

ANALYSIS OF THE IMPACT OF MARKETING STRATEGIES IN DEVELOPING
AND SUSTAINING TOURISM INDUSTRY IN THE EASTVAAL REGION OF
MPUMALANGA PROVINCE

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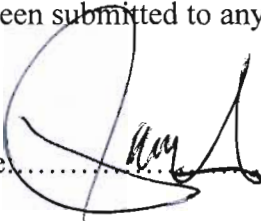
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DECLARATION

I, *Wiseman Linda Jack* solely declare that this dissertation was compiled by myself and has not been submitted to any other institution.

Signature: 

Date: *22 September 2003*

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I wish to acknowledge the help given by Ms Nicolene Immelman of the Eastvaal District Council and Professor E Thomson. Without their help, especially that of Professor Thomson, my dissertation supervisor, this research study would not have been possible. However, any interpretation of the material and views expressed are solely the responsibility of the author, unless they are specifically attributed to other parties. It should be noted that the situation described in this study relates to the period up to December 2002. Finally, I would like to thank my wife and children for their unwavering support in not only completion of this dissertation but the many hours devoted away from them in course work.

ABSTRACT

The fundamental aim of this study was to analyse the main marketing strategies used in developing and sustaining tourism in the Eastvaal region. An empirical study was conducted amongst the respondents from the local authorities, local tourism organisations, hotels and guesthouses. The information collected was used to write a case about the current reality of tourism marketing in the Eastvaal, which was later evaluated against the ideas presented within the theoretical framework.

Furthermore, the study looked at the strategic plans developed by local authorities as well as private sector, which were aimed at encouraging local economic development in general and tourism development in particular. This process was aimed at understanding the effect of private and public sector partnership in the formation of marketing strategies that would impact on sustainable development of tourism industry in the Eastvaal region.

A wide range of literature was consulted to understand theoretical base regarding marketing strategies and tourism concepts. However, the study was restricted to the evaluation of the current strategies applied so as to measure their impact in relation to growth and sustainability of tourism in the Eastvaal.

Conclusions of the research indicate that an improvement is needed in the current marketing strategies so as to create long-term growth opportunities within the tourism industry.

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CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 Introduction

In the last decade, tourism has grown to become the world's largest service industry in many countries including South Africa. This industry receives little acclaim, but it has created enormous wealth and jobs for those countries and businesses, which have recognised its potential for economic growth and development (WTTC, 1992: 3). In an economy that has sustained growth over recent years, nothing rivals the success of the tourism industry (Hoskin, 1990: 14).

The purpose of this research is to analyse the effect of the existing marketing strategies in developing and sustaining tourism in the Eastvaal region. This study also seeks to determine the possible ways for local tourism businesses to effectively market and promote the local attractions. To conduct this study, an evaluation of local government's policies and strategies as well marketing strategies of local tourism businesses will be undertaken.

The outcome of this study will assist all those who are involved in tourism development to look at better ways of improving the growth rate and sustainability thereof, by implementing suitable strategies to market the local attractions.

1.2 Background of the study

The Eastvaal region is situated on the southern part of Mpumalanga province and it lies on the borders of KwaZulu Natal and Free State on the south, Gauteng on the east and Kingdom of Swaziland on the west. The region is predominantly rural¹ and has its base firmly entrenched in the manufacturing sector (petrochemicals), mining (coal and gold) and agriculture. Mpumalanga province is regarded as one of South Africa's newest and

¹ Rural areas are places that have traditionally been associated with specific rural functions like agriculture, sparsely populated areas and geographically dispersed settlement patterns (Cloke, 1999:25).

fastest growing provinces and is currently ranking number two as a preferred tourism destination (Management Today, p.51: 2002, August), and has seven tourism regions with unique selling points (PMR, p.45: 2002, August). Two of the seven tourism regions in the province are situated in the Eastvaal district. Yet rural tourism is neglected by most of the researchers especially in Mpumalanga province where considerable attention has been focused on more popular areas such as Kruger National Park, where tourism seem to be a vital element of the regional economy.

The White Paper on Development and Promotion of Tourism (1996, p.35) states that “provincial government have a responsibility for marketing and promoting their destinations”. On the bases of roles for local government as stated in the White Paper on the Development and Promotion of Tourism (1996), the provincial government and local councils has a critical important role in the development and promotion of tourism in South Africa. Against this background, Mpumalanga Tourism Authority has recently been engaged in the formation of Regional Tourism Organisations so as to ensure that momentum is maintained for tourism development process both at local and regional level.

The Eastvaal District Council together with Mpumalanga Tourism Authority had taken a decision to establish regional and local tourism organisation. The newly formed organisation’s main aim is to facilitate the private, public and community partnerships in the tourism sector. All these activities were taken without doing any formal research. It is against this background that I have developed an interest in analysing the marketing strategies currently implemented and evaluate their impact in the growth of tourism industry in the Eastvaal.

1.3 Motivation for conducting the research

It is generally believed that a region can gain from the effective promotion of tourism through employment creation, income generation and foreign earnings. Since the major problems in the rural areas of South Africa is the high level of unemployment and under employment. Tourism is perceived as the industry that can help to generate investments

in various businesses such as hotels, restaurants, souvenir shops and tour agencies that can create large number of jobs.

Due to the importance of the tourism industry as mentioned above, ways should be found to develop, maintain and increase the growth rate of the industry. In order to do so, better understanding of the tourist industry must be made available to policy-makers and all stakeholders. This research seeks to assess the nature and the impact of tourist activity in the Eastvaal. Besides these, the study also investigated the role regional cooperation and other suppliers in the tourism industry can play in achieving the desired results.

1.4 Value of the project

The Eastvaal's tourism attractiveness lies on its diversity. Some of the features, which make Eastvaal region an incredible attractive proposition, include accessible wild life varied and impressive scenery. This research project would help the companies operating in this region to determine the effect and impact of their marketing strategies in the growth of tourism. Furthermore, this research project would make the information available to policy-makers that would enable them to see whether their development plans are in line with the needs of the tourism industry. Finally, this project would equip the decision-makers both in the private and public sector to apply innovative ways of attracting visitors to this area.

1.5 Problem statement

The tourism industry in Mpumalanga has potential for tremendous growth over the next few years. With the identification of the huge potential of the industry, comes also the realisation that largely due to fragmentation, there are shortcomings in service as well as infrastructure.

The Eastvaal region in particular has a potential to develop into one of the most sought-after tourism destinations in Mpumalanga due to its unique attractions. However, the region is struggling with the problem of poor marketing like all the other rural regions in South Africa.

In essence the problem of this study can therefore be stated as:

How can the management of tourism companies and local authorities determine the effect of marketing activities or efforts in encouraging tourists to visit Eastvaal? Could marketing strategies have a noticeable economic impact on the growth rate of tourism industry?

Furthermore, the following research questions realise:

- Is there a need to market tourism in the Eastvaal?
- How should the tourism organisations and businesses market Eastvaal region as an attraction and destination for tourists?
- What kind of marketing campaigns should be undertaken for this region?
- Who should be targeted by the marketing campaigns?
- What other activities can attract tourists to visit Eastvaal?

1.6 Objectives of the study

The fundamental aim of this study is to determine the effect of current marketing strategies in the sustainability of tourism development in the Eastvaal. Furthermore, the study seeks to establish whether the policy-makers and private companies should work together in formulating plans that would contribute to the increase of growth rate in the tourism industry.

1.7 Research methodology

This study is confined to investigate and analyse the strategies used to encourage tourists² to visit the Eastvaal by private firms and local authorities. The study covers the period from 1995-2002. The basic framework for the research study has been utilised to

investigate and observe Eastvaal through available data concerning marketing strategies aimed at sustainable tourism development. The study has been conducted based on the data that has been collected from various sources and interviews, to understand the impact of marketing strategies in developing and sustaining tourism in the Eastvaal.

In order to do that effectively, the researcher used the following tools; namely:

- Questionnaires (structured and non-structured);
- Interviews (personal and telephone); and
- Observations.

Both structured and non-structured questionnaires were designed for the respondents to enable them to respond freely to the questions whilst avoiding deviations. Personal interviews were conducted with the respondents within the fifty-kilometer radius from Secunda whilst telephone interviews were conducted with the respondents outside the fifty-kilometer radius.

Observations were used in general to draw conclusions on the effect of the main marketing campaigns undertaken during the study.

The entire population of the study comprised local government officials, regional tourism officials, tour operators, hotel industry, bed and breakfast operators, officials from provincial tourism authority, corporate companies and people from the media. In view of the nature of the population, the researcher adopted random sampling techniques in order to reach a more representation of the entire population.

1.8 Limitations

The small sample size is an important limitation of this study. In order to test my conclusions further, I would need to widen the scope of the study to include the views of tourists about the Eastvaal offerings.

² The WTO defines a tourist as a traveler visiting a destination for at least 24 hours but less than one year for the purposes of recreation, holidays, sport, business, meetings, conventions, study, visiting friends or

1.9 Structure of the study

The study will focus on the significant role of marketing strategies in the tourism industry. The strategies used in developing the tourism industry are outlined.

There are five chapters in this study.

Chapter one provides a brief introduction to the importance of tourism development in the Eastvaal. The problem and its significance, background and motivation for conducting this study, value of the study, the research methodology and the organisation of the study are discussed.

Chapter two details the fundamental concepts and theories of tourism marketing and development as well as tourism destinations. The impacts of tourism marketing and strategies thereof, are analysed and this analysis will be used throughout this study.

