
**A STRATEGY FOR THE DEVELOPMENT OF
DOMESTIC TOURISM IN SOUTH AFRICA**

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DEGREE

M A (TOURISM MANAGEMENT)

ACKNOWLEDGEMENTS

My deepest appreciation to:

- My Heavenly Father for giving me strength and insight;
- Prof. Melville Saayman, for his trust and guidance,
- Dr Suria Ellis, not only for helping me with all the statistical calculations and analysis but also for empowering and encouraging me,
- My loving parents, Frik and Annemarie, who have supported and encouraged me in everything I have endeavoured all my life; who believe that nothing is impossible and for trusting me to do the best I possibly can,
- My family, Frik, Jan, Hendrik and Loekie. Their support kept me going all the way,
- Jaco, for his love, inspiration and patience,
- My friends, for their interest and encouragement.

Nakkie Annemarie Kruger

PRETORIA

NOVEMBER 2004

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SINOPSIS

Sleutelwoorde: Toerisme; Binnelandse toerisme; Internasionale toerisme; Buitelandse toerisme; Toerisme ontwikkeling; Toerisme beplanning

Die primêre doel van die betrokke studie is om die faktore wat die ontwikkeling en uitbouing van binnelandse toerisme in Suid Afrika beïnvloed, te bepaal.

Drie doelwitte is vanuit die primêre navorsingsdoelwit geïdentifiseer.

Die eerste is die analisering en ontleding van binnelandse toerisme en die rol wat dit speel. Hierdie doelwit is bereik deur die ontleding van literatuurstudie van alle beskikbare konstruksies asook die konsep binnelandse toerisme.

Die tweede doel is die ontleding van die situasie in die verskillende provinsies ten opsigte van binnelandse toerisme, synde dit die provinsies se funksie is om binnelandse toerisme te laat groei en ontwikkel.

Die derde doel fokus op die resultate van die empiriese ondersoek.

In Julie 2003 is 200 vraelyste via e-pos en faks uitgestuur. 108 vraelyste is terug ontvang. Verskeie struikelblokke, geleenthede, neigings, tendense, groei en sleutelsuksesfaktore van binnelandse toerisme is aspekte wat in die vraelys aandag geniet.

Die navorsing het alle betrokkenes gemoed met toerisme - beplanning en -bestuur van die openbare sektor, privaatsektor sowel as spesialiste in die nasionale-, provinsiale- en plaaslike owerhede, ingesluit. Sover dit die privaatsektor betref was hotelle soos Sun International en Southern Sun, asook toeroperateurs, naamlik Springbok, Atlas en Welcome Toere en organisasies soos The South African

Tourism Service Association (SATSA), Federated Hospitality Association of South Africa (FEDHASA) en Association of South African Travel Agents (ASATA) genader.

Navorsing het gepoog om lig te werp op wat Suid-Afrika kan doen om toerisme te bevorder, asook op die rol wat die staat en produkeienaars behoort te speel op verskillende vlakke.

Dit het duidelik geword dat binnelandse toeriste kompeterende pryse betaal. Produkeienaars moet egter waak teen te hoë pryse.

Produkeienaars moet hul mark ken en die huidige bedryfsbehoefte verstaan om sodoende hul produkte effektief te bemark.

ABSTRACT

Key terms: Tourism; Domestic Tourism; International Tourism; Foreign Tourism; Tourism Development; Tourism Planning

The primary goal of this study was to determine the factors that have an influence on the development and expansion of domestic tourism in South Africa.

Three objectives were derived from the primary research goal.

In the first instance, domestic tourism and the role it plays was analysed by conducting a literature study on all the available constructs as well as the concept of domestic tourism.

The second objective was to analyse domestic tourism in the different provinces (strengths, weaknesses, opportunities and threats, since after all, it is the function of the provinces to promote domestic tourism).

The third objective focused on the results of an empirical study.

In July 2003 two hundred questionnaires were e-mailed and faxed. 108 replies were received. Aspects covered by the questionnaire included obstacles to tourism, opportunities, tendencies, trends, growth and the key success factors of domestic tourism.

The survey was directed at all involved in tourism planning and management: in the public and private sector, as well as specialists from the national, provincial and local authorities. As far as the private sector is concerned, specialists from hotel groups, like Sun International and Southern Sun, as well as tour operators, such as Springbok, Atlas and Welcome Tours, and organisations, like The South African

Tourism Service Association (SATSA), Federated Hospitality Association of South Africa (FEDHASA) and Association of South African Travels Agents (ASATA), were approached.

The purpose of the research was to shed light on what South Africa can do to advance domestic tourism. It also attempted to elucidate the role the government and product owners should play on various levels.

From responses to the questionnaire it became clear that domestic products are offered at competitive prices. Product owners, however, have to guard against too high prices.

Product owners are to know their markets and understand current industry needs to market products more effectively.

**INTRODUCTION TO THE PROBLEM
AND ITS SETTING**

1.1 INTRODUCTION

Tourism is the largest industry in the world in terms of direct and indirect employment, outpacing all other industries, and it could even become the largest single sector of world trade early in the twenty-first century (Hunter & Green, 1995; World Travel and Tourism Council, 1998). South Africa, often described as "a world in one country", is one of the world's great tourist destinations.

According to the World Tourism Organisation, tourism is one of the biggest contributors to global economic and employment growth in both developed and developing countries. It delivers economic upliftment through creating employment and income-generating opportunities (Futter & Wood, 1997). According to The World Travel and Tourism Council's estimates, the tourism industry contributed more than 11% to the gross domestic product of the world economy in 1995 (Friedmann, 2002). On a global scale the industry will contribute 11% of the gross domestic product by 2011 and account for 19% of the total employment figure. More than 260 million people will be employed by the industry worldwide (Overberg, 2003). The World Tourism Organisation (WTO, 2002) predicts that there will be about 1.6 billion international tourist arrivals and international tourists receipts will reach \$2 trillion by the year 2020. Domestic tourism is estimated to be about ten times that of international tourism globally. International as well as domestic tourism is expanding rapidly in developing countries. It contributes 10.5% to the United States economy, 13.4% to Europe's economy, 12.3% to Britain's and as much as 31.5% to the Caribbean GDP

(Croukamp, 1996). Probably for this reason the tourist industry is recognised by the United Nations as "... a basic and most desirable human activity deserving praise and encouragement of all people and governments, and an important factor in economic development, ...(which) can and does make a vital contribution to economic growth" (Anon., 1981). It delivers economic upliftment through creating employment and income-generating opportunities (Futter and Wood, 1997).

According to *The South African Tourism White Paper*, published in 1996, the tourism industry was largely a protected industry before the change of government in 1994. Limited international investment and scant tourism facilities safeguarded South African tourism against foreign competition, while the limited stay of international tourists protected it from the demands of long-term tourists.

Added to this was the mainly homogenous grouping of South African tourists with the easily identifiable needs of the privileged traveller. It follows that the tourism industry did nothing to create new jobs, start small businesses, demand newer and better services, augment foreign exchange and involve rural communities.

However, since the change in government in 1994 to a democratic dispensation and the publication of the *White Paper* in 1996, many significant changes in the South African tourism industry have taken place.

In its 1995 review of African tourism, the World Tourism Organisation named South Africa as the most promising destination on the continent (Croukamp, 1996) with South African Airlines (SAA) as the only airline on the continent among the world's top 50 air carriers in terms of annual revenues. In 2002 South Africa was the world's fastest-growing tourism destination and one of the five main contributors to the South African economy (South African Ministry of Environmental Affairs and tourism, 2002a). In 2003, the then minister of Environmental Affairs and Tourism, Mohammed Valli Moosa pointed out that "... in 1994, only 3,6 million tourists visited South Africa, but 10 years into democracy we have 6 million tourists coming into our country. This is a phenomenal achievement" (Overberg, 2003). It is projected that in 2010 the South African tourism economy will employ more than 1.2 million people directly and indirectly (South African Consulate General, 2004).

The success story of South African tourism can be ascribed to its man-made and natural resources. The country has an excellent climate, natural beauty and welcoming people. Furthermore, South Africa scores well on three important fronts. First, it has a well-established network of national parks and private nature reserves. Second, some companies are leaders in global *best practice* in eco-tourism whilst others have created Disneyland attractions in South Africa, boosting the country. Third, the political transformation in South Africa has virtually "opened the country's potential to the rest of the world and previously neglected groups in society" (*White Paper on Tourism*, 1996).

Former South African Tourism CEO, Cheryl Carolus, states that "local travel is the bedrock of the tourism market" (TBCSA, 2003). South Africa, moreover, "has so much to offer its own people, most of whom don't even realise what opportunities exist to have truly memorable experience in their own country." For this reason, Cheryl Carolus has made it her priority to pass on the message to all South Africans from all walks of life: discover the beauty and magnificence of South Africa" (TBCSA, 2003).

Since the start of the millennium everyone, from national governments to local communities, seems to be talking about new opportunities for the travel market. As a result, new destinations and alternative forms of tourism have been introduced. However, not all are successful. For these destination and alternative forms to succeed they must be sustainable- economically, socially and environmentally. They must be carefully planned and managed. Many different factors have to be taken into account. Experience has shown that destinations that fail to protect their resources and provide quality experience are overlooked in favour of those that do (Godfrey & Clarke, 2000).

Since the future success of South Africa's tourism industry is closely related to the effective management of domestic tourism, this study will attempt to identify the opportunities and obstacles encountered by domestic tourism. After all, domestic tourism, which is driven by the South African market, makes up 70 percent of South Africa's market (Smith, 2003).

In the first chapter of the study the problem is introduced, research questions are stated, and the delimitations, assumptions and importance of the study are explicated. A synopsis of the research strategy and methodology is also provided.

1.2 STATEMENT OF THE PROBLEM

The problem statement is based on the following:

1.2.1 The problem

Although tourism has grown rapidly since 1994 there is reason to believe that domestic tourism is not performing to its full potential. It is evident that South Africa needs to use every opportunity to grow and enhance the domestic tourism industry. The reason for this is that domestic tourism contributes to tourism receipts in no small way. This contribution is in the region of 70 percent (WTO, 1996). Therefore the aim of this research will be to determine which factors influence the growth of domestic tourism and make recommendations on how South Africa can improve domestic tourism. There is a growing demand for a new approach in tourism policy and marketing and alternative forms of tourism, in order to establish a competitive position as a destination (Smith, 2003).

1.2.2 The setting of the problem

Due to globalisation and competition, tourism destinations have increased dramatically. In the past the black consumer market was not recognised in South Africa, and for many years the coloured and Asian markets were not considered at all (Friedmann, 2002).

However, since the end of apartheid in the early 1990s and the country's re-admission to the world stage, the way the South African market is defined has changed. Previously disadvantaged South Africans are emerging into higher Living Standards Measure (LSM) groups (Friedmann, 2002).

The South African population is 43,5 million at present and is expected to reach 50 million by the year 2010. The majority of the population is black (78%) followed by whites (10%), coloureds (9%) and Indians (3%). Although the black population is by far the largest, as a domestic tourism market it has not been developed to fill its potential (Friedmann, 2002). This may be due to reasons such as culture, income, and status.

- Culture - The black market has hardly ever travelled and it has not been part of their culture.
- Income - The mainstream of this market does not have the money to travel overseas.
- Status - Members of this market tend to have strong family connections and are more enthused to visit family in rural areas than to seek out tourist offerings (Friedmann, 2002).

The Department of Environmental Affairs and Tourism (DEAT) sheds light on the principles of responsible tourism. The *White Paper on the Development and Promotion of Tourism in South Africa*, published in 1996 by the Department of Environmental Affairs and Tourism, identifies the following factors that place constraints on tourism and therefore also domestic tourism:

- **An inadequately researched and funded tourism industry**

Because tourism was not seen as a national priority, resources to market and develop this sector were limited. However, tourism is no longer confined only to the privileged classes. The full implications of this for the industry were previously not fully grasped by policy makers.

In the initial stages the government may be the only body with sufficient resources to invest in the tourism sector (Opperman, 1997). Tourist organisations and investment incentives (such as GEAR - the Growth, Employment and Redistribution plan) are just a few of the approaches that a government may use to further the initial stages of tourism development.

- **Myopic and competitive private sector**

Another problem experienced by the South African tourism industry is the short-sightedness and competitiveness of organisations in the private sector (du Plessis 2001). Some tourism establishments underestimate the products and services they provide. Other tourist establishments need to enhance the appeal of the services provided so that they can play a more active role in improving the quality of the tourist's experience. Tourist establishments should also strive to create relationships with the government, local communities and other private sectors to guarantee customer satisfaction (WTO, 1996).

- **Limited involvement of local communities**

Local communities have not been fully involved in the South African tourism industry due to the previous government's policies. (South African Ministry of Environmental Affairs and Tourism, 2001).

By involving local communities they will come to understand tourism

- by participating, share in benefits like employment and income generated, and
- enjoy the improvement of infrastructure, facilities and services.

Growth in the foreign tourism market has the potential to significantly benefit local communities since foreign tourists are curious about indigenous culture and heritage (Futter & Wood, 1997). To achieve a thriving tourism culture is to involve communities at grass-roots level in local tourism projects. In order to do this, South

Africa has to create a well-researched development and marketing plan to promote and develop domestic tourism (Muller, 1999a).

- **Past political policies and limited development**

Apartheid policies placed constraints on the development of tourism. First, tourism seems not to have been viewed in the past as a “delicate industry that responds with frightening speed to disaster and perceived danger, but takes a long time to respond to good news” (Anon, 1992). Second, after decades of isolation, many South Africans are still under the mistaken impression that what affects the continent of Africa does not affect them. It was only after the 1994 elections that international tourism grew rapidly. In the past tourism was perceived as a *white man thing* which also limited domestic tourism. After the elections entrepreneurs, job creation, opportunities and choice emerged.

- **Lack of security**

South Africa’s beauty and splendour have always been acknowledged in international circles, but many tourists do not want to visit a country or destination subject to political unrest and instability, crime, violence and disease. Kohler (1992) said that until “...serious and successful attempts are made to bring lawlessness under control”, major investors will be reluctant to take risks in South Africa and therefore the internal growth of the industry will be constrained.

- **Inadequate training, education and awareness**

There are aspects relating to the growth of the tourism industry such as the necessity for education about, and awareness of tourism, its potential impacts, and the need for institutional support (Futter & Wood, 1997). Because tourism creates employment for people who are not highly skilled, it can make a contribution towards levelling the disadvantages of the past (Jordan, 1998). South Africa lacks service excellence, which could directly be linked, with the lack of training opportunities.

- **Inadequate environmental management and protection**

South Africa is one of the finest destinations in the world in terms of its environment. The country has a well -- maintained network of protected areas and is globally renowned for its conservation practices. However, despite this excellent record in conservation, South Africa is one of the environmental *hot spots* in the world with 2000 plant species on the endangered list (WTO, 1996). Most of those who visit South Africa come to see its wildlife, scenery and unspoilt areas. It is a world leader in the field of wildlife conservation. Protected natural areas, such as the Kruger National Park, have been established to attract tourists. Besides almost 1 000 private nature reserves, the country prides itself on more than 8 000 game farms, 290 natural heritage sites and conservancies covering several million hectares. Examples of conservation successes include higher numbers of game, such as impala, kudu, blue wildebeest, gemsbok and zebra. Endangered species, such as the cheetah and wild dog, are bred here in captivity to ensure their survival (South African Ministry of Environmental Affairs and Tourism, 1998).

Despite an excellent environmental record, South Africa, as all modern societies, has become more and more industrialised and with industrialisation the threat to the environment increases. South Africa does not have a structured approach towards environmental development, and has a poor record for land- planning and usage (South African Ministry of Environmental Affairs and Tourism, 2002b). Refuse and littering are a national problem. It is everyone in South Africa, also the domestic tourist's responsibility to recognise the need for sustainable tourism development. Awareness programs are of utmost importance in this regard.

- **Poor service**

There is a general culture of poor service within the South African tourism industry. The new, unexpected demand creates the mistaken impression with some service providers that their products are up to standard. Facilities should support services required by tourists and a significant product range has to be developed A variety of outlets are needed: some, such as souvenir shops, that are oriented specifically to

the tourist, and others, which supply general goods, for example, food stores, restaurants, clothing shops, hairdressers, banks, chemists and medical centres (Lea, 1998).

Furthermore, service should become a national priority and bureaucracy in the travel and tourism industry should be eliminated (Croukamp, 1996). As mentioned before, South Africa's poor service relates directly to the lack of training.

- **Lack of infrastructure**

Despite major international hotels, a good transport network and many other facilities, South Africa's tourist infrastructure is not on with international standards. Specifically in the rural areas and townships Japanese and American tourists – the big spenders - complain about the hotels and *luxury* buses in particular (Anon., 1992). The absence of adequate transportation services prevents rural communities from participating in the industry, both as potential suppliers of products and services, and as tourists themselves (WTO, 1996). Maintaining and improving infrastructure is a long-term project. On the environmental side, the usage of an efficient public transport system would help reduce the number of cars on our roads and therefore ensure less carbon emission, leading to clean air for people to breathe "We also continue to encourage South Africans to be tourists in their own country and affordable and reliable transportation will deliver these domestic tourists to our local places of heritage, our botanical gardens and national parks" (Overberg, 2003).

