

COMPETITIVENESS OF SOUTH AFRICA AS A TOURIST DESTINATION

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ABSTRACT

The aim of this paper was to determine which factors are important in order for South Africa to remain globally competitive. This is necessary as a result of more destinations globally offering tourism products, and because marketing, especially via the Internet, has opened up a new world for potential tourists. Coupled with this is the impact of globalisation on tourism. Despite the latter, South Africa has improved significantly since 1990 as one of the top tourist destinations in the world. To be able to achieve the aim of this paper, 150 international inbound tour operators were identified and a questionnaire was used to collate the required information. Sixty-four tour operators participated in this survey and the results showed that the assurance of safety was identified as the most important factor globally in order to be competitive. This research also identified South Africa's strengths and weaknesses as well as its competitive advantages. Safety was indicated as South Africa's greatest weakness from a tour operator's point of view. Marketing and dissemination of information regarding South Africa as a tourist destination also were not rated high in the survey. The paper concludes with the implications of the above findings for the tourism industry in South Africa, and by looking at what has to be done in order to remain competitive.

Key words: Competitiveness; Competitive advantage; South Africa; Tourism; Tourist destination.

INTRODUCTION

The world tourism industry is becoming increasingly sophisticated, and is changing rapidly, which results in new challenges, but also in uncertainty (Lickorish, 1991; Poon, 1993). Changing technology, more experienced consumers, global economic restructuring and environmental limits to growth are some of the challenges that countries and tourism managers face. This reality of change makes competitiveness a real concept, and winning no longer just means surviving, but leading. Competitive strategies are more important to ensure that industry players and tourism destinations stay ahead of the competition: "...for to lead is to win!" (Poon, 1993:3).

According to Porter (1990), competitiveness has various meanings for various entities, for example:

- To firms, competitiveness implies the ability to compete in world markets with a global strategy.
- To many members of the US Congress, competitiveness implies that the nation has a positive balance of trade.

- To some economists, competitiveness implies low cost of labour adjusted for exchange rates.

From a tourism perspective competitiveness implies the first meaning, namely the ability to compete in world markets with a global strategy. If one has to define it in layman's terms, competitiveness is about staying in the race (Du Plessis 2002). In order to achieve this in tourism, one has to keep track of changes in tourists' needs and the demands of globalisation in a sophisticated tourism industry (Lickorish, 1991; Poon, 1993; Ivancevich *et al.*, 1997; Ritchie & Crouch, 2000).

In the light of the situation in the tourism industry, competition among tourism destinations has become very intense, more destinations are competing on the experience level, and a significantly higher market transparency regarding prices and/or other comparable destinations attributes have increased the competition (Saayman, 2000).

PROBLEM STATEMENT

The fundamental product in tourism is the experience of the destination (Ritchie & Crouch, 2000). Competition, therefore, centres on the destination. Although competition occurs between airlines, tour operators, hotels and other tourism services, this inter-enterprise competition is ultimately dependent upon and derived from the choices tourists make between alternative destinations (Ritchie & Crouch, 2000).

The attractiveness of a travel destination reflects the feelings, beliefs, and opinions that an individual has about a destination's perceived ability to provide satisfaction in relation to special vacation needs. The "new" tourists are well read and know what they want, and where they wish to go (Saayman, 2001). The more an individual believes a tourism region will satisfy his needs, the more attractive that region will be and the more likely it is to be selected as a potential travel destination (Hu & Ritchie, 1993; Poon, 1993).

Based on World Tourism Organisation figures (WTO, 1998) over the ten-year period 1988-1997, global tourist receipts increased between 5.4 and 9.8% per annum. Growth rates, however, displayed a general decline in the last 3 years of the period as the industry matures. Similarly, the growth in arrivals declined from 8.0 to 3.7% per annum. Although the growth in global tourism appears certain to continue at rates that are respectable for most industries, maturing growth rates have, and will, cause many destinations increasingly to covet the success of other destinations in securing a share of the market, which is expanding more slowly.

According to Du Plessis (2002), the tourist demand cycle shows that new and emerging destinations grow over time in their appeal to tourists. Initially, a new destination goes through an exploration phase, which attracts few tourists, and as the appeal for the destination grows, more tourists visit the destination. This creates a greater demand, and new developments soon follow.

