

**AN ANALYSIS OF THE PRICE COMPETITIVENESS OF SOUTH AFRICA AS AN
INTERNATIONAL TOURIST DESTINATION**

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DECLARATION WITH REGARD TO
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I, RENé HAARHOFF, identity number [REDACTED] and student number 9846204, do hereby declare that this research project submitted to the Central University of Technology, Free State for the Degree DOCTOR TECHNOLOGIAE: BUSINESS ADMINISTRATION, is my own independent work; and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the Central University of Technology, Free State; and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.

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SUMMARY

Since the earliest days, people have travelled. Not only was it time consuming, limited and only for the rich, but it was not necessarily a pleasure. Since those early days, travel and tourism has developed to such an extent that it has become one of the major industries in the world, providing the tourist with amongst others technologically advanced air transportation, luxury resorts and a variety of experiences and attractions at many different destinations. The major developments in air transportation have opened up many opportunities, but it has also placed most destinations within easy reach of the tourist, as most destinations have become more accessible. This automatically led to increased competitiveness between different destinations, both locally and internationally. Competitiveness of the destination may be based on a variety of contributing factors such as its scenic beauty, the variety of attractions offered, natural resources, the accessibility, the host population, availability and quality of infrastructure, diseases, flight availability and frequency, seasons and many other factors. However, a destination will never become the most popular or most visited one if the tourist cannot afford to visit it. Price undoubtedly plays a very important role in the decision-making process of the tourist when choosing a destination. The prices at any destination are influenced by a variety of internal and external factors which, in the end, has a direct influence of the actual travel cost of the tourist. This study focuses on South Africa's price competitiveness as an international destination.

The major travel components or products that an international tourist will spend money on during his/her visit to South Africa are international flights, accommodation, attractions and food and beverages. The prices of these components were compared to similar products of Thailand and Australia, which have previously been identified by SA Tourism as South Africa's major competitors. The focus of the research is therefore on the expenditure patterns, price perceptions and the tourists' perception of whether or not they perceived

South Africa's tourism products to be affordable, to offer value for money or not. Perceptions of departing international tourists who have already used these products were tested. Once established, an international travel price index and a hotel price index were formulated for South Africa, which may be used to monitor international tourist expenses. These indices may also be used as indicator of the affordability and price competitiveness of South Africa as a tourist destination.

There is not one individual in South Africa that cannot, either by means of direct or indirect revenue, benefit from South Africa being a tourist destination of choice. The opportunities and possibilities created by foreign revenue spent are legio. Hence it comes as no surprise that tourism in South Africa has become the priority of many different role players such as government, commerce, product owners and private industries. As it is difficult for a destination to control the external environment, the destination's focus should therefore rather be on the factors that it can control or influence to a certain extent. By ensuring that South Africa's tourism products are competitively priced and offer value for money, one of the major factors that may hamper the growth of South Africa as a destination has been addressed. In economic challenging conditions, the tourist has become more value for money driven than before when choosing a destination. The focus of the research is therefore to establish if South Africa's tourism product prices are regarded to provide value for money or not to international tourists.

The research was divided into two parts: literature and empirical research. The population of this study was foreign tourists to South Africa that have completed their journey and who were questioned in the departure halls of Johannesburg's Oliver Tambo and Cape Town International airports.

An overview of the research results give a general indication that South African tourism products are more expensive than was anticipated by foreign tourists. Seventy five percent of respondents indicated that they paid more for accommodation, air transportation and attractions than they expected to pay. Of

the different accommodation types used, the five star luxury hotel accommodations were found to be too expensive whilst other graded accommodation were perceived as being priced fairly, even cheaply. The paid attractions that the respondents visited were, with the exception of the Kruger National Park, all fairly priced. Cape Town was indicated as a city that was perceived to be more expensive than other cities visited by international tourists.

OPSOMMING

Vanaf die vroegste tye het mense reeds gereis. Dit was nie net tydrowend, beperk, en net vir die rykes nie, maar dit was ook nie noodwendig 'n plesier nie. Sedert daardie vroeë dae het reis en toerisme tot so 'n mate ontwikkel dat dit vandag een van die vernaamste industrieë in die wêreld geword het, wat die toeris van onder andere tegnologies-gevorderde lugvervoer, luukse oorde en 'n verskeidenheid van ervarings en attraksies by die verskillende bestemmings voorsien. Hierdie vooruitgang in lugvervoer het baie geleenthede geskep, maar dit het ook die meeste bestemmings binne bereik van die toeris geplaas deur dit meer toeganklik te maak. Dit het outomaties gelei tot verhoogde mededinging tussen verskillende plaaslike en internasionale bestemmings. Mededingendheid van die bestemming kan baseer word op 'n verskeidenheid van bydraende faktore soos die bestemming se natuurskoon, die verskeidenheid van attraksies wat beskikbaar is, natuurlike hulpbronne, toeganklikheid, die gasheerbevolking, beskikbaarheid en kwaliteit van infrastruktuur, siektes, beskikbaarheid en gereeldheid van vlugte, seisoene en verskeie ander faktore. Tog sal 'n bestemming nie die mees populêre een wees, of die een wat die meeste besoek word nie, tensy die toeris dit kan bekostig om dit te besoek. Prys speel onteenseglik 'n baie belangrike rol in die besluitnemingsproses van die toeris wanneer op 'n bestemming besluit word. Die pryse by enige bestemming word deur 'n aantal interne en eksterne faktore beïnvloed wat op die ou einde 'n direkte invloed het op die pryse van die reiskoste van die toeris. Hierdie studie fokus op die prysmededingendheid van Suid-Afrika as 'n internasionale bestemming.

Die belangrikste reiskomponente waarop 'n internasionale toeris geld sal spandeer gedurende sy/haar besoek aan Suid-Afrika is die internasionale vlugte, akkommodasie, attraksies, en kos en drank. Die pryse van hierdie komponente sal vergelyk word met soortgelyke produkte van Thailand en Australië wat voorheen deur SA Toerisme as ons grootste mededingers geïdentifiseer is. Die fokus van die navorsing is dus op die bestedingspatrone, pryspersepsies en die toeris se

persepsie van of Suid-Afrika se toerisme-produkte bekostigbaar is en waarde vir geld bied of nie. Persepsies van vertrekkende internasionale toeriste wat alreeds hierdie produkte gebruik het is getoets. Nadat bogenoemde vasgestel is, is 'n internasionale reis-prysindeks en 'n hotelprysindeks geformuleer word, wat gebruik kan word om die internasionale toeriste se uitgawes te monitor. Hierdie indekse kan verder ook gebruik word as 'n indikator van die bekostigbaarheid en prysmededingendheid van Suid-Afrika as 'n toerismebestemming.

Daar is nie een individu in Suid-Afrika wat nie finansieel sal voordeel trek, direk of indirek, uit die feit dat Suid-Afrika die toeristebestemming van keuse word nie. Die geleentheid en moontlikheid wat geskep word deur buitelandse inkomste is legio. Dit kom dus as geen verrassing dat toerisme in Suid-Afrika 'n prioriteit vir verskeie rolspelers geword het nie, soos die owerheid, besigheid, produkeienaars, en private industrieë. Aangesien dit moeilik is vir 'n bestemming om die eksterne omgewing te beheer behoort bestemmings te fokus op die faktore wat hul wel tot 'n mate kan beheer of verander. Deur te verseker dat Suid-Afrika se toerismeprodukte mededingend geprys is en waarde vir geld verskaf, word een van die vernaamste faktore wat die groei van Suid-Afrika as 'n bestemming kan belemmer aangespreek. In 'n ekonomies uitdagende omgewing het die toeriste meer bewus geraak van waarde vir geld as tevore wanneer daar op 'n bestemming besluit word. Die fokus van die navorsing is dus om vas te stel of Suid-Afrika se toerismeprodukpryse deur die internasionale toeriste beskou word as waarde vir geld of nie.

Die navorsing is in twee dele gedeel: literatuur en empiriese navorsing. Die populasie het bestaan uit buitelandse toeriste na Suid-Afrika wat so pas hul reis voltooi het en in die vertreksaal van Oliver Tambo en Kaapstad internasionale lughawens by wyse van 'n vraelys ondervra is.

'n Oorsig van die navorsingsresultate gee 'n algemene aanduiding dat Suid-Afrika se toerismeprodukte duurder is as wat geantisipeer is deur buitelandse besoekers. Vyf en sewentig persent van die respondente het aangedui dat hul meer betaal het vir akkommodasie, lugvervoer en attraksies as wat hul verwag het. Van die verskillende akkommodasie-tipes wat gebruik is, is bevind dat vyfster luukse akkommodasie te duur is terwyl ander gegradeerde akkommodasie as goedgeprys en selfs as goedkoop ervaar is. Die attraksies wat toegangsgelde vra is almal met uitsondering van die Kruger Nasional Park as goedgeprys ervaar. Kaapstad is aangedui as die stad wat duurder ervaar is as ander stede in Suid-Afrika.

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TABLE OF CONTENTS

SUMMARY	i
OPSOMMING	iv
ACKNOWLEDGEMENTS	vii

CHAPTER 1:

PROBLEM STATEMENT AND RESEARCH METHODOLOGY

1.1	Introduction	1
1.2	Problem statement	10
1.3	Goal and objectives of this study	10
1.3.1	Goal	10
1.3.2	Objectives	10
1.3.2.1	Primary objectives	11
1.3.2.2	Secondary objectives	11
1.4	Research methodology	11
1.4.1	Literature research	11
1.4.2	Web based research	13
1.4.3	Empirical research	13
1.4.3.1	Research design	13
1.4.3.2	Sampling method	14
1.4.3.3	Population	14
1.4.3.4	The questionnaire	14
1.4.3.5	Data collection	15
1.4.3.6	Data analysis	17
1.5	Limitations to the study	17
1.6	Acronyms and definition of concepts	18
1.6.1	Acronyms	18
1.6.2	Definitions	19
1.7	Chapter classifications	22

CHAPTER 2:
DESTINATION PRODUCTS

2.1	Introduction	23
2.2	The tourism destination	27
2.2.1	The major components of a destination	30
2.2.1.1	Attractions	30
2.2.1.2	Accommodation	32
2.2.1.2.1	Accommodation grading systems	33
2.2.1.3	Seasonality	36
2.2.1.4	Transportation	37
2.2.2	Tourism destination systems	38
2.3	Choosing a destination	42
2.3.1	Perception / Awareness	42
2.3.2	Internal input	44
2.3.3	External input	45
2.4	South Africa's major travel products	49
2.4.1	Attractions	49
2.4.2	Transport	53
2.4.3	Accommodation	55
2.5	Australia's major travel products	57
2.5.1	Attractions	57
2.5.2	Transportation	59
2.5.3	Accommodation	61
2.6	Thailand's major travel products	63
2.6.1	Attractions	64
2.6.2	Transport	66
2.6.3	Accommodation	67
2.7	Conclusion	67

**CHAPTER 3:
PRICE COMPETITIVENESS**

3.1	Introduction	70
3.2	Aspects of global price competitiveness	73
3.2.1	The tourist mix for South Africa and its major competitors	73
3.2.2	The role of the media	77
3.2.3	Pricing products	78
3.2.3.1	Introductory remarks	78
3.2.3.2	Price awareness	81
3.2.3.3	Value in pricing	82
3.2.3.3.1	Perceived value	82
3.2.3.3.2	Economic value	83
3.2.3.3.3	Reference value	85
3.2.3.4	Quality and price	86
3.2.3.5	Price differences	88
3.2.3.6	Factors influencing pricing	89
3.2.3.7	Factors affecting price sensitivity	92
3.2.3.7.1	Methods of price sensitivity measurement	94
3.2.3.8	Pricing strategies	99
3.2.3.8.1	Cost based pricing	100
3.2.3.8.2	Demand based pricing	101
3.2.3.8.3	Competition based pricing	102
3.2.3.8.4	Value based pricing	105
3.2.3.8.5	Discriminatory pricing	107
3.2.3.9	Pricing new products	114
3.2.3.10	Price changes	116
3.2.3.11	Common pricing mistakes	117
3.3	Other price considerations	117
3.4	Conclusion	119

CHAPTER 4:

PRICING DESTINATION PRODUCTS IN SOUTH AFRICA, AUSTRALIA AND THAILAND

4.1	Introduction	120
4.2	Attractions	122
4.2.1	Theme and amusement parks	123
4.2.2	Cruises and boat trips	127
4.2.3	Cable cars	128
4.2.4	City tours	129
4.3	Accommodation	131
4.3.1	Research methodology	132
4.3.2	Five star hotels	134
4.3.3	Three star hotels	137
4.4	Air transportation	143
4.4.1	Research methodology	143
4.4.2	Fares	144
4.5	Food and beverage	152
4.6	Overall destination comparison	153
4.6.1	South Africa	153
4.6.2	Australia	153
4.6.3	Thailand	154
4.7	Conclusion	154

CHAPTER 5:

TOURISM PRICE INDICES AND MODELS

5.1	Introduction	156
5.2	Price indices	156
5.2.1	Simple relative price index	157

5.2.2	Weighted aggregate price index	157
5.3	Travel and tourism competitiveness index	158
5.4	Models	161
5.4.1	Competitive models	162
5.4.1.1	The five competitive forces of Porter	162
5.4.1.2	The 'Porter diamond'	163
5.4.1.3	The Poon concept	164
5.4.1.4	The WES approach	165
5.4.1.5	The Ritchie & Crouch conceptual model of destination competitiveness	166
5.4.1.6	World Travel and Tourism Council competitiveness monitor	166
5.4.2	Price models	168
5.4.2.1	The price component of the competitiveness indicator of Gooroochum & Sugiyarto	168
5.4.2.2	Dwyer's price competitiveness approach	169
5.5	Country economic profiles	170
5.6	Connectivity indicator	172
5.7	Hotel price index (HPI) for South Africa	173
5.8	Conclusion	177

CHAPTER 6:

EMPIRICAL RESEARCH RESULTS

6.1	Introduction	178
6.2	Research results	179
6.2.1	The profile of the tourist	179
6.2.1.1	Country of origin	179
6.2.1.2	Gender	181
6.2.1.3	Age	182
6.2.1.4	Previous visits	183

6.2.1.5	Travel partners	184
6.2.1.6	Purpose of visit	184
6.2.1.7	Sponsor	185
6.2.1.8	Trip duration	185
6.2.1.9	Conclusion	186
6.2.2	Air transportation	186
6.2.3	Accommodation	192
6.2.3.1	Five star hotel accommodation	195
6.2.3.2	Three star hotel accommodation	196
6.2.3.3	Accommodation T-tests	196
6.2.4	Food and beverages	199
6.2.5	Attractions	200
6.2.5.1	Entrance fees at tourist attractions	200
6.2.5.2	Attraction quality and service	204
6.2.5.3	Attraction constraints	205
6.2.6	Overall perception of South African tourism product prices	206
6.2.6.1	Most expensive city	206
6.2.6.2	Alternative destinations considered	206
6.2.6.3	Comparing South Africa to Australia and Thailand	207
6.2.6.4	Seasonality	209
6.2.6.5	Tourism product prices	210
6.2.6.6	Repeat visits	212
6.2.6.7	Total expenditure	213
6.3	Business versus leisure travel	215
6.4	Summary of descriptive results	217

CHAPTER 7:

THE INTERNATIONAL TRAVEL PRICE INDEX

7.1	Introduction	221
7.2	The international travel price index for South Africa	222
7.2.1	Accommodation	224
7.2.2	Air transportation	225
7.2.3	Attractions	226
7.2.4	Food & beverages and other expenses	226
7.3	Contribution of the study	227
7.3.1	Introduction	227
7.3.2	Formulating a new international travel price index	227
7.3.2.1	Elite International travel price index	228
7.3.2.2	Standard International travel price index	228
7.3.2.3	Overall International travel price index	229
7.3.3	Hotel price index	230
7.3.4	The hypothetical application of indices	230
7.4	Actual implementation	232
7.5	Conclusion	233

CHAPTER 8:

CONCLUSIONS AND RECOMMENDATIONS

8.1	Introduction	235
8.2	Conclusions and Recommendations	236
8.2.1	Profile of the tourist	236
8.2.1.1	The origin of the tourists	237
8.2.1.1.1	Recommendations	237
8.2.1.2	Gender	238
8.2.1.2.1	Recommendations	239

8.2.1.3	Age of respondents	239
8.2.1.3.1	Recommendations	239
8.2.1.4	Repeat visits	240
8.2.1.4.1	Recommendations	240
8.2.1.5	Purpose of stay	241
8.2.1.5.1	Recommendations	241
8.2.16	Length of stay	243
8.2.1.6.1	Recommendations	243
8.2.1.7	Travel partners	244
8.2.1.7.1	Recommendations	244
8.2.2	Air transportation	245
8.2.2.1	Perception of air transportation prices	246
8.2.2.2	Recommendations	247
8.2.3	Accommodation	247
8.2.3.1	Five star hotel accommodation	247
8.2.3.2	Three star hotel accommodation	248
8.2.3.3	Other accommodation	248
8.2.3.4	Recommendations	248
8.2.4	Food and beverages	249
8.2.4.1	Recommendations	250
8.2.5	Attractions	250
8.2.5.1	Scenic beauty and wildlife attractions	250
8.2.5.1.1	Recommendations	251
8.2.5.2	Cape Town	251
8.2.5.2.1	Recommendations	252
8.2.5.3	Attractions constraints	252
8.2.5.3.1	Recommendations	253
8.3	Overall perception of tourism product prices	254
8.3.1	Alternative destinations	254
8.3.1.1	Recommendations	254
8.3.2	Seasonality	255

8.3.2.1	Recommendations	255
8.4	Further research	256
8.5	Conclusion	256
REFERENCES		258

LIST OF FIGURES

CHAPTER 1

FIGURE 1.1:	Tourism contribution towards country GDP	4
FIGURE 1.2:	Average trip duration	9

CHAPTER 2

FIGURE 2.1:	The elements of the travel and tourism product	24
FIGURE 2.2:	Components of a destination	28
FIGURE 2.3:	The general tourist destination systems model	39
FIGURE 2.4:	Top ten attractions visited by international air arrivals	52

CHAPTER 3

FIGURE 3.1:	Destination selection tree	71
FIGURE 3.2:	The tourist mix for South Africa, Thailand and Australia	74
FIGURE 3.3:	The tourism industry's perception on the price competitiveness of South Africa's tourism products	75
FIGURE 3.4:	The relationship between quality, sacrifice and value	79
FIGURE 3.5:	Price-quality strategies	87
FIGURE 3.6:	Typical depiction of curves of a PSM with intersections	95
FIGURE 3.7:	Relationship between price, cost and value	103
FIGURE 3.8:	Value based pricing model	106

CHAPTER 4

FIGURE 4.1:	Comparison of theme parks entrance fees	126
FIGURE 4.2:	Average rack rate at five star hotels	135
FIGURE 4.3:	Seasonal price differences for five star hotels	136
FIGURE 4.4:	Average rack rate at three star hotels	138
FIGURE 4.5:	Seasonal price surcharge for three star hotels	139
FIGURE 4.6:	Average room rate increase per year versus occupancy levels	141
FIGURE 4.7:	Average length of stay 2003 v 2004	142
FIGURE 4.8:	Destination price per mile comparison in economy class	148
FIGURE 4.9:	Destination price per mile comparison in business class	149
FIGURE 4.10:	Overall comparison of destination price average per mile travelled	151

CHAPTER 5

FIGURE 5.1:	Porters 'diamond' determinants of the competitive advantage of destinations	164
FIGURE 5.2:	Ritchie & Crouch's model of destination competitiveness	167
FIGURE 5.3:	Average annual hotel price increase	175

CHAPTER 6

FIGURE 6.1:	Origin of tourists	179
FIGURE 6.2:	Perception of the price of the air ticket	187
FIGURE 6.3:	Average price expected to pay versus price paid	189
FIGURE 6.4:	Decomposition of difference in 'expected' versus	

	'paid' prices	192
FIGURE 6.5:	Type of accommodation used	193
FIGURE 6.6:	Average accommodation prices	194
FIGURE 6.7:	Accommodation price projection against Consumer Price Index	198
FIGURE 6.8:	Average expected versus paid price differences at different types of restaurants	199
FIGURE 6.9:	Average price expectancy differences at attractions	201
FIGURE 6.10:	Attractions that offer the best value for money	202
FIGURE 6.11:	Attractions that are perceived to be too expensive	203
FIGURE 6.12:	Quality and service perception of attractions	204
FIGURE 6.13:	Attraction constraints	200
FIGURE 6.14:	Alternative destinations considered	206
FIGURE.6.15:	Affordability perceptions in comparison to Australia and Thailand	208
FIGURE 6.16:	Seasonal price differences	209
FIGURE 6.17:	Perception of most expensive tourism products	211
FIGURE 6.18:	Perception of cheapest tourism products	212
FIGURE 6.19:	Reasons for revisiting South Africa	213
FIGURE 6.20:	Total spent by product category	215
FIGURE 6.21:	Box and Whisker plot for differences in paid less expected prices	218

LIST OF TABLES

CHAPTER 2

TABLE 2.1:	International air transportation at South African airports	53
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CHAPTER 3

TABLE 3.1:	Description of intersections	96
TABLE 3.2:	Condensed comparison of research models	97

CHAPTER 4

TABLE 4.1:	Theme park admission fees per day	125
TABLE 4.2:	Cruises: One way fare	127
TABLE 4.3:	Cable cars: One way fare	129
TABLE 4.4:	City tours	130
TABLE 4.5:	Five star hotel price comparison	134
TABLE 4.6:	Three star hotel price comparison	137
TABLE 4.7:	Business and economy class fares averages	145
TABLE 4.8:	Comparison between miles traveled and price paid	147

CHAPTER 5

TABLE 5.1:	The Travel and Tourism Competitiveness Index for Australia, Thailand and South Africa	161
TABLE 5.2:	Economic profiles	171
TABLE 5.3:	Hotel Price Index (HPI) for South Africa	173

CHAPTER 6

TABLE 6.1:	European respondents' country of origin	180
TABLE 6.2:	Gender specifics	181
TABLE 6.3:	Age category segmentation	182
TABLE 6.4:	First time tourists versus repeat tourists	183
TABLE 6.5:	Average trip duration per continent	185
TABLE 6.6:	The ideal tourist's profile for financial purposes based on the survey	186
TABLE 6.7:	Prices paid for air transportation from continent of origin	188
TABLE 6.8:	Average price versus trip duration	190
TABLE 6.9:	Descriptive statistics for expected and paid prices	191
TABLE 6.10:	T-tests for five and three star accommodation prices	196
TABLE 6.11:	T-test results in differences paid for expensive versus cheap accommodation	197
TABLE 6.12:	Price perception of beverages	200
TABLE 6.13:	T-test results for seasonal price differences for tourism products	210
TABLE 6.14:	Average total expenditure per person per continent	214
TABLE 6.15:	Business versus leisure travel	216
TABLE 6.16:	Average amount 'paid' more than 'expected to pay'	217

CHAPTER 7

TABLE 7.1:	Travel basket necessities	223
TABLE 7.2:	Data table of average estimated prices for hypothetical application	231
TABLE 7.3:	International travel price index (ITPI) and Hotel Price Index	231

ANNEXURES

A	Empirical research questionnaire	274
B	Exchange rates	280
C	Empirical research data 2006	283

ADDENDUMS

CHAPTER 2

ADDENDUM: The South African Tourism Grading Council's complete guide to minimum requirements and grading criteria	368
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CHAPTER 4

ADDENDUM: Web based research references and hotel lists	393
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CHAPTER 1

PROBLEM STATEMENT AND RESEARCH METHODOLOGY

1.1 INTRODUCTION

The potential for any country's tourism industry to develop will depend substantially on its ability to maintain a competitive advantage in its delivery of goods and services to tourists (Science Direct, 2007). Competitiveness amongst people, nations, products and more have existed since the earliest days and having a competitive advantage over your competitor is something which seems to be part of humankind since our first breath. Competitiveness may be defined as being superior to or having a favourable advantage over, your competitor in a way that is of importance to your clients or your market (Zikmund & D'Amico, 1993:42). Vanhove (2005:107) confirms that in tourism, more and more industry specialists place the focus on the competitive destination and competitiveness has become the central point of tourism policy. Measuring tourism competitiveness in general is a very complex task due to the fact that it is a multi-dimensional concept, made up of various elements and components, each of different value to the consumer¹ or tourist.

The Bureau of Transport and Communications Economics confirms that it is widely accepted that tourists are sensitive to price (BTCE, 2007). With the growing importance of travel and tourism to national economies and as a key sector in the world economy, it has become relevant to study the factors and policies driving travel and tourism competitiveness in nations worldwide (World Economic Forum, 2007). Tourism receipts have increased from US\$2.1 billion in 1950 to US\$622.7

¹ The term consumer, in general, refers to the purchaser of any type of product available in the market whereas a tourist consumer refers to the purchaser of a tourism product specifically.

billion by 2006, creating 234 million jobs and contributing 10.3 percent of the world Gross Domestic Product (GDP). This is an average growth rate of 6.5 percent per annum (World Tourism Organisation, 2007). It is thus clear that the travel and tourism sector is one of the most important, fastest growing, economic contributors of a country that may stimulate growth and prosperity and reduce poverty. Unfortunately, Africa receives only about 4% of all international travellers and tourism receipts (World Bank, 2007).

Many industry role players, academics and major national and international tourism organisations have researched and investigated the competitiveness of destinations by looking at a variety of aspects such as infrastructure, safety, quality of service, natural and cultural resources, government involvement, tourism importance and many more. Some studies include a price component, but very little research has been done on the role of price alone on the competitiveness of a tourist destination. Although a holistic approach is sensible, further research is necessary to address specific problem areas directly, if necessary.

This study researched the competitiveness of prices that foreign tourists have to pay for South Africa's major destination products. Potential tourists will consider various destinations before making a decision to travel. Prices that tourists have to pay for products and services used or purchased at the destination play an important role in their decision-making process. It is thus of the utmost importance that South Africa's tourism product prices are competitive in relation to what South Africa's major competitors may offer the tourist. If our products are considered to be good value for money, many a competitor destination will be eliminated. In research done by Du Plessis (2002:102), value for money was identified by international tour operators as one of the important factors in global competitiveness. Through statistical comparison of South Africa's prices and products to those of our major competitors and by testing the price perception of departing foreign tourists at international airports, the following indices, models and statistical analysis took place that may be distributed to the tourism product

owners for recommendation and implementation:

- ◆ An international travel price index of various destination products;
- ◆ A hotel price index for South Africa which may be used to measure competitiveness of accommodation prices.

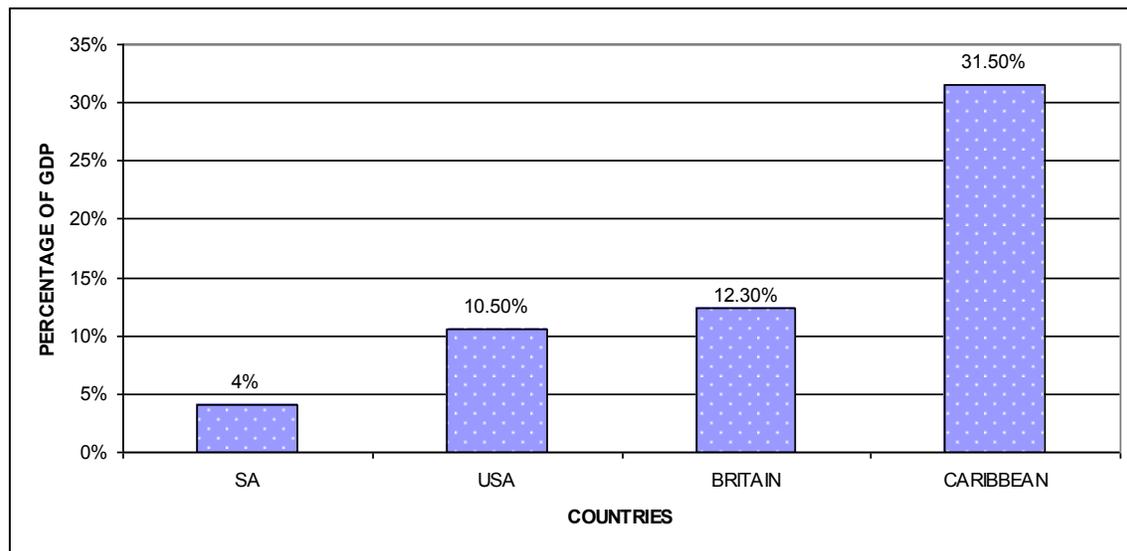
Travel and tourism, as broadly defined, is the largest industry in the world (Iafrica, 2005 and Lickorish, 1994: 3). It is the largest in terms of number of employees and total direct and indirect revenues generated. Three hundred million people – one of every ten employees world-wide – and an economic output of US\$1.5 trillion provide a good indication of the extent of the international travel and tourism industry at the start of the twenty-first century (Vogel, 2001:xiii, Tribe, 1999:4 and Bull, 1991:2). In 2003, tourism shrunk worldwide as international tourist arrivals went down by 2.8%. This could be contributed to various factors such as wars, terrorism as well as the outbreak of the SARS virus which caused tourist arrivals in Thailand to fall by more than 40% (DEAT, 2005).

The travel and tourism industry in South Africa performed well in the recent past: In 2003, 6.5 million foreign tourists arrived in South Africa and spent R53.9 billion, whilst domestic tourists spent an estimated R43 billion, totalling R100 billion spent by tourists in South Africa. Furthermore, an estimated 512 000 direct jobs were created by this industry (SA Tourism, 2005 & SA Media, 2005). In the 2004 report of the World Travel & Tourism Council (WTTC, 2007) there is confirmation that according to industry analysts, South Africa should be on the verge of a tourism boom, but its actual performance over the past several years has been disappointing and has not lived up to the optimistic targets set previously.

In contrast to the worldwide trend, the South African foreign tourist arrivals in 2003 have grown by 1.2%, but compared to countries such as Bulgaria (up 17.9%), India (up 15.3%) and the Middle East (up 10%) which have shown higher growth rates, this leaves plenty of room for improvement in South Africa (SA Tourism, 2005 and Stats SA, 2005). Furthermore, a report in the Business Day of 10 January 2005, indicates that SA had dropped from 53rd to 56th place according to a

global competitiveness survey (Iafrica, 2005) and the most recent figures from Statistics SA show a 3.1% decline in European tourists to South Africa from January to September 2004 (Iafrica, 2005). The European market is one of South Africa's strongest existing markets of incoming tourists that is now declining (Iafrica, 2005). Fourteen European countries are listed in the top 25 tourism spenders in the world (World Tourism Organisation, 2005 & World Travel Atlas, 2006:24), which implies that major amounts of revenue are being lost together with the declining European market.

In figure 1.1 the tourism revenue contribution of various countries towards their GDP is illustrated.



Source: DEAT, 2005

Figure 1.1: Tourism contribution towards country GDP

From figure 1.1 it is clear that the role that South Africa's tourism plays and contributes towards the country's GDP is much smaller when compared to for instance the United States, Britain and the Caribbean. Tourism in South Africa only contributes 4% of the Gross Domestic Product (GDP), although it is the fourth largest earner of foreign exchange in the country (DEAT, 2005).

South Africa, being part of a continent that is desperate for any economic development or investment, has the potential to stimulate major infrastructure projects and developments, create wealth, investment and jobs through proper tourism development (Iafrica, 2005). The Department of Environmental Affairs and Tourism supports the potential role of tourism and with a population of approximately 48 million (SA Info, 2007) and a land area of 1.27 million square kilometres, South Africa's resource base for tourism is phenomenal and loaded with potential for the following reasons (DEAT, 2005; Bennett et al., 2005: 382-388):

- ◆ Tourism represents a significant opportunity for South Africa as it is the biggest industry in the world;
- ◆ Tourism is the world's largest generator of jobs employing 212 million people worldwide;
- ◆ Tourism may provide immediate employment or within a short period;
- ◆ The tourism industry creates entrepreneurial opportunities;
- ◆ Tourism brings development to rural and other areas;
- ◆ Tourism employs a multiplicity of skills;
- ◆ Tourism is labour intensive, creating one job for every eight tourists;
- ◆ Tourism is a foreign exchange generator without the product leaving the country;
- ◆ Tourism demand is continuous;
- ◆ Tourism has a multiplier effect.

Each tourist destination has a unique range of features to attract tourists, but the challenge that destinations face is that each potential tourist has a very wide choice amongst various destinations (Johnson & Thomas, 1994:80-82). A destination comprises multiple products of which accommodation, transportation, attractions and supporting services and facilities are to be considered the major components (Laws, 1995:14-15 and Swarbrooke & Horner, 1999:39-41). The prices that tourists have to pay for these mentioned products at a destination are a major determinant as to whether or not that tourist will indeed visit that destination

(Middleton, 1994:86-87). Lubbe, (2000:154) considers price to be the most important component of the destination marketing mix and states furthermore that the prices charged at a destination are affected by competition which implies that if a destination's products are similar to those of other competitors, the prices have to be similar (also compare Burke & Resnick, 2000:97 and Ashworth & Goodall, 1993:6-9).

Travel and tourism prices are not always as straightforward as they appear. Various tourism products have different values to tourists: monetary value and the value to satisfy their basic needs. The benefits are also individual and personal to each tourist. Nevertheless, perceived benefits often relate directly to the product and although this perception may have no direct bearing on the product under consideration, they have a strong influence on the customer's view of the value of the product and decision whether to visit a destination or not (Burke & Resnick, 2000:189-192).

Ioannides & Debbage (1998:88) and Evans et al. (2003:215) furthermore state that price is an important factor in determining demand, because it reflects on another dimension of purchasing power (Davidhoff & Davidhoff, 1998:137-138). They consider the cost of travel to the destination and the cost of living at the destination to be the two major elements for the tourist (also compare Swarbrooke & Horner, 1999:3, 20). Cooper et al. (1998:204) states that the bulk of the tourism market is extremely price sensitive and, consequently, internationally competitive. The effect of currency fluctuations on the number of international arrivals and the volume of tourist expenditure demonstrates and supports this fact. It is furthermore stated that the major battleground is not fought on hotels and/or the quality of facilities, but the price of the package. Landsburg (2002:107) confirms this by stating that when the prices are high, the quantity demand usually goes down for two reasons: a substitution effect (visit another cheaper destination) or an income effect (the price that the tourist is prepared to pay depends on his/her income).

Ramesh Durbarr and Thea Sinclair conducted research at the University of Nottingham (University of Nottingham, 2005) on the trends of tourism in the United Kingdom and found that rises in UK prices and appreciation of the exchange rate for the pound sterling resulted in significant falls in tourism receipts. Furthermore, research results indicated that prices in the UK have to remain competitive not only relative to prices in key tourist origin countries, but also relative to prices in tourist destinations that compete with the UK. Results also indicated that tourism in the UK has gradually become more expensive and that exchange rates are important determinants of tourists' decisions in choosing particular destinations. Overall the research indicated that the tourism industry in the UK is facing major problems, particularly in the form of a falling share of world tourism receipts, decreasing price competitiveness and falls in the value of receipts per tourist visit.

At a meeting of the European Tourism Forum in Brussels (EURO, 2005), Richard Rosser, chairman of the European Trade Union Committee on Tourism, stated that the tourism sector is „very competitive and price sensitive' and the pressure to hold down or reduce costs may be considerable. It was further warned that the „continuous increase in costs and burdens on the airline industry' may cause some popular destinations to be priced outside the reach of most tourism consumers, with adverse effects on the economies of regions that are affected by the decline in tourism revenue.

With newspapers such as The Cape Times already voicing concerns that South Africa's tourism potential is being threatened by “the greed of those who are looking to make a quick buck” (SA Media, 2005), The Natal Witness of 02 February 2005 (SA Media, 2005) reporting: “SA tourist bubble about to burst: Overseas tourists complain of high prices and poor value for money”, the Sunday Times of 13 February 2005 that “Sunny SA no longer the bargain basement” (SA Media, 2005) and the Natal Witness reporting that a 5-night five-star hotel package to Cape Town will cost a family of three persons approximately R55 000 whilst a 21-night four-star package to Australia including the Great Barrier Reef, Sydney

and Brisbane will cost the tourist R48 000 (SA Media, 2005), it raises the question as to how long South Africa will still be able reap benefits from foreign tourists. It therefore becomes important to research the price competitiveness of South Africa as a destination in order to establish if South Africa's current growth rate of 1.2% in foreign tourist arrivals may be supported by our prices or if our prices are indeed hampering the growth of incoming international air tourists.

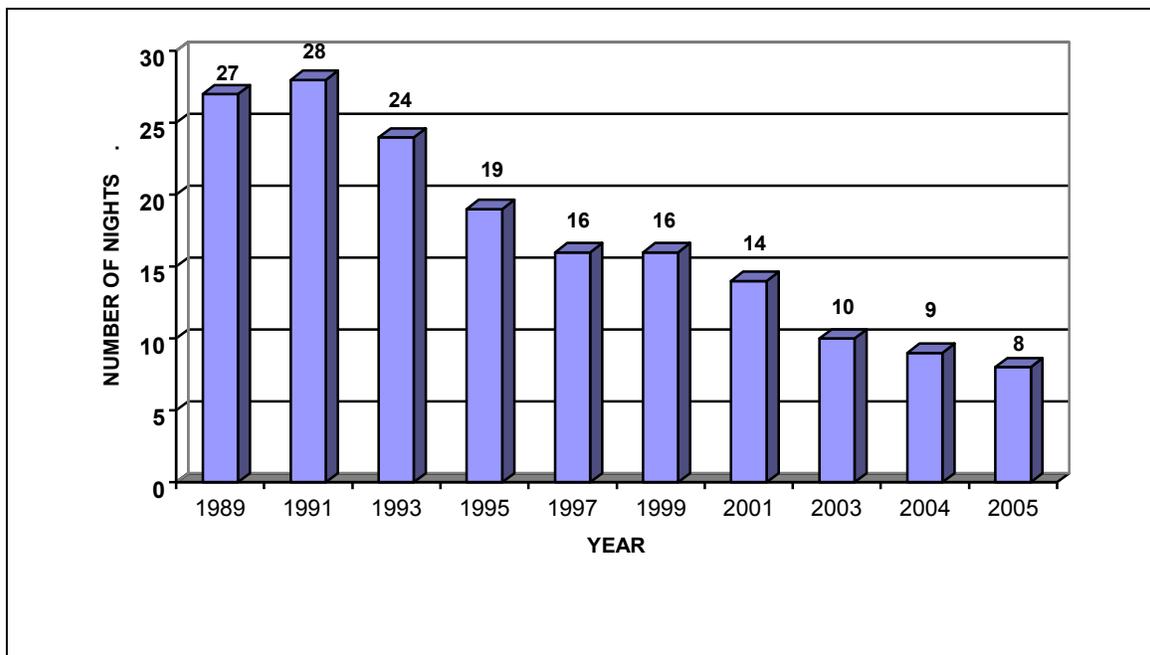
Moeketsi Mosala, the CEO of South African Tourism, admitted that pricing was definitely an issue which the tourism industry is struggling with and that long haul destinations such as Thailand and Australia are fierce competitors (Iafrica, 2005). South Africa has a group of competitor destinations that have been identified from a consumer standpoint. These destinations are destinations that are high up on the consumer consideration list (SA Tourism, 2007).

The Department of Environmental Affairs and Tourism in conjunction with South African Tourism introduced a global competitiveness project in 2003/4 which was initiated after the huge boom that took place in South Africa's tourism in 2002. The objective of this global competitiveness project was to measure how well South African tourism was doing in the global market, identify barriers and /or growth enablers for the destinations and put a long term plan of action into place to ensure continued growth in tourism (SA Tourism, 2004). **This global competitiveness project identified Australia and Thailand as South Africa's major competitors based on a large framework of a variety of competitiveness monitors** such as access to markets, availability of capital, finance, skills and human resources, transparency and availability of information, organised industry leadership and choices about segments, products, price, promotion, positioning, packaging, capacity and investment (SA Tourism, 2004).

According to Grant Thornton, business and financial consultancy, the Far East and Australia have become better value for money destinations than South Africa. In 2002 the rand exchanged for about R13 to the dollar, whilst it is currently trading at

about R8 to the dollar. This means that a foreign tourist now pays about 120% more than in 2002. A hotel that priced \$80 dollars in 2002 will now cost \$166 (SA Media, 2005).

In figure 1.2, the decline in the average trip duration of tourists to South Africa over a period of time from 1989 to 2005 is illustrated.



Source: SA Tourism, 2007

Figure 1.2: Average trip duration

From figure 1.2 it is clear that the average length of stay of tourists to South Africa has declined since the early 1990's. The implication of a shorter stay is that less money is spent or received by the host nation. This figure indicates that tourists are staying for shorter periods of time. The exact reason for this decline is not clear, but it may be speculated that price sensitivity, amongst other factors, may have a direct influence on the trip duration. On average, the trip duration for tourists to Australia was 27 nights for the year 2002 which is almost double if compared to South Africa (SA Tourism, 2007).

1.2. PROBLEM STATEMENT

Tourism has been identified as the biggest opportunity for economic growth in many countries. The value of the tourism industry stands out as an important role player also in the South African economy. This industry has been presented with many challenges: some factors over which a destination cannot have influence or control and others which it may control. Being price competitive and regarded as a tourist destination that offers value for money is one of the important factors which may be controlled. In economic challenging conditions, the tourist has become more value for money driven than before when choosing a destination. The focus of the research is therefore to establish if South Africa's tourism prices are regarded to provide value for money or not to international tourists.

1.3 GOAL AND OBJECTIVES OF THIS STUDY

1.3.1 Goal

The purpose of this study is to determine the price competitiveness of South Africa as a tourist destination in order to stimulate tourism and economic growth for the future. In order to accomplish this, South Africa's tourism prices have to be measured against its major international competitors, excluding Africa, and by researching international departing tourists who have already used South Africa's travel products.

1.3.2 Objectives

The research revolves around the following objectives:

1.3.2.1 Primary objective

To develop an international travel price index to measure the competitiveness of South African tourism product offerings on a continuous basis. This index may be used to monitor the travel expenses of an international air tourist in order to give South Africa a competitive advantage over its major competitors.

1.3.2.2 Secondary objectives

- ◆ To determine the affordability of South Africa as a tourism destination;
- ◆ To determine the price perception of international tourists to South Africa;
- ◆ To implement and apply a hotel price index by which accommodation establishments may measure their prices and competitiveness on a quarterly basis;
- ◆ To draw a competitive price analysis between tourism products in South Africa in comparison to its major competitors, namely Australia and Thailand.

1.4 RESEARCH METHODOLOGY

In order to reach the goal and objectives of this study, the research has been divided into two parts: literature and empirical research.

1.4.1 Literature research

The literature research identified, described and listed, the major destination products. During this research, the prices or costs of the following destination components or products (McIntosh et al, 1995:139) of South Africa, Thailand and Australia were researched. As mentioned previously, the mentioned competitor countries were identified in the global competitiveness project of the Department of Environmental Affairs and Tourism and SA Tourism in 2003/4 (SA Tourism, 2004):

- ◆ Attractions - major tourist attractions at a destination;
- ◆ Accommodation - three and five star hotels at the destination. Hotel accommodation accounts for the majority share (39.6%) of type of accommodation being used by international tourists arriving by air, (SA Tourism, 2005). Three and five star hotel prices were tested as these represent average tourist accommodation as well as the more expensive luxury accommodation;
- ◆ Transport - the cost of long haul international air travel to the destination. The cost of the flight to the destination contributes to the majority share of the tourist's expenses (Page, 1999:147). Airfares from major international air transportation hubs from each continent to South Africa were included in the research.

The above-mentioned products form part of the destination product (Youell, 1996:86). Only attractions, accommodation and transport prices were benchmarked, as these are the major products of a destination for which the tourist will pay (Lubbe, 2000:307). The prices of the above-mentioned products were benchmarked with that of South Africa's major competitors. South Africa's major competitors have been identified by SA Tourism as Thailand and Australia (lafrica, 2005).

The study consists of three theoretical chapters. One chapter clarifying the major destination products in general and specifically of each country, whilst the other focuses specifically on price: the role that price plays in the tourism industry, different pricing theories, how sensitive price is in the tourism industry and how to increase competitiveness through price. The last theoretical chapter focuses on various price indices and competitiveness models.

1.4.2 Web based research

The internet was used to source information on the prices of different travel products in South Africa, Thailand and Australia. The data obtained was used to do a comparison and analysis of the tourism product prices of the mentioned countries. In this chapter, the data collected from the internet was prices of three and five star hotel accommodation, air transportation and the major attractions at each destination.

1.4.3. Empirical research

In this section, the research methodology used in this study is discussed.

1.4.3.1 Research design

The population of this study was foreign tourists to South Africa that have completed their journey. The questionnaires were completed in the departure halls of Johannesburg's Oliver Tambo and Cape Town International airports as the majority of international tourist arrivals take place in Gauteng (50.7%) and the Western Cape (23.5%) (SA Tourism, 2005). A total number of 250 questionnaires were completed. A sample size of 250 allows for a 95% confidence level based on the number of variables in the questionnaire (RESEARCH, 2005). Of the 250 questionnaires, 150 were completed at Oliver Tambo International airport and 100 at Cape Town International airport. The number of questionnaires was split according to arrival percentage proportions at Johannesburg and Cape Town's airports as stated above. The time span over which these questionnaires were completed varied according to season and departure timeslots at the mentioned airports, in order to ensure that a wide spectrum of tourists from all over the world was included in the survey. Different time slots and different days of the week were used for completion of the questionnaires. The low season questionnaires were completed in the beginning of June 2006 when tourist arrivals are the lowest and

product prices are relatively cheaper for incoming tourists, whilst the high season questionnaires were completed during the high season (Easter holidays 2006) when tourist arrivals are higher and product prices are relatively more expensive (SA Tourism, 2005). Departing passengers were selected randomly in the international departure lounge.

1.4.3.2 Sampling method

The respondents were chosen randomly, giving each member of the population an equal chance of being chosen, in the international departure terminal of Oliver Tambo and Cape Town international airports respectively. Only foreigners, not permanently residing in South Africa, were questioned for low and high seasons respectively by means of personal interviews. The researcher therefore sampled randomly from four strata - each a season/airport combination: Johannesburg low and high and Cape Town low and high respectively.

1.4.3.3 Population

Therefore, the population consists of departing international tourists who have already used South Africa's tourism products and were able to base their answers, responses and price perceptions on their recent visit to South Africa.

1.4.3.4 The questionnaire

The aim of the questionnaire was to determine the departing tourists' perception of prices paid for tourism products during their visit to South Africa. The questionnaire covered a wide range of variables and contained both open-ended and closed-ended questions that were mainly divided into the following categories (see Annexure A):

- (1) Profile of the tourist
- (2) Air transportation
- (3) Accommodation
- (4) Food and beverages
- (5) Specific attractions
- (6) Attractions in general
- (7) Overall perception of South Africa.

The questionnaire's validity, consistency and clarity of questions were tested by providing a pilot questionnaire to a reputable local travel management company for their inputs and recommendations. This draft was then tested further amongst ten academic staff members of the School of Tourism, Hospitality & Sport at the Central University of Technology, Free State. These results were used to structure the final questionnaire in order to eliminate possible problem areas and any ambiguity in the questionnaire.

1.4.3.5 Data collection

Phase 1:

Web based research of South Africa, Thailand and Australia's tourism products were conducted in order to list, price and record amenities offered by three and five star hotels in Cape Town (South Africa), Bangkok (Thailand) and Sydney (Australia). The accommodation prices for South Africa was limited to Cape Town, being the mother city and tourism hub of South Africa, whilst the cities of Bangkok and Sydney represent their respective countries as the international hub for air transportation and therefore most international arrivals take place in these two mentioned cities.

Phase 2:

A total number of two hundred and fifty research questionnaires, divided pro rata according to tourist arrivals at Oliver Thambo International airport (150) and Cape Town International airport (100), have been split in two rounds in order to accommodate both low and high season international tourist departures.

The questionnaires were completed with the assistance of selected third year Tourism Management students of the Central University of Technology, Free State. The embedded tourism knowledge of these students reinforces reliability and the correct interpretation and understanding of the questions and completion of questionnaires.

Phase 2a:

A total number of one hundred and twenty five questionnaires were completed during round one. Seventy five respondents were questioned at Oliver Thambo International airport and fifty respondents at Cape Town International airport during the period of 28 March – 05 April 2006. The number of questionnaires completed at each airport was calculated proportionally based on the total number of international arrivals at each airport as discussed in paragraph 1.1. The questionnaires were completed during different time slots each day to include as many as possible different departure destinations. Respondents were selected randomly and those questioned in this round, in all probability, experienced or paid high season prices.

Seventy five questionnaires were completed in four consecutive days at Oliver Thambo International airport during the holiday months of March / April 2006 (Easter holidays) and fifty questionnaires were completed in the following three consecutive days at Cape Town International airport during the months of March / April.

Phase 2b:

A total number of one hundred and twenty five questionnaires were completed during round two. Seventy five respondents were questioned at Oliver Thambo International airport and fifty respondents at Cape Town International airport during the period of 01-06 June 2006. The same distribution methodology was used as in round 1. Respondents questioned in this round, in all probability, experienced or paid low season prices.

Seventy five questionnaires were completed in four consecutive days at Oliver Thambo International airport in the beginning of June and fifty questionnaires were completed in the following three consecutive days at Cape Town International airport also in the beginning of the month of June 2006.

1.4.3.6 Data analysis

The processing of all data was done on Microsoft Excel and with the software package STATISTICA. A great deal of effort went in the cleaning up, recording and recoding of the data, an aspect often neglected in empirical research. Both programmes were used for descriptive and statistical results. A variety of statistical comparisons, plots and summaries are used in order to properly compare and index all relevant data needed to draft the indices listed as primary and secondary objectives in paragraph 1.3.2.

1.5 LIMITATIONS TO THE STUDY

Various limitations to the study exist such as:

- ♦ The uncontrollable external tourism environment. Changes in fuel prices, exchange rates or the cost of airfares, may have had a direct influence on, for instance, the price perception of the tourist and these factors may not

necessarily have existed during both phases of the research. Other external factors which may also have played a role are factors such as war, political uncertainty or natural disasters. In an attempt to minimise the influence of such external factors, the questionnaires were completed with the minimum seasonal time lapse between each phase.

- ◆ Limited published sources specifically related to tourism prices and tourism price indices are available.
- ◆ The possible unwillingness of international tourist(s) to be questioned, supply answers and share financial expenditure.
- ◆ The ability of respondents to report accurately on specific expenditures.
- ◆ The influence of changes and fluctuations in the currency exchange market has been limited by recording prices in the local currency of respondents. Furthermore, all questionnaires were converted simultaneously by using the same applicable exchange rate for both low and high season completed questionnaires.

1.6 ACRONYMS AND DEFINITION OF CONCEPTS

1.6.1 Acronyms

A\$	Australian Dollar
AUD	Australian Dollar
B	Thai Baht
BKK	Bangkok
CPI	Consumer Price Index
CPT	Cape Town
DOM	Domestic
GDP	Gross domestic product
HIGH	High season
HPI	Hotel Price Index

IATA	International Air Transport Association
INT	International
JNB	Johannesburg
LON	London
LOW	Low season
MICE	Meetings, Incentives, Conferences & Exhibitions
NP	National Park
NYC	New York City
R	Rand
SYD	Sydney
THB	Thai Baht
VFR	Visiting family or friends
ZAR	South African Rand
\$	US Dollar
£	UK Pound
CRS	Central reservation system
GDS	Global distribution system

1.6.2 Definitions

ASATA: Association of South African Travel Agents.

Advance purchase: This refers to the rule of a fare requiring the passenger to purchase the air ticket a specific number of days prior to departure. If the advance purchase is not met, the passenger cannot qualify for the discounted fare.

Airline code: Every airline has a two letter code which is used for identification purposes. This code is assigned to the airline by IATA, such as SA for South African Airways.

Board point: This is the first point of the city of departure of a city pair. It may be

any point where the passenger boards an aircraft and may also be called the origin or departure point.

Business class: An intermediate class of service on board an aircraft, priced higher than economy/coach class, but lower than first class.

Casino hotel: A hotel with gambling facilities.

Carrier: This is another word used in the industry for an airline. It may also be used for a company supplying transportation services.

Chain hotel: A type of accommodation establishment which may be owned either by the chain or privately. The establishments have the same name, offers the same services and level of quality. It usually charges within the same price range.

Child: Airlines consider a passenger to be a child if aged between 2 and 11 years, but s/he has not yet reached their 12th birthday. Accommodation establishments regard a guest, younger than 18, sharing a room with the parents, as a child.

City code: A three-letter code designated for each city served by passenger carriers. These codes are used internationally. The city code used for Johannesburg for instance is JNB.

City pair: The origin city of a passenger's journey and the city where the passenger deplanes, that is the board point and the off point. For instance, BFNJNB.

Class of service: Passengers may travel either in first class (F or P), business class (C or J) or economy (coach) class (Y or S). Special fares, mostly in economy class, are booked in a variety of class codes such as K, T, B or Q for instance. Apart from the difference in the airfare, these classes are furthermore

differentiated, for instance, by the type and choices of food served, the cabin crew ratio, the spaciousness of seats, extra services, etc. Lately, some airlines offer first and business class cabins and luxury seats.

Day rate: A special rate for the use of the room not including an overnight stay.

Family rate: A special room rate for parents and children sharing the same room.

Fare basis: A price level for air travel designated by a specific code. The code F is used for first class, J or C for business class and Y or S for economy class. These codes vary from airline to airline.

IATA: International Air Transport Association. They regulate and standardise all international travel rules and regulations related to air travel.

Infant: A lap-held passenger who has not yet reached his/her 2nd birthday. An infant usually pays 10% of the adult fare as long as it does not occupy a seat. Only one infant allowed per adult passenger.

Itinerary: A chronological list that indicates all flights, hotels, car rentals of the passenger.

Midweek: Monday through to Thursday.

Rack rate: The published, non discounted rate for the room. This is also called the standard rate.

Resort hotel: A hotel that provides a destination upon itself with scenery and activities on the property to guests who are usually on holiday.

Segment / leg: A portion of an air ticket or itinerary, similar to a city pair.

1.7 CHAPTER CLASSIFICATION

This study comprises eight chapters in total. Chapter 1 includes the problem statement, research methodology, the definition of terms and acronyms used in this study. Chapter 2 describes what a destination product consists of and specifically focuses on the major tourism products of South Africa, Thailand and Australia. Chapter 3 gives the theoretical basis for price competitiveness. In chapter 4 a price comparison between South Africa, Australia and Thailand is made in terms of each country's major tourism products. Chapter 5 discusses existing price indices and models as well as a discussion on the various ways of measuring competitiveness of destinations. The analysis, interpretation and findings of the empirical research data are addressed in chapter 6. In chapter 7 all research results are combined in the development of an international travel price index. Chapter 8 contains the conclusions and recommendations of the study.

CHAPTER 2

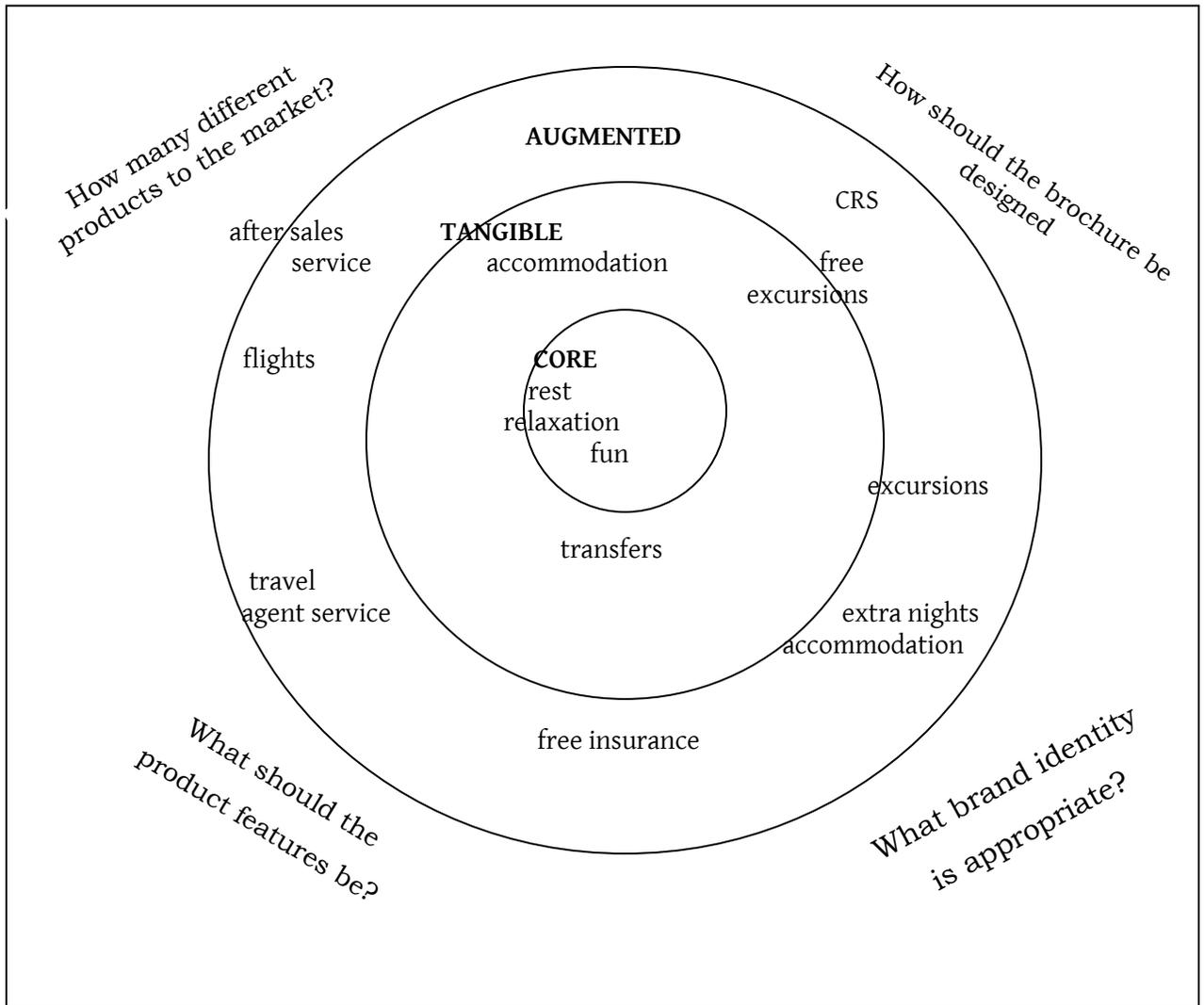
DESTINATION PRODUCTS

2.1. INTRODUCTION

The five main sectors in the tourism industry are the attractions, accommodation, transport, travel organiser and destination sectors (Vanhove, 2005:10). Each of these sectors forms the base of a variety of travel and tourism products and services which are consumed or bought by the tourist. The tourism product consists of what the tourist buys prior to and during his/her trip and this comprises much more than just the tangible products. The tourist buys a whole holiday experience provided by the destination visited, which includes many intangible elements too (Vanhove, 2005:10-11).

According to Ashworth & Goodall (1993:6–9) and Kim (1998:340), tourism destinations are undoubtedly to be treated as tourism products. The destination is both the product but also the holder of a cluster of other products such as services, accommodation, attractions and transportation. Lee (2001:230) defines a destination as „a collection of features appealing to tourists’. The decision to visit a particular destination may be seen as the individual’s realisation of his/her particular needs that need to be satisfied. For the tourist, the decision is based on a series of considerations such as the budget, time available, whom to travel with and the level of satisfaction likely to be experienced (Laws, 1995:105).

The product that the consumer purchases is one of the most important elements of the marketing mix, as it is the product that will satisfy the customer’s needs. Figure 2.1 indicates all the elements that a travel and tourism product may consist of.



Source: Callaghan et al. (1994:213)

Figure 2.1: The elements of the travel and tourism product

As indicated in figure 2.1, the product is made up of three levels. The first level is the core product, which satisfies and represents the main benefit or service. The customer gains this when purchasing the product. The second level is the tangible product, which refers to the formal features of the product purchased, for example the hotel rooms, the actual visitation of an attraction or occupying a seat on the aircraft. The third level is the augmented product, which refers to all the other aspects or services that „add value’ to the product such as luxury mattresses, fully

air-conditioned buses or a luxury reclinable seat on the aircraft. These may be tangible or intangible (Callaghan et al., 1994:213).

The tourism product must be designed or amended to such an extent that the product will be able to satisfy the tourist's needs and wants. If the product is not what the market or the tourist wants, no amount of price adjustment or clever promotional strategy will encourage consumers to buy it more than once. If the product, however, satisfies the needs and wants of the consumer then the consumer will purchase the product again, will buy other products offered by the same manufacturing organization or destination or the consumer is likely to „recommend the product to other consumers' (Bennett, 1998:262).

According to Swarbrooke, (1995:203–204), the product covers the following elements:

- ◆ **Designed characteristics and packaging.** Packaging includes more than just the mere product, but consists of a combination of related and complementary services included in the package deal and may consist of a variety of partners working together. A destination package specifically, refers to a package that is characterized by the destination and it features (Morrison, 2002:312-314,588). For instance, one destination may be dominated by shopping or sporting packages, whereas another destination is famous for sun-and-sea packages. Kotler et al. (1996:650-651), suggests that packages of attractions and other destination components must be developed in order to ensure that one destination is favoured before another. By combining transportation, accommodation, attractions, services and facilities, of a destination into a package, excitement, adventure and crowds, are attracted.
- ◆ **Service component.** A product's value may be enhanced through service excellence. Destinations are known for service excellence and this is dependent on various factors such as, for instance, the staff selling the product, their appearance, competence and attitude, their friendliness, helpfulness and social interaction with the consumer at the destination (Swarbrooke, 1995:203).

- ◆ **Image and reputation.** A good image of a product is one of its most important attributes. The customers' perception of the product is based upon their image of the product which leads directly into making decisions about whether to purchase it or not. Many different factors have an influence on the image and reputation of a product, such as for instance, the exterior view of a hotel, its decor, reception, uniforms and dress code standards, efficiency and friendliness of staff and the way in which the reservation procedure is handled (Kaser & Freeman, 2002:214-216).
- ◆ **Branding.** Branding is more than „giving the product a name or a symbol' (Lickorish, 1994:53). It refers to whether or not, the product has a well recognised name in the market it serves and it is furthermore also used to differentiate the product from similar products available to the consumer. Branding therefore ensures that the consumer will associate a specific product with specific benefits, characteristics, etc. Branding also creates a certain loyalty towards using a specific product and may also be used to strengthen the image of a specific product (Bennett & Strydom, 2001:110-111 and Faulkner et al., 2000:203). A well-branded destination is known for its dominating characteristics such as for instance, sand-and-sea, sporting, cultural or shopping destinations.
- ◆ **Positioning.** This determines how the product is rated or positioned in its direct market environment. The product should be positioned in such a way as to serve the target market to its full potential.
- ◆ **Benefits derived.** This refers to the value, benefit or quality that the product may add to the consumer's life and the value that consumers attach to a product or service. This includes the satisfaction received after an exquisite dinner or the enjoyment received from staying at a luxury hotel overlooking a major attraction. These benefits could vary from „excitement, educational value or status' (Kaser & Freeman, 2002:121).
- ◆ **Guarantees and after-sales service.** Morrison, (2002:295-296), suggests that guarantees and after-sales service should benefit both the product owner

and the consumer. Having written guarantees and after-sales service policies, it informs consumers what to expect in terms of service delivery and it also gives the product owner's employees a clear idea of what is expected of them when they are serving consumers. Guarantees and after-sales service should at least involve the „handling of complaints, looking after consumers and interaction after product use or sale thereof’.

- ♦ **Quality.** Bennett & Strydom (2001:20-21), states that quality may be measured by using your customer’s perception of the product and if the quality of a particular product or service really is whatever the consumer expected it to be. Also compare Barrett (1995:8–10) and Irons (1997:141). Quality should not be defined in terms of a product alone, but should include the service delivery too. This implies delivering excellent service being totally committed to satisfying the customer’s needs.

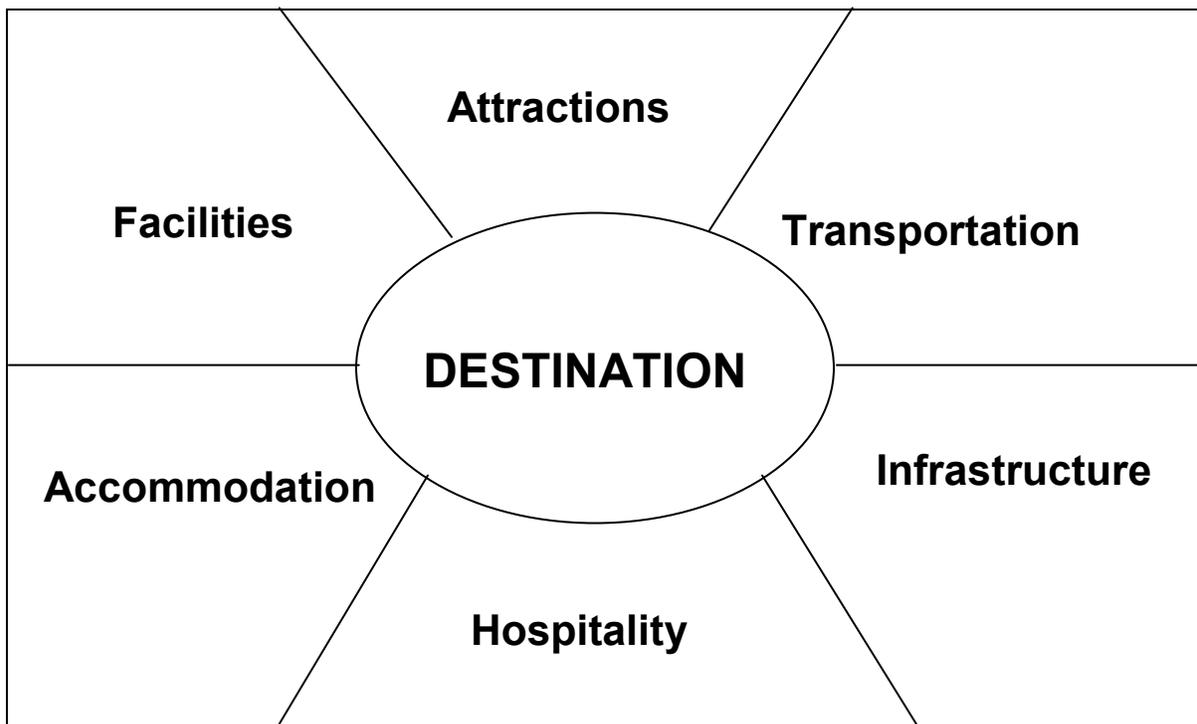
It is clear that a tourism product has a complex and diverse variety of features, experiences and characteristics, which involves more than a mere combination of various elements. The product has to satisfy basic and the psychological needs of the consumer. Furthermore, the tourism product has its own uniqueness when compared to other products. The tourism destination as a product also varies from other tourism products. Further study in this regard is thus necessary.

2.2. THE TOURISM DESTINATION

A tourism destination (the product in this study) comprises a mix of several different components like travel or transportation, accommodation, attractions and other supporting facilities such as a tour guide or transfer service. The destination products may be bought as a complete inclusive package from a tour operator, individually from travel agents or the consumer may visit the destination independently and purchase the required products there (Middleton, 1994:86-87).

Figure 2.2 illustrates the different components of a destination (Youell, 1996:186):

- ◆ **Attractions** – attracts tourists and are often the stimuli for a visit.
- ◆ **Transportation** – ensures accessibility for tourists by means of air, road or sea.
- ◆ **Hospitality** – the way in which tourist services are delivered to tourists and the friendliness of the host community.
- ◆ **Infrastructure** – roads, airports, buildings, parks and other support services around which tourist facilities are developed.
- ◆ **Accommodation** – providing tourists with a place to sleep such as hotels, guesthouses, lodges, camping sites, backpackers or youth hostels.
- ◆ **Facilities** – extra services for example tour guiding, transfers, shopping and information centres.



Source: Youell (1996:186)

Figure 2.2: Components of a destination

Laws (1995:14), supports the above-mentioned destination product approach illustrated in figure 2.2, but also places emphasis on the complexity of a destination. According to him, there are two factors that contribute to the attractiveness of a destination. The *primary* features like weather conditions, scenic beauty, ecology, nature, culture and landforms and the *secondary* features like hotels, restaurants, infrastructure, transportation, activities, attractions and amusement that are all designed specifically for the needs of the tourist.

Middleton (1994:86) on the other hand, lists the main components of the overall destination product as the following:

- ◆ Destination **attractions and environment**, for example, natural, manmade, cultural and historical attractions.
- ◆ Destination **facilities and services**, for example infrastructure developments such as a road or train network, accommodation establishments, shopping malls and support services offered by the destination.
- ◆ **Accessibility** of the destination by means of all the different forms of transportation such as trains, cruise liners, ships, airplanes and cars.
- ◆ **Price to the consumer**, which depends on the affordability and value for money that the destination provides in general to a specific type of consumer.
- ◆ **Images of the destination**. This is a representation of what the tourist expects the destination to be, based on various stimuli received (Kim, 1998:340-342).

Drawing a conclusion from the above-mentioned perspectives, the common destination elements or components are: attractions and activities, a variety of accommodation establishments, different forms of transportation that provides access, infrastructure to support the destination and services delivered to the tourist such as tour guides and information centers.

2.2.1. The major components of a destination

2.2.1.1. Attractions

The English Tourist Board (Visit Britain, 2005) defines a tourist attraction as „a permanently established excursion destination’ of which its primary purpose is „to allow public access for entertainment, interest or education; rather than being a primary retail outlet or a venue for sporting, theatrical or film performances. It must be open to the public, without prior booking for published periods each year and should be capable of attracting day tourists or tourists as well as local residents. In this regard, without prior booking refers to attractions being open to the public on a daily basis and tourists may come and go as they wish’ (Visit Britain, 2005). According to Bennett (1998:8-9), an attraction forms the very base of tourism and Ferrario (as in Bennett, 1998:57), defines it as “something interesting to see or to do”. Mancini (1996:147) describes it as “the points of interest that help attract tourists to a destination in the first place” and “sites around which the tour companies shape their itineraries.”

Tourist attractions as a component of the tourism destination should be one of the reasons for the visit and be strong enough to pull the tourist away from home and provide him or her with travel satisfaction (Nickerson, 1996:183-186). Youell (1996:187-189) and Gartner (1996:352-354), identify the following types of tourist attractions:

- ◆ **Heritage:** These attractions are aimed at depicting and portraying history or the way life used to be at a particular time or era in the past. Examples of such attractions are for instance the Viking Centre in York or Sydney Town in Australia.
- ◆ **Cultural:** These attractions focus on specific cultural aspects and teachings which are depicted and enhanced by cultural experiences demonstrating the cultural diversity in the world. Examples of such attractions are the variety of African cultural villages in South Africa and the Maori Cultural Village in

Rotarua.

- ◆ **Theme parks:** These parks focus on family entertainment by means of permanent rides, exhibitions and entertainment in a themed setting. Disney World in Orlando, United States of America is one of the most popular in this regard.
- ◆ **Historic:** Attractions like monuments, castles and minsters, are examples of historical attractions and they are usually in government ownership. Examples of such attractions are Westminster Abbey and St Paul's Cathedral in London, the Arc de Triomphe in Paris and the castle of King Ludwig in Germany.
- ◆ **Sport and recreation:** These attraction centres offer a variety of sporting facilities such as pools, sport fields, ponds and natural environments, leisure centres and a variety of sporting activities. Examples of such attractions are Central Park in New York and Wimbledon outside London.
- ◆ **Natural:** The attraction in the natural environment, deserts, lakes, mountains, beaches and waterfalls such as the Victoria Falls in Zimbabwe, the everglades in Florida or Table Mountain in Cape Town.
- ◆ **Entertainment:** These are facilities that provide entertainment opportunities such as theatres and opera houses, speciality restaurants, nightclubs and discos and gaming venues such as the Moulin Rouge in Paris, Sun City in South Africa or London's West End theatres.

A further distinction may be made between different categories of attractions according to their nature (Bennett, 1998:9):

- ◆ **Man-made attractions,** which have been developed by the intervention of man. This may include historic and modern architectural structures, theme parks, casinos, shopping malls, monuments and sport stadiums.
- ◆ **Nodal or linear attractions,** which refers to tourism products that are supported or receives the majority of their business from a close-by or supporting attraction.
- ◆ **Site and event attractions.** Events may be temporary, annually or occasionally and many sites and cities owe their attraction to events that take

place there, such as Mardi Gras in New Orleans or the Klein Karoo National Arts festival in Oudtshoorn.

2.2.1.2 Accommodation

Accommodation forms one of the critical components of the destination product. It is more than just a place to sleep for the night, but it also creates a certain ambience or general feeling of welcome and it leaves a lasting impression and memories of the destination. Accommodation may be classified in many different ways. Bennett et al. (2005:43-44) and Holloway (1994:118) classify it as follows:

- ◆ **Serviced accommodation:** This refers to accommodation establishments that have supporting staff to deliver various services such as room service, meals and laundry services. This category includes hotels, motels, guest houses, game lodges and any other accommodation establishments that include the above-mentioned services.
- ◆ **Self-catering accommodation:** This type of accommodation provides a place to sleep but no additional services are included. Examples of such types of accommodation providers are chalets, time share, rented flats and other types of self-catering accommodation.

Pearce et al. (1998:290) diversify the above-mentioned accommodation classification further into the following major categories:

- ◆ **Hotels:** This is the traditional form of accommodation which may vary from luxury five or six star accommodation to limited or budget one star service hotels.
- ◆ **Motels:** This form of accommodation is primarily based upon meeting the needs of the automobile traveler and is therefore conveniently located close to highways and major traffic routes.
- ◆ **Resorts:** These establishments are aimed at satisfying all the tourists needs on the property therefore ensuring the tourist will spend the majority of his/her time there. Facilities include accommodation and leisure facilities in an

extraordinary setting.

- ◆ **Timesharing:** This is a form of ownership rather than a style of accommodation, but since accommodation may also be let, it may be considered as an accommodation category.
- ◆ **Specialist accommodation:** This refers to non-traditional forms of accommodation such as bed and breakfast establishments, guest houses, tourist homes, inns, cabins, farms and similar retreats.

The majority (39.8%) of foreign tourists to South Africa use **hotel** accommodation (SA Tourism, 2005). Therefore this study focused on serviced hotel accommodation. Three and five star hotels were included in the study: three star properties represent the average middle price range and five star hotels represent the luxurious exclusive hotels. According to the Tourism Grading Council a hotel may be defined as follows: "A hotel provides accommodation to the travelling public, has a reception area and offers at least a "breakfast room" or communal eating area. In general a hotel makes food and beverage services available to a guest" (Tourism Grading Council, 2005).

2.2.1.2.1. Accommodation grading systems

It is no easy task to differentiate between accommodation establishments of different types, different standards and different facilities (Holloway, 1994:119). Grading systems vary from one country to the next and no international uniformity of grading accommodation exists (Pearce et al., 1998:290-291). Various indicators are used to indicate the rating of an accommodation establishment such as stars, keys, diamonds or crowns. Generally, the more symbols used, the higher the rating or grading and more luxurious and expensive the accommodation establishment (Todd & Rice, 2002:154).

Pearce et al. (1998:290) confirms that most people today have an idea of what facilities and/or luxuries to expect at for instance a five star hotel. The grading of

accommodation establishments are based upon the presence or absence of certain facilities and services at the property and many private or motoring organisations are responsible for this task. Although no international accommodation grading classification system exists, there are generally five common levels or classification:

- ◆ Establishments with good basic facilities and furnishings that ensure comfortable accommodation. Not all meals are provided and a limited service exists.
- ◆ Establishments with a higher standard of facilities and accommodation that provide better levels of comfort.
- ◆ Establishments with very comfortable accommodation providing en-suite bathrooms. A range of facilities and all meals are provided.
- ◆ Establishments of high quality accommodation, well furnished and equipped to a high standard of comfort. A wide range of services and amenities exists for the use of guests and non-residents.
- ◆ Establishments with outstanding quality accommodation and furnishings which meet the highest international standards of luxury. Extensive services and amenities are provided.

The South African Tourism Grading Council (Tourism Grading Council, 2005) grades establishments in the following categories: Bed & Breakfast, guesthouse, hotel, lodge, self-catering, backpacker and hostelling, caravan and camping and country house. They stipulate the minimum requirements for each category as well as the grading criteria which accommodation establishments have to meet in order to be graded successfully². The Tourism Grading Council in South Africa uses star symbols to indicate the standard of accommodation. Every establishment is assessed according to the specified criteria and given a star rating. The objective of the national grading scheme is to assist in the improvement in the overall quality of different types of accommodation and

² See addendum to this chapter for detailed grading requirements and criteria prescribed by the Tourism Grading Council of South Africa.

services in South Africa (Tourism Grading Council, 2005).

The Tourism Grading Council of South Africa has secured the exclusive use of the "star" symbol locally to indicate the standard of an accommodation establishment. Each star level represents specific standards that have been met by the establishment and the following guideline may be used as an indication of what a tourist may expect from a specific star grading (Tourism Grading Council, 2005):

“ONE STAR: Fair to good (acceptable/modest) quality in the overall standard of furnishings, service and guest care. It offers clean, comfortable and functional accommodation.

TWO STAR: Good quality in the overall standard of furnishings, service and guest care.

THREE STAR: Very good quality in the overall standard of furnishings, service and guest care.

FOUR STAR: Superior (excellent) comfort and quality with a high standard of furnishings, service and guest care.

FIVE STAR: Exceptional quality and luxurious accommodation (matching best international standards) providing the highest standard of furnishings, flawless service and meticulous guest care “(Tourism Grading Council, 2005).

In Australia, the Automobile Association is responsible for the grading of accommodation establishments (Australian Automobile Association, 2005). The grading standards are similar, but not identical, to that of the Tourism Grading Council of South Africa if hotel facilities are compared.

Thailand has no official grading system and accommodation establishments are self-graded according to facilities offered. Many tour operators and local agents

also self-grade accommodation to assist with the selling and marketing of the product.

2.2.1.3. Seasonality

Seasonality may be described as a temporary unequal distribution of tourism products where certain days, weeks and months have a greater demand than others. This uneven distribution varies from destination to destination and more than one peak period per year may be experienced at certain destinations. This peak period or high season may last days, weeks or even several months depending on the reason for the higher demand. The main responsible factor for seasonality is climate, time of the year or historical happenings (Evans et al., 2003:33, 52). Other factors such as school and university holidays, annual events and festivals and internationally celebrated public holidays, when many institutions have an annual paid period of leave for all their employees, also play a role in the higher demand (Vanhove, 2005:13). Most of the destination's products and/or components are affected by seasonality. According to Evans et al. (2003:33, 52), tourism has one of the most highly seasonal patterns of demand if compared to other products.

The travel products of destinations, hotels and airlines cannot be marketed or sold the in the same way all year round due to seasonality, therefore the necessity exists for low, shoulder and peak or high season prices (Davidhoff & Davidhoff, 1998:26). Many product owners have implemented a variety of methods to compensate and stimulate sales during the low season such as market fares, promotional special fares, special activities, outings or events and weekend specials. Seasonality does not only affect product suppliers such as accommodation establishments, airlines and attractions, but it also impacts on natural resources and employment opportunities at the destination (Bennett et al., 2005: 389).

