



**THE EFFECT OF A CUSTOMER RELATIONSHIP FRAMEWORK ON STRATEGIC  
MARKETING PLANNING FOR DESTINATION MARKETING ORGANISATIONS IN  
TSHWANE, SOUTH AFRICA**

**by**

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**Thesis submitted in fulfilment of the requirements for the degree  
Doctor of Technology: Tourism and Hospitality Management**

**in the Faculty of Business and Management Sciences  
at the Cape Peninsula University of Technology**

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**District Six Campus: Cape Town**

**2020**

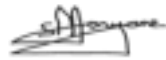
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## DECLARATION

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Signed



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Date

20 December 2020

## **ABSTRACT**

The thesis interrogates the effect of marketing strategies on a destination customer relationship framework for a destination-marketing organisation in Tshwane. The destination-marketing organisation used as a case study is the Tshwane Tourism Association. The marketing strategies used for the study focus on strategic marketing planning, market positioning, retention marketing, product/service strategy, relationship marketing and customer relationship management. The literature review investigated customer relationship management models and the Ali Customer Relationship Management model was identified as suitable to guide the study because of its integration of marketing services factors such as people and service quality. Furthermore, the elements of marketing planning and tourism trends in a destination were studied. The reason for the destination and tourism trends is because Tshwane Tourism Association operates within a tourism-active area and the reason for strategic marketing planning is that the core function of Tshwane Tourism Association is to promote the City of Tshwane as a destination of choice. Therefore, marketing planning is a central function and a critical success factor.

The research methodology of the study is a mixed method research design. The population of the study comprised the hospitality, travel and tourism organisations operating within the City of Tshwane as existing and potential customers of the Tshwane Tourism Association, non-governmental organisations operating within the Gauteng Province and higher education institution experts. The quantitative element was a survey conducted on 400 hospitality and travel and tourism organisations operating within the City of Tshwane. The qualitative element was conducted with non-governmental organisations operating within the Gauteng Province.

The findings from the quantitative and qualitative studies indicate a significant relationship between market positioning, retention marketing, relationship marketing, destination marketing, product/service strategies, and marketing planning with the destination customer relationships. Furthermore, it was found that these relationships have a positive influence on service delivery, resulting in customer satisfaction, retention and loyalty. The study concludes with a recommended framework for a destination customer relationship programme.

## **DEDICATION**

I dedicate this thesis to my son, Phehello Monyane.

## ACKNOWLEDGEMENTS

I would like to extend thanks to the following people whom without their generous contribution, this thesis would not have been possible:

- Professor Spencer, my enthusiastic supervisor: My DTech has been an amazing and eye-opening journey and I thank you Prof. Spencer for the tremendous academic support, advice, patience, guidance, motivation and passion for excellence but also for giving me the opportunity to walk my academic journey led by you. It has been an evolving, edifying and extremely life changing experience.
- I am also hugely appreciative of my wife Chantal Monyane for encouragement and keeping the midnight candle burning when I was going through the journey.
- Special mention goes to my family, Phehello, Mpho, Oratile, Repholositswe, as well as the Molefe and Mkhwanazi families for your support throughout my scholarly journey.
- My special gratitude to the Tshwane University of Technology for the support.
- Ms Cheyl Thomson, my editor, has performed an amazing feat in getting this thesis to a presentable form.

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## ABBREVIATIONS AND ACRONYMS

AVE	Average variance extracted
B2B	Business-to-business
B2C	Business-to-customer
CoT	City of Tshwane
CPUT	Cape Peninsula University of Technology
CR	Composite reliability
CRL	Customer relationship leadership
CRF	Customer relationship framework
CRM	Customer relationship management
CSF	Critical success factor
DMO	Destination marketing organisation
FIFA	Fédération Internationale de Football Association
GDP	Gross domestic product
GTA	Gauteng Tourism Authority
HEI	Higher education institution
JV	Joint venture
KMO	Kaiser-Meyer-Olkin
MICE	Meetings, incentives, events and conventions
MVA	Multivariate analysis
NGO	Non-governmental organisation
NTO	National Tourism Organisation
PPC	Pay per click
QA	Quality assurance
QC	Quality control

ROI	Return on investment
RSA	Republic of South Africa
RTO	Regional tourism organisations
SA	South Africa
SADT	South African Department of Tourism
SAT	South African Tourism
SEO	Search engine optimisation
SPSS	Statistical Package for Social Sciences
SRMR	Standardized root mean square residual
SWOT	strengths, weaknesses, opportunities and threats
TTA	Tshwane Tourism Association
UN	United Nations
UNWTO	United Nations World Tourism Organisation
UoT	University of Technology
VFR	Visiting family and friends
VIF	A formal way of testing for multicollinearity



## GLOSSARY

**Customer relationship management (CRM):** Processes and steps that an organisation puts in place to co-ordinate and manage relationships with customers to co-create services and retain customers.

**Tourism destination:** A place where different kinds of tourists visit to engage in tourism activities, which include recreation, sports, business and holiday. The interaction with local communities is sometimes encouraged.

**Tourism marketing:** The identification of customer needs and wants. Designing the products and services according to the needs and wants of the customers. Taking the services to the customers through promotion mix, including advertising, sales promotion, personal selling and publicity, and finally generating income through services and product sales.

**Destination marketing organisation (DMO):** An organisation aimed at promoting a local society as an attractive travel destination and developing its community image as appealing and attractive place to visit for any tourism purpose and business.

**Customer:** A person or organisation that solicits products or services from another organisation in exchange for money.

# CHAPTER 1

## INTRODUCTION TO THE STUDY

### 1.1 INTRODUCTION

Traditionally, organisations focused their marketing efforts on their transactions with individual customers but the increasingly competitive atmosphere characterising global markets suggests that it is now obligatory for organisations to turn their attention to building a long-term continuing relationship with individual customers (Mullins, Walker, Boyd & Larreche, 2005:11; Rajput, Zahid & Najaf, 2018:118).

Customer relationship management (CRM) concerns the relationship between destinations, marketing organisations like the Tshwane Tourism Association (TTA) and their customers. Customers are the lifeblood of any organisation, whether it is a global corporation with thousands of employees and a multi-billion Rand turnover, or the corner grocer with a handful of regular, loyal customers. CRM involves not only attracting new customers but also the retention of existing customers and the optimisation of the quality of the business that they conduct with these customers (Thakur & Workman, 2016:4096). The quality of relationships with customers formed through a CRM programme often cements the length of the relationship, since not all businesses or service providers have the potential to develop long-term relationships with customers (Mathur & Kumar, 2013:332).

The TTA could use the following successful, logical, tried and tested steps to build a customer relationship framework (CRF) (Awadzi & Panda, 2007:47-48; Madhurima, 2018:333-334):

- Establish mutually satisfying goals between the TTA and its customers;
- Establish and maintain TTA customer rapport;
- Produce positive feelings in the TTA and its customers;
- Always be consistent in terms of service delivery;
- Consider market positioning, retention and a product strategy in customer control of selecting a service provider; and
- Have the competitive edge and relationship marketing in situations where the customer has alternative sources of goods and services from which to choose.

The implementation of a customer relationship programme by the TTA would achieve the following benefits (Kotler & Armstrong, 2012:287; Liu, 2017:790):

- Improve TTA customer service loyalty, satisfaction and repeat business;
- Reduce costs, wastage and complaints;
- Reduce staff stress, because attrition is a major cause of stress; and

- A strong TTA customer relationship programme would improve relationships.

Furthermore, the TTA customer relationship programme would enable instant market research to open the lines of communication with customers, which allows constant direct market reaction to services and performance.

The TTA's CRM programme will grow its business in the following areas (Jobber, 2004:942; Ngobo, 2017):

- Long-term customer retention;
- Customer reduction of rates;
- Referrals to new customers; and
- Reduction of staff crisis management, enabling effective service flows and teamwork.

According to Cohen (2001:2) and George (2014:6), the role of the marketing plan is to promote products and service. Destination marketing organisations (DMOs) refer to marketing organisations like the TTA, for a destination like the City of Tshwane (CoT). Some DMOs have a national focus, others operate at a regional level and yet others promote smaller areas such as a town. The focus of this study is on a DMO called the TTA, which operates at a regional level.

Van Zyl, Salkind and Green (2014:69) report that within the body of theory related to destination marketing, there is often no distinction between the different levels in terms of general traits. The general management of a private company, for example, South African Airways, and that of a destination like the CoT, is different in many ways because the management of a destination is more complex and fragmented than that of a private company. For instance, the organisational structure of the tourism industry at a destination does not define the organisational responsibilities due to the complexity and fragmentary nature. The tourism industry at a destination displays duality in relation to the tasks that the DMO should perform and the duality is reflected in different aspects in that it is responsible for the management of the destination and its own daily operations (Ritter & Andersen, 2014:1008; Del Chiappa & Baggio, 2015:146).

The DMO is not involved in specific activities at a destination that could be considered competitive with the activities of other private companies within the same area of its operation. The majority of National Tourism Organisations (NTOs) and DMOs are not producers or operators of products and services as they seldom sell directly to visitors (Middleton & Clarke, 2001; Zhang, Watson, Palmatier & Dant, 2016:279). DMOs operate as non-profit organisations as they are expected to invest generated income into promoting the destination but their

customers profit from these endeavours. Therefore, it can be difficult to define measurable aims for performance. As a result, a DMO's responsibilities are to develop the tourism services of the destination and market these services to potential and applicable customers (Ritter & Andersen 2014:1010; Boes, Buhalis & Inversini, 2015:392). According to George (2014:199):

...marketing planning is the process by which a tourism and hospitality company attempts to analyse its existing resources and marketing environment to predict the direction it should take in the future.

Consequently, the marketing plan will help the company to focus clearly on where it is going, how it plans to get there and by what means this will be achieved. The marketing plan will also direct the company on how much time, effort and resources are needed to accomplish its goals. According to Cohen (2001:2), Kotler and Armstrong (2012:177) and George (2014:277), the marketing plan has the following functions:

- Acts as a roadmap;
- Stimulates thinking and aims to make better use of resources;
- Assigns responsibilities, tasks and timing;
- Plans, predicts problems, opportunities and threats;
- Assists with management's control and implementation of strategy;
- Informs new participants of their roles and functions; and
- Plots the acquisition of resources for implementation.

The focus of this study is on the development of a CRM framework for the TTA and to investigate the impact of marketing planning within the TTA. Elements of a customer relationship strategy are applied to arrive at a conceptual framework for CRM and action to establish the effect on strategic marketing planning for a DMO, such as the TTA.

## **1.2 RESEARCH PROBLEM STATEMENT**

Modern customers are becoming increasingly demanding when it comes to service delivery and expect ever-higher standards of customer service and satisfaction. These expectations pose distinct problems for businesses because customers have come to assume that high quality products or services are automatically accompanied by high standards of customer service.

This has created an environment in which businesses are compelled to monitor the requirements of their customers continuously and to make adjustments to their products/services offerings that will enable them to encourage customer retention and new customer exploitation in South African destinations (Jobber, 2004:942). One of the ways in which businesses can satisfy the expectations of customers is through a standard of customer service that meets customers' expectations. It is necessary for customer services to be

embedded within a precise business culture from the very inception of any business. Under such circumstances, CRM can only help to improve existing customer services. Xiao and Nicholson (2010:247) maintain that effective CRM enables a business to increase its rate of customer retention and the extent of customer loyalty. *Thus, due to the absence of a TTA customer relationship programme and knowledge of how marketing strategies impact on it, opportunities to improve customer retention, loyalty, satisfaction and the CoT positioning as number one destination of choice are lost. Therefore, marketing success and quality service delivery in the TTA area could be enhanced through the implementation of a customer relationship programme.*

### **1.3 RESEARCH AIM AND OBJECTIVES**

#### **1.3.1 Primary aim**

Based on the study problem, the primary aim of the study is to investigate the effects of marketing strategies on a CRF for the TTA in the CoT.

#### **1.3.2 Research objectives**

##### **Objective 1:**

To investigate the factors necessary for the TTA and its customers in planning and designing a CRF.

##### **Objective 2:**

To establish market positioning factors to support a CRF for the TTA.

##### **Objective 3:**

To identify a product marketing strategy that will sustain a CRF for the TTA.

##### **Objective 4:**

To establish marketing retention factors that will sustain long-term relationships between the TTA and its customers.

##### **Objective 5:**

To identify relationship marketing factors that are important for the development of a CRF for the TTA.

## **Objective 6:**

To recommend an appropriate framework for the development of a customer relationship programme for the TTA.

### **1.3.3 Main research question**

The main research question of the study is to establish which framework is suitable for the development of a customer relationship programme for the TTA and how do marketing strategies affect the stages of development.

### **1.3.4 Secondary research questions**

The following are the investigative secondary research questions:

#### **Secondary research question 1:**

Which customer-related factors are necessary in the planning and designing of a CRF for the TTA and its customers?

#### **Secondary research question 2:**

Which market positioning factors are necessary for supporting the CRF of the TTA?

#### **Secondary research question 3:**

Which marketing product strategy factors are necessary to sustain a CRF for the TTA?

#### **Secondary research question 4:**

Which marketing retention factors are recommended for sustaining a long-term relationship between the TTA and its customers?

#### **Secondary research question 5:**

Which relationship marketing factors are important in developing a CRF for the TTA?

#### **Secondary research question 6:**

Which relevant framework can be recommended for the TTA customer relationship programme?

## **1.4 MOTIVATION FOR THE RESEARCH**

DMOs date back to 1895, when the evolution of these organisations had a significant impact on stakeholders. The DMOs are now moving towards promoting and selling their destination to an expanded and bigger market base (Fenich, Scott-Halsell, Ogbeide & Hashimoto, 2014:239). The DMOs place emphasis on the level of support that they give to their stakeholders in terms of visitors, attractions, organisation of meetings, incentives and events and conventions (MICE). Hence, stakeholder relationship management in organisations such as the TTA is vital (Bourne, 2010). The success of CRM is possible if there is a high level of

commitment between the TTA and its stakeholders. The TTA needs to understand and manage its stakeholders' expectations to maintain the commitment between them (Bourne, 2010:4).

The TTA includes accommodation attractions, training and education, MICE, food and beverages, sports, transport and tourism operators, entertainment and recreation, tour guides, travel agents and vendors and services. This research attempts to fill the gaps in current literature by investigating a model of customer relationship for the TTA and the impact on strategic marketing plan development because of relationship marketing and as an antecedent to customer satisfaction (quality) and ultimately, customer loyalty.

## **1.5 LITERATURE REVIEW**

Relationship marketing has become a regular topic in discussions and research among academics and practitioners alike because of the economic advantages associated with retaining existing customers as opposed to only recruiting new ones (Som & Shirazi, 2011:76). A tourism destination's ability to retain customers and remain competitive depends on its ability to build and enhance relationships with customers and deliver value beyond that provided by the core product (Shirazi & Som, 2010:48).

The benefits to organisations from developing relationships with customers include improved profitability, business referrals and publicity, customer share, competitive positioning and most significantly, customer loyalty. Loyal customers are more profitable because they are attached to the organisation and thus easier to serve than those who are not loyal (Egan, 2001: 322; Fyall, Callod & Edwards, 2003:645; Egan & Harker, 2005: 279; Nwakanma, Jackson & Burkhalter, 2007:56).

Marketing planning is important to the TTA since it ensures that the marketer targets the right markets and segments, ensures cost-effectiveness and causes marketers to focus on one offering at a time. For the tourism industry, marketing planning focuses on an organisation's objectives, shape and corporate mission statements. It encourages an organisation to focus on its strengths and weaknesses as identified in the organisation's plans for the future (McDonald, 2007:167; Fábio & Luiz, 2016:480; Krafft, Arden & Verhoef, 2017:64).

The tourism industry is characterised by different forms of marketing planning. For example, in hotel groups, airlines and destinations, the planning assumes a formal approach and is captured in a document known as the marketing plan (Hatton, 2000:6; Tescari & Brito, 2016:474). According to Cohen (2001:2) and George (2014:114), a marketing plan is important for the effective marketing of products and services. The marketing plan will help the company to focus clearly on where it is going and how it plans to get there. The marketing plan also directs a company on how much time, effort and resources are needed to accomplish its goals.

Tourism organisations, like the TTA, operate in a business environment where innovation is important for their survival. Globalisation of tourism activities, the application of information technologies in tourism organisations and the changes in tourism demand and attitudes, all create a dynamic sector where innovation has become of central importance (Bilgihan & Nejad, 2015:2).

Innovation in tourism in the 21<sup>st</sup> century has been treated as a secondary matter and not financially supported and for this reason, was excluded from the scope of government interest and actions. However, there has been a shift, with the European Union leading the way and national governments following suite (Makkonen, Williams, Weidenfeld & Kaisto, 2018:142). Tourism is one of the biggest and fastest growing industries in the world. It has been growing rapidly, is 'exportable' by all countries and uses large quantities of labour and a range of skills. It is a major foreign exchange earner for many low-income countries and is a principal early contributor to foreign exchange (Gauteng Tourism Authority [GTA], 2019).

According to the United Nations World Tourism Organisation (UNWTO, 2018:1), international tourist arrivals reached 1,323 million in 2017 and international tourism generated US\$ 1.6 trillion in export earnings. The UNWTO forecasts a growth in international tourist arrivals of between 4% and 5% in 2018. UNWTO Tourism 2030 Vision forecasts that international arrivals are expected to reach nearly 1.8 billion by the year 2030. For 2017, tourism growth per region is recorded as follows (UNWTO, 2018:2):

- Asia recorded 6% growth at 324 million tourist arrivals in 2017, South Asia 10%, South East Asia 8% and Oceania 7%. North East Asia increased by 3%.
- Growth in the United States of America was 3% in 2017. South America generated a growth of 7%, while Central America and the Caribbean Islands enjoyed a growth of 4%.
- Southern and Mediterranean Europe's growth was 13% in 2017 and Central and Northern Europe was 5%, while Western Europe showed 7% growth.
- The countries of the Middle East grew by 5% and received 58 million international tourists in 2017.
- Africa grew by 8% with 62 million international tourist arrivals in 2017.

Tourism trends indicate a major growth in the sector in terms of visitors travelling globally and this includes South Africa. The TTA as a DMO needs to develop marketing strategies that will have a positive impact on customer relationships to allow the TTA and customers to take advantage of growing tourism in the CoT area. South Africa is a semi-arid country of 1.2 million square kilometres and is rich in flora and fauna. The country is well known for its large game, which includes elephant, lion, leopard, rhinoceros and buffalo. It has one of the highest levels of biodiversity in the world due to the broad range of climate, geology, soil and landscape



forms. Some 10% of South African land is devoted to conservation areas (World Travel & Tourism Council [WTTC], 2002:15).

The CoT visitors are the driving force in the tourism industry because they purchase the services provided by suppliers. The major suppliers in the tourism industry in South Africa are airlines, hotels, non-hotel tourist accommodation, catering, restaurants and food services, inbound tour operators, outbound tour operators, car rental, coach operators, trains, the conference industry and casinos. Each of these sectors co-ordinates with organisations that act in the interest of a supplier as well as the consumer (Lubbe, 2003:7).

As a province, Gauteng is blessed with attractions ranging from historical, cultural and natural attraction in areas like Tshwane (Pretoria), Johannesburg, Ekurhuleni (the East Rand), the West Rand, Metsweding (Cullinan) and Sedibeng (Vaal), linked with good infrastructures. O.R. Tambo (Johannesburg) International airport is in Ekurhuleni and is the gateway to Africa (City of Tshwane [CoT], 2019). The CoT is the administrative capital city of South Africa and tourism attractions include the Union Buildings, monuments, museums and old buildings (CoT, 2019).

## **1.6 SIGNIFICANCE OF THE RESEARCH**

Subsequent to a review of the literature, it is not clear that the conceptual foundations of the customer relationship strategy and the effect on marketing strategies in Tshwane have been fully developed, especially in a main service sector. In addition, there is no consensus on the key elements that capture this concept in relation to urban tourism organisations, such as the TTA. More specifically, previous studies have focused on testing strategic marketing plan models in urban tourism areas.

In response, this thesis attempts to enhance academic understanding by contributing to the body of knowledge on both customer relationship frameworks and the effects of marketing strategies like a marketing plan, market positioning, product/service strategies, relationship marketing and destination marketing on the destination CRF within a tourism context.

The proposed conceptual framework could contribute towards existing theories on customer relationships by empirically investigating the factors of marketing strategies and the effect on a destination CRF for a DMO, namely the TTA.

The research endeavours to provide managers in service industries, particularly those in destination marketing, with the relevant information and recommendations, which could be used for developing, implementing and improving their customer relationship programmes (Aytac & Slutsky, 2015:205-206; Katopol, 2015:139) and thereby contribute to the body of knowledge on CRM and the functions of DMOs.

## 1.7 RESEARCH METHODOLOGY

A pilot study was conducted prior to the actual commencement of the research study, with 20 customers of the TTA, two higher education institution (HEI) experts and two interviews with non-governmental organisations (NGOs). This was done to test the quality of the research questionnaire and the time taken by respondents to complete it. All respondents indicated that the questionnaire was excellent in terms of standard and time of completion. The study utilised a mixed method research design using quantitative and qualitative research (Babbie & Mouton, 2001:198; Amaratunga, 2002:18; Bogdan & Biklen, 2006:2012; Creswell, 2014:186; Hernon & Schwartz, 2016:91; Kostoulas & Mercer, 2016:128; Connaway & Radford, 2017:176).

### 1.7.1 Quantitative research

This approach is important when casual relationships among the underlying theoretical constructs need to be examined. Furthermore, quantitative research is important for this study because it is concerned primarily with numeric data, seeks to establish relationships and to explain the causes of the changes in measured social facts (White, 2005:84; Pickard, 2013:78; George, 2014:192).

### 1.7.2 Qualitative study

According to Bogdan and Biklen (2006:2012) and Eriksson & Kovalainen (2015:349), qualitative research deals with verbal data. It relies on the way the respondent interprets observable social facts (Yin, 2009:231) and is why this method was chosen for this study

According to McMillan and Schumacher (2001:346), qualitative research describes and analyses specific and collective perceptions of society. The researcher engages with individuals in a face-to-face manner (Mason, 2002:139; Flick, von Kardorff & Steinke, 2004:77). This study therefore uses the following quantitative and qualitative approaches (Ritchie & Lewis, 2003:117; White, 2005:88; Denzin & Lincoln, 2005:217)

**Descriptive** - this study provides an in-depth description of the population groups; identifies factors of frequent occurrence and gives a statistical summary of variables with the aim of classification.

**Correlation** - the study identifies the relationships between variables and discusses them in the recommendations.

**Survey** - this study uses structured and semi-structured questionnaires to conduct survey research.

### **1.7.3 Population**

Creswell (2003:213) and Saunders, Lewis and Thornhill (2012:123) describe a population as the total subject under study. In this study, the quantitative population refers to the tourism-related businesses operating within the TTA area. The researcher liaised with the CoT to obtain information on the existing and potential tourism businesses operating within its area. The Gauteng Tourism NGOs form part of the qualitative population.

### **1.7.4 Sample size**

According to Plowright (2011:36), a sample size is the total number of selected individuals to partake in a study. The sample size is, however, merely a fraction of the entire population. The quantitative sample size for this study is 400 tourism businesses within the TTA and 20 HEI experts in universities of technology (UoT) and universities. The qualitative sample comprises 10 tourism NGOs in the Gauteng Province. Approximately 400 stakeholders were surveyed through questionnaires and 10 tourism NGOs in the Gauteng Province were interviewed. The sample size is acceptable, upon which generalisation of findings can be made.

### **1.7.5 Sampling method**

This study adopted a stratified random sampling method for TTA customers and UoT tourism experts (quantitative study). In stratified random sampling, each unit in the population has an equal opportunity of being selected. These methods are relevant because of their exploratory nature. White (2005:49) and Lewis-Beck, Bryman and Liao (2015:77) state that random sampling refers to survey sampling designs that meet the criteria necessary to permit the use of randomisation-based methods of statistical inference. Stratified random sampling was employed and the researcher ensured a fair and even representation of all the categories of stakeholders in the CoT area.

Qualitative research uses non-probability samples for selecting the population for the study. In a non-probability sample, participants are deliberately selected to reflect features of groups within the sampled population. The random sampling method of purposive approach was used for the 10 Gauteng Tourism NGOs.

### **1.7.6 Data collection**

The data collection instruments applied in this study are a self-administered questionnaire and an interview schedule. The questionnaires use the following:

- Structured questions to obtain the demographics information of the respondents;
- A five-point Likert scale to assess the perceptions even though on four variables an additional *not applicable* is added, resulting in a six-point scale; and
- Ten Gauteng tourism NGOs were interviewed.

A telephone was used for semi-structured interviews and notes were jotted down in a notebook to capture the responses for later data analysis (Hallowell & Gambatese, 2010:99).

### **1.7.7 Data analysis**

Considering the nature of this study, quantitative data are analysed using the Statistical Package for Social Sciences (SPSS) and the Smart PLS platform. Tables, figures, graphs, frequency distribution, correlations and cross tabulations are presented to the reader. However, since this is also a quantitative research, numerical analysis was done. The SPSS screens the collected data prior to performing data analysis. For the qualitative analysis, the STRATA software platform decodes the data and creates figures to construct findings (Field, 2009:312).

Further analysis was conducted at the first stage (measurement model) to specify the causal relationships between the observed variables (items) and the underlying theoretical constructs (composite and latent variables) to provide reliable and valid constructs. The aim of the second stage was to test the data that reflect the relationships between these theoretical constructs. The model fit was established through goodness-of-fit indices and the significance of paths by using coefficient parameter estimates.

## **1.8 ETHICAL CONSIDERATIONS**

It is an international requirement that the rights of respondents should be protected during any research study. Ethical considerations refer to the way the researcher handles participants during and after a research study. In compliance, all ethical considerations were observed and respected as prescribed in the consent form of the interviews and questionnaires. Respondents were enlightened and briefed on their rights. Where appropriate, participants signed the necessary forms and the researcher respected and protected their privacy during and after the study. No information from the respondents was used in any way that would cause any harm to them. The researcher reported the findings in an honest manner, without misrepresenting or compromising the outcome of the study. Permission to conduct the study was obtained from the Cape Peninsula University of Technology (CPUT) Faculty of Business and Management Sciences Ethics Committee (see Appendix A).

## **1.9 STRUCTURE OF THE STUDY**

### **Chapter 1: Background and introduction to the study**

This introductory chapter identifies the main reasons for the study and offers a general outline of the study that provides the reader with a concise view and overall understanding of the research. The problem statement is discussed, as are the primary and secondary objectives and the propositions of the study are set out. A brief literature review is offered and the research methodology used in the study is summarised.

## **Chapter 2: Customer relationship framework and global tourism trends**

An understanding of the provision of customer service should be preceded by an explanation of how services marketing developed. This literature review chapter clarifies the role of CRM in providing customer service and customer satisfaction. CRM offers a variety of benefits to both the business and the customer and although building up long-term relationships with customers takes time, benefits such as creating loyalty in customers and increased profits can be realised.

## **Chapter 3: Customer relationship models and marketing**

Before a relationship of value can be formed with any stakeholder (and with the customer in particular), it is necessary to have a model for relationships. For this reason, this chapter focuses on the CRM models. A discussion of the historical and thesis adopted CRM model including benefits is tabled in this chapter.

Chapter 3 also reviews the factors that affect customer retention and customer loyalty that establish the link between customer relationships and marketing. This chapter discusses marketing planning and destination marketing concepts.

## **Chapter 4: Empirical research methodology**

Chapter 4 provides insight into the research methodology process by identifying the research problem, creating a research design, choosing a research method, the procedure involved in selecting a sample, the collection of data, data analysis and the reporting of results. The empirical research methodology of this study is described for each step.

## **Chapter 5: Discussion and interpretation of results**

Chapter 5 presents the research findings of the study. The statistical methods that were used for interpreting the data are presented and the results that were obtained from each section in the questionnaire are analysed.

## **Chapter 6: Conclusions, implications and recommendations**

This chapter concludes the study by presenting specific major findings and recommendations emanating from the results that were obtained. It also discusses the link between the secondary objectives of the study, the questions in the questionnaire and the main findings relating to the secondary objectives. A framework for creating customer relationships is presented by combining the results obtained in the study. The chapter concludes with a discussion on the limitations of the study and recommendations for future research.

### **1.10 SUMMARY**

This introductory chapter provided a background and discussed the central issues of the research briefly. It sketched a general outline of the study that provided the reader with a

concise view and overall understanding of the research. The problem statement in relation to the effects of marketing strategies on a CRF for a DMO was described. The significance of the study as well as the objectives and research questions were stated. The structure of the research, delineated by chapter, guides the reader through the thesis. The chapter is concluded by a discussion on the ethical considerations applied in this study,

The next chapter, Chapter 2, examines the customer relationship framework and tourism growth trends.

## CHAPTER 2

### TOURISM GROWTH TRENDS AND CUSTOMER RELATIONSHIP FRAMEWORK

#### 2.1 INTRODUCTION

This chapter discusses the CRF at tourism marketing association level, aimed at marketing tourism destinations. The discussion focuses on subsequent tourism growth benefits of properly managed customer relationships. Tourism growth takes place at destination level and could have a major economic impact and benefits. Hence, it is important to identify tourism growth trends as the area of focus for this study.

The study investigates the effect of marketing strategies on the CRF of tourism destination organisations in the CoT. Due to the absence of a framework for customer relationships and the knowledge of its effect on the strategic marketing plan for the TTA, opportunities for long-term customer relationships are lost. Marketing effectiveness and quality service delivery in the TTA area could be improved by the application of a customer relationship strategy. The following investigative questions were formulated in support of the research aim and are in line with the objectives of the study:

- Which customer-related factors are mandatory in involving the TTA and its customers in the planning and designing of a CRF?
- Which market positioning factors are necessary for supporting a CRF for the TTA?
- Which marketing product strategy factors are necessary for sustaining a CRF for the TTA?
- Which marketing retention factors are recommended for sustaining long-term relationships between the TTA and its customers?
- Which relationship marketing factors are important for the development of a CRF for the TTA?
- Which relevant framework can be recommended for the TTA customer relationship programme?

The sections and attendant subsections discussed in this chapter are very important as they capture the essence of the study. Firstly, the tourism section demonstrates the destination background as a marketing point for the TTA.

Without understanding the tourism event economic dynamics at destination level, it is difficult to demonstrate how the TTA could make an impact on marketing the CoT and developing effective strategies for customer relationships. This is followed by an introduction to the CoT and the Local Tourism Association (LTA). The chapter concludes with a detailed explanation of CRF, the essence of this thesis and sets the basis for the discussion in Chapter 3 on customer relationship models and marketing concepts.

## **2.2 IMPACTS OF TOURISM**

George (2014:3) describes tourism as:

Tourism is the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

It should be further noted that:

- Tourism is not limited to overnight stays;
- All tourism includes travel, but not all travel is tourism;
- Tourism is not only about travelling for leisure; and
- Tourism is key to development, prosperity and societal well-being (George, 2014:10).

Tourism as a service industry is one of the fastest growing industries globally (UNWTO, 2017b:12). An ever-increasing number of destinations worldwide have invested in tourism, turning this industry into a key driver of social and economic progress through export revenues, the creation of jobs and enterprises and infrastructural development. During the decades between 1900 and 2000, tourism experienced expansion and diversification, making it one of the largest and fastest-growing economic sectors in the world. There are new destinations favoured by tourists, such as East Asia, for instance Bangkok, Hong Kong in China, in addition to traditional UK, Europe and North America (UNWTO, 2017a:10). Therefore, national DMOs should create a customer relationship-based marketing plan especially to take advantage of these new destinations.

## **2.3 INTERNATIONAL TOURISM CONTEXT**

International tourist arrivals have shown growth from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and 1087 million in 2013 (UNWTO, 2017a:12). International tourist arrivals worldwide are expected to increase by 3.5% (1 235 million) in 2017 and to reach 1.8 billion by 2030 (UNWTO, 2017a:12). Between 2017 and 2030, arrivals in emerging destinations are expected to increase at twice the rate of those in advanced economies (+4.4% a year). The tourism market share of emerging economies increased from 30% in 1980 to 47% in 2013 and is expected to reach 57% by 2030, equivalent to over 1.8 billion international tourist arrivals (UNWTO, 2017a:15). Therefore, the TTA needs to take advantage of the tourism industry activities in the jurisdiction of the CoT through effective marketing planning and customer relationships. According to the World Tourism Barometer (UNWTO, 2018:5), international tourist arrivals per region (overnight visitors) grew as follows:

- Europe reached 671 million visitors in 2017, an 8% increase following a comparatively weaker 2016. Growth was driven by positive results in Southern and Mediterranean Europe (+13%). Western Europe (+7%), Northern Europe and Central and Eastern



Europe (both +5%) also recorded robust growth.

- Asia and the Pacific area (+6%) recorded 324 million international tourist arrivals in 2017. Arrivals in South Asia grew by 10%, in South-East Asia by 8% and in Oceania by 7%. Arrivals to North-East Asia increased by 3%.
- In 2017, tourism in the Southern African Development Community (SADC) generated USD 18.3 billion in visitor exports and South Africa welcomed 10.29 million foreign tourists (visitors who stayed overnight) in 2017 and the number of African arrivals (7.6 million) was 0.8% up in 2017.
- The Americas (+3%) received 207 million international tourist arrivals in 2017, with most destinations showing positive results. In the year, 2017 South America (+7%) led growth, followed by Central America and the Caribbean (both +4%), showing clear signs of recovery after hurricanes Irma and Maria. In the same year, 2017, North America growth was 2%, while Mexico and Canada decreased.
- African growth in 2017 was estimated at 8%. The region consolidated its 2016 rebound and reached a record 86 million international arrivals. North Africa enjoyed a strong recovery with arrivals growing by 13%, while in sub-Saharan Africa arrivals increased by 5%.
- The Middle East (+5%) received 58 million international tourist arrivals in 2017 with sustained growth in some destinations and a strong recovery in others.

The growth in destination tourism, as indicated by the above statistics, reveals tourism growth in the industry over the recent past (post-2015) and is projected by the UNWTO (2017a:11) to continue growing. The reason for tourism growth is global economic well-being, allowing tourism to flourish. Therefore, DMOs like the TTA need to develop customer relationship strategies that will enable them to take advantage of this tourism growth. Statistics indicate a significant tourism impact now and in the future, especially at destination level. Destination marketing associations need to take advantage of this upward economic trend by ensuring that customer relationships are properly managed and have a positive influence on marketing planning.

#### **2.4 TOP 10 INTERNATIONAL CITIES VISITED BY TOURISTS**

Tourism DMOs, such as the TTA, operate at city level and it is therefore important to consider tourism growth at a global level. The following information sheds light on visitor numbers to the top cities in the world (Mastercard, 2017:5).

- Bangkok, Thailand - 19.41 million visitors in 2016; 20.19 million for 2017.
- London, England - 19.06 million visitors in 2016; 20.01 million for 2017.
- Paris, France - 15.45 million visitors in 2016; 16.13 million for 2017.
- Dubai, UAE - 14.87 million visitors in 2016; 16.01 million for 2017.

- Singapore - 13.11 million visitors in 2016; 13.45 million for 2017.
- New York, USA - 12.70 million visitors in 2016; 12.36 million for 2017.
- Seoul, South Korea - 12.39 million visitors in 2016; 12.44 million for 2017.
- Kuala Lumpur, Malaysia - 11.28 million visitors in 2016; 12.08 million for 2017.
- Tokyo, Japan - 11.15 million visitors in 2016; 12.51 million for 2017.
- Istanbul, Turkey - 9.16 million visitors in 2016; 9.24 million for 2017.

The following figures indicate tourist visitor numbers to major South African major cities (South African Tourism [SAT], 2017:4):

- Cape Town - 4.09 million visitors in 2016; 5.2 million for 2017.
- Pretoria - 1.2 million visitors in 2016; 2.2 million for 2017.
- Durban - 2.2 million visitors in 2016; 2.8 million for 2017.
- Bloemfontein 1.1 million visitors in 2016; 1.4 million for 2017.

These cities derive a major source of economic activity from tourism activities. It is therefore critical for the TTA to mobilise all stakeholders using a sound customer relationship strategy. This will assist the TTA to create effective marketing planning strategies aimed at taking advantage of the economic benefits of tourism growth in the long term.

## **2.5 AFRICAN TOURISM CONTEXT**

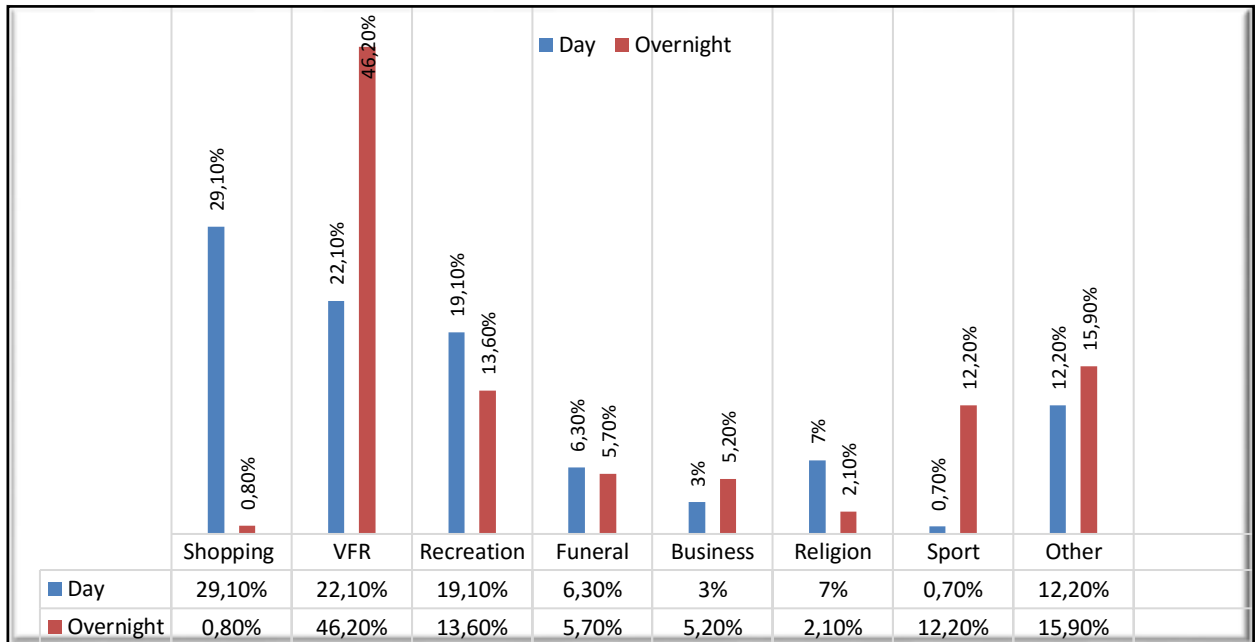
In 2017, tourism growth in Africa across various destinations was 86 million (8%) after surpassing the 50 million mark in 2012. Nevertheless, international tourism revenue remained at US\$ 34 billion due to a weak global economy and a strengthening African economy.

The continent maintained an 8% share in worldwide arrivals and 3% share in receipts. Arrivals growth in sub-Saharan Africa is estimated at 13%, though data from individual destinations show a mixed picture. South Africa, the largest tourism destination in the sub-region, reported a growth of 12.8% (SAT, 2017:6). This demonstrates a significant growth in the African tourism industry. DMOs like the TTA should engage in robust customer relationship campaigns to retain their existing customers and attract new customers. In so doing, destinations will benefit economically from the continuous tourism growth.

## **2.6 SOUTH AFRICAN TOURISM GROWTH CONTEXT**

As illustrated in Figure 2.1, South Africans travelled primarily for sport events in 2016 but in 2017, they preferred to eat out or shop on day excursions Statistics South Africa [Stats SA] (2018:17). South African major expenditure is no longer on accommodation or meals as in the past, but on transport. In 2017, South Africans spent R1.6 million on meals, R2.1 million on shopping day excursions and R2.7 million on transport to reach their destinations. For overnight stays, they spent R12.5 million on transport, R11.9 million on shopping and R5.1

million on accommodation. About 73% of South African stays were visiting family and friends (VFR) to cut expenses. In total, South Africans spent just more than R63 million on overnight travel (SAGTA, 2019).



**Figure 2.1: Reasons why South Africans travel**

Source: Stats SA (2018:5)

The 47.5 million trips undertaken in 2017 is an increase of 21% over 2016, while the 44.4 million overnight trips were 4% more than in 2016. Despite more travel being undertaken in 2017, less money was spent than in 2016. Expenditure on overnight trips and day excursions was just over R86 million in 2017, less than the R87 million spent in 2016. South Africa witnessed a 14.8% increase in international tourists, from 10 million in 2016 to 10.29 million in 2017 (SAGTA, 2019).

This is far in excess of the 7% growth in tourist arrivals globally. South Africa’s revenue from international tourism grew by 9.3%, from R402 billion in 2016 to R412.5 billion in 2017 (SAGTA, 2019). Furthermore, the South Africans used the overnight facilities for VFR 71%, 3.5% self-catering, 2.5% hotel, 2.5% holiday homes and 20.5% other accommodation.

All regions showed growth in tourists into South Africa from other regions in 2016, leading with Asia by 30.3%, North America with 14.9%, Europe recorded 15.8%, Australasia with 10.9%, Africa land markets with 11.4% and Africa air markets recorded at 5.3% (SAT, 2017:9). South African domestic tourism revenue increased by 12% to total R26.5 billion in 2016, compared to R23.6 billion in 2015. On average, domestic tourists who took trips in this period spent more per trip than in previous years (SAT, 2017:8). 2016 saw a 12.3% increase in domestic spend

and the total number of trips increased by 0.7%. On average, South Africans each took 2.1 trips in 2016, an increase over the 2.0 trips in 2015 (SAT, 2017:7). Domestic trips can be divided into holiday trips (about 20%), business trips accounted for 10%, whilst trips to visit friends and relatives (VFR) accounted for 70%. In 2016, holiday trips taken within South Africa fell by 3.1%, from 2.7 million to 2.6 million. Domestic tourists' length of stay grew from 4.2 nights in 2015 to 4.3 nights in 2016. The total number of bed nights increased by 0.9% (SAT, 2017:9).

To emphasise the importance of city tourism growth and its economic impacts, this study looked at the tourist trends during the recent historical mega events in South Africa, focusing on Rugby, Cricket and the Fédération Internationale de Football Association (FIFA) Soccer world cups. The revisiting of historical mega events is important for the study because the TTA needs to develop customer relationship strategies and marketing plans that are aimed at harvesting tourism growth and economic benefits at the city level. The following discussion unpacks historical tourism growth and impacts with special reference to the abovementioned mega events in South Africa.

#### **2.6.1 South African tourism events growth and economic impact: The case of South African rugby, soccer and cricket world cups**

Although the following discussion reviews rugby, cricket and soccer world cups, only the FIFA 2010 World Cup is discussed in detail to demonstrate the impact of events on a destination. This is due to the nature of this research and availability of literature on the 2010 FIFA World Cup. In 1995 the Rugby World Cup was hosted by South Africa between 25 May and 24 June 1995 and attracted approximately 22 000 international visitors to each game. Most visitors spent an average of R15 784 per person on the trip, with the numbers of tourists coming from Australia increasing by 54% and from New Zealand by 112% (Fourie & Spronk, 2011:76).

The number of tourist arrivals during the Cricket World Cup in 2003 increased by only 5%, with the biggest supporter of the event being India with 64% of the total cricketing tourists.

The South African FIFA 2010 Soccer World Cup attracted many tourists and improved South African tourism publicity in China. Tour operators developed African tourism projects to inspire Chinese tourists to visit South Africa and other destinations in Africa (Fourie & Spronk, 2011:86-88).

Tourist arrivals from China to South Africa were recorded as 55 874 visitors in the first 10 months of 2010, which was an increase of 65.5%. China became the fastest growing tourist source market in Asia for South Africa (Guangrui, Rui & Dequian, 2011:323). According to Cornelissen, Bob and Swart (2011:305), South Africa recorded a 15% increase in tourist arrivals in 2010.

## 2.6.2 South African tourism higher yield on international events tourist arrivals

A higher yield needs a business-related strategy to increase revenue by applying the short-term interventions for the organisation to record increased income. The 2002 World Cup in South Korea attracted 460,000 foreign visitors (Matheson & Baade, 2004:1085).

The Korea-Japan 2002 FIFA World Cup had a US\$ 6 billion impact on the economies of these countries—over 4% of their gross domestic product (GDP) (FIFA, 2011). Therefore, the 2002 Korea-Japan FIFA World Cup yielded positive results regarding revenue generation. The literature review indicates that there is a positive impact of events at destination level; hence, the TTA needs to develop a marketing strategy that will assist in taking advantage of the benefits that these events bring to a destination like the CoT.

In comparison, the South Africa GDP in 2010 (R52 billion) was affected by consumer spending during the FIFA World Cup in South Africa. South Africa experienced a positive economic growth after the World Cup because of new accommodation outlets, restaurants and attractions built. South African DMOs, like the TTA, should have had in place marketing plans aimed at capitalising on the FIFA World Cup and should have targeted specifically at taking advantage of this tourism growth. The longer tourists stay at a destination, the more they are likely to spend money. According to SAT (2011:6), the average length of stay by tourists who came to South Africa during the 2010 FIFA World Cup was 10.3 nights. Tourists from Australia and the North America region stayed in South Africa even after the soccer world cup because of affordability and the excellent hospitality from tourism organisations (FIFA, 2011).

Results of a customer satisfaction survey showed that 90% of tourists that attended the 2010 FIFA World Cup stated that “if they had another opportunity they would come back” (SAT, 2010:2). The TTA, as a DMO, should build customer relationships on the basis that tourists are exposed to the *ubuntu* of the South African people and show a positive image of the country.

The FIFA World Cup visitor arrivals represented 4% of all arrivals, with an estimated 309 000 tourists to boost the image of the country, tourism industry and the economy (SAT, 2010:7). Whenever different cultures come together, there is unity, support, learning of different languages and cultures boosting the image of the local communities (Datta, Foubert & van Heerde, 2015:220).

Table 2.1 below depicts the total visitors from the five most important countries to the 1995 Rugby World Cup.

**Table 2.1: Country of origin - visitors to 1995 Rugby World Cup**

Country of origin	Percentage of tourists visiting South Africa
Australia	31%

France	10%
New Zealand	11%
United kingdom	25%
Other	33%

Source: Fourie and Spronk (2011:87).

Table 2.1 shows the percentage of visitors (mostly from Australia) during the 1995 Rugby World Cup. These figures further suggest that there are significant economic gains for the tourism industry, especially related to rugby mega events. These data are an indication that DMOs should have marketing and customer relationship strategies that would allow destinations to benefit economically.

Table 2.2 illustrates the number of visitors from the seven participating countries during the 2003 Cricket World Cup.

**Table 2.2: Cricket World Cup 2003**

Country of origin	Percentage of tourists' visits
Australia	10%
Germany	11%
India	33%
The Netherlands	6%
United Kingdom	5%
New Zealand	7%
Others	30%

Source: Fourie and Spronk (2011:88)

Table 2.2 suggests that India dominates world cricket and the visitor interest to the 2003 World Cup in South Africa. DMOs like the TTA have a responsibility to take advantage of these event benefits. This could be done through developing effective marketing plans and customer relationship strategies. These figures further suggest that there are significant economic gains for the tourism industry related to cricket mega events. The data are an indicator that DMOs should have marketing and customer relationship strategies in place that would allow destinations to benefit economically.

### **2.6.3 South African events revenue**

Government revenues achieved a boost from stronger domestic consumption during the FIFA 2010 World Cup, contributing to a rise in taxes (R7.2 billion) on goods and services (FIFA, 2011). This is a further indication that tourism events have a positive economic impact on destinations. Therefore, DMOs like the TTA need to have effective marketing and customer

relation strategies in place with stakeholders to enhance the ability to take advantage of tourism benefits.

South Africa is a progressing third-world country. The South African Government has partnered with BRICS (Brazil, Russia, India and China). This organisation plays a vital role in the growth of the South African economy through bilateral trade agreements leading to the country's recognition as developing and receiving higher trade support, hence countries like China as a member became one of the biggest supporters of the 2010 FIFA World Cup.

According to the South African Department of Tourism (SADT) (2010:7), the 2010 FIFA Soccer World Cup involved over 3 million people of all nationalities as spectators, officials, sponsors and players. FIFA (2011) reports that business opportunities in transportation and accommodation such as guesthouses, restaurants and hotels increased during the 2010 FIFA World Cup for local entrepreneurs.

According to the South African Reserve Bank (SARB) (2010:4), after the FIFA 2010 Soccer World Cup, the direct expenditure of R12.7 billion contributed a total of R21.3 billion to the GDP of South Africa and created 159 000 new employment opportunities after 2010.

#### **2.6.4 South African tourism events job creation**

More than 20 000 jobs were created for the construction of the 2010 FIFA World Cup stadiums (FIFA, 2010:18). Construction workers at these stadiums were given extensive skills training which enabled them to meet the much-needed demand for skilled workers on other construction projects post-2010 (FIFA, 2010:17). Tourism DMOs like the TTA need to continue capitalising on the general economic growth in the world and in South Africa, to ensure skills development and job creation. One of the ways in which tourism destinations could benefit from tourism events is through empowering local businesses with customer profitability strategies like CRM.

The economic benefits of tourism events are experienced at a destination level. The economic growth induced by tourism, as indicated above, has yielded enormous economic impacts on destinations (SAT, 2017:5). Marketing destination organisations like the TTA need to have in place a good customer relationship strategy to take advantage of tourism benefits in the CoT, as tourism growth at destination level comes with numerous benefits, which include employment creation, cash injection in the destination accommodation, transportation, hospitality and tour operation industries. The TTA has a duty to market all tourism-related industries in the CoT. The TTA needs to have in place an effective CRM to take advantage of all tourism growth at destination level. However, if the TTA does not put in place an effective customer relationship strategy, all the benefits of tourism growth will be lost. The following discussion focuses on tourism at the destination level of the CoT.

## **2.7 CITY OF TSHWANE**

Tshwane, previously known as Pretoria, is the administrative capital of South Africa and has fine attractions, heritage sites, museums, art galleries, the Union Buildings and its spectacular gardens, as well as the Diamond Hill Battlefield, Voortrekker Monument and Freedom Park. Other attractions include the Pretoria Botanical Gardens, the Zoo and museums and galleries such as Melrose House, the Pioneer Museum and Sammy Marks Museum (City of Tshwane, 2018:11).

The CoT is world renowned for its jacaranda trees, hence its nickname the Jacaranda City. Tshwane is home to the Pretoria National Zoological Gardens, the largest zoo in the country and the botanical gardens that are spread over 76 hectares. Outdoor activities include bird watching, nature reserves, golf and adventure sport. The city not only caters for the casual tourist, business visitors have access to superb conference and hospitality facilities at hotels and conference centres (City of Tshwane, 2018:12).

TTA's responsibility is to market the CoT to local and international tourist markets. This responsibility requires the TTA to have in place well defined and developed customer relationship and marketing planning strategies. The TTA should therefore mobilise stakeholders throughout the CoT with the purpose of soliciting their contributions towards building sustainable customer relationships and effective marketing plans. The following section discusses the TTA as an association in the CoT.

## **2.8 TSHWANE TOURISM ASSOCIATION**

The TTA is a section 21 'Not for Profit Company' registered in 2001, co-ordinated by the private sector to promote tourism in the CoT Metropolitan Area (Tshwane Tourism Association [TTA], 2018:6). The TTA is an umbrella association in Tshwane disseminating information and connecting business, government, residents and visitors to tourism-related matters.

The vision of the TTA as the organised tourism sector in Tshwane is to provide the opportunity to promote tourism experiences and strategically and responsibly grow the tourism business in the CoT. The following points highlight the main objectives of the TTA (TTA, 2018:8):

- To speak with one voice on behalf of the tourism industry in the CoT;
- Provide open membership to all tourism role-players at an affordable fee;
- Form partnerships and build relationships with private and public sectors on a local, provincial and national level;
- Create a platform for members and industry to interact regularly and share information for mutual benefit;
- Grow sector-specific chapters to promote advancement of tourism-related products in the CoT; and



- Provide cost effective marketing opportunities for members.

Furthermore, the TTA offers marketing opportunities to stakeholders in the following manner (TTA, 2018:8):

- Opportunities to submit news to and advertise in monthly e-mail newsletters to 1 000 recipients;
- Listing on the TTA website with a link to stakeholders' websites;
- Listing on the TTA tourist map with a short description of stakeholders' businesses;
- Opportunity to post events and news on the TTA website and social media pages;
- Opportunities to participate, at reduced rates, in marketing platforms such as trade shows, media visits and advertising features;
- Business referrals through the TTA office;
- Participation in the Gauteng Tourism Authority (GTA);
- Events showcasing member products and services enhancing knowledge of the tourism product in the CoT;
- Promotion of members on the Association stand at Meetings Africa and Indaba expos; and
- Inclusion in annual GTA product packaging and itinerary planning workshops and speed networking, sales missions, site visits and inspections and GTA meeting planner guide as well as RFP distribution.

TTA, in its very nature as entrenched in its objectives, is in a powerful position to implement a successful customer relationship strategy. This is because of the following factors prominent in its operations:

- Communications and affordable open affiliations;
- Partnerships and relationships; and
- Networking and promotions (TTA, 2018).

These factors are at the very core of the development and implementation of a successful customer relationship strategy for the TTA and any other DMO. Furthermore, the TTA has a wide approach of reaching out to stakeholders. The scope of any stakeholder's reach is not a single approach but a multi-approach comprising offline and online media, networking, conferencing and presentations. This approach should sustain customer relationships in the long term.

TTA as a marketing destination organisation has an all-encompassing vision and relevant objectives to serve the CoT in terms of marketing locally and internationally. However, without a carefully developed CRF and effective marketing plan, this will not materialise. Therefore,

this study attempts to establish ways and strategies that the TTA can put in place to achieve effective customer relationships. The following discussion focuses on the philosophy of customer relationships.

## **2.9 PHILOSOPHY OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

This section focuses on customer relationships and their importance at destination marketing levels. The customer relationship philosophy is important as it aligns with the objectives of the study as indicated in Chapter 1.

CRM is a customer-orientated and cross-functional business strategy. It is integrated with business technology, rather than being merely a software package to enhance an organisation's ability to create ongoing relationships with high yield customers, which is considered more cost-effective than a series of once-off transactions with new customers (Wali, Wright & Uduma, 2015:45). It is very important that the TTA should create relationships with customers and stakeholders at CoT (Sheth & Parvatiyar, 2001a:167–169; Marko, Dusica, Luka & Zvonimir, 2015:241).

CRM has been expanded to include an integrated perspective on marketing, sales, customer service, channel management, logistics and technology for engaging in customer satisfaction. Practitioners call it CRM and are interested in all the aspects of interactions with customers to maintain a long-term, profitable relationship (Navimipour & Soltani, 2016:171; Wali & Nowkah, 2016:156). This section considers all the relevant areas of customer relationships on which the TTA should focus in implementing effective customer relationships at the CoT. Furthermore, the philosophy of customer relationships discussed here demonstrates the importance of focusing on customer relationships.

CRM is a very important, relatively new field and has become one of the fastest growing practices within business operations (Raman, Wittman & Rauseo, 2006:39; Wali *et al.*, 2015:88). Panda (2003:157) notes that Peter Berry formally introduced the term “Customer Relationship Management” into the literature in 1983 but that several ideas of relationship marketing had, however, emerged much earlier, such as those provided by John Arndt in 1979. He noted the tendency of organisations engaged in business-to-business (B2B) marketing to develop long-lasting relationships with their important customers and their key suppliers, rather than focus on discrete exchange and named them “domesticated markets”.

The CRM paradigm has shifted from focusing on attracting new customers to retaining current ones (George, 2014:132). According to Rodriguez, Peterson and Ajjan (2015:637), the benefits of CRM are:

- Small increases in customer retention rates greatly increase profits;
- Creating customer relationships will lead to the retention of customers for the TTA and

the longer the customers stay, the better services they will experience;

- Long-term customers can be more valuable;
- Customer relationships are important in facilitating the long-term sustainability of TTA services;
- More revenue on average is generated from repeat-purchase customers than one-time buyers;
- TTA customer relationships can ensure that the customer comes back. This is important regarding guaranteed stability in terms of income generation for the TTA.
- Better understanding of customers;
- Customer relationships will create a platform for the TTA to understand the needs and wants of the customer;
- Creation and enhancement of brand loyalty;
- Customer relationships create brand loyalty on the side of customers since they are partners in the development of services and products with the TTA;
- The ability to manage customer relationships in the long term as well as prior to the first sale; and
- Customer relationships are important to assist the TTA in knowing how to deliver services to the customer effectively.

The cost of retaining current customers is lower than the cost of acquiring new ones. Customer relationships save money for the TTA by retaining current customers (Reichheld & Teal, 1996:5; Rodriguez *et al.*, 2015:637).

Economic benefits of high loyalty are important for the TTA because loyalty differentiates it from its competitors. Customer relationships are important in allowing the TTA to retain its customers despite competitors' efforts to poach them. Emanating from the literature review, some of the definitions of CRM relevant to this study are:

...CRM is a business strategy to select and manage the most valuable customer relationships. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales and service processes. CRM applications can enable effective CRM, if an enterprise has the right leadership, strategy and culture (Thompson, 2001:171).

...CRM is a cross-functional, customer driven, technology-integrated business process management strategy that maximizes relationships and encompasses the entire organisation (Chen & Popovich, 2003:682).

...CRM is a strategy to identify and attract profitable customers and tie them to the company or product through efficient relationship marketing to guarantee profitable growth. The CRM offers a great platform for the acquisition of new customers in addition to gaining customer satisfaction and loyalty. Additionally, existing customer relationships can be used to drive sales via up or cross-selling (Kracklauer, Passenheim & Seifert, 2001:516).

In addition, various authors provide variations on the meaning of CRM. A representative set of these definitions is summarised in the following list (Imhoff, Loftis & Geiger, 2001: 4-5; Pedron & Sacco, 2009: 34-35; Lehmkuhl & Jung, 2013:192; MacLeod, 2017:234):

- CRM is a set of systems, processes and organisations that profitably drive customer loyalty;
- CRM is the strategic view that integrates how we want the business to relate to the customers, specifically seen through technologies available to support that view and make it come alive by integrating people, processes, culture and attitudes;
- CRM is the management of the relationship so that the partnership with the customer grows, flourishes and remains healthy over time;
- CRM is building customer loyalty, not merely relationship management, using a 360-degree view of the customer;
- CRM is a set of business processes and practices that directly address the relationships between key customers and the principal organisation;
- CRM is a 360-degree view of the customers and their transactional activity with the company;
- CRM is a complex process that builds one-to-one relationships with customers to achieve long-term growth; and
- CRM is the co-ordination of processes and strategies of getting, keeping and collaborating with customers, giving increased value to the company and the customer.

According to Grönroos (2009:351), relationship marketing extends beyond persuading customers to buy products. It is about fulfilling their expectations in the hope of transforming them into long-term, loyal customers.

The TTA CRF should carefully select the most valuable customers, maintain and strengthen the relationships with those customers to develop long-term relationships. In this manner, the TTA CRF will have mutually beneficial relationships built upon a foundation of trust and loyalty through marketing strategies, customer service and relationship programmes.

For this study, the definitions of Sheth and Parvatiyar (2001:167), Buttle (2009:16) and Kumar and Reinartz (2018:6) capture the key aspects that bring together the importance of customer relationship studies in relation to marketing strategies, product/services strategies, retention marketing, market positioning, destination marketing and destination marketing. Customer relationships, therefore, should have an impact on marketing planning and destination marketing.

Other than soaring competition, product quality, price and convenience when looking at the number of increasingly similar products on the market, customer relationships become

important in attracting and retaining customers. The creation of unique, one-to-one relationships with customers based on individual needs and wants is key to the growth and future success of organisations.

One of the objectives of CRM is to use information technology and business processes to enable the TTA to attract new, retain existing and maximise the lifetime value of its customers (Samiee, Chabowski & Hult, 2015:12; Kumar & Reinartz, 2018:6-7). Customer loyalty adds value to the life of the customer (Beaujean, Davidson & Madge, 2006:67; Taleghani, Gilaninia & Mousavian, 2011:160) and reduces the overall cost of marketing. It is at least five times more cost-effective for an organisation to retain existing customers than to attract new ones (Ozgener & Iraz, 2006:1357). Pike's (2007:112) research found that meaningful dialogue with previous visitors is a more efficient use of resources for destination marketers than traditional above-the-line advertising to attract a continual stream of new visitors.

Pike's qualitative research focused on how regional tourism organisations (RTOs) in Australia used visitor relationship marketing (VRM) initiatives in the domestic market and for the future. The key findings of Pike (2007:113) include:

- The inability of RTOs to track repeat visitors;
- A lack of communication with previous visitors; and
- The assumption that accommodation operators were engaged in CRM.

Furthermore, Pike's (2007:112) study found that a relationship between previous visitation and customer decision-making suggests that the more familiar a consumer is with a destination, the greater the propensity is to return in the future. An analysis of the different definitions shows that all have common concepts of customer focus (customer satisfaction, loyalty and retention), technology, knowledge management, change management and leadership. Therefore, the TTA needs to have in place a strong customer relationship strategy based on the following factors, as per the discussion above,

- TTA CRM strategy should be customer-centred;
- TTA CRM strategy should align with its culture to support effective marketing, sales and service processes;
- TTA CRM strategy should be a cross-functional, customer-driven, technology-integrated business process management strategy;
- TTA CRM strategy should win customer satisfaction and loyalty; and
- TTA CRM strategy could integrate technologies to support people, processes, culture and attitudes.

If the TTA fails to implement the strategy in line with the above guidelines, it will result in it being unable to track repeat customers, communicate with previous visitors and an inability to engage in fruitful CRM processes.

### **2.9.1 Advantages of customer relationship management**

From a customer's perspective, the advantages are directly attached to the experiences of the CRM programmes and can be attributed mostly to perceived benefits (Arnold & Reynolds, 2003:17; Mimouni-Chaabane & Volle, 2010:35; Lacey & Kalaj, 2015:637). These benefits are explained briefly below.

**Utilitarian benefits** are derived from completing a task or obtaining a tangible object and they often connect with a product's physical characteristics. The TTA CRM programmes should offer customers financial rewards, such as in the form of coupons or special offerings. The TTA can also provide customers with convenience benefits and utilitarian value by saving consumers time. The TTA can collaborate with travel agencies in CoT to accomplish this method.

**Hedonic value** originates from emotionally gratifying or sensory fulfilling the benefits that connect with tangible product characteristics. After collecting a pre-established set of loyalty programme-points or obtaining a certain customer status, customers receive hedonic benefits from CRM programmes when the TTA invites them to experience their new products and enjoy new experiences. The TTA can collaborate with hotels in CoT to accomplish this philosophy.

**Symbolic benefits** through self-expression, recognition and approval. The TTA could provide benefits that not only relate to tangible characteristics or to products but are aimed specifically at a customer's self-esteem and how they feel they are perceived by the world. The TTA can offer special training rewards to customers and could collaborate with nationally and internationally renowned companies to offer specialised training to its customers at CoT.

The three areas of customer relationships are utilitarian, hedonic and symbolic. All are critical and based on the nature of DMOs such as the TTA.

Furthermore, the TTA can benefit from customer relationships in the following ways (Fyall *et al.*, 2003:650-651):

- Increase customer retention;
- Improve customer relationships to gain the ultimate objective of increasing profits;
- The eCRM process and the focus on customer relationships discovers customer leads, encourages loyalty and generates sales; and
- Gain a competitive advantage through customer commitment and trust.

These points are important in building effective customer relationships for DMOs like the TTA. This supports the premise that customer relationships have the ability to retain stakeholders and create customer loyalty.

### **2.9.2 Stakeholder relationships**

A stakeholder is an individual who has something to achieve or lose through the results of a planning or project process (Schnackenberg & Tomlinson, 2016:1785; McGrath & Whitty, 2017:722). Stakeholder involvement in the TTA customer relationship development processes begins with the stakeholder engagement process aimed at accommodating customers' views. The selection of the target population is the first step. Thereafter information about the target audience should be collated to acquire knowledge about the target population. Stakeholders can be identified as internal (management team and employees) and external (suppliers, customers and competitors) stakeholders (Manrai & Echchakoui, 2014:312; McGrath & Whitty, 2017:722). For example, TTA stakeholders include travel agencies, restaurants and tour operators in and around the CoT.

Stakeholder management is regarded as the development and application of policies as well as activities that are related to the stakeholder's goals (Cai & Wheale, 2004:511). Stakeholder activities require careful selection within the initial stages of the application or implementation process of projects (Bourne, 2010:147; Manrai & Echchakoui, 2014:309). The elements of successful activities entail a committed team from top management to support staff and consistency in the TTA's long-term strategies. These activities can be applied in any field or industry to ensure good stakeholder relationship management (Lynda, 2009:56).

Therefore, the TTA should involve stakeholders in developing their customer relationship and marketing strategies because this will assist in bringing them on board in terms of addressing their service expectations. It is important for the TTA to formalise stakeholder relationship management in the organisation to transform the social reputation of the organisation and the stakeholder action. This can be achieved through continuous engagements with stakeholders. Stakeholder management has a direct impact on the reputation of the TTA. A good reputation and relationship are not built overnight. It entails resources, application, effort, time and expertise from all the levels of management (Manrai & Echchakoui, 2014:310). Thus, the TTA should make resources available by having full time staff and a permanent office that whose focus is on stakeholder relationships. A permanent office will have to develop stakeholder relation strategies, effect implementation and continuous improvements. Additionally, stakeholder importance must sustain and facilitate stakeholder relationships through financial interventions and human resources availability for stakeholders.

The importance of managing good relationships with stakeholders and the government is highlighted by Ritter and Andersen (2014:1007). The TTA can achieve this by maintaining

communications with all involved stakeholders because of the level of influence that stakeholders have. Maintaining and managing relationships with stakeholders will ensure success for both the TTA and its stakeholders. The consideration of policies and all the other elements in event tourism is vital to ensure overall success for the TTA.

### **2.9.3 Relationship marketing**

Dahiyat, Akroush and Abu-Lail, (2011:453) and Sota, Chaudhry, Chamaria and Chauhan (2018:11) define relationship marketing as having in place a solid relationship with customers through mutual trust and benefits by keeping promises. Therefore, transactions between the customer and service providers are harmonised with mutually satisfying beneficial relationship outcomes.

Furthermore, Kotler and Armstrong (2012:171) and Mahmoud, Kastner and Lartey (2017:181) note that relationship marketing may be summarised as a strategic competitive move from the organisation and its customers based on developing, maintaining and creating an effective and efficient mutual relationship. According to Shirazi and Som (2010:48) and Mahmoud *et al.* (2017:181), relationship marketing in the tourism industry is regarded as an apt strategy and coherent approach to building a continuous relationship among all key element stakeholders, host communities and tourists at tourism destinations to gain competitive advantages.

The TTA creation of a strong customer relationship will lead to a competitive advantage, possibly due to a lack of competition. It is important to note that the primary goal of relationship marketing for the TTA is to:

- Provide the TTA with long-term relationships with customers that will ensure that the TTA retains its customers in the long term;
- Deliver a quality offering and services to ensure that the needs and wants of customers are met;
- Collect, analyse and track consumer information to help identify the level of needs and profile of the customers;
- Gain competitive advantages to assist the TTA to have a competitive advantage against its competitors;
- Prepare long-term profitability so that the TTA can make more money in the long run by taking advantage of the stakeholder relationship;
- Reduce the cost of TTA market research (Shirazi & Som, 2010:47-48; Lynda, 2009:58; Shriedeh & Ghani, 2017:29); and
- Create loyal customers and improve corporate performance so that the stakeholder relationships will reduce the customer attrition and create long-term relationships for the TTA (Shirazi & Som, 2011:49).



George (2014:176) recommends that for the TTA to have effective customer relationship strategies, the following five levels of relationships should be employed:

**Basic** - purely transactional: The basic relationship with customers is mainly transactional and does not involve the customers in services and product development. The TTA should ensure that customers are part of service development. The idea is to ensure the protection of their needs.

**Reactive** - post-purchase phase: During the post purchase stage, the TTA should follow up with customers to ensure that they are satisfied with product delivery.

**Accountable** - get opinions for consumers: The TTA should open service delivery lines for feedback from customers.

**Proactive** - contact consumers frequently: The TTA should have an ongoing telephonic conversation with customers to ensure their happiness.

**Partnership** - business relationship: The most welcoming strategy regarding retaining the customer is to have a partnership business relationship in place. The customers should be co-creators of the services.

Customer relationship strategies are important for TTA customer relationship planning and are necessary to give the TTA a direction in developing these strategies. Furthermore, for the purpose of this study, it assists to emphasise the need for strategic CRM in organisations like the TTA. When the organisation has integrated customer relationship strategies, then the business strategy should be considered.

## **2.10 CHAPTER SUMMARY**

This chapter focused on tourism trends, historical destination events, visitor growth, the TTA, CoT and customer relationship concepts. Furthermore, customer relationship strategies and components in relation to the TTA CRM strategies development were addressed. There are growing trends of tourism worldwide of which DMOs such as the TTA can take advantage through developing customer relationships strategies.

These tourism growth trends include tourism growth based on activities like higher yields, business opportunities, tax revenues, job creations and mega events. For a DMO like the TTA to develop effective customer relationship strategies, factors like relationship marketing, CRM strategies and CRM components should be considered. The TTA would benefit both profitably and in terms of reputation if it considered the growing tourism trends at destination level. The TTA benefits would include retaining customers, developing customer loyalty, revenue generation in the long term, competitive edge and sustainable business ventures in the CoT.

Therefore, the TTA needs to have CRM strategies geared to capturing the growing visitor trends and retain customers in place.

The next chapter, Chapter 3, focuses on customer relationship models and marketing.

## **CHAPTER 3**

### **CUSTOMER RELATIONSHIP MODELS AND MARKETING**

#### **3.1 INTRODUCTION**

This chapter discusses customer relationship models and marketing strategy factors. The discussion of CRM models and marketing strategy factors are necessary because of the main aim of the study, which is to establish relationships between CRM and marketing strategy factors for DMOs at a tourism destination level. The marketing strategy factors place emphasis on strategic marketing planning because it is the core function of the TTA as a DMO for the CoT. It is therefore important to investigate the elements of strategic marketing planning to develop effective critical success factors (CSFs) for the TTA.

These sections and their subsections are very important as they capture the essence of the study. Firstly, the CRM strategy section demonstrates the importance of customer relationships for DMOs like the TTA. Without understanding the CRM strategies, components, concepts and models at a destination level, it will be challenging to demonstrate how the TTA could approach its marketing efforts and develop effective strategies for customer relationships.

The chapter concludes with a brief explanation of marketing planning and macro-environmental factors, which form an important part of the study.

#### **3.2 CUSTOMER RELATIONSHIP MANAGEMENT STRATEGY**

According to Jain (2000:9) and Madhurima (2018:260), a strategy in an organisation is about objectives, goals, policies, plans and purpose aimed at defining what business the DMO is in or wants to be in and the kind of company it is or is to be.

A strategy gives direction to all the members of the TTA and is about potential results and the development of reaction capability to changing macro-environments like economic and social environments. A strategy is a tool that the TTA may use to organise the resources, operations, goals and objectives in a manner that they co-operate to achieve a common goal. Therefore, the TTA should have business strategies that promote CRM across the firm and for these strategies to succeed they should be understood and implemented by destination marketing associations. The TTA needs strategies that enforce a customer view across business functions (Němeček, 2013:232; Achmad, Hidayanto & Budiardjo, 2016:135).

Lin, Gruen and Chuanyi (2017:357) define strategic CRM as a comprehensive programme that provides the co-ordination and integration of people, process and technology to maximise relationships with all customers. Furthermore, Rajput *et al.* (2018:119) define a strategy as a method or a systematic plan or adaptation aimed at producing evolutionary outcomes. This

means that a strategic CRM defines the steps needed by an organisation (as a whole) to develop and maintain a successful CRM implementation.

### **3.2.1 Components of customer relationship management**

The CRM components include a customer database, customer information, target customers and customer retention and are important for this thesis in assisting to develop an effective customer relationship strategy for the TTA. Without these components, being the basis for the TTA customer relationship strategy, the process of developing an effective customer relationship process will not be complete. The implementation of CRM is a multi-step process that involves three basic components, which are discussed as follows (Rust & Espinoza 2006:1073; Lin *et al.*, 2017:358):

- i) The TTA should select target customers from their database. CRM is about retaining existing customers, especially those who have the highest customer lifetime value, instead of only acquiring new ones. They could also use opt-in e-mail services to select customers to be targeted from their database.
- ii) The TTA's focus could be on customer relationships to retain loyal customers. They could implement community building, customer service requirements, reward programmes and loyalty programmes aimed at creating, reinforcing and improving customer relationships.
- iii) The TTA could analyse its customer information to develop dedicated customer relationships. Their customer database could be analysed into smaller, more specific categories like new markets and old markets. They could use clickstream analysis to analyse consumer website visits, purchases and shopping patterns to predict future customer behaviour.

The TTA needs to profile its customers and to create a database containing all biographical information of customers. TTA customer relationship structures and plans should be implemented to find and retain customers.

### **3.2.2 Management of a customer relationship management process**

Once the CRM components are identified by the TTA, the next step is to manage the process actively through role specification, employee training, effective communication and evaluation (Cha & Goldenberg, 2015:940). It is important for the TTA to understand the process of implementing customer relationship strategies if it is to be successful.

The following discussion considers the findings of Sheth and Parvatiyar (2001:170), Hyung-Su and Young-Gul (2009:231), Baran and Galka (2013:220), Madhurima (2014:260) and Ward (2015:199).

### **3.2.2.1 *Role specification***

The TTA could define the responsibilities and duties of relationship partners such as the firm, employees and customers. This is important to avoid targeting the wrong markets when developing customer relationship programme strategies.

### **3.2.2.2 *Employee training***

The TTA could train staff in the areas of sales, communication skills and exceptional customer service. This is a central role that the TTA should emphasise when developing customer relationship programme strategies (Jana, 2012:231).

### **3.2.2.3 *Internal and external communication***

The TTA could ensure that communication between key players is built on trust and mutual satisfaction by sharing guidelines and policies with employees.

### **3.2.2.4 *Evaluation***

The TTA could rejuvenate or terminate the CRM process if the programme does not achieve its goal of building and maintaining customer relationships to increase retention and long-term profits.

Furthermore, the TTA could evaluate its CRM programmes by obtaining conversion rates, customer acquisition costs, customer sales and user adoption of loyalty programmes, in addition to measuring profitability and market share. The TTA could implement the second category of the CRM scorecard based on customer perspectives, which evaluates how customers view the TTA's competitors and what value the customers perceive to gain from the competitors. When the TTA has completed the customer relationship processes, the next logical step is to define the CRM roadmap.

## **3.3 CUSTOMER RELATIONSHIP MANAGEMENT ROADMAP DEVELOPMENT PROCESSES**

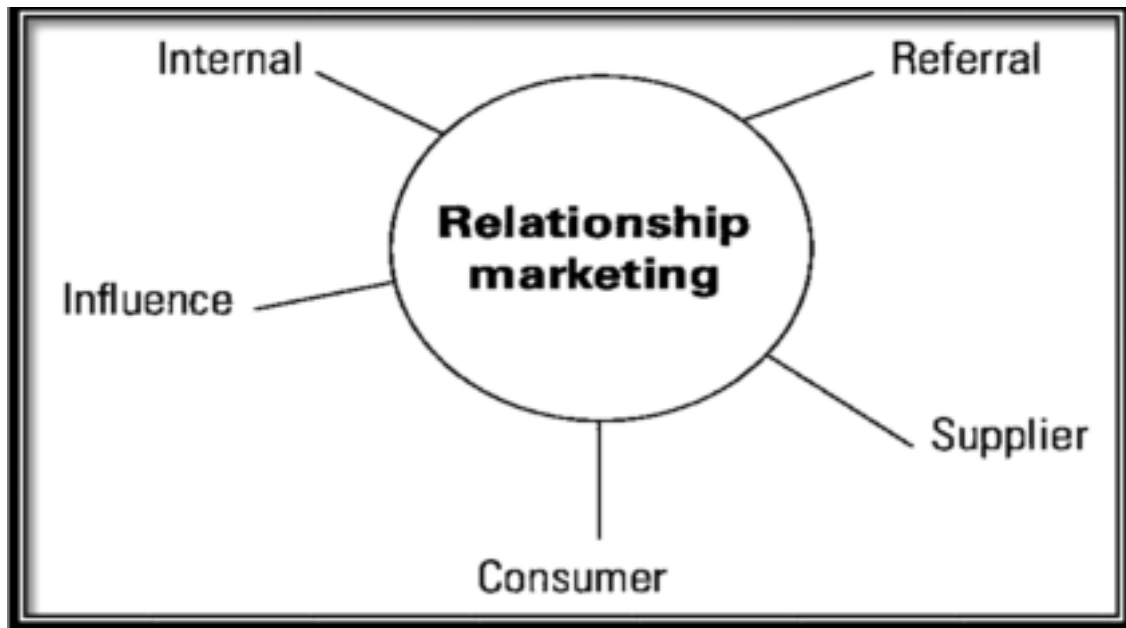
A CRM roadmap is a well-defined path with specific goals that the organisation (TTA) should follow in incorporating stakeholder strategy and customers' views when developing customer relationship strategies. The TTA roadmap includes knowing the customers and staff and the organisation's current service status. Furthermore, the relevance of the customer relationship roadmap is that it creates a smooth transition of implementing customer relationships. Therefore, the TTA needs to develop a roadmap outlining the path towards becoming customer-centric (Baran & Galka, 2013:225; Ritter & Andersen 2014:1005; Ward, 2015:188; Thakur & Workman, 2016:4096).

This roadmap would include:

- **Knowing the customer:** This is information about whom the customers are, what they need, how they want the product or service, what their expectations are, how to handle them and which channels of communication they prefer. The TTA should keep a database of their stakeholders that contains their details and communication platforms.
- **Knowing the employees:** TTA customer-loyalty depends on the loyalty of its employees (George, 2014:55) on destination marketing.
- **TTA's present status:** The TTA should conduct assessments. External assessors should be hired to do an assessment that establishes how ready the TTA is for a CRM project. A maturity assessment is also necessary to show how the TTA's current practice is implemented. Botti, Grimaldi and Vesci (2018:137) identify where the organisation is in terms of customer-centricity and indicate a starting point for the CRM project.
- **Appointing the project team:** This should include TTA staff from IT, marketing, sales and management (including senior management) because CRM is an organisation-wide issue, hence, it is important to choose the members of the CRM project company-wide.
- **Senior management commitment:** TTA senior management should display commitment and assurance for the project team to function effectively (Wei-Ming, Chia-Mei & Chin-Yuan, 2014:232; McCormick & Donohue, 2019:2590).
- **Providing effective leadership:** Effective leadership in the TTA is important since business processes change and the introduction of new information technology is involved.
- **Developing a detailed business case:** The TTA should ensure that a value-focused business case is implemented during the project's lifetime to avoid challenges in the firm.
- **Selecting the CRM technology:** Time researching the IT market to find the most suitable solutions is necessary to satisfy the needs of the organisation. Furthermore, the TTA board should decide whether to outsource the technology, build it in-house, or integrate it with other systems. The TTA should ensure that information collected from all IT systems should be complementary and not contradictory. This will go a long way in harmonising the TTA CRM programme strategies.
- **Testing and evaluating CRM solutions:** The TTA should establish a set of criteria to be used for the successful implementation of the CRM programme. These criteria should be evaluated from time to time with the aim of adapting them to the TTA CRM programme developments.

These steps are important in implementing the customer relationship strategies effectively and should be incorporated as part of the development of these strategies. If not, the delivery an effective customer relationship strategy will be compromised. The successful implementation of a CRM strategy relies heavily on the consideration of the consumer markets, which are

internal, influence, consumer, supplier and referral markets. Figure 3.1 illustrates the various consumer markets that are active in the CoT area.



**Figure 3.1: Different consumer markets**

Source: George (2014:111)

The objective of this thesis is to develop a framework for successful customer relationship strategies. According to Figure 3.1, for the TTA to have successful customer relationship strategies, consumers, suppliers, influence, internal and referral markets should be incorporated. Figure 3.1 is relevant to the TTA and discussed next.

- The TTA should ensure that it develops relationships with its market such as travel agencies, tour operators, accommodation outlets and restaurants in the CoT as this is important for the development of successful customer relationship strategies.
- It is important that the TTA develops relationships with suppliers (TTA marketing agencies, media houses in the CoT), in the development of successful supplier relationship strategies.
- The TTA customers' word of mouth as the referral marketing strategy is a way for business owners to encourage existing customers and friends to promote their business for them. This is important to develop a successful new customer relationship strategy.
- It is important to ensure that the TTA staff (internal resources) are satisfied in their jobs, as they are then likely to deliver quality services for stakeholders. This will assist in the development of successful stakeholder relationship strategies.
- The influencers (TTA suppliers) are important in the development of successful supplier relationship strategies. Furthermore, the TTA should ensure that the targeted consumers

are serviced in the long term through effective customer relationship strategies.

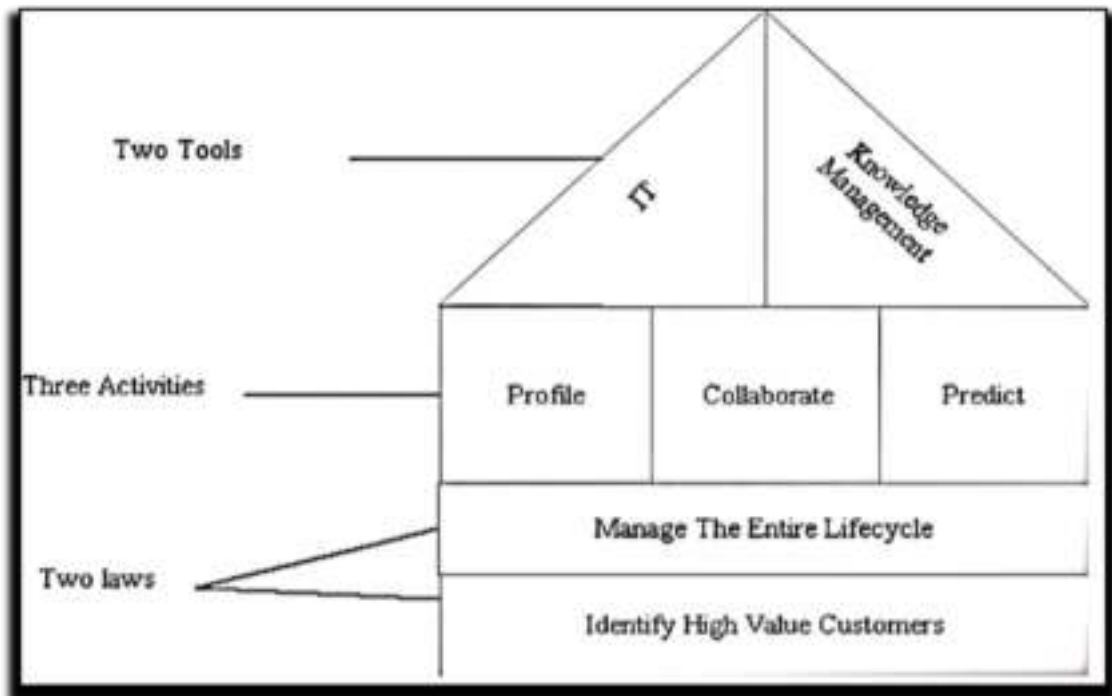
### 3.4 CUSTOMER RELATIONSHIP MANAGEMENT MODELS

Although various CRM models exist, this study focuses on the following three.

- The knowledge-enabled model;
- The integrated framework model; and
- The Ali CRM model.

#### 3.4.1 The knowledge-enabled model

Figure 3.2 illustrates the knowledge-enabled CRM model, which focuses on proactive CRM that has two laws, three main activities and depends on two tools.



**Figure 3.2: Knowledge-enabled customer relationship model**

Source: Lambe, Wittman and Spekman (2001:3)

These components are briefly discussed in the context of the TTA as follows.

#### 3.4.1.1 Two laws

- It is very important for the TTA to manage the entire lifecycle and with that process identify high value customers.
- The hands-on approach will allow the TTA to understand exactly which approaches are needed to forge successful relationships with relevant value customers.



#### **3.4.1.2 Three activities**

- *Profile.* The profile is the database containing detailed information about the TTA customers. To initiate effective customer relationships, the TTA needs to understand who the ultimate customers are.
- *Collaborations.* Collaboration is an effective CRM strategy that involves the customers when the TTA makes service decisions. These collaborations are important for the TTA, especially in effective customer relationship strategies planning.
- *Predictions.* The predictions are the TTA capabilities of knowing the needs and wants of customers before developing its services. The TTA should engage in a marketing research exercise to identify customers' needs and wants.

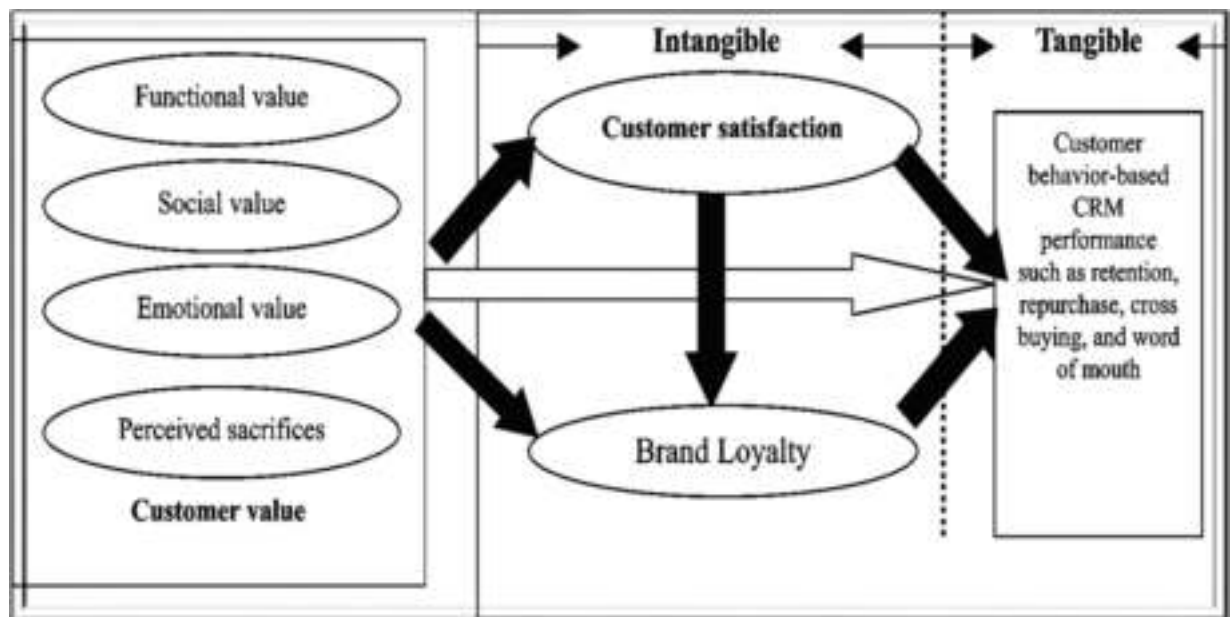
#### **3.4.1.3 Two tools**

- Information technology (IT) is a tool that the TTA could use through computers and telecommunications systems for storing, retrieving and sending information. The TTA should use knowledge management as a tool to handle customer information and internal resources efficiently.
- TTA should create a database that will allow access to information about stakeholders. The information could be used to identify the stakeholders that should form part of the stakeholder relationship strategies.

The three activities and two laws of CRM are dependent upon technology and knowledge management. Identifying the high value customer is a sophisticated knowledge task, as it establishes the range of profiles among current customers. The advantage of the model is that it helps with the approaches that identify and select high value customers within the TTA CRF. The TTA cannot apply this model since it lacks the marketing strategies part, which is important in developing effective customer relationships.

#### **3.4.2 The integrated framework model**

The second model is the integrated framework for customer value and CRM performance as illustrated in Figure 3.3.



**Figure 3.3: The integrated framework for customer value and customer relationship management performance**

Source: Wang, Lo, Chi and Yang (2004:171)

Wang *et al.* (2004:171) developed an integrative framework for customer values and CRM performances based on the identification of the following key dimensions of customer value.

### **3.4.2.1 Customer value**

For the TTA to create a successful relationship management, a customer value should be created. This is important because the three most important values in the area of society, emotional and perceived sacrifices are covered in this model.

They are necessary for the effective development of a CRF. The four components of customer value are briefly discussed below in the context of the TTA (Payne & Frow, 2005:168; Ward, 2015:170):

- i) The *functional value* is the worth or merits that TTA customers attach to a product or service. The TTA should take advantage of the fact that customers are unaware of the factors involved in pricing a product or service, such as the actual or estimated costs of production. The TTA can achieve this through a CRF, which involves ad hoc seminars to inform customers about factors involved in pricing a product or service, such as the actual or estimated costs of production.
- ii) The *social value* is the quantification of the relative importance that TTA customers place on the changes they experience in their lives. The TTA should investigate and consider this social value from the perspective of its customers affected by changes in services, such as pricing. This could be done through ad hoc marketing research conducted by the TTA.

- iii) The *emotional value* entails a direction that TTA customers are likely to follow based on their cultural influence. The TTA should be aware of demographics and cultural values such as fundamental rights, patriotism, respect for human dignity, rationality, sacrifice, individuality, equality and democracy that are likely to influence their customers' decision-making on services. They should conduct ad hoc marketing research to establish these values.
- iv) The *perceived sacrifices* ask what the TTA customers are willing to pay for services based on perceived value of a product or service. The TTA should conduct customer satisfaction surveys from time to time to establish emotional, social and cultural factors that are likely to influence their customers' behaviour.

#### **3.4.2.2 Intangible**

The TTA stands to gain on the intangible level of customer satisfaction and loyalty that is desired for successful customer relationship strategies.

*Customer satisfaction* means that the TTA customer expectations are met. When the TTA meets customers' expectations it will reflect in their revenue. TTA customers' opinions and feelings about the brand can have positive and negative effects, which could lead to a loss of repeat business as well as customer lifetime value. The TTA should emphasise customer satisfaction in CRM strategies, which would result in brand loyalty, positive emotional experience, physical attribute-based satisfaction and positive perceived value of an experience.

#### **3.4.2.3 Tangible**

The TTA should drive towards developing a customer behaviour-based CRM strategy because this is how brand loyalties and long-term profitability are created. Furthermore, this is important because customer-centred processes play a significant role in developing a customer relationship strategy. The tangible components are discussed in the TTA context as follows.

After the TTA has successfully integrated customer value and customers are satisfied and loyal, it will result in the tangibles on the model, which are customer behaviour-based CRM. Benefits include TTA customer retention, purchases and word-of-mouth referrals from customers, groups, or stakeholders and all the activities associated with the purchase, use and disposal of goods and services, including the consumers' emotional, mental and behavioural responses that precede or follow these activities.

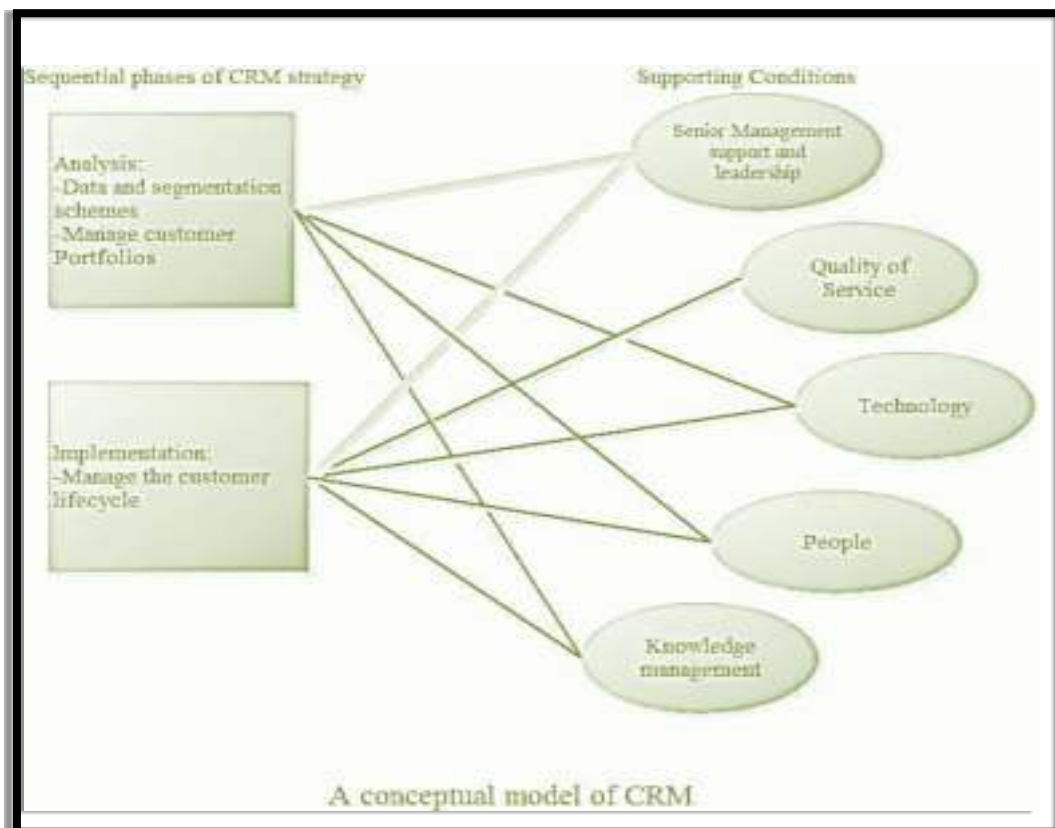
It is critical for the TTA to ensure that it manages the quality of customer relationships through continuous research on their needs so that the TTA remains ahead of their needs and wants. So doing will have an impact on the behaviour of the customers towards TTA services. This

should exceed the customers' expectations at all times because a satisfied customer is likely to come back and remain loyal to the TTA.

TTA can use this model to develop customer relationship strategies. However, the shortcoming is that the area of marketing planning is not addressed sufficiently. The general aim of any CRM strategy is to develop profitable customer relationships.

### 3.4.3 The Ali CRM model

The Ali CRM model provides a more holistic view of the CRM landscape with two main sequential phases of the CRM strategy, which are analysis and implementation. The flow of the lines between the icons of the model is a two-way flow, which indicates that the supporting conditions are continuous processes that flow with the sequential phases of the CRM strategy. Figure 3.4 illustrates the CRM model of Ali.



**Figure 3.4: The Ali customer relationship model**

Source: Ali (2007:40)

Figure 3.4 indicates the areas relevant to this study to develop an effective CRF. This includes all supporting elements such as management, quality, technology, people and knowledge management. The model addresses the critical aspects that are necessary in building an effective customer relationship strategy for a tourism destination such as the TTA. The reason

for choosing this model, in the context of the TTA for the current study, is that the Ali model resonates and can be constructively implemented at tourism destination level by tourism marketing organisations like the TTA. This is true for the following reasons:

- The Ali model of CRM perfectly represents an ideal CRM, process and systems that the TTA could use to develop and implement customer relationship strategies.
- The Ali CRM model is central to the TTA CRM strategies in terms of what the TTA does, both in its research as well as when implementing and communicating its customer relationship strategies.
- The Ali CRM model is the basis for this study as the TTA could emulate everything in the model with great accuracy. The key is for this study to be remodelled in such a way that it causes DMOs such as the TTA to follow the precise path of the model systematically.

Furthermore, the Ali CRM model is relevant to the study in terms of the benefits that DMOs can derive from the model. These benefits are discussed in the context of the TTA as follows:

- Creating an opportunity for the TTA to view CRM systems from multiple perspectives;
- Creating opportunities for the TTA to discover CRM strategies, causes and effects;
- Creating a platform for the TTA to improve CRM processes, strategies and systems understanding through visual and technological analysis;
- Creating a clear path for the TTA to discovering CRM challenges earlier and reducing processes, strategies and system failures;
- Creating and effectively opening space for the TTA to explore alternatives earlier, therefore being responsive and reactive in the CRM processes, strategies and systems lifecycle; and
- Guiding the TTA to integrate marketing strategies into customer relationships for a successful CRF.

Furthermore, after properly integrating the Ali model into the study, the researcher expects that should the TTA be guided by this model in developing the CRF, it will be impacted in the following manner:

- The model should provide an environment for the TTA to engage interactively with its staff and customers. According to Jain (2005:275), evidence from scientific research shows that significant learning gains are achieved when a group participates in interactive engagement activities. When implementing this model, TTA CRF strategies will provide an interactive engagement experience to its customers.
- The model should provide the TTA and stakeholders with a platform to acquire knowledge based on quantitative skills such as graphing, graphical analysis, visualisation, statistics, computational skills and mathematics in terms of solving

problems. This will enhance CRF strategies.

