

THE COMPETITIVENESS OF SOUTH AFRICA AS TOURIST DESTINATION:

THE RACE IS ON

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Why tourism?

The impacts of tourism.....positive. If a country wants to benefit from these impacts and advantages, it should strive to be more competitive. South Africa is actively part of this globalisation process. According to the Travel and Tourism index – SA 67th among 140 destinations in 2018. We could obtain a much better standing if we manage the various factors, strengths and opportunities more effectively to be number one.

Ritchie and Crouch (2003): “What makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations ” In layman’s terms a competitiveness advantage is when ou

My story

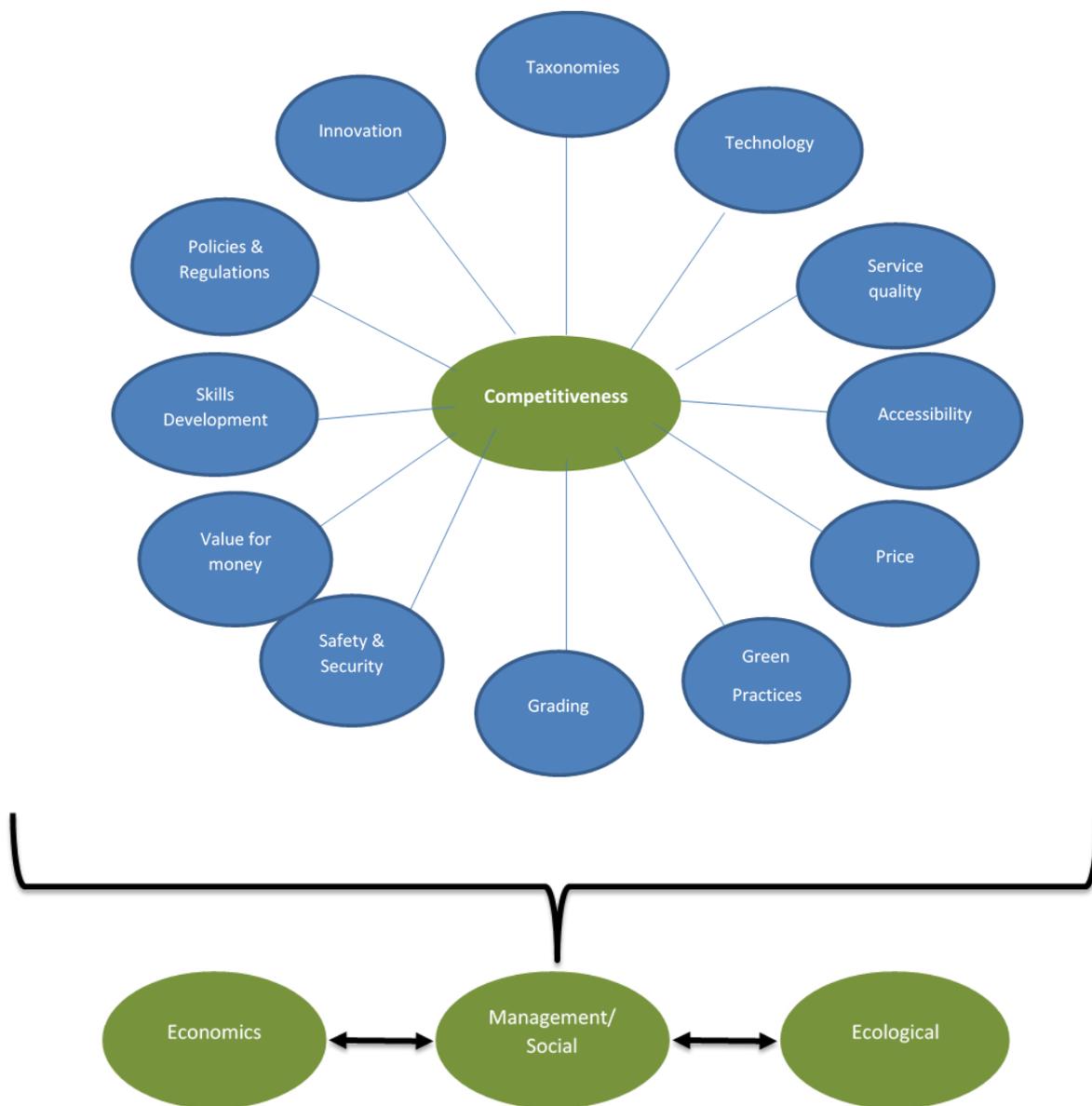
My career commenced at the formerly known Potchefstroom University for Christian Higher Education with majors in Tourism Management, Recreation, Psychology and Human Movement Science. However, it was tourism issues that made me curious and I continued with post graduate studies in the field of tourism management.

