in Cape Town for 6 years and the seasonality there is just so strong you know like no-one wants to go to Cape Town in the Winter because the weather is so abysmal now they even battle to get business events to come in the winter because its so unpleasant where as in the summer everyone want to be there the result is that as a destination they are left with 3-4 months in the year where they have to make 12 months of revenue which is why the destination is so expensive when you go there December or January They need to cover for the whole year unlike Durban where the weather is pleasant the whole year. It really does help us.

What factors do you believe are important to develop business tourism?

- **Collaboration:** I think collaboration but it is for forefront in our minds Collaboration is an important factor.

- **Air accessibility:** In terms of driving a destination like Durban, we have really suffered in the past by only having a hand full of network carriers flying directly though to our destination it can be off putting for a number of clients and associations who say I want my delegates to fly directly I don’t want them to catch a connecting flight when they get to South Africa and that can really work against us like we lose a bid or an event that should have really come to Durban ends up going to Johannesburg of connectivity. If you have a global association guys are coming from America, they are coming from the Far East and they are coming from the Middle East and they say we don’t want our guys to connect two times to get to your destination, then they will chose a destination that has the most direct flights and the greatest number of carriers coming into that destination. Now as a destination we sought to address that by investing in the world routes
development forum now that is the world largest aviation conference and it is a conference where all the airlines and all of the airports get together to negotiate where they will be flying to and why, they discuss the air routes and as a result of that conference which happened in September last year we were able to pick another 4, we negotiated and as a result we got 4 new airlines flying that fly directly to Durban now its not enough in my opinion but it is moving in right direction now what we need to do as a destination we need to justify the fact that they have given us in those airlines and make sure that routes are profitable for those airlines, when they other airline, when British Airways sees that Qatar is making money flying direct here they will want to get a slice of the pie so but it’s a little bit of a catch 22 it’s a little chicken before the egg because if your destination is popular that route will be profitable but the destination will only be profitable if there is direct air access. So you got to build on what you have great we built on what we had now we got an addition 4 airline now we got to build on that so that we can attract an additional 10 airlines build on that and then when everyone is making money coming in and out of Durban fantastic. The job is done, then when we bid for 2025 for such and such event and they ask what are the airline that fly directly in there we can say its Emirates, its Qatar, its British Airways etc and the guy says ok cool my delegates are sorted then, they fly directly that great and because the destination is attractive and your rates are attractive. So air access is a major for driving business tourism.

• **Destination appeal**: Destination appeal is the next major thing and I think that it starts with destination awareness and awareness of a city and what it is, so if I say to you, you can attend and this conference is happening twice in the next year. I will pay for you to go to this conference. In January it is happening in Paris and if you can’t make the January one it is also happening in July but it is happening in Beirut, which one will you chose. Most likely Paris. Why? It’s a place you know about you’ve probably always want to go. Exactly. What if I sad it is happening in Recubeck you will be like where is recubeck? Unless you really love adventure and you don’t care you would. Sometime it is held in a city that people have never heard of. I know it seems weird but there are people out there where I sit at a trade show and I go let me tell you about Durban and they go, where is Durban and they don’t know where it is they don’t know, and if they just came across the name Durban, before that they couldn’t tell what country it is in. That is a problem that is a huge problem it is one thing people need to know that Durban exists and they need to have some sort of positive association with it. To actually want to go. Exactly, because the worst thing is people can be aware of your destination but have a negative connotation attacked to it. If I say Bagdad lets have a conference in Bagdad, no one in America would attend because they know where Bagdad is but they have no desire to go there. So in one sense it is an advantage to us the slate is clean we can actually paint a picture of what Durban is all about, but how do we do that job. We got to do it on a global scale so things like Durban being named the new 7 wonder cities of the world is a big deal. 7 wonder cities ok great,
it gets the name out there and there is some positive association with it. Durban hosting the 2022 Commonwealth games is a big deal the main recognition and the media spectacular that will happen there and the story, we able to tell, specifically to the commonwealth but to the greater television audience as well.