- The model should also afford the TTA the opportunity to perform sensitivity studies from time to time to assess how changes in CRF strategies and processes alter customer behaviour and integrate marketing strategies effectively.

TTA CRF strategy and process sensitivity studies could assist in identifying leverage points of a system to help the TTA effect a desired change with minimum effort and to estimate the risks and benefits associated with proposed and accidental changes in the CRM strategies.

The ultimate importance of the Ali model as a CRM point of reference for this study is the ability for any DMO such as the TTA to use the knowledge gained and the understanding of CSF model development and implementation, which will be transferable to any DMO beyond the TTA.

### **3.5 ALI CUSTOMER RELATIONSHIP MANAGEMENT MODEL PHASES AND IMPLEMENTATION AT TSHWANE TOURISM ASSOCIATION**

The TTA needs to analyse and implement customer relationship strategies simultaneously and as an ongoing process. The process of analysis and implementation of customer relationships can only be effective for the TTA when done simultaneously with the supporting conditions, which involve:

#### **Senior management support and leadership**

TTA senior management should work together with the TTA board of directors and stakeholders to support CRM strategies. This will ensure that everyone at the TTA pulls their weight in the implementation of CRM programmes.

#### **Quality of services**

The TTA should ensure that the CRF programme speaks to enhancing the quality of services they offer to customers. By so doing, customers' needs and wants will be realised, which will in turn lead to customer loyalty. This speaks to marketing strategies.

## **Technology**

The TTA should ensure that technology becomes part of the delivery for a successful CRF programme. This could be done through communicating with customers through web-enabled tools like e-mail and the Internet.

## **People**

The TTA should ensure that the CRF programme supports the delivery of people's expectations. This could be done through ad hoc market research aimed at investigating the needs and wants of customers so that the TTA can stay ahead of its competitors and retain customers.

## **Knowledge management**

The TTA should implement technology-enabled knowledge management customer profiles. This could be done through storing the information on the TTA websites with the aim of having records of TTA customers. The TTA could therefore use this information to analyse and follow up with customers on an ongoing basis.

When the supporting conditions are integrated with marketing strategies, the TTA could have a successful and effective CSF. However, marketing planning does not form part of the supporting conditions. This study will investigate the relationship of marketing strategies with the CRM and after the findings demonstrate the effects of marketing planning on customer relationships.

The following discussion further unpacks the areas that are important in a CRF, as reflected under the Ali CRM model

### **3.6 CUSTOMER RELATIONSHIP MANAGEMENT TECHNOLOGY**

TTA CRM technology is referred to as eCRM and is discussed in the context of the TTA as follows (Hays, Page & Buhalis, 2013:211-212).

#### **3.6.1 Defining the eCRM**

The world in the 21<sup>st</sup> century has moved into a technology-driven industrial revolution. Researchers indicate that we are at the brink of the fourth industrial revolution phase and that this phase requires companies to be intensively and intelligently technology-driven. Customer relationships with companies are affected by technology-led industries. Hence, the TTA should consider eCRM as an important element when developing customer relationship strategies. eCRM is the efficient handling of all customer relations by web-based methods integrated into an organisation's back-office system. The two types of eCRM, affiliated and permission marketing, are discussed further in this section. The eCRM software and hardware applications drive three key processes, namely:

- **Automating business operations** like sales automation, customer service and order management. The TTA could take advantage of automation of business processes by ensuring that their customer services are technology-enabled.
- **Automating business performance** processes such as data warehousing, data mining and analytics. The TTA could take advantage of the automation of business performance processes by storing their data to analyse customer behaviour with the aim of being ahead of the customers to retain them in the long term (Murdaugh, 2012).
- **Automating communication and co-ordination** processes such as voice mail, email, artificial intelligence and websites (Crosby & Johnson, 2001:26). The TTA could ensure that communication and co-ordination processes are automated because this will ensure that their customer services are efficient.

The TTA needs to develop effective technology-based customer relationship tools. This area cannot be ignored because accessible, efficient and fast information for TTA customers is critical to developing and maintaining customer relationships. The TTA could use technology to automate procedures, provide better information and to transform entire business processes (Dedrick, Gurbaxani & Kraemer, 2003:28; Edelman Trust Barometer, 2015:2).

These capabilities include not only hardware and software, but extend to the technical and managerial expertise required to provide reliable physical services and extensive electronic connectivity within and outside the TTA (Buhalis, Leung & Law, 2011:572).

A TTA CSF programme should be developed to easily collect and use relevant information in building customer relationships and link front office (sales, marketing and customer service) and back office (finance, operations, logistics and human resources) functions at the customer service point.

### 3.6.2 Affiliate marketing

Affiliate marketing is a type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's own marketing efforts (Edelman & Brandi, 2015:6). The industry has four core players—the merchant (also known as a 'retailer' or 'brand'), the network (that contains offers for the affiliate to choose from and takes care of the payments), the publisher (also known as 'the affiliate') and the customer. The market has grown in complexity, resulting in the emergence of a secondary tier of players, including affiliate management agencies, super-affiliates and specialised third party vendors. The TTA should ensure that the following affiliation marketing areas are captured as part of the CRF programme:

- **The merchant**, which is where the TTA could ensure that their brand reflects its aim of customer centeredness. This will make customers feel that they are part of the TTA



service delivery processes and are valued accordingly.

- **The network** is those who are marketing together with the TTA to ensure that it involves network partners in its CRF programme. This will assist in ensuring that TTA service quality delivery is not compromised or lost somewhere along the process of engagements with customers.
- **The publisher**, which are those who inform the public about the services. The TTA should ensure that the marketers are involved in the processes of developing the CRF programme, which will assist in ensuring that the TTA marketers do not over promise or mislead the customers in terms of services to be delivered.
- **The customers** are the final recipients of service delivery. The TTA should ensure that it prioritises the customers in its CRF programme. This will assist in ensuring that the TTA remains relevant to customers' needs and wants to retain them in the long run.

Affiliate marketing overlaps with other Internet marketing methods to some degree because affiliates often use regular advertising methods. These methods include organic search engine optimisation (SEO), paid search engine marketing (Pay Per Click - PPC), email marketing, content marketing and in a sense display advertising. On the other hand, affiliates sometimes use less orthodox techniques, such as publishing reviews of products or services offered by a partner. This method is important for the development of communication channels that will enhance customer relationships (Edelman & Brandi, 2015:3).

The following types of websites, although generic, are commonly understood and used by affiliate marketers (Shekhar, 2009; Alshurideh, Al-Hawary, Mohammad & Al Kurdi, 2017: 140–141).

- Loyalty websites, which provide a reward system for purchases through points or cash back. The TTA could integrate a reward system in their website for stakeholders to access. This would serve as a powerful tool in enhancing customer relationships.
- E-mail marketing is typically more content-heavy and the TTA could use an e-mail marketing method as a strategy for customer relationship building. This could be done through e-mailing stakeholders from time to time as part of the communication strategy to keep relationships going.

The next section focuses on the permission marketing role in customer relationships.

### **3.7 PERMISSION MARKETING**

Permission marketing is the opposite of affiliation marketing (marketing the unusual way). Instead of the TTA interrupting the customer with unrequested information, the TTA can use permission marketing to sell services only when the customers give consent in advance to receive the marketing information (Taminiau, Ferguson & Moser, 2016:789-780). The TTA can

use permission marketing for effective communication in its customer relationship strategies in five ways. The following are the five levels of permission marketing (Saarbeck, 2014:57).

- **Situational permission**, which means that the TTA stakeholders permit it to make contact by providing their personal information that will be kept in the database. The TTA will then use this information to solicit customers' views on best customer relationship strategies.
- **Brand trust**, which means that the TTA could take advantage of stakeholders' trust and loyalty through inviting these customers to have a say in the development of customer relationship strategies. This strategy is good because it will enhance the trust that stakeholders have with the TTA.
- **Personal relationship**, which means that the TTA could avoid soliciting views from stakeholders based on a personal relationship that they have with someone in the provider organisation. This is negative for the TTA because stakeholder views may be clouded by internal connections.
- **Points permission**, which means that the TTA could pursue stakeholders to leave their personal information through rewarding them with incentives, such as exchangeable points or an opportunity to earn a prize. This is good for the TTA customer relationship strategies.
- **Intravenous permission**, which means that the TTA should not take over the supply function for a specific service, which will render the customer completely dependent on the business for information updates. This strategy is not good for the TTA since they may miss an opportunity to get all customer information updated on time.

Marketing is a critical element for customer relationships because of the benefits to the TTA such as retaining stakeholders in the long term. The understanding of permission marketing areas will strengthen the customer relationship strategies for the TTA through creating relevant communication channels with customers. There are several examples of permission marketing. However, for this research two common examples are presented (Fábio & Luiz, 2016:475; Zhang *et al.*, 2016:229; Krafft *et al.*, 2017:65):

- **Facebook**: the TTA could use Facebook to post, share or amplify the marketer to send a 'friend request' to the stakeholders. This is good for the TTA because this channel allows a large audience to be reached at a very low cost (Dow, 2011:10).
- **YouTube**: the TTA can use YouTube as a video-sharing website, which enables it to upload, view and share videos. YouTube is important for the TTA to enhance customer relationships in the long term and can build a brand reputation for the stakeholders as well.

### 3.8 HISTORICAL CUSTOMER RELATIONSHIP MANAGEMENT MODELS

The following models are selected for background purposes but will not be incorporated in this study because the Ali CRM model is the preferred model to guide this study and is seen as the most current and an improvement on the historical models. Furthermore, the models cannot guide this study because they all are disadvantaged in terms of marketing strategy integration focused on a destination, which is important and desired to guide a DMO's CRF. The researcher presents literature on the original historical CRM models and developments over time but only a brief description and definition of the models.

- Gebert, Geib, Kolbe and Brenner (2003:118) proposed a business process model for CRM, comprising six relevant business processes to achieve successful integration of "Knowledge Management and CRM". These processes are campaign management, lead management, offer management, contract management, service management and complaint management. However, the model cannot be used for this study because it lacks connection with marketing planning.
- A customer relationship leadership (CRL) model was proposed by Galbreath and Rogers (1999:161) as a new model that leaders could embrace to recreate or readjust their leadership styles to foster an atmosphere in their businesses, to adopt and practise the principles of CRM. While CRM environments improve business performance, initiatives undertaken in this new management field require sound leadership as well. The model is not relevant to this study because it is management-orientated rather than destination-directed.
- The Value Compass Model proposed by Wayland and Cole (1997) is a CRM model concerned with the customer-oriented perspective. The four dimensions of this model are customer portfolio management, value proposition design, value-added role and reward and risk sharing, providing ways for the business to identify and manage customer relationships. It measures the business' contribution to its customer value chain to decide the position of the company within the industry value-added chain and to decide, on this basis, which customers and suppliers can create and share better value. The model is not relevant to this study because it lacks integration of marketing strategies, which is desired to guide a DMO CRF.
- Pepper and Roger (1999:276) focus on four steps (identify, differentiate, interact and customise) for one-to-one marketing.
- Brown (2000:219) presented the Strategic Customer Care Five Pillars Model to build up a CRM model for enterprises. The model makes the explicit connection between what managers know about their customers and how they can leverage that information to create customer value.
- Handen (2000:267) considered five dimensions (strategy, organisation, technology,

segmentation and process) to implement a CRM project effectively.

- Curry and Curry (2000:159) wrote a clear, step-by-step guide to profit from CRM, with strategies aimed at small and medium-sized business owners.
- Swift (2001:351) emphasised the right customer, right offer, right channels and right time for retaining customer loyalty.
- Dyche (2001:287) provided for an enterprise the guidance for adopting and implementing its own CRM solution.
- A framework was developed by Srivastava, Shervani, Tasadduq and Fahey (1999:168) to comprehend the integration of marketing with business processes and shareholder value. The model is not relevant for this study because it is management-orientated rather than destination-directed.
- Lin (2001:49) and Lin and Su (2003:720) presented a systemic integrated communications model that may help enterprises identify the potential issues of CRM.

All the historical CRM models noted above are described for background purposes only and do not play a role in the development of a CRM framework for the TTA although the current CRM models used for this study were developed from these models. Models provide an environment for interactive student engagement. Furthermore, based on the environment of CoT in which the TTA operates, these models are not suitable for this study for the following reasons:

- The models do not allow for interactive engagement participation at the TTA. It is critical that models should offer a learning environment that provides an interactive engagement experience for the TTA.
- These models do not convincingly provide and induce CRM processes and systems thinking capabilities. The TTA needs a model that encourages deep thinking around CRM processes and systems.
- These models would not help the TTA to approach CRM programmes from quantitative skills such as graphing, graphical analysis and visualisation, statistics, computational skills and mathematics. These are critical for the TTA to achieve an effective CRM programme.
- These models would not allow the TTA space to perform sensitivity studies to assess changes in CRM strategies which influence customer behaviour. It is very important for a model to assist the TTA to avoid uncalculated risks, which will lead to service failures and proposed or accidental changes in a system.
- These models would not assist the TTA to predict possible future impacts on the CRM programmes.
- These models would not contribute and effectively transfer the knowledge gained, understanding of model development and implementation to other DMOs and current

world of knowledge. Hence, these historical CRM models are not suitable for this study.

### **3.9 MARKETING AND CUSTOMER RELATIONSHIPS**

Marketing strategies relevant for this study are the strategic and destination marketing plans. This is because the TTA's main function is to promote the CoT, which makes strategic marketing planning an important and central function for the TTA. The following discussions focus on the elements of marketing planning and destination marketing in the CoT and the TTA context.

#### **3.9.1 Marketing planning**

According to George (2014:116):

...marketing planning is the process by which a tourism and hospitality company attempts to analyse its existing resources and marketing environment to predict the direction it should take in the future.

Marketing planning is important since it ensures that the TTA targets the right markets and segments. It ensures cost-effectiveness and causes marketers to focus on one offering at a time. In the tourism industry, marketing planning focuses the company on its objectives, shape and corporate mission statements. It also encourages the company to focus on its strengths, weaknesses and plans for the future. The TTA needs a good CRM programme that will ensure a relationship with marketing planning. In other words, when the TTA develops its CRM programme, factors that relate to the marketing process should be considered.

#### **3.9.2 Functions of the marketing plan**

According to Cohen (2001:2) and Jenkins, Dredge and Taplin (2011:21), for destination organisations such as the TTA to operate efficiently and effectively, marketing planning is important. The marketing plan will assist the TTA to focus on where it is going and how it plans to get there and will guide the TTA on how much time, effort and resources are required to accomplish its goals.

The following discussion addresses the role of marketing planning at a destination level in the context of the TTA (Cohen, 2001:2; George, 2014:5).

The TTA marketing plan is as a strategic roadmap. A geographic road map describes the geographical terrain as well as identifies different roads, distances, times, speed, resting places, accommodation or repairs. Like a road map, the marketing plan explains:

- The marketing environment in which the TTA will be operating;
- How the TTA could design a plan to reach its objectives and goals; and
- The TTA would be able to know the total marketplace environment, which includes competitors, laws, politics, regulations, economic and business conditions, the state of

technology, forecast demand, social and cultural factors, target market and overall resources.

A marketing plan stimulates thinking and helps with the effective use of available resources. It should assist the TTA in doing less yet obtaining maximum results, which means it could help the TTA to use R1.00 to do the work of R10.00, build strengths and reduce weaknesses with the aim of gaining a competitive edge (Hieberg & Cooper, 2003:91-93; van Zyl, 2005:75; d'Angella & Go, 2009:430). A marketing plan helps with assigning strategies, responsibilities, tasks and timing. According to Cohen (2001:4) and Gnoth, Andreu and Kozak (2009:101), a strategy is effectively implemented by well-skilled implementers. The marketing plan outlines different responsibilities within the TTA.

### **3.9.3 Tshwane Tourism Association marketing plan predicts problems, opportunities and threats.**

TTA should have an opportunity to identify problems, opportunities and threats that may challenge the association. TTA management should have a strategy in place that will help them identify opportunities and threats. Therefore, it should be designed to take advantage of opportunities, propose solutions to problems and avoid threats. It should help with strategies, control and implementation. It may not materialise exactly as planned and therefore alternatives should be available. It should distinguish clearly between what is actually happening during the implementation of the strategy and what is envisioned.

This will create a measure of power and control over corrective actions necessary to put the TTA's project back where it is supposed to be and to reach the desired objective (Hatton 2000:34).

A TTA marketing plan should clarify new staff roles and functions. The TTA should inform relevant role players of their responsibilities and tasks in terms of how they fit into the strategy because a marketing plan is a document that explains the objectives to all participants and by whom, with what and when objectives will be met, (Lancaster & Massingham 1996:164-166; Tescari & Brito, 2016:475).

TTA marketing should help with the planning of plots and allocation of resources for strategy implementation. It should play a major role in attracting investors, people, money and other assets to the project. In addition, it should provide power and control over the project regarding actions, costs and alternatives from start to finish.

### **3.10 BENEFITS OF MARKETING PLANS TO TSHWANE TOURISM ASSOCIATION CUSTOMER RELATIONSHIP MANAGEMENT PROGRAMMES**

A marketing plan can benefit the TTA in the following manner (Cohen 2001:4; Kotler & Armstrong, 2012:166; McDonald, 2016:120):

- Allows for self-examinations through analysis of strengths, weaknesses, opportunities and threats (SWOT);
- Result in innovations, especially new ideas that produce future growth;
- Resources could be used more effectively and costs are reduced since they are controllable;
- Improved organisation and accountability because of the delegation of responsibilities concerning managerial duties, enhanced by deadlines being set;
- Anticipate the future by foreseeing and solving problems;
- The budget will be realistic since marketing planning outlines expected expenditure and forewarns of any deviations to be dealt with in advance;
- Marketing planning leads to participation by all levels of the company; and
- As a result, thinking is promoted, problems are anticipated and answers are provided. The involvement of all levels of management results in building a team spirit, improved morale and increased productivity.

A marketing plan would play a pivotal role in TTA CRM programmes. Part of this role is to engineer capabilities to obtain investments, sponsorships, innovations and new ideas that could produce future growth of the TTA. Furthermore, the TTA marketing plan is not prescriptive but guides the CRM programme on the route to follow. TTA marketing plans are not mandatory. They give direction to the organisation and CRM programmes can complement the marketing plans through supporting its objectives. TTA CRM programmes could encourage uncompromised commitment to marketing planning and assist the TTA to gather the resources that will help create the desired future (Kotler & Armstrong, 2012:201).

### **3.11 MACRO-ENVIRONMENT FACTORS AND CUSTOMER RELATIONSHIP MANAGEMENT**

The macro-environment means the major external and uncontrollable factors that influence the TTA's decision-making and affects its performance and strategies. The following aspects constitute the nature of the macro-environment (Palmer, 2002:81; Wang & Pizam, 2011:205; George, 2014:201):

- The external environment is without boundaries and changes take place from time to time. The TTA's lack of sufficient finances will disadvantage the chance of predicting the macro-environment and it should prepare itself financially through investments that are directed to addressing the external environment. The TTA may also create a space for finding solutions through CRM programmes.
- The macro-environments have weak environmental signs, which means they cannot be predicted easily before they are experienced and it is difficult for the TTA to identify the impact of the changes in the macro-environment at an early stage. Therefore, it discovers

changes only after they have occurred.

The TTA may use the CRM programmes to find solutions in terms of reacting towards the macro-environments. External environments are uncontrollable in nature; therefore, the TTA can do nothing to stop the impact of the external environments but only to adapt to them. The TTA may use the CRM programmes to find solutions in terms of adapting the macro-environments. The macro-environments are divergent and require diversity of expertise. When the TTA is faced with a diverse macro-environment to deal with, the CRM programmes can become a resource to find expertise to help handle the relevant environment. The external environments that the TTA may face and need attention when developing the CRM strategies are socio-cultural, economic and environmental factors. These factors are discussed hereunder (Murdy & Pike, 2012:1282-1284; George, 2014:77).

### **3.11.1 Social and demographic environment (sociodemographic)**

Sociodemographic may be defined as “...the study of human populations in terms of size, density, location, age, gender, race, occupation and other statistics” (George, 2014:78).

TTA CRM programme strategies should take into consideration the following sociodemographic aspects that have a significant influence on the CoT will impact on service delivery to its customers.

#### ***3.11.1.1 Urbanisation and dispersion of the population***

According to George (2014:79), most of South Africa’s economically active population is concentrated in urban areas. The Gauteng Province in South Africa has the largest number of working people residing within its boundaries.

#### ***3.11.1.2 Size of the household***

The household size has a role to play in market segmentation. The smaller household spends less money and has the ability to travel. The CoT tourism industry is more likely to target small households because this will bring more profit into the business as smaller families have money to travel.

### **3.11.2 Cultural and social environment (sociocultural)**

The sociocultural environment affects the way people live and behave. Included in this environment are the languages people speak, their type/level of education, their religious beliefs and the type of food they eat. It also includes the society style of housing, family size and marital beliefs (Drummond & Ensor, 2001:23; Dow, 2011:163).



### ***3.11.2.1 Cultural and religious differences***

The CoT has citizens from various subgroups, including Muslims, Jews and Christians. Furthermore, the CoT has a greater diversity of spoken languages than anywhere else in South Africa. The TTA CRM programme could decide on promotional activities and services offered that would suit a variety of languages spoken (George, 2014:187).

### ***3.11.2.2 Educational levels***

According to Bennett (2000:79), Wang and Pizam (2011:248) and George (2014:134), the higher the educational levels are, the higher the level of development is. In the CoT, most groups have adequate education and basic skills. The better qualified the person is the better the income and that makes educated people a better market for taking holidays. The TTA CRM programme strategies should take into consideration the literate groups (George, 2014:138).

### ***3.11.2.3 Economic environment***

The term economic environment means external economic factors that influence buying habits of consumers and businesses. It therefore affects the performance of the TTA. The economic environments include exchange rates and income per capita factors.

### ***3.11.2.4 Exchange rates***

The South African currency is weaker than developed countries such as the USA and the UK. It is therefore advantageous for tourism since it becomes expensive for local people to travel overseas and is cheaper for overseas tourists to visit South Africa. Hence, local people will tour through their own country, which brings economic growth to the areas visited but is also an economic drain on the generating area. The TTA CRF strategies should be mindful of this economic impact in the CoT since it affects its stakeholders (George, 2014:142).

### ***3.11.2.5 Inequalities in income and increase in per capita income***

In the CoT, a small minority earns larger salaries than most of the groups. TTA stakeholders should have tour packages that are affordable to those who earn an average income. Domestic travel is a better option for nationals since it is more affordable to travel within their country (George, 2014:176). The TTA CRM programme should be mindful of this economic impact in the CoT since it affects stakeholders their relationship with the TTA (George, 2014:188).

## **3.11.3 The physical environment**

The CoT has good tourism accommodation, which includes 5-star hotels, airport facilities, caravan parks, modern coaches and good road networks. The TTA should consider these aspects and adapt to these environmental features through developing and organising the

CRM programmes by taking advantage of the CoT's physical environment (Bennett, 2000:166; George, 2014:192).

### **3.12 DESTINATION MARKETING AND CUSTOMER RELATIONSHIPS**

Destination marketing can be described as the marketing of a place that involves a DMO like the TTA, promotion process, demand-driven research and communication activity with the focus on potential external target markets.

The target market of CoT may include visitors, tourists, investors, university students and a skilled labour force. On the other hand, a DMO like the TTA is responsible for promoting a community as an attractive travel destination and enhancing its public image as a dynamic place to live and work (Bornhorst, Ritchie & Sheehan, 2010:572-573).

The TTA as a DMO has the major task of turning tourism into a key driver of socio-economic progress in the CoT through export revenues, the creation of jobs and enterprises and infrastructure development, being an advocate for tourism, a cultural champion and connecting the visitor experience with the quality of life of CoT residents in the community (Bregoli, 2013:212). The TTA could successfully achieve the objectives of marketing CoT with fruitful results if its CRM programme aligns with its mandate of marketing the CoT. The TTA should follow the following four P's of destination marketing in terms of aligning its CRM programme strategies.

### **3.13 THE FOUR P'S OF DESTINATION MARKETING**

The four P's of destination marketing are briefly discussed in the TTA context hereunder. (Bennett, 2000:121; Kotler & Armstrong, 2012:162; George, 2014:213).

#### **3.13.1 Product strategy**

The product means the sum of the physical and psychological satisfaction it provides to tourists during their travelling en-route to the destination. The TTA should have product strategies aimed at positioning the CoT in the eyes of the customer against the competitor. The TTA product strategy could include factors like unique restaurants, strategic location, outstanding customer service and modern technology systems.

#### **3.13.2 Distribution strategy**

TTA distribution means the manner of taking the product to the customers. The TTA distribution strategy should be aimed at making CoT tourism services available to make the product accessible to the visitors.

A TTA product distribution strategy should be aligned with the CRM programme because this will allow for efficiency in terms of service delivery, for example, distribution of services by using quick and easily accessed restaurants by visitors to the CoT.

### **3.13.3 Pricing strategy**

The term price means the total amount of money the TTA charges customers for services. The TTA CRM programme could play a role in developing prices to position the services in the eyes of the customer in the CoT. The TTA can do this through emphasising value and uniqueness of prices.

### **3.13.4 Promotion strategy**

The term promotion means the TTA taking the services to the customer by means of promotion, which includes advertising, personal selling, sales promotion and publicity. The TTA should ensure that the CRM programme is aligned with the promotion strategy because this will help to support the positioning of the TTA services against the competitor. The TTA needs to focus on product, distribution, pricing and promotion strategies since they form part of the marketing strategies that are critical for the development of a successful CSF and customer service. These marketing strategies are directly influential in customer service in line with customer satisfaction, loyalty and return business. Therefore, the TTA should ensure that these marketing strategies are addressed in the development of the CSF programme.

## **3.14 CHAPTER SUMMARY**

This chapter focused on CRM strategies, components of CRM, management of the CRM process, CRM roadmap, CRM models and marketing concepts. The discussion emphasized that a CRM strategy is a tool that the TTA could use to organise the resources, operations, goals and objectives and work together with stakeholders to achieve productivity. The TTA should have business strategies that promote CRM programmes across the firm and its stakeholders and for these strategies to succeed they should be simple and clearly understood by customers.

This chapter addressed the importance of the CRM components, which include a customer database, customer information, target customers and customer retention, which are important for this thesis in assisting to develop an effective customer relationship strategy for the TTA. Clearly, if the TTA does not incorporate these components as the basis for its customer relationship strategies, the process of developing effective customer relationship processes will be compromised. This chapter also noted the effective processes of CRM that the TTA should incorporate, including role specification, employee training, internal and external communication and the process evaluation. This process is critical for the TTA to make the CRM programme effective to the internal and external environments of the organisation.

In addition, the chapter demonstrated the importance of CRM road mapping, which encompasses knowing the customer, knowing the employees, the organisation's present status, appointing the project team, senior management commitment, providing effective leadership, developing a detailed business case, selecting the CRM technology, testing and evaluating CRM solutions.

The TTA will miss an opportunity to develop an effective customer relationship strategy if it does not incorporate this roadmap as part of strategy development. The Ali CRM model was identified as the most suitable guide for this study because of the following features as highlighted by Boo, Busser and Baloglu (2009:578) and Li and Wang (2010:540).

- It is unique in providing a view of CRM systems from multiple perspectives.
- It has the ability to see causes and effects when using this model in a step-by-step manner, allowing for process, strategies and systems understanding through visual and technological analysis.
- It has the ability for early challenge detection.
- It reduces process, strategies and systems misfortunes.
- It is responsive and reactive.
- The Ali CRM model can be adapted to suit any DMO and is therefore appropriate for the TTA.

Finally, the chapter discussed marketing planning and its importance for this study. The importance of marketing planning included that it ensures that the TTA targets the right markets and segments. It ensures cost-effectiveness and focuses the TTA on its objectives, shape and corporate mission statements. Furthermore, it encourages the TTA to focus on the strengths, weaknesses and the future. The TTA, as a DMO, should implement the CRM programme. It will be effective in retaining its customers in the long term, being profitable and uplifting the CoT brand to one of the best in the world.

The next chapter, Chapter 4, discusses the research methodology applied in this study.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION**

This chapter builds upon the previous chapters and explains the methodology applied in this study. The chapter begins by revisiting the objectives of the study to lay a solid foundation, followed by the research design, the population and sampling methods. It also describes the instruments used for data collection and data analysis methods. Finally, the chapter explores the variables, reliability and validity methods used in this study.

#### **4.2 RESEARCH OBJECTIVES**

According to Laketa, Sanader, Laketa and Masic (2015:241), DMOs need to establish long-term and sustainable CRM programmes with their customers. This will assist DMOs to attract, identify, segment, communicate and build long-term relationships with customers on an individual basis. Twenty first century business practices require DMOs, such as the TTA, to identify, retain and co-create with their customers. It is in this spirit that the DMO's CRM programme will take advantage of modern technologies to access their customers. It is only through CRM programmes that DMOs can create a high-quality customer base. When the DMO develops an effective marketing plan, they are moving in the right direction (Kotler & Armstrong, 2012:411; Baran & Galka, 2013:215). They can take advantage of the CRM programme customer database and they can access information about the needs and attitudes of customers (George, 2014:17).

The objectives of the study as stated in Chapter 1, section 1.3, are:

**Objective 1:**

To investigate customer-related factors necessary to involve the TTA and customers in the planning and designing of a CRF.

**Objective 2:**

To establish market positioning factors to support a CRF for the TTA.

**Objective 3:**

To identify marketing product strategy factors to sustain a CRF for the TTA.

**Objective 4:**

To establish marketing retention factors that can be recommended to sustain long-term relationships between the TTA and customers.

### **Objective 5:**

To demonstrate relationship marketing factors that are important for the development of a CRF for the TTA.

### **Objective 6:**

To recommend a framework relevant to the development of a customer relationship programme for the TTA.

## **4.3 RESEARCH METHODS**

### **4.3.1 Research design**

This study adopted a mixed approach, which is the combination of qualitative and quantitative research methods, with a triangulation design. The mixed method is popular for enabling researchers to implement both quantitative and qualitative data collection methods at the same time and permits data gathering instruments to be analysed separately. In this instance, the quantitative and qualitative methods focused on CRM programme strategies aimed at developing a framework (Creswell & Clark, 2007:266; Bryman & Bell, 2011:279; Creswell, 2014:202).

The mixed method takes its roots from exploratory and descriptive research. Exploratory research (qualitative) is conducted to bring clarity to a particular research phenomenon and gives direction to the best research design, data collection method and a selection of variables (Bryman, 2008:187). On the other hand, descriptive research, (quantitative) capitalises on defining the data and characteristics about the research topic. It responds to the questions who, what, where, when and how.

The mixed method of research delves deeply into understanding and analysing the phenomena studied regardless of complexity or complication surrounding it. For the purpose of knowledge advancement, mixed method research should bring together basic and applied research methods (Bryman & Bell, 2011:177; Creswell, 2014:211). Creswell and Clark (2007:5) define mixed methodology as:

...a research design with philosophical assumptions as well as methods of inquiry... directing the collection and analysis of data [with] the mixture of qualitative and quantitative approaches in many [research] phases in ... a single study.

Numerous researchers, such as Neuman (2006:89), Schifferdecker and Reed (2009:641), and O’Cathain (2010:540), support the mixed methodology of research, highlighting the importance as follows:

- The exploratory and descriptive questions can be attended to at the same time with the aim of generating and verifying theories;
- Mixed methods amplify the volume of recommendations and conclusions after findings;

- Permits the combination of inductive and deductive reasoning; and
- Avoids all forms of bias, directly points to the character of the phenomenon researched and has a positive impact on validity and quality criteria.

According to Tashakkori and Teddlie (2009:3), mixed methodology studies combine the qualitative and quantitative approaches into the research methodology of a single study or multiphase study. Quantitative research is a scientific investigation that includes both experiments and other systematic methods that emphasise control and quantified measures of performance. Measurements and statistics are central to quantitative research because they are the connection between empirical observations and mathematical expressions of relations (Creswell, 2014:186).

Cohen and Crabtree (2006:77) and O’Cathain (2010:544) describe qualitative research as a form of systematic empirical inquiry into meaning. Systematic means planned, ordered and public. Empirical means this type of inquiry is grounded in the real world. Inquiry into meaning simply says researchers try to understand how others make sense of their experience.

Mixed methodology provides more evidence for studying a research problem than either the quantitative or the qualitative method alone. Researchers use all the data collection tools available to them rather than being restricted to the types of data typically associated with quantitative or qualitative research (Collis & Hussey, 2009:202).

According to Creswell and Clark (2011:12) and Tracey, Matthews and Kostelis (2011:88), mixed method research includes creating partnerships, answering research questions that other methodologies cannot answer alone and provides better and stronger inferences with regard to the research questions. The quantitative research approach is important when casual relationships among the underlying theoretical constructs need to be examined.

Quantitative research is important for this study for the following reasons, as stated by White (2005:84):

- Uses the deductive form of reasoning, meaning that data are collected to assess preconceived models and theories;
- The researcher can establish meanings of data;
- Nomothetic in nature—it can predict and control human behaviour and effectively measures the social world;
- The research can be replicated and standardised according to fixed procedures;
- The data analysis can be undertaken by means of statistics;
- The unit of an atomistic variable that becomes the unit of analysis is the element that forms part of a whole; and
- The quantitative design sees reality as objective.

Quantitative methodologies are concerned with primarily numeric data, seek to establish relationships and explain causes of changes in measured social facts (Gray, 2009:213; Bryman & Bell, 2011:287). According to White (2005:67), quantitative research includes experimental and non-experimental approaches. The non-experimental approach includes the descriptive and survey methods. For the experimental approach, a descriptive method and survey research method were used for this study.

The following are the characteristics of the descriptive approach (Creswell & Clark, 2007:66):

- A numerical synopsis entailing correlation engagement, which displays relationships between variables;
- An explanation of a specific characteristic's frequency of presence in a sample; and
- A detailed explanation of a specific individual or group.

During a study, individuals respond to similar questions and the responses are then organised so that conclusions may be drawn from them. The responses are used to find solutions and new information about the research problem in question (Fowler, 2008:99). According to White (2005:121) and Creswell (2007:167), qualitative research deals with verbal data and relies on the way the respondent interprets the social observable facts. It therefore made sense to choose the qualitative method as part of the research design for this study. Qualitative research characteristics are involved with describing and analysing specific society and collective perceptions. This involves the researcher engaging with individuals on a face-to-face basis.

Therefore, the study focused on both quantitative and qualitative approaches, described by White (2005:123), Leedy and Ormrod (2010:299) and Creswell (2014:231) as follows:

**Descriptive:** the research did an in-depth investigation of the groups that form part of the population and factors that occur frequently in nature were identified. A statistical summary of variables with the main aim of classification was done.

**Correlation:** the research looked at the relationships between variables and discussed them clearly as a basis for the recommendations.

**Survey:** the survey used structured questionnaires and where necessary, telephonic interviews.

#### 4.3.2 Population

Gravetter and Forzano (2018:127) report that one of the most critical issues in planning research is the selection of research participants. Similarly, Green, Camilli and Elmore (2006:642) state that the target population is the population from which one would collect data if one were conducting a complete survey, rather than just a sample survey.



Hammond and Wellington (2013:332) describe a population as the entire study subject. In this study, the population refers to all the members and potential members of the DMO (TTA) in the CoT. The population of the study is all the hospitality, travel and tourism organisations that operate in the CoT area.

According to Babbie (2010:199), a population is a target group that the study is aimed at specifically, while Cooper and Schindler (2006:409) state that the complete and total summary descriptors of intended variables of interest in a population are parameters of interest.

### **4.3.3 Sampling**

A sample can be described as a particular number of individuals in an identified group of people researched, especially representatives of the same larger population. Furthermore, sampling can be explained as a set of selected people out of a population to reduce the mammoth task of conducting research data collection without compromising the quality of the research (Duignan, 2014:197). Therefore, the following groupings formed part of this research sample:

- All the customers of the TTA operating in the CoT area (quantitative study);
- HEIs and hospitality, travel and tourism experts (quantitative study); and
- Tourism-related NGOs in the Gauteng Province (qualitative study).

#### **4.3.3.1 Sample size**

According to Gravetter and Forzano (2018:231), sample size is the total number of selected individuals that partake in a study where the sample size is considered as a fraction of the entire population.

For the quantitative section of the study, a random sample size of  $n=400$  was drawn from the TTA area of operation, which is the CoT. An additional sample size of  $n=20$  was drawn to conduct the surveys with 20 tourism experts from the HEIs. For the qualitative study a random sample size of  $n=10$  was drawn from 10 tourism NGOs for conducting in-depth telephonic interviews.

#### **4.3.3.2 Sample ratio**

This refers to the size of the sample divided by the size of the population. However, for this study, the intention of the research was to use a sample ratio that would conform to sample sizes of known populations. In this case, the customers of the TTA provided for 400 participants, the minimum number deemed suitable for this study.

#### **4.3.3.3 Sampling method**

This study adopted a stratified random sampling method for the quantitative study on TTA customers and HEI experts. These methods are relevant because of their exploratory nature.

Lewis-Beck and Lewis-Beck (2016:132) explain that random sampling refers to survey sampling designs that meet the criteria necessary to permit the use of randomisation-based methods of statistical inference.

White (2005:77) and Gray (2009:121) note that random sampling refers to survey sampling designs that meet the criteria necessary to permit the use of randomisation-based methods of statistical inference. By means of stratified random sampling, each unit in the population has an equal opportunity of being selected. Stratified random sampling was applied but the researcher ensured a fair and even representation of all the categories of stakeholders in the TTA.

Gravetter and Forzano (2018:241) elaborate that in a non-probability convenience method, researchers use participants who are easy to find. People are selected based on their availability and willingness to respond—convenience. According to Ghauri and Gronhaug (2005:229), a random sampling method uses a relatively small sample to make inferences about an arbitrarily large population.

Randomness is an essential part of the protection against selection bias and to ensure true randomness, the method of selection should be independent of human judgment. Denscombe (2010:27) states that random sampling is often portrayed as the ideal basis for generating a representative sample because with random sampling the inclusion of a person in the sample is based entirely on chance. Random selection ensures that the researcher cannot influence the sample in any way that will introduce bias.

Qualitative research uses non-probability sampling for selecting the sample for the study. In a non-probability sample, participants are deliberately selected to reflect features of groups within the sampled population. The sample is not necessarily intended to be statistically representative. The chances of selection for each element are unknown. Instead, the characteristics of the population are used as the basis of selection. According to Aron, Coups and Aron (2014:76), non-probability sampling is cheap, fast and adequate for homogeneous populations. Furthermore, the non-probability sampling method of the purposive approach was employed for the tourism-related NGOs of the Gauteng Province respondents.

## **4.4 DATA COLLECTION**

### **4.4.1 Research data**

According to Creswell (2014) and Taber (2017:1573), data are defined as information, numbers, or facts collected for records, or any statistical enquiry. Furthermore, data can be described as facts, figures or information in possession of an organisation and stored electronically. There are four possible methods in the research design-mix, being exploratory design, explanatory design, triangulation design and the embedded design (Creswell & Clark,

2007:186; Tashakkori & Teddlie, 2009:342; Bryman & Bell, 2011:177; Creswell, 2014:201). However, precautionary measures in the form of flexibility and creativity are necessary when applying mixed method research and should be considered when developing mixed methods. There is no one-size-fits-all approach suitable for all research, since this evolves with the thesis (White, 2005:188; O’Cathain, 2010:554).

For the purpose of this study, data collection and analysis followed an embedded design, which means that a large amount of quantitative data were used together with a little qualitative data. In this study, the quantitative respondents comprised 400 TTA customers and 20 HEI experts and the qualitative respondents were 10 tourism NGOs from Gauteng Province.

There are two types of data—primary and secondary data. Primary data is data that are collected for the first time and are collected from the source that is being researched (Creswell, 2003:221; Saunders *et al.*, 2012:598; Aron *et al.*, 2014:100). Secondary data are already available in a database and although not necessarily published, are available in an organisation (Creswell, 2003:223; 2014:321). Secondary data were used in Chapters 2 and 3 of this thesis.

For the purpose of this study the data collection procedure started with secondary data collection from scholarly books, journals, textbooks, newspapers, manuals, databases, the Internet, accessible computer databases, articles in professional journals, research reports, dissertations, conference presentations, symposia, workshops, personal interviews with authorities, public documents and legislation. The purpose behind starting with secondary data collection was for the researcher to understand the depth of the current body of knowledge in the area of CRM. This assisted the study with normative criteria and standards as a measuring stick against which current practices and approaches of CRM programmes could be measured (Aron *et al.*, 2014:166).

Primary data were collected in the following categories:

- For the TTA customers and university tourism experts, the primary data were collected using a self-administered questionnaire (quantitative); and
- For the tourism NGOs in the Gauteng Province, the primary data were collected from interviews (qualitative).

#### **4.4.2 Data collection methods**

##### ***4.4.2.1 Formulation of the quantitative questionnaires for Tshwane Tourism Association customers and higher education institution tourism experts***

The questionnaire variables were derived from the objectives of the study to allow a smooth transition between the understanding of the academic thought and translation into the practical

realm. The research adopted the following systematic riders in developing a case for relevant variables (Munn & Drever, 2004:72; Gillham, 2007:51; Ekinci, 2015:54):

- Rider 1. Construct a relevant variable with a clear construction perspective;
- Rider 2. Develop an operational perspective; and
- Rider 3: Employ the tools to collect data and analyse the findings, resulting in the research outcomes.

The researcher ensured that the variable indicators, such as marketing strategies, were relevant and responsive to theory and the research questions of the study. The indicators that were used to construct the variables were only those relevant to CRM, marketing planning, a DMO and a tourism destination. This is critical to ensure consistency and relevance towards the research findings and conclusions. Questionnaires remain critical in collecting viable and relevant data from original sources.

#### ***4.4.2.2 Administration of questionnaires for Tshwane Tourism Association customers and higher education institution tourism experts***

The self-administered questionnaires were used to collect the primary data from TTA customers (see Appendix B) and HEI tourism experts (see Appendix C). The questionnaire had a covering letter addressed to each respondent with the contact details for the researcher and CPUT, the affiliated institution. The covering letter guaranteed all respondents of confidentiality and non-disclosure of their personal information. There is an element of importance in assuring respondents of utmost confidentiality as this prevents chances of inconsistencies in the questionnaire feedback.

#### ***4.4.2.3 Pre-testing of the questionnaires for Tshwane Tourism Association customers and higher education institution tourism experts***

For the quantitative study on TTA customers, five questionnaires were pre-tested in the areas of operation, transportation, accommodation, travel agents, restaurants and museums. For the qualitative research, the researcher selected two tourism-related NGOs in Gauteng to pilot-test the questionnaire. The aim of pre-testing the questionnaire was to ensure it would measure the areas it was designed to measure. In normal circumstances, it is not compulsory to pilot the representative sample because there is always room to pre-test members of a group at which the research is directed (Babbie, 2010:267). The outcome of the pilot study was positive and indicated that there were no ambiguities or grammatical errors in the survey instrument. A minimum of 10 minutes and a maximum of 20 minutes were required to complete the questionnaire.

#### **4.4.2.4 Quantitative and qualitative questionnaire methodology for Tshwane Tourism Association customers and higher education institution experts**

According to Rowley (2014:309), a questionnaire is an instrument that contains questions to be completed by the respondent; the interviewer may read out the questions and fill in the responses. Denscombe (2010) describes a questionnaire as a research tool armed with a series of questions aimed at gathering information from a group of the target sample. Babbie (2010:255) argues that the questionnaire may also be a systematic technique to gather primary data in marketing research and motivates the respondent to provide well-constructed, complete and truthful information.

Although questionnaires are often designed for the statistical analysis of the responses, this is not always the case (Babbie, 2010:240). Designing the questionnaire allows the researcher to explore data collection from the target sample to gather statistical data. There are different types of questionnaires in research, such as the structured questionnaire, the unstructured questionnaire, the scaled questionnaire, the hand-delivered questionnaire, the mailed questionnaire, the mixed questionnaire and the pictorial questionnaire (Rowley, 2014:321). For the purpose of this study, structured, hand-delivered questionnaires were used for qualitative data collection to allow for the effectiveness and efficiency of questionnaire-delivery to respondents. This guaranteed that the relevant respondents received the questionnaires. The researcher used the following qualities in terms of developing both the quantitative and qualitative questionnaires (Denscombe, 2010:177):

- The length of questionnaire should be appropriate;
- The language used should be easy and simple;
- The terms used are explained properly; and
- The questions should be arranged in a logical way.

According to Saunders *et al.* (2012:342), there are several types of questions that can be formulated in a questionnaire, such as closed-ended questions, rating-scale questions, Likert-type scales, semantic differential, multiple choice questions, rank order questions, dichotomous questions and open-ended questions. For the purpose of the quantitative data collection, the questions were closed-ended, rating-scale and Likert-type questions, while for the qualitative study, open-ended questions were used.

Furthermore, the reasons for using questionnaires in this study were that:

- Questionnaires are cost-efficient in that the researcher was able to survey many respondents in a large area by delivering the questionnaires door-to-door and collecting them without having to incur any costs; and
- Questionnaires allowed the practicality of the study to be translated in an easy and

accessible way (Bryman, 2008:77; Dawson, 2009:121; Rowley, 2014:309).

The research was able to obtain a 100% quality feedback. Once the questionnaires were delivered, it was easy in most cases for the respondents to complete the questionnaire and hand it back immediately or within a seven day-period.

The scalability of questionnaires (ability to reach a variety of respondents) allowed the research data collection to have a wide audience approach. The questionnaire aimed for data collection in various areas of the operation of the TTA in the CoT and enhanced the quality of the responses obtained.

The quantitative questionnaires were used for easy data analysis because of in-built data analysis tools such as SPSS, Smart-PLS and STRATA. Furthermore, the findings gave the researcher an opportunity to develop innovative CRM approaches and to follow trends, generate predictions and even create benchmarks for follow-up research. The questionnaires allowed the respondents to maintain their anonymity and ability to respond as accurately as possible. They also allowed the researcher to cover all the aspects of the study objections without compromising the quality of the study in terms of the length of the questionnaires.

#### ***4.4.2.5 Quantitative questionnaire measurement instrument for Tshwane Tourism Association customers and higher education institution tourism experts***

The quantitative questionnaire instrument for TTA customers and HEI tourism experts was aligned with the Likert method of measuring data. Likert developed an effective ranking scale, which came to be popularly known as the Likert scale. It has a format whereby respondents are expected to respond to “strongly agree, agree, disagree, or strongly disagree” statements and may include “strongly approve, disapprove” and so forth (Joshi, Kale, Chandel & Pal, 2015:398).

The quantitative data collection made statistical processes easier to complete and compelled respondents to make a choice from a given list of options (Baker & Foy, 2008:106). The research study ensured that the designed questions made it possible to assign numbers to empirical events, objects, properties, or activities to comply with rules and also ensured that the study aligned with measurement rules, delivered the outcome of the relationships and reflected between the numbers assigned, objects and characteristic of the variables (Creswell, 2003:222; Aron *et al.*, 2014:276). Therefore, the following structure was used for the quantitative questionnaire:

- Structured questions;
- Close ended questions;
- Multiple-choice; and
- A five-point Likert scale summated rating questions and additional sixth point on other

variables to accommodate “not applicable” responses.

On the Likert scale, a hierarchical model reflecting a rank of never, always, sometimes and so forth was adopted (Peng & Lu, 2012:110).

#### **4.4.2.6 *Qualitative instrument measurement for tourism non-government organisations***

The qualitative measurement for tourism NGOs were interviews. Ten tourism NGOs in the Gauteng Province were interviewed telephonically as they were not available for face-to-face interviews (see Appendix D). According to Bryman and Bell (2011:32), a telephone interview is a process of asking questions and getting feedback from a respondent over the phone. Smith (2005:33) states that telephone interviewing is an effective method of data collection in quantitative and qualitative methods when interviewers are properly prepared. The telephone interview is useful to collect quantitative and qualitative data (Carr & Worth, 2001:512; Sturges & Hanrahan, 2004:110; Aron *et al.*, 2014:89).

According to Kollo (2005:2330) and Smith (2005:35), interviews are excellent for increasing the response rate because it is more difficult for people to refuse a request from a person than it is to throw away a paper survey and interviewers can clarify things to those who appear not to understand various questions. Using the telephone as a mechanism for data collection has increased in research. Examining the effectiveness of telephone interviewing has focused on its use in market survey and census (that is epidemiologic) research.

Using telephonic interviews benefitted the study (Coderre, Mathieu & St-Laurent, 2004:347) as the researcher was able to use human resources efficiently and was less expensive to be located at one place rather than having to travel from one place to another (Musselwhite, Cuff, McGregor & King, 2007:1069; Rowley, 2014:321). The researcher was able to minimise possible shortcomings associated with personal interviewing because the absence of face-to-face contact during a telephone interview allowed notes to be taken discreetly and reduced bias due to lack of physical presence, and it did not interfere with the comfort of the respondents. Furthermore, the anonymity associated with telephone interviewing helps the respondents to open up with answers and feel a sense of safety (Sturges & Hanrahan, 2004:113; Baker & Foy, 2008:108; Denscombe, 2010:211; Silverman, 2010:154).

Finally, it is clear that telephone interviewing saved time in collecting data for a qualitative study as compared to using mailed questionnaires. Telephone interviews enabled the researcher to reach a wider target sample with faster responses since the respondents were not required to read or write (Creswell, 2014:279).

## **4.5 DATA ANALYSIS METHODS**

### **4.5.1 Data analysis**

According to Bryman and Bell (2011:79), data analysis refers to a process of analysing and describing data by means of logical techniques to illustrate, condense, recap and evaluate data, while at the same time validating the data integrity and accuracy of research findings. Silverman (2010:125) argues that data analysis is not a singular activity but an interactive process in nature, which involves systematic data search and analysis to expose illuminating descriptions of phenomena. Creswell (2008:312) states that data analysis involves inspecting, cleansing, transforming and modelling data aimed at understandable information, making recommendations and conclusions.

Moreover, Hammond and Wellington (2013:9) argue that data analysis entails the effort of delving deep into the research title and its component building blocks and making sense of how those blocks fit with one another. Data processing normally commences with the editing and coding of data, which comprises the process of investigating the data collection omissions, errors, legibility and consistency in categorisation. The research study design adopted the triangulation mixed method, which brought together both quantitative and qualitative data that were combined for comparison to interpret the findings (Bryman & Bell, 2011:88; Creswell, 2014:202). The several stages of data analysis that this study undertook were as follows (Bandalos & Boehm-Kaufman, 2009:61-62; Budaev, 2010:475):

- The research considered data volume reduction by converting quantitative data through descriptive statistics and/or exploratory factor analysis and qualitative data through exploratory themes in this study.
- The research considered data displays where the relevant visual illustrations were displayed for quantitative data, which included tables, graphs and qualitative data through matrix and/or network displays.
- The research considered data transformation by converting quantitative data into themes and/or qualitative data into numerical codes.
- The research considered data correlation on integrating quantitative and qualitative data.
- The research considered data consolidation by combining quantitative and qualitative data into a consolidated set of data.
- The study considered data comparison by comparing quantitative and qualitative data.
- The research considered data integration by integrating both quantitative and qualitative data into a whole and two separate sets.

The researcher captured the data from the questionnaires into Excel spreadsheets, from which the statisticians exported them into SPSS (statistical analysis software), SmartPLS and ATLAS.ti software and executed the qualitative and quantitative data analysis. The research



data were then minimised from large quantities of detail to manageable summaries following the stages of mixed methods data analysis (George & Mallery, 2003:145).

Data capturing, coding and analysis were done using SPSS, SmartPLS and ATLAS.ti statistical packages (Pallant, 2007:92; 2010:73; Lee & Lings, 2008:97). Babbie (2010:460) and Little and Rubin (2019:125) report that the statistical tests used for data analysis are:

- Descriptive statistics;
- Frequency tables;
- Cross-tab analysis;
- Pearson's chi-square test of association; and
- Regression analysis

#### **4.5.2 Descriptive statistics**

Descriptive statistics were used to describe the data distribution of scores for each variable and data score relationship in the study and used to summarise the data, which was displayed in frequency tables with percentages and charts. Detailed statistical analysis was done through mean and standard deviation. For this study, descriptive analysis used frequency, mean and standard deviation (Székely & Rizzo, 2013:201).

#### **4.5.3 Inferential statistics**

The study employed inferential statistics to arrive at conclusions regarding the population of which descriptive analysis was used to generalise from the sample to the population, based on findings emanating from the research target samples. The researcher utilised the research tool known as SmartPLS version 3.1 to perform the task of data processing and the analysis process, using the frequency, mean and standard deviation. The data analysis was performed using the PLS-SEM model. The study employed this approach because it is effective and relevant for exploratory analysis, theory building, theory testing, causal predictive analysis and for models with both reflective and formative latent constructs (Phinikettos & Gandy, 2011:1522; Lowry & Gaskin, 2014:124; Ringle, Silva & Bido, 2015:62).

#### **4.5.4 Quantitative methods of data analysis**

Quantitative or statistical methods of data analysis were used as the principal method of data analysis in this study. Frequency tables, mean, standard deviation, skewness and kurtosis tests of associations (van der Eijk & Rose, 2015:15) and factor analysis were used for performing quantitative data analysis. The statistical package SPSS and SmartPLS (Field, 2009:77) were used for data entry and quantitative data analysis (Oakshott, 2009:135; Swift & Piff, 2010:231).

#### **4.5.5 Qualitative methods of data analysis**

The statistician performed an analysis of qualitative data (Silverman, 2010:278) together with the quantitative methods. Structured telephonic interviews were conducted with 10 hospitality, travel and tourism-related NGOs, as part of the qualitative research approach. To analyse the interviews, the researcher firstly assigned codes and categories to the responses. Thereafter, the interview responses were transcribed, coded, text analysed and the process of analysing followed through the statistical package ATLAS.ti used for qualitative studies (Wilson & Edwards, 2002:56; Aron *et al.*, 2014:168).

#### **4.5.6 Structural equation model (SEM) fit**

The SEM model fit was conducted, as it is a multivariate statistical technique often used to confirm the causal relationships among latent variables (Arismendi, 2013:44-45). The use of the measurement model was to specify the causal relationships between the observed variables (items) and the underlying theoretical constructs (composite and latent variables) to provide reliable and valid constructs. The SEM model fit was established through goodness-of-fit indices and the significance of paths through using coefficient parameter estimates.

### **4.6 STUDY VARIABLES**

The research was based on two broad categories of variables, which are dependent and independent variables of study (Green *et al.*, 2010:335). The data are the research study data collection processes from respondents who took part in the study on one dependent variable of study (CRF) and several independent variables.

Literature reviewed in Chapters 2 and 3 demonstrates each of the independent variables having a relationship with the CRF concept. The dependent variable of study (Y) became a measure of CRM. The composite index was used to single out the variable.

This research study also used qualitative variables to obtain responses from tourism NGOs in the Gauteng Province. The qualitative variables were not discussed in this chapter as part of depended or independent variables since they are classified as categorical variables. Qualitative variables do not express differences in amount. The only differences therefore are nominal variables in nature and remain as categorical (Collis & Hussey, 2009:321; Duignan, 2014:99). The interview findings and recommendations are discussed in Chapters 5 and 6.

The following discussion on data sequence considered the independent and dependent variables of this research as follows (Terreblanche & Durrheim, 2002:19).

#### **4.6.1 Independent variables of the study**

The independent or explanatory variables of this study were denoted as N=400 for TTA customers and n=20 for HEI tourism experts. Data were collected from each of the 400 TTA

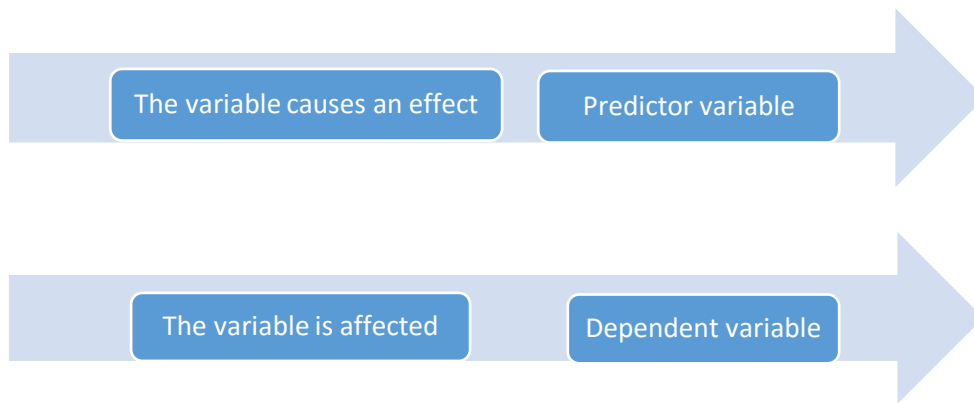
customer respondents and 20 HEI tourism expert respondents using the variables of market positioning, product/service strategy, retention marketing, relationship marketing and marketing planning, for DMOs. All the variables were identified through the literature review, and are relevant to the research topic and in line with the CRM and the DMO concept. A few examples of the independent variables of the study include age, gender and so forth (Lewis-Beck & Lewis-Beck, 2016:332).

TTA attractiveness was considered in terms of the physical environment, services being performed correctly the first time, promises made in promotions being kept, staff being well informed, answering questions with prompt service and needs and wants addressed. Furthermore, the TTA ensured customer retention in service delivery and their marketing on product benefits, including building long-term relationships with a high focus on customer service and commitment (Plowright, 2011:4; Aron *et al.*, 2014:208).

#### **4.6.2 Dependent variables of the study**

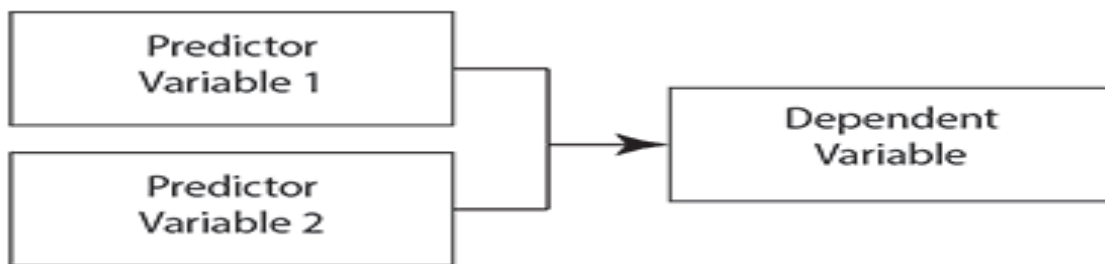
The research approached the dependent variables of the study with multivariate analysis (MVA) and generated a composite index aligned with indicators of a CRM framework. According to Tabachnick, Fidell and Jodi (2019:332), an MVA is aligned to the statistical principle of multivariate statistics and follows a pattern of observation and analysis by selecting one statistical outcome at a time for analysis. The research study used multivariate statistical methods for in-depth scrutiny of the joint behaviour of different random variables of the study, including market positioning, product/service strategy, retention marketing and relationship marketing.

Horrace (2005:209) and Arismendi (2013:42) describe the multivariate method as a process of examining and analysing more than two variables. The main issue regarding adopting the multivariate approach in analysing variables for this study was its ability to establish cause and effect and the relationships between variables. The two types of variables of the study were assigned with two roles in the study, as shown in Figure 4.1 below:



**Figure 4.1: Two types of variables - two roles in the study**

The observation was used as the function of the study model, not of the variables themselves and the same variable may be either in different studies. Figure 4.2 represents the relationships between variables.



**Figure 4.2: Relationships between variables**

The research used frequency tables for all the studied variables, conducting Pearson’s chi-square test of association to establish the relationships of variables and each of the other independent variables. The diagnostic procedures were employed to obtain results through factor analysis by performing the regression of variables on the independent variables of the study (Norris & Lecavalier, 2010:8). The research used a triangulation of mixed methods as a diagnostic procedure through engaging data outcomes, subject experts and literature reviews.

The following discussion describes the reliability and variability of the research study.

#### **4.7 RELIABILITY AND VALIDITY**

The research embraced and ensured reliability and validity of the study based on addressing the main objective and responding effectively to the research questions. This was important to ensure that the analysis processes unfolded without compromising the interpretation of the

correct data. The following methods were used to test the reliability and validity of the research study.

#### **4.7.1 Reliability**

According to Bryman & Bell (2011:254) and Aron *et al.* (2014:112), reliability may be likened to validity in terms of the approach of testing the quality of the measurement processes used to collect data in a research project. Reliability is a prerequisite for the results to be declared valid. Easterby-Smith, Thorpe, Jackson and Lowe (2012:279) argue that reliability has to do with the quality of the tests or measurements. It refers to “consistency” or “repeatability” of the research measures and therefore, whenever an element is re-measured repeatedly, it will produce similar results. The research measuring tool can be dependable and consistent, which amounts to reliability.

This study used Cronbach’s alpha coefficient to establish the reliability of the research (Cronbach, 1951:326; Taber, 2017:1574; Gravetter & Forzano, 2018:187). Cronbach’s alpha was also used to test the reliability of the research instrument and the target sample for internal consistency. The research instrument used the 5-point ordinal scale for the measurement of variables (Friesen, 2010:45; Dawson & Trapp, 2004:102-103; Green *et al.*, 2006:552; Bryman & Bell; 2007:164; Bryman & Bell, 2011:57; Babbie, 2010:143; Creswell, 2014:235). Cronbach’s alpha is defined by Cooper and Schindler (2001:216-217) as the “...index of reliability associated with the variation accounted for by the true score of the underlying construct.”

The Cronbach’s alpha coefficient ranges from 0 to 1. All the values below or less than 0.6 are identified and regarded as poor; values between 0.6 to 0.7 are regarded as acceptable and values higher than 0.8 are considered very good, indicating an achievement of a score equal to above average reliability. This study used nominal and ordinal variables and the study instruments carried nominal scales of ‘yes or no’ and 5-point ordinal Likert scales of 1, 2, 3, 4 and 5, aimed at accurate and effective measuring of the research variables. The scales of 5 categories were employed where category 1 represented the lesser score and category 5 the above-average score of the nominal and ordinal variables (Cronbach, 1951:317; Gravetter & Forzano, 2018:177). Additionally, a 1-point score was added to the Likert scale, representing ‘not applicable’, which pushed the scores to six points. This was done to accommodate ‘not applicable’ on the scores.

An ordinal scale is the degree of frequency of which the respondent had a choice of providing any of the five possible responses in the following order:

- Always
- Frequently
- Intermittently

- Occasionally
- Rarely

The research conducted tests of composite reliability, Cronbach's alpha coefficient and Rho\_A. The central result desired is for the Cronbach alpha values to be above average from the correlations between the respective questionnaires (Taber, 2017:1590). The final measurement results indicated that the research instruments were highly reliable.

#### **4.7.2 Validity**

According to Garson (2013:79), validity refers to two important aspects, being the extent to which a scientific research measures what instruments were used and how truthful were the claims they represented. Babbie (2010:153) states that validity means that the research tests undertaken accurately represent the dimension put through the assessment and reflect the true meaning of the phenomenon of focus.

The research approached validity as the central pull of conclusions, inferences or propositions. Validity differences refer to how far the research instrument measures the research target and reliability indicates the degree to which there is consistency when measurement results are repeated. Validity implies the extent to which a research instrument measures what it is intended to measure. Reliability refers to the degree to which scale produces consistent results when repeated measurements are made. The (very) reliable research instrument should be at the same time a valid research instrument. The research focused on ensuring that the validity of the questionnaires produced the desired information. This is important because the validity of questionnaires is materially successful if the results indicate a positive relationship between responses and the information desired (MacCallum, 2009:123). This research employed content validity, which measures the degree to which items are an unbiased version of a point or fact that was focused on for measurement, including how much a measure comprised a range of meaning covered in a concept.

The research established validity by conducting factor analysis to reduce research data (Babbie, 2010:111; Bryman & Bell, 2011:153; Creswell, 2014:188) for this study, which also informed the respondents of their rights, including voluntarily participation, their right to withdraw at any time if they so wished, their right to confidentiality and their anonymous status. The factor analysis was important for this study because it reduced the number of influential predictor variables to a few and manageable results aimed at achieving sound and effective analysis processes.

For the purpose of this study, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure were used and the outcome indicated a correlation between variables and the method for effective factor analysis (Larsen & Warne, 2010:874). Furthermore, the research

conducted construct validity with a confirmatory factor analysis and convergence validity was performed with the employment of average variance extraction (AVE), with value  $\geq 0.5$  indicating convergent validity (Costello & Osborne, 2005:8).

Discriminant validity was conducted at the end using the Fornell-Larcker criterion which necessitated variable cross-loadings to be considered and employed (Garson, 2013). The research factor analysis outcomes included summated scales and a specific score for individual factors that was reflective of the variables average included in that factor. These processes yielded estimates that were used to identify and classify influential predictor variables (Byman & Bell, 2011:198; Garson, 2013:98; Gravetter & Forzano, 2018:131).

#### **4.8 ETHICAL CONSIDERATIONS**

The research complied with all relevant ethical requirements as clearly stipulated by CPUT's Faculty of Business and Management Sciences Ethics Committee. Furthermore, the researcher provided guidelines for the research study in the instructions on this thesis, which also inform the respondents of their rights, which included voluntarily participation, the right to withdraw at any time if they so wished, the right to confidentiality and their anonymous status.

#### **4.9 CHAPTER SUMMARY**

This chapter presented the methodological processes, population, sample, data collection and data analysis techniques that were applied in this study.

The research objectives of the study were revisited to set the background for the chapter, which also discussed the needs of the DMOs to establish long-term and sustainable CRM programmes with their customers. This would assist DMOs to attract, identify, segment, communicate and build long-term relationships with customers on an individual basis. The chapter defined and discussed the critical areas of the research methods, research design, population, sampling and methods, data gathering, data analysis, and validity and reliability.

The study adopted a mixed method approach for the research. The mixed method is the combination of qualitative and quantitative research and was a triangulation design. A sample size is the total number of selected individuals that participate in a study. A random sample size was drawn for the quantitative study of  $N=400$  for the TTA area of operation in the CoT. An additional sample size of  $n=20$  was drawn to conduct the surveys with 20 tourism experts from HEIs in South Africa.

For the qualitative study, a random sample size of  $n=10$  was drawn from 10 tourism NGOs for the in-depth interviews. The research data collection procedure started with a pilot study, followed by secondary data collection from scholarly books, journals, textbooks, newspapers, manuals, legislation, databases, the internet and computer-accessible databases. The data

collection methods were discussed earlier under the formulation of the quantitative questionnaire for TTA customers and HEI tourism experts.

Self-administered questionnaires were used to collect primary data from TTA customers and HEI tourism experts. The questionnaire contained a covering letter addressed to the respondents with the researcher's contact details and affiliated institution.

For the quantitative study on TTA customers, five questionnaires were pre-tested in the areas of operation, transportation, accommodation, travel agents, restaurants and museums. For the qualitative research, the researcher selected two tourism-related NGOs in Gauteng to pilot test the questionnaire

Likert developed an effective ranking scale in which respondents are expected to answer specific statements at different levels of agreement. The data analysis was done in line with descriptive statistics, frequency tables, cross-tab analysis, Pearson's chi-square test of association and structural equation modelling. Furthermore, the validity and the reliability of the study were discussed, based on addressing the research main objective and responding meaningfully to the research questions. This was important in ensuring that the analysis processes unfolded without compromising the interpretation of the correct data.

The chapter is concluded with the ethical considerations applied in this study, which informed respondents of their rights regarding voluntarily participation, their right to withdraw anytime if they so wished, their right to confidentiality and the guarantee of maintaining their anonymity.

The following chapter focuses on data presentation and analysis.



## **CHAPTER 5**

### **DATA PRESENTATION AND ANALYSIS**

#### **5.1 INTRODUCTION**

The objective of this research, as set out in Chapter 1, was to develop a framework for customer relationships for the TTA. The secondary objectives of the study are:

*Objective 1:* To investigate customer-related factors that are necessary to involve the TTA and customers in the planning and designing of a CRF.

*Objective 2:* To establish market positioning factors to support a CRF for the TTA.

*Objective 3:* To identify marketing product strategy factors to sustain a CRF for the TTA.

*Objective 4:* To establish marketing retention factors that can be recommended to sustain long-term relationships between the TTA and customers.

*Objective 5:* To ascertain relationship marketing factors that are important for the development of a CRF for the TTA.

The absence of a clear CRF in the TTA impedes the effective marketing and development efforts of the CoT as a tourism destination. It is in this light that the research examined the validity and reliability of these assumptions (objectives) with the sole purpose of developing a framework for promoting and sustaining customer relationships.

This chapter contains the statistical output with explanations for the following information: frequencies, descriptive statistics and normality tests, exploratory statistics, factor analysis – validity, Cronbach’s alpha – reliability, descriptive statistics and correlation analysis between the scales. The chapter sections are presented as stakeholder’s analysis, experts and stakeholder’s statistical analysis, interview analysis, study triangulation and conclusion.

#### **5.2 SECTION A: ANALYSIS OF STAKEHOLDERS**

The stakeholders are all potential and existing customers of the TTA in the CoT area. The research focused on stakeholders from all the tourism sectors in the CoT area, which includes accommodation, travel and tourism, leisure and recreation, travel agencies, tour operators and restaurants. The analysis of stakeholders used a quantitative research design and is presented as descriptive statistics. The stakeholders’ analysis discussions are sub-divided into the following sections:

- The organisation’s star-grading;
- Period of operation in the CoT area;
- Total staff complement at the accommodation establishments;

- TTA area of specialization in the tourism industry;
- The organisation's operational presence in the CoT area;
- Physical area of operation;
- Motivation for operating a business in the CoT area;
- TTA areas of service;
- Market positioning;
- Marketing product(s);
- Retention marketing;
- Relationship marketing; and
- Statistical analysis.

These sections align with the objectives of the study as stated in the introduction of this chapter. The following sections present the findings on stakeholders.

### 5.2.1 The organisation's star-grading

The survey question sought to determine what the star grading is of the accommodation. The most common classification system for accommodation establishments is star grading from 1 to 5 stars. In 5-star establishments all facilities and service offerings should be of outstanding quality; 4-star, excellent quality is expected; 3-star, very good quality is expected; 2-star, good quality can be expected; 1-star, basic and acceptable quality furniture and fittings (Tourism Grading Council of South Africa [TGCSA], 2008:1).

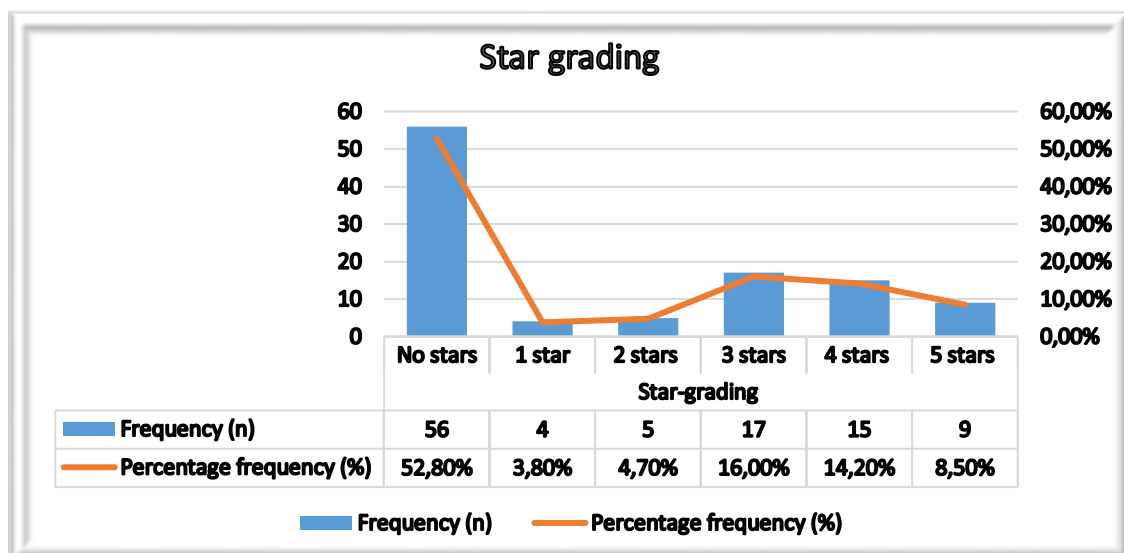


Figure 5.1: The organisation's star grading

Of the 400 respondents, only 106 responded. Of these 106, 52.8% (n=56) had no star grading, 16.0% (n=17) and 14.2% (n=15) had 3-star and 4-star grading, respectively.

The data represents a fair distribution of star graded and non-star graded accommodation establishments in the TTA area. The findings corroborate those of Tefera and Govender (2015:2), who found that it is important for the travel and tourism industry to use and promote star grading of tourism and hospitality-related establishments. This assists the destination to achieve the highest level of quality assurance (QA), promote optimal value for money and give customer expectation the paramount position it deserves. The finding is consistent with Objective 1 of the study.

### 5.2.2 Period of operation in the City of Tshwane area

The question sought to establish the number of years the respondents had been operational in the CoT area.

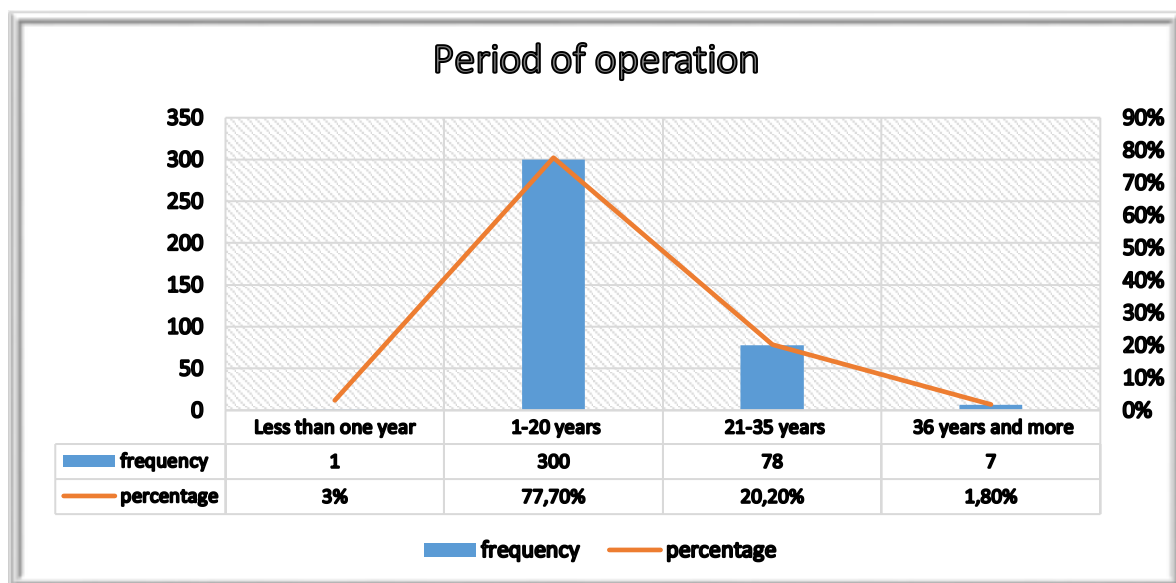


Figure 5.2: Period of operation in the City of Tshwane area

Of the 400 respondents, 386 responded, of which 77.7% (n=300) had been in operation between 1 to 20 years, while 20.2% (n=78) and 1.8% (n=7) had been in operation between 21 and 35 years respectively. Furthermore, 3% (n=1) had been in operation for less than one year. The data indicate a fair distribution in terms of the respondents' period of operation.

A fair distribution of responses is important for this study because it adds value in terms of the quality of feedback obtained. The findings are consistent with those of Eduardo, Serra and Kunc (2015:54) indicating that the hospitality experience of the accommodation establishments should be sufficient to make acceptable service value judgements and contributions. The TTA needs to take advantage of the vast experience that these establishments have accumulated over the years to gain insight into the type of performance necessary to meet business goals. This is especially important for the TTA in designing a CRF to achieve an effective and sustainable programme. The findings are consistent with Objective 2 of research.

### 5.2.3 Total staff complement at the accommodation establishments

The question sought to establish the staff complement in the organisation. Staff numbers refers to the total headcount of employees in the organisation.

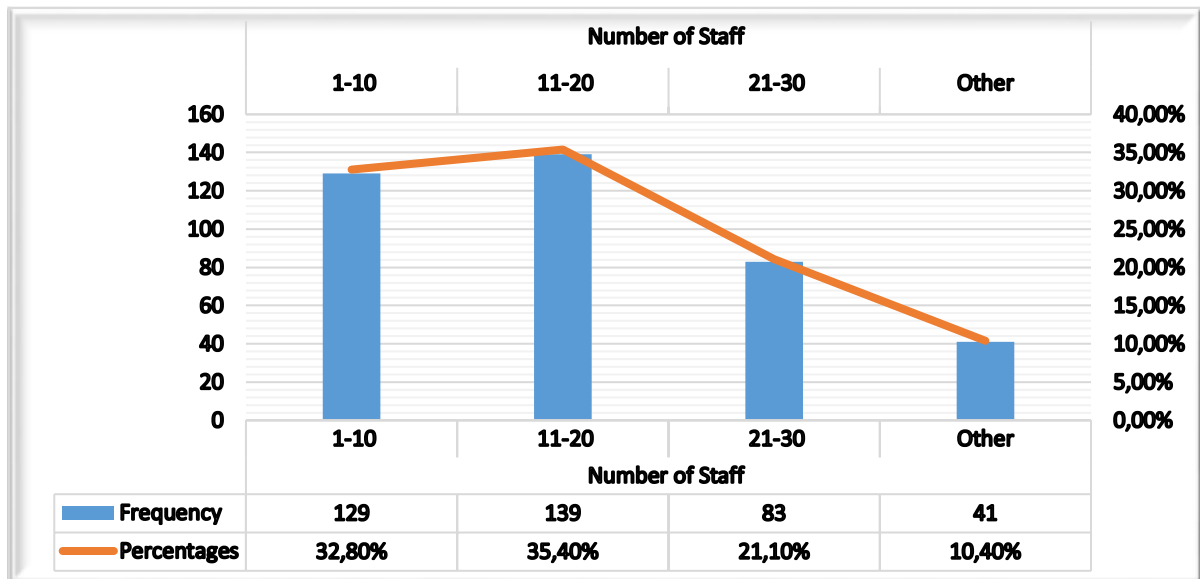


Figure 5.3: Number of staff

Of the 400 respondents in the sample, 393 provided details about the number of staff employed by the organisation. Of the 393 that responded, 35.4% (n=139) employed between 11 and 20 staff members, 32.8% (n=129) employed between 1 and 10 and 21.1% (n=83) employed more than 30 staff members. Furthermore, 10.4% (n=41) had “other” means of sourcing staff for the organisation.

Data on staff numbers at accommodation establishments is important to this study. Franceschelli, Santoro, Giacosa and Quaglia (2019:2493) report that the number of employees in an organisation and organisational performance are linked and equally important for the organisation to succeed. As the employee component increases, organisations place greater emphasis on the factors that support strategic marketing decisions. The TTA should promote that organisations have sufficient employees to get the job done because employee performance is critical to the overall success of the organisation. In this way, the TTA could establish strengths, weaknesses and potential operational gaps that might need attention before service delivery is compromised. The findings are consistent with Objective 1 of the study.

### 5.2.4 Tshwane Tourism Association area of specialization in the tourism industry

The question sought to establish the respondents’ area of business specialisation. According to Timmer, Gaaitzen & de Vries (2019:2), specialisation is an approach to service production

where an organisation focuses on the development of a specific scope of service to accumulate a greater degree of efficiency. The biggest advantage of specialisation is that it reduces the risk of financial losses as a specialised organisation is less likely to commit errors than a non-specialised company is.

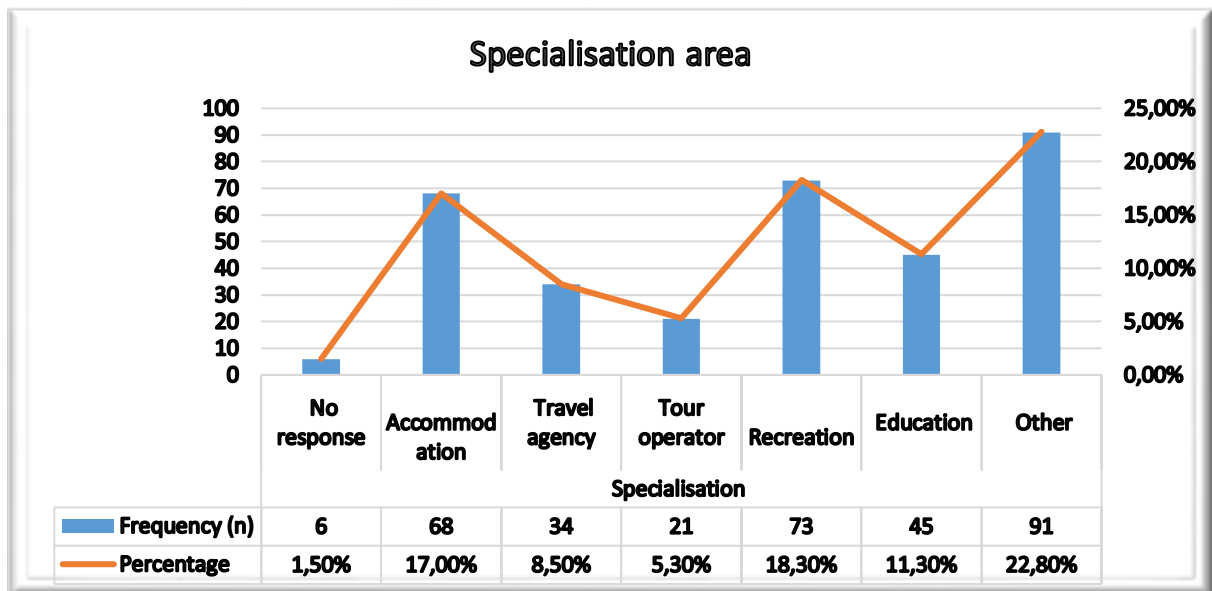


Figure 5.4: Specialisation area

Of the 400 respondents, 22.8% (n=91) were classified as some “other” tourism area of specialisation, such as accommodation, 18.3% (n=73) fell under the recreation sector, 17.0% (n=68) fell under accommodation and 11.3% (n=45) fell under education. In addition, 8.5% (n=34) were classified as travel agencies, 5.3% (n=21) fell under tour operatorships, while 1.5% (n=6) did not respond. The tourism industry was therefore well represented in terms of area of specialisation. This finding corroborates that of Pandeya and Oyama (2019:50), who concluded that the chances of equal representation of responses in a study greatly enhanced the quality of the research.

Ferhan and Zeynep (2018:626) report that the advantages of specialisation within organisations like the TTA include:

- Speeding-up operation flow. The level of focus each organisation can give to a specific task results in a faster, more effective operation.
- Specialisation allows an organisation to use background and experience to streamline processes and increase profitability.
- Specialisation leads to quality services. By specialising in one area, an organisation can continually improve the quality of service performance.
- Specialisation ensures full productivity. The organisation focuses on each area of service, leading to consistent productivity.

- Specialisation yields a better business environment. With each organisation committed to doing a limited number of tasks well, risks and costs are reduced.

Therefore, the TTA should take advantage of the significant number of highly specialised customers in the CoT area through developing an effective CRF. The TTA should involve the customers as co-creators of the CRM programme to ensure effectiveness and sustainability. The findings are in line with Objective 1 of the study.

### 5.2.5 Tshwane Tourism Association operation presence in the CoT area

This question sought to ascertain if the respondents operated in the TTA area only. The location is an area where a business operates on a daily basis. The question required a yes or no answer.

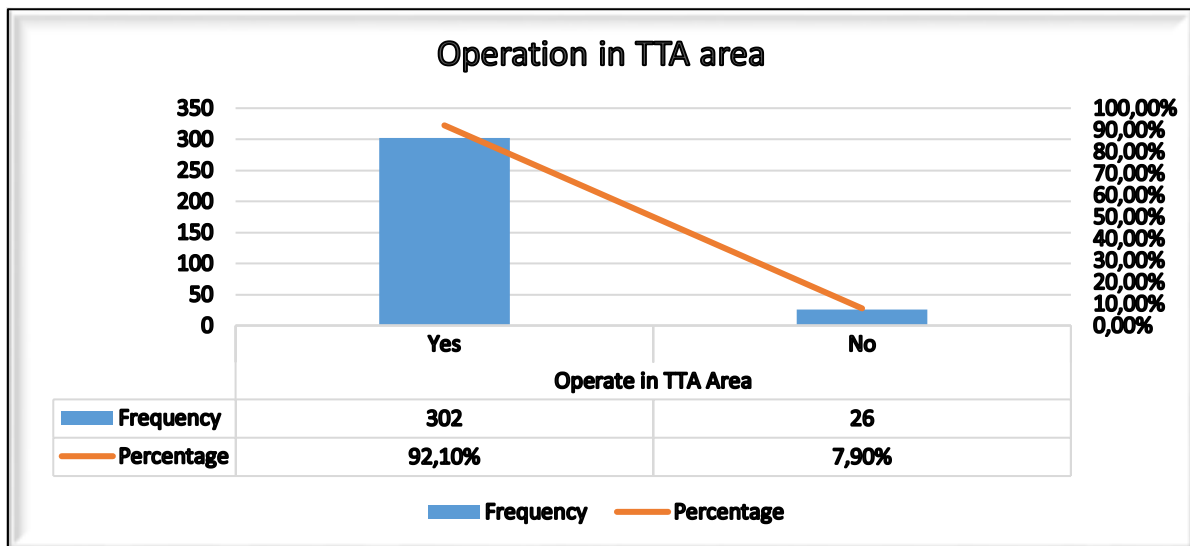


Figure 5.5: Operation in the City of Tshwane area

Of the 400 respondents in the sample, 341 responded, of which 92.1% (n=302) operated only within the TTA area, while 7.9% (n=26) did not operate only within the TTA area. The area of operation of the accommodation establishments should be sufficient to make an acceptable contribution to the study. The findings align with Clouse (2017:55), that location is important in business decision-making processes. TTA customers should recognise the importance of their location in the CoT since this has numerous positive outcomes, which include:

- Positive impact on costs and revenues because operational costs are reduced.
- Location convenience for customers is one of the most important success factors in the planning and launching of ventures.

Therefore, the TTA should ensure that it takes advantage of the presence of customers in the CoT through designing an effective customer relationship programme. The findings are directly connected to Objective 1 of the study.

### 5.2.6 Physical area of operation

The question sought to ascertain the respondents' physical area of operation.

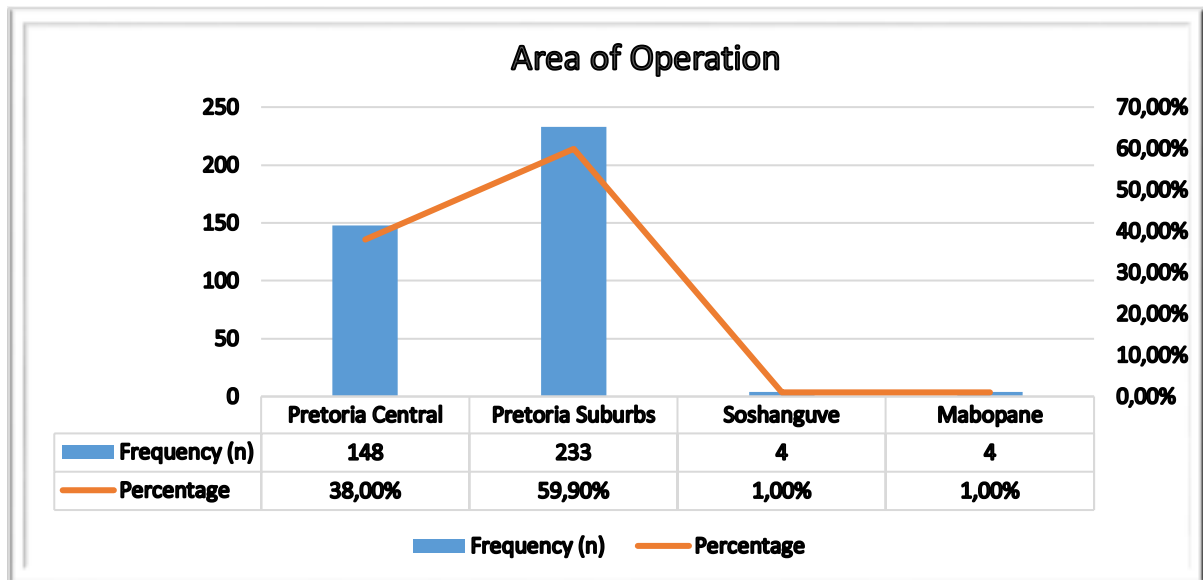


Figure 5.6: Area of operation

Of the 400 participants in the sample, 389 responded, of which 59.9% (n=233) operated in the Pretoria Suburbs, while 38.0% (n=148) operated in the Pretoria Central area. Furthermore, 1% (n=4) operated in Soshanguve and 1.0% (n=4) in Mabopane. The findings revealed that most of the respondents were located in the city suburbs, with a fair distribution within the CoT area. The survey, therefore, covered a wide area of the CoT (Pretoria).

The findings corroborate those of Ntshona (2013:17), suggesting that organisations operating in the inner city face customer deprivation and this decline could result in an exodus of businesses from the inner city in favour of the areas in suburbs or industrial areas. The advantages of operating a business within the suburbs include revenue growth and increased marketing exposure. The disadvantages of operating in the inner city is that rent and leasing costs are more expensive than in a more remote area. Therefore, the TTA should consider involving customers operating outside the inner city to develop an inclusive, successful CRM programme. The findings are linked to Objective 1 of the study.

## 5.2.7 Motivations for operating business in the City of Tshwane area

The question sought to establish the motivating factors for opting to operate a business in the CoT area. Table 5.1 below analyses respondents' reasons for opting to operate business in the CoT area.

- Reason A: Availability of services and resources
- Reason B: Availability of customers
- Reason C: Availability of facilities
- Reason D: Less competition
- Reason E: Favourable location
- Reason F: TTA marketing
- Reason G: Service failures suffered
- Reason H: Service failure was resolved
- Reason I: Loyalty to the TTA
- Reason J: Recommendation of the TTA

**Table 5.1: Motivations for operating business in the City of Tshwane area**

Reason A	Yes	303	77.5
	No	88	22.5
Reason B	Yes	304	77.4
	No	89	22.6
Reason C	Yes	308	78.4
	No	84	21.4
Reason D	Yes	253	64.5
	No	138	35.2
Reason E	Yes	303	77.3
	No	89	22.7
Reason F	Yes	46	11.5
	No	344	86.0
Reason G	Yes	33	8.3
	No	358	89.5
Reason H	Yes	33	8.3
	No	358	89.5
Reason I	Yes	33	8.3
	No	358	89.5
Reason J	Yes	321	80.3
	No	17	4.3



**Reason A:** The question sought to determine if availability of services and resources is the reason for operating in the TTA area, as opposed to elsewhere. Of the 400 respondents, 391 responded, of which 77.5% (n=303) indicated yes, that available resources and services were important, while 22.5% (n=88) indicated no. This suggests that the CoT area tourism industry has sufficient resources and offers the required services requested by tourists. The findings align with those of Beliaeva, Shirokova and Wales (2020:170), that service and resource availability has a positive effect on the successful performance of an organisation.

The TTA should ensure that it takes advantage of the economically productive environment that the CoT is providing by developing an effective CRM programme and strategic marketing plan. The findings are in line with Objective 1 of the study.

**Reason B:** The question sought to establish if the availability of customers is the reason for operating in the TTA area. Of the 400 respondents, 393 responded, of which 77.4% (n=304) indicated yes, while 22.6% (n=89) indicated no. This suggests a sufficient supply of tourists in the area. A business can never place too much emphasis on its customers. The findings corroborate the finding of Davies (2016:39) that the sole purpose of business is to operate successfully by finding customers. Furthermore, Obeidat, Tawalbeh and Akour (2019:355) suggest that it is important for the customer to be satisfied for the organisation to be successful. The TTA should consider customer importance at all stages of service delivery to ensure greater customer satisfaction and increase long-term goals of repeat business (Sharma, 2016:76). This will ensure that the TTA not only satisfies customer needs but also retains and attracts new customers. The findings support Objective 1 of the study.

**Reason C:** The question sought to establish if availability of facilities is the reason for operating in the TTA area. Of the 400 respondents in the sample, 393 responded. Of these, 78.4% (n=308) indicated yes and 21.4% (n=84) indicated no, confirming Reason C that sufficient facilities in the TTA area exist. The majority of respondents indicated that the availability of facilities in the CoT area is the reason for doing business. This finding corroborates that of Heyes, Beard and Gehrels (2015:94), that opinions from senior managers of London's luxury hotels showed that hotels find it difficult to compete without facilities. Facilities are important because they make it possible for employees, processes and systems to function effectively and impact positively on the organisation's productivity.

TTA should ensure that it takes advantage of available facilities to assist customers to increase their return on investment (ROI) through marketing the CoT as a destination of choice for tourists. Furthermore, the TTA should ensure effective facilities management processes to cover all the business aspects in strategic marketing planning to achieve their business objectives. The findings are in line with Objective 1 of the study.

**Reason D:** The question sought to determine if less competition was the reason for operating in the TTA area. Of the 400 respondents, 392 responded. Of these, 64.5% (n=253) indicated yes and 35.2% (n=138) indicated no. This suggests that a lack of competition (in their specific area of operation) is a determining factor. The findings contradict the findings of Chang and Jo (2019:222), that product market competition is an important factor that motivates firms to improve services and profitability. The TTA should take advantage of the market competition to add value to their services. The TTA can achieve this by either increasing the quality of services or decrease prices, which would make the services more desirable to the customer and entice them away from the competitors. This finding supports Objective 1 of the study.

**Reason E:** The question sought to determine if favourable location was the reason for operating in the TTA area. Of the 400 respondents in the sample, 392 responded. Of these, 77.3% (n=303) indicated yes and 22.7% (n=89) indicated no, confirming that location is a vital aspect for a business. The finding corroborates the study of Rachmawati, Shukri, Azam and Khatibi (2019:1329), who concluded that location was the most important factor in a customer's purchase decision. The correct location is a key ingredient for TTA success. If the TTA selects the wrong location, it may have insufficient access to customers, which will impact negatively on its profitability and overall success. It is important for the TTA to ensure that customers have unrestricted access to services. The objective is in line with Objective 1 of the study.

**Reason F:** The question sought to establish if TTA marketing was the reason for operating in the TTA area. Of the 400 respondents, 391 responded; 78.0% (n=305) indicated yes and 21.7% (n=85) indicated no, suggesting that marketing by the local organisation is important. The findings are in line with Cortez and Johnston (2019:556), that marketing capabilities have a strong positive impact on organisational service and profitability. Furthermore, customers need to form a relationship with the TTA brand and marketing can be a tool to achieve this. The TTA should ensure that it strengthens marketing strategies aimed at selling customers' services to achieve lasting relationships, improve brand awareness and recognition, create loyalty (Shanka, 2012:2) and trust with both current customers and prospects, and finally to build authority and credibility. The finding further seems to suggest that businesses exist to make money and marketing is an essential channel to reach that goal. The finding is in line with Objective 1 of the study.

**Reason G:** The question sought to identify the service failures suffered in the TTA area. The sample comprised 400 respondents of which 396 responded. Of the responses, 52.8% (n=211) indicated yes and 45.8% (n=183) indicated no. Members of the TTA appear concerned about inefficient functioning of the organisation, which has a number of implications. The findings emphasise the importance of maintaining customers over the long term for the TTA to create a long-term revenue base, provide lasting value and creating customer loyalty. The TTA can achieve this through making sure that service failures are corrected timeously. Furthermore,

the TTA needs to be aware of customers' fragility and that it takes a long time to win customers and build loyalty. Hence, to build good customer relationships and loyalty, there is a need to deliver quality services consistently. This finding is supported by Harrison-Walker (2019:389), who reports that service failure leads to the customer's general feeling of dissatisfaction and an unsatisfied customer is unlikely to return. The finding is in line with Objective 1 of the study.

