MARKETING COMMUNICATION METHODS
USED BY
TOUR OPERATORS IN GAUTENG

by

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DECLARATION

"I declare that MARKETING COMMUNICATION METHODS USED BY TOUR OPERATORS is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references"

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EXECUTIVE SUMMARY

The purpose of this study is to determine which marketing communication methods tour operators in Gauteng, registered with SATSA, utilise. Tour operators aim to enhance tourist experiences. Companies need to be exposed to the marketplace to attract and keep business, thus marketing communication methods used by tourism organisations are examined at length.

The results for the study were obtained using a web-based questionnaire. Main findings include the fact that SATSA-registered tour operators frequently use interactive media, direct marketing and advertising. Word of mouth was continually regarded as an important marketing communication method. The larger the company, the more likely it is to use advertising. Interactive media can be used by small and large companies alike. Many marketing communication methods that are used frequently were not deemed to be efficient. One may therefore conclude that SATSA-registered tour operators in Gauteng prefer to use interactive media.

KEY TERMS

Tourism; Marketing communication tools; South African Tourism; SATSA; Tour operator; Tourist guide; Gauteng; South Africa; Foreign tourists; Marketing mix for services; Personal marketing communication; Direct marketing; Interactive media; Personal selling; Word of mouth; Nonpersonal marketing communication; Advertising; Sales promotion; Public relations

CHAPTER 1: INTRODUCTION

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TERMINOLOGY

In this section, certain terms that will be used throughout the study are defined.

- *Advertising:* a form of either mass communication or direct-to-consumer communication that is nonpersonal and is paid for by various business firms, nonprofit organisations and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience (Shimp 2000:648).

- *Airports Company South Africa (ACSA):* strive to make the air travel experience comfortable and hassle-free for local, regional and international leisure and business passengers. Their primary tasks are to upgrade standards at airports, reduce costs and improve productivity (www1, 2002).

- *Bandwidth:* the throughput capability of data connections, measured in megabit per second (Morath 2000:318).

- *Banners:* adverts placed on websites, either at the top, bottom or side of the screen page (Duncan 2002:434).

- *Bed-and-Breakfast (B&B):* a private home in the city, suburb or country offering comfortable, convenient and relatively inexpensive lodging. One lives with the family, but privacy is usually respected (www2, 2001).

- *Behavioural data:* the manner in which people behave in the marketplace (Martins, Loubser & van Wyk 1999:84).

- *Business tourism:* the category of the tourism industry concerned with travel for business purposes such as meetings, exhibitions, trade fairs, conferences and incentive travel (Youell 1998:239).

- *Case:* the entity being studied (Cooper & Schindler 1998:43).

- *Causal research designs:* are designed to collect raw data and create data structures and information that will allow the researcher to model cause-and-effect relationships between two or more variables (Hair, Bush & Ortinau 2000:38).

- *Cellular network operator:* in South Africa this would be one of the three national cellular service providers, namely Vodacom, MTN, Cell-C or a future network operator with SMS capability (www3, 2002).

- *Census:* a count of all the elements of a population (see population) (Cooper & Schindler 1998:215). Data obtained from or about every member of the population of interest (McDaniel & Gates 2001:298).

- *Central tendencies:* a frequency distribution showing in absolute or relative (percentage) terms how often (popular) the different values of a variable are found among the respondents (Blanche & Durrheim 1999:101).

- *Closed-ended question:* questions that ask respondents to choose between two or more answers (McDaniel & Gates 2001:298).

- *Cluster sampling:* a method in which the sampling units are divided into mutually exclusive and collectively exhaustive subpopulations called clusters, rather than individually (Hair et al 2000:351).

- *Coding:* the process of grouping and assigning numeric codes to the various responses to a particular question (McDaniel & Gates 2001:393).

- *Commercial SMS:* a text message sent to clients, designed to promote the sale or demand of goods or services whether or not it invites a response from the recipient (www4, 2002).

- *Communication channel (or medium):* a means whereby a message can be transmitted (television, newspaper, speech) (Duncan 2002:126).

- *Computer-assisted telephone interviews (CATI):* a fully automated system in which the respondent listens to an electronic voice and responds by pushing keys on the touch-tone telephone keypad (Hair et al 2000:261).

- *Content validity (face validity):* a subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand (Malhotra 2004:269).

- *Convenience sampling:* a nonprobability sample used primarily because data are easy to collect (McDaniel & Gates 2001:347).

- *Correlation analysis:* the analysis of the degree to which changes in one variable are associated with changes in another (McDaniel & Gates 2001:448).

- *Correlation coefficient:* a measure of the degree of association between X and Y (McDaniel & Gates 2001:448).

- *Correlation:* the measurement of the degree to which changes in one variable (the dependent variable) are associated with changes in another (McDaniel & Gates 2001:448).

- *Coupons (or vouchers):* certificates that give consumers savings when they buy specific offerings (George 2001:242).

- *Cover letter:* a separate written communication to a prospective respondent designed to enhance his/her willingness to complete and return the survey timeously (Hair et al 2000:457).

- *Cronbach alpha coefficient:* a measure of internal consistency reliability that is the average of all possible split-half coefficients resulting from different splittings of the scale items (Malhotra 2004:268).

- *Cross-tabulation:* a statistical technique that describes two or more variables simultaneously and results in tables that reflect the joint distribution of two or more variables that have a limited number of categories or distinct values (Malhotra 2004:438).

- *Data analysis:* the process of aggregating the individual responses or 'raw' data (Hague & Jackson 1996:161).

- *Data reliability:* involves data structures that are consistent across observations or interviews (Hair et al 2000:662).

- *Data validity:* the degree to which data structures actually represent what was to be measured (Hair et al 2000:666).

- *Data:* the facts presented to the researcher from the study's environment (Cooper & Schindler 1998:77).

- *Decoding:* the process the receiver goes through to understand a message by interpreting what the words, pictures and/or sounds in the message mean (Duncan 2002:126).

- *Dependent variable:* a symbol or concept that is expected to be explained or caused by the independent variable (McDaniel & Gates 2001:29).

- *Deregulation:* the withdrawal of local or central government control over industries to encourage greater competition between companies (Youell 1998:239).

- *Descriptive research designs:* use a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics of a defined target population or market structure (Hair et al 2000:38).

- *Descriptive statistics:* their aim is to describe the data by investigating the distribution of scores on each variable, and by determining whether the scores on different variables are related to each other (Blanche & Durrheim 1999:101).

- *Dichotomous question:* offers two fixed alternative answers from which to choose (Martins et al 1999:221).

- *Direct mail survey:* a self-administered questionnaire delivered to selected respondents and returned to the researcher by mail (Hair et al 2000:261).

- *Direct marketing pack:* a package including an introductory letter, a brochure or newsletter and a return envelope in which respondents are able to place their reply (George 2001:245).

- *Direct marketing:* the term used to describe the various techniques an organisation can use to communicate directly with its customers, without using the services of an intermediary, as a way of conveying information and generating sales (Youell 1998:215).

- *Driver-guide:* a qualified tourist guide who is permitted to conduct a tour, whilst also acting as the driver, in a vehicle with a maximum of 7 passengers (Mewett, pers comm, 18 Feb).

- *Drop-off surveys:* a self-administered questionnaire that a representative of the researcher hand-delivers to selected respondents. The completed surveys are returned by mail or picked up by the representative (Hair et al 2000:262).

- *E-commerce:* involves the use of an electronic channel for one particular aspect of the overall business, such as sales via the Internet, electronic procurement or electronic payment (Morath 2000:320).

- *Editing:* the process of checking for respondent or interviewer mistakes (McDaniel & Gates 2001:387).

- *Efficiency:* the figures resulting from the relationship between closely related inputs and outputs give an indication of the efficiency with which marketing activities are performed (Strydom 1999:268).

- *E-mail (electronic mail):* a system that enables messages to be sent and received from a computer using a modem. The system may be on a large network (such as the Internet), or on a company's own office network (Association of Marketers 1999:42).

- *E-mail surveys:* a self-administered data collection technique in which the survey is delivered to and returned from the respondent by e-mail (Hair et al 2000:264).

- *Encoding:* the process of putting a message into words, pictures and/or sounds that convey the sender's intended meaning (Duncan 2002:125).

- *Ethics:* norms or standards of behaviour that guide moral choices about behaviour and relationships with others (Cooper & Schindler 1998:108).

- *Executive interviews:* a personal exchange with a business executive conducted in his/her office (Hair et al 2000:257).

- *Exploratory research designs:* focus on collecting either secondary or primary data and use an unstructured format or informal procedures to interpret them (Hair et al 2000:37).

- *Factor analysis:* a general name denoting a class of procedures primarily used for data reduction and summarisation (Malhotra 2004:560).

- *Facts:* data which are clearly defined and measured (Martins et al 1999:84).

- *Fax surveys:* a self-administered questionnaire that is sent to the selected subject via fax (Hair et al 2000:263).

- *Feedback:* a response to a message that is conveyed back to the source (Duncan 2002:127).

- *Focus groups:* a formalised process of bringing a small group of people together for an interactive, spontaneous discussion on one particular topic or concept (Hair et al 2001:222).

- *Frame error:* results from an inaccurate or incomplete sample frame (McDaniel & Gates 2001:174).

- *Frequency distribution:* a summary of how many times each possible raw response to a scale question was recorded by the total group of respondents (Hair et al 2000:655).

- *Gross domestic product (GDP):* the total value of all goods and services produced by a national economy during a specified time period, usually a year (Bull 1997:124).

- *Gross national product (GNP):* the net amount earned by the economy's factors of production, which means deducting the value of assets "used up" (capital consumption) from GDP (Bull 1997:125).

- *Group tourism:* the term used to describe the movement of people in large numbers for leisure tourism purposes (Youell 1998:243).

- *Guesthouse:* houses modified into small accommodation residences, ranging from rather ordinary to extremely luxurious houses. Serviced rooms are provided (sometimes of the self-catering or partly self-catering type). Breakfast is often included in the tariff, although some do offer full board. The owner may, but does not usually, live in. The more sophisticated guesthouses have attractive comforts, including pleasant grounds, a swimming pool and lavish cuisine (www5, 2001).

- *Hotel:* an accommodation facility with many accommodation units (rooms). Amenities are usually provided, ranging from 24-hour room service to a swimming pool and health-care centre, conference facilities and computerised communication and business facilities. Services include *inter alia*, daily bed-making and cleaning of the room and sanitary facilities (www6, 2001).

- *Inbound tour operators:* provide services mainly for foreign visitors to South Africa (www7, 2002).

- *Independent variable:* a symbol or concept over which the researcher has some control or can manipulate to some extent. It is hypothesised to cause or influence the dependent variable (McDaniel & Gates 2001:29).

- *In-depth interview:* a formalised process in which a well-trained interviewer asks a subject a set of semistructured questions in a face-to-face setting (Hair et al 2001:219).

- *Inferential statistics:* allows the researcher to draw conclusions about populations from sample data (Blanche & Durrheim 1999:101).

- *In-home interviews:* a structured question-and-answer exchange conducted in the respondent's home (Hair et al 2000:256).

- *Inseparability:* (in the tourism context) instances where a service and provision occur at the same time with both provider and consumer involved in the process of delivery (George 2001:21).

- *Intangibility:* indicates something that cannot be seen, tasted, felt, heard or smelt before being bought (George 2001:20).

- *Internal marketing:* the application of marketing inside the organisation to instil customer-focused values (Duncan 2002:225).

- *Internal-consistency reliability:* an approach for assessing the internal consistency of the set of items when several items are summated in order to form a total score for the scale (Malhotra 2004:268).

- *International visitor (foreign tourist; foreign traveller):* refers to any person, travelling to a country, other than the one in which he/she has his/her usual residence, but outside his/her usual environment, for less than 12 consecutive months and whose main reason for the trip is other than the exercise of an activity remunerated from within the place visited (www8, 2002).

- *Internet service providers (ISPs):* Internet service providers host the websites of content providers, that is, private persons or small businesses that do not want to or cannot afford to set up their own servers (Morath 2000:323). (Servers are the hardware on which websites are stored.)

- *Internet surveys:* a self-administered questionnaire placed on a World Wide Web site for prospective subjects to read and complete (Hair et al 2000:263).

- *Internet:* a network of many networks that interconnect worldwide (www9, 2001). It includes all of the web and net activity, available to all users. A huge area of information is provided by different organisations (Hanson 2000:85).

- *Interval scale:* an ordinal scale with equal intervals between points to show relative amounts (McDaniel & Gates 2001:251).

- *Judgement sampling:* a nonprobability sample in which the selection criteria are based on personal judgement that the element is representative of the population being studied (McDaniel & Gates 2001:348).

- *Leisure tourism:* the category of tourism concerned with travel for leisure purposes (Youell 1998:242). Leisure tourism includes taking holidays at home or abroad, travel for health and fitness reasons, sport, culture and religion.

- *Level of significance (significance level):* the amount of risk regarding the accuracy of the test that the researcher is willing to accept (Hair et al 2000:531).

- *Local tour operators:* provide services to domestic clients for tours within South Africa (www10, 2002).

- *Long-haul destination:* a flight of five hours' duration or more is required to reach a destination (South African Tourism 2002).

- *Mail panel survey:* a questionnaire sent to a group of individuals who have agreed in advance to participate in the survey (Hair et al 2000:262).

- *Mailing list:* a list of customer or prospect names, addresses, phone and fax numbers and e-mail addresses (Burnett & Moriarty 1998:387). It contains no behavioural information (such as purchasing patterns and purchase history).

- *Mall-intercept interviews:* a face-to-face personal interview in a shopping mall (Hair et al 2000:257).

- *Mean:* the sum of the values for all observations of a variable divided by the number of observations (McDaniel & Gates 2001:410). (See variance and standard deviation.)

- *Measurement instrument error:* an error resulting from the design of the questionnaire or measurement instrument (McDaniel & Gates 2001:177).

- *Measurement instrument reliability:* the extent to which the measurements taken with a particular instrument are repeatable (Hair et al 2000:662).

- *Message:* information transmitted from source to receiver (Duncan 2002:126).

- *Motivators*: factors within the psychological make-up of an individual that help influence his or her patterns of tourist behaviour (Youell 1998:243).

- *Multiplier effect:* money spent by tourists in an area is recirculated and respent in the local economy, thereby generating extra income (Youell 1998:142). The actual economic benefit to the area is greater than the original amount spent by the tourists.

- *Niche market:* markets that are relatively small or highly focused on one particular interest area (Duncan 2002:12).

- *Noise:* all the interferences and distractions that can negatively affect a message and its transmission (Duncan 2002:127).

- *Nominal scales:* require respondents to provide only some type of descriptor as the raw response (Hair et al 2000:381).

- *Nonpersonal communication channels:* channels that carry a message without interpersonal contact between sender and receiver. Nonpersonal channels are generally referred to as mass media, since the message is sent to many individuals at one time (Belch & Belch 2001:143).

- *Nonprobability sample:* a sample that includes elements from the population selected in a nonrandom manner (McDaniel & Gates 2001:335).

- *Nonresponse bias:* error that results from a systematic difference between those who do and do not respond to a measurement instrument (McDaniel & Gates 2001:177).

- *Nonresponse error:* an error that occurs when the portion of the defined target population not represented or underrepresented in the response pool is systematically and significantly different from those that did respond (Hair et al 2000:659).

- *Null hypothesis:* a statement of the perceived existing relationship between either two questions, dimensions or subgroupings of attributes as being not significantly different. It asserts the status quo condition and any change from what was thought to be true is the result of a random sampling error (Hair et al 2000:659).

- *Open-ended questions:* questions that ask respondents to reply in their own words (McDaniel & Gates 2001:295).

- *Ordinal scales:* allow a respondent to express relative magnitude between the answers to a question (Hair et al 2000:381).

- *Outbound tour operators:* provide services to clients in South Africa wishing to travel to destinations outside the country (www11, 2002).

- *Outlying values (or outliers):* data points that exceed the acceptable level of significance for a study (Cooper & Schindler 1998:437). Outliers that reflect unusual cases are an important source of information for a study.

- *Out-of-home media:* communication vehicles to which the target audience is only exposed away from home (Duncan 2002:766).

- *Passenger liability:* insurance against injury to passengers being transported. Insurance is taken out to cover the company in the case of an accident so that the company driver is not personally liable to pay for damages (Mewett, pers comm, 18 Feb).

- *Pearson product moment correlation coefficient:* a statistical measure of the strength and direction of a linear relationship between two metric variables (Hair et al 2000:561); a correlation analysis technique for use with metric data (McDaniel & Gates 2001:448).

- *Perishability:* offerings that cannot be saved, stored, resold or returned (George 2001:21), for example, a hotel room or airline ticket not sold on a specific day can never be sold again.

- *Personal communication channels:* direct interpersonal contact (face-to-face) with target individuals or groups (Belch & Belch 2001:143).

- *Pilot testing:* the conducting of a simulated administering of a designed questionnaire to a small representative group of respondents (Hair et al 2000:660).

- *Plus-one dialling:* the method of generating telephone numbers to be called by choosing numbers randomly from a telephone directory and adding one digit (Hair et al 2000:660).

- *Population:* the total collection of elements about which we wish to make some inferences (Cooper & Schindler 1998:215); an identifiable total set of elements of interest being investigated by a researcher (Hair et al 2000:328).

- *Probability sampling:* a sample in which every element in the population has a known, nonzero probability of selection (McDaniel & Gates 2001:333).

- *Purchase-intercept interviews:* a face-to-face interview that takes place immediately after the purchase of a product or service (Hair et al 2000:257).

- *p-value:* the exact probability of obtaining a computed test statistic that was largely the result of chance. The smaller the *p*-value, the smaller the probability that the observed result occurred by chance (McDaniel & Gates 2001:427).

- *Qualitative research:* selective types of research methods used in exploratory research designs where the main objective is to gain a variety of preliminary insights to discover and identify decision problems and opportunities (Hair et al 2000:661).

- *Quantitative research:* data collection methods that emphasise using formalised, standard, structured questioning practices where the response options have been predetermined by the researcher and administered to significantly large numbers of respondents (Hair et al 2000:661).

- *Questionnaire:* a set of questions designed to generate the data necessary for accomplishing the objectives of the research project (McDaniel & Gates 2001:289).

- *Quota sampling:* the selection of participants based on specific quotas regarding characteristics (Hair et al 2000:661). Quotas are usually determined on the basis of specific research objectives.

- *Random digit dialling:* a random selection of area code, exchange and suffix numbers (Hair et al 2000:661).

- *Raw data:* the actual firsthand responses that are obtained on the investigated object, either by asking questions or by observing the subject's actions (Hair et al 2000:662).

- *Recruited Internet sample:* a controlled survey set up on the Internet used for target populations (McDaniel & Gates 2001:194).

- *Research design:* the plan to be used to answer the marketing research objectives. It is the structure or framework to solve a specific problem (McDaniel & Gates 2001:28).

- *Research objectives:* statements that the research project will attempt to achieve. They provide the guidelines for establishing a research agenda of activities necessary to implement the research process (Hair et al 2000:662).

- *Response error:* error that results from the tendency of people to answer a question incorrectly, through deliberate misinterpretation or unconscious falsification (McDaniel & Gates 2001:179); the tendency to answer a question in a particular and unique systematic way. Respondents may consciously or unconsciously distort their answers and true thoughts (Hair et al 2000:662).

- *Response rate:* the percentage of usable responses out of the total number of responses (Hair et al 2000:662).

- *Sample:* a randomly selected subgroup of people or objects from the overall membership pool of a defined target population (Hair et al 2000:39).

- *Sampling error:* the difference between the sample value and the true value of the population mean (McDaniel & Gates 2001:335).

- *Sampling frame:* a list of population elements from which to select units to be sampled (McDaniel & Gates 2001:333).

- *Sampling:* the selection of a small number of elements from a larger defined target group of elements, with the expectation that the information gathered from the small group will allow judgements to be made about the larger group (Hair et al 2000:327).

- *Screening questions:* questions used to screen for appropriate respondents (McDaniel & Gates 2001:305).

- *Seasonality:* the tendency for tourism demand to be concentrated into relatively short periods of time (Youell 1998:17). The short periods of time are the result of favourable climatic conditions and institutional factors (school holidays, public holidays or work leave).

- *Secondary data:* historical data previously collected and assembled for some research problem or opportunity situation other than the current situation (Hair et al 2000:39).

- *Self-administered surveys:* a data collection technique in which the respondent reads the survey questions and records his/her own answers without the presence of a trained interviewer (Hair et al 2000:261).

- *Short message service (SMS):* a text message sent via cellular phone or personal computer to a cellular phone (www12, 2002).

- *Short-haul destination:* a flight of five hours' duration or less is required to reach a destination (South African Tourism 2002).

- *Simple random sample:* a type of probability sampling in which the sample is selected in such a way that every element of the population has a known and equal probability of inclusion in the sample (McDaniel & Gates 2001:333).

- *South African Tourism (previously Satour):* the national tourism agency responsible for the international marketing of South Africa as a preferred tourist destination. Their aim is to make tourism the leading economic sector in South Africa, and thus promote sustainable economic and social empowerment of all South Africans (www13, 2002).

- *Southern African Tourism Services Association (SATSA):* recognised as the leading body representing the private sector of the incoming tourism industry in South Africa. SATSA represents almost all the major principals including airlines, coach operators, accommodation establishments, vehicle hire companies, attractions, conference organisers and related marketing organisations (www14, 2002).

- *Spam:* unsolicited e-mail whose purpose is to sell a product or service (Duncan 2002:427).

- *Standard deviation:* the square root of the variance (Malhotra 2004:432). (See variance and mean.)

- *Statistical package for the social sciences (SPSS):* can be used in various stages of the marketing research process, especially for data preparation and analysis (Malhotra 2004:26).

- *Stratified random sampling:* a probability sampling method that divides the defined target population into groups called strata. Samples are selected from each stratum (Hair et al 2000:349).

- *Systematic random digit dialling:* the technique of randomly dialling telephone numbers, but only numbers that meet specific criteria (Hair et al 2000:665).

- *Systematic sampling:* a probability sampling method in which the entire population is numbered and elements are drawn using a skip interval (McDaniel & Gates 2001:341).

- *Target population:* the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made (Malhotra 2004:315).

- *Tour broker:* acts as a coordinator between the client and the service provider by arranging tour itineraries, game safaris and accommodation. These operators do not possess their own vehicles, but hire them instead from vehicle and bus hire companies. Tour brokers need to ensure that the hiring company has road carrier permits and/or passenger liability. Such companies are required to carry the appropriate cross-border permits, national park permits and general public liability cover (Mewett, pers comm, 18 Feb).

- *Touirst guide:* a person who guides visitors (in the language of their choice) and interprets the cultural and natural heritage of an area, possessing an area-specific qualification (Collins 2000:22).

- *Tour operator (tour wholesaler):* buys in bulk from the suppliers of travel products and services and breaks the bulk into manageable packages. These packages are offered for sale to prospective travellers (Youell 1998:123). Most sell their packages to clients through travel agents, although a small number do deal directly with their customers. It is recommended that tour operators belong to SATSA (see above). The SATSA definition also has the proviso that tour operators are a "wheels" operator, as opposed to tour brokers who hire vehicles (see above). Tour operators arrange tour itineraries, game safaris and accommodation and own their own vehicles. They also carry the necessary road-carrier permits, cross-border permits, national parks permits, passenger and general public liability cover (Mewett, pers comm, 18 Feb). Examples of tour operators in South Africa are Thomas Cook, Thompsons Touring and Welcome Tourism Services.

- *Tourism marketing:* the process through which a tourism company first anticipates consumer needs and then manages to satisfy those needs in order to achieve sales (George 2001:19).

- *Tourism, Hospitality and Sport Education and Training Authority (THETA):* the education and training authority for tourism and travel services, hospitality, gambling and lotteries, conservation and tourist guiding and sport, recreation and leisure (www15, 2002).

- *Tourist (overnight visitor):* a visitor who stays at least one night in a collective or private accommodation in the place visited (www16, 2002).

- *Trade show:* a temporary forum (typically lasting several days) for sellers of a product category to exhibit and demonstrate their wares to present and prospective buyers (Shimp 2000:549).

- *Travel agency (tour retailer):* acts as the retail arm of the tourism industry. Intermediaries link customers with a range of travel providers, generating revenue from the commission they earn on sales. Offers a wide range of products and services, including: overseas package tours, flight-only sales, theatre bookings, car hire, cruising holidays, rail tickets, coach holidays and tickets, travel insurance, foreign exchange and visa and passport applications (Youell 1998:120-121). Examples of travel agencies in South Africa are Flight Centre and Rennies Travel.

- *Type I error:* the error made by rejecting the null hypothesis when it is true (Hair et al 2000:531).

- *Type II error:* the error of failing to reject the null hypothesis when the alternative hypothesis is true (Hair et al 2000:532).

- *Uniform resource locator (URL):* a web address. Simply the computer's version of a telephone system – web addresses are used instead of telephone numbers (Whelan & Maxelon 2001:6).

- *Unrestricted Internet sample:* a survey set up on the Internet that is accessible to anyone who wishes to complete the questionnaire (McDaniel & Gates 2001:194).

- *Validity:* the degree to which a research instrument serves the purpose for which it was constructed and relates to the extent to which the conclusions drawn from an experiment are true (Hair et al 2000:666).

- *Variance:* the mean squared deviation of all the values from the mean (Malhotra 2004:431). The variance can never be negative. When the data points are clustered around the mean, the variance is small. When the data points are scattered, the variance is large. The difference between the mean and an observed value is called the deviation from the mean (see also standard deviation).

- *Virtual reality:* the representation of reality on computer (Morath 2000:327).

- *Visiting friends and relatives (VFR):* domestic tourism or tourism abroad for the purpose of visiting friends and relatives (Youell 1998:13).

CHAPTER 1: INTRODUCTION

1.0 INTRODUCTION

The research proposal to follow addresses a number of factors. Firstly, a terminology section is included which explains key terms that need to be understood for the study to be meaningful. Secondly, background to the study is provided, including a discussion of the importance of the travel and tourism sector, tourism growth and economic benefits of tourism. Next, the South African travel and tourism sector is discussed, followed by tourism in Gauteng. The function of tour operators and their role in tourism is also outlined. Subsequently, marketing communication methods are explained. Next, the reason for the study is examined and the research problem defined. Research objectives, based on the problem definition, are clarified. The research methodology that will be used to attain the anticipated objectives of the study is given and an orientation provided outlining the main components of the research to be undertaken. A chapter summary concludes the chapter.

1.1 THE IMPORTANCE OF THE TRAVEL AND TOURISM SECTOR

Travel and tourism has been a means of obtaining income through the ages, but was only truly developed to accommodate the needs of all travellers once deregulation of airlines began in the United States of America in 1978 (Kazda & Caves 2000:5), revolutionising the development of the travel and tourism industry.

Deregulation had its origin in the feeling that domestic air transport had developed to the point where its protection from the forces of market competition was no longer justified (Caves & Gosling 1999:19). Lack of competition meant that there were no benchmarks against which to compare the airlines' costs, services and efficiency (Caves & Gosling 1999:27), inferring that airline companies were operating in near monopoly conditions. However, once deregulation took place, the percentage of the population who had never before travelled by plane decreased from 70% to 20% (Kazda & Caves 2000:5).

Naturally, once travel was within reach of ordinary citizens, more people were willing and able to travel. Potential benefits for tourism became much greater, since a larger market for travel products arose. An increase in travel led to an increase in social and economic benefits because

of increased spending in the countries being visited. Caves and Gosling (1999:29) note that society as a whole benefits from the activities that become available when deterrence toward travel is sufficiently low.

With the influx of tourists to an area, an increase in local employment (directly and indirectly) and stimulation of local and regional economy can be observed. Tourism growth is important for economic success and job creation, which in turn benefits the country enormously hence the need for a discussion of tourism growth.

1.1.1 Tourism growth

Travel and tourism has become a global industry that is widely considered to be the fastest growing industry, the largest employer and the most significant contributor to gross domestic product (Jackson 2001). Golub (2000:3) wrote: "Travel and tourism is growing faster than other industries and doubles its economic contribution every 10 to 15 years."

International tourism grew by 4,1% in terms of arrivals worldwide in 1999 (www17, 2002). It has been estimated that travel and tourism will grow by 4,1% a year between 2000 and 2005 in terms of total spending as against an annual growth of 3,6% for the world economy (www18, 2002). Hence it is predicted that the industry's share of world gross domestic product (GDP) will rise from 10,5% in 1990 to 11,4% by the end of 2005. Economic growth is determined by tourism growth, since an increase in the number of tourists entering an area creates jobs and an inflow of foreign currency. Tourism can be regarded as a catalyst for economic growth. This topic will now be discussed.

1.1.2 Economic benefits of tourism

According to the WTO, the money spent by vacationers is the main source of income for almost 40% of the world's countries (www19, 2002). The higher the number of tourists there are visiting an area, the greater the amount of money that is spent which helps to create more jobs and a higher standard of living. The practical advantages of tourism are that it is the world's single biggest generator of foreign exchange and is a rapid job generator, since most of the jobs are accessible to almost anybody, not necessarily only highly qualified job seekers (Help tourists and we help ourselves 2000). Tourism also helps to improve the economy. Attractions, tour operators and travel agents, airlines, accommodation establishments and other tourism organisations need to employ people to enable their companies to operate effectively, thereby

creating jobs. The greater the number of jobs created, the lower the levels of unemployment will be, and ultimately the economy will be healthier.

The multiplier effect is evident in the tourism industry. Tourists visiting an area spend money, firstly, to reach their destination, then on accommodation, food and perhaps even on buying curios, holiday clothing or film (Tourism off its South Africa pedestal 2000). They cause a ripple effect because the original money spent is recirculated in the local economy and this boosts overall income (Youell 1998:142). If the tourists were not present, they would not have spent money and the economy would not grow.

Unfortunately, tourism growth can be hindered by political events such as the terrorist attacks on the World Trade Centre on 11 September 2002. Mass cancellations by travellers caused havoc for global tourism business (www20, 2002). According to the World Tourism Organisation (WTO), Americans are the world's biggest-spending tourists, spending $60,1 billion in 1999, followed by Germans at $48,2 billion and Japanese at $32,8 billion (www21, 2002). Having the market that contributes the most to tourism no longer travelling, causes a great deal of harm to the global tourism industry. The secretary-general of the WTO, Francesco Frangialli, called the attacks a "terrible blow" but predicted a quick recovery for the industry when he said that the tourism industry, from his experience, recovers very quickly from adversity. He justified this by the example of the Gulf War's effect on tourism. He said that growth in global tourism revenues plummeted from 21,5% in 1990 to just 3,2% in 1991. However, the following year the industry rebounded to 13,5% growth.

The exact effect of September 11 on tourism has not yet been fully determined, but huge losses are expected because September and October are usually the busiest months in many countries for American tourists. In South Africa, travel patterns out of the USA reflected the downturn experienced by destinations worldwide since there was a decrease in arrivals in October 2001 compared with October 2000 as a direct result of post-September 11 travel jitters (South African Tourism 2002). However, in the aftermath of the attack, travel experts indicated that there are definite signs that South Africa is developing a reputation as a "safe haven" among international holiday travellers (Neuland, Olivier & Venter 2002:56).

Tourism is the lifeblood of many countries, especially less developed nations with no other major industries (www22, 2002). So too, should it be considered a major industry in South Africa, which can be classified as a developing country in need of foreign exchange.

Now that tourism has been discussed in a global context, it is necessary to determine how it affects South Africa.

1.2 THE SOUTH AFRICAN TOURISM ENVIRONMENT

South Africa can be regarded as a "World in one country" (www23, 2002). This statement was used by Satour (see terminology, South African Tourism) in their marketing campaign to emphasise South Africa's great diversity of attractions, namely an abundance in wildlife, immaculate scenery, unspoiled wilderness areas, diverse cultures, wonderful climate and probably the best-developed infrastructure in Africa.

A statement by Tony Ansara, the Chief Executive Officer of the Tourism, Hospitality and Sport Education and Training Authority (THETA) confirms this: "South Africa's tourism industry has untapped potential. We have the entire tourism spectrum to offer: enriched cultural diversity, sea, sand, sun, mountains, deserts, rivers, wildlife, fishing, gambling, arts and crafts and socio-cultural attractions in a country combining First World and Third World cultures" (Service standards are under spotlight 2001).

South Africa also has many archaeological sites (the Tswaing Crater and Vredefort Dome), battlefields (Blood River) and four World Heritage Sites which are but a few world-renowned and popular places for tourists to visit. The World Heritage Sites include the St Lucia Wetland Park (a natural site), the Cradle of Humankind at Sterkfontein and Robben Island (both cultural sites) and uKhahlamba-Drakensburg Park (a mixed cultural and natural site) (Hagen 2000).

It is generally recognised that South Africa has the potential to become a leading global tourist destination (Potential has not yet been realised 2001). However, tourism in this country is not yet being utilised to its full potential, as explained in the sections below.

1.2.1 South Africa's tourism potential

Statistics show that approximately 300 million people travel internationally every year, and yet South Africa attracts less than 0,5% of them and earns less than R10 billion worth of foreign currency attributable to tourism (Bubesi 2000). It was said in 1995 that if tourism were to contribute 10% to South Africa's GDP, as it does in the USA, it is estimated that this industry could generate some R40 billion annually and create two million jobs (www24, 2001).

In comparison with other countries, South Africa has a lot of work to do to attract more tourists. However, prospects for South Africa increasing its tourism earnings in future seem good. The World Travel and Tourism Council released figures estimating that travel and tourism in South Africa contributed 4,5% to GDP in 2001 and projects that it could reach between 9% and 10% by 2011 (Editors Inc 2002/03:74).

Since the terrorist attacks in New York on 11 September 2001, South Africa has been regarded as one of the more secure travel destinations (Mabuza 2002). The Minister of Environmental Affairs and Tourism, Mr Mohammed Valli Moosa, said that South Africa is the best-performing tourist destination globally, based on figures for the first five months of 2002 (Hartley 2002). He said that this is true, taking into consideration that other countries were having difficulty attracting visitors and fewer people were flying after the September 11 attacks. He also said that tourism to South Africa between January and May 2002 was 7,5% higher than in the corresponding period the previous year. This shows that South Africa has the potential to be a leading tourist destination.

1.2.2 Economic influence of tourists

For the period January to June 2000, when more than 2,8 million foreigners visited South Africa, total average per capita expenditure of foreign tourists increased to R23 800 per visitor, while overseas foreign arrivals increased by 4,4% and expenditure by foreign tourists grew by R1,1 billion overall (www25, 2001). Since the numbers of tourists appears to be increasing, the outlook for tourist organisations is certainly positive. This certainly has a positive outlook for tourism organisations, as it seems tourists are on the increase.

Tourists have certain needs while visiting a country, such as accommodation, entertainment and transport, to mention a few. This necessitates the employment of persons to perform tasks to satisfy tourist needs. Currently, tourism creates jobs for approximately 820 325 people (www26, 2001). However, only one in every 14 jobs is tourism related, whereas worldwide the average ratio is one in every 10 jobs.

1.2.3 Characteristics of tourists to South Africa

Statistics South Africa (Statssa) issued preliminary figures indicating that a total of 498 506 foreign travellers visited South Africa in November 2001, of which 29,7% were overseas visitors (mostly from the UK, Germany and the Netherlands) and 70,1% were from mainland Africa (www27, 2001).

In 2001, South African Tourism statistics indicated that foreign tourists spent approximately 10 nights in South Africa (South African Tourism 2002). It is obvious that the longer tourists are in a country, the higher their spending is – hence it is beneficial to try to keep foreigners in a country for as long as possible to increase tourist spending, and consequently, the injection of foreign currency.

Given the above scenario, it is important to examine the Gauteng Province, which accounts for approximately 37% of total GDP (Editors Inc 2002/3:58) and plays a major role in the total South African tourism industry.

1.2.4 Tourism in Gauteng

Gauteng has long been the prime gateway for foreigners who come to South Africa to enjoy its outstanding tourist attractions (Fynn 2001). A principle reason for so many tourists visiting Gauteng is that Johannesburg International Airport is the main point of entry for most tourists into the country. It has been described by the Airports Company South Africa (ACSA) as the air transport hub of Southern Africa, catering to over 11 million passengers each year (www28, 2002). Johannesburg International beat Cairo as the airport with the most traffic on the African continent and is thus considered to be in a prime position to compete internationally (Big bad Gauteng proves to be the biggest drawcard 2000). However, few visitors have had much reason to use this province as more than a gateway. But this is changing because numerous efforts have been made by the provincial government to draw more investment into Gauteng (Seeing Africa in a day 2002).

The Blue IQ project initiated by the Gauteng provincial government has budgeted R1,7 billion to encourage foreigners to spend more time and money in Gauteng rather than simply pass through. Efforts are being made by the Gauteng Tourism Authority (GTA) to encourage visitors to Gauteng to stay an average of three nights by 2006 (Redman 2002). New facilities include the construction of a rapid speed train between Johannesburg and Pretoria and a Big Five reserve bordering Pretoria recently named Dinokeng (Helfrich 2001). Over the next 10 years, Blue IQ aims to attract R100 billion in foreign investment, stimulate economic growth from 5% to 7% and create 100 000 jobs in the province (Bidoli 2001).

Gauteng's foreign visitor market continues to be mainly from Africa (25%), the UK (16%), Germany (7%) and the rest of Europe (21%), with contributors from North America (9%) and the Far East/Asia (10%) (South African Tourism 2001a:25).

Gauteng attracts a large number of businesspeople from neighbouring countries seeking to buy services and goods on offer, not necessarily available in their countries (Russell 2001). Mr Sylvan Golden, CEO of Gauteng Tourism commented that those tourists who come to Gauteng also happen to be among the highest spenders (Russell 2001). Finance MEC, Jabu Moleketi, said in an interview that foreign and domestic visitors had brought an estimated R42 billion into the province in 2000 (Granelli 2001). It is believed that visitors to Gauteng are attracted by its commercial strength, cultural diversity and entertainment (Redman 2002).

The province of Gauteng is also becoming an important conference destination (Russell 2001). The 2002 Earth Summit was hosted in Gauteng. This conference can be considered the biggest in the world (Granelli 2001) attracting more than 50 000 international delegates and over 100 heads of state. It was estimated that approximately R1,5 billion flowed into Gauteng's economy and that some 12 500 jobs were created as a result of the conference.

Gauteng is the smallest province in size, but certainly the most industrialised province of South Africa (www29, 2002). The 2001 Census conducted by Statssa revealed that Gauteng has the second largest population of all the provinces, namely 8,8 million, compared with KwaZulu-Natal which is the most densely populated province with 9,4 million people (www30, 2002). South Africa's total population as estimated in the 2001 census was 44,8 million. Gauteng is also the most urbanised province at 97% (www31, 2002), hence the ample opportunities for employment and stimulation of the economy. Johannesburg International which boasts 18 000 employees also plays a vital role in Gauteng's economy. Since ACSA's inception in 1993, Johannesburg International has sustained an average growth in passenger traffic of 10% per year (www32, 2002).

There are ample places for tourists to visit in Gauteng. Examples include the Premier Diamond Mine in Cullinan (which produced one of the world's most famous diamonds – the Cullinan – at 3 106 carats); the Cradle of Humankind at the Sterkfontein Caves (where the famous Mrs Ples, a well-preserved skull of an early species of humankind, was discovered); the Lipizzaner stallions (which perform intricate dressage steps); Church Square (the historical and geographical centre point of Pretoria); the Voortrekker Monument (a memorial commemorating the South African pioneers symbolising their courageous indomitable spirit) and the Union Buildings (administrative headquarters of the government of South Africa, designed by Sir Herbert Baker) to name but a few (Burger 1998:165-166). Gauteng was also the place where gold was first discovered and where the Freedom Charter was signed (www33, 2002).

More recently, township tourism has been developed in Gauteng. Soweto, Mamelodi, Alexandra and Sharpeville, which reflect South Africa's rich and troubled history, are expected to bring in floods of local and international tourists (Projects will help draw more tourists to Gauteng townships 2001).

Gauteng can also be used as the starting point for tours around South Africa. Since most International flights arrive in Gauteng, connecting flights can be taken to other provinces.
Being an economic hub, Gauteng is a perfect surrounding for tour operators to conduct business, because of its large influx of tourists. This leads to a discussion of tour operators.

1.3 TOUR OPERATORS

Tour operators function as intermediaries in the tourism distribution system linking producers and consumers to each other (Moutinho 2000:161). Tour operators handle all the details of foreign travel, for example, air ticket purchase, accommodation arrangements, transfers to and from the airport and the itinerary, allowing the foreignness of the destination to be observed but not truly experienced.

1.3.1 Tour operator services

There is often confusion about the difference between tour operators (the subject of this study) and travel agents. The difference can briefly be explained by referring to tour operators as wholesalers in the tourism distribution channel and to travel agents as travel retailers. SATSA also makes a distinction between tour operators and tour brokers. Tour operators own their own vehicles, whereas tour brokers hire them as needed. Tour operators have direct contact with clients when they take them on tours, hence a personal one-on-one relationship is established with clients.

The ability of tour operators to combine travel products and offer them to customers at prices generally lower than would normally be available to individuals, provides travel economy and convenience to a significant segment of tourists (Moutinho 2000:161). To enhance the tourist experience, tour operators are able to arrange tourist guides to guide tourists through the country. Tourist guides are trained to have a broad knowledge of the country and to give tourists plenty of information about its history, current situation and noteworthy places to visit. They also know

about safety precautions. Due to everything being pre-arranged for the clients, this is a healthy alternative to their venturing into a country alone.

Tour operators provide services to a number of different types of tourists, namely business travellers and leisure travellers (see terminology). They are able to accommodate the needs of various types of tourists by providing services to satisfy their needs in different ways. For example, if business travellers visit an area for a conference, tour operators can transfer them to and from the conference venue, arrange their flights beforehand and arrange a short tour (usually about two to three days) after the conference, tailor-made to suit their needs. When dealing with leisure tourists, they will take them to all the places set out on the itinerary and see to it that all their needs are met.

Tourist guides can either be employed full time by a tour operator or freelance guides can be used. Tourist guides have to have certain qualifications and knowledge, as explained below.

1.3.2 Tourist guides

The registration of tourist guides is an internationally accepted practice designed to assure the professionalism of the industry and provide an effective service to tourists (Drum Beat Academy for Tourism 2001:5). Tourist guides are trained at three centres in South Africa, namely Drum Beat Academy in Pretoria (www34, 2002), Energy Guides or the University of South Africa. An essential part of the qualification is obtaining a first-aid certificate (Collins 2000:45) which has to be renewed every two years. This is to make provision for tourists being injured when travelling in the countryside, far away from medical centres. Tour operators have to employ qualified tourist guides or become guides themselves, to be allowed to take tourists on guided tours.

Once tourist guides have been trained, they receive a certificate and have to register with the regional tourist board, which in the Gauteng province is Gauteng Tourism. A tourist guide has to be 21 years of age or older and may have to undergo a language proficiency test. After registration as a tourist guide, a badge is received – a licence to guide. The badge has to be displayed at all times while guiding and allows them to guide at museums, monuments and other places of interest. Tourist guides are also issued with an identification card and are allocated a specific number. The identification card indicates for which provinces the tourist guides are qualified. If a tourist guide is found guiding in a province for which they have not qualified, they may be severely reprimanded or may have to appear in court.

There are four categories of tourist guides (www35, 2002), as set out by THETA: local tourist guides (they operate in a specific area), regional tourist guides (they operate in a specific province or region), national tourist guides (they operate in all regions) and specialist tourist guides (they have specialised knowledge of an area or subject, such as museums or safaris). Different tourist guides are used by tour operators in different situations.

While taking tourists on tours, it is beneficial for tour operators to be represented by an organisation to ensure that they can be identified as reliable and reputable companies. Some overseas tourists and tour companies will not make a booking with companies unless they are registered with some kind of organisation, to ensure that they are an established company with the appropriate permits and skills. SATSA is recognised as the leading body representing the private sector of the incoming tourism industry in South Africa (www36, 2002) and its role in tourism will now be explained.

1.3.3 SATSA membership

SATSA represents almost all the major principals including airlines, coach operators, accommodation establishments, vehicle hire companies, attractions, conference organisers and related marketing organisations. To become a member, tour operators have to fulfil certain requirements (www37, 2002), namely that all vehicles have to have a Road Transport Permit, drivers must be in possession of a Public Driving Permit and the tourist guides used must be qualified and accredited by THETA. Such requirements ensure that certain standards are met and that tourists will be assured of an acceptable level of service quality and safety. All members agree to a code of ethics and certain minimum requirements in terms of guarantees and insurance. This assures the South African tourism industry of international recognition and credibility.

Only SATSA-registered tour operators will be interviewed in this study. There are many unregistered operators who could be a potential danger to tourists and a threat to the tourism industry, because they are not registered as a company and do not adhere to certain regulations, such as having road permits and passenger liability. Some unregistered companies receive bookings for a few tours, have the amounts prepaid into their accounts and then make off with the clients' money without giving them a tour. Such companies are called "fly-by-night" companies because they only advertise for a short while to make some money and then disappear. There are many examples of unregistered tour operators making off with clients' money. Reports have been received of travellers arriving at Johannesburg International who

booked and paid for tours but had no-one to meet them. They were basically stranded in South Africa with no hotel bookings, no money and no tourist guide to show them around (Mewett, pers comm, 18 February). SATSA registration ensures stability and adherence to certain safety and business regulations and gives clients the assurance that they will be well treated.

According to SATSA records, there are 227 SATSA-registered tour operators in the whole of South Africa of which 84 are in Gauteng (Mewett, pers comm, 18 February). The majority are found in Gauteng or at least have offices in Gauteng because it is an economic hub and the main point of entry into South Africa. Once registered, tour operators are allowed to display the SATSA logo on their brochures and advertise that they are SATSA-accredited (see diagram 1 below). Since SATSA is well-known in tourism circles, this accreditation helps to foster relationships with other players in the tourism industry, for example accommodation establishments, and especially to reassure clients.

DIAGRAM 1: SATSA logo

1.3.4 Relationship with accommodation establishments

Tour operators and accommodation establishments have the potential to establish two-way benefit relationships with one another. This can be demonstrated by tour operators transferring guests to and from hotels and guesthouses (from the airport or to other accommodation establishments) or by tour operators bringing new clients to accommodation establishments by including them in their itineraries and making regular bookings with them for ongoing tours.

The types of accommodation utilised by tourists ranges from hotels, visiting friends and relatives (VFR), self-catering units, bed and breakfast lodges (B&Bs), holiday resorts, farms, game lodges, guesthouses and country houses. Hotels seem be the most popular form of accommodation, as indicated by a South African Tourism survey in 1999, which indicates that 63% of foreign tourists stay in hotels, 20% stay in game lodges, 19% prefer B&B accommodation and 14% prefer guesthouses (www38, 2001). A large percent, 33%, visit friends and relatives. Although there are many types of accommodation establishments, only

guesthouses and hotels will be included in this study. It is important to note that sometimes guesthouses are called B&Bs, since few are familiar with the distinction between the two. A guesthouse can be regarded as a "house hotel" where only guests occupy the house. The owners may live close by. In the case of B&Bs, tourists live in with the hosts (see terminology). Hence only guesthouses will be examined in this study.

To be able to operate successfully, tour operators need to be exposed to overseas operators and tourists. This task is simplified by South African Tourism.

1.3.5 South African Tourism

Being the national tourism agency responsible for the international marketing of South Africa, South African Tourism promotes South Africa generically in terms of its unique selling points as an all-season destination (www39, 2002). South African Tourism strives to increase the number of international visitor arrivals, which benefits tour operators and tourism in the country and aims to market South Africa as the preferred tourism destination in Southern Africa (Jenvey 1999).

Owen Leed, the marketing manager of South African Tourism said that South Africa was to spend R400 million over a period of 18 months on an international advertising campaign to attract tourists to the country (Cox 2000). South African Tourism hoped to attract about a million new tourists in the above-mentioned 18-month period (Maluleke 2000).

An innovative marketing campaign was designed by South African Tourism incorporating cab drivers from the UK as ambassadors to promote South Africa as a holiday destination (Hunter 2000). As part of the scheme, 80 "cabbies" were flown to South Africa for an educational tour to the country. They were encouraged to tell their passengers about South Africa and some even had the South African flag painted on their cabs!

South African Tourism's marketing strategy aims to promote South Africa's scenic beauty, diverse wildlife, ecotourism and kaleidoscope of cultures and heritage (www40, 2002). It also strives to realise the country's potential in terms of sport, adventure and conference and incentive tourism. South African Tourism participates in major travel shows, coordinates advertising, public relations and direct mailing campaigns, and holds educational work sessions with international partners of South Africa's travel industry.

South African Tourism markets South Africa internationally to attract tourists. Tourists need accommodation once they arrive in South Africa. To be able to establish a beneficial relationship between tour operators and accommodation establishments, it is necessary that they know about one another. To facilitate this, marketing of tour operators is vital. Tourism marketing and marketing communication methods that could possibly be used by tour operators to market themselves to potential clients and accommodation establishments will now be discussed.

1.4 TOURISM MARKETING

As can be deduced from the above discussion, tourism has become a major contributor to the gross national product (GNP) of many nations (www41, 2001), with the marketing of countries and destinations to attract visitors becoming an essential common practice. Companies need to be exposed to the marketplace in order to attain new and existing business resulting in marketing becoming an essential aspect of every business. Tourism marketing can be implemented to facilitate this.

Tourism marketing is the process through which a tourism company first anticipates consumer needs and then manages to satisfy those needs to achieve sales (George 2001:19). It is also the way in which a company identifies what consumers want and ensures that these requirements can be met in a profitable and efficient manner which satisfies consumers on a long-term basis. The number one marketing priority for a company should be to create customers (Duncan 2002:7). The company is rewarded by making sales, which in turn provide profits. This leads to building customer relationships, which involve a series of interactions between individuals and a company over time.

Marketing is a concept that focuses on meeting customer wants and needs (Duncan 2002:13). To be able to satisfy customer wants and needs, it is necessary to consider the marketing mix of the product or service the company is providing. The marketing mix involves four marketing strategy areas (Duncan 2002:14), namely product, price, promotion (marketing communication) and place (distribution). These "four Ps" determine how a product is made or a service provided, how much it costs, where it is distributed and how it is presented in all company communications. Since this study deals with the marketing communication methods used by tour operators, its main focus will be the "promotion" (marketing communication) strategy area of the

marketing mix. However, taking into consideration that the tourism product is quite different from traditional products, further attention will be focused on its significance as a service.

1.4.1 The tourism product as a service

Marketers need to be concerned with four basic characteristics that make the marketing of tourism offerings different from the marketing of manufacturing products, namely intangibility, inseparability, variability and perishability (George 2001:20).

1.4.1.1 Intangibility

Services such as tourism can be described as intangible (Pender 1999:31). This implies that they cannot be seen, felt, heard, tasted or smelt prior to purchase. Service offerings cannot be inspected or tested in advance and cannot be brought to the consumer (George 2001:20). This increases the complexity for potential tourists of acquiring product knowledge in advance of purchase, as is possible with tangible products. Thus the tourism marketer has an important task to promote the intangible benefits of tourism, such as relaxation, entertainment and education as well as aiming to make the intangible aspects seem more tangible. This task is facilitated by brochures showing hotel rooms, and more recently, by CD-ROMs.

1.4.1.2 Inseparability

In the case of the manufacturing industry, products are manufactured, sold and then consumed over a number of years, unlike tourism offerings which are sold first and then produced and consumed simultaneously (George 2001:20). Thus in the tourism industry, customers will often be involved in the creation of the service (Pender 1999:175), for example, asking the tourist guide questions about the museum being visited or using an electronic ticket kiosk at an airport. This has implications in that the way the offering is delivered is crucial because staff and consumers have to be present when the service is being consumed.

1.4.1.3 Variability

Tourism offerings will be different each time they are consumed because humans produce them (George 2001:21). Service providers are part of the offering and cannot provide the exact levels of service each time or the same levels of service as their colleagues. Also, no two consumers are precisely the same. They may have different needs, demands, expectations, moods, perceptions and emotions, causing the tourism offering to vary according to each situation. Tourism companies can only strive towards offering a standardised and consistent service, but because people are involved, an exact standard can never truly be realised.

1.4.1.4 Perishability

Producers cannot "hold stock" of a service. There is a finite period during which the sale and consumption of a service can occur (Pender 1999:32). If that period has passed, the revenue that could have been earned by providing the service is lost. Thus providers of services will try to sell their service even if it means lowering the price, rather than losing the full potential amount. Hence, reducing prices shortly before a service is due to be delivered is one way to stimulate demand before the service is considered perished.

Now that a better understanding of the tourism product has been gained, a discussion of the communication methods used to market the tourism product follows.

1.4.2 Marketing communication methods

Marketing communication is the collective term for all the communication functions used in marketing a product (Duncan 2002:15). Each marketing communication function has unique strengths and companies and agencies are finding more and better ways to use these functions strategically (Duncan 2002:16). Promotional decisions need to be made about advertising, direct marketing, interactive marketing, sales promotion, publicity and public relations and personal selling (Belch & Belch 2001:39). Most of these functions have been used for at least a hundred years, so individually they are not new, but what is new is managing them in an integrated fashion as part of a strategic communication programme in a changing environment (Duncan 2002:16).

Many different marketing communication methods are used by tourism organisations to promote their products and services. To facilitate promotion of their products and services, different media are used.

1.4.2.1 Media

Media are channels through which organisations advertise their products (Youell 1998:214). Popular media channels include newspapers and magazines, television, radio, cinema, transport, outdoor advertising and electronic advertising. The channel is the method whereby which communication travels from the source (sender) to the receiver (Belch & Belch 2001:143).

Two types of channels of communication exist (Belch & Belch 2001:143), namely personal and nonpersonal channels of communication. Advertising, sales promotion and publicity and public relations can be regarded as nonpersonal communication channels, whereas direct marketing,

interactive marketing and personal selling can be viewed as personal means of communication. These two media channels will now be discussed in more detail.

Information received from personal influence channels is generally more persuasive than information received via the mass media (Belch & Belch 2001:193), since the sales message is far more flexible, personal and powerful than an advertisement. The message can be adapted to the prospective customer at the time of sale and immediate feedback is possible. This is an important technique used by tour operators, ensuring that they are able to tailor messages to each individual client. Hence a discussion of personal communication would be appropriate at this point.

a) Personal communication

Personal channels of communication are direct interpersonal contact with individuals or groups (Belch & Belch 2001:143). Media that carry messages to identifiable customers or prospects are referred to as addressable media, because all these types of media can be used to send brand messages to specific geographic and electronic addresses (Duncan 2002:377). Addressable media include postal mail, fax, telephone and the Internet. Addressable media are used primarily to communicate with current customers or with carefully selected prospects.

i) Direct marketing

Direct marketing, if planned and executed effectively, has the potential to be more cost-effective than any other promotional tool because of the precise targeting that the technique allows (Youell 1998:215). Existing customers can be contacted to introduce them to new products and special offers, while new customers can be identified and encouraged to purchase products and services through direct channels. Types of direct marketing include direct mail, telemarketing, direct response advertising and door-to-door pamphlet distribution (Youell 1998:216). More recently, the Internet has been introduced as a form of marketing communication.

Considering that the Internet only became accessible to public users in 1994 (Hanson 2000:4), and has grown rapidly since, it has potential as an excellent marketing tool. From February 1997 to May 2000, Internet usage in South Africa escalated phenomenally, with 1,6% of the population using it in February 1997, compared with 4,19% in May 2000 (www42, 2001).

As the price of computing has dropped and more companies and individuals have joined the computer revolution, new business opportunities have been created (Duncan 2002:415). The

tourism industry is ideal for the Internet because of its intangible nature. When a consumer makes the decision to purchase, the product does not exist and is only consumed at a later date (World Tourism Organisation Business Council 1999:47). The fact that travel and tourism can be considered an intangible, electronic product before it can be consumed makes it suitable for marketing and selling online. On the Internet, potential tourists can see what a destination looks like and experience a virtual tour of their hotel room.

ii) Interactive marketing

Two-way media, which allow both companies and customers to send and receive messages, are called interactive media. The benefit of interactive media (telephone, e-mail, personal salespeople) is that they allow an instant exchange of information to take place (Duncan 2002:377), making it possible for a customer to contact the company and receive feedback.

The fastest interactive medium is e-mail (see terminology) (Duncan 2002:427). Messages can flow between individual members directly, or to any number of members world-wide (www43, 2001), allowing organisations to communicate directly with their customers and ensuring a personalised touch. E-mail has proven to be a popular and effective way to reach customers because it is simple and inexpensive to use. However, unsolicited e-mail has become a source of customer irritation. Customer permission is an important consideration in the proper use of e-mail campaigns. Spam (unsolicited e-mails, see terminology), is bothersome to individuals and a growing concern for government regulators.

iii) Personal selling

Personal selling is a form of person-to-person communication, in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service (Belch & Belch 2001:24). Personal selling involves direct contact between buyer and seller, which gives the marketer communication flexibility. This means that the seller can see or hear the potential buyer's reactions and modify the message accordingly. Personal selling can be targeted to specific markets and customer types that are the best prospects for the company's products or service.

Nonpersonal communication methods will now be discussed.

b) Nonpersonal communication

Nonpersonal channels of communication carry a message without interpersonal contact between sender and receiver. Nonpersonal channels are generally referred to as mass media, because they are communication channels through which messages may be sent to the "masses", that is, large diverse audiences (Duncan 2002:376).

i) Advertising

Advertising is the use of paid media by an organisation to inform existing and potential customers and persuade them to buy its products (Youell 1998:213). Being a nonpersonal form of communication, advertising implies the use of mass media that can transmit a message to large groups of individuals, often at the same time (Belch & Belch 2001:15). There is no opportunity for immediate feedback from the message recipient, so before the message is sent, the advertiser must consider how the audience will interpret and respond to it.

Nontraditional media such as information kiosks, CDs or painted vehicles should be considered for use in narrowly targeted programmes. The challenge is to use nontraditional media when they strategically fit into a media mix, and not merely because they are different (Duncan 2002:406).

ii) Sales promotion

The marketing activities that provide extra value or incentives to the sales force, distributors or the ultimate consumer can be regarded as sales promotion (Belch & Belch 2001:21). The two categories of sales promotion are consumer-oriented sales promotion and trade-oriented sales promotion. Consumer-oriented sales promotion stimulates short-term sales by means of coupons, sampling, premiums, rebates or contests, whereas trade-oriented sales promotion, for example, trade shows or price deals, encourage the trade to promote and make use of a company's products.

iii) Public relations

Publicity is probably the most credible form of marketing communication (Belch & Belch 2001:22), since it is not the company itself but rather an outsider who compliments or criticises the company. Publicity is not directly paid for, since the company attempts to encourage the media to say something positive about it in their newspapers or magazines by performing well, providing unique services or sponsoring an event.

Public relations involves creating a positive image of the business to its publics which include customers, shareholders, employees and suppliers (Cronjé, Du Toit & Motlatla 2000:240). It is the management function whereby public attitudes are evaluated, and a programme of action to earn public understanding and acceptance is executed (Belch & Belch 2001:22). Public relations and publicity are considered to be supportive, rather than primary factors in the marketing and promotional process.

This study aims to determine which of these above-mentioned marketing communication methods can be used by tour operators to market themselves. Also, guesthouses and hotels can be regarded as niche markets because, of all the existing accommodation establishments, they are a highly focused market. Consequently, how to build an effective two-way relationship between tour operators and guesthouses will also be investigated.

