# TOURISM AND HOSPITALITY MANAGEMENT IN THE NEW

## MILLENNIUM:  A CASE STUDY IN KWAZULU-NATAL

BY

## SAMUEL EDSON BAYON

A Thesis Submitted to the Faculty of Arts in partial fulfilment of
the requirements for the Degree of Doctor of Philosophy in
the Centre for Recreation and Tourism
at the University of Zululand

## KWADLANGEZWA
## NOVEMBER 2000

# APPROVAL

SUPERVISOR: .......................................
PROF. L.M. MAGI
Centre for Recreation and Tourism
University of Zululand


EXTERNAL EXAMINER: .......................................
PROF. B. MAHARAJ
Department of Geography
University of Durban-Westville


EXTERNAL EXAMINER: .......................................
PROF. S. E. MINI
Department of Geography
University of Fort Hare

# <u>DECLARATION</u>

I declare that this research study: *Tourism and Hospitality Management in the New Millennium,* except where specifically indicated to the contrary in the text, is my own work both in conception and execution. All the sources that have been used or quoted in this thesis have been duly acknowledged by means of complete references.

# ACKNOWLEDGEMENTS

# TABLE OF CONTENTS

# LIST OF FIGURES

# LIST OF TABLES

# ABSTRACT

As the world's tourism and hospitality industry sees the dawn of the new millennium, the twenty-first century, tourism and hospitality managers will begin to face many pragmatic challenges and opportunities. The fundamental issue which is identified in this study is the maintenance of high standard of quality of service in order to remain a competitive advantage within South Africa as well as the global tourism and hospitality market as a whole. The main areas of concentration this study is expecting to see tourism management changes in the new millennium include: the role played by new technologies, the business practices and general consumer demands.

This research seeks to investigate the nature of managerial work in tourism and hospitality industries, specifically in hotels, travel agency, tour operators and tourism authorities. In a given situation, the begging question is whether this work fundamentally similar or different from that which is done in other industries? Furthermore, this study endeavours to find out what determines the nature of that work and, in so doing, puts forward approaches to the management process in the tourism and hospitality industry, specifically those which have to be adopted in the new millennium.

As such, the main objectives of the study include the following:

   (a)   To discover how managers intend to cope with the various changes
         that they will be exposed to in the new millennium,

(b)   To look at the present profile of managers and their expected profile changes in the new millennium,

(c)   To examine the evolving strategies that are being put in place to cope with challenges and strategies for the new millennium,

(d)   To examine and put forward a responsible approach to planning and development of the tourism and hospitality industry,

(e)   To resolve the conflict between the front-office managers who perceive their section of the hotel as separate from the rest of the establishment,

(f)   To establish a balance between the various components of the tourism product in terms of both quality and capacity. For example, infrastructure and the environment, accommodation and transportation, attractions and services,

(g)   To understand the need and development of appropriate training facilities and programmes, which are intended to both maximise employment opportunities and achieve the desired standards of quality.

To achieve these objectives the study uses two fields of management studies available and relevant to changes in tourism and hospitality. These are: (a) current management functions in the tourism and hospitality business, and (b) the wider field of management, which focuses on managerial work as a whole.

The methodology that used for this study are a combination of qualitative and quantitative methodologies utilising techniques such as focus groups, observation, in-depth interviews, telephone interviews, mail questionnaires and the non-participant

observation technique. The latter technique was the most preferred method of data collection, because it offered the best alternatives, such as allowing for the simultaneous collection of qualitative and quantitative data. The breakdown of the final sample included four (4) tour operators, five (5) travel agents, two (2) provincial tourism authorities and 250 tourism and hospitality customers. A quantitative approach using statistical techniques was used for the 250 customers, whereas the case study approach was used to analyse the rest of the sample. In these cases the meanings and interpretations of the researcher were used as the main interpretative approache for the views and actions of the managers. However, this was balanced with the managers' interpretations of events.

The main and general conclusions that were arrived at, with the help of the above methodologies, were that the tourism industry in the new millennium should move with the customer and therefore planning should be flexible in order to accommodate the customer at all times. Future growth strategies for tourism and hospitality management designed to keep customers satisfied, are those that use a combination of advertising, product innovation, service improvement changes in product and service, with more emphasis on direct selling, entailing personal contact with the customer.

It is also evident from the findings that business travellers in the Durban area would prefer branded tourism and hospitality products rather than their counterparts in Pietermaritzburg and Richards Bay would. On the whole, the preference for both business and leisure customers is for branded products. Travel agents believe that the bulk of their business comes from business customers and in the future, the emphasis is expected to be on the business traveller market. Tour operators are looking at buying

smaller travel agents that they can use as retail outlets and heavy concentration on the domestic tourism and hospitality market. Tourism authorities are expected to concentrate on supporting community projects as a means of creating employment in the provinces. The intimidation of tourists in the provinces is because the community believes that tourists are the reason for increased crime, high prostitution, sexually transmitted diseases and an increase in the price of basic food and rent.

The customer in the new millennium is expected to be very different, and rate standard requirements higher than the willingness to pay. The reality of the situation creates a desperate need for tourism and hospitality managers to search actors and forces in the business environment that may be utilised to the advantage of managers. One element that needs to be introduced urgently in all tourism and hospitality organisations is training in customer care. The study points to a very advanced technological environment, with emphasis on product design and the size of the capital of the organisation. The pages that follow will answer these questions and look at other issues in the study in greater detail.

# CHAPTER 1

## ORIENTATION OF THE STUDY

### 1.1    INTRODUCTION

In the past two decades considerable changes have taken place in the tourism and hospitality industries in South Africa and in the international world at large.   Tourism professionals in the entire industry, covering hotels, tour operators, travel agents, airlines, safari camps, and even micro industries operating on the side of the road in the little villages, are facing an ambience of dynamic change.   The major changes that are affecting these businesses emanate from many variables such as the economic, political, socio-cultural, and technological environments.   The need to manage such changes effectively is an important challenge to academics and to political, business and social groups, as well as other stakeholders.   In order to keep a firm grip on these changes, it is necessary to constantly scan the environment and implement appropriate measures through research.   It is anticipated that the completion of this research inquiry will contribute towards an understanding of the problem at hand: the challenge facing tourism and hospitality management as we move into the new millennium.

As the twentieth century has drawn to an end and we are moving into the new millennium, it is important to consider how international and national tourism and hospitality businesses that contribute major earnings to the Gross National Product (GNP), will adapt to meet the

many changes in the needs of customers around the world. Tourism and hospitality professionals need to examine their current management techniques if they are to stand any chance of surviving the first quarter of the new millennium. As the new millennium advances, the biggest single change is the hotel sector is the emphasis on space plan. Over all, the 'front-of-the-house' is getting smaller, with more varied function space, fewer and more innovative restaurants and more emphasis on guestrooms. The focus has shifted to a more market-driven design, which tends to concentrate on schemes that could help hotels to provide alternatives. For example, in its attempts to target the family market globally, Holiday Inn unveiled its new family-themed Kid-suites in January 1996, offering 'kids-only' amenities and separate beds for each child.

In this chapter, the subject of the study is introduced: Tourism and hospitality management in the new millennium. It attempts to put the subject matter of this study into perspective and presents a systematic approach for research. Among other things, the study-orientation looks at the following components: background to the study, the presentation of the problem, the basic aims of the study and the definition of important and recurring terms. The delimitation of the study is outlined and some key hypotheses are stated. The significance of the study is succinctly illustrated, and its limitations are also presented. Knowledge of tourism and hospitality needs to be understood within its social and historical context (Knorr-Cetina, 1981). Therefore it is important to review current paradigms within the historical and methodological development of the tourism field of study

## 1.2 BACKGROUND TO THE PROBLEM

The South African tourism and hospitality industries are entering a period of major transformation as they face new political, economic and developmental challenges. Political changes have brought about democracy and power sharing, thus creating an environment of equal opportunity for everyone. The previously disadvantaged black population has now become economically active and is now able to participate in tourist and leisure activities. Other areas of transformation that have been effective are the deregulation of the foreign exchange control, the current extension of Johannesburg International Airport and the proposed development at Durban International Airport, coupled with the commitment of the government to invest more in tourism (SATOUR 1995).

In Europe, the United States of America and the Far East, unlike South Africa, computerised reservation systems have played a great role in the success of their tourism industry. South African providers of travel-related products need to be represented, not only in the large airline computerised reservation systems now commonly referred to as global distribution systems (GDS), but also in the national distribution systems (NDS). Ninety per cent of package holidays in South Africa are sold through travel agencies with the current distribution system for intangible holiday products. When a travel agent agrees to sell a tour operator's products, an agency agreement is drawn up, setting out the formal relationship between the parties. The travel agent then becomes an official agent of the tour operator and is paid commission in return for their services. The average payment will

be about 10 per cent of the holiday cost. The bigger travel agents could demand larger commissions for bulk sales.

The global distribution system (GDS) is currently causing a great deal of confusion for providers. For example, if the Southern Sun International chain already has a contract to distribute their hotels through American Express, then can a South African travel agent distribute this product through other global agents? The answer to date is no. In many cases the national distribution systems are in competition with the global distribution systems, although they are normally part owners. The GDS and NDS systems are very expensive to install and maintain, and they do not automatically provide hotels with an increase in business unless they are used to their full potential.

Many providers will find that with these systems they will be distributing their products to new markets, which in South Africa will create problems such as commission payments, different languages, time differences and totally different standards and bar codes. To overcome some of these problems there are a number of new products that are either available or currently under development that will make a difference in the twenty-first century. The new products briefly referred to here are computer systems that will automatically convert payment to various currencies and are able to conduct translation in any language. The computer related software products are the main products being developed for the new millennium. Accordingly, this study seeks to look at the impact of these products on the tourism and hospitality industry. Currency computer programme

4

converters and language translators are scarce commodities in the tourism and hospitality industries. This scarcity together with the current unfavourable economic climate, imply that there is continually going to be a huge demand for products that provide effective tourist service delivery. However, academics and professionals within the tourism and hospitality industry must ensure that the industry understands the management principles, functions and strategies, the implications of these products, the choices available to them and how to use them to their best advantage.

Across the world, the development and maturity of tourism as an industry have triggered significant changes in the management of the product the industry offers. In recent years a number of countries have seen a rapid growth in tourism and hospitality industries (Cooper *et al*, 1993). In the United Kingdom, products of the tourism industry are now a major employer of young people, and are represented as becoming one of the leading employers of school leavers over the next decade or so (Medlik, 1989). One can see the urgent need to carry out such a study as a major employer of the future, operating in a competitive environment, requires proper management of the industry if it is going to be the centre stage of economic and social development for many developing countries. In addition, Cline (1996) suggests that, as the final page of the last millennium is turned, the hospitality industry will find itself in a competitive landscape greatly altered by three factors:

(a)    New technologies,

(b)    Business practices and

(c )    Consumer demands.

Certainly, the twenty-first century will bridge the socio-economic factors which heralded the industrial age and the emerging capabilities and markets of the information era. Managers directing tourism and hospitality businesses into the new millennium face intimidating challenges in a global and sophisticated economy. Tourism-based organisations such as tour operators and the tourism authority need to determine how to put together the agents of change for competitive advantage. This thesis attempts to identify major trends and strategic issues that are expected to shape both national and international tourism and the hospitality industry in the twenty-first century.

For many years there had been questions in the mind of the researcher relating to managerial work. Observers of managerial activities have often wondered what exactly managers do in their normal course of work. Some people believe managers only sit in their offices, sign letters and attend meetings. The literature reviewed gave very little information regarding the roles, functions and the actual nature of the manager's work. This research therefore attempts to address this problem and put forward guidelines as to the nature of managerial work in the tourism and hospitality industry in the past century and the beginning of the new one.

There are numerous challenges in development, planning and control of tourism and hospitality operations facing managers as they move into the new century. Included in the development and planning process, is the focus on quality assurance and the need to

maintain a constant high standard in order to remain competitive. Another concern is the inevitable organisational restructure of hotels, tour operators, travel agents and tourism authorities and the need for downsizing and outsourcing of certain activities. The tourism and hospitality industry, encompassing the hotel, catering and leisure sectors, is taking a more sophisticated approach to the design of services. Hotels increasingly provide a range of leisure facilities to meet the perceived needs of core and peripheral markets. With the manager facing a complexity of activities and products, the researcher examines how the manager of the twenty-first century faces these challenges.

## 1.3     PRESENTATION OF THE PROBLEM

The study seeks to investigate and propose approaches to managerial work in the year 2000 and beyond, in the tourism and hospitality industry. To achieve the objectives of the research, the following two fields of study are examined:

(a)     Current managerial functions in the tourism and hospitality industry, especially in hotels, tour operators, travel agents and tourism authorities, and

(b)     Differences in activities in the wider field of managerial work.

Some of the fundamental questions that receive attention in this study include the following:

(a)     *What is the nature of managerial tasks in the hotel business specifically?*

(b)     Which factors determine the work of the hotel managers?

(c)     Is the work of hotel managers different from that of their counterparts in the

tourism and hospitality industry?

In terms of work in the tourism and hospitality industry, managerial work follow distinct

patterns and is evenly paced, not very arduous and largely under the control of the manager

(Hall, 1992).

### 1.3.1   The basic aims of the study

We have glanced into the twenty-first century and seen considerable changes in computer

technology, databases, as well as an information explosion.   The subject of tourism and

hospitality management in a new era must inevitably be explored.   It is expected that the

movement of people from the year 2000 onwards, is going to be different;   their needs are

going to change, and the way in which people market their products is going to alter

greatly.   In the light of this, the basic aims of the study are as follows:

(a)     To discover how managers intend to cope with the various changes that

they will be exposed to in the new millennium,

(b)     To look at the present profile of managers and their expected profile

changes in the new millennium,

(c)     To examine the evolving strategies that are being put in place to cope

with challenges and strategies for the new millennium,

(d)     To examine and put forward a responsible approach to planning and development of the tourism and hospitality industry,

(e)     To resolve the conflict between the front-office managers who perceive their section of the hotel as separate from the rest of the establishment,

(f)     To establish a balance between the various components of the tourism product in terms of both quality and capacity. For example, infrastructure and the environment, accommodation and transportation, attractions and services,

(g)     To understand the need and development of appropriate training facilities and programmes, which are intended to both maximise employment opportunities and achieve the desired standards of quality.

As tourist attractions become more popular, the problem of handling visitors at those attractions becomes more problematic; environmental concerns become a major issue, and the design of the hotel business will change as the demand for space becomes a major problem. Scoiak-Lerner (1996) argues that the biggest single change in hotel design begins with the space plan. "Over-all, the front-of-the-house is getting smaller", writes Robert Di Leonardo (cited in Scoiak-Lerner 1996: 36).

In terms of computer technology, several organisations have developed special collections of travel and tourism-related information that are now available to tourism executives, government officials, academics, and students. An example of this is the tourism information data banks that can save a great deal of time and provide comprehensive

literature search on a desired subject. What kind of information will be exposed in that data bank and what will the implications be of one's competitors knowing so much about one's operation?


## 1.4 DEFINITION OF TERMS

In this inquiry many technical terms have been used which need to be clearly explained in order to avoid ambiguity and confusion. Tourism and hospitality management is a specialist area of study with its associated terminology. Therefore, the first objective of the section that follows is to define these terms and give examples.


Each discipline has its own preferred terminology, expression, and definition. It is important to note that terms in tourism and hospitality need to be given careful interpretation as some of the words, concepts and expressions, even in its associated businesses, may have different meanings and expressions. Some of the words and concepts have been borrowed from other disciplines, such as economics, statistics, management and geography and are used to mean different things in tourism and hospitality. For example, the concept of *destination* needs to be treated with care. In the tourist and hospitality industry, it is not necessarily the country, or even the town or area, which is the destination or object of the holiday. The destination may be an integrated, well-appointed resort (resort as a place for holiday), offering a complete leisure and recreation experience. Where this resort is located may be secondary (Doswell, 1997). Therefore the need to define these terms in order to avoid confusion with other disciplines is absolutely necessary.

10

### 1.4.1 Tourism

It has been difficult to agree on a universally comprehensive definition of tourism. The primary reason for disagreement is that the concept of tourism is very wide and the industry comprises a multitude of diverse, yet interrelated sectors. However, the United Nation Statistical Commission (UNSC, 1968) has accepted the following definition of tourism on recommendation of the World Tourism Organisation (WTO, 1979). This definition, and that proposed by the Tourism Society (TS) (1982), seems appropriate for the study of tourism management in the new millennium. The definition states that tourism comprises: "The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes" (WTO, 1979:9).

Tourism is the temporary, short-term movement of people to destinations outside the places where they normally live and work, and activities during their stay at these destinations; it includes movement for all purposes, as well as day visits or excursions (Tourism Society, 1982).

### 1.4.2 Tourist

The United Nations Conference on Travel and Tourism held in Rome in 1996 recommended the following definitions of 'visitor' and 'tourist' in international statistics. For statistical purposes, the term 'visitor' describes any person visiting a country other than that in which he/she has his/her usual place of residence, for any reason other than

following an occupation remunerated from within the country visited. This definition also covers tourists, that is, temporary visitors staying for at least twenty-four hours in the country visited and the purpose of whose journey can be classified under one of the following headings:

(a)     leisure (recreation, holiday, health, study, religion and sport),

(b)     business, family, missions, meeting,

(c)     excursionists, that is, temporary visitors staying less than twenty-four hours in the country visited (including travellers on cruises).

The statistics should not include travellers who, in the legal sense, do not enter the country, such as air travellers who do not leave an airport's transit area, and similar cases (Development of Tourism Act, 1963).

## 1.4.3   Management

This refers to a social process entailing responsibility for the effective and economical planning and regulation of the operations of an enterprise, in fulfilment of a given purpose or task. Such responsibility involves:

(a)     Judgement and decision in determining plans, and the development of data procedures to assist in the control of performance processes against plans;

(b)     The guidance, integration, motivation and supervision of the personnel comprising the enterprise and carrying out its operations (Brech, 1975:108).

12

The need to understand the concept of management in relation to the study of tourism management in the emerging new millennium is therefore imperative. The role of tourism management concerns tourism planning, tourism organisational development, tourism product development and tourism product marketing (Horner and Swarbrooke, 1996).

### 1.4.4 Gastronomy

The word 'gastronomy', derived from Greek, seems to have been invented by Joseph Berchoux in 1801, who used it as the title of a poem. The term was quickly adopted both in France and England to designate 'the art and science of delicate eating' (Campbell-Smith, 1967:22). Cooking and eating are very important aspects of tourism and, therefore, the management of it is important now and in the new millennium.

### 1.4.5 Hospitality

The term hospitality refers to the act or practice of being hospitable, the reception and entertainment of guests, visitors or strangers with a sense of providing pleasure and goodwill. Hospitality is the term that is frequently used to cover the different sectors of the hotel and catering industry, and the term can also be expanded to cover all products and services offered to the consumer away from home including travel, lodging, eating, entertainment, recreation and gaming (Knowles, 1998). The hospitality field, which has developed at least partially in anthropological terms, has been typified by the work of Mathieson and Wall (1982).

In the last half of the previous century, the term 'hospitality' had become synonymous with

a group of organisations including the hotels. It is used as a collective term, in that "the

hospitality industry can be taken to include hotels, motels, guesthouses, bed and breakfast,

farm

**FIGURE 1.1: THE HOSPITALITY INDUSTRY**

```
                        ┌─────────────────┐
                        │   HOSPITALITY   │
                        │    INDUSTRY     │
                        └─────────────────┘

┌─────────────────┐                        ┌─────────────────┐
│  SELF CATERING  │                        │     OTHER       │
│                 │                        │  ACCOMMODATION  │
└─────────────────┘                        └─────────────────┘

┌─────────────────┐                        ┌─────────────────┐
│    CATERING     │                        │    LEISURE      │
│ PUBLIC & PRIVATE│                        │   & SPORT       │
└─────────────────┘                        └─────────────────┘

┌─────────────────┐                        ┌─────────────────┐
│   MEETING &     │                        │     GAMING      │
│   FACILITIES    │                        │                 │
└─────────────────┘                        └─────────────────┘

┌─────────────────┐                        ┌─────────────────┐
│     HOTELS      │                        │  PUBS & CLUBS   │
└─────────────────┘                        └─────────────────┘

┌─────────────────┐                        ┌─────────────────┐
│   EDUCATION     │                        │   RESTAURANTS   │
│   & TRAINING    │                        │                 │
└─────────────────┘                        └─────────────────┘
```
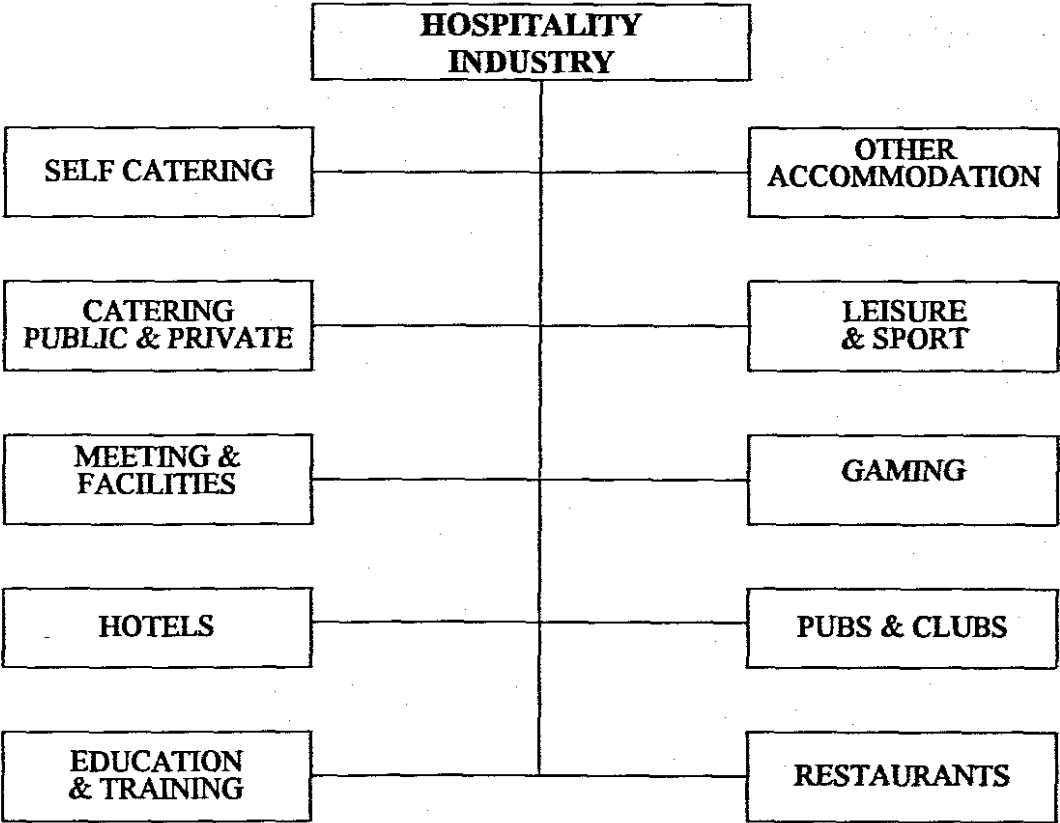
Source: Adapted from University of Bournemouth figures included in Hospitality into the 21st Century: a Vision for the Future (June 1996).

houses, holiday parks, restaurants, fast food outlets, cafes, departmental store catering,

public houses, clubs, industrial catering, institutional catering and the related areas of

tourism and leisure" (Mullins, 1995:12). In South Africa we can include shebeens and the

14

safari camps in this classification of hospitality industry. As the management of these sectors and components of the hospitality industry is the focus of this study, it is again necessary to understand the concept in full.

As shown in Figure 1.1, all the businesses within the hospitality industry share common features such as receiving and possibly entertaining the customer, but they also differ in many important respects. For example, major hotels and hospitality schools do not entertain the customer in the same way. Education and training establishments receive and instruct the customer while hotels provide bed, food and entertainment for the customer.

### 1.4.6 Tour Operator

According to Yale (1995:1) "A tour operator is a person or company who purchases the different items that make up an inclusive holiday in bulk, combines them together to produce package holidays and then sells the final product to the public either directly or through travel agencies". Holloway (1994:150) also shares this view: "Tour operators are sometimes classed as wholesalers, in that they purchase services, and 'break bulk', that is, buy in large quantities in order to sell in smaller quantities".

### 1.4.7 Travel Agent

For many tourists around the world, their first link with the tourism industry is the travel agent. The travel agent is seen as the organisation or person that makes the holiday

possible. Companies such as Thomas Cook in the United Kingdom and Thompson Tours act both as a tour operator and as a travel agent. Lavery (1996: 19) defined a travel agent as a "retail travel agent who works on behalf of both 'the client' who is booking" any type of travel arrangements, and also on behalf of the 'company or principal', for whom the retail travel agent is making the booking. Lavery (1996: 19) also points out that: "Most tourists are unaware that the travel agent is acting on behalf of a third party and that the agent does not put together the tour or package holidays but only promotes or sells them on behalf of the tour operator".

## 1.4.8   Alternative Tourism

Alternative tourism has come about as a result of the new wave of travellers. The new wave of travellers are described as the better educated, more culturally aware, more environmentally and culturally sensitive and more curious and analytical (Doswell, 1997). The new waves of travellers are, therefore, looking for alternative forms of tourism, different from the normal tourism. Their taste is unique and is not in step with the modern hotel establishment. Alternative tourism seeks to feature and protect local culture and to involve the community in such a way that local people benefit fully. It is tourism that aims at bettering the assimilation of cultural and environmental awareness, while being more supportive of local needs and aspirations.

Alternative tourism is seen as promoting local cuisine, the use of local materials and handicrafts, and the development of a whole range of other participants in tourism services,

for example, local folklore performances, trekking, handicrafts demonstrations, and cultural and recreation activities. It also fosters the creation and development of tourism enterprises operated and owned by local people (Doswell, 1997). This study looks at not just the established tourism sector, but also other forms of tourism such as alternative tourism, which contributes to the economic well-being of a nation.

## 1.4.9 Responsible Tourism

In his surveys, Handley (1996) defines ecotourism as responsible tourism, which conserves environments and sustains the well-being of local people. The main purpose of the Belize Ecotourism Association (BETA), in Belize, is to promote environmentally responsible tourism, to be sensitive to the impact of tourism, to promote pollution prevention and environmental concerns, and to continually observe the policy of responsible tourism. The scheme has been successful through education of locals and visitors, and a partnership between the private sector, concerned individuals and the government.

A similar structure is being considered in KwaZulu-Natal. Senior conservationists, leading politicians and businessmen are talking about a common ground on the critical issue of how best to empower rural communities in the establishment of profitable ecotourism projects in the area. A most promising scheme is that of the 'Isivuno' (to harvest) tourism development model. This model allowed the conservation body to share various harvests with the local communities located adjacent to the nature reserve. The idea was initiated by the Minister of Home Affairs, Dr MG Buthelezi, and the late Mr Nike Steele, former

17

Director of the old Department of Nature Conservation of the KwaZulu Government.
Forty million rands (R40-million) had been budgeted for the 1999 financial year.

### 1.4.10 Hotel

The concept hotel refers to an establishment of a permanent nature, of four or more bedrooms, offering bed and breakfast on a short-term contract and providing certain minimum standards (Burkart and Medlik, 1981). This definition covers a wide range of establishments including licensed and unlicensed hotels, motels, guesthouses, and public houses offering overnight accommodation. Within this broad definition of hotel, there are, however, many different types of hotels, and many different ways of attempting to distinguish between them and to categorise them. Medlik (1989), for example, adopted the following criteria for classifying the main types of hotels:

(a)     The location, for example, in cities, towns, coastal resorts or country; and position within its location, for example city or town centre, along the beach or highway.

(b)     The relationship with a particular means of transport, for example motels, railway hotels, or airport hotels.

(c)     The purpose of the visit and main reason for the guests' stay, for example business hotels, convention hotels, holiday hotels.

(d)     A pronounced tendency to a short or long duration of guests' stays, for example, a transit or a residential hotel.

(e)     The range of facilities and services, for example open to residents and non-residents, provision of overnight accommodation and breakfast only, or an apartment hotel.

(f)     The distinction between licensed and unlicensed hotels.

(g)     The size of hotel, for example by number of rooms or beds - a large hotel would have several hundred beds or bedrooms.

(h)     The class or grade of hotel as in hotel guides and classification and grading systems, for example a five-star luxury or quality hotel, or a one-star basic standard hotel.

(i)     The ownership and management of the hotel, for example chain or group hotels, or individually owned independent hotels.

The diverse and changing nature of hospitality and accommodation constantly challenges the management and staff of hotels, motels, and resorts to adapt to new conditions, competition, and customers. It is therefore essential to establish an understanding of the nature of terms which direct the study of tourism and hospitality management into the new millennium.

## 1.5     DELIMITATION OF THE STUDY

The study concentrates on the management approaches in both national and international tourism and hospitality industry comparing that with other fields of management.

19

# FIGURE 1.2: LOCATION OF STUDY AREA IN KWAZULU-NATAL
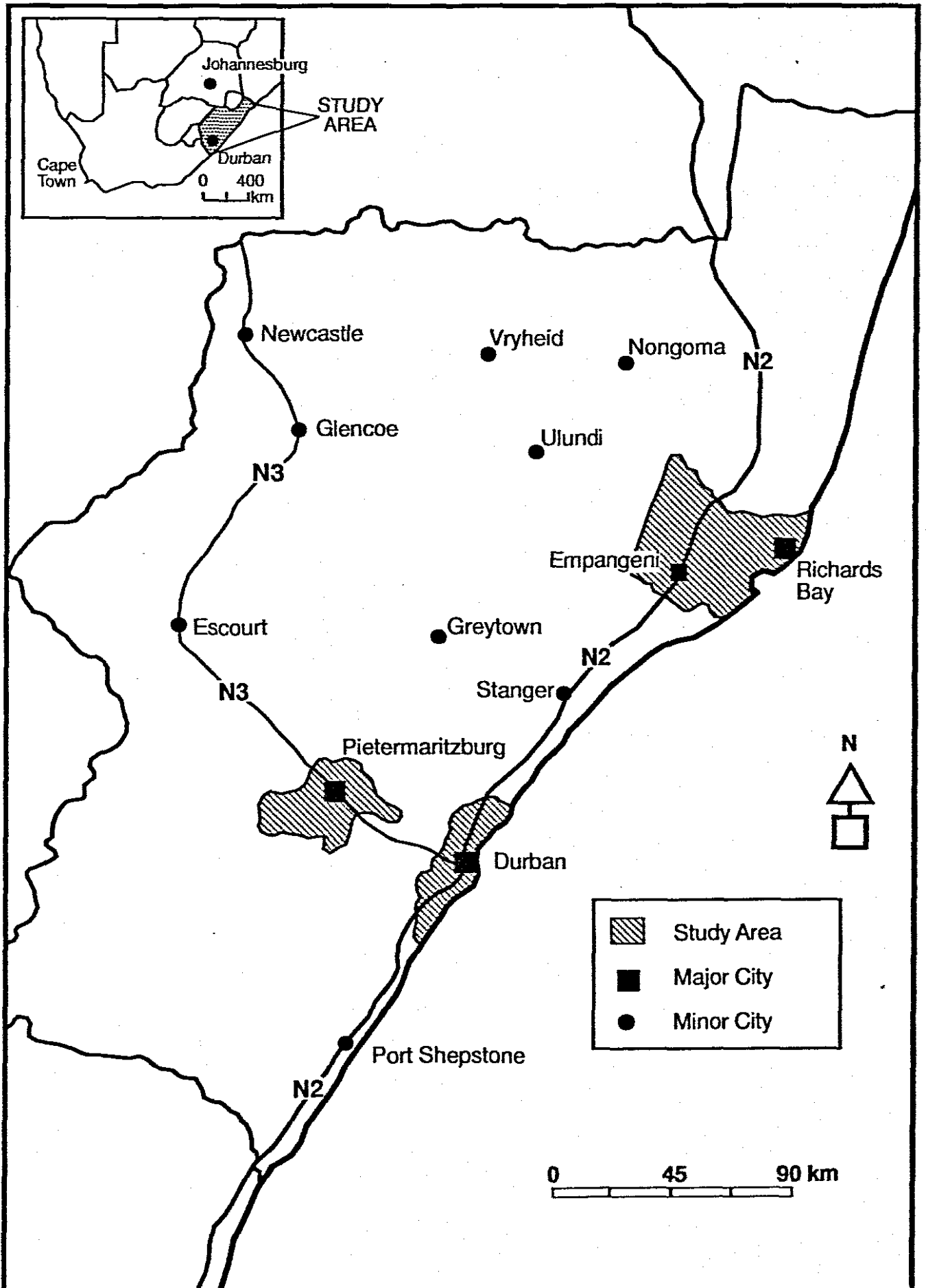
Comparison of international tourism is made to tourism and hospitality management in South Africa, especially looking at tourism and hospitality management in KwaZulu-Natal. Data collection was focused on the following spatial parameters or delimitation areas of [see Figure 1.2] :

(a) The Durban Metropolitan Functional Region, (b) The Pietermaritzburg Functional Region, and (d) Richards Bay-Empangeni Complex.

These city regions essentially provided responses from the sub-components of the sample. These include four (4) tour operators, five (5) travel agents, two (2) provincial tourism authorities and 250 tourism customers.

## 1.6   HYPOTHESES

The following hypotheses have been constructed based on the preceding discussion and the background investigation of the study.  It is therefore hypothesised that:

(a) Computer technology in the new millennium will play an important role as well as directly influence the development of tourism in South Africa.

(b) Managerial work in the hospitality and tourism industries is expected to be similar to that of managers in other sectors of industry.

(c) The nature of managerial work in hotels is not very arduous and is easily handled and controlled by the manager.

21

(d)     Tourism and hospitality management in the new millennium will focus more on product development.

(e)     Planning and social considerations will be a major management activity for tourism managers in the new millennium.

(f)     Hotels in the new millennium will compete mainly on room facilities and services.

(g)     Future management strategies and applications in the new millennium will determine the success of the tourism and hospitality business.

(h)     Product quality will rise and costs of production will be better managed with the application of computer technology in hotel reservation and check-in processes.

(i)     The more qualified and dynamic tourism and hospitality managers will be the most successful in the new millennium.

(j)     Strategic management approaches will be the key to good business practice and successful management of consumer demands.

## 1.7    SIGNIFICANCE OF THE STUDY

The research is being done against the background of the many changes taking place in South Africa: for example, the introduction of democracy, and the emerging economically active black population, as a result of recent political change. These changes have opened up various opportunities for many industries especially the tourism sector. This study is

expected to provide some understanding of pressure from competitors within South Africa and international operators that demand knowledge of the industry and the way it functions from a management perspective. This study creates guidelines based on theory and empirical approaches for practitioners to follow.

There is no study currently being undertaken in the area of tourism and hospitality management in South Africa that especially focuses on the way managers should function in the new millennium and beyond (De Vaal, 1994). The research tools that are used in this research, especially the case study materials, are expected to become teaching tools for tourism management students and practitioners.

The findings of this study provide further illumination about the manner in which tourism industry leaders perceive their roles, functions and duties in relation to the profit margin within their organisations. In general, there are serious conflicts related to management functions, as well as the way managers currently perceive their tasks in the tourism and hospitality industry (De Vaal, 1994). The front-office managers in their hotels see their section as entirely separate from the rest of the establishment and not as an integrated section. To address this issue, will be one of the primary challenges of this study of future hotel organisation by showing how the success or failure of one section of the establishment affects the whole organisation.

## 1.8    LIMITATIONS OF THE STUDY

The problems encountered in the study were connected to three areas. In the first instance, the samples that were selected presented hotel managers, tour operators, travel agents and tourism authorities, and the customer, both national and international, with difficulties in terms of their willingness to participate in the study. This selection was based on a non-probability sample, which took the form of quota sampling, and which is exposed to a great amount of error. The study of managers is time-consuming and therefore it is not possible for a single researcher to conduct extensive sample surveys using observational methods. Therefore, studies that consider an observational method, requiring a large number of participants, as was the case with this study, need more than one researcher.

The second problem is the limitation of financial and human resources: the size of the sample and the extent to which the research was conducted were finally reduced in proportion to the time, human and financial resources available.

The third limitation is gaining access to the manager and the organisation. According to Bryman (1988), one of the most recurring themes throughout the series of his readings was the problem of access. This study encountered similar problems with gaining access to organisations for in-depth qualitative research, and this has the effect of automatically limiting the sample available to the researcher. The research methodology and procedure of this study is presented in greater detail in chapter five, where the methods of data collection are explained.

## 1.9    CONCLUSION

This chapter has attempted to give a brief review of the orientation of the study, stating the problem and what the research intends to accomplish. Some terms, which are used frequently in the study, have been defined so as to enhance their meanings and be made more relevant to this study. It is apparent from the examination of key factors, that the achievement of the aims of this research is only possible if the researcher concentrates on the specific areas that have been outlined above. To attempt to cover wider areas in this study will not only prolong the research, but resource constraints would make it impossible to achieve any meaningful outcome and benefit. However, in the end, given the diffusive impact of all tourism, with global implications, any attempt to restrict the study to a specific region can narrow the view and concept developing from the study, making it only applicable to that area. Therefore, a balance is forged so that other regions share the benefits from the outcome of the study.

# CHAPTER 2

# HISTORICAL FRAMEWORK OF TOURISM MANAGEMENT

## 2.1    INTRODUCTION

The development of tourism from a minority activity of the privileged societies, to an international, mass participation industry has, debatably, been one of the most significant social phenomena of the past two hundred years, and, in particular, the post-war era. International tourism arrivals, which are just one barometer of this phenomenon, have risen from just over 25 million in 1950, to a figure that was forecast to reach 600 million by the end of the millennium (Baum, 1996). Within the context of this process, tourism has moved from elite status to that of mass consumption status in the developed world. Little attention has been paid to the changing nature of employment and, in particular, the relationship between those providing the tourism services as employees in the industry, and the tourists themselves as consumers.

This chapter explores the historical imperative of the theory of tourism management, the nature of tourism and hospitality, and the integration of management of hospitality theories and policies while entering the new millennium.

## 2.2    HISTORIC NATURE OF TOURISM AND HOSPITALITY

The historic nature of tourism and hospitality is well documented in Western Europe although little is published about early travel in Southern Africa and Asia (Baum, 1996). In the case of Europe, Romans for example, besides extensive and well-documented military tourism, used island locations, such as Capri, for leisure and recreation purposes (Baum, 1996). However, the origins of modern mass tourism can be traced to rather more recent European development. Pompl and Lavery (1993) argue that it was in Europe, particularly in Great Britain, that the tourist industry was invented, refined and developed.

The grand tour as the antecedent of contemporary mass tourism, is well documented by writers such as Tower (1985), Feiffer (1985), and Turner and Ash (1975). The 'grand tour' was originally a selective, primarily aristocratic prerogative, providing a classical educational journey from Britain to cover France, Italy, Switzerland, Germany and the Low Countries. The original conception of the grand tour and related journeying to fashionable resorts and spas during the eighteenth century was very much an extension of the normal pattern of aristocratic living. The aristocratic standard of living is reflected in the employment structure that existed in support of this form of travel at that time. Essentially, the rich and well-bred travelled with all or part of their normal retinue of servants to places such as Bath, Weymouth or Deauville.

Accompaniment on the 'grand tour' followed similar principles but took place on a rather more modest scale. It can be argued that the fundamental principle of social distance

between tourists and those providing service was established through early tourist travel of this nature and then widely adopted in the mass expansion of international travel (Tower, 1985).

The popularisation of travel came, not surprisingly, with industrialisation and the growth of increasingly leisured middle classes. It also benefited greatly from enhanced transportation, particularly the growth of the railways. "Indeed, changes in the nature of travel, transportation and, most importantly, those participating in travel, meant that the average length of the grand tour fell from 40 months in the mid seventeenth century to just four months in 1830, the dawn of the railway era" (Tower, 1985: 310). By that time, some 150,000 Britons a year were visiting Europe.

The early growth of tourism was based on replication in that the new economically enfranchised middle classes adopted the same patterns of travel that had previously been developed by the aristocratic classes. They followed the route of the 'grand tour', but at a speed and on a scale that would have been impossible without the technology of the railways and the organisational and entrepreneurial skills of travel industry innovators such as Thomas Cook (Baum, 1996).

Thomas Cook, indeed, pointed the way towards the industrialisation of tourism, and its presentation as a consumer commodity available to all who could afford the time and cost. The packaging of the tourist's experience, which was a key feature of this process, implicitly gave recognition to the complexity of assembling the diverse components of tourism - a

process beyond the expertise and time of most potential travellers, past and present. Work in tourism also became, eventually, much more industrialised in focus, to the cost of individual service, what Ritzer (1993: 67) has so eloquently described as the process of "McDonaldization". The rapid changes in the character of our social structure, leading to the changing phase in tourism and hospitality, would require a subsequent change in the way managers are expected to do their work as the industry moves into the new millennium.

Reference has been made to the process of replication and this is an important, if not universally accepted, feature of much tourism development over the past 200 years, moving us from exclusivity to mass participation. This process of replication can also be seen in terms of a consequential displacement effect, and a simple model can be constructed to describe the process.

The initial stage is one where the first contact between the tourism trendsetters, generally the affluent, and a specific destination is established. In the eighteenth and nineteenth centuries, this may have been Brighton, Nice or the Alps (Burkart and Medlik, 1981). This early phase relationship survives for a limited period of time, whereupon popularisation of the destination leads to the arrival of more and more imitators, generally seeking lower-cost alternatives in the same locale. Local provision develops to cater for this group through newer, lower-cost accommodation and related provisions (Baum, 1996).

The total value, in economic terms, of the new visitors may not be that much higher than the original group and the amount spent per head will be lower but, certainly, the environmental

and social cost will be greater. The popularisation of the destination leads to its abandonment by its original group of visitors, who established the destination as a tourist resort in the first place. They, in turn, move elsewhere, frequently further afield or to relatively underdeveloped tourist destinations. The process is repeated at both ends of the economic/social range. Continued development of the original destination and downward pressure on cost attracts visitors in large numbers and from groups previously unable to avail themselves of the resort for cost and access reasons. This popularisation will lead to the migration of those using the destination or resort to alternative locations, possibly those to which the original group of tourists moved earlier. This group then moves on to new destinations and the process continues, in effect, in a continuous spiral of tourism development through imitation.

The drive for change comes from a combination of fashion, economic, lifestyle and technological factors which work together to provide tourism opportunities to an increasingly larger proportion of the population. Steinecke (1993) calls this model one of "imitation - segregation" and Table 2.1 depicts his model at work over the past 300 years. The model is defined in fairly crude class terms – although this may be debatable - and, through the additions in italics, Steinecke's model is extended in both temporal and explanatory terms.

The extended version of Steinecke's model is useful in understanding aspects of the popularisation of tourism in Western Europe and the United States over the past 200 years.