2.2.1.4. Transportation

According to Holloway (1994:68-69) the provision of safe, comfortable, fast and convenient transport is a prerequisite for the tourism industry in any country. The two most important factors in air transportation are: price paid and time to travel to the destination (Yale, 1995:66 and Lubbe, 2000:295). This implies travel by air as the predominant method of tourist travel both in terms of passenger distances traveled on long-haul flights as well as money spent on transportation. Tourists will rather prefer to spend time at the destination than spending time in getting there.

Air transportation is regulated by IATA, the International Air Transportation Association, which is responsible for the safe, regular and economical transport of passengers for all peoples of the world. They guard air commerce and handles issues and problems related to the air travel industry. Travel may take place in first, business or economy class on scheduled passenger air services. These classes of travel are differentiated by price and facilities offered on board the aircraft. Differences may be found in the choice of menu, the size and comfortableness of seats, the staff-to passenger ratio of cabin attendants, use of airport lounges, free baggage allowances and priority check-in and baggage collection (DTT, 2005:13).

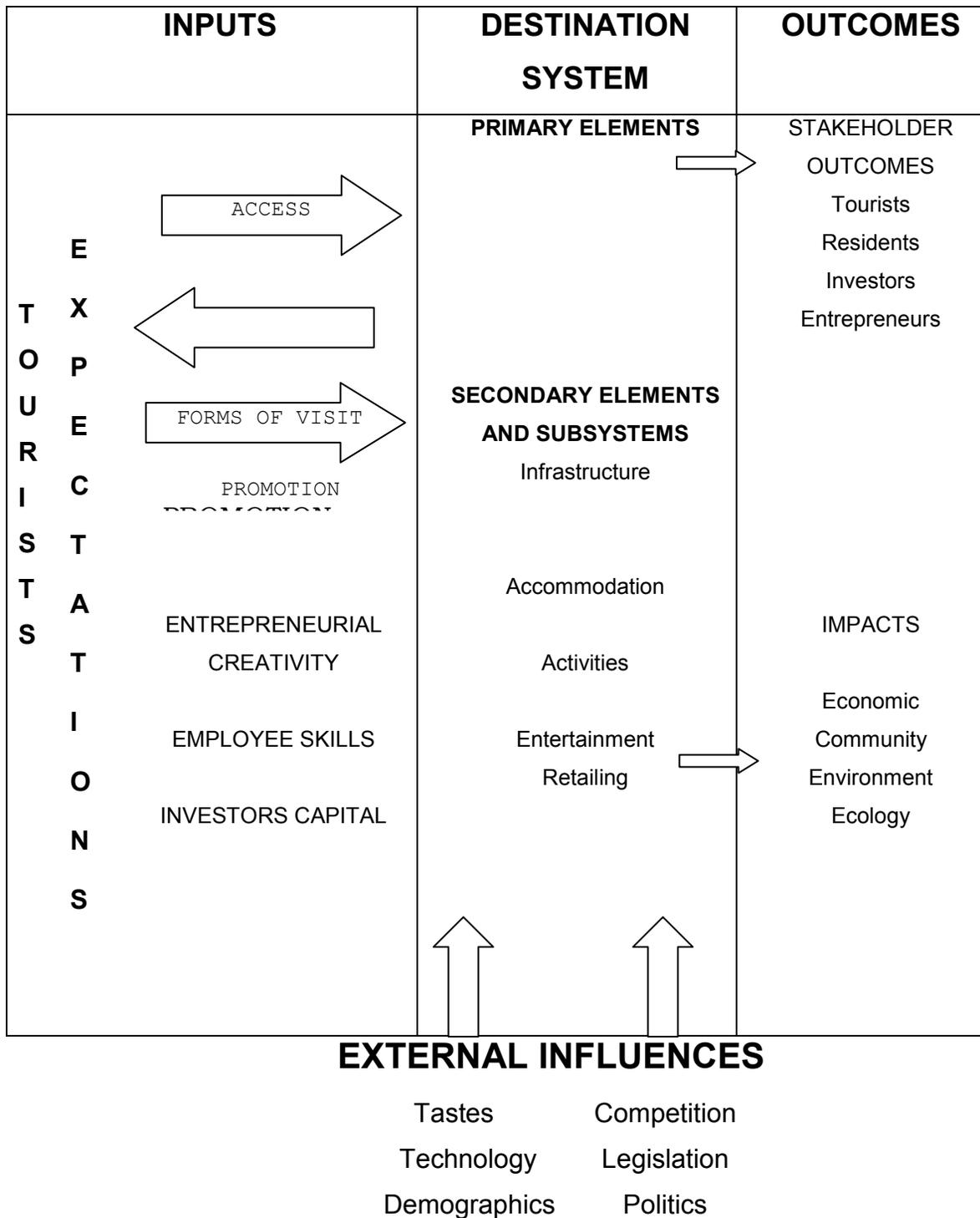
Many airlines offer special, promotional or market fares in order to offer cheaper prices to the consumers. These fares allow cheaper travel, usually in economy class, in exchange for minimizing the opportunities to make alterations to the passenger's reservation, requiring advance purchase and restricting travel to a specific time and selected dates and flights only. A penalty fee or cancellation fee is charged when changes are made to these air tickets once issued. Examples of such discounted special and promotional fares are the advance purchase pex fares (APEX and PEX), excursion fares (YEE) youth (YZZ), senior citizen (YCD) or inclusive tour fares (YIT) (Cooper et al., 1993:186).

The demand for air travel in South Africa has increased significantly in the 1990's. Together with the increased demand and the rising number of international arrivals, the number of international airlines serving South Africa increased from 21 in 1991 to over 60 in 1999 (WTTC, 2007).

2.2.2. Tourism destination systems

In addition to the basic components of the destination product illustrated in figure 2.2, figure 2.3 below illustrates the different parts of the general tourist destination systems model. All tourist destination systems consist of primary and secondary features.

Every destination has a unique mix of characteristics, which are determined by its unique geographical location, culture and history, attractions and scenic beauty. The development of a specific systems model for each destination may clarify the relative importance of each respective element to that specific destination (Laws, 1995: 35–37 and Swarbrooke, 1995:39–41).



Source: Laws (1995:36)

Figure 2.3: The general tourist destination systems model

The **destination's inputs** include:

- ◆ **Access:** Accessibility refers to all the elements that affect the price, frequency, speed and convenience with which a particular tourist destination may be reached. These include elements such as infrastructure (roads, airports, seaports, railways), transportation equipment (size, speed and range of options available), operational factors (routes, frequency of services and prices charged) and government regulations that relate to transport options for example the number of adults per bus or coach (Bennett & Strydom, 2001:107).
- ◆ **Promotion:** This refers to a variety of methods used to communicate with the target market of the destination. The destination marketers set promotional objectives and then use the best possible way to suit both product and target market. Promotional activities have to be successful in order for the product to be well established and known in the market and a product or service may easily fail even though it was a well-designed and produced product or service available at a competitive price. These promotional activities also serve a secondary purpose: it has a direct influence on the image of the destination (Pender, 1999:241 – 242 and Myers, 1986:363). The promotional strategy for a product refers to the creation and implementation of promotional programmes to project destination images. Key messages are sent to targeted segments of potential tourists. To be effective and operative, such campaigns must be of sufficient weight and impact to create the necessary numbers of potential tourists who are aware of and predisposed to the destination. Sufficient funding is needed for the task as money spent on image creating or enhancing may in practice be considered to be a waste of money if the desired objectives were not achieved (Middleton, 1994:232–233).

The **destination's system** refers to its primary and secondary elements:

- ◆ **Primary elements:** Examples of primary elements of a destination are its natural resources, natural and man-made attractions, the environment, the

image of the destination and the history and culture of the destination.

- ◆ **Secondary elements:** Examples of secondary elements of a destination may include infrastructure, accommodation, activities, attractions, entertainment and retailing.

The **outcomes and impacts** of the destination include tourists that visit, as well as investors and entrepreneurs that invest in the destination. This has an economic impact on the community through the inflow of money into the destination and jobs being created as a result of that. The environment is affected by pollution or over use of a specific area. Furthermore there is an impact on the ecology where disturbance in, for instance, the breeding patterns of animals take place at the destination.

The **external influences** consist of elements such as what is desirable to the tourist, the technology available, competition, politics and others, which are typically beyond the control of the destination. Other external considerations that have an influence on the destination are considerations such as when the best time or season to visit is and what the weather conditions are like at the destination (Pearce, et al., 1998:83).

In conclusion, it is clear that the destination comprises numerous vital components which complement and support each other in order to „create‘ the perfect destination that will be favoured by tourists. What make the whole destination’s model complex are the external influences on the destination. The fact is that many of these individual product offerings at the destination cannot be controlled by the destination in itself and the impact, either positive or negative, that tourism in general may have on the destination.

2.3. CHOOSING A DESTINATION

Choosing a destination is only one of the few decisions that the tourist has to make before the actual holiday takes place (Papatheodorou, 2001:164-165). Listed below are various considerations taken into account by a tourist (Pearce, et al., 1998: 81-83):

2.3.1. Perception / Awareness

A potential tourist, who contemplates a holiday, already has numerous travel destinations in his/her mind. These destinations reflect the perfect holiday and are to a certain extent fantasies, images or daydreams. Perception is a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment. It is important because people's behaviour is based on their perception of reality and not on reality itself. As a result of this errors and distortions are common (University of Georgia, 2005, Bennett, 1998:96 and Fridgen, 1996:32-33). External stimuli influence the decision-making process. These stimuli create a certain perception and could be one of the following:

- ◆ **Significance stimuli** which refer to an individual's previous experience with the destination;
- ◆ **Symbolic stimuli** which are influenced by reading matter and images from promotional and media sources of the destination;
- ◆ **Social stimuli** which take place from other people's travel information and word of mouth.

During the decision-making process of the tourist, different sources of travel information are used that create a perception of a destination. Before people make a decision about where to go for a holiday, they spend a considerable amount of time researching the destination options available. This information influences the perception of the destination, environment and people. Information is obtained, according to Manuel, et al. (1996:40-41) from:

- ◆ Talking to other people such as friends, relatives, colleagues, who have travelled to different destinations. This is the most influential source of information.
- ◆ Newspapers featuring special travel sections about a variety of different destinations, news pages or special supplements on popular places to visit.
- ◆ Books with travel stories, coffee-table books, novels and picture books.
- ◆ Regular weekly and monthly journals like National Geographic and Time.
- ◆ Specialist journals or magazines, highlighting special activities and information for specific special interest groups such as divers, 4 x 4 enthusiasts or historical groups. This includes information about tours, accommodation, packages, deals and prices.
- ◆ Posters promoting special events and places.
- ◆ Television programmes, with travel documentaries and television programmes that provide a view of people and their culture and environments.
- ◆ Television and radio commercials selling a product for travel and tourism, associated with sport in an advertisement.
- ◆ Sponsorship prizes, offered as a prize in competitions.
- ◆ Special group tours like religious, sport or cultural tours.

Perceptions are influenced by internal and external factors alike. Internal factors include personality type, self-concept and ideas and the way an individual classifies and organises information received. External factors include objects, people or events (University of Southern California, 2005). An individual's perception of a holiday destination is conditioned by the information available at the time of decision-making. **Tourists are likely to favour holidays that offer and satisfy both the fullest realisation of their personal needs and value for money** (Ashworth & Goodall, 1993:6-9).

It is clear that an image or perception of the destination is based on perceived ideas about a destination (Bennett, 1998:24 and Manuel et al., 1996:32-33). This may have an important bearing on their choice of destination (Bennett, 1998:92–

94 and Kim, 1998:340-341). The image of a destination area is a critical factor when choosing a destination (Anderton, 1995:7-8). When considering a destination as a product, it is clear that there is no natural or automatic harmony between the components of the product because there are many different organisations with conflicting interests that are involved at the destination. Every product owner may base his/her actions and decisions on his/her own interests making the overall control of the destination problematic and difficult to manage. It also makes it difficult for the destination to co-ordinate marketing and planning activities at the destination (Middleton, 1994:88–89). Despite the availability of a wide variety of attractions and unique features at a destination, some destinations fail to fulfil their tourism potential mainly because their marketing is not themed or targeted effectively. Thus, the primary goal in promoting a destination is to project a uniform image to potential tourists so that the product may become desirable to them. Therefore, it is important to ensure that the image or perception of the destination complements the different components to ensure that during the decision-making process of the tourist, the image or perception favours the choice of destination (Kim, 1998:340-341).

2.3.2. Internal input

Every individual adds his or her own motives, values and attitudes towards a product or destination which act as a „filter or preference-sorting mechanism’ among the destinations which are being considered (Gomez-Jacinto et al., 1999:1025-1026). Personal characteristics also play a role in the decision-making process and these include factors such as employment obligations, the level of income and needs and values of all family members.

2.3.3. External input

The potential tourist gathers external information regarding the considered destination. This includes information such as health considerations or dangers, when the best time to visit is, are there currently any problems in that area and related articles in the media.

When consumers choose a destination, the following aspects must be taken into consideration (Holloway, 1994:46-48):

- ◆ Not all tourists have a choice when traveling to a destination. Tourists visiting relatives or traveling for business purposes have no choice in determining their destination. Tourists from lower income groups may also have relatively smaller choices of destinations as time and/or money limit the range of alternative destinations.
- ◆ The main reason for choosing a destination is its **attractions** (Holloway, 1994:47). The tourists should be aware of all the attractions at the destination. This will ensure that a specific destination may satisfy their needs and thus it strengthens their motivation to visit a specific destination. The tourists have to know and recognise their needs very well. If they do not know their needs, they may not correctly diagnose the benefits which could satisfy their needs.
- ◆ Factors which may have a negative influence on the tourist are: safety and security, poor facilities, bad sewage, poor transport links, lack of parking, limited shopping opportunities, continuous bad weather and the relationship with the host population.
- ◆ Major destination constraints are **money** and time (Sinclair & Stabler, 1991:21–23). What the tourist actually desires is a long exotic holiday, but it may not be possible due to money and/or time constraints. Both these constraints may exist simultaneously (no money and no school holiday) or individually (pensioner, no time constraint but low income) (Holloway, 1994:46–48).

Davidoff & Davidoff (1998:100–102) covers certain aspects that may create image problems at the destination:

- ♦ **Safety.** Safety is one of Maslow's most basic human physiological needs (Kotler et al, 1996:77). According to Keyser (2002:232), the perception that exists in the marketplace that many countries of the developing world are unsafe tourism destinations is the most important threat facing the tourism industry. These perceptions are usually based upon and related to, high and violent incidences of crime at the destination generally and against tourists specifically.

Crime against tourists is the most prominent aspect related to tourist safety and an issue of considerable concern to various destinations such as South Africa. Crime creates negative perceptions of the destination and may result in inhibited or restricted demand or even a reduction in demand, if only for the short term. The White Paper on the Development and Promotion of Tourism in South Africa (DEAT, 2005) identifies safety and security as one of the primary issues of importance. (Also compare Keyser, 2002:381-382).

- ♦ **Cost.** An incorrect perception of costs may also create an image problem for a specific destination. A destination may be considered as being an expensive destination. An image like this may be the result of expensive airfares, but it has to be kept in mind that expensive airfares do not necessarily imply that all other products at the destination are expensive as well (Davidoff & Davidoff, 1998:101).

Pearce et al. (1998:79-80), concludes that the airfare is the most important of the price factors in the international consumer's choice of destination. Fluctuating exchange rates have a direct influence on hotel room prices, although the effect is small and not significant. The challenge for the tourist destinations is to isolate themselves from factors such as price increases related to exchange rates.

The price of the product is a critical element of the marketing mix, because it has different meanings to the consumers and organisations. To the consumer, price represents the amount of money s/he has to pay for the product or a service and thus for the need to be satisfied. The consumer will view the price as acceptable if s/he perceives the value that s/he receives equal to or more than the value that s/he has paid for the product. To the organisation, price is important because it relates directly to the income generated and profitability of the organisation (Bennett, 1998:213).

- ◆ **Product differentiation.** There are not always major differences between products and selling merely takes place based on an image or brand. For instance, airlines basically sell identical products, but the airline will create a certain image of being safer or on time, to gain a competitive advantage. When creating an image, the names used may be associated with a specific image; and logos and signs, also play a significant role (Manuel et al., 1996:40–41). George (2001:174), states that names, logos and slogans are significant aspects of branding and that research has shown that the style and design of logos and the strength of a name may greatly affect a consumer's perception of product or service.

A destination may choose to differentiate its products and services to give it a competitive edge or it may offer products similar to those of its competitors. However, nowadays, most product owners try to differentiate their products and services from others. This may be achieved through various methods (Kotler et al., 1996:262-263):

- ◆ **Physical attribute differentiation** takes place where the destination offers a unique product that is different and which cannot be matched by competitors such as a newly renovated hotel situated in the perfect location, compared to a newly built hotel at an inferior location.
- ◆ **Service differentiation** by providing extra services that will benefit its target

market, such as for instance an in-room check-in service at a hotel.

- ◆ **Personnel differentiation** through hiring and training better staff than their competitors do.
- ◆ **Location differentiation** through the provision of strong competition in the tourism industry such as a restaurant located on top of a mountain or a room overlooking the beach.
- ◆ **Image differentiation** based on the product or brand images. Even though products look similar, buyers may perceive them differently because of their respective image. A company brand or image should convey a singular or distinctive message that communicates the product's major benefits and positioning.

The image of a destination is concerned with adding value onto a product from the outside by means of repeated imagistic association (Morgan & Pritchard, 1999:27). The consumer will make certain assumptions based on the advertisement or branding of the product – for instance, a brochure or advertisement depicting a young couple under a beach umbrella looking over a deserted beach with blue seas, will with proper wording, definitely lead to an assumption of romance, relaxation and an ideal beach setting. This illustrates the way in which brand imaging of destinations links them symbolically to a wider world of social values. Like all advertisements, this is a two-way communication process – to accept the marketing message is to accept the added values it presupposes (Morgan & Pritchard, 1999:27).

South African Tourism has identified destinations such as Thailand and Australia as South Africa's fiercest competitors (Iafrica, 2005). In order to establish the competitiveness of South Africa as a destination, it is important to make a thorough investigation into the major destination products of the three countries in competition, therefore the **accommodation, transport and attractions** of **South Africa, Australia and Thailand** were researched in order compare their price competitiveness, as these factors influence the decision-making process of the

tourist deciding where to go for a vacation.

2.4. SOUTH AFRICA'S MAJOR TRAVEL PRODUCTS

South Africa is often described as a world in one country due to the diversity and great variety of attractions it offers the tourist. It offers tourists a unique experience, one-of-a-kind attractions and a variety of accommodation types to choose from. South Africa offers tourists an African bush experience, township culture, cultural evenings of opera or ballet or African dancing as well as sun, sea and sand holidays. Not only does South Africa offer spectacular scenery, but the local people have overwhelming hospitality (SA Tourism, 2005).

2.4.1. Attractions

SA Tourism (2005) lists the following attractions as the icons of South Africa:

- ◆ **Table Mountain:** This mountain has a flat summit nearly three kilometres in length which rises 1082 meters directly behind the city of Cape Town. It has 2 256 different species of plants and flowers and is ideal for walking, picnicking, climbing and hiking. It offers the tourist breathtaking views of the city and ocean. Access to the top of the mountain may either be by a 360° view cable car or guided walk on many of the different routes.
- ◆ **Robben Island:** This island was first used by the Dutch East India Company as a refreshment station and has been referred to as South Africa's Alcatraz, a high security prison. This is where Nelson Mandela was imprisoned for almost 20 years as a political prisoner. The boat trip to the island from Cape Town's Victoria and Alfred Waterfront takes approximately 45 minutes and includes a guided tour of the island and its attractions.
- ◆ **The Garden Route:** This 250 kilometre coastal route from Great Brak River to Port Elizabeth is situated between the Outeniqua and Langkloof mountains and offers the tourist and nature lover exceptional scenery. A variety of activities may be undertaken in the area such as swimming, boating, surfing, tree top

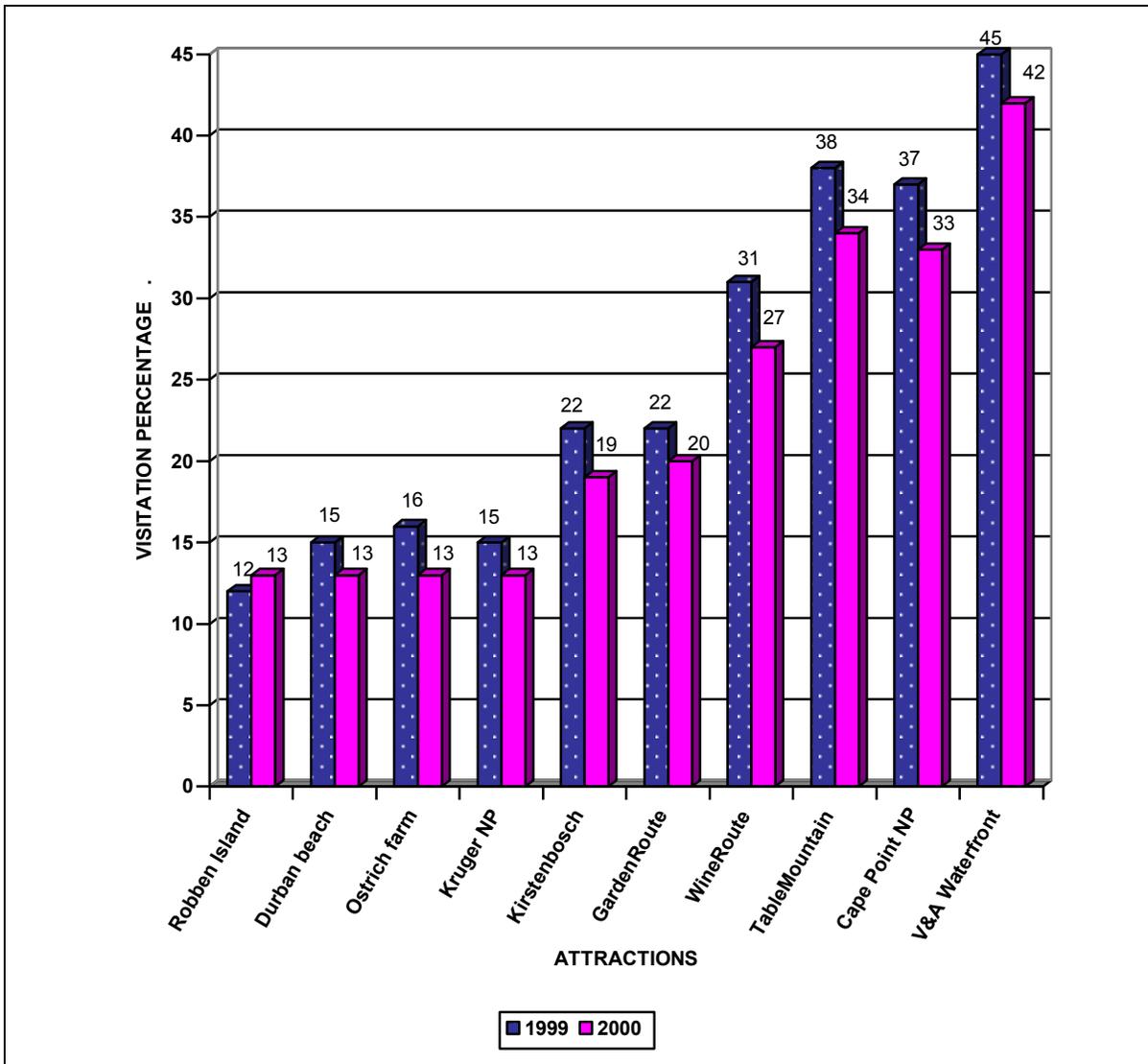
tours, cycling, canoeing, abseiling, hiking and fishing. Here tourists may experience the Tsitsikamma forest, Nature's Valley, wineries, farms, local markets and sea villages with a unique mixture of a variety of local arts and crafts.

- ◆ **Beaches:** South Africa offers 3 000 kilometres of coastline from the warm waters of northern KwaZulu-Natal to the Wild Coast, Eastern Cape, the Western Cape and the West Coast. Pristine beaches, fishing villages, golf estates, casinos, luxury hotels and resorts, up-market houses and a variety of holiday accommodation establishments are available for the tourist to enjoy. Most beaches have life guards on duty in season and are protected by shark nets. Many beaches offer excellent swimming, sailing and surfing conditions and are hosts to a variety of national and international boat and board sailing championships.
- ◆ **Namaqualand daisies:** Namaqualand in the north-west of South Africa is a dry semi-desert area. Every spring after the rainy season during August to September, the Northern Cape desert is filled with vast fields of wild flowers in many different vivid colours. Most of these flowers belong to the different species of daisies. This is a temporary spectacular that ends the moment summer takes hold again and the dry and hot conditions turn the fields of flowers into a desert once again.
- ◆ **The Gold:** When gold was discovered in the late 19th century, various areas in South Africa experienced a gold rush from all over of the world. Discrepancies over the goldfields were one of the factors leading to the Anglo Boer War. The whole village of Pilgrim's Rest in Mphumalanga, which was the first economically feasible goldfield, has been conserved and restored as a living museum where examples of houses from the period of the gold rush as well as an early mining camp may be seen. In other cities in South Africa attractions related to gold such as Gold Reef City, the Chamber of Mines and gold mines may be visited.
- ◆ **Cradle of Humankind:** West of Johannesburg lies the World Heritage Site of the Cradle of Humankind which includes the Sterkfontein caves where Mrs

Ples, a three-million year old hominid, was discovered in 1936. It is also the site where the world's first complete hominid fossil skull with skeleton was found in 1998. Mrs Ples is believed to be a distant relative of all humankind.

- ◆ **Kruger National Park:** This is the greatest and most famous of South Africa's national parks, covering an area of 19 000 square kilometres. The rest camps are designed to blend in with the surroundings and offer different types of accommodation, varying from rondawels, rest camps, bushveld camps, camping sites to private luxury accommodation. Guided walks, game drives, night drives and sightseeing offer a chance to spot the Big Five (elephant, lion, leopard, rhino and buffalo).
- ◆ **The Drakensberg:** This mountain range which is more than a thousand kilometres long offers some of the highest peaks that may be found in South Africa - up to 3314 meters. Conditions are ideal for tourists interested in nature photography, easy walking, Bushman rock art, rock climbing, trout fishing, hiking, pony trails and snow skiing at some resorts. There is a large variety of hotels and resorts which are complemented by numerous cottages, inns and guest farms. The highest pub in Southern Africa is also located here.
- ◆ **Soweto:** This is South Africa's largest township that houses approximately two million people. This South Western Township offers a mix of contrasts, cultures, languages and religions. A visit to Soweto includes a stop at a traditional shebeen where local beer, food and hospitality may be experienced, a kraal and a local witchdoctor (sangoma). A visit to the homes of Nelson Mandela and Archbishop Desmond Tutu is also possible. The Sharpville Memorial Site is also located in Soweto.

The top ten attractions visited by international tourists arriving by air in 1999 – 2000 are indicated in figure 2.4.



Source: WTTC, 2007

Figure 2.4: Top ten attractions visited by international air arrivals

From figure 2.4 it may be noted that eight of South Africa’s most visited attractions are located in the Western Cape, with the Victoria and Alfred (V&A) Waterfront in Cape Town being the most popular. A matter of concern is the fact that none of the top ten attractions visited in 1999 to 2000 showed an increase in tourist numbers from 1999 to 2000 except Robben Island.

2.4.2. Transport

Of the total amount of money that a tourist spends on transportation, the cost of air fares contributes to the majority share of money spent (Page, 1999:147). Therefore the major focus in this study was on prices of air transportation (Yale, 1995:181). The Airports Company South Africa (ACSA, 2005) provides the following air transportation statistics in table 2.1:

Table 2.1: International air transportation at South African airports

	Johannesburg	Cape Town	Durban
International airlines	42	11	4
International air traffic landings (2001-2002)	17 931	1309	523
International flight departures per week	756	140	62
International passengers departing (2001-2002)	2 402 843	447 068	27 141

Source: Airports Company South Africa (ACSA), 2005

Referring to table 2.1, it is clear that Oliver Tambo in Johannesburg and Cape Town's International airports are the major international airports in South Africa and therefore the questionnaires in this study were completed at these two airports as they represent the majority share of passengers, departure and international airlines operating to and from South Africa (ACSA, 2005). During November 2004, IAFrica (2005) reported that air linkages have grown but are still not adequate and that better competitive pricing are being offered by airlines to different destinations.

South Africa's national airline is South African Airways (SA) which incorporates SA Airlink and SA Express. There are frequent direct and connecting flights to many destinations throughout the world. Beside the three international airports, South Africa has more than nine domestic airports serving the local routes. Budget airlines such as Mango, 1Time and Kulula have entered the domestic air transport services recently (DTT, 2006).

An African Explorer air pass is available to foreign tourists to South Africa, which offers tourists a significant saving on the domestic services of South African Airways. The fare is valid for a minimum of 3 days and a maximum of 2 months and travel may originate and terminate at any point in South Africa (World Travel Guide, 2005).

Other forms of transportation that may be used in South Africa are the following (World Travel Guide, 2005):

- ◆ **SEA:** The main ports are Cape Town, Durban, East London and Port Elizabeth. Cruises are offered by various cruise companies mostly between South Africa and surrounding islands in the Indian Ocean, but there are also limited links between other major ports in the world.
- ◆ **RAIL:** The Blue Train is a luxury train that operates between Johannesburg and Cape Town with excursions linked to the Victoria Falls, Garden Route and Port Elizabeth. It consists of 16 passenger coaches accommodating 92 passengers and is fully air conditioned. Most of its passengers are international travelers who come to experience the journey through the South African countryside. The Trans Oranje is a weekly train between Cape Town and Durban via Kimberley and Bloemfontein. The Trans Natal Express runs daily between Durban and Johannesburg. Rovos Rail offers an old fashioned luxury, air conditioned steam train safari from Johannesburg to Mphumalanga. Other trains include the Trans Karoo between Cape Town and Johannesburg. Transnet has an extensive rail network service that offers frequent trains to most of the cities. All long distance trains are equipped with sleeping compartments and offer first and second class accommodation.
- ◆ **ROAD:** South Africa offers a well maintained road network with motorways and highways. Most of the roads are tarred. All airports and major city centres offer car hire and tourists may choose from a great variety of car hire companies nationwide offering many daily, weekly and discounted rates. Campervans, chauffeur-driven cars, limousines, luxury cars and 4 X 4

vehicle hire is also available. Toll roads are present.

- ◆ **BUS:** Various operators such as SA Roadlink, Greyhound, Intercap and Translux run intercity express links between most of the cities in South Africa using air conditioned coaches. Reservations may be made at any travel agency or Computicket.
- ◆ **URBAN:** There are local bus and suburban rail networks in all the main cities. Shared minibus taxis are also popular and fixed rates are usually applicable and charged according to a specific zone or area.

2.4.3. Accommodation

South Africa offers a wide range of accommodation from luxury 6 star hotels to thatched huts (rondawels), camps and caravan parks. The standards of hotels are voluntarily supervised by the Tourism Grading Council of South Africa (Tourism Grading Council, 2006). Accommodation is generally difficult to find in the peak season summer holiday months (December / January) and during Easter (April). Most hotel properties are registered members of The Federated Hospitality Association of South Africa (FEDHASA). Since 1949, FEDHASA has been „representing the South African Hospitality Industry on a local, provincial, national and global level to protect the interests of all stakeholders of the industry, thereby enabling members to achieve their objectives’ (FEDHASA, 2005).

During 2004, AA Travel (AA Travel, 2005) nominated 31 Gold Achiever accommodation establishments in South Africa for awards. The overall contribution to standards of excellence of each establishment has been assessed by South African incoming tour operators and travel agents as well as by outbound tour operators and travel agents, in the United Kingdom. These establishments are each one flagship of the South African accommodation industry. The AA also awarded 13 establishments that were winners in their respective categories for 3 consecutive years by giving them the Hall of Fame status.

The Travel and Leisure Magazine (ANON, 2005), published on 16 July 2004 also awarded the world's top 100 hotels. Based in the United States of America, Travel and Leisure is the world's largest circulating travel magazine and the results were based on over 425 000 evaluations from their readers. The Singita Private Game Reserve in South Africa scored 95.85% and was ranked the best hotel in the world. Not only does South Africa hold the first place, but also places 4, 5, 7, 8, 13, 46, 49, 50, 61 and 74, giving it more top hotels than any other country in the world except the USA.

Other types of accommodation that are popular in South Africa are (World Travel Guide, 2005):

- ◆ **Guesthouse and Bed & Breakfast (B&B):** Most towns and cities have numerous guesthouse and B&B establishments to complement the hotel accommodation offered. The Tourism Grading Council is also responsible for the voluntary grading and classification of these establishments. Many private game lodges also fall into this category.
- ◆ **Self-catering:** Holiday flats, resorts, time share and health spas are available throughout South Africa and many of these establishments are also graded according to facilities and level of services offered. Self-catering units include accommodation, but no other services.
- ◆ **Camping / caravanning:** There are over 800 camp and caravan sites in the country all along the major routes of South Africa particularly at places favoured for recreation and sightseeing. The standard is usually high.
- ◆ **Game reserves:** A variety of reserves all over the country offer luxury accommodation in a wildlife setting.
- ◆ **Farm holidays:** A limited range of options are available in ecological areas. They offer opportunities for adventure activities such as horse riding, mountain-biking and fishing. Some also offer agricultural activities such as cattle-ranching and bee-keeping.

The Tourism Grading Council has prescribed minimum requirements for all accommodation establishments on which they will be evaluated and graded. The complete guide to minimum requirements and grading criteria may be viewed in the addendum to this chapter. The major categories for grading of establishments are (Tourism Grading Council, 2005):

- ◆ General factors
- ◆ Buildings
- ◆ Bedrooms
- ◆ Bathrooms
- ◆ Public areas
- ◆ Services
- ◆ Food and Beverage
- ◆ Additional requirements for four and five star properties.

2.5. AUSTRALIA's MAJOR TRAVEL PRODUCTS

Australia is world renowned for hosting one of the natural wonders of the world, the Great Barrier Reef but it is also host to the earth's most massive monolith: Ayers Rock. This country is nearly the same size as the continent of the United States of America and this is where the famed koala bears, wallabies and kangaroos originate. The Aboriginal art provides cultural diversity as does the landscape: it offers deserts, rainforests, mountains and a magnificent coastline.

2.5.1. Attractions

The Australian Government (Australia, 2005) list the following tourist attractions as the ten most visited in Australia:

- ◆ **Philip Island:** Philip Island, located on the Great Barrier Reef, is known for its spectacular walks along the coastline and nature walks through native bird sanctuaries. The 500cc Motorcycle Grand Prix also takes place here every year. More than 500 000 tourists visit the world-famous Penguin

Parade where penguins may be seen in their natural environment. The island is also home to a Koala Conservation Centre and Gurdies Winery.

- ◆ **Blue Mountains:** This World Heritage region offers adventure tourists a variety of activities such as guided bush walks, driving adventures, rock climbing and abseiling, fishing, mountain biking and bush walks. The Skyway is the world's first Electro-Scenic Glass Floor cable car. Here tourists may also ride the steepest incline railway in the world down to the hidden valley below.
- ◆ **Great Barrier Reef:** The Great Barrier Reef is one of the natural wonders of the world offering divers and snorkelling enthusiasts a unique experience. It is the world's largest expanse of living coral reef, which extends for more than 2 000 kilometres along Australia's eastern coast varying from 25 to 50 kilometres in depth offering a diving visibility of up to 60 meters. The Reef comprises some 71 coral islands, each island with its own ambience and specific interests.
- ◆ **Twelve Apostles:** The Twelve Apostles are limestone sculptures situated on the Great Ocean Road, Victoria. This scenic drive is 400 kilometres long and follows the coastline of Victoria through to Port Campbell National Park and beyond to Warrnambool. The rough seas along this coastline have not only caused the natural erosion of the cliffs but have also been responsible for the sinking of around eighty ships.
- ◆ **Noosa:** One of Australia's most beautiful and popular family holiday destinations on the Gold Coast. Here tourists may also visit Underwater World, the Australian Zoo, Aussie World or the marine and historic village.
- ◆ **Southbank Parklands:** Located near the city centre of Brisbane, the 16 hectares of riverside parklands and tropical gardens is a local favourite and a hive of activity with cafes, restaurants, weekend markets, cycle paths, walkways, a beach and a swimming lagoon. Tourists may also visit the Queensland Art Gallery, Queensland Museum, Maritime Museum, the State

Library and the Performing Arts Centre.

- ◆ **Theme Parks on the Gold Coast:** The Gold Coast is home to four of Australia's best and well known family entertainment theme parks. Dreamworld offers the ultimate in fantasy and thrills with action rides and spectacular live shows. Warner Bros' Movie World, the WetaWild Water Park and Sea World are some of the other award-winning parks offering entertainment, recreation and education, for the whole family.
- ◆ **Uluru:** Uluru is the Aboriginal name for Ayers Rock. It is the world's largest monolith rising 318 meters above the desert floor with a circumference of 8 kilometres. It is located in central Australia, approximately 500 kilometres from Alice Springs. It has Aboriginal spiritual importance and it's also a tourist attraction.
- ◆ **Kuranda:** This is a cultural rainforest village. Tourists may choose from a scenic railway, the world's longest rainforest cableway or a magnificent drive through this World Heritage Rainforest. It is located close to Cairns and also offers a butterfly and bird sanctuary, rainforest tours and a bird and reptile aviary.
- ◆ **Freemantle:** This port city used to be the western gateway into Australia in the bygone era. Millions of migrants arrived by ship and made the area their home. This city attracts tourists which may enjoy harbour and river cruises, watch whales and dolphins or visit the maritime museum.

2.5.2. Transportation

Australia has five international airports namely, Sydney, Brisbane, Adelaide, Melbourne and Perth Airport (World Airport Guide, 2005). Sydney is Australia's premier gateway for direct and connecting flights to and from Australia. There are 34 international scheduled airlines operating from Sydney Airport with Qantas Airlines as the leading national carrier to the major cities. Sydney Airport has an

average of 123 international departures per day with an approximate of 470 000 tourist arrivals per month (Sydney Airport, 2005). The SARS virus affected the performance in Asia and the Pacific in 2003 and destinations such as Australia, as their tourist arrivals decreased by 1.5%, but currently tourist arrivals are growing back to normal (World Tourism Organisation, 2005).

International tourists to Australia may buy the Boomerang Pass on Qantas Airlines, which is a zonal ticket permitting travel within Australia and to selected surrounding islands. These passes must be purchased prior to arrival in Australia with a minimum of two passes per person purchased. Nationals of countries in the South Pacific region are not eligible for the Boomerang Pass (World Travel Guide, 2005).

Other transportation options in Australia are (World Travel Guide, 2005):

- ◆ **SEA / RIVER:** Cruise liners dock at Sydney, Melbourne, Hobart, Perth, Adelaide and Brisbane. Australia also has many lakes and inland waterways, most of which may be used for touring by boat. A variety of charter options are available.
- ◆ **RAIL:** Over 40 000 kilometers of track cover the country. Rail travel in Australia is rather expensive and relatively slow because of the vast distances covered between the different cities, therefore, domestic flights are the preferred option for traveling long distances. Trains that operate are the Indian Pacific which runs twice weekly from Sydney to Perth. This journey takes three days. The Ghan links Sydney to Melbourne (two days), the XPT Express from Mayberrra to Sydney (5 hours), the Sunlander and Queenslander from Brisbane to Cairns (31 hours), the Prospector from Perth to Kalgoorlie is one of Australia's fastest trains (7hours), the Vinelander from Melbourne to Mildura, the Great South Pacific Express is a luxury train that travels along the East coast and the Kuranda Scenic Railway links Cairns to the tropical rain forests of Kuranda. An Austrailpass, which must be purchased outside Australia, offers unlimited travel for foreign tourists for a selected number of days: 14, 21 or 30 days.

- ◆ **ROAD:** All the main routes and highways are tarred. A variety of automobile hire companies are available at all major airports and hotels to drivers over the age of 21 years. These companies offer a great variety of different types of vehicles.
- ◆ **COACH:** Major cities are linked by a national coach system run by Greyhound Pioneer. Numerous other companies also operate services to the major cities. Coach passes are available for travel between 7 to 90 days, which normally give unlimited travel throughout the country. Coaches are of the cheapest forms of transportation to use in Australia.
- ◆ **URBAN:** Comprehensive public transport systems are provided in all towns and trams operate in Melbourne and Adelaide. Metered taxis may be used and there is a minimum „flagfall’ charge and then a charge for the distance traveled.

2.5.3. Accommodation

Australia offers tourists a variety of accommodation types to choose from: hotels, guest houses, farm stays, self catering, home stays, pub accommodation, camping, caravanning and youth hostels. Throughout the country tourists will find a selection of hotels run by well-known and established international chains. More authentic accommodation may be found outside the city areas. The smaller hotels are more relaxed and offer a better local experience. Many good quality motels offering self-contained family units and often an in-house restaurant service are found along the highways. Most hotels provide rooms with telephones, en-suite bathrooms with bath and/or shower, small fridge and tea- and coffee-making facilities. Private hotels are not permitted to sell liquor and have no bars. The principal difference between a hotel and a motel in Australia is that a hotel must, by law, provide a public bar among its facilities. For this reason there are many motels „which are hotels in all but name, offering an excellent standard of comfort and service but preferring to reserve their bar exclusively for the use of their guests, rather than for the public at large’ (World Travel Guide, 2005).

Hotels and motels in Australia are graded according to a star rating system (Australian Hotel Association, 2005). Tourism Accreditation Australia has been allocated an amount of \$2 million to establish a „national, voluntary, self-sustaining accreditation system for accommodation establishments’ (Australia, 2005). In most cases, different rooms will be offered at different rates depending on their size, comfort or facilities. In general, city hotels are more expensive than suburban hotels. The following grading definitions are intended as a guide only and are subject to change (World Travel Guide, 2005). Note that some hotels are graded with an additional open or hollow star. This indicates a slightly higher grade of facilities than the normal facilities for its classification:

- ◆ **5-star:** These are international-style establishments offering a superior standard of accommodation, furnishings and décor, with an extensive range of first-class guest services including portage and concierge. These properties have a variety of room styles and/or suites available, a choice of dining facilities, 24-hour room service and additional shopping or recreational facilities.
- ◆ **3-star:** These properties are well-appointed establishments offering a comfortable standard of accommodation with above-average floor coverings, furnishings, lighting and ample heating/cooling facilities’ (World Travel Guide, 2005).

The Australian Hotel Association, which is responsible for the grading of accommodation establishments, also presents Awards for Excellence at both the state and national level.

2.6. THAILAND’S MAJOR TRAVEL PRODUCTS

Thailand is a country that offers the tourist a mixture of cultural and sensual

contrasts in a beautiful setting. This country with its long, rich, heritage presents a proud Buddhist nation. In Thailand „tourists may cruise on a rice barge or upriver in a long-tail boat, take a white-knuckle ride on a bamboo raft, stay in jungle tree houses, be guests to hill tribe villagers or stay on a floating raft house’ (World Travel Guide, 2005). Many Buddhist temples and palaces dating back to previous dynasties and monarchies may be visited as well as the saffron-robed monks in their sanctuaries, elephant jungle tours or exquisite diving spots.

On 26 December 2004, the tsunami tidal wave caused severe damage to 45 countries in the Asia pacific, of which Thailand was also an affected country. More than 1 400 people in Thailand were killed (Business Report, 2005). The affected areas are towards the southwest of Thailand and include the following provinces: Phuket, Krabi, Phang Nga, Trang, Satun and Ranong. Phi Phi Island and the rest of Khao Lak were devastated (Sawadee, 2005). However, the majority of tourism centres in Thailand continue to function as normal. Severely affected areas such as Khoa Lak on Phi Phi Island took a year or more to recover (Tourism Authority of Thailand, 2005). In Phuket, which is by far the most popular tourist island, damage was very localized and limited to certain beaches but the recovery process here has also been completed. The island is ready for tourists and has already hosted its first international conference after the disaster in February 2005 (Tourism Authority of Thailand, 2005). According to the Tourism Authority of Thailand, almost 90% of all hotel rooms are operating normally. Water supplies, transport, airports, government services and electricity, are functioning normally. Many of the accommodation establishments that are not operating normally, have scheduled re-opening dates for April, July or November of 2005. Only one accommodation establishment in Phuket was destroyed (Sawadee, 2005).

The Prime Minister of Thailand, Thaksin Shinawatra has estimated the cost of the tsunami damage in Thailand at approximately \$510 million (Sawadee, 2005). Tourism accounts for 6 percent of Thailand’s GDP and many product owners have experienced severe losses due to the tsunami. Thai Airways’ shares fell by 1.5% and the airline president, Kanok Abhiradee has confirmed that bookings to the

value of more than 270 million Baht have been cancelled or postponed. Analysts expect more losses for the tourism industry in the future, but still expect nearly 400 million Baht and more than 12 million foreign tourists. The expected tourism losses are estimated at between 35 to 40 million Baht or 0.5 to 0.6 percent of the GDP (Sawadee, 2005).

2.6.1 Attractions

The Tourism Authority of Thailand (2005) and Goway Travel Experts of Thailand (Goway, 2005) list the following major attractions:

- ◆ **Grand Palace:** The Grand Palace complex which includes Temple of the Emerald Buddha (Wat Pra Keaw) is remarkably one of the most interesting sights in the world today. The Grand Palace is used nowadays by the king only for certain ceremonial occasions such as Coronation Day. The Emerald Buddha within the palace grounds is cut from one single piece of jade. This Buddha is considered to be the holiest and most revered of all religious objects in Thailand today.
- ◆ **Wat Pho:** The Temple of the Reclining Buddha is a worldwide famous temple situated at the southern end of the Grand Palace. It is one of Bangkok's oldest and largest temples. Wat Pho houses the gigantic gold plated Reclining Buddha image. This unique image is 49 meters long and 12 meters high with inlaid mother-of-pearl soles.
- ◆ **Bangkok:** The capital city is a national treasure house of temples, palaces, floating markets, classical dances and its legendary nightlife. The city also offers numerous shopping opportunities for Thai silk, gemstones, bronze and pewter ware. Some of the most famous temples that may be seen in Bangkok are the temple of the Golden Buddha, the Marble Temple and the reclining Buddha.
- ◆ **Ayuttha:** This was the capital city of Thailand from 1350 which was ruled by 33 kings of various dynasties until 1767. The sixteenth to eighteenth century

- temple ruins have been declared a World Heritage site which once contained a 16 meter standing Buddha covered in 250 kilograms of gold.
- ◆ **Chiang Mai:** This is the second largest city in Thailand and offers a striking mountain backdrop with over 300 temples and a quaint historical era dating back to the thirteenth century. Elephant forestry training camps and long-tail boat rides are popular.
 - ◆ **Ko Samui:** This small island is popular for scuba diving and snorkeling, with coconut plantations and an abundance of palm trees. Up to two million coconuts are shipped to Bangkok each month. This island is fast becoming a tourist resort with plenty of popular beaches, coral reefs and coves.
 - ◆ **Pattaya:** This is Asia's premier beach resort area and attracts millions of tourists every year. Every possible water sport from windsurfing to scuba diving is available. Numerous offshore coral islands are available for exploring. Excellent accommodation, superb seafood and a tropical ambience makes it popular with tourists.
 - ◆ **River Kwai:** This historical river offers the unique opportunity to step into harmony with nature. There are „beautiful waterfalls to bath in, wild orchids to collect and deep and fabled caves to visit' (Tourism Authority of Thailand, 2005). Jungle elephant rides are also possible.
 - ◆ **Phuket:** This island in the southwest corner of the country is known as the "Pearl of the South". The main town of Patong offers many resort hotels and beach-hut backpacker accommodation. It offers beautiful beaches with bays and coves, which makes diving popular although visibility may be a problem. The island is connected to the mainland with a bridge.

2.6.2. Transport

Thailand has six international airports in Bangkok, Chang Mai, Chang Rai, Hat You, Ko Samui and Phuket. Thai Airways International is the national airline, with most of the flights coming into and going out of Bangkok Airport. The Airports Council International ranks Bangkok as the twenty-eighth largest airport in the world in terms of passenger numbers and the ninety-first largest in terms of aircraft movements (Airports of Thailand, 2005). There are 45 international airlines that operate flights to and from Thailand and a reported 12 million international tourist arrivals for the year 2004. This indicates a 19 percent growth after 2002/2003 and the outbreak of the SARS virus (Tourism Authority of Thailand, 2005).

Other forms of transportations in Thailand are (World Travel Guide, 2005):

- ◆ **SEA / RIVER:** The main international port is Bangkok, which offers limited passenger services, but eight international cruise liners call on Thailand. The country has, depending on the season, 1 600 kilometers of navigable inland waterways. During the monsoon, the more remote settlements become inaccessible. The Oriental Queen offers luxury cruises between Thanon Tok and Nonthaburi. Long-tailed boats and taxi-boat ferries also operates on major routes.
- ◆ **RAIL:** A variety of trains link Thailand to Singapore and Malaysia. The 4600 kilometers of train network links all major towns except Phuket. The four major routes are serviced by the State Railways of Thailand. The Southern Line express stops at Surat Thani for tourists who would like to use the bus or ferry to the islands on the east coast.
- ◆ **ROAD:** Car hire is available in all the major cities. Motorcycle hire is also popular, especially on the islands.
- ◆ **COACHES:** There are bus links to all the provinces. Fares are very cheap and buses are very crowded. Taxis are plentiful and the famous three wheeled tuk-tuks are also a fast, economical way to get around in Thailand.
- ◆ **URBAN:** Conventional bus services in Bangkok are operated by the

government, but private minibus operations also exist. Fares are generally low and collected by conductors. Ferries and long-tailed motorboats operate on the Chao Phraya River which is a quick way to get around. The Skyrail is an elevated mass transit system and operates in the city of Bangkok

2.6.3. Accommodation

Bangkok has some of Asia's finest hotels, offering more than 12 000 rooms that meet international standards. Many of these hotels belong to the large international chains. All luxury hotels have swimming pools, 24-hour room service, air conditioning and a high staff-to-guest ratio. Accommodation styles cover every range from hotels, guest houses, backpacker accommodation to camping and caravanning that cater for every range of tourist. Hotels outside the capital and developed tourist areas are less extravagant but are extremely economical. There is no official grading system for accommodation establishments in Thailand, but prices generally give a good indication of standards and quality that may be expected. The Tourism Authority of Thailand publishes regional accommodation guides, which give comprehensive details on pricing and facilities offered by each establishment (World Travel Guide, 2005).

2.7 CONCLUSION

Every destination has unique features, attractions and culture, that may attract tourists. The **ATTRACTIVE** of South Africa, Thailand and Australia will intrigue any tourist:

- ◆ **South Africa** is dominated by the natural beauty of the Western Cape which is complemented by interesting and unique African cultures, the Big Five and an apartheid history. Well established wine farms, beautiful beaches and a sunny climate all complement the country's attractions.
- ◆ **Australia** has the Great Barrier Reef which is one of the natural wonders of the world, where nature lovers may indulge in an abundance of activities and sights

to see. This country also offers tourists the Aborigine culture, backed by a variety of world famous theme parks with thrill rides and family entertainment and beautiful cosmopolitan cities throughout the country.

- ◆ **Thailand** on the other hand is dominated by Buddhist temples, rich cultural diversity and an ancient history dating back to the 13th century. This country is not just favoured as a shopping destination for clothing but it also offers a variety of other products that may be purchased at very low prices.

The different **TRANSPORTATION** options in South Africa, Australia and Thailand show similarities with regard to air transportation. Air access to the mentioned destinations does not provide any problems, as all three countries offer an extensive air transportation network for long haul international flights. At least 30 different airlines operate to and from each one of the destinations. Various connecting and direct flights are also available. It has to be emphasized that air transportation is the dominant form of transportation in terms of money spent by foreign tourists (Pearce et al., 1998:79-80).

With regard to other transportation options, the following conclusion may be reached:

- ◆ **South Africa:** It compares well in all the different transportation categories, but it lacks different transportation passes for foreign tourists that will stimulate the use of other transportation options apart from air travel. Safety on board may also have a negative influence on the use of other forms of transport.
- ◆ **Australia:** This country offers a variety of passes available to foreign travelers, which are supported by good infrastructure. The long distances between cities (approximately 4 000 kilometers from east to west coast) however make other forms of transportation than air travel less popular.
- ◆ **Thailand:** Thailand compares well with the other countries but many of the transportation options are crowded and used extensively by locals. Fares are relatively low but no passes are available to foreign travelers.

The **ACCOMMODATION** sector of South Africa, Australia and Thailand are all well established with a variety of types of accommodation available:

- ◆ **South Africa** has proved by its numerous international awards that many of the accommodation establishments in different classes all meet the international standards. A wide variety of accommodation is provided to cater for every budget. Official grading systems ensure good quality and standards although grading is voluntary.
- ◆ **Australia's** accommodation is very similar to that of South Africa and also provides a wide variety of types of accommodation in different price categories.
- ◆ **Thailand's** accommodation sector is not graded according to an official grading system, but prices are used instead as an indicator of quality and services provided.

Comparing the three mentioned destinations it is clear that any one of the three destinations has the attractions, accommodation and transportation systems, to satisfy a tourist's specific needs. There is not one destination component in either, South Africa, Australia or Thailand that is absent, under developed or out of order or that may be seen to have a negative influence on the decision-making of a tourist.

The other factor that plays a role in the decision-making process of the tourist is **price** (Middleton, 1994:86 and Bennett, 1998:213). It thus becomes relevant to compare the prices paid at destinations for attractions, accommodation and transportation to establish the influence that it may have on choice of destination. In other words, if any tourist had to make a choice between the mentioned destinations, how will the cost of the airfare, accommodation and attractions influence his/her final decision? The following chapter will deal with the aspect of price and the role that it plays in choosing a destination.

CHAPTER 3

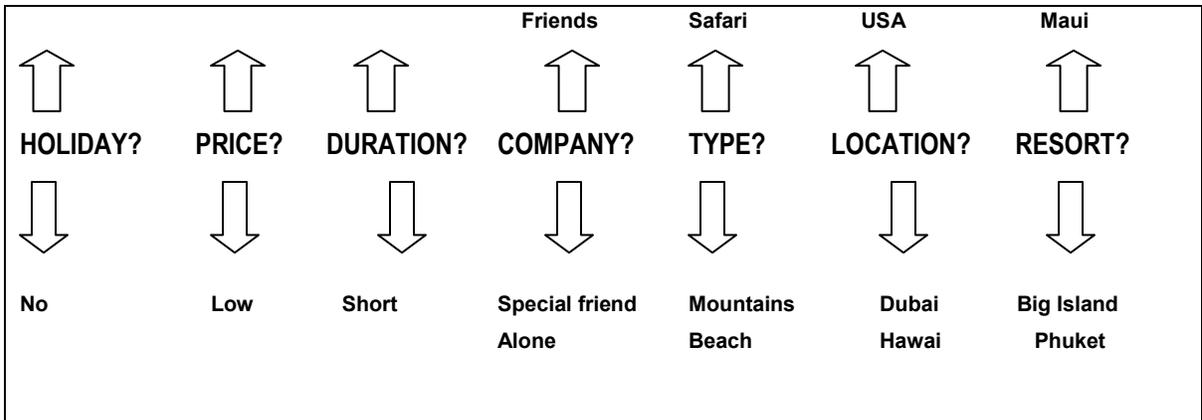
PRICE COMPETITIVENESS

3.1 INTRODUCTION

Competitiveness in general is a complex subject as various multidimensional aspects, elements and factors play a role in the complete picture. Measuring the competitiveness of destinations is difficult, as many of these factors, aspects and elements are difficult to measure or are not measurable at all. Gooroochurn & Sugiyarto (TTRI, 2007) in their research on destination competitiveness confirm that “price competitiveness is usually regarded as one of the most important factors of competitiveness for a given destination”. Vanhove (2005:86) also confirms that price is a key element in competition. This chapter will focus on the role that price plays in the competitiveness of tourist destinations.

Traditionally price has always been a major determinant in choice for consumers. In this new millennium however, the consumer is now also paying attention to non-price factors such as service and quality when decisions about tourist activities and destinations are at stake. Although consumers pay attention to other factors, **price still remains ‘one of the most important elements’** for consumers (Kotler, 2000:456 and Middleton, 2001:138). Tourists use a fixed budget when planning a holiday, which often involves a period of saving and therefore, before making a final decision, prices are compared and the final choice is based on the option that offers the best value for money (Seaton & Bennett, 1996:139). According to Laws (1995:60), a London travel agency displaying a variety of ‘Late Offer’ destinations in its shop window attracts tourists to the destination based on price rather than any other destination characteristics. Laws (1995:49) furthermore describes the typical destination selection tree in figure 3.1.

Yes	High	Long	Family	City	Bali	Waikiki
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Source: Laws, 1995:49

Figure 3.1: Destination selection tree

Once the tourist has decided to go on a holiday, a sequence of other factors and considerations illustrated in figure 3.1 follow as part of the decision-making process, such as what the cost will be, how long to go for, with whom to go, where to go and what type of holiday is intended? All of these factors will play a role in the decision-making process and different choices will result from different personality types and different types of tourists. The question arises as to what international tourists are looking for when deciding upon a destination. The Department of Environmental Affairs and Tourism (DEAT, 2005) conducted research amongst international tourists in this regard. The international tourists ranked a destination that „**offers excellent value for money**’ as the number one priority when choosing a destination.

In a study on price competitiveness in America it was confirmed that tourists want to receive value for money and that the actual price paid for the product or service was not important as long as the price paid was equal to the value received. Las Vegas, for instance, is according to Swarbrooke & Horner (1999:129-131) a destination with no competitors because no one else offers the same package with non-stop entertainment and lively fun to the same market at a similar price. Tourists perceive this destination as great value for money whatever their budget or tastes. Morrison (2002:518) and Bateson & Hoffman (1999:380) confirm that

tourists are becoming increasingly conscious of value for money and define value for money as a measure of comparing the amount of money paid to the quality of service or product received. For a product or service to have value, it does not always have to be a bargain or be sold at a rock-bottom price. Value is measured by the tourist and varies from person to person and need to need (Haas, 1992:597). Furthermore, the Coleraine Borough Council studied customer trends in tourism demand as part of their Tourism Development Plan (Coleraine, 2005) and discovered that tourists increasingly look for **better value for money and ‘they make comparative value judgments on a more global basis’** when they consider holiday options and their costs.

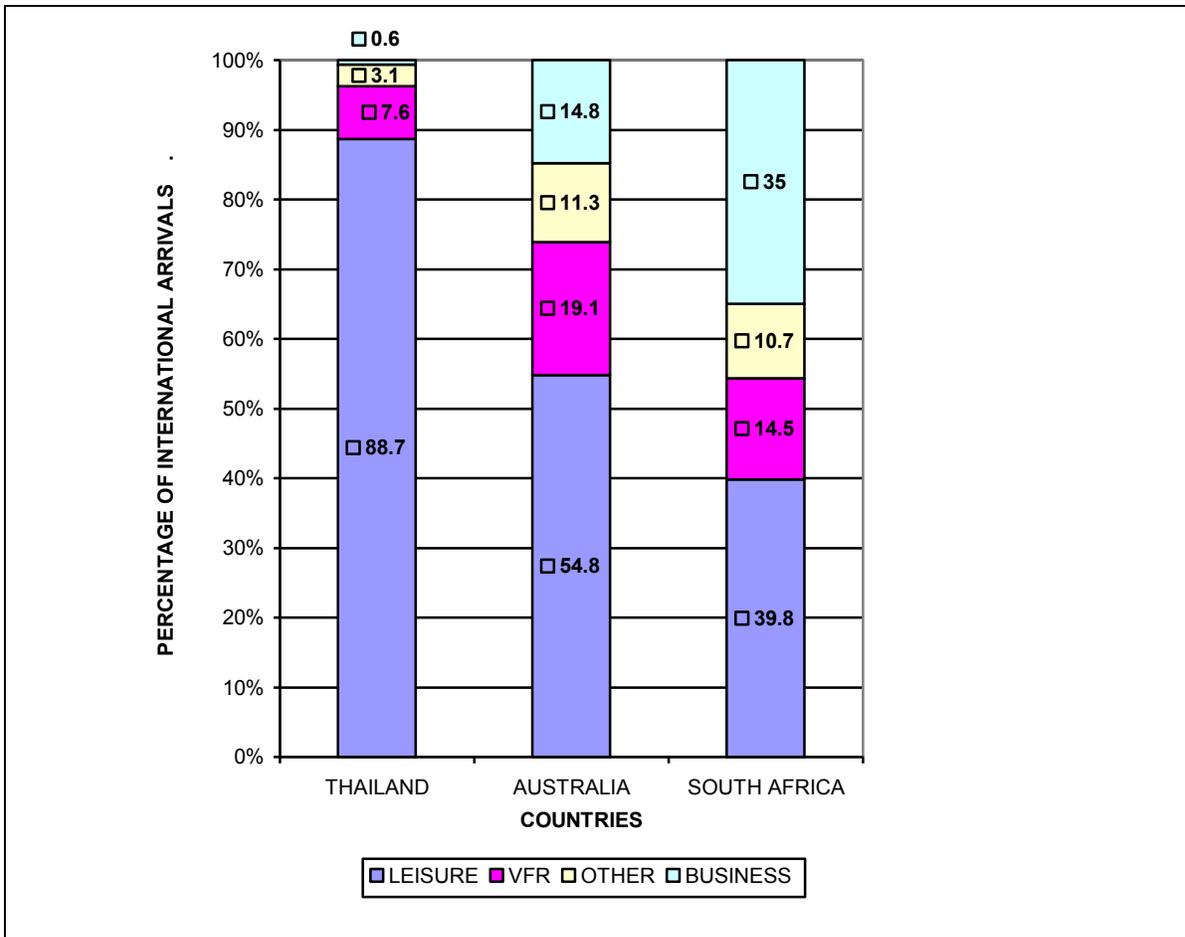
The relation between value for money and price may be based on a feeling or perception of the tourists or customers that they are receiving value for the money that they have paid. The tourists must be convinced that the quality they have received is consistent with the price that they have paid. If quality and price are inconsistent, then the tourist or consumer will be dissatisfied. According to Cant (2003:63) the ideal situation would be to try and **understand the consumer’s reasons for buying the product and set the price according to the consumer’s perception of the product’s value**. Consumers set a certain price for a product for themselves on the basis of various factors such as how important the product or service is to them, if it is needed or not, how scarce it is, the quality of the product and the aesthetic and economic value of the product. This price that the consumer has set for him or herself is then used as a benchmark for future purchases. It is therefore of utmost importance to investigate the international tourists’ perception of the value for money that they received during their visit to South Africa.

3.2 ASPECTS OF GLOBAL PRICE COMPETITIVENESS

Gooroochurn & Sugiyarto (TTRI, 2007) in their study on competitiveness of the travel and tourism industry, confirm that price competitiveness is in most instances regarded as the most important factor in the competitiveness of a specific destination and that the price of products has a significant impact on tourism demand.

3.2.1 The tourist mix for South Africa and its major competitors

According to Middleton (2001:150) the use of price is one of the four levers to be coordinated with the marketing mix of a destination, as it is particularly important in managing demand and revenue. Between the years 2002 to 2003, South Africa experienced an arrival boom during which South Africa's foreign tourist arrivals grew from 5 787 970 to 6 429 583 (SA Tourism, 2005). This motivated the Department of Environmental Affairs and Tourism to conduct a global competitiveness survey in 2003 and 2004 of which the purpose was to establish how South Africa as a tourist destination competes in the global tourism market and what is required to enhance South Africa's overall competitiveness. The results from this study indicated that tourism has outperformed all other sectors in the South African market in terms of job creation and contribution towards the gross domestic product (GDP). Figure 3.2 illustrates the tourist mix for South Africa, Thailand and Australia respectively.



Source: SA Tourism, 2005

Figure 3.2: Tourist mix for South Africa, Thailand and Australia

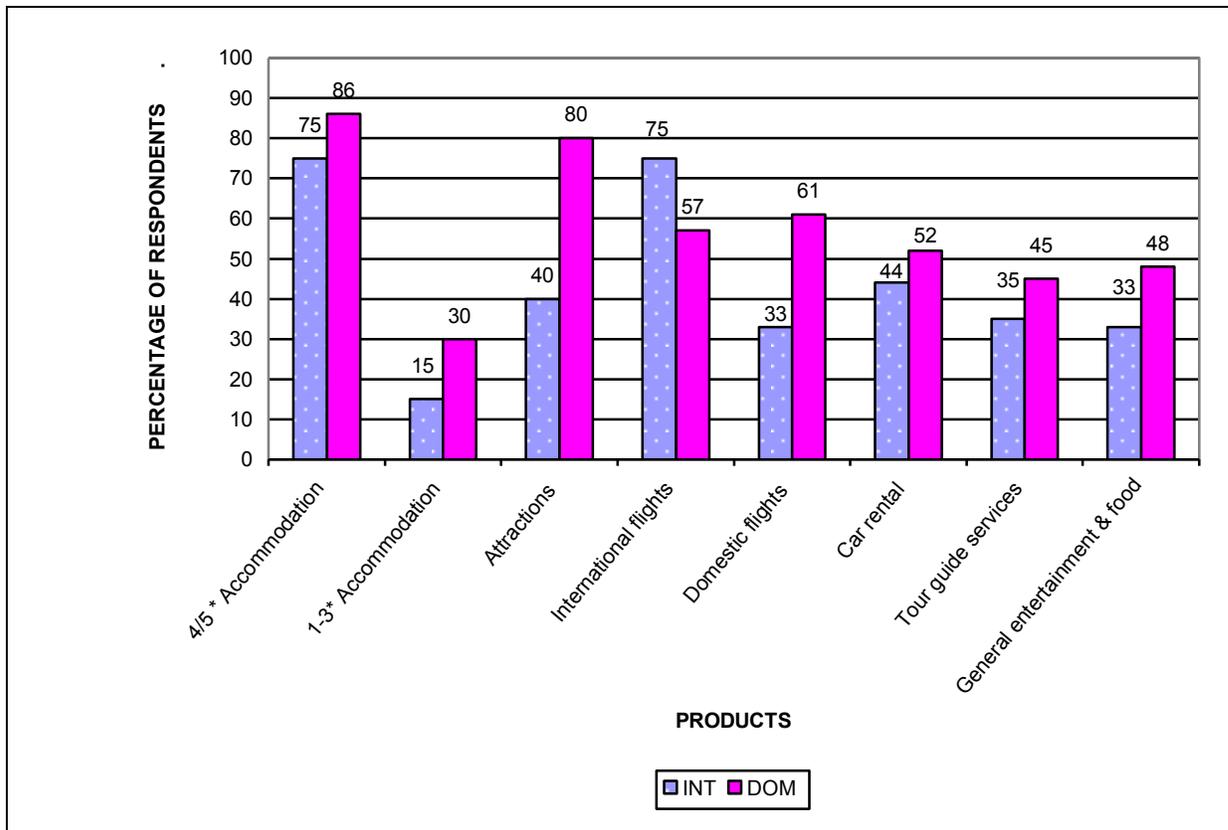
From figure 3.2 it is clear that according to the above-mentioned research, South Africa has the ability to increase the percentage of leisure tourists to the overall tourist mix when compared to its major competitors, namely Thailand and Australia. When categorizing our international arrivals for 2004 into either business, leisure, visiting family or friends (VFR) or other purposes, the South African leisure market consists of 39.8 per cent of the international arrivals whilst Australia's leisure market is 54.8 per cent and Thailand's is 88.7 per cent. According to the competitor survey, Australia has the highest spending per day per tourist (SA Tourism, 2005). The majority of Australia's tourist mix consists of international leisure tourists, which may imply that the leisure tourist spends most money at the destination. If South Africa may ensure that more international

leisure tourists arrive in this country, the average spend per tourist per day will increase and thus have a rippling effect on the rest of the South African economy.

Two other shortcomings, related to price, were identified from the global competitiveness project (SA Tourism, 2005) which formed the base of this research:

- ♦ **Current product shortcomings: value for money;**
- ♦ **Industry shortcomings: affordable prices.**

SA Tourism research furthermore tested the South African industry's price perception with the following question: *Which part of the integrated South African tourist product has/have recently become too expensive for international and domestic tourists?* The outcome is illustrated in figure 3.3.



Source: SA Tourism, 2005

Figure 3.3: The tourism industry's perception on the price competitiveness of South Africa's tourism products

From the research results indicated in figure 3.3, the global competitiveness research indicated that the people working in the tourism industry believe that certain tourism products in South Africa are becoming too expensive. The problem that arises from this is that if the industry, especially the travel agencies that act as the distributor of tourism products and services, feel that prices are too expensive, this viewpoint may then be transferred or communicated to the potential tourist who has to make a decision to visit South Africa or another destination. The question arises whether the tourist will indeed choose South Africa if this destination has been labelled as expensive?

Furthermore, according to figure 3.3, the majority of the respondents in the tourism industry regard the following tourism products of South Africa as not being competitive in terms of price (SA Tourism, 2005). The main travel commodities consumed by tourists such as accommodation, attractions and flight expenses will be discussed individually:

- ◆ **Accommodation:** The four and five star accommodation establishments are priced too high for the international and domestic tourist. Seventy five percent of respondents indicated it is too expensive for the international market and eighty six percent of respondents indicated it too expensive for the domestic market. The one to three star accommodation establishments were found to be fairly priced for both the international and domestic market.
- ◆ **Attractions:** Attractions seem to be overpriced for the domestic tourist as eighty per cent of respondents indicated that the prices are perceived to be high whilst forty per cent of respondents indicated that visitation fees for international tourists are too high.
- ◆ **International flights:** The majority (75%) of the respondents indicated that international tourists perceived the price of international air tickets to be high whilst fifty seven percent indicated that flights are too expensive for the domestic market.
- ◆ **Domestic flights:** The respondents indicated that the domestic flights were not too expensive for the international tourist but that the domestic tourist

perceived the domestic flights to be pricey. With the introduction of a number of budget airlines operating on domestic routes, this problem may have been addressed to a great extent.

3.2.2 The role of the media

The media may play a major role in the perception that tourists and industry may have on price and value for money. Many contradicting sources of information and products are often compared and many different viewpoints are published. A current article on SA Tourism's website reads "SA is one of the most affordable destinations in the world" (SA Tourism, 2005). This report was based upon the findings of American Express Foreign Exchange and based on products such as cappuccino, lager, Coke, an ice cream bar, a camera film, a meal for two, a snack for four and other consumables. Thailand was found to be the cheapest and South Africa the second cheapest per basket of food. This indeed proves that consumables are cheap to purchase, but it does not imply that other tourism products are cheap.

As noted previously, in chapter one, other media reports state the opposite: The Cape Times reported on "the greed of those who are looking to make a quick buck" (SA Media, 2005), The Natal Witness (SA Media, 2005) reported: "SA tourist bubble about to burst: Overseas tourists complain of high prices and poor value for money", the Sunday Times that "Sunny SA no longer the bargain basement" (SA Media, 2005) and the Natal Witness that a 5-night five-star hotel package to Cape Town will cost a family of three persons approximately R55 000 whilst a 21-night four-star package to Australia including the Great Barrier Reef, Sydney and Brisbane will cost the tourist R48 000 (SA Media, 2005).

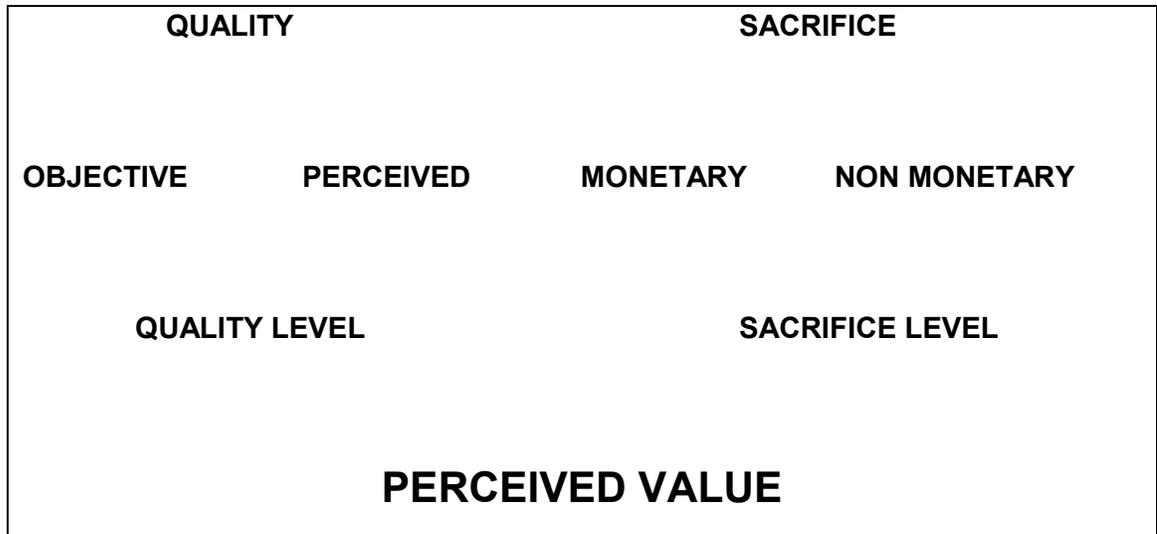
Based upon the certain key findings of the global competitiveness project of SA Tourism as discussed above, South Africa will have to address its price competitiveness within the industry and further research will have to be conducted

amongst international departing tourists in order to establish their perception on South Africa's tourism product prices. The question thus remains: do the tourists feel that they received a quality product for the price that they have paid? This question may only be answered after a variety of pricing techniques and strategies have been studied. The pricing of products is very important in relation to the competitiveness of the destination.

3.2.3 Pricing products

3.2.3.1 Introductory remarks

Jukka Pellinen (Pellinen, 2005) in his article "Making pricing decisions in tourism enterprises" states that very little is known about how price decisions are being made in tourism enterprises. According to O'Shaughnessy, (1995:170-171) there are two types of price-conscious consumers, of which both use economic criteria to measure the product purchased. Firstly, the *deal sensitive* consumer, who chooses between certain favourite brands whichever product is on special offer. They instinctively rank brands on the basis of price and sacrifices that they have to make when purchasing the product. These sacrifices are usually measurable and include factors such as for example the low cost of a video tape when deciding to purchase a DVD or not. The concept of quality, sacrifice and value, in relation to each other is illustrated in figure 3.4.



Source: Lewis & Chambers, 2000:418

Figure 3.4: The relationship between quality, sacrifice and value

Figure 3.4 illustrates the relationship between quality, sacrifice and value. Here perceived value is the end result of a combination of quality versus sacrifice. The sacrifice may be both monetary, where money is paid and non-monetary, as with time, inconvenience and experience (Lewis & Chambers, 2000:418). Secondly, the *price sensitive* consumer who will disregard brand completely and buy the cheapest product available; for instance a backpacker traveler, will choose the cheapest flight to the destination, as long as s/he gets to the destination. The *maximum price* that any consumer is prepared to pay depends on more than just the importance of the product to the consumer. It depends also on the following factors (Lewis & Chambers, 2000:418):

- ◆ The dependence on the specific brand. A frequent flyer of a specific airline may have to choose travel on that specific airline alone if rewards are to be received by the passenger.
- ◆ The product's essence in relation to the consumer's goals or needs. The primary reason for a surfer's holiday may be to participate in his specific sport.
- ◆ The uniqueness of the product on whether or not a similar product may also satisfy the needs of the consumer.
- ◆ The place where the product is purchased. Tourists may often pay more for a similar product at the destination than what they are prepared to pay for the

same product in their home country.

- ◆ The sense of it being a fair or good price. Most tourists shop around for prices and will have a fair idea of how much to pay for certain products. Consumers will have a tentative price, which they base on their expectations. This tentative price may change as they become more in contact with other prices.

Bennett & Strydom (2001:181-182) list the factors below as considerations impacting on the price of travel and tourism products:

- ◆ **Product quality.** Products that offer greater benefits and satisfy more needs may command a higher price.
- ◆ **Product distinctiveness.** A product that offers unique and distinctive qualities will command a higher price.
- ◆ **Extent of competition.** Similar products should be priced similarly to that of the competitors.
- ◆ **Cost and method of distribution.** Distribution costs must always be included when setting prices.
- ◆ **Character of market.** The type, number or size of your target market must be considered when setting the price of the product. Paragraph 3.2.3.8 discusses a variety of pricing strategies that may be used to suit the specific market.
- ◆ **Cost of product or service.** The cost of providing the service or product must be taken into account before deciding on a final selling price.
- ◆ **Margin of profit desired.** A profit margin must be built into the price in order to compensate for the degree of risk involved.
- ◆ **Seasonality.** Prices are charged according to demand and vary during high, shoulder or low season.
- ◆ **Special promotional prices.** Product owners must pay careful consideration to special offers, discounts and introductory specials, in order not to do any damage to ordinary prices.
- ◆ **Psychological considerations.** Prices that end with a nine are found to be more favourable than rounding it to the next ten.

3.2.3.2 Price awareness

When doing research on price in general, the question arises: how aware are consumers of the selling price of products or what is the extent of their price knowledge, for instance, if a product is on promotion or special? Does a consumer know the actual price of the product or does s/he have knowledge or is s/he aware of usual or actual selling prices of tourism products? A study on consumer price awareness in food shopping indicated that consumers are not as informed about prices as is generally assumed (Babson, 2007).

Kenesei & Todd (Journal, 2005) conducted research on the use of price in the purchase decision and concluded that consumers, who purchase a product more regularly, will remember the price paid for the product better than a first time consumer. The frequent consumers will also save more money due to the fact that they have better price information.

Perner's research (Consumer, 2007) suggests that consumers are often not aware of what a product is supposed to cost or even how much the product is that they have just purchased. Yet the research indicated that consumers respond a great deal to prices: increases greatly diminish sales whilst discounts usually increase sales. The study furthermore confirmed that reference pricing gives consumers a relatively good idea of what a product should cost (see paragraph 3.2.3.3.3).

In tourism, price information is readily available on the Internet, in newspapers and other media, as well as through any travel agency. Frequent travelers who are more experienced are not only more aware of what is happening in the travel industry but will look further and go to more trouble in order to save money on a vacation or other trip. In order to compensate for this type of decision-making, airlines and their travel partners have introduced a reward system for frequent flyers in order to stimulate loyalty when making travel decisions.

3.2.3.3 Value in pricing

Value in pricing refers to the perceived benefit, whether touchable or not, that the consumer received with the purchase of the product. Lewis & Chambers (2000:422) state that this value perception may either be real or imagined.

3.2.3.3.1 Perceived value

Perceived value is, according to Hiam & Schewe (1992:306), where the consumer equates the price of the product to the amount of value that he or she expects to receive in exchange for the purchase. Here, intangibles such as image, exclusivity and prestige, play an important role in the perception value.