Chapter three is the case study, which provides the profile of Eastvaal including general information on the region and its economy. This chapter also gives an overview of Eastvaal's tourism development plans, outlining the reasons for success or failure and the main policy issues facing local authorities.

Chapter four provides the evaluation of the case against the theory.

Chapter five presents recommendations and conclusions of this study.

1.10 Summary

This chapter sets the stage for the whole study with background and the research questions. The problem statement was formulated and the objectives clearly defined. It also gives indication as to how the whole study will be conducted and the division of the whole study in chapters and what will be contained in each chapter.

relatives, health, mission work, or religion (Smith, 1989: 20)

CHAPTER TWO

THEORITICAL BASE

2.1 Introduction

Due to the consistent growth in the tourism industry and its increasing importance in the South African economy in general and Mpumalanga province in particular, more attention is needed in the area. This chapter looks at the literature and studies done in tourism that are related to marketing strategies applied to tourism in general. Briggs (1971:1) explains that there are many types of tourists whose needs and motives are different. Therefore there is a need to identify both tourists' needs and motivations to be able to direct marketing campaigns to reach them.

The first part of this chapter will provide a conceptualisation of tourism, which builds an understanding of the concept of tourism and related topics such as tourism destinations, impact of tourism, and costs and benefits. The second part of this chapter will look at the role of marketing strategies focusing on market segmentation, targeting and positioning, and also at the use of marketing mix in effectively marketing tourism product to the target market including the use of cooperative marketing in the regional sense.

2.2 Definitions

2.2.1 Definitions of tourism

Different people have defined tourism in a number of ways. But, conceptually tourism denotes temporary short-term movement of people to destinations outside the places where they normally live and work, and their activities during their stay at these destinations (Fouche & Esterhuysen, 1987:22).

Tourism can also be perceived as a very specific type of export (Lea, 1988:9). In developing countries tourism is seen as a way of increasing income levels and bringing in foreign exchange to finance new developments in agriculture, industry, infrastructure education and social services (Lea, 1988:9). The developing countries have looked

critically at their own resources³ to see what might attract tourists and to persuade them to spend money in their countries. (Lea, 1988: 9).

According to Flint (1987:41), tourism is another way in which countries in the world are inextricably linked. In theory the relationship should benefit people in all countries. People in developed countries generally have more leisure time.

According to Pearce (1981:1), tourism may be thought of as the relationship and phenomena arising out of the journeys and temporary stays of people travelling primarily for leisure or recreational purposes. The duration of these stay may vary: a fortnight minimum is commonly accepted for domestic tourism but stays of only twenty-four hours are universally recognised in the case of international tourists.

Tourism is the temporary movement of people to destinations outside their normal places of work and residence, (the reasons could be business, education, leisure) the activities undertaken during their stay in those destinations and the facilities are created to cater for their needs (Mathieson & Wall: 1993:1).

These definitions have suggested common two features. First, tourism refers to people travelling outside their home community. Second, their purpose of travelling is commonly leisure or recreational and sometimes for business or education.

2.2.2 Definitions of tourism marketing

Tourism marketing is defined as a process through which a tourism company first anticipates consumer needs, then manages and satisfies those needs to achieve sales. It is also the way in which the company identifies what customers want and makes sure that those requirement can be met in a profitable and efficient manner and in ways that satisfies consumers on a long-term basis (George, 2001:19). According to Burns (1995: 157), effective marketing leads to tourism development decision, which brings about economic, environmental and social changes in the region. Tourism marketing expose

³ Resources are essentially anything that is useful. There are various ways of thinking of resources: some are natural, i.e. cliffs, beaches, the weather; others are constructed, i.e. hotels, airports. The latter category can be subdivided into social and cultural resources, i.e. local customs, dance and dress, and infrastructure, i.e. swimming pools, restaurants, safari parks. “ Resources can also be thought of in terms of being renewable, i.e. hydro-electric power or non renewable, i.e. oil, open space (Flint, 1987: 41).

visitors to local attractions, which are unique to a community, like heritage, culture, architecture and scenery (van Herssel, 1994: 154).

According to the above definitions, visitors or tourists are recognised as the starting point for the marketing activities hence the process involves analysing their needs and developing tourism products to satisfy them.

2.2.3 Definitions of strategy

The word *strategy* is derived from a Greek word *strategos*. In its original form it meant the art of the General or Commander-of-the armies. Although strategy first became a popular business buzzword during the 1960's, it continues to be the subject of widely differing definitions and interpretations. The following definitions, however, captures the essence of the term as it is commonly used.

According to Walker, Boyd & Larreche (1999:8), a strategy is a fundamental pattern of present and planned objectives, resource deployments, and interactions of an organisation with markets, competitors and other environmental factors.

As this definition suggests, a good strategy should specify the following issues:

- (i) *what is to be accomplished,*
- (ii) *where (on which industries of product-markets it will focus),and*
- (iii) *how (which resources and activities will be allocated to each product-market to meet environmental opportunities and threats and to gain competitive advantage).*

Strategy is defined as the choice of markets the firm will attempt to serve, or a choice about the scope of the firm's domain, including decisions about expansion, defense, and contraction of that domain (Littler & Wilson, 1995:10).

According to Fifield (1998: XXV), marketing strategy is the marketing logic by which the business unit expects to achieve its marketing objectives. Marketing strategy consists of making decisions on the business's marketing expenditures, marketing mix (product, distribution, price and place), and marketing allocations in relation to expected environmental and competitive conditions.

Marketing strategies involve selecting and analysing target markets and creating and maintaining an appropriate marketing mix to satisfy those target markets. Thus in the broadest sense, marketing strategy refers to how the firm will manage its relationships with customers in a manner that gives it an advantage over the competition (Ferrell, et al. 1999: 22).

Stanton (1984:33) defines strategy as “a broad basic plan of action by which an organisation intends to reach its goal”. It is a fundamental pattern of present and planned objectives, resources, deployments, and interactions of an organisation with markets, competitors and other environmental factors. According to Crampton and Lamb (1986:60), a strategy is analogous to a house plan. It shows how the house will look at the end, and it operates as the connecting link between objectives and detailed action programmes.

Orville et al. (1992: 9) suggests that a well-developed strategy should address five issues as listed below:

- Scope: Through the definition of the destination’s scope, management develops the mission.
- Goals and objectives, which specify desired levels of accomplishment.
- A resource deployment given limited financial and human resources requires a strategy for specifying how they will be obtained and allocated.
- Identification of a sustainable competitive advantage requires the market opportunities in each facet of a destination to be examined, as well as its distinctive competencies or strengths relative to competitors.
- Synergy enables total performance of components comprising a destination to be greater than their independent contributions. Strategies should be designed to exploit potential sources of synergy at a destination in order to improve the overall efficiency and effectiveness of services delivered to tourists.

Murphy and Enis (1985:197) offered a symbolic representation of market strategy in the form of a key that unlocks the target market of a specific environment.

According to the definitions listed above, strategy is all about how an organisation will achieve its objectives as well as about marshalling the gross resources to match the needs of the market place.

2.3 Role of Tourism destinations

When defining the term tourism, destinations play a significant role. Tourism destinations are perceived as a place or set of places to which tourists⁴ go and in which they may stay as a prime objective of their visits. Success of a destination depends on the interrelationship of three factors (Fouche & Esterhuysen, 1987:13): attractions, amenities, and accessibility. These terms are discussed in details to place the emphasis on their importance.

2.3.1 Attractions

Attractions constitute the principal appeal in choosing the destination. Attractions draw tourists to the area where attractions are located. Although attractions for tourists concern a satisfaction perceived from various experiences, the task of the developer and designer is to create an environment made up in part of attractions that will provide an opportunity for the tourist to enjoy a visit (Mill & Morrison, 1992: 265).

Attractions are the key features of an area that may induce tourists to come and spend their holidays in a specific region. Tourism researchers like Fouche & Esterhuysen (1987:13) and Lea (1988: 31), have classified attractions in three ways. Firstly, are the natural features like landforms (i.e. beaches, mountains, caves, waterfalls, open countryside etc), flora and fauna. Secondly, is the man made buildings of historical and architectural importance like camping sites, waterfronts etc. Thirdly, is the general category, which embraces man and his culture as expressed through language, music, dance, storytelling and so forth.

⁴ Tourists are people who travel to destinations outside the places where they normally live and work with a view to returning within a few days, weeks or months; tourists may be variously defined and classified according to the purpose, duration of travel or visit, and other criteria (Fouche & Esterhuysen, 1987:23)

2.3.2 Amenities

Amenities essentially involve accommodation, food, local transport and entertainment sites. Fouche & Esterhysen (1987: 14) stated that amenities differ according to attraction at the site and could become principal attractions. Amenities tend to support rather than induce growth, hence they tend to be developed at the same time as or after attractions are developed (Mill & Morrison, 1992: 274).

In addition to these immediate facilities, a range of supporting services are needed by tourists such as souvenir or sporting goods shops, restaurants, banks and others.

2.3.3 Accessibility

It is important that tourists' destinations must be made readily accessible with regular and convenient forms of transport in terms of time and distance at a reasonable price. Infrastructure and transportation are necessary to help ensure accessibility of the destinations to the tourist (Mill & Morrison, 1989: 263). It is therefore important that amenities are designed to facilitate accessibility. Effective marketing strategies supported by positive attractions motivates tourists in their selection of destinations. However, marketers need to assess the characteristics of each and every tourist destination so as to understand the advantages and disadvantages of their tourism products.