The nice thing that it is Durban only, it’s not South Africa. Exactly, it is not a world cup. Exactly and with that massive television audience and the opportunities between events, opportunities to just showcase what are those attractions, what are those things here, then someone who is aware of Durban as a result of that post 2022 might be on a board that makes the decision on a bid that we’ve have submitted for the cardiologist association for an international convention for 2025 Durban is one of the bids, great ok here, they might have seen some of the imagery they might , they’ve got confidence if the games are successful then they are like ok, they can host major international events in the city in term of access, accommodation and all of those things, that’s what it takes it takes host massive events like that to change global perceptions of your destination. Joburg and Cape Town have done it. Cape Town had done it very well, they have a very good positive brand. Joburg, yes or no depending on what you are looking at. If you a just interested in business and commerce du du du then its fine no problem right but my heart goes out to the guys who try to sell Joburg as a leisure destination, they are try sure.

Which of these role and functions are actually performed by the DMO?

The awareness and the brand that is the responsibility of the DMO for sure. I thing that they should be supported by all of the stakeholders in getting that job done and at the best possible standard

Air access is very much a government and political factor that being said the collaboration again omes back to says can TKZN provide R10 million of its marketing budget for that year in order to support the cost of world routes coming to Durban in 2015, yes we are, yes they are but they can’t sit in those meeting and negotiate with British Airways to bring their business, that will come down to airport company of South Africa, Ethkeweni municipality and KZN Provincial government to actually grant the request, support the requests, put on the table what needs to be put on the table in order to secure those contracts but if government understands the economic driver that tourism is, then they will, they will support this things and we are lucky in this destination that they do understand it, they understand events, they value events and they have supported events financially in the past to a great extent, but now with the dexterity measures being put in place and
cutting back of everyone’s budgets it remains to be seen how much support we will be able to get financially from government going forward for events but at the moment we are happy.

**Do DMOs facilitate communication with you? When and how and what’s the reason?**

Not enough, not enough in my opinion without sounding arrogant we actually the ones who being proactive getting these discussions going. I think it is because yes we are a supporting service in the centre and in the destination and it is nice that we are there for them. I don’t think when they go out to make a new corporate DVD about KZN that they feel that they need to ask for our input and the reality is that it would be some much better if everyone worked together, because if you are always at an arms-length then you have no idea what new innovations that we have come up with as a centre do you know that the wifi is complementary and it can accommodate 8000 concurrent users at the same time, if you don’t know that then. **How do you say come host your event here.** Exactly and the other creative use of space if I look at the SAMAs, if I look at the music awards coming up next month and I see how we are going to be using the space to be bigger and better then its ever been in the past and say the main event is going to be here there is going to be a public viewing and we going to close Walnut road there is going to be a massive screen up there. There is going to be a huge party on Walnut road watching the event live out, under the stars then there is going to be a fashion show accompanying the event at the VEC and this is how we’ve used the space for the SAMAs, if they were aware of that and they have got footage of that, they have photography’s of that when they go out and pitch and they actually go this is how we do in our destination this is how we throw a party here, this is how we host an event, MTV Music Awards whatever it is the list of prestigious events we hosted in the past is very impressive and it serves as our credentials that we know and successfully host business events here and a lot of the time because the destination is largely unknown if you are speaking to an American audience who is largely ignorant what we can do as a country and as a destination, they think about lions in the street and stuff, you know it’s a problem you need to have that stuff to show that this is what we can do, and install that piece of mind that confidence that they should bring that event to South Africa so I don’t think that are bring pro-active enough in terms of getting all the stakeholders to collaborate to do that DMOs need to be more proactive
Are you consulted with the strategy formulation with DMOs with regards to business tourism?