1.5 PROBLEM STATEMENT

It has been established that tourism in South Africa has the potential to become a leading global tourist destination. It is the fourth-largest industry in South Africa (www44, 2002) and is regarded as potentially the largest provider of jobs and earner of foreign exchange. One would think that such an important industry would be well-researched. However, this is not the case. Although some research has been done into marketing methods which tourism organisations use to market themselves to the public or to other companies in the tourism industry (Buhalis 2000a; Wong & Kwan 2001), none has been found on the topics of what specific marketing communication methods are utilised most beneficially and on what methods work best in a certain region.

Riege and Perry (2000:1-2) mention in their study on national strategies in international travel and tourism (conducted in Australia, New Zealand, Germany and the United Kingdom), that there is little research emphasising specific marketing and distribution strategies that may be applied by travel and tourism organisations, airlines and intermediaries to successfully market a tourist destination. Reige and Perry (2000:2) also mention that several authors, namely Bagnall, Chon and Olsen and Faulkner, have noted the lack of detailed work in relation to strategic issues in travel and tourism marketing with regard to distribution processes. The role of new media technology such as the Internet and e-mail and their roles as effective marketing communication methods have also not been adequately assessed.

With this lack of assessment, there is more uncertainty about how tour operators should market their products, which marketing communication methods work best and to whom to market.

Tour operators and accommodation establishments will also benefit if they form a relationship in which tour operators bring tourists to certain accommodation establishments as part of their itinerary when conducting tours, and accommodation establishments, in turn, encourage tourists to go on tour with tour operators. Marketing communication needs to be used to establish such relationships. No known research has been done in this regard, thus creating uncertainty for both parties.

To summarise, the problem is firstly, to determine which marketing communication methods tour operators use to market themselves, and secondly, how tour operators form relationships with accommodation establishments through the chosen marketing communication methods. Knowing which methods work best will enable the marketing process to operate more smoothly. How to determine which marketing communication methods work best will be clearly identified by the research objectives to follow.

1.6 RESEARCH OBJECTIVES

The objectives of the research study to be conducted are outlined below.

1.6.1 Primary objective
This study firstly aims to determine the present marketing communication methods used by tour operators in Gauteng to market themselves.

1.6.2 Secondary objectives
The following secondary objectives have been identified:
- to determine the average size of a tour operator enterprise
- to determine the highest income-generating source of business
- to ascertain present target markets
- to investigate the present use of interactive media
- to determine marketing communication methods being considered for future use
- to verify how tour operators form relationships with accommodation establishments
- to identify further areas of research in this topic

1.6.3 Limitations

This study will examine only:

- in-bound tour operators in Gauteng and not all other categories of tour operators (outbound and domestic operators)
- SATSA-registered tour operators based in Gauteng
- the relationship between SATSA-registered tour operators in Gauteng and guesthouses and hotels in Gauteng and not all other accommodation establishments such as game lodges, camp sites or B&Bs

1.7 RESEARCH METHOD AND METHODOLOGY

In an effort to verify the research objectives mentioned in section 1.7, specific research methods were implemented. A discussion of the techniques that were utilised follows.

1.7.1 Secondary research

Secondary research is a useful source of information, because it is based on previous research on various topics. Information that is already available is known as secondary data and is usually in written form. However, nowadays this information is increasingly made available via computers and other electronic sources (Youell 1998:202). In this study, secondary data were utilised to formulate the literature study. Readily available statistics and other existing information were used for various topics discussed.

Two types of secondary data have been identified, namely "internal" and "external" secondary data. Internal secondary data are available within an organisation, such as sales receipts, customer records, mailing lists, financial returns and survey findings (Youell 1998:202). External secondary data are available outside the organisation from libraries (Youell 1998:262), the Internet (Youell 1998:263) and public sources. Public sources are organisations such as the World tourism Organisation (WTO) and the World Travel and Tourism Council (WTTC) which supply statistical data on an international scale (Youell 1998:202). Such sources are precious resources for information. Internal data were obtained from South African Tourism and Statssa. The remainder of the information gathered can be classified as external data.

When evaluating secondary information, it is important to consider when the information was collected, since incorrect data could greatly influence the outcome of the study – in other words, results concerning tourist arrivals or Internet usage should not be too outdated. Only information acquired by reliable sources was used in this study. If sources of information are reliable, there are certain advantages to using secondary data. Most importantly, a research study using secondary data is invariably less expensive and, since the research has already been conducted, the task is less time-consuming to complete compared with the use of primary data.

Certain primary data collected by companies can be used in research as secondary data, and where viable and necessary, such data were used in this study.

1.7.2 Primary research

Primary data encompass the original research conducted on a topic (Cooper & Schindler 1998:135). These data are collected if information needed for a specific purpose is not available, or if the information is not already available in published form (Youell 1998:196). Such data are customised to the topic and tend to require specialised data collection procedures. Caution should be exercised in collecting primary data to ensure that they provide unbiased information that is relevant, clear and accurate.

To obtain information on tour operators, a census study was conducted. As previously mentioned, there are 227 SATSA-registered tour operators in South Africa and 84 in Gauteng. For the purpose of conducting a census, all the elements in the population were selected. Thus, because this study concentrated on tour operators in Gauteng, all 84 SATSA-registered tour operators were selected for inclusion in the census.

In order to determine which marketing communication methods are presently utilised by tour operators, data (see terminology) had to be collected. Data may be collected in many different ways, for example, by means of questionnaires, focus groups, standardised tests or observations (Cooper & Schindler 1998:77). For the purpose of this study, tour operators were approached and asked to respond to a questionnaire. They were informed by telephone that a questionnaire would be sent via e-mail. An introductory letter was sent to familiarise the respondents with the aim of the study and to provide the web address of the questionnaire. Personal communication techniques, namely e-mail and telephone, were used. The questionnaire was hosted on a website. When the respondents answered the questionnaire, the data were directly entered into a database. Once the period for completion the questionnaires had expired, the data obtained were edited and

coded. Editing is a necessary step to determine whether all the information is correct and accurate, so that the research will be valid and reliable. Numeric coding was used, with "don't know (DK)" responses kept in a separate category. Data were analysed using bar charts, pie charts and tables.

Utilising the above-mentioned research techniques, it was hoped that the results obtained would facilitate the investigation to determine which forms of marketing tour operators use most effectively.

The layout of the study is explained below.

1.8 CHAPTER LAYOUT

The chapters containing the main components of the research to be conducted on tour operator marketing communication methods are discussed. Their titles and a brief outline of their contents are supplied.

Chapter 1 – INTRODUCTION: In this chapter, the intention and purpose of the study is discussed. It outlines the research problem, research objectives and the research methodology that will be followed.

Chapter 2 – THE SOUTH AFRICAN TOURISM INDUSTRY: This chapter comprises an analysis and discussion of the South African tourism industry. It contains explanations of terms, key concepts and constructs regarding tourism and tour operators. The role of tour operators is also discussed. The role of SATSA-registered tour operators is explained, and the benefits that tour operators and accommodation establishments could enjoy are explained.

Chapter 3 – MARKETING COMMUNICATION METHODS: The focus of this chapter is alternative personal and nonpersonal marketing communication methods available to tour operators.

Chapter 4 – RESEARCH METHODOLOGY: This chapter describes the research methodology used. The approach followed and the type of primary data collected are discussed in detail. Data collection and the questionnaire are explained.

Chapter 5 – DATA ANALYSIS AND RESEARCH RESULTS: This chapter contains an analysis and summary of the research results. The findings are presented in the form of tables and charts.

Chapter 6 – FINDINGS AND CONCLUSION: The findings and recommendations of the study are discussed with comments.

1.9 CHAPTER SUMMARY

Travel and tourism has become a global industry that is widely considered to be the fastest growing industry in the world. It may be regarded as a catalyst for economic growth and has many benefits. Tourism is the lifeblood of many countries, especially less developed nations that have no other major industries, and should be classified as a major industry in South Africa.

It is beneficial to encourage tourists to visit a country because they inject foreign currency. This causes a ripple effect in and stimulation of the economy. To enhance tourist experiences in an area, tour operators are available to show tourists the country. They employ trained tourist guides to give tourists a wealth of information on an area's history, current situation and noteworthy places to visit. It is beneficial for tour operators to belong to an organisation to assure tourists of safe travel. SATSA is the leading representation body for tour operators. Tour operators and accommodation establishments have the potential to establish two-way mutually beneficial relationships. They are able to help one another attract business.

Companies need to be exposed to the marketplace in order to attract new business and keep existing business – hence marketing should be an essential component of every business. Many different marketing communication methods are used by tourism organisations to promote their products and services, the main distinction being between personal and nonpersonal marketing communication methods.

The purpose of this study is to determine which marketing communication methods tour operators in Gauteng use to market themselves, and secondly, how to establish relationships with accommodation establishments in Gauteng.

CHAPTER 2: THE SOUTH AFRICAN TOURISM INDUSTRY

2.0 INTRODUCTION

The purpose of this chapter is to provide a background on tourism. Tourist motives for travel will be discussed (why tourists travel) as well as the demand for travel. The types of tourists that visit South Africa, namely business or leisure travellers, will be examined as well as why they choose South Africa as a destination. The purpose of tour operators and their role in providing a service in the tourism industry will be explained. Of particular interest will be the relationship between tour operators (intermediaries) and guesthouses and hotels (accommodation suppliers) and the effect of this mutual influence. Lastly, information technology and its influence on tourism and tour operators will be discussed.

2.1 MOTIVATION TO TRAVEL

As travellers become more sophisticated in their vacationing behaviour, research must continue to become more sophisticated to explain their behaviour (Moutinho 2000:41). South Africa, competing as a long-haul (see terminology) tourist destination, must realise that having a good product is not enough in a globally competitive market. Managers have to research their markets and investigate the motives and expectations of tourists in order to attract and satisfy the needs and expectations of both international and local tourists (Bennett 1997:72).

Tour operators need to do research to find out why people travel. This is to enable them to design packages to suit their potential clients' needs. If they offer packages that appeal to different market segments, there is a greater possibility of attracting clients, rather than providing a "one-for-all" package deal. For example, a business traveller might prefer to stay in a guesthouse rather than a hotel. Guesthouses are perceived as being more "homely", and if a business traveller is in the country for a long period of time, he/she will probably prefer the "make yourself at home" attitude prevalent in most guesthouses. Travelling groups may find staying in hotels easier, because few guesthouses are large enough to accommodate large group tours.

It is extremely difficult to determine why people travel because the decision to travel stems from individual needs and desires which in turn determine motivation to travel (Bennett 1997:72). Motivators are factors within the psychological make-up of an individual that help influence his

or her patterns of tourist behaviour (Youell 1998:243). Tourism motivators are complex and are influenced by many factors such as money, time, freedom to travel and health (Youell 1998:20).

Motivation to travel is followed by an evaluation of alternative holiday destinations, a booking and the holiday itself. Hence the main objective of tourism service providers is to satisfy the tourist's needs as best they can, but before discussing why tourists travel, it is important to understand exactly what a tourist is.

There are numerous definitions of what a tourist is, but the most commonly accepted is "a visitor who stays at least one night in a collective or private accommodation in the place visited" (www45, 2002).

Although this may seem a somewhat brief definition, it takes into consideration that the traveller is away from his/her normal place of residence and will return home at some point in the future. It also implies that the visit is temporary and short term and that the visitor could be away from home for a variety of purposes, namely leisure, business or visiting friends and relatives (VFR). The classification of types of travel will now be examined.

FIGURE 2.1: Classification of tourism
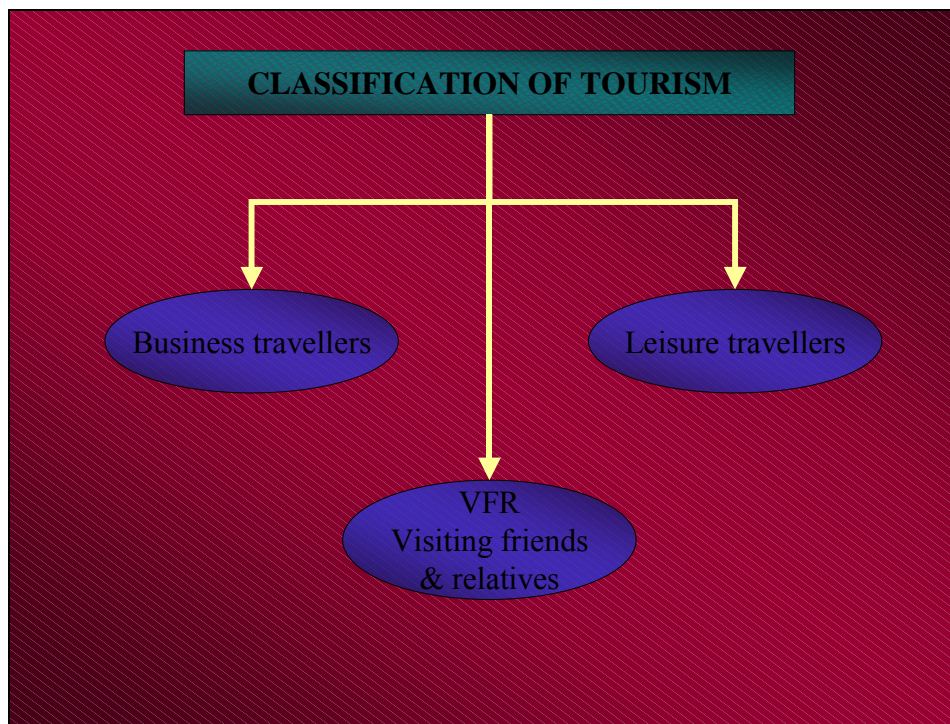
Source: adapted from Youell (1998:12).

2.1.1 Classification of tourism

Based on the different motives for travel (Youell 1998:12), tourism can be classified into three main categories, namely leisure tourism, visiting friends and relatives (VFR) and business tourism (see fig 2.1). Each category contains individuals who share many of the same characteristics and common needs (Cook, Yale & Marqua 2002:19). It is apparent that travel can take place either as an individual or in a group. The three main categories and what each entails will now be examined.

2.1.1.1 Leisure tourism

The most common type of tourist activity is leisure tourism (Youell 1998:12). It encompasses mainly holidays but also travel for the purpose of health and fitness, sport, religion, education or cultural tourism. Travellers have become better educated and more sophisticated in their lifestyles and so providers of tourism products (in this study, tour operators) have had to become more responsive to their needs. This has led to the development of a wide range of tourism opportunities on offer. Some tour operators may specialise in golf tours, others in adventure tourism and still others on culture tourism – the possibilities are endless.

2.1.1.2 Visiting friends and relatives

VFR travel entails exactly what it implies – visiting friends and relatives. Relatives may reside in another town in the same country, or in a different country altogether. Since free accommodation is frequently the main incentive for tourists to stay with friends or relatives, this type of tourism is often overlooked (Youell 1998:13). However, because money is rather spent on other goods and services (eg food, entertainment and curios) the amount of money spent may be much greater than that spent by traditional tourists.

2.1.1.3 Business tourism

Business tourism (compared with leisure tourism) is recognised as being of vital economic importance to destinations (Youell 1998:12). Business travellers (or often the companies for which they work) usually pay premium rates for travel, entertainment and accommodation, making them an extremely viable segment of the traveller market. According to Pradeep Maharaj, CEO of Blue IQ, business tourists spend seven times more than leisure tourists who visit to South Africa (Seeing Africa in a day 2002). It is said that business delegates generate about 70% of tourism in Gauteng (Hagen 2001).

Business travellers are also not influenced by seasonality, since business is conducted throughout the year, necessitating business travellers, unlike leisure tourists, to travel all year round. Business travel is mainly for the purpose of meetings, exhibitions, trade fairs, conferences and incentive travel.

Gauteng in particular is a favoured province for hosting conventions and exhibitions. Johannesburg has four major conference venues, namely the Sandton Convention Centre, Nasrec, Gallagher Estate and The Dome (Jackson 2002a). The exhibition industry is set to be a catalyst in the growth of business tourism to South Africa and has been acknowledged as one of the country's major revenue earners and job creators. It is said that the average international conference attracts between 500 and 1 200 delegates and that national conferences attract between 300 and 800 delegates (Bookings outstrip predictions by far 2002). Taking into consideration these large numbers of delegates who could also be tourists, conventions are a viable source of income in South Africa. Research conducted by the Exhibition Association of South Africa (EXSA), indicates that 50% of all exhibitions in South Africa are hosted in Johannesburg, resulting in enormous economic benefits, with a contribution of R17,4 billion to the economy a year and the creation of about 246 000 jobs.

Deon Viljoen, chairman of EXSA, said in an interview that the fastest-growing component of the tourism industry is the meetings, incentives, conventions and exhibitions sector, which play a positive role in promoting the country as a favoured destination (Jackson 2002a). South Africa is ranked 22nd among international conference destinations, with size, location and accessibility cited as key influencing factors.

In August/September 2002, the Sandton Convention Centre in Johannesburg hosted the World Summit on Sustainable Development. With approximately 130 heads of government, 50 000 international delegates, 3 000 domestic delegates and 2 000 media representatives attending the conference, it can be regarded as the largest international conference ever hosted in South Africa (World Summit on Sustainable Development 2002, 2001). Superb venues supported by numerous modern hotels, sophisticated infrastructure and support services offering easy and accessible worldclass conferencing facilities combined with exciting leisure options, made Gauteng the best destination to host such a conference in Southern Africa. The summit was expected to generate R1,6 billion and create more than 16 000 jobs (SA to host Earth Summit 2000).

Now that it is understood what tourists are and how tourism is classified, tourists' travel needs and motives for travel will be discussed.

2.1.2 Travel needs

Travel needs have changed with the times. Technological, economic and political progress has affected human living conditions considerably in the sense of longer life expectancy, health, wealth and utilisation of leisure time (Bennett 1997:73).

People have truly developed their need for relaxation, destressing and overall fun and games, and since travel is available to all, it has become close to being a basic need (Moutinho 2000). Consequently, because each individual is different, different travellers have different needs. For example, leisure travellers choose their destinations carefully beforehand. They are on holiday and want to relax, enjoy scenery, visit museums or shop. They may try camping or adventure tourism or may prefer to learn about the history and culture of the country they are visiting. Business travellers, on the other hand, rarely choose their destinations (because they have to attend to business matters in specific areas). Sometimes business travellers have an afternoon off and are free to explore the nearby area. However, they usually have to be in the city, close to offices to attend conferences or meetings.

2.1.3 Motivational factors in the decision to travel

Tourists' choice of destination appears to be influenced by a wide variety of motivational factors. As previously mentioned, money, time, freedom to travel and health are but a few of the numerous factors. Motivational factors, as mentioned by Youell (1998:20), will now be discussed briefly.

Owing to technical advances and human development, many more people are being educated. Education has a tendency to broaden the mind and therefore also stimulates the desire to travel. This is obviously beneficial to tourism because the more curious people are about different countries and cultures, the more likely they are to travel. The stage in the life cycle has a great influence on the reasons for travel, depending on age, family composition and domestic commitments. Young married couples earn dual incomes and have disposable income to be able to travel. Students travel using the minimum luxuries, while having a burning desire to explore their surroundings. Pensioners have ample time to travel, while busy executives travel all over the world for the purpose of business.

Destinations and tourist products go in and out of fashion – hence tourists may want to travel to the latest, trendiest destination. Destination image plays a major role in travel motivation because the techniques used to promote a favourable destination and its attributes will greatly influence choice of destination. If the image of a destination coincides with the tourists' preferences and expectations, the destination will be given a favourable rating (Bennett 1997:72). An individual's perception of a holiday destination is conditioned by the information available at the time of decisionmaking. Since tourism is an intangible product, destination image is of vital importance, because tourists will base their attitude towards a destination and their desire to travel there on the image of the destination.

The above-mentioned factors do not take place in isolation, but are interrelated in shaping tourists' motivation to travel. Now that some of the reasons for travel have been highlighted, an exploration of why tourists travel to South Africa follows.

2.1.3.1 Why tourists travel to South Africa

A preliminary investigation by Bennett (1997:76) indicated that no major study on tourist motivation has been done in South Africa. However, recent surveys conducted by South African Tourism indicate that the main attractions appealing to foreign visitors are scenic beauty, value for money, diversity of attractions and wildlife (South African Tourism 2002).

As a tourist destination, South Africa has several natural and man-made attractions to offer (Bennett 1997:114). Natural attractions include long golden beaches along more than 2 000 km of coastline, game parks, wildlife, rugged mountain ranges, beautiful scenery, sunshine and a pleasant climate. There are also thousands of animals and birds to watch in their natural habitat, a wealth of indigenous flowering plants and shrubs and vast open spaces. There are many sophisticated cities and museums, monuments and holiday resorts.

Since there are few countries (if any) that have such a wide variety of features to visit, South Africa has the potential to become a prime destination (as discussed in the previous chapter). The challenge is to market the country correctly and sell appealing tour packages. The way in which tour operators satisfy these needs is the next topic of discussion.

2.1.4 The way in which tour operators satisfy travel needs

Tour operators are able to package together the different components of tours or holidays and sell these to the public, either directly or through a travel agent (Pender 1999:13) in order to

satisfy the travel needs of tourists. The package holiday concept only gained popularity after the Second World War, when air transport became more easily available (Pender 1999:11). Tour packages include at least two of the following elements: transportation, accommodation, meals, entertainment, attractions and sightseeing activities (Cook et al 2002:75). Packaging holidays or tours eliminates a great deal of risk for the tourist and also, tour operators are able to negotiate better prices, compared with the costs that would be incurred by tourists if they had to purchase each element separately (Cook et al 2002:76).

Tour operators are able to compile different tour packages to suit the varying needs of tourists – hence packages vary widely in the number of elements included. Four of the most common packaging types are briefly discussed below.

2.1.4.1 Independent tour
An independent tour can be regarded as the least structured tour package (Cook et al 2002:75). Purchasers of independent tours compile their itineraries themselves. Tour operators book the necessary elements according to their set itinerary.

2.1.4.2 Foreign independent tour (FIT) and domestic independent tour (DIT)
A tour including many elements designed and planned to fulfil the particular needs of the traveller may be classified either as a foreign independent tour (when travelling abroad) or a domestic independent tour (if remaining in the country).

2.1.4.3 Hosted tour
A number of tourism supplier elements are combined to form a package. A local host is available to give advice and make special arrangements.

2.1.4.4 Escorted tour
This is the most structured type of tour package available as well as the most complete tour package because all the elements are included in the package price. An escorted tour begins and ends on set dates and follows a detailed itinerary. A tour escort accompanies the tour members throughout the tour.

Now that it has been determined why people travel, what their needs are and how they can be satisfied, it is necessary to determine the demand for travel.

2.2 DEMAND FOR TRAVEL

The degree of demand for travel to a particular destination is of great concern to anyone involved in the tourism industry (McIntosh, Goeldner & Ritchie 1995:297). The reason for this is that the greater the number of tourists travelling to an area, the larger the amount of money that will be spent there, thereby stimulating the economy and creating jobs and wealth.

Tourism is essentially a demand and supply relationship concerned with satisfying the requirements of tourists by providing a range of facilities and amenities often grouped together in destination areas (Youell 1998:10). Consequently, tourism intermediaries (or tour operators in this study), facilitate the matching of destinations to prospective tourists, satisfying the supply side of the equation. However, it is imperative for travel intermediaries to stimulate demand in an area.

Although the volume of travel in industrialised countries has grown considerably, the tourist market worldwide has changed from a seller's to a buyer's market (Moutinho 2000:4). A main reason for this is an increase in traveller sophistication which, in turn, also has an impact on all product development throughout the industry (Moutinho 2000:5). Nonetheless, tour operators (trade intermediaries) have far greater power to influence and direct demand than intermediaries in other industries (Buhalis 2000b:113). This is because they control demand and have increased bargaining power in their relations with the suppliers of tourist services and are in a position to influence their pricing, product policies and promotional activities. The factors that influence demand will now be examined.

2.2.1 Factors that influence demand

Factors such as the physical environment or culture of a region may influence the nature of demand and are a vital component of the product itself for the tourism industry (Peattie & Moutinho 2000:17). According to Youell (1998:10), demand is influenced by a variety of factors, such as customer buying behaviour patterns, propensity to travel, lifestyle characteristics, technological developments and political factors. Each of these factors will now be briefly discussed in the South African context.

2.2.1.1 Customer buying behaviour patterns

A survey conducted by South African Tourism shows that activities conducted by all foreign visitors in 2001 include shopping, visiting restaurants and bars, nature-related activities, visiting

craft markets and casinos (South African Tourism 2002). Hence these are the main commodities on which tourists spend their money whilst visiting South Africa.

2.2.1.2 Propensity to travel

Propensity has to do with a person's predisposition to travel, that is, how willing he/she is to travel, what types of travel experiences he/she prefers and what types of destinations are considered (McIntosh et al 1995:298). Owing to the fact that travel has become much easier because of technological advances, better marketing and educated consumers, not to mention the fact that it has become more of a normal part of life, the propensity to travel has increased.

2.2.1.3 Lifestyle characteristics

South African Tourism's Winter Departures Survey Report (South African Tourism 2001b) contains useful information on the average age of travellers to South Africa. It shows that the bulk of travellers (58%) were between 25 and 44 years of age. Visitors from North America, Australia and Europe displayed higher incidences of being 45 years or older, whereas visitors from the rest of Africa were most likely to be between 35 and 44. Interestingly, just under half of all visitors from the rest of Africa were younger than 34 (44%). This information helps tour operators to know what types of packages to develop and where to advertise them. Since more senior travellers are likely to come from non-African countries, group tours, for instance, can be advertised in non-African countries. Many youths travel from African countries, so adventure or activity tours could be advertised in African countries.

2.2.1.4 Technological developments

Tourism enterprises, distribution channels, governments, researchers and consumers are struggling to keep up with the ripple effects of the extraordinary wave of electronic communication, multimedia developments and information technology advances present-day society is experiencing (Hawkins, Leventhal & Oden 1997:1). The remarkable advances in technology have benefited hundreds of companies worldwide, but have also spelt the ruin of those not able to keep up.

For tourism, technology is indisputably a commodity the industry cannot do without. Interactive electronic technology can potentially unify the tourism industry, which historically has been characterised by many fragmented small and medium enterprises. New information technologies hold the power to foster global collaboration, cooperation and strategic alliances within the

industry, along with new marketing opportunities. The influence of technology on the tourism industry will be discussed in more detail later in this chapter.

2.2.1.5 Political factors

The political changes in South Africa in 1994 received worldwide coverage (Bennett 1997:104) and have created an interest in the country. However, the violence, high crime rate and overall instability in the country are not conducive to tourism growth and impact negatively on tourism in general. The weakening of the rand, on the other hand, is a factor that encourages international tourists to travel to South Africa because our currency is seen as having a favourable exchange rate for overseas visitors (Jackson 2002a) because it is regarded an inexpensive destination.

Now that factors that influence demand have been established, it is necessary to examine how demand is determined.

2.2.2 Determining demand

McIntosh et al (1995:297) mention that vital demand data which can be used by suppliers of tourism services to measure demand include the number of tourist arrivals, the means of transportation they used, how long they stayed and in what type of accommodation facility, and how much money they spent. Each of these points will now be discussed in terms of the South African tourist market.

2.2.2.1 Number of tourist arrivals

In 2001, the total number of tourist arrivals to South Africa was 5,78 million (South African Tourism 2002). The top 10 long-haul source countries in 2001 include the UK, Germany, the USA, France, Australia, Italy, Belgium, Switzerland and India. The top 10 short-haul source countries in 2001 include Lesotho, Swaziland, Botswana, Zimbabwe, Mozambique, Namibia, Zambia, Malawi, Angola and Kenya.

In January 2002, Statssa released information on the purpose of tourist visits to South Africa that month. The results were as follows (www46, 2002): holiday tourism – 398 451, business tourism – 32 425 and health tourism – 531. As can be inferred from these results, holiday tourism to South Africa is the most popular reason for visiting this country.

2.2.2.2 Means of transportation of tourist arrivals

Most overseas tourists arrive in this country by air transportation, since South Africa is a long-haul destination. This can be seen from the results released by Statssa (www47, 2002), namely that the total number of overseas arrivals by air amounted to 111 293, arrivals by rail totalled 67 and arrivals by road amounted to 18 246.

2.2.2.3 Length of stay and in what type of accommodation

The average length of stay of tourists in South Africa was 10 days (South African Tourism 2002). By region, visitors from neighbouring countries spent eight days in South Africa, and visitors from the rest of Africa, 19 days. Europeans stayed about 15 days, North Americans and Australasians 14 days, and Asians approximately 13 days.

As mentioned in the previous chapter, hotels seem to be the most popular form of accommodation, as indicated by a South African Tourism survey in 1999. This survey indicated that 63% of foreign tourists stayed in hotels, 20% stayed in game lodges, 19% preferred B&B accommodation and 14% preferred guesthouses (www48, 2001).

2.2.2.4 Amount of money spent

The revenue generated from overseas tourists increased between 1999 and 2000 by 21,3% to R14,8 billion (South African Tourism 2002). The amounts spent in 2001 varied according to source country. Tourists from North America spent approximately R16 242, Asian tourists about R11 010, European tourists R10 137 and tourists from the rest of Africa roughly R8 958. Tourists from Australasia and countries neighbouring South Africa spent approximately R8 239 and R3 635 respectively.

2.2.3 Seasonality of tourism demand

Seasonality of tourism demand is the tendency of tourist demand to be concentrated into relatively short periods of time. In other words, demand for tourism tends to fluctuate throughout the year. The demand for tourist facilities and amenities is at its greatest during peak seasons (Youell 1998:17).

Seasonal fluctuations have serious repercussions for destination areas. Areas that cannot sustain year-round tourism are unable to provide full-time employment opportunities and may need to close at certain times of the year. This causes problems when the peak season arrives, since such

establishments may find it difficult to recruit enough staff with the correct qualifications to cope with the large influx of tourists and uphold standards of customer service.

Another problem is that tourism enterprises encounter financial difficulties because fluctuations in demand influence cash flow, day-to-day management and future planning.

Many techniques have been devised to try to minimise the effect of seasonality (Youell 1998:18). These include differential pricing, targeted marketing, changing the product mix and altering promotional techniques. Each of those will be briefly discussed in terms of tour operators in South Africa.

2.2.3.1 Differential pricing

Differential pricing is a technique whereby reduced rates are offered at periods of low demand (Youell 1998:18). This allows tour operators to offer packages at lower rates during certain seasons thereby spreading demand between peak seasons.

2.2.3.2 Targeted marketing

Tour operators need to identify customers who prefer to take trips out of season. They will then be able to develop appealing products and services to suit the potential clients' needs (Youell 1998:18). A worthwhile segment to target is pensioners because they are no longer restricted by work leave or school holidays and also benefit from lower rates.

2.2.3.3 Changing the product mix

Tour operators can offer some tours that can be taken at any time of the year and during any season. This will help to curb the influence of seasonality.

2.2.3.4 Altering promotional techniques

Brochures are currently used as the principal marketing tool, especially by tour operators (Pender 1999:256), mainly because tourism services are considered to be intangible and brochures bring some tangibility to the product. Distributing brochures and promotional items to highlight off-season events and tours could be a beneficial way to encourage tourists who were previously not aware of these available services to try them.

Although the influence of demand, determinants of demand and seasonality of demand have already been discussed, at this stage it is necessary to consider trends in the demand for travel,

since these will determine how the industry will have to adapt to meet tourist demands in the future.

2.2.4 Trends in the demand for travel

Tour operators have been adjusting their products to meet the market's changing tastes and demands (Bridges 2001:175). This can be seen by the move away from mass tourism and the provision of tour packages for one market to tailoring packages to suit the variety of travel needs. Differentiating customers by their needs and then catering for those needs individually is a new tendency showing a move from mass tourism marketing to segmentation to a focus on the individual (Bergsma 2001:248). Bearing in mind that the environment is dynamic and people constantly change, tour operators will have to continue adapting their products according to their customers.

The following trends are apparent in the travel packages being offered:

- Consumers are looking to buy shorter and more frequent vacations. The increasing number of two-income households is generating more discretionary income and creating new opportunities for more travel (Peattie & Moutinho 2000:20). However, dual-income households have less leisure time, thereby increasing the demand for holidays of five days and less, unlike the traditional two-to three-week holidays.

- Escorted tours are far more flexible and less rigid. The realisation that people are individuals has increased the trend for tailor-made tours.

- The average age of tour customers is declining. Demographic change will inevitably shift the age profile of the customer base and may require substantial modifications to facilitate design and tour packaging. Younger people increasingly regard tourism as a natural part of either their own formal or informal education (Peattie & Moutinho 2000:20) or as an interval between stages in their education. Hence there is a constant increase in the number of young tourists.

- World demographics will continue to evolve predictably, with wealthy nations experiencing ageing and stabilising populations of developing countries. The impact of this on global travel patterns will need to be carefully monitored (Moutinho 2000:11). The composition of the tourist population will alter with increasing proportions of senior citizens (Moutinho 2000:3). This will determine the types of holidays sought and how far elderly tourists are prepared to travel. Demographic change may require new incentives to link tourism services to other services such as health-care requirements (Peattie & Moutinho 2000:18).

- More tours and packages emphasise doing rather than seeing. A growing demand for active holidays has led to adventure tourism and golfing tours.
- More independent travellers are buying packages. With the introduction of the Internet, tourists are no longer relying as heavily on travel agents as in the past. They are confident enough to search the web themselves and find accommodation, book flights and decide where they want to go on holiday.
- Customers are not planning vacations very far in advance. Owing to busy lifestyles and schedules that are constantly changing, potential tourists tend not to plan vacations far in advance. Also, because the booking process has been simplified tremendously, it is easier and faster to arrange a holiday on short notice.

As can be seen from the above, tourist demand for a destination is a crucial factor that tour operators need to consider. They have to constantly adapt to changes in demand, usually because of demographic change. The role that tour operators play in satisfying this demand will now be discussed.

2.3 TOUR OPERATORS

Thomas Cook, an entrepreneur in tourism, pointed the way towards the industrialisation of tourism (Baum 1996). By packaging the tourist experience, that is, offering a combination of accommodation, transportation and entertainment prebooked at one fee per person, he recognised the complexity of assembling the diverse components of tourism, which include accommodation, transport, meals and excursions (www49, 2002). To ensure that tourism components are put together in a structured fashion, tour operators evolved to do just that.

In short, a tour operator is a business which transports paying tourists on scheduled itineraries (www50, 2002). In South Africa these businesses usually own vehicles to transport tourists and the owners of these enterprises often accompany tour parties.

There are three categories of tour operators, namely inbound, outbound and domestic (local) tour operators. For the purpose of this study, only inbound tour operators will be studied, although, all three types of operators will be briefly explained.

Inbound tour operators (also known as land operators) arrange itineraries and assemble the components of group tours on behalf of outbound travel agents located in overseas source markets (March 2000:14). Hence inbound tourism involves all activities associated with tourists visiting a country from overseas (Pender 1999:6). The inbound tour operator does not come into contact with the traveller. However, in South Africa (as in Australia) many inbound tour operators employ their own tourist guides rather than contract this critical tourism contract to outside companies that may be reluctant to ensure the delivery of a quality service (March 2000:14).

Outbound agents may be tour wholesalers, conference and incentive organisers, retail travel agents or travel companies that create group travel programmes for sale to end-users. Outbound operators deal with residents of a country travelling overseas (Pender 1999:6). Domestic tour operators are concerned with people who travel within their home country (Pender 1999:6).

The tour operator trade is characterised by relative ease of entry, high velocity of cash flow, low return on sales and the potential for high return on equity (McIntosh et al 1995:139). Consequently, the investment necessary to start such a business is small, making it relatively easy for anyone to start a tour operating business. This is rather unfortunate, because companies without the necessary permits and insurance operate countrywide and are hazardous to tourists and the tourism industry. Illegal operators who enter the market without meeting the legal requirements are adversely affecting the South African tourism industry and as a result, the market is becoming overtraded. SATSA was established to try to curb this problem and have set certain requirements that need to be fulfilled to operate a successful tour operator business. The requirements for operating as a tour operator in South Africa will now be discussed.

2.3.1 Requirements for operating as a tour operator in South Africa

SATSA represents the private sector organisations which service the incoming Southern African tourism industry, that is, inbound tour operators. Probably the first and foremost requirement recommended by SATSA is that drivers transporting paying passengers on public roads are required by law to have a road transportation permit and a professional driving permit (PDP). The application for the PDP is subject to a medical examination and a check for any criminal convictions (www51, 2002). Such drivers must also have a valid driving licence for the size vehicle they intend to drive.

The company must be either a registered private limited company or a registered close corporation. Sole proprietors are not eligible for membership. This is to ensure a sense of sustainability and longevity. Tour operators also need passenger liability insurance. The minimum is R5 million per vehicle per occurrence. These basic requirements are essential to insure against accidents and possible injury. If the company does not possess passenger liability insurance, it can be sued for large sums of money in the event of accident or injury.

The first year of membership to SATSA is a provisional membership only and is subject to SATSA approval of the full membership (www52, 2002). Membership of SATSA is advisable to ensure that minimum service standards are adhered to and the SATSA application form requires the applicant to sign an agreement to abide by the SATSA Code of Conduct, protecting clients against malpractice.

Consequently, SATSA membership can be used as a marketing tool (by placing the membership logo on brochures and websites) providing tourists with an assurance that certain standards are being maintained. This is especially comforting for overseas tourists who recognise the logo and know they are in good hands.

Another requirement is that a tour operator may not drive his/her own vehicle (acting as a courier with paying guests) without being registered as a tourist guide (www53, 2002). A discussion of tourist guides follows.

2.3.1.1 Tourist guides

At present, it is assumed that guided tours largely cater to inexperienced travellers who are attracted by the safety and security of travel within a guided tour experience (Weiler & Ham 2001:258). However, some visitors are motivated by the opportunity to sample a new experience for which they lack either the specialised skills, local knowledge or suitable equipment and transport and the opportunity to learn something.

The role and function of a tourist guide is to organise, inform and entertain tourists (Collins 2000:23). Guiding is rewarding and offers opportunities to travel and meet a wide variety of people. Key characteristics of a tourist guide include maturity, an outgoing personality, smart appearance, physical stamina, sound general knowledge, organisational skills, flexibility and a genuine interest in people (Collins 2000:23).

Tourist guides can be freelance or self-employed. Since this study concentrates on tour operators, we can predict that the tourist guides they make use of are driver-guides employed by tour operators or self-employed tourist guides who have their own tour operating companies or freelance tourist guides who do not necessarily own a vehicle and who are not permanently employed by tour operators, but who join the tour as needed.

In terms of the Tourism Amendment Bill (which was approved in 2000) a national register of tourist guides will soon be created (www54, 2002). A National Registrar of Tourist Guides will be appointed, whose duties will include preparing a code of conduct and ethics of tourist guides, monitoring trends in the tourism industry and assisting in the growth of the tourist guide industry by the training and registration of tourist guides (Stuart 2000). Part of the Bill states that ex-prisoners may not be tourist guides.

In South Africa, the driver of a vehicle transporting tourists has to be a registered tourist guide. If he/she is not a registered tourist guide, the tour party has to be accompanied by a registered tourist guide (www55, 2002). Tourist guides must be registered with THETA or the Field Guide Association of South Africa (FGASA), as discussed in chapter 1.

There has been brief mention of the beneficial relationship that could exist between accommodation establishments and tour operators. Firstly, hotels and guesthouses will be discussed and subsequently the relationship with accommodation establishments in the tourism industry.

2.3.2 Accommodation establishments

The tourist accommodation industry in South Africa provides a wide spectrum of accommodation. The types of accommodation utilised by tourists range from hotels, VFR, self-catering units, B&Bs, holiday resorts, farms, game lodges, guesthouses and country houses. It was decided to concentrate on guesthouses and hotels in the Gauteng area because they have the potential of a beneficial two-way relationship with tour operators, as will be revealed in subsequent sections.

Hotels and guesthouses were defined in chapter 1. However, the method used to grade them will be briefly discussed. For the benefit of tourists new to an area, grading systems have been established throughout the world. They basically function for guesthouses and hotels as SATSA does for tour operators – protecting consumers and promoting companies with certain standards.

In South Africa the Tourism Grading Council of South Africa (TGCSA) was appointed in September 2000 to look at standards in the hospitality and accommodation industry (www56, 2002). It aims to determine a new regulatory framework for the grading and classification of all establishments within the various sections of the tourism industry.

TGCSA is the official national star grading scheme under a mandate from the Minister of Tourism and legislated in the Tourism Act (Rothman, pers comm, 11 July 2002). The grading system was set up with the support of Tourism Stakeholders in South Africa and is a section 21 company (a nonprofit organisation). The new and voluntary grading system will use the internationally recognised star insignia to rate accommodation establishments and will subsequently be used to rate relevant businesses in classified sectors of the tourism industry. Once graded, establishments will be encouraged to use the star system for marketing and advertising purposes.

Anith Soni, chairman of TGCSA, said in an interview that the grading system will be based on a star classification from one to five (Council to help tourism 2000), and that it would initially include the accommodation sector and eventually tour operators, food and beverage outlets, tourist retail, transport and tourist venues. The council will institute a consumer feedback mechanism with the private sector to ensure that the consumer's perspective is taken into consideration in grading (Robertson 2000).

Grading assessors from all over South Africa will undergo training to receive the National Certification in Tourism Grading (a world-first). Accreditors will then be accredited with THETA and registered with the Grading Council before being recommended to the industry (www57, 2002).

The grading system is relatively new in South Africa, and unfortunately as yet not many guesthouses and hotels belong to it. The TGCSA hopes in future to include all sectors of the tourism industry, which will greatly facilitate maintaining high standards of service throughout the tourism industry.

2.3.3 Relationship with accommodation principals in the tourism industry

In tourism, the service encounter with a customer may occur during a journey stretching from one side of the globe to the other and back again. The whole planet is the "factory floor" of the tourism industry (Peattie & Moutinho 2000:17). Since tourism occurs in such a vast area, it is

wise to make use of the knowledge and expertise of tourism service suppliers in different areas. This gives rise to the need for tourism suppliers to establish on-going relationships with other tourism suppliers. In business-to-business relationships, transactions are not ad hoc decisions but occur in the context of on-going relationships between the parties concerned (March 2000:12).

Tour operators may be seen as providing services to two groups. The first group is the customers (tourists) and the second group, the tourism suppliers over the spectrum of the industry, such as accommodation providers (Vospitannik, Litteljohn & Arnot 1997). The main objective of tour operators is to match demand with supply while ensuring sufficient quality to enable them to prosper.

Abundant tourism supply, in terms of tourists, in many destinations worldwide combined with lower growth in demand, enables both customers and the travel trade to increase their bargaining power over suppliers. Since tour operators control both transportation companies and retailers (travel agencies) they have established themselves as channel leaders of the distribution channel (Buhalis 2000b:117-118). The industry competes mainly on a cost advantage basis. The quest for more efficient distribution will lead to new alliances between firms. This study will concentrate on the relationships between tour operators and accommodation establishments and the services they render to them.

Benefits available to accommodation establishments are that tour operators include them as part of their tour package and use them on a regular basis for tours to the area in which the accommodation establishment is situated, thus deriving repeat business. Tour operators may in turn benefit because accommodation establishments may refer clients to tour operators for transfers to and from the guesthouse or hotel. They could also recommend and promote tours offered by tour operators.

Hotels, guesthouses and travel agents constantly struggle to innovate and conceive new business strategies to meet the ever-changing travel needs and diversity of demands from the increasingly discerning traveller (Wong & Kwan 2001). Therefore, if they have an established relationship and form a simple alliance, they could together attempt to satisfy these changing needs.

Conflicts between hotels and tour operators are frequent in the tourism industry (Buhalis 2000b:117). A major difference between small, independent and large, mass tour operators can be observed (Buhalis 2000b:118) because of their dissimilar strategies. Most conflicts are

generated by mass operators rather than small, niche ones. Hoteliers often regard small operators as partners and even friends. They tend to concentrate more on quality, and normally have higher quality standards and very loyal customers. Some of their products are specialised and often have specific requirements (for which they are prepared to pay). The large, mass tour operators attempt to increase their profitability by enlarging their market share and volume by offering inexpensively priced holiday packages (Buhalis 2000b:117). In contrast, hotels have to balance the volume of clients they serve with their average room rates in order to maximise yield and achieve a reasonable return on investment.

2.3.4 Selection of tourism suppliers

March (2000:15) conducted a series of in-depth interviews with inbound tour operators to gain an understanding of the attributes they considered important when selecting tourism suppliers. During the interviews, the buyers stated that they evaluated different suppliers in different ways (March 2000:15). Some factors were more significant when deciding between hotels, for instance, but far less important when considering other supplier types (such as coach companies or restaurants).

As suggested by March (2000:19), they considered the following factors when choosing hotels:

- The supplier operates 365 days a year.
- The supplier has 100% public liability insurance.
- There is long-standing relationship with the supplier.

In future, tourism and travel services will be heavily influenced by developments in information technology (Peattie & Moutinho 2000:27) – hence the discussion of technology and its influence on tourism in the sections to follow.

2.4 INFORMATION TECHNOLOGY AND THE TOURISM INDUSTRY

Information technology (IT) is undoubtedly the single biggest factor that contributes to an operator's competitiveness (Affolter 2001:241). IT is not only the key to lower operational costs and higher productivity, but also opens up new avenues in marketing (as will be discussed in the next chapter).

Since new technologies give rise to new sales and distribution systems (Moutinho 2000:8), in the years to come, electronic distribution will lead to dramatic structural changes (Moutinho 2000:9). Traditionally, potential clients had to go to branch offices to make travel arrangements. This has almost completely been replaced by telephone bookings (Moutinho 2000:8). Of course, on-line bookings over the Internet are now becoming increasingly common. The influence of new technology on the tourism industry will now be examined.

2.4.1 The influence of new technology on the tourism industry
No other worldwide industry has become so deeply affected so quickly by the new
e-commerce economy as has tourism (Bridges 2001:7). A new way of shopping for holidays at shopping centres has emerged – clients walk up to a kiosk, give the employee operating the computer the criteria for their holiday and then watch their options on a TV screen (Moutinho 2000:9).

Technological advances in transportation are expected to affect the tourism industry positively, making worldwide travel easier and more comfortable (Peattie & Moutinho 2000:30). The "world shrinking" technology (made possible by shorter travel periods) reduces the psychological distance of long-haul destinations and may dramatically alter the pattern of tourist flows, which should be good news for businesses operating in South Africa. Plans for a high-speed rail link between Pretoria and Johannesburg have been set in motion to decrease travel periods and increase customer satisfaction (Fynn 2001).

New communication technology and the quest for more efficient distribution will encourage the formation of strategic alliances among all segments of the travel industry (Peattie & Moutinho 2000:28). Tour operators and accommodation establishments will thus find it highly beneficial to link reservation systems or have a continuous relationship which will benefit both parties.

2.4.1.1 Virtual reality
Virtual reality tourism is likely to stimulate people's desire to visit places in actual reality. Virtual reality is the representation of reality on computer (Morath 2000:327). At the very least, visual (usually three-dimensional) and acoustical aspects are present. Sensor gloves are often utilised to replace the steering of a device. Virtual reality is likely to be used as a marketing tool within the travel industry rather than a serious substitute for it (Peattie & Moutinho 2000:30).

Intangible tourism services cannot be physically displayed or inspected at the point of sale before purchasing (Buhalis 1998:411). They are bought before their time of use and away from the place of consumption. They therefore depend exclusively upon descriptions provided by the travel trade for their ability to attract customers. Hence, virtual reality has the potential to encourage tourism by providing a tangible method to choosing a holiday destination. Potential tourists will be able to "test" a holiday by virtually experiencing it, using sensory gloves and a headset. They experience what the destination is like and are able to make better decisions about where they choose to spend their holiday.

2.4.2 The influence of new information technology on tour operators

Travel agents have been in trouble since the birth of the Internet. However, tour operators are doing better, because they are more eager to earn a higher return on travel by selling it as part of a complete package (which still pays more on the total trip price) (Bridges 2001: 175). Several airlines have eliminated travel agency commissions to make online ticketing more attractive (Maselli 2002). The airlines are prepared to negotiate performance-based commissions with high-volume travel agencies but not with smaller agencies. They have to offer value-added services to justify their fees (Maselli 2002). Tour operators are considered to be channel leaders and have buying power, so they still have a huge advantage.

Constant new consumer expectations force tour operators to continually develop new products at attractive prices (Affolter 2001:244). These products have to be flexible so that they can be tailored individually according to the clients' liking. The complexity of handling such products requires sophisticated IT systems which provide quick and easy access to products with user-friendly booking and order-processing procedures.

2.4.3 Disadvantages of technology

According to Moutinho (2000:9) teleconferencing may reduce business travel by 25% over the next 15 years. It has made some impact as a substitute to routine business contacts and for connecting disparate parties who cannot meet physically (Peattie & Moutinho 2000:30). However, because the prevailing business culture stresses the importance of interpersonal relationships, it is unlikely to result in substantial substitution within business travel.

Using the Internet allows customers to "bypass" the travel trade and arrange customised packages by direct contact with suppliers (Peattie & Moutinho 2000:28). In some ways this is advantageous for tour operators if travel agents are the suppliers who are by passed, but, if

tourists are booking with accommodation establishments, they may be at a disadvantage. This is where the relationship with accommodation establishments is important, because they could refer the tourists to be picked up at the airport by the tour operator or they could recommend certain tours offered by tour operators.

As far as virtual reality is concerned, there is a potential threat that technology may become a substitute for tourism. A "virtual holiday" can be experienced using a personal computer (PC) (Peattie & Moutinho 2000:30). Although the cost of travel will be greatly reduced, the total travel experience is not in the least as exciting as travelling in reality. The possibility of this totally substituting the tourism trade is slim.

Advances in technology in a labour-intensive industry such as tourism are disadvantageous for the labour market. Some say that increased use of technology will require highly-skilled labour, whereas others argue that computer technology may increase the demand for a "de-skilled" labour force (Peattie & Moutinho 2000:31).

2.4.4 Managing technology

Computers will continue to develop and technology will continue to evolve and improve (Peattie & Moutinho 2000:30). However, the question is whether the infrastructure supporting them and the users purchasing and using them will be able to keep up with all the advances. At present, evidence seems to suggest that technological progress is outstripping the ability of purchasers and users to adapt and the infrastructure being able to cope (Peattie & Moutinho 2000:31). Paradoxically, the more powerful and complicated technology has become, the more user-friendly and inexpensive it is, thus enabling more people and organisations to take advantage of it (Buhalis 1998:409).

A major challenge for tour operators is to implement these new technologies and combine them with the requirements of potential travellers and their changing consumer behaviour (Affolter 2001:241).

Much of the future structure of the hospitality industry will depend upon how technology will merge with the skills and demands of the user and infrastructure to support the demand for tourism.

2.5 SUMMARY

Tour operators need to do research into the question of why people travel. South Africa competes as a long-haul tourist destination and must realise that having a good product is not enough in a globally competitive market. The reasons why tourists travel to South Africa need to be determined to enable tour operators to design tour packages accordingly – hence the above discussion of the reasons and demand for travel.

The manner in which tour operators attempt to satisfy the tourist to South Africa was discussed, as well as the importance of establishing a relationship with accommodation establishments. The benefits of having such a two-way relationship were explained. Lastly, the influence that information technology has on the tourism industry and its future complications were examined and discussed in the South African context.

CHAPTER 3: MARKETING COMMUNICATION METHODS

3.0 INTRODUCTION

Successful management of an organisation's communications with its customers, intermediaries and other publics is essential (Pender 1999:242). Without proper marketing communication a well-designed and manufactured product could go unnoticed no matter how agreeable the price. Different marketing communication methods are used to make sure that the product or service being produced is noticed.

Marketing is an essential part of travel and tourism because of the issue of seasonality. Fluctuations in demand have to be overcome since high costs are incurred when products remain unsold (as discussed in ch 2). Thus potential clients need to be informed of the tourism products in order for them to be sold.

Communication is closely linked to marketing. In essence, communication is the sending and receiving of messages. In traditional marketing, much of the communication is one way – that is, messages are designed to be delivered to a target audience in a way that will have some desired impact, but no feedback is possible. These one-way communication techniques are also known as nonpersonal communication methods. In more contemporary views, communication is used not only to impart information but also to create a dialogue, that is, two-way communication (Duncan 2002:15). This communication method is referred to in this text as *personal communication*.

If the concepts of marketing and communication are combined, it can be said that marketing communication describes the combination of methods used to communicate with targeted consumers (Pender 1999:241). It is the collective term for all the communication functions used in marketing a product (Duncan 2002:15), such as advertising, public relations, sales promotion, direct-response marketing, interactive media and personal selling.

The combination of marketing communication tools chosen greatly affects the success of the marketing communication effort (Pender 1999:242). It is often extremely difficult to decide which marketing communication tools to choose from since there are many tools, each with numerous strengths and weaknesses. The aim of this chapter is therefore to discuss each

marketing communication method and its application to the tourism industry where possible. Strengths and weaknesses as well as new methods will be discussed where applicable.

The discussion starts with an explanation of the communication model. An exploration of the marketing mix, consisting of product, price, distribution (place) and an introduction to marketing communication (promotion) ensue. Since the study focuses on marketing communication, personal communication methods, namely direct marketing, interactive media and personal selling and nonpersonal marketing communication methods, that is, advertising, sales promotion and public relations, are discussed at length. The chapter concludes with brief comments on the uniqueness of tourism marketing.

3.1 COMMUNICATION MODEL

Communication is a process whereby a commonality of thought needs to be developed between the sender and receiver so that communication can occur (Shimp 2000:117). As can be seen from figure 3.1, the communication process involves eight elements – a source (or sender), encoding, a message, a channel, a receiver, decoding, the possibility of noise and feedback.

FIGURE 3.1: The communication model
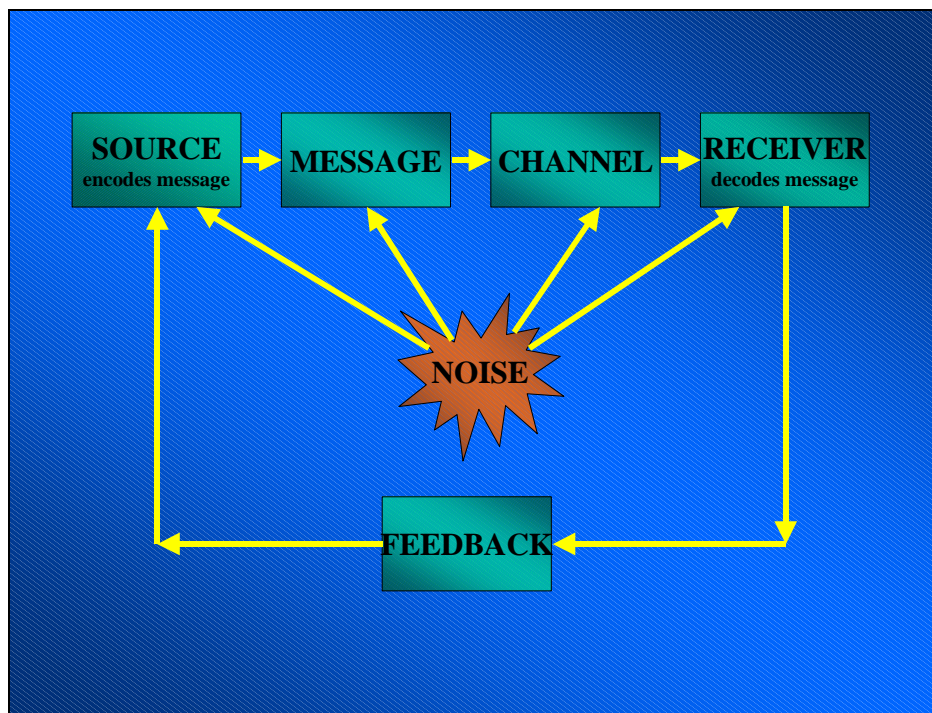
Source: adapted from Shimp (2000:118).

The source (either a person or an organisation) has thoughts and ideas to share and thus needs to encode a message. Encoding is the process of putting a message into words, pictures and/or sounds that convey the sender's intended meaning (Duncan 2002:125). The message (or information being transmitted from source to receiver) is itself a symbolic expression of the sender's thoughts. The message is transmitted through a certain communication channel to the receiver.

The message can be sent in two ways – either through a personal or nonpersonal channel of communication (Belch & Belch 2001:143). Personal channels of communication are direct interpersonal (face-to-face) contact with target individuals or groups. Nonpersonal channels are those that carry a message without interpersonal contact between sender and receiver (as in the case of mass media, such as television, radio or magazines and newspapers). The receiver is the person or group of people with whom the sender intends to share ideas. Once the encoded message has been received by the receiver, he/she will proceed to decode the message.

Decoding is the process the receiver goes through to understand a message by interpreting what the words, pictures and/or sounds in the message mean (Duncan 2002:126). The main aim should be that the receiver receives the message as the sender intended. Decoding is heavily influenced by the decoder's frame of reference (Belch & Belch 2001:144) – in other words, the background against which behaviour of a particular group can be evaluated. Effective communication is more likely to be effective when there is some common ground between the two parties.

Unfortunately the communication process is often disrupted because of interference or noise. Noise consists of all the interferences and distractions that can negatively affect a message and its transmission and may occur during any stage of the communication process. Noise may also occur because the fields of experience of the sender and receiver do not overlap (Belch & Belch 2001:144). Lack of common ground may result in improper encoding of the message, possibly using a sign, symbol or word with a different meaning to that of the receiver.

Once the message has been sent and is decoded by the receiver, feedback may be obtained. Feedback is a response to a message that is conveyed back to the source (Duncan 2002:127). Feedback allows the source to determine whether the original message was received accurately or whether it needs to be altered to send a clearer message to the receiver.

Communication can take place in two forms, either one-way communication or two-way communication. One-way communication occurs when the message is sent to the target audience but no response is possible – hence the term "nonpersonal communication". On the other hand, two-way communication is able to receive feedback and create a dialogue between the company or its sales representatives and the target audience.

Now that the communication process has been explained, it is possible to review the marketing mix. The marketing mix is used to communicate information on the company and its product offering to the target market.

3.2 THE MARKETING MIX

The marketing mix represents the organisation's marketing offering and consists of the controllable variables that the organisation puts together to satisfy the needs and desires of the target market (Bennett 2000:198). The target market is a fairly homogenous group of consumers to whom the organisation wishes to appeal and direct its market offering.

FIGURE 3.2: The marketing mix for services

Source: adapted from Burnett & Moriarty (1998:5).

The traditional marketing mix has four components, namely, product, price, place and promotion. As proposed by Bennett (2000:198), the marketing mix for services consists of seven components, that is, the four traditional components and processes, people and physical evidence (see fig 3.2), after which each component will be discussed.

3.2.1 Product

Products or market offerings are the basis of any business, which is why the product can be regarded as the reason for marketing (Wells, Burnett & Moriarty 2000:69). If there were no product (or service) there would be nothing to sell. A company aims to make the product different and better in a way that will cause the target market to favour it and even pay a premium price for it (Kotler 1999:97).

The term "product" refers to the bundle of attributes and features, both tangible and intangible components offered by a firm (Burnett & Moriarty 1998:34). Tangible components are, for example, product size, colour, shape and packaging. Intangible components include style, image, prestige and brand name.