With the deep foundation in social sciences, a love for travel, my country and people I started my journey with my master’s dissertation to investigate the factors that contribute to competitiveness of South Africa as a tourist destination. The results of this study endorsed the uniqueness of destinations and affirmed that competitiveness elements differ between destinations, highlighting the need for continuous research in this regard. With the growth of competition, I realised that this type of research is invaluable, identifying critical aspects the managers can take note of. I published my first article (2010) on the competitiveness of South Africa as a tourist destination. The article was well accepted in the industry and the Sunday Times newspaper did a front page, cover story on these results, establishing me as researcher in both the academic and private arena.

It was clear that to make a significant impact in the quest to manage a competitive advantage, the factors contributing to it should be investigated more in depth. My research

was based on my motivation to understand and explore tourism competitiveness within the theoretical framework of management. The competitive environment continuously changes, and is influenced by various impacts (external and internal) and is determined by ample factors (service delivery, natural beauty and safety to name but a few). Destinations need to adapt to the changes in order to stay in the global market.

I realised that one cannot manage competitiveness if you do not fully understand it in context; you cannot sustain development within competitiveness if you do not fully comprehend the various impacts and in the case of destination competitiveness, you cannot stimulate innovation if you do not grasp the uniqueness of tourism products, services and people. This realisation led me in the development of a research framework that guided my research path to answer my overall research goal and focus: namely competitiveness of the South African as a tourist destination (Diagram 1).



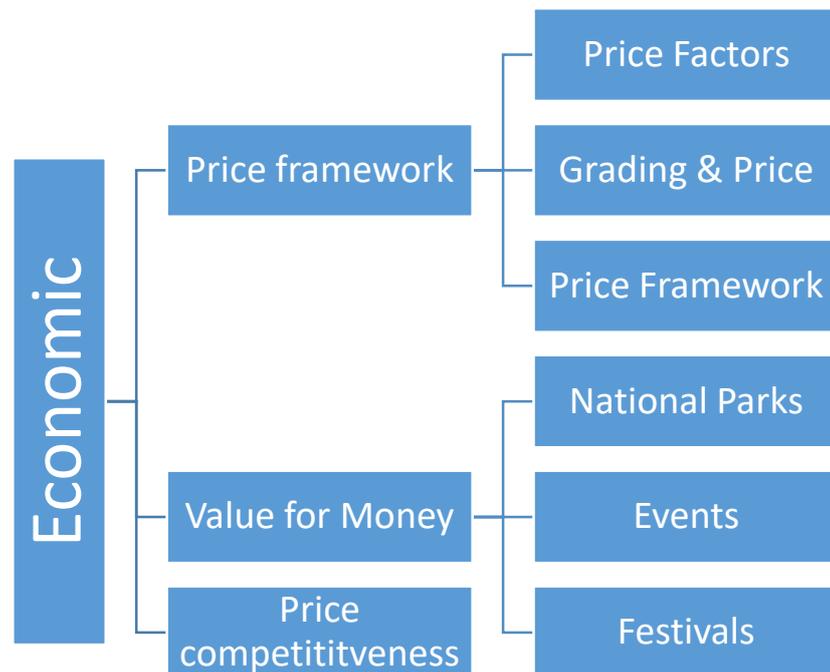
Setting the scene

Although the three identified fields were acknowledged to group my research outputs, the fields overlap and are in relationship to contribute to the knowledge on competitiveness. These studies were implemented in various areas, sectors and practices in the tourism industry. The majority of my article outputs, however, were on the competitiveness and economic factors contributing to South Africa as a tourist destination. These articles formed the basis on which other research followed and on which future outputs are planned.