Perceived value is subjective and is based on two parts namely: **benefits received** such as economic, social or relationship benefits and secondly, the **sacrifices made** in order to obtain the product such as effort, price, time or convenience (Science Direct, 2005). Professor Larry Dwyer, Professor Peter Forsyth and Prasada Rao (Science Direct, 2005) conducted research on the perceived value of the purchase of a tourism product and found that the perceived value of a product varied between **cultures**, between **customers** and at different **times** of the purchase such as before, during and after, the purchase. The value of the product may be considered different at different times. So, for instance, at the moment of purchase, the characteristics of the tourism product and the price may be the deciding factors (Sanchez et al., 2005). Before the tourists have used the product, they have an idea or expectation of what it is going to look like (hotel room) or how it is going to be (a cable car ride) and how much they are willing to pay for such a product, service or experience.

During and after use of the product, the consequences, experience and other elements are valued by the consumer. This may explain the fact that a tourist may perceive a bungee jump as over rated after s/he has completed the jump or a famous pleasure resort as doing justice to its reputation. One of the qualitative

conclusions of the above-mentioned research is the fact that the tourist has a holistic view of the perceived value of the tourism product. After use of the product, the user will no longer perceive individual deciding factors, but the perception will be based upon the entire experience or product.

South Africa, as a destination, will therefore be perceived as either an expensive or as a good value for money destination, depending on how tourists perceive South Africa's products.

3.2.3.3.2 Economic value

Price plays a very important role in the decision-making process of the tourist. It is not only an indicator of quality, but it also gives the consumer information about how much s/he will have to pay for the product. For the product owner the price is equally important as this may determine the success or failure of the business (O'Shaughnessy, 1996:592 and Diamantopoulos & Mathews, 1995:6). Consumers relate price to value; in other words, the price that a consumer is prepared to pay is an indication of the value that s/he attaches to the product (Cant, 2003: ix). Value is not merely price. Price refers to economic value whereas the total value of the product is a combination of price, perception or perceived value and the product's reference value. Price is linked to performance, expectations, perceptions of quality and prestige, satisfying needs and perceived benefits (Cant, 2003:5).

Nagle & Holden (1995:73) describes the term *value* as the total amount of savings or satisfaction that the consumer received from the product. Because of the fact that value is often poorly described, value-based pricing may be conceived as impractical but marketers base this pricing method on *economic value to the customer* whilst economists refer to it as an *exchange value*. The value of a blanket in sub-zero temperatures will differ from the value of the same blanket on a sunny beach (Haas, 1992:589-599). The *economic value* of a product is the price

of the consumer's best alternative (referred to as the reference value) plus whatever differentiates the offering from the alternative called the differentiation value. Thus the economic value would be the maximum price that consumers would pay for any purchase. Nagle & Holden (1995:76-77) furthermore list the following steps to do an **economic value** analysis:

Step 1: Identify the cost of the competitive product that the consumer considers as an alternative. Ensure that equal units or components of the products are compared, for instance a comparison between a Johannesburg to New York flight offered by two different airlines. Nagle & Holden (1995:73-74) states that value is firstly determined by what the consumer's alternatives are. Few consumers will pay more for a product if they are aware of alternatives in the market at substantially lower prices.

Step 2: Identify all the differentiating factors of the products in comparison for example: Better reliability, faster service, inferior performance, additional features or better quality. For instance, when comparing the Johannesburg to New York flights: are they both direct flights or does one of them fly via Europe or Africa, do they both provide in-flight entertainment and meals, are the levels of service the same on both airlines?

Step 3: Determine the value of the factors mentioned in step 2 to the consumer. These values may be subjective (give more pleasure) or objective (save money). The value determined from this step will resemble the differentiation value. For instance, how much will it cost the tourist to purchase food and beverages on board the flight, how much time will be lost and will there be someone to assist with special requests?

Step 4: Total the reference value and the differentiation value which will determine the total economic value that the consumer will be prepared to pay.

3.2.3.3.3 Reference value

Perreault & McCarthy (1999:524), Nagle & Holden (1999:75) and Lewis & Chambers (2000:419) define reference value (also referred to as expectation pricing) as the cost of the competing product that the customer views as the best alternative product or as the value that the consumers considers as a reasonable or fair price for a specific product. Zeithaml & Bitner (1996:486) defines reference value as a price point in the memory of the consumer for a product or service and may consist of what the consumer paid last, the most frequently paid price or the average of all prices that the consumer has paid for similar offerings.

Consumers have what is called a „window of price acceptability” within which they consider buying a product or service (RS Consulting, 2005). This value is used as benchmark when consumers are comparing products prior to purchase. Different consumers may have different reference prices for the same basic type of product, depending on how much that specific product type means to them, for example, a person who enjoys reading might have a higher reference price for a popular book than another person who only reads on rare occasions (Perreault & McCarthy, 1999:525). The factors that influence consumer’s reference values are (Nagle & Holden, 1999:302):

- ◆ The **current prices** available in the market;
- ◆ The **recalled prices** which the consumer remembers from past purchases;
- ◆ The **context** within which the price is offered, for instance buy one business class ticket and receive an additional baggage allowance of ten kilograms for free.

Reference value differs from perceived value in the sense that perceived value is based rather on the variety of benefits received than purely economic aspects. Reference value on the other hand refers directly to the price that the consumer is prepared to pay for a specific product. For instance: the perceived value of a holiday may be influenced by factors such as family time spent together, social

interaction, the ease of making the reservation, time spent on the finalization of the holiday and/or the money spent, whilst reference value means the consumer is prepared to spend approximately R7 000 on an air ticket.

3.2.3.4 Quality and price

The consumer's perception of quality is his or her evaluation of the product's overall superiority in comparison to other similar products (O'Shaughnessy, 1995:599). A very strong relationship exists between quality and price and a product with a low price may often be perceived as a product of inferior quality (O'Shaughnessy, 1995:599, Kotler et al., 1996:375-376 and Kotler, 2000:456). Zeithaml & Bitner (1996:490) confirms that price sets expectations of quality which are applicable to products as well as services and even a too high or a too low price charged for services may lead to inaccurate perceptions of service delivery. Anderson & Vincze (2000:12) confirm that the better the quality of the product for the price charged, the higher is the perceived value of the purchase.

The following factors or conditions will create a positive relationship between perceived quality and price (O'Shaughnessy, 1995:599-600 and Morrison, 2002:516):

- ◆ A wide range of prices within the product category. On a flight there may be different types of classes available, each offering a different level of service and facilities such as first, business, economy class;
- ◆ The absence of clues for judging quality objectively, for example where physical inspection is not possible;
- ◆ The absence of clues indicating quality such as a brand name;
- ◆ When the purchase is infrequent;
- ◆ Where quality does not vary a lot between the different products in that class;
- ◆ When the purchase is relatively cheap in relation to its importance or function or in relation to the cost of other products;
- ◆ If brands are unfamiliar;

- ◆ If a high fear of making a mistake is evident because of the risk involved in the purchase of the product;
- ◆ If the buying occasion puts the emphasis on adaptive criteria;
- ◆ With certain products such as consumer durables;
- ◆ Due to image or reputation, the situation suggests that such a relationship may be expected.

In figure 3.5 the competition between price and quality by means of nine possible price-quality strategies (Kotler, 2000:457-458) is illustrated.

		PRICE		
		HIGH	MEDIUM	LOW
PRODUCT QUALITY	HIGH	1. Premium strategy	2. High value strategy	3. Super value strategy
	MEDIUM	4. Overcharging strategy	5. Medium value strategy	6. Good value strategy
	LOW	7. Rip off strategy	8. False economy strategy	9. Economy strategy

Source: Kotler, 2000:457

Figure 3.5: Price-quality strategies

From figure 3.5 the diagonal strategies 1, 5 and 9 may all co-exist in the same market, where one product owner offers different quality products at different prices. All three competitors may also co-exist as long as the market provides three types of consumers: those who insist on quality, those who insist on price and those who balance the two considerations. Strategies 2, 3 and 6 are attacks on the diagonal lines where the message is sent that the product has the same high quality as product one, but less is charged for the product. Strategy 3 states the same as two, but offers an even greater saving. If quality-conscious

consumers believe these competitors, they will sensibly buy from the competitor and save money. Strategies 4, 7 and 8 amount to overpricing of the product if compared to its quality. The consumers will feel cheated and will probably complain or spread bad word of mouth about the product (Kotler, 2000:457-458).

3.2.3.5 Price differences

Research indicates that consumers' behavioural responses to price differences are not the same (Nagle & Holden, 1999:299). If consumers were perfectly rational and predictable in their behaviour towards price differences, then the conclusion may be made that the same price difference (\$400) would always generate the same response. However, research has indicated that this is not true (Nagle & Holden, 1999:299-300). For example: Scenario A: X orders a typewriter for \$1000 but finds that the same model is available from another supplier for \$600. Assuming that it will take one-half day's effort and no expenses, the question was asked if consumers will cancel the order and make the purchase from the cheaper supplier providing a saving of \$400. Scenario B: X orders a word processor for \$20 000 but later finds it for \$19 600 from another supplier (providing a \$400 saving). Assuming that it will take one-half day and no expenses, the same question was asked as in scenario A. Both scenarios implied a saving of \$400.

Research results among business executives (Nagle & Holden, 1999:299-300) indicated that 89 percent will change to the cheaper supplier in scenario A, but only 52 percent were willing to do so in scenario B. The tendency of consumers to evaluate price differences relative to the level of the base price is known as the Weber-Fechner Law (Nagle & Holden, 1999:300). This law states that consumers perceive price differences in proportional terms rather than in absolute terms. In scenario A the price difference is 40 percent whereas in scenario B the difference in relation to the value is only 2 percent. The percentage of price change and not the actual price difference is what influences the consumer's perception.

Within a tourism environment, these research results may be valuable to product

owners. As discussed in chapter 2, long haul air transportation contributes to the majority share of money spent by international tourists (Page, 1999:147 and Pearce et al., 1998:79-80). The average amount of money spent on an international air ticket will vary between R7 000 to R12 000 depending on the route traveled. The conclusion may therefore be made that tourists will perceive a price difference in the price of an air ticket to be less substantial than what it really is due to the fact that they are spending more money on the air transportation. However, when purchasing one night's accommodation at approximately R400 or a meal at approximately R100 or visiting an attraction at approximately R150, a smaller price difference may change the tourist's mind into rather buying the cheaper product from a competitor.

3.2.3.6. Factors influencing pricing

Stauble (2000:290) and Kotler et al. (1996:381,392-393) list the factors that influence pricing decisions into categories namely the company, competition, consumers, suppliers, market and the environment.

- ◆ **The company:** The company has to consider three basic factors: the price range of the products, the risk levels of each alternative price and whether or not the company is a price leader or a follower. Taking an airline as an example company, the airline has to consider the consequences of slashing prices merely to follow suit with another airline. Bankruptcy, inferior quality, performance pressures or future price strategies may result from incorrect pricing decisions by the airline.
- ◆ **Competitors:** The extent to which the prices of the competition have affected your company has to be taken into consideration. See paragraph 3.2.3.8.3 for a detailed discussion.
- ◆ **Market:** Factors to be taken into consideration are whether alternatives or substitute products are available or not and what the company's market share is in relation to the targets and volume. Depending on the market share, sales volumes and profits of a company, they must decide whether or not this change

in the market will affect their profitability or existence in the future or how easy it is for the market to use an alternative product and the influence of such decisions on your market share. If necessary, the company will have to adjust prices according to the market to ensure sustainability.

- ◆ **Suppliers:** The tourism environment is very complex, as suppliers include providers of services such as roads, airports, water and other infrastructure, but also private suppliers such as banks, product owners, wholesalers, distributors and workers who supply labour. The quality of products that the suppliers supply will have a direct influence on your price: for instance, if a tourist may travel on a well lit, safe highway from an airport to his hotel, the hotel owner may charge more than another hotel which is not supported by the same products. The price that these suppliers are charging for their products will also influence your prices as these charges become part of your monthly expenses or costs which are taken into consideration when setting your prices.
- ◆ **External environment:** The external environment is typically beyond the control of the company. Regulations, legislation and controls, imposed by the government, may have serious consequences on the prices of a product owner. Furthermore, the government and external environment affect economic conditions, inflation, interest rates, credit and disposable income. Perreault & McCarthy (1999:92, 102) divides the external environment into four major areas namely the economic (disposable income, interest rates), technological (computer technology, internet), political and legal (legislation, war) and cultural and social (life-styles, demographic) environments which cannot be controlled by the product owner, but which may have direct influence on the company. Any company should focus on the limitation of the effects of the external environment. Although this is not entirely possible, companies may make provision for unforeseen circumstances by implementing specific strategies for their specific environment. A perfect example of this is the newly introduced war and fuel tax that airlines charge. After the political events of September 2001 in the United States of America, the insurance costs for all international airlines became astronomical and therefore airlines are charging an additional

tax in order to subsidise their insurance premium. A portion of this tax is also paid in lieu of unpredictable changes in fuel prices, which is one of the major expenses of airlines. Any change in the fuel price has a significant influence on the profitability of an airline and this tax is aimed at minimizing the risk involved.

- ◆ **International environment:** Exchange rates, distribution channels used, discounting pressures, barriers to trade and market specific costs, all have an influence on prices in the international market. When local product owners set their prices they have to consider the environment from which their revenue is coming as well. If your market is predominantly French citizens, then all external factors affecting the French will have an influence on your market and should be taken into consideration when setting your prices.

The **internal environment** within a company also needs to be assessed in order to determine performance abilities. The internal environment of a company is more controllable than the external environment and reflects the resources available to the company. The elements in the internal environment all have financial implications for the product owner and therefore, these elements also play a role as a cost when setting prices for tourism products. Bennett et al. (2005:144) records the internal environment as:

- ◆ **Physical resources:** These resources are pull factors that attract tourists to the company's product such as attractions, infrastructure or superstructures.
- ◆ **Financial resources:** The financial resources are used to develop and manage the tourism product offered to the tourist.
- ◆ **Human resources:** The employees that are used, trained and managed, in order to satisfy the needs of the tourist.
- ◆ **Operational and administrative structure:** These resources are used in the daily operation of the company and include marketing, administration, research and development.

A company's internal environment may be used to its benefit when setting prices.

Costs and expenses related to the internal environment are usually predictable and relatively controllable, which simplifies the setting of accurate and market related prices. Prices are therefore set according to a realistic financial budget, which will require minor adjustments from time to time.

3.2.3.7. Factors affecting price sensitivity

Price sensitivity is a measure of an individual consumer or the market segment's reaction to price changes. Low price sensitivity means that the consumer will tolerate high prices in order to obtain the product and consumers with high price sensitivity are likely to avoid or substitute high priced products (EXP, 2005). According to Kotler (2000:459-460) and Cant (2003:32-33), the following factors affect price sensitivity:

- ◆ **Unique value.** Consumers are less price sensitive if the product is more distinctive. Although each country in this study has unique features and attractions, not one of them overshadows the rest in terms of uniqueness.
- ◆ **Substitute awareness.** When consumers are not aware of substitute products, they are prepared to pay more. Should the marketing efforts of the destinations in this study be equal, the tourists will not be prepared to pay more for similar products.
- ◆ **Difficult-comparison.** If the quality of products cannot be easily compared, consumers are less price sensitive. Comparing the quality of destination products is without a doubt not an easy task as the product cannot be inspected before consumption or use. The fact that in most instances, the tourist does not buy one product but fragmented segments for a total holiday experience, furthermore complicates the comparison.
- ◆ **Total-expenditure.** Consumers are less price sensitive if the total expenditure is smaller in relation to their total disposable income. With a holiday being a luxury rather than a necessity, the total cost of a holiday will rarely exceed the total income.
- ◆ **End-benefit.** The smaller the cost in relation to the total expenditure, the less

price sensitive consumers are. Tourists will be less price sensitive when paying for a side trip which forms part of the total holiday experience.

- ◆ **Shared cost.** Consumers are less price sensitive if the costs are shared between the parties. Tourists may share the cost of car hire which will make them less price sensitive.
- ◆ **Sunk investment.** Consumers will be less price sensitive when the new product purchased may be used in conjunction with a previously bought product.
- ◆ **Price quality.** Consumers are less price sensitive if the product is perceived to be of higher value, prestige or exclusiveness. The perceived image of the destination will play a role whether or not it will be regarded as prestigious and quality.
- ◆ **Inventory effect.** Consumers are less price sensitive when they cannot store the product. Most travel and tourism products cannot be stored such as accommodation, visiting an attraction or an air ticket.

Nagle & Holden (1995:81-82 and 91-92) adds the following price sensitivity factors to the above-mentioned list:

- ◆ **Switching cost.** Many products require the consumer to make product-specific investments to use them. If these specific requirements are not required to switch to a new supplier, the consumer will be more price sensitive. For instance, airlines may be reluctant to change from Boeing to Airbus planes, as these planes use different stairs, require newly trained technicians or the kitchen trolleys do not fit in the space provided.
- ◆ **Fairness.** A consumer will be more price sensitive if the price of a product falls outside the range of what is considered to be a fair, reasonable or normal price for that specific product. Factors that influence the fairness of a price are: (1) the current price compared to previous prices; (2) the price of similar products; and (3) the purchase location or situation, as some locations and/or situations warrant a higher or lower price, for example the last front row tickets sold at a live concert at the door may reach a higher price than those purchased from

the Internet three months prior to the event. O'Shaughnessy (1995:599) also refers to the medieval concept of the „just price' which is used in forming perceptions and expectations of the right price to be paid for a product.

Taking the above-mentioned factors into consideration, the conclusion may be made that there are many different factors that may influence the price sensitivity of tourists. Tourists will purchase a variety of products prior to arrival at the destination such as accommodation, flights and tours, which may already have an effect on their price sensitivity. Other products such as meals, attractions, entertainment and activities, will usually only be purchased after arrival at the destination. Upon departure from the destination, the tourist will be able to reflect upon prices paid in total.

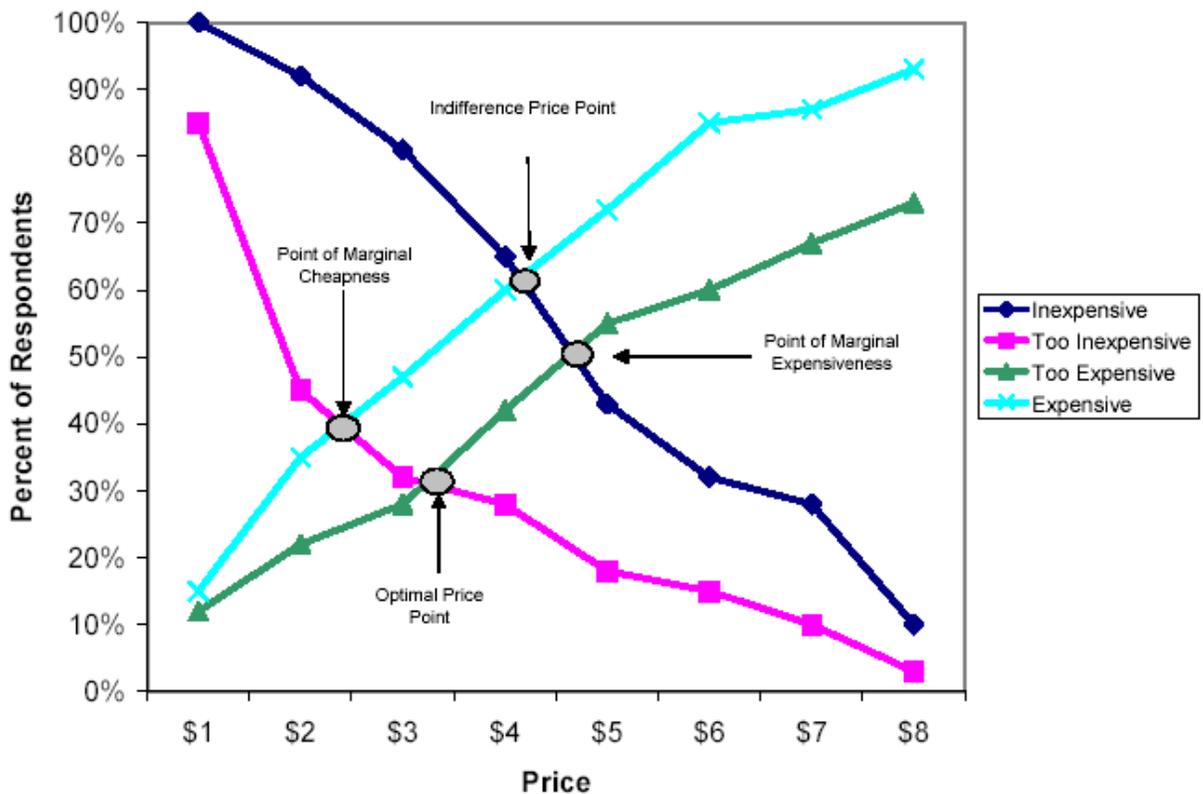
3.2.3.7.1. Methods of price sensitivity measurement

A very popular method of price sensitivity measurement was invented by the Dutch economist, Peter H van Westendorp, who introduced a simple method to measure consumers' price perception (Market Vision Research, 2005 and Lewis & Chambers, 2000:420-422). This method is based on the fact that there is a range of prices bound by a "maximum that a consumer is prepared to spend and a minimum below which credibility is in doubt". This Price Sensitivity Meter (PSM) is based on the answers of respondents to the following four price-related questions (Market Vision Research, 2005 & Lewis & Chambers, 2000:420):

1. At what price do you begin to perceive the product as so expensive that you would not consider buying it? (**Too expensive**)
2. At what price do you begin to perceive the product as so inexpensive that you would feel that the quality of the product cannot be very good? (**Too inexpensive**)
3. At what price do you perceive that the product is beginning to get expensive, so that it is not out of the question, but you would have to give some thought to buying it? (**Expensive**)

4. At what price do you perceive the product to be a bargain - a great buy for the money? (**Inexpensive**)

The concept of the Price Sensitivity Meter, which is based on the above-mentioned four questions, is illustrated in figure 3.6 (Market Vision Research, 2005).



Source: Market Vision Research, 2005

Figure 3.6: Typical depiction of curves of a PSM with intersections

From the response of these four questions, cumulative frequency distributions are derived and plotted on a chart as illustrated in figure 3.6. The figure illustrates a typical depiction of the curves for each of the four questions asked. It is predictable that the „too expensive’ and the „too inexpensive’ curves will fall below the „expensive’ and „inexpensive’ curves. The meeting points or intersections of the curves are used to interpret price perceptions. Table 3.1 describes the meeting points in detail.

Table 3.1: Description of intersections

INEXPENSIVE

TOO INEXPENSIVE

EXPENSIVE

The indifference point (IPP) is the point at which the equal number of respondents believe the product is expensive as those who believe the product is inexpensive.

The point of marginal cheapness (PMC) is the point at which an equal number of respondents believe the product is expensive as those who believe it is too inexpensive.

TOO EXPENSIVE

The point of marginal expensiveness (PME) is the point at which an equal number of respondents believe the product is too expensive as those who believe it is inexpensive.

The optimal price point (OPP) is the point at which an equal number of respondents believe the product is too expensive as those who believe it is too inexpensive

Source: Market Vision Research, 2005

The IPP in table 3.1 generally reflects either the real price actually paid by the consumers already in the market or the price of the products of the market leader. The PMC and PME represent the acceptable price range for a specific product. The OPP refers to the definitive optimal price for the product.

Although this method of price sensitivity measurement is a simple, reliable, method that is both easy to understand and execute, several researchers argue that the PSM tests respondents' knowledge of a product's price levels. Other concerns raised are the fact that this method directly asks the respondents what they would be willing to pay for a product. It is argued that the questions should rather focus on behaviour instead of price. A further concern raised is the fact that the PSM does not reflect purchase intent. Another argument on the PSM is that questions about price make consumers feel uncomfortable and under pressure (RS Consulting, 2005). This method is thus not recommended for selecting the price of a product, but rather to be used as a tool for gauging consumers' price perceptions and expectations.

Patrick Sullivan conducted research on a variety of PSM models (EXP, 2005).

Different pricing models vary in their ability to measure consumer value information that may have an effect on the price of a product. His research investigated five different research models. Table 3.2 provides a condensed comparison of the different research models (EXP, 2005):

Table 3.2: Condensed comparison of research models

Research Model Presented	Direct Questioning	Price Sensitivity Meter	Monadic Buy/Response	Conjoint Analysis	Discrete Choice Modeling
Researchers / Authors		Van Westendorp (1970)	Nagle (1994)	Green & Rao (1971)	Louviere and Hensher (1983)
Options Presented	One product to all participants	One product	One product to each group	Feature Sets No Product	Multiple Products with price and features
Questions Asked	How much would you pay?	Perceived high and low prices	Would you buy this at this price?	Ranks according to values	Which product would you buy?
Assumptions	People know how much they would pay.	People have a range of acceptable prices.	People are able to predict their buying behaviour	People understand what features they want.	DCM closely models purchase situations, allowing predictive results.
Focus	Intention to buy item at a price	Price	Price	Attributes, Price	Products, Price
Information Yielded	One price	Price points for fair or „optimum‘ price and acceptable price ranges		Optimal Feature Configurations. Part-utility of features relative to price.	Optimal Product

Source: EXP, 2005

From the research models compared in table 3.2 the following discussion is necessary (EXP, 2005):

- ♦ **Direct questioning:** By asking a consumer „How much would you pay?’ it would lead to very misleading data for several reasons, as this question combines price with the intention to purchase. The respondent might believe that a product is worth a specific amount, but may have no need for that specific product. The consumer’s perception of the value of the product would thus be far less than another consumer who is actively seeking the product. Therefore the measure of the perceived fair price and the measure of intention

should be considered separately.

- ◆ **Van Westendorp's PSM:** Discussed previously.
- ◆ **Discrete choice modelling:** There are many types of discrete choice models with a common design that provides choice scenarios with product descriptions for a range of priced products. The product under investigation is then disguised among other products and respondents are asked which product they would choose. This test has little price bias and it is believed to closely model the buying-situation.
- ◆ **Monadic buy / Response:** This test simply presents respondents with a product description, including price and asks them if they would buy it. Each respondent is presented with a single choice and asked about the likelihood that they would buy the product on a scale. This test cannot indicate what a better or ideal price would be but only if the proposed price is acceptable.
- ◆ **Conjoint analysis:** This analysis develops a complete set of attributes for the product. Then different potential configurations are created with prices. Impossible combinations are eliminated. The respondents then rank cards in order of perceived value, forcing a trade-off between price and various attributes of the product. This analysis focuses on pricing and features of the product which may be useful with market segmentation.

Cant (2003:33) and Nagle & Holden (1995:323-356) suggest the measuring of price sensitivity by means of three methods: expert judgment, where experts in the market are consulted, consumer surveys such as the PSM and price experimentation and by means of economic studies. Measuring price sensitivity has many advantages. It may provide a company with useful information about the direction in which price should change in order to stimulate demand or increase sales. It may also identify products that may best withstand a price change or it may help with the adjustment of prices of products in the same category. These measures may also help to protect demand shifts from one brand to another (Cant, 2003:33). The price sensitivity model that product owners must use, should be considered carefully, as incorrect methods provide quick but misleading answers.

When conducting research about price sensitivity, it is important to collect information about value drivers as well, because there is no such thing as price sensitivity in isolation (EXP, 2005).

3.2.3.8. Pricing strategies

A price strategy may either be cost-based, demand-based or competition-based (Bennett & Strydom, 2001:186 and Lewis & Chambers, 2000:401). Nagle & Holden (1999:107) regard the taking of competitors' prices as the standard to evaluate your own prices as the most common mistake to make when formulating pricing strategies. The result of this will be that product owners will incorrectly assume that they must price lower than their competitors to achieve their market share or that pricing higher than the competitors will automatically place them at a competitive disadvantage. A great variety of pricing strategies exist in order to make provision for internal as well as external factors that may influence pricing strategies. Diamantopoulos & Mathews (1995:64) states that cost-plus pricing is the most common form of pricing, whilst pricing at the „market' level is the second most used method of pricing. Following the market leader is the most used form of competition-based pricing, whilst the marginal pricing analysis is hardly ever used.

Before any pricing strategy may be decided upon by a product owner, the following information is needed (Lewis & Chambers, 2000:427):

- ◆ The consumer's value analysis of the product or service;
- ◆ The price level of acceptance in each major market;
- ◆ The price the market expects and the differences that exist;
- ◆ The position of the product in its life cycle;
- ◆ Seasonal characteristics of the industry;
- ◆ Current economic conditions and future expectations;
- ◆ Consumer relationships;
- ◆ Costs and mark up used in calculations;

- ◆ Advertising and promotional costs;
- ◆ Product differentiation that is needed, if any.

Haas (1992: 595) confirms that pricing is more than considering costs and suggests that the following factors should also be taken into account before deciding upon a pricing strategy or fixing a price:

- ◆ Market conditions;
- ◆ Excess production capacity;
- ◆ Competitive prices;
- ◆ Available substitutes and their prices;
- ◆ Product differences;
- ◆ Phase of the product life cycle;
- ◆ Growth rate of the market;
- ◆ Whether other prices are rising, stable or falling;
- ◆ Market share;
- ◆ The market's ability to buy;
- ◆ The market's expectation about prices;
- ◆ Competitor's typical responses to price;
- ◆ Industry changes.

The following common pricing strategies exist:

3.2.3.8.1 Cost based pricing

Hiam & Schewe (1992:292) and Pellinen (2005) compare a product's price to a tripod resting on three foundations namely costs, demand and competition. The following frequently used cost related pricing strategies, namely the formula pricing strategy, cost-plus pricing, target return pricing, breakeven pricing, marginal cost pricing and the experience curve pricing strategy, set the „floor' for the price based upon the actual costs involved (Lewis & Chambers, 2002:412). Zeithaml & Bitner (1996:491) records the basic formula for cost-based pricing as: price being equal

to the direct costs plus overhead costs plus profit margin. In tourism, special problems are associated with this method as it is difficult to define the units of service that a tourism product owner may be selling and therefore, many services are sold in terms of inputs rather than units of measured output.

3.2.3.8.2 Demand based pricing

The level of demand of the consumer sets the „ceiling’ or upper limit of the price based upon demand. However, it is very difficult to estimate demand, as values, needs, wants or attitudes, of consumers may change frequently (Hiam & Schewe (1992:292). Furthermore, demand based pricing involves the setting of prices according to consumer perceptions of value – in other words the prices must be based upon what the consumer will pay for the product or service provided (Zeithaml & Bitner, 1996:496). What further complicates this pricing strategy for service providers is the fact that non-monetary costs and benefits must be factored into the calculation of perceived value by the consumer. According to Lewis & Chambers (2000:417) the following demand pricing considerations affect pricing:

- ◆ Usage: It is important to determine who uses the product, what it is used for, do they use the whole product or just parts thereof, why do they use the product, is the product seasonal, a necessity, expensive and is it used regularly or only on special occasions?
- ◆ Alternatives: What alternatives are available at what cost, what location and at what price?
- ◆ Demand generators: What generates demand, how much do they generate and at what level?
- ◆ Demand satisfiers: Is the demand unfulfilled or saturated, is quality satisfied, is there a generic demand, how many consumers are there, are numbers increasing or decreasing and are the product mixes available appropriate or not.
- ◆ Economic conditions: Are the conditions good or bad or should discounts or promotional pricing be introduced.

3.2.3.8.3 Competition based pricing

This strategy of pricing is largely based upon prices of competitors, with less attention being paid to costs or demand. Not only does this strategy prevent price wars, but product owners feel that the going price represents the collective wisdom of the industry concerning the price that will yield a fair return (Kotler et al., 1996:399). The question that arises from competitive pricing is whether or not to price at the same level as the competition or above or below them. The factors to consider include a review of the structure of the market, to establish how many competitors there are. Generally speaking, the greater the number of competitors, the less autonomy the organisation has in price setting. Another factor to consider is the perceived value of the product in the market, which depends on how much differentiation exists between your own product and that of your competitors (Cant, 2003:71-72). No product owner or business may disregard the prices that the competitors are charging. This implies that the product owner must have knowledge of the competitor's value and/or cost packages in order to make a comparison. When comparing prices, the following considerations are important (Cant, 2003:16-17):

- ◆ Similarity of the product
- ◆ Unique features that warrant a higher price
- ◆ Consumers' perception of value.

In figure 3.7, the relationship between costs, value and competitor's prices, are shown.

LOWER
PRICE

HIGHER
PRICE



Source: Adapted from Cant, 2003:17

Figure 3.7: Relationship between price, cost and value

According to figure 3.7, a higher price may be charged if consumers are convinced that the product offers unique features or more value. If not, the prices will have to be set at more competitive levels. It is no easy task to compare travel and tourism prices with those of your competitors as the prices paid for the variety of products combined or used during the journey may vary enormously: for instance, the cost of an air ticket may vary according to the season of travel or depending on whether it is group travel or not, business, economy or first class. When accommodation prices are compared, factors such as the décor, facilities offered, type of accommodation establishments or type of room may play a role. It is therefore of extreme importance to ensure that the comparison takes place between similar or identical products. According to O'Shaughnessy, (1995:601-602) consumers may switch to different products, depending on the similarity of the products. If the product offerings are similar, consumers will change to the lower-priced product. Consumers expect that if a difference in price exists, it should be justifiable. The type of market in which the product owner competes also constrains price.

There are four general types of competitive markets (Cant, 2003:15-16 and O'Saughnessy, 1995:612-614):

- ◆ **Perfect competition:** In pure competition all product owners sell exactly the same product without any differentiation. Each product owner owns a share of the market but prices are not within control of one individual firm. These products are sold at the going rate and if the price is raised above the ruling market price, no sales will be made. Branding and value-added benefits are usually used to attract more consumers.

- ◆ **Oligopoly:** Here the market consists of a few dominant sellers that are very aware of the competitor's prices and strategies which make it difficult for new sellers to enter the market (Anderson & Vincze, 2000:395 and Kotler et al., 1996:383). According to Tribe (1999:122) oligopoly makes the pricing more difficult since the competitors are interdependent upon each other and the demand curves are fairly inelastic (Perreault & McCarthy, 1999:653).
- ◆ **Monopolistic competition:** This is where there are many buyers and many sellers selling differentiated versions of the same basic product where both price and non-price competition is used (Kotler et al., 1996:383 and Perreault & McCarthy, 1999:99). Monopolistic competition is common in fragmented industries such as travel and tourism and here many product owners sell differentiated versions of a similar product, but there are so many product owners that no single product owner has an appreciable effect on the decisions of the others. The demand curve for such a product owner is more elastic and this product owner may raise prices relatively without losing all his/her consumers (O'Saughnessy, 1995:613). Therefore, differentiation of products through features, style, quality or accompanying service, is important (Cant, 2003:16) and a range of prices occur because product owners may also differentiate their offers to the buyers through branding, advertising or personal selling (Kotler et al., 1996:383).

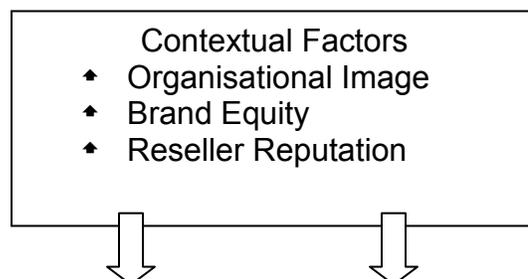
The competitive market of the destination as a product lies within **monopolistic competition**. The tourist buys a variety of products to get to the destination and products to use at the destination. These products are sold globally by a variety of product owners and distributors. The products themselves have a variety of differentiated features.

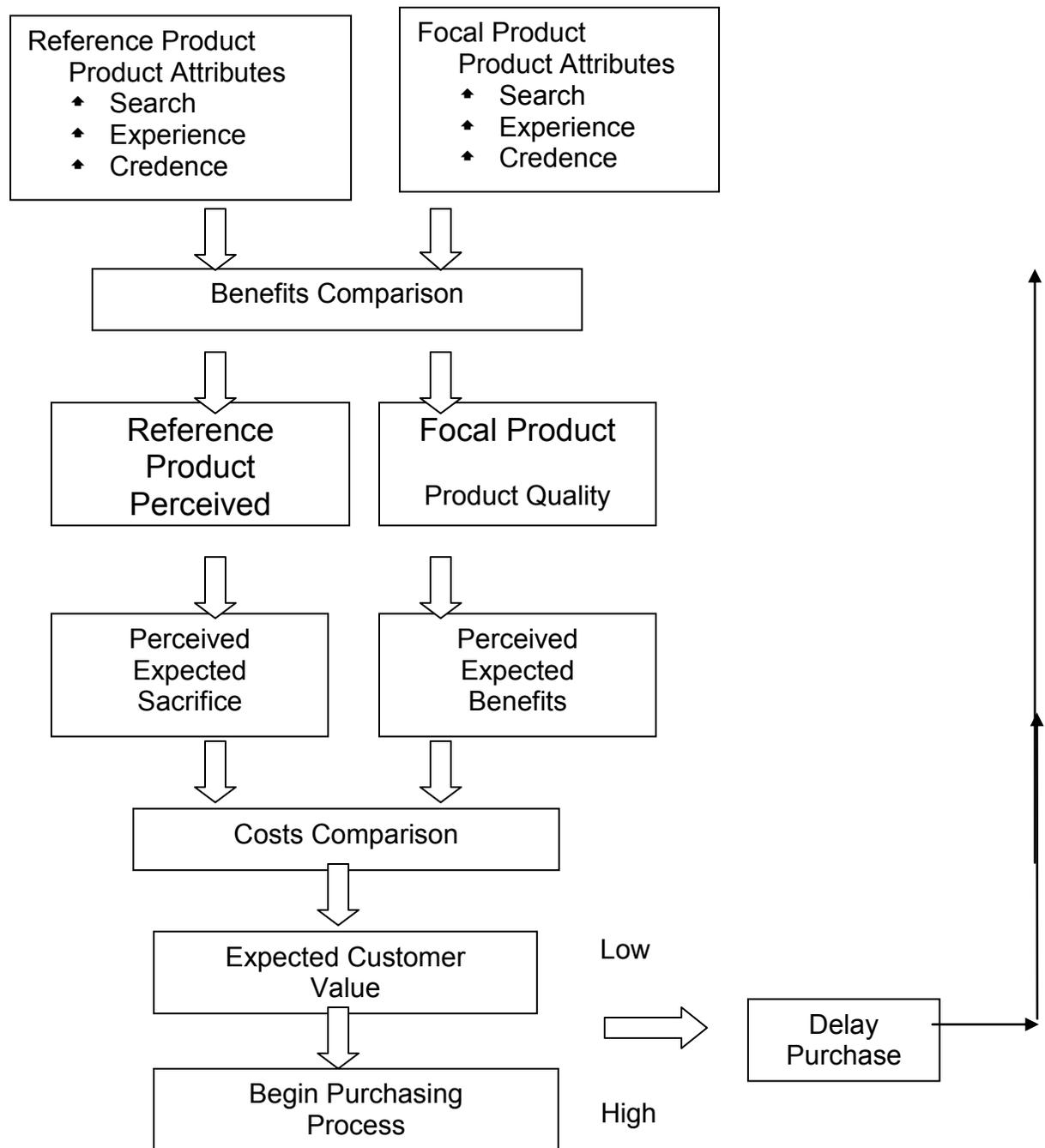
- ◆ **Pure monopoly:** This implies that only a single seller or product owner sells a product with no substitutes, such as the government postal services or a power company (Kotler et al., 1996:383). Tribe (1999:116-117) refers to the monopolist as the price maker, which implies that the product's demand curve will be the same as the industry's demand curve.

Lewis & Chambers (2000:415) summarise competitive pricing by saying that it has to be remembered that the augmented product is rarely ever the same, even if the products are in the same class (hotel accommodation). When a product owner prices above the direct competition, a statement is made that the product that is being offered is better, whilst pricing lower may have the reverse effect. Therefore, the bottom line still remains that the market will make the final decision and a product owner should rather price the product according to its value than just using competitors' prices as a guideline.

3.2.3.8.4 Value based pricing

Value based pricing uses the consumer's perception of value and not the seller's cost as the key determinant to pricing. This means that the price is considered along with other marketing mix variables (Cant, 2003:65-66). Cost-based pricing is product driven, where the price is set according to the cost of making the product, plus a target profit. Measuring the consumer's perception of value is difficult, as values vary from one individual to the next. The latest golf club technology will have different value to a professional golfer than to a computer technician with no interest in golf. It must therefore be kept in mind that a number of factors may be the cause of value variation such as tastes or preferences, performance levels or intensity of use (Cant, 2003:65-66). Figure 3.8 illustrates how the consumer evaluates the product that s/he is considering to buy.





Source: Anderson & Vincze, 2000:402

Figure 3.8: Value based pricing model

The value based pricing model in figure 3.8 illustrates that buyers make a comparison between a product or service’s perceived reasonable price and the actual price of the product or service that they are considering to buy (Anderson &

Vincze, 2000:400-404). This model assumes that a variety of factors are used by the potential consumer in order to determine the perceptions about the product or service. These mentioned factors could be brand image, equity, product reputation and past experiences. The consumer then makes a benefits comparison in order to decide on a reasonable price for the product and then forms a perception of the quality of the product. The „greater the perceived risk involved in the purchase, the more important become the contextual factors that work as extrinsic cues for the consumer’ (Anderson & Vincze, 2000:403). With intangible products, such as many tourism products, these contextual factors assume an even greater importance.

3.2.3.8.5. Discriminatory pricing

Discriminatory pricing occurs when a firm adjusts its basic price of a product or service to two or more prices that do not reflect a proportional difference in costs, in order to make provision for differences in the market (Kotler, 2000:473). Another definition explains discriminatory pricing as „segmentation of the market and pricing differences that are based on the price elasticity characteristics of these segments’ (Kotler et al., 1996:403) without there being a difference in the cost of producing the product or service. This pricing strategy maximizes the amount that each consumer pays. In other words, a consumer that is prepared to pay a thousand rand for a product will pay that amount and other consumers will pay a lesser amount in exchange for a sacrifice such as an early-bird special. Discriminatory pricing offers the highest priced products to the less price sensitive consumers (Kotler et al., 1996:403).

Morrison (2002:523, 529) suggests that price discrimination is followed by airlines when they set two or more different prices to the respective target markets that is first, business and economy class. This strategy is a form of discounting as certain services are sold to some consumers at lower prices, although there is no real difference in the costs of providing the service. Morrison (2002:530) and Kotler

(2000:473-474) base discounting and discriminatory pricing on the following different criteria:

- ◆ **Target market:** Prices are based upon your market. For instance, senior citizens that receive special discounts; airline or lodging memberships where members receive discounts on the supplier's services; car rental companies that offer corporate plans; and accommodation groups that offer a multi tiered list of rates based upon different target markets.
- ◆ **Form of service/product provided:** The consumer will not receive the same add-on services as full paying consumers, for instance passengers travelling on discounted tickets do not qualify for pre-assignment of seats.
- ◆ **Place:** Prices vary according to the location of facilities and services. It is common for hotel properties to charge higher rates for beachfront rooms.
- ◆ **Time:** Due to the perishability of tourism products, discounting according to a time period is a common practice. Many product owners offer weekend packages, early-bird specials and advance purchase discounts.

Kotler (2000:473) adds **image** to the mentioned criteria and states that some product owners price the same product at two different price levels based on image differences, for instance when the same perfume is put into two different bottles priced at different prices. In general, no two individuals will have an identical image of a product because the information they receive is subject to mental processing (Bennett, 1998:92–94 and Kim, 1998:340-341). In tourism, an image of a destination, hotel, airline or any other tourism product is often formed on the basis of past holiday experiences, hearsay, information from other people, the media, tour operators or travel agents. In tourism, the role that image plays is evident where similar products are sold at different price levels such as for instance, two different hunting packages which includes the same type of animal, but are sold at different price due to the image of the game farm that sells the package.

Discriminatory pricing may have typical types of discounting such as (Strauble,

2000:293-4, Haas, 1992:619-624 and Anderson & Vincze, 2000:407-409):

- ◆ **Cash:** A percentage of discount based on the purchase price, for instance, receive a twenty percent discount on the price of accommodation for your partner or spouse.
- ◆ **Trade:** A discount offered to sellers in the distribution channel. This is a popular practice within the airline industry where net commission rates are offered to travel agencies.
- ◆ **Quantity:** This is an incentive given to motivate consumers to make large volume purchases, for instance a buy two get one free offer.
- ◆ **Rebate:** The consumer will receive a rebate or reward based upon the sales volume during a certain period, which encourages the consumer to increase purchases with a single supplier. Airlines in partnership with car hire, accommodation establishments, other airlines and banks, offer frequent flyer members the same type of rebate – once a member has reached a certain sales volume, they get free tickets or upgrades to a higher class, gifts, extra baggage allowances, discounts and other travel rewards.
- ◆ **Seasonal:** Low, shoulder and peak seasons, influence demand curves which creates the opportunity for lower prices in off-peak periods.
- ◆ **Credit terms:** This strategy allows buyers to receive the product or service now, but only pay at a later stage. This is a common practice in Japan.
- ◆ **Geographic pricing:** Here prices are differentiated depending on the consumer's location, region or country. This principle is often applied in the furniture industry where the transportation cost of the product may either raise or lower the purchase price.
- ◆ **Promotional pricing:** It may take several forms, such as loss-leader where prices are below cost but store traffic is stimulated or special event pricing which is linked to a celebration in order to draw more consumers.

For discriminatory pricing to work it is essential that certain conditions in the market have to exist (Kotler, 2000:474):

- ◆ The market must be **segmentable** and each segment must show different

intensities of demand.

- ◆ The consumers in the lower price segment must not be able to **re-sell** the product to the higher price segment consumers.
- ◆ The **competitors** must not be able to undersell the product owner in the higher-price segment.
- ◆ The **cost** of segmenting and policing the market must not exceed the extra revenue earned from price discrimination.
- ◆ The practice of discriminatory pricing must not lead to **consumer** resentment and ill will.
- ◆ The particular form of price discrimination must not be **illegal**.

In the United States of America the antimonopoly laws ban price discrimination in the Robinson-Patman Act of 1936. If price discrimination injures competition by selling the same products to different consumers at different prices it becomes illegal and the law only permits price differences based upon (1) cost differences or (2) the need to meet the competition. This act allows a marketing manager to charge different prices for similar products if they are not „like graded’ and of the same quality” and therefore the physical characteristics of the product may not be similar. In order not to violate the law, a firm has to provide the same advertising allowances and promotional aids to **all** consumers and not only to some, as the acts prohibits special allowances available to only a selected target market. According to this law, both buyers and sellers are considered guilty if they know they are entering into discriminatory agreements and therefore price discrimination suits are common (Perreault & McCarthy, 1999:498-499 and Stauble, 2002:299).

Yield management is also commonly referred to as revenue management (Lewis & Chambers, 2000:433) is a form of discriminatory pricing (Kotler et al., 1996:405) which may be defined as the selling of a product to the right type of consumer at the right time for the right price (Vanhove, 2005:91). This international pricing concept originated in the airline industry and has gained widespread popularity worldwide in the hotel business and other tourism sectors. This concept is based

upon demand and different pricing levels where the same product is sold at different prices depending on when and how reservations are made. This approach maximises revenue. When demand is high, the cheaper discounted rates are unavailable at the time of booking which implies that the product is sold at a higher price. When demand is lower, discounts are easily available. Computer technology has made it possible to optimise the revenue for a specific product on a specific day. The yield management system will monitor the pace of reservations against specific targets and will set prices accordingly (Vanhove, 2005:90-91 and Lewis & Chambers, 2000:433-437).

As a result of deregulation in several industries, competitors have increased and the incidence of discriminatory pricing as well. Airlines charge different fares for passengers on the same flight depending on a variety of factors such as season, time of the day or class on the flight. Catalogue retailers such as Victoria's Secret also offer identical goods at different prices (Kotler, 2000:474). The Marriott Hotel group designed a pricing system based upon discriminatory pricing to fill rooms and maximize occupancy. They refer to this concept as "fencing", where the purpose of the fence is to keep price-inelastic consumers from using rates such as weekend rates which are designed for price-elastic segments (SPG Insight, 2007).

The practice of price discrimination in South Africa has already taken place, as previous research results (as discussed in paragraph 3.2.1 and figure 3.3) have indicated that the prices of tourism products have become too expensive for the local market. Many travel offers are also aimed at South African residents only, as the logical conclusion would be that the international tourist is prepared to pay a higher price for the same product. Examples of discriminatory pricing based upon country of residence may be found on the Sure Travel Group's website www.suretravel.co.za. This is not the only travel group that offers specials to South African residents. Thompson Tours on www.thompsons.co.za also offer deals on tours for residents only. Indian Ocean holidays (www.inhaca.co.za) offer packages to different destinations in the Indian Ocean at special prices for

residents of South Africa. Another example is Two Summers who specializes in Game and National Park holidays (www.twosummers.com), also offering specials to South African residents. This practice of discriminatory pricing will stimulate the domestic tourist and will create better flows of revenue for the product owners. It will also make prices more affordable for local residents.

International products also lend themselves to discriminatory pricing. The international price that a product owner must charge depends on many factors such as economic conditions, competitive situations, laws and regulations and the development of the market which falls within the external environment of the home country. International consumer perceptions, needs and preferences may also vary from one country to another, which justify different prices (Cant, 2003:97). For example, would the local resident in South Africa be willing to pay the same price for a product (curio, coffee, accommodation) as that which the international tourist is prepared to pay?

The international market place makes ordinary pricing an even more complicated variable (Lewis & Chambers, 2000:425). The two major reasons for this are:

- ♦ **Exchange rates fluctuate on a daily basis:** Not only does the exchange rate change daily but it is also affected by the inflation rate of the country. Furthermore, a local resident or an international traveler may have totally different perspectives of the price/value relationship. Stauble (2000: 297-298) explains that exchange rates pose strategic concerns considering the fact that currency fluctuations could favour or hurt a firm in the long run. Exchange rates may be fairly stable for long periods but at other times they are volatile. These changes may be explained by factors such as monetary policy changes, interest and inflation rates, political risk, economic instability, technological changes, tax laws and labour productivity. Given the difficulty in forecasting long term exchange rates, strategies have been developed to minimize the risk and uncertainty. One of these strategies is known as hedging. The objective of hedging is to establish a currency

position in such a manner that whatever is lost or gained in the original currency position is offset by the corresponding loss or gain on the new currency position (Lewis & Chambers, 2000:425). The goal is therefore to „lock in’ a price to reduce the variability of income.

- ♦ **Pricing strategies by locally owned competitors may upset rate structures.** The tourist destination as a whole consists of many product owners such as tour operators, airlines, accommodation establishment owners, airlines of which many are public and private organizations. Due to the fragmentation it becomes impossible to control prices, prevent price wars or other types of discounts. In a struggle between competitors in order to gain or maintain their market share, a variety of pricing strategies may be implemented over which the destination as such has no control.

Haas (1992:89) also confirms that pricing in an international market offers some special challenges and many factors, as mentioned above, complicate the pricing process. These factors should not change the basic pricing approach and strategies. Haas specifically refers to the effect of exchange rate fluctuations when trying to negotiate long-term contracts with global consumers or suppliers. Stauble (2000:142,150) elaborates further on the global economic environment and adds influencing factors such as variations in the purchasing power of the foreign country, trends in population growth, urbanization and the per-capita income of residents.

In the international market, different cultures provides for different values, beliefs, attitudes, needs and perceptions (Hiam & Schewe, 1992:80-81). This implies that prices (and also other elements of the marketing mix) will be perceived differently by different cultures, which furthermore complicates the setting of prices for international tourists. The ban on comparative advertising in Germany for instance, prohibits marketers to claim that their product is stronger, faster or cheaper. Before any product or price decisions in a foreign country may be made, the product owners should have a complete understanding of the culture of that specific

country (Stauble, 2000:148).

Discriminatory pricing is a very appropriate and suitable pricing strategy with the tourism industry for two reasons: firstly, the tourism products and services are sold in a diverse international market place which warrants price discrimination and secondly, the unique characteristics of tourism products and services such as their intangibility, perishability, the inability to transfer ownership and their heterogeneous nature, allow product owners to use price discrimination to their advantage.

In research done by Fouche (2006:iv-v) on price discrimination, it was confirmed that product owners must separate their markets effectively in order for price discrimination to be successful and that it can only be successful if there is a significant difference in demand elasticity between the different consumers. It was furthermore found that the ability to charge different prices will depend on the consumers' willingness to pay the charged price. A consumer with a low price elasticity demand will be less price sensitive to a higher price charged than a consumer with a high price elasticity of demand.

3.2.3.9 Pricing new products

Price level decisions are especially important with new products. Introducing a product into the market at the incorrect price may send out the wrong message and it will affect the sales and the amount of money the product owner makes. It is furthermore important to decide if the price of the new product should be above, below or similar to that of other products in the market. Therefore, different pricing policies exist for new products (Perreault & McCarthy, 1999:482-484):

- ♦ **Skimming pricing:** Skim prices are considered to be high prices in relation to what most buyers are willing to pay (Nagle & Holden, 1999:154 and Hutt & Speh, 2004:398). This type of pricing strategy will only be viable when the profit from selling to a price-sensitive segment exceeds that of from selling

to a larger segment at a lower price. The consumers are often price insensitive because they belong to a market segment that places a very high value on the product's unique qualities. Other factors that may also support price skimming are impulse purchases, the fact that someone else will be footing the bill, the importance attached to the product, prestige and exclusivity. The competitive environment has to be favourable to skimming. The product owner must have some form of competitive protection to ensure long-term profitability whereby it prohibits or restricts, competitors from providing lower-priced alternatives. Anderson & Vincze (2000:394) confirm that when demand for the product is inelastic, price skimming would be the appropriate strategy to follow.

- ♦ **Penetration pricing:** This pricing strategy aims at setting a selling price far enough below economic value, in order to attract and hold a large base of consumers and it is directed at generating sales even at the expense of high margins (Nagle & Holden, 1999:158-159). These prices are not relatively cheap, but are considered low in relation to the value. This pricing strategy will not automatically attract a large share of the market, as low prices will not attract consumers whose strong and diverse preferences cause them to place a high value on the differentiating attributes rather than the price. Product owners often use this strategy to attract high-volume buyers who require no selling or service but only quantities. Hutt & Speh (2004:399) confirm that this strategy is appropriate when there is (1) high price elasticity of demand, (2) a strong existence of imminent competition and (3) an opportunity for a reduction in costs as volume expands.
- ♦ **Neutral pricing:** This strategy involves a strategic decision where the price of a product is not used as a marketing tool. If neither skimming nor the penetration strategies are used by a product owner, a neutral pricing strategy will be used where the price of the product is aimed at neither increasing the market share nor restricting it (Nagle & Holden, 1999:160-162). This type of pricing strategy is usually favoured in industries where the consumers are value sensitive, but competitors are volume sensitive. The

neutral price is not set according to the prices of competitors and may even be the highest or lowest in the market, as the price is based upon the economic value of the product.

3.2.3.10 Price changes

Diamantopoulos & Matthews (1995:11) refer to price changes as the adjustment or changes in price levels, as a result of changes made in the prices of the competitors or as an own initiative of the product owner. The reason for the price changes may be one or more of many: changes in cost, changes in consumer tastes and preferences and changes in competitor's prices. These price changes may even be upwards or downwards, permanent or temporary, regular or irregular or even proactive or reactive (Diamantopoulos & Matthews 1995:74). According to Kotler (2000:480) price changes may influence reactions of competitors, customers, suppliers and distributors or even the government. The response on the price change could be either negative or positive and could even be interpreted differently by different role players in the market. Price changes and price sensitivity function in accordance with one another. The prices of price sensitive products cannot be changed without having a negative effect on the market.

The **consumer** will often question the motivation behind a price change (Kotler, 2000:480). A reduction in price may often lead to perceptions of financial difficulties within the company, inferior quality or even that the product is not selling well. On the other hand, a price increase may even have a positive influence on sales, as it may be perceived as a „hot' item that represents good quality. The frequency with which the consumer buys the product and the higher the cost of the product, the more sensitive the consumer becomes to changes. The reaction to price changes by your **competitors** is more complex. Competitors may view the price changes (decrease) as an attempt to steal the market, trying to increase sales as the product is not doing well or that the change is aimed at the whole industry in an effort to reduce prices to stimulate the demand (Kotler, 2000:481).

3.2.3.11 Common pricing mistakes

Common mistakes that occur during the pricing of products are according to Lewis & Chambers (2000:428) and Forbes (2007) the following:

- ◆ Prices are too cost orientated. Prices are increased to cover costs, but other factors are not taken into consideration, such as customer psychology, demand intensity or sensitivity.
- ◆ Price policies do not make provision for changing market conditions. Once prices have been established, they are cast in concrete and exchange rates or a drop in fuel prices, for instance, do not influence later prices.
- ◆ Prices are set independently of the product mix rather than as an element of the positioning strategy. All elements of the marketing mix should work in support of each other rather than individually.
- ◆ Prices ignore consumer psychology of experience, perception of value and the total product. These considerations influence the consumer's perception of value and play an important role during the decision-making process of the consumer.
- ◆ Management makes price decisions based on management rather than marketing principles. The best price to charge for the product is the one that makes the best overall contribution to both buyer and seller.

3.3. OTHER PRICE CONSIDERATIONS

In general, tourism products are both price and income elastic, which means that if the product's price is raised, it will usually depress consumer demand and if the consumer's income is decreased, it will also affect the demand for tourism, as tourism related expenses may be seen as a luxury and not a necessity (Seaton & Bennett, 1996:139). The setting of prices in the tourism industry is influenced by the following factors (Cooper et al., 1998:399 and Bennett & Strydom, 2001:180):

- ◆ The perishable nature of the product. As the product cannot be stored or sold

at a later stage, various forms of last minute pricing exist. This practice is often used to a great extent within the tourism industry where tourists may visit websites such as www.lastminute.com in search of special last minute offers on holidays, flights, accommodation and entertainment (Lastminute, 2005).

- ◆ Due to the high price elasticity of demand it is very important to ensure that prices are set at the right levels.
- ◆ The fluctuations in international cost, exchanges rates, political events and other external factors demand future planning. The implementation of war risk taxes by the airlines for fuel and insurance provisions is a good example of an attempt to „control’ the external environment.
- ◆ Certain regions and countries are bound by fixed prices for air travel or accommodation. In South Africa product owners charge their own prices according to the standard of the accommodation and facilities offered. The prices of both accommodation and flights are not controlled by government.
- ◆ The seasonality demand will require pricing to cope with the short-run capacity problems. During the South African holiday seasons, the demand from both local and international tourists is very high and it then becomes difficult to find accommodation during the Christmas / Easter holidays in the summer months.
- ◆ Many product owners rely on high volumes in order to break even and will forego short-run profit in order to create the required occupancy or load factors.
- ◆ High fixed costs and a price close to break even positions, force product owners to practise strict cost control measures. A selected number of the smaller upper class accommodation establishments such as guesthouses in South Africa, have very strict cancellation and no show policies. Many of these establishments charge very high penalties and some deposits are non-refundable (Where to stay, 2005).
- ◆ Quality and status play an important role and therefore the price setting has to send the correct message to the target market. Many five star accommodation properties worldwide and in South Africa, include both the words quality and prestige/status, in their marketing message (Where to stay, 2005).
- ◆ Many tourism products are paid prior to consumption, which creates a high

cash flow for the product owner that may be invested to ensure a higher profit. Tourists pay deposits for accommodation and many group tours, resort activities and tailor made tours, are fully paid prior to the use of the product.

3.4. CONCLUSION

The price of a product is first and foremost a marketing tool that may be used to influence the consumer. Therefore the price of a product should be used and based on the consumer's preferences, needs and perceptions as the consumer is the one on whom the product owner relies for sales. **The price of a product should therefore be used to change and manipulate the consumer's perception.** It is therefore very important to take consumer needs, expectations and perceptions into consideration when setting prices. The price must however be in harmony with company objectives and market volumes and therefore the product owners will also take factors such as costs, competition and market demand into consideration (Lewis & Chambers, 2000:429-430).

Pricing of products remain a tricky issue which is complicated even further by the different types of products in the tourism industry. The product variety such as accommodation, tours, attractions, air transportation and others makes it impossible to recommend one specific type of pricing strategy for this industry and therefore it is suggested that each product owner should evaluate its product and apply the best pricing strategy or technique available in order to maximise sales. Charging the „right' price is not only of importance to the product owner, but it also affects the overall price competitiveness of South Africa as these prices that the product owners charge are the one's upon which the international tourist will base his/her perception of whether or not the product was priced too high or too low and whether or not it provided value for money or not.

CHAPTER 4

PRICING DESTINATION PRODUCTS IN SOUTH

AFRICA, AUSTRALIA AND THAILAND³

4.1. INTRODUCTION

Every destination in this study, namely South Africa, Australia and Thailand, offers a variety of tourism products and services to the tourist for purchase. This product mix include components such as travel or transportation, accommodation, attractions and other supporting services and facilities such as a tour guide or transfer service. In this chapter, these major products were priced⁴ in order to do a meaningful price comparison of similar products in the different destinations. The different destination components, as discussed in chapter 2, consist of products such as attractions, transportation, hospitality, infrastructure and specific services and facilities (Youell, 1996:186).

In order to test the price competitiveness of South Africa as a destination, the prices of the different tourism products have to be compared to the prices of their main competitors. During the global competitiveness project conducted by the Department of Environmental Affairs and Tourism in conjunction with South African Tourism in 2003/4, **Australia and Thailand** were identified as our major competitors (outside Africa) based upon a variety of competitiveness monitors⁵ (SA Tourism, 2004) and therefore, these mentioned competitor countries were used in this chapter to measure the prices charged for tourism prices to those of South Africa. Many African nations are not regarded as competitors since not all of these countries meet the criteria used in the global competitiveness project such

³ Web based research was used in this chapter for the pricing of all destination products. All internet resources and references used for the pricing of products in this chapter are listed in the addendum to this chapter by means of the superscript method. The superscript reference method was used in this chapter to simplify the correlation and referencing of specific prices used in the tables and figures as each price and/or amount was obtained from a different internet website.

⁴ All internet resources and references used for the pricing of products in this chapter are listed in the addendum to this chapter by means of the superscript method and prices are based upon web based research.

⁵ See page 8 for specific competitiveness monitors.

as availability of capital, finance, skills and human resources, transparency and availability of information, organised industry leadership and choices about segments, products, price, promotion, positioning, packaging, capacity and investment (SA Tourism, 2004).

The major destination products on which tourists spend money were compared in the chapter. These products are the following according to McIntosh et al. (1995:139):

- ◆ **Attractions:** The entrance fees (where applicable) at the major tourist attractions at each destination;
- ◆ **Accommodation:** The standard rack rate of three and five star hotels at the destination. The majority of tourists (39.6%) visiting South Africa use hotel accommodation rather than other types of accommodation (SA Tourism, 2005), therefore, three and five star hotel prices in Cape Town, Sydney and Bangkok, were compared as these hotels represent averagely priced accommodation, as well as high-cost luxury accommodation respectively;
- ◆ **Transport:** The cost of long haul air travel to the destination. All airfares to and from the capital cities of Thailand, Australia and South Africa, were included in the research. Yale (1995:66) and Lubbe (2000:295) confirm air travel as the predominant method of international tourist travel, both in terms of passenger distances traveled on long-haul flights, as well as money spent on transportation. Of the total amount of money that a tourist spends on transportation, the cost of air fares contributes to the majority share of money spent (Page, 1999:147 and Pearce et al., 1998:79-80). Air transportation contributes 21.2% of the total income for the transport industry in South Africa (Stats SA, 2007).
- ◆ **Food and beverage:** The cost of food and beverages used in general by tourists whilst on holiday, visiting attractions, on flights or at accommodation establishments.

Keeping in mind that the majority of the products compared in this study were

quoted in the currency of the country of origin, Annexure B provides a list of all the exchange rates used for converting foreign currencies to Rand. The same exchange rate, instead of a daily rate, was used throughout this chapter in order to ensure consistency for comparisons. The products of each destination as mentioned above, will be discussed, priced and compared, individually.

4.2. ATTRACTIONS

A tourist attraction forms the base of tourism in general (Bennett, 1998:8-9) and should have desirable features (Pearce et al., 1998:266). As a component of the tourism product of a destination, the attractions must be the reason for the visit to the destination (McIntosh et al, 1995:139). These attractions must be strong enough to pull the tourist away from home and provide him / her with travel satisfaction (Nickerson, 1996:183-186). In chapter 2, paragraph 2.2.1.1, a full description of the different attraction types may be found.

The tourist attractions of South Africa, Thailand and Australia were compared according to the type of attraction and have been categorized into the following major groups:

- ◆ Theme Parks
- ◆ Cruises
- ◆ Cable Cars
- ◆ City tours

Natural or nature based attractions such as beaches, mountains, islands or reefs are not comparable, as each one of these attractions holds a unique appeal and scenic beauty that cannot be measured. It would be insensible for instance to compare the price value of the Great Barrier Reef of Australia, Table Mountain in Cape Town or Thailand's magnificent beaches as these attractions are best seen holistically containing a set of attractions such as scenic highlights or a specific spot rather than a single unit (Pearce et al., 1998:266). Furthermore, most natural

attractions are usually available to the tourist free of charge and therefore natural attractions are excluded for price consideration. It must be mentioned, however, that some National Parks charge a small entrance fee, which is usually used for conservation and upkeep of the park. In Thailand, for instance, the entrance fees to their marine national parks have been waived in a bid to revive tourism after the tsunami (Tourism Authority of Thailand, 2005). In South Africa and Australia entrance fees or conservation fees are charged at most national parks.

Taking into consideration that each type or group of attractions are still unique in each destination, each offering a tourist a different type of satisfaction, a comparison per group will follow.

4.2.1. Theme and amusement parks

Theme parks are, according to Inskip (1991:86), related to specific themes such as history, zoology, fantasy, adventure or a combination of such themes and offer simulated entertainment in the form of experiences, thrill and fun rides, amusement, shopping and a great number of restaurants and snack bars which are in many instances also related to the park's theme. Inskip (1991:86) furthermore considers theme parks as major attractions in tourism, mentioning Disney World in Orlando, United States of America, as the world's number one tourist attraction. Theme, amusement and leisure parks, in general, are aimed at satisfying the family's needs for entertainment. No expense is spared in the development of these types of parks as the setting, surroundings and features are as realistic as possible and technologically advanced, to provide customer satisfaction. These parks may be broadly grouped into parks related to an educational topic providing educational and entertainment value, pure entertainment in a specific themed setting or water parks. The park's name will give a general indication of what the tourist may expect to find. The water parks offer an aquatic wonderland of man-made seas with surf, fountains, waterfalls and various fun and thrill water slides. Animal type parks offer wilderness settings with

intimate encounters with different types of animal species, whilst historical parks may provide re-created, scaled down, versions of important monuments, places of interest, temples or shrines related to the park's history (McIntosh et al 1995:147-148).

Vanhove (2005:103) list the main characteristics of a theme park as:

- ◆ They comprise outdoor recreation;
- ◆ They are tourist destinations in their own right;
- ◆ They feature rides, attractions and shows;
- ◆ They are constructed to satisfy the needs of the tourist rather than relying on natural features;
- ◆ They are focused on entertainment with a growing emphasis on education.

Entrance fees to parks include unlimited use of most rides, slides and entertainment offered within the park. Rides or entertainment that is excluded will be specified by the park, if any. Many parks link the entrance fee (as well as the rides) to a height restriction and not necessarily to the age of the child. For instance, children under a specified height will pay a lower entrance fee than an adult. Some shows, food and beverages and specified activities, are for tourists' own account. Tourists pay the admission fees, irrespective of the fact of whether or not they will be using the entertainment provided. All the parks listed in table 4.1 offer special discounts and family passes to encourage sales during off peak times. Annual and multiple day passes are also available at some parks. Most parks are open daily from about nine in the morning until about seven at night.

Table 4.1: Theme park admission fees per day

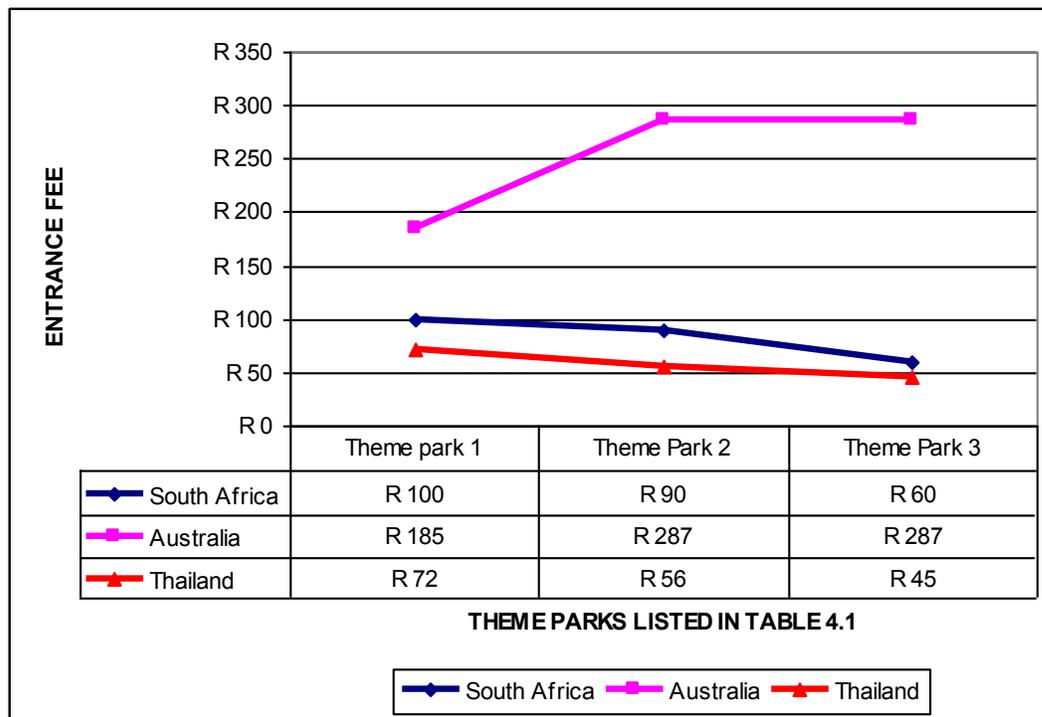
Country	Name	Adult	Child
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South Africa	Ratanga Junction ¹	R100	R50
	Gold Reef City ²	R90	Free*
	Valley of the waves ³	R60	R35
Australia	Wet „n’ Wild ⁴	R185	R120
	Dream World ⁵	R287	R185
	Sea World ⁶	R287	R185
	Warner Bros Movie World ⁷	R287	R185
Thailand	Dream World ⁸	R72	Free**
	Siam Water Park ⁹	R56	R24
	Safari World ¹⁰	R45	R32

* Children under 1.2m accompanied by an adult

** Children under 90 cm accompanied by an adult

Source: Reference numbers 1-10 listed in the addendum to chapter 4.



Source: Table 4.1

Figure 4.1: Comparison of theme parks entrance fees

The analysis of table 4.1 and figure 4.1 were conducted in terms of the admission fees paid by tourists. It would be impossible to make a comparison in terms of facilities offered, quality and quantity of rides or other criteria, as a variety of factors will influence the price of the admission to the different parks. Therefore, taking only the price into consideration, it may be assumed that Thailand's theme parks are the cheapest and the majority of them are located in and around Bangkok, making them very accessible to the tourist. South Africa's theme parks are averagely priced, only slightly more expensive than those of Thailand. Taking into consideration that the Valley of the Waves at Sun City, South Africa, has been described as the best water park in the world (Sun International, 2006) it is sure to offer good value for money although accessibility may provide a problem as this theme park is located approximately 160 kilometres outside Johannesburg. Australia's theme parks are the most pricey of all and in some instances are more than double and triple in price if compared to their counterparts. Most of these parks are located in Brisbane, which is approximately 1 000 kilometres north of Sydney. It must be mentioned however, that these Australian theme parks may very easily be compared to the best in the world (Theme Park Insider, 2007).

4.2.2. Cruises and boat trips

Cruises and boat trips provide the ideal way of seeing harbourside, riverside and attractions or cities surrounded by water. Some of the cruises take a few hours, whilst others are full day trips and may include food and beverages. Many boat trips take place in the destination's harbour, offering tourists sunset or dinner cruises. The Sydney Harbour Explorer for instance allows the tourists to get on and off at any attraction only to board later after having visited the attraction (Sydney, 2006).

Table 4.2: Cruises: One Way fare

COUNTRY	NAME	Adult	Child	Duration
South Africa	Robben Island ¹¹	R150	R75	4 hours
	Cape Point Cruise ¹²	R250	R125	4 hours
	Waterfront Cruises ¹³	R25	R25	30 min
Australia	Sydney Sights ¹⁴	R194	R101	3 hours
	Sydney Harbour ¹⁵	R96	R50	1 hours
	Harbour Explorer ¹⁶	R134	N/A	1 hours
	Sunset Dinner Cruise ¹⁷	R351	N/A	2hours
Thailand	Eve Cruise ¹⁸	R400	R240	4 hours
	Manohra Cruise ¹⁹	R272	R152	2 hours
	Chao River Cruise ²⁰	R168	R136	1 hours
	Royal Barges ²¹	R200	R140	4 hours
	Rice Barge ²²	R99	N/A	2 hours

Source: Reference numbers 11-22 listed in the addendum to chapter 4.

In table 4.2 different cruises in and around Cape Town, Sydney and Bangkok, are compared. It has to be mentioned once again that quality and facilities are not taken into consideration, as these may vary from one cruise to the next. A simple comparison of expenses or prices paid by the tourists is made. To simplify the comparison, an average hourly rate was calculated for each destination by taking the total amount payable per adult for all the cruises, divided by the total duration in number of hours of all cruises. South Africa's cruises are by far the cheapest at approximately a R50 per hour, per person average rate. It may be noted that it is almost half of the price of other cruises if compared to its counterparts. Thailand and Australia's prices are very similar at approximately R100 and R110 per hour per person on average.

4.2.3 Cable cars

Table Mountain's cable car offers the tourist a spectacular view over the city of Cape Town. The mountain rises 1085meters above the city at its highest point. The rotating floor of the cable ensures that the tourist has a 360° aerial view of the city. The cable car takes approximately five to ten minutes to get to the summit of

the mountain (Table Mountain, 2005).

Australia's rainforest skyway is located fifteen minutes outside Cairns and provides the tourist with a 7.5 kilometre ride over pristine rainforest. The cable car glides just above the rainforest canopy allowing the tourist to see, smell and become part of the rain forest experience. Along the route, mid-stations allow the tourist to explore the environment, visit lookout points and visit the Rainforest Interpretation Centre. This attraction is believed to be Australia's best major tourist attraction providing the tourist with a experience available nowhere else in the world (Skyrail, 2005).

Thailand does not offer the tourist any similar type of attraction.

Table 4.3: Cable cars: One way fare

COUNTRY	NAME	Adult	Child
South Africa	Table Mountain ²³	R 60	R 30
Australia	Skyrail ²⁴	R 171	R 86
Thailand	N/A		

Source: Reference number 23 and 24 are listed in the addendum to chapter 4.

Table 4.3 compares the prices of the two respective cable cars. Although the Australian Skyrail appears more expensive, the R171 fare includes a 7.5 kilometre cable car ride, whilst the Table Mountain cable car travels for 1.2 kilometres. Calculating a per kilometre charge, the Australian Skyrail costs R22.80 per kilometre (Skyrail, 2005) whilst the Table Mountain cable car costs R50.00 per kilometre (Table Mountain, 2005). The experience, facilities and tourist satisfaction is not taken into consideration in this comparison and may vary substantially.

4.2.4. City tours

A variety of city tours, walking tours, sightseeing tours, winery tours, wildlife tours and temples and palace tours, are offered in each of the compared destinations. Each city uses their best attractions to sell tailor made full or half day tours to suit the needs of the tourist. Every tour has different characteristics and provides a unique experience to the tourist. The city tours listed in table 4.4 below are therefore difficult to compare in terms of anything else but an average price of the tour versus its duration.

Table 4.4: City tours

COUNTRY	TOUR NAME	Tour price	Time
South Africa	Cape Town City Tour ²⁵	R160	5 hours
	Cape Town Freedom ²⁶	R210	5 hours
	Cape Point ²⁷	R250	8 hours
	Winelands ²⁸	R440	8 hours
	Winelands ²⁸	R320	5 hours
	Whale Route ²⁹	R250	8 hours
	Cape Town Bus Tour ³⁰	R90	2 hours
	Cape Town Township ³¹	R375	5 hours
	Harley Rentals ³²	R700	8 hours
	Harley Rentals ³²	R450	5 hours
	Helicopter flips Cape Town ³³	R225	15 min
	Soweto Tour ³⁴	R500	8 hours
	Soweto Shebeen Tour ³⁵	R290	4 hours
	Johannesburg & Soweto ³⁶	R600	8 hours
Australia	Sydney Seaplanes ³⁷	R231	15 min

	Sydney City Tour ³⁸	R602	8hours
	Sydney Walking Tour ³⁹	R91	90 min
	Sydney Harbour ⁴⁰	R740	8 hours
	Hunters Winelands ⁴¹	R671	10 hours
	Blue Mountain Tours ⁴²	R333	6 hours
	Harley Davidson Rentals ⁴³	R416	1 hour
	Harley Davidson Rentals ⁴³	R1597	8 hours
	Winelands & Wilderness ⁴⁴	R902	10 hours
Thailand	Temples & Palace ⁴⁵	R224	5 hours
	Bangkok Lifestyle ⁴⁶	R155	5 hours
	Bangkok Full Day ⁴⁷	R240	8 hours
	Rice Barge Tour ⁴⁸	R99	5 hours
	Floating Market Tour ⁴⁹	R112	5 hours

Source: Reference numbers 25 -49 are listed in the addendum to chapter 4.

In table 4.4 above, a variety of tours in each country are compared. Comparing a basic **full day city tour**, the full day (eight hours) city tour of Sydney costs R 602 whilst a similar full day city tour of Bangkok is R 240 and of Cape Town is R 256. South Africa, even though not the cheapest, compares well to Thailand, whereas Sydney is much more expensive. Looking at tours to the **winelands**, Hunters Valley winelands is located about a two hour drive from Sydney and may be compared to South Africa's own wine routes in Stellenbosch, sixty kilometres outside Cape Town. The Australian wine tour costs R 671.00 whilst a similar South African tour is R 440. Once again in this comparison, Australia's tour is more expensive. **Helicopter or seaplane flips** over Sydney harbour is R 231 for 15 minutes. In Cape Town, a similar flip for 15 minutes costs R 225. In Bangkok, no regular service is available. Harley Davidson **motorbike** full day rental in Sydney is R 1 597, whilst in Cape Town it costs R 700 per day. Overall, it seems as if the tours in Australia are substantially more expensive to the tourist than similar tours in South Africa and Thailand. The tour prices of South Africa and Thailand are very similar, although Thailand is slightly less expensive in general.

4.3. ACCOMMODATION

Accommodation establishments, such as hotels, may be classified or categorised into many different ways and the star classification, which originated in Europe, is one of the best known techniques used for the grading of accommodation establishments. Most people today have a good idea of what facilities and luxuries to expect at a five star hotel (Pearce et al., 1998:290-291). The process of differentiating between accommodation establishments remains a difficult task (Holloway, 1994:119). In chapter 2, a detailed discussion of accommodation (paragraph 2.2.1.2), the grading of accommodation (paragraph 2.2.1.2.1) and seasonality (paragraph 2.2.1.3) may be found.