# TABLE 2.1: PERIODS OF DEVELOPMENT OF TOURISM

| PERIOD (CENTURY) | LANDED CLASSES | CLASS BOURGEOISIE | LOWER CLASS | CAUSES OF CHANGE |
|---|---|---|---|---|
| Seventeenth/ Eighteenth | Grand Tour Spa | Grand Tour/educational journey | | *Growing Industrial Middle Class* |
| Eighteenth/Early Nineteenth Mid-nineteenth | Seaside resort Mediterranean in Albinism | Spa Seaside resort Travel; paid holidays | Excursion train *Winter*/Rhine tour | Advent of railway (*domestic*) |
| Late nineteenth | Albinism/ *Mediterranean in summer* | Rhine tour/ Mediterranean in winter | Seaside resort (*domestic*) | |
| Early twentieth | World Tour | Albinism/ Mediterranean in summer | Spa (*domestic*) | Early impact of the motor car on leisure travel |
| Mid-twentieth | Multiple vacations (*domestic and international*) | Long-haul destinations | Holiday camps Mediterranean in *summer*; social tourism | Jet airline Transport; Reductions in travel formalities/ restrictions |
| Late twentieth | Multiple, activity-linked vacations, long and short-haul | | Long-haul sun destinations | Jumbo jet travel |
| Twenty-first | *Increasingly blurred destinations between three groups within developed countries as discussed above* | | | |

Source: Steinecke (1993: 85)

It is particularly attractive for a tourism development model in South Africa and the rest of Southern Africa. The development, planning and management of tourism in the new millennium are likely to be in terms of where people travel to, taking place in ever increasing circles, to more long-haul and remote destinations, for example, travelling to Australia from South Africa.

31

The historical development of the tourism and hospitality industry, especially the profit sector, is unavoidably linked with the development of transportation, economic prosperity, the general development of tourism destination and the total product. The location of industry and trade and the expansion of the highway network created a demand for accommodation, food and drink, especially for business travellers. Lately the growth in the number of package holidays, since their beginning in the 1960's, has meant that more people have stayed in hotels, and this trend is expected to continue well into the new millennium.

## 2.3 SIGNIFICANCE OF TOURISM AND HOSPITALITY

Tourism and hospitality play a significance role in growth and job creation across the economy. Tourism and hospitality are woven into the fabric of domestic and international commerce through travellers' consumption patterns. The components of tourism such as transport, catering, accommodation, entertainment and travel services are closely linked to other industries and are a catalyst for their goods and services. The size, scope, growth and dynamism of tourism and hospitality should be taken into account in broad government policy decisions in such areas as employment, infrastructure, budget, national and regional development, trade, environment and social regeneration.

Governments that recognise the real value of tourism and hospitality and make it a major part of its new millennium strategic policy issue will be positioned to capitalise on the industry's job creation potential. Middle Eastern governments were asked to make travel and tourism a key strategic development industry in support of the peace process by the

32

president of the World Travel & Tourism Council [WTTC] (Lipman, 1995). During the first Arabian travel market in May 1996, Lipman (1996) called on governments and the private sector to support travel and tourism in the region to help build economic ties.

According to Lipman (1995: 214), "with peace, travel and tourism can give a huge lift to the economies of the region. It will generate wealth and investment faster than any other industry". The WTTC estimated that during the next ten year period between one and two million new jobs and US$100 billion to US$470 billion of new Gross Domestic Product [GDP] can be generated across the economies of the Middle East, through dynamic tourism growth. Capital investment in travel and tourism facilities, which include hotels, airports and roads, is forecast to grow at more than twice the world average (Lipman, 1995).

As modern tourism and hospitality develops, the industry overshadows even the world's biggest trade in oil and arms. Today it enjoys an undisputed position as the world's foremost industry, whose field of influence infiltrates every possible area of economic activity. In 1995 we witnessed global arrivals of approximately 569 million, thus creating a wealth of US$372 billion (excluding international transport, estimated at US$60 billion) (Singh, 1997). Since hospitality and tourism enterprises capitalise heavily on manpower resources, it has also established itself as the largest generator of jobs providing both direct and indirect employment for more than 212 million for one in every nine workers, world-wide (Lipman, 1995). As the population of Southern Africa is growing steadily, this is particularly important, as tourism is known to create relatively more jobs for semi-skilled and unskilled workers when compared to job requirements in other export industries.

Statistical information on trends in tourism indicates that tourism and hospitality is the fastest growing industry. Forecasts for the new millennium project doubly increased tourist traffic in the coming 15-20 years, from 661 million in 2000 to 937 million in 2010 (WTO News, 1995). The WTTC predicts that in the decade following 2005, it will add one job every 2.5 seconds and create approximately 125 million new direct and indirect jobs, thereby accounting for 350 million jobs.

International tourism and hospitality grew faster in developing countries in terms of arrivals and receipts, reflecting in 1995, the emergence of new destinations in this part of the world. East Asia and the Pacific regions occupy the lead position in growth records (Waters, 1996). These indicators suggest the continued growth for the industry, especially for the developing countries, well into the new millennium.

## 2.4    MANAGEMENT THEORIES

This section attempts to discuss the foundation of modern management theories. The researcher has chosen to look specifically at strategic management, scientific management and motivation theories. There have been many changes since the foundations were laid thousands of years ago, and many striking changes have taken place (Appleby, 1991). These theories are addressed in relation to the tourism and hospitality industry.

Management has been practised for thousands of years during the ancient and modern civilisations that rose to prominence then. These civilisations employed power as a management tool or technique. The Egyptians and the Greeks provide representative examples. The Egyptians are best known for their construction of the pyramids, a massive engineering and management feat. The Greeks also had a working knowledge of effective management practices. For example, they were aware that using uniform methods at a set work tempo could attain maximum work output more easily. They found the principle of effective management practices to be especially true in the case of monotonous, repetitive, or difficult tasks, and they set the pace with music (Appleby, 1991). The latter approach is still used today, in companies that pipe soft music into their work surroundings to make the environment more pleasant, especially at the hotel front office and restaurants. Tourism and hospitality managers in the new millennium will have to find ways of mixing business with pleasure in a more acceptable way (De Kadt, 1979).

### 2.4.1   Strategic management theory

To say that strategic management is the management of the process of strategic decision-making is not sufficient. This view fails to take into account a number of important issues both in the general management of an organisation and in the area of tourism and hospitality, which is the focus of this study. First it should be pointed out that the nature of strategic management is different from other aspects of management. Figure 2.1 provides a summary of some of these differences. A front office manager in the hotel business on his or her own, is most often expected to deal with problems of operational control, such as efficient customer care, management of front office and reservation staff, monitoring the methods of

payment and looking after business statistics. These are all very important business tasks, but they are concerned with effectively managing a limited area of the hotel organisation within the context and guidance of a more superior strategy. Operational control is what managers are involved in for most of their time. It is not the same as strategic management, but it is important for the implementation of strategic plans.

## FIGURE 2.1: STRATEGIC MANAGEMENT AND OPERATIONAL MANAGEMENT

| STRATEGIC MANAGEMENT | VS | OPERATIONAL MANAGEMENT |
|---|---|---|
| Ambiguity | | Routinised |
| Complexity | | - |
| Non-routine | | - |
| Organisation-wide | | Operationally specific |
| Fundamental | | |
| Significant change | | Small-scale change |
| Environmental or expectations driven | | Resource driven |

Source: Johnson and Scholes (1993: 135).

Strategic management is the process of formulating strategies and strategic plans and managing the organisation to achieve them. Organisations and managers who think and act strategically are looking ahead and defining the direction in which they want to go in the middle and longer term (Johnson and Scholes, 1993).

Strategic management takes place within the context of the mission of the organisation, and a fundamental task of strategic management will be to ensure that the mission is defined and

relevant to the basic purpose of the organisation within its changing environment. Strategic management is considered by Armstrong (1993) as a visionary management, concerned with creating and conceptualising ideas of where the organisation is going. However, it must be translatable into empirical management, which decides how, in practice, it is going to get there (Armstrong, 1993).

The study into tourism and hospitality management, while moving into the new millennium, applies the principles of strategic management and creates a perspective which people can share and which guides their decisions and actions. The focus is on identifying the organisation's mission and goals, but attention is also concentrated on the resource base required to create value. Managers who think strategically will have a broad and long-term view of where they are going. Their main responsibilities are, firstly, to plan and allocate resources in order to exploit opportunities that presents them in the environment, and secondly, to manage, implement, and control the activities of the organisation in order to achieve its objectives.

According to Armstrong (1993: 43), there are key concepts used in strategic management as shown below:

(a)     *Distinctive competence* - working out what the organisation is best at, and what its special or unique capabilities are, for example, a tour operator specialising in package holidays and concentrating on just that aspect of tourism.

(b)     *Focus* – identifying and concentrating on the key strategic issues, such as new tourism destination development.

(c)     *Sustainable competitive advantage* – as formulated by Porter (1985: 101).

The strategic management concept states that in order to achieve competitive advantage, firms should create value for their customers, select markets where they can excel and present a moving target to their competitors by continually improving their position. Three of the most important factors are innovation, quality and cost reduction. Strategic management provides benefits that most management theories do not. The benefits of strategic management are (Armstrong, 1993):

(a)     An integrated, co-ordinated and accepted view of the route the organisation wishes to follow.

(b)     The adaptation of the organisation to environmental change.

## 2.4.2 <u>Scientific management theory</u>

Scientific management was a natural outgrowth of the Industrial Revolution. The advent of the factory system increased output and factory managers looked for ways to manage the mechanisation that resulted from the Industrial Revolution: for example, they looked for faster ways of feeding work into a machine, increasing the speed of the machine, and determining the most efficient flow of materials through the workplace. Scientific management was a system that attempted to develop ways of increasing productivity and to formulate methods of motivating workers to take advantage of these labour saving techniques.

Taylor (1911) contributed to the field of scientific management by conducting time-and-motion study experiments and by recording his knowledge of management. Taylor (1911) and his associates, adopted the principle of time-and-motion study and approached management by breaking a job down into its fundamental operations, determining how each operation could be done quickly and efficiently, and establishing a work quota for the job.

Scientific management was a system that attempted to develop ways of increasing productivity and of formulating methods of motivating workers to take advantage of these labour-saving techniques. Scientific management as prescribed by Taylor (1911) and his associates, has a critical role to play in the tourism and hospitality industry. The industry is multi-functional and its operations vary from administrative management to the more routine task of housekeeping, and each task must to be done with speed and accuracy as outlined by the theory of scientific management.

Taylor (1911: 36), in his best known work, *Principles of Scientific Management*, set out what he felt were the four basic principles of scientific management

(a)   Management should develop a science for each element of work to be done.

(b)   Management should scientifically select, train, teach, and develop each worker.

(c)   Management should co-operate with the worker in ensuring that all of the work is done in accordance with the principles of scientific management.

(d)   Management should divide work responsibilities between management and the workers with the former studying jobs and determining how they should be done and the latter carrying them out.

### 2.4.3 Theories of motivation

The word *motivation* originates from the Latin word "movere", which means to move. The term is currently used to mean *to induce people to action* by means of incentives or rewards. This process is often generated through an external action such as offering someone more money to do more work. Motivation is a psychological process, therefore, the success of it can only be determined by the nature of the rewards or inducement that are associated with it. People are driven or motivated towards an objective only if they feel it is in their own best personal interests (Cavanaugh, 1984).

There are three basic ingredients in motivation. They are best described as the motivation formula, which states that motivation is a function of ability, effort and desire.

**2.4.3.1** **Ability** is the individual's capacity to do something. If a person has the ability to sell, he or she may be a *terrific salesperson. But if the individual has little selling ability, he or she will never attain the same degree of success* (Cavanaugh, 1984).

**2.4.3.2** **Effort** is the time, drive, and energy the individual expends in the pursuit of an objective. Some goals cannot be attained by mere ability; they require the person to spend a considerable amount of effort as well (Cavanaugh, 1984). For example, many travel agents selling package holidays may have to make several searches for better deals for the customer before the sale is closed.

**2.4.3.3    Desire** is the wish, want or the urge for a particular objective. Unless someone truly desires to attain an objective, the chance of success is diminished and, even if the goal is attained, the degree of success is reduced (Cavanaugh, 1984). A travel agent who desires to make R1 million in sales during a given year has a much better chance of attaining this objective than does a colleague who hopes to sell R700, 000 worth of package holiday within six months. The best known "needs approach" to the study of motivation is that of Maslow (1943). His theory is based principally on his clinical experience (cited in Appleby, 1991). Maslow was a psychologist and his study of needs was structured in a hierarchical order. The hierarchy is illustrated in Figure 2.2.

## FIGURE 2.2: MASLOW'S NEED HIERARCHY

```
                    ┌─────────────────────────────────┐
                    │  Self-Actualisation Needs       │
                    │  (Competence, Achievement        │
              ┌─────┴─────────────────────────────────┴─────┐
              │          Esteem Needs                        │
              │     (Titles, Status, Promotion)              │
        ┌─────┴──────────────────────────────────────────────┴─────┐
        │                    Social Needs                           │
        │  (Informal Networks, Affiliation, Social Interaction)     │
   ┌────┴───────────────────────────────────────────────────────────┴────┐
   │                        Safety Needs                                   │
   │  (Seniority Rights, Unemployment Benefits, Insurance Plans)           │
┌──┴───────────────────────────────────────────────────────────────────────┴──┐
│                         Physiological Needs                                   │
│                      (Wages, Salaries, Bonuses)                               │
└──────────────────────────────────────────────────────────────────────────────┘
```
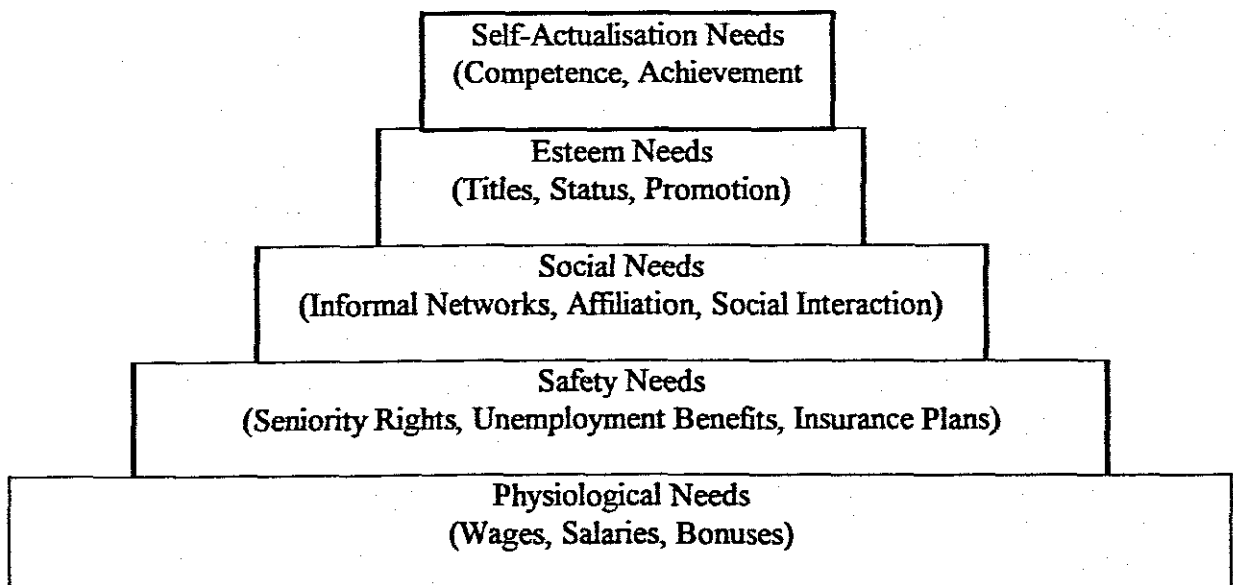
Source: Appleby (1991)

Maslow's need theory holds that an individual strives for need-satisfaction at a particular level. When needs at one level are basically satisfied, they no longer serve as motivators, and

the individual moves on to the next level in the hierarchy. *The upward movement continues until a lower-level need begins to manifest itself again.* At this point the individual goes back to the lower level and attempts to satisfy this need. Maslow's theory is difficult to test empirically and has been subject to various interpretations by different scholars. It cannot be applied purely on its own in a work setting without considering people's private, social and economic factors within their environment. Therefore, the theory provides an understanding of how staff members are motivated in terms of achieving organisational objectives and personal goals. This is central to the study of tourism and hospitality management in moving into the new millennium.

Maslow's basic hierarchy can be used in this study in describing the motivation of organisational personnel. Here, the priority needs (physiological needs, safety needs and social needs) of hotel receptionists were measured and the model proved to be highly reliable. *When tested on young hotel managers, it was found that changes in managers' needs were attributed to the developing career concerns and not to the desire for the need satisfaction that Maslow described.*

Wahab and Birdwell (1973) made a comprehensive review of other motivation theories and found no support for Maslow's contention that satisfaction at one level led to activation of the next highest level. In addition, they found two primary clusters of needs, not five. The conclusion one can draw from this research is that, while Maslow's theory may give some insights into motivation, its value is limited. For example, the link between needs and motivation at work is not very clear or well established. It is also not exactly clear how

many levels of needs each person has or whether everyone is motivated by all of these need levels.

## 2.5    CURRENT TOURISM AND HOSPITALITY POLICIES

Managers attach the same importance to strategies as governments attach to policy. Policy provides guidelines for the various actions of the government. Policy can be defined as an overall set of guidelines (Doswell, 1997:22). Figure 2.3 shows a clearer way of illustrating the steps in the planning process and the role that policy plays in that structure.

## FIGURE 2.3:  THE STRUCTURE OF THE PLANNING PROCESS

| |
|---|
| **Policy** |
| Which leads to: |
| **Strategies** |
| Which lead to: |
| **Objectives** |
| Expressed and measured as: |
| **Results** |
| To be achieved through: |
| **Activities** |
| With a list of the necessary: |
| **Resources** |
| And with costs shown in a: |
| **Budget** |

Source: Doswell (1997)

Policies and strategies are the basis for planning domestic and international tourism and hospitality. In this regard, industrial countries, especially in North America and Western Europe, have several common characteristics:

(a)     Together, they represent a very large percentage of international tourism, approximately 70 percent.

(b)     They are both main generating countries and main receptor countries of international tourism.

(c)     International tourism is largely within the private sector, although national administrations play an important role. The influence of the public sector is diminishing. Usually, private and public sector actions are co-ordinated in flexible agreements or budgetary incentives.

The responsibility for formulating tourism and hospitality policies and strategies in most countries rests in the hands of a body bearing such names as the KwaZulu-Natal Tourism Authority, a provincial body in South Africa, and the Austrian National Tourist Office (ANTO), a national body in Austria. National public sector tourism organisations are responsible for the organisation, development and operation of a country's tourism industry. They organise tourism promotion at a national level, control the activities of all tourism sectors and provide national co-ordination for regional development. A more centralised system has a Ministry of Tourism, where the national tourism policies and strategies are developed and filtered through to provincial governments. In the new millennium, when the demand for tourism increases and competition intensifies, we will

see more pressure being placed on the central system to promote South African tourism extensively on the global market.

The responsibilities of the national tourism and hospitality organisations are (WTO 1979):

(a) to represent the government's tourism interests on an international scale,

(b) to negotiate bilateral and multilateral agreements with the objective of increasing tourism flows between participating states,

(c) to organise joint marketing studies of tourism markets,

(d) to optimise tourism sites and well-known national resources,

(e) to encourage technical and financial co-operation,

(f) to support reciprocal relaxation of customs, police and monetary regulations and to carry out technological transfers (for instance, in hotels, winter sports resort equipment).

In the context of South African tourism, the activity of promoting South Africa as a desirable destination should be a major policy focus and should attract investment by the national government in order to remove negative publicity. Provincial governments at local levels should make sure that efforts by the national government to promote tourism at a international level are assisted by campaigns that:

(a) create safe and conducive tourist destinations,

(b) organise tourism services on a national and an international scale,

(c) plan and develop tourism (formulating a tourism development plan), and

(d)     Regulate and control enterprises involved in tourism (regulations and legislation in the hotel trade, classification of hotels and restaurants, inspections and the issue of operating licences).

International tourism makes a major contribution to the total Gross National Product (GNP) of the national economic and general employment. Therefore, it is imperative that whatever planning, regulations and control are put into place, should cater more for international visitors, so that when they return home they carry with them positive impressions in order to counteract any negative publicity by international press. Word-of-mouth advertising is more powerful than media advertising (Buttle, 1986:300). National tourism organisations such as South African Tourism Board (SATOUR) in this country, have the responsibility of setting up tourism marketing policies, These policies aim:

(a)     to publish statistics, surveys, studies and market research (opinion polls, consumer behaviour studies),

(b)     to promote the destination in other countries (establishing tourist offices abroad to provide information and promotion of tourism),

(c)     to promote the destination domestically (publicity campaigns in the press, on the radio and on television),

(d)     to initiate actions to relax, simplify or eliminate customs and border police controls,

(e)     to create structures to welcome visitors and provide tourist information (special police units have been set up in nineteen countries specifically to help domestic and international visitors),

(f)    to preserve, protect and utilise cultural tourism resources and those unique to the country's heritage (monuments, historic sites, cultural and artistic conservation campaigns),

(g)    to protect the environment (setting up campaigns to protect nature, creating national parks and protecting nature reserves).

The promotion of ecotourism, and of South African culture and heritage, should be a priority by the national government at local and international level, as these aspects of tourism are becoming very popular in the new millennium for tourists seeking alternative tourism. In order for the national tourism organisations in various countries to carry out their responsibilities successfully, the necessary powers and resources in terms of personnel and budgets must be made available to them.

A national tourism and hospitality policy is expected to include the following (Laws, 1995):

(a)    Development of tourism in a balanced and sustainable manner which is in harmony with the country's economic and social goals, and according to the national priorities as set from time to time.

(b)    Creating employment, and generating income, foreign exchange earnings and government revenues, and stimulating regional development.

(c)    Encouragement of local entrepreneurship, with linkages established to stimulate the economic growth of other sectors.

47

(d)     Securing foreign investment when it contributes towards the country's tourism development plan and conforms to the regulations and controls established.

(e)     Using tourism to conserve the uniqueness of the country's heritage, its history, its culture, and way of life.

(f)     Using tourism to stimulate the expression of all forms of contemporary culture, through a wide range of events, festivals and other activities.

(g)     Development of tourism to help to conserve and protect the physical environment, enhancing the use of sites and attractions.

If tourism is expected to make any meaningful contribution to the general economy and the well-being of South Africa, it must be integrated into provincial and local level development programmes. As tourism is set to be the industry of the new millennium, it should receive greater attention in terms of investment from both the public and the private sector. The investment should be directed at roads, transportation and the general infrastructure. It is desirable to create sustainable tourism development, especially that which takes into account the needs of the local community. Any development that undermines the social and economic goals of the nation, such as building hotels in a community that do not create employment for the locals, would be counterproductive (White Paper, 1996).

The White Paper (1996) provides the following guidelines for tourism development in South Africa:

(a)     to develop tourism facilities only in areas judged appropriate, in accordance with zoning and land use control,

(b)   to permit tourism infrastructure, facilities, services and attractions to be enjoyed by the resident population and visitors alike. In this way, to ensure that the development of tourism contributes to the quality of life of local residents as well as visitors,

(c)   to keep various components of the tourism product in balance in both quality and capacity, for example, infrastructure and the environment, accommodation and transportation, attractions and services etc.,

(d)   to develop strategies to attract only the quantity and types of visitors able to contribute most readily to the values outlined in this statement of policy,

(e)   to promote the development of appropriate training facilities and programmes, as well as maximise employment opportunities and achieve the desired standards of quality,

(f)   to co-ordinate all public and private sector agencies, organisations and interests, involved with tourism,

(g)   to keep the general public informed about the growth of tourism, explaining its development and its contribution to the country's socio-economic well being,

(h)   to also explain to the general public how it can help and support the development of both international and domestic tourism.

The policy to develop tourism facilities in areas judged to be suitable or appropriate would mean that the so-called unsuitable areas would be deprived of the benefits that tourism brings to the community, such as employment and a higher standard of living. It should be noted that these polices, though general in nature, nevertheless, can fit into any tourism programme

and can be recommended for subsequent tourism and hospitality planning, development and promotion well into the new millennium.

## 2.6    INTEGRATION OF MANAGEMENT AND TOURISM THEORIES

Studies of managerial work in the tourism industry have tended to follow the general pattern of the field, in terms of attempting to identify the activities and characteristics of work of managers in the field. Studies also emphasise the functions of managers, the context within which managerial work occurs and how theories have made it possible to better understand management functions. In this section, the integration of management and theories in the context of tourism is examined in order to prepare tourism and hospitality managers for the new millennium.

In recent years the growth of tourism has been accompanied by increasing volumes of research in an attempt to define, understand and develop new concepts, theories and better management principles. Forecasting the future of tourism and assessing its impacts and significance have been important to researchers too.

Tourism management has been approached via many theories, for example, the managerial wheel (Hales and Nightingale, 1986), managerial work and behaviour (Stewart, 1982), and agenda setting and network building (Kotter, 1982), yet there has never been one acceptable method of approaching the subject. The following are some of the various methods that have been used:

### 2.6.1 Institutional Method

The institutional method to the study of tourism looks at the various intermediaries and institutions that perform tourism activities. It emphasises institutions such as the travel agencies. This method requires an investigation of the organisation, operating systems, problems, costs, and economic place of travel agents who act on behalf of the customer, purchasing services from airlines, rental car companies, hotels, and many more (Knowles, 1998).

### 2.6.2 Historical Method

The historical method is not widely used. It involves an analysis of tourism activities and institutions from an evolutionary perspective. It looks for the cause of innovations, their growth or decline, and shift in interest. Because mass tourism is a fairly recent phenomenon, this method has limited usefulness (Butler, 1980).

### 2.6.3 Product Method

The product method involves the study of various tourism products and how they are produced, marketed, and consumed. For example, one might study an airline seat - how it is created, the people who are engaged in buying and selling it, how it is financed, how it is advertised, and so on. Replicating this procedure for rental cars, hotel rooms, meals and other tourist services gives a full picture of the tourism industry. Unfortunately, the product method tends to be time consuming; it does not allow the many practitioners to grasp the fundamentals of tourism quickly (Doswell, 1997).

### 2.6.4 Managerial Method

The managerial method is business oriented in that it is seen from a micro-economics perspective, and tends to focus on the management activities necessary to operate a tourist enterprise, such as planning, research, pricing, advertising, control, and the like. It is a popular method, using insights gleaned from other methods and disciplines. Although a major focus of this study is managerial, other perspectives are integrated in the study. The emphasis on management in this study is because management is trusted with an important responsibility of integrating the other approaches to tourism in order to achieve the industry's objectives. Products change, institutions change, society changes, and this means that managerial objectives and procedures must be geared to change to meet shifts in the tourism environment (Mullins, 1988).

The starting point for customer satisfaction is good manager - subordinate relationships. Supportive and harmonious working relationships are more likely to create a healthy working environment, which results in high levels of both staff and customer satisfaction. The concept of customer satisfaction takes us to the theory of motivation (Maslow, 1943): "The emphasis on the role of interpersonal skills in customer satisfaction is of great relevance to the tourism industry ... customer care early does depend on staff care being attended first" (Klein, 1988:22).

Managers need to adopt a positive attitude towards staff and to develop a spirit of mutual co-operation. Staff should feel that they are working with the manager rather than for the

manager. As an overriding principle on which to guide managerial behaviour, *it is difficult to argue against putting people first and a philosophy based on the golden rule of life - manage others as you would like to be managed yourself.* Venison (1983) draws a striking comparison between the hotel industry and the retail industry. An interesting and enlightened example of a people approach to management based on the golden rule is that of Mary Kay Cosmetics in America (Ash, 1985).

### 2.6.5 Interdisciplinary Method

Tourism encompasses almost all aspects of our society. We even study cultural tourism, which calls for an anthropological approach. As people behave in different ways and travel for different reasons, it is necessary to use a psychological approach to determine the best way to promote and market tourism products. However, since tourists cross borders and require passports and visas from government offices, and since most countries have government-operated tourism development *departments, we find that political institutions are involved and these call for* a political science approach. Any industry that becomes an economic giant affecting the lives of many people, attracts the attention of legislative bodies (along with that of the sociologists, geographers, economists, and anthropologists), which create laws, regulations, and a legal environment in which the tourist industry must operate. Hence we also have a legal approach. The fact is that tourism is so vast, complex, and multifaceted, makes it necessary to have a number of approaches in studying the field.

The best tourism product will not sell itself, therefore tour operators, travel agents, hotels and tourism authorities associated with the product need to understand the theory and principles

of management in order to plan, develop and control the activities of tourism. It is equally important for managers to understand the theory of tourism, its links and associations for a complete understanding of the system.

## 2.7    INTEGRATION OF MANAGEMENT AND HOSPITALITY THEORIES

Management is not a separate, discrete function. It cannot be departmentalised or centralised. A hotel, or any other hospitality organisation, cannot have a separate department of management in the same way as a department for other functions such as, for example, front office, food and beverage, housekeeping, personnel, marketing, reception, conferences. Management is not homogeneous. The nature of managerial work in the hospitality industry is variable. It relates to all activities of the hotel, which take place in different ways and at all levels of the hotel (Mullins, 1985).

It is impossible to consider the functioning of a hotel or other hospitality organisation or the behaviour of people, in such a way that does not concern, or relate back to, management in some way or another. For example, a personality clash between two members of staff could possibly be traced back to management procedures for recruitment and selection, induction and training, delegation, or the level or style of supervision. It is obvious that personality clashes are likely to have an adverse effect on the work performance of the individuals concerned, the morale of other staff and possibly the standard of customer care.

The hospitality industry does have a number of characteristic features, but it also shares important common features with other business industries and faces the same general problems of organisation and management. Focus should be given to ways in which ideas drawn from general management theory and practice can be applied with advantage to the industry (Mullins, 1988). Figure 2.4 below, describes the integrated systems of the hospitality industry with managerial activities at the core of the system. Hospitality managers in the new millennium can see themselves at the centre of a very dynamic industry with technology playing a major role in their operation, especially with hotel reservation.

**FIGURE 2.4:  AN INTEGRATED HOSPITALITY AND MANAGEMNENT PROCESS**
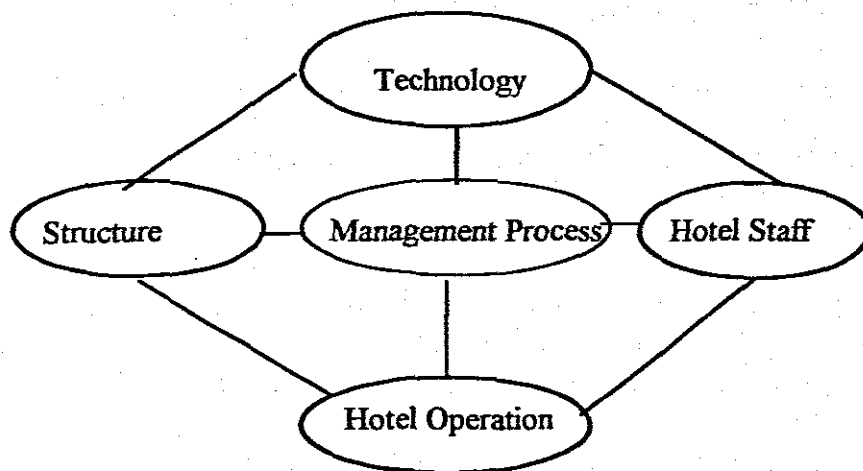


Source: Mullins (1988)

As the hotel is the core product of the hospitality industry, it has been used to illustrate the integrated structure of the industry. The integrated system is composed of the following: technology, structure, hotel operation, hotel staff and management process as shown in Figure 2.4 above.

**(a)** **Technology** - refers to the equipment, machines, materials and work layout, and the methods, systems and procedures used in the conversion of inputs, for example, the use of computers, microwaves and cook/chill methods of food preparation, booking and reservation systems, and procedures and methods of cleaning bedrooms. The technology of production in the kitchen is related to *table d'hôte, a'la carte or banquets service*. These changes can result in the de-skilling of jobs, especially in the kitchen. In terms of competition, the smaller hotels and bed and breakfast may not afford the technology of the future and therefore might not meet the needs of tourists (Mullins, 1988).

**(b)** **Structure** – refers to the design of organisation, channels of communication among members of the hotel and customers (in the case of customers' method of reservation and complaint system), and lines of authority. The structure is concerned with the division of work and co-ordination of tasks by which the series of activities are carried out, for example, the mechanistic or organic nature of the structure, the extent of centralisation, management and supervisory roles, and the responsibilities of divisional managers. One hotel that featured in the case study demonstrated two types of management styles or structures. On the one hand it had an organic structure and on the other, a mechanistic. The style of management in the mechanistic organisation demonstrated a rigid and hierarchical structure with closely defined duties, responsibilities and technical methods. The organic structure is more flexible and has a fluid structure that encourages lateral communication that is based on information, advice and contribution from the entire workforce (Mullins, 1988).

**(c)** **Hotel Operation** – refers to the functions of the hotel, its mission statement, the goals and objectives and how these could be achieved. It refers to the entire operation of the hotel, and the rating, whether a one star or a five star, which gives an indication of the quality of services provided. It also gives an indication of the type of product and the target market, whether family, conference or leisure facilities, the nature of accommodation, speciality menus, standards of meals and service in the restaurant, and opening times of bars. The hotel is the core product of the hospitality industry, therefore, the focus should be on its survival. In order to survive in a very competitive market, managers must constantly develop their products. The need to innovate and augment the facilities in the hotel is imperative. For example, the opening times of the bars and room service facilities should be augmented in such a way that they operate around the customer (Mullins, 1988).

**(d)** **Hotel Staff** – refers to the essential qualities of the hotel staff undertaking the series of activities, for example, their training and qualifications, skills and abilities, commitment, attitudes and interpersonal relationships, cultural influences, needs and expectations, group functioning and leadership styles. It is also important for staff to have customer care skills. Competition in the hospitality business is essentially about good customer service; the type and standard of care delivered by staff, create the bond between the hotel and its customers (Mullins, 1988).

**(e)** **Management Process** – refers to ensuring the survival of the hotel through the process of the planning and co-ordination of hotel staff, structure, technology and hotel operations, organisation, direction and control of activities, motivation of staff and good and

57

healthy relationships with the external environment. The development and implementation of strategies to achieve hotel objectives, are included. Whether an organic or a mechanistic organisation, the survival of the establishment depends on a well-established management team that is able to carry out and implement its plan and co-ordinate and control the organisation as it moves towards achieving its objectives (Mullins, 1988).

## 2.8    CONCLUSION

This chapter has attempted to consider the historical framework of tourism and hospitality, its significance and general management theories focusing on scientific management, strategic management and motivation theories. The policies of tourism and hospitality in general, were discussed, as well as the integration of management theories with those of tourism and hospitality. To put the preceding discussion into perspective, various tourism and hospitality and management literature were reviewed in order to create a platform for the study. This review clearly showed that managers in the hotel and catering side of the hospitality industry often tend to view the industry as unique. This is not necessarily the case: the hospitality industry does have a number of distinctive features but it also shares important features with other industries. Hospitality and tourism education and research is in need of further development, and focus should be given to potential applications of general management theory. It is anticipated that the general management theory within the hospitality industry is set to take centre stage in the new millennium.

The interrelationship of people, policies, objectives, structure, operation, technology and management prescribe the effectiveness and success of the hospitality and tourism industry. Looking back at the evolution of tourism and hospitality, it is through an integrated process that the industry finds itself at its current position. The next chapter reviews at the contemporary models of tourism and hospitality management.

# CHAPTER 3

# CONTEMPORARY MODELS OF TOURISM MANAGEMENT

## 3.1    INTRODUCTION

In this chapter, the researcher attempts to examine some contemporary models of tourism and hospitality from an international and a South African perspective. The distinction between domestic and international tourism and hospitality are identified, although these distinctions are not very clear in many parts of the world. For example, in the Southern African region hotel standards are comparable to any hotel in Europe or North America. In addition the chapter addresses the issue of defining domestic and international tourism, and so removing the blurring of the two concepts. The chapter also investigates the structure and organisation of the international and domestic tourism industry and finally, it critically examines the future of tourism and hospitality management.

## 3.2    INTERNATIONAL DIMENSIONS OF TOURISM MANAGEMENT

International tourism involves travel outside the country of residence and there may be currency, language and visa implications. A structural model of international tourism gives a clearer picture of how the industry operates, as seen in Figure 3.1.

60

**FIGURE 3.1:   A STRUCTURE MODEL OF THE INTERNATIONAL TOURISM INDUSTRY**
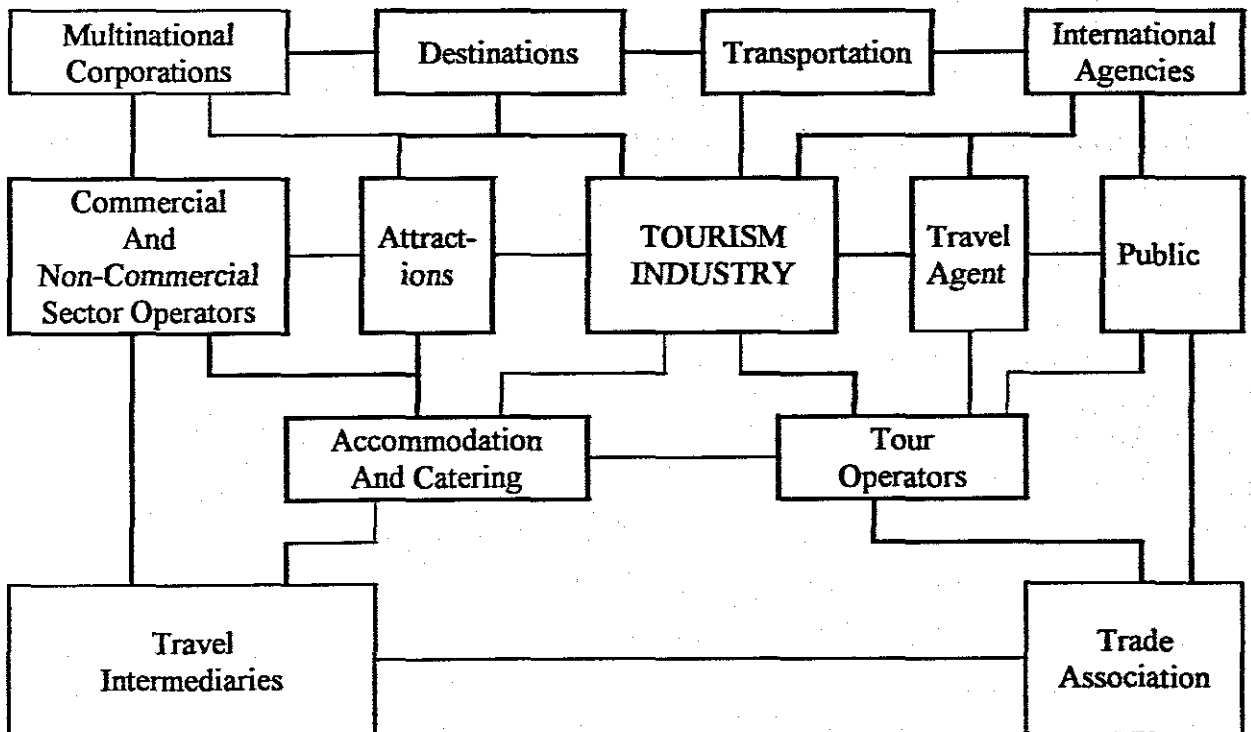


Source: Adapted from Youell (1998: 58)

Figure 3.1 demonstrates that the four core components of the tourism industry are attractions, transportation, destinations and accommodation and catering. The tour operator and the travel agents act as intermediaries by packaging tourism products and services, making them available to actual and potential customers. A range of organisations, such as the commercial and non-commercial businesses, provide the six elements of international tourism. It must be noted that the non-commercial sectors are mainly the public sector organisations such as tourist information agencies and the voluntary organisations (conservation societies and wildlife trusts) (Youell, 1998).

As indicated in Figure 3.1 there are other organisations that impact on the operation of tourism included at the local and international levels:

*International agencies* - for example, the World Tourism Organisation (WTO), World Bank, Organisation for Economic Co-operation and Development (OECD) and the European Union (EU).

*Public sector bodies* - including national tourism organisations and local tourist associations, which seek to organise, co-ordinate, regulate and promote tourism development at provincial, regional, national, local and international levels.

*Trade associations* - such as the Association of South African Travel Agents (ASATA), International Air Transport Association (IATA).

*Multinational corporations* - such as Hertz car rental, Holiday Inn International, and British Airways, which operates in South Africa and other parts of the world, and have a high impact on global tourism.

The area of international tourism that is sometimes neglected is that of cultural tourism. The greatest purpose of tourism, for many tourists, is to become familiar with people and their culture in other parts of the world. International tourism also involves the exchange of knowledge and ideas, for example, educational visits, conferences and seminars. Tourism

makes one aware of other human experiences, and recognises achievements in many areas of learning, research and sport. Consider the following factors, which have been identified as forming a major part of international tourism marketing (Youell, 1998):

 (a) Scientific and archaeological expeditions, schools at sea.

 (b) Libraries, museums, exhibitions.

 (c) Musical, dramatic, or film performances.

 (d) Radio and television programmes and recordings.

 (e) Study tours or short courses.

 (f) Schools and universities for longer-term study research.

 (g) Joint production of films.

 (h) Conferences, congresses, meetings, seminars (McIntosh *et al*, 1995: 54).

Globalisation is one of the fastest growing trends in the development of international tourism. This process is being driven by economic and political motivations and the activities of the major commercial operators in tourism who seek to expand their enterprises, increase their market share and ultimately achieve world dominance in their particular industry sector. The areas of tourism that have played a major role in globalisation are the airline and hotel businesses where major operators, such as British Airways and the Holiday Inn Hotel Group, are reaping considerable benefits through using economies of scale and competitive advantage.

The other major players in the business of tourism, such as government and other public sector organisations, participate for a variety of reasons which were discussed in this chapter

(Chapter 3); and which deals with the significance of tourism and hospitality. There are economic benefits, such as job creation, export earnings, wealth creation, urban regeneration and tax revenues. Some countries realise that tourism can also bring with it a number of political and social benefits: for example, improvements in people's quality of life, the portrayal of a positive image and the fostering of a national identity.

The World Travel and Tourism Council (WTTC, 1996), in approaching the new Millennium, was reshaping its basic policy agenda to sharpen focus and create a new strategic platform for action. This was published, under the title *Travel and Tourism Millennium Vision* (WTTC, 1996), in a document designed to capture the attention of governments around the world and players in tourism to shape up for the increasing economic importance of international tourism. A major part of this document emphasises better management and promotion of private and public initiatives. The report (WTTC, 1996) also identified four basic policy priorities that would encourage governments to co-operate with the private sector, and would control the travel and tourism industry's economic dynamism. These millennium vision priorities are as follows:

     (a)    to make travel and tourism a strategic economic development and employment priority,

     (b)    to move towards open and competitive markets,

     (c)    to pursue sustainable development, and

     (d)    to eliminate barriers to growth.