Minister Moosa (2003) asked why our public transportation system cannot also be made part of our national pride. If the yellow-metered taxi is a symbol of New York's pride, why can't our mini-buses be the same? Shouldn't the Blue Train and Shosholoza Metro train be made that symbol?

- **Integrating sustainable tourism into the overall economy**

Many of the key resources on which tourism depends are managed by others or affected by the actions of others (for example, forestry, fishing, hunting, manu-

facturing and agriculture). For this reason it is not viable to plan for tourism in isolation from other economic sectors (Singh & Singh, 1999).

According to a recent publication by the World Tourism Organisation (WTO, 2000), an integrated approach to resort development has advantages for the proper planning of tourism. Therefore, it is strongly advisable to identify and include the resort community in the early planning stages of such projects (Singh & Singh, 1999). Saayman (2004) stated that the only way to achieve sustainability is when all the different sectors work together in an integrated manner. All these and other aspects to be discussed play a role in growing or limiting growth of the domestic market.

What needs to be done is to determine the level of these issues and how tour operators would rate them. Thereafter one would be able to ascertain the extent and impact of the issues and to develop strategies.

The link between tourism and other sectors also has to be taken into account as it makes a difference in the decision-making process in tourism (Singh & Singh, 1999). Based on the above, the problem that this study will address is identifying which factors influence the development of domestic tourism in South Africa.

1.3 GOAL AND OBJECTIVES OF THE STUDY

1.3.1 Primary objective

The primary goal was to formulate a strategy for the South African tourism industry to expand domestic tourism:

1.3.2 Secondary objectives

The following secondary goals guided the study:

- to identify the role of domestic tourism in South Africa's economy and factors that influence the demand.
- to compare previous research done on South Africa's nine provinces
- to analyse results of the empirical study.
- to draw conclusions and make recommendations.

1.4 METHODOLOGY

This study followed a two-pronged approach, namely a literature study and a survey.

1.4.1 Literature study

A qualitative study was done based on specific key words. This included journal articles, theses, dissertations, magazines, the Internet, other related literature as well as specific sources on domestic tourism. Information searches were conducted mainly on library catalogues and indexes. The purpose of the quantitative study was to collect relevant literature based on concepts concerned with how to grow domestic tourism in South Africa.

1.4.2 Empirical study

A questionnaire was compiled in co-operation with Prof. M. Saayman, of the Institute for Tourism and Leisure Studies, who was the supervisor of the study. Aspects covered by the questionnaire-included obstacles in tourism, opportunities, trends,

marketing, and product expansion, growth and key success factors of domestic tourism.

The survey was aimed at the tourism service providers to determine how the South African tourism industry could grow domestic tourism. The AA database was used from which random sample was applied. The survey included the public and private sector, as well as specialists from the national, provincial and local authorities who are involved in tourism planning and management. As far as the private sector was concerned, specialists from hotel groups, like Sun International and Southern Sun, as well as tour operators, like Springbok, Atlas and Welcome Tours, and organisations, like the Southern Africa Tourism Service Association (SATSA), Federation Hospitality Association of South Africa (FEDHASA) and Association of South Africa Travel Agents (ASATA) were included. Participants were selected from the Internet database and address lists of the South African Tourism Board and South African Tourism Service Association (SATSA), 200 members were selected.

The survey was conducted per e-mail in July 2003 and 200 questionnaires were sent to product owners/managers. Problems, which were experienced included: targeting the right person to complete the questionnaire, faulty e-mail addresses, availability of participants and also language difficulties. 108 of the 200 questionnaires were returned, which is a 54% response rate.

Statistical Services at PU for CHO analysed and processed the statistics. After this the author interpreted the statistics and descriptive statistics (divisions of frequency and averages on individual questions) as well as explorative factor analyses were used to identify subjacent data factors. Cronbach Alpha coefficients were also calculated in order to gauge the reliability of factors and establish the averages of factors so as to determine the most important ones.

1.5 DEFINITION OF TERMS

The following terms are used regularly throughout the dissertation; therefore these concepts will be explained in more detail:

1.5.1 Tourism

Tourism is a term given to the activity that occurs when tourists travel. This encompasses everything from the planning of the trip, travelling to the place, the stay itself, the return, and the reminiscences about it afterwards. It includes the activities the traveller undertakes as part of the trip, the purchases made, and the interactions that occur between host and guest (Mill & Morrison, 1992).

Tourism is defined by the World Tourism Organisation (WTO, 2000) as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.

Tourism is all travel for purposes that result in one or more nights being spent away from home (WTO, 2000).

1.5.2 Domestic tourism

Domestic tourism may be defined as travel by inhabitants of a country visiting places within their own country. For example, they travel from one area or province to another area or province (Saayman, 1997). Futter and Wood (1997) categorise the main segments of the tourism industry as: conventional tourism, such as beach holidays; alternative tourism, such as ecotourism, ethnotourism and agritourism and business tourism. Domestic tourism also includes providing accommodation and services for tourists. Visit friends and relatives (VFR) is a reason or motive to travel (Saayman, 2000)

1.5.3 International tourism

International tourists are people who travel to a country/countries other than those, in which they normally reside, i.e. outside their usual environment, for at least one night, but less than one year. The main purpose of such visits is other than the exercise of an activity remunerated from within the country visited. (South African Ministry of Environmental Affairs and Tourism, 2000).

1.5.4 Tourism planning

Planning can be defined as a process of preparing for change and coping with uncertainty by formulation future courses of action (Saayman, 2002).

Tourism planning at national level involves the co-ordination and management of large tourists regions or the country as a whole, usually through the development of policies, national standards and institutions. It also entails the planning, design and development of individual tourist attraction services and facilities to serve tourists' needs (Godfrey & Clarke, 2000).

Many communities have begun to realise that they need to be more responsive and proactive in their approach to tourism. Tourism planning is more about developing and promoting the industry than about the mere development of new attractions or increasing the number of visitors or boosting profits. Tourism planning involves understanding present market conditions and trends, recognising issues and possible constraints, setting goals and objectives for the industry, identifying alternatives, creating opportunities and recommending action. As Minister Moosa (2003) expressed it at the launch of the Centre for Occupational and Environmental Health at the University of Natal, it is about creating a high level of awareness and understanding of a sustainable tourism culture.

When planning is done poorly or not at all, lower financial returns, dissatisfied customers and a damaged resource base are the result. Management and planning are central to the long-term sustainability of tourism and must take place at the community or destination level. It is on this level where the attractions exist, jobs are created and tourists visit.

1.5.5 Tourism strategy

When based on local supply and demand, a strategy makes it possible to improve the existing product and explore opportunities for expansion into new markets. A tourism strategy provides a guide for future development. The strengths, weak-

nesses, goals and a review of actions give an indication of a plan's chances to succeed (Godfrey & Clarke, 2000).

1.5.6 Tourism and development

There is an interrelationship between tourism and development. Tourism may take the form of travel and temporary stays (being a night away from one's permanent residence). People travel for recreational and leisure purposes. Leisure travel comprises four markets: upmarket campers, economy trippers, and the beach brigade and garden-route lovers (Mosala, 2003).

Most tourism and hospitality offerings enter maturity and decline stages. Such offerings include everything from a new item on a menu to a hotel development. It is very important that the product owner replaces those offerings which have reached the end of the cycle with new offerings. The risk of developing new offerings are exceptionally high. However, the chances of failure can be reduced by using screening in the development process (Friedmann, 2002)

Tourism is a multi-faceted activity and geographically complex, because different services are supplied at different stages (Pearce, 1989), with most places having both generating (origin) and receiving (destination) functions. Development can be seen as a process of social change. Development in tourism is a state or condition, referring to both the destination and travelling there.

Five stages to economic growth have been identified, namely:

- traditional
- transitional
- take-off
- maturity
- high mass consumption.

Most of the time development is seen as an economic indicator or an economic condition (Pearce, 1989). Economic development refers to the process of improving the quality of living of all inhabitants of a country (Saayman, 2000). Tourism development can be defined as the enhancement of facilities and services rendered to fulfil the needs of tourists. It also includes the effect on employment creation and income generated (Pearce, 1989).

The tourism product life cycle is marked by five distinct stages:

- Product development begins when the company finds and develops a new product idea. During product development, sales are zero and the company's investment costs go up.
- Introduction is a period of slow sales growth as the product is being introduced into the market. Profits are nonexistent at this stage because of the heavy expenses of product introduction.
- Maturity is a period of slowdown in sales growth, because the product has achieved acceptance by most of its potential buyers. Profits level off or decline because of increased marketing outlays to defend the product against competition.
- Decline is the period when sales fall off quickly and profits drop (Kotler & Armstrong, 2003).

1.6 STRUCTURE OF DISSERTATION

The study comprises five chapters. Chapter one includes the problem statement, aims, and method of research and definition of terms. Chapter two discusses the role of domestic tourism in South Africa's economy. In chapter three results of the nine provinces are identified looking at strengths and weaknesses. The research methodology, questionnaire and the analysis and interpretation of the data are addressed in chapter four. Chapter five will conclude with recommendations for a basis of a strategy on how to improve domestic tourism in South Africa.

**THE ROLE OF DOMESTIC TOURISM IN
SOUTH AFRICA'S ECONOMY**

2.1 INTRODUCTION

Domestic tourism has become a boom industry since the late 1980s (Kohler, 1992). It involves more tourists than international tourism and domestic tourists spend on average nearly seven times the amount that international tourists do. In 1998, South Africans spent about R32 billion on tourism for business and leisure purposes, while foreign tourists brought in only R24 billion (Muller, 1999a). Domestic tourism is the foundation of tourism destinations. It is therefore important that domestic tourism should be developed to cater, as far as possible, for all South Africans. South Africa is an incredibly attractive proposition because of the wildlife, unspoiled wilderness areas, diverse cultures, whale watching, water rafting, hiking, bird watching, fishing, hunting and archaeological sites and historical battlefields. Previously tourism was perceived as a “white man thing”. This perception is currently changing. South Africa had a ten-year celebration of freedom in 2004.

There is an increasing trend to taking holidays outside of the school holidays, especially among those who do not have school-going children. Thus, domestic tourism now constitutes 70 percent of the country’s total tourism market. (Saayman *et al.*, 2001). Because domestic tourism is less affected by acts of terror and crime, it is a more stable market. The Minister of Environmental Affairs and Tourism, Valli Moosa, believes that this market has bigger growth potential than the overseas component, especially since tourism is no longer limited to a privileged few (Muller, 1999b).

The level of the domestic tourism demand in most cases determines the level of international tourism in a country. Because the domestic and foreign tourism markets go hand in hand, a high domestic demand and vibrant domestic market will give rise to a favourable environment for the development and sustainable growth of international tourism (Saayman *et al.*, 2001).

In 1990 only 21 airlines operated from Johannesburg International Airport. In 2004 Johannesburg International Airport plays host to 53 airlines and more than 11 million visitors annually (South African Ministry of Environmental Affairs and Tourism, 2003). After the 1994 democratic elections and subsequent racial integration, domestic tourism grew by 12% when an estimated 7.9 million local tourists undertook 17 million holidays (Croukamp, 1996). South Africa is fortunate to have its own national carrier - South African Airways (SAA). SAA is the giant among African airlines and the only airline to be among the world's top 50 airlines in terms of annual revenues. During South Africa's tourism month, September 2003, it was the first time that South African Tourism partnered with the national airline carrier (SAA) (South African Ministry of Environmental Affairs and Tourism, 2003).

Tourism has been labelled as the economic sector with the greatest potential in the South African market (Jordan, 1997). It is seen as a growth catalyst, generating income and employment opportunities and it states to make a significant contribution to the country's GDP, while the short-term costs are almost non-existent.

South Africa's domestic tourism development, compared with some of the leading tourism industries, shows that South Africa is still in a comparatively early stage and operating well below its potential. Whereas South Africans spent an average of 5.8% of personal disposable income on travel and tourism in 1999, the World Travel and Tourism Council published that the world average for the same year was 10,5% (Muller, 1999b), just over R16.5billion, calculated at an average of R438 per trip made up of R182 for transport; R97 for accommodation; R105 for food; R34 for entertainment and R20 for gifts (TBSCA, 2001).

A reason for this is that for the greater part of its history, South Africa's political climate was not conducive to tourism. Tourism structures set up within the country were created within the spatial dynamics of apartheid (Kohler, 1992). Consequently,

a large part of the population could not participate in the industry and has not yet become part of it.

Timeshare is a case in point. Despite changes in the South African society, which led to the extensive development of the tourism industry, RCI's traditional (white) market is almost saturated, while only 8 percent of the timeshare group are non-whites (Kohler, 1992). As there is enormous potential in this virtually untapped market, RCI hopes to attract 300 000 new members from historically disadvantaged communities by 2010 (Muller, 1998).

PulaNala (a travel and forex agency in the Tourvest stable) predicts that the market will gain momentum because many black delegates are beginning to attend business conferences and consequently become acquainted with travel and tourism facilities (Muller, 1999b).

A survey conducted between April 2000 and May 2001, found that three-quarters of domestic travellers were black, while an eighth were white. Kwazulu- Natal, in particular, has profited by the growth in black middle-class tourists, so much so that the Minister of Tourism praised the province and particularly Durban for "remarkable work" in promoting the "Kingdom of the Zulu" (Moosa, 2002).

In the second chapter the role of domestic tourism and factors that contribute to the success of domestic tourism will be analysed.

The aim of this chapter is to indicate the role of tourism in the economy and identify factors contributing to the growth of the domestic tourism market. The relevant aspects will be explained, namely the income effect and economic multipliers in tourism and the tourist expectations, motivations and reasons for visiting a destination, by combining the views of different authors. These aspects will be discussed throughout the chapter.

2.2 INCOME EFFECT AND ECONOMIC MULTIPLIERS IN TOURISM

The income effect and economic multiplier will be discussed under the following headings namely the economic cycle, a rise in the gross domestic product, the direct effect of tourism, leakages, tourism expenditure and functioning of the multiplier.

2.2.1 The economic cycle

The distinct economic processes taking place in an economy, such as the South African economy, can be illustrated by the economic cycle. In terms of the economic cycle, the main role players in the economy are:

- **Consumers**

The owners of the four production factors are consumers. Consumers sell the production factors they own to producers. In selling these production factors, consumers receive remuneration from producers. The income is used to buy products and services from producers to fulfil the needs of consumers (Saayman, 1997).

- **Producers**

The utilises of production factors are producers. Producers use production factors to produce goods and services, which provide for certain needs. They remunerate consumers for the production factors they buy from them. By selling the goods and services to consumers, income is generated for producers. Expenditure by producers on capital goods and suppliers is called investment.

- **Government**

The government influences the economy in a number of ways. First, the government gets revenue from the collection of taxes from consumers, producers and the foreign

sector. In the second instance, like producers, it also uses production factors to produce goods and services that normal producers do not supply (airports, roads and freeways, traffic lights, etc.). Remuneration is paid to the owners of producing factors (consumers) and these products and services are supplied to consumers and producers. Third, the government may use some of its income from taxes to subsidise producers and consumers.

- **Foreign sector**

Imports from foreign countries increase the goods and services available in the economy, while exports of goods and services to foreign countries decrease the number of goods and services available, but still cause an inflow of money into the economy.

2.2.2 A rise in the gross domestic product

The size and value of a national economy is usually expressed as the total value of all goods and services produced by the economy during a specified time period, such as one year. This is called a country's gross domestic product (GDP) (Bull, 1993).

The impact of tourist expenditure on the national economy is determined by means of the gross domestic product and the tourist income multiplier. Many economic analysts claim that a multiplier effect follows investments in tourism. For instance, when a tourist purchases handcrafts in a local shop, part of the proceeds of the sale becomes income to the shop owner. The shop owner buys food with it and that is income to the owner of the food store.

The GDP can be calculated by adding the different expenditure components in the economy (Fourie *et al*, 1997). McIntosh *et al*. (1995) indicate by means of the following formula the effect the balance of payments has on the gross domestic product:

$$\text{GDP} = C + I + G + (X - M)$$

Where

GDP = Gross Domestic Product

C = consumer expenditure

I = investments

G = government consumption expenditure

X = exports

M = imports

Most expenditure by tourists would be regarded as consumption spending (C), either for domestic tourism or for the home-provided elements on an international trip. Expenditure by businesses on buildings, plants, equipment and so on to provide tourism services is part of investment (I), much of which is likely to be government expenditure (G), especially on major roads, physical and communications infrastructure. A tourist spending money in a foreign country for the purpose of travelling by transportation services owned by another country is in a sense "importing" services (M). This expenditure is a leakage from the national economy. The reverse situation provides an "export" (X); that is, when a country can sell its transportation or tourism services to international tourists from elsewhere (Bull, 1993).

McIntosh *et al.* (1995) explain that if imports (M) exceed exports (X), the number will be negative and income (Y) will thus be smaller. It can be deduced that it will be advantageous for the South African economy to attract more visitors. These *tourism exports* are similar to credits and promote the economy.

2.2.3 The direct effect of tourism

Tourism expenditure provides an income that results in a chain reaction of expenditure income - expenditure. Breakages in this chain will lead to the termination of the reaction.

For example, a tourist buys a ski ticket. The ski resort receives the money and uses it to pay the salaries of the staff. The staff buy groceries with the money. The grocer, in his turn, pays the dry-cleaner. The dry-cleaner spends the money on a meal in a restaurant. The restaurant owner uses it to buy imported meat. The cycle ends here, because the money is now lost for the local community, because the influence of the amount becomes greater than the direct amount originally was.