Gaining a sustainable competitive advantage according to Athiyaman and Robertson (1995) requires the continual application of energy and resources to strategic planning and results from decisions and actions, which not only generate economic value, but are unique and hard

to imitate. These factors are normally defined as critical success factors and some authors also make reference to strengths and weaknesses in this regard.

For countries to be competitive, it is also important to identify their competitive advantage. South Africa is an emerging market in the tourism industry, but is already referred to as “a world in one country” (Satour, 1995) and is the top tourism destination in Africa. The country’s improvement in its global position from 55th in 1990 to 25th in 2000 on the world’s top tourism destinations (WTO, 2001) supports the potential of the country to be globally competitive. In the realisation of the challenge of being globally competitive, questions arise, such as: what are South Africa’s strengths and weaknesses as a globally competitive tourist destination and what is the competitive advantage of South Africa as a global tourist destination?

In order to ensure sustainable tourism growth, which can include economic, social and ecological attractiveness of South Africa as a tourism destination, aspects of global competitiveness are of great concern. The challenge faced by managers and local tourism authorities increasingly call for an understanding of global competitiveness and the ability to be globally competitive. For world-wide tourism destinations, and therefore also South Africa, competitive advantages are no longer located in natural resources, but are increasingly man-made, driven by science, technology, information and innovation (Swart, 1997). Therefore, it is not the stock of South Africa’s natural resources that will sustain the country’s competitiveness in tourism, but how these resources are managed and to what extent they are complemented with man-made innovations and quality service (South Africa, 1996).

Based on the above, the aims of the paper are as follows:

- Firstly to determine the strength and weaknesses of South Africa as a tourist destination;
- Secondly, to identify South Africa’s competitive advantage by identifying the five most important aspects (draw cards) that gives it a competitive advantage;
- Thirdly, to determine factors pertaining to global competitiveness.

RESEARCH METHOD

A two-pronged approach was followed, namely a literature study and a survey. The literature study was used in order to identify the factors pertaining to competitiveness.

The survey was conducted with 150 inbound international tour operators. These tour operators were randomly selected from the South African Tourism database of 218 tour operator companies attending Southern Africa’s largest tourism exhibition held annually in Durban. This exhibition, which is known as INDABA, is held especially to exhibit Southern African products to international tour operators. Sixty-four questionnaires that were returned could be used for the research. The survey was conducted by means of a questionnaire that was faxed and/or e-mailed. The questionnaire focussed mainly on what international tour operators regarded as important to be competitive in a rapidly changing environment.

RESULTS

South Africa's strengths and weaknesses

The results are presented in three categories. Firstly, the respondents identified South Africa's strengths and weaknesses. Secondly, the five most important aspects of South Africa's tourism product, which give the country a competitive advantage, were identified, and thirdly factors that play a role in global competitiveness were rated. The aspects listed in Tables 1 and 2 were compiled from work done by the following researchers: Porter (1990), Butler (1991), Luk *et al.* (1993), Edgell and Smith (1994), McIntosh *et al.* (1995), Otto and Ritchie (1995), Butcher (1997), Stabler (1997), De Keyser and Vanhove (1998), Sirše (1998), Ritchie and Crous (2000), and Saayman (2000).

Table 1. SOUTH AFRICA'S STRENGTHS AND WEAKNESSES

Aspects	Strength %	Weakness %
1. Location; Long-haul destination	30.00	70.00
2. Dependencies on support services	50.00	50.00
3. Safety	11.48	88.52
4. Value for money	96.77	3.23
5. International marketing	38.60	61.40
6. Availability of information	58.06	41.94
7. Quality of service	62.90	37.10
8. Geographical features	100.00	
9. Marketing connections (networks)	58.18	41.82
10. Accessibility	66.00	33.93
11. Infra- and suprastructure	66.67	33.33
12. Historical & cultural resources	91.67	8.33
13. Climate	100.00	
14. Availability/quality of accommodation	88.71	11.29
15. Sports/recreational opportunities	85.96	14.04
16. Scenery	100.00	
17. Food	91.94	8.06
18. Entertainment	83.33	16.67
19. Uniqueness of local people's life	88.33	11.67
20. Historical attractions	87.93	12.07
21. Museums, cultural attractions	89.47	10.53
22. Ability to communicate	88.71	11.29
23. Festivals	54.17	45.83
24. Shopping	85.96	14.04
25. Attitude towards tourists	64.01	35.19
26. Public transportation	13.33	86.67
27. Foreign exchange	91.67	8.33
28. Friends and family	81.48	18.52
29. African branding	61.11	38.89