WTTC (1996) believes that the employment and economic potential of travel and tourism

should be given high priority by international governments (WTTC 1996). The vision spelt out in the four basic policy priorities for the new millennium, as indicated above, should place more emphasis on tourism development in Africa. International tourism demand for Africa, that is the arrivals of tourists in the region, is very low. It accounts for only 3.57 per cent of the world's total demand (Vellas and Be'cherel, 1995). Africa is lagging behind the rest of the world in international tourism because many of its countries are economically underdeveloped. The necessary infrastructure to make international tourism in most African countries attractive, such as good roads, transportation and sufficient and safer airspace are missing. South Africa currently is setting the trend for the new millennium that should change the face of African tourism.

## 3.3    INTERNATIONAL DIMENSIONS OF HOSPITALITY MANAGEMENT

The term hospitality has become accepted in recent years as a generic word that embraces all the activities that are associated with the tourism industry. The hospitality industry is a principal contributor to the national and international economy and a major contributor to employment, and has future growth that cannot be compared to other industries. The Hotel Catering Training Company (HCTC) report includes hotels, restaurants, pubs, clubs, cafes, guest houses, contract catering, public sector, industrial, hospital, education and leisure catering as components of the hospitality industry (HCTC, 1995). Dix and Baird (1998) classify the hospitality industry as follows: hotels, restaurants, travel and transport, theatres, leisure centres, information centres, visitor's attractions, heritage sites, and theme parks.

Hospitality can also be divided into two major sectors: the commercial sector, which provides services to the consumer, and the industrial and public sector, which provides services to the industrial sector. The commercial sector comprises accommodation, meals, licensed trade, and tourism and travel. According to the White Paper (DEAT, 19966) almost all the Special Liquor Tavern Licences are on residential premises in South Africa. There are four types of registrations of liquor licences: manufacturers, wholesalers, retailers and special events. The industrial and public sector of hospitality comprises of the industrial catering contractors that provide catering for functions on the client's premises. Other catering businesses that form part of the industrial catering activities include institutional catering such as hospitals, schools, and chain restaurants. In the public services sector, the activities are non-commercial in nature and these are activities performed by tourism authorities such as the promotion of tourism destinations, infrastructure provision, tourist information services, legislation and regulation, finance for development, advisory services and training [DEAT, 1996].

Hornsey and Dann (1984) condense the industry into just four categories:

- (a) the hotel sector (hotels, restaurants, pubs and clubs),
- (b) industrial catering,
- (c) institutional catering and domestic services, and
- (d) fast food.

The classifications are similar in many ways, and even though they all service the same

customer group, they function in different ways. The transportation business is not in any way similar to the catering business but they cannot function in isolation. The hotel sector represents a very important part of the hospitality industry since the provision of lodgings, food and beverages are principal aspects of tourism and travel, whether for business or leisure.

In considering the internationalisation and management of the hospitality industry, a greater part of this section focuses on the context of corporate strategy. The literature on strategic management suggests that hospitality business will make decisions about resource assignment according to some predetermined plan of action. Since the hospitality industry is such a network of operations, it is suggested here also that if the industry is to function and service its target market successfully, there must be a strategic approach to the management of its activities. To manage its activities successfully, constant scanning of the environment is necessary to identify opportunities and threats and ways in which to take advantage of them in such a competitive market.

The scope for development and management of the hospitality industry is extensive and an example of this is seen in the hotel business with the growth of the chains. Since the mid-1980s there has been a significant change in the ownership of hotels world wide, with the tendency to construct and operate larger properties accompanied by larger investments. Insurance companies and financial institutions are normally the owners of the chain hotels or part of a joint venture. More than 60 per cent of all hotels in the USA belong to chains. Another trend in the chain system is the emergence of franchising (Knowles, 1998). The

franchise system has been made effective because of management problems. Chains that want to expand in a global market but do not understand the marketing system in that country, will franchise their operation to major investors. In North America, hotel operators have a continuing interest in Mexico, the Caribbean, and Europe and are now looking at the South African market. Already the Holiday Inn and Sun International hotel groups are major players in the Southern African market. The strategy of an international operation in terms of guest mix and location seems to have greater rewards (Knowles, 1998).

## 3.4    SOUTH AFRICAN DIMENSIONS OF TOURIST MANAGEMENT

Domestic tourism refers to travel within the country of residence. These aspects of tourism have very little implications in terms of currency and language implications. It is very rare to come across a situation where you will be required to produce a visa and health certificate when travelling within one's own country. The one major problem with domestic tourism is that it is more difficult to compile statistics for the movement of tourists than it is for international tourism (Burkart *et al*, 1981). Statistical documentation of the movement of citizens within their own country is not easy to measure, since most of travel is carried out using the traveller's own transport. The records that are mainly taken for people who travel within their own country are through the domestic air network and the Greyhound bus service. As a result, domestic tourism in the new millennium may not receive the necessary attention for it to develop. Tourism managers of the new millennium are faced with the difficulties of putting together accurate predictions for domestic tourism. South African tourism is more than a land of sunshine, flowers, wildlife and beautiful beaches. The cultural

diversity of the land makes it a unique place in Africa. There are ancient landscapes, lush forests and awesome mountain peaks (Botha, 1993).

The tourism industries in South Africa, as is the case in many developing countries, has become an important creator of employment for both skilled and unskilled workers, and a generator of foreign exchange and economic development. Tourism in South Africa is rated fourth in generating foreign exchange at R10 billion, contributing about 3 percent of the gross national product (Caras *et al*, 1993). A typical annual growth rate of the global tourism industry during the past three decades has been 6 percent relative to the figure of only 20.5 percent for South Africa (Botha, 1993). Visitors to South Africa in 1993 accounted for only 0.25 percent of the world's tourism market (620 000 tourists) (SATOUR, 1993). These figures have not increased significantly in recent times. Employment statistics put together by De Vaal (1994), show that the South African tourism employs only one in seven workers.

The picture changed quite dramatically after the 1994 elections, which brought about democracy to the country, thus opening doors to new opportunities, including tourism. Tourism, as an international phenomenon, brings about economic, social and cultural advancement. In terms of cultural advancement, there is the view that tourism destroys the host culture (De Vaal, 1994). Tourists from the UK indicated that they visit South Africa because of cultural ties; a view that goes back to the colonial era and the Commonwealth membership South Africa enjoyed before being isolated. Also, there are large numbers of British immigrants resident in South Africa and there are also large numbers of South Africans resident in Britain.

Although the doors are now opened to visitors and the like, the South African tourism industry is still faced with elements of isolation, violence and political uncertainty. Tourists are discouraged by violence and worried about their personal safety. Nevertheless, there is value in the current South Africa tourism experience. The overall perception therefore, is that South Africa represents value by virtue of its current elevated political position (De Vaal, 1994). International tourism is not the only contributory factor to the success of the tourism industry in South Africa. This may augur well as the industry takes off into the new millennium and into the global market. The prediction is that South Africa will continue to attract visitors: the current ranking of KwaZulu-Natal as the most visited province in South Africa has showed this direction. Cape Town has jumped from 24th position to 5th, as the best city from a tourism viewpoint (figures released by Radio Metro 1999). This study also makes the prediction that tourism in KwaZulu-Natal is set to grow faster than other regions in South Africa. These indicators bring a fresh wave of realisation of economic potential in the tourism trade in South Africa.

Table 3.1 below indicates a comparison of South African tourists to the overall world tourists visiting the United Kingdom (UK). For the purposes of this research, the researcher will only include the total number of visits to the UK from 1978 to 1994, which are the figures that are currently available. These show the movement of South Africans outside their country to the United Kingdom.

Approaching the 1994 election in South Africa, total visits to the UK increased quite

substantially in this year to 261 000, from the 1978 figure of 155, 000. South Africans were now moving freely within and outside their country. The spending of South Africans in the same period quadrupled in 1991 and continued to increase. The increase is a combination of economic prosperity, coupled with the political freedom now enjoyed by many. The rand as a currency in Africa experienced some growth and stability. The strengthening of the rand

**TABLE 3.1:   TOTAL VISITS TO UK 1978 TO 1994**

| YEAR | WORLD ['000] | SOUTH AFRICA ['000] | % OF WORLD |
|------|-------------|---------------------|------------|
| 1978 | 12,646 | 155 | 1.2 |
| 1979 | 12,486 | 149 | 1.2 |
| 1980 | 12,421 | 166 | 1.3 |
| 1981 | 11,452 | 134 | 1.2 |
| 1982 | 11,636 | 143 | 1.2 |
| 1983 | 12,464 | 147 | 1.2 |
| 1984 | 13,644 | 183 | 1.3 |
| 1985 | 14,449 | 147 | 1.0 |
| 1986 | 13,879 | 141 | 1.0 |
| 1987 | 15,566 | 157 | 1.0 |
| 1988 | 15,799 | 153 | 1.0 |
| 1989 | 17,388 | 145 | 0.8 |
| 1990 | 18,013 | 174 | 1.0 |
| 1991 | 17,125 | 179 | 1.0 |
| 1992 | 18,535 | 204 | 1.1 |
| 1993 | 19,398 | 223 | 1.2 |
| 1994 | 21,034 | 261 | 1.2 |

Source: British Tourist Authority (1996)

relative to other African currencies, then made it possible for many South Africans to visit African countries. It is worth mentioning that the rand in relation to other major Western currencies such as the mark, the dollar and pound sterling became weak. With the weakening of the rand fewer South African have been able to afford taking holidays in these Western

countries. The opposite effect of a weak rand has been the increase of international tourists coming from Western countries, because cost-of-living seems inexpensive in South Africa. The weak rand has also facilitated the growth of domestic tourism, since it is prohibitively expensive to purchase foreign exchange. Therefore, it can be said that domestic tourism is thriving at the expense of South Africans visiting or taking holidays outside South Africa, especially in Europe and North America.

## TABLE 3.2: TOTAL SPENDING IN UK 1978 TO 1994 BY SOUTH AFRICANS

| YEAR | WORLD | SOUTH AFRICA | % OF WORLD |
|------|-------|--------------|------------|
|      | Pound Sterling (m) | Pound Sterling (m) |  |
| 1978 | 2,507 | 46 | 1.8 |
| 1979 | 2,797 | 44 | 1.6 |
| 1980 | 2,961 | 59 | 2.0 |
| 1981 | 2,970 | 54 | 1.8 |
| 1982 | 3,188 | 53 | 1.7 |
| 1983 | 4,003 | 74 | 1.8 |
| 1984 | 4,614 | 88 | 1.9 |
| 1985 | 5,442 | 77 | 1.4 |
| 1986 | 5,553 | 69 | 1.2 |
| 1987 | 6,260 | 97 | 1.5 |
| 1988 | 6,184 | 78 | 1.3 |
| 1989 | 6,945 | 84 | 1.2 |
| 1990 | 7,748 | 122 | 1.6 |
| 1991 | 7,386 | 138 | 1.9 |
| 1992 | 7,891 | 142 | 1.8 |
| 1993 | 9,354 | 186 | 2.0 |
| 1994 | 9,919 | 233 | 2.4 |

Source: British Tourist Authority (1996)

South Africa offers a broad range of tourism products, providing opportunities for tourists to enjoy scenic attractions, wildlife, luxury resorts, attractive destinations, and world-class

hotels in the new millennium. The scope to explore a range of tourism options within the same destination makes the product a well-diversified and comprehensive offering. In South Africa there is a well-maintained network of roads and motorways served by various bus service operators such as Greyhound, Translux, Trans-City and Inter-Cape Mainliner operating between cities. The South African taxi services are mainly available in the main cities such as Durban, Cape Town, Pretoria and Johannesburg. The mini bus operators serve smaller towns. Meter taxis are available at all major hotels, airports and railway stations. The national airline, South African Airways, offers domestic and international services. Both domestic and international routes are complemented by other major airlines such as British Airways and Sabena (South Africa Focus, 1998).

**TABLE 3.3: TOUR OPERATORS BY SPECIALISATION AND LOCATION**

| TOUR OPERATORS | SPECIALISATION | LOCATION |
|---|---|---|
| Abercomebie & Kent Safaris | African tours, safaris, groups & incentive travels | Noordhoek |
| Marital Eagle Tours | Cultural and historic tours, private game and botanical gardens. | Paardekraal |
| Oliver Tours | Destination management, tailor-made tours, conference and incentive travel | Bellville |
| Ongwe Safaris | Comprehensive tours | Lynnwood |
| Walthers Tours | Eco-tours | Randburg |
| Springbok Tours | Long distance, garden route and classic tours, self-drive and inclusive travels. | Johannesburg |

Source: South Africa Focus, (1998)

Information about travelling within and outside South Africa is readily available in major cities through SATOUR (The South Africa Tourism Board) and Travel Agencies. There are also Diplomatic or Consular Representatives of South Africa in countries throughout the world, providing tourism information about the country. There is a provincial tourist information office found in every major city, for example, the KwaZulu-Natal Tourism Board is in Durban (SATOUR, 1996).

The private sector plays a major part in providing tourists with a suitable product and information. There are many foreign and South African tour operators specialising in tours to South Africa and within South Africa. Some of the main ones are given in Table 3.3 with areas of specialisation and location.

It is important for the researcher to know the main tour operators in South Africa in order to help target the ones that will fit the framework of the sample for this study.

## 3.5 SOUTH AFRICAN DIMENSIONS OF HOSPITALITY MANAGEMENT

The South African dimension of hospitality management is not far apart from the international set-up. There are, however, a few significant differences in some aspects of the products. For example, South Africa capitalises on its wildlife, while the zoo (such as the London Zoo in England and the San Diego Zoo in the USA) is the equivalent in an international setting. Therefore, the management of wildlife, as a tourist product, would be different from the management of a zoo as a tourist product, even though both deal with

animals. In wildlife attractions, very little attention is given to animals in their natural environment, apart from protecting them from poachers. In a zoo setting, however, a team of professionals, including veterinarians, zoo specialists, animal trainers and support workers are put in place to look after the animals. The task involves complex management and scientific approaches for the well-being of the animals and the visitors to the zoo (Handley, 1996).

Most other aspects of the hospitality product, including its organisation and classification of the tourism and hospitality industry, are consistent with those of South Africa. This is not because of South Africa's links with the United Kingdom or the USA, but the concept of the hospitality industry the world over, which interfaces considerably to a point at which a hotel in Cape Town could hardly be differentiated from one in London or New York. This makes it very difficult to isolate international operations from the operations in South Africa. Government departments sponsor many sectors in South Africa, so the industry is a rare combination of the public and private sectors.

The hospitality industry contributes considerable currency to the national economy each year; therefore, it should be profit-motivated and the public sector should operate it as a profit venture. There are aspects of the tourism industry that government cannot venture into, such as the hotel business. Government can form partnerships with private investors to develop airports at all major cities. There should be major public sector involvement in the development and management of heritage sites, theme parks, visitor attractions, leisure centres, transportation, theatres and information centres, as most of these concepts are

community-oriented and very little profit is generated from their operations (Doswell, 1997). The huge capital requirements for developing most community attractions that have no profit potential, make them less attractive for private sector involvement.

There is a range of accommodation types available in South Africa, from luxury five star hotels to thatched huts in game reserves. An important distinction in accommodation is the split between serviced and non-serviced types. While staying in serviced accommodation, the customer would expect things to be done for them. 'Serviced' implies that staff are available 24 hours a day on the premises to provide services such as cleaning, meals, bars and room service. 'Non-serviced' means that the sleeping accommodation is provided, furnished, on a rental basis. This is normally a unit comprising several beds. Additional services such as cleaning, meals, bars and shops may be available on a separate commercial basis as in most holiday flats or guest farms. The costs of these services are not included in the price of the accommodation (Knowles, 1998).

One main problem in dealing with accommodation in South Africa and perhaps in other parts of the world is that there is not a generally accepted definition of hotel, although an attempt is made in chapter one to define the concept or term. Accommodation in private homes and the bed and breakfast establishments provides another attractive and increasingly popular option for tourists. Time-share units have been developed in all the principal tourist regions and caravan/camping parks are found throughout the country.

The National Hotel Grading and Classification Scheme was introduced in 1994. However, there is no legal framework for the scheme. It is entirely a voluntary scheme but, with intense competition and the demand for better and higher standards of hospitality, operators are being pressurised to upgrade their hotels (Knowles, 1998). Hotel grading schemes are a method of categorising hotels according to their facilities. It is anticipated that in the new millennium grading of hotels will be a legal requirement, which creates a means of competition for managers. Most schemes have five category ratings, starting from one star at the bottom category to a luxury hotel at the top, considered to be five stars. Depending on the star rating, managers are under constant pressure to maintain or upgrade their standards. The following are the categories of rating and classification (Knowles, 1998):

(a) **One star** - hotels, generally small scale with acceptable facilities and furnishings. All bedrooms with hot and cold water, adequate bath and toilet arrangements, meals provided for residents, but their availability for non-residents may be limited.

(b) **Two stars** – hotels offering a higher standard of accommodation and some private bathrooms and showers. A wider choice is provided but the availability of meals to non-residents may be limited.

(c) **Three stars** – well-appointed hotels with more spacious accommodation, a large number of bedrooms with private bathrooms and showers. Fuller meal facilities are provided, but luncheon and weekend meal services to non-residents may be restricted.

(d) **Four stars** – exceptionally well appointed hotels offering a high standard of comfort and service with a majority of bedrooms with private bathrooms and showers.

(e) **Five stars** – luxury hotels offering the highest international standards.

There are excellent hotels, restaurants and upmarket shopping malls in the affluent suburbs of the major cities in South Africa. In townships, beautiful homes are often found alongside squatter camps and extreme poverty. Johannesburg is an aggressive city, single-minded in its quest for wealth. Nightlife in the cities is hectic and similar to that of London or New York (De Vaal, 1994). One of the greatest joys of the new South Africa is the emergence of superb black theatre and music (seen in plays such as Maria Maria and the African Jazz). Johannesburg, Cape Town, Durban and Pretoria offer a wide range of lodgings to cater for all social classes. In Johannesburg, some of the good hotels are the Sandton Sun and Towers Hotel, the Carlton Hotel and the Carlton Court that offers five star facilities (SATOUR, 1996). Major hotel groups include Holiday Inn, Karos, Three Cities Hotels, Protea Hotels and the City and Town Lodges.

The efficient management of all the components of the hospitality industry is a mammoth task with its multitude of activities requiring the attention of the manager twenty-four hours a day. The task is getting more complex as we move into the new millennium. Hospitality managers need to understand the service interaction dynamics for their type of operation, and the important implications for staff recruitment, selection and training. This is because the highly personalised form of interaction during service delivery can exacerbate the problem of service variability. For example, if the consumer arrives tired and tense after travelling a

long distance, the receptionist must be able to recognise and respond appropriately to his or her psychological state. In South Africa, because of lack of proper training, hotel receptionists are not able to recognise and deal with such a situation (Bayon, 1997). This first stage of interaction is critical for the formation of first impressions. One of the study aims relates to service quality and service delivery in the new millennium, and the study examines the value of service quality in creating good impressions.

## 3.6 THE FUTURE OF TOURISM AND HOSPITALITY MANAGEMENT

Hospitality services with an accommodation component usually have high fixed costs and sensitive profit ratios. The pattern of business is often irregular and subject to short-term sales instability (Sasser et al, 1988). To minimise these effects, reduced cost options, such as leisure breaks, are increasingly used to penetrate specialist market segments and improve operational efficiency and profitability. Another point to note about the hospitality product and service is that it cannot be stored like manufactured products; the revenue from unsold meals or bedrooms over a given time period cannot be recouped.

Similarly, product experiences cannot be precisely replicated. For example, the atmosphere in a restaurant will be affected by the number of customers who are being served at any given moment in time. Too few or too many customers can create an undesirable impression. The future management of hospitality and tourism will be focused on the manager's ability to co-ordinate activities, as most of the task will be taken over by technology. The hotel of the new millennium and beyond will have no registration desk. The guest will simply follow an

escort to the guestroom, have his or her thumbprint scanned, and enter the room of the future (Scoviak, 1996).

The marketing concept of giving the customers what they want is pushing hotel operators, architects and interior designers to scrap the traditional bed-in-a-box and rethink how the space will be used, and by whom. Using new technology and a fresh approach to planning hotel guestrooms, the standard room of the future will be anything but standardised. What was once simply a place to sleep will become a space in which to work, rest, rejuvenate and be entertained, because this is what customers will demand (Mullins, 1985).

Safety and security, which have emerged as key issues in the 1990's, are not going to go away. Concern over health and safety issues is expected to get even more intense. Cameras scan the guestroom corridors. The guest is able to access this video system to see who is at the door, as predicted by many hotel managers. The challenge for the future is to make the technology affordable for the hotels so maximum safety and security could be provided at no additional costs to the guest (Knowles, 1998).

The transport sector, especially the airlines, is another area that is being revolutionised at such a speed that even the inventors are wondering where is it all going to end. Transportation plays a very important part in tourism and hospitality; so much so that, without it, tourism will not be possible. Air transport in particular has brought the South Africa region within reach of North Americans and Europeans, and it is predicted that South Africa will attract many tourists from Asia and the Middle East by the new millennium. The

trend in transportation is not going to be affected by economic recessions but could be reduced by travel restrictions caused by foreigners taking away jobs and the threat of violence, crime and terrorism. A recent welcome trend, facilitated by the longer-range aircraft, is the elimination of wearisome stops in the longer-haul routes like London to Sydney. In addition, since the deregulation of the airlines in the USA, the pressure on aircraft manufacturers to produce even more efficient aeroplanes has intensified. The emphasis for all aircraft manufacturers is on safer, faster and more comfortable aeroplanes. The trend will continue well beyond the new millennium (Knowles, 1998).

The question to be addressed is whether the hospitality industry has moved away from its emphasis on low pay-off clerical and administrative functions. Payroll and accounting, as two examples, are some of the most resource-consuming tasks performed in hospitality information services, closely followed by inventory applications either in terms of stocks of goods or sales (reservation systems). The automation of segments of the hospitality product can be considered in two parts:

    (a)    **Operating procedures** - since people are still required in the industry, the basic operational tasks such as guestroom servicing, for example, changing beds, still fits in with a traditional perception of the hospitality industry as 'low tech'. The question is, would the industry survive on the current 'low tech' when customers can sit down at their computers and access information about the product? Managers too can sit down at their terminals and answer many questions on stored data that was formerly inaccessible. Planning and decision techniques provide decision support systems which managers can

access when necessary. In the new millennium, managers will be exposed to a wide range of data systems that will make decision-making easier and quicker.

(b)  **Management systems** – It is anticipated that managers of the twenty-first century would have to rely heavily on technology for decision-making. While management would rely on computer technology for decision-making, the relevance of human resources is another key factor that this study would consider (Mullins, 1988).

It has been suggested that the future of tourism and hospitality could be dependent on focusing on and adequately planning of better management systems. It has also been established that for many hospitality businesses the key to prosperity in the current industry environment and in the new millennium is growth. The hotel business has taken advantage of globalisation and are translating growth into greater market coverage, increased visibility, and greater opportunities for cross destination marketing in addition to the benefits of economies of scale and scope. Therefore hotel businesses continue to look for new ways to increase their market share. The system of growth of hotel groups is a major determinant, both of chain size, and of prospects for further expansion. There are three basic ways the hotel business can develop (Knowles, 1998):

(a)  **Acquisition** – the first of the growth strategy through sale and leaseback. A strategy where a bigger hotel or tourism business buys a smaller operation.

(b)  **Management contracts** – a popular method of growth where the owner of a hotel employs an operator as an agent to take up full responsibility for

82

operating and managing the establishment. In the new millennium more businesses will favour the management concept than the acquisition concept.

(c)  **Franchising** - franchising is a major growth strategy in the hotel industry. Many tourism operations are now under franchise for example, Pizza Hut, McDonalds and Burger King. It is anticipated that most tourism operations will be franchised.

The accommodation and food services are an essential input for the tourism industry, as they have always been and will continue to be, well into the new millennium. The world demand for hotels is growing and it is anticipated to continue into the new millennium. At current, it is growing at about 3.8 per cent a year. About 75 per cent of the world's accommodation establishments are located in Europe and North America. There is a trend toward more franchising, chain or system ownership, and growth in bed and breakfast lodging.

## 3.7  CONCLUSION

This chapter has attempted to show that there are varied and differentiated contemporary models of tourism and hospitality management. The chapter revealed that management principles have tended to vary in terms of domestic and international needs, provisions and structuring of tourism packages. The chapter has also shown that as a result of tourism sector growth patterns, the need for management at a strategic level has become a must. Commensurate with these observations, the main aim of this study is therefore to look at how managers in the tourism and hospitality industry will function successfully in the new

millennium. The chapter has shown that the structure and scope of management of the tourism and hospitality both in South Africa and at an international level is changing with both sectors highlighting a number of reasons for the desire for growth. The discussion is set within the context of management and the future of tourism and hospitality, which shows positive signs for growth. The hospitality industry continues to be rather slow to recognise the potential of computer-based procedures both in South Africa and the international market.

Overall, the level of penetration probably matches the pattern of other industries in terms of unit size and areas of operation and application. In the hotel industry, the operation of computers combines front office and reservation tasks in advanced booking, registrations and billing because these three elements are linked by a high proportion of common data. In the commercial restaurant sector, the main application of computer occurs through point of sale systems.

Careful management and the effective application of technique should be the most important part of the business operation. It is management that makes the investment decisions, motivates employees, chooses products and markets, and which is responsible for the corporate outcome of the tourism and hospitality industry of the new millennium.

# CHAPTER 4

## ACTUAL SETTING AND NATURE OF CASE STUDIES

## 4.1 INTRODUCTION

In general, organisations and agencies are usually shaped and dependant on the people driving their functions and activities, and the tourism and hospitality industry are a "people" business. Tourism and hospitality are perhaps the most labour intensive industry in the world and will probably continue to be so well into the new millennium. In the United States, tourism and hospitality is the second largest employer, providing jobs for about 12 million people (Kotler *et al*, 1998).

This chapter attempts to put into focus the actual setting and nature of the study area. It aims to achieve this by discussing the historical background, management and operations, and the future strategies applied in the area. The nature of the four focus groups: the hotel, tour operator, travel agent and tourism authority, are also given some attention. Today more than ever, organisations in the tourism and hospitality industry are faced with major challenges from both the external environment and the internal organisational context. It is anticipated that the new millennium will expose these organisations to even bigger and more complex

85

challenges. Managers within these sectors will be expected to establish the direction in which their organisation will have to go, in order to achieve success in the new millennium.

The four focus groups that are used in the case study are:

(a)     Beverly Hills Sun Inter-Continental hotel

(b)     Connex Travel

(c)     Thompson Tour

(d)     KwaZulu-Natal Tourism Authority.

Gaining access to the four groups of managers was the first step of the data collection process in the case study section. The process started with telephone calls to find out whether the managers are willing to take part in the study. The aim of the telephone calls was to introduce the researcher, the nature and purpose of the study, and to set up briefing meetings which were a very important part of the study. The briefing meetings were aimed at establishing a working relationship and at making subsequent meetings more productive and relaxing. Approximately five hotels, ten travel agents, and six tour operators were approached in the first instance and only one in each group were willing to take part in the study with great caution. In the case of the KwaZulu-Natal Tourism Authority a meeting was set up for the first interview with only one telephone call, and access to various sources of information and documents were granted.

Setting up the meetings was a lengthy process for the hotel, travel agent and tour operator. Letters to the public relations officer followed the telephone calls in the case of the Beverly Hills Hotel and to the managing directors in the case of Thompsons Tours and Connex

Travel. At the meeting, the researcher had to establish the validity of the research. Once the managers were comfortable with the information provided by the researcher, a compromise was reached regarding the information to which the researcher could have access.

In creating the actual setting for this study, the researcher encountered many problems, one of which was trying to persuade operators that the research was an academic exercise and also that their organisation would certainly benefit from the findings. Gaining access was a major problem; hence the sample was limited to two hotel managers, four tour operators, four travel agents, and two tourism authorities. In all cases, the first contact was made by telephonic means and meeting dates were set for preliminary discussions. Before the meetings, the participants were given briefs on the background of the study and what aspects of their organisation were of relevance to the study. It was necessary to provide participants with a framework and specific briefs because the discussions and the interviews were scheduled to last for one hour, which included a tour of the organisation.

The hotel managers, tour operators and the travel agents were not willing to discuss the current and future plans of their organisations in detail, so it was a matter of the researcher making assumptions, in some cases, in order to complete the information provided. The case studies that are described here are the benchmark for operators in preparation for the new millennium. The case studies also constitute a physical and practical illustration of what tourism and hospitality operations look like and what they could possibly look like in the future. Finally, the case studies form a basis for empirical analysis and interpretation of the various aspects of the research sample and related variables.

87

## 4.2    CASE STUDY GROUP - A: BEVERLY HILLS HOTEL (UMHLANGA ROCKS)

Information relating to this hotel was gathered by arranging a meeting with the hotel manager. The meeting was scheduled for 14h30 and the manager had one hour to spare. To start with, the manager made a presentation that lasted for ten minutes and then the researcher was given the opportunity to conduct the interview, that lasted for fifteen minutes, using a questionnaire. A grand tour of the establishment was given, limiting it to carefully selected areas, for example, the front office operation, one of the six presidential suites, the bar, restaurants, and the pool area. The hotel brochure was given as an additional source of information. The grand tour was interspersed with the manager performing his duties as we went along, which provided an additional source of data to what was being provided through the tour. The researcher was advised not to ask guests questions while on the premises.

### 4.2.1   Historical Background

The Beverly Hills Sun Inter-Continental at Umhlanga Rocks was built 35 years ago as a family business with no specific target market in mind other than to provide bed and breakfast for travellers to Umhlanga Rocks and the Durban area (Inter-Continental Hotels and Resorts, 1997). Its 35 years of existence have seen it change ownership three times, moving from a family concern to the Holiday Inn Group, followed by the Southern Sun Group and currently the Sun Inter-Continental Group. The property was built with no defined strategy in terms of location or target market. The current ownership now use its location as its Unique Selling Proposition (USP) (Reeves, 1961), to the target market, coupled with its view of the Indian

88

Ocean and the exclusive, unspoilt beaches of Umhlanga Rocks. Guests can swim in the sunshine or take a stroll along the beach.

### 4.2.2  Physical Amenities/Facilities

The hotel is located in a fashionable area, on the beach overlooking the Indian Ocean. The hotel is only twenty minutes by car from Durban, along a sub-tropical drive, making it very attractive for visitors who want to enjoy the semi-country lifestyle. The distance from the Durban International Airport is approximately 35 kilometres and thirty minutes by road. It provides an open car parking facility for 93 cars and a covered garage for 17 cars. The cool, elegant decor is carried through to all the 84 bedrooms and 6 suites, creating a complete match for its five star rating. Each room is equipped with every modern convenience facility including a pay movie channel and satellite TV with German and CNN programmes.

The peaceful surroundings are only interrupted by the sound of the surf. It has a 24 hour front desk, express check-out, two *a' la carte* restaurants, a pool deck bar and a 24 hour room service, laundry and valet service. Other facilities include mini-bar, business service, car rental, limousine service, baby-sitting, theatre booking service, air charter, beauty salon, and hairdressing and gift shop. Further facilities include three function rooms with a maximum of 80 theatre-style seats, a swimming pool, tennis court, deep-sea fishing, bowling, horse riding, gym, and golf and squash court. The hotel provides the business person with business rooms with  services and facilities such as fax machine, personal computer with printer, photocopier, e-mail access, mobile telephone and secretarial services. The front desk and lobby area leading off to a spacious lounge give guests a warm welcome. The hotel has

two Presidential Suites that are very spacious with a lounge and dining area to give occupants a presidential lifestyle (Inter-Continental Hotels and Resorts, 1997).

The facilitating products are those services or products that must be present for the guest to use the core product (Kotler, *et al*, 1998). For example, the check-in and checkout services, telephones, restaurants, room service, bar facilities in suites and valet service make up the facilitating products. The facilitating products in the Beverly Hills Inter-Continental Hotel were well delivered and co-ordinated in such a way that the guest did not have to wait more than fifteen minutes to check-in. Most guests would have been allocated rooms before arrival. Departing guests can request checkout before they present themselves at the front office on the day of departure, thus reducing their waiting time. The Beverly Hills Hotel's chances of a favourable competitive advantage in the new millennium rest on its ability to provide family rooms and family entertainment areas, and more self-operated facilities for business people located in business rooms.

### 4.2.3  Staff Complement

The Beverly Hills Inter-Continental Hotel is a fully serviced five star hotel with a fully established brand (Inter-Continental Hotels and Resorts, 1997). On service it usually has one general manager, a deputy manager, a front office manager, a bar manager, a restaurant manager and a head chef manage the hotel. The total number of staff is about 50 full-time and 45 part-time and casual staff. The organisational chart in Figure 4.1 illustrates the size of the work force in the Beverly Hills Inter-Continental Hotel. The organisational chart only shows key positions in the hotel. The working relationship, as illustrated here in the chart, is

demonstrated in the actual setting, and the general manager relates very well to the entire work force.

**FIGURE 4.1: ORGANISATIONAL CHART OF THE BEVERLEY HILLS HOTEL.**

```
                          ┌──────────────┐
                          │   GENERAL    │
                          │   MANAGER    │
                          └──────┬───────┘
        ┌────────────────┬───────┴────────┬──────────────────┐
┌───────────────┐ ┌──────────────┐ ┌──────────────┐ ┌──────────────┐
│ Food & Beverage│ │ Front Office │ │  Restaurant  │ │  Financial   │
│    Manager    │ │   Manager    │ │   Manager    │ │   Manager    │
└───────┬───────┘ └──────┬───────┘ └──────┬───────┘ └──────┬───────┘
┌───────────────┐ ┌──────────────┐ │ ┌──────────────┐ ┌──────────────┐
│     Head      │ │  Reception   │ │ │     Head     │ │   Accounts   │
│     Chef      │ │  Supervisor  │ │ │    Waiter    │ │   Officer    │
└───────┬───────┘ └──────┬───────┘ │ └──────┬───────┘ └──────┬───────┘
┌───────────────┐ ┌──────────────┐ │ ┌──────────────┐ ┌──────────────┐
│     Head      │ │ Front Office │ │ │    Waiters   │ │   Accounts   │
│    Barman     │ │  Assistant   │ │ │              │ │    Clerk     │
└───────┬───────┘ └──────┬───────┘ │ └──────┬───────┘ └──────────────┘
┌───────────────┐ ┌──────────────┐┌────────────┐┌──────────────┐
│     Head      │ │    Office    ││ Executive  ││  Assistant   │
│    Porter     │ │   Security   ││  House-    ││   Waiters    │
│               │ │   Officer    ││  keeper    ││              │
└───────┬───────┘ └──────────────┘└─────┬──────┘└──────────────┘
┌───────────────┐                 ┌────────────┐
│    Porters    │                 │   House-   │
│               │                 │   keeper   │
└───────────────┘                 └────────────┘
```
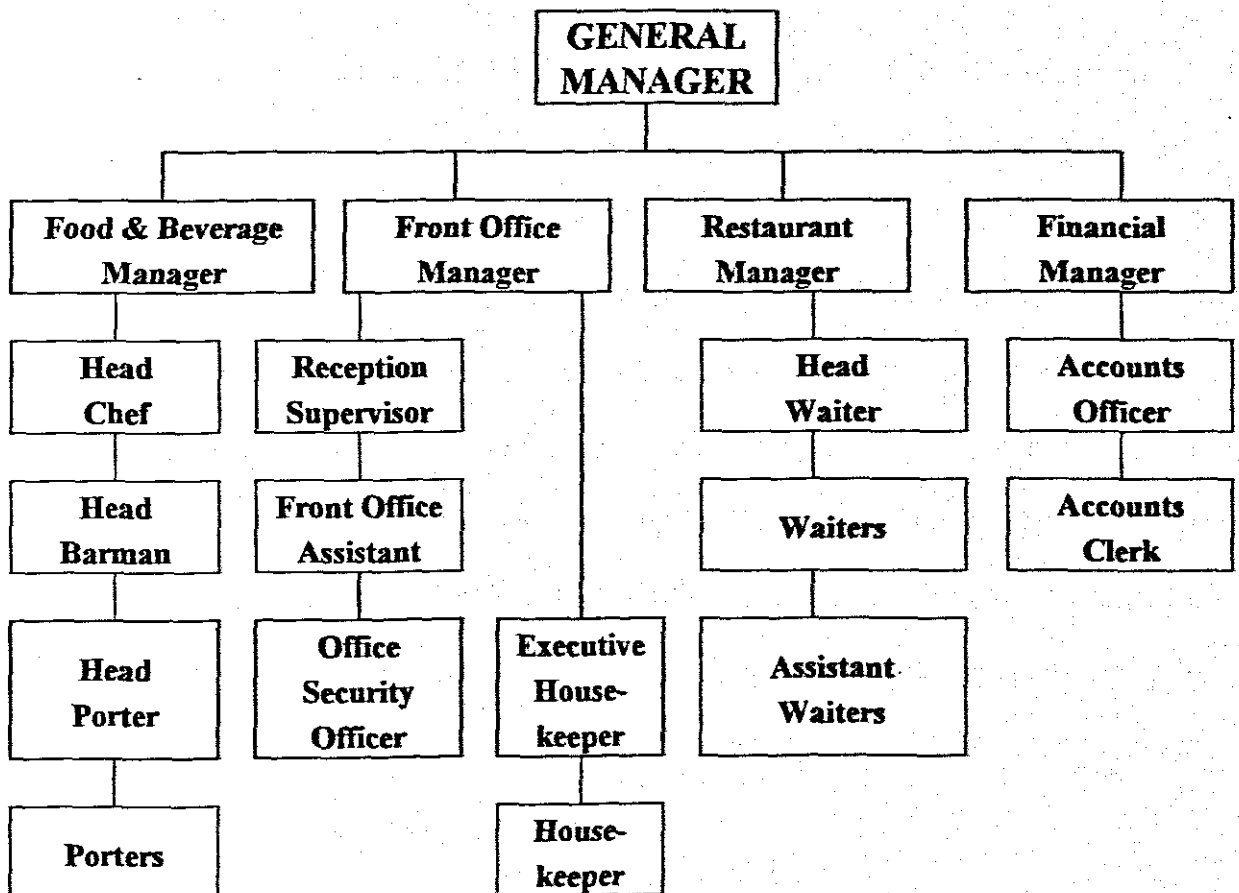
Source: Adapted from Sun Inter-Continental Hotel Yearbook, 1998

### 4.2.4 Management policies and operations

Recently, the hotel had experienced a decline in the five star market, resulting in most of the rooms remaining vacant in peak times. The manager, therefore, recommended to the board to reduce the establishment from a five star status to a limited service hotel. It is now a limited service hotel with a rate reduction, but the target markets believe it is a promotional

91

strategy designed to keep the occupancy levels at maximum. The new policies of the hotel wish to keep the occupancy level high yet at a lower rate, by targeting the business market at off-peak periods, a strategy to maintain occupancy level constant.

Excellent cuisine is a hallmark of this fine hotel that boasts two superb restaurants; La Province, an elegant room situated off the main lounge serves breakfast, lunch and dinner, and the intimate Cabin Restaurant, which specialises in seafood for which the KwaZulu-Natal coast is famous. The hotel uses this as one of its Unique Selling Propositions (USP) and strategy for marketing. As part of its promotional activities, the hotel produces a glossy folder into which are inserted various colourful photographs of the front office, pool area, the conference room, the lounge area, one of the suites, and the restaurant. A number of other brochures are also produced and included in this folder, depending on what the potential clients' interests are. The general hotel brochure is a glossy, full-colour brochure portraying the hotel as elegant, luxurious and sophisticated. This hotel grandeur is also combined with modern facilities with touch of traditional decor.

The structure of the Beverly Hills Inter-Continental Hotel demonstrates a high degree of co-ordination and is measured over very short time scales. The general manager, Mr Ron Klambt, demonstrates proficiency in technical and craft skills as well as in management areas. The human resource director does the recruitment of professional and managerial staff at Head Office. The general manager recruits non-professional staff (The organisational chart in Figure 4.1 shown earlier illustrates the size of the work force in Beverly Hills Inter-Continental Hotel). All financial matters are handled by Head Office, and resources comes

from a central purchasing centre; therefore it is the responsibility of individual managers to maintain adequate stock levels. Stocks are regularly monitored to avoid the risk of running out of items such as food and beverages. The key challenge that Beverly Hills Hotel management faces for the new millennium is to centre the hotel around effective security and customer care. These two approaches were however not featured in the data collected.

## 4.2.5   Future strategies and applications

The manager, Mr Ron Klambt, insisted that the message for the new millennium is to provide total quality service. He insisted on what he called 'benchmarking'. Benchmarking is a quality management technique that is growing in popularity. It means 'measuring' the performance of your businesses against the performance of other business in your own industry, or even in other industries (Knowles, 1998). The manager incorporates the benchmark system with the Total Quality Management (TQM) concept, another fashionable quality management system at present which provides the customer with what is referred to as 'absolute' quality (Kotler, 1999). With the tourism and hospitality market forecast to grow rapidly in the new millennium, plans to break into the casino market have been on the cards at the Beverly Hills Inter-Continental Hotel five years ago, but details of the plans are not yet going to be revealed.

## 4.3   CASE STUDY GROUP B: CONNEX TRAVEL

To give a good case study and illustration of a travel agent in the South African tourism industry, four travel agents were identified from which one was selected as typical case. The four travel agents which were selected include:   (a) American Express, (b) Harvey World

Travel, (c) Delta International, and (e) Connex Travel. It is important to state that Connex Travel were selected for case study because they seemed to be the most accessible and logistically well-distributed in the country, with branches in most major cities in South Africa.

Travel agents are not always clearly distinguishable from tour operators. Travel agents do perform distinct and separate roles, even though some companies operate in both sectors. Travel agents are retailers while tour operators are wholesalers responsible for assembling and wrapping the various parts of the travel package. The travel agent case study described in this section should make that distinction much clearer for all the travel agents and for Connex Travel.

### 4.3.1 Historical background

Connex Travel is a private limited company and one of South Africa's longest standing and leading incoming operators. It offers a variety of travel opportunities for groups and individuals, from game reserves and the luxurious Blue Train, to sightseeing excursions. Connex travel is well established in the travel business with retail outlets throughout South Africa. They have conferences and incentive divisions and an office in London trading as SAR Travel. Established in 1970 in Johannesburg, it operates trips to Victoria Falls and Lake Kariba in Zimbabwe and Chobe Game Lodge in Botswana.

### 3.3.2 Staff Complement

Connex operates six branches in the major cities in South Africa and a manager oversees each branch office. The offices are located as shown in Table 4.2. All the branch managers have a

minimum of four years experience in the tourism and hospitality industry. The Johannesburg branch has the largest number of staff because it is the busiest office and it is also the city that has the tour operating business.