The world tourism industry is becoming increasingly sophisticated, changing every day, which results in new challenges, but also in uncertainty as to how to manage these changes. Changing technology, more experienced tourists, global economic restructuring and environmental limits to growth are some of the challenges that destinations and tourism managers face. This reality of change makes competitiveness a real concept, and winning no longer just means surviving, but leading. My research sought to illustrate that competitive strategies are more important to ensure that industry players and tourism destinations stay ahead of the competition. However, in determining the unique factors that contribute to the competitiveness of a destination, my research focus is to systematically examine destination attributes, influences, as well as external and internal factors in order to obtain a better global competitive position.

It was clear that to make a significant impact in the quest to manage competitiveness advantage, the factors contributing to it should be investigated more in depth. This diagram gives structure to my research focus and as the years, my understanding and knowledge grow, the framework evolved. I grouped the factors, impacts and influences that contribute to competitiveness into three main fields, namely economics, management/social and ecological, which all have an impact on sustainability and the competitiveness of destinations.

(i) Economic factors



- **Pricing**

The biggest contribution my research made within in the last 10 years towards my research focus lies within this field. I continue on the research path as a researcher and incorporated tourism management with economic sciences to my field of study and embarked on the topic of pricing with the completion of my PhD in 2009 entitled: Pricing framework for the accommodation sector in South Africa: A focus on supply.

The results of this study was presented in three articles and aimed at assisting managers in pricing and in obtaining a better competitive position in the industry, with revised management structures and marketing campaigns.

The first finding revealed that the major factors in pricing are service quality, image and product quality when establishing price.

Secondly, the importance of grading was highlighted to promote quality, to ensure competitiveness and to determine price in order to communicate a “value for money” experience when tourists choose accommodation at a certain price.

The most important contribution of my PhD study lies in the development of a pricing framework using different approaches and methods from the supply side in South Africa. The framework suggests a 20% discrepancy between prices of the different star categories, indicating healthy competition between industry players. These pricing guidelines can sustain competitiveness with growing profitability. The framework has been seen as a

benchmark in the South African accommodation market and was embraced by SATSA (Southern African Tourism service association) as a valuable tool to enhance the competitive position of their members.

To be competitive: Establishments should not merely follow prices of larger enterprises (Price following) but establish a price based on cost and income, take into account the image, service delivery and product quality to be true to the grading status of the establishment and then be in line with the prices of the grading level to promote validity.

- **Value for money**

Based on the importance of the previous finding it was inevitable to have Value for money as the next economic factor that should be investigated and the research was applied to festivals (Klein Karoo National Arts Festival), events (Eagles) and nature-based products (Kruger National Park). Given the recent global financial crisis, tourists tend to overanalyse the value they derive from purchases. Decisions on how to obtain or receive value for money are a daily reality and tourists are now constantly making selections regarding which items or services to purchase. Value for money was measured with regard to, travel motives, purchase behaviour and factors contributing to the perception of value for money. The insight gained from the series of research projects has provided the necessary guidelines to incorporate this factor/ aspect into the envisaged competitiveness model.

To be competitive:

Festivals - value for money perceptions are not only related to pricing; the functioning of the festival is important. If festivals are to improve their value for money offering, they should first focus on festival effectiveness (quality infrastructure, technical quality and safety) and festival experience (a festival atmosphere, serving food, choosing venues and trained friendly staff) followed by festival quality and price and festival amenities. These are thus not features that festival management can promise, but are factors that they should deliver on.

Events - there are four factors of value for money, namely performance quality (PQ), ancillary quality (AQ), souvenirs and exchange rate. Performance quality (PQ) was confirmed as the most important factor for value for money and added to the importance of ensuring quality in terms of all aspects that related to the band or artist performance, ensuring a once-in-a-life-time experience. In other words, when I pay R1000 to go to a Neil Diamond show it is considered to be cheap when I can hear him clearly, see him and have a memorable experience.