We are, but sometime a little after the fact. So what they will do is they will go away, they do their strategy session they will work out their beautiful plan and before they go public with it they might call a meeting and they will say let us share our strategy, you know Durban Tourism share its strategy, now if we say can we realistically sit in that meeting and go are you oakes died, you oak’s have lost the plot, this makes no sense what so ever, I think you oakes are smoking something, and this is why its not going to work and now on the one hand is it our place to say it, maybe not, but if we were working together and we were there, maybe we could have been involved on the onset when they started down a path that didn’t make any sense we could have said then just hold on shouldn’t we be focusing on XYZ that makes sense , because also if you are calling us to share you strategy a week before you going public with it, it’s a node to you, we are sharing it so that it is not a surprise to you but actually it’s not going to change that is not collaboration. So I think that half way through the process when they got to say lets get together and also it avoids duplications, if we know that the province is going to be responsible for this, South African Tourism is going to be responsible for that, Durban tourism is going to be responsible for that, ICC is going to be responsible for that. Ushaka is going to do this, the stadium is going to this, Convention Bureau is going to do this, TIKZN is going to do this. Then you actually know not everyone is trying to do they own things. Or everyone trying to do someone else’s thing So you actually believe that the DMO should almost be the facilitator of So what as you as ICC trying to do what are you as Moses Mabida trying to do, so that they find out what everyone is doing, and they go this is what everyone is doing lets get everyone in a room and as a destination because all of you guys are the main supporting. This is the fact that seems to escape everyone consciousness when that visitor comes to our destination they actually gong to make use of all these different services so Tsogo Sun and the Hilton should be involved in those meeting as well, Protea Hotel should be involved in those meeting as well airport companies should be involved in those meetings, the taxi association should be involved in those meetings because the client isn’t just going to come to the ICC, they are going to land in the airport, they are going to get on some sort of transport they are going to eat in a restaurant they are going to sleep in a hotel, they are going to go to an attraction so it is not me marketing to my client, my client it is also the Hilton client, is also the big easy’s clients, is also uber’s client
whatever the story is and that is why is way we should do it together because we they all our clients and we all need to promote the destination from a single imagery, and people just think that I am going to bring someone here and when the tourism numbers go up then we will pat ourselves on the back and go our strategy worked and maybe in 2011 when we hosted COP everyone was patting themselves on the back because suddenly we had an extra 20 000 delegates that come through the destination in that year and I’m sure that everyone pat themselves on the back and had nice powerpoint presentations and said 68% growth in visitor arrivals but the reality is, what, how did that happen and if you took that one event out what would the figures look like, what would the revenue, what would the arrival figures look like if you took that out? I think then you were honest about that and said ok that was a great event for us, that was a great showcase and yes it brought a lot of investment into the city then they will ask how do we do that again? How do we duplicate that module, how did we get Cop 17, how did we get the BRICs summit, how did we get International Aids 2016 and what can we do to get that in 2017,18,19 so that we have a mega event like that every year.so that it’s not every 5 years that you have a mega event and you are like ohh or stats have dropped this year but we don’t know why but the reason is, like accommodation establishment. What have you done as accommodation establishments ensure that people come to the destination? Exactly, absolutely and what they will do in the end they will justify it by saying the number are down because we didn’t have COP 17 but they don’t ask the next question and the next question is why don’t we have another event that replaces and how can we help in actually ensuring that next mega event coming into our destination. Exactly

*Is the message that is communicated by your organization ICC similar to the message communicated by the DMO to the public?*