The tourism product may comprise a place, service, tangible products or experiences. The tourism product can be thought of either as the total tourism product (the total holiday package consisting of accommodation at various hotels and different types of transport used) or that of the individual producer (a specific hotel or a particular museum) (Bennett 2000:207). The producer of a tourism product needs to think about the product at three levels, that is, the core product, the tangible (actual) product and the augmented product (see fig 3.3). The three product levels are explained below.

3.2.1.1 Levels of the product concept

The core product is at the centre of the total product and can be described in terms of technical and physical qualities (Cronjé et al 2000:199). It is the essential benefit or need as perceived and sought by the customer. In terms of a holiday, the core product could, for instance, be relaxation or entertainment. In terms of a physical product, it could be a five-door sedan with electric windows and a five-speed gearbox.

FIGURE 3.3: Levels of the product concept

LEVELS OF THE PRODUCT CONCEPT

CORE PRODUCT

ACTUAL PRODUCT

AUGMENTED PRODUCT
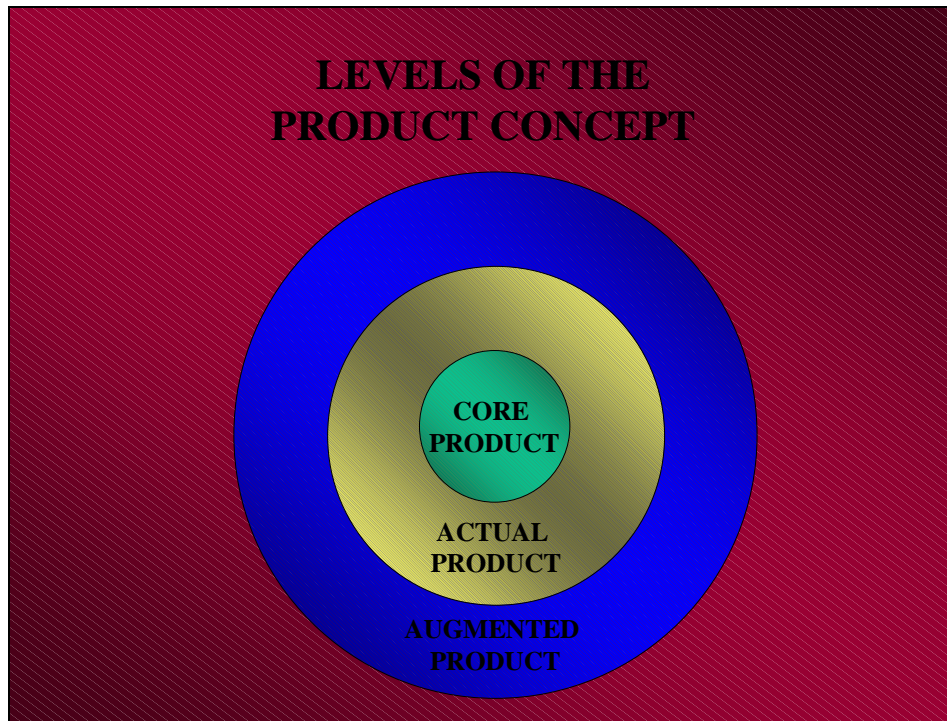
Source: Bennett (2000:208).

The actual product is the tangible, formal product, which may include specific features such as style, quality, brand and packaging. If the product is a holiday, the actual product would be, say, a Contiki Tour (brand) to Europe with features such as use of exclusive hotels only. In terms of a physical product, it could be a Volkswagen Golf IV.

The augmented product surrounds the core and actual product. This symbolises the availability of additional customer service and benefits, such as aftersales service, warranties, installation and delivery. The augmented product expresses the idea of value added over and above the formal product offer. In terms of tourism, the augmented product is difficult to define. It comprises the difference between the contractual essential of the formal product and the totality of all the product's benefits and services experienced by the customer, from the moment of first contact to any follow-up contact after delivery and consumption of the product. In terms of a physical product, it will be whether the Volkswagen comes with a guarantee and service special. In terms of the tourism service, it could be a service delivered at a higher quality than expected.

FIGURE 3.4: Product classification
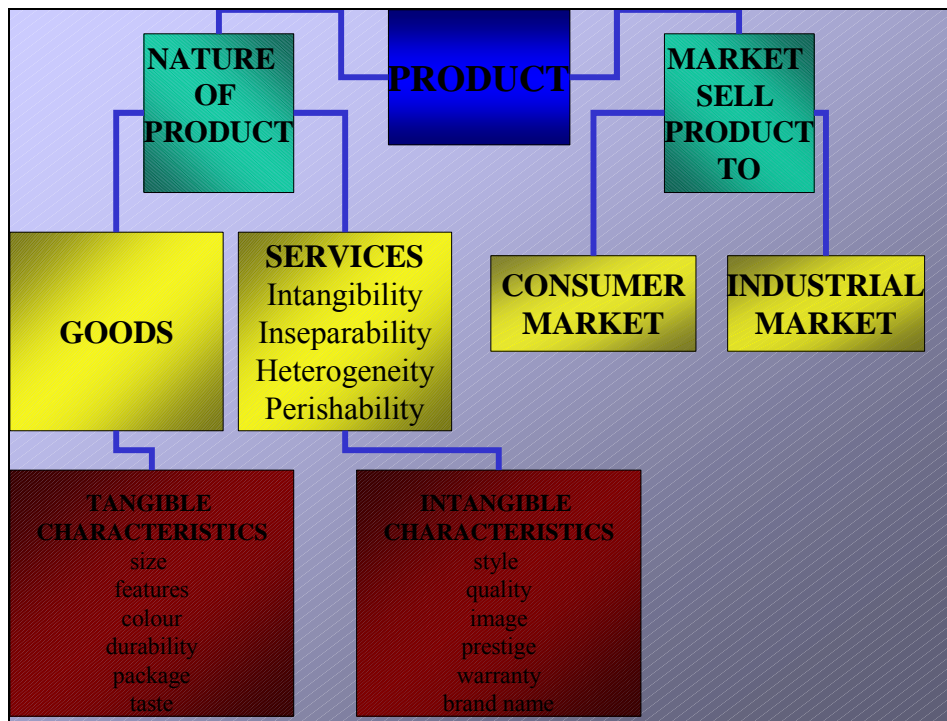
Source: adapted from Burnett & Moriarty (1998:38).

Products can be classified into two groups (see fig 3.4). Firstly, the market to which the product is sold (consumer or industrial), and secondly, the nature of the product, that is, whether it is a good, service or idea (Burnett & Moriarty 1998:36). If the product is sold to the consumer market, it will be marketed and distributed differently compared with an industrial product. The nature of the tourism service product will first be discussed, followed by the market to which it is sold.

3.2.1.2 Nature of the product

Goods are tangible products, whereas services are intangible (Burnett & Moriarty 1998:36). To distinguish whether a product is a good or service, the dominant characteristics need to be examined. For example, at a hotel, the dominant product is not the hotel room, but rather the right to stay in the hotel room that is bought for one night. Food and drink and curios may be bought, but nothing tangible of the room is taken home. In the case of a tour, the dominant product is the experience and not the site visited. The museum or attraction cannot be bought, but the right to visit it is bought. Hence, because its dominant products are intangible, tourism can be regarded as a service.

Service products are commonly distinguished from goods products by four characteristics, namely intangibility, inseparability, heterogeneity and perishability.

- Intangibility means that service products cannot be tasted, felt, seen, heard or smelt (Burnett & Moriarty 1998:37) prior to their purchase and consumption. Furthermore, customers can usually only show a receipt, souvenir or photograph as evidence that they actually had a certain experience (Weaver & Oppermann 2000:213). Therefore the marketing communication programme must highlight benefits derived from the service. Clients are at risk because once the product has been consumed, it cannot be returned. To reduce the perceived risk by potential clients, service providers attempt to provide tangible clues about what the customer can expect from the product and the provider, thereby creating confidence in the service. This could include a clean and professional office setting, clean transport vehicles, uniformed staff or glossy brochures.

- Inseparability is the characteristic of production and consumption occuring simultaneously (Weaver & Oppermann 2000:214). Many services need to be executed with the customer present because many tourism services are delivered in real time and customers have to be physically present to receive the service (Pender 1999:176). A customer needs to visit the attraction in order to gain from experiencing it. He or she must be at the holiday destination or the restaurant, otherwise the service cannot take place. In the tourism industry, customers are often involved in the creation of the service (Pender 1999:175).

- Heterogeneity alludes to the fact that it is virtually impossible to standardise the service product or predict the quality of the service delivered, since service may vary from one day to the next and from one service producer (employee) to another. Each producer/consumer interaction, even if it is in the same area of service, is a unique experience that is influenced by a large number of human factors such as mood or fatigue (Weaver & Oppermann 2000:214). Thus training is essential in service industries for staff. Tourists also require "training" because they need to be sensitised to patterns of appropriate behaviour at a destination, for example, respect for a certain culture.

- Perishability means that service products cannot be stored for consumption at some future point in time (Weaver & Oppermann 2000:215). Also, demand levels are difficult to forecast. Marketing communication thus attempts to encourage consumers to use service products in a

more predictable pattern. Tourists are often awarded for making the services required more predictable, for example, a discount is offered if they book far in advance of their planned travels.

3.2.1.3 Product market

When classifying the product according to the market to which it is sold, there are two categories (Burnett & Moriarty 1998:39), namely consumer products or industrial products.

(1) Consumer products are products purchased for personal or family consumption with no intention of resale (ie the tour operator sells the travel package directly to the consumer).

(2) Industrial products are products purchased by an organisation or an individual that will be used to make another product, or will be distributed to an industrial consumer for a profit or to meet a business objective (eg the tour operator sells a travel package to a travel agent who then sells it to the consumer at a profit).

To plan a successful marketing communication programme, it is essential for marketers to know what type of product they will be marketing (in terms of a tangible or intangible product) and whether it is a consumer or industrial product. The classification often dictates different communication strategies.

Adding to the complexity of the tourism product is the fact that it is fragmented and the overall experience is likely to be made up of many component parts (Pender 1999:220). The tour operator commonly packages a number of products and sells the finished package to the customer (usually through a travel agency). It is unlikely that the tour operator will own all or any of the elements included in the package (travel agency, flight, coach transfer, hotel, restaurant), which is usually the case in traditional distribution channels.

3.2.2 Price

Price is the value the seller and buyer assign to the product (Burnett & Moriarty 1998:53). However, price has different meanings for sellers and buyers. To the seller it means a series of cost components and an expected profit margin. The price a seller sets for a product is based not only on the cost of making and marketing the product, but also the seller's expected profit level (Wells, Burnett & Moriarty 2000:74). The price charged is based on what the market will bear, the economic well-being of the consumer, the relative value of the product and on what the competition is doing. For the buyer, it is a calculation of the price for comparable products, the

expected price, perceived risk and the need for the product. Thus the price at which a product is sold has to be a compromise between what the buyer is willing to pay and what the seller is willing to sell the product for.

Since pricing information is often a key factor in motivating consumers to act, information about pricing is probably the most important message that can be transmitted to consumers (Burnett & Moriarty 1998:54). The main difference between price and the other three marketing mix elements is that it produces revenue, whereas the others create costs (Kotler 1999:99).

Communicating affordability constitutes an important pull factor in drawing tourists to particular destinations (Weaver & Oppermann 2000:230). Price discounts, rebates and coupons are price adjustments intended to spur purchase. For consumers and industrial buyers, price bundling is a good motivating factor. Price bundling is the practice of selling multiple units of a product or combination of complimentary products for a lower total price than if sold separately. When used in tourism, a product package is sold which includes airfare, transport, accommodation, entertainment and meals, usually at a lower rate than if each component were to be purchased separately.

In South Africa it is still rare for rates to be quoted in dollars or euros only, which is common in other developing countries with weak currencies (Mathews 2002). When rates are quoted in other currencies as opposed to local currencies, domestic tourism seems to slow down because the price is perceived to be expensive by local travellers.

Weaver and Oppermann (2000:231) suggest four main categories of pricing techniques, namely profit-oriented pricing, sales-oriented pricing, competition-oriented pricing and cost-oriented pricing. Each of these will be briefly explained:

(1) Profit-oriented pricing is a pricing technique aimed at profit maximisation and return on investment.
(2) Sales-oriented pricing focuses on consumer sales. This pricing technique can be divided into five subcategories, namely market orientation, maximisation of sales volume, market share gain, market penetration and prestige pricing, each of which will be briefly mentioned.
   a) market orientation: the pricing strategy is based on prices that the market is willing to pay

b) maximisation of sales volume: how to obtain the most sales

c) market share gain: increase market share by aggressive promotion or reduced prices

d) market penetration: gain an entry to the market by charging a low initial entry prices

e) prestige pricing: maintain high prices as a signal of outstanding quality

(3) Competition-oriented pricing uses competitor behaviour as the major criterion for setting prices. This is a reactive approach and may involve matching competitors' prices or maintaining price differentials at a level above or below that of competitors.

(4) Cost-oriented pricing bases pricing structures on actual cost of providing the goods or services. Costs are first established and then an appropriate profit margin added – hence cost-based pricing involves adding a percentage mark-up to estimated costs. Cost-based pricing is suitable when production costs are unpredictable and in markets in which price competition is not severe (Rowley 2001:139).

Once a product has been designed and a price has been decided upon, it is necessary to get the product to the consumers to be sold. This can be facilitated by using a distribution channel. Place (distribution) is the next marketing instrument to be discussed.

3.2.3 Place

Place is an important consideration because tourists must travel to the destination in order to consume the tourist product (Weaver & Oppermann 2000:229). The people and institutions involved in moving products from producers to customers make up the channel of distribution (Wells et al 2000:72). The channel accomplishes all the tasks necessary to effect a sale and to deliver products to the customer (Hutt & Speh 1998:376). Tasks include making contact with potential buyers, negotiating, contracting, transferring title, providing local inventory, transportation and storage. These tasks may be performed entirely by the manufacturer or entirely by intermediaries. In the case of tourism, since the market offering is a service, inventory and storage cannot take place because, hotel rooms, for example, if not sold for a certain night, cannot be sold again – the concept of perishability is evident.

Before distributing the product to the consumer, it should first be decided where the marketer wants to make the product available. Market coverage is discussed below.

3.2.3.1 Market coverage

It is widely accepted that there are three main channel networks for market coverage, namely intensive, selective and exclusive distribution (Pender 1999:221).

(1) Intensive distribution occurs when the principal uses as wide a network of distributors as possible to sell products. This type of distribution is suited to products with a broad market appeal and high-volume sales.

(2) Selective distribution entails the use of a limited number of retailers or outlets. This type of distribution leads to economies of scale by concentrating on those intermediaries who achieve the best results for the principal.

(3) Exclusive distribution allows the marketer to choose to restrict availability and accessibility for the purpose of image. This is crucial to the success of an exclusive distribution strategy. Such a distribution channel is suited to companies with highly specialised products and little competition.

Once it has been decided what type of market coverage the company seeks, it should be decided which type of distribution will suit the appropriate choice of market coverage strategy.

3.2.3.2 Type of distribution

Goods can be sold directly to consumers or may reach them indirectly through middlemen, also known as intermediaries (Kotler 1999:103). Direct distribution takes place when the manufacturer sells directly to the client. The Internet has made direct selling even easier for companies. In the case of indirect distribution, the product is distributed through a channel structure that includes one or more resellers. This leads to a variety of channels. One, for example, is the classical distribution channel: manufacturer to wholesaler to retailer to consumer. The distribution channel in tourism can be better explained by studying figure 3.5 and comparing the traditional distribution channels with that of a tourism distribution channel.

Traditionally, manufacturers manufacture products which are sold to a wholesaler, who breaks the bulk, resells it to the retailer, who then sells the product to the consumer (the chart on the left of fig 3.5). However, many alternative distribution channels can be used. Figure 3.5 shows that the traditional route may be followed, but that there are many alternatives, specifically tourism-related, which will be explained below.

a) Principals

In terms of tourism (the chart on the right of fig 3.5), principals exist and act as manufacturers because they provide the basic tourism products. However, although tour operators, in their role as suppliers of a service, do not actually perform a manufacturing function, they may combine different elements for resale as a package, which closely resembles the role of the manufacturer. Tour operators could act as principals or as wholesalers (because they purchase individual elements of a package in bulk and sell them). In terms of the distribution channel, the principal (eg the hotel or restaurant) could sell their product directly to the consumer without any intermediaries. Alternatively, the principal could either eliminate only the wholesaler or only the retailer from the channel.

FIGURE 3.5: Distribution channels in the travel industry compared with other industries
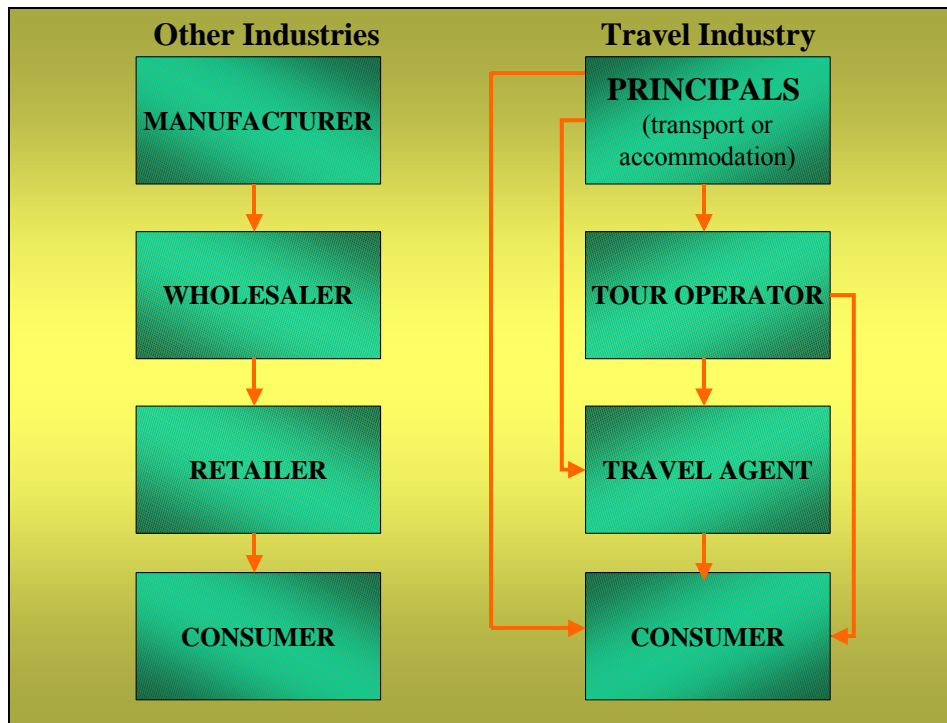
Source: Pender (1999:222).

The intermediaries discussed in figure 3.5 have a vital role to play in the tourism industry. Their role will now be elaborated on.

b) Intermediaries

In tourism, intermediaries may be tour operators and travel agents. Tour operators are wholesalers and travel agents are retailers (as discussed in ch 1). Tour operators or wholesalers break bulk, but unlike manufacturers, also add to the individual elements. Tour operators do not function as traditional wholesalers since they do not sell the elements of a package to travel agents and travel agents do not keep the elements in stock. Instead, it is the information about the created packages that is distributed to retailers (travel agents), and finally to consumers. Tour operators act as a form of wholesaler for principals, negotiating for different components of packages and assembling these. This helps principals to distribute their products. Tour operators can sell their products through travel agents or directly to consumers.

Another alternative is to use domestic and/or foreign intermediaries. This means that either a local and/or foreign tour operator or a local and/or foreign travel agent can be sought. This would mean establishing relationships with domestic and foreign tour operators and travel agents. Domestic intermediaries are located in the country of the producer (Hutt & Speh 1998:405), whereas foreign-based intermediaries are located in other countries other than that of the producer. The critical drawback of domestic intermediaries is that they lack proximity to the foreign marketplace (Hutt & Speh 1998:405). Foreign-based intermediaries have the advantage of close and constant contact with the marketplace.

Selling and distributing tourism products is somewhat complicated because the tourism product is a service. The distinctiveness of the tourism product will be explored below.

3.2.3.3 Distinctiveness of tourism distribution

The distinctiveness of services distribution can be examined by considering some of the characteristics of services (these characteristics were discussed at length in sec 3.2.1) such as inseparability, intangibility, perishability and ownership (Pender 1999:220).

- *Inseparability.* In some cases, the person distributing the tourism product will not be an employee of the principal – hence the need for good coordination. The consumer will see the activity of the distributor, but not the principal. If the distributor does not perform the service as the principal intended, this may have a negative effect on the principal, even though the principal has no control over the distributor's activities. A service channel frequently relies on other resellers, which means that these related services have to be translated by the service

provider into a benefit for the consumer. For example, tour operators are at the mercy of airlines, hotels, bus drivers and tourist guides to provide services to their customers. To ensure quality, the company provides the service by negotiating arrangements with each service channel member and monitoring their delivery (Burnett & Moriarty 1998:53).

- *Intangibility.* Since no actual physical product is distributed, communication and distribution of information becomes paramount (Pender 1999:220). Attempts are made to provide tangible evidence of the service through photographs in brochures or gifts representing an image that could be associated with the service.

- *Perishability.* Owing to the inability to store services for future sale, creating a means to distribute unsold services at the last minute becomes vital (Pender 1999:220).

- *Ownership.* Consumption does not result in ownership of anything (Pender 1999:220). Since services are only rented or consumed, additional challenges are created or those responsible for taking the service to consumers and making it accessible to them.

Once the market coverage and type of distribution and intermediaries have been decided upon, it is necessary to reflect on how a product is sent through the channel. This is done by push and pull strategies.

3.2.3.4 Push and pull strategies

A clear distinction can be drawn between push and pull strategies. The aim of push strategy is to push the product or service to the customer via any intermediary being used (Pender 1999:248). Healthy relations will be built with intermediaries and sales promotions will be aimed at them rather than consumers (see fig 3.6).

The aim of pull strategy is to pull the customer to the distributor, which may involve heavy expenditure on consumer advertising or other promotional activities to attract the attention of consumers and make them demand the product or service (Pender 1999:248). Tour operators advertise their brochures in main media and possibly include an invitation to consumers to visit a travel agent and request the brochure or request it directly from the tour operator (see fig 3.6). In other words, the consumers want to purchase the product and if it is not available from the intermediary, they will go to another intermediary who has their product. This results in the first intermediary losing business.

FIGURE 3.6: Push and pull strategy
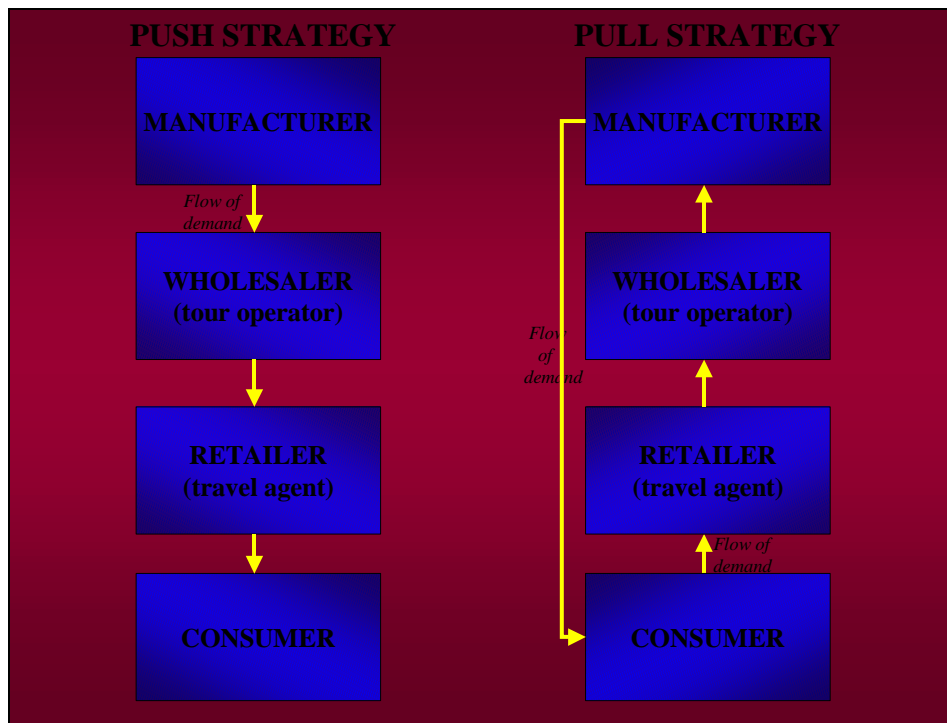
Source: adapted from Burnett & Moriarty (1998:318).

It is essential to allow consumers, firstly, to be informed of the existence of an organisation's product and secondly, to be constantly reminded that it exists. Promotion can be used for this purpose.

3.2.4 Promotion

Promotion or marketing communication is the final element in the marketing mix (Wells et al 2000:75). It is intended to send marketing-related messages to a selected target audience and to persuade consumers to purchase the product. It therefore covers all those communication tools that can deliver a message to a target audience (Kotler 1999:106). Since this particular marketing instrument is the main focus of this study, it will be discussed at length in section 3.3.

The above marketing instruments can be regarded as the four traditional elements of the marketing mix. Three additional elements have been discovered through research and these will now be briefly discussed.

Customers are inseparable from any service delivery process. In this instance, the service process is tourism related, so the fifth marketing instrument, "process", will now be discussed.

3.2.5 Process

Customers are concerned with the outcome of a service and the process of service delivery (Bennett 2000:228). Thus there are two components of process, namely process of delivery and outcome. Process of delivery refers to the way in which the customer is treated or the experience he or she has, whereas outcome refers to the end result of a service (whether or not the tourist enjoyed the guided tour and learnt something). When designing a service, it is imperative for the service delivery process to be designed around the visitor's requirements and not around the service provider's requirements. In other words, the customers should receive the service they want. Modern customers require service that is orderly, fast, uniform, organised and convenient (Bennett 2000:228).

People are probably the principal component in the service delivery process because they have to be present for the service to be delivered. The marketing mix element "people" will now be discussed.

3.2.6 People

Three groups of people need to be considered, namely direct customers, employees and other visitors (Bennett 2000:226). Customers and their needs are the primary focus of marketers, even though marketers seldom come into direct contact with customers - it is the operations people who serve them. During the service delivery process, customers are either actively or passively involved in the process, but still need to be present. Tourism marketers must clearly define the amount of expected customer involvement and thus recruit visitors who would be comfortable with the roles they have to perform. There are three levels of customer participation in the tourism service, namely low, medium and high (Bennett 2000:306).

- *Low level of involvement (passive participation).* Hotel guests are expected to perform a passive role when staying at hotels. The services are generally standardised and delivered regardless of any individual purchase.
- *Medium level of involvement.* Travel agents require a medium level of customer participation. Customers must provide inputs (what type of tour they want and where) in order to create a standardised service to meet customer requirements.

- *High level of involvement (active participation).* Active customer participation is required in order for the customer to obtain the desired benefits. For example, in a white-water rafting adventure tour, the customer has to be in the raft and may even be required to paddle down the river. He/she therefore actively participates in the service.

To attract customers who would be willing to perform certain roles, marketers should educate customers to perform the roles effectively (Bennett 2000:228). This can be accomplished by visitor orientation programmes, written literature (magazine articles or brochures), directional cues or customers can observe employees or other visitors. Alternatively, travel agents could clearly explain to customers what to expect and what is expected of them while participating in the tourism service.

Service quality in the tourism industry is heavily reliant on its employees. This implies that tourist organisations need to recruit the right employees, train and motivate them, compensate them according to their inputs and empower them by allowing them to make suggestions for improvement of service levels. When screening job applicants, the organisation must consider both their technical skills (specific skill required to do a particular job) and their service inclination, that is, their interest in doing service-related work (Bennett 2000:309). Once recruited, proper staff training is imperative. Without training in a tourism-related organisation it is impossible to exceed customer expectations on a continuous basis.

The role other visitors (not direct clients of the company) fulfil is a vital consideration for tourism marketers. Such visitors may detract form the service delivery process, compelling marketers to attempt to attract compatible customers to the establishment. For example, having a group of teenagers and retired people at a museum at the same time could prevent the older tourists from enjoying the trip because the youngsters are rude or noisy. Should the organisation decide to attract different types of visitors (who may be incompatible), it would be wise to separate such visitors physically or in terms of time (Bennett 2000:228). For instance, smoking and nonsmoking restaurant patrons are physically separated by means of partitioning whereas tourists and business travellers staying at hotels are separated by time (tourists over the weekend and business travellers during the week).

The final component to be discussed is physical evidence as part of the marketing mix for tourism services.

3.2.7 Physical evidence

As mentioned earlier, tourism services are essentially intangible, so customers often rely on physical evidence in the service environment to evaluate the quality of a service. The physical environment can also influence customers' choices, expectations, behaviour and satisfaction with the tourism organisation.

The physical environment may be regarded as lean or elaborate (Bennett 2000:229). A lean physical environment has little tangible evidence as in the case of tourists seeing only a tour bus and never the actual office. In contrast, an elaborate physical environment has extensive physical evidence, such as a hotel where the décor, staff uniforms, furniture and rooms indicate the type of establishment in question.

According to Bennett (2000:313), the physical environment consists of three main elements, namely ambient conditions, space and layout dimensions and signage, symbols and artefacts. Each will now be briefly discussed.

- Ambient conditions are all the elements that the customer experiences through his/her senses. This may include temperature, noise, music or the odour of the environment. Ambient conditions are especially important when customers share a confined space, as in the case of a tour bus.
- Space and layout dimensions are the spatial layout of the service facility such as furniture or equipment.
- Signage, symbols and artefacts comprise on-site signage (usually at tourist attractions), personal artefacts (certificates, photographs) and décor.

Each of the seven components of the marketing mix for services has now been discussed. These seven components are summarised in table 3.1 below.

TABLE 3.1: Summary of the seven components of the marketing mix

Product	Price	Place	Promotion	Process	People	Physical evidence
Physical features	Flexibility	Channel type	Advertising	Flow of activities	Employees	Facility design
Quality level	Price level	Market coverage	Sales promotion	Number of steps	Customers	Equipment
Accessories	Terms	Interme-diaries	Publicity/PR	Level of customer involvement	Communi-cating culture and values	Signage
Packaging	Differen-tiation	Transport ation	Direct Marketing		Employee research	Employee dress
Warranties	Discounts	Storage	Interactive marketing			Other tangibles
Product lines	Allowances	Distributi on channels	Personal selling			(reports, business cards, statements, guarantees)
Branding						

Source: adapted from Bennett (2000:31-32).

Now that background has been provided on communication and the marketing instruments as an orientation to this chapter, marketing communication will be discussed in detail, beginning with the role of marketing communication, then, personal marketing communication methods, followed by nonpersonal marketing communication methods.

3.3 THE ROLE OF MARKETING COMMUNICATION IN THE MARKETING MIX

Marketing communication is the process of effectively communicating product information or ideas to target audiences (Burnett & Moriarty 1998:3). To communicate the marketing message effectively, companies must realise that everything they do can send a message. Product, price and distribution can communicate information to audiences. Marketing communication is therefore the element used to showcase important features of the other three components of the marketing mix to increase the odds that the consumer will purchase a product.

The four traditional elements in the marketing mix are the four categories of strategic decision making in a marketing plan. A marketing plan is a document that analyses the current marketing situation, identifies current market opportunities and threats, sets objectives and develops action

plans to achieve the objectives (Burnett & Moriarty 1998:4). Each element has its own strategies and objectives.

The five factors found in all marketing communication are persuasion, objectives, contact points, stakeholders and marketing communication activities (Burnett & Moriarty 1998:4). Since this study focuses on marketing communication activities, they will be discussed at length in terms of tourism where applicable. Firstly, a brief discussion of persuasion, objectives, contact points and stakeholders is necessary.

- *Persuasion.* All marketing communication tries to persuade the target audience to change an attitude or behaviour or provide information. Marketers can persuade in a variety of ways, including providing incentives, giving reasons why a product should be purchased or supplying information on a certain product. Marketers also actively listen to the concerns of people in the market.
- *Objectives.* All marketing communication is goal directed. Generally, marketing communication objectives involve creating brand awareness, delivering information, educating the market and advancing a positive image for the brand or company. The ultimate goal is to help sell the product to keep the company in business.
- *Contact points.* These are points where the consumer and product/company come into direct contact with each other. Successful marketing requires managing and coordinating marketing messages at every contact point the brand or company has with its target audience (Burnett & Moriarty 1998:5). Although marketers can plan formal contacts (such as advertising or direct marketing), unplanned contacts take place frequently and relay informal messages that audiences infer. To be successful in communicating positive messages, companies need to ensure that messages at every contact point work together so that they persuade consumers to purchase products.
- *Stakeholders.* A stakeholder is anyone who has a stake in the success of a company or its products. Various parties can be regarded as stakeholders, for example, customers, shareholders, employees, distributors, suppliers and the media.

As mentioned previously, marketing communication sends messages, ideas and information to target audiences. To communicate the marketing message effectively, companies must realise that everything they do can send a message. Planned and unplanned messages can be sent into the environment.

Planned messages take the form of marketing communication tools, for example, advertising, sales promotion, public relations, direct marketing or personal selling (Burnett & Moriarty 1998:7). Unplanned messages, however, include all the other elements associated with the company or brand which are capable of delivering implicit messages to consumers (Burnett & Moriarty 1998:8). Examples of this could be presentation of facilities and equipment, transportation, response service, crisis management or word of mouth. The difference between planned and unplanned messages is depicted in figure 3.7.

FIGURE 3.7: Planned and unplanned marketing communication

CLASSIFICATION OF MARKETING COMMUNICATION MESSAGES

Sources of planned messages	Sources of unplanned messages
Direct marketing Interactive media Personal selling Advertising Sales promotion Public relations	Employee gossip & behaviour Facilities Transportation Response services Crisis management Media & government investigations
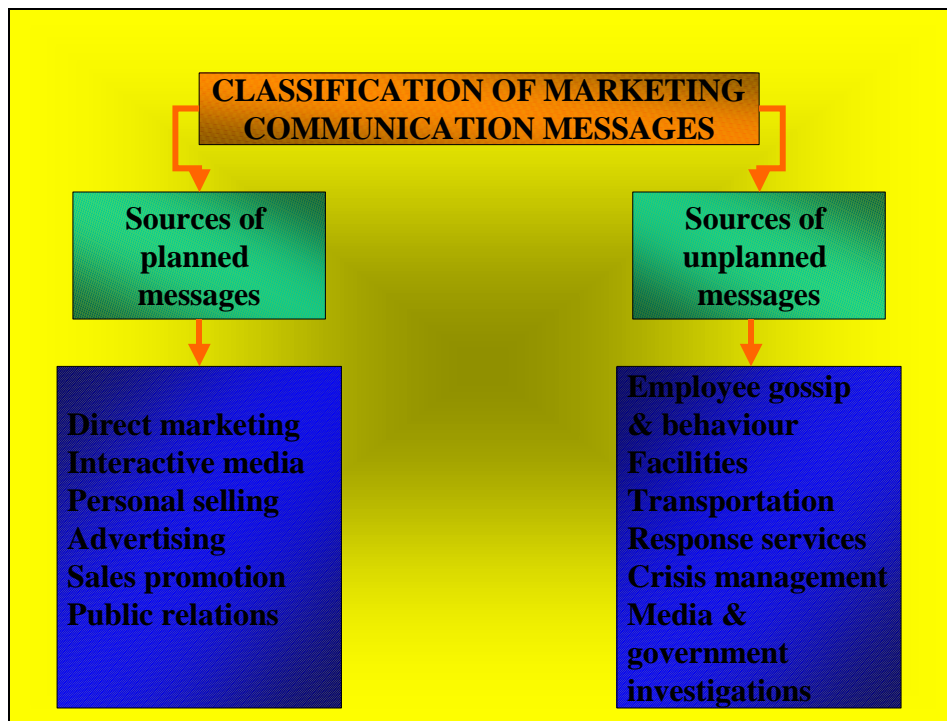
Source: adapted from Burnett & Moriarty (1998:9).

Planned messages can be further subdivided into personal and nonpersonal marketing communication (see fig 3.8). The discussion of marketing communication methods begins by describing personal marketing communication methods, followed by an explanation of nonpersonal communication methods. Although this study concentrates on planned messages, it is felt that word-of-mouth (an unplanned message) is also an important aspect of communication messages to consider. Since tourism is an intangible product, word of mouth gives clients some assurance of their purchase. This will be discussed at the end of this section.

FIGURE 3.8: Planned messages
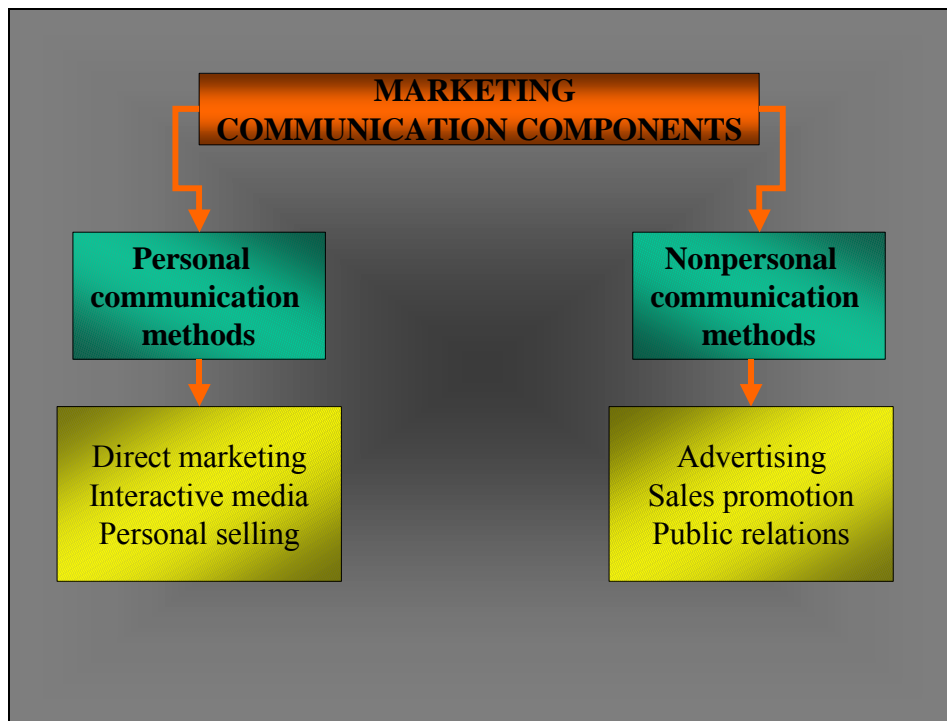
Source: adapted from Burnett & Moriarty (1998:23).

3.4 PERSONAL MARKETING COMMUNICATION

Personal communication channels involve two or more persons communicating directly with each other (Kotler 2000:560). This may be face to face, person to audience, over the telephone or via e-mail. There are many alternatives which will be discussed in the sections to follow. The strength of personal communication lies in the fact that it creates opportunities for tailoring the message to the person to whom it is being delivered, and also that immediate feedback can be received. The discussion begins with direct marketing, followed by interactive media and personal selling.

3.4.1 Direct marketing

Direct marketing is an interactive marketing communication tool that uses one or more advertising media to obtain a measurable response and/or transaction at any location (Burnett & Moriarty 1998:378). Using direct marketing, organisations communicate directly with target customers to generate a response (Belch & Belch 2001:17).

FIGURE 3.9: Direct marketing
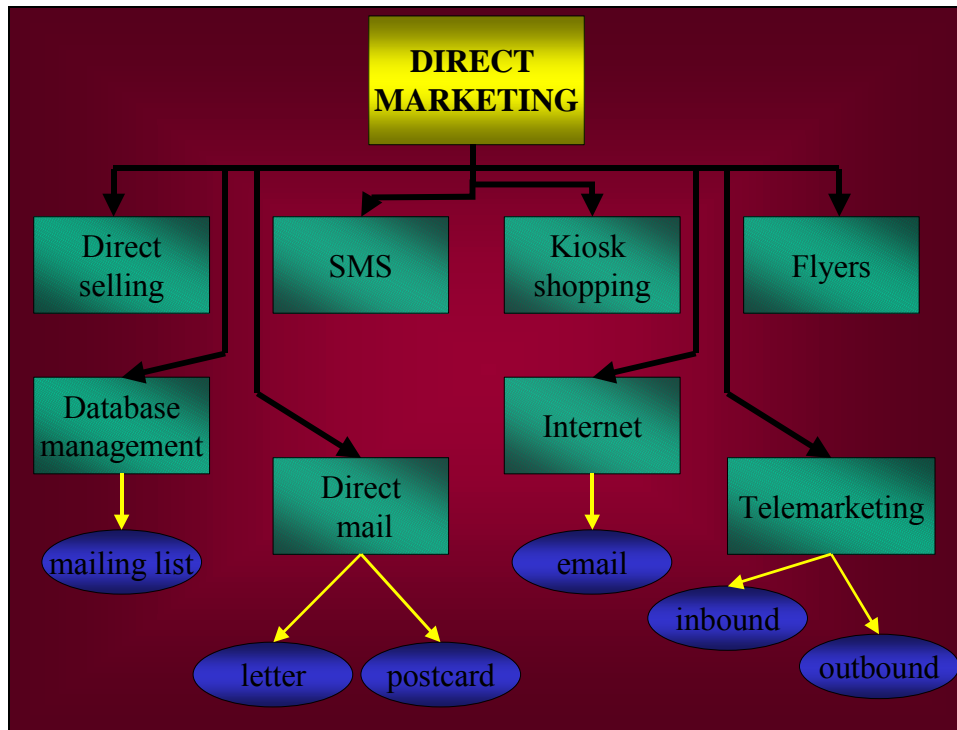
Source: adapted from Burnett & Moriarty (1998:378-400), Belch & Belch (2001:471-505) and Duncan (2002:377-429).

Direct marketing uses a set of direct-response media (Belch & Belch 2001:19; 471) or addressable media (Duncan 2002:377), such as direct mail, interactive television, direct selling, telemarketing, e-mail and the Internet (see fig 3.9 for the direct marketing techniques to be discussed in the sections to follow). These media are the tools that direct marketers use to implement the communication process. Direct-response media carry messages to identifiable customers or prospects and can be used to send brand messages to specific geographic and electronic addresses. Direct marketing communicates directly with customers through targeted media rather than through mass media (Burnett & Moriarty 1998:381). Direct marketing relies primarily on media, not a sales person, to generate a lead. According to Pender (1999:270), George (2001:244) and Cravens (2000:355), direct marketing techniques essentially involve marketing the product directly to the consumer without the involvement of a middleman or intermediary. This allows the marketer to gain direct access to the buyer.

Communicating effectively with new and existing customers can unlock the power of a company's database marketing to give it a competitive edge (Unlocking power of database

marketing: personalised communication 2002:22). Advances in technology allow companies to mass-market products and services with personalised communication, aided by database marketing. The managing director of Matrix Marketing, Steve Trehair said in an interview that database marketing has the added advantage of accountability. It can be measured to determine its cost-effectiveness and success or failure.

The three main goals of direct marketing are for the recipient to open messages, read them and place an order (Nichols 2002). To ensure that the messages are opened in the first place, it is necessary to develop a database with the names and addresses of relevant potential clients. The effectiveness of direct marketing depends largely on the development of a database (George 2001:244). Consequently, before marketers decide on certain tools to implement their direct marketing strategy, they need to establish a database.

3.4.1.1 Database marketing
Database marketing is the use of specific information on individual customers or prospects to implement more effective and efficient marketing communications (Belch & Belch 2001:475). The main reason for establishing a database is to develop communication and ultimately relationships with customers (Pender 1999:272).

In essence, database marketing involves the collection, accumulation and analysis of data on customer behaviour and characteristics (Weaver & Oppermann 2000:238) for the purpose of contacting customers and transacting business. The database contains information about customers and prospects that has been collected over a considerable period of time (Burnett & Moriarty 1998:385). Once this information has been analysed, database marketing can be used to facilitate the retention of existing customers, engage in further product promotion and recruit a new customer base more effectively.

To develop a database, it is necessary to obtain a mailing list. A mailing list is a list of customer or prospect names, addresses, phone and fax numbers and e-mail addresses (Burnett & Moriarty 1998:387). It contains no behavioural information (such as purchasing patterns and purchase history). Detailed information on the target market is captured and stored in a marketing database (López 1999:36). The captured data are used to drive communication through a range of media targeted directly at customers and prospects. At the very least, the database contains only names and addresses (Belch & Belch 2001:475), but more sophisticated databases include information

on demographics, purchase transactions and payments, personal facts and even credit histories. The mailing list can be generated internally or purchased externally.

There are three sources of information for databases (George 2001:244). Firstly, a database can be purchased from a direct marketing company or mailing house. Secondly, government statistics can be used. Thirdly, information held within the company (consumer records, till slips, consumer service questionnaires, consumer bookings or enquiries) can be collected.

Once the list has been obtained, it needs to be continually refined with information on the recency, frequency and monetary value (RFM) of purchases. Other relevant information such as method of payment, where the clients live, what they purchase, how long they have been customers and their last date of purchase can also be entered into the database. Customer attributes such as lifestyle or past purchasing behaviour can be recorded and help to forecast likely future consumption (Pender 1999:272). Details of all enquiries, purchases and transactions can be used to produce profiles which will be of use to marketers and may be supplemented with additional external information. López (1999:36) demonstrated how this can be implemented through the example of a study showing that hotels and resorts have implemented a new technology that enables member hotels to track the personal preferences of guests and customise direct-marketing to individuals. This information network is called Guestnet and allows participants to tap into the central database for guest histories to help to create special packages and promotions. The study also indicated that a hotel can increase profitability by 25% if it achieves a 5% gain in repeat business. Tour operators can endeavour to implement a similar programme.

Once the database has been established, the company can use the information to its advantage. It will have demographic information, enabling it to determine a target market. It will be able to determine which direct marketing technique will work best and also where to sell its products.

A direct marketing pack can be sent once a mailing list has been created and refined (George 2001:245). A direct mailing pack may have many forms, the traditional one being a package including an introductory letter, a brochure or newsletter and a return envelope in which respondents are able to place their reply. Usually the envelopes have prepaid postage stamps attached to further encourage a response. The direct marketing pack will differ according to the media tool used, as will be discussed in the sections to follow.

Before discussing the direct marketing tools, it should be noted that there are three forms of direct marketing (Burnett & Moriarty 1998:383), namely the one-step process, the two-step process or the negative option.

3.4.1.2 Three forms of direct marketing

- *One-step process.* The consumer responds to an advertisement in a media vehicle and receives the product through the mail. A bounce-back brochure promoting related merchandise may be included with the product.

- *Two-step process.* Potential customers must first qualify before ordering the product - that is, they need to meet certain requirements. For example, if products of high value are sold, a credit check may have to be done on the client before he/she is allowed to purchase the product. Another option is for the client to qualify by paying which allows him/her to receive the merchandise.

- *The negative option.* The customer joins a plan to automatically receive unrequested merchandise at regular intervals. Initial merchandise is often offered with a free gift or discount.

Leading on from this discussion on how to set up a database and what forms of direct marketing can be used, the various ways in which a direct marketing package can be sent are outlined below.

3.4.1.3 Direct mail

Direct mail can be sent in a variety of formats such as postcards, letters or three-dimensional packages with moving parts (Duncan 2002:609). Traditional direct mail packages contain five parts, namely an outer envelope, a personalised letter, a brochure or similar selling piece, a business reply card, a response device and another envelope with which to send the reply card back to the company (postage is usually prepaid), called the return device.

When sending direct-mail packages, everything in the package must be designed to work in harmony (Burnett & Moriarty 1998:394). The package must stand out from other mail. The mailing envelope needs to arouse interest and lead the reader to open the envelope. Hence direct marketers usually have words such as "important" or "don't delay" written on the envelope. The letter should be personalised and elicit the reader's interest. The package is usually accompanied by a booklet, brochure or flier, which gives details of the product and presents the primary

selling message. The response device is typically an order form and often includes a toll-free number. It should summarise the primary selling points and be simple to read and fill out. Finally, the return device allows the customer to return the necessary information. It could be an information request form, a completed order form or payment for the product.

Many other techniques besides the traditional direct mail package can be used. Postcards are one alternative. Postcards facilitate the possibility of being read because they get to the point, and at a quick glance, the customer can tell whether the product offering is worth considering. Companies do not know whether their clients actually open the direct-mail letters and brochures sent (Nichols 2002), but with postcards, the clients have no choice!

The advantage of direct mail is that besides allowing more detail of the offering to be conveyed, it enables the direct marketer to be more creative (George 2001:245). The material is also more likely to be sent to someone who may have an interest in the information. Since the promotional message is personalised, the chances of it being read and reinforced are greater.

Since direct mail appeals directly to an individual consumer (www58, 2002) it is imperative to locate the right mailing list and to specifically target the message to a defined audience. Direct mail also supports the salespeople because it provides them with leads from returned enquiry cards and paves the way for a first sales call (Hutt & Speh 1998:486).

3.4.1.4 Direct selling
Direct selling is the direct personal presentation, demonstration and sale of products and services to consumers in their homes or offices (Belch & Belch 2001:486). In the case of the tourism industry, it involves tour operators making appointments with hotels or guesthouses and going to each one to introduce themselves and discuss their product offerings with the owners of the establishments.

3.4.1.5 Direct marketing on the Internet
Direct marketing on the Internet is essentially an electronic version of regular direct mail (Belch & Belch 2001:511). It is highly targeted, relies heavily on lists and attempts to reach customers with specific needs through targeted messages. Recently the Internet has been fuelling the growth of direct marketing because of the convenience of shopping on a company's website. Orders are placed via e-mail, phone or online and couriered to the buyer.

a) E-mail

E-mail is an electronic mail technique to reach consumers directly (George 2001:246). Users online receive the same information as they would receive through the post, but more rapidly and conveniently. One problem with e-mail, however, is that clients could delete the message before reading it if they do not recognise the sender or if the heading in the subject line does not interest them.

3.4.1.6 Short message service (SMS)

Short message service or rather SMS is a new technique to communicate with clients. A commercial SMS can be sent in text format from one cellular phone to another using either a cellular network operator or a personal computer connected to the Internet. A commercial SMS is designed to promote the sale or demand of goods or services whether or not it invites a response from the recipient (www59, 2002). A cellular network operator in South Africa would be one of the current three national cellular service providers, namely, Vodacom MTN and Cell-C or a future network operator with SMS capability (www60, 2002).

Businesses can use this direct technique to advertise discounts and special prices and remind debtors of outstanding payments. It is possible for a business to send one message to 500 cellular phones and reach them within a minute at a fraction of the cost of a telephone call (FastNet provides PC communication 2002:6). SMS allows, say, a tour operator to send a text message to a client's cellular phone to confirm that a booking has been processed and that his/her tickets are ready to be picked up or announce a special offer to a regular customer.

SMS is a cheap, efficient and accurate way to empower suppliers and customers by providing them with information (Available options are expanding 2002). Interacting by SMS is secure because each user has a unique number. One of the drawbacks, however, is that although SMS should provide a quick way of conveying a message, traffic volumes have exceeded expectations, resulting in bottlenecks causing marketers to have no guarantee of how quickly the message will be delivered.

The use of SMS to deliver commercial messages to customers is increasing (www61, 2002). SMS accounts for 90% of data traffic on cellular networks and an increasing number of services are being introduced using the message medium (Volumes will continue to grow 2002). Even mobile phone usage in Africa is increasing (www62, 2002). The United Nations Information and

Communication Technologies task force has reported that mobile phone usage has overtaken landline installation in the past five years.

A study by Enpocket has shown that marketing information sent via SMS is now perceived as favourably as TV and radio advertising (www63, 2002). The SMS medium is viewed more favourably than direct mail or telesales.

3.4.1.7 Kiosk shopping

Kiosks, like vending machines, offer buyers the opportunity to purchase from a free-standing facility or structure located in a retail complex or public area, such as an airport (Cravens 2000:394). In some instances, an order may be placed at a kiosk but delivered to the customer's address.

DIAGRAM 2: Airline ticket kiosk
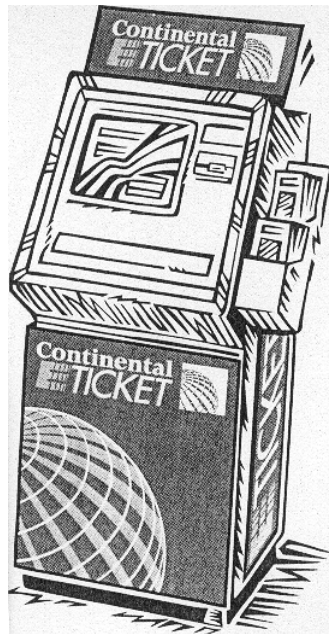
Source: Gee, Makens, & Choy (1997:203).

The advantage to the seller is exposure to many people while the buyer benefits from shopping convenience. Kiosks are best suited for selling products that buyers can easily evaluate on the strength of previous experience, such as airline or train tickets (see diagram 2).

3.4.1.8 Telemarketing

Telemarketing is the practice of using the telephone to deliver a brand message designed to create a sale or sales lead (Duncan 2002:425). Telemarketing is often used as part of an integrated marketing communications programme and seldom used as an individual promotional tool.

There are two ways in which telemarketing can be used, namely outbound telemarketing and incoming telemarketing (Shimp 2000:420). In the case of outbound telemarketing, calls originate with the firm (Burnett & Moriarty 1998:400) because it employs salespersons to phone potential clients, and therefore pays for the calls (Shimp 2000:420). The second option is incoming (inbound) telemarketing which originates with the consumer (Burnett & Moriarty 1998:400). It comprises toll-free numbers or "dial-it" numbers (Shimp 2000:420). In South Africa, the digits "0800" indicate a toll-free number. Potential clients are encouraged to call the number indicated, say, in a magazine or on a television advertisement and either place direct orders or enquire about a product. Inbound calls can be regarded as customers' responses to a marketer's stimulus (Burnett & Moriarty 1998:400).

According to Burnett and Moriarty (1998:400), telemarketing has four main applications, namely order-taking, customer service, sales support and account management. Order-taking is the traditional use of telemarketing and involves clients phoning the marketer and ordering products that have been advertised. Customer service entails the handling of complaints or initiating cross-selling opportunities by informing customers of new features, models or accessories. Sales support needs to be provided to the field sales force and can be done by means of scheduled sales calls, confirming appointments, checking supplies or maintaining credit checks. Account management replaces personal contact with customers and may inform them that their bills are due or of new products on offer.

One of the strengths of telemarketing is that it allows tourism companies to build and maintain their consumer relationships. It also happens in real time. Telemarketing is an interactive medium and allows sales calls to be personalised (Duncan 2002:427). The main advantage, however, may be that telemarketing demands attention since few people will ignore a ringing telephone.

However, it should be noted that although telemarketing can be most effective (because it is aimed at a very specific target market), telephone calls are costly, necessitating the client

database to be regularly updated. One major weakness of telemarketing is that it is extremely intrusive and thus has one of the worst images of all media because an unwanted phone call can upset even the kindest, gentlest and most mature of people (Duncan 2002:427).

3.4.1.9 Flyers
Direct marketing using flyers involves the handing out of leaflets (George 2001:246). Flyers can be effective if they are distributed at times and in places where target consumers are concentrated. Flyers usually include some type of incentive or discount to entice the reader.

The strengths and weaknesses of all direct marketing will now be examined.

3.4.1.10 Strengths and weaknesses of direct marketing
Direct marketing has many strengths such as selective reach, flexibility, personalisation, cost-effectiveness and effectiveness. Each will be briefly discussed below.

- *Selective reach.* Advertisers are able to reach a large number of people and eliminate waste coverage (Belch & Belch 2001:487). A good list allows for minimal waste and only those consumers with the highest potential are targeted.
- *Flexibility.* Direct marketing can take on a variety of creative forms (Belch & Belch 2001:487). Also, direct mail can be put together quickly and distributed to the target population.
- *Personalisation.* No other advertising medium can personalise messages as well as direct media (letters and e-mail).
- *Cost-effectiveness.* Although it may be costly to send letters with promotional materials to the target audience, minimum waste takes place and the cost per customer can be effectively measured (Belch & Belch 2001:488).
- *Effectiveness.* No other medium can measure its effectiveness as well as direct marketing.

Direct marketing, like any technique has certain weaknesses, in this instance, image factors and accuracy.

- *Image factors.* Direct marketing is often referred to as junk mail (Belch & Belch 2001:488) and will either not be read or may give an unfavourable company image if the target audience prefer not to receive direct marketing communication messages.

- *Accuracy.* Reaching the correct target market is determined by the accuracy of the lists used. People move and change occupations, which means that the list needs to be regularly updated.

Further advances in information technology have led to the development of a new type of media, namely interactive media.

3.4.2 Interactive media

According to Belch and Belch (2001:19), interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the content they receive. This enables customers to make enquiries, ask questions and make purchases. Interactive media also include CD-ROMS, kiosks and interactive television. Also known as two-way media, interactive media allow both companies and customers to send and receive messages (Duncan 2002:377) and also permit an instant exchange of information.

Communication tactics are available to maintain and manage ongoing marketing communication activities and relationships (Andersen 2001:177). Developments in information technology have made new communication options available, including the Internet, e-mail and e-commerce. Each communication option will be discussed below.

3.4.2.1 The Internet

According to Belch and Belch (2001:495), the Internet is a worldwide means of exchanging information and communicating through a series of interconnected computers. While the Internet is a promotional medium, because advertisemens can be placed and promotion incentives (such as coupons) can be offered, it can also be viewed as a marketing communication tool (Belch & Belch 2001:19).

The Internet facilitates an interactive multimedia communication network, thus radically altering the way in which firms can do business with customers and suppliers, as opposed to traditional one-to-many communication tools (Hoey 1998:32). Because of its interactive nature, it is an extremely effective way of communicating with customers. An important point is that companies use the Internet effectively integrate web strategies with other aspects of the integrated marketing process (such as advertising) to drive consumers to websites.

Wan (2002:57), mentions that the Internet can be used in two distinct, but not mutually exclusive, ways – firstly, as a source of data by which the user accesses resources purely to get information, and secondly, as a means of marketing and facilitating business transactions. It can also be used to collect primary data (for databases) either by tracking visitors to a website or by administering electronic questionnaires (Craig & Douglas 2001:88). Questionnaires can be sent via e-mail to respondents and responses returned via e-mail or entered directly into a database (as will be the case in this study).

a) Internet user growth

Although the Internet has been used since 1969 by the military, academics and a few corporate research users (Hanson 2000:4), it only became accessible to public users in 1994. It is therefore astounding to know that in November 2000 there were approximately 407,1 million users worldwide, compared with 16 million users in December 1995 (www64, 2001).

There are currently over 1,3 million dial-up Internet subscribers in Africa (www65, 2002). Of these, South Africa accounts for 75 000 subscribers, while North Africa is responsible for about 280 000. Goldstuck (2002:20) defines a dial-up user as someone who connects to the Internet via modem and on the basis of a subscription or prepaid contract with an Internet service provider (ISP). No distinction is made between dial-up accounts at offices and homes. The other alternative is a leased line which means that a company leases the Internet connection and is permanently online. This is beneficial to large companies because the cost of dialling up every time a single employee needs access to the Internet or has to send e-mails may be extremely costly.