National Parks – Based on the analyses of the Structural Equation modelling (SEM) it was proven that there is a relationship between value, motivation and satisfaction. The implication of this finding is that management should focus on all these factors to provide a satisfactory experience. For instance, when a tourist has received excellent service during activities that were provided in the park, poor maintenance or insufficient accommodation facilities that are provided could influence the tourist's overall experience and will determine if they will return or not.

Price Competitiveness

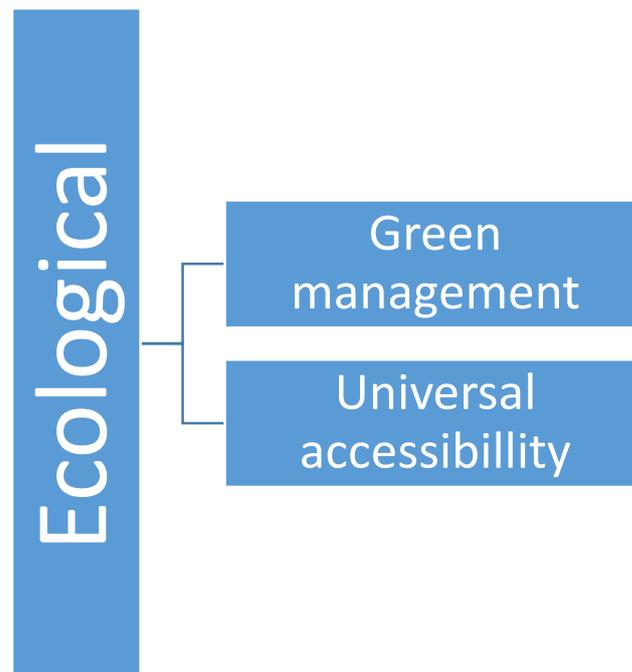
The most recent project within the economic field was a study on the price competitiveness of South Africa as a tourist destination and the article was published in the highly ranked *Journal of Tourism Economics*. The results indicate that 78% of the respondents regard South Africa to be competitive and sixty-five percent indicated that price increase has a significant effect on the tourism sales and that a 5% price increase of tourism products and services is acceptable. Fuel prices, inflation, exchange rate, electricity cost and labour costs were indicated as the aspects that exert the greatest influence on the competitiveness of South Africa as a destination. The results further indicated the importance for tourism role-players to not only use literature in the guidance of policies and frameworks, but also encourage and support constant research focusing on the country as a tourism destination and how to sustain a competitive advantage, especially in price strategies, price models and price competitiveness.

To be competitive:

Product owners should be guided by government and tourism associations in terms of pricing decisions and price strategies in order to stay competitive price, increase correlation with the country's inflation rate should sustain the sentiment of the respondents (tour operators) that a 5% price increase is acceptable.

The provision of a stable supply of energy is very important in correlation with price competitiveness because it has a definitive impact on the perceptions of tour operators.

(ii) **Ecological factors**



- **Green management**

My first PhD student, Miriam explored how hotel managers in Zimbabwe and South Africa perceive the concept and implementation of green management within their establishments. The results of the study are a reflection of the integration between theory and practice and the important role of various role-players within the tourism industry in the quest to limit the impact on the environment. The study guides managers in the implementation of environmentally friendly practices in an effort to mitigate environmental problems facing the present generation.

To be competitive:

As with Innovation, this study also indicates that a gap exists between managers' knowledge and what green management really means, at least according to literature. For hotels to be competitive, especially in modern times managers should acquire knowledge about the importance of a green management from which green management policies should be developed.

- **Universal accessibility**

In his thesis, Oliver Chikuta developed a universal accessibility framework for national parks in South Africa and Zimbabwe. The study explored accessibility expectations of people with

disabilities and the opinions of park management in as far as universal accessibility of national parks is concerned. The most important contribution is that this study developed the first ever, research-based universal accessibility framework that offers specific guidelines on product development in national parks.

To be competitive:

Although different impairments, people with disabilities all attach more value to how they are treated when they visit national parks which again highlights training employees to re-act correctly towards guests. It should be the starting point when applying all the different guidelines stated in the framework specific to each disability towards accessibility.

(iii) Management/social factors

The second contribution of my research focus lies within the theoretical framework of management and social sciences and focuses on aspects such as skills development, critical success factors, service quality, innovation, typologies, policies and regulations and then studies focusing primarily on the competitiveness of certain tourism products and destinations.