Definitely, we sat in a meeting last week it was funny if it wasn’t so tragic because it was a lovely event, that we looking to bid to host from next year on a recurring basses and around the table we had TKZN, TIZN, we had the city, we had the hotels, we had the airports we had SAPS and everyone had the opportunity to present their side of the story as to why Durban is such an attractive destination but the mistake we made is that we didn’t get all the role players together and say show me your presentation because by the end of the thing the guy had heard 5 times that we are the 7 wonder city, that CNN had awarded us the coolest city in Africa, that it was on New York times 52 best place to visit in 2015 and we all kind of and because it all apart of our presentations, it didn’t matter that
they guy before us already said that everyone just went through they thing like a parrot and just kind of, like you covered that and O you've covered that. Everyone is saying the same thing and it is great that they are saying the same thing, but wouldn't it have been more powerful if we had gotten together and made one presentation just got together for two hours, three hours the day before, everyone gave they presentations, they said I like that slide, I like that slide this video is great and we made one cohesive coherent presentation to the guy and he goes wow these guys know what they are doing....Yes isn't more convincing, it is nice to have those stats but isn't it more powerful if the guy walked away going wow this is a seamless experience this destination offers as opposed to wow this is a fragmented community of tourism they are all in tourism they are all doing a great job but they are fragmented they are working in silos, which is the other message he took home with him I'm sure, and really as a business client you want a **seamless experience**, you want to know that they guys at the airport know my event is happening, that they guys in the hotels know my event is happening and that the city is geared of it. Now we do it nicely, when a big event comes to town we do we organize a joint organizing committee and we get everyone from SAPS, the airport, the metro police so ourselves, to the transport guys to the accommodation, but it is after the bid is won I am saying we should have that set up before we make the pitch. That sends a much stronger message, because yes we pull it together and make it happen but lets show that capability, lets show that synergy that we do deliver as a destination, lets show that right up front when we are pitching for the event.

**Does the DMO assist you in bidding for events and how do they assist you in bidding for events?**

So if I consider the DMO as Tourism KZN an agency of TKZN is Kwa-Zulu Natal Convention Bureau and they are **mandated obviously to put the official bid** together now that might be the bid document. It might be the presentation of the powerpoint, it might be a video or it might be a delegation that goes to meet with the deciding committee as to where are they going to host that event. So what they do is they put the bid document together let's just simplify and assume that there is some document that gets that has letter of support from the city, the mayor, the province, from such and such a professor who is the expert in that field of that particular event, then it has a chapter on accommodation, they facilitate that Hilton is holding 200 rooms, tsogo Sun is holding 800 rooms, Protea hotel is holding 100 rooms and
the rate won’t exceed xy and z, and for every 30 rooms booked there will be one complementary room made available, they will get leeter from airlines, what discounts are available and if the bid comes to South Africa this is what the airlines are prepared to put as their rate. They will facilitate a quote from the ICC on how the event will be staged here what is the price to hosting it at the ICC. They will get support from lets say the event is in line with one of our deliverables as a city, one of our deliverables as a province and the province says that will really fast track or deliverables here. We will be prepared to pay for the gala dinner for that event then they will actually get physical financial support, monetary support which will reduce the cost for the client. It makes the destination more attractive and the bid going in is competing so well. Yes these are the three destinations that are bidding for you and when the finance guy of the committee says what is it going to cost us to host the bid around the cities, at Cape Town or at Durban, our is the most attractive quote because we were able to leverage sponsorship and support from our province and our city, it makes the overall bid presentation more attractive. It might be a wonderful destination but if the quote is too high for them and not in their budget and they can’t afford to do it. They will not consider it, so we go to work on all of those fronts so what the DMO does specifically via the convention bureau is pull of that information together and it has got the linkages with all of those stakeholders and its put together a single bid document or presentation, whatever is required by that particular association. I think we can help them because they have a massive amount of work and very few people to do it, and there are other marketing skills that are available in our destination because really that should be the best, that should be the best of the best that get presented there, and if we just leave it to James and his three guys in the office to put it all together it not really fair and we are doing ourselves a disservice, so what we do as far as possible we try and assist. We got some very talented people here that are very good at making convincing presentation where possible we try and volunteer their time to make those things possible. James is a wonderful guy and a great researcher but Mealline when she presents a bid you can’t say no she is just so convincing. Put the right people in the right postion, actually. Exactly

Is there any other support offered by the DMO toward the convention bureau?