**Reason H:** The question sought to establish whether service failure was resolved satisfactorily. Of the 400 respondents in the sample, 393 responded, of which 86.0% (n=344) indicated no and 11.5% (n=46) indicated yes. The majority of respondents were not satisfied with the manner in which the TTA managed crises. This should be an area of serious concern for the TTA, which requires urgent attention. The TTA should ensure that crisis management systems consisting of co-ordinated responses, resources and internal and external communication requirements are in place to address crises effectively during and after the negative situation. Furthermore, the TTA should develop and implement a crisis communications plan as a guide to assist quickly, contain the crisis and recover from its impact. This finding is in line with Asteriou and Spanos' (2019:244) finding that before the crisis financial development promoted economic growth, while after the crisis it hindered economic activity. The findings are in line with Objective 1 of the study.

**Reason I:** The question sought to determine if the respondents would remain loyal to the TTA. There were 400 respondents and 393 responded. Of the responses, 89.5% (n=358) indicated yes and 8.3% (n=33) indicated no. This shows that attending to customer issues is critical in a business for loyalty. The majority of respondents would remain loyal to the TTA. The findings align with Ul Hadi, Aslam and Gulzar (2019:15) that the provision of sustainable service quality can create customer loyalty, while shared expectation and rewards are the determinants of customer satisfaction in the long term (Lu *et al.*, 2015:181). The TTA should ensure that the customer retention strategy is in place because loyal customers increases the profits, bring repeat business, reduce the operating costs, assist to establish a favourable price premium and generate referrals. The TTA should place emphasis on retaining existing customers and creating loyal customers who will ensure stable business operations. For example, this could be achieved through rewarding loyal customers with price discounts. The finding is in line with Objective 1 of the study.

**Reason J:** The question sought to discover if respondents would recommend the TTA to other organisations. Of the 400 participants, 341 responded, of which 80.3% (n=321) indicated yes and 4.3% (n=17) indicated no. Despite some reservations expressed, the members of the TTA would recommend the organisation to business associates through oral or written recommendations because of good service. The TTA should not take lightly the power of non-personal communication because it is the most effective form of promotion, also known as word-of-mouth advertising. This finding is supported by Li, Wu, Li and Fan (2019:20), who

found that services that have high social visibility are likely to be negatively influenced by negative word-of-mouth in the event that the organisation experiences a lack of services. Word-of-mouth is more effective than other types of marketing such as traditional advertising and promotional events aimed at attracting new customers. The finding supports Objective 1 of the study.

### 5.2.8 Tshwane Tourism Association’s service frequency in the City of Tshwane area

This question sought to determine the service frequency of the TTA in the CoT, which is split into the following areas:

- Pretoria Central
- Pretoria Suburbs
- Soshanghuve
- Garankuwa
- Mabopane
- Atteridgeville

The following figures illustrate service area frequency analyses, each followed by a brief discussion.

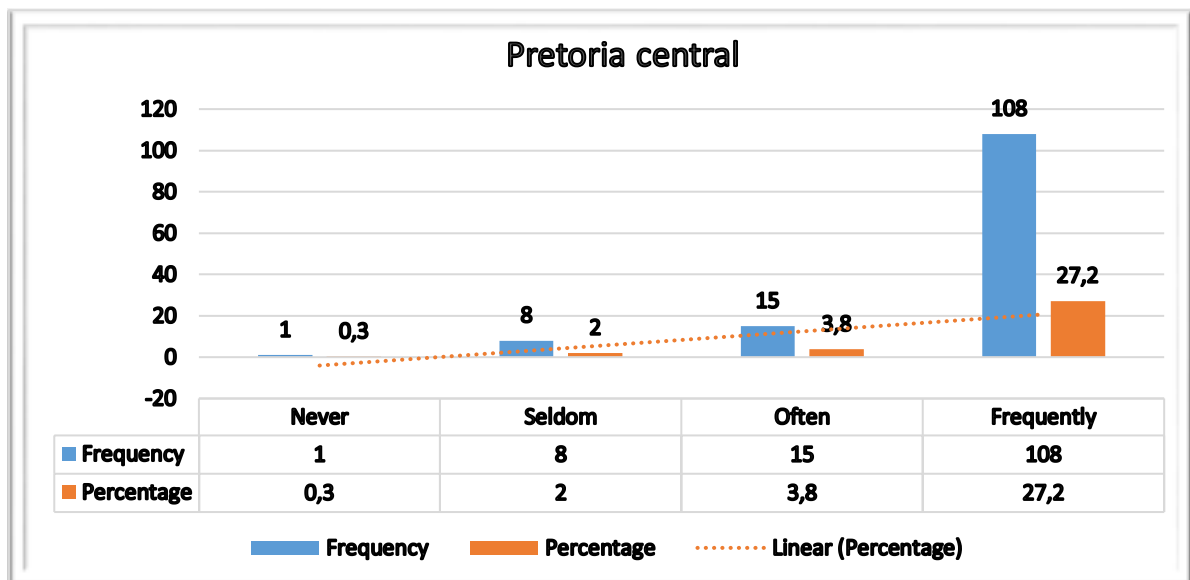


Figure 5.7: Pretoria Central

The question sought to establish whether tourism organisations serviced Pretoria Central. The sample comprised 400 respondents and 132 responded, of which 27.2% (n=108) indicated frequently and 3.8% (n=15) stated often. Furthermore, 2.0% (n=8) indicated seldom, while .3% (n=1) never serviced the area. The majority of respondents confirmed operating in the Pretoria

Central area. The findings suggest that tourism organisations are very active in Pretoria Central.

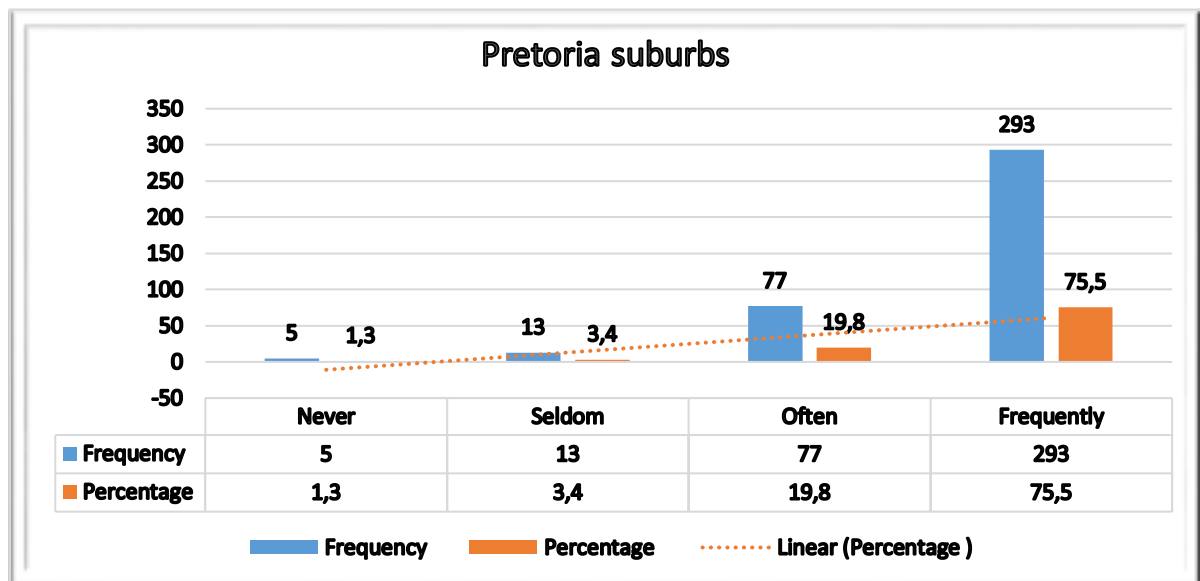


Figure 5.8: Pretoria suburbs

The question sought to ascertain whether tourism organisations serviced the Pretoria Suburbs. The sample comprised 400 respondents and 388 responded. Of these, 75.5% (n=293) indicated frequently, 3.8% (n=77) indicated often, 3.4% (n=13) indicated seldom, while 1.3% (n=5) indicated they never serviced the Pretoria Suburbs. The findings suggest that tourism organisations are very active in Pretoria Suburbs.

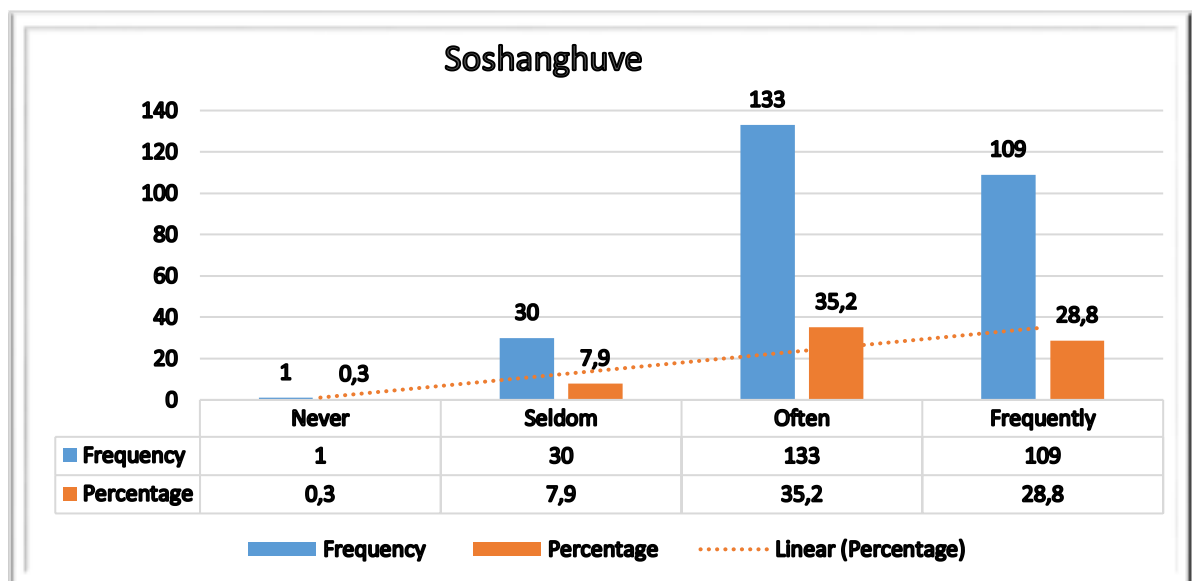


Figure 5.9: Soshanghuve

The question sought to ascertain whether tourism organisations service Soshanguve. The sample comprised 400 respondents and 273 responded, of which 35.2% (n=133) indicated often, 28.8% (n=109) indicated frequently, 7.9% (n=30) indicated seldom, while .3% (n=1) never serviced the area. This suggests that tourism organisations are reasonably active in the Soshanguve township.

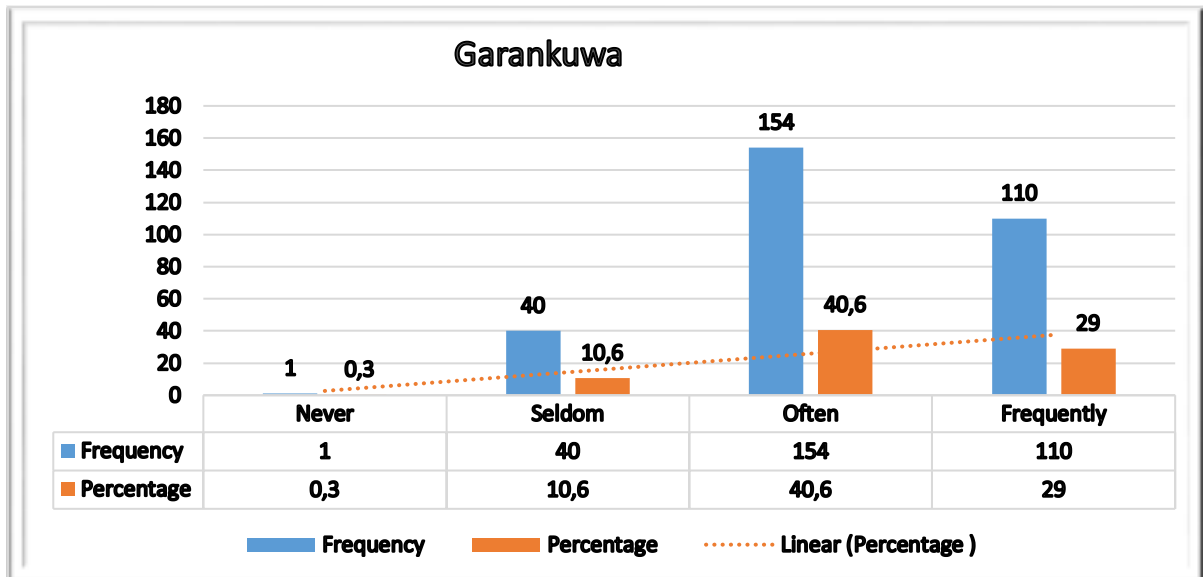


Figure 5.10: Garankuwa

The question sought to ascertain whether tourism organisations serviced Garankuwa. Of the 400 respondents in the sample, 305 responded, of which 40.6% (n=154) indicated often and 29.0% (n=110) indicated frequently. A further 10.6% (n=40) indicated seldom, while only .3% (n=1) never serviced the area. This suggests that tourism organisations are active in this area.

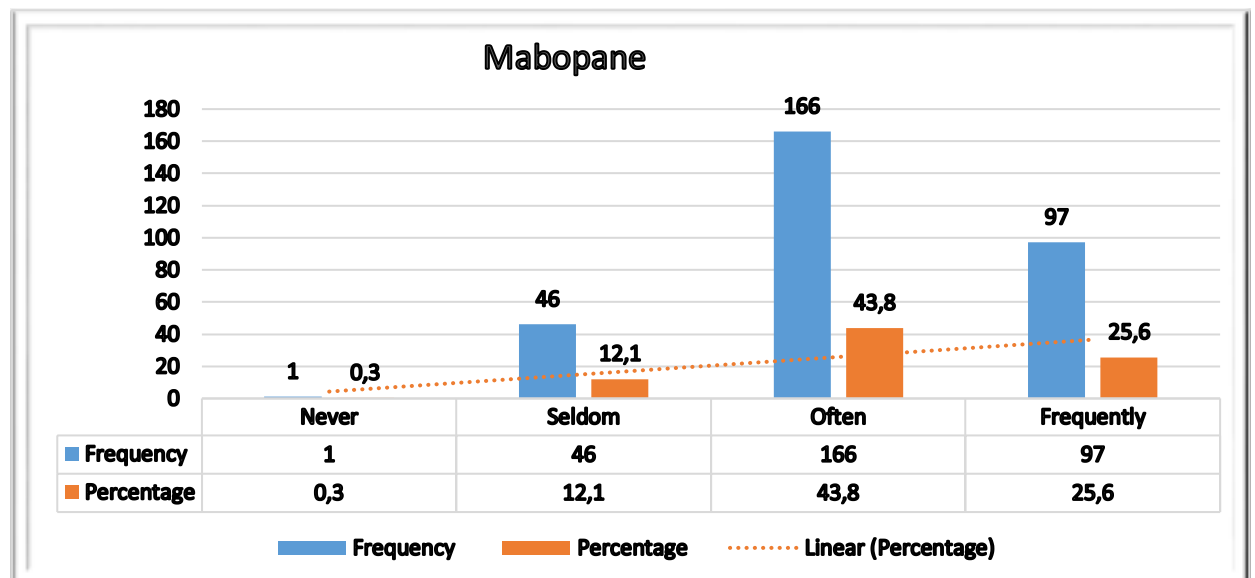


Figure 5.11: Mabopane

The question sought to ascertain whether tourism organisations serviced the Mabopane area. Of the 400 respondents in the sample, 310 responded, of which 43.8% (n=166) indicated often and 25.6% (n=97) indicated frequently. In addition, 12.1% (n=46) indicated seldom, while .3% (n=1) never serviced the area. As in the other townships, tourism organisations affiliated with the TTA are active in the area.

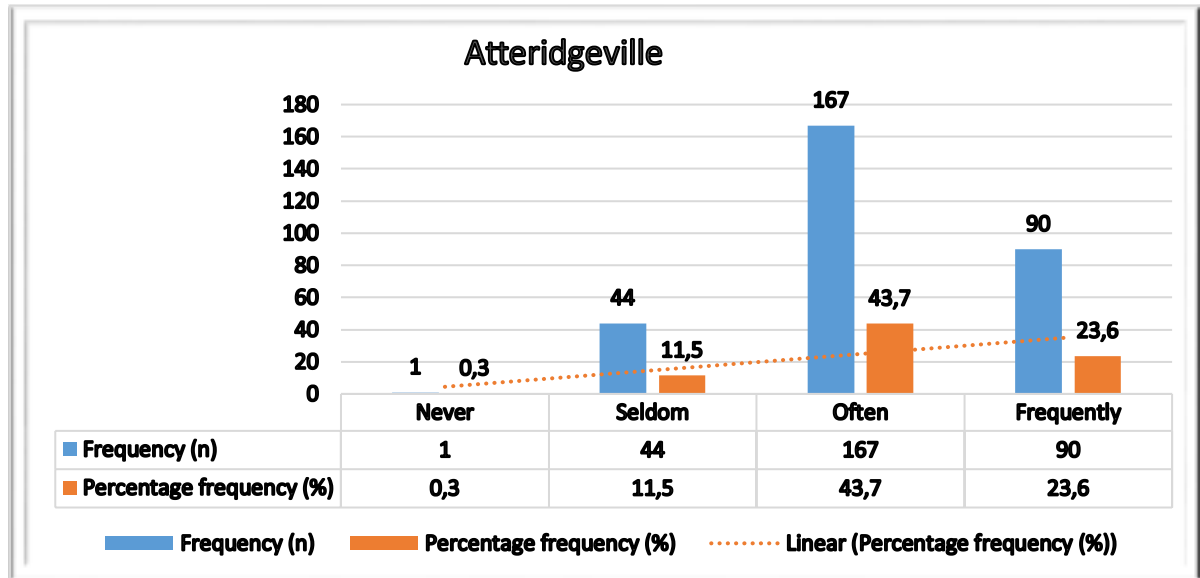


Figure 5.12: Atteridgeville

The question sought to establish whether tourism organisations service Atteridgeville. The sample comprised 400 respondents and 303 responded, of which 43.7% (n=167) indicated often and 23.6% (n=90) indicated frequently. Furthermore, 11.5% (n=44) indicated seldom, while .3% (n=1) never serviced the area. The result suggests that some tourism organisations do service the Atteridgeville area.

### 5.2.9 Findings and discussions: Tshwane Tourism Association’s service in City of Tshwane

The questionnaire sought to determine the respondents’ service frequency in the CoT area. The findings suggest that Pretoria Central is frequently serviced by the majority of the respondents. However, there is an equal distribution of ‘often’ responses from the respondents operating in the Pretoria Suburbs, Soshanghuve, Garankuwa, Mabopane and Atteridgeville areas. It is evident that the gap between often and frequently is very small, which suggests that all the CoT areas have reasonably active tourism activities taking place.

The reason for respondents’ high business frequency in Pretoria Central may be because it is where the CoT’s major economic activities take place, while Pretoria Suburbs, Soshanghuve, Garankuwa, Mabopane and Atteridgeville are primarily residential areas, hence restricted

commercial activities are experienced. The TTA should take into consideration that even if business activities occur frequently in the Pretoria Central, there are still many tourism activities taking place in the Pretoria Suburbs, Soshanguve, Garankuwa, Mabopane and Atteridgeville. The findings are in line with Objective 1 of the study.

#### **5.2.10 Market positioning**

The following sections analyse the data gathered from Section B of the questionnaire, which focused on the market positioning concepts. The nine variables discussed are:

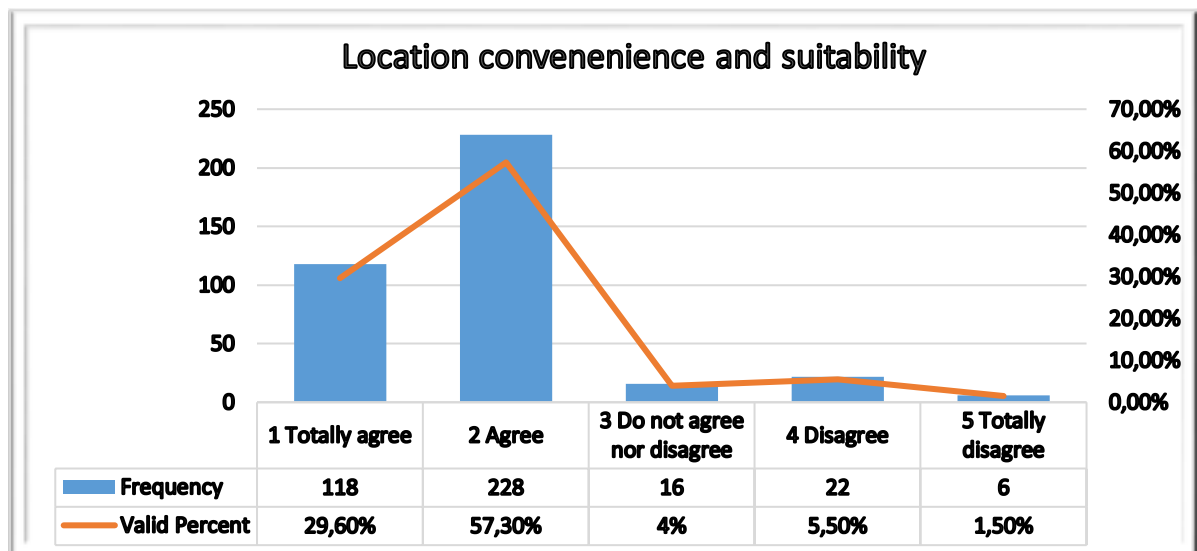
- i) TTA location convenience and suitability
- ii) TTA promotions materials quality
- iii) TTA physical environment
- iv) TTA employees' appearance is neat and tidy
- v) TTA provides first-rate service delivery performance
- vi) TTA promotions promises
- vii) TTA employees service knowledge
- viii) TTA employees service delivery
- ix) TTA customers' needs and wants

These findings will assist the TTA in understanding its marketing position to enhance the strategic efforts of developing a well-informed CRF.

##### ***5.2.10.1 Tshwane Tourism Association location convenience and suitability***

The question sought to establish if the TTA service is located at a convenient location. Location convenience has a major impact on TTA success because it is an important factor in customers' service choice. Thus, location convenience is of critical importance for TTA competitive advantages (Kotler & Armstrong, 2012:435).



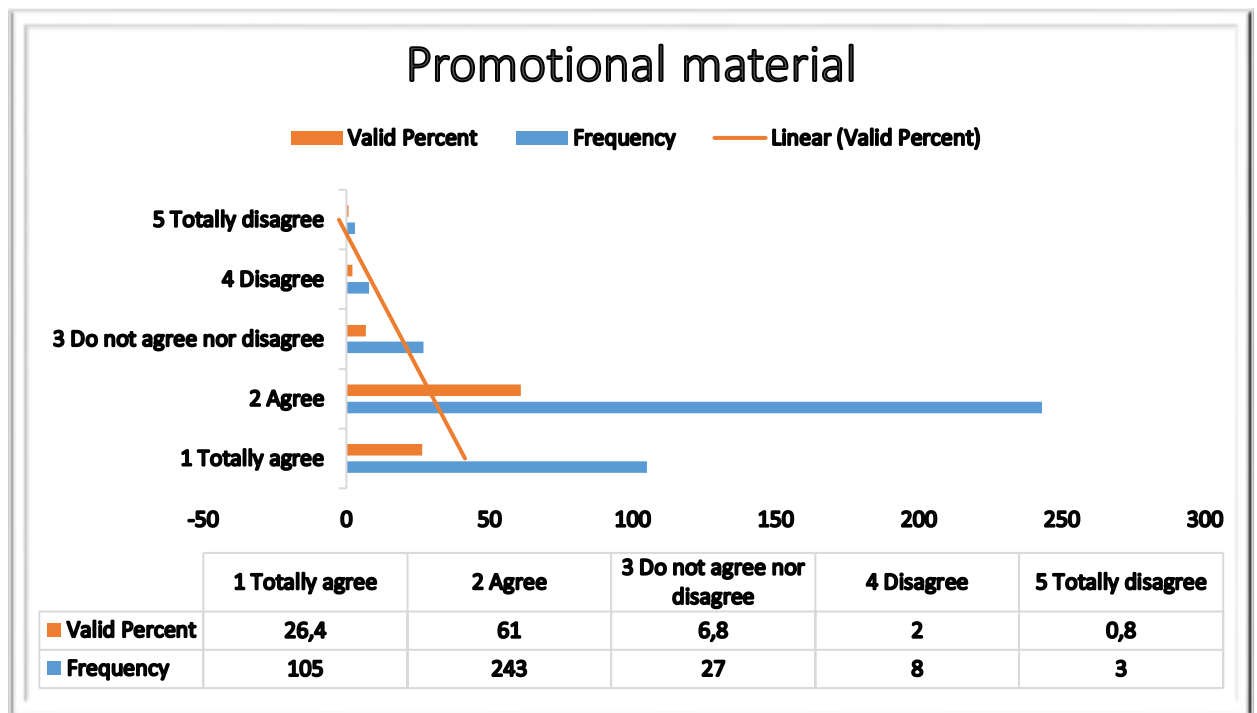


**Figure 5.13: Tshwane Tourism Association location convenience and suitability**

Of the 400 respondents in the sample, 392 responded, of which 57.3% (n=228) totally agreed and 29.5% (n=118) agreed. Furthermore, 5.5% (n=22) disagreed, while 4.0% (n=16) did not agree or disagree. Finally, 2.0% (n=6) totally disagreed and a further 2% (n=6) indicated not applicable. A significant majority of participants indicated that the TTA is located in an appropriate area and represents the organisation appropriately. The finding is consistent with the study of Reimers (2014:330), that location convenience and suitability provides an obvious means of saving time and effort. The TTA should ensure that it strengthens convenience of services through continuation of saving customer's time and efforts of obtaining services. Furthermore, the TTA should focus on improving services to boost productivity and in the process ensure that internal environments and processes are designed to enable location convenience and suitability for customers. The findings are in line with Objective 2 of the study.

#### ***5.2.10.2 Tshwane Tourism Association promotional material quality***

The question sought to ascertain respondents' views of the quality of promotional material distributed by the TTA. The quality of promotional material is very important, as it is how the TTA communicates its products to current and potential customers. TTA promotional material is used to persuade customers that its services are better than competitors' services are and to remind customers to consume services (Huang, Lee & Chen, 2017:1449).



**Figure 5.14: Quality of promotional material**

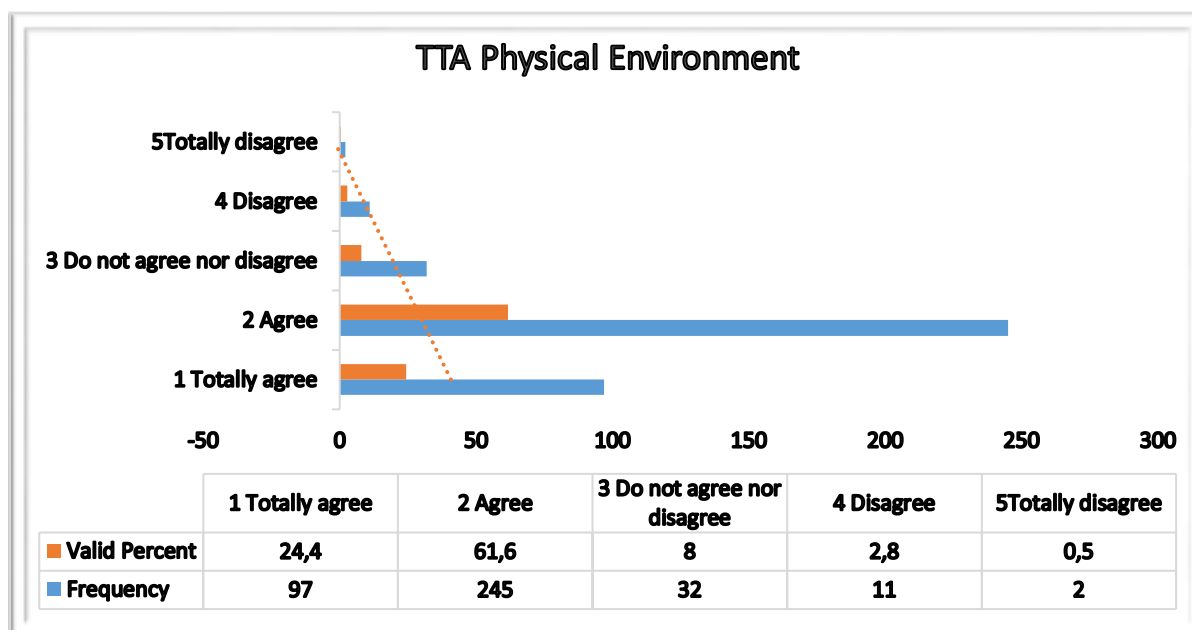
Of the 400 respondents in the sample, 398 responded, of which 61.1% (n=243) agreed and 26.4% (n=105) totally agreed. Furthermore 6.8% (n=27) disagreed, while 2.0% (n=8) indicated they do not agree or disagree. A further .8% (n=3) totally disagreed and 3% (n=12) indicated not applicable. This strongly supports the quality of promotional material supplied by the TTA.

The findings are consistent with the results of Raciti and Mulcahy (2019:321) who indicate that promotional material is important for tourists to actively seek to purchase local food products from village-level agri-businesses, which urges that multiple promotional strategies should be implemented. The TTA needs to ensure that their promotional efforts and materials are of a good quality to draw the attention of potential tourists, modify the behaviour of existing buyers and influence them to consume services.

Furthermore, the TTA promotional material information should be considered as an important means of communication and promotion in the CoT area to build a brand, attracting new customers and maintaining customer loyalty. This finding is in line with Objective 2 of the study.

#### **5.2.10.3 Tshwane Tourism Association physical environment**

The question sought to establish the quality of the TTA's physical environment. The physical environment of a business consists of natural and manmade components. The temperature, air quality, lighting and noise conditions in the TTA affect the customer's perception of services. Studies have consistently demonstrated that characteristics of the physical environment can have a significant effect on customer behaviours and perceptions (Johansson & Carlson, 2015:200).



**Figure 5.15: Tshwane Tourism Association physical environment**

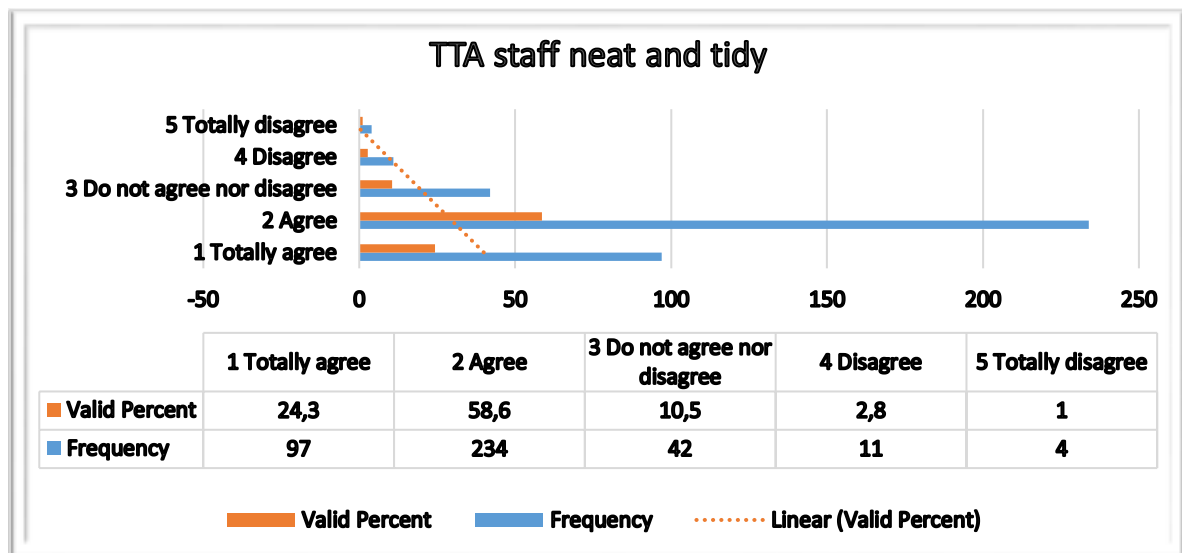
Of the 400 respondents in the sample, 398 responded, of which 61.6% (n=245) agreed and 24.4% (n=97) totally agreed. A further 8.0% (n=32) indicated do not agree or disagree, while 2.8% (n=11) disagreed. Finally, .5% (n=2) totally disagreed and 2.8% (n=11) indicated not applicable. The data indicate that the TTA has an attractive physical environment. The findings corroborate the findings of Han, Shim, Lee and Kim (2019:540), that the physical environment of luxury hotels plays a vital role in determining customers' perceived value and level of satisfaction with a business.

TTA should therefore continue to ensure a clean, healthy environment because it is important for customer's physical and emotional well-being. Furthermore, the TTA should be involved in initiatives with the CoT municipality and stakeholders in ensuring that factors such as planning and operating tourism facilities, clean air, good quality drinking water, noise pollution which can cause both physical harm and psychological stress, are well addressed for customers' well-being.

Above all, the TTA needs sound environmental management campaigns for tourism facilities and hotels especially are necessary to increase the benefits of CoT's natural areas. This finding is in line with Objective 2 of the study.

#### **5.2.10.4 Tshwane Tourism Association employees appear neat and tidy**

The question sought to ascertain if employees of the TTA appear neat and tidy, thereby placing confidence in the TTA. The major reason why employees of the TTA need to appear neat and tidy is because appearance presents a visual image and sends a message about the quality of internal services (Cheng & Rashid, 2013:99).



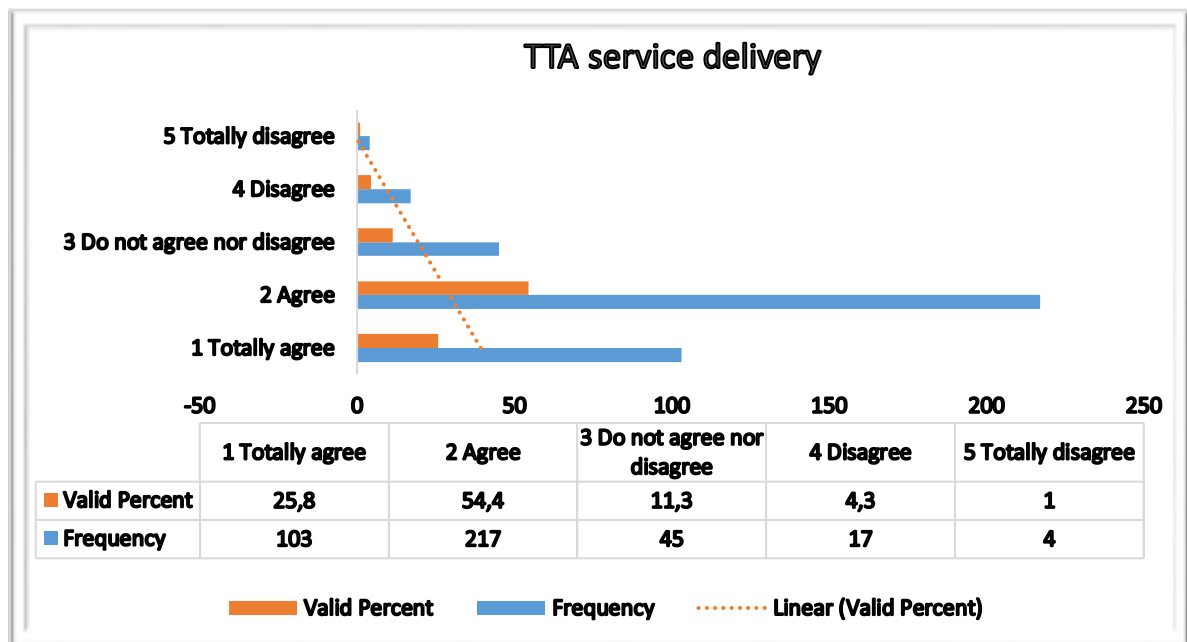
**Figure 5.16: Employees of Tshwane Tourism Association appear neat and tidy**

Of the 400 respondents in the sample, 399 responded, of which 58.6% (n=234) agreed and 24.3% (n=97) totally agreed. Furthermore, 10.5% (n=42) indicated they did not agree or disagree, while 2.8% (n=11) disagreed. Finally, 1.0% (n=4) totally disagreed and 2.8% (n=11) indicated not applicable. The data strongly supports that staff of the TTA appear neat and tidy.

Therefore, the TTA should have in place strategic plans to enhance the quality of appearance of employees. The TTA can achieve this milestone through employee training and rewards. The rewards maybe in the form of “employee of the year”, of which appearance should be one of the winning factors. This finding corroborates the finding of Sigala and Robinson (2019:113), that government measures are required to ensure that the value resulting from domestic and export markets through innovation develop a strong reputation for being clean (neat and tidy) in appearance. Furthermore, the TTA should ensure a clean and safe workplace environment to influence employees’ productivity, performance and well-being. Maintaining a clean workplace is vital for the TTA to keep customer and service efficiency high. This finding is in line with Objective 2 of the study.

**5.2.10.5 Tshwane Tourism Association provides first rate service delivery**

The question sought to establish from respondents if the TTA provides first rate service delivery. Koutsothanassi, Bouranta and Psomas (2017:425) report that competition in business is strong, resulting in customers seeking companies that can give them what they want efficiently and effectively. Hence, top class service would mean efficiency, knowledge and immediacy.

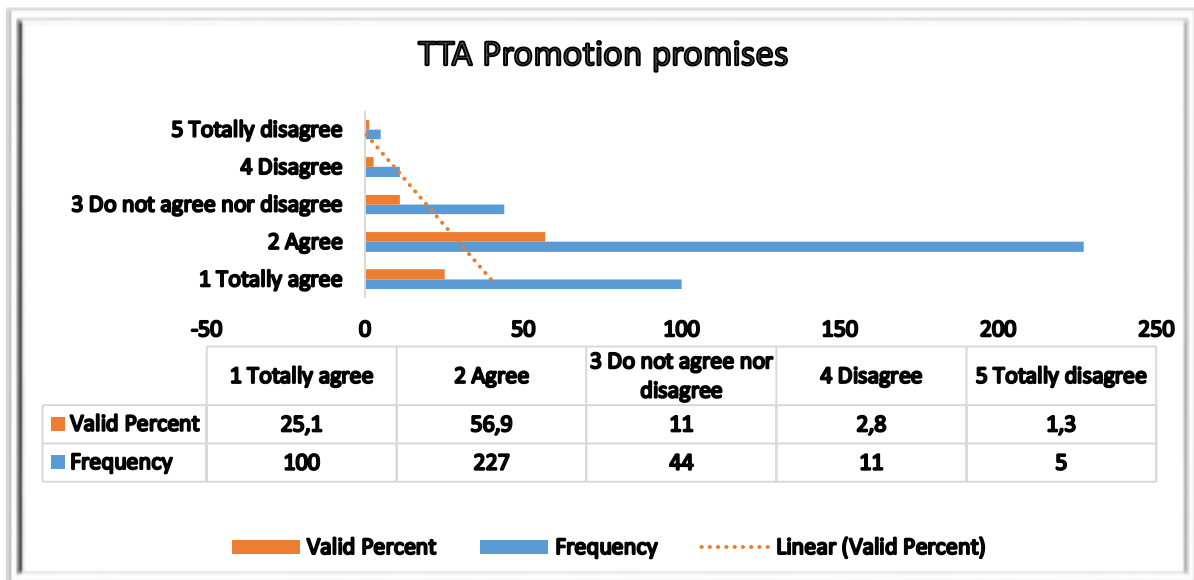


**Figure 5.17: Tshwane Tourism Association provides first rate service**

Of the 400 respondents in the sample, 399 responded, of which 54.4% (n=217) agreed, 25.8% (n=103) totally agreed, 11.3 % (n=45) did not agree or disagree, while 4.3% (n=17) disagreed. Finally, 1.0% (n=4) totally disagreed and 3.3% (n=13) indicated not applicable. The data confirm that the TTA is doing well in terms of service delivery. The findings are line with Moutinho, Albayrak and Caber (2012:321) who report that perceived quality leads to perceived value, which leads to customer satisfaction. The TTA should be aware that the delivery of high-quality core services alone cannot guarantee satisfaction and repurchase intention because there are various service encounter experiences that have an influence on service delivery. Therefore, the TTA should ensure that service delivery addresses all areas necessary to be successful because good customer service ensures more opportunities for business, develop a loyal customer base and improve relationships with customers. The findings are in line with Objective 2 of the study.

**5.2.10.6 Tshwane Tourism Association promotions promises**

The question sought to determine if the TTA delivers on its promises made in promotions. A brand promise is a value and experience customers can expect to receive every time they interact with the TTA. The more an organisation can deliver on its promises, the stronger the brand value in the mind of customers (Chang & Thai, 2016:720).



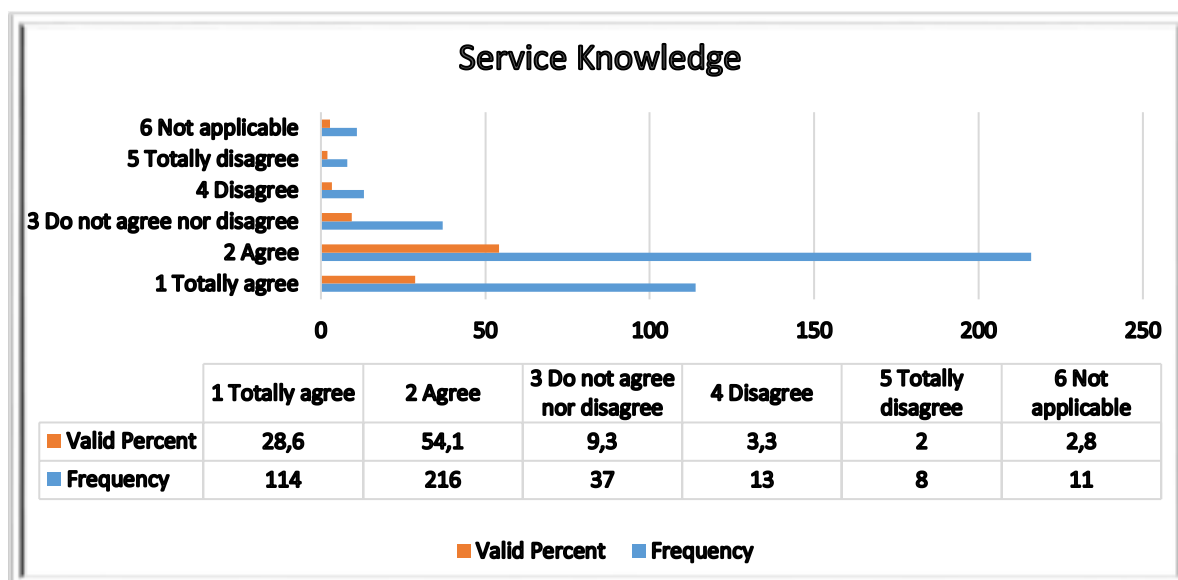
**Figure 5.18: The promises that Tshwane Tourism Association made in promotions**

Of 400 respondents, 399 responded, of which 56.9% (n=227) agreed and 25.8% (n=103) totally agreed. Furthermore, 11.3 % (n=45) indicated they did not agree or disagree, while 4.3% (n=17) disagreed. Finally, 1.0% (n=4) totally disagreed and 3.3% (n=13) indicated not applicable. The data suggests strongly that the TTA keeps the promises it makes when promoting its services. The study findings correspond with Caliskan and Esmer (2019:382) who found that trust develops from customers' feelings about the seller in terms of a high probability of keeping promises.

Therefore, it is imperative for the TTA to keep promises consistently as a norm and culture. In a service-based business, 'keeping your word' builds customer loyalty. The TTA mission statement should reflect the message that delivering promises and meeting customers' expectations are vital factors to success (Huang, Wang, Tseng & Wan, 2013:660). The benefits of keeping promises for the TTA are retaining existing customers and gaining new ones. The finding is in line with Objective 2 of the study.

**5.2.10.7 Tshwane Tourism Association employee service knowledge**

The questionnaire sought to establish the views of respondents on TTA employees' service knowledge. Employee service knowledge is the most important tool for customer retention because it instils faith, trust and respect in the customer, which creates a positive customer experience (Izogo & Ogba, 2015:250).

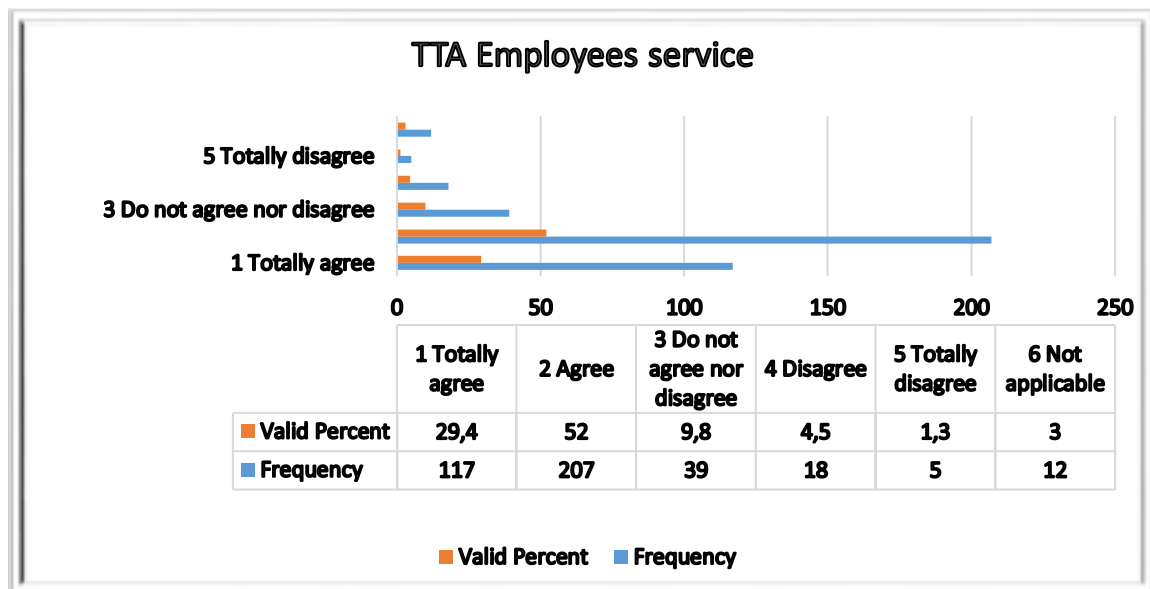


**Figure 5.19: Tshwane Tourism Association employees' service knowledge**

There were 400 respondents in the sample, 399 responded, of which 54.1% (n=216) agree and 28.6% (n=114) totally agree. Furthermore, 9.3% (n=37) neither agreed nor disagreed, while 3.3% (n=13) disagreed. Finally, 2.0% (n=8) totally disagreed and 2.2% (n=11) indicated not applicable. Hence, the data indicate that employees do have knowledge of TTA services. The finding corroborates the finding of Friday and Blessing (2019:40), that knowledge management has a significantly positive association with employee effectiveness. The TTA should put measures in place that to address emerging weaknesses from employees through a training programme to strengthen the skills that each employee needs to improve. A development programme brings all employees to a higher level so they all have similar skills and knowledge. The benefits of the TTA ensuring ongoing staff training and skills improvement include increase in productivity, improvement of the quality of work, reduction in customer complaints, with streamlined processes and staff that are more competent. The findings are in line with Objective 2 of the study.

#### ***5.2.10.8 Tshwane Tourism Association employee service delivery***

The question sought to establish the respondents' views of TTA employee service delivery. Although customer service is unpredictable in an organisation like the TTA, it is necessary to attract and retain customers. The organisation's purpose of providing service to customers is to ensure it makes profit and delivers services and products that satisfy and please customers (Annamdevula & Bellamkonda, 2016:510).



**Figure 5.20: Tshwane Tourism Association employees' service provision**

There were 400 respondents, 398 responded, of which 52.0% (n=207) agreed and 29.4% (n=117) totally agreed. Furthermore, 9.8% (n=39) did not agree or disagree, while 4.5% (n=18) disagreed. Finally, 1.3% (n=5) totally disagreed and 3.0% (n=12) indicated not applicable. A significant majority of the participants believed that TTA service provision is up to standard. The finding aligns with Nejati, Nejati & Shafaei (2013:531), that the flight crew is one of the most important service quality factors. The staff quality customer service delivery is of vital importance to all organisations in the travel and tourism sector.

Staff delivery of excellent customer service will result in a high level of customer satisfaction and encourages customers to return and to recommend the organisation to others. Osaki and Kubota (2016:197) found that customers pay more for quality service delivery than anything else during the service consumption phase. The TTA should ensure that quality service delivery involves consistent delivery of services according to customer expected standards in all relevant value chains, including friendly staff. The finding is in line with Objective 2 of the study.

#### **5.2.10.9 Tshwane Tourism Association customer needs and wants**

The question sought to determine if employees of the TTA meet customer needs and wants. Quality means meeting the needs and wants of customers, hence, it is critical to satisfy customers and retain their loyalty to continue consuming services in the future. Quality service make an important contribution to long-term revenue and profitability, including charging and maintaining higher prices (Pakurár, Haddad, Nagy, Popp & Oláh, 2019:1-2).





Figure 5.21: Employees of Tshwane Tourism Association meet customer needs and wants

Of the 400 respondents, 398 responded, of which 51.8% (n=206) agreed and 29.4% (n=117) totally agreed. Furthermore, 10.8% (n=43) did not agree or disagree, 2.8% (n=11) disagreed, 1.8% (n=7) totally disagreed and 3.35% (n=14) indicated not applicable. The data shows that a significant majority of participants indicated that the TTA staff met their needs and wants regarding services. The findings are in line with Lei, Wang and Law (2019:210), that customers' perceived ease of use, convenience and compatibility affect their intention to make bookings. These aspects are directly linked to customer service delivery. The TTA should ensure that customers experience personalized customer service as part of addressing their needs and wants in the customer care plan.

These actions will ensure that the TTA benefits from good customer service delivery by an increase in customer loyalty, increase in amount of money each customer spends, positive word-of-mouth referrals and enhanced reputation. The TTA should address the needs and wants of customers with the aim of producing a plan to measure customer loyalty, identify unhappy customers, increase revenue and attract new customers. The finding is in line with Objective 2 of the study.

#### **5.2.10.10 Market positioning mean scores**

The following discussion focuses on market positioning mean score statistical data analysis. The market positioning mean score statistical data analysis was conducted to establish the following scores.

- Mean
- Median
- Standard Deviation
- Minimum
- Maximum
- Skewness
- Kurtosis

According to Lewis-Beck and Lewis-Beck (2016:213), the statistical mean refers to the average that is used to derive central tendencies of the data in question and is established by adding all the data points in a population and then dividing the total by the number of points. The standard deviation is a number used to explain how measurements for a group vary from the average (mean), or expected value. A low standard deviation means that most of the numbers are close to the average. A high standard deviation means that the numbers are more spread out. In this instance, the mean is within the agree zone and standard deviation is close to the mean.

Furthermore, Kollo (2008:2329) describes skewness as a measure of symmetry, or the lack of symmetry. The skewness measures how asymmetric the distribution is. Skewness is the measure of asymmetry of the data and establishes if the data are skewed to the left or to the right (Easterby-Smith *et al.*, 2012:245).

Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. A negative kurtosis means that the distribution is flatter than a normal curve with the same mean and standard deviation. A negative kurtosis implies platykurtosis. Research studies concluded that for the normal distribution the moment measure is equal to 3 (Swift & Piff, 2010:99; Saunders *et al.*, 2012:555; Tabachnick *et al.*, 2019:312). The findings of the market positioning mean scores will assist the TTA in determining an effective and quality CRF, in line with Objective 2 of the study.

Table 5.2 below indicates the market positioning mean scores and variables.

**Table 5.2: Market positioning mean scores**

	Mean	Median	Std. deviation	Minimum	Maximum	Skewness	Kurtosis
14A	4.02	4.00	1.009	1	5	-1.906	4.592
14B	4.01	4.00	0.982	1	5	-2.270	6.919
14C	3.98	4.00	0.961	1	5	-2.170	6.645
14D	3.94	4.00	0.995	1	5	-1.994	5.497
14E	3.90	4.00	1.070	1	5	-1.813	4.150
14F	3.93	4.00	1.031	1	5	-1.943	4.972
14G	3.96	4.00	1.064	1	5	-1.866	4.284
14H	3.95	4.00	1.081	1	5	-1.795	3.952
14I	3.94	4.00	1.110	1	5	-1.862	4.082

Table 5.2 displays the results of investigating market positioning mean scores. The following nine variables were used to obtain responses from respondents.

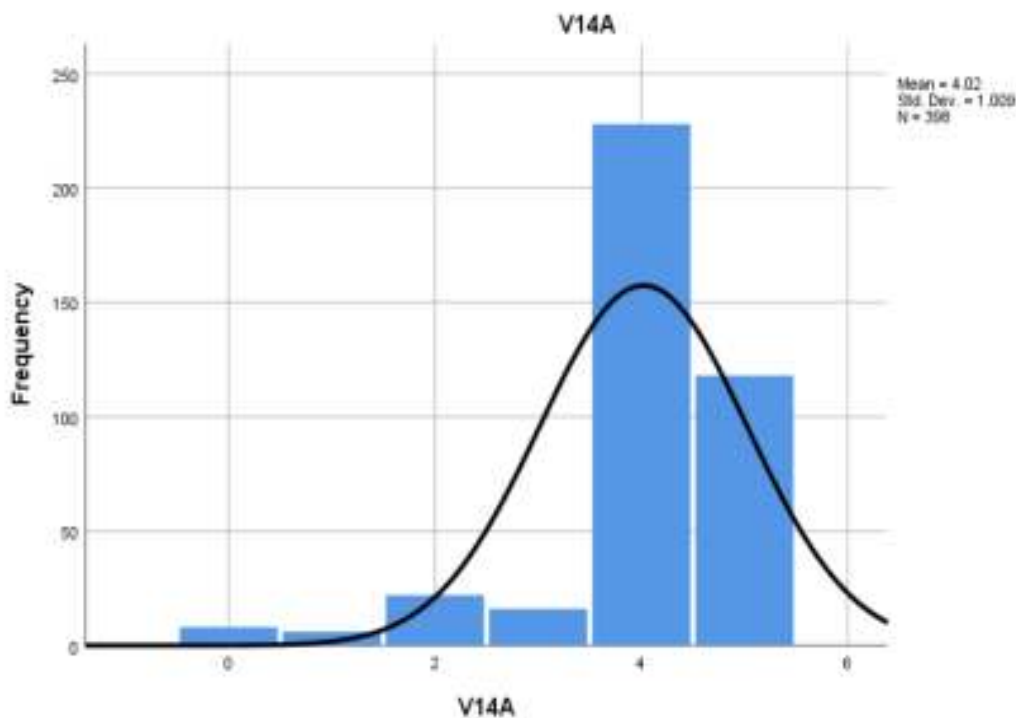
- i) 14A TTA location convenience and suitability
- ii) 14B TTA promotional material quality
- iii) 14C TTA physical environment
- iv) 14D TTA employees of the TTA appear neat and tidy
- v) 14E TTA first rate service delivery performance
- vi) 14F TTA promotions promises
- vii) 14G TTA employees' service knowledge
- viii) 14H TTA employees' service delivery
- ix) 14I TTA customers' needs and wants

Table 5.2 depicts the nine variables used to obtain responses from respondents during the survey. All nine variables were around the agree zone on the questionnaire Likert scale, with highest mean being 4.02 (V14A) and the lowest being 3.90 (V14E). The agree zone means the majority of respondents agreed with the variables under market positioning. This is confirmed by a median of 4.00 for all the variables, where the data showed a skewness of between 1.866 to 2.270 and the kurtosis ranged from 4.150 to 6.919.

Overall, results reflect that all variables responses fall within the agree zone in terms of market positioning. This means that location convenience and suitability, promotional material quality, physical environment, employees' appearance, first rate service delivery performance, promotions promises and employees' services knowledge fall under the agree zone position of the respondents. This is indicative that all variables are supportive of Objective 2 of the study.

The following discussions pertain to the histogram analysis of selected variables 14A, 14B, 14C and 14E. These variables were selected because their highest and lowest mean scores are representative of all the variables because results of all variables fall within the agree zone. The histograms of the variables are shown below, which also confirm that the majority of respondents are within the agree zone.

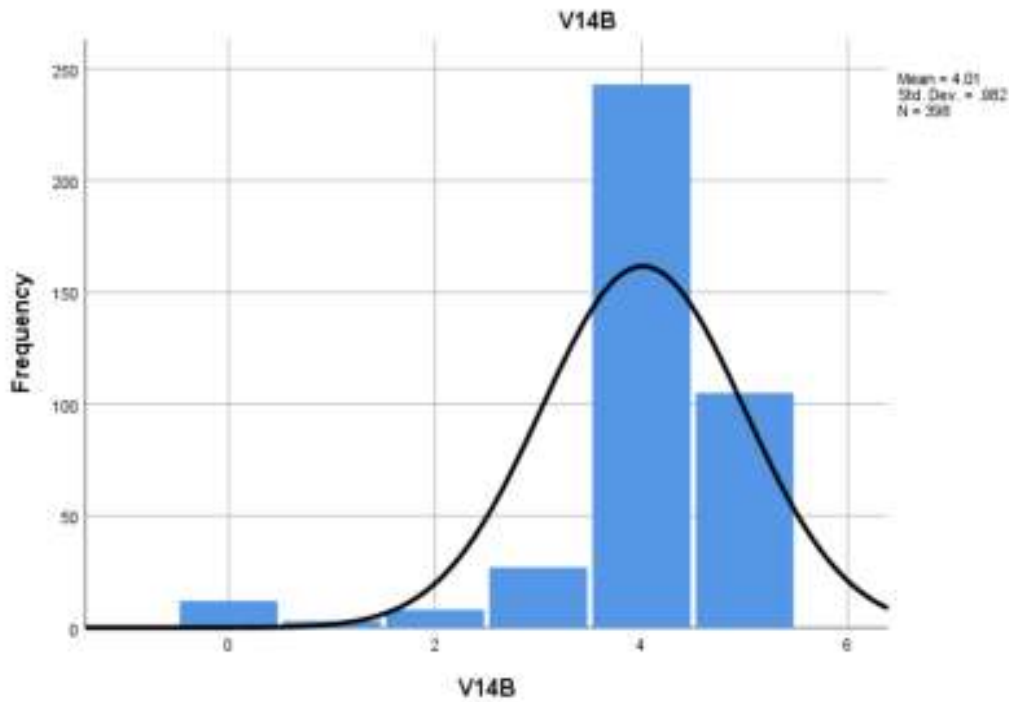
The following discussion applies to the histogram analysis of selected Market positioning Strategy variable 14A.



**Figure 5.22: Highest mean score: variable 14A**

The histogram in Figure 5.22 shows mean scores and standard deviations of the variable 14A (TTA service in a convenient area) and confirms that the majority of respondents are within the agree zone, which means that they agree that TTA services are offered at a convenient location. Location plays a major role in customer decision-making processes with regard to purchasing services. The TTA stands a positive chance of more customers using their services due to location accessibility (Selvakumar, 2016:11). The findings indicate that service location and convenience play an important role in market positioning. This is in line with the Objective 2 of the study.

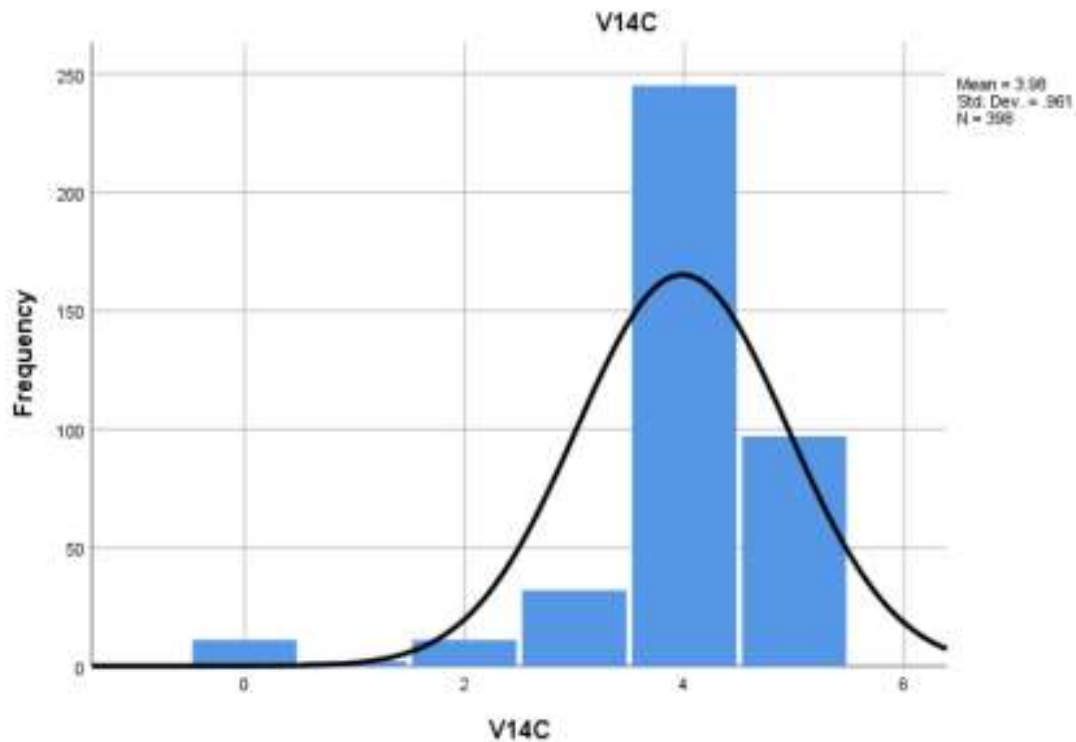
The following discussion pertains to the histogram analysis of selected Market positioning Strategy variable 14B.



**Figure 5.23: Market positioning strategy majority agree sharp curve: variable 14B**

The histogram in Figure 5.23 shows mean scores and standard deviations of the variable V14B, quality of promotion material provided by the TTA. It confirms that the majority of respondents are within the agree zone, meaning that the respondents agree that the quality of promotional material of the TTA is of a high standard. According to Felix (2017:250), the use of quality promotional material by the TTA will influence customers to use its services. The quality of promotional materials enhances customers' perceptions of the quality of services offered by the TTA (Navaratnaseel & Periyathampy, 2014:360) (see 5.2.10.10 for statistical term descriptions). Furthermore, the findings indicate that the quality of promotional material plays an important role in market positioning, which is in line with Objective 2 of the study.

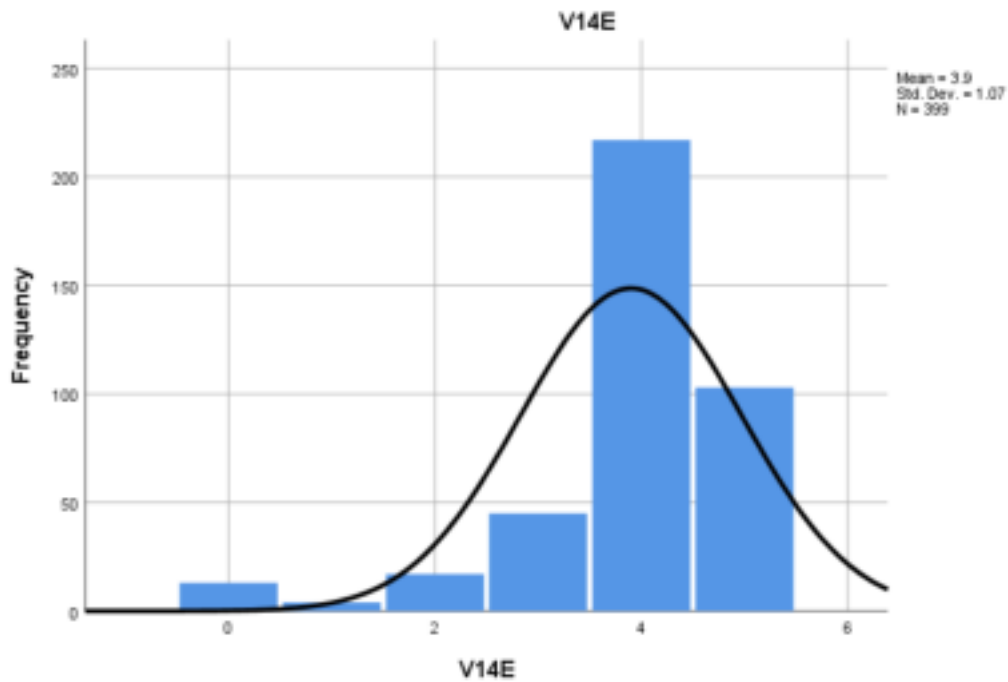
The following discussion applies to the histogram analysis of selected Market positioning Strategy variable 14C.



**Figure 5.24: Market positioning strategy lowest mean score: variable 14C**

The histogram in Figure 5.24 shows mean scores and standard deviations for the variable V14C (TTA physical environment) and confirms that the majority of respondents are within the agree zone, meaning that the respondents agree that the TTA's physical environment is of a high level. According to Chochol'áková *et al.* (2015:82), the physical environment plays a major role in influencing the customer's decision about entering into a relationship with an organisation. The quality of the physical environment reflects perceptions about the service quality in the eyes of the customers (Alshurideh *et al.*, 2017:141) (see 5.2.10.10 for statistical term descriptions). Furthermore, the findings indicate that the TTA's physical environment plays an important role in market positioning, which is in line with Objective 2 of the study.

The following discussion applies to the histogram analysis of selected Market positioning Strategy variable 14E.



**Figure 5.25: Market positioning strategy majority agree sharp curve: variable 14E**

The histogram in Figure 5.25 reveals the mean scores and demonstrates a sharp curve of the variable V14E (TTA first-rate service delivery performance). It confirms that the majority of respondents are within the agree zone. In this instance, the mean is within the agree zone and standard deviation is close to the mean. These mean scores confirm that the majority of respondents agree that service delivery at the TTA is of a high standard. According to Sanjuq (2014:81), when staff deliver quality services to customers it leads to customer satisfaction. The satisfied customers are likely to return and spread positive word-of-mouth information about TTA services (see 5.2.10.10 for statistical term descriptions). Furthermore, the findings indicate that high service delivery performances play an important role in the market positioning, which is in line with the Objective 2 of the study.

### **5.2.11 Marketing product strategy**

The following section analyses the data gathered from Section C of the questionnaire, which focused on the marketing product concepts. The marketing product factors discussed are based on the Objective 3 of the study. The findings on the eight variables will assist the TTA in understanding its marketing product to enhance the strategic efforts of developing a well-informed CRF.

#### **5.2.11.1 Tshwane Tourism Association employees are always courteous**

The question sought to determine the importance of TTA employees always being courteous. TTA employees' communication includes customers, hence, courtesy as an aspect of service is extremely important. Courteous means that employees listen to customers and assist them

with their complaints, which attracts them to the organisation, resulting in them spending money and time with the organisation. According to Sharmin, Tasnim and Shimul (2016:106), courteous and respectful communication increases the organisation's chances of retaining current customers as well as gaining new ones.

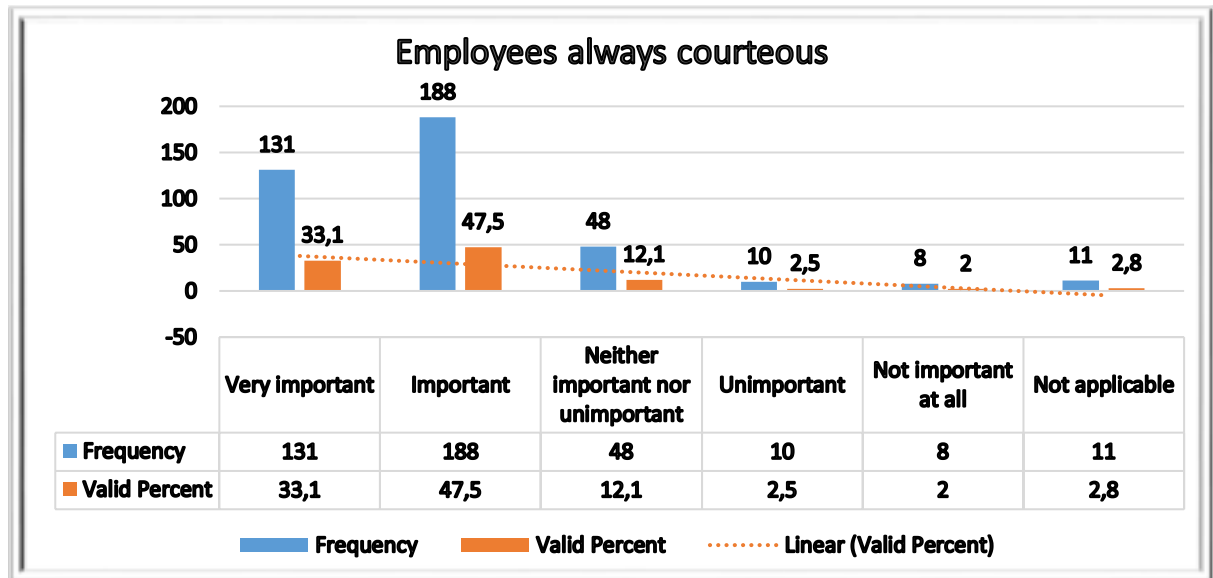


Figure 5.26: Tshwane Tourism Association employees are always courteous

The sample comprised 400 respondents and 396 responded. Of the 396, 47.5% (n=188) believed it was important and 33.1% (n=131) indicated it was very important. A further 12.1% (n=48) indicated neither important nor unimportant, while 2.8% (n=11) responded unimportant. Finally, 2.0% (n=8) indicated not important at all and 2.8% (n=11) indicated not applicable. The data show that TTA employees are always courteous when delivering services to customers. The findings are corroborated Artinger *et al.* (2019:24) who found that 85% of conflict can be resolved if a team adopts a constructive approach to service failure and encourages employee participation. The staff are the ones who normally interact and provide services to the customers, hence, complaints are reported directly to the employees.

The employees have first-hand ability to resolve staff complaints so it is imperative that their voices are heard by senior managers. The TTA should ensure that customer care is an essential part of daily operations. This can be done by introducing ongoing customer service training for employees, focusing on improving communication, listening, problem-solving and organisational skills. Therefore, the TTA should ensure that through customer service training, employees improve their skills and acquire new ones. The finding is in line with Objective 2 of the study.



### 5.2.11.2 Tshwane Tourism Association employees are always willing to help

The questionnaire sought to ascertain the importance of whether employees of the TTA were always willing to help. TTA staff need to assist suppliers, customers and potential investors with services. Various studies have found that having effective staff that are always willing to help builds effective customer relationships (Rauch, Collins, Nale & Barr, 2015:87; Achmad et al., 2016:132).

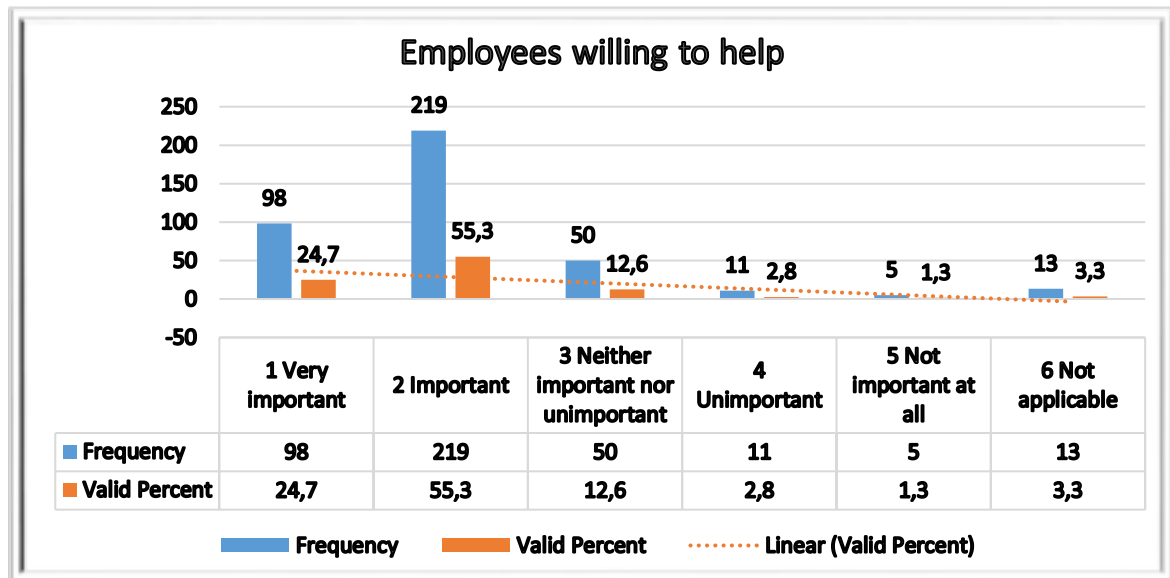


Figure 5.27: Tshwane Tourism Association employees are always willing to help

There were 400 respondents in the sample and 396 responded, of which 55.3% (n=219) stated important, 24.7% (n=98) indicated very important, 12.6% (n=50) stated neither important nor unimportant, while 2.8% (n=11) felt it was unimportant. Lastly, 1.3% (n=5) indicated not important at all and 3.3% (n=13) stated not applicable. There was a positive response regarding the willingness of TTA staff to be of assistance to customers, which will strengthen customer loyalty and retention.

The findings corroborate those of Zhu, Lam and Lai (2019:70), that employees who encounter uncivil customers make provision for an extra role to develop in-service delivery. It is incumbent on employees' to be willing to assist impolite customers by identifying their demands and finding solutions. The TTA should be aware that destination tourism has become an important sector that has an impact on the development of the economy of a country through income creation, generation of jobs and most importantly, source of welfare. The TTA stands to benefit from providing good customer service in the area of increasing customer loyalty, generation of positive word-of-mouth activities and good customer relationships. The finding is in line with Objective 2 of the study.

### 5.2.11.3 Tshwane Tourism Association Board of Directors gives feedback

The question sought to establish the views of the respondents on the importance of the TTA Board of Directors providing feedback on questions or problems raised. The TTA act of providing customers with feedback demonstrates that it values their opinions. Asking customers for feedback conveys that their opinion is important and is involved in shaping services. Normally organisations listen to customer voices to create stronger relations with them (Adobe Digital Index, 2012:8; George & Kumar, 2014:77).

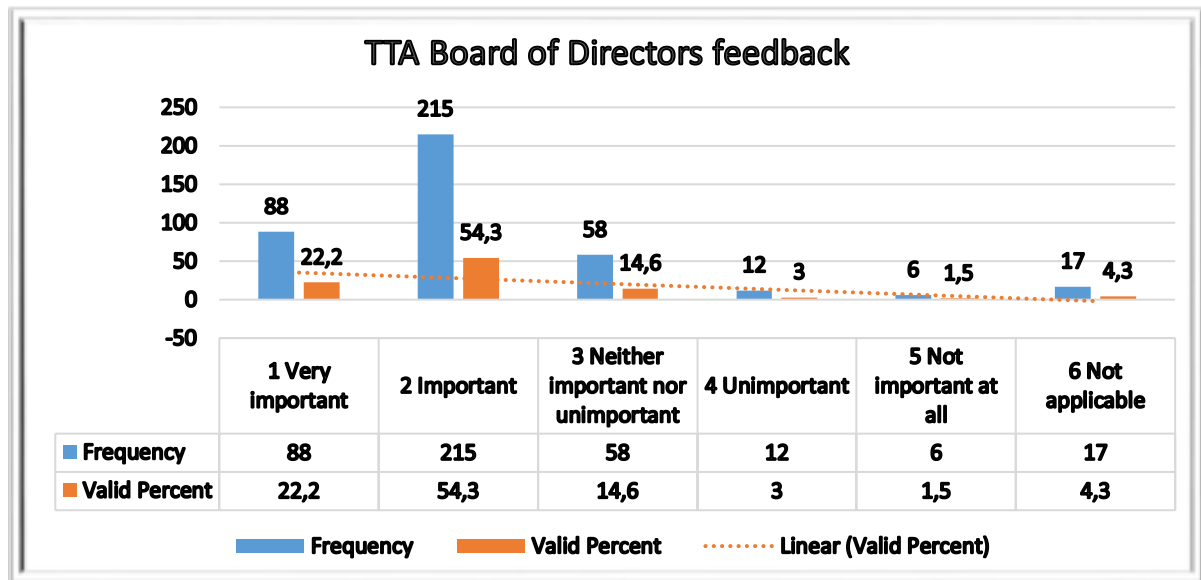


Figure 5.28: Tshwane Tourism Association Board of Directors give feedback

There were 400 respondents in the sample and 396 responded, of which 55.3% (n=219) indicated important, 22.2% (n=88) indicated very important, 14.6% (n=58) stated neither important nor unimportant, while 3.0% (n=12) felt it was unimportant. Finally, 1.5% (n=6) felt it was not important at all and 4.3% (n=17) indicated not applicable. A significant majority of respondents indicated that the TTA Board of Directors provides feedback timeously. This is important because it will encourage customers reciprocate in terms of providing the TTA with feedback. Sezgen, Mason and Mayer (2019:72) found that the majority of customers are not always willing to share genuine feedback with their service provider, particularly feedback about their dissatisfactions. In normal circumstances this is because organisations do not provide customers with feedback regarding their concerns. The TTA should ensure that it provides customer feedback because it is an indication that their opinions are valued. The TTA stands to benefit positively from feedback because customers' involvement in shaping business will strengthen customer relations, create employees' ongoing development, clarify expectations, help to learn from mistakes and build service confidence. The finding is in line with Objective 2 of the study.

### 5.2.11.4 Tshwane Tourism Association offers quality services consistently

The question sought to determine the importance of quality services being consistently offered by the TTA. Continuous delivery of quality service is an important factor. Kant and Jaiswal (2017:411) indicate that quality control (QC) is essential to building a successful business that delivers services that meet and exceed customers' expectations. Furthermore, it forms the basis of an efficient business that minimises waste and operates at a high level of productivity.

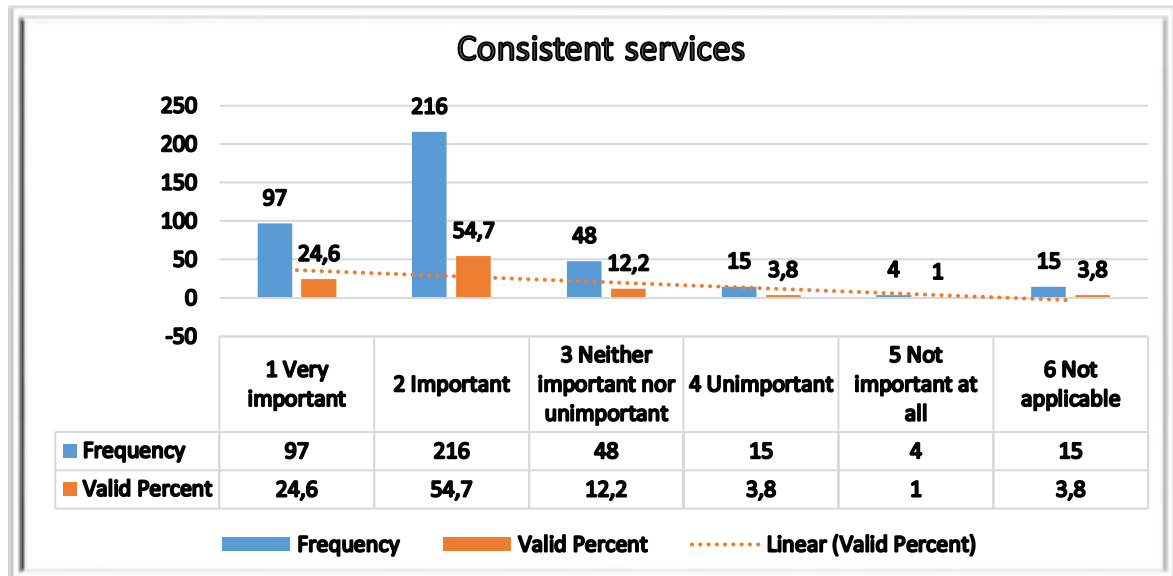


Figure 5.29: Tshwane Tourism Association offers consistent quality services

Of the 400 respondents in the sample, 395 responded, of which 54.7% (n=216) indicated important and 24.6% (n=97) indicated very important. Furthermore 12.2% (n=58) indicated neither important nor unimportant, while 3.8% (n=15) stated unimportant. Finally, 1.0% (n=4) indicated not important at all and 3.8% (n=15) indicated not applicable. The data suggest that it is important for the TTA to offer quality services. Quality services means all those services designed to satisfy the needs and wants of customers.

The findings are in line with the study conducted by Mudassar, Talib, Cheema and Rasa (2013:1755), which found that there is a relationship between customer satisfaction and customer quality services. Customers who receive good quality services are highly satisfied and remain loyal. The TTA should intensify customer service delivery through staff customer care empowerment training. It is imperative for the TTA to keep the customers satisfied by addressing their needs and wants because excellent customer service results in a high level of satisfaction and encourages customers to return and to recommend the TTA to others. The TTA should also realise that consistently high standards of customer service will ensure customer loyalty and improve business performance. The finding is in line with the Objective 2 of the study.

### 5.2.11.5 Tshwane Tourism Association should offer quality services

The question sought to establish if the TTA should offer quality services. The first thing that the TTA needs to consider is that quality is the most important thing because it defines brand perception of and by customers. The key to developing and delivering a high quality service is to do things correctly from the beginning (Peng & Moghavvemi, 2015:91).

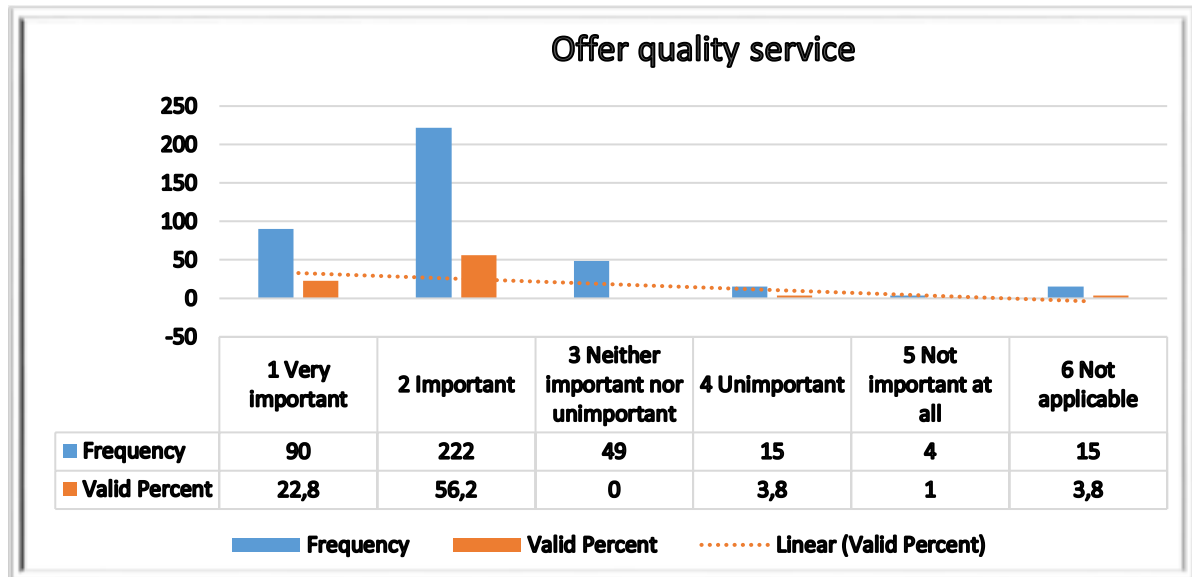


Figure 5.30: Tshwane Tourism Association should offer quality services

There were 400 respondents and 395 responded. Of these responses, 56.2% (n=222) indicated important and 22.8% (n=90) felt it was very important. Furthermore 12.4% (n=49) indicated neither important nor unimportant, 3.8% (n=15) stated unimportant, 1.0% (n=4) indicated not important at all and 3.8% (n=15) indicated not applicable. The data indicate that it is important for the needs and wants of the customers to be met. This will make customers remain loyal to the TTA and participate fully in their CRM programme.

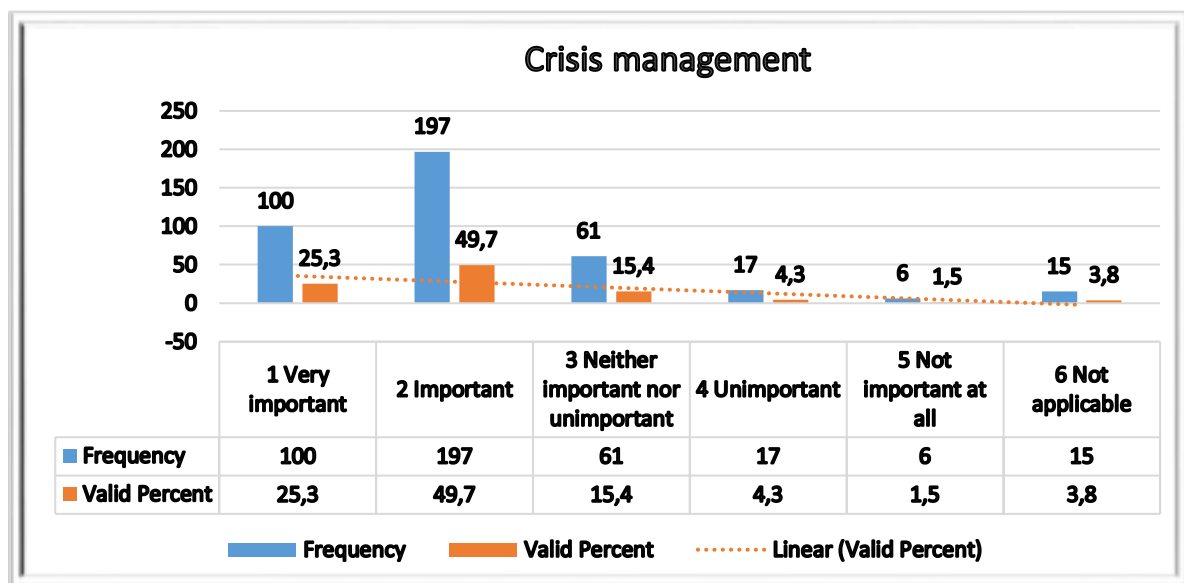
The findings align with the findings of Pérez and Muñoz (2014:157) that service quality is one of the most significant elements regarding the organisation’s competitiveness because it allows companies to achieve better service performance regarding value-offer design for their customers. Furthermore, Ackah and Agboyi (2014:8) report that both service quality and customer satisfaction should be acquired as important attributes, otherwise survival of the organisation is meaningless. Mohebifar, Hasani, Barikani and Rafiei (2016:238) conclude that customers assess quality by comparing their expectations with real performance insights. If the customers’ performance perceptions exceed their expectations, then the service provider provides quality service.

Moreover, the TTA should develop and deliver high quality services correctly from the beginning because this will ensure that customer expectations are exceeded, maintain

consumers over the long term, create a continually accessible source of revenue, expand and increase satisfaction levels and provide lasting customer value. The TTA stands to benefit from service quality in the long term through increased revenues, boost in customer loyalty and enhanced brand image. The finding is in line with the Objective 2 of the study.

**5.2.11.6 Tshwane Tourism Association has sufficient channels to address crisis management**

The question sought to determine the importance of the TTA having sufficient channels to manage crises. According to Choudhury (2014:47), crisis management includes activities and processes that help the managers as well as employees to analyse and understand events that might lead to crises and uncertainty, which requires an effective response to changes in the organisation’s culture.



**Figure 5.31: Tshwane Tourism Association has sufficient channels for crisis management**

Of the 400 respondents sampled, 396 responded, of which 49.7% (n=197) indicated important and 25.3% (n=100) indicated very important. Furthermore 15.4% (n=61) felt it was neither important or unimportant and 4.3% (n=17) felt it was unimportant. Finally, .5% (n=6) indicated not important at all and 3.8% (n=15) stated not applicable. The data indicate that the majority of respondents felt that it was important for the TTA to have sufficient channels for crisis management.

TTA should take crisis management serious and can achieve this by ensuring that internal units have crisis management managers in place. Denner, Viererbl and Koch (2019:2026) found that crisis managers “ensure that the organisation takes full responsibility for the crisis”. The crisis managers will normally use a proactive management strategy to mitigate crises in the organisation. Kukanja and Planinc (2013:50) found that the use of “proactive management

to deal with crisis is very effective in organisations”. The TTA should develop crisis management programmes, which include measures, plans and manuals to respond promptly to challenging events in an appropriate way to minimise the negative impact on the organisation and customers. In addition, these crisis management programmes should be designed so that the TTA can plan fast and take quick action for post-crisis recovery. When the challenges of customers are efficiently addressed, the TTA CRM programme will benefit positively. The finding is in line with the Objective 2 of the study.

### 5.2.11.7 Tshwane Tourism Association price negotiation

The question sought to establish from the respondents the importance of TTA price negotiation.

TTA staff negotiation skills are important in both informal day-to-day interactions and formal transactions such as negotiating conditions of sale, lease, service delivery and other legal contracts. Baumann *et al.* (2017:73-74) found that good price negotiations contribute significantly to business success, build better relationships and enhance profit.

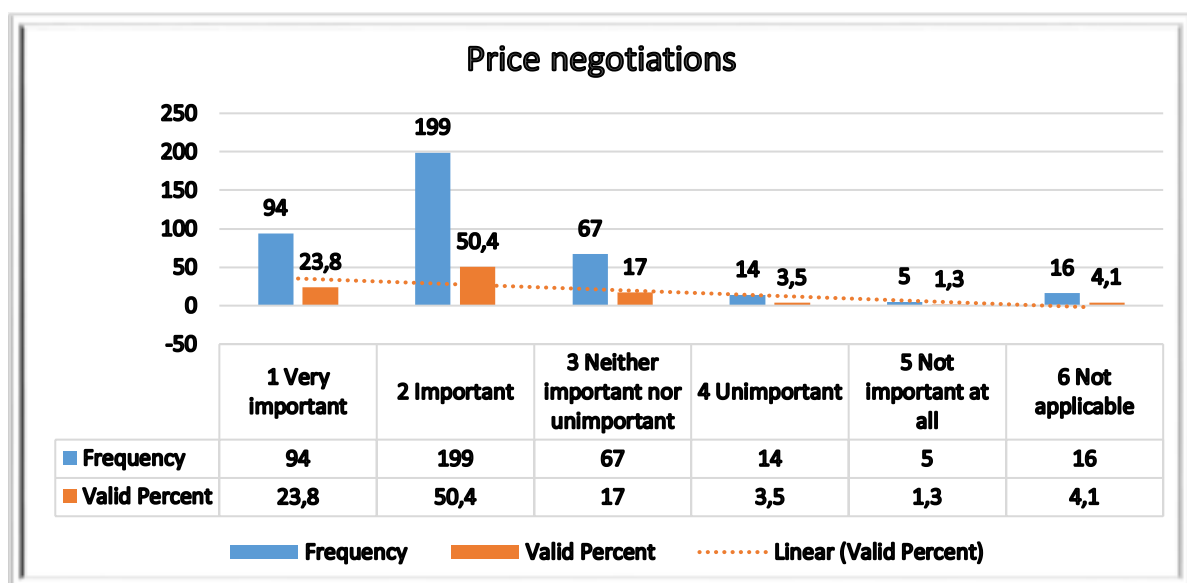


Figure 5.32: Tshwane Tourism Association can negotiate prices

Of the 400 respondents in the sample, 395 responded, of which 50.4% (n=199) stated important, 23.8% (n=94) believed it was very important, 17.0% (n=67) felt it was neither important nor unimportant, while 3.5% (n=14) stated unimportant. Finally, 1.3% (n=5) felt it was not important at all and 4.1% (n=16) stated not applicable. The data indicate that it is important for the TTA to negotiate fair prices for all customers. The findings corroborate the finding of Zhang, Go and Jerome (2019:280), who reported that respondents found “good deals” and “cheap accommodation” in the sharing economy. This is indicative that price deals are important to customers. Furthermore, the study conducted by Liang, Choy and Joppa

(2017:82) found that the price sensitivity of Airing services increases customers' perception of value and intention to repurchase. Tourism destination customers rate the service at a price and without a price, there is no indication of value.

The "right" price should satisfy both the tourist and meet the profit objectives of the tourism business. The TTA should take price negotiations and deals seriously because it is an important process to gain mutual agreement and retention of customers in the long term, hence, it is crucial to confirm their customer wants and needs.

The TTA should train their staff in price negotiation processes because being able to negotiate effectively helps the organisation to reach agreements, achieve objectives, get along better with customers and ultimately be more productive and successful on the job. Furthermore, the TTA can benefit from staff negotiation skills by the avoidance of customer complaints, staff conflict and improving relations among employees. The finding is in line with the Objective 2 of the study.

**5.2.11.8 Tshwane Tourism Association takes pride in its appearance**

The question sought to ascertain from respondents how important it was for the TTA to take pride in its appearance. The image that the TTA projects can build or destroy customer confidence in its services. Hennayake (2017:157) reports that some organisations use uniforms to create the impression of professionalism, pride and a corporate culture of service to attract and retain customers.

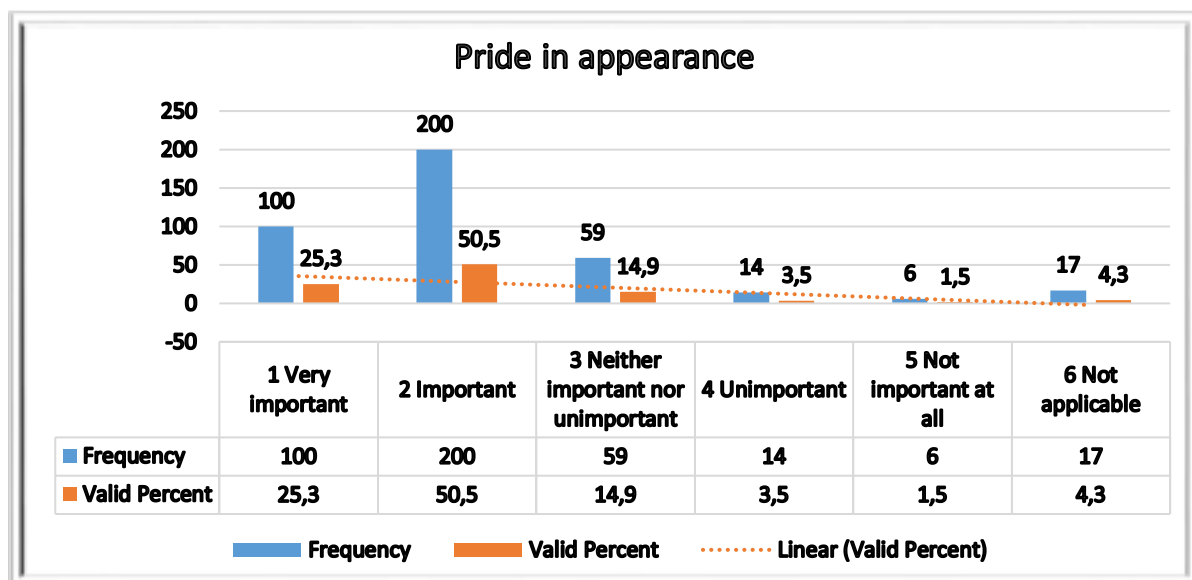


Figure 5.33: Tshwane Tourism Association takes pride in its appearance

Of the 400 respondents in the sample, 396 responded; (50.5%; n=200) indicated important, 25.3% (n=100) stated very important, 14.9% (n=59) felt it was neither important or unimportant,

while 3.5% (n=14) indicated unimportant. Finally, 1.5% (n=6) stated not important at all and 4.3% (n=17) indicated not applicable. The data suggest that most of the respondents deemed it important for the TTA to take pride in its physical environment.

Physical environment and ambience play a major role in attracting customers and creating positive perceptions of service delivery at the TTA. The findings corroborate the finding of Nguyen, Nguyen and Do (2019:221) that the main determinants of customer satisfaction of KFC Vietnam are food quality, ambience, price and service quality. Of these determinants, ambience has the most impact on customer satisfaction, followed by food quality and price. The TTA should therefore ensure that the character and atmosphere of premises is pleasing to customers. This could be achieved through developing a physical environment plan and appointing a manager responsible for its implementation. The TTA physical environment plan should detail areas needing the most attention and the important role of ambience in customer satisfaction as well as customer retention. Moreover, the TTA should bear in mind that the physical appearance of staff adds to overall appearance but the way they act also contributes to the brand reputation. The finding is in line with Objective 2 of the study.