The advantages and disadvantages of a tourist destination are shown in Table 2.1 below.

Table 2.1 Assessing the characteristics of a tourist destination

Advantages	Disadvantages
Physical attractive	High inflation
Good climate	Strong currency
Geographically proximate	High crime rate
Low cost travel	Incidence of terrorism or violence
Good facilities	Incidence of natural disasters
Political stable	Political unstable
Economically prosperous	Unpopular government or regime
Cultural, social & historical ties	Bad publicity
New, exciting location	Economical weak
Cheap accommodation	Well tried location

Source: Lea, 1988:25

An accurate assessment of the characteristics of tourist destinations leads to proper market segmentation.

2.4 Role of Market segmentation

Properly implemented marketing strategy leads to effective market segmentation as defined by Cravens (1994: 154), as *“the analysis, strategy development, and implementation activities in selecting market target strategies for the product-markets in each business unit, setting marketing objectives and developing, implementing, and managing the marketing programme positioning strategies designed to meet the needs of customers in each target market”*. This implies marketers of products and services need to adopt marketing strategies and approaches that can reach the target audience.

Markets have to be divided as people have different needs and motives for buying products and services. Briggs (1997:1) echoes this view when she argued that there are

different types of tourists where each group or segment has different needs and motives. Kotler and Armstrong (1996: 235) defined “market segmentation as a dividing a market into distinct groups of buyers with different needs, characteristics, or behaviour who might require separate products or marketing mixes”. Heath (1987:284) supports the view of Briggs (1997:1) and Kotler & Armstrong (1996:235) when he maintained that aggregation results in one tourism offer aimed at the total market.

Heath (op. cit.) moved further to explain that market segmentation on the other hand, is based on the assumption that differentiated market segment have different needs, awareness of product and exposed to different communication channels. Briggs (1997:68) emphasized that tourism marketers should not practice “broadcast” marketing or “something for every one” approach which according to her is expensive and rarely successful. Middleton (1988:65) noticed that market segmentation is the practical expression in business of the theory of consumer behaviour orientation. He explains further, that segmentation sets the stage for setting marketing objectives and targeting, effective planning, budgeting and control of marketing activities.

The importance of segmentation is very important Eastvaal tourism industry since the ability for the market to grow can only be known after effective market segmentation.

Foster (1995:218) identified four main variables in market segmentation namely;

- geographic (region, market area size of town/city, population density);
- socio-economic (age, education, sex, income, family size, family lifecycle, religion);
- psychological variables (social class, personality traits, lifestyle); and
- behavioural variables (benefits sought, loyalty status, readiness stage).

Belch and Belch (1993:160) suggests five steps that should be followed in the process of segmentation:

- Finding different ways to group potential visitors according to their needs.
- Finding ways to group the available marketing actions; usually the products and services being offered.
- Development of a market grid, which relates market, segments to products and services available at the destination.

- Selection of target markets to whom marketing actions will be directed.
- Implementing marketing actions to reach the selected target markets.

If it is to be effective and efficient, these segments should be (Davis and Sternquist, 1997):

- Measurable – a distinct group must be identified.
- Accessible – promotional efforts must be able to elicit the desired response.
- Substantial – the segment must be large enough to warrant the expenditure of time, money and effort to attract it.
- Reliable – visitor characteristics must be stable indicators of market potential.

Yankelovich (1964) notes that the market segmentation makes the setting and achieving of objectives much easier, while Witt and Moutinho (1989:563) argue that segmentation is critical to guiding decisions about promotion and distribution, and can be very useful in the process of product adaptation. Thus, if segmentation is “related” to promotion, distribution and product it will also impact on the development and sustainability of tourism industry.

2.5 Role of Target marketing

Once market segments have been identified and profiles drawn up, it therefore becomes necessary to select the segment or segments the marketer of Eastvaal will seek to attract and serve. Pride and Ferrel (1989:85) refer to a market as an aggregation of people who have needs for certain product or service and also have the ability, willingness and authority to purchase it, while a target is something that is aimed at. The combination of these two words forms the concept: *target market*. They state that it is: “...a group of persons for whom an organisation creates and maintains a marketing mix that specifically fits the needs and preferences of that group”.

A Craven (1994:29) defines market targeting as “the process of evaluating and selecting each segment that a company decides to serve”. He further emphasised that target market decision is a cutting edge marketing strategy, serving as the basis for setting and

developing a positioning strategy. Briggs (1997:27), like Cravens (1994:298) maintains that it is essential to select a number of markets or only a portion the people or organisations in a product market regardless of the breath of the targeting strategy used. Target markets are selected from among the total set of market segments as being the markets which are most likely to be responsive to a destination's marketing efforts. The decision to which target markets should be selected from the set of market segments should address four issues (Mill and Morrison, 1985:365).

- Current and future sales potential
- Strengths of the competition
- Level of investment required
- Determination of whether there is enough financial and managerial capability to distribute, design and promote the tourism product or service to that target market.

Marx and van der Walt (1989:117) offer some further refinements to this list, which should be taken into consideration when selecting target markets:

- Only one target market will be chosen if the organisation has limited funds, resources and entrepreneurs.
- If the product or service is relatively homogeneous, it will be aimed at one target market.
- Differentiated products or services will be aimed several target markets.
- In the beginning of a product's life cycle, it will be aimed at only one target market.
- The marketing strategy of competitors plays an integral role and it will determine the number of target markets it is possible to serve.

2.6 Role of Marketing mix

Mandell (1985:167) suggests two ways of relating segmentation to the marketing mix. The first approach is to look from market segmentation to marketing mix. In this case an organisation identifies a segment's needs and then prepares a marketing mix designed to meet them. The second approach goes from marketing mix to market segmentation to a

revised mix. Here an organisation, such as a tourist destination, already has a product developed and seeks to match it with a responsive target market. The destination may be able to revise or modify its range of services and products to meet the needs of the selected target market.

The marketing mix is comprised of four components: products, distribution, price and promotion (Crompton and Lamb, 1986:22). These four components are used to respond to the needs and wants of visitors and to enable the destination to meet its objectives. Both selection of target markets and the elements of marketing mix can be manipulated to achieve the desired outcome of the destination.

Mandell (1985: 39) points out that the four elements have to be in harmony with one another. The marketing mix elements are controllable because the marketer decides what they should be, but the marketing mix has to be implemented in an environment, which is uncontrollable by marketers. Pride and Ferrell (1989: 20-30) stated that while marketing mix is built around visitors' needs, marketers should bear in mind that the marketing mix variables are affected in many ways by the marketing environmental variables. They mentioned the following marketing environmental variables; legal forces, regulatory forces, societal forces, economic and competitive forces, technological forces, and political forces (Pride and Ferrel, 1989:20).

2.6.1 The tourism product

Kotler (1984:463) defines a product as: "...anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need. It includes physical objects, service, persons, places, organisations and ideas". According to Lewis and Chamber (1989), it is an offering of a business entity, as both present and potential customers perceive it. It is a bundle of benefits designed to satisfy needs and wants, and to solve problems of specified target markets.

A product is composed of both tangible and intangible elements: it may be as concrete as a chair or a dinner plate or as abstract as "a feeling". The utility of a product derives from what it does for the customer.

Burkart and Medlik (1974), cited in Saayman (1995:40), noted that the tourism product can be defined as a mixture of attractions, transportation, accommodation and entertainment. In modern tourism industry, agencies package tourism trips that include all these elements. Products should be upgraded or new elements developed, as the needs of the tourists change and as competitors change their strategies.

Tourism products are: "...a result of a combination (aggregate) of productive activities and services" (Witt and Moutinho, 1989:574). Unlike common products where the "goods" are brought to the tourist, the tourist (consumer) travels to the site of consumption for tourism products. Thus, the demand for transportation, food, beverages, lodging and so on can all be considered as part of a single tourist product which becomes prominent when the nature of tourist's total experience is considered. Middleton (1988:57) summarises the total tourist product as: "...a bundle or package of tangible and intangible components, based on the activities at a destination. The package is perceived by the tourist as an experience available at a price". In the travel and tourism industry, tourist products can be understood in two levels. The first level of tourist product involves a combination of all the service elements, which are consumed by a tourist from the time he/she leaves home until the time of return. This total product is often an image, an experience, or a mental construct in the consumer's mind at the point and time of sales. The second level of product is comprised of the individual components of the total tourist product such as the transport, accommodation, attractions and other tourists' facilities.

2.6.2 Price

Pride and Ferrell (1989:56) state that to a buyer: "...price is the value that is placed on what is exchanged". Price is the most flexible variable in the marketing mix because marketers can adjust prices more quickly than any other marketing mix variables. Price can be viewed as the most important element of the marketing mix, because it is the only element that can generate income and without income entity cannot survive. It is not easy to set price in the tourism industry, because there are a number of independent

people and organisations involved. Foster (1989:234) suggested an array of alternative approaches to selling using the following pricing strategies:

- Lowered price – start with high price and reduce it as competition increases
- Market penetration – the beginning price is low and the marketer hopes to penetrate the market quickly so that competitors will be discouraged.
- Differential price – different prices are asked of different visitors for the same service.
- Cost-plus – all the costs are added up and price is determined by adding an amount to costs to receive the desired level of profit. Future and current demand is not taken into consideration in this strategy.
- Promotion price – if a demand for a service is declining, or if there is a spare capacity, then a lowered price is offered to stimulate more demand.