Definitely a very important thing that they do is for the major events there are always an advance familiarization trip which is normally undertaken by 5 or 6 people from the association, sometime years in advance, look we works on a 10 year board calendar ok as
a convention centre because we know that the bidding process takes 4 years, the appointment process takes 2 years, the event happens after that you know. Like Commonwealth games, commonwealth games was announced in September last year 2015 but the event is happening 7 years later 2022, but when the announcement came when did we put in the bid for that? It was a couple of year before that so what we are saying, here we are bidding for 2022 in 2013 people go it doesn’t make sense. If you don’t get your bid in, in 2013 you are not going to win it in 2015 and you are not going to host it in 2022. As part of that ok, we did three separate country delegate familiarize trips for the Commonwealth, so they got different groups together because it is to bid to do in one trip but we had 30 guys on each trip who came through, flew into the city, stayed in the hotels, walked through the centre on every trip, we walked through the same script where we said this is event, power lifting will be in this venue, this is the venue for Badminton it has 14m high ceiling, we shut off the aircon du du du du du, whatever the specifics are that matter to that sporting code and we ran through everything, we had visuals, artist representation on what that event will look like in this venue and we did that 3 times, 3 different sets of people that all need to be facilitated by the convention bureau those, ok our convention bureau doesn’t deal with sports it’s the one thing that is outside of their mandate so maybe that is a bad example, but any other major event like this guy that we had last week. The convention bureau facilitated the whole thing from when he will fly in, who would pick him up at the airport, which hotels he would stay in, when he will come through for the meeting like this, which hotel did he want to see personally because there was a particular question he need to report back to his committee about the standard of the accommodation and the proximity to the convention centre. The convention bureau puts those trips together all the time and what they do is leverage the relationships they have with hotels, with the transport companies, with the ICC to make sure that those trips essentially happen at no cost to the visiting delegation so James goes cap in hand most of the time to tsogo Sun and says can I have 5 room for two nights these guys are coming into town. He goes to Ushaka and say can I have 5 tickets so people can see what Ushaka is all about can I get 5 skycart tickets at the stadium so that they can experience that as part of their trip, are they in town long enough to go and wee one of the game reserves, we take them up to HluHluwe, we take them up to Pinda and he and hid time facilitate the whole thing and put the whole itinerary all together and get sponsors so that people can come out without a cost to them because you can’t bid for an event and them make people pay to come see
and check it out. It is essentially an advert for your destination, people don't pay to watch
advertisements. So that is great support that comes from there that we couldn’t afford to do, we
couldn’t afford to pay those bills. And then once in a blue moon what they will do is, let’s
say for argument sake the association is cardiology and UKZN medical school has the
world leading expert on triple bypasses and he is the man and he is the head of South
Africa’s Cardiology association and we say to him you attend world cardiology every year
and its 10 000 people wouldn’t it be awesome if World cardiology came to Durban, you are
here you are based in Durban we got an awesome convention centre our convention
bureau can help you with this sort of thing don’t you want to put a lead together you put the
society program together the convention bureau will do everything else. They will do the
flights, the accommodation, the convention centre will do all of the other event related
stuff, you know that is our specialist your specialty is cardiology, you put the speakers
together, we work together on this thing, because a lot of these guys are professors they
are brilliant minds but they couldn’t organize a birthday party in a brewery, because it is
not their field and its has never crossed they minds to actual bid, and bring the event that
they attend every year, because they don’t know the first thing about event organizing, and
everyone says you don’t have to there is professional conference organizers, there is
convention bureaus all of that takes all of that weight off your shoulders and there
advantages for those guys to actually host that event here because how many of those
cardiology students at UKZN could attend a conference here if it was in Durban that, it’s
going to be 10 years before they qualified and they can attend the event then, but when it
is actually here. The world leading experts in cardiology are all here and they get to hear
all those things and they get to network with these guys and interact with the things, its
great knowledge legacy that is left behind by those events. There is great future careers
prospects by those guys, when those events were hosted here. Not to mention that if that
event is profitable that South African Cardiology association would retain the profit from
those events so there are advantages so we, obviously there is a motive from our side we
want to develop the destination in that way we also want to have revenue for us and we
want those 10 000 people to come to Durban instead of New York next year so we would
try and facilitate this so we run a event catalyst of change every year where we try and
speak with professors to try and just make them aware of the support that is available
and they could start thing about actually putting in a bid in a couple of years time to host
their particular world congress here in Durban from time to time if there is a strong case