**TABLE 4.1: CONNEX STAFF COMPLEMENT**

| Branch Office | Manager | Number of Staff | Number of Staff at Branch |
|---|---|---|---|
| Durban | Authur Wilmore | 14 | 15 |
| Johannesburg | Sydney Green | 29 | 30 |
| Parliament – Cape Town | Vanya Lessing | 18 | 19 |
| Bellville – Cape Town | Wnada Francis | 9 | 10 |
| Pretoria | Santie Visagie | 12 | 13 |
| SA Tour Operators | Neville Robinson | 10 | 11 |
| **Total** | **6** | **92** | **98** |

### 4.3.3  Management policies and operations

Today, Connex Travel operates six retail branch offices in four major cities in South Africa: two in Cape Town (Bellville and Parliament), one in Pretoria, one in Durban and two in Johannesburg (Parktown and Sandton), as well as an office in London, trading under the name of SAR Travel. Whether you need a one-off group excursion, an incentive programme or inclusive conference programme, that is, pre/post tours, hotel accommodation, spouses' programmes, you would be able to get it from Connex Travel. Their management policies and operations focus on the ability and flexibility to put together a holiday package at very short notice. Connex specialises in customised travel and inclusive programmes for a tour

series. Emphasis is placed on the nature and type of product that Connex Travel offers to existing and potential customers. There is little emphasis on customer care and on long term market survival strategies, such as selecting target markets and positioning their products with the appropriate marketing mix, which would take them into the new millennium. Connex Travel operates day tours (including transfers) from Johannesburg, Pretoria, Cape Town and Durban. These include tours to Gold Reef City, Sun City, the Winelands, Shakaland, and Valley of a 1000 Hills as some of their specialised areas.

### 4.3.4   Future strategies and applications

Connex are considering expanding their activities to many major cities and towns in South Africa before the new millennium. Their future strategies include giving customers more for their money and this includes the following: collection from any major down-town hotel, transport by air-conditioned microbus or sedan motor car, accommodation en route in twin bedded rooms with private bathrooms, *table d'hôte* or buffet meals as indicated in the itinerary, entrance fees at game parks and other attractions as specified, gratuities, portage and tour guides in German, Dutch and English. The above service is a strategy to augment their product.

When Connex Travel started its operation, the intention was to stay small and provide personal service to its customers, but slowly the demand for a general /leisure agency forced them to venture into all aspects of the travel business. One major advantage Connex Travel· enjoy by being a general agent, is the ability to meet the whole range of customer requests, and that versatility enhances Connex Travel's reputation in the eyes of the public. General

agents like Connex Travel are not totally dependent on the inclusive tour market, as they can always fall back on other products and services, should there be slump periods in the marketing of package holidays. The other advantage Connex Travel enjoy, as a general agent, is the diversity of products they sell that gives them a more even flow of business throughout the year. This helps Connex Travel to reduce cash flow difficulties, caused by the seasonal nature of their trade, which are common problems for holiday agents.

Connex Travel is a major player in the business travel sector. The business travel agent enjoys a steady flow of business throughout, without the peaks and troughs experienced by leisure agents. The main reason why Connex Travel became a major player in the business travel sector is because business travel is less prone to sudden fluctuations in customer demand. For example, in times of economic recession, the package holiday market tends to be adversely affected as the level of consumers' disposable income falls, but business travel continues as business executives try to maintain or increase their level of trade.

Connex Travel's income comes primarily from commission earned for marketing tour operators' travel packages. The commissions Connex Travel earns vary from product to product. For example, car hire might attract up to 25% commission, whereas Greyhound bus tickets generate only 10% commission to Connex Travel.

Whilst the list reflected in Table 4.2 indicates the main sources of commission for Connex Travel. These percentage earnings are a general phenomenon in South Africa. However, for Connex Travel they are supplemented by a number of secondary sources of income.

97

**TABLE 4.2: CONNEX TRAVEL INCOME EARNED FROM COMMISSION 1998:**

| CATEGORIES OF TRAVEL BUSINESS | PERCENTAGE OF EARNINGS |
|---|---|
| Inclusive tours | 10% |
| Air (Domestic Travel) | 7% |
| Air (International) | 9% |
| Coach | 10% |
| Car Hire | 10-25% |
| Hotels | 8-10% |
| Cruises | 10% |

Source: Connex Travel Guide 1998

These sources include the following:

(a)     Commission on ancillary services - insurance sales (20-40%).

(b)     Overriding commission - an incentive if Connex achieves sales target. This could amount to between 1-2% above the basic rate of commission.

(c)     Sales on own products - Connex Travel package and marketing of their own products, for example, mini-breaks.

(d)     Interest - when customers pay for their holidays Connex Travel do not pay the tour operator immediately. The money is paid into its bank account and that earns substantial amounts of money from interest.

As the future of South Africa is contained in one word, "Tourism", (as Chris du Toit, Executive Director of ASATA, puts it) (South Africa Focus, 1998), Connex is set to play a major role in the tourism activities, while staying in the business of travel, but becoming more customer-orientated.

## 4.4 CASE STUDY GROUP C: THOMPSON TOUR OPERATOR

After having considered the general nature of the tourism and hospitality industry as a whole, it is now necessary to use a specific tour operator to establish the stages in its development, management policies, operations, future strategies and applications. The tour operator is a person or company who purchases the different items that make up an inclusive holiday package, in full, combining them to produce package holidays and selling the final products to the public, either directly or through travel agencies (Yale, 1995).

### 4.4.1 History background

Thompsons Tours was established in 1978 as a branch in South Africa of a large European Tour and Travel Group, called Thompson International, who provide a comprehensive range of travel services to both the South African travelling market and visitors to this country. Thompson Tour offers holidays and touring programmes to global markets and is one of the largest operators in South Africa. They operate offices in Cape Town, Durban, Port Elizabeth and Johannesburg. Thompsons Tours South Africa is a member of the expansive · Thompsons Tours and Travel Group, which constitutes the leisure arm of the Johannesburg Stock Exchange quoted Cullinan Holdings Ltd. The tour component of the Thompsons

Tours and Travel is the largest and fastest growing operation in the Group, with a significant interest in travel retail and long haul travel. Significantly, for the past two years, Thompson Tour and Travel has been the recipient of the coveted Diners Club/Association of Southern African Travel Agents (ASATA) award for best African tour operator. Thompsons Tours is one of the largest tour operators in Africa with an extensive range of travel related services to offer to domestic and international travellers, and enjoys an enviable reputation within the hospitality and transport industries for reliability and consistency of high service levels.

### 4.4.2  Physical Amenities/Facilities

There are three complementary divisions within the Thompson South Africa portfolio contributing to its continuing success. The portfolio is:

(a) The Incentive and Conference Division - dedicated to creating and providing imaginative and innovative reward packages, ranging from exclusive arrangements for small regional groups to large-scale logistical campaigns on behalf of international clients. The division has the experience of handling groups of more than 1000 delegates at destinations as far afield as Victoria Falls, the Indian Ocean island of Mauritius, Cape Town, Sun City and Durban.

(b) The Full Inclusive Tour (FIT) and Group Division - located in Durban, handles all arrangements from tailor-made programmes for individuals or special interest groups. The multilingual reservations staff is well travelled in Southern Africa and provides a 24-hour emergency contact service to any passenger requiring assistance or advice during their stay in Southern Africa.

The division also boasts a computerised quotation and reservation system that facilitates a quick turnaround time to the clients.

(c)     The Touring Division - with offices around the country, has its own fleet of minibuses which offers guaranteed departure day and overland tours focused on the group's English, German, Dutch, Spanish and Japanese clients. The touring division also boasts full-time representatives at South Africa's major airports. These representatives speak a number of languages and offer a Meet-and-Greet service to all the company's passengers travelling through these airports (Thompson Tour Guide, 1998)

Thompson South Africa Tours and Travel is a major player in Southern Africa. Whether it is the out-of-Africa lure of Kenya, the Kruger National Park, Namibia or the Okavango Delta or the unique attractions of Sun City, Cape Town or Durban, one can rely on Thompsons Tours for an unmatched and all-embracing service. Thompsons Tours operate its own fleet of minibuses for airport to hotel transfers, full and half-day sightseeing tours and comfortable, modern touring vehicles for longer overland tours. It is one thing to have one's own fleet of minibuses but it is another to put together the right package to meet the needs of one's customers. Tours should be carefully chosen so that all customers on the tour derive the benefit that they set out to achieve; therefore, hotels, destinations and attractions should be carefully chosen to maximise sightseeing time.

### 4.4.3   Staff Complement

Thompsons Tours and Travel has a full-time staff complement of over 250 in the four

branches located in Cape Town, Port Elizabeth, Durban and Johannesburg. Thompsons Tours and Travel is a privately owned South African company and all the Directors work for the company on a full-time basis. Specialist staff offer a range of support services, including speaker selection, function theme creation, pre and post conference activities and tours. The experienced, enthusiastic and professional drivers and guides are committed to providing clients with the ultimate in first class touring of South Africa. All the tour guides and drivers are SATOUR-registered. Along with SATOUR registration and the concern for client safety, professional training are demanded for all tour guides who take clients on game drives.

### 4.4.4 Management policies and operations

For the past 20 years, Thompsons Tours have been organising holidays for travellers globally. They have extensive experience in the packaging of holidays such as self-drive packages and fly packages. This is supplemented by regular visits by senior staff to the various holiday destinations, ensuring that the holiday and touring programmes are of the highest quality and meet the SATOUR standards (SATOUR, 1996). Their reservation staff is kept up to date with the constant changes taking place at the destination and the industry as a whole. They insist on total knowledge of the product by all their employees and therefore every effort is made to describe hotels and locations as accurately as possible, so that they can provide the best possible product for their customers.

The tour operator's business philosophy is built on three major policies (Youell, 1998):

  (a)    that their staff must experience the product before they can provide it;

  (b)    that they always try to describe the products accurately - "we tell it like it is";

(c)     that once they have made a commitment, they do everything in their power to

make sure that they deliver the goods, no matter what. Their Slogan is: *Trust*

*Thompsons Tours!*

All reservations made with the tour operator are subject to the company's Standard Terms

and Conditions. Those rates are quoted in foreign currencies and the South African Rand.

Prices are only guaranteed when full payments are made. Deposits do not guarantee prices

quoted on reservation.

In order to understand the marketing strategy of a major operator, an example of how

Thompsons Tours promote their products and how they package them, is given below.

## UNBEATABLES!

This unforgettable break of 7 glorious nights can be yours from as little as

R735 per person sharing. Our car hire includes 250 kilometres per day, so you

can explore the many summer holiday splendours at your own pace.

Thompsons Tours are delighted to offer these hand-picked properties at prices

that won't break the bank! (Source: Thompson Tour Guide, 1998)

**(a)     Self-drive packages**

The self-drive packages are designed for tourists who want to drive their own cars or hire a

car to the specific destination included in the packages as shown in Table 4.3. The packages

do not include the cost of car hire or the cost of driving one's own car. The cost per package

shown is only for accommodation for seven nights.

## TABLE 4.3: SELF-DRIVE PACKAGE HOLIDAY

| Reference | Hotel | Location | From any centre in SA per person sharing |
|-----------|-------|----------|------------------------------------------|
| **DURBAN** | | | |
| C15S | Balmoral | Golden Mile | R735 |
| **CAPE TOWN** | | | |
| CO1S | Hiddingh Mews | Gardens | R856 |
| CO2 | Pier Palace | City Centre | R856 |
| CO3S | Capetonian | City Centre | R906 |
| CO4S | Victoria Junction | Fringe of V&A Waterfront | R906 |
| CO5S | Cullinan | Fringe of V&A Waterfront | R1075 |

This self-drive package includes: 7 nights room only accommodation at one of the above hotels and free Cadac cooler box (Source: Caras et al, 1993).

The package does not include meals and the cost of driving own or hired car to the specific destination. This package is suitable for people who want the freedom of including additional trips in their holiday and who want to go when and where they want to without worrying about being left behind.

## (b) Fly packages

The fly package is designed for tourists that are on limited budget or those who want to be in control of their meal times. The fly package is for a return economy ticket and room only at one of the hotels listed in the Table 4.4.

# TABLE 4.4: FLY PACKAGE HOLIDAY

| Ref CPT | Hotel | Location | From PPS | From JNB PPS | From DUR PPS |
|---------|-------|----------|----------|--------------|--------------|
| **DURBAN** | | | | | |
| D15F | Balmoral | Golden Mile | R1169 | N/A | R1497 |
| **CAPE TOWN** | | | | | |
| CO1F | Hiddingh Mews | Gardens | R1495 | R1617 | N/A |
| CO2F | Pier Palace | City Centre | R1617 | R1617 | N/A |
| CO3F | Cape Town | City Centre | R1617 | R1617 | N/A |
| CO4F | Victoria Junction | Fringe of V&A Waterfront | R1667 | R1667 | N/A |
| CO5F | Cullinan | Fringe of V&A Waterfront | R1836 | R1836 | N/A |

This Fly Package includes return economy ticket on SAA, 7 nights room only accommodation at one of the above hotels. This package is suitable for experienced tourists and for tourists travelling on limited budgets who would prefer to take care of their own meals at the destination. (Source: Caras et al, 1993).

## 4.4.5  Future strategies and applications

Realising the competitive nature of the tour operating industry and the dynamism of the tourism and hospitality operation as a whole, Thompsons Tours has put together strategies that are expected to see them through into the new millennium, for example, concentrating on package tours, opening branches in areas where they are not visible at present. With many countries coming out of the economic recession of the early 1990s, the prospects for tour operators are promising. The Internet is going to be a major vehicle for the tour operator promoting package holidays. With regular increases in the price of telecommunication, it is predicted that the Internet is going to be the tool for advertising and general communication with customers. The system is going to allow customers to search for holidays, book and

make payments. The tour operator will let tourists put together their own holiday packages, creating flexibility as a strategy away from inclusive tours, while moving towards more independent travel. The strategy will also cater for short holidays and breaks for both domestic and international tours.

Training and staff development, a major component of the strategy for the future, allows staff contributions to training needs assessment. A regular performance appraisal meeting will be conducted with the team leader. This will also involve the running of group discussions to encourage individuals to evaluate training needs and contribute to the planning of how these will be met.

## 4.5    CASE STUDY GROUP D - KWAZULU-NATAL TOURISM AUTHORITY

Tourism is one of KwaZulu-Natal's most important business sectors in the province. A research conducted by SATOUR shows the contribution of tourism to be in the region of R6 billion to the economy in 1996. This must be a reason for tourism to be taken seriously in this part of South Africa and in the entire country. The tourism sector as a whole, contributes in the order of 10 per cent to the Gross Domestic Product (GDP) of the province. When translated into a practical term, it means that tourism in the province is a major player in employment creation. The KwaZulu-Natal Tourism Authority (KZNTA) is the Provincial Government's strategic agency that promotes, develops and markets tourism in the province and at a global level. In the 1997/1998 financial year the Department of Economic Affairs and Tourism allocated a total of R9 million to the KZNTA but due to financial pressures,

KZNTA agreed to return R500, 000 to the Department in the course of the financial year. The case study seeks to look at the history background, management policies, operations, its future strategies and applications (KZNTA, 1998, 2000).

### 4.5.1 History background

The KwaZulu-Natal Tourism Authority was created in terms of the KwaZulu-Natal Tourism Act, No 11 of 1996. The Interim Constitution of South Africa devolved powers to the various provinces in order to foster tourism activities in terms of Schedule 6 of the Constitution. This Schedule made provision for the provinces to look after tourism in their respective regions. The South African Tourism Board (SATOUR), that was operating tourism offices in provinces, announced the closure of its provincial offices and all its assets, responsibilities and liabilities were handed over to the provinces. The KwaZulu-Natal Government responded through two cabinet resolutions. One created a Section 21 company which became the "Tourism KwaZulu-Natal", in order to provide a legal entity which would take over SATOUR's role. The aim of the Section 21 Company (Tourism KwaZulu-Natal) was to create a separate legal entity outside of the Government which would provide a way of taking over the role of SATOUR, and create a Regional Tourism Organisation to be the recipient of bed levy funds. A Section 21 Company was established in terms of Cabinet Resolution 394/95 (KZNTA, 2000).

The members of the Interim Provincial Tourism Steering Committee (IPTSC) were nominated as members of the Tourism KwaZulu-Natal Company. The Chairperson of the IPTSC, Mr Thabo Mpakanyane, the Vice-Chairperson, Mr Pat Goss, and Mr Ian Dixon were

107

appointed as Directors under the terms consistent with the Companies Act. All transactions, including banking lease agreements and staff appointments, were carried out through the Section 21 Company. The second resolution created the Interim Provincial Tourism Steering Committee (IPTSC). This Committee was established in terms of Cabinet Resolution 475/95. The role of the IPTSC is set out in the Cabinet Resolution which gave it the responsibility of finalising recommendations on a tourism policy and strategy (Tourism White Paper, 1996), recommending legislation and setting out proposals for a Provincial Tourism Authority.

The KwaZulu-Natal Tourism Authority was given the powers to:

(a)     Investigate and make recommendations to the Cabinet through the Minister on any matter relating directly or indirectly to the promotion, development or marketing of tourism for KwaZulu-Natal.

(b)     Initiate and implement media campaigns intended to promote, develop and market tourism for KwaZulu-Natal as a whole or specific areas or venues within KwaZulu-Natal.

(c)     Co-ordinate, advise and guide other bodies, organisations or institutions whose activities or aims could have an impact on the promotion, development or marketing of tourism in KwaZulu-Natal (KZNTA, 2000).

In terms of the Tourism Act (No 11 of 1996), the Tourism Authority carries out key strategic activities within four main operational areas: development, promotion, marketing and organisational/institutional issues. The following key strategies are proposed and are ranked in order of importance (KZNTA, 1998: 4):

(a)     Creating synergy with key role players.

(b)     Facilitating community-based tourism projects.

(c)     Integrating the generic marketing of the province as an investment, funding opportunity, business and holiday destination.

(d)     Gathering strategic tourism information and regularly up-dating of the tourism industry with such information.

(e)     Establishing regional tourism areas and committees.

(f)     Packaging investment opportunities in the Lubombo and Southern Spatial Development Initiatives (SDI's).

(g)     Developing new markets, both domestic and regional African markets in, amongst others, Scandinavia, South East Asia, USA, India, Australia, New Zealand, South America and Saudi Arabia.

(h)     Improving service excellence and creating a tourism culture.

These strategies have been modified from year to year depending on the policy focus, business plan and funding availability.


## 4.5.2   Staff complement

It is the intention of the tourism authority to be a lean organisation with a low staff component focused upon project delivery. The Authority acts as a catalyst in creating action. The Tourism Authority's policy, with which they hope to achieve success, is to provide others with the tools to do the job, rather than doing the job themselves. The organisational chart in Figure 4.6 shows the size of the KwaZulu-Natal Tourism Authority. The Chief Executive Officer is the overall head of the Authority. In the early 1990's the staff structure

was established to carry out the promotion and marketing of tourism in the province and the aim of the Authority remains the same. The new position of Market and Product Development Manager is intended to continue this task well into the new millennium and beyond. To support this aim, various advisory committees, research and information, communication, investment, development, administration and finance, and marketing divisions were formed to service the community. The role of the management committee is to be service-oriented and to develop and promote tourism in the province.


### 4.5.3 Management policies and operations

The National Government's White Paper on Tourism (1996), outlined its obligation to develop and promote the tourism industry. The Provincial Government has a very important role to play in the development and promotion of tourism in the KwaZulu-Natal region. The critical factor is to mobilise the private sector in partnership to achieve that task. The following functions of the Provincial Government are outlined (KZNTA, 1996):

 (a)  facilitation and implementation,

 (b)  co-ordination,

 (c)  planning and policy making,

 (d)  pegulation and monitoring, and

 (e)  development and promotion.


To carry out these roles effectively, the KwaZulu-Natal Tourism Authority has set out a Vision and Mission Statement. The provincial tourism policy sets out the following tourism vision for the province: a vision created by the combination of:

new millennium is to be more aware of the needs of the travellers and to design appropriate products to meet the requirements of the customer.

Tour operators need to work more closely with travel agents and hotel managers to put together package holidays that travellers require. It is unwise for tour operators to make baseless assumptions about the needs of the traveller. The different levels of commissions being paid to the travel agents for selling a travel product such as package holidays, airline tickets and hotel accommodation is creating a situation where the travel agent finds it difficult to offer the right product to the customer. The agent rather recommends packages that pay the highest commission. In the new millennium commission paid to travel agents for their services should be a standard fee and management should play a bigger role in deciding the rate of commission.

In the case of the KwaZulu-Natal Tourism Authority, they should be seen as the regulatory body for all tourism activities in the region. That means regulating travel agents and tour operators' activities so that the tourism and hospitality industries can have a standard operating procedure. Up and above the regulatory function, the KwaZulu-Natal Tourism Authority has the function of marketing, promoting and developing tourism in the province as well as in regions and local urban areas.

## 4.7 CONCLUSION

The case study approach used in this research has proven to be useful because it does not only show the way in which the hotel, the tour operator, the travel agent or the tourism

authority function in a practical way, but also illustrates how all of these organisations are setting plans for the future. In fact, it is almost impossible to identify the differences between a tour operator and a travel agent. In all four cases, there is clear evidence that the industry is in the process of setting in place strategies for the new millennium. Strategies ranging from price promotions to financial plans are being considered as major components of their corporate plans. The KwaZulu-Natal Tourism Authority is seen as a major role player in that partnership as well as being responsible for the development of infrastructure within the region.

# CHAPTER 5

## STUDY METHODOLOGY AND PROCEDURES

## 5.1    INTRODUCTION

Method and theory do not exist apart from each other but coexist with each other and form part of the same process (Shao, 1999). The process assists researchers to answer questions and resolve critical problems of a complex nature. The application of methodologies cannot be adequately undertaken without some reference both to the theories upon which those methodologies are based and to which it belongs. In management studies, research and theory have often seemed to be rather separate from one another (Burns, 1957). It has also been the case in the studies of managerial work where relatively few studies have successfully been related to empirical observation and explanatory theory. This chapter deals with critical considerations of the methodologies that have been used in the study of managerial work in the tourism and hospitality sector as it moves into the new millennium. It makes comparisons to methodologies used in managerial studies in general.

The process of 'scientific' research was viewed as bringing about a sequence of observation, classification, analysis and theory. However, it is also believed that this cycle could be looked at in different ways. The particular route that this researcher chose to take was inductive, quantitative and qualitative both in method and scope. This approach is expected

to influence the way in which the conclusions are formulated. Moser and Kalton (1971) describe three types of organisational research; exploratory research, descriptive research and hypothesis testing. The qualitative approach demanded that the research be descriptive in its depiction of managerial activities and functions, and exploratory in the understanding of why managers undertook similar or different work in broadly comparable situations, for example in the tourism and hospitality and in, say, retail outlets.

The first part of the chapter deals with framework of the research, and that leads to the design of the study describing the approach taken. The mid-section deals with the specific methodologies used on specific variables in the research, the size of the samples and the criteria used in collecting the samples. The last part deals with the tactics and the implementation of the methods, as well as the methods of data analysis.

## 5.2   METHODOLOGY FRAMEWORK

In developing the specific methodology, the researcher had to confront a number of scientific and philosophical questions other than those directly concerned with individual research techniques. Morgan (1983:19) notes that: "We are encouraged to see the research process as involving choice between modes of engagement entailing different relationships between theory and method, concept and object, and researcher and research, rather than simply a choice about method alone".

In particular, methodological questions arose from the 'scientific' nature of studies of managerial work, the relative value of quantitative and qualitative data, the size of samples and the perceptual nature of meanings.

As a result of this belief, the study adopted an inductive rather than deductive approach, accepting that the social sciences deal with variables rather than fixed phenomena, and with action within a working and changing context. Furthermore, it was felt that inductive methods were more appropriate at the theory building rather than the theory testing stage of its development and it was important that something was learned, rather than that something was proved. As such, the issues were more in need of description and exploration than measurement and hypothesis testing, and this supported the decision to adopt an essentially qualitative rather than quantitative approach to the study. The reason why the emphasis is on qualitative approach is because the actions and behaviours of managers are not quantifiable.

Overall, the approach adopted by this study is that, although qualitative data may not present the same opportunities for replication, it offers greater opportunity to develop areas in which there was a further need for explanation, rather than determination of 'truth'. A major part of this study adopted a qualitative method because smaller samples are used and the techniques applied are focus groups, observation and in-depth interviews. In terms of the quantitative methods, personal interviews, telephone interviews, non-participant observation and mail questionnaires techniques were used. The telephone is the quickest means, but proved to be expensive. On the other hand, the mailed questionnaires were the cheapest but the return rate was very poor for this study. The personal interview was the most effective for this study but was found to be time consuming.

## 5.3   STUDY DESIGN

The success or failure of any research inquiry depends mainly on the design of the study. It depends on the success level of the pilot study, the suitability and reliability of the research approach as well as other related research procedures. Consequently, the reliability and validity of the research analysis and emerging findings are important in making the results to be generally acceptable.

Before the main empirical research of the study was undertaken, preliminary discussions were held for the purposes of the pilot study. The procedure followed was in addition to assessing various forces within the current tourism and hospitality environment that affects the existing management practice. The pilot study was meant to test the reliability of the methodologies and to provide the researcher with a starting point and a direction in order to maintain consistence throughout the study. A detailed discussion of the pilot study is given later in this chapter.

It should be reiterated that the aim of this study is to analyse, in detail, the activities and the functions of managers in a given position within a single organisation. This whole process was further aimed at acquiring information through the survey method, as well as to assess the nature, degree of similarity or difference and determinants of the managers' work. In this situation, non-participant observation was the most preferred method of data collection, because it seemed to offer the best alternative, such as allowing for the simultaneous collection of qualitative and quantitative data. This data collection procedure would cause the least amount of disturbance to the work-flow of each of the thirteen managers researched in

the study area. However, it was recognised that the usage of this method alone would mean that the interpretation of events would lay only with the researcher, and it seemed desirable to allow the managers the opportunity to interpret and discuss immediate events and their context. This was done through the use of semi-structured interviews, which were designed to gather specific pieces of information, and unstructured interviewing during the course of the action and at the end of each working day, in order to ascertain the perspectives of the managers on events. The breakdown of the final sample included four (4) tour operators, five (5) travel agents, and two (2) provincial tourism authorities, who pronounced their policy and managerial responsibilities. These various tourism stakeholders collectively offered a form of triangulation on the subject.

The structured non-participant observation offered severe limitations as participant observation may limit the objectiveness of the observer by being 'too close' to the subject. It restricts the researcher to a single situation and is very difficult to conduct in managerial situations unless the researcher is employed by the organisation before starting the research. Questionnaires and interviewing, while allowing for an extensive sample, seemed unlikely, on their own, to provide sufficient detail to describe what was likely to be a highly uncontrolled and complex activity. In support of this, past studies of hotel managers, using this method, had produced only limited results (Arnaldo, 1981; Shortt, 1989).

The decision to adopt a structured approach stemmed from a desire to collect some information systematically, in order to be able to have a basis of comparison with some previous studies, and to ease the process of observation and data collection. Patton (1980:137) suggests that:

it is not possible to observe everything.... For both the human observer and

the camera there must be focus... Once in the field, however, the observer

must somehow organise the complex reality represented by the program so

that observing that reality becomes manageable.

It was not believed that using a structured approach necessarily precluded induction, for as

Mintzberg (1973) indicates, it is possible to be inductive in adapting an initial structured

observation sheet to the immediate needs of the researcher. On the whole, it was felt that the

structured non-participant observation process as a means of studying managerial work,

offered significant advantages over other methods. This was especially so in terms of being

able to gather 'rich' data, to collect quantitative and qualitative data simultaneously and to

note data systematically, with non-interference in the work flow of managers.

### 5.3.1   Non-participant observation

Non-participant observation simply means that the researchers actually watch the behaviour

as it occurs and reports what they see without actual involvement (Shao, 1999). Some of the

data were collected from the Beverly Hills Inter-Continental Hotel, with the researcher posing

as a guest in the hotel, in order to observe how managers carried out their duties. The

researcher observed particular behaviours, showing how well the managers relate to staff and

customers, how much time they spend on the telephone and how quickly they respond to

customers' queries.

Non-participant observation was used for the collection of quantitative as well as qualitative

data. Most studies of managerial work, such as tourism and hospitality management, have

had an element of quantitative data within them and this has proved an effective manner in which to compare time utilisation and patterns of interaction. The present study can be regarded or assumed to be the first non-participant observation study to report on managerial activity in four hotels in the study area (Holiday Inn, Beverly Hills, Karos Hotel and Royal Hotel). as well as four tour operators (Thompsons Tours, Creative Tours, Wilderness Safaris and Wings Holiday), five travel agents (Connex Travel, American Express, Harvey World, Delta International and Pentravel) and two tourism authorities (KwaZulu-Natal Tourism Authority and Mpumalanga Tourism Authority). It was thought necessary to collect a certain amount of empirical data. However, except in terms of simple time or interaction patterns, it was found difficult to describe the nature of managerial work in quantitative terms only. As such, a more detailed description inevitably depended upon the gathering of more qualitative data. Therefore, there was clearly a need for the use of other methods, such as personal interviews, to help in counteracting the weaknesses of non-participant observation, and to give a different view of the phenomena. This resulted in the application of mixed methodologies. The mixed methodologies approach allows the researcher to use both qualitative and quantitative methods at the same time, in any one interview or observation, to enable the collection of information that could not be obtained by interview or observation only.

### 5.3.2 Structured Interview Observations

Non-participant observation is supplemented with a number of structured and semi-structured interviews focused on collecting well defined information about the participants. Also, informal discussions were held between the researcher and the managers of Connex Travel and Pentravel during the course of events and at the end of each working day. These were

used to obtain the actors' perspectives on the events of that day, and to add anecdotes and insight to the data collected. The manager at the Beverly Hills Hotel placed a number of constraints upon the study. These related to the period of observation, and to desire to observe one front office manager, one bar manager, and one general manager. The choice of participating properly was also limited in the case of the less busy hotel. The public relations manager of the Sun Inter-continental Group, who deals with all matters relating to public contacts with the organisation, limited the period of observation to one working week and the size of the sample to three managers. These were selected by the personnel director and managing director. Although it would have been desirable to obtain a random sample of managers, the problems of access would not allow it.

**TABLE 5.1: FIVE FOCUS GROUP IN THE STUDY**

| HOTEL | TOUR OPERATOR | TRAVEL AGENT | TOURISM AUTHORITY | CUSTOMER |
|---|---|---|---|---|
| Holiday Inn | Thompsons Tours | Connex Travel | KwaZulu-Natal Tourism Authority | 130 Managers, Age 25-60, Male 75, Female 25 |
| Beverly Hills | Creative Tours | American Express | Mpumalanga Tourism Authority | 50 Students, Age 18-25, Male 20, Female 30 |
| Karos Hotel | Wilderness Safaris | Harvey World | — | 28 Skilled Workers, Age 36-55, Male 13, Female 15 |
| Royal Hotel | Wings Holiday | Delta International | — | 22 Unemployed Workers, Age 18-55, Male 15, Female 7 |
| — | — | Pentravel | — | 20 Semi-skilled Workers, Age 25-50, Male 9, Female 11 |

The final study design then involved the items listed below in each of the focus groups as shown in the Table 5.1. Each of these focus groups is described below the table and emphasis is placed on one sample from each focus group:

The Hotel:

    (a)     Beverly Hills Hotel - a five star hotel of international standard with modern facilities,

    (b)     one hotel general manager, Mr Ron Klambt, one front office manager, and one bar manager. Due to access problems, it was only possible to interview one from each department,

    (c)     each of the 3 managers had been in position for at least six months,

    (d)     the hotel is in the Umhlanga Rocks area.


The Travel Agent and Tour Operator:

    (a)     Connex Travel established in 1970,

    (b)     operating in Johannesburg, Cape Town, Pretoria and Durban,

    (c)     have an office in London and trading as SAR Travel,

    (d)     the manager of the Durban branch, Mr Arthur Wilmore, has been in the position for five years,

    (e)     the branch in the study is located in Durban,

    (f)     has a well-defined policy and strategy.


The Tourism Authority:

    (a)     limited to KwaZulu-Natal and Mpumalanga Provinces,

    (b)     the two authorities' focus and mission relate to tourism development promotion,

    (c)     the managers, Mr James Seymour and John Davies, have been in the positions for at least one year,

(d)     the two managers have policy making and research responsibilities and are also communication strategists.

The Customer:

(a)     demography – age: 18 – 60 and male 100 and female 150,

(b)     qualifications: – at least graduate with a diploma,

(c)     must have a general understanding of tourism,

(d)     must have travelled as a tourist in the last two years,

(e)     from the following sample: 50 students, 22 unemployed, 28 skilled, 30 semi-skilled, 20 unskilled, 35 middle managers, 25 senior managers and 40 managing directors.

These customers as well as focus groups mentioned above were interviewed in Durban, Pietermaritzburg, and Richards Bay-Empangeni centres as shown in Figure 1.2 earlier. A tabulation of the focus group provides quick cross-reference and supports the validity of the sample frame that has been used in the study. It also provides the method used in the selection of the group in terms of geographic location and demographic characteristics.

## 5.4    INSTRUMENTATION

The researcher needs to understand how the cultural values of a society affect the instrumentation of the study. Even from an organisational viewpoint, there are quite a number of differences between the various groups, such as organisation culture, managerial style, boardroom politics and the size of the organisation. The reality is that the instrument a

researcher uses in one country may not be applicable in another country, because of cultural taboos and different levels of abstraction. As this study has an international dimension, the instrumentation that have been used is similar to that used in similar studies in the United Kingdom. The instrument was easily adaptable to the local samples: four hotels, four tour operators, five travel agents, the two tourism authorities (KwaZulu-Natal and Mpumalanga Tourism Authorities) and 250 customers.

The one major problem that was envisaged, was the language: mistakes can result, even in the situation where one can assume literal equivalence. One classic example is a US airline's advertisement of its Boeing 747 'rendezvous lounge' that translated into Portuguese as the 'prostitution chamber' (Ricks, *et al*, 1974).

This section focuses on the various instruments adopted in obtaining data for the study. Firstly, details relating to the focus group discussions and field interviews conducted in a cross section of two hotels in Durban, the Royal Hotel and the Holiday Inn, the Karos Hotel in Richards Bay, and the Sandton Park Hotel in Johannesburg, are presented. Secondly, the procedure and method concerning the pilot study, is also presented.

The following instruments are used in the study:

(a) Focus groups - participants including four hotel general managers from Beverly Hills, Holiday Inn, Royal Hotel and Karos Hotel, four tour operators (Thompsons Tours, Creative Tours, Wilderness Safaris and Wings Holiday), five travel agents (Connex Travel, American Express, Harvey World, Delta International and Pentravel). Five customer groups: managers, students,

unemployed, skilled and semi-skilled workers, and two tourism managers from the KwaZulu-Natal and Mpumalanga Tourism Authorities with about two years experience in their relative positions, with similar characteristics and interests in the subject.

(b)    Field interviews - in-depth interviews, unstructured, one-on-one conversations between the researcher and managers from the same group as in (a) above were conducted. The participants were interviewed on different days in their offices and the customers were interviewed over 15 days.

(c)    Questionnaire - structured and pre-tested questionnaires in the Empangeni and Richards Bay area, involving two Karos hotel managers and two tour operators, American Express and Harvey World Travel. The views expressed by managers in Richards Bay and Empangeni at the pre-testing stage, in terms of management strategies and future plans for the new millennium, were similar to those expressed by managers in the rest of KwaZulu-Natal and Mpumalanga. Only minor adjustments had to be made to the questionnaire for the full-scale interview. The questionnaire addressed various management issues for the present and for the new millennium.

(d)    Case studies - this enabled the researcher to obtain background information regarding operations, management, and future strategies regarding development, planning and the promotion of the tourism product. The case study involved the Beverly Hills Hotel, Connex Travel, Thompsons Tours and the KwaZulu-Natal Tourism Authority.

To ensure that the application of the questionnaire survey to respondents was not repeated, the subjects were asked to indicate if they were interviewed before. Noncompliance was not a problem and there were no refusals to participate. Most of the customers who responded were interviewed on site. Most of the respondents and customers were given questionnaires and requested to fill them in on site, preferably in the presence of the researcher. Answering the questionnaire took no longer than 30 minutes. As mentioned earlier the questionnaires mainly contained close-ended questions [refer to Appendix – B].

### 5.4.1 Pilot Study

Before embarking on the main research, it was necessary for the researcher to conduct a pilot study. The pilot study is a small scale trial before the main investigation, intended to assess the adequacy of the research design and of the instruments to be used for data collection given in section 5.4 above. Piloting the data collection instruments is essential, irrespective of whether personal interviews or questionnaires are used. The samples in the pilot study, which involved the two managers in the Karos hotel, one tour operator from American Express, one travel agent from Harvey World and twenty customers, were drawn from Empangeni and the Richards Bay area. At that stage, the tourism authority was excluded due to lack of access. The construction of the pilot sample was problematic in attempting to make it as representative as possible. Considering the size of the pilot samples, this may not reflect the main samples. The researcher constructed a purposive sample for the pilot study, so that the full range of the four hotels, four tour operators, five travel agents, two tourism authorities and two hundred and fifty customers were covered in terms of the expected range of the study, in advance.

About seven visits were made before the actual selection was made and the actual interview was conducted over two days. The first two visits were to provide a brief, to explain the nature of the study and to establish the willingness of the pilot managers to take part in the study. Methodologically, the work at the pilot hotel, the tour operator, the travel agent and the customer group provided information about relevant field questions and about the logistics of the observation study. One important logistical question was whether to observe only a section of the hotel, or the entire functioned and main organisational issues. The choice raised a further question about the manpower available. With financial limitations, it was necessary to reduce the time and scope to only relevant issues and main management functions. In the end, a satisfactory procedure was developed for the formal data collection plan.

The analysis and findings of the pilot study revealed the following information about the study groups:

(a)     The hotel managers - they are mainly male and have tertiary qualifications but not a degree. Their knowledge of the industry is acquired through experience rather than formal training. Their concept of planning and product development is a more practical and hands-on approach.

(b)     Travel agents - they are between the ages of 18-35 years and mainly white females with no tertiary education. They are more focused on short and medium term plan activities.

(c)     Tour operators - the managers are between the age range of 25-49 years, with advanced tertiary education and extensive knowledge and experience in the tourism industry.

(d)     Tourism customers - twenty customers were piloted and this sample consisted

of four managers, four students, four unemployed, four semi-skilled and four

skilled people. A stratified sampling method was used here to provide a more

manageable group and to give an accurate reflection of the actual sample for

the main study. Tourism customers were more concerned that the nature of the

products, which are package holidays, do not always reflect the details when

customers arrive at the destination. There is a serious lack of customer care

and travel agents misrepresent the product.

The findings emerging from the pilot study were used in adjusting and modifying the main

questionnaire. This process contributed to the clarity and reliability of the measuring

instrument.


### 5.4.2    Data Collection Procedure

The data collection procedure utilised in the current research study is discussed in greater

detail in this section. The study used a number of procedures to obtain its data. These

include: (a) the observation method; (b) the mail record; and (c) personal goal interview, as

discussed below.


### (a)     Observation Methods

The design of the structured observation recording system used in this study was based on the

Moutinho and Gardner (1984) model. A major consideration was whether to use the same

system as some earlier studies, notably that of Nailon (1968) or Mintzberg (1973), or design a

new system. The first alternative would permit a direct comparison with the results of a

limited number of previous studies, while the latter would allow for refinements indicated by

subsequent research and comments. It was decided to adopt the broad design of Moutinho and Gardner (1984) and adapt this inductively to the observation of the hotel managers, and detailed notes were taken during the period of observation. This allowed some comparison with other studies while overcoming some of their failings and allowed for the development of a recording document appropriate to the research. A major strength of the Moutinho and Gardner (1984) document is its ability to simultaneously rotate the activities of managers and make a narrative description of events. Also, it used one form, compared to the three of Mintzberg (1973).

No actual form was designed for the observation. Notes were taken during the observation whenever possible or immediately afterwards and they form an accumulated record of the researcher's observation. The observation process was carried out as indicated in Table 5.2. It should be noted that it was obviously impossible to record everything that happened in a particular event. It was necessary to discriminate between certain information and behaviours and it allowed the researcher to stay close to the question of the research.

At the start of the research, it was necessary to allow for a wider focus and general outline of what is happening, while recording as much information as possible. It was at this stage that the researcher found some behaviour difficult to understand, but it was nevertheless necessary to keep a record of it. As the observation progressed, some of the odd or difficult behaviour became understandable and useful. It was very important to record both verbal and non-verbal communication.

**TABLE 5.2: BREAKDOWN OF SAMPLE SIZE**

| NUMBER OF DAYS | TIME | DURATION | SAMPLE SIZE |
|---|---|---|---|
| 2 | 09h30 | 3 hours | 4 tour operators |
| 2 | 10h00 | 4 hours | 5 travel agents |
| 1 | 11h30 | 2 hours | 4 hotels |
| 2 | 13.30 | 2 hours | 2 tourism authority |
| 15 | 14.00 | 10 hours | 250 customers |

It was also important to take note of the physical, social and temporal context in which the behaviour occurred. The more detail collected on particular behaviours, the narrower the range of events which can be recorded. As Hammersly and Atkinson (1983) note, there is an inevitable trade-off here between detail and scope. Generally the more detailed the description, the more likely it is to be accurate, and less likely to be subject to distortion.

**(b)     The Mail Record**

The mail record is the procedure the manager follows in going through mail received, from the point at which the mail is opened and read to the records that are taken about the mail. This was done over two days at the same time as the observation. The manager at the Beverly Hills receives customer enquires regarding conference booking for five days: he records the details in his diary and passes on the booking enquiry to reservations in order for it to be dealt with. The mail record followed that used by Mintzberg (1973). However, substantial difficulties were found in noting this information in a non-obtrusive manner. In order for a detailed notation to be made of the content of the mail, it would have been necessary for the manager to talk about each document he received and what he did with it. This would have been highly intrusive. So, the stance taken for this research was to ask the manager about

133

documents that he felt were important and what he was going to do with them. These produced somewhat limited results and so relatively little account is taken of the mail record in the analysis of results.

The manager and the researcher could not communicate during the time the mail was being opened, so it was purely a matter of observing what the manager was doing with the documents. This was especially so in one case where the request was from a regular guest that normally booked in for one week at a time, and has a large account. Trying to fit the guest into the appropriate room when the hotel was at full occupancy, required maximum concentration by the manager in attempting not to disappoint that guest. Communication only started when the task ended and the manager could not remember what was going on during the time of going through the mail, which gave very little significance to the mail record procedure.

## (c)    Personal Goal Interview

This was a semi-structured interview procedure, which aimed at getting the manager to discuss at some length the results he hoped to achieve, and what he believed was expected of him by the company. The interview was conducted with no structured questionnaires, no prescribed format and the interview was limited to three hours. The aim of the personal goal interview was to allow the four hotel managers, the five travel agents, four tour operators and two tourism authority managers to talk about their 'aims and ends' in the jobs. Managers were asked to talk about what specific objectives they wish to achieve in the new millennium.