Comparing the three and five star graded hotel accommodation in South Africa, Australia and Thailand proved to be difficult, as many of the accommodation establishments are not officially graded by the local grading council of the respective countries. Pearce et al. (1998:290) confirm that not all countries have formal classification systems and that many private and motoring organizations are responsible for this function based upon the presence or absence of certain facilities. In South Africa, the Tourism Grading Council (Tourism Grading Council, 2007) is responsible for the voluntary grading of establishments, whilst the Automobile Association (Australian Automobile Association, 2005) in Australia grades establishments. Thailand has no official grading system. Informally, two different types of grading categories are used; namely, the self-rated or self graded category and the officially star graded establishments. The self-rated establishments grade themselves based upon the nature and quality of the facilities that they provide in accordance to general hotel accommodation standards, whereas the graded establishments are graded according to the official standards of the local grading council (B2B, 2007). In neither South Africa, nor Australia or Thailand are the accommodation establishments forced by legislation to belong to or be officially graded by the local grading council. The local grading councils charge membership and grading fees to accommodation establishments (Tourism Grading Council, 2005).

4.3.1 Research methodology

The comparison is done by comparing the rack rate prices of a standard single room, including bed and breakfast of all the randomly selected three and five star (official and self-rated/graded) hotel accommodation establishments in Cape Town, Bangkok and Sydney. They are compared for the respective high and low seasons of each country (the exact dates for the high and low season of each city may not coincide precisely). Some hotel properties offer a great variety of different types of rooms with different amenities at different prices, such as presidential suites, executive suites and deluxe executive suites with or without a view. Most hotels also offer discounted rates, best available rates and special packages throughout the year. Each hotel was contacted individually by email in January 2007 to obtain the applicable rates. All hotels responded either with rates or referrals to internet website addresses.

A comprehensive alphabetical list of all three and five star hotels in each city was compiled, using a variety of internet websites (see Addendum of chapter 4 for complete list of hotel properties for each city). To ensure an even distribution of hotels, especially in cities where more than one hotel of the same chain exist, the actual name of the hotel was placed first, followed by the hotel chain name, for instance Darling Harbour Holiday Inn. A sample size of twelve hotels were selected from each list by starting at a random number on the list and selecting the hotels systematically based on the total number of hotels on the list. The random number selection to start with on each list was obtained by using the random number selection facility in Microsoft Office Excel:

Cape Town, five star: Selection started at number 4, choosing every second hotel on the list.

Cape Town, three star: Selection started at number 9, choosing every second hotel on the list.

Sydney, five star: Selection started at number 15, choosing every third hotel.
 Sydney, three star: Selection started at number 7, choosing every third hotel.
 Bangkok, five star: Selection started at number 5, choosing every third hotel.
 Bangkok, three star: selection started at number 3, choosing every fifth hotel.

The sample size of twelve hotels on each list was influenced by a number of factors such as the purpose of this chapter, the population size and the allowable sample error (University of Florida, 2007). The purpose of the research was to establish the average rack rate price for hotel accommodation, whilst the population varied between fifteen to sixty one hotels per list. Accommodation prices are quoted in the currency of the country of origin. Refer to Annexure B for exchange rates.

4.3.2 Five star hotels

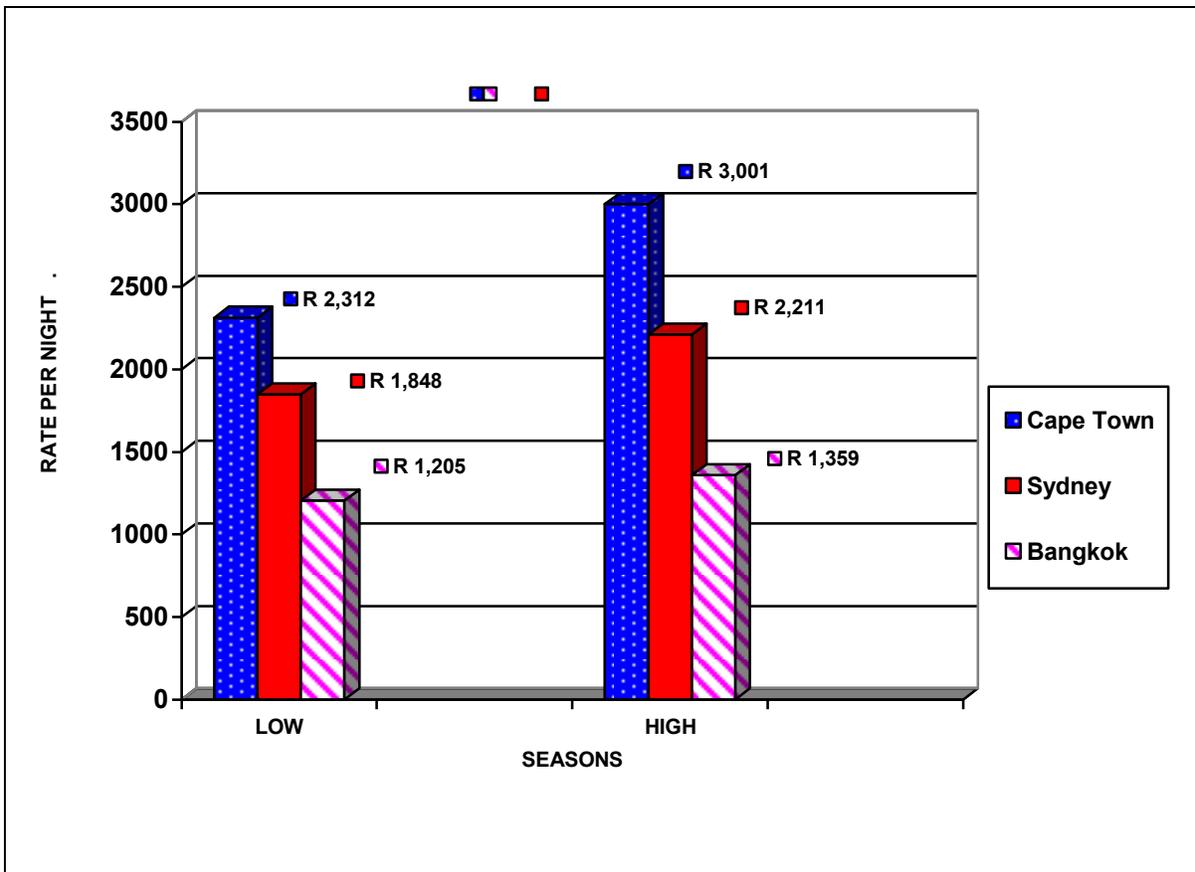
The addendum to chapter 4 provides the complete list of names and prices of the sample of the twelve hotels in each city that was researched. Table 4.5 compares five star hotel accommodation prices in the mentioned countries. The results of this table are summarised in figure 4.2.

Table 4.5: Five star hotel price comparison

	<u>SOUTH AFRICA</u>		<u>AUSTRALIA</u>		<u>THAILAND</u>	
	LOW	HIGH	LOW	HIGH	LOW	HIGH
	May-Aug	Sep-Apr	Apr-Sep	Oct-Mar	May-Oct	Nov-Apr
	R2705 ⁵⁰	R3405 ⁵⁰	A\$260 ⁶²	A\$315 ⁶²	B5270 ⁷⁴	B6260 ⁷⁴
	R1966 ⁵¹	R2111 ⁵¹	A\$470 ⁶³	A\$555 ⁶³	B8000 ⁷⁵	B9600 ⁷⁵
	R1439 ⁵²	R1799 ⁵²	A\$305 ⁶⁴	A\$445 ⁶⁴	B6400 ⁷⁶	B6900 ⁷⁶
	R2460 ⁵³	R3126 ⁵³	A\$590 ⁶⁵	A\$720 ⁶⁵	B7400 ⁷⁷	B7400 ⁷⁷
	R1550 ⁵⁴	R1700 ⁵⁴	A\$594 ⁶⁶	A\$634 ⁶⁶	B7240 ⁷⁸	B7640 ⁷⁸
	R3453 ⁵⁵	R4908 ⁵⁵	A\$332 ⁶⁷	A\$362 ⁶⁷	B4944 ⁷⁹	B5989 ⁷⁹

	R2205 ⁵⁶	R2372 ⁵⁷	A\$193 ⁶⁸	A\$318 ⁶⁸	B6592 ⁸⁰	B8162 ⁸⁰
	R1737 ⁵⁷	R1910 ⁵⁷	A\$516 ⁶⁹	A\$576 ⁶⁹	B9418 ⁸¹	B10202 ⁸¹
	R3275 ⁵⁸	R4340 ⁵⁸	A\$250 ⁷⁰	A\$270 ⁷⁰	B6867 ⁸²	B7652 ⁸²
	R1750 ⁵⁹	R3800 ⁵⁹	A\$457 ⁷¹	A\$582 ⁷¹	B8880 ⁸³	B9496 ⁸³
	R2080 ⁶⁰	R2450 ⁶⁰	A\$383 ⁷²	A\$413 ⁷²	B12635 ⁸⁴	B12635 ⁸⁴
	R3120 ⁶¹	R4095 ⁶¹	A\$441 ⁷³	A\$543 ⁷³	B5690 ⁸⁵	B8829 ⁸⁵
TOTAL	R27 740	R36 016	A\$4 791	A\$5 733	B89336	B100765
AVERAGE			A\$399.25	A\$477.75	B7444.67	B8397.08
AVERAGE (ZAR)	R2312	R3001	R1848	R2211	R1205	R1359

Source: Reference numbers 50 – 85 are listed in the addendum to chapter 4

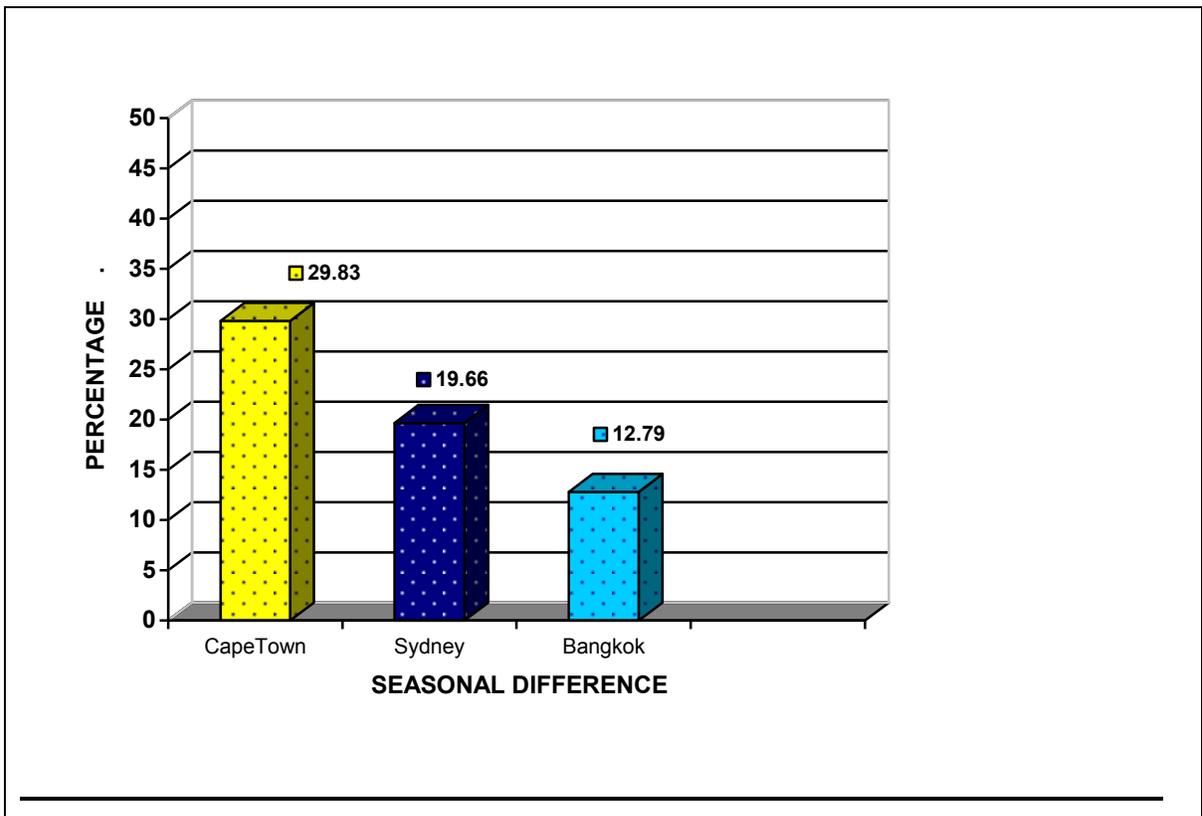


Source: Reference numbers 50 – 85 are listed in the addendum to chapter 4

Figure 4.2: Average rack rate at five star hotels

The conclusion from figure 4.2 and the mentioned table may be made that the five star hotels in Cape Town appeared to be the most expensive all year round. The Bangkok hotels were the cheapest, whilst Sydney hotels were priced in between. The relation between the fact that Bangkok’s hotels are not officially graded and resulted in being the cheapest, will have to be researched in order to come to a definite answer, although it seems unlikely that all the five star hotels in Bangkok on average do not meet the international standard. That put aside, the Cape Town hotels seem still the most expensive.

The seasonal surcharge (percentage difference) between low and high season prices in South Africa, Australia and Thailand was also compared. This surcharge is indicated in figure 4.3.



Source: Reference number 50 – 85 are listed in the addendum to chapter 4

Figure 4.3: Seasonal price difference for five star hotels

From figure 4.3 it is clear that when comparing the difference charged in price per night between the high and low season rates, once again Cape Town shows the biggest difference or highest surcharges for the high season. In Cape Town, a 29.83% surcharge exists between the prices of the low and the high season. This difference is more than double if compared to Thailand's 12.79% difference. Australia's seasonal difference of 19.66% is higher than that of Thailand, but still 10.2% lower than that of Cape Town.

Taking the results of figure 4.2 and 4.3 into consideration, this may be an indication that the five star hotel properties in Cape Town are incorrectly priced, whilst the seasonal surcharge should also be reconsidered.

A similar comparison of three star hotel properties follows in paragraph 4.3.3.

4.3.3 Three star hotels

Henceforth, the three star properties will be compared. The complete list of three star hotel properties' names and prices that were used may be found in addendum of chapter 4. Comparing the three star hotels, the outcome is displayed in table 4.6 below.

Table 4.6: Three star hotel price comparison

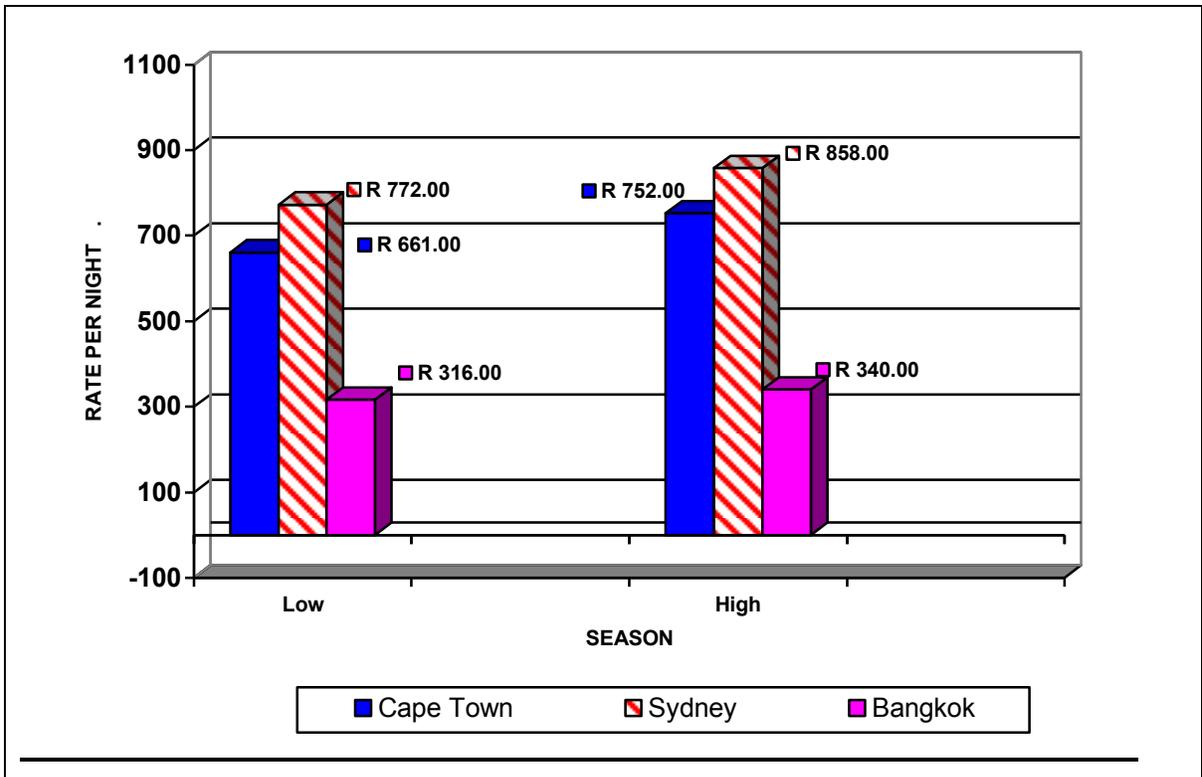
	<u>SOUTH AFRICA</u>		<u>AUSTRALIA</u>		<u>THAILAND</u>	
	LOW	HIGH	LOW	HIGH	LOW	HIGH
	Apr-Aug	Oct-Mar	Apr-Sep	Oct-Mar	Feb-Sep	Oct-Jan
	R530 ⁸⁶	R530 ⁸⁶	A\$161 ⁹⁸	A\$176 ⁹⁸	B1700 ¹¹⁰	B1800 ¹¹⁰
	R966 ⁸⁷	R1045 ⁸⁷	A\$79 ⁹⁹	A\$119 ⁹⁹	B2600 ¹¹¹	B2800 ¹¹¹
	R725 ⁸⁸	R930 ⁸⁸	A\$135 ¹⁰⁰	A\$185 ¹⁰⁰	B1265 ¹¹²	B1520 ¹¹²
	R647 ⁸⁹	R763 ⁸⁹	A\$120 ¹⁰¹	A\$120 ¹⁰¹	B2400 ¹¹³	B2400 ¹¹³
	R672 ⁹⁰	R796 ⁹⁰	A\$255 ¹⁰²	A\$255 ¹⁰²	B1300 ¹¹⁴	B1500 ¹¹⁴

	R640 ⁹¹	R740 ⁹¹	A\$116 ¹⁰³	A\$136 ¹⁰³	B1290 ¹¹⁵	B1290 ¹¹⁵
	R545 ⁹²	R600 ⁹²	A\$202 ¹⁰⁴	A\$238 ¹⁰⁴	B1850 ¹¹⁶	B2050 ¹¹⁶
	R935 ⁹³	R1098 ⁹³	A\$296 ¹⁰⁵	A\$316 ¹⁰⁵	B990 ¹¹⁷	B990 ¹¹⁷
	R470 ⁹⁴	R520 ⁹⁴	A\$168 ¹⁰⁶	A\$187 ¹⁰⁶	B3790 ¹¹⁸	B3790 ¹¹⁸
	R738 ⁹⁵	R738 ⁹⁵	A\$260 ¹⁰⁷	A\$260 ¹⁰⁷	B2354 ¹¹⁹	B3139 ¹¹⁹
	R420 ⁹⁵	R520 ⁹⁵	A\$103 ¹⁰⁸	A\$103 ¹⁰⁸	B2500 ¹²⁰	B2500 ¹²⁰
	R640 ⁹⁷	R740 ⁹⁷	A\$106 ¹⁰⁹	A\$131 ¹⁰⁹	B1400 ¹²¹	B1400 ¹²¹
TOTAL	R7928	R9020	A\$2 001	A\$2 226	B23439	B25179
AVERAGE			A\$166.75	A\$185.50	B1953.25	B2098.25
AVERAGE	R661	R752	R772	R858	R316	R340

Source: Reference numbers 86 - 121 are listed in the addendum to chapter 4.

Table 4.6 shows the average rate per night for the sample of three star properties. Comparing the rack rates for the samples, Sydney three star hotels are the most expensive, followed by Cape Town, with a minor price difference between the two. Bangkok's three star hotel prices are the cheapest by far. Their prices of hotels are very low, showing rates of between approximately fifty percent and sixty percent cheaper than those of Cape Town and Sydney. Figure 4.4 compares the average rack rate of the hotels in the different destinations during low and high season respectively.

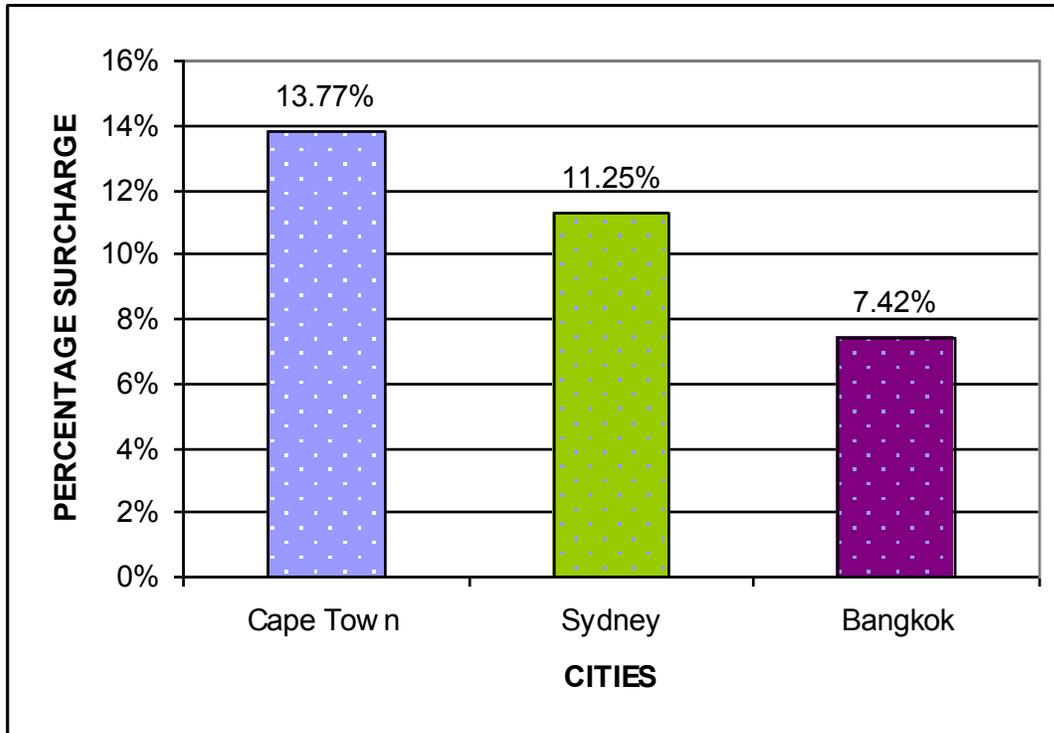




Source: Reference number 86 – 121 are listed in the addendum to chapter 4

Figure 4.4: Average rack rate at three star hotels

Figure 4.4 depicts the comparison of the sampled prices of three star hotels. Australia's hotels are the most expensive over all, with South Africa in second place and Thailand being the cheapest. The price difference between South Africa and Australia's three star hotels is considerably smaller than the price difference of the five star properties (see figure 4.2). The smaller price difference for three star hotels in the three countries may be an indication that South Africa's three star hotels are priced more realistically. Figure 4.5 shows the seasonal price surcharge for three star hotel properties.



Source: reference numbers 86 – 121 are listed in the addendum to chapter 4

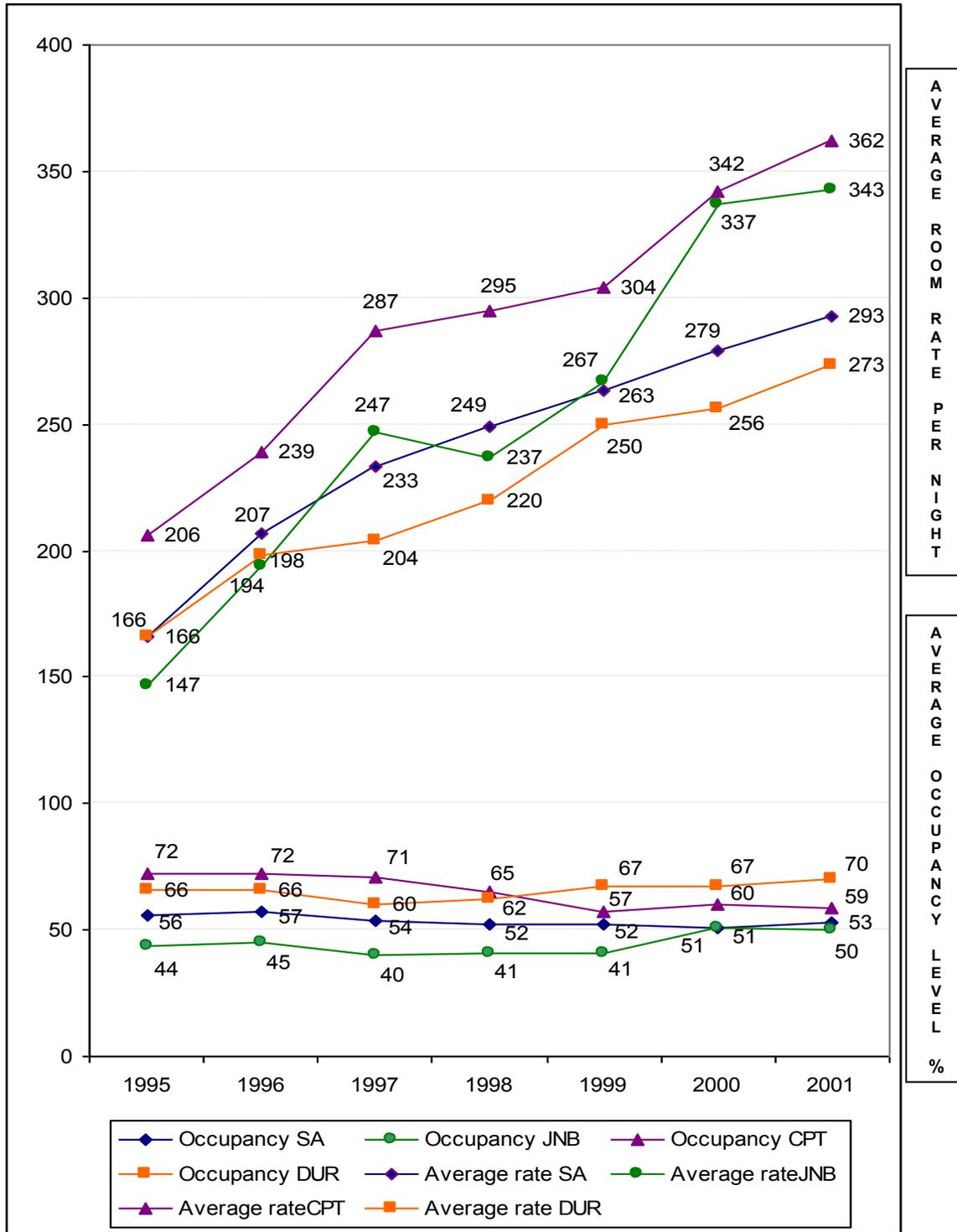
Figure 4.5: Seasonal price surcharge for three star hotels

Figure 4.5 illustrates the percentage by which the high season rate per night is higher than the low season rate for three star hotel properties. The percentage surcharge for three star hotels is much lower than the surcharge for five star hotels. The seasonal surcharge in Cape Town is much higher than those of its competitors and compared to Thailand (7.42%), the Cape Town surcharge is almost double (13.77%). In both instances, for three and five star hotels, Cape Town had the highest seasonal charge.

Comparing the three and five star hotel accommodation prices in South Africa, Australia and Thailand, the conclusion may be drawn that Cape Town's five star hotel properties may prove to be too expensive, whilst three star hotel properties in Cape Town are more moderately priced. Sydney's five and three star hotel accommodation seems to be moderately priced; even though their three star hotels are the most expensive, their prices do not exceed those of Cape Town by

much. Overall Bangkok's hotel prices were the cheapest in both categories. The hotel accommodation in Bangkok is, in both instances, approximately fifty percent cheaper than the prices in Cape Town.

In figure 4.6, the average room rate per night for all grades of hotel properties is compared to the average occupancy percentage (Stats SA, 2007; WTTC, 2007).

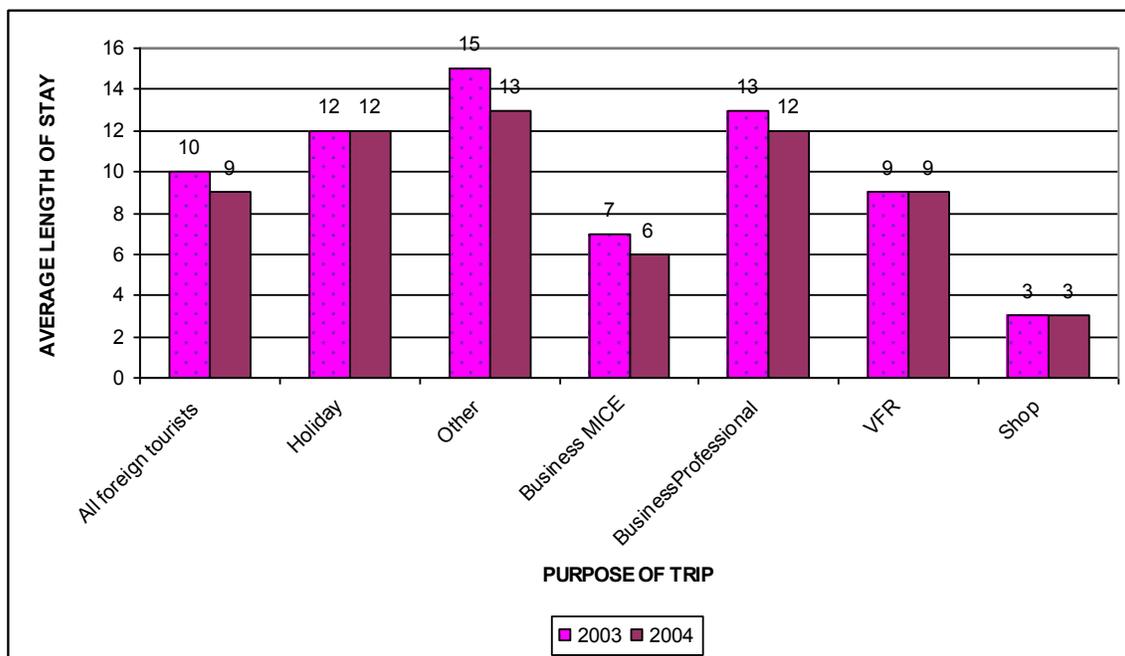


Source: Stats SA, 2007 and WTTC, 2007

Figure 4.6: Average room rate increase per year versus occupancy levels

Figure 4.6 illustrates the relevance between occupancy levels (indicated as a percentage) in comparison to room rates charged by hotel properties (indicated in Rand per night) This figure illustrates that the occupancy levels of Cape Town declined (from 72% in 1995 to 59% in 2001) as the room rates rose. Johannesburg's occupancy levels grew steadily over the years, but the room rates fluctuated up and down with a drop in rates in 1998. Durban's room rates and occupancy percentages grew in conjunction with each other. Cape Town and Johannesburg's average room rates at the end of 2001 were much higher than the average room rate for South Africa and in both instances, their occupancy rates for 2001 were lower than before. The South African occupancy levels are consistently lower than international levels (WTTC, 2007).

SA Tourism suggests that the reason for the decline in the average length of stay is due to the fact that the business traveller is spending fewer nights in South Africa. Figure 4.7 illustrates the statistics for 2003 and 2004.



Source: SA Tourism, 2007

Figure 4.7: Average length of stay 2003 vs 2004

From figure 4.7 it is clear that the average decline in most instances is one night. There is no bigger difference in the business market if compared to the other markets. This suggests the possibility that other factors and not the decline of the average business travellers' stay is the reason(s) for the shorter stays.

4.4. AIR TRANSPORTATION

McIntosh et al. (1995:97) makes a very important statement when saying „without airline passengers, rental cars go un-rented, hotel beds go unsold and attractions go unvisited'. The cost of the air ticket is therefore the most important aspect to consider when doing price comparisons. However, if the passenger's company is paying for the cost of air travel, the passenger generally becomes less price sensitive (Lubbe, 2000:137and Cooper et al., 1998:186).

When researching the air fares of the respective countries, it would be senseless to do a comparison of prices from for instance Johannesburg, Sydney or Bangkok, as these prices would not be of importance to the visiting tourist. The comparison has to be done by comparing the air fares **from different destinations in the world** to South Africa, Thailand and Australia. This would give an indication of how much a tourist has to spend on air travel in order to get to the destination. This comparison is thus based on what is it going to cost or the expense to the tourist to get to the destination. This expense would to a large extent determine whether or not the tourist may afford to visit the destination or not. It has to be kept in mind that accommodation and the air transportation form the largest amounts of money that the tourist will spend towards travel expenses. In chapter 2, this matter is discussed in detail.

4.4.1 Research methodology

The collection of air fares is a complex and challenging process, as published air fares typically bear little resemblance to the fares that the consumer actually

purchases (IZT, 2005). The Travelocity.com (2005) website was used to obtain all the air fares used for the research comparisons done here. All prices for the respective routes were quoted in US Dollars on the same day. The two respective dates or seasons used for the fare quotes are 15 December 2005 until 15 January 2006 and 15 June 2006 until 15 July 2006, which represent the summer and winter or low and high holiday seasons, respectively. The fares include all airport, departure and ticket taxes and fees payable by the passenger, depending on the routing traveled on that specific day. During the search all airlines that operate on the specific routing were included in the calculations and the amounts reflected for economy or business class all represent an averaged fare to produce a single figure. The average fare was calculated by using all the airlines' fares that were displayed for a specific routing and obtaining an average from that. An approximate of between five to sixteen different airlines' fares were displayed for each city pair search.

Many airlines do not offer first class services any more. Those airlines that do offer this type of service, usually provide no more than 10 first class seats per flight. Taking into consideration that most international flights carry a total of approximately 400 passengers, the first class passengers represent a very small segment of the market. Furthermore, a first class passenger is usually not price sensitive, but rather focuses on aspects such as comfort and quality. It is clear that the market segment for first class passengers is very small and therefore only business and economy class prices will be discussed in detail. Annexure B provides a list of the exchange rates used for converting the US Dollar to Rand.

4.4.2 Fares

The research data was used to compile table 4.7 which compares the average fares for each city pair destination as indicated. City pairs in bold font show the lowest fare:

Table 4.7: Business and economy class fares averages

City pair	Season	Economy	Economy	Business	Business
		\$	R	\$	R
<u>North America</u>					
New York to Johannesburg	Jun/Jul	1810	11 355	6064	38 043
	Dec/Jan	2170	13 613	6352	39 849
New York to Sydney	Jun/Jul	1948	12 221	8831	55 402
	Dec/Jan	2255	14 147	8904	55 859
New York to Bangkok	Jun/Jul	1516	9 511	5381	33 756
	Dec/Jan	1971	12 365	5055	31 713
<u>Europe</u>					
London to Johannesburg	Jun/Jul	1047	6 568	3156	19 799
	Dec/Jan	1623	10 182	3865	24 247
London to Sydney	Jun/Jul	1389	8 714	5648	35 433
	Dec/Jan	2135	13 394	4402	27 616
London to Bangkok	Jun/Jul	1061	6 656	3462	21 719
	Dec/Jan	1545	9 693	4070	25 533
<u>Far East</u>					
Bangkok to Johannesburg	Jun/Jul	1984	12 447	3660	22 961
	Dec/Jan	1707	10 709	3306	20 740
Bangkok to Sydney	Jun/Jul	1838	11 531	2732	17 139
	Dec/Jan	1484	9 310	2767	17 359
Bangkok to New York	Jun/Jul	1762	11 054	3894	24 429
	Dec/Jan	1874	11 757	3425	21 487
<u>Australasia</u>					
Sydney to Johannesburg	Jun/Jul	1953	12 252	4976	31 217
	Dec/Jan	2530	15 872	4976	31 217
Sydney to Bangkok	Jun/Jul	1230	7716	4866	30 527
	Dec/Jan	1449	9 090	4699	29 479
Sydney to New York	Jun/Jul	2519	15 803	7626	47 842
	Dec/Jan	2696	16 913	8084	50 715

Source: Travelocity, 2005

In table 4.7 a great deal of price information between different city pairs are presented. The price data listed in table 4.7 is used in table 4.8 to make a price versus mile comparison between the listed city pairs. In table 4.8, the average

fares for each city pair destination is indicated in US Dollars and in Rand. **Only considering the price of the air ticket**, irrespective of the distance travelled, Bangkok seems to be the cheapest destination to travel to. From both North America and Australia, Bangkok is the cheapest destination, whilst from Europe, Johannesburg is the cheapest to travel to and from the Far East, the cheapest destination is Sydney.

In order to make a more realistic comparison of the prices of air tickets from the different continents, the **distance traveled in miles** has to be measured against the price paid for the air ticket. Therefore, an average price per mile traveled has to be calculated. The prices of air fares used in this calculation are the average prices of the air tickets as listed in figure 4.8. A city distance calculator was used to determine the distances between the different cities (Geobytes, 2005). The price per mile was calculated by dividing the price of the air ticket in Rand by the miles traveled on that specific routing. The result of the price per mile comparison is displayed in table 4.8. This table compares the prices for the specified destinations in relation to the actual miles traveled. Using this method, an equal comparison may be made between the prices paid from different destinations.

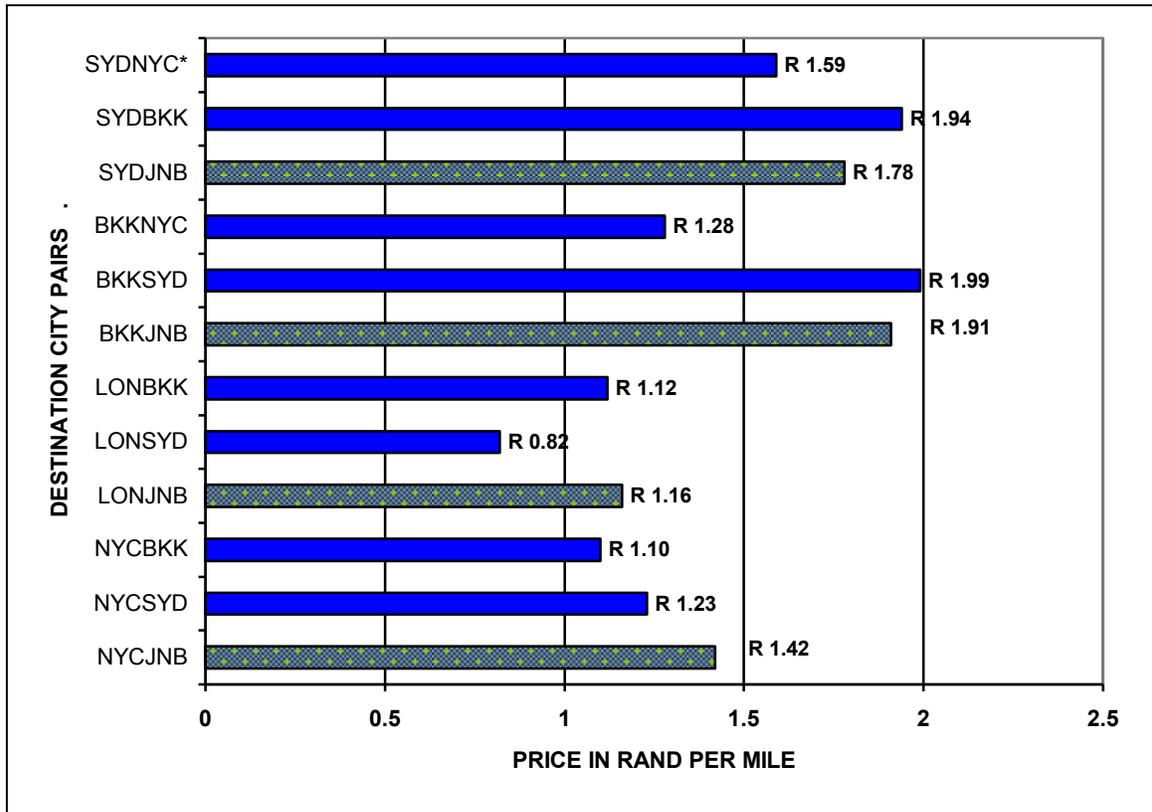
Table 4.8: Comparison between miles traveled and price paid

City Pair	Miles	SEASON	Rand per mile: Economy	Rand per mile: Business
<u>North America</u>				
New York to Johannesburg	7987	Jun/Jul	R1.42	R4.76
		Dec/Jan	R1.70	R4.99
New York to Sydney	9946	Jun/Jul	R1.23	R5.57
		Dec/Jan	R1.42	R5.62
New York to Bangkok	8664	Jun/Jul	R1.10*	R3.90
		Dec/Jan	R1.43	R3.66*
<u>Europe</u>				
London to Johannesburg	5642	Jun/Jul	R1.16	R3.51
		Dec/Jan	R1.80	R4.30
London to Sydney	10570	Jun/Jul	R0.82*	R3.35
		Dec/Jan	R1.27	R2.61*
London to Bangkok	5928	Jun/Jul	R1.12	R3.66
		Dec/Jan	R1.64	R4.31
<u>Far East</u>				
Bangkok to Johannesburg	5595	Jun/Jul	R2.22	R4.10
		Dec/Jan	R1.91	R3.71
Bangkok to Sydney	4687	Jun/Jul	R2.46	R3.66
		Dec/Jan	R1.99	R3.70
Bangkok to New York	8664	Jun/Jul	R1.28*	R2.82
		Dec/Jan	R1.36	R2.48*
<u>Australasia</u>				
Sydney to Johannesburg	6865	Jun/Jul	R1.78	R4.55*
		Dec/Jan	R2.31	R4.55
Sydney to Bangkok	4687	Jun/Jul	R1.64	R6.51
		Dec/Jan	R1.94	R6.29
Sydney to New York	9946	Jun/Jul	R1.59*	R4.81
		Dec/Jan	R1.70	R5.10

Source: Travelocity (2005) & Geobytes (2005)

The results of table 4.8 are illustrated in figure 4.8 to simplify the comparison of the

different city pairs.



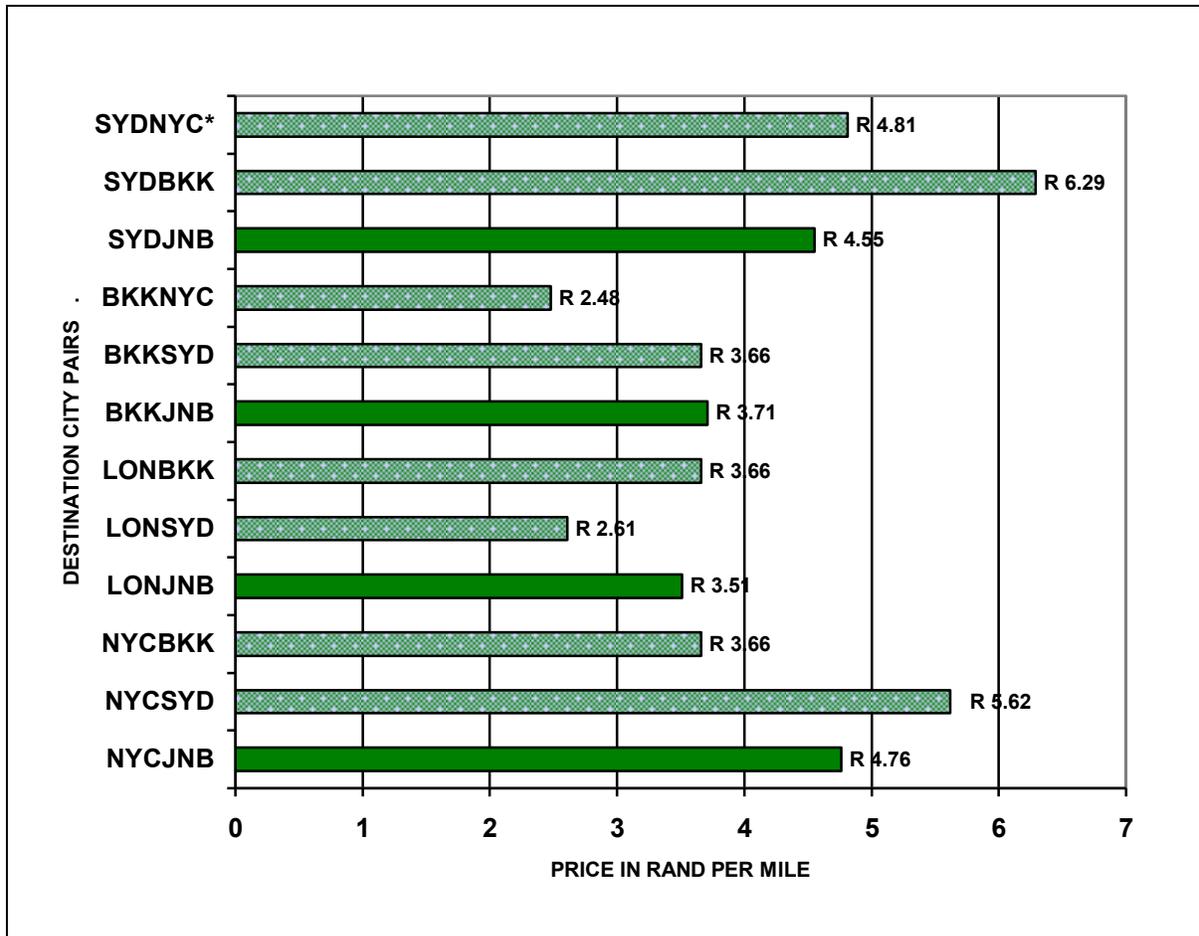
Source: Travelocity (2005) and Geobytes (2005)

*See paragraph 1.6.1 for list of acronyms.

Figure 4.8: Destination price per mile comparison in economy class

From figure 4.8 it may be concluded that in **economy class**, which carries the largest number of passengers per flight, the cheapest routing to travel will be from London to Sydney, which costs a passenger R0.82 per mile. Other cheap destination prices vary between R1.10 to R1.16 per mile (NYCBKK R1.10, LONBKK R1.12 and LONJNB R1.16). From this table it is clear that London is one of the cheaper departure cities in general, offering many special fares to destinations world wide. The travel cost to South Africa in economy class varies between R1.16 to R2.31; London to Johannesburg is R1.16, New York to Johannesburg is R1.42, Bangkok to Johannesburg is R1.91 and Sydney to Johannesburg is R1.78. From **North America**, an air ticket to Johannesburg is the

most expensive (R1.42) compared to Sydney (R1.23) and Bangkok (R1.10). From **Europe**, the air ticket to Johannesburg is again the most expensive (R1.70), as Bangkok is R1.10 and Sydney R1.23. From the **Far East**, tickets to Johannesburg are priced at R1.91, tickets to Sydney at R1.99 and tickets to New York are the cheapest at R1.28 per mile. From **Australasia**, the air ticket to Bangkok is priced the highest at R3.23, whilst Johannesburg (R1.78) and New York (R1.59) are both cheaper. It would therefore be accurate to conclude that in economy class, Johannesburg is the most expensive destination to travel to by air of the destinations researched here.



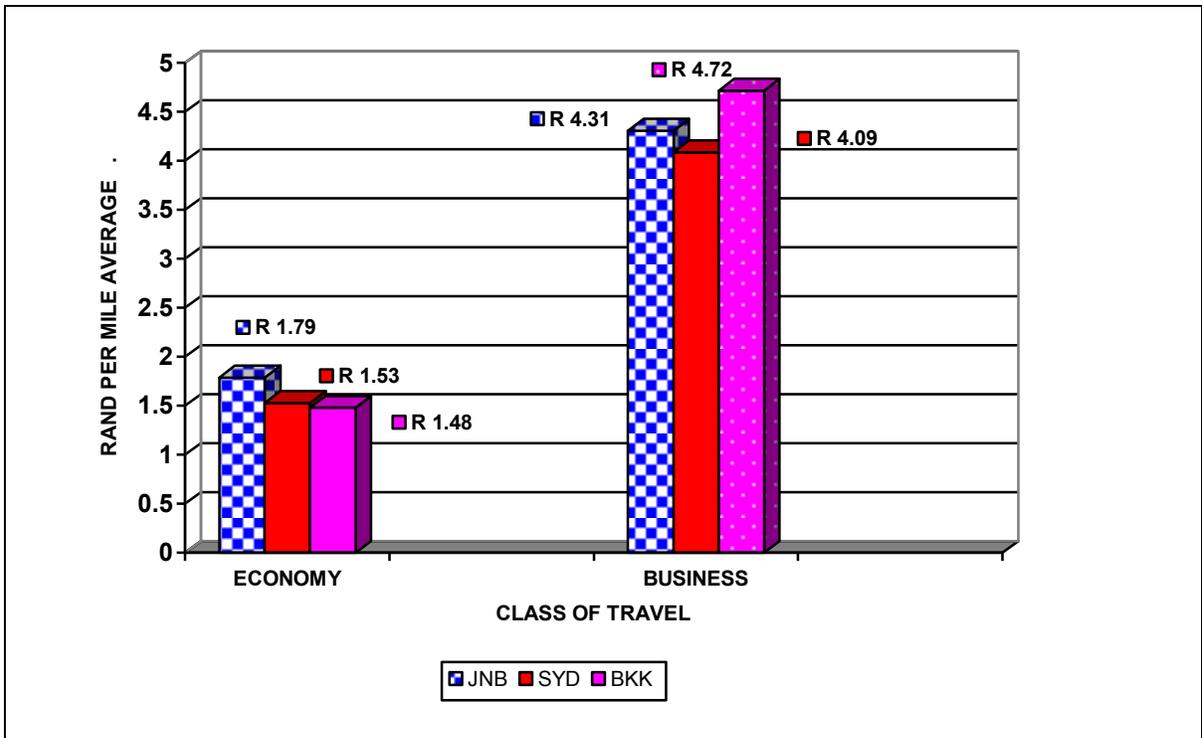
*See paragraph 1.6.1 for list of acronyms

Sources: Travelocity (2005) and Geobytes (2005)

Figure 4.9: Destination price per mile comparison in business class

Analysing figure 4.9: in **business class**, Bangkok to New York is the cheapest (R2.48) routing overall. From **North America**, a ticket to Johannesburg is priced at R4.76, lying between Bangkok, the cheapest at R3.66 and Sydney, being the most expensive at R5.62. From the **Far East**, Bangkok to New York is the cheapest at R2.48, followed by Sydney at R3.66 and Johannesburg, the most expensive at R3.71. From **Australasia**, a ticket to Johannesburg is the cheapest at R4.55. New York lies second with R4.81 and Bangkok being the most expensive at R6.29. From these figures, the comparison looks better for South Africa in business class as Johannesburg was in one instance the cheapest routing namely Sydney to Johannesburg.

As mentioned in chapter 3, the cost of the air ticket is one of the major expenses to the tourist when taking a vacation. From the above-mentioned data it is clear that traveling to South Africa (Johannesburg) is in many instances the most expensive option to the tourist in terms of price paid per mile traveled. The fact that the prices of air tickets do not seem to offer value for money if compared to South Africa's competitors, may be seen as a major constraint towards the stimulation of international arrivals to South Africa. Figure 4.10 compares the average price per mile, calculated from table 4.8.



Source: Travelocity (2005) and Geobytes (2005)

Figure 4.10. Overall comparison of destination price average per mile travelled

Figure 4.10 gives a summary of each destination's price average per mile traveled. On average, in economy class, Johannesburg is the most expensive destination to travel to per mile (R1.79). Bangkok at an average of R1.48 and Sydney at R1.53, are both cheaper destinations to fly to. As economy class represents the largest market share of air travel, this may be problematic for South Africa. In business class, Johannesburg lies in second place, with Sydney being the cheapest at R4.09 per mile.

The World Tourism Organisation (2007) and the World Bank (2007) list Germany as the top country whose residents spent most money on travel in 2004. The second highest expenditure is by United States residents with the United Kingdom in the third place. A safe conclusion would be that South Africa's air fares, especially from Europe and the United States of America should be relatively cheap in order to stimulate travel to South Africa. However, from both North

America and Europe, South Africa is the most expensive destination to visit if compared to Australia and Thailand. Recent figures from Statistics South Africa show a 3.1% decline in European tourists to South Africa from January to September 2004 (Iafrica, 2005). Although the reason for the decline could be multiple and it is relatively difficult to control the prices of air tickets, the South African tourism role players should ensure that high air fares are not one of the reasons mentioned not to visit South Africa.

4.5. FOOD AND BEVERAGE

The annual American Express Foreign Exchange Holiday Cost of Living Index survey compares the prices of the world's top holiday destinations (SA Embassy, 2005). This survey was conducted in 2005 at holiday resort areas worldwide on thirteen shopping basket items. These items included a 330 millilitre and a 1.5 litre Coke, mineral water, a 330 millilitre bottle and a six pack lager, an ice cream bar, a snack for four people, a meal for two plus wine, sun cream, a music CD, camera film and cappuccino. The survey indicated that Thailand, Australia, South Africa and the United States of America, offered the best value for money for tourists.

During this survey, South Africa ranked as the cheapest of five of the shopping items which makes it the country with the highest number of cheapest items (SA Tourism, 2005). The five items on which South Africa ranked the cheapest were a 330 millilitre bottle of lager, a 330 millilitre bottle of Coke, sun cream, camera film and a meal for two plus wine (SA Tourism, 2005). Furthermore, South Africa also does not have any product rated in the most expensive column. During this research it was found that Thailand's shopping basket was the cheapest overall at a cost of R725.17 (£65.70). South Africa was the next cheapest with a shopping total of R747.02 (£67.68). The difference between Thailand and South Africa's shopping basket is R21.85 (£2.02).

4.6 OVERALL DESTINATION COMPARISON

4.6.1. South Africa

Although difficult to compare, South Africa's **attractions** seem to be fairly priced in relation to the attractions of Australia and Thailand. Only the Table Mountain cable car was priced the highest in its category. Empirical research, which forms part of this study, further investigates this issue. All the other attractions were either the cheapest or ranged between the prices of the two competitors.

With regard to South Africa's **accommodation**, it seems clear that our five star hotel properties are priced the highest, whilst the prices of the three star hotel accommodations are on par with South Africa's major competitors.

The comparison of **air fares** indicated that South Africa is the most expensive destination to travel to from other countries. In three instances, out of the four continental comparisons done, South Africa was the most expensive to travel to in economy class. Economy class is the class of travel that is used most frequently.

The **food and beverages** in South Africa are considered to be relatively cheap when compared to the other destinations.

4.6.2. Australia

The **attractions** in Australia are expensive if compared to South Africa and Thailand. All their attractions were the most expensive in the compared categories, except for the cable car. Sydney's three star **accommodation** was priced the highest, although it is not by an excessive amount and therefore not a major concern. **Air travel** to Australia also proved to be expensive, but not as expensive as to South Africa. The **food and beverages** in Australia were the most expensive in the destination comparison.

4.6.3 Thailand

Most of Thailand's tourism products were the cheapest in this destination comparison. In many instances, their prices were more than fifty percent cheaper than that of South Africa and Australia. It therefore stands to reason that this destination has been known to tourists and been labelled as a cheap destination.

4.7 CONCLUSION

South Africa's challenge may be twofold. Firstly, it is more expensive for the tourist to fly to South Africa than to Australia or Thailand, which may lead to a tourist rather visiting another destination. Unless the tourist specifically decides to visit South Africa for a specific reason, another cheaper destination may then rather be considered. One also has to keep in mind that in a product life cycle, destinations may become „tired'. Once a destination becomes „tired', tourist arrivals may decline (Boniface & Cooper, 2005:201).

External factors, such as safety or exchange rates for example, cannot be controlled by the destination. Lately, the safety of tourists to South Africa has been in the news often and articles entitled "Crime robs SA of overseas tourists' (Business Report, 2007) or incidents on Table Mountain (News24, 2007), definitely have a negative influence on tourism flow to South Africa. It would therefore be sensible for South Africa as a tourist destination not to add to the list of negative aspects by charging high air fares. The external factors are not controllable, but South Africa's high air fares may be addressed.

Secondly, the cost of South Africa's luxury accommodation at five star hotel properties is another factor for concern. Our five star hotel accommodation is priced much higher than that of South Africa's competitors. As mentioned previously: the accommodation and air fares are what tourists spend most of their money on and in both of these categories South Africa is priced high in relation to

its competitors. This is therefore an area of concern that will have to be addressed and researched further.

Looking at attractions and food and beverages, the prices are of the cheapest available and this is not an area of major concern. In both instances, these products are, in any event, not major expenses to the tourist, but had they been expensive too, it would have become stronger points for consideration.

When the tourist is faced with choosing a destination, his choice of picking South Africa will be influenced by the tourism products mentioned here. Ensuring that South Africa's products are priced correctly and competitively, the result will be a decrease in the number of barriers to visiting this country.

CHAPTER 5

TOURISM PRICE INDICES AND MODELS

5.1 INTRODUCTION

Until recently, the best known international competitiveness indicator amongst international destinations has been the “Big Mac” index of sixty different countries, which is published annually by The Economist (Economist, 2006). It is however of utmost importance to develop measures of price competitiveness in tourism which may be used to analyse a range of tourism products. The ordinary consumer price index cannot be used in tourism, as it is not applicable to the specific expenditure patterns of the international tourist. The tourist spends less money for instance on housing, which has a big weight in a consumer price index and more money on attractions, accommodation and restaurant meals. Specific indices and models need to be developed for measuring the price competitiveness of tourism products.

Various of theoretical and other models are discussed and explained in this chapter focussing on a variety of features and measuring different aspects of competitiveness. As these models are based on different ideas, pillars and/or factors that measure competitiveness, it may be possible that some of them may overlap or contradict each other.

5.2 PRICE INDICES

A price index may be defined as a single figure that is used to show how a whole set of prices has changed (Wonnacot & Wonnacot, 1990:664). The phenomenon that causes prices to increase over time is called inflation. A price index may therefore be used to translate long-ago prices into modern day equivalents.

The Consumer Price Index (CPI) is probably one of the best known of all price

indices (Steyn et al., 1994:262-263). This index measures the changes in the prices of a fixed basket of goods over a period in time. The basket of goods referred to is made up of articles that are used for everyday living such as the price of certain foods, transportation, medical care, housing and services used on a daily basis. A base period is used against which future indices are measured and compared to an assigned value of 100. Prices for other years are then expressed relative to this figure (Weiers, 1998:84). Price indices are available for a number of different products.

5.2.1 Simple relative price index

According to Weiers (1998:763) and Wonnacot & Wonnacot (1990:665), a simple relative price index may be obtained by taking the price in a specific period of time and dividing it by the price in the base period, multiplied by 100 as follows:

$$\text{Index} = \frac{P_t}{P_0} \times 100$$

P_t = Price, period of time

P_0 = Price, base period

The above-mentioned simple price index was used as a base and adapted specifically for the tourism industry to develop a hotel price index which may be of value to the industry, role players and product owners. See paragraph 5.7 for the application of this index for the South African hotel industry.

5.2.2 Weighted aggregate price index

A weighted price index may be described as a price index where the prices of the items in the basket are weighted. The weight of items is generally assigned according to the relative quantities of the different items (often referred to as Paasche price index). Weights may also be assigned to importance of items to the

specific price index (Weiers, 1998:770 and Steyn et al., 1994:254).

$$\text{Index} = \frac{\sum P_t Q_t}{\sum P_0 Q_t} \times \frac{100}{1}$$

P_t = Price of item in the selected period

P_0 = Price of item in base period

Q_t = Quantity or weight of item in selected period

5.3 TRAVEL & TOURISM COMPETITIVENESS INDEX

An index may also be used to measure other factors of competitiveness not related to price alone. Competitiveness of a destination may be influenced by factors such as the environment, safety, infrastructure or even natural or cultural resources which are not related directly to price.

The Travel & Tourism Competitiveness Index was developed by the World Economic Forum in collaboration with many major industry role players. This index is aimed at measuring the factors and policies that make it attractive to develop the travel and tourism sector in a specific country and the index is based on specific pillars. Each pillar represents a number of individual variables. The pillars are (World Economic Forum, 2007):

- 1 Policy rules and regulations
- 2 Environmental regulation
- 3 Safety and security
- 4 Health and hygiene
- 5 Prioritisation of travel and tourism
- 6 Air transport infrastructure
- 7 Ground transport infrastructure
- 8 Tourism infrastructure
- 9 Information technology infrastructure

10 Price competitiveness in the travel and tourism industry

11 Human resources

12 National tourism perception

13 National and cultural resources

These pillars have been organised into three major categories:

- ◆ Travel and tourism regulatory framework
- ◆ Travel and tourism business environment and infrastructure
- ◆ Human, cultural and natural resources

One hundred and twenty four countries were included in the survey and hard data was obtained from publicly available sources, travel and tourism institutions and travel and tourism experts such as the CEO's and top business leaders in all economies that make investment decisions in their respective industries (World Economic Forum, 2007). This index has since replaced the WTTC Competitiveness Monitor (see paragraph 5.4.1.6) which had limited scope due to its lack of availability and continuity of economic data and input from industry experts.

The **price competitiveness** of the different countries (pillar 10) was measured against the following variables (World Economic Forum, 2007):

- ◆ Ticket taxes and airport charges
- ◆ Purchasing power parity
- ◆ Extent and effect of taxation
- ◆ Fuel price levels

The taxes charged on the air ticket, as well as the taxes charged at the airport of departure, may make air travel much more expensive. Furthermore, the extent to which goods and services in a country are more or less expensive than elsewhere, fuel price levels compared with those of other countries and taxes levied in a country which may be passed through to the tourist, all influence price

competitiveness (World Economic Forum, 2007).

The results of the World Economic Forum's index rankings for 2007 were: Switzerland in first place, followed closely by Austria and Germany. Factors that contributed to Switzerland's victory was its safety, health and hygiene, excellent hotel schools providing a high quantity of qualified staff, tourism infrastructure which is amongst the best in the world, rich natural and cultural resources with six World Heritage sites, a high income per capita and a high travel and tourism priority. These factors make Switzerland a very attractive destination to develop the travel and tourism sector. The United States of America ranked 5th whilst the United Kingdom ranked 10th (World Economic Forum, 2007). Australia was ranked in 13th position in the Travel & Tourism Competitiveness Index (World Economic Forum, 2007), Thailand in 43rd position and South Africa in 62nd position. **Australia** is characterised by its excellent natural and cultural resources, sixteen World Heritage sites all protected by stringent regulation, strong prioritisation of travel and tourism and effective destination marketing campaigns. **Thailand** has a very friendly attitude towards tourists, effective marketing campaigns and high government prioritisation. Its weakness lies in the quality of transport and tourism infrastructure. **South Africa's** major weakness is its poor safety and security (ranked 95th), health and hygiene (ranked 82nd) and a low travel and tourism priority (ranked 111th). Our human resources also received a very low ranking and sanitation and safe drinking water raised concerns. South Africa received a good ranking for its ground and air transport infrastructure as well as the tourism infrastructure. Table 5.1 provides the specific ranking results for each pillar as identified previously.

Table 5.1: The Travel and Tourism Competitiveness Index for Australia, Thailand and South Africa

	R		A		N		K		I		N		G
PILLARS	1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	52	13	20	22	30	5	20	14	8	111	26	17	80
Thailand	55	39	42	59	25	25	28	53	58	4	59	75	35
SouthAfrica	46	28	95	82	51	30	35	48	70	48	96	111	56

Source: World Economic Forum, 2007

- 1 Policy rules and regulations
- 2 Environmental regulation
- 3 Safety and security
- 4 Health and hygiene
- 5 Prioritisation of travel and tourism
- 6 Air transport infrastructure
- 7 Ground transport infrastructure
- 8 Tourism infrastructure
- 9 Information technology infrastructure
- 10 Price competitiveness in the travel and tourism industry
- 11 Human resources
- 12 National tourism perception
- 13 National and cultural resources

From table 5.1 it is clear that Australia's major problem lies with its price competitiveness in travel and tourism. Thailand showed no major deviations and South Africa's problems lie with human resources, safety and security and our national tourism perception. The price competitiveness measured in the above-mentioned research measured all travel and tourism products, whilst the research in this study focused on the prices of the major travel components: air transportation, accommodation, attractions and food and beverages.

5.4 MODELS

Models should not be used to base decisions on but they should rather assist in decision making, without substituting the role of the decision maker (Vanhove, 2005:109). A variety of models measuring different factors of competitiveness exist, each with a different approach and focus.

5.4.1 Competitive models

Various conceptual models have been developed over the years to enhance competitiveness:

- ◆ The five competitive forces of Porter;
- ◆ The „Porter diamond“;
- ◆ The Poon concept;
- ◆ The WES approach;
- ◆ The conceptual model of destination competitiveness of Ritchie & Crouch;
- ◆ The World Travel and Tourism Council’s competitiveness monitor for tourism.

5.4.1.1 The five competitive forces of Porter

Michael Porter developed this model consisting of five forces which may be used when analysing the nature and extent of competitiveness within an industry (Evans et al., 2003:173-182, MBA, 2007 and George, 2001:65). This model was aimed at industries in general and was later applied to the tourism industry. Porter investigates competitiveness of the environment by studying the following five forces (Louw & Venter, 2006:251, Drummond & Ensor, 1999:16-18 and Lewis & Chambers, 2000:151):

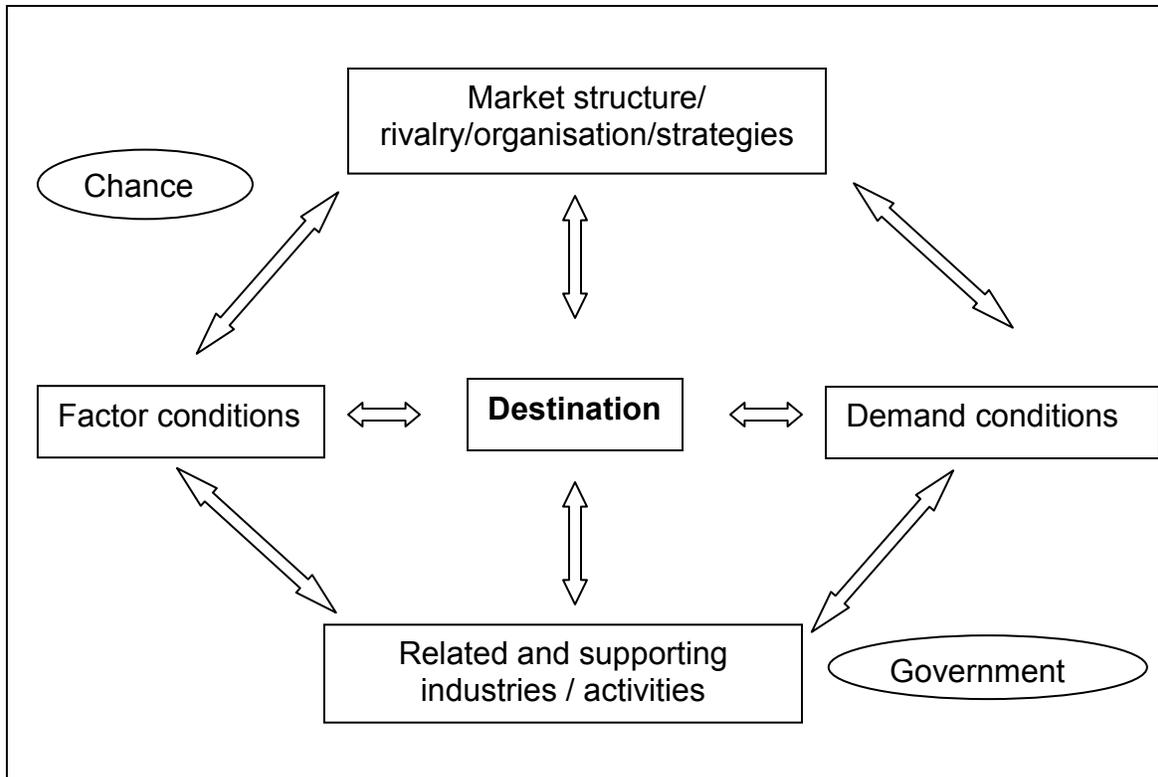
- ◆ The threat of entrants;
- ◆ The threat of substitutes;
- ◆ The power of buyers;
- ◆ The power of suppliers;
- ◆ Competitive rivalry.

In the tourism industry, the **threat of new entrants** which stimulates price competition is in the order of the day, as new airlines, accommodation establishments, attractions and even destinations appear in the market. The same applies to the **threat of substitutes**: a guest house may substitute a hotel or a

train an aeroplane, which places a cap or ceiling on the prices that the product owners may charge. The **power of buyers** is influenced by demand based on sales, product differentiation, cost price and profit margins. The bargaining **power of suppliers** is influenced by product differentiation, forward integration, the high cost of switching suppliers, customer importance and market domination. **Competitive rivalry** takes place where one or more of the following factors are present: high exit barriers, a lack of product differentiation and high fixed costs, perishability, slow sector growth, many competitors and where there is a high strategic stake, the consequence being price wars or marketing-led competitive strategies.

5.4.1.2 The 'Porter diamond'

This model is based on Porter's five competitive forces discussed in paragraph 5.4.1.1 to which the environment has been added. Here the competitive advantage of the destination is based upon four interdependent determinants which form the „diamond' (Vanhove, 2005:115 and Evans et al., 2003:184-185). The determinants are illustrated in figure 5.1 below.



Source: Van Hove, 2005:115

Figure 5.1: Porters 'diamond' determinants of the competitive advantage of destinations

5.4.1.3 The Poon concept

The Poon concept of competitive strategy is based on two dimensions (Academic Data Base, 2007 and Vanhove, 2005:119): a micro level for **industry players** and a macro level for **tourism destinations**. Poon is critical of Porter's generic strategies and argues that they are more applicable to manufacturing than services and therefore lists the following competitive principles and strategies for tourism (Vanhove, 2005:120-123):

FOR INDUSTRY PLAYERS:

- ◆ Satisfy the consumer through product development and a holistic approach of the holiday experience;
- ◆ Ensure quality through constant improvements, the development of human

- resources and the use of technology;
- ◆ Be creative with new ideas and innovations;
- ◆ Strengthen your strategic position through diagonal integration and influencing the competitive environment.

FOR TOURISM DESTINATIONS:

- ◆ Focus on the protection of the environment through responsible tourism;
- ◆ Make tourism a lead sector by developing the destination's full potential;
- ◆ Ensure that distribution channels are well developed in the market place;
- ◆ Strengthen the private sector through new tourism, quality and co-operation.

5.4.1.4 The WES approach

This approach was developed by the Inter-American Development Bank for the analysis of the competitive positions of a number of countries in the Caribbean area (Vanhove, 2005:123). Long term competitiveness was the focus resulting in higher profitability than the average. A clear distinction is made between indicators of competitive performance and factors that contribute to competitiveness. The purchasing power indicator (PPI) of *generating* country X against *receiving* country Y is defined as follows (Vanhove, 2005:123-124):

$$\begin{array}{l}
 \text{PPI} \\
 \text{(Exchange rate currency X in currency units Y)}
 \end{array}
 =
 \frac{\text{CPI country X}}{\text{CPI country Y}}$$

5.4.1.5 The Ritchie & Crouch conceptual model of destination competitiveness

This is the most comprehensive model focusing on comparative and competitive advantages and it has three main uses (Vanhove, 2005:128-132):

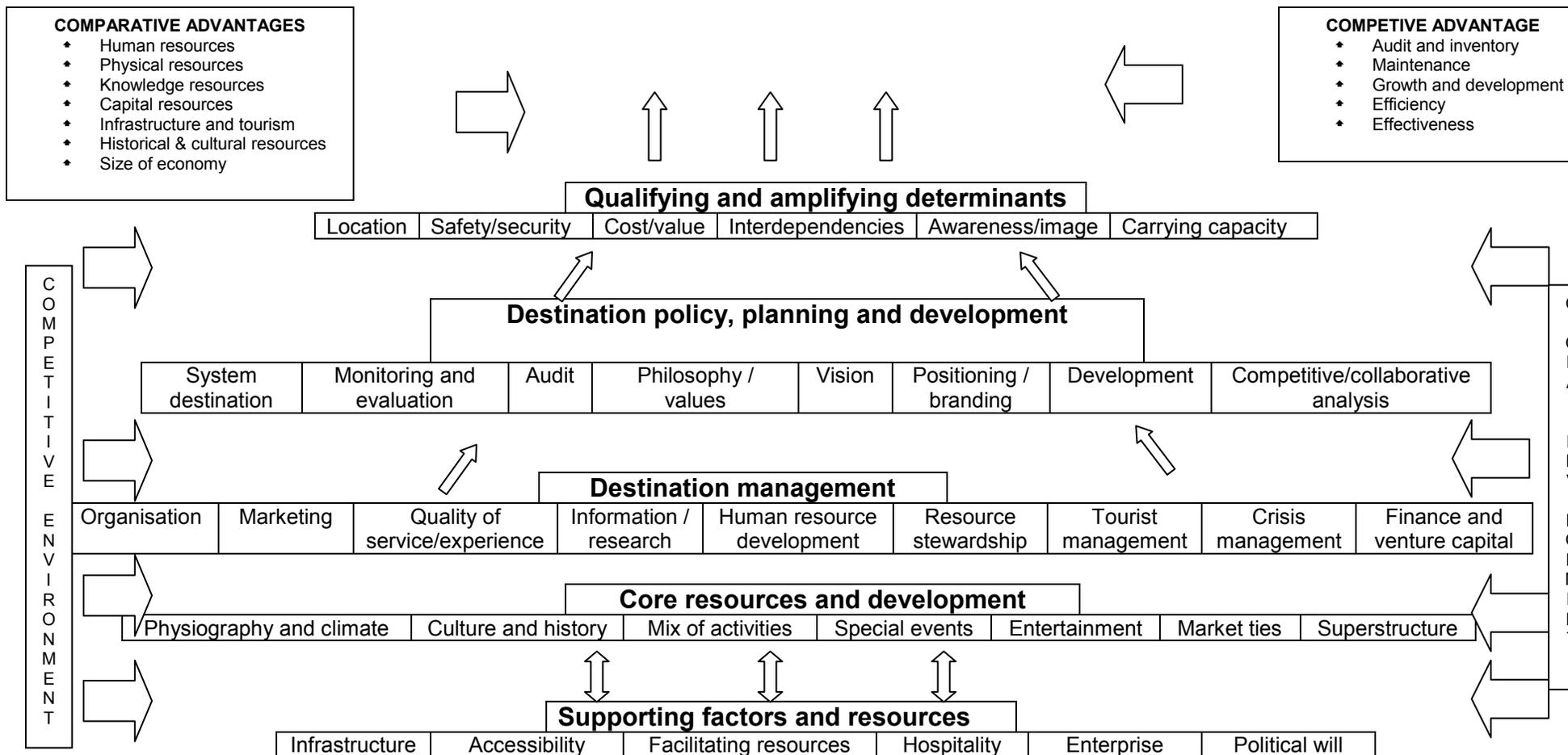
- ◆ It acts as a communication tool;
- ◆ It provides a framework for management not to overlook important factors;
- ◆ It acts as an instrument for destination audit.

A summary of this model is depicted in figure 5.2.

5.4.1.6 World Travel and Tourism Council competitiveness monitor

This competitiveness monitor was developed by the World Travel and Tourism Council in collaboration with the Christel de Haan Tourism and Travel Research Institute at the University of Nottingham. This monitor distinguishes eight different themes of tourism competitiveness for approximately two hundred countries (WTTC, 2007):

- ◆ Price competitiveness
- ◆ Infrastructure development
- ◆ Environmental quality
- ◆ Technology advancement
- ◆ Human resources
- ◆ Level of openness
- ◆ Social development
- ◆ Human tourism indicator.



Source: Vanhove, 2005:129

Figure 5.2: Ritchie & Crouch's model of destination competitiveness

The eight indicators each have a different value or are of different importance to the competitiveness of the destination and therefore different weights are attached to each of the indicators. Each of these mentioned indicators (or themes) consists of a set of variables that support the specific theme. This model has been economically enhanced and developed further by the World Economic Forum in collaboration with the World Travel and Tourism Council (see paragraph 5.3).

5.4.2 Price models

“Price competitiveness is usually regarded as one of the most important factors of competitiveness for a given destination” (TTRI, 2007). The two different price models that will be discussed are:

- ◆ The price competitiveness indicator of Gooroochurn & Sugiyarto;
- ◆ The Dwyer price competitiveness approach.

5.4.2.1 The price component of the competitiveness indicator of Gooroochurn & Sugiyarto

The World Travel and Tourism Council’s competitiveness monitor is used as a basis for calculating, amongst other, the price competitiveness indicator of a country (TTRI, 2007). A tourism price competitiveness indicator should ideally include the prices of all the main products consumed by tourists, such as accommodation, travel, car hire, attractions and so forth, but such detailed data are difficult to find, therefore, the price component of this competitiveness monitor consists of:

- ◆ Hotel Price Index (HPI)
- ◆ Purchasing Power Parity (PPP)

The combination of the above indices indicates the prices that tourists pay at destinations. The hotel prices for the hotel price index were computed from a single website (<http://www.placestostay.co.uk>) to represent the average of minimum room rates across different classes of hotels. The different weights used

in the calculations were estimated by using confirmatory factor analysis.

The methodology may be summarised in two steps (TTRI, 2007):

Step 1: Normalising the price indicator

$$\text{Normalisation} = \frac{\text{Actual value} - \text{Minimum Value}}{\text{Maximum value} - \text{Minimum Value}}$$

Step 2: Derives the aggregate index for each variable

$$Y_k^c = \frac{1}{n_k} \sum_{k \in \lambda_k} x_i^c$$

Y_k^c = Price Indicator

k = 1 to 8 (one of the eight themes of the competitiveness monitor)

n_k = the number of variables in the theme (in this instance two)

λ_k = the subset of the indicators associated with theme k

5.4.2.2 Dwyer's price competitiveness approach

Professor Larry Dwyer, Professor Peter Forsyth and Prasada Rao define destination competitiveness as a general concept that „encompasses price differentials with exchange rate movements, productivity levels of various components of the tourism industry and qualitative factors affecting the attractiveness or otherwise of the destination' (Science Direct, 2007, National Tourism Foundation, 2007 and IZT, 2007). Two other factors, besides price, are also considered, namely socio-economic and demographic factors and qualitative factors such as image of destination, quality of services, marketing and promotion of the destination.

The price factor is calculated by using a series of steps and this factor includes the cost of transport services to and from the destination (Vanhove, 2005:124):

- Step 1: Choose the origin countries or generating markets;
- Step 2: Choose destination markets or competitors;
- Step 3: Assess expenditure pattern of tourists from different origin markets;
- Step 4: Compile relevant price data;
- Step 5: Calculate purchasing power parities (PPP) for tourism expenditure;
- Step 6: Adjust PPP by exchange rates to derive price competitive Indices.

$$\text{Price Competitiveness Index} = \frac{\text{Exchange rate}}{\text{PPP}} \times \frac{100}{1}$$

The authors of this model site various limitations that must also be taken into consideration, namely:

- ◆ Accuracy of data collection;
- ◆ Comparison of air fares;
- ◆ Differences of accommodation;
- ◆ Prices that may vary within regions of the same country;
- ◆ Not all tourism products in a specific country may be expensive if one product is expensive.