Respondents were requested to indicate which aspects were strengths or weaknesses. Table 1 therefore indicates the percentage of respondents who identified an aspect as a weakness or a strength. Table 1 shows that most of the aspects listed can be regarded as strengths. One hundred percent chose geographical features, climate, and scenery to be South Africa's most important strengths. Value for money (96.77%), historical and cultural resources (91.67%), food (91.94%) and foreign exchange (91.64%) were also identified by the respondents as strengths. The respondents identified safety (88.52%) as the biggest weakness followed by public transportation (86.67%). South Africa as a long haul destination (70%) is also regarded as a weakness, as well as international marketing (61.40%) of South Africa as a tourist destination. Marketing connections, which imply networking with various stakeholders, were rated separately and also did not score high as a strength (58.18%).

SOUTH AFRICA'S TOURISM PRODUCT

To the question what international tour operators regarded as the five most important aspects of South Africa's tourism product that give the country a competitive advantage as a global competitive destination, the following graphic representation of the results will suffice:

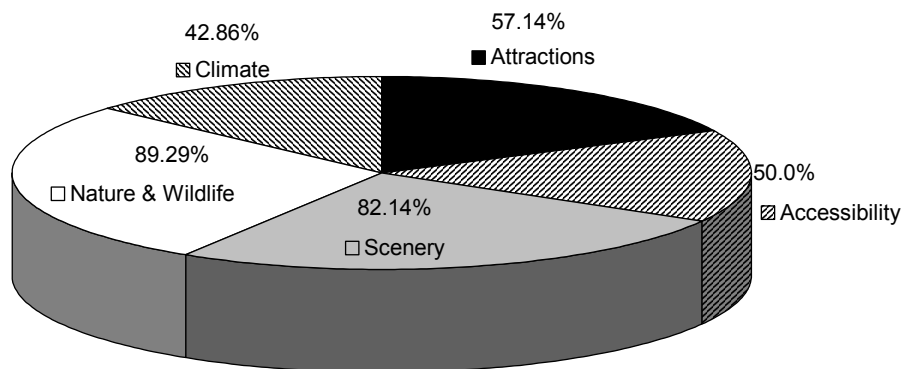


Figure 1. **MOST IMPORTANT ASPECTS OF SOUTH AFRICA'S TOURISM PRODUCT MAKING IT A GLOBALLY COMPETITIVE DESTINATION**

The aspects illustrated in Figure 1 as selected by 88.88% of the respondents prove that nature and wildlife (89.29%) is the most important, followed by scenery (82.14%) and variety of attractions (57.14%), which include places like Cape Town, the Kruger National Park and Robben Island. This was followed by accessibility (50%) in comparison with South Africa's competitors, and climate (42.86%). Compared to other African countries, South Africa is more accessible in terms of number of air carriers and number of flights available from across the world. Coupled to this is the availability of international airports. From a tour operator's point of view, one can also say that these are the reasons tour operators use to package and sell South Africa as a tourist destination. This correlates well with other research on the reasons why tourists travel to South Africa (Satour, 2000).

FACTORS IN GLOBAL COMPETITIVENESS

Each respondent was also requested to rate the factors identified in the literature study that play a role in global competitiveness in determining the preferred choice between countries as a tourist destination. These factors are applicable to all destinations and not only to South Africa.