However, the income obtained in each round is not always spent in the following round. A portion of the money can be saved, or a portion can be spent outside the local economy. This is known as a "leakage". The multiplier becomes bigger as more of the money is spent locally (Saayman, 1997).

2.2.4 Leakages

The total income effect of tourism expenditure depends on the leakages from the economy. Saayman (1997) explains that a portion of the money can either be saved or taxed or spent outside the local economy.

McIntosh *et al.*, (1995) and Johnson *et al.*, (1992) define leakage as a combination of savings, taxes and imports. Savings represent funds retained by households and firms. Taxes represent money taken out of the circular flow of income by the government in the form of income tax, value-added tax, corporation tax, customs and excise duties, and so forth. Thus, to get the maximum economic benefits from tourist expenditure, a country should introduce as much of the tourist funds as possible into the local economy for goods and services rather than save the proceeds or spend it importing special products so as to encourage tourism (Tribe, 1995).

Tourists are short-term visitors who bring with them certain expectations relating to accommodation, food, drink and hygiene, entertainment and shopping, to name but a few. Very few countries, if any, can meet these expectations. In order to develop and encourage tourism, developing countries, in particular, have to import goods and services. Payment for these goods and services are called leakages. The greater the leakages to other countries, the smaller the total output effect of tourist spending.

There are two reasons for leakages in regional economies. First, rural economies are chronically underdeveloped and lack the resources and means to supply in the total tourist demand. These countries have to import goods and services. Payment for the latter flows or leaks directly out of the local economy (Saayman *et al.*, 2001). Therefore, the service delivery of the tourism sector in South Africa has to be improved. Second, individuals or companies that are located outside the region and profits from these businesses are not retained in the local economy's businesses.

In addition to the cost of goods and services that have to be imported, Lickorish and Jenkins (1997) list these possible forms of leakages that may occur:

- importation of goods and materials by the government for the infrastructure and buildings required for tourism development;
- payment of interest, rent or profit on foreign capital invested in the country's tourism plant;
- direct expenditure on promotion, publicity and other services purchased when promoting the country abroad; or
- transfer pricing, particularly in the case of multinational companies, where payments are recorded in the country of tourist origin rather than in the destination country, thereby reducing profits and taxes in the destination country; and
- exemption of duties or taxes by the host government, on foreign-owned companies or promotion of financial inducements to attract foreign direct investment

To get the maximum benefit from tourist expenditure, it is necessary to examine the import pattern of the tourism sector to determine if imports can be limited and substituted by domestic production. The encouragement of domestic production will not only reduce the leakages of foreign exchange, but will also provide employment and income.

2.2.5 Tourism expenditure and functioning of the multiplier

The **multiplier analysis** plays an important role in trying to determine the economic impact of tourists. It expresses the relationship between the level of local income or output and the initial injection into the economy (Cullen, 1997) by calculating the effect of changes in expenditure.

Inskeep (1991) defines the multiplier as the number of rounds of spending with regard to the initial expenditure within the local economy or the ways in which tourists' spending filters through the economy. The term multiplier is used to describe the total effect, both direct and secondary, that an external source of income has on an economy. Mathieson and Wall (1982) define the multiplier as the number by which initial tourist expenditure must be multiplied in order to obtain the total cumulative income effect for a specified time period. Applying the multiplier concept to tourist expenditure in South Africa's North West Province, R395 816.13 spent by domestic tourists is responsible for R775 799.61 of the output.

Multiplier analysis is used to estimate the ongoing implications of tourist expenditure in the economy. It is recognised that initial tourism expenditure will give rise to a demand for products, services and investments in infrastructure and superstructure to cater for the needs of domestic and international tourists, and that much of the initial expenditure by tourists at a destination will infiltrate the economy to stimulate further indirect expenditure and income in the region, induced by the initial expenditure. This cultivates economic growth.

The initial account of tourism expenditure will lead to changes in the economy in output, income, employment, and contribution to government revenue. The changes in various categories may be less than, equal to, or greater than the initial (additional) change in tourist expenditure, from which the economic process originated.

Multipliers can help to:

- identify weak linkages in the economy

- provide information on the degree to which such objectives as maximising income and employment and if minimising foreign exchange losses are being met, and
- identify areas in the economy which require stimulation or bring large benefits and merit expansion

Lickorish and Jenkins (1997) divided tourist multipliers into five main types, namely:

- *Transaction or Sale Multipliers.* This multiplier is the extra turnover created by an extra unit of tourist expenditure.
- *Output Multiplier.* This multiplier is a sophistication of the sales multiplier where the relative changes of inventories are taken into account as a result of the extra tourist expenditures.
- *Income Multiplier.* This multiplier measures the additional income created in the economy as a consequence of increased tourist expenditure.
- *Government Revenue Multiplier.* The government revenue multiplier measures the impact on government revenue as a consequence of increased tourist expenditure.
- *Employment Multiplier.* This multiplier is the extra employment generated by an extra unit of tourist expenditure.

If one compares the effects of a number of projects, one notices the implications for both income and employment. Depending upon the priorities and the flexibility of investment, the project with the highest income or employment multiplier, or the best combination of the two, should be chosen.

Expenditure can be divided into direct expenditure, indirect expenditure or induced expenditure:

- *Direct tourism expenditure*

The term “direct” reflects the fact that the income is received or generated directly and triggers the first round of spending by businesses. Direct expenditure consists of expenditure by tourists on goods and services in hotels, restaurants, shops and other tourism services. It also includes expenditure on goods exported because of tourism or investments related to tourism in the region (Mathieson & Wall, 1982).

- *Indirect tourism expenditure*

Muller (1992) defines indirect tourism expenditure as expenditure in successive rounds of inter-business transactions, which result from the direct expenditure. Mathieson and Wall (1982) indicate that the payments of salaries and wages to local employees and tourist establishments replenishing stock, are indirect effects of the initial, direct tourist expenditure.

- *Induced tourism expenditure*

Muller (1992) defines induced tourism expenditure as the increased consumer spending resulting from the additional personal income produced by the direct expenditure.

It is only when all three levels of impact (direct, indirect and induced) are estimated that the full positive impact of tourism expenditure can be fully assessed.

To generate income, expenses are incurred. These expenses could take the form of:

- * spending on goods and services by tourists in an area;
- * investment by external sources (for example, hotel groups building a new unit in an area);
- * the government providing infrastructure (for example, airport additions or improvements, airports often being the drivers of economic growth as they stimulate tourism and investment and contribute directly and indirectly to GDP); and

- * exports of goods and services stimulated by tourism, for example : flowers, fish or wine (Muller, 1992).

According to Lundberg (1990) and Coltman (1988), the following formula can be used to calculate the tourism income multiplier:

$$TIM = 1 - TPI$$

$$MPS + MPI$$

TIM = Tourism Income Multiplier, or factor by which tourist expenditures should be multiplied to determine the tourist income created by these expenditures where:

- 1 = Tourist expenditure
- TPI = Tourists' propensity to import, or buy imported goods and services that do not create income for the area

MPS = Marginal propensity to save, or residents' decision not to spend some of their tourists' disposable income

MPI = Marginal propensity to import, or the residents' decision to buy imported goods or spend money abroad.

2.3 ANALYSIS OF CONSUMER CHARACTERISTICS AND ASPECTS THAT INFLUENCE DOMESTIC TOURISM

According to a study undertaken by Rhodes (2000), the average domestic tourist is a white, Afrikaans-speaking female. She is aged between 35 and 49, married and has three children. The annual household income is more than R150 000. The family goes on holiday at least twice a year and spends on each holiday about R2 765. The holiday is of short duration because the amount of disposable income is not sufficient for the month-long holidays popular between the 1950s and 1970s.

Between April 2000 and May 2001, 44% of domestic travel was done by mini-bus taxi. It is mostly black tourists who make use of this form of transport. Arriving at the seaside in peak season, together with family and friends and without booked accommodation, these tourists stay with friends or family, camp on the beaches or sleep on the buses (Kohler, 1992).

Van Hove (1996) explains that a destination is visited if the following six conditions are met:

- the holiday is flexible and can be purchased at prices that are competitive with mass-produced holidays (cruises vs. land-based holidays);
- production of travel and tourism related services is not dominated by scale economies alone;
- tailor-made services are produced, yet it is still possible to take advantage of scale economies where they apply (yield management);
- production is increasingly driven by the requirements of consumers;
- the holiday is marketed to individuals with different needs, incomes, time constraints and travel interest. Mass marketing is no longer the dominant paradigm; consumers look at the environment and culture of the destination as a key part of the holiday experience.

According to the previous Minister of Tourism, Valli Moosa (1999), “there is a need for structured year-round travel opportunities that are family-orientated and flexible as well as attractive to the less affluent”.

Factors impacting on domestic tourism can be divided into external and internal components.

2.3.1 External factors

External environment factors that are important when it comes to growing domestic tourism are as follows: (Saayman, 2002)

2.3.1.1 Economic factors

Tourism has captured the imagination of the public, planners and economists as a means of stimulating growth and development in South Africa. Whereas the government did not play an active role in tourism before 1994, it has since realised that tourism can be an engine of growth, capable of dynamiting and rejuvenating the economy (Futter & Wood, 1997). The government now actively supports tourism and has established investment incentives to further its development. Since tourism increases a country's national income, it can play an important role in the Reconstruction and Development Programme. The Reconstruction and Development programme (RDP) is the strategy of the government of South Africa for the fundamental transformation of the country. The RDP integrated growth, development, reconstruction and reconciliation into a modified programme.

Tourism represents significant opportunities for South Africa, therefore making it an important industry to stimulate development, especially if one takes into account that the country has many natural resources.

- It is the world's largest generator of jobs.
- Tourism provides immediate employment.
- Tourism employs a multiplicity of skills.
- Tourism is labour-intensive.
- The industry creates entrepreneurial opportunities.
- Rural areas can be developed.
- Tourism builds cross - cultural relationships.
- An increase in a country's national income results in- a tourism increase.
- Well-managed tourism is kind to the environment.
- Tourism brings a ready market.

- Tourism demand is continuous.
- Tourism has a multiplier effect.
- It has potential for linkages. SA (1996).

Researchers like Saayman (2002) and Cloete (1995) have identified the following aspects as part of the economic environment.

* Gross Domestic Product (GDP) and economic growth

Economic growth refers to the growth in production (GDP). To calculate the economic growth rate, the growth in real GDP is used. Real GDP refers to the GDP that is adjusted to exclude inflation. This is because the market value of products (as measured by the GDP) will automatically increase each year because of the increase in prices (value). To determine if there was any real increase in production (GDP) and not only an increase in price in the GDP because of inflation, the effect of price increases must be eliminated.

To calculate the economic growth rate, the following formula is used:

$$\text{Economic growth rate} = \frac{\text{GDP}_x - \text{GDP}_{x-1}}{\text{GDP}_{x-1}} \times 100$$

Where:

$$\text{GDP}_x = \text{GDP in this year}$$

$$\text{GDP}_{x-1} = \text{GDP in the previous year.}$$

An economy's growth potential goes hand in hand with the growth of its labour force, its capital stock, its natural resources as well as the technological progress it makes. Economic growth theories show that technological advancement and increase in human capital or skilled labour determine the development of a particular economy.

Economic growth is important for the economy because an increase in production is normally associated with an increase in employment opportunities. This, of course, decreases unemployment.

Economic development refers to the process of improving the quality of living of all inhabitants of a country. It entails more than just economic growth. The level of development of a country depends on a number of factors. These are:

- income per capita (per person);
- economic growth rate;
- inequality of income distribution;
- extent of malnutrition, diseases and illnesses;
- employment and unemployment rate;
- literacy rate.

Saayman (1997) states that for economic development to take place the following three aspects must all improve:

- people's standard of living, which includes their incomes and their consumption of food and access to medical and educational facilities
- people's self-esteem, which refers to their dignity and self-respect, and
- people's freedom to choose, as depicted in an increase in the variety of products and services

It follows from the above that economic growth is an integral part of economic development because it leads to an increase in production and income.

The development issue is a complex and vast one if one takes into account that approximately three quarters of the world's population lives in poor conditions.

A high investment in tourism facilities, infrastructure and suprastructure is necessary to reach a *critical mass* of attractions, services, facilities and visitors in order that a destination can sustain tourism economy. Because this industry is unique, it should be promoted and utilised, but also restricted and protected. Therefore, growth must involve thorough planning, through research and training. Countries that yield the most tourists are usually countries that are developed and prosperous.

* Inflation

High inflation has a negative impact on disposable income, therefore it will influence travel behaviour. High inflation leads to higher prices, hence less spending-money Cloete (1995).

* Consumer spending

If people have more spending money (disposable income) it also impacts positively on travel behaviour. Tourism is not a primary need, therefore more disposable income could lead to more travel. This is especially the case in the situation of black tourists in South Africa.

* Interest rates

Interest rates have almost the same impact as inflation on the income of tourists.

* Exchange rate

If the exchange rate is high it has a positive impact on domestic travel patterns, because domestic tourists might think twice before travelling abroad and remain in the country to spend their money in South Africa instead of going overseas.

* Tax

Tax has a definite influence on travel patterns. The higher the tax rate, the less people are inclined to travel because of a decrease in disposable income.

* **Distribution of income and equity**

It may happen that there is economic growth in a country, but that a large part of the population remains poor. This is due to the distribution of income in the country. In most Third World (developing) countries, the income is unevenly distributed among the inhabitants. In South Africa, for example, 20% of the population earns 68.9% of the income in the economy, while the remaining 80% of the population share the remaining 31,1 % income. Such an unequal distribution of income contributes to poverty in the country and puts pressure on the government to reduce this discrepancy.

There is, however, a difference between equity and equality. Equity refers to fairness in the distribution of income and is a complex concept, while equality means that everyone must have the same share. In other words, each individual or household should earn a fair or equitable share of national income (Fourie *et al*, 1997). Thus, more disposable income would allow more tourists to travel.

2.3.1.2 Climate

Climate plays a role in travel patterns. Tourists enjoy and visit destinations with hot sunny weather and when they feel like snow they travel to the mountains during winter.

2.3.1.3 Competitors

The more competitors there are, the more consumer friendly the prices tend to be. An aspect that is very important is that certain areas in South Africa are becoming too expensive for domestic tourists to visit.

2.3.1.4 Politics and Legislation

Research by Cloete (1995) indicates that the following aspects related to politics and legislation have an impact on domestic tourism:

- Political stability
- Safe environment

Previous research indicated that the domestic market is less influenced by acts of terrorism compared to international tourism (Visser, 2002).

- * Travel and personal safety

In South Africa, where the crime level is high in certain areas, tourists are seen as easy targets. Acts of crime and violence against tourists can have a negative effect on the tourism industry. It is, however, important to note that domestic tourists are less influenced by crime than foreign tourists. The reason could be that domestic tourists know where to travel to and what to expect

2.3.1.5 Socio factors

- * Demographic (age)

Camping grounds, adventure tourism culture grounds and theme parks are designed to meet the needs of specific subgroups which are determined through by age, gender, income, marital status, occupation, education and race (Saayman, 2002). The travel needs of a person of 75 differ from those of a person of 21.

With age a consumer's needs change. Many tourism companies provide different offerings and use different strategies to promote various age and family cycle segments (Friedmann, 2002). The destination, transport and motivation to travel vary between age groups.

Young people can use their age as an excuse for social blunders, and may want to experience adventure and visit new, exciting places. With age, travellers tend to become more passive, thus avoiding destinations that are too demanding or that involve too much risk (Bennett, 2000). More people are also moving to urban areas which implies that their travel needs are influenced by the fact that they live in built-up surroundings. These tourists then prefer more space and quiet while they are on holiday.

* Leisure time

Leisure time is time available to do things other than work. Tourism plays an important role because tourism is practised during leisure time. It can thus be deducted that more leisure time leads to more tourism if factors like finance and transport are not considered (Saayman , 2000).

Freedom from obligation is often regarded as a key attraction of leisure and tourism. Some regard leisure as an opportunity for relaxation and pleasure (Torkildsen, 1999).

* Mobility and transport

Mobility plays a definite role, because travel has become dependent on a form of transport. It is clear that an increase in mobility also causes an increase in tourism. Shorter supplementary breaks are becoming more trendy, for instance. For this reason the government should facilitate and promote improved taxi services as well as public transport systems.

Tourism has been closely associated with advances in transport technology. In other words, there is a relationship between tourism growth and transport development, in addition to increasing the volume of tourist traffic. These advances in transportation have also modified the pattern of tourist flows (Pearce, 1995). According to Saayman *et al.* (2001), tourists going to the North West Province spend 13% of their total expenditure on transport. Tourism will become more sophisticated, safer and more affordable as transport technology improves.

* Gender

Different approaches affect the sexes differently. The differences between the sexes are often used by marketers to develop offerings for a wide variety of physical needs and self-images of men and women (Friedmann, 2002). Women play an important role in making travel decisions (Bennet, 2000). The growing social, political and economic independence of women is also increasing women's share of the travel market. Women's going out to work also increases the family income; subsequently more income is available for pleasure purposes.

* Levels of education

Research has shown that profession is a large contributing factor in tourism (Saayman , 2000). A high level of education is closely related to income and that leads to more tourism.