Saayman (1994:43-48) identifies seven steps that managers should take in order to determine the right price:

- Set strategic price goals.
- Predict the demand and the elasticity of price.
- Determine costs and their relation to volume and available capacity.
- Research the prices and costs of competitors.
- Choose a method determining the effect of alternative prices on the market.
- Determine a price level.
- Adjust the price structure to measure variations in demand and cost over geographical areas and market segments.

2.6.3 Promotion

Ray (1982) states that promotion is the coordination of all seller-initiated efforts to set up channels of information and permission in order to sell the goods and services or to promote an idea. Mandell (1985:40) adds that it involves addressing questions such as how much to spend, what product and image to create, and how to allocate advertising budgets between adding up to distribution channel members (tourism wholesalers) and direct promotion to potential visitors. It also involves decisions such as how much

emphasis should be on personal selling and to what extent should special incentives be used. Promotion also embraces public relations, which seeks to have the organisational message favourably conveyed to mass media or directly to visitors.

The basic elements used to communicate objectives of an organisation to a target market constitute the promotional mix (Belch and Belch, 1993 and Cravens, 1991), namely; advertising, direct marketing, sales promotion, publicity, public relations and personal selling.

Hereunder, we will briefly discuss the elements of the promotional mix.

(a) *Advertising* is any paid form of non-personal communications about an organisation, product, service or idea by an unidentified sponsor (Ralph, 1965:9). Advertising is controllable. It can be used to create an image, brand equity (which is an intangible asset of added value or goodwill that result from a favourable image), differentiation and/or the strength attached to the destination's name, by potential visitors. However, the costs of producing and placing advertisements can be high, their credibility can be questioned and they can be easily be ignored.

(b) *Direct marketing* involves an organisation communicating directly with members in the target market seeking response and/or action from them. The organisation can be selective in targeting its marketing communication to a specific group of potential visitors. However, people are being bombarded with unsolicited mail and phone calls everyday and that can create a negative image, which becomes a problem for the organisation's marketing.

(c) *Sales promotion* provides incentives to the sales force, distributors or ultimate potential visitors to stimulate immediate sales. They may be directed either to the visitor or to the trade. The intention of sales promotion is to encourage people to make an immediate purchase and to stimulate short-term sales. It also provides marketers with a way to respond to price sensitive consumers who rely on discounts.

However, the rapid growth of promotion has caused 'promotional clutter' with many organisations using it, which may limit its effectiveness.

(d) *Publicity* is a non-personal communication regarding an organisation, product, service or idea that is not directly paid for or recognised as being designed by an identified sponsor. It usually comes in the form of a news story, editorial or announcement. Its major advantages are credibility and low costs, while the disadvantage is lack of control of where and when it appears in media.

(e) *Public relations* is a managerial function concerned with evaluating and influencing public attitudes. It communicates the policies and procedures of an organisation, which are designed to gain public understanding and acceptance.

Fakeye and Crompton (1991) note that tourism promotion seeks to initiate or change purchase behaviour or to remind tourists of the qualities of destinations with which they are familiar. To accomplish these functions, tourism promotion may be focused on informing, persuasion, or reminding.

- *Informative* promotion provides potential tourists with destination knowledge so they are aware of the destination attributes at the time decision making. This form of promotion is the most influential in forming an organic image.
- *Persuasive* promotion is used to persuade potential tourists to buy and is most influential in the formulation of induced image.
- *Reminding* promotion is aimed at tourists who have already experienced a particular destination. It is intended to keep the destination in the mind of travelers so that they can visit the destination again and promote it to others through the word of mouth. It is most influential in the formulation of complex images.

Fakeye and Crompton (1991:10) define promotion as "... particularly important in tourism because tourism is an intangible service". Therefore, the goal of destination promotion is to project certain images of the destination in order to make it desirable for

tourists. “Image is the mental construct developed by a potential visitor on the basis of a few selected impressions among flood of total impressions; it comes into being through creative process in which these impressions are elaborated, embellished, and ordered” (Reynolds, 1965:77). In Fakeye and Crompton (1991:10), Hunt (1975) states that images are very important because they convert a representation of an area in the mind of the prospective visitor and therefore give him/her a pre-taste of the destination.

Table 2.2 The goals of promotion

Goals	Functions of promotion
<ul style="list-style-type: none"> • <i>To introduce:</i> <ul style="list-style-type: none"> - location of supplier - new products/services - modification - price changes 	<ul style="list-style-type: none"> - to inform tourists of a service - introduce new branches, services or holidays - to inform tourists to increase sales - to keep visitors fully informed
<ul style="list-style-type: none"> • <i>To assist</i> <ul style="list-style-type: none"> - sales force - suppliers 	<ul style="list-style-type: none"> - supporting their efforts, providing background information - to offer support information
<ul style="list-style-type: none"> • <i>To attract</i> <ul style="list-style-type: none"> - inquiries - new businesses - regaining of lost accounts 	<ul style="list-style-type: none"> - to prevent the loss of opportunities - to expand the market and increase profits - to change negative sales tendencies
<ul style="list-style-type: none"> • <i>To educate</i> 	<ul style="list-style-type: none"> • <i>To explain anything that is necessary</i>
<ul style="list-style-type: none"> • <i>To expand</i> <ul style="list-style-type: none"> - market to new buyers - suppliers’ network - direct sales 	<ul style="list-style-type: none"> - to ensure that all opportunities are being made use of - find or develop new suppliers or distributors to improve the market

	<ul style="list-style-type: none"> - share - to decrease distribution costs and to increase the market share
<ul style="list-style-type: none"> • <i>Development</i> – special offers 	<ul style="list-style-type: none"> • To raise sales figures or introduce new products
<ul style="list-style-type: none"> • <i>To keep sales</i> 	<ul style="list-style-type: none"> • To keep the market share by reminding consumers
<ul style="list-style-type: none"> • <i>Test</i> - a market - a medium 	<ul style="list-style-type: none"> - assess the response before going national - for effectiveness, readability etc

Source: Saayman, 1995:70

Marx and van der Walt (1989:341-342) suggest that promotional goals should satisfy the following demands:

- Be specific in terms of product/service/personality/place/establishment/idea that is promoted. The whole promotion campaign should have a specific theme. The theme of promotional campaign is basically that what needs to be changed, for example, the image of the organisation, brand preference etc.
- Be measurable
- Provide basic information meaning that a specific promotional goal can only be formulated if the current position on which the goal is intended to build or amend is known.
- Be directed at a target market, for this will guide decisions related to promotional media and creation of promotional messages.

2.6.4 Distribution

Witt and Moutinho (1989:18) state that the distribution element in the marketing mix includes both the channels of distribution and physical distribution. Channels of

distribution are composed of wholesalers and retailers while the concept of physical distribution relates to taking tourists to the product rather than product to the tourist. Mandell (1985:40) points out that distribution refers to the process of making the services available and accessible for visitor use. Decisions to be made relate to which channels will be used to deliver a service from the producer to the visitor, which wholesalers and retailers to select, and how to gain the cooperation of these intermediaries. The network of distribution channels connects the end-user with the goods and services. If the distribution is efficient and selective, then all its members will have a strategic edge over those in competing channels (Cravens, 1991:417-418).

Saayman (1995:56) notes that distribution is different in the tourism industry, than in the case of traditional products. In tourism the visitor is brought to a destination and not vice-versa. Because of the nature of the tourism product, it can not be stored and therefore there has to be a continuous flow of visitors to the destination. Tourism products have limited capacity and the capacity is difficult to expand. Therefore the main objective of tourism distribution is to sustain high capacity at a tourism destination. When high capacity is sustained, then the growth rate will increase so as the rest of the industry.

Saayman (1994:40) notes that distribution channels are chosen through the following process:

- Analysis of the market.
- Determining the nature of the market.
- Analysis of costs and profits associated with alternative channel partners.
- Determining level of cooperation in alternative channels.
- Determine level of support in alternative channels.
- Determine the ease of exiting or changing in alternative.

2.7 The role of Market positioning

When the target market is selected applying all the elements of marketing mix, the seller of the product or service has to develop a positioning strategy relative to other suppliers

of similar products to the same market. Cravens (1994:302) noted that market targeting and positioning strategies are closely related. Kotler and Armstrong (1996:254) define a product position as “the way the product is defined by consumers on important attributes – the place the product occupies in the consumers’ minds relative to competing products”. These attributes according to them can centre on factors like economy, safety, luxury, and performance among others. They explain further that a product position is complex as it is based on set of perceptions, impressions and feelings consumers hold for the product in comparison with closely substitutable products. They identified six positioning strategies as:

- product attributes;
- needs the products fill or offer;
- usage occasions;
- classes of users;
- against competitors;
- away from competitors and different product classes;

Cravens (1994:209) on the other hand based his positioning on the following:

- attributes;
- product user;
- price/quality;
- use or application; product user; and finally
- competitors.

Heath (1987) gave four guidelines when positioning using the regional tourism in the cultural market, which can also apply to positioning of Eastvaal tourist market.

The four guidelines are:

- look for unfulfilled needs especially unserved segments;
- do not position between segments as no advantages are derived from any of them;
- do not position in the middle of the map (where there are no distinguishing characteristics);
- do not serve two segments with the same strategy.

Cravens (1994:319) concludes and brings the point of accessing the inter-relatedness between market targeting and positioning strategies when he noted that, “positioning usually means an overt decision is being made to concentrate only on certain segments. Such an approach requires commitment and discipline because it is not easy to turn your back on potential buyers. Yet the effect of generating a distinct, meaningful position is to focus on the target segments and not to be constrained by the reaction of other segments”. Kotler and Armstrong (1996:26) moved further when they added that, once a product position is chosen, the seller should take serious steps to deliver on the position and communicate the desired position to the target consumers. They stress further that a company’s marketing mix efforts must support the position strategy.

