

**PERSPECTIVES OF TRAVEL AGENCIES IN CHINA WITH REGARD TO
PROMOTING SOUTH AFRICA AS A LEISURE TOURIST DESTINATION
- AN EXPLORATORY STUDY**

by

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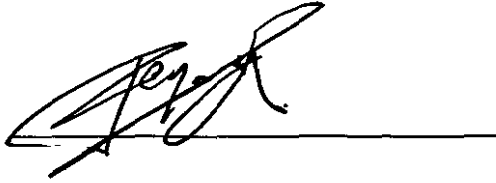
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CAPE TOWN

2006

DECLARATION

I, Lei Pei, hereby declare that the contents of this thesis represent my own work, and that this thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

A handwritten signature in black ink, appearing to read 'Lei Pei', is written over a horizontal line.

LEI PEI

NOVEMBER 2006

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ABSTRACT

With a population of 1.3 billion and a rapidly growing economy, China has the potential to exert a greater influence on the development of tourism worldwide. In particular, the China outbound tourism market is expanding at a fast rate. Along with the Approved Destination Status, which was granted to South Africa in 2001, South African Tourism has already set its sights on targeting this emerging market.

The purpose of this research was to establish the perspectives of travel agencies in China with regard to promoting South Africa as a leisure tourist destination. The study attempted to survey travel agencies in China, in order to understand Chinese travel agents and their clients' dislikes and preferences, which assisted the researcher to identify the attractive points and drawbacks of South African tours, as viewed by travel agencies.

In this study, 90 international travel agencies were surveyed with the use of self-completion questionnaires, while 6 in-depth interviews were conducted. The research results provided the perceptions and attitudes of South Africa, as viewed by Chinese travel agencies and revealed that shopping and entertainment, scenic beauty, different people and their lifestyles, cultural experiences and wildlife experiences were the top five of the attractions of South Africa as a tourist destination. The main factors, which prevent Chinese tourists from visiting South Africa, were unfamiliarity, affordability and negative perceptions with regard to crime and HIV/AIDS. In addition, the research revealed that for the marketing of new destinations, television, newspapers, internet, travel agencies and exhibitions were ranked as the top five.

In the implications and recommendations section of the study, various strategies to promote South African tours within the Chinese tourism market, were recommended. The internet, travel agencies, exhibitions and travel brochures were particularly mentioned. As one of the important Chinese customs, the presentation of gifts should not be underestimated and deserves special mention, since it could be used as a sales promotion technique. The research has revealed that tourists usually rely on the recommendations of other people, therefore, word-of-mouth should be noted as well. Furthermore, it is recommended that Chinese travel agencies should target different segments, such as the couple tours, family tours, economic tours and luxurious tours. The research also revealed that South Africa was perceived as

synonymous with diamonds and gold; wild animals/Big 5 and abalone and lobster. All South African tours should introduce South African diamonds, wild animals and cultural attractions. With regard to the long travel time and high prices of South African tours, the solution is on the long term and sales promotion was recommended. In order to attract Chinese tourists, South African tours could combine with other on-route and neighbouring tourism destinations. In addition, it should also be noted that the South African government should reduce the levels of violence and crime and should educate people about HIV/AIDS, which were the main obstacles, which prevent Chinese tourists from visiting South Africa.

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TERMS AND CONCEPTS

Advertising Any form of nonpersonal communication concerning an organization, product or idea that is paid for by a specific sponsor via one or more forms of media, such as television, radio, magazines and newspapers (Cravens & Piercy, 2003:399).

Advertising is publicity that has to be bought and paid for and that is transmitted through a variety of media: television, radio, newspapers, magazines, the Internet, public transport, for example, on a bus and outside on display i.e. buildings and billboards (George, 2004:244).

Brochure A brochure is a free publication such as a pamphlet, information sheet or publicity booklet, which promotes the tourism offering to enable potential consumers to make a choice (George, 2004:290).

Close-ended questions Questions that require the respondent to choose from a list of answers (McDaniel & Gates, 2004:244).

Direct marketing Includes the various communication channels that enable companies to make direct contact with individual buyers, e.g. catalogues, direct mail, telemarketing, television selling, radio/magazine/newspaper selling, electronic shopping (Cravens & Piercy, 2003:401).

Distribution channels A set of independent organizations that are involved in the process of making a product or service available to the consumer (George, 2004:220).

Escorted inclusive tours These tours have all the components of an independent inclusive tour but offer the services of a qualified tour escort, in addition to the normal arrangements (International Air Transport Association, 1997:16).

Hospitality This includes those commercial activities, which offer consumers accommodation, meals and drinks when they are away from home (George, 2001:18).

The South African Hotel Industry Training Board (HITB) defines hospitality as an industry that encompasses the accommodation, catering, tourism and maintenance sectors (Government Gazette, 1996: 2-3).

Hospitality	The American Tourism and Hospitality Industry (and the European industry) defines hospitality as the friendly and generous reception and service of guests (George, 2001:18).
Inbound tourists	Tourists who enter a country from their country of origin (Davidson, 1995:9).
Inclusive tours	These are also called situational tours in which travel arrangements are planned in advance and paid in full prior to departure. Their arrangements include transport, accommodation, with various surface arrangements, which are sold at an all-inclusive price, which covers all features included in the tour. Inclusive tours could be divided into two categories, namely independent and escorted (International Air Transport Association, 1997:15).
Independent inclusive tours	Tours, which are designed for individual travel that could be completely or particularly tailor-made to suit the clients' desires (International Air Transport Association, 1997:16).
Inseparability	In the context of tourism, this is defined as instances where a service and provision occur at the same time with both the provider and consumer involved in the process of delivery (George, 2004:24).
Intangibility	Something that cannot be seen, tasted, felt, heard or smelled before being bought (George, 2004:23).
International tourist industry	Defined as the sum of domestic activities that directly support the consumption of goods and services of foreign tourists in the country (United Nations, 1999:211).
Internet marketing	Internet, CD-ROMs and interactive television (Cravens & Piercy, 2003:402).
Leisure tourism	Includes travel for various purposes: holidays, sport, cultural events, visiting friends and relatives (Davidson, 1995:2).
Open-ended questions	Questions to which the respondent replies in her or his own words (McDaniel & Gates, 2004: 242).
Outbound tourists	Tourists who leave their country of origin to travel to another country (Davidson, 1995:9).

People	Those within the tourism industry who play a part in service delivery and, thus, influence the buyer's perceptions. They are the organization's staff, the consumer and other consumers in the service environment (Zeithaml & Bitner, 2000: 26).
Perishability	Describes offerings that cannot be saved, stored, resold or returned (George, 2004:25).
Personal selling	Consists of verbal communication between a salesperson (or selling team) and one or more prospective purchasers with the objective of making or influencing a sale (Cravens & Piercy, 2003:401).
Place promotion	Conscious use of publicity and marketing to communicate selective images of specific geographical localities or areas to a target audience (Gold & Ward, 1995:2).
Price	The amount of money consumers pay in exchange for the benefits of having or using an offering (Lumsdon, 1997:153).
Primary research	Research that involves the collection of original data by the researcher (Weaver & Lawton, 2002:407).
Processes	All the procedures, mechanisms, and routines by which a tourism offering is created and delivered to a consumer (George, 2004:314).
Promotion	A mid and long-term investment, which is aimed at building a consistent and credible destination identity (Morgan & Pritchard, 2001:9).
Promotion strategy	Consists of a group of interrelated communication activities: advertising; personal selling; sales promotion; direct marketing; public relations and internet marketing (Cravens & Piercy, 2003:399).
Public relations	The Public Relations Institute of Southern Africa (PRISA) states that 'public relations is the management, through communication, of perceptions and strategic relationships between an organization and its external stakeholders' (www.prisa.co.za).
	It consists of communications placed in the commercial media but not paid for directly by the sponsor (Cravens & Piercy, 2003:402).

Qualitative research	<p>Research that does not place its emphasis on the collection and analysis of statistical data and usually tends to obtain in-depth insight into a relatively small number of respondents or observations (Weaver & Lawton, 2002:407).</p> <p>Techniques that involve small numbers of respondents who provide descriptive information about their thoughts and feelings that are not easily projected to the whole population (Dillon, Madden & Firtle, 1990: 152).</p>
Quantitative research	<p>Research that is based mainly on the collection and analysis of statistical data and, hence, tends to obtain a limited amount of information on a large number of respondents or observations; these results are then extrapolated to the wider population of the subject matter (Weaver & Lawton, 2002:407).</p>
Quantitative research	<p>Techniques that involve relatively large numbers of respondents, which are designed to generate information that can be projected to the whole population (Dillon, Madden & Firtle, 1990: 152).</p>
Relationship marketing	<p>Relationship marketing is attracting, maintaining and enhancing solid relationships with consumers (George, 2004:354).</p>
Sales promotion	<p>Consists of various promotional activities, including trade shows, contests, samples, point of purchase displays, trade incentives and coupons (Cravens & Piercy, 2003:400).</p>
Secondary research	<p>Research in which the investigator uses previously collected data (Weaver & Lawton, 2002:407).</p>
Self-completion questionnaires	<p>Questionnaires completed by respondents with no interviewer present (McDaniel & Gates, 2004:110).</p>
Tourism	<p>The term given to an activity that occurs when tourists travel. This encompasses everything from the planning of the trip, the travel to the place, the stay itself, the return, and the reminiscences about it afterwards. It includes the activities, which the traveller undertakes as part of the trip, the purchases made and the interactions that occur between host and guest. In sum, it is all of the activities and impacts that occur when a visitor travels (Mill & Morrison, 1992:9).</p> <p>Comprises the activities of persons who travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (Smit & Vivian, 2001:2).</p>

Tourism offering	A combination of services, which deliver primarily intangible, sensual and psychological benefits but which also include some tangible elements (Lumsdon, 1997:143).
Tourist	<p>A visitor who stays at least one night in a collective or private accommodation in the place visited (Smit & Vivian, 2001:5).</p> <p>According to Davidson (1995:17), tourists are defined as people who:</p> <ul style="list-style-type: none"> • are away from their own home; • are on visits, which are short term and temporary; and • are travelling mainly for leisure or for business.
Tourist destination	<p>A place people visit intentionally (Dickman, 1999:181).</p> <p>A place, including a physical or perceived location, which consists of primary and secondary attractions and supports amenities that entice people to visit (George, 2004:334).</p>
Travel agent	<p>A company or individual who sells a range of holidays and other travel products to the general public and may offer business travel services as well (Youell, 1996:229).</p> <p>An intermediary who supplies information and sells services on behalf of principals (e.g. hotels, car rental companies), as well as other intermediaries (e.g. tour operators, tour brokers) (George, 2004:223).</p> <p>International Air Transport Association defined it as any person or organization that offers the public travel information, reservation and ticketing services, who for profit, solicits, obtains, receives or furnishes, directly or indirectly, passengers or groups of passengers or transportation by a carrier of the supply of other services by another travel industry principal (Anon, 2001:12).</p>
Telemarketing	It is also called telephone marketing, which involves using the telephone to contact prospective consumers to initiate sales or to contact existing and past consumers to stimulate repeat sales (George, 2004:281).
Variability	Indicates a service performance that is unique to each consumer (George, 2004:25).

Visitor Any person who travels to a place other than that of his or her usual environment for less than 12 consecutive months and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited (Smit & Vivian, 2001:5).

Word-of-mouth advertising When family or friends recommend offerings to one another; technically not really advertising, as organizations do not have to pay for it but one of the marketer's most powerful allies (George, 2004:402).

CHAPTER 1: INTRODUCTION TO THE PROBLEM

1.1 INTRODUCTION

South Africa can be viewed as a world in one country (Thompsons Tours, 2004:4), with its beautiful landscapes, variety of people and original tribal culture. Hence, South Africa attracts increasing number of tourists from around the world each year as it offers people all kinds of holidays imaginable, from sunny skies, blue seas and white sands to setting out on game-watching; from a variety of luxury shopping centres combined with dining and entertainment, to wide, open spaces; from strenuous international-style cities to idyllic low-pressure country lifestyles.

China is a country that has an immense tourism potential. According to the forecast of the World Tourism Organization, China will become the leading source market worldwide by 2020, whilst dominating global tourism arrivals (South African Tourism, 2001).

The study focuses on Chinese travel agencies and establishes the perspectives of travel agencies in China with regard to promoting South Africa as a leisure tourist destination. The first chapter mainly includes the problem statement and the background to the study field, the research questions, the objectives of the study, as well as the research design and methodology that was followed. Finally, the significance, contributions and content of the research are presented.

1.2 STATEMENT OF THE RESEARCH PROBLEM

Each year, South Africa attracts tourists from all over the world. Among these tourists, only a small percentage comes from China. China is a country that has a huge population and holds an immense tourism potential for South Africa. Already in 2004, China had some 30 million outbound tourists (Zhang, 2005: 581). However, in South Africa, the product faces a low market share, awareness and acceptance from the Chinese market. A marketing strategy should be enhanced and developed for the South African tourism industry, by focusing on how to promote the Chinese market. The research problem is to establish the perceptions that Chinese travel

agents hold of South Africa as a tourist destination. This will enable South African tourism bodies to target and develop South Africa as a tourist destination within the Chinese tourism market via Chinese outbound travel agencies. Finally, it would also indicate how South Africa should be promoted as a destination for potential Chinese tourists, thus increasingly attracting the Chinese to choose to visit South Africa in the near future with the use of Chinese travel agencies. This will allow South Africa to tap into a new, though vast outbound tourism market.

1.3 BACKGROUND TO THE RESEARCH PROBLEM

1.3.1 The global tourism market

Over the past few years, global tourism has grown significantly. In 2004, international tourist arrivals reached 760 million, compared with the 691 million of 2003, which represents an increase of 10.7%. Preliminary results presented by the United Nations specialized agency, the World Tourism Organization (UNWTO), showed that the number of international tourism arrivals already exceeded 800 million for the first time ever (United Nations World Tourism Organization, 2005). Furthermore, the WTO estimated that in 2004, international tourism receipts reached a new record high of US\$622 billion (South African Tourism Strategic Research Unit, 2005). See Table 1.1 below.

Table 1.1: Global Tourism Receipts by Region (2004)

Region	Global Tourism Receipts (Billion)	Global Tourism Receipts (%)
Europe	US\$323	51.9%
Americas	US\$131	21.1%
Asia and the Pacific	US\$124	19.9%
Middle East	US\$19	3.1%
Africa	US\$19	3.1%
Total	US\$622	100%

Source: South African Tourism Strategic Research Unit, 2005

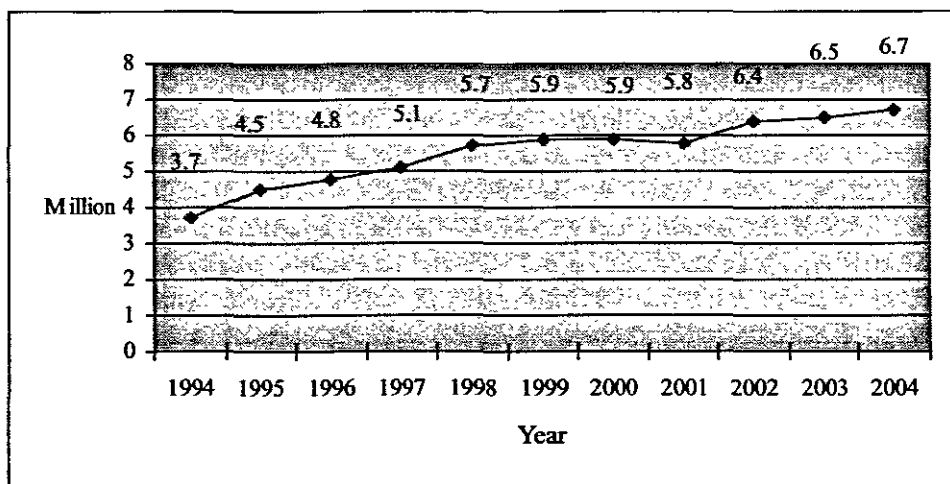
According to the World Tourism Organization's official forecasts, by the year 2020, international tourism trips would have trebled to 1.6 billion, with an estimated worth of US\$2 trillion annually (World Tourism Organization, 2004).

Presently, tourism is considered as one of the world's most important economic activities and one of the fastest growing elements of global trade (Seddighi, Nuttall & Theocharous, 2001:181). Many governments recognize the potential of tourism's development. As a method of economic expansion, skills development and job creation, the potential profits of the tourism industry has also been realized by many entrepreneurs who started to view tourism as a consuming industry and have actively arranged careful planning and effective management for tourism (Coltman, 1989:38).

1.3.2 The South African inbound tourism market

The tourism industry of South Africa is developing at a fast pace. The South African government has identified tourism as one of the cornerstone industries on which the prosperity for all South Africans is being built (South African Tourism, 2001). As South Africa stepped into democracy, tourist arrivals grew, breaking the million mark in 1990, following the release of Nelson Mandela and other political prisoners (South African Tourism Strategic Research Unit, 2005). Since then, arrivals to South Africa have been in a strong, growth phase. Between 1994 and 2004, the number of foreign tourists has grown from 3.7 million to 6.7 million (Statistics South Africa, 2004). See Figure 1.1.

Figure 1.1: Foreign Tourist Arrivals to South Africa (1994-2004)



Source: South African Tourism Strategic Research Unit 2005

As is evident in Figure 1.1, in 2004, South Africa recorded the highest number of tourism arrivals with 6.7 million foreign tourists, which represents a 2.7% increase over the 2003 figure. This was the third continuous year of growth since 2001 (South African Tourism Strategic Research Unit, 2005).

South African tourism arrivals came from four regions, namely Africa and the Middle East, Europe, America, Asia and Australia. The following table provides a market share breakdown of these regions.

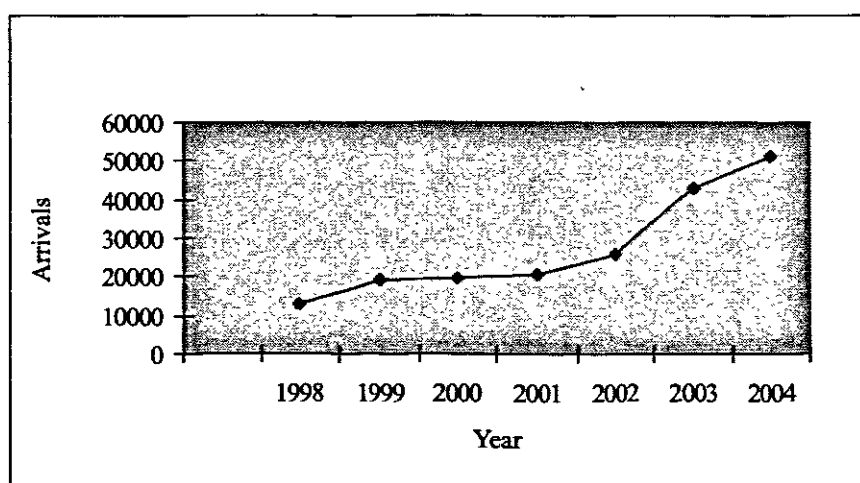
Table 1.2: Foreign Tourist Arrivals to South Africa (2003-2004)

Foreign tourist arrivals	Year 2003 (Million)	Year 2004 (Million)	Compare with 2003 (Difference)	Compare with 2003 (% change)
Africa & Middle East	4.485m	4.674m	+0.189m	+4.2%
Americas	0.263m	0.291m	+0.028m	+10.6%
Asia & Australasia	0.266m	0.275m	+0.009m	+3.4%
Europe (Incl UK)	1.319m	1.287m	-0.032m	-2.4%
Total	6.505m	6.678m	+0.173m	+2.7%

Source: South African Tourism Strategic Research Unit, 2005

However, compared to the number of other foreign countries' tourists who arrived in South Africa, Chinese tourists remained a small percentage indeed, as depicted in the figure below.

Figure 1.2: Chinese Inbound Tourist Arrivals to South Africa (1998-2004)

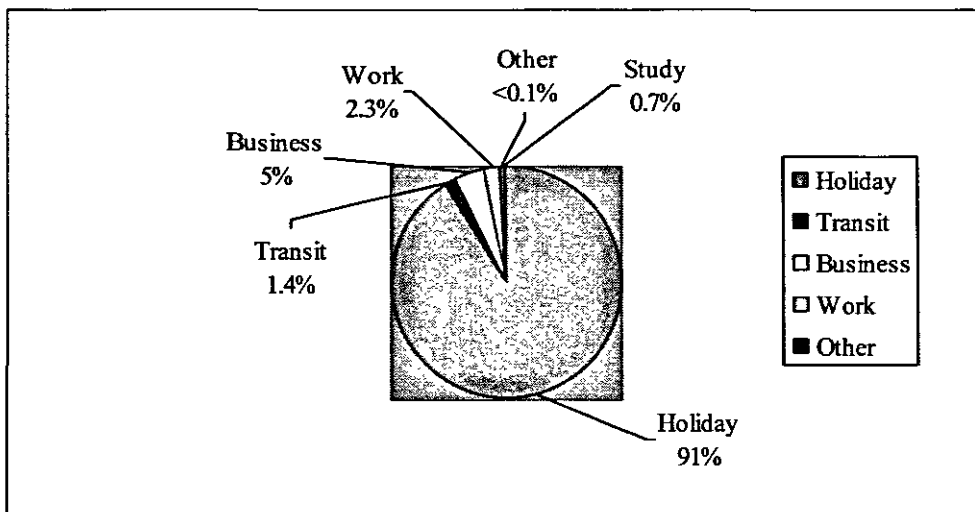


Source: South African Tourism, 2004 and South African Tourism Strategic Research Unit, 2005

It can be seen that Chinese inbound arrivals to South Africa increased from 13,790 in 1998 to over 51,000 in 2004. The latter figure represents a mere 0.8% of the total South African inbound tourism market.

Overall, the most popular reason to visit South Africa was for holidaying. In 2003, 91% of all overseas travellers arrived in South Africa for holiday purposes. Figure 1.3 depicts other reasons for visiting South Africa.

Figure 1.3: Overseas Travellers by Purpose of Visit in 2003



Source: Statistics South Africa, 2005

The reasons for visiting South Africa, as per Chinese tourists in 2003, were varied with 74% doing so for holiday travel, 16% travelled for business purposes, 5% for work, 3% for study purposes and 2% for other reasons¹ (Statistics South Africa, 2005).

Although tourism is mainly a leisure activity, it contributes to the GDP, foreign exchange and job creation. In 2004, tourism income rated the third highest foreign income source with R93.6 billion in South Africa, surpassing gold exports by R47.8 billion (Jing, 2005; South African Tourism Strategic Research Unit, 2005). Also, as a development tool, the tourism industry was seen to have the potential to transform people's lives and bring the country's poor into the economic mainstream. Because of the flourishing South African tourism industry, new employment opportunities are created and the number of people who are directly employed in

¹ Includes tourists in transit.

tourism, remains on the increase.