2.3.1.6 Technological factors

Developments in the technology field can have an effect on the tourism market. For example, e-mail and internet make booking accommodation or renting a car very easy because it is only a telephone call away. It is very cost - effective and competitive for the tourist industry. According to Digman (1990) the following are important factors:

- Relevant cost factors
- Quality of product.
- Innovations.
- Tempo of technological change.

New technologies and development of leisure time products are tools and ideas available for extending the natural, physical and mental reach of mankind.

2.3.1.7 Globalisation

Smeral (1998) states that globalisation is a direct result of the birth of the information economy and the death of the industrial economy. Globalised business would be unthinkable without the communication and information technologies that have become the raw materials of the new economy. As technology is merged and exchanged, it improves the speed of travel and information dissemination.

Does globalisation have an impact on tourism and to what extent? Saayman (2000) believes that there is a definite impact. Globalisation entails the increasing interdependence of markets and production in different countries. Goods and services

drive trade and capital flows across borders. The introduction of a market economy in many countries and their integration into the world economy is creating an even larger world market while increasing economic growth on a global scale.

It is on account of globalisation that the tourism industry underwent significant expansion. Large tourism companies have been created which are not dependent on any one particular nation but have branches all over the world. These companies take advantage of the new technology and offer increasingly professional industrial, standardised, uniform products. There has also been a shift in focus within the tourism market to alternative forms of tourism, with tourists being offered new and novel experiences (Futter & Wood, 1997). Tourists are increasingly looking for opportunities to engage personally in activities rather than to be passive spectators; they want to be able to learn how to carry out tourist activities. For these destinations and alternative forms of tourism to succeed, they must be sustainable-economically, socially and environmentally (Godfrey & Clarke, 2000).

2.3.2 Internal factors

For tourists to travel to destinations and attractions they need to know about places to visit and stay. Therefore marketing has become a very important aspect. Various methods and tools, as well as distribution channels are available for marketing. Examples are tourist information offices, provincial tourist boards and tourist products information centres

2.3.2.1 Services and products

Services, like entertainment, and leisure facilities, like swimming pools, casinos and night-clubs, become more popular (Lea, 1998). The more facilities, entertainment and accommodation at a destination, the more likely tourists will visit the destination.

A consumer's classification is based on personality, attitudes, characteristics, opinions and interests. In the above, a distinction is made between the tourist who wants a familiar and safe environment and the one who wants new experiences and is prepared to take risks.

Certain people have a stronger urge for adventure than others. There are many factors that influence human behaviour, and that is why there are those who refrain from certain activities. Factors like education, information, inhibitions and environmental factors all play a part in the process.

Tourism can be viewed in terms of supply and demand. The demand is made up of domestic and international tourist markets.

The supply comprises transportation, accommodation, food and drink, attractions, activities, such as shopping and entertainment, facilities, business, financial and other services and related infrastructure, as well as information and promotion. Often, community residents, who have more time and income to travel than ever before, also make use of tourist attractions, facilities and services and related infrastructure (McIntyre, 1993). Tourism's relative economic contribution is therefore greater than it might initially seem.

* Quality of service

A high priority is placed on attributes such as beaches, scenery and availability of accommodation facilities. Entertainment for children, game viewing and water sports are rather important. Product owners need to offer a one-stop shop for domestic tourists, which consist mainly of families. However, quality of service is paramount in making sure that tourists return.

* Product development

Effective development of products and attractions may persuade tourists to visit particular areas or spend their holidays in specific regions. Tourist attractions based on historical, cultural, racial, linguistic and social themes are often found in rural areas (Saayman *et al.*, 2001) and lure high percentages of domestic tourists. A distinction is usually made between natural features such as land forms, flora and fauna, and man-made objects in the form of cathedrals, casino's, monuments and parks (Lea, 1998). Another category includes man and his culture as expressed through language, folklore, music, dances and cuisine. The capacity and quality of all modes will affect how much and which market segments will be attracted (McIntyre,

1993) as well as enhance and limit the local capacity to deliver. In the past, South Africa did not capitalise on its various attractions. There needs to be a change in product focus.

* **Location of facilities**

The location of the facilities also plays a role in terms of whether people will visit the destination.

* **Distance and accessibility**

Accessibility is very important and include aspects such as roads, transport, information and distance to travel.

2.3.2.2 Market research and intelligence

Marketing research usually identifies the preferences, values, media habits, attitudes and behavioural patterns of different socio - economic groups, and can be used to set up marketing programmes in tourism.

According to Kroon (1994) the quantitative analysis of the market segments is important, as well as the forecasting of the quantitative traits. The quantitative traits include the forecasting of the market potential. With the above information management can accomplish the following:

- Acknowledgement of opportunities and threats in the market segment.
- Utilising these opportunities in the market within the framework of the strong and weak points in a province /organisation.
- Choosing the most relevant target markets.
- Formulating a marketing strategy for the province/organisation.
- Making decisions within a formulated marketing strategy that is incorporated in an organisational strategy (corporate strategy).

*** Marketing communication**

The tourist products and services available to tourists in a province can only be brought to the attention of domestic tourists by means of a marketing plan (Cloete, 1995). According to Godfrey and Clarke (2000) " ...marketing is a strategic process that aims to fit the resources of a destination to the opportunities existing in the market"

A marketing plan starts by investigating the current tourism industry and then identifying the specific tourism market. The marketer determines the market segment he wishes to develop. This is done by means of developing a marketing mix for the market. The marketing mix consists of product, place, promotion and price (Godfrey and Clarke, 2000). Marketing is an implementation tool, which is used to implement a plan. This is done to increase the number of tourists visiting the relevant province. By rendering additional facilities and services, tourist spending can be increased, with a consequent positive economical impact on the province and its community.

*** Product image**

A product with an excellent image will attract tourists and tourists will tell friends and family about their experience.

*** Pricing**

Product owners should be wary of too high prices. Too high prices prevent a great number of tourists visiting a particular destination/attraction. This is especially true in the case of domestic tourists. The focus in many cases is on international tourists rather than domestic tourists.

*** Information dissemination**

If tourists do not know about a product they will not visit it and that is why availability and distribution of information is important.

2.4 LIMITATIONS IN SUPPLY

Limitations and supply components of tourism (accommodation, airports, railways, roads and freeway systems) originate for the following reasons:

- they are all capital-intensive items and need time to develop;
- after facilities have been erected, they can often not be used for anything else. For example, a hotel that does not show a viable level of occupation cannot always successfully be changed into another facility. So, if demand is overestimated or the facility is under-utilised, it will drain the income derived from tourism;
- if the demand is underestimated, potential clients will be turned away, and this can damage the image of the hotel or resort. It will take years to erect additional facilities, and by that time it will be difficult to recover lost business. New target markets will have to be developed, and that is expensive and requires time;
- skilled staff is needed to manage the facilities, and trained managers are not always available. It may happen that there is a shortage of staff during peak periods. Where available staff is limited, a maximum number must be employed fully, but that is expensive. The best option is to employ sufficient staff for normal demand periods, and employ additional staff at peak periods (McIntyre, 1993).

The Minister of Tourism and Leisure of Mauritius and Chairman of the Committee of SADC Tourism Ministers, Jacques Chasteau de Balyon, proclaims that it is vital to bring greater coherence in the overall approach to the development of the tourism sector at the SADC level by taking concrete action on the supply side of the sector. Quality facilities and services have to be provided (SADC Secretariat/Tourism Sector Co-ordination Unit Press, 2000).

2.5 DEMAND

Demand is the targeted population with the interest as well as the means to travel. Market segments pertain to the various categories of potential visitors, divided by standard demographics (age, income and place of origin). Special interests or travel preferences are unique to each community (McIntyre, 1993). People have specific demands and expectations when travelling. Some prefer self-catering while others like to stay in hotels. Product owners must satisfy the demand of tourists through effective and efficient research. They must offer something for the family, as well as the individual.

2.5.1 Instability of demand

Tourism is subjected to instability of demand. This creates planning problems and increases risks. The following could be possible reasons for the unpredictability of demand:

- seasonal ; changes
- a sudden and unexpected influence of external and environmental factors, for example, economic recession, increased demand and political changes in the host country;
- change of quality and quantity in structures;
- a change in consumer tastes and preferences;
- absence of consumer loyalty with regard to destinations or types of transport, accommodation and travel agencies. Therefore, a specific forecast cannot always be made of how many people will go to a place (McIntyre, 1993).

2.5.2 Elasticity of demand

Elasticity of demand is linked to income and price elasticity. The effect is not uniform, but is the cause of instability in the demand for tourism products. Income elasticity describes the changes that take place in the volume of demand as a result of a change in the potential client's income. Price elasticity describes the effect of any change in price or income.

Furthermore, tourism is not regarded as an essential need and the wide choice of destinations, prices and types of transport aggravates the problem for any resort or tourism product.

Product owners ought to consider disposable income available to tourists when planning and marketing are done. They should highlight the negative aspects of work - related stress and focus on the need and importance of relaxation and travel (McIntyre, 1993).

2.5.3 Demand forecasts

Demand forecasts with regard to tourism must not cover the total demand for tourism products only, but must also include all the provision elements, although this is not always possible. In most cases demand forecasts are to concentrate on the following:

- accommodation requirements;
- all forms of transport;
- other ancillary services, including excursions and entertainment, expected by tourists at all destinations (Saayman, 1997).

Factors that can influence demand are:

- the tourist's choice to stay with family or friends. Of every 100 tourists visiting the North West Province, 42 stay with family and friends for some period. This tendency is strengthened by inflation and price increases.
- Some tourists experience the desire to break away from the sophistication of a hotel. They feel restricted in a hotel and prefer to go camping. Today the tendency is to find a room where the tourist can stay overnight more informally and not be bound to appointed times.

Jacques Chateau de Balyon, Minister of Tourism and Leisure of Mauritius, suggests the implementation of conducive policy measures to meet demand requirements (SADC Secretariat/Tourism Sector Co-ordination Unit, 2000).

The following guidelines on demand conditions, as identified by Smeral (1998), Kotler *et al.*, (1996), and Porter (1990), could improve South Africa as a global destination:

- improving the competitive position in the fast growing and/or relatively saturated market;
- increasing the number of first-time visitors to a region;
- increasing the number of guests with high incomes;
- increasing the guest share long-haul destinations;
- increasing activities for domestic tourism;
- supplying seasonal independent packages;
- developing a holistically orientated local, regional and national policy;
- price;
- market segmentation and
- type of product.

2.6 CONCLUSION

The aim of this chapter was to indicate the role of tourism in the economy and identify factors contributing to the growth of the domestic tourism market. Relevant aspects were explained, namely the income effect and economic multipliers in tourism and the tourist expectations, motivations and reasons to visit a destination were determined.

The concern is with understanding why tourists travel, which conditions predispose them towards selecting specific destinations and engaging in certain activities.

A tourism motivation theory should address the following factors:

- the conceptual place of tourist motivation;
- its task in the specialities of tourism;
- its ownership and users;
- its ease of communication;
- pragmatic measurement concerns;
- developing multi-motive perspectives;
- resolving and clarifying intrinsic and extrinsic motivation approaches;
- adopting a dynamic approach (Pearce, 1995).

In order to expand the capacity of the sector and provide quality facilities and services, tourism demands long-term investments in equipment, infrastructure and suprastructure from both local and foreign sources. In South Africa the Growth, Employment and Redistribution plan or GEAR - based on a partnership among the government, business and labour - aims to create an environment conducive to investment. The government provides infrastructure, while investments in suprastructure are normally made by the private sector (Rhodes, 2000). To build a

hotel takes approximately three to five years. Planning for the future must be done carefully to be cost-effective and comply with the demand (Frechtling, 1996).

The demand for services at hotels covers many facets of supply and demand. (Edgell, 1990). In addition, the focus of business tourism is no longer air transportation, overnight accommodation and meals, but rather the activities or fantasy worlds, of specific destinations (Keller & Koch, 1995). These fantasy worlds include the following:

- sport and leisure activities;
- a social way of life: breakfast/buffet meals with music and activities for children;
- creative activities: design and painting, photography and modelling;
- educational and discovery: performances, poetry, language-courses for beginners, cooking and farm visits;
- adventure: diving, night drives, campfires and river rafting;
- self-discovery: eco-tourism, classical music and travelling.

The ageing of the population in developed countries go hand in hand with changed values. Older tourists, in general, are mature in planning their holidays, and not as easily satisfied as younger generations. They are more quality and value conscious. They listen more carefully to their inner selves and their pockets to determine what they really need and can afford (Van Hove, 1996). According to Poon (1993), this is the result of several factors:

- More and better information is available to tourists
- Tourists are more educated and experienced;
- tourists are more independent and flexible;

- there are more destinations to choose from;
- tourists expect to do more than just lie in the sun;
- more tourists travel for business or to delight in the beauty of nature;
- time is more important.

As already stated, tourism is the largest job provider of all the professions worldwide. Not only does the tourism industry create jobs, but it offers other significant economic benefits. Increased tourist arrivals could compensate for the deficit on the balance of payments (Lickorish & Jenkins, 1997). Tourism also increases income and foreign exchange earnings, encourages the investment of capital in South Africa and creates opportunities for large and small-scale business development. Tourists, in addition, can also profit from currency devaluation in the destination countries. For the above reasons, the tourism industry should be promoted and developed.

ANALYSING DOMESTIC TOURISM IN SOUTH AFRICA

3.1 INTRODUCTION

In South Africa's biggest-ever-national survey, conducted between April 2000 and May 2001, domestic tourism and travel patterns were determined. The main findings of this survey are presented in this chapter for the South African tourism industry to develop strategies, which could address issues relating to domestic tourism. For the sake of clarity, the results are broken down into data on typical tourist profiles, views, perceptions, behaviour, likes and dislikes of tourists who spent time in each of the provinces during the above-mentioned period. The intention is that the national and individual provincial tourism authorities will consider the strengths and weaknesses of each province in order to establish a broader and more detailed tourism base.

Research indicated that, during the period April 2000 to May 2001, 15 million South Africans undertook more than 34 million domestic trips, with leisure and business travellers spending an average of R1 413 per trip and providing R9,7 billion to the economy.

The nature of the domestic market is difficult to monitor, seeing that many travellers engage in one-day or weekend excursions to visit friends and family, but it is of the utmost importance to investigate and describe this domestic tourism phenomenon.

Regular statistical data should be issued, estimates based on well-documented statistics and data presented in a format which can be easily compared between countries, as well as domestically, over a period of time (Anon., 2003).

The analysis of comprehensive, reliable and recent data is a complex task. Tourism worldwide is a fiercely competitive business and the criteria for and the advantages of each international destination are becoming increasingly man-made (the application of technology, information and innovation) rather than an enjoyment of the scenic beauty and variety South Africa has to offer.

In this chapter the findings of the research into the strengths and weaknesses of tourism in the nine provinces are going to be reflected. Positive and negative perceptions will also be pointed out. So will ways in which tourists spend their money and identification of the most popular activities enjoyed by tourists. Findings could be used to inform national and provincial marketing organisations as to how to create a solid domestic tourism base.

3.2 TRAVEL AND TOURISM IN SOUTH AFRICA 2000-2001

In January 1996 South African Tourism and the Department of Environment and Tourism undertook a domestic tourism survey. This study found that 16 million South African adults made 30,4 million leisure and 4 million business trips during 1996. This adds up to 34,4 million trips. In 2003 it had increased to approximately 48 million trips. When this part of the study was done final research figures were not yet available.

The 1994 and 1996 domestic tourism surveys undertaken by the South African Tourism Board revealed that KwaZulu-Natal was the most visited province, followed by Gauteng. The reason for visiting was predominantly to visit friends and relatives (VFR) The respective surveys indicated that 59 per cent and 72 per cent respectively were for VFR. The most regularly used mode of travel, according to the surveys, was by car, followed by minibus taxi.

During the period May 2000 to April 2001, close to 34 million domestic trips were undertaken in South Africa. (This should be seen as a conservative estimate since respondents may not have been able to recall all their day and weekend trips during the period.) These excursions can be summarised as follows:

- visits to friends and relatives 58.5%
- holiday and recreation 20.6%
- religious/pilgrimage 14.4%
- business/professional 4.4%
- health treatment 2.4%

Most tourists originated from Gauteng, KwaZulu-Natal, the Eastern Cape and the Northern Province and nearly half of the total numbers of trips were to a destination in Gauteng or KwaZulu-Natal. The Northern Province (Limpopo), the Eastern and the Western Cape received about 13% of domestic travellers, while between approximately 3 percent and 8 percent of the total number of domestic trips were to the remaining provinces. These percentages correspond to the population distribution of the country: the more densely populated areas have the most travellers.

TABLE 3.1: Breakdown per province.

May 2000 - April 2001

PROVINCE	NUMBER OF TRIPS	%
Eastern Cape (4)	4 296 765	12.8
Free State (7)	2 249 088	6.7
Gauteng (1)	6 579 421	19.6
Kwa Zulu-Natal (2)	6 378 010	19.0
Mpumalanga (8)	1 913 403	5.7
Northern Cape (9)	906 348	2.7
Limpopo (3)	4 330 333	12.9
North West (6)	2 651 910	7.9
Western Cape (5)	4 196 059	12.5
TOTAL	33 501 338	100.0

DEAT, 2001.