According to an Africa Online report (www66, 2002), the number of dial-up Internet subscribers in Africa has risen by 20% in the past year. There are now about 39 countries in Africa with 1 000 or more subscribers, 20 countries with more than 5 000 subscribers and 16 countries with 10 000 or more subscribers. One should note, however, that because of the large number of shared accounts and the high use of public access services in Africa, it is difficult to measure the total numbers of Internet users on the Continent. It is estimated that each computer with an Internet connection usually supports a range of three to five users, which means that the total number of African Internet users is anywhere between five and eight million.

Africa is becoming increasingly wired according to Africa Online (www67, 2002), but access to the Internet remains limited. Of the 770 million people in Africa, one in every 150, or

approximately 5,5 million in total, now use the Internet. The number of dial-up Internet subscribers on the Continents now stands at over 1,3 million, while at the end of 2000 it stood at only one million. Of these, South Africa accounts for 750 000 subscribers. The average total cost of using a local dial-up Internet account for 20 hours a month is around US$68 per month.

From February 1997 to May 2000, Internet usage in South Africa increased dramatically, considering that 1,6% of the population used the Internet in February 1997, compared with 4,19% of the population in May 2000 (www68, 2001). A study conducted by the University of Pretoria revealed that at present, 5% of the total South African population has Internet access (www69, 2002), indicating that user access is certainly growing at an unprecedented rate. According to the Goldstuck Report 2002 (a study conducted on South African Internet usage), 2,89 million South Africans had access to the Internet at the end of 2001 (Goldstuck 2002:5). The number is expected to increase to about 3,1 million by the end of 2002. The study revealed that only one in 15 South Africans has access to the Internet. This compares negatively with the USA, Canada, South Korea, Singapore and Hong Kong, where at least one out of every two people has Internet access.

Nua Internet Surveys have researched user demographics in South Africa and show that Internet users in South Africa are more likely to be white males aged between 20 and 40 who are well educated and highly paid (www70, 2002). Nua Internet Survey of April 2001 also found that online users are more likely to go online every day at work than at home. E-mail was the primary reason for going online, followed by searching for specific information.

Since the number of Internet users is increasing rapidly, it is becoming increasingly viable to market products via the Internet. A discussion of Internet marketing follows below.

b) Internet marketing
According to Hanson (2000:85), Internet marketing involves the use of Internet technologies to reach out to customers. Internet marketing is a combination of using the Internet and marketing to sell products and advertise the company. The same basic principles as traditional marketing apply, except that everything happens at a much greater speed, and the company has to contend with others all over the world and not necessarily only with those in its direct business area. This has generated much excitement because on the Internet, small and large organisations can compete equally – in cyberspace it is difficult to determine organisational size (Hawkins, Leventhal & Oden 1997:45).

Internet marketing can be used to enhance personalisation. Personalisation raises the value of a user's on-line experience, improving customer loyalty and leading to more customer contacts (Hanson 2000:361). Having realised the astonishing growth and importance of the Internet, marketers are challenged with its effective integration into their marketing communication mix (Hoey 1998:32).

Travel and tourism organisations have been quick to grasp the potential of marketing and selling their products via the Internet (WTOBC 1999:47). They have realised that they are selling a global product, for which the Internet is ideal because it costs no more to be on sale globally than it does locally when using the Internet. The tourism industry is fast learning that the Internet can satisfy the acute need for information at all stages of the tourism product's life cycle far better than any other existing technology (www71, 2002). The Internet and its inherent interactivity empower people to find information quickly and precisely on any destination or activity that arouses their interest. Consumers expect instant information. They also increasingly seek the possibility to design or customise the tourism product sought and to pay for it online.

The fact that tourism is an intangible product before it is consumed, makes it ideal for marketing and selling online (WTOBC 1999:47). The reason for this is that because potential clients are able to view the facilities and surroundings, a great deal of information, a map and possibly a brochure or guide book can be provided by means of a website, thus making the product seem more tangible.

Some companies combine the use of CD-ROMS, photo CDs and web pages to market tours (Hawkins et al 1997:53). Tour operators are realising the cost-effective benefits of using the Internet to reach out to millions of potential consumers (across the globe).

c) Benefits of using the Internet for marketing
It is definitely far more cost-effective to use the Internet when considering business-to-business communication and marketing. Certain costs are incurred when using the Internet including the monthly subscription to an Internet service provider (ISP), the initial outlay of buying a computer, computer training, the cost of regular usage (ie the cost of a local phone call to use the Internet), and the cost of designing and regularly updating a website. However, there are other costs which will automatically be saved such as the time cost, convenience costs, and a wide variety of information, which greatly outweigh the monetary costs, thus making the Internet an effective tool.

Customer support is possible at a lower cost. It is not cost-effective to employ staff at help desks awaiting queries that never arise. Instead, clients can be encouraged to e-mail the company if they have a problem or query, if the website has not already answered all their questions. The website should be informative enough to answer basic questions in the frequently asked questions (FAQ) section. Cost reduction is more measurable and controllable than many other customer-support systems, since firms can monitor its impact on their web sites (Hanson 2000:154).

Another benefit of marketing via the Internet is that companies can trace where their customers came from, how long they spent on the website and what page of the website the visitors came to first. This is an ideal way to collect data on market needs, wants, preferences and desires (Sweeney 2000:447). Web traffic analysis software is helping tourism operations to focus on their target market as never before. It is promoting an understanding of the traffic on their website and enabling them to make the necessary changes that are critical to increasing website traffic.

Apart from these benefits, however, one should bear in mind that the web and e-communications are more effective for customer retention than acquisition (Mummert 2002). The implication here is that traditional means of informing consumers about the product should not be neglected.

d) Strengths and weaknesses of the Internet
The Internet has many strengths, one of which is that the web has the ability to target very specific groups of individuals (Belch & Belch 2001:516). Messages can be tailored to meet the specific needs of the target audience with minimum waste coverage. The Internet is regarded as an interactive medium and has strong potential to increase customer involvement and satisfaction and possibly immediate feedback. Internet users can find a vast array of information about almost any topic they are interested in by conducting a search using a search engine. Specific product information can be gained on the company's website and information is speedily available. The Internet is becoming a facilitator of sales and large potential growth is forecasted. Creatively designed websites can enhance a company's image and lead to repeat visits to the site and top-of-mind recall.

One of the weaknesses of the Internet is that there is a problem measuring the target market since there is a lack of reliability of research numbers generated (Belch & Belch 2001:517). Another weakness is that audience characteristics change quickly because of the accelerating user growth.

Clutter causes some adverts not to be noticed and some consumers may become irritated by the clutter, choosing never to visit the site again. It is easy for companies to have a good website and seem like a reputable company, but this may be deceptive. It is not possible for clients to see actual offices and employees to decide whether the company is reputable. Although the number of users is growing, the Internet is still a new medium – hence one of its weaknesses is poor reach. It cannot be used on its own as a marketing communication tool; it has to be supported by other media such as magazine advertisements containing the company logo and web address.

The two most commonly used media facilitated by the Internet are e-mail and websites (Hoey 1998:32), both of which are discussed below.

3.4.2.2 E-mail

Another feature which makes the Internet so useful for marketing communication is electronic mail (e-mail). E-mail is a communication ring where messages can flow between individual members directly or to any number of members worldwide. E-mail is one of the earliest standard Internet protocols allowing people with different computers and operating systems to communicate with one another. One-to-one or one-to-many mailings are possible through e-mail (www72, 2001).

E-mail is able to reach one or many persons and therefore has great potential as a marketing tool. It is possible to use e-mail marketing to educate sales prospects and inform them that the company and the product exist (www73, 2002). Reaching out to new customers works exceedingly well through e-mail, but it is even more powerful when companies send out periodical messages to a growing list of interested prospects and customers (Sterne & Priore 2000:6).

As a marketing tool, e-mail is one of the most cost-effective ways to maintain an ongoing dialogue with the target audience. E-mail marketing can be done using a variety of techniques (Duncan 2002:428), namely advertisements, discussion lists, newsletters, publicity and viral marketing.

- *Advertisements.* An e-mail advertisement can be sent directly to targeted clients instead of using mass media (such as broadcast or print media), thus making the message tightly targeted to specific clients. Audio and/or video formats can be included in the advertisement.

- *Discussion lists.* Hundreds to thousands of people can be included in a discussion list. Every time someone sends an e-mail, advertising messages are added to the bottom of each message sent out by persons on the list. It is therefore possible to spread the message to many people at a low cost.

- *Newsletters.* Marketers are able to send mass e-mailings set up as newsletters on brand-related topics. Newsletters are useful because they keep people informed and keep the company's name "top-of-mind". They also have the potential to generate a sale on a monthly (or weekly) basis (Sterne & Priore 2000:6). A study conducted in the USA by the Intermarket Group found that around 65% of marketers said that they planned to increase their use of e-mail newsletters. Fifty-nine percent of marketers identified direct sales as an important objective for their e-mail marketing efforts, while 56% mentioned customer relations (www74, 2002). TripAdvisor, a performance-based marketing company in the travel industry, launched a newsletter which allows travel consumers to customise the topic and timeframe for which they would like to receive e-mail updates (Metzdorf 2002). This is a highly personalised marketing communication technique. Customers are able to receive personalised e-mails with their requested search on specific hotels, attractions and cities in a timely manner as they plan their holidays. The fact that e-mail costs a fraction of what it takes to print and mail hardcopies, is accurate and quick feedback is readily available, explains why numerous small companies are embracing e-letters (Klein 2002).

- *Publicity.* News releases are distributed online to editors and those who need to know about a company's announcements. In the online community e-mail is an extremely efficient way to build and maintain relationships (Sweeney 2000:154).

- *Viral marketing.* Another clever, effortless and cost-effective e-mail technique is viral marketing. This is word-of-mouth through e-mail and can be used to refer products and services to friends and colleagues. Everything from free e-mail accounts to virtual gift baskets has a way of spreading the word about a company, because the customers are doing the spreading (Sterne & Priore 2000:6). Viral marketing (or network marketing) works on the premise that if people are interested in a product, they will be more likely to recommend it to friends and associates (Whelan & Maxelon 2001:162). The message is spread by contact in the following manner: If one person recommends the product to few friends and they, in turn, each recommend the product to some of their friends and acquaintances, soon thousands of people will know about it. This spread by "word of mouse" has huge advantages because someone else carries the costs and efforts. Companies are able to add a paragraph to the end of their e-mails which encourages customers to recommend them to a colleague or friend. An

option is provided to add the person's e-mail address. Alternatively, on the website, a link could be provided to do the same.

It has been found (by DoubleClick Inc) that e-mail marketing encourages online purchases. A study conducted in the USA found that approximately 69% of American e-mail users have made purchases on-line after receiving permission-based e-mail marketing (www75, 2002). Fifty-nine percent of American consumers have purchased off-line as a result of receiving permission-based e-mail, while 34% have purchased via a telephone and 20% have purchased via postal mail after receiving marketing e-mails.

According to research conducted by Arthur Goldstuck of World Wide Worx (www76, 2002), it has also been found that free web-based e-mail services are extremely popular in South Africa with more than 0,5 million free web-based e-mail accounts in active use in the country. A company can thus encourage customers to open a free e-mail account on their website, thereby compelling them to visit their website on a regular basis.

In the case of e-mail, as in any other marketing communication exercise, it is imperative to write a message that will attract and hold attention. To this end in terms of e-mail, attention should be focused firstly, on what is written in the subject, for this will determine whether or not the e-mail is even opened or immediately deleted (Sterne & Priore 2000:6). Making the message stand out among the hundreds of messages that are in the in-boxes of users will become increasingly more of a challenge (Salkever 2002). Once the e-mail has been opened, the marketer only has seconds to capture the reader's imagination. Attention should be focused on layout, design, personalisation and information provided. It is helpful to direct potential customers to the website by providing the uniform resource locator (URL) in the e-mail.

According to Salkever (2002), the e-mail marketing sector is growing robustly at approximately 100% to 150% per year. Compared with the stagnation or decline in other advertising media, e-mail marketing is performing well – it is inexpensive and works well. Salkever (2002) mentions that finely tuned e-mail marketing campaigns can garner seven to 12 times the response rate of comparable posted direct-marketing efforts. However, if e-mail is to continue growing and being a useful marketing tool, e-mail marketers need to avoid serving spam.

Spam is the inappropriate use of mailing lists as a broadcast medium by sending unsolicited messages to large numbers of people (Sweeney 2000:181). Spammers are polluting consumers'

e-mail inboxes to such an extent that they are compromising the medium's potential as a viable marketing tool (Forsman 2001).

Most typically, spam is created and sent by companies seeking to increase their business through the use of bulk e-mail programmes, but an individual can also send spam. No one likes receiving spam – hence it is considered rude to send it (www77, 2002).

ISPs have to update their networks to accommodate the flood of e-mail. The costs are either passed on to consumers or they affect the bottom line of the company. ISPs face escalating bandwidth costs (Black 2002). One of the main costs for advertisers, is the amount of bandwidth they buy (De Kare-Silver 2001:278). Improving bandwidth (being able to put more information down the same size communication line) and reducing on-line connection costs contribute to reducing the relative costs of delivery to consumers (Whelan & Maxelon 2001:8). If it is reported to an ISP that someone is sending unsolicited bulk e-mail, the Internet account held with the particular ISP is at risk of being closed down (Sweeney 2000:167).

In terms of South Africa's proposed e-commerce legislation, advertisers who insist on sending intrusive e-mail messages risk a fine or jail term (Stones 2002a). Under the new Electronic Communications and Transaction Act, advertisers must give consumers the option of being removed from their mailing lists. If they still bombard people with spam, despite being asked not to, they will be guilty of a criminal offence. Spammers must also reveal where they obtained the details of the recipients. The Act also compels senders to provide recipients with a return address for opting out. A recent survey of 1 200 people by Executive Summary Consulting and Quirs found that spam accounts for up to 40% of inbox traffic. Spam has also evolved into SMS. SMS advertisements sent to cellular phones are different from e-mails in the sense that cellular phones are more private than computers, making this type of spam even more intrusive.

According to Duncan (2002:427), customer permission is a vital consideration in the proper use of e-mail campaigns. An alternative to unsolicited e-mail is opt-out e-mail (Duncan, 2002:428). This is a series of messages that a company sends automatically until notified not to. However, a strategy most respectful to present and prospective customers is opt-in e-mail (Duncan 2002:428). The term "Opt-in" means that people can willingly subscribe and unsubscribe from one's e-mail list (Sweeney 2000:167). Thus e-mail is sent only to those who have indicated that they wish to receive it. Customers agree to be contacted and voluntarily provide contact information.

Companies may use offline media to invite those interested to sign on. This means that the company is able to "qualify" persons interested in the product. Secondly, when customers do sign on, companies are able to ask profile questions so that they have a better idea of their customer's demographics and lifestyle. eMarketer reports that well-executed e-mail marketing permission campaigns can have a positive impact on consumers' attitudes towards companies (www78, 2002).

Companies are able to rent opt-in mailing lists from vendors (Sterne & Priore 2000:5). This allows the firm to tightly target messages and personalise each message. As the database grows, new names can be added. Solicited e-mail is a safer option because the customer has asked for it – hence thus no problems should be encountered (Sterne & Priore 2000:37).

While visiting a website, browsers may be asked to enter their e-mail addresses, say when entering a competition or visiting a specific site. They will then be sent specific e-mails about topics in which they are interested. Marketers feel that sending a targeted message to someone who has shown interest in a specific topic is an ideal mode of marketing (Sterne & Priore 2000:38). However, these subscribers have the option to unsubscribe from the list, thus opt-out, whenever they wish.

One of the strengths of e-mail is that it is personalised and inexpensive. According to Duncan (2002:429), most e-mail advertisements are designed to attract customers to the company's website by providing the direct link to the site. This increases the likelihood that a user will look at the website instead of seeing the advertisement in a magazine or on a billboard. Also, once an e-mail message has been produced, the distribution costs are minimal. Whether sending the e-mail to one or 100 people, the cost remains the same.

However, no matter how many or how frequently e-mails are sent, it is the response generated by the e-mail that is important (Duncan 2002:429). It is necessary to design an e-mail that will elicit a response.

Websites are also a crucial part of any company's marketing communication tools because they allow potential clients to view the company's products and collect necessary information before making a purchase.

3.4.2.3 Websites

A website can be described as the company's electronic face to the world. It consists of a number of information pages linked together to form one site, but is in the midst of a multitude of other websites found on the Internet.

According to Wan (2002:159), websites are primarily designed for introducing and advertising a company's products and services. A corporate website is capable of communicating all elements of the marketing mix (Hoey 1998:33). For these communications to become truly effective, the company must not simply create an on-line catalogue of product and corporate information, but rather provide content-laden channels of communication through which site visitors may interact. Business websites should therefore contain varied and timely information to attract as many users and potential customers as possible.

A site can contain a description of a company's business operations, a listing of all its brands and products, all its executives and company contact information (Duncan 2002:437). Most companies post their press releases and maintain a file for a certain period of time. A site may also have information on job vacancies and financial data such as annual reports.

Navigability is a significant aspect of user convenience. It is the combination of benefits, statements and hyperlinks together with a customer-focused structure that provides cues and pointers to the most relevant products within the customer's area of interest (Hoey 1998:33).

As the number of websites continues to grow at an explosive rate, the way in which the websites of each industry attract customers will become increasingly critical for business survival (Wan 2002:159). Tourism companies should frequently evaluate the content of their websites in order to meet the needs of consumers. According to March (2000:12), for suppliers, understanding the purchasing behaviour of buyers is essential for effective management of their marketing efforts. Techniques that could be used to encourage browsers to return to the company's website could be to encourage browsers to add the site to their bookmark list (Sweeney 2000:368). Also, a "site of the week" could be initiated. Sweeney (2000:370) maintains that if interesting information is provided, visitors will continue coming back to the site. Tourism companies could profile a "location of the week". Another option is to ask visitors if they would like to be sent e-mails to inform them of updates or changes to the site (Sweeney, 2000:375). When communication messages are sent to subscribers, a hyperlink could be added to the e-mail taking them directly to the site.

Website marketing is necessary because merely having a website does not guarantee business (www79, 2002). This can be done by using traditional marketing methods such as print media, by adding the web address to the bottom of the magazine advertisement or to a large billboard.

Afrikatourism has developed a unique website which allows browsers to experience Africa's splendours (World's first route website 2002:6). The website is part of a continuous network (a world first) and enables potential travellers to print maps or routes linked to various subjects of interest. Also, www.southafrica.net (part of South African Tourism) focuses on providing information to the traveller and allows complete itineraries to be planned online (Internet proves its worth when it comes to promotion 2000:5).

The International Marketing Council (a body charged with promoting South Africa worldwide) has set up a website which it describes as an official national portal for the country (Stones 2002b). The site can be found at www.safrica.info and gives information on public services, trade, investment, arts, culture and travel. This site has a "Plan a trip" section in which different holiday experiences can be sought (such as cultural or wildlife experiences). Travel tips are also provided. This is most useful for potential foreign tourists to obtain information on South Africa.

Four extremely useful websites for travellers to and in South Africa are the South Africa Online Travel Guide (www.southafrica-travel.net), SA Venues (www.sa-venues.com), Go to Africa (www.go2africa.com/south-africa/) and Linx Africa (www.linx.co.za). All four provide ample information on accommodation, interesting places to visit, maps – in fact, any information a tourist would generally need.

South African Tourism has built a new website to promote South Africa as the holiday destination of choice to international markets (Web catches tourists 2002). An itinerary planner as well as information about cultural destinations and recreational activities is provided on the web. A general electronic newsletter is published with a view to sending subject-specific newsletters on wildlife, golfing, sporting and art and culture in the near future.

A technique that could be used to attract users to a website or help them make travel decisions is a virtual tour. An effective way to encourage traffic to a tourism web site would be to offer browsers a virtual tour of the tourism operation (Sweeney 2000:363). A virtual tour could be as simple as a picture tour through different rooms or as complex as a complete streaming video tour of the tourism operation. This will enable potential customers to see what the tourism

operation has to offer and what to expect when they arrive at a certain destination. Marketers can once again use other media (such as print or broadcast media) to inform potential users of this unique feature to encourage traffic to the website.

Use of the Internet and websites can be combined to facilitate e-commerce.

3.4.2.4 E-commerce

E-commerce involves the use of the Internet to buy and sell products and services (Hanson 2000:11). Companies have found the Internet to be a low-cost convenient way to reach target audiences around the world, while customers have found it to be a convenient way to shop (Duncan 2002:429).

According to Morath (2000:4), the Internet provides a marketing and sales channel that is cheaper to implement than a brick and mortar business. However, this new market is more demanding than the traditional physical outlet market – it is faster and more competitive because the customers have all the information at their fingertips.

The Internet affords business the opportunity to sell directly to customers in the consumer and business-to-business market. Many companies retain physical stores while also facilitating sales through the Internet (Belch & Belch 2001:505). Hence, according to Duncan (2002:429), e-commerce can either stand alone or be one aspect of a company's overall marketing communication effort.

Through e-commerce, national borders diminish in their importance (Morath 2000:7). Electronic commerce can be done even if the provider and consumer are in the same region or country or in different countries. No other worldwide industry has been so deeply affected so quickly by the new e-commerce economy as has tourism (Bridges 2001:7). Through use of the Internet, consumers have instant access to goods, services and knowledge and they can buy and communicate globally (Morath 2000:3).

According to the Association of Marketers (1999:35-40), certain issues regarding e-commerce need to be addressed, namely security, privacy, taxation and access.

- *Security.* E-commerce involves purchasing products via the Internet. Since the client is not physically in the shop and cash cannot be used as a form of payment, it is necessary to use a credit card. This involves a certain element of risk, since pin codes need to be given. There is a risk that hackers could use the credit cards for fraud, although methods of encryption have been developed and are constantly being improved.

- *Privacy.* People will only do e-business to the extent that they trust that their personal privacy will be respected and protected. It is therefore critical to have user names and passwords for all persons buying on the Internet.

- *Taxation.* Since there is a lack of geographical boundaries, those trading on the Internet can easily conceal their identity and location, thereby easily evading tax authorities. Also, many businesses do not keep records of transactions concluded over the Internet. This makes it rather difficult for authorities to monitor income flows. Another problem is that, should governments implement taxation, they may overtax businesses to compromise for unknown income amounts, a step that businesses would not welcome.

- *Access.* E-commerce is more developed in the USA because a vast number of people own personal computers (PCs) and Internet access costs are low. However, it has been predicted that PC ownership and Internet access will increase substantially in Europe, Japan, Asia and South America in the next few years and as mentioned earlier, growth in South Africa is increasing rapidly. Without access, it is obvious that people will be unable to participate in e-commerce.

The next topic of discussion is e-shopping, and the way in which it has changed traditional shopping.

a) E-shopping

Electronic shopping (e-shopping) incorporates a wide range of different media (or electronic connections). Electronic communication devices include television, radio, PCs, phone, fax, automated teller machines (ATMs) and interactive kiosks (De Kare-Silver 2001:48).

According to Whelan and Maxelon (2001:160), e-customers can be divided into the following three categories:

(1) *Browsers:* visit the website or send an e-mail expressing interest in the products on offer by the company but do not buy.

(2) *Buyers:* are browsers who make an occasional purchase. They are not regular buyers.

(3) *Returners:* are those browsers who regularly return to the company's website (in preference to other websites) and purchase goods.

It is important to attempt to turn browsers into buyers and buyers into returners (Whelan & Maxelon 2001:160). If customers are to be understood, information about them needs to be gathered and maintained and constantly changed and improved (Whelan & Maxelon, 2001:161).

According to a study conducted by Project SA Web User 2001 conducted in November 2001, 26% of Internet users have shopped online representing approximately 338 000 people (www80, 2002). More than 1 300 South African merchants operate online (Net cuts transaction costs, gives competitive edge 2002).

As electronic commerce takes off, there is a movement away from merely offering advice towards completing the sale online (Hanson 2000:358). With the increase in competition and the rising power of consumers, organisations should try to centre themselves around the consumer and align consumer needs with the company's core capabilities (Morath 2000:17).

Through electronic shopping, customers have a much greater choice (De Kare-Silver 2001:48). They can buy whenever and wherever, with a choice all over the globe. In addition, electronic shopping affords customers the opportunity to build up a personalised relationship with service providers who respond by tailoring their offering to individuals. E-commerce increases personalisation because personalisation raises the value of the online experience of a user, thereby improving customer loyalty, and thus leading to more e-commerce contacts (Hanson 2000:361). E-commerce provides the crucial one-to-one link that is fundamental to effective personalisation.

Marketing will have to become more selective and segmented. General mass advertising and communication may be too generic and miss the target, but brand awareness will remain vital. Guiding customers to the specific website will pose new challenges. Most importantly, once customers connect to the Internet to browse, navigating their way through various sites should be as easy as possible.

The reason that increasingly more shoppers are turning to e-shopping is because of time constraints, consumers looking to take control, convergence of technologies (many different technologies able to work together), a shift from physical to digital and a shift of consumers from

assets to knowledge (De Kare-Silver 2001:57). Technology is constantly developing and changing the way goods are produced and purchased. Access to the web will soon be possible for consumers with only a television (to be discussed in the next section). Connections between the television set at home and the Internet open doors to the broad mass market (since not too many have access to the Internet), and allow even more types of converging entertainment and information (Morath 2000:7). Also, an Internet capability on mobile phones allows for more marketing and selling opportunities.

E-commerce has started to play a vital role in travel (Rennies travel will offer small and medium businesses discounts 2001). A study conducted by eMarketer found that 32% of American travellers used the Internet to make travel arrangements during 2002 (www81, 2002). This is an improvement of 7% compared with 2001, when 25% of travellers went online to make travel arrangements. According to comScore Media Metrix (www82, 2002), about 53% of US travellers used the Internet to find travel information. Online travel spending in the USA increased by 5% to reach USD1,3 billion for the week ending 23 June 2002.

Belch and Belch (2001:512) mention that CDs, books and travel account for most Internet purchases. They also say that even though increasingly more consumers buy online, consumer sales are only about one-sixth of those by business-to-business marketers. eTravel MD, Bob Williams said in an article in the *Financial Mail* that people do their research on the Internet, but they are not that keen on buying (Lloyd 1999). Vernon Kirsten, MD of InterRes SA said that the "look to book" ratio is too high and widening. About 80% of web surfers look, while 18% book (Lloyd 1999). According to a study by the University of Pretoria in August 2001, air tickets were among the most popular products purchased online, just behind books and theatre tickets (www83, 2002).

Online ticketing is another growing category of e-commerce. Tickets for air travel can be printed out on home printers along with schedules and maps (which do not usually fit onto or accompany traditional air tickets). In order to ensure that tickets are not counterfeited, a company has been developed that sells encryption and bar-code technology to online ticketmasters.

The National Tour Association in the USA has launched "NTA Online", a closed-member network linking tour operators, travel suppliers and destination management organisations (Hawkins et al 1997:53). The site facilitates electronic commerce among members of the leisure

package industry. In this way, travel suppliers can increase sales and impressions by partnering to create a unified presence on the net.

Similarly, in South Africa, the Gauteng Tourism Authority launched a website which includes restaurants, hotels, tourist guides, tour operators, guesthouses, lodges and conference venues in its database (Cook 2000). Potential tourists are provided with digital maps which enable them to plan trips in advance. They are also able to book directly and communicate with suppliers of tourism services. Gauteng was the first province in South Africa to initiate this service.

South Africa's largest online travel website, is M-Web Travel (www84, 2002). This site is basically a shopping mall for travellers. It has fares, rates, times, maps, photos, locations and instructions on how to reach a destination from the airport at which the traveller lands. The site can be viewed at http://travel.mweb.co.za. Customers can also search for packages and accommodation online.

A new technological development has been the introduced to facilitate e-shopping, namely interactive digital television.

3.4.2.5 Digital television
One of the trends in South African broadcasting (and globally) is the steady migration of viewers from analogue to digital television (Satellite TV keeps ahead of the game 2002). A reason for this is the choice and quality of picture that digital television offers. Digital satellite television (DStv) has successfully piloted interactive services such as TV mail, TV shopping and a DStv guide with enhanced functionality. It is a new realm for South African broadcasting since it has never before been possible to buy products or goods via a television set. Interactive broadcasting was launched in 2002 and allows subscribers to DStv to buy goods and services from vendors using an infrared cordless keyboard. This development makes DStv the second in the world outside the USA to offer this service! "At present, all of South Africa's broadcasters are technologically on par with the rest of the world", says Shaun Kerr, sales manager of Spescom broadcast division (Digital compression unlocks TV's future 2002).

Interactive digital television (IDTV) extends television's communication power by providing interactivity (World Tourism Organisation Business Council 1999:35). Digital television means that computers and television now "speak the same language". The same principles used to bring moving pictures to a PC screen are used to bring digital television to television screens. Digital

television has great potential for interactivity. Viewers can respond and alter the content of the television they watch (World Tourism Organisation Business Council 1999:36). Viewers are able to press a button on the remote to, say, register a vote or place an order, instead of phoning, which has been the norm up to now. Consumers will also be able to shop online, obtain information, purchase videos and music online and communicate online. IDTV is potentially greater than the Internet because many more people own televisions than PCs (De Kare-Silver 2001:277). The messages arrive immediately in people's homes and involve sound, vision and movement more naturally than a PC.

Digital television has the potential to provide destination information to current and potential clients and to fulfil direct sales through e-commerce (World Tourism Organisation Business Council 1999:37). Ticketing, distribution and payment can all be achieved directly and because of the developments in secure electronic access, there will be a reliable means to check the identity of the payee and less chance of administrative errors. An advantage of this shopping method is that IDTV also naturally lends itself to family viewing which is required when purchasing tourism products.

Even though it may be convenient for consumers to buy products by electronic means, some people still prefer human interaction. An excellent way to facilitate this is through personal selling.

3.4.3 Personal selling
Personal selling is a marketing communication tool used to increase sales directly through personal contact (Burnett & Moriarty 1998:411). Personal selling allows face-to-face presentation of a product or an idea to a potential customer by a representative of the company. This one-on-one communication allows immediate feedback, and adjustments to the message can be made immediately.

Personal selling is a form of person-to-person communication in which the seller attempts to persuade prospective buyers to purchase his or her company's product or service (Shimp 2000:652). Personal selling allows a dialogue to take place in which the consumer can ask questions and the sales representative can react to the particular situation (George 2001:248). One of the main advantages of personal selling is two-way communication because it allows for greater flexibility in the design of messages and enables salespeople to tailor the message to their customers (Pender 1999:268). Negotiation with prospective customers is also possible.

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In almost all instances, personal selling is more effective than other types of promotion (Reich 1997:434) because most purchase decisions are based to varying extents on information and persuasion. There is not enough time or space in an advertisement to attempt to supply all answers to target customer's potential questions. The main problem with personal selling is that it is not as effective at reaching large numbers of decision makers as mass media, because the sales force can only visit a certain amount of clients (present and potential) every month.

In selling, the main task is to build relations, as opposed to advertising, where the main task is to create a message (Burnett & Moriarty 1998:413). Personal selling is evolving from a focus on persuasive techniques used to sell a product or service to a far more marketing-oriented partnership with the customer (Belch & Belch 2001:618). The new role requires much broader thinking and expertise on the part of the seller and more extensive use of promotional tools. The modern salesperson is attempting to establish a long-term, symbiotic relationship with clients, working with them as a solutions provider (Belch & Belch 2001:618).

Personal selling involves the seller having certain key skills to make a sale (Shimp 2000:637) – that is, selling skills (knowing how to make a sales presentation), interpersonal skills (how to cope with and resolve conflict) and technical skills (knowledge of the product's features, performance and benefits). However, probably the main skill a personal seller requires is the knowledge on how to close a sale. This involves identifying the appropriate time to ask the customer for an order.

Personal selling can be initiated in the following ways:

- *Direct marketing.* Many companies send out lead cards to screen prospective customers (Belch & Belch 2001:628). The salesperson follows up on those who express a genuine interest, saving valuable time and increasing the potential for a sale.
- *Advertising.* Advertising and personal selling complement each other (Burnett & Moriarty 1998:415). Advertising can reach large audiences simultaneously with a vivid message and need to be very general, whereas personal selling targets each individual and his/her specific needs. Advertising can provide sales leads when introducing a new product or promoting an existing one. Including a toll-free number with advertisements, for example, can provide a salesperson with a long list of prospective customers. Advertising is needed to create

awareness and provide basic information, whereas personal selling is necessary to complete the exchange process (Burnett & Moriarty 1998:415).

- *Sales promotions.* Salespeople often deliver sales promotion materials to trade members during sales presentations (Burnett & Moriarty 1998:416). This makes the sales process more successful. The salesperson knows that the customer has been "presold". This method is effective in competitive situations where products are similar and the salesperson needs something extra to create a competitive advantage.

- *Internet.* The Internet has been used to provide product information, generate leads, screen prospects and build a market from databases (Belch & Belch 2001:629). Many feel that the Internet will fulfil the more mundane tasks of order fulfilment and provision of information, but regard the sales force as an integral part of the marketing process, especially where relationship marketing is concerned (Belch & Belch 2001:629). This will in turn allow the sales force to be more effective in closing a sale and focusing more attention on high value or new customers.

- *Websites.* Websites have been used effectively to enhance and support the selling effort. Visitors to websites can gain volumes of information about a company's products and services (Belch & Belch 2001:509-510). Not only can potential customers learn about the company's offerings, but the selling organisation can serve and qualify prospects more cost-effectively. The web can also be used to stimulate trial. In so doing, customers can determine if the offering satisfies their needs and if so, request a personal sales call.

Various types of personal selling can be used (Burnett & Moriarty 1998:417) such as responsive selling, trade selling, missionary selling, technical selling, creative selling and consultative selling. Each technique will be briefly discussed below.

- Responsive selling entails a salesperson reacting to the buyer's demands. This can be facilitated in two ways – route driving (delivering products at the buyer's request) or retailing (when the customer asks for help).

- Trade selling involves calling on dealers, taking orders, expediting deliveries, setting up displays and rotating stock. The salesperson plays an integral role in maintaining relationships with trade members.

- In the case of missionary selling, the primary responsibility is to explain a new product to the market before the total product is available to the public.

- Technical selling involves a salesperson selling a service – hence the need for him or her to have the ability to solve technical problems through expertise and experience. Using this technique also needs the ability to identify, analyse and solve customer's problems.

- Creative selling is usually related to new or existing products being introduced to new markets. The salesperson must convince prospects that they have a serious problem or unsatisfied need and that the product on offer by the salesperson is the best solution to the problem. The salesperson acts as an "order-getter" and stimulates demand for the product.

- The consultative selling technique is a form of relationship marketing. The salesperson first meets with customers, offers little direction and builds rapport, and then diagnoses the customer's need by using directive questions. The salesperson should then prescribe the solution with a presentation customised to the customer's needs.

The personal selling process varies from one company to the next, but typically follows six steps (Burnett & Moriarty 1998:419). These six steps are illustrated in figure 3.10.

The first step involves obtaining knowledge. Salespeople need to be equipped with detailed product information. They need to know the buyer's motives, characteristics and behaviour, and also require factual information on their company and competitors. Secondly, prospecting is the process of locating potential clients and then obtaining permission to present a sales presentation (this is a continuous task). Next is the preapproach. Once a prospect has been qualified, the salesperson needs to learn more about him or her to determine the best selling approach and identify problem areas that may need to be addressed in the sales presentation. Additional personal and business information about prospects should be gathered. Step 4 is the actual approach. This step is a lead-in to the sales presentation. Essentially, the approach is the strategy used to gain the prospect's attention so that the salesperson can make an effective sales presentation. Step 5 entails the sales presentation. The purpose of this step is to explain in detail how the product meets customer requirements. The salesperson must inform prospects and customers of the characteristics and benefits of the product and must persuade them that the product will satisfy their needs. The last step, step 6 involves the follow-up with postsale activities.

FIGURE 3.10: Personal selling process

PERSONAL SELLING PROCESS

- Attaining knowledge
- Prospecting
- Preapproach
- Approach
- Sales presentation
- Follow-up

Source: Burnett & Moriarty (1998:419).

An effective selling job does not end when the order is written up. The salesperson needs to build customer goodwill and lay the groundwork for many years of profitable business relations. This can ensure repeat business and generate leads to other prospects.

3.4.3.1 The sales force

Specific objectives for the sales force should be driven by marketing communication objectives (Burnett & Moriarty 1998:428). Sales managers generally revert to traditional personal selling objectives such as targets and quotas. The sales target is the desired level of sales for a product or product line during a specified time frame. The sales quota is the share of the overall sales goal that is allocated to a salesperson, territory or some other segment of the company business.

Burnett and Moriarty (1998:428) are of the opinion that sales managers use several methods to motivate the sales force. Among the most common are financial incentives (bonuses, security), although opportunity for advancement, a meaningful job, status, personal power, self-determination and pleasant working conditions are also motivators.

Financial incentives or monetary rewards are the primary means of motivating salespeople. Financial incentives can be divided into two categories – basic compensation and extra compensation. Extra compensation includes incentives such as bonuses, optional programmes, prizes and rewards. Basic compensation (Burnett & Moriarty 1998:430) means either earning a straight salary, straight commission or a combination of both. A straight salary compensates people for time spent on the job. It provides financial security but no incentive to work harder. Straight commission is a situation in which salespeople are paid on the basis of their sales volume or profit contribution. It is difficult for salespeople to make a living if they hit a slow period or take long to get started. The combination plan (Burnett & Moriarty 1998:431) as the name implies, is a combination of the above. Salespeople receive a basic salary that is high enough to provide financial security, and in addition, an incentive is paid on sales greater than the set quota.

Strong sales supervision is a key ingredient in building an excellent sales force (Burnett & Moriarty 1998:425). Many salespeople become the primary link between the customer and the company. The organisation needs to forecast the expected sales to determine the size of the sales force needed and to allocate appropriate amounts of salespeople in the correct areas (Hutt & Speh 1998:508).

One of the strengths of personal selling is that it allows for two-way interaction – the receiver and sender of the sales message are able to interact to the extent that the sender can determine the impact of the message (Belch & Belch 2001:624). Problems in comprehension can be resolved, objections handled and in-depth discussions provided immediately. This is not possible with mass media.

The personal selling message can be tailored to the customer's likes. Direct interaction allows messages to be tailored to the receiver, which means that receiver-specific concerns, problems and needs can be seen to. A one-to-one presentation is usually conducted, which minimises the likelihood of distractions, and the buyer generally pays close attention to the sales message. Another advantage is that the salesperson can be involved in the decision process. The seller becomes more of a partner in the buying decision process and acts in conjunction with the buyer to solve problems. This leads the buyer to rely on the seller. Personal selling can also be considered a source of research information. The sales force can be the "eyes and ears" of the firm, because they have direct contact with the consumers and can detect a change in trends and needs.

Weaknesses of personal selling include the fact that messages may become inconsistent if the salesperson does not have a standardised message. Salespeople may alter the message in a way that the marketer did not intend in order to generate a sale. This can damage the firm's reputation. Every cost per sale is fairly high – hence if a salesperson is unsuccessful and damages the company's name, high costs are incurred. In some cases, mass communications may be a more cost-effective alternative. Personal selling can be considered to have a poor reach because it cannot reach as many members of the target audience as other elements. The sales force is also limited by the number of people they can see in one day. Ethical problems may occur because the company does not have complete control over the messages the sales force communicate to the public. The sales force may do or say things that are not ethical in order to make the sale. This is generally because income and advancement are directly tied to sales.

A further type of personal communication that cannot be planned is word of mouth.

3.4.4 Word of mouth

There are hundreds of occasions when people ask others for referrals (Kotler 2000:560). If one has confidence in the person giving the referral, one will probably act upon it. In so doing, the recommender has benefited both the service provider and the service seeker. It is therefore apparent that word of mouth can be an extremely useful means of marketing communication, because it is free and credible.

Two main benefits of developing word of mouth are that such sources are convincing and have low costs (Kotler 2000:560). Word of mouth is convincing because it is "of consumers, by consumers, for consumers". Loyal and satisfied customers are not only repeat buyers, but also talking advertisers for the company. When the company is referred to others in this manner, this does not cost it any money. Sometimes, if a company knows that another person or company refers many people to it, it may give the referrer enhanced service, a discount or a small gift to thank him or her for generating business for it.

In the tourism industry, a good way of building word of mouth is not only providing good service, but also ensuring that customers are satisfied at all times. If they are happy, they will tell others about their wonderful experience and hopefully the people they tell will try the service the next time. In terms of tourism, a useful method to receive word of mouth on paper is to ask clients to sign a guest book. This can be used as a means of collecting testimonials which

potential clients can read. Such testimonials could be added to the website or the company brochure.

One of the strengths of word of mouth is that this type of advertising not only costs the company nothing, but also normally has high credibility because people who listen to other customers know that they are sharing their own experiences and will not benefit personally if the listener decides to buy the product (Duncan 2002:66).

If the company does not deliver a service up to the customers' expectations, or if the customer's perception of service delivery is distorted, word of mouth can be extremely harmful to the company. Great costs may be incurred in repairing the company's name to reverse the impact that dissatisfied customers can have through negative word of mouth (Duncan 2002:244).

It is now necessary to outline what nonpersonal marketing communication methods entail.

3.5 NONPERSONAL MARKETING COMMUNICATION

Nonpersonal communication channels include media, atmospheres and events (Kotler 2000:561). Media consist of broadcast media (television and radio), print media (newspapers and magazines), electronic media (CD-ROM, web pages) and display media (billboards, signs and posters). Atmospheres are used to create or reinforce the buyer's credibility (vital to the tourism product) and events are occurrences designed to communicate particular messages to target audiences (such as news conferences, sponsorships or new product launches, arranged by an organisation's public relations department). In the sections to follow, the media will first be discussed, followed by sales promotion and public relations.

In today's fast-paced, high-tech age, businesses have to use some form of advertising to make prospects aware of their products and services (www85, 2002). Advertising is an investment in the future of any business – hence the importance of every company ascertaining what sort of advertising will be best suited to it and industry in which it operates. Different advertising techniques will be discussed following a brief introduction to advertising.

3.5.1 Advertising

Advertising is a form of either mass communication or direct-to-consumer communication that is nonpersonal and is paid for by various business firms, nonprofit organisations and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience (Shimp 2000:648). Advertising is transmitted through a variety of media, particularly television, radio, newspapers, magazines, the Internet, public transport and outdoor displays (George 2001:227). Advertising is a form of one-way communication, which means that the message goes in one direction out to the consumer, but no dialogue is possible.

Advertising provides information about brands and organisations (Burnett & Moriarty 1998:279). Advertising also creates demand for a product in the long run. Advertisements try to change mental states to stimulate consumer awareness and interest (Burnett & Moriarty 1998:282). The advertisement may not lead to an immediate sale, but is likely to predispose the audience towards the purchase of the advertised product.

Advertising in certain media can reach large, widely dispersed audiences (Pender 1999:249). The cost per exposure in such cases may be relatively cheap, although some forms of advertising can be costly. The advantage of advertising is that replication is possible, enabling campaigns to build images over the long term.

There are three basic features of effective advertising – attention, memorability and persuasion (Burnett & Moriarty 1998:284). One of the main challenges for marketers is to get consumers to notice their messages. Advertising must break through a cluttered environment and catch the consumer's attention in a positive way. Once advertising grabs the attention of consumers, it should create awareness. Awareness implies that the message has made an impression on the consumer (viewer or reader) who can then later identify the advertiser. An interest in the product helps to move the audience from attention to awareness. Attention is the stopping power and interest the pulling power of an advertisement (because it pulls readers or viewers through to the end of the message by keeping them involved). Interest, however, is momentary and dies easily once attention shifts. To sustain interest in an advertisement the message must involve the audience. Involvement refers to the intensity of the consumer's interest in a product, medium or message. High involvement means that a product is important and personally relevant whereas low involvement means that the product is relatively unimportant. The main aim should be to encourage the audience to become involved.

Once marketers have grabbed the attention of the target audience and maintained their interest, it is necessary to lock the messages into the consumer's minds so that they will remember them. Advertising focuses on two types of memory – recognition (the person remembers having seen information about something) and recall (remembering the content of the advertising message) (Burnett & Moriarty 1998:285).

Advertising attempts to develop and change attitudes by providing information or touching emotions to persuade consumers to act (Burnett & Moriarty 1998:286). Persuasion is the conscious intent on the part of one person to influence or motivate another through the use of reason, emotion or both. These basic features of advertising should be borne in mind when designing an advertisement.

The combination of the marketing communication tools chosen greatly affects the success of the marketing communications effort (Pender 1999:242). It is important to carefully select through which medium the company is going to advertise and promote itself. Certain factors have to be considered when choosing a medium in which to advertise. The next section discusses media selection.

3.5.1.1 Media selection
The winning formula in choosing the best medium is to focus on existing customers, figure out what they want and need and how the company can make life easier for them. Once these matters have been resolved, the company's efforts can be expanded to reel in prospective customers. When prospects have been lured, closing a sale and cementing a profitable, long-term relationship becomes easy because the company has made it easier for customers to do business with them and because their needs and wants have been taken into consideration (Seybold 1998:xv).

Since each form of promotion has certain strengths and weaknesses, an integrated strategy incorporates the advantages of each component into a cost-effective promotion mix (Cravens 2000:353). The media selection process will take into account not only the characteristics of the media but also those of the audience itself, the budget, message objectives and media used by competitors (Pender 1999:253). To determine an advertising mix, broadcast media, print media, electronic media or display media could be considered (see fig 3.11).

FIGURE 3.11: Advertising
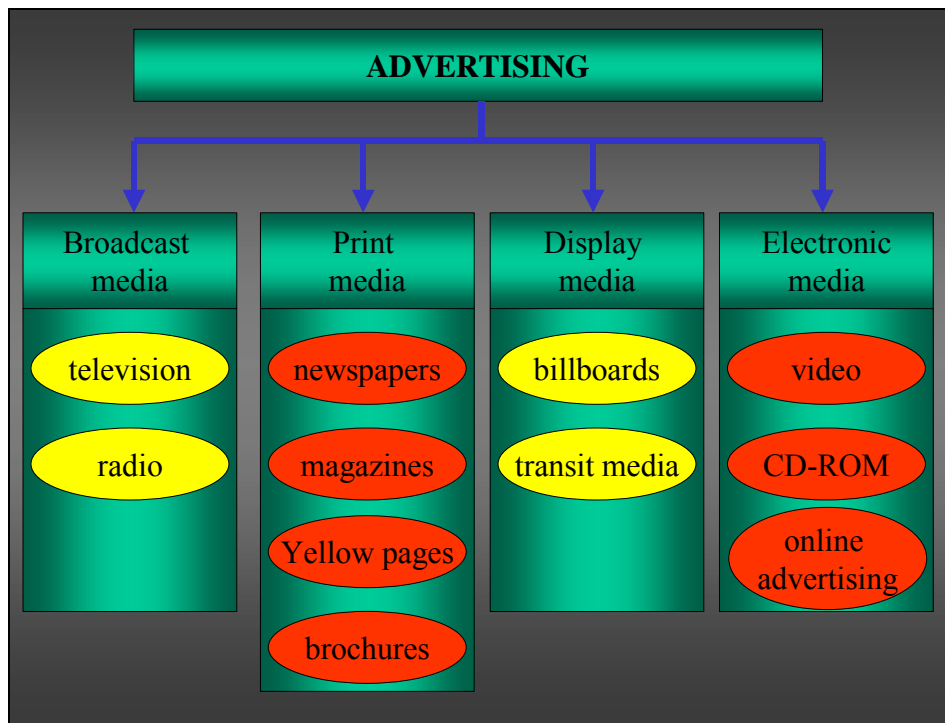
Source: adapted from Duncan (2000:388-433).

3.5.1.2 Broadcast media

Broadcast media include television and radio. They are considered to be similar because they both produce fleeting messages (Duncan 2002:388). In other words, the message appears and once complete, it "disappears" – it cannot be seen again until it is rebroadcast. This is in opposition to print media, whose material can be viewed when the target audience wants to.

Broadcast media are regarded as more intrusive than print media (Duncan 2002:389). In the case of print media, readers can select stories and advertisements they wish to read in whatever order they wish, and when they wish, and can completely ignore whole sections. On the contrary, broadcast media are presented in a stream one after the other and viewers cannot select which one to watch – they are compelled to watch or listen to the advertisement being broadcast. This may appear to be an advantage of broadcast media, but one should bear in mind that people do other things whilst listening to the radio and when television commercials are shown (Duncan 2002:388), causing the desired target market's reading, attention and learning to be slimmer.

Advertisements placed on radio and television tend to be 15, 30 or 60 seconds in length (Burnett & Moriarty 1998:293). This short amount of time means that the messages need to be clear and simple enough for consumers to grasp, yet intriguing enough to keep their attention.

Total media spend in South Africa for the year ended February 2002 was R9,7 billion, of which 42% was used for television, 40% for print, 13% for radio, 4% for outdoor advertising and 1% for cinemas (Competition is fierce for a piece of the advertising cake 2002).

At present, traditional advertising provides approximately 60% of print media's income, and 100% of television and radio's income (Koenderman 2002), whereas nonmedia advertising, such as sponsorship and promotions, accounts for about 55% of total marketing expenditure.

Television and its characteristics and strengths and weaknesses will first be examined, followed by a discussion of radio.

a) Television
Companies use television to deliver brand messages (Duncan 2002:396). This is because it reaches a large audience and can deliver messages with highly dramatic effects.

Television has the ability to combine sound and moving visuals which makes it a dynamic medium in which to advertise (Duncan 2002:400). However, it does have certain limitations (especially for smaller businesses), namely high production and broadcasting costs. Another constraint is trying to have the company's message heard between the clutter of other advertisements and between programmes.

In the early days of television, the most frequent length for commercials was one to two minutes. However, with the increasing costs of television advertising, the average length of commercials has been dramatically reduced (Duncan 2002:399).

Television stations are fully reliant on adspend for their revenue (Competition is fierce for a piece of the advertising cake 2002). Without advertising, they would not be able to broadcast the programmes they do. It is said that television offers the best value for money for advertisers if cost per viewer is taken into account. When determining the cost of television advertising, stations issue audience ratings (AR) every week. Stations look at the figures for each programme and issue a new rate card for the next two months. The programme with the highest AR has the

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most expensive advertising rate. For example, Generations (SABC1) has the highest AR, a rating of 30AR, which means that 30% of adult viewers watch the programme. A movie on another channel may have a 5AR rating. The cost of advertising will vary accordingly. Of the total R3 billion generated by television, SABC1 attracted 25%, SABC3 20%, MNet 18%, e.tv 17% and SABC2 16%.

In South Africa, audiences have a choice of five television stations, namely SABC 1, SABC 2, SABC 3, e.tv or MNet. MNet is a pay channel and can only be viewed by subscribers. It does however, offer "open-time" which means that the channel is open to nonsubscribers who can watch programmes for two hours a day. Another means to watch programmes is through Digital Satellite television (DStv) which is also a pay channel. DStv offers over 80 channels and viewers are able to watch programmes broadcast worldwide. It is said that DStv is evolving differently to analogue stations through its ability to air niche programmes (Competition is fierce for a piece of the advertising cake 2002). However, MNet remains by far the most popular pay-TV channel among combined analogue and digital viewers.

A strength of television is that it is an extremely dynamic medium (Duncan 2002:400) because it is able to carry sound and moving visuals. It also allows consumers to be personally involved with the message (Burnett & Moriarty 1998:497). It has the potential for creativity and impact (Belch & Belch 2001:355) because television combines moving pictures, voices, music and convincing acting and has the capability to run the entire collection of human emotions. Dramatic lifelike representations of products and services are made possible. Television can even help to make a dull product appear interesting. It is possible to reach large audiences through television (Belch & Belch 2001:356) because advertisements can be broadcast nationwide. Marketers that need to appeal to broad target audiences are able to reach mass markets cost efficiently through the use of television.

Certain weaknesses of television include that fact that many viewers change from station to station for their favourite programmes. This is called "programme-hopping" and leads to fragmented audiences. Another weakness is that developing an advertisement can lead to high production costs, as a studio has to be booked and a cameraman, director and actors are needed. Lead times to create an advert may also affect the costs. Advertisements need to be created far in advance of broadcast. Clutter is another weakness of television. A commercial pod (the commercial break in a television programme) can carry 10 or more different brand messages (Duncan 2002:400). Audiences will not recall all 10 adverts in one pod the next day, because

there are normally several commercial pods during one programme, not to mention one evening's viewing. Lack of selectivity is another weakness. Some selectivity is possible by choosing the time of day to advertise. However, advertisers, seeking a very specific target market will find that television coverage is much greater than the audience they want to reach, thus reducing cost-effectiveness (Belch & Belch 2001:358). Television messages only last 30 seconds or less (Belch & Belch 2001:358). This is actually very little time to convey a message and make an impact! Also, the viewer cannot hold onto them or look at them again – they are fleeting. Thus, it is necessary to remind viewers of the television advertisement through print or other media. Viewers start to dislike advertisements if they are shown too frequently (Belch & Belch 2001:363), especially if they do not like the content or find a message offensive. This will create a negative image for the brand. It should be remembered that viewer attention is limited, and advertisers do not purchase guaranteed exposure, but rather the opportunity to communicate a message to a large number of consumers (Belch & Belch 2001:361).

b) Radio

Research has shown that radio is a background medium (Duncan 2002:391) which means that people do other things while listening to radio broadcasts. Capturing the listeners' attention is difficult because they have the ability to tune into or tune out of a specific station or only hear messages that grab their attention. Despite this, radio stations usually have loyal audiences who may listen to them throughout the day, increasing the chance that they may hear the marketer's message at some stage.

Radio offers a form of entertainment that attracts listeners while they are working, travelling, relaxing or doing almost anything (www86, 2002). Radio can also be regarded as a personal advertising medium because if a radio personality announces the company's commercial, it is almost an implied endorsement.

Radio advertising is often called the "theatre of the mind" because it depends so much on the listeners' imagination to fill the missing visual element (Burnett & Moriarty 1998:294). Radio is limited to sound and depends on voices, sound effects and music to capture an audience (Duncan 2002:392). The fact that radio stations usually have a local broadcast area (whereas television is usually national) and that listeners are usually loyal to one station means that marketers may have to advertise on several stations to reach their desired target markets.

Terry Volkwyn, managing director of 94.7 Highveld Stereo radio station said in an interview that the biggest challenge for radio stations, as with television stations, is to create loyalty (Radio stations find their niche 2002). He also said that listeners are not loyal and because of the explosion of choice (in South Africa), they do not have to be. Knowing what your audience wants to listen to means knowing who your audience is. Jacaranda 94.2 FM has performed research on the songs its listeners want and has found that its format is not far off the mark.

Radio's share of advertising revenue has declined marginally (Competition is fierce for a piece of the advertising cake 2002). It is thought that radio stations may have overpriced themselves because of the demand for airspace. Mike Siluma, CEO of Jacaranda 94.2 FM says that while advertising on radio may be costly, the production costs of a radio advertisements may be as low as R3 000, compared with as much as R1,2 million for producing a single television advertisement. The more established former South African Broadcasting Corporation stations such as Jacaranda FM, Highveld Stereo and East Coast seem to be attracting most of the advertising (Petros 2002).

It should be noted that people do not listen to the radio all day, but are more likely to listen at certain times of the day – hence the importance of knowing when the target audience will be listening to know when to advertise (www87, 2002). The most popular times are during drive times, usually from 06:00 to 10:00, and again from 15:00 to 19:00. Most people listen to their radio when driving.

Station programming formats provide radio with its most important strength, namely selectivity (Duncan 2002:395). It is relatively easy to match the audience with the brand being advertised. A short lead is required to prepare a radio advertisement. Commercials can be produced and scheduled at very short notice and messages can easily be adjusted to suit local markets (Belch & Belch 2001:385). Low production costs are incurred (Belch & Belch 2001:382). This low cost means that advertisers can build more reach and frequency into their schedule within a limited budget.

One of the weaknesses of radio is the fact that messages are fleeting (Duncan 2002:396) and cannot be looked at again. Unfortunately, radio advertisers cannot show the product or demonstrate it (Belch & Belch 2001:386) because no visuals can be used. Since there are a large number of stations (Belch & Belch 2001:386) only a small percentage of the population may be tuned into a particular station at any given time. Consequently, if advertisers want to reach a

broader target audience, they will have to advertise on a number of stations. Radio advertisements may have limited listener attention because radio is often used as background entertainment by people who are doing other things. The reach of the advertisement is not easy to determine because it is difficult to determine what percent of brand messages are actually heard (Duncan 2002:396). Radio has some creative limitations since the audience has to use their imagination about what is going on in the advertisement, which could lead to misunderstandings (Belch & Belch 2001:386). Another weakness is clutter. Advertisers must create commercials that break through the clutter or use heavy repetition to ensure that their messages are heard (Belch & Belch 2001:387).

An alternative to broadcast media is print media. Print messages are relatively permanent compared with fleeting broadcast messages (Duncan 2002:378).

3.5.1.3 Print media

Print media mainly include newspapers and magazines, but also incorporate directories, mail, brochures and packaging (Duncan 2002:378). Print media are all forms of message delivery that are printed on paper or some other material. Print media have the advantage that the message can be accessed at any time and may persist for many years in the form of accumulated copies (Weaver & Oppermann 2000:236). Print media tend to be visually intensive with the message being communicated as much by the pictoral elements as by the words (Burnett & Moriarty 1998:293). Visuals that are easy to understand and remember communicate instantly. Newspapers, magazines, Yellow Pages and brochures will be discussed below to indicate their use in marketing communication.

a) Newspapers

Newspapers are considered a major medium for local advertising (Duncan 2002:380). Most newspapers have their content divided up into clear topic sections, for example, sport, entertainment, business and finance, and local, national and international news. Many special-interest sections rely heavily on press releases provided by public relations departments. Use of this tactic provides a wonderful opportunity for tourism companies to regularly include press releases into travel sections of newspapers and obtain regular publicity.

Classified advertisements typically account for about a quarter of the total revenue of national newspapers and two-thirds of the revenues of regional newspapers (Solomons 2002). Free papers (eg the *Rekord* in Pretoria) are even more reliant upon classified advertisements. Advertising is

sold by column and centimetre (www88, 2002) – in other words, it is determined by the amount of space taken up on a page.

Newspaper circulation is measure in real sales and is reported by media owners (Taylor 2002). To measure readership, a person in a survey is shown a publication's front cover and asked whether he or she has read or paged through a copy of the publication in the past six months. If the response is "yes", he or she is asked when last he or she read it, and this is taken to demonstrate whether or not he or she is a regular reader.

In the long term, printed products face competition from the Internet, although many newspapers are moving online (Burnett & Moriarty 1998:475). With some, access is available to subscribers only. Others provide some articles free with the most recent articles only available to subscribers.

One of the strengths of newspapers is that advertisements can be placed in different sections of the paper (where the organisation thinks it may reach its target audience best), say, the travel section, sports section or finance section (www89, 2002). Newspaper advertisements can be examined at leisure by the audience, and a high degree of market coverage can be obtained (Belch & Belch 2001:421) because of geographic selectivity. Newspapers reach a mass local audience (Duncan 2002:382), so carefully selected audiences can be reached. Newspapers offer more geographic selectivity than any other medium except direct mail (Belch & Belch 2001:422), enabling companies to concentrate their advertising on the areas in which most of their customers are. Most newspapers are distributed daily, which means that frequency can be quickly built among those who regularly read the newspaper. Newspapers are extremely flexible because advertisements in them can be written, laid out and printed in a matter of hours (Belch & Belch 2001:421) and usually only need to be received 24 hours before the publication. This makes them an excellent medium to respond to current events or to present timely information to customers. Another strength of newspaper advertising is reader involvement and acceptance. Many consumers actually purchase a newspaper because of the advertising it contains (Belch & Belch 2001:422). Consumers use retail advertisements to determine retail product prices, availability and to see who is having a sale.