Economists estimate that one job is created for every ten foreign tourists who visit South Africa (Marshall, 2005). In this regard, it was estimated that in 2004, 539,000 direct jobs were created in the tourism industry, which was 27,000 jobs more than in 2003 (South African Tourism Strategic Research Unit, 2005).

Therefore, presently, the tourism industry of South Africa has become an effective method of economic expansion, as well as skills development and job creation.

1.3.3 The Chinese outbound tourism market

During earlier days, China had strict outbound policies. Going abroad remained a dream for ordinary people in China. Only senior government officers and wealthy people had the privilege to travel abroad. Chinese outbound tourism development only began in about 1979 (Qun & Jie, 2001:46).

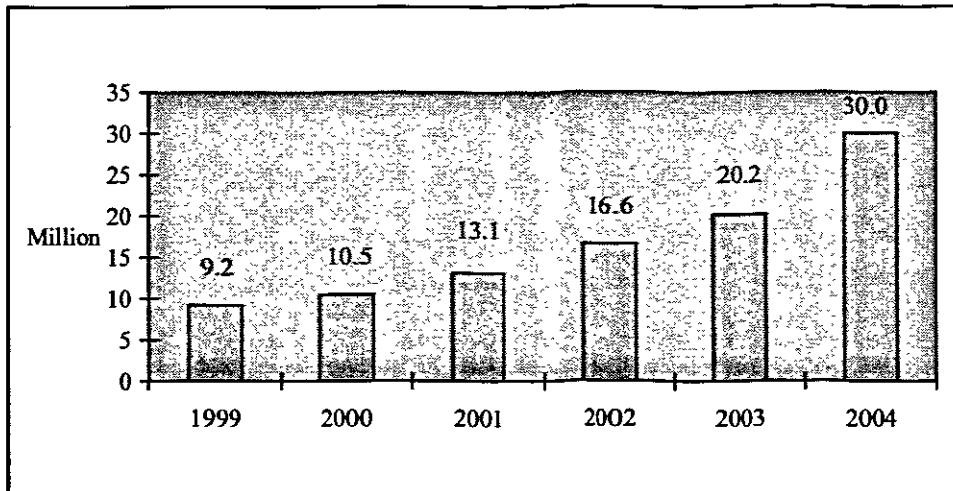
China's large population of 1.3 billion (CIA 2005-China, 2005) and the continued development of the Chinese economy and its social environment (Qun & Jie, 2001:45) led to a rapid increase in the income of households (Zheng, 2004). Henceforth, the demands of Chinese were no longer limited to the consumption of basic necessities, such as a home, food, furniture, electrical appliances, but Chinese people had begun to invest money in culture and outbound travelling. The Chinese government's policy of openness and improved diplomatic relations with foreign countries was one of the stimulants and support for outbound tourism development in China. More and more countries were also energetically negotiating with the Chinese government in order to receive the honour of official destination² for Chinese tourists (Qun & Jie, 2001:47).

Outbound tourism in China began late but is growing rapidly. After the relaxation of travel regulations in May 1991, China's outbound tourism escalated (Zhang & Lam, 1998:581). Since the 1990s there has been a growing demand by Chinese citizens to travel abroad and already in 1996, there were over 5 million Chinese outbound visitors, making China one of the top tourism

² See section 1.3.4 in this regard.

source countries in Asia (Qun & Jie, 2001:44). By 2003, the number of outbound travellers had reached 20.2 million, which was 21.8% more than in 2002 (Zhang, 2005). From the graph below, one can infer that in the coming years, the number of outbound tourists from China will play an ever-increasing role in world tourism.

Figure 1.4: China's Outbound Travel (1999-2004)



Source: Canada Economic Development, 2005

To place the above figures into a South African perspective, as seen in 2004, China outbound travellers reached 30.0 million (Figure 1.4), compared to the number of tourist arrivals from China to South Africa, which only reached 50,080 (figure 1.2), which is less than 0.2% of the total Chinese tourist market (Statistics South Africa, 2005). South Africa Tourism (2004) has mentioned, in this regard, that 14% of travellers in mainland China were positive towards South Africa. However, it is expected that in the next five years, the number of Chinese travellers who will choose South Africa as their holiday destination, will not surpass 6% (South African Tourism, 2004). Although this is a low percentage, in absolute terms, it is indeed a high figure.

Finally, destinations around the world are all eagerly awaiting the opening of Chinese outbound tourism. It has been estimated that 40 million Chinese have the financial ability to travel overseas (San Francisco Convention & Visitors Bureau, 2006). China will have 100 million outbound travellers from now until 2020, making it the world's fourth largest source of outbound travel after Germany, Japan and the United States (Canada Economic Development, 2005).

1.3.4 China and South Africa's tourism relationships

In 1998, the Republic of South Africa and the People's Republic of China established a diplomatic relationship (Jing, 2005) and by December 2001, South Africa had been granted "Approved Destination Status" for Chinese tourists (Ministry of Environmental Affairs and Tourism, 2001). In 2003, South Africa officially became one of the tourism destination countries identified for Chinese people for self-arranged tours (Jing, 2005).

The "Approved Destination Status (ADS)" is a programme which was developed by the Chinese government to establish a well-managed, orderly and controlled system of travel abroad for a greater number of its citizens. It is based on a bilateral agreement whereby a foreign government allows Chinese tourists to travel to its country (Anon, 2006a). Currently, China does not permit other countries to market themselves as tourist destinations in China unless such a country has been designated as an approved destination by the Chinese authorities. Before receiving the "Approved Destination Status", the destination or the designed travel agencies were not allowed to directly promote or mass advertise the destination to the public in China. Also, Chinese tourists were restricted to visit government "Approved Destinations" only, since any travel agencies that promoted leisure tours to non-Approved Destination Status regions would be penalized.

Presently, travel agents serve a dual purpose: firstly, they serve as an information centre where prospective tourists can obtain information about their travel plans and secondly, they provide a distribution point where principals can sell their products to final consumers (Anon, 2001:19). In the case of China, travel agencies also act as "gatekeepers" for the government by enforcing the "Approved Destination" programme. Not only do travel agents search for prices, investigate tourism routes for their consumers and have closer contact with specific market segments through local promotions, but these agents also offer personalized advice and make suggestions to tourists who travel abroad.

Travel agencies could be viewed as the retail arm of the travel and tourism industry. In the same way that a clothing shop sells products to shoppers, travel agencies also retail their "products" to the general public. However, unlike the clothing retailer, travel agencies do not buy "stock" in

advance, but rather react to the wishes of their customers before they contact holiday companies (Youell, 1995).

The role of the travel agent can be summarized as has been by the American Society of Travel Agents' (ASTA) motto: "Without a travel agent, you are on your own", which exemplifies the important role that professional travel agents play in the current tourism market (American Society of Travel Agents, 2005).

With the expeditious development of the South African tourism industry, an increasing number of Chinese people are turning to South Africa and are showing an interest in the mystery and beauty of the country as they would like to experience its various kinds of diversity in terms of both culture and attractions. Also, travel agency operators in both countries, have begun to focus on the "South Africa tour" and have predicted a greater influx of Chinese travellers from the potential huge Chinese market through various promotion campaigns.

According to Li (2006), the life cycle of the product angle of the "South African tour" is still in an emerging phase and can be labeled as a low maturity of product, especially in comparison with tours in Japan and Hongkong. In this regard, the low maturity of product includes low market share; low variety of packages; high relative price; low frequency of tour groups and low sales staff knowledge about the product (South African Tourism, 2004). Mainland China is one of the emerging markets targeted for longer-term development in the Tourism Action Plan 2000. Therefore, for the Chinese tourism market, the "South African tour" has much potential for the near future.

1.4 RESEARCH QUESTIONS

The following research questions are applicable for the study:

- 1.4.1 What are the perceived South African attractions as viewed by Chinese travel agencies?
- 1.4.2 According to travel agencies,
 - Which promotional vehicles should be used to promote outbound destinations in general?
 - Which promotional vehicles should be used to promote new outbound destinations such as South Africa?
 - Which South African promotional vehicles are Chinese travel agents aware of?
- 1.4.3 What kind of strategies that promote South African tourism in China are Chinese travel agencies aware of?

Research questions for specific qualitative research:

- 1.4.4 In what way do Chinese travel agents provide assistance to outbound clients?
- 1.4.5 How do Chinese travel agents view their relationship with outbound clients?
- 1.4.6 Do Chinese travel agents ever persuade or dissuade potential outbound tourists to change their intended destination(s) and in what instances would this be done?
- 1.4.7 What is the preferred outbound tourism destination for travel agents and for their past clients? Why?
- 1.4.8 In what way are these preferred destinations promoted differently to other international tourism destinations?
- 1.4.9 How do Chinese travel agents view Africa as a tourist destination and, in particular, South Africa?
- 1.4.10 Do Chinese travel agents ever recommend tours to Africa and South Africa? Or do they not.
- 1.4.11 What are the current perceptions and attitudes of Chinese travel agents toward South Africa?
- 1.4.12 What will cause Chinese travel agents to recommend tours to South Africa and how should South Africa be promoted?

1.5 OBJECTIVES OF THE RESEARCH

The research objectives for the study are:

- 1.5.1 To execute the attractiveness and drawbacks of South African tours as perceived by Chinese travel agents.
- 1.5.2 To understand Chinese travel agents and their clients' dislikes, preferences, demands and needs regarding South Africa.
- 1.5.3 To identify the key problems in relation to promoting South Africa to Chinese tourists as viewed by travel agents.
- 1.5.4 To establish the preferred promotion tools that are suitable for Chinese travel agents and tourists.
- 1.5.5 To establish how Chinese travel agents assist their outbound clients.
- 1.5.6 To determine the relationships between Chinese travel agents and their clients.

1.6 RESEARCH DESIGN AND METHODOLOGY

In order to ensure a relative balance amongst travel agencies in China, the research study focussed on three key regions in China, namely Beijing, Shanghai and Guangdong. These three target markets have different population sizes, per capita incomes and outbound tourists. Table 1.3 depicts the situation:

Table 1.3: Population and Per Capita Income of Beijing, Shanghai and Guangdong

	Beijing	Shanghai	Guangdong
Population (2005) ³	15 million	13 million	110 million
Average Per Capita Income (2004) ⁴	1,900US\$	2,085US\$	1,703US\$
Estimate Number of Outbound Tourists (2002) ⁵	1.4 million	285,000	190,000
Number of Authorized China Travel Agencies (2003) ⁶	99	41	32

³ Anon, 2005a; Anon, 2005b and Anon, 2005c.

⁴ China Daily, 2005; Hu, 2005 and Statistics Guangdong, 2005.

⁵ South African Tourism, 2004.

⁶ South African Tourism, 2004.

The following research methods were used to attain the research objectives in target areas:

1.6.1 Qualitative research: in-depth interviews

In total, six in-depth interviews were conducted with travel agencies in China. Table 1.4 provides a classification of the interviews conducted:

Table 1.4: Qualitative Interviews Conducted

Category	Beijing	Shanghai	Guangdong
Travel agents ever recommended South Africa as outbound destination	1	1	1
Travel agencies never recommended South Africa as outbound destination	1	1	1
Total	2	2	2

The main objective of these interviews was to identify the key perceptions and attitudes of Chinese travel agents when it comes to promoting South Africa as an outbound destination. Furthermore, the results of these qualitative interviews were used as inputs for the questionnaire in the quantitative survey.

1.6.2 Quantitative research: self-completion survey

The self-completion survey was conducted with travel agencies that are located in Beijing, Shanghai and Guangdong. In order to make a detailed and comparative analysis possible, a disproportionate quota sample was chosen. In total, 90 international travel agencies (30 per region) were selected. The names and address list of travel agencies were compiled from the following Websites:

- www.chinacsw.com
- www.shanghaitour.net
- www.ctcol.com
- www.86760.com

In order to determine whether there were no misunderstandings with regard to the questionnaire, which was translated from English to Chinese, a pilot study was conducted with 5 international travel agencies before the main survey. The questionnaire focussed on the tools, which Chinese travel agencies prefer to use to promote South African tours, and South Africa's key perceived

attractions and obstacles. The questionnaire was a combination of open, as well as close-ended questions.

1.7 DELINEATION OF THE RESEARCH

The target population of the research included:

- Chinese travel agencies, which are located in Beijing, Shanghai and Guangdong, which have qualifications and experiences in the organization of international outbound tours.

Political issues, such as government tourism policies, the Chinese outbound travel policy and the South African visa policy, were excluded from the scope of this research.

1.8 SIGNIFICANCE OF THE RESEARCH

China has become an emerging market, which is targeted by South Africa tourism. The study of the promotion of South Africa tourism, as a leisure tourist destination by travel agencies in China will benefit both South Africa and China. It will not only be positive to develop their tourism industries, stabilize the diplomatic relationship between the two countries, but will also expand South Africa's tourist market.

1.9 CONTENT OF THE RESEARCH

The dissertation is divided into the following chapters:

Chapter Two discusses the characteristics of hospitality and tourism services offerings. It examines the extended marketing mix (7P's) and specific characteristics of destination marketing. Finally, the role of travel agencies in marketing destinations and the functions of the tourism distribution channels will be discussed. Chapter Three discusses the methodology and rationale of in-depth interviews and the self-completion surveys that were used. Chapter Four reveals the findings of the research conducted and Chapter Five provides the conclusions and recommendations, as well as suggested future research related to this subject.

1.10 CONCLUSION

Chapter One summarized the global tourism market, the introduction and development of the South African tourism market, the development and importance of the China outbound market and the *current situation of Chinese tourists who visit South Africa*. The importance of the travel agency was highlighted consequently and the most effective promotional material for travel agencies will be identified and examined.

**CHAPTER 2: THE CHARACTERISTICS OF THE HOSPITALITY
AND TOURISM SERVICES OFFERINGS**

2.1 INTRODUCTION

“Tourism and hospitality is recognized as the world’s largest and fastest growing global industry” (George, 2001: xi) and ranks alongside finance, retailing, commercial, and professional services (Lumsdon, 1997:28). In South Africa, the tourism industry has already made great contributions to the development of the economy in terms of jobs and foreign exchange earnings and is recognized as the number one sector within the service industry (George, 2001:xi & 19).

The tourism and hospitality industry is different in nature and its characteristics compare with other industries such as manufacturing, construction, retail or commercial. The tourism and hospitality industry even differs from the services industry in many ways. These differences should be noted as they affect the way in which tourism and hospitality will be marketed.

This chapter focuses on the tourism industry and is divided into four sections. The first part discusses the characteristics and nature of tourism and hospitality marketing, followed by the extended marketing mix (7P’s). The third part focuses on the destination marketing, while the final section concentrates on the role of the travel agency in the promotion of a destination. The functions of a travel agency and the tourism distribution channels will also be discussed in detail.

2.2 CHARACTERISTICS OF THE TOURISM AND THE HOSPITALITY INDUSTRY

In order to contextualize the marketing of tourism and hospitality services, it is important to depict, firstly, the environment in which these marketing operations take place. This will provide is a better understanding of the uniqueness thereof and the effects with regard to travel agencies, which is highlighted. The following describes the nature of the industry.

2.2.1 An overview of the tourism (and hospitality) industry

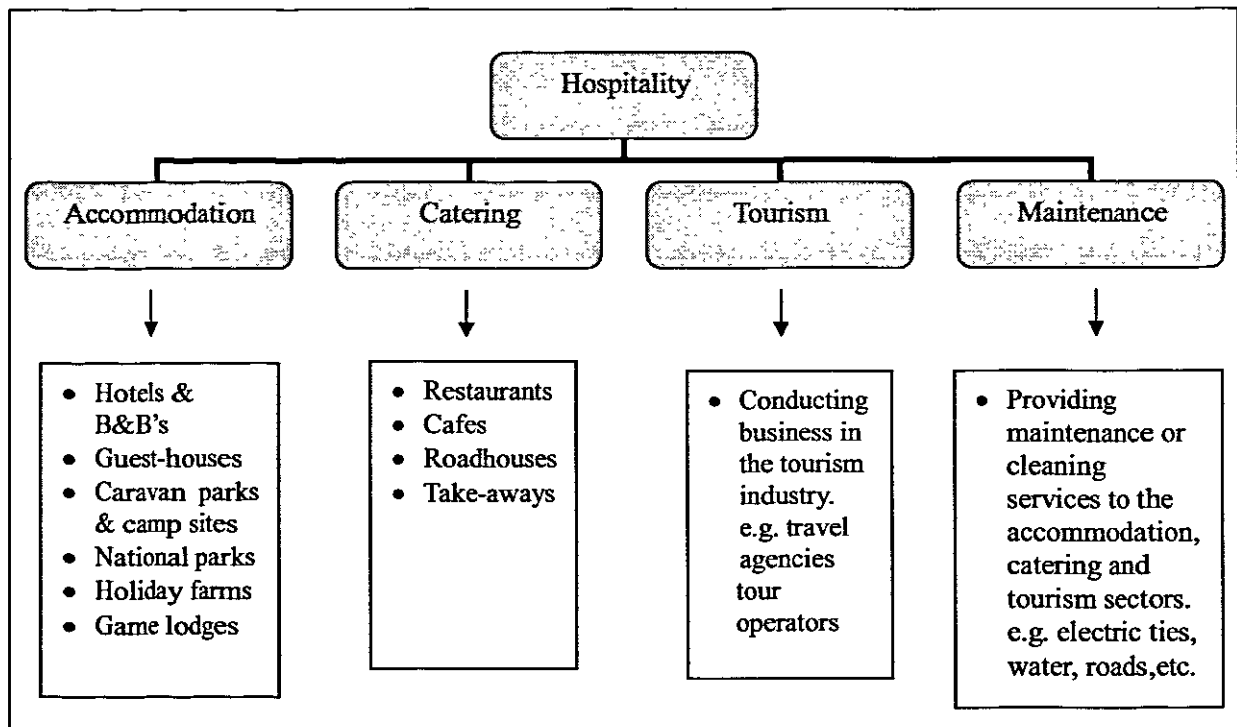
There are varied models to describe the nature of the tourism and hospitality industry. Theobald (1998:14) asserts that the tourism industry consists of hospitality (accommodation and restaurants), attractions, transport, tour operators and travel agents, as well as other support services. Middleton (1998:4) offers a similar view by defining the tourism and hospitality industry in terms of five sectors, namely accommodation, attractions, transport, traveller organizers and destination organizers. McIntosh, Goeldner & Ritchie (1995:269) offer a different view since they mention that the tourism and hospitality industry is made up by its natural resources, infrastructure, transportation, hospitality and cultural resources. Lastly, van Harssel (1994:7) and Bennett (1995:44) use six interrelated sectors, namely accommodation, attractions (and events), transport, tourism intermediaries, the peripheral private sector and the peripheral public sector.

From the above it is evident that all the definitions include accommodation, catering, transport/intermediaries and support services. Hence, in order to depict the tourism and hospitality industry, the model, as defined by the South African Hotel Industry Training Board, will be used. The model depicts that the tourism and hospitality industry is divided into four sectors, namely accommodation¹, catering², tourism and maintenance (Government Gazette, 1996:2) and covers all commonalities mentioned earlier. See Figure 2.1 in this regard.

¹ Theobald puts it under 'hospitality' and for McIntosh, Goeldner and Ritchie it falls under 'infrastructure'.

² Part of 'hospitality' as defined by Theobald and as 'peripheral private support sector' by van Harssel and Bennett. Again for McIntosh, Goeldner and Ritchie it forms part of the 'infrastructure' of a destination.

Figure 2.1: The Sectors of the South African Hospitality Industry



South African Hotel Industry Training Board as cited in George, 2001:18

The sectors, which comprise the tourism and hospitality industry, will be discussed briefly.

• Accommodation

According to Cooper et al (1998:313), accommodation is, *'by a long way, the largest and most ubiquitous sub-sector within the tourism economy'*. George (2004:22) supports this notion by viewing accommodation as the main component of the hospitality sector, which provides a necessary facility that is both convenient and comfortable for the consumer during travel.

In terms of accommodation expenditure, which influenced the overall tourist experience, Horner & Swarbrooke (1996:15) pointed out that accommodation represented the most significant element of the total tourist expenditure. For example, during 1999 to 2003, domestic tourists who visited Cape Town spent, on average, 22.2% on accommodation. For international tourists, accommodation expenditure was much higher at 28.9% of the total expenditure (CMT study, 1999-2003: 37).

In the tourism market, many tourists chose their tourist destination based on the perceptions and expectations of the accommodation, which the destination had to offer. Therefore, the destination marketers should view location convenience and high standards of comfort as the primary features of the accommodation component of the destination product. However, it should be borne in mind that accommodation determines the capacity of a destination with regard to the number of tourists who stay over in a particular place or region.