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and budgets don’t allow for that leading professor from UKZN to actually go to the world congress sometimes the convention bureau will subsidies that flight or that cost of that conference or both for that Professor in the agreement there that he is going there with the view to find out information, to chat to the organizing committee to say how do we go about in putting in a bid here, under the agreement that if that was paid for he would bid with Durban as the destination. It still has to be awarded to the country first and then to the particular city, so we can’t pay for your bid your thing for you to go there and when you bid for South Africa it goes to Joburg.

*What problem or challenges do you experience when working with DMOs when it comes to bidding for events or promoting business tourism? Besides collaboration which you have mention.*

Sometimes a lack of knowledge, so for example in the medical international fraternity now. By why of history this is what was happening in the pharmaceutical industry they are not short of money they biggest problem is trying to spend money fast enough so that they don’t pay tax on it that’s the only problem that they have they make too much money. They make a lot of money, if you are a drug company and you are selling Ritelin and you want doctor to recommend Ritelin and not the generic, so you want to get as many doctors on your side that they think well of your product as possible so that they recommend your product and not the competitors product so they would use events in suppose scientific conferences and they would pay for doctors to come to these events to hear what the latest research is on ADHD ok that is the premise, so I would approach you I am the pharmaceutical company and I would say to you doctor are you planning on attending the world conference on ADHD, and you say I wanted to but its very expensive and you say I want you to go because I want you to have, I want you to hear this because it Is ground breaking stuff .We happy to sponsor you to go there we will pay for your flights and your accommodation and your tickets to the event, we understand that it is a 5 day conference and it is not fair that you are away from you famility for 5 days so we would like you to take your wife and kids along, did we menion that it is happening in Bali and the gala dinner entertainer is Michael Bubhle no cost to you but if you can make the time in your diary, we would love to send you there. Ok what are you going to say? You won’t say no. You going to say yes please where do I sign and the events started off as these scientific things ended of becoming these lavish things in the most beautiful destinations with all the bells and whistles you got your hotels, there was gifts, there was golf packages
built into the conference program. So you could play golf in the middle of the 5 day program. There was just no limit because when money is no object that’s what you lay on in order to buy the doctors so, what happened a couple of years ago in Europe and in America they clamped down on the whole medical and pharmaceutical fraternity in terms of how events are run ok, so what they basically said what you guys are doing are bribing people to actually use your product and you are dressing it up like a conference, you will have two days of a scientific program and you will have four days of just jet skiing you know we putting a cap on it now and a pharma code legislation was released in Europe as well as America called a sunrise act where a doctor cannot attend an event of that nature and any gift they receive in excess of R100 at that point is was a 10 Dollar cap right, they had to disclose it and it had to be published on the websites of these associations as to who gave them what and to what is the value of it, because then if I see that I am a competing client, I can say I see you received a Rolls Royce from the Ritelin guys you have to declare it on this, so now the affect is on the event business was if the association is bound by legislation saying that event is happening Bali they will say our association is not attending because we are abiding by pharmaco, if the event has a gala dinner as part of it program the association says that we can’t attend. So now this is sometimes what happen we go and the DMO is not aware of pharmaco, so they are talking about the lavish beaches and they talking about the big five experience and all the time they are ensuring that, that medical conference doesn’t come to our destination because pharmaco tells you that they speak about the scientific program and the facilities available at the convention centre and the destination that supports that scientific program i.e. what is the numbers of hotels rooms at a 3 stars, what is the number of hotel room at a 4 star, forget 5 star hotels because we are not allowed to stay in 5 star hotels, so don’t tell us about 5 star hotels, don’t even mention 5 star hotels in your destination. Sometimes they work against it because they are not aware of developments in the associations out there like pharmaco and they end up painting us as this idyllic destination at the beach when in actually that is not allow, so it works against us. For this meeting we had last week this guy said I need 800 hotel rooms and in his thing it is the exact opposite our guys are high profile guys heads of state, only look at 4 & 5 star properties and someone went to and on about high quality B&Bs and guesthouses that we have in Durban, and I’m going if this guy 10 minute ago s only interested and his delegates only stay in 4&5 star accommodation, what the hell are you telling them about B&Bs for focus, sell these products how it needs to be sold
now, yes you have a mandate to make sure the B&Bs and there Guesthouses get there thing, but in the reality is not for this guy so keep quite about it, so sometimes they ignore some key things that end up costig us the bid instead of closing the bid for us, simply because they were not aware not educated enough. It is important that these guys in the DMO remain current with what is happening in the industries that they, we are trying to attract and they are not, they are not remaining current they have a script they read that script regardless of who that audience is and it is poor salesmanship its not good of the destination, you need to customise your pitch to that client, everyone wants to be sold in their own way. ...Sometimes that is the problem with the DMOs that they are so busy telling their story that they don’t listen to what you ask for. The thing is we are just one of the players so I can’t go to James and say you need to take the slide out of your presentation. I’m actually not allowed to do that the best I can do is send information about pharamco and hope that he reads it and hope the penny drops and hope that at some point he changes his slides