#### ***5.2.11.9 Marketing product strategy mean scores***

The following discussion focuses on marketing product strategy mean scores statistical data analysis. The marketing product strategy mean scores statistical data analysis was applied to establish the following scores (see 5.2.10.10 for statistical term descriptions).

- Mean
- Median
- Standard Deviation
- Minimum
- Maximum
- Skewness
- Kurtosis

The findings of the marketing product strategy mean scores will assist the TTA in determining an effective and quality CRF in line with Objective 3 of the study.

Table 5.3 depicts the investigation results of marketing product strategy mean scores using the following eight variables to obtain responses from respondents during the survey.

- i) 15A TTA employees are always courteous;
- ii) 15B TTA employees are always willing to help;
- iii) 15C TTA Board of Directors gives feedback;
- iv) 15D TTA offers consistent quality services;
- v) 15E TTA should offer quality services;



- vi) 15F TTA has sufficient channels of crisis management;
- vii) 15G TTA can negotiate prices; and
- viii) 15H TTA takes pride in its appearance.

**Table 5.3: Marketing product strategy mean scores**

	Mean	Median	Std. deviation	Minimum	Maximum	Skewness	Kurtosis
15A	3.99	4.00	1.087	1	5	-1.906	4.592
15B	3.90	4.00	1.056	1	5	-2.270	6.919
15C	3.80	4.00	1.129	1	5	-2.170	6.645
15D	3.87	4.00	1.097	1	5	-1.994	5.497
15E	3.85	4.00	1.087	1	5	-1.813	4.150
15F	3.82	4.00	1.136	1	5	-1.943	4.972
15G	3.80	4.00	1.129	1	5	-1.866	4.284
15H	3.82	4.00	1.156	1	5	-1.795	3.952

All eight scores demonstrate that variables are around the agree zone, with the highest mean being 3.99 (V15A - employees of the TTA are always courteous) and the lowest being 3.80 (V15C - the TTA Board of Directors gives feedback).

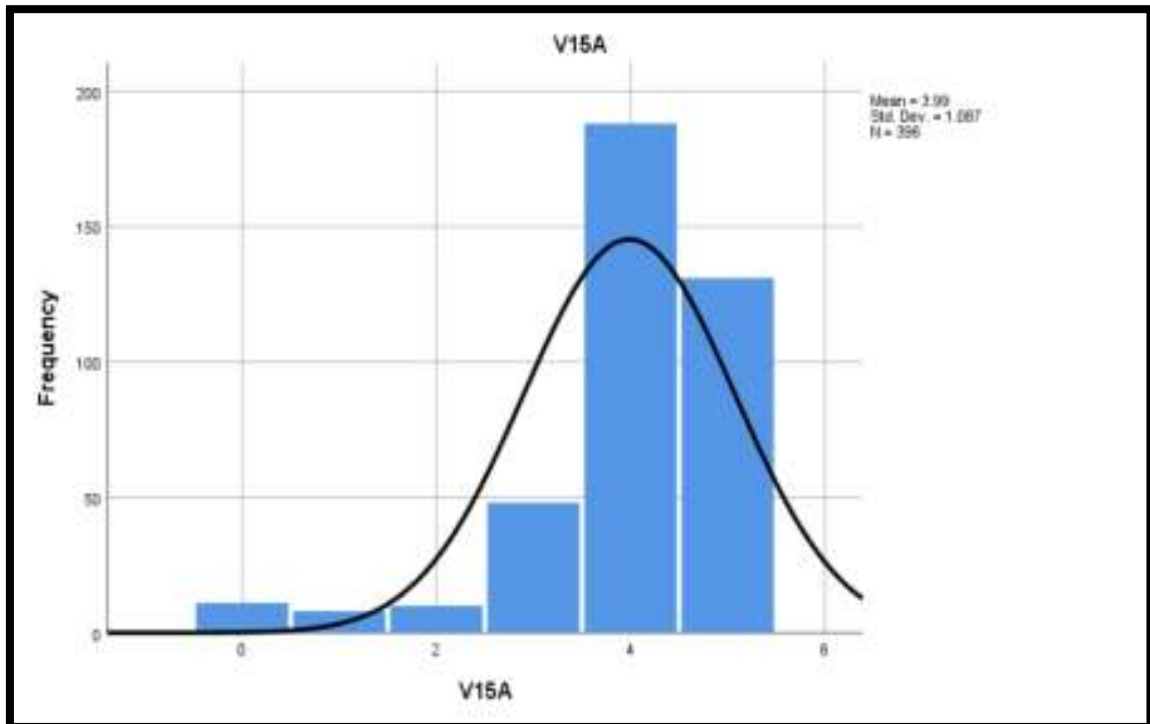
This is confirmed by a median of 4.00 for all the variables. The data showed a skewness of between 1.813 and 2.270, while the kurtosis is between 3.952 and 6.919. (see 5.2.10.10 for statistical term descriptions). The agreed zone position of the respondents further emphasises that all variables in the study are supportive of Objective 3 of the study.

Overall, the results reflect that all variable responses fall within the agree zone in terms of employees' service courteousness, employees' willingness to help, providing feedback, offer quality services consistently, offering quality services, sufficient channels of crisis management, negotiating prices. This is further indicative that all variables are supportive of Objective 3 of the study.

**5.2.11.10 Marketing product strategy highest and lowest mean scores variables: Histograms depictions and discussions**

The following discussion demonstrates histogram analysis of the selected Marketing Product Strategy variables 15A, 15C, 15G and 15H. These variables were selected because of their highest and lowest mean scores, they are representative of all the variables and all results fall within the agree zone. The histograms of the variables are shown below, which also confirms that the majority of respondents are within the agree zone.

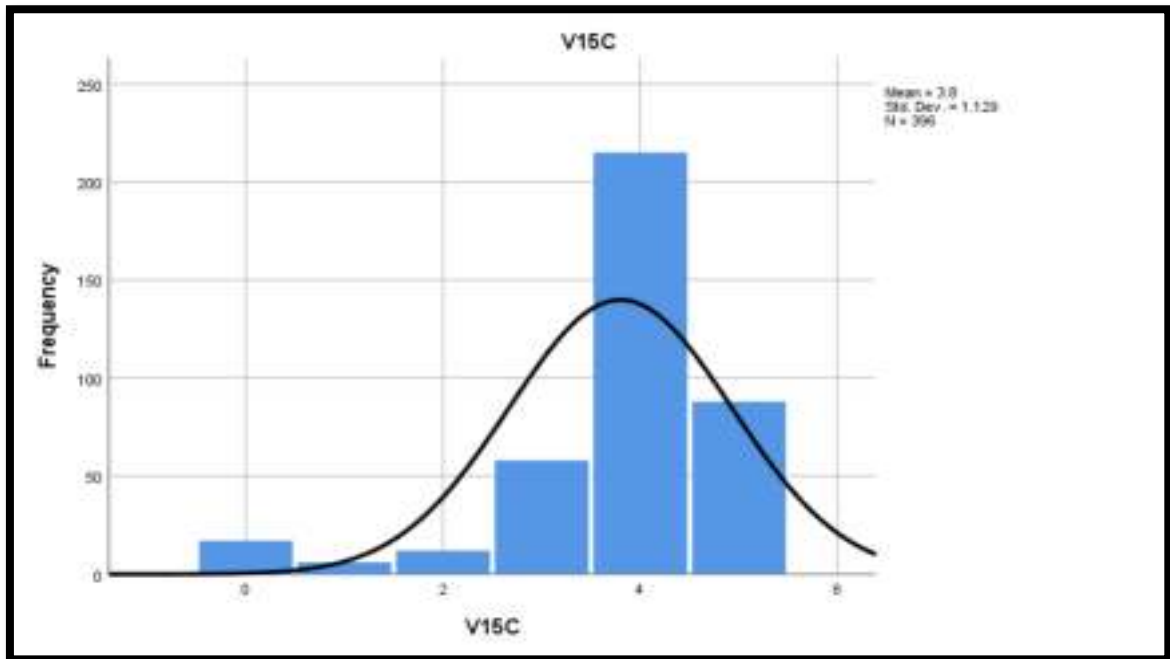
The following discussion pertains to the histogram analysis of selected marketing product strategy variable 15A.



**Figure 5.34: Highest mean score: variable 15A**

The histogram in Figure 5.34 reveals mean scores of the variable V15A (TTA employees are always courteous) and confirms that the majority of respondents are within the agree zone, meaning that all respondents agree that employees of the TTA deliver services with extreme care and courteousness to avoid service failure. According to Sharmin *et al.* (2016:101), courteous and respectful communication increases the organisation's chances of retaining current customers as well as gaining new ones. The TTA should ensure that employees undergo ongoing training in customer care because this will guarantee consistently courteous service delivery. Furthermore, the findings indicate that employees' consistency in delivering services courteously plays an important role in the marketing product strategy, which supports Objective 3 of the study.

The following discussion demonstrates histogram analysis of the selected Marketing Product Strategy variable 15C.

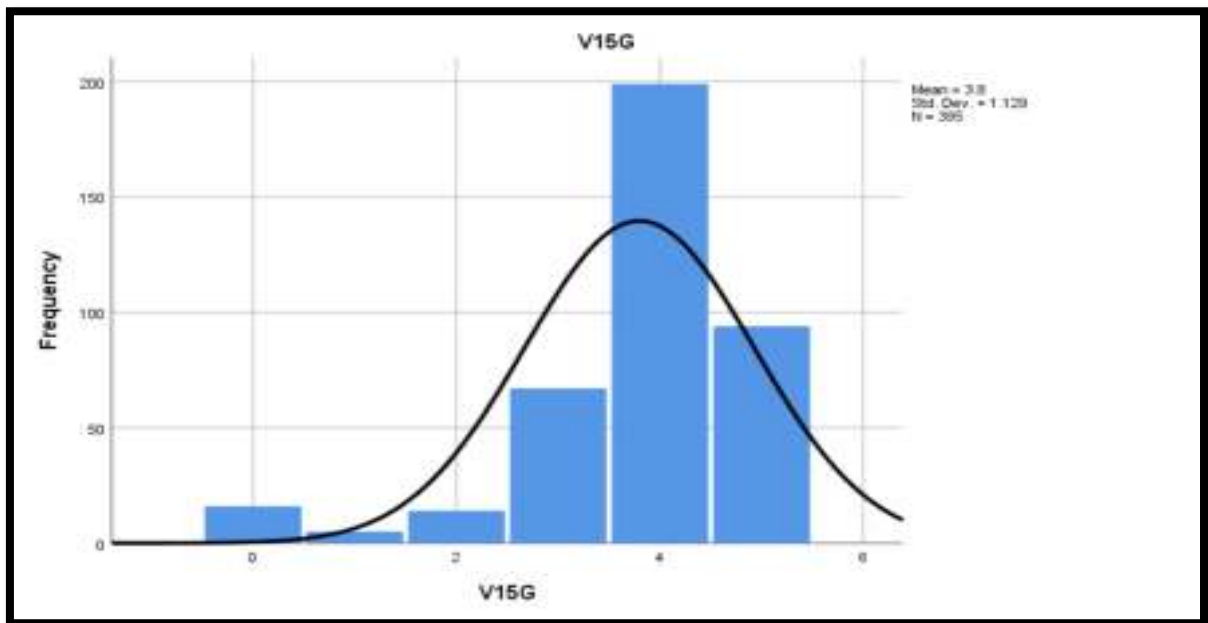


**Figure 5.35: Lowest mean score: variable 15C**

The histogram in Figure 5.35 reveals mean scores of the variable 15C (TTA provides feedback to customers) and confirms that the majority of respondents are within the agree zone. This means that all respondents agree that the TTA provides effective feedback to customers on time. According to George and Kumar (2014:73), organisations listen to customers' voices to create stronger relationships. Therefore, it is imperative for the TTA to provide customers with feedback, which will demonstrate that it values their opinions. Moreover, the TTA should ask customers for feedback because this will communicate a message that the views are important in designing quality services.

The findings indicate that feedback to customers plays an important role in the marketing product strategy, which supports Objective 3 of the study.

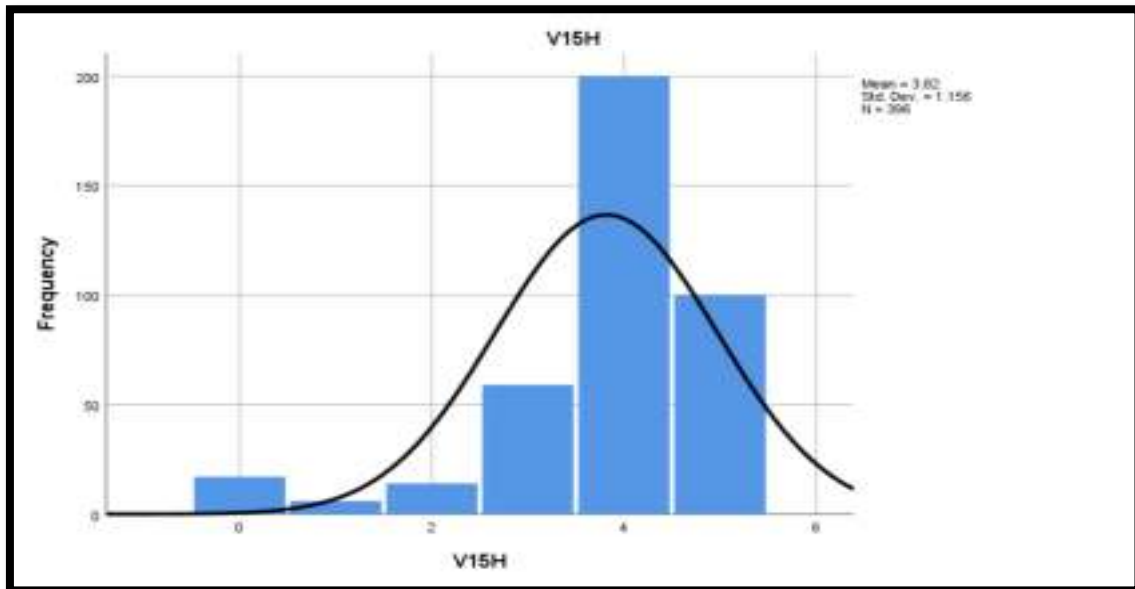
The following discussion pertains to the histogram analysis of selected marketing product strategy variable 15G.



**Figure 5.36: High mean score: variable 15G**

The histogram in Figure 5.36 shows mean scores of the variable V15G (TTA can negotiate prices) and confirms that the majority of respondents are within the agreed zone, meaning that all respondents agree that the TTA can negotiate prices. Baumann *et al.* (2017:73-74) found that price negotiations contribute significantly to business success, to build better relationships and make profits. The TTA should ensure that employees are trained in negotiation skills because communication is important in both informal day-to-day interactions and formal transactions such as negotiating conditions of sale, lease, service delivery and other legal contracts. Furthermore, the findings indicate that price negotiations play an important role in the marketing product strategy, which supports Objective 3 of the study.

The following discussion pertains to histogram analysis of selected marketing product strategy variable 15H.



**Figure 5.37: High mean score: variable 15H**

The histogram in Figure 5.37 depicts mean scores of the variable V15H (TTA takes pride in its appearance) and confirms that the majority of respondents are within the agreed zone, meaning that all respondents agree that the TTA takes pride in its appearance. According to Hennayake (2017:159), some organisations use uniforms to project a professional image, instil pride in employees and a corporate culture of service to attract and retain customers. The TTA should seriously consider the impact of brand image because it can build or destroy customer confidence in services. It should develop a brand image strategic plan that will guide employees regarding image of the organisation. The findings indicate that pride in appearance plays an important role in marketing product strategy, which supports Objective 3 of the study.

### **5.2.12 Retention marketing**

The following section analyses the data gathered from Section D of the questionnaire, which focused on retention marketing concepts. The retention marketing factors discussed are based on Objective 4 of the study. The marketing product concepts are discussed under the following variables:

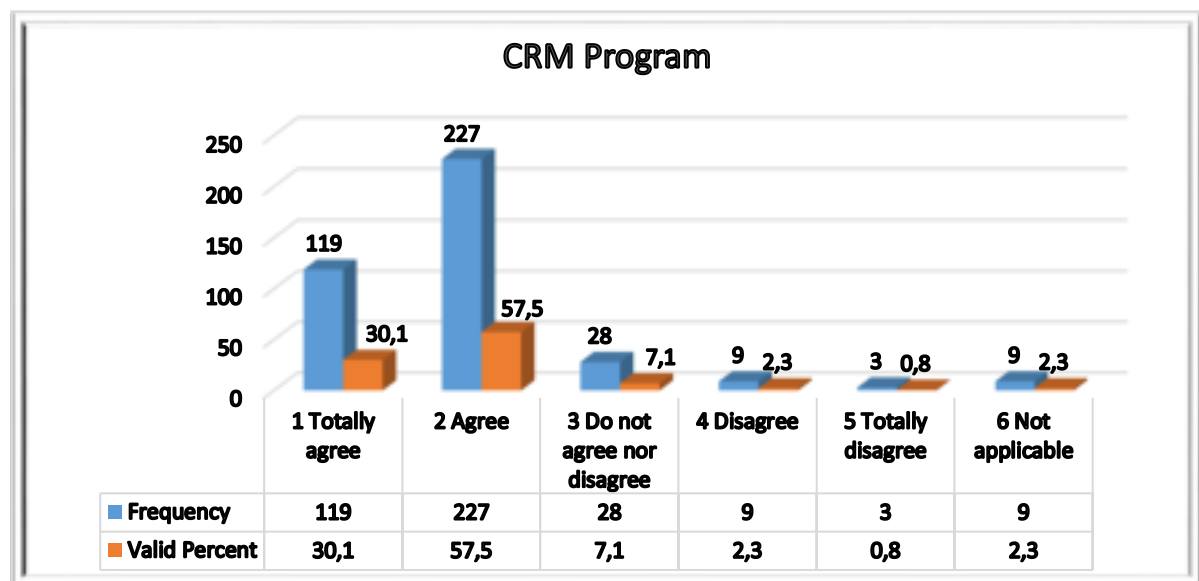
- i) TTA CRM programme
- ii) TTA long-term relationship with customers
- iii) TTA competitive pricing
- iv) TTA value-based pricing
- v) TTA mission statement
- vi) TTA promotes customers care
- vii) TTA promotes a communication method
- viii) TTA promotes individual customer attention

- ix) TTA loyal customers reward
- x) TTA customers' business deals
- xi) TTA international marketing policy
- xii) TTA standardised service delivery policy
- xiii) TTA crisis management policy
- xiv) TTA retention marketing mean scores.

These 14 variables will assist the TTA in understanding its retention marketing policy to enhance the strategic efforts of developing a well-informed CRF.

### 5.2.12.1 Tshwane Tourism Association customer relationship programme

The question sought to determine if it is important to form a CRM programme with the TTA, where the CRM is a strategy for managing relationships and interactions with existing customers and potential customers. A CRM programme should assist organisations to stay connected to customers, streamline service processes and improve profitability (Kumar & Reinartz, 2018:7).



**Figure 5.38: Customer relationship management programme with Tshwane Tourism Association**

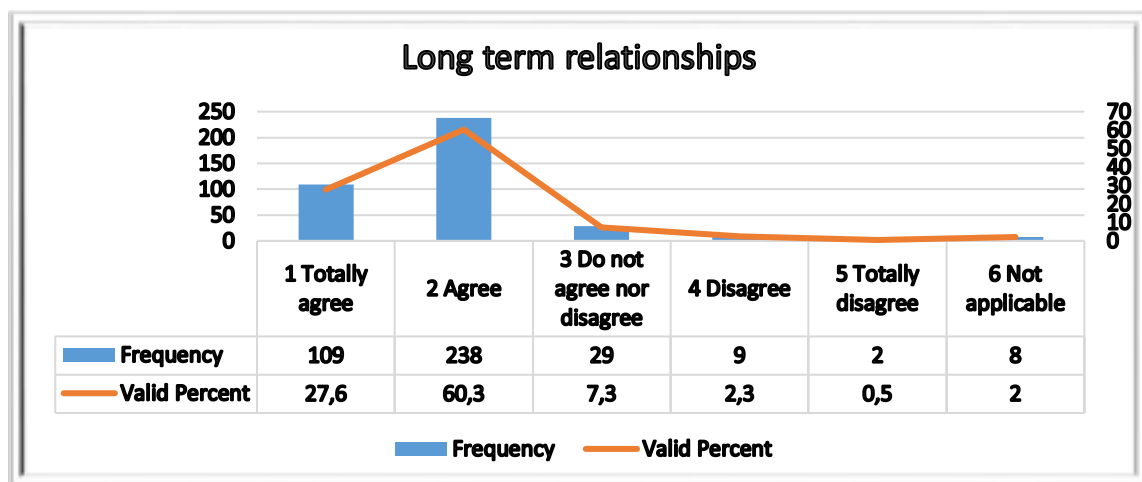
The sample comprised 400 respondents and 395 responded, of which 57.5% (n=227) indicated important and 30.1% (n=119) responded very important. A further 7.1% (n=28) indicated neither important or unimportant and 2.3% (n=9) felt it was unimportant. Finally, .8% (n=3) indicated not important at all and 2.3% (n=9) stated not applicable. The data indicate that the majority of respondents agree that it is important for the TTA to create customer relationships programmes.

According to Soltani and Navimipour (2016:667), CRM is the overall process of building and maintaining profitable customer relationships through delivering superior customer value and satisfaction with the goal of improving business relationships with customers. The findings align with Al-Weshah, Al-Manasrah and Al-Qatawneh (2018:816) that CRM systems support businesses in building a foundation to interact with customers and increase customer satisfaction and loyalty. Furthermore, the findings of Bahri-Ammari and Bilgihan (2019:106) indicate that greater levels of satisfaction toward loyalty programmes lead to greater customer retention. The TTA should therefore introduce customer loyalty programmes to support the CRM initiatives.

The TTA will benefit from customer relationship programmes through enhanced ability to cross-sell services, staff teamwork, staff efficiency in serving customers, staff satisfaction, increased revenue and profitability, cost savings and reduced customer attrition. The TTA should involve stakeholders in developing a formalised CRM programme because continuous engagement with stakeholders will improve customer loyalty and satisfaction. The finding is in line with Objective 4 of the study.

**5.2.12.2 Tshwane Tourism Association long-term relationships with customers**

The question sought to establish from respondents if the TTA should focus on building long-term relationships with customers. This is very important for the TTA to gain customer loyalty and satisfaction. A strong relationship with customers would increase business value and competitiveness, without which business growth would be limited (Lehmkuhl & Jung, 2013:200).



**Figure 5.39: Tshwane Tourism Association should focus on building long-term relationships with customers**

Of the 400 respondents in the sample, 395 responded, of which 60.3% (n=238) agreed and 27.6% (n=109) totally agreed. A further 7.3% (n=29) stated neither agree or disagree, while

2.3% (n=9) disagreed. Finally, 0.5% (n=2) totally disagreed and 2.0% (n=8) indicated not applicable. The data indicate that the majority of respondents agree that it is important for the TTA to focus on long-term relationships with customers.

The findings align with Abu Amuna *et al.* (2017:15), indicating that CRM is a process and strategy that allows an organisation to retain, acquire, identify and nurture profitable customers by constructing and sustaining long-term relationships. Chou (2014:131) reports that management that continually promotes customer satisfaction encourages actively profitable long-term relationships. Sota *et al.* (2019:60) found that organisations use loyalty programmes to maintain long-term relationships with customers and attract repeat business.

It is very important for the TTA to establish long-term relationships with customers. This would increase brand awareness, encourage repeat business, increase market share, attract new customers and ensure the TTA remains competitive (Lehmkuhl & Jung, 2013:201). The finding is in line with Objective 4 of the study.

### 5.2.12.3 Tshwane Tourism Association competitive pricing

The question sought to determine if customers would continue using TTA services regardless of competitor pricing. A competitive pricing strategy is a price based on what the competition is charging (George, 2014:89).

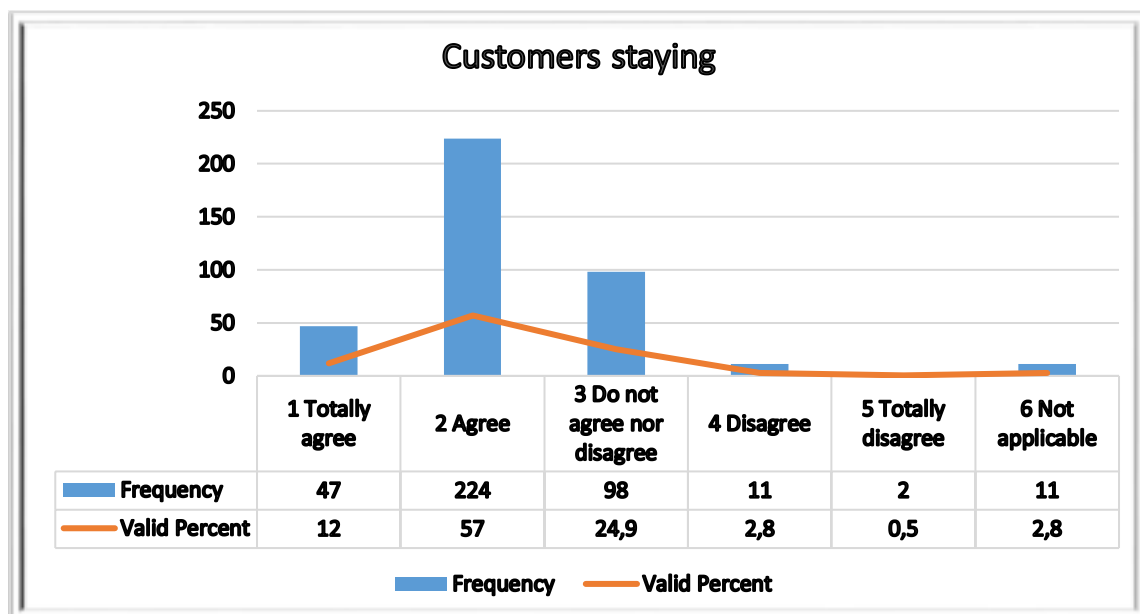


Figure 5.40: Customers stay with Tshwane Tourism Association regardless of competitor pricing

The sample comprised 400 participants and 393 responded; 57.0% (n=224) agreed, 24.9% (n=98) neither agreed or disagreed, 12.0% (n=47) totally agreed and 2.8% (n=11) disagreed. Finally, 0.5% (n=2) totally disagreed and 2.8% (n=11) indicated not applicable. The data



indicate that the majority of respondents agree that customers would stay with the TTA regardless of competitor prices. The findings corroborate the finding of Algieri *et al.* (2018:50), who report that a country can sell tourism services to other international markets at a lower price than its competitors can and still generate income because of a competitive advantage. The customers loyal to the establishment give it a competitive advantage. According to Kim, Lee, Ki and Roehl (2016:80), hotels use a pricing strategy for protection against competitors. When the organisation views price from a customer's perspective, it results in a competitive advantage (Siddiqi, 2011:20). The TTA competitive price strategy will increase repeat business, grow market share and it will gain additional referrals. The finding is in line with Objective 4 of the study.

#### 5.2.12.4 Tshwane Tourism Association value-based pricing

The question sought to ascertain whether the TTA should implement value-based pricing. Value-based pricing means deciding the price of a product, based on what customers think it is worth and what they are willing to pay, rather than what it costs to produce (George, 2014:92).

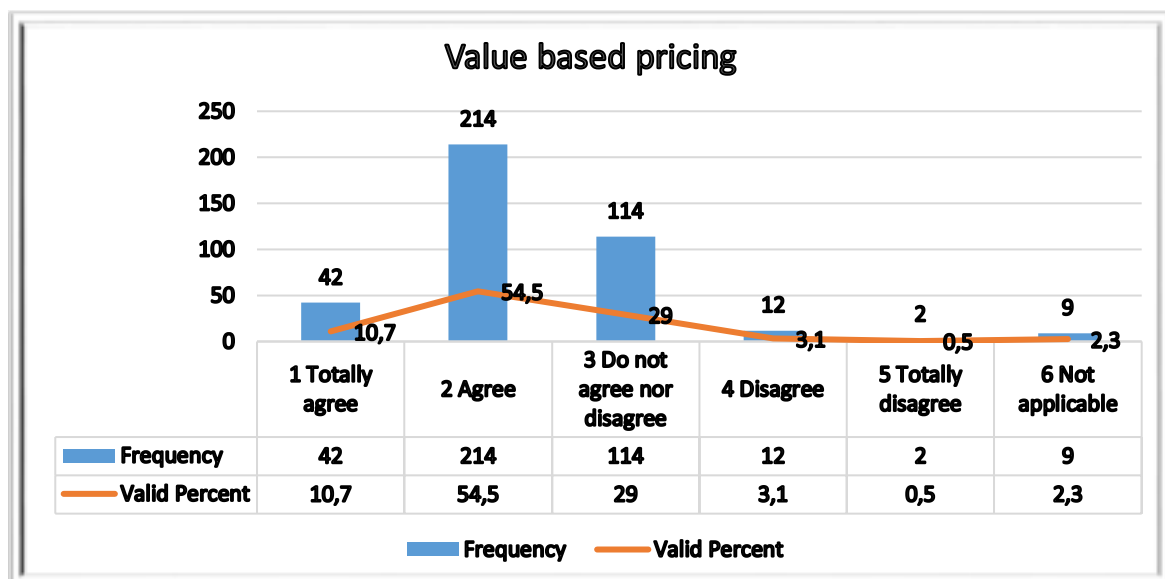


Figure 5.41: Tshwane Tourism Association value-based pricing

Of the 400 respondents in the sample, 393 responded, with 54.5% (n=214) indicating agree and 29.0% (n=114) stating neither agree or disagree. A further 10.7% (n=42) totally agreed and 3.1% (n=12) disagreed. Finally, 5% (n=2) totally disagreed and 2.3% (n=9) indicated not applicable. According to the data, the majority of respondents agreed with the concept of value-based pricing. According to Zhang, Jahromi and Kizildag (2018:53), spending money on experience makes individuals happier than material purchases do. Shtudiner, Klein, Zwilling and Kantor (2019:25) argue that regardless of its economic value, a tourist will purchase a souvenir based on its symbolic value and social status (sign-value).

The most important input to the TTA pricing process should be that of the customer because it bases prices primarily on the value to the customer rather than on the cost of the product or historical prices established by competitors. In this manner, the TTA will be assured of a competitive advantage (Munusamy & Chelliah, 2011:10; Ilyas, Arshed & Hussain, 2016:73).

TTA will benefit from the intrinsic benefits of value-based pricing, which implies that they can increase prices to improve service value to customers even if costs or competitive prices do not change. This method results in the highest price being charged and maximises profits. The finding is in line with Objective 4 of the study.

### 5.2.12.5 Tshwane Tourism Association mission statement

The question sought to establish whether the TTA mission statement should reflect the customer relationship. The main objective of a mission statement is to indicate clearly the business direction of the organisation (Kotler & Armstrong, 2012:413).

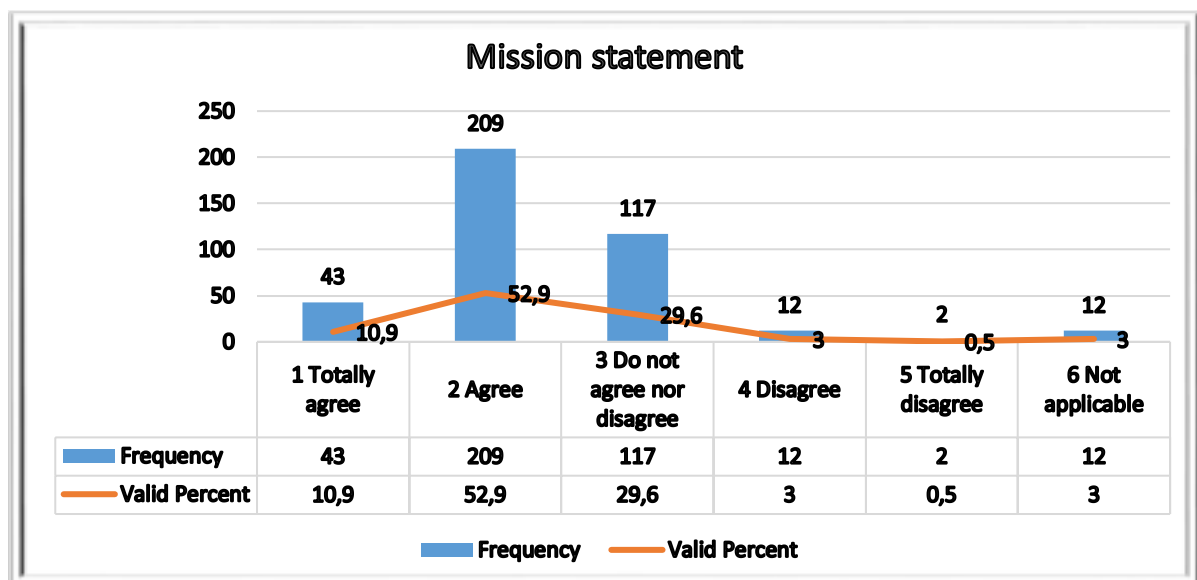


Figure 5.42: Tshwane Tourism Association mission statement

Of the 400 participants, 395 responded, of which 52.9% (n=209) agreed, while 29.6% (n=117) neither agreed or disagreed. A further 10.9% (n=43) totally agreed and 3.0% (n=12) disagreed. Finally, 0.5% (n=2) totally disagreed and 3.0% (n=12) indicated not applicable. According to the data, the majority of respondents agree that the TTA mission statement should reflect the customer relationship goals. The finding aligns with Connelly and Sam’s (2018:553) findings that mission statements should promote strategic goals and objectives of community-based tourism in Guyana. Furthermore, Galpin, Whittington and Bell (2015:16) found that developing a sustainable organisational culture begins with a mission statement. The mission statement provides a focal point that helps to align everyone within the organisation and ensures that everyone is working towards a single purpose. This will assist the TTA to increase efficiency,

productivity and the effective implementation of a CRM programme. Without a mission statement, the organisation will run its operations haphazardly, with no true direction.

### 5.2.12.6 Tshwane Tourism Association promotes customer service special treatment

The question sought to determine if the TTA should offer special treatment to customers based on customer service. Customer service means going above and beyond the customer's expectations to keep the customer happy by answering any questions they have or resolving issues with a positive attitude (Kotler, Bowen & Makens, 2016:97).

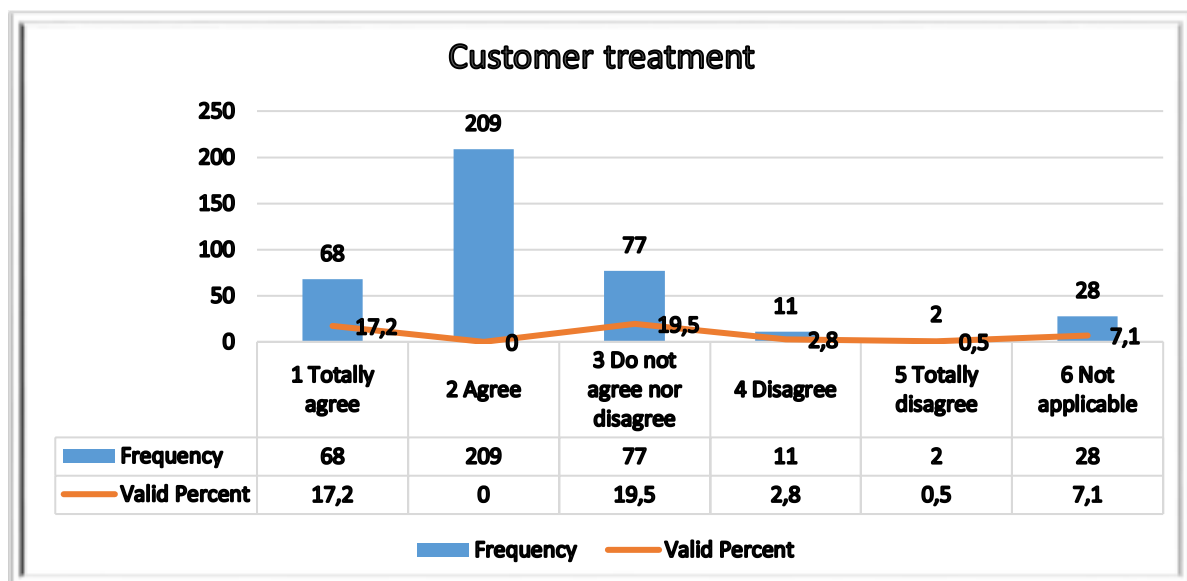


Figure 5.43: Tshwane Tourism Association customer service special treatment

Of the 400 respondents in the sample, 395 responded, of which 52.9% (n=209) agreed, while 19.5% (n=77) did not agree or disagree. Furthermore, 17.2% (n=68) totally agreed and 2.8% (n=11) disagreed. Finally, 0.5% (n=2) totally disagreed and 7.1% (n=28) indicated not applicable. The data reflect that the majority of customers agree that the TTA should offer special treatment to customers based on a principle of customer care.

The findings align with Cheng, Gan, Imrie and Mansori (2019:201), who found a positive relationship between customer service and customer satisfaction. The concept of customer service is about providing customers with what they want, when they want it and in the best possible way. Chen (2016:30) found that customer-employee interactions and internal service delivery both significantly affect service-oriented organisational culture. The TTA should take customer service seriously because it can assist to increase customer service satisfaction and increase their target markets through favourable word-of-mouth advertising.

Furthermore, it can increase the amount of money each customer spends within the TTA and increase repeat business. The TTA should ensure that customer satisfaction becomes a top

priority of customer service to create loyalty and to retain customers. Customer service programmes should focus on special treatment for customers, by answering questions and exceeding their expectations. This approach will assist the TTA to build strong customer relationships, which will retain customers and save costs. The finding supports Objective 4 of the study.

### 5.2.12.7 Tshwane Tourism Association promotion methods

The question sought to ascertain if the TTA uses promotion activities. Promotion is a way to inform, remind, persuade convincingly and influence the customer’s decision in purchasing the service and includes advertising, sales promotions, public relations and publicity activities (George, 2014:101).

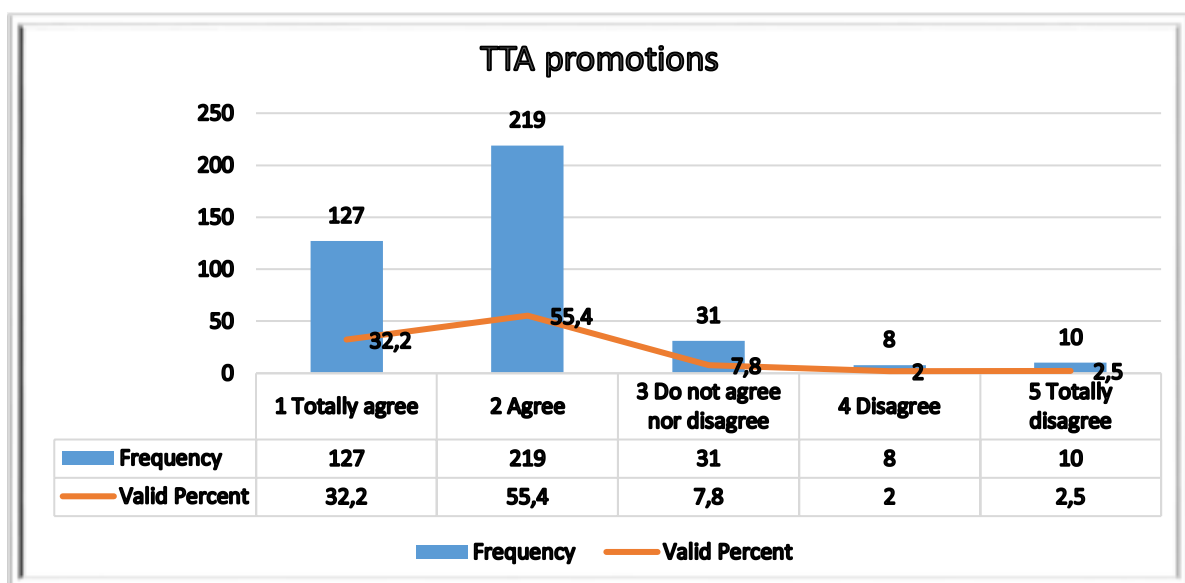


Figure 5.44: Tshwane Tourism Association promotions

The sample comprised 400 respondents and 395 responded, of which 55.4% (n=219) agreed, while 32.2% (n=127) totally agreed. Furthermore, 7.8% (n=31) did not agree or disagree, 2.0% (n=8) disagreed and 2.5% (n=10) totally disagreed. The data reveal that the majority of respondents agree that the TTA should communicate services to customers through effective promotional activities to retain existing and attract new customers. The finding corroborates that of Büttner *et al.* (2015:188), who found that attractive promotions enhance customer preference for purchasing a service.

Furthermore, Fong, Fang and Luo (2015:734) found that focusing promotions on a specific competitive location can improve customer service purchasing. According to George (2014:111), there are four promotional activities—advertising, sales promotion, personal selling and publicity—that an organisation can use to communicate services to the target market.

TTA should communicate services to the target market using, amongst other activities, newsletters, which include periodic updates, news, promotions and events communicated in print or electronic form. TTA newsletters are useful in getting attention to prospective clients and the primary importance is in maintaining ongoing connections with contacts and existing customers (Pike, 2015:231).

TTA will benefit from the promotional activities and improved reputations with customers who perceive increased advertising and promotion as growing success. Furthermore, the TTA should consider internal marketing as a strategic operation to achieve excellent promotional gains. Internal marketing means the organisation promotes the organisation internally (Kotler *et al.*, 2016:198). The TTA will benefit from internal promotion of higher staff morale and productivity, because employees can see the potential for growth within the organisation. The finding is in line with Objective 4 of the study.

#### 5.2.12.8 Tshwane Tourism Association promotes individual customer attention

The question sought to establish if the TTA should focus on an individual customer attention strategy. According to Kotler *et al.* (2016:201), putting the customer first means that a business puts the needs and requirements of a customer ahead of everything else.

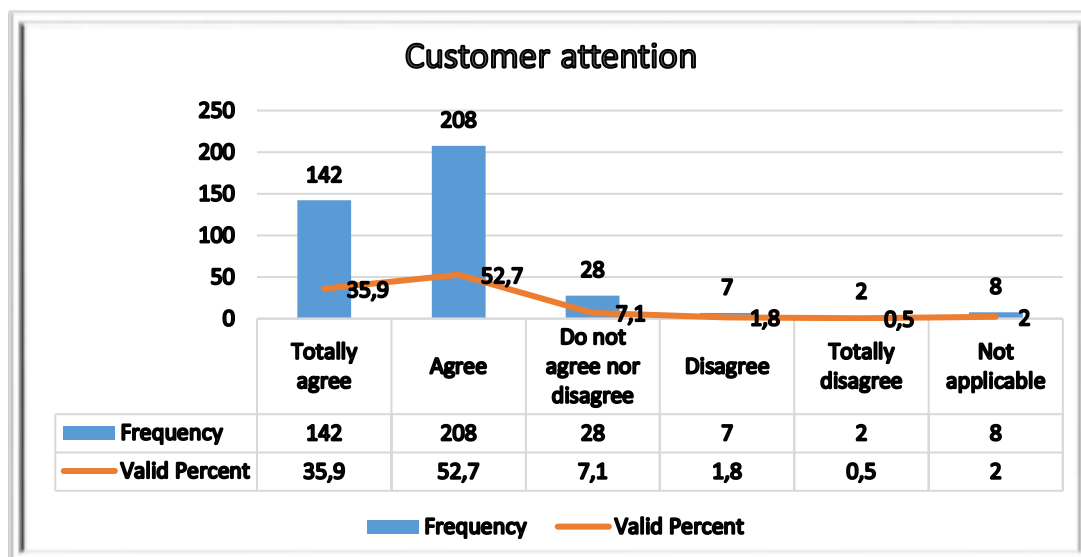


Figure 5.45: Tshwane Tourism Association customer attention

Of the 400 respondents in the sample, 395 responded, of which 52.7% (n=208) agreed and 35.9% (n=142) totally agreed. Furthermore 7.1% (n=28) did not agree or disagree, while 1.8% (n=7) disagreed. Finally, 0.5% (n=2) totally disagreed and 2.0% (n=8) indicated not applicable. The data indicate that the majority of respondents agree that the TTA should focus on an individual customer attention strategy. The finding aligns with Weill and Woerner (2018:312)

who reported that enterprises focusing on the customer as a priority, including improving customer experiences, would generate a high level of customer satisfaction.

According to Portal, Abratt and Bendixen (2018:368), an organisation that meets customer expectations is viewed with trust, for example, Southwest Airlines, which is popular in the airline market for putting customers' interests first. Organisations should prioritise and place a high emphasis on its customers for quality service delivery and retention because customers are the foundation of any successful business (Omotayo, Salau & Falola, 2014:63).

TTA should place high importance on its customers and strive to build healthy customer relationships by identifying clients' needs and provide the best possible service experience. The TTA will benefit from customer satisfaction and increased long-term repeat business, through considering customer importance at all stages of the marketing and service delivery process. Furthermore, the TTA should introduce customer satisfaction surveys (see Appendix E for an example) to assess how satisfied the customers are with the different service offerings. In this way, the TTA will identify unhappy customers, which will assist in identifying extremely happy ones who can become potential advocates of word-of-mouth publicity. The finding is in line with Objective 4 of the study.

#### 5.2.12.9 Tshwane Tourism Association loyal customer reward

The question sought to determine whether the TTA should reward loyal customers. A customer loyalty programme is a rewards programme offered by an organisation in the form of free merchandise, rewards and coupons (Wali, Wright & Uduma, 2015:46).

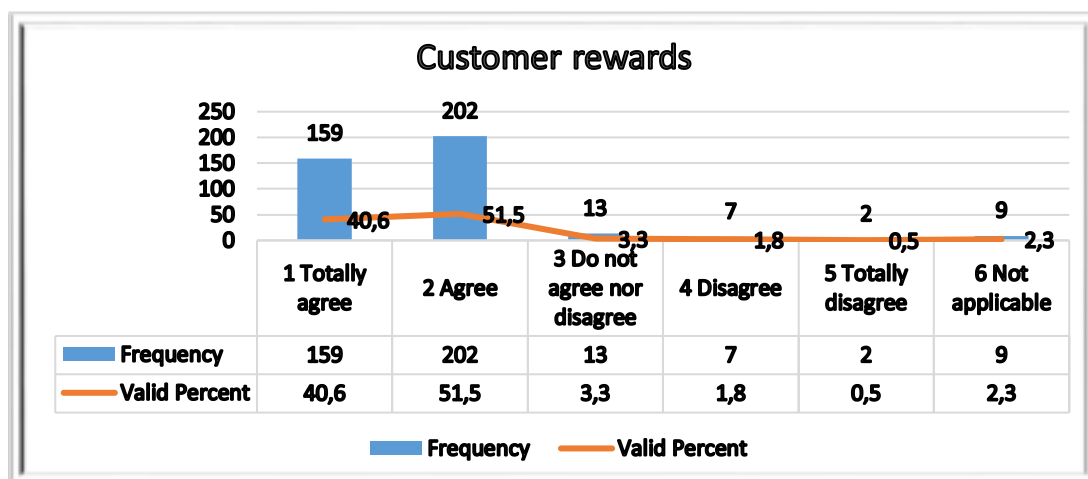


Figure 5.46: Tshwane Tourism Association loyal customer reward

Of the 400 respondents in the sample, 392 responded, of which 51.5% (n=202) agreed and 40.6% (n=159) totally agreed. Furthermore, 3.3% (n=13) did not agree or disagree, while 1.8% (n=7) disagreed. Finally, 0.5% (n=2) totally disagreed and 2.3% (n=9) indicated not applicable.

The data demonstrate that the majority of respondents agree that the TTA should occasionally reward loyal customers. The findings corroborate the findings of Zakaria *et al.* (2014:29), that there is a positive and significant relationship between loyalty programmes and customer loyalty. According to Abbasi, Umer, Sohail, Tang, Ulla and Abbasi (2019:6), customer loyalty programmes are about rewarding customers for repeat purchases. Furthermore, Lee, Capella, Taylor and Gabler (2014:2142) found that before going online, travel agencies, hotel and motel franchisees derived up to 65% of their bookings from their loyalty programmes.

TTA should occasionally reward loyal customers because customer loyalty encourages the organisation to improve its brand image. As the TTA brand has already won the trust of loyal customers, so they are more likely to share positive experiences with new customers.

This will boost the TTA brand in the long term to retain more customers and improve service and loyalty, have a positive impact on costs, increase sales and improve reputation (Leonga, Hewb, Leea & Ooic, 2015:6620). The finding is in line with Objective 4 of the study.

#### 5.2.12.10 Tshwane Tourism Association customer business deals

The question sought to establish whether the TTA should negotiate business deals for customers. A business deal is a mutual agreement between two parties willing to do a business and is finalised and implemented if two or more parties agree to the terms and conditions of the deal. The deal may be related to the exchange of goods, or providing the services to a particular organisation (Setó-Pamies, 2012:1262).

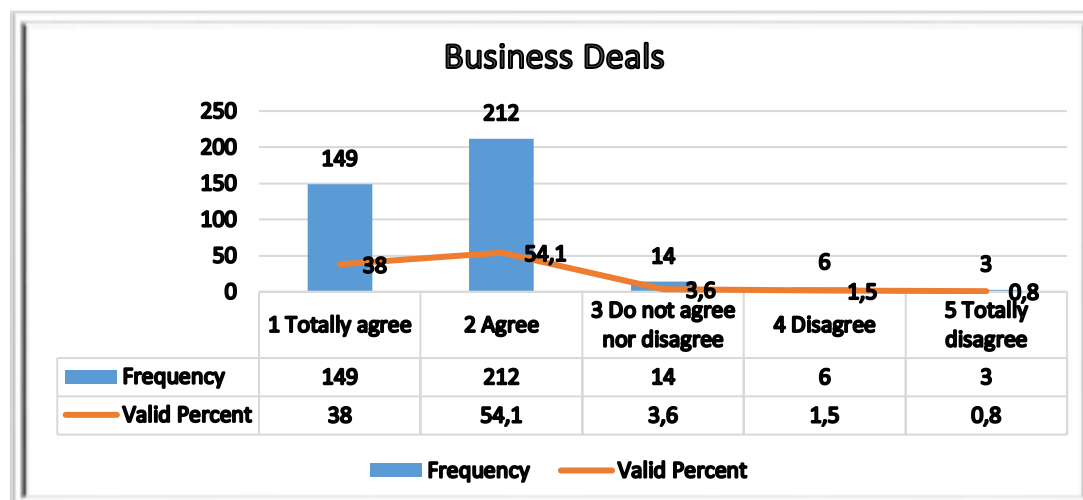


Figure 5.47: Tshwane Tourism Association should negotiate business deals for customers

Of the 400 respondents in the sample, 392 responded, of which 54.1% (n=212) agreed and 38.0% (n=149) totally agreed. Furthermore, 3.6% (n=14) did not agree or disagree, while .8% (n=3) disagreed. Finally, 2.0% (n=8) totally disagreed and 2.3% (n=9) indicated not applicable. The data demonstrates that the majority of respondents agree that the TTA should negotiate

business deals for customers. According to Babu and Muduli (2019:319), business negotiation resolves differences, improves mutual understanding and collaboration and produces better deals for both parties. The TTA should negotiate deals on behalf of customers, which will gain their loyalty and build their trust.

Furthermore, the TTA will achieve the CRM programme objectives, which include the creation of long-term relationships and service quality delivery exchanges from business deals. TTA customers will benefit from the business deals in better utilisation of combined resources and elimination of service gaps. The finding is in line with Objective 4 of the study.

#### 5.2.12.11 Tshwane Tourism Association international marketing policy

The question sought to determine if the TTA should market local services internationally. International marketing is defined as “the performance of business activities designed to plan, price, promote and direct the flow of services to customers in more than one nation for a profit” (Kotler *et al.*, 2016:189).

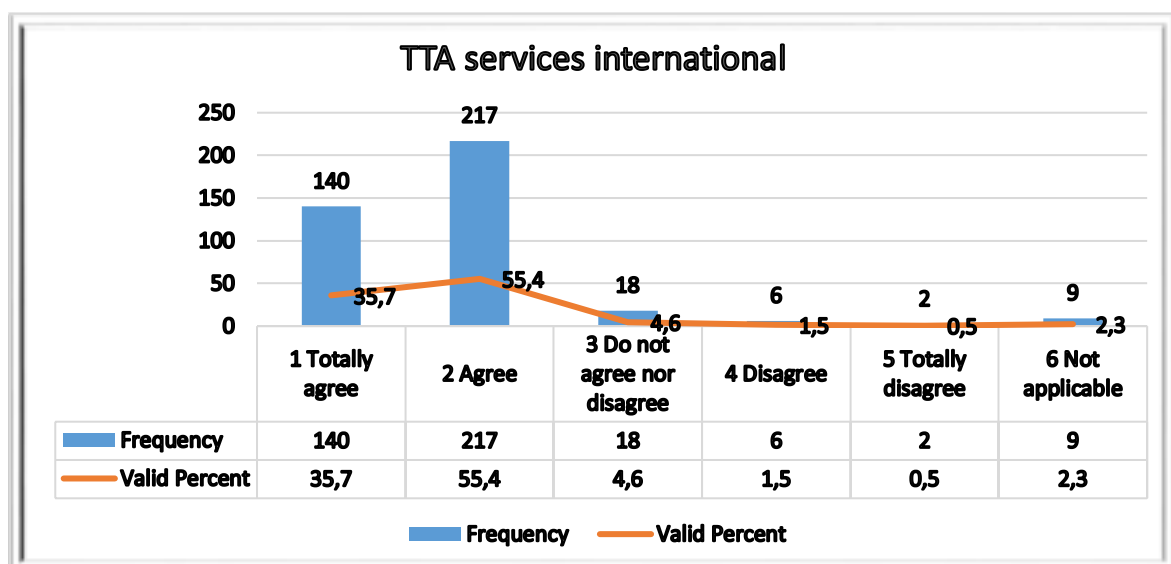


Figure 5.48: Tshwane Tourism Association should market their local services internationally

There were 400 respondents in the sample and 392 responded, of which 54.4% (n=217) agreed and 35.7% (n=140) totally agreed. Furthermore 4.6% (n=18) did not agree or disagree, while 1.5% (n=6) disagreed. Finally, 0.5% (n=8) totally disagreed and 2.3% (n=9) indicated not applicable. The majority of respondents agreed that the TTA should market the local products internationally.

This finding is in line with the research of Sun, Price and Ding (2019:336) indicating service performance can be achieved through promoting services to international audiences and all multinational organisations marketing activities' connecting customers throughout different countries. The TTA target market will be limited if it is only concentrated locally, therefore, it



should look for overseas opportunities to increase its market share and customer base and promote its activities. This will benefit the TTA in the area of promoting local socio-cultural exchanges to world nations. Moreover, the TTA international outreach will expose the CoT to the international tourism market and boost brand image. It is commonly accepted that customers consider a brand that is selling in multiple markets to be of higher quality and better service than brands that only sell locally.

TTA should market the local services internationally because foreign exchange will boost profits and strengthen the tourism economy of the CoT. The finding is in line with Objective 4 of the study.

#### 5.2.12.12 Tshwane Tourism Association standardised service delivery policy

The question sought to ascertain if the TTA should standardise service delivery across operations. Standardisation is the process by which the organisation makes service methods and processes uniform throughout all operations (Omotayo *et al.*, 2014:78).

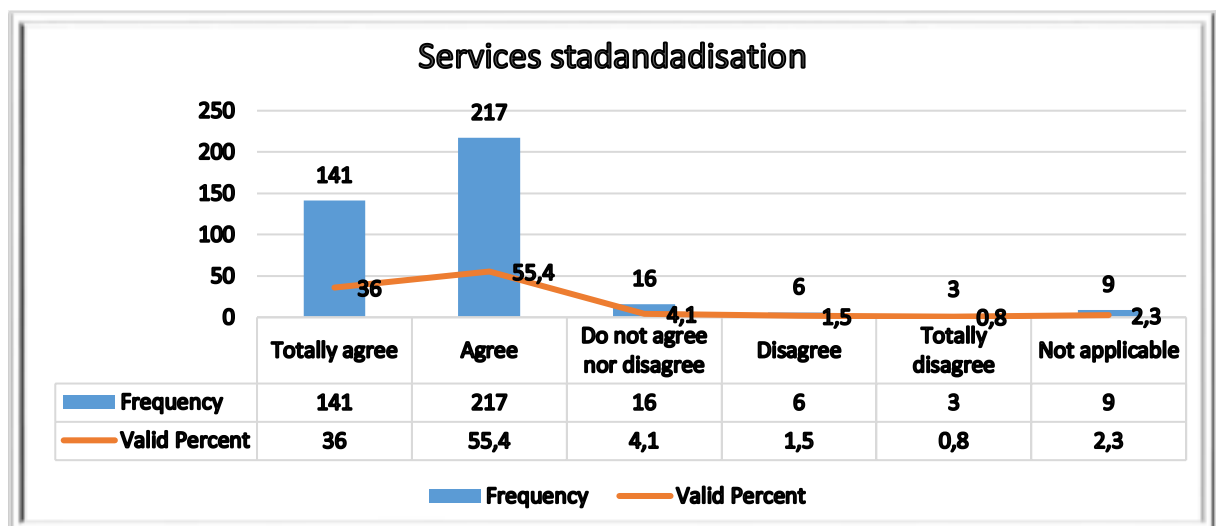


Figure 5.49: Tshwane Tourism Association should standardise service delivery across its members

Of the 400 respondents in the sample, 392 responded, of which 54.3% (n=217) agreed and 36.0% (n=141) totally agreed. A further 4.1% (n=16) did not agree or disagree, while 1.5% (n=6) disagreed. Finally, 0.8% (n=3) totally disagreed and 2.3% (n=9) indicated not applicable.

The data indicate that the majority of respondents agree that the TTA should standardise service delivery across all operations. The findings align with Koyle *et al.* (2018:23) that standardisation of practices, including equipment, improves product value and results in reducing costs. Furthermore, Wilkins, Butt, Shams and Pérez (2019:1300) found that halal food and product standardisation in the food services industry depends on the strength of an

individual's ethnic group choice and preferences, which have a strong influence on the individual purchase decision. However, other customers may prefer to ignore such influences.

The TTA should implement standardised service delivery, which can be achieved by developing a service culture standardisation programme. The TTA should enrol their staff in service culture standardisation training programmes that focus on customer care and service quality. This will cut costs by eliminating duplicated effort and allow the TTA to take advantage of economies of scale when purchasing supplies. The TTA will benefit from standardisation through a decrease in role ambiguity and guesswork, role clarity, guaranteed quality, boosting productivity and increased employee morale and new customers. The standardisation of services ensures that services and methods are appropriate for their intended use and systems are compatible and inter-operable throughout the operations. The finding is in line with Objective 4 of the study.

### 5.2.12.13 Tshwane Tourism Association crisis management training

The question sought to determine from respondents if TTA staff should be well trained for crisis management. Crisis management means an organisation's processes will assist to analyse and understand business activities resulting from a crisis and uncertainty. Crisis management enables the organisation to correct changes in the organisation's culture (Akinbami, 2011:135).

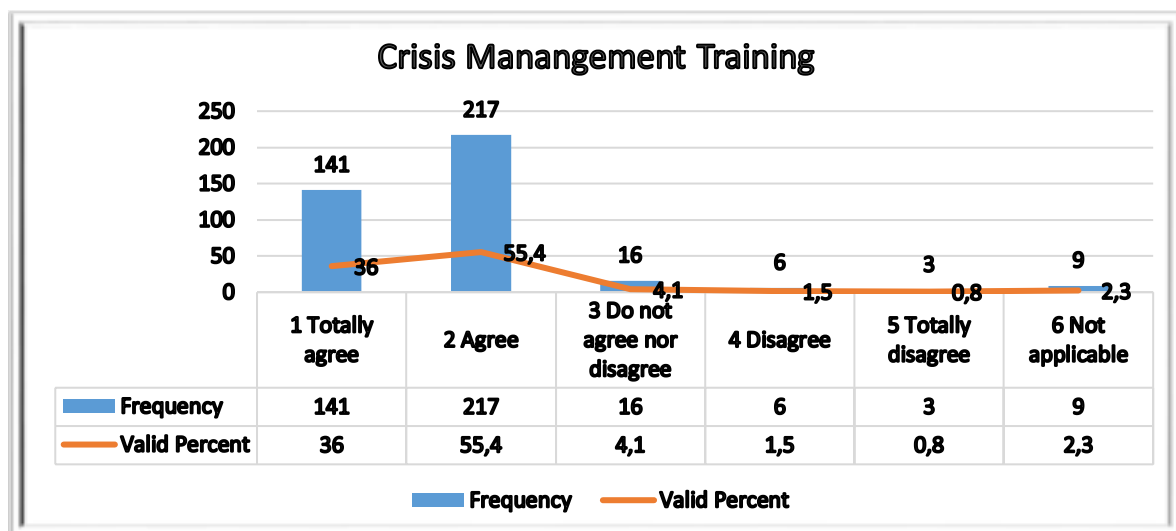


Figure 5.50: Tshwane Tourism Association board of directors should be well trained for crisis management

There were 400 respondents in the sample and 392 responded, of which 54.4% (n=217) agreed and 36.0% (n=141) totally agreed. Furthermore, 4.1% (n=16) did not agree or disagree, 1.5% (n=6) disagreed, .8% (n=3) totally disagreed and 2.3% (n=9) indicated not applicable. The data reflect that the majority of respondents agree that the TTA should be well trained to deal with crisis management.

The finding is aligned with the study of Yakubu and Kadiri (2019:74), who found that there is a positive relationship between customer complaints, management strategies, crisis management and customer retention. According to Karam (2018:7), strategic planning plays a major role in crisis management, enabling hotels to improve customer services. Furthermore, Gwebu, Wang and Wang (2018:704) found that an organisation's reputation plays a major role in retaining customers, hence the need for developing effective strategies for managing crises. Crisis management is the application of strategies designed to help an organisation deal with a sudden and significant negative event. The TTA needs to adopt systems to manage crises effectively. The finding is in line with Objective 4 of the study.

#### ***5.2.12.14 Tshwane Tourism Association retention marketing mean scores***

The retention marketing mean scores statistical data analysis was conducted to determine the following scores:

- Mean
- Median
- Standard Deviation
- Minimum
- Maximum
- Skewness
- Kurtosis

The findings of the retention marketing mean scores will assist the TTA in determining an effective and quality CRF in line with Objective 4 of the study.

Table 5.4 depicts the investigation results of retention marketing mean scores from the following 13 variables used to obtain responses from respondents during the survey.

- i) 17A TTA CRM programme
- ii) 17B TTA long-term relationships with customers
- iii) 17C TTA competitive prices
- iv) 17D TTA value-based pricing
- v) 17E TTA mission statement
- vi) 17F TTA customers care
- vii) 17G TTA promotions communication method
- viii) 17H TTA individual customer attention
- ix) 17I TTA loyal customer reward
- x) 17J TTA customer business deals
- xi) 17K TTA international marketing
- xii) 17L TTA standardised service delivery

xiii) 17M TTA board of directors crisis management.

**Table 5.4: Retention marketing mean scores and variables**

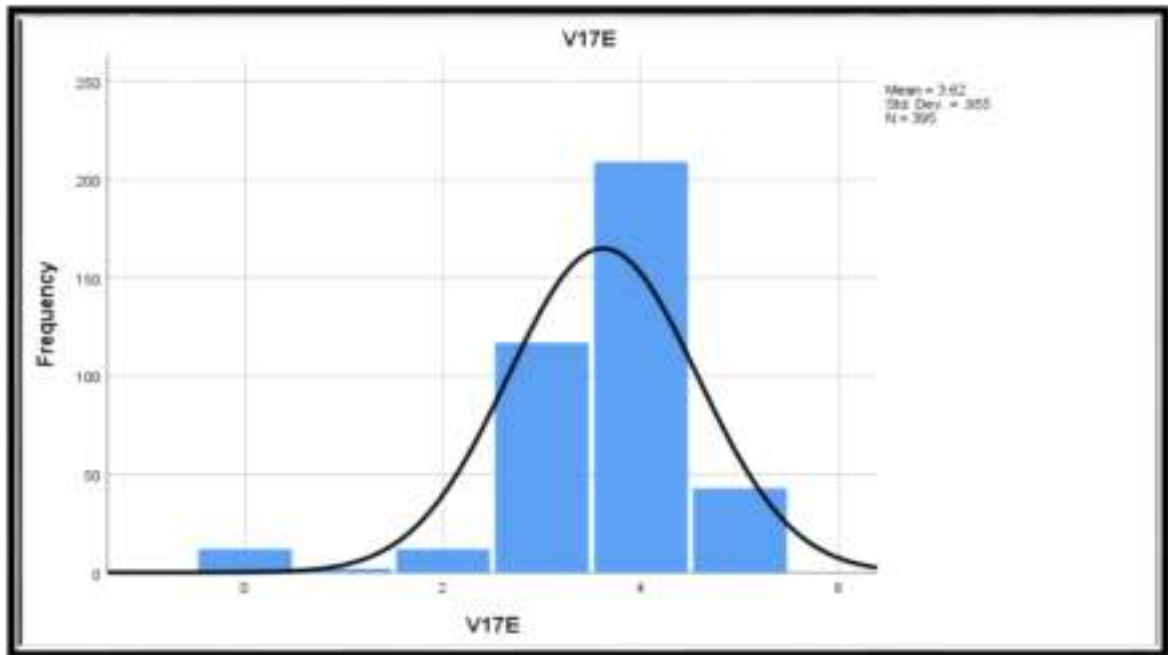
	Mean	Median	Std. deviation	Minimum	Maximum	Skewness	Kurtosis
17A	4.07	4.00	0.945	1	5	-2.154	6.758
17B	4.06	4.00	0.899	1	5	-2.162	7.364
17C	3.69	4.00	0.937	1	5	-1.747	4.992
17D	3.65	4.00	0.900	1	5	-1.570	4.659
17E	3.62	4.00	0.955	1	5	-1.623	4.419
17F	3.62	4.00	1.233	1	5	-1.694	2.840
17G	4.10	4.00	0.937	1	5	-2.212	7.385
17H	4.16	4.00	0.921	1	5	-2.177	7.221
17I	4.23	4.00	0.934	1	5	-2.458	8.417
17J	4.21	4.00	0.911	1	5	-2.422	8.494
17K	4.17	4.00	0.922	1	5	-2.399	8.370
17L	4.17	4.00	0.933	1	5	-2.404	8.177
17M	3.62	4.00	1.233	1	5	-1.694	2.840

The scores of the 13 variables demonstrate that variables are around the agree zone with the highest mean being 4.23 (V17F – TTA customers care) and the lowest being 3.62 (V17E – TTA mission statement), although V17D (TTA value-based pricing) and V17E shows neither agree or disagree. This is confirmed by a median, which was 4.00 for all the variables. The data showed a skewness of between 1.570 and 2.458, while the kurtosis is between .2840 and 8.494 (see 5.2.10.10 for statistical term descriptions). The agreed zone position of the respondents further emphasises that all variables in the study are supportive of Objective 4 of the study.

Overall, results reflect that all variables responses fall within the agree zone in terms of CRM programmes, long-term relationships with customers, competitive prices, value-based pricing, mission statement, customer care, promotional communication methods, individual customer attention, loyal customer rewards, customer business deals, international marketing, standardised service delivery and crisis management. This is further indicative that all variables are supportive of Objective 4 of the study.

The following discussion demonstrates histogram analysis of selected variables 17A, 17D, 17E and 17F. These variables were selected because of their highest and lowest mean scores and are representative of all the variables. This is because all variable results fall within the agree zone. The histograms of the variables are shown below, which also confirms that the majority of respondents are within the agree zone.

Figure 5.51 below illustrates the histogram analysis of the selected retention marketing variable 17E.

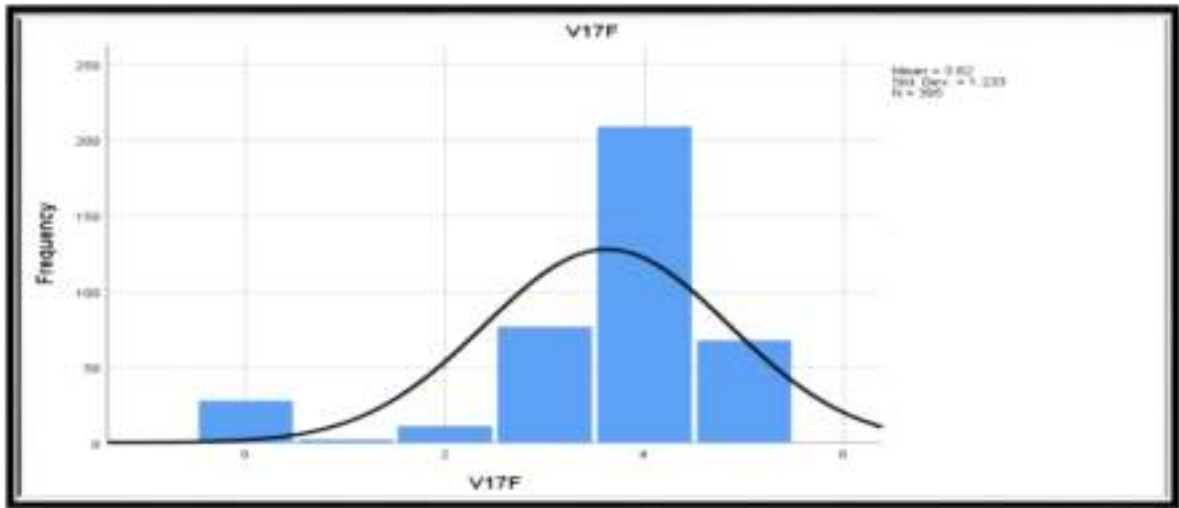


**Figure 5.51: Retention marketing - highest mean score - variable 17E**

Figure 5.51 reveals histogram mean scores of the variable V17E (TTA mission statement) and confirms that the majority of respondents are neither within the agree or disagree zone and that the TTA mission statement should reflect customer relationship to strengthen customer service. The TTA should ensure that the mission statement communicates the organisation's purpose and direction to all stakeholders and is aligned to working towards customer relationships.

This will assist to increase efficiency and productivity and effective implementation of the TTA CRM programme (Kotler & Armstrong, 2012:199). The findings indicate that the TTA mission statement plays an important role in retention marketing. This supports Objective 4 of the study.

Figure 5.52 below illustrates the histogram analysis of the selected retention marketing variable 17F.

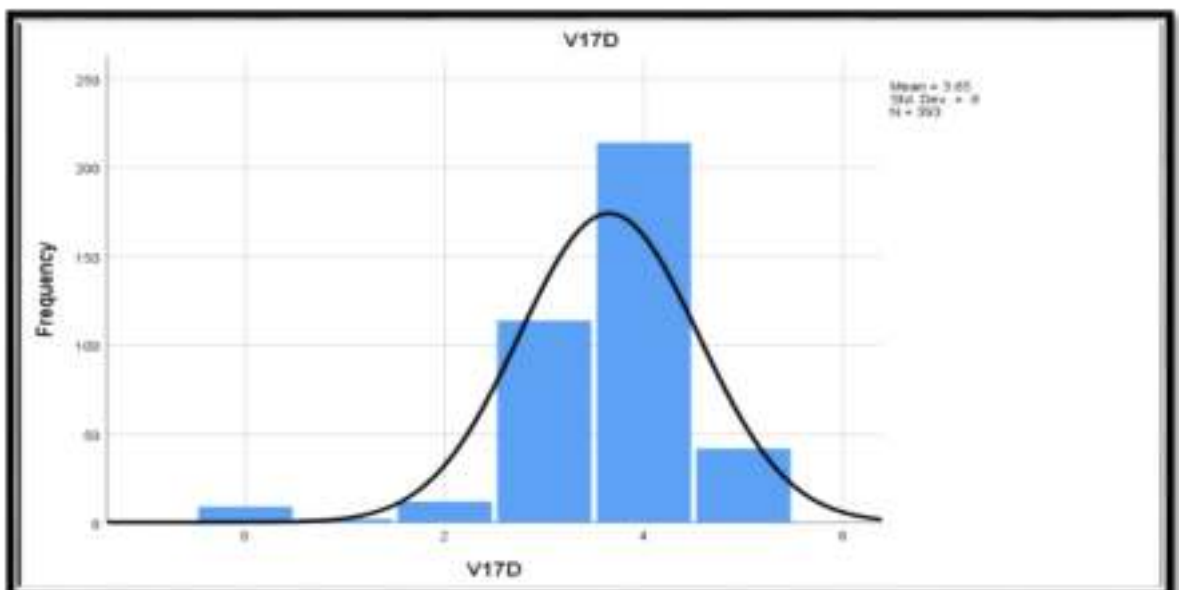


**Figure 5.52: Retention marketing - highest mean score - variable 17F**

Figure 5.52 demonstrates mean scores of the variable V17F (TTA should offer special treatment to customers) and confirms that the majority of respondents are within the agree zone, meaning that all respondents agree that the TTA should offer special treatment to customers to strengthen customer service.

The TTA should implement customer care service in its operations to achieve customer loyalty and service quality. This will benefit the TTA with repeat business and reduction of customer attrition (Huang *et al.*, 2013:657). The findings indicate that the TTA mission statement plays an important role in retention marketing, which supports Objective 4 of the study.

Figure 5.53 below illustrates the histogram analysis of the selected retention marketing variable 17D.

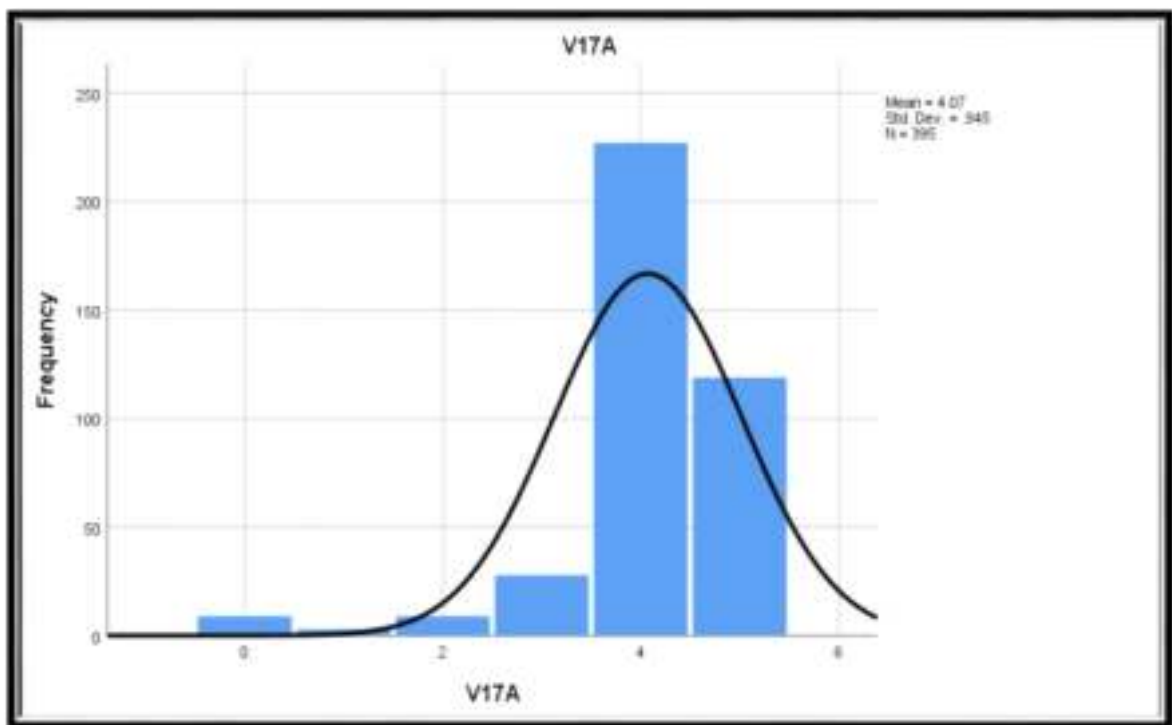


**Figure 5.53: Retention marketing mean score (neither Agree or Disagree) - variable 17D**

Figure 5.53 reveals mean scores of the variable V17D (TTA value-based pricing) and confirms that majority of respondents neither agree or disagree that the most important perspective in the TTA pricing process should be based on what the customer is willing to pay for services because the value-based pricing structure supports the achievement of customer satisfaction and loyalty.

The TTA should implement value-based pricing as one of the pricing strategies because the benefit is a long-term guaranteed competitive advantage, which sustains profitability (Ilyas *et al.*, 2014:73). Furthermore, the findings indicate that the TTA value-based pricing policy plays an important role in retention marketing, which supports Objective 4 of the study.

Figure 5.54 below illustrates the histogram analysis of the selected retention marketing variable 17A.



**Figure 5.54: Retention marketing highest mean score - variable 17A**

Figure 5.54 shows mean scores of the variable V17A (TTA CRM programme) and confirms that the majority of respondents are within the agree zone, meaning that all respondents agree that it is important for the TTA to form relationships with customers. The TTA customer relationship programme should be designed to manage, develop and co-ordinate relationships and interactions with customers and potential customers.

The CRM programme will benefit the TTA strategically with staying connected to the customers, supporting customer service processes and improved turnover (Kumar & Reinartz, 2018:7). Furthermore, the findings indicate that customer relationships play an important role in retention marketing, which supports Objective 4 of the study.

### **5.2.13 Relationship marketing**

The following section analyses the database relationship marketing of Section E of the questionnaire, which focused on relationship marketing concepts. The following relationship marketing factors, based on Objective 5 of the study, are discussed.

- i) TTA customer retention
- ii) TTA marketing service benefits
- iii) TTA long-term customer relationships
- iv) TTA customer services
- v) TTA high customer commitment
- vi) TTA customer contact
- vii) TTA staff quality concerns
- viii) TTA quality efforts
- ix) TTA reliability of service delivery
- x) TTA quality tangibles of service delivery
- xi) TTA responsiveness of service delivery
- xii) TTA assurance of service delivery
- xiii) TTA empathy of service delivery

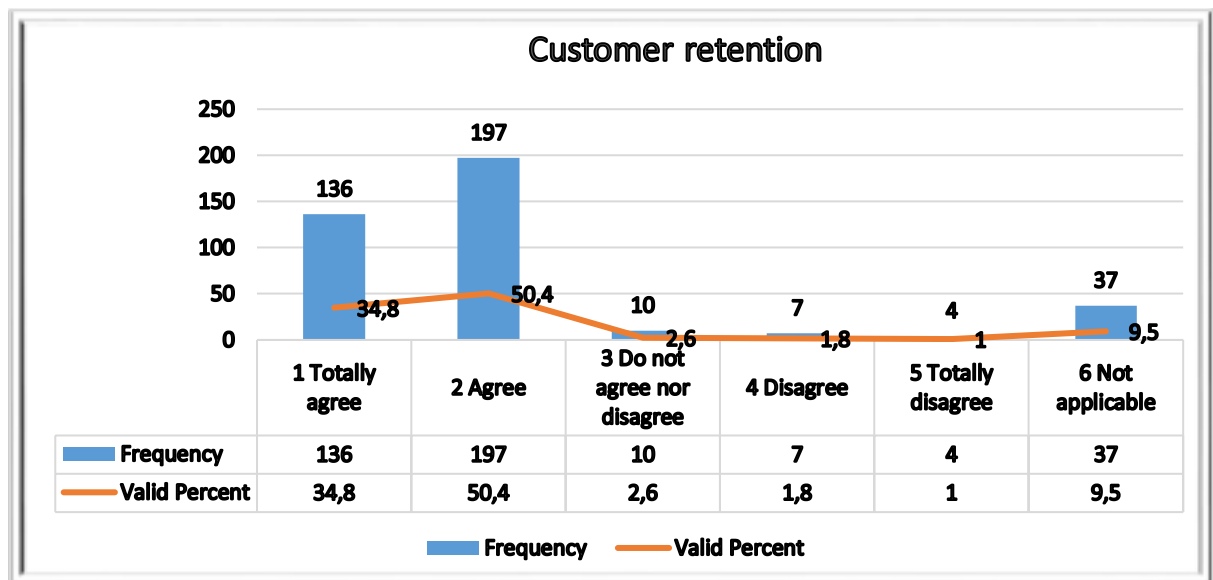
These 13 variable findings will assist the TTA in understanding its relationship marketing to enhance the strategic efforts of developing a well-informed CRF.

The following figures illustrate the findings on relationship marketing.

#### **5.2.13.1 Tshwane Tourism Association customer retention**

The question sought to ascertain whether the TTA should ensure customer retention in service delivery. Customer retention refers to the strategies and goals organisations implement to retain customers (Kotler *et al.*, 2016:212).





**Figure 5.55: Tshwane Tourism Association customer retention**

Of the 400 respondents in the sample, 391 responded, of which 50.4% (n=197) agreed, 2.6% (n=10) totally agreed, 34.8% (n=136) did not agree or disagree and 1.8% (n=7) disagreed. Finally, 1.0% (n=4) totally disagreed, while 9.5% (n=37) indicated not applicable. The data reflect that the majority of respondents agree that the TTA should ensure customer retention in service delivery.

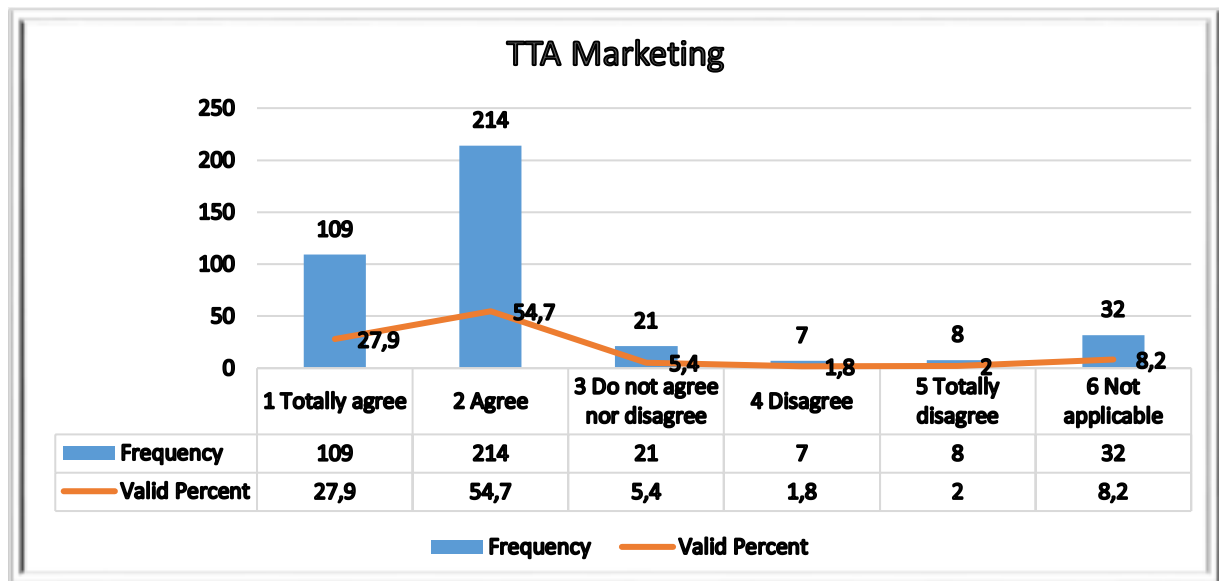
Han *et al.* (2019:540) found that customer service performances are a very important element for achieving customer retention and satisfaction. Mahmoud, Hinson and Adika (2018:270) report that customer retention can be influenced by how the organisation manages conflict. Srivastava, Naik and Narula (2018:113) argue that customer trust is one of the crucial elements for an effective customer retention strategy. The organisations need to consider that customer retention is critical for a business to achieve effective service satisfaction and gain trust of customers.

TTA should ensure that there is a plan in place to retain customers to assist organisations to keep as many customers as possible. TTA could use brand loyalty initiatives to achieve this goal. According to Omotayo *et al.* (2014:65), the organisation that improves customer retention initiatives by just 5% can grow revenue by 25% to 95%. Once TTA customers have developed a brand attachment, they will purchase more services. The finding is in line with Objective 5 of the study.

### **5.2.13.2 Tshwane Tourism Association marketing of service benefits**

The question sought to determine if the TTA should focus on marketing of service benefits. Tourism marketing is the systematic process by which an organisation identifies the needs and wants of the customers through research and forecasting and designs services according to

the needs and wants of the customer to achieve customer satisfaction and promote the services for revenue generation (George, 2014:88).



**Figure 5.56: Tshwane Tourism Association marketing of service benefits**

Of the 400 respondents in the sample, 391 responded, of which 54.7% (n=214) agreed, 27.9% (n=109) totally agreed, 5.4% (n=21) did not agree or disagree, while 1.8% (n=7) disagreed. Finally, 2.0% (n=8) totally disagreed and 8.2% (n=32) indicated not applicable. The data indicate that the majority of respondents agree that the TTA should focus its marketing on service benefits. The findings corroborate those of McCamley and Gilmore (2018:172), who found that a lack of properly developed strategic marketing planning has a negative impact on the organisation’s heritage marketing, which will retard efforts for successful functioning, resource allocation and service development. Solimun and Fernandes (2018:86) report that the organisation’s implementation of a marketing-mix strategy directly affects customer satisfaction and loyalty.

The TTA should focus marketing planning strategies on service benefits because the emotional experience a customer has during an interaction with the TTA has a direct impact on how much money they are willing to spend. The marketing efforts of the TTA can make or break a customer’s experience and marketing efforts based on customer service motivates and influences customer loyalty (Adobe Digital Index 2012:3; Lin *et al.*, 2017:358).

Service-based marketing strategies will benefit the TTA, enabling it to drive sales, grow its stakeholder base and offer better access to tourists and new customers. The TTA will be able to achieve quality standards and ensure that tourists know what to expect from graded establishments. Finally, the TTA will benefit from a consistent brand identity and customers will return for services. The finding is in line with Objective 5 of the study.

### 5.2.13.3 Tshwane Tourism Association long-term customer relationships

The question sought to establish if the TTA should focus on long-term customer relationships. Long-term customer relationship means an organisation builds a relationship with a customer to create high levels of loyalty and trust that will last for a considerable period (George, 2014:121).

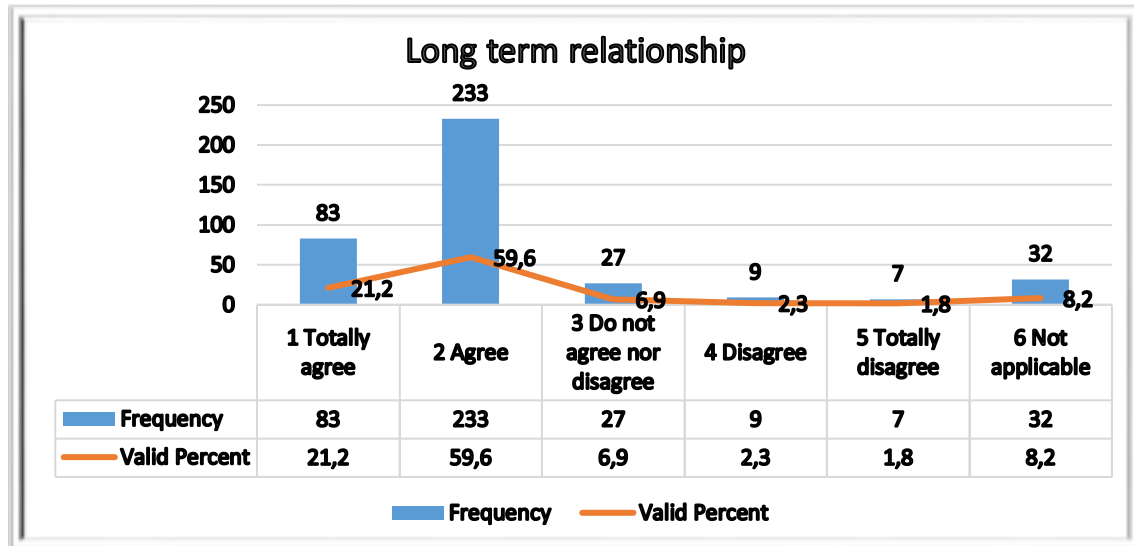


Figure 5.57: Tshwane Tourism Association long-term customer relationships

Of the 400 respondents, 391 responded, of which 59.6% (n=233) agreed and 21.2% (n=83) totally agreed. Furthermore 2.3% (n=9) did not agree or disagree, while 1.8% (n=7) disagreed. Finally, 2.0% (n=8) totally disagreed and 8.2% (n=32) noted not applicable. The data reflect that the majority of respondents are in agreement that the TTA should focus on long-term relationships with its customers. The finding is in line with van Tonder and Petzer (2019:972) who concluded that the quality of relationships between businesses and customers establishes the extent to which the relationships will last over a long period. According to Yousef, Johnston, AbdelHamid, Dakrory and Seddick (2018:145), customer interaction provides a high service value and creates satisfied customers. Furthermore, building trust and commitment in long-term relationships results in a competitive advantage. The TTA should ensure that customer relationship involves building customers' trust in the long term. According to Kassim and Abdullah (2010:366), the organisation's continuous communication with customers initiates and supports customer trust and improves satisfaction. The TTA should build customer relationships to ensure that customers return by applying:

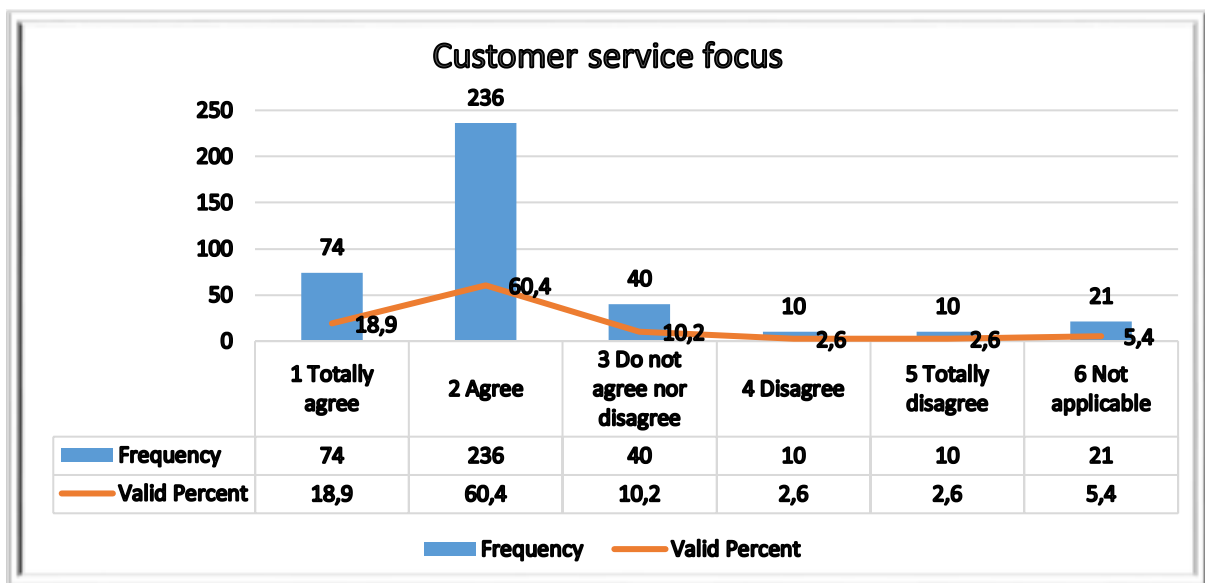
- i) Communicate about a customer care culture to employees;
- ii) Always ensure that customer expectations are exceeded;
- iii) On an ad hoc basis, ask for feedback from customers;
- iv) Connect with customers through relationship programmes; and

v) Demonstrate appreciation through customer reward programmes.

TTA will benefit from customer relationships with increased revenue and profitability and during sales cycles, providing additional services. The finding meets Objective 5 of the study.

**5.2.13.4 Tshwane Tourism Association customer service**

The question sought to establish if the TTA should focus on customer service. Quality in the tourism and hospitality sub-industries involves consistent delivery of services according to expected standards of customers (George, 2014:127).



**Figure 5.58: Tshwane Tourism Association customer service**

Of the 400 respondents in the sample, 391 responded, of which 60.4% (n=236) agreed and 18.9% (n=74) totally agreed. Furthermore, 10.2% (n=40) did not agree or disagree, 2.6% (n=10) disagreed, 2.6% (n=10) totally disagreed and 5.4% (n=21) indicated not applicable. The data reveal that the majority of respondents agree that the TTA should focus on customer service. According to Tseng (2019:223), the organisation’s employees should have the ability to solve customers’ problems and provide services that meet customer needs, to enhance customer service satisfaction experience. Liu, Bogicevic and Mattila (2018:48) indicate that tourism services require a high level of customer contact (for example, restaurants, tours and information centres) and that frontline employees influence customer service delivery.

The TTA should be aware that excellent customer service is crucial in keeping customers happy and engaged in order for the business to grow and prosper. The TTA will benefit from customer service through increased purchases, customer spend and positive word-of-mouth referrals will build a good reputation. Furthermore, the TTA should ensure that customer service training is in place for employees to improve their skills and acquire new ones. TTA

customer service training programmes should focus on improving communication, listening, problem solving and organisational skills. The finding is in line with Objective 5 of the study.

### 5.2.13.5 Tshwane Tourism Association customer commitment

The question sought to determine if the TTA should focus on customer commitment. Organisational commitment is the bond employees develop with an organisation to enhance connection and understanding of commitment to customer satisfaction and positive experiences (Wainwright, 2018:44).

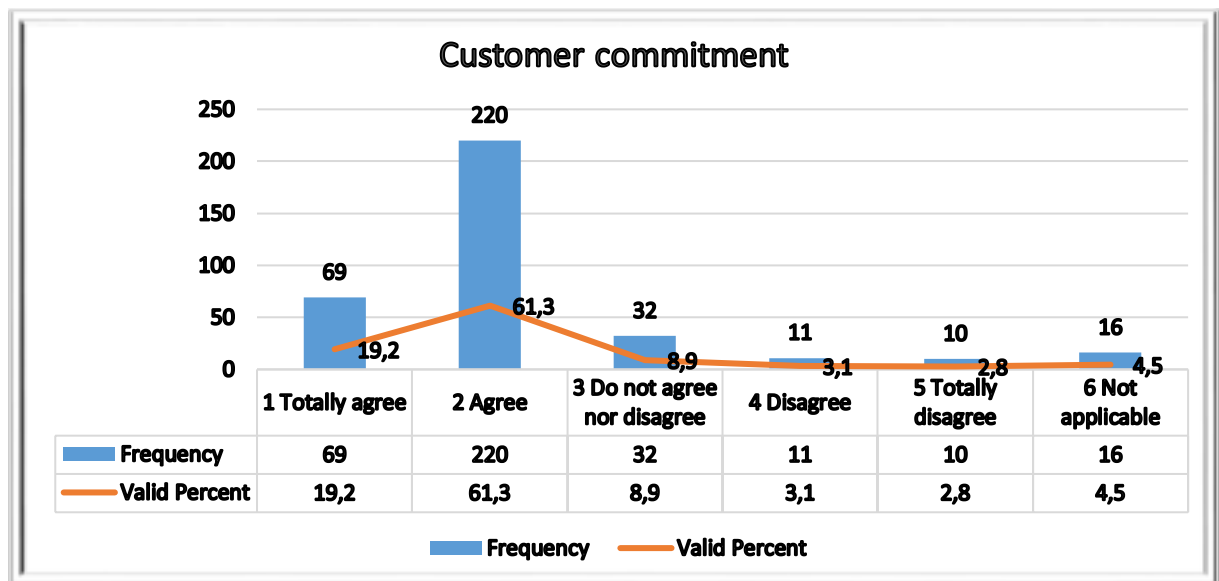


Figure 5.59: Tshwane Tourism Association customer commitment

Of 400 respondents in the sample, 359 responded, of which 61.3% (n=220) agreed and 19.2% (n=69) totally agreed. Furthermore 8.9% (n=32) did not agree or disagree, 3.1% (n=11) disagreed, 2.8% (n=10) totally disagreed and 4.5% (n=16) stated not applicable. The data indicate that the majority of respondents agree that the TTA should focus on customer commitment. According to Shukla, Banerjee and Singh (2016:326), "...customer commitment is a precursor of customer retention".

DMOs should prioritise customer commitment over everything because customer satisfaction and customer loyalty strongly depends on commitment. The finding is in line with the study of Chiu *et al.* (2015:627) who found that customer satisfaction is positively related to customer commitment. Furthermore, Rather and Sharma (2017:10) indicate that customer satisfaction and commitment have positive and significant effects on loyalty. Rather (2019:490) further reports that the organisation's customer commitment and satisfaction shows a positive impact on customer loyalty.