5.5 COUNTRY ECONOMIC PROFILES

In table 5.2, a brief summary is given of the economic profiles of South Africa, Australia and Thailand (World Bank, 2007):

Table 5.2: Economic profiles

KEY INDICATORS	SOUTH AFRICA	AUSTRALIA	THAILAND
Population (millions)	45.2	20.3	64.2
GDP in US\$ billions	239.4	708.5	173.1
GDP per capita in US\$	12 161	30 897	8 368
Real GDP growth	4.9	2.5	4.5
International tourist arrivals 2005	7 518 000	5 020 000	11 567 000
Average international tourist growth	4.8%	5.2%	3.0%
International tourism receipts 2005 US\$millions	7 327	16 866	10 108
Average receipts per capita US\$	165	840	149

Source: World Bank, 2007

The tourism industry forms part and plays an important role, in the overall well-being and competitiveness of any country. Analysing the data in table 5.2, it is clear why Australia is in a dominant position. Australia is fortunate to show an international tourist growth rate of 5.2%, which is higher than that of South Africa and Thailand. Furthermore, their tourism industry is boosted by per capita tourism receipts which are more than five times higher than South Africa's and Thailand's receipts. Clearly, the average tourist that Australia is attracting is spending much more money than the tourist that is visiting South Africa. South Africa's low per capita expenditure may possibly be explained by the large number of tourists that cross our borders from relatively poor countries such as Zimbabwe, Mozambique and Lesotho. Even though Australia is receiving fewer tourists per year than South Africa, it is earning more in foreign revenue from tourists than South Africa. As Australia is an island, international tourist arrivals are limited to air and/or sea transportation which immediately places the tourist in a different category than tourists arriving by foot, car or other ground transportation. South Africa's per capita receipts are in all probability influenced and lowered by the fact that a large portion of tourist arrivals are from neighbouring countries such as Lesotho, Zimbabwe and Mozambique, where poverty reigns, thus resulting in a much lower per capita spend.

5.6 CONNECTIVITY INDICATOR

The World Travel & Tourism Council measures countries' air transport connectivity annually. This connectivity is defined as „the scope of access between an individual airport or country and the global air transport network' (WTTC, 2007), which includes the frequency of services, the connectability of a destination and the number of seats available in a specific period in relation to the number of passengers handled at the specific airport in a year (World Economic Forum, 2007).

The connectivity is therefore calculated as follows:

$$\frac{\text{(number of destinations x frequency x seats per flight) weighted by the size of the destination airport}}{\text{scalar factor of 1 000}}$$

A higher figure of connectivity indicates a greater degree of access to the global air transportation network of the destination. It is therefore important to serve not just a large number of destinations, but also serving destinations that have a high economic importance. Nations with large economies will have more destinations and more seats, but quantity is not a measure of quality. The level of connectivity in relation to the GDP of a country is what matters in terms of productivity and economic growth. The connectivity measure for Johannesburg International Airport based upon data supplied by IATA for 2004 is **34.7**, where 85 destinations were served with 230 890 seats per week. Taking into consideration that Chicago Airport has a connectivity indicator of 286.6 and London Heathrow Airport of 244.2, this is a relatively low score for Johannesburg.

5.7 HOTEL PRICE INDEX (HPI) FOR SOUTH AFRICA

As justified in paragraph 4.3, South Africa's accommodation sector may benefit from a hotel price index (HPI) that may guide and assist the industry when pricing their products. In table 5.3 the proposed hotel price index is illustrated.

Table 5.3: Hotel Price Index (HPI) for South Africa

Average price ⁶	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
South Africa	166	207	233	249	263	279	293	321	341	360	380	797
% per year	+24.7	+12.6	+6.9	+5.6	+6.1	+5.0	+5.0	+8.7	+5.9	+5.3	+5.3	+52.3
HPI: SA	71.2	88.88	100	106.9	112.9	119.7	125.8	132.1	143.6	152.1	160.2	168.7
Johannesburg	147	194	247	237	267	337	343					
% per year	+32	+27.3	-4.0	+12.7	+26.2	+1.8						
HPI: JNB	59.5	78.5	100	96.0	112.7	136.4	138.9					
Cape Town	206	239	287	295	304	342	362					
% per year	+16.0	+20.1	+2.8	+3.1	+12.5	+5.8						
HPI: CPT	71.8	83.3	100	102.8	105.9	119.2	126.1					
Durban	166	198	204	220	250	256	273					
% per year	+19.3	+3.0	+7.8	+13.6	+2.4	+6.6						
HPI: DUR	81.4	97.5	100	107.8	122.5	125.5	133.8					
CPI SA	+8.7	+7.3	+8.6	+6.9	+5.2	+5.4	+5.7					

Source: WTTC (2007), Stats SA (2007) and SA Tourism (2007)

The data used for the calculations in table 5.3 was obtained from hard data supplied by the World Travel & Tourism Council, Statistics South Africa and the SA Tourism's annual reports (WTTC, 2007, Stats SA, 2007 & SA Tourism, 2007). 1997 was used as the base year i.e 1997 index is equal to 100. This year represents a stable tourism year with no major internal or external influences on the market (SA Tourism, 2007). The overall average South African prices used for the period from 2001 up to 2005 were projected from a linear price projection (see figure 6.7). The index for specific South African cities, Durban, Johannesburg and Cape Town, is not continued after 2001, as no price data is available for these cities' hotel accommodation after 2001. The 2006 price data used was obtained

from the empirical research results of the survey, discussed in greater detail in chapter 6.

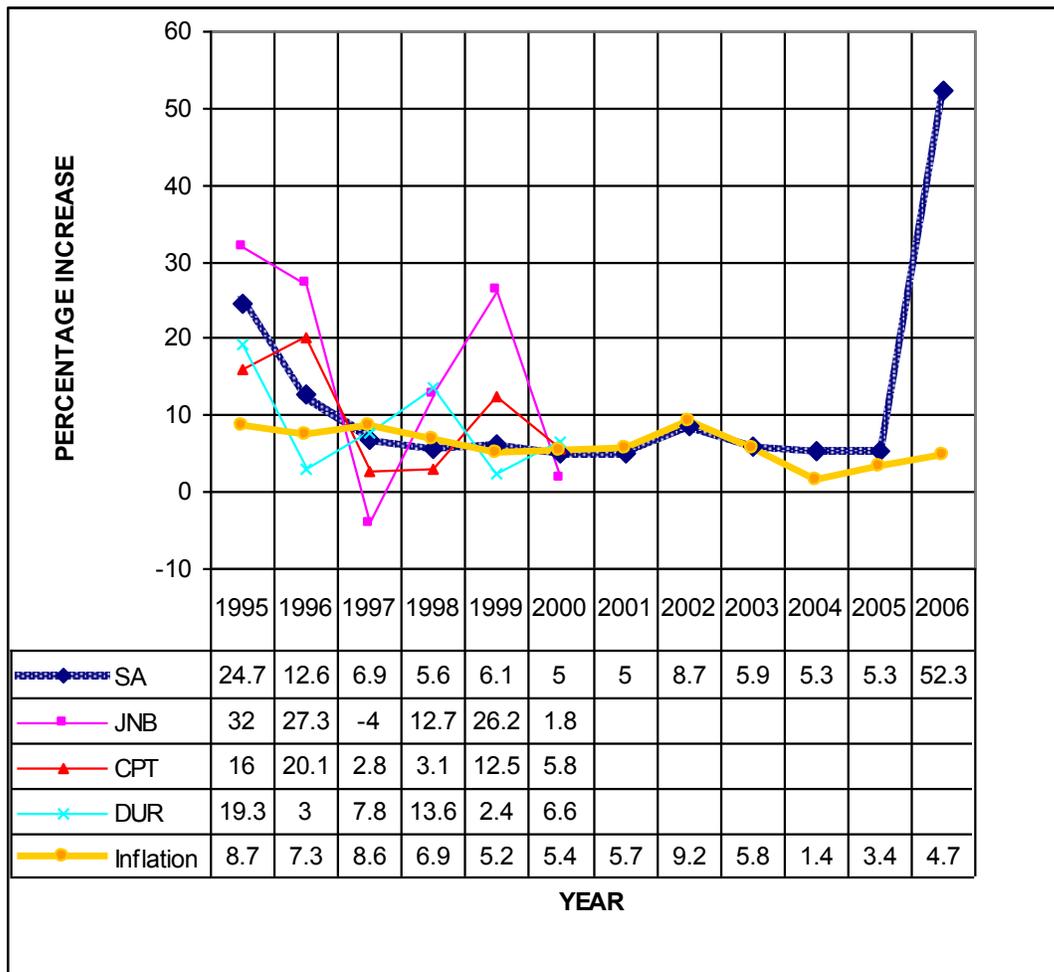
Analysing table 5.3, the following conclusions may be drawn:

- ◆ Hotel prices for the specific cities of Durban, Johannesburg and Cape Town, do not correspond with each other and show substantial differences. Johannesburg and Durban's prices are within a closer price range, but Cape Town's prices are much higher. The annual percentage increase per year for each city also indicates no similarities.
- ◆ Johannesburg: The hotel prices that were charged from one year to the next vary to such an extent that no pattern or rationale is visible. Prices increased drastically in 1995 and 1996 (32% and 27.3% respectively), only to show a decrease (-4.0%) in 1998. This was followed by another major price increase in 1999 (26.2%), to a slight increase in 2000 (1.8%).
- ◆ Durban: Hotel prices charged from one year to the next do not show a specific trend or average price increase, but fluctuate substantially. The percentage increase per year also varies between 19.3% and 2.4% over the period 1995 to 2001.
- ◆ Cape Town: In 1995 and 1996 increases in hotel prices were recorded (16.0% and 20.1% respectively) after which a more stable annual price increase is observed.
- ◆ South Africa: Apart from the major price increase in 1995 (24.7%), followed by a more moderate increase in 1996 (12.6%), the annual price increase thereafter seems stable with minor fluctuations such as an above average increase of 8.7% in 2002.
- ◆ Comparing the percentage increase of South African hotels over all in the year 2005 to 2006, a 52.3% price increase is indicated. The possible reasons for this enormous increase could be multiple. The most obvious explanation is that the hotel accommodation prices were obtained from different sources. The price value for 2005 was projected from a linear price projection and the 2006

⁶ Average room rate of all hotel accommodation establishments.

price value was obtained from the empirical research data of 2006. The 52.3% from 2005 to 2006 therefore indicates that either of the prices is unrealistic and not in harmony with the current market prices. It is therefore suggested that a completely new hotel price index dating from 2006 is started where consistent and similarly collected hotel prices are used in the index from one period to the next. This new index is executed, the methodology explained and applied in paragraphs 7.2.1 and 7.3.4.

The annual percentage price increase for the different cities and South Africa is illustrated in figure 5.3, where the percentage increase is measured against the inflation rate based upon the consumer price index (CPI).



Source: WTTTC (2007), Stats SA (2007) and SA Tourism (2007)

Figure 5.3: Average annual hotel price increase

From figure 5.3 it is clear that the inflation rate did not show major fluctuations varying between 5.2% to its highest in 2002 of 9.2%. However, comparing it to the percentage hotel price increase for the respective cities, it is clear that hotel prices have fluctuated tremendously over the past few years and are not in line with the inflation rate at all. Annual percentages by which hotel price increased for the various cities ranged between 32.0% and -4.0%. It seems as if the hotel prices increased dramatically as demand increased just after the political transformations of South Africa in 1994 and started stabilising again after 1996. The average percentage increases per city for 1997 were closer to each other, where in 1998 and 1999 major differences were recorded once again.

Looking at the overall South African hotel price increases per year the fluctuations are not as prominent. The South African percentage of increase shows a high initial value (24.7%) with a sharp decline after 1995, where it stabilises between 6.9% and 5.0%. The higher 8.7% increase in 2002 may be directly linked to the higher inflation rate. The 2006 increase of 52.3% clearly indicates the major difference in prices between 2005 and 2006 and as explained previously, this may be due to data variances and therefore this percentage may be ignored.

When comparing the inflation rate illustrated in figure 5.3 to the annual percentage price increase of South African hotel prices it is clear that the price started off much higher than the CPI in 1995 and 1996, but from 1997 to 2003 the inflation rate and the annual percentage increase basically forms one line. The hotel prices increased slightly more than the CPI in 2004 and 2005, but still remained stable. The 2006 increase will not be taken into consideration and the new hotel price index using consistent data sources is discussed and implemented in chapter 7.

Although demand and other external factors may influence accommodation prices and their annual increase in different areas and different cities of South Africa, it seems as if a hotel price index for South Africa may be useful in guiding price fluctuations and increases.

5.8 CONCLUSION

Previously discussed models and indices all measured price and destination competitiveness based upon a variety of elements, of which many are based on economical factors in the prevailing country. Many of these models are being supported by a complicated structure requiring data from various organisations, role players and industry, that is very difficult to come by. The existence and continuity of many of these models are short lived and threatened, as it is difficult to obtain all the relevant and valid data needed to measure and complete the competitiveness monitor. It may therefore be useful to develop a simple weighted price index aimed at what the consumer is paying for the different travel products. In other words, exactly how much is it costing the tourist from one term to the next to visit South Africa? Such an index or measure will reflect major price fluctuations and industry, the tourist, the product owner and government, may use this when measuring the price competitiveness of tourism products in South Africa. An international travel price index is proposed, discussed and applied in chapter 7.

CHAPTER 6⁷

EMPIRICAL RESEARCH RESULTS

6.1 INTRODUCTION

Research of tourism activity is of importance to both the public and the private sectors of any country. In many countries the amount of tourism activity is still underestimated (Vanhove, 2005:21). The economic value that tourism has for a country such as South Africa is immense, as many jobs and investments and revenue generated may be directly linked to tourism (WTTC, 2007). Without reliable data and research outputs it is impossible to do the necessary strategic marketing, development and planning, needed to make a destination the most visited one.

In this study, extensive research was done on the prices of major tourism products of South Africa as perceived by international tourists. In chapter 4, the prices of tourism products of South Africa, Thailand and Australia, were compared and the results indicated that some of South Africa's products were more expensive than those of its major competitors. Now, the question arises: how does the tourist, the consumer of South African tourism products, perceive the prices that s/he is paying and does s/he feel that these tourism products offer value for money? Bennett (1998:213) confirms that the tourist will view the price paid for a product as acceptable if s/he perceives the value that s/he receives equal to or more than the value that s/he has paid for the product.

The aim of this chapter is to present and discuss the outcomes of the empirical study. Tests for significant differences and relationships were done where appropriate.

⁷ All tables, figures and graphs in this chapter are based upon the empirical research data collected in 2006.

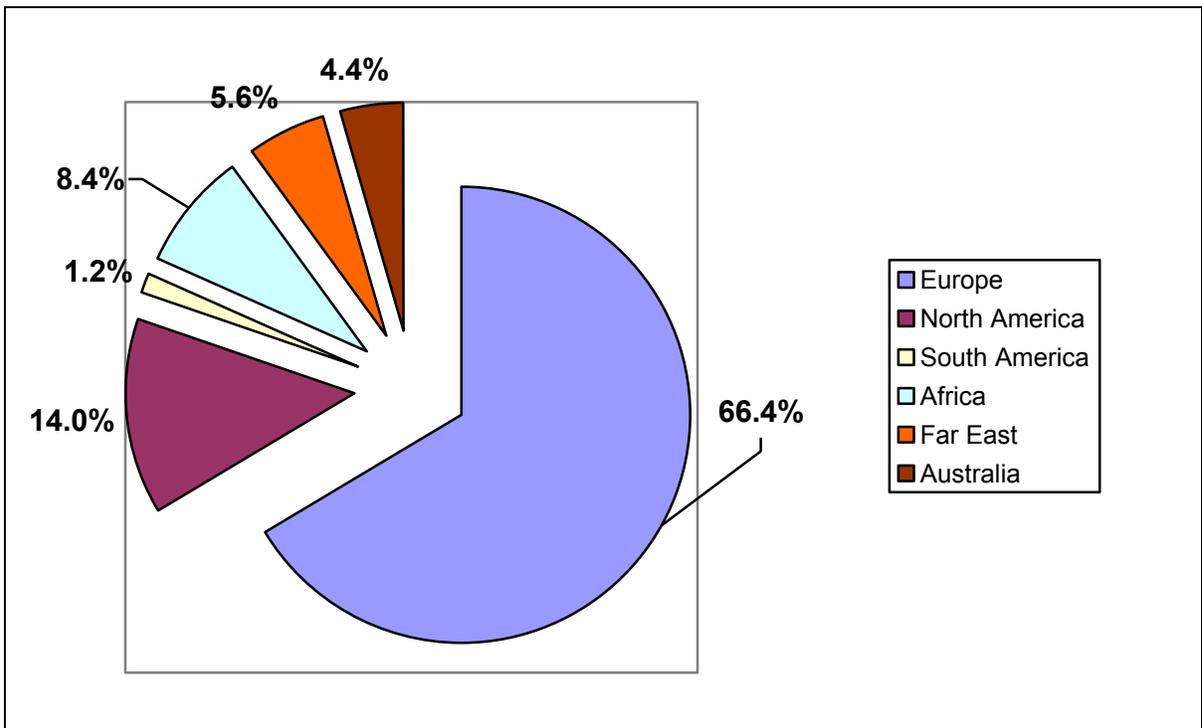
6.2 RESEARCH RESULTS

6.2.1 The profile of the tourist

This section of the questionnaire was designed to obtain biographical, demographical and other information about the profile of the respondents that visited South Africa. In many instances the results of the empirical research are in accordance with SA Tourism's national research results and trends. This reconfirms the reliability of the research results and outcomes portrayed here.

6.2.1.1 Country of origin

Figure 6.1 gives an indication of the country of origin from which the respondents started their journey.



Source: Empirical research data 2006

Figure 6.1: Origin of tourists

From figure 6.1 it is clear that the majority of the respondents (66.4%) came from Europe, which may be explained by its relative geographic proximity. This figure is exactly the same as the figure recorded in 2002 by the WTTC (WTTC, 2007). The next largest group of respondents were tourists from North America (14%) consisting of respondents from the United States of America (11.6%) and Canada (2.4%). The remainder of the continents did not provide high numbers of respondents. When these figures are compared to national tourism reports (SA Tourism, 2007), it has to be kept in mind that the African market portrayed here only includes respondents using international air transportation as a mode of transport. The national arrival figures for African tourists include over-border tourists entering South Africa from neighbouring countries by any means of transportation.

The European respondents (66.4%) that visited South Africa as indicated in figure 6.1 were made up of respondents originating from various European countries and in table 6.1, the share for each European country is indicated.

Table 6.1: European respondents' country of origin

COUNTRY	MARKET SHARE
United Kingdom	28.0%
Netherlands	7.6%
Germany	7.2%
France	4.8%
Belgium	4.4%
Norway	2.4%
Italy	2.4%
Switzerland	2.0%
Sweden	2.0%
Other	5.6%
TOTAL	66.4%

Source: Empirical research data 2006

From table 6.1, it is clear that the tourists from Europe are dominated by tourists from the United Kingdom. Other European countries, especially countries such as the Netherlands, Germany and France, do not present such a great number of tourists and therefore show a great opportunity for increased marketing and promotional efforts to increase the number of tourists from these countries.

6.2.1.2 Gender

The gender distribution was almost equal, as 48% of the respondents were female and 52% were male. Table 6.2 compares travel related categories based upon gender.

Table 6.2: Gender specifics⁸

Gender	Total spent	Duration	Reason for visit	Spent/day
Female	R 20 252	13.8 days	Business: 19% Holiday: 60% VFR: 17%	R 1 468
Male	R 21 345	10.9 days	Business: 38% Holiday: 54% VFR: 5%	R1 958

Source: Empirical research data 2006

Table 6.2 summarises the differences in travel behaviour related to each gender and indicates that male respondents have a higher average total expenditure per trip than female respondents. Furthermore, their trip duration is shorter, which may be explained by the fact that a higher percentage of the male respondents visited South Africa for business reasons. On average, the male respondents spent more per day than the female respondents. The higher average expenditure by male respondents may be due to a variety of reasons which may include the fact that a smaller percentage visited family and friends and in general, respondents visiting

⁸ Based upon averages obtained from research data.

family and friends do not have accommodation expenses and furthermore, the fact that business travellers have higher expenditure than holiday makers. (See paragraph 6.3).

6.2.1.3 Age

The age of respondents varied widely with 21.2% being between 20 and 29, 30% between 30 and 39, 21.6% between 40 and 49, 14.8% between 50 and 59 and 12.4% older than 60 years of age. Table 6.3 will simplify the interpretation of market share distribution in the different age groups.

Table 6.3: Age category segmentation⁹

Age in years	Percentage of respondents	Total spent	Average trip duration	Average flight cost	Flight cost perception: Expensive
20-29	21.2%	R 16 660	13.2 days	R 6 701	44%
30-39	30.0%	R 21 343	11.5 days	R 10 718	48%
40-49	21.6%	R 22 240	12.9 days	R 9 338	48%
50-59	14.8%	R 25 570	10.6 days	R 10 581	43%
60+	12.4%	R 18 467	13.7 days	R 9 808	61%

Source: Empirical research data 2006

From table 6.3 it is clear that as the respondents became older, their numbers in terms of market share declined with the 60+ age group being the smallest. Furthermore, the average trip duration also declines in general as the respondents become older, with the exception of the 60+ age group, where the average trip duration is the highest. This may be explained by the fact that in general, most people over the age of sixty are pensioners and therefore their trip duration is not influenced by factors such as amongst others annual leave or work commitments. The visits by respondents older than 50 and 60 years of age combined are smaller

⁹ Based upon averages obtained from research data.

than those of the 30 year old market segment. The majority of the respondents were aged between 30 and 39 years and in total, 72.8% of the respondents were younger than 50 years of age. The 20-29 age group spends the least money per trip, whilst the pensioners older than 60 years of age stayed the longest. For the young respondents aged between 20-29 years of age, the flights were the cheapest, as they in all probability used student or special youth fares. The senior citizens also had a lower flight cost average as they also qualify for senior citizen fare discounts. The last column in table 6.3 refers to the respondents' perception of whether the flight cost was cheap, affordable or expensive to them. It is clear, that in general, the older the respondents get, the more price sensitive they become. Sixty one percent of the age group 60 years and older perceived the cost of their flight to be expensive to very expensive. Even though they paid a lower average price for their air transportation, they perceived the cost to be high.

6.2.1.4 Previous visits

The majority of the respondents have not visited South Africa before (54.4%) whilst 45.6% of the respondents have been to South Africa before. Of the latter, it is interesting to note that the majority of respondents that have visited South Africa previously (17.2%) were on their second visit to South Africa. The respondents that have visited South Africa before are compared to the first time tourists' in table 6.4.

Table 6.4: First time tourists versus repeat tourists

Type of tourist	Average duration	Expected price: flight	% paid more for flight	Expected price: Accommodation	% paid more for accommodation
First	11.5 days	R 7 181	31%	R 599	37%
Repeat	13.3 days	R 7 587	24%	R 664	30%

Source: Empirical research data 2006

From table 6.4 it may be concluded that the repeat tourist had a better idea in general of the prices of tourism products as indicated by the expected to pay prices. This may be an indication that South Africa is perceived to be cheaper than it actually is by the first time tourist. The actual prices paid of the first time tourist, both for accommodation and flights, were higher than the expected price. The percentage that the first time tourist paid more is higher in the case of flights as well as for accommodation when compared to that of the repeat tourist. The repeat tourist has a longer trip duration, when compared to the first time tourist.

6.2.1.5 Travel partners

The majority of tourists travelled alone (46.0%), with a partner (26.8%), with a family member or friend (18.4%), with a group (4.4%) or with a business partner (4.4%).

6.2.1.6 Purpose of visit

The main reason for the visit was holiday (56%), business (28%) or visiting family or friends (10%). Other reasons for the visit indicated were: study (3.6%), research (1.2%), charity (0.8%) and sport (0.4%). Upon the question of what the main reason for a repeat visit to South Africa would be, the results indicated that 23% of the respondents stated that they would return for business purposes, 64% for holiday purposes and 9 % to visit family and friends. The results thus indicate a potential growth in the holiday market both from respondents that were here on business and to visit family or friends. The conclusion that may be drawn from this is positive in the sense that once the tourist gets here, no matter what the purpose, the need to visit again for holiday purposes is stimulated. The decline in the business market as such is a matter of concern. It may also be argued that the decline in the VFR market may be another contributing factor to the shorter trip duration as the VFR market usually has a longer average stay.

6.2.1.7 Sponsor

The expenses of the respondents were in 72% of the cases paid for by themselves, whilst 22.4% indicated that a company paid for the trip. The government paid for 1.2% of respondent's expenses and 4.4% of respondents were sponsored and travelled for free.

6.2.1.8 Trip duration

The trip duration sample results did not show major differences in each category: 1-7 days (25.2%), 8-14 days (26%), 15-22 days (32%) and more than 29 days (16.8%). The overall average trip duration of this group was 12.3 days. The average trip duration for business respondents is 8.6 days and for respondents visiting for holiday purposes the average duration of the visit is 12.5 days. In table 6.5 a brief summary is given of the trip duration based upon continent of origin of respondents.

Table 6.5: Average trip duration per continent

Continent	Average duration
Far East	14.5 days
Australasia	13.3 days
North America	12.0 days
Europe	11.9 days
Africa	11.5 days
South America	5.7 days

Source: Empirical research data 2006

The respondents from the Far East stay the longest on average as indicated in table 6.5. Respondents from Australasia were in second place with an average stay of 13.3 days, whilst North Americans and Europeans both had an approximate length of stay of twelve days. The South American trip duration is

much shorter, but this may be directly influenced by the irregularity of flight departures to and from South America.

6.2.1.9 Conclusion

In conclusion, what does the ideal tourist look like? Using the data at hand, an ideal profile of what the perfect tourist to South Africa should look like may be compiled. From a purely financial point of view, the profile of the ideal tourist is summarised in table 6.6. In this table, the best option was based on the tourist that would generate the biggest revenue and therefore, the tourists with the highest expenditure on average per trip are indicated.

Table 6.6: The ideal tourist’s profile for financial purposes

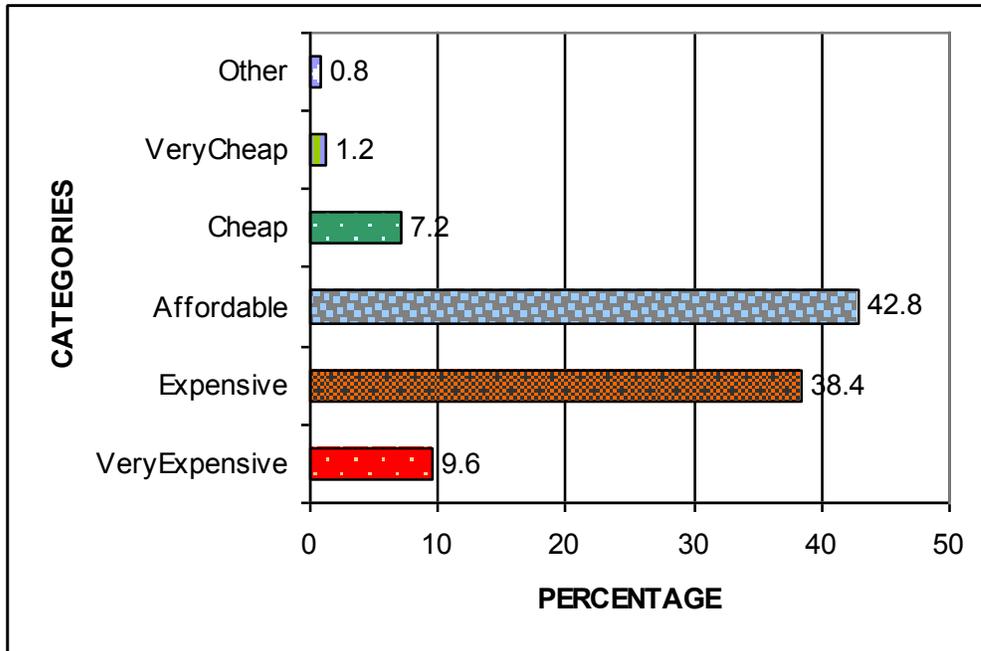
Characteristic	Best Option
Origin	Australasian
Gender	Male
Duration	Asians have the longest stay
Age	50-59 years
Purpose	Holiday
Travel partner	Spouse, partner, companion

Source: Empirical research data 2006

6.2.2 Air transportation

Air transport is the most expensive form of transportation (Bennett, 1998:63). It also accounts for one of the biggest expenses of the tourist (Page, 1999:147 & MBD, 2007). The majority of the respondents (78.8%) confirmed that the price of the air ticket to South Africa did not influence the choice of their destination, but 46.4% of the respondents chose the cheapest flight available, irrespective of the airline providing the service.

The perception of the prices of long haul international air tickets are indicated in figure 6.2.



Source: Empirical research data 2006

Figure 6.2: Perception of the price of the air ticket

In figure 6.2 it may be seen that the majority of respondents (48%) perceived the price of the air ticket as either expensive (38.4%), to very expensive (9.6%). Comparing „expensive’ and „cheap’ perceptions in general, the „expensive’ side of the figure is noticeably heavier than the „cheap’ side. Only **8.4%** perceived the price of the air ticket to be either cheap (7.2%) or very cheap (1.2%) compared to **48%** of the respondents perceiving the price to be expensive (38.4%) or very expensive (9.6%). The majority (48%) of respondents perceiving the price as expensive in general even exceeds the affordable (42.8%) percentage of respondents.

Table 6.7 shows the average price paid for the air ticket according to the continent of origin where the ticket was purchased or from which the journey originated.

Table 6.7: Prices paid for air transportation from continent of origin

CONTINENT	MEDIAN PRICE ¹⁰	AVERAGE PRICE ¹¹	PERCEPTION:EXPENSIVE ¹²
Africa	R 5 515	R 5 955	48%
Australasia	R10 875	R 12 826	55%
Europe	R 6 900	R 8 402	44%
Far East	R 8 160	R 11 069	100%
South America	R 8 155	R 8 155	33%
North America	R 10 835	R13 191	50%

Source: Empirical research data 2006

In table 6.7 the median price and average paid prices are listed. The reason for this is that three different classes of travel (first, business and economy class) exist in air transportation and a respondent could have paid the given price for any particular class of travel. This would imply that taking the average price alone would not be a true reflection of the price paid. The median would be more accurate measure in this instance, as the majority of seats are located in economy class, with business and especially first class (where available), being in the minority. The continents further away from South Africa in distance will have a higher median than those closer to South Africa. South Africa is therefore a more expensive destination to visit for the North American and Australasian tourists, as indicated by the percentage of the respondents that indicated in table 6.6, that the price of the air ticket was either expensive or very expensive. In both instances at least half or more of the respondents from the same continent indicated that the cost is too expensive. All the respondents travelling from the Far East indicated that the air transportation was expensive to very expensive. The European market (44%) indicated that the price of the air ticket was either expensive or very expensive, but this percentage is smaller than the other major markets. A possible explanation for this could be due to the fact that London in particular, as the web research indicated in chapter 4, is one of the cheaper destinations in the world to

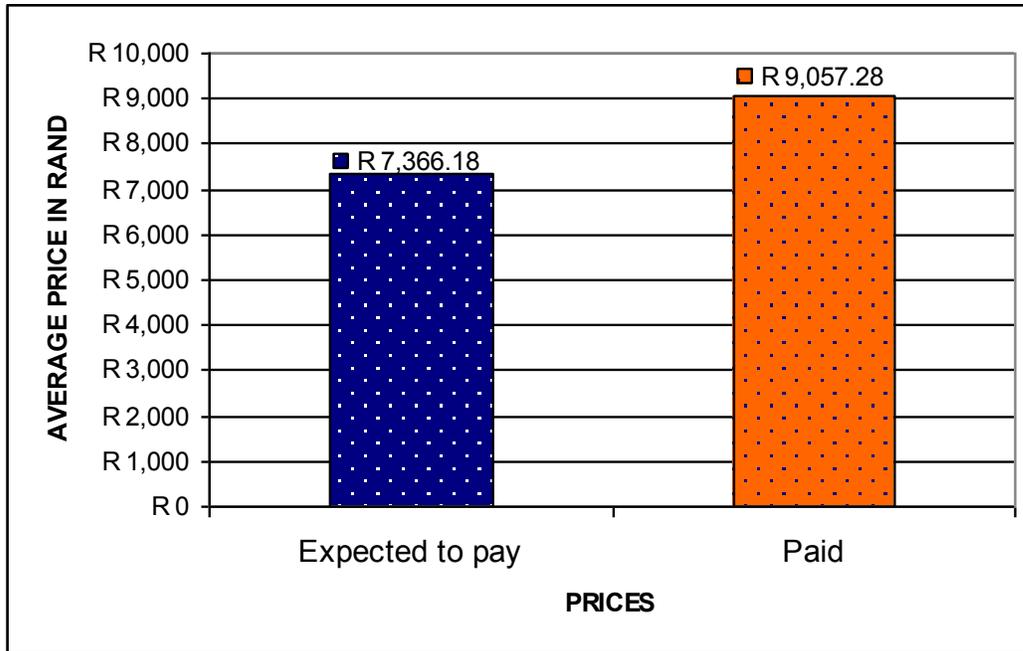
¹⁰ The number in the middle of a set of given numbers

¹¹ Arithmetic mean

¹² Price perception of ticket: Expensive and very expensive

travel from and keeping in mind that the majority of the European respondents originate from the United Kingdom.

In figure 6.3, the average price that respondents expected to pay for the international air ticket is compared to the average price that they actually paid.



Source: Empirical research data 2006

Figure 6.3: Average price expected to pay versus price paid

The price expectancy for the international air transportation in figure 6.3 is much lower than the actual prices paid by the respondents. The average expected price for the air tickets was R 7 366.18, whilst the average actual price paid by the respondents was higher at R 9 057.28. This results in a relatively high average price difference namely R 1 691.10 more than what they expected to pay (22.96% more).

The length of stay also has a direct influence on the price of the air ticket as indicated in table 6.8.

Table 6.8: Average price versus trip duration

Trip duration	Average price paid	Perception: Expensive
1-7 days	R 10 769	41%
8-14 days	R 10 082	52%
15-21 days	R 8 319	54%
22-28 days	R 8 616	50%
29 days and more	R 8 028	43%

Source: Empirical research data 2006

It is clear from table 6.8 that the longer the trip duration, the cheaper the average price of the air ticket. Most special fares are governed by a number of rules and restrictions which a passenger must adhere to in order to qualify for the special discounted fare. In general, a minimum stay of at least seven days or longer is required before a passenger will qualify for these types of special fares. This minimum stay requirement is imposed by most airlines as a way to ensure cheaper travel for the leisure market, yet not losing the higher revenue obtained from the business traveller who, in general, has a shorter trip duration. The 1-7 days market, possibly the business travellers, is less price sensitive. They have paid the highest price for their air transportation, yet they have the smallest percentage of respondents, that indicated the price of the air ticket as expensive to very expensive

Table 6.9 compares the mode and the median of paid and expected to pay prices for European and North American respondents. These respondents represent the major incoming markets as discussed previously. The mode represents the price that is repeated most or appears most frequently in the data, whilst the median represents the number in the middle of a set of given numbers.

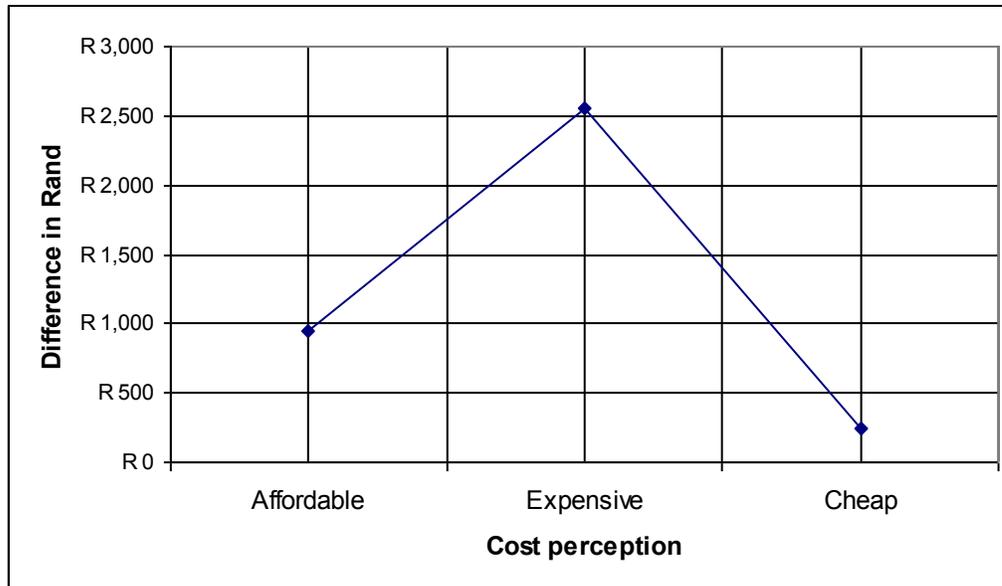
Table 6.9: Descriptive statistics for expected and paid prices

	CONTINENT	EXPECTED TO PAY	PAID
MEDIAN	Europe	R 5 595	R 6 900
MODE		R 3 830	R 6 900
MEDIAN	North America	R 9 905	R 10 835
MODE		R 6 270	R 11 920

Source: Empirical research data 2006

From table 6.9 it is clear that most of the European respondents expected to pay R 3 830 to fly to South Africa, whilst the median expectancy was R 5 559. The amount that was paid both in terms of mode and median is R 6 900. In other words, most respondents paid R 6 900 for their air ticket and the median price was R 6 900. Most of the North American respondents expected to pay R 6 270 but actually paid R 11 920. The median expected price difference is less: the expected median price was R 9 095 compared to the paid median price of R 10 835. The conclusions that may be drawn from these results are that most of the respondents, both European and North American, expected to pay less than they actually did. In actual fact, the mode price of the air ticket in the case of the European respondents was **80.16%** higher than what they expected to pay and **90.11%** higher in the case of the North American respondents. In both of these instances, the differences are relatively high, almost double of what they expected to pay.

In figure 6.4 the difference in what respondents paid less than they expected to pay prices is reflected and measured against the different price perceptions of the respondents in different categories: namely those that perceived the price of the air ticket as either: cheap, affordable or expensive. By using the difference (‘paid price’ less ‘expected to pay price’) instead of actual paid prices, the problem related to different classes of travel is eliminated. Using an average difference in price therefore gives a true reflection of the price perception.



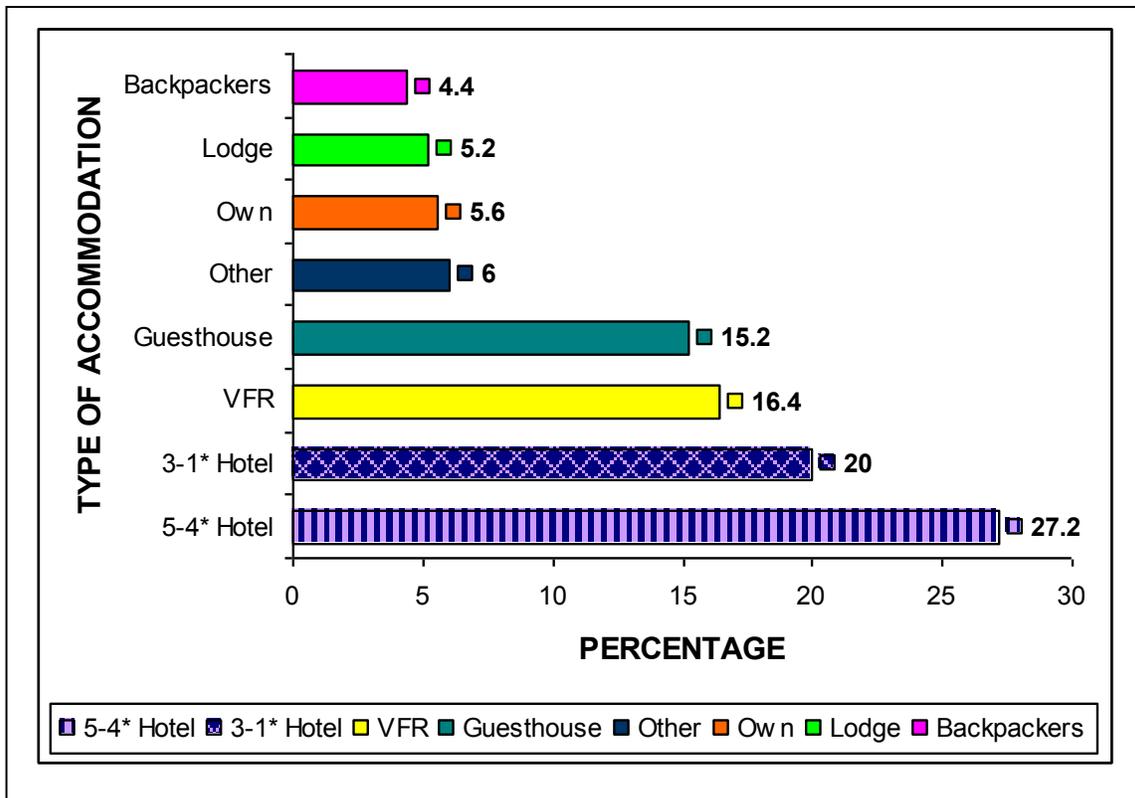
Source: Empirical research data 2006

Figure 6.4: Decomposition of difference in 'expected' versus 'paid' prices

Interpreting figure 6.4, it is clear that respondents that perceived the price of air transportation as expensive paid on average R 2 600 more than they expected to. Respondents that indicated the price of the air ticket as affordable paid slightly less than R 1 000 more than what they expected to pay. Respondents that indicated that they perceived the price of air transportation to be cheap still paid more than what they expected to, but only paid approximately R 250.00 more. The on average mean difference between „cheap' and „expensive' groups is about R 2 350, whilst the mean difference between „affordable' and „expensive' is approximately R 1 600.

6.2.3 Accommodation

The questionnaire provided for establishing the preferred type of accommodation used by respondents whilst visiting South Africa. Figure 6.5 illustrates the distribution of different types of accommodation used.

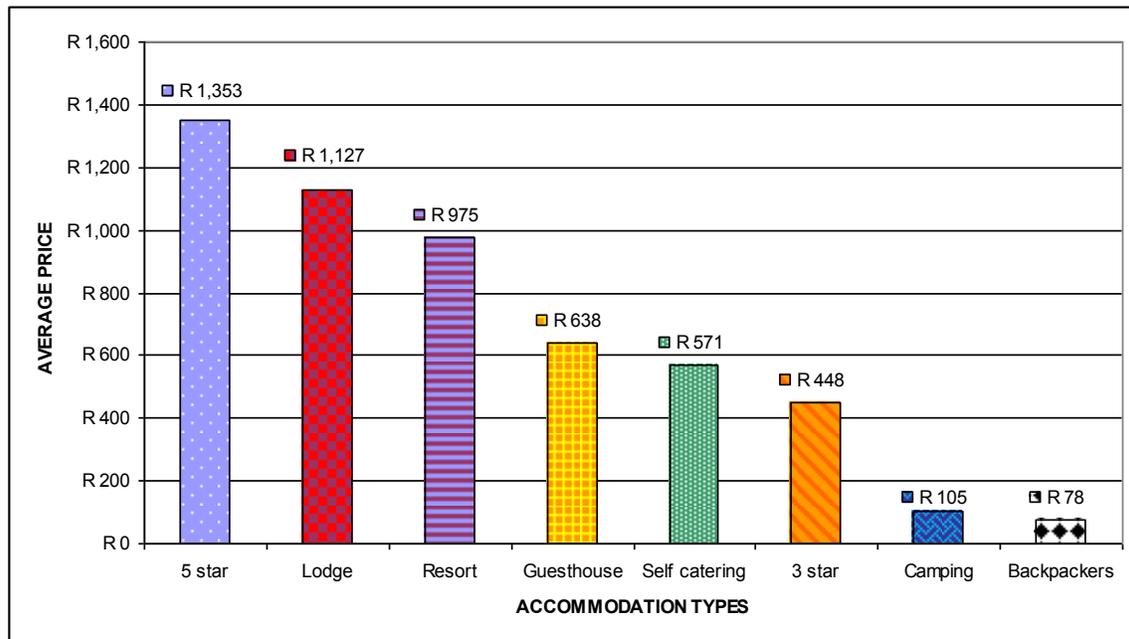


Source: Empirical research data 2006

Figure 6.5: Type of accommodation used

According to figure 6.5 the majority of the respondents (47.2%) used graded hotel accommodation. Five and four star luxury accommodation was the most popular and was used by 27.2% of the respondents, whilst 20% used one to three star hotel accommodation. Guest houses were also popular (15.2%). A large number of respondents stayed with family and friends (VFR 16.4%). Almost 6% of the foreign respondents own property in South Africa. In total, 22% of the sampled respondents staying with family or friends or being the owner of property did not have accommodation expenses. Other types of accommodation used are: self catering accommodation (3.2%), camping (0.8%), motel (0.4%), resort (0.8%) and yacht (0.8%).

The average prices paid for the different types of accommodation used is illustrated in figure 6.6.



Source: Empirical research data 2006

Figure 6.6: Average accommodation prices

Figure 6.6 simplifies the comparison of average prices paid per night, including breakfast¹³, for different types of accommodation. The five star accommodation, being the most luxurious, is the most expensive type at approximately R 1 353 per night. South Africa's lodges, especially game lodges in the Kruger National Park area, are renowned for their exclusivity and luxury and their average price is slightly lower at R 1 127 per night. Guest houses are also graded from between one to five stars according to specific requirements and the average price paid per night for guest house accommodation resembles an average of all standards of guest houses in general. The informal types of accommodation such as camping and backpackers proved to be much cheaper, being in the one hundred rand per night region.

Perceptions regarding the quality of the accommodation were also surveyed amongst the respondents that used paid accommodation. 89.4% of the

¹³ Not applicable to self catering, camping and backpackers type of accommodation.

respondents indicated that they perceived the quality of the accommodation establishments either as good (41.4%) or very good (48%). The majority of respondents (81.3%) furthermore confirmed that they considered the accommodation used as offering value for money. Their main reasons for perceiving the accommodation as providing value for money were based on the provision of good service (22.3%), good facilities (21%) and quality accommodation (17.2%). Other reasons mentioned were good location, cleanliness, extras provided and affordability (where applicable).

Graded hotel accommodation (three and five star hotel properties), as the most popular type of accommodation used by respondents and long haul foreign tourists (SA Tourism, 2007) , is further analysed.

6.2.3.1 Five star hotel accommodation

The majority of the sampled respondents (27%) used five star luxury accommodation. All the respondents using this type of accommodation indicated that it did not prove to be value for money. By far, the majority of the respondents (97%) indicated that the reason why they found the accommodation not to be value for money was because the accommodation was too expensive. Three percent of the respondents complained about the quality not being up to standard and poor facilities at the hotel.

On average, the respondents paid R 1 352.50 per night per room for their hotel accommodation at the five star hotel properties. This does not compare favourably with the amount that they expected to pay per room per night (R 984.85). The amount that the respondents actually paid was thus much higher (**37.3%**) than what they expected to pay for their hotel accommodation in this category. These results confirm the comparative research results of chapter 4, where it was found that South Africa's five star hotel accommodations was priced the highest in comparison to Australia and Thailand. It may send early warning signals to the five star hotel properties that the prices that they charge are not competitively based.

6.2.3.2 Three star hotel accommodation

The second largest group of sampled respondents used three star hotel accommodation. On average, the respondents paid R 447.80 for their accommodation per room per night, while they expected to pay R 449.79. The respondents therefore paid **0.45% less** per night, on average. This negative difference proves to be much more favourable if compared to the five star hotel accommodation. The country comparison research done in chapter 4 on three star hotel accommodations indicated that these hotel properties in South Africa were fairly priced when compared to Thailand and Australia. Ninety two percent (92.1%) of the respondents that used three star accommodation recorded that they felt that they received value for money. The remaining 7.9% indicated bad service, poor facilities and expensive accommodation, as the main reasons for their dissatisfaction.

6.2.3.3 Accommodation t-tests¹⁴

The significance of mean price differences between three and five star hotel properties was tested by means of t-tests. Since variances differed, Levene's test was used to perform a student t-test for equality of means under non-homogeneity of variances. The test results are displayed in table 6.10.

Table 6.10: t-tests for five and three star accommodation prices

Mean	Mean	t-value	Std.Dev	Std.Dev	F-ratio	P	Levene
1.960	-367.64	6.35908	110.723	399.4516	13.015	0.0000	30.6899

Source: Empirical research data 2006

¹⁴ T-tests were used to test for differences in the means between two independent groups, such as low versus high season prices, three star versus five star or expensive versus cheap, for which the standard t-test is a suitable method.

In table 6.10 a highly significant difference (at level 0.05) of the means in the differences between what tourists expected to pay and what they actually paid for three star versus five star accommodation was established. From the sample means (R 1.96 and – R 367.60 for three and five star respectively), it is deduced that it is for the five star accommodation that respondents paid nearly R 370.00 more per night than what they expected to pay.

In table 6.11, another t-test was carried out comparing the difference in paid accommodation prices measured against the value for money perception.

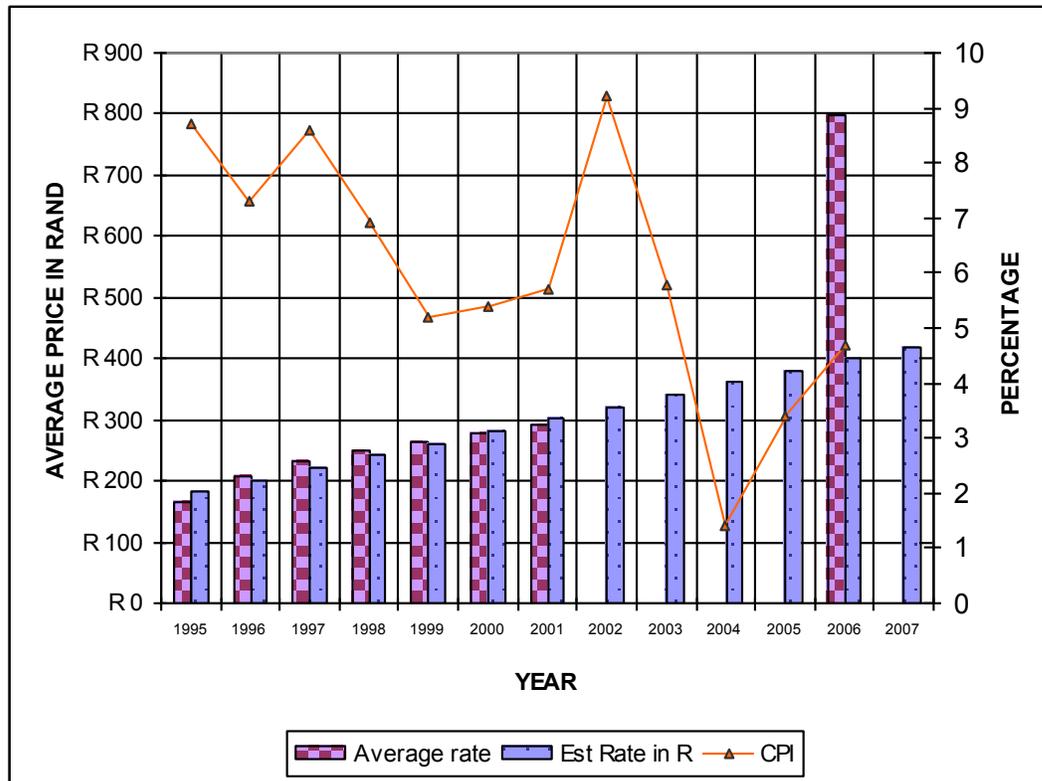
Table 6.11: T-test results in differences paid for expensive versus cheap accommodation

Mean	Mean	t-value	p	Std.Dev	Std.Dev	F-ratio	P
-33.5	-494.70	3.45735	0.0010	148.921	653.128	19.234	0.0000

Source: Empirical research data 2006

This test measured the significance of the difference in mean prices paid for accommodation between the respondents who indicated the accommodation as cheap versus those who indicated it as expensive. In table 6.11 a significant difference with a p-value of 0.001038 was indicated. This indicates that there is a significant mean price difference in what was paid for „cheap’ compared to what was paid for „expensive’ accommodation.

The research data and data obtained from the World Tourism Report on South Africa (WTTC, 2007), were used to do a straight line price projection based on average room rates for all types of accommodation from 1995 onwards. This projection is illustrated in figure 6.7.



Source: Empirical research data 2006

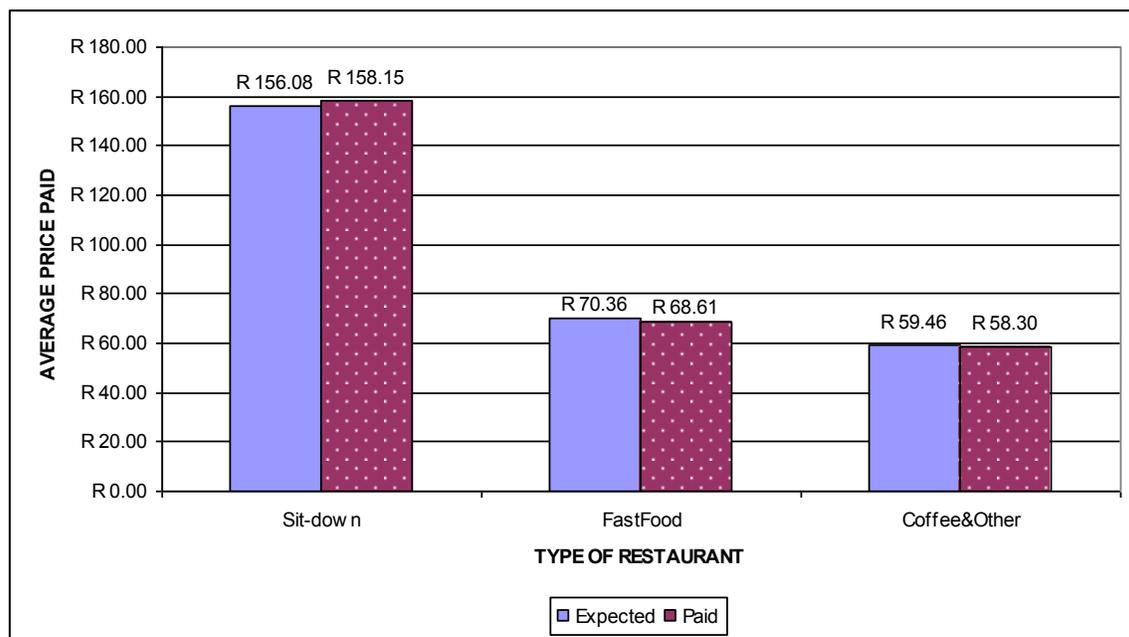
Figure 6.7: Accommodation price projection against Consumer Price Index

From figure 6.7 it is clear that since 2001 the average price of accommodation has increased substantially from a projected average of R301 to R798. The projected price for 2006 is R400, whilst the data indicated an average paid price of R798. The Consumer Price Index (CPI) show many fluctuations but a definite decline since 2002 has been indicated. The possibility exists that in 2002, when a high CPI caused prices to raise, the accommodation establishments raised their prices but never adjusted their prices since to be in accordance to the CPI.

Evaluating all the previous data, research results and projections, there cannot be any doubt left that the average accommodation prices in South Africa are too expensive. Data indicates that the luxury accommodation specifically is priced too high.

6.2.4 Food and beverages

The empirical research results confirm the findings of the American Express Cost of Living Index discussed in chapter 4, paragraph 4.5. The majority of respondents were satisfied with both the quality of the food and service provided. When prices at sit-down restaurants, fast food outlets, coffee shops and other types of restaurants, are analysed, it is clear that there is no major difference between what the respondents expected to pay and what they actually paid. These differences are illustrated in figure 6.8.



Source: Empirical research data 2006

Figure 6.8: Average expected versus paid price differences at different types of restaurants

In figure 6.8 it may be noted that there is no major difference in the average price of what the respondents expected to pay for their meals and what they actually paid. In two instances, namely the fast food chain restaurants and coffee shops and other restaurants, the respondents actually paid less or prices were cheaper

than what they expected.

Most respondents (83.9%) perceived the quality of the service in restaurants to be good (45.1%) to very good (38.8%). Almost ninety percent (89.8%) confirmed that they perceived the quality of the food either to be good (48.7%) or very good (41.1%).

Beverages, both alcoholic and non-alcoholic, were also perceived to be fairly priced. In each category (alcoholic, cold non-alcoholic and hot non-alcoholic) very small percentages of respondents experienced these beverages as either expensive or very expensive. Table 6.12 summarises these results.

Table 6.12: Price perception of beverages

	VeryCheap	Cheap	Affordable	Expensive	VeryExpensive
Alcoholic	8.1%	42.8%	40%	8.6%	0.5%
Cold non-alcoholic	8.4%	43.4%	41.4%	6%	0.8%
Hot non-alcoholic	8.5%	44.1%	41.3%	5.3%	0.8%

Source: Empirical research data 2006

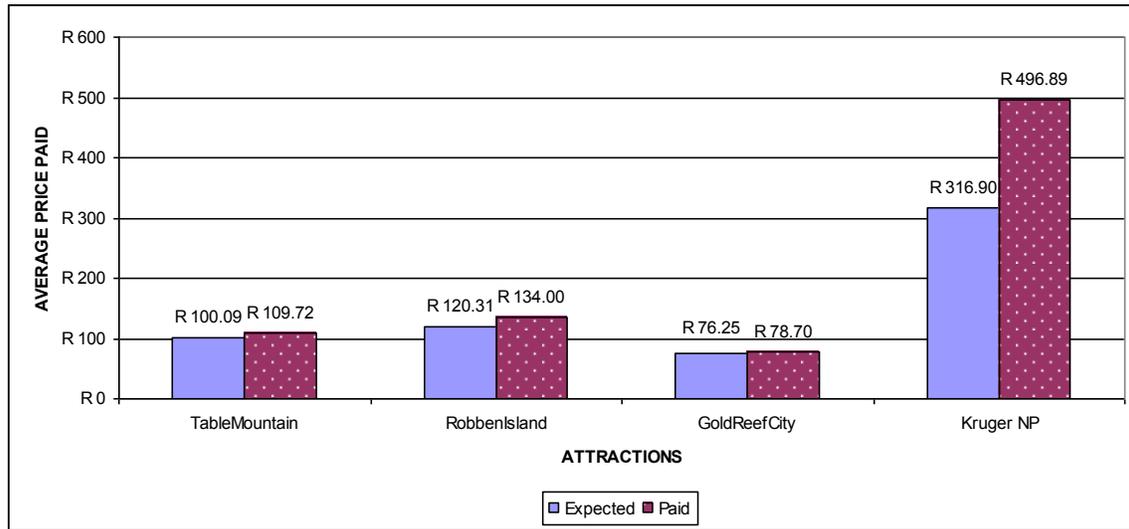
6.2.5 Attractions

It has to be kept in mind throughout the research that not all attractions of a destination are paid attractions. Many of the major attractions at a destination may be visited, viewed or experienced, free of charge. The respondents were questioned on their visits to major attractions in South Africa. The Table Mountain cable car was the most popular tourist attraction visited by the largest number of respondents (58.4%), followed by Robben Island (38.4%), the Kruger National Park (38.1%) and Sun City (35.6%).

6.2.5.1 Entrance fees at tourist attractions

Differences in prices between expected and actual entrance fees paid by the

respondents did not differ much except in the case of the Kruger National Park. These differences in prices are indicated in figure 6.9. Sun City has been excluded from the figure, as no entrance fee is paid to visit the casino, restaurants or accommodation establishments.

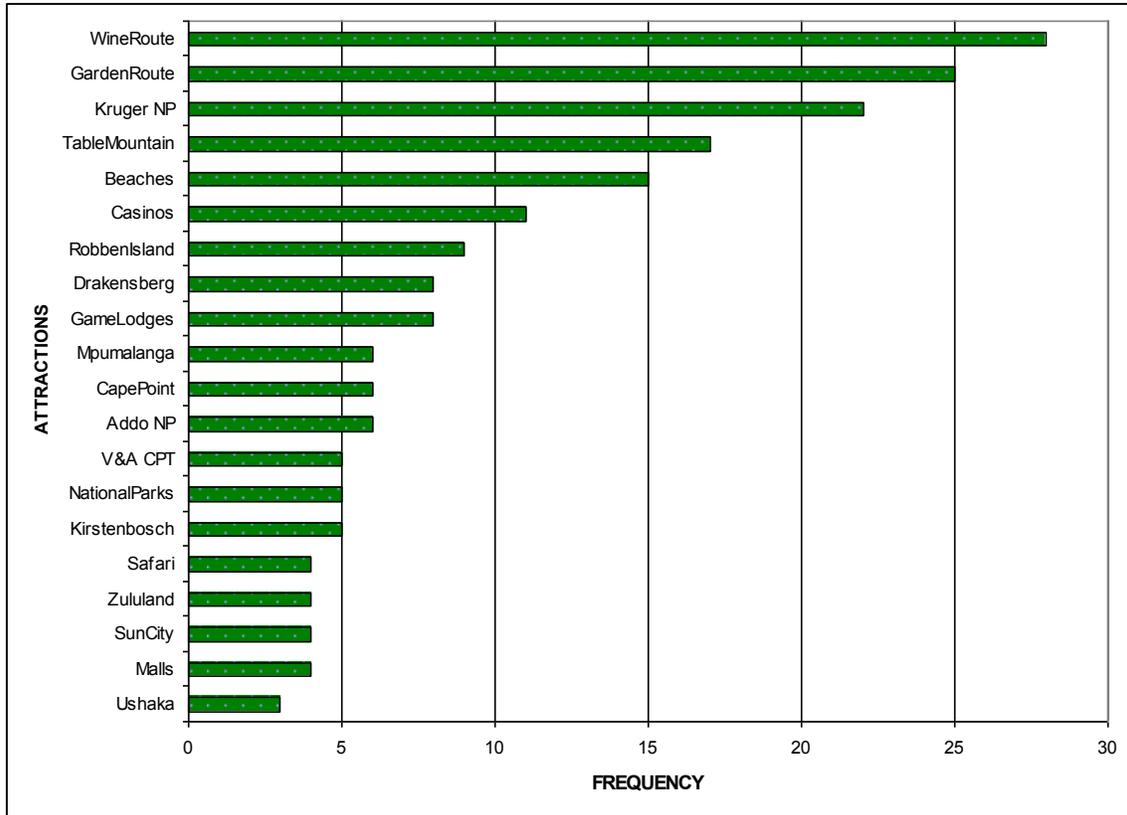


Source: Empirical research data 2006

Figure 6.9: Average price expectancy differences at attractions

In figure 6.9 it may be seen that the actual prices paid by the respondents were nearly what they expected to pay to visit the attraction. The difference in what respondents expected to pay and what they paid to visit the Kruger National Park is more substantial (**56.8%**).

Figure 6.10 gives an indication of South Africa's most popular tourist attractions in terms of value for money.

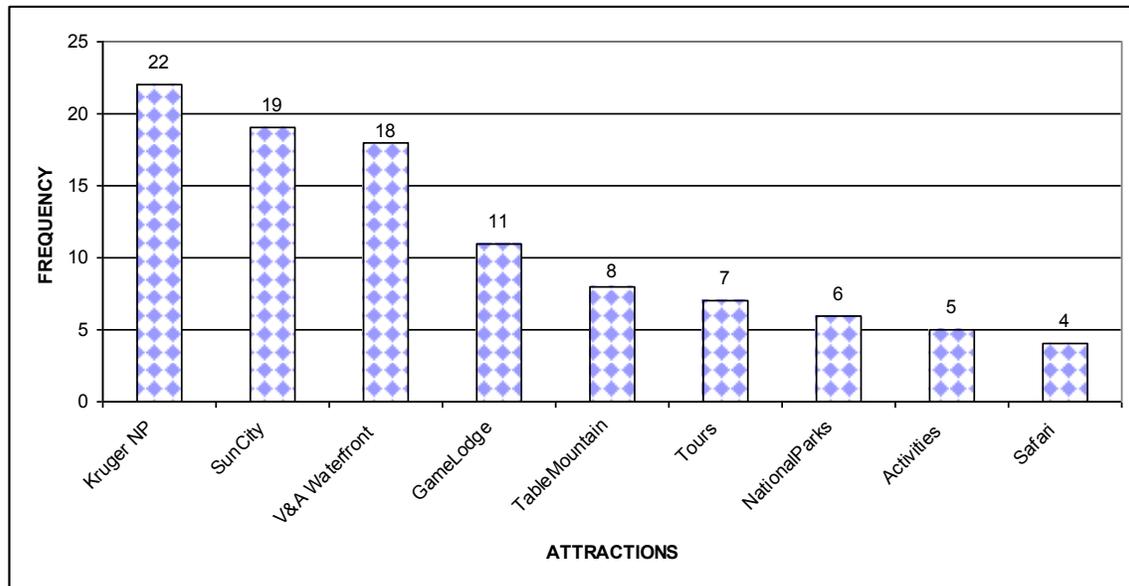


Source: Empirical research data 2006

Figure 6.10: Attractions that offer the best value for money

It is evident from figure 6.10 that the Western Cape’s wine routes proved to be the most popular in offering the best value for money, followed by the Garden Route and the Kruger National Park. Table Mountain, one of the famous landmarks of Cape Town and South Africa, also received good feedback.

The questionnaire also made provision for respondents to list attractions that they perceived to be too expensive for what they offered the tourist. In figure 6.11 below, these attractions are listed.



Source: Empirical research data 2006

Figure 6.11: Attractions that are perceived to be too expensive

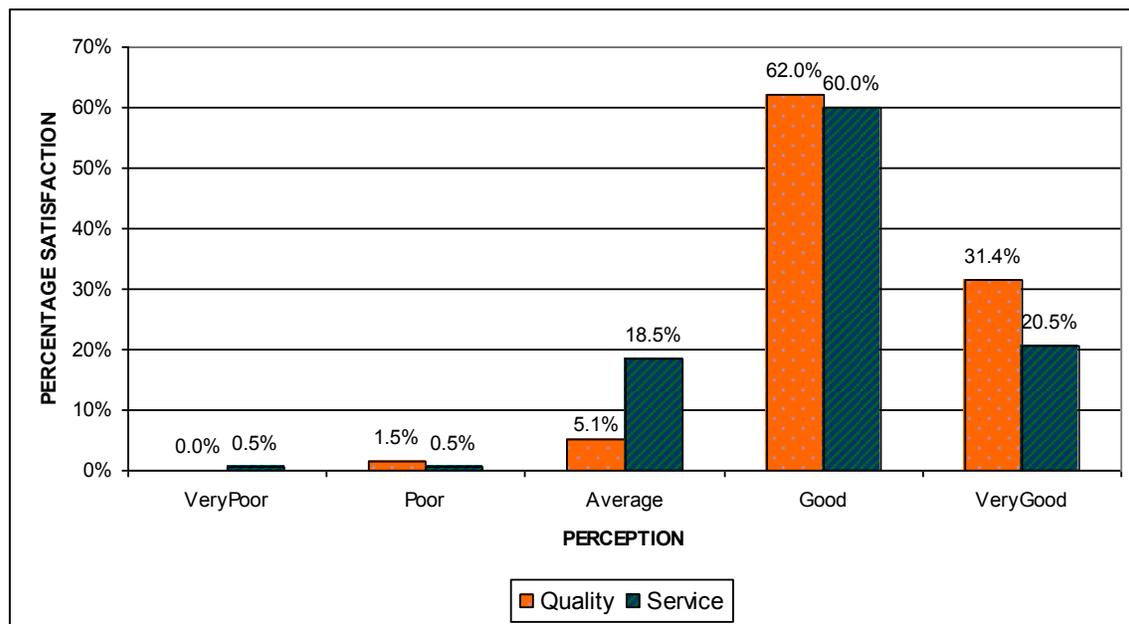
From the results of figure 6.11, a number of concerns may be raised. Two of the major attractions located in Cape Town are mentioned as being too expensive for what they offer: Table Mountain's cable car and the Victoria & Alfred Waterfront. Both these attractions are of the most visited and best known attractions in the country. This together with the fact that the city of Cape Town is also perceived to be a more expensive city than the rest (see paragraph 6.2.6.1), may be an indication that the level of tourism prices in Cape Town requires urgent attention. Sun City is also perceived to be relatively expensive.

The issue that raises the largest concern is the fact that four of the attractions listed in figure 6.11 are related to the wildlife of South Africa. Game lodges (11), National Parks (6), safaris (4) and the Kruger National Park (22), all offer the tourist an „African bush experience' linked to our wildlife, the big five and a variety of adventurous activities. Together these four attractions represent a very large portion of the paid attractions listed as being too expensive. The „wildlife bush experience' is a major attraction for tourists to South Africa and it is therefore of utmost importance that this sector is priced competitively.

An interesting aspect when a comparison is made between figures 6.10 and 6.11 is the fact that both Table Mountain and the Kruger National Park appear in both figures. Both these paid attractions were listed as providing the best and worst value for money. A possible reason for this could be the fact that external factors play a vital role in the enjoyment and appreciation of both of these attractions. One may speculate that poor weather conditions, for instance, at these attractions could mean that the visibility of animals and/or scenery was poor or non-existent. This would then result in the respondent experiencing the attraction as not providing value for money.

6.2.5.2 Attraction quality and service

In figure 6.12, both the quality and service perceptions regarding tourist attractions are reflected.



Source: Empirical research data 2006

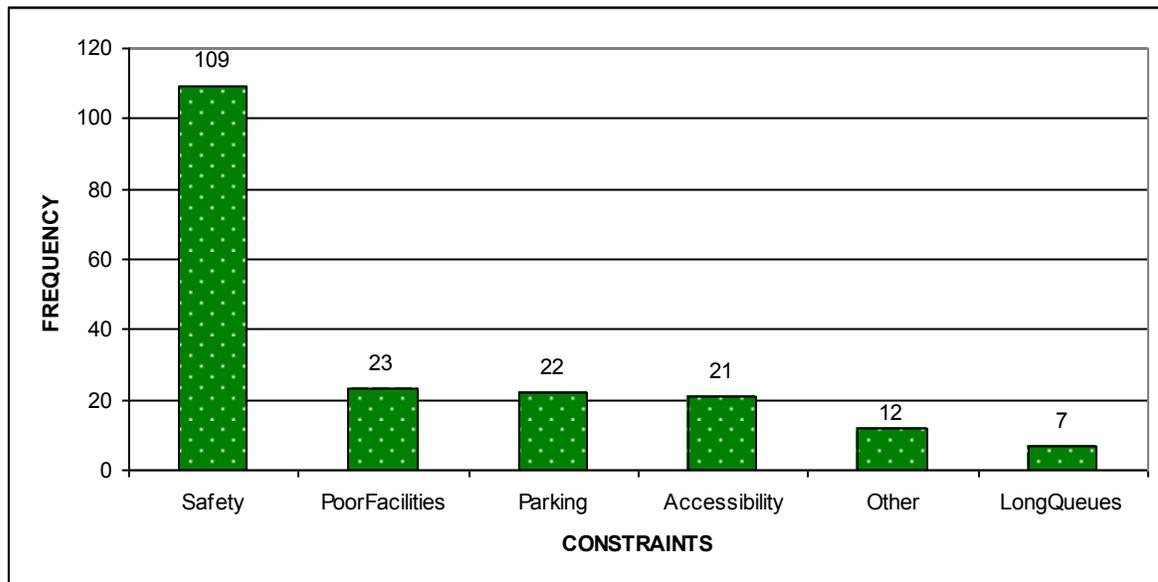
Figure 6.12: Quality and service perception of attractions

From figure 6.12, it may be concluded that the sample respondents were satisfied (good to very good) with both the quality (93.4%) of the attractions and the service (80.5%) they received at the attraction. These two factors enhance the experience

at the attraction and therefore have a positive contribution to the overall experience.

6.2.5.3 Attraction constraints

The questionnaire made provision for respondents to identify aspects about the attractions that bothered them or that were an issue of concern for them whilst visiting the attractions. In figure 6.13 these constraints are displayed.



Source: Empirical research data 2006

Figure 6.13: Attraction constraints

It is clear from figure 6.13 that safety at the attractions appears to be a major point of concern to the respondents. This could be the result of recent attacks on tourists at attractions such as Table Mountain and Kirstenbosch Botanical Gardens (News24, 2007) and the general safety conditions in the country that have been reported in the media. Cleanliness of toilets, traffic problems, political issues and public transport were the other constraints mentioned.

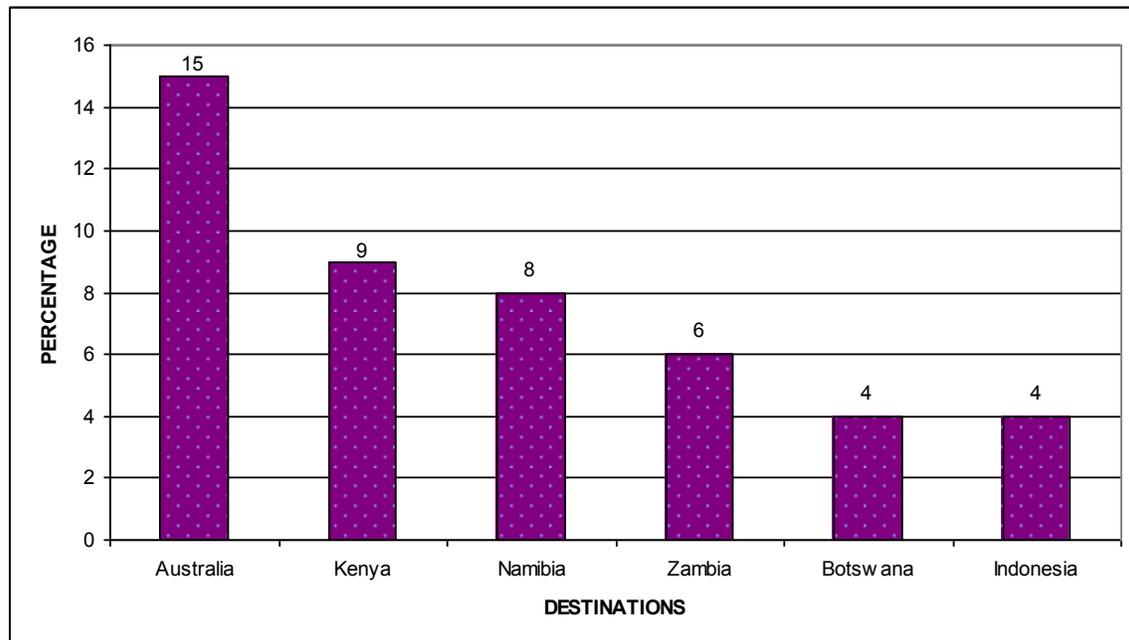
6.2.6 Overall perception of South African tourism product prices

6.2.6.1 Most expensive city

Open ended questions were directed to the respondents to determine if any one city in South Africa was perceived to be more expensive than the rest. The results are as follows: Cape Town was perceived to be more expensive than other cities by 57.5% of the respondents, Johannesburg by 27.6% and Durban by 4.4%.

6.2.6.2 Alternative destinations considered

Many respondents (42.8%) indicated that they considered an alternative destination whilst planning their vacation to South Africa. The alternative destinations considered varied, listing different countries from all over the world. These alternative destinations considered are indicated in figure 6.14.



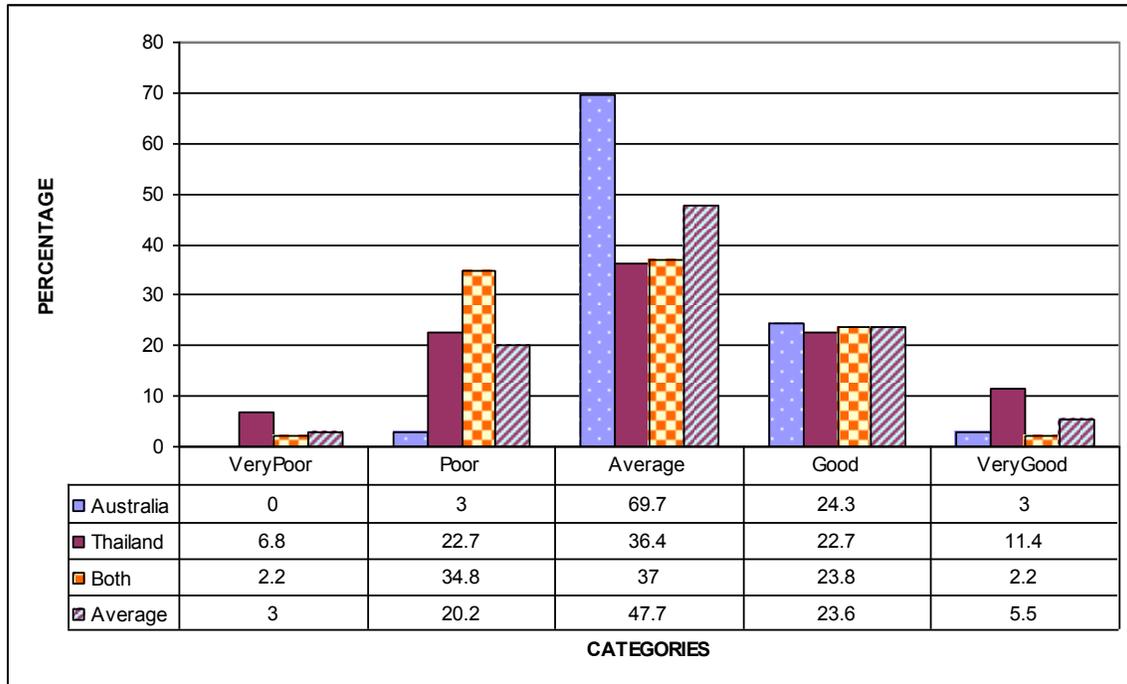
Source: Empirical research data 2006

Figure 6.14: Alternative destinations considered

All the countries or destinations listed in the research questionnaires and figure 6.14 may be considered as South Africa's competitors. Australia (with the highest score) has already been identified as one of South Africa's major competitors by SA Tourism (SA Tourism, 2005). The majority of the remainder countries are mostly either South Africa's neighbouring countries or other African destinations which may also satisfy the tourist's need to "come and experience Africa and the big five" and therefore South Africa should be wary and very cautious of these countries which could become major competitors, especially if local tourism prices are non-competitive.

6.2.6.3 Comparing South Africa to Australia and Thailand

The respondents who have visited either Australia or Thailand or both, were asked to make a comparison of these countries to South Africa, based upon affordability and prices paid at the destination. Thirty one percent (31.6%) of the respondents have visited Australia previously, whilst 36% of the respondents have visited Thailand before. A number (18.9%), of the respondents have visited both Australia and Thailand before. The respondents rated South Africa in terms of affordability to Australia and Thailand and the results are illustrated in figure 6.15.