All the discussions so far have been centred on marketing strategies and customer analysis, however, it is also important to look at the competitor analysis as reviewed by literature.

2.8 Competitor analysis in the tourism market

The tourism industry is seen to be a very complex industry with a lot of competitors in South Africa offering almost the same products. Eastvaal tourism is faced serious competition from other South African regions. It is therefore necessary for this research project to assess the competitiveness of this region compared to other areas.

According to Aaker (1988:70) competitor analysis gives the insight that will influence the product market investment decisions and helping the marketer to obtain and/or maintain strategic competitive advantage and also to know their strategies, their strengths and weaknesses.

Kotler and Armstrong (1996:595) defined competitor analysis as “process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses and reaction patterns; and selecting which competitors to attack or to avoid”. Competitor analysis is important for all marketers of products as it helps them to gain more competitive advantage.

Thompson and Strickland (1998:137) identified various strategies a company can use to gain competitive advantage. They mentioned five main generic strategies as:

- Low-cost provider strategies
- Differentiated strategies
- Best-cost provider strategies
- Focused or market niches strategies
- Vertical integration strategies

Meanwhile, some of experts argue that the five strategies have become basic for companies to survive in today's business world. Thompson and Strickland (1998:274) argue that to gain sustainable competitive advantage companies should be able to develop core competencies and distinct competencies. The distinct competencies are competencies, which empower a company to build competitive advantage in an industry in comparison to its competitors.

This study will look at how providers of tourism products and services in the Eastvaal have used competitive marketing strategies in effectively marketing local attractions to the target market.

2.9 Summary

The chapter reviewed literature on marketing strategies applied in tourism industry. The reviewed centered on tourism products and attractions as well as market segmentation. The chapter also reviewed literature on marketing mix and promotional mix as these form the basis of marketing strategies in general and tourism in particular. Lastly, this chapter reviewed the importance of competitor analysis used to identify the impact of major competitors.

CHAPTER THREE

CASE STUDY: TOURISM MARKETING IN THE EASTVAAL

3.1 Introduction

This chapter aim at giving an illustration of a case study that will stage the marketing strategies used in the Eastvaal as well as their potential for a sustainable tourism development. The first part of this case traces the level of involvement of local authorities in the development tourism in the Eastvaal. The second part will focus at the marketing strategies used by individual private firms in promoting tourism industry in this region. At the beginning of this chapter, the research would like to give a brief overview of the Eastvaal area.

3.2 The Eastvaal region: tourism development – the current situation

The Eastvaal region is situated on the southern part of Mpumalanga province and it lies on the borders of the following provinces: Kwa-Zulu Natal and Free State on the south, Gauteng on the east and Kingdom of Swaziland on the west. The Eastvaal region falls under the jurisdiction of Eastvaal District Council and it covers the area of 34400km². According to *Highveld Ridge Development Initiative Report*, p.5 (2001), the region is favourable located to take advantage of a number of development trends which are occurring at present or that are predicted to occur in the future at both regional and national level. The region has its base firmly entrenched in the manufacturing sector (oil, gas and chemicals), mining (coal and gold) and agriculture.

According to the recent article published in the *Discovering SA*, p.2 (2002, September-December), Mpumalanga is one of South Africa's newest and fastest growing provinces, and is currently ranking number two as a preferred tourism destination (*Management Today*, p.51: 2002, October). According to Mpumalanga Tourism Authority, there are seven tourism regions in the province, each of them with its unique selling points (*PMR*, p.45: 2002, August). These regions include the Cultural Heartland, Cosmos Country,

Wild Frontier, Grass and Wetlands, Highlands Meander, Lowveld Legogote and Panorama. The Eastvaal district covers two of the above-mentioned tourism regions, namely: Cosmos country and Grasslands and Wetlands.

(i) Cosmos Country

According to article published in the *Discovering SA*, p.2 (2002, September-December), Cosmos is the centre of South Africa's coal-crude oil production and home to the world's largest underground mining complex. The region explodes with colour when the pretty pink and white cosmos flowers bloom in the late summer. Visitors can attend the annual potato festival or seek their fortune at the local casino.

(ii) Grasslands and Wetlands

The Grass and Wetlands region is unequivocally a bird watching paradise that lures bird watchers in their droves. The route to the bird watching tourism sites includes South Africa's largest freshwater lake at Chrissiesmeer. Chrissiesmeer also boasts a mysterious giant footprint on a rock which matches the one in Canada (*Discovering SA*, p.2: 2002, September-December). The key towns that form part of the Eastvaal region are shown in the table below.

Table 3.1 Towns that forms the two tourism regions of the Eastvaal

<i>Grassland & Wetlands Region</i>	<i>Cosmos Country Region</i>
Ermelo	Secunda
Volkstrust	Embalenhle
Piet Retief	Standerton
Amsterdam	Balfour
Chrissiesmeer	Greylingstad
Amersfoort	Kinross
Badplaas	Leandra
Carolina	Bethal
Wakkerstroom	Evander
Breyten	
Kriel	
Delmas	

Furthermore, the two tourism regions mentioned above appeals to a variety of tourists because they boasts diversified product offerings as stated in the *PMR*, p.45 (2002, August).

Eastvaal region in Mpumalanga is characterised by a number of small country towns and according to Cloke (1992), this area is involved in rural tourism. Cloke (1992:25) further states that, 'rural places have traditionally been associated with specific rural functions like agriculture, sparsely populated areas and geographically dispersed settlement patterns'. According to Page (1994a), rurality of tourism areas has been conceptualised in terms of peripherality, remoteness and dependency on rural economic activity. Keane et al (1992) also points out that the term 'rural tourism' has been adopted by the European Community to refer to the entire tourism in a countryside town or rural areas.

On the basis of the facts stated by the aforementioned tourism researchers, I will then refer to tourism in the Eastvaal region of Mpumalanga province as 'rural tourism', to recognise the qualities of what is rural in tourism terms. Furthermore, what is important is the diversity of approaches used by many researchers, who emphasised the concept of an urban-rural continuum as a means of establishing differing degrees of rurality and the essential characteristics of ruralness as suggested by Page and Getz (1997).

3.3 The role of local authorities in tourism development

The local authorities in the form of Eastvaal district council and the local municipal councils are beginning to apply stricter planning and management criteria as a condition for the development of tourism facilities as well as tourism marketing strategies. There have also been a number of initiatives aimed at the improvement and change of the image that tourists have for the destination. The process of tourism development and strategies thereof will be discussed in details in the following subheadings.

3.3.1 A statement of strategic intent on tourism development for the Eastvaal district.

The tourism commission for the Eastvaal district was established to embark on capacity building initiatives that would be adequate to ensure sustainability of tourism in the district. Furthermore, to formulate and implement marketing strategies and to give criteria for the identification as well as the allocation of sustainable projects. However, for workable solutions in tourism development, the tourism commission further emphasised various critical aspects to be looked at and be exploited with a view to further develop the tourism industry in the district. The following policy statement was seen as a viable strategy (Eastvaal district council economic development and tourism indaba, 6-7 June 2002).

- To develop and maintain an economically viable industry in the Eastvaal district.
- The strategy calls for a statement of strategic intent to be made by the Executive Mayor of the Eastvaal district council to all local authorities on the development of tourism.
- It is the intention of the Eastvaal to become a leader in the tourism sector and to actively promote this initiative amongst all role players in the area of responsibility.
- To undertake tourism awareness programmes throughout the Eastvaal district to promote the involvement of all role players.
- To ensure that safety and security of all tourists to the region is maintained.
- To facilitate the drawing-up of a resource survey on local level and that correct research and effective marketing strategies are adopted.
- To develop and maintain these resources and infrastructure to ensure accessibility by tourists.
- To facilitate the integration of the Previously Disadvantaged Individuals⁵ (PDI's) into tourism structures.
- To contribute to a responsible and sustainable tourism industry.

⁵ Previously disadvantaged individuals are population groups that were largely excluded in the mainstream tourism activities (White paper on the development and promotion on tourism, 1996:4).

- To forge relationships with regional tourism structures or organisations and local tourism organisations insofar as transformation, capacity building, transparency and poverty relief is concerned.
- To provide funding for tourism development and marketing.
- To formulate and strengthen the Community, Public and Private Partnerships (CPPP).

3.3.2 Strategy

The Eastvaal district council strategy for tourism development was formulated in conjunction with the legal requirements of an organ of state at national, provincial and district level, either implied or indicated in all pertinent government policies.

Therefore, the Eastvaal district council strategy adhered to the following requirements:

- Financing the development of tourism at a local, regional and district level.
- To assign municipal staff with relevant skills and proper training.
- The facilitation of tourism understanding, awareness and a culture of service.
- The identification and exploitation of tourism potential in any given area like historical, industrial, economical etc.
- The provision of a conducive and enabling environment in the Eastvaal district through supportive legislation and effective infrastructure maintenance, crime and security preventive measures.
- Structures to be put in place to ensure implementation of the institutional integrity and organisational capacity for tourism development and marketing.
- Coordination at regional and local level of all initiatives that promote tourism within communities.
- The coordination and facilitation of cooperation and communication with all local, provincial and national tourism structures.
- The enhancement of a working relationship between the Eastvaal district council and the tourism, hospitality, education and training authority on matters of common tourism interests.