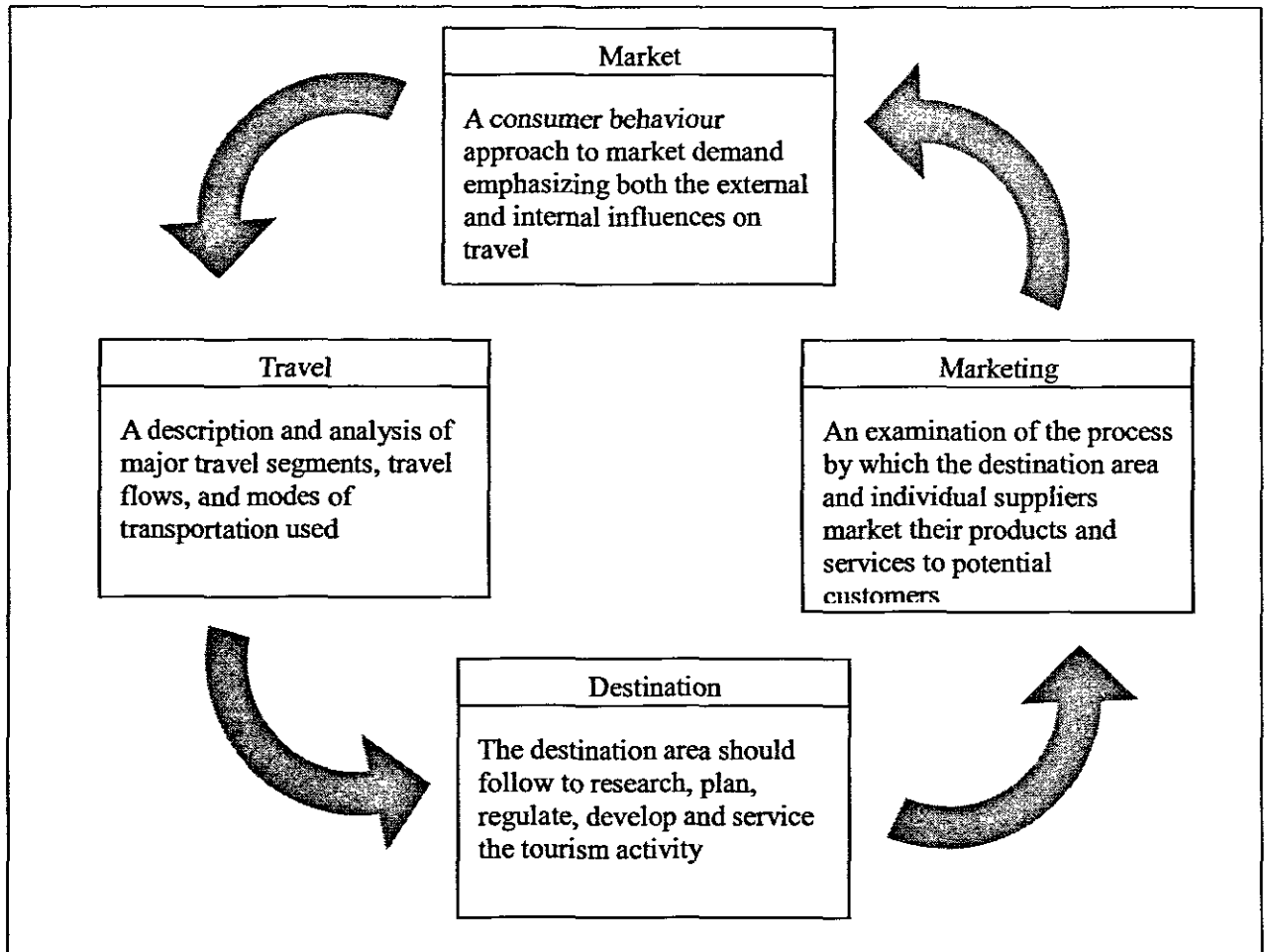
- **Catering**

The term '*catering*' refers to the sector within the tourism industry that provides food and beverage services to tourists. This is included in the hospitality sector, and can be offered in combination with the accommodation service (George, 2001:21). For example, a hotel could provide accommodation, meals and beverages alike.

- **Tourism**

Tourism can be recognized as a combination of hospitality and transport services. George (2004:20) described tourism as an activity, which is serviced by a number of industries such as hospitality and transport. For example, a tourist who travels to a destination may get there by airplane, stay in a hotel and visit many restaurants and tourist attractions and also hire a rental car. Poon (1993:21) shares a similar view and describes that tourism links consumers to facilitators (finance and insurance services), distributors (tour operators and travel agents) and producers (airlines, hoteliers). Hence, '*tourism*', as defined by the SA Hotel Industry Training Board should be seen in the context of a 'tourism system'. Such a system is described by Mill and Morrison (1992:9).

The tourism system consists of four integrated parts, namely the market, travel, destination and marketing (Mill & Morrison, 1992:9). See Figure 2.2.

Figure 2.2: The Tourism System

Source: Mill & Morrison, 1992: 9

From the figure above it is evident that four tourism sections are closely linked. Firstly, the market section emphasizes the need to understand consumer behaviour, which occurs within social and cultural constraints. It leads to the purchase of travel in a wide variety of forms. The travel refers to the flow of visitors, the characteristics of these visitors, existing trends and forecasts for the future. These factors influence the travel demands of tourists. The so-called destination stimulates the sale of travel and refers to the mix of facilities and attractions that are desired by different segments of visitors. Finally, marketing involves destination marketing to existing and potential visitors through a variety of intermediaries (Mill & Morrison, 1992: 10).

- **Maintenance**

Maintenance of the service is very important within the tourism and hospitality industry. The marketers should provide maintenance or cleaning services to the accommodation, catering and tourism sectors, in order to maintain existing customers and attract new ones (George, 2001:24).

2.2.2 The characteristics of service offerings

The study shows that the tourism and hospitality industry (as defined by SAHITS) comprises the management of services and not products. Services have a different basis to goods, since goods are produced whereas services are performed (Rushton & Carson, 1985:23). The following discusses the common characteristics of services and indicates how these differ to products within the marketing context.

2.2.2.1 The common characteristics of service industries:

- **Intangibility**

Unlike physical products, services are mainly intangible by nature, which makes it impossible for the consumer to touch, smell, feel or hear the service offering before the purchase (Lumsdon, 1997:29). For example, the consumer can carry out an evaluation before deciding whether to buy a *tangible commodity* such as a car as it can be seen, touched and even taken for a test drive, but not in the case of tourism services. In the same token, tourism offerings cannot be evaluated or tested beforehand, therefore, the tourism marketers tend to '*tangibilize*' the tourism offering by displaying the tourist destination to their clients through brochures and videos, for example. Given the lack of testability, tourism consumers rely on '*word-of-mouth*' from others who have visited the destination or are familiar with the destination. The recommendation by a travel agency can prove vital, at times, to prospective travellers, especially long haul tourists.

- **Inseparability**

Inseparability means that the production and consumption of tourism offerings are inseparable. Unlike physical goods, which are manufactured, placed on inventory, distributed through wholesalers, retailers and consumers, services provision and consumption occur simultaneously (Kotler, 2003:447). In service marketing, the client is also present at the point of service delivery. This makes the task of satisfying consumers of services, in many ways, much more difficult than it is for the manufacture of a product (George, 2004:24). For example, in the case of a flight attendant being rude and impolite, the consumer will lose confidence and a good impression of the journey. From the example it can be seen that the quality control of services is crucial and difficult to achieve, owing to mistakes that could occur in the presence of the customer. The implications of this is that service employees of tourism establishments, for example hotels, aircrafts and restaurants, should be properly trained and monitored to ensure high levels of service quality in the process of the delivery of the tourism offering.

- **Variability**

Thirdly, unlike a production line where one vehicle is the same as another in terms of colour, functions and engines, tourism offerings are variable in every aspect of delivery because it depends on who (i.e. person) provides it, when and where (Kotler, 2003:448). Even from the same service provider, a customer may receive excellent service one day and poor service another day. Likewise, in the case of consumers, two consumers cannot have the same demands, perceptions, expectations, preferences and emotions.

To counteract service variability, service firms usually take toward quality control in order to standardize services and minimize the differences in service encounters and outlets. Firstly, by investing in good hiring and training procedures. This implies recruiting the right employees and providing them with excellent training, regardless of whether employees are highly or lowly skilled. Secondly, by standardizing the service-performance process throughout the organization. The organization should prepare a service blueprint, which depicts events and processes in a flowchart, with the objective of ensuring that every action of the process is implemented well. The last step is to monitor customer satisfaction through suggestion and complaint systems and

customer surveys (Lumsdon, 1997:30).

- **Perishability**

In contrast to physical goods, tourism offerings are perishable, cannot be saved, stored, resold or returned as in the case of a vacant hotel room for example (Bennett & Strydom, 2001:6). In order to counteract this, marketers emphasize managing demand and capacity to a degree of fine tuning. The following two examples provide an indication of how it can be done: firstly, airlines offer standby fares to those who are willing to fill unexpected empty seats at short notice, and secondly, differential pricing can shift some demand from peak to off-peak periods, for example, hotels in South Africa can offer discount prices during winter (George, 2004:25). Also, if a tourist is not satisfied with the purchase of the tourism offering, not only will it become a negative experience for the tourists but it cannot be returned.

2.2.2.2 Specific characteristics of the tourism and hospitality industry:

In addition to the basic characteristics, which are common to all service industries as discussed, the tourism and hospitality industry also have specific unique characteristics, which makes it different to the service industry in general. In total, seven key characteristics make tourism services unique, namely lack of ownership, fixed location, seasonality, loyalty, high fixed cost, distribution channels, interdependence of tourism and hospitality offerings.

- **Lack of ownership**

The lack of ownership means that, unlike physical goods, the consumer does not take ownership of the goods in service marketing (Lumsdon, 1997:29). Hence, if a tourist stays in a hotel room, he or she can never own the hotel room - only the memories and experiences from a holiday would be “owned”. Physical goods are different, as customers own the purchased goods. In order to acquire some form of ownership, marketers emphasize pictorial references and souvenirs to reinforce the images of the holiday experience.

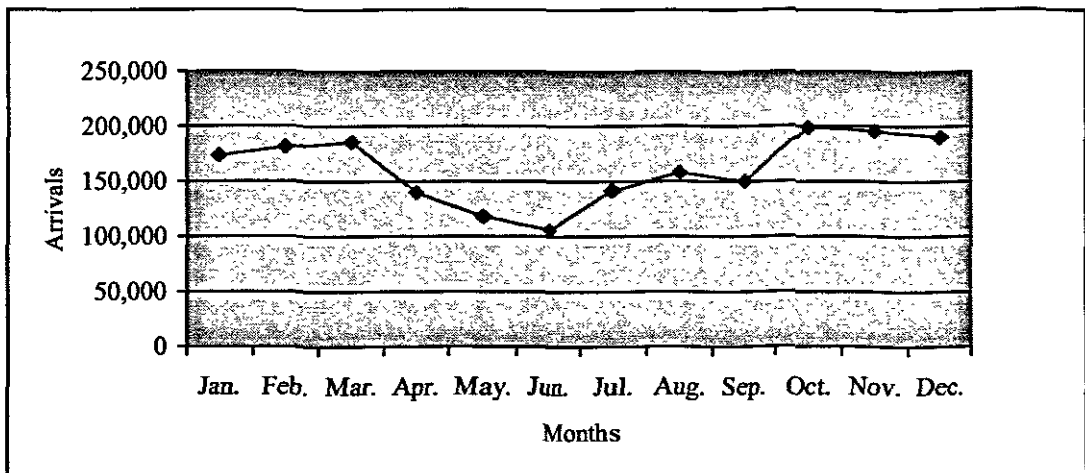
- **Fixed location**

All tourism destinations and tourism organizations have a fixed location. George (2004:26) pointed out that in order to bring the consumer to the locality, the promotional tools are essential such as advertising and sales promotion.

- **Seasonality**

According to Bull (1995:35), tourism has one of the most highly seasonal patterns of demand for any product. The reason being that tourism demand fluctuates during different times of the year. The temporal imbalance may be expressed in terms of the number of tourists, their expenditure, and bed nights (Butler, 1994:332). For example, residents of northern Europe and the northern states of the USA usually take their main holidays of the year in the summer months of June to September because the winter months of December to March are generally cold and wet and the daylight hours are short (Middleton, 1994:30). Also, most tourists tend to visit South Africa during the summer months (November to February). On the contrary, tourists' arrivals drop significantly during the off-season, which is between April and August. The following figure illustrates:

Figure 2.3: Tourist Arrivals to South Africa in 2005 (January-December)



Data taken from South African Tourism, 2005-2006

Seasonality has long been viewed as one of the most unique and worrisome facets of the tourism industry (Jiang, 2004:819). Many solutions were proposed by researchers to mitigate the seasonality and to increase off-peak tourism. O'Driscoll (1985:109) addressed the recurrent problem of seasonality and the possibilities of increasing off-peak tourism, and suggested that promotional pricing can generally be strong in increasing the likelihood of prospects' going in off-peak. Other researchers have also proposed solutions to mitigate the seasonality. On the other hand, Calantone and Johar (1984:14) have mentioned that there is a difference in the groups of tourism benefits that are sought across seasons and it is important to understand the need for these specific benefits of each season and to fully satisfy them during the period when destination marketers want to draw more tourists.

- **Loyalty**

Tourism consumers tend to be loyal to restaurants and hotels that have met their needs. This includes places of accommodation such as a Holiday Inn or even a particular destination such as Disneyland (George, 2004:27). The importance of customer satisfaction and relationship becomes critical. In the end, loyalty leads to repeat visitations.

- **High fixed costs**

George (2004:27) pointed out that *“Tourism organizations generally have high fixed costs of operation and relatively low variable costs. Fixed costs are those that have to be paid regardless of the turnover generated in order for the business to operate, such as permanent staff wages, rent, heating, lighting, fuel, and marketing expenditures”*. The point to note is that these fixed costs, which are mostly committed over a 12-month period, have to be met whether the destination draws in 50, 500 or 5,000 visitors on any day. For example, an airline, which operates a particular flight with either 20 per cent or 80 per cent of the seats occupied, would incur the same aircraft maintenance costs are the same, as well as dues and staff wages (Middleton, 1994:32). Similarly, a hotel pays the rent and rates, as well as permanent staff wages whether it operates with 20 per cent or 80 per cent occupancy (George, 2004:27).

- **Distribution channels**

There is no physical distribution, which takes place within the tourism industry. For example, in the case of manufacturing, goods are physically moved to warehouses, retailers and customers via various forms of transport. However, in the tourism industry, distribution involves many inter-related intermediaries, which organize consumers to the tourist destination, such as travel agencies and tour operators, yet no physical movement of goods take place (George, 2004:27). See also section 2.5.2 in this regard.

- **Interdependence of tourism and hospitality offerings**

Finally, when a consumer decides to purchase one tourism offering, he or she usually needs to buy other offerings as well. All of these offerings are interdependent (George, 2004:27), hence, tourism offerings rely on each other. If something goes wrong with one tourism offering, it will affect the outcome of the entire journey. In other words, a tourist chooses a destination along with the products of accommodation, transport, and other facilities such as catering (Middleton, 1994:31). In this regard, if a tourist accommodation supplier offers poor services to customers, the customers will be disappointed with the entire journey and hold bad experiences of the destination.

2.2.3 The marketing of the tourism and hospitality services

Having noted the characteristics of services and, in particular, tourism services, the focus now moves now to how these services are marketed, given their uniquenesses. The characteristics of services have led to the application of a number of marketing models and frameworks. In the text, only two are considered, namely the services marketing triangle and the extended marketing mix.

2.2.3.1 The service marketing triangle

The service marketing triangle depicts the marketing relationships of three parties, namely (i) the organization; (ii) employees and (iii) consumers (Parasuraman, 1996:43). See Figure 2.4.

- **Internal marketing**

The first dimension³ describes the important role of internal marketing within the service marketing. It suggests that organizations treat employees the same as external consumers and that employees should be '*enabled*'. In other words, employees should be recruited, trained and rewarded by the organization for their good service.

- **External marketing**

The second dimension (ii) indicates that external marketing plays an important role in the marketing of tourism services. In order to raise consumer expectations and promise to meet them, the organization should conduct external marketing activities, such as advertising, promotions, public relations in this regard.

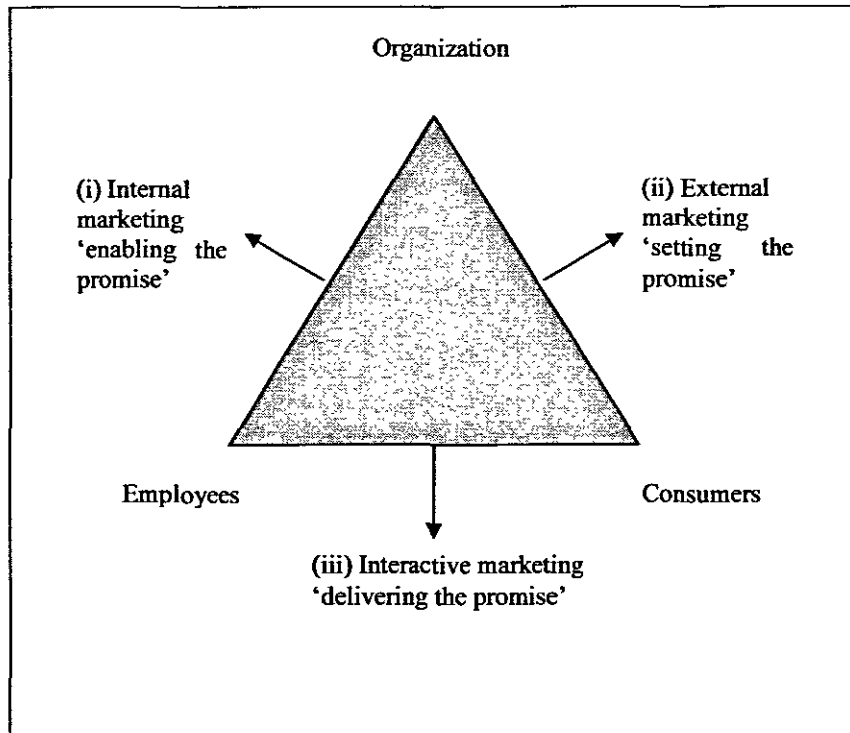
- **Interactive marketing**

Lastly, the third dimension (iii) depicts the relationship between employees and consumers. Tourism organization's employees interact directly with consumers and service promises are most often kept or broken by employees. Therefore, good relationships between employees and consumers render the organization successful in delivering its promises to consumers.

In the end, the marketing of tourism services can only be successful in the event where all 3 dimensions work together (successfully) as a unit. For instance, in the case where the interactive dimension fails, for example, employees show a slack attitude towards consumers, then any good or expensive external marketing campaign or good staff training programmes would do nothing to enhance the experiences of the tourist. The tourist would walk away disappointed.

³ Depicted by means of (i) on the figure.

Figure 2.4: The Service Marketing Triangle



Source: Parasuraman, 1996:43

2.2.3.2 Extended marketing mix

The marketing mix is more commonly known in marketing text. It includes product, price, promotion (communication) and place (distribution). Each section will be discussed in detail.

- **Product**

In the tourism industry, the tourism product is what provides consumers with the benefits they seek and its delivery is the key activity of all tourism organizations. The tourism product (also called tourism offering) is at the centre of the marketing mix and is the combination of products and services, which are aimed at satisfying the needs of the target market (Renaghan, 1981:31). Furthermore, the product is a mixture of tangible elements (such as a hotel's furniture, staff dress and travel agency's promotional merchandise), as well as intangible elements (such as a holiday experience).

In order to develop the products and services to meet the customers' expectations, the marketer of tourism, leisure and hospitality products should understand the benefits, which customers seek, because different customer groups seek different benefits, even though they purchase the same service. For example, young people would visit a fast-food restaurant for a new and exciting experience, while elderly people would go to the same fast-food restaurant because it is reliable, safe and economical, and families with young children would be willing to go because the restaurant organizes special events for children or has lots of entertainment for children. Horner & Swarbrooke (1996:148), therefore, depicted that *"The key to success in the development of tourism, leisure and hospitality products depends on the ability to match the product, which is offered with the benefits sought by the customers"*. The following table (Table 2.1) provides such a list of examples of benefits that are sought at various attractions.

Table 2.1: Types of Attraction and Benefits Sought

Type of attraction	Main benefits sought
Theme park	Excitement Variety of on-site attractions Atmosphere The company of other users Value for money Light-hearted fun
Beach	Sun tan Sea bathing Economy Company of others or solitude
Cathedral	History Aesthetic pleasure derived from architecture Atmosphere-sense of peace and spirituality
Museum	Learning something new Nostalgia Purchasing souvenirs
Theatre	Entertainment Atmosphere Status
Leisure centre	Exercise Physical challenges and competing against others Status

Source: Swarbrooke, 1995:157

Getting the product right is fundamental to an organization's success and crucial for tourism organizations, irrespective of how attractive the price or persuasive the promotion (George, 2004:188).

- **Price**

As a crucial component of the marketing mix, price reflects the other components of the marketing mix (George, 2004:206) and plays a significant role in the marketing mix decisions, which marketing managers within commercial travel and tourism organizations are required to make (Middleton, 1994:94).

Within the tourism industry, one or more discounted or promotional prices reflect the needs of particular segments of buyers, or particular market conditions, such as seasonality or short-run over-capacity (Middleton, 1994:64). Many tourism organizations have a range of offerings at various price levels, which are designed to meet the demands and expectations of different segments with different purchasing powers. Price is used as a key marketing tool during the low season of a tourism offering (see section 2.2.2.2 – seasonality).

According to George (2004:207), the components of the marketing mix are interdependently, hence, price should interact with other elements of the marketing mix, including product-offering design, distribution and promotion. Usually, price gives consumers the first indication of how to determine the quality of a tourism offering. In this regard, tourism organizations should pay more attention to their choice of pricing strategies in order to target different customers.

- **Promotion**

Of all the components of the extended marketing mix, promotion receives the most attention within tourism marketing. This element of the extended marketing mix is used to convince potential customers of the benefits of purchasing the tourism products (Horner & Swarbrooke, 1996:202) and by communicating the message about the offerings to the target market. In order to deliver the message to the right persons in the right way, tourism marketers should choose suitable promotional tools from a number of promotional techniques⁴. Other than promote and inform target markets, promotion is also used to educate, persuade and remind consumers about the offerings within tourism destinations (George, 2004:238).

⁴ Such as advertising, Internet marketing, direct marketing, sales promotion, public relations, personal selling, sponsorship and printed literature. See section 2.4.

- **Distribution**

The value of *'place'* within the marketing mix cannot be underestimated. For example, if the consumers had heard of the tourism destination (as a result of effective promotions) and are willing to pay the targeted pricing to travel there, (successful targeted pricing) but cannot find any *distribution intermediaries, which could offer the tourism service to reach the target offering*, then no sale will occur.

Within the tourism and hospitality marketing context, a distribution channel does not merely provide information about a range of products, it also involves promoting and selling products to potential buyers (Dickman, 1999:212).

However, according to George (2004:220) place does not simply refer to where the tourism offering is sold (as per Dickman), rather it refers to the process of distribution. In other words, bringing potential consumers and products together. Hence, distribution channels, within the tourism industry, influence consumers' choices. See section 2.5.2 for further discussion.

In addition to the traditional four P's of marketing discussed above, three additional P's also require attention in terms of the service marketing. These include physical evidence, people and processes (Kolter, 2003:450). The extended marketing mix, which will be discussed below, is more appropriate for the tourism industry.

- **Physical evidence**

Because of the intangibility of services, service quality is difficult for consumers to evaluate. Hence, consumers often rely on tangible evidence to help form their evaluations (Hoffman & Batesman, 2002:220). In this regard, service companies demonstrate their service quality through physical evidence, which includes decor/atmosphere, equipment/facilities, colour scheme, signage/stationery, staff dress/uniform and image/company logo (Zeithaml & Bitner, 1996:25).

Physical evidence can affect employees of a service offering and customers alike. For instance, customers are willing to spend more money in environments, which have satisfied them. In this regard, consumers usually look for tangible evidence to evaluate the offering before purchasing, and also use physical evidence to assess their contentment with the offering during and after consumption. It means that consumers can see, touch or use these cues to evaluate the destination, which the travel agents offer. Bennett & Strydom (2001:209) also identified that most travel and tourism establishments avoid distressing and gloomy environments, which were perceived negatively by visitors. Also, employees feel more pleasant which they work in a comfortable working atmosphere.

In the tourism industry in particular, the physical environment in which an offering is delivered, is often more important than the environment in which manufacturing products are sold.