One of the weaknesses of newspapers is that they are usually read only once. They are generally kept for less than one day, having a short life span – hence an advertisement is unlikely to have an impact beyond the day of publication (Belch & Belch 2001:424). The print quality of

newspapers results in poor reproduction because of the coarse paper used and absence of colour. Small advertisements can look minute on the large pages. Companies are not assured that every person who buys the newspaper will read their advertisement because some only read specific sections (such as finance). Also, newspaper circulation decreases on Saturdays and increases on Sundays. Advertising in the Sunday paper may be more effective because it is usually read thoroughly and for the whole day. Clutter is a problem in newspapers (Duncan 2002:383) in that brand messages not only compete with other advertisements for attention, but also with the editorial content.

Another print medium is magazines.

b) Magazines
Magazines can be classified according to their frequency of publication (Duncan 2002:383) namely weekly, monthly, quarterly, or by the type of audience, such as consumers, businesses, trade or professionals. Magazines can also be classified according to the manner in which they are distributed. Paid-circulation publications sell subscriptions, whereas controlled-circulation publications are distributed free to those working in a given subject area or affiliated to a given organisation (Duncan 2002:383).

Magazines are highly subject specific, making one of their greatest strengths their audience selectivity (Duncan 2002:386). The vast majority of magazines focus on one area. This is a great advantage for tourism companies because they can advertise in tourism magazines and in so doing target the correct markets. The "Be My Guest" magazine is a tourism trade magazine that is distributed monthly to various guesthouses and contains information regarding accommodation and places to visit. Various tour operators often advertise in this magazine.

Magazines can be divided into two categories – trade magazines and consumer magazines (www90, 2002). Trade magazines are publications that go to certain types of businesses, services and industries, whereas consumer magazines can be bought at newsstands.

Magazines are also going online (Burnett & Moriarty 1998:488). It remains to be determined whether people will want their magazines delivered online or whether they prefer to read them in a more traditional form. Newspapers and magazine companies should, however, remember that they should not solely go online because electronic magazines cannot be taken on holiday or read

at leisure in bed. However, online magazines do offer advertisers the possibility of banner advertisements and promotions online (Belch & Belch 2001:418).

A travel magazine with information on African destinations, *Getaway* magazine, won top honours in the annual Assegai Awards of the Direct Marketing Association (DMA) (Moon 2002), and its marketing campaign exceeded expectations.

Magazines have many strengths, one of which is the fact that the paper used is of a good quality. Hence messages look better than in newspapers (www91, 2002). Magazines involve the use of colour and the reproduction quality is much higher than that of newspapers. Most magazines are subject specific and the vast majority of magazines focus on one area (such as travel). Subject-specific magazines are seen as being authorities on their respective subject areas and also the companies which advertise in them. Magazines have strong reader involvement because the reader has specifically selected that magazine and will be prepared to spend some time reading it. Magazines are kept much longer than newspapers and are frequently read more than once. Sometimes they are even kept as a collection. Magazines are flexible and willing to accommodate the advertisers' needs (Burnett & Moriarty 1998:486), especially when creativity is needed. Samples may be put in magazines, or postcards could be used to facilitate direct marketing.

Some magazines offer a variety of special options that can enhance the creative appeal of the advertisement and increase attention and readership. Possible options that could be considered to make a magazine advertisement more creative and noticeable are gatefolds, bleed pages, inserts or creative space buys. When using gatefolds, a part of the page folds out and gives the advert an extra large spread. This technique can be used effectively to make a strong impression. Bleed pages are adverts which spread all the way to the end of the page with no margin of white space. This gives the advertisement the impression of being larger and more dramatic (Belch & Belch 2001:403). Inserts can be in the form of return cards, coupons or product samples (Belch & Belch 2001:404). Lastly, creative space buys allow for split runs. This is a process in which a marketer places advertisements on, say, four consecutive pages for greater impact. These types of advertisements often ask questions or show benefits or different uses of the product (Belch & Belch 2001:404) and aim to intrigue the readers until they page to the last page which tells them the brand name. Another strength of magazines is their permanence. They are generally read over several days and kept as a reference (Belch & Belch 2001:404). Consumers are also thought to be more receptive to magazine advertising since they generally purchase magazines because they contain information that interests them (Belch & Belch 2001:405).

One of the weaknesses of magazine advertising is that magazines have a long lead time. An advertisement often has to be prepared long in advance, especially if it is to be placed in a monthly magazine. This may cause accuracy to diminish if prices are detailed and change before publication. Lack of frequency (Duncan 2002:387) is another shortcoming. Some magazines are published once a month or every six months, causing advertisements to become outdated. Most brands have a limited reach of their target audience. Generally, reach is not as effective as other media (Belch & Belch 2001:408), so if the marketer seeks a broad reach, he or she should advertise in a number of magazines. Many magazines contain advertisements on more than half their pages, causing clutter to make it incredibly difficult to attract the required attention (Belch & Belch 2001:409).

Another type of print media known as the Yellow Pages, similar to magazines, should be considered as part of marketing communication.

c) Yellow Pages

The American telecommunications company AT&T never copyrighted the term "Yellow Pages" thus allowing any publisher to use it (Belch & Belch 2001:455). The Yellow Pages is a listing of many different types of businesses. Advertisements can be placed in selected classifications in the Yellow Pages. The premise is that when potential clients need a product or service, they look it up under the specific classification, and hopefully contact the organisation concerned (www92, 2002).

The Yellow Pages is often referred to as a directional medium because the advertisements in it do not create awareness or demand for products or services. However, consumers use it once they have decided to buy and then use the Yellow Pages to point them in the right direction so that they can make the purchase (Belch & Belch 2001:455).

The greatest strength of the Yellow Pages is that it is a free publication. Also, everyone who owns a telephone has one. However, its weaknesses include the fact that when advertising in the Yellow Pages, the company is immediately placed in a group with its competitors and the company can be found only if the prospective client looks under the correct classification. One needs to bear in mind that the advertisement is in the Yellow Pages all year long, so it needs to be unique, attract attention, be appealing and have enough vital information. If telephone numbers change during the year of publication, competitors under the same listing will probably be contacted.

Another form of print media is the brochure. Brochures are currently used as a principal marketing tool especially by tour operators, accounting for a significant proportion of most mass market tour operator's marketing budgets (Pender 1999:256). A reason for the popularity of a travel brochure is that it represents a form of "tangible evidence" for the consumer purchasing a high-risk intangible product. Hence a brief discussion of brochures is included in this section.

d) Brochures

Tourism brochures are perhaps the most utilised form of promotion across the tourism industry (Weaver & Oppermann 2000:236) and are a critical means through which package tours and products within particular destinations are selected.

The majority brochures are aimed at two markets. These are, firstly, the consumers themselves, and secondly, the travel agents as intermediaries (Pender 1999:256). If direct marketing methods are used, brochures need only be aimed at direct users. This allows brochures to be creative and of any size, unlike the limited space available on a travel agent's rack. The image portrayed by the brochure is clearly important and an image therefore needs to be created to attract potential customers (Pender 1999:256).

Pender (1999:256) mentions that brochures play different roles, including distribution, packaging, sales and provision of information. Each will now be briefly explained.

- Brochures help the tourism product to reach consumers, either through retail travel agents or directly.
- Since holidays consist of intangible combinations of a number of elements, packaging the total product becomes a concern for marketers. Brochures help with this and the display of these packaged products.
- Brochures can act as a sales tool if they are attractive, clear and easy to use. Tour operators are not always nearby to tell potential clients about their tours and services, so having a brochure that can "speak for itself" is extremely useful.
- The brochure communicates information (both factual and visual) to customers, contributing simultaneously to the product and corporate identity.

Brochures need to be clear, persuasive and informative with appropriate use of text and photographs (Pender 1999:257) and therefore need to be well designed and produced.

Not everyone reads magazines or newspapers and may have to be informed about products in another way. A viable option would be display media, because passers-by cannot help but notice them.

3.5.1.4. Display media

Display media (also known as out-of-home or outdoor media) are communication vehicles that the target audience sees or uses away from home (Duncan 2002:401). Billboards and transit posters are two of the most common categories. Outdoor advertising, however, encompasses a wide variety of other modes. Shimp (2000:372) mentions a few, namely advertising on bus shelters, giant inflatables, various forms of transit advertising (advertisements painted on buses or trucks or walls of buildings), shopping mall displays, skywriting – the possibilities are endless. Since there are an unlimited number of possibilities, only billboards (the most common category) and transit advertising (used often by tour operators) will be discussed here.

a) Billboards

Advertising on billboards is designed with name recognition as the primary objective. The major forms of billboard advertising are poster panels and painted bulletins (Shimp 2000:373), assembled on the billboard structure. Usually there is little or no writing, but large pictures to attract attention. Both types of billboards will now be briefly discussed.

- *Poster panels.* Such billboards are regularly seen along highways and in heavily travelled locations, such as at bus stops or near to shopping centres. Posters are silk-screened and then brought and pasted in sheets on to the billboard. Companies typically sell billboard space on a monthly basis.
- *Painted bulletins.* Advertisements are hand-painted directly onto the billboard by artists hired by the billboard owner. These bulletins are generally repainted every few months. Advertisers typically purchase such bulletins for a one- to three-year period, the objective being to achieve a consistent and relatively permanent presence in heavily travelled locations.

b) Transit advertising

Transit advertising (inside or outside the vehicle) is another part of outdoor media. This is used extensively in the tourism industry. Vehicles usually have stickers with the company name and logo, and sometimes a contact telephone number on the outside of the vehicle.

In the case of display media, location is everything and high traffic areas are ideal (www93, 2002). The image of outdoor media is improving as a cost-effective high-reach medium (Bisseker 2002). It has become more cost-effective with the reduction of digital print costs over time. Outdoor advertising is of major importance in South Africa, because a great deal of the population does not have access to all other media (www94, 2002).

There is now more scientific measurement of the effectiveness of the medium (Bisseker 2002). One possibility is equipping a pilot sample of respondents with a car-based global positioning system (GPS) unit, which will be placed in the car boots of the respondents (www95, 2002). The GPS will collect position, time, speed and direction information, which is then applied to mapping software. The GPS locations of outdoor signage will then be overlaid. This seems to be a better technology than previously used, such as placing cameras on hoardings and filming the passing traffic. The film was played back and the number of people in the cars totalled. The method was not very accurate.

A strength of out-of-home media is that people are exposed to outdoor advertising whether they like it or not (www96, 2002). The audience sees the advertising message a number of times, so the frequency of the message is increased (Duncan 2002:403). Display media are geographically flexible since outdoor advertisements may be placed along highways, near stores, on mobile billboards or anywhere else that laws permit (Belch & Belch 2001:441). This also facilitates wide coverage of the local market, because broad exposure is possible in local markets with a day and night presence (Belch & Belch 2001:441). Lastly, outdoor media tend to be extremely creative to attract attention and awareness.

One of the weaknesses of outdoor advertising is that it is a glance medium – at best it draws two to three seconds of a reader's time – hence the need for such messages to be concise and creatively appealing. They should contain few words, large illustrations, bold colours and simple backgrounds for the most effective messages, which may be challenging to accomplish. Display media have limited message capabilities because most of the time the audience is in motion. This is called passing exposure (Duncan 2002:404). Belch and Belch (2001:442) mention that because messages are limited to a few words or an illustration, exposure time is short because of the speed at which people drive past billboards. Another weakness is that advertisements must fight for attention with all the other visual stimuli that surround them, such as beautiful scenery and large buildings. Also, outdoor media may suffer "wear out" when passers-by deliberately ignore the boards because they have seen them many times before. Tour operators that have their

company logo and contact numbers on their vehicles should bear in mind that bad driving cannot be tolerated, since everyone can see which company the vehicle belongs to. Measurement is an unsolved problem and measuring effectiveness is difficult. The accuracy of measuring reach, frequency and other effects is limited. It is possible to reach very specific audiences, but this may result in a high degree of wastage – it is not likely that everyone driving past a billboard will be part of the target market (Belch & Belch 2001:441).

Besides broadcast, print and display media, another medium has come to the fore, namely electronic media.

3.5.1.5 Electronic media

Electronic media include video and CD-ROM, two capabilities which have come to the fore recently with development of technology.

a) Video

Some tour operators now use video to replace or supplement brochures (Pender 1999:258). Videos provide detailed information on particular holiday types or destinations and can usually be viewed at the tour operator's premises or the customer's home. The benefit of using a video as a marketing tool is that to a certain degree it removes the intangibility aspect of a destination. Tourism products are in essence services and are considered to be intangible. Having potential clients see a video of what the destination looks like, the facilities on offer and available activities, might help to close a sale.

A more recent alternative has been the introduction of CD-ROM. The use of CD-ROM technology has recently been adapted for promotional purposes by the tourism industry (Pender 1999:258).

b) CD-ROM

The CD-ROM allows potential travellers to experience virtual tours of the destination and see interactive maps and photo galleries with pictures of the location. Videos, CD-ROMs and brochures can be updated and reissued as necessary. For a specific season, a certain destination may be trendy, so an appropriate brochure, video and CD-ROM can be designed. Similarly, the next season, a different destination can be advertised using brochures, videos or CD-ROMs.

The Council for Scientific and Industrial Research (CSIR) in South Africa initiated the VEZA (visit and explore South Africa) project in May 2001. This programme has three CD-ROMs which contain information on places of interest, music, people, history, geography, and so on (Maluleke 2001). An attractive feature of the programme is the three-dimensional photographs which allow potential tourists to virtually explore many sights in South Africa and accommodation facilities. The programme also contains video clips and music.

Another form of electronic media is online advertising.

c) Online advertising

Advertising online is growing faster than any other type of advertising (Duncan 2002:433). Production and placement costs for online advertising are much lower than for traditional media, thus encouraging companies to produce many more advertisements than usual at low cost. However, on the World Wide Web, it is necessary to have many advertisements if one is to be noticed.

Advertisements placed on websites (at the top, bottom or side of the screen page) are called banners (Duncan 2002:434). They are usually configured so that users can click on the advert and be taken to that advertiser's website. To attract attention, banners may employ animation or sound, or both.

The strengths of online advertising include interactivity with consumers which allows companies and customers to engage in a dialogue. Advertisements can be changed quickly, thus allowing for flexibility. People who visit a website are already interested in the topic, product category or brand. This makes precise targeting possible (Duncan 2002:433) as well as unlimited creativity.

One shortcoming is that because advertising has increased on the World Wide Web, users have learned to ignore it (Duncan 2002:433). It is difficult to find the right balance between attraction and irritation.

Another marketing communication method used to create an interest by potential clients of a company or a specific product is to use sales promotion.

3.5.2 Sales promotion

Sales promotion is a marketing communication function that encourages action by adding tangible value to a brand offering (Duncan 2002:569). Sales promotions are thus popular in tourism owing to the intangibility and perishability of tourism products.

Sales promotions are used to provide strong incentives to purchase and are often used to boost sales (Pender 1999:265). They vary between being extremely subtle and extremely dramatic, depending on the specific promotional activity chosen. There may be a strong element of immediacy inherent in their use, because when a product is bought, the sales promotion accompanies the purchase.

Sales promotion consists of various promotional activities which can be used to target buyers, respond to special occasions and create an incentive for purchase (Cravens 2000:355). It stimulates sales by offering an extra short-term incentive to act or justify action (Burnett & Moriarty 1998:312). Sales promotion is based on the premise that each brand or service has an established perceived price or value. It changes the accepted price-value relationship by increasing the value, lowering the price, or both (Burnett & Moriarty 1998:313). Thus sales promotion offers consumers an immediate inducement to buy a product by the simple step of making the product more valuable.

Sales promotion strategies can be classified as push or pull strategies (Burnett & Moriarty 1998:317). Pull strategies direct most marketing efforts at the consumer and are usually implemented with large advertising expenditures. This may include additional incentives through the use of coupons, rebates, samples or sweepstakes. These efforts create consumer demand to pull the product through the channel of distribution. Push strategies direct most marketing efforts at resellers and the sales force. The business pushes the product through the channels of distribution by asking resellers to demonstrate products, to distribute in-store promotion devices and merchandising materials and to sell the product.

It is appropriate to use a pull strategy when demand for the product is high and when there is high differentiation among products' real or perceived benefits. However, if the product is relatively new or complex, or if many substitutes exist, a push strategy may be more appropriate (Burnett & Moriarty 1998:318). Most companies use a combination of both.

3.5.2.1 Trade promotion

Sales promotion can be targeted at resellers and sales forces (called *trade promotion*) considered using a push strategy. When aimed at consumers, (referred to as *consumer promotion*), it is regarded as a pull strategy. Sales promotion aimed at resellers will be discussed first, followed by sales promotion aimed at the sales force, and lastly, sales promotion aimed at consumers (see fig 3.12).

FIGURE 3.12: Sales promotion
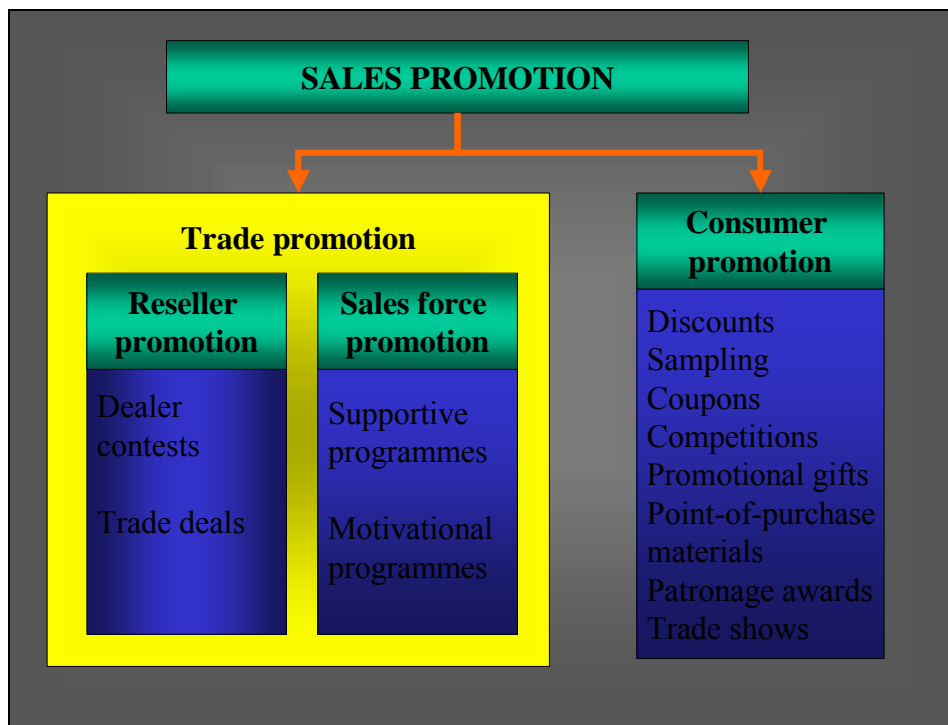
Source: adapted from Burnett & Moriarty (1998:312-324).

a) Reseller promotion

Many promotional devices can motivate resellers to support a product (Burnett & Moriarty 1998:324). Two techniques, namely dealer contests and trade deals can be implemented. Dealer contests involve developing contests and sweepstakes to motivate resellers. A sales quota is set and the company or individual who exceeds the quota by the largest percentage wins the contest. If conducted properly, contests can provide short-term benefits (encouraging larger reseller purchases) and improve the relationship between the manufacturer and reseller. Trade deals are usually special price concessions. Retailers are "on deal" when they agree to give the manufacturer's product a special promotional effort. These promotional efforts may be in the

form of special displays, extra purchases, superior store locations or greater promotion. In return, retailers receive special allowances, discounts, goods or credit on an invoice.

b) Sales force promotion

Sales promotion targeted at the sales force is a crucial competitive weapon (Burnett & Moriarty 1998:329). Sales force promotions are intended to motivate salespeople to increase overall sales. Often such promotions are intended to raise the morale of the sales force as well as to create a sale. Sales force promotion can be facilitated by supportive programmes and motivational programmes. Supportive programmes prepare salespeople to do their jobs. They are equipped with the materials for sales presentations in the form of manuals, videos, portfolios or brochures. Sales meetings are held regularly to keep management up to date with happenings in the selling environment. Companies can design sales kits for the sales force which usually contain sales manuals with background information and detailed product specifications. Such sales kits are critical promotional tools that educate and assist salespeople with product presentations. Another important factor is motivational programmes for the sales force, which are designed to encourage salespeople to work harder. They are dominated by contests – generally a prize is offered for those who demonstrate excellent sales performance.

c) Consumer promotion

Consumer sales promotions are directed at the ultimate users of the product. Sales promotion has had a significant role in tourism and hospitality marketing mainly because most offerings are perishable (George 2001:240). Marketers are able to use sales promotion techniques to encourage sales or stimulate demand. Sales promotion should be used on a short-term ad hoc basis rather than continuously. It should be used at irregular intervals, particularly if the market is seasonal. The reason for this is that over-use of sales promotions can lead to consumer expectations of additional benefits offered as the norm. A vast array of techniques can be used. In the tourism industry, discounts, sampling, coupons, competitions, promotional gifts, point-of sale materials, patronage awards and trade shows are sales promotion techniques which have proved to work well (Pender 1999:266). Each technique will be briefly discussed below.

i) Discounts

Discounts are used heavily by tour operators. A discount is an advertised reduction of the selling price (George 2001:241). Discounts are not a good way of obtaining a competitive advantage but may sometimes be a necessary tactic as in the case of Rennies Travel Agency. It has decided to offer small and medium businesses discounts normally offered to large corporations to keep

ahead of its new rival in the online business reservation market – South African Airways (Rennies travel will offer small and medium businesses discounts 2001). Price deals can also be used. This saves customers money when they purchase a product. Price deals may be used to encourage trial of a new product, but are effective ony if price is an important factor and if consumers are not brand loyal.

ii) Sampling

Sampling essentially involves giving away free samples of items to encourage sales (George 2001:242). This involves offering trial amounts of the product, such as a free meal at a restaurant. Sampling is done at exhibitions to make tourism destinations tangible, for instance, wine tasting or inspecting camping equipment at a trade show. Shimp (2000:558) mentions that sampling is the premier sales promotion device for generating trial usage, the reason being that once potential clients have tried the product and are satisfied with it, they will be less reluctant to try it again. The product must basically sell itself on the strength of its uniqueness and ability to create a strong positive impact with minimal trial experience (Wells et al 2000:408). Marketing communication strategies for service product channels attempt to stress the tangible elements of each channel (Burnett & Moriarty 1998:53) and prospective clients are therefore often allowed to sample products, which in the case of tourism, may include an introduction to facilities and personnel. If the perceived risk of sampling is high, or if it is unrealistic to do so, the marketing communicator tries to reduce the risk with additional information, incentives and personal attention. For instance, an international vacation is too expensive to offer as a sample. Instead, travel agencies may assign a trip counsellor to each traveller to make sure that the client has all the information he or she requires. Videos can also be used to stimulate experience as well as CD-ROMs and virtual reality.

iii) Coupons

Coupons provide discounts on the usual price, thus offer savings when purchases are made. Coupons (or vouchers) are certificates that give consumers savings when they buy specific offerings (George 2001:242). Coupons can be distributed through a number of media, namely newspapers and other print media, door-to-door distribution or added to promotional packs.

iv) Competitions

Principals often run competitions aimed at intermediaries and advertise them in the trade press. They may be aimed at salespeople to encourage achievement of certain levels of sales or to develop the product knowledge of the salesperson (as discussed above). If the competition is

aimed at consumers, they stand a chance to win money, a gift or a holiday (George 2001:242). Competitions can create interaction between the consumer, the offering and the service provider. This may involve having the consumer analyse the offering to answer questions, rank benefits or devise a slogan. This information is then mailed back to the organisers and correct entries are entered into a draw, on which occasion the winner is announced.

v) Promotional gifts

Promotional gifts are a medium of advertising, sales promotion and motivational communication employing imprinted, useful or decorative products called advertising specialities (Belch & Belch 2001:450). These articles are always distributed free. Popular gifts from travel-related companies include customised passport holders, travel bags, luggage tags and ticket wallets. Promotional gifts are an excellent method for marketing the company because they act as lasting reminders of it.

Promotional and corporate gifts are an integral part of the overall marketing mix companies use to enhance brand image and to reward loyal customers (Jackson 2002b). Promotional gifts may be a practical and effective way of promoting a company through constant and repeated use by the recipient. According to Bryan Peach, joint managing director of Macbryan Gifts, companies tend to spend more money on interactive-type gifts such as pens, clocks and watches that are targeted to selected clients and where the response these gifts evoke can be measured and monitored. He goes on to say that the products are becoming more sophisticated and of better quality and more upmarket than the old-fashioned bits and pieces that often used to be sold. This is an inexpensive form of advertising, but is important to target the client with an appropriate gift. Today much more thought and energy go into choosing the right gift. Peach also says that gifts last a long time and make a huge impact from an advertising point of view.

Businesses imprint their names on items they give away so that the name of the company is noticed often enough to build "top-of-mind" awareness. They are long-term advertising investments (www97, 2002). It is important to remember that promotional gifts are a unique way to generate goodwill but should not be used unless the item and distribution plan will benefit the business.

vi) Point-of-purchase materials

Point-of-purchase materials, also known as POP displays (Wells et al 2000:409), are used to promote products and services in or close to retail outlets. They have persuasive value. George

(2001:241) gives the following examples of point-of-purchase materials: counter displays, signs, stickers, window or wall displays, posters, counter cards or brochure dispensers.

vii) Patronage awards

Loyalty incentives or patronage awards are programmes created to keep and reward customers for their patronage (Wells et al 2000:418). Such programmes are aimed at the existing market (George 2001:242) and their main purpose is to encourage repeat business and loyalty towards the company. This in turn encourages customer retention. A loyalty programme usually requires the consumer to continue purchasing the product to receive the benefit or reward (such as airline frequent flyer miles – the more often a person flies, the more discounts, specials and benefits he or she qualify for). Loyalty programmes are especially beneficial in highly competitive situations in which customers have difficulty perceiving real differences between brands. Patronage programmes are evidently long-term oriented.

viii) Trade shows

Trade shows allow marketers to network among industry players and gain marketing ideas as well as sell and promote product offerings (George 2001:243). A trade show is a temporary forum (typically lasting several days) for sellers of a product category (in this case, tourism services) to exhibit and demonstrate their wares to present and prospective buyers (Shimp 2000:549). Trade shows allow exhibitors to accomplish both selling and nonselling functions. Exhibitors are able to service present customers, identify prospects, introduce new or modified products, gather information about competitors, take product orders and enhance the company's image. They also allow exhibitors to present and sell their products to demonstrate the product, provide information, answer questions, compare competing brands, write orders and generate sales leads. Most exhibitors use trade shows to expand their trading networks (Wadula 2002).

Most industries stage a business show or exhibition annually to display new advances and technological developments in the industry (Hutt & Speh 1998:492). In South Africa, the Tourism Indaba Trade Show, a tourism marketing exhibition, is held annually in Durban (Satour to use Internet to market South Africa 2000). Indaba showcases over 1 300 products from different sectors in the tourism industry (www98, 2002). Products range from airlines, car-rental companies, game lodges, hotel groups, tour operators, tourist attractions and travel agents. Visitors to Indaba consist of key international travel trade professionals such as business travel agents, conference organisers, incentive travel organisers, international and domestic travel media, retail travel agents, travel wholesalers, and many more. Indaba 2002 boasted a new

record of just over 1 300 exhibitors from approximately 79 countries with 4 067 participants, thus providing ample opportunity for networking. These figures have greatly improved since 2000. Indaba 2001 in Durban attracted 1 183 international delegates, a 19,5% increase on 2000 (www99, 2002). In 2001, 70 countries were represented, compared with 64 in 2000. These remarkable increases in the past three exhibitions show that trade shows have potential in South Africa. Indaba has done its own research on why delegates attend and have found that the main reasons were to network with existing suppliers, to view new products, to source new suppliers and to become familiarised with new trends.

The Exhibition Association of Southern Africa (EXSA) is finalising research to identify the tourism impact that exhibitions generate. EXSA is an organisation which has as its members exhibition or show organisers, stand designers, expo venues, exhibition centres and service companies (electrics, signage, plants and photo labs) (www100, 2002). EXSA also publishes a directory of major exhibitions held in Southern Africa annually and has a comprehensive website containing exhibition information (www.exsa.co.za).

According to Crain Newman, chief executive officer of Kagiso Exhibitions, all over the world great trade exhibitions have had a visible and tangible effect on their host countries (Wadula 2002). This is obviously good for South Africa's tourism industry because if South Africa makes a success of exhibitions and trade shows, this reflects well on the country and may promote tourism. As Nitin Desai, secretary general of the World Summit on Sustainable Development (WSSD), commented: "The Sandton Convention Centre came through with flying colours – the success of the WSSD owes a lot to the Sandton Convention Centre" (www101, 2002). This praise will, hopefully in future, cause other conference organisers to use the facilities provided in South Africa.

Sales promotion is effective to encourage immediate action. However, another marketing communication tool, namely public relations, can be used by organisations for immediate reaction to crises or unfortunate company events.

3.5.3 Public relations

Public relations (PR) is a management function which enables organisations to achieve effective relationships with various publics in order to manage the image and reputation of the organisation (Wells et al 2000:539). Public relations is a popular marketing tool in tourism

because of the credibility of the message (George 2001:262). A favourable article by a newspaper will be regarded as being far more reliable and credible than advertising.

In the term "public relations", "publics" means all the audiences that the marketing communicator targets to receive messages about the company or who are perceived as influencing options about the company (Burnett & Moriarty 1998:344). The term "relations" signals that the publics are involved in a relationship with the company.

The power of public relations is often underrated (Pender 1999:259), despite the fact that it can be a highly effective communication tool for travel and tourism organisations. Successful public relations aims to create a positive image through the careful management of the relationships and communications with all an organisation's publics (ie, customers, shareholders, employees and the community at large). Public relations can also be used to respond effectively to disasters and potentially damaging situations.

Concern should be for the overall corporate image as well as individual product images, because each can affect the other.

Maintaining effective public relations has a number of benefits since a company will receive a reasonable amount of exposure and a positive image will be portrayed (Sweeney 2000:381). Relationships with current clients will be reinforced and new relationships may be formed.

Certainly one of the positive outcomes of publicity is credibility. Experts believe that consumers tend to trust the media more than they do advertisers (Wells et al 2000:433). Consumers prefer to be informed rather than "sold to" (as in advertising) and will thus possibly take more cognisance of an article written by a newspaper journalist about a product than an advertisement. Editorial comment carries more authority and credibility since readers expect advertisements to support the company placing the advertisement (Rowley 2001:119).

One advantage of PR is that there are no advertising costs involved. However, publicity is not free (Rowley 2001:119). Publicity usually involves sponsoring an event or conducting a press conference, which costs the company money, but being mentioned in the newspaper the next day is free. Effective PR requires commitment to the company and resources for a planned and focused programme.

The costs of public relations activities often appear less than for other types of promotions. This is because articles may appear in newspapers and magazines which are usually expensive to place advertisements into. In addition, such articles tend to have higher credibility because of the lack of an obvious commercial sponsor. This enables public relations to be an effective means of marketing communication.

3.5.3.1 PR's publics

Public relations must be sensitive to two types of publics, namely internal and external publics. Internal publics are the people with whom an organisation normally routinely communicates in the ordinary course of work, such as employees, investors, suppliers, dealers and regular customers (Burnett & Moriarty 1998:348). External publics are the people with whom an organisation communicates but does not have regular or close ties, such as the financial community, government officials, special interest groups and the media.

a) Internal marketing

Internal marketing can be described as the application of marketing inside the organisation to instil customer-focused values. It is an ongoing programme that promotes the customer-focus philosophy and keeps employees informed of important marketing activities that affect both them and the company's customers (Duncan 2002:764). The basic principle revolves around employees being thought of as customers because the more they are satisfied, the more they will satisfy customers.

Internally, good employee relations may be achieved by sending out newsletters and magazines to employees, hosting staff briefing presentations and conducting regular meetings (George 2001:262). Employees need to be informed about new ventures or general company performance to remain motivated. Employees dealing directly with customers should also be encouraged to provide feedback to marketing on what customers think and how they act. Hence new trends or customer dissatisfaction can be realised more quickly than usual and the company can successfully adapt to change.

Firms are being forced to communicate more effectively with staff (Murphy 2002). Chief executives are realising that a healthy dialogue with staff is crucial to competitiveness. Companies have realised that they have to keep employees informed to retain their loyalty. Trust means imparting both good and bad news to staff. Firms can use regular newsletters to inform staff and encourage feedback, or send e-mails. Some companies, such as Rolls-Royce, have even

set up chat rooms on their intranets to encourage discussion. Even video and film can be used for staff conferences, staff training or sales meetings.

b) External corporate relations

External investor relations and brand management are vital. The company may need to communicate its stability or growth to shareholders. At the same time, the logo and brand have to be consistent with the image the company portrays (George 2001:262).

When concerned with external relations, the press is usually the first concern because it can have a tremendous influence on public opinion (Burnett & Moriarty 1998:349). Publicity is a public relations tool that is used to provide the media with information. Information is disseminated through the media as news stories. A press release can be used to fulfil this function.

Consumers are a large external public (Burnett & Moriarty 1998:349) and are reached indirectly through media publicity and directly through focused advertising and sales. The government and the financial community (investors, shareholders and stockbrokers) are two other important external publics to consider.

3.5.3.2 Public relations tools

Public relations has certain tools that are used to inform its publics of the company. These tools include crisis management, media relations, corporate relations, customer relations and events and sponsorships. Each tool will be discussed in turn below (see fig 3.13 for a diagrammatic representation of PR tools.)

a) Crisis management

When negative incidents occur, it is important to use public relations to ensure that the company's version of the event is presented, and thereby attempt to lessen any damage that may have been caused by the unexpected event. It is essential for the company to act quickly and responsively towards the negative incident (George 2001:263). Tourism destinations are particularly vulnerable to negative publicity because if something happens at a specific destination, such as floods or terrorist attacks, travellers will be reluctant to visit the area (George 2001:263).

Crisis management involves planning how to manage communications during crises or disasters (Burnett & Moriarty 1998:353). PR staff should anticipate the possibility of disaster and

establish a plan for communicating the bad news to various stakeholder groups. Spokespeople are designated to describe the damage accurately and answer questions from victims, their families, the media, lawyers and government officials.

FIGURE 3.13: Public relations tools
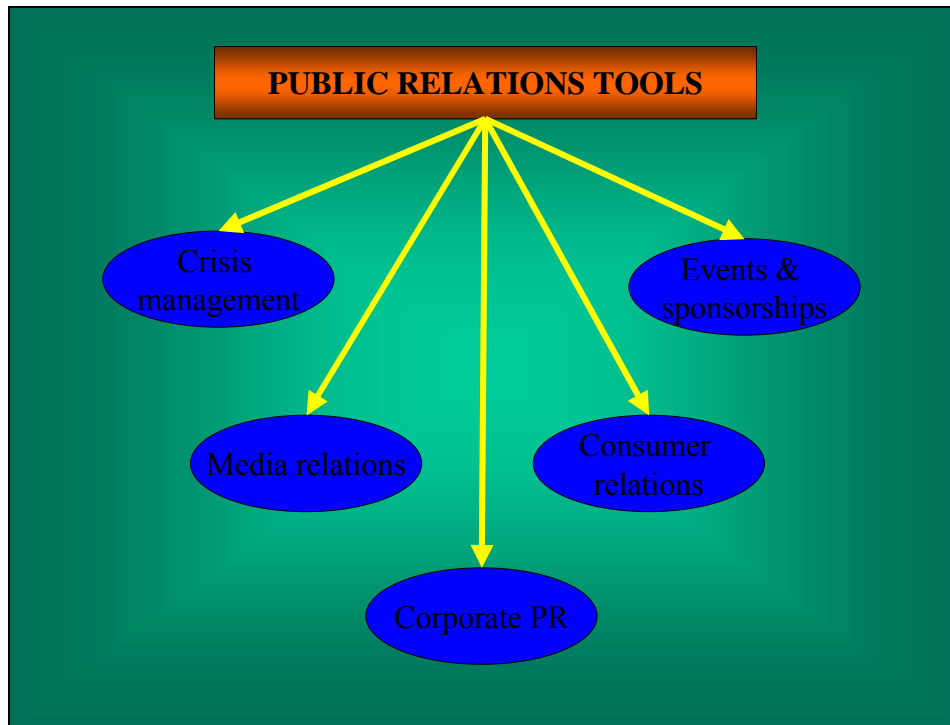
Source: adapted from George (2001:261-236).

b) Media relations

The aim of media relations is to provide newsworthy information to the press, radio and television to gain publicity (George 2001:261). Media relations are imperative for marketing purposes, necessitating development of contacts with local, national and specialist media. PR staff should also to be prepared to assist media contacts should they call with any requests for information or interviews (George 2001:262). The media relations function of PR is primarily responsible for publicity (Burnett & Moriarty 1998:351). Media relations specialists develop personal relationships with the media covering their industry or company. They provide information in the form of story ideas, press releases and other publicity materials, serve as a source or find an expert when a reporter needs to speak to someone knowledgeable. Such media relations specialists also train executives on how to be interviewed and how to handle questions from the media. A means to convey information to the press is to compile a press release.

Press release distribution can be accomplished easily if an established list of reporters and editors is available (Sweeney 2000:381). Press releases then need to be distributed to relevant reporters. The best results are achieved if both online and offline publicity campaigns are integrated. This entails press releases either being faxed or e-mailed to reporters.

Press releases can even be put online and designed to be interactive (Sweeney 2000:381). Links can be provided to a variety of interesting information that supports the message. The press release can be designed with a hypertext link to the e-mail address of the media contact person in the organisation and can have a link to the website or articles and illustrations that are relevant. Reporters can easily find out other facts needed for their articles from the website.

Providing editors and reporters with an organisation's story generates publicity (Burnett & Moriarty 1998:365). Publicity is one of the responsibilities of the media relations programme. A press conference to launch a new product can be held to generate publicity. It is necessary to provide any press members attending the event with a press kit containing photographs, a press release, copies of speeches, brochures and any other relevant information so that the reporter can write an accurate report which might be published in the newspaper.

c) Corporate public relations

The objective of corporate relations is to promote understanding and a good image of the company both internally and externally (George 2001:262). "Corporate public relations" is the term for high-level counselling with senior management about a company's overall reputation, its image in the eyes of various stakeholders and its response to issues that may affect its success (Burnett & Moriarty 1998:352). Corporate public relations can be divided into three sections, namely issue management, corporate advertising and advocacy advertising. Issue management refers to planning a company's response to important issues. A company uses corporate advertising to create positive attitudes and goodwill towards the company. Such advertising does not try to sell a brand but aims to enhance the image of the sponsoring organisation (Burnett & Moriarty 1998:352). Advocacy advertising is a type of corporate advertising that expresses the company's viewpoint on some issue (Burnett & Moriarty 1998:353).

Publications such as magazines and newspapers published for perusal by the company's internal publics (Burnett & Moriarty 1998:367) can be used as a form of corporate public relations. These may range from annual reports to weekly newsletters.

d) Consumer relations

Consumer relations entails dealing with consumer complaints. Dissatisfied customers can create a lot of negative word of mouth that could ruin a company's reputation (George 2001:263). It is thus important to find out exactly what the problem is and whether or not it can be rectified in a manner that suits the client.

e) Special events and sponsorships

Sponsorship in South Africa has grown into a R2-billion-a-year industry (Bulger 2002). Sponsorship is a viable means to generate publicity, especially by sponsoring a competition or event, even if it is in conjunction with another company. The sponsors are always mentioned and thanked, and goodwill is created for them.

Social events such as company picnics or sports days, can also generate publicity. Such activities may simply be used to create a pleasant atmosphere and build relationships with employees and customers, investors and important stakeholder publics (Burnett & Moriarty 1998:369). Educationals for travel agents can also be used to give them a better understanding of what the facilities look like and show them exactly what the tour operator wishes them to sell.

One of the strengths of public relations communications is that they are not received in the same light as advertising (Belch & Belch 2001:589). The public usually does not realise that the organisation has either directly or indirectly paid for the communication, and they therefore tend to have more credibility. The fact that the media are not being compensated for the information may lead to receivers considering it more truthful and reliable. The cost of public relations is relatively low. The company may pay for the conference or sponsorship, but the publicity generated from a well-organised and publicised event is priceless. Public relations messages are typically perceived as news items and are not subject to advertising clutter. A new technological breakthrough or new product introduction is likely to receive attention. Information may be required by someone who has encountered some publicity, thereby generating sales leads and enquiries. Public relations has the ability to reach specific groups, because some products appeal only to small groups and there is a great deal of wastage in advertising. Effective public relations helps to develop a positive image for the organisation (Belch & Belch 2001:590). A strong image is insurance against later misfortunes.

One of the weaknesses of PR is that the marketing and public relations departments someimes operate independently, thus encouraging inconsistent communications. Sometimes press releases

will be changed to suit the newspaper editor to create a good story, and the information may be inaccurate. The information is not always reported as the provider of the information would like it to be (Belch & Belch 2001:598). Since the message is entirely up to the media, it may be released too soon or much too late, possibly causing confusion and undesired effects.

The marketing communication methods have now been discussed, and it is now necessary to consider how to apply them to the tourism product.

3.6 TOURISM MARKETING

Tourism marketing is an adaptation of the basic principles of marketing which have been developed and practised across a wide spectrum of consumer products (Bennett 2000:195). Tourism marketing differs from traditional product marketing in the following ways:

- Tourism products bear the characteristics of services, namely intangibility, inseparability, variability and perishability (as discussed in ch 1).
- The tourism product comprises several services and products offered by different organisations and is usually marketed to tourists in the form of a package.
- Specialised intermediaries (ie, travel agents) are often needed to bridge the gap between the tourism product or service and the customers.
- Tourism demand is seasonal.

Bearing the above in mind, organisations will typically use a combination of the strategies discussed above (Rowley 2001:110). One communication tool can be used to promote another, for example, e-mail newsletters can be used to inform clients of new tour packages being advertised. Different tools will be used by different companies depending on size and who their target markets are.

3.7 SUMMARY

In this chapter the marketing communication methods component of the study were discussed. It also dealt with the marketing communication model to indicate that it is necessary for marketers

to consider that messages sent to receivers are encoded in such a way that the target audience will understand them. The seven marketing instruments for services, namely product, price, place, promotion, processes, people and physical evidence, were also investigated in order to orient the reader to where the promotion or marketing communication section fits in. Marketing communication methods were then explained in greater detail. First, the researcher explained why this section was divided into personal and nonpersonal communication. This was followed by a discussion of personal communication, namely direct marketing, interactive marketing and personal sales. Nonpersonal marketing communication methods, namely advertising, sales promotion and public relations were outlined. Where possible, each technique was applied to the South African tourism situation and its strengths and weaknesses discussed. The chapter concluded with a look at the uniqueness of the tourism product and how to choose and implement various strategies suited to a particular company, since it is notable that the combination of marketing communication tools selected has a huge impact on the success of the marketing communications effort.

CHAPTER 4: RESEARCH METHODOLOGY

4.0 INTRODUCTION

Cooper and Schindler (1998:14) define research as a systematic inquiry aimed at providing information to solve problems. Thus business research can be defined as a systematic enquiry that provides information to guide business decisions. The business decisions being referred to in this study deal with marketing communication methods to be used specifically by SATSA-registered tour operators.

Conducting research is essential to gain knowledge. In the business environment, it is safer to make decisions on the basis of knowledge of the topic as opposed to simply using intuition.

In this chapter, the research methodology used to investigate which marketing communication methods are used by SATSA-registered tour operators in Gauteng, will be discussed. Firstly, the research process and methodology are described. The research problem and objectives are stated again and the purpose of secondary and primary research explained. This is followed by a discussion of research methods and research design. Since this study is a survey, survey research design is discussed at length. The questionnaire design and question types used (including closed-ended and open-ended questions) in this study are explained. The chapter ends with a discussion on research implementation. Data analysis and interpretation will be discussed in chapter 5.

4.1 RESEARCH PROBLEM, PROCESS AND DESIGN

The actual research problem identified in chapter 1 is as follows: Which marketing communication methods do SATSA-registered Gauteng tour operators use? To resolve the problem, research objectives can be formulated.

4.1.1 Research problem and objectives

Research objectives are statements that the research project will attempt to achieve (Hair, Bush & Ortinau 2000:662). They provide the guidelines on establishing a research agenda of activities necessary to implement the research process. The research objectives should follow from the definition of the research problem (Hair et al 2000:36), since, if the objectives are achieved, the

decision maker will have the information he/she needs to solve the problem. For the purpose of this study, primary and secondary research objectives can be established. (The secondary objectives are derived from the primary objective).

The primary objective of this study is to determine which marketing communication methods tour operators use to market themselves (to other principals and customers).

The secondary objectives include determining

- the average size of a tour operator enterprise
- the highest income-generating source of business
- present target markets
- present use of interactive media
- the marketing communication methods being considered for future use
- how tour operators form relationships with accommodation establishments
- to identify further areas of research in this topic

Although the research will find valuable information, the results are limiting in a minor way.

4.1.2 Limitations of the study

There are certain limitations to this study because it will only examine

- SATSA-registered tour operators based in Gauteng and not all tour operators country-wide (including non-SATSA registered tour operators countrywide)
- the relationship between SATSA-registered tour operators in Gauteng and guesthouses and hotels in Gauteng and not all other accommodation establishments such as game lodges, camp sites or B&Bs in terms of being the highest income-generating source

Now that the objectives of the research have been formulated, the research process and methodology can be discussed. The research process is briefly outlined, followed by a discussion on the research design and secondary and primary research.

4.1.3 Research process

Figure 4.1 is a diagrammatic representation of the research process. The research objectives and information requirements (ie primary and secondary research) will be discussed next. The difference between quantitative and qualitative data and what sampling, questionnaire design and data collection methods will be used are discussed below.

FIGURE 4.1: Research process
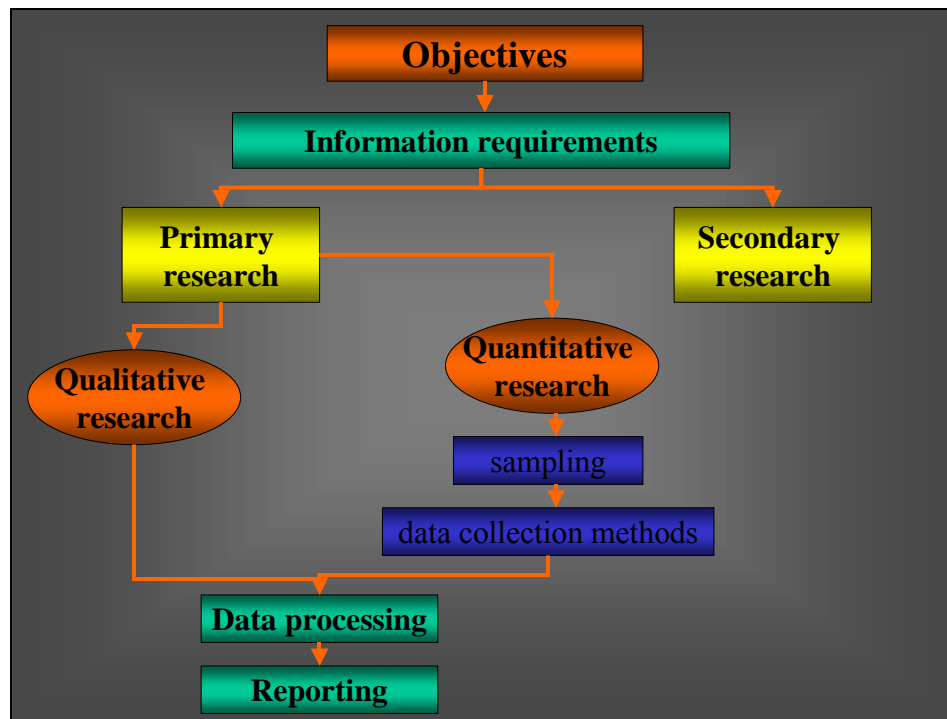
Source: adapted from Hague & Jackson (1996:45) and Martins et al (1999:81).

Martins, Loubser and van Wyk (1999:84-90) describe the research process using the following steps:

- *Step 1: Identifying and formulating the problem.* The study commences by identifying a specific problem. If the problem is well-formulated and the objectives of the problem are precisely defined, the likelihood of designing a research study that will provide the necessary information efficiently is greatly increased.

- *Step 2: Deciding what kind of data is required.* The nature of the data required to answer the research question varies from facts to level of awareness to opinions and attitudes. For the purpose of this study, mostly factual information will be required. Data that are clearly defined and measured, as well as behavioural data (the manner in which people behave in the marketplace) will be used to ascertain which marketing communication methods are used. Behavioural questions (eg where, when, how much, how often) are factual, but in their totality, reflect a certain behaviour pattern. Such questions will be used in the study to follow.

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- *Step 3: Exploring secondary data sources.* By tapping all the relevant sources, researchers can be more confident of the quality and appropriateness of their information.

- *Step 4: Revising and fine-tuning the research question.* After exploring secondary data sources, a clearer picture of the problem starts to emerge. Through secondary research the researcher will either find that the research question has been answered, or that the original question has been modified in some way by the information gathered.

- *Step 5: Designing the research study.* The research design provides a blueprint for realising the objectives of the research and answering the questions emanating from the problem.

- *Step 6: Determining the sample.* During this step, the target population has to be determined. The researcher needs to ascertain how many people should be interviewed and who they should be.

- *Step 7: Allocating funds and resources.* Marketing research can be costly – without appropriate budgetary planning the research effort may have to be terminated because of lack of resources. However, since this is an academic study and not a commercial one, the topic of resources will only be mentioned here because the researcher will not be remunerated.

- *Step 8: Writing and presenting the research proposal.* The research proposal is typically developed and refined concurrently with the exploratory and planning phases of the project. The proposal would thus incorporate the decisions and choices the researcher has made in the preliminary phases of the project. In this study, chapter 1 can be regarded as the research proposal and will thus not be discussed again.

- *Step 9: Conducting a pilot test.* The primary purpose of conducting a pilot test is to detect weaknesses in design and instrumentation and provide a sound base for determining and refining the sample. During the pilot tests, subjects are drawn from the target population.

- *Step 10: Collecting primary data.* The research method chosen will determine the way in which the data are collected. Different data collection methods such as questionnaires, standardised tests, observation forms or transcribed recordings of focus group discussions

will all have different implications for data collection, and each also has various advantages and disadvantages. Data have to be collected, captured and edited.

- *Step 11: Analysing and interpreting the data.* Once the data have been edited, the information has to be analysed and interpreted in terms of the original research problem and objectives.

- *Step 12: Reporting the results.* The final step involves preparing the research report and conveying the research findings and recommendations. This information will allow an informed decision to be made which has been scientifically verified.

The aim of this chapter is to give an overview of the methodology used. Steps 11 (analysing and interpreting the data) and 12 (reporting the results) will be discussed in detail in chapter 5.

4.1.4 Research design

Research design is the plan or the blueprint to be used for realising objectives and answering questions (Cooper & Schindler 1998:72). It is the structure or framework within which a specific problem is solved (McDaniel & Gates 2001:28). A time schedule has to be set, detailing each step to be followed in the research process. Selecting a design may be complicated by the availability of a large variety of methods, techniques, procedures and sampling plans. Determining the most appropriate research design is a function of the research objectives and the specific information requirements (Hair et al 2000:36). Most research objectives can be achieved by using one of three types of research designs, namely exploratory, descriptive or causal research designs (Hair et al 2000:37).

4.1.4.1 Exploratory research designs

Exploratory research focuses on collecting either secondary or primary data and using an unstructured format or informal procedures to interpret them (Hair et al 2000:37). Exploratory research incorporates the fewest characteristics or principles of the scientific method. It is often used simply to classify the problems or opportunities, and is not intended to provide conclusive information from which a particular course of action can be determined. Examples of exploratory research are focus group interviews, experience surveys and pilot studies.

4.1.4.2 Causal research designs

Causal research is designed to collect raw data and create data structures and information that will allow the researcher to model cause-and-effect relationships between two or more variables (Hair et al 2000:38). Causal research is most appropriate when the research objectives include the need to understand the reasons why certain market phenomena happen as they do. This may assist the decision maker to gain an understanding of which independent variables are the cause of a dependent phenomenon defined in the decision or research problem. An independent variable is a symbol or concept over which the researcher has some control or which he/she can manipulate to some extent. It is hypothesised to cause or influence the dependent variable (McDaniel & Gates 2001:29). A dependent variable, however, is a symbol or concept that is expected to be explained or caused by the independent variable.

4.1.4.3 Descriptive research designs

This type of research uses a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics of a defined target population or market structure (Hair et al 2000:38). Descriptive studies generally allow decision makers to draw inferences about their customers, target markets or environmental factors.

Descriptive research was the research design chosen for this study because the researcher was not interested in finding cause-and-effect relationships; neither merely classifying the problems or opportunities found, but rather making inferences about the results obtained.

When selecting a descriptive research design, the researcher has to choose between a variety of methods, namely a case study, survey research, an experiment, a secondary data study or simulation (Martins et al 1999:87). Only experiments, surveys and case studies will be discussed, and each research method will be briefly explained later in this chapter.

There are many data sources for collecting information. A researcher can make use of either secondary data sources or primary data sources. Both types of sources are discussed below.

4.1.5 Secondary research

The literature review section examines recent or significant research studies or industry reports that act as a basis for the proposed study (Cooper & Schindler 1998:92). Secondary data are historical data previously collected and assembled for some research problem or opportunity situation other than the current situation (Hair et al 2000:39).

Secondary research is an advantageous source of information, because there is usually a wealth of research previously conducted on various topics. Secondary data are usually in written form, but nowadays are increasingly made available via computers and other electronic sources (Youell 1998:202).

Secondary data exist before a study commences – hence such data are readily available (Martins et al 1999:100). A research study using secondary data is invariably less expensive and, since the research has already been conducted, the task is not as time-consuming to complete compared with using primary data throughout the study. It is futile spending time and money to determine what is already available and accessible at little cost. This indicates one of the most beneficial aspects of using secondary data.

However, the use of secondary data does have some disadvantages. The data may have been collected for a purpose that does not match the needs of the present study, and in certain instances, access may be difficult or costly, for example the need to acquire costly research reports.

Secondary data were utilised to formulate the literature review in this study – that is, the basis for chapters 1, 2 and 3. A literature review gives an overview of previous research or writings on the topic (Ogier 1998:33). Since secondary data supply the researcher with previous research, they are used to compile the literature review. The literature review usually presents studies and reports and provides the background to the present study. Statistics, reports and other existing information that were readily available were included in the various topics discussed in the chapters mentioned.

A distinction can be made between two types of secondary data, namely internal and external secondary data. Internal secondary data are available within an organisation, such as sales receipts, customer records, mailing lists, financial returns and survey findings (Youell 1998:202). External secondary data are available outside the organisation from libraries (Youell 1998:262), the Internet (Youell 1998:263) and public sources. Public sources are organisations such as the World Tourism Organisation (WTO) and the World Travel and Tourism Council (WTTC) which supply statistical data on an international scale (Youell 1998:202). Such sources are precious resources of information.

When evaluating secondary information, it is important to consider when the information was collected, since incorrect data could have a great impact on the outcome of the study (eg results on tourist arrivals or Internet usage should not be too outdated). Only information acquired by reliable sources was used in this study.

It is necessary to conduct primary research to acquire new information and knowledge – hence a short discussion on what primary research is follows.

4.1.6 Primary research

Gathering primary data is the original research conducted on a specific topic (Cooper & Schindler 1998:135). Primary data are collected if information needed for a specific purpose is not available, or if the information is not already available in published form (Youell 1998:196). Thus the source of primary data is the output of conducting a research project using certain techniques (in this study a survey) to collect the required data (Hair et al 2000:39). The data are customised to the topic and tend to require specialised data collection procedures. Great care should be taken in collecting primary data to ensure that the data collected provide unbiased information that is relevant, clear and accurate.

To acquire primary data for this study, research has to be conducted. This necessitates a discussion on research design, to explain how the research was conducted. However, it is important to assure respondents when they respond to a questionnaire that they have a right to privacy and confidentiality. This leads to considerations about ethics in research, and so before the questionnaire can be designed, the ethics involved in conducting the research needs to be discussed.

4.1.7 Ethical considerations

Ethics are norms or standards of behaviour that guide moral choices about behaviour and relationships with others (Cooper & Schindler 1998:108). The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities (this objective is usually achieved). Responsible research anticipates ethical dilemmas and attempts to adjust the design and procedures during the planning process rather than treating them as an afterthought.

All individuals have a right to privacy which researchers need to respect (Cooper & Schindler 1998:111). A privacy guarantee is important not only to retain the validity of the research but

also to protect the respondents. Confidentiality of survey answers is a vital aspect of the respondents' right to privacy. Once the guarantee of confidentiality is given, protecting it is essential. The privacy policy used in the questionnaire reads as follows:

EXHIBIT 4.1: Privacy policy

PRIVACY POLICY
Thank you for your willingness to participate in the questionnaire. We would like to assure you that the information collected will be used for research purposes only. Company names will not be used in the report. You will not receive e-mail or any other form of correspondence from us in the future as this is a once-off study. Your e-mail address was obtained, with permission, from the SATSA website.

The following ethical principles need to be adhered to:

- The respondent has a right not to partake in the research. Informed consent involves giving participants comprehensive and correct information about a research study and ensuring that they fully understand what participation will entail before securing their consent to partake (Mann & Stewart 2000:48). This is possibly the key issue to be addressed when creating a framework for ethical online research practice. Thus in the e-mail sent to each potential respondent, the study and its aims are clearly explained.

- Once a respondent has agreed to partake, he/she still has a right to privacy. This entitles the respondent to have the right to withdraw as a participant, and he/she may decline to take part in a particular aspect of the research. The privacy policy appeared at the beginning of the questionnaire to assure the respondents that the information gathered in the study would be used responsibly.

- Once a promise of confidentiality has been given to respondents, it should be maintained. If confidentiality has been promised, a level of care also needs to be exercised to ensure that respondents remain anonymous when the report is written. The respondents in this study were assured that their company names would not be mentioned. The companies were merely discussed in terms of size, years in existence and what marketing communication methods were used in general.

Bearing the above ethical considerations in mind, an appropriate research strategy for the study can be formulated.

4.2 RESEARCH METHODS

Research objectives and information requirements are the keys to determining which type of research design will be the most appropriate to use in collecting raw data (Hair et al 2000:215). The methods available for collecting data have been generally classified into two broad categories, namely quantitative and qualitative research. Before deciding what type of research to conduct, it is necessary to understand the difference between quantitative and qualitative research, which will be explained below.

4.2.1 Qualitative data

Qualitative research uses selective types of research methods in exploratory research designs where the main objective is to gain a variety of preliminary insights to discover and identify decision problems and opportunities (Hair et al 2000:661). Qualitative research provides in-depth, non-numeric information and is mainly descriptive. It involves the collection and analysis of data concerned with meanings, attitudes and beliefs (Ogier 1998:38).