The interview was conducted on the first morning of the observation period and this information was supplemented by comments that emerged during the week of observation. The emphasis at the beginning of the interview was on what the managers perceived as being the aims of their companies with regard to their units; secondly, what they hoped to achieve personally and thirdly, how the managers perceived the options with regard to time usage. It was hoped that this would help to frame the work of managers within their overall goals and link it to the concept of 'agendas' developed by Kotter (1982). The general manager at the Beverly Hills Hotel outlined his personal goals, the hotel goals and the corporate goals and demonstrated how all these goals were interrelated, and argued that it is not possible to achieve one without achieving the others. The travel agents, tour operators and the tourism authority managers were all goal-oriented but could not separate personal goals and organisational goals.

### 5.4.3   Questionnaire Format

Interview and questionnaire studies have continued to be used as a method for studying managerial work throughout each decade, from the 1950's onwards, thus reflecting the popularity of this method throughout the social sciences. Most of the studies cited in the section on data collection procedure use a mailed questionnaire survey rather than an interview (Hemphill, 1959; Mahoney *et al*, 1963; Inkson *et al*, 1970). Only Campbell and Stanley (1966) have used face-to-face interviews. Either method has the primary advantage over observation studies of being able to conduct extensive rather than intensive surveys. A questionnaire is useful in studies that cover large numbers of managers without using equivalent amounts of research time. The use of questionnaires in this study with the 250 tourism customers was very helpful, as that is the largest sample in the study. In the case of

135

the four hotel managers, five travel agents, four tour operators and two tourism authority managers, questionnaires were not critical, but were used, even though observation would have been enough.

The questionnaire does give the researcher relatively easy access to the managers. The hotel managers were not prepared to sit down and be interviewed so they were happy to fill in questionnaires. Hotel managers considered questionnaires less of 'a nuisance' than observation studies. James Seymour, the Market and Product Development Manager from the KwaZulu-Natal Tourism Authority, was happy either with a questionnaire or observation, compared to John Davies of the Mpumalanga Tourism Authority, who was not happy with any form of interview but eventually agreed to a telephone interview.

From the researcher's point of view, questionnaires are also easy to replicate, deceptively easy to interpret, and allow for the simultaneous collection of quantitative and qualitative data. The questionnaire is, to a lesser extent, an interview method that allows the researcher to collect large quantities of data in a form that has been shown to be resistant to observation. Hemphill (1959) used extensive questionnaires as a method by which to establish the functions of managers, a topic that had proved difficult to study using observation methods. The complex nature of the study and the nature of competition in the tourism and hospitality industry, make it difficult to obtain information regarding future strategies or regarding the nature of the product of hotels, tour operators and travel agents, from direct observation and personal interviews. Managers are prepared to complete a questionnaire without providing demographic characteristics so they cannot be directly quoted.

The great drawback that the researcher had with the collecting the data questionnaires and interviews for the study of tourism and hospitality management is that managers have consistently shown themselves to be bad judges of how they spend their time or the functions they undertake. This is very obvious in the tourism and hospitality industry as shown by the Beverly Hills manager, who, especially, spend most of his time with the guests. Horne and Lupton (1965) and Mintzberg (1973) suggest that this is because managers generally do not think analytically about their work and so, when asked to judge how they spend their time, they produce results which are substantially at variance with those indicated in the observation studies. Coupled with this, are considerable linguistic problems associated with the construction of the study questionnaires, which are likely to lead to inconsistency in interpretation and subsequently in results (Stewart, 1979). In particular, questionnaires need to develop performed categories for recording data, and the field of management work has yet to develop generally agreed categories for classifying that work. Like questionnaires, interview studies also depend on the tourism and hospitality manager to interpret managerial actions.

The relatively structured approach of using questionnaires and interviews on their own does not seem the most appropriate approach in studying the nature of managerial activities in the tourism and hospitality industry, especially with hotel managers who are constantly faced with guests from different economic, social and cultural backgrounds.

The mixed methodology approach, used in this study (i.e. interviews, questionnaires and observation), tended to complement each other. It would seem that the use of questionnaires alone is not appropriate where the task to be studied is highly complex, as is the case of

tourism and hospitality management. Knowledge of the process does not really lie in the conscious domain, where the language available for use is imprecise or open to a number of interpretations or where established categories for the recording of data are absent. Generally, as Sayles (1964) points out, questionnaires are more likely to inform perceptions and values with regard to the managerial activities in the tourism and hospitality industry, than are action and behaviour. The self-administered interviews that were used in this study with three tour operators, three travel agents and five managers in the tourism customer group, did not allow the researcher to observe the activities of all the managers. Nevertheless, it allowed a comparison of data collected from the observation method to see how reliable the various instruments were in the study. This is because managers administering the questionnaires themselves, will not be sincere in some of the responses and may ignore questions that seem to undermine their ability to manage.

## 5.5 FIELDWORK PROCEDURES

The fieldwork procedures are vital for the success of the interviews, the observations, administering the questionnaires and the use of the case studies. Planning schedules and gaining access to the appropriate people and to relevant sources of information, were most important to the management of the research. There was an important consideration given to whether to use human or mechanical observations. Various mechanical and electronic devices offer alternatives to a human observer watching an event. The advantage of mechanical observation is that it can be more objective because what actually happens is recorded, compared to the subjectivity of human observation which can introduce some bias.

A video recorder would have been the most appropriate mechanical device that would have been used in the study of tourism and hospitality management because it would add picture and sound to the entire process. However, the objectivity of a mechanical approach, as well as human observation, is lost if subjects are aware of the observation and modify their behaviour. In practice, the researcher may be unable to even approach the ideal of effective data collection through observation. The fact that the researcher does not have to gain respondents' co-operation poses an ethical problem, as exemplified by Crawford (1970). Crawford discusses the use of one-way mirrors (unknown to those being observed) in ladies' changing rooms in American department stores to observe how bras were put on and taken off. This was, of course, a totally unethical research approach, but it then poses the question of where the line should be drawn regarding what to be observed. It also raises the ethical issue of whether respondents' co-operation should first be gained. In the case of this study, it was not possible to use mechanical devices. The problem was how to install a video camera without the manager finding out. The researcher eventually settled for personal interviews and observations.

The question is this: would it have been professional to observe managers at work unknown to them? If they discover that they were being observed without their knowledge, what would have been their reaction to the entire process and the study as a whole?

The researcher had to settle for the paper and pencil method because an electronic recording is not cheap and permission to record was not granted. Observation is limited to afternoons in the case of the hotels, when it is less busy, and Wednesdays was found to be suitable for the manager. The research assistants were not flexible to working odd hours. The entire

programme of interviews and observations was scheduled around the hotel managers' time. Any sudden change in the hotel managers' schedules had to be accommodated. It is very difficult to keep to structured procedures because on many days the researcher's plan will alter depending on the needs of the hotel guests.

It was a similar situation with the tour operators, where customer complaints had to be seen to immediately and that meant that the interview sometimes came to an end for a while. Nevertheless, this is all part of the research findings (how the tourism and hospitality manager deals with customer complaints) and it did not create major problems to the field procedures.

## 5.6    THE CASE STUDIES

The case study method has already been discussed in an earlier section as one of the methodologies for this study, which is designed to study managerial activities in specifically the Beverly Hills Inter-continental Hotel, Connex Travel, Thompson Tours and the KwaZulu-Natal Tourism Authority. The above tourism organisations were selected because of their size, knowledge of the industry, international structure, and because their operations exist in two or more of the nine provinces in South Africa.

Management researchers are now turning to case studies as an instrument for conducting research (Hamel, 1992). The case studies that are used in this research came about as a result of six interviews and six observations conducted during the past two years with managers from hotels, travel agents, tour operators, and tourism authorities. The case studies were later narrowed down to specifically the Beverly Hills Hotel, Thompsons Tours, Connex Travel and

the KwaZulu-Natal Tourism Authority. These managers were asked to discuss the following situation with the researcher: (a) historical background of their organisation, (b) staff complement, (c) management policies and operations, and (d) future strategies and applications.

Furthermore, the manager of the Beverly Hills Hotel was asked to describe his current work situation and responsibilities. The work was looked at in terms of his knowledge of the organisational structure, job descriptions and the nature of his work, as well as communication between departments. Also considered were the applications of the various management strategies, for example, the marketing concept, the planning process and future plans in relation to his work.

The manager from Connex Travel was asked to discuss and expand on his relationship with tour operators and to say whether there were plans in the new millennium to diversify into tour operating as an expansion strategy. This question seemed to be a sensitive subject and the manager did not give a straightforward answer. The tour operator was not willing to discuss any sensitive issues. The discussion was based on issues relating to the historical background, staff complement and management policies of the company. The researcher was left to make assumptions about the future strategies and the applications thereof. Based on these interviews, the four cases included in chapter four were created. The KwaZulu-Natal Tourism Authority manager was very generous with information. Mr James Seymour was willing to discuss absolutely every element of the organisation. The researcher was even granted access to documents that were in their draft stage.

As research design is meant to show a logical set of statements, one can also judge the quality of any given design according to certain logical tests. Concepts that have been offered for these tests include trustworthiness, credibility, confirmability, and data dependability (Morgan, 1983). The question of trustworthiness between the researcher and the hotel, travel agent and tour operator limited the amount of data that was made available for this study. It was also the case of whether the researcher believed in the credibility of the data that was provided by hotels, tour operators and travel agents.

There are four tests that have been used by many social science researchers to establish the quality of any empirical social research (Nailon, 1968; Morgan 1983; Mullins, 1995; Shott 1998). Case studies happen to be one form of such empirical research; therefore, the four tests are also relevant to case study research. Table 5.3 below illustrates the four tests. This table also assisted the researcher in testing the validity and reliability of the data provided by tourism managers, used as case study.

## TABLE 5.3: CASE STUDY TACTICS FOR FOUR DESIGN TESTS

| TESTS | CASE STUDY TACTIC | PHASE OF RESEARCH IN WHICH TACTIC OCCURS |
|---|---|---|
| Construct Validity | • Use multiple sources evidence<br>• Establish chain of evidence<br>• Have key informant review<br>• Draft case study report. | data collection<br>data collection<br>composition<br>composition |
| Internal validity | • Do pattern-matching<br>• Do explanation-building<br>• Do time-series analysis | data analysis<br>data analysis<br>data analysis |
| External validity | • Use replication logic in Multiple-case studies | research design |
| Reliability | • Use case study protocol<br>• Develop case study data base | data collection<br>data collection |

Source: Morgan (1983) and Mullins (1995).

The four tests in Table 5.3; construct validity, internal validity, external validity and reliability are commonly used in all social science research methods and are also applicable to the study of tourism and hospitality management as it moves into the new millennium. The *construct validity* assisted the researcher in establishing the validity and reliability of the data provided by the Beverly Hills Hotel manager by using other sources such as the hotel brochures and by interviewing other managers and employees at the same hotel. The *internal validity* enabled the researcher to establish a causal relationship, explaining the actions of the Beverly Hills Hotel manager: for example it explained why some guests were given discounts on their room rates. The *external validity* established the domain in which the study of tourism and hospitality findings can be generalised. *Reliability* demonstrated that the operations of a study of tourism and hospitality, relating to the data collection procedures, can be repeated with the same results in further research into tourism and hospitality (Morgan, 1983; Mullins 1995; Shortt, 1998).

The case studies have been selected as a methodology because they represent the typical problems or situations managers will face in their work. Understanding and analysing the hotel manager, the tour operator, the travel agent, and the tourism authority manager, it is believed that these factors will contribute to the preparation of the manager for the new millennium. In the case of the tourism customers, they will understand the nature of the product better. Although at first glance these cases might appear to be relatively simple, an in-depth examination of the situation where the travel agent would rather market package holidays that provided higher commission than market tickets only with lower commission, is possible. The action of the travel agent reveals the complexities inherent in small, contained

events, and it allows the manager to better understand the subtleties of human interaction often overlooked in lengthy case studies.

The case studies were carefully developed and adapted to reflect a variety of managerial issues, such as decision making, communication, planning, performance appraisal, organisational design and cultural differences. The researcher has concealed some of the identities of the organisations used in the cases studies in an attempt to maintain confidentiality that was agreed upon before the interviews took place.

## 5.7    THE ANALYSIS OF DATA

In terms of data analysis the intention was that the study should be inductive, so that conclusions were drawn from the data both during its collection and its analysis. In this regard Bryman (1988: 68) has noted that:

> In line with their preference for a research strategy which does not impose a potentially alien framework on their subjects, qualitative researchers frequently reject the formation of theories and concepts in advance of beginning their field work. By and large, qualitative researchers favour an approach in which the formulation and testing of theories and concept proceeds in tandem with data collection.

As such the study of tourism and hospitality management as it moves into the new millennium, did not begin from the establishment of fixed hypotheses that were subsequently tested but began with three open fields of inquiry:

(a)     What was the nature of managerial work in hotels, tour operators, travel agents and tourism authorities?

(b)     In a given situation were they fundamentally similar or different?

(c)     What determined the nature of this work?

The approach of the study and its size restricted the use of inferential statistics in the analysis of the data. For this reason, the intention was to use analytic generalisation rather than statistical generalisation in its analysis. As Yin and More (1984) point out, survey research depends on statistical generalisation for its analysis, whereas case study type approaches depend on analytic generalisation. One is not necessarily better, nor more "scientific' than the other. Similarly, this research followed the work of Bresnen, (1990:109) who argues that:

> I was relying upon the ability to make analytical generalisations, the intention, then, was to select a sufficient number of cases [in this case, five] such that sufficient numbers were available for making useful comparisons contrasts, and drawing analytical inferences.

In this research, the process involved the collection and sifting of qualitative data, the aggregation and collection of quantitative data and formulation of concepts with appropriate categories and descriptors using optical scanning. In the main observation period, the structured recording system allowed for the collection and subsequent analysis of the quantitative data by statistical methods, while the qualitative data and verbal description of events gathered on the same page, had to be sifted and then applied to the relevant areas of analysis. This was a time consuming process.

145

The data analysis was carried out in four interrelating phases:

(a) *The analysis of work activities and functions* – this aimed at identifying from the data, broad patterns in the work of the hotel manager, tour operator, travel agent and the tourism authority managers. This section utilised both qualitative and quantitative data from the observation system. Statistical analysis was applied in order to understand the work patterns of all the tourism managers.

(b) *The analysis of similarities and differences* - this aimed at describing, rather than quantifying, the similarities and differences among the patterns of managerial work of the tourism managers as analysed in the description of their activities and functions. The data used were collected from the observation system together with that from the personal interviews and mail questionnaires thus providing a perfect relationship analysis technique.

(c) *The analysis of the work environment* - with the use of statistical analysis, it is easy to show the patterns of tourism managerial work within the context in which the work has occurred. As Bryman (1988: 63) suggests, "qualitative researchers invariably seek to go beyond pure description and provide analysis of the environments they examine". The question of whether tourism managers' work environment affected their performance, is raised. However, this has not generally been the case with those operating within the field of studies of tourism managerial work where there have been few attempts to link the work of the tourism manager, for example in hotels, to the context in which it occurred. The data collected from the personal details questionnaire, the personal interview, as well as the qualitative data from the observation system,

146

is utilised to understand the nature of managerial work in the tourism and hospitality industry in the new millennium.

(d) *Formulation of appropriate descriptors and concepts* - As Glazer and Strauss (1967) notes, the intention of the qualitative researcher is to allow the categorisation process to develop from and during the research, and then to be refined to higher levels of abstraction at a later time. The study of tourism and hospitality as it moves into the new millennium aimed at the development of descriptors to describe the work of hotel managers, tour operators, travel agents and tourism authorities. Secondly, it aimed at establishing a broad based conceptual development of the determinants of tourism managerial work.

## 5.8    CONCLUSION

This chapter has concentrated on the methodology used for the study of tourism and hospitality management as it moves into the new millennium, exploring different researchers' views and their methodologies and looking at the most appropriate methods for different situations in the research. The extent of knowledge regarding the work of tourism managers, and in particular that of hotel managers, tour operators, travel agents and tourism authorities was such that there was a greater need for description and exploration of the phenomena than there was for the testing of specific hypotheses. The process of exploration and the description of tourism managerial work, lent itself to the use of inductive and observational approaches, with an emphasis on the collection of qualitative data. This approach also allowed for the use of a pilot study in which the number of variables affecting the participants was reduced so that the study involved a small sample of tourism and hospitality managers

from the Karos Hotel, Harvey World, American Express Travel and some tourism customers. This helped to overcome the problem of inconsistency in methodology that was seen as a weakness of earlier studies.

Gaining access was problematical and time consuming. The hotels and the tour operators and travel agents were approached at a high level for permission to interview their managers. This had the advantage of ensuring access lower down the hierarchy, but was disadvantageous in that the researcher was more likely to be perceived both as a 'nuisance' and as an agent of management. Once access had been gained, it was followed by a preliminary visit to each of the tourism organisations. The purpose of this visit was to establish some rapport with each manager, to explain the process of the research and to reassure them regarding the confidentiality of the findings.

In the process of observation, the study had to make choices between the positivist and interpretative paradigms, and this linked directly to whether the primary source of the meaning of actions would be those of the managers or the researcher. The study chose to use mainly the meanings and interpretations of the researcher, as interpretative approaches, which depended on the views and actions of the managers, and which seemed difficult to implement without severe disruption of 'normal' work routines. However, this was balanced through interaction between the researcher and the managers during observation, so that the managers' interpretations of events could be ascertained. The effect of this was that there was only a limited attempt to remain unobtrusive.

# CHAPTER 6

## PRESENTATION AND ANALYSIS OF DATA

### 6.1    INTRODUCTION

A thorough discussion has been made in the previous chapters on the orientation of the study, its methodology, the historic and management framework, contemporary management models and the actual setting of the study. This chapter provides the presentation and analysis of the data collected in the study of tourism and hospitality management as it moves into the new millennium. In presenting and analysing the data, the demographic characteristics of the respondents are provided, as well as the function and techniques of tourism management, and the future planning goals as provided by the sample of hotel managers, travel agents, tour operators and tourism authorities, are established. A discussion on the tourism customer's perceptions of tourism and hospitality management concludes this chapter.

### 6.2    DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The most important demographic characteristics that are considered in the analysis of tourism and hospitality managers and consumers in the study include: (a) the age structure of the respondents; (b) the gender of the respondents; (c) the education level of the respondents; (d) the ethnicity of the respondents; (e) the location of the respondents; (f) the marital status of the respondents, and (g) the language of the respondents.

It is important to consider the demographic characteristics in the context of the tourism and hospitality managers' responsibilities: it reveals the kind of experience, knowledge and skills the managers have in the area of study. What is the value of the information that is provided by the tourism managers? Is this information reliable? What value can the information add to the process of change in the new millennium?

Tourism and hospitality depend heavily on the host and visitors in terms of employment and the utilisation of the service or the product: therefore the need to understand the demographic characteristic of the sample frame is crucial. It guides our judgement, analysis and interpretation of the data, in terms of reliability, and in arriving at conclusions. Demographic characteristics in terms of age, level of education and marital status determine the stability of managers and their mechanism for coping with changes demanded by the new millennium.

## 6.2.1 <u>Hotel managers</u>

A breakdown of the demographic characteristics of the four hotel managers used as a sample in this study is shown in Table 6.1. There are equal numbers of females and males and their average age is 46. In terms of educational qualifications, they all have some form of training in a tertiary educational establishment. The manager from the Beverly Hills Hotel has a Higher National Diploma in Hotel Management with twenty-three year's exposure to the industry. He is married, white and of German origin, speaks German and English and lives in the Durban Metropolitan Area. The other managers are South Africa citizens and are all white. The qualifications and experiences of the rest of the managers gave confidence that information provided would be reliable and representative of the hotels within the group and

150

for the industry as a whole. It should also be noted that the hotel sector in Britain is dominated by males, averaging about 65 percent (WTTC, 1996b), and the picture is the same in South Africa with about 72 percent being males. The industry demands flexibility in terms of working hours and time commitment for managers and this is not always possible in the case with females, because of family responsibilities. It should be noted that female managers are usually single with no children and prepared to work long hours.

**TABLE 6.1: AGE AND GENDER OF HOTEL MANAGERS**

| HOTEL | AGE GROUP | GENDER | | LOCATION |
|-------|-----------|--------|--------|----------|
| | | MALE | FEMALE | |
| Holiday Inn | 35 | 0 | 1 | Johannesburg |
| Beverly Hills | 45 | 1 | 0 | Umhlanga Rocks |
| Karos Hotel | 49 | 1 | 0 | Richards Bay |
| Royal Hotel | 55 | 0 | 1 | Durban |

The interpretations of these findings, aimed at helping us understand the function of hotel managers in the new millennium, are given in the next chapter.


## 6.2.2  Travel agents

Five travel agents' managers were interviewed and their characteristics were as follows: between the age range 18 to 35 years, white, Afrikaans speaking, females, and a standard 10 qualification with an average of ten years' practical experience in the tourism and hospitality business. The travel agency in South Africa is a female dominated business, with females

constituting about 95 percent of the work force. Compared to the group of females in the hotel sector, 55 percent of travel agents are married, speak English and Afrikaans, and live in the Durban Metropolitan Area. The workday of travel agents finishes at 4.30 p.m. Table 6.2 shows the various demographic characteristics of the sampled travel agents that participated in the study.

**TABLE 6.2:   TRAVEL AGENT MANAGERS' DEMOGRAPHIC CHARACTERISTICS**

| TRAVEL AGENT | AGE | GENDER | EDUCATION | MARITAL STATUS | LOCATION |
|---|---|---|---|---|---|
| Connex Travel | 18-24 | Female | Standard 10 | Married | Durban |
| American Express | 25-35 | Female | Standard 10 | Married | Richards Bay |
| Harvey World | 26-40 | Female | Standard 10 | Single | Empangeni |
| Delta International | 25-35 | Male | Diploma Management | Married | Durban |
| Pentravel | 22-30 | Female | Standard 10 | Married | Durban |

### 6.2.3   Tour operators

The four tour operator managers used in this study were from Thompsons Tours, Creative Tours, Wilderness Safaris and Wings Holidays. Thompsons Tours, one of the big tour operators in the travel business, was used in the main sample and also used as part of the case study. The Thompsons Tours manager is 49 years old with an MBA degree and fifteen years experience in tourism and hospitality management. He is married with a family. These characteristics provide a good indication of stability and consistency in his profession. He is

white, of British origin and speaks only English. He lives in the Umhlanga Rocks area. His level of education and experience shows a higher level of managerial exposure, and therefore, his judgement and exposure to the industry is higher than most. Being the owner of the business, work commitment is high and it shows his determination to succeed. The demographic characteristics of a sample total of four tour operators are shown in Table 6.3.

**TABLE 6.3: DEMOGRAPHIC CHARACTERISTICS OF TOUR OPERATOR MANAGERS**

| NAME | AGE | GENDER | EDUCATION LEVEL | LOCATION | MARITAL STATUS |
|------|-----|--------|-----------------|----------|----------------|
| Thompsons Tours | 49 | Male | MBA | Durban | Married |
| Creative Tours | 36 | Male | Diploma Management | Durban | Married |
| Wilderness Safaris | 25 | Female | Diploma Tourism | Pietermaritz-burg | Single |
| Wings Holiday | 29 | Male | BCom | Durban | Married |

**6.2.4    Tourism Authorities**

Two managers of two Tourism Authorities were interviewed (see Table 6.4): the Market and Product Development Manager, Mr James Seymour of KwaZulu-Natal and the Marketing Director from Mpumalanga Tourism Authorities, Mr John Davies. Mr James Seymour is 35 years old with an MA degree in Applied Anthropology and other qualifications in Marketing and Market Research. He is white. Mr Seymour lives in the Durban Metropolitan area and is married with two children. He has been in his current position for three years and reports directly to the Chief Executive Officer. He ranks quite highly in the organisation; therefore,

his exposure to the organisation and the tourism industry makes his judgement and perception of the industry reliable and accurate.

TABLE 6.4: DEMOGRAPHIC CHARACTERISTICS OF TOURISM AUTHORITY MANAGERS.

| DEMOGRAPHICS | JAMES SEYMOUR | JOHN DAVIES |
|---|---|---|
| Age | 35 | 49 |
| Gender | M | M |
| Education | MA | Diploma in Marketing |
| Position | Market & Product Development Manager | Marketing Director |
| Location | Durban | Nelspruit |
| Tourism Authority | KwaZulu-Natal | Mpumalanga |

As market research and product development manager, Mr James Seymour's responsibilities for the new millennium were expected to be as follows:

(a)    to manage the information technology requirements of the tourism authority,

(b)    to manage and further develop the tourism authority's key databases (strategic information warehouse),

(c)    to identify and implement the key baseline market research studies which the Authority needs, in order to develop effective marketing strategies and to monitor its performance in terms of the key objectives of such strategies,

(d)    to identify new tourism products with considerable potential and to conduct the necessary research required to attract potential investors,

(e)    establish a library/database service,

(f)    to synthesise information into a meaningful form for users,

(g)    to establish a strong tourism research base in the province by motivating the

154

development of a centre of tourism research excellence, based in tertiary institutions, thus building tourism research capacity within institutions.

The Mpumalanga Tourism Authority (MTA) is the second organisation used in this study. The Marketing Director, Mr John Davies participated in the study. He is 49 years old and lives in Nelspruit, has a diploma in marketing and is married. Mr Davies is Afrikaner and has extensive knowledge and experience in the tourism and hospitality industry. His responsibilities are as follows:

(a)    to develop a marketing plan for the Mpumalanga Tourism Authority for the new millennium that should attract tourism to that province,

(b)    to facilitate and co-ordinate all tourism marketing efforts in the province,

(c)    to identify potential new international tourist markets and to promote the province in those markets,

(d)    to attract tourists in large numbers to the province.

Table 6.4 above gives a demographic profile of the two tourism authority managers that took part in the study. John Davies, the Marketing Director of Mpumalanga Tourism Authority (MTA) is responsible for the marketing of Mpumalanga as a prime tourist destination. His views regarding the functions, strategies and general management of tourism in this study are critical.

## 6.2.5    Tourism and hospitality customers

The sample of tourism and hospitality customers totalled 250 and the sample frame consisted of 150 females and 100 males. Table 6.5 below shows the demographic stratification of the respondents in the tourism customer group by age and sex. The general picture shows that

females were keener to respond to holiday issues than their male counterparts. A total of 20 percent (Table 6.7) of students were interested in tourism issues. The sample was taken from a combination of students and professionals because of the nature of the subject being considered as illustrated in Table 6.7. The managerial nature of the subject requires critical thinking to be able to evaluate what is happening as we move into the new millennium regarding management activities.

## TABLE 6.5: TOURISM AND HOSPITALITY CUSTOMER GENDER AND AGE PROFILE

| AGE GROUP | MALE | | FEMALE | |
|---|---|---|---|---|
| | Frequency | Percentage | Frequency | Percentage |
| 18-25 | 25 | 25 | 50 | 33 |
| 26-35 | 30 | 30 | 35 | 23 |
| 36-55 | 20 | 0 | 40 | 27 |
| OVER 56 | 25 | 25 | 25 | 17 |
| TOTAL | 100 | 100 | 150 | 100 |

### 6.2.5.1    Age and gender profile

The sample of 250 tourism and hospitality customers is categorised according to age and gender. A breakdown of respondents in terms of age and gender is provided in Table 6.5. This table also shows that 33 percent of females responding to the questionnaires were in the youngest age group, while there were only 25 percent of males in the same age group. The reason could be that females are more out-going, and more adventurous than males, and therefore keener to be involved in leisure activities.

### 6.2.5.2 Income of tourism and hospitality customers

Income was regarded as a major factor in determining the views and awareness of customers of the tourism and hospitality industry. Table 6.6 shows how customers in the various income groups responded to the questionnaires. Time played a major role in the way customers responded to the questionnaires. Customers in the lower income group did not complain about time, showing a high response rate of 30 percent as compared to the group earning R12, 000 and over, which had only a 10 percent response rate.

### TABLE 6.6:   MONTHLY INCOME OF TOURISM AND HOSPITALITY CUSTOMERS

| INCOME GROUP (MONTHLY) | FREQUENCY | PERCENT |
|---|---|---|
| R500-2500 | 75 | 30 |
| R3000-5500 | 60 | 24 |
| R6000-8500 | 55 | 22 |
| R9000-11500 | 35 | 14 |
| R12000 + | 25 | 10 |
| TOTAL | 250 | 100 |

Customers in the higher income group were managers with more responsibilities at work and appeared to be too busy and did not have time to complete the questionnaires.

### 6.2.5.3 Employment of tourism and hospitality customers

The respondents in the tourism and hospitality customer group were employed in various professions but the sample also included unemployed customers and students. Students were more willing to respond to the questionnaires. The senior managers who responded to the questionnaires were keen to provide assistance and responses in order to demonstrate their

knowledge of the tourism and hospitality industry. As shown in Table 6.7, about 9 percent of the respondents were unemployed. It is assumed that the tourism industry would create many jobs in the new millennium.

**TABLE 6.7: NATURE OF EMPLOYMENT OF TOURISM AND HOSPITALITY CUSTOMERS**

| NATURE OF EMPLOYMENT | FREQUENCY | PERCENT |
|---|---|---|
| Students | 50 | 20 |
| Unemployed | 22 | 9 |
| Skilled | 28 | 11 |
| Semi-skilled | 30 | 12 |
| Unskilled | 20 | 8 |
| Middle managers | 35 | 14 |
| Senior managers | 25 | 10 |
| Managing directors | 40 | 16 |
| TOTAL | 250 | 100 |

Therefore, there is interest from those who are unemployed as well as students, because this relates to the issue that might indicate job prospects in the future for them. Students account for about 20 percent of respondents. Managing directors were very co-operative, consisting of about 16 percent of the sample. Most of them see travelling as part of their job and were therefore keen to respond to anything that will improve the tourism and hospitality industry. Due to the management nature of the subject and that some knowledge and experience of tourism is required for the study, the researcher applied a stratified sampling method to develop information in Table 6.7.

#### 6.2.5.4 Level of education of tourism and hospitality customers

To handle the complexity of the management aspects of the study, the level of education of

the respondents has to be taken into consideration. Levels of education contribute to the understanding of the environment. Table 6.8 shows that the highest groups of respondents are in possession of an undergraduate degree (26 percent) and about 12 percent have diplomas. Matriculants also responded in large numbers about 18 percent, compared to the standard 10's. at about 16 percent.

**TABLE 6.8:   LEVEL OF EDUCATION OF TOURISM AND HOSPITALITY CUSTOMERS**

| LEVELS OF EDUCATION | FREQUENCY | PERCENT |
|---|---|---|
| POSTGRADUATES | 26 | 10.4 |
| DEGREES | 66 | 26.4 |
| DIPLOMAS | 30 | 12 |
| CERTIFICATES | 28 | 11.2 |
| MATRICULATES | 45 | 16 |
| STANDARD 10s | 40 | 16 |
| NO QUALIFICATION | 15 | 6 |
| TOTAL | 15 | 100 |

The matriculants and current standard 10's were the more curious groups and wanted to know whether this subject (i.e. tourism and hospitality) is going to be offered in schools. They wanted to know what the job prospects were for them in the future if they took tourism as a profession. People with no qualifications, represented by only 6 percent, indicated that they were not comfortable with the subject area though the interest was there.

**6.2.5.5     Location of tourism and hospitality customers**

The samples were drawn, using the stratified method, from the Durban, Richards Bay, Empangeni and Pietermaritzburg areas (Table 6.9). It was not possible to have equal numbers

of respondents, as the distance between the towns made it impossible to pay regular visits to collect the questionnaires. Even if it were possible to get equal number of responses, the response rate would not have been the same. The postal system is not always reliable and respondents do not always return questionnaires on time. In extreme cases, they do not bother to return the questionnaires at all. Durban, being the centre for tourism activities in the KwaZulu-Natal province, was mapped out to be the area where more interest is generated. The response rate of 60 percent supported the assumption, as shown in Table 6.9. Pietermaritzburg, about 70 km from Durban, yielded a moderate

TABLE 6.9: THE ORIGIN OF TOURISM AND HOSPITALITY CUSTOMERS

| LOCATION | FREQUENCY | PERCENT |
|---|---|---|
| DURBAN | 150 | 60 |
| RICHARDS BAY | 25 | 10 |
| EMPANGENI | 25 | 10 |
| PIETERMARITZBURG | 50 | 20 |
| TOTAL | 250 | 100 |

sample of 20 percent. It shows that Empangeni and Richards Bay have a low level of tourism activity, as reflected in the response rate of 10 percent.

The demographic characteristics of all the respondents in the sample frame included in the study only those who were professionals in the tourism and hospitality industry and those that possessed knowledge and had experienced tourism in some ways. To understand the operational and management aspects of tourism, managers of the industry had to be included to provided the researcher with a framework and a starting point.

## 6.3    TOURISM MANAGEMENT FUNCTION AND TECHNIQUES

In this section, a thorough assessment of what the one hotel manager, two tour operators and two travel agents actually do and the techniques that are applied in carrying out their functions, will be made. The functions of the four hotel managers were found to be basically the same in all four hotels in the study. The hotel manager in the Beverly Hills Hotel does not take part in the formulation of policies and strategies. These are undertaken at head office and instructions given to him to implement the policies and strategies. The managers from Holiday Inn, Karos Hotel and the Royal Hotel are involved in the policies and strategies formulation of their individual hotels. In explaining the programme, the day will start with a meeting chaired by the general manager, with the divisional manager outlining the previous day's activities. This is followed by the day's functions. In most cases, the structured activities for the day do not go according to plan. Unexpected arrivals and guests that make bookings and do not turn up, may change that day's plan. The managers indicated this as the excitement and the fun of the job. Most of the functions of the general managers are delegated to the duty managers or the front office manager who seems to be in contact with the guests at all times. A greater portion of hotel managers' roles and functions are those of a public relations person. The manager would normally walk around the hotel meeting customers in an informal way and seeing if the staff is performing at its best.

The two tourism authorities' and the customers' perceptions of the tourism management functions and techniques are also considered in this section. The management of product and human resources are considered seriously, as tourism is a people oriented industry.

### 6.3.1   Hotel managers' exposition of functions and strategies

The hotel managers' exposition of the functions and strategies of the business was very practical. The managers believe that in the tourism and hospitality business, where the industry receives guests from different countries, cultures and ethnic backgrounds that are not the same as South Africa, it is the manager's responsibility to make sure that the guests are made welcome and at home. All four managers interviewed agreed that the corporate culture of the tourism and hospitality business is significantly different to that normally prevailing in the country or community in which it is based. In human resource terms, this may mean that although there is little or no distance between the management and operational staff in terms of their original culture, corporate norms create new divisions that must be addressed.

The Royal Hotel manager attempted to explain what he called "Multicultural Management". He referred to this as the application of general human resources management and strategies within the context of the ethnic and cultural diversity found in the hospitality operation or any other hotel with such staff diversity. This approach to human resource management operates on the premise that the managers' and employees' ethnic identities and cultural orientations, backgrounds and experiences are important influences that affect how both behave in the work place. Thus, culture matters when managing a work populace that is ethnically and culturally pluralistic.

On the other hand, the Beverly Hills manager argued that in today's tourism environment, hospitality managers are expected to manage cultural diversity. This relates to the

workforce, guests and the product, for it is a part of the daily life of both their role functions in the industry, and the hospitality industry itself. The managers also argued that it is not advisable to follow rigidly a plan that has been put together by planners at head office.

## TABLE 6.10: HOTELS ADVERTISING ON THE WEBSITE

| HOTEL | WEBSITE | EMAIL |
|---|---|---|
| Beverly Hills (Durban) | www.interconti.durbev.com | durban@intconti.com |
| Sun International (Cape Town) | www.sun-intertional.com | info@sunint.co.za |
| Gardens Protea (Johannesburg) | www.global.co.za/hotel/protea | gphotel@global.co.za |
| Hilton (Pietermaritzburg) | www.hiltonhotel@co.za | hilton.hotel@futurenet.co.za |

Increasingly, business travellers are using their own company travel manager to negotiate rates on conference packages and the packages may include things that may not be available in the hotel. In order too maintain good customer relationships, the hotel may have to find the item to accommodate the business. Some business travellers believe that the hotel is an extension of their organisation. The companies are moving to a position where they offer to share some of the responsibility for the success of the group or organisational trip, thereby decreasing the risk factor for the client.

Information technology has advanced the medium by which the product is promoted. With the use of Internet, many visitors' centres have taken advantage of the World Wide Web, by having a site that includes on-line reservation and booking systems. About 45 percent of South African Hotels now appear on the Web, providing on-line reservation facilities,

product details and e-mail addresses for requesting further information (Table 6.10). For those purchasing group travel products, the speed of accessibility to information may decrease lead times in booking venues and will also enable far greater choice, without having to pass through the complicated and time consuming 'buy phase' of supplier search and selection. The research shows that about 35 percent of hotels are not using the Internet facilities to advertise their product. Hotels that do not take advantage of the Internet technology are not going to survive in the new millennium.

The managers interviewed believe in a hands-on management style. In addition, the manager must be versatile in order to carry out the functions effectively. All the managers favoured spending time meeting with guests as a customer care exercise.

## TABLE 6.11: PERCENTAGE OF FACTORS INFLUENCING A TOURIST IN CHOOSING A HOTEL

| Choice Factors | Very Strong | Strong | Moderate | Weak | None | Total |
|---|---|---|---|---|---|---|
| Product Type | 26% | 56% | 14% | 0.3% | - | 100% |
| Price | 22% | 57% | 17% | 0.3% | -- | 100% |
| Service Quality | 33% | 51% | 13% | - | - | 100% |
| Location | 52% | 40% | 6% | 0.3% | - | 100% |
| Advanced technology | 3.4% | 27.4% | 47.9% | 19.9% | 1.4% | 100% |
| Reputation of hotel | 31.5% | 55.5% | 12.7% | 0.3% | - | 100% |
| Ambience | 7.5% | 53.1% | 36.3% | 2.7% | - | 100% |
| Referral system affiliation | 7.9% | 33.9% | 43.5% | 15.1% | 2.4% | 100% |
| Environment programmes | 0.7% | 7.9% | 33.6% | 47.9% | 9.2% | 100% |
| Loyalty or frequent stay | 15.2% | 45.2% | 28.1% | 10.3% | 0.7% | 100% |
| Other | 2.7% | 2.4% | 0.7% | -- | 0.7% | |

N = 4

There was a clear agreement amongst the four managers that location plays a major role in influencing the customer's purchasing decision (Figure 6.11). The type of product also seems to have a strong influence on the choice of hotel for tourists (57 percent). The product type is to do with the star rating, the brand name and facilities of the hotel. Price is another serious consideration for tourists, which has a strong rating at 56 percent. The reputation of the hotel also has a strong influence on the tourist's choice of hotel. Service quality and ambience are other factors that the tourists consider when choosing a hotel. These factors give clear guidelines for the hotel manager when choosing marketing strategies for moving the hotel into the new millennium.

### 6.3.2  Travel agents' exposition of functions and strategies

The five travel agent managers (American Express Travel, Harvey World, Pentravel, Delta International and Connex Travel) that were interviewed are between the age range of 25-45 years. It was not possible to get the exact ages of the respondents as they were mainly females and tend to be sensitive to the issue of age. All the travel agents interviewed indicated that their business is the travel industry's most visible presence on high streets throughout the country. They argued that their agencies strive for personal service to our customers and we are essentially retailers, selling a product in much the same way as Pick 'n Pay sells groceries to their customers.

The relationship that agencies have with their principals means that agents differ both commercially and legally from the general retailer. Travel agents, unlike most other retailers, do not generally purchase the holiday or other travel product themselves before re-selling it to the customer. Instead, they exist to serve the travelling public by providing

165

advice and selling tourism and hospitality products on behalf of principals. In return for acting as a retail outlet, the agents earn their income by receiving commission on sales from the principals, rather than through buying the product wholesale and making profit thereof.

Since many consumers also look for personalised service when buying their holidays, most travel agents emphasise the 'customer care' factor. On selling holidays, the agent can also offer clients a range of ancillary services. These include information about passports, visa and health requirements, recommendations and advice concerning insurance, travellers' cheques and foreign currency, transportation to departure point; accommodation and car hire as part of their strategies.

TABLE 6.12: ELEMENTS INFLUENCING THE SALE OF TOURISM AND HOSPITALITY PRODUCTS

| Elements of sales | Great Increase | Moderate Increase | No Change | Moderate Decrease | Great Decrease | Total |
|---|---|---|---|---|---|---|
| Personal Service | 15.4% | 60.4% | 15.7% | 6.9%% | 0.6% | 100% |
| Offering discount | 18.5% | 58.7% | 13.8% | 3.7% | 1.9% | 100% |
| Selling own product | 12.5% | 32.9% | 44.5% | 2.9% | 3.8% | 100% |
| Buying hotels | 44.9% | 32.5% | 10.0% | 5.4% | 3.0% | 100% |

About 60.4 percent of travel agents believe that personalised service will moderately increase the sales of tourism products (Table 6.12). Good customer care is a major marketing strategy in the tourism and hospitality industry. The nature of the industry demands personal attention, as a major aspect of the product that is offered to its customer is pure service. A

purchase of a room in a hotel will give you nothing more than a relaxed atmosphere, food, drink and entertainment. You are not able to take away any of this away, after your stay. Discount seems to be another way travel agents could boost the sales of the tourism product, as favoured by 58.7 percent of the respondents.

### 6.3.3 Tour operators' exposition of functions and strategies

The four tour operators that were included in the sample are Thompsons Tours Creative Tours, Wilderness Safaris and Wings Holidays. They were able to conceptualise their roles in the tourism and hospitality industry. They argued that there are two primary organisations that provide the key role of accessibility in the tourism and hospitality business: tour operators and travel agencies.

**TABLE 6.13: THE CREATION OF BUSINESS TRANSACTIONS FOR TOURISM AND HOSPITALITY [100%]**

| Business transactions | SA | A | N | D | SD | Total |
|---|---|---|---|---|---|---|
| Tour Operators | 29.8% | 28.8% | 17.4% | 12.1% | 11.9% | 100% |
| Travel Agents | 16.4% | 19.8% | 23.9% | 21.6% | 18.3% | 100% |
| Product Franchising | 18.3% | 28.3% | 19.3% | 20.1% | 14.0% | 100% |
| Management Contracts | 19.4% | 29.4% | 15.5% | 19.7% | 16.0% | 100% |
| Mergers/ Acquisitions | 17.5% | 18.5% | 16.3% | 22.3% | 25.4% | 100% |

SA =Strongly Agreed;      A = Agreed;           N = Neutral;      D = Disagreed;
SD = Strongly Disagreed

Table 6.13 attempts to illustrate how the tour operators, travel agents, franchising, management contracts, and mergers and acquisitions contribute to the creation and

accessibility of tourism and hospitality products to individual tourism customers and business travellers. It shows that tour operators play a major role in making travel and hospitality business possible for customers, as it is strongly agreed at 29.8 percent and agreed at 28.8 percent (Table 6.13). Tour operators, being wholesalers of tourism and hospitality products, can justify their dominant role in creating the availability and accessibility of the product. It was not very clear what the role of travel agents is in this process, in view of the fact that they were not out-rightly supported with 24 percent of the respondents being neutral. Two methods of business transactions that are becoming popular are franchising (47%) and management contracts (49%). The Holiday Inn group is operating on a franchise basis and is proving to be very successful.