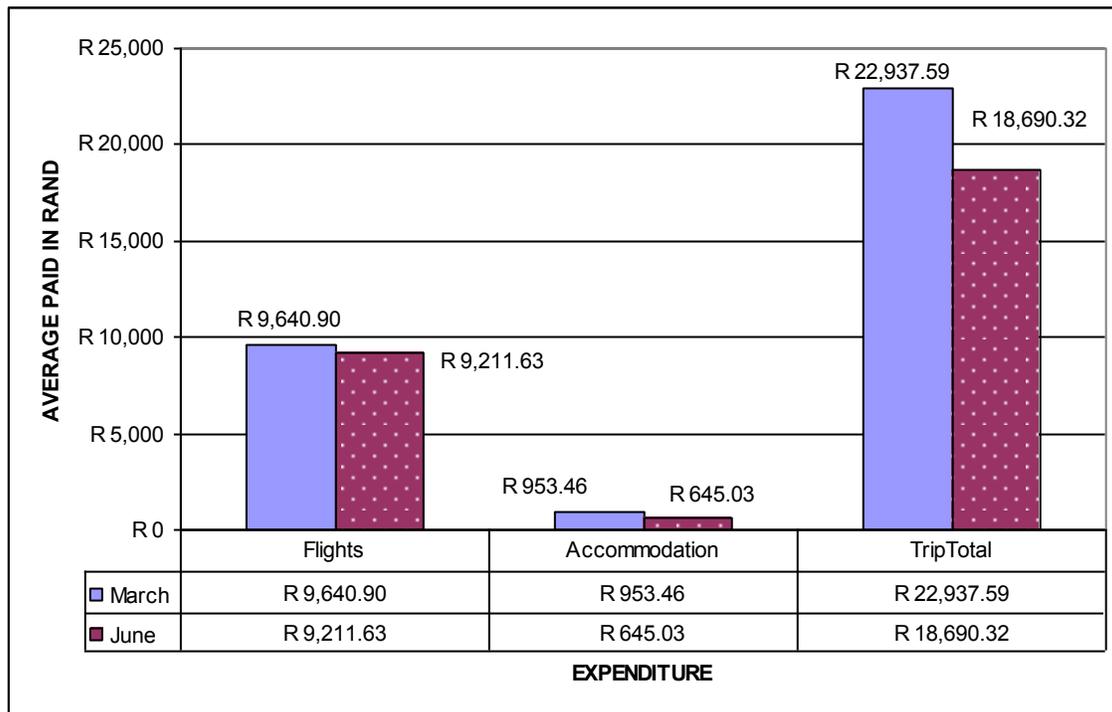
Source: Empirical research data 2006

Figure 6.15: Affordability perceptions in comparison to Australia and Thailand

In figure 6.15 the respondents' perceptions are given in categories of respondents who have only visited Australia, only Thailand, both countries and the average of that combined. It is clear that those respondents who have only been to Australia rate South Africa as more affordable, with only 3% indicating a poor comparison. Respondents that have only been to Thailand rate South Africa as less affordable, with 22.7% indicating that South Africa compared poorly in terms of affordability. The majority of respondents (71.8%), that have been to both countries perceive South Africa's affordability as either poor (34.8%) or average (37%). Respondents that have just been to Australia and not to Thailand, also rated South Africa's affordability higher: 69.7% rated South Africa's affordability as average compared to Australia.

6.2.6.4 Seasonality

Questionnaires were completed during the high and low seasons respectively in order to establish the difference, if any, in prices charged during the low and high seasons. During high or peak season the tendency to charge higher prices exists, as tourism demand is also much higher. In figure 6.16 the average seasonal price differences for different products are illustrated.



Source: Empirical research data 2006

Figure 6.16: Seasonal price differences

In figure 6.16 the price seasonal price difference is illustrated and is based on actual prices paid by the respondents. In all instances, the high season prices in March exceed the low season's prices in June of the same year. It is also clear that average expenditures are higher during the high season. There is no major price difference for attractions during low and high season as indicated in table 6.13.

The significance of mean price differences between low and high season was tested by means of student's t-tests. Levene's test was applied to test homogeneity of variances, which proved to be true. The differences in prices paid for accommodation and flights and the total amount spent were tested. The test results are given in table 6.13.

Table 6.13: T-test results for seasonal price differences for tourism products

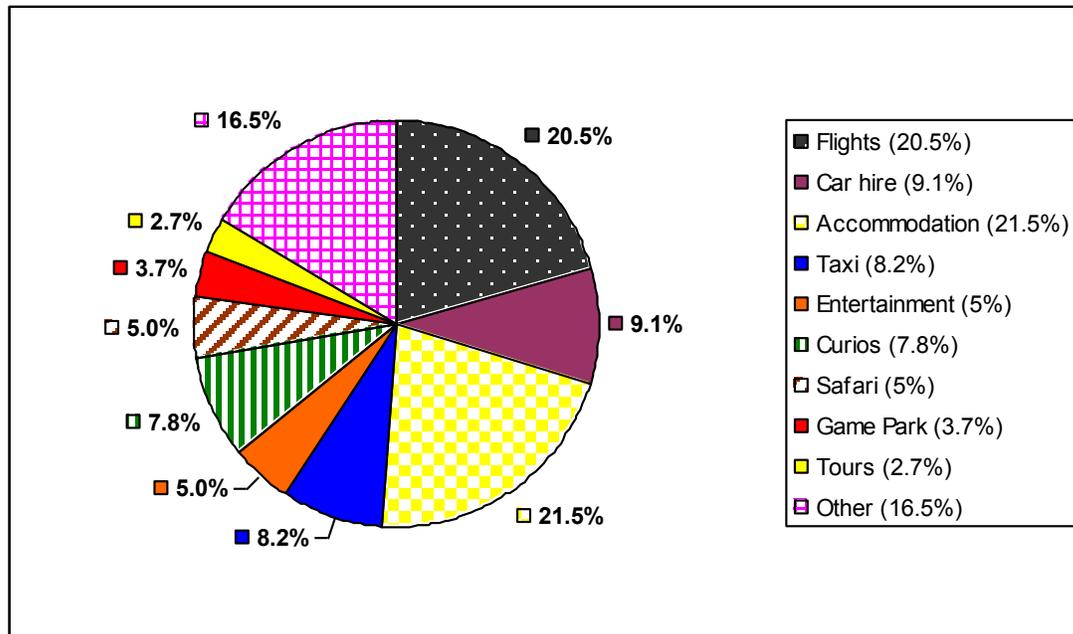
Product	Mean High	Mean Low	t-value	p-value	p-value	Levene
Accommodation	936.2	645.030	3.0563	0.0025	0.0000	19.1831
Flights	9640.90	8483.08	1.5272	0.1279	0.0320	0.87473
Trip Total	22937.5	18690.3	2.3827	0.01794	0.0000	9.38103

Source: Empirical research data 2006

A significant mean price difference (at level 0.05) was found in both accommodation prices and the total amount of money spent on the trip between March and June of the same year. A p-value of more than 0.05 for flight prices indicates no significant difference in mean prices paid for air transportation.

6.2.6.5 Tourism product prices

The questionnaire also made provision for respondents to identify one tourism product that they perceived to be the most expensive and the cheapest respectively. In figure 6.17 a summary is provided of the items identified by the respondents. In the category "other", a variety of items were identified varying from ostrich products, films and film developing, leather goods, to books.

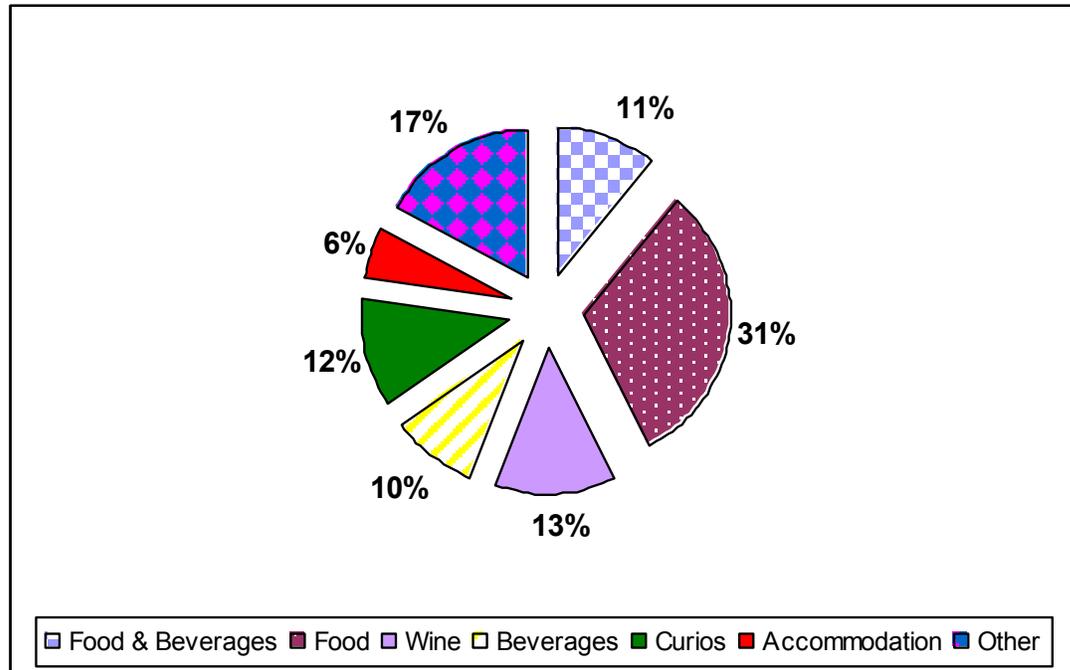


Source: Empirical research data 2006

Figure 6.17: Perception of most expensive tourism products

The results depicted in figure 6.17 reconfirm reliability and validity of earlier research outcomes where many of the items identified in this figure such as flights (see paragraph 6.2.2), accommodation (see paragraph 6.2.3) and attractions (see paragraph 6.2.5), were discussed earlier as products that respondents identified as being too expensive or not providing value for money. Transportation (37.8%) by means of international flights (20.5%), car hire (9.1%) and taxis (8.2%), were perceived to be of the most expensive items. Accommodation (21.5%), was also identified frequently.

The results of items that the respondents experienced to be the cheapest are indicated in figure 6.18.



Source: Empirical research data 2006

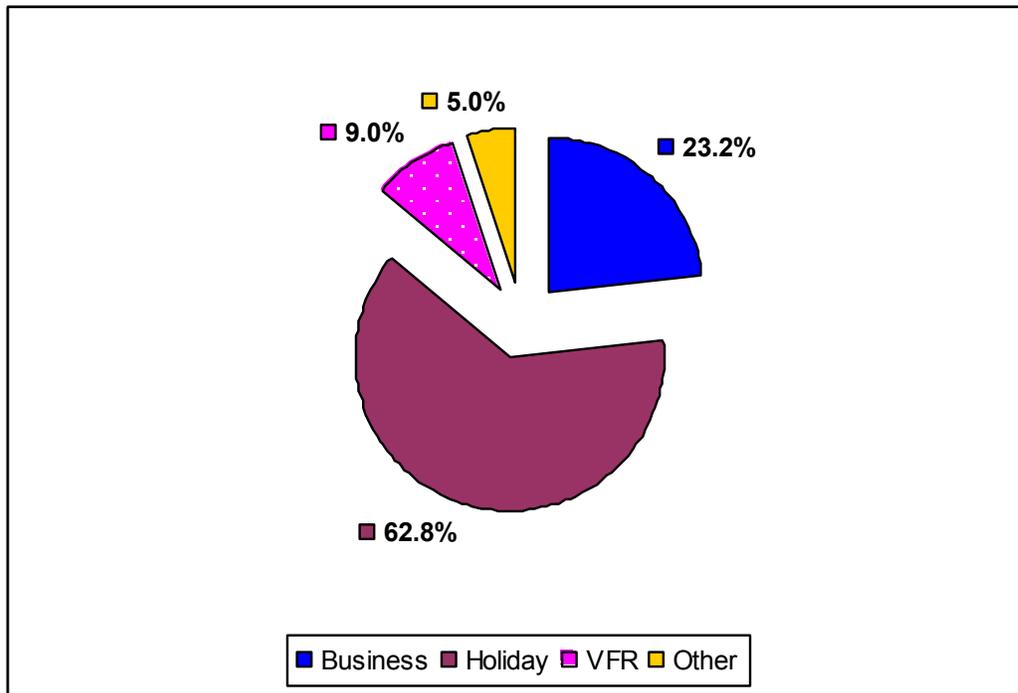
Figure 6.18: Perception of cheapest tourism products

From figure 6.18 it is clear that the list of cheapest products is dominated by consumables: food (31%), food and beverages (11%), beverages (10%) and wine (13%), which total 65% of the figure. The other products mentioned were a variety of items such as postage, water, jewellery, petrol, sim cards and internet. Comparing figure 6.15 and 6.16, items such as curios and accommodation appear both on the most expensive and cheapest lists. The fact that curios appear on both lists may be explained by the fact that these items are mostly sold informally on the streets and at markets where the curios do not have fixed prices. The better negotiator you are, the cheaper the price of the product purchased. On the other hand, anecdotal information from South African residents supports the notion that five star hotel curio and jewellery shops charge exorbitant prices.

6.2.6.6 Repeat visits

The majority of the respondents indicated that they would come and visit South Africa again for a variety of reasons. In figure 6.19 a detailed layout of reasons for

re-visiting South Africa is presented.



Source: Empirical research data 2006

Figure 6.19: Reasons for revisiting South Africa

The majority of the respondents (62.8%), in figure 6.19 indicated that they would return to South Africa for holiday purposes. The second largest group (23.2%) was respondents that would return for business purposes. A large majority of the respondents (96.4%), that visited South Africa for the first time indicated that they would return to South Africa for another visit. A small number of respondents (3.6%), indicated that they would not re-visit South Africa for reasons such as being too far, too expensive and having seen it all.

6.2.6.7 Total expenditure

An average total amount of R 20 822.48 was spent by each respondent on his/her trip to South Africa. Taking into consideration that the average price of the air ticket was R 9 057.28, this left the tourist with an average amount of R 11 765.20 to

spend whilst on holiday in South Africa. Using the twelve day average duration of a trip this amounts to an average daily expenditure of R 980.43 per person per day. Table 6.14 splits the average total expenditure per person per continent of origin into the major expense groups.

Table 6.14: Average total expenditure per person per continent

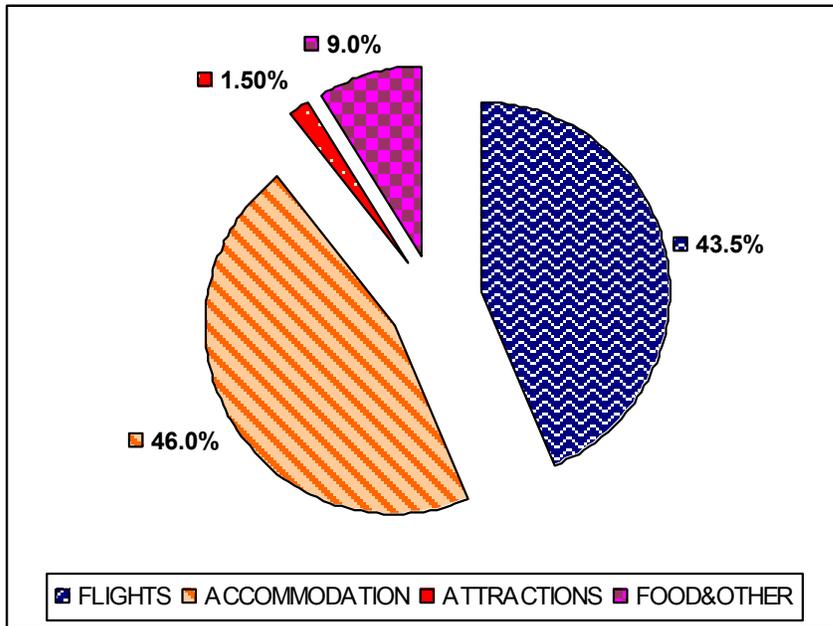
Place	Expenditure	Duration	Flight	Spent / day	Spent excl flight
Australasia	R 26 333	13.3 days	R 12 891	R 1979.92	R 1 010.68
North America	R 24 484	12.0 days	R 12 794	R 2 040.33	R 974.17
Far East	R 23 385	14.5 days	R 10 940	R 1 612.76	R 858.28
Europe	R 20 462	11.9 days	R 8 255	R 1 719.50	R 1 025.80
Africa	R 14 295	11.5 days	R 5 777	R 1 243.04	R 740.70
South America	R 13 867	5.7 days	R 9 103	R 2 432.81	R 835.79
World	R20 822	12.3 days	R 9 057	R 1 735.17	R 980.42

Source: Empirical research data 2006

The respondents that had the highest total expenditure as indicated in table 6.14 originate in Australia and North America. The higher total expenditure from these two mentioned destinations is due to the fact that they are also the furthest away from South Africa in distance and therefore the cost of the air transportation is higher, which resembles a large portion of the tourists' costs which makes the trip more expensive. The European tourist has the highest expenditure per day, excluding flights.

Figure 6.20 illustrates the proportions of the tourists' expenditure in terms of the total amount spent on different categories of travel products. The average total expenditure per respondent (R 20 822), was used as a base for the calculation of the portions or weights of expenditure per category. The average amount that was spent per respondent on air transportation was R 9 057, accommodation (including breakfast) R 798 per night, paid attractions R 307 per trip and the remainder of the funds (R 1 882), was used for food and other miscellaneous purchases. The total average amount (R 9 576) used for accommodation per trip was calculated by

multiplying the average accommodation per night by the average stay of 12 nights to represent the total accommodation expenditure for the entire trip.



Source: Empirical research data 2006

Figure 6.20: Total spent by product category

Analysing the expenditure of respondents from figure 6.20 it is clear that on average, accommodation (46.0%) and air transportation (43.5%), represent the biggest expenditures totalling (89.5%).

6.3 BUSINESS VERSUS LEISURE TRAVEL

A comparison between business and leisure respondents reveals major differences in expenditure patterns, length of stay, type of accommodation used and the cost of the flight, as indicated in table 6.15.

Table 6.15: Business versus leisure travel

CATEGORY	BUSINESS	LEISURE
Average duration	8.6 days	12.5 days
5 Star Accommodation of total respondents	42.25%	27.66%
3 Star Accommodation of total respondents	21.13%	22.7%
Guest House	16.9%	16.3%
Flight cost perception: Average	45.07%	40.42%
Flight cost perception: Expensive	36.62%	42.55%
Flight cost perception: Very Expensive	11.26%	9.21%
Average air ticket	R 10 754.78	R 8 526.80
Average trip total	R 19 080.00	R 22 097.00
Average spent per day	R 2 193.10	R 1753.73

Source: Empirical research data 2006

Table 6.15 indicates differences in the length of stay, where the business respondent apparently has a shorter length of stay compared to the leisure respondent. The type of accommodation used shows an interesting trend, namely that the majority of the business respondents used luxury five star accommodation when compared to the leisure respondent. As the accommodation becomes cheaper, the market share difference between the number of business and leisure respondents becomes smaller to almost no difference in the use of the more informal guest house type accommodation. This, together with other spending patterns of the business respondent, may be a further indication that the business respondent is less price sensitive and spends more during a trip when compared to the leisure traveller. The cost of the flight was also more expensive for the business respondent, which may be explained by the fact that business and first class fares are more expensive and most special fares cannot be used by the business traveller as these fares have a minimum stay requirement, which may in most instances not be met by the business traveller who has a shorter length of stay. The lower price sensitivity of the business respondents is again confirmed by the fact that more of the business respondents indicated that the price of the air

ticket was perceived to be average and an even smaller amount of respondents reported as expensive. If these figures are compared to the perception of the leisure respondents, it may be seen that more of the leisure respondents indicated that they found the price to be more expensive. The business respondents were also the ones to mainly use the more expensive five star type of accommodation. On average, the business respondent also spent more money per day.

6.4 SUMMARY OF DESCRIPTIVE RESULTS

An overview of the research results give a general indication that South African tourism products are more expensive than was anticipated by foreign tourists. Table 6.16 summarises the differences between paid and expected to pay prices for a basket of major tourism products in South Africa.

Table 6.16: Average amount 'paid' more than 'expected to pay'

PRODUCT	AVERAGE DIFFERENCE¹⁵	PAID MORE/LESS	PERCENTAGE
Flight	R 1 691.10	More	22.96%
Accommodation	R 171.87 x 12 nights ¹⁶ = R 2 062.44	More	27.5%
Sit-down restaurant	R 2.07	More	1.33%
Fast Food outlet	-R 1.75	Less	- 2.48%
Coffee shops & other	-R 1.16	Less	- 1.95%
Table Mountain cable car	R 9.63	More	9.62%
Robben Island	R 4.69	More	3.84%
Gold Reef City	-R 2.54	Less	- 2.97%
Kruger National Park	R 179.99	More	56.8%
TOTAL	R 3 945.86		

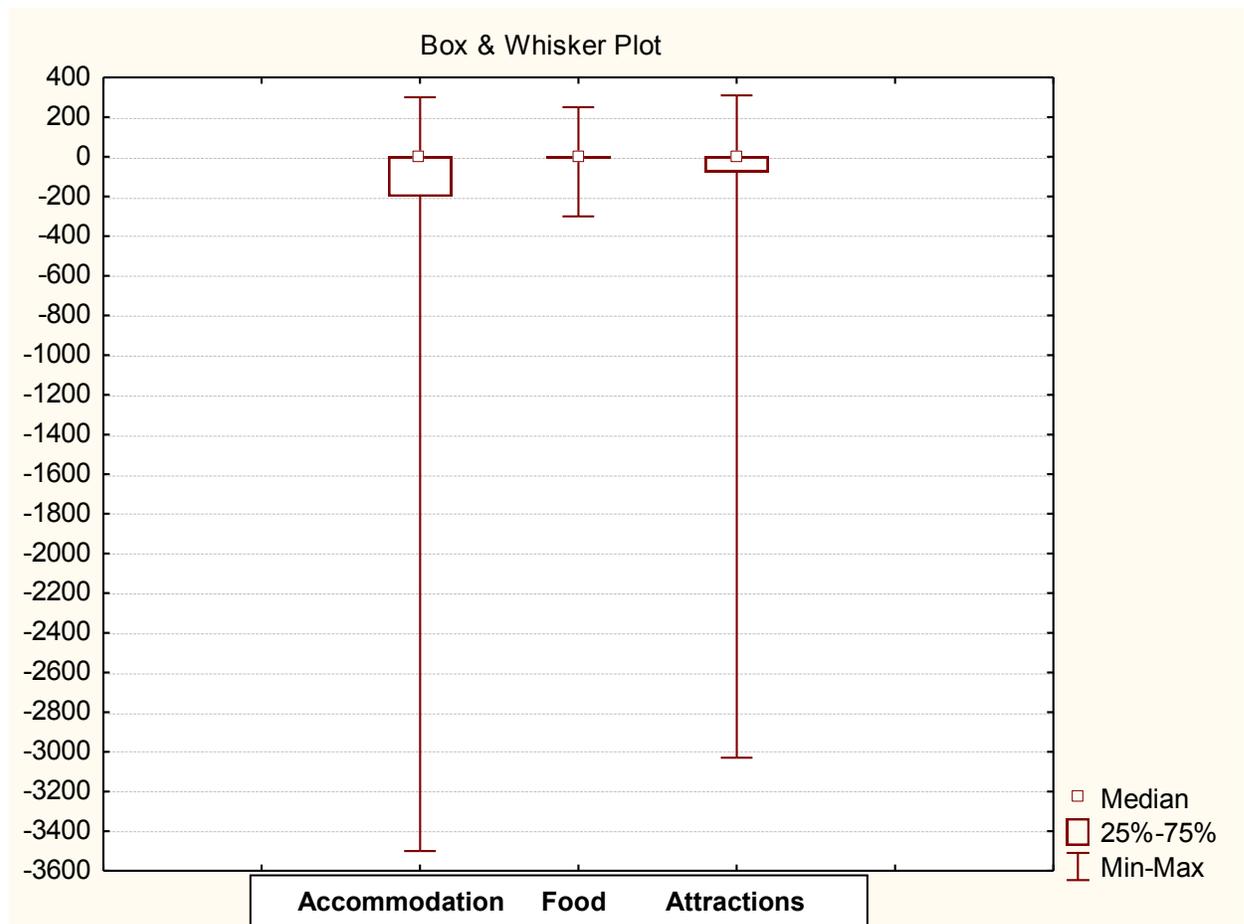
Source: Empirical research data 2006

¹⁵ Actual price paid less expected to pay price.

¹⁶ Average length of stay.

Table 6.16 indicates that on average, for a respondent that stayed for twelve nights, visited each of the major paid attractions once and visited a restaurant, fast food outlet and coffee shop at least once, paid R 3 945.86 more than s/he expected to pay. The cost of the flight, accommodation and the Kruger National Park show high price differences where respondents expected to pay much less for these tourism products.

In figure 6.21 a Box & Whisker Plot was used to describe the sample difference in „expected to pay’ prices versus „paid prices’ for accommodation, food and attractions.



Difference between expected and paid prices

Source: Empirical research data 2006

Figure 6.21: Box and Whisker plot for differences in paid less expected prices

This plot (figure 6.21), indicates that the median and the 75th percentiles coincide for each of the mentioned type of expenses and close to zero, which illustrates that 75% of the sample respondents indicated that they paid more (negative amount) for these products than they expected to pay.

With regard to the different accommodation types used, the five star luxury hotel accommodations were found to be too expensive. The other accommodation types were perceived as being priced fairly, even cheaply. The majority of respondents agreed that even though the prices might in some instances be too high, the overall perception of good quality and service was maintained, which is a definite positive aspect for accommodation establishments.

The paid attractions that the respondents visited were, with the exception of the Kruger National Park, all fairly priced and the difference between what the respondents expected to pay and what they paid was relatively small. The Kruger National Park, game lodges, other nature reserves and safaris also frequently appeared as items that the respondents considered being too expensive. South Africa's wildlife market is one of the major incentives or reasons, why tourists visit the country and it is therefore of utmost importance that a 'too expensive' perception should not exist. The respondents also indicated that many of the alternative destinations considered were some of South Africa's neighbouring countries that offered similar types of wildlife experiences.

The city of Cape Town is regarded as one of South Africa's most important tourism cities. In more than one area of the questionnaire, Cape Town was indicated as a city that was expensive and some of its attractions were also perceived as being too expensive and not providing value for money to the tourist. The luxury accommodation in Cape Town is also of the most expensive when it was compared to similar accommodations in Australia and Thailand.

Apart from some of South Africa's products being perceived as too expensive, the

respondents further indicated that safety was a major concern whilst visiting attractions. This is a major threat that has been acknowledged by all the major tourism role players in South Africa and around the world.

Despite the abovementioned situation, the majority of respondents indicated that they plan to visit South Africa again in future. The research also confirmed that respondents considered alternative destinations which may become a bigger threat in the future to the South African competitive situation.

Chapter 8 will feature specific suggestions, recommendations and conclusions drawn from the research data and results discussed here.

CHAPTER 7

THE INTERNATIONAL TRAVEL PRICE INDEX

7.1 INTRODUCTION

Even though much research has been done in the tourism industry over the past few years, the issue relating to prices paid for tourism products at the destination and the actual cost or expense of a trip for the tourist is still an area that requires further investigation. As mentioned previously, other research activities that are directly or indirectly related to price competitiveness of destinations have focused mainly on an organizational or governmental approach, which includes complex sets of figures and data that is often hard to come by on a regular basis. When continuity of data is lost or the data is unreliable, difficult or expensive to come by, then often the outcome of the research is also short lived. In this study, the main approach is to clarify the personal expenses of the individual or the tourist. The focus is therefore to establish how much and on which major products the tourists are spending their money whilst at the destination. Once expenditure patterns of the tourist have been indexed, it simplifies annual comparison of tourism product prices and price increases which have a direct influence on the competitiveness and affordability of the destination. With a measure such as an international travel price index in place, prices of tourism products, competitiveness and affordability of individual products and the destination, may be compared, justified and debated over against a sensible and consistent base. It also becomes easier to follow and record impacts on the market, future trends and to predict future patterns.

The prime reasons for the development of various International travel price indices are:

- ◆ South Africa may measure its price competitiveness as a destination in terms of affordability to the incoming international air traveler on an annual basis.

Major fluctuations in the index may then be measured or justified sensibly against the internal and external environment. Once a measure such as an index is in place, then deviations become easier to explain, clarify and predict. The index may then be applied to assist with the setting and adjustments of tourism product prices.

- ◆ The tourism product owners may compare their product prices to the index to ensure that they are competitively priced. All the mainstream products, namely international air transportation, accommodation, food and beverages and attractions, are included in the index.
- ◆ The incoming international tourist may use the index to get a better idea of total cost of an average trip and may measure or use the index to plan his/her expenditure.
- ◆ Keeping records of past trends, fluctuations, increases and changes in the market, may assist in better preparation for such changes and/or fluctuations in the future.

7.2 THE INTERNATIONAL TRAVEL PRICE INDEX FOR SOUTH AFRICA

The proposed international travel price index (ITPI) is aimed at the international tourist arriving in South Africa by means of air transportation on a long-haul flight. This market segment has previously been confirmed as one of the larger income generating and spending groups of arriving tourists to South Africa (SA Tourism, 2005). The original research data upon which this index is based was collected amongst departing international air tourists and was used for the development of this index. Expenditure patterns, prices, total amount spent and individual tourism product prices have been taken into consideration in the compilation of this index.

The International travel price index (ITPI) will represent overall travel expenses of tourists to South Africa in general¹⁷. Apart from the international travel price index,

¹⁷ This is a reasonable index reflecting the behaviour of a set of prices. This weighted composite index is a specific index, not generalising to represent all price fluctuations in the market, but only prices related to the tourism products included in the basket.

other related price indices, based on the ITPI, have also been developed to suit specific markets in the tourism industry. The ITPI adaptation makes provision for different grades of hotel accommodation being used by the tourist. The elite index will focus on the expenses of the upper class tourist using luxury five star accommodation, whilst the standard index will focus on the middle class tourist using three star hotel accommodation. The hotel price index introduced was based upon the average of three and five star hotel accommodation prices.

A composite price index traditionally includes a typical basket of necessities made up of a selection of commodities, as it is often impossible and unnecessary to include all items (Steyn et al., 1994:261). Individual price changes of specific items in the travel basket have to be compounded into the total travel price index to obtain one representative index for international travel (Steyn et al., 1994:252). For the international travel price index, the following major travel and tourism items, as listed in table 7.1, have been compounded:

Table 7.1: Travel basket necessities

PRODUCT	WEIGHT
Accommodation	46.0%
Air transportation	43.5%
Attractions	1.5%
Food&Beverages&Sundries	9.0%

Source: Empirical research data 2006

For a weighted composite index it is necessary to allocate weights to the different components or products of the index according to each product's relative importance, since not all commodities are equally important (Steyn et al., 1994:252). This means that these items selected and listed in table 7.1 are the important travel products of which price changes are of greater interest. The weights that have been allocated to each travel product in table 7.1 were based upon their respective averages as a proportion of the average total expenditure of

respondents in the 2006 survey. The specific weights allocated here are not foreseen to change soon but may be adapted or changed in the future should market trends change or if new information or research comes to light.

The ITPI and other related indices will be updated on a quarterly basis, making provision for low, shoulder and high season price fluctuations. The time frame of the quarterly index will be as such: the average prices charged for hotel accommodation, flights and attractions, during the month of January will represent the first quarter. April's travel product prices will be used for the second quarter, July's prices for the third quarter and October's prices will be used in the index representing prices paid during the fourth quarter.

7.2.1 Accommodation

The prices of three and five star graded hotel accommodation respectively, being the preferred accommodation type of tourists to South Africa, will be used in the specified indices, whilst an average accommodation price of three and five star hotel accommodation will be used for the overall index. The database of the Tourism Grading Council (Tourism Grading Council, 2007) will be used as a basis to identify graded accommodation establishments to be included in the average price calculations per star category. By using officially graded hotel accommodation for the index price, validity is ensured, as this would imply the comparison of hotels with equal facilities and services in the same graded category. Should accommodation establishments be added or deleted from one time period to the next, the current database will be used for the latest current index. For the upper-class or elite index, five star hotel properties listed will be included. For the middle-class or standard index the accommodation component of the index will be calculated by using the average price based upon the prices of the three star hotel accommodation establishments listed. Traditionally and as per the empirical research data of the survey, hotel accommodation is the favoured type of accommodation used by international tourists.

The average accommodation price used in the index will be calculated by using the standard per night rack rate of a standard room, including breakfast. Only accommodation establishments in Cape Town will be included in the average price calculations. The motivation behind this is the fact that Cape Town, which is located in the Western Cape, is perceived to be South Africa's 'tourism capital' and the majority of South Africa's top ten attractions are located here. It is also the most visited city and receives the highest proportion of international air tourists in South Africa and this area is also where the international air tourist spends most of its time whilst on vacation in South Africa (WTTC, 2007). As this index is aimed at the expenditure, cost and expenses of the international tourist, it is sensible to use Cape Town's accommodation prices as a reasonable reflection of the tourist's expenditure.

An average calculated standard rate per night will be multiplied with an average length of stay of twelve days to represent the total trip expenditure for accommodation. The twelve day average stay is derived from the empirical research data¹⁸, to represent the average length of stay of the international tourist. Since the travel index weights are based upon the empirical research results of the survey, it seems logical and appropriate to base the average length of stay on the same data.

7.2.2 Air transportation

The average price of a return air ticket from London to Johannesburg will be used in the index representing the flight component. As Johannesburg is the international hub for air transportation and the airport in South Africa that receives the largest share of international flights and passengers (see paragraph 1.4.2.1), the cost of the flight to Johannesburg is used to represent the flight component in the index. The average economy class fare, excluding departure and other ticket taxes and service charges, will be used for the respective seasons or quarters.

¹⁸ Also seen as typical in other research data as illustrated in figure 4.7 (SA Tourism, 2007).

The motivation for using flights departing from London to Johannesburg is due to the fact that Europe represents the biggest market share of tourists to South Africa, of which the United Kingdom forms the dominating portion. London is also one of the main international air transportation hubs of the world and a large number of airlines operate to and from various airports in London making it one of the busiest airport cities in the world. London also offers many connecting flights to worldwide destinations. All special, market and promotional fares in economy class for all airlines operating on this route that are available from the global distribution system of Galileo, will be taken into consideration for the applicable quarter.

7.2.3 Attractions

South Africa's list of top ten most visited tourist attractions will be used to identify the attractions to include in the basket of the index. Only the paid attractions on the top ten list where any fee such as an entrance, admission or conservation fee is charged, have been identified to be included in the index. The average price will be based upon the admission fee per adult at each attraction, which will represent the attraction component of the index. The attractions identified from the most visited list that will be included in the attraction component of the index are:

- ◆ Table Mountain
- ◆ Kirstenbosch Botanical Gardens
- ◆ Robben Island
- ◆ Cape Point Nature Reserve
- ◆ Kruger National Park

7.2.4 Food & beverages and other expenses

The research data of March and June 2006 indicated that each respondent spends an average amount of R1882 per twelve day trip on food and beverages and other consumables, which vary from sim cards and films to clothes and wine. This average price will be used as a base for the "other" component of the price index. The South African Consumer Price Index (CPI) includes a variety of consumables,

including food and beverages and therefore the base amount of R1882 will be adjusted every quarter by making use of the CPI to predict, estimate and / or inflate previous food, beverage and sundry prices. The CPI is regarded as one of the most important economic indicators and plays an important role in the economic decision-making processes (Steyn et al, 1994:252, 262). It is well established and easily obtainable as well.

7.3 CONTRIBUTION OF THE STUDY

7.3.1 Introduction

The research was conducted in order to formulate a price index that monitors price changes related to the basic tourism products used by international tourists to South Africa. The contribution of the study lies in a variety of weighted composite indices that may measure and record affordability on a quarterly basis. These indices may very easily be adapted to suit specific market, destination or city needs.

7.3.2 Formulating a new International Travel Price Index (ITPI)

This weighted composite price index is formulated according to weights or proportions of the major travel products used by international tourists' expenditure as derived from research data. A composite index is used to „represent the price changes of more than one commodity' (Steyn et al., 1994:252) whilst a weighted index allocates different weights to the various commodities included according to the relative importance of each commodity. The base of all the indices below is not fixed, but the base will change every quarter to the same quarter of the previous year. By changing the bases to that of the same period of the previous year, the increase or decrease from one year to the next will be clearly visible, making the index more user friendly and easier for any reader to understand and interpret. It is the aim of an index is to quantify changes, in this instance price changes, in a standardised manner (Steyn et al., 1994:250) and therefore an index may be

explained as a ratio that measures a relative change. It is suggested by Steyn et al. (1994:260-261, 263) that the chosen base period of an index should not be too far in the past nor be in a period of economic instability. Furthermore, the prices of products or commodities used during the base period must be available.

7.3.2.1 Elite International travel price index

The elite travel price index represents the upper class tourist's expenditure. Therefore the average accommodation price used to represent the accommodation component in the index is the average price of five star hotel accommodation. Quarterly periods are selected to represent low, shoulder and peak season. Weights are as listed in table 7.1.

$$P_{\text{elite}} = \frac{W_F P_{F\ell} + W_A P_{A\ell} + W_{At} P_{At\ell} + W_S P_{S\ell}}{W_F P_{Fb} + W_A P_{Ab} + W_{At} P_{Atb} + W_S P_{Sb}}$$

- W_F = Weight of 0.435 allocated to the flight component
- $P_{F\ell}$ = Average price for flight during current period
- W_A = Weight of 0.46 allocated to the five star accommodation component
- $P_{A\ell}$ = Average **five** star hotel accommodation price during current period
- W_{At} = Weight of 0.015 allocated for the attraction component
- $P_{At\ell}$ = Average price of attraction admission fees for the current period
- W_S = Weight of 0.09 allocated to food, beverages and sundries during current period
- $P_{S\ell}$ = Average price of food, beverages and sundries during current period
- P_{Fb} = Average price for flight during base period
- P_{Ab} = Average price for **five** star hotel accommodation during the base period
- P_{Atb} = Average price of attraction admission fees for the base period
- P_{Sb} = Average price of food, beverages and sundries during base period

7.3.2.2 Standard International travel price index

This index represents the average expenditure of the middle class or standard tourist and the average accommodation price component is based upon three star hotel accommodation prices charged. Quarterly periods are selected to represent low, shoulder and peak season. Weights are as listed in table 7.1.

$$W_F P_{F\ell} + W_A P_{A\ell} + W_{At} P_{At\ell} + W_S P_{S\ell}$$

$$P_{\text{standard}} = \frac{W_F P_{Fb} + W_A P_{Ab} + W_{At} P_{Atb} + W_S P_{Sb}}{1}$$

- W_F = Weight of 0.435 allocated to the flight component
 P_{Ft} = Average price for flight during current period
 W_A = Weight of 0.46 allocated to the **three** star accommodation component
 P_{At} = Average **three** star hotel accommodation price during current period
 W_{At} = Weight of 0.015 allocated for the attraction component
 P_{Att} = Average price of attraction admission fees for the current period
 W_S = Weight of 0.09 allocated to food, beverages and sundries during current period
 P_{St} = Average price of food, beverages and sundries during current period
 P_{Fb} = Average price for flight during base period
 P_{Ab} = Average price for **three** star hotel accommodation during the base period
 P_{Atb} = Average price of attraction admission fees for the base period
 P_{Sb} = Average price of food, beverages and sundries during base period

7.3.2.3 Overall International travel price index

This index represents overall average tourism expenditure and therefore the accommodation components include the average of three and five star hotel accommodation. Quarterly periods are selected to represent low, shoulder and peak season. Weights are as listed in table 7.1.

$$P_{\text{overall}} = \frac{W_F P_{Ft} + W_A P_{At} + W_{At} P_{Att} + W_S P_{St}}{W_F P_{Fb} + W_A P_{Ab} + W_{At} P_{Atb} + W_S P_{Sb}}$$

- W_F = Weight of 0.435 allocated to the flight component
 P_{Ft} = Average price for flight during current period
 W_A = Weight of 0.46 allocated to the five star accommodation component
 P_{At} = Average **three and five** star hotel accommodation price during current period
 W_{At} = Weight of 0.015 allocated for the attraction component
 P_{Att} = Average price of attraction admission fees for the current period
 W_S = Weight of 0.09 allocated to food, beverages and sundries during current period
 P_{St} = Average price of food, beverages and sundries during current period
 P_{Fb} = Average price for flight during base period
 P_{Ab} = Average price for **three and five** star hotel accommodation during the base period
 P_{Atb} = Average price of attraction admission fees for the base period
 P_{Sb} = Average price of food, beverages and sundries during base period

7.3.3 Hotel price index

As discussed in paragraph 4.3, 5.7 and table 5.3, a new hotel price index for South Africa needs to be put in place and therefore the data collected for the international travel price index will also be used to compile a hotel price index based on the average prices of three and five star hotel accommodation establishments listed with the Tourism Grading Council. Quarterly periods are selected to represent low, shoulder and peak season.

The index will be calculated as follows:

$$\text{HPI} = \frac{P_{Ae}}{P_{Ab}}$$

P_{Ae} = Average accommodation price of three and five star hotel accommodation for current period

P_{Ab} = Average accommodation price of three and five star hotel accommodation for the base period

7.3.4 Hypothetical application of the indices

Since the introduction of the newly developed indices, the latest data for the next consecutive year(s) and quarter(s) is not currently available and therefore a hypothetical implementation of the indices discussed previously is illustrated in table 7.3. The data used in the hypothetical application is illustrated in table 7.2 and will be replaced with the actual data as soon as it becomes available every quarter. The hypothetical indices are calculated on an annual basis comparing the prices of a specific quarter of a year to prices during the same quarter of the previous year, and are presented in a contrasting colour. An index value of more than 100% represents an increase whilst a smaller than 100% index will represent a decrease.

Table 7.2: Data table of average estimated prices for hypothetical application

DATE	5star	3star	Flight	Food	Attractions
Jul '07 ¹⁹	R 2 518	R 738	R 7 402	R 2 027	R 82.40
Jul '08 ²⁰	R 3 388	R 804	R 8 260	R 2 180	R 82.40
Oct '07	R 2 887	R 757	R 8 698	R 2 292	R 103
Oct '08 ²¹	R 3 398	R 813	R 10 321	R 2 441	R 115

Table 7.3: International travel price index (ITPI) and Hotel Price Index (HPI)²²

QUARTER	Jul „07	Jul „08 ²³	% ²⁴	Oct'07	Oct „08 ²⁵	% ²⁶	Jan „08	Jan „09	%
Elite ITPI	100	116.61	+16.61	100	117.30	+17.30			
Standard ITPI	100	115.94	+15.94	100	122.23	+22.23			
Overall ITPI	100	116.31	+16.31	100	119.45	+19.45			
Hotel Price index	100	111.92	+11.92	100	100.45	+0.45			

The hypothetical application of the indices in table 7.3 illustrates clearly that these indices may be applied successfully to measure the ratio of price changes, as the hypothetical application clearly indicates that the annual travel price index points out major price fluctuations in the market, even in the short term. Valuable information may therefore be derived and gathered from the index which represents a true reflection of price changes. This hypothetical 2007/8 index shows that, should hypothetical data be replaced with actual data, the index will indicate increases in prices from one year to the next, seasonal differences and other fluctuations, as the fictitious index indicates a „steady annual price increase from 2007 to 2008 with no major seasonal differences’. Should the actual hotel price index indicate a decline in price increase between one year and the next then

¹⁹ Empirical research based prices (see paragraphs 7.2.1 to 7.2.4)

²⁰ Hypothetically projected prices for July 2008

²¹ Hypothetically projected prices for October 2008

²² Based on data from table 7.2

²³ Hypothetically projected prices for the quarter of July 2008

²⁴ Hypothetical annual percentage increase or decrease per annum

²⁵ Hypothetically projected prices for the quarter of October 2008

it will motivate involved role players to investigate the possible reasons for this and assist in the proper adjustment of future prices in the specific industry. The indices may furthermore record the annual growth, decline or stabilisation of tourism prices during the low season (July) and the high season (October). Comparing annual index price percentage increases or decreases in the same quarter will clearly point out major deviations which may be early warning signals of too low or too high prices being charged. In the calculations, July 2007 was used as a base where the July 2007 prices are compared to the prices of July 2008.

7.4 ACTUAL IMPLEMENTATION

An index chain is the term used for measuring „relative price changes with regard to the directly preceding period’ (Steyn et al., 1994:268). The index chain compares prices in one month/year to prices of the previous month/year and forms a chain where the index is calculated for consecutive years with the preceding year as the base year in every case. Once quarterly data is available for consecutive years of the same quarter, each index will be made available on the internet for use by all interested parties. The aim is to link the various indices with the website of the Central University of Technology on both its tourism and other information pages. It will be updated quarterly. Furthermore, the Department of Tourism and Environmental Affairs will also be contacted in an attempt to get the index more widely communicated to the industry and product owners on a quarterly basis. This will provide industry and product owners with an assessment tool for future price decisions. If possible, a web link could be added from the government’s website to the index on the CUT website. The success of this initiative is dependant on the interest and willingness of the parties mentioned here.

²⁶ Hypothetical annual percentage increase or decrease per annum

7.5 CONCLUSION

Price changes have a direct influence on the daily existence of every individual, business, government and industry because a price change implies that budgetary adaptations become necessary. The relevance, importance, aim and value of the long overdue price monitor in the form of a travel price index specifically for tourism inspired the development of these different indices. Being weighted compound indices, provision is made for price changes in all the major components of travel according to its relative importance to the traveller. Their contribution towards the industry, its role players and tourism product owners offers the opportunity to measure, consider and evaluate pricing strategies prior to implementation. These indices may act as an economic indicator to the tourism industry where valuable information and changes in the industry may be monitored.

The price indices illustrated here will provide a ratio of relative price changes which are represented meaningfully in the indices; it shows how to monitor annual price changes for a specific quarter, which may be measured against other price indicators such as the Consumer Price Index. As this index is based upon the expenditure of the international tourist on the major travel and tourism products during their visit to South Africa, it may also be used successfully by government in their planning of marketing and selling efforts that will promote South Africa as an affordable destination. The results of the indices that quantify the travel price changes may furthermore also be applied to models measuring price sensitivity, evaluating the price competitiveness of a city or destination in South Africa or even as part of tourism price projections.

It is important that industry will use the indices to measure quarterly changes to determine emerging trends and then plan accordingly. These indices may also be used in conjunction with the number of international arrivals by air to establish if any correlation exists between an increase or decrease of passenger arrivals and

an increase or decrease in the prices of the major tourism products. As discussed previously, the fact that money is of importance to the tourist, the product owner and the government of South Africa has justified the relevance of the newly developed indices.

CHAPTER 8

CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

The question may be asked, why is travel and tourism so important, especially to South Africa? The answer lies in the fact that the World Economic Forum reports that travel and tourism is currently one of the largest economic activities in the world, the leading industry in many countries and the fastest growing economic sector in terms of job creation worldwide, providing 234 million jobs and creating 10.3 percent of the world GDP in 2006. At least nine percent of total world wide capital investment is expected to be in travel and tourism annually (World Economic Forum, 2007). In South Africa, the tourism industry has been described as the “new gold” of the South African economy, as total foreign direct spend was R47.8 billion which exceeded gold exports by more than R15 billion (SA Tourism, 2007).

Not only does travel and tourism create jobs and wealth, it also triggers indirect development and it enhances a country’s overall economic prospects. Furthermore, infrastructure is improved, cultural awareness enhanced, the natural environment protected and the quality of life of citizens is also improved. Tourism is considered to be one of the major revenue generators in many countries. The economic impact of tourism may be classified into seven major groups (Vanhove, 2005:169):

- ◆ It generates income
- ◆ It generates employment
- ◆ It generates tax revenue
- ◆ It balances payment effects
- ◆ It leads to improvement of the economic structure of a region / country
- ◆ It encourages entrepreneurial activity

- ♦ It has certain economic disadvantages such as imports and leakages.

The critical importance of recognising the employment and revenue generation potential of this industry is clear, especially to a developing country such as South Africa. If South Africa's travel and tourism industry may become sustainable and strong, it may lead to contributing to national growth and prosperity. But, in order for the travel and tourism sector in South Africa to prosper, it must be ensured that the industry is placed competitively in terms of its main competitors. Price competitiveness is an important element of a country's overall competitiveness. Lower prices and costs increase the attractiveness of some destinations to many travellers (World Economic Forum, 2007). No nation is totally self-sufficient and all nations are linked through the international economy of trade. Therefore, being competitive in various industries, a nation may then provide leverage for economic growth.

More than fifty percent of South Africa's population live in poverty and unemployment is one of the key issues responsible for this state of affairs (World Economic Forum, 2007). With the tourism industry's economic impact being able to change the situation for South Africa, all efforts should be directed at making the tourism sector one of the most prosperous, fastest growing and competitive industries in South Africa.

8.2 CONCLUSIONS AND RECOMMENDATIONS

8.2.1 Profile of the tourist

When comparing the research data outcomes of this survey, specifically the section related to the profile of the tourist, to the statistical data supplied by SA Tourism and Statistics SA annually, it is noteworthy to mention that similar patterns and trends are reported. The fact that in many instances, the research data shows less than a one percent deviation from national statistics, reaffirms the reliability of the research results.

8.2.1.1 The origin of tourists

The research indicated that the majority of South Africa's international tourists come from Europe (66.4%). Taking into consideration that Germany, in the first place, the United States of America and the United Kingdom, are the three top countries whose residents spent most money on international travel in 2004, (World Bank, 2007), these are the markets that are of extreme importance to South Africa in particular. In 2004, the European market was the only one that showed a decline in the number of international arrivals to South Africa. SA Tourism explained the decline as follows: "The 18,484 decline from price-sensitive France accounted for 58%. and Germany was second with a decline of 11,566 accounting for 36% of the total decline" (SA Tourism, 2007). Belgium and Spain also showed a decrease in the number of arrivals.

South Africa cannot afford a decline in its major market share especially taking into consideration the fact that two of the big spenders form part of this group. Approximately one third (33%) of our international arrivals are persons that come from overseas. whilst 66,8% of our arrivals are from the mainland of Africa (Stats SA, 2007). The 2004 Annual Tourism Report supplied by SA Tourism stated that Zambia, Botswana, Kenya, Malawi. and Nigeria showed a decrease in total foreign direct spend **even with an increase in the number of arrivals to South Africa.** In these African markets, tourists appear to be spending less overall (SA Tourism, 2007).

8.2.1.1.1 Recommendations

It is clear that the overseas tourist, especially from Europe and America, plays an important economic role in the generation of more revenue to South Africa and therefore attracting especially, but not only, the mentioned groups to South Africa should be a priority. This may be achieved through a variety of marketing activities and special promotional offers. Table 5.2 confirmed that it is not the larger number

of tourist arrivals that a destination should strive for, but rather attracting the right type of tourist that spends more money. Even though Australia receives fewer tourists when compared to South Africa, the per capita expenditure of the tourists to Australia is more than five times higher than what South Africa's tourists spend.

The fruits of marketing and promotional efforts aimed at specific countries in the European market are evident from country of origin information as the United Kingdom represents the largest share (28%). This, however, allows room for major improvement in other European countries where single figure figures represent their contributions (see table 6.1).

Although Asia (5.6%) and Australasia (4.4%) represent a smaller market share for South Africa, they are almost similar in size if compared to the Americas in terms of international arrivals. This is a market that South Africa should definitely look into expanding. The Asian and Australasian tourists spend on average almost double when compared to other nationalities. Their average stay of approximately 21 days (SA Tourism, 2007) is also much longer if compared to the 10 night average of international tourists to South Africa (SA Tourism, 2007). Furthermore, five countries in Asia and Australasia are listed amongst the top twenty big spenders on tourism. Taking the above-mentioned into consideration, marketing efforts amongst these nationalities may result in doubling the revenue generated for every one tourist visiting South Africa, as one tourist from Asia and/or Australia may very easily spend double what another tourist is spending on average per trip due to their tendency to stay longer and spend more.

8.2.1.2 Gender

The research data confirmed differences in the spending habits, average length of stay and the purpose of the trip in general between male and female respondents.

8.2.1.2.1 Recommendations

In general, male tourists to South Africa could pose to be a better revenue generating option for gender specific marketing actions, as male tourists seem to spend more and take more business trips with higher overall expenditure. Also taking into consideration that the male has, in many instances, stayed the traditional head of the family and decision maker, this segment of the market is open for new inventive marketing efforts concentrating on gender specifics. If this suggestion is implemented, it is suggested that a professional advertising group is consulted to ensure that such marketing efforts are not offensive to any gender in any way.

8.2.1.3 Age of respondents

Analysing the data related to the age distribution of respondents, the conclusion may be drawn that the younger markets may be of greater importance to South Africa.

8.2.1.3.1 Recommendations

From table 6.3 it is clear that the majority of the survey respondents are younger than 50 years of age. It is suggested that future marketing efforts are aimed at the younger market from 20 years and older, as the need to visit South Africa will in all probability multiply as they become older, which may stimulate repeat visits to South Africa. The younger age groups, except for the youth or student travellers, also spend more whilst on vacation if compared to pensioners over 60 years of age. Not only do the 60 and older age group spend less on vacation, but they are also more price sensitive than the younger respondents, which implies that a product will become more expensive to them sooner than what it would become expensive to a younger person. Targeting younger tourists that spend more may have a bigger multiplier effect over a longer period of time.

8.2.1.4 Repeat visits

The data indicates more first time tourists than repeat tourists, which could have either a positive or a negative interpretation. The positive interpretation that may be drawn from these results is that there is an increased interest and need to visit South Africa, as indicated by the growing number of new arrivals. On the other hand, the negative interpretation is that a smaller number of tourists return to South Africa for another visit.

8.2.1.4.1 Recommendations

The research data indicates that the repeat tourist has a better price expectation of flights and accommodation than the first time tourist. From a marketing and selling perspective, it makes it easier to sell to an existing client who has used or purchased your product or services before, providing that the experience, service or product proved to offer value for money to the purchaser. Assuming that the latter is true, the easiest way of increasing the number of tourists to South Africa is by ensuring that they return for multiple vacations. If our products are competitively priced and supported by good quality and service, the tourist may return to South Africa. The fact that the first time tourist expects to pay less than s/he actually does may be an indication that the perception exists that South Africa is a cheaper destination than it actually is.

The fact that the majority (54.4%) of the respondents was on their first visit to South Africa, indicates a positive growth rate for new arrivals. Studying past trends, the number of first time tourists in 2003 was 51.5% and 50.1% in 2004 (SA Tourism, 2007). The conclusion may be drawn that currently, South Africa is in the fortunate position that tourists want to come and visit the country. The South African tourism authorities should therefore keep on stimulating new markets but also raise efforts to change the majority first time tourists into repeat tourists. By providing the first time tourist with a safe environment, good value for money, better service quality and excellent attraction stimulation, the first time tourist is bound to want to come and visit South Africa again. Word of mouth has always

been a very strong marketing tool, which South Africa may then depend on from tourists receiving the above-mentioned. At the annual conference of the South African Association for the Conference Industry (SAACI), where Mr. Marthinus van Schalkwyk, current Minister of Environmental Affairs and Tourism, delivered the opening speech, he said that second to affordability, the safety of the tourist is one of the main considerations for a tourist when choosing a destination. Therefore his department has suggested that a police officer at every police station should be given the specific task of handling crime against tourists. He also suggested that separate crime statistics should be made available that separates ordinary crime from crime against tourists, as this will put the safety of the tourist in a better light (Volksblad, 24 July 2007).

8.2.1.5 Purpose of stay

The research data indicated that the majority of respondents visited South Africa for holiday purposes (56%). The business market is traditionally smaller than the holiday market (28%). Further research data indicated that the business respondent spends on average 25% more per day than the holiday maker and literature confirms that the business traveller is also less price sensitive than the leisure traveller.

8.2.1.5.1 Recommendations

Even though the average stay for the business traveller is shorter (8.6 days) than that of the leisure traveller (12.5 days), it would be sensible to aim at increasing the number of business travellers to South Africa. Not only do they spend more money per day, but they also stimulate the economic environment which leads to better overall economic wealth and competitiveness of a destination. The ideal situation would be to increase the number of business travellers to South Africa and then aim at extending the duration of their stay. From a financial point of view, the holiday maker still spends more in total per trip due to his/her extended stay. Only once the business travellers extend their stay, will they become financially

more important than the holidaymaker.

Prolonging the stay of the business traveller may be simplified by adding or linking certain one and multi-day packages, tours and trips to, for instance, the MICE²⁷ business traveller's business package. Although this practice is already in many instances being followed by the MICE organisers, it is suggested that bonds between MICE organisers and tourism role players are strengthened, as in many instances the organisers are left with nothing but using their own initiative or using existing products available on the market which may not specifically suit the specific event. The existing products on the market, could be used, but it may be argued that tailor-made packages to suit the business travellers' schedule and interests may be a more favourable option in the specific instance. Local tour operators are therefore encouraged to establish a good working relationship with the MICE organisers in their area. The easier it is made for the business traveller to make use of these additional travel products offered, the better the chances of successfully prolonging his/her journey.

A matter of concern is the fact that the number of return visits, specifically for business purposes, shows a slight decline in favour of the holiday market. Not only does this imply a possible decline in revenue generated from the business traveller versus the holiday maker, but it may also be an indication that the economic environment in the country is not as healthy as anticipated. As mentioned previously, growth and stimulation in the travel and tourism sector will also have a direct influence on the general economic well-being of the country. The growth in the returning holiday market is favourable for South Africa, indicating that the tourist's experience, despite many negative influences, is still perceived as a positive one.

8.2.1.6 Length of stay

²⁷ Meetings, Incentives, Conferences and Exhibitions.

The average length of stay seems to be a major problem for South Africa. As indicated in figure 1.2 the average stay has declined from an average of 27 nights in 1989 to 8 in 2005 (SA Tourism, 2007). This implies a **70.37% decline** in the number of nights over the past years. The research data indicated an average length of stay of 12 days which is higher than the official 8 nights in 2005.

8.2.1.6.1 Recommendations

Possible reasons for the decline in the average length of stay could be contributed to a variety of factors such as:

- ◆ **Seasonality:** SA Tourism developed an index to measure seasonality where a value of 0% represents perfect seasonality, i.e. the market is not characterised by large fluctuations from month to month and 100% very poor seasonality. South Africa's seasonality worsened²⁸ from 0.96% in 2003 to 1.68% in 2004.
- ◆ **Flight availability and frequency:** Tourists plan their trip according to the timetable and availability of flights. During high season, it may be problematic to find seats on required dates, which may either shorten or prolong the trip. Taking into consideration that the average length of stay is declining, the assumption may be made that in general, the tourist may take the earlier return date rather than prolong the stay further.
- ◆ **Higher prices:** Charging too high prices may restrict the number of nights of stay or even prevent the tourist from visiting at all, as confirmed by the decline in the "price sensitive" French market for instance. Tourists plan their holiday on a specific budget and higher prices will automatically reduce the number of nights that the tourist will be able to spend at the destination. The 11.3% (R6.1 billion) decrease in total foreign direct spend in 2004 (SA Tourism, 2007) indicates that the tourist is spending less money in general.
- ◆ **Attractions:** Attractions must be used to pull the tourist for a longer period of

²⁸ Higher demand during peak season when availability is already limited instead of a higher demand spread over a longer period of time.

time. Most tourists visit Gauteng and the Western Cape. The average number of provinces visited by foreign tourists declined from 1.49 in 2003 to 1.45 in 2004 and the top highlights listed by tourists were shopping, nightlife, social and wildlife (SA Tourism, 2007). South Africa is a country with spectacular natural attractions in many of its provinces (see paragraph 2.4.1) and a number of natural (4) and cultural (3) World Heritage sites (World Travel Atlas, 2006). It is problematic that none of these appear to be the highlight of the tourists' visits. These attractions may be used in conjunction with various adventure and other activities to keep the tourist occupied, which will imply a longer period of stay. Marketing efforts by all provinces will better the tourism flow to their province, but it may also increase the average length of stay of international tourists. In paragraph 8.6 further suggestions related to the attractions are made.

8.2.1.7 Travel partners

As discussed previously, the majority of respondents visited South Africa for holiday purposes, yet most of the respondents travelled alone.

8.2.1.7.1 Recommendations

It is suggested that specific marketing and selling efforts should be aimed at getting the tourist to bring a spouse or partner on the trip. Many airlines already offer travel partner or spouse specials in business class to stimulate sales and numbers. It seems out of the ordinary for most tourists to want to travel alone and therefore, this situation leaves the ideal gap for growth in this market. It is suggested that travel product owners and role players measure quantities against revenue, especially during the low season when demand is lower. For instance, the number of persons in a room will not influence occupancy levels at an accommodation establishment, yet a further income could be derived from the accompanying partner from meals, beverages and other income sources. The same principal applies to attractions: space or availability will not be affected but

an additional income may be possible from the partner on related items and products. It is thus suggested that special free or heavily discounted offers for travel partners are promoted and sold to tourists. These offers may be subject to availability for the non-paying partner, but the product owner should investigate the expense of the partner against the revenue that may be generated from having another tourist or user of the specific product.

8.2.2 Air transportation

Air transportation in South Africa is faced with many problems. Firstly it is recommended by the World Travel & Tourism Council in their country report on South Africa (WTTC, 2007) and by Mr Michael Tatalias, executive head of SATSA (South African Tourism Services Association) (Rapport, 20 May 2007), that South Africa follows an open skies policy which will enable more airlines to establish routes and flights to South Africa. This will in return lower the air fares to South Africa. According to the mentioned report, seat availability during peak seasons particularly to/from London at the right price leaves tourists with fewer and fewer options. Some of the concerns that were raised are (WTTC, 2007):

- ◆ Foreign airlines see the protection of SAA (South African Airways) as a limiting factor for their own investment in South Africa ;
- ◆ SAA's anti-competitive behaviour restricts growth;
- ◆ Recent services from Europe have been reduced due to regulatory, logistical and commercial reasons;
- ◆ The European source markets make up approximately 60 percent of overseas arrivals;
- ◆ SAA is seen as neither maximising arrivals nor acting as a commercially viable airline.

An open sky policy would allow supply and demand to determine the air transportation environment and provide consumers with a better product at a lower price. The research data indicated that the majority of respondents (48%),

perceived the price of the international air ticket to be expensive or very expensive. The average difference that they paid more for their air ticket against what they expected was R 1 691.10. The deregulation of the airline industry in Europe brought about many advantages to travellers both in terms of higher quality and drastic price reductions (Piga et al., 2002).

The theory behind the Van Westendorp Price Sensitivity Meter as discussed in paragraph 3.2.3.7.1 which is confirmed by Canadian pricing specialist, Paul Hunt, suggests that if prices are priced “too low”, then buyers are hesitant to purchase such products fearing that it may be of poor quality (Socratic Technologies, 2007). This psychological perception is confirmed in the research data where the majority of almost 54% of the respondents indicated that they did not merely choose the cheapest air ticket, irrespective of the airline that they travelled on.

8.2.2.1 Perception of air transportation prices

The majority of respondents perceived the price of the international air transportation as either expensive to very expensive. The fact that research data indicates that some respondents paid 80% and 90% more for their air transportation cannot be otherwise interpreted than the actual cost of the air ticket being too high. This situation is furthermore complicated by the fact that South Africa is a long haul destination which, especially in the case of North America and Australasia, is a distant and expensive destination to travel to and therefore South Africa should be cautious to aggravate this by charging too high prices. Not being competitively priced may result in a further decline of tourists to South Africa. It may make South Africa too expensive in terms of flight transportation for these destinations and it may be argued that a prospective tourist may then rather choose an alternative destination.

8.2.2.2 Recommendation: air transportation

Currently, South Africa does not have any large charter companies that bring

foreign tourists to the country, whilst South African Airways is the dominant international airline. The competitive environment is hereby restricted, restraining it and resulting in higher prices being charged. The buyer, wanting to satisfy a need, is then forced to pay the higher prices. It is suggested that it should be investigated to enable more foreign airlines to enter into the market, providing all airlines flying to or from South Africa with an equal opportunity on all levels to compete. This will not only solve the price issue, but it will also solve the problem related to restricted seat availability during high and peak seasons.

8.2.3 Accommodation

The research data confirms the trend that international long haul tourists prefer graded hotel accommodation. Of the respondents that used hotel accommodation, there is an almost equal split between luxury five and four star accommodation and standard three to one star accommodation. The data however indicates that the five star, luxury accommodation, which was slightly more popular than the standard type accommodation, was found to be too expensive. Each accommodation category will be addressed individually.

8.2.3.1 Five star hotel accommodation

The perception exists that this accommodation type does not offer value for money and prices charged are perceived to be too expensive. The negative effect that this perception may have on this sector cannot be ignored. South Africa's occupancy levels are consistently lower than international levels (WTTC, 2007). The number of tourist arrivals has increased by approximately 10 percent per year, yet hotel occupancy rates have come down by approximately 5 percent per year (Stats SA, 2007). The fact that there is a decline in hotel occupancy rates may be contributed to the fact that the prices charged are too high and therefore tourists make use of other types of accommodation. One positive factor that assists in making the price more acceptable is the fact that respondents were very satisfied with the quality of

accommodation.

8.2.3.2 Three star hotel accommodation

The situation with regard to the three star hotel accommodation is more positive. Here respondents actually paid slightly less than what they expected to pay. This leads to the fact that the respondents were satisfied that they received quality accommodation that proved to be value for money.

8.2.3.3 Other accommodation

Game lodges have grown in numbers over the past years, satisfying the growing trend for eco-based leisure tourism and usually being situated on or close by to game reserves. They vary in standard, ranging from mid to very up-market accommodation establishments, of which the latter cater exclusively for foreign tourists. The fact that this type of accommodation frequented the „too expensive’ list a number of times cannot be ignored and since the majority of these lodges are privately owned, an awareness of this „too expensive’ perception that exists must be communicated to all parties involved.

8.2.3.4 Recommendation: accommodation

The price projection of the average room rate for all types of accommodation from 1995 to 2006 indicates that the current average price per room per night exceeds the projected price by far. Various other research indicators also confirm that the prices charged by some accommodation establishments exceed the price perception of the tourist to South Africa and that of our major competitors. It is recommended that the South African government will take the necessary steps to implement formal tourism legislation to regulate the formal and informal accommodation sector in terms of grading and membership. Although an accommodation grading council exists, there is no legislation in support of such a system and accommodation establishments may decide to belong to the council or

not. This implies that any product owner may market and sell any product, good or bad, at any price. If this system is legally enforced and a formal recommended price range is brought into existence for different types and categories of accommodation all role players will benefit from it. The buyer may then compare prices against a set of given requirements whilst the seller is bound to deliver according to prescribed standards and the responsible government department may then ensure that the accommodation establishments follow the prescribed guidelines.

This recommendation does not by any means suggest that accommodation establishments should be capped on the prices that they are allowed to charge. It suggests that a price range, making provision for all necessities, fluctuations, luxuries and extremities, should be provided for. If the buyer receives value for money, no matter at what price, a „too expensive’ perception will not exist. It is therefore suggested that SA Tourism will initiate a price analysis of accommodation prices of South Africa’s major competitors of which the results should be communicated to all accommodation establishments in South Africa. These results may then be used by product owners to place themselves competitively in the market at the right price.

8.2.4 Food and Beverages

The quality and service levels experienced at sit-down restaurants, fast food outlets and coffee shops, were recorded as satisfactory to very good and therefore the recommendation is made to keep the status quo. The prices that the respondents expected to pay and what they paid for food and beverages in general compares exceptionally well with small to minor differences indicated. Furthermore, the fact that food and beverages represent approximately 9% of the total expenditure (see figure 6.20), implies that these products do not require special effort to enhance their position, price or price perception.

8.2.4.1 Recommendation

Prices and quality of food and beverage products used by respondents satisfied the market's need and any improvements in quality and/or value may further improve the already high score that this category of products received.

8.2.5 Attractions

Even though the portion of a tourist's expenditure used for attractions resemble a very small part of the total expenses (approximately 2%), the attractions are some of the most important products of the destination. The attractions may be regarded as the stimulator for the visit and even though they are not a major income or expense stream, their spin offs, such as air transportation and accommodation, are major revenue generators for the destination. Without attractions at the destination, the majority of holiday makers' (approximately 56%) reasons and stimuli for visiting become obsolete. Therefore, for reasons other than direct income, it becomes important that the attractions of the destination are competitive in all aspects.

8.2.5.1 Scenic beauty and wildlife attractions

The World Travel and Tourism Council confirm in their report on South Africa that scenic beauty and wildlife are still the main attractions for international air travellers to South Africa (WTTC, 2007). Forty seven percent of tourists in this report indicated that they visited South Africa for its scenic beauty, whilst 27% indicated the wildlife as the main draw card. This same report also confirms a decline in the international tourist numbers at South Africa's top ten attractions²⁹ for the period 1999 to 2000, except for Robben Island where the foreign tourist numbers showed an increase from 12% to 13%.

²⁹ Top ten Attractions in order of popularity: V&A Waterfront, Cape Point, Table Mountain, Wine Route, Garden Route, Kirstenbosch Botanical Gardens, Kruger NP, Ostrich farms, Durban beachfront and Robben Island (WTTC, 2007).

8.2.5.2 Recommendations

Comparing the research results of chapter 6 to the above-mentioned report, this seems to be a major area of concern for tourism in South Africa. The prices paid for entrance fees at the tourist attractions are not a matter of concern in general as the difference between the paid and expected prices are relatively small with the exception of the Kruger National Park. The fact that the Kruger National Park was identified as an attraction that was „too expensive’ is an issue that needs immediate attention. This issue is further complicated by the fact that four of the „too expensive’ attractions are related to the „wildlife’ category. South Africa cannot afford to lose tourist numbers in one of their most important markets and has to realise that what South Africa offers is not so unique that it cannot be experienced anywhere else. The same type of attraction or experience is as close to South Africa as its neighbouring countries. The fact that so many of our neighbouring countries were considered as an alternative destination should furthermore be seen as warning signals that our wildlife attractions and support services are too expensive. As many of these products are privately owned and driven and prices may therefore not be regulated or influenced in any way, the message to the product owners should be clear that they are placing negative pressures on the market. The Kruger National Park is a perfect example where the entrance fee into the park as such is not expensive, but the research data indicated that some tour operators and guides sell packages at exorbitant prices to international tourists.

8.2.5.2 Cape Town

Eight of the top ten attractions listed by the WTTC are located in the Western Cape of which five are in Cape Town (WTTC, 2007). Two of these attractions in Cape Town were also indicated as „too expensive’, whilst the city of Cape Town itself was identified as being more expensive than the rest by the majority (58%) of the respondents.

8.2.5.2.1 Recommendations

Cape Town's scenic beauty is its major attraction, but the situation becomes problematic once the beauty is overshadowed by the price. It may reach a point where it is still perceived as an attraction but tourist numbers may decline due to the prices being too high. The local government should address this issue as a matter of urgency to ensure that the tourism products offered in their region offer value for money and are competitively priced. It is recommended that the research results are made available to product owners to enable them to evaluate their prices. Regular follow-up surveys and its results, should be communicated to the industry during quarterly scheduled meetings. Being able to provide product owners with the necessary numbers, quantities and figures, will tend to motivate them to ensure their overall competitiveness. The newly developed travel price index, which conveys the tourist's real expenses and which will be released quarterly, may be used in conjunction with local surveys and results.

8.2.5.3 Attraction constraints

South Africa does not require the confirmation of this research to acknowledge the fact that international tourists feel threatened by the safety situation in the country. The safety issue is once again brought to the attention of government in an attempt to emphasise the fact that the destination may offer what it likes but it cannot change the way that any person will feel about safety. Safety, being a human need, remains a priority for all individuals and a lack thereof may result in South Africa not being visited at all. As this is not the major theme of the research and an area of concern that has been raised numerous times by various role players, in and out of government, no further elaboration on this matter is provided.

In general, the infrastructure and environment of all major attractions should be upgraded where necessary, maintained and kept on a high standard to enhance the overall tourist experience at all times.

8.2.5.3.1 Recommendation

Attractions may be divided into different groups where the success and sustainability of the attraction is based upon, amongst others, geographic distribution factors such as whether or not this attraction is located en-route, in a specific region, at the destination or within reach of a „base camp’ (Pearce et al., 1998:273). In the case of South Africa, many of our top ten attractions are located within a specific region, namely the Western Cape. Cape Town and its surrounding areas are very popular and of great interest to international tourists for reasons such as mentioned above. The location and accessibility of these attractions make them ideal for visitation. Therefore South Africa may use these attractions as the base for attracting international tourists. Popular attractions may assure their top positions by constant price, quality and service checks. New and less popular attractions may stimulate tourist numbers by establishing links to one or more of the major attractions in the same area. This may be done successfully through joint marketing efforts, shared transportation systems and routes, combined tour packages or even discounted deals that may stimulate tourists.

To stimulate tourist numbers to other attractions and other regions of South Africa, it is suggested that SA Tourism leads discussions with leading tour operators in South Africa to package a variety of attractions into different tours which would be suitable for day trips, extended tours and weekend getaways. It is suggested that the tour operators design the packages in such a manner that it would be possible for a tourist to tailor-make his/her own packages by means of a combination of products. The different products needed for such packages may be contracted out to a variety of suppliers in the industry, but it is necessary for a main role player, such as the tour operator, to take control of the whole process. Although geographic location of attractions may raise concerns, the current network of the domestic air transportation airlines has made it possible to link various attractions in an economical, cost and time effective manner. Putting attractions within easy reach of the tourist will stimulate tourist numbers of all attractions. Whether attractions are participating in this scheme, en-route, in the base camp or by chaining it to another trip, they will benefit from this initiative.

8. 3 OVERALL PERCEPTION OF TOURISM PRODUCT PRICES

8.3.1 Alternative destinations

An alternative destination is just another phrase for competitor. The fact that a potential tourist to South Africa is looking into the possibility to rather travel to another destination implies that s/he compare the attributes and constraints of the destination such as attractions, travel expenses and safety, amongst others. Many of these competitors are right in our midst and should not be under-estimated. Some of these countries offer strong economies, well developed infrastructure, competitive packages, wildlife and their own unique scenic beauty, which has the potential to draw a potential tourist away from his/her plans to visit South Africa.

8.3.1.1 Recommendations

It is recommended that tour operators compare their packages, what they offer and what they cost, to similar packages in other African destinations and make sure that they are competitively priced.

Australia was identified as a fierce competitor, as this destination was number one on the alternative destinations list. This country also offers exquisite scenic beauty and is the home of one of the natural wonders of the world, namely the Great Barrier Reef. Its wildlife, mainly marsupials, such as kangaroos and wallabies are unique to Australia. These factors place Australia in a highly competitive situation with South Africa. When comparing prices between South Africa's identified competitors namely Australia and Thailand, there is a slight inclination that South Africa is not as competitively priced as hoped for. Compared to Thailand, South Africa is perceived to be more expensive, whilst compared to Australia, South Africa seems to be averagely priced. In general, South Africa was not perceived to be the cheapest. It is important to note that being the cheapest is not necessarily the answer, but rather being competitively priced, as price is also often used as an

indicator of quality.

8.3.2 Seasonality

Seasonality is a problem in the tourism industry that is not unique to South Africa. T-tests confirmed a significant difference in the prices of accommodation between the low and the high season, but not for air transportation, which definitely contributed to the fact that the majority of respondents perceived the price of air transportation as expensive to very expensive. The fact that basically the same prices for air transportation was charged during low and high season 2006, is contrary to normal business practices of airlines and may only be explained by the fact that the national airline had the dominant market share and could therefore control prices to a certain extent.

8.3.2.1 Recommendations

It would be advisable for all tourism product owners, including airlines, to stimulate demand during the low season by lowering prices or making offers available to beat high season demand.

Another guaranteed method to overcome seasonality is by effective marketing and promotional efforts, specifically stimulating the low season which have traditionally resulted in an increased tourism demand for a destination. This is only a workable option if these efforts are effective, sustained and well funded.

8.4 FURTHER RESEARCH

It is recommended that further research should include some of the following

topics:

- ◆ The evaluation of the implemented price indices and measure their reliability, effectiveness and usability in the tourism industry of South Africa.
- ◆ A follow up, refined questionnaire that focuses solely on the actual prices that international tourists paid for air transportation, accommodation, attractions and food and beverages may be used to test the accuracy of the price indices in the near future.
- ◆ Specific expenditures. Even though certain figures and statistics on the expenditures of international tourists are available, these figures are not specific enough for what is needed to test the various proposed price indices.
- ◆ The impact of safety and security issues on the global competitiveness of South Africa.
- ◆ Strategies to sustain South Africa's competitiveness in the global market.
- ◆ Seasonal pricing in South Africa.
- ◆ The difference in prices charged in different metropolitan areas of South Africa.

8.5 CONCLUSION

At this stage, there are many uncontrollable external factors that influence the South African tourism industry negatively, of which safety is one that needs serious attention. The prices of South Africa's tourism products should not strengthen an already negative situation, but price should rather be used as an equaliser to balance the situation. Price forms part of the marketing mix and may be used as a strong motivator to visit a destination. As long as South Africa's prices are competitive, rather than being the cheapest, it will stimulate international tourist arrivals. The international travel price index discussed in chapter 7 was specifically developed to follow and keep track with the affordability or not of South Africa as a destination from the prospective of the international tourist based upon actual expenses. This index will, over a period of time, indicate major fluctuations

in the market and will also allow South Africa and individual product owners to measure their prices over a period of time.

Over the past years, South Africa has proved its ability to enter successfully into the economic and political mainstreams with major transformations and transitions that have successfully taken place. There is a strong link between South Africa's political stability and safety and its international tourist arrivals. Many of the concerns that came about from the research results and that are mentioned here, restrain South Africa from reaching its true tourism potential. However, South Africa's attractiveness lies within its diversity and with it being almost five times the size of the United Kingdom, it has the potential to become a tourism phenomenon. Benchmarking itself against its major competitors, enforcing globally competitive practices by offering quality services and value for money supported by effective and creative marketing efforts, South Africa may soon become part of the top tourism earners of the world.

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ANNEXURE A
EMPIRICAL RESEARCH QUESTIONNAIRE



Questionnaire: An analysis of the price competitiveness of South Africa as an international tourist destination

This questionnaire is aimed at the perception of the international departing tourist in order to establish the tourist's perception of prices paid whilst visiting South Africa.