There are two areas of commitment on which the TTA should focus. Affective commitment is formed when a customer enjoys positive feelings about a service provider and normative commitment forms when customers believe an organisation shares their same beliefs and values. The TTA should ensure that customers' experiences at all points of service contact match their expectations. The TTA should put the customer first, placing the needs and requirements of a customer above everything else. A business like the TTA should work towards building a healthy relationship with consumers through identifying their needs and providing the best possible customer experience (Beaujean *et al.*, 2006:63). The finding is in line with Objective 5 of the study.

### 5.2.13.6 Tshwane Tourism Association high customer care contact

The question sought to ascertain if the TTA should focus on high customer care contact, which means showing the customer that they are important to the organisation through friendly, helpful and positive service delivery (Kotler *et al.*, 2016:198).

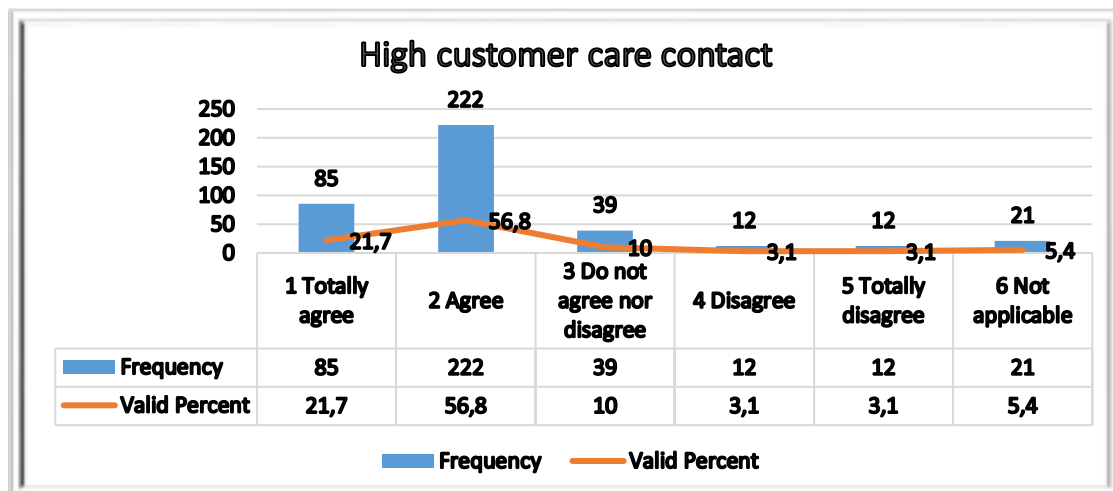


Figure 5.60: Tshwane Tourism Association high customer contact

Of the 400 respondents in the sample, 391 responded, of which 56.8% (n=222) agreed and 21.7% (n=85) totally agreed. Furthermore, 10.0% (n=39) did not agree or disagree, 3.1% (n=12) disagreed, 3.1% (n=12) totally disagreed and 5.4% (n=16) indicated not applicable. The data indicate that the majority of respondents agree that the TTA should focus on high customer contact. According to Pomirleanu, Mariadoss and Chennamaneni (2016:132), the importance of employee-customer interaction is crucial in high contact services. The findings are in line with the Malhotra and Mukherjee (2004:173) who indicate that job satisfaction and organisational commitment of employees has a significant impact on the quality of service in customer-contact operations.

High-contact service means the organisation offers its customers ‘hand-holding’ and direct support, while low-contact service means the firm gives customers tools to sort things out for themselves.

The TTA should ensure that both high contact and low contact approaches are covered in customer-care programmes as customer satisfaction is paramount. Customer satisfaction is crucial because it is a leading indicator used to measure customer loyalty and retention and enables businesses to identify unhappy customers, reduce customer losses and negative word-of-mouth, whilst increasing revenue (Wali *et al.*, 2015:47).

The employee training in customer service skills should include patience, attentiveness, clear communication, knowledge of the product, ability to use positive language, acting skills and time management skills because these are the ingredients for successful high customer contact. The finding is in line with Objective 5 of the study.

### 5.2.13.7 Tshwane Tourism Association staff quality concerns

The question sought to determine if the TTA should ensure that quality concerns all staff. The quality of customer service is the key differentiator between good and bad customer service. Good quality customer service keeps customers coming back; bad customer service drives customers away, taking their friends, family and colleagues with them (George, 2014:157).

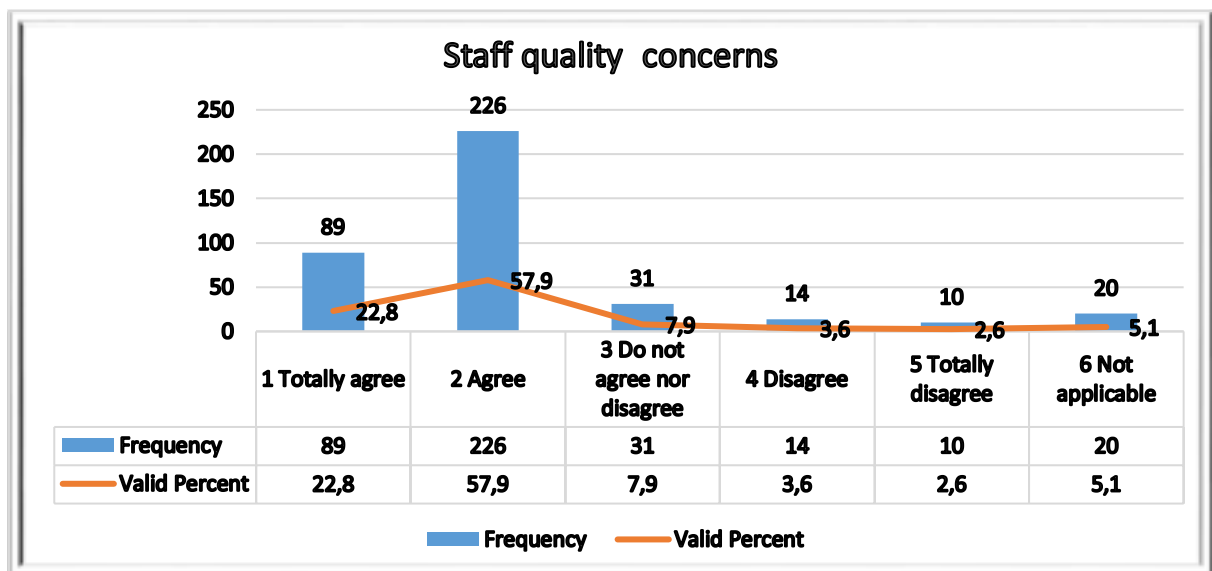


Figure 5.61: Tshwane Tourism Association staff quality concerns

Of the 400 respondents in the sample, 390 responded, of which 57.9% (n=226) agreed and 22.8% (n=89) totally agreed. Furthermore, 7.9% (n=31) did not agree or disagree, 3.6% (n=14) disagreed, 2.6% (n=10) totally disagreed and 5.1% (n=20) indicated not applicable. The data

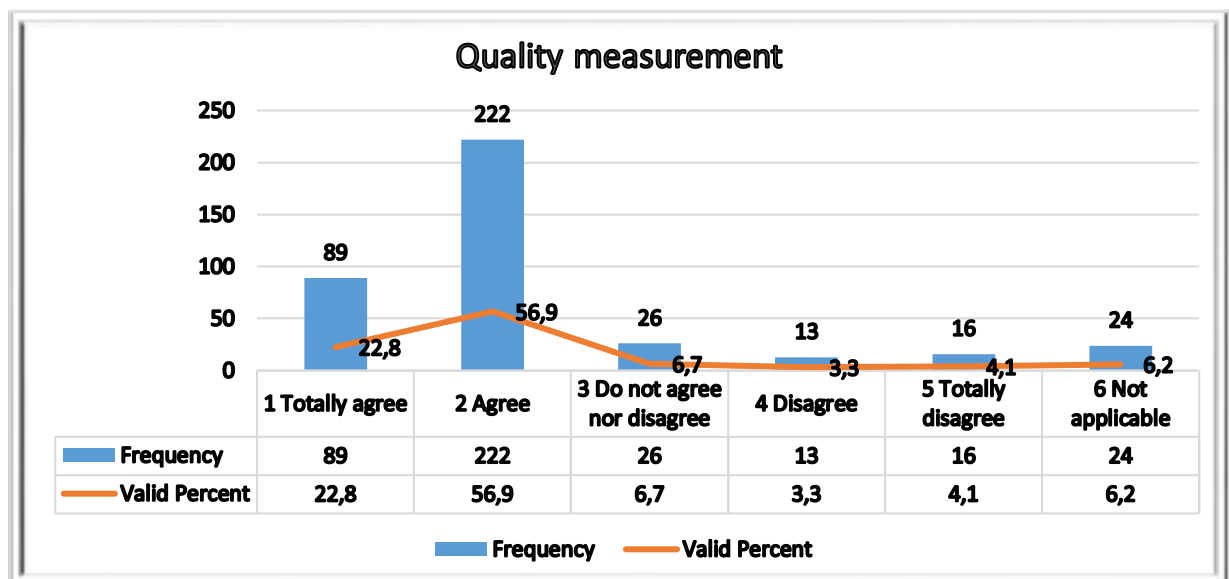
reflect that the majority of respondents agree that the TTA should ensure that employees take service quality seriously to achieve customer satisfaction.

The finding corroborates that of Zineldin (2006:436), who found that airlines should focus on all dimensions of service quality, with special focus on staff services and images for enhancing customer satisfaction. According to Pahi (2017:2213), organisations should focus on the employee’s commitment to service quality to achieve service delivery. Furthermore, Kaura, Prasad and Sharma (2015:405) report that an organisation’s service quality dimensions have a positive impact on customer satisfaction and customer loyalty. For an organisation to achieve customer satisfaction, it is critical for the employees to focus on quality of customer service delivery. The TTA should manage a customer care programme aimed at service quality and the staff need to be trained in service quality skills on an ad hoc basis.

It is very important that the TTA employees are fully skilled with customer care knowledge to enable them to deliver quality service which meets customer expectations, thereby achieving customer satisfaction. Dhar (2014:427) found a strong relationship between employee training and quality customer service. It is crucial that the TTA should maintain a strong relationship with customers to gain a consistent service delivery return and earn customers’ trust, which is a very important factor for quality service delivery. The finding is in line with Objective 5 of the study.

**5.2.13.8 Tshwane Tourism Association quality measuring efforts**

The question sought to establish if the TTA should focus on measuring quality efforts. Customer satisfaction surveys are a research process that an organisation undertakes to understand customer quality service experiences and levels of satisfaction (George, 2014:162).





### **Figure 5.62: Tshwane Tourism Association quality measuring efforts**

Of the 400 respondents in the sample, 390 responded, of which 56.9% (n=222) agreed and 22.3% (n=89) totally agreed. A further 6.7% (n=26) neither agreed or disagreed, while 4.1% (n=16) totally disagreed, 3.3% (n=13) disagreed and 6.2% (n=24) indicated not applicable. The data indicate that the majority of respondents agree that the TTA should focus on measuring service quality efforts to understand customers' service experiences and levels of satisfaction. The findings are in line with the study of Tsafarakis, Kokotas and Pantouvakis (2018:72) who found that in the airline industry, passenger satisfaction measurement is a key factor for improving service quality.

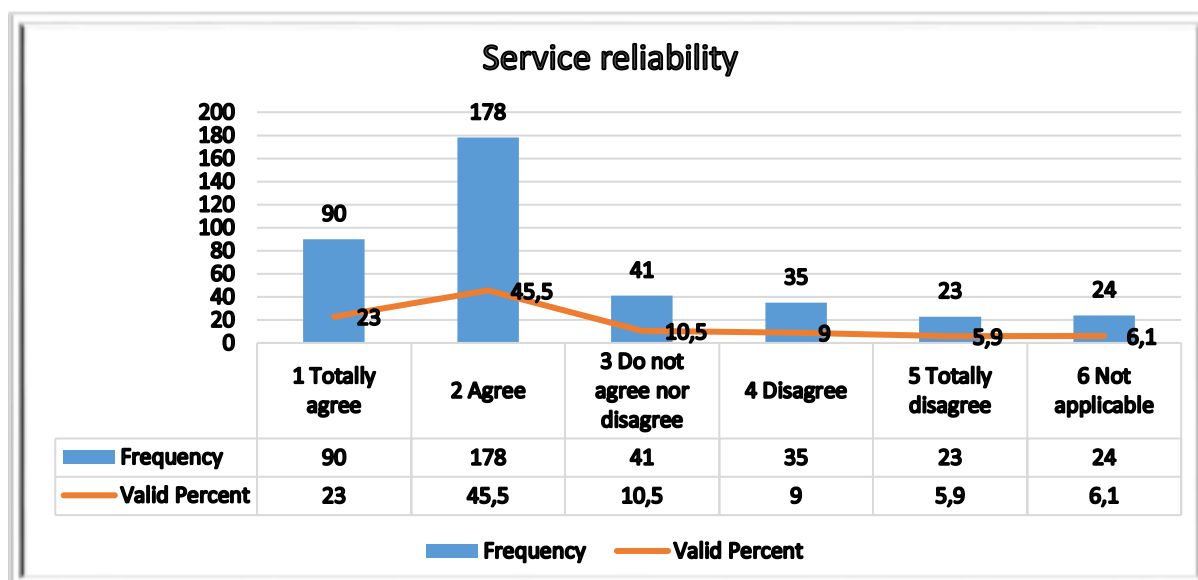
Furthermore, Parasuraman, Zeithaml and Berry (1994:224) stated that, "If you take good care of the customer, the customer will take good care of you."

TTA should take steps to improve customer satisfaction, especially after service delivery, to identify the areas of service strengths, weaknesses, threats to the TTA and opportunities to improve service quality.

According to Tsafarakis *et al.* (2018:70), the most frequently used customer satisfaction and service quality measurement approaches are customer satisfaction surveys, which focus mainly on service quality standards. Service quality can be measured by key quality-related factors, which include surveying repeat business, the speed of responses to customer queries and customer feedback (Shahin, Mehrparvar & Shirouyehzad, 2013:122). The finding is in line with Objective 5 of the study.

#### ***5.2.13.9 Tshwane Tourism Association reliability of service delivery***

The question sought to determine if the TTA ensures reliability of service delivery. Reliability means a service will perform its intended function adequately for a specified period without failure (George, 2014:177).



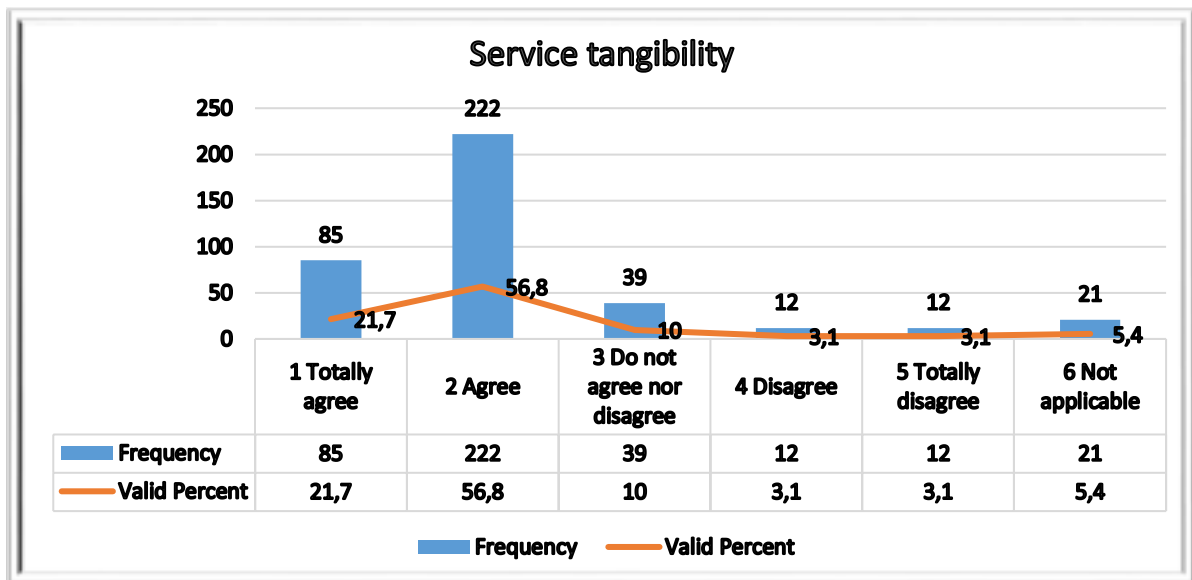
**Figure 5.63: Tshwane Tourism Association reliability of service delivery**

Of the 400 respondents in the sample, 391 responded, of which 45.5% (n=178) agreed and 23.0% (n=90) totally agreed. Furthermore, 10.5% (n=41) did not agree or disagree, while 9.0% (n=35) disagreed, 5.9% (n=23) totally disagreed and 6.1% (n=24) indicated not applicable. The data reveal that the majority of respondents agree that TTA’s services should be reliable and consistent to achieve service quality and customer satisfaction. The findings are in line with Ramamoorthy, Gunasekaran, Roy, Rai and Senthilkumar (2018:846) who identified reliability and responsiveness as important dimensions of service quality in the organisations. According to Rahi, Ghani and Ngah (2019:17), organisational success relies on service reliability, which includes personalised service, fast response to complaints and customer sensitivity, to deliver quality customer service. For the DMO, reliable customer service means that customers can expect the same level of service each time they consume services. The TTA needs to ensure service reliability throughout its operations because customers rely on consistently excellent customer service provision to be satisfied and do repeat business.

In the long term, the TTA will benefit from delivering reliable services, earning customer trust and satisfaction. Furthermore, the TTA should ensure the reliability of service delivery when implementing the CRM programme because the quality of customer service can make or break its reputation. The finding is in line with Objective 5 of the study.

**5.2.13.10 Tshwane Tourism Association quality tangibles of service delivery**

The question sought to ascertain if the TTA offered tangible service delivery. Tangibility means all the aspects of a service that can be touched and are visible, aimed at achieving customer service satisfaction.



**Figure 5.64: Tshwane Tourism Association quality tangibles of service delivery**

There were 400 respondents in the sample and 391 responded, of which 55.8% (n=222) agreed and 21.7% (n=85) totally agreed. Furthermore, 10.0% (n=39) neither agreed or disagreed, while 3.1% (n=12) disagreed, 3.1% (n=12) totally disagreed and 5.4% (n=21) indicated not applicable.

The data confirm that the majority of respondents agree that the TTA should ensure quality tangibles of service delivery to achieve customer service satisfaction. Since the TTA services are intangible, customers derive their perception of service quality by comparing the tangible part of services with the actual services delivered. The findings are in line with the findings of Barber and Scarcelli (2010:72), that tangibility influences customers' expected and perceived quality of services; furthermore, perceptions of services have an impact on customer satisfaction. Ismail and Yunan (2016:280) report that the ability of service providers to integrate the four dimensions of service quality, including tangibility in delivering service quality, impacts on customer satisfaction. The TTA should ensure that the appearance of the physical facilities, equipment, employees and communication materials are of a good quality because this establishes customer service satisfaction and differentiation from competitors.

According to Flavián, Torres and Guinaliu (2005:449), the organisation's high service standard is equivalent to satisfied customers and increased revenue turnover. The TTA will benefit from ensuring tangibility quality throughout its operations, reduced tangible cost, better services, customer satisfaction and higher profits. Tangible cost are expenses the TTA incurs from buying materials or rent-lease of assets. The finding is in line with Objective 5 of the study.

### 5.2.13.11 Tshwane Tourism Association responsiveness of service delivery

The question sought to establish if the TTA should ensure responsiveness of customer service. Customer service responsiveness means the speed and quality at which services and communications are actioned, such as timely e-mail responses to queries (George, 2014:183).

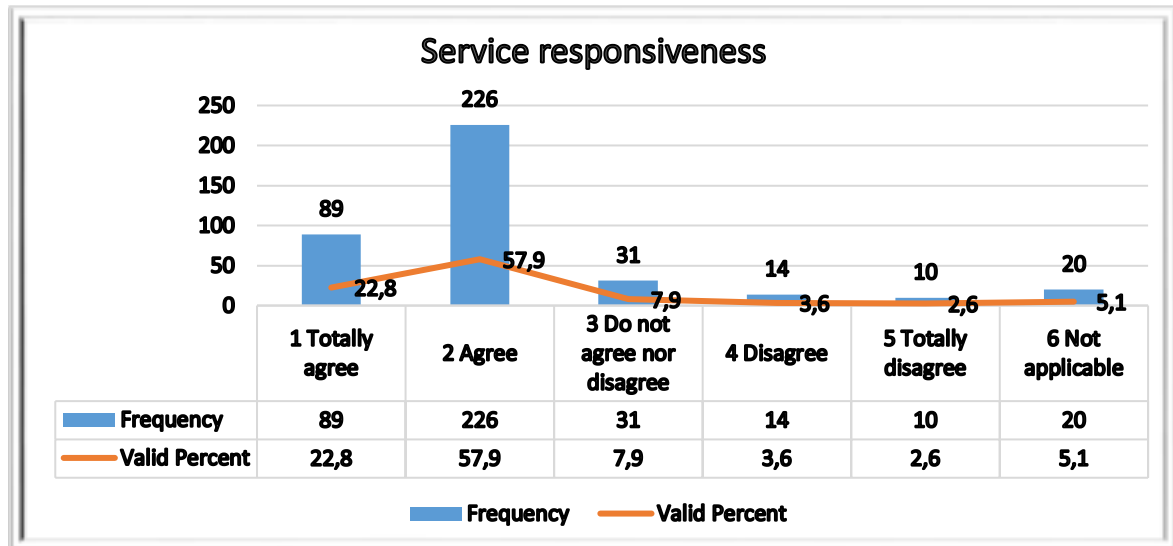


Figure 5.65: Tshwane Tourism Association responsiveness of service delivery

There were 400 respondents in the sample and 390 responded, of which 57.9% (n=226) agreed and 22.8% (n=89) totally agreed. Furthermore, 7.9% (n=31) did not agree or disagree, while 3.6% (n=14) disagreed, 2.6% (n=10) totally disagreed and 5.1% (n=20) indicated not applicable. The data confirm that the majority of respondents agree that the TTA should ensure quality responsiveness of service delivery to achieve customer satisfaction and loyalty.

The findings corroborate Iddrisu, Nooni, Fianko and Mensah's (2015:28) finding that service responsiveness has a positive influence on customer satisfaction. Furthermore, Sahi, Gupta, Cheng and Lonial (2019:764) indicate that organisations benefit positively from focusing on service newness and responsiveness. Javaid and Siddiqui (2018:45) report that customer responsiveness significantly affects the supply chain performance and strengthens the relationship between supply chain agility and the firm's external supply chain performance.

DMOs need to pay attention to service responsiveness because customer satisfaction and quality depends on its successful implementation. The TTA can improve customer service responsiveness by not making excuses for service shortcomings, introducing internal service responsiveness systems, paying attention to social media and integrating effective service responsiveness into technology. The TTA will benefit from repeat business, increased revenue and enhanced service quality. The finding is in line with Objective 5 of the study.

### 5.2.13.12 Tshwane Tourism Association assurance of service delivery

The question sought to determine whether the TTA considered the assurance of service delivery important and should implement customer service delivery QA. Service delivery QA is a process on which a DMO embarks to evaluate the characteristics that make customer service effective. QA can be used in an organisation to investigate and measure the quality of customer service delivery (Ilyas *et al.*, 2014:77).

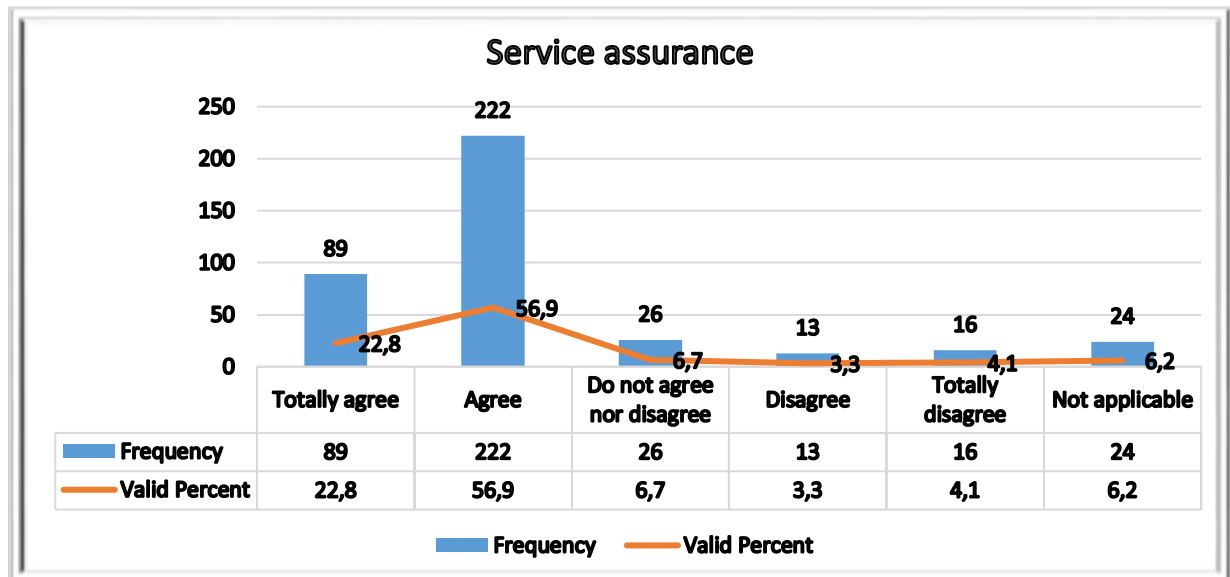


Figure 5.66: Tshwane Tourism Association assurance of service delivery

There were 400 respondents in the sample and 390 responded, of which 56.9% (n=222) agreed and 22.8% (n=89) totally agreed. A further 6.7% (n=26) did not agree or disagree, while 4.1% (n=16) totally disagreed, 3.3% (n=13) disagreed and 6.2% (n=24) indicated not applicable.

The data reflect that the majority of respondents agree that the TTA should implement customer service QA to achieve customer satisfaction and loyalty. The findings corroborate Aremu, Aremu and Ademola’s (2018:173) finding that service assurance is one of the service quality dimensions that plays a significant role in the improvement of service quality, which enhances customer satisfaction. Furthermore, the study of Lutfie, Hidayat and Zhang (2018:2841) revealed that service QA has the greatest contribution towards customer loyalty.

According to the findings of Nguyen, Nisar, Knox and Prabhakar (2018:1210), service assurance, plays the most important role in driving customer satisfaction in the UK fast food industry. The DMOs need a QA strategy to ensure customer satisfaction in the long term.

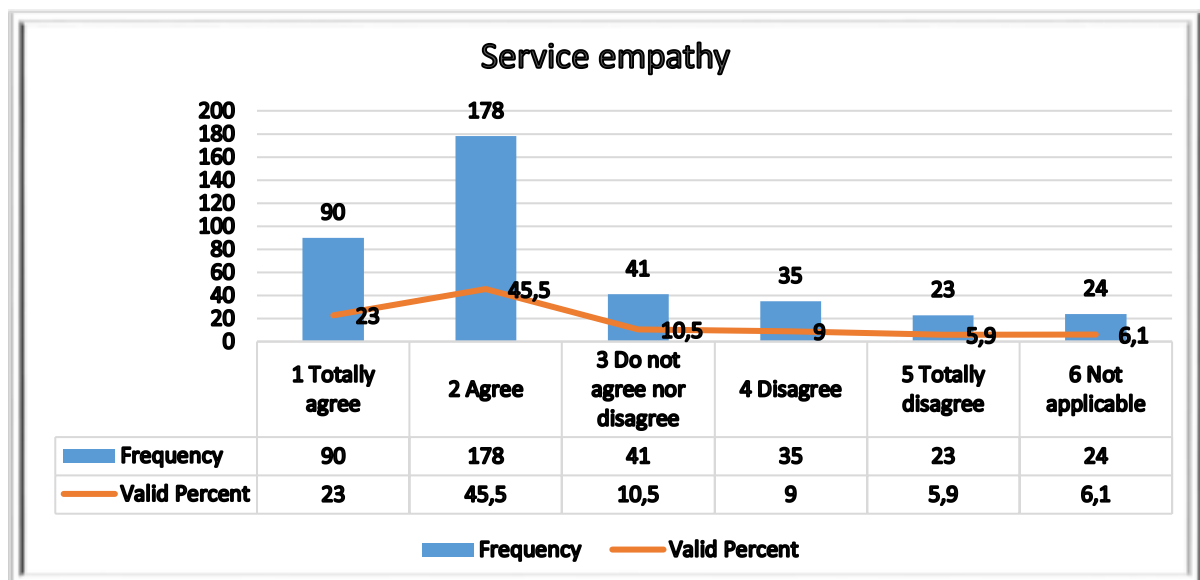
The TTA should establish internal QA processes with the aim of aligning customer service interactions with objectives, identifying common customer issues, improving the customer

experience and standardising communication processes with customers. This will assist the TTA to improve customer service. The TTA QA strategy should be geared towards preventing mistakes and defects in service delivery to customers, defined by ISO 9000 Family (2018:33) as "...part of quality management focused on providing confidence that quality requirements will be fulfilled".

The TTA will benefit from QA strategy initiatives and reduced service costs because, as the services are inspected at every cycle stage, there are fewer losses experienced because the immediate re-designing of failed services is done. Furthermore, TTA employees' motivation levels are likely to increase because service QA initiatives allow staff to take more ownership and recognises their services. The TTA should ensure that both service QA and QC are covered internally. The difference is that QA is process-oriented and QC is service-oriented. Therefore, when an organisation tests for quality it is not assuring quality but is controlling it, hence is critical that the TTA should engage in all QA processes. The finding is in line with Objective 5 of the study.

**5.2.13.13 Tshwane Tourism Association empathy of service delivery**

The question sought to ascertain if the TTA should ensure empathy of service delivery. Empathy means service providers place themselves in the position of an aggrieved customer in trying to better understand how to serve their needs (George, 2014:185).



**Figure 5.67: Tshwane Tourism Association empathy of service delivery**

Of the 400 respondents in the sample, 390 responded, of which 45.5% (n=178) agreed and 23.0% (n=90) totally agreed. Furthermore, 10.5% (n=41) did not agree or disagree, while 9.0% (n=35) disagreed, 5.9% (n=23) totally disagreed and 6.1% (n=24) stated not applicable. The data indicate that the majority of respondents agree that the TTA should ensure empathy of

service delivery to achieve customer satisfaction and loyalty. This finding corroborates Vencataya, Pudaruth, Juwaheer and Dirpal's (2019:267) finding that service empathy has a significantly positive impact on customer service and is a good predictor of customer satisfaction.

According to Bove (2019:34), customer service empathy reduces the negative influence of customer dissatisfaction through customer forgiveness. An organisation should make service empathy part of the service delivery process to achieve customer satisfaction and loyalty. Furthermore, the study of Ye, Dong and Lee (2017:551) shows that when an organisation practises empathy and responsiveness, it lowers service costs, resulting in immediate capital benefits. However, this strategy ultimately has a negative influence on customer satisfaction and reduces profitability in the long term.

TTA should ensure that a service empathy strategy includes an employee's ability to embrace customer frustrations and their differing views on service even if there is no immediate solution. This strategy will help TTA customers to feel that they are being heard because employees acknowledge their frustrations, which will assist in sustaining customer loyalty and enhance service experience in the long term. The TTA should also promote employee training from time to time to improve skills related to service empathy. The benefit of service empathy to the TTA includes greater customer retention, the acquisition of new customers, reduced employee turnover, increased revenue and heightened employee motivation and morale, which leads to increased productivity. The finding is in line with Objective 5 of the study.

#### ***5.2.13.14 Relationship marketing mean scores***

The following discussion focuses on relationship marketing mean score statistical data analysis, which will be applied to establish the following scores (see 5.2.10.10 for statistical term descriptions).

- Mean
- Median
- Standard Deviation
- Minimum
- Maximum
- Skewness
- Kurtosis

The findings of the relationship marketing mean scores will assist the TTA in determining an effective and quality CRF in line with Objective 4 of the study. Table 5.5 reflects the relationship marketing mean scores and variables.

The following 13 variables were used to obtain responses from respondents:

- i) 18A TTA customer retention
- ii) 18B TTA marketing on service benefits
- iii) 18C TTA long-term scale relationships
- iv) 18D TTA customer services
- v) 18E TTA customer commitment
- vi) 18F TTA high customer contact
- vii) 18G TTA staff quality concerns
- viii) 18H TTA quality measuring efforts
- ix) 18I TTA reliability of service delivery
- x) 18J TTA quality tangibles of service delivery
- xi) 18K TTA responsiveness of service delivery
- xii) 18L TTA assurance of service delivery
- xiii) 18M TTA empathy of service delivery

**Table 5.5: Relationship marketing strategy mean scores**

	Mean	Median	Std. deviation	Minimum	Maximum	Skewness	Kurtosis
18A	3.88	4.00	1.429	1	5	-1.866	2.566
18B	3.80	4.00	1.365	1	5	-1.819	2.588
18C	3.72	4.00	1.330	1	5	-1.817	2.638
18D	3.74	4.00	1.192	1	5	-1.867	3.399
18E	3.58	4.00	1.437	1	5	-1.877	2.673
18F	3.75	4.00	1.231	1	5	-1.749	2.829
18G	3.79	4.00	1.210	1	5	-1.823	3.191
18H	3.73	4.00	1.308	1	5	-1.677	2.206
18I	3.52	4.00	1.408	1	5	-1.146	0.461
18J	3.79	4.00	1.349	1	5	-1.651	2.117
18K	3.72	4.00	1.330	1	5	-1.817	2.638
18L	3.58	4.00	1.437	1	5	-1.877	2.673
18M	3.73	4.00	1.308	1	5	-1.677	2.206

The scores of the 13 variables demonstrate that they are around the agree zone with the highest mean being 3.88 (V18A - TTA customer retention) and the lowest being 3.52 (V18I - TTA service delivery). This is confirmed by a median of 4.00 for all the variables. The data show a skewness of between 1.146 and 1.877, while the kurtosis is between .461 and 3.399 (see 5.2.10.10 for statistical term descriptions).

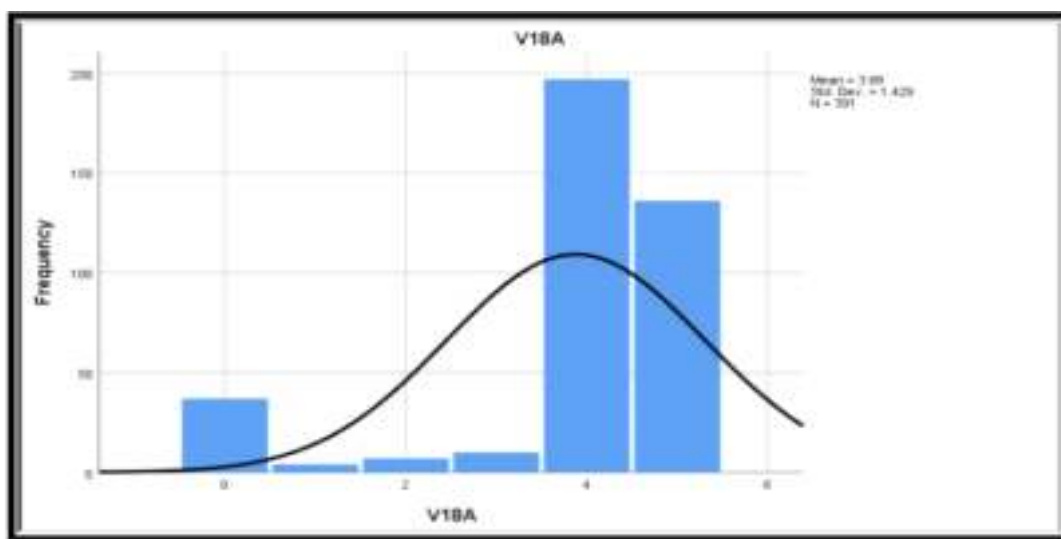
The agreed zone position of the respondents further emphasises that all variables support Objective 5 of the study. Overall, the results reflect that all variables responses fall within the agree zone in terms of long-term scale relationships, high focus on customer service, high



customer commitment, high customer contact, quality concerns all staff, measuring quality efforts, reliability of service delivery, quality tangibles of service delivery, responsiveness of service delivery, assurance of service delivery and empathy of service delivery.

The following discussion demonstrates histogram analysis of selected variables 18A, 18E, 18I and 18J. These variables were selected because of their highest and lowest mean scores and are representative of all the variables because all variables results fall within the agree zone. The histograms of the variables are shown below, which confirms that the majority of respondents are within the agree zone.

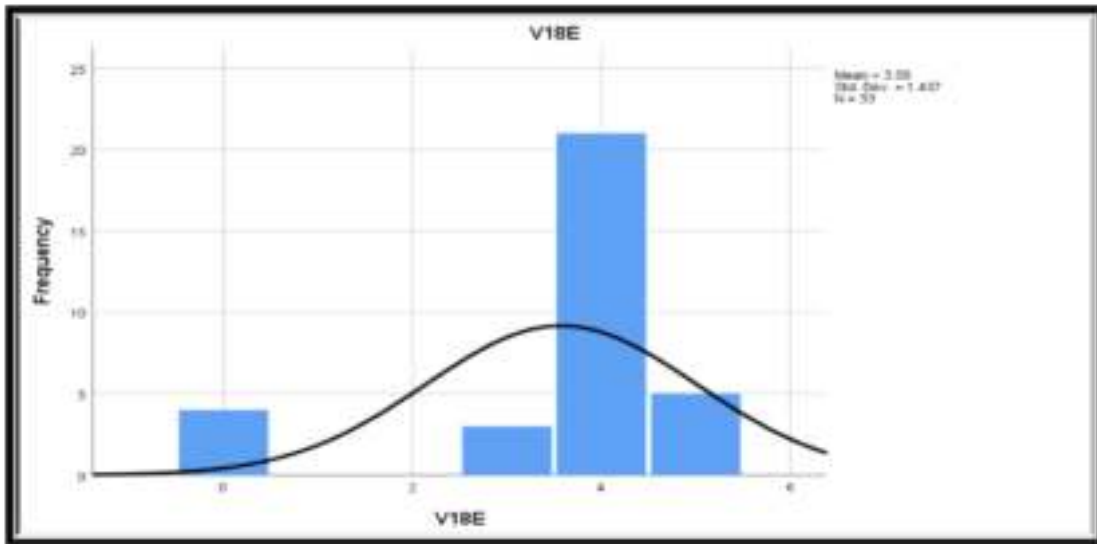
The following discussion explains the histogram analysis of selected relationship marketing variable 18A.



**Figure 5.68: Relationship marketing mean score - variable 18A**

Figure 5.68 illustrates histogram mean scores of the variable V18A (TTA's customer retention in service delivery). It confirms that the majority of respondents are within the agreed zone, meaning that all respondents agree that the TTA should focus their marketing on service benefits. The service experiences of customers during product consumption influences their spending decisions and has the ability to seriously influence a customer's expectations (Adobe Digital Index, 2012:8; Lin *et al.*, 2017:e0183888). Furthermore, the findings indicate that TTA customer retention in service delivery plays an important role in relationship marketing, which supports of Objective 5 of the study.

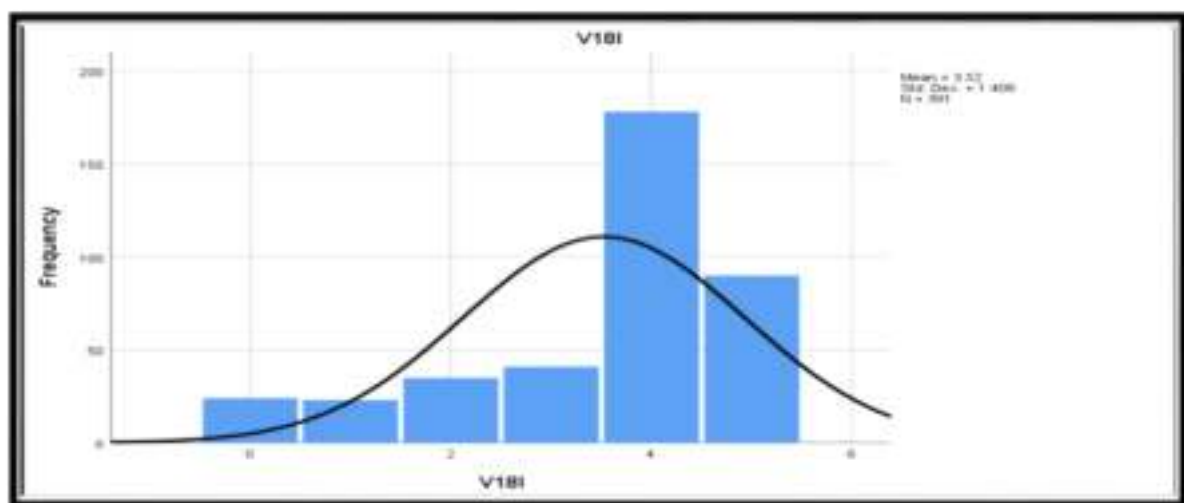
The following discussion demonstrates histogram analysis of selected relationship marketing variable 18E.



**Figure 5.69: Highest mean score - variable 18E**

Figure 5.69 reveals histogram mean scores of the variable V18E (TTA’s customer commitment). It confirms that the majority of respondents are within the agree zone, meaning that all the respondents agree that employees of the TTA are focused on customer commitment. The TTA should prioritise customer needs and wants over everything else. Moreover, the TTA should build a strong customer service commitment to achieve effective customer relationships that will enhance the quality service experience during consumption (Beaujean *et al.*, 2006:77). The findings confirm that TTA customer service commitment plays an important role in relationship marketing, which supports Objective 5 of the study.

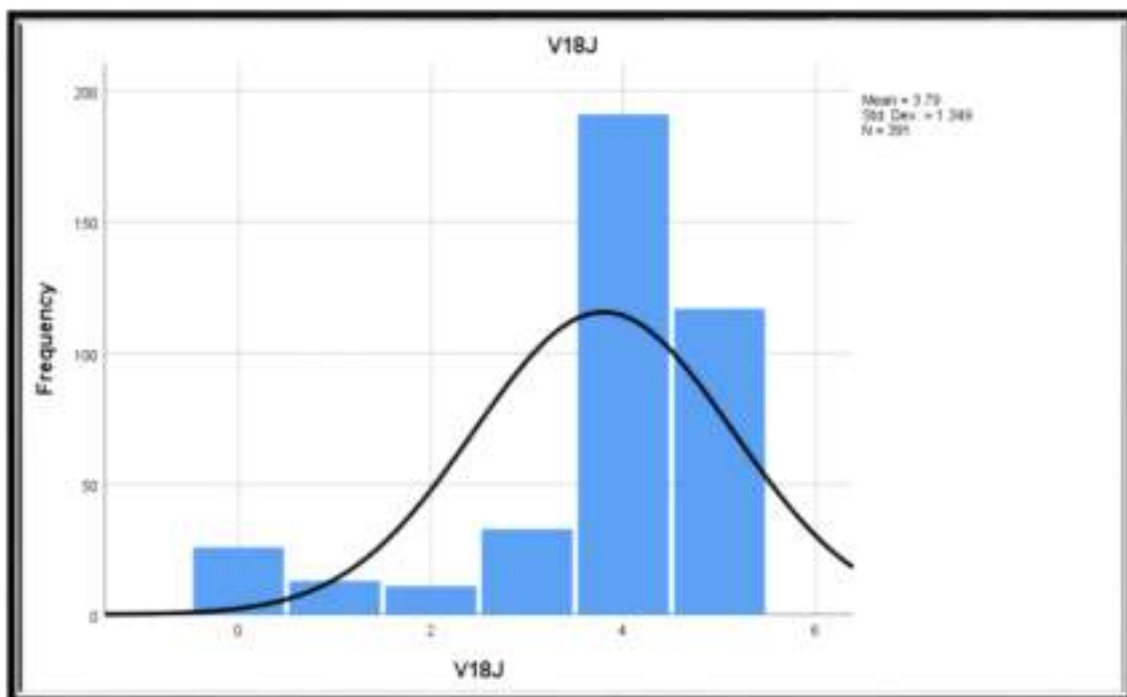
The following discussion demonstrates histogram analysis of the selected relationship marketing variable 18I.



**Figure 5.70: Highest mean score - variable 18I**

Figure 5.70 demonstrates histogram mean scores of the variable V18I (TTA reliability of customer service delivery). It confirms that the majority of respondents are within the agree zone and that the TTA should focus on reliability of customer service delivery. Consistent customer service is vital to the TTA because it can influence service delivery and reputation. TTA employees need to be consistent in delivering services, whether telephonically, in person or via e-mail because providing reliable customer service brings to customer satisfaction and loyalty (Samen, Akroush & Abu-Lail, 2013:419). Furthermore, the findings indicate that TTA reliability of customer service delivery plays an important role in relationship marketing, which supports Objective 5 of the study.

The following discussion demonstrates histogram analysis of the selected relationship marketing variable 18J.



**Figure 5.71: Highest mean score - variable 18J**

Figure 5.71 shows the histogram mean scores of the variable V18J (TTA tangibles of service delivery) and confirms that the majority of respondents are within the agree zone. This means that all respondents agree that the TTA should ensure quality tangibles of service delivery. The TTA should introduce ongoing employee skills training to improve staff skills related to service empathy. The TTA will benefit from service empathy efforts as increased employee motivation and morale will lead to increased internal productivity and service delivery. The findings indicate that TTA tangibles of service delivery play an important role in relationship marketing, which supports Objective 5 of the study.

### 5.3 SECTION B: HIGHER EDUCATION INSTITUTION EXPERTS ANALYSIS

This section discusses the HEI experts' analysis. The experts are all from South African universities in the field of Management Sciences speciality related to Tourism and Marketing courses. The research focused on HEI experts in the CoT area. The analysis of HEI experts was done through a quantitative method of research design and presented as descriptive statistics under the following headings:

- i) Gender
- ii) Qualification
- iii) Occupation
- iv) Tertiary Institution
- v) Destination Marketing factors familiarity
- vi) Destination Marketing factors importance
- vii) Destination Customer relationship factors importance

These headings are in line with the objectives of the study as indicated in the introduction of this chapter.

#### 5.3.1 Higher education institution experts frequency analysis

##### 5.3.1.1 Gender

The question sought to determine the respondents' gender. Gender is defined as the social role designed to identify with males and females (George, 2014:172).

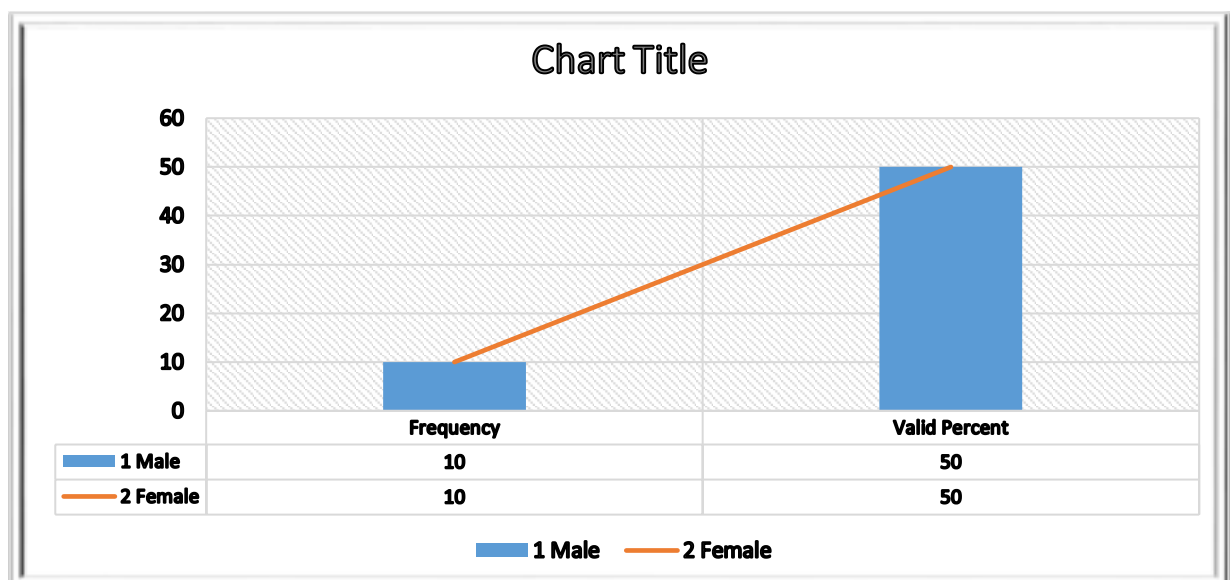


Figure 5.72: Gender

Figure 5.72 indicates 20 respondents in the sample and 20 responded, of which 50% (n=10) were male and 50% (n=50) were female. The data were gender-balanced in terms of feedback contribution in this study. The findings are in line with Objective 1 of the study.

### 5.3.1.2 Qualification

The question sought to determine the respondents' qualification levels. Qualifications comprise education, experience, skills and personal qualities an individual obtains from an institution of learning (George, 2014:172).

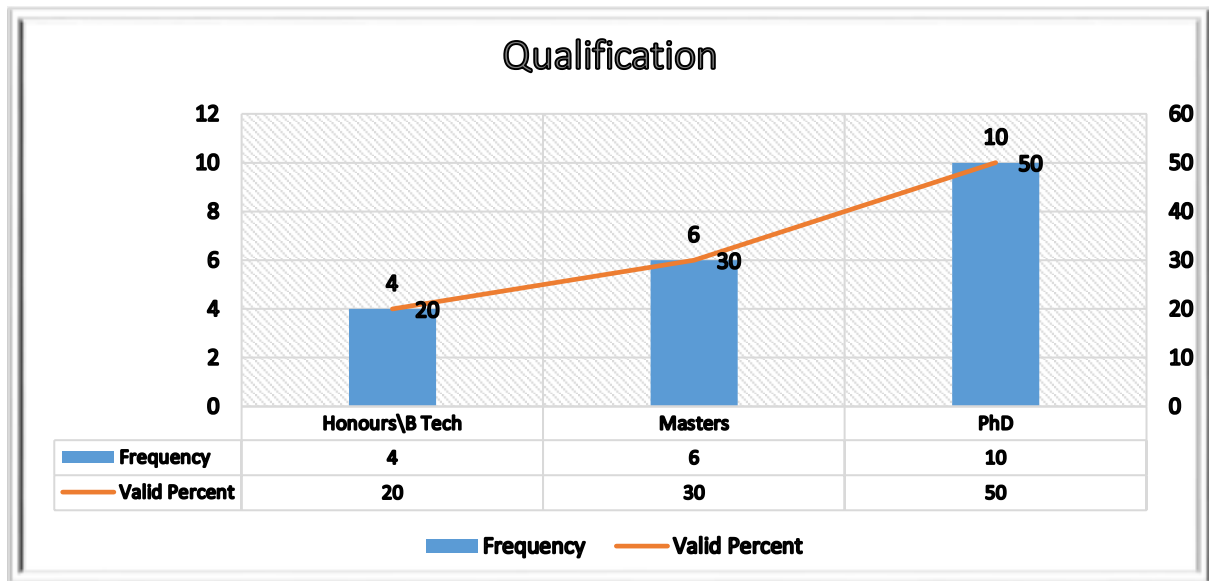
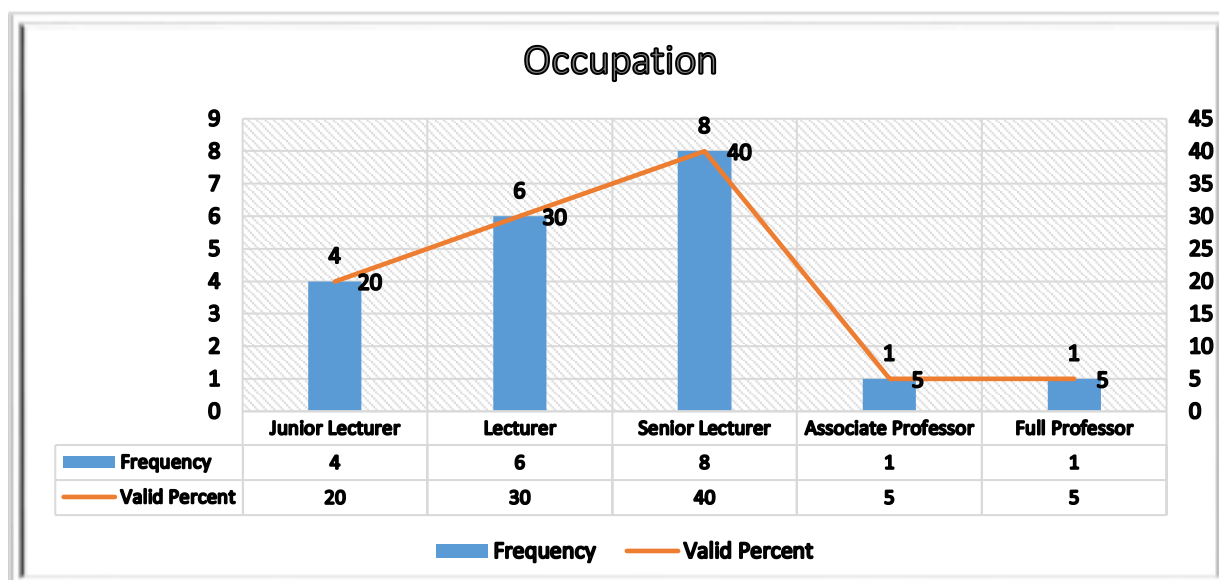


Figure 5.73: Qualification

Figure 5.73 indicates 20 respondents in the sample, all of which responded; 50% (n=10) held a PhD and 40% (n=40) achieved a Masters, followed by 20% (n=40) who had Honours/BTech. According to the data, the majority of respondents held a PhD degree. The expertise of the respondents is very valuable in terms of advancing knowledge and contribution to this study. There is fair distribution in terms of expertise as contribution to the study. The findings are in line with Objective 1 of the study.

### 5.3.1.3 Occupation

The question sought to establish the respondents' occupations. Occupation is defined as an individual daily job, for example a lecturer (George, 2014:174).



**Figure 5.74: Occupation**

Figure 5.72 indicates 20 respondents in the sample, all of which responded; 40% (n=8) indicated senior lecturer, 30% (n=6) indicated lecturer, followed by 20% (n=4) who were junior lecturers. Furthermore, 5.0% (n=1) indicated associate professor and 5.0% (n=1) indicated full professor. The data indicate that majority of respondents in the study were senior lectures and there is a fair distribution in terms of qualification on the study. This means that the credibility of feedback and inputs to this study is very high. The findings are in line with Objective 1 of the study.

**5.3.1.4 Tertiary institution education**

The question sought to ascertain the tertiary education of the respondents. Tertiary education refers to any type of education pursued beyond high school level. This includes diplomas, undergraduate and graduate certificates, Bachelor’s, Master’s and Doctoral degrees.

**Table 5.6: Tertiary institutions**

Institution	Frequency (n)	Valid percent
University of Technology	2	10.0%
University of Technology	1	5.0%
University of Technology	2	10.0%
University of Technology	2	10.0%
University of Technology	2	10.0%
<b>Total</b>	<b>9</b>	<b>45%</b>
Traditional/Comprehensive University	2	10.0%
Traditional/Comprehensive University	1	5.0%
Traditional/Comprehensive University	1	5.0%
Traditional/Comprehensive University	2	10.0%
Traditional/Comprehensive University	2	10.0%
Traditional/Comprehensive University	2	10.0%
Traditional/Comprehensive University	1	5.0%
<b>Total</b>	<b>11</b>	<b>55%</b>
<b>Grand Total</b>	<b>20</b>	<b>100.0%</b>

Table 5.6 indicates that 20 participants responded, of which 55% (n=11) are from traditional/comprehensive universities, followed by 45% (n=9) from universities of technology. The data indicate that majority of respondents attended traditional/comprehensive universities. There is fair distribution with universities of technology in terms of higher education institutions' contribution to the study. This suggests that the feedback obtained from the respondents is of good quality and can be relied upon. The findings are in line with Objective 1 of the study.

#### **5.3.1.5 Destination marketing-related factors familiarity**

The question sought to determine respondents' familiarity with the following destination marketing-related factors:

- 8A Customer relationship
- 8B Strategic marketing planning
- 8C Destination marketing
- 8D Destination marketing organisations
- 8E Quality
- 8F South African tourism trends
- 8G Customer loyalty

These factors are in line with the objectives of the study as indicated in the introduction of this chapter. Table 5.7 below presents the findings on destination marketing concepts.

**Table 5.7: Destination marketing-related factors**

8A Customer relationship		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8B Strategic marketing planning		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8C Destination marketing		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8D Destination marketing organisations		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8E Quality		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8F South African tourism trends		Frequency	Valid Percent
Valid	1 Yes	20	100.0
8G Customer loyalty		Frequency	Valid Percent
Valid	1 Yes	20	100.0

Table 5.7 indicates that there were 20 respondents in the sample and all answered (n=20) yes to all the questions. The findings are discussed as follows.

### **8A Customer relationship management**

The question sought to ascertain respondents' familiarity with CRM and if it has any effect on customer relationships. Table 5.7 indicates that 20 responded and 100% (n=20) indicated that yes, they are familiar with CRM.

The importance of CRM comes through as an approach to manage the TTA's interaction with current and potential customers. According to Lehmkuhl and Jung, (2013:192-193), CRM will benefit an organisation like the TTA with the establishment, maintenance and enhancement of a mutually beneficial relationship in the long term with customers, leading to trust, commitment, increased revenue and lower costs. The TTA should use customer history with the organisation to improve business relationships with them, with the specific aim of customer retention and sales growth. The findings are in line with Objective 1 of the study.

### **8B Strategic marketing planning**

The question sought to determine respondents' familiarity with strategic marketing planning. Table 5.7 indicates that 20 participants responded and 100% (n=20) indicated yes, they are familiar with strategic marketing planning. According to George (2014:201), strategic marketing planning is an ongoing process through which the company creates marketing strategies and implements these strategies in the target market. The process takes into account the current position of the company, helps in identifying promotional opportunities and then evaluates these opportunities. Strategic marketing planning encourages innovation, especially new ideas



for future growth. Resources are utilised more effectively, costs are reduced since they are controllable, delegation of responsibilities of managerial duties means improved organisation and accountability. It is important for the TTA to develop a strategic marketing plan to set realistic business goals and adapt to changes in the market, whilst enjoying customer relationships benefits. Strategic marketing planning will assist the TTA to prioritize growth and evolve as the destination business climate changes, which will allow sustainability of the customer relationship programme (Lancaster & Massingham, 1996:323; Hieberg & Cooper, 2003:231; Kotler & Armstrong, 2012:45). The findings are in line with Objective 1 of the study.

### **8C Destination marketing**

The question sought to establish respondents' familiarity with destination marketing. Table 5.7 indicates that 20 participants responded and 100% (n=20) indicated yes, they are familiar with the destination marketing concept. The importance of a destination marketing strategy is that it plays a key role in building the CoT brand, attracts new customers and maintains loyalty. The tourism and hospitality industry in the CoT area comprise mostly services and a consistent brand identity is very important. According to Gnoth *et al.* (2009:100), destination marketing strategy benefits are the ability to mitigate the challenges in collaboration, communication, commodification, creativity, customer co-creation, visitor experience, culture and crisis management. The TTA should ensure that a marketing strategy is developed to enable sustainable long-term customer relationships. The findings are in line with Objective 1 of the study.

### **8D Destination marketing organisations**

The question sought to determine respondents' familiarity with the concept of DMOs. Table 5.7 indicates that 20 responded and 100% (n=20) indicated "Yes" they are familiar with DMOs. According to George (2014:191), a DMO's responsibility is to promote a community and position it in the eyes of the customers as excellent and attractive travel destination for all kinds of travellers. The TTA as a DMO should furthermore have in place and introduce strategies to market the CoT as a dynamic place to live and work by enhancing its brand image to the public. It is important that the TTA marketing strategy be designed to elevate the CoT brand up to a point that customers can make it their first choice for holiday and business travel (Li & Wang, 2010:547; Kotler & Armstrong, 2012:97; Murdy & Pike, 2012:1283). The findings are in line with Objective 1 of the study.

### **8E Quality management**

The question sought to ascertain respondents' familiarity with quality management. Table 5.7 indicates that 20 responded and 100% (n=20) stated that they were familiar with quality management. It is important that the TTA continually research and understand the needs and demands of the customers. According to Shahin *et al.* (2013:116), customer satisfaction relies

on service quality and service quality in turn relies on employee satisfaction. Employee satisfaction relies on internal service quality processes.

Total quality management assists organisations like the TTA to understand their target customers' needs and wants before making any changes in the processes and systems to deliver better quality products and services for customer satisfaction. The TTA should develop the total quality management systems and processes that will enable employee satisfaction and quality service delivery. The findings are in line with Objective 3 of the study.

#### **8F South African tourism trends**

The question sought to determine respondents' familiarity with South African tourism trends. Table 5.7 indicates that 20 responded and 100% (n=20) indicated "Yes" they are familiar with South African tourism trends. South Africa has seen a growth in tourists' spend and attracting foreign exchange through inbound tourism.

South Africa's tourism trade balance with the rest of the world has remained positive since 2019, more foreign exchange has been earned due to tourism (SAT, 2019:11). According to WTTC (2018:8), tourism will contribute positively to the South African economy in the year 2020 more than in any other year. In the year 2017, 1.5 million jobs in SA were from the tourism sector and constituted 9.5% of total employment. By the year 2028, almost 2.1 million jobs in SA will depend on travel and tourism and 9% of the total GDP of SA is derived from tourism.

It is important for the TTA to have strategies to take advantage of this tourism growth in South Africa (City of Tshwane, 2019:11; SAT, 2019:13; TTA, 2019:9). The findings are in line with Objective 1 of the study.

#### **8G Customer loyalty**

The question sought to ascertain respondents' familiarity with customer loyalty. Table 5.7 indicates that 20 responded and 100% (n=20) indicated they were familiar with customer loyalty. According to Cheng and Rashid (2013:102), customer satisfaction is linked to customer loyalty. Customer loyalty is important in organisations to ensure that customers keep returning. The TTA should implement a strategy to win new customers while remaining focused on retaining existing ones to create loyal customers who will ensure stable business operations in the long term. These loyal customers are important since they are the building blocks for a successful TTA CRM programme and marketing planning. The findings are in line with Objective 4 of the study.

### 5.3.1.6 Destination marketing-related factors of importance

The questions sought to establish the importance of destination marketing-related factors for a DMO customer relationship programme like the TTA to succeed. The factors for a successful DMO are:

- Customer loyalty
- Marketing plan
- Marketing research
- Internal marketing
- Customer satisfaction
- Service quality
- Customer retention
- Tourism growth
- Mission
- Vision
- Goals and objectives

These factors are in line with the objectives of the study as indicated in the introduction of this chapter. The following sections discuss the findings on destination marketing factors.

#### ◆ Customer loyalty

The question sought to determine the importance of customer loyalty for the DMOs. Customer loyalty can be described as the customer experiencing a consistent, positive emotion arising from satisfaction about a service delivered by a service provider (George, 2014:178).

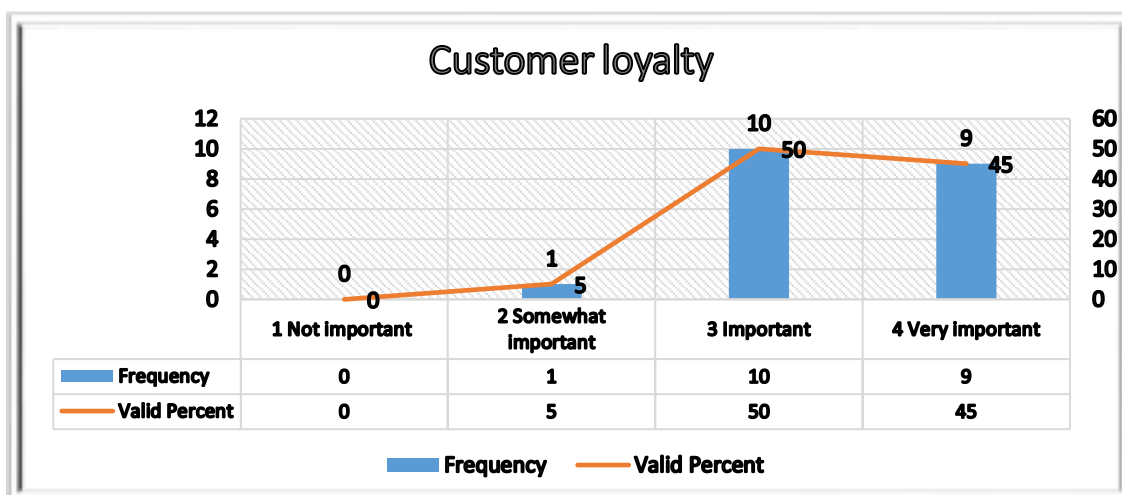


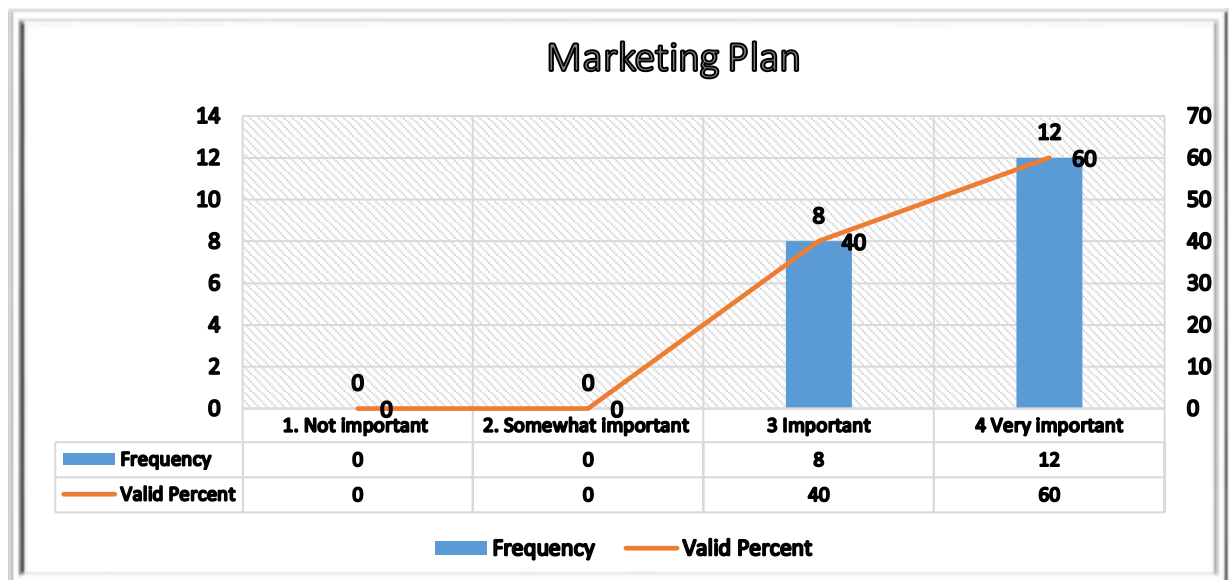
Figure 5.75: Customer loyalty

The sample comprised 20 respondents and all responded. Of these, 50.0% (n=10) indicated important and 45.0% (n=9) indicated very important. A further 7.9% (n=31) did not agree or disagree, while 5.0% (n=1) indicated somewhat important. The data indicate that the majority of respondents feel customer loyalty is important for TTA success. The findings are in line with Prentice, Wang and Lin (2018:3) who report that customer loyalty is important for an organisation to achieve growth and sustainability. According to Yoo, Bai and Singh (2018:258), it is important to assess customer value to ascertain the effectiveness of loyalty programmes.

Lee and Park (2019:182) indicate that customer equity influences the relationship between satisfaction and loyalty in a positive way. Therefore, TTA customer loyalty will be influenced by the level of staff commitment to encourage repeat business from customers. The TTA should ensure that employees are committed to quality customer relationships to boost customer loyalty. According to Koutsothanassi *et al.* (2017:426), DMOs like the TTA should have powerful motivators to retain existing customers. The findings are in line with Objective 4 of the study.

◆ **Marketing plan**

The question sought to ascertain the importance of a marketing plan for DMOs. A marketing plan is a company blueprint that details the marketing strategies and objectives for the short and long-term (George, 2014:132).



**Figure 5.76: Marketing plan**

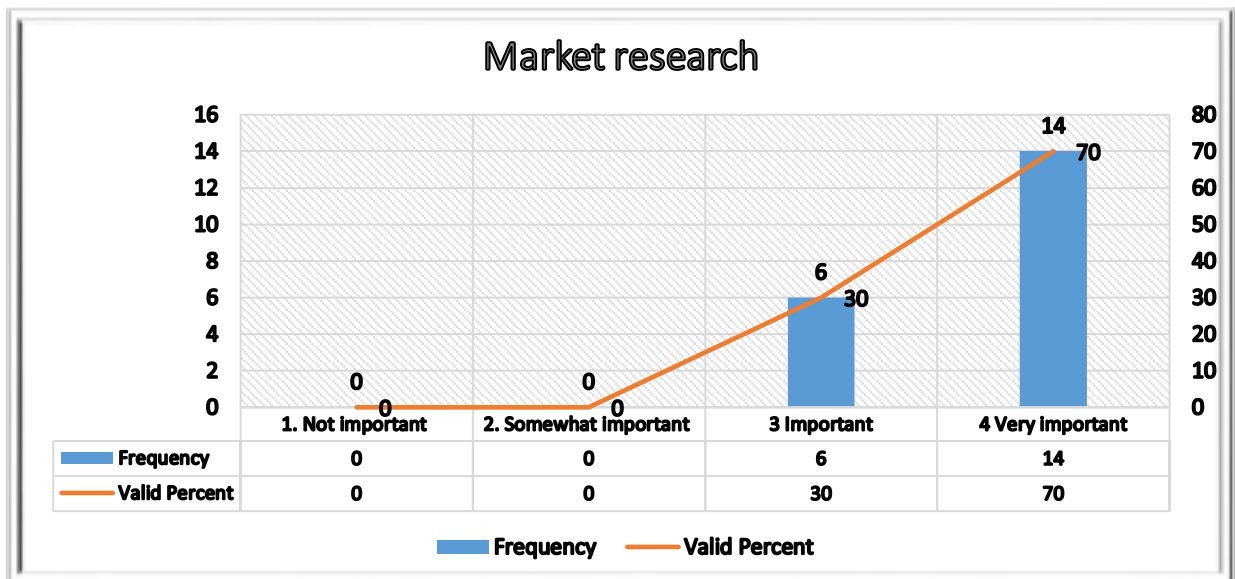
There was a total of 20 respondents and all responded, of which 60.0% (n=12) indicated very important and 40.0% (n=8) indicated important. The data reflect that all the respondents agree that marketing planning is important for TTA success as a DMO. TTA marketing planning is important because it helps to develop products and services that meet the needs of the target

market. The findings corroborate those of Ojo, Mulvaney, Mazzotta and Berry (2018: online), that an organisation that uses the marketing plan with intention to succeed, achieves a great sense of fulfilment and accomplishment. Furthermore, effective marketing assists TTA customers to understand why their service is better than or different from the competitor (Malhotra, 2010:255). According to Ponomarenko (2018:111), organisations should compile a digital marketing plan that would enhance its overall digital performance and meet the needs of a customer from a digital era.

TTA should ensure that the process involves top management delegating the planning to the planner, focus on long-term planning, develop suitable company goals, everybody is committed to the process of marketing planning. Marketing planning is separate from the entire management process and management needs to guard against making intuitive decisions that may go against the marketing planning. The findings are in line with Objective 3 of the study.

◆ **Market research**

The question sought to establish the importance of market research for DMOs. Market research involves gathering, analysing and interpreting information about a market, to design services that will attract new and retain existing markets (Kotler *et al.*, 2016:111).



**Figure 5.77: Market research**

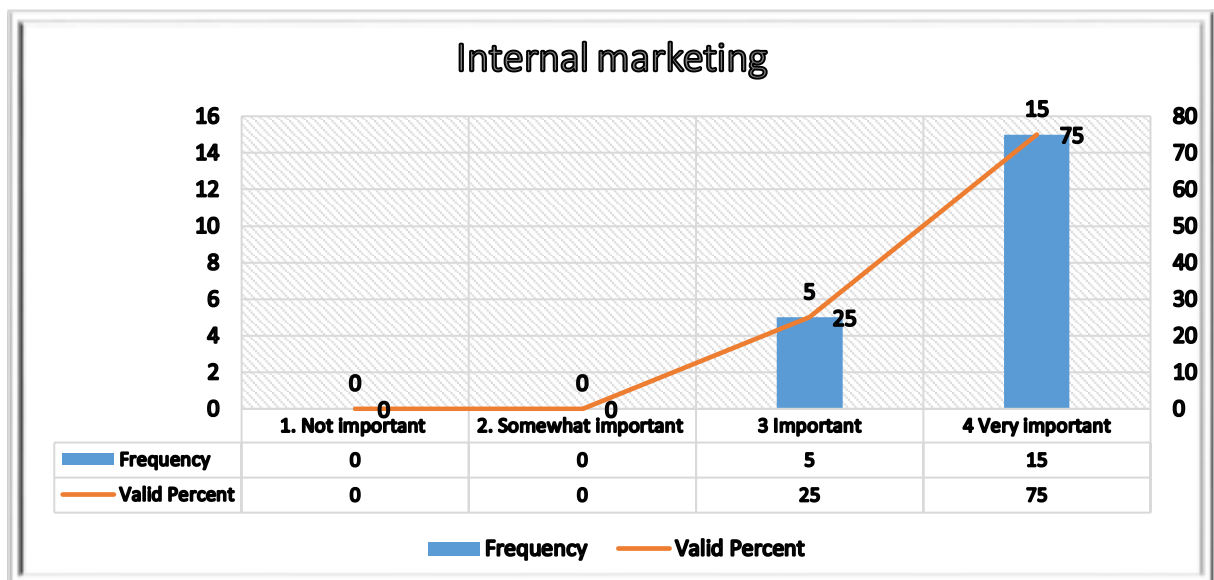
The sample comprised 20 respondents and all 20 responded. Of these, 70.0% (n=14) indicated very important and 30.0% (n=6) indicated important. The data indicate that all the respondents agree that market research is important for the success of the TTA CRM programme. According to George (2014:212), the purpose of market research is to investigate and collect data on existing customers and potential customers to assist with decision-making processes. The difference between market research and marketing research is that market research looks

at individuals and organisations and marketing research focuses on strategies for promotion and service mix.

TTA should investigate the market and services because customer needs and wants change over time. Failure to investigate the changing market needs and wants will cause the TTA to lose customers to competitors. The TTA will benefit by being able to make informed decisions about services, mitigate service risk of making wrong pricing decisions, forecasting and predicting scientifically what the future will hold and obtaining information about competitors. The findings are in line with Objective 3 of the study.

◆ **Internal marketing**

The question sought to ascertain the importance of internal marketing for the DMOs. Internal marketing is the promotion of an organisation’s objectives and services to employees to achieve quality service delivery (George, 2014:214).



**Figure 5.78: Internal marketing**

All 20 respondents in the sample responded, of which 75.0% (n=15) indicated very important and 25.0% (n=5) indicated important. The data reflect that all the respondents agree that internal marketing is important for the TTA CRM programme. Internal marketing is important to the TTA because it covers the promotion of objectives, products and services to employees within the organisation.

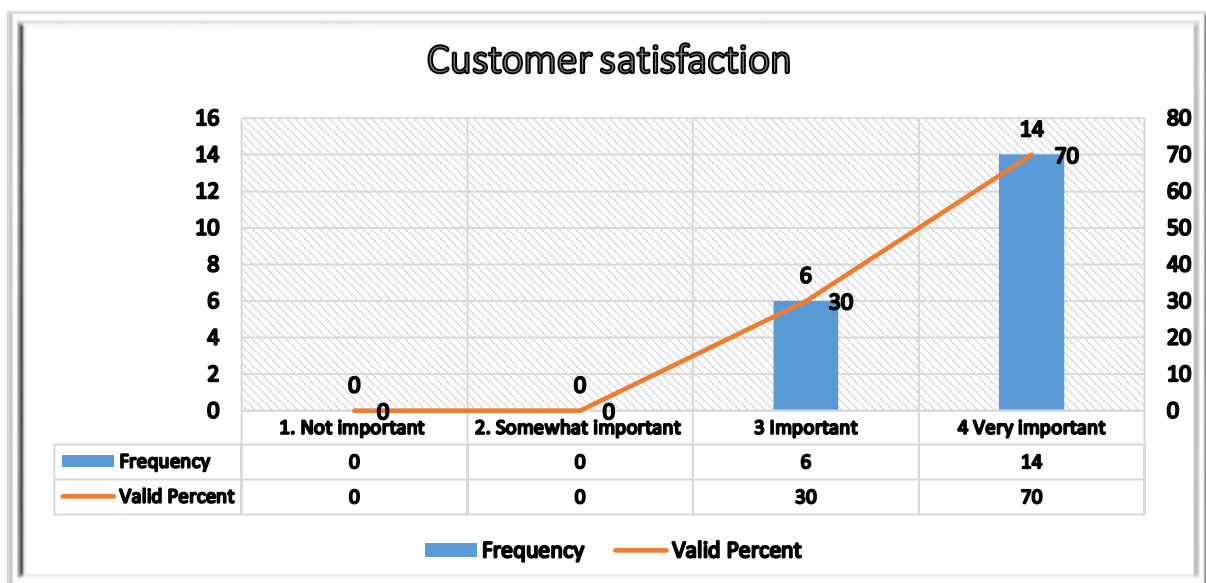
The findings align with Tang, Chang and Cheng (2017:693), that internal marketing has an impact on employee satisfaction and improves employee performance. Furthermore, the findings corroborate Wahab, Muhamad, Mohamad and Syafiqah’s (2016:533) findings, which show that internal marketing knowledge and management competencies are important for the

success of internal marketing performance. To, Martin Jr and Yu (2015:15) found that internal marketing processes in the organisation influence employees' perception of management commitment.

Pool, Khodadadi, and Kalati (2017:298) indicate that in a services-related industry, internal marketing plays a crucial role for small businesses. The TTA must make sure that employees are well trained in satisfying customers' requirements and to meet corporate objectives. Managers at the TTA should ensure that employees understand their customer service responsibilities and take pride in serving customers to their best ability. The TTA must take steps to achieve customer-centred service delivery, enhance external business relationships, improve internal flow of information, comply with standards and protocols, improve brand reputation and increase revenue. The findings are in line with Objective 3 of the study.

◆ **Customer satisfaction**

The question sought to determine the importance of customer satisfaction for DMOs. Customer satisfaction is defined as an organisation's ability to meet or exceed customer expectations (Kotler *et al.*, 2016:123).



**Figure 5.79: Customer satisfaction**

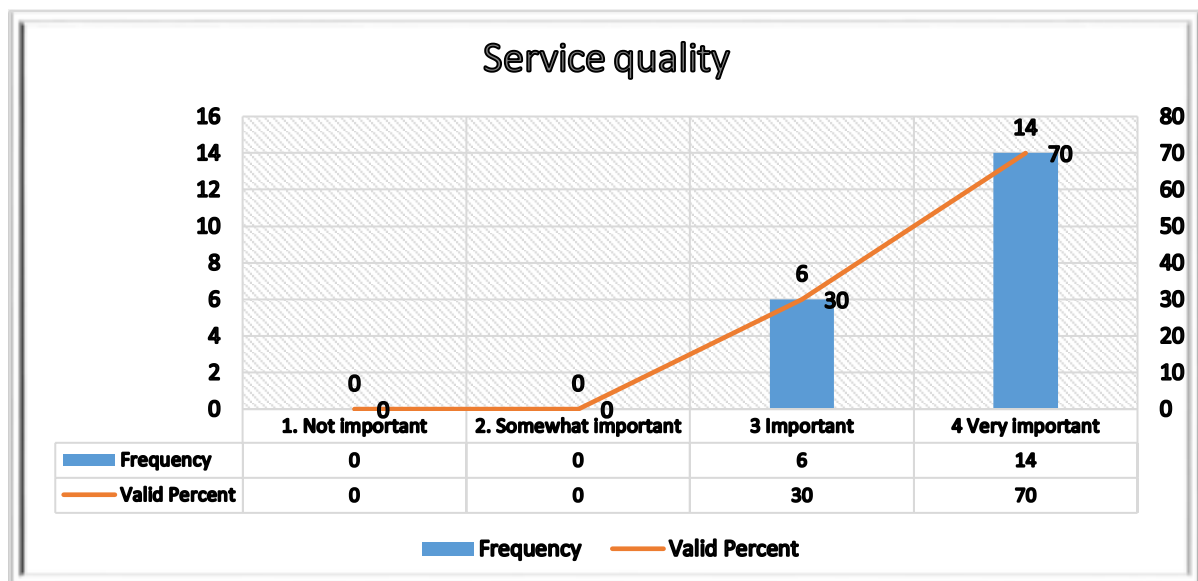
All 20 respondents in the sample responded, of which 70.0% (n=14) indicated very important and 30.0% (n=6) indicated important. The majority of respondents agree that customer satisfaction is important for the TTA CRM programme to succeed. This finding corroborates Cheng *et al.*'s (2019:109) finding that customer satisfaction has a significantly positive and direct effect on customer loyalty. According to El-Adly (2018:330), customer satisfaction has a direct positive effect on customer loyalty. The findings are in line with Nguyen *et al.*'s

(2018:119) finding that customer satisfaction is significantly impacted by corporate image, service quality, price, perceived value and customer loyalty.

According to Lacej and Kalaj (2015:637), delivery and quality are positively associated with customer satisfaction. The organisation should ensure that customer satisfaction is achieved throughout the service delivery. The TTA will benefit from customer loyalty by greater profits, brand differentiation, increased customer lifetime value and fewer negative word of mouth reviews. The TTA needs to ensure that the entire team is committed to improving customer satisfaction every day. It is important for the TTA to measure customer satisfaction progress periodically through surveys. Satisfied customers will recommend the TTA to their network. Customer advocacy is a very efficient form of free marketing (Theresia & Bangun, 2017). The findings are in line with Objective 4 of the study.

◆ **Service quality**

The question sought to establish how important service quality was to the DMOs. Quality is when the organisation delivers the expected service without defects (Lu *et al.*, 2015:168).



**Figure 5.80: Service quality**

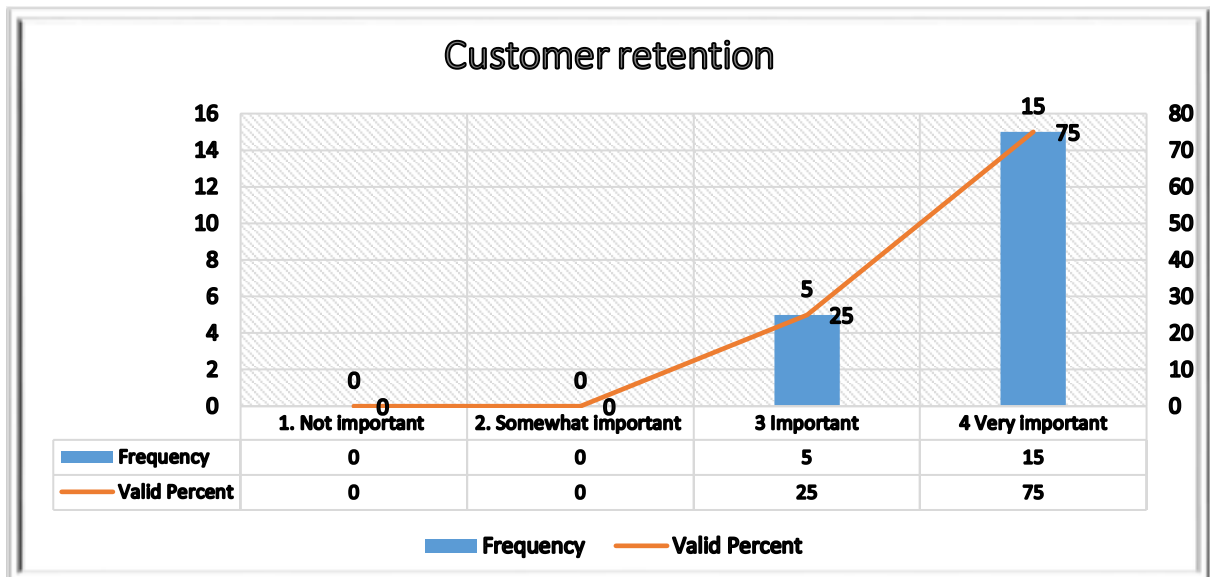
All 20 respondents in the sample responded, of which 70.0% (n=14) indicated very important and 30.0% (n=6) indicated important. The data reflect that all of the respondents agree that service quality is important for the TTA to succeed in its efforts to implement a CRM programme. The findings are in line with Budianto (2019:299), that quality of service is significant to customer loyalty. Mensah and Mensah (2018:34) report that service quality has a significant effect on customer satisfaction. Furthermore, Kaura *et al.* (2015:421) determined a positive relationship between service quality, repurchase intention and willingness to recommend through word of mouth. Paul, Mittal and Srivasta (2016:608) found that service



quality parameters do have an effect on customer satisfaction. The organisation should ensure that employees are fully involved in customer care processes to achieve quality services. The TTA will benefit from customer retention by more word-of-mouth referrals and increased profitability. The TTA should take steps to ensure that customer service focus is on treating customers well, answering their questions and exceeding their expectations. This approach will assist the TTA to engage customers, retain customers and build a strong CRM programme. Retaining loyal customers is far less expensive than trying to get new ones (Siddiqi, 2011:32). The findings are in line with Objective 3 of the study.

◆ **Customer retention**

The question sought to establish the importance of customer retention for the DMOs. Customer retention means the activities and actions that organisations implement to reduce the number of customers attracted to a competitor (Kotler *et al.*, 2016:97).



**Figure 5.81: Customer retention**

There was a total of 20 respondents in the sample and 20 responded, of which 75.0% (n=15) indicated very important and 25.0% (n=5) indicated important. The data indicate that all of the respondents agree that customer retention is important for the successful implementation of a TTA CRM programme. The findings corroborate the findings of Cheng *et al.* (2019:200), that service quality in an organisation leads to customer satisfaction and customer satisfaction ultimately results in customer retention.

According to Kim *et al.* (2019:78), customer retention is the catalyst for long-term profitability but 79% of customers will switch to a competitor if they experience inferior quality in an organisation’s services. Jaiswal, Niraj, Park and Agarwal (2018:27) indicate that customer retention is signified by the length of the customer’s relationship with the organisation. For the

organisation to retain customers, consistent service quality is important. The TTA should ensure that the customer care training places emphasis on service quality to retain customers. Chahal and Bala (2017:3) report that a 1% improvement in customer retention revenue has an almost five times greater positive impact on organisation value add.

TTA will benefit from retaining customers by becoming more profitable and increased word-of-mouth referrals. Customer retention is important to the TTA because it retains current customers on whom budget was spent on acquiring. Customer retention will assist in increasing the profitability of the TTA in the long term (Chochořáková *et al.*, 2015:82-83). The findings are in line with Objective 4 of the study.

◆ **Tourism growth**

The question sought to determine the importance of tourism growth for the DMOs. Tourism growth, often called tourism development, is the rate at which the number of tourists increase, which results in economic growth (George, 2014:192).

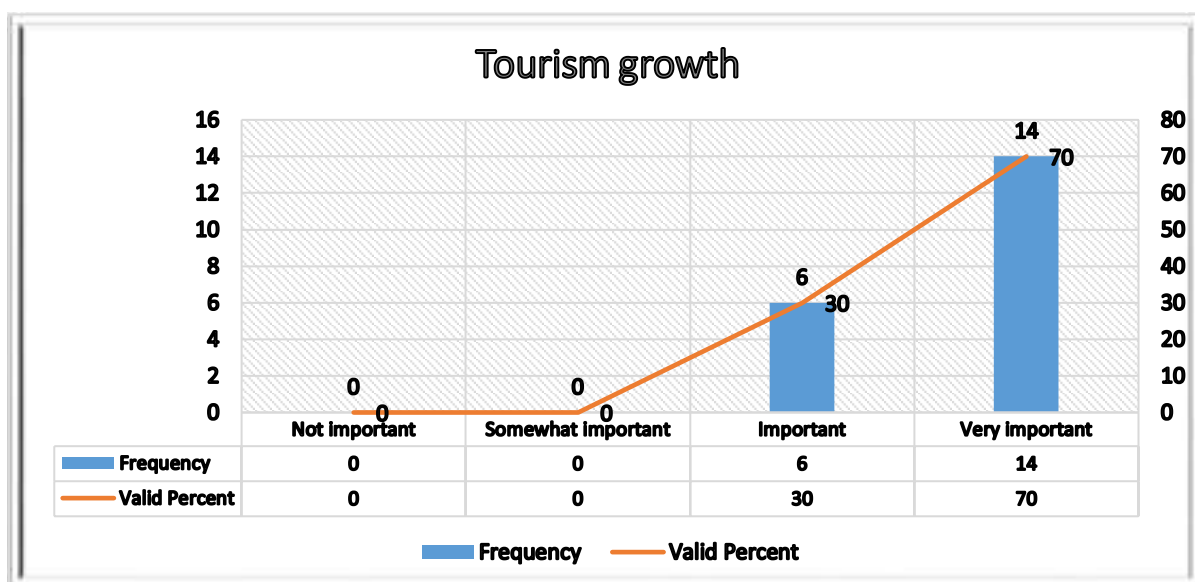


Figure 5.82: Tourism growth

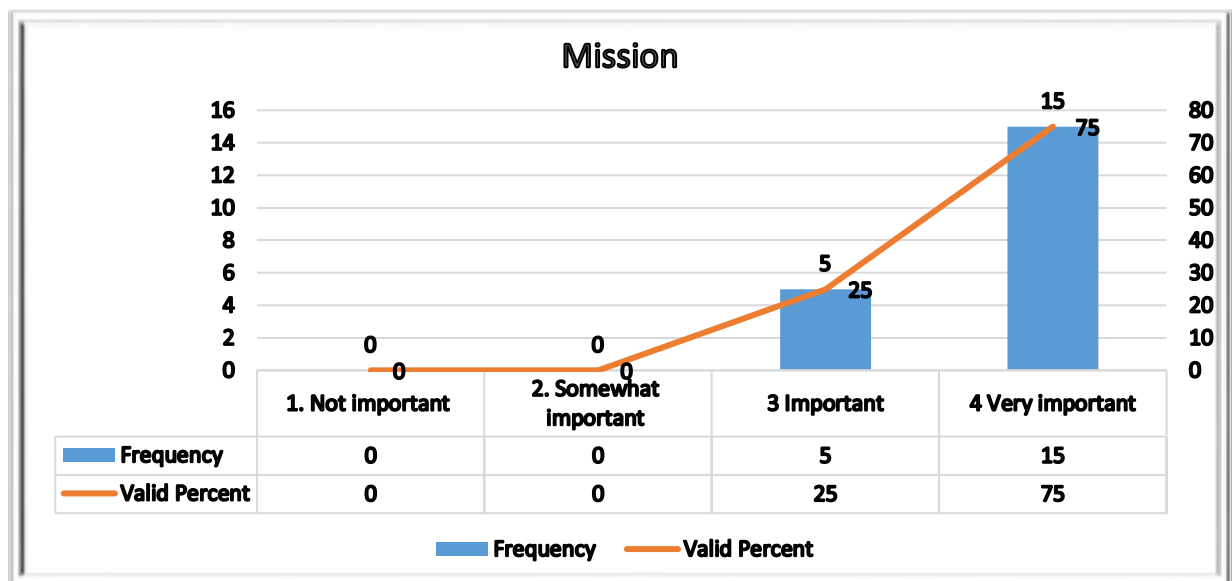
All 20 respondents in the sample responded, of which 70.0% (n=14) indicated very important and 30.0% (n=6) indicated important. The data indicate that all the respondents agree that tourism growth is important for the success of TTA destination marketing efforts. The findings are in line with Li, Jin and Shi (2018:136) who report that tourism has the potential to increase economic growth of a destination. The findings align with Zhang and Gao (2016:227), that Portuguese regional tourism positively affected economic growth. According to Chulaphan and Barahona (2017:404), studies have not only discovered evidence of economic-led tourism growth and tourism-led economic growth but also a bidirectional relationship between economic and tourism growth. The advantages of tourism growth in South Africa include

employment opportunities for the communities, growth of the service sector and foreign exchange revenue earnings. The TTA should have in place a strategic marketing plan and CRM programme that will enable it to take advantage of tourism growth.

The TTA marketing strategy should consider tourism benefits that the CoT offers and by so doing, it will assist in promoting growth and development of the CoT, promote quality tourism services, provide for effective domestic and international marketing of the CoT as a tourist destination and enhance co-operation and co-ordination amongst all spheres of the local government in the CoT in promoting tourism. The findings are in line with Objective 2 of the study.

◆ **Mission statement**

The question sought to establish the importance of a mission statement for the DMOs. A mission statement defines what an organisation is, why it exists and its reason for being (Kotler *et al.*, 2016:134).



**Figure 5.83: Mission statement**

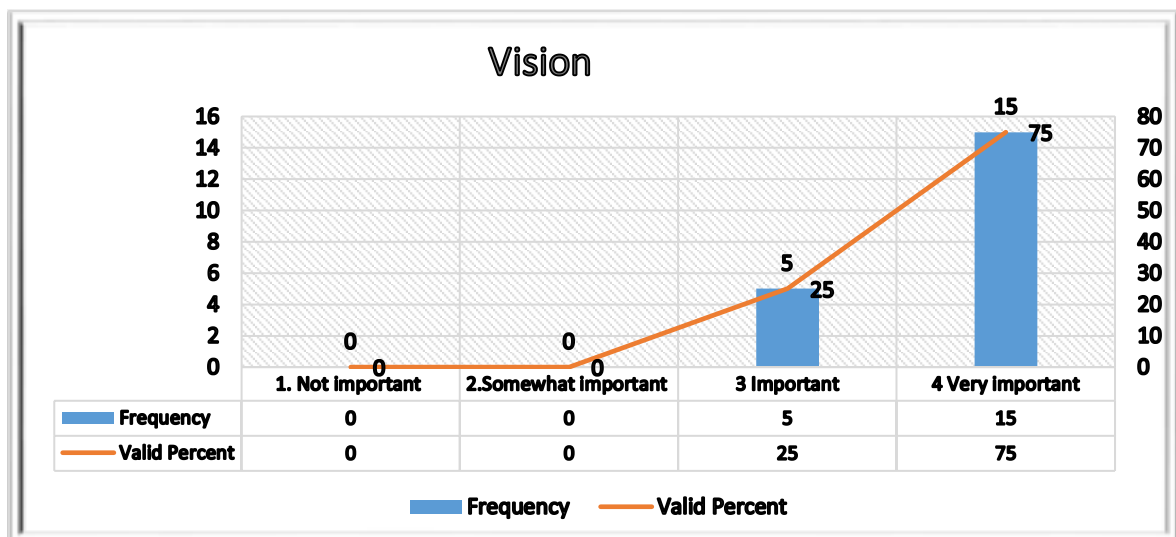
All 20 respondents in the sample responded, of which 75.0% (n=15) indicated very important and 25.0% (n=5) indicated important. The data indicate that all the respondents agree that a mission statement is important for the successful implementation of a TTA marketing plan. According to Duygulu, Ozeren, İşıldar and Appolloni (2016:709), for the SMEs to be sustainable and show service performance growth, the mission statement is important. Patel, Booker, Ramos and Bart (2015:770) indicate that a mission statement plays a role in inspiring and motivating stakeholders, which results in a focused organisation. Furthermore, Taiwo, Lawal, Agwu (2016:12) report that internal policies and programmes should be aligned with

mission, vision and staff behaviour. The mission statement will assist the TTA to ensure co-operation and purpose internally, motivate the utilisation of resources, create a co-ordinated and balanced organisational climate, to become a focal point to those who are focused on the business mission and expose those who do not comply with the vision.

A mission statement is important for the TTA because it defines the business, products or services and customers. In addition, a mission statement allows the TTA to differentiate itself from competitors by answering three key questions—what do we do, for whom do we do it and what is the benefit. Without the mission statement, it is impossible for the TTA to develop a successful CRM programme and an effective strategic marketing plan (Pike, 2015:217). The findings are in line with Objective 2 of the study.

◆ **Vision statement**

The question sought to determine the importance of a vision statement for the DMOs. A vision statement is a proclamation of an organisation’s objectives aimed at reminding the stakeholders of the firm’s direction (George, 2014:194).