The tour operators' function is to bring together the essential elements of a holiday, such as transport, ground handling (luggage forwarding, transfers, etc) and accommodation, as well as additional features, such as visits to attractions in some circumstances. Tour operators see their function in the tourism and hospitality industry as:

(a)     a catalyst for demand - they interpret the market needs of their clients and package these needs into destinations,

(b)     influencing the direction of demand, which is particularly significant to long haul, relatively expensive destinations, that is, in most developing countries.

It is worth noting that approximately 48 percent of the respondents did not support engaging in mergers and acquisitions.

The main function that seems to be influencing customer preference for tourism and hospitality product, is the tour operators' ability to package holidays (59 percent) as shown in

168

Table 6.14. Tourism and hospitality customers are not always sure what product to purchase; therefore, customers prefer the tour operator to put together the holiday package for them. A very strong emphasis is also placed on the transfer functions (44 percent). After a long haul, travel customers want to be looked after in an unfamiliar environment. Advice on destinations also has a strong ranking, which is a very important function of the tour operator. Travelling to an unknown destination is a very worrying experience for most people, especially for the first time traveller, therefore advice on the destination is a great bonus.

## TABLE 6.14: PERCENTAGE OF TOURISM FUNCTIONS INFLUENCING CUSTOMER PURCHASE PREFERENCE

| Tourism Functions | Very Strong | Strong | Moderate | Weak | None | Total |
|---|---|---|---|---|---|---|
| Public Relations | 7.3% | 24.4% | 53.7% | 12.2% | 2.4% | 100% |
| Ground Handling | 2.4% | 39.0% | 39.0% | 19.5% | — | 100% |
| Accommodation | 2.4% | 26.8% | 53.7% | 12.2% | — | 100% |
| Travel Transfers | 43.9% | 39.9% | 17.1% | — | — | 100% |
| Packaging Holidays | 12.2% | 58.5% | 19.5% | 7.3% | — | 100% |
| Advice on Destinations | 12.2% | 51.2% | 24.4% | 9.8% | 2.4% | 100% |

Considerable negotiation and public relations are required to put together a good holiday. The tour operator will have to deal with hotels, travel agents, tourism authorities, airlines and the public as a whole. Therefore, the public relations function, which ranked at 54 percent, is justified. Accommodation is rated moderately at 54 percent. For most tourism customers, accommodation is important but not always a reason for visiting a place, hence some travellers are happy to take their caravans or find cheaper alternatives.

Tour operators perform more functions than the ones listed in Table 6.14. The tour operator outlined their functions under the following headings:

(a)  **Research** – with the role of reviewing market performance, forecasting market trends, comparing new and existing destinations and determine market strategy.

(b)  **Capacity planning** – have the play the role of making tour specifications, negotiate with and make deals with contract suppliers.

(c)  **Financial evaluation** – determine exchange rates, estimate future selling prices, and finalise tour prices.

(d)  **Marketing** – realised through brochure planning and production, brochure distribution, media advertising and sales promotion, as well as market stimulation.

(e)  **Administration** - recruit reservation staff, establish reservation system, receive reservations on the telephone and view data, tour accounting and documentation, recruit resort staff.

(f)  **Tour management** – involves customer care at the resort, customer correspondence and payment of suppliers.

The strategies employed by the tour operator's manager in order to stay in the travel business are the ability to perform every function available in the tourism and hospitality industry, and to keep control of the business.

### 6.3.4   Perception of functions and strategies of tourism authorities

The tourism functions, and the way they should be applied by all authorities, should be guided by the Interim Constitution of South Africa. All provinces should undertake tourism activities in terms of Schedule 6 of the Constitution. The KwaZulu-Natal Tourism Authority has responded to the latter through two cabinet resolutions: Cabinet Resolutions 475/95 and

257 of 12 August 1998. The Section 21 company was created in terms of Cabinet Resolution 257/98, "Tourism KwaZulu-Natal", to provide a legal entity that would take over SATOUR's role of marketing and promoting tourism. The second Cabinet Resolution 475/95 created the Interim Provincial Tourism Steering Committee.

The Section 21 Company is responsible for all bank transactions, lease agreements and staff appointments. The managers emphasise that the functions of the Tourism Authority is to "make KwaZulu-Natal the prime tourism destinations in Africa by providing an enabling environment that optimises the provinces' tourism assets" (KZNTA, 1999: 11). If jobs were created (one of the tourism authority's objectives) then the tourism authorities would have contributed to economic growth and improvement to the quality of life of the community they serve. Mr James Seymour, the market research and product development manager, emphasised that promoting KwaZulu-Natal both nationally and internationally, and making it a safe tourist destination, would justify their existence as a major role player in the tourism and hospitality industry.

In order to understand the emerging perception of functions and strategies of the KwaZulu-Natal Tourism Authority it is necessary to reiterate its future operational goals and strategy:

(a)     making the authority a service-oriented organisation that stimulates the development, promotion and marketing of tourism in the province,

(b)     taking the initiative in project development and support of those projects,

(c)     creating employment through tourism activities,

(d)     promoting national and international investment in the development and expansion of tourism plant,

171

(e)     stimulating economic activity through involvement of small, medium and micro enterprises (SMME's),

(f)     increasing government revenue,

(g)     boosting the country's foreign exchange reserves.

All senior staff act as project managers, ensuring delivery through appropriately skilled external agencies.

On the same vein Mr John Davies outlines the Mpumalanga Tourism Authority's strategy for the new millennium as follows:

(a)     aligning strategic tourism plans with the tourism vision and mission of the province and with the provincial growth and development strategy,

(b)     working to establish true co-operation between the government and non-government sectors around tourism issues,

(c)     actively participating in programmes associated with tourism safety and security and tourist protection,

(d)     encouraging innovative product development, variety and interest,

(e)     facilitating and co-ordinating the delivery of tourism training programmes to promote service excellence and improvement of the quality of tourism assets and services. Where appropriate also run tourism training programmes,

(f)     marketing the province as a tourism destination to the domestic, regional and international markets,

(g)     broadening participation in the tourism industry by previously neglected communities and stakeholders by identifying tourism growth opportunities

and programmes to develop new and existing entrepreneurs,

(h)     working with the appropriate authorities and product owners to plan and
        develop *tourism signage*,

(i)      playing a role in the protection of the social and natural environment of the
        province, thus ensuring the sustainability of the tourism asset base,

(j)     initiating and managing an integrated tourism research system to guide
        decision making with regards to tourism marketing and development and
        dissemination of statistical and research information,

(k)     liaising with and support existing tourism plant and attractions, by interacting
        with both the owners of such attractions and host communities and promoting
        linkages between the two to enable local people to play a constructive role in
        the tourism industry,

(l)     raising funds in support of the activities of Mpumalanga Tourism.

The above strategies and functions of the Mpumalanga Tourism Authority are prescribed by
the Tourism White Paper (DEAT, 1996). These functions and strategies are set to take the
authority well into the twenty-first century and beyond.

### 6.3.5   Customers' perceptions of tourism and hospitality functions and strategies

*From the analysis of questionnaires, tourism and hospitality customers see the function and
strategies as the means of developing, planning and providing sufficient information about
the product and maintaining the tourism and hospitality industry. Tourism and hospitality
customers want to see tourism organisations or agencies improve their knowledge in the field
of tourism and hospitality. Responding customers do wish to see development of tourism-*

173

related information centres in rural areas, small towns and major cities. Customers believe that information networks operate predominantly in major towns and cities where tour agents operate. Table 6.15 shows how customers rate the present communication channels that influence their selection of the tourism product.

The analysis shows clearly that word of mouth is perceived as having a positive influence on customers' decision (37 percent average). Direct mail (40 percent), broadcast advertising (50 percent) and print media (49 percent) were seen as having a moderate influence on customer decisions in selecting tourism and hospitality products. In conclusion it can be argued that most tourism and hospitality customers rely more on the word of mouth method as the sure way of selecting tourism products.

**TABLE 6.15: PERCENTAGE OF COMMUNICATION CHANNELS INFLUENCING CUSTOMER'S SELECTION OF TOURISM PRODUCTS**

| Communication channels | Very strong | Strong | Moderate | Weak | None | Total |
|---|---|---|---|---|---|---|
| Travel Agents | 13.7% | 36.6% | 33.6% | 15.8% | 0.3% | 100% |
| Print Media | 2.4% | 36.0% | 49.3% | 11.6% | 0.3% | 100% |
| Broadcast Advertising | 6.5% | 27.7% | 49.7% | 14.4% | 1.4% | 100% |
| On-line Media | 11.0%. | 32.9% | 35.3% | 17.5% | 2.4% | 100% |
| Tourism Authorities | 5.8% | 25.0% | 42.1% | 22.6% | 3.4% | 100% |
| Word of Mouth | 36.6% | 37.0% | 17.8% | 8.2% | 0.0% | 100% |
| Public Relations | 6.2% | 26.7% | 45.9% | 18.5% | 1.4% | 100% |
| Direct Mail | 5.8% | 21.6% | 40.4% | 29.1% | 2.4% | 100% |
| Other | 3.4% | 2.7% | 0.3% | 0.0% | 0.3% | 100% |

N = 250

174

The respondents were asked to reveal what their views were regarding improving the legislative and financial environment of tourism and hospitality. About 65 percent of respondents believe that tourism and hospitality businesses are not putting back enough resources into the community in order to fight crime that seems to be destroying the industry they depend on. The service quality was another important factor that seems to be affecting tourism and hospitality products in South Africa. Service quality has a strong influence on the customer's purchasing of tourism and hospitality products (averaging 52%). The question relating to the extent to which tourism and hospitality customers purchasing decision is influenced by these factors, is indicated in Table 6.16. This table indicates the extent to which managers have to go to look after the needs of tourism and hospitality customers. Customers seem to be saying that service quality (52%) plays a major role in their purchasing decision.

**TABLE 6.16: PERCENTAGE OF PERCEIVED FACTORS INFLUENCING THE PURCHASING OF TOURISM PRODUCTS BY CUSTOMERS**

| FACTORS | Very Strong | Strong | Mode-rate | Weak | None | Total |
|---|---|---|---|---|---|---|
| Product type | 27.1% | 57.9% | 14.0% | 0.3% | 0.0% | 100% |
| Price | 22.6% | 58.6% | 46.9% | 26.4% | 1.4% | 100% |
| Service quality | 34.9% | 52.1% | 13.0% | 0.0% | 0.0% | 100% |
| Advanced technology | 3.4% | 27.4% | 47.9% | 19.9% | 1.4% | 100% |
| Location | 52.1% | 40.4% | 6.2% | 0.3% | 0.0% | 100% |
| Reputation | 31.5% | 55.5% | 12.7% | 0.3% | 0.0% | 100% |
| Ambience | 7.5% | 53.1% | 36.3% | 2.7% | 0.0% | 100% |
| Environmental programs | 0.7% | 7.9% | 33.6% | 47.9% | 9.2% | 100% |
| Other | 2.7% | 4.0% | 0.7% | 0.0% | 0.7% | 100% |

N = 250

Other factors that seem to influence purchasing decisions include the following: price (58.6%), product type (57.9%), reputation (55.5%) and ambience (53.1%). These suggest that price is a major consideration for customers (Table 6.16).

The question about environmental programmes was rated as a limited factor influencing consumer purchasing of tourism and hospitality (47.9%). The promotion of sustainable tourism and removing all obstacles to tourism and hospitality, is one of the major debates amongst tourism professionals and customers alike. Suggestions for creating a local initiative network, with offices based in the community, and with training programmes and financial assistance schemes, provide the direction for tourism as it moves into the new millennium. This includes identifying the obstacles and developing appropriate responses.

As tourism becomes more and more the main source of employment and a foreign exchange earner, there is a growing support for multi-annual promotion campaigns, at local, national and international levels, to reduce the intimidation of tourists. There is clear evidence that a gap exists between the host or supplier expectations and what the consumers expect in the product or service. An extensive study by Nightingale (1983) confirms this inequality, by revealing that what providers perceive as being important to consumers is often different from what consumers themselves actually expect.

The analysis in Table 6.17 shows that about 58 percent of respondents were of the opinion that tourists are the major causes of crime, whereas 25 percent disagreed. As illustrated in Table 6.17, the mean opinion score of 0.6 was obtained, with a negative variance of negative 144.4 (-144.4). As a result, the perception of crime and lack of security was ranked 8th

# TABLE 6.17: PERCENTAGE OF RESPONSES TO STATEMENTS ON THE INTIMIDATION OF TOURISTS

| STATEMENT | Freq. | Rel. Freq. | Mean | Var | Rank |
|---|---|---|---|---|---|
| Tourists degrade our culture and spoil our way of life | 10 | 4% | 0.04 | -10.0 | 1 |
| High incidence of drug trafficking and abuse | 12 | 5% | 0.05 | -12.0 | 2 |
| Increase in rent for accommodation | 13 | 5% | 0.05 | -13.0 | 2 |
| Costs of basic goods tends to increase in price | 14 | 6% | 0.06 | -13.9 | 4 |
| Tourist areas are poorly development | 16 | 6% | 0.06 | -16.0 | 4 |
| High rate of prostitution (tourists related) | 20 | 8% | 0.08 | -19.9 | 6 |
| Increase in AIDS/HIV related diseases | 20 | 8% | 0.08 | -19.9 | 6 |
| Increase in crime and lack of security | 145 | 58% | 0.06 | -144.4 | 8 |
| TOTAL | 250 | 100% | | | |

N = 250

because of its high mean value. Therefore, it should be acceptable to argue that there is a relationship between tourism and crime and the need for high security. The statements associated with prostitution and HIV/AIDS have scored a relatively high frequency, both ranked number 6. Therefore it seems reasonable to associate these statements with the intimidation of tourists from visiting to the study area. With a mean of 0.08 each, respondents associated tourism with the increase in sexually transmitted diseases such as HIV or AIDS.

Altogether 5 percent of respondents associated tourism with high drug trafficking and increase in rent for accommodation, with a mean of 0.05 and ranking of 2 respectively, these do not seem very significant findings. A total of 4 percent linked tourists with degrading of

culture and way of life of the host communities. The issue was ranked 1 with a mean of 0.04.

The following issues such as increase in the costs of basic goods and development restricted

to tourist areas, ranked 4 with a mean of 0.06 each are also considered to be less important.

## 6.4 TOURISM MANAGEMENT OF FUTURE PLANNING GOALS

In the previous section, tourism and hospitality managers' demographic characteristics and

*their function and techniques have been analysed. In this section, tourism and hospitality*

management's future planning goals are analysed. There is no doubt that the hotel manager,

the tour operator, the travel agent, the tourism authority and the tourism and hospitality

customer must have a clear picture for the management of tourism planning for the future.

Any planning process begins with setting of goals and objectives. The manager needs to

map out the organisation's direction, how he or she intends getting the organisation to

achieve its objectives, its time frame and how managers should assess the organisation's

achievement of the objectives. This section also reviews the exposition of the hotel manager,

the tour operator, the travel agent, the tourism authority and the tourism and hospitality

customer. The tourism and hospitality industry forecasts suggested that tourism would have

grown by an estimate of about 5 percent annually up to the year 2000 (Doswell, 1997). In

order to achieve overall growth, each sector of the industry needs to make a sustainable

contribution.

### 6.4.1 Hotel managers' management of future planning goals

The four hotel managers believe that no business can exist for long without an innovative

element within its total product offering. "The direction we intend to take towards the new

178

millennium is to try many different product ideas to see which one works." The Beverly

Hills manager outlined that, because tourism and hospitality industry is dynamic

**TABLE 6.18: FUTURE GROWTH STRATEGIES FOR HOTELS**

| Future growth strategies | Mean | Very Strong | Strong | Mode-rate | Limited | None | Total |
|---|---|---|---|---|---|---|---|
| Direct sales | 3.9% | 24.3% | 50.4% | 18.3% | 6.2% | 0.0% | 100% |
| Advertising functions | 3.5% | 11.6% | 42.4% | 34. % | 10.4% | 1.0% | 100% |
| Product innovation | 3.7% | 18.5% | 44.0% | 29.7% | 6.4% | 0.6% | 100% |
| Service improvements | 4.1% | 33.3% | 47.2% | 17.3% | 2.0% | 0.0% | 100% |
| Changes in product and service | 3.6% | 14.3% | 41.2% | 34.5% | 8.0% | 0.4% | 100% |

N = 250

and they face different groups of customers all the time, hotel managers can never be sure;

therefore, they must plan.

In Table 6.18, about 50 percent of the managers interviewed were strongly in favour of using

direct sales in their future marketing strategy. We can conclude that direct sales keep the

managers in control of their business activities. It also seems that a combination of all the

strategies in Table 6.18 is going to be used more effectively. These include advertising

(42%), product innovation (44%), service improvements (47%) and changes in product and

service (41%).

179

The Beverly Hills Inter-Continental Hotel Manager indicated that because the hotel is part of a group, head office makes the policies that drive each unit and therefore they are accorded limited scope, at unit level, to initiate new ideas. The manager's responsibilities for setting the price of the product within that confine, enable him to design in-house campaigns to promote the product. The manager at the Royal has more scope to experiment with new product ideas, and units are autonomous in nature, with great flexibility for innovation.

A future plan for Beverly Hills is to branch into the area of casinos as most of the hotels in Umhlanga Rocks operate casinos. The managers believe that the future customer would prefer branded hospitality products because these products instil confidence in the mind of the customer. Table 6.19 shows the brand preferences of tourism customers in the new millennium. Tourism customers in the category of business travellers who agree with the concept of branded products represent approximately 48 percent and leisure travellers represent 44.8 percent. This is an indication to managers that careful attention must be paid to the customers' needs and requirements. Currently, very little comes from the domestic tourists: this is an area the managers intend to explore, especially for the local conference market.

Training of key personnel is one area of the managers' plans to direct major investment in the new millennium. The four managers interviewed are not directly responsible for training but their recommendation to offer training to such staff, will be considered by head office. The emphasis for into the new millennium, the managers said, is on leisure facilities, and tourism and hospitality customers who are looking for hotels that provide this in its totality (health club, spa facilities and entertainment). The managers of the four hotels pointed out that the

facilities are available and all that is needed is to try and

## TABLE 6.19: PERCENTAGE OF FUTURE PREFERENCES FOR BRANDED HOSPITALITY PRODUCTS IN THREE CITIES

| Branded hospitality products | SA | A | N | D | SD | Total |
|---|---|---|---|---|---|---|
| RICHARDS BAY | | | | | | |
| Business Travellers | 38.0% | 45.5% | 8.9% | 6.6% | 1/0% | 100% |
| Leisure Travellers | 21.6% | 45.5% | 18.2% | 12.0% | 2.7% | 100% |
| DURBAN | | | | | | |
| Business Travellers | 12.% | 58.5% | 19.5% | 7.6% | 0.0% | 100% |
| Leisure Travellers | 4.7% | 26.6% | 53.4% | 12.2% | 0.0% | 100% |
| PIETERMATRIZBURG | | | | | | |
| Business Travellers | 34.1% | 48.8% | 12.6% | 1.5% | 0.0% | 100% |
| Leisure Travellers | 9.7% | 48.8% | 26.4% | 12.0% | 0.0% | 100% |

promote the facilities as an augmentation to the product. About 75 percent of the hotel managers directly attribute an increase in room sales to the provision of extra leisure facilities. The managers also indicated that approximately 50 percent of mid-spend guests expect facilities, and this percentage increases with spending. The Beverly Hills manager showed the researcher a list of questions that he is compiling for his current and future strategies.

## 6.4.2 Travel agents' management of future planning goals

In this section, an analysis of the five travel agents' management of future planning goals is

carried out. The travel agents indicated that their business enjoys a steady flow of business throughout the year, without the peaks and troughs experienced by leisure agents. The travel agents indicated that they depend heavily on the business market and it is the employer rather than the traveller, who pays for the travel and so the prices charged tend to reflect greater emphasis on service than on economy. In Table 6.20, there is a strong agreement (68.5%) among travel agents that business travellers are the major markets for travel agents.

**TABLE 6.20: CONTRIBUTORS TO TRAVEL AGENTS' MARKET**

| Travel Agents' Market | SA | A | N | D | SD | Total |
|---|---|---|---|---|---|---|
| Business Travellers | 68.5% | 20.9% | 6.3% | 0.0% | 0.0% | 100% |
| Leisure Travellers | 33.8% | 35.9% | 0.6% | 0.2% | 0.4% | 100% |

The manager indicated that future plans of Connex Travel, are to secure major accounts with bigger tour operators so that when Connex Travel receives payments from clients, the money is deposited into Connex Travel's account so that interest is earned on that amount before paying the principal. The time lag between the travel agent banking the deposit and paying the operator, varies according to the size of the agency. The small and new agencies will have to pay the operator immediately, whereas a large, multiple agency will have negotiated a longer period of credit. 'Pipeline' money, as referred to by the agents, is generated from business travellers (68.5 percent) as compared to leisure travellers (only 33.8 percent) and can be used as a short-term investment and earn interest. This interest is a major source of income.

On the other hand, only 20.9 percent of respondents agree that the future of the travel agents' market is the business traveller. About 35.9 percent of travel agents managers were optimistic about the leisure market as having potential in the future. Travel agents' managers have plans to market their own products such as mini-breaks and safari camps. To the customer, a mini-break is a short, inexpensive holiday away from home. The travel agents agreed that this is an attempt to explore the domestic market and promote a tourism and travel culture in South Africa.

### 6.4.3  Tour operators' management of future planning goals

An analysis of tour operators' management of future planning goals is undertaken in this section. While 45 percent of tour operators see the future growth plan as buying smaller travel agents and use them as their retail outlets, about 55 percent see their future in developing the domestic tourism market along side the international market. According to the respondents, tour operators are attempting a drastic investment for the new millennium, with 35 percent considering product development that will take them into the hotel business as well. Tour operators, such as Thompsons Tours, which operate their own hotels, are also considering branching into airline business, thus giving them greater control on how they market the product. Sampled tour operators (85%) have contracted to buy a specific number of beds for the season, regardless of how many they actually manage to sell. This is their attempt to keep tour operators in control of the tourism and hospitality industry.

The tour operators argue that the planning process in marketing holidays is a complex matter, because of the dynamic nature of the tourism and hospitality industry. Respondents also indicated that the cost of accommodation usually represents a high proportion of a package

holiday price, so the need to buy hotels in popular resorts, in order to gain complete control over their 'bedstock', is crucial for the tour operator in the new millennium.

## 6.4.4 Tourism authority's management of future planning goals

In this section the researcher focuses on the analysis of the tourism authorities management of future planning goals. To achieve this, two tourism authorities managers were interviewed (KwaZulu-Natal and Mpumalanga Tourism Authorities) and they both agreed that tourism and hospitality are the most significant industries and will continue to be well into the new millennium. This view is supported by research undertaken by SATOUR (1996), that tourism contributed approximately R6 billion to the economy of the province of KwaZulu-Natal in 1996. Therefore, the Authority managers attached greater importance to tourism management of future planning goals. The Interim Provincial Tourism Steering Committee (IPTSC) and later the KwaZulu-Natal Tourism Authority (KZNTA) was charged with finalising recommendations on a tourism policy and strategy (Tourism White Paper 1996). The Authority concluded by recommending legislation and setting out proposals for a Provincial Tourism Authority that will take the KwaZulu-Natal Province into the twenty-first century and beyond. The Mpumalanga Tourism Authority is developing Mpumalanga into one of Southern Africa's more popular tourist destination. Accordingly, more effective actions have become necessary to keep this province as high as possible on the priority list of potential tourists.

The Tourism Authorities advocated that the tourism authorities are geared to provide others with the appropriate tools to do the job of developing tourism projects rather than doing the

job themselves. They indicated that the strategy would be to develop alliances and partnerships with the private sector and other community groups. The primary aim of the tourism authorities, as outlined by the managers, is to firstly formulate policy, and secondly to put together a strategic plan. The Chief Executive Officers (CEO's) and their teams will set various operational vehicles for the implementation of the agreed policies and strategies. The CEO's offices provide administrative and secretarial support to the Boards and also contribute to all operational areas of activity of the Tourism Authorities.

The KwaZulu-Natal Tourism Authority planned to restructure itself in the 1999/2000 financial year. The managers believe that the restructuring is already in motion as funds for tourism promotion, marketing and developments are the only areas that were not affected by the restructuring. During the restructuring process, the following future plans and goals are recommended:

(a)     Provide a database of relevant information to those involved in the industry to enable them to make informed decisions.

(b)     Actively work for the sustainable development of new tourism opportunities, destinations and attractions in order to grow the tourism base of the province.

(c)     Establish constructive and co-operative working strategies with all key role players involved in tourism in the province so that a maximum return is realised from the funds available.

(d)     Through the identification of appropriate development opportunities and training programmes, ensure that new entrepreneurs and employees join the industry.

(e)     Work with the tourism industry to develop and promote culture of service excellence.

(f)     Actively market KwaZulu-Natal as a province of opportunity for tourists and investors alike.

With these future plans and goals achieved in the year 2000, KwaZulu-Natal Tourism Authority would have made a contribution to the economic well-being of the province, through job creation and the improvement of the general standard of living of the community.

### 6.4.5   Tourism and hospitality customers' perceptions of future management planning goals

Tourism and hospitality customers are the people the industry seek to service, therefore it is important to understand the way customers view the management's role in the new millennium. This section, therefore, analyses the way tourism and hospitality perceives future management planning goals. It is the view of 45 percent of tourism and hospitality customers that, under normal conditions, diversification should be a regular activity of tourism managers. An estimated 55 percent of tourism and hospitality customers suggested that the eventual strategy should be to expand and spread the range of facilities provided, to broaden the overall product, and to encourage the widespread participation of local people, rather than concentrate it in the hands of the few. If feasible, it is generally better to open tourism up, than to narrow and limit the numbers and types of development. A small destination, such as the border post, was noted by 48 percent of customers as the first point

of contact with a country. Communities living within that area will benefit in terms of employment and general living standards. As noted, there may be a need for appropriate timing, sound planning and the mobilisation of adequate resources. The question of good security has become a major component of tourism in South Africa. About 98 percent of respondents believe that any sound tourism management for the future should include this as a major element in its planning programme. Strategies should be put in place to deliver a safe tourism product. Tourists are often targeted as victims of two types of crime:

(a)     Common crime - particularly assault, mugging and highway robbery,

(b)     politically motivated crime - tourists are made targets of political movements - usually through kidnapping and sometimes assassination.


Tourism and hospitality customers (45%) feel that future tourism planning should take into account accessibility and transportation. This view is supported by the fact that local roads are in desperate need of repair and this is a contributory factor to the lack of domestic participation in tourism. An estimated 58 percent of tourism customers believe that most of the planning process does not take into consideration the community within which they operate. Therefore, the price structure favours only international tourists that can afford to pay high prices.


## 6.5     CONCLUSION


This chapter provides the presentation and the analysis of the data. It explores the scope of the exposition of the hotel manager, tour operator, travel agent and looks at the perceptions of the tourism authority and the customers. Very important issues that were frequently

highlighted are those of security and safety, and customer service. There are serious issues that need to be addressed now and shall continue to be of concern to all policy makers and tourism managers. In all the expositions of the various functions, each explored the need to maintain a successful business and use every known strategy in the industry to keep ahead of competition. Clearly there appears to be fundamental differences in the approach of how best to satisfy the same customer, yet each one depends on the other for a successful business. This chapter has attempted to analyse and draw together the many views being expressed about the future of tourism and hospitality.

In the next chapter, an attempt is made to carry out an interpretation of the analysis presented in this chapter. The aims of the study are integrated with the theoretical framework and the emerging empirical analysis and interpretation of tourism and hospitality management issues. Finally, the hypotheses of the study are integrated with the findings, and these are followed by a discussion of the implications and recommendations.

# CHAPTER 7

## INTERPRETATION OF DATA

### 7.1  INTRODUCTION

The interpretation of data presented and analysed in chapter six of the study of tourism and

hospitality management as it moves into the new millennium, is presented in this chapter.

The discussion and analysis were carried out on the basis of:

(a)     the integration of demographic characteristics with management functions,

(b)     the integration of demographic characteristics with management operations,

(c)     the function and techniques of tourism management, and

(d)     tourism management of future planning goals.

The meaning, understanding and justification of the same tourism management concepts and

procedures are also attended to in this chapter.

This chapter attempts to transform raw numerical findings or data into finished tourism and

hospitality products.  Furthermore, an interpretation of tourism management operations is

the main theme of the chapter.  It also looks at these dynamics from the point of view of the

hotel manager, travel agent, tour operator, tourism authority, and the tourism and hospitality

customer.  It is also important, in this chapter, to find out what meanings these various

groups have given to tourism management operations, as these are crucial to the future planning of tourism and hospitality into the new millennium.

## 7.2  DEMOGRAPHIC CHARACTERISTICS

The interpretation of the tourism and hospitality managers' demographic characteristics provides us with support for the reliability of the data collected from the tourism managers. The demographic characteristics, as related to this study, are a measure of the experience and the knowledge each manager in the study sample has about the tourism and hospitality industry.

### 7.2.1  Hotel managers' demographic characteristics

The demographic characteristics, which are considered for this interpretation, are age, gender, location and educational qualifications. The findings of these characteristics show that there were equal numbers of males and females in management positions in the hotel business in the study area, and that the average age of the managers is 46 years.

### 7.2.2  Travel agent managers' demographic characteristics

The analysis of five travel agents managers' demographic characteristics shows that there are more female managers than male managers, and that their age ranges between 18 to 40 years. In terms of tertiary education, only the manager from Delta International has a

diploma in management. This is an indication that up to now qualifications were not a requirement for a management position in a travel agency. The analysis also indicates that the travel agency profession is female dominated with 95 percent in management positions. It can be attributed to the fact that the job entails intensive selling skills and females are known to be better at selling than males (Burkart and Medlik, 1981).

## 7.2.3  Tour operators managers' demographic characteristics

The tour operator managers' average age is 35 years, with individual ages ranging between 25 to 49 years. The age range, coupled with qualifications and tertiary level education, reflects the knowledge and experience the managers have in the tourism and hospitality industry.

## 7.2.4  Tourism authority managers' demographic characteristics

The two managers of the tourism authority are both highly trained with considerable experience in the industry. Mr James Seymour of the KwaZulu-Natal Tourism Authority is 35 years old with an MA degree and Mr John Davies of Mpumalanga Tourism Authority is 49 years old with a diploma in marketing. The two managers have developed a strong tourism research base in their respective provinces, thus making information more accessible.

### 7.2.5 Tourism and hospitality customers demographic characteristics

A total of 250 tourism and hospitality customers, comprising 150 females and 100 males, were interviewed. The findings suggest that more females were interested in tourism matters than their male counterparts. It can be argued that females are more interested in related travel issues and the younger they are, the more interest they have in travelling. This is supported by the findings in Table 6.5 in chapter six indicating that 33 percent of females in the age range 18 to 25 want to know about tourism. Females in this age group are single, adventurous and flexible students, and therefore, are more likely to travel. In the management category, senior managers make up 10 percent of the sample and managing directors 16 percent of those managers interested in tourism. These managers were only interested in tourism and hospitality to find out whether facilities at hotels will make communication with their organisations possible, while on business trips. The male students were more eager to find out about job prospects in the new millennium, as were the 9 percent of respondents who were unemployed.

## 7.3    INTERPRETATION OF TOURISM MANAGEMENT OPERATIONS

The interpretation of tourism management operations focuses on the way in which each of the respondents in the study perceived the work of tourism managers of various business functions. The hotel manager, travel agent, tour operator, tourism authority and the tourism and hospitality customer have seen tourism management operations from different perspectives. The hotel managers view tourism and hospitality management from a hotel

perspective, as do the travel agent, the tour operator and the tourism authority manager. The tourism and hospitality customers, however, view tourism management operations from a completely different perspective. The various views and their justifications are discussed under the appropriate headings in subsequent pages.

### 7.3.1 Hotel Managers' Explanations: Functions and Strategies

The hotel managers' expositions of tourism management operations are based more on a 'hands-on' and a practical approach. This is because tourism and hospitality management operations are more activity-oriented: the manager should be seen with customers and staff, rather than operate from an office. Tourism management operations require the manager to be closer to his workers and to the customer. The inconsistencies in management style, and the diversity in operation, are primarily because hotels receive international customers who come with their own culture and the manager is expected to accommodate and understand things from the customers' perspective. It is must be very difficult for the manager who may not have any knowledge of the culture. The question is, should hotel managers be exposed to multicultural management skills from a human resource and a customer perspective? The Royal Hotel manager supported the view of multicultural management: with tourism globalisation, no hotel can ignore the issue of understanding workers' and customers' cultures.

Information technology is another issue that is central to this study, as managers see a major advancement in product promotion. The use of Internet has made the tourism product more

accessible to the customer. The statistical analysis shows that 45 percent of South African hotels now advertise on the Web. The Internet is the medium that would be the most effective promotional tool for tourism and hospitality managers in the new millennium. In the new millennium, tourism and hospitality customers will be looking for convenience: customers are too busy to walk the length of high streets looking for tourism products. Therefore the hotel that will allow them to book a room of their choice, from the comfort of their home or office on the Internet, is the hotel they will choose.

Customer care is another very important issue for managers, therefore, being able to spend time with the customer is a major marketing strategy. The tourism customer, away from home, is desperately in need of occasional attention from the manager: finding yourself in a strange environment could be stressful, so customers need constant reassurance from the manager as part of customer care.

Hotel managers view the hotel as the core product in the tourism business. They argue that if the hotel and staff were removed from the tourism industry, there would be no tourism. People taking a holiday need a place to stay; therefore, if tourists do not have a place to stay, they will not travel. It can be argued, therefore, that the hotel is the core product of the tourism and hospitality industry. In the absence of hotels, travel would have been limited to day trips and visiting friends and relatives only. Hotel managers see the term 'hotel' as a general term for all tourist accommodation. The hotel managers classified hotel into three types of products; business hotels, tourist hotels, or resort hotels, and each demands its own particular package of facilities. Can hotels afford to be classified, or to operate purely as

194

business hotels, designed only for business people? Can business customers alone make a business hotel viable? Hotels can be designed with units customised for business customers, rather than have a special hotel for business customers.

All the managers agreed that the location of the hotel plays an important role in the marketing process and influences the customers' purchasing decision. About 52 percent of the respondents supported the managers' view of the importance of location. Hotels that are located close to an important destination or attraction, are more likely to attract customers than those away from tourist facilities. The modern hotel guest, from the hotel managers' points of view, expects to find many auxiliary facilities in addition to the basic ones of accommodation, food and drink. A guest may be expected to find a telephone, radio and television in the room, or be able to telex and fax messages. The guest may wish to purchase newspapers and magazines, have suits dry-cleaned, or shirts and socks laundered. The hypothesis that hotels in the new millennium will compete mainly on room facilities and service is proved to be true. The hotel managers believe that the hotel is the beginning of tourism and it ends at the hotel. What they were trying to say is that without hotels there is no tourism. "The hotel is tourism and tourism is the hotel," the Royal Hotel manager insisted.

Tourism management operations relate to the hotel's organisational structure, dealing with such matters as the division of tasks within the firm, positions of responsibility and authority, responsibility, relationships between the staff, departments and the customers.

All these activities must be co-ordinated to ensure that they contribute to the overall needs of the guest and to the net profitability of the hotel.

Since they are so different from one another, and many lend themselves to being run independently, hotels tend to be divided for operational purposes into departments. A strategic management approach is being considered here, where every role must be clearly defined if the hotel organisation is to operate effectively. The second hypothesis that has been proved here is that which says that strategic management approaches will be the key to good business practice and successful management of demands.

The hotel managers could not see the distinction between tourism and the hotel. They preferred the name hospitality rather than tourism. This is how they defined tourism: all those activities concerned with the reception of the guests, allocation of their rooms, cleaning and servicing of them and ensuring that charges relating to them are actually recorded and notified to the accounts departments. What they are in fact describing is the hotel and how this is managed. The hotel managers' description of tourism has been limited to just the hotel business: hotels were not seen as part and parcel of the tourism and hospitality management operations.

Such a narrow view of the industry creates a complicated approach to the management and operations of tourism. If these views were carried on into the new millennium, the survival of the hotel as an independent business, would jeopardise the tourism and hospitality industry. The hotel is a component of the tourism industry and without that there would be

no tourism. However, without transportation, food and beverage services, attraction, recreation, events and entertainment and destination, there would also be no tourism.

## 7.3.2 Travel Agents' Explanations: Functions and Strategies

The most important functions and strategies as seen by the travel agents saw the most important functions and strategies as being classified as: personal service, offering discount, selling their own product and buying hotels. The belief that personalised service will moderately increase the sales of tourism products (60%) is not an overestimation of the importance of how close travel agents have to be to their customers. Customers rely on the agent to guide them through sometimes unknown destinations, and unless there is that personal contact information from the travel agent to customer, they are normally not trusted by customers. About 45 percent of travel agents believe that buying hotels can strongly influence the sale of tourism and hospitality. In this way, the travel agents are in control of the product and reliable information about the product is passed on to the customer. Most of the product information is channelled through so many hands that, by the time it gets to travel agents, it may not be accurate.

There are two views on selling one's own product. Approximately 33 percent of respondents believe it will moderately increase and influence sales and the other 44.5 percent think it will not influence sales. If one is to go along with the study result, travel agents should stay away from idea of buying hotels and keep to retailing the tourism and hospitality product.

Travel agents are known for offering discounts, especially on airline tickets. The findings show 58.7 percent of travel agents considered offering discounts to have a great influence on sales. As competition for the sale of tourism and hospitality products intensifies in the new millennium, more travel agents will offer discounts in order to stay in business. If there is no holiday to sell, they do not have a business to run. Being in business means offering tourism customers cheap, good quality holidays.

The travel agents also see tourism management operations as being those which provide the opportunity for customers to purchase the tourism product, as offered by tour operators, hotels, transport operators, and the travel agents themselves, by drawing it to the attention of the tourist and stimulating desire for the product. The tourism managers believed that they should have expertise in all businesses that are components of the tourism industry, in order to be able to manage efficiently. About 68.5 percent of travel agents strongly agreed that the existence of the travel agents' business depends on business travellers. Therefore, the travel agents' explanation of tourism management operations will depend on how effectively management co-ordinated strategies in order to sustain the business travel market.

### 7.3.3    Tour Operators' Explanations: Functions and Strategies

The tour operators' explanation of functions and strategies is based on the creation of business transactions for tourism and hospitality. That means for tourism and hospitality to take place, the following businesses must be involved:

(a)    tour operators,

(b)    travel agents,

(c)    franchising,

(d)    management contracts and

(e)    mergers / acquisitions.


Tour operators' involvement in the tourism and hospitality process seems to be a major one, as 29.2 percent of the respondents strongly agree. This is because tour operators are the wholesalers, therefore, their function is crucial in the design and packaging of tourism and hospitality. Management contracts are becoming a very popular means of running tourism and hospitality business: 18.4 percent of respondents strongly agree that they make tourism possible. Many tourism operators lack the skills of running a tourism-related business; therefore they rather pass it on to people who understand the business. Management contractors are known to have the operational and management techniques to run the tourism and hospitality industry.


About 19.3 percent of respondents consider franchising as a possible method of business transactions. Hotels such as Holiday Inn and the Burger King Restaurants are operating on a franchise basis. Franchise operations take away the frustration of setting up a new business such as hotel or a restaurant. Knowing where to locate it would be the first problem to overcome, while franchising would take that problem away from the prospective entrepreneur. Travel agencies have not been considered franchising to be important as

199

shown by only 11.4 percent of respondents favouring it. With the advent of the Internet, who wants to visit the travel agent? In today's technological environment, you can obtain anything from package holidays to an airline ticket on the Internet, without leaving your home or office. About 35 percent of tour operators believe that effective tourism management operations relate to a major involvement in product development and innovation. Tour operators see tourism management operations as the designing, planning and controlling of the tourism system. They perform ancillary activity for other tourism organisations, such as airlines and hotels. There are six tour operators' functions that tend to influence tourism and hospitality customers' purchasing preference:

(a)    public relations,

(b)    ground handling,

(c)    accommodation,

(d)    transfers,

(e)    packaging holidays and,

(f)    advice on destinations.

Transfers (43.9%) seem to have a very strong influence on customers purchasing decision. Arriving at a foreign destination for the first time, most customers would feel very safe to be met and assisted to their hotels. Packaging holidays (58.5%) and advice on destinations (51.2%) are strong influences on customers' purchasing decisions. Customers want to know what they are buying in terms of what their package holiday includes and they need lots of information about the place they are going. Customers would like to know how safe the destination is in terms of crime and health, and whether the local community is friendly.

Public relations and accommodation are considered moderately important (53.7 percent each). Accommodation and public relations are both important factors in choosing a holiday, but people are more concerned about their safety, health and what their holiday would turn out to be.

### 7.3.4 Tourism Authority's Explanations: Functions and Strategies

The tourism authority's explanation of tourism management operations fits exactly into the operations of the KwaZulu-Natal and the Mpumalanga Tourism Authorities. The functions were delegated to the authorities by the Interim Constitution of South Africa in terms of Schedule 6 of the Constitution. In the case of the KwaZulu-Natal Tourism Authority (KZNTA), in order to carry out these functions effectively, they set up a Section 21 company under Resolution 257/98 and created an Interim Provincial Tourism Steering Committee by means of Resolution 475/95. With such diversity in tourism activities, it would have been impossible for a single organisation to carry out the task successfully. Links with the community through business and project initiatives, are some of the functions the Interim Provincial Tourism Steering Committee undertakes. KZNTA then has the responsibility of formulating strategies that stimulates the development, the promotion, and the marketing of the tourism and hospitality industry in the area.

The Mpumalanga Authority is set up by the same provisions in the South African Constitution (in terms of Schedule 6) as the KZNTA. Both authorities are set to follow the provisions set out in the Constitution but have flexibility to develop, promote and market

tourism in their respective regions. The flexibility to carry out their activities encourages the authorities to broaden participation of the communities as a micro level operation. Most of the promotional efforts of destination marketing organisations are channelled through the tourist information centres, which are a kind of outlet for tourism management agencies. Their functions and operations are to formulate policy and put together strategic plans. The tourism authorities create the operational vehicles that are used to implement the policies and strategies that have been agreed upon.

### 7.3.5 Customers' Explanations: Functions and Strategies

Tourism and hospitality authorities and managers need to be well informed about the products they offer to customers. One would assume that training is the ultimate solution to tourism and hospitality managers getting to know and understand the product. The hypothesis is that, the more qualified and dynamic tourism and hospitality managers are, the more successful they will be in the new millennium. It is therefore accepted that this hypothesis has been proven.

Communication channels have strong influences on customers' selection of tourism and hospitality products. The communication method that seems to have the strongest influence on the customer's selection is word of mouth. Potential customers are strongly influenced by a previous customer who has visited a destination that they are planning to visit. The word of mouth communication is far more effective than broadcast advertising and direct mail. Print media and broadcast advertising seem to influence customers more than other forms of

communication. This is because customers tend to believe what they read in newspaper and what they see on television more than what others tell them as some people tend to exaggerate.