PROFILE

Country of residence											
Have you visited SA before?	Yes	No									Specify Other
If yes, how many times before?	1-2	3-4	5-6	7-8	8+						
Gender	Male	Female									
Age	20-29	30-39	40-49	50-59	60+						
Who traveled with you on this trip?	Alone	Partner/Spouse	Friend/Family	Business partner	Other						
How many people in your party?	1	2	3	4	5+						
Reason for your visit?	Business	Holiday	Visit family/friend	Complimentary	Other						
Who sponsored the trip?	Self	Company	Friend/Relative	Government	Other						
How long was the trip?	1-7days	8-14days	15-21days	22-28days	29+ days						

AIR TRANSPORTATION

Did the price of your air ticket influence the choice of your destination?	Yes		No						
Did you choose the cheapest flight irrespective of the airline used?	Yes		No						
How did you perceive the cost of the international air ticket to SA?	Very cheap		Cheap		Affordable		Expensive		Very expensive
How much did you expect to pay for the air ticket in your local currency?	Currency			Adult (amount)			Child (amount)		
How much did you pay for the air ticket in local currency?	Currency			Adult (amount)			Child (amount)		

ACCOMMODATION

What type of accommodation did you use?	5-4* Hotel		3-1* Hotel		G/house/B&B		Self catering		Other		Specify
How much on average did you expect to pay in rand per day?	R		Per person		Per room						
How much on average did you pay in rand per day?	R		Per person		Per room						
How did you perceive the quality of the accommodation?	Very poor		Poor		Average		Good		Very good		
Did you regard our accommodation as good value for money?	Yes		No		Please motivate						

FOOD

	SITDOWN RESTAURANT					FAST FOOD CHAIN					COFFEE SHOPS & OTHER			
Did you use this type of restaurant?	Yes		No			Yes		No			Yes		No	
How much on average did you expect to pay per person?	R					R					R			
How much on average did you pay per person?	R					R					R			
How did you perceive the quality of the food in restaurants?	Very poor		Poor		Average		Good		Very good					
How did you perceive the quality of the service in restaurants?	Very poor		Poor		Average		Good		Very good					

BEVERAGES

Did you perceive the price of alcoholic drinks to be:	Very cheap	Cheap	Affordable	Expensive	Very expensive
Did you perceive the price of cold non-alcoholic drinks to be:	Very cheap	Cheap	Affordable	Expensive	Very expensive
Did you perceive the price of hot non-alcoholic drinks to be:	Very cheap	Cheap	Affordable	Expensive	Very expensive

SPECIFIC ATTRACTIONS

	TABLE MOUNTAIN CABLE CAR				ROBBEN ISLAND TOUR				GOLD REEF CITY				SUN CITY				KRUGER NATIONAL PARK			
Did you visit this type of attraction?	Yes		No																	
How much on average did you expect to pay for admission fees per person?	Adult: R..... Child: R.....																			
How much on average did you pay per person?	Adult: R..... Child: R.....																			
How did you perceive the quality of the attraction?	Very Poor				Poor				Average				Good				Very Good			
How did you perceive the quality of the service?	Very Poor				Poor				Average				Good				Very Good			

ATTRACTIONS IN GENERAL

	ATTRACTION 1	ATTRACTION 2
Which attraction(s) that you visited in SA offered the best value for money?
Which attraction(s), if any, that you visited any where in

South Africa, was too expensive for what they offered?							
What was the entry fee per person for the 'too expensive' attraction?	Adult: R.....	Child: R.....	Adult: R.....	Child: R.....			
What is a fair price in your opinion?	Adult: R.....	Child: R.....	Adult: R.....	Child: R.....			
Indicate whether any of the following aspects bothered you about SA's attractions	Accessibility	Safety	Long queues	Poor facilities	Parking	Other	Specify.....

OVERALL PERCEPTION OF SA

How much in total did you spend on your trip per person?	Adult: R.....	Child: R.....			
Did you spend more, the same or less than you expected?	More	The Same	Less		
Considering all your expenses on tourism products, what did you find most expensive?	One Item:.....				
Considering all your expenses on tourism products, what did you find the cheapest?	One Item:				
Is SA an affordable destination to you?	Yes	No			
When you chose SA as a destination, was price your main consideration?	Yes	No			
If yes, because you considered it to be:	Very cheap	Cheap	Affordable	Expensive	Very expensive
Did you consider any alternative destination for your holiday?	Yes	No			
If yes, which destinations?	1		2		
Will you visit SA again?	Yes	No			
If YES, give your main reason why you would choose to visit SA again.	Business	Holiday	Visit family or friends	Other	Specify.....

If NO, please specify reason.	1											
Was there any one city in South Africa that you perceived as more expensive than the rest?	1											
Have you ever visited:	Australia		Yes		No		Thailand		Yes		No	
If yes, how does it compare to SA in terms of affordability?	Very good		Good		Average		Poor		Very poor			

THANK YOU

ANNEXURE B
EXCHANGE RATES

EXCHANGE RATES

Exchange rates used in this study were obtained on 17 March 2006 for the respective countries listed below. The same exchange rates were used throughout the study and empirical research in order to ensure consistency when comparing the prices of different products. The actual rates were obtained from different sources, as many sources only list the rates for the most popular currencies (South African Revenue Services (2006), Master Currency (2006), X-Rates (2006) and Reserve Bank (2006)).

The following exchange rates were used to convert all foreign currencies to Rand. This table will display the average South African Rand rate against the currencies listed below:

Australia	AUD	0.2161
Botswana	BWP	0.8827
Canada	CAD	0.1837
Switzerland	CHF	0.2053
Denmark	DKK	0.9751
Euro	EUR	0.1305
United Kingdom	GBP	0.0906
Israel	ILS	0.7189
Japan	JPY	18.5127
Mauritius	MUR	4.8692
Namibia	NAD	1
Norway	NOK	1.0446
Saudi Arabia	SAR	0.5934
Sweden	SEK	1.221
Singapore	SGD	0.2574
Thailand	THB	6.179
United States	USD	0.1594

Czech Republic	CZK	3.7809
Nigeria	NGN	20.6351
Uganda	UGX	294.607
Russia	RUB	4.4747
Brazil	BRL	0.3416
Malaysia	MYR	0.5967
China	CNY	1.2934
Zimbabwe	ZWD	10235.8669
India	INR	7.1300

ANNEXURE C
EMPIRICAL RESEARCH DATA 2006

City	Month	List number	Origin	Continent	SA before ³¹	TimesBefSA ³²
CPT	MAR	1	CHINA	F	N	
CPT	MAR	2	UK	E	N	
CPT	MAR	3	UK	E	Y	5
CPT	MAR	4	NORWAY	E	Y	1
CPT	MAR	5	UK	E	Y	5
CPT	MAR	6	SINGAPORE	F	Y	8
CPT	MAR	7	NORWAY	E	N	
CPT	MAR	8	GREECE	E	Y	3
CPT	MAR	9	ZIMBABWE	A	Y	5
CPT	MAR	10	USA	U	N	
CPT	MAR	11	UK	E	Y	5
CPT	MAR	12	UK	E	N	
CPT	MAR	13	AUSTRALIA	AN	Y	8
CPT	MAR	14	MALAYSIA	F	N	
CPT	MAR	15	CANADA	U	N	
CPT	MAR	16	UK	E	N	
CPT	MAR	17	ITALY	E	Y	8
CPT	MAR	18	USA	U	N	
CPT	MAR	19	UK	E	Y	1
CPT	MAR	20	UK	E	Y	3
CPT	MAR	21	USA	U	N	
CPT	MAR	22	UK	E	Y	5
CPT	MAR	23	UK	E	Y	8
CPT	MAR	24	CHINA	F	N	
CPT	MAR	25	UK	E	Y	1
CPT	MAR	26	UK	E	N	
CPT	MAR	27	UK	E	Y	1
CPT	MAR	28	UK	E	N	
CPT	MAR	29	UK	E	N	
CPT	MAR	30	USA	U		
CPT	MAR	31	UK	E	N	
CPT	MAR	32	NETHERLAND	E	N	
CPT	MAR	33	UK	E	Y	8
CPT	MAR	34	UK	E	Y	8
CPT	MAR	35	NORWAY	E	N	
CPT	MAR	36	NETHERLAND	E	Y	1
CPT	MAR	37	GERMANY	E	N	
CPT	MAR	38	UK	E	Y	1
CPT	MAR	39	UK	E	N	
CPT	MAR	40	FINLAND	E	Y	8
CPT	MAR	41	IRELAND	E	Y	1
CPT	MAR	42	SWEDEN	E	N	
CPT	MAR	43	UK	E	Y	3
CPT	MAR	44	CANADA	U	N	
CPT	MAR	45	NETHERLAND	E	N	
CPT	MAR	46	PORTUGAL	E	N	

³¹ Has respondent visited South Africa before?

³² Number of times that respondent has been to South Africa.

CPT	MAR	47	AUSTRALIA	AN	N	
CPT	MAR	48	USA	U	N	
CPT	MAR	49	BRAZIL	SA	N	
CPT	MAR	50	CHINA	F	Y	1
JNB	MAR	1	RWANDA	A	Y	1
JNB	MAR	2	UK	E	N	
JNB	MAR	3	AUSTRALIA	AN	Y	5
JNB	MAR	4	UK	E	N	
JNB	MAR	5	USA	U	N	
JNB	MAR	6	CYPRUS	A	Y	1
JNB	MAR	7	AUSTRALIA	AN	N	
JNB	MAR	8	UK	E	N	
JNB	MAR	9	FINLAND	E	Y	3
JNB	MAR	10	GERMANY	E	N	
JNB	MAR	11	ITALY	E	Y	1
JNB	MAR	12	USA	U	Y	1
JNB	MAR	13	GERMANY	E	Y	1
JNB	MAR	14	AUSTRALIA	AN	N	
JNB	MAR	15	REUNION	A	Y	1
JNB	MAR	16	UK	E	Y	1
JNB	MAR	17	USA	U	N	
JNB	MAR	18	UK	E	N	
JNB	MAR	19	AUSTRALIA	AN	N	
JNB	MAR	20	USA	U	N	
JNB	MAR	21	FRANCE	E	N	
JNB	MAR	22	AUSTRALIA	AN	N	
JNB	MAR	23	CZECH	E	Y	1
JNB	MAR	24	NIGERIA	A	Y	8
JNB	MAR	25	USA	U	Y	8
JNB	MAR	26	NAMIBIA	A	Y	8
JNB	MAR	27	NETHERLAND	E	Y	3
JNB	MAR	28	NETHERLAND	E	N	
JNB	MAR	29	USA	U	Y	7
JNB	MAR	30	UK	E	N	
JNB	MAR	31	FRANCE	E	N	
JNB	MAR	32	IRELAND	E	N	
JNB	MAR	33	USA	U	N	
JNB	MAR	34	UK	E	Y	5
JNB	MAR	35	UK	E	Y	1
JNB	MAR	36	USA	U	Y	3
JNB	MAR	37	USA	U	N	
JNB	MAR	38	UK	E	N	
JNB	MAR	39	FRANCE	E	N	
JNB	MAR	40	ETHIOPIA	A	N	
JNB	MAR	41	GERMANY	E	N	
JNB	MAR	42	UK	E	N	
JNB	MAR	43	UK	E	N	
JNB	MAR	44	GERMANY	E	Y	5
JNB	MAR	45	CHINA	F	Y	1
JNB	MAR	46	AUSTRALIA	AN	Y	1

JNB	MAR	47	SAUDIARAB	A	Y	3
JNB	MAR	48	FRANCE	E	N	
JNB	MAR	49	NIGERIA	A	Y	1
JNB	MAR	50	SWITZER	E	N	
JNB	MAR	51	UK	E	Y	1
JNB	MAR	52	UK	E	N	
JNB	MAR	53	UK	E	N	
JNB	MAR	54	USA	U	N	
JNB	MAR	55	KENYA	A	N	
JNB	MAR	56	NORWAY	E	Y	1
JNB	MAR	57	NETHERLAND	E	Y	1
JNB	MAR	58	NAMIBIA	A	Y	3
JNB	MAR	59	KENYA	A	N	
JNB	MAR	60	USA	U	N	
JNB	MAR	61	NETHERLAND	E	N	
JNB	MAR	62	UK	E	N	
JNB	MAR	63	SWEDEN	E	N	
JNB	MAR	64	UK	E	Y	8
JNB	MAR	65	ZIMBABWE	A	Y	8
JNB	MAR	66	FRANCE	E	N	
JNB	MAR	67	BELGIUM	E	N	
JNB	MAR	68	FRANCE	E	N	
JNB	MAR	69	UGANDA	A	Y	7
JNB	MAR	70	INDIA	F	Y	8
JNB	MAR	71	SINGAPORE	F	Y	1
JNB	MAR	72	AUSTRALIA	AN	N	
JNB	MAR	73	BRAZIL	SA	N	
JNB	MAR	74	NETHERLAND	E	N	
JNB	MAR	75	FRANCE	E	Y	1
CPT	JUN	1	IRELAND	E	Y	3
CPT	JUN	2	USA	U	Y	1
CPT	JUN	3	CANADA	U	Y	1
CPT	JUN	4	NETHERLAND	E	N	
CPT	JUN	5	UK	E	Y	7
CPT	JUN	6	BELGIUM	E	N	
CPT	JUN	7	BELGIUM	E	N	
CPT	JUN	8	ETHIOPIA	A	N	
CPT	JUN	9	UK	E	Y	1
CPT	JUN	10	GERMANY	E	Y	1
CPT	JUN	11	UK	E	N	
CPT	JUN	12	BELGIUM	E	N	
CPT	JUN	13	GERMANY	E	Y	3
CPT	JUN	14	GERMANY	E	N	
CPT	JUN	15	GERMANY	E	N	
CPT	JUN	16	GERMANY	E	N	
CPT	JUN	17	UK	E	Y	8
CPT	JUN	18	NETHERLAND	E	N	
CPT	JUN	19	BELGIUM	E	Y	8
CPT	JUN	20	BELGIUM	E	N	
CPT	JUN	21	SWEDEN	E	N	

CPT	JUN	22	UK	E	N	
CPT	JUN	23	UK	E	Y	8
CPT	JUN	24	UK	E	Y	1
CPT	JUN	25	UK	E	Y	8
CPT	JUN	26	UK	E	N	
CPT	JUN	27	GERMANY	E	Y	8
CPT	JUN	28	NAMIBIA	A	Y	7
CPT	JUN	29	NAMIBIA	A	Y	8
CPT	JUN	30	UK	E	N	
CPT	JUN	31	UK	E	N	
CPT	JUN	32	KENYA	A	Y	8
CPT	JUN	33	SWITZER	E	Y	3
CPT	JUN	34	UK	E	Y	7
CPT	JUN	35	VENEZUELA	SA	Y	3
CPT	JUN	36	CANADA	U	Y	1
CPT	JUN	37	NORWAY	E	Y	5
CPT	JUN	38	FRANCE	E	N	
CPT	JUN	39	FRANCE	E	Y	3
CPT	JUN	40	SWITZER	E	Y	8
CPT	JUN	41	MAGAGASK	A	Y	1
CPT	JUN	42	SWITZER	E	Y	8
CPT	JUN	43	FRANCE	E	Y	3
CPT	JUN	44	UK	E	N	
CPT	JUN	45	USA	U	Y	1
CPT	JUN	46	UK	E	Y	1
CPT	JUN	47	THAILAND	F	N	
CPT	JUN	48	USA	U	N	
CPT	JUN	49	UK	E	Y	1
CPT	JUN	50	BELGIUM	E	Y	1
JNB	JUN	1	USA	U	Y	5
JNB	JUN	2	ZIMBABWE	A	N	
JNB	JUN	3	UK	E	Y	3
JNB	JUN	4	NETHERLAND	E	N	
JNB	JUN	5	BELGIUM	E	N	
JNB	JUN	6	UK	E	Y	5
JNB	JUN	7	NETHERLAND	E	Y	8
JNB	JUN	8	USA	U	N	
JNB	JUN	9	UK	E	N	
JNB	JUN	10	GERMANY	E	Y	1
JNB	JUN	11	FRANCE	E	N	
JNB	JUN	12	GERMANY	E	Y	8
JNB	JUN	13	FRANCE	E	Y	5
JNB	JUN	14	SWEDEN	E	Y	3
JNB	JUN	15	JAPAN	F	N	
JNB	JUN	16	UK	E	N	
JNB	JUN	17	DENMARK	E	Y	1
JNB	JUN	18	BELGIUM	E	N	
JNB	JUN	19	BELGIUM	E	N	
JNB	JUN	20	SPAIN	E	N	
JNB	JUN	21	UK	E	Y	1

JNB	JUN	22	CANADA	U	N	
JNB	JUN	23	USA	U	N	
JNB	JUN	24	AUSTRIA	E	N	
JNB	JUN	25	GERMANY	E	Y	7
JNB	JUN	26	UK	E	Y	8
JNB	JUN	27	NETHERLAND	E	N	
JNB	JUN	28	MAURITIUS	A	Y	3
JNB	JUN	29	UK	E	N	
JNB	JUN	30	NETHERLAND	E	Y	5
JNB	JUN	31	AUSTRALIA	AN	N	
JNB	JUN	32	UK	E	Y	3
JNB	JUN	33	GERMANY	E	N	
JNB	JUN	34	ITALY	E	N	
JNB	JUN	35	UK	E	N	
JNB	JUN	36	USA	U	N	
JNB	JUN	37	AUSTRALIA	AN	Y	8
JNB	JUN	38	UK	E	N	
JNB	JUN	39	GERMANY	E	Y	1
JNB	JUN	40	ISRAEL	A	N	
JNB	JUN	41	LUXEMB	E	N	
JNB	JUN	42	ITALY	E	N	
JNB	JUN	43	GERMANY	E	Y	1
JNB	JUN	44	PACIFIC ISLAND	AN	N	
JNB	JUN	45	UK	E	N	
JNB	JUN	46	UK	E	N	
JNB	JUN	47	SWITZER	E	N	
JNB	JUN	48	ITALY	E	N	
JNB	JUN	49	USA	U	N	
JNB	JUN	50	RUSSIA	E	N	
JNB	JUN	51	NETHERLAND	E	Y	8
JNB	JUN	52	NETHERLAND	E	N	
JNB	JUN	53	USA	U	N	
JNB	JUN	54	CANADA	U	N	
JNB	JUN	55	BELGIUM	E	Y	3
JNB	JUN	56	NETHERLAND	E	N	
JNB	JUN	57	THAILAND	F	N	
JNB	JUN	58	NETHERLAND	E	N	
JNB	JUN	59	SPAIN	E	Y	1
JNB	JUN	60	USA	U	Y	5
JNB	JUN	61	ITALY	E	N	
JNB	JUN	62	AUSTRIA	E	N	
JNB	JUN	63	USA	U	N	
JNB	JUN	64	UK	E	Y	8
JNB	JUN	65	UK	E	N	
JNB	JUN	66	UK	E	N	
JNB	JUN	67	CHINA	F	N	
JNB	JUN	68	USA	U	Y	1
JNB	JUN	69	CHINA	F	N	
JNB	JUN	70	UK	E	N	
JNB	JUN	71	UK	E	N	

JNB	JUN	72	USA	U	N	
JNB	JUN	73	NETHERLAND	E	Y	1
JNB	JUN	74	GERMANY	E	Y	8
JNB	JUN	75	UK	E	Y	8

SARevisit ³³	Gender	AgeGroup	Accomp ³⁴	NoPart ³⁵	Reason ³⁶
Y	F	30	BUSPTNR	2	BUS
Y	M	30	A	1	BUS
Y	M	30	A	1	STUDY
Y	M	30	PRTNER	2	VFR
Y	M	40	A	1	H
Y	M	40	BUSPTNR	2	BUS
Y	M	30	A	1	H
Y	F	40	A	1	H
Y	F	40	FAMFRND	2	BUS
Y	M	50	FAMFRND	2	H
Y	F	20	A	1	H
Y	F	30	A	1	VFR
Y	M	50	A	1	VFR
Y	F	40	A	1	BUS
Y	M	30	FAMFRND	2	H
Y	F	60	PRTNER	2	H
Y	F	60	A	1	VFR
Y	M	50	A	1	BUS
Y	F	50	FAMFRND	4	H
Y	F	40	FAMFRND	2	VFR
N	F	30	A	1	H
Y	M	60	FAMFRND	3	H
Y	F	60	FAMFRND	3	H
Y	M	40	A	1	H
Y	F	60	PRTNER	2	H
Y	F	60	PRTNER	2	H
Y	F	50	FAMFRND	2	H
Y	F	30	FAMFRND	4	H
Y	M	30	PRTNER	2	H
Y	M	40	A	1	H
Y	F	50	PRTNER	2	H
Y	M	40	FAMFRND	2	H
Y	F	40	A	1	H
Y	F	60	A	1	H
Y	M	20	PRTNER	2	H
N	M	60	PRTNER	2	H
Y	M	50	PRTNER	2	H
Y	M	50	PRTNER	2	BUS
Y	M	40	PRTNER	2	H
Y	M	50	A	1	H
Y	M	50	PRTNER	2	H
Y	M	60	A	1	H
Y	F	60	A	1	RESEARCH
Y	M	50	PRTNER	2	BUS
N	F	40	PRTNER	2	H

³³ Will the respondent revisit South Africa?

³⁴ Who accompanied respondent on his/her trip?

³⁵ Total number of persons in the party.

³⁶ Reason for the trip.

Y	F	60	A	1	RESEARCH
Y	M	40	PRTNER	2	H
Y	F	30	A	1	H
Y	F	30	PRTNER	2	H
Y	M	30	A	1	H
Y	F	20	A	1	BUS
Y	F	20	A	1	H
Y	F	40	FAMFRND	2	H
Y	F	40	PRTNER	2	H
Y	F	40	A	1	H
Y	F	40	FAMFRND	3	VFR
Y	F	20	PRTNER	2	H
Y	M	20	A	1	BUS
Y	F	50	PRTNER	2	VFR
Y	F	50	PRTNER	2	H
Y	M	40	FAMFRND	4	H
Y	M	50	A	1	H
Y	F	30	FAMFRND	3	H
Y	M	20	A	1	BUS
Y	M	20	FAMFRND	2	H
Y	F	40	A	1	VFR
Y	M	50	A	1	BUS
Y	M	20	FAMFRND	4	H
Y	M	60	A	1	BUS
Y	M	20	A	1	VFR
Y	M	20	PRTNER	2	H
Y	M	40	A	1	H
Y	M	30	A	1	BUS
Y	M	20	A	1	BUS
Y	M	50	GROUP	5	H
Y	M	60	FAMFRND	4	H
Y	M	50	A	1	BUS
Y	F	30	PRTNER	2	H
Y	M	60	PRTNER	2	H
Y	F	30	A	1	VFR
Y	F	50	GROUP	5	H
Y	M	20	A	1	H
Y	M	30	A	1	H
Y	F	60	A	1	VFR
Y	F	50	PRTNER	5	H
Y	M	50	PRTNER	2	CHARITY
Y	M	30	PRTNER	2	H
Y	F	20	A	1	H
Y	M	40	A	1	BUS
Y	M	30	BUSPTNR	2	BUS
Y	F	20	PRTNER	3	H
Y	F	40	PRTNER	2	H
Y	F	30	FAMFRND	2	H
Y	M	50	PRTNER	2	H
Y	F	30	A	1	BUS

Y	M	30	BUSPTNR	2	BUS
Y	F	20	BUSPTNR	2	BUS
Y	M	50	PRTNER	2	BUS
Y	M	20	A	1	STUDY
Y	M	30	PRTNER	2	H
Y	M	30	FAMFRND	2	CHARITY
Y	M	30	GROUP	5	SPORT
Y	M	50	PRTNER	2	H
Y	F	50	FAMFRND	5	H
Y	F	20	GROUP	5	STUDY
Y	M	50	FAMFRND	2	H
Y	M	20	A	1	BUS
Y	M	20	A	1	BUS
Y	M	20	FAMFRND	2	BUS
Y	M	20	FAMFRND	3	H
Y	F	40	FAMFRND	3	H
Y	M	40	A	1	BUS
Y	M	20	FAMFRND	2	H
Y	M	40	A	1	BUS
Y	F	20	FAMFRND	2	BUS
Y	M	30	PRTNER	2	H
Y	M	50	FAMFRND	2	H
Y	M	30	PRTNER	2	H
Y	M	30	BUSPTNR	4	BUS
Y	F	40	A	1	BUS
Y	F	30	FAMFRND	5	H
Y	M	30	BUSPTNR	2	BUS
Y	M	30	A	1	BUS
Y	M	40	A	1	H
Y	M	50	FAMFRND	2	H
Y	F	50	A	1	VFR
Y	M	20	A	1	BUS
Y	F	30	BUSPTNR	2	BUS
Y	F	20	GROUP	5	RESEARCH
Y	M	30	A	1	BUS
Y	M	30	PRTNER	2	BUS
Y	F	30	FAMFRND	2	STUDY
Y	M	20	A	1	BUS
Y	F	60	A	1	H
Y	M	60	A	1	BUS
Y	F	60	PRTNER	2	H
Y	F	40	GROUP	5	H
Y	F	60	PRTNER	2	H
Y	F	20	A	1	BUS
Y	F	20	A	1	STUDY
Y	F	50	GROUP	5	H
Y	F	30	A	1	VFR
Y	F	40	GROUP	5	VFR
Y	M	30	A	1	BUS
Y	F	30	PRTNER	2	H

Y	F	20	A	1	STUDY
N	F	60	PRTNER	2	H
Y	F	30	A	1	BUS
Y	M	30	GROUP	5	H
Y	M	60	A	1	BUS
Y	M	20	GROUP	5	H
Y	M	40	PRTNER	2	H
Y	F	30	A	1	H
Y	F	20	A	1	H
Y	F	20	A	1	H
Y	M	60	PRTNER	2	H
Y	F	30	FAMFRND	2	H
Y	F	40	PRTNER	2	BUS
Y	M	30	A	1	H
Y	M	50	PRTNER	2	BUS
Y	F	20	A	1	STUDY
Y	M	40	A	1	STUDY
Y	M	20	A	1	H
Y	M	40	A	1	BUS
Y	F	60	A	1	VFR
Y	M	40	A	1	BUS
Y	M	60	A	1	H
Y	M	60	A	1	BUS
Y	M	40	A	1	BUS
Y	F	40	PRTNER	2	H
Y	F	30	PRTNER	2	H
Y	M	30	PRTNER	2	H
Y	F	30	PRTNER	2	H
Y	F	30	FAMFRND	2	H
Y	M	20	PRTNER	2	H
Y	M	40	A	1	BUS
Y	F	20	BUSPTNR	2	BUS
Y	M	20	A	1	BUS
Y	F	40	PRTNER	2	H
Y	F	20	FAMFRND	3	H
Y	M	60	A	1	H
Y	F	50	PRTNER	2	H
Y	M	30	BUSPTNR	2	BUS
Y	F	30	PRTNER	2	H
Y	F	30	A	1	H
Y	M	30	A	1	H
Y	M	40	A	1	BUS
Y	F	20	PRTNER	2	VFR
Y	F	60	PRTNER	2	H
N	F	30	A	1	H
Y	F	60	A	1	VFR
Y	F	40	A	1	BUS
Y	M	40	PRTNER	2	H
Y	F	20	A	1	VFR
Y	M	20	PRTNER	2	H

Y	F	50	PRTNER	2	H
Y	F	30	A	1	H
Y	F	40	FAMFRND	5	H
Y	F	30	A	1	H
Y	M	40	PRTNER	2	VFR
Y	M	30	FAMFRND	4	H
Y	M	40	PRTNER	2	H
Y	M	20	FAMFRND	3	H
Y	M	40	FAMFRND	2	H
Y	M	50	PRTNER	2	H
Y	F	20	A	1	H
Y	M	20	A	1	BUS
Y	F	20	A	1	H
Y	F	40	PRTNER	2	H
Y	F	50	FAMFRND	2	H
Y	F	30	A	1	BUS
Y	F	50	A	1	VFR
Y	M	40	PRTNER	2	BUS
Y	M	30	A	1	BUS
Y	F	30	FAMFRND	2	BUS
Y	F	40	PRTNER	2	VFR
Y	F	30	A	1	H
Y	M	30	A	1	H
Y	M	30	A	1	BUS
Y	M	40	FAMFRND	4	H
Y	M	50	PRTNER	2	H
Y	M	50	A	1	BUS
Y	F	40	A	1	H
Y	F	20	A	1	H
Y	M	20	A	1	H
Y	F	40	FAMFRND	3	BUS
Y	M	20	A	1	H
Y	M	30	A	1	H
Y	F	30	PRTNER	2	BUS
Y	M	40	A	1	STUDY
Y	M	30	A	1	BUS
N	M	30	PRTNER	2	H
Y	F	30	FAMFRND	2	H
Y	M	60	A	1	VFR
Y	F	30	A	1	BUS
Y	M	40	A	1	BUS
Y	F	30	FAMFRND	2	H
Y	F	30	A	1	VFR
Y	M	60	A	1	BUS
Y	F	40	BUSPTNR	2	BUS
Y	F	30	A	1	H
Y	F	20	A	1	H
Y	F	20	PRTNER	2	BUS
Y	M	60	A	1	H
Y	F	30	FAMFRND	4	VFR

Y	F	20	A	1	BUS
Y	M	30	GROUP	5	H
Y	F	20	FAMFRND	2	H
N	M	30	PRTNER	3	H
Y	M	30	FAMFRND	5	VFR

WhoPaid ³⁷	TripDuration	PrclInflu ³⁸	ChpstAline ³⁹	FlyCstPercpt ⁴⁰
SELF	15	N	N	A
COMP	1	N	Y	
SELF	29	N	N	E
SELF	15	N	Y	VE
SELF	8	N	Y	VE
COMP	8	N	N	E
SELF	1	N	N	A
SELF	15	N	Y	E
SELF	15	N	N	A
SELF	15	N	Y	A
SELF	29	N	Y	E
SELF	15	N	Y	A
SELF	15	N	N	A
COMP	8	N	N	VE
SELF	8	N	N	E
SELF	1	N	Y	A
SELF	29	N	N	A
COMP	8	N	Y	A
SELF	1	N	N	E
SELF	8	N	Y	VE
SELF	15	Y	Y	VE
SELF	29	N	Y	A
SELF	8	Y	N	E
SELF	15	Y	Y	E
SELF	8	Y	Y	E
SELF	8	N	N	A
SELF	8	N	N	A
SELF	8	Y	N	A
SELF	8	Y	Y	A
SELF	15	N	Y	A
SELF	8	N	N	A
SELF	15	Y	N	A
SELF	8	N	Y	A
SELF	29	N	N	A
SELF	15	N	N	E
SELF	29	Y	N	A
SELF	15	Y	Y	C
COMP	8	N	Y	A
SELF	15	N	N	E
SELF	15	N	N	E
SELF	8	N	N	VE
SELF	15	N	Y	E
F	15	N	Y	E
SELF	15	N	N	VE
SELF	29	N	N	E

³⁷ Who paid for the trip?

³⁸ Did the price of the air ticket influence the choice of your destination?

³⁹ Did you choose the cheapest flight irrespective of the airline used?

⁴⁰ How did you perceived the cost of the international ticket to South Africa?

COMP	1	Y	N	E
SELF	15	Y	Y	E
SELF	15	Y	Y	VE
SELF	8	Y	Y	C
SELF	15	Y	Y	VE
SELF	15	N	N	A
SELF	15	N	N	A
SELF	15	N	N	E
SELF	29	N	N	E
SELF	15	N	N	E
SELF	29	N	N	A
SELF	15	N	N	E
COMP	15	N	N	VE
F	8	Y	N	A
SELF	15	N	N	E
F	29	Y	Y	E
SELF	15	N	N	A
SELF	15	N	Y	E
COMP	1	N	N	A
SELF	15	Y	Y	A
F	15	N	N	E
GOV	8	N	N	E
SELF	8	N	Y	E
COMP	1	N	N	VE
SELF	8	N	N	E
F	8	N	N	E
SELF	15	N	N	E
COMP	15	Y	Y	E
SELF	1	N	N	E
SELF	15	N	N	A
SELF	1	Y	Y	E
COMP	1	N	N	E
SELF	15	N	N	A
SELF	15	N	Y	E
SELF	29	N	Y	VE
SELF	8	Y	Y	E
SELF	8	N	N	A
SELF	29	N	N	E
SELF	29	N	Y	E
SELF	8	N	N	VE
SELF	29	N	Y	A
SELF	15	N	N	C
SELF	1	N	Y	E
COMP	1	N	N	E
COMP	1	Y	Y	A
SELF	1	N	N	VE
SELF	8	N	Y	E
SELF	15	N	N	A
SELF	8	N	N	A
SELF	29	N	Y	E

COMP	8	Y	N	E
COMP	15	Y	N	A
GOV	15	N	N	A
SELF	29	Y	Y	VE
SELF	1	N	N	A
SELF	29	N	Y	VC
F	15	N	N	E
SELF	15	N	N	E
SELF	15	N	Y	A
COMP	29	N	Y	E
SELF	8	N	Y	A
SELF	29	N	Y	C
COMP	29	N	N	A
COMP	8	N	Y	A
F	8	N	N	A
SELF	15	Y	N	A
COMP	1	N	Y	A
SELF	1	Y	Y	C
SELF	15	N	N	A
SELF	15	Y	Y	A
SELF	15	N	Y	A
SELF	8	N	N	E
SELF	1	Y	N	A
SELF	1	N	N	E
COMP	29	Y	Y	E
SELF	8	N	N	E
COMP	1	N	N	A
COMP	8	N	Y	C
SELF	29	Y	N	C
SELF	1	N	N	E
SELF	8	N	N	E
SELF	1	N	Y	E
SELF	8	N	Y	VE
SELF	29	N	N	A
COMP	1	N	N	VE
SELF	1	Y	N	E
SELF	29	N	N	E
COMP	8	N	N	E
SELF	15	N	N	A
COMP	1	N	N	E
SELF	29			
SELF	8	Y	Y	A
SELF	8	N	N	E
SELF	29	N	Y	A
COMP	29	N	Y	C
SELF	15	Y	N	E
COMP	29	N	Y	A
SELF	8	N	N	A
COMP	29	N	N	A
SELF	15	N	Y	C

SELF	29	N	N	A
F	15	N	N	E
COMP	1	N	N	E
COMP	8	N	N	E
COMP	15	N	Y	VE
SELF	8	N	N	VE
SELF	29	N	Y	VC
SELF	29	N	Y	A
COMP	1	N	N	E
SELF	29	N	Y	VE
SELF	15	N	N	C
SELF	1	N	Y	A
SELF	29	N	N	E
SELF	15	N	N	A
COMP	1	N	N	E
SELF	29	N	N	A
GOV	1	N	Y	E
SELF	29	Y	N	E
COMP	8	N	N	A
SELF	29	N	N	A
COMP	1	N	N	A
SELF	29	N	N	A
COMP	1	N	N	C
COMP	1	N	N	C
SELF	15	N	Y	E
SELF	15	N	Y	A
SELF	15	Y	Y	VE
SELF	8	N	Y	E
SELF	8	N	Y	E
SELF	1	N	Y	A
COMP	1	N	N	A
COMP	1	N	Y	E
COMP	1	N	N	A
SELF	8	N	N	A
SELF	8	N	Y	A
SELF	15	N	N	E
SELF	8	N	Y	E
COMP	1	N	N	E
SELF	8	N	Y	E
SELF	8	N	Y	E
SELF	8	N	Y	A
COMP	8	N	N	E
SELF	1	N	N	A
F	15	N	Y	A
SELF	15	Y	Y	E
SELF	8	N	Y	A
COMP	1	Y	N	A
SELF	15	Y	Y	A
SELF	1	N	N	A
SELF	8	Y	Y	VE

SELF	15	N	N	A
SELF	15	Y	Y	E
SELF	15	N	N	A
SELF	15	N	Y	E
SELF	8	N	Y	A
SELF	8	N	Y	A
SELF	15	N	Y	E
SELF	1	Y	N	VE
SELF	8	N	Y	VC
SELF	15	N	N	A
SELF	29	N	Y	A
COMP	1	N	N	A
SELF	1	N	Y	A
SELF	15	N	Y	E
F	1	N	Y	C
COMP	1	N	N	A
SELF	15	Y	N	E
SELF	1	Y	Y	E
COMP	8	N	N	C
SELF	8	N	N	E
SELF	8	N	N	A
SELF	15	Y	Y	E
SELF	8	Y	N	E
COMP	29	N	N	A
SELF	8	N	Y	C
SELF	15	N	Y	A
COMP	1	N	Y	C
SELF	15	Y	Y	E
SELF	15	Y	Y	E
SELF	8	N	Y	C
COMP	29	N	N	E
SELF	15	N	Y	A
SELF	15	Y	Y	E
SELF	1	N	Y	A
COMP	1	N	Y	C
COMP	1	N	N	A
SELF	15	Y	Y	E
SELF	8	N	Y	A
SELF	1	N	Y	A
COMP	1	N	N	A
COMP	1	N	N	A
SELF	15	N	Y	A
SELF	1	N	Y	A
SELF	1	N	Y	E
COMP	1	N	N	A
SELF	1	N	N	A
SELF	15	Y	Y	E
COMP	29	N	N	E
F	1	N	Y	E
SELF	1	Y	N	VE

COMP	1	N	Y	A
SELF	1	N	N	A
SELF	1	Y	Y	A
SELF	15	N	N	A
SELF	8	N	Y	A

Exp payfly ⁴¹	ExpPFlyR ⁴²	paidFCr ⁴³	PdFlyR ⁴⁴	Diffpdfly ⁴⁵	TypeAccom ⁴⁶
CNY10000	7730	CNY10000	7730	0	3STAR
SHIP		SHIP		0	SELFC
GBP500	5520	GBP720	7960	2440	SELFC
NOK5000	4790	NOK6000	5740	950	VFR
GBP450	4970	GBP500	5520	550	OWN
SGD2000	7770	SGD2000	7770	0	5STAR
NOK6000	5740	NOK7200	6890	1150	3STAR
EUR680	5210	EUR750	5750	540	VFR
ZAR1800	1800	ZAR2000	2000	200	OWN
USD1300	8160	USD1900	11920	3760	3STAR
GBP500	5520	GBP560	6180	660	VFR
GBP600	6620	GBP400	4420	-2200	VFR
AUD2000	9250	AUD2100	9720	470	VFR
MYR10000	16760	MYR13800	23130	6370	LODGE
CAD1000	5440	CAD1800	9800	4360	5STAR
GBP800	8830	GBP960	10600	1770	5STAR
EUR800	6130	EUR896	6870	740	VFR
USD1600	10040	USD1800	11290	1250	5STAR
GBP700	7730	GBP815	9000	1270	5STAR
GBP600	6620	GBP800	8830	2210	SELFC
USD1000	6270	USD1250	7840	1570	5STAR
EUR1000	7660	EUR1200	9200	1540	GH
GBP700	7730	GBP780	8610	880	5STAR
CNY10000	7730	CNY11000	8500	770	5STAR
GBP850	9380	GBP910	10040	660	5STAR
GBP800	8830	GBP850	9380	550	3STAR
GBP900	9930	GBP990	10930	1000	3STAR
GBP900	9930	GBP990	10930	1000	5STAR
GBP700	7730	GBP740	8170	440	5STAR
USD1600	10040	USD1600	10040	0	3STAR
SHIP		SHIP		0	5STAR
EUR800	6130	EUR860	6590	460	3STAR
FREE		FREE		0	5STAR
GBP2000	22080	GBP2400	26490	4410	VFR
ZAR11000	11000	ZAR12000	12000	1000	GH
EUR600	4600	EUR625	4790	190	5STAR
EUR600	4600	EUR240	1840	-2760	3STAR
GBP730	8060	GBP780	8610	550	5STAR
GBP500	5520	GBP800	8830	3310	5STAR
EUR1000	7660	EUR1100	8430	770	GH
EUR1100	8430	EUR1100	8430	0	5STAR
SEK5000	4100	SEK7500	6140	2040	GH
GBP450	4970	GBP540	5960	990	VFR

⁴¹ How much did you expect to pay for the air ticket in your local currency?

⁴² Expected to pay price in local currency converted to rand.

⁴³ How much did you pay for the air ticket in your local currency?

⁴⁴ Paid price for air ticket in local currency converted to rand.

⁴⁵ Difference between paid and expected to pay price in rand.

⁴⁶ Type of accommodation used.

CAD1890	10290	CAD2500	13610	3320	GH
EUR600	4600	EUR700	5360	760	CAMP
EUR1000	7660	EUR2400	18390	10730	3STAR
ZAR12000	12000	ZAR14860	14860	2860	5STAR
UDS1700	10660	USD1900	11920	1260	3STAR
ZAR10000	10000	ZAR11000	11000	1000	3STAR
ZAR10000	10000	ZAR11800	11800	1800	5STAR
ZAR5000	5000	ZAR5000	5000	0	OWN
GBP620	6840	GBP680	7500	660	VFR
AUD5600	25910	AUD6000	27760	1850	5STAR
GBP500	5520	GBP710	7840	2320	GH
USD1000	6270	USD1280	8030	1760	5STAR
ZAR7000	7000	ZAR8000	8000	1000	VFR
AUD1500	6940	AUD2500	11570	4630	5STAR
GBP900	9930	GBP1100	12140	2210	5STAR
EUR1000	7660	EUR1000	7660	0	VFR
EUR500	3830	EUR1000	7660	3830	GH
EUR500	3830	EUR1200	9200	5370	VFR
USD1500	9410	USD2038	12790	3380	MOTEL
EUR500	3830	EUR900	6900	3070	GH
AUD1500	6940	AUD2000	9250	2310	5STAR
EUR700	5360	EUR700	5360	0	BACKP
GBP550	6070	GBP600	6620	550	3STAR
USD5000	31370	USD5714	35850	4480	5STAR
GBP300	3310	GBP500	5520	2210	VFR
AUD2500	11570	AUD3000	13880	2310	5STAR
JPY100000	5400	JPY174000	9400	4000	5STAR
EUR300	2300	EUR600	4600	2300	SELFC
AUD1500	6940	AUD2200	10180	3240	5STAR
CZK20000	5290	CZK35000	9260	3970	GH
NGN80000	3880	NGN117000	5670	1790	VFR
USD1000	6270	USD1500	9410	3140	OWN
ZAR1000	1000	ZAR1800	1800	800	5STAR
EUR2300	17620	EUR2500	19160	1540	5STAR
EUR800	6130	EUR800	6130	0	LODGE
USD1200	7530	USD2000	12550	5020	LODGE
GBP500	5520	GBP780	8610	3090	3STAR
EUR3000	22990	EUR5000	38310	15320	5STAR
EUR700	5360	EUR877	6720	1360	VFR
USD800	5020	USD1200	7530	2510	VFR
GBP400	4420	GBP600	6620	2200	GH
GBP400	4420	GBP2000	22080	17660	GH
USD600	3760	USD800	5020	1260	VFR
USD200	1250	USD350	2200	950	BACKP
GBP380	4200	GBP500	5520	1320	VFR
EUR500	3830	EUR620	4750	920	3STAR
ZAR5000	5000	ZAR6000	6000	1000	3STAR
EUR800	6130	EUR1000	7660	1530	GH
GBP450	4970	GBP600	6620	1650	GH
GBP700	7730	GBP700	7730	0	OWN

EUR700	5360	EUR850	6510	1150	5STAR
CNY9000	6960	CNY10000	7730	770	VFR
AUD2000	9250	AUD2500	11570	2320	5STAR
SAR4000	6740	SAR4000	6740	0	GH
EUR500	3830	EUR750	5750	1920	LODGE
ZAR6000	6000	ZAR8000	8000	2000	3STAR
CHF1000	4870	CHF1400	6820	1950	5STAR
GBP2000	22080	GBP1000	11040	-11040	BACKP
GBP600	6620	GBP700	7730	1110	RESORT
GBP950	10490	GBP1000	11040	550	3STAR
ZAR25000	25000	ZAR17000	17000	-8000	5STAR
USD1200	7530	USD1500	9410	1880	BACKP
ZAR12000	12000	ZAR12000	12000	0	LODGE
EUR700	5360	EUR750	5750	390	3STAR
ZAR2000	2000	ZAR2000	2000	0	GH
USD700	4390	USD910	5710	1320	GH
USD1800	11290	USD1900	11920	630	LODGE
EUR800	6130	EUR900	6900	770	3STAR
GBP700	7730	GBP760	8390	660	3STAR
SEK6500	5320	SEK7000	5730	410	RESORT
ZAR27000	27000	ZAR29000	29000	2000	OWN
USD200	1250	USD500	3140	1890	VFR
EUR200	1530	EUR650	4980	3450	3STAR
EUR500	3830	EUR700	5360	1530	GH
EUR700	5360	EUR700	5360	0	5STAR
UGX500000	1700	UGX2MIL	6790	5090	5STAR
INR20000	2810	INR34000	4770	1960	OWN
SGD4000	15540	SGD10000	38850	23310	5STAR
AUD3500	16200	AUD3500	16200	0	5STAR
BRL2000	5850	BRL3000	8780	2930	5STAR
EUR800	6130	EUR742	5690	-440	VFR
EUR800	6130	EUR1000	7660	1530	3STAR
BWP1000	1130	BWP1100	1250	120	GH
UDS1500	9410	USD1600	10040	630	VFR
CAD5000	27220	CAD5500	29940	2720	5STAR
EUR816	6250	EUR816	6250	0	SELFC
ZAR8000	8000	ZAR9000	9000	1000	3STAR
EUR600	4600	EUR900	6900	2300	GH
EUR900	6900	EUR900	6900	0	SELFC
USD1200	7530	USD1400	8780	1250	GH
GBP500	5520	GBP400	4420	-1100	3STAR
EUR1000	7660	EUR2000	15320	7660	GH
YACHT				0	YACHT
EUR1000	7660	EUR1200	9200	1540	3STAR
EUR600	4600	EUR900	6900	2300	5STAR
EUR600	4600	EUR900	6900	2300	OWN
EUR600	4600	EUR540	4040	-560	OWN
EUR620	4750	EUR810	6210	1460	3STAR
GBP400	4420	GBP550	6070	1650	OWN
EUR1000	7660	EUR1200	9200	1540	GH

EUR900	6900	EUR1000	7660	760	OWN
EUR1000	7660	EUR1000	7660	0	3STAR
EUR700	5360	EUR800	6130	770	LODGE
GBP500	5520	GBP900	9930	4410	5STAR
GBP2500	27590	GBP2600	28700	1110	5STAR
GBP600	6620	GBP705	7780	1160	5STAR
GBP500	5520	GBP700	7730	2210	5STAR
GBP450	4970	GBP575	6350	1380	5STAR
EUR500	3830	EUR700	5360	1530	CAMP
ZAR2300	2300	ZAR1936	1936	-364	BACKP
ZAR2000	2000	ZAR4016	4016	2016	VFR
GBP800	8830	GBP1000	11040	2210	VFR
GBP900	9930	GBP900	9930	0	GH
USD500	3140	USD810	5080	1940	5STAR
CHF3000	14610	CHF5000	24350	9740	5STAR
ZAR5000	5000	ZAR9000	9000	4000	OWN
USD1000	6270	USD1200	7530	1260	5STAR
CAD1800	9800	CAD3000	16330	6530	OWN
NOK6000	5740	NOK9000	8610	2870	3STAR
USD500	3140	USD600	3760	620	BACKP
EUR600	4600	EUR750	5750	1150	3STAR
CHF1000	4870	CHF1600	7790	2920	VFR
USD3000	18820	USD3000	18820	0	5STAR
EUR800	6130	EUR903	6920	790	VFR
EUR800	6130	EUR1200	9200	3070	5STAR
GBP500	5520	GBP800	8830	3310	5STAR
ZAR7000	7000	ZAR10000	10000	3000	3STAR
GBP800	8830	GBP1000	11040	2210	LODGE
THB36000	5830	THB40000	6470	640	3STAR
USD3000	18820	USD3200	20080	1260	SELFC
GBP300	3310	GBP450	4970	1660	GH
EUR500	3830	EUR800	6130	2300	GH
USD2000	12550	USD2180	13680	1130	3STAR
ZIM20MIL	1950	ZIM35MIL	3420	1470	GH
GBP300	3310	GBP400	4420	1110	3STAR
EUR400	3070	EUR540	4140	1070	3STAR
EUR500	3830	EUR700	5360	1530	3STAR
GBP2000	22080	GBP2400	26490	4410	GH
EUR900	6900	EUR1100	8430	1530	VFR
USD3500	21960	USD4100	25720	3760	3STAR
GBP1000	11040	GBP1300	14350	3310	SELFC
EUR700	5360	EUR900	6900	1540	GH
EUR700	5360	EUR800	6130	770	GH
EUR500	3830	EUR780	5980	2150	5STAR
EUR900	6900	EUR1200	9200	2300	VFR
SEK7500	6140	SEK7500	6140	0	VFR
JPY120000	6480	JPY190000	10260	3780	5STAR
GBP800	8830	GBP900	9930	1100	VFR
DKK18000	18460	DKK19000	19490	1030	5STAR
EUR700	5360	EUR850	6510	1150	3STAR

EUR350	2680	EUR480	3680	1000	VFR
EUR500	3830	EUR850	6510	2680	3STAR
GBP900	9930	GBP1000	11040	1110	LODGE
CAD1200	6530	CAD1900	10340	3810	5STAR
ZAR8000	8000	ZAR10000	10000	2000	3STAR
EUR500	3830	EUR680	5210	1380	5STAR
EUR750	5750	EUR950	7280	1530	VFR
GBP600	6620	GBP600	6620	0	3STAR
EUR700	5360	EUR900	6900	1540	3STAR
MUR8000	1640	MUR12000	2460	820	3STAR
GBP540	5960	GBP640	7060	1100	5STAR
EUR500	3830	EUR500	3830	0	5STAR
AUD700	3240	AUD900	4160	920	BACKP
GBP600	6620	GBP640	7060	440	3STAR
EUR700	5360	EUR800	6130	770	GH
EUR600	4600	EUR800	6130	1530	3STAR
GBP250	2760	GBP350	3860	1100	VFR
USD3200	20080	USD3500	21960	1880	5STAR
AUD1200	5550	AUD1900	8790	3240	GH
GBP500	5520	GBP650	7170	1650	3STAR
EUR600	4600	EUR687	5260	660	3STAR
ILS2500	3480	ILS5000	6960	3480	5STAR
EUR900	6900	EUR1000	7660	760	VFR
EUR580	4440	EUR700	5360	920	3STAR
EUR500	3830	EUR736	5640	1810	VFR
AUD3000	13880	AUD3620	16750	2870	YACHT
GBP500	5520	GBP600	6620	1100	LODGE
GBP500	5520	GBP600	6620	1100	GH
CHF1000	4870	CHF1300	6330	1460	5STAR
EUR500	3830	EUR900	6900	3070	3STAR
USD1000	6270	USD1130	7090	820	BACKP
RUB15000	3350	RUB15000	3350	0	3STAR
EUR350	2680	EUR600	4600	1920	LODGE
EUR800	6130	EUR800	6130	0	LODGE
USD600	3760	USD980	6150	2390	BACKP
USD1400	8780	USD1500	9410	630	3STAR
EUR860	6590	EUR860	6590	0	GH
EUR900	6900	EUR1054	8080	1180	GH
THB9000	1460	THB11000	1780	320	5STAR
EUR900	6900	EUR700	5360	-1540	GH
EUR780	5980	EUR900	6900	920	VFR
USD3000	18820	USD3500	21960	3140	5STAR
EUR900	6900	EUR800	6130	-770	5STAR
EUR740	5670	EUR800	6130	460	LODGE
USD1400	8780	USD1600	10040	1260	OWN
GBP650	7170	GBP650	7170	0	5STAR
GBP800	8830	GBP1000	11040	2210	5STAR
GBP500	5520	GBP700	7730	2210	GH
USD700	4390	USD840	5270	880	BACKP
USD900	5650	USD1300	8160	2510	VFR

USD1300	8160	USD1300	8160	0	VFR
GBP500	5520	GBP600	6620	1100	VFR
GBP400	4420	GBP500	5520	1100	GH
USD2000	12550	USD1400	8780	-3770	GH
EUR500	3830	EUR650	4980	1150	BACKP
EUR600	4600	EUR550	4210	-390	VFR
GBP500	5520	GBP500	5520	0	VFR

ExpPyAccm ⁴⁷	PaidAccm ⁴⁸	totaccx12 ⁴⁹	DiffAccom ⁵⁰	QualityPrpc ⁵¹	ValueForR ⁵²
400	400	6000	0	G	Y
400	600	600	-200	G	Y
60	60	1740	0	G	Y
		0			
		0			
600	800	6400	-200	A	N
300	450	450	-150	G	Y
		0			
		0			
PACK	PACK	#VALUE!	0	VG	Y
		0			
		0			
		0			
1000	2500	20000	-1500	VG	N
1000	1800	14400	-800	A	N
1000	1600	1600	-600	G	N
		0			
1420	1420	11360	0	G	Y
1000	2000	2000	-1000	A	Y/N
2000	2500	20000	-500	G	Y
900	1300	19500	-400	A	N
400	235	6815	165	VG	Y
850	1850	14800	-1000	G	Y
800	2000	30000	-1200	VG	N
1000	1800	14400	-800	VG	Y
900	820	6560	80	VG	Y
900	600	4800	300	VG	Y
800	1200	9600	-400	VG	Y
1500	1600	12800	-100	G	N
400	292	4380	108	G	Y
700	950	7600	-250	VG	Y
400	400	6000	0	G	Y
1000	900	7200	100	VG	Y
		0			
600	800	12000	-200	VG	N
1400	1800	52200	-400	VG	N
400	380	5700	20	G	Y
1500	1500	12000	0	G	Y
1000	2500	37500	-1500	VG	Y
500	700	10500	-200	A	N
1800	1800	14400	0	VG	Y
300	300	4500	0	G	Y
		0			

⁴⁷ How much on average did you expect to pay for accommodation in rand per night?

⁴⁸ How much on average did you pay for your accommodation in rand per night?

⁴⁹ Total amount spent on accommodation for an average 12 night stay.

⁵⁰ Difference between price paid and expected price for accommodation in rand.

⁵¹ Quality perception of accommodation used.

⁵² Did you regard the accommodation as good value for money?

500	500	7500	0	VG	Y
110	110	3190	0	G	Y
700	700	700	0	G	Y
1200	1400	21000	-200	VG	N
400	400	6000	0	G	Y
600	600	4800	0	VG	Y
1000	1200	18000	-200	VG	N
		0			
		0			
900	1000	15000	-100	G	Y
450	450	13050	0	G	Y
800	1050	15750	-250	VG	Y
		0			
2000	4000	60000	-2000	G	Y
800	1000	15000	-200	G	Y
		0			
100	200	3000	-100	G	Y
		0			
150	239	3585	-89	G	Y
150	150	2250	0	VG	Y
1600	1600	1600	0	G	Y
40	40	600	0	G	Y
300	400	6000	-100	A	Y
700	900	7200	-200	G	Y
		0			
700	1200	1200	-500	VG	Y
600	900	7200	-300	G	Y
300	300	2400	0	G	Y
1000	1450	21750	-450	G	Y
400	400	6000	0	G	Y
		0			
2000	4000	60000	-2000	VG	N
1000	1500	1500	-500	VG	Y
800	1600	1600	-800	VG	N
400	500	7500	-100	G	Y
1800	1800	27000	0	VG	Y
500	300	8700	200	G	Y
1200	1800	14400	-600	G	N
		0			
		0			
120	120	3480	0	VG	Y
250	280	2240	-30	G	Y
		0			
80	80	1200	0	G	Y
		0			
250	250	250	0	G	Y
600	400	400	200	A	Y
100	100	100	0	G	Y
300	340	2720	-40	VG	N
		0			

1000	1000	8000	0	VG	Y
		0			
900	1320	10560	-420	A	N
280	280	4200	0	VG	Y
900	900	13500	0	VG	Y
70	70	2030	0	A	N
800	1200	1200	-400	G	N
FREE	FREE	#VALUE!	0		
500	600	9000	-100	G	N
500	400	6000	100	VG	Y
900	1400	21000	-500	VG	Y
40	40	1160	0	G	Y
500	4000	32000	-3500	VG	
280	280	8120	0	G	Y
300	250	7250	50	VG	Y
300	280	2240	20	G	Y
400	400	3200	0	G	Y
280	280	4200	0	A	Y
640	600	600	40	G	Y
1250	1350	1350	-100	VG	Y
		0			
		0			
250	250	3750	0	G	N
400	250	2000	150	G	Y
700	1200	1200	-500	VG	N
1000	1400	1400	-400	A	Y
200	200	5800	0	G	Y
1000	1000	8000	0	A	N
600	800	800	-200	G	Y
1000	1200	9600	-200	G	Y
		0			
280	420	420	-140	G	N
400	400	3200	0	A	Y
		0			
800	1600	12800	-800	VG	Y
350	350	10150	0	VG	Y
750	1000	1000	-250	G	Y
250	400	400	-150	VG	Y
160	160	4640	0	VG	Y
500	500	4000	0	VG	Y
500	220	3300	280	VG	Y
600	812	812	-212	VG	Y
		0			
700	700	5600	0	A	Y
1200	1900	15200	-700	A	N
80	80	2320	0	G	Y
120	50	1450	70	VG	Y
450	450	6750	0	A	N
100	100	2900	0	VG	Y
1000	900	7200	100	VG	Y

		0			
450	400	6000	50	VG	Y
400	400	11600	0	VG	Y
500	1250	18750	-750	G	Y
800	1100	1100	-300	VG	Y
1000	900	7200	100	VG	Y
1000	800	12000	200	A	N
1600	2000	16000	-400	VG	Y
100	100	2900	0	G	Y
96	96	2784	0	VG	Y
		0			
		0			
700	700	10500	0	VG	Y
1300	1300	1300	0	VG	Y
750	950	27550	-200	G	N
		0			
900	1300	1300	-400	VG	N
100	100	2900	0	VG	Y
350	485	485	-135	G	Y
80	100	2900	-20	G	N
400	400	3200	0	VG	Y
		0			
800	780	780	20	G	Y
		0			
1100	1500	1500	-400	VG	Y
1000	1000	1000	0	VG	Y
500	420	6300	80	G	Y
500	500	7500	0	VG	Y
400	350	5250	50	VG	Y
300	300	2400	0	G	Y
200	270	2160	-70	G	Y
250	370	370	-120	VG	Y
400	400	400	0	VG	Y
200	320	320	-120	VG	Y
400	580	580	-180	VG	Y
290	205	1640	85	G	Y
200	200	1600	0	VG	Y
400	400	6000	0	VG	Y
		0			
300	490	490	-190	VG	Y
300	300	2400	0	G	Y
200	300	2400	-100	G	Y
600	680	5440	-80	G	Y
800	900	7200	-100	VG	N
		0			
		0			
800	1000	15000	-200	VG	N
		0			
700	850	850	-150	A	N
400	400	6000	0	G	Y

		0			Y
300	450	3600	-150	G	Y
700	800	12000	-100	VG	Y
800	2000	30000	-1200	G	N
300	400	6000	-100	VG	Y
1000	1600	24000	-600	VG	N
		0			
1000	1000	8000	0	VG	Y
500	400	6000	100	VG	Y
300	500	500	-200	G	Y
800	1300	10400	-500	VG	Y
900	900	13500	0	VG	Y
80	80	2320	0	G	Y
300	400	400	-100	G	Y
400	500	500	-100	VG	Y
500	500	7500	0	G	Y
		0			
1000	1200	1200	-200	VG	Y
250	250	3750	0	VG	Y
700	700	700	0	G	Y
500	500	4000	0	VG	Y
500	750	6000	-250	G	Y
		0			
500	400	6000	100	VG	Y
		0			
		0			
800	1100	8800	-300	G	Y
200	200	3000	0	A	Y
1050	1050	1050	0	G	Y
500	500	7500	0	VG	Y
80	80	1200	0	VG	Y
300	300	2400	0	G	Y
600	600	17400	0	G	Y
600	500	7500	100	VG	Y
100	100	1500	0	VG	Y
500	500	500	0	VG	Y
365	365	365	0	G	Y
600	450	450	150	G	Y
600	900	13500	-300	VG	N
600	500	4000	100	VG	Y
		0			
1200	1000	1000	200	VG	Y
1500	1600	1600	-100	VG	Y
700	650	9750	50	VG	Y
		0			
1100	1400	1400	-300	G	Y
1000	1200	1200	-200	P	N
600	600	600	0	VG	Y
80	80	1200	0	G	Y
		0			

		0			
		0			
400	300	300	100	VG	Y
1300	1300	1300	0	VG	Y
100	80	80	20	A	Y
		0			
		0			

WhyValue ⁵³	RstSitdwn ⁵⁴	ExRsitdwn ⁵⁵	PdSitDwnpaid ⁵⁶	DiffSitDwn ⁵⁷	FoodQual ⁵⁸
CHEAP	Y	200	100	100	G
CLEAN	Y	150	150	0	VP
CHEAP	Y	150	150	0	VG
	Y	100	100	0	G
	Y	80	100	-20	G
EXP	Y	280	300	-20	A
SERV	N				P
	Y	200	200	0	G
	N				
SERV	Y	150	200	-50	
	Y	100	120	-20	G
	Y	100	150	-50	G
	N				
EXP	Y	200	200	0	G
EXP	Y	200	200	0	VG
EXP	Y	180	180	0	G
	Y	150	150	0	G
SERV	Y	100	100	0	G
EXTRAS	Y	150	150	0	VG
LOC	Y	100	110	-10	G
EXP	Y	100	100	0	A
EXTRAS	Y	100	120	-20	G
SERV	Y	300	450	-150	VG
EXP	Y	200	200	0	VG
SERV	Y	150	150	0	VG
FACI	Y	300	400	-100	VG
SERV	Y	400	400	0	VG
SERV	Y	100	120	-20	VG
EXP	Y	150	200	-50	VG
LOC	Y	70	60	10	G
SERV	Y	120	120	0	A
SERFAC	Y	150	200	-50	G
FACI	Y	200	250	-50	G
	Y	100	150	-50	VG
EXP	Y	300	300	0	VG
EXP	Y	200	180	20	G
SERV	Y	150	150	0	A
SERV	Y	200	200	0	VG
SERV	Y	150	150	0	A
EXP	Y	100	100	0	VG
CHEAP	Y	250	150	100	VG
CLEAN	Y	100	100	0	VG
	Y	75	75	0	VG

⁵³ Motivation why accommodation was regarded as value for money or not.

⁵⁴ Did you use a sit-down restaurant?

⁵⁵ Price expected to pay in rand per person at sit-down restaurant.

⁵⁶ Per person price paid at sit-down restaurant in rand.

⁵⁷ Difference between paid and expected to pay price for sit-down restaurant.

⁵⁸ Food quality perception in restaurants.

QULITY	Y	100	100	0	A
FACI	Y	300	300	0	G
SERV	Y	70	70	0	G
EXP	Y	150	150	0	G
FACI	Y	100	100	0	G
SERV	Y	100	100	0	VG
EXP	Y	150	150	0	VG
	Y	100	100	0	P
	Y	100	130	-30	G
FACI	Y	200	200	0	VG
SERV	Y	200	200	0	VG
FACI	Y	150	150	0	G
	Y	200	250	-50	G
SERV	Y	80	80	0	G
QULITY	Y	120	120	0	A
	Y	100	100	0	G
CLEAN	Y	200	250	-50	G
	Y	400	200	200	G
CHEAP	Y	100	42	58	VG
CHEAP	Y	60	60	0	G
FACI	Y	150	200	-50	G
SERV	Y	70	100	-30	G
CLEAN	Y	100	100	0	A
QULITY	Y	100	100	0	VG
	Y	300	300	0	G
QULITY	Y	100	100	0	G
CLEAN	Y	100	80	20	G
CHEAP	Y	100	100	0	G
CHEAP	Y	60	60	0	G
FACI	Y	130	150	-20	G
	Y	80	100	-20	G
BAD SERV	Y	150	300	-150	VG
CLEAN	Y	300	300	0	VG
EXP	Y	150	150	0	G
CLEAN	Y	140	140	0	G
FACI	Y	100	120	-20	G
CHEAP	Y	200	200	0	G
EXP	N				
	Y	40	40	0	G
	Y	70	70	0	A
CHEAP	Y	120	100	20	VG
CLEAN	Y	100	100	0	A
	Y	50	50	0	VG
LOC	Y	100	100	0	VG
	Y	60	60	0	G
FACI	Y	200	200	0	G
CLEAN	Y	200	300	-100	G
CHEAP	Y	60	60	0	VG
EXP	Y	250	150	100	VG
	Y	300	300	0	G

QULITY	Y	400	400	0	G
	Y	100	300	-200	G
EXP	Y	100	100	0	G
QULITY	Y	200	200	0	VG
SERV	Y	100	100	0	VG
FACI	Y	25	90	-65	A
EXP	Y	150	100	50	VG
	Y	50	48	2	G
EXP	Y	50	50	0	A
QULITY	Y	200	100	100	VG
SERV	Y	200	180	20	G
CLEAN	N				
EXP	Y	500	500	0	VG
QULITY	Y	60	80	-20	G
SERV	N				
SERV	Y	60	60	0	G
FACI	Y	100	150	-50	VG
SERV	Y	50	50	0	A
EXTRAS	Y	150	100	50	G
QULITY	Y	50	40	10	G
	Y	180	180	0	A
	Y	30	50	-20	VG
EXP	Y	120	120	0	G
	Y	100	200	-100	G
EXP	Y	150	150	0	VG
	Y	130	80	50	G
QULITY	Y	100	100	0	G
EXP	Y	100	350	-250	G
QULITY	Y	250	250	0	G
QULITY	Y	150	100	50	G
	Y	50	75	-25	G
EXP	Y	250	250	0	G
SERV	Y	100	100	0	G
	Y	80	130	-50	VG
EXP	Y	150	150	0	A
FACI	Y	200	150	50	G
FACI	Y	150	180	-30	G
FACI	Y	200	300	-100	VG
SERV	Y	100	50	50	VG
FACI	Y	150	100	50	G
FACI	Y	100	60	40	VG
	Y	150	200	-50	G
	Y	80	80	0	A
SERV	Y	100	50	50	G
EXP	Y	500	400	100	VG
CHEAP	Y	40	60	-20	G
FACI	Y	100	75	25	VG
BAD SERV	Y	75	100	-25	G
QULITY	N				VG
LOC	Y	180	150	30	VG

	Y	130	150	-20	G
LOC	Y	150	150	0	VG
EXTRAS	Y	200	200	0	G
CLEAN	N				G
FACI	Y	150	100	50	VG
EXTRAS	Y	150	100	50	G
EXP	Y	150	150	0	VG
LOC	Y	100	80	20	VG
FACI	Y	150	150	0	G
SERV	Y	50	30	20	VG
	Y	50	50	0	A
	Y	130	100	30	G
QULITY	Y	500	700	-200	VG
FACI	Y	300	300	0	VG
EXP	Y	150	200	-50	G
	Y	250	120	130	G
EXP	Y	150	150	0	VG
QULITY	Y	75	75	0	G
SERV	N				G
EXP	Y	80	80	0	G
QULITY	Y	160	100	60	G
	Y	100	100	0	VG
SERFAC	Y	150	150	0	A
	N				
SERFAC	Y	350	350	0	VG
SERV	Y	250	250	0	G
LOC	Y	100	100	0	A
QULITY	Y	200	200	0	VG
FACI	Y	200	100	100	G
FACI	N				
SERV	Y	150	200	-50	G
QULITY	N				G
CLEAN	Y	200	200	0	VG
QULITY	Y	150	200	-50	VG
LOC	Y	250	200	50	VG
SERV	Y	150	200	-50	G
FACI	Y	150	100	50	VG
CHEAP	Y	150	150	0	VG
	Y	100	100	0	VG
QULITY	Y	100	100	0	VG
LOC	Y	100	100	0	VG
SERV	Y	100	100	0	G
FACI	Y	200	180	20	VG
EXP	Y	200	150	50	VG
	Y	200	300	-100	G
	N				G
EXP	Y	200	100	100	G
	Y	300	200	100	VG
QULITY	Y	300	300	0	G
QULITY	Y	80	90	-10	G

	Y	200	300	-100	VG
FACI	Y	50	60	-10	G
LOC	Y	200	200	0	VG
EXP	Y	80	80	0	G
FACI	Y	200	200	0	VG
EXP	Y	100	100	0	N
	Y	150	120	30	G
CHEAP	Y	40	150	-110	VG
CHEAP	Y	100	80	20	G
CHEAP	N				VG
CHEAP	Y	350	350	0	VG
QULITY	Y	150	250	-100	VG
FACI	Y	80	80	0	G
FACI	Y	200	200	0	G
SERV	Y	120	120	0	VG
CLEAN	Y	120	120	0	G
	N				
FACI	Y	300	350	-50	VG
CLEAN	Y	80	60	20	VG
CHEAP	Y	100	100	0	VG
CHEAP	Y	90	90	0	G
EXTRAS	Y	80	150	-70	G
	Y	250	200	50	VG
QULITY	Y	80	80	0	G
	Y	80	80	0	VG
	N				
CLEAN	Y	200	200	0	VG
CLEAN	Y	400	400	0	G
SERFAC	Y	150	150	0	G
CHEAP	Y	100	100	0	VG
CHEAP	Y	50	50	0	VG
CHEAP	Y	210	210	0	G
CHEAP	Y	150	150	0	G
SERV	Y	180	140	40	VG
CHEAP	Y	100	100	0	G
QULITY	Y	300	300	0	VG
QULITY	Y	80	80	0	G
FACI	Y	300	180	120	VG
EXP	Y	150	200	-50	G
FACI	Y	250	200	50	G
	N				
SERFAC	Y	500	350	150	VG
QULITY	Y	400	400	0	VG
SERV	Y	350	300	50	VG
	Y	80	120	-40	A
FACI	Y	150	200	-50	VG
BAD FACI	Y	300	200	100	G
SERV	Y	250	150	100	VG
CHEAP	Y	50	50	0	G
	Y	50	100	-50	VG

	Y	130	180	-50	VG
	Y	200	100	100	VG
CHEAP	Y	100	100	0	VG
SERV	N				
	Y	100	100	0	G
	Y	100	100	0	VG
	Y	100	200	-100	VG

ServcQual ⁵⁹	FastFood ⁶⁰	ExFstFood ⁶¹	PdfastFd ⁶²	DiffFstFd ⁶³	CfShpOth ⁶⁴
A	Y	50	60	-10	N
G	N				Y
VG	Y	40	40	0	Y
G	Y	40	60	-20	Y
G	N				N
A	N				N
P	Y	60	40	20	N
G	N				N
	Y	18	20	-2	N
	N				Y
G	Y	50	50	0	N
G	N				Y
	N				N
G	N				N
VG	Y	100	100	0	Y
G	Y	100	100	0	N
G	N				N
VG	N				Y
G	N				N
G	Y	80	90	-10	N
A	Y	80	80	0	Y
G	N				Y
VG	N				N
G	Y	100	150	-50	Y
G	N				N
VG	N				N
VG	Y	80	80	0	Y
A	Y	100	100	0	N
VG	N				N
G	N				N
A	Y	70	70	0	Y
G	Y	60	50	10	N
G	N				Y
VG	N				N
VG	N				Y
G	N				Y
G	N				N
G	Y	100	100	0	N
G	Y	50	50	0	N
G	N				N
VG	N				N
VG	N				N
G	Y	50	50	0	N

⁵⁹ Service quality perception in restaurants.

⁶⁰ Did you visit a fast food outlet?

⁶¹ How much did you expect to pay at the fast food outlet per person in rand?

⁶² What did you pay at the fast food outlet per person in rand?

⁶³ Difference between paid and expected to pay price for food at a fast food outlet.

⁶⁴ Did you visit a coffee shop or other type of restaurant?

VG	N				N
G	N				N
G	Y	50	50	0	N
G	Y	65	65	0	Y
A	Y	100	100	0	N
VG	Y	100	100	0	N
G	N				N
P	Y	50	40	10	N
P	N				N
VG	Y	100	100	0	Y
VG	N				N
G	Y	60	40	20	N
G	Y	50	40	10	Y
G	Y	80	80	0	Y
G	Y	30	40	-10	Y
G	N				N
G	Y	80	80	0	N
G	Y	80	80	0	Y
VG	Y	40	40	0	N
G	Y	50	50	0	N
G	Y	100	100	0	N
G	N				N
A	N				Y
VG	N				N
G	Y	50	50	0	N
G	N				Y
G	Y	55	40	15	Y
G	N				Y
VG	N				N
G	N				N
G	Y	50	50	0	Y
VP	Y	50	50	0	N
VG	N				N
G	N				N
G	N				Y
G	N				N
A	Y	50	50	0	N
	N				N
P	N				N
A	N				N
VP	Y	50	50	0	Y
P	N				N
G	N				Y
VG	N				Y
G	Y	20	20	0	Y
A	Y	100	80	20	N
A	N				N
VG	N				N
VG	N				N
G	Y	100	100	0	Y

G	N				Y
VG	Y	50	50	0	Y
G	N				N
VG	N				N
VG	N				Y
A	N				N
G	N				N
A	Y	20	23	-3	Y
A	Y	20	20	0	N
G	N				N
VG	N				N
	N				N
G	N				N
G	Y	20	20	0	Y
	N				N
G	Y	90	90	0	N
VG	Y	40	40	0	N
G	Y	50	40	10	N
G	N				N
VG	Y	50	40	10	Y
A	Y	40	40	0	N
VG	N				N
G	Y	120	120	0	Y
G	Y	50	50	0	N
G	Y	50	50	0	Y
A	Y	50	50	0	Y
G	Y	100	100	0	Y
A	N				N
VG	N				Y
G	N				N
P	N				Y
G	N				N
G	N				N
VG	N				N
G	N				Y
A	Y	200	100	100	Y
VG	N				N
VG	N				N
VG	Y	100	50	50	Y
VG	N				N
VG	N				Y
G	N				N
A	N				N
VG	N				N
VG	N				N
A	N				Y
VG	N				N
G	Y	150	100	50	Y
VG	N				Y
VG	N				N

G	N				N
VG	N				N
G	Y	200	200	0	N
VG	N				Y
VG	N				Y
G	N				N
A	N				N
VG	N				N
G	N				N
VG	Y	50	30	20	N
VG	Y	50	50	0	Y
G	N				N
VG	N				N
A	N				Y
A	N				Y
G	Y	100	100	0	Y
VG	N				N
G	N				N
VG	N				Y
G	N				N
G	N				Y
VG	N				N
A	N				N
	N				N
VG	N				N
G	N				N
A	N				N
VG	N				N
G	N				N
	N				N
G	Y	100	100	0	N
G	Y	100	150	-50	N
VG	N				N
VG	N				N
VG	N				N
G	N				Y
VG	Y	150	100	50	N
VG	Y	60	60	0	N
G	Y	100	100	0	Y
VG	N				N
VG	N				Y
A	Y	75	100	-25	N
VG	Y	80	60	20	N
VG	N				N
G	Y	80	80	0	Y
G	Y	30	40	-10	N
A	Y	80	70	10	Y
VG	N				Y
VG	N				Y
G	Y	60	50	10	Y

VG	N				N
G	Y	50	40	10	N
VG	N				Y
G	Y	50	50	0	N
VG	N				N
	N				N
G	N				N
G	Y	40	40	0	Y
G	N				Y
VG	Y	40	40	0	N
G	Y	40	39	1	Y
VG	Y	150	250	-100	Y
VG	N				N
A	Y	100	150	-50	N
VG	Y	70	60	10	N
G	Y	50	50	0	N
	N				N
VG	N				N
G	N				N
VG	N				Y
G	N				N
G	N				N
VG	N				N
G	N				Y
A	N				N
	N				N
VG	Y	100	100	0	Y
G	N				N
G	N				N
G	Y	70	70	0	Y
VG	Y	30	30	0	Y
G	N				N
VG	Y	40	40	0	Y
VG	Y	80	60	20	N
VG	Y	50	50	0	Y
VG	N				N
G	N				N
VG	Y	100	80	20	N
G	N				N
G	Y	80	75	5	N
	N				N
VG	N				N
VG	N				N
VG	N				Y
G	N				N
VG	N				N
G	N				N
VG	N				N
G	Y	30	30	0	N
VG	N				N

VG	N	N
VG	N	N
VG	N	N
	N	N
A	N	N
VG	N	N
VG	N	N

TableMt ⁶⁵	ExpRTbIMt ⁶⁶	PdRTbIMt ⁶⁷	DiffTbIMt ⁶⁸	RbbnIsle ⁶⁹	ExRbnIRI ⁷⁰
N				N	
N				N	
Y	100	100	0	N	
N				N	
N				N	
N				N	
Y	100	100	0	Y	100
Y	80	120	-40	N	
N				N	
Y	80	100	-20	Y	100
N				N	
N				N	
Y	80	100	-20	Y	200
Y	200	110	90	Y	200
N				N	
N				N	
Y	150	100	50	Y	100
Y	80	80	0	Y	200
Y	100	115	-15	N	
Y	100	115	-15	N	
Y	100	120	-20	Y	200
Y	120	125	-5	Y	130
N				Y	150
Y	100	150	-50	Y	100
N				N	
Y	100	150	-50	N	
Y	150	150	0	Y	200
Y	150	150	0	N	
Y	120	150	-30	N	
Y	100	115	-15	Y	160
Y	120	115	5	N	
Y	100	115	-15	Y	130
N				Y	60
Y	100	115	-15	N	
N				Y	140
Y	150	100	50	Y	130
Y	80	120	-40	Y	150
Y	115	115	0	N	
Y	115	115	0	Y	150
N				N	
N				N	
Y	150	115	35	N	
N				N	

⁶⁵ Did you visit Table mountain?

⁶⁶ What did you expect to pay to visit Table mountain in rand?

⁶⁷ What did you pay to visit Table mountain in rand?

⁶⁸ Difference between paid and expected to pay price for Table mountain in rand.

⁶⁹ Did you visit Robben Island?

⁷⁰ What did you expect to pay to visit Robben Island in rand?