- **Skills development**

The studies which focussed on skills development established the importance of the collaboration between the industry and the education institutions in providing equipped employees and managers to the tourism industry.

To be competitive:

Tourism is a service industry and a trained and well-equipped workforce plays an important role in attracting tourists, providing quality service, being innovative and developing the tourism industry, which are vital factors in order to compete globally.

- **Critical success factors**

Another focus in this field was on the critical success factors (CSF), which are aspects that must be well managed in order to achieve success. I explored this competitiveness factor in collaboration with a student and did a review on CSF that was later used in my dive tourism project as well as the specific CSFs for business tourism destinations in South Africa from a supply viewpoint. Finances, human resources, product and customer-related aspects were identified as the CSFs for business tourism in South Africa. Educating the market and marketing value add-ons were identified as important for enhancing and making business tourism in South Africa more competitive.

My marine tourism focus was encouraged by joining the EU project on scuba diving in 2015 - 2018. I was privileged to visit world-renowned dive sites and to conduct research to investigate the business enterprises within this marine tourism sector. My focus and role in the project were to shed light on the aspects that make these dive operators successful and how their business models position themselves to be competitive. The information gained from the results gave and can give current operators and potential new entrants insight into areas within the business that could improve their competitive advantage. This information could also form the basis on which to grow such a business and provide guidelines to entrepreneurs to start and sustain a competitive advantage as a diving operation.

To be competitive:

Business tourism scenario:

'Everything comes down to making something affordable and accessible and safe. If these three things continue to improve, they will continue to give people the confidence to come to South Africa.'

Dive tourism:

It was clear that the critical success factor to manage a dive operation was unique to this area and differs from other tourism products by adopting a unique customer relations approach, an emphasis on safety, and the focus on providing a signature product.

- **Service quality**

Service quality is regarded as a very important competitiveness factor of a destination or tourism product. We ventured into an unknown approach in collaboration with our international colleagues from Spain when we used (i) fuzzy logic to assess service quality at arts festivals, and secondly, determining the satisfaction perceptions of visitors to South Africa by making use of a fuzzy hybrid multi-criteria decision-making (MCDM) model to analyze the satisfaction experienced.

This approach gives us as researchers a more in-depth analysis of the role that quality service plays in sustaining competitive advantage. In other words, we determine the degree of satisfaction when a tourist indicate that service was good. How good is good and what can contribute to improve the satisfaction.

To be competitive:

Festivals: The festival's competitive quality advantage lies in the visually attractive environment, the sufficiency of equipment, the festive atmosphere, and accessibility of information.

South Africa as destination: Results show that females are more satisfied than males; tourists between 56 and 65 years old are the most satisfied, while millennials younger than 35 are the least satisfied; English mother-tongue speakers are more satisfied than other tourists. In this regard, we show that DMOs should cooperate with the international airports in South Africa to establish a program that develops a better experience in the immigration process. The introduction of self-service technology with complementary actions that enhance the tourist position of South Africa is highly recommended. I had the privilege of

guiding 3 PhD students who contributed to my competitiveness model by investigating innovation, tourist typologies and policies and regulations as competitiveness aspects and the impacts thereof for a tourist destination

- **Innovation**

The goal of the study was to critically assess how innovation can be used as a determinant of tourism competitiveness from a stakeholder perspective. While the participants showed an appreciation of what innovation is, there is still an indication that some participants have not yet realised the value that innovation has in an organisation. Resultantly, this raises pertinent questions on the capacity, capability, readiness and competence of the country's tourism stakeholders to come up with innovative solutions for the betterment of the country's tourism product.

participants have a misconception that a lot of funds are needed for innovation to take place yet innovation can still happen with small budgets and challenges can even provide the impetus to develop innovative solutions.

To be competitive:

Molline set guidelines for product owners, government and for future studies, but in the case of developing countries it is important to establish platforms for role-players to understand innovation and not merely just adopting to market trends and surviving. For South Africa we have to continue into action because acting on a great invention or idea make it an innovation, there is too much talk with no action.....put your money where your mouth is.