- The development of an effective marketing strategy for tourism in the Eastvaal district in conjunction with the regional and local tourism organisations.
- To encourage tourism education at school level.
- To disseminate information regarding tourism industry to all communities.

3.3.3 The council initiatives to market and develop tourism in the Eastvaal district

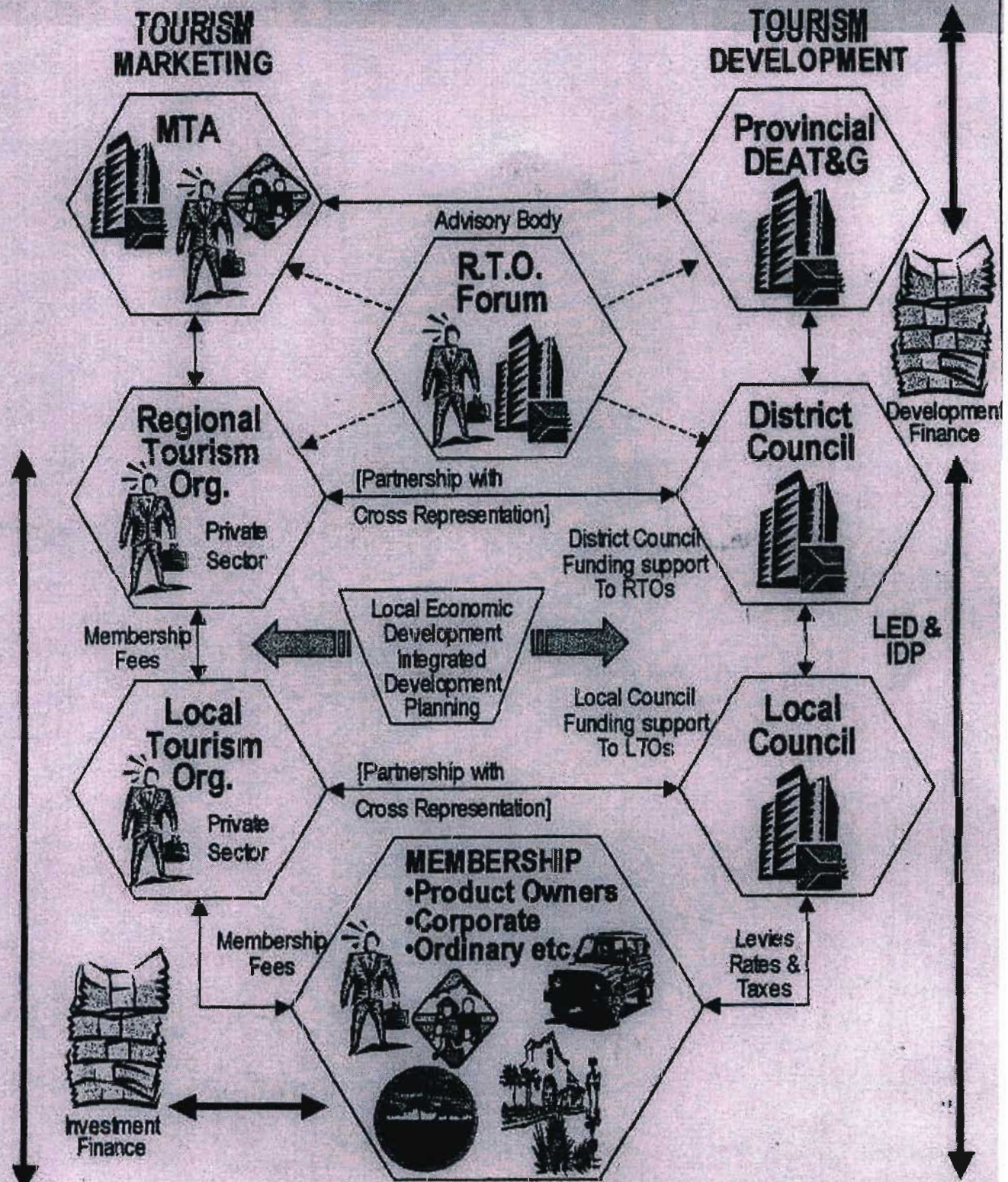
As part of continuous effort to improve service delivery, more especially the marketing and development of tourism as well as tourism related businesses, the Eastvaal district council has establish the regional tourism organisations for the Cosmos Country tourism region as well as Grass and Wetlands tourism region. Furthermore, the Local tourism organisations were established for tourism towns as listed in table 3.1 earlier. The primary purpose of this process is to secure a common understanding of the respective roles and responsibilities of both local government and regional tourism organisations (RTO's) as well as local tourism organisations (LTO's) involved in the Eastvaal area.

The organogram hereunder illustrates a relationship between government structures and RTO's and LTO's.

Figure 3.1 Organogram of provincial relationships between government structures and RTO's and LTO's

(Source: Eastvaal District Council Strategic Workshop, September 6, 2001)

**ORGANOGRAM OF
PROVINCIAL RELATIONSHIPS
BETWEEN GOVERNMENT
STRUCTURES AND RTOs / LTOs**



3.3.3.1 The key roles of regional tourism organisation

The two tourism regions (cosmos country and grass and wetlands) in the Eastvaal are each assigned to a regional tourism organisation with the following key roles under tourism development and tourism marketing.

(i) *Tourism development*

- Identify potential as well as existing gaps
- To support and promote tourism awareness
- Funding and sponsoring of tourism events and programmes
- To promote and support new entrepreneurs
- To develop new business opportunities
- To formulate marketing plans for the region
- To identify and promote special events
- To be a lobbying structure for its members
- To set up quality control or grading system
- To actively seek investment for tourism development in the region

(ii) *Tourism marketing*

- To develop a marketing strategy and integrate it to Mpumalanga Tourism Authority's marketing plan
- To package products for each event or tourism attraction in the area.
- To format brochures for the region
- To market the region in all relevant advertising channels
- To promote culture and service excellence
- To market the region under a common or brand

3.3.3.2 The key roles of local tourism organization

The local tourism organisations are developed to promote the local towns in the local municipality areas. There are currently seven local tourism organisations located in different municipalities within the Eastvaal district.

Hereunder is the summary of the key roles performed by the LTO's.

- Local awareness campaigns
- To support communities in all key component of tourism strategy
- To facilitate identification and provision of infrastructure required to grow the tourism base.
- Facilitate workshops
- To identify the events that will take place in the area.
- Give advice on training programmes
- To facilitate the development of tourism routes roads and coordinate approval of road signage.
- To assist in the development of maps and brochures
- To keep records and information on local tourists, attractions, local products and services and tourism surveys.

The tourism development initiatives taken by the Eastvaal district council will allow effective marketing strategies, when implemented to contribute to the a controllable tourism growth in this area. The responsible tourism, which would be created by these tourism development strategies, would in future provide better holiday experiences for guests and good business opportunities for local tourism enterprises. It is indeed in the interest of the local authorities that these development initiatives be sustained and contribute to the growth rate of tourism in the area so as to enable local communities to enjoy a better quality of life through increased socio-economic benefits and an improved environment.

The following section of the case study will look at the strategic growth initiatives by individual tourism service providers in the Eastvaal area.

3.4 Initiatives by travel and tourism industry

In its prime destinations the travel and tourism industry has recently become more involved in shaping its own future. Although small operators are dominant in the Eastvaal area, some large international operators have recently invested in buying large tracts of land and developed planned enclosed and fully managed integrated resorts, providing for specialist pursuits such as golf and controlling directly all aspects of quality. Other operators have formed innovative partnerships with local authorities to improve product quality and also to devise other ways in which the tourism industry could be made more sustainable. Most of these initiatives are motivated by a growing recognition of long run vested interests by both operators and tourist destinations.

3.4.1 Tourism strategies

The empirical study clearly shows that the local tourism businesses are operating in a highly competitive industry. Upon evaluation of the current situation, the researcher discovered most of the travel and tourism operators and service providers are forced by their competitive environment to apply competitive and growth strategies so as sustain their businesses.

All individual businesses in this area have realised that if they want to achieve above average profits and even superior return on investments, they need to take action to control or at least manage the level of competition in the market place. It is clear that most those involved in the tourism industry have been seeking and establishing what they describe as a defensible position against competition.

Most of their competitors are based in Johannesburg, as it has better facilities and close for foreign tourists to travel from Johannesburg (with close proximity to international airport) in the morning and return in the evening. To avoid competition, they try to build

barriers around their organisations, pursuing a strategy of differentiation, thereby offering unique products in terms of customers' perception.

Growth strategies are clearly defined and effectively implemented to create customer value and sustainable performance.

3.4.2 Tourism marketing

Larger tourism operators and service providers are advertising through national newspapers and magazines. For example, Graceland Hotel Casino and Country Club have its own internet site where they advertise special events like gold tournaments, boxing matches, business conferences etc.

Some of the small operators advertise in local newspapers and through the word of mouth. The research shows that the majority of the small operators are only listed on the local telephone directory and yellow pages, using those as their main form of advertising in addition to the word of mouth marketing. Their target market is the local and regional leisure tourists or visitors who came here for sight seeing, fishing, relaxation, gambling, education or events like golf tournaments and other sporting activities.

Furthermore, the study shows that a very small percentage of visitors' stay here for business related matters, otherwise the majority stays in Gauteng-based hotels and come through here for their respective business activities during the day and return to Gauteng in the evening. According to the study nothing much has been done in the form of effective marketing to attract this market.