Qualitative research tends to focus on the collection of detailed amounts of primary data from relatively small samples of subjects by asking questions or observing behaviour (Hair et al 2000:216). Researchers use open-ended questions that allow for in-depth probing of the subject's initial responses or specific observational techniques that allow for analysis of behaviour. Qualitative data can be collected within relatively short periods of time but it is often difficult to summarise or quantify the data into meaningful forms or numbers. Data analysis is usually restricted to highly subjective content.

Qualitative research is usually much cheaper than quantitative research (see sec 4.2.2 for an explanation and definition), thereby making it a popular option to consider (McDaniel & Gates 2001:109). Also, it is a far superior method for understanding the detailed motives and feelings of consumers.

Qualitative research can also improve the efficiency of quantitative research by combining quantitative and qualitative research into a single study or series of studies (McDaniel & Gates 2001:110). For example, the patterns displayed in quantitative research can be enriched with the addition of qualitative information dealing with the reasons and motives of consumers.

A limitation of qualitative research is that it does not necessarily represent the population that is of interest to the researcher. This is because smaller samples are used owing to the lack of interviewers. The researcher's ability to generalise qualitative data into larger segments is extremely limited since the information is nonstructured and the sample sizes are small (McDaniel & Gates 2001:216).

The most common forms of data collection for the purpose of qualitative studies are personal interviews (in-depth or one-on-one interviews) and focus groups.

- An in-depth interview is a formalised process in which a well-trained interviewer asks a subject a set of unstructured questions in a face-to-face setting (Hair et al 2000:219). Unstructured questions are open-ended questions (questions with no pre-determined answers) which respondents answer in their own words (Malhotra 2004:289). (Unstructured and structured questions are discussed in sec 4.5 below.) Such interviews are usually free flowing yet structured in the sense that a fixed set of questions is asked during the interview, but the respondent is not guided towards a required response. It is designed to elicit a great deal of detailed information from each individual – hence the number of people interviewed is usually small (less than 50) because of the time and costs involved.

Focus groups are an alternative to in-depth interviews.

- Focus groups are a formalised process of bringing together a small group of people for an interactive, spontaneous discussion on one particular topic or concept (Hair et al 2000:222). A moderator moves the discussion through desired topic areas and the individuals participate in the group discussion.

Since qualitative data have been explained, sec 4.2.2 will explain quantitative data.

4.2.2 Quantitative data

Quantitative research involves data collection methods that emphasise the use of formalised, standard, structured questioning practices in which the response options have been predetermined by the researcher and administered to significantly large numbers of respondents (Hair et al 2000:661). The data result in numerical counts from which statistical inferences can be drawn.

For the purpose of quantitative research, the information research problems and opportunities are specific and well defined and the decision maker and researcher have agreed on the precise information needs (Hair et al 2000:216). Quantitative research methods are more directly related to descriptive and causal research designs than to exploratory designs. Success in collecting primary data is more a function of correctly designing and administering the survey instrument than of the communication and interpretive skills of an interviewer or observer as in the case of qualitative data.

The main goal of quantitative research is to provide specific facts that decision makers can use to make accurate predictions and gain meaningful insights or verify and validate existing relationships. To this end, researchers should be trained in construct development, scale measurement, questionnaire design, sampling and statistical data analysis (Hair et al 2000:216). In addition, researchers must have the ability to translate numerical data structures into meaningful narrative information.

It is necessary to point out that neither approach is intrinsically better than the other – each is simply more or less appropriate, given a specific circumstance or information need. According to Ogier (1998:38), it is necessary to choose the method of research most appropriate to the aim of the study.

It has been decided to use quantitative data for this study. The reason for this is that qualitative research provides in-depth, non-numeric information and involves the collection and analysis of data on meanings, attitudes and beliefs by asking questions or observing behaviour. Quantitative research, on the other hand, uses formalised, standard and structured questioning practices where the response options have been predetermined by the researcher and can be administered to significantly large numbers of respondents. The data result in numerical counts from which statistical inferences can be drawn. The researcher's intention in this study was to reach a larger number of respondents and make statistical inferences instead of monitoring behaviour.

This has been identified as a descriptive study using quantitative data. To further the research design, various descriptive research designs to be decided upon will be discussed below.

4.3 DESCRIPTIVE RESEARCH DESIGNS

One has to choose between various descriptive research methods that will be most effective for the research study in mind. Each method will be explained and then an appropriate method selected.

4.3.1 Experiments

An experiment is distinguished by the researcher changing one or more variables while observing the effects of these changes on another variable (McDaniel & Gates 2001:30). Experiments typically involve the definition of a theoretical hypothesis, the selection of samples of individuals from known populations and the allocation of samples to different experimental conditions. This is followed by the introduction of planned change in one or more of the variables, and lastly, measurement on a small number of the variables and control of other variables. One manner in which researchers attempt to control factors that may influence a dependent variable is to use a laboratory experiment (conducted in a test facility rather than in a natural environment). For example, a simulated supermarket environment can be created. However, the limitation of this method is that the way in which consumers react in an unnatural environment may differ from their reactions in a real-life situation.

4.3.2 Case studies

Case studies are the development of detailed, intensive knowledge about a single "case" or a number of related "cases". A case can be described as the entity being studied (Cooper & Schindler 1998:43). A case study may be a worthwhile strategy to explore existing theory. It places more emphasis on a full contextual analysis of fewer events or conditions and their interrelationships.

4.3.3 Survey research

Survey research involves interacting with respondents to obtain facts, opinions and attitudes (McDaniel & Gates 2001:30). A questionnaire is used to provide an orderly and structured approach to data gathering. As a rule, surveys are administered over the telephone, through the mail or in person-to-person (face-to-face) interviews. Questionnaires may also be administered using electronic interactive methods such as websites, or e-mail may also be used.

For the purpose of this study, the researcher selected the survey method to obtain information on tour operators. The researcher did not wish to conduct an experiment – that is, change one or

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more variables while observing the effects of those changes on another variable; nor did she wish to gather detailed, intensive knowledge about a single "case" or a number of related "cases", as in case studies. Instead, the researcher decided to interact with the respondents to obtain facts, opinions and attitudes, which is why the survey method was chosen. Survey research design will be discussed in depth below.

4.4 SURVEY RESEARCH DESIGN

Survey research methods are research procedures for collecting large amounts of raw data using question-and-answer formats (Hair et al 2000:253). Survey methods are associated with descriptive and causal research situations, and allow one to collect a large amount of data from a population in an economical manner. A population is the identifiable total set of elements of interest being investigated by a researcher (Hair et al 2000:328). The sample size is the number of elements to be included in a study (Malhotra 2004:318). Determining a reasonable size for a population involves considering the fact that the larger the sample size, the greater the likelihood is of obtaining a true representation of the population. In this study, the researcher felt that the 80 SATSA-registered tour operators to be interviewed would give a true reflection of the population. (Of the original 84 tour operators that were to be interviewed, four had closed their businesses before the survey was sent.)

The majority of marketing or information research is conducted through one or more of the various survey methods (Hair et al 2000:253). In most cases the research problems or opportunities are well defined, and there is agreement on the precise data requirements. Structured interviews (where standardised questions are put to all the interviewees) also fall into the survey category.

The shortcomings of the survey method include the fact that data collected by means of a survey method are quantitative and may not be as wide ranging as those collected by means of qualitative research methods. Also, there is a limit to the number of questions a questionnaire can contain because should too many questions be asked, the respondents may be discouraged from answering the questionnaire. Surveys have certain disadvantages, namely that obtaining a representative sample is often difficult and may also be costly (Berger 1998:39). Surveys have to have some focus and may therefore be limited in scope. The list of questions is fixed and respondents to surveys often do not give honest answers (eg respondents often exaggerate their

incomes). Sometimes respondents may not understand particular questions and thus answer them incorrectly.

Beside the shortcomings and disadvantages, surveys are a relatively inexpensive way of obtaining information (Berger 1998:38) because a considerable number of questions can be asked. If the sampling is correct, surveys are generally reasonably accurate and information can be obtained on past and future behaviour. Data can be collected on current attitudes and opinions, and as mentioned by Hansen, Cottle, Negrine and Newbold (1998:225), the data acquired through surveys can also provide basic information on existing or changing behaviour. Answers to survey questions can be represented in numerical form and subjected to various kinds of analyses (as will be done in this study, and explained in ch 5).

FIGURE 4.2: Types of survey methods
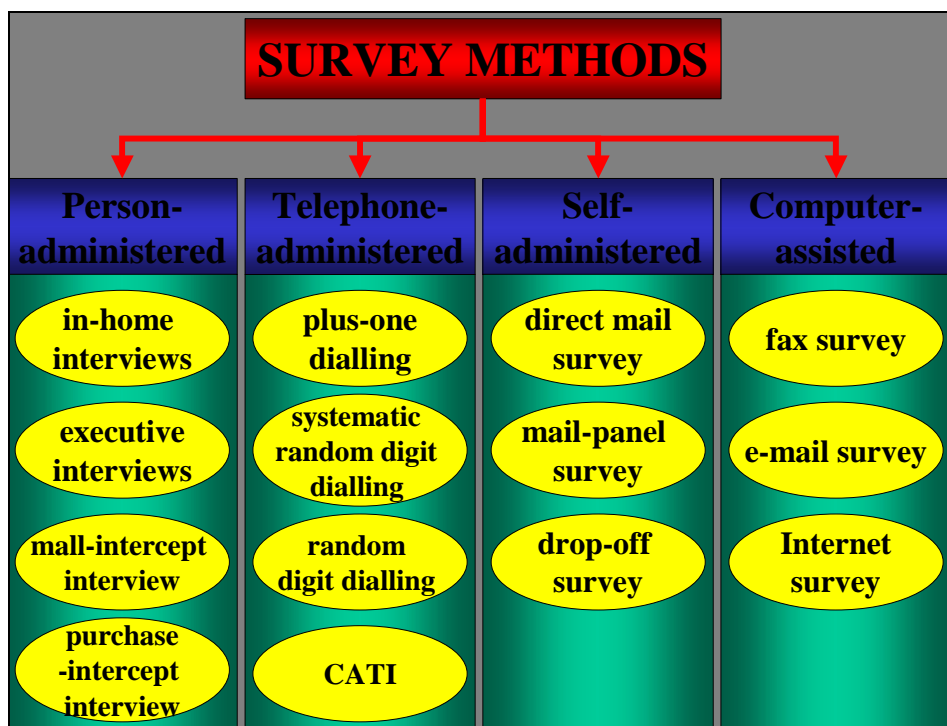
Source: adapted from Hair et al (2000:255).

4.4.1 Types of survey methods

Different methods can be used to collect survey information. The continual advances in personal computer technology and telecommunication, and endless creative possibilities leave researchers with an almost limitless number of survey methods. The methods used can be grouped into four

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broad categories (depicted in fig 4.2), namely person-administered surveys, telephone-administered surveys, self-administered surveys and computer-assisted surveys (Hair et al 2000:255). Each method will be briefly explained.

4.4.1.1 Person-administered surveys

Person-administered survey methods are distinguished by the presence of a trained interviewer who asks questions and records the subject's answers (Hair et al 2000:256). Personal interviews occur when an interviewer administers a survey to a respondent in a face-to-face setting.

Depending on the defined information problem and data requirements, there are different types of person-administered methodologies that offer unique strengths and weaknesses to the researcher (Hair et al 2000:256). Each will be briefly discussed below.

- In-home interviews are structured question-and-answer exchanges conducted in the respondent's home (Hair et al 2000:256). This face-to-face situation allows the interviewer to explain confusing or complex questions and makes it possible to use visual aids or stimuli to elicit responses. Also, the respondents are in a familiar environment where they feel safe and secure, and this may increase their willingness to respond to the questions. The weaknesses of this method include the possibility that interviewers who are not under constant supervision, may omit homes they find threatening or fabricate interviews. Such interviews are expensive and time-consuming.
- Executive interviews involve a personal exchange with a business executive conducted in his/her office (Hair et al 2000:257). Such interviews focus on collecting primary data on industrial product or service offerings (and not executives' personal consumer preferences). Securing an interview with an executive can be time-consuming and interviewers have to be well-trained since the topics discussed may be highly technical.
- Mall-intercept interviews are face-to-face personal interviews that take place in a shopping mall (Hair et al 2000:257). Shoppers are stopped and asked for feedback on products or services. This method is less expensive and more convenient for the researcher. One of the weaknesses of this method is that mall patrons may not be representative of the general population.
- Purchase-intercept interviews are face-to-face interviews that take place immediately after the purchase of a product or service (Hair et al 2000:257).

4.4.1.2 Telephone-administered surveys

Telephone interviews involve the administration of a survey questionnaire via telephone. Hair et al (2000:258) define them as question-and-answer exchanges that are conducted via telephone technology. Such interviews are typically conducted by a team of trained interviewers telephoning from a central location, each with a standard questionnaire. The advantage of this is that interviewers can be supervised while conducting the interview. Another advantage is that respondents can be called again if they did not answer the first time, whereas in the case of face-to-face interviews, this may become rather costly. Compared with face-to-face interviews, telephone interviews are cheaper, faster and more suitable for gathering data from large numbers of respondents (Hair et al 2000:258). Telephone interviews do have some disadvantages, primarily the fact that no visual stimuli can be presented over the telephone. Also, telephone interviews are restricted by time since respondents tend to hang up if the call becomes too long.

Most marketing research studies need a random sample – it is rare for the client to supply the researcher with a customer list (Hair et al 2000:260). Three techniques have been developed to overcome the telephone-number selection problem, namely plus-one dialling, systematic random digit dialling and random digit dialling. Each will be briefly explained in the points to follow.

- Plus-one dialling is a method of generating telephone numbers to be called by choosing numbers randomly from a telephone directory and adding one digit (Hair et al 2000:660). This method allows for the possibility of unlisted telephone numbers being included in the sample.

- Systematic random digit dialling is a technique of randomly dialling telephone numbers, but only numbers that meet specific criteria (Hair et al 2000:665). Thus, each number in the exchange has a known but not equal chance of being called.

- Random digit dialling involves a random selection of area code, exchange and suffix numbers (Hair et al 2000:661). Once again, all numbers have an equal chance of being called. However, many numbers are either not in service or are in use by people or organisations not included in the scope of the researcher's survey design.

One of the latest developments in telephone interviews has been computer-assisted telephone interviews (CATI). This is a fully automated system in which the respondent listens to an electronic voice and responds by pushing keys on the touch-tone telephone keypad (Hair et al 2000:261). The cost per call is drastically decreased, as less manpower is needed. Another advantage is ownership of the call. Sometimes respondents need to stop in the middle of the

interview but are willing to finish at another time. The computer technology is capable of storing the information until the respondent can continue with the interview.

4.4.1.3 Self-administered surveys

Hair et al (2000:261) describe self-administered surveys as a data collection technique in which the respondent reads the survey questions and records his/her own answers without the presence of a trained interviewer. This method allows no interviewer interference, bias or probing, and the cost per survey is substantially less.

The most common type of self-administered survey is the direct-mail survey method. Mail panels and drop-off surveys will also be discussed.

- A direct-mail survey is a self-administered questionnaire that is delivered to selected respondents and returned to the researcher by mail (Hair et al 2000:261). Mail surveys entail mailing each potential respondent a package containing a cover letter, the survey questionnaire, instructions for completion and return and a stamped envelope addressed to the research company conducting the research. An incentive (money or a small gift) may or may not be included. There is no personal interaction between the interviewer and the respondent. The researcher must be careful to select a list that accurately reflects the target population of interest (Hair et al 2000:261). This method may be more cost-effective to administer than previous methods mentioned. However, being able to grab the potential respondent's attention is challenging. A weakness of this method is that the response rate tends to be much lower than in face-to-face or telephone interviews. Another problem is misunderstood questions or skipped questions because there is no interviewer present to explain the question to the respondent.

- A mail-panel survey is a questionnaire sent to a group of individuals who have agreed in advance to participate (Hair et al 2000:262). Prior agreement usually guarantees a higher response rate. Also, this method allows for longitudinal research because the same people can be tested many times over an extended period, which allows the researcher to observe changes in the panel members' responses over time. One of the shortcomings of this method is that members are likely not to be representative of the target population.

- A drop-off survey is a self-administered questionnaire which a representative of the researcher hand-delivers to selected respondents. The completed surveys are returned by mail or picked up by the representative (Hair et al 2000:262). This allows the representative to be

available to answer general questions and encourage the respondents to complete the questionnaire. However, this method is costly because the researcher has to go to each respondent to drop off and pick up the questionnaire.

A fourth category of survey methods exists, that is, computer-assisted surveys.

4.4.1.4 Computer-assisted surveys

As technology advances, so too do new survey methods develop. A huge advantage of all electronic methods is that data can be automatically entered into a database, thereby decreasing errors caused by manual labour inputs. Data collection is also faster. The focus will be on three new types of survey designs, namely fax surveys, e-mail surveys and Internet surveys (Hair et al 2000:263).

- A fax survey is a self-administered questionnaire that is sent to the selected subject via fax (Hair et al 2000:263). A fax survey is essentially a mail survey sent by fax to the respondent. The flexibility of mail can be combined with the speed of the telephone, making it a cost-effective method to consider. A fax survey implies urgency and is not perceived as being junk mail by many recipients. A shortcoming of this method is that not many consumers have fax facilities, although many companies do. It therefore depends on the target market to be reached whether or not this will be a viable option to use. Another shortcoming is that by requesting the respondents to fax back the questionnaire, they have to pay to fax it back. However, this problem can be overcome by providing a toll-free fax response line. Fax surveys also may lack clarity of print and are not in colour.
- E-mail survey is a self-administered data collection technique in which the survey is delivered to and returned by the respondent via e-mail (Hair et al 2000:264). Data can be collected quickly and in large numbers at low cost. E-mail also offers a fast and cost-effective way to conduct international research if the target market has access to the Internet.
- An Internet survey is a self-administered questionnaire that is placed on a World Wide Web site for prospective subjects to read and complete (Hair et al 2000:265). Electronic interactive surveys are a blend of personal and mail interviews. The computer program is fully interactive with the respondent (personal), but the survey requires only the presence of the respondent (as in the case of mail surveys). An Internet survey can be compiled quickly and can have many visual stimuli, making it more interesting for respondents. Respondents are then able to answer the questions on the website and the information is automatically

entered into a database, thus eliminating the need to enter data manually. Another advantage of Internet surveys is cost (McDaniel & Gates 2001:192). Printing, mailing, data-entry and interviewer costs are eliminated and the incremental costs of each respondent are typically low. Also, a survey only requiring two or three questions is made viable by using the Internet. One weakness of this method, however, is that not many people have access to the Internet, however, many companies do. Thus Internet users do not represent users as a whole (McDaniel & Gates 2001:193). Care should be taken not to provide large pictures on the questionnaire that would increase the download time of each page to be viewed, thus making it extremely costly for the respondents to answer the questionnaire. Since this is still a new type of technology, a few technological problems may be experienced. Also, because some respondents may not be fully computer literate, instructions in layperson's terms need to be provided. A problem with Internet surveys is that an unrestricted Internet sample is set up on the Internet – in other words, anyone wishing to complete the questionnaire can do so (McDaniel & Gates 2001:194). This can be avoided by using a recruited Internet sample, which is a controlled survey set up on the Internet used for target populations (McDaniel & Gates 2001:194). Respondents are recruited and once they qualify, they are sent an e-mail providing them with a link to the World Wide Web site where the questionnaire is hosted. At the website, passwords are used to restrict access to recruited sample members only. Since the make-up of the sample is known, completions can be monitored and follow-up messages sent to those who have not completed the questionnaire to improve the participation rate (McDaniel & Gates 2001:194).

4.4.2 Selecting an appropriate survey method

After considering all the above-mentioned methods, it was decided to use a computer-assisted survey, that is, a combination of the e-mail survey and the Internet survey methods for the purpose of this study. The reason for this decision was that all SATSA-registered tour operators in Gauteng have e-mail addresses and thus also Internet access. Many of the companies also have their own websites. Internet surveys are also a modern interactive tool and the researcher felt that it would be a good idea to try a modern method for the research.

Once the survey method has been chosen, the sample size and method of sampling should be considered. A brief discussion of sampling follows.

4.4.3 Sampling

When choosing the population to be studied, in other words, an identifiable total set of elements of interest being investigated by a researcher (Hair et al 2000:328), the target population needs to be identified. The target population is the collection of elements or objects that possesses the information sought by the researcher and about which inferences are to be made (Malhotra 2004:315). The target population in this study identified 80 SATSA-registered tour operators in Gauteng.

To be able to study the target population, the researcher has to decide whether to conduct a census or to select a sample. The decision about whether to use a census or a sample is explained below.

4.4.3.1 Census versus sample

A census involves data obtained from or about every member of the population that is of interest (McDaniel & Gates 2001:328). Alternatively, sampling may be preferable because in many instances, there are too many cases and collecting and analysing data from all these cases, is restricted by time, money and access. The basic idea of sampling is that a small number of elements from a larger defined target group of elements can be selected and that the information gathered from this group will allow judgements to be made about the larger group (Hair et al 2000:327). The difference between the two methods is that a census results in every member of the population of interest participating in the research, whereas the decision to take a sample results in a subset of the population of interest participating in the research.

Sampling techniques provide a range of methods that enable researchers to reduce the amount of data that needs to be collected by considering only data from a subgroup rather than all possible cases and allowing generalisations to be made of the entire population that was to be interviewed.

4.4.3.2 Sampling method

The selection of a sampling method depends on the objectives of the study, the financial resources available, time constraints and the nature of the problem under investigation (McDaniel & Gates 2001:333). The major sampling methods can be grouped under two headings, namely *probability sampling methods* and *nonprobability sampling methods*.

a) Probability sampling methods

Probability sampling is a sample in which every element in the population has a known, nonzero probability of selection (McDaniel & Gates 2001:333). There are four types of probability samples, namely simple random sampling, stratified random sampling, cluster sampling and systematic sampling. Each is discussed below.

(1) A simple random sample is a type of probability sampling in which the sample is selected in such a way that every element of the population has a known and equal probability of inclusion in the sample (McDaniel & Gates 2001:333). A table of random numbers can be used to select the sampling units (Hair et al 2000:346).

(2) Stratified random sampling divides the defined target population into groups known as strata, and samples are selected from each stratum (Hair et al 2000:349). This method is useful when the divisions of the target population are skewed or when extremes are present in the probability distribution of the target population elements of interest. The goal in stratifying is to minimise the variability or skewness, within each stratum and maximise the differences between strata.

(3) Cluster sampling is a method in which the sampling units are divided into mutually exclusive and collectively exhaustive subpopulations called clusters, rather than individually (Hair et al 2000:351). Each cluster is assumed to be representative of the heterogeneity of the target population.

(4) Systematic sampling is a probability sampling method in which the entire population is numbered and elements are drawn using a skip interval (McDaniel & Gates 2001:341). This method requires the defined target population to be ordered in some way, usually in the form of a customer list (Hair et al 2000:347). It is imperative that the natural order of the defined target population list should not be related to the characteristic being studied.

Nonprobability sampling is a sample that includes elements from the population that are selected in a nonrandom manner (McDaniel & Gates 2001:335).

b) Nonprobability sampling methods

There are also four types of nonprobability sampling, namely convenience sampling, judgement sampling, snowball sampling and quota sampling. Each nonprobability sampling method is discussed below.

- Convenience sampling is a sample used primarily because data are easy to collect (McDaniel & Gates 2001:347). Samples are drawn at the convenience of the researcher. Respondents are "self-selected" – in other words, those who respond are either more interested in the topic or question or may have more time at their disposal (Martins et al 1999:253). A major disadvantage of this method is that the raw data results are not generalisable to the defined target population with any measure of precision (Hair et al 2000:355). It is not possible to measure the representativeness of the sample because sampling error estimates cannot be accurately determined.

- In judgement sampling the selection criteria are based on personal judgement that the element is representative of the population being studied (McDaniel & Gates 2001:348). If the researcher's judgement is correct, the sample generated will be much better than one generated by convenience sampling, as far as providing information about the characteristic of interest is concerned (Hair et al 2000:355). However, as in the case of all nonprobability sampling procedures, it is not possible to measure the representativeness of the sample. Hence, raw data and information collected should be regarded as nothing more than preliminary insights.

- Snowball sampling is a nonprobability sample in which the selection of additional respondents is based on referrals from the initial respondents (McDaniel & Gates 2001:350). The original respondents are identified and qualified and they in turn help the researcher to identify additional people to be included in the study. This method is also called referral sampling (Hair et al 2000:356). It is typically used in research situations where the defined target population is very small and unique and when compiling a complete list of sampling units is an almost impossible task.

- Quota sampling uses the selection of participants based on specific quotas regarding specific characteristics (Hair et al 2000:661). Quotas are usually determined on the basis of specific research objectives. The underlying purpose of quota sampling is to provide an assurance that prespecified subgroups of the defined target population are represented on pertinent sampling factors that are determined by the researcher or client (Hair et al 2000:355).

Although censuses are not often used in marketing research (McDaniel & Gates 2001:328), in some situations, a census is appropriate and feasible.

4.4.3.3 Census Method

A census is a feasible method to use when the population of interest is small and identifiable and information can be obtained from the entire population. Sampling may eliminate important cases from the study or credibility may require the consideration of all members of the population.

In the case of this study, the number of SATSA-registered tour operators in Gauteng is small and identifiable. There are 227 SATSA-registered tour operators in South Africa, of which 80 are registered in Gauteng. Since only Gauteng-registered tour operators were interviewed, this study can be classified a census.

4.4.3.4 Sampling frame

A sampling frame is a list of population elements from which to select units to be sampled (McDaniel & Gates 2001:333). Ideally, a list of all members of the population is obtainable, as was the case in this study. SATSA provided a list of all Gauteng-registered tour operators. In most instances, such lists were not available, and the researcher therefore had to reflect the sample frame through some procedure that would produce a representative sample of individuals with the desired characteristics, using one of the sampling methods discussed above.

Mail surveys (or Internet surveys) have poor response rates (Malhotra 2004:183). In a mail survey of randomly selected respondents without premailing contact, the response rate is typically less than 15%, whereas personal, in-home, mall intercept and computer-assisted interviews have a typical response rate of more than 80%. Such low response rates for mail surveys can lead to nonresponse bias. Errors arising from non response can have serious limitations on the research results. Thus special efforts were made to increase the response rates. One method to increase response rates is to give potential respondents advance notice. Another is to send reminder e-mails with the due date indicated on the letter. Advance notice is discussed below.

4.4.4 Advance notice

It is advisable to warn respondents in advance that the questionnaires will be sent to them. This can be done by letter, postcard, telephone or through the media (Martins et al 1999:155). Advance notice is regarded as an effective method of raising response rates. Since this study considered a small target population, it was deemed necessary to communicate to potential respondents that they would be receiving a questionnaire to complete. The 80 SATSA-registered

tour operators in Gauteng were telephoned to inform them that an e-mail would be sent with more detail about the study and provide each with a password and the link to the website. They were informed about the survey and the date on which they could expect the questionnaire. They were also thanked in advance for their efforts. Although all 80 tour operators were sent questionnaires not all of them responded. Response was voluntary – the tour operators were not compelled to respond, but were assured that their responses would be kept confidential.

4.4.5 Survey research errors

When assessing the quality of information obtained from survey research, the researcher must try to determine the accuracy of the results (McDaniel & Gates 2001:173). This requires careful consideration of the research methodology employed in relation to the various types of errors that might result. Types of errors that could occur are sampling errors and measurement errors. Each is discussed below.

4.4.5.1 Sampling errors

A sampling error is the difference between the sample value and the true value of the population mean (McDaniel & Gates 2001:335). Sampling error results when the sample selected is not perfectly representative of the population (McDaniel & Gates 2001:339). Surveys attempt to obtain information from a representative cross-section of the target population. The goal is to make inferences about the total population on the basis of the responses given by the respondents sampled. Random error thus results because of the difference between the sample value and the true value of the population mean. This error cannot be avoided, and can only be reduced by increasing the sample size (McDaniel & Gates 2001:173). Administrative error and frame error may occur in sampling errors.

a) Administrative error

Administrative error relates to problems in the administration or execution of the sample (McDaniel & Gates 2001:339). Flaws in the design or execution of the sample cause it to be underrepresentative of the population. This type of error can be avoided or minimised by paying careful attention to the design and execution of the sample.

b) Frame errors

The sampling frame, as mentioned previously, is the list of population elements or members from which units to be sampled are selected. A sample frame should contain all elements of the population being studied, but a perfect sample frame is seldom available (Martins et al

1999:284). Hence it can be said that frame error results from an inaccurate or incomplete sample frame (McDaniel & Gates 2001:174). This means that a sample drawn from a list that includes frame error may not be a true cross-section of the target population. The error may be caused by one or more of the following (Martins et al 1999:284):

- omission of some elements leading to an incomplete sample
- duplication of some elements
- foreign elements which may be part of the sample frame but not of the population being studied

It was determined that five companies on the list no longer existed or were in the process of closing down. Thus to avoid frame error, questionnaires were not sent to these tour operators.

Measurement error (or nonsampling error) includes everything other than sampling error that may cause inaccuracy and bias in the study results (McDaniel & Gates 2001:339).

4.4.5.2 Measurement errors

This is an error that results from a variation between the information being sought and what is actually obtained by the measurement process (McDaniel & Gates 2001:175). Three types of measurement errors occur, namely measurement instrument error, response errors and nonresponse errors.

a) Measurement instrument error

This error results from the design of the questionnaire or measurement instrument (McDaniel & Gates 2001:177). Leading questions cause errors, as do ambiguous questions. To avoid this error, careful attention should be paid to the questionnaire design phase of research and pilot tests should be conducted before the actual questionnaire is sent out. (Pilot tests will be discussed in the implementation section.)

b) Response errors

This is the tendency of respondents to answer a question in a particular and unique systematic way. Respondents may consciously or unconsciously distort their answers and true thoughts (Hair et al 2000:662). Response errors can occur in two basic forms (McDaniel & Gates 2001:179), namely deliberate falsification or unconscious misrepresentation. Deliberate

falsification occurs when people purposefully give untrue answers to questions, possibly to appear intelligent or not to reveal information they feel is embarrassing. Unconscious misrepresentation occurs when the respondent is legitimately trying to be truthful and accurate but gives inaccurate responses. This type of bias may occur because of a question format or obscure question content. Response error was avoided by structuring the questionnaire in such a way that questions were asked in a straight forward manner so that the respondents were not able to distort their answers.

c) Non-response errors

Nonresponse error occurs when the portion of the defined target population not represented or underrepresented in the response pool is systematically and significantly different from those that did respond (Hair et al 2000:659). In this study, nonresponse errors were experienced, since the whole population of SATSA-registered tour operators was asked to participate in the research, however, only 29 responded. Ideally, if a sample of 100 is selected, all 100 individuals will respond, however, this is usually not the case. Nonresponse errors occur when a person cannot be reached at a particular time (unavailable but willing), a potential respondent is reached but cannot or will not participate at that time (unavailable and unwilling) or a person is reached but refuses to participate in the survey (available but unwilling).

Tests for validity and reliability were conducted to ensure that nonresponse error (the error that occurs when the portion of the defined target population not represented in the response pool) is systematically and significantly different from those that did respond, was avoided. These are explained in chapter 5.

4.4.5.3 Response rate

The response rate can be calculated by dividing the number of respondents completing the survey by the number of respondents in the valid sample. The response rate for this survey was 36%. This can be regarded as a good response rate since, according to Malhotra (2004:183), the typical response rate for a mail survey (without premailing contact), is less than 15%. The response rate for this study was achieved by sending reminder e-mails to the respondents. Once the questionnaires had been sent out, the respondents were reminded weekly about the questionnaire and the due date.

Now that the research strategy and sampling method have been chosen, and the possible errors that could occur, discussed, the measuring instrument, in this case the questionnaire, can be designed. An in-depth discussion of all aspects of questionnaire design follows.

4.5 QUESTIONNAIRE DESIGN

Every form of survey research relies on a questionnaire (McDaniel & Gates 2001:289). Questionnaires provide a standard form on which facts, comments and attitudes can be written down. This facilitates data processing. Hence the primary role of questionnaires is to elicit accurate information from respondents. A questionnaire can be described as a set of questions designed to generate the data necessary for accomplishing the objectives of a research project (McDaniel & Gates 2001:289).

A questionnaire standardises the data-gathering process. It also standardises the wording and sequencing of the questions, because every respondent sees or hears the same words and questions (McDaniel & Gates 2001:289). Without such a procedure, interviewers could ask whatever questions they wanted to and a valid basis for comparing respondents' answers would not exist. Questionnaires also reduce interviewer bias. Interviewers can sway the results of a survey by the way in which they select respondents, ask research questions and record answers (Malhotra 2004:184), consequently obtaining untrue answers.

A certain process has to be followed when designing a questionnaire, as depicted in figure 4.3. The survey method has to be determined (in the case of this study, an Internet survey), followed by the questionnaire components, including question development, evaluation and wording, questionnaire layout and the cover letter. This is followed by coding, pilot testing and implementation, which is discussed in the next section.

4.5.1 Question development

When conducting survey research, the topic to be investigated should be carefully and precisely defined because it will determine the questions to be asked (Berger 1998:37). It is important to ensure that the data that are collected will be able to answer the research – hence the design of each question should be determined by the data that need to be collected. Berger (1998:40) suggests that the researcher should consider the number of questions to ask, the respondent's

ability to answer the questions, question content, language used, the form of the questions, the purposes of the questions and question clarity.

FIGURE 4.3: Questionnaire design process
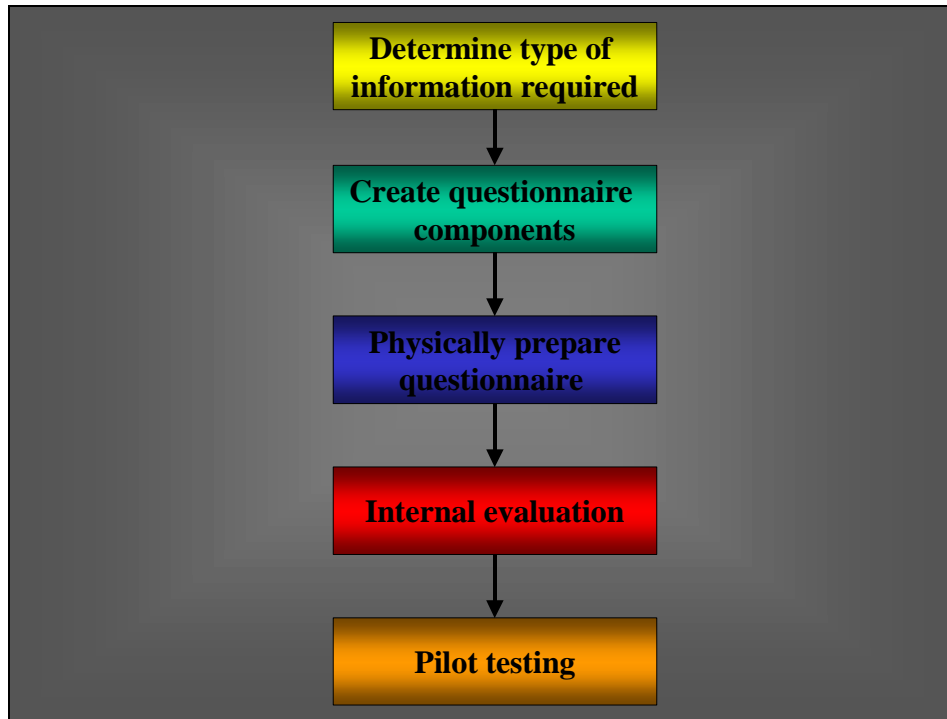
Source: adapted from McDaniel & Gates (2001:294) and Hair et al (2000:446).

When designing a questionnaire, it is important to make the questions as simple and specific as possible. Industry jargon and short-hand should be avoided as well as sophisticated, uncommon or ambiguous words.

It is essential for the researcher to decide what questions have to be included, what questions ought to be included and any others which can be included if space permits (Hansen et al 1998:243). Sometimes researchers might have two questions that ask for similar or the same information – such questions should be identified and combined. Certain questions such as screening questions, are almost standard for any questionnaire.

4.5.1.1 Screening questions

Screening questions identify qualified prospective respondents and prevent unqualified respondents from being included in the study (Hair et al 2000:430). Each study identifies particular needs and specific information it desires from the sample population. McDaniel and

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Gates (2001:305) define screeners (or filter questions) as questions used to screen for appropriate respondents. Typical filter questions are used to build a profile of respondents. An example in the questionnaire of a filter question follows:

EXHIBIT 4.2: Screening question

2.3 Indicate your **main** target market (**tick** the appropriate block – you may tick one or both):

	TRAVEL TOURIST (end customer)
	TRAVEL AGENTS (intermediary)

If tourists, **only** go to section 3.1.
If travel agents, **only** go to section 3.2.
If both, answer **both** sections 3.1 & 3.2.

McDaniel and Gates (2001:295) mention that marketing research uses three major types of question-response formats, namely closed-ended, open-ended and scale-response questions. When seeking factual information, closed-ended questions can be used, but if respondents' opinions are sought, open-ended questions are a better alternative (Hansen et al 1998:226). A closed-ended question gives the respondent a predefined set of response options from which to choose (McDaniel & Gates 2001:298), whereas an open-ended question permits the respondents to answer in their own words (McDaniel & Gates 2001:295). Scaled-response questions are designed to capture the intensity of respondents' answers (McDaniel & Gates 2001:301). Most questionnaires include a combination of open-ended and closed-ended questions and scaled questions, as does this study.

4.5.1.2 Open-ended questions (unstructured questions)
Open-ended questions are useful in questionnaires if the researcher is unsure of the response – in other words, when all possible answers to a given question are not known (Martins et al 1999:229). Such questions afford the respondent the opportunity to raise several points. The amount of space provided to respond to open-ended questions gives the respondent an idea of the length and fullness of the response. These questions require more thinking and effort on the part of the respondents (Hair et al 2000:441).

The answers need to be analysed prior to coding to find out whether there are any common elements. If there are similar responses, they can be grouped together and given an identical

code. However, the use of open-ended questions makes coding and processing more difficult (Martins et al 1999:229). Coding is also extremely time-consuming and should therefore be kept to a minimum in large-scale surveys.

A basic problem in open-ended questions is in their interpretation (McDaniel & Gates 2001:298) – hence the need to exercise caution in the construction of open-ended questions. The question must be truly open-ended and should not elicit bias from the interviewer. It should be single-minded and not ask two things at once (since independence of questions makes it easier for the respondent to focus on the specific request for information). The following is an example of an open-ended question taken from the questionnaire:

EXHIBIT 4.3: Open-ended questions

5.2 What are the **three most important benefits** of SATSA membership?

      1. _____

      2. _____

      3. _____

Alternatively, various types of structured questions with structured responses are available for researchers.

4.5.1.3 Closed-ended questions (structured questions)

This question format reduces the amount of thinking and effort required by respondents (Hair et al 2000:441), because they choose from a predetermined set of responses. Closed-ended questions require simple answers and can be easily coded as figures (Hansen et al 1998:245). Closed-ended questions are preferred in self-administered questionnaires because interviewer bias is eliminated since there are no interviewers present to clarify questions or probe for answers. Questionnaires work best with standardised questions (closed questions), which are interpreted in the same way by all respondents. Structured questions are questions that prespecify the set of response alternatives and the response format (Malhotra 2004:290). Hence, structured questionnaires can be used effectively for descriptive research.

Allowance should be made for an option of "other" in fixed response questions. This alternative allows respondents who do not comply with the choices to add an additional response. An example of a closed-ended question was taken from the questionnaire and reads as follows:

EXHIBIT 4.4: Closed-ended questions

3.1.2 What type of tourist guide(s) does your company make use of? **Tick** only **one** option.

Options	Tick one only
Company does not use tourist guides	
Permanent tourist guides (own personnel)	
Freelance tourist guides (contract labour)	
Both permanent and freelance tourist guides	
Other (specify):	

Structured questions include dichotomous questions, multiple-choice questions with single answers, multiple-choice questions with multiple answers, checklists, rankings, grids and scaled questions (Martins et al 1999:221). Each will be briefly discussed below, with examples given from the questionnaire where possible.

a) Dichotomous questions
Martins et al (1999:221) mention that because a dichotomous question offers two fixed alternative answers from which to choose, respondents have to choose between two answers. Such questions are easy to administer and usually evoke rapid responses. An example is "yes or no" or "male or female". No dichotomous questions were included in this study.

b) Multiple-choice questions with single answers
Multiple-choice questions with single answers offer more than two fixed-alternative answers (Martins et al 1999:221). Response is restricted to one of the given alternatives. This type of question (shown in exhibit 4.4 below) is used when information is classifiable into fairly fixed categories.

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EXHIBIT 4.5: Multiple-choice questions with single answers

	Between 0 and 2 years
	Between 2 and 5 years
	Between 5 and 10 years
	Between 10 and 15 years
	More than 15 years

1.1 How long has your business been in operation? **Tick** one applicable option.

c) Multiple-choice questions with multiple answers

This type of question allows for more than one response (Martins et al 1999:222). An example from the questionnaire follows in exhibit 4.5 below.

EXHIBIT 4.6: Multiple-choice questions with multiple answers

3.1.1 What is the origin of your tourist market? **Tick** one or more, as applicable.

Location		Type	
		Business	Leisure
Domestic			
Foreign			

d) Checklists

A checklist typically lists attributes that the respondent is required to rate in terms of given criteria which are rated in accordance with their importance or applicability (Martins et al 1999:222). An abridged example of a checklist from the questionnaire follows.

EXHIBIT 4.7: Checklists

4.1 For each option provided below (television, radio, newspapers, etc), indicate the frequency of use of the listed marketing communication tool.

TOOL		FREQUENCY (tick)				
		Daily	Weekly	Monthly	Once a year	Never or don't have
1	Television					
2	Radio					

e) Rankings

In the rank-order method, the respondent is asked to rank a set of items in terms of a given criterion (Martins et al 1999:223). It should, however, be noted that respondents may be inclined to rate characteristics near the top of the list higher than those lower down. An example of a ranking question from the questionnaire follows.

EXHIBIT 4.8: Rankings

2.1 Which of the following is your **main** business activity?
(a) Rank the one you do most with the number "1" and the activity you do least with the
   number "3".
(b) Should you not perform one or more of these activities, rank as "3" and specify what you do
in the space provided.

MAIN BUSINESS ACTIVITY	RANK
Conducting tours (driver-guide)	
Transfers (between airports and hotels or guesthouses)	
Packaging of tours (selling eg plane ticket, accommodation, entertainment, etc. as a package)	
Other (specify)	

f) Grids

A grid is a simple and straightforward means of collecting information quickly and analysing it in various ways (Martins et al 1999:223). Question 4.1 in appendix B (the whole question) is an example of an advanced grid.

EXHIBIT 4.9: Advanced grid

4.1 Frequency and efficiency of marketing communication methods.

For each option provided below (television, radio, newspapers, etc),
(a) indicate the frequency of use of the listed marketing communication tool
(b) also rate the efficiency of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient. Should you mark an option with "never or don't have", leave the efficiency rating as 0.

TOOL	FREQUENCY (tick)					EFFICIENCY (Rate 1 - 5)
	Daily	Weekly	Monthly	Once a year	Never or don't have	
1 Television						
2 Radio						

g) Scaled questions

When using scaled questions, the respondent is required to mark a point on a scale (Martins et al 1999:224). For the purpose of this study, a graphic rating scale was used and the respondents were required to indicate their responses on a continuum covering the range of possible ratings. A shortened version of a scaled question from the questionnaire follows.

EXHIBIT 4.10: Scaled questions

4.1 For **each option** provided below (television, radio, newspapers, etc.), **rate** the efficiency of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient. Should you mark an option with "never or don't have", leave the efficiency rating as 0.

TOOL	EFFICIENCY				
	Totally inefficient	Inefficient	Efficient	More efficient	Most efficient
Television					
Radio					
Newspapers					
Magazines					
Brochures					

A number of different types of questions have been discussed above. At this stage it would be appropriate to discuss measurement scales in order to measure responses because it is necessary to measure the responses received.

4.5.2 Measurement scales

Measurement is the process of assigning numbers or labels to objects in accordance with specific rules to represent quantities or qualities of attributes (McDaniel & Gates 2001:248). Thus measurement scales are a set of symbols or numbers constructed in such a way that they can be assigned by a rule to individuals or their behaviours and attitudes (McDaniel & Gates 2001:249). Creating a measurement scale starts with determining the level of measurement that is either desirable or possible. To follow, the four levels of measurement will be discussed, namely nominal, ordinal, interval and ratio scales. A brief comparison between the four scales is shown in table 4.1 below.

TABLE 4.1: Primary scales of measurement

SCALE	BASIC CHARACTERISTICS	COMMON EXAMPLES	MARKETING EXAMPLES
Nominal	Numbers identify and classify objects	Numbering football players	Brand numbers
Ordinal	Numbers indicate the relative positions of the objects but not the magnitude of differences between them	Ranking teams in a tournament	Preference rankings, market position
Interval	Differences between objects can be compared; zero point is arbitrary	Temperature	Attitudes, opinions
Ratio	Zero point is fixed; ratios of scales values can be computed	Length, weight	Age, income, market share

Source: Malhotra (2004:237).

4.5.2.1 Nominal scale

A nominal scale is the most basic of the four types of scale designs. Questions seek to categorise responses by assigning them to mutually exclusive categories (Hair et al 2000:381). This implies that every bit of data will fit into single categories and that all the data will fit somewhere in the scale. Such scales require respondents to provide only some type of descriptor as the raw

response. Dichotomous questions, multiple-choice questions with single answers and checklists use nominal data. In the questionnaire, questions using a nominal scale include the following:

EXHIBIT 4.11: Nominal scale questions used in the questionnaire

3.1.2 What type of tourist guide(s) does your company make use of? **Tick** only **one** option.

Options	Tick one only
Company does not use tourist guides	
Permanent tourist guides (own personnel)	
Freelance tourist guides (contract labour)	
Both permanent and freelance tourist guides	
Other (specify):	

4.5.2.2 Ordinal scales

Questions at the ordinal level of measurement order responses in terms of a predefined characteristic, thus allowing a respondent to express relative magnitude between the answers to a question (Hair et al 2000:381). This is basically a nominal scale that can order data (McDaniel & Gates 2001:249). Responses to these questions inform the researcher about the ordering of items since this type of scale allows respondents to express relative magnitude between the answers to a question (Hair et al 2000:381), although no inferences about the distances between the items can be drawn. In other words, ordinal numbers are used strictly to indicate rank order and the numbers do not indicate absolute quantities; nor do they imply that the intervals between the numbers are equal (McDaniel & Gates 2001:250). The most common questions are ranking questions. In the questionnaire, questions using an ordinal scale include the following:

EXHIBIT 4.12: Ordinal scale questions used in the questionnaire

2.2 What is the **highest** income-generating source of business for your company?

State this by ranking the following sources of income, where 1 = main source of income and 5 = least source of income; 0 = do not do.

Income-generating source	1	2	3	4	5	0
Guesthouses						
Hotels						
Travel agents						
Other tour operators						
Other sources						

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4.5.2.3 Interval scales

An interval scale is an ordinal scale with equal intervals between points to show relative amounts (McDaniel & Gates 2001:251). Interval scales can therefore measure how much of a trait someone or something has over another. Rating questions can be analysed by means of interval scales because such questions require a respondent to place an attribute of the person or object being rated along an explicit, well-defined continuum. There is a constant or equal interval between scale values (Malhotra 2004:239), but the location of the zero point is not fixed. Both the zero point and the units of measurement are arbitrary. Such an arbitrary zero point restricts the statements that a researcher can make about the scale points. In the questionnaire, questions using an interval scale include the following:

EXHIBIT 4.13: Interval scale questions used in the questionnaire

4.1 For **each option** provided below (television, radio, newspapers, etc), **rate** the efficiency of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient. Should you mark an option with "never or don't have", leave the efficiency rating as 0.

TOOL	EFFICIENCY				
	Totally inefficient	Inefficient	Efficient	More efficient	Most efficient
Television					
Radio					
Newspapers					
Magazines					

4.5.2.4 Ratio scales

Ratio scales have a meaningful zero point so that magnitudes can be compared arithmetically (McDaniel & Gates 2001:252). Such scales measure objects, behaviours and beliefs on a continuum with an absolute or fixed zero origin, and placement on this continuum reflects the degree to which the object, behaviour or belief measured possesses more, less or even none of the characteristics represented on the continuum (McDaniel & Gates 2001:252). Thus the ratio scale reflects the actual amount of a variable. The most common form is the constant sum scale, which is a ratio measure that requires a respondent to divide a preset quantity (constant sum) among two or more objects or attributes in a way that reflects the respondent's relative preference for each object or attitude (McDaniel & Gates 2001:269). The most common constant sums used in research are 10 and 100. Questions using an interval scale include the following:

EXHIBIT 4.14: Ratio scale questions used in the questionnaire

5.1 Membership status
How long has your company been a member of SATSA? Tick one applicable option.

	1 year
	Between 1 and 5 years
	Between 5 and 10 years
	Between 10 and 15 years
	Between 15 and 20 years
	More than 20 years

To conclude the section on questions used in the questionnaire, table 4.2 has been included to list each question and indicate into which categories it falls.

TABLE 4.2: Summary of question types (see appendix B for the full questionnaire)

QUESTION	TYPE OF QUESTION	SCALE
Section 1 – BUSINESS OPERATION		
1.1 How long has your business been in operation?	Closed/multiple-choice with single answers	Ratio
1.2 How many employees does your company have?	Closed/multiple-choice with multiple answers/grid	Ratio
Section 2 – BUSINESS ACTIVITY		
2.1 Which of the following is your main business activity? a.) Rank the one you do most with the number "1" and the activity you do least with the number "3".	Closed / ranking	Ordinal
b.) Should you not perform one or more of these activities, rank as "3" and specify what you do in the space provided.	Open-ended	Nominal
2.2 What is the highest income-generating source of business for your company? State this by ranking the following sources of income, where 1 = main source of income and 5 = least source of income; 0 = do not do.	Closed/ranking	Ordinal

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Section 2 – BUSINESS ACTIVITY (cont)		
2.2.1 Please provide the main reason for selecting the option you rated as 1 (your FIRST RATING) as being your best source of income.	Open-ended	Nominal
2.3 Indicate your main target market.	Closed/screening question/multiple-choice with multiple answers	Nominal
Section 3 – TARGET MARKET		
3.1.1 What is the origin of your tourist market?	Closed/multiple-choice with multiple answers/grid	Nominal
3.1.2 What type of tourist guide(s) does your company make use of?	Closed/multiple-choice with single answers	Nominal
3.1.3 What type of transport does your company primarily use to transport tourists?	Closed/multiple-choice with single answers	Nominal
3.2.1 Does your company deal with domestic or foreign travel agents?	Closed/multiple-choice with multiple answers	Nominal
Section 4 – MARKETING COMMUNICATION METHODS		
4.1 Frequency of marketing communication methods. For each option provided below (television, radio, newspapers, etc), (a) indicate the frequency of use of the listed marketing communication tool	Closed/checklist/multiple-choice with single answer/advanced grid	Nominal
4.1 Efficiency of marketing communication methods. For each option provided below (television, radio, newspapers, etc), (b) rate the efficiency of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient.	Closed/scaled question/advanced grid	Interval

Section 4 – MARKETING COMMUNICATION METHODS (cont)		
4.2 Which three marketing communication methods (selected in question 4.1) do you consider to be the most important to your company?	Open-ended	Nominal
4.3 Which three of the marketing communication methods NOT currently used by the company might you consider using in the future?	Open-ended	Nominal
Section 5 – SATSA MEMBERSHIP		
5.1 Membership status. How long has your company been member of SATSA?	Closed/multiple-choice with single answers	Ratio
5.2 What are the three most important benefits of SATSA membership?	Open-ended	Nominal

Once it has been decided what types of questions and appropriate measurement scales are to be used, the questionnaire wording, order and layout need to be considered. The researcher has to carefully word the questionnaire and make sure that the questions asked are in a logical order and do not create bias.

4.5.3 Question wording

Questions should be worded clearly and simply and should be set out in such a way that they require the minimum amount of effort on the part of the respondent to answer (Hansen et al 1998:244). The researcher should anticipate the problem of analysing the responses when designing the questionnaire. Since changes in wording can introduce different concepts or emotional levels in the questionnaire (Hair et al 2000:440), clear wording of questions using terms with which the respondents are likely to be familiar and which they understand can improve the validity of the questionnaire.

4.5.4 Question order

When constructing the questionnaire, it is important to consider the order and flow of the questions. The order should be logical to the researcher and the respondents rather than follow the order of data required.

McDaniel and Gates (2001:305) provide certain guidelines on the order of questions. The questionnaire should begin with screener questions to ensure that the appropriate respondents are questioned. Next, a question should be asked that will grab the respondents' attention. It should be a simple, nonthreatening, interesting and easy-to-answer question. General questions should be asked first, and the most important topics should be addressed first. Questions on the same topic should be grouped together, and it is preferable to complete one topic before moving on to the next. Within a topic, it is advisable to move from the most general to the most specific questions. It is strongly recommended that difficult and complicated questions be asked in the middle or towards the end of the questionnaire. In the last section, easy questions such as demographics and classification questions should be asked. The position of a question both numerically and contextually can impact on the meaning of the question and the results. Order or position bias involves a respondent's tendency to check an alternative merely because it occupies a certain position or is listed in a certain order (Malhotra 2004:290). When deciding on the order of questions in the questionnaire, this is a vital consideration.

4.5.5 Questionnaire length and layout

The layout of the questionnaire is another important consideration. The layout of self-administered questionnaires should be attractive to encourage the respondent to complete it, thus placing great emphasis on visual appearance. Good visual appearance and organisation are essential in self-administered questionnaires. Self-administered questionnaires must be uncluttered, easy to follow and typed in an easy-to-read typeface. Any indication that the questionnaire is too time-consuming or difficult to complete will generally cause a respondent not to answer the questionnaire. The optimal length will depend on the population, research questions and research objectives. Questionnaires to be administered in a mall or over the telephone should not be longer than 20 minutes (McDaniel & Gates 2001:309). In-home interviews can be longer.

It was estimated that the questionnaire used for this study, implemented via the Internet, took approximately 15 to 20 minutes to complete. A total of five sections had to be completed, each section consisting of between two and four questions. A grand total of 15 questions were asked.

4.5.6 Cover letter

The introductory letter should briefly outline the purpose of the research and possibly how the person being contacted might be able to assist. A cover letter is a separate written

communication to a prospective respondent designed to enhance his/her willingness to complete and return the survey timeously (Hair et al 2000:457). It could also mention what will be required of the respondent in terms of time or knowledge. It is necessary not to give the respondent multiple requests in the introductory letter, but rather to mention how much of their time it will take and one or two brief instructions. The cover letter should provide the assurance that completing the questionnaire is easy since the easier the answers to the questions seem to them, the higher the response rate will be (Martins et al 1999:154). Self-administered questionnaires should also contain a section explaining how to return the completed questionnaire. Establishing credibility is vital in order to gain access to respondents. Hence the presentation of the introductory letter (its appearance and the information provided) is essential to gain credibility and thereby access to respondents. One way to establish credibility is to personalise the cover letter and address it to the particular person identified as the potential respondent (Hair et al 2000:458). Respondents should be thanked at this point for the time they are going to invest in answering the questionnaire and reassured that their responses will be confidential. The goal of the introduction is to motivate the respondent to participate, thereby reducing nonresponse error.

A cover letter was used in this study for the reasons stated above – to build credibility and inform respondents of the purpose of the study. The cover letter was sent via e-mail to each respondent, with the respondent's name in the first line of the letter, making it more personalised. The respondents were thanked in advance for their participation (see appendix A, containing the cover letter).

The researcher decided to use a recruited Internet sample, namely the 80 SATSA-registered tour operators, because it was felt that a better response rate could be achieved by approaching potential respondents who would be interested in the subject and possibly also the results. Each potential respondent was sent a cover letter via e-mail explaining the purpose of the study and encouraging them to contact the researcher if there were any difficulties or misunderstandings. A link to the website was provided and also an individual password for each respondent to make sure that only the chosen sample participated in the study.

4.6 RESEARCH IMPLEMENTATION

Once the questionnaire has been written and before it is prepared, the questions need to be coded.

4.6.1 Precoding

Coding refers to the process of grouping and assigning numeric codes to the various responses to a particular question (McDaniel & Gates 2001:393). The researcher should decide how the questions are to be coded before sending out the questionnaires. Codes can easily be added to closed-question response categories (thereby precoding them). In this study, since the data would be transferred directly from the website to the database, questions were precoded in the database so that the information would be ready to be manipulated as soon as it was received.

The process of coding responses to open-ended questions can only take place once the questionnaires have been received. There are four steps in the process of coding responses to open-ended questions (McDaniel & Gates 2001:394), namely listing responses, consolidating responses, setting codes and entering codes. Each step will be briefly discussed below.

- Listing responses entails the researcher listing the potential responses to each open-ended question in the survey.
- Consolidating responses involves examining the list, and determining whether there are responses that can be interpreted as meaning essentially the same thing. These can then be consolidated into a single category.
- Setting codes entails assigning numeric codes to each category on the list after the final list of consolidated responses has been derived.
- Entering codes requires the researcher to go back to the original questionnaires and reread the open-ended answers. The individual responses should then be matched with the consolidated list of response categories developed, and a numeric code allocated to the response.

The questionnaire can now be printed or a website could be designed. For the purpose of this study, the researcher elected to design a website (see appendix B). Once the physical questionnaire is ready, pilot testing can be conducted.

4.6.2 Pilot test

Pilot testing involves administering the questionnaire to a small group of target audience individuals. It is conducted to detect weaknesses in design and instrumentation (Cooper & Schindler 1998:77). The goal is to assess the manner in which the questionnaire collects the information. Hence the data collected during pilot testing are not included in the final data for the study. Hair et al (2000:660) define pretesting as the process of conducting a simulated administering of a designed questionnaire to a small representative group of respondents. Pilot testing is a crucial step in the development of a questionnaire since it offers insights needed for improving the questionnaire's wording, structure, format and organisation.

The number of people on whom the pretesting is done and the number of pretests conducted depends on the research questions, the objectives, the size of the population, time and money resources available and how well the questionnaire was initially designed. Since the population for this study was small (80), the researcher decided to send pilot tests to five respondents. The respondents were chosen randomly. They were phoned and told about the study and asked if they were willing to be part of the test phase. Those who agreed were included in the pretesting.

Pretesting was conducted as if it were the actual questionnaires. This was a helpful step in the research process, as a technical problem regarding the website was detected. The way in which the cover letter was typed, caused the link to the website not to function properly. This spacing of the words on the e-mail was corrected and the cover letters for the test phase sent out again.

Once the pretest questionnaires have been received, it is necessary to check that respondents have had no trouble understanding the instructions and answering the questions. It is also essential to record how long it takes to complete the questionnaire and the clarity of the instructions should be examined. It is necessary to check that the questions are not ambiguous or unclear, whether the layout is attractive, whether there are any significant topic omissions and whether respondents feel uneasy about answering any of the questions. In this study, everything was found to be in order, and the actual questionnaire was sent to the respondents.