Evidence also includes people and processes. All three of these extended marketing mix components are important in managing the quality of the service encounter and creating consumer satisfaction.

- **People**

As most services are provided by people, the selection, training and motivation of employees⁵ can make a huge difference in customer satisfaction (Kolter, 2003:450). For instance, employees, who have a caring attitude, are responsive and show initiative with good problem solving abilities and goodwill, will raise the image of the company and with successful marketing activities, will improve the bottom-line of the company as well. Lumsdon (1997:77) and George (2004:307) both concluded that the role of employee-customer interaction and service quality has become crucial to many organizations in the current competitive business environment. Attention should be paid to the management of relationships with people and employees, which will ensure that consumers receive a high-quality offering.

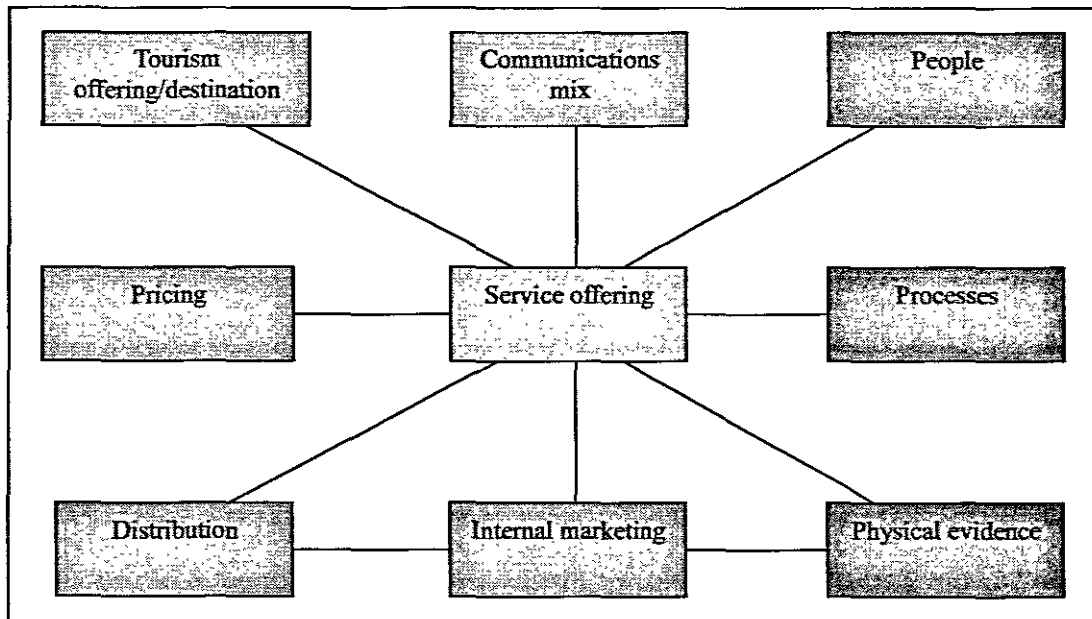
⁵ See 'internal marketing' dimension in the service marketing triangle in section 2.2.3.1.

- **Processes**

Within the tourism industry, the performing process, which is view as the way in which the tourism service is created and delivered, is a crucial part of the offering (George, 2004:314). Critical incidents affect the outcome of the tourism offering. Palmer (1994:152) found that from *initial pre-purchase enquiries through to luggage reclaim, 20 critical incidents occurred between one airline and passengers*. Because many of the incidents involve employees, which include front-line staff and behind-the-scenes employees, it becomes more difficult to assess the process. Therefore, tourism marketers should pay attention to processes and behaviour when interacting with consumers during the process.

In order to improve the service delivery process, the approach of *'blueprinting'* can be adopted. A service blueprint is *'a map that accurately portrays the service system'*, so that the different people who are involved in providing it, can understand and deal with it objectively (Zeithaml & Bitner, 2000:205). The *'blueprinting'* consists of all the steps in a service process. In the tourism industry, it allows the tourism marketer to identify process problems and then identify what the employees should do in order to solve the problems and meet the consumers' needs. Furthermore, it is noted that the blueprint should focus on meeting consumers' needs effectively and efficiently, while the form of the blueprint is not quite important (George, 2004:314).

In conclusion, Lumsdon (1997:199) mentions that the three additional P's, which are *"physical evidence, people and process"* are interdependent elements of the marketing management process and also integrate with other dimensions of the traditional marketing mix (includes, tourism offering, pricing, distribution, communications). Figure 2.5 outlines how the elements of the marketing mix interrelate.

Figure 2.5: The Extended Marketing Mix in the Tourism Industry

Source: Lumsdon, 1997:199

2.3 DESTINATION MARKETING

Unlike the marketing of services, in general, the marketing of a destination is a complex task and brings together all sectors within the tourism industry. In this regard, the marketing of a destination is done as a collective, i.e. individual tourism establishments and offerings are not promoted in a destination. Hence, the uniqueness of promoting a tourism destination. Therefore, in order to understand the principles of destination marketing in full, it is important to examine the characteristics that make up a tourism destination.

2.3.1 Characteristics

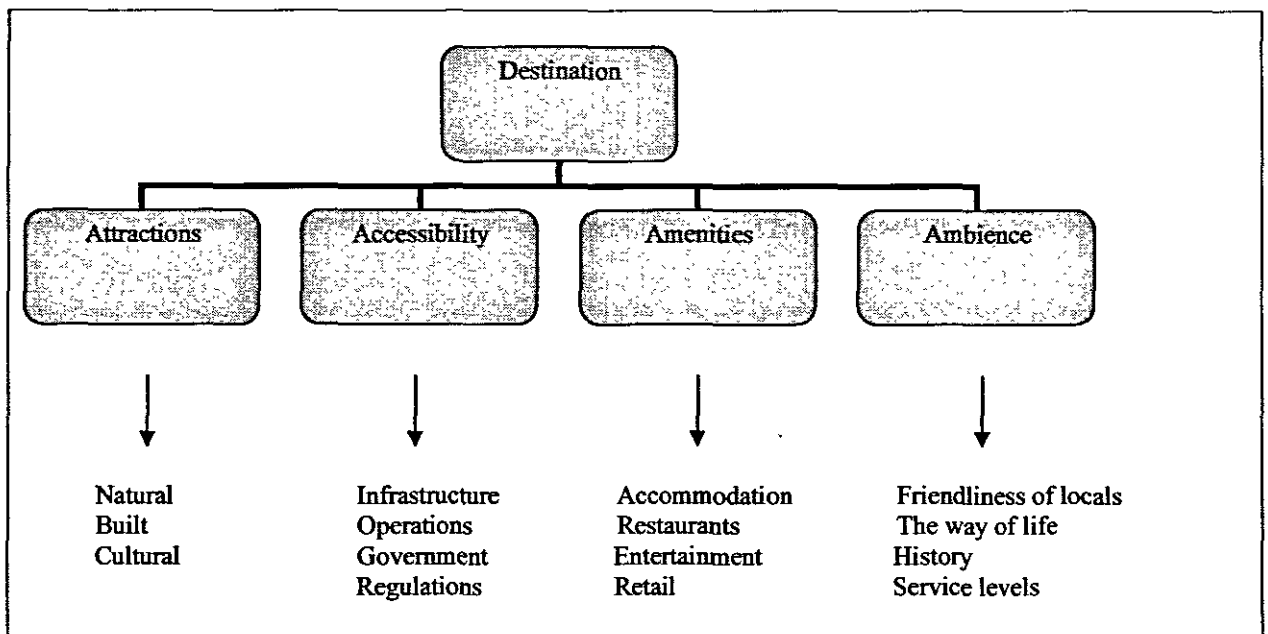
The tourism destination comprises a number of elements, which combine to attract visitors to stay for a holiday. Lumsdon (1997:238) depicts that the four core elements are prime attractors, built environment, supporting supply services and sociocultural dimensions. Table 2.2 provides a summary thereof.

Table 2.2: Characteristics of a Destination

Core Elements	Characteristics
Prime Attractors	Main attractors, which appeal to the visitor and differentiate one destination from another. e.g. Pyramids in Egypt; Acropolis in Athens; Cape of Good Hope, South Africa.
Built Environment	Physical layout of a destination including waterfronts, promenades, historic quarters and commercial zones, such as road and rail networks, e.g. <i>Boston Waterfront</i> ; <i>Venetian canals</i> .
Supporting Supply Services	Essential facilitating services such as accommodation, transport, catering and entertainment.
Socialcultural Dimensions	The mood or atmosphere ranging from sleepy to vibrant. The degree of friendliness between the host community and visitors.

Source: Lumsdon, 1997:239

Lumsdon (1997:239) refers to the core elements that make up a destination. George (2004:334), on the other hand, talks about a destination mix. This destination mix (or destination amalgam) is made up of four components, namely attractions, amenities, accessibility and ambience. See Figure 2.6.

Figure 2.6: The Tourism Destination Mix

Source: George, 2004:335

All components of the destination mix connect and depend on each other in order to produce a satisfying holiday experience to the tourist. For example, an attraction relies heavily on accessibility and also needs the support of various amenities and ambience of the attraction. It is,

therefore, obvious that the poor performance of one component will influence the whole tourism offering. Therefore, tourism marketers should pay attention to all elements of the destination mix. In order to market the destination, one should firstly understand: ‘what does a destination try to achieve’?

2.3.2 Objectives of destination marketing

Eight key objectives of destination marketing can be identified (George, 2001:293).

Firstly, the primary objective for destination marketing is to provide information to visitors. Tourist information can be in the form of printed literature or information provided by the employees of the travel agency. Such information will include suggested travel itineraries or advice on accommodation and attractions.

The second objective of destination marketing is to match the image of the destination to the demands and requirements of the targeted market. For instance, destinations that hope to attract young couples who seek an interesting holiday, would benefit from portraying a vivid, exciting image in its marketing efforts.

Thirdly, destination marketing can also increase the range of facilities and amenities that are available for the local community. The income from tourists can help to keep some tourism establishments (such as local shops, theatres and restaurants) viable, when they might go bankrupt if they had to rely solely on local residents. Also, given enough demand and tourism volumes, tourism benefits the development of local infrastructure, such as roads and airports.

In addition, it can be expected that when the local people and community know that many tourists would like to visit their place, they will feel proud of their region. This will result in the locals wanting to put more efforts in protecting and developing the destination and to make tourists feel welcome (George, 2004:339).

Moreover, destination marketing also provides a rationale and funding for improvements to the local environment (Horner & Swarbrooke, 1996:299), as well as improve international ties between countries and enhance the political and cultural links.

Furthermore, destination marketing will increase awareness of attractions at the destination. Brochures, billboards, Internet websites, travel magazine advertisements and travel exhibitions are examples of promotional tools that can be used to promote attractions.

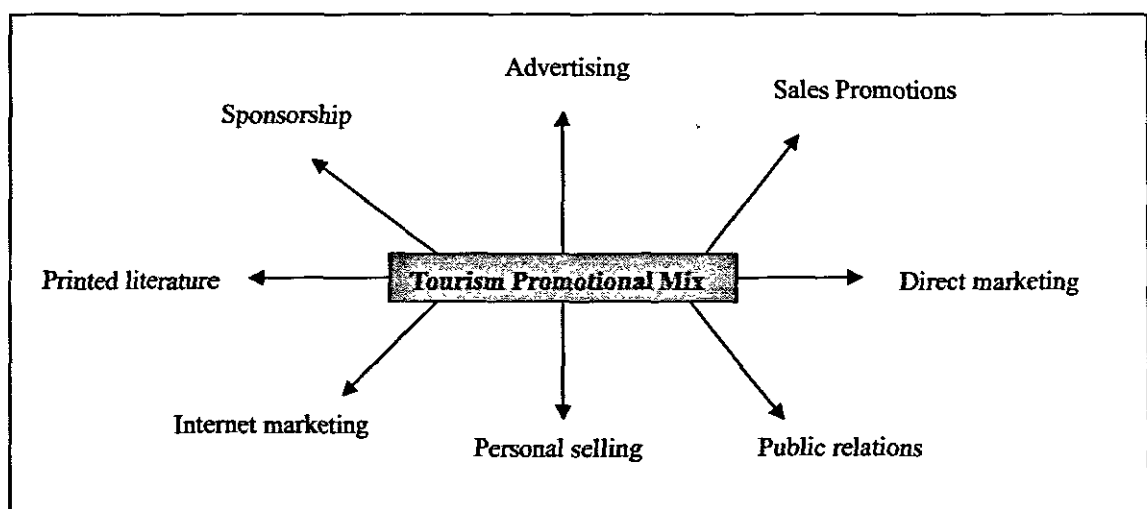
Lastly, destination marketing provides tourists with an opportunity to see for themselves what a destination is like (Horner & Swarbrooke, 1996:299).

Knowing the unique characteristics and objectives of tourism destinations, the chapter now turns to specific marketing tools that are available to Destination Marketing Organisations.

2.4 DESTINATION MARKETING TECHNIQUES

Tourism organizations usually use different destination promotional tools to target different target markets. Each tool has its own characteristic and, therefore, it is important for tourism marketers to choose one of these tools or a combination to achieve their objectives. The tourism promotional mix is depicted in Figure 2.7 below.

Figure 2.7: The Tourism Promotional Mix



Source: George, 2004:243

2.4.1 Printed literature

In the wider context, printed literature does not only include newspapers and magazines but also encompasses brochures, timetables, schedules, floor plans, conferences and convention planning materials, guidebooks and regional destination guides. Printed literature plays an important part in the *marketing communications of tourism* (Dickman, 1999:287 & George, 2004:290), as it provides potential customers with useful information that guides them to purchase tourism products and services. The role of the travel agency is of particular importance here as these agencies provide travellers with detailed printed information about major attractions, their operating hours and admission charges, locations, types and costs of accommodation.

Newspapers, magazines and brochures are three main vehicles of printed literature.

- **Newspapers**

Newspapers are the second largest medium (after television) in terms of advertising volume and reach (Arens, 1999:459).

Arens (1999:459) also asserts that newspapers offer advertisers many advantages, with the most important one being timeliness and the fact that an advertisement can appear quickly. Newspapers offer geographic targeting a broad range of markets and newspapers cost much less than television in terms of cost of reach per 1000 readers/listeners. However, newspapers lack of selectivity and poor production quality.

- **Magazines**

The main reason why marketers use magazines is to reach a particular target audience with a high-quality presentation. In contrast to newspapers, Lane, King & Russell (2005:320) mention that "*magazines are also a visual medium providing a number of creative options for the marketer*". Magazines offer marketers flexible design options, such as double page spreads, bright colours, as well as a long shelf life. In the latter instance, magazines may lie on a coffee table or shelf for months and be reread many times. Added to this, magazines also have a

prestige and authoritarian value. In other words, by advertising in selected magazines, the destination creates its own image.

However, as with every medium, magazines also have its drawbacks. These include being an expensive medium especially because of the use of colour. The other disadvantage is that magazines have long closing dates because of the labourious printing process. This makes it difficult for marketers to react to current marketing conditions. Hence, many marketers use *magazines in combination with other media, such as newspapers and television.*

- **Brochures**

Brochures, as the third main component of printed literature⁶, does not only offer information about a certain attraction or destination, which enable potential consumers to read and make a possible purchase, but it also provides tangible evidence of the tourism offering's style and strengths. Dickman (1999: 288) pointed out that the brochure reflects the style and character of the business, acting as an offsite ambassador for the product; it is also recognized as the tone for the organization. Given the above mentioned context, it is understandable that brochures are one of the most frequent forms of printed literature used in tourism (George, 2004:290).

2.4.2 Advertising

The second main element of the promotional mix is advertising. Advertising is perhaps the most powerful component of the promotional mix as it enables tourism principals and intermediaries, such as travel agencies to reach their target markets in their own homes or in other places and to communicate messages that are intended to influence their buying behaviour (George, 2004:244).

The basic functions of advertising, which were summarized by Dickman (1999:268), included that advertising creates awareness, stimulates interest, develops and maintains an organization's image and differentiates the organization from competitors, reminds people about the company and products and persuades people to purchase. Although advertising is expensive to design and execute and is difficult to monitor in terms of its effectiveness, there are certain key advantages to

⁶ Serves also as an example of direct marketing. See section 2.4.6.

note (Horner & Swarbrooke, 1996:205):

- Flexible and can target large audiences or more precise market niches;
- Cost effective (reaches a large number of people at a low cost per person); and
- The message can be repeated regularly and via different media, e.g. TV, magazines, outdoor displays, etc.

2.4.3 Internet marketing

The Internet is widely used within the field of tourism to reach consumers and has been one of the major influences, which affect the future of the industry (George, 2004:272). It is one of the more recent developments in communication and information transfer and is considered a technology asset because of its ability to disseminate large volumes of information effectively and efficiently to all types of stakeholders, including employees, customers, shareholders and suppliers (Violino, 1996:44).

The Internet, as a promotional tool, is a cost effective medium, which has reached a billion users already in 2006 (International Telecommunication Union, 2006). In the tourism industry, a website can provide colour views of a destination and is an effective way of communicating with potential visitors (George, 2004:341).

Briggs (2001:130) identified the following key advantages of web usage. Firstly, a website has the potential to reach a mass audience directly and it can act as channels of communication and distribution. Moreover, the web is more similar to television than traditional print media, and is extremely versatile. Lastly, the Internet and e-mail can be used to help travel agencies to build relationships with customers. Therefore, for travel agencies, it is most useful to view the Web as another promotional tool, such as PR activities, print material, advertising and direct mail.

2.4.4 Public Relations (PR)

In essence, it is a promotional vehicle that is designed to build and maintain a mutual understanding between a tourism company and the public (French, 1994:1). Public Relations refers to *“communications that a tourism organization carries out to improve or maintain*

favourable relations with other organizations and individuals” (George, 2004:294).

Lumsdon (1997:176) pointed out that tourism organizations increasingly use public relations because of the greater social and environmental pressures that companies find themselves in. Because of this, George (2004:294) states that PR has a key role to play in developing understanding and support for a particular cause or event (such as the launch of a new tourism offering) and it is likely to be far more effective than any other promotional tool because it targets the general public such as consumers, the travel trade, suppliers, tourist associations, business communities, local communities, politicians and employees. For example, a favourable write-up by a newspaper’s restaurant connoisseur may be seen by consumers as far more believable than other advertising and may have more impact on promotions than any other communications tool. Also, if a destination has received negative publicity owing to occurrences such as high levels of crime, pollution at an exotic beach location, PR techniques may be adopted to improve the destination’s image.

There are various Public Relations techniques that are available for tourism marketing. The table below provides an overview of the most important ones:

Table 2.3: Types of PR Techniques Used in Tourism

Type of technique	Objectives
Press releases	To attract media attention to new stories or combat negative occurrences such as crime and violence
Editorials (or features)	To draw attention to an offering’s selling points
Press launches	To declare new offerings, changes and redesign
Receptions	To influence and lobby targeted guests
Staged events such as a theme or major sporting event	To create media interest
Product visits such as TV holiday programmes	To promote editorial comment
Crisis management	To handle negative events as they occur

Source: Adapted from Middleton and Clarke, 1994:174

2.4.5 Sales promotion

Sales promotion is an activity that is specifically designed to stimulate potential consumers to purchase the products or tourism services. Sales promotion is also used to stimulate the salesforce in the case when a new, improved or mature product is launched (Bennett & Strydom, 2001:164).

There are a number of promotional sales techniques that are available to tourism marketers. Table 2.4 lists the most important ones.

Table 2.4: Common Sales Promotion Techniques Used in Tourism

Types of technique	Description
Discounts	It is one of the most popular sales promotional techniques. Travel agents use sales boards to promote price-reduced tour packages.
Coupons	Coupons are certificates that give consumers savings when they buy special offerings. Coupons can be distributed through a number of media, of which newspapers are the most commonly used.
Merchandising/point-of sales material	Includes window displays, wall displays, posters, counter cards and brochure dispensers, which is particularly popular with travel agencies.
Samples	Refers to giving away free samples of items to encourage sales, or arrange, in some way, for people to try all or part of a tourism offering (Morrison, 1996:410).
Gifts	Includes balloons, golf balls, diaries, calendars and the like, which endorse the name of an organization and are usually presented to clients or regular consumers.
Competitions	Includes contests, sweepstakes and games, which give consumers a chance to win money, a gift or a holiday. Competitions are very useful for gathering names, addresses, e-mail addresses and telephone details for consumer databases.
Patronage awards	Also known as loyalty incentives or 'club' memberships. The members collect points, which can then be converted into patronage awards to reward regular consumers. This type of sales promotion technique is directed at intermediaries such as travel agencies.
Exhibitions	Allow marketers to network among industry players and to gain marketing ideas, as well as promote and sell offerings.

Source: George, 2004:261

Dickman (1999:367) therefore, pointed out that the key to sales promotion is to identify target audiences and then to select the appropriate sales promotion tools to promote and provide incentives.

2.4.6 Direct marketing

Direct marketing links tourism providers with their targeted audiences by way of two-way communication (such as mail, telephone, and e-commerce) to evoke a direct response. It is one of the fastest growing areas of marketing owing to the following two reasons: firstly, it can target customers accurately and, secondly, it can restrict competitors (George, 2004:279).

Tourism marketers have placed more emphasis on direct marketing in recent years, as it was seen to be effective by getting both a rapid response, while building up a relationship with consumers. The latter was seen as essential for repeat business, in contrast to merely attempting a direct sale.

When the travel agencies decide to use direct marketing as their promotional tool, they should first consider the type of direct marketing techniques, which is suited for their target customers. The types of direct marketing techniques include direct mail, telemarketing, flyers, electronic media and direct-response advertising (George, 2004:280).

- **Direct mail**

Direct mail has proven effective to promote destinations where travel agents are sent tourism packs, which consist of items such as discounts and gifts such as a key ring or pen. Usually, direct mail accompanies the media advertising campaign to create awareness of the customers (George, 2004:281). Tourism organizations should develop mailing lists, so that the direct mail can be targeted correctly and encourages the receiver to open it.

- **Telemarketing**

Telemarketing involves using the telephone to achieve marketing sales and objectives, which include information, reservations or order-taking service to customers (Dickman, 1999:317). It is an easy and convenient promotional tool, which aims to improve customer service and maintain customer relationships.

The advantages and disadvantages of telemarketing are highlighted in Table 2.5 (Bennett & Strydom, 2001:168).

Table 2.5: The Advantages and Disadvantages of Telemarketing

Advantages	Disadvantages
Fast and direct Personal, two-way communication High target rate Highly flexible Can be tested Can be measured	Expensive Visuals cannot be used Can be considered invasive Many people have a negative attitude towards telemarketing

Source: Bennett & Strydom, 2001:168

- **Flyers**

Handing out leaflets in public places is a basic form of direct marketing. Flyers can be effective if they are distributed at times and in places where the target consumers are concentrated (George, 2004:281). For example, travel agencies can distribute flyers in places where there is a concentration of tourists, such as tourism events and shopping centres. In order to attract people's attention, flyers can include some special tour packages or discounts.