**Figure 5.84: Vision statement**

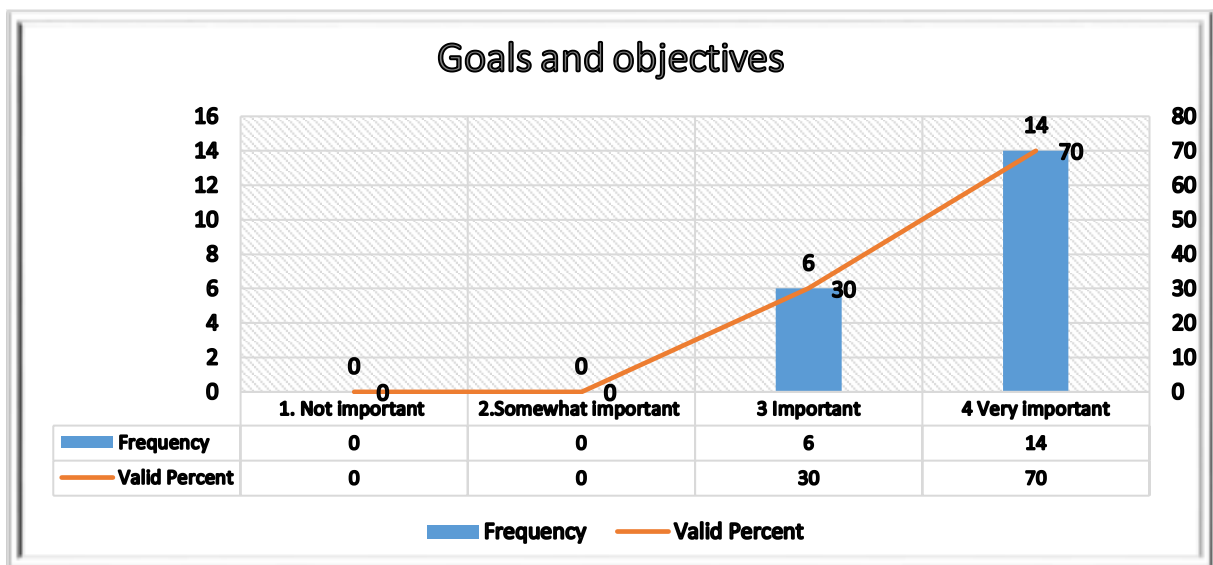
All 20 respondents in the sample responded, of which 75.0% (n=15) indicated very important and 25.0% (n=5) indicated important. The data indicate that all of the respondents agree that a TTA vision statement is important for the successful implementation of a CRM marketing plan and CRM programme. A vision statement is important for the TTA because it defines the business purpose and focuses on goals and future objectives.

The findings corroborate the conclusion of Law and Breznik (2018:42), that acquiring and retaining customers by presenting the core values of the firm and the values understood by stakeholders about the organisation’s vision, resulted in improved performance results for

those organisations. According to Yadav and Sehgal (2019:210), the development of vision and mission statements is an integral part of strategic management. A mission statement defines the TTA approach towards achieving the vision. A vision statement outlines the desired future position of the TTA. The TTA should design a powerful vision statement that will assist to position the CoT as a destination of choice. The findings are in line with Objective 2 of the study.

◆ **Goals and objectives**

The question sought to ascertain the importance of goals and objectives for the DMOs. Goals are short-term activities aimed at achieving objectives. The objectives are long-term activities that an organisation needs to achieve (Kotler *et al.*, 2016:127).



**Figure 5.85: Goals and objectives**

All 20 respondents in the sample responded, of which 70.0% (n=14) indicated very important and 30.0% (n=6) indicated important. The data reflect that all the respondents agree that goals and objectives are important for the successful implementation of a TTA marketing plan and CRM programme. According to Dror (2017:145), the organisation needs to identify, analyse and improve existing processes to achieve goals and objectives. The TTA should ensure that the marketing objectives outline what is to be achieved by marketing activities and strategies. The TTA should use a SWOT analysis to create marketing objectives and strategies.

TTA long-term objectives should be relevant to the mission statement and should be clear and specific with a realistic timeframe for achievement. The objectives should be practical and able to integrate the organisation and staff members. The TTA objectives are the mileposts to guide management and staff on the road to building business operations. TTA objectives are important because they convert visions into clear-cut measurable targets. Employees are very

clear as to what they are expected to achieve and when. This is important to achieving a successful CRM programme and effective marketing plan (Bang, Joshi & Singh, 2016:105). The findings are in line with Objective 3 of the study.

### 5.3.1.7 Importance of destination customer relationship-related factors

The questions sought to establish the importance of destination customer relationship-related factors for a DMO like the TTA to succeed.

The following sub-headings align with the study objectives as indicated in the introduction of this chapter. The tables present the findings on destination customer relationship-related factors.

#### ◆ Mutual goals

The question sought to determine the importance of mutual goals for the DMOs. Mutual goals can be defined as co-creation, meaning working together with customers to identify and prioritise customer care objectives (George, 2014:199).

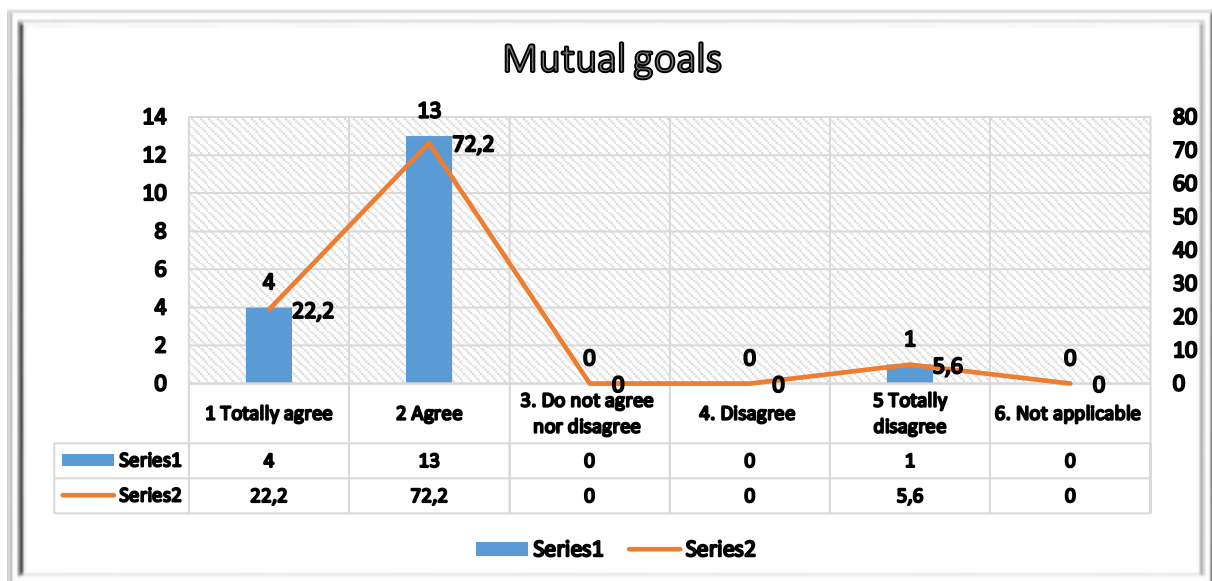


Figure 5.86: Mutual goals

All 20 respondents in the sample responded, of which 72.2% (n=13) agreed and 22.2% (n=4) totally agreed, while 5.6% (n=1) totally disagreed. The data reflect that the majority of respondents agree that mutual goals between members and the TTA will result in a successful TTA marketing plan and CRM programme. The mutual goals can be achieved through joint ventures (JVs) in specific identified projects. According to Holum (2019:3), management control in public sector JVs between municipalities in these services is very common in Norway

and several municipalities have chosen establishment of an independent legal entity (a municipal JV).

Shen and Cheung (2018:159) indicate that JVs are capable of alleviating the pressure of competition in the market. Furthermore, Razzaq, Thaheem, Maqsoom and Gabriel (2018:191) conclude that JVs are gaining popularity because of their importance in global competition. According to Minbaeva, Park, Vertinsky and Cho (2018:721) and Park and Cave (2018:1214), when partners decide to establish a JV, they expect to benefit from complementary resources and international JVs and this strategy has been pursued as an essential strategic option for multinational business operations.

The TTA should establish JVs with customers with the objective of achieving mutual goals, which include access to new markets and distribution networks, increased service delivery capacity, sharing of risks and costs (liability), access to greater resources such as specialised staff, technology and finance. The TTA will need to operate from a high ethical ground in terms of faithfulness to its partners. The TTA should involve customers in the process of JVs, which will assist in clarifying what they desire to do, understanding the importance of pursuing ventures and commitment to making them happen (Harding & Alexander, 2019:105). The findings are in line with Objective 5 of the study.

◆ **Marketing resources**

The question sought to determine the importance of marketing resources for the DMOs. Destination marketing can be defined as promoting a destination like a town, city, region, province or country to increase the number of customers (Kotler *et al.*, 2016:176).

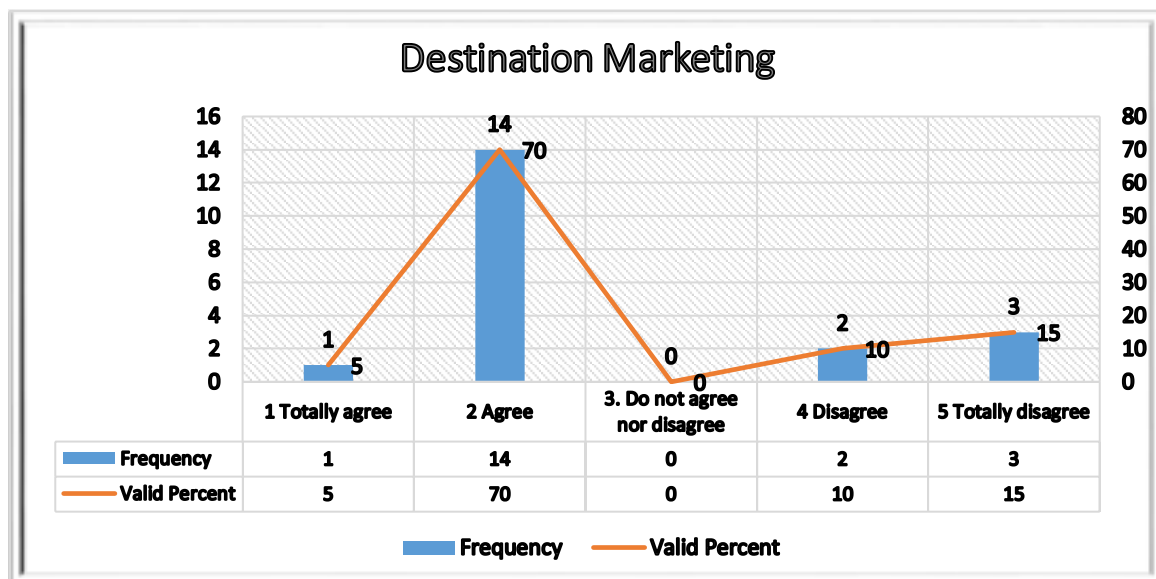


Figure 5.87: Destination marketing resources

All 20 respondents in the sample responded, of which 70.0% (n=14) agreed and 15.0% (n=3) totally disagreed. Furthermore, 10.0% (n=1) disagreed and 5.0% (n=1) totally agreed. The data reflect that majority of respondents agree that TTA customer relationships rely on destination marketing resources to maintain them. The findings are in line with the study of Hernandez (2019:278) who concluded that the destination resources and tourist co-creation processes impact on the customers' emotional and social value of services.

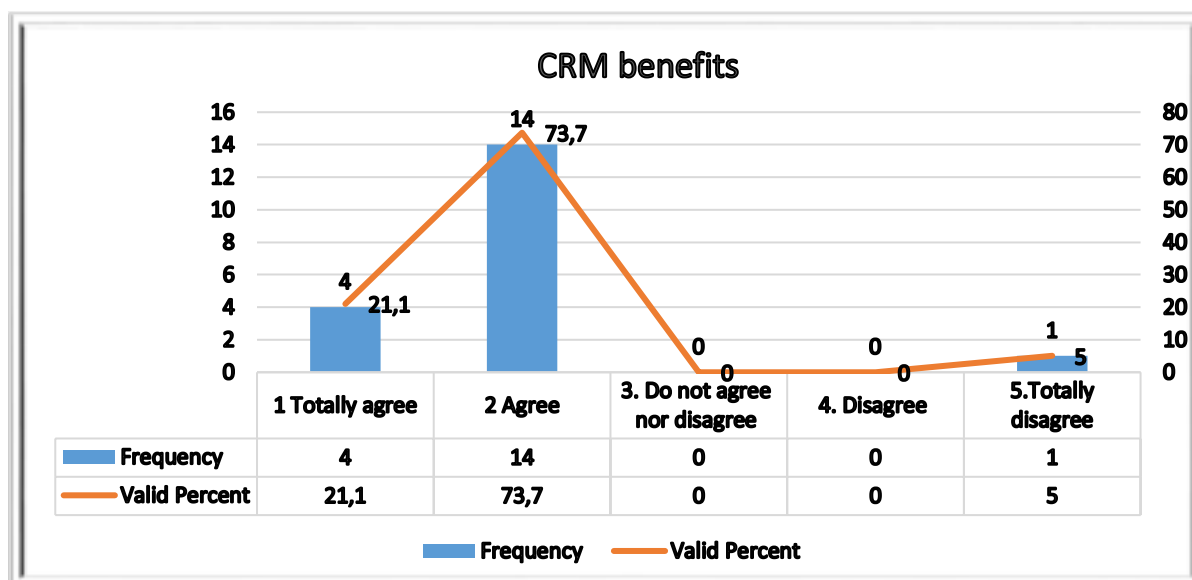
TTA should collaborate with the CoT to manage the tourism resources through providing memorable experiences of accommodation, facilities, amenities, activities and food with continuous development to achieve increased tourist visits and profits. According to Sangpikul (2018:120), the travel experience is crucial for a destination because tourists with positive experiences of services and other resources provided at tourism destinations are likely to return. The findings corroborate those of Okumus and Cetin (2018:226) in Istanbul, that there is increased recognition of the importance of culinary resources in destination marketing. Furthermore, the findings are in line with Salehzadeh, Khazaei and Soleimani's (2016:208) findings that information resources about the destination used by tourists have a significant effect on destination image and customer decision-making process. The role of the TTA as well as destination marketing is especially significant because an increase in the number of visitors bolsters the tourism sector as well as the economy as a whole, thereby increasing financial muscle to support the resources necessary to implement an effective CRM programme.

TTA should have in place a resource strategy and the support mechanisms required to take advantage of the financial resources flowing from the tourism increase (Xu & Meyer, 2013:1322; Navaratnaseel & Periyathampy, 2014:127; Pike 2015:222). The findings are in line with Objective 3 of the study.

#### ◆ **Benefits of customer relationship programmes**

The question sought to establish if DMOs could benefit from customer relationship programmes. Customer relationship programmes can be described as the organisation working together with a customer to achieve satisfaction through the purchase of goods or services (George, 2014:220).





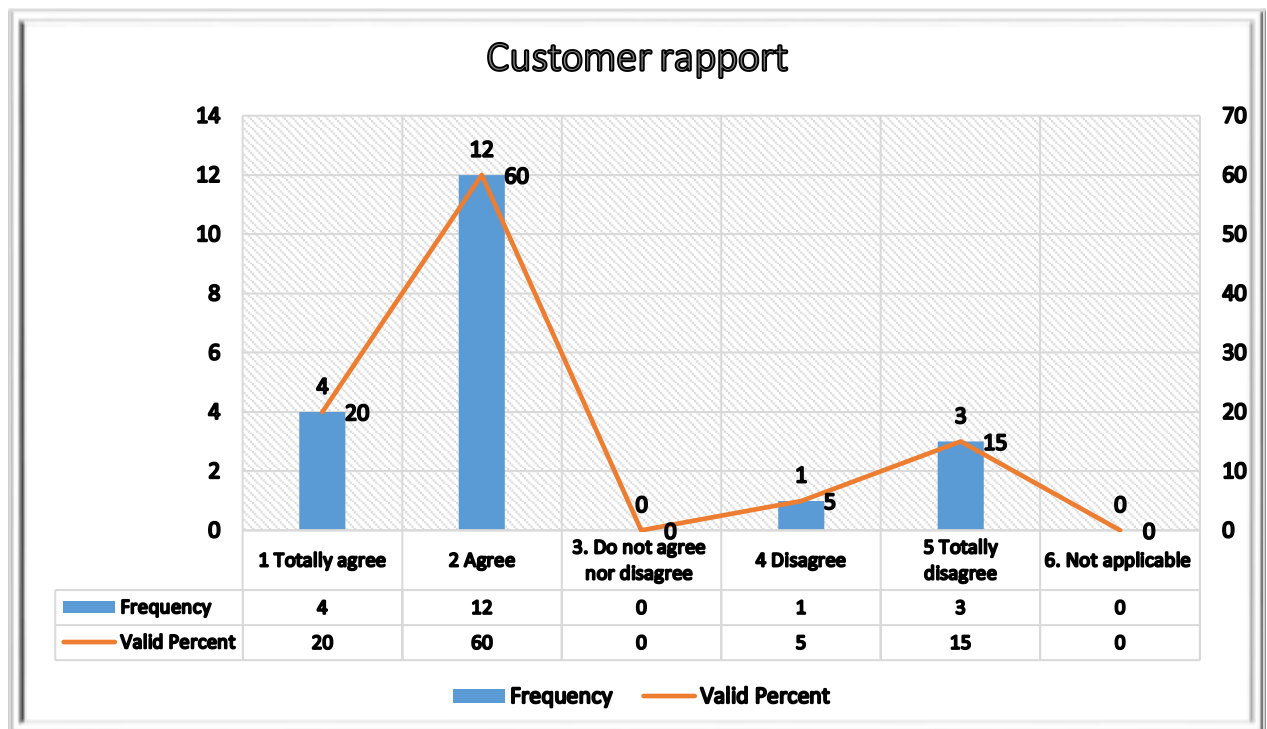
**Figure 5.88: Benefits of customer relationship marketing programme**

Of the 20 respondents in the sample, 19 responded, of which 73.7% (n=14) agreed and 21.1% (n=4) totally agreed, while 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that destinations can benefit from customer relationship programmes with the TTA and ultimately tourism businesses benefit the area by creating jobs and providing more choices. The findings corroborate Salojärvi, Ritala, Sainio and Saarenketo's (2015:759) findings that customer relationship orientation has a positive effect on customer relationship performance. According to Das and Mishra (2019:51), CRM is necessary for successful organisational operations.

TTA should build good business relationships with the stakeholders in the CoT area through developing an effective CRM programme. As with all relationships, the most important factor in building strong business relationships is trust. The TTA should guard against being hard to contact since this can make stakeholders doubt the TTA's reliability and feel less secure about doing business with the TTA (Brockett, Village & Francis, 2009:248; Pike, 2015:79). The successful implementation of the CRM programme will benefit the TTA with better customer relationships, an ability to cross-sell services, better efficiency in serving customers, improved employee satisfaction, increased revenue and profitability, improved cost savings and less customer attrition. The findings are in line with Objective 5 of the study.

◆ **Establishment and maintenance of customer rapport**

The question sought to establish if customer rapport was important for DMOs. Customer rapport means the organisation's employees have the ability to understand and meet the customers' needs, which encourages trust and creates common ground (George, 2014:221).



**Figure 5.89: Maintenance of customer rapport**

All of the 20 respondents responded, of which 60.0% (n=12) agreed, 20.0% (n=4) totally agreed, while 15.0% (n=3) totally disagreed and 5.0% (n=1) disagreed. The data reflect that the majority of respondents agree that the establishment and maintenance of customer rapport is a result of customer relationships in a destination. According to Lin *et al.* (2017:e0183888), customer-employee rapport exerts a strong influence on customer perceptions of service delivery and service organisations. The findings align with Hwang, Han and Choo (2016:103), who conclude that customer orientation is an important predictor of rapport, which positively affects commitment. In addition, commitment is a consequence of customer satisfaction. Kaski, Niemi and Pullins (2018:250) indicate that customer rapport sets the stage for employee commitment, which results in a committed customer relationship.

TTA should implement customer rapport programmes that assist staff to develop skills in this area. The TTA will benefit from customer rapport programmes in the area of customer trust, open communication, confidence in abilities and product knowledge. The TTA needs to take into consideration that one of the most important aspects of good customer service is knowing how to build good rapport with customers. Rapport is the sense that two or more people are on the same page. The TTA needs to ensure a solid rapport with customers so that communication and ideas are able to flow easily, especially in the CRM programme (Grönroos, 2009:358; Mahmoud *et al.*, 2017:182). The findings meet Objective 4 of the study.

◆ **Employee positive feelings inside the organisation**

The question sought to determine the importance of employees' positive feelings for the DMOs. Employees' positive feelings indicate a general atmosphere of satisfaction amongst the staff, leading to quality service delivery (George, 2014:195).

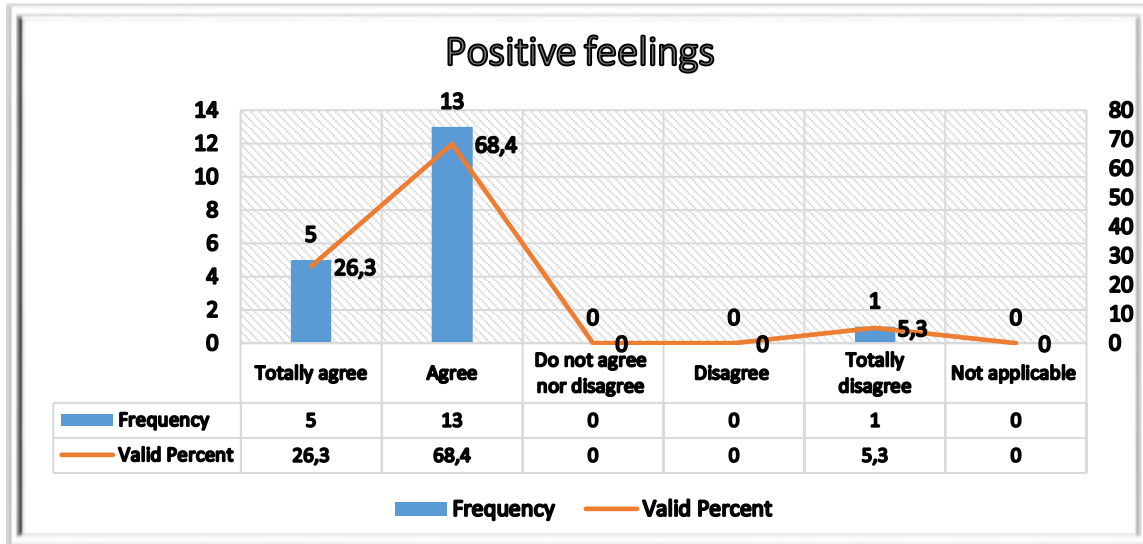


Figure 5.90: Organisation positive feelings

Of the 20 sampled respondents, 19 responded, of which 68.4% (n=13) agreed, 26.3% (n=5) totally agreed and 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that customer relationships produce positive feelings inside the organisation and customers. According to Sayil, Akyol and Simsek (2019:423), relationship marketing means keeping in touch with valued customers and studies have shown that communication has a positive impact on customer satisfaction.

TTA need to value staff for their contribution to the business, which will lead to employees having high morale and a positive attitude toward the organisation. The TTA needs to create a healthy corporate culture as it can help retain valuable employees, reduce human resource costs, enhance staff commitment and retain customers (Prayetno & Ali, 2017:459). Frederickson *et al.* (2009:13686) identify the 10 most common positive emotions as joy, gratitude, serenity, interest, hope, pride, amusement, inspiration, awe and love.

The findings are in line with Objective 4 of the study.

◆ **Reduce costs and complaints**

The question sought to ascertain the importance of reduced costs and complaints for the DMOs. A customer complaint is when there is general dissatisfaction about the service

reported from a customer. Cost is the total amount that the organisation uses to design a service (Kotler *et al.*, 2016:186).

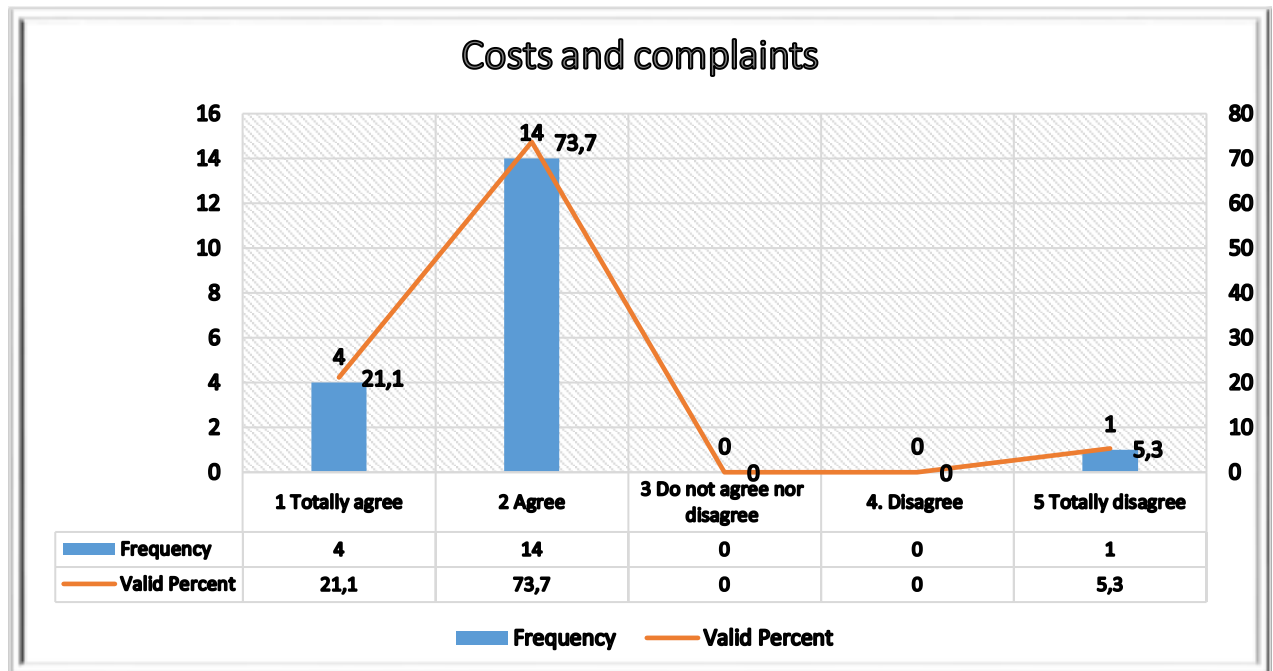


Figure 5.91: Reduction of costs and complaints

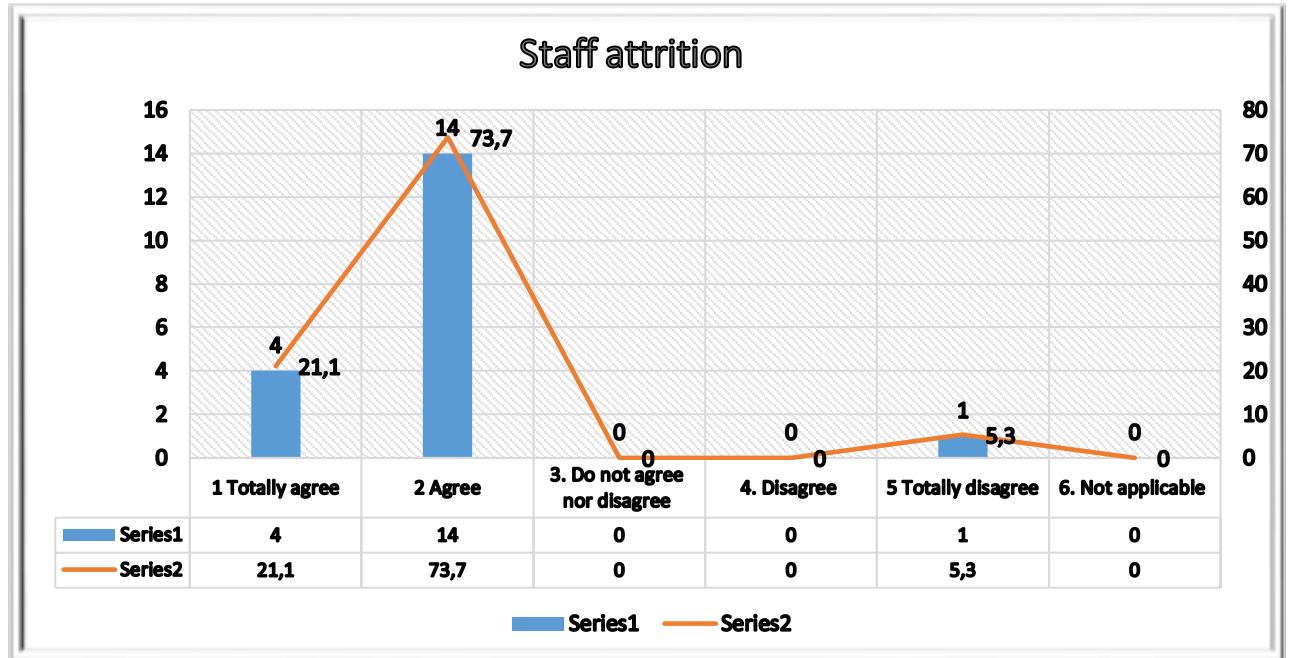
There were 20 respondents in the sample and 19 responded, of which 73.7% (n=14) agreed, 21.1% (n=4) totally agreed and 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that a good customer relationship strategy can reduce costs and complaints in the DMOs. The finding aligns with Wirtz and Zeithaml (2018:78) who found that cost emphasis comes from the top management strategies and activities that drive cost-effectiveness are not in conflict with service. Reguero, Beck, Bresch, Calil and Meliane (2018:3) indicate that wetland and oyster reef restoration are particularly cost-effective and demonstrate that cost effectiveness of nature-based and policy measures can be compared quantitatively, and that the cost effectiveness of adaptation measures does become affordable.

Meyers and Holusha (2018:288) conclude that the correct response to crisis in an organisation is better planning and tighter controls. Christensen, Fimreite and Læg Reid (2011:565) report that trust and risk perceptions play an important role in crisis management.

The TTA should focus on customer feedback because it is essential to gather valuable customer insight and allows identification of product or service failures. The TTA needs to ensure that there are processes in place to mitigate risks and handle complaints because is an opportunity to identify areas of improvement within the organisation. Furthermore, the TTA can benefit by putting cost controls in place, which will assist in lowering overall expenditure. Cost control measures is an important factor for maintaining and growing profitability (Wali & Wright, 2016:67). The findings are in line with Objective 5 of the study.

◆ **Reduced staff attrition**

The question sought to establish the importance of reduced staff attrition for the DMOs. Staff attrition means an organisation loses employees because they are dissatisfied (George, 2014:213). With attrition, an employer will not fill the vacancy left by the former employee.



**Figure 5.92: Staff attrition**

Of the 20 sampled respondents, 19 responded, of which 73.7% (n=14) agreed, 21.1% (n=4) totally agreed and 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that a good customer relationship strategy reduces staff attrition.

The findings align with El-Rayes, Smith and Taylor (2019:111), who found that identifying and resolving issues that cause employee attrition improves the organisation’s culture. This in turn enables the recruitment of higher quality employees who further positively impact on retention, internal operation and business practices.

The finding is in line with Alduayj and Rajpoot’s (2018:96) findings that employees who are well compensated for the work they do are likely to perform better, remain with the organisation and are less likely to leave (Gabrani & Kwatra, 2018:193). The TTA needs to focus on staff retention because a positive and motivated employee is crucial for successful service delivery. The TTA cannot ignore staff retention because high employee turnover increases expenses and has a negative impact on staff performance and productivity. TTA employee retention practices will support productivity (Haddad, 2017:57; Pike, 2015:212). The findings are in line with Objective 4 of the study.

◆ **Effective market research**

The question sought to determine the importance of effective market research for the DMOs. Market research means the organisation conducts research into customer characteristics, spending habits, location and needs, to deliver services effectively (Kotler *et al.*, 2016:167).

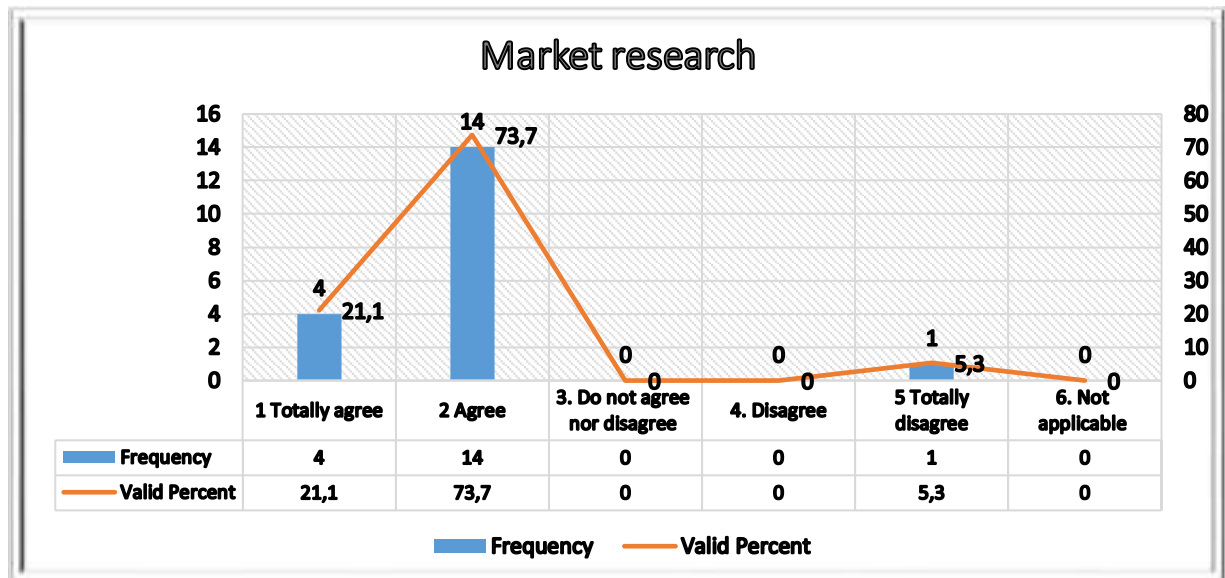


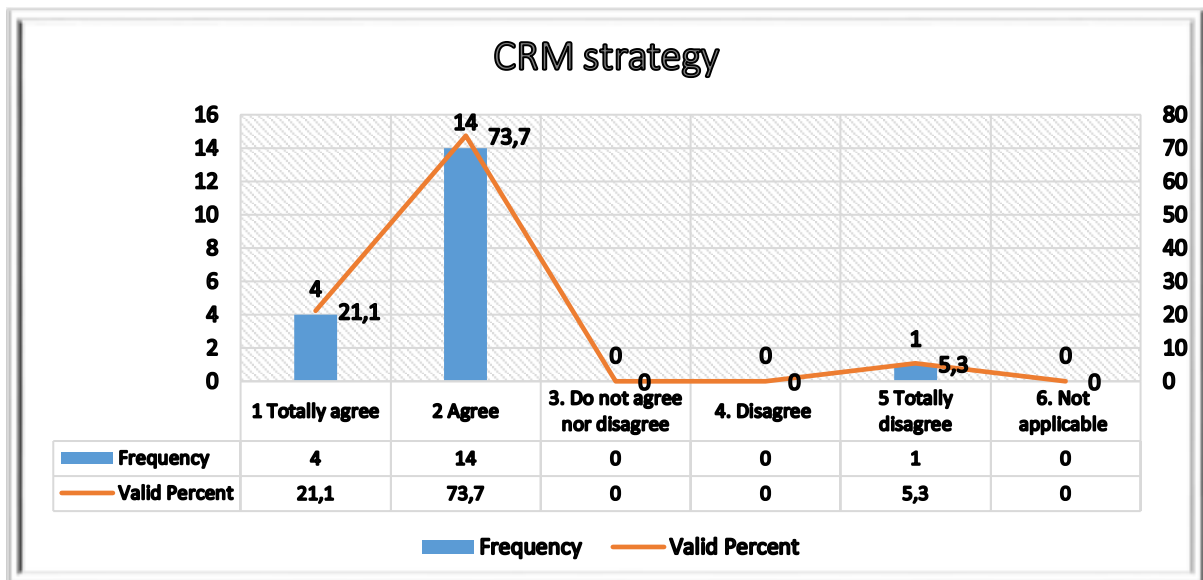
Figure 5.93: Market research

Of the 20 sampled respondents, 19 responded, of which 73.7% (n=14) agreed, 21.1% (n=4) totally agreed and 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that customer relationships enable effective market research. According to Joensuu-Salo, Sorama, Viljamaa and Varamäki (2018:9), an organisation that performs in a highly market-oriented area will possess high levels of the six marketing strengths, namely marketing research, product development, pricing, distribution, promotion and marketing management. The TTA needs to give serious attention to market research because it could strengthen its position in the market. The findings are in line with Objective 2 of the study.

◆ **Strategic marketing planning**

The question sought to establish if strategic marketing planning was important for DMOs.

Strategic marketing planning is an ongoing long-term process in which the organisation develops marketing strategies that will assist in identifying the promotional opportunities and implements these strategies (George, 2014:165).



**Figure 5.94: Strategic marketing planning**

Of the 20 sampled respondents, 19 responded, of which 73.7% (n=14) agreed, 21.1% (n=4) totally agreed and 5.0% (n=1) totally disagreed. The data reflect that the majority of respondents agree that it is important that a good customer relationship strategy strengthens the strategic marketing planning in a DMO. According to Drummond and Ensor (2001:3), strategic planning is timing of the proper moment to implement strategy, selection of strategies necessary to achieve goals, the allocation of resources needed to make the strategy a success and sequencing of strategies required to achieve objectives. Jain (2000:9) describes strategy in an organisation as:

The pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what businesses the company is in or wants to be in and the kind of company it is or is to be.

TTA should ensure that the strategy gives direction to all members of the organisation and addresses the potential results and development of reaction capability to changing environments.

George (2001:58): explains marketing planning as:

Marketing planning is the process by which a tourism and hospitality company attempts to analyse its existing resources and marketing environment to predict the direction it should take in the future.

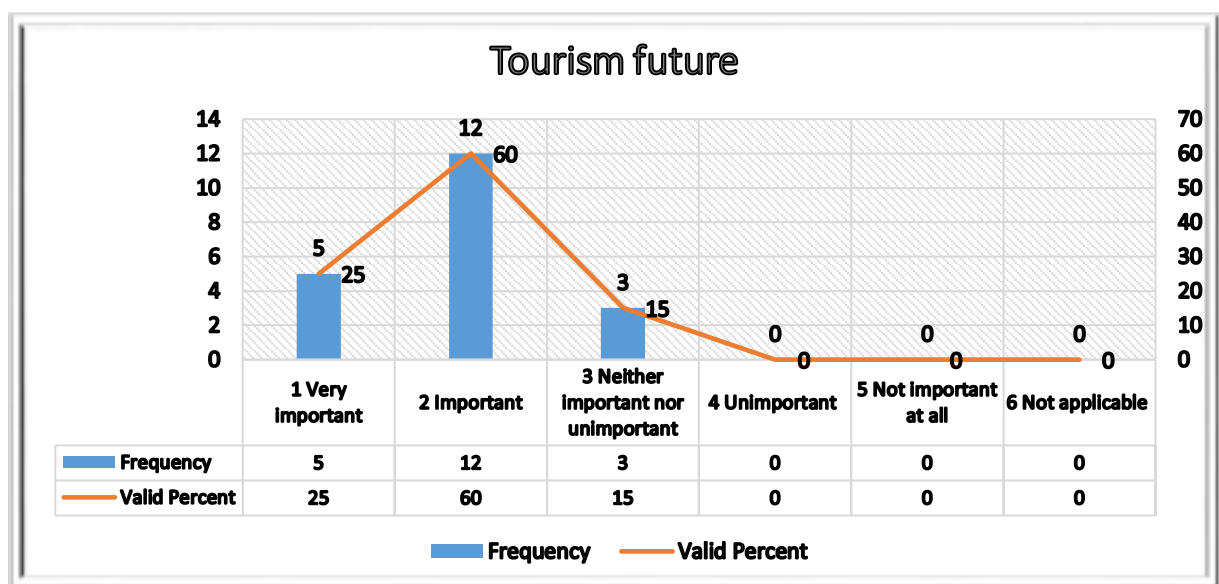
In essence, strategic planning is a tool that the organisation uses to organise its resources, operations, goals and objectives in a manner that they co-operate to achieve a common goal.

Marketing planning is important since it ensures that the tourism marketer targets the right markets and segments, ensures cost-effectiveness and causes marketers to focus on one offering at a time. The TTA should develop a strategic marketing plan to address its objectives,

shape its mission statement, strengths and weaknesses, complemented by plans for the future, as suggested by McDonald (2007:119). The findings are in line with Objective 3 of the study.

◆ **Shaping the future of tourism in South Africa**

The question sought to determine if the future of tourism in South Africa was important for the DMOs. Tourism can be described as a social, cultural and economic activity of individuals or groups travelling to countries and places away from their places of origin (Kotler *et al.*, 2016:145).



**Figure 5.95: Future of tourism**

All 20 respondents in the sample responded, of which 60.0% (n=12) indicated important, 25.0% (n=5) indicated very important and 15.0% (n=3) indicated neither important or unimportant. The data reflect that the majority of respondents agree that it is important that a DMO contributes to shaping the future of tourism in South Africa. According to WTTC (2018:4), South African tourism supported 1.5 million jobs in SA in 2017, which is 9.5% of total employment in the country, and estimates that by 2028 almost 2.1 million jobs in South Africa will depend on travel and tourism. Tourism contributes 9% of the total GDP direct, indirect and induced benefits in South Africa. The WTTC (2018:7) reports that tourism in South Africa contributed 1.5 million jobs and R425.8 billion to the economy in 2018, making it the largest tourism economy in Africa.

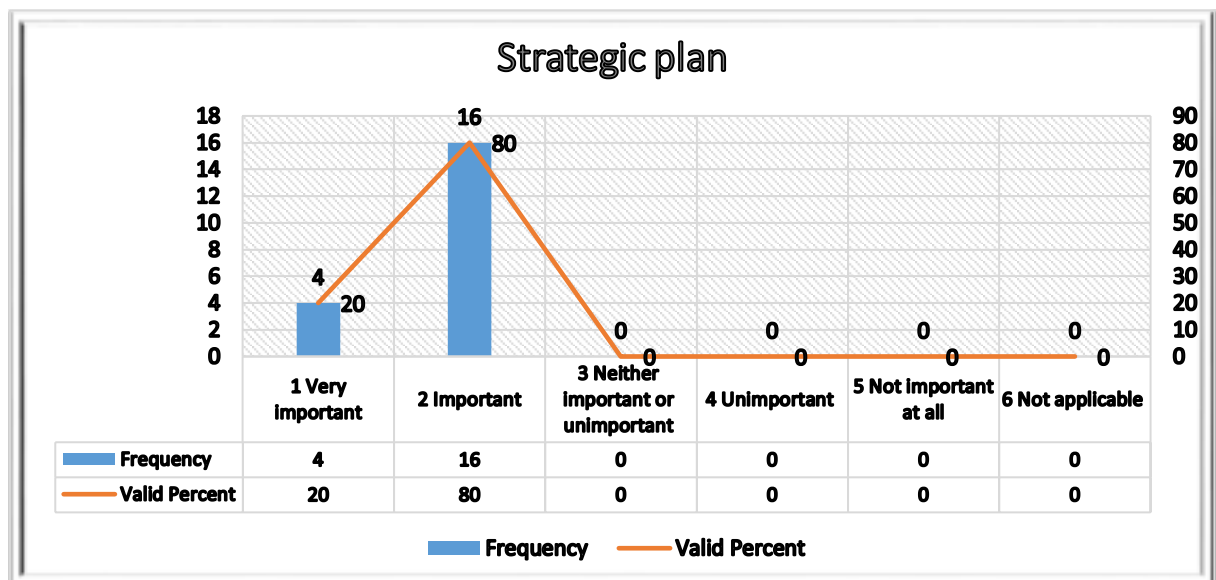
According to WTTC (2019:8), the South African travel and tourism sector contributed R425.8 billion to the country’s economy—the greatest contribution of any country in Africa—and generated 1.5 million jobs (9.2% of total employment). Leisure visitors generated 64% of the travel economy and 36% came from business travellers.



The South African tourism industry is important for the benefits it brings and its role as a commercial activity that creates demand and growth for many destinations like the TTA area (CoT). Tourism not only contributes towards economic activities but also generates employment, revenues and plays a significant role in development of cities like CoT. The TTA should take advantage of this tourism growth through effective CRM programmes and strategic marketing planning (George, 2014:77; SAT, 2019:11; TTA, 2019:32). The findings are in line with Objective 3 of the study.

◆ **Develop a long-term strategic plan**

The question sought to ascertain the importance of long-term strategic planning for the DMOs. Long-term planning is the activity of putting in place long-term processes that align with strategic goals to an achieve organisation’s objectives (George, 2014:79).



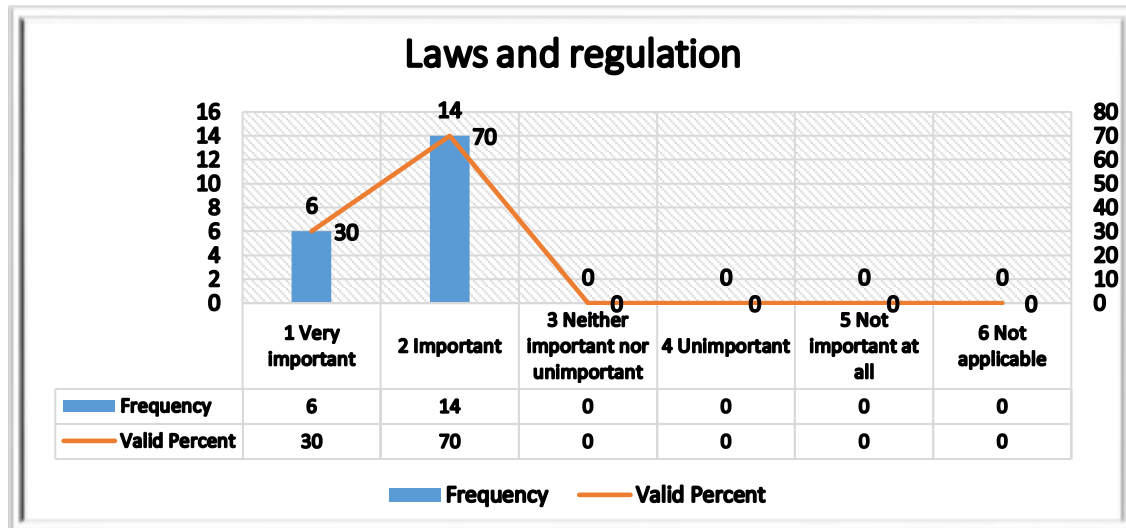
**Figure 5.96: Long-term strategic plan**

All 20 respondents in the sample responded, of which 80.0% (n=16) indicated important and 20.0% (n=4) indicated very important. The data reflect that all the respondents agree that it is important that universities and government should work together to develop a long-range plan to manage growth, protect community tourism and natural resources and ensure the future liveability of DMOs. According to Steiss (2019:118), strategies of marketing within an organisation are important to make strategic decisions that will ensure an organisation’s ability to turn goals and objectives into specific programmes, projects and activities.

Strydom (1992:131) indicates that objectives and goals should be subdivided into short-term (achievable within six or 12 months) and long-term (achievable after five years). The TTA needs to be proactive in long-term planning, rather than by simply reacting to market conditions. The findings are in line with Objective 2 of the study.

◆ **Laws and regulations**

The question sought to determine the importance of laws and regulations for the DMOs. The local authorities' laws and regulations can be described as binding legal activities aimed at controlling tourism activities in a destination (Kotler *et al.*, 2016:158).



**Figure 5.97: Laws and regulations**

All 20 respondents in the sample responded, of which 70.0% (n=14) indicated important and 30.0% (n=6) indicated very important. The data reflect that all the respondents agree that it is important that laws and regulations passed by local governments should not be allowed to limit the rights of destination tourism developers and private tourism property owners.

According to SA Tourism (2019:17), the South African Tourism Act 3 of 2014 governs and regulates the tourism sector in the country. The aims of the Act are:

- To provide for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors;
- To provide for the continued existence of the South African Tourism Board;
- To provide for the establishment of the Tourism Grading Council;
- To regulate the tourist guide profession;
- To repeal certain laws; and
- To provide for matters connected therewith.

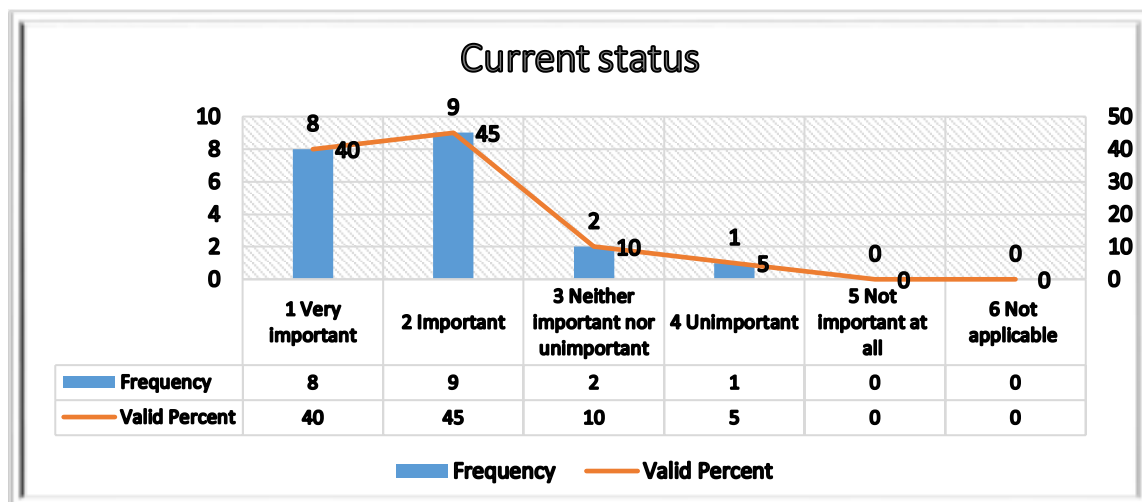
The South African Tourism Act aims to provide support and create an enabling environment for tourism activities (South Africa, 2014:3). The findings are in line with Alsarayreh (2018:196), who concludes that tourism companies are developing relationships with employees and thereby practising social responsibility in line with amending laws and regulations.

The findings corroborate Alrawadieh, Karayilan and Cetin's (2019:720) findings that bureaucracy, complex procedures, limited mobility freedom, unclear laws, lack of special legislation and privileges for refugee entrepreneurs and unfair tourism regulations all hinder the development of tourism. According to UNWTO (2019:321), the purpose of travel legislation is to provide a regulatory framework for the proper development and management of tourism activities. Ideally, this will aid in the conservation of natural resources and the preservation of cultural traditions. Fong, Wong and Hong (2018:259) report that changes in regulations have stimulated the development of the local tourism industry, which has stagnated with a gradual decline in tourist arrivals. The TTA needs to ensure that government rules and regulations benefit and protect tourism growth in the CoT.

The TTA should ensure that laws and regulations passed by local governments do not limit the rights of destination tourism developers and private tourism property owners. The TTA needs to actively engage government authorities on the benefits of allowing the CoT freedom of tourism business activities and to access land for this purpose (Kotler & Armstrong, 2012:78; George 2014:81). The findings are in line with Objective 3 of the study.

◆ **Destination marketing status**

The question sought to establish the importance of destination marketing for the DMOs. Destination marketing status relates to the prevailing tourism climate concerning social, economic and cultural environments in a destination (George, 2014:83).



**Figure 5.98: Destination marketing current status**

All 20 respondents in the sample responded, of which 45.0% (n=9) indicated important, 40.0% (n=8) indicated very important and 10.0% (n=2) indicated neither important or important. Lastly, 5.0% (n=1) indicated unimportant. The data reflect that the majority of respondents indicated that destination marketing in South Africa has changed for the better over the past several years. The finding is in line with Hanna, Font, Scarles, Weeden and Harrison's

(2018:41) finding that the smell of fresh air and tasting of sensual experiences were the most important aspects of a destination for tourists.

According to Nguyen and Pearce (2015:89), there are political, economic and cultural differences in Vietnam. However, with the recent development of Vietnam tourism similarities are found between destination marketing in the region and that which occurs in developed economies. Furthermore, Hoz-Correa and Muñoz-Leiva (2019:210) indicate that for couples in Iran seeking fertility treatment, religious, ethical and cultural issues ranked among the most important factors in choosing a destination country for fertility treatment services.

TTA should ensure that their marketing strategies consider factors that are important to pull tourists, including supporting the development of transportation infrastructure, providing greater accessibility and supply logistics that are important in attracting investment to other sectors. The findings are in line with Objective 3 of the study.

◆ **Adequate tourism resources**

The question sought to establish the importance of adequate tourism resource for the DMOs. Tourism resources means the specific factors that allow customers to experience tourism and they include tangible resources like facilities and attractions including intangible resources like image and culture (Kotler *et al.*, 2016:155).

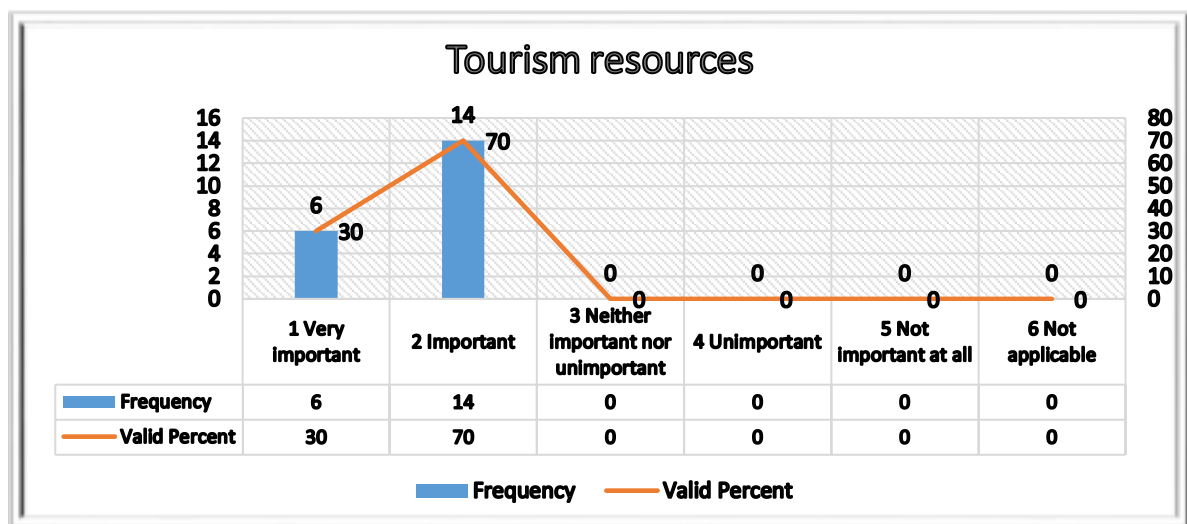


Figure 5.99: Tourism resources

All 20 respondents in the sample responded, of which 70.0% (n=14) indicated Important and 30.0% (n=6) indicated very important. The data reflect that all the respondents agree that it is important that South African destinations have adequate tourism resource services available to meet the needs of every member and tourist. South African tourism attracts tourists because of its beauty and the many tourist attractions that showcase that beauty.

This includes natural features or destinations that are popular with tourists, such as mountains, beaches and wildlife areas. The TTA should collaborate with the CoT to ensure that city tourism achieves aims and objectives to facilitate increased economic growth and development by optimising city-wide tourism opportunities from a cultural, business and capital city status perspective (CoT, 2019:18).

The correct approach to tourism development and promotion will ensure that it is sustainable and responsible. This is achieved by encouraging all stakeholders to grow the tourism economy in Tshwane, whilst providing social and economic benefits to local communities and teaching appreciation of the environment.

The interdependence between environment, community, industry, economy and policy must be recognised to achieve sustainable and responsible tourism development. This is specifically aimed at protecting and enhancing both the natural and cultural environment, while meeting basic human needs, promoting equity and resulting in an improved quality of life for all.

South African DMOs like the TTA need to ensure that they support local government strategy for sustainable tourism as a vehicle to foster economic and social growth in a destination, while minimizing negative social, cultural and environmental impacts (George 2014:67; Kotler *et al.*, 2016:155; SAT, 2019:19). The findings are in line with Objective 1 of the study.

◆ **Marketing planning/customer relationship strategy**

The question sought to determine the importance of implementing customer relationship strategies for the DMOs. Good customer relationships require the organisation to provide a consistently positive experience to every consumer, aimed at achieving loyalty and satisfaction (George, 2014:82).

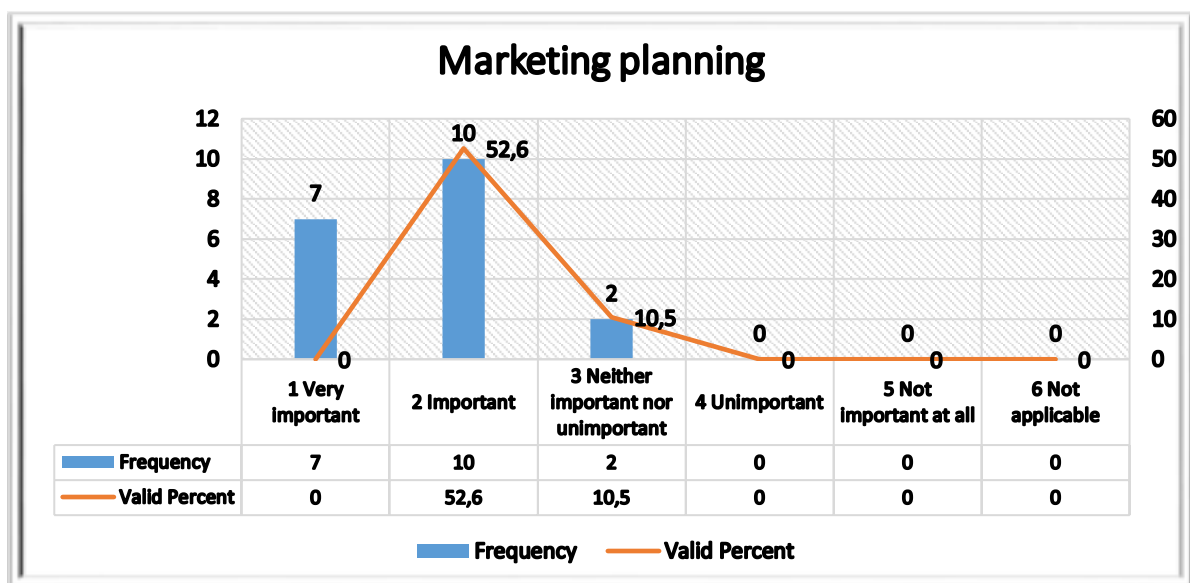


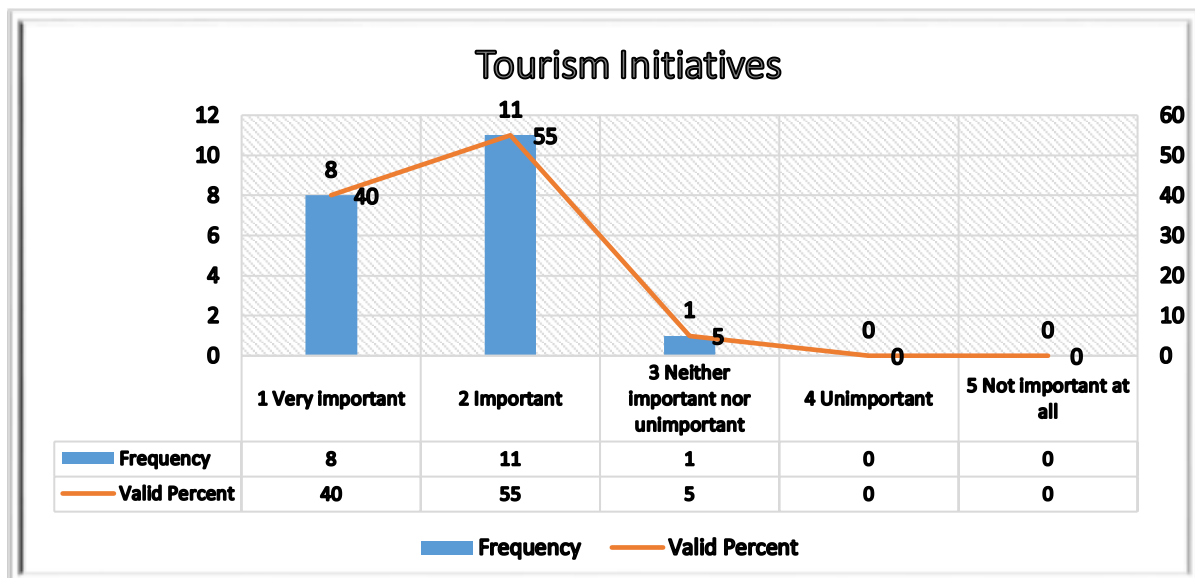
Figure 5.100: Marketing planning

Of the 20 sampled respondents, 19 responded, of which 52.6% (n=10) stated important, 36.8% (n=7) indicated very important and 10.5% (n=2) indicated neither important or important. The data reflect that the majority of respondents agree that it is important that marketing planning can be strengthened through the implementation of a customer relationship strategy in DMOs. According to Ra'Ed, Omar, Omar, Rashed, Hassan and Faisal (2019:270), there is a relationship between implementing CRM and customer trust.

The TTA need to use the CRM programme to manage interactions with both current and prospective customers (Laketa *et al.*, 2015:250). Once the TTA has the customer base then the CRM programme should be a vehicle to develop an effective strategic marketing plan. The CRM programme will therefore become a strategy designed to help the TTA and customers to increase their productivity, improve customer satisfaction and customer retention (Harding & Alexander, 2019:106; Sota *et al.*, 2018:52). The findings are in line with Objective 5 of the study.

◆ **Tourism initiatives**

The question sought to ascertain the importance of tourism initiatives for the DMOs. Tourism initiatives include the DMOs activities aimed at maximising the stakeholders' participation in the destination to take full advantage of tourism opportunities and economic benefits (Kotler *et al.*, 2016:165).



**Figure 5.101: Tourism initiatives**

All 20 respondents in the sample responded, of which 55.0% (n=11) indicated important, while 40.0% (n=8) indicated very important and 5.0% (n=1) indicated neither important or important.

The data reflect that the majority of respondents agree that it is important that everybody in a destination should become part of tourism initiatives of DMOs. According to Campos, Mendes, Oom do Valle and Scott (2015:372), offering activities to tourists that meet their interests and capture their attention is very important for co-creation. Iglesias, Markovic, Bagherzadeh and Singh (2018:160) report that customer co-creation behaviour boosts customer loyalty.

Furthermore, Shulga, Busser and Kim (2018:215) position co-creation of experiences as the basis for value creation. Mathis, Kim, Uysal, Sirgy and Prebensen (2016:70) found that co-creation experiences positively influenced tourists' vacation satisfaction and loyalty. The TTA needs to make sure that it integrates everyone who is a role player in CoT tourism. It includes all stakeholders, people or groups that are affected by the TTA's day-to-day operations. This is important because the TTA will then be aware of how customers, community, employees and business partners impact on its business. It will assist the TTA in developing an effective CRM programme and strategic marketing plan (Lynda, 2009:58 Bornhorst *et al.*, 2010:581). The findings are in line with Objective 3 of the study.

◆ **Pride in destination**

The question sought to establish the importance of destination pride for the DMOs. Community pride means the local community's willingness to support tourism efforts and initiatives in all ways to achieve uniqueness and image competitiveness (George, 2014:181).

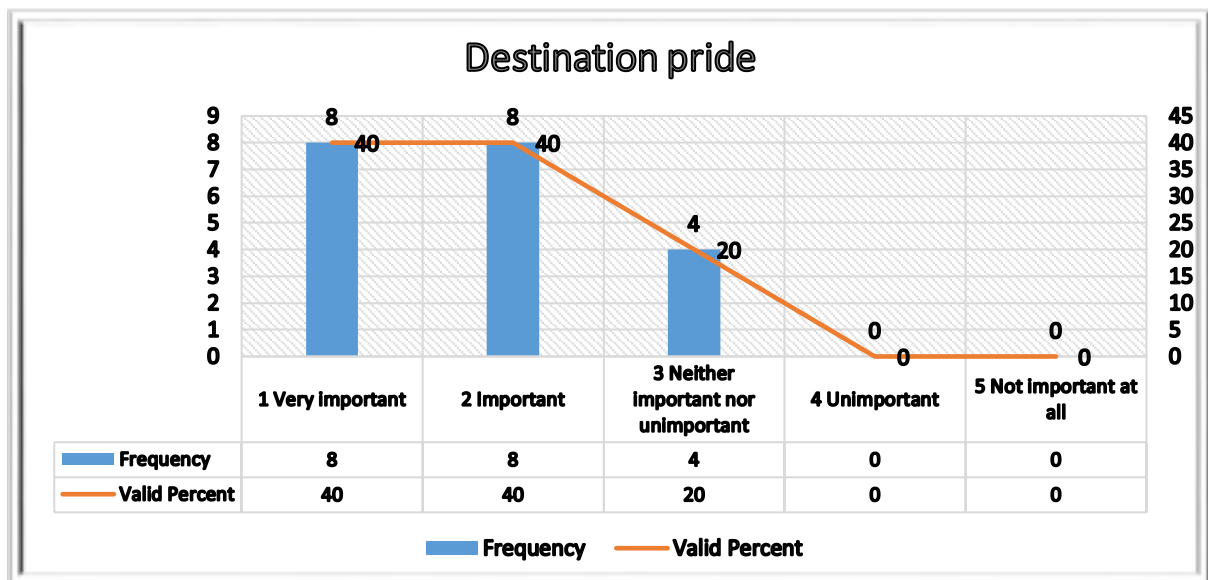


Figure 5.102: Destination pride

All 20 respondents in the sample responded, of which 40.0% (n=8) indicated important, while 40.0% (n=8) indicated very important and 20.0% (n=4) indicated neither important or important.

The data reflect that the majority of respondents agree that it is important that South Africans take pride in their destinations as tourism attractions.

The finding corroborates Tegegne, Moyle and Becken's (2018:19) finding that a positive destination image influences and improves the image of a country for tourism, business and investment opportunities and international relations. It also attracts skilled workers to the country. Sangpikul (2018:109) reports that destination image influences a customer's destination choice, satisfaction and post-purchase behaviour.

The image of the TTA is important, since it influences not only the choice of destination by tourists but also their level of satisfaction. The TTA needs to be involved with community initiatives, together with local government, to foster local pride in tourism. CoT community pride can be described as community activities that build pride in the CoT area and celebrate the artistic, sporting and cultural achievements of its people and the diversity of their culture.

The TTA, together with the local government, needs to stage a wide range of events for CoT residents that are aimed at fostering community pride (Shirazi & Som, 2010:51; George, 2014:89). The findings are in line with Objective 2 of the study.

### 5.3.2 Expert and stakeholder statistics analysis

Inferential statistics results from the expert questionnaire are presented in this section.

#### 5.3.2.1 Normality test

Komolgorov-Smirnov and the Shapiro-Wilk tests were used to test for normality. The following variables were used to perform the normality test:

- 11A The customer relationship and destination marketing;
- 11B Customer relationship and destination marketing resources;
- 11C Destination, DMOs and tourism benefits;
- 11D Customer rapport and customer relationships;
- 11E Customer relationships and positive feelings;
- 11F Customer relationship strategy and reduction of cost and complaints;
- 11G Customer relationship strategy reduces staff attrition;
- 11H Customer relationship strategy enables market research; and
- 11I Customer relationship strategy and strategic marketing planning.

**Table 5.8: Komolgorov-Smirnov and the Shapiro-Wilk normality tests**

Variables	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
11A	.419	18	.000	.579	18	.000



11B	.437	20	.000	.666	20	.000
11C	.423	19	.000	.566	19	.000
11D	.405	20	.000	.716	20	.000
11E	.400	19	.000	.598	19	.000
11F	.423	19	.000	.566	19	.000
11G	.423	19	.000	.566	19	.000
11H	.423	19	.000	.566	19	.000
11I	.423	19	.000	.566	19	.000

Table 5.8 indicates that the p-values for both tests across variables are less than 0.05. This is an indication that the questionnaire data for the applicable questions is not normally distributed. These data are also too small ( $n < 30$ ) thus we cannot assume normality (Silverman, 2010:331; Cresswell, 2014:214).

The following statically analysis demonstrate the HEI experts reliability analysis.

### 5.3.2.2 Higher education institution experts reliability analysis

#### ◆ Reliability analysis

This section reports the internal consistency reliability of the HEIs expert questionnaire.

**Table 5.9: Reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.970	.978	9

Table 5.9 shows reliability results for reliability of the HEIs expert questionnaire and the Cronbach's alpha ( $\alpha = 0.970$ ,  $> 0.9$ ) depicts excellent reliability. Cronbach's alpha based on standardized items ( $\alpha = 0.978$ ,  $> 0.9$ ) confirms an excellent reliability for the data. This implies that the questionnaire has a high internal consistency and is reliable (Cronbach, 1951:297; Creswell, 2014:216; Vaske, Beaman & Sponarski, 2017:164).

#### ◆ Mean and standard deviation scores

The mean and standard deviation scores are contained in Table 5.10 below.

**Table 5.10: Item statistics**

	Mean (M)	Std. deviation (SD)	N

11A	1.94	.873	18
11B	2.56	1.247	18
11C	2.00	.840	18
11D	2.11	1.132	18
11E	1.94	.873	18
11F	2.00	.840	18
11G	2.00	.840	18
11H	2.00	.840	18
11I	2.00	.840	18

In Table 5.10 the result of (M=2.00, SD=0.84) implies that the respondents agree that a good customer relationship strategy strengthens the strategic marketing in a DMO.

A low standard deviation of 0.84 depicts that the data points are close to the mean, which implies that there was not much variability in the Likert responses given. The results are further discussed as follows.

**11A: Customer relationships lead to successful destination marketing.**

The summary statistics (M=1.94, SD=0.873) imply that on average the respondents agree that that customer relationships lead to successful destination marketing. A deviation of 0.873 < 1 means that there was little variation in the answers provided by the respondents.

**11B: Customer relationships rely on destination marketing resources to be maintained.**

The summary statistics of (M=2.56, SD=1.247) show that on average the respondents neither agreed or disagreed that customer relationships rely on destination marketing resources to be maintained. The standard deviation of 1.247 indicates that there was variability in responses pertaining to the statement.

**11C: Destinations can benefit from customer relationships with destination marketing organisations and ultimately tourism business benefit the area by creating jobs and providing more choices.**

The result of (M=2, SD=0.84) implies that the respondents agree that destinations can benefit from good customer relationships and lead to the creation of jobs. A low standard deviation of 0.84 shows that the data points are close to the mean, which implies that there was not much variability in the Likert responses given.

**11D: Establishment and maintenance of customer rapport are a result of customer relationships in a destination.**

The statistics for this statement (M=1.94, SD=0.873) show that the respondents agree that establishment and maintenance of customer rapport are a result of customer relationships in

a destination. A low standard deviation of 0.873 depicts that the data points are not spread out over a range of Likert scale responses.

**11E: Customer relationships produce positive feelings inside the organisation and the customers.**

The summary statistics (M=2.11, SD=1.132) indicate that on average the respondents agree that customer relationships produce positive feelings inside the organisation and the customers. A high standard deviation of 1.132 depicts that the data points are spread out over a range of Likert scale responses, which implies that there was variability in responses given.

**11F: A good customer relationship strategy has the capacity to reduce cost wastage and complaints in the destination marketing organisation.**

The statistical results of (M=2.00, SD=0.840) show that respondents agree that a good customer relationship strategy has the capacity to reduce cost wastage and complaints in the DMO. The low deviation of 0.840 shows that there was little variation in the choice of answers made by the respondents.

**11G: A good customer relationship strategy reduces staff attrition.**

The summary statistics (M=2.00, SD=0.840) show that respondents agree that a good customer relationship strategy reduces staff attrition. The standard deviation shows that the responses given were close to the mean value.

**11H: Customer relationship strategy enables market research**

The statistical output of (M=2.00, SD=0.840) indicates that respondents agree that customer relationships enable market research. The deviation of the responses were not far from the mean, implying that the responses given did not vary significantly.

**11I: A good customer relationship strategy strengthens the strategic marketing in destination marketing organisation.**

The following statistical analysis demonstrates the inter-item correlation.

◆ **Inter-item correlation scores**

**Table 5.11: Inter-item correlation matrix**

	11A	11B	11C	11D	11E	11F	11G	11H	11I
11A	1.000	.571	.883	.662	.845	.883	.883	.883	.883
11B	.571	1.000	.561	.745	.571	.561	.561	.561	.561
11C	.883	.561	1.000	.742	.963	1.000	1.000	1.000	1.000
11D	.662	.745	.742	1.000	.781	.742	.742	.742	.742
11E	.845	.571	.963	.781	1.000	.963	.963	.963	.963
11F	.883	.561	1.000	.742	.963	1.000	1.000	1.000	1.000
11G	.883	.561	1.000	.742	.963	1.000	1.000	1.000	1.000

<b>11H</b>	.883	.561	1.000	.742	.963	1.000	1.000	1.000	1.000
<b>11I</b>	.883	.561	1.000	.742	.963	1.000	1.000	1.000	1.000

The inter-item correlation used to analyse internal consistency reliability to measure if individual questions are consistent as follows:

Table 5.11 indicates inter-item correlation used to analyse internal consistency reliability of the nine items to measure if individual questions are consistent. The results shows that all the items are have a correlation of value of more than 0.5. This implies that all the items measure the same concept since the items correlate well together (Székely & Rizzo, 2013:199).

#### ◆ Summary item statistics

The summary item statistics in Table 5.12 summarise the inter-item correlations of the nine items.

**Table 5.12: Summary item statistics**

	Mean	Min	Max	Range	Max/min	Variance	N of Items
Inter-item correlations	.831	.561	1.000	.439	1.781	.027	9

Table 5.12 indicates summary item statistics of the inter-item correlations. The mean correlation of 0.831 depicts that all nine items measure the same concept and have a positive association. The minimum inter-item correlation is 0.561 with a maximum of 1.00. The range depicts that the correlations of all the items were fairly close to each other. The variance of 0.027 indicates a low variability in the correlations (Pavel & Harry, 2013:90).

Furthermore, the item-total statistics help to decide which items to remove. Table 5.13 indicates scores of deleted items.

**Table 5.13: Items deleted**

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's alpha if item deleted
11A	16.61	46.134	.870	.966
11B	16.00	45.176	.625	.983
11C	16.56	45.556	.965	.963
11D	16.44	43.908	.801	.971
11E	16.61	45.310	.947	.963
11F	16.56	45.556	.965	.963
11G	16.56	45.556	.965	.963
11H	16.56	45.556	.965	.963
11I	16.56	45.556	.965	.963

The item-total statistics help to decide which items to remove. The two columns of interest are the Corrected item-total correlation and the Cronbach's alpha if item deleted. The total correlation shows how much each item correlates with the overall score of question 11 of the questionnaire as follows:

- 11A can maximise the reliability value to ( $\alpha=0.966$ )
- 11B can maximise the reliability value to ( $\alpha=0.983$ )
- 11C can maximise the reliability value to ( $\alpha=0.963$ )
- 11D can maximise the reliability value to ( $\alpha=0.971$ )
- 11E can maximise the reliability value to ( $\alpha=0.963$ )
- 11F can maximise the reliability value to ( $\alpha=0.963$ )
- 11G can maximise the reliability value to ( $\alpha=0.963$ )
- 11H can maximise the reliability value to ( $\alpha=0.963$ )
- 11I can maximise the reliability value to ( $\alpha=0.963$ )

All the correlations are greater than 0.6, which indicate that the items belong to the scale.

#### ◆ Reliability analysis

The reliability test was conducted based on the following items:

- 12A Shaping the future of tourism in South Africa
- 12B Develop a long-term strategic plan
- 12C Laws and regulations
- 12D Destination marketing
- 12E Adequate tourism resource
- 12F Implementation of customer relationship strategy
- 12G Tourism initiatives
- 12H Pride in their destinations

#### ◆ Reliability statistics

A reliability analysis was carried out to seek perceptions about destination marketing based on the eight variables (see Table 5.14).

**Table 5.14: Reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items

0.864	.889	8
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Table 5.14 indicates that the Cronbach's alpha ( $\alpha=0.864$ ) shows that the eight questions relating to destination marketing have an acceptable reliability (Cronbach, 1951:302; Creswell, 2014:292; Vaske *et al.*, 2017:164). The item statistics show the mean, standard deviation and number of observations. The mean values for the market destination questions are between 1.5 to 2.0. The scores are similar and close to each other. No item is significantly lower or higher than other items. This implies that the items are tapping into the same concept. The standard deviations are less than 1, which indicate that there was less variability in the answers given by the respondents (Tashakkori & Creswell, 2007:5).

◆ **Inter-item correlation matrix**

The inter-item correlation matrix in Table 5.15 displays how each of the eight items correlates with others (Székely & Rizzo, 2013:202).

**Table 5.15: Inter-item correlation matrix**

	12A	12B	12C	12D	12E	12F	12G	12H
12A	1.000	.522	.590	.368	.397	.453	.293	.152
12B	.522	1.000	.760	.485	.760	.598	.561	.171
12C	.590	.760	1.000	.494	.756	.787	.543	.384
12D	.368	.485	.494	1.000	.638	.494	.134	-.030
12E	.397	.760	.756	.638	1.000	.787	.738	.384
12F	.453	.598	.787	.494	.787	1.000	.592	.543
12G	.293	.561	.543	.134	.738	.592	1.000	.654
12H	.152	.171	.384	-.030	.384	.543	.654	1.000

Table 5.15 indicates that Questions 12A, 12D, 12G and 12H have two or more weak correlations. A correlation is considered weak if ( $r < 0.3$ ). Questions 12B, 12C, 12E and 12F have five or more strong correlations.

The following analysis focuses on mean inter-item correlation to demonstrate how each item correlates with others.

◆ **Mean inter-correlation matrix**

The mean inter-correlation for the eight items is depicted in Table 5.16 below.

**Table 5.16: Mean inter-correlation matrix**

	Mean	Min	Max	Range	Max/min	Variance	N of items
Inter-Item Correlations	.500	-.030	.787	.817	-26.515	.045	8

According to the scores in Table 5.16, the mean inter-correlation for the eight items is 0.500. The mean value indicates that there may be some items that need to be removed to increase the reliability of the questions. There is high variability in the correlation values, which is indicated by a wide range of 0.817. The maximum/minimum ratio also has an absolute high value, which is unacceptable (Pavel & Harry 2013:99).

◆ **Inter-item correlation matrix**

The deletion of items to improve the scores was conducted, the outcome of which is depicted in Table 5.17 below.

**Table 5.17: Item total statistics**

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
12A	12.00	9.889	.499	.428	.860
12B	12.05	10.053	.720	.723	.843
12C	12.16	9.474	.829	.780	.830
12D	12.11	9.322	.441	.679	.877
12E	12.16	9.363	.872	.908	.826
12F	12.11	8.544	.830	.776	.820
12G	12.21	9.398	.652	.828	.843
12H	12.11	9.766	.401	.635	.877

Table 5.17 indicates that the corrected item total correlation shows values that are greater than 0.4. This is an indication that all the items correlate with the overall score of question 12. Comparing the current correlation score of ( $\alpha=0.50$ ) with the Cronbach's alpha if item deleted,, it is evident that the reliability of questions can be increased by removing some items as follows:

- 12A can maximise the reliability value to ( $\alpha=0.860$ )
- 12B can maximise the reliability value to ( $\alpha=0.843$ )
- 12C can maximise the reliability value to ( $\alpha=0.830$ )
- 12D can maximise the reliability value to ( $\alpha=0.877$ )
- 12E can maximise the reliability value to ( $\alpha=0.826$ )
- 12F can maximise the reliability value to ( $\alpha=0.820$ )
- 12G can maximise the reliability value to ( $\alpha=0.843$ )
- 12H can maximise the reliability value to ( $\alpha=0.877$ )

The following analysis focuses on correlation coefficient scores.

◆ **Correlation coefficient**

The Spearman Rho technique was used instead of the Pearson Correlation technique. This is because the sample size was small (below  $n=30$ ) and the data were not normally distributed. The implication of using the Spearman Rho technique (non-parametric statistics) is that the test has less power, therefore we have less confidence in detecting significant results (White, 2005:29; Baker & Foy, 2008:312; Pallant, 2010:198).

The relevant results are depicted in Table 5.18 below.



**Table 5.17: Correlations coefficient**

			11tot	12tot
Spearman's rho	11tot	Correlation Coefficient	1.000	.113
		Sig. (2-tailed)	.	.635
		N	20	20
	12tot	Correlation Coefficient	-.113	1.000
		Sig. (2-tailed)	.635	.
		N	20	20

According to Table 5.18, the Spearman correlation results show a p-value=0.635 which is (>0.05). A correlation coefficient of (-0.113) indicates that there is a negative relationship between 11t and 12t. The correlation is between 0.1 and 0.29, which means a small correlation.

The following statistical analysis focuses on stakeholders.

**5.3.3 Stakeholder statistical analysis**

The following stakeholder analysis was done based on the questionnaire with five Likert scale options plus a sixth item on the scale indicating 'not applicable' (see Appendix B), using the SPSS software. This demonstrated that the results still remained in a similar range to those in Section A, done with Smart PLS software, using only five Likert scale options.

The following data analysis focuses on the Fornell-Larcker criterion.

**5.3.3.1 Fornell-Larcker criterion**

The criterion of Fornell-Larcker was used to assess the degree of shared variance between the latent variables of the model. According to this criterion, the convergent validity of the measurement model can be assessed by the Average Variance Extracted (AVE) and Composite Reliability (CR) (Creswell, 2014:144).

Table 5.19 below illustrates the Fornell-Larcker criterion.

**Table 5.18: Fornell-Larcker criterion**

	Market positioning	Product strategy	Retention marketing	Relationship marketing
Market positioning	0.781			
Product strategy	0.628	0.939		
Retention marketing	0.540	0.461	0.861	
Relationship marketing	0.700	0.732	0.378	0.914

Table 5.19 indicates that discriminant validity values of Product Strategy, Retention Marketing and Relationship Marketing, appear to be above 0.85. This is because they are similar in nature, as well as being difficult to distinguish empirically. The following data analysis focuses on the factor analysis.

### **5.3.3.2 Factor analysis**

Factor analysis is done on five Likert scale options, excluding the sixth scale of 'not applicable' on the questionnaire in Appendix B.

Factor analysis is a technique that is used to reduce a large number of variables into fewer numbers of factors. This technique extracts maximum common variance from all variables and puts them into a common score. As an index of all variables, we can use this score for further analysis (van der Eijk & Rose, 2015:7; Garson, 2013:186).

The results in Table 5.20 below depict validity of the study through the factor analysis, which was done by grouping variables as follows:

#### **A. Market positioning**

- 14A TTA location convenience and suitability
- 14C TTA physical environment
- 14D TTA employees of the TTA appear neat and tidy
- 14F TTA promotions promises
- 14G TTA employees' service knowledge
- 14I TTA customers' needs and wants

#### **B. Product strategy**

- 15C TTA Board of Directors provides feedback
- 15D TTA offers consistent quality services
- 15E TTA should offer quality services
- 15H TTA takes pride in its appearance

#### **C. Retention marketing**

- 17A TTA CRM programme
- 17B TTA long-term relationship with customers
- 17C TTA competitive pricing
- 17G TTA promotions communication method
- 17H TTA individual customer attention
- 17I TTA loyal customers reward
- 17J TTA internationally marketing

#### D. Relationship marketing

- 18A TTA customer retention
- 18C TTA long-term customer relationships
- 18D TTA customer services
- 18F TTA customer contact
- 18G TTA staff quality concerns
- 18H TTA quality efforts
- 18 I TTA reliability of service delivery
- 18J TTA quality tangibles of service delivery

**Table 5.19: Factor analysis scores**

Variable s	Market positioning	Product strategy	Retention marketing	Relationship marketing
V14A	0.825	0.581	0.632	0.361
V14C	0.928	0.640	0.666	0.340
V14D	0.941	0.662	0.661	0.342
V14F	0.939	0.711	0.648	0.355
V14G	0.939	0.679	0.636	0.345
V14I	0.905	0.731	0.598	0.333
V15C	0.674	0.927	0.543	0.408
V15D	0.673	0.957	0.596	0.449
V15E	0.701	0.937	0.617	0.442
V15H	0.700	0.936	0.604	0.434
V17A	0.628	0.529	0.887	0.589
V17B	0.618	0.495	0.864	0.534
V17C	0.476	0.391	0.731	0.314
V17G	0.572	0.547	0.871	0.471
V17H	0.588	0.532	0.872	0.450
V17I	0.579	0.604	0.783	0.437
V17J	0.632	0.601	0.809	0.444
V18A	0.389	0.469	0.536	0.852
V18C	0.340	0.389	0.506	0.899
V18D	0.352	0.415	0.500	0.919
V18F	0.352	0.436	0.496	0.931
V18G	0.348	0.436	0.486	0.943
V18H	0.312	0.398	0.452	0.910
V18I	0.303	0.366	0.405	0.855
V18J	0.347	0.429	0.525	0.926

Table 5.20 depicts that the tables used eigenvalues because factor analysis was conducted on the correlation matrix, the variables are standardized, which means that the each variable has a variance of 1 and the total variance is equal to the number of variables used in the analysis. The figures indicate a high level of validity for the study.

The following data analysis focuses on the goodness of fit of a statistical model.

### 5.3.3.3 Fit summary

The goodness of fit of a statistical model describes how well it fits a set of observations. Measures of goodness of fit typically summarise the discrepancy between observed values and the values expected under the model in question (White, 2005:17). Table 5.21 below demonstrates the goodness of fit scores.

**Table 5.20: Fit summary**

	Saturated model	Estimated model
SRMR	0.068	0.069
d_ULS	1.860	1.911
d_G1	1.525	1.531
d_G2	1.196	1.200
Chi-Square	2 375.261	2 379.952
NFI	0.821	0.821

Table 5.21 indicates that the saturated model values are close to the estimated model values, which means that there is a model fit for the values. This is further emphasised by the Chi-square results. The Chi-Square goodness of fit test establishes how well theoretical distribution fits the empirical distribution. The results indicate that the close fit between theoretical distribution fits the empirical distribution.

Standardized Root Mean Square Residual (SRMR) is an absolute measure of fit and is defined as the standardized difference between the observed correlation and the predicted correlation. The SRMR results further indicate the close relationship between observed correlation and the predicted correlation of this study (Saunders *et al.*, 2012:312).

The following discussions focus on market positioning reliability analysis.

### 5.3.3.4 Overall items Cronbach's alpha scores

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is a measure of scale reliability. The general rule of thumb is that a Cronbach's alpha of .70 and above is good, .80 and above is better and .90 and above is best (Cronbach, 1951:302 Taber, 2017:1666 ). Reliability scores are depicted in Table 5.22 below.

**Table 5.21: Overall reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.976	.976	29

Table 5.22 indicates that the score is above .70, which is excellent reliability.

The following data analysis focuses on market positioning reliability scores.

### **5.3.3.5 Market positioning reliability scores**

The data analysis focuses on market positioning reliability scores based on the nine variables below:

- i) 14A TTA location convenience and suitability
- ii) 14B TTA promotional material quality
- iii) 14C TTA physical environment
- iv) 14D TTA employees of the TTA appear neat and tidy
- v) 14E TTA first rate service delivery performance
- vi) 14F TTA promotions promises
- vii) 14G TTA employees' services knowledge
- viii) 14H TTA employees' service delivery
- ix) 14I TTA customers' needs and wants

**Table 5.22: Market positioning reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.977	.977	9

Items ( $\alpha=0.977$ ,  $>0.9$ ) confirms excellent reliability for the data. This implies that all the questions relating to the rating of the TTA have a high internal consistency and is reliable (Cronbach, 1951:319; Creswell, 2014:214).The Cronbach alpha ( $\alpha=0.977$ ,  $>0.9$ ) depicts excellent reliability Cronbach's alpha based on standardized scores. The following data analysis focuses on market positioning mean and standard deviation.

**Table 5.24: Market positioning mean and standard deviation**

	Mean	Std. deviation	N
14A	1.97	1.007	395
14B	1.99	.982	395
14C	2.02	.962	395
14D	2.06	.996	395
14E	2.10	1.072	395
14F	2.07	1.034	395
14G	2.04	1.063	395
14H	2.06	1.084	395
14I	2.07	1.112	395

Table 5.24 shows that the mean values are all approximately 2, which implies that the respondents agreed on all statements about the TTA. The scores across items are similar and close to each other. This implies that the items intercept on the same concept. The standard deviations for items 14A and 14E to 14I are greater than 1, which indicates a slightly high deviation from the mean. Items 14B, 14C and 14D have deviation values of less than 1, indicating low departure of responses from the mean. The variables are further discussed in the following sections.

**14A: TTA location convenience and suitability**

This statement depicts the summary statistics (M=1.97, SD=1.007). It means that on average, the respondents agree that TTA services are offered within a convenient and accessible location for customers. A high standard deviation of 1.007 indicates that the data points are spread out over a range of Likert scale responses, which implies that there was variability in responses given.

**14B: TTA promotions materials quality**

The summary statistics of (M=1.99, SD=0.982) show that on average the respondents agree that TTA promotions materials are of good quality. The deviation of the responses was not far from the mean, which implies that the responses did not vary significantly.

**14C: TTA physical environment**

The results of (M=2.02 SD=0.962) implies that the respondents agree that the TTA physical environment is of a desirable standard. A low standard deviation of 0.962 depicts that the data points are close to the mean, which implies that there was not much variability in the Likert responses given.

**14D: TTA employees' appearance is neat and tidy**

The statistics for this statement ( $M=2.06$ ,  $SD=0.996$ ) show that the respondents agree that TTA employees' appearance is neat and tidy. A low standard deviation of 0.996 shows that the data points are not spread out over a range of Likert scale responses.

**14E: TTA provides first rate quality service delivery**

The summary statistics ( $M=2.10$ ,  $SD=1.172$ ) indicate that on average, the respondents agree that the TTA provides first rate quality service delivery to the customers. A high standard deviation of 1.172 means that the data points are spread out over a range of Likert scale responses, which implies that there was variability in the responses given.

**14F: TTA promotions promises**

The statistical results of ( $M=2.07$ ,  $SD=1.034$ ) illustrate that respondents agree that the TTA keeps and delivers on promotion promises. The high deviation of 1.034 shows that there was little variation in the choices of answers from the respondents.

**14G: TTA employees service knowledge**

The summary statistics ( $M=2.04$ ,  $SD=1.063$ ) show that respondents agree that TTA employees have excellent knowledge of services.

**14H: TTA employees service delivery**

The statistical output of ( $M=2.06$ ,  $SD=1.084$ ) indicate that respondents agree that the TTA employees provide excellent service delivery. The deviation of the responses was not far from the mean, implying that the responses given did not vary significantly.

**14I: TTA customers' needs and wants**

The statistical results of ( $M=2.07$ ,  $SD=1.112$ ) imply that the respondents agree that TTA services address customer needs and wants satisfactorily. A high standard deviation of 1.112 indicates that the data points are close to the mean, which implies that there was not much variability in the Likert responses given.

The following discussion focuses on market positioning inter-correlation matrix scores.

**5.3.3.6 *Market positioning inter-correlation matrix scores***

Inter-item correlation matrix is used to analyse internal consistency reliability. It is used to measure if individual questions are consistent (Székely & Rizzo, 2013:201).

Table 5.25 below depicts the market positioning inter-correlation matrix scores.

**Table 5.23: Inter-correlation matrix**

	14A	14B	14C	14D	14E	14F	14G	14H	14I
14A	1.000	.780	.736	.735	.710	.697	.714	.745	.670
14B	.780	1.000	.868	.857	.840	.818	.803	.823	.777
14C	.736	.868	1.000	.897	.842	.833	.850	.834	.782
14D	.735	.857	.897	1.000	.893	.864	.870	.832	.799
14E	.710	.840	.842	.893	1.000	.912	.880	.884	.871
14F	.697	.818	.833	.864	.912	1.000	.887	.855	.853
14G	.714	.803	.850	.870	.880	.887	1.000	.914	.867
14H	.745	.823	.834	.832	.884	.855	.914	1.000	.909
14I	.670	.777	.782	.799	.871	.853	.867	.909	1.000

Table 5.25 shows a mean value of 0.825, indicating a strong association between the items. The range of 0.244 is an indication that the correlational values for the items are close to each other. This is supported by the ratio of the maximum and minimum which is approximately 1. The results show that all the items have correlational values between 0.6 and 1. This implies that all the items measure the same concept since all the items correlate.

The following data analysis focuses on deleted item-total statistics.

### 5.3.3.7 *Market positioning deleted item-total statistics*

**Table 5.24: Deleted item-total statistics**

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
14A	16.41	60.197	.773	.650	.979
14B	16.39	58.920	.890	.829	.974
14C	16.37	59.040	.902	.854	.974
14D	16.32	58.347	.918	.883	.973
14E	16.28	57.045	.933	.899	.972
14F	16.31	57.839	.915	.870	.973
14G	16.34	57.267	.926	.892	.973
14H	16.33	56.942	.928	.907	.973
14I	16.32	57.146	.887	.855	.974

Table 5.26 indicates that the current reliability value of ( $\alpha=0.825$ ) can be increased by deleting one of the items of question 14.

The removal of the following questions can maximise the reliability value.



- 14A can maximise the reliability value to ( $\alpha=0.979$ )
- 14B can maximise the reliability value to ( $\alpha=0.974$ )
- 14C can maximise the reliability value to ( $\alpha=0.974$ )
- 14D can maximise the reliability value to ( $\alpha=0.973$ )
- 14E can maximise the reliability value to ( $\alpha=0.972$ )
- 14F can maximise the reliability value to ( $\alpha=0.973$ )
- 14G can maximise the reliability value to ( $\alpha=0.973$ )
- 14H can maximise the reliability value to ( $\alpha=0.973$ )
- 14I can maximise the reliability value to ( $\alpha=0.974$ )

The following data analysis focuses on summary item statistics, as depicted in Table 5.27.

**Table 5.25: Summary item statistics**

	Mean	Minimum	Maximum	Range	Maximum/ minimum	Variance	N of items
Inter-Item Correlations	.850	.781	.937	.156	1.200	.002	8

### **5.3.3.8 Market positioning - summary item statistics.**

The mean value of 0.85 indicates that there is a strong association between the items. The range of 0.156 is an indication that the correlational values for the items are close to each other. This is supported by the ratio of the maximum and minimum, which is approximately 1.

The following analysis focuses on the product strategy reliability analysis.

### **5.3.3.9 Product strategy reliability analysis**

The product strategy reliability analysis was conducted based on the following variables:

- 15A TTA employees are always courteous.
- 15B TTA employees are always willing to help.
- 15C TTA Board of Directors provides feedback.
- 15D TTA offers consistent quality services.
- 15E TTA should offer quality services.
- 15 F TTA has sufficient channels of crisis management.
- 15G TTA can negotiate prices.
- 15H TTA takes pride in its appearance.

Table 5.28 indicates the coefficient of reliability ranges statistics.

**Table 5.26: Reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.978	.978	8

The coefficient of reliability ranges from 0 to 1, which provides the overall assessment of a measure's reliability. The reliability statistics presented show the following ( $\alpha=0.978$ ). The high value of the Cronbach's alpha indicates excellent internal consistency of the items in the scale.

The following data analysis focuses on the product strategy mean and standard deviation scores.

### **5.3.3.10 Product strategy mean and standard deviation scores**

Table 5.29 indicates the mean values are approximately 2 across all the items and depicts that the stakeholders viewed the items as important. The standard deviation of all the items is greater than 1, which is an indication of slightly high but still acceptable variability.

**Table 5.27: Product strategy mean and standard deviation scores**

	Mean	Std. deviation	N
15A	2.01	1.089	393
15B	2.11	1.059	393
15C	2.20	1.116	393
15D	2.14	1.098	393
15E	2.15	1.080	393
15F	2.18	1.133	393
15G	2.20	1.122	393
15H	2.19	1.160	393

The variable scores are discussed hereunder.