3.5 Tourism attractions

3.5.1 Cosmos country tourism region

3.5.1.1 Industry tours

Sasol Synfuels refinery is the centre of attraction occupying about 13 square-kilometers in Secunda. Sasol Synfuels in Secunda operates the world's only commercial coal-based

synthetic fuels manufacturing plant. Sasol supply about 29 percent of South Africa's liquid fuel requirements from Secunda plant.

3.5.1.2 Mine tours

(a) Coal Mines

There are five coalmines in Secunda, which produces about 23 percent of South Africa's coal. One of these mines is an open cast-mine while the remaining four are underground mines. Together they form the largest underground coal mining complex in the world.

(b) Gold mines

The Harmony gold mines in Evander and Kinross are part of the historic Golden Horse Shoe, which includes Witwatersrand and Free State goldfields. The gold mining in this area dates back to 1953.

3.5.1.3 Agricultural tours

The Rustican Holstein farm in Bethal is the largest dairy farm in the area. One of the exciting experiences is to see twenty-six cows being milked in a matter of six minutes.

3.5.1.4 Township tours

The Embalenhle Township offers visitors a chance to see 'a cultural village' with a number of traditional offerings.

3.5.2 Grass and Wetlands tourism region

This tourism region is dominated by the following attractions:

- Historic areas like monuments and museums related to battles like Anglo-Boer wars.
- Cultural and heritage sites

- Big lakes with boating and fishing facilities
- Bird-watching sites
- Mountaineering and hiking sports
- Game farms
- Scenic driving areas

3.6 Summary

This chapter looked at the overview of tourism marketing in the Eastvaal and the marketing strategies applied in developing the industry as a whole. The case study went further to identify tourism products, events and attractions as well as target marketing. The study demonstrated the commitment of the local authorities or public sector in the development and sustainability of the tourism industry in the region. Lastly, case study has shown how the strategies were formulated to create synergy between local municipalities and travel and tourism industry as a whole.

CHAPTER FOUR

EVALUATION OF THE CASE

4.1 Introduction

This chapter provides the evaluation of the findings regarding the current status of tourism marketing in the Eastvaal. In the literature, a variety of authors have offered a number of factors to be considered in evaluating and analysing the impact of marketing strategies, which are suitable for developing and sustaining tourism. It is against background that this chapter will focus on evaluating the case in order to check the impact of marketing strategies currently used in this region. The final section of this chapter will highlight the findings.

4.2 Discussion and evaluation of the marketing strategies.

A variety of authors from the literature reviewed in this study have offered alternative ways to improve or enhance the effectiveness of marketing strategies. A strategic marketing model for improving marketing strategies suitable for tourism destination and tourism products was discussed which incorporated features of models by Craven (1994), Crompton and Lamb (1986), Heath (1987), Saayman (1995) and Kotler and Andreason (1987). It consisted five ways: Market segmentation, marketing mix, market positioning, target marketing and competitor analysis.

The literature suggests that the market segmentation should be a process whereby market is divided into distinct groups of buyers with different needs, characteristics or behaviours that might require separate products or marketing mixes (Kotler and Armstrong, 1996). In the Eastvaal area the case has shown that the area is divided into two tourism regions, namely *Cosmos country and Grass-Wetlands tourism regions*. The two regions are divided according to product offering separated by the different needs of tourists. For example, tourists who are likely to visit Cosmos country are those, whose

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personal interests are more related to business travel, industry education or research, architecture and those visiting friends and relatives working in the surrounding industries. On the other hand, visitors who would be attracted to tourism sites situated in the Grass and Wetlands region are likely to be holidaymakers seeking leisure or relaxation in a quiet area. Scenic views along the mountains, rivers and forests as well as historic, cultural and heritage sites surround this tourism area. In terms of what the case reveals about the two tourism regions in the Eastvaal as far as the heterogeneity of the sites, the process of proper segmentation of the market is in agreement with the theory provided by the literature reviewed in the study.

The target marketing serves as a process of evaluating and selecting each segment that a company decides to service (Craven, 1994). This process of evaluation and selection of segments place emphasis on the analysis of the internal and external environments through a SWOT⁶ analysis in order to understand their impact on overall performance of tourism products and services at destinations as perceived by visitors.

Insofar as the case is concerned, the focus of SWOT analysis in the Eastvaal is driven by the regional tourism organisation and local government structure partnerships as shown in figure 3.1. The aim of analysing the strengths and weaknesses as well as opportunities and threats for the Eastvaal region as a whole is to establish whether tourism businesses operating here has the ability to develop and sustain the growth rate of the tourism industry.

The private, public and community partnership provides a favourable environment for all which further blends legislation with the economic needs in general and tourism industry in particular. According to Pride and Ferrell (1989) the changing forces of market environment (laws, regulations, actions of political officials societal pressures change in economic conditions and technological advances) are dynamic and impact on how effective marketing activities can facilitate and expedite exchange. On the basis of what the aforementioned authors say, it is important that joint analysis of the industry capabilities would encourage tourism businesses in the Eastvaal to frequently and consistently develop new products and services, and to adjust to the changing

⁶ SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats

environment so as to eliminate unfavourable condition for proper target marketing. Nonetheless, effectiveness of this process depends on proper coordination of the previously mentioned marketing activities, motivation of personnel and active communication, and it requires acceptance by the target market. The literature consulted during this study reveals results of analysis leads to effective implementation of relevant marketing strategies.

The strategy offers guidelines for long term planning and provides the vision, which guides the marketing actions of the destinations. According to the case study on the status of tourism in the Eastvaal region, it is clearly stated that tourism development and marketing thereof is still fairly new. Hence Eastvaal district council and the surrounding local municipalities have begun applying stricter planning and management criteria as a condition for development of tourism facilities as well as tourism marketing strategies. The formation of tourism commission to embark on capacity building initiatives within the Eastvaal district is a sign of commitment for future. Furthermore, all industry players are committed in the formulation and implementation of marketing strategies. A policy statement as mentioned in the case study is seen as a platform for a viable strategy.

Furthermore, the literature suggests that marketing mix with its four elements (product, price, promotion and distribution) is used to respond to the needs and wants of visitors and it also enables the destination to meet its objectives. The elements of the marketing mix are manipulated until the desired outcome of the destination is attained (Crompton and Lamb, 1986).

The elements of marketing mix are interrelated and are periodically adjusted to reflect changes in the marketing environment (Pride and Ferrell, 1989). The information provided in the case is limited to only two of the four elements of marketing mix, namely; product and distribution. These two elements of marketing mix are discussed in the case under tourism attractions, where lists of products and places are clearly defined for each region.

It is not clear how the promotion and pricing of tourism products and services is done in the two tourism regions of the Eastvaal. It would be difficult for the researcher to

determine the impact of all the marketing mix elements in developing and sustaining the growth rate of the industry hence two were not catered for in this study. These elements will be recommended as items on suggestions for further research at the end of this dissertation.

The literature highlighted the importance of the of market positioning which incorporates the development of positioning strategy that encompasses a set of perceptions, impressions and feelings consumers might hold for products and services in comparison with competing products or services (Kotler and Armstrong, 1996). The case contains information pertaining marketing strategies and it fell short of the views of customers hence the purpose of this study was to analyse marketing strategies. However, after completing this study the research realises the importance of consumer behaviour in as far as the perceptions, impressions and feelings are concerned with regards to the tourism products and services offered by the destinations in the Eastvaal region in comparison with other competing regions.

Although literature highlighted methods that can be used to segment the market, identifying of target market, building a market position, doing competitor analyses and employing the marketing mix, promotional mix and cooperative marketing in effectively marketing a product or service, an empirical study or case on the status of tourism development in the Eastvaal had its own limitations.

4.3 Findings

From the data collected and used to compile the case study, observation and the secondary sources from the literature study, the following findings were established, namely:

- 4.3.1 There is a need to improve the current marketing strategies.
- 4.3.2 There is a need to vigorously market Eastvaal well to the outside world and the residents of South Africa as it has potential and unique tourist

attractions like beautiful scenery, historical and archeological sites, a rich art and culture that are not being effectively tapped.

- 4.3.3 Lack of advertising campaigns in particular and inadequate information on what Eastvaal can offer tourist and holidaymakers impact on the marketability of the region.
- 4.3.4 The services and facilities now in place in Eastvaal are woefully inadequate especially recreational centers and facilities, hotels shopping complexes and malls hence some visitors prefer to stay in Gauteng attending trade missions and seminars here.
- 4.3.5 In the past there has been no coordination of activities from the providers of tourism services and facilities. That has led to low involvement by the providers even though the district council has formed regional tourism organisation to address certain incapacities.
- 4.3.6 The promotional mix is not being effectively used to market the tourism potential of Eastvaal especially in the form of exhibitions and tours.

4.4 Summary

This chapter looked at the evaluation of strategies used in the Eastvaal against the theory from the literature reviewed. The comparison of what various authors recommended as a way of enhancing tourism marketing and what is currently done in the Eastvaal was undertaken to measure the impact of strategies used. Lastly, the chapter highlighted the findings base on the evaluation of the case against the theory.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

The final chapter provides the summary of this study conducted, draws conclusion and makes recommendations and suggestions for research to the Eastvaal District Council, Mpumalanga Tourism Authority (MTA), Regional Tourism Organisation (RTO) and other interested parties in Mpumalanga's tourism as to how they can effectively market the abundant tourism resources yet untapped to foreign tourists and also put infrastructure in place for the many South African holiday makers who have to go elsewhere for their holidays. All local governments in the nine provinces of South Africa and tourism organizations are finding ways of improving their tourism products and services, which they have to offer in the increasingly global competitive market. The research has shown that for tourism industry to flourish, appropriate marketing strategies must be applied and relevant infrastructure in place.