- **Electronic media**

Electronic media is frequently used in the tourism industry. Tourism organizations are making information available on the Internet or communicating directly to targeted consumers through e-mail. Its advantages for the marketer are that it is more eco-friendly (no paper wastage) compared to direct mail and it is almost certain that the attention of the consumer is achieved (George, 2004:282).

- **Direct-response advertising**

Direct-response television selling is becoming a popular direct marketing technique (George, 2004:283). As more and more households obtain, on the one hand, more satellite television and, on the other, the offering of many travel programmes, travel agencies presently have more opportunities for direct-response television advertising.

Direct-response is expensive, however, tourism marketers have placed more emphasis on direct marketing in recent years, as it is effective in receiving a rapid response.

- **Brochures**

As a form of printed medium, the brochure is an example of a main, direct promotional tool in the tourism, leisure and hospitality industry (Horner & Swarbrooke, 1996:287). Travel agencies, in this regard, rely heavily on their brochures as their main communication and promotional tools.

As a promotional tool, brochures have the following functions (George, 2004:291):

- 1) To create awareness among prospective consumers;
- 2) To make the tourism offering tangible;
- 3) To provide education to consumers; and
- 4) To promote the organization and its offerings.

In addition to providing information to customers, the tourism brochure reflects the style and character of the tourism organization and offering. For example, colourful, and modern brochures would target young, potential travellers. Dickman (1999:289), therefore pointed out that the brochure not only makes a product more tangible (as above), but has an important role to establish the image of the organization and reflect the levels of quality and service of the business.

- **Trade fairs and exhibitions**

Finally, trade fairs and exhibitions are commonly used by travel agencies to promote their attractions to the general public. These exhibitions offer an opportunity to bring travel agencies and potential customers together, and travel agencies can then source potential destinations to develop and launch new tourism offerings as well. For example, South African Tourism (SATOUR) and some of the provincial Destination Marketing Organizations have stands that promote South African destinations at the World Travel Market, which is held annually in London, England (Lumsdon, 1997:181 & George, 2004:342).

2.4.7 Word-of-mouth as a promotional tool

In addition to the formal promotional techniques discussed, word-of-mouth advertising deserves a special mention, as tourism offerings are intangible, which is why consumers usually rely on

the recommendations of other people. According to George (2001:217), word-of-mouth advertising, which may be regarded as the *'hidden sales force'*, may be the most effective of all the communication techniques. The benefits of having a satisfied consumer who recommends an offering to another potential consumer, can never be overestimated. This form of *'advertising'* costs the company nothing, since an experienced consumer can easily convince a potential consumer. The opposite, which is a negative experience, can also be true in this regard. Therefore, travel agencies often rely on people talking to each other, which is in fact more powerful than advertising or any other form of promotion.

In order to adopt word-of-mouth advertising effectively, tourism marketers should rely on building and maintaining good relationships with customers. Therefore, understanding relationship marketing becomes an important lesson for them.

2.4.8 Relationship marketing

Until recently, the late minutes relationship marketing has become one of the *'born again'* marketing techniques since marketers recognize the importance of focusing on relationships with consumers in today's competitive tourism business environment. The purpose of relationship marketing is not solely to secure a sale, but to maintain long-term relationships between the organization, the current and potential consumers and employees, as well as all those who are associated with the organization such as marketing intermediaries and tourism suppliers. Relationship marketing is not a mere set of marketing tools, but a way of doing business and building relationships with the consumer market. Relationship marketing is becoming more important for a tourism organization because acquiring consumers is much more expensive than keeping them (George, 2004:354). Hence, in order to increase customers' retention rates and hence their profitability, tourism marketers should divert their attention to the customers' participation and quality of products and services.

The aim of any relationship marketing programme is to (i) improve levels of customer satisfaction; and (ii) to increase the level of business and the amount of repeat business. It uses the following activities to achieve this (Dickman, 1999:319):

- To establish customer loyalty programmes. These programmes provide customers with rewards for repeat business.
- To enable partnerships with key accounts. This includes offering bulk discounts, upgrades or other benefits to high valued customers.
- To offer comprehensive customer-focused programmes. This requires that marketers should develop products and services that meet customers' needs at all levels.
- The development of quality customer service standards. A customer relationship programme ensures quality customer service through standards, training, accreditation, monitoring and complaints handling procedures.

Finally, in order to maintain good relationships with customers and to attract new customers, the tourism marketers should find the stage of the product life cycle⁷ that targets the destination involved and determines the promotional mix that should be used. For example at the introduction stage, the tourism offering is new to the market, hence, the marketers should create awareness through extensive advertising and PR.

2.5 THE ROLE OF THE TRAVEL AGENCY TO PROMOTE A DESTINATION

As one of the main intermediaries in the tourism industry, travel agencies play an important role in the tourism market. A travel agency provides advices on travel, assists clients with all related travel arrangements, and makes reservations and arrangements for the client. The following section places the role of the travel agent, in terms of a destination, into perspective.

2.5.1 Nature

The travel agency is a middleman organization that brings the buyer and seller of travel services together. It provides information and often makes recommendations to the traveller, book travel arrangements with suppliers e.g., airlines, hotels and car rental companies and sells prepaid package tours and trip insurance (Mak, 2004:42).

⁷ Four interrelated stages can be identified namely: introduction, growth, maturity and decline (George, 2004:195).

It should be noted that travel agencies only act as intermediaries between the supplier and consumer and do not purchase tourism offerings in advance. Therefore, as travel agencies do not hold any stock, the risk of selling tourism offerings lies with the principal. However, this does not mean that the role of the travel agency can be underestimated. On the contrary, tourism principal should pay more attention to the travel agency because travel agents may influence the customers' mind and decisions. The travel agent can be regarded as the final link between principals within the travel and tourism industry and the tourist. Therefore, the travel agent has a major role to play to ensure that tourists get what they expect. The task of the travel agent can be summarised as follows (Bennett & Strydom, 2001:128):

- To advise prospective visitors on resorts, carriers, travel companies and travel facilities worldwide.
- To make reservations and travel arrangements on behalf of the traveller.
- To plan itineraries.
- To compute airline and other fares for clients.
- To issue travel tickets and vouchers to clients.
- To correspond by telephone and mail with travel principals and clients.
- To maintain accurate records on travel reservations.
- To maintain and display travel brochures on behalf of principals.
- To negotiate with principals in the case of customer complaints.
- Travel agents do not only distribute the products of principals and tour operators, but some travel agents will package their own tour programs for sale (Pender, 2005:56).

Furthermore, travel agencies have a function to reduce risk for consumers. Consumers reduce their risk of purchasing a less desirable offering by receiving knowledgeable advice and recommendations from travel agents (George, 2004:222). It also means that travel agencies play an important role to promote a tourist destination by providing customers with advice and suggestions.

Travel agents not only offer consumers a convenient location to purchase travel products, but also a whole host of other benefits, which include the sale of ancillary products (Pender, 2005:56). See Table 2.6 in this regard.

Table 2.6: Indicative Services Provided by Travel Agents

For customers
Multiple locations nationwide Ancillary services (foreign exchange, insurance, airport transport service)
Additional perceived benefits of using a travel agent
A choice of principal's products to choose from Unbiased advice
For principals
A network of outlets nationwide (wide reach) Joint marketing opportunities (point of sale materials and suchlike)

Source: Pender, 2005:56

In the past, travel agencies have been largely seen as 'order taker', a convenient point for the purchase of travel arrangements but competition and the arrival of the internet forced a reappraisal of the role of travel agents, which are placing greater emphasis on the ability of their staff to sell. Since interaction with people forms a crucial part of a travel agents' daily operation, key social skills are required in this regard, which includes communication, language, personal, social and sales skills, as well as dress and appearance, body language and telephone skills, which have also become vital to a travel agent's success (Bennett & Schoeman, 2005: 56). The research is to establish rapport with their clients and to offer a superior level of product knowledge, so that clients actively seek them out to receive advice (Holloway & Robinson, 1995:135).

The travel agent livelihood is earned by charging a commission from tour operators, principals and ancillary services for consumers' bookings with the use of computer reservation systems. The commission, which travel agencies receive, is typically ten per cent of the selling price (George, 2004:223).

Having discussed the nature of travel agencies, the discussion moves now to the role of travel agencies in the distribution of travel services. The following depicts the tourism distribution channels.

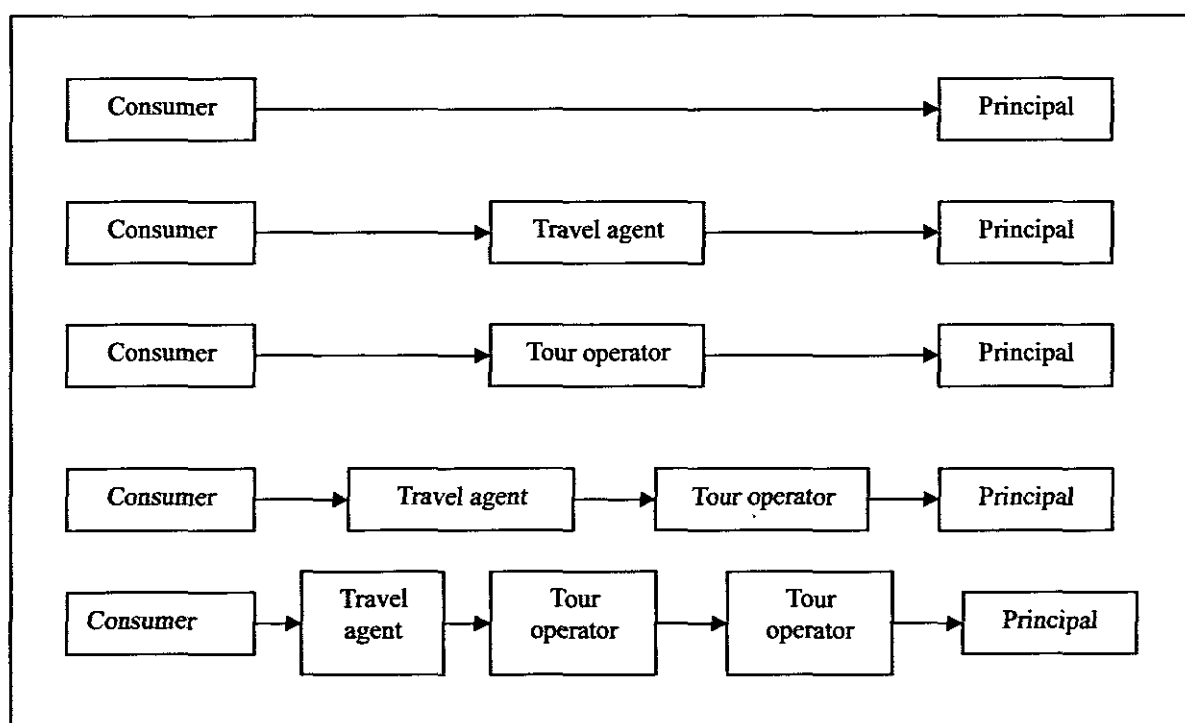
2.5.2 Distribution

Distribution has become more important in terms of managerial decision-making, especially for the tourism industry, while distribution has become a critical aspect of strategic management (Pender, 2005:70).

In contrast to the manufacturing industry, where distribution channels are used to move tangible goods from the manufacturer to the customer, in the tourism industry, distribution channels link the different combinations of travel organisations that are involved in moving tourism products from the producer to consumer.

Various distribution channels that are used in the tourism industry are summarised in the following figure George (2004:221).

Figure 2.8: Tourism Distribution Channels



Source: George, 2004:221

Among all the tourism distribution channels above, the simplest form of distribution is to sell directly to the consumer, which can be defined as a single level channel or broken chain. For

instance, a tourism principal, e.g. a hotel or airline can target customers directly by using the internet. The second form of distribution is indirect with longer multi level channels or broken chains. It means that the principal can choose to sell through intermediaries such as tour operators or travel agents. The last distribution channel includes more intermediaries. This form of channel usually costs more and is used when the principle and consumer are far from one another.

Distribution channels vary according to the size and type of organization, which uses them. Usually, large and well-established producers use several forms of distribution and small tourism companies deal directly with consumer (George, 2004:221).

Tourism marketers should choose the intermediary, which is most effective in reaching their target markets. Attention should be paid to the selection of intermediaries since their direct contact with the consumer means that they can influence the levels of quality and satisfaction (George, 2004:231). The choice of distribution channels in the tourism industry is influenced by factors such as the nature of the market, resource commitment, cost and competitor activity (Lumsdon, 1997:188). Each factor will be briefly discussed below.

- **The nature of the market**

The essential point is an understanding of the market such as the promotional medium, which people are familiar with. Lumsdon (1997:188) made examples of Germany, where the concept of direct response by using the press would be more successful than in Spain because newspapers are an important promotional medium in Germany. However, in Spain, newspapers are not frequently used owing to the low level of readership. Similar as the case before, in southern Europe, the travel agent, as an adviser and broker, is a more entrenched concept in their society than in north European countries.

- **Resource commitment**

As some lesser known destinations or small niche tourism suppliers are unable to afford the distribution costs, which include the supply of brochures and the payment of a sufficiently

attractive commission to travel agencies and other intermediaries, destinations marketers should choose other ways to reach customers or become involved in an alliance with other intermediaries such as tour operators.

- **Cost**

Due to the increasing fragmentation of many markets, companies are increasingly seeking to reduce the costs of provisions at every stage, including their distribution channels. This is done by decreasing the number of intermediaries.

- **Competitor activity**

Competitor activities force marketers to focus on the distribution channels, which they have selected.

2.5.3 The role of the Internet as a distribution channel

Although the Internet may threaten the livelihood of travel agents, it is also used as a key distribution vehicle by tourism service suppliers and travel agencies alike (George, 204:224).

Tourism is not only the largest industry in the world but also the number one on-line sales product, which accounted for over 15% of overall sales on the Internet in 2003 (Forrester Research 2004). The travel sector is rated among the top three product or service categories purchased via the Internet (Heichler, 1997:17; Tweney, 1997:63; Yoffie, 1997:30). Travel is the largest category of retail sales on-line. The Internet has dramatically reduced the cost to consumers of finding travel information and booking trip arrangements. For some consumers, shopping on the web is more convenient because they do not have to make a trip to the travel agency, find parking space and wait for confirmation, when they can shop 24 hours a day and 7 days a week (Mak, 2004:46). Details of the organization, such as prices, booking arrangements and other information are entered on an Internet page (George, 2004:252).

In addition, Briggs (2001:130) pointed out that the Web is particularly useful for last-minute bookings as clients can buy products online and, at times, when other booking agents may be closed. The Internet can help travel agencies to react immediately to change market conditions with the opportunity to change prices. For example, if a competitor makes a special offer, the travel agency can quickly react on the Internet, whereas with print and other forms of advertising, the reaction delay would be much longer and more costly.

However, the Internet is rapid development may become a big challenge and threat for travel agencies, according to a report from (Travel Industry World, 2001:101 & 2002:75). Travel agencies, as the largest proportion of bookings for overseas trips for travellers, had however, decreased from 59% to 52% from 1999 to 2001. See also section 2.5.1 in this regard.

2.5.4 Approved Destination Status

Approved Destination Status (ADS) is a bilateral tourism arrangement between the Chinese government and a foreign destination whereby Chinese tourists are permitted to undertake leisure travel, in groups, to that destination (Anon, 2006b). The ADS-system enables people to travel for pleasure on their own expenses to destinations that have this status (Anon, 2006c). It means travel for pleasure is not allowed to non-ADS countries, and any travel agency that promotes leisure tours to non-ADS destinations would be penalized.

As “gatekeeper” for the government, travel agencies in China not only offer destination information about their travel plans to tourists, but also provide a distribution point, as well as enforce government policy and promote ADS destinations to potential tourists through mass promotion campaigns and advertising.

2.6 CONCLUSION

Chapter Two summarized the role and importance of the travel agency in the context of the tourism industry. It also discussed various techniques to promote South African tourism to the Chinese market. Finally, the role of the travel agency was highlighted in the distribution of tourism services. The discussed literature review will act as inputs for the survey, while methodology is discussed in Chapter Three.

CHAPTER 3: RESEARCH METHODOLOGY**3.1 INTRODUCTION**

The main objective of the study was to establish the perceptions of Chinese travel agencies towards South Africa and how to target South Africa as a tourist destination within the Chinese tourism market. Hence, in this chapter, the various methodological elements of the research report are introduced and elaborated upon. In essence, it includes the data collection strategy that was followed, the research design and methodology, as well as the form of analysis which was adopted.

3.2 DATA COLLECTION STRATEGY

It has become more common for researchers to combine qualitative and quantitative research into a study. McDaniel & Gates (2004:68) have pointed out that qualitative research blends with quantitative research and provides the researchers with a more thorough understanding of consumer demands. These research designs differ, in essence, in four key areas, namely (Goodyear, 1990:229):

i. The type of problem that each can solve.

In this regard, qualitative research solves mainly exploratory problems, whereas quantitative research is descriptive in nature.

ii. The methods of sampling.

Quantitative research differs from qualitative research in a way that it uses probability sampling techniques, whereas qualitative research focuses on non-probability sampling techniques. Not only will quantitative research have larger sample sizes, but it also has to work from a sample frame, which enables random sample procedures.

iii. The methods and style of collecting information

In-depth interviews and focus groups are the two most common data-gathering techniques in the field of qualitative research. Surveys, in the form of telephone, personal and mail interviews, are the most popular data collection vehicles that are used in quantitative research.

iv. *The approach to and techniques of analysis.*

Unlike quantitative research, which uses statistical tools to analyse data, qualitative research uses data reduction before drawing the relevant conclusions.

In other words, both types of research are used in certain circumstances and should be applied according to their strengths and weaknesses. The following table highlights the key advantages and disadvantages which, will guide the application of qualitative and quantitative research.

Table 3.1: The Advantages and Disadvantages of Qualitative Research and Quantitative Research

	Qualitative Research	Quantitative Research
Advantages	Uncovers the underlying motivations for people's behaviour, attitudes, opinions and perceptions.	Bases the research on large samples of respondents.
Disadvantages	The results are not generalizable to the wider population of interest and should be used as a guide.	Difficult to obtain detailed, in-depth information to answer the research questions properly.

Source: Baines & Chansarkar 2002:24

With the advantages and disadvantages of these two strategies in mind, in order to understand the attitudes and perceptions, which travel agents hold of South Africa, by travel agents, a qualitative and quantitative research study were recommended. In this regard, qualitative research was used to probe areas of in-depth insight by a small number of travel agents. It aimed to elicit detailed material, such as attitudes or perceptions towards South Africa as a tourism offering and the type of assistance provided to the outbound traveller (Lumsdon, 1997:127 & 130).

The use of qualitative research prior to the main quantitative research study, allowed for the development of a questionnaire. A battery of questions were identified in this regard. Furthermore, it verified whether any of the questions were biased or misleading (Baines & Chansarkar, 2002:64), which improved the efficiency of quantitative research (Mcdaniel & Gates, 2004:68).

3.3 RESEARCH DESIGN

The research design specifies the methods that are used, design techniques, sampling methodology and procedures (including the schedule) to collect or source and analyse the necessary information (Zikmund, 2003:55). In-depth interviews, as a qualitative study, and self-completion surveys, as the main quantitative study, were executed consecutively for this study.

3.3.1 In-depth interviews

Qualitative in-depth interviews (also referred to as a one-on-one face to face interviews) are *“the sessions in which free association and hidden sources of feelings are discussed, generally through a very loose, unstructured question guide, administered by a highly skilled interviewer, in-depth interviews attempt to uncover underlying motivations, prejudice, attitudes towards sensitive issues, etc”* (Dillon, Madden & Firtle, 1990:159).

In-depth interviews can explore the research problem in detail and it is a good technique to use to gain insight into specific populations. The in-depth interview is applied to any product, service or idea (Weiers, 1984:259). For example, the interviewer may encourage the tourist to express his or her feelings about a destination or tourist experience.

However, this technique is costly and time-consuming in terms of the interview and its analysis, while its success also depends on the skills of the interviewer (Baines & Chansarkar, 2002:65). With regard to the interviewer, Zikmund (2003:150) emphasized the important role, which the interviewer plays during the interview in terms of clarifying any difficulties that respondents may have with the instructions or questions. For instance, if a respondent's answer is too brief or unclear, the interviewer may ask for clarification or for an expansion of the answers. The skilled interviewer can handle complex questions that cannot easily be asked via a telephone or mail survey. However, the interviewer's appearance and tone of voice, may also influence the respondent's answer, which may result in interviewer's bias.

As the in-depth interview often uses open-ended questions, the advantages of these type of questions are noted by Kotler (1991:167): *“Open-ended questions are especially useful in the exploratory stage of the research where the researcher is looking for an in-sight into how people think rather than in measuring how many people think in a certain way”*.

3.3.2 Self-completion surveys

The self-completion survey is a survey in which the respondent takes the responsibility to read and answer questions. The researcher distributes questionnaires in either paper format or electronically. The former includes vehicles such as mail surveys; in-person drop-off's; via inserts in a newspaper or magazines (and returned by 'free mail' post); or by fax. Electronically, questionnaires are distributed via e-mail; posted on Internet websites; or by an interactive kiosk (Zikmund, 2003:158).

Self-completion surveys have two key advantages. McDaniel & Gates (2004:110) stress that the absence of an interviewer can eliminate one source of bias, since the interviewer's appearance, dress, manner of speaking or failure to follow instructions, may influence respondents' answers to the questions. Also, the self-completion survey is convenient for respondents, since they can take time to think about their responses.

However, just as the absence of an interviewer can be seen as an advantage it also implies certain disadvantages. Firstly, once the respondent receives the questionnaire, the questioning process is beyond the researcher's control. Not only is it doubtful who completed in the questionnaire, but the respondent does not have the opportunity to question the interviewer for additional information (Zikmund, 2003:159). Secondly, even if a tourist answered a particular question, it may not be sufficient and valuable information may be lost because of the absence of the interviewer. For example, if a tourist was asked via an open-ended question why he or she did not book into a certain branded hotel, the typical answer may be *"because I do not like it"*. This answer is useless from a managerial perspective because it does not provide any information that can be used to alter the marketing mix of the hotel, which would make the product more attractive. With the presence of an interviewer, more detail could have been obtained. Lastly, as respondents attach different personal meanings to different questions, it may lead to a variety of answers, which makes the data difficult to process.

3.4 RESEARCH METHODOLOGY

The in-depth interview and self-completion survey were adopted in this study to identify the key problems of South Africa as a tourist destination, as viewed by the travel agencies in China. The two research technologies are discussed below.