#### **15A TTA employees are always courteous**

This statement depicts the summary statistics (M=2.01, SD=1.089). It implies that overall, the respondents agree that TTA employees are always courteous when attending to customer service delivery. A high deviation of 1.089 < 1 depicts that there was little variation in the answers provided by the respondents.

### **15B TTA employees are always willing to help**

The summary statistics of (M=2.11, SD=1.059) show that on average, the respondents neither agreed or disagreed that TTA employees are always willing to help the customer with service enquiries. The standard deviation of 1.059 shows that there was variability in responses to the statement.

### **15C TTA Board of Directors provides feedback**

The results of (M=2.20, SD=1.116) imply that the respondents agree that the TTA Board of Directors provides feedback to the customers frequently. A high standard deviation of 1.116 shows that the data points are spread out over a range of Likert scale responses, which implies that there was variability in the Likert responses given.

### **15D TTA offer consistent quality services**

The statistics for this statement (M=2.14, SD=1.098) show that the respondents agree that TTA employees always offer consistent quality services to the customers. A high standard deviation of 1.098 indicates that the data points are dispersed over a range of Likert scale responses, which implies that there was variability in the Likert responses given.

### **15E TTA should offer quality services**

The summary statistics (M=2.15, SD=1.080) indicate that on average, the respondents agree that the TTA should offer quality services to retain customers and build long-term customer relationships. A high standard deviation of 1.080 shows that the data points are spread out over a range of Likert scale responses, which implies that there was variability in responses given.

### **15F TTA has sufficient channels of crisis management**

The statistical results of (M=2.18, SD=1.133) evidenced that respondents agree that the TTA has sufficient channels of crisis management that enables employees to resolve issues with speed and efficiency. The deviation of 1.133 shows that the data points are spread out over a range of Likert scale responses, which implies that there was variability in responses given.

### **15G TTA negotiate prices**

The summary statistics (M=2.20, SD=1.122) show that respondents agree that the TTA should negotiate better pricing with customers to retain them. The standard deviation shows that the responses given were close to the mean value.

### **15H TTA takes pride in its appearance**

The statistical output of (M=2.19, SD=1.160) shows that respondents agree that the TTA takes pride in its appearance because the image strategy carries its physical outlook as the cover

for marketing. The deviation of the responses was not far from the mean, implying that the responses did not vary significantly.

The mean value of 0.85 indicates that there is a strong association between the items. The range of 0.156 is an indication that the correlational values for the items are close to each other. This is supported by the ratio of the maximum and minimum which is approximately 1.

The following data analysis focuses on market positioning inter-item correlation matrix.

### 5.3.3.11 *Product strategy inter-item correlation matrix*

**Table 5.28: Inter-item correlation matrix**

	15A	15B	15C	15D	15E	15F	15G	15H
15A	1.000	.937	.846	.835	.835	.823	.781	.806
15B	.937	1.000	.859	.832	.816	.822	.787	.802
15C	.846	.859	1.000	.876	.823	.861	.837	.835
15D	.835	.832	.876	1.000	.899	.891	.854	.843
15E	.835	.816	.823	.899	1.000	.886	.858	.841
15F	.823	.822	.861	.891	.886	1.000	.922	.886
15G	.781	.787	.837	.854	.858	.922	1.000	.914
15H	.806	.802	.835	.843	.841	.886	.914	1.000

The results show that all the items have a correlation value of more than 0.7. This implies that all the items measure the same concept since all the items correlate.

The following analysis focuses on market positioning summary mean correlation statistics.

### 5.3.3.12 *Product strategy summary mean correlation*

Table 5.31 depicts product strategy summary mean correlation.

**Table 5.31: Summary item statistics**

	Mean	Minimum	Maximum	Range	Maximum/ minimum	Variance	N of items
Inter-Item Correlations	.850	.781	.937	.156	1.200	.002	8

The mean value of 0.85 indicates that there is a strong association between the items. The range of 0.156 is an indication that the correlational values for the items are close to each other. This is also supported by the ratio of the maximum and minimum.

The following data analysis focuses on product strategy inter-item correlation matrix.

### 5.3.3.13 Product strategy deleted item statistics

Table 5.32 shows product strategy deleted item total statistics.

**Table 5.29: Deleted item total statistics**

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
15A	15.15	52.844	.894	.896	.976
15B	15.05	53.258	.893	.894	.976
15C	14.96	52.292	.908	.841	.976
15D	15.02	52.301	.924	.876	.975
15E	15.01	52.714	.912	.859	.975
15F	14.98	51.665	.936	.901	.974
15G	14.96	52.139	.912	.898	.975
15H	14.97	51.706	.907	.863	.976

Table 5.32 indicates that the item total statistics presents the values of the Cronbach's alpha in the event that a certain item is deleted from the scale. The current reliability value of ( $\alpha = 0.850$ ) can be increased by deleting one of the items of question 15 as follows:

- 15A can maximise the reliability value to ( $\alpha = 0.976$ )
- 15B can maximise the reliability value to ( $\alpha = 0.976$ )
- 15C can maximise the reliability value to ( $\alpha = 0.976$ )
- 15D can maximise the reliability value to ( $\alpha = 0.975$ )
- 15E can maximise the reliability value to ( $\alpha = 0.975$ )
- 15F can maximise the reliability value to ( $\alpha = 0.974$ )
- 15G can maximise the reliability value to ( $\alpha = 0.975$ )
- 15H can maximise the reliability value to ( $\alpha = 0.976$ )

The removal of question 15A, 15B, or 15H can maximise the reliability value to ( $\alpha = 0.976$ ) (Cronbach, 1951:302; Creswell, 2014:202; Vaske *et al.*, 2017:164).

The following data analysis focuses on retention marketing reliability analysis.

### 5.3.3.14 Retention marketing reliability analysis

The reliability scores were based on the following market positioning variables.

- 17A TTA CRM programme

- ii) 17B TTA long-term relationship with customers
- iii) 17C TTA competitive pricing
- iv) 17 D TTA value-based pricing
- v) 17 E TTA mission statement
- vi) 17 F TTA customers care
- vii) 17G TTA promotions communication method
- viii) 17H TTA individual customer attention
- ix) 17I TTA loyal customers reward
- x) 17J TTA internationally marketing
- xi) 17K TTA standardised service delivery
- xii) 17L TTA Board of Directors' crisis management

Table 5.33 shows the retention marketing reliability analysis.

**Table 5.33: Reliability statistics**

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.936	.936	12

A reliability analysis was conducted to discover perceptions about the TTA. The Cronbach's alpha ( $\alpha=0.936$ ) shows that the 12 questions pertaining to the TTA have excellent reliability.

The following data analysis focuses on market positioning inter-item correlation matrix.

### **5.3.3.15 Retention marketing inter-item correlation matrix**

Table 5.34 shows retention marketing inter-item correlation matrix.

**Table 5.30: Retention marketing inter-item correlation matrix**

	17A	17B	17C	17D	17E	17F	17G	17H	17I	17J	17K	17L
17A	1.000	.892	.595	.470	.397	.290	.725	.770	.617	.660	.630	.614
17B	.892	1.000	.585	.484	.374	.283	.709	.797	.560	.591	.563	.544
17C	.595	.585	1.000	.883	.753	.529	.564	.525	.415	.448	.442	.445
17D	.470	.484	.883	1.000	.870	.595	.582	.509	.349	.384	.392	.390
17E	.397	.374	.753	.870	1.000	.672	.529	.475	.315	.335	.356	.366
17F	.290	.283	.529	.595	.672	1.000	.411	.362	.266	.281	.290	.340
17G	.725	.709	.564	.582	.529	.411	1.000	.829	.614	.640	.591	.604
17H	.770	.797	.525	.509	.475	.362	.829	1.000	.592	.601	.575	.559
17I	.617	.560	.415	.349	.315	.266	.614	.592	1.000	.900	.838	.828
17J	.660	.591	.448	.384	.335	.281	.640	.601	.900	1.000	.899	.876
17K	.630	.563	.442	.392	.356	.290	.591	.575	.838	.899	1.000	.928

17L	.614	.544	.445	.390	.366	.340	.604	.559	.828	.876	.928	1.000
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The results show that all the items have a correlation value of more than 0.3. This implies that all the items measure the same concept since all the items correlate.

The following data analysis focuses on retention marketing summary item statistics.

### 5.3.3.16 Retention marketing summary item statistics

Table 5.35 shows retention marketing summary item statistics.

The mean value of 0.562 indicates that there is an association between the items. The range of 0.662 shows that the correlational values for the items are dispersed. This is supported by the ratio of the maximum and minimum which is high (Pavel & Harry, 2013).

The following data analysis focuses on retention marketing deleted item statistics.

### 5.3.3.17 Retention marketing deleted item statistics

Table 5.35 depicts retention marketing deleted item statistics.

**Table 5.31: Deleted item-total statistics**

Variable	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
17A	22.30	66.348	.744	.838	.928
17B	22.30	66.348	.744	.838	.929
17C	21.92	66.070	.729	.834	.930
17D	21.89	66.931	.699	.890	.931
17E	21.85	67.073	.643	.807	.933
17F	21.87	66.514	.494	.474	.942
17G	22.35	64.982	.801	.761	.927
17H	22.41	65.606	.773	.788	.928
17I	22.47	66.026	.731	.821	.930
17J	22.45	65.738	.773	.888	.928
17K	22.41	65.806	.759	.898	.929
17L	22.41	65.649	.760	.880	.929

The item total statistics presents the values of the Cronbach's alpha if certain items are deleted from the scale. The current reliability value of ( $\alpha=0.562$ ) can be increased by deleting one of the items of question 17 as follows:

- 17A can maximise the reliability value to ( $\alpha=0.928$ )
- 17B can maximise the reliability value to ( $\alpha=0.929$ )

- 17C can maximise the reliability value to ( $\alpha=0.930$ )
- 17D can maximise the reliability value to ( $\alpha=0.931$ )
- 17E can maximise the reliability value to ( $\alpha=0.933$ )
- 17F can maximise the reliability value to ( $\alpha=0.942$ )
- 17G can maximise the reliability value to ( $\alpha=0.927$ )
- 17H can maximise the reliability value to ( $\alpha=0.928$ )
- 17I can maximise the reliability value to ( $\alpha=0.930$ )
- 14J can maximise the reliability value to ( $\alpha=0.928$ )
- 14K can maximise the reliability value to ( $\alpha=0.929$ )
- 17L can maximise the reliability value to ( $\alpha=0.929$ )

The following statistical analysis focuses on relationship marketing.

### **5.3.3.18 Relationship marketing reliability analysis**

The reliability scores were conducted based on the following market positioning variables:

- i) 18A TTA customer retention
- ii) 18B TTA marketing on product benefits
- iii) 18C TTA long-term customer relationships
- iv) 18D TTA customer services
- v) 18E TTA high customer commitment
- vi) 18F TTA customer contact
- vii) 18G TTA staff quality concerns
- viii) 18H TTA quality efforts
- ix) 18I TTA reliability of service delivery
- x) 18J TTA quality tangibles of service delivery

**Table 5.32: Reliability analysis**

<b>Cronbach's alpha</b>	<b>Cronbach's alpha based on standardized items</b>	<b>N of items</b>
.973	.973	10

A reliability analysis was carried out to determine perceptions on the TTA. Cronbach's alpha ( $\alpha=0.973$ ) shows that the 10 questions pertaining to the TTA have excellent reliability. The standardized items also confirm excellent reliability.

### **5.3.3.19 Item statistics**

Table 5.37 illustrates relationship marketing mean and standard deviation statistics.





**Table 5.33: Mean and standard deviation statistics**

	Mean	Std. deviation	N
18A	2.09	1.378	357
18B	2.14	1.299	357
18C	2.25	1.262	357
18D	2.22	1.130	357
18E	2.20	1.141	357
18F	2.21	1.179	357
18G	2.18	1.155	357
18H	2.24	1.261	357
18I	2.45	1.368	357
18J	2.18	1.307	357

Table 5.37 indicates that the mean values of the items are near each other. All the mean values from 18A to 18J are approximately 2. This implies that the stakeholders agree with the statements across all 10 questions. The deviations are slightly greater than 1, implying slightly high but acceptable variability (Tashakkori & Creswell, 2007:5). The scores are discussed hereunder.

#### **18A TTA customer retention**

This statement depicts the summary statistics (M=2.09, SD=1.378). It implies that on average, the respondents agree that the TTA should have an effective customer retention strategy and employees and stakeholders should form part of the strategy development, as they are implementers. A deviation of 1.378 shows variability in responses to the statement.

#### **18B TTA marketing based on services benefits**

The summary statistics of (M=2.14, SD=1.222) shows that on average, the respondents neither agreed nor disagreed that the TTA marketing messages should place emphasis on services benefits. The standard deviation of 1.299 indicates that there was variability in responses to the statement.

#### **18C TTA long-term customer relationships**

The results of (M=2.25, SD=1.262) imply that the respondents agree that the TTA should focus attention on long-term customer relationships. A standard deviation of 1.262 means that the data points are dispersed over a range of Likert scale responses, which shows that there was variability in responses given.

#### **18D TTA customer services**

The statistics (M=2.22, SD=1.130) show that the respondents agree that the TTA should prioritise customer services to achieve customer satisfaction and retention. A standard

deviation of 1.130 shows that the data points are not spread out over a range of Likert scale responses.

#### **18E TTA high customer commitment**

The summary statistics (M=2.11, SD=1.132) indicate that on average, the respondents agree that the TTA should focus more on high customer commitment because customer service total quality management and delivery requires commitment from the organisation management, employees and internal processes. A high standard deviation of 1.132 indicates that the data points are not spread out over a range of Likert scale responses.

#### **18F TTA customer contact**

The statistical results of (M=2.21, SD=1.179) show that respondents agree that the TTA should emphasise high customer contact due to the intangible nature of tourism services. The deviation of 1.179 means that there was high variation in the choices of answers made by the respondents.

#### **18G TTA staff quality concerns**

The summary statistics (M=2.18, SD=1.155) illustrate that respondents agree that TTA staff should make quality service delivery a higher concern for employee service excellence performance. The standard deviation shows that the data points are not spread out over a range of Likert scale responses.

#### **18H TTA quality efforts**

The statistical output (M=2.24, SD=1.261) indicates that respondents agree that the TTA should implement all necessary efforts to ensure that quality service delivery is achieved to successfully respond to the needs and wants of the customers. A high standard deviation of 1.261 means that the data points are not spread out over a range of Likert scale responses.

#### **18I TTA reliability of service delivery**

The results (M=2.45, SD=1.368) imply that the respondents agree that TTA service delivery is reliable. A high standard deviation of 1.368 shows that the data points are not dispersed over a range of Likert scale responses.

#### **18J TTA quality tangibles of service delivery**

The inter-item correlations show that all the items have a correlation value of more than 0.6. This implies that all the items measure the same concept since the items correlate well (Székely & Rizzo, 2013:199).

The results (M=2.18, SD=1.307) imply that the respondents agree that the TTA complies with excellent standards regarding the quality of tangibles of service delivery.

A high standard deviation of 1.307 shows that the data points are not spread out over a range of Likert scale responses.

The following data analysis focuses on relationship marketing inter-item correlation statistics.

**Table 5.34: Inter-item correlation statistics**

	Mean	Minimum	Maximum	Range	Maximum / minimum	Variance	N of items
Inter-item correlations	.790	.635	.929	.295	1.464	.006	10

The following data analysis focuses on relationship marketing summary item statistics.

**5.3.3.20 Relationship marketing summary item statistics**

**Table 5.35: Summary item statistics**

	18A	18B	18C	18D	18E	18F	18G	18H	18I	18J
18A	1.000	.929	.846	.741	.713	.713	.749	.703	.640	.760
18B	.929	1.000	.896	.785	.763	.751	.773	.704	.635	.750
18C	.846	.896	1.000	.872	.782	.771	.788	.692	.646	.761
18D	.741	.785	.872	1.000	.877	.850	.847	.754	.706	.777
18E	.713	.763	.782	.877	1.000	.921	.915	.829	.763	.839
18F	.713	.751	.771	.850	.921	1.000	.918	.835	.767	.822
18G	.749	.773	.788	.847	.915	.918	1.000	.865	.794	.867
18H	.703	.704	.692	.754	.829	.835	.865	1.000	.810	.821
18I	.640	.635	.646	.706	.763	.767	.794	.810	1.000	.808
18J	.760	.750	.761	.777	.839	.822	.867	.821	.808	1.000

Table 5.39 depicts a mean value of 0.790, which shows a significant association between the items. The range of 0.295 indicates that the correlational values for the items are close to each other. This is supported by the ratio of the maximum and minimum, which is near to 1. The variance is also an indication that the inter-correlations are close to the mean (Pavel & Harry 2013:99).

The following data analysis focuses on relationship marketing deleted item statistics.

### 5.3.3.21 Relationship marketing deleted item statistics

**Table 5.36: Deleted item - total statistics**

	18A	18B	18C	18D	18E	18F	18G	18H	18I	18J
18A	1.000	.929	.846	.741	.713	.713	.749	.703	.640	.760
18B	.929	1.000	.896	.785	.763	.751	.773	.704	.635	.750
18C	.846	.896	1.000	.872	.782	.771	.788	.692	.646	.761
18D	.741	.785	.872	1.000	.877	.850	.847	.754	.706	.777
18E	.713	.763	.782	.877	1.000	.921	.915	.829	.763	.839
18F	.713	.751	.771	.850	.921	1.000	.918	.835	.767	.822
18G	.749	.773	.788	.847	.915	.918	1.000	.865	.794	.867
18H	.703	.704	.692	.754	.829	.835	.865	1.000	.810	.821
18I	.640	.635	.646	.706	.763	.767	.794	.810	1.000	.808
18J	.760	.750	.761	.777	.839	.822	.867	.821	.808	1.000

**Table 5.41: Deleted item - total statistics**

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
18A	20.06	100.800	.835	.880	.972
18B	20.01	101.553	.862	.913	.970
18C	19.90	102.061	.869	.883	.970
18D	19.94	104.075	.888	.866	.970
18E	19.95	103.332	.913	.903	.969
18F	19.95	102.781	.905	.888	.969
18G	19.97	102.716	.930	.905	.968
18H	19.91	102.234	.862	.805	.970
18I	19.71	101.814	.801	.725	.973
18J	19.98	100.769	.889	.822	.969

The total correlation shows how much each item correlates with the overall score of question 18 of the questionnaire. All the correlations are greater than 0.8, which is an indication that the items belong to the scale. The current score is  $\alpha=0.79$  and the results show that the deletion of any of the items increase the current score, thus making question 18 more reliable.

The removal of items maximises the reliability of the questionnaire as follows:

- 18A can maximise the reliability value to ( $\alpha=0.72$ )

- 18B can maximise the reliability value to ( $\alpha=0.970$ )
- 18C can maximise the reliability value to ( $\alpha=0.970$ )
- 18D can maximise the reliability value to ( $\alpha=0.970$ )
- 18E can maximise the reliability value to ( $\alpha=0.969$ )
- 18F can maximise the reliability value to ( $\alpha=0.969$ )
- 18G can maximise the reliability value to ( $\alpha=0.968$ )
- 18H can maximise the reliability value to ( $\alpha=0.970$ )
- 18I can maximise the reliability value to ( $\alpha=0.973$ )
- 18J can maximise the reliability value to ( $\alpha=0.969$ )

The following discussion focuses on correlational analysis statistics.

### 5.3.3.22 Correlational analysis

The Pearson correlation coefficient,  $r$ , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases, so does the value of the other variable (Streiner, 2003:101; Cresswell, 2014:321) The Pearson correlation technique was used. The results are contained in Table 5.42 below.

**Table 5.37: Correlations**

		14tot	15tot	17tot	18tot
<b>14tot</b>	Pearson correlation	1	.733**	.674**	.345**
	Sig. (2-tailed)		.000	.000	.000
	N	400	400	400	400
<b>15tot</b>	Pearson correlation	.733**	1	.641**	.450**
	Sig. (2-tailed)	.000		.000	.000
	N	400	400	400	400
<b>17tot</b>	Pearson correlation	.674**	.641**	1	.498**
	Sig. (2-tailed)	.000	.000		.000
	N	400	400	400	400
<b>18tot</b>	Pearson correlation	.345**	.450**	.498**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	400	400	400	400

\*\* Correlation is significant at the 0.01 level (2-tailed)

The correlation ( $r$ ) results show the correlation coefficient, Sig value and the number of observations. There is a significant ( $p = .00$ ) positive correlation ( $r=.733$ ,  $n=400$ ) between marketing position strategy (14tot) and the product strategy (15tot). There is a significant

( $p=.00$ ) positive correlation ( $r=.674$ ,  $n=400$ ) between market positioning strategy (14tot) and the retention marketing (17tot).

The relationship of market positioning strategy (14tot) and relationship marketing strategy (18tot) showed a significant positive relationship ( $r=.345$ ,  $p=.000 < 0.05$ ,  $n=400$ ). The correlation results of ( $r=.641$ ,  $p=.000 < .05$ ,  $N=400$ ) suggest that there is a significant positive relationship between the product strategy (15tot) and the retention marketing strategy 17(tot). There is a significant ( $p=.00$ ) positive correlation ( $r=.450$ ,  $n=400$ ) between the product strategy (15tot) and the relationship marketing (18tot). The correlation results of ( $r=.498$ ,  $p=.000 < .05$ ,  $N=400$ ) suggests that there is a significant positive relationship between the retention strategy (17tot) and the relationship marketing strategy (18tot).

The following analysis focuses on exploratory factor analysis.

### **5.3.3.23 Exploratory factor analysis**

The following factor analysis is based on all six scores of the stakeholders' questionnaire Likert scale in Appendix B. Factor analysis is a technique that is used to reduce a large number of variables into a fewer number of factors. This technique extracts maximum common variance from all variables and puts them into a common score. As an index of all variables, we can use this score for further analysis (van der Eijk & Rose, 2015:9). The exploratory factor analysis was used to establish the underlying factor structure of new scales (together).

**Table 5.38: KMO and Bartlett's test**

Kaiser-Meyer-Olkin measure of sampling adequacy		.948
Bartlett's Test of Sphericity	Approx. Chi-Square	20898.665
	Df	741
	Sig.	.000

The first step in exploratory factor analysis is to establish the appropriateness of the data to do factor analysis. The purpose of KMO and Bartlett's test is to verify the suitability of the data to carry out factor analysis. Kaiser-Meyer-Olkin Measure of Sampling Adequacy ( $KMO=0.948$ ) is above .6 and Bartlett's test that it is significant ( $p=.000 < .05$ ) indicates that factor analysis is appropriate.

◆ **Total variance explained**

**Table 5.39: Total variance explained**

Component	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings <sup>a</sup>
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total
1	20.590	52.796	52.796	20.590	52.796	52.796	15.958
2	5.391	13.824	66.620	5.391	13.824	66.620	13.063
3	2.868	7.353	73.973	2.868	7.353	73.973	8.006
4	1.731	4.439	78.411	1.731	4.439	78.411	14.038
5	1.623	4.161	82.572	1.623	4.161	82.572	12.814
6	.968	2.482	85.054				
7	.691	1.771	86.825				
8	.528	1.354	88.179				
9	.475	1.218	89.397				
10	.406	1.041	90.438				
11	.356	.912	91.350				
12	.290	.743	92.093				
13	.277	.709	92.802				
14	.233	.597	93.398				
15	.214	.549	93.948				
16	.210	.539	94.486				
17	.187	.480	94.967				
18	.174	.447	95.414				
19	.160	.410	95.824				
20	.157	.402	96.226				
21	.140	.359	96.586				
22	.129	.330	96.916				
23	.125	.320	97.236				
24	.110	.281	97.517				
25	.105	.270	97.787				
26	.092	.235	98.023				
27	.090	.230	98.253				
28	.082	.210	98.463				
29	.078	.201	98.663				
30	.075	.192	98.856				
31	.068	.175	99.031				
32	.061	.157	99.188				
33	.057	.145	99.333				
34	.053	.137	99.470				
35	.052	.134	99.603				
36	.045	.116	99.719				
37	.044	.113	99.833				
38	.038	.098	99.931				
39	.027	.069	100.000				

Extraction method: Principal component analysis



When components are correlated, sums of squared loadings cannot be added to obtain a total variance (MacCallum, 2009:124).

According to Larsen and Warne (2010:872), Kaiser's criterion is a factor retention method. Because it is based on the distribution theory of eigenvalues, it shows good performance, is easily visualized and computed and is useful for power analysis and sample size planning. The sum of the squared factor loadings for all factors for a given variable (row) is the variance in that variable accounted for by all the factors and is called the communality. The ratio of eigenvalues is the ratio of explanatory importance of the factors with respect to the variables and a measure of how much of the variance of the observed variables a factor explains (Budaev, 2010:472; Norris & Lecavalier, 2010:10).

**a. Five components extracted**

The components that have an eigenvalue of 1 or more become the components of interest. In this case, the first five components recorded eigenvalues that are above 1. These five components explain a total of 82.57% of the variance. Using eigenvalues  $>1$  is only one indication of how many factors to retain. Other reasons include the scree test, getting a reasonable proportion of variance explained and (most importantly) substantive sense. The rule came about because the average eigenvalue will be 1, so  $>1$  is "higher than average" (van der Eijk & Rose, 2015:4).

◆ **Component matrix<sup>a</sup>**

The component matrix shows unrotated loadings of each of the items on the five components. Kaiser criterion of retaining all components with eigenvalues above 1 was used. It is evident from the component matrix table that most of the items load quite strongly (above .4) on the first three components. Very few items load on components four and five. This suggests that a 3-factor solution is likely to be more appropriate. Before a final decision is made concerning the number of factors it is required to look at the rotated 5-factor solution shown in the pattern matrix below (White, 2005:21; Aron *et al.*, 2014:112).

**Table 5.45: Component matrix<sup>a</sup>**

	Component				
	1	2	3	4	5
15A	.831		-.331		
14B	.820				
15F	.816		-.323	.309	
15B	.815				
14F	.813	-.347			
15E	.813			.309	
15H	.807				
15D	.806		-.329	.334	
14E	.804	-.379			
14D	.802	-.357			
14G	.801	-.352			
14H	.801	-.330		-.321	
15G	.797			.339	
14C	.794	-.350			
14I	.787	-.349			
17A	.786		.304		
15C	.772		-.345	.313	
17J	.772				-.528
17K	.769				-.510
17B	.747		.321		
17L	.747				-.510
14A	.737			-.302	
17G	.737		.367		
17I	.736				-.547
17H	.727		.340		
18B	.681	.563			
18A	.671	.539			
18F	.658	.651			
18J	.657	.646			
18D	.653	.640			
18C	.635	.633			
18G	.666	.670			
18E	.649	.663			
18H	.614	.660			
18I	.566	.620			
17D	.525		.663		
17E	.471		.641	.322	
17C	.581		.617		
17F	.371		.525		

Extraction method: Principal component analysis

◆ The scree plot

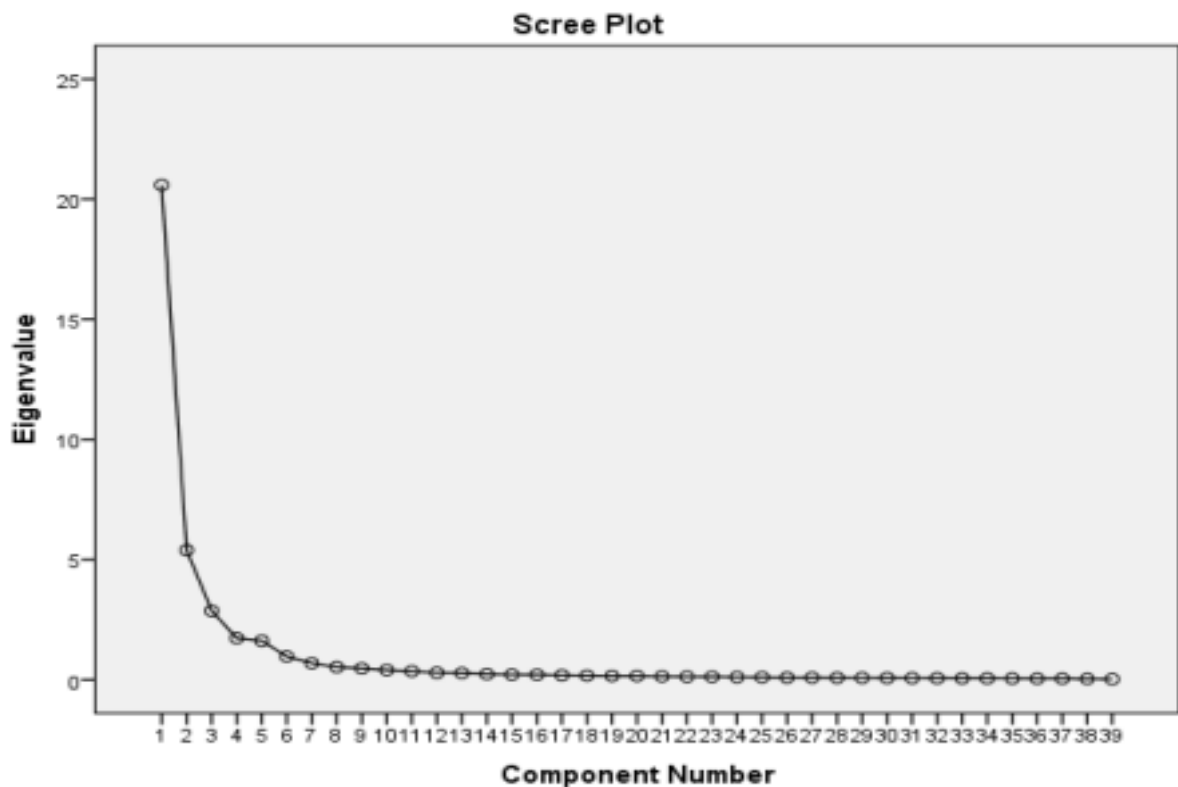


Figure 5.103: The scree plot

The scree plot shows a plot of component numbers against eigenvalues. Kaiser's criterion can lead to the extraction of too many components so it is also important to look at the scree plot.

**a. Rotation converged in nine iterations**

The change in the shape of the graph should be noted. The graph shows that there is a clear break between the third and fourth components, suggesting that components 1, 2 and 3 capture more of the variance than the remaining components. Only components above this point are retained.

◆ **Pattern matrix<sup>a</sup>, rotation method: Oblimin with Kaiser normalization and oblimin rotation of the 3-factor solution**

Table 5.46 depicts the Pattern matrix<sup>a</sup>.

Table 5.40: Pattern matrix<sup>a</sup>

	Component				
	1	2	3	4	5
14H	.959				
14E	.915				
14D	.911				
14G	.909				
14C	.906				
14F	.861				
14I	.832				
14B	.821				
14A	.743				
17B	.370				-.351
18G		.946			
18E		.936			
18F		.924			
18H		.921			
18J		.920			
18D		.913			
18C		.908			
18I		.895			
18B		.841			
18A		.807			
17E			.949		
17D			.940		
17C			.819		
17F			.774		
15D				.869	
15C				.859	
15G				.853	
15F				.844	
15E				.808	
15H				.798	
15B				.747	
15A				.703	
17I					-.890
17J					-.883
17L					-.862
17K					-.857
17G			.404		-.434
17A	.320	.333			-.422
17H			.329		-.420

Extraction method: Principal component analysis

Rotation method: Oblimin with Kaiser normalization

This shows the item loadings on the five factors; the number of loadings of more than 0.3 are numerous (Bandalos & Boehm-Kaufman, 2009: 70-71) and discussed as follow.

**a. Oblimin rotation of the 3-factor solution**

Using SPSS, a 5-factor solution was obtained; the results of the scree plot indicate that a 3-factor solution was more appropriate. A 2-factor solution will be used.

◆ **Total variance explained**

**Table 5.41: Total variance explained**

Component	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	20.590	52.796	52.796	20.590	52.796	52.796	18.378
2	5.391	13.824	66.620	5.391	13.824	66.620	13.122
3	2.868	7.353	73.973	2.868	7.353	73.973	9.788
4	1.731	4.439	78.411				
5	1.623	4.161	82.572				
6	.968	2.482	85.054				
7	.691	1.771	86.825				
8	.528	1.354	88.179				
9	.475	1.218	89.397				
10	.406	1.041	90.438				
11	.356	.912	91.350				
12	.290	.743	92.093				
13	.277	.709	92.802				
14	.233	.597	93.398				
15	.214	.549	93.948				
16	.210	.539	94.486				
17	.187	.480	94.967				
18	.174	.447	95.414				
19	.160	.410	95.824				
20	.157	.402	96.226				
21	.140	.359	96.586				
22	.129	.330	96.916				
23	.125	.320	97.236				
24	.110	.281	97.517				
25	.105	.270	97.787				
26	.092	.235	98.023				
27	.090	.230	98.253				
28	.082	.210	98.463				
29	.078	.201	98.663				
30	.075	.192	98.856				
31	.068	.175	99.031				
32	.061	.157	99.188				
33	.057	.145	99.333				
34	.053	.137	99.470				

35	.052	.134	99.603				
36	.045	.116	99.719				
37	.044	.113	99.833				
38	.038	.098	99.931				
39	.027	.069	100.000				

Extraction method: Principal component analysis

Rotation method: Oblimin with Kaiser normalization

**a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance (Bryman & Bell, 2011).**

To establish how many factors to extract, Kaiser's criterion was used. The components that have an eigenvalue of 1 or more become the components of interest. In this case, the first three components recorded eigenvalues that are above 1. These three components explain 73.97% of the variance.

◆ **Pattern matrix<sup>a</sup>**

**Table 5.42: Pattern matrix<sup>a</sup>**

	Component		
	1	2	3
15C	.914		
15F	.908		
14I	.907		
15D	.897		
15H	.891		
15A	.890		
14H	.884		
15G	.877		
14E	.875		
15E	.873		
15B	.862		
14F	.854		
14G	.842		
14D	.805		
14C	.754		
14B	.749		
14A	.669		
17K	.518		.303
17J	.489		.318
17L	.470		.339
17I	.460		
18G		.951	
18E		.935	
18F		.928	
18J		.923	
18H		.921	
18D		.916	
18C		.904	

18I		.861	
18B		.842	
18A		.813	
17D			.876
17E			.843
17C			.828
17F			.691
17G			.567
17H			.538
17B		.326	.505
17A		.380	.489

Extraction method: Principal component analysis.

Rotation method: Oblimin with Kaiser normalization.

◆ **Component correlation matrix**

**Table 5.49: Component correlation matrix**

Component	1	2	3
1	1.000	.465	.471
2	.465	1.000	.259
3	.471	.259	1.000

The component correlation matrix below shows the strength of the relationship between the three factors. The information of the correlation matrix helps to decide whether it is reasonable to assume that the three components were not related. In this case, there are small to moderate correlations. Since there are some correlations above .3, the oblimin rotation needs to be reported.

The oblimin rotation provides two tables of loadings that are the pattern matrix and structure matrix. The pattern matrix shows the factor loadings of each of the variables. This shows the item loadings on the three factors, the number of loadings of all items is more than 0.3.

Look at the highest loading items on each component to identify and label the component (Collis & Hussey, 2009:99).

◆ **Structure matrix**

**Table 5.43: Structure matrix**

	Component		
	1	2	3
15A	.882	.520	
15F	.880	.475	
14E	.879	.311	.516
14F	.877	.340	.518
14H	.875	.344	.456
14I	.873	.322	.434
15H	.870	.454	.325
15D	.868	.478	
15E	.868	.464	.341
15B	.865	.483	.333
14G	.864	.327	.519
15G	.857	.457	.311
14D	.855	.323	.561
15C	.851	.427	
14B	.846	.379	.581
14C	.833	.320	.594
14A	.758	.352	.511
17K	.726	.460	.584
17J	.717	.479	.592
17L	.695	.447	.597
17I	.680	.476	.547
18G	.432	.945	
18E	.430	.930	
18F	.425	.926	
18J	.423	.922	
18D	.417	.913	
18H	.388	.901	
18C	.392	.895	
18B	.471	.881	
18A	.463	.856	.302
18I	.360	.840	
17D	.392		.867
17C	.439	.301	.854
17E	.352		.820
17G	.609	.495	.738
17H	.610	.479	.715
17A	.635	.613	.695
17B	.607	.558	.692
17F			.668

Extraction method: Principal component analysis

Rotation method: Oblimin with Kaiser normalization



◆ **Communalities**

**Table 5.44: Communalities**

	Initial	Extraction
14A	1.000	.605
14B	1.000	.759
14C	1.000	.754
14D	1.000	.771
14E	1.000	.799
14F	1.000	.789
14G	1.000	.772
14H	1.000	.773
14I	1.000	.773
15A	1.000	.814
15B	1.000	.764
15C	1.000	.751
15D	1.000	.781
15E	1.000	.764
15F	1.000	.797
15G	1.000	.750
15H	1.000	.770
17A	1.000	.718
17B	1.000	.663
17C	1.000	.736
17D	1.000	.752
17E	1.000	.675
17F	1.000	.450
17G	1.000	.678
17H	1.000	.645
17I	1.000	.557
17J	1.000	.620
17K	1.000	.618
17L	1.000	.592
18A	1.000	.741
18B	1.000	.782
18C	1.000	.807
18D	1.000	.835
18E	1.000	.869
18F	1.000	.857
18G	1.000	.894
18H	1.000	.814
18I	1.000	.709
18J	1.000	.850

Extraction method: Principal component analysis

The structure matrix table, which is unique to the oblimin output, provides information about the correlation between the variables and factors (Bryman, 2008:213).

The communalities table gives information about how much of the variance in each item is explained. High values of more than 0.5 mean that the item does fit well with the other items in its component. This information helps in improving or refining a scale. This information is essential to remove items from the scale (Clark & Creswell, 2010:87).

### 5.3.3.24 Multiple regression

#### ◆ Correlations

Table 5.52: Correlations

		Retention marketing	Market positioning	Product strategy	Relationship marketing
Pearson Correlation	Retention marketing	1.000	.674	.641	.498
	Market positioning	.674	1.000	.733	.345
	Product strategy	.641	.733	1.000	.450
	Relationship marketing	.498	.345	.450	1.000
Sig. (1-tailed)	Retention marketing	.	.000	.000	.000
	Market positioning	.000	.	.000	.000
	Product strategy	.000	.000	.	.000
	Relationship marketing	.000	.000	.000	.
N	Retention marketing	400	400	400	400
	Market positioning	400	400	400	400
	Product strategy	400	400	400	400
	Relationship marketing	400	400	400	400

The table shows the correlations between variables. The purpose of the correlations is to check correlation between independent variables to see if multicollinearity is not present (Hair, Black, Babin, Anderson & Tatham, 2005:312).

The correlation matrix can be used to detect the presence of multicollinearity among the dependent variables. The independent variables for this study are market positioning strategy, product strategy and relationship marketing strategy. The variables product strategy and marketing position ( $r=.733, >.7$ ) are correlated. This is an indication that multicollinearity may be present. To investigate further for the presence of multicollinearity, a formal way of testing for multicollinearity, called VIF, is used (Babbie, 2010:236). The following analysis focuses on the multiple regression.

◆ **Coefficients, the normal p-p plot and the scatterplot**

The following multiple regression analysis demonstrates coefficients, the normal p-p plot and the scatterplot.

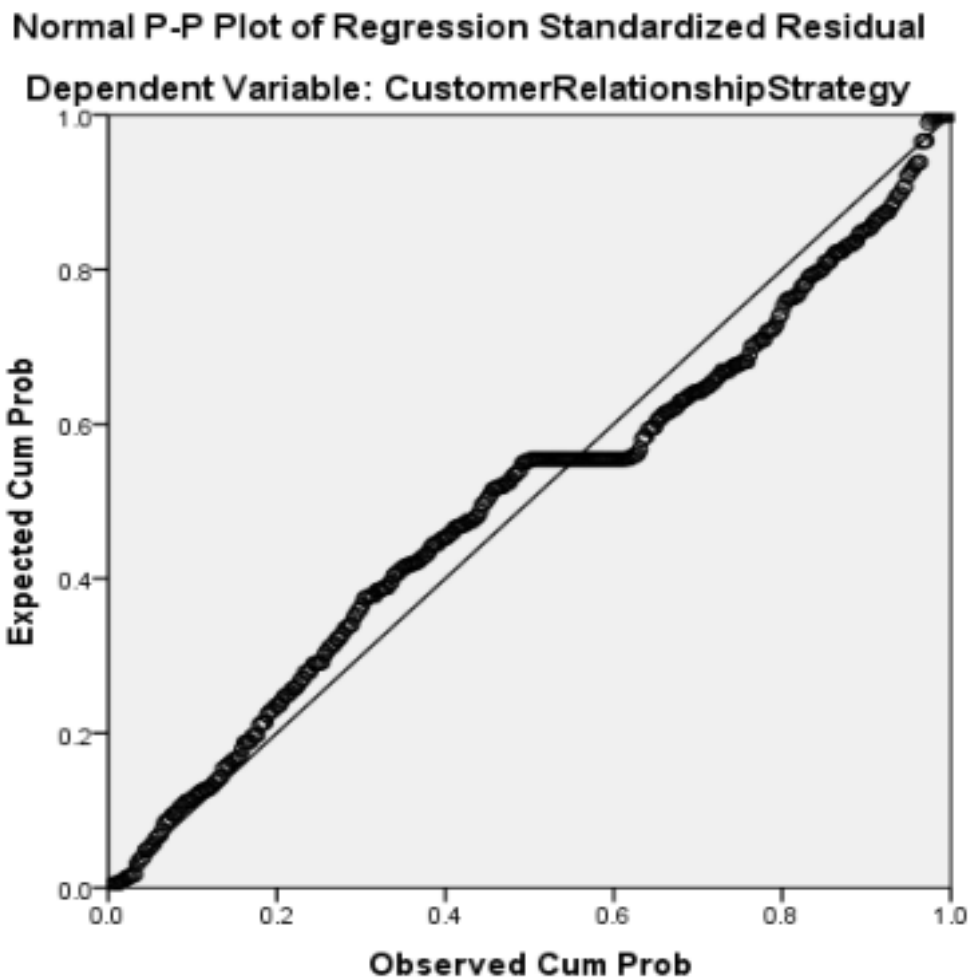
**Table 5.45: Coefficients**

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	95.0% confidence interval for B		Correlations			Collinearity statistics	
		B	Std. Error	Beta			Lower bound	Upper bound	Zero-order	Partial	Partial	Tolerance	VIF
1	(Constant)	7.536	.802		9.392	.000	5.958	9.113					
	Market positioning	.454	.052	.433	8.753	.000	.352	.556	.674	.403	.294	.462	2.163
	Product strategy	.225	.056	.209	4.027	.000	.115	.335	.641	.198	.135	.419	2.388
	Relationship marketing	.193	.028	.255	6.760	.000	.137	.249	.498	.322	.227	.797	1.255

**a. Dependent variable: Retention marketing**

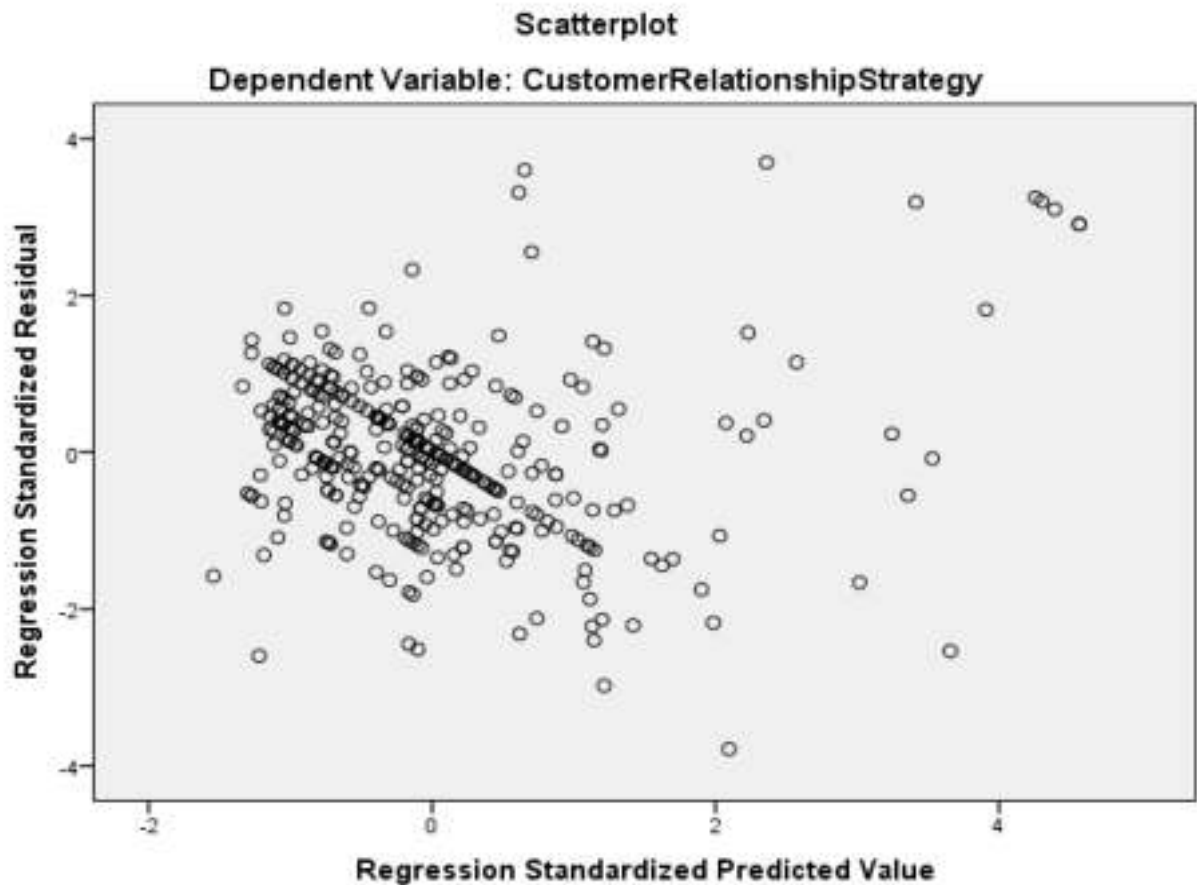
In the coefficients table the column 'collinearity statistics' is of interest. The VIF values of greater than 10 are an indication of multicollinearity. In this case, all the variables have VIF values that are less than 10.

This indicates that there is no collinearity of variables. However, since the multicollinearity was found to exist on the correlational matrix, one of the independent variables will be removed (Ghuri & Gronhaug, 2005:211; Cohen & Crabtree, 2006:92; Gravetter & Forzano, 2018:231).



**Figure 5.103: The normal p-p plot**

The normal p-p plot was used to test for the normality assumption in this study. The data points are close to a straight diagonal line, which is an indication that there are no major deviations from normality. In the scatterplot, one is hoping the residuals will be distributed roughly in a rectangle, with most of the scores concentrated around the centre (along the 0 point). The presence of outliers can also be detected from the scatterplot.



**Figure 5.104: The scatterplot**

Figure 5.105 shows the distribution of the residuals. The residuals are distributed roughly in a rectangle, with most of the scores concentrated around the centre.

The presence of outliers can also be detected from the scatterplot since some of the data points are distant from other values. Market positioning (independent variable) was removed from the regression analysis because the correlation was too high (above .7) and thus, it violated the assumption of multicollinearity.

Furthermore, 60 cases had to be deleted from the regression analysis since the analysis of residual scatterplot showed existence of certain data points that are outliers. Mahalanobis was used to remove values exceeding the cut-off value of 13.82. Following these preliminary data checks, regression analysis was done.

The following analysis focuses on the model summary.

◆ **Cases deleted from the regression analysis**

Table 5.54 below depicts the 60 cases that had to be deleted from the regression analysis due to exceeding the Mahalanobis value (that is, they are outliers).

**Table 5.464: Cases deleted from the regression analysis**

<b>Mahalanobis value exceeding critical value of 13.82</b>	<b>ID – deleted from regression analysis</b>
23.44772	176
22.62473	193
22.44713	189
21.19155	36
21.06024	113
21.06024	115
20.61985	44
19.85590	110
19.48622	112
18.96779	37
18.90290	116
18.85739	192
18.51121	355
18.16803	240
18.16756	55
18.11087	43
17.02177	22
16.72329	46
16.60112	39
16.32952	38
15.89539	316
15.89539	400
15.62593	345
15.37916	111
15.25844	114
14.27195	197
17.84884	107
17.17101	118
16.28980	368
15.59329	41
14.59543	31
13.93227	308
13.93227	343
17.09802	32
15.53514	309
14.79326	311
14.79326	395

14.25185	120
16.25966	30
15.84885	29
15.64971	198
14.48531	370
14.33766	102
15.80461	354
13.94123	365
13.91794	121
14.72533	342
13.99250	364
13.99250	42
13.99250	367
15.06842	349
14.98893	352
14.07918	318
15.30723	351
14.30904	101
14.08611	362
14.57024	23
14.57024	126
13.87373	319
16.25966	348
15.84885	30

Following the preliminary data checks, hereunder are the results of the regression analysis.

◆ **Model summary**

In the model summary, Table 5.55, R square indicates that 0.215 of the variance in the dependent variable (Customer Relationship) is explained by the model. Expressed as a percentage (x100), this means the model (which includes Product/Service Strategy, Retention Marketing and Relationship Marketing) explains 21.5% of the variance in Customer Relationship

Table 5.55 below illustrates the model summary. The R square depicts that .215 of the variance in the dependent variable (Retention Marketing) is explained by the model. Expressing the R square as a percentage means the model (which includes Relationship Marketing and Product/Service Strategy) explains 21.5% of the variance in Customer Retention Marketing.

**Table 5.47: Model summary<sup>b</sup>**

Model	R	R square	Adjusted square	R	Std. error of the estimate
1	.464 <sup>a</sup>	.215		.211	4.683

Predictors: (Constant), Relationship Marketing, Product Strategy

Dependent variable: Retention Marketing Strategy

#### ◆ ANOVA<sup>a</sup> and Coefficients<sup>a</sup>

Table 5.56: ANOVA<sup>a</sup>

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	2028.835	2	1014.418	46.247	.000 <sup>b</sup>
	Residual	7391.941	337	21.935		
	Total	9420.776	339			

a. Dependent variable: Retention Marketing Strategy

b. Predictors: (Constant), Relationship Marketing, Product Strategy

Analysis of variance assesses the statistical significance of the model summary result (Green & Thompson, 2005:156). The significant value ( $p=0.000 < 0.05$ ) (sig.) indicates that the model is statistically significant.

The analysis in Table 5.57 focuses on the coefficients<sup>a</sup>.

Table 5.57: Coefficients<sup>a</sup>

Model		Unstandardized coefficients		Standardized coefficients	T	Sig.	95% confidence interval for B		Correlations			Collinearity statistics	
		B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
		Beta											
1	(Constant)	13.686	.920		14.873	.000	11.876	15.495					
	Product Strategy	.364	.061	.330	5.962	.000	.244	.484	.430	.309	.288	.758	1.319
	Relationship Marketing	.165	.045	.202	3.637	.000	.076	.255	.364	.194	.176	.758	1.319

a. Dependent variable: Retention marketing

#### Evaluating the independent variables

The coefficients table illustrates which of the variables (Product Strategy, Relationship Marketing) included in the model contributed to the prediction of the dependent variable (Retention Marketing). Under the standardized coefficients, the variable with the largest beta value will have a strong contribution in explaining the dependent variable. The variable Product Strategy (Beta=.330) has the strongest unique contribution in explaining the dependent



variable (Retention Market Strategy), when the variance explained by all other variables in the model is controlled. The beta value for Destination Relationship Marketing strategy was slightly lower (Beta=.202), indicating that it made less of a unique contribution.

The estimated coefficient values for Product Strategy ( $\beta=0.364$ ) and Relationship Marketing ( $\beta=0.165$ ), show that positive coefficients implies a positive contribution to Retention Marketing. In other words, as Relationship Marketing and Product Strategy increase, so does Retention Marketing.

Under the Sig column, the variables with ( $p < .05$ ) are considered to be significant. The variables Product Strategy ( $p=.000, < .05$ ) and Relationship Marketing ( $p=.000, < 0.05$ ) show that the variables make a statistically significant unique contribution. Furthermore, it is important to get an indication of the contribution of each variable to the total R square. In other words, how much of the total variance in the dependent variable is uniquely explained by that variable and how much R square would drop if it were not included in the model. The product strategy scale has a part correlation coefficient of  $(.288)^2=.083$ , which indicates that Product Strategy uniquely explains 8.3% of the variance in Retention Marketing Strategy. The Relationship Marketing Strategy scale has a part correlation coefficient of  $(0.176)^2=.031$ , which indicates that Relationship Marketing Strategy uniquely explains 3.1% of the variance in Retention Marketing Strategy.

The statistical results are in line with Grönroos (2009:356) who reports that small increases in customer retention rates greatly increases profits, so the TTA's creation of customer relationships will lead to the retention of customers. According to Shirazi and Som (2010:48) and Rajput *et al.* (2018:118), relationship marketing in the tourism industry is regarded as an appropriate strategy and coherent approach to building a continuous relationship among all key element stakeholders, host communities and tourists at tourism destinations to gain competitive advantages. This is in line with the findings of this study.

## **5.4 SECTION C: INTERVIEW ANALYSIS**

Separate telephonic interviews were conducted with relevant managers and staff in each of the 10 selected tourism and hospitality-related NGOs in Gauteng. The names of the organisations remain confidential as per the preference of the interviewees.

### **5.4.1 Outcomes of the interviews**

#### **5.4.1.1 Interviews 1 and 2**

The interviews were conducted in a qualitative data collection method and took place on the scheduled date. An e-mailed request was sent to the human resource department for

permission to carry out the research. No response was received, even after following up with the manager in charge. However, a successful telephonic interview was finally conducted.

The questions were based on the efficiency of customer relationship service delivery to their valued customers and how this had been achieved over the years that the companies had been in the service industry. In service delivery efficiency, the company co-creates the value of service provided to the customers. The companies had templates on how they work. There is a value creation with customers to know what the customers really need and expect from the organisation (Abu-El Samen, 2015:510-511).

They respect the feedback from their customers on how they can improve service delivery. They carry out duties as directed by the customers and are not dictatorial on what is supposed to be done. Listening to the customer is what makes them grow daily. It is up to the customer to make the decision.

Their relationship with the customers is maintained through regular meetings. Working on the feedback given by the customers matters a lot to them. The regular meetings between them and customers assist them to build confidence and to bridge the gap between them. In this way, they obtain direct feedback from which to build and develop. They also get to know the extent of their customers' satisfaction and how the customers view the services provided to them.

The following views emerged very strongly in the interviews (Hyung-Su & Young-Gul, 2009: 231; Rajput *et al.*, 2018:151).

◆ **Treatment of customer service is important**

It matters how the service is interpreted. Poor service means revenue loss and time to fix the problem, which is a factor to consider in delivering proper services to customers. To reduce such incidents, employees should be aware of customer needs and deliver accordingly.

◆ **Attention is very important to avoid any misinterpretation**

The key implications and benefits of CRM maintenance are that the company can gain customer trust in service delivery over time. Customers learn to trust the company, which engenders a positive attitude from the customer towards the company. Trust improves and expands the business through recommendations from customers. This results from good relationships built over time through superior service delivery. The strategy is to maintain focus on good quality service provision, which will draw customers close.

◆ **Maintaining the relationship into the future to enhance business growth**

Management's involvement with customers to maintain relationships and grow close to customers is the key to future growth of the organisation. The organisation must listen and

react on what customers verbalise as well as to other signals that customers may give to the organisation.

◆ **Employee motivation**

This is what enables the company to operate and deliver successfully to the customers. Employee motivation is achieved through being very close to employees and knowing how they feel, if they are okay or feeling motivated to work. Open lines of communication with employees drives their motivation to work well and please customers. A staff satisfaction survey is conducted regularly to monitor employee satisfaction. If employees feel they are being heard it will motivate them to provide excellent service. Employees can request to be relocated, based on their residential areas and location of institutions of learning in which they might be enrolled.

◆ **Trust matters to the employees**

Building relationships with employees brings them close and they feel free to share ideas, which in turn benefits the company in improving service delivery efficiency. The creation of a friendly working environment is important. Each one is free to execute their work without stress and without being pressurized. Employees are rewarded with an annual gala celebration to motivate each other and build strong bonds with each other. Employees are reliable partners, are professional and take care of the neatness of the customers' premises with in a professional manner.

**5.4.1.2 Interviews 3, 4, 5 and 6**

The second phase of the survey was conducted in a B2B fashion in the travel space in which the business operates. The businesses are located in a very busy centre and have been in the industry for a considerable period.

Most of the organisations were established over six years ago. The improvement and development of the businesses has been gradual, with significant results. The organisations specialise in wide range of travel services required by consumers. The aim of the businesses is to ensure that the market niche is bridged to maintain the chain of services from the principal to the final consumer of the products manufactured. Customer satisfaction is enhanced by responding promptly to customers and ensuring good service. Sound communication channels between suppliers and customers are maintained, which has enhanced business growth over time.

After-sales service ensures that the needs of the final consumer are met, customer loyalty is gained and trust is built between the two partners. The organisation builds a good reputation from customers, which leads to a high rate of turnover. In return, more profits are generated through service delivery to satisfied clients and customers.

The following views emerged during the interviews.

◆ **Tourism industry challenges**

The shortcomings realised through the organisation's operations over time show that the travel industry faces many challenges both nationally and internationally. The travel industry is dynamic and changes daily, especially economic and political perspectives, which affect the business at both national level and international level. Security is the key to tourism growth, where peace of a region establishes the goodwill of the business.

The current stability of the region affects the travel industry in different ways (CoT, 2019:74; SAT, 2019:55). Technology advancement and development must be considered. A focus on embracing technology is now needed as many customers have not considered technology in the travel business.

◆ **Lack of staff skills**

Lack of skilled staff to deliver duties and sourcing of skilled staff is a challenge. Senior personnel in charge of the organisation focus on the continuous development and growth of the relationship between the organisation and customers (Kotler & Armstrong, 2012:91).

Improved service delivery to customers is crucial in ensuring that customers' needs and wants are met. The business needs to grow and expand in the travel business industry and in the tourism sector overall.

**5.4.1.3 Interview 7**

The seventh interview was with the agent of a hospitality organisation which delivers services in the accommodation sector. There was a preliminary discussion before the actual interview took place. The general services provided by the organisation are undertaken by agents who are tasked with the responsibility to service the customers. The information obtained from this interview encompasses the key responsibilities of every service agent to deliver to the customer and any other service that a customer might require, provided it is within the company provisions.

Anyone can apply to become an agent for the company but there are certain criteria and requirements that must be met. Customer service delivery and relationship management skills are important requirements.

The following views emanated from the interview (Pedron & Sacco, 2009:35; Dow, 2011:11; Ward, 2015:166).

◆ **The CRM process**

CRM is maintained by ensuring that customers receive excellent service from the principal agent as well as the sub-agents who are at a lower rank in the business hierarchy. The CRM process ensures timeous responses to all questions posed to the agents. In this way, customer service is well maintained and the daily operation of the company runs smoothly. The process applies to customers throughout the country and extends to customers in other countries that might want to use the services.

◆ **Competitors from similar agencies**

Competition in the industry from similar agents poses challenges to the organisation. **Making of the calls transfer to the customer service is a factor to consider.** Time taken to deal with a customer matters as well, as there are clients that might take quite long on small cases and complaints which lead to time consumption.

**5.4.1.4 Interview 8**

The eighth interview was with a company specialising in tourism business investment. The interview was conducted telephonically. The study topic was highlighted and questions forwarded prior to the interview. This was to advise the interviewee of the research plan, the aim of the study and what the interview would cover.

Based on the information obtained from this interview, the organisation tries to understand the market before committing money and resources to the business. A key point was that the company focussed on delivering efficient customer service through customer relationships. The interviewee believed that several factors needed to be considered in the business operation. These included market potential, competitors who were already established in the market, the financial requirements of the company, trends on how the business has developed over time and more recently, and the impact of the CRM programme.

The following views stood out during the interview discussion.

◆ **Staff patience and commitment**

Patience was the key to the organisation's growth. Every business day is faced with courage. Business operations require an early morning start to work every day of the week and a long day at work to ensure every customer gets what they need (Ritter & Andersen, 2014:1006).

◆ **Organisation communication**

Communication goes hand in hand with the business. Being frank and open with customers about services and price creates honesty and trust between the service provider and the business. Serve every customer that comes to the premises without any bias. Availability of

personnel during hours of business operation is also a strength. Talking to customers frankly and paying attention to what they say makes customers feel that the organisation cares about them (Pike, 2015:1282).

◆ **Organisation and customer relationship**

Mutual respect between the parties improves customer relationships. Efforts from the company makes the customers remember the good service received. Offering special deals to customers enhances customer relationships. Special deals allow customers to purchase product at a good price during a set period (Mostafavi Shirazi, Mat Som & Marzuki, 2010:310).

◆ **Customer service**

Good customer service ensures repeat business and results in an increase in the number of customers. This bolsters the reputation of the business, promotes growth and improves its competitive advantage in the industry. Promotion of convenient service delivery enhances company development. Trusted clients can place orders telephonically by calling the office. Free delivery and allowing payments to be made later during the day promotes trust.

The above factors lead to growth and expansion of the business. Customers learn to trust the company and its reputation in the industry grows (Beaujean *et al.*, 2006:69; George, 2014:181).

**5.4.1.5 Interviews 9 and 10**

The interviews were conducted telephonically. The interviewees were informed about the basis of the study and the reason for the survey on the given topic. The researcher gathered the following information from the interviewees.

◆ **Create a network with successful organisations**

There is always a need to create a network with successful organisations in the industry and to learn from what they have done to achieve their goals and from the mistakes they have made. The location of the business is very important, taking into consideration how one is going to compete successfully.

◆ **Competition analysis**

The key to a successful business is to stay focused and not to underestimate the power of the competition. Analyse the competition and learn from their successes and failures.

◆ **Customer relationships**

Maintain and strengthen customer relationships, which will assist the company to gain high-end customers.

◆ **Time planning**

Time planning is crucial to cope with demands and delivery of services and to maintain the continuous smooth running of the business without operational glitches in the working days.

◆ **Expertise consultations**

Advice from people who operate similar businesses is a valuable resource for learning and comparison.

◆ **Growing business**

The best way to develop and grow a travel business is to focus on gradually building brand awareness to increase sales and become competitive in the industry.

The organisation is operated in both a B2B and B2C manner. With the latter, the services are sold directly to the customer for consumption. Business usually picks up during the high season period and operates until the beginning of the next up-cycle in tourism demand (in the USA, for example, it would be at the start of the next sowing season of the new crops). In the low season, the prices normally start at the low end and increase in the high season. The researcher learned from the interviewees that there are certain benefits for hospitality, travel and tourism organisations from running the business.

The information gathered from the interviews indicated that there are good profits made by the organisation. These are influenced by customer specials such as discounts and subsidies, which enhance customer relationships. Hence, this kind of business is run with a willingness to serve the customers.

#### 5.4.2 Analysis of the interviews

The data presented by the respondents were analysed using graphical presentations. The information was analysed based on market positioning, as illustrated in Figure 5.106.

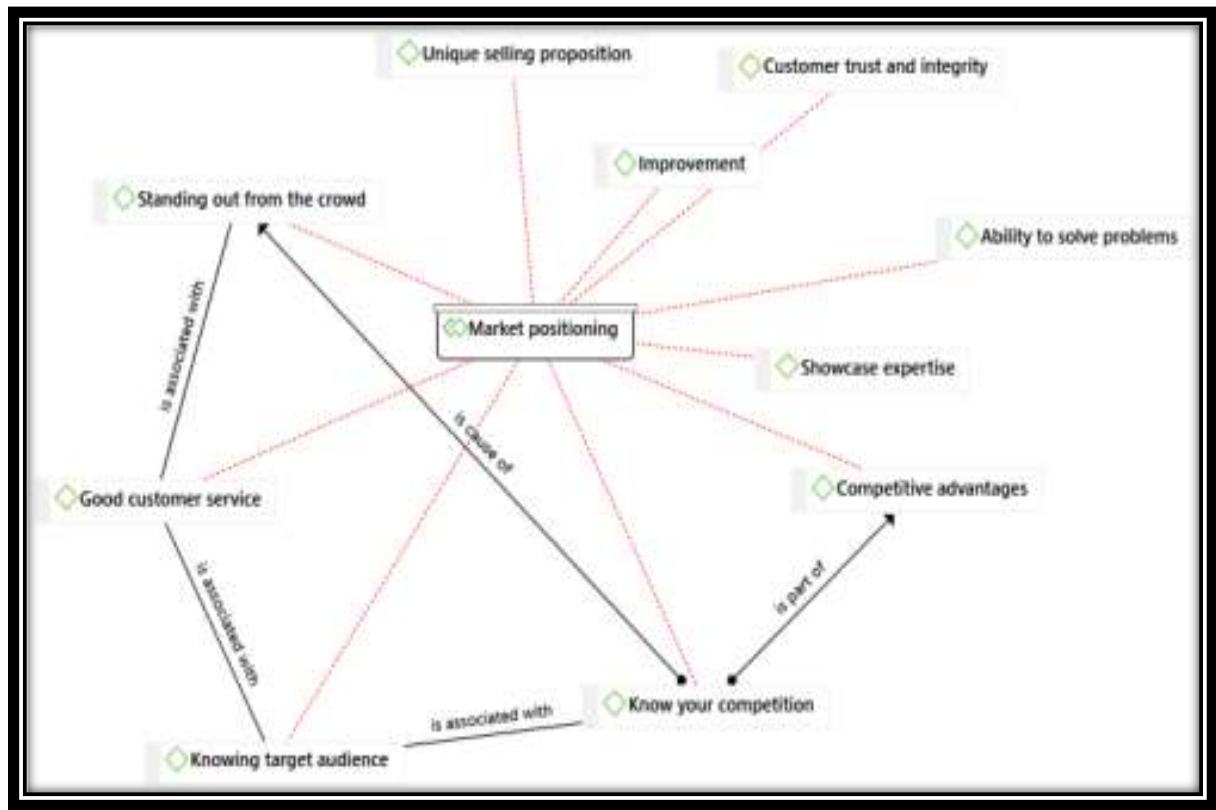


Figure 5.105: Market positioning analysis

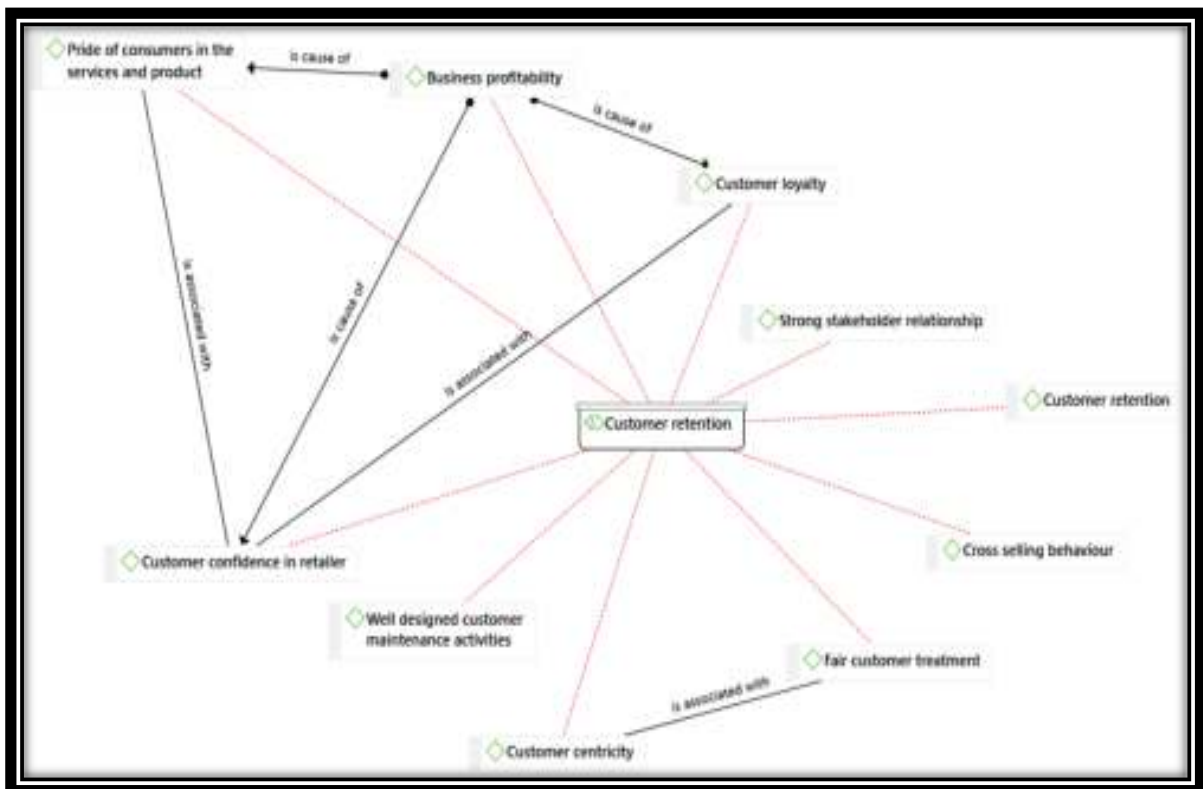
Figure 5.106 shows that market positioning can be achieved through unique selling propositions, continuous improvement, ability to solve problems, showcasing expertise, knowing your competition, competitive advantage, standing out from the crowd, good customer service and knowing the target audience. Good customer service was associated with standing out from the crowd, which results from knowing the competition and knowing the target audience. Knowing the target audience was associated with knowing the competition, which is part of a competitive advantage. For the TTA to position itself in the market, it should have a better understanding of its customers and good customer services (Kotler & Armstrong, 2012:101; Varadarajan, 2015:87).





**Figure 5.106: Marketing planning analysis**

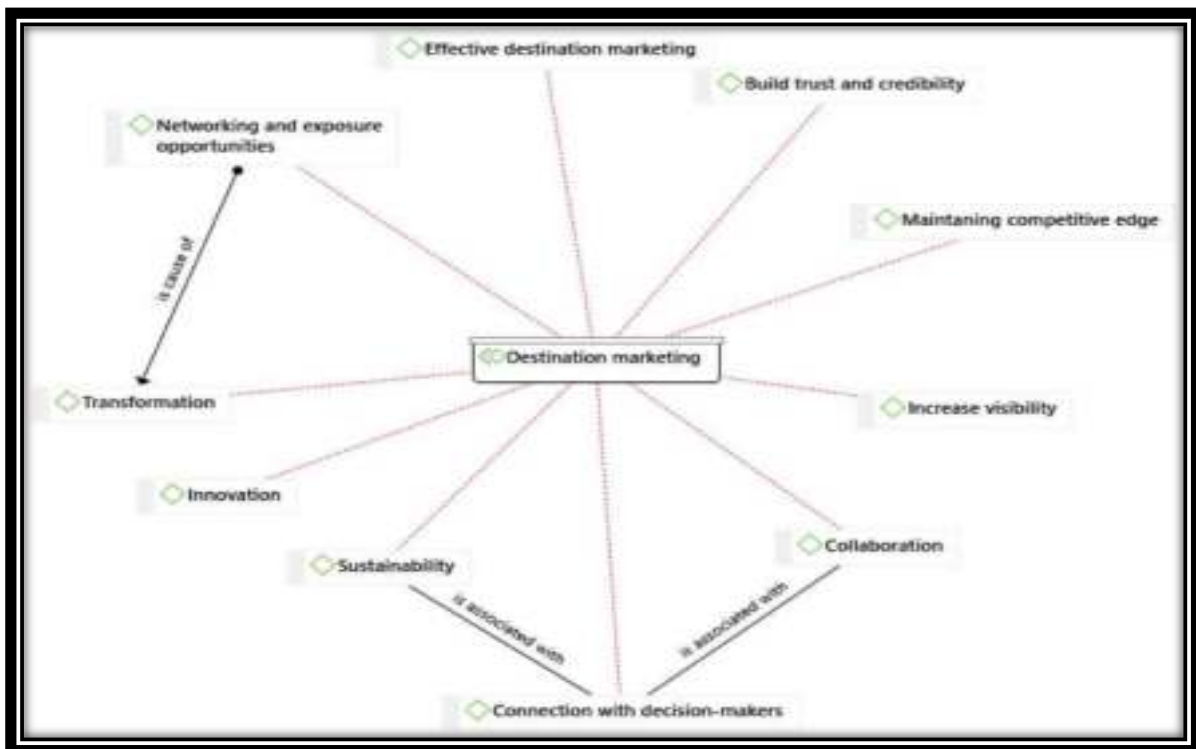
Figure 5.107 shows that marketing planning can be achieved by considering better communication and co-ordination, forcing management performance, archiving objectives, using objective management, proper communication, rational activity, processes to promote market and consumer business actions, systematic planning approach, customer satisfaction and avoiding future uncertainties. Marketing planning is important to the TTA since it ensures that its marketer targets the right markets and segments (George, 2014:121; Varadarajan, 2015:86; Bang *et al.*, 2016:111).



**Figure 5.107: Customer retention analysis**

As evident from Figure 5.108, customer retention can be made possible through strong stakeholder relationships, cross-selling behaviour, fair customer treatment, customer-centricity, well-designed customer maintenance activities, customer confidence in retailer, pride of consumer in the services and product and business profitability. Business productivity was found to be a cause of customer loyalty, customer confidence in retailer and pride of consumer in the services and product.

Fair customer treatment was found to be associated with customer-centricity. The results of the interview are supported by Rodriguez *et al.* (2015:638), who found that when an organisation created customer relationships, its customer retention rates increased greatly. According to Taleghani *et al.* (2011:161), customer loyalty adds value to the life of the customer and reduces the overall cost of marketing. It is at least five times more cost-effective for the TTA to retain existing customers than to attract new ones.



**Figure 5.108: Destination marketing analysis**

As evident in Figure 5.109, destination marketing can be made effective through building trust and credibility, maintaining competitive edge, increasing visibility and innovation. Furthermore, networking and exposure to opportunities, transformation sustainability, collaboration and connection with decision makers was found to play a major role in destination marketing. Networking and exposure to opportunities was found to lead to transformation and there was association between sustainability, collaboration and connection with decision makers.

The results of the interview are supported by Pike (2015:278) and Murdaugh (2012:312), that effective destination marketing can impact organisation growth in the areas of sustainability, networking, customer connections and new market opportunities. Furthermore, Wang and Pizam (2011:167) and Bregoli (2013:220) indicate that destination marketing plays a key role in building a brand, attracting new customers and maintaining loyalty.

The hospitality industry is mostly tourism-related so a consistent brand identity is essential to create a sustainable brand. The TTA needs to implement an effective destination marketing strategy to be effective in the CoT area.

## 5.5 SECTION D: STUDY TRIANGULATION

This section presents a brief discussion of the results of tourism-related business (stakeholders), HEI tourism experts and hospitality, travel and tourism-related NGOs. The star gradings of tourism organisations in the TTA area were generally low. The availability of services and resources were found to be the reasons for operating in the TTA area. Further

reasons for organisations to operate in the TTA area were availability of customers, facilities, less competition, extensive marketing and that the location was favourable.

Customer loyalty, marketing plan, market research, internet marketing, customer satisfaction, service quality, customer retention and destination marketing were found to be very important aspects elements for consideration in the TTA CRM programme. Tourism growth, mission, goals, objectives and mutual goals were identified as important in ensuring the success of the TTA. The research participants generally agreed that the TTA has a convenient location, attractive physical environment, is trustworthy, keeps its promises and has quality promotion material.

Employees of the TTA provided prompt services, delivered expected results, addressed customer needs and wants, were courteous, willing to help, well informed and had the ability to answer questions. The TTA Board of Directors was found to give feedback timeously and offer consistent quality services.

Customer relationships were maintained by relying on destination marketing resources. Good customer relationship strategies have the capability to reduce costs wastage, complaints and staff attrition in the DMOs (Buttle, 2009:171).

This implies that destinations can benefit from customer relationships with DMOs and ultimately tourism businesses benefitting the area by creating jobs and providing more choices. Customer relationship strategy strengthened strategic marketing planning in DMOs. Information management was crucial in delivering proper services to the customers. Treatment of the information is important. Interpretation of information matters to both the customer and the organisation. Wrong information relayed means waste of money and time to fix the problem (Ward, 2015:181).

The official at the Tshwane tourism offices first verifies all the customers' data before any meeting takes place, because marketing planning and co-ordination is important to ensure effective communication between all parties and a customer's full satisfaction with all actions taken

Customer retention can be possible through strong stakeholder relationships, cross selling behaviour, fair customer treatment, customer-centricity, well-designed customer maintenance activities, customer confidence in retailer, consumer pride in the services and product and business profitability. Business productivity was found to be a reason for customer loyalty, customer confidence in retailer and pride of consumer in the services and product.

Fair customer treatment was associated with customer-centricity (Imhoff *et al.*, 2001:6; Omotayo *et al.*, 2014:70). A regression analysis on the independent variables 'product strategy', 'relationship marketing' and 'retention marketing' was carried out. The variables

'product strategy' and 'relationship marketing' were statistically significant and had a unique contribution to 'retention marketing'.

The variable 'product strategy' had the stronger unique contribution when compared to 'relationship marketing strategy' in explaining the dependent variable 'retention market strategy'. Based on the statistical findings, the TTA should promote product relationship marketing strategy to ensure the retention of customers in service delivery. This can be done through ongoing training on customer retention and entrenching incentives and rewards as part of marketing planning (Edelman & Brandi, 2015:10-11).

Marketing planning can be strengthened through the implementation of customer relationship strategies in DMOs. Destination marketing in South Africa has improved over the past several years. It was evident from the results that South Africans take pride in their destinations as tourism attractions (O'Guinn, Allen, Semenik & Scheinbaum, 2006:281; Kotler & Armstrong, 2012:132; George, 2014:97).

## **5.6 CHAPTER SUMMARY**

This chapter presented the data collected through questionnaires and interviews. Descriptive and inferential statistics were done using frequencies, descriptive statistics and normality tests, exploratory statistics, factor analysis, Cronbach's alpha reliability and correlation and regression analysis between the scales. Factor analysis was used to test for validity. Reliability analysis showed the questionnaire for stakeholders and experts was reliable. The KMO and Bartlett's test were used to test if the correlations between the variables were strong enough.

The results indicate that the factor model is appropriate for factor analysis. Customer loyalty, marketing plan, market research, internet marketing, customer satisfaction, service quality and customer retention were found to be very important aspects for consideration in the TTA CRM programme.

Customer relationship relied on destination marketing resources for it to be maintained. Regression analysis on the independent variables 'product strategy', 'relationship marketing strategy' and 'retention marketing strategy' was carried out. The variables 'product strategy' and 'relationship marketing strategy' were statistically significant and had a unique contribution to 'retention marketing strategy'.

## **CHAPTER 6**

### **RECOMMENDATIONS AND CONCLUSIONS**

#### **6.1 INTRODUCTION**

This final chapter summarises the study, draws conclusions and makes recommendations based on the findings as presented in Chapter 5.

The primary research objective of this study was to develop a CRF for the TTA in the CoT that will have a positive effect on destination marketing strategies.

The secondary objectives of the study were:

##### **Objective 1**

To investigate customer-related factors that are necessary to the TTA in the planning and designing of a CRF.

##### **Objective 2**

To establish market positioning factors to support a CRF for the TTA.

##### **Objective 3**

To identify marketing product strategy factors to sustain a CRF for the TTA.

##### **Objective 4**

To establish marketing retention factors that can be recommended to sustain long-term relationships between the TTA and customers.

##### **Objective 5**

To demonstrate relationship marketing factors that are important for the development of a CRF for the TTA.

##### **Objective 6**

To recommend a framework for the development of a customer relationship programme for the TTA.

It is in this light that the researcher makes recommendations in response to the study aim of developing strategies for customer relationships.

#### **6.2 CONTRIBUTION OF THE STUDY**

The study contributes to the body of knowledge on the DMO CRF. The research adds value to the research in the field of hospitality, travel and tourism DMOs and customer relationships, which will enable end users to implement successful and effective customer relationship

strategies. The study will be available at the CPUT library, open to NEXUS online searches and in an article published in the *Journal of Small Business Management*.

### **6.3 LIMITATIONS OF THE STUDY**

Various research limitations were encountered during the course of this study, which comprised theoretical and methodological applications. These are discussed as follows.

Due to 10 samples desired for the purpose of this study, the researcher only interviewed 10 NGOs available in Gauteng area.

Another limitation of this study is inherent in the challenges associated with qualitative research, where manually recorded interviews are not transcribed accurately because they are conducted telephonically.

The sample size of 20 HEI tourism experts is small for quantitative analysis. A larger sample could have given more data and variety in the responses from the research participants. The reason for not having a larger sample size of tourism experts is that there are a limited number of academics available in universities in the Gauteng area.

### **6.4 DISCUSSION AND RECOMMENDATIONS**

#### **6.4.1 General variables: conclusions for the customers' findings**

It is the aim of this section to make recommendations and draw conclusions for TTA stakeholders based on the statistical output presented and discussed in Chapter 5. TTA customers include accommodation establishments, attractions, training and education institutions, MICE organisations, food and beverage, sports, transport and tourism operators, entertainment and recreation, tour guides and travel agent businesses and vendor and services for the tourism industry.

##### **6.4.1.1 *Star grading system***

###### **Recommendation**

According to Figure 5.1, the majority of the participants had no star grading. The grades of accommodation companies in the TTA area were assessed using the star-grading system but more than half of the organisations had no star grading and very few had 4- or 5-star ratings. It is a necessity to improve the grading of accommodation organisations in the TTA area from a low star grading to 5-star. This is in line with the literature review (see 5.2.1), that it is important for the travel and tourism industry to use and promote star gradings of tourism and hospitality establishments because this assists the destination to achieve the highest level of quality assurance, promotes optimal value for money and fulfils customers' expectations.

A comprehensive grading system needs to be implemented for all tourism organisations (not just accommodation establishments) to ensure consistent quality and service delivery. The CoT Tourism Board should collaborate with stakeholders/members to cover the cost of improving infrastructure required to increase the number of tourism organisations with high star grades. The facilities have to be highly graded to ensure the effectiveness of CRM programmes. This recommendation is in line with Objective 1 of the study.

#### **6.4.1.2     *Number of years in operation***

##### **Recommendation**

As seen in Figure 5.2, the majority of the participants had been in operation for more than 10 years, evidence that most of these organisations are well experienced in delivering satisfactory services to customers in the CoT, including familiarity with the products and services required by customers. Unfortunately, the star-grading system only applies to accommodation establishments in South Africa but is something that should be extended to all tourism organisations. This corresponds with the literature review (see 5.2.2), that the hospitality experience of the accommodation establishments should be sufficient to make acceptable service value judgements and contributions.

It is recommended that the TTA should take advantage of experienced customers/members by developing a customer relationship programme in line with their specific needs and wants. This will give assurance to the TTA that their CRM programme and marketing efforts are aligned to the needs of the tourists, visitors and the public in the CoT. Furthermore, it is even more imperative that the TTA should address the marketing plan aligned with the recommendations of these experienced customers or members, which will ensure the effectiveness of a CRM programme and marketing plan activities. This recommendation is in line with Objective 1 of the study.

#### **6.4.1.3     *Total staff complement***

##### **Recommendation**

As seen in Figure 5.3, the majority of the participants employed up to 20 staff members, implying that most of the organisations in the TTA area are of medium size and have adequate resources, capacity and skills to deliver services.

It is recommended that the TTA should build its CRM programme to accommodate company sizes from SMEs up to big corporations. This will ensure the effectiveness of CRM implementation and impact on customers regardless of their size. This will also assist to ensure that the marketing efforts are effectively implemented. This recommendation is in line with the literature review (see 5.2.3), that an organisation's number of employees and organisational performance are equally important for the organisation to succeed.



#### **6.4.1.4    *Area of operation***

##### **Recommendation**

According to Figure 5.4, the majority of the participants were located in the Pretoria suburbs, followed by Pretoria central and lastly, Mabopane.

It is recommended that the TTA should take advantage of their customers through developing an effective CRM programme that will allow them to effectively identify their own needs and wants. This can be done in collaboration with the CoT's Tourism Division so that the TTA can have more access to the potential clients (tourists, visitors, the public) and organisations operating in the TTA area. The TTA should take advantage of their office location in the CoT as a factor to rally its customers around the CRM programme. This should be done in the form of general meetings aimed at improving the CRM programme and marketing planning. This will ensure the continued effectiveness and sufficiency of the TTA CRM programme and marketing planning. It is also recommended that the TTA should take advantage of their customers/members' needs for marketing through developing effective marketing plans with its customers.

The TTA should take advantage of their convenient locations through developing a schedule of meetings with customers. The TTA should increase the quality of promotional material to attract new customers. The marketing position strategy should incorporate the attractiveness of the physical environment, which should be continuously improved. This recommendation is in line with Objective 1 of the study.

#### **6.4.1.5    *The tourism industry area of specialisation***

##### **Recommendation**

Figure 5.4 shows that the scores are close, indicating that the hospitality, travel and tourism industry was well represented in terms of area of specialisation for this study. This corroborates the findings in the literature review (see 5.2.4), that the chances of equal representation of responses in a study greatly enhance the quality of the research.

It is recommended that the TTA should have strategies in place to take advantage of the extensive number of highly specialised customers in the CoT area. The strategy could include customer service workshops held every six months to understand the customers' views and obtain recommendations to improve the quality of offerings. The recommendation is in line with Objective 1 of the study.

#### **6.4.1.6    *The organisation's operation presence in the City of Tshwane area***

##### **Recommendation**

Figure 5.5 shows that all the participants operate in the CoT area while some also operate outside the CoT area. This corroborates the findings in the literature review (see 5.2.5), that location is important in business decision-making processes.

It is recommended that the TTA should develop a database of all customers and potential customers operating in the CoT area. This will assist the TTA in future ventures to recruit new customers and embark on research to keep up with the needs and wants of customers through designing an effective customer relationship programme. The recommendation is linked directly to Objective 1 of the study.

#### **6.4.1.7 Physical area of operation**

##### **Recommendation**

As noted in Figure 5.6, all the respondents operate in the CoT, indicating that the operations cover all the areas from the inner city to the suburbs of the CoT. This corroborates the findings in the literature review (see 5.2.6), that organisations operating in the inner city face customer deprivation and this decline could result in an exodus of businesses from the inner city to areas in the suburbs or industrial areas.

It is recommended that the TTA should collaborate with the CoT municipality to identify resources needed to expand the operations of its customers. The CoT municipality and the TTA should engage businesses operating in the TTA to establish better solutions for the future in terms of facilities and regulations support. Furthermore, the TTA should develop a CRM programme that focuses on customers from the inner city to the suburbs of the CoT. The findings are linked to Objective 1 of the study.

#### **6.4.2 Motivations for operating business in the City of Tshwane area**

According to Table 5.1, the participants indicated the following reasons for operating in the CoT area.

##### **6.4.2.1 Reason A - availability of tourism services and resources**

##### **Recommendation**

The majority of respondents indicated that the availability of tourism resources and services were important reasons for operating in the TTA. This corroborates the findings in the literature review (see 5.2.7), that service and resource availability have a positive effect on the successful performance of the organisation.

For the TTA to sustain tourism services and resources in the CoT successfully, efforts are needed to develop and maintain the tourism facilities as a priority. It is recommended that the TTA should collaborate with the CoT municipality to develop and sustain the tourism facilities in the CoT. This can be achieved by initiating JVs with tourism NGOs in the CoT area to pursue

sustainability and development goals for the tourism facilities. The findings are in line with Objective 1 of the study.

#### **6.4.2.2 Reason B - availability of customers**

##### **Recommendation**

The majority of respondents indicated that availability of customers is a reason for operating in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that the sole purpose of business is to find customers to operate successfully.

It is recommended that the TTA should design a customer satisfaction blueprint. This should be aimed at identifying the needs and wants of customers to co-create quality services, marketing strategies and customer relationship programmes with all TTA customers. The implementation of a customer satisfaction blueprint will benefit the TTA with greater customer satisfaction and increased long-term repeat business. The findings support Objective 1 of the study.

#### **6.4.2.3 Reason C - availability of facilities**

##### **Recommendation**

The majority of respondents indicated that the availability of tourism facilities is a reason for operating in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that senior managers of London's luxury hotels report that the hotels find it difficult to compete without facilities.

It is not disputed that tourism facilities are important because they make it possible for employees, processes and systems to function effectively, which has a positive impact on organisational productivity. It is recommended that the CoT should incorporate tourism facilities as part of its branding strategy, where the variety of tourism facilities ranges from accommodation to museums and includes recreational facilities. The TTA should engage tourism facility owners and educate them on the importance of keeping their physical appearance attractive and neat. These CoT tourism facilities, when well branded, will lead to increased ROI for the owners. The findings are in line with Objective 1 of the study.

#### **6.4.2.4 Reason D - less competition**

##### **Recommendation**

The majority of respondents indicated that less competition was the reason for operating in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that product market competition is an important factor that motivates firms to improve services and profitability.

It is recommended that the TTA should design a competition strategy aimed at educating the customers in terms of how to remain ahead of competitors. The TTA should workshop

clients/customers on the benefits of having a competitive edge. This could be done every six months to allow sufficient time for the implementation and evaluation of competition strategies. This finding supports Objective 1 of the study.

#### **6.4.2.5 Reason E - favourable location**

##### **Recommendation**

The majority of respondents indicated that the favourable location was a reason for operating in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that location was the most important factor in a customer's purchase decision-making process.

It is recommended that the TTA should design the positioning strategy for customers. The main aim will be to educate customers on how to get maximum value out of the location. Training for customers should emphasise:

- The importance of accessibility;
- The importance of business location; and
- Challenges of business location.

The correct location is a key element in the organisation's success because an unsuitable location may not offer adequate access to customers, which will impact negatively on profitability and overall success.

#### **6.4.2.6 Reason F - TTA marketing capabilities**

##### **Recommendation**

The majority of respondents indicated that the TTA marketing capabilities was a reason for operating in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that marketing capabilities have a strong positive impact on organisational service and profitability performance.

It is recommended that the TTA should design a strategic marketing plan for CoT promotion purposes. The strategic marketing plan should:

- Strengthen marketing strategies;
- Sell customers' services;
- Achieve lasting customer relationships;
- Improve brand awareness and recognition; and
- Create loyalty and trust.

The TTA should involve customers in designing the strategic marketing plan to ensure that they contribute to the design of strategies. The finding is in line with Objective 1 of the study.

#### **6.4.2.7 Reason G - service failures experienced**

##### **Recommendation**

The majority of respondents indicated that there were service failures experienced in the TTA area. This corroborates the findings in the literature review (see 5.2.7), that service failures lead to a general feeling of dissatisfaction among customers. A dissatisfied customer is unlikely to return.

It is therefore recommended that the TTA should design a crisis management plan. It should be designed in such a way that it is capable of dealing with current and future challenges. This will ensure that any service failures do not come as a surprise and allow the TTA to correct them timeously.

The importance of managing crises well is to be able to create a long-term revenue base, provide lasting value and creating customer loyalty. The finding is in line with Objective 1 of the study.

#### **6.4.2.8 Reason H - service failure was resolved**

##### **Recommendation**

The majority of respondents stated that service failure was not resolved satisfactorily, suggesting that they are not satisfied with how the TTA handles crises. This corroborates the findings in the literature review (see 5.2.7), that before a crisis, financial development promoted economic growth, while post-crisis economic activity was hindered.

It is recommended that the TTA should implement effective crisis management systems. The crisis management systems should be well developed to address the following areas:

- Well-co-ordinated responses from internal teams;
- Crisis management resources like technology and human resources;
- Internal and external communication;
- Crisis management channels; and
- Post-crisis follow-up teams.

The TTA needs to implement crisis management systems to address crises effectively before, during and after the negative situation. The findings are in line with Objective 1 of the study.

#### **6.4.2.9 Reason I - loyalty to the TTA**

##### **Recommendation**

The majority of respondents would remain loyal to the TTA. This corroborates the findings in the literature review (see 5.2.7), that the provision of quality services creates customer loyalty, which would result from customer satisfaction in the long term.

It is recommended that the TTA should design an employee training programme, which would improve employees' skills in delivering quality customer services. Employees should undergo annual training to hone their customer care skills. Quality services result in customer satisfaction, customers will return and be loyal to the TTA. The TTA will benefit from repeat business and generation of new customers. Furthermore, the TTA should implement a customer reward programme for loyal customers, for example, offering price discounts. The finding is in line with Objective 1 of the study.

#### ***6.4.2.10 Reason J - recommend the TTA to other organisations***

##### **Recommendation**

The majority of respondents would recommend the TTA to other organisations. This corroborates the findings in the literature review (see 5.2.7), that services that have higher social visibility are likely to be positively influenced by word-of-mouth.

It is recommended that the TTA should ensure ongoing quality service to customers. This can be guaranteed by implementing a customer relationship programme, allowing co-creation of services, which in turn will keep customers satisfied with the TTA services. However, if the TTA compromises the quality of service delivery, customers may discourage the customers from using TTA services by word-of-mouth. The finding supports Objective 1 of the study.

#### ***6.4.2.11 The organisation's service frequency in the City of Tshwane area***

This section discusses recommendations pertaining to the organisation's service frequency in the CoT area:

##### **Recommendation**

From Figures 5.7, 5.8, 5.9, 5.10, 5.11 and 5.12, it is concluded that Pretoria Central is serviced frequently by the majority of the respondents. However, there is an equal distribution of 'often' responses from the respondents operating in the Pretoria suburbs of Soshanghuve, Garankuwa, Mabopane and Atteridgeville. The gap between 'often' and frequently' is minimal, which suggests that all the CoT areas have tourism activities taking place.

It is recommended that the TTA should develop a marketing strategy that will promote CoT tourism activities within the central city and the suburbs. This can be achieved by the TTA offering workshops for all customers operating in and outside of the inner city. The strategic goal of the workshop will be to identify effective strategies to market CoT tourism activities both central and in the suburbs. This is needed because although tourism activities are frequent in Pretoria Central, they also occur in the Pretoria suburbs of Soshanghuve, Garankuwa, Mabopane and Atteridgeville. The findings are in line with Objective 1 of the study.

### **6.4.3 Market positioning**

This section discusses recommendations based on section B of the questionnaire, which focused on market positioning factors. The factors discussed pertain to Objective 3 of the study. The following nine market positioning recommendations will assist the TTA to enhance their strategic efforts in developing a well-informed CRF.

#### **6.4.3.1 *Tshwane Tourism Association location convenience and suitability***

##### **Recommendation**

According to Figure 5.13, the majority of participants indicated that the TTA is located in a convenient area and represents the organisation suitably. This aligns with the literature review (see 5.2.10.1), that DMOs should be located in a convenient and suitable area, which will save time and effort.

The TTA should recruit more clients with the aim of increasing its pool of customers. The more the TTA expands its customer-base the more likely it is to implement an effective CRM programme. It is further recommended that the TTA should identify facilities used by customers to align its marketing activities to what is relevant and available in the CoT. This is important to sustain the CRM programmes and implement marketing planning, which should ensure the effectiveness and efficiency of the TTA CRM programme, marketing planning and inclusivity of customers/members. The development of infrastructure, facilities and service delivery systems are directly linked to location convenience and suitability.

#### **6.4.3.2 *Tshwane Tourism Association promotional material quality***

##### **Recommendation**

As shown in Figure 5.14, the majority of the participants support the quality of promotional material used by the TTA. The findings are consistent with the literature review (see 5.2.10.2), that the DMOs' promotional material is important and influences tourists who actively seek to purchase.

It is recommended that the internal marketing division should develop a branding strategy to standardise the promotional materials of the TTA. Furthermore, the TTA should implement a company branding policy that guides the quality of promotional materials to ensure consistency. TTA promotional material information is an important means of communication and promotion in the CoT area to build a brand, gain new customers and maintain customer loyalty. This recommendation is in line with Objective 2 of the study.

#### **6.4.3.3 *Tshwane Tourism Association physical environment***

##### **Recommendation**

According to Figure 5.15, the majority of the participants were of the view that the TTA has an attractive physical environment. The findings corroborate the literature reviewed (see 5.2.10.3), that the physical environment of luxury hotels plays a vital role in determining customer value and their level of satisfaction with a business.

It is recommended that the TTA should work together with CoT's City Wide Cleaning Campaign 2020, with the aim of:

- Ensuring a clean, healthy environment;
- Developing a blueprint for planning and operating tourism facilities;
- Ensuring clean air;
- Ensuring good quality drinking water; and
- Eliminating noise pollution.

Furthermore, the TTA, in collaboration with the CoT Municipality, Gauteng Provincial Government and National Departments of Tourism and Environmental Affairs, should initiate an annual City of Tshwane Environmental Management Campaign from the year 2020 with the aim of preserving the natural areas in the CoT. This recommendation is in line with Objective 2 of the study.