4.6.3 Implementation

For the purpose of this study, tour operators were asked to respond to an Internet-based questionnaire. Using personal, interactive communication techniques, namely e-mail, the questionnaires were sent to the respondents. They were e-mailed to all the respondents on the same day, to ensure that they all had the same amount of time to complete them. Also, since they

are all in the same industry and belong to the same association, some operators deal with one another. The researcher deemed it best that they all receive the questionnaire at the same time to avoid some operators feeling "left out". The e-mail contained the cover letter to familiarise the respondents with the aim of the study. It also contained an individual password for each respondent (so that the questionnaire could only be completed once by a particular respondent). At the end of the introductory e-mail, the link to the website where the questionnaire was hosted, was attached. Respondents then had to click on the link, which redirected them to the website. Once at the website, they had to enter their e-mail address and the individual password allocated. The privacy policy appeared on the first page, assuring respondents that the results would be kept confidential. Once the password was entered, the respondent was directed to the first section of the questionnaire with instructions on how to answer the questions. They were also instructed that there was no need to return the questionnaire, because the results were entered directly into the database. Once the questionnaire had been completed, the respondents were thanked for their time.

A week before the due date, the respondents were reminded to complete their questionnaires. After the first attempt, it was felt that the response rate was too low, and the time period was extended. Reminder e-mails were sent out weekly for 3 weeks before the final due date.

As questionnaires were received from respondents, they were promptly sent an e-mail thanking them for participating in the research (see appendix C).

Once the questionnaires had been returned, it was necessary to edit the data that had been collected.

4.6.4 Editing

Editing is a necessary step to determine whether all the information is correct and accurate, so that the research will be valid and reliable. Editing is the process of checking for respondent or interviewer errors (McDaniel & Gates 2001:387). Editing entails a thorough and critical examination of a completed questionnaire in terms of compliance with the criteria for collecting meaningful data and in order to deal with questionnaires not duly completed (Martins et al 1999:295). It is a time-consuming process because the researcher has to read through all the questionnaires.

Once the questionnaires had been received, they were checked for errors. Questionnaires that were not fully completed were eliminated from the study. Some respondents only answered the first section and it was felt that the information was too meagre to have reflective results. If the respondents had answered most of the questions except for one or two, they were included in the final findings.

Once the data have been entered and checked for errors, the researcher can start analysing them. Data analysis and interpretation will be discussed further in the next chapter.

4.7 SUMMARY

In this chapter, the approach to the research to be conducted for this study was discussed. The research objectives were stated, followed by a discussion of primary and secondary research. The bulk of the study involved the research design, because it is the blueprint for achieving objectives and answering the research question. The applicable research strategies followed in the study were mentioned, the focus being on quantitative research. The design, development, wording and layout of the questionnaire were discussed in detail. A question grid was included to indicate the types of questions and scales used. The chapter ended with a description of the manner in which the study was implemented in order to collect the data.

CHAPTER 5: DATA ANALYSIS AND RESEARCH RESULTS

5.0 INTRODUCTION

Data analysis is the process of aggregating the individual responses or "raw" data (Hague & Jackson 1996:161) and usually involves reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques (Cooper & Schindler 1998:78). Raw data are the actual first-hand responses obtained on the investigated object, either by asking questions (using a questionnaire as in this study) or observing the subject's actions (Hair et al 2000:662).

The purpose of this chapter is to identify the methods used for data analysis and the results of the empirical study. The interpretation of data will be explained. Each section of the questionnaire, namely business operation, business activity, target market, marketing communication methods and SATSA membership will be discussed and appropriate tables and figures included to assist with data interpretation. The first two sections of the chapter provide descriptive data in terms of how long the businesses have been in operation and what the main business activities are. The third section will focus on target markets, while the fourth section will discuss the marketing communication tools used by the sample and provide mainly descriptive information. Part of section 4 will make use of inferential statistics to compare the communication tools used within certain demographic variables. Special emphasis will be placed on determining if the size of the organisation influences the choice of communication. Finally, the length of time tour operators have been members of SATSA will be examined and the benefits they hope to obtain from being members explained.

5.1 DATA ANALYSIS

The questionnaire used to obtain information for this study was administered via the Internet. The responses to the questionnaire were automatically entered into an MSExcel database. Once all the questionnaires had been received, the data were ready for analysis.

5.1.1 Preparing the data

Preparing raw data for analysis involves three steps, namely coding, entering and cleaning (Terre Blanche & Durrheim 1999:98). Each of these will be briefly explained. Coding the data involves

changing the answers into numerical format. Open-ended questions were grouped into similar "themes", each theme receiving a numerical number (code).

As already stated, the responses of the 29 research respondents were captured in MSExcel directly from the Internet. If a respondent chose a specific option, a numeric number for that option was captured in MSExcel. The electronic MSExcel database was then converted to the Statistical Package for the Social Sciences (SPSS) version database. SPSS is a statistical package that can be used in various stages of the marketing research process, especially for data preparation and analysis (Malhotra 2004:26).

Cleaning the data involves ensuring that there are no entering errors. Since the data were directly captured in MSExcel, this step was not necessary. Outlying values were checked to ensure that there were no errors on the part of the respondents. Outlying values (or outliers) are data points that exceed the acceptable level of significance for a study (Cooper & Schindler 1998:437). In preliminary analysis it is important to separate legitimate outliers from errors in measurement, editing, coding and data entry. Outliers that reflect unusual cases are a vital source of information for a study.

5.1.2 Deciding on the level of significance

Some differences may appear to exist between groups (in the sample data), but in reality (in the real population) these may not exist (Salkind 2000:170). To help the researcher decide if a difference is large enough to be considered "real" or if it is merely by chance, a significance level is set to enable the researcher to judge the result. The level of significance is the degree of risk in the accuracy of the test that the researcher is willing to accept (Hair et al 2000:531). Most computer programs report a so-called "p-value" with each statistical test of a null hypothesis. The p-value is the exact probability of obtaining a computed test statistic that was largely due to chance – the smaller the p-value, the smaller the probability that the observed result occurred by chance (McDaniel & Gates 2001:427). This p-value gives the probability of the result under the null hypothesis. The null hypothesis is a statement of the perceived existing relationship between either two questions, dimensions or subgroupings of attributes as being not significantly different (Hair et al 2000:659). Often the null hypothesis is rejected for a p-value less than 0,05 or 0,01. Normally the researcher sets the so-called "level of significance" (0,05 or 0,01) in advance. In choosing a level of significance for the present research, the following viewpoints were taken into account:

- In the social sciences, scientists are as concerned with missing a significant result or making a type II error, as they are about falsely concluding a significant result (committing a type I error). A type I error is the error made by rejecting the null hypothesis when it is true (Hair et al 2000:531), while a type II error is the error of failing to reject the null hypothesis when the alternative hypothesis is true (Hair et al 2000:532).
- The sample size of the present study is small ($N = 29$). As a result, the statistical tests lack power – in other words, they lack the ability to detect significant results (Cooper & Schindler 1998:474). One would thus not want to use a strict level of significance such as 0,01. Thus the most commonly accepted level of 0,05 was chosen for the present study.

Once the level of significance has been determined, the researcher should consider how to achieve validity and reliability.

5.1.3 Validity and reliability of the measurement instrument

A decision must be made about how to achieve validity and reliability. The reliability of the data and the measurement instrument need to be determined. These concepts are discussed in the sections below.

5.1.3.1 Reliability of the measurement instrument

Reliability of data involves data structures that are consistent across observations or interviews (Hair et al 2000:662). The reliability of the measurement instrument (in the case of this study, the questionnaire) also needs to be considered. Thus the extent to which the measurements taken with a particular instrument are repeatable should be noted.

Reliability is determined when a test measures the same thing more than once and has the same outcome every time (Salkind 2000:106). Internal consistency reliability is an approach used to assess the internal consistency of the set of items when several items are summated in order to form a total score for the scale (Malhotra 2004:268) – in other words, how unified the items are in a test. This means that each item measures some aspect of the construct measured by the entire scale and the items should be consistent in what they indicate about the characteristic. The present study calculates the internal consistency reliability, or reliability (for short), by means of the Cronbach alpha coefficient, which is a measure of internal consistency reliability that is the average of all possible split-half coefficients resulting from different splittings of the scale items (Malhotra 2004:268). A Cronbach alpha value between 0,4 and 0,6 is an acceptable indication of

internal consistency. If the Cronbach alpha value is between 0,7 and 0,9, it is considered to be high. However, once it exceeds 0,9, it is deemed unacceptable. A high Cronbach alpha value for a category will provide added confidence in the category (see tables 4.2, 4.3 and 4.4 below).

Tests for reliability can only be conducted on questions with an interval scale. Question 4.1 in the questionnaire is an interval scale question (see exhibit 4.13, ch 4). The measurement instrument (website-based questionnaire) asked respondents to indicate which of 35 marketing communication tools they use. These tools could be grouped into certain categories of marketing communication tools (called factors) namely, advertising, sales promotion, public relations, direct marketing and interactive media. Factor analysis is a general name denoting a class of procedures primarily used for data reduction and summarisation (Malhotra 2004:560). To create a factor, all the items available for that factor are combined to achieve a mean score for those items. While a factor analysis would normally be used to indicate which items belong to which factor, the current sample of 29 respondents is too small to facilitate factor analysis. This is because there should be at least four or five times as many observations (sample size) as there are variables. Since there were only 29 respondents (sample size) and 35 variables, factor analysis could not be done (Malhotra 2004:562). Creations of the factors are therefore based on the marketing communication method theory (discussed in ch 3).

Tables 5.1, 5.2 and 5.3 below indicate the item analysis and Cronbach alpha value of each factor. The item analysis includes looking at the value of the alpha if an item is left out of the factor. If, by excluding an item from a factor, a large increase in the internal reliability was seen, it was decided to leave that item out of the factor. In table 5.1 below, item analysis for the factors in the nonpersonal marketing communication section of the questionnaire is shown and then explained.

Table 5.1 below indicates an item analysis for the factors in the broad category of nonpersonal communication. Within the nonpersonal communication category, three sub-categories appear, namely advertising, sales promotions and public relations. For the category (factor) "advertising", an acceptably high Cronbach alpha of 0,67 can be seen. This indicates that all the factors are reliable and that all the items can be included in the scale.

TABLE 5.1: Item analysis for the factors in the non personal marketing communication section of the questionnaire

Factor: Advertising		Factor: Sales promotions		Factor: Public relations	
Communication tool (item)	Alpha if delete item from factor	Communication tool (item)	Alpha if delete item from factor	Communication tool (item)	Alpha if delete item from factor
Television	0,6861	Discounts on bookings	0,5593	Publicity	*
Radio	0,6861	Sampling	0,5257	Press releases	*
Newspapers	0,5281	Coupons	0,5402		
Magazines	0,6594	Competitions	0,5257		
Brochures	0,6824	Promotional gifts	0,6114		
Promotional video	0,5762	Point of sale	0,7450		
CD-ROM	0,6570	Patronage awards	0,4881		
Outdoor (billboards)	0,6215	Exhibitions	0,4913		
		Trade shows	0,5838		
Cronbach alpha = 0,67		**Cronbach alpha = 0,59**		**Cronbach alpha = 0,41**	
		Cronbach alpha = 0,74 *(point-of-sale is excluded)*			

* Factor has only 2 items and no values were calculated.

For the category "sales promotions", an unacceptable Cronbach alpha value of 0,59 was obtained. However, the exclusion of "point-of-sales materials" increased the internal reliability of the sales promotions factor to a 0,7450 (which is a high value) from a somewhat mediocre 0,59. It was therefore decided to exclude this item from the factor.

The "public relations" factor only achieved a 0,41 alpha, but this could have been because the factor only consisted of two items. Since this factor only had two items, no values were calculated for each item.

In table 5.2, item analysis for the factors in the personal marketing communication section of the questionnaire is indicated and explained after the table.

TABLE 5.2: Item analysis for the factors in the personal marketing communication section of the questionnaire

Factor: Interactive media		Factor: Direct marketing	
Communication tool (item)	Alpha if delete item from factor	Communication tool (item)	Alpha if delete item from factor
Digital TV	0,6253	Database	0,3105
E-commerce	0,5682	Direct mail	0,1323
Website	0,5130	Direct selling	0,2792
Virtual tour	0,6355	SMS	0,0455
Solicited e-mail	0,5683	Kiosk shopping	0,2133
E-mail newsletters	0,5435	Outbound telemarketing	0,2312
Viral marketing	0,5099	Inbound telemarketing	0,2133
		Flyers	-0,0422
		Word of mouth	0,2732
Cronbach alpha = 0,60		Cronbach alpha = 0,21	

* Factor has only 2 items and no values were calculated.

The "interactive media" factor achieved a modest alpha of 0,60, which is considered to be an adequately high measure of reliability. All items were included for this factor.

One factor, which did present a problem was "direct marketing". Here an extremely low alpha of 0,21 was observed and some negative alpha values appeared. It was necessary to examine this factor in more detail, because if such a low alpha value were used to analyse the data, it could not be regarded as reliable. The answers would be haphazard and the researcher would not be able to discuss the results with confidence. To obtain a better alpha value, certain items were used for the scales (see table 5.3).

By excluding some of the items, an appropriate alpha value of 0,54 was obtained. Although this figure is slightly low, it is better than the 0,21 obtained previously and this factor can now be considered reliable. The items that were excluded could not make a reliable factor on their own and therefore had to be omitted altogether.

TABLE 5.3: Direct marketing Cronbach alpha

Factor: Direct marketing	
Communication tool (item)	Alpha if delete item from factor
Direct mail	0,3810
SMS	0,1498
Kiosk shopping	0,5864
Inbound	0,5864
Flyers	0,4822
Cronbach alpha = 0,54	

Besides the questions on frequency of use of marketing communication tools, the respondents were also asked about the efficiency of each of the tools. The same factors were used for the effectiveness questions as the frequency questions (above). The purpose of this was to conduct a correlation. If different factors were created for efficiency, a comparison would not be possible.

5.1.3.2 Validity of the measurement instrument

Validity is the degree to which a research instrument serves the purpose for which it was constructed and relates to the extent to which the conclusions drawn from an experiment are true (Hair et al 2000:666). In other words, it verifies whether what was intended to be measured was indeed measured. The validity of the data is the degree to which data structures actually do represent what was to be measured. An actual validity test was not conducted statistically, since factor analysis could not be conducted. However, the researcher based the validity of the factors (shown above) on content validity. Content validity (sometimes called face validity) is a subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand (Malhotra 2004:269). The validity is based on the knowledge of the subject matter and the literature study conducted in the first three chapters.

5.1.4 Various statistical tests

All statistical analyses in the present study were computed using the SPSS statistical package for Windows version 10.1, introduced in the year 2000. There are basically two types of statistics, namely descriptive and inferential statistics. The aim of descriptive statistics is to describe the data by investigating the distribution of scores on each variable, and by determining whether the scores on different variables are related to each other. Inferential data analysis allows the

researcher to draw conclusions about populations from sample data (Terre Blanche & Durrheim 1999:101).

5.1.4.1 Descriptive statistics

The best way of representing a set of scores to get a "picture" of what they look like is to generate a frequency distribution (Terre Blanche & Durrheim 1999:101). A frequency distribution is a summary of how many times each possible raw response to a scale question is recorded by the total group of respondents (Hair et al 2000:655). Other descriptive statistics include means (which are discussed later) and central tendencies (which were not used in this study). Descriptive statistics is usually presented using bar charts and tables (as shown in the sections to follow).

5.1.4.2 Inferential statistics

The study used only one inferential statistic, namely correlation. A correlation is the measurement of the degree to which changes in one variable (the dependent variable) are associated with changes in another, independent, variable (McDaniel & Gates 2001:448). A correlation is used to describe a relationship between data measured on an interval scale. The Pearson product moment correlation coefficient is a statistical measure of the strength and direction of a linear relationship between two metric variables (Hair et al 2000:561) – in other words, a correlation analysis technique for use with metric data (McDaniel & Gates 2001:448).

For those variables where the item responses were of an interval scale type, the Pearson product moment correlation coefficient was used. Correlations estimate the extent to which the changes in one variable (X) are associated with changes in the other variable (Y) and are indicated by the correlation coefficient (r). A correlation coefficient is a measure of the degree of association between X and Y (McDaniel and Gates 2001:448). Correlation coefficients can range from +1,00 to –1,00. A correlation of +1,00 indicates a perfect positive relationship, a correlation of 0,00 indicates no relationship and a correlation of –1,00 indicates a perfect negative relationship (McDaniel & Gates 2001:448).

If the correlation is negative, say, -0,5, then the higher a respondent's score on X, the lower his/her score is likely to be on Y. Put differently, the lower a respondent's score on X, the higher his/her score on Y will be.

A correlation was used instead of a cross-tabulation, since the correlation shows a powerful relationship between the two variables being measured. Cross-tabulation is defined by Malhotra (2004:438) as a statistical technique that describes two or more variables simultaneously and results in tables that reflect the joint distribution of two or more variables that have a limited number of categories or distinct values. This means that a cross-tabulation is the merging of the frequency distribution of two or more variables in a table and reflects the joint distribution of two or more variables. However, the researcher wished to see whether a significant relationship exists between frequency and efficiency – hence a correlation was used.

The Pearson product moment correlation coefficient was calculated as a measure of the linear relation between frequency and efficiency. Hence a correlation between frequency and efficiency of marketing communication methods can be seen in table 5.21 below. Another correlation between company size and marketing communication methods can be seen in table 5.24 below.

After data analysis, researchers must interpret the findings in the light of the research question or determine whether the results are consistent with the hypotheses (Cooper & Schindler 1998:78). The methods used to do this will be explained in the section below.

5.2 INTERPRETATION OF DATA

To make the results clear and easy to interpret, the data will be represented graphically using bar charts and tables. When reporting research results, it is important to consider the relationship between interpretation, analysis and research objectives.

5.2.1 Relationship between interpretation, analysis and research objectives

A clear distinction exists between analysis and interpretation (Martins et al 1999:395). In analysis, the collected data are broken up into groups or elements that the researcher examines separately and then translates into intermediate results. In interpretation, the intermediate results are translated into integrated and meaningful general inferences and findings. "Meaningful" means that the findings must be relevant to the objectives of the research. The final findings of the research exercise must be relevant to the research objectives and must answer the research problem (Martins et al 1999:395). Each graph below will be explained and interpreted in terms of the study being conducted.

5.2.2 Pitfalls of interpretation

Several pitfalls await the researcher in the interpretation of results (Martins et al 1999:396). To interpret the results correctly, he/she must be familiar with the method of research and the limitations of the results. Overgeneralisation should be avoided. Also, very often there may be more information hidden in the data which the researcher is able to bring to light. Disciplined thinking and familiarity with the research method are thus required to enable the results to be interpreted correctly. The researcher in this study attempted not to fall victim to the pitfalls of interpretation by seeking the advice of a statistician regarding results. Also, the results were not taken at face value, but rather investigated so as not to mislead the reader. For example, when an outlier value was found for question 3.2.1 (see table 5.6), the respondent was phoned and the answer confirmed.

5.3 PRESENTATION OF RESULTS

At this stage of the study, the raw data collected in the survey were changed into useful information that could be interpreted. In the sections to follow, the raw data will be shown in its interpreted form by means of bar charts and tables. Each graph is interpreted and explained. Where appropriate, an "N" value is given for each graph. The "N" value represents sample size for each question – in other words, the number of respondents per question.

On the first page of the website questionnaire, the respondents were asked to enter their e-mail addresses and individual passwords assigned to them in their introductory e-mails. Once logged in, the respondents were given access to the questionnaire. The questionnaire was divided into five sections, namely:

- Section 1 - Business operation
- Section 2 - Business activity
- Section 3 - Target market
- Section 4 - Marketing communication methods
- Section 5 - SATSA membership

The results for each section will be discussed below.

5.3.1 Business operation

To determine how long the tour operator businesses have been in operation and how many employees the tour operators employ, the respondents were asked certain questions. These questions are discussed in 5.3.1.1 and 5.3.1.2 below.

5.3.1.1 Number of years tour operator business has been in operation

The first question asked was: "How long has your business been in operation?" The results to this question are shown below.

FIGURE 5.1: Number of years that SATSA-registered tour operators have been in operation (N =26)
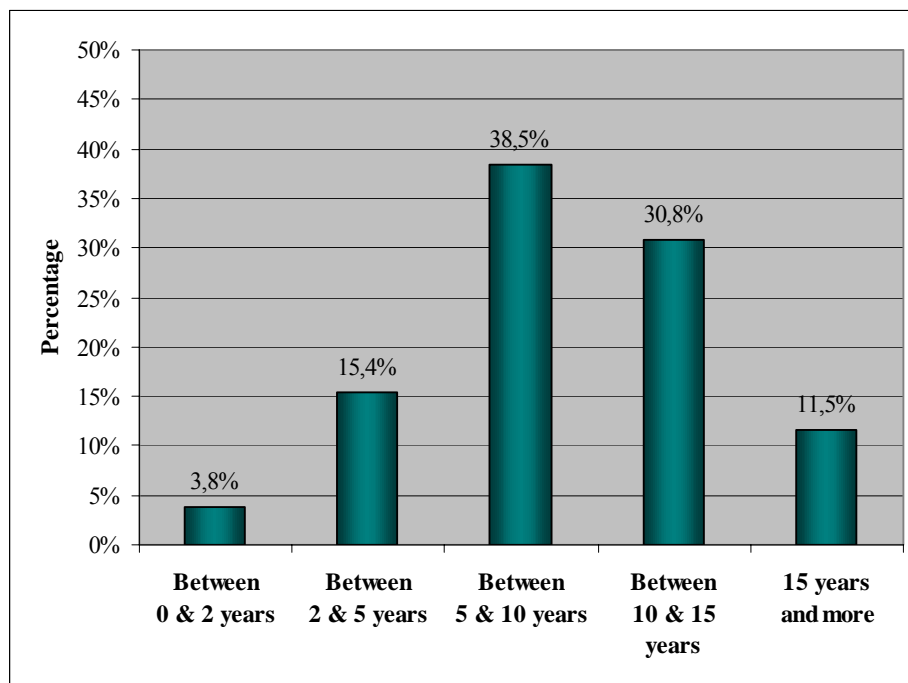
Most of the tour operators have been in operation for more than five years. It is notable that the majority of SATSA-registered tour operators have been in business for quite some time, notably, 38,5% of the respondents have been in existence between five and 10 years, 30,8% of respondents have operated between 10 and 15 years and 11,5% have been in business for 15 years or longer.

The reason for this is that tour operators have to have an up-and-running business, and thus need to have been in existence for a certain time and have a certain turnover before being able to join SATSA (www102; 2002).

Another interesting point is that, since these companies have existed alongside one another for so long, that they may be close competitors. Use of a powerful or unique communication technique would certainly be to their benefit. Thus the results of the most efficient communication methods used will be helpful to these operators.

5.3.1.2 Number of employees in tour operator companies

The size of the tour operator companies was determined by studying their employee figures. The question put to the respondents was: "How many employees does your company have?" Not only were the total employee counts determined, but also the number of full-time and part-time management and the number of full-time and part-time employees were considered. Figures 5.2 and 5.3 below depict the management and employee numbers in the companies included in the sample.

FIGURE 5.2: Number of management staff employed full time and part time by SATSA-registered tour operators in Gauteng (N = 25)
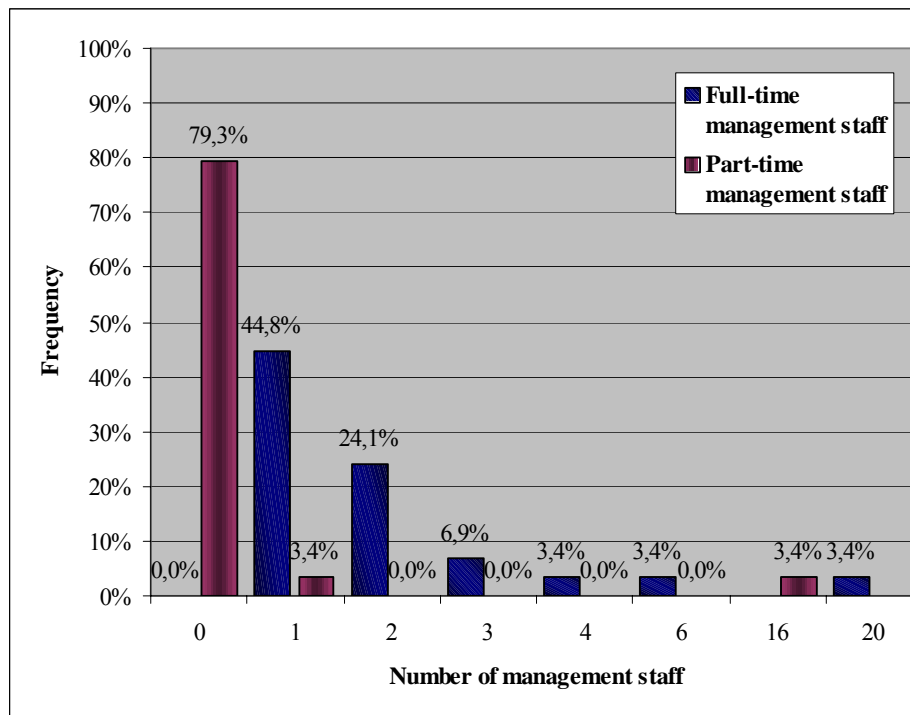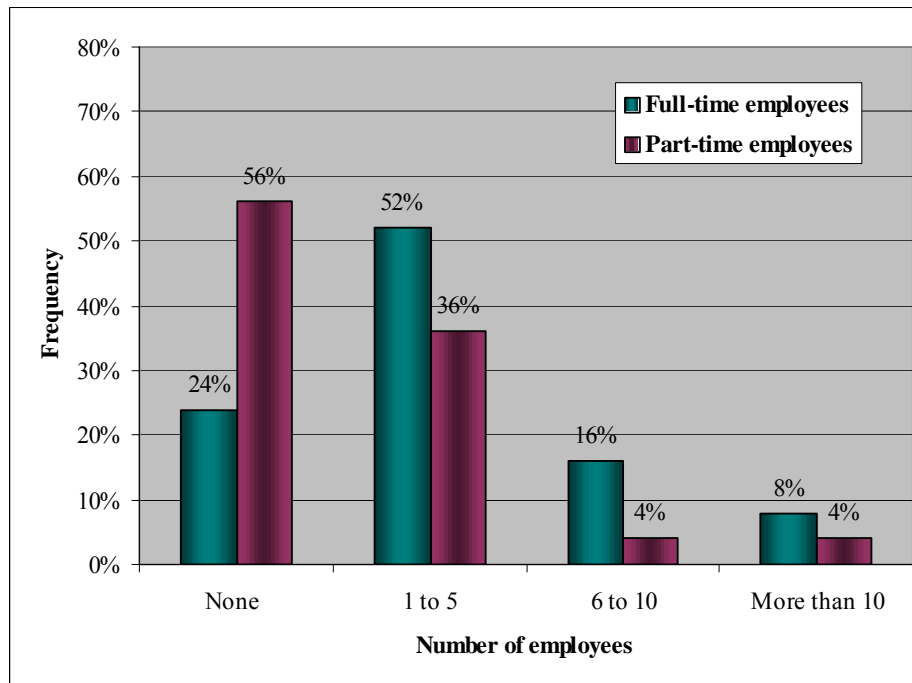

Most companies have between one and two full-time management staff (20 of the 29 companies). It was indicated that 3,4% of the respondents have 20 full-time management staff. Part-time management does not seem to feature much in the companies. However, 3,4% of the

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respondents indicated 16 part-time managers – this company only had five employees as opposed to 22 management staff (full-time and part-time), which indicates that they may have a different understanding of the terms "management" and "employee".

The next graph indicates the split between part-time and full-time employees.

FIGURE 5.3: Number of employees employed full time and part time by SATSA-registered tour operators in Gauteng (N = 25)

A large number of companies (24%) have no full-time employees or have only between one and five employees (52% tour operator companies). Of the tour operator companies using part-time employees, 36% have between one and five part-time employees, while 4% have either between six and 10, or more than 10. The tourism industry is highly seasonal (as explained in ch 2), which would imply that companies readily prefer to make use of part-time employees or have few year-round full-time employees, as reflected in the results above.

The total count of management staff (full-time and part-time) and employees (full-time and part-time) was used to determine company size. To depict the responses graphically the companies were grouped into categories of number of employees, namely one to five employees, six to 10

employees, 11 to 20 employees, 21 to 50 employees and more than 50. Figure 5.4 gives the number of respondents in each of the categories used.

FIGURE 5.4: Total number of staff (management and employees) (N = 26)
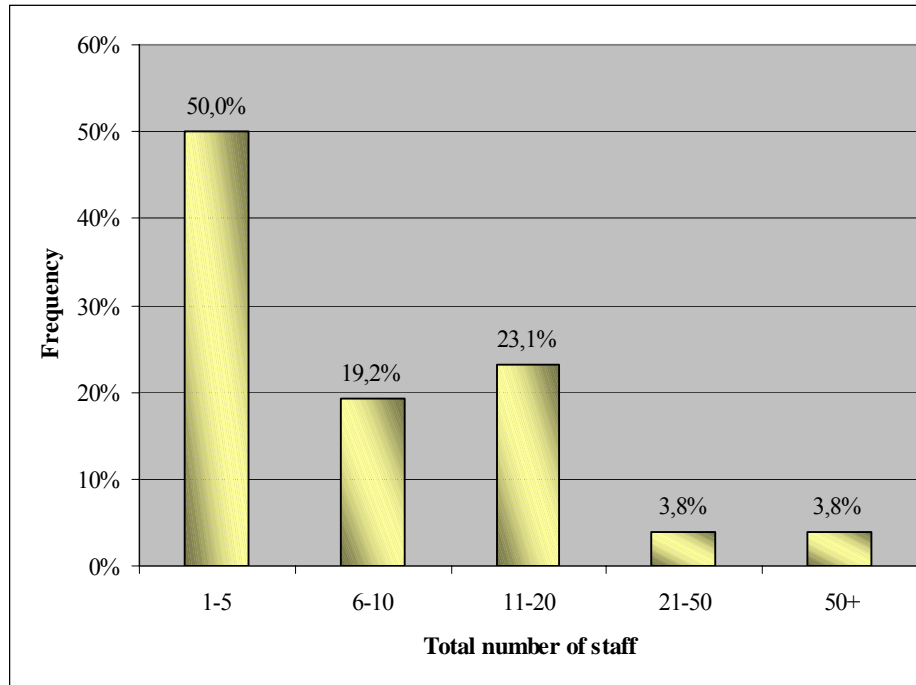
Most of the responding companies (50%) are small, with between one and five members of staff (including management and employees). The spread in terms of size is considered wide enough to facilitate a good statistical comparison. As mentioned above, seasonality may be the main reason for the companies being small.

For the purpose of further analysis, direct correlations between company size (large and small) and the use of communication tools will be made (see table 5.21 in the sections to follow).

5.3.2 Business activity
The questions asked in section 2 were about the tour operators' business activities.

5.3.2.1 The main business activities of tour operators
The first question put to the respondents in section 2 was: "Which of the following is your main business activity?" When looking at the specific business activities of the tour operators, the

respondents were asked to rank the following activities according to what they consider themselves doing most to what they consider themselves doing least:

- conducting tours (using a driver-guide)
- transfers between airports and hotels
- packaging tours

The table below gives the number of respondents who ranked each category as 1 (most), 2 (second most) and 3 (least):

TABLE 5.4: Main business activities (N=29)

Frequency of use of main business activities	Conducting tours (driver-guide)	Transfers (between airports and hotels or guesthouses)	Packaged tours
	%	%	%
Most often	48,28	31,03	55,17
Second most often	27,59	17,24	13,79
Least	24,14	51,72	31,03

To interpret this table, it is necessary to look at each category individually and then to examine the responses as a whole.

a) Conducting tours

Of the three choices the respondents had, namely whether they conduct tours most often, second most often or least, it was found that 48,28% of respondents most often conduct tours. The results for second most often and third most often were very close, which indicates that the rest of the tour operators see conducting tours as an important activity.

b) Transfers

In this section, it was found that tour operators least often conducted transfers (51,72%). However, 31,03% of tour operators felt that they conduct transfers most often while 17,24% indicated that they conduct transfers second most often. It can therefore be said that the tour operators either conduct transfers or not, since the results for transfers being the second most used method are rather low.

c) Packaged tours

In this subcategory, 55,17% of the respondents showed that they package tours most often, whereas 31,03% indicated that they package tours least often and 13,79% indicated that they package tours second most often.

d) Overall main business activity

Some respondents felt that more than one category should be rated as a 1 (being conducted most often) or that more than one activity should be rated as 3 (being conducted least often). Overall, it appears that designing packaged tours is the business activity undertaken most often by tour operators (55,17% of respondents). Conducting actual driver-guide tours is a business activity performed the second most often by Gauteng tour operators (27,59% of respondents), and transfers are conducted least (51,72% of the companies).

5.3.2.2 Highest income-generating source of business

The respondents were asked to rank their source of income from their largest income-generating source to the least (or indicate which were not applicable to that company). The question put to the respondents read as follows: "What is the highest income-generating source of business for your company?" They could choose between the following options:

- Guesthouses
- Hotels
- Travel agents
- Other tour operators
- Other sources

Table 5.5 below shows the results for this question.

TABLE 5.5: Income-generating sources

Level of Income generation	Guesthouses		Hotels		Travel agents		Other tour operators		Other sources	
	f	%	*f*	%	*f*	%	*f*	%	*f*	%
0 (No income)	4	19,05	5	22,73	1	4,35	5	20,83	---	---
Main source	1	4,76	4	18,18	7	30,43	6	25,00	9	36,00
Second source	---	---	6	27,27	6	26,09	4	16,67	3	12,00
Third source	7	33,33	2	9,09	2	8,70	7	29,17	6	24,00
Fourth source	5	23,81	---	---	1	4,35	1	4,17	2	8,00
Least source	4	19,05	5	22,73	6	26,09	1	4,17	5	20,00

f = frequency

a) Guesthouses

In the category "guesthouses" one respondent considered guesthouses to be his/her main source of income (or 4,76% of the respondents). Four respondents (19,05%) felt that it was their least source of income. Four other respondents (19,05%) do not use guesthouses at all. Five respondents considered guesthouses to be their fourth main source of income (23,81%) and seven (33,33%) regarded guesthouses as their third main source of income. It would seem that guesthouses are not "top of mind" for any of the respondents. This category is generally considered to be the third or fourth source of income generation for tour operators.

b) Hotels

Four respondents regarded hotels as their main source of income (18,18%). Five respondents (22,73%) felt that it was their least source of income. Five respondents do not use hotels at all (22,73%). Two respondents considered hotels to be their third main source of income (9,09%) and six regarded hotels as their second main source of income (27,27%). Hotels seem to be considered either a main source or the least source of income generation, and therefore seem to fall between two extremes – some respondents use hotels a lot, while others do not use them at all. This can be seen by the main and second main source of income being 18,18% and 27,27% respectively, whereas the least source is also high (22,73%).

c) Travel agents

In the category "travel agents", seven respondents considered them to be their main source of income (30,43%). Six respondents (26,09%) felt that it was their least source of income. One respondent (4,35%) did not use travel agents. One respondent considered travel agents to be his/her fourth main source of income (4,35%) while two respondents (8,70%) regarded travel

agents as their third main source of income. Travel agents are regarded as the second main source of income by 26,09% of respondents (6). As in the case of hotels, respondents either use travel agents or do not use them at all. This can be seen by the high figures for the main and second main sources (30,43% and 26,09%) with the least source figures being high as well (26,09%). The rest of the figures are rather low in comparison.

d) Other tour operators

Six respondents regarded fellow tour operators as their main source of income (25,00%). One respondent (4,17%) felt that it was their least source of income. Five respondents do not use other tour operators at all (20,83%). One respondent considered other tour operators to be his/her fourth main source of income (4,17%) and seven regarded other tour operators as their third main source of income (29,17%). Four respondents considered other tour operators to be their second main source of income (16,67%). It would seem that referring work to other tour operators when there is an overflow of work is common practice in the industry. This can be seen by the high figures for other tour operators being main (25,00%), second highest (16,67%) and third highest (29,17%) income-generating sources for tour operators.

e) Other sources

Other sources of income indicated by tour operators were backpackers, the Internet, websites and game lodges. Nine respondents (36,00%) considered other sources of income other than those listed in the question, to be their main source of income. Five respondents (20,00%) felt that it was their least source of income. Two respondents considered other sources to be their fourth main source of income (8,00%) while six (24,00%) regarded travel agents as their third main source of income. Travel agents are regarded as the second main source of income by 12,00% of respondents (3). It cannot be said that the category "other sources" is a main income generator for all tour operators, because within this category, there were many different sources mentioned and only some may be applicable to a particular tour operator.

f) Main source of income generation

Overall, to determine the main source of income generation, it is necessary to review the table. Although "other sources" (36,00%) are the highest percentage, they cannot be regarded as the main income-generating source, since this category consists of many different sources that may not be applicable to all the tour operators questioned. Travel agents (30,43%) and other tour operators (25,00%) are close contenders for first place. Even though travel agents have the highest percentage for main source, they are either used or not used at all (as discussed above).

Other tour operators are consistent in that they are used frequently (first, second and third). Thus the data suggest that other tour operators should be regarded as the main source of income generation and travel agents the second main source. Hotels (18,18% of respondents) can be regarded as the fourth main source of income generation. It is possible that tour operators have special agreements with particular hotels in which to book their clients. Hotels are usually able to accommodate more people than guesthouses, which may be a reason why they are used more frequently. Guesthouses (4,76%) were considered to be the least source of income generation.

The second part of the question asked respondents to provide reasons for their choice of income generation.

5.3.2.3 Main reason for selecting the option chosen as the highest income-generating source
The question put to the respondents read as follows: "Please provide the main reason for selecting the option you rated as 1" The responses are summarised below.

Travel agents are seen to provide a constant supply of business and are therefore chosen as a main source by some of the respondents. Tour operators are a main source of income mostly when companies are inbound, dealing with overseas tourists. Tour operators also pass on an overflow of work to fellow companies, and vice versa. There was only one respondent who did not generate some income at least from travel agents, although six respondents did indicate it was the lowest source of income.

Guesthouses and hotels are not convincingly considered to be main sources of income. The one company that chose guesthouses did so because they specialise in self-drive tours. Hotels appear to be chosen above guesthouses, either because of fixed contracts or because tourists make use of hotels most often. It was noted in chapter 1 that hotels seem be the most popular form of accommodation, as indicated by a South African Tourism survey in 1999, which indicates that 63% of foreign tourists stay in hotels (www103, 2001).

The fact that guesthouses and hotels are not considered to be main sources of income as might be expected in an industry that relies heavily on overnight accommodation for foreign travellers, is cause for concern. It is, however, understandable that the category "other tour operators" was rated the highest, since tour operators seem to give other similar companies their overflow of work. Future research could consider finding out whether backpackers, the Internet, websites and game lodges are in fact other main sources of income generation.

5.3.2.4 Main target market

The next question put to respondents was to indicate their main target market, as being either tourists (the end customer), travel agents (intermediaries), or both. The question read as follows: "Indicate your main target market: tourists or travel agents?" The responses to this question are given below in figure 5.5.

FIGURE 5.5: Main target market of SATSA-registered tour operators in Gauteng (N = 28)
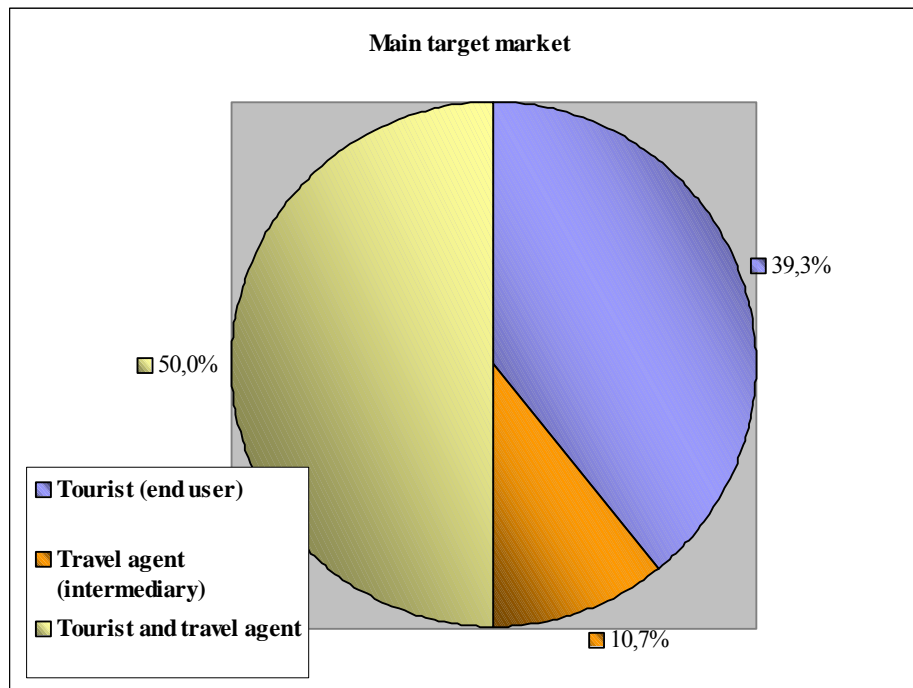
Of the respondents, 50% indicated that both tourists and travel agents are their main markets. Only 10,7% consider travel agents only as their main market, but 39,3% feel that the end customer could be regarded as their main market.

Once the respondents had indicated at which target market they aim their business, they were asked to answer questions about their specific target markets.

5.3.3 Target market

Those respondents who indicated that tourists only are a main target market were asked specific questions. Those who indicated that they deal only with travel agents were asked a different set of questions. Some respondents, however, deal with both travel agents and directly with tourists, and were therefore expected to answer both sets of questions.

The following information was obtained from the operators dealing with tourists only:

5.3.3.1 Main tourist market

Tour operators were asked to indicate whether their clients are domestic or foreign. All respondents to this question indicated that they serve foreign tourists, and of these, some also serve domestic tourists. The results are shown in figure 5.6 below and then discussed.

FIGURE 5.6: Tourist market at which SATSA-registered tour operators aim their business efforts (N = 24)
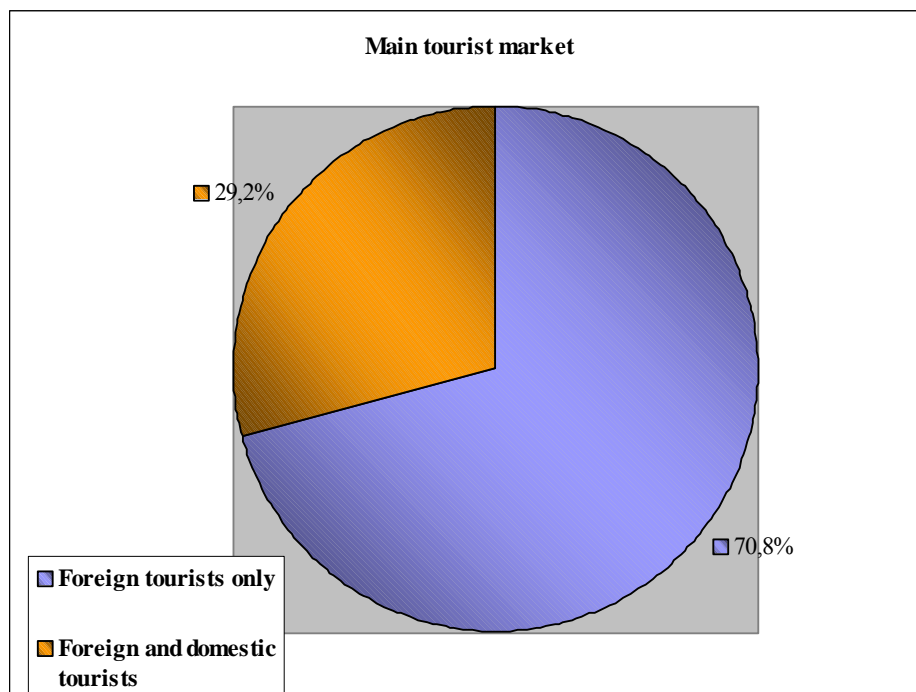
Only 29,2% of the tour operators indicated that they serve domestic tourists as well as foreign tourists. Foreign tourists only are served by 70,8% of tour operators. This indicates a lack of business from domestic tourists. Various programmes have been implemented to encourage domestic tourism, eg tourism month, and more specifically World Tourism Day (Jackson 2001), which in 2001 focused on encouraging domestic travel. The Minister of Environmental Affairs and Tourism, Valli Moosa, said: "By encouraging domestic tourism, the Department of Environmental Affairs and Tourism hopes to create more than 42 million marketers for our country" Tour operators should, in future, also consider aiming their business towards domestic tourists.

A discussion of the type of foreign tourists that tour operators serve follows in 5.3.3.2 below.

The respondents were asked to indicate for what purpose(s) their clients travel (business or leisure). The results are indicated in figure 5.7 below.

5.3.3.2 Origin of foreign tourist market

The 29,2% of tour operator companies that serve both foreign and domestic tourists (shown in fig 5.6 above), serve only business tourists and not leisure tourists. This may indicate that domestic tourists prefer to make bookings themselves whereas business tourists prefer bookings to be done on their behalf. Tour operators prefer to deal with business tourists as indicated by Youell (1998:12), who explains that business travellers (or often the companies they work for) usually pay premium rates for travel, entertainment and accommodation, making them an extremely viable segment of the traveller market. Business travellers are also not influenced by seasonality, since business takes place throughout the year. This means that business travellers, unlike leisure tourists, travel all year round.

FIGURE 5.7: Foreign tourist market at which SATSA-registered tour operators aim their business efforts (N=7)

Foreign tourist market

35,5%

64,5%
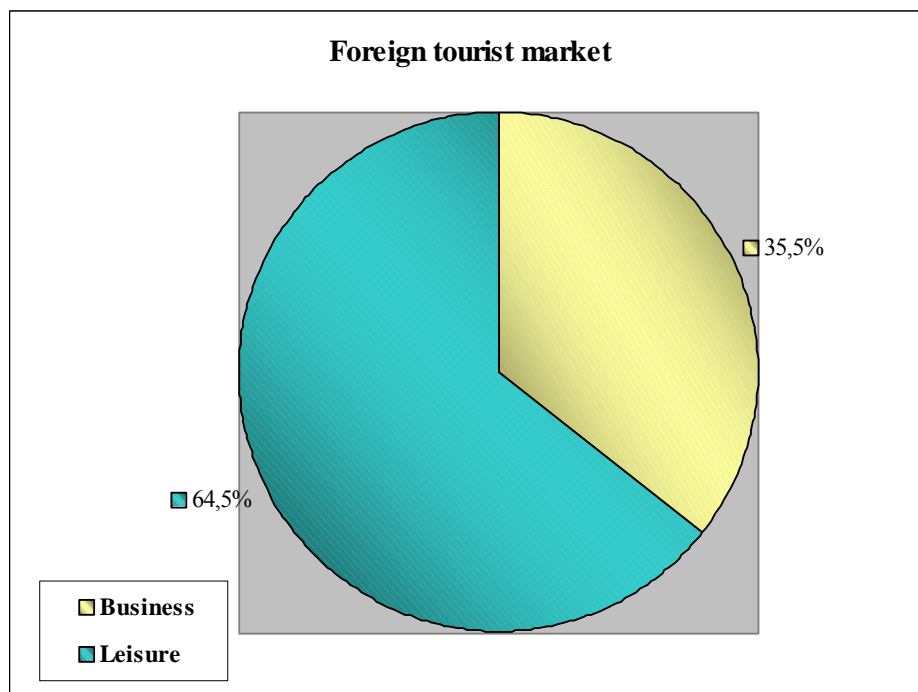
☐ Business
☐ Leisure

Of those companies that serve foreign tourists only, the foreign tourists comprise leisure (64,5%) and business (35,5%) tourists. This indicates that SATSA-registered tour operators in Gauteng mostly serve leisure tourists.

As shown in the figures, the foreign tourists visiting South Africa are mainly leisure tourists. This supports the statement in chapter 2 that South Africa is becoming a popular holiday destination.

The next question put to tour operators involved their use of tourist guides.

5.3.3.3 Type of tourist guide(s) that tour operator companies use
The type of tourist guides that the companies use (either freelance or permanent) are indicated in figure 5.8 below.

FIGURE 5.8: Type of tourist guides employed by SATSA-registered tour operators in Gauteng (N = 23)
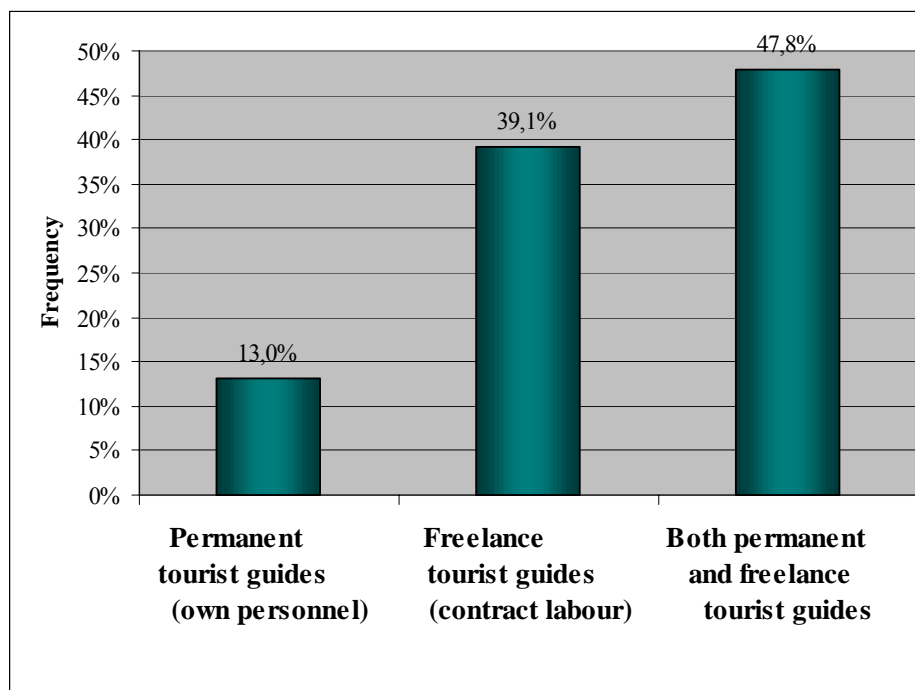
Freelance tourist guides seem to be in demand since 39,1% of the respondents use them. This may imply that most employees employed by tour operators registered to SATSA are not tourist

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guides themselves, which means that the tour operators prefer to employ freelance tourist guides to conduct tours in buses, when necessary.

It was also considered essential to ascertain what means of transport tour operators use to transport their clients.

5.3.3.4 Type of transport tour operators primarily use to transport tourists
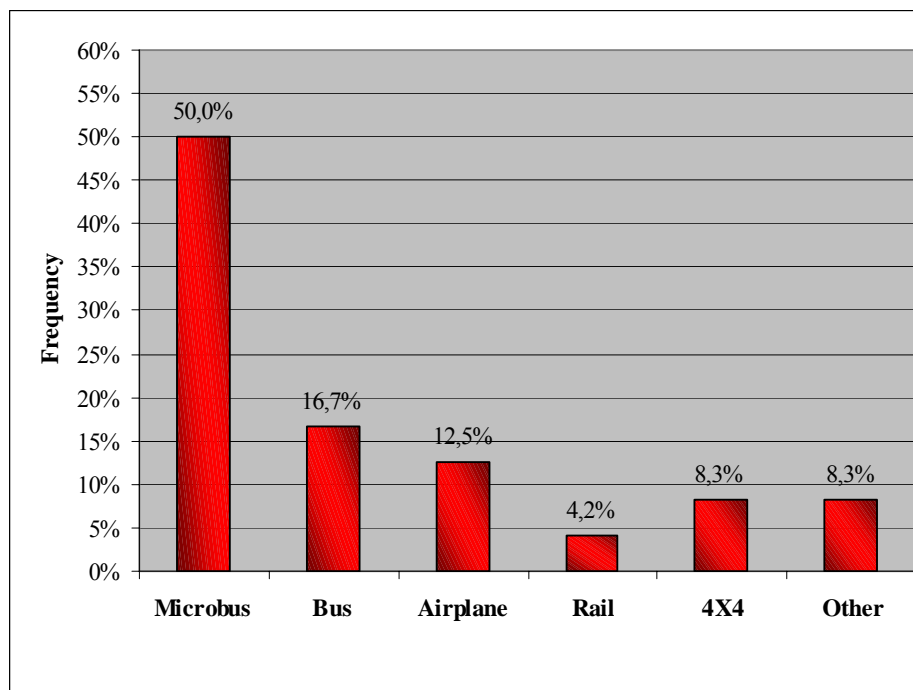The types of transport used to conduct the tours are indicated in Figure 5.9 below.

FIGURE 5.9: Primary transport methods used by SATSA-registered tour operators for tourists (N = 24)

The most popular transport method is the microbus (50%). There was also mention of using a 20-seater Mercedes Sprinter, which is similar to a microbus. Buses still seem to be a popular means of transportation (16,7%), especially for large groups. Airplanes are not considered the primary means of transportation by many (12,5%) which would imply that they are mainly used when tourists travel to a South Africa and when they depart, but are not regarded as the main form of transport whilst in the country. Rail is rarely the primary transport method used to transport tourists (4,2%). Rail will only be the primary form of transport if tourists take a tour on, say, the Blue Train or Rovos Rail. Adventure tours certainly seem to be taking off, as 8,3% of

tour operators consider 4x4 vehicles as being a primary transport method for their tourists. In the category "other", safari trucks were mentioned as being a primary means of transportation.

The second part of this section on target markets dealt with travel agents as a target market.

5.3.3.5 Domestic or foreign travel agents

Besides questions on the tourist market, the number of foreign and domestic travel agents that tour operators deal with was also examined. The question put to respondents read as follows: "Does your company deal with domestic or foreign travel agents?" Although only those respondents who indicated that their main target market includes travel agents (see fig 5.5) were required to answer this question, some of the respondents who had not mentioned travel agents as a main market also answered it.

TABLE 5.6: Frequency distribution of the number of domestic and foreign travel agents dealt with

Domestic travel agents (N = 13)			Foreign travel agents (N = 17)		
Number	Frequency	Percentage	Number	Frequency	Percentage
1	1	7,69	2	2	11,76
3	1	7,69	4	2	11,76
4	1	7,69	5	2	11,76
10	1	7,69	10	4	23,53
20	2	15,38	11	2	11,76
25	1	7,69	20	1	5,88
45	1	7,69	30	1	5,88
50	2	15,38	35	2	11,76
90	1	7,69	500	1	5,88
99	1	7,69			
500	1	7,69			

highlighted area = 46,14%   *highlighted area* = 23,53%

It would seem that the number of domestic travel agents used is between 20 and 50 indicated in the highlighted area, comprising 46,14% of the respondents. In the case of foreign travel agents, most of the respondents (23,53%) said that they use 10 foreign travel agents.

One company claimed to use 500 domestic and 500 foreign travel agents. This number is rather high, seeing that as the closest other number is 99, and it may therefore be regarded as an outlier value. The respondent was contacted and the result was indeed 500. The company in question

was a large company and has been in operation for a number of years, which may explain their excellent relationship with so many other tourism principals, such as travel agents.

The reason for the small number of foreign travel agents generally used could be that it is difficult to establish relationships with overseas travel agents. It would obviously be most beneficial to have contact with overseas travel agents because that would mean more business will be generated from them, thus benefiting tour operators in Gauteng. How to establish relationships with them could be a topic for future research.

The research in section 4 involved questions dealing with marketing communication methods used by SATSA-registered tour operators in Gauteng.

5.3.4 Marketing communication methods

The first part of section 4 involved questions on the frequency of use and efficiency of marketing communication methods.

5.3.4.1 Frequency of use of marketing communication methods

The respondents were requested to indicate how frequently they use certain marketing communication methods. The listed items can be grouped into the categories of marketing communication methods, namely advertising, sales promotion, public relations, direct marketing and interactive media, as discussed in detail in chapter 3, and the items will be reported using these categories. (For the reliability of each category as a scale, see the section on reliability in 5.1.3 above.)

The first part of question 1 asked respondents the following question:
For each option provided below (television, radio, newspapers, etc), indicate the frequency of use of the listed marketing communication tool on a scale of 1 to 5, where 1 indicates daily and 5 indicates never:
- Daily
- Weekly
- Monthly
- Once a year
- Never or don't have

These categories are not used in the research results, but were merely used to make it easier for respondents to answer the question. Firstly, the broad categories will be interpreted.

a) Frequency of use of marketing communication method categories
The five categories used to classify the marketing communication methods and their frequency of use are indicated in table 5.7 below.

In the tables to follow, an "N" value is given for each table. The "N" value represents the sample size for each question – in other words, the number of respondents per question.

In all tables dealing with frequency of use, the mean scores of the marketing communication methods are highlighted. A mean is the sum of the values for all observations of a variable divided by the number of observations (McDaniel & Gates 2001:410). In this table (and those to follow on frequency), a low score for the mean (a score under 3,99) indicates high usage. Hence those blocks highlighted in yellow, namely low figures between 1,0 and 3,99 indicate the marketing communication methods most frequently used. Figures larger than 3,99 (between 4,0 and 5,0) are considered to have a high score and are thus the marketing communication methods used least frequently by SATSA-registered tour operators (indicated in green highlighted blocks).

The standard deviation indicated in the last column of table 5.7 (and in the tables to follow) gives an indication of what the mean will be. The difference between the mean and an observed value is called the deviation from the mean. The standard deviation is indicated by the variance from the mean. Variance is the mean squared deviation of all the values from the mean (Malhotra 2004:431). The variance can never be negative. When the data points are clustered around the mean, the variance is small. When the data points are scattered, the variance is large. Thus the standard deviation is the square root of the variance (Malhotra 2004:432). Standard deviation is perhaps the most frequently used measure of spread because it improves interpretability by removing the variance's square and expressing deviations in their original units. A standard deviation is considered acceptable if it is below 0,70 (ie between 0,40 and 0,69). A high standard deviation is indicated by figures between 0,70 and 0,95. Once the standard deviation is above 0,95, it is no longer considered acceptable.

TABLE 5.7: Frequency of use of marketing communication method categories

Frequency of use of marketing communication method categories	N	Mean	Std deviation
Advertising	25	4,17	0,753
Sales promotion	23	4,33	0,585
Public relations	19	4,68	0,582
Direct marketing	28	3,92	0,780
Interactive media	23	3,72*	0,943
* low score indicates high usage			

If the results are interpreted in general (ie according to the broad marketing communication method categories shown above), then interactive media as a category is the most popular form of marketing communication. This can be deduced by looking at the results in table 5.7. Interactive media has the lowest mean score (viz 3,72). In this table a low score for the mean (a score under 3,99) indicates high usage, which shows that that interactive media is the marketing communication method most frequently used. Respondents do not use direct marketing and advertising as frequently. Direct marketing obtained a mean score of 3,92 and advertising a mean score of 4,17. The results show that sales promotions and public relations are not used that frequently by SATSA-registered tour operators, since they obtained high mean scores (4,33 and 4,68 respectively), which indicates that they are used less frequently than the other marketing communication method categories.