Service quality featured quite strongly in the study and is one of the factors influencing tourism and hospitality customers' purchasing decisions. Customers are not receiving the attention and care they expect when they visit travel agents and hotels. Customer care and service are two important factors in product and service delivery that can damage the image, reputation and the ambience of tourism. The tourism product is about hospitality and complete hospitality comes with good customer care. Therefore, the hypothesis that hotels in the new millennium will compete mainly on room facilities and services has been proved.

Price (58.6%) and product type (57.9%) are quite closely related. It is true to say that the type of product determines the price. The result of the study proves the point. Organisations do not set the price of a product; it is the customer that sets the price. Customers can only pay what they can afford. The reputation of the organisation can be equated with the ambience the tourism and hospitality facility offers. Beverly Hills is a five star hotel with an outstanding reputation, therefore the ambience has got to match that reputation.

Environmental programmes seem to be of limited concern to tourism and hospitality consumers. This could be because of lack of environmental education programmes to create an awareness of the importance of environmental management. In a country with a high

incidence of crime, tourism and hospitality customers would be concerned about the location of the destination, the attraction or the hotel, and this has a very strong influence on the purchasing decisions of customers (52.1%). Crime has become a major issue in South Africa and urgent action needs to be taken to control crime, otherwise vital income will be lost, along with all the other benefits of tourism, such as employment creation. The intimidation of tourists could be interpreted to be either criminally motivated or just xenophobia on the part of South Africans. Other problems that are linked with intimidation of tourists, are an increase in sexually transmitted diseases, such as HIV / AIDS, and this has also been associated with crime and prostitution. The concerns expressed by the local community appear to be genuine and should not be ignored.

Cost of living is another issue raised in this study. Some tourist activities push up prices of basic commodities and this makes them largely out of the reach of local residents. Tourist zones become very expensive living areas and residents can often not afford rents, which tends to push people away from those areas.

## 7.4 INTERPRETATION OF THE MANAGEMENT FUTURE PLANNING GOALS

Having looked at the explanation of travel agents, tour operators, tourism managers, hotel managers, and the customers' perceptions of tourism management operations, this section concentrates on the interpretation given to the future of tourism managers. It also attempts to pre-empt was the changed situation will be like with progress into the new millennium. Because the industry is a people's business, it is very difficult to predict with certainty the

direction it will take in the future. Nevertheless, some predictions were made as it is proper

under an uncertain business environment, to engage in planning and forecasting.

### 7.4.1   Hotel Managers' Predictions: Future planning Goals

The hotel managers' predictions for the future of tourism management are centred on the

complex customer whose needs and wants changes regularly, and the dynamic nature of the

tourism product itself.    Future growth strategies for hotels lie in the planning and

implementation of following activities:

(a)    direct selling,

(b)    advertising,

(c)    product innovation,

(d)    service improvement and,

(e)    changes in product and service.

Direct selling appears to be a very strong strategy for hotel managers in moving into the new

millennium, and therefore should not be left in the hands of tour operators and travel agents.

At the moment, tour operators and travel agents play a major role in marketing the hotel

product, and sometimes have little knowledge of the facilities the hotel offers.   Service

quality has been a constant issue and this is not going to go away in the new millennium:

tourists paying for services expect nothing less than excellent service quality.   The

hypothesis on service quality has been proven for the second time: hotels in the new

millennium will compete mainly on room facilities and service.   Advertising, product

innovation and changes in product and service are strategies that hotels cannot ignore.   As

the need and wants of the tourism and hospitality customer changes, the need to develop new products or make modifications, becomes crucial to the survival of the hotel. The hypothesis that tourism management in the new millennium will focus more on product development has also been proven.

The analysis in chapter six regarding future brand preferences (in the case of Durban, Pietermaritzburg and Richards Bay) for business and leisure travellers, is an strong indication that *tourism and hospitality customers would be more comfortable using hotels with prominent brand names* Brand names are normally associated with quality, good facilities and excellent customer care.

## 7.4.2   <u>Travel Agents' Predictions: Future Planning Goals</u>

Travel agents were most concerned about where their business will come from in the future. The contribution to travel agents' business will come from business travellers. Business travellers do not have the time to shop around, therefore they will depend on travel agents to organise all their travel requirements. Business travellers do not pay for their own travel, so they are not worried about the cost element and therefore the need to shop for cheaper travel is not an issue. Travel agents prefer business customers whose business is regular and payment is higher than that of the leisure customer. This means that travel agent managers must, in the future, be effective negotiators in order to win big contracts where larger organisations send their business executives on long business trips. In the case of leisure travellers their business is seasonal and cannot always be depended upon.

### 7.4.3   Tour Operators' Predictions: Future planning Goals

Tourism has a great and growing significance in the economy of South Africa. With increasing influence, more people are taking holidays further afield and taking more holidays each year, as tour operators indicated. Therefore, tour operators see the future of their business in the buying of smaller travel agents to serve as retail outlets. This strategy to buy smaller travel agents is an attempt to reduce competition and to have these travel agents selling only products from a single tour operator. About 55 percent of tour operators considered a brighter future for the domestic tourism market and will take advantage of that. With the increase in better educated and a more professional workforce, the domestic market shows viability in the future.

Tour operators should be able to target their products more closely to meet the needs and wants of their segments. A more integrated marketing approach should be used: managers are finding it more cost effective to work with other industry members to promote the tourist product rather than going it alone. Tour operators also indicated that contracting to buy more beds than they need from hotels provides a safety net so that they do not run out of stock. Tour operators want to be able to meet the needs of their market at all times.

### 7.4.4   Tourism Authority's Predictions: Future Planning Goals

Tourism authority management is expected to continue playing a role in policymaking and continue acting as a strategist for their organisations. Managers are expected to provide the appropriate tools, in terms of resources, to help tourism development in the designated areas.

The focus of managerial functions is expected to be on development, promotion, and marketing in KwaZulu-Natal and Mpumalanga.

As been stated in chapter six and in this chapter, service and product development are expected to play a major role in managers' activities in the new millennium. Tourism authority managers' roles ought to be to interpret policies and techniques of complex management issues in order to provide both a welcome and a rich experience for the tourist, while at the same time ensuring protection of the resource itself. It is felt that once tourists understand why a destination is significant, they will want to protect it and therefore, tourism authorities ought to provide the appropriate tools for developing tourism projects that create sustainability in the future. Good planning and management of destination lie at the heart of providing the consumer of the year 2000 and beyond with a high-quality experience, and tourists may be forced to accept increasingly restricted viewing times at popular sites and even replicas of the real thing. The hypothesis that planning and social consideration will be a major management activity for tourism managers in the new millennium has therefore been proven.

The challenges facing the tourism industry, can be met by the tourism managers being able to attract a well-educated, well-trained, bright, energetic, multilingual and entrepreneurial workforce, who understand the nature of tourism and have professional training. It could therefore be said that the hypothesis that highly trained tourism and hospitality managers will be better prepared to cope with technological changes in the new millennium, is also accepted as proven.

### 7.4.5  Customers' Predictions: Future planning goals

Good customer care, the development of border posts and extending tourism to all, should be an important part of the tourism managers' function as indicated by 48 percent of customer sample. The same number also agreed that development of these areas is very important. Management policies, strategies and plans should address the security of tourists. About 98 percent of respondent agreed that any management planning that does not have a major element of how crime should be addressed in South Africa, is destroying the future of tourism. Therefore, management's first task for the new millennium is to start programmes that are expected to involve everyone to fight crime against tourists. All guests, whether on business or leisure travel, expect good customer care in the future, regardless of the price paid for the tourism product, especially in the case of hotel accommodation.

The 45 percent of customers that expect tourism managers and planners to take the diversification route in order to survive the new millennium, are basically telling managers that their survival depends on following the customers' needs. Therefore, the hypothesis that tourism management in the new millennium will focus more on product development, is confirmed. This was also confirmed by the responses of 48 percent of customers that agreed that tourism should be encouraged and developed in not so exotic places such as the border posts. The conclusion was, however, that tourism would always be sidelined in less popular destinations, and that managers and planners would always go for more attractive destinations.

The hypothesis that managers spend a large proportion of their time in their offices undertaking managerial functions, particularly those concerned with information processing and control, has been rejected by all the managers. They felt that spending time meeting guests, was a major component of their work and represented good customer care. The conclusion was that tourism and hospitality is about making contacts with actual and potential customers, and therefore spending time with them was a marketing tool.

## 7.4 CONCLUSION

The concept that has been described by the various sectors of the tourism and hospitality industry suggests that tourism suppliers form the linchpin of the tourism system, between the consumer and the destination. This is a useful form of analysis and interpretation of the operations of tourism, but there is an additional point to note. The linkages between supply sectors provide a degree of overlap. It is this overlap that is creating the confusion, to the point that operators themselves cannot separate one business from the other. For example, tour operators own travel agencies; transport providers own hotels, and major groups own entertainment centres, restaurants and accommodation.

Tourism authorities and public agencies are expected to see their role in international tourism as facilitators for the private sectors, rather than as providers of services and facilities in their own right. The strategic role of the tourism authority in tourism will remain important and may well grow, in matters such as manpower planning, training, enterprise development, control, economic and infrastructural development.

This chapter has outlined the role of all the participants in tourism management and shows how the industry will continue to expand in the short term. A major emphasis has been on crime prevention, product development and possible diversification, and promotion of tourism products. The supply side of tourism is expected to face many challenges in meeting the needs of an increasing discerning travelling public, and in meeting the expectations of the manager. The question is, however, whether this disparate industry has the necessary co-ordination and influence, not to mention responsive management structures and a well-trained workforce, to realise its economic and political potential to the full. The next section, which is the final chapter, embarks on a comprehensive summary of this chapter and recommendations.

# CHAPTER 8

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 8.1    INTRODUCTION

The concluding chapter aims at crystallising many of the issues and findings discussed in the preceding chapters and a summary and recommendations are presented from the study of tourism and hospitality management in moving into the new millennium. It provides a summary of a conceptual framework of tourism, the practical research findings, the integrated recommendations and the significance of the inquiry. In such a fast changing field, any attempt to look too far into the future is of little value. Therefore, an attempt will be made to focus on changes which are likely to take place, or which may be well underway, within the next ten years, or by the year 2005. It is hoped that the successful completion of the study, together with its recommendations and outcomes, will be utilised by relevant organisations. It is also hoped hat the findings will become a benchmark for further researches in tourism and hospitality and will provide the basis on which such research should be conducted.

### 8.2    SUMMARY OF TOURISM CONCEPTUAL FRAMEWORK

The ideas presented as findings in this study seek to explain the tourism and hospitality management and operations within a conceptual framework. The following fundamental

concepts listed below give what the study presented with a view of elucidating some of the theoretical perspectives and underpinnings of the study:

(a) Tourism and hospitality depends heavily on people for employment and therefore, it was necessary to understand the demographic characteristics of the respondents.

(b) Males dominate the hotel industry in South Africa because the long and inflexible working hours are not convenient for women with children.

(c) Female managers are single with no children and are therefore prepared to work long hours.

(d) White females, with only standard 10 qualifications, dominate the business of travel agents. It is not a profession that requires a very high standard of education and most are owner-managers.

(e) Females are more interested in holiday issues than men, regardless of their status. They are more out going and adventurous.

(f) Income was a major factor in determining the views and awareness of customers of the tourism and hospitality industry. People in the higher income groups are the ones that took holidays.

(g) The level of education contributed to the perceptions and understanding of the tourism and hospitality environment.

(h) Multicultural management deals with general human resource management and strategies within an ethnic and cultural diversity, which are present in the tourism and hospitality industry.

(i)     Customers view functions and strategies as the means of developing, planning and providing sufficient information about the product, and maintaining the tourism and hospitality industry.

(j)     The concept of word of mouth is an effective promotional tool for the tourism business.

In view of the fact that the aim of the study was to sensitise tourism and hospitality managers to the changes expected in the new millennium, the above conceptual framework provides the basis on which the preparation should be conducted. Managers envisaged positive outcomes from the study, and a better understanding of the nature of tourism and hospitality management will lead to better management and the subsequent satisfaction of customers.

## 8.3     SUMMARY OF TOURISM PRACTICAL RESEARCH FINDINGS

The study of tourism and hospitality management as it moves into the new millennium, outlines the conceptual framework as discussed above and provides some practical and appropriate approaches for tourism management, especially in the area of marketing, which are presented as follows:

(a)     The application of hands-on management and spending time with customers was seen as the key to good customer care.

(b)     Tour operators' intend buying smaller travel agents and using them as retail outlets to have more control over the distribution of the product.

214

(c)    Tourism authorities provide the necessary tools, such as money and administrative backup to community projects, to expand tourism in those communities.

(d)    Tourism authorities form partnerships with the private sector and community groups to provide crime-free tourism destinations.

(e)    Tourism authorities establish a strong tourism research base in the province, by motivating the development of a centre of tourism research excellence, based in tertiary institutions, thus building tourism research capacity within Universities and Technikons.

(f)    Identify potential new international tourist markets and promoting the provinces in those markets.

(g)    Customers will depend on the Internet to search for and book package holidays and general travel, from their office or home.

(h)    Closer ties between transportation, food and beverage services, while attraction, recreation, events, entertainment and destination operators are needed in order to create improved customer satisfaction and economic growth.

(i)    Tourism and hospitality customers prefer branded products.

(j)    The nature and type of product and price have a significant influence on the tourism and hospitality customers' choice of hotel.

(k)    The elements of personal service and the offering of discount influence the sale of tourism and hospitality products considerably.

(l)     Package holidays (the all-inclusive holidays) and advice on destinations are major factors that influence tourism and hospitality purchasing decisions.

(m)     Environmental management is not a major concern for South African tourists.

(n)     Business travellers are the major contributors to the travel agents' business.

The analysis in chapter 6 indicated that, in order to put these findings into action, active and continuous marketing research and forecasting is required. Also, managers predicted that training of staff would contribute to the improvement of the industry, a response which addresses some of the findings of the study.

### 8.3.1   Sources of Data

The initial data requirements to establish the background, to present the problem and to set the basic aim of the study, were obtained from the literature review. The data that was required to build the case studies was obtained from various interviews and observations of the hotel managers, travel agents, tour operators, tourism authorities and tourism and hospitality customers. Various other sources presented valuable information that were put together for the study of tourism and hospitality management as it moves into the new millennium. These sources include the Web pages of tourism organisations and agencies, and the Central Statistics Office. The study also involved talking to employees of hotels, tour operators, travel agents, and tourism authorities, data collection at archives located at Universities, visiting holiday resorts, the Durban beachfront, SATOUR publications, a pilot study involving the Karos Hotel and American Express Travel Agency in Richards Bay, and Harvey World Travel in Empangeni.

216

## 8.3.2 Presentation of Collected Data

The essential part of the study was the final presentation of collected data. The aim was to present data that would be user friendly and practical in nature. A qualitative and quantitative approach was taken with tables to illustrate certain areas of emphasis in the study. The demographic characteristics of five travel agents, four hotels, four tour operators, two tourism authorities and 250 tourism and hospitality customers were thoroughly examined (age, gender, education levels, ethnicity, location, marital status, employment, income and language). An assessment was made of what the operations and functions of hotels, tour operators, travel agents and tourism authority managers are, and the techniques that they applied in carrying out their functions. These approaches enabled the researcher to understand the general characteristics of the managers and how these related to their management function and techniques.

The presentation of data in its present format, for the study of tourism and hospitality management as it moves into the new millennium, provides further explanation on how tourism and hospitality customers perceive branding. As previously stated, while less than two-thirds of respondents in the Richards Bay region believe that brand affiliation is a strong influence on the purchase decision, 83 percent acknowledge that business travellers are expectd to prefer branded products in the future. In contrast, just two-thirds of executives surveyed believe the same about leisure travellers - an ambivalence that will undoubtedly be brought into greater focus and reconciled as globalisation continues and branding becomes more prevalent in all types of business.

217

## 8.4    PRIMARY AND GENERAL CONCLUSIONS

This section draws together the primary conclusions, and also makes general conclusions for the study. The conclusions relate to each respondent that has been used in the study. The conclusion focus on the specific issues within the study; for example, tourism management functions, techniques, future planning and goals.

### 8.4.1   *Primary Conclusions*

The primary conclusions that were reached after the analysis and findings compiled for the hotel managers, tour operators, travel agents, and tourism authority managers and customers are as follows:

**Hotel managers in the study:**

(a)    are within the age range of 35 to 55 years,

(b)    there is equal opportunity for males and females in management positions in the tourism and hospitality industry,

(c)    female hotel managers are single with no children,

(d)    there is no black in a top management position in any hotel in the study area,

(e)    the hotel business demands flexibility in management working hours and time commitment,

(f)    the type of hotel and price greatly influence the purchasing decision of customers,

(g)    location of hotels is a serious consideration in the new millennium.

218

**Travel agent managers in the study have the following characteristics:**

(a)     travel agent managers are younger with an age range of between 18 and 40 years,

(b)     tertiary level qualifications are not a condition for a managerial position in a travel agency.

(c)     travel agents are mainly white females,

(d)     travel agents should develop a total product knowledge and travel geography.

**Managers of tour operators in the study are:**

(a)     between the age of 25 and 49 years,

(b)     all graduates with tertiary level education and qualifications,

(c)     white, males.

**Tourism authority managers in the study are:**

(a)     older than those of tour operators and travel agents (between 35 and 49 years),

(b)     mainly white males,

(c)     in possession of tertiary level qualifications,

(d)     responsible for developing, promoting and marketing tourism and hospitality in the provinces.

**Tourism and hospitality customers in the study:**

(a)     females that were interested in tourism issues are younger than men in the same group,

(b)     the more educated customers are more aware of tourism than the less educated,

(c)     those who are more tourism-oriented lived in the Durban Metropolitan region.

### 8.4.2 General Conclusions

The discussion above concentrated on the primary conclusions of the study and this section addresses the general conclusions that emanated from the study:

(a)     Travel agents would have to pay more attention to the business travellers, as these are the main generators of their business.

(b)     Negotiation skills have to be developed to aid them in their negotiation for more business from tour operators.

(c)     Earning powers of customers are growing, the domestic tourism market will therefore have a corresponding growth with the international market.

(d)     Tourism authority management roles will be confined to policy making and, as strategist for their organisations, tourism authorities are expected to continue to be resource providers and managers for community projects.

(e)     Customers are expected to have a high expectation of the tourism product. and demand excellent service and attention.

(f)     Even though hotels consider their business as the main purpose of tourism and hospitality, the study concludes that hotels provide nothing more than a relaxed atmosphere, food, drink and entertainment. Tour operators interpret market needs and package these needs into destinations.

(g)     Tourism will always be sidelined in less exotic places, and tourism operators will continue to prefer to concentrate their development in more popular income-generating destinations.

(h)     Hotel managers would have to spend more time with their very demanding customers than in their offices, which is an effective marketing tool. This conclusion, therefore, does not agree with the hypothesis that managerial work in tourism is expected to be similar to that of managers in other industries, as managers in other industries do not spend most of their time with customers.

(i)     Tourism authority managers ought to act as facilitators for international tourism through private sector organisations.

(j)     Tourism, in the future, will be a flexible, segmented, customised and diagonally integrated product rather than the mass, rigid, standardised and packaged tourism of the 1970's (Industry forecasts suggested that tourism would continue to grow to the year 2000, at about 5 percent on average).

(k)     Businesses will continue to reassess their organisational structure into the new millennium. The ability to recruit experienced management personnel will be an important human resource challenge. Industry executives from each area (hotels, travel agents, tour operators, and tourism authorities) are

also concerned about the levels of skilled employees.


## 8.5    INTEGRATED RECOMMENDATIONS


This section attempts to put forward recommendations and suggestions for what is heralded as the world's biggest industry in the new millennium.    This brings with it many opportunities and challenges.  The future of the industry could be either one where tourism and hospitality truly come of age in the global arena, or one in which the industry, through lack of commitment on the part of the players, especially national government, fail to see the real potential. The recommendations are discussed under the headings that follow:


### 8.5.1    <u>Tourism and Hospitality Theory</u>

This section focuses on the following issues:

(a)    Customer service in tourism, and

(b)    managing cultural diversity.


This section makes various recommendations of how the theories can be used, and the benefits they can bring to the tourism and hospitality industry.


**8.5.1.1**    Customer service in tourism and hospitality:

A major issue in the South African tourism and hospitality business environment concerns the apparent lack of good customer service.  Customer care is a business strategy that needs to be developed in all employees.  The importance of service quality in an industry

that come into contact with its customers on a regular basis, should take note of how customers are treated on a daily basis. One cannot adequately describe the Service Quality Management of tourism and hospitality without touching on the growing emphasis on quality management. Quality has emerged as an important competitive component of service company strategies.

**Service Quality Management** is defined as a management function that creates, satisfies and maintains customers' desires, needs and wants in a profitable way (Bayon, 1997). *Management has to look after the quality aspects of the product, whether a tangible or a non-tangible product.* In the hospitality industry, service quality is more important than in any other industry because of the nature of the product and the regular contact with the customer.

**8.5.1.2** Managing cultural diversity in the South Africa tourism and hospitality industry.
Recommendations for the tourism and hospitality industry in South Africa would be incomplete if thought was not given to the cultural diversity of the country and to the international tourists that visit the country. In addressing the twin dimensions of multiculturalism of both the workforce and the markets, it is important to consider them as dependant variables. They do not operate in isolation of each other. This combination places the tourism and hospitality industry in South Africa in a unique position, and presents management with challenges that they might not face in other industries. Therefore management should be exposed to training that prepares them to accommodate cultural differences in tourism and hospitality. The findings cited in the last chapters

indicate that tourism industry and managers will achieve much progress if they are able to attract well-trained, well-educated and multilingual workers. This therefore suggests that the notion that highly trained tourism and hospitality managers will be better prepared to cope with cultural differences in tourism and hospitality, is supported.

Partnerships between the community and the tourism authority should be strengthened. Policies are in place for both the KwaZulu-Natal and the Mpumalanga tourism authorities. Steps should now be taken to assist community projects to participate in tourism development. *This would be in line with the hypothesis that state planning and social considerations will be major management activities for tourism managers in the new millennium.* It is through these partnerships that community spirits are lifted and local ill feelings and intimidation towards tourists that visit their regions are removed.

### 8.5.2 Tourism and Hospitality Functions

Tourism and hospitality play a very important role both at international and domestic levels, in terms of economic, social, political and technological development. The process is linked to the many discussions and ideas that have been put forward in chapter six that contribute to tourism and hospitality functions. The recommendations include the following:

(a) Hotels of the new millennium should take advantage of the Internet. The Internet would be a most effective marketing tool for tourism and hospitality products.

(b) All tourism and hospitality employees and their managers should undergo

224

customer care training every six months in order to update customer handling skills.

(c) Travels agents should undergo product training in areas such as destinations, attractions, hotels, and the pricing structure, so as to avoid misleading customers.

(d) Security at all destinations should be a component of the product offered by tourism and hospitality operators.

(e) A two tier pricing system should be introduced at destinations to avoid over-charging the local community.

## 8.5.3 Tourism and Hospitality Strategies

Tourism and hospitality needs push and stimulation to get it into the new millennium and beyond. Some of the strategies that were discussed in this chapter, and that emanate from the findings, are recommended in this section. The strategies that are recommended are as follows:

(a) Constant product development to match the changing needs of customers.

(b) More emphasis should be placed on ambience, thus reflecting the cultural diversity of customers.

(c) Personal service should play a major role in the marketing of the tourism and hospitality product in terms of listening to what the customer wants and in showing empathy.

(d) Discounts should not only be offered to business customers; leisure

customers should also benefit from discounts.

(e)     Advice on destination should be the first element that is introduced to the customer before the price and other elements are brought in.

(f)     Tourism authorities should encourage tourism investment in equal proportion to international tourism.

(g)     Tourism authorities should get local communities involved in tourism activities at all levels, through projects and micro businesses.


### 8.5.4    Future of Tourism and Hospitality

The innovation and creativity of management will determine the future of the tourism and hospitality industry in the new millennium. This comes with the manager's willingness to try new and different product ideas. Due to the nature of the industry, characterised by its dynamism and the complexity of its customer needs, the innovative manager will score more points. Tourism plans should be flexible to accommodate the unsure customer whose needs change by the minute. Managers will have to get more involved in direct marketing, possibly with the extensive heavy use of their own reservation systems and reliance on the Internet. For hotels and other tourism organisations that are part of chains, there would be the need for operations to be decentralised to give managers the opportunity to plan specifically for the needs of that particular unit. Branding would become a big element in the marketing of tourism products, as customers will see branding not only as an identification of products, but as an assurance of good quality service.

The conference market is set to grow as more companies are using conferences as a means of

taking a break from their work setting. Training should be an on-going activity for the tourism and hospitality industry in order to keep management and staff at the edge of competition and provide better delivery of the product. To reduce competition, bigger tourism and hospitality businesses will buy smaller operators or engage in merger activities. Travel agents must concentrate more on developing their own mini-break products for tourists that want to take short and inexpensive vacations. The tour operators will plan this market, alongside the longer and more expensive holidays. The explosive domestic market will assist in the growth of the mini-break sector that is set to grow at a very fast rate in the new millennium.

Tourism and hospitality is predicted to grow at the rate of 7.3 percent a year up to the year 2020. Alternative tourism forces development in less exotic areas such as at border posts and eco-tourist destinations. The question of security at destinations continues to be a major issue and forms a big part of all tourism planning activities. Transportation and accessibility will be an augmentation that sell the product effectively to many tourists, especially the inexperienced traveller with little or no knowledge of the destination.

## 8.6    SIGNIFICANCE OF INQUIRY

The study of tourism and hospitality management is important for many reasons. First, it gives the researcher a clearer understanding of the managerial aspects of the industry, and secondly it gives organisation the opportunity to adopt a strategic planning approach to their activities. A successful plan provides the framework in which change can be

managed. Without a long-term strategy, hotels, tour operators, travel agents, tourism authorities, and even the customer can easily fall into the myopic view of day-to-day operations. Theories and concepts that have been developed in this study will be the basis for further research and also for helping tourism and hospitality managers to understand the nature of management.

The case studies are valuable learning and teaching materials for both students and industry practitioners. It will guide policy makers in the national and provincial governments in the development of tourism policies and strategies. With the rapidly changing market and the explosion in new technologies, the research outlines many ways in which the tourism and hospitality industry management can understand and put together strategies that will take them in to and beyond the new millennium. Management will now realise the importance of human resources and their cultural diversities and how this can be integrated with visitors' cultures for the profitable operation of the industry and for good industrial relations.

## 8.7    FURTHER RESEARCH IN TOURISM AND HOSPITALITY

Research never comes to an end. These findings are meant to form the basis for further research into tourism and hospitality management. Areas that might require further investigation are:

- The long-term sustainability effect of cultural diversity on human resource management. Sustainability is the commitment to the individual and his or her potential for growth.

- The monitoring and strategizing about fitting local tourism and hospitality processes to the emerging globalisation systems.

- Research that investigates the long-term effect of this relationship between the various aspects of tourism and hospitality within industrially developed and developing countries.

## 8.8    CONCLUSION

The tourism and hospitality management study confirms that the tourism and hospitality industry is in a profound state of change. To come to this conclusion, many variables were taken into account; for example, demographic characteristics of the respondents, as well as the socio-cultural and economic factors in order to determine how these play a role in the management structure of the industry. As we move into the new millennium, tourism and hospitality management will be required not only to adapt to change, but also to understand the nature of change and how to transform their organisations for these changes.

Training has been a major recommendation for adaptation to change and the responsiveness of management to these changes. The strategic roles of tourism authorities in the respective areas as resources providers and facilitators, will be very important for these changes to become reality.

The years ahead will offer unprecedented opportunities to tourism organisations as they forge a strategic path in the world economy that will be translated to its local equivalent.

As an academic and country research initiative, this study provides a vital framework for dialogue about the issues confronting the industry, as tourism and hospitality companies seek to capitalise on change, rather than be casualties of it.

# BIBLIOGRAPHY

Appleby, R. C. (1991): *Modern Business Administration*, 5th ed. London: Pitman.

Argyris, C. (1986): *Skilled Incompetence*, Harvard Business Review, September - October (74-9).

Armstrong, M. (1993): *A Handbook of Management Techniques, 2nd ed.* London: Kogan Page.

Ash, M. K. (1985): *On People Management.* New York: Macdonald & Co.

Bayon, S. E. (1997): *Good Customer Care: The Dynamic Salesman.* Proceedings of the Southern African Institute for Management Scientists 9th Conference, June 1997.

Baum,T. (1996): *Managing Human Resources in the European Tourism and Hospitality Industry: A Strategic Approach.* London: International Thomson Business Press.

Berchoux, J., de. (1801): *La Gastronimic, ou l'homme des champs a'table.* Poe'me Didactique en Quatre Chants.

Berger, M A. (1983): Indefence of the Case Method; A reply to Argyris. *Academy of Management Review,* Vol. 8: (2): 329-33.

Botha, F. (1993): *Opportunities for the Tourist Industry.* Johannesburg: Travel Conference.

Brech, E. F. L. (1975): *The Principles and Practice of Management,* 3rd Edition. Essex: Longman.

Bresnen, M. J. (1990): *Organising Construction Project Organisation and Matrix Management.* London: Routledge.

British Tourist Authority. (1996): *Tourism Intelligence Quarterly.* London: BTA.

Bryman, A. (1988): *Quality and Quantity in Social Research.* London: Allen and Unwin.

Burkart, A. J. and Madlik, S. (1981): *Tourism: Past, Present, and Future.* London: Heinemann.

Burns, T. (1957): Management in Action. *Operational Research Quarterly,* Vol. 8: 45-60.

Butler, R. (1980): The Concept of a Tourist Area Cycle of Evolution. *Canadian Geographer,* (24): 5-12.

Burkart, A. and Medlik, S. (1981): *Tourism, Present and Future.* London: Heinemann.

Campbell, D. T. and Stanley, J. (1966): *Experimental and Quasi-Experimental Designs for Research*. Chicago: Rand McNally.

Campbell-Smith, D. (1967): *Marketing of the Meal Experience: A Fundamental Approach*. Guildford: University of Surrey Press.

Caras, D., Saunders, G., Bird, J., and Kleynhans, C. (1993): Tourism Talk: a bulletin on tourism and its allied industries in Southern Africa, Johannesburg.

Cavanaugh, M. E. (1984): In Search of Motivation. *Personnel Journal*, (March): Vol. 4: 76-82.

Cline, R. S. (1996): *Hospitality 2000: A View to the Millennium*. New York: Lodging Hospitality, August.

Crawford, C. M. (1970): Attitude of Marketing Executives towards Ethics in Market Research. *Journal of Marketing*, Vol. 34 (2): 42-46.

Cooper,C. Fletcher, J. Gilbert, D. and Wandhill, S. (1997): *Tourism, Principles and Practice*. Harlow: Addison Wesley-Longman.

Department of Environmental Affairs and Tourism [DEAT] (1996). *White Paper: The Development and Promotion of Tourism in South Africa*. Pretoria: Government of South Africa, Department of Environmental Affairs and Tourism.

De Kadt, T. (1979): *Tourism, Passport to Development*. Washington D.C.: George Washington University.

Development of Tourism ACT (1969): Tourism Legislation as Prescribed in the Government Gazette of the Republic of South Africa. Pretoria: Government Printers.

De Vaal, A. (1994): *Tourism in South Africa: the way forward*. Midrand: National Tourism Forum Conference, February.

Dix, C., and Baird, C. (1998): *Front Office Operations*, 4th ed. Essex: Addison Wesley Longman.

Doswell, R. (1997): *Tourism: How Effective Management Makes the Difference*. Oxford: Butterworth Heinemann.

Du Toit, C., (1998): ASATA Forward: The South African Tourism Directory, Sandton: Redsand.

Feiffer, M. (1985): *Going Places*. London: Macmillan.

Glazer, B., and Strauss, A. (1967): *The Discovery of Ground Theory: Strategies for Quantitative Research*. Chicago: Adldine.

Guerrier, J. and Lockwood, A. J. (1988): *Managing Flexible Working in Hotels*. London: The Service Industries Journal.

Hales, C. and Nightingale, M. (1986): What Are Unit Managers Supposed to do? A Contingent Methodology for Investigating Managerial Role Requirements. *International Journal of Hospitality Management*, Vol. 5 (1): 3-11.

Hall, C. M. (1992): *Hallmark Tourist Events: Impacts, Management, and Planning*. London: Belhaven Press.

Hammersley, M. and Atkinson, .P. (1983): *Ethnography: Principles in Practice*. London: Tavistock.

Handley, G. (1996): Can Ecotourism Save South African Enterprise. *Networking for Africa's Entrepreneurs and Leaders*. Vol. 103: 137-139, October.

Hemphill, J. K. (1959): Job Descriptions for Executives. *Harvard Business Review*, 37, September-October: 55-67.

Hobson, J. S. P. (1993): Analysis of the US Cruise Line Industry. *Tourism Management*, December, 1993.

Holloway, C. (1994): *The Business of Tourism*, 4th Edition. Essex: Longman.

Horne J. H. and Lupton T. (1965): The Work Activities of 'Middle' Managers-An Exploratory Study. *The Journal of Management Studies*, (2): 14-33.

Horner, S. and Swarbrooke, J. (1996): *Marketing Tourism, Hospitality and Leisure in Europe*. London: International Thompson Business Press.

Hornsey, T. and Dann, D. (1984): *Manpower Management in the Hotel and Catering Industry*. Batsford.

Hotel Catering Training Board and MMD Consultants, (1984): *Statistical Review of the Hotel and Catering Industry*. London: HCIB and MMD.

Hotel Catering Training Consultants. (1995): *Training: Who Needs it?* Research Report; Executive Summary, London, HCTC.

Inkson, J.H. K. Schwitter, J. P. Pheysey D. C. and Hickson D. J., (1970): A Comparison

of Organisation Structure and Managerial Roles: Ohio, USA, and the Midland, England. *The Journal of Management Studies*, (7): 347-363.

Inter-Continental Hotels and Resorts, (1997): *Global Reservation*. New York: Inter-Continental Hotels

Janis, I L. (1972): *Victims of Group-Think*. Boston: Houghton Miffin.

Johnson, G. and Scholes, K. (1993): *Exploring Corporate Strategy: Text and Cases*. New Jersey: Prentice Hall.

Klein, S. (1988): *Customer Care Needs Staff Care*. Leeds: Polytechnic.

Knowles, T. (1998): *Hospitality Management: An Introduction*. Essex: Addison Wesley-Longman.

Kotler, P. Bowen, J. and Makens, J. (1998): *Marketing for Hospitality and Tourism* 2nd ed. New Jersey: Prentice-Hall.

Kotler, P. and Amstrong, G. (1999): *Principles of Marketing*. New York: Prentice-Hall.

Kotter, J. P. (1982a): *The General Managers*. London: The Free Press.

Kotter, J. P. (1982b): What Effective General Managers Really Do. *Harvard Business Review*, Vol. 60, (6), 156-167.

KwaZulu-Natal Tourism Authority [KZNTA]. (1998): A Revised Business Plan for 1997/1998. Durban: KZNTA.

KwaZulu-Natal Tourism Authority [KZNTA], (1999): A Business Plan for 1998/1999, Durban: KZNTA.

KwaZulu-Natal Tourism Authority [KZNTA], (2000): A Business Plan for 1999/2000, Durban: KZNTA.

Lavery, P. (1996): *Travel and Tourism* 3rd Edition. Huntington: ELM Publication.

Laws, E. (1995): *Tourist Destination Management, Issues, Analysis and Policies*. London: Routledge.

Lipman, G. (1995): *Travel and Tourism: A New Economic Perspective*. Oxford: World Travel & Tourism Council, Pergamon Tress.

Lumsdon, L. (1997): *Tourism Marketing*. London: Thompson Business Series.

Mahoney, T.A. Jerdee, J.H. and Carroll S. J. (1963): *Development of Managerial Performance - A Research Approach*. Cincinnati, Ohio: South-Western. Monograph

Maslow, A. H. (1943): A Theory of Human Motivation. *Psychological Review*, Vol. 5: July: 370-396.

Mathieson, A. and Wall, G. (1982): *Tourism: Economic, Physical and Social Impacts.* Harlow: Longman.

McIntosh, R. W. Goeldner, C. R. and Ritchie, J. R. (1995*): Tourism: Principles, Practices, Philosophies,* 7th ed. New York: Wiley and Sons.

Medlik, S. (1989): *The Business of Hotels,* 2 ed. London: Heinemann.

Medlik, S. (1998): Tourism and Jobs Revisited. *The Bulletin of the Tourism Society.* Vol. 59.

Mintzberg, H. (1973): *The Nature of Managerial Work.* New York: Harper and Row Publishers.

Morgan, G. (1983): *Beyond Method: Strategies for Social Research.* London: Sage Publishers.

Moser, C.A. and Kalton, G. (1971): *Survey Methods in Social Investigation.* London: Heinemann.

Moutinho, J. and Gardner, A., (1984): Consumer Behaviour in Tourism. *European Journal of Marketing.* Vol. 21, No. 10, 1-44.

Mullins, L. J. (1985): Management and Managerial Behaviour. *International Journal of Hospitality Management.* Vol. 4, (1): 39-41.

Mullins, L. J. (1988): Managerial Behaviour and Development in the Hospitality Industry. Proceedings of the International Association of Hotel Management Schools Symposium. Leeds: Leeds Polytechnic.

Mullins, L.J. (1995): *Hospitality Management: A Human Resources Approach* 2nd ed. London: Pitman.

Nailon, P. (1968): *Further Case Studies in Hotel Management.* London: Gaynor Hotel Company Limited.

Patton, M. Q. (1980): *Qualitative Evaluation Methods.* Beverly Hill: C.A: Sage.

Pompl, W. and Lavery, P. (Eds.) (1993): *Tourism in Europe: Structures and Developments.* Oxford: CABI, Wallingford.

Porter, M. (1985): *Competitive Advantage: Creating and Sustaining Superior Performance.* New York: Free Press.

235

Reeves, R. (1961): *Reality in Advertising*. New York: Knopf.

Ricks, D A. Fu, Y C and Arpan, S. (1974): *International Business Blunders*. Columbus: Ohio: Grid.

Ritzer, G. (1993): *The Mc Dolandization of Society: An Investigation into the Changing Character of Contemporary Social Life*. California: Pine Forge Press Thousand Oaks.

Sasser, W. E. Olsen, N. P. and Wycoff, D. D. (1988): *Management of Service Operations*. Boston, Allyn and Bacon.

Scoviak, M. (1996): *Hotels: The Next Generation*. London: Hotel Magazine.

Shao, A. T. (1999): *Marketing Research: An Aid to Decision-Making*. New York: Southwestern.

Shortt, F. (1998): *Research Methods and Organisational Studies*. London: Unwin Hyman.

Singh, S. (1997): Developing Human Resources for the Tourism Industry with Reference to India. *Tourism Management*, Vol. 18 (5): 299-306.

Steinecke, A. (1993): The Historic Development of Tourism in Europe. In Pompl, W. and Lavery, P.(Eds). *Tourism in Europe: Structures and Developments*. Oxford: CABI, Wallingford.

Stewart, R. (1979): Managerial Agendas-Reactive or Proactive. *Organisational Dynamics*. Vol xx (autumn).

Stewart, R. (1982): *Choices for the Manager*. London: McGraw-Hill.

Sun Inter-Continental Hotel Year Book. (1998): Sun Inter-Continental Hotel Group, Johannesburg: Armstrong Publishers.

South Africa Focus, (1998): The South African Tourism Directory, Sandton: Redsand Publishing.

Taylor, F. (1911): *Principles of Scientific Management*. New York: Harper and Brothers.

Thompson Tours and Travel Guide. (1998): Johannesburg: Thompson Tours.

Turner, L. and Ash, J. (1975): *The Golden Hordes: Tourism and the Pleasure Periphery*. London: Constable.

Tower, J. (1985): The History of the Grand Tour. *Annals of Tourism Research*, Vol. 12 No. 3:310-16.

United Nation Statistical Commission [UNSC](1968): *United Nations Statistical Year Book.* New York: United Nations Statistical Commission.

University of Bournemouth (1996): *Hospitality into the 21st Century: a Vision for the Future.* Bournemouth: University of Bournemouth.

Vellas, F. and Be'cherel, L. (1995): *International Tourism: An Economic Perspective.* London: Macmillan.

Venison, P. (1983): *Managing Hotels.* London: Heinemann.

Wahab, S. and Birdwell, J. (1973): *Tourism Marketing.* London: Tourism International Press.

Waters, S. R. (1996): *Travel Industry Yearbook: The Big Picture, Vol. 39.* New York: Child and Waters Inc.

White Paper (1996): *The Development and Promotion of Tourism in South Africa.* Pretoria: Department of Environmental Affairs and Tourism [DEAT].

Withyman, M. (1996): *South Africa: Visitors Traffic to the UK a Market Summary, International Passenger Survey.* London: BTA/ETB Research Services.

World Travel and Tourism Council (1996a): *Travel and Tourism Millennium Vision.* London: WTTC.

World Travel and Tourism Council (1996b): *Progress and Priorities.* London: WTTC.

World Tourism Organisation News, (1995): *International Tourism Overview.* Madrid: WTO.

World Tourism Organisation [WTO], (1979): *Role and Structure of National Tourism Administrations.* Madrid: WTO.

World Tourism Organisation [WTO], (1993): *Global tourism Forecasts to the Year 2000 and Beyond.* Madrid: WTO.

Yale, P. (1995): *The business of Tour Operators.* Essex: Longman.

Yin, R.K. and More, G.B. (1984): *The Utilisation of Research: Lessons from a Multidisciplined Field.* Washington: DC: COSMOS Corporation.

Youell, R. (1998): *Tourism - An Introduction.* Essex: Addison Wesley.

## TRANSMITTAL LETTERS

28 September 1998

Ms Julia Unger
Public Relations Manager
Southern Sun Group
P.O. Box 223
Umhlanga Rocks 4320

Fax: 031 561 2323

Dear Ms Unger

## PhD RESEARCH PROJECT – TOURISM AND HOSPITALITY MANAGEMENT

Further to our telephone conversation this morning regarding the above, this serves
as the formal request for permission to gain access to interview one of your unit
managers. As discussed on the telephone, the exercise is purely of an academic
nature seeking to examine the nature of tourism and hospitality management now
and in the next millennium.

It is hoped that the findings of this research may become an aid to effective
management operations for the industry at large. The main research area is
KwaZulu-Natal but comparison will be made to the Mpumalanga Province.

The research is undertaken in the Department of Geography at the University of
Zululand, under the guidance of Prof. L.M. Magi.

The title of the study:

"Tourism and Hospitality Management towards the Next Millennium".

Let me assure you that all information obtained for this research will remain strictly
confidential. May I take this opportunity to thank you and your organisation for
taking part in this project and permitting me access to your hotel.

Yours sincerely

S.E. Bayon
Senior Lecturer: Department of Business Management

Department of Business Management

30 September 1998

The Manager

.....................................
.....................................
.....................................