Y	150	150	0	N	
Y	60	60	0	Y	150
Y	115	115	0	N	
Y	200	100	100	Y	200
Y	150	120	30	Y	100
Y	100	120	-20	Y	200
Y	100	100	0	Y	100
Y	100	120	-20	N	
Y	80	120	-40	Y	100
Y	100	120	-20	Y	100
N				N	
Y	100	115	-15	N	
Y	100	120	-20	N	
Y	60	115	-55	N	
N				N	
Y	100	150	-50	N	
N				N	
N				N	
Y	100	100	0	Y	200
N				N	
Y	100	150	-50	Y	100
Y	100	100	0	Y	200
N				N	
N				N	
Y	150	150	0	Y	200
Y	80	120	-40	Y	50
N				Y	135
N				N	
Y	60	150	-90	Y	100
N				N	
N				N	
N				N	
Y	100	150	-50	Y	50
N				Y	50
N				N	
N				N	
Y	100	120	-20	Y	150
Y	100	120	-20	Y	100
Y	100	150	-50	N	
Y	100	80	20	Y	50
Y	90	90	0	N	
Y	100	115	-15	Y	150
N				N	
N				N	
Y	150	100	50	Y	100
N				Y	100
Y	100	100	0	Y	150
N				Y	100
N				N	
Y	80	100	-20	Y	100

Y	100	100	0	Y	50
N				N	
Y	100	100	0	N	
Y	50	50	0	N	
Y	50	50	0	N	
N				Y	200
Y	100	150	-50	N	
Y	100	100	0	N	
N				N	
Y	80	100	-20	Y	80
Y	100	80	20	Y	50
N				N	
Y	100	100	0	Y	80
Y	118	100	18	Y	100
N				N	
Y	80	80	0	N	
N				N	
Y	100	100	0	Y	150
Y	60	60	0	N	
Y	50	110	-60	Y	100
Y	200	160	40	Y	150
Y	100	110	-10	N	
N				N	
N				N	
Y	100	80	20	Y	50
Y	100	100	0	N	
N				N	
Y	50	200	-150	N	
N				Y	80
Y	80	95	-15	Y	50
Y	80	100	-20	N	
N				N	
N				N	
N				Y	100
Y	100	120	-20	N	
Y	50	85	-35	Y	120
N				N	
Y	115	115	0	N	
Y	80	120	-40	Y	50
N				N	
Y	100	115	-15	N	
Y	120	115	5	N	
Y	120	120	0	Y	100
Y	100	120	-20	N	
N				Y	300
Y	115	115	0	Y	150
Y	60	60	0	Y	115
N				Y	150
Y	50	110	-60	Y	100
Y	80	115	-35	N	

Y	100	120	-20	Y	100
Y	150	150	0	N	
Y	100	115	-15	Y	100
Y	80	115	-35	N	
Y	100	120	-20	N	
Y	70	115	-45	N	
N				N	
Y	70	115	-45	N	
N				N	
N				N	
Y	90	90	0	N	
N				Y	200
Y	100	100	0	Y	100
Y	100	100	0	N	
N				N	
N				N	
Y	100	120	-20	N	
Y	115	115	0	Y	130
N				N	
Y	WALK			N	
N				Y	150
Y	120	120	0	Y	120
N				N	
N				N	
Y	100	120	-20	N	
N				N	
Y	100	110	-10	Y	100
Y	WALK			Y	100
Y	80	120	-40	Y	50
N				N	
N				N	
N				N	
N				N	
Y	80	100	-20	N	
Y	80	90	-10	Y	50
N				N	
N				N	
N				N	
Y	50	120	-70	N	
Y	100	90	10	N	
Y	90	80	10	N	
Y	80	80	0	Y	150
Y	100	90	10	Y	150
Y	200	90	110	Y	200
N				N	
N				N	
Y	100	100	0	Y	150
Y	90	90	0	N	
N				N	
Y	100	115	-15	Y	100

Y	100	90	10	N	
Y	60	90	-30	N	
N				Y	50
Y	100	90	10	Y	80
N				N	
N				N	
N				N	
Y	100	110	-10	N	
Y	80	90	-10	N	
N				N	
N				N	
N				N	
Y	115	115	0	Y	130
N				N	
Y	90	90	0	N	
Y	100	110	-10	N	
Y	50	115	-65	Y	130
N				N	
N				N	
N				N	
N				N	
Y	90	110	-20	N	
Y	90	115	-25	Y	200
N				N	
N				N	
Y	115	115	0	Y	100
N				N	
N				N	
Y	100	115	-15	Y	150
Y	100	90	10	Y	80
Y	80	90	-10	Y	100
N				N	
Y	115	120	-5	Y	100
Y	100	115	-15	Y	150
Y	100	115	-15	Y	80
N				N	
Y	80	90	-10	N	
Y	50	120	-70	Y	50
Y	150	115	35	N	
Y	100	90	10	Y	50
N				N	
Y	100	120	-20	N	
Y	100	80	20	N	
N				N	
N				N	
Y	100	90	10	Y	150
N				N	
Y	100	80	20	N	
N				N	

N				N	
Y	150	115	35	Y	200
N				N	
N				N	
N				N	
N				N	
N				N	

PdRbnls ⁷¹	DiffRobnIsle ⁷²	GoldRfCty ⁷³	ExRGRF ⁷⁴	PdRGRF ⁷⁵	DiffGldReef ⁷⁶
		N			
		N			
		N			
		N			
		N			
		N			
200	-100	N			
		N			
		Y	50	80	-30
150	-50	N			
		N			
		N			
250	-50	N			
200	0	N			
		N			
		N			
150	-50	N			
200	0	N			
		N			
		N			
300	-100	N			
150	-20	N			
210	-60	N			
200	-100	N			
		N			
		N			
200	0	N			
		N			
		N			
150	10	N			
		N			
150	-20	N			
100	-40	N			
		N			
160	-20	N			
150	-20	N			
150	0	Y	100	100	0
		N			
150	0	N			
		N			
		N			
		N			
		N			

⁷¹ Price paid to visit Robben Island in rand.

⁷² Difference between price paid and expected to pay price to visit Robben Island in rand.

⁷³ Did you visit Gold Reef City?

⁷⁴ Expected to pay price for Gold reef City in rand.

⁷⁵ Price paid to visit Gold Reef City in rand.

⁷⁶ Difference between price paid and expected to pay price to visit Gold Reef City.

		N			
150	0	N			
		N			
250	-50	N			
120	-20	N			
200	0	N			
150	-50	N			
		Y	80	80	0
150	-50	N			
150	-50	N			
		N			
		N			
		N			
		N			
		N			
		Y	100	80	20
		N			
		N			
200	0	N			
		N			
100	0	N			
100	100	N			
		N			
		N			
200	0	N			
120	-70	N			
135	0	Y	150	90	60
		N			
115	-15	N			
		N			
		Y	350	560	-210
		N			
80	-30	N			
80	-30	N			
		N			
		N			
250	-100	Y	80	60	20
200	-100	N			
		N			
120	-70	N			
		Y	45	45	0
150	0	N			
		N			
		N			
100	0	N			
50	50	N			
80	70	N			
80	20	N			
		N			
80	20	Y	60	80	-20

80	-30	N			
		Y	100	80	20
		N			
		Y	30	30	0
		N			
150	50	N			
		N			
		Y	50	20	30
		N			
50	30	N			
50	0	N			
		Y	80	80	0
80	0	Y	80	60	20
80	20	N			
		N			
		N			
		N			
150	0	N			
		N			
150	-50	N			
150	0	N			
		N			
		N			
		N			
80	-30	Y	60	60	0
		N			
		Y	50	70	-20
		N			
50	30	N			
50	0	N			
		N			
		N			
		N			
130	-30	N			
		N			
120	0	N			
		N			
		N			
150	-100	Y	100	100	0
		N			
		N			
		N			
120	-20	N			
		N			
400	-100	N			
60	90	N			
110	5	N			
200	-50	N			
150	-50	N			
		N			

150	-50	N			
		Y	100	90	10
150	-50	N			
		N			
		N			
		N			
		N			
		N			
		N			
		Y	50	50	0
200	0	N			
100	0	N			
		N			
		N			
		N			
130	0	N			
		N			
		N			
150	0	N			
120	0	N			
		N			
		N			
		N			
200	-100	N			
250	-150	N			
100	-50	N			
		N			
		Y	50	85	-35
		N			
		N			
		N			
60	-10	N			
		N			
		N			
		N			
		N			
		Y	80	60	20
90	60	N			
200	-50	Y	90	90	0
80	120	N			
		N			
		N			
90	60	N			
		N			
		N			
50	50	N			

		N			
		N			
90	-40	N			
150	-70	N			
		N			
		Y	60	80	-20
		N			
		N			
		N			
		N			
		N			
		N			
130	0	N			
		N			
		Y	100	100	0
		Y	80	80	0
130	0	Y	60	60	0
		N			
		N			
		N			
		N			
		N			
150	50	N			
		N			
		N			
130	-30	N			
		N			
		N			
100	50	N			
80	0	N			
120	-20	N			
		N			
150	-50	N			
60	90	N			
50	30	N			
		N			
		N			
100	-50	N			
		Y	100	100	0
50	0	N			
		N			
		N			
		Y	60	60	0
		N			
		N			
50	100	N			
		N			
		N			
		N			
		N			

150

50

N
N
N
N
N
Y
N

100

N				Y	120
N				Y	100
N				N	
Y	100	80	20	Y	
Y	60	60	0	Y	100
Y				N	
Y				N	
Y	100	120	-20	Y	100
N				Y	50
Y				Y	80
N				N	
N				Y	150
N				N	
N				Y	120
N				N	
Y				Y	100
N				N	
Y				Y	100
Y				N	
N				Y	100
Y				N	
Y	50	80	-30	N	
N				Y	80
N				N	
N				N	
Y	60	60	0	N	
N				Y	100
N				Y	50
N				Y	4000
N				N	
Y	100	170	-70	N	
N				N	
Y				Y	50
Y	60	60	0	Y	50
N				Y	350
N				Y	1400
Y				Y	1500
N				N	
Y				N	
Y				Y	100
Y	45	0	45	N	
Y				Y	100
N				N	
N				N	
Y	60	60	0	N	
N				N	
Y				N	
Y				N	
N				Y	270
Y	80	80	0	Y	2000

N				Y	120
Y	50	50	0	N	
Y				N	
Y	20	20	0	Y	50
N				N	
Y	150	150	0	N	
Y				Y	100
Y	70	60	10	Y	3000
N				N	
N				Y	1000
N				Y	200
Y	100	100	0	N	
Y				Y	1000
N				Y	180
N				N	
N				N	
N				Y	400
N				Y	40
N				N	
N				Y	30
Y				Y	500
Y				N	
N				Y	120
N				N	
Y	60	70	-10	Y	200
Y				N	
Y	100	120	-20	N	
Y	40	40	0	N	
Y	60	60	0	N	
Y	100	50	50	N	
N				Y	75
Y				Y	100
N				N	
N				N	
N				N	
N				Y	120
N				N	
N				N	
Y	50	60	-10	Y	120
N				N	
N				N	
N				N	
N				N	
N				Y	200
N				N	
N				Y	100
N				N	
N				Y	100
N				N	
N				N	

Y	100	60	40	Y	100
Y				Y	100
N				N	
N				Y	300
N				N	
Y	80	60	20	N	
N				N	
N				N	
N				N	
Y	100	70	30	N	
N				N	
N				Y	400
N				N	
N				Y	1500
N				N	
N				N	
N				N	
N				N	
N				Y	100
N				N	
N				Y	100
N				N	
Y				N	
Y				N	
Y				N	
Y				Y	100
N				N	
Y	70	100	-30	Y	300
Y	50	100	-50	N	
Y	70	100	-30	N	
N				N	
N				N	
N				N	
Y	50	100	-50	N	
Y	50	65	-15	Y	100
N				Y	100
N				Y	100
N				N	
Y	50	100	-50	N	
Y	60	60	0	Y	150
N				Y	100
Y				Y	200
N				N	
N				N	
Y				Y	100
N				Y	100
N				N	
Y	60	60	0	Y	100

Y	50	75	-25	Y	100
N				N	
Y	50	250	-200	Y	100
N				Y	100
N				Y	300
Y	80	200	-120	Y	100
N				Y	300
N				N	
N				Y	100
Y	60	60	0	N	
N				N	
N				Y	800
N				N	
N				N	
N				Y	100
Y				Y	200
Y	60	60	0	N	
Y				Y	200
N				Y	30
N				Y	120
N				N	
N				Y	120
N				Y	200
Y				Y	200
Y	100	100	0	N	
N				N	
N				N	
Y	60	60	0	N	
N				N	
Y				Y	100
Y				Y	100
N				Y	1000
N				N	
Y				Y	100
Y				N	
N				N	
N				Y	160
N				Y	100
N				N	
N				N	
Y				Y	100
N				N	
Y				Y	800
N				Y	100
N				N	
N				N	
Y				Y	200
N				N	
Y				N	
N				N	

N
Y
N
N
N
N
N
N

N
N
Y
N
N
N
N
N

90

PdKrgPrk ⁸³	DiffKrugerPrk ⁸⁴	DifTotAttrac ⁸⁵	AtracsQty ⁸⁶	AttrServQty ⁸⁷	At1BestVal ⁸⁸
		0			MALLS
		0			CPOINT
		0	G	A	
		0			ADDO
		0			DUR
		0			
		-100	VG	G	GROUTE
		-40	A	G	CASTLE
		-30			GREEF
		-70	G	G	ROBBEN
		0			UNIONB
		0			
		-70	G	A	
		90	G	G	SOWETO TOUR
		0			WROUTE
		0			USHAKA
		0	G	G	CPOINT
		0	VG	VG	SEAPOINT
		-15	G	G	WROUTE
		-15	G	G	WROUTE
		-120	G	A	WROUTE
		-25	G	G	TBM
		-60			TBM
		-150	VG	A	ADDO
		0			CPT
		-50	VG	VG	NPARK
		0	G	G	HLUHLUWE
		0	G	G	CPT
		-30	G	G	NPARK
		-5	VG	VG	ROBBEN
		5	G	G	TBM
60	0	-35	G	G	DRAKENS
		-40	G	G	WROUTE
		-15	G	G	TBM
		-20	G	A	GROUTE
100	100	130	G	G	KNP
		-40	G	G	SOWETO
		0	G	A	CPOINT
		0	G	VG	CPT
		0	G	G	PRY
		0			CPT
		35	G	G	WROUTE
		0			TBM

⁸³ What did you pay at the Kruger National Park in rand?

⁸⁴ Difference between paid and expected to pay price for Kruger National Park in rand.

⁸⁵ Total difference between price paid and expected to pay price for all attractions.

⁸⁶ Attraction quality.

⁸⁷ Attraction service quality.

⁸⁸ Attraction that offered the best value for money.

120	0	0	G	G	DUR
240	-140	-140	VG	VG	DRAKENS
		0	VG	G	
		70	VG	G	SUNCITY
200	-100	-90	VG	A	WESTCOAST
		-20	G	G	WROUTE
		-50	G	G	WROUTE
400	-300	-340	G	G	UNIONB
120	-70	-160	G	G	KNP
120	-40	-110	VG	VG	KNP
		0			GLODGE
120	30	15	G	G	KNP
		-20	G	G	CASINO
120	0	-55	G	G	DRAKENS
		0			
120	-20	-50	G	A	
		0			ADDO
120	-20	-20	G	G	KNP
		0	G	A	CPT
120	-20	-20	G	G	USHAKA
		-50	G	G	DUR
		70	G	G	TBM
120	-40	-40	G	A	DUR
		0			NPARK
		0	G	G	SHARK
		-110	G	A	
130	-30	30	G	G	GREEF
150	-100	-100	VG	G	DRAKENS
5000	-1000	-1105	G	A	ROBBEN
		0			DRAKENS
		-280	A	A	MALLS
		0			
200	-150	-230	VG	A	CASINO
250	-200	-230	G	A	
700	-350	-350	G	G	PELGRIMSR
1400	0	0	VG	VG	
1800	-300	-400	VG	A	CPT
		-120	G	G	WROUTE
		-50	G	G	CPT
500	-400	-450	G	A	GROUTE
		45	G	VP	MPUMHA
250	-150	-165	G	P	ZULULAND
		0			
		0			ADDO
		50	G	G	GROUTE
		50	VG	A	WROUTE
		70	G	G	CASINO
		20	G	A	CASINO
270	0	0	VG	VG	ZULULAND
2000	0	-20	G	G	KNP

240	-120	-150	VG	A	KNP
		20	G	G	SUNCITY
		0	G	A	CASINO
50	0	0	VG	VG	BEACH
		0	G	VG	MPUMHA
		50	G	G	MPUMHA
250	-150	-200	G	G	DUR
3000	0	40	VG	VG	KNP
		0			MPUMHA
1500	-500	-490	G	G	TBM
280	-80	-60	VG	VG	MPUMHA
		0	G	A	CASINO
1200	-200	-180	G	G	KNP
250	-70	-32	G	G	TBM
		0			WARMBATH
		0	G	G	MALLS
500	-100	-100	VG	VG	KNP
200	-160	-160	VG	G	
		0	G	G	CPT
260	-230	-340	G	G	
1000	-500	-460	G	VG	
		-10	VG	VG	LOFTUS
120	0	0	G	A	SALDANHA
		0			ZULULAND
120	80	60	VG	G	
		0	G	G	MALLS
		-40	G	G	SUNCITY
		-150	G	A	
		30	G	G	CRICKET
		35	G	G	SAFARI
150	-75	-95	G	A	DRAKENS
120	-20	-20	A	A	WROUTE
		0			WROUTE
		-30	G	G	
		-20	VG	G	GROUTE
120	0	-35	G	G	ABSAIL
		0			
		0	VG	G	
120	0	-150	VG	VG	
		0			
		-15	VG	VG	ADDO
		5	VG	VG	
		-20	VG	G	
200	0	-20	VG	G	TBM
		-100	VG	VG	KAROO
		90	G	G	KNP
		5	P	G	GROUTE
200	-100	-150	G	G	
		-110	VG	G	BEACH
		-35	G	G	WROUTE

120	-20	-50	G	G	CPT
120	-20	-10	G	G	KNP
		-65	G	G	GROUTE
500	-200	-235	A	A	ZULULAND
		-20	G	G	
		-25	G	G	V&A
		0			
		-45	VG	VG	
		0			RICHTERSVELD
		0			KIRSTEN
		30			
		0	G	G	ROBBEN
400	0	0	VG	VG	KNP
		0	G	G	GROUTE
		0			CPT
		0			
		-20	VG	A	
		0	VG	VG	GROUTE
		0			KIRSTEN
120	-20	-20	G	G	SAFARI
		0	VG	G	
300	-200	-200	G	G	
		0			
		0			GLODGE
		-20	G	G	TBM
		0	G	G	GLODGE
		-110	VG	VG	SAFARI
120	-20	-170	VG	VG	
		-90	A	A	BEACH
300	0	-30	VG	G	KNP
		-85	A	A	
		-30	G	A	
		0			WROUTE
		-20	G	G	
		-20	A	G	TBM
		-50	A	A	WROUTE
240	-140	-155	A	A	BEACH
400	-300	-300	G	G	CPT
100	0	-70	G	G	CPT
		10	G	G	WROUTE
		-20	G	G	BEACH
150	0	60	G	G	KNP
110	-10	-50	G	G	GREEF
120	80	310	VG	G	BEACH
		0			WROUTE
		0			GLODGE
380	-280	-220	VG	G	GROUTE
120	-20	-20	G	G	ROBBEN
		0			CPT
120	-20	15	G	G	BEACH

300	-200	-215	P	G	
		-30	G	G	WROUTE
300	-200	-440	VG	VG	KNP
500	-400	-460	G	G	USHAKA
250	50	50	G	G	WROUTE
400	-300	-440	G	G	MUSEUM
400	-100	-100	VG	VG	
		-10	G	G	ADDO
250	-150	-160	VG	G	BEACH
		0	VG	G	RESTR
		0			STLUCIA
800	0	0	G	G	WROUTE
		0	G	G	CANGO
		0			CASINO
300	-200	-200	VG	VG	CASINO
1580	-1380	-1390	VG	VG	CASINO
		-65	VG	VG	V&A
800	-600	-600	G	G	
230	-200	-200	G	VG	DRAKENS
120	0	0	VG	VG	KNP
		0			MUSEUM
120	0	0	G	G	
800	-600	-620	G	G	MUSEUM
800	-600	-575	VG	VG	BEACH
		0	VG	VG	
		0			DUR
		-30	G	A	
		0	P	A	GROUTE
		0			RESTR
900	-800	-765	G	G	WROUTE
280	-180	-170	VG	VG	GROUTE
4000	-3000	-3030	G	G	
		0			DRAKENS
350	-250	-305	G	G	ROBBEN
		75	G	G	
		15	G	G	ROBBEN
200	-40	-40	G	G	
400	-300	-310	VG	VG	
		-120	A	A	BEACH
		35	G	G	WROUTE
250	-150	-140	VG	G	ZOO
		0	VG	VG	SUNCITY
1500	-700	-720	G	G	CPT
120	-20	0	VG	VG	MPHUMA
		0			
		0			
350	-150	-40	G	G	
		0			GLODGE
		20	G	G	CANGO
		0			

		0			
		85	VG	VG	
90	0	0	VG	VG	GLODGE
		0			GLODGE
		0			CRADLE
		0	VG	VG	
		0			

At12Exp ⁸⁹	AttrBother ⁹⁰	Australia ⁹¹	Thailand ⁹²	Comp2SA ⁹³
	LQ+PF	N	N	
		N	N	
		N	N	
	S+LQ	N	N	
	S	N	N	
TBM	S	Y	Y	A
	P	Y	N	A
	A	N	N	
V&A	S	N	N	
	S	N	N	
	S	Y	N	G
V&A	NONE	N	N	
	LQ	Y	Y	VP
	S	Y	Y	P
	S	N	N	
	A	Y	Y	A
	P	Y	N	A
	NONE	N	N	
	NONE	N	Y	A
	NONE	N	Y	G
	P	N	Y	VP
	S	N	N	
	S	Y	N	G
	A	Y	Y	P
HLUHLUWE	LQ	Y	Y	AE TC
	S	N	Y	P
	S	Y	N	A
	S	Y	N	A
	S	Y	Y	G
		N	Y	A
	S	N	Y	G
		N	Y	G
RATANGA	S	Y	N	G
	S	N	N	
	S	N	N	
		N	N	
	S	N	N	
		Y	Y	AE TC
	S	Y	Y	AS TC
GLODGE	POLITICAL	Y	N	G
	S	N	N	
TBM	LIMITED	Y	Y	AS TC
	LIMITED	N	Y	A
KNP	S	Y	Y	AS TC

⁸⁹ Attractions listed that are too expensive for what they offered.

⁹⁰ Aspects that bothered tourists at attractions.

⁹¹ Have you been to Australia before?

⁹² Have you been to Thailand before?

⁹³ Comparison between South Africa, Australia and Thailand's prices.

KNP		N	N	
		N	N	
		Y	Y	P
	PF	N	Y	P
		Y	N	A
	PF	N	N	
	S	N	N	
TBM	P	Y	N	A
SAFARI	P	Y	Y	G
TBM	S+LQ	N	Y	P
	S+FLT	N	Y	A
		N	N	
GLODGE	P	Y	Y	G
		N	Y	G
	S	Y	N	A
	S	N	N	
RATANGA	LQ+S+P	N	N	
	P	Y	Y	A
DRAKENS	EXP	N	N	
	S	Y	Y	AS TC
	S+P	N	Y	G
KNP	S	Y	Y	A
	S	N	N	
ACTIVITIES		N	N	
		Y	Y	G
		N	Y	P
HLUHLUWE		N	N	
KNP	A+S	Y	Y	G
USHAKA		N	Y	A
	S	N	N	
GLODGE	BAD SERV	Y	Y	A
BLUETR	S	N	N	
KNP		N	N	
		N	Y	A
KNP	S+P	Y	N	A
KNP	S+P	Y	Y	AS TC
		N	N	
CULTURAL	LQ	Y	Y	A
	S	N	N	
	P	N	N	
SUNCITY		N	Y	A
GLODGE	A+S	N	N	
		N	N	
		N	N	
	S+P	N	N	
	A+LQ	N	N	
	S+P	N	N	
	S	N	Y	P
		Y	Y	G
		N	N	

TOURS	S	N	N	
	S+A	Y	N	A
	S	N	Y	P
V&A	A	N	N	
SUNCITY	P	N	N	
GLODGE	S+CLEAN	Y	Y	A
V&A	S	Y	N	A
V&A	LQ	N	Y	VG
	S	N	Y	VP
		Y	N	VG
JNB	TRANSP	N	N	
	PF	N	N	
	S	N	N	
CPT	LQ	N	N	
CPT	S+LPF+P	N	N	
MPHUMA	S	N	N	
V&A	S	Y	Y	G
		N	N	
KNP		N	N	
SUNCITY	S+LQ	N	N	
SUNCITY	S	Y	N	A
KNP	S	N	N	
TOURS	LQ	Y	N	G
SUNCITY	S	N	N	
JNB	S	N	N	
	S	N	N	
	S	Y	Y	G
		Y	Y	AS TC
	S	Y	Y	A
		Y	Y	P
	S	Y	Y	AS TC
	PF	N	N	
V&A		Y	Y	AE TC
ADDO	PF	N	N	
ROBBEN		N	N	
		N	Y	VG
SAFARI	S	N	N	
KNP	S	N	N	
	S	N	N	
		Y	Y	G
GLODGE	S	Y	N	A
		N	Y	A
GROUTE	S	N	N	
		Y	Y	G
SAFARI	S	N	N	
	S	N	Y	A
	P	N	Y	G
V&A	S	N	Y	VG
	S	Y	N	G

		N	Y	VG
	S	N	N	
		N	N	
		N	N	
SUNCITY	S	Y	Y	A
		Y	N	A
		N	N	
	PEDESTRIAN	N	N	
TBM		N	N	
ALL	EXP	N	N	
	S	N	N	
		N	N	
CANGO		Y	Y	A
KNP		Y	Y	AS TC
		N	N	
		Y	Y	A
		N	N	
	TRAFFIC	N	N	
	S	N	N	
		N	N	
	S	N	N	
		N	N	
	S	N	N	
		Y	Y	VG
SUNCITY	S	N	N	
	P	N	Y	P
		N	N	
	P	N	Y	A
SUNCITY	S	N	N	
SUNCITY	S	N	N	
		N	N	
		Y	N	A
TOURS		N	N	
V&A	S	N	N	
SUNCITY		Y	N	P
KNP		N	N	
KNP		N	N	
NPARKS		Y	N	A
V&A	S+PF	N	N	
SUNCITY	S	Y	N	A
	A+S	N	N	
	A+S	N	Y	A
	A+S	N	N	
	S+PF	Y	Y	P
	S	N	N	
SUNCITY	A+PF+P	N	Y	A
	S	N	N	
TOURS	S+LOCALS	N	Y	VG
TOURS	A+PF+P	Y	N	A
GLODGE	S	N	N	

GLODGE	A+PF+P	N	N	
		N	N	
TOURS	A+PF	Y	N	A
NPARKS	S	Y	N	A
SUNCITY	S+PF	Y	Y	A
	S	N	Y	P
		N	N	
DRAKENS	A+PF	N	Y	A
KNP	S	N	N	
	A	N	N	
	A+PF	N	N	
	S	Y	Y	P
KNP	S	Y	N	A
	S	N	Y	A
KNP	A+S+LQ	N	N	
ACTIVITIES	S	N	N	
	S	N	N	
		Y	Y	AE TC
	S	N	Y	G
TOURS		N	N	
CULTURAL	S	N	Y	G
ACTIVITIES	S+P	N	N	
SUNCITY	A	N	N	
SUNCITY	S	N	N	
	S	Y	N	A
NPARKS		Y	N	G
		N	N	
		Y	Y	AS TC
SUNCITY	A+S	N	N	
SUNCITY	A+S	N	N	
	S	N	N	
	S	N	N	
TBM	S+P	N	Y	G
SUNCITY	S+P	N	N	
V&A	S+LQ+P	Y	Y	A
HLUHLUWE		N	N	
V&A	LQ	Y	N	A
V&A	PF	N	Y	VP
KNP	S	N	N	
SAFARI	LQ+S	N	N	
TBM		N	Y	G
KNP		Y	Y	G
	S	N	Y	A
		N	Y	P
		Y	N	A
V&A		N	N	
V&A	A+S	N	N	
NPARKS	A+S	N	Y	P
		N	N	
		N	Y	A

NPARKS	S	N	N	
		Y	Y	P
		N	N	
NPARKS		N	N	
		Y	N	G
		N	N	

TripTotal ⁹⁴	MoreLess ⁹⁵	MostExpsv ⁹⁶	Cheapest ⁹⁷	SaAffrd ⁹⁸	PriceCons ⁹⁹
30000	L	CLOTHES	FB	N	Y
40000	L		FB	Y	N
25000	S	FLT	FOOD	Y	N
30000	S	FLT	WINE	Y	N
15000	S	CARHIRE	BEV	N	N
11000	M	ACCM	FOOD	Y	N
15000	L	FLT	BEV	Y	N
13000	S	TAXI	BEV	N	Y
3000	M	ENTERT	FOOD	N	N
50000	S	ENTERT	CURIOS	Y	N
10000	M	CARHIRE	FB	N	N
15000	S	CURIOS	FOOD	Y	N
15000	S	DRINKS	CIGARETTE	Y	N
40000	M	CURIOS	DRINKS	N	N
40000	S	BOOKS	JEWEL	Y	N
50000	S	ACCM	FOOD	Y	N
10000	S	BOOKS	BEACHES FREE	Y	N
15000	S	ACCM	WINE	Y	N
50000	S			Y	N
13000	S	FLT	CURIOS	Y	Y
20000	M	ACCM	FOOD	N	Y
15000	M	ACCM	CURIOS	Y	Y
18000	S		WINE	Y	N
15000	M	ACCM	WINE	Y	Y
13000	S	SAFARI	CURIOS	Y	N
12500	S		CURIOS	Y	Y
14000	S	TAXI	CURIOS	Y	N
23000	L	TAXI	DRINKS	Y	N
9500	L	ENTERT	CURIOS	Y	N
25000	M	BOOKS	DRINKS	N	Y
13000	S		WINE	Y	N
30000	S		FB	Y	N
12000	S	SAFARI	WINE	Y	Y
15000	S	TAXI	FB	Y	N
30000	S	ENTERT	WINE	Y	Y
13500	L	FLT		Y	N
50000	M	WINE		Y	Y
50000	S	ACCM	BEV	Y	Y
50000	S		CLOTHES	Y	N
50000	S	ACCM	FB	Y	N
20000	S		WINE	Y	N
15000	S	ACCM	PETROL	Y	N
12000	S		WINE	Y	N

⁹⁴ Total expenditure for the entire trip in rand.

⁹⁵ Spent more or less on the trip than expected?

⁹⁶ Most expensive tourism product.

⁹⁷ Cheapest tourism product.

⁹⁸ Is South Africa affordable or not?

⁹⁹ Was price a consideration when choosing the destination or not?

25000	M	ACCM	FB	Y	N
25000	M	CURIOS		Y	N
16000	L		CURIOS	Y	N
25000	M	ACCM	FB	N	Y
20000	M		FB	Y	Y
18000	S		WINE	N	Y
30000	M		WINE	Y	Y
14000	L	CURIOS	BEV	Y	Y
13000	M	FLT	FOOD	Y	Y
90000	M	SAFARI	FOOD	Y	Y
15000	S	ENTERT	WINE	Y	N
90000	S	ACCM	BEV	Y	N
16000	S	CARHIRE	BEV	Y	N
25000	S	CARHIRE	FOOD	N	N
20000	S	ACCM		Y	N
25000	S	SAFARI	FOOD	Y	N
56000	S	ACCM	FOOD	Y	N
18000	S	CURIOS		Y	Y
12000	S	SAFARI		Y	N
10000	M	ACCM	PETROL	Y	N
15000	S	ACCM	BEV	Y	N
15000	M		BEV	Y	Y
10000	L	ACCM	CURIOS	Y	N
60000	M	FLT	FOOD	Y	N
9000	S	FLT	FOOD	Y	N
19000	M	ACCM	WINE	Y	Y
11000	L	FLT	FOOD	Y	N
15000	S		ACCM	Y	Y
18000	S	TAXI	FOOD	Y	N
30000	S	ACCM		N	N
13500	S	ACCM	FOOD	Y	Y
30000	M	GPARK	PUBLICPARK	Y	N
15000	S	BLUETRAIN	FOOD	Y	Y
18000	M	FLT	FOOD	Y	Y
10000	L	GPARK	ACCM	Y	N
24000	S		ACCM	Y	N
15000	M	GPARK	WINE	Y	Y
20000	M	WATER	CURIOS	Y	N
12000	S	CURIOS	FOOD	Y	N
25000	M	CARHIRE	FOOD	Y	N
20000	S	WINE	SHOES	Y	N
14000	S	ACCM	CURIOS	Y	N
30000	S	FLT	BEV	Y	N
10000	L	TAXI	FOOD	Y	Y
8000	S	ACCM	FOOD	Y	N
15000	L		BEV	Y	N
15000	M	CURIOS	CLOTHES	N	N
12000	M	CARHIRE	CURIOS	Y	N
25000	M	FLT	FB	Y	N
99999	S	GPARK		Y	N

20000	M	FOOD		Y	N
25000	S	FLT	FB	Y	Y
30000	M	ACCM	FB	Y	N
60000	S	CARHIRE	FOOD	Y	N
16000	S	TOUR	FOOD	Y	N
30000	M	CARHIRE	WATER	Y	N
16000	S	GPARK	FOOD	Y	N
9000	M	TAXI	ACCM	Y	N
9700	L	TAXI	FB	N	Y
9000	M	CURIOS	FOOD	Y	N
27000	L		CURIOS	Y	N
15000	M	CARHIRE	FOOD	Y	N
25000	S	ACCM	CURIOS	Y	N
15000	S	CARHIRE	ACCM	Y	N
7500	L	TAXI	BAGGAGE	Y	N
13000	S	TAXI	FOOD	Y	Y
13000	L	ENTERT	CURIOS	Y	Y
14000	M	GPARK	FOOD	Y	Y
14000	S	TOUR	TBM	Y	N
18000	S	GPARK	ACCM	Y	N
50000	S	HOUSE	BEV	Y	N
6000	S	PETROL	WINE	Y	Y
14000	M	ACCM	FOOD	Y	N
10000	L	ACCM	FOOD	Y	N
30000	S	ACCM	FOOD	Y	N
8000	L	CURIOS	CLOTHES	Y	N
16000	S	CLOTHES	WINE	Y	N
25000	S	ACCM	WINE	Y	N
25000	S	FLT	FOOD	Y	N
10000	S	ACCM	FOOD	Y	N
50000	M	TAXI	BEV	Y	Y
25000	S	CARHIRE	PETROL	Y	N
15500	S	ACCM	FOOD	Y	N
14000	S		WINE	Y	N
15000	S	ACCM	WINE	Y	N
15000	L		FOOD	Y	N
15000	S	FLT	ACCM	Y	N
11000	S	SAFARI	FOOD	Y	N
15000	M		WINE	Y	N
19000	S	FOOD		Y	N
10000	S	FOOD	BEV	Y	N
20000	L	CARHIRE	FOOD	Y	N
	L	PETROL	WINE	Y	N
11000	S	ENTERT	FOOD	Y	N
40000	S	CARHIRE	FOOD	Y	N
10000	M	CURIOS	POSTCARD	Y	N
16000	S	SAFARI	FOOD	Y	N
14000	S	CARHIRE	BEV	Y	N
30000	S	TAXI	INTERNET	Y	N
50000	S	FLT	ATTRACT	Y	N

15000	S	ACCM	WINE	Y	N
30000	L	ENTERT	FB	Y	N
20000	M	ACCM	BEV	Y	N
17500	S	DIAMONDS	BEV	Y	N
30000	L	IMPORTS	WINE	Y	N
13000	S	ACCM	FOOD	Y	N
30000	M	CARHIRE		Y	N
30000	S	FLT	FB	Y	N
15000	S	OSTRICH PROD	PETROL	Y	N
6000	M	ACCM	TRAIN	Y	N
6000	S	ALCOHOL		Y	N
8000	S	ENTERT	WINE	Y	N
16000	S		SIMCARDS	Y	N
11000	S	FILM DEV	PETROL	Y	N
20000	S	FLT	FOOD	Y	N
30000	M	TELKOM	FB	Y	Y
13600	S	FLT	FOOD	Y	N
50000	S	CLOTHES	FOOD	Y	N
14000	S	FLT	FB	Y	N
28000	S	FLT	FOOD	N	N
18000	L	FLT	FOOD	Y	N
12000	S			N	Y
13000	S	FB	CURIOS	Y	N
11000	S		FOOD	Y	N
8000	M	ACCM	FOOD	Y	N
11000	M			Y	N
16000	S	RESTR		Y	N
22000	S		ALL	Y	N
15000	M	FLT	FOOD	N	Y
15000	M	CURIOS	WINE	Y	N
13000	S	FLT	FOOD	Y	N
15000	S	FLT	BEV	Y	Y
16000	M	FLT	CLOTHES	Y	N
12000	S	FLT	CLOTHES	Y	N
12000	M	TAXI	WINE	Y	N
17000	S	TAXI	BEV	Y	N
9000	S	TOURS	WINE	Y	N
19000	S	SAFARI	BEV	Y	N
11000	S	ENTERT	FOOD	Y	N
15000	M	TAXI	FOOD	Y	N
12000	M	CURIOS	WINE	Y	Y
13000	M	TAXI	CLOTHES	Y	N
60000	S	CURIOS	FOOD	Y	N
30000	S	CARHIRE	FB	Y	N
7000	M	FILMS	BEV	Y	N
10000	L		FOOD	Y	N
19000	M	ACCM	BEV	Y	Y
30000	S	ACCM	FB	Y	N
7000	S	ENTERT	TOURS	Y	N
20000	S	TOURS	FOOD	Y	Y

7500	S	SAFARI		Y	N
11000	S	TAXI	CLOTHES	Y	Y
9000	M	ACCM	FOOD	Y	N
16000	S	ACCM	FOOD	Y	Y
13000	S	FLT	WINE	Y	N
25000	S	ACCM	PETROL	Y	Y
10000	S	CARHIRE	FB	Y	N
15000	S	FOOD	PETROL	Y	N
17000	S	CARHIRE	PETROL	Y	N
4500	S	CARHIRE	FOOD	Y	N
7000	L		FOOD	Y	N
60000	S	GPARK	CLOTHES	Y	N
15000	L	TOURS	FOOD	Y	N
20000	S	FLT	SIMCARD	Y	N
13000	S	ACCM	CURIOS	Y	N
25000	S	NPARKS	CURIOS	Y	N
8000	S	ACTIVITIES	FOOD	Y	N
14000	S	ACTIVITIES	CURIOS	Y	N
16000	S	FLT	CURIOS	Y	N
10000	S	CURIOS	FOOD	Y	N
9500	L	TOURS	ACCM	Y	N
12000	M	CARHIRE	ACCM	Y	Y
14000	S	FLT	CURIOS	Y	N
19000	S	TOURS	FB	Y	Y
10000	M	FLT	PETROL	Y	N
23000	S	FLT	FOOD	Y	N
47000	S	TAXI		Y	Y
20000	S	TOURS	FOOD	Y	N
30000	S		FOOD	Y	N
20000	S	FLT	CURIOS	Y	Y
15000	M	FLT	ACCM	Y	Y
40000	S	LEATHERG	CURIOS	Y	N
13000	M	FLT	BOOKS	Y	N
15000	M	ACCM	CURIOS	Y	N
15000	M	SAFARI	CIGARETTE	Y	N
15000	S	ACCM	CURIOS	Y	N
19000	S	RESTR	FOOD	Y	N
13000	S		CURIOS	Y	N
30000	M	ACCM		Y	Y
14000	S	CURIOS	FB	Y	N
20000	S	RESTR		Y	N
17000	S			Y	N
19000	S	ACCM		Y	N
16000	S	CURIOS	FOOD	Y	N
35000	S	FLT	FB	Y	N
12500	S	FLT	FOOD	Y	N
11000	S	ACCM	CURIOS	Y	N
30000	S	FLT	ACCM	Y	N
18000	S	FLT	WINE	N	Y
13000	S	FLT	FB	N	Y

30000	M	FLT	FB	Y	N
40000	S	FLT	ACCM	Y	N
20000	M	NPARKS	FOOD	Y	N
32000	M	SAFARI	FLT	Y	N
20000	M	FLT	FOOD	Y	Y
50000	S	CURIOS	FOOD	Y	N
13000	S	FLT	ACCM	Y	N

AltDest ¹⁰⁰	AltWhich ¹⁰¹	WhyReVFRisit ¹⁰²	CityExpsv ¹⁰³
N		B	JNB
N		H	
N		STUDY	CPT
N		VFR	CPT
N		H	CPT
Y	SENEGAL	H	
Y	ZIMBABWE	H	KNYSNA
N		H	CPT
Y	BOTSW	B	CPT
N		H	CPT JNB
N		H	JNB
N		H	CPT JNB
Y	MOZAMB	VFR	
Y	KENYA	B	JNB
N		H	CPT
N		H	
N		VFR	CPT
N		B	
Y	SINGAPORE	H	
N		H	CPT
Y	AUSTRALIA		CPT
Y	FRANCE	H	CPT
Y	SINGAPORE	H	CPT
Y	KENYA	H	CPT
N		H	DUR
N		H	CPT
N		H	CPT
N		H	DUR
Y	ZAMBIA	H	CPT
N		H	CPT
N		H	
Y	KENYA	H	CPT
N			CPT
N		H	CPT
Y	CHINA	B	
Y	USA	H	
Y	SPAIN	VFR	CPT
Y	SPAIN	H	
Y	NEWZ	H	CPT
N		RESEARCH	JNB
Y	USA	H	CPT
Y	FRANCE		CPT

¹⁰⁰ Did you consider an alternative destination for your trip?

¹⁰¹ Which alternative destination did you consider?

¹⁰² Reason for revisit to South Africa.

¹⁰³ City specified to be more expensive than the rest.

Y	ITALY	RESEARCH	CPT
N		H	
N		H	CPT
N		H	CPT
Y	AUSTRALIA	H	
Y	CANADA	B	JNB
N		H	CPT
Y	BOTSW	H	JNB
Y	AUSTRALIA	H	CPT
N		H	JNB
N		H	DUR
Y	SPAIN	H	
N		H	
Y	USA	VFR	CPT
Y	SWITZERL	H	
Y	AUSTRALIA	VFR	PRY
N		B	JNB
Y	MAURITIU	VFR	JNB
N		B	DUR
Y	AUSTRALIA	H	ELS
N		VFR	JNB
N		H	
N		H	CPT
Y	CANADA	B	
N		H	
Y	MADAGASK	H	JNB
N		H	
N		B	DUR
Y	GHANA	H	CPT
Y	COSTARICA	H	CPT
Y	EGYPT	H	
Y	ZAMBIA	H	
N		H	
N		H	
Y	AUSTRALIA	H	CPT
Y	USA	H	CPT
Y	SAMERICA	H	JNB
N		H	CPT
Y	FRANCE	VFR	CPT
Y	AUSTRALIA	H	
N		CHARITY	JNB
N		H	
N		H	
N		B	JNB
N		B	JNB
Y	NAMIBIA	H	JNB
N		H	
Y	ZIMBABWE	H	JNB
N		H	CPT
Y	EGYPT	B	CPT

N		B	
Y	SPAIN	VFR	SUNC
N		H	CPT
N		H	JNB
Y	NAMIBIA	H	CPT
N		CHARITY	CPT
N		SPORT	
N		H	CPT
Y	TANZANIA	H	CPT
N		H	JNB
N		H	CPT
N		CHARITY	CPT
N		B	PRY
N		B	CPT
N		CHARITY	HAYZYVIEW
Y	MOROCCO	H	CPT
Y	RUSSIA	B	
N		H	CPT
N		B	CPT
N		H	
Y	LESOTHO	H	DUR
Y	AUSTRALIA	H	
N		H	
Y	USA	H	JNB
Y		B	JNB
Y	BALI	H	
N		B	
Y	THAILAND	B	JNB
Y	BALI	B	JNB
Y	BALI	H	CPT
N		H	CPT
N		B	CPT
N		B	JNB
Y		H	CPT
Y	SPAIN	VFR	CPT
Y	AUSTRALIA	H	CPT
N		B	CPT
N		B	CPT
N		H	CPT
N		H	
Y		H	CPT
N		H	CPT
Y	SPAIN	H	CPT
Y	NEWZ	B	SKUKUZA
Y	NAMIBIA	B	
Y	NAMIBIA	H	CPT
Y	MALAWI	LIVE	CPT
N		H	CPT
N		B	STELLENB
N		H	CPT

N		H	JNB
N			CPT
N		B	CPT
N		H	
N		H	
N		H	
Y	NAMIBIA	H	CPT
Y	BOTSWA	H	CPT
Y	ZAMBIA	H	CPT
Y	INDIA	H	CPT
N		H	JNB
N		H	
N		B	CPT
N		B	
N		B	
N		H	CPT
Y	INDIA	B	CPT
Y	NAMIBIA	H	CPT
N		B	
N		VFR	CPT
N		B	JNB
N		H	JNB
N		B	CPT
N		B	JNB
N		H	JNB
N		H	CPT
Y	ZAMBIA	H	CPT
N		H	JNB
N		H	JNB
N		H	DUR
N		B	
N		B	
N		B	JNB
N		H	JNB
N		H	JNB
N		H	
N		H	CPT
Y	AUSTRALIA	H	CPT
N		H	CPT
Y	KENYA	H	JNB
Y	BOTSWA	H	JNB
N		H	CPT
Y	BOTSWA	H	
Y	ZAMBIA	VFR	
Y	KENYA		
Y	AUSTRALIA	VFR	JNB
Y	AUSTRALIA	H	CPT
Y	NAMIBIA	H	
N		H	JNB
Y	TANZANIA	H	

N		H	JNB
Y	MOROCCO	H	
N		H	CPT
Y	ZAMBIA	H	
N		VFR	CPT
Y	AUSTRALIA	VFR	CPT
N		H	
Y	ITALY	H	JNB
N		H	JNB
N		H	DUR
Y	KENYA	VFR	CPT
N		B	
N		H	JNB
Y	BOTSWA	H	
N		VFR	CPT
N		B	JNB
Y	BALI	VFR	JNB
Y	AUSTRALIA	B	
Y	MEXICO	B	
Y	KENYA	B	SUNC
N		H	SUNC
Y	USA	H	
Y	USA	VFR	SUNC
N		B	
Y	INDIA	H	CPT
N		H	SUNC
Y	PACIFIC	B	
Y	MOZAMB	H	
N		H	
N		H	
N		B	CPT
Y	KENYA	H	CPT
N		H	
N		B	JNB
N		B	
N		B	JNB
N			
Y	NAMIBIA	H	CPT
N		H	
N		B	CPT JNB
N		B	
Y	KENYA	H	
N		B	CPT
N		B	JNB
Y	KENYA	B	JNB
Y	AUSTRALIA	H	CPT
Y	TANZANIA	H	
Y	AUSTRALIA	H	JNB
Y	CANADA	VFR	CPT
N		H	CPT

N		H	CPT
N		H	
Y	USA	H	CPT
N		VFR	CPT
Y	USA	H	CPT

ADDENDUM TO CHAPTER 2
GRADING CRITERIA OF THE TOURISM GRADING COUNCIL¹⁰⁴

¹⁰⁴ TOURISM GRADING COUNCIL. 2007. www.tourismgrading.co.za



TOURISM GRADING COUNCIL OF SOUTH AFRICA

Serviced Accommodation Minimum Requirements

Definitions

Bed & Breakfast - accommodation is provided in a family (private) home and the owner/manager lives in the house or on the property. Breakfast must be served. Bathroom facilities may or may not be en-suite and/or private. In general, the guest shares the public areas with the host family.

Country House - is a large Guest House, usually situated in natural, peaceful surroundings such as near a nature reserve, a forest, a lake etc. It offers all the services of a hotel, including dinner.

Guest House - can be an existing home, a renovated home or a building that has been specifically designed to provide overnight accommodation. A guest house will have public areas for the exclusive use of its guests. A guest house is a commercial operation enterprise and as such the owner or manager may live on the property.

Hotel - provides accommodation to the travelling public, has a reception area and offers at least a "breakfast room" or communal eating area. In general a hotel makes food and beverage services available to guests; these may be outsourced or provided by the hotel.

Lodge - an accommodation facility located in natural surroundings. The rates charged are usually inclusive of all meals and the experience offered at the lodge, with game drives, battlefield tours, etc.

Only establishments that cater for transient guests (travelling public) will qualify for grading.

Minimum Requirements for Classification

1.

General

1.1

Safety and Security

The best possible precaution should be taken at all times, to maintain the safety and security of the guests, to prevent damage or theft of their property and possessions.

Emergency information, procedures and after hours contacts for assistance should be clearly displayed in English, multilingual, if possible (dependant on the customer profile of the establishment).

A person responsible for safety and security should be on call 24-hours a day.

To provide safety, security and comfort for guests, lighting needs to be adequate throughout all public areas, particularly stairways and car parks.

The best possible locking devices need to be fitted within all guest rooms. These locks should enable the guest to lock their room from the outside, when leaving the room, as well as from the inside, whilst in the room. In situations where rooms are inter-connecting, locking methods need to be secure and certain.

A safe, if not available in each room, should be provided at reception for the secure storage of guests valuables.

Once a guest is registered, security codes or remote control devices should be made available, providing the guest access to the premises at all times.

1.2

Cleanliness and Comfort

Every effort to maintain the highest possible standards of cleanliness and comfort should be made throughout the establishment, ensuring that every guest enjoys the comfort they expect.

1.3 **Statutory Obligations**

All establishments are expected to comply with all statutory and local government regulations.

Assessors may request that the relevant documentation and certificates are presented at the time of the assessment, this would include...

- ↔ Business registration entitling the guest house to operate legally (including tax status).
- ↑ Provincial registration (if applicable).
- ↔ Public liability insurance.
- ↔ Compliance with local authority regulations – fire safety certificate; building accessibility regulations; hygiene regulations.

1.4

Access

Establishments should be open every day of the year providing all appropriate services and facilities, unless offering only seasonal accommodation or are closed for refurbishments.

Access should never be denied based on race, ethnicity and gender, physical or mental condition.

1.5

Courtesy

Courtesy of the highest standard should be shown to guests at all times.

Any complaints should be dealt with promptly and courteously.

1.6

Marketing, Reservations and Pricing

Clear communication regarding what the establishment has to offer should be made available whether by advertisement, brochure, word of mouth or other means to all guests or prospective guests upon request. This should include...

Detailed prices for: accommodation, meals, refreshments, any additional services, service charges, surcharges and levies. All prices should include VAT.

Full details of cancellation policy and in-house rules, e.g. smoking or pets to be on hand.

An honest description of all amenities, facilities and services offered.

All of the above should be communicated before or at the time of reservation. All requests, correspondence, enquires and complaints should be handled in a friendly and efficient manner.

2.

Buildings

2.1

Exterior

The grounds and gardens of each establishment should always be well maintained, neat and clean.

All signage needs to be clearly visible, both on and off property, ensuring guests are correctly guided to the appropriate entrances at all times. Additional directional signage, with lighting may be required along paths leading to annexes.

2.2

Maintenance

All interior and exterior structures, fittings, fixtures and furnishings should be maintained in a sound, clean and working condition.

3.

Bedrooms

3.1

Housekeeping

All bedrooms should be cleaned daily. Beds should be made daily and all linen, including duvets should be changed for each new

guest.

All bed linen, including duvet covers, should be changed at least every 5 days. Should environmental reasons prevent this, then this period can be extended with the guests consent. Any soiled linen should be changed immediately.

3.2 **Bedroom Size**

The size of a bedroom should allow for guests to move easily, with free access to all furniture and fittings in the room. All doors, windows, cupboards and draws should open with ease.

Minimum ceiling height should allow for a person of 1.8m tall, to move without stooping.

3.3 **Beds**

All beds should be in good condition providing a secure headboard, where style prohibits, a continental pillow will suffice.

Mattresses should be of a good quality, sprung or foam and fitted with a mattress protector or under-blanket.

A single bed should comfortably accommodate an average sized adult and a double bed, two adults.

3.4 **Bedding**

All bedding has to be clean and sufficient in quantity. One blanket and one pillow per sleeping space as minimum, with extras readily available should the guest or weather conditions demand. Duvets are acceptable. Under-sheets, top-sheets should be on each bed and a pillowcase for each pillow.

Beds should be covered with a bedspread, quilt or duvet. The base of the bed should never be exposed, preferably covered with a "skirt", valance or bedspread.

Non-allergic pillows and duvets should be available on request.

3.5 **Bedside Tables**

All beds should be accompanied by a bedside table and a reading light, where there are two beds in a room, a single table, between the two, will suffice. A dressing table or writing table may double as a bedside table.

3.6 **Windows and Lighting**

A minimum of one window per room is recommended to provide natural light and ventilation.

Even if the window is unable to open, guests must be able to „look out‘ and in such a case a ventilation system must be provided.

In addition to a main covered or shaded bedroom light, a bedside or bed-head light is appropriate. The number of beside lights should be determined by the number of guests in each room. Twin beds may share a light. A double bed may have one shared bed-head light

Emergency lighting is essential e.g. a torch.

3.7 **Curtains**

Curtains, blinds or shutters should be installed on all windows including glass panels and glass doors to provide both privacy and light exclusion for the guest. Consideration should be given for additional privacy in the form of net curtaining or blinds where appropriate.

3.8 **Heating and Cooling**

A heater or fan should be available for each room on request. The typical climate of the region should be considered when determining the heating or cooling requirements.

3.9 **Flooring**

Ease of cleaning and hygiene should be considered when determining the appropriate flooring.

3.10 **Clothes Storage**

Each room should provide sufficient space for hanging clothes, with good quality hangers. In addition to a wardrobe, adequate drawer and shelf space should also be available.

3.11 **Luggage storage**

Sufficient storage space should be available in each room for storing suitcases, bags, etc. In addition a luggage rack to support suitcases should also be accessible.

3.12 **Dressing or Writing table**

Each guest room should have a dressing or writing table, a chest of draws or equivalent, thus providing the guest with suitable space to either work or to place their belongings. The dressing or writing table may double-up as a bedside table. There should be a mirror adjacent to the dressing or writing table with adequate lighting.

3.13 **Seating**

There should be a minimum of one chair in each room.

3.14 **Beverage facilities**

Tea and coffee making facilities should be provided in each bedroom, unless a self-service beverage buffet is available (could be a vending machine) or the equivalent room service is offered.

3.15

Television and Radio

If a broadcast signal is available then a colour television set suitable for the size of the room should be provided in each bedroom. If there are no televisions in the bedrooms then a colour television should be available in the lounge area. Should a television signal be unavailable then a radio would offer an alternative

Lodges: TVs are optional

3.16

Stationary

Stationary and other writing materials should be available from reception.

3.17

Telephones

Telephones in guest rooms are optional; however the guest should be able to make use of the household telephone.

Hotels: Bedroom telephones should be provided – at minimum for internal communication.

Where there are phones in a bedroom the number of the phone, the establishment's number, reception number, switchboard number and all emergency numbers should be displayed.

Guests should also be informed of all telephone charges on request.

3.18 **Miscellaneous**

In addition to the above each bedroom should provide the following...

- ◆↔ A waste bin.
- ◆↓ Clean drinking glass per permanent sleeping position.
- ◆↔ An ashtray (if smoking is permitted).
- ◆↔ Sufficient, safe and conveniently located power sockets, for electrical equipment.
- ◆↓ A towel rail or equivalent if the room is not en-suite.

4.

Bath / Shower room

4.1 En-suite, private bath or shower rooms

Each room within the establishment (the number of beds may vary dependant on the configuration of the establishment's rooms) should have either an en-suite bathroom or alternatively a private bathroom.

A private bathroom is one solely designated for the use of one guest room only. The bathroom should be reasonably close to the bedroom and lockable. Access to the bathroom via any public area (lounge, kitchen etc) is not acceptable.

Lodges & Guest Houses - shared bathrooms: There should be at least one bath or shower and toilet with washbasin to every 4 resident guests. Proprietors must have their own facilities separate from that of the guest

B & B: There should be at least one bath or shower and toilet with washbasin to every 4 resident guests. Where the maximum number of persons (including guests and the proprietor / family members) using a bath or shower room, toilet and washbasin facility is no more than 6, it is acceptable that the facility is shared between guests and proprietors/family. Where a shared facility exists, proprietors and their family should avoid prolonged use during peak guest demand periods (this may be in the early to mid-morning period). In addition, personal belongings of proprietors and family should be removed from the bathroom.

4.2 Ventilation

All bathrooms must provide sufficient ventilation. This can be a window that opens. Where there is no window, an extraction fan must be fitted

4.3 Housekeeping

All bathrooms should be cleaned daily.

All bathroom linen should be changed at least every 5 days. Should environmental reasons prevent this, then this period can be extended with the guests consent. Any soiled linen should be changed immediately.

4.4 Bathroom Size

All bathrooms should provide sufficient space to allow freedom of movement for guests and access to all fittings.

4.5 Fixtures and Fittings

Each bathroom should have...

Bath or shower

Washbasin with adjacent mirror

Toilet

Soap dish/holder/dispenser

Toilet roll holder and toilet paper.

Waste bin

Adequate ventilation (extractor fan or opening window)

Towel rail, shelf or equivalent

Running, hot water for bathing should be available at all reasonable times

Clean hand and bath towel for each guest

Fresh soap for each new guest

Clothes hook or equivalent

Private & shared bathrooms must be lockable from the inside.

4.6 Lighting and Windows

All bathrooms should be well lit with the light switch near the entrance to the bathroom

For guest privacy all bathroom windows should be tinted, opaque or made of a glass that ensures privacy, alternatively a blind, curtain or shutter should be used.

5 Public Areas

5.1 **Reception Area**

A clean central meeting or reception area should be provided. This should also provide the guests with the means (a bell or buzzer) of gaining attention when the reception is not attended.

Hotel: A clearly designated reception area should be provided.

In addition information regarding the local area should be readily available. This should include maps, activity schedules, local tours, transport, restaurants, etc.

5.2 **Seating Area**

Lodges & Hotels: There should be a sitting area (lounge) available to guests throughout the day and evening with sufficient comfortable seating.

GH: There should be a sitting area (lounge) available to guests throughout the day and evening with sufficient comfortable seating. This may be within the guest room

B & B: 4 & 5 star: A communal lounge area with comfortable chairs should be available for guest use.

5.3 **Dining Area**

At least one dining or “communal eating” area should be provided for the service of breakfast and other meals (if served). The dining area should be on or adjacent to the establishment.

5.4 **Public Toilets**

A separate toilet facility should be conveniently located in the public areas (may be unisex).

All toilets should be well maintained, clean and frequently checked.

At minimum a basin with running water, toilet paper, soap and a drying mechanism (clean towel, paper towels, hot air dryer, etc) should be provided.

6. **Services and Food & Beverage**

6.1 **Reception**

Reception facilities should be available at all reasonable hours during the period that the establishment is open. A message taking service should be available.

6.2 **Porter Service**

Assistance with luggage should be available on request.

6.3 **Morning Call**

Guests should be able to request an early morning wake-up call if there is no alarm clock in guest rooms.

6.4 **Laundry**

At minimum an iron and ironing board should be available on request.

6.5 **Food & Beverage – General**

The establishment should make dinner available if located in an area where no alternative meals can be obtained.

Staff should demonstrate adequate levels of product knowledge and provide efficient service.

All food should be hygienically stored, prepared and presented.

6.6

Breakfast

At a minimum a continental breakfast (or other appropriate breakfast e.g. traditional) should be available (buffet style is acceptable). This may be outsourced.

7. **Additional Requirements for 4- and 5-Star Serviced Accommodation**

7.1

General

For 4 and 5 Star establishments a higher level of spaciousness will be required in all areas – e.g. Corridors, bedrooms, bathrooms, etc.

Some account may be taken of limitations in older or historic properties.

7.2

Bedrooms

The bedroom should have at least two comfortable seating chairs.

If appropriate televisions must have remote control and a wide choice of channels should be provided.

Air conditioning: Mandatory in 5 star establishments.

Heating and cooling: Ceiling fans with a remote or wall-mounted control preferred.

There should be a safe in each room.

There should be a hairdryer in each room.

In areas where Malaria occurs, adequate protection against mosquitoes in the form of netting, window gauze and or insecticide should be provided in each guest room.

7.3

Bathrooms

Separate bath and shower: Mandatory for all 5 star establishments.

Bath with overhead shower: Mandatory for all 4 star Hotels.

Bath OR shower accepted for 4 star GH; B & B & Lodges. Showers not to be cramped. Minimum 900X900 with shower doors & no floppy shower curtains. Shower rose to be of a superior quality and type; space to be provided for toiletries, etc.

Other serviced establishments: All guest bedrooms should have en-suite bath or shower.

Showers must be a minimum size of 900 x 900cm. Must have shower doors and NOT plastic curtains. The Shower rose to be of a superior nature and there needs to be space for soap.

Bath sheets must be provided by all 5 star establishments.

An extensive range of quality guest amenities should be available.

For new properties twin wash hand-basins are required for 5 star establishments.

7.4 **Services**

A 24 hour reception service for Hotels – not however for Lodges, Guest Houses, Country Houses and Bed & Breakfasts, 18 hours for 4 star hotels – not however for Lodges, Guest Houses, Country Houses and Bed & Breakfasts.

Guest laundry service is required.

A comprehensive bedroom / bathroom turn-down service is expected in 5 star establishments.

7.5

Food & Beverage

There should be a served beverage service in the public lounge, deck or bar area.

In hotels a full service restaurant open to residents must be available if no alternative restaurants are available in the vicinity of the hotel.

Hotels: Room service should be provided (24 hours in 5 star hotels and 18 hours in 4 star hotels). This may be outsourced, but the standard must conform to the standard of the hotel.

Meals can be served in the room if the appropriate table and chair arrangement is provided.

Guest and Country Houses to provide meals on request in cases when sufficient notice has been given and there are no quality restaurants in the vicinity.

Serviced Accommodation Grading Criteria

Serviced accommodation includes:

- 1 Hotels
- 2 Lodges
- 3 Guest houses
- 4 Bed and breakfasts
- 5 Country houses

Each establishment wishing to be graded needs to comply with the minimum criteria detailed for each accommodation category including the specified minimum criteria per star grading. Thereafter the establishment will be graded according to the criteria listed in this document.

The grading criteria have been developed on the expectations of the guests and include...

- 1 The building exterior
- 2 The bedrooms
- 3 The bathrooms
- 4 Public areas
- 5 Dining facilities
- 6 Food and beverage
- 7 Services and service
- 8 Housekeeping

Not all areas will be applicable to every establishment. Where an area is not applicable the establishment will not be graded and the lack of a service or facility will not affect the overall scoring. An establishment will not be penalised for not having a service or facility beyond the minimum requirements.

The grading assessor will award a score of between 1 and 10 for each area assessed. The score will be based on:

- 1 The assessor's experience which is a balance between quality and condition (taste and fashion will not have an influence).
- 2 Guest experience, consumer feedback and comments.

The score for each standard is defined as follows:

Excellent	10
Very good	9
Good	8
Standard	6 or 7
Acceptable	5
Poor	3 or 4
Unacceptable	1 or 2

Examples of all possible standards are provided in the criteria. It is important to consider that these are examples and guidelines only. The criteria are not exhaustive, rather a guideline to steer assessors and property owners or managers in the right direction in respect of scoring.

Required overall score for each grading band

5-Stars

Overall score of	95% - 100%
Items to score	9 or 10
No more than 1 item to score	8

4-Stars

Overall score of	85% - 94%
Items to score	8 or more
No more than 1 item to score	7
All service elements to score	8, 9 or 10

3-Stars

Overall score of	71% - 84%
Items to score	7 or more
No more than 2 items to score	6
All service elements to score	8, 9 or 10

2-Stars

Overall score of	61% - 70%
No unacceptable items	Less than 3
Items to score	6 or more
No more than 2 items to score	5
All service elements to score	7, 8, 9 or 10

1-Star

Overall score of	51% - 60%
No unacceptable items	Less than 3
All service elements to score	7, 8, 9 or 10

Exterior

1.

Appearance of Buildings

10 – 9 New buildings – absence of weathering, fresh well-maintained paintwork, an overall clean and “new” look. Older

buildings – no unsightly staining, well-maintained paintwork. Visible outbuildings or annexes to be of a similar standard. Good external lighting. Good clear signage. Addition of attractive architectural features.

- 8 High quality maintenance of paint, stone or brickwork, although a certain natural weathering may be present. All areas of paintwork to be in sound condition. Some additional external features to enhance appearance.
- 7 – 6 Paintwork, windows, drains, etc in good state of repair. No obvious structural defects or damage. “Plain” architectural features are acceptable
- 5 - 4 – 3 Some areas of paint may be ageing and rather weathered. Small defects, damage, cracks, etc. No evidence of recent repairs, paintwork, etc. Ageing signage.
- 2 – 1 Generally neglected buildings. Obvious structural defects or damage. Flaking paint, illegible signs, rotting wood.

2.

Grounds and Gardens

All facilities within the grounds should be evaluated in this section, including: gardens, swimming pools and sports facilities.

- 10 – 9 Evidence of a systematic programme of maintenance – well tended formal gardens or an attractive “natural” environment. Tidy and well-lit pathways. Looking good throughout the year. Well-maintained driveway and entrance. No disorder or rubbish and no evidence of litter. Provision of garden furniture or architectural features appropriate to the nature of the guests attracted to the establishment.
- 8 High standards of maintenance in formal gardens. Pleasant and tidy appearance throughout the year. No clutter or disorder around the service areas. External lighting and good driveway etc. Some architectural features appropriate to the guests.
- 7 - 6 No overgrown, tangled areas. Immediate surrounds kept tidy and well maintained. Some attempt to produce a pleasing effect with interesting design. Uncluttered access to accommodation. No potholes in driveway. Some external lighting. Clear access.
- 5 - 4 - 3 Gardens and enclosed area around the establishment are kept under control. Little attempt at interesting design. Driveway may have an uneven surface. Disorder kept to a minimum.
- 2 - 1 Neglected and overgrown appearance. Badly surfaced driveway with potholes or puddles. Rubbish and clutter visible. Disorderly appearance. Poor lighting.

3.

Parking

- 10 – 9 Marked parking bays in a secure environment. External security lighting. Effort made to provide covered parking.
- 8 Organised, secure parking close to accommodation.
- 7 - 6 Parking in secure environment but not always organised.
- 5 - 4 - 3 Little attempt to control or secure parking.
- 2 - 1 Owner or manager vehicles taking up most of available parking space. No parking available or pavement parking only.

Bedrooms

If there are a number of bedrooms which have been decorated or refurbished at different stages, different times then they may each be assessed at a different level of quality and condition.
In this case the lowest mark is applied.

4.

Decoration

- 10 - 9 High quality of wall covering (paint or wallpaper). Attention to detail, thoughtful co-ordination of patterns, colours and textures. If the décor is “plain” then addition of high quality pictures or objects d’art, etc although some “minimalist” styles require less. All work should look professional and be well executed.

- 8 High quality wall coverings but need not be in perfect condition. Signs of wear and tear (i.e. scratches, water splashes, finger marks, etc). Room décor may range from excellent to good.
- 7 - 6 Competent, average quality wall coverings. Some pictures in good frames. Reasonable attempt to co-ordinate patterns and colours. No jarring mismatch of colours and styles. Décor may be some years old but not damaged, scratched, torn or strained. Room décor may range from excellent or very good to good.
- 5 - 4 - 3 Aging or old looking décor, of average quality to begin with. Amateur application of paint or wall paper. Little attention to detail. Plain style with no adornment. Some wear and tear.
- 2 - 1 Low-grade materials poorly executed. Uncoordinated styles and colours. Noticeable wear and tear, stains, splashes, scratches, tears, etc. Few pictures, graphics, wall hangings or works of art (if any). Unsightly pipe work. Exposed wiring. Signs of damp.

5.

Furniture and Furnishings

- 10 - 9 Excellent intrinsic quality and condition. Furniture of sound construction, with attractive professional finishes and detail. Little or no sign of ageing, wear and tear or ill-use. Ample hanging space. Attractive and comfortable seating with upholstery in excellent condition. Full, well-lined curtains with the appropriate accessories, in working order. Electronic goods of excellent quality and in excellent condition.

NB. Some antique furniture may show signs of “distress” which does not detract from its excellence depending on the degree of deterioration.
- 8 High intrinsic quality of materials may show some signs of use. Alternatively new, good (instead of excellent) quality furniture and furnishings. Some contract furniture even when brand new will only be “very good”. Well cared for domestic furniture in a B&B may be very good. Curtains to be full and effective in keeping out light and retaining warmth. Good quality electronic goods in good working condition.
- 7 - 6 Furniture which may have been “excellent” or “very good”, but as a result of ageing, shows signs of wear and tear. Alternatively, a medium quality range of materials and construction in sound and usable condition. There should be no damage, stains or fraying on furniture. No jarringly uncoordinated styles – all furniture to be of a similar standard. Medium quality electronic goods in good working order.
- 5 - 4 - 3 Furniture of average quality in well-used condition. Little co-ordination of styles, some slight damage may be apparent, but all items capable of use. Surfaces not well maintained. Thin, short, skimpy curtains. Some stains, marks on soft furnishings.
Out-dated electronic equipment but still in good working order or newer equipment in poor state of repair.
- 2 - 1 Furniture of a low quality material, poor construction, damaged, marked or scratched. Uncoordinated styles. Thin, unlined curtains. Stained or worn upholstery. Electronic goods that are very old, not working, components broken, badly tuned, channels not conforming to directory, etc.

6.

Flooring and Ceiling

- 10 - 9 High quality fitted carpets (high percentage wool content), good thick pile and underlay. Alternatively excellent quality domestic carpeting, fit for purpose. High quality wooden or tiled flooring with high quality occasional rugs or mats. Ceilings to be of an excellent quality, no sagging or evidence of water leakage or seeping, marks or stains.
All of the above should be professionally fitted, painted and in pristine condition.
- 8 High quality carpets beginning to show some signs of ageing (flattening or wearing). No stains, burns or marks, etc. Alternatively carpet with higher percentage of man-made fibre but in new condition. Wooden or tiled flooring in need of buffing but with high quality rugs. Ceiling of good quality, no sagging, evidence of water leakage or seeping. Professionally fitted and painted.
- 7 - 6 High quality carpet with flattening in areas of most traffic but all in sound condition – some small discolouration in places. Alternatively a cheaper new carpet. Wooden or tiled floors a little scratched in places. Ceiling of average quality, competent job of application. Paintwork competently applied, although not necessarily of a professional standard.
- 5 - 4 - 3 Carpets showing considerable use – flattened spots, bleached by sunlight through windows, some thinning. Unprofessionally fitted with ripples, rough ill-fitting edges, thin or no underlay. (There should be no holes, tears, burns or other defects that render the carpet unsound). Vinyl or low quality flooring. Chipped wooden or tiled floors. Poor quality ceiling, amateurishly fitted, but no evidence of sagging. Ceilings slightly stained paintwork of a poor standard.

2 - 1 Carpets with distinct signs of wearing, visible canvas or backing fabric, patches, stains, discolouration, obvious seams. DIY fitting with gaping joints, gaps between carpet and wall. Several unmatched styles or newer carpets laid on top of damaged or worn-through older ones. Wooden floors that have aged – now in need of a new coat of varnish, with worn and stained rugs. Missing tiles and obvious chips. Poor quality sagging ceilings and evidence of water seepage. Stained paintwork, old and amateurishly done.

NB: In all levels there may be a high quality natural alternative to carpeting, tiles or wooden floors. In these cases the intrinsic quality and condition would be assessed, taking the style of the property into consideration.

7.

Beds and Linen

10 - 9 Beds sizes frequently larger than standard sizes. Sound mattresses and sprung bases. Decorated, interesting bedframes (excellent quality). High quality linen, “crisply” laundered. Good supply and variety of pillows, cushions. Thick, weighty blankets with spares available. Good quality duvet (season dependent) co-ordinated with bedroom décor and softs if no separate bedcover. Bedcovers quilted or similar high quality, co-ordinated with bedroom décor and other soft furnishings. Valances where appropriate. Headboards offering comfort and free from head or other stains.

8 Very good firm mattresses and sound base. All bed linen and bedding to of a high quality, but not necessarily in brand new condition, co-ordinated with other soft furnishings. Bed frames may be of an older style, but in good condition and quality.

7 - 6 Standard domestic quality bed frames, divans and mattresses in sound condition. Sheets well ironed, but not necessarily best quality linen. Medium quality bed covers or spreads free from stains, holes and wear. Headboards may be a simple wooden board or a continental pillow.

5 - 4 - 3 Domestic mattresses that are well used thin and set on a shallow divan base. Tendency to move or creak. No sagging, broken struts, uneven legs. Wobbly headboards or sloping frames. Linen of a cheaper polyester mixture, thinning, faded. Thin pillows.

2 - 1 Mattress with little or no resistance or bounce. Legs loose, casters missing, stains, marks and holes. Creaking frame, sagging supports. Cheap sheets with fraying edges, holes, faded.

8.

Temperature Control

10 - 9 Thermostatically and individually controlled heating and or cooling system capable of maintaining a comfortable temperature of between 18°C and 25°C appropriate to size and location of room. Appliance in excellent condition. An excellent score would apply for remote controlled air-conditioning.

8 Individual control by guests at all times, some ageing of excellent apparatus. Good quality and quiet wall mounted air-conditioners would receive this rating. In B&B's new, good quality domestic heating and or cooling appliances are acceptable, (free standing wall or ceiling mounted – fans, heaters or air-conditioner units).

7 - 6 Effective heating and or cooling provided in rooms when appropriate (with individual control). Not necessarily the most up to date system. Large, slightly noisy, wall mounted air conditioners apply here. In B&B's good quality, not necessarily new heating and or cooling, freestanding appliances are acceptable.

5 - 4 - 3 Free standing appliance able of maintaining a reasonably comfortable temperature in the room. Ageing appliances. In B&B's low quality heating or cooling, freestanding appliances in good condition are acceptable.

2 - 1 Old low quality appliances. Heating or cooling only available close to apparatus i.e. apparatus unable to maintain a comfortable temperature throughout the room.

9.

Lighting

10 - 9 Overall high standard of lighting in room. Controllable dimmer. Light sources in all appropriate places – especially for shaving, make-up, contact lenses, reading, etc. Bedside lighting with separate control for each guest. Bedroom lights can be switched off at the bedside. Picture lights. Recessed spot lamps. All lights and shades of high quality manufacture and in excellent order. No wobbly connections, burnt shades, flimsy bases that could fall over, etc.

8 Provision of more sources of light than is strictly necessary i.e. more than just centre and bedside lights. High quality fittings, lamps bases, etc.

7 - 6 More than adequate room light. Quality bedside and or bedhead lamps with separate control for each guest. Preferably additional sources of light in room but not necessarily. Good blend of natural or electric light during

day.

- 5 - 4 - 3 Minimum light in room. Restricted natural light. Ageing fittings, looking scruffy.
- 2 - 1 Dim, gloomy lighting. Low quality fittings and appliances. Light in inappropriate places. Poor natural light. Hidden controls. Shades burnt, scruffy, stained, etc.

10.

Accessories

- 10 - 9 A wide range of high quality extras for guest use e.g.:
 - ↔ Fruit bowl,
 - ↑↓ Plants,
 - ↔ Satellite television,
 - ↔ Remote controls,
 - ↑↓ Pay channels, videos,
 - ↑↓ Books, magazines,
 - ↔ Suit stand,
 - ↔ Suit press,
 - ↔ Mending kit,
 - ↔ Potpourri,
 - ↔ Shoe polishing cloth or pad,
 - ↔ Biscuits,
 - ↔ Pack of cards, games,
 - ↔ Mineral water,
 - ↔ Sweets, mints or chocolates,
 - ↔ Tea tray,
 - ↔ Variety of teas and coffees,
 - ↔ Fresh milk,
 - ↔ Comprehensive room information, well presented,
 - ↑↓ Mini bar, etc
- 8 A reasonable proportion of the above.
- 7 - 6 A small selection of the above.
- 5 - 4 - 3 One or two items only of average quality.
- 2 - 1 One or two items only of very poor quality.

11.

Spaciousness and Overall Impression

- 10 - 9 A spacious, well-planned room with furniture conveniently placed. Ease of access to all furniture, cupboards, wardrobes, drawers, etc. A sitting area with sufficient space to relax. Space to put luggage so that it does not clutter the room or obstruct access. Easy access to all facilities e.g. use of desk without having to move tea tray. TV visible from the sitting area or bed. Unrestricted view of full mirror. No intrusive noise from other rooms or public areas.
- 8 Reasonably spacious room with good access to all furniture and facilities. No areas of restricted access or obstruction. Not necessary to have a self-contained sitting area but room must be large enough to comfortably contain 2 easy chairs in addition to the standard bedroom furniture. No creaky boards or intrusive noise.
- 7 - 6 Room large enough to contain all necessary furniture and to allow access to all facilities but there may be some slightly restricted areas e.g. narrow access along sides of a double bed. A chair may serve a dual purpose, easy seating and for the dressing table. To allow greater access some care may be taken in the positioning and design of furniture i.e. TV on a wall bracket. No intrusive noise from plumbing, corridor, lifts, etc.
- 5 - 4 - 3 Cluttered feel to room. Overlarge furniture for floor space. Need to move some things to get to others. Awkward opening of drawers, cupboards, wardrobes, etc. Little room for luggage. Noisy plumbing, sounds from adjoining rooms, corridor or lifts.
- 2 - 1 Furniture too large or plentiful for room. Access to most facilities restricted or awkward. Noises from other rooms or public areas clearly audible. Disturbance from music, noise in public rooms or other areas.

Bathrooms

12.

Decoration and Flooring

- 10 - 9** Highest quality floor and wall coverings. Tiles well fitted. Grouting in excellent condition. No marks, stains or condensation damage. No peeling wallpaper or flaking paint. Flooring well-fitted and free from stains or water damage.
- 8** May be a high quality finish but not recent – some signs of wear but all in sound condition. Alternatively, may be recently decorated but not with the highest quality materials, though a competent and professional job. High quality floor covering or tiles.
- 7 - 6** Not necessarily recently decorated though in sound condition. Some signs of wear. Standard quality bathroom flooring. No stains or marks.
- 5 - 4 - 3** Lower quality materials, ageing and evidence of poor standard of DIY. Very plain with no attempt at adornment. Grouting discoloured. Tired, dated style. Some stains and marks.
- 2 - 1** Very tired and old style. Damp or condensation marks. Cheap very low quality finish, unprofessionally applied. Sealant or grouting mouldy, carpet rotting, smelly. Paintwork chipped, flaking. Area around toilet discoloured or damp.

13.

Fixtures and Fittings

- 10 - 9** High quality, solid, well-made fittings in excellent order and matching style. High quality finish. Sturdy cast iron or steel and enamel bath. Attractive shower screen. Good sized washbasin. Easy to use with responsive controls. Plenty of hot water at all times.
- 8** Generally high quality fittings throughout, but not necessarily new. Good-sized bath. Shower screen or good quality curtain (if necessary to keep surrounding area free from water). All porcelain in good condition – no cracks, dull finishes, no stains. Matching and co-ordinated styles.
- 7 - 6** Standard domestic range of bathroom fittings. Sturdy steel or acrylic bath. Bathroom may have a shower or a bath. May be showing some wear but in a sound and clean condition. No small baths or under-sized showers with awkward access. Hot water at all reasonable times.
- 5 - 4 - 3** Ageing fittings – dull finish to porcelain, chrome wearing off. Weak shower pressure. Intermittent hot water or at restricted hours. Fittings not matching. Out of date style or colour, over used. Rough DIY grouting or sealant. Some “module” bathrooms with very restricted space and inconvenient layout.
- 2 - 1** Bath enamel chipped, stained or dull. Cheap plastic bath that moves and creaks. Very small shower with insufficient water supply. Stained or mouldy grouting or sealant and cheap, thin shower curtain. Cracked washbasin or toilet. Badly fitted cheap plastic toilet and cover. Discoloured plastic cistern. Plastic taps. Loose or broken towel rail. Evidence of cigarette burns, damage, etc.

14.

Linen

- 10 - 9** Full range of towel sizes – bath sheet, (bath towel optional), hand towel, face cloth for each guest. Provision of towelling robes. Thick, heavy, fluffy quality with plenty of pile. Replaced daily or after each use (unless guest requests otherwise with particular reference to environmental issues).
- 8** Range of towels including bath sheet or towel and hand towel per guest but not quite such heavy quality as above. Changed frequently or at guest's request.
- 7 - 6** Good quality bath and hand towels in sound condition.
- 5 - 4 - 3** Moderate quality towels, showing age. Rather thin, fraying edges, small size. Faded.
- 2 - 1** Very thin, small, scratchy, old, fraying, some holes, stained, faded. Low absorbency.

15.

Lighting and Ventilation

- 10 - 9** Lighting effective for all purposes – shaving, make-up and contact lenses, particularly at washbasin and shaving point. Excellent quality fittings, recessed lights, spot lamps. In cold climates heated towel rails and or other ways of warming towels should be provided. Either windows that open or effectively working extractors.

- 8 High standard of light fittings – centre, main light plus adequate shaving light, possibly supplementary lights. Possible heated towel rail and or other form of heating towels in cold climates and cooler conditions.
- 7 - 6 Centre light and shaving light, well positioned providing adequate light.
- 5 - 4 - 3 Dim centre light and awkwardly placed shaving light. Stark fluorescent tube on ageing fittings.
- 2 