3.3 EXPENDITURE PATTERNS

From an expenditure perspective, leisure trips account for R 9 753 million (59%) of the total of R 16 570 million spent on domestic tourist trips, an average of R 1 413 per person. Respondents were asked to list the costs they incurred in order to undertake their trips. Predictably, the highest expenditure was on holiday/recreational trips. 27 percent of total expenditure went to trips to family and friends, probably since accommodation is mostly free of charge. Business trips accounted for 5 percent and religious trips for 7 percent of the total expenditure.

The total amount of money spent per trip, comes to an average of R438 per person (all categories in total). This amount consists of transport (R182), accommodation (R97), food (R105), leisure activities (R34) and gifts (R20) (Thornton *et al.*, 2003).

From the study it emerges that, even though holidaymakers and day/weekend travellers to recreational facilities spent the largest amounts of money, most tourists are those who visit their friends and family. This result has been supported by all other similar surveys. For this reason, marketing should concentrate on the leisure tourist if more jobs with a higher income are to be created.

3.4 ANALYSIS PER PROVINCE.

The positive and negative analysis per province will be set out in the following pages.

3.4.1 EASTERN CAPE

Positive and negative perceptions regarding the Eastern Cape

Tourists were attracted mainly to the beaches, game reserves, mountains and scenery, but were discouraged by the high crime rate, the weather, unemployment, bad roads and poverty in general.

Data concerning the financial impact of tourism on the Eastern Cape region, shows that tourism money was spent in the following manner:

- leisure (R929 per capita)
- visits to friends and family (R306 per capita)
- religious trips (R603 per capita)
- business trips (R629 per capita)

The three most popular regions were the Wild Coast, Transkei and Ciskei, the Sunshine Coast and adjoining country and the Friendly N6

TABLE 3.2: Main attractions and weaknesses in the Eastern Cape.

ATTRACTIONS	%	WEAKNESSES	%
Beach and sea	10	Crime and violence	10
Scenery and beauty	7	Unemployment	5
Game reserves	3	Weather	4
Home	2	Roads	2
Mountains	2	Poverty	2
Nothing	7	Nothing	21

DEAT, 2001.

The most popular activities enjoyed by tourists were outings to the beach, followed by shopping and visits to nature reserves. Bearing this in mind, tourism authorities in the Eastern Cape should pay special attention to:

- upgrading and beautifying the amenities on the beachfronts
- keeping the coastline pristine
- improving and expanding marketing all the nature reserves, including the Karoo Heartland and the Amatola regions as well as the Addo Elephant National Park
- encouraging family and friends visiting the local population in the above three popular destinations to visit local attractions in these regions
- establishing upgraded campsites for game and bush lovers and the upmarket segment of the tourism market.

On account of respondents' negative criticism of the Eastern Cape, tourism authorities would be well advised to devise strategies to improve

- poor roads
- poor and inadequate road signs

- poor transport facilities and
- combat crime

With the basic tourism attractions already in place, an improvement in infrastructure, facilities and roads coupled with a decrease in violent crime could render the Eastern Cape as desirable a destination as the Western Cape and KwaZulu-Natal.

3.5 FREE STATE

Positive and negative perceptions regarding Free State:

The main attractions in this region seem to be the mountains, game reserves and the scenery. The friendliness of the local population and the peace and tranquillity experienced in the region also entice tourists to visit the Free State. Five percent of the respondents mentioned crime as a source of insecurity and fear.

TABLE 3.3: Main attractions and weaknesses in the Free State

ATTRactions	%	WEAKNESSES	%
Scenery and beauty	4	Crime and violence	5
Game reserves/bush	3	Weather	4
Mountains	2	Unemployment	2
Peace and tranquillity	2	Racial discrimination	2
Friendly people	1	Roads	1
Nothing	17	Nothing	20

DEAT, 2001.

Three percent of the national tourism expenditure was spent on Free State destinations and on the following:

- leisure trips (R461 per capita)
- visits to friends and relatives (R126 per capita)
- business trips (R1004 per capita)
- religious trips (R188 per capita)

40% of the above trips were made to the Transgariiep tourism region and 25% to the Eastern Free State.

60% of the tourists preferred to do shopping or visit nature reserves, African cultural villages, museums and art galleries

The majority of the respondents were very positive about the Free State's general services, accommodation, transport facilities and road signs. Those who rated the quality of roads and value for money as poor were high in relation to other facilities. The latter two aspects need to be addressed in order to attract tourists to this province. Economic initiatives are to be taken and businesses expanded in order to attract the shopping tourist. The Free State slogan 'Restore your soul' (only seen by 0.6 percent of South Africans) should be translated into the other official languages and aggressively be promoted if tourism is to be boosted.

3.6 GAUTENG

Positive and negative perceptions regarding Gauteng

The availability of money, shopping opportunities, the lifestyle in the province and entertainment was valued. Negatively, the high crime rate discouraged nearly half of the respondents and they indicated that they would avoid Gauteng as a holiday destination. Overcrowding, poor road signs, unemployment, a high road accident rate and the weather were less significant deterrents.

TABLE 3.4: Main attractions and weaknesses in Gauteng.

ATTRACTION	%	WEAKNESSES	%
Job opportunities	14	Crime and violence	47
Entertainment	6	Overcrowding	2
Shopping	5	Roads / accidents	1
Lifestyle	3	Weather	1
Money	2	Unemployment	1
Nothing	12	Nothing	11

DEAT, 2001.

Gauteng attracted 6,6 million domestic tourists during the year under review. About half of the R 2 155 million spent on these trips was on:

- visits to friends and relatives (R234 per capita)
- business trips (R766 per capita)
- religious trips (R283 per capita)
- trips for health treatments (R246 per capita)

It is important to note that the expenditure on business trips to Gauteng exceeded that of any other province. This ought to be taken into consideration in future promotion of the area. Tourists to Gauteng listed their preferences in the following order:

- shopping (62%)
- religious gatherings (57%)
- museums and art galleries (49%)
- visits to African townships (49%)

- visits to African cultural villages (48%)
- live shows and concerts (48%)

Those who visit friends and relatives, accounting for more than half the total market in the province, should be encouraged to include the above-mentioned attractions in their visits.

Even though most tourists rated Gauteng's services; tourist information; accommodation and transport as good, the negative perception of 47% of the respondents of the safety and security in the province is a major cause for concern. Employment opportunities, entertainment and shopping were the main attractions, but hospitals, shopping malls and banking facilities should be better promoted. The high crime rate and violence deterred nearly half of the respondents. Measures should therefore be taken to address these issues before tourism to Gauteng will increase.

3.7 KWAZULU- NATAL

The positive and negative perceptions regarding KwaZulu- Natal follow:

As expected, the major attractions for visitors to this region were the beaches and the sea. Lesser attractions included the scenery, culture, employment opportunities and the fact that it was the respondents' home province. Negatively, nearly a third of the respondents experienced feelings of insecurity and fear due to the crime rate, ongoing violence and especially the taxi wars. Unemployment, diseases, floods and overcrowding were also mentioned.

TABLE 3.5: Main attractions and weaknesses in KwaZulu-Natal

ATTRACTIONS	%	WEAKNESSES	%
Beach and sea	29	Crime and violence	31
Scenery and beauty	4	Unemployment	3
Home	3	Weather – floods	3
Warm weather	2	Diseases	2
Culture and tradition	2	Overpopulation	2
Nothing	7	Nothing	14

DEAT, 2001.

Almost three-quarters of the R4 144 million (25% of the national total) spent on 6.6 million domestic tourists trips to KwaZulu --Natal destinations was on leisure trips (R908 per capita). This exceeded the amount spent on leisure tourism in any other province.

The rest was spent on:

- visits to friends and relatives (R181 per capita)
- leisure trips (R908 per capita)
- trips for business, religious or health reasons (more than R100 million)

Leisure tourism to KwaZulu- Natal was mainly focused on the Durban Central and South Coast regions. Durban also featured as a favourite destination for visits to friends and relatives, as did the Battlefields region.

70% of tourists were attracted to the beaches of the province, followed by a preference for nature reserves. Tourism authorities would be wise to aggressively market these attractions. Shopping was also high on the list of preferences, an avenue for small business entrepreneurs to explore. Holiday facilities in the interior were not as popular as those at the coast. Better marketing could channel a larger

proportion of tourist trade to the Drakensberg, Midlands and Battlefield regions, especially among those who visit friends and relatives.

The main criticism of respondents was the lack of safety and security, less-than-expected value for money and poorly maintained roads.

3.8 MPUMALANGA

Positive and negative perceptions regarding Mpumalanga

The main attractions for tourists were the scenery and game reserves, closely followed by the mountains, the friendly inhabitants and general sense of peace and tranquillity. Fewer than 10 percent of the respondents mentioned the crime rate as reason for not visiting the region, while unemployment, poor roads, long distances and the weather were also cited.

TABLE 3.6: Main attractions and weaknesses in Mpumalanga.

ATTRactions		WEAKNESSES	
	%		%
Scenery and beauty	9	Crime and violence	8
Game reserves/bush	7	Weather	2
Friendly people	1	Unemployment	2
Mountains	1	Distance – too far	1
Peace and tranquillity	1	Roads	1
Nothing	17	Nothing	24

DEAT, 2001.

1,9 million domestic tourist trips were recorded to Mpumalanga for the year under review. Two-thirds of the R907 million spent was on leisure trips. The following amounts were spent in the following categories:

- visits to friends and relatives (R174 per capita)
- leisure trips (R706 per capita)
- religious trips (R239 per capita)
- business trips (R824 per capita).

The regions which attracted the highest number of tourists were:

- Cultural Heartland (33%)
- Lowveld Legogote (20%)
- Cosmos Country (10%)
- Panorama (10%)
- Kruger National Park (10%)
- Wild Frontier (10%).

Seeing that 60% of the tourists liked shopping in Mpumalanga, the range of tourism-orientated markets should be expanded. 58% of tourists favoured visits to nature reserves, which bodes well for the development and marketing of the lesser-known game and nature reserves. More aggressive marketing of the Highlands Meander and Wild Frontier regions will also attract more tourists, especially bush lovers and upmarket campers. Visitors to friends and relatives should be encouraged to view the attractions of the area.

Tourists mentioned poor road conditions, lack of safety and security and poor value for money as their main reasons for not visiting Mpumalanga. Tourism authorities would do well if they rectified these problems.

3.9 NORTHERN CAPE

Positive and negative perceptions regarding Northern Cape

Visitors to this province preferred the scenic beauty of the province above all. The beach and sea, mountains, game reserves and mines (possibly Kimberley's big hole?) were also mentioned. However, 8 percent of the respondents stated that crime was a prohibiting factor, together with the remoteness of destinations, poor road conditions, the weather and the unemployment rate.

TABLE 3.7: Main attractions and weaknesses in the Northern Cape

ATTRACTIONS	%	WEAKNESSES	%
Scenery	6	Crime and violence	8
Beach and sea	2	Weather	3
Game reserves	2	Distance - too far	1
Mountains	1	Unemployment	1
Mines	1	Roads	1
Nothing	18	Nothing	22

DEAT, 2001.

900 000 domestic tourist trips were made to Northern Cape destinations; approximately half of these to friends and relatives and the other half for business purposes. R456 million (3 percent of the national total) was spent on the following:

- visits to friends and relatives (R227 per capita)
- holiday/leisure / recreational trips (R699 per capita)
- business trips
- religious trips

- health treatment trips.

The Upper Karoo area was the most popular destination, with the Green Kalahari second. Most of the trips to this region were to visit friends and relatives, in fact three times more than leisure trips. Namaqualand was the only region to attract tourists who are not friends and relatives, mainly because of the beauty of the indigenous flowers in spring.

Preferred activities in the Northern Cape were:

- shopping
- religious gatherings
- dining.

More assertive marketing of the Hantam Karoo is needed to attract upmarket campers and game and bush lovers. Visitors to friends and relatives should also be encouraged to see the attractions of the region.

Visitors were dissatisfied with the lack of safety and security, transportation problems, road signs, as well as poor value for money. These problems need to be addressed to keep tourists coming to this region.

3.10 LIMPOPO

Positive and negative perceptions regarding Limpopo:

The scenic beauty and the game reserves of the province held the most allure for tourists. These were closely followed by the peace and tranquillity of nature, the availability of inexpensive fresh fruit and vegetables, and the ZCC Headquarters at Moria, near Polokwane. Most respondents as their reasons for not wishing to visit this province mentioned the high crime rate, poor roads, poverty and the weather.

TABLE 3.8: Main attractions and weaknesses in Limpopo Province.

ATTRactions	%	WEAKNESSES	%
Scenery and beauty	5	Crime and violence	7
Game reserves/bush	5	Unemployment	4
Peace and tranquillity	2	Weather	3
Cheap vegetables and fruit	1	Roads	2
Religious site (Moria)	1	Poverty	1
Nothing	19	Nothing	22

DEAT, 2001.

7 percent of the national total of R 1 092 million was spent on 4,3 million tourist trips to Limpopo during the year under review. A breakdown reveals:

- leisure/holiday trips (R537 per capita)
- religious trips/ pilgrimages (R291 per capita)
- visits to friends and relatives (R161 per capita)
- business trips
- health treatment trips.

Limpopo is the only province with such a high per capita expenditure on religious trips, but this is mainly due to the annual Easter celebrations held at Moria by followers of the Zionist Christian Church. 23% of the total numbers of trips were undertaken for this purpose. Visits to friends and relatives accounted for 49% of the trips and leisure trips for 16%. One third of the leisure trips was to the Capricorn region. The remaining two thirds were to the Valley of the Elephants (including the northern half of the Kruger National Park), the Bushveld and the Soutpansberg areas.

The most popular pastimes for tourists to Limpopo were:

- religious gatherings (65%)
- shopping (62%)
- visits to nature reserves (59%).

Only 10 percent of the trips were to the Bushveld region. This was higher than for the other three regions in the province and mainly consisted of leisure trips. More vigorous marketing might attract game and bush lovers and more upmarket campers, as well as those who come to visit friends and family.

More than 20% of the respondents rated the tourism facilities and service in general as poor, along with roads, road signs, transport, safety and security and value for money. These issues need to be addressed to lure more visitors to the province.

3.11 NORTH WEST

Positive and negative perceptions regarding North West

Tourists preferred the scenic beauty; game reserves and Sun City, the friendly people and sense of peace and tranquillity. They were concerned about the high crime rate, the poor condition of the roads, unemployment, the weather and the lack of development throughout the province.

TABLE 3.9: Main attractions and weaknesses in North West

ATTRACTIONS	%	WEAKNESSES	%
Scenery and beauty	4	Crime and violence	7
Game reserves/bush	2	Unemployment	2
Sun City	2	Weather	2
Friendly people	1	Roads	1
Peace and tranquillity	1	Lack of development	1
Nothing	18	Nothing	22

DEAT, 2001.

Approximately 2,7 million domestic tourist trips were undertaken to the North West Province during the year under review. The total expenditure was R 796 million, of which more than half (R 1 073 per capita) was spent on leisure trips.

The rest was spent on:

- visits to friends and relatives (R130 per capita)
- business trips
- religious trips
- health treatment trips.

Seeing that two-thirds of all trips to the North West were visits to friends and relatives, an aggressive advertising campaign should be launched (especially on public transport, such as taxis) to expand this potential market. Not surprisingly, the highest proportions of leisure trips were made to the Rustenburg area (Sun City, the Pilanesberg National Park, Buffelspoort, etc).

Tourists to this region listed their preferences in the following order:

- shopping
- beach (wave pool at Sun City)
- nature reserves
- visiting African townships
- religious gatherings
- museums.

Marketing should be aimed at those who visit their friends and relatives so that these individuals will spend more time at local attractions.

Main highlights in this province are the scenery, game reserves and Sun City. 25% of the respondents rated the roads as poor and between ten and 20% thought that tourist information, value for money and safety and security were inadequate. These are areas which clearly could be improved by better marketing strategies.

3.12 WESTERN CAPE

Positive and negative perceptions regarding the Western Cape

The main attractions of this region are the beaches and sea, the mountains and the scenic beauty. Entertainment and ample job opportunities were also mentioned. Nearly 20% reported that the crime rate discouraged them from visiting this province, as well as the extremities of the weather and long distances to travel on poor roads in order to reach the region.

TABLE 3.10: Main attractions and weaknesses in the Western Cape.

ATTRACTIONS	%	WEAKNESSES	%
Beach and sea	12	Crime and violence	19
Scenery and beauty	8	Weather	3
Mountains	5	Unemployment	1
Entertainment	1	Roads	1
Job opportunities	1	Distance - too far	1
Nothing	13	Nothing	20

DEAT, 2001.

R4 017 million (24% of the national total expenditure) was spent on the more than 4,2 million domestic tourist trips that were undertaken to the Western Cape region. 75% of these trips were for leisure, which places this province second to Kwa-Zulu Natal.

The different expenditures were as follows:

- leisure trips (R1 139 per capita)
 - visits to friends and relatives (R278 per capita)
 - business trips (R1 161 per capita)
 - religious trips
 - health trips
- } ± R100 million

Business trips accounted for the third highest expenditure in the Western Cape (after Gauteng and Kwa-Zulu Natal). The Cape Metropolis was the most popular region for visits to friends and relatives.

70% of tourists to the Western Cape were mainly interested in going to the beach, while 59% went to nature reserves.

Next on the list of preferences were

- shopping
- scenery
- mountains.

Most tourists visited the Western Cape for holiday or leisure purposes while 46% of all the trips made during the specific year were trips to friends and relatives. 28% of the respondents rated safety and security arrangements and value for money as poor. Greater emphasis should be placed on advertisements to counter negative perceptions.