**Is there anything you would like to add that I didn’t cover?**

We would like to see greater collaboration with the National Convention Bureau, and clarity on how they work with the provincial guys as well. Because it seems sometimes that they are at logger heads with each other which doesn’t make sense, and we shouldn’t have different agendas from the national convention bureau and the provincial convention bureau obviously they provincial convention bureau they mandate is to bring events to their province if the national convention bureau believe that, that event is better suited to another province that will create so conflict over here, so what I think needs to happen is that there needs to be transparency is terms of the national convention bureau use the allocation of events, because sometime we will be told don’t bid for that because Cape Town is bidding for this, and we don’t feel that is fair. We feel that, that is almost collation being told that you can’t bid for this because, If it jepodises the chances of the country winning it at all then that, if the client want to see a bid for each country and doesn’t want a bid from each city in a country, fine we respect that but then who gets to make that call surely we should then compete as the three convention bureaus or as the three centres and almost audience for the national convention bureau and put together the most convincing bid they should then win. But it doesn’t seem to be that way, we are not
audience for the national convention bureau at all we are just hearing that we can’t bid for this, we can bid for that and that to me seems a bit weird, I would love to see more transparency about how they make those decisions and why everything goes to Joburg. We collaborate within our destination but as a collective, as a country no because James doesn’t work for .. James works for the MEC .. does that mean Amanda can dictate what James can and cannot bid for apparently she can because James works for the MEC the MEC works for National and national has a Minister of Tourism and the Minister is in charge of the mandate all she has to do is flash her credentials and say national convention bureau, sorry Peter, so that’s end of discussion. So just help us understand that why is that best for the country and that there is some sort of equitable thing if you are saying that we can’t bid for this, tell me where you have done it in our favour as well. Show me were you’ve said to Joburg that you can’t bid for this because Durban is bidding for that, and show us how you have made those decisions because that is awful lot of power to yield if it is not transparent. So then I guess that is another challenge is that from a national point of view there is a lack of transparency on how they actually work and how they actually come to a decision on who can bid for what and. We all go to the same conferences and it is great when the National Convention Bureau gets up and talks about the work that they have done, but that work they have done one 86 bids to the value of R2.5 Billion, 58 000 delegates but they are quite happy to include the bids we went out without their involvement at all and won as the Durban ICC sometimes we will bid for an event without having to involve the convention bureau we know that they are stretched if we’ve got a relationship with Professor and he is not funding or anything like that. He has a PCO and doesn’t need any help from the convention bureau. Great we are not going to won’t worry James, we will let James know about it and say by the way this is happening. You don’t need to do anything about it but it is a nice event that will be coming in. It still goes into all of the stats that National Convention Bureau takes credit for at the end of the day. So which is fine we don’t mind them taking the credit except when we are not getting our fair share of the business. We don’t even have an equal chance to bid for the business then we feel like we don’t have the national interest at heart, but another agenda and that’s what… we would be totally fine if there was a quarterly meeting where we all got together, all convention bureaus, and national bureau and Amanda says to us these are the twenty bids we are working on, these are the Joburg bids, these are the Cape Town bid, these are the Durban bids and we work that way, honestly we would if I knew that we don’t have