5.2 Summary

The main purpose of this study was to make a contribution by providing Eastvaal district council and other interested parties with research findings so as to inform them about the areas of improvement in their marketing strategies. The specific objective of the study aimed at determining the effect of the current marketing strategies used and see whether they can develop and sustain the growth rate of tourism industry in the Eastvaal.

A case study was compiled to present the current status of tourism development in the region in as far as marketing strategies are concerned. In order to compile the case study, data was collected from tourism service providers, members of regional tourism organizations and officials using structured and non-structured questionnaires. Furthermore, interviews schedule was prepared by the researcher to have face to face as well as telephone interview with the officials of local government, managers and

directors of tourism providers and committee members of tourism organizations in order to get insight about their marketing activities.

In addition to that, secondary sources through literature review or survey highlighted on methods that can be used to segment the market, identifying target market, building a market position, doing competitor analysis and employing marketing mix, promotional mix and cooperative marketing in establishing marketing strategies to effectively market a tourism product or service.

5.3 Conclusions

- 5.3.1 The two tourism regions in the Eastvaal has a number of tourism destinations which are rich in history, architecture and culture as well natural beauty, these are potentials which have not been properly tapped and well marketed. With improved facilities and aggressive marketing Eastvaal can derive great economic benefit for the province and its people.
- 5.3.2 Information on Eastvaal tourism and facilities and services with the province and outside are inadequate. There appears to be limited media coverage, limited pamphlets and brochures as well as tourist maps on places of activities and limited tourists information offices.
- 5.3.3 Both Eastvaal residents as well as provincial, national and foreign tourists do not have enough to enjoy for a longer time when on holiday in the Eastvaal and this could be a reason for short stay or staying in Johannesburg and drive through during the day. This could lead to a low occupancy rates in the existing places that offer accommodation.
- 5.3.4 If proper marketing is done, demand may increase and that may lead to facilities, services and shopping malls to be built in this area. Most tourists will patronize such attractions to the fullest thereby developing and sustaining the industry growth.

- 5.3.5 The current level of cooperation for interested parties in the tourism industry and even some local municipalities are not so good or they are limited and this does not augur well with the industry growth. The provincial body MTA can help district councils and local municipalities in their marketing endeavours.
- 5.3.6 Few promotional tools are being used to market Eastvaal tourism sites, services and activities. All the four promotional tools (personal selling, public relations, advertising and promotions) are not being well used to inform and attract people to the region.
- 5.3.7 Industry tours if properly marketed could attract a lot of people to this region as it has the state of art petrochemical plant for processing coal to fuel.

5.4 Recommendations

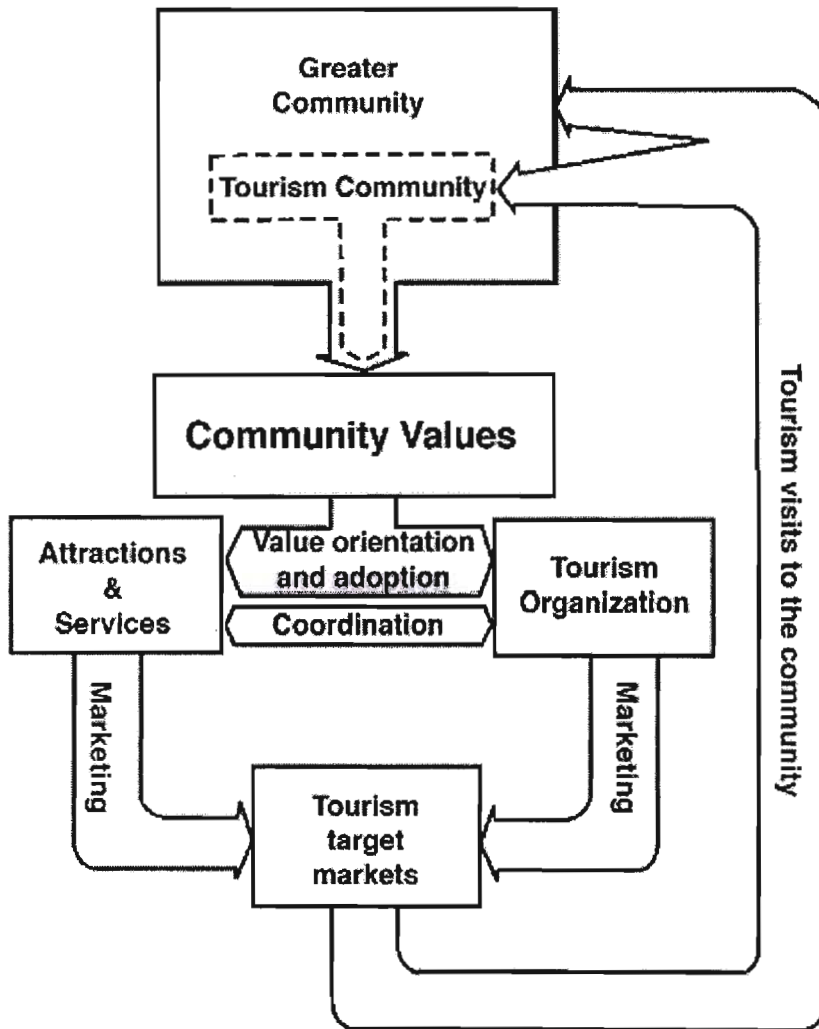
The following recommendations came out from this study as a result of the data and literature review.

- 5.4.1 Regional Tourism Organisations (RTOs) as well as Local Tourism Organisations (LTOs) should be strengthened so as to create cooperative marketing amongst the private tourism companies and local government structures tasked with local economic development in general and tourism development in particular. Local companies who are providing services or products to the tourism market should be encouraged to participate actively in the RTOs and LTOs.
- 5.4.2 Eastvaal district council should encourage all local municipalities and private companies to focus on proper target marketing. This could be facilitated by proper analysis of the marketing mix elements especially, price and promotion. The effective use of government-driven initiatives like RTOs and LTOs would facilitate this process.

- 5.4.3 Local companies and the two regional tourism offices (Cosmos country and Grass and Wetlands region) should get connected to the internet and have web sites so as to provide adequate information on Eastvaal's unique offerings to the prospective visitors or tourists. Each town within the region should have a tourism information office with brochures or information of local offerings, attractions, destinations, facilities, a calendar of events etc. Local regional and national media should be used intensively to advertise local attractions and events.
- 5.4.4 Regional tourism organizations (RTOs) should participate in fairs and exhibitions organised in other provinces and countries in order to promote Eastvaal region well as the events could attract a lot of outsiders to the areas that were well marketed.
- 5.4.5 Government, private sector, community and other tourism providers should team up to find ways and means of establishing good tourists and recreational facilities and shopping malls which are more marketable so as to encourage potential tourists to spend a day or two in this region. Local Economic Development (LED) should be geared towards establish infrastructure needed to enhance tourism growth.
- 5.4.6 The Regional tourism organisations (RTOs) should involve the local communities in all tourism initiatives especial in the culture, arts and craft industries. Cultural villages should also be established to promote the rich Ndebele history and culture. These could be unique attractions to be marketed in this area.
- 5.4.6 Community values should be integrated in tourism marketing strategies, as these would enhance the uniqueness of the rural communities and strengthen the marketability of these areas. Figure 5.1 below shows how tourism organisations and service providers could encourage tourism visits to the communities by integrating community values into rural tourism development. As mentioned

earlier in this study, Eastvaal is rural and all marketers need to recognise the impact of rurality when developing their tourism marketing plans.

Integrating Community Values Into Rural Tourism Development



5.5 Suggestions for further research

Researcher recommends for a research to be conducted on visitors' or tourists' perceptions about the tourism offerings and attractions in the Eastvaal. The involvement of tourists in the study would enable all role players in the tourism industry to develop better marketing strategies that would contribute to the growth of the industry.

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APPENDIX

INTERVIEW SCHEDULE/GUIDE FOR EXECUTIVES AND OFFICIALS OF ORGANISATIONS PROVIDING TOURIST SERVICES AND FACILITIES.

Present position: _____

Number of years working for the organisation: _____

1. Which organisation do you work for? _____

2. What services/activities/facilities do you provide for tourists? (Please name them)

3. Do you usually promote your organisation and its activities? Yes or No.

4. If yes, list the most frequently used promotional tools. (Advertisements, public relations, sales promotions, personal selling, general publicity and others please specify).

5. Why do you prefer using these tools?

6. Do you participate in the cooperative partnership in the tourism industry? Yes/No.

7. If yes, is your organisation actively involved in the industry cooperative initiatives? Please explain.

8. Do you attract more tourists through cooperative partnership agreements?

9. What form of cooperation do you engage in with others?

10. Are you a member of any local or regional tourism organisation?

11. Do you participate in workshops or meetings organized by the local authorities regarding tourism infrastructure development? Yes/No

12. If yes please specify. _____

13. Do you use the local or regional or national media your promotions? Why?

14. Do you tourism to local residents?

15. Do you provide for your customers and potential customers?

16. Does your organisation have an Internet website?
17. Do you take part in exhibitions?
18. Do you think it is necessary for local authorities to be part of tourism development in the Eastvaal region?