- **Typologies**

This study proposed that focusing on the consumer, in the context of taxonomies, can enable destination authorities to effectually and adeptly deploy destination resources to specific market segments, thereby enhancing destination competitiveness for the targeted markets. Further, the study was motivated by the realisation that tourist typologies have had a bias towards destinations.

To be competitive:

Important to note that each destination should aim to develop a Tourist Taxonomy Competitiveness Framework (TTCF) to highlight competitiveness strategies for each tourist type of the specific destination.

Bases on tourist motivation, preferences and ideas towards competitive attributes tourist taxonomies can lead marketing strategies.

- **Policies and regulations**

The main purpose of this study was to analyse the impacts of selected government regulations on the destination competitiveness of Zimbabwe. The study was motivated by continued underperformance of Zimbabwe on the World Economic Forum's Travel and Tourism Competitiveness Index (TTCI).

To be competitive:

The greatest finding from this study was that it was noted that the government rarely consults tourism stakeholders when crafting tourism policies. By trying to control one aspect for example child trafficking South Africa's government almost crippled the tourism industry by implementing the visa regulations on travelling with children. Better co=operation is of utmost importance. Accessibility is one of the most important regulations adding to a destinations competitiveness.

- **Competitiveness factors**

Throughout my career, competitiveness remains the main research focus and in the beginning of this year I was able to conduct a temporal analysis that was based on the results of the competitiveness study of 2002 (my master study) and the results of two master student's studies that focus on the same aspects but provided insight from the demand and supply side and in different years (2010 and 2018). My hypothesis was confirmed by the results that showed that global development and external factors played a significant role in the factors that contribute to a destination's competitiveness. It is clear that in all three these studies, the safety aspect is seen to be a weakness of South Africa over time. However, even though safety was indicated as a weakness, respondents indicated that they felt safe after their visit to South Africa based on the results in the empirical survey in 2018. Natural attributes remain the biggest drawcard for tourist visiting South Africa and value for money is regarded as important which urge tourism product owners to use the foreign exchange as advantage to use competitive prices in attracting foreign tourist.

Future research

My ongoing and future research plans are to expand my current research in all three areas I developed within the competitiveness diagram as follows:

- **Marine Tourism**

Firstly, my research on competitive business enterprises was given a boost with the involvement in the EU Green Bubble Project that focuses on dive tourism. When entering into this field, it became clear to me that the blue economy can be perceived a vital division of the South African economy. Government's recent launch of the Operation Phakisa Ocean Labs initiative to develop the plans required to unlock the economic potential of the country's oceans has placed the maritime economy firmly on the national socio-economic development agenda. This fact provides South Africa with the opportunity to gain a competitive advantage that could further be capitalised on by developing this sector. Since research on the blue economy will contribute to the overall competitiveness of South Africa, it was automatically perceived to be the next step in my research quest. I assigned a master's student in 2017 to investigate the surfing sector in South Africa and globally and to establish the value of this marine tourism activity as part of the blue economy. Another master student currently focusses on beach tourism and the sustainable resort development based on the motives of tourists. South Africa has a coastline of more than 3000km which provide the country as a tourist destination with the ability to attract tourist from all over the world. Other areas of research may include cruise ships, marine events, marine parks, infrastructure/supra-structures (accommodation/restaurants), resorts, interpretation centres and beach activities (volleyball, sunbathing, walking etc.). The goal here is to develop a blue economy framework for South Africa that will contribute to the sustainability of the country's competitiveness.