3.4.1 In-depth Interviews

In total, six in-depth interviews (see Table 3.2) were conducted with travel agencies in China during the month of June 2006. The interviews were conducted with international travel agencies that are located in Beijing, Shanghai and Guangdong. Two main groups were decided upon, namely those travel agencies who *ever* recommended South Africa as a tourist destination and those who *never* did so. The reason for using *ever* and *never* in the definition, is the low incidence of Chinese travellers to South Africa. The following table provides an overview of the agencies that were surveyed.

Table 3.2: Description of In-depth Interviews

Category	Name of Travel Agency	Location	Name of Interviewee	Position Title
Recommended South Africa as an outbound destination	Beijing Kaisa International Travel Agency	Beijing	Ms. Qi	Manager
	Shanghai Big World International Tourism Co.	Shanghai	Mr. Wang	Owner
	Guangdong International Travel Agency	Guangdong	Mr. Li	Manager
Never recommended South Africa as an outbound destination	Beijing Shenzhou International Tourism Co.	Beijing	Mr. Chen	Manager
	Shanghai Chunqiu International Travel Agency	Shanghai	Mr. Zhang	Owner
	Guangdong Gardens International Tourism Co.	Guangdong	Mr. Zhao	Consultant

The above travel agencies above represent the perceptions and attitudes of people in each region, as discussed in section 1.6.3 (Chapter One).

Due to time and the researcher's budgetary constraints, a convenience sampling technique was chosen to select the above-mentioned travel agents. The sampling technique is inexpensive and the least time-consuming of all non-probability sampling techniques. Being travel agencies, the sampling units were relatively easily accessible and gave limited

cooperation. However, the disadvantage of convenience samples should also be noted. Firstly, the results are not representative of the whole population. It can be used in exploratory research to generate ideas and insights (Malhotra, 1996:366).

The main type of questions that were asked were mainly open-ended questions (see Appendix 1) with its purpose being ‘to obtain the respondent’s own verbalization, comprehension and reaction to stimuli’, as mentioned by (Dillon, Madden & Firtle, 1990:439). Furthermore, those interviewees who recommended South Africa as an outbound destination were asked about the selling points of South Africa as an outbound destination. Similarly, travel agents were probed about the factors, which prevent Chinese tourists from visiting South Africa. The results of these two questions served as input, i.e. options for the benchmark survey in question 5¹ and question 6 specifically².

In general, travel agencies are hugely busy during June and July because it is summer in China during this period, and for tourist marketers, it represents peak time. Therefore, travel agencies had little time to assist the research. Hence, in order to acquire the interview, the interviewer explained the research issues, namely the research objectives to the respondents and made appropriate times for the interviews. On completion of the interviews, the interviewer offered small gifts (pen, bookmark, etc.) to the respondents, as a token of appreciation for their participation and time.

Another problem was the limited duration of the face-to-face survey. Since the interviewees were busy during working hours, the interview time frame was limited. Short interviews resulted in the elimination of some minor questions and, as a result, general views on the subject were obtained rather than detailed views.

Moreover, the interview questions were compiled in English and translated into Chinese by the researcher. All interviews were recorded for quality assurance purposes and to avoid any wrong or misunderstood reproduction of the ideas. The average time was estimated to be 20 minutes, while some interviews lasted a bit longer.

¹ Being: “What are the attractiveness/selling points of South Africa as a tourist destination?”

² Being: Why would you not recommend South Africa as an outbound destination?”

3.4.2 Self-completion survey

Before the main survey was executed, a pilot study with five travel agents, was conducted. A pre-test became necessary for the formulation of the structure and to test the validity of the questions. Dillon, Madden & Firtle (1990:439) pointed out that thorough pre-tests are indispensable aids to develop good questionnaires and to examine the potential for both respondent and interviewer errors. In the case of the study, no major misunderstandings were recorded given the fact that questionnaires had to be translated from English to Chinese.

Due to the limited time the researcher had available in China during her stay, a quota sample was decided upon. A self-completion questionnaire survey was conducted to collect data from the Chinese travel agencies. In order to make a detailed analysis possible of each region, a disproportionate quota sample was chosen. Quota sampling is a non-probability sampling technique that is a two-stage restricted judgemental sampling (Malhotra, 1996:367). The first stage involved categorising the population elements into three categories, namely Beijing, Shanghai and Guangdong. In the second stage, the sample was selected using a convenience / judgemental sampling technique. In total, 90 international travel agencies (30 per region) were selected and 90 questionnaires were sent to employees who work at international travel agencies. See Table 3.3.

Table 3.3: Sampling Schedule of Self-completion Survey

Area	Population		Sample	
	Number of Travel Agencies ³	Percentage	Size	Percentage
Beijing	99	57.6%	30	33.3%
Shanghai	41	23.8%	30	33.3%
Guangdong	32	18.6%	30	33.3%
Total	172	100.%	90	100.%

The following sources served to compile the names and an address list of travel agencies in the above-mentioned areas:

- www.chinacsw.com
- www.shanghaitour.net
- www.ctcol.com
- www.86760.com

³ Data from South African Tourism, 2004.

The questionnaires were distributed to the targeted travel agencies and were collected before the researcher returned to South Africa. Only one questionnaire was distributed per travel agency. The sample element was defined as the owner/partner, manager or senior travel consultant of the travel agency. In the case of more than one person available, the most senior person was always chosen.

In order to reduce the rate of non-response, the researcher included a monetary incentive⁴ to the respondents.

Non-response was handled by replacing, firstly, the respondent with another respondent in the same agency. This was the most convenient and economical way to do so. Only in the case where the agency gave an overall blank refusal, was it replaced with another similar agency in the same area. The process was repeated until the full quota of 90 interviews (30 per region) was reached.

The questionnaire (see Appendix 2) included open and close-ended questions and focussed on identifying the attitudes and perceptions of South Africa, as viewed by Chinese travel agencies and in order to determine South Africa's strengths and weaknesses within the Chinese tourism market. Upon completion, the results of the questionnaire were re-translated from Chinese into English by the researcher.

3.5 RESEARCH LIMITATIONS

The following limitations with regard to the research methodology should be highlighted.

As both studies make use of non-probability samples⁵, the results will, therefore, be only applicable to the travel agents that were surveyed. No inference to the population can, therefore, be done. Hence, all the results, as depicted in the following chapter (Chapter 4), should be seen as exploratory. At best, the research results can depict how Chinese travel agents in Beijing, Shanghai and Guangdong view South Africa as a travel destination and what can be done to promote South Africa as an outbound Chinese destination.

⁴ In total 50 Renminbi (RMB) was offered per completed questionnaire. At the time of the survey, 1 US\$: equated to 7.91 RMB.

⁵ The qualitative research used a convenience sampling technique and the quantitative research used a quota sample.

3.6 CONCLUSION

This chapter outlined the methodology that was employed in this research. The study attempts to survey international travel agencies within China. Both in-depth, face-to-face interviews (qualitative research) and a self-completion questionnaire survey (quantitative research) were used to identify the key problems to promote South Africa as a leisure destination for Chinese tourists, as viewed by travel agencies. The research findings are discussed in Chapter 4 and the recommendations to promote South African tours within the Chinese market are provided in Chapter 5.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

This chapter reports the findings of the qualitative research, which are the in-depth interviews with travel agents and a quantitative self-completion research. The following aspects are covered in the qualitative results, namely: (i) Travel by tour group vs. travelling independently; (ii) Assistance to outbound tourists; (iii) Persuasion / dissuasion of tourists; (iv) Preferred outbound tourist destinations; (v) Word association test; (vi) Attractiveness of South Africa as a tourist destination; (vii) Reasons for not recommending South African tours; and (viii) Promoting South Africa as a tourist destination.

4.2 QUALITATIVE ANALYSIS: IN-DEPTH INTERVIEWS

As seen in Chapter 3, six in-depth interviews¹ were conducted with travel agencies in China.

4.2.1 Travel by tour group vs. travelling independently

Respondents were asked whether Chinese outbound tourists preferred to travel independently or by tour group.

All of the travel agencies who recommended South Africa as a tourist destination were of the opinion that Chinese outbound travellers preferred tour groups to independent travel. They expressed that tourists who travel in a tour group, experienced fewer problems. For example, the language issue in a foreign country would fall away if one were part of a tour group. Also, tourists saved a lot of time within a destination as tour operators knew exactly where to go. Furthermore, the interviewees thought that group tours were safer than travelling independently. The one travel agency who never recommended South Africa as an outbound destination before, mentioned that the key advantage of a tour group was the fact that visas were easily attainable.

¹ In each instance 2 interviews (1 x recommended South Africa as an outbound destination and 1 x never recommended South Africa as an outbound destination) were conducted in Beijing, Shanghai and Guangdong.

The travel agencies who never recommended South Africa as an outbound destination were of the opinion that Chinese outbound travellers preferred to travel independently. The advantages of travelling independently were, firstly, that tourists could arrange the trip themselves and that they enjoyed the satisfaction of the “do-it-yourself” approach. Secondly, independent trips were seen as more flexible and exciting for Chinese outbound tourists.

4.2.2 Assistance to outbound tourists

In the second instance, travel agents were asked what assistance they provide to Chinese outbound tourists. Table 4.1 summarises the results by independent and tour group travellers.

Table 4.1: Providing Assistance to Outbound Clients

Respondents	Independent Travelling	Tour Group
Recommended South Africa as an outbound destination	<ul style="list-style-type: none"> • Provide travel information i.e. accommodation, transport, historical attractions, etc. to outbound tourists. • Assist the clients with design of routes, which meet the tourists’ desires and needs and wants. 	<ul style="list-style-type: none"> • Provide information about the tourist destination for the tourists. • Make reservations and travel arrangements for the journey, including accommodation, transport, tourist guides and travel insurance.
Never recommended South Africa as an outbound destination	<ul style="list-style-type: none"> • Offer specific destination information to tourists. 	<ul style="list-style-type: none"> • Offer destination information to the tourists. • Assist the tourists to obtain visas.

4.2.3 Persuasion / dissuasion of tourists

Furthermore, travel agents were asked whether they ever persuaded or dissuaded potential clients who intend to book outbound travel to change their intended destinations and the reasons they would do so.

Five travel agencies indicated that they *only* persuade potential outbound tourists to change their intended destinations in cases where they themselves were not familiar with the intended route of the outbound tourists or when they thought that the intended route was not safe². In each instance, another similar but known destination available would be recommended to these outbound tourists.

² This was mentioned specifically by travel agent who never recommended South Africa as a outbound

Only one travel agent stated that they would never persuade or dissuade clients to change their minds with regard to an outbound destination. Clients should be respected and it was the travel agent's duty to meet the needs and wants of these outbound tourists.

4.2.4 Preferred outbound tourist destinations

Fourthly, respondents were asked about their preferred outbound tourism destinations. All of the travel agencies who recommended South Africa, indicated that they preferred Europe. Of the three travel agencies who never recommended South Africa before, one preferred Europe, Australasia and Asia.

The preferred destinations and key attractions are summarised in Table 4.2.

Table 4.2: Description of Preferred Destinations

Travel agency	Preferred Destination	Key Attractions
Recommended South Africa as an outbound destination	Europe	Beautiful scenery. Different culture, fashion and modern lifestyle. European tours were cheaper and tourists could travel to more than one country at once during their European journey.
Never recommended South Africa as an outbound destination	Europe	Reasonably priced and affordable.
	Australasia	Beautiful scenery. Different culture.
	Asia	Asia was seen to be cheaper and not far from China. Furthermore, it had a similar culture to China and visas were easily attainable.

Europe was viewed as a popular destination by four travel agents because of its scenery, culture, lifestyle and affordability.

4.2.5 Word association test

As a projective technique, respondents were asked what comes to mind when they hear the word "Africa". Once they responded, they then probed for the words "South Africa". Table 4.3 depicts the results of the travel agents that were interviewed.

Table 4.3: Word Association

Travel agency	Africa	South Africa
Recommended South Africa as an outbound destination	<ul style="list-style-type: none"> • Diamonds and Gold • Different kinds of wild animals were mentioned, e.g. Big 5³. 	<ul style="list-style-type: none"> • Diamonds. • Abalone & lobster. • Different kind of wild animals were mentioned. • Cape of Good Hope.
Never recommended South Africa as an outbound destination	<ul style="list-style-type: none"> • Aborigines and different cultures. • Black people. • Crime related aspects were mentioned e.g. robberies and theft. • HIV/AIDS. • Poverty. 	<ul style="list-style-type: none"> • Robbery and other crime related issues were mentioned. • Wild animals. • Black people and cultures.

It is important to note that travel agencies who never recommended South Africa as a tourist destination had various negative references such as crime, poverty and HIV/AIDS towards Africa and South Africa. However, although Africa had these negative connotations, two travel agents had recommended Egypt as an African destination before.

On the other hand, those travel agencies who did recommend a South African tour recalled no negativity at all. In fact, even a key South African attraction such as the Cape of Good Hope was mentioned.

4.2.6 Attractiveness of South Africa as a tourist destination

Having established the key words, which respondents associate with South Africa from, travel agents who recommended South Africa as an outbound destination, they were also asked about what made South Africa special as a tourist destination. It was mentioned that South Africa is a country with beautiful scenery, different people, modern lifestyles and cultures, had all kinds of wild animals, diamonds and was rich in abalone. These aspects were seen as special and could, therefore, be used as selling points to attract Chinese outbound tourists to the country.

³ Refers to five of South Africa's greatest wild animals: lion, leopard, elephant, buffalo and rhino.

4.2.7 The reasons for not recommending South African tours

Travel agencies who never recommended South Africa gave three key reasons for not doing so. Firstly, travel agencies were not familiar with South Africa and did not know enough about South Africa. This automatically would lead to the travel agent dissuading the outbound tourist from visiting South Africa (see section 4.2.2). Secondly, in China, the tourism market is competitive and most Chinese people preferred European tours because of its affordability. South Africa, in this regard, was seen as expensive, which made it difficult to attract tourists. Lastly, most tourists are concerned about safety when they choose a destination. South Africa was not seen as a safe destination at all.

When asked whether they would recommend South African tours in the future, all three travel agents expressed that they would consider recommending South African tours, provided that crime and AIDS decreased significantly.

The travel agents who recommended Egypt as an outbound African destination, mentioned that Chinese tourists were interested in this mysterious country with its history, mummies, pyramids, temples, the Nile and the city of Cairo.

4.2.8 Promoting South Africa as a tourist destination

All of the interviewees who never recommended South Africa indicated that they were not familiar with South Africa as an outbound destination. They thought that South Africa was poorly promoted. They recommended that South Africa should be promoted to Chinese tourists via promotional mediums such as television, newspapers, the Internet and brochures. The Australian Tourism Department was mentioned as a case study in this regard. It was known that this Tourism Authority contacted the Chinese Tourism Department to help design their brochures (aimed at the Chinese outbound market). The final brochure had information of Australia, its animals and recommended various tours. Short English words and sentences are also used in the brochure. The aim of the brochure was to promote Australian tours and help Chinese people understand the culture of Australia. It also assisted Chinese people to learn English in a limited way. While the brochure was full of information of Australia, it was also seen as educational and attractive for Chinese tourists.

Hence, it was recommended that the South African government and South African Tourism Department should increase communication with the Chinese government and Chinese travel agencies to organize exhibitions to introduce South Africa to Chinese people.

Interviewees who had the experience of recommending South African tours, were of the opinion that most Chinese tourists were not familiar with South Africa. Hence, travel agencies were seen as a key to introduce and promote this new destination and routes to them. In addition, the interviewees indicated that Chinese travel agencies should develop new tourism routes to target different segments such as couple tours, family tours, economic tours and luxurious tours, which were mentioned in this regard.

After a discussion of the qualitative research results, the quantitative research results are provided and discussed below.

4.3 QUANTITATIVE RESEARCH: SELF-COMPLETION SURVEY

The quantitative survey covers the following aspects: (i) Profile of the travel agent surveyed; (ii) Promoting outbound destinations; and (iii) Promoting South Africa as an outbound destination.

A self-completion questionnaire survey was conducted with international travel agencies in the mainland of China. See Chapter 3 (Research Methodology). In total, 90 questionnaires were distributed to the travel agencies, which are located in Beijing, Shanghai and Guangdong.

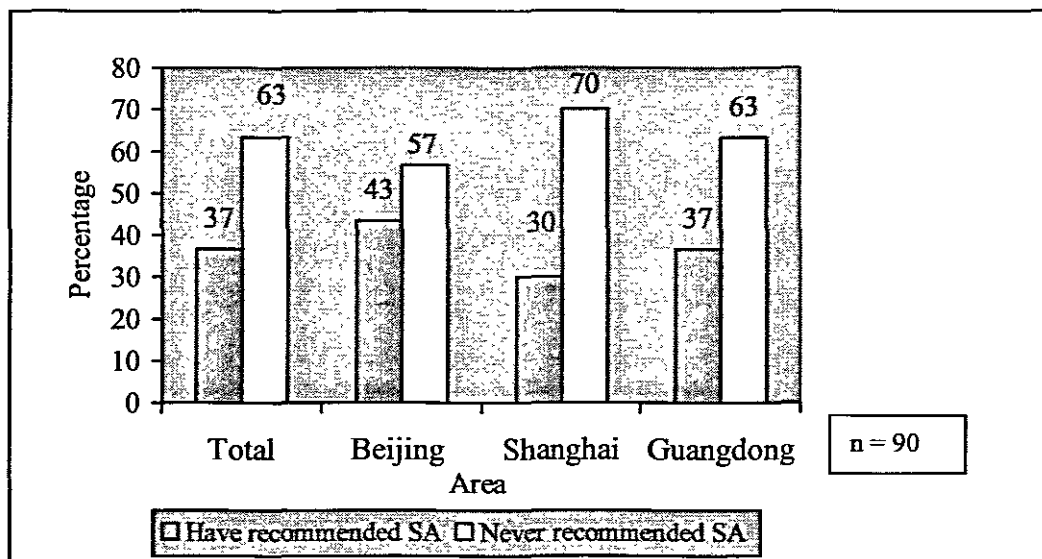
4.3.1 Profile of the travel agency surveyed

The profile of the travel agency surveyed is discussed in 4 consecutive stages, namely (i) Travel agencies recommending South African tours; (ii) Years in existence; (iii) Size of travel agencies; and (iv) Specialisation of tourism outbound regions.

Travel agencies recommending South African tours

Travel agents were asked whether their travel agency ever recommended a South African tour before. Only 37% of all travel agencies surveyed ever promoted South Africa as an outbound destination before. Figure 4.1 provides a regional breakdown thereof.

Figure 4.1: Travel Agencies that Recommend South African Tours



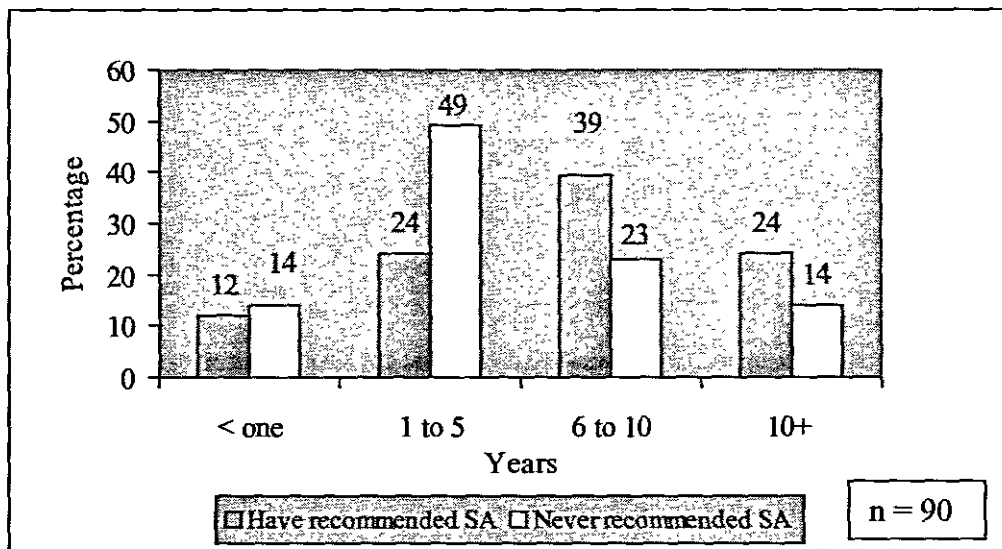
When probed as to how long ago the travel agent recommend a South African tour, it emerged that 30.3% of the travel agencies had conducted tours to South Africa two years before and that the vast majority (69.7%) promoted a South African tour up to a year ago. This is indicative that South Africa, as an outbound tourist destination, only started to emerge recently.

Furthermore, those travel agencies that recommended South Africa (n=33) were further probed as to the estimated number of visitors that they take to South Africa annually. The average of the group totalled 40 outbound tourists. However, the large-scale travel agencies (10 consultants +) expressed that the annual number of visitors that they take, were between 50 and 80, whereas the small-scale travel agencies (1 to 2 consultants) responded that they only had between 10 to 30 visitors to South Africa annually. However, the respondents stressed that the number of Chinese tourists would increase with the development of South African tourism within the Chinese market.

Years in existence

Travel agencies were asked for how long they were in existence. Nearly two thirds (63%) of the travel agencies who ever recommended South Africa as a tourist destination were agencies, which were longer than six years in operation. Figure 4.2 provides an overview of the results by agencies who ever/never promoted South Africa as a tourist destination.

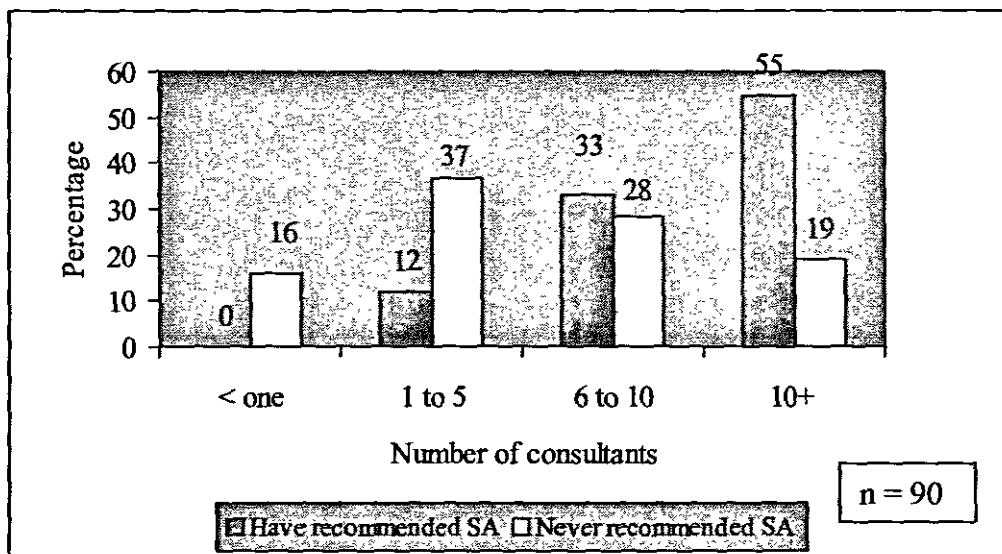
Figure 4.2: Years in Existence



Size of travel agencies

The size of the travel agency was measured by the number of full-time consultants who are employed. Most (73%) travel agencies recommending South Africa as a tourist destination had at least six travel agents employed. Figure 4.3 depicts the results thereof.