3.13 SYNTHESIS OF RESULTS

TABLE 3.11: A synthesis of each province with growth and limitation factors:

PROVINCE	GROWTH	LIMITATIONS
Eastern Cape (4)	Beaches Game reserves Mountains and scenery	Crime Unemployment and poverty rate Poor roads
Free State (7)	Mountains Game reserves and scenery Tourists drive through the Free State	Limited tourism orientated market Limited marketing budget High leakages Tourists don't stay for a long period Crime
Gauteng (1)	Availability of money. Variety of shopping opportunities. Entertainment. Services Finances Infrastructure Low leakages factor	Crime and perceptions of crime Unsafe areas Overcrowding Poor road signs

PROVINCE	GROWTH	LIMITATIONS
KwaZulu-Natal (2)	Beach and sea Warm weather Scenery and beauty	Crime and perceptions of crime Unsafe areas Unemployment Diseases
Mmpumalanga (8)	Scenery Game reserves Wide variety of natural beauty	Long distance Poor roads Crime Limited tourism orientated markets Limited marketing budget High leakages
Northern Cape (9)	Scenic beauty Beach and sea Wide variety of products (sea and flowers) Space Nature	Crime Road signs Limited tourism orientated markets Limited marketing budget High leakages Crime
Limpopo (3)	Scenic and natural Beauty Game reserves	Crime Poor road signs Poverty Limited marketing budget High leakages
North West (6)	Scenic beauty Space Game reserves Sun City	Crime Poor condition of roads Poverty Limited marketing budget High leakages
Western Cape (5)	Beach and sea Mountains Scenic beauty	Crime rate Weather Long distance

From the above as well as what is contained in the objectives, the following key issues emerged:

1. Provinces need a variety of attractions.
2. Provinces need to be marketed.
3. Accessibility plays an important role.
4. Infra- and suprastructures need to be well developed.
5. Image of destination plays an important role.
6. Safety and security is crucial.
7. The South African tourism product is based on its natural products.
8. Finally, it is important to limit economic leakages.

3.14 CONCLUSION

In this third chapter findings of the tourist situation in the nine provinces were reflected. Positive and negative perceptions, ways in which tourists spend their money and the most popular activities enjoyed by tourists were identified. Findings should be utilised to inform national and provincial marketing campaigns as to how to create a solid domestic tourism base.

From the study it emerges that, even though holidaymakers and day/weekend travellers to recreational facilities spend the largest amounts of money, most tourists are those who visit their friends and family. This finding has been supported by all surveys. For this reason, marketing should concentrate on the leisure tourist if more jobs with a higher income are to be created.

The domestic tourism market was found to comprise 34 million trips per annum taken by about 15 million adult South Africans during the period May 2000 to April 2001. In terms of volume, this far exceeds the foreign tourists market of just under 6 million

trips. Almost three-fifths (58 percent) of the domestic tourism market comprised trips to visit friends and relatives (VFR). Just over one-fifth (21 percent) were holiday or leisure trips. Another one-seventh (14 percent) of trips are for religious reasons. Only 5 percent of trips were made for business purposes and 2 percent in order to receive some form of health treatment.

Looking at the results from an expenditure perspective, however, leisure trips account for R 9 753 million (59 percent) of the total of R 16 570 million spent on domestic trips, an average of R1413 per person per trip. A further R 4 520 million (27 percent of the total) is spent on VFR trips, a rate of R231 per person per trip. There is a high per capita expenditure on business trips (R595), accounting for R893 million (5 percent) of the total spent on domestic tourist trips. An amount of R1 104 million is spent on religious trips (R235 per capita) and R298 million on trips for health treatment (R373 per capita).

The WTTC calculates tourism economic impact and job creation according to two definitions: the travel and tourism industry and the travel and tourism economy. The travel and tourism economy includes the industry and includes capital spending for tourism, for example investment in hotel buildings, transport vehicles and craft, furniture and equipment, as well as personal capital spending. The travel and tourism industry on the other hand, includes tourists' direct spending and not capital spending.

The travel and tourism industry currently contributes 3 percent of South Africa's gross domestic product (GDP), while measured in its broadest form, travel and tourism economy contributes 7,1 percent of South Africa's GDP. The WTTC expects this figure to rise to 8, 1 percent by 2012.

Even though tourism is unlikely to ever contribute more than 15 percent of our GDP, it is an important contributor to job creation, representing 6,9 percent of total employment or 1 147 980 jobs at the economy level. In 10 years time, the WTTC predicts, the travel and tourism economy will account for 7,9 percent of South Africa's employment, therefore adding some 407 320 new jobs. The travel and tourism industry currently accounts for 3% of total employment or 492 654 jobs. The WTTC

predicts that in 10 years time this figure will increase to 679 189 jobs or 3,4 percent of the total.

WTTC figures indicate that in 2012 the travel and tourism economy will contribute 10,6 percent to global GDP and 8,6 percent to global employment.

Profiles and spending patterns of VFR tourists who travel to the different provinces vary significantly. 'It will be vital for public and private sector stakeholders in the tourism industry to be aware of these differences, to facilitate targeted destination marketing to this important segment of the tourism market' (Rule *et al.*, 2003).

If trends were to be identified of growth in tourism's contribution to South Africa's GDP and employment since 1997, it will become clear that there have not been great leaps in growth. Annual growth in demand in travel and tourism economy has ranged from 3,2 percent to 5,5 percent for the period 1997-2001, with negative growth (-1 percent) experienced in 1999 (Thornton *et al.*,2003:50)

South Africa must monitor trends in travel and tourism demand by establishing a dedicated research unit so as to anticipate, and adapt product to changing demand.

EMPIRICAL STUDY AND RESULTS

4.1 INTRODUCTION

The aim of this chapter is to reflect the results of the empirical study, its findings and conclusions. The chapter focuses on the information concerning trends, marketing and general issues on the topic of domestic tourism in order to make recommendations on how to promote and grow the domestic tourism industry.

4.2 SAMPLE

Questionnaires were sent to public and private sector as well as specialists from the national, provincial and local authorities that are involved in tourism planning and management. The survey was also aimed at tourism product owners of all nine provinces, for example the owners of hotels (33%), guesthouses (10%), travel agents (10%), lodges (9%), bed and breakfast establishments (5%), self catering resorts (4%), tour operators (3%), as well as game farms (2%) and other [e.g. caravan resorts, game lodges, government, tourism information] (24%). The majority of the respondents were members of local tourism organisations. The markets targeted were mainly domestic-, eco-, adventure-, sport-, conferences, special events and tourism for cultural and historical purposes. 200 questionnaires were distributed by electronic mail and facsimile, of which 108 were returned. The sample was an availability sample and statistical inference is not applicable.

4.3 QUESTIONNAIRE

A questionnaire was developed to collect the data. A four-point Likert scale was used to measure on 19 statements what product owners should do in order to grow domestic tourism. The second part of the questionnaire was used to collect opinions on what Government at all levels should do to further develop domestic tourism. According to Hair, Anderson, Tatham & Black (1998), five or more variables should be included to represent each proposed factor if a study is being designed to assess a proposed structure.

4.4 RESULTS

Types of businesses who participated in the survey are outlined in the following figure:

4.4.1 Type of business

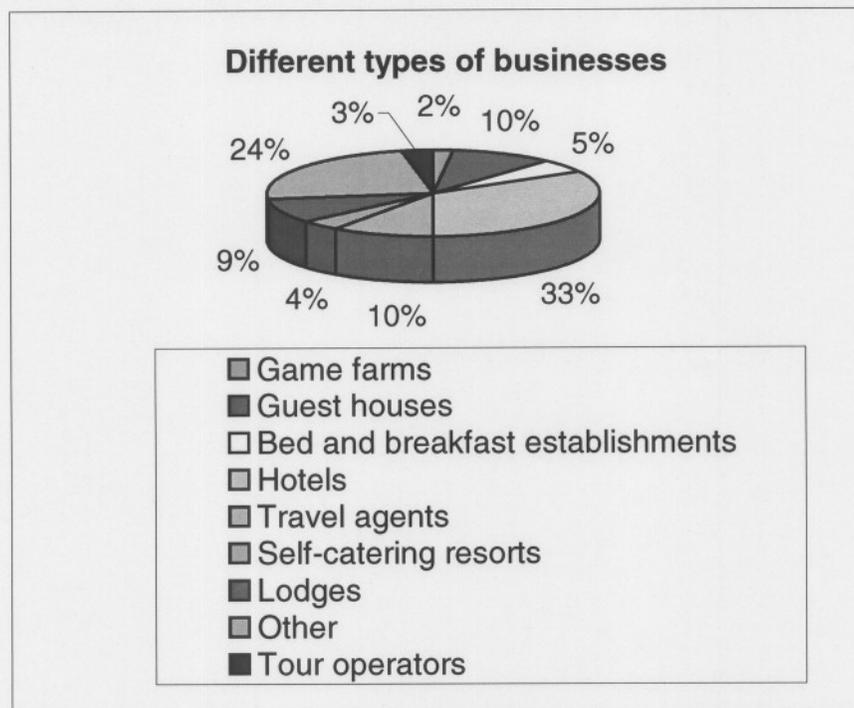


Figure 4. 1: The types of business respondents are representing.

Figure 4.1 shows respondents were represented in order of importance from: hotels (33 percent); guesthouses (10 percent); travel agents (10 percent); lodges (9 percent); bed and breakfast establishments (5 percent); self-catering resorts (4 percent); tour operators (3 percent); game farms (2 percent); and other [e.g. caravan resorts, game lodges, government, tourism information] (24percent).

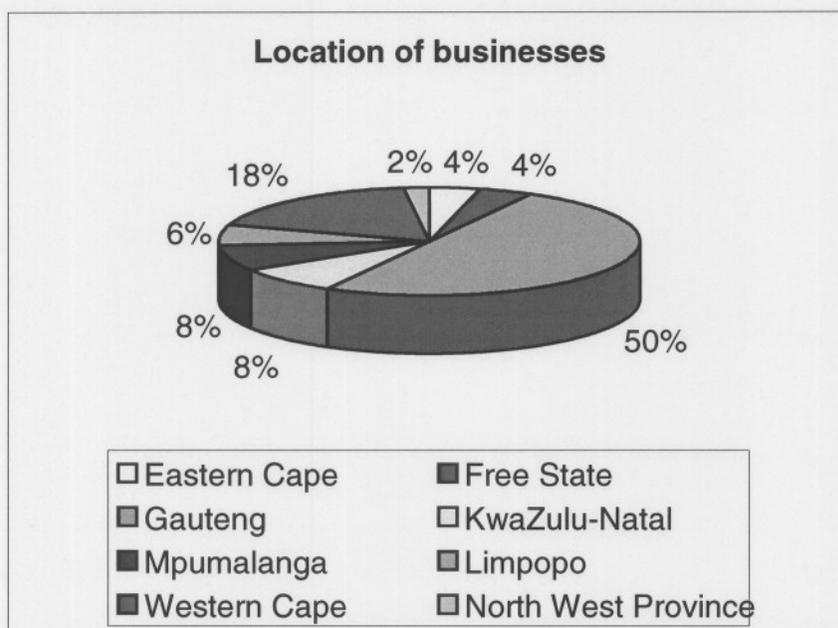


Figure 4. 2: The provinces in SA represented by the respondents.

Figure 4.2 shows that the majority of the respondents are situated in Gauteng (50%). The rest of the respondents are from the following provinces in order of importance: Western Cape (18%); KwaZulu-Natal (8%); Mpumalanga (8%); Limpopo (6%); North West Province (2%); Eastern Cape (4%) and Free State (4%). This correlates well with the majority of South African businesses situated in Gauteng.

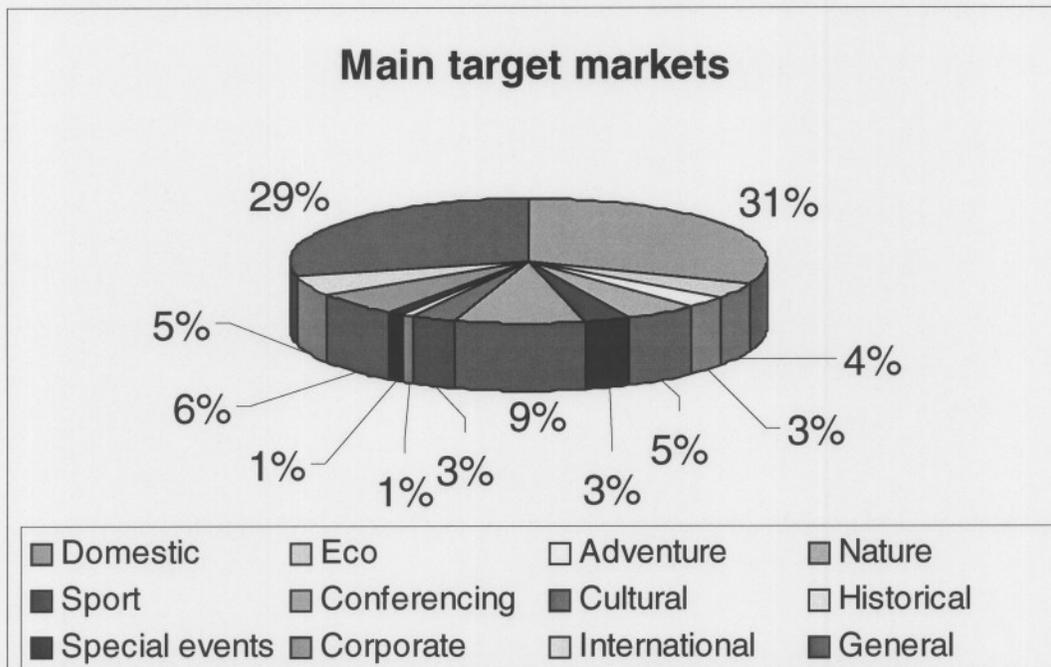


Figure 4.3: A representation of the main target markets of respondents

Figure 4.3 shows that the biggest target market is the domestic market (31%), the second biggest is general tourism [corporate/ business, golfing and educational] (29%) and the third biggest market is conferencing (9%). The remainder of the target markets represented by the respondents are: corporate (6%); international (5%), nature (5%); eco (4%); adventure (3%); sport (3%); cultural (3%); historical (1%) and special events (1%)

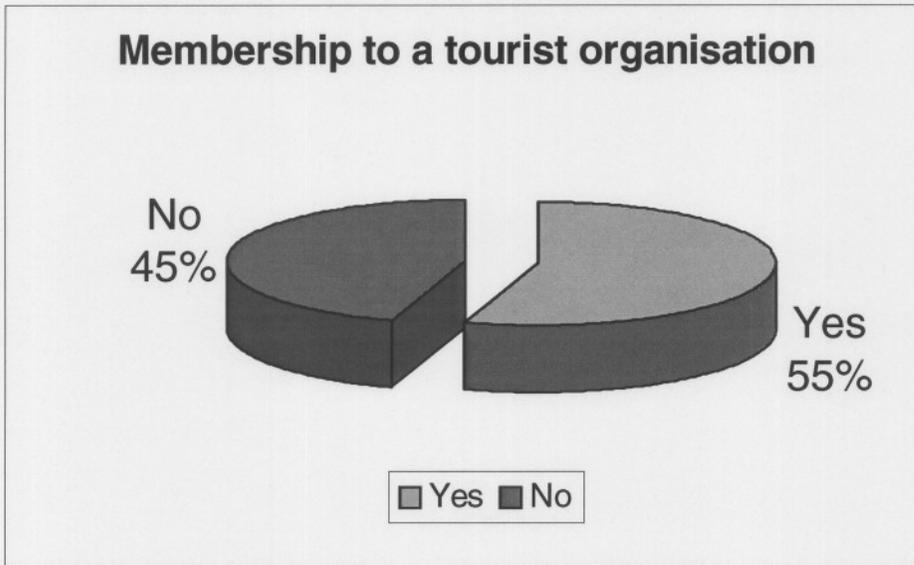


Figure 4.4: Respondents' membership to a local tourism association/organization

Figure 4.4 shows that 55% of the respondents are part of a tourism organisation and 45% of the respondents do not belong to any tourism organisation.