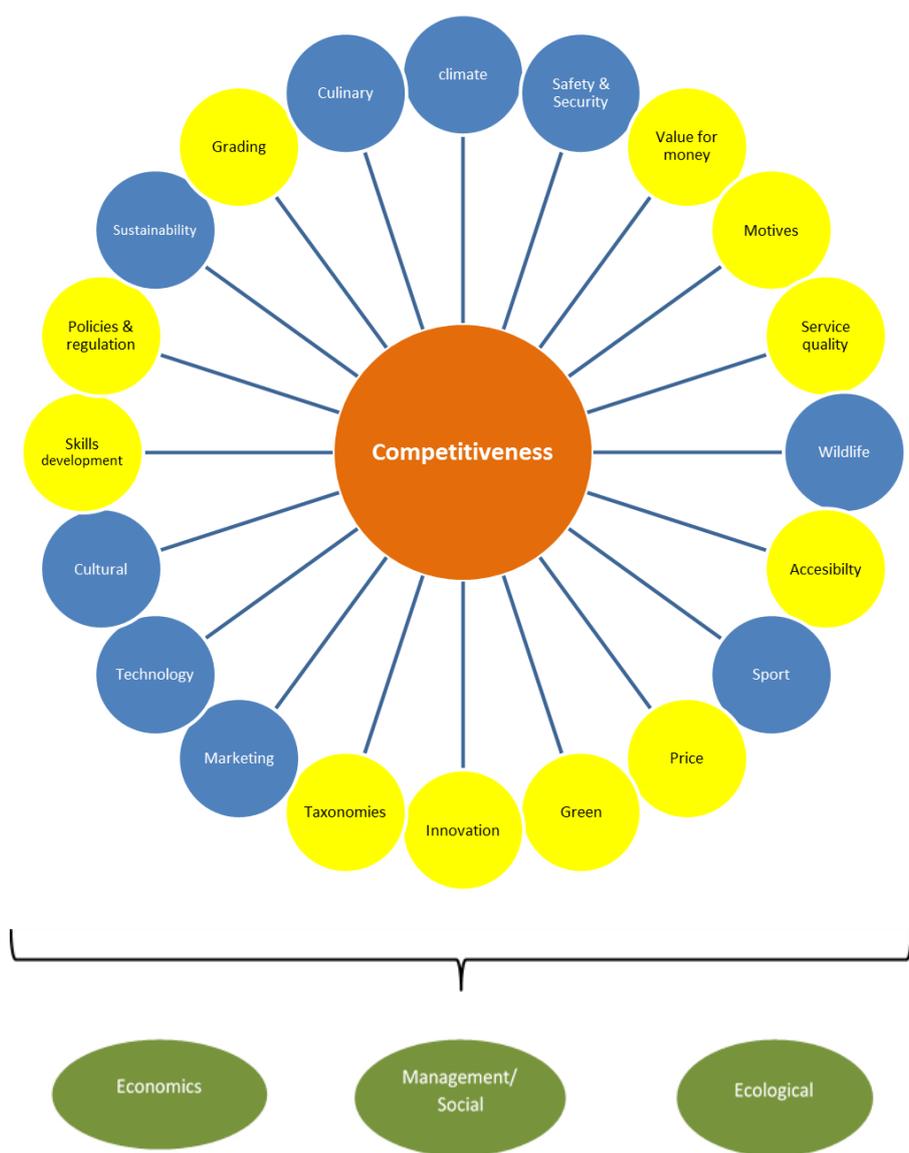
- **Safety and security**

The research focus that we are venturing in to and want to expand, was highlighted from my competitiveness research as an area of great concern to the industry, namely the safety and security aspect. It was clear from research that a great deal of value is been placed on safety and security by tourist and it has been proven within the temporal analysis that this factor is the country's greatest weakness as well as future threat for more than 16 years. Safety and security are a comprehensive issue and various research paths could be developed from this. Two primary focus areas will be developed. Firstly, within the nature-based sector and secondly from a tourism policy angle.

I feel very passionate about conservation tourism and the competitiveness issues within the nature-based sector of the tourism industry. In order for us to conserve our environment that is our biggest drawcard as a country, tourists are needed to fund conservation issues and therefore the relationship cannot be denied. Investigation into poaching, the role of the media in this regard and conservation criminology will be some of the proposed areas of research that will be linked to tourism management.

Safety will also be further explored by means of establishing safety perceptions from a tourist perception, safety regulations from tourism product side and the current status of tourism policies regarding safety and security within a tourism context.

As stated in the definition of Richie and Crouch (1999:137), "Competitiveness is the ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences and to do so in a profitable way, ***while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generation***". My future focus lies in the second part of the definition, namely to capitalise on, and sustain the success of a competitive advantage. Therefore, my research will focus more on how a competitive advantage could influence poverty alleviation of the country by providing jobs, developing sustainable tourism practices, implementing policies that protect the environment, people and wildlife to create balance between these role-players. The link between conservation, poverty alleviation and competitiveness is a key concern worldwide and especially in a country such as South Africa (Diagram 2).