Figure 4.3: Size of Travel Agencies



Specialization of tourism outbound regions

Furthermore, travel agencies were shown a list of tourism regions and were asked which of these regions they specialise in. Table 4.4 depicts the full results thereof.

Table 4.4: Chinese Travel Agencies: Specialization of Tourism Outbound Regions

Region	No. of travel agencies	Penetration (*)
Australasia	50	56%
Asia	46	51%
Europe	41	46%
North America	31	34%
South America	21	23%
Africa at large	4	4%
Southern African countries	0	0%
Total	90	100.0%

(*) Multiple answers.

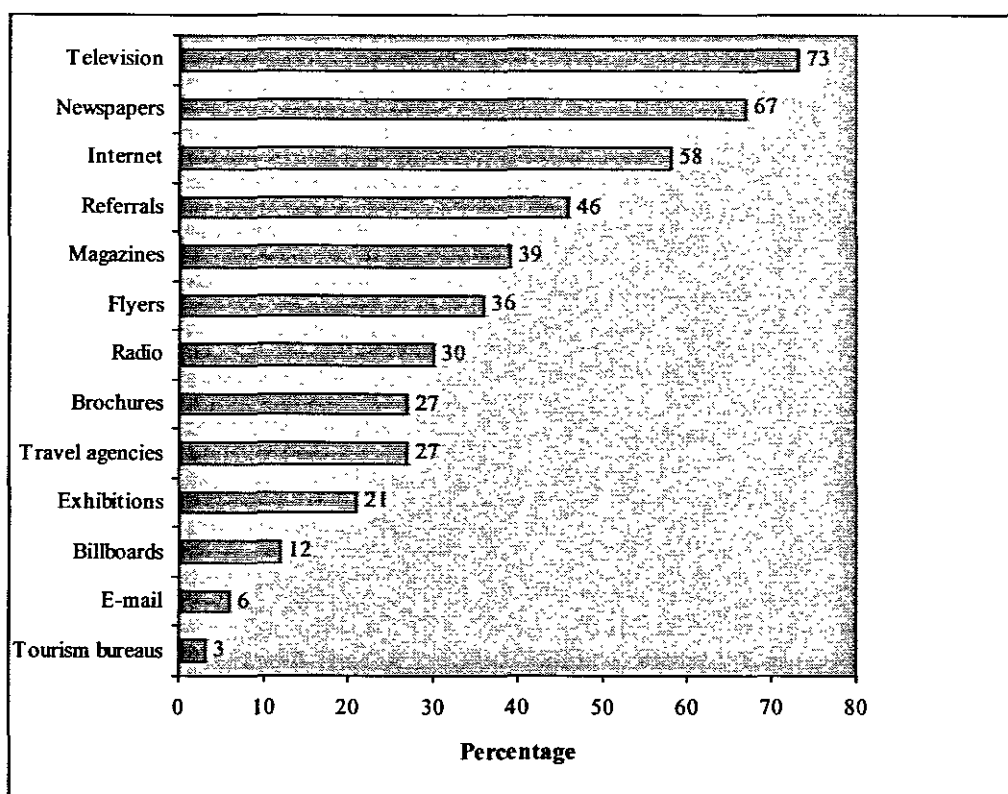
Most Chinese travel agencies (56%, 51% and 46%, respectively) specialise in Australasia, Asia and Europe as key tourism outbound regions. More significant is the fact that *no* travel agency that was surveyed considered Southern African countries as a specialist destination.

4.3.2 Promoting outbound destinations

Three aspects are covered in promotion. Firstly, promotional vehicles that are recommended by travel agents for outbound tourism destinations, are probed. Furthermore, promotional vehicles that are used for new outbound tourism destinations, as perceived by travel agents, are then enquired about and finally, the awareness of any promotional vehicles, which promote South Africa as an outbound destination, is also probed.

Promotional vehicles for outbound tourism destinations

Travel agencies were asked “*When it comes to promoting an outbound destination, which promotional vehicles should be used*”? Only 27% of the respondents viewed travel agencies as an important tool to promote a destination. Their emphasis was on television (73%), newspapers (67%) and the Internet (58%).

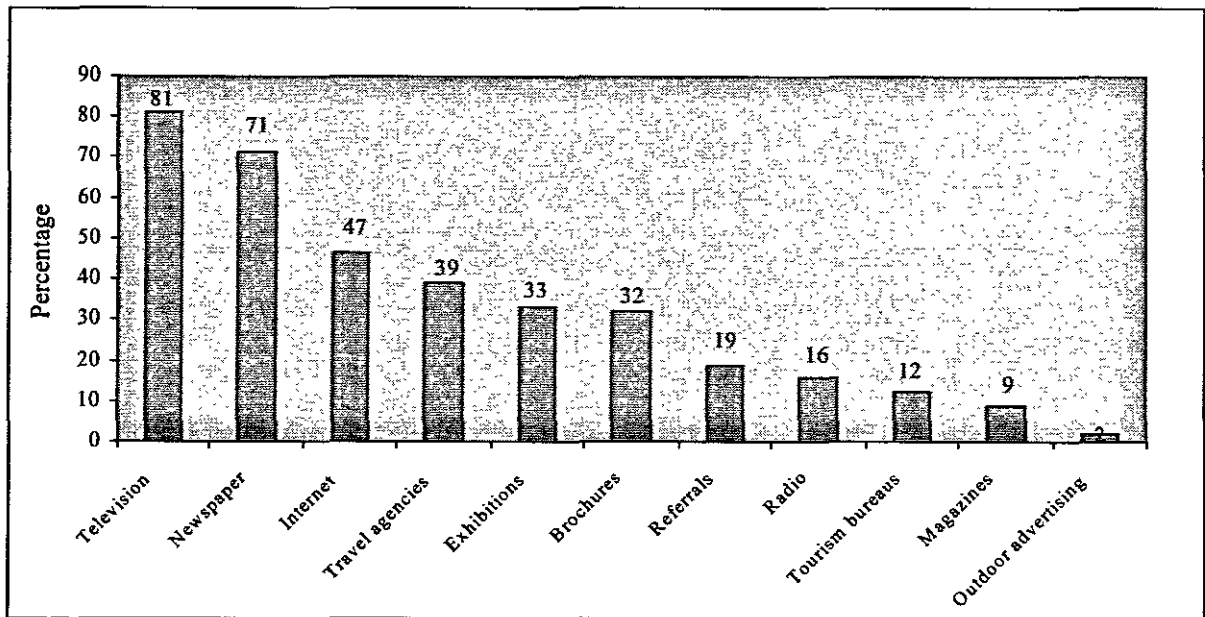
Figure 4.4: Promotional Vehicles Recommended for Outbound Tourism Destinations(*)

(*) Multiple answers.

Promotional vehicles used for new outbound tourism destinations

In a similar question, respondents were asked, which promotional vehicles they would use to promote a new tourism outbound destination, such as South Africa. Figure 4.5 depicts the results.

Figure 4.5: Promotional Vehicles Recommended for New Outbound Tourism Destinations (*)



(*) Multiple answers.

Travel agencies rated television (81%), newspapers (71%) and the Internet (47%) as media to promote new outbound tourism destinations. Also, tourism bureaus were rated higher than previously.

Awareness of promotional vehicles promoting South Africa as an outbound destination

Travel agencies were asked, which promotional tools they would prefer for use to promote South Africa as an outbound tourist destination in an open-ended question⁴. Printed literature (61.1%) was at the top, followed by advertising (58.9%) and direct market (52.2%), which were the three highest scores. See Table 4.5.

Table 4.5: Awareness of Promotional Tours to South Africa(*)

Promotional Tool	No. of Responses	Percentage
Printed literature	55	61.1%
Advertising	53	58.9%
Direct marketing	47	52.2%
Sales promotion	41	45.6%
Internet Marketing	36	40.0%
Public relations	32	35.6%
Personal selling	24	26.7%
Total	90	100.0%

(*) Multiple answers.

⁴ It must be remembered that respondents could have been guided by the options provided in the previous two questions.

4.3.3 Promoting South Africa as an outbound destination

Word association of South Africa and Africa

Respondents who recommended South Africa as an outbound destination were asked what they associate with the words ‘Africa’ and ‘South Africa’. Similar to the qualitative research results, in total, 42.4% of the respondents mentioned diamonds and gold, while a further 39.4% of the respondents mentioned wild animals. AIDS and crime also received a high mention by respondents (both showing an incidence of 30.3%). The following table depicts the results.

Table 4.6: Word Association to “Africa” and “South Africa”

Phrase mentioned	No. of Responses	Percentage
Diamond & gold	14	42.4%
Wild animals	13	39.4%
AIDS	10	30.3%
Crime	10	30.3%
Abalone & lobster	8	24.2%
Black people/culture	6	18.2%
South African attractions mentioned	5	15.2%
Total	33	100.0%

Evaluating the selling points of South Africa as an outbound destination

The travel agencies who ever recommended South Africa as an outbound destination were given a battery of statements and were asked to what extent they agree with each of these statements. A Likert type scale was used in this regard⁵. The percentages and the mean score for each statement are depicted in Table 4.7.

⁵ The 5 item scale had the following scores: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Table 4.7: The Selling Points of South Africa as an Outbound Destination

Statement	Total (n)	Mean score(*)	Total percentage	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Shopping, entertainment	33	4.39	100.0%	63.6%	18.2%	12.1%	6.1%	0.0%
Scenic beauty	33	4.36	100.0%	57.6%	21.2%	21.2%	0.0%	0.0%
Different people & lifestyles	33	4.30	100.0%	54.5%	24.2%	18.2%	3.0%	0.0%
Cultural experiences	33	4.15	100.0%	48.5%	27.3%	15.2%	9.1%	0.0%
Wildlife experiences	33	4.03	100.0%	45.5%	24.2%	18.2%	12.1%	0.0%
Climate	33	3.88	100.0%	36.4%	27.3%	24.2%	12.1%	0.0%
Historical attractions	33	2.91	100.0%	9.1%	15.2%	39.4%	30.3%	6.1%
Participation in major events	33	2.88	100.0%	6.1%	9.1%	54.5%	27.3%	3.0%
Adventure experiences	33	2.61	100.0%	3.0%	15.2%	33.3%	36.4%	12.1%
Visit to friends & family	33	1.94	100.0%	0.0%	0.0%	18.2%	57.6%	24.2%

(*) Maximum score = 5.

The following factors were regarded as the key selling points of South Africa:

- Shopping and entertainment (4.39);
- Scenic beauty (4.36);
- Different people and lifestyles (4.30);
- Cultural experiences (4.15); and
- Wildlife experiences (4.03).

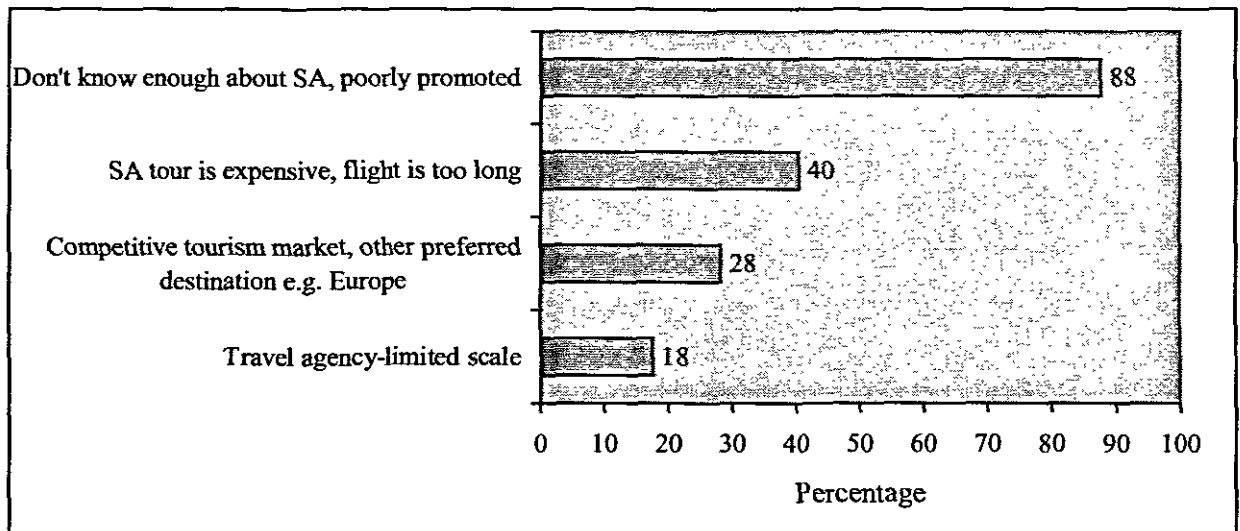
From the previous table, gold and diamonds as well as abalone and lobster, were key reference words and makes South Africa attractive for shopping.

However, South Africa was *not* seen as a destination with historical attractiveness, hosting major events (for Chinese tourists) and for adventure experiences.

Reasons why outbound tourists do not visit South Africa as an outbound destination

Respondents who never recommended any South African tours were probed (unaided) as to why they did not recommend South Africa as an outbound destination before. Figure 4.6 shows the results thereof.

Figure 4.6: Reasons for Not Recommending South African Tours



Most travel agents that were surveyed (87.7%) stressed that they were not familiar with South Africa as an outbound destination and did not know enough about South Africa to promote it. A further 40.4% of the respondents expressed that it was difficult to promote South African tours owing to its high prices and long flight time.

Evaluating the factors why people have not yet visited South Africa as an outbound destination

As shown in Table 4.8, travel agencies who *never* recommended South Africa as an outbound destination, were given a battery of statements and were asked to what extent they agree with each of the statements for not recommending South Africa. A Likert type scale was used in this regard⁶.

Although South African tours have the attractiveness as mentioned above, the research revealed that there are obstacles that prevent Chinese tourists from visiting South Africa.

Firstly, the results indicated that Chinese travel agents did not know enough about South Africa to promote it as an outbound destination (mean score = 4.19). Secondly, Chinese travel agents viewed South Africa as being expensive (4.09) and viewed it as dangerous for travel purposes(4.05). Table 4.8 lists other factors rated by the Chinese travel agents.

⁶ The 5 item scale had the following scores: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Table 4.8: The Factors which Prevent Chinese Travel Agents from promoting South Africa

Statement	Total (n)	Mean score (*)	Total percentage	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Do not know enough	57	4.19	100.0%	57.9%	17.5%	14.0%	7.0%	3.5%
Expensive	57	4.09	100.0%	50.9%	19.3%	17.5%	12.3%	0.0%
Personal safety concerns	57	4.05	100.0%	47.4%	28.1%	12.3%	7.0%	5.3%
Concern about health	57	3.95	100.0%	45.6%	26.3%	12.3%	8.8%	7.0%
Flight too long	57	3.93	100.0%	38.6%	35.1%	14.0%	5.3%	7.0%
Other preferred destinations	57	3.88	100.0%	45.6%	17.5%	15.8%	21.1%	0.0%
Language	57	3.68	100.0%	29.8%	24.6%	29.8%	15.8%	0.0%
Unsuitable for independent travel	57	3.60	100.0%	19.3%	33.3%	35.1%	12.3%	0.0%
Preference for Asia	57	3.58	100.0%	31.6%	26.3%	17.5%	17.5%	7.0%
Food	57	3.11	100.0%	21.1%	14.0%	33.3%	17.5%	14.0%
Not enough time	57	2.74	100.0%	14.0%	10.5%	26.3%	33.3%	15.8%
Visa	57	2.65	100.0%	15.8%	7.0%	21.1%	38.6%	17.5%

(*) Maximum score = 5

4.4 CONCLUSION

This chapter analyzed and discussed the results of the in-depth interviews and the self-completion survey. The qualitative and benchmark studies showed a high degree of similarity, which is indicative of research results being consistent and reliable. Having established the key reasons as to why Chinese travel agents would or would not recommend South Africa as an outbound destination, various strategies can now be recommended. This is discussed in the following and final chapter (Chapter Five).

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**5.1 INTRODUCTION**

The research study attempted to identify various factors and perceptions of Chinese travel agencies towards South Africa as an outbound tourism destination. Based on the findings in Chapter 4, this chapter presents possible strategies, which can be followed to promote outbound tourism from China to South Africa.

5.2 SUMMATION OF STUDY FINDINGS

The key results of the quantitative survey and qualitative interviews are as follows:

Tourists travel by tour groups and those who travel independently had different reasons for doing so and should be regarded as two different target markets. The former did so mainly because language in a foreign country was an issue, the tour operator knew the country and, consequently, also where to go, while it was safe to do so and Visa requirements were arranged automatically. The latter did so because of the exploratory nature, with a view to be able to *'do it yourself'* and these trips were seen to be more flexible.

As travel intermediaries, Chinese travel agents provide a complement of services, which one would expect a travel agent to deliver¹, namely (i) the provision of travel destination information such as accommodation, transport, attraction identification and travel insurance; (ii) assistance in the design of routes in accordance with the needs and wants of clients; (iii), reservations and travel arrangements; and (iv) visas.

The qualitative study also revealed that it was not uncommon to dissuade outbound tourists from certain destinations. Two key reasons, which provided for this were, unfamiliarity and safety. Hence, the role of the travel agent, as a gatekeeper in the Chinese context, cannot be underestimated in this regard especially given South Africa's Approved Destination Status, which was articulated in 2001. It is therefore, necessary to consider why Chinese outbound travel agencies do not recommend South Africa as a tourist destination (as per quantitative

¹ As per qualitative interviews.

study). Three key reasons, which were stated in the study include (i) unfamiliarity; (ii) affordability; and (iii) negative perceptions with regard to crime and HIV/AIDS. It can be seen that the main reasons that were stated by travel agencies who never recommended South African tourism, were the reasons provided by travel agencies for dissuasion. Hence, by dissuading potential outbound tourists from South Africa, the majority (67%) of outbound Chinese travel agencies², actually had an unintentional *de-marketing campaign* against South Africa. This is where the current dilemma and problem of South Africa as a tourist destination lies.

In order to create awareness for any destination, various types of formal media have been recommended. The main vehicles mentioned were:

- Television (73%);
- Newspapers (67%);
- Internet (58%);
- Referrals (informal) (46%);
- Magazines (39%);
- Flyers (36%);
- Radio (30%);
- Brochures (27%); and
- Travel agencies (27%).

Television, newspapers, internet, travel agencies and exhibitions were specifically used to market new destinations. In the qualitative analysis, it was specifically mentioned that South African should become actively involved in exhibiting its product within China. Exhibitions have the advantage that they attract both the industry (via a push strategy) and potential tourists (demand strategy).

There is also a definitive need for brochures to be distributed to all travel agencies in the target market. Overall, the brochure (modelled on the Australian version) should be educational. Hence, it would include extensive information about the country, its animals, culture, and other tourist information. It also should have short English words, which would enable travel agencies to introduce a foreign language to them.

There also seems to be a need to develop and target different segments in China namely; couple tours, family tours, budget ('economic') tours and luxury tours. Chinese travel agents should be assisted in this regard to develop respective tour packages. This will make it easier

² More specifically it is the Chinese travel agencies who never recommended South Africa as a tourist destination ever.

for Chinese travel agencies to promote South Africa as an outbound tourism destination. These packages could be included in the mentioned brochure.

When asked to rate the selling points of South Africa, the following emerged (in order of importance) from travel agencies who promoted South African tours:

- Shopping and entertainment;
- Scenic beauty;
- Different people and lifestyles;
- Cultural experiences; and
- Wildlife experiences.

Word association is a special tool which analyses how respondents subconsciously relate to a tourism destination. South Africa was seen as being synonymous with diamonds and gold (43%); wild animals/Big 5 (39%) and abalone and lobster (24%). However, South Africa also revealed negative emotions in the form of AIDS and crime (with an incidence of 30% each). However, no negative comments were made by travel agencies who recommended South Africa as a tourist destination (both in the qualitative and quantitative research sections).

The research revealed that Chinese outbound travel agencies specialize in the following destinations:

1. Australasia (56%);
2. Asia (51%);
3. Europe (46%); and
4. North America (34%).

Only 4% of the travel agencies that were surveyed mentioned that they specialise in Africa as a tourism region. None of the travel agencies specialise in Southern Africa as an outbound tourism region and although one would perceive it negatively, this could be seen as a potential opportunity.

In the qualitative analysis, all respondents referred to Europe as one of their preferred destinations for the following reasons: (i) its beautiful scenery; (ii) different cultures, fashion and lifestyle; (iii) European tours were perceived as being cheaper; (iv) tourists could see more than one country (and culture); and (v) Europe was reasonably priced.

Provisional results show that there were only 172 travel agencies (2003) in the three regions: Beijing (99); Shanghai (41); and Guangdong (32), with 1.4m, 285,000 and 190,000 outbound

travellers who come from the regions respectively (see section 1.6.2.). Given the magnitude of the number of potential outbound Chinese tourists, the targeting of travel agencies become imperative in China in order to promote South Africa as an outbound destination. This is where the importance of the travel agency as a gatekeeper lies. Once targeted properly, South Africa can receive its fair share of the market. The following section considers ways of doing so.

5.3 IMPLICATIONS AND RECOMMENDATIONS OF THE FINDINGS

5.3.1 Promoting South Africa as a tourism destination

Although Chinese travel agencies recommended television, newspapers, Internet, travel agencies, exhibitions and brochures³ as the 6 key vehicles to promote new outbound tourism destinations (see sections 2.3.2 and 4.3.2), these vehicles should be seen in the context of the target market. With 374 TV channels in 2006 (Anon, 2006d) and 2,119 newspaper titles available in China in 2003 (Anon, 2005d), it becomes virtually impossible to market South Africa as a new outbound tourism destination given SATOUR's limited budget. However, the Internet, travel agencies, exhibitions and brochures deserve special mention in this regard.

5.3.1.1 Travel brochures

The tourism industry comprises both tangible and intangible products. In this regard, travel brochure is an important vehicle, which will make a tourism offering more tangible. Therefore, as one of the most frequent forms of printed literature used in tourism, travel brochures, which will introduce South Africa and South African tours to Chinese people, should be developed.

Dickman (1999: 289) pointed out that a good travel brochure would meet customers' physiological, safety, social and esteem needs. Hence, South Africa travel brochures could be designed to do just that.