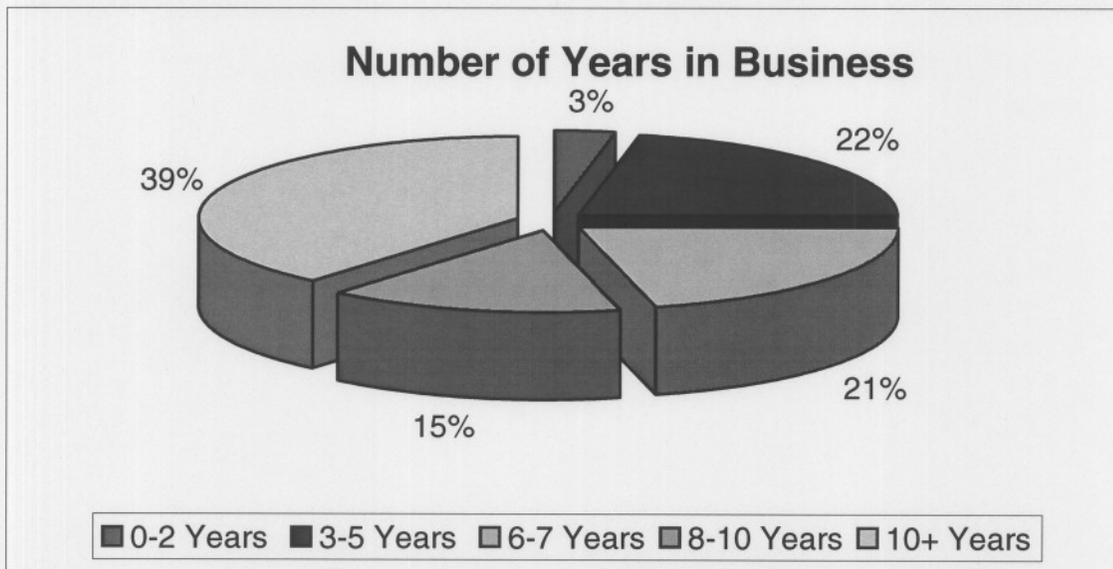


Figure 4.5: Number of years in business

Figure 4.5 shows that 39% of the respondents have been in business for more than 10 years, 15% for 8-10 years; 21% for 6-7 years; 22% for 3-5 years and 3% of the respondents have been in business for 0-2 years.

The frequency distribution of the results for Question 6 (what product owners should do in order to grow domestic tourism) are given in Table 4.1 and in Table 4.2 for Question 7 (what Government at all levels should do to develop domestic tourism).

TABLE 4.1: Aspects product owners should focus on to grow domestic tourism:

		No Opinion %	Not Important %	Important %	Very Important %
6a)	Offer a competitive price for domestic tourists	2	10	45	43
6b)	Beware of too high prices	2	5	45	48
6c)	Introduce a dual pricing system in order for international tourists to pay more	17	39	27	17
6d)	Be more focused (niche marketing)	6	15	34	45
6e)	Offer more tourism products/ / greater variety	2	14	46	38
6g)	Market products more effectively	0	5	33	62
6h)	Introduce new products/ / packages	3	10	38	49
6i)	Train staff to render a quality service	0	3	10	87
6j)	Know your markets	2	5	32	61
6k)	Source new markets within the domestic markets	1	9	44	46
6l)	Offer more group tours	6	26	34	34
6m)	Offer more one-day sightseeing tours	11	31	32	26

		No Opinion %	Not Important %	Important %	Very Important %
6n)	Offer sightseeing tours as a consequence of conferences	9	24	38	29
6o)	Liaise with industry representatives and organisations	5	11	43	41
6p)	Understand current industry needs and the need to project future industry requirements	7	2	39	52
6q)	Expand the tourism markets to include black tourists	4	6	37	53
6r)	Join a local tourism association	5	19	36	40
6s)	Promote more local products and services	0	2	41	57

In order to grow domestic tourism in South Africa, product owners should understand the present and future needs of the industry

Table 4.1, question 6p, shows that more than half of the respondents (52%) confirmed the extreme importance of understanding current industry needs and projecting future industry requirements. 39% concurred that this was necessary. Therefore 91% [52% and 39% respectively] indicated the importance of understanding the current industry needs.

In order to advance domestic tourism in South Africa, product owners should know their markets.

Table 4.1, question 6j, demonstrates that the majority of product owners have no doubt that they need to have a good knowledge of their markets. 61% of respondents believed it to be extremely important and 32% believed it was important.

In order to advance domestic tourism in South Africa, product owners should be more focused and do niche marketing.

Table 4.1, question 6d, shows that 45% of product owners maintained that it was crucial that the tourism industry be more focused and do niche marketing while 34% considered it important.

In order to advance domestic tourism in South Africa, product owners should find new markets within the domestic market; and target the black tourist market.

The opinion of respondents on finding new markets within the domestic market is evident in Table 4.1, question 6k. 90% (44% and 46% respectively) indicated that this was critical.

In order to advance domestic tourism in South Africa, product owners should liaise with industry representatives as well as join a local tourism association.

Most product owners are of the opinion that liaising with industry representatives and organisations are requisites for domestic tourism to expand. Table 4.1, question 6o, illustrates that 43% observed that this was significant, while 41% indicated that it was imperative.

The majority of product owners have no doubt that they are to join a local tourism association. 40% of respondents believed it to be very important and 36% believed it was of significance. This is evident in Table 4.1, question 6r.

In order to advance domestic tourism in South Africa, product owners should train their staff so that they will deliver better service.

Van der Merwe (1999) suggests that training is one of the problems in providing quality service. Table 4.1, question 6i, demonstrates that most product owners are in agreement. 87% confirmed the grave importance of having skilled staff while a further ten percent recognised the potential benefits of training their staff.

In order to advance domestic tourism in South Africa, product owners should be aware of too high prices; and offer competitive prices.

Table 4.1, question 6b, 93% of respondents (48% and 45% respectively) cautioned against too high prices, while only five percent felt that this factor was not relevant. Two percent were vacillating and hesitant.

Consistent with table 4.1, question 6a, 88% of product owners (45% and 43% respectively) have no doubt that domestic tourists are offered competitive prices. Van Hove (1996) is in agreement with the majority of product owners. He claims that a destination will be visited if the holiday can be purchased at prices that are competitive with mass-produced holidays. This is due to the fact that global price competition takes place.

In order to advance domestic tourism in South Africa, product owners should introduce a dual pricing system.

Opinions varied rather extensively as far as Table 4.1, question 6c, was concerned. 17% of respondents declared that dual pricing should be introduced so that the international tourist pays more. 27% held this a feasible idea. 39% opposed it, while 17% were indecisive.

In order to advance domestic tourism in South Africa, product owners should offer more tourism products and a greater variety; introduce new products and packages; and promote local products and services.

Table 4.1, question 6e, reflects the opinion of respondents: 38% thought it absolutely vital that more and a greater variety of tourism products must be offered. Nearly a half of product owners (46%) agreed that this was necessary. Nearly half of the respondents (49%) in Table 4.1, question 6h, asserted the extreme importance of introducing new products or packages if domestic tourism is to be advanced. 38% concurred that this was necessary.

Local products and services could also be promoted. A total of 98% (57% and 41% respectively) of respondents commented that this was critical in Table 4.1, question 6s.

In order to advance domestic tourism in South Africa, product owners should market products more effectively.

Table 4.1, question 6g, shows that most product owners are of the opinion that marketing their products more effectively is important.. 62% commented that this was crucial, while a third indicated that it was merely of importance. Joan Muller, contributor to Finance Week, recommends that product owners should have a well-researched development and marketing plan in place (1999a). Products can no longer be mass marketed.

In order to advance domestic tourism in South Africa, product owners should offer more group tours; offer more one-day sightseeing tours; and offer sightseeing tours to people attending conferences.

An analysis of Table 4.1, question 6l, indicates the opinion that more group tours should be introduced. 34% of respondents regarded this a very good idea and a further 34% were also positive about it.

In conjunction to group tours in Table 4.1, question 6m, practically a quarter of product owners (26%) contended that it was crucial to offer more one-day sightseeing tours, while an additional 32% conceded that it was important.

Table 4.1, question 6n, reflects the opinion of respondents on the issue of whether sightseeing tours have to be offered to people attending conferences. 29% of product owners thought it absolutely vital; 38% agreed that this was desirable.

TABLE 4.2: Government's role in growing domestic tourism.

		No Opinion %	Not Important %	Important %	Very Important %
7a)	Improve their marketing strategies	3	3	27	67
7b)	Increase their marketing budget	6	10	27	57
7c)	Train their staff to render a quality service	3	0	15	82
7d)	Create a tourism culture in South Africa	2	6	28	64
7e)	Intensify information dissemination	8	10	31	51
7f)	Implement a crime prevention strategy	1	6	13	80
7g)	Do basic tourism research	2	8	38	52
7h)	Provide funding for tourism development	3	6	36	55
7i)	Improve relationships with industry	1	4	39	56
7j)	Enhance relationships with various departments	3	11	40	46
7k)	Hold regular meetings / workshops with tourism industry	2	13	34	51
7l)	Give incentives to product owners who attract a large number of the population	8	12	41	39
7m)	Strengthening and democratisation of community organisations	8	15	37	40
7n)	Invest in technical skills of local people	4	7	32	57
7o)	Adapt an approach used by major tourism countries	9	14	36	41
7p)	Improve the infrastructure	1	2	32	65
7q)	Address the shortage of proper signage	8	12	28	52
7r)	Liase more with industry	9	8	38	45

In order to advance local tourism, the South African government should create a culture of tourism within the country.

Table 4.2, question 7d, shows that most product owners are of the opinion that it is the responsibility of the government to create a tourism culture in South Africa. 64% observed that this was imperative, while 28% indicated that it was significant

In order to advance local tourism, the South African government should adopt the approach used by major tourism countries.

Table 4.2, question 7o, reflects the opinion of respondents on the question of whether government should adopt an approach used by the major tourism countries. 77% (41% and 36% respectively) commented that this was critical.

In order to advance local tourism, the South African government should increase its marketing budget.

In terms of Table 4.2, question 7b, 57% of product owners contended that marketing budgets should definitely be increased, while an additional 27% conceded that it should receive attention.

In order to advance local tourism, the South African government should provide funding for the development of tourism.

Table 4.2, question 7h, shows that most product owners hold that the government should fund tourism development. More than half of the respondents (55%) stated that this was crucial, while 36% indicated that it was of importance.

In order to advance local tourism, the South African government should improve its marketing strategy.

Table 4.2, question 7a, testifies to the fact that the government at all levels should improve its marketing strategy in order for domestic tourism to grow. More than two thirds (67%) of product owners indicated that this was cardinal, a further 27% replied that it was requisite

In order to advance local tourism, the South African government should research tourism.

Product owners were asked whether the government should undertake basic research into tourism. 52% thought it absolutely vital. 38% agreed that the industry was inadequately researched and that it will only expand if thorough research is done. Table 4.2, question 7g.

In order to advance local tourism, the South African government should intensify the dissemination of information.

More than half of the respondents Table 4.2, question 7e. (51%) asserted the extreme importance of intensifying information dissemination. 31% concurred that this was necessary.

In order to advance local tourism, the South African government should provide training for staff in the tourism industry.

Table 4.2, question 7c, indicates that, according to product owners, government staff does not render quality service. 82% judged it absolutely vital that staff is trained.

In order to advance local tourism, the South African government should empower and democratise community organisations.

Table 4.2, question 7m, demonstrates that most product owners believe that community organisations are to be empowered and democratised. 40% avowed the grave importance of this, while a further 37% concurred that it was necessary.

In order to advance local tourism, the South African government should invest in the skills of local people.

According to Table 4.2, question 7n, the majority of product owners have no doubt that the South African government would be wise to make an investment in exploiting the skills of the local people. 57% of respondents said it was very important and only 32% said it was important.

In order to advance local tourism, the South African government should improve relationships with the tourism industry; liaise more with the industry; and hold meetings or workshops at a regular basis with representatives from the industry.

In terms of Table 4.2, question 7i, 56% of product owners contended that it was crucial that the government improve relationships with the tourism industry in order to develop, foster, forward, support, promote, advance, encourage and boost domestic tourism.

The relationship between the government and the industry could be improved if the government liaised more with the industry. In terms of Table 4.2, question 7r, 45% of product owners contended that such a liaison was crucial for domestic tourism to thrive and an additional 38% conceded that it was important.

A liaison between the government and the industry could take the form of meetings or workshops. Table 4.2, question 7k, illustrates that most product owners are of the persuasion that regular meetings or workshops should be held with representatives of the tourism industry. 51% noted that this was imperative, while more than a third (34%) indicated that it would be valuable.

In order to advance local tourism, the South African government should provide incentives for product owners who have many customers.

39% of the respondents in Table 4.2, question 7l, asserted the extreme importance of government giving incentives to product owners who attract a large number of the population. An additional 41% concurred that this was necessary.

In order to advance local tourism, the South African government should improve relationships between different departments.

Table 4.2, question 7j, reflects the opinion of respondents on the issue of whether relationships between various departments have to be improved. 46% declared that this was imperative while another 40% agreed that it was desirable.

In order to advance local tourism, the South African government should improve the infrastructure.

Table 4.2, question 7p, testifies to the fact that the improvement of infrastructure .is regarded as necessary. Nearly two-thirds (65%) of the respondents felt that this a very good idea; a further 32% were also positive about it.

In order to advance local tourism, the South African government should implement a crime prevention strategy.

In terms of Table 4.2, question 7f, 80% of product owners maintained that it was crucial that the government implement a crime prevention strategy while 13% considered it important.

In order to advance local tourism, the South African government should address the shortage of proper signage.

52% of respondents declared that the shortage of proper signage had to be addressed. 28% held this a feasible idea. 12% did not attach much importance to it while eight percent were indecisive Table 4.2, question 7q.

4.4.2 Factor analysis

Factor analysis was performed on Question 6 (what product owners should do in order to grow/enhance domestic tourism) and Question 7 (what Government at all levels should do to develop domestic tourism).

According to Hair *et al.*, (1998:97), factor analysis is most efficient when conceptually defined dimensions can be represented by the derived factors. If the ultimate goal is to obtain several theoretically meaningful factors or constructs, a Varimax rotation of the factors resulting from common factor analysis is performed. The statistical procedure PROC FACTOR of SAS (SAS Institute Inc., 1999) was used with the principle components method as the initial factor procedure. The Varimax method was used to rotate the factors.

The results were evaluated according to the following decision rule:

- Factor loadings above 0.4 are considered to meet the minimum level. This guideline is applicable when the sample size is 100 or larger (Hair et al., 1998).
- Kaiser's criterion, where all factors with eigenvalues larger than one are retained, was used to obtain the number of factors.

In the initial common factor analysis on all 36 variables, ten factors were extracted in terms of Kaiser's criterion, explaining 71,6% of the variance. After rotation, two questions did not load high on any of the factors and were removed from the factor analysis data. These questions were 6q and 6r.

The factor structure obtained from the ten-factor solution (34 variables) is indicated in Table 4.3

TABLE 4.3: Factor loadings on statements in order to grow domestic tourism after a Varimax rotation on factors.

	COMPETITIVENESS Factor 1	INFRASTRUCTURE: Factor 2	TOUR PACKAGES: Factor 3	INDUSTRY Factor 4	COMMUNICATION: Factor 5	NEW PRODUCT MARKETS: Factor 6	MARKETING: Factor 7	INCENTIVES: Factor 8	RESEARCH Factor 9	SUSTAINABILITY: Factor 10
	0.82841	.	.	.	.	.	.	.	.	.
	0.79427			.	.	.			.	.
	0.77081	.	.	.	.	.	0.42282.	.	.	.
	0.61086	.	.	.	.	.	.	.	.	.
	0.56562	.	.	0.41686.	.	.	.	.	.	.
	0.55667	.	.	.	.	.	.	.	.	.
	0.50876						0.42074		.	.
	.	0.81708	.	.	.	.	.	.	.	.
	.	0.77926	.	.	.	.	.	.	.	.
	.	0.72454	.	.	.	.	.	.	.	.
	.	.	0.85639	.	.	.	.	.	.	.
	.	.	0.74560	0.43170.	.	.	.	.	.	.
	.	.	0.73989	.	.	.	.	.	.	.
	.	.	.	0.77267	.	.	.	.	.	.
	.	.	.	0.72813	.	.	.	.	.	.
	.	.	.		0.79759.	.	.	.	.	.
	.	.	.		0.58295	.	.	.	.	.
	.	.	.		0.54589.	.	.	.	.	.
	.	.	.			0.70650.	.	.	.	.
	.	.	.			0.55957	.	.	.	.
	.	.	.			0.54030	0.47292			
	.	.	.			0.51069	.			
	.	.	0.42849	.	.	0.49318	.			0.44217
	.	.	.	.	.	.	0.82386			
	.	.	.	.	.	.	0.73916			

COMPETITIVENESS Factor 1	INFRASTRUCTURE Factor 2	TOUR PACKAGES Factor 3	INDUSTRY Factor 4	COMMUNICATION Factor 5	NEW PRODUCT MARKETS Factor 6	MARKETING Factor 7	INCENTIVES Factor 8	RESEARCH Factor 9	SUSTAINABILITY Factor 10
.	0.60849	.	.	.
.	0.74515	.	.
.	0.63432	.	.
.	0.75556	.
.	0.74690	.
.	0.77821
.	-0.45398	.	.	.	.	.	.	.	0.47095
0.43643	0.46691
.	-0.57652
.

Note: All the values less than 0.4 were not printed.

The final communalities were all higher than 0.5 and are given in Table 4.4, indicating that a substantial amount of the variance of individual questions is explained by the extracted factors.

TABLE 4.4: Community estimates.

6a) 0.69921473	6b) 0.74953794	6c) 0.56906146	6d) 0.74581943	6e) 0.58325056	6g) 0.84979372	6h) 0.78028999
6i) 0.69446393	6j) 0.68731442	6K) 0.57820283	6l) 0.74425853	6M) 0.78975981	6N) 0.80199720	6o) 0.72140096
6p) 0.67857805	6s) 0.55968006	7a) 0.63773984	7b) 0.79155931	7c) 0.84196240	7d) 0.63720556	7e) 0.67804799
7f) 0.81352448	7g) 0.74132362	7h) 0.69704816	7i) 0.75534103	7j) 0.71957328	7k) 0.60665833	7l) 0.70744593
7m) 0.71281242	7n) 0.74037323	7o) 0.68126788	7p) 0.67872843	7q) 0.74107222	7r) 0.74107222	

Sixty-nine percent of the variance of question 6a may be attributed to 10 factors. That is, considering individual questions, one will have all the information about the question (100% of the variance is explained). By working with 10 factors instead of 35 separate factors, some information is lost (due to variance). That is why the total variance is always declared (it explains approximately 72% of the variance – one reports 10 factors instead of 35 questions and these factors contain 72% of the total information). The communalities investigate how much of each question's variance is declared, which means that one retains more than 50% of the variance (information) of the question if one reports deals with only 10 questions and not each individual question.