#### ***6.4.3.4 Tshwane Tourism Association employees' appearance is neat and tidy***

##### **Recommendation**

According to Figure 5.16, the majority of the participants strongly agree that staff of the TTA appear neat and tidy. The findings corroborate the literature reviewed (see 5.2.10.4), that government measures are required to ensure that the value resulting from domestic and export markets through innovation develop a strong reputation for being clean, neat and tidy in appearance.

It is recommended that the TTA should develop a policy on staff appearance. To encourage pride in their appearance, the TTA should provide clothing allowances for employees to purchase the required uniforms. Furthermore, the TTA should reward employees with an award such as 'employee of the month/year' and appearance should be one of the criteria judged. Furthermore, the TTA should implement a policy to ensure a clean and safe workplace environment, which would encourage employee productivity, performance and well-being. This recommendation is in line with Objective 2 of the study.

#### ***6.4.3.5 Tshwane Tourism Association provides first rate service delivery performance***

##### **Recommendation**



As revealed in Figure 5.17, the majority of the participants affirmed that the TTA is doing well in terms of service delivery. The findings corroborate the literature reviewed (see 5.2.10.5), that perceived quality leads to perceived value, which leads to customer satisfaction.

It is recommended that the TTA should introduce a schedule for ongoing staff training, with a focus on:

- Prompt and efficient service;
- Answer all questions and help customers;
- Address the needs and wants of customers; and
- Customer relationships.

This is important to keep staff skills honed in terms of service delivery and being alert to customers' needs and wants. Furthermore, staff satisfaction surveys should be carried out to determine employee satisfaction levels. This recommendation is in line with Objective 2 of the study.

#### ***6.4.3.6 Tshwane Tourism Association promotion promises***

##### **Recommendation**

According to Figure 5.18, the majority of the participants believe that the TTA keeps the promises made when promoting their services. The findings corroborate the literature reviewed (see 5.2.10.6), that trust develops from a customer's feelings about the seller in terms of it fulfilling its promises.

It is recommended that the TTA should implement a promotion moderation process. The marketing division of the TTA should moderate all promotional messages to authorise them before they are made public. Therefore, it is important for the TTA to ensure consistency of promotional messages and actual services offered to build successful customer relationships and customer loyalty. This recommendation is in line with Objective 2 of the study.

#### ***6.4.3.7 Tshwane Tourism Association employees' service knowledge***

##### **Recommendation**

According to Figure 5.19, the majority of participants believe that TTA employees have excellent service knowledge. The findings corroborate the literature reviewed (see 5.2.10.7), that knowledge management has a positive impact on employee effectiveness.

It is recommended that the TTA should introduce a quarterly staff performance management system to identify skills, strengths and weaknesses of employees. The identified skills, strengths and weaknesses should be addressed through a training programme to strengthen those areas which need improvement.

A staff performance management system would ensure that all employees have similar skills and knowledge, which would increase productivity, improve the quality of work, reduce customer complaints and staff competence would be enhanced. This recommendation is in line with Objective 2 of the study.

#### **6.4.3.8 Tshwane Tourism Association employees' service delivery**

##### **Recommendation**

As shown in Figure 5.20, the majority of participants believe that TTA service delivery is of a high standard. The findings corroborate the literature reviewed (see 5.2.10.8), that the flight crew is one of the most important service quality factors.

It is recommended that the TTA should implement a CRM programme aligned to the customers' ability to escalate grievances. This will assist the TTA in dealing with service failures and customer complaints, ensuring that the customers will not feel left out of TTA activities.

The TTA could take advantage of their acceptance and timeously communicate achievements and new developments within its CRM programme to customers, giving them a reason to recommend the TTA further to potential members. Moreover, it is recommended that the TTA should take advantage of their customers in the Pretoria suburbs and places such as Soshanguve, Garankuwa and Atteridgeville from where the TTA often generates new customers. The TTA should develop/design a marketing plan that focuses on increasing the number of customers in places where the membership is low. This recommendation is in line with Objective 2 of the study.

#### **6.4.3.9 Tshwane Tourism Association customers' needs and wants**

##### **Recommendation**

According to Figure 5.21, the majority of the participants believed that TTA staff met their needs and wants regarding prompt service delivery. The findings corroborate the literature reviewed (see 5.2.10.9) that perceived ease of use, convenience and compatibility influence customers' intentions to make bookings, which is directly linked to customer service delivery.

It is recommended that the TTA should engage in marketing research to identify customer needs and wants, which change from time to time and it is important for the TTA to adapt to them. The market research could be conducted quarterly by the research arm of the TTA and should address the following areas:

- Identify customer needs and wants;
- Measure customer loyalty;
- Identify unhappy customers;

- Increase revenue; and
- Attract new customers.

This recommendation is in line with Objective 2 of the study.

#### **6.4.4 Marketing product strategy**

The following section discusses recommendations from section C of the questionnaire, which focused on the marketing product concepts based on Objective 4 of the study. The nine variable findings will assist the TTA in understanding its marketing product to enhance the strategic efforts of developing a well-informed CRF.

##### ***6.4.4.1 Employees of the Tshwane Tourism Association are always courteous***

#### **Recommendation**

As seen in Figure 5.26, the majority of participants agreed that TTA employees are courteous when delivering services to customers. The findings corroborate the literature reviewed (see 5.2.11.1), that 85% of conflict can be resolved if a team takes a more constructive approach to service failure and encourages employee participation. Staff interact and deliver services directly to the customers, hence complaints are reported directly to the employees.

It is recommended that the TTA employees undergo compulsory ongoing customer service training. The training should focus on:

- Communication;
- Listening;
- Problem-solving; and
- Organisational skills.

The customer service training will put employees on the same level in terms of efficiency in delivering excellent services to customers and benefit the organisation with implementing a successful customer relationship programme. This recommendation is in line with Objective 3 of the study.

##### ***6.4.4.2 Employees of Tshwane Tourism Association are always willing to help***

#### **Recommendation**

According to Figure 5.27, the majority of the participants agree that TTA staff are willing to assist customers. The findings corroborate the literature reviewed (see 5.2.11.2), that employees encountering negative customer interactions make provision for an extra role to develop in service delivery.

It is recommended that TTA management should implement a 'Management by Wandering Around' strategy to evaluate employees' strengths and weaknesses in assisting customers

with all types of enquiries. Management could introduce half-day workshops every six months to address customer enquiry handling skills to keep the employees strong in this area to achieve customer loyalty and retention. This recommendation is in line with Objective 3 of the study.

#### **6.4.4.3 *Tshwane Tourism Association Board of Directors provides feedback***

##### **Recommendation**

As shown in Figure 5.28, the majority of respondents agree that the TTA Board of Directors provides feedback timeously. This is important because it encourages customers to do the same in terms of providing the TTA with feedback when required to do so. The findings corroborate the literature reviewed (see 5.2.11.3), that most customers are not always willing to share genuine feedback with their service provider, particularly feedback about their dissatisfaction. This is because organisations do not provide customers with feedback regarding their concerns.

It is recommended that the TTA should conduct ongoing training for the Board of Directors to encourage effective reporting of feedback. The TTA Board should be trained in effective reporting of feedback, including creating channels where customers can communicate with TTA staff via electronic means. This recommendation is in line with Objective 3 of the study.

#### **6.4.4.4 *Tshwane Tourism Association offers consistent quality services***

##### **Recommendation**

Figure 5.29 reveals that the majority of respondents believe that it is important for the TTA to offer quality services. The findings corroborate the literature reviewed (see 5.2.11.4), that there is a relationship between customer satisfaction and quality services offered.

It is recommended that the TTA should embark on post-service customer satisfaction surveys (an example is contained in Appendix E). The feedback from these surveys could be used to intensify service strengths or correct any service defects experienced by customers during service delivery.

The TTA should ensure that customers receive good quality service to achieve high levels of consumer satisfaction and loyalty. This recommendation is in line with Objective 3 of the study.

#### **6.4.4.5 *Tshwane Tourism Association should offer quality services***

##### **Recommendation**

As seen in Figure 5.30, the majority of respondents indicated that it is important for customer needs and wants to be met. The findings corroborate the literature reviewed (see 5.2.11.5), that service quality is one of the most important elements in an organisation's competitiveness because it allows companies to achieve better service performance for their customers.

It is recommended that the TTA should implement a CRM programme, which should be designed to achieve the following:

- High quality services;
- Exceed customer expectations;
- Maintain long-term relationships;
- Expand and increase satisfaction levels;
- Customer value; and
- Enhance brand image.

A successfully implemented TTA CRM programme would ensure that customers remain loyal to the TTA and give positive referrals by word of mouth. This recommendation is in line with the literature review (see 5.2.11.5), that both service quality and customer satisfaction are extremely important elements in the survival of an organisation and if not present, could lead to the demise of a company.

#### **6.4.4.6 *Tshwane Tourism Association has sufficient channels to address crisis management***

##### **Recommendation**

According to Figure 5.31, the majority of respondents indicated that it is important for the TTA to have sufficient channels for crisis management. The findings corroborate the literature reviewed (see 5.2.11.6), that crisis managers should assist the organisation with processes regarding effective crisis responsibility and management.

It is recommended that the TTA should develop a Company Risk Register as a channel for managing crises. The Company Risk Register should outline processes to limit challenges for the TTA as follows:

- Measures to understand the risk;
- Actions to mitigate the risks;
- Manuals to implement mitigating actions; and
- Plans for speedy reaction.

The TTA should conduct quarterly crisis management workshops to afford employees opportunities to acquire skills related to handling crises during service delivery. When the challenges of customers are addressed satisfactorily, the TTA will benefit from long-term profitability. This recommendation is in line with the literature review (see 5.2.11.6), that crisis managers should use a proactive management strategy to mitigate crises in the organisation.

#### **6.4.4.7 *Tshwane Tourism Association negotiates prices***

##### **Recommendation**

Figure 5.32 reveals that the majority of respondents feel it is important for the TTA to negotiate fair prices for all customers. The findings corroborate the literature reviewed (see 5.2.11.7) that the respondents reported they found “good deals” and “cheap accommodation” in the sharing economy.

It is recommended that the TTA should train employees in price negotiation processes. The training should include:

- Communication skills;
- Empathy skills; and
- Listening skills.

These skills will assist employees to negotiate effectively, to achieve agreements and objectives, get along better with customers and ultimately be more productive and successful on the job. This recommendation is in line with literature reviewed (see 5.2.10.7), that the price sensitivity of Airbnb services increases customers’ value and intention to repurchase.

#### ***6.4.4.8 Tshwane Tourism Association takes pride in its appearance***

##### **Recommendation**

According to Figure 5.33, the majority of respondents believed it was important for the TTA to take pride in its physical environment. The findings corroborate the literature reviewed (see 5.2.11.8), that the main determinants of customer satisfaction at KFC Vietnam are food quality, ambience, price and service quality.

It is recommended that the TTA should develop a physical appearance policy that will consider the following aspects:

- Physical environment plan;
- Staff and manager responsible for physical environment plan implementation; and
- Areas of the physical environment that need attention.

A physical environment plan and policy will govern the TTA’s overall appearance and contribute to a positive brand reputation. This recommendation is in line with Objective 3 of the study.

#### **6.4.5 Retention marketing**

The discussion and recommendations in the following section are based on section D of the questionnaire, which focused on retention marketing concepts. The factors are based on Objective 4 of the study. The recommendations will assist the TTA in understanding retention marketing and enhance their strategic efforts in developing a well-informed CRF.

#### ***6.4.5.1 Tshwane Tourism Association customer retention management programme***

##### **Recommendation**

Figure 5.38 reveals that the majority of respondents agree that it is important for the TTA to co-create customer relationship programmes with customers. The findings corroborate the literature reviewed (see 5.2.12.1), that CRM is the overall process of building and maintaining profitable customer relationships through delivering superior customer value and satisfaction with the goal of improving business relationships with customers.

It is recommended that the TTA should develop and implement a CRM programme aimed at addressing the following areas:

- Services co-creation with customers;
- Cross-selling services;
- Staff team work;
- Service quality;
- Customer satisfaction;
- Customer attrition; and
- Stakeholders.

These CRM factors are important because the TTA needs to engage continuously with customers to improve customer services and relationships, resulting in customer satisfaction and loyalty. This recommendation is in line with the literature review (see 5.2.12.1), that CRM systems support businesses to build a sound foundation to interact with customers and increase customer satisfaction and loyalty.

#### ***6.4.5.2 Tshwane Tourism Association long-term relationships with customers***

##### **Recommendation**

According to Figure 5.39, the majority of respondents agree that it is important for the TTA to focus on long-term relationships with customers. The findings corroborate the literature reviewed (see 5.2.12.2), that CRM is a strategic process that allows an organisation to retain, acquire, identify and nurture customers by constructing and sustaining long-term and profitable relationships.

It is recommended that the TTA should establish long-term relationships with customers and create a database that contains customers' contact details to follow-up with consumers in the post-sale period. This strategy will enable the TTA to keep customers informed of service offerings, which will encourage repeat business. The returning customer rewards the TTA with a long-term relationship and ensures it remains competitive in the market. This recommendation notes that organisations use loyalty programmes to maintain long-term relationships with customers to attract repeat business.

#### ***6.4.5.3 Tshwane Tourism Association competitive pricing***

##### **Recommendation**

Figure 5.40 shows that a significant majority of respondents agree that customers will stay with the TTA regardless of competitor pricing. The findings corroborate the literature reviewed (see 5.2.12.3), that a country can sell tourism services to other international markets at a lower price than its competitors and still generate income due to competitive advantage.

It is recommended that the TTA should implement competitive pricing strategies, conducting a marketing intelligence strategy on competitors' business premises to obtain information about competitor pricing. The advantages of competitive pricing include:

- Repeat business;
- Increase in market share; and
- Additional referrals.

After the TTA implements a competitive pricing strategy, it can expect to see improvements in revenue, trust and loyalty. This recommendation is in line with Objective 4 of the study.

#### ***6.4.5.4 Tshwane Tourism Association value-based pricing***

##### **Recommendation**

Figure 5.41 shows that the majority of respondents agree with value-based pricing. The findings corroborate the literature reviewed (see 5.2.12.4), that when the organisation views price from the customer's perspective to define value, it will result in a competitive advantage.

It is recommended that the TTA should implement value-based pricing as part of their selling strategy. Customers' willingness to pay is a powerful foundation on which to build pricing because it guarantees that the customer will purchase the services. Value-based pricing allows the TTA to increase prices to improve services and deliver more value to buyers even if competitive prices do not change. This recommendation is in line with Objective 4 of the study.

#### ***6.4.5.5 Tshwane Tourism Association mission statement***

##### **Recommendation**

Figure 5.42 suggests that the majority of respondents agree that the TTA mission statement should reflect customer relationship goals. The findings corroborate the literature reviewed (see 5.2.12.5), that mission statements should promote strategic goals and objectives of community-based tourism.



The main aim of a mission statement is to indicate clearly what the organisation's direction is. Currently, the TTA has only a vision statement but no mission statement. According to TTA (2019), its vision statement is:

The TTA is the organised tourism sector in Tshwane providing the opportunity to promote tourism experiences and grow tourism business in the city strategically and responsibly.

However, the researcher recommends the following mission statement for the TTA:

To become a leading destination marketing organisation in promoting the City of Tshwane within near and distant shores with stakeholders' quality services co-creation in exceeding customer expectations while driving excellent sustainable and responsible tourism growth.

The TTA should adopt this mission statement because it will remind stakeholders and employees of the direction of the organisation, guide the TTA on the right path and assist in making sound strategic decisions. This could be beneficial for sustainable income generation and planning. This recommendation is in line with the literature reviewed (see 5.2.12.5), that developing a sustainable and successful organisational culture in an organisation it all begins with its mission statement.

#### ***6.4.5.6 Tshwane Tourism Association promotes customer service special treatment***

##### **Recommendation**

As shown in Figure 5.43, the majority of respondents agree that the TTA should offer special treatment to customers based on the principle of customer care. The findings corroborate the literature reviewed (see 5.2.12.6), that customer-employee interactions and internal service delivery both significantly affect a service-oriented organisational culture.

It is recommended that the TTA should prioritise customer care when developing their organisation strategic plan. Furthermore, ongoing employee customer care training should be conducted, focussing on customer needs and wants. A customer culture is necessary for the TTA to retain customers and encourage their loyalty. This strategy will assist the TTA to build strong customer relationships and assist in saving costs. This recommendation is in line with Objective 4 of the study.

#### ***6.4.5.7 Tshwane Tourism Association promotion methods***

##### **Recommendation**

Figure 5.44 indicates that the majority of respondents agree that the TTA should communicate services to customers through effective promotional activities to retain existing customers and attract new ones. The findings corroborate the literature reviewed (see 5.2.12.7), that attractive promotions enhance customer preferences for purchasing a service.

It is recommended that the TTA should develop and implement a marketing plan that would outline action plans for promotion of TTA services. The marketing plan should indicate how activities like newsletters, periodic updates, news, promotions and events communicated in print or electronic form are going to be managed. All marketing activities should be targeted at attracting sales, which will also improve the TTA's reputation. Furthermore, it is recommended that the TTA should develop and implement an internal strategic marketing plan. The internal strategic marketing plan should be aimed at informing employees about the TTA's expected organisational culture and service delivery standards. This recommendation notes that there are four promotional activities—advertising, sales promotion, personal selling and publicity—that an organisation can use to communicate services to the target market.

#### **6.4.5.8**     *Tshwane Tourism Association promotes individual customer attention*

##### **Recommendation**

Figure 5.45 shows that the majority of respondents agree that the TTA should focus on an individual customer attention strategy. The findings corroborate the literature reviewed (see 5.2.12.8) that enterprises that see the customer as a priority and improve customer experiences, will have a high level of customer satisfaction.

It is recommended that the TTA should implement customer service personalisation in its service delivery processes. Customer personalisation will allow the TTA to deliver tailor-made services to customers to meet their needs and wants directly. Personalised services will yield benefits for the TTA in increased trust, long-term repeat business and profitable relationships. This recommendation acknowledges that an organisation that meets customer expectations is viewed with trust, for example, Southwest Airlines, which is popular in the American airline market for putting customers' interests first.

#### **6.4.5.9**     *Tshwane Tourism Association loyal customers' reward*

##### **Recommendation**

According to Figure 5.46, the majority of respondents agree that the TTA should reward loyal customers from time to time. The findings corroborate the literature reviewed (see 5.2.12.9), that there is a positive and significant positive relationship between loyalty programmes and customer loyalty.

It is recommended that the TTA should implement a loyalty programme to reward loyal customers because customer loyalty improves brand image. The TTA loyalty programme rewards should include competitions, discounts, vouchers and free services. This will, in the long term, improve the TTA brand, retain more customers and improve service and loyalty. This recommendation recognises that, before the advent of online services, travel agencies,

hotel and motel franchisees reported that up to 65% of their bookings emanated from their loyalty programmes.

#### ***6.4.5.10 Tshwane Tourism Association customers' business deals***

##### **Recommendation**

As shown in Figure 5.47, the majority of respondents agree that the TTA should negotiate business deals for customers. The findings corroborate the literature reviewed (see 5.2.12.10), that business negotiations resolve differences, establish better mutual understanding and collaboration and arrive at better deals for both organisations.

It is recommended that the TTA should have in place a deal-negotiation strategy, implemented by the TTA PR Office, to negotiate deals on behalf of customers aimed at winning loyalty from customers in the long term. The business deals should benefit customers with a better utilisation of combined resources and elimination of service gaps. This recommendation is in line with Objective 4 of the study.

#### ***6.4.5.11 Tshwane Tourism Association international marketing policy***

##### **Recommendation**

According to Figure 5.48, a significant majority of respondents agreed that the TTA should market local products internationally. The findings corroborate the literature reviewed (see 5.2.12.11), that service performance can be achieved through promoting services to international audiences and multinational organisations marketing activities connecting customers throughout different countries.

It is recommended that the TTA should develop and implement an international marketing plan to recruit new customers from the international market. The TTA target market will be limited if it is only concentrated locally, therefore, it should look for overseas opportunities to increase its market share and customer base and promote its base-activities. The TTA should market their local services internationally because foreign exchange will boost profits and strengthen the tourism economy of the CoT. This recommendation is in line with Objective 4 of the study.

#### ***6.4.5.12 Tshwane Tourism Association standardised service delivery policy***

##### **Recommendation**

As seen in Figure 5.49, the majority of respondents agree that the TTA should standardise service delivery across all operations. The findings corroborate the literature reviewed (see 5.2.12.12), that standardisation of practices, including equipment, improves product value and results in reducing costs.

It is recommended that the TTA should develop and implement a service culture standardisation programme, which is a standardised service delivery process aimed at

ensuring consistency in service delivery. The TTA would therefore have to ensure that services and methods are appropriate for their intended use and systems are compatible and inter-operable throughout operations. This recommendation is based on halal foods and product standardisation in the food services industry that depends on an individual's ethnic group choice and preferences, which have a strong influence on individual purchase decision.

#### ***6.4.5.13 Tshwane Tourism Association crisis management policy***

##### **Recommendation**

Figure 5.50 shows that the majority of respondents agree that the TTA should be prepared to deal with crises. The findings corroborate the literature reviewed (see 5.2.12.13), that strategic planning plays a major role in crisis management, enabling hotels to improve customer services.

It is recommended that the TTA should have a crisis management system in place to effectively co-ordinate responses, resources and internal and external communication requirements during and after the identified problem. The TTA crisis management system should allow for effective response planning, monitoring and practices to detect early warning signals of a possible crisis. The action will also benefit the TTA in terms of mitigating potential legal exposure by stakeholders in the case of a crisis. This recommendation follows that there is a positive relationship between customer complaints, management strategies, crisis management and customer retention.

#### **6.4.6 Relationship marketing**

The recommendations are based on Section E of the questionnaire, which focused on relationship marketing factors. The factors discussed are based on Objective 5 of the study. These variables will assist the TTA to enhance the strategic efforts of developing a well-informed CRF.

##### ***6.4.6.1 Tshwane Tourism Association customer retention***

##### **Recommendation**

According to Figure 5.55, the majority of respondents agree that the TTA should ensure customer retention in service delivery. The findings corroborate the literature reviewed (see 5.2.13.1), that customer trust is one of the crucial elements of an effective customer retention strategy.

It is recommended that the TTA should develop and implement an internal customer retention programme, focused on ensuring effective CRM and assisting the TTA to retain as many customers as possible, using brand loyalty initiatives to achieve this goal. The TTA marketing division should drive promotional messages intentionally to build customer brand attachment,

where customer service performances are a very important element for achieving customer retention and satisfaction.

#### **6.4.6.2 *Tshwane Tourism Association marketing of service benefits***

##### **Recommendation**

Seen from Figure 5.56, the majority of respondents agreed that the TTA should focus their marketing on service benefits. The findings corroborate the literature reviewed (see 5.2.13.2), that a lack of properly developed strategic marketing planning will have a negative impact on the organisation's heritage marketing and this will retard efforts for successful functioning, resource allocation and service development.

It is recommended that the TTA should conduct market research aimed at identifying the needs and wants of the customers. The TTA should use market research findings to identify customers' needs and wants and build a strong information base of the characteristics of the target market from these findings. Thereafter, TTA should develop marketing messages in accordance with these characteristics to arouse emotional appeal within the market because the emotional experience a customer has during interaction with the TTA has a direct impact on how much money they are willing to spend. This recommendation supports an organisation's implementation of a marketing-mix strategy, which directly affects customer satisfaction and loyalty.

#### **6.4.6.3 *Tshwane Tourism Association long-term customer relationships***

##### **Recommendation**

Figure 5.57 shows that the majority of respondents agree that the TTA should focus on long-term relationships with its customers. The findings corroborate the literature reviewed (see 5.2.13.3), that the quality of relationships between businesses and customers determines how long the relationship will last.

It is recommended that the TTA should develop and implement a customer relationship programme focused on:

- Building customers' trust in the long term;
- Continuous communication with customers;
- Customer trust;
- Care culture;
- Customer expectations;
- Feedback from customers; and
- Customer reward programmes.

After the TTA implements a customer relationship programme, it can expect to see an improvement in revenue, trust and loyalty. This recommendation agrees that customer relationships provide high service value and create satisfied customers, building trust, commitment in the long term and competitive advantage.

#### **6.4.6.4 Tshwane Tourism Association customer services**

##### **Recommendation**

Figure 5.58 reveals that the majority of respondents agree that the TTA should focus on customer services. The findings corroborate the literature reviewed (see 5.2.13.4) that the organisation's employees should have the ability to solve customers' problems and provide services that meet customer needs, which would enhance customer service satisfaction.

It is recommended that the TTA should implement customer service training for employees to improve existing skills and acquire new ones. Training should include:

- Improving communication;
- Listening;
- Problem-solving; and
- Organisational skills.

After the TTA implements a customer relationship programme, an increase is expected in customer satisfaction and trust. This recommendation is in line with literature review, that tourism services require a high level of customer contact and that frontline employees have influence over customer service delivery.

#### **6.4.6.5 Tshwane Tourism Association customer commitment**

##### **Recommendation**

According to Figure 5.59, the majority of respondents agree that the TTA should focus on customer commitment. The findings corroborate the literature reviewed (see 5.2.13.5), that DMOs should prioritise customer commitment over everything else because customer satisfaction and customer loyalty strongly depends on it.

It is recommended that the TTA should focus on the following two areas of commitment:

- a) Affective commitment is formed when a customer enjoys positive feelings about a service provider; and
- b) Normative commitment forms when customers believe an organisation shares their beliefs and values.

The TTA should ensure that customers experience all points of service contact, which match expectations. It is further recommended that the TTA should prioritise customer commitment

when developing the strategic marketing plan. This can be done by top management ensuring that service processes are aligned to the strategic plan goals in line with customer commitment goals and objectives. The goals and objectives should address both affective commitment, which is built when a customer enjoys positive feelings about the TTA services and normative commitment, which results when customers believe that the TTA shares their beliefs and values. After the TTA implements customer commitment goals, it is expected to see improvements in customer relationships and satisfaction and that customer satisfaction and commitment will have positive and significant effects on loyalty.

#### **6.4.6.6 *Tshwane Tourism Association maintains high customer contact***

##### **Recommendation**

Figure 5.60 shows that the majority of respondents agree that the TTA should focus on high/sustained customer contact. The findings corroborate the literature reviewed (see 5.2.13.6) that the importance of employee-customer interaction is paramount in high-contact services. High-contact services are high human touch service delivery and low human contact service delivery. The TTA business model has both service contact scenarios.

It is recommended that the TTA could ensure that both high- and low-contact approaches are catered for in customer service delivery processes to avoid an inability to meet the needs and wants of customers. Furthermore, TTA employees should undergo training in providing services in both high and low contact dimensions. The training should enhance the ability of employees to:

- Identify unhappy customers;
- Reduce customer losses;
- Prevent negative word-of-mouth;
- Have patience;
- Display attentiveness;
- Have clear communication;
- Have knowledge of the product;
- Use positive language;
- Improve acting skills; and
- Improve time management skills.

After the TTA implements this training, employees should be able to successfully deliver high contact customer service. This recommendation aligns with the literature review, that job satisfaction and organisational commitment of employees has a significant impact on quality of service in customer contact operations.

#### **6.4.6.7 *Tshwane Tourism Association staff quality***

##### **Recommendation**

Figure 5.61 reveals that the majority of respondents agreed that the TTA should ensure that employees take service quality seriously to achieve customer satisfaction. The findings corroborate the literature reviewed (see 5.2.13.7), that organisations should focus on the employee's commitment to service quality to achieve effective and profitable service delivery.

It is recommended that the TTA should ensure that employees undergo a 'Total Service Quality Management' programme to ensure that staff skills focus on delivering ongoing improved service delivery and the CRM programme. This programme should cover areas such as:

- Customer relationships;
- Complaint handling;
- Customer care; and
- Marketing research

It is very important that TTA employees are fully skilled with 'Total Service Quality Management' knowledge to be able to deliver quality services that meet the expectations of customers and so achieve customer satisfaction. This recommendation is based on airlines focus all dimensions on service quality, with emphasis on personnel services and images for enhancing customer satisfaction.

#### **6.4.6.8 *Tshwane Tourism Association measuring service quality efforts***

##### **Recommendation**

According to Figure 5.62, the majority of respondents agree that the TTA should focus on measuring service quality efforts to understand customers' service experiences and levels of satisfaction. The findings corroborate the literature reviewed (see 5.2.13.8), that in the airline industry the passenger satisfaction measurement is a key factor for improving service quality.

It is recommended that the TTA should develop and implement a post-service customer satisfaction survey, which should include the following factors:

- Levels of service experienced;
- Surveying how many customers repeat business;
- Speed of responses to customer queries; and
- Customer feedback.

This recommendation is in line with the literature review, that the most frequently used customer satisfaction and service quality measurement approaches are customer satisfaction surveys that focus on service quality standards.



#### **6.4.6.9 Tshwane Tourism Association reliability of service delivery**

##### **Recommendation**

Figure 5.63 reveals that the majority of respondents agree that the TTA service delivery should be reliable and consistent to achieve service quality and customer satisfaction. The findings corroborate the literature reviewed (see 5.2.13.9), that the organisation's successful services delivery relies on service reliability, which includes personalised service, timeous responses to complaints and customer sensitivity to deliver quality customer service.

TTA customer service reliability means similar levels of service each time they consume the services. Therefore, the TTA should develop and implement service reliability processes that will guide employees to maintain service reliability always. The TTA should implement a 'Management by Wandering Around' strategy to monitor service delivery during consumption phases. This will assist to intervene timeously should service consistency be compromised because reliably excellent customer service brings customer satisfaction and generates repeat business. This recommendation recognises that reliability and responsiveness are important dimensions of service quality in the organisation.

#### **6.4.6.10 Tshwane Tourism Association quality tangibles of service delivery**

##### **Recommendation**

Figure 5.64 reveals that the majority of respondents agree that the TTA should ensure quality tangibles of service delivery to achieve customer service satisfaction. The findings corroborate the literature reviewed (see 5.2.13.10), that tangibility has an influence on customers' expected and perceived quality of services and furthermore, perceptions of services have an impact on customer satisfaction. The TTA services are intangible—customers derive their perception of service quality by comparing the tangible part of services with the actual services delivered.

It is recommended that the TTA should upgrade the physical appearance of facilities, equipment, employees and communication materials to a standard of quality that attracts customers and sets the TTA apart from competitors. This recommendation aims for the organisation's improved service standard, equating to satisfied customers and increased turnover.

#### **6.4.6.11 Tshwane Tourism Association responsiveness of service delivery**

##### **Recommendation**

As seen from Figure 5.65, the majority of respondents agreed that the TTA should ensure quality responsiveness of service delivery to achieve customer satisfaction and loyalty. The findings corroborate the literature reviewed (see 5.2.13.11), that organisations benefit positively from focusing on service newness and responsiveness.

Service responsiveness is an important dimension of service quality because customer satisfaction depends on its successful implementation. It is recommended that the TTA should develop and implement strategies to improve service responsiveness to mitigate unreasonable customers' needs and wants. The TTA service responsiveness strategies should include executable plans in the areas of:

- Internal systems;
- Social media; and
- Integrating technology.

The implementation of TTA service responsiveness strategies will result in effective customer relationships, repeat business, more revenue and service quality. This recommendation suggests that customer responsiveness significantly affects supply chain performance and strengthens the relationship between supply chain agility and the firm's external supply chain performance.

#### ***6.4.6.12 Tshwane Tourism Association assurance of service delivery***

##### **Recommendation**

Figure 5.66 shows that the majority of respondents agree that the TTA should implement customer service QA to achieve customer satisfaction and loyalty. The findings corroborate the literature reviewed (see 5.2.13.12), that service assurance is one of the dimensions that significantly improve service quality, which enhances customer satisfaction.

It is recommended that the TTA should develop and implement an internal QA strategy in line with the ISO 9000 international quality standards. The QA strategy should prevent mistakes and defects in service delivery to customers. The internal QA strategy should ensure that QA is process-oriented and QC is service-oriented. Once the internal QA strategy is implemented, the TTA will benefit from heightened employee motivation and morale, which will increase quality customer service delivery, customer satisfaction and loyalty. The TTA should develop plans for the QA and for the QC to address both the processes and services. This recommendation supports service QA as the greatest contribution towards customer loyalty.

#### ***6.4.6.13 Tshwane Tourism Association empathy of service delivery***

##### **Recommendation**

Figure 5.67 indicates that the majority of respondents agree that the TTA should ensure empathy of service delivery to achieve customer satisfaction and loyalty. The findings corroborate the literature reviewed (see 5.2.13.13), that service empathy has the highest positive impact on customer service and is a significant predictor of customer satisfaction.

It is recommended that the TTA develop and implement a service empathy strategy, developed around the following factors:

- Understanding of customers;
- Patience with customers;
- Customers' differing views; and
- Handling of complaints.

The TTA should promote periodic employee training to improve skills related to service empathy. After the service empathy strategy is implemented, the TTA will benefit from high employee motivation and morale, which leads to increased quality customer service delivery, customer satisfaction and loyalty. This recommendation is based on the premise that customer empathy reduces the negative influence of customer dissatisfaction through customer forgiveness.

#### **6.4.7 Recommendations from higher education institution experts**

This section discusses the recommendations of the HEI experts (marketing lecturers at HEIs) from the statistical output of Chapter 5. This is in line with the objectives of the study as indicated in the introduction of this chapter.

##### **6.4.7.1 *Familiarity with destination marketing-related factors***

The familiarity with destination marketing-related factors is discussed hereunder.

#### **◆ Customer relationship management**

##### **Recommendation**

Table 5.7 depicts that all of the respondents are familiar with CRM. The findings corroborate the literature reviewed (see 5.3.1.5 - 8A), that the CRM will benefit an organisation with the establishment, maintenance and enhancement of mutually beneficial relationships with customers in the long term, leading to trust, commitment, increased revenue and lower costs.

It is recommended that the TTA should develop and implement the CRM programme with the aim of managing service-related interactions with current and potential customers. The TTA should use the CRM programme to create a database for market research purposes to keep up with the needs and wants of customers. This recommendation is in line with Objective 1 of the study.

#### **◆ Strategic marketing planning**

##### **Recommendation**

As seen from Table 5.7, all of the respondents were familiar with strategic marketing planning. The findings corroborate the literature reviewed (see 5.3.1.5 - 8B), that strategic marketing

planning is an ongoing process through which the company creates marketing strategies and plans for implementation in the target market.

It is recommended that the TTA develop and implement the strategic marketing plan to address the following areas:

- CSFs;
- Goals and objectives;
- Mission statement;
- Vision;
- Marketing mix; and
- Promotion mix.

The implemented strategic marketing plan would allow the TTA to achieve realistic business goals and adapt to changes in the market. The TTA would enjoy customer relationship benefits, including growth and evolving as a destination, which allows sustainability of the customer relationship programme. This recommendation is in line with Objective 1 of the study.

#### ◆ **Destination marketing**

##### **Recommendation**

Table 5.7 reveals that all of the respondents were familiar with the destination marketing concept. The findings corroborate the literature reviewed (see 5.3.1.5 - 8C), that destination marketing strategy benefits are the ability to mitigate the challenges in collaboration, communication, commodification, creativity, customer co-creation and visitor experience, culture and crisis management.

It is recommended that the TTA should develop a destination marketing strategy aimed at building the CoT brand and to achieve long-term sustainable customer relationships, which should address areas such as:

- Market positioning;
- Retention marketing;
- Service mix;
- Branding strategies; and
- Promotion mix.

The TTA should implement the strategic marketing plan to brand the CoT as a unique destination. This recommendation is in line with Objective 1 of the study.

#### ◆ **Destination marketing organisations**

##### **Recommendation**

According to Table 5.7, all of the respondents were familiar with DMOs. The findings corroborate the literature reviewed (see 5.3.1.5 - 8D), that a DMO's responsibility is to promote a community and position it in the eyes of the customers as an excellent and attractive travel destination for all kinds of travellers.

It is recommended that the TTA extend its scope to act in all areas that have an impact on positioning the CoT as a destination of choice. The areas of action should include collaboration with the CoT municipality in promoting the CoT and JVs with SAT and promote CoT internationally. By so doing, the TTA will achieve the goal of elevating the CoT brand to the point where customers make it their first choice for holiday and business travel. This recommendation is in line with Objective 1 of the study.

#### ◆ **Quality management**

##### **Recommendation**

Table 5.7 shows that all the respondents were familiar with quality management. It is important for the TTA to do continuous research and understand the needs and demands of customers. The findings corroborate the literature reviewed (see 5.3.1.5 - 8E), that customer satisfaction arises from service quality and service quality in turn depends on employee satisfaction.

It is recommended that the TTA should acknowledge that long-term customer relationships depend greatly on internal service quality processes and that they should deliver quality service. The TTA should ensure that quality services address customer needs in delivering better quality products/services to the customer. The TTA should further ensure that the principle of quality service delivery is an integral part of its organisational culture. This recommendation is in line with Objective 3 of the study.

#### ◆ **South African tourism trends**

##### **Recommendation**

According to Table 5.7, all of the respondents were familiar with South African tourism trends. The findings corroborate the literature reviewed (see 5.3.1.5 - 8F), that South Africa's tourism economy, compared to the rest of the world, has remained positive since 2017 and increased amounts of foreign exchange have been earned.

It is recommended that the TTA CRM programme is developed in such a manner that it takes advantage of the growing destination tourism economy. The goal of each business in the CoT is to generate revenue. Trends indicate a potential growth for tourism and the TTA should have strategies to take advantage of it. This recommendation is in line with Objective 1 of the study.

#### ◆ **Customer loyalty**

##### **Recommendation**

From Table 5.7 it can be seen that all respondents were familiar with customer satisfaction with DMOs. The findings corroborate the literature reviewed (see 5.3.1.5 - 8G), that customer satisfaction evolves into customer loyalty.

It is recommended that the TTA conduct market research to identify new trends and new markets. After such market research is completed, the TTA should develop a marketing plan aimed at gaining new customers and retaining existing ones. This would create loyal customers, which would ensure stable business operations in the long term. This recommendation is in line with Objective 4 of the study.

#### **6.4.7.2 Destination marketing-related factors importance**

The importance of destination marketing-related factors is discussed in the following sections.

##### **◆ Customer loyalty**

###### **Recommendation**

Figure 5.75 indicates that the majority of respondents feel customer loyalty is important for TTA success. The findings corroborate the literature reviewed (see 5.3.1.6.1), indicating that customer loyalty is important for an organisation to achieve growth and sustainability.

It is recommended that the TTA should make 'employee customer commitment' a policy of the organisation, which would result in repeat business from customers. The TTA will benefit from customer loyalty through the implementation of an employee customer commitment strategy. The findings corroborate the literature reviewed (see 5.3.1.6.1), that DMOs should have powerful motivators to retain existing customers. This recommendation is in line with Objective 4 of the study.

##### **◆ Marketing plan**

###### **Recommendation**

Figure 5.76 indicates that the majority of respondents agree that marketing planning is important for TTA success as a DMO. The findings corroborate the literature reviewed (see 5.3.1.6.2), that an organisation using a marketing plan with the intention to succeed achieves a greater sense of fulfilment and accomplishment.

It is recommended that the TTA should develop and implement a marketing plan because:

- It helps to develop products;
- It offers services that meet the needs of the target market; and
- It helps customers understand why TTA service is better than others are.

The TTA marketing plan should include the following:

- Ensure that the process involves top management delegating the planning to the planner;
- Focus on long-term planning;
- Develop suitable company goals;
- Everybody is committed to the process of marketing planning;
- The marketing plan is separate from the management process; and
- Guard against making intuitive decisions that may contradict the marketing plan.

After the successful implementation of the marketing plan, the CoT will benefit from an improved brand position and increased revenue. This recommendation is in line with Objective 3 of the study.

#### ◆ **Market research**

##### **Recommendation**

Figure 5.77 indicates that the majority of respondents agree that market research is important for the TTA CRM programme success. The findings corroborate the literature reviewed (see 5.3.1.6.3), that the purpose of market research is to investigate and collect data on existing and potential customers to assist with decision-making processes.

It is recommended that the TTA develop a market research programme on an annual timetable, indicating areas on which the TTA needs to focus during the course of the year. Should the TTA fail to implement a market research programme, it will lose customers to competitors. Market research will assist the TTA to make informed decisions about services, mitigate service risk of making wrong decisions about pricing, forecast scientifically what the future holds and obtain information about competitors. This recommendation is in line with Objective 3 of the study.

#### ◆ **Internal marketing**

##### **Recommendation**

As seen from Figure 5.78, the majority of respondents agreed that internal marketing is very important for the TTA CRM programme. The findings corroborate the literature reviewed, that internal marketing has an impact on employee satisfaction and improves employee performance.

It is recommended that the TTA develop and implement an internal marketing strategy aimed at employees, to address the following areas:

- Customer service;
- Quality service;

- Organisational culture;
- Crisis management; and
- Communication.

After internal marketing is successfully implemented the TTA will benefit from employees' understanding of how to satisfy customers, employees will understand customer service, customer-centred service delivery, enhanced external business relationships, an improved internal flow of information, compliance with standards and protocols, better brand reputation and increased revenue. This recommendation is in line with Objective 3 of the study.

#### ◆ **Customer satisfaction**

##### **Recommendation**

According to Figure 5.79, the majority of respondents agree that customer satisfaction is very important for the TTA CRM programme to succeed. The findings corroborate the literature reviewed, that customer satisfaction proves to have a significantly positive and direct effect on customer loyalty.

It is recommended that the TTA have in place a customer satisfaction strategy that is aligned to ensuring that there is improvement in the areas of corporate image, service quality, price, perceived value and customer loyalty. For the TTA to achieve this, the entire team should be committed to improving customer satisfaction continuously. Furthermore, the TTA should conduct customer satisfaction surveys assess the level of customer satisfaction. This recommendation is in line with Objective 4 of the study.

#### ◆ **Service quality**

##### **Recommendation**

Figure 5.80 indicates the majority of respondents agree that service quality is an important element of a successful TTA CRM programme. The findings corroborate the literature reviewed, that a positive relationship exists between service quality, repurchase intention and positive word-of-mouth recommendations.

It is recommended that the TTA implements service quality strategies for day-to-day service delivery. The TTA can achieve this by creating quality services between customers and employees. The co-creation of quality services will benefit the TTA with effective long-term customer relationships and give employees more confidence. This recommendation is in line with Objective 3 of the study.

#### ◆ **Customer retention**

##### **Recommendation**



Figure 5.81 reveals that the majority of respondents agree that customer retention is very important for the successful implementation of a TTA CRM programme. The findings corroborate the literature reviewed, that customer retention is the catalyst for long-term profitability but 79% of customers will switch to the competitor when experiencing low quality in the organisation's services.

It is recommended that the TTA develop and implement a customer retention strategy with actions to retain the customer in the long term and stay ahead of competitors. The Marketing Unit of the TTA should make sure that the retention strategy is part of the marketing plan and that it is implemented parallel to other policies. The successful implementation of a retention strategy by the TTA will improve the word-of-mouth marketing by customers. This recommendation is in line with Objective 4 of the study.

#### ◆ **Tourism growth**

##### **Recommendation**

As seen from Figure 5.82, the majority of respondents agree that tourism growth is very important for the success of the TTA destination marketing efforts. The findings corroborate the literature reviewed, that tourism has the potential to increase economic growth in a destination.

It is recommended that the TTA develop the CoT marketing strategy to take advantage of the anticipated tourism growth. The TTA marketing strategy should address the following areas:

- Promotion of quality tourism services of the CoT as a tourist destination;
- Provide effective domestic and international marketing of the CoT as a tourist destination; and
- Enhance co-operation and co-ordination between all spheres of local government in the CoT in promoting tourism.

After the marketing strategy is successfully implemented, the CoT should benefit from tourism growth, improved brand positioning and increased revenue. This recommendation is in line with Objective 2 of the study.

#### ◆ **Mission statement**

##### **Recommendation**

According to Figure 5.83, the majority of respondents agree that a mission statement is very important for the successful implementation of TTA marketing plan. The findings corroborate the literature reviewed, that for SMEs to realise sustainable and increased service performance growth in SMEs, the mission statement is important.

## ◆ Vision

### Recommendation

Figure 5.84 indicates that the majority of respondents agree that a TTA vision is very important for the successful implementation of a CRM market plan and CRM programme. The findings corroborate the literature reviewed, that organisations that have a vision aligned to core values of the firm and these values are understood by stakeholders, are very able to recruit new and retain old customers. A vision statement is important for the TTA because it defines the business purpose and focuses on goals and future objectives. The TTA's current vision statement is:

**The TTA is the organised tourism sector in Tshwane providing the opportunity to promote tourism experiences and grow tourism business in the city strategically and responsibly.**

The TTA's current vision statement is too long, rambling and not easy to interpret. Therefore, the researcher recommends the following vision statement for the TTA:

**To promote the City of Tshwane as an excellent one-stop tourism destination of choice.**

The TTA vision should align with the mission statement and objectives because misinterpretation will result in contradictions and loss of direction. It is imperative that the TTA should use language that makes its vision statement clear, what the values mean and how business processes are operate. The TTA's failure to clarify the vision will have a negative impact on the mission and consequently goals and objectives, of the organisation, leading to an unsuccessful CRM and marketing planning. This recommendation is in line with Objective 2 of the study.

## ◆ Goals and objectives

### Recommendation

According to Figure 5.85, the majority of respondents agree that goals and objectives are very important for the successful implementation of a TTA marketing plan and CRM programme. The findings corroborate the literature reviewed (see 5.3.1.6.11), that the organisation needs to identify, analyse and improve existing processes to achieve goals and objectives.

It is recommended that the TTA develop and implement goals and objectives as part of strategic market planning. The goals and objectives should clearly indicate what needs to be achieved, when, how and who is responsible. The TTA goals and objectives should:

- Be relevant to the mission statement;
- Be clear and specific;
- Have an achievable time frame;

- Be practical and simple; and
- Integrate the organisation and staff members.

The successful implementation of the goals and objectives in the TTA will lead to a successful CRM programme and effective market planning. This recommendation is in line with Objective 3 of the study.

#### **6.4.7.3 Destination customer relationship-related factors importance**

The questions sought ascertain the importance of destination customer relationship-related factors for a DMO like the TTA to succeed. Responses to the question indicate the importance of factors for a destination customer relationship programme to be successful. These are discussed in relation to the study objectives as indicated in the introduction of this chapter.

##### **◆ Mutual goals**

##### **Recommendation**

Figure 5.86 indicates that the majority of respondents agree that mutual goals between members and the TTA will result in a successful CRM programme, where these goals can be achieved through JVs in specific, identified projects. The findings corroborate the literature reviewed, that management control in public sector JVs between municipalities in these services is very common in Norway and several municipalities have chosen the establishment of an independent legal entity (a municipal JV).

It is recommended that the TTA become involved in JVs with stakeholders like the CoT municipality. The TTA JVs should be aimed at achieving mutual goals, which include:

- Access to new markets;
- Distribution networks;
- Increased service delivery capacity;
- Sharing of risks and costs with a partner;
- Access to greater resources;
- Specialised staff; and
- Technology and finance.

After the JVs are implemented, the TTA stands to gain an expanded customer base and increased brand awareness. This recommendation is in line with Objective 5 of the study.

##### **◆ Marketing resources**

##### **Recommendation**

According to Figure 5.87, the majority of respondents agree that TTA customer relationships rely on destination marketing resources, where the findings corroborate the literature reviewed, that the destination resources, together with tourist co-creation processes, impact on customers' emotional and social value of services.

It is recommended that the TTA should collaborate with the CoT to activate campaigns aimed at preserving and maintaining the tourism resources in the CoT, including the following:

- Accommodation;
- Tourism facilities;
- Tourism amenities;
- Tourism activities; and
- Meals.

Furthermore, the TTA should develop a tourism resource database to assist in developing an effective a customer relationship programme and strategic marketing planning. This recommendation is in line with Objective 3 of the study.

#### ◆ **Benefits of customer relationship programmes**

##### **Recommendation**

Figure 5.88 indicates that the majority of respondents agree that destinations can benefit from customer relationships with the TTA and ultimately, tourism businesses benefit the area by creating jobs and providing more choices. The findings corroborate the literature reviewed, that customer relationship orientation has a positive effect on customer relationship performance.

It is recommended that the TTA develop and implement an effective CRM programme aimed at building good business relationships with stakeholders, including the CoT, municipalities and the Provincial Government to achieve support and trust. After the TTA CRM programme is successfully implemented, there will be improvement in the areas of customer relationships, better efficiency in serving customers, greater employee satisfaction, increased revenue and profitability, more cost savings and reduced customer attrition. This recommendation is in line with Objective 5 of the study.

#### ◆ **Establishment and maintenance of customer rapport**

##### **Recommendation**

As seen in Figure 5.89, the majority of respondents agree that the establishment and maintenance of customer rapport is a result of good customer relationships in a destination. The findings corroborate the literature reviewed, that customer-employee rapport has a strong influence on customer perceptions of service delivery and service organisations.

It is recommended that the TTA develop customer rapport training for employees, aimed at:

- Assisting the staff to develop skills;
- Customer trust;
- Open communication; and
- Confidence in abilities and product knowledge.

After the customer rapport strategy is implemented, the TTA will experience an improvement in service delivery and customer satisfaction. This recommendation is in line with Objective 4 of the study.

#### ◆ **Employee positive feelings inside the organisation**

##### **Recommendation**

Figure 5.90 indicates that the majority of respondents agree that customer relationships produce positive feelings inside the organisation and with customers. The findings corroborate the literature reviewed, that relationship marketing means keeping in touch with valued customers. Studies have shown that communication has a positive impact on customer satisfaction.

It is recommended that the TTA should implement a strategy to encourage positive feelings in employees and boost employee morale when rendering services in the organisation. Furthermore, the TTA should create an effective corporate culture to retain valuable employees and reduce human resource overheads, encourage staff commitment and retain customers. The TTA's corporate culture should reward employees for their contribution to the business, which will lead to employees experiencing high morale and a positive attitude toward the organisation. This recommendation is in line with Objective 4 of the study.

#### ◆ **Reduce costs and complaints**

##### **Recommendation**

According to Figure 5.91, the majority of respondents agree that a good customer relationship strategy will reduce wasted costs and complaints in a DMO. The findings corroborate the literature reviewed, that cost emphasis comes from top management strategies and activities that drive cost-effectiveness but do not compromise quality of service.

It is recommended that the TTA develop customer feedback processes. This is essential in gathering valuable customer insight and mitigating identified service failures. The TTA customer feedback programme should aim at developing processes to mitigate risk, handle complaints and identify areas of improvement within the organisation. This recommendation is in line with Objective 5 of the study.

#### ◆ **Reduce staff attrition**

##### **Recommendation**

Figure 5.92 indicates that the majority of respondents agree that a good customer relationship strategy reduces staff attrition. The findings corroborate the literature reviewed, that identifying and resolving issues that create employee attrition improves the organisational culture and workplace. This in turn enables the recruitment of high calibre employees who further positively impact on retention, internal operation and business practices.

It is recommended that the TTA should develop and implement staff retention strategies, aimed at implementing short- and long-term activities that will assist in retaining staff. The TTA needs to focus on staff retention because a positive and motivated employee is very important for successful service delivery. The TTA cannot ignore staff retention because high employee turnover increases expenses and has a negative impact on staff performance and productivity. TTA employee retention practices will assist to support effective productivity (Pike, 2015:127; Haddad, 2017:59). This recommendation is in line with Objective 4 of the study.

#### ◆ **Effective market research**

##### **Recommendation**

Figure 5.93 reveals that the majority of respondents agree that customer relationships enable effective market research. The findings corroborate the literature reviewed, that an organisation that is performing in a highly market-oriented environment, possesses high levels of the six marketing strengths: market research, product development, pricing, distribution, promotion and marketing management.

It is recommended that the TTA needs to take market research very seriously because it will stand to benefit from investing in the strengthening of its market position and should develop a market research programme aimed at the following strategic areas:

- Strengthening market positioning;
- Reducing investment risk;
- Pointing to potential threats and opportunities;
- Identifying competitor's strengths and weaknesses;
- Developing strategic planning;
- Pointing to emerging trends;
- Strategise competitive edge;
- Indicate revenue projections; and
- Identify customer needs and demands.

After implementing the market research recommendations, the TTA stands to benefit from a better perspective and understanding of the target market's needs and wants which will ensure it stays ahead of the competition. This recommendation is in line with Objective 2 of the study.

#### ◆ **Strategic marketing planning**

##### **Recommendation**

Figure 5.94 indicates that the majority of respondents agree that a good customer relationship strategy strengthens strategic marketing planning in DMOs. The findings corroborate the literature reviewed, that strategic planning concerns the timing of the proper moment to implement a strategy, selection of strategies necessary to achieve goals, the allocation of resources needed to make the strategy a success and sequencing of strategies required to achieve objectives.

It is recommended that the TTA should develop a strategic marketing plan, together with customers, which includes the following factors:

- Key success factors;
- Goals and objectives;
- Vision;
- Mission;
- Competitor analysis;
- Marketing mix; and
- Promotions.

Furthermore, the TTA should ensure that the strategic marketing plan addresses the organising of marketing resources and internal marketing operations processes in a manner that they work to achieve a common goal. The TTA strategic marketing plan should ensure that the right markets and segments are targeted, which would bring cost savings and enable marketers to focus on one offering at a time. This recommendation is in line with Objective 3 of the study.

#### ◆ **Shaping the future of tourism in South Africa**

##### **Recommendation**

Figure 5.95 indicates that the majority of respondents agree that it is important for a DMO to contribute to shaping the future of tourism in South Africa. The findings corroborate WTTC literature reviewed, that South African tourism supported 1.5 million jobs in SA in 2017, 9.5% of total employment in the country. It estimates that by 2028 almost 2.1 million jobs in SA will depend on travel and tourism, which contributes 9% of the total GDP through direct, indirect and induced benefits in South Africa. Tourism in South Africa contributed 1.5 million jobs and

R425.8 billion to the economy in 2018, making it the largest tourism economy in Africa and highlighting the economic impact and social importance of the sector (WTTC, 2018:9).

It is recommended that the TTA monitor South African tourism trends to understand the extent to which the CoT is impacted and will be affected in the future. The South African tourism industry is important for the benefits it brings and its role as a commercial activity that creates demand and growth for many more destinations like the TTA area (CoT). Furthermore, the TTA should develop and implement an internal opportunity identification model. The internal opportunity identification model will assist the TTA to take advantage of tourism growth in South Africa and the CoT. This recommendation is in line with Objective 3 of the study.

#### ◆ **Develop a long-term strategic plan**

##### **Recommendation**

According to Figure 5.96, the majority of respondents agree that it is important that universities and government should work together to develop a long-term strategic plan to manage growth, protect community tourism and natural resources and ensure the future sustainability of DMOs. The findings corroborate the literature reviewed, that strategies for marketing within an organisation are important to make strategic decisions that will ensure the organisation's ability to turn goals and objectives into specific programmes, projects and activities.

It is recommended that the TTA develop a long-term strategic plan to address long-term planning benefits. The long-term strategic plan should address the future of tourism in the CoT, including the Fourth Industrial Revolution (Industry 4.0), which will be influenced by the concept of the 'Internet of Things'. It is further recommended that the TTA embark on CRM workshops/retreats with universities and government because it is an efficient way to create a long-term plan. This recommendation is in line with Objective 2 of the study.

#### ◆ **Laws and regulations**

##### **Recommendation**

Figure 5.97 indicates that the majority of respondents agree that it is important that laws and regulations passed by local governments should not limit the rights of destination tourism developers and private tourism property owners to promote their business. The findings corroborate the literature reviewed, that the South African Tourism Act (South Africa, 2014:18) regulates the tourism sector in the country as follows:

- Provide for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors;
- Provide for the continued existence of the South African Tourism Board;
- Provide for the establishment of the Tourism Grading Council;
- Regulate the tourist guide profession;



- Repeal certain laws; and
- Provide for matters connected therewith.

It is recommended that the TTA should align the strategic plan with the aim of providing support and creating an enabling environment for tourism activities in line with the Act. It is further recommended that the TTA engage the Gauteng Provincial Government and the CoT municipality to make sure that laws and regulations benefit and protect tourism growth in the CoT, to ensure that legislation passed by local governments aligns with investors' ability to develop private tourism property and have access to land for this purpose. This recommendation is in line with Objective 3 of the study.

#### ◆ **Destination marketing status**

##### **Recommendation**

Figure 5.98 reveals that the majority of respondents believe that destination marketing in South Africa has changed for the better over the past several years. The findings corroborate the literature reviewed, that the 'smell of fresh air' and experiences at a destination were two of the most important motivations of tourists and are best placed to deliver such experiences.

It is recommended that the TTA should work together with international and national tourism NGOs to obtain grants that will be channelled to developing the CoT marketing efforts as a destination of choice. The collaboration between the tourism NGOs and the TTA should focus on investment aimed at improving the transportation infrastructure, providing greater accessibility and supply logistics that are important in attracting more investment. This recommendation is in line with Objective 3 of the study.

#### ◆ **Adequate tourism resource**

##### **Recommendation**

Figure 5.99 indicates that a large majority of respondents agree that it is important that South African destinations have adequate tourism resource services available to meet the needs of every member and tourist. The findings corroborate the literature reviewed, that South African tourism attracts tourists because of its culture and beauty and the many tourist attractions that showcase that beauty.

The TTA should collaborate with SAT as part of national initiatives in developing natural tourism areas, such as mountains, beaches and wildlife areas. The TTA collaboration with the SAT should be geared to achieving the following:

- Ensure sustainable tourism development and promotion;
- Encourage all tourism stakeholders nationally to participate in growing tourism in a sustainable manner; and

- Look after the interest of tourism well-being nationally whilst providing social and economic benefits to local communities and teaching appreciation of the environment.

Furthermore, the TTA needs to ensure that they support national government strategies for sustainable tourism to allow economic and social growth through tourism development and eliminate all negative social, cultural and environmental impacts. This recommendation is in line with Objective 1 of the study.

#### ◆ **Implementation of marketing planning/customer relationship strategy**

##### **Recommendation**

According to Figure 5.100, the majority of respondents agree that it is important that marketing planning is strengthened and deepened through the implementation of a customer relationship strategy in DMOs. The findings corroborate the literature reviewed, that there is a relationship between CRM and customer trust.

It is recommended that the TTA develop and implement a customer relationship programme aimed at strengthening the strategic marketing plan. The TTA can achieve this by using the CRM programme platform to co-ordinate customers and stakeholders to assist with the development of a strategic marketing plan. The involvement of the TTA CRM programme will therefore become a strategy designed to build the TTA and customers, to increase their productivity and improve customer satisfaction and retention. This recommendation is in line with Objective 5 of the study.

#### ◆ **Tourism initiatives**

##### **Recommendation**

Figure 5.101 shows the majority of respondents agree that it is important that everybody in a destination should become part of tourism initiatives of DMOs. The findings corroborate the literature reviewed, that getting tourists to participate in activities in which they are interested and capture their attention is very important for co-creation.

It is recommended that the TTA implement a customer creation strategy aimed at ensuring that all stakeholders play a role in CoT tourism. The TTA should include the NGOs in the CoT, which is important because the TTA would then be aware of how customers, communities, employees and business partners affect its business. This will assist the TTA in developing an effective CRM programme and strategic marketing plan. This recommendation is in line with Objective 3 of the study.

#### ◆ **Pride in destinations**

##### **Recommendation**

According to Figure 5.102, the majority of respondents agree that it is important that South Africans take pride in their destinations as tourism attractions. The findings corroborate the literature reviewed, that a positive destination image influences and improves the image of a country for tourism, business and investment opportunities and international relations, in addition to attracting skilled residents.

It is recommended that the TTA collaborate with SAT and Proudly South African in developing a community instilled with a culture of community pride in South African destinations, including the CoT. This will enhance the CoT's image as a tourism destination of choice because of local interest in community pride. This can be achieved through activities such as celebrations of the artistic activities, sporting activities (South Africa's success in the 2019 Rugby World Cup in Japan), cultural achievements and cultural diversity of local communities in different South African destinations. The TTA collaboration with SAT and Proudly South African should include organising annual events aimed at fostering community pride. The findings are in line with Objective 2 of the study.

#### **6.4.8 Recommendations of hospitality, travel and tourism non-governmental organisations**

The following recommendations are based on the data collected through interviews with interested parties. The interview perceptions were categorised into market position, market planning and customer retention.

##### ***6.4.8.1 Market positioning***

###### **Recommendation**

Figure 5.106 shows that market positioning can be achieved through unique selling propositions, continuous improvement, ability to solve problems, showcase expertise, knowing the competition, competitive advantages, standing out from the crowd, good customer services and knowing the target audience.

It is recommended that the TTA customer relationship programme be developed with the aim of delivering excellent customer service, which will set the TTA apart from its competitors and give the TTA a competitive edge. This recommendation is in line with the literature review, that for the organisation to position itself in the market it should have a better understanding of its customers and offer excellent customer service.

##### ***6.4.8.2 Marketing planning***

###### **Recommendation**

Figure 5.107 shows that marketing planning can be achieved through improved communication and co-ordination, focused management performance, objective management,

rational activity, processes to promote market and consumer business actions, a systematic planning approach, customer satisfaction and avoiding future uncertainties.

It is recommended that the TTA develop and implement a marketing plan, with the aim of improving the following areas:

- Internal communication;
- Management performance;
- Goals and objectives;
- Process to promote market;
- Consumer business actions;
- Systematic planning approach;
- Customer satisfaction; and
- Avoiding future uncertainties

This is important for the TTA to deliver a successful marketing plan to gain new customers and retain existing customers. This recommendation is in line with literature reviewed, that marketing planning is important to the TTA since it ensures that its marketing targets the right markets and segments.

#### **6.4.8.3 Market retention**

##### **Recommendation**

As seen in Figure 5.108, customer retention is enhanced through strong stakeholder relationships, cross-selling behaviour, fair customer treatment, customer-centricity, well-designed customer maintenance activities, customer confidence in the retailer, pride of consumers in the services, product and business profitability. Business productivity was found to contribute to customer loyalty, customer confidence in the retailer and pride of consumers in services and product. The results of the interviews are supported by Rodriguez *et al.* (2015:637), who report that when an organisation creates customer relationships its customer retention rates greatly increase.

It is recommended that the TTA develop and implement a retention marketing strategy to address the following areas:

- Fair customer treatment;
- Customer-centricity;
- Well-designed customer maintenance activities;
- Customer confidence in the retailer;
- Pride of consumer in the services; and
- Product and business profitability.

This recommendation is in line with literature reviewed, that customer loyalty adds value to the life of the customer and reduces the overall cost of marketing. It is at least five times more cost-effective for the TTA to retain existing customers than to attract new ones.

#### **6.4.8.4 Destination marketing**

##### **Recommendation**

As illustrated in Figure 5.109, destination marketing can be made effective through building trust and credibility, maintaining a competitive edge, increasing visibility and technology innovation. The findings corroborate the literature reviewed, that effective destination marketing has the capacity to impact on organisational growth in the areas of sustainability, networking, customer connections and new market opportunities.

It is recommended that the TTA develop and implement a destination marketing strategy to address the following areas:

- Competitors analysis;
- Marketing mix;
- Goals and objectives; and
- Promotion mix.

After the TTA has successfully implemented a destination marketing strategy, benefits to the TTA will include brand improvement, new customers, repeat business and building customer loyalty. This recommendation is in line with literature reviewed, that destination marketing plays a key role in building a brand, attracting new customers and maintaining loyalty.

## **6.5 GENERAL DISCUSSIONS**

This section discusses the results of the study in line with the objectives. Both descriptive and inferential statistics used frequencies, descriptive statistics and normality tests, exploratory statistics, factor analysis, Cronbach's alpha reliability and correlation and regression analysis between the scales. Factor analysis was used to test for validity. Reliability analysis showed that the questionnaires for stakeholders and experts were reliable.

The KMO and Bartlett's test was used to test if the correlations between the variables were large enough. The results indicate that the factor model was appropriate for factor analysis. The main results of the analysis showed that Product Strategy ( $p=.000, <.05$ ) and Relationship Marketing Strategy ( $p=.000, <0.05$ ) had a unique contribution to retention of the marketing strategy. The conclusion was drawn that product strategy and relationship marketing strategy are important aspects in the retention marketing strategy.

The descriptive results, together with the interview findings, are discussed in line with each research objective.

**Research Objective 1:**

**To investigate customer-related factors that are necessary to involve the TTA and customers in the planning and designing of a customer relationship framework.**

The findings of the study show that a deep knowledge of the customer, customer information, databases and retaining loyal customers were the customer relationship activities necessary to sustain the relationship between the customers and the TTA.

The databases can be used to select target customers and retaining existing customers. Keeping documents, messages, e-mails and conversations organised around customers in a system can strengthen customer relationships. Having full knowledge of the customers is necessary to sustain the relationship between the customers and the TTA. Every staff member of the TTA should create long-term relationships with the customers they deal with daily.

The main purpose of a CRF should be to organise information around the customers, giving the TTA a complete view of each customer, centralising and capturing information, making it accessible from all parts of the organisation. The most important aspect of a CRF is that it helps a firm organise customer contacts in such a way that the customers feel better taken care of and the employees spend less time finding relevant customer information.

One of the benefits of a CRF is that it allows organisations to control and own information and not have it locked in with individual people. In the event that an employee leaves an organisation, the information and customers they have worked with is easier to maintain as all the customer information remains with the TTA. The TTA should also make sure that it focuses on customer relationships centred on the retention of loyal customers. To sustain relationships, the TTA needs to implement customer relationship strategies and loyalty programmes aimed at strengthening the relationship between the customer and the TTA.

### **Research Objective 2:**

#### **To establish market positioning factors to support customer relationship framework of the TTA.**

The results of the study show that the TTA Board of Directors is one of the resources that can be utilised to support customer relationships within the TTA area. The strengths of the Board of Directors, such as their ability to give feedback on time and consistent quality of service delivery is one of the resources to manage an effective CRM programme. However, the lack of technological resources such as electronic communication platforms is one of the aspects that needs to be addressed in a CRF programme.

Employees of the TTA are a resource to support a customer relationship programme within the TTA area of operation. This is because the employees of the TTA are neat, provide prompt service, deliver expected results, address customers' needs and wants, deliver expected results, are courteous and always willing to help, well informed and responsive to customer questions. The information given by the respondents show that the TTA has resources to support CRM management of services and resources. The availability of facilities was specified as one of the reasons for operating in the TTA area. This is because most of the TTA customers need resources and services like technology to market and deliver services to their own clients.

However, the TTA sometimes experiences service failures, which may be a barrier to support CRM. The majority of respondents indicated that service failure is not yet resolved satisfactorily in the TTA. The findings of the study in general show that there are enough tourism resource services to support CRM within the TTA area of operation. There is a need, however, for tourism destinations to develop the existing natural and manmade attractions to attract new customers.

### **Research Objective 3:**

#### **To identify product strategy factors to sustain the customer relationship framework of the TTA.**

Economic implications of sustainable customer/member relationship management were found to be tourism growth, development of infrastructure, natural resource maintenance, increased sales volume, cash injections and high rate of turnover in the destination accommodation. If the TTA sustains customer relationships by taking advantage of tourism growth in the CoT, then opportunities for job creation, small business development and economic growth will come as a result.

The TTA needs to continue capitalising on the economic growth in South Africa, to ensure skills development and job creation. Good customer relationships between the TTA and its customers/members have an economic implication of increased sales volume. The volume of

goods could take a short time to sell due to sustainable CRM. More profits are generated through good service delivery to satisfied customers and their clients. The more efficient the TTA becomes in dealing with customer needs and wants, the more the economic benefits that can be realised.

#### **Research Objective 4:**

**To establish marketing retention factors that can be recommended to sustain long-term relationships between the TTA and customers.**

To make sure that the strategies achieve the proper objectives, there are specific methods that need to be utilised. Loyalty, satisfaction and retention of customers should be incorporated in the planning and development strategies. Information should be captured at every customer interaction to build a complete customer file. The TTA members should include the following strategies in planning and development of customer relationship programme—cross selling behaviour, fair customer treatment, customer-centricity and well-designed customer maintenance activities.

#### **Research Objective 5:**

**To demonstrate relationship marketing factors that are important for the development of a CRF for the TTA.**

A customer relationship strategy, related to both customers and the business itself, is the strategy that the TTA needs to implement. A framework that incorporates customer satisfaction, market planning, customer retention and gaining a better understanding of customers, could be incorporated in the development of a customer relationship strategy. To get to know customers better, the TTA needs to implement community building, reward programmes and loyalty programmes aimed at creating, reinforcing and improving customer relationships.

The TTA should take advantage of the customers' needs for marketing through developing effective marketing plans with customers. This should be done in the form of workshops aimed at improving the CRM programme and marketing planning. It is recommended that the TTA should engage in staff development training on an ongoing basis. The TTA should conduct recruitment drives throughout the year, to attract more customers/members, which is important in building a sustainable CRM programme. Technologies should be used to integrate people, processes, culture and attitudes. The TTA CRF should be customer-centred, cross-functional, customer-driven and technology-integrated. The TTA CRF strategy should aim to win customer satisfaction and loyalty. For the TTA to position itself in the market it should take into consideration marketing position, market planning and customer retention. Market positioning aspects that are unique selling propositions, continuous improvement, ability to solve problems, showcase expertise, knowledge of competition, competitive advantage, standing



out from the crowd, good customer service and knowing the target market should be taken into account in the development of a customer relationship strategy.

The framework should also take into consideration the following aspects of better communication and co-ordination, forces management performance, archive objectives, objective management, proper communication, rational activity, processes to promote market and consumer business actions, systematic planning approach and customer satisfaction.

#### **Research Objective 6:**

**To recommend a framework relevant towards the development of a customer relationship programme for the TTA.**

The study results indicate that it is essential for the development of a successful customer relationship programme that the marketing strategies include market positioning, product strategy, retention marketing, relationship marketing, destination marketing and strategic marketing planning. The effect of the marketing strategies on the customer relationship programme will yield benefits from the area of service delivery, which include customer satisfaction, loyalty and repeat business. These observations are in line with Objective 6 of the study.

## **6.6 STUDY IMPLICATIONS**

### **6.6.1 Implications for the Tshwane Tourism Association**

There are several implications for the TTA that follow from this research. The recommendations made in this study could help the TTA develop a customer relationship programme that will strengthen relationships. CRM will enable the TTA to develop long-term relationships that will lead to improved business performance and higher profit margins. The TTA has involved its customers in information sharing through feedback. The TTA and its Board should involve customers in all business areas to strengthen relationships. This requires identifying all the places where the TTA interacts with customers and considering this when developing a customer relationship programme.

### **6.6.2 Implications for the City of Tshwane**

This study makes a unique contribution to the society of CoT. The implication of an effective CRM programme will lead to the development of tourism attractions within the TTA. The development in terms infrastructure can only happen through creative and innovative ways to engage customers. This will have an implication for growth and success of the TTA that will lead to empowerment of communities in CoT by creating jobs.

### 6.6.3 Implications for the customers

This study should help customers of the TTA to succeed in their business activities. It will create a long-term relationship between the TTA and its customers. The low star gradings of CoT tourism establishments indicates a need for improvement in services and infrastructure development. Customers should take advantage of the TTA market destinations to promote their tourism businesses. Before embarking upon a customer relationship programme, the TTA needs to have a deeper understanding of the arena that they are entering. This will enable the TTA to manage business expectations better in terms of expected customer relationship programme revenue, loyalty, timelines and customer satisfaction.

### 6.7 FRAMEWORK FOR DESTINATION CUSTOMER RELATIONSHIP PROGRAMME

The model in Figure 6.1 illustrates the recommended framework when developing a customer relationship programme for the TTA. The model groups the factors in accordance with the recommendations on market positioning, product strategy, retention marketing, relationship marketing, destination marketing and marketing planning. When the organisation has addressed the marketing factors on the framework model, it should lead to an effective and more sustainable customer relationship programme for the TTA. This recommendation is based on Objective 6 of the study. This model outlines the framework for developing a customer relationship programme for the TTA.



**Figure 6.1: Destination customer relationship framework**

Source: Researcher's construct

Table 6.1 below summarises factors involved in the development of destination CRF.

**Table 6.1: Summary of factors in development of destination customer relationship framework**

<b>DRIVERS</b>	<b>OUTPUTS</b>	<b>ENABLERS</b>
Market positioning	Unique selling proposition, continuous improvement, ability to solve problems, showcase expertise, knowing your competition, competitive advantage, standing out from the crowd, good customer services and knowing target audience.	<ul style="list-style-type: none"> <li>• Location convenience and suitability</li> <li>• Physical environment</li> <li>• Employees' appearance</li> <li>• Provides first rate services</li> <li>• Employees' service knowledge</li> <li>• Employees' quality service delivery</li> <li>• Customer needs and wants.</li> </ul>
Strategic marketing planning	Communication and co-ordination, forces management performance, achieve goals, objective management and process to promote destination and consumer actions, systematic planning approach, customer satisfaction and avoiding future uncertainties.	<ul style="list-style-type: none"> <li>• Vision</li> <li>• Mission</li> <li>• Goals and objectives</li> <li>• Competitors</li> <li>• Marketing mix</li> <li>• Promotion mix</li> <li>• Pricing</li> <li>• eMarketing</li> </ul>
<b>DRIVERS</b>	<b>OUTPUT</b>	<b>ENABLERS</b>
Market retention	Strong stakeholder relationship, cross-selling behaviour, fair customer treatment, customer-centricity, well-designed customer maintenance activities, customer confidence in retailer, pride of consumer in the services and product and business profitability.	<ul style="list-style-type: none"> <li>• Relationship with customers</li> <li>• Customer care</li> <li>• Communication</li> <li>• Customer attention</li> <li>• Customers reward</li> <li>• Business deals</li> <li>• Standardised service delivery policy</li> <li>• Crisis management</li> </ul>
Destination marketing	Building trust and credibility, maintaining competitive edge, increasing brand visibility	<ul style="list-style-type: none"> <li>• Customer feedback.</li> <li>• Pride in appearance</li> <li>• Promotion activities</li> <li>• DMO activities</li> <li>• Marketing research</li> </ul>
Product/service strategy	Business productivity was found to be a cause of customer loyalty, customer confidence in retailer and pride of consumer in the services and product.	<ul style="list-style-type: none"> <li>• Service consistency and courteousness</li> <li>• Quality services</li> <li>• Crisis management</li> <li>• Appearance</li> <li>• Total quality management</li> </ul>
<b>DRIVERS</b>	<b>OUTPUTS</b>	<b>ENABLERS</b>
Relationship marketing	Long-term customer relationships, planning, co-ordination and maintain customer relationships, reliability of service delivery, quality tangibles of service, responsiveness of service	<ul style="list-style-type: none"> <li>• Customer services</li> <li>• Customer commitment</li> <li>• Customer contact</li> <li>• Staff quality concerns</li> <li>• Pre-sales</li> </ul>

	delivery, assurance of service delivery, empathy of service delivery	<ul style="list-style-type: none"> <li>• Service consumption</li> <li>• Post-sales</li> </ul>
CRM	Planning, co-ordination and maintain customer relationships, loyalty, trust, profitability, repeat business, satisfaction, co-creation, competitive edge, brand uniqueness	<ul style="list-style-type: none"> <li>• Customer rewards</li> <li>• Employee training</li> <li>• Technology platforms</li> <li>• Top management support</li> <li>• Customer knowledge management/research</li> <li>• Quality of services</li> </ul>
Technology platforms (eMarketing)	Profitability, repeat business, satisfaction, co-creation, competitive edge, brand uniqueness	<ul style="list-style-type: none"> <li>• Post-sales</li> <li>• Facebook</li> <li>• E-mail</li> <li>• Social media</li> </ul>

## 6.8 FUTURE RESEARCH

This study provided insight into the development of a customer relationship programme for the TTA. However, many areas for further research remain, as listed below:

- To investigate the impact of barriers in the development of a successful customer relationship programme for the TTA;
- To investigate the impact of CRM information on customer loyalty for the TTA;
- To design a model in which CRM information technology platforms can be utilised to gather and process customer data and transform communication with customers for the TTA;
- To investigate the strategies for a CRM programme that will impact on customer satisfaction and motivate customer loyalty to achieve a competitive edge for the TTA;
- To design an effective destination CRM model to retain customers through customer loyalty and customer satisfaction for the TTA.

## 6.9 CHAPTER SUMMARY

This study was conducted in the CoT with 400 hospitality, travel and tourism-related organisations, 20 hospitality, travel and tourism HEI experts nationally and 10 hospitality, travel and tourism NGOs in the Gauteng Province. The objective of the study was to develop a destination CRF and establish how marketing strategies and customer relationships could benefit the TTA and the CoT as a tourism destination.

All respondents participated and responded meaningfully on this topic because it fell within the area of a subject that they understood and work with on a daily basis. The theoretical framework used was essential to carry out the study successfully because it enabled an understanding of the relevant topics and points that needed to be integrated into the study.

Chapters 2 and 3 comprised the literature review and laid a background to understand the tourism trends, CRM models and marketing factors and strategies to formulate the objectives of the study. There is a need for DMOs, such as the TTA, to design a customer relationship programme that will have an impact on marketing strategies and customer service delivery. For the TTA to achieve a successful customer relationship programme, the following areas are critical and require in depth research:

- CRM;
- Market positioning;
- Strategic marketing planning;
- Market retention;
- Destination marketing;
- Product/service strategy; and
- Relationship marketing.

It is extremely important for the TTA to include these factors because they will assist in developing an effective customer relationship programme, which will have a positive impact on long-term relationships with customers. The customers of the TTA are the local tourism-related companies depending on visitors to the CoT to generate revenue. The more the TTA is capable of promoting the CoT because of an effective customer relationship programme, the more tourists will visit the CoT and the more local travel and tourism businesses are likely to generate revenue.

It is critical that the TTA customer relationship programme should be designed based on integration with strategic marketing factors as part of the drivers and enablers. This will guarantee an effective customer relationship programme for the TTA and will impact positively on customer services, which will result in customer satisfaction, loyalty and repeat business.

The study proposed a framework for a TTA customer relationship programme and examined marketing factors that are critical to this undertaking. It can be concluded that the integration of marketing strategy factors such as marketing retention, market positioning, relationship marketing and product/service strategy will have a significantly positive impact on overall service delivery.

The researcher believes that although this study focussed on the CoT at a regional level, it could undoubtedly be replicated at Provincial and National tourism destination levels in South Africa, as well as internationally.

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## APPENDIX A: CPUT ETHICAL CLEARANCE



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Symphony Road Bellville 7535

Office of the Chairperson Research Ethics Committee	Faculty: <b>BUSINESS</b>
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At a meeting of the Research Ethics Committee on 4 March 2014, Ethics Approval was granted to MALEFANE STEPHEN MONYANE (213314622) for research activities Related to the MTech/DTech: DTech: TOURISM & HOSPITALITY MANAGEMENT at the Cape Peninsula University of Technology

Title of dissertation/thesis:	The effect of a customer relationship framework on marketing planning and destination marketing organisations.  Supervisor: Prof John Spencer
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**Comments:**

**Decision: APPROVED**

	04 MARCH 2014
Signed: Chairperson: Research Ethics Committee	Date

Signed: Chairperson: Faculty Research Committee	Date

Clearance Certificate No | 2014FBREC153

## APPENDIX B: QUESTIONNAIRE TTA CUSTOMERS



### INFORMATION AND CONSENT SHEET

**THE STUDY INVESTIGATES STRATEGIES FOR THE CUSTOMER RELATIONSHIP AND THE IMPACT ON MARKETING PLANNING AND DESTINATION ORGANISATION**

Please note that participation in this study is voluntary. You may withdraw at any time. Completion and return of the questionnaire will be accepted as an expression of consent by the Cape Peninsula University of Technology conducts research in accordance with an Ethics Code to ensure the protection of welfare and rights of humans, animals and to protect the environment in the course of research.

As a participant in this research, should you have any complaint concerning the manner in which this research is conducted, please do not hesitate to contact the researcher named below. Alternatively, if an independent person is preferred then please do not hesitate to contact The Ethics Officer, Research Ethics Committee on (021) 460 4285 or E-mail: mbindab@cput.ac.za

#### GENERAL INSTRUCTIONS FOR QUESTIONNAIRE COMPLETION

1. The questionnaire is in short sections. Each section has its own instructions for completion.

You are kindly requested to respond to every question in each section.

2. The questionnaire has been designed in such a way as not to take more than **15 minutes** of your time. Your first and immediate response is all that is required. Please note **there is no right or wrong answer**.

3. All the information you provide will be treated with **STRICT CONFIDENTIALITY**. Once all questionnaires have been collected and analyses conducted, the results of the study will be presented as a whole or in aggregate form (to ensure your anonymity) and written up as a scholarly paper. You are welcome to request a copy from the researcher named below.

4. Thank you for your participation in this important research project.

**Researcher: Malefane Monyane.**

**Cell: 0722505637**

## SECTION A

Please complete the following by indicating an **X** in the appropriate block.

1	Respondent star grading				
2	Operation in years	- 20	21-35	36-50	50+
3	Area of Specialisation				
4	Tourism Sector:				
	Accommodation				
	Travel agency				
	Tour operator				
	Recreation				
	Education				
	Other - please specify				
5	Area of operation				
	Pretoria Central				
	Pretoria suburbs				
	Soshanguvhe				
	Mabopane				
	Garankuwa				
	Atteridgeville				
6	Number of staff employed:				
	01-10				
	11-20				
	21-30				
	Other : Specify -				
7	What type of relationship do you have with the TTA:				
	I am a full member			Yes	No
	I am only in the area of TTA			Yes	No
	I am not a full member			Yes	No
	I am on trial for membership			Yes	No
8	Please indicate the reason you chose TTA				
	Availability of services and resources			Yes	No
	Business policy			Yes	No
	Rewards			Yes	No
	Price			Yes	No
	Random decision			Yes	No
	Service quality			Yes	No
	Other , specify				

9	Do you obtain customers from the following?						
	Tshwane Municipality	Never	Seldom	Often	Frequently		
	Tswaing Municipality	Never	Seldom	Often	Frequently		
	Soshanguvhe	Never	Seldom	Often	Frequently		
	Garankuwa	Never	Seldom	Often	Frequently		
	Mabopane	Never	Seldom	Often	Frequently		
	Tswaing Municipality	Never	Seldom	Often	Frequently		
	Pretoria Down Town	Never	Seldom	Often	Frequently		
10	Service failure with the TTA						
	Did you suffer any service failure?	Never	Seldom	Often	Frequently		
	Was the failure satisfactorily solved	Never	Seldom	Often	Frequently		
	Did TTA involve you in solving the failure	Never	Seldom	Often	Frequently		
	What was the degree of failure	Never	Seldom	Often	Frequently		
11	Please indicate the nature of failure _____ _____						
12	Indicate how satisfied you were with the manner in which TTA handled the failure						
	Very satisfied	Satisfied	Dissatisfied	Totally dissatisfied			
13	Would you recommend TTA to other organisations			Yes	No		
14	Please rate the following statements.						
Statement		RATING					
		Totally agree	Agree	Do not agree nor disagree	Disagree	Totally disagree	Not Applicable
TTA has a convenient location		1	2	3	4	5	6
Quality promotion material are provided by TTA		1	2	3	4	5	6
TTA has an attractive physical environment		1	2	3	4	5	6
Employees of TTA appear neat and tidy		1	2	3	4	5	6
The services are performed correctly the first time		1	2	3	4	5	6
The promises made in promotions are kept		1	2	3	4	5	6
Employees of TTA are informed and can answer questions		1	2	3	4	5	6
Employees of TTA provide prompt services		1	2	3	4	5	6
Employees of TTA address your needs and wants		1	2	3	4	5	

## SECTION B

15. Please indicate how important the following are to you:	
Statement	IMPORTANCE



	Very important	Important	Neither important or unimportant	Unimportant	Not important at all	Not Applicable
Employees of TTA are always courteous	1	2	3	4	5	6
Employees of TTA are always willing to help	1	2	3	4	5	6
TTA Board of Directors give feedback on time	1	2	3	4	5	6
TTA offer consistent quality services	1	2	3	4	5	6
The ability to communicate electronically with TTA	1	2	3	4	5	6
TTA has a sufficient channel of crisis management	1	2	3	4	5	6
TTA can negotiate prices	1	2	3	4	5	6
TTA takes pride in its visual appearance	1	2	3	4	5	6
16	What is your one dream about the future of your area and the coming generations?					
17	Please rate the following statements:					
Statement	RATING					
	Totally agree	Agree	Do not agree nor disagree	Disagree	Totally disagree	Not Applicable
It is important to form a relationship with TTA	1	2	3	4	5	6
TTA should focus on building a long-term relationship with Customers	1	2	3	4	5	6
I will stay with TTA regardless of competitors prices	1	2	3	4	5	6
TTA should practise value-based pricing	1	2	3	4	5	6
TTA mission statement should reflect customer relationship	1	2	3	4	5	6
I will become more loyal if TTA could offer special treatment to Customers	1	2	3	4	5	6
TTA should communicate promotions through e-mails or Newsletter	1	2	3	4	5	6
TTA should focus on individual customer attention strategy.	1	2	3	4	5	6
TTA should from time to time reward loyal members	1	2	3	4	5	
TTA should negotiate business deals for customers	1	2	3	4	5	6
TTA should market the local products internationally	1	2	3	4	5	6
TTA should standardise services delivery across its Members	1	2	3	4	5	6
TTA board of directors should be well trained for crisis management	1	2	3	4	5	6

## SECTION C

18	Please rate the following statements:					
Statement	RATING					

	Totally agree	Agree	Do not agree nor disagree	Disagree	Totally disagree	Not Applicable
TTA should ensure the customer retention in service delivery	1	2	3	4	5	6
TTA should focus their marketing on product benefits	1	2	3	4	5	6
TTA should focus on long-term relationships	1	2	3	4	5	6
TTA should have high focus on customer services	1	2	3	4	5	6
TTA should focus on high customer commitment	1	2	3	4	5	6
TTA should focus on high customer contact	1	2	3	4	5	6
TTA should ensure that quality concerns all staff	1	2	3	4	5	6
TTA should focus on measuring its quality efforts	1	2	3	4	5	6
TTA should ensure the reliability of service delivery	1	2	3	4	5	
TTA should ensure quality tangibles of service delivery	1	2	3	4	5	6
TTA should ensure the responsiveness of service delivery	1	2	3	4	5	6
TTA should ensure the assurance of service delivery	1	2	3	4	5	6
TTA should ensure the empathy of service delivery	1	2	3	4	5	6

## SECTION D

For control purposes:

Fieldworker name: \_\_\_\_\_

Contact number: \_\_\_\_\_

Thank you for your participation. Your contribution is appreciated.

## APPENDIX C: QUESTIONNAIRE HEI EXPERTS



### INFORMATION AND CONSENT SHEET

**THE STUDY INVESTIGATES STRATEGIES FOR THE CUSTOMER RELATIONSHIP AND THE IMPACT ON MARKETING PLANNING AND DESTINATION ORGANISATION**

Please note that participation in this study is voluntary. You may withdraw at any time. Completion and return of the questionnaire will be accepted as an expression of consent. Cape Peninsula University of Technology conducts research in accordance with an Ethics Code to ensure the protection of welfare and rights of humans, animals and to protect the environment in the course of research.

As a participant in this research, should you have any complaint concerning the manner in which this research is conducted, please do not hesitate to contact the researcher named below. Alternatively, if an independent person is preferred then please do not hesitate to contact The Ethics Officer, Research Ethics Committee on (021) 460 4285 or E-mail: mbindab@cput.ac.za

#### GENERAL INSTRUCTIONS FOR QUESTIONNAIRE COMPLETION

1. The questionnaire is in short sections. Each section has its own instructions for completion.

You are kindly requested to respond to every question in each section.

2. The questionnaire has been designed in such a way as not to take more than **15 minutes** of your time. Your first and immediate response is all that is required. Please note **there is no right or wrong answer**.

3. All the information you provide will be treated with **STRICT CONFIDENTIALITY**. Once all questionnaires have been collected and analyses conducted, the results of the study will be presented as a whole or in aggregate form (to ensure your anonymity) and written up as a scholarly paper. You are welcome to request a copy from the researcher named below.

4. Thank-you for your participation in this important research project.

**Researcher: Malefane Monyane**

**Cell 0722505637**

## SECTION A

Please complete the following by indicating an **X** in the appropriate block.

1	Gender			Male	Female
2	Age in years	- 20	21-35	36-50	50+
3	Home language: Specify -				
4	Educational qualification:				
	No formal education				
	N Dip\BA				
	Honours\B Tech				
	Masters				
	PhD				
	Post-Doctoral				
5	Occupational level:				
	Junior Lecturer				
	Lecturer				
	Senior Lecturer				
	Associate Professor				
	Full professor				
	Pensioner				
6	Tshwane University of Technology				
	Mangosuthu University of Technology				
	Cape Peninsula University of Technology				
	Central University of Technology				
	Durban University of Technology				
	Eastern Cape University of Technology				
	Vaal University of Technology				
	Other: Specify -				
7	What is the area of your expertise				
	Research				
	Marketing				
	Management				
	Economics				
	Strategy				
	Tourism				
	Hospitality				
Other: specify					

8	Please indicate if you are familiar with the following concepts:				
	Customer relationship	Yes	No		
	Strategic Marketing planning	Yes	No		
	Destination Marketing	Yes	No		
	Destination Marketing Organisations	Yes	No		
	Quality	Yes	No		
	South African tourism trends	Yes	No		
	Customer loyalty	Yes	No		
Please explain how you are connected to these concepts					
9	Indicate the importance of the following concept in order for a Destination Marketing Organisation to succeed?				
	Customer loyalty	Not important	Somewhat important	Important	Very important
	Marketing plan	Not important	Somewhat important	Important	Very important
	Marketing research	Not important	Somewhat important	Important	Very important
	Internal marketing	Not important	Somewhat important	Important	Very important
	Customer satisfaction	Not important	Somewhat important	Important	Very important
	Service quality	Not important	Somewhat important	Important	Very important
	Employee retention	Not important	Somewhat important	Important	Very important
	Tourism growth	Not important	Somewhat important	Important	Very important
	Mission	Not important	Somewhat important	Important	Very important
	Vision	Not important	Somewhat important	Important	Very important
	Goals and objectives	Not important	Somewhat important	Important	Very important
Indicate if you are a member of any of the following tourism organisation.					
ASATA	ACSA	FEDHASA	GHASA		
SAACI	LARASA	Other:			
14	Please rate the following statements.				
Statement			RATING		

	Totally agree	Agree	Do not agree nor disagree	Disagree	Totally disagree	Not applicable
The customer relationship lead to destination marketing organisation mutual goals between members and organisations	1	2	3	4	5	6
A customer relationship relies on destination marketing resources to maintain it.	1	2	3	4	5	6
Destinations can benefit from customer relationships with destination marketing organisations and ultimately tourism business' benefit the area by creating jobs and providing more choices.	1	2	3	4	5	6
Establishment and maintenance of customer rapport is a result of customer relationships in a destination.	1	2	3	4	5	6
Customer relationships produce positive feelings inside the organisation and the customers.	1	2	3	4	5	6
A good customer relationship strategy has the capability to reduce costs wastage and complaints in the destination marketing organisations.	1	2	3	4	5	6
A good customer relationship strategy reduces staff attrition.	1	2	3	4	5	6
Customer relationships enables effective market research	1	2	3	4	5	6
A good customer relationship strategy strengthens the strategic marketing planning in destination marketing organisation	1	2	3	4	5	6

## SECTION B

15. Please indicate how important the following are to you as a tourism expert.						
Statement	IMPORTANCE					
	Very important	Important	Neither important nor unimportant	Unimportant	Not important at all	Not applicable
I feel that destination marketing organisations have the ability in shaping the future of tourism in South Africa.	1	2	3	4	5	6
Universities and government should work together to develop a long-range plan to manage growth, protect community tourism and natural resources, and ensure the future liveability of destination marketing organisations	1	2	3	4	5	6
Laws and regulations passed by local governments should not be allowed to limit the rights of destination tourism developers and private tourism property owners.	1	2	3	4	5	6
Destination marketing in South Africa has changed for the better over the past several years.	1	2	3	4	5	6

South African destinations have adequate tourism resource services available to meet every member and tourist's needs.		1	2	3	4	5	6
Marketing planning can be strengthened and deepened through the implementation of customer relationship strategy in destination marketing organisations.		1	2	3	4	5	6
Everybody in a destination should become part of tourism Initiatives as delivered by destination marketing organisations.		1	2	3	4	5	6
South Africans takes pride in their destinations as tourism attractions.		1	2	3	4	5	6
16	What is your one dream about the future of South African tourism destination in your area for the coming generations?						
17	Please provide any other comments you want to add to this questionnaire.						

**Thank you for your participation. Your contribution is appreciated.**

**APPENDIX D: GAUTENG NGOs INTERVIEW SCHEDULE**



**INTERVIEWS NGO's GAUTENG PROVINCE**

What is your affiliation category?

.....

How long have you been in operation as an association?

.....

What has been the major development regarding Tourism in the past five years (only one) in Gauteng Province?

.....

What has been your involvement in the activities regarding tourism developments in the Gauteng Province?

.....

Did your stakeholders benefit from the tourism development in Gauteng Province?

.....

Do you have customer relationship programme? If no, why?

.....

Do you have a strategic marketing plan if no why?

.....

What is your view on the opinion that customer relationships programmes RELATE to marketing planning within the organisation?

.....

What is your view on the opinion that customer relationships programmes RELATE to effective destination marketing within the organisation?

.....

What is your view on the opinion that customer relationships programmes RELATE to effective customer retention?

.....



## APPENDIX E: PROPOSED TTA CUSTOMER SATISFACTION SURVEY

Dear Visitor

The TTA takes quality service delivery and customer satisfaction as a priority. Please help the TTA continue to deliver quality service by answering the questions below. Your input will be given serious attention.

Thank you for your co-operation.

General Manager

TTA

### SECTION A Organisation information

1.1 Name of business: .....

1.2 Address of business: .....

1.3 Sector of business:

Accommodation	
Education	
Recreation	
Tour operator	
Travel agency	
Transport	
Other	

1.4 Area of operation:

Pretoria Central	
Soshanghuve	
Garankuwa	
Mabopane	
Atteridgeville	
Mamelodi	
Pretoria Suburbs	

1.5 Number of employees in operation

0-5	
6-10	
11- 20	
21 -100	
101- 200+	
0-5	
6-10	

1.6 Are you a member of the TTA?

Yes	
No	

**SECTION B** Please tick the appropriate box:

1. Rate the staff attitude at the tourism products you visited in the CoT

Very poor	
Poor	
Fair	
Very good	
Excellent	

2. What was your impression of the physical surroundings of the CoT area?

Very poor	
Poor	
Fair	
Very good	
Excellent	

3. Give an honest opinion of the services you received in general.

Very poor	
Poor	
Fair	
Very good	
Excellent	

4. What do you think of our location?

Very poor	
Poor	
Fair	
Very good	
Excellent	

5. How do you rate the services in the TTA.

Very poor	
Poor	
Fair	
Very good	
Excellent	

5.1 Reasons .....

6. How do you rate the pricing in the CoT area.

Very poor	
Poor	
Fair	
Very good	
Excellent	
Very poor	
Poor	

6.1 Recommendations: .....

7. How do you rate the CoT area services in general.

Very poor	
Poor	
Fair	
Very good	
Excellent	
Very poor	
Poor	

7.1 Any recommendations? .....

**THANK YOU FOR YOUR CO-OPERATION**

## APPENDIX F: GRAMMARIAN CERTIFICATE

22 Krag Street  
Napier  
7270  
Western Cape

2 June 2020

### LANGUAGE AND TECHNICAL EDITING

Cheryl M. Thomson

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**THE EFFECT OF A CUSTOMER RELATIONSHIP FRAMEWORK ON STRATEGIC  
MARKETING PLANNING FOR DESTINATION MARKETING ORGANISATIONS IN  
TSHWANE, SOUTH AFRICA**

**Supervisor: Professor J P Spencer**

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled Doctoral thesis of **MALEFANE STEPHEN MONYANE**, student number **213314622**, at the CAPE PENINSULA UNIVERSITY OF TECHNOLOGY in preparation for submission of this thesis for assessment.

Yours faithfully



CHERYL M. THOMSON

E-mail: cherylthomson2@gmail.com

Cell: 0826859545

## APPENDIX G: TURNITIN REPORT

Submission date: 05-Dec-2019 02:16PM (UTC+0200)

Submission ID: 1227648357

File name: MALEFANE\_MONYANE\_DTECH\_FINAL\_THESIS.docx (507,24K)

Word count: 113148

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