TABLE 2. FACTORS IN GLOBAL COMPETITIVENESS

Factors	% Response	Rating
1. Location; Long-haul destination	51.62	18
2. Dependencies on support services	66.13	14
3. Safety	96.78	1
4. Value for money	88.90	4
5. Marketing	80.00	6
6. Availability of information	91.94	3
7. Quality of service	95.17	2
8. Geographical features	75.86	7
9. Marketing connections (networks)	51.61	19
10. Accessibility	67.22	13
11. Infrastructure & tourism suprastructure	71.18	10
12. Historical & cultural resources	53.23	17
13. Climate	59.68	16
14. Availability/quality of accommodation	74.39	8
15. Sports/recreational opportunities	17.74	25
16. Scenery	87.10	5
17. Food	72.58	9
18. Entertainment	25.80	23
19. Uniqueness of local people's life	70.97	11
20. Historical attractions	61.29	15
21. Museums, cultural attractions	50.00	20
22. Ability to communicate	61.29	15
23. Festivals	16.13	26
24. Shopping	33.87	22
25. Attitude towards tourists	69.35	12
26. Public transportation	19.36	24
27. Foreign exchange	33.87	22
28. Friends and family	37.10	21
29. Other: Airline links		
30. Other: Easy acquisition of visas		

A five point Likert scale was used which rated items from no opinion (1) to very important (5). For the purpose of this article the highest two categories, namely important to very important on the Likert scale, were added together and prioritised. Table 2 indicates the generic factors in global competitiveness. Therefore these factors are not a reflection of South Africa specifically but include all tourist destinations. It is interesting to note that availability of information and marketing that go hand in hand received a high rating from respondents. These aspects are important because they influence decision-making as well as image and positioning (Botha, 1998).

Aspects that had a score of 80% and higher were safety, quality of service, value for money, availability of information, scenery and marketing. These factors are also listed in Table 3 and a comparison is made with regard to South Africa's strengths and weaknesses as identified in Table 1. The high number of attacks globally on tourists, for example in Egypt 1998, the Philippines and Pilgrim's Rest in South Africa (2002), and Bali (2002) to name but a few, makes the finding that safety is an important consideration a very logical one. The September 11 attacks on the United States of America, although not aimed at tourists specifically, have also had serious implications for the tourism industry globally (Du Plessis, 2002).

TABLE 3. FACTORS OF COMPETITIVENESS VERSUS SOUTH AFRICA'S STRENGTHS AND WEAKNESSES

Factors	Competitiveness	Strengths	Weaknesses
Safety	96.78%	11.48%	88.52%
Quality of service	95.17%	62.90%	37.10%
Value for money	88.90%	96.77%	3.23%
Availability of information	91.94%	58.06%	41.94%
Scenery	87.10%	100.00%	-
Marketing	80.00%	38.60%	61.40%

The results in Table 3 show that in terms of the six most highly rated factors of competitiveness compared to South Africa's strengths, only two scored well, namely value for money and scenery. Quality of service and availability of information received a higher than average score as a strength, but not significantly so. Safety and marketing were rated as South Africa's biggest weaknesses. The former was identified previously (Table 2) as the most important factor in global competitiveness.

IMPLICATIONS AND CONCLUSIONS

The mere fact that South Africa has improved its position in a relatively short space of time to become one of the top destinations in the world is remarkable. However, the challenge is for it to remain competitive and to sustain its current growth rate. In order to do that, the results of this research clearly indicate which aspects need attention. Competing in the tourism industry globally has changed significantly over the past five years. More tourist destinations are entering the tourism arena globally, for example China, Russia and other former communist

countries. These changes should be borne in mind by the South African tourism industry if it wishes to remain a global player.

The findings of this study has several implications, especially for the South African tourism industry, namely:

- Safety is an aspect that has to be addressed for it is seen as the single most important factor determining a tourist's choice of destination. Even though South Africa scored well in scenery, wildlife and nature as well as value for money, these aspects were regarded as less important than safety. Government at all levels has an important role to play in guaranteeing tourist safety, for example by the introduction of tourist policing in order to combat crime against tourists, as was done in Durban.
- International marketing and the dissemination of information pertaining to South Africa have to be one of the priorities in order to sustain a globally competitive position. It is important to make sure that various markets understand what South Africa is all about as well as what it has to offer tourists. Marketing is important because through marketing a country can position itself, build a specific image and brand its products. Marketing can also help communicate certain messages, for example the addressing of safety issues. Marketing policies and strategies should therefore make provision for sustaining a competitive position.
- The most important aspects of South Africa's tourism product should be packaged and well promoted. These are great scenery, nature, climate and other attractions that are very accessible, especially in an African context.

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