4.4.3 Reliability coefficient (*Cronbach's Alpha*)

To determine the internal consistency of the factors, Cronbach's Alpha coefficients were calculated on the indices representing each factor

TABLE 4.5: Cronbach's Alpha

FACTOR		CRONBACH'S ALPHA
1	Competitiveness	0.84
2	Infrastructure	0.70
3	Tour packages	0.80
4	Industry	0.68
5	Sustainability	0.51
6	New products/markets	0.58
7	Research	0.71
8	Communication participation	0.65
9	Incentives	0.49
10	Marketing	0.43

The Chronbach's Alpha coefficients for factors 1 to 9 indicate moderate to good internal reliability. Factor 10 is, however, not reliable and the items 6c, 6g, 6h, 6i together with 6q and 6r (not in the factor analysis) will be discussed as individual factors .

4.4.4 Averages of factors

Factor scores are calculated as the mean of individual items in a factor. This ensures that the factor scores can be interpreted on the same Likert scale as the individual items. The importances of the factors are given by their mean (average) values, shown in Table 4.6.

TABLE 4.6: Mean values of factors.

VARIABLE	N	MEAN	STD DEV	MINIMUM	MAXIMUM
Factor 1 Competitiveness	106	3.48	0.51	1.14	4.00
Factor 2 Infrastructure	102	3.35	0.66	1.33	4.00
Factor 3 Tour packages	102	3.35	0.66	1.33	4.00
Factor 4 Industry	102	3.46	0.59	1.00	4.00
Factor 5 Sustainability	106	3.17	0.55	1.66	4.00
Factor 6 New products/markets	106	3.39	0.42	2.00	4.00
Factor 7 Research	106	3.34	0.60	1.66	4.00
Factor 8 Communication Participation	102	3.29	0.80	1.00	4.00
Factor 9 Incentives	102	3.08	0.76	1.00	4.00

VARIABLE	N	MEAN	STD DEV	MINIMUM	MAXIMUM
6g) Market products effective?	105	3.57	0.58	2.00	4.00
6h) Introduce new products	104	3.33	0.77	1.00	4.00
6i) Train staff	103	3.84	0.43	2.00	4.00
6c) Introduce dual pricing	103	2.44	0.97	1.00	4.00
6q) Expand tourist markets	100	3.39	0.77	1.00	4.00
6r) Join a local tourism assos.	98	3.10	0.89	1.00	4.00

Please observe that the mean of factors 1 and 4 is the highest. These are the factors product owners think are most important (the mean is between important and very important). The mean of questions 6i and 6g is closer to 4 than to 3. This shows that product owners consider the training of staff and effective marketing of products of utmost importance. Question 6c is the only of the factors (questions) of which the average is lower than 3. Thus, product owners regard the introduction of dual pricing as inconsequential. It could be that they know little about dual pricing. Table 4.1 reveals that people did not want to give their opinion on this matter, whereas there were few people who did not express an opinion on the other questions. All the other factors (questions) are seen as significant (the mean is round about 3).

Second 6r to join and be part of a local tourism association can have positive effects on tourism through the product owners. Introduction of new products 6h and expansion of tourists markets are equally important if product owners want to survive. To offer incentives 6g for the development of tourism will promote tourism and the economy

4.5 CONCLUSION

The research attempted to provide some answers to what South Africa can do to promote and cultivate tourism. It also attempted to provide insight into the role that is to be played by the government and product owners. The researcher also conceptualised important activities for the government on all levels, namely to develop a domestic tourism strategy for South Africa.

It became very clear that product owners have no doubt that domestic tourists are offered competitive prices. Product owners should, however, be wary of too high prices.

The product owners must know their markets and understand current industry needs to market their products more effectively. Staff must be trained to render quality service. Product owners should promote more local products and expand the tourist markets to include black tourists. Government at all levels should improve marketing strategies and train staff to render quality service. They must create a tourism culture in South Africa and implement a crime prevention strategy. Funding for development should be provided improving relationships with the industry could help towards identifying needs. Infrastructure in South Africa needs to be improved by government.

**CONCLUSIONS AND RECOMMENDATIONS
BASED ON FINDINGS OF THE EMPIRICAL STUDY**

5.1 INTRODUCTION

The aim of the study was to determine what the South African tourism industry needs to do to promote and grow domestic tourism.

The objectives set out in Chapter One were achieved in the following chapters :

In Chapter One the overview of this research was discussed. The introduction and problem statement were determined. Methods and basic concepts were explained and clarified.

The aim of Chapter Two was to identify factors in the literature study contributing to the growth of the domestic tourism market. All the relevant aspects, namely the income effect and economic multipliers in tourism and the tourist expectations, motivations and reasons for visiting a destination were identified and discussed.

The aim of Chapter Three was to reflect the results of the research into the strengths and weaknesses of each of the nine provinces. Positive and negative perceptions of the provinces were mentioned. Ways in which tourists spend their money and the most popular activities enjoyed by tourists were identified.

The aim of Chapter Four was to reflect the results of the empirical study, its findings and conclusions. The chapter focused on the information concerning trends, marketing and general issues on the topic of domestic tourism in order to make recommendations on how to promote and grow the domestic tourism industry.

Chapter Five will conclude the study and make recommendations for the bases of a strategy to develop domestic tourism.

5.2 CONCLUSIONS

The conclusions will be dealt with in two categories, namely conclusions with regard to the literature review as well as the survey.

5.2.1 Conclusions with regard the literature review

The literature review revealed the following:

- Not all communities have been fully involved in the South African tourism industry due to the previous government's policies. By involving local communities they will understand tourism and share in benefits like employment and income generated by local residents.
- There is an increase in the number of tourists from the previously disadvantaged background, which is a indication that this market is growing.
- Aspects relating to the training and education of operators in the tourism industry such as the necessity for education, awareness of tourism, and its potential impacts, should receive attention. The need for institutional support is important.
- The absence of adequate transportation services prevents urban communities from participating in the industry, both as potential suppliers of products and services, and as tourists themselves.

- Sustainable tourism ought to be integrated into the overall economy. Many of the key resources on which tourism depends are managed by others or affected by the actions of others (for example, forestry, fishing, hunting, manufacturing and agriculture).
- An unequal distribution of income contributes to poverty in the country and puts pressure on the government to reduce this discrepancy. Tourism can bridge the gap between poverty and excess.
- The government did not play an active role in tourism before 1994. It has since realised that tourism can be an engine of growth, capable of dynamising and rejuvenating the economy.
- Economic growth is important for the economy because an increase in production is normally associated with an increase in employment opportunities. This, of course, decreases unemployment.
- Travellers tend to become more passive with age, thus avoiding destinations that are too demanding or that involve too much risk.
- Leisure time plays an important role because tourism is practised during leisure time. It can therefore be stated that more leisure time leads to more tourism if factors like finance and transport are not considered.
- Facilities offered at a destination will influence the demand of tourists.
- By rendering a variety of facilities and services, tourist spending can be increased, with a consequent positive economical impact on the province and its community.
- Quantitative analysis of the market segments is important, as well as the forecasting of the quantitative traits. The quantitative traits include the forecasting of the market potential.

- The lack of sufficient travel and personal safety in South Africa has a greater impact on international tourists due to the fact that they don't know the country that well, and don't always know where to go and what to avoid.
- The role of the media creates awareness. The tourist products and services available to tourists in a province can only be brought to the attention of domestic tourists by means of proper marketing and awareness.
- Developments in the field of technology can have an effect on the tourism market, for example e-mail and internet which makes booking a hotel room or renting a car very easy.
- The greatest reason why domestic tourists travel is because they visit friends and relatives (VFR).
- From the study it emerges that, even though holidaymakers and day/weekend travellers to recreational facilities spend the largest amounts of money, most tourists are those who visit their friends and family and consequently may not spend as much.
- In all nine provinces crime and violence came out as the major setback and evoked much negative comment.
- The most regularly used mode of travel, the two surveys showed, was by car and by minibus taxi.
- Most tourists originated from Gauteng, Western Cape and KwaZulu-Natal. The most visited province in South Africa is Gauteng.
- Shopping is high on the list of preferences in Gauteng and KwaZulu-Natal.
- Awareness and marketing of shopping centres are important and less visited provinces should think of investing in bigger and better shopping centres.

- In the Free State, Northern Cape and Mpumalanga the condition of roads was a general complaint. Something should be done, seeing that accessibility can make or break a destination's tourist flow.
- Scenic beauty and game reserves hold an important allure for tourists visiting Limpopo and Eastern Cape. Marketing and awareness campaigns should focus on aspects that attract tourists.
- From an expenditure perspective leisure trips account for R 9 753 million (59%) of the total of R 16 570 million spent on domestic tourist trips, an average of R 1 413 per person. The total amount of money spent per trip comes to an average of R438 per person (all categories in total). This amount is made up of transport (R182), accommodation (R97), food (R105), leisure activities (R34) and gifts (R20).

5.2.2 Conclusions with regard to the results of the survey

The results of the empirical study led to the following conclusions:

- Most of the respondents in the survey represented hotels (33 percent), guesthouses (10 percent), travel agents (10 percent), lodges (9 percent), bed and breakfast establishments (5 percent), lodges, self catering resorts (4 percent), tour operators (3 percent) as well as game farms (2 percent) .
- The 55 % of the respondents were members of local tourism organisations.
- Most operations target the domestic market (31%) The second largest market includes [corporate/ business, golfing and educational] (29%) and the third biggest market is conferencing (9%).
- 55% of the respondents are members of a tourism organisation for example SATSA, FEDHASA, ASATA.

- 39% of the respondents have been in business for longer than 10 years, 15% for 8-10 years; 21% for 6-7 years; 22% for 3-5 years and 3% of the respondents have been in business for 0-2 years.

In order for domestic tourism to grow, respondents suggested/recommended the following:

- Marketing (62%) and introduction of new products should be done more effectively.
- Product owners must know their target markets (61%). Marketing must be more focused (45%).
- Product owners must understand current industry needs and future requirements (52%).
- Local products should be endorsed and black tourists should be involved (57%).
- Competitive pricing is (43%) paramount.
- Staff must be trained to render quality service (87%).

Government's role in developing domestic tourism

- All levels of government should improve their marketing strategies (66%) and train staff to render quality service (82%);
- A tourism culture has to be created in South Africa (64%) through intensive marketing.
- Funds should be made available for development (55%). In this way, the relationship with the industry will improve (56%);
- Government should implement a crime prevention strategy (80%).

- The infrastructure of South Africa should receive attention (65%) including roads, telecommunication, parking and signage. Infrastructure must be upgraded and maintained continuously in order to improve accessibility. Road signs should be renewed to ensure customer satisfaction. Expansion of tourism infrastructure should be part of a long-term strategy.

5.3 RECOMMENDATIONS

Based on the results and conclusion of this study the following recommendations can be made.

5.3.1 Recommendations with regard to the literature review for a strategy to develop domestic tourism

- Local communities must participate in benefits like employment, income and decision-making for them to be fully involved in South Africa`s tourism industry. Concentrating on small guesthouses, shebeens, taxi services, township experiences, music and history telling can do it.
- Institutional support should be given to the aspects of training and educating by introducing training programmes and in - service training. Incentives must be given to the tourism sectors with high satisfaction rates, based on tourists` evaluation comments after their visit.
- Government should make more funds available for infrastructure. Government can intervene in areas to create a sustainable environment for private sector investment. It could mean incentives and partnerships in order to stimulate investment and infrastructure delivery.
- Negative criticism of the Eastern Cape, Tourism authorities in the Eastern Cape would be well advised to devise strategies to combat the deterioration of roads, road signs, and transport facilities. Criminal elements should be brought under control to ensure the safety of tourists.

- Government should invest in shopping centres and entertainment facilities seeing that these attract large numbers of visitors.
- Since scenery is very often the reason why tourists visit a destination, provinces should put in a great effort too not only preserve, but also to develop the natural beauty it has to offer.
- Additional facilities and services, for example a wide range of sporting facilities and medical services, should be rendered by tourism destinations for tourists to spend more money.
- Tourism destinations should do market research to forecast the market and focus on market segmentation.
- Interesting and newsworthy tourism products, services and marketing should be available. The media should constantly be made aware of these.
- Staff must be thoroughly trained and rewarded to motivate them to render quality service. Promote the involvement of the private sector and private sector institutions in the provision of education, training and bridging courses.
- Promote tourism awareness at all levels of society. Through marketing campaigns South Africans must become aware of the fact that tourism is a continuous demand and has a multiplier effect.
- Encourage the media, particularly the print media and radio, to provide tourism information and awareness to communities.
- Branding and positioning statements, focusing on themes of beauty, adventure, heritage and culture must be developed.
- Grants for new developments in tourism should be given by the government.
- Promote tourism by displaying logos on taxis.
- Product owners must do more research in order to segment the market accordingly.

5.3.2 Recommendations regarding further research

- Research should be done to determine the advantages and disadvantages of the introduction of a dual pricing system and to determine whether this would be economically and socially a viable option.
- Research should be done into creating more training opportunities in provinces.
- Research should be done on effective market segmentation for provincial tourism authorities.
- Research should be done to monitor the effectiveness of provincial campaigns.
- Research should be done into successful awareness campaigns and how to promote mass participation.

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APPENDICE

DOMESTIC TOURISM QUESTIONNAIRE 2003

Dear Volunteer/Participant

Thank you for being willing to help us in completing this very important questionnaire. We are sure that the project will contribute to improved domestic tourism of all the people of the South Africa.

The aim of the project is to get enough information regarding trends, marketing and general issues on Domestic Tourism.

For the survey, which will be done from April 2003, we need approximately 100 subjects who must be representative of the South African population. These subjects will be drawn in matched groups from randomly selected areas (urban, rural and other sectors).

The questionnaire will be mailed to a random sample people in South Africa.

Again, we would like to express our gratitude regarding your time spent on this questionnaire.

QUESTIONNAIRE

DEMOGRAPHIC INFORMATION:

1. What type of business are you representing?

2. Where is the business situated / located?

Eastern Cape	
Free State	
Gauteng	
Kwa- Zulu Natal	
Mpumalanga	
Northern Gape	
Northern Province	
Western Cape	

3. How long have you been in business?

0 - 2 years	
3 - 5 years	
6 - 7 years	
8 - 10 years	
10 and more	

4. Indicate your main / primary target markets?

For example adventure / domestic tourism

5a Are you a member of the local tourism association (NGO)?

5b If the answer is yes, which one?

6. How would you rate the following?

Rate the following statements from:

- 1. - No opinion**
- 2. - Not important**
- 3. - Important**
- 4. - Very important**

In order to grow domestic tourism in South Africa, product owners should:

a)	Offer a competitive price for domestic tourists	1	2	3	4
b)	Beware of too high prices	1	2	3	4
c)	Introduce a dual pricing system in order for international tourists to pay more	1	2	3	4
d)	Be more focused (niche marketing)	1	2	3	4
e)	Offer more tourism products / greater variety	1	2	3	4
g)	Market your products more effectively	1	2	3	4
h)	Introduce new products / packages	1	2	3	4
i)	Train staff to render a quality service	1	2	3	4
j)	Know your markets	1	2	3	4
k)	Source new markets within the domestic markets	1	2	3	4
l)	Offer more group tours	1	2	3	4
m)	Offer more one-day sightseeing tours	1	2	3	4
n)	Offer sightseeing tours as a consequence of conferences	1	2	3	4
o)	Liase with industry representatives and organisations	1	2	3	4
p)	Understand current industry needs and the need to project future industry requirements	1	2	3	4
q)	Expand the tourism markets to include black tourists	1	2	3	4
r)	Join a local tourism association	1	2	3	4
s)	Promote more local products and services	1	2	3	4

7. For domestic tourism to grow, government at all levels should:

a)	Improve their marketing strategies	1	2	3	4
b)	Increase their marketing budgets	1	2	3	4
c)	Train their staff to render a quality service	1	2	3	4
d)	Create a tourism culture in South Africa	1	2	3	4
e)	Intensify information dissemination	1	2	3	4
g)	Implement a crime prevention strategy	1	2	3	4
h)	Provide funding for tourism development	1	2	3	4
i)	Improve relationships with industry	1	2	3	4
j)	Enhance relationships between various departments	1	2	3	4
k)	Hold regular meetings/ workshop with tourism industry	1	2	3	4
l)	Give incentives to product owners who attract a large number of the population	1	2	3	4
m)	Strengthening and democratisation of community organisations	1	2	3	4
n)	Invest in technical skills of local people	1	2	3	4
o)	Adapt an approach used by major tourism countries	1	2	3	4
p)	Improve infrastructure	1	2	3	4
q)	Address the shortage of proper signage				
r)	Lease more with industry	1	2	3	4

Any recommendations or suggestions?