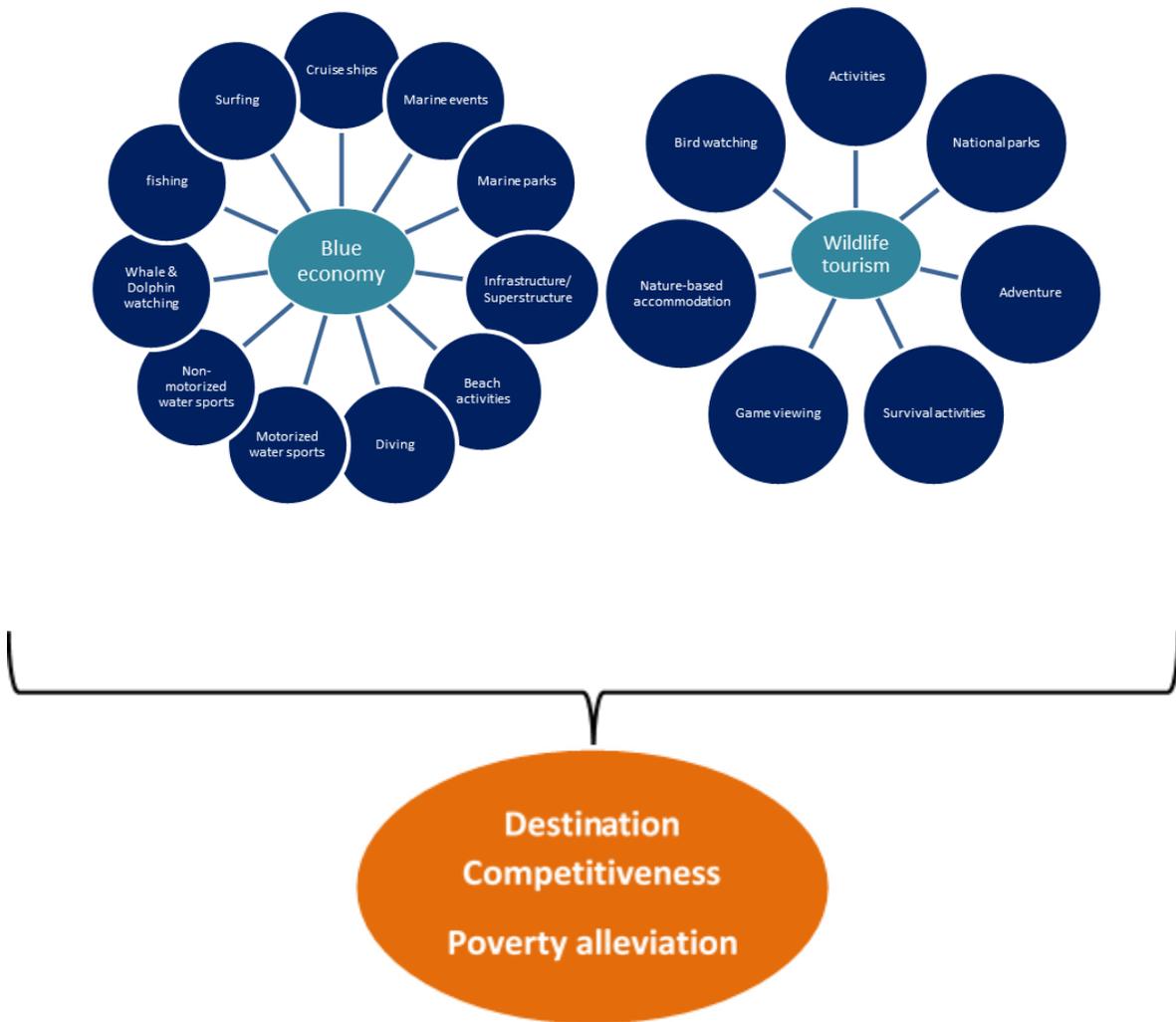


Diagram 2