A relatively low standard deviation was obtained for sales promotion and public relations (0,585 and 0,582 respectively). This shows that most of the respondents have a mediocre feeling about these two marketing communication categories as a whole and do not use them frequently. Advertising and direct marketing obtained higher standard deviations (0,753 and 0,780 respectively). The highest standard deviation was obtained by interactive media (0,943). This indicates that the answers were widely spread but that interactive media was regarded as the most frequently used.

b) Frequency of use of marketing communication methods per category

The tables below contain descriptive information on each item (marketing communication method) in each category. The results show in each category which marketing communication methods are used most frequently and which are not used as frequently. The first category to be analysed is advertising.

i) Frequency of use of advertising

The results are shown in table 5.8 below.

TABLE 5.8: Frequency of use of advertising

Frequency of use of advertising	N	Mean	Std deviation
Advertising	**25**	**4,17**	**0,753**
Television	20	4,85	0,489
Radio	20	4,80	0,523
Newspapers	20	4,40	0,883
Magazines	18	4,06	0,938
Brochures	24	3,21*	1,318
Promotional video	18	4,44	0,984
CD-ROM	20	4,15	1,040
Outdoor billboards	17	4,65	0,702
* low score indicates high usage			

Of the marketing communication methods that fall under advertising, brochures are considered to be used most frequently (mean of 3,21). This can be deduced from the table, since a low score indicates high usage. Brochures has the lowest score on the table. Magazines (mean of 4,06) and CD-ROM (mean of 4,15) are also used quite frequently. Newspapers, promotional videos and outdoor billboards are not used as frequently. Radio and television are not used frequently with a mean of 4,80 and 4,85 respectively.

ii) Frequency of use of sales promotion

The frequency of use of sales promotion for SATSA-registered tour operators is indicated in table 5.9 below.

TABLE 5.9: Frequency of use of sales promotion

Frequency of use of sales promotion	N	Mean	Std deviation
Sales promotion	**23**	**4,33**	**0,585**
Discounts on bookings	19	4,42	0,902
Samples (give-aways)	16	4,75	0,577
Coupons	16	4,88	0,342
Competitions	17	4,76	0,562
Promotional gifts	16	4,81	0,544
Point-of-sale materials	16	4,19	1,276
Patronage awards (loyalty incentives)	17	4,24	1,147
Exhibitions	21	4,19	0,814
Trade shows	21	4,14*	0,573
* low score indicates high usage			

In general, sales promotion is not used as frequently as any of the other marketing communication methods. Within the category of sales promotion, trade shows are used most frequently (mean of 4,14). Once again, the lowest score in the table indicates the marketing communication tool most frequently used. The lowest mean scores indicated here are above 4,00, which shows that this category is not frequently used as a whole, compared with other categories where the majority of scores are below 4,00. Exhibitions and point-of-sale materials are on a par, each with a mean of 4,19. Patronage awards (mean score of 4,24) and discounts on bookings (mean score of 4,42), samples (mean score of 4,75) and competitions (mean score of 4,76) are not frequently used. The two communication methods least frequently used, regarding sales promotion, are promotional gifts and coupons (means of 4,81 and 4,88 respectively). The low standard deviation of 0,573 for trade shows indicates that many other tour operators also use this method.

iii) Frequency of use of public relations

Only two public relations methods were included in the study – the result is shown in table 5.10 below.

TABLE 5.10: Frequency of use of public relations

Frequency of use of public relations	N	Mean	Std deviation
Public relations	**19**	**4,68**	**0,582**
Press releases	18	4,50*	0,924
Publicity	19	4,84	0,501
* low score indicates high usage			

Of publicity and press releases, the latter are used more frequently than the former (means of 4,50 and 4,84 respectively). The lowest score (4,50) indicates the highest usage. As in the case of sales promotion, the lowest mean scores indicated here are above 4,00, which shows that this category is not frequently used as a whole, compared with other categories where the majority of scores are below 4,00.

iv) Frequency of use of direct marketing

The results obtained for the frequency of use of direct marketing communication methods are tabulated in table 5.11 below.

TABLE 5.11: Frequency of use of direct marketing

Frequency of use of direct marketing	N	Mean	Std deviation
Direct marketing	**28**	**3,92**	**0,78**
Database to facilitate direct marketing	21	3,76	1,300
Direct mail (post information)	20	4,25	0,851
Direct selling (to hotels/guesthouses/potential clients)	17	3,82	1,425
SMS (use SMS to inform clients of special offers)	17	4,65	0,996
Kiosk shopping (similar to vending machine)	17	5,00	--
Outbound telemarketing	20	4,65	0,745
Inbound telemarketing	18	4,89	0,471
Flyers	20	4,50	0,946
Word-of-mouth	23	1,87*	1,290
* low score indicates high usage			

Word of mouth is certainly the most frequently used direct marketing method, as indicated above with a mean of 1,87. A database to facilitate direct marketing and direct selling (to hotels, guesthouses or potential clients) is the next most frequently used marketing communication methods, with means of 3,76 and 3,82 respectively. Direct mail (mean score of 4,25), flyers (mean score of 4,50), SMSs (mean score of 4,65) and outbound telemarketing (mean score of 4,65) are used reasonably frequently. Inbound telemarketing is not used as much, while kiosk shopping seems to be one of the least frequently used methods overall (4,89 and 5,00 respectively). The high standard deviation for direct selling (1,425), database to facilitate direct marketing (1,300) and word of mouth (1, 290) indicates that these three methods were in fact considered to be frequently used. However, since mean scores were used as the determining factor of which are the most frequently used, word of mouth was shown to be the most frequently used out of the top three tools in this category.

v) Frequency of use of interactive media

Interactive media are indicated in table 5.12 below.

TABLE 5.12: Frequency of use of interactive media

Frequency of use of interactive media	N	Mean	Std deviation
Interactive media	**23**	**3,72**	**0,943**
Digital television marketing	17	5,00	--
E-commerce (book tour on Internet)	19	3,42	1,465
Website	23	2,13*	1,486
Virtual tour (on a website)	17	4,53	1,328
Solicited e-mail	19	4,05	1,079
E-mail newsletters	20	3,95	1,050
Viral marketing	17	4,12	1,269
* low score indicates high usage			

Websites are an interactive media marketing communication method used quite frequently, as indicated by the mean of 2,13. E-commerce and e-mail newsletters follow closely, with a mean of 3,42 and 3,95 respectively. Solicited e-mail (4,05), viral marketing (4,12) and virtual tours on websites (4,53) are used less frequently. Digital television marketing is hardly ever used (mean of 5,00). As in the previous tables, a low score indicates high usage or most frequently used marketing communication method. The standard deviations for this table are all high (above 1,000) which is in agreement with the fact that interactive media as a whole is considered to be the most frequently used marketing communication category by SATSA-registered tour operators.

c) Most frequently used marketing communication method

Table 5.13 below indicates which marketing communication methods overall are used the most (indicated in yellow) and the least (indicated in green).

Of all the marketing communication methods listed above, word of mouth is the most frequently used method, followed by websites. (Most SATSA-registered tour operators have websites, as confirmed by the above data.) This is followed by brochures, e-commerce, databases to facilitate direct marketing, direct selling and e-mail newsletters. Digital television marketing and kiosk shopping appear not to be used frequently by any SATSA-registered tour operators.

In table 5.13, the minimum (min) and maximum (max) values for each marketing communication method are shown. This gives an indication of what the standard deviation will be. If the minimum value is 1 and the maximum value is 5, there is a wide range between the two

and the standard deviation is high (above 1,000). Where the minimum values are between 3 and 5 and the maximum values are 5, the standard deviation is low (under 0,999).

TABLE 5.13: Most frequently used marketing communication methods

Frequency of use of marketing communication methods	N	Min	Max	Mean	Std deviation
Word of mouth	23	1	5	1,87*	1,290
Website	23	1	5	2,13	1,486
Brochures	24	1	5	3,21	1,318
E-commerce (book tour on Internet)	19	1	5	3,42	1,465
Database to facilitate direct marketing	21	1	5	3,76	1,300
Direct selling (to hotels/guesthouses/potential clients)	17	1	5	3,82	1,425
E-mail newsletters	20	2	5	3,95	1,050
Solicited e-mail	19	2	5	4,05	1,079
Magazines	18	3	5	4,06	0,938
Viral marketing	17	2	5	4,12	1,269
Trade shows	21	3	5	4,14	0,573
CD-ROM	20	2	5	4,15	1,040
Exhibitions	21	2	5	4,19	0,814
Point-of-sale materials	16	1	5	4,19	1,276
Patronage awards (loyalty incentives)	17	2	5	4,24	1,147
Direct mail (post information)	20	3	5	4,25	0,851
Newspapers	20	3	5	4,40	0,883
Discounts on bookings	19	2	5	4,42	0,902
Promotional video	18	2	5	4,44	0,984
Flyers	20	2	5	4,50	0,946
Press releases	18	2	5	4,50	0,924
Virtual tour (on a website)	17	1	5	4,53	1,328
SMS (use SMS to inform clients of special offers)	17	2	5	4,65	0,996
Outbound telemarketing	20	3	5	4,65	0,745
Outdoor billboards	17	3	5	4,65	0,702
Samples (give-aways)	16	3	5	4,75	0,577
Competitions	17	3	5	4,76	0,562
Radio	20	3	5	4,80	0,523
Promotional gifts	16	3	5	4,81	0,544
Publicity	19	3	5	4,84	0,501
Television	20	3	5	4,85	0,489
Coupons	16	4	5	4,88	0,342
Inbound telemarketing	18	3	5	4,89	0,471
Kiosk shopping (similar to vending machine)	17	5	5	5,00	--
Digital television marketing	17	5	5	5,00	--
* low score indicates high usage					

Besides the frequency of use, an efficiency rating was also obtained for each of the marketing communication tools

5.3.4.2 Efficiency of marketing communication methods

The second part of this question refers to the efficiency of marketing communication methods. Efficiency analysis is important for the evaluation of marketing performance. Strydom (1999:268) explains efficiency as a relationship between closely related inputs (a certain marketing communication method used) and outputs (exposure to the correct target market resulting in flow of business).

In the tables to follow on efficiency of use, the marketing communication methods highlighted in yellow indicate the most efficient marketing communication methods in terms of the opinions of SATSA-registered tour operators. Similarly, figures indicated in green highlighted blocks show the least efficient marketing communication methods in the opinion of the respondents.

The question asked the respondents to "rate the efficiency of each tool (in terms of generating maximum sales at the lowest cost) separately, where 1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient". The efficiency of each method is given below, first in the marketing communication method categories, after which each category will be analysed individually.

a) Efficiency of marketing communication method categories

Table 5.14 below indicates which category of marketing communication methods is deemed to be most efficient.

TABLE 5.14: Efficiency of each marketing communication method categories

Efficiency of marketing communication method categories	N	Mean	Std Deviation
Advertising	17	3,49	0,952
Sales promotion	13	3,11	1,380
Public relations	5	2,50	1,225
Direct marketing	19	3,69*	1,195
Interactive media	16	3,14	0,960
* high score indicates high efficiency			

As a category, direct marketing is considered to be the most efficient (with a mean of 3,69). In table 5.14 and the rest of the tables dealing with efficiency of use, a high score indicates high efficiency. Hence, since the direct marketing category displays the highest score, it can be regarded as the most efficient marketing communication category for the respondents. Advertising (mean score of 3,49) is deemed the next most efficient category of marketing communication methods, even though it was rated third in the "most frequently used" category (see table 5.7). Sales promotion and public relations are not considered to be as efficient marketing communication method categories as the others, as indicated by their low scores (means of 3,11 and 2,50 respectively).

It is interesting to note that direct marketing, the category deemed to be used most frequently, is not considered to be the most efficient. Interactive media was considered to be used the second most frequently, but is only regarded as the third most efficient category of marketing communication methods.

b) Efficiency of marketing communication methods per category

In the sections to follow, each category will be discussed in terms of its efficiency.

i) Efficiency of advertising

Table 5.15 below indicates the marketing communication tools that fall under the category advertising and how efficient they are deemed to be.

TABLE 5.15: Efficiency of advertising

Efficiency of advertising	N	Mean	Std deviation
Advertising	**17**	**3,49**	**0,952**
Television	2	2,50	2,12
Radio	3	3,00	2,00
Newspapers	7	3,29	1,38
Magazines	7	3,00	1,15
Brochures	14	3,57	1,16
Promotional video	5	3,00	1,58
CD-ROM	9	4,00*	1,32
Outdoor billboards	3	1,67	1,15
* high score indicates high efficiency			

CD-ROMs are considered to be the most efficient form of advertising (mean of 4,00). Since high score indicates high efficiency, CD-ROMs have the highest mean score in this table (viz 4,00),

and can therefore be regarded as the most efficient form of advertising. Brochures (which were considered to be the most frequently used advertising marketing communication method) are regarded as the second most efficient marketing communication method with a mean of 3,57. Newspapers (mean of 3,29) are deemed to be the third most efficient. Promotional videos, magazines and radio are considered to be on par in terms of efficiency (mean of 3,00 for all three marketing communication methods). Television and outdoor billboards are not regarded as efficient marketing communication methods (means of 2,50 and 1,67 respectively).

ii) Efficiency of sales promotion

The efficiency of sales promotion marketing communication methods is tabulated below in table 5.16.

TABLE 5.16: Efficiency of sales promotion

Efficiency of sales promotion	N	Mean	Std deviation
Sales promotion	**13**	**3,11**	**1,380**
Discounts on bookings	5	2,20	0,84
Samples (give-aways)	3	1,67	1,15
Coupons	2	1,50	0,71
Competitions	3	2,33	1,53
Promotional gifts	1	1,00	--
Point-of-sale materials	4	2,25	0,96
Patronage awards (loyalty incentives)	5	2,40	1,14
Exhibitions	7	3,71*	1,11
Trade shows	12	3,42	1,44
* high score indicates high efficiency			

Of all the sales promotion marketing communication methods, exhibitions and trade shows are deemed to be the most efficient (means of 3,71 and 3,42 respectively). Patronage awards (mean score of 2,40), competitions (mean score of 2,33), point-of-sale materials (mean score of 2,25), discounts on bookings (mean score of 2,20) and samples (mean score of 1,67) are considered to be less efficient. The sales promotion tools regarded as the least efficient are coupons (with a mean of 1,50) and promotional gifts (mean of 1,00). A high score in this table indicates a high efficiency.

iii) Efficiency of public relations

For the purpose of this study, public relations was considered to include press releases and publicity only. Their efficiency is shown in table 5.17 below.

TABLE 5.17: Efficiency of public relations

Efficiency of public relations	N	Mean	Std deviation
Public relations	**5**	**2,50**	**1,225**
Press releases	3	2,00	1,73
Publicity	3	2,67*	0,58
* high score indicates high efficiency			

The public relations marketing method considered to be the most efficient is publicity. High scores indicated in the table show high efficiency. Since public relations has a high score (mean of 2,67), it can be regarded as the most efficient, while the method considered least efficient is press releases (mean of 2,00). It is interesting to note that although press releases were more frequently used by Gauteng tour operators (table 5.10), they are not regarded as efficient.

iv) Efficiency of direct marketing

Direct marketing as a category was regarded as the second most frequently used, but the most efficient. The results for this category are indicated in table 5.18 below.

TABLE 5.18: Efficiency of direct marketing

Efficiency of direct marketing	N	Mean	Std deviation
Direct marketing	**19**	**3,69**	**1,195**
Database to facilitate direct marketing	10	3,60	1,07
Direct mail (post information)	8	3,00	1,51
Direct selling (to hotels/guesthouses/potential clients)	7	2,71	1,38
SMS (use SMS to inform clients of special offers)	1	1,00	--
Kiosk shopping (similar to vending machine)	1	4,00	--
Outbound telemarketing	3	3,33	2,08
Inbound telemarketing	1	1,00	--
Flyers	2	2,00	1,41
Word of mouth	16	4,19*	1,42
* high score indicates high efficiency			

Word of mouth is considered to be an efficient marketing communication tool by SATSA-registered tour operators. It has the highest score in the table (mean of 4,169), and since a high score indicates a high efficiency, it can be regarded as the most efficient direct marketing communication tool. Word of mouth was also considered to be the most frequently used direct marketing communication tool (table 5.11). It is interesting to note that kiosk shopping, which

was deemed to be the least frequently used marketing communication tool overall, is seen as the second most efficient tool, with a mean score of 4,00. This could imply that tour operators do not use kiosk shopping frequently, but if they could, they would use it, because kiosk shopping is considered to be efficient. When attending an exhibition, the use of kiosks may prove useful to SATSA-registered tour operators since bookings can be made on site.

A database to facilitate direct marketing (mean of 3,60), outbound telemarketing (mean of 3,33), direct mail (mean of 3,00), direct selling (mean of 2,71) and flyers (mean of 2,00) are deemed to be efficient marketing communication tools. Inbound telemarketing and SMS are not considered efficient (both with a mean of 1,00). Both these communication tools were also not frequently used.

v) Efficiency of interactive media

The efficiency of interactive media is shown in table 5.19 below.

TABLE 5.19: Efficiency of interactive media

Efficiency of interactive media	N	Mean	Std deviation
Interactive media	**16**	**3,14**	**0,960**
Digital television marketing	1	2,00	--
E-commerce (book tour on Internet)	8	3,38	1,30
Website	15	3,87	0,99
Virtual tour (on a website)	2	2,50	0,71
Solicited e-mail	10	2,80	1,14
E-mail newsletters	10	2,40	1,51
Viral marketing	3	3,00	1,73
* high score indicates high efficiency			

It is interesting to note that websites are considered to be efficient (mean of 3,87) as well as being one of the most frequently used marketing communication methods. The same applies to e-commerce (mean of 3,38). Both websites and e-commerce have the highest scores (respectively) in table 5.19. Since a high score indicates high efficiency, both these methods can be regarded as efficient. Viral marketing (mean of 3,00), solicited e-mail (mean of 2,80) and virtual tours (mean of 2,50) were deemed to be reasonably efficient, whereas e-mail newsletters and digital television marketing (means of 2,40 and 2,00 respectively) were not considered to be efficient. It is interesting to note that e-mail newsletters, which were deemed to be frequently used, are not regarded as efficient as the other methods in this table.

c) Most efficient marketing communication method

Table 5.20 below indicates which marketing communication methods overall are considered most efficient (indicated in yellow) and least efficient (indicated in green).

TABLE 5.20: Most and least efficient marketing communication methods

Efficiency of marketing communication methods	N	Min	Max	Mean	Std deviation
Word of mouth	16	1	5	4,19*	1,42
CD-ROM	9	1	5	4,00*	1,32
Kiosk shopping (similar to vending machine)	1	4	4	4,00	--
Website	15	3	5	3,87	0,99
Exhibitions	7	2	5	3,71	1,11
Database to facilitate direct marketing	10	2	5	3,60	1,07
Brochures	14	1	5	3,57	1,16
Trade shows	12	1	5	3,42	1,44
E-commerce (book tour on Internet)	8	2	5	3,38	1,30
Outbound telemarketing	3	1	5	3,33	2,08
Newspapers	7	1	5	3,29	1,38
Direct mail (post information)	8	1	5	3,00	1,51
Magazines	7	1	5	3,00	1,15
Promotional video	5	1	5	3,00	1,58
Radio	3	1	5	3,00	2,00
Viral marketing	3	1	4	3,00	1,73
Solicited e-mail	10	1	4	2,80	1,14
Direct selling (to hotels/guesthouses/potential clients)	7	1	5	2,71	1,38
Publicity	3	2	3	2,67	0,58
Television	2	1	4	2,50	2,12
Virtual tour (on a website)	2	2	3	2,50	0,71
E-mail newsletters	10	1	5	2,40	1,51
Patronage awards (loyalty incentives)	5	1	4	2,40	1,14
Competitions	3	1	4	2,33	1,53
Point-of-sale materials	4	1	3	2,25	0,96
Discounts on bookings	5	1	3	2,20	0,84
Digital television marketing	1	2	2	2,00	--
Press releases	3	1	4	2,00	1,73
Flyers	2	1	3	2,00	1,41
Outdoor billboards	3	1	3	1,67	1,15
Samples (give-aways)	3	1	3	1,67	1,15
Coupons	2	1	2	1,50	0,71
Inbound telemarketing	1	1	1	1,00	--
SMS (use SMS to inform clients of special offers)	1	1	1	1,00	--
Promotional gifts	1	1	1	1,00	--
* high score indicates high efficiency					

In table 5.20, a high score indicates a high efficiency – thus word of mouth, CD-ROM and kiosk shopping are considered to be the most efficient marketing communication methods used by SATSA-registered tour operators in Gauteng. Inbound telemarketing, SMS and promotional gifts are deemed to be the least efficient marketing communication methods overall.

It is interesting to note that websites and brochures (two marketing communication methods indicated in table 5.13 as used most often) are not considered to be the most efficient communication methods. Further investigation into this could be an interesting topic for future research.

For the purposes of further analysis, only the main types of marketing communication will be used (calculated using the items decided upon in sec 5.1.3, the validity and reliability section). Only the main marketing communication methods are elaborated on because they seem to be used most frequently and are considered to be efficient. A correlation between frequency and efficiency was compiled to ascertain the relationship between the two variables.

5.3.4.3 Correlation between frequency of use and efficiency of a marketing communication method

One would expect that the more frequently a certain method is used, the more efficient a company would consider it to be – the results are shown in table 5.21 below.

Only one significant correlation is seen between the degree to which a marketing communication tool is used and the degree to which it is considered efficient. This is indicated by the significant negative correlation (p = 0,05) for advertising. Since this is the only significant correlation shown in this table, the other values (highlighted in green) will not be discussed.

TABLE 5.21: Correlation between frequency of use and efficiency of a marketing communication method

Correlation between frequency and efficiency		Efficiency				
		Advertising	Sales promotions	Public relations	Direct marketing	Interactive media
Advertising	Pearson correlation	-0,48				
	p-value	0,050				
	N	17				
Sales promotion	Pearson correlation		-0,48			
	p-value		0,111			
	N		12			
Public relations	Pearson correlation			-0,49		
	p-value			0,404		
	N			5		
Direct marketing	Pearson correlation				-0,07	
	p-value				0,870	
	N				8	
Interactive media	Pearson correlation					0,08
	p-value					0,766
	N					15

The significant negative correlation (p = 0,05) for advertising indicates that the more frequently advertising is used, the more it is deemed to be efficient. This is quite different from the results obtained above, because advertising was seen as the third most frequently used and the second most efficient marketing communication method. The Pearson product moment correlation coefficient is a statistical measure of the strength and direction of a linear relationship between two metric variables (Hair et al 2000:561). For advertising, a value of –0,48 is shown for the Pearson correlation, which means that the strength is 0,48 and the direction is negative.

Hence, the lack of significant correlation raises the following two questions:
  (1) "Why are certain communication tools used more often (more frequently) if they are not considered to be more efficient?"
  (2) "What is the driving force behind the choice of these tools if it is not efficiency?"

These two questions may make for interesting future research. A reason could be that tour operators are not sure how to measure the efficiency of the marketing communication tools they are using and also do not know which methods to use. This may be improved by industry

seminars, short courses and training and by developing metrics to evaluate their marketing results.

5.3.4.4 Marketing communication methods considered most important to tour operators

The respondents were also afforded the opportunity, in an open-ended question, to indicate which three marketing communication tools are most important to them and to give a reason for their choice. The question was phrased as follows: "Which three marketing communication methods (selected in question 4.1) do you consider to be the most important to your company? Provide a reason for each." The table below indicates the total number of times a certain tool was mentioned.

TABLE 5.22: Marketing communication methods considered most important to tour operators

Most important marketing communication methods	Frequency
Word of mouth	12
Brochures	11
Trade shows	10
Exhibitions	7
Websites	6
Magazines	2
Promotional videos	2
CD-ROM	2
Direct mail	2
Newspapers	1
Samples	1
Database	1
E-mail letters	1

Word of mouth is indicated as the marketing communication method considered most important to SATSA-registered tour operators in Gauteng. The respondents feel that good quality sells itself and that happy tourists will recommend the company to other tourists.

Services such as tourism can be described as being intangible (Pender 1999:31). This implies that they cannot be seen, felt, heard, tasted or smelt prior to purchase. Intangible tourism services cannot be physically displayed or inspected at the point of sale before purchasing (Buhalis 1998:411). They are bought before their time of use and away from the place of consumption.

They thus depend exclusively upon descriptions provided by the travel trade for their ability to attract customers. Hence, because the concept of travel is intangible (as discussed in ch 2) tourists tend to rely on the advice and experiences of other tourists. This explains why word of mouth is certainly considered to be the most important marketing communication method used by tour operators. It therefore needs to be carefully managed so that negative word of mouth does not occur. Although the results in this study show that word of mouth is frequently used and is considered to be an efficient marketing communication tool, the results in this study do not indicate what tour operators should do to encourage positive word of mouth. This may be an interesting topic for future research.

Brochures tend to be popular because they are deemed to be a low-cost method of showing the tourism products to potential clients. This goes hand in hand with the discussion in chapter 3 that tourism brochures are perhaps the most utilised form of promotion across the tourism industry (Weaver & Oppermann 2000:236), and are a vital means through which packaged tours and products within particular destinations are selected. This implies that the brochures have to be carefully designed, giving a truthful reflection of and in-depth information on the destination so that potential tourists have a good idea of what to expect when they arrive at their chosen destination. A possible future study could involve the design of brochures (including graphic design) and how this affects tourists' choice of destination.

Trade shows and exhibitions afford tour operators the opportunity to introduce themselves to other principals in the tourism industry and provide networking opportunities. They also allow for direct contact with the target market. They were therefore also seen as one of the most important marketing communication methods used by SATSA-registered tour operators in Gauteng.

According to one respondent, having a website instils more confidence in the business and is a low-cost method of disseminating information to the public. It is easily accessible and the trend of booking holidays via the Internet is on the increase. Websites were not rated as highly as expected. However, they are a reasonably new technique and will possibly have more exposure in the future as their popularity increases.

Besides the marketing communication methods currently being used most frequently, those considered to be most efficient and the marketing communication methods regarded as most

important to companies, the respondents were also asked to indicate which three techniques they might consider using in future.

5.3.4.5 Marketing communication tools not currently used but may be considered in the future

The third question in section 4 dealt with ascertaining which of the marketing communication methods not presently used by SATSA-registered tour operators in Gauteng would be considered for use in the future. The results are given in table 5.23 below. The question put to respondents read as follows: "Which three of the marketing communication methods NOT currently used by the company might you consider using in the future? Provide a reason for each."

TABLE 5.23: Marketing communication tools not currently used but may be considered in the future

Marketing communication methods not currently used	Frequency
Magazines	5
Discounts on bookings	5
Television	4
E-commerce	3
CD-ROM	2
Trade shows	2
Press releases	2
Radio	1
Newspapers	1
Outdoor billboards	1
Exhibitions	1
Database	1
Direct mail	1
Direct selling	1
Websites	1
Virtual tour	1
Solicited e-mail	1
E-mail newsletters	1

Of all the possible marketing communication methods available to SATSA-registered tour operators, they felt that the methods they might consider using in the future are magazines, discounts on bookings and television. Magazine advertisement placements, although deemed as expensive, give wide coverage and exposure. A huge advantage of magazine advertising is that the target audience can be carefully targeted, especially if tour operators choose to advertise in a travel magazine such as *Getaway*. Discounts are considered for off-peak times to attract

customers. Television is presently deemed to be too expensive, but might be considered in future for its wide exposure.

Magazines were considered the ninth most frequently used method, discounts on bookings the 18th most frequently used and television the 31st (see table 5.13). This implies that tour operators seldom use these methods at present. In terms of efficiency, magazines are seen as the 13th most efficient method, whereas television is seen as being more efficient than discounts on bookings (20th and 26th respectively). Of the methods that are considered most important, magazines were seen as the sixth most important. Discounts on bookings and television did not feature among the top 13 communication methods considered most important. This implies that should tour operators decide to use either television or discounts on bookings, they would not have much experience with these techniques and would have to be careful how they structure their campaigns.

Websites, one respondent noted, are probably the way forward. The potential of the Internet to cut out the intermediary has been recognised by tour operators. Also, their interactiveness and ease of finding information are a great benefit. It is interesting to note that only one respondent identified websites as the "communication tools of the future". This may imply that appropriate skills need to be developed in the industry through training and industry seminars.

From the information received, it was possible to do a correlation on company size and the marketing communication methods used.

5.3.4.6 Effect of company size on the choice of marketing communication methods
To examine the effect of the company size on the choices of communication tools, a correlation was done between company size (total number of employees) and the frequency of use of the marketing communication methods.

Significant negative correlations are seen between almost all of the marketing communication tools and the size of the organisation, with the exception of interactive media. The most significant negative correlation is evident between advertising and the size of the organisation (-0,42). Direct marketing (correlation of -0,63), public relations (correlation of -0,76) and sales promotion (correlation of -0,77) also show significant correlations. Interactive media has a very small correlation value of -0,19, which is not regarded as significant.

TABLE 5.24: Correlation between company size and the frequency of use of marketing communication method categories

Marketing communication methods	Correlation	Total number of employees
Advertising	Pearson Correlation	-0,42
	Sig. (2-tailed)	0,043
	N	24
Sales promotion	Pearson Correlation	-0,77
	Sig. (2-tailed)	0,000
	N	22
Public relations	Pearson Correlation	-0,76
	Sig. (2-tailed)	0,000
	N	18
Direct marketing	Pearson Correlation	-0,63
	Sig. (2-tailed)	0,003
	N	20
Interactive media	Pearson Correlation	-0,19
	Sig. (2-tailed)	0,408
	N	22

From the results it can be deduced that the larger an organisation is the more likely it is to use a certain tool. The results indicate that the larger an organisation, the more likely it is to use advertising, whereas the smaller the company, the more likely it is to use direct marketing. There is not as large a correlation between sales promotion and the size of the organisation and between public relations and the size of the organisation, which implies that they are used by any organisation, regardless of size.

5.3.5 SATSA membership

Since the study was conducted using only SATSA-registered tour operators, two questions on SATSA membership were asked.

5.3.5.1 Number of years registered with SATSA

It was interesting to note the difference between the period of time tour operator companies have been in existence and the length of time they have been members of SATSA. The following question was put to the respondents: "How long has your company been a member of SATSA?" The results are indicated in figure 5.10 below.

FIGURE 5.10: Number of years that Gauteng tour operators have been members of SATSA (N = 29)
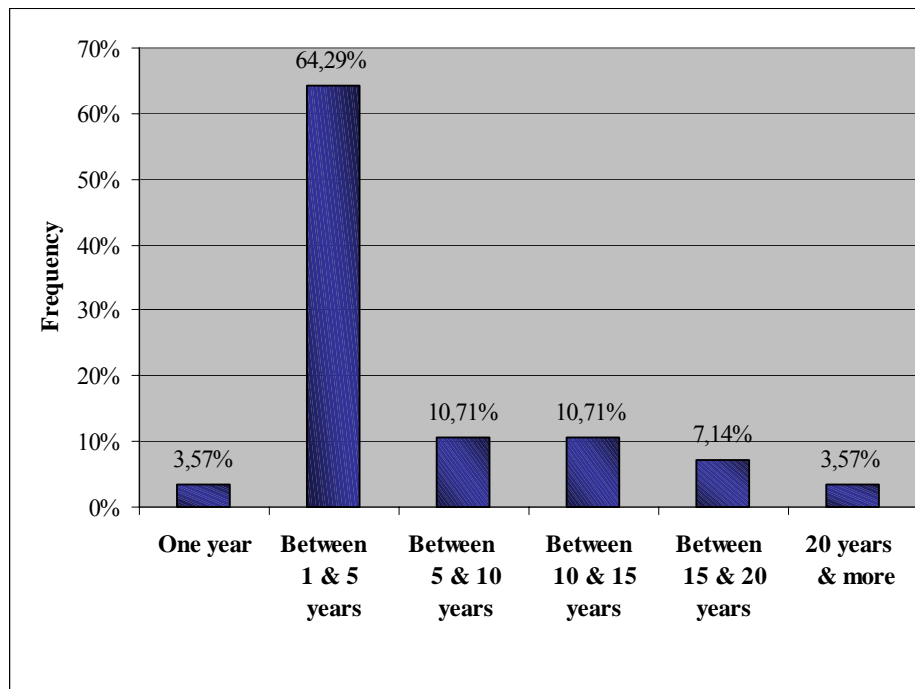
Most SATSA-registered tour operators in Gauteng have been SATSA members for between one and five years (64,29%). The tour operator companies themselves have, however, been in operation for between five and 10 years (see fig 5.1). This confirms the fact that SATSA recommends that tour operator companies need to be in business before applying for membership (www104, 2003). Hence any tour operator wishing to register as a SATSA member should already have been in business for some time before applying.

SATSA-registered tour operators are allowed to display the SATSA logo (see diagram 1), giving tourists an indication that they belong to a body, which requires them to agree to a code of ethics and certain minimum requirements in terms of insurance and guarantees (www105; 2002). SATSA works closely with the national tourism organisation (South African Tourism) to facilitate attendance of members at Indaba and major international exhibitions and selected workshops (www106; 2003). SATSA itself represents the Association and its members at both domestic and international trade shows. The SATSA Directory annually distributes copies to relevant trade both locally and internationally. This gives tourists a good indication of which tour operators they should utilise since some nonregistered tour operators could be fly-by-night

companies (as discussed in ch 2), and are a negative influence on the South African tourism industry in general.

Tour operators were also asked what benefits they derive from being SATSA members.

5.3.5.2 Most important benefits of SATSA membership

The benefits that respondents derive from belonging to SATSA are mostly based on the credibility they obtain from their membership. One of the main benefits of belonging to SATSA was credibility, according to 18 of the 29 respondents. Other main benefits are indicated in table 5.25 below:

TABLE 5.25: The most important benefits of SATSA membership

Main benefits of SATSA membership	Frequency
Credibility	18
Being informed on current issues/receiving newsletters	15
Networking with the industry	7
Exposure to markets	5
Assistance with problems or marketing	4
Prestige/status	3
Collective action	1
Serving as a mouthpiece for the tourism industry	1

Most respondents liked the fact that they are informed about current issues and enjoy receiving newsletters (15 respondents). Seven respondents felt that networking with the industry was another benefit facilitated by SATSA-membership. Exposure to markets (5 respondents), assistance with problems or marketing (4 respondents) and prestige (status; noted by three respondents) were indicated as benefits of being SATSA-registered tour operators. Other benefits that were mentioned included allowing collective action and serving as a mouthpiece for the industry.

After completing the questionnaire, the respondents were thanked for filling in the questionnaire and participating in the survey. The findings and a discussion of the results obtained are provided in chapter 6.

5.4 SUMMARY

The procedure of data analysis and interpretation of research results was discussed in this chapter. The statistical tests used were explained, followed by a detailed discussion of the results obtained through questions asked in the questionnaire. Where possible, the results were represented graphically. A demographic profile of the tour operators was created, indicating number of years the business had been in operation and how many employees the companies had, their main business activities and the highest income-generating sources. Information on the main target markets was also examined as well as the use of tourist guides and type of transport primarily used to transport tourists. The question of whether domestic or foreign travel agents are used was also discussed. The marketing communication methods used by SATSA-registered tour operators in Gauteng were investigated in terms of frequency, efficiency and how important the methods are deemed to be. Communication methods to be considered for future use were also examined. A correlation was made between the frequency and efficiency of marketing communication methods. Also, another correlation between company size and the use of marketing communication methods was done. The chapter ended with as discussion of SATSA membership and its benefits.

CHAPTER 6: FINDINGS AND CONCLUSION

6.0 INTRODUCTION

The aim of this study was to determine which marketing communication methods are used by SATSA-registered tour operators in Gauteng. The researcher chose this study after learning that little research exists on the actual marketing communication tools used, especially in the tourism industry. Below, the findings of each section of the study will be discussed, as well as the recommendations. Topics for future research will be discussed and then a final conclusion drawn.

6.1 REVIEW OF THE RESEARCH OBJECTIVES

Objectives for the research to be conducted were stated in chapter 1 and are reviewed below.

6.1.1 Primary objective

The primary objective of this study was to determine the present marketing communication methods used by tour operators in Gauteng to market themselves.

6.1.2 Secondary objectives

The following secondary objectives were identified:

- to determine the average size of a tour operator enterprise
- to determine the highest income-generating source of business
- to ascertain present target markets
- to investigate the current use of interactive media
- to determine marketing communication methods being considered for future use
- to verify how tour operators form relationships with accommodation establishments
- to identify further areas of research in this topic

6.2 FINDINGS AND RECOMMENDATIONS BASED ON THE RESEARCH RESULTS

The results for each section asked in the questionnaire are tabulated and graphed in chapter 5. For each section, a brief summary of the findings and a conclusion with recommendations are given below.

6.2.1 Business operation

The first section of the questionnaire dealt with the business operation of the tour operators. They were asked to state the number of years their businesses have been in operation and how many employees they have. The findings on these questions are discussed below.

6.2.1.1 Findings

The majority of tour operator businesses have been in operation for more than five years. On average, most tour operator companies are small, with between one and five members of staff (including management and employees). They seem to have between one and two full-time management staff. However, a large number of companies have no full-time employees. Most of the responding companies are small and have only between one and five employees.

6.2.1.2 Conclusion

From the above findings it can be concluded that tour operators registered with SATSA have between one and two full-time management staff, between one and five employees (either full time or part time) and are reasonably small companies with a total number of staff not exceeding five. The majority of operators have existed for more than five years. The tour operators appear to have few, if any, full-time employees, owing to the seasonality of the tourism industry.

6.2.1.3 Recommendations

It is recommended that if a tour operator is planning to start a business, he/she should consider starting small and employing only a few full-time employees because the seasonality of the industry has a huge impact on a business.

The second section on which the respondents were questioned relates to the business activity of SATSA-registered tour operators in Gauteng.

6.2.2 Business activity

To establish the main business activities of tour operators, they were asked to rank their main business activity and indicate their highest source of income generation. They were also asked to explain why they chose the particular option as their main source of income. At the end of this section, they were asked who their main target market is. The findings on this section are discussed below.

6.2.2.1 Findings

When looking at the specific business activities of the tour operators, packaging tours and conducting tours appear to be the most important business activities performed by Gauteng tour operators. Transfers are not conducted as often.

Other tour operators seem to provide the largest source of income. This is achieved by tour operators passing on the work they cannot handle to other tour operators or tour operators teaming up and working together on large projects. This can be justified by the results in section 1 which show that most of the companies are small and have few members of staff.

Travel agents are seen to provide a constant supply of business and were therefore chosen by many tour operators as a second main source of income. It was noticeable that tour operators use travel agents either on a regular basis or not at all. Tour operators that deal directly with their clients are inclined not to use travel agents. Another noticeable finding is that neither guesthouses nor hotels are convincingly considered to be main sources of income. However, when it comes to accommodation facilities, hotels appear to be the first choice. Almost all the respondents indicated that both tourists and travel agents are their main target markets.

6.2.2.2 Conclusion

From the above findings, it can be concluded that packaging tours is the business activity undertaken most often by SATSA-registered tour operators. The main source of income is other tour operators and the main target market is both tourists and travel agents.

6.2.2.3 Recommendations

It is recommended that tour operators establish trustworthy relationships with fellow tour operators so that they are able to take on larger bookings together than attempting them on their own. It would also be beneficial for tour operators to attend trade shows, which provide networking opportunities to meet other similar operators. Since both tourists and travel agents seem to be their main target markets, tour operators have to ensure that they work out separate marketing strategies for each market.

Tour operators were asked different questions if they replied that they deal only with tourists or only with travel agents. The results are shown below.

6.2.3 Target market

The first part of section 3 dealt with tourists, the second part with travel agents. Both are discussed below.

6.2.3.1 Findings: tourists

Almost all the respondents indicated that both tourists and travel agents are their main target markets. All respondents indicated that they serve foreign tourists. However, very few of those who responded, indicated that they serve domestic tourists as well as foreign tourists. Those tour operators that serve domestic tourists, serve only business tourists and not leisure tourists. Those that serve foreign tourists, however, deal mainly with leisure tourists.

Freelance tourist guides seem to be the most sought after, indicating that most tour operators registered with SATSA do not conduct the tours themselves, but prefer to employ freelance tourist guides. It was not confirmed in this study whether these tourist guides are, in fact, also driver-guides.

The most popular transport method used to conduct tours is the microbus. There was also mention of using a 20-seater Mercedes Sprinter (similar to a microbus, but slightly larger). The probable reason for this is the fact that the tour operator companies are small and do not have many employees. They are consequently able to provide an extremely personalised service to their clients by having such close contact being in a smaller vehicle compared with a large bus.

6.2.3.2 Findings: travel agents

The number of domestic travel agents used appears to be between 20 and 50. In the case of foreign travel agents, as a rule, about 10 foreign travel agents are used.

6.2.3.3 Conclusion

When tour operators deal with tourists, the tourists are generally foreigners. They are transported via microbus and freelance tourist guides are contracted to take them on tours. If they deal with domestic tourists, they are most definitely business and not leisure tourists. Many domestic travel agents are dealt with, but tour operators seem to use very few foreign travel agents.

6.2.3.4 Recommendations

The fact that all respondents indicated that they serve foreign tourists, but that very few serve both domestic and foreign tourists, may provide an opportunity for present tour operators to render a service to domestic tourists in South Africa and arrange their travel for them. On the other hand, it may indicate that tour operators need to change their image in the market or their marketing techniques (ie, where they are marketing to domestic tourists). It is quite likely that domestic tourists book holidays themselves because they fear using a tour operator may increase the price drastically. Tour operators could possibly advertise that their expertise and product knowledge exceed those of the average traveller and that travellers should therefore use tour operators to make their holidays more valuable.

Those tour operators that serve domestic tourists, serve only business tourists and not leisure tourists. Those that serve foreign tourists, however, deal mainly with leisure tourists. Once again, the image of tour operators among local travellers may need to be adjusted, or market research should be conducted into what exactly domestic travellers are looking for and how tour operators could assist them with their travel arrangements.

The reason for the small number of foreign travel agents generally used could be that it is difficult to establish relationships with travel agents overseas. It would obviously be advantageous to have contact with overseas travel agents because this would mean that more business would be generated from them, thus benefiting tour operators in Gauteng. Research involving the best ways to establish such relationships is necessary.

Now that a basic profile of the tour operators is available, the marketing communication methods that they use most frequently and considered to be the most efficient, are summarised below.

6.2.4 Marketing communication methods

Marketing communication methods have been grouped into six categories which are discussed as a whole, or, the tools within each category are discussed to find out which category and which tool are most frequently used and which are deemed to be most efficient.

6.2.4.1 Findings

Of the marketing communication methods available, namely advertising, sales promotion, public relations, direct marketing and interactive media, interactive media is certainly regarded as the most frequently used form of marketing communication by SATSA-registered tour operators in Gauteng. Direct marketing and advertising are not used as much by respondents, and it is apparent that sales promotions and public relations are not very frequently used marketing communication methods.

Of the interactive media category of marketing communication methods used, websites seem to be the most frequently used method, followed by e-commerce.

For all six categories, overall, word of mouth (direct marketing) is considered to be the most frequently used, followed by websites (interactive media), brochures (advertising), e-commerce (interactive media), databases to facilitate direct marketing (direct marketing), direct selling (direct marketing) and e-mail newsletters (interactive media). Digital television marketing and kiosk shopping appear not to be used frequently by SATSA-registered tour operators.

An efficiency rating was also obtained for each of the marketing communication tools. As a category, direct marketing was considered to be the most efficient. Of the direct marketing category, word of mouth and kiosk shopping were regarded as most efficient. Overall, word of mouth (direct marketing), CD-ROMs (advertising), kiosk shopping (direct marketing) and websites (interactive media) are deemed to be the most efficient marketing communication methods by tour operators employing these methods.

It is interesting to note that the tools most frequently used are not necessarily regarded as most efficient. This could be because the tools are not used correctly or that there is no means to accurately measure the success of the most frequently used tools.

It was possible to conduct a correlation with frequency and efficiency since the questionnaire was of an interval scale type. The results of the correlation showed that the more advertising is used, the more it is considered to be efficient. This was somewhat different to the results received previously, where interactive media was regarded as the most frequently used and direct marketing the most efficient. The results imply that the tour operators feel that the more they advertise in the right way and in the correct media, the more efficient their advertising will become.

The three marketing communication tools that are currently deemed to be the most important to SATSA-registered tour operators are word of mouth, brochures and trade shows and exhibitions. Use of websites was also considered to be extremely important.

The marketing communication methods that tour operators could possibly consider using in the future include magazines, discounts and television. Magazine advertisement placements, although considered expensive, give wide coverage and exposure and have a huge advantage in that the target audience can be carefully targeted. Also, the fact that magazines were chosen as the "next technique to try out" justifies the correlation between frequency and efficiency of advertising. Discounts are considered for off-peak times to attract customers. This will help to increase business during out-of-season periods. Television is presently regarded as being too expensive, but could be considered in the future for its wide exposure and visual impact.

To examine the effect of company size on the choices of communication tools, a correlation was conducted between company size (total number of employees) and the use of marketing communication methods. It was found that the larger an organization is, the more likely it is to use advertising, whereas the smaller the company, the more likely it is to use direct marketing. There was no significant correlation with interactive media.

6.2.4.2 Conclusion

The marketing communication method category used most frequently by SATSA-registered tour operators in Gauteng is interactive media, while the category considered to be most efficient is direct marketing. The most frequently used tool, overall, is word of mouth, it is also the most efficient tool. Hence one could infer that the marketing communication tool that is currently considered the most important to SATSA-registered tour operators is word of mouth. The marketing communication methods that tour operators would probably consider using in the future include magazines.

The only significant correlation between frequency and efficiency was for advertising. This was purely perception based on the part of the respondents because they do not seem to have any means to measure the frequency/efficiency ratio. Such metrics need to be developed in future. A significant correlation for the relationship between company size and frequency of use was also seen for advertising.

6.2.4.3 Recommendations

The fact that some tools are used more than others and the reason why some are considered to be more efficient than others, may imply that tour operators currently do not know of the techniques or how to implement them successfully. This shortcoming could be solved by organizing industry seminars and skills training sessions to teach tour operators how to use the marketing communication tools to their advantage.

The lack of a significant correlation between frequency and efficiency for the six categories of marketing communication methods raises certain questions, such as: "Why certain communication tools used more often (more frequently) if they are not considered to be more efficient?" Also: "What is the reason for the choice of these tools, if it is not efficiency?" A possible reason could be that tour operators are unsure of how to measure the efficiency of the marketing communication tools they are using and which methods to use. This could be improved by organising industry seminars, short courses and training, and developing a means of evaluating their marketing results. Methods should be devised to measure their efforts and results.

Since word of mouth is considered to be one of the most crucial marketing communication methods for tour operators, it should be carefully managed to prevent negative word of mouth. It is thus vital for tour operators to have good internal marketing to build positive relationships with their employees who, if they are treated positively, will send out positive messages to the public.

Brochures were considered to be the third most frequently used marketing communication method and the second most important marketing communication tool. However, it was only considered the seventh most efficient tool. This may imply that brochures have to be carefully designed, giving a truthful reflection of and in-depth information on the destination.

Advertising can be recommended for large companies (since it is probably not used by small companies because of the cost involved). Direct marketing can be recommended for small companies. Interactive media can be recommended for all tour operators since there is no correlation to a specific company size. This technique is easily accessible by small and big companies alike.

The final section to be discussed concerns SATSA membership.

6.2.5 SATSA membership

The results for SATSA membership deal with the period of time the respondents have been members of SATSA, and the benefits they derive from membership.

6.2.5.1 Findings

The finding was that most of the Gauteng tour operators that belong to SATSA have been members for between one and five years. The benefits that respondents derive from belonging to SATSA are generally based on the credibility they gain from their membership. The main benefits include being informed on current issues and receiving newsletters, networking with the industry and exposure to markets, and, assistance with problems and prestige.

6.2.5.2 Conclusion

The tour operators who were questioned seem to be satisfied with the benefits they derive from SATSA membership.

6.2.5.3 Recommendations

SATSA needs to continue marketing its body and the tour operators who are members. Logo recognition is vital, especially to encourage tourists to use tour operator companies registered with a body which, in the long run, attempts to protect tourists from fly-by-night tour operators. SATSA should encourage tour operators not only to market to potential clients, but also to domestic travellers, their own staff and other principals in the industry.

It is interesting to note that tour operators registered with SATSA had been operating for some time before registering with SATSA. This raises the following question: "What should tour operators do who have just started a business and who do not yet have a large enough turnover to belong to SATSA if they wish to be part of a body that will market them positively towards tourists and provide the same benefits as SATSA?"

6.3 ACHIEVING THE RESEARCH OBJECTIVES

The objectives of the research study were restated at the beginning of this chapter. The way in which each objective has been achieved is reviewed below.

6.3.1 Primary objective

The main objective of this study was to determine the present marketing communication methods used by tour operators in Gauteng to market themselves. This objective was achieved because the researcher found that interactive media is the marketing communication method category used most frequently by SATSA-registered tour operators in Gauteng, and that word of mouth (a direct marketing communication method) is the technique most frequently used.

6.3.2 Secondary objectives

The following secondary objectives were identified and achieved:

- *to determine the average size of a tour operator enterprise*

tour operator companies were found to be quite small, with between one and five employees

- *to determine the highest income-generating source of business*

other tour operators provide the main source of income

- *to determine present target markets*

both tourists and travel agents are considered the main target markets of tour operators

- *present use of interactive media*

tour operators are familiar with the Internet and websites and consider interactive media to be the most frequently used category of marketing communication methods

- *to determine marketing communication methods being considered for future use*

the marketing communication methods that tour operators may consider using in future include magazines, discounts and television

The last objective, "to verify how tour operators form relationships with accommodation establishments" was not realized. However, the information gathered indicated that hotels and guesthouses were not considered to be high income-generating sources by the respondents.

6.4 TOPICS FOR FUTURE RESEARCH

While developing and completing this study, the researcher was alerted to certain topics emanating from this study which have not yet been researched. A few suggestions for future research are indicated below.

- It is a concern that guesthouses and hotels are not considered to be primary sources of income. Future research could consider determining how to establish mutually beneficial relationships with hotels and guesthouses.

- "Other sources" of income include backpackers, the Internet, websites and game lodges. Future research could determine whether these sources are in fact or could become main sources of income generation.

- The image of tour operators among local travellers may need to be changed, or market research should be conducted on what exactly domestic travellers are looking for and how tour operators could assist them with their travel arrangements.

- A small number of foreign travel agents are used by domestic tour operators. The reasons for this could make for interesting research – why it is difficult to establish relationships with travel agents abroad, and how to go about it. It would be hugely beneficial to have contact with overseas travel agents because this would mean that more business could be generated from them, thus benefiting tour operators in Gauteng.

- Since domestic tour operators serve mainly business and not leisure tourists, research is necessary to determine domestic market needs to enable tour operators to market to domestic tourists as well.

- It is interesting to note that websites and brochures (two marketing communication methods indicated as used most often) are not deemed to be the most efficient communication methods; also, interactive media, the category considered to be used most frequently, is not considered to be the most efficient. Direct marketing was regarded as the most efficient marketing communication method, but is only seen as the second most frequently used category of marketing communication methods. It would thus seem that these methods are

used because they are cost-effective and not necessarily because they are efficient. It would be interesting to determine why certain communication methods are used more often if they are not considered to be more efficient, and also what the driving force is behind the choice of these tools if it is not efficiency.

- No research has been done in this study to determine what tour operators do to obtain positive word of mouth. Techniques and "do's and don'ts" may prove useful to tour operators – hence the need for research on this topic.

- Another possible future study could involve the design of brochures and how this affects tourists' choice of destination.

6.5 SUMMARY

In the final chapter, the research findings for each section were given, summarised and recommendations made. Some of the main findings and topics for future research were discussed. It was found that the category of marketing communication methods used most frequently by SATSA-registered tour operators was interactive media, followed by direct marketing and advertising. The larger the company, the more likely it is to use advertising. Interactive media can be used by small and large companies alike. Many marketing communication methods that are used frequently were not deemed to be efficient. Word of mouth was continually regarded as an important and well-utilised marketing communication method. One may therefore conclude that SATSA-registered tour operators in Gauteng prefer to use interactive media.

Attention: (*name of individual potential respondent*)

The School of Business Management at Unisa is conducting a study to investigate Which marketing communication methods are used by SATSA-registered tour Operators in Gauteng.

Permission to use your contact details has been obtained from Jenny Mewett at the SATSA head office. If you would like to confirm this, please contact SATSA at (011) 463-6559.

Would you be so kind as to complete the following questionnaire? It will only take about 15 minutes of your time.

Please click on the link provided. It will direct you to the website where the questionnaire is being hosted. Once at the website, please enter your e-mail address and the password (provided below). After entering these details, you will be able to complete the questionnaire. Information will be entered directly into a database and will be kept confidential.

Please complete the questionnaire **no later than 25 April 2003**. Should you have any feedback, queries or not understand how to answer a particular question, feel free to contact me. My cell number is: 082 650 5278. Alternatively, you may e-ma8il me at: geelm@unisa.ac.za

Thank you for your contribution to research – your cooperation is much appreciated!

Kind regards

Michelle van der Merwe

The link is: http://www28.brinkster.com/satsasurvey

Your password is: SATSAss

EVALUATING MARKETING COMMUNICATION FREQUENCY AND EFFICIENCY OF SATSA-REGISTERED TOUR OPERATORS IN GAUTENG

Please enter your e-mail address in the appropriate space.

your e-mail address

password

Login

[Privacy Policy](#)

Privacy Policy

Thank you for your willingness to participate in the questionnaire. We would like to assure you that the information collected will be used for research purposes only. Company names will not be used in the report. You will not receive e-mail or any other form of correspondence from us in the future as this is a once-off study. Your e-mail address was obtained, with permission, from the SATSA website.

Back

The questionnaire is divided into five sections. Please read the questions carefully. Answer **all** the questions as accurately as possible. At the end of the questionnaire, click on the "submit" button.

Section 1
BUSINESS OPERATION

1.1 How long has your business been in operation? Tick one applicable option.

Between 0 and 2 years

Between 2 and 5 years

Between 5 and 10 years

Between 10 and 15 years

More than 15 years

1.2 How many employees does your company have?

(a) tick the applicable number of employees (according to rank) and also indicate whether the employees are part time or full time.

(b) make sure that the part time and full time number of employees add up to the total in the last column.

Number of employees	Full-time		Part-time		Total	
	Managers	Employees	Managers	Employees	Managers	Employees
1 - 5						
6 - 10						
11 - 20						
21 - 50						
51 +						

Section 2
BUSINESS ACTIVITY

2.1 Which of the following is your main business activity?

(a) Rank the one you do most with the number "1" and the activity you do least with the number "3".

(b) Should you not perform one or more of these activities, rank as "3" and specify what you do in the space provided.

Conducting tours (driver-guide)

Transfers (between airports and hotels or guesthouses)

Packaging tours

Other (specify)

2.2 What is the highest income-generating source of business for your company?

State this by ranking the following sources of income, where 1 = main source of income and 5 = least source of income; 0 = do not do.

Income-generating source	1	2	3	4	5	0
Guesthouses						
Hotels						
Travel agents						
Other tour operators						
Other sources						

2.2.1. Please provide the main reason for selecting the option you rated as 1 (your FIRST RATING) as being your best source of income.

2.3. Indicate your main target market (tick the appropriate block – you may tick one or both):

     TOURIST (end customer)

     TRAVEL AGENTS (intermediary)

If tourist, only answer section 3.1.

If travel agents, only go to section 3.2.

If both, answer both sections 3.1 & 3.2.

Next →

Section 3
TARGET MARKETS

3.1 Travel tourist

3.1.1 What is the origin of your tourist market? Tick one or more, as applicable.

Location		Type	
		Business	Leisure
Domestic			
Foreign			

3.1.2 What type of tourist guide(s) does your company make use of? Tick only one option.

Company does not use tourist guides

Permanent tourist guides (own personnel)

Freelance tourist guides (contract labour)

Both permanent and freelance tourist guides

Other
(specify)

3.1.3 What type of transport does your company primarily use to transport tourists? Tick only one option.

Sedan

Microbus

Bus

Airplane

Rail

4x4

Other (specify)

3.2 Travel agents

3.2.1 Does your company deal with domestic or foreign travel agents?

State the location and number of travel agents that your company deals with.

If you deal with both domestic and foreign travel agents, write the number you deal with in both columns.

Eg:

10 domestic travel agents

02 foreign travel agents

Number of agents	Location
	Domestic travel agents
	Foreign travel agents

Next →

Section 4
MARKETING COMMUNICATION METHODS

4.1 Frequency and efficiency of marketing communication methods.

For **each** option provided below (television, radio, newspapers, etc),

(a) indicate the **frequency** of use of the listed marketing communication tool

(b) also rate the efficiency of each tool **(in terms of generating maximum sales at the lowest cost)** separately, where

1=totally inefficient, 2=inefficient, 3=efficient, 4=more efficient, 5=most efficient.

Should you mark an option with "never or don't have", leave the efficiency rating as 0.

	TOOL	FREQUENCY (tick)					EFFICIENCY (Rate 1 - 5)
		Daily	Weekly	Monthly	Once a year	Never or don't have	
1	Television						
2	Radio						
3	Newspapers						
4	Magazines						
5	Brochures						
6	Promotional video (for a certain holiday package)						
7	CD-ROM (for a certain holiday package)						
8	Outdoor (billboards /posters)						
9	Discounts on bookings						
10	Sampling (give-away samples to encourage sales, eg, free meal at a restaurant)						

11	Coupons (vouchers to buy specific offerings)						
12	Competitions						
13	Promotional gifts (offer free or at a low cost to encourage sales)						
14	Point-of-sale materials (counter displays, stickers, etc.)						
15	Patronage awards (loyalty incentives)						
16	Exhibitions						
17	Trade shows						
18	Press releases (send to newspapers to inform them of new product offerings or specials)						
19	Publicity (launch new tour/ hold press conference)						
20	Database to facilitate direct marketing (keep record of past and present clients)						
21	Direct mail (post information)						
22	Direct selling (to hotels/ guesthouses/potential clients)						
23	SMS (use SMS to inform clients of special offers)						
24	Kiosk shopping (similar to vending machine, enables clients to book tours or purchase airline tickets)						

25	Outbound telemarketing (phone random numbers to generate sales)						
26	Inbound telemarketing (advertise a toll-free number for potential clients to phone)						
27	Flyers						
28	Digital television marketing (use for e-shopping)						
29	Word of mouth						
30	E-commerce (book tour on Internet)						
31	Website						
32	Virtual tour (on a website)						
33	Solicited e-mail (once-off e-mail with the option of opt-out to introduce company to new business)						
34	E-mail newsletters (regular newsletters informing clients of specials/events)						
35	Viral marketing (using email to refer products or services to friends & colleagues)						

4.2 Which **three** marketing communication methods (selected in question 4.1.) do you consider to be the **most important** to your company? Provide a reason for each.

1

2

3

4.3 Which **three** of the marketing communication methods **NOT** currently used by the company might you consider using in the future? Provide a reason for each.

1

2

3

Next →

Section 5
SATSA MEMBERSHIP

5.1 Membership status.

How long has your company been member of SATSA? Tick one applicable option.

1 year

Between 1 and 5 years

Between 5 and 10 years

Between 10 and 15 years

Between 15 and 20 years

More than 20 years

5.2 **What are the three most important benefits of SATSA membership?**

1

2

3

Submit

Thank you for completing the questionnaire and participating in the SATSA survey.

Dear (*name of individual potential respondent*)

Thank you for completing the SATSA survey! Your contribution to research is much appreciated.

Kind regards

Michelle van der Merwe

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