a chance, I won’t spend a week preparing the bid document only to be told at the end of it that we are not passing the bid onto the client. Save me that time at least and show me here is what I get to bid for that these guys don’t get to bid for, it’s got to be a two way street. Then it can go to the Minister and he can say this is our strategy, medical events are going to go here, mining events are going to go to Joburg that makes a lot of sense, pick your sectors they are aligned with the national development plan, unpacked further in the provincial development plan and that why those event should go to those provinces that why we’ll support bid for those provinces, in this industries. It doesn’t make sense for Joburg to have a fishing and ports conferences. The biggest ports conference happens in Joburg, The mining indaba happens in Cape Town. It doesn’t make sense. Surely your mandate is move the country on and surely the events are major drivers for those things so we have done our homework as ICC, we’ve read our cities IDP, we’ve read our provincial development plan and we’ve read our national development plan and we are focusing our marketing effort on those industries and those sectors that are geared for growth, surely from the national convention bureau perspective they must have done the same and just said this is what happening, and for the various provinces to say way aren’t you going after that we will support a bid for whatever it is, astronomy research for the northern cape because SKA and Southerland etc. Durban forget it, it doesn’t make sense for you and everyone would understand that. It is the same thing with the mining, because the people in mining want to go to Cape Town, ya but does that help the country? Just like the port that goes to Joburg, is there other provinces? Not to be arrogant there are other province, where mining is the number one driver of the GDP or GGP in that province, yes maybe that thing should rotate between that and the North West maybe they don’t have the facilities to run it right now but maybe in 10 years time they would, it should be an option for them. Why should those guys from Rustenburg always have to, if they are prepared to go to Cape Town, why are they not prepared to go to Rustenburg. Ocean economy, all of the events that are driven from that should happen in coastal cities that’s just logic. When ports evolution happens in Joburg and I go, what are you talking about you don’t have a port. It just boggles my mind and that’s when I feel like the national convention bureau should come in and make it. They can move those without impunity and without any objection. It just makes sense. The greatest number of delegates and attendees are based in those cities, it doesn’t mean that someone in Joburg can’t go down there if they interested yes they can, but it should be the minority and not the majority. It
doesn’t make sense because no-one works at the ports in Joburg, it needs to be restructured. Exactly, as a national imperative this is or development plan as business events we are aligned, we doing what we can, what can we do? We have control over events and what support we give to events and we align those with this. Especially for the smaller provinces, if you are always competing against Joburg or Cape Town you won’t see the chances and you will say why should we put our names into the hat. Ya I went to PE convention centre, we had a conference there and it was fantastic, I mean it was a brand new centre, the staff was excellent, the catering was brilliant, it was a very enjoyable experience the people in PE are amazing, it was comparable, the hotel was great. There was no complaint what so ever they had a dinner for us at their stadium. It was as good as we could offer here with all of our year of experience right, it’s just not fair man. It’s just not fair to them because they not being considered, and they are not looking for a cop 17, they are not looking for a 20 000 delegate, they can handle 3000-4000 delegates on a world class standard give them a chance give them a chance man, Eastern Cape needs the money give them a chance. Surely there is a development mandate as well.