Dear Sir/Madam

## RE: STUDY QUESTIONNAIRE – TOURISM AND HOSPITALITY MANAGEMENT

I am conducting a study into tourism and hospitality management towards the next millennium and would be grateful if you could render your opinion by completing the enclosed questionnaire. An attempt has been made to make the questionnaire user friendly, short and interesting.

You do not have to give your name and address. The exercise is purely academic and a study towards the award of a doctorate degree but at the same time its findings are anticipated to become management tools for effective planning for the millennium.

A stamped address envelope is provided for the return of the completed questionnaire at your earliest convenience.

Thank you for taking part in this study.


Yours Truly


Sam Bayon
Department of Business Management

# APPENDIX – B.1: QUESTIONNAIRE TO HOTEL MANAGERS

*PREPARING TOURISM AND HOSPITALITY MANAGERS FOR THE NEW MILLENNIUM*

DEMOGRAPHIC CHARACTERISTICS:

Please indicate with a tick.

1. What your is gender?

   | Male | 1 | |
   |------|---|--|
   | Female | 2 | |

2. What is your age?

   | 18-25 | 1 | |
   |-------|---|--|
   | 26-35 | 2 | |
   | 36-55 | 3 | |
   | Over 55 | 4 | |

3. What is your qualification?

   | Standard eight | 1 | |
   |----------------|---|--|
   | Matric Certificate | 2 | |
   | Higher National Diploma | 3 | |
   | Degree | 4 | |
   | Other (Please state) ......................... | 5 | |

4. What is your income per month?

   | Less than R1000 | 1 | |
   |-----------------|---|--|
   | R1001-R4500 | 2 | |
   | R4501-R6500 | 3 | |
   | R6501-R8500 | 4 | |
   | Over R8501 | 5 | |

5. Where do you live?

| Empangeni | 1 | |
|---|---|---|
| Durban | 2 | |
| Pietermatrizburg | 3 | |
| Richards Bay | 4 | |
| Other (please state) ................. | 5 | |

6. What is your marital status?

| Married | 1 | |
|---|---|---|
| Single | 2 | |
| Divorced | 3 | |
| Other (please state)................. | 4 | |

7. What is your position?

| General Manager | 1 | |
|---|---|---|
| Operations Manager | 2 | |
| Front Office Manager | 3 | |
| Food and Beverage Manager | 4 | |
| Other (please state)................. | 5 | |

8. How long have you been in your current position?

| 0-5 years | 1 | |
|---|---|---|
| 6-8 years | 2 | |
| 9-11 years | 3 | |
| 12-15 years | 4 | |
| 16-20 years | 5 | |
| Over 20 years | 6 | |

6. What is the name of your hotel?

| Name of Hotel ................. | 1 | |
|---|---|---|

10.     What is the nature of your business?

| | |  |
|---|---|---|
| Hotel | 1 | |
| Safari camp | 2 | |
| Bed & breakfast | 3 | |
| Guesthouse | 4 | |
| Holiday Apartment | 5 | |
| Other (please state)<br>.................... | 6 | |

11.     Where is your hotel located?

| | |  |
|---|---|---|
| Richards Bay | 1 | |
| Durban Metropolitan | 2 | |
| Empangeni | 3 | |
| Pietermatrizburg | 4 | |
| Other (please state)<br>.................... | 5 | |

12.     Do you apply market segmentation concept in your hotel now and would in the new millennium?

| | |  |
|---|---|---|
| Yes | 1 | |
| No | 2 | |

13.     Which segment of the markets do you concentrate on now and in the new millennium?  Please rank from 1-4. 1 being the highest and 4 lowest.

| Segments | Now | | Year<br>2000 | |
|---|---|---|---|---|
| International Market | 1 | | 1 | |
| Domestic Market | 2 | | 2 | |
| International and Domestic<br>Markets | 3 | | 3 | |
| Other (please state)<br>.................... | 4 | | 4 | |

242

14. How would you rank the impact the following methods of promotion have on your customers purchasing decision?

| Methods of Promotion | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct mail | 1 | | 2 | | 3 | | 4 | | 5 | |
| Hotel Reservation | I | | 2 | | 3 | | 4 | | 5 | |
| Travel Agents | 1 | | 2 | | 3 | | 4 | | 5 | |
| TV Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Radio Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Public Relations | 1 | | 2 | | 3 | | 4 | | 5 | |
| On-line media | 1 | | 2 | | 3 | | 4 | | 5 | |
| Word of Mouth | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other...... | 1 | | 2 | | 3 | | 4 | | 5 | |

15. How would you rate the impact of the following items on the purchasing? decision of the customer?

| Items | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Product type | 1 | | 2 | | 3 | | 4 | | 5 | |
| Price | 1 | | 2 | | 3 | | 4 | | 5 | |
| Health club/spa facilities | I | | 2 | | 3 | | 4 | | 5 | |
| Service quality | 1 | | 2 | | 3 | | 4 | | 5 | |
| Location | 1 | | 2 | | 3 | | 4 | | 5 | |
| Reputation | 1 | | 2 | | 3 | | 4 | | 5 | |
| Ambience | I | | 2 | | 3 | | 4 | | 5 | |
| Brand affiliation | I | | 2 | | 3 | | 4 | | 5 | |
| Environmental | I | | 2 | | 3 | | 4 | | 5 | |
| Loyalty/Frequent stay Programmes | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

16. What growth strategies do you make use of as hospitality manager to penetrate an international market? Please rank by importance.

| Growth Strategies | Very Important | | Important | | Moderate | | Limited | | Not Important | |
|---|---|---|---|---|---|---|---|---|---|---|
| Strategic alliances | 1 | | 2 | | 3 | | 4 | | 5 | |
| Joint ventures | 1 | | 2 | | 3 | | 4 | | 5 | |
| New development | 1 | | 2 | | 3 | | 4 | | 5 | |
| Franching | 1 | | 2 | | 3 | | 4 | | 5 | |
| Management contracts | 1 | | 2 | | 3 | | 4 | | 5 | |
| Mergers/Acq uisitions | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

17. How will the demands for tourism and hospitality product change in the following segments in the new millennium?

| Change in demand | Greatly Increase | | Moderately Increase | | No Change | | Moderately Reduce | | Greatly Reduce | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Corporate Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Association Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Social Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

18. How do you conduct market research now and in the future?

| Market Research | Now | | Future | |
|---|---|---|---|---|
| In-house market research department | 1 | | 2 | |
| Market research agency | 1 | | 2 | |
| Guest comment cards | 1 | | 2 | |
| Surveys | 1 | | 2 | |
| The website | 1 | | 2 | |
| All others | 1 | | 2 | |
| None/no answer | 1 | | 2 | |

19. In the new millennium consumers will prefer hospitality and tourism products with brand names.

| Customers | Strongly Agree | | Agree | | Neither Agree Nor Disagree | | Disagree | | Strongly Disagree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | | | 4 | | 5 | |

20. Please rank the following marketing strategies in terms of their application in the new millennium in your organisation.

| Marketing Strategies | None | | Limited | | Moderate | | Strong | | Very Strong | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct Sales | 1 | | 2 | | 3 | | 4 | | 5 | |
| Advertising | 1 | | 2 | | 3 | | | | 5 | |
| Sales Promotion | 1 | | 2 | | 3 | | 4 | | 5 | |
| Service Improvement | 1 | | 2 | | 3 | | 4 | | 5 | |
| Global Distribution Systems | 1 | | 2 | | 3 | | 4 | | 5 | |
| Use of Internet | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

21. In the new millennium, the economic environment will justify new development in the following products.

| Products | Greatly Deteriorate | | Deteriorate | | No Change | | Improve | | Greatly Improve | |
|---|---|---|---|---|---|---|---|---|---|---|
| Luxury Hotels | 1 | | 2 | | 3 | | 4 | | 5 | |
| Full-Service Hotels | 1 | | 2 | | 3 | | 4 | | 5 | |
| Limited Service Hotels | 1 | | 2 | | 3 | | 4 | | 5 | |
| Extended Stay Hotels | 1 | | 2 | | 3 | | 4 | | 5 | |

22. Technological development in the following areas will reduce the utilisation of Human Resources in the new millennium.

| Technological Development | Strongly Disagree | | Disagree | Neither Agree Nor Disagree | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|
| On-line Reservation System | 1 | | 2 | 3 | | 4 | | 5 | |
| Hotel Reservation Through Home TV | 1 | | 2 | 3 | | 4 | | 5 | |
| Supermarkets selling Air Tickets | 1 | | 2 | 3 | | 4 | | 5 | |
| Other (please specify) | 1 | | 2 | 3 | | 4 | | 5 | |

23. Which of these operational systems apply to your organisation now and in the new millennium?

| Operational System | Now | | Future | |
|---|---|---|---|---|
| Independent Operation | 1 | | 2 | |
| Centralised System | 1 | | 2 | |
| Decentralised System | 1 | | 2 | |
| Other ........................... | 1 | | 2 | |

24. Who are the people responsible for strategic planning in your organisation?

| People Responsible | Now | | Future | |
|---|---|---|---|---|
| Chief Executive | 1 | | 2 | |
| Marketing Director | 1 | | 2 | |
| General Manager | 1 | | 2 | |
| Corporate Planning Team | 1 | | 2 | |
| Outside Consultants | 1 | | 2 | |
| Other............................... | 1 | | 2 | |

25. Please select the three most important feature of a successful hospitality and tourism business of the new millennium.

| | | |
|---|---|---|
| Competent Management Team | 1 | |
| Quality Customer Service | 1 | |
| Physical Design of Property | 1 | |
| Technologically Advanced Systems | 1 | |
| Well Trained Workforce | 1 | |
| Other ............................. | 1 | |

26. What is the turnover of the business you manage?

| | | |
|---|---|---|
| Under R1 Million | 1 | |
| R2-R4 Million | 1 | |
| R5-R10 Million | 1 | |
| R11-15 Million | 1 | |
| R16-R20 Million | 1 | |
| Over R21 Million | 1 | |

**THE END**

## APPENDIX – B.2: QUESTIONNAIRE TO TRAVEL AGENTS

PREPARING TOURISM AND HOSPITALITY MANAGERS FOR THE NEW MILLENNIUM

### DEMOGRAPHIC CHARACTERISTICS:

Please indicate with a tick.

1. What your is gender?

| Male | 1 | |
|------|---|---|
| Female | 2 | |

1. What is your age?

| 18-25 | 1 | |
|-------|---|---|
| 26-35 | 2 | |
| 36-55 | 3 | |
| Over 55 | 4 | |

3. What is your qualification?

| Standard eight | 1 | |
|----------------|---|---|
| Matric Certificate | 2 | |
| Higher National Diploma | 3 | |
| Degree | 4 | |
| Other (Please state)............... | 5 | |

4. What is your income per month?

| Less than R1000 | 1 | |
|-----------------|---|---|
| R1001-R4500 | 2 | |
| R4501-R6500 | 3 | |
| R6501-R8500 | 4 | |
| Over R8501 | 5 | |

5. Where do you live?

| Empangeni | 1 | |
|---|---|---|
| Durban | 2 | |
| Pietermatrizburg | 3 | |
| Richards Bay | 4 | |
| Other (please state) .... | 5 | |

1.     What is your marital status?

| Married | 1 | |
|---|---|---|
| Single | 2 | |
| Divorced | 3 | |
| Other (please state) .......................... | 4 | |

7.     What is your position?

| Managing Director | 1 | |
|---|---|---|
| Manager | 2 | |
| Operations Manager | 3 | |
| Supervisor | 4 | |
| Other (please state)................... | 5 | |

8.     How long have you been in your current position?

| 0-5 years | 1 | |
|---|---|---|
| 6-8 years | 2 | |
| 9-11 years | 3 | |
| 12-15 years | 4 | |
| 16-20 years | 5 | |
| Over 20 years | 6 | |

9.     What is the name of your Travel Agent?

| Name of Travel Agent............ | 1 | |
|---|---|---|

10. What is the nature of your business?

| | |
|---|---|
| Inclusive Travel Agents | 1 |
| Domestic Travel Agents | 2 |
| International Travel Agents | 3 |
| Other (please state) ............... | 4 |

11. Where is your Travel Agent located?

| | |
|---|---|
| Richards Bay | 1 |
| Durban Metropolitan | 2 |
| Empangeni | 3 |
| Pietermatrizburg | 4 |
| Other (please state) ................. | 5 |

12. Do you apply market segmentation concept in your travel agent now and would in the new millennium?

| | |
|---|---|
| Yes | 1 |
| No | 2 |

13. Which segment of the markets do you concentrate on now and in the new millennium? Please rank from 1-4. 1 being the highest and 4 lowest.

| Segments | Now | | Year 2000 | |
|---|---|---|---|---|
| International Market | 1 | | | |
| Domestic Market | 2 | | | |
| International and Domestic Markets | 3 | | | |
| Other (please state) ............... | 4 | | | |

14. How would you rank the impact the following methods of promotion have on your customers purchasing decision?

| Methods of Promotion | Very strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct mail | 1 | | 2 | | 3 | | 4 | | 5 | |
| TV Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Radio Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Public Relations | 1 | | 2 | | 3 | | 4 | | 5 | |
| On-line media | 1 | | 2 | | 3 | | 4 | | 5 | |
| Word of Mouth | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other ......... | 1 | | 2 | | 3 | | 4 | | 5 | |

15. How would you rate the impact of the following items on the purchasing? decision of the customer?

| Items | Very Strong | | Strong | | Moderate | Limited | None | |
|---|---|---|---|---|---|---|---|---|
| Product type | 1 | | 2 | | 3 | 4 | 5 | |
| Affordable Prices | 1 | | 2 | | 3 | 4 | 5 | |
| Personal Attention | 1 | | 2 | | 3 | 4 | 5 | |
| Service quality | 1 | | 2 | | 3 | 4 | 5 | |
| Location | 1 | | 2 | | 3 | 4 | 5 | |
| Reputation | 1 | | 2 | | 3 | 4 | 5 | |
| Ambience | 1 | | 2 | | 3 | 4 | 5 | |
| Brand affiliation | 1 | | 2 | | 3 | 4 | 5 | |
| Environmental | 1 | | 2 | | 3 | 4 | 5 | |
| Loyalty/Frequent stay Programmes | 1 | | 2 | | 3 | 4 | 5 | |
| Other | 1 | | 2 | | 3 | 4 | 5 | |

16. What growth strategies do you make use of as Travel Agent Manager to penetrate an international market? Please rank by importance.

| Growth Strategies | Very important | Important | Moderate | Limited | Not Important |
|---|---|---|---|---|---|
| Strategic alliances | 1 | 2 | 3 | 4 | 5 |
| Joint ventures | 1 | 2 | 3 | 4 | 5 |
| New development | 1 | 2 | 3 | 4 | 5 |
| Franching | 1 | 2 | 3 | 4 | 5 |
| Management contracts | 1 | 2 | 3 | 4 | 5 |
| Mergers/Acquisitions | 1 | 2 | 3 | 4 | 5 |
| Other | 1 | 2 | 3 | 4 | 5 |

17. How will the demands for tourism and hospitality product change in the following segments in the new millennium?

| Change in demand | Greatly Increase | | Moderately Increase | | No Change | | Moderately Reduce | | Greatly Reduce | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Corporate Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Association Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Social Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

18. How do you conduct market research now and in the future?

| Market Research | Now | | Future | |
|---|---|---|---|---|
| In-house market research department | 1 | | 2 | |
| Market research agency | 1 | | 2 | |
| Comments from customers | 1 | | 2 | |
| Surveys | 1 | | 2 | |
| The website | 1 | | 2 | |
| All others | 1 | | 2 | |
| None/no answer | 1 | | 2 | |

19. In the new millennium consumers will prefer hospitality and tourism products with brand names.

| Customers | Strongly Agree | | Agree | | Neither Agree Nor Disagree | | Disagree | | Strongly Disagree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |

20. Please rank the following marketing strategies in terms of their application in the new millennium in your organisation.

| Marketing Strategies | None | | Limited | | Moderate | | Strong | | Very Strong | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct Sales | 1 | | 2 | | 3 | | 4 | | 5 | |
| Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Sales Promotion | 1 | | 2 | | 3 | | 4 | | 5 | |
| Service Improvement | 1 | | 2 | | 3 | | 4 | | 5 | |
| Global Distribution Systems | 1 | | 2 | | 3 | | 4 | | 5 | |
| Use of Internet | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

21. In the new millennium, the economic environment will justify new development in the following products.

| Products | Greatly Deteriorate | | Deteriorate | | No Change | | Improve | | Greatly Improve | |
|---|---|---|---|---|---|---|---|---|---|---|
| Package Holidays | 1 | | 2 | | 3 | | 4 | | | |
| Inclusive Holidays | 1 | | 2 | | 3 | | 4 | | | |
| Budget Holidays | 1 | | 2 | | 3 | | 4 | | | |
| Short Holidays | 1 | | 2 | | 3 | | 4 | | | |
| Excursions | 1 | | 2 | | 3 | | 4 | | | |

22. Technological development in the following areas will reduce the utilisation of Human Resources in the new millennium.

| Technological Development | Strongly Disagree | | Disagree | | Neither Agree Nor disagree | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| On-line Reservation System | 1 | | 2 | | 3 | | 4 | | 5 | |
| Travel Reservation Through Home TV | 1 | | 2 | | 3 | | 4 | | 5 | |
| Supermarkets selling Air Tickets | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other (please specify) | 1 | | 2 | | 3 | | 4 | | 5 | |

23. Which of these operational systems apply to your organisation now and in the new millennium.

| Operational System | Now | | Future | |
|---|---|---|---|---|
| Independent Operation (include self-employed) | 1 | | 2 | |
| Centralised System | 1 | | 2 | |
| Decentralised System | 1 | | 2 | |
| Other ................................. | 1 | | 2 | |

24. Who are the people responsible for strategic planning in your organisation?

| People Responsible | Now | | Future | |
|---|---|---|---|---|
| Chief Executive | 1 | | 2 | |
| Marketing Director | 1 | | 2 | |
| Manager | 1 | | 2 | |
| Corporate Planning Team | 1 | | 2 | |
| Outside Consultants | 1 | | 2 | |
| Other ................... | 1 | | 2 | |

25. Please select the three most important feature of a successful hospitality and tourism business of the new millennium.

| Competent Management Team | 1 | |
|---|---|---|
| Quality Customer Service | 1 | |
| Physical Design of Property | 1 | |
| Technologically Advanced Systems | 1 | |
| Well Trained Workforce | 1 | |
| Other ..................................... | 1 | |

26. What is the turnover of your Travel Agency?

| Under R1 Million | 1 | |
|---|---|---|
| R2-R4 Million | 1 | |
| R5-R10 Million | 1 | |
| R11-15 Million | 1 | |
| R16-R20 Million | 1 | |
| Over R21 Million | 1 | |

**THE END**

## APPENDIX – B.3: QUESTIONNAIRE TO TOUR OPERATORS

PREPARING TOURISM AND HOSPITALITY MANAGERS FOR THE NEW MILLENNIUM

DEMOGRAPHIC CHARACTERISTICS:

Please indicate with a tick.

1.    What your is gender?

| Male | 1 | |
|------|---|---|
| Female | 2 | |

2    What is your age?

| 18-25 | 1 | |
|-------|---|---|
| 26-35 | 2 | |
| 36-55 | 3 | |
| Over 55 | 4 | |

3.    What is your qualification?

| Standard eight | 1 | |
|----------------|---|---|
| Matric Certificate | 2 | |
| Higher National Diploma | 3 | |
| Degree | 4 | |
| Other (Please state)............... | 5 | |

4    What is your income per month?

| Less than R1000 | 1 | |
|-----------------|---|---|
| R1001-R4500 | 2 | |
| R4501-R6500 | 3 | |
| R6501-R8500 | 4 | |
| Over R8501 | 5 | |

5    Where do you live?

| Empangeni | 1 | |
|---|---|---|
| Durban | 2 | |
| Pietermatrizburg | 3 | |
| Richards Bay | 4 | |
| Other (please state)................. | 5 | |


6    What is your marital status?

| Married | 1 | |
|---|---|---|
| Single | 2 | |
| Divorced | 3 | |
| Other (please state) ................ | 4 | |


7.    What is your position?

| Managing Director | 1 | |
|---|---|---|
| Manager | 2 | |
| Operations Manager | 3 | |
| Supervisor | 4 | |
| Other (please state)............... | 5 | |


8.    How long have you been in your current position?

| 0-5 years | 1 | |
|---|---|---|
| 6-8 years | 2 | |
| 9-11 years | 3 | |
| 12-15 years | 4 | |
| 16-20 years | 5 | |
| Over 20 years | 6 | |


9.    What is the name of Tour Operator?

| Name of Tour Operator............. | 1 | |
|---|---|---|

10. What is the nature of your business?

| | | |
|---|---|---|
| Inclusive Tours | 1 | |
| Domestic Travel | 2 | |
| International Travel | 3 | |
| Other (please state) ................... | 4 | |


11. Where is the Tour Operator located?

| | | |
|---|---|---|
| Richards Bay | 1 | |
| Durban Metropolitan | 2 | |
| Empangeni | 3 | |
| Pietermatrizburg | 4 | |
| Other (please state) ........................ | 5 | |


12. You apply market segmentation concept in your operation now and would in the new millennium?

| | | |
|---|---|---|
| Yes | 1 | |
| No | 2 | |


13. Which segment of the markets do you concentrate on now and in the new millennium? Please rank from 1-4. 1 being the highest and 4 lowest.

| Segments | Now | | Year 2000 | |
|---|---|---|---|---|
| International Market | 1 | | 1 | |
| Domestic Market | 2 | | 2 | |
| International and Domestic Markets | 3 | | 3 | |
| Other (please state) ................ | 4 | | 4 | |

14. How would you rank the impact the following methods of promotion have on your customers purchasing decision?

| Methods of Promotion | Very strong | Strong | Moderate | Limited | None |
|---|---|---|---|---|---|
| Direct mail | 1 | 2 | 3 | 4 | 5 |
| TV Advertising | 1 | 2 | 3 | 4 | 5 |
| Radio Advertising | 1 | 2 | 3 | 4 | 5 |
| Public Relations | 1 | 2 | 3 | 4 | 5 |
| On-line media | 1 | 2 | 3 | 4 | 5 |
| Word of Mouth | 1 | 2 | 3 | 4 | 5 |
| Other ......... | 1 | 2 | 3 | 4 | 5 |

15. How would you rate the impact of the following items on the purchasing decision of the customer?

| Items | Very strong | Strong | Moderate | Limited | None |
|---|---|---|---|---|---|
| Product type | 1 | 2 | 3 | 4 | 5 |
| Affordable Prices | 1 | 2 | 3 | 4 | 5 |
| Personal Attention | 1 | 2 | 3 | 4 | 5 |
| Service quality | 1 | 2 | 3 | 4 | 5 |
| Location | 1 | 2 | 3 | 4 | 5 |
| Reputation | 1 | 2 | 3 | 4 | 5 |
| Ambience | 1 | 2 | 3 | 4 | 5 |
| Brand affiliation | 1 | 2 | 3 | 4 | 5 |
| Environmental | 1 | 2 | 3 | 4 | 5 |
| Loyalty/Frequent stay Programmes | 1 | 2 | 3 | 4 | 5 |
| Other | 1 | 2 | 3 | 4 | 5 |

16. What growth strategies do you make use of as Tour Operator to penetrate an international market? Please rank by importance.

| Growth Strategies | Very important | | Important | | Moderate | | Limited | | Not Important | |
|---|---|---|---|---|---|---|---|---|---|---|
| Strategic alliances | 1 | | 2 | | 3 | | 4 | | 5 | |
| Joint ventures | 1 | | 2 | | 3 | | 4 | | 5 | |
| New development | 1 | | 2 | | 3 | | 4 | | 5 | |
| Franchising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Management contracts | 1 | | 2 | | 3 | | 4 | | 5 | |
| Mergers/Acq -uisitions | I | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

17. How will the demands for tourism and hospitality product change in the following segments in the new millennium?

| Change in demand | Greatly Increase | | Moderately Increase | | No Change | | Moderately Reduce | | Greatly Reduce | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Corporate Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Association Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Social Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

18. How do you conduct market research now and in the future?

| Market Research | Now | | Future | |
|---|---|---|---|---|
| In-house market research department | 1 | | 2 | |
| Market research agency | 1 | | 2 | |
| Comments from customers | 1 | | 2 | |
| Surveys | 1 | | 2 | |
| The Website | 1 | | 2 | |
| All others | 1 | | 2 | |
| None/no answer | 1 | | 2 | |

19. In the new millennium consumers will prefer hospitality and tourism products with brand names.

| Customers | Strongly Agree | | Agree | | Neither Agree Nor Disagree | | Disagree | | Strongly Disagree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |

20. Please rank the following marketing strategies in terms of their application in the new millennium in your organisation.

| Marketing Strategies | None | | Limited | | Moderate | | Strong | | Very Strong | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct Sales | 1 | | 2 | | 3 | | 4 | | 5 | |
| Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Sales Promotion | 1 | | 2 | | 3 | | 4 | | 5 | |
| Service Improvement | 1 | | 2 | | 3 | | 4 | | 5 | |
| Global Distribution Systems | 1 | | 2 | | 3 | | 4 | | 5 | |
| Use of Internet | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

21. In the new millennium, the economic environment will justify new development in the following products.

| Products | Greatly Deteriorate | | Deteriorate | | No Change | | Improve | | Greatly Improve | |
|---|---|---|---|---|---|---|---|---|---|---|
| Package Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Inclusive Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Budget Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Short Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Excursions | 1 | | 2 | | 3 | | 4 | | 5 | |

22. Technological development in the following areas will reduce the utilisation of Human Resources in the new millennium.

| Technological Development | Strongly Disagree | | Disagree | | Neither Agree Nor disagree | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| On-line Reservation System | 1 | | 2 | | 3 | | 4 | | 5 | |
| Travel Reservation Through Home TV | 1 | | 2 | | 3 | | 4 | | 5 | |
| Supermarkets selling Air Tickets | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other (please specify) | 1 | | 2 | | 3 | | 4 | | 5 | |

23. Which of these operational systems apply to your organisation now and in the new millennium.

| Operational System | Now | | Future | |
|---|---|---|---|---|
| Independent Operation (include self-employed) | 1 | | 2 | |
| Centralised System | 1 | | 2 | |
| Decentralised System | 1 | | 2 | |
| Other ................................. | 1 | | 2 | |

24. Who are the people responsible for strategic planning in your organisation?

| People Responsible | Now | | Future | |
|---|---|---|---|---|
| Chief Executive | 1 | | 2 | |
| Marketing Director | 1 | | 2 | |
| Manager | 1 | | 2 | |
| Corporate Planning Team | 1 | | 2 | |
| Outside Consultants | 1 | | 2 | |
| Other ..................... | 1 | | 2 | |

25. Please select the three most important feature of a successful hospitality and tourism business of the new millennium.

| | | |
|---|---|---|
| Competent Management Team | 1 | |
| Quality Customer Service | 1 | |
| Technologically Advanced Systems | 1 | |
| Well Trained Workforce | 1 | |
| Other ................................. | 1 | |

26. What is the turnover of the business your Tour Operation?

| | | |
|---|---|---|
| Under R1 Million | 1 | |
| R2-R4 Million | 1 | |
| R5-R10 Million | 1 | |
| R11-15 Million | 1 | |
| R16-R20 Million | 1 | |
| Over R21 Million | 1 | |

**THE END**

## APPENDIX – B.4: QUESTIONNAIRE TO TOURISM AUTHORITIES

PREPARING TOURISM AND HOSPITALITY MANAGERS FOR THE NEW MILLENNIUM

Please indicate with a tick.

1.  What your is gender?

| Male | 1 | |
|------|---|---|
| Female | 2 | |

2  What is your age?

| 18-25 | 1 | |
|-------|---|---|
| 26-35 | 2 | |
| 36-55 | 3 | |
| Over 55 | 4 | |

3.  What is your qualification?

| Standard eight | 1 | |
|----------------|---|---|
| Matric Certificate | 2 | |
| Higher National Diploma | 3 | |
| Degree | 4 | |
| Other (Please state)................... | 5 | |

4.  What is your income per month?

| Less than R1000 | 1 | |
|-----------------|---|---|
| R1001-R4500 | 2 | |
| R4501-R6500 | 3 | |
| R6501-R8500 | 4 | |
| Over R8501 | 5 | |

5.      Where do you live?

| Empangeni | 1 | |
|---|---|---|
| Durban | 2 | |
| Pietermatrizburg | 3 | |
| Richards Bay | 4 | |
| Other (please state)..................... | 5 | |

6.      What is your marital status?

| Married | 1 | |
|---|---|---|
| Single | 2 | |
| Divorced | 3 | |
| Other (please state) ................. | 4 | |

7.      What is your position?

| hief Executive | 1 | |
|---|---|---|
| Meting Director | 2 | |
| Research Manager | 3 | |
| Product Development Manager | 4 | |
| Other (please state)............... | 5 | |

8.      How long have you been in your current position?

| 0-5 years | 1 | |
|---|---|---|
| 6-8 years | 2 | |
| 9-11 years | 3 | |
| 12-15 years | 4 | |
| 16-20 years | 5 | |
| Over 20 years | 6 | |

9.      What is the name of Your Tourism Authority?

| Name of Tourism Authority ....... | 1 | |
|---|---|---|

10.     What is the nature of your Tourism Authority?

| Promoting Partnership Private Sector | 1 | |
|---|---|---|
| Tourism Planning and Development | 2 | |
| Tourism Promotion | 3 | |
| Other (please state) ............... | 4 | |

11.     Where is the Tourism Authority located?

| Richards Bay | 1 | |
|---|---|---|
| Durban Metropolitan | 2 | |
| Nelspruit | 3 | |
| Pietermatrizburg | 4 | |
| Other (please state) ............................ | 5 | |

12.     As Tourism Authority do you think it is necessary to apply market segmentation concept to your operation now and would in the new millennium?

| Yes | 1 | |
|---|---|---|
| No | 2 | |

13.     If you do, which segment do you concentrate on now and in the new millennium?  Please rank from 1-4. 1 being the highest and 4 lowest.

| Segments | Now | | Year 2000 | |
|---|---|---|---|---|
| International Promotion | 1 | | 1 | |
| Community Projects | 2 | | 2 | |
| Stimulating economic growth through funding SMMEs | 3 | | 3 | |
| Other (please state) ........................ | 4 | | 4 | |

266

14.     If you use promotional tools please rank the impact the following methods of promotion have on your exposure to your target audience?

| Methods of Promotion | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct mail | 1 | | 2 | | 3 | | 4 | | 5 | |
| TV Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Radio Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Public Relations | 1 | | 2 | | 3 | | 4 | | 5 | |
| On-line media | 1 | | 2 | | 3 | | 4 | | 5 | |
| Word of Mouth | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other .................. | 1 | | 2 | | 3 | | 4 | | 5 | |

15.     What growth strategies do you make use of as Tourism Authority to penetrate your province on the international market? Please rank by importance.

| Growth Strategies | Very important | | Important | | Moderate | | Limited | | Not Important | |
|---|---|---|---|---|---|---|---|---|---|---|
| Strategic alliances with International Bodies | 1 | | 2 | | 3 | | 4 | | 5 | |
| Partnership with the Private sector | 1 | | 2 | | 3 | | 4 | | 5 | |
| Safety and Security | 1 | | 2 | | 3 | | 4 | | 5 | |
| Increase Spending | 1 | | 2 | | 3 | | 4 | | 5 | |
| Information and Research | 1 | | 2 | | 3 | | 4 | | 5 | |
| Conservation of Environment | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

16. How will the demands for tourism and hospitality product change in the following segments in the new millennium?

| Change in demand | Greatly Increase | | Moderately Increase | | No Change | | Moderately Reduce | | Greatly Reduce | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Corporate Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Association Meeting | 1 | | 2 | | 3 | | 4 | | 5 | |
| Social Meeting | 1 | | 2 | | 3 | | 3 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

17. How do you conduct market research now and in the future?

| Market Research | Now | Future | |
|---|---|---|---|
| In-house market research department | 1 | 2 | |
| Market research agency | 1 | 2 | |
| Comments from customers | 1 | 2 | |
| Surveys | 1 | 2 | |
| The website | 1 | 2 | |
| All others | 1 | 2 | |
| None/no answer | 1 | 2 | |

18. In the new millennium consumers will prefer hospitality and tourism products with brand names.

| Customers | Strongly Agree | | Agree | | Neither Agree Nor Disagree | | Disagree | | Strongly Disagree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |
| Leisure Travellers | 1 | | 2 | | 3 | | 4 | | 5 | |

19. Please rank the following marketing strategies in terms of their application in the new millennium in your organisation.

| Marketing Strategies | None | | Limited | | Moderate | | Strong | | Very Strong | |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct Communication | 1 | | 2 | | 3 | | 4 | | 5 | |
| Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| Creating synergy with key role players | 1 | | 2 | | 3 | | 4 | | 5 | |
| Service Improvement | 1 | | 2 | | 3 | | 4 | | 5 | |
| Establishing Regional Tourism Offices | 1 | | 2 | | 3 | | 4 | | 5 | |
| Use of Internet | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other | 1 | | 2 | | 3 | | 4 | | 5 | |

20. In the new millennium, the economic environment will justify new development in the following products.

| Products | Greatly Deteriorate | | Deteriorate | | No Change | | Improve | | Greatly Improve | |
|---|---|---|---|---|---|---|---|---|---|---|
| Package Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Inclusive Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Budget Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Short Holidays | 1 | | 2 | | 3 | | 4 | | 5 | |
| Excursions | 1 | | 2 | | 3 | | 4 | | 5 | |

21. Technological development in the following areas will reduce the utilisation of Human Resources in the new millennium.

| Technological Development | Strongly Disagree | | | Disagree | | Neither Agree Nor disagree | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| On-line Information Retrieval System | 1 | | | 2 | | 3 | | 4 | | 5 | |
| Local Travel Information Centre | 1 | | | 2 | | 3 | | 4 | | 5 | |
| Access to other communication systems | 1 | | | 2 | | 3 | | 4 | | 5 | |
| Other (please specify) | 1 | | | 2 | | 3 | | 4 | | 5 | |

22. Which of these operational systems apply to your organisation now and in the new millennium.

| Operational System | Now | | Future | |
|---|---|---|---|---|
| Centralised System | 1 | | 2 | |
| Decentralised System | 1 | | 2 | |
| Other ................................. | 1 | | 2 | |

23. Who are the people responsible for strategic planning in your Authority now and in the future?

| People Responsible | Now | | Future | |
|---|---|---|---|---|
| Chief Executive | 1 | | 2 | |
| Marketing Director | 1 | | 2 | |
| Market & Product Development Manager | 1 | | 2 | |
| Corporate Planning Team | 1 | | 2 | |
| Outside Consultants | 1 | | 2 | |
| Other ..................... | 1 | | 2 | |

24. Please select the three most important feature of a successful Tourism Authority organisation of the new millennium.

| | | |
|---|---|---|
| Competent Management Team | 1 | |
| Quality Customer Service | 1 | |
| Technologically Advanced Systems | 1 | |
| Well Trained Workforce | 1 | |
| Other ..................................... | 1 | |

25. What is the operating budget of your Tourism Authority?

| | | |
|---|---|---|
| Under R1 Million | 1 | |
| R2-R4 Million | 1 | |
| R5-R10 Million | 1 | |
| R11-15 Million | 1 | |
| R16-R20 Million | 1 | |
| Over R21 Million | 1 | |

**THE END**

## APPENDIX – B.5: QUESTIONNAIRE TO CUSTOMERS

PREPARING TOURISM AND HOSPITALITY MANAGERS FOR THE NEW MILLENNIUM

Please indicate with a tick.

1.     What your is gender?

| Male | 1 | |
|------|---|---|
| Female | 2 | |

2.     What is your age?

| 18-25 | 1 | |
|-------|---|---|
| 26-35 | 2 | |
| 36-55 | 3 | |
| Over 55 | 4 | |

3.     What is your qualification?

| Standard Six | 1 | |
|--------------|---|---|
| Matric Certificate | 2 | |
| Higher National Diploma | 3 | |
| Degree | 4 | |
| Other (Please state)...... | 5 | |

4     What is your income per month?

| Less than R1000 | 1 | |
|-----------------|---|---|
| R1001-R4500 | 2 | |
| R4501-R6500 | 3 | |
| R6501-R8500 | 4 | |
| Over R8501 | 5 | |

5.    Where do you live?

| Empangeni | 1 | |
|---|---|---|
| Durban | 2 | |
| Pietermatrizburg | 3 | |
| Richards Bay | 4 | |
| Other (please state) ................ | 5 | |

6.    What is your marital status?

| Married | 1 | |
|---|---|---|
| Single | 2 | |
| Divorced | 3 | |
| Separated | 4 | |
| Widowed | 5 | |
| Other | 6 | |

7.    Who do you work for?

| Self-employed | 1 | |
|---|---|---|
| Private Sector Organisation | 2 | |
| Community Project | 3 | |
| Local Council | 4 | |
| Unemployed | 5 | |
| Student | 6 | |
| Other (please state)...................... | 7 | |

8.    How long have you been in your current if employed including self-employed people?

| 0-5 years | 1 | |
|---|---|---|
| 6-8 years | 2 | |
| 9-11 years | 3 | |
| 12-15 years | 4 | |
| 16-20 years | 5 | |
| Over 20 years | 6 | |

9. How many dependants do you have?

| | |
|---|---|
| Just one | 1 |
| Two | 2 |
| Over three | 3 |
| None | 4 |

10. Where do you live?

| | |
|---|---|
| Richards Bay | 1 |
| Empangeni | 2 |
| Durban | 3 |
| Pietermatrizburg | 4 |
| Other | 5 |

11. How long have you lived in the area?

| | |
|---|---|
| 0-2 years | 1 |
| 3-5 years | 2 |
| 6-9 years | 3 |
| Over 10 | 4 |

12. How well do you know the tourism product.
    1 = Very clear and well aware    4 = Not clear and unaware
    2 = Clear and aware              5 = Don't know
    3 = Somewhat aware

| | | | | | |
|---|---|---|---|---|---|
| Hotel Product | 1 | 2 | 3 | 4 | 5 |
| Transportation | 1 | 2 | 3 | 4 | 5 |
| Destination | 1 | 2 | 3 | 4 | 5 |
| Attractions | 1 | 2 | 3 | 4 | 5 |
| Sporting events | 1 | 2 | 3 | 4 | 5 |
| Wildlife | 1 | 2 | 3 | 4 | 5 |

13. Which dimension of tourism should be promoted well in the new millennium

| | |
|---|---|
| Domestic Tourism | 1 |
| International Tourism | 2 |

14. Give your reasons for your answer to question (13).

   _____
   _____
   _____


15. Rank in order of importance what you consider are the functions of the tourism and hospitality manager.

| Functions of Tourism and Hospitality Manager | Very Important | | Important | | Limited | | Moderate | | Not Important | |
|---|---|---|---|---|---|---|---|---|---|---|
| Planning and Development | 1 | | 2 | | 3 | | 4 | | 5 | |
| Set goals and Objectives | 1 | | 2 | | 3 | | 4 | | 5 | |
| Develop and Implement Strategies | 1 | | 2 | | 3 | | 4 | | 5 | |
| Fostering International Links | 1 | | 2 | | 3 | | 4 | | 5 | |
| Marketing and Promotion | 1 | | 2 | | 3 | | 4 | | 5 | |
| Infrastructure Development | 1 | | 2 | | 3 | | 4 | | 5 | |
| Conservation of the Environment | 1 | | 2 | | 3 | | 4 | | 5 | |
| Develop New Products | 1 | | 2 | | 3 | | 4 | | 5 | |

16. Rank the factors in order of importance that will influence your decision to purchase tourism and hospitality product.

| Factors | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Product Type (Luxury hotel, attraction, etc.) | 1 | | 2 | | 3 | | 4 | | 5 | |
| Service Quality | 1 | | 2 | | 3 | | 4 | | 5 | |
| Location | 1 | | 2 | | 3 | | 4 | | 5 | |
| Advanced Technology | 1 | | 2 | | 3 | | 4 | | 5 | |
| Reputation | 1 | | 2 | | 3 | | 4 | | 5 | |
| Ambience | 1 | | 2 | | 3 | | 4 | | 5 | |
| Loyalty/Frequent Stay Programmes | 1 | | 2 | | 3 | | 4 | | 5 | |
| Brand Affiliation | 1 | | 2 | | 3 | | 4 | | 5 | |
| Environmental Programmes | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other (please state | 1 | | 2 | | 3 | | 4 | | 5 | |

17. What amount of influence will the following communication channels have on your decision to purchase tourism and hospitality product?

| Communication Channels | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Travel Agents | 1 | | 2 | | 3 | | 4 | | 5 | |
| Print Media | 1 | | 2 | | 3 | | 4 | | 5 | |
| Broadcast Advertising | 1 | | 2 | | 3 | | 4 | | 5 | |
| On-line Media | 1 | | 2 | | 3 | | 4 | | 5 | |
| Regional Tourist Office | 1 | | 2 | | 3 | | 4 | | 5 | |
| Word of Mouth | 1 | | 2 | | 3 | | 4 | | 5 | |
| Direct Mail | 1 | | 2 | | 3 | | 4 | | 5 | |
| Hotel Sales Department | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other... | 1 | | 2 | | 3 | | 4 | | 5 | |

18. How much impact will the following factors have on crime towards tourists?

| Factors | Very Strong | | Strong | | Moderate | | Limited | | None | |
|---|---|---|---|---|---|---|---|---|---|---|
| Unemployment | 1 | | 2 | | 3 | | 4 | | 5 | |
| Low Community Involvement | 1 | | 2 | | 3 | | 4 | | 5 | |
| Little Knowledge of Tourism Benefits | 1 | | 2 | | 3 | | 4 | | 5 | |
| Tourism Facilities are too expensive for the locals | 1 | | 2 | | 3 | | 4 | | 5 | |
| Tourists are considered rich | 1 | | 2 | | 3 | | 4 | | 5 | |
| Domestic Tourism is not encouraged | 1 | | 2 | | 3 | | 4 | | 5 | |
| Tourists make themselves easy targets | 1 | | 2 | | 3 | | 4 | | 5 | |
| Other............. | 1 | | 2 | | 3 | | 4 | | 5 | |

19. Comment on how you believe crime towards tourists could be controlled.

_____
_____
_____
_____

20. By the year 2000, how would you assess the pace of tourism management in the following tourism and hospitality industries?

| Tourism Industries | Much Less | | Less | | No Change | | More | | Much More | |
|---|---|---|---|---|---|---|---|---|---|---|
| Hotel | 1 | | 2 | | 3 | | 4 | | 5 | |
| Transportation | 1 | | 2 | | 3 | | 4 | | 5 | |
| Entertainment | 1 | | 2 | | 3 | | 4 | | 5 | |
| Restaurant | 1 | | 2 | | 3 | | 4 | | 5 | |
| Travel Agent | 1 | | 2 | | 3 | | 4 | | 5 | |
| Tour Operator | 1 | | 2 | | 3 | | 4 | | 5 | |
| Tourism Authority | 1 | | 2 | | 3 | | 4 | | 5 | |

**THE END**