³ All being significantly higher than the other promotional vehicles - achieving at least 32% penetration as per quantitative survey.

- **Physiological needs**

The brochure should meet basic needs for customers, such as the food (catering and accommodation). See section 2.2.1 in this regard. A brochure could outline the meals that are included in the tour. The accommodation, which should be selected to suit the tourist's needs, should also be clearly described in the brochures.

- **Safety needs**

In order to meet tourists' safety needs, the brochure could include a description of the reputation and success of the travel agency, the skills experience and the qualifications of the tour guides, as well as the reliability and dependability of the facilities and services used. In addition, the safety tips should be included and travel tour groups should initially be encouraged.

- **Social needs**

Travel agencies should highlight the fact that the staff is familiar with the destinations, that they can ensure that the group meet the locals and that they will enjoy a sense of hospitality even in unfamiliar locations. This can be achieved by engaging in regular educational tours, where Chinese outbound travel agents and tourism media personnel are invited (either without charge or subsidised) to experience a destination first hand. This may become imperative to ensure that travel agents become familiar with South Africa as an outbound destination.

- **Esteem needs**

All major sites and key attractions of the destination should be included in the brochure. For example, tourists who have visited South Africa should have at least experienced the top 10 South African attractions such as Table Mountain and a game farm.

In addition, the brochure should be based on the Australian model (see section 4.2.8), which is more educational and should be fully informative with regard to South Africa's offerings. In particular, diamond and gold, wild animals (Big 5) and abalone and lobster, should feature in the brochure (see section 4.3.3). The brochure should be available in both English and

Chinese languages. In this way, the brochure would promote South African tours and help Chinese people to understand the culture of South Africa, while it would also assist Chinese people to learn English.

5.3.1.2 Exhibitions

In the qualitative analysis, exhibitions were specifically mentioned as a means to promote new destinations. During the exhibitions, travel agencies would be exposed and introduced to South Africa. There will also be an opportunity for exhibitors to engage with Chinese tourists and show them the friendliness and passion of South Africans. This should strengthen the co-operation of both countries (South Africa and China) and also eliminate the Chinese people's bias towards South Africa. However, exhibitions in China would be expensive particularly because of its geographic location and the distance between these two countries. Therefore, cheaper means of promotion should also be considered.

5.3.1.3 Travel agencies

Given that there are only 172 travel agencies in the Beijing (99), Shanghai (41) and Guangdong (32) areas for example, the main thrust should be a direct marketing campaign, which is aimed at selected travel agencies in China and supported by the Internet, brochures and selected sales promotional techniques. Educational programmes play a pivotal role in this regard as it serves to expose travel agents to an unknown and new destination.

5.3.1.4 The Internet

The Internet is known to be a fast, reliable and cheap way to disseminate information. However, the role of the Internet, in this regard, should be seen as more of a distribution vehicle, which brings the destination closer to the target market and not as much as a promotional one. The Internet should also be seen as a supportive medium to the above-mentioned vehicles.

5.3.1.5 Promotional vehicles

It is not known why travel agents mentioned sales promotion techniques as a means to promote a destination⁴. Three plausible reasons could be stated here: (i) Chinese outbound travel agents were unaware of sales promotion as an advertising vehicle; (ii) Chinese travel agents seem to view this type of promotion as being ineffective; or (iii) measurement instrument error. However, the importance of presenting gifts as a sales promotion technique, in the Chinese culture, should not be underestimated and deserves special mention. In the Chinese culture, gifts are important because it can be viewed as a special gesture of respect and best wishes, as opposed to receiving money (Anon, 2005e). No other comments with regard to any of the sales promotion items can be made, in this regard, as they were not probed fully.

5.3.1.6 Word-of-mouth

Word-of-mouth should lead to a self-induced growth of the Chinese outbound tourism market to South Africa in the long term. Tourists act far more easily on ‘word-of-mouth’ from other people who have visited the destination or who are familiar with the destination (See section 2.4.7). Not only will other potential Chinese outbound tourists become interested to travel to South Africa, but travel agents will also introduce South Africa and South African tours to their clients via the experiences and report backs, which they receive from their clients who have visited South Africa as an outbound destination.

5.3.2 Marketing Destination Objectives

Having acquired its Approved Destination Status (ADS) only in December 2001 (see section 1.3.4), South Africa is a relatively new destination to China. Hence, the key relationship, in terms of the marketing triangle (see section 2.2.3.1), would be the external marketing domain, which is ‘setting the promise’ and raising expectations by using advertising and promotions.

How can the key objectives (as listed in section 2.3.2) be applied to South Africa as a new outbound destination? The following provide some thoughts.

⁴ As asked in an open-ended question.

Table 5.1: Matching Destination Objectives with Strategies

DESTINATION OBJECTIVE	POSSIBLE STRATEGIES	DIRECT MARKETING VEHICLES
Provide information to visitors.	This type of information should be educational and should include various aspects, which relate to South Africa, its culture, climate, language, and so on. See section 5.3.1.1 on the brochures in this regard.	<ul style="list-style-type: none"> • Brochures. • Internet.
To match the image of the destination with the demand and requirements of the target market.	National tourism authorities should address the perceptions of Chinese travel agents with regard to crime and especially the government's stance on HIV/AIDS. Regular Internet communiqué with travel agencies with regard to AIDS and tourist related crime statistics in South Africa becomes a necessity.	<ul style="list-style-type: none"> • Leaflets. • Internet. • Delegate visitations.
To increase the range and facilities that are available for the local community.	Tourism development matters.	Not applicable.
To allow the local community to feel proud of their region.	Tourism development matters.	Not applicable.
Allocate funding to improve the local environment.	Tourism development matters.	Not applicable.
Improve international ties (cultural and political).	This would be more at a governmental level.	<ul style="list-style-type: none"> • Tourism and political delegations to visit China/South Africa.
Increase the awareness of attractions.	Concentrated initially on attractions, goods and services offered (as per word association test in sections 4.2.5 and 4.3.3), which relate to diamonds / gold, abalone / lobster and the Big 5 / wild animals.	<ul style="list-style-type: none"> • Internet. • Brochures. • Flyers (directed at travel agencies). • Selected tourism magazines. • Sales promotion. • 'Educationals'.
To provide tourists (travel agents) with an opportunity to experience the destination themselves.	Via educationals programmes, travel agents can experience South Africa first hand.	<ul style="list-style-type: none"> • Regular visitations of Chinese outbound travel agencies by country i.e. South African representatives • 'Educationals'.

5.3.3 Target markets

Different target different segments such as couple tours, family tours, economic (budget) tours, and luxurious tours were recommended by Chinese outbound travel agencies. South African tour operators should 'package' South Africa around these segments and provide

Chinese travel agencies with new experiences and tourism routes. All tours should introduce South African diamonds, wild animals and cultural attractions.

5.3.4 Addressing the impediments of South African travel

The following impediments, with regard to South Africa as an outbound destination, should be noted.

5.3.4.1 Distance and flight time

Compared to Europe and other long haul destinations, not only does South Africa lack direct flights to and from China, but it also has the longest travelling time of any given long haul destination. Refer to Table 5.2.

Table 5.2: Comparison of South African Tours with Other Long Haul Destinations

Destination	Flight Time (Hours)	Direct Flight
South East Asia	7	Daily
Russia	8	2x per week
Australia and New Zealand	9	Daily
Europe	13	Daily
South Africa	14	None

Source: South African Tourism, 2004

No direct flights add to the time taken to travel, as well as the total cost of travel (see following section), which restricts more outbound tourists from travelling to South Africa. The solution to this lies in the long term. As the demand for Chinese tours increase, more carriers will find it viable to take tourists to South Africa.

5.3.4.2 Pricing

The Chinese outbound travel market is price-sensitive and cost is a dominant factor in selecting a destination, particularly for first-time travellers (George, 2004:397). The research has revealed that South African tours were priced well above other key destinations in the Chinese market. Table 5.3 depicts the results of the comparison of South African tours with other destinations.

Table 5.3: Comparison of South African Tours with its Competitors

Destination	Price (USD)	Average Number of Days	Price per Day (USD)
South East Asia	\$500-1200	7	\$100
Europe	\$1250-2100	9	\$186
Russia	\$1375-2250	10	\$188
Australia and New Zealand	\$1500-2875	10	\$188
South Africa	\$1750-2000	8	\$234

Source: South African Tourism, 2004

Accepting price as a given, the focus for South African tours should be more on the product and its final offerings, thus providing (although expensive) more value for money to Chinese outbound tours. In addition, more sales promotion, such as discounts could also be added from time to time to attract more Chinese tourists to South Africa.

5.3.4.3 Development of new tourism routes

The research has revealed that the main reasons why European tours are popular and preferred by most Chinese tourists were that firstly, the prices of European tours are reasonable and affordable. This is outside the control of most South African suppliers (as discussed above). However, the second reason that was mentioned was that European tours include many destinations, where tourists could travel to more than one country during their journey. In order to make South African tours interesting and attractive, South African tours could combine with others on-route, such as other neighbouring tourism destinations such as Singapore, Mauritius, Namibia, Zimbabwe, and so on. This should be negotiated by the South African government and the National Tourism authorities with the countries in question.

5.3.4.4 Perceptions of South Africa as a tourist destination

Personal safety concerns and health issues are strong barriers for Chinese travellers to come to South Africa (South African Tourism, 2004). It is known that crime in South Africa is perceived to be a significant threat to the country's overall stability and to the welfare of its citizens, as well as outbound tourists. For example, according to a survey for the period 1998-2000 compiled by the United Nations, South Africa was ranked second globally for assault and murder per capital (Wikipedia, 2006). Furthermore, HIV/AIDS also received high mention with the respondents. South Africa has one of the most severe HIV epidemic rates in the world. According to UNAIDS estimates, by the end of 2005, there were five and a half

million people living with HIV in South Africa and almost 1,000 AIDS deaths every day (UNAIDS, 2006).

It is the South African government's responsibility to reduce the levels of violence and crime in the country, as a whole, as well as to educate people on / HIV/AIDS. Combined, these would offer a safer environment to attract more Chinese tourists. This is out of the hands of National Tourism Marketing Authorities. At best, the crime statistics and the government's stance on HIV/AIDS can only be down played in any marketing campaign.

It is recommended that South Africa should embark on an information campaign, which addresses the fears of Chinese outbound tourists, which at present, is a main obstacle for South African tours in China.

5.4 RESEARCH RECOMMENDATIONS

This study was meant to be an exploratory study, which recommends further research. The fact that Chinese tourists have to travel longer and pay more for outbound tours to South Africa, necessitates the recommendation to conduct a specific needs analysis of these tours in order to establish the elements that are missing in the existing tours. This will enhance their experience and, consequently, make South Africa a value-for-money destination (given its expensiveness). Also, given the potential and size of the Chinese market, this market should be regularly tracked and monitored. The needs of travel agencies should also be monitored regularly.

5.5 CONCLUSIONS

The Chinese outbound tourism market cannot be ignored. The study has revealed key aspects in terms of how South Africa can enter this lucrative market. The targeting of Chinese outbound travel agencies become imperative in this regard by using education programmes, the Internet, and exhibitions (to a certain extent), whilst addressing their fears and concerns to a certain extent.

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Appendix 1: Interview Questions Sample – English and Chinese Version

INTERVIEW WITH TRAVEL AGENCY

Travel Agency: _____ **Date** _____
Mr. / Ms. _____ **At** _____

1. In your opinion, do Chinese outbound travellers prefer travelling with an organised tour i.e. tour group OR do they prefer travelling independently i.e. on their own accord to foreign destinations? Why?
2. As a travel agency, how do you provide assistance to outbound clients travelling independently? And those travelling as a tour group? (PROBE FULLY)
3. Did you ever persuade/dissuade potential outbound tourists to change their intended destinations? In what instances was this done? (PROBE FULLY FOR ORGANISED TOUR GROUPS AND FOR INDEPENDENT TRAVELLERS)
4. What is your preferred outbound tourist destination?
 - 4.1 Why? What makes it so unique? (PROBE SEPARATELY FOR ORGANISED TOUR GROUPS AND INDEPENDENT TRAVELLERS)
 - 4.2 How is this preferred outbound tourism destination promoted to you? Does this outbound destination have a unique way of promoting itself? IF YES: How?
5. What comes to mind when you hear the word Africa?
6. And South Africa?
7. Have you ever recommended South Africa as an outbound tourist destination to clients/potential clients in the past 5 years?
IF YES – GO TO Q.8
IF NO – GO TO Q.9
8. (IF SOUTH AFRICA WAS RECOMMENDED) What is special about South Africa as a foreign destination?

**** GO TO QUESTION 10 ****

9. (IF SOUTH AFRICA WAS NOT RECOMMENDED) Why did you not recommend South Africa as a tourist destination to Chinese outbound tourists?

Have you ever recommended any other African country as an outbound destination to clients/potential clients? IF NO – GO TO Q.10. IF YES - Which one? What made you recommend this African country as an outbound destination to clients/potential clients? What was so special about that particular African country?

10. What are your current perceptions and attitudes with regard to South Africa?

11. What will make you recommend trips to South Africa? (BOTH TOUR GROUP AND INDEPENDENT TRAVELLERS)

12. In your opinion, how should South Africa be promoted to

12.1 The Chinese outbound travellers market?

12.2 Travel agencies in China?

13. Any other comments?

THANK THE RESPONDENT FOR HIS / HER TIME

旅行社采访调查问卷

旅行社名称: _____ 访问日期: _____
受访者姓名: _____ 采访地点: _____

1. 您认为, 中国出境旅游者比较喜欢团队游还是个人自助游? 为什么?
2. 作为旅行社, 您们是如何向个人自助游客提供帮助的? 又是如何向团队游客提供帮助? (此问题将要深入探究)
3. 您们曾经是否推荐或劝说出境旅游者改变他们原设想要去的旅游目的地的初衷? 这种情况是如何发生的? (深入探讨个人自助游和团体游客)
4. 您们更加偏爱哪个境外旅游目的地?
 - 4.1 为什么? 它有什么独特之处? (分别就个人自助游和团体游客进行深入探讨)
 - 4.2 您们是如何推销宣传上述旅游目的地的? 它是否有独特的方式推销它自己? 如果有? 是如何推销的?
5. 当听到“非洲”这个词时, 您首先想到了什么?
6. “南非”呢?
7. 在过去的五年内, 您是否向游客推荐过南非旅游?
如果是---请回答问题 8。
如果否---请回答问题 9。
8. (如果旅行社推荐过南非游) 南非作为旅游目的地, 有什么特别之处?

(** 请回答问题 10 **)

9. (如果旅行社没有推荐过南非游) 为什么您们没有向中国出境游客宣传南非旅游?

您们是否曾经向中国出境游客推荐过其他非洲国家作为旅游目的地? 如果否--请回答问题 10; 如果是--哪一个? 是什么原因使您们推荐它? 它有什么独特之处?

10. 您们现在如何看待南非?
11. 什么将会使您们推荐南非旅游? (包括团游及个人游)
12. 您认为, 如何宣传南非旅游
 - 12.1 向中国出境游客市场?
 - 12.2 向中国旅行社?
13. 其他建议与意见?

占用您的宝贵时间, 谢谢合作。

Appendix 2: Sample of Questionnaire—English and Chinese Version

Questionnaire

Promoting South Africa as a leisure tourist destination for China

All information will be used for academic research purposes and will remain confidential

Instructions: Please tick the appropriate boxes

1. Has your travel agency ever promoted a tour to South Africa before?

Yes Please proceed to next question.
 No Please provide brief reasons and proceed to Question 6 to 15.

2. How long has your travel agency been conducting tours to South Africa?

Less than 1 year
 1-2 years
 3-5 years
 More than 5 years

3. What is the estimated number of visitors that your travel agency takes to South Africa annually? _____

SOUTH AFRICA AS AN OUTBOUND DESTINATION

4. What comes to your mind when you hear the word "AFRICA" or "SOUTH AFRICA"?

5. What are the attractions/selling points of South Africa as an outbound tourist destination? Please rate your answers on a 5 point scale as indicated below. (Please proceed to Question 7)					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
a. Scenic beauty					
b. Wildlife experiences					
c. Cultural experiences					
d. Adventure experiences					
e. Shopping, entertainment and recreational experiences (e.g. purchase diamonds, enjoy abalone meal).					
f. Different people and lifestyles					
g. Climate					
h. Historical attractions					
i. Visit to friends and family					
j. Participation in major events (E.g. Cricket World Cup in 2003)					
k. Other (Please specify) _____					
6. The following reasons describe why people do not want to visit/have not yet visited South Africa. To what extent do you agree with these?					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
a. Personal safety concerns					
b. Do not know enough					
c. Concern about health					
d. Language					
e. Other preferred destinations					
f. Unsuitable for independent travel					
g. Flight too long					
h. Expensive					
i. Preference for Asia					
j. Food					
k. Not enough time					
l. Visa					
m. Other (Please specify)					

SOUTH AFRICAN PROMOTIONAL ISSUES

7. When it comes to promoting an outbound destination, which promotional vehicles should be used?

- | | |
|--|--------------------------|
| 1) Advertising
(Newspapers, magazines, television, radio, internet, direct mail, outdoor)
Which? _____ | <input type="checkbox"/> |
| 2) Printed literature | <input type="checkbox"/> |
| 3) Personal selling (Salespersons or selling team) | <input type="checkbox"/> |
| 4) Sales promotion (Exhibition, trade incentives, coupons, discounts)
Which? _____ | <input type="checkbox"/> |
| 5) Direct marketing
(Catalogues, direct mail, television selling, radio/magazine/newspaper selling)
Which? _____ | <input type="checkbox"/> |
| 6) Internet marketing (Website) | <input type="checkbox"/> |
| 7) Public Relations | <input type="checkbox"/> |
| 8) Sponsorship | <input type="checkbox"/> |
| 9) Other (Please specify) _____ | <input type="checkbox"/> |

8. Which promotional vehicles would you use to promote South Africa as an outbound tourism destination?

- | | | | |
|--|---------------------------------------|-----------------------------------|--|
| Television <input type="checkbox"/> | Radio <input type="checkbox"/> | Magazine <input type="checkbox"/> | Newspaper <input type="checkbox"/> |
| Billboard <input type="checkbox"/> | Flyer <input type="checkbox"/> | Internet <input type="checkbox"/> | Exhibition <input type="checkbox"/> |
| Friends <input type="checkbox"/> | E-mail <input type="checkbox"/> | Brochure <input type="checkbox"/> | Travel agency <input type="checkbox"/> |
| Department of Environmental Affairs & Tourism <input type="checkbox"/> | Others _____ <input type="checkbox"/> | | |

9. Which promotional vehicles, which promote South Africa as an outbound destination are you aware of?

PROFILE OF TRAVEL AGENCY

10. Name of your travel agency (optional): _____

11. Where is your travel agency located? _____

12. How long has your travel agency been in existence?

Less than 1 year	
1-5 years	
6-10 years	
Longer than 10 years	

13. What is the size of your travel agency?

1-2 consultants	
3-5 consultants	
6-10 consultants	
More than 10 consultants	

14. Which of the following regions do you market?

Southern African countries	
Africa at large	
Europe	
North America	
South America	
Asia	
Australasia	
Other (Please specify)	

15. Please feel free to provide any further comments and/or suggestions that you believe may be important to this study:

**THANK YOU FOR TAKING THE TIME TO COMPLETE THIS SURVEY.
YOUR INPUT IS APPRECIATED.**

南非旅游问卷调查

感谢您配合我们的咨询活动，本问卷之咨询资料只用于学术研究目的，资料保密，敬请放心

请在适当答案后划“ ”

1. 您所在的旅行社是否做过南非游？

是
否

请回答下一题。

请简要说明原因然后回答以下问题：6-15

2. 您所在的旅行社做南非业务有多长时间？

1 年以下

1-2 年

3-5 年

5年以上

3. 您所在的旅行社每年送去南非的游客大约有多少？

南非作为出外旅游目的地

4. 当听到“非洲”或“南非”，这个词时，您首先想到了什么？

5. 南非旅游的卖点是什么? (请接下来回答问题 7)					
	非常不赞同	不赞同	中立	赞同	非常赞同
a. 风景美丽					
b. 野生动物的全新体验					
c. 异国文化体验					
d. 刺激的冒险体验					
e. 充实的购物, 娱乐与休闲体验 (购买钻石, 品尝鲍鱼)					
f. 体验异国生活方式风土人情					
g. 气候怡人					
h. 丰富的历史遗迹					
i. 探亲访友					
j. 参加, 观看体育赛事或重大活动. (例如: 2003年世界杯板球赛)					
k. 其他 (请注明) _____					
6. 是什么原因说明人们不愿去或还没有去南非旅游? 您赞同以下那些说法?					
	非常不赞同	不赞同	中立	赞同	非常赞同
a. 担心个人安全					
b. 对南非了解不多					
c. 对健康的担忧					
d. 语言不通					
e. 有更好的旅游目的地					
f. 不适宜自主旅游					
g. 飞行时间太长					
h. 旅游费用昂贵					
i. 更喜欢亚洲地区					
j. 食物不习惯					
k. 没有足够时间					
l. 签证难					
m. 其他 (请注明) _____					

南非游的宣传方式

7. 对于宣传一个旅游目的地，以下那些宣传方式应该被采用？

- 1) 广告推销
 (报纸, 杂志, 电视, 收音, 网络, 直接邮寄广告, 街头广告)
 选用哪些 _____
- 2) 印刷品
- 3) 个人销售 (推销员 或 推销小组)
- 4) 促销活动 (展览会, 打折扣)
 选用哪些 _____
- 5) 直接行销
 (宣传小册子, 直接邮寄销售, 电视直接销售, 收音/杂志/报刊直接销售)
 选用哪些 _____
- 6) 网络行销 (网页销售)
- 7) 公共关系
- 8) 赞助商
- 9) 其他(请注明) _____

6. 你们会采用以下哪些宣传媒介推销南非游？

- 电视 收音 杂志 报纸
- 广告牌 广告传单 互联网 展览会
- 朋友 电子邮件 宣传小册子 旅行社
- 国家旅游局 其他 (请注明) _____

9. 您认为，如将南非视为旅游目的地，应该采用哪些宣传方式？

旅行社资料

10. 您所在旅行社的名称（可选择回答）：_____

11. 您所在的旅行社坐落地点？_____

12. 旅行社营业时间？

1 年以下

1-5 年

6-10 年

10 年以上

13. 您所在旅行社的规模？

1-2 个代理

3-5 个代理

6-10 个代理

10 个代理以上

14. 旅行社专做以下哪些地区的业务？

南非地区

其他非洲地区

欧洲

北美洲

南美洲

亚洲

澳大利亚，新西兰

其他（请注明）

15. 请您踊跃提供对此次研究（在中国市场，推销南非旅游）有所帮助的资料，
意见与建议：

感谢您花费时间完成问卷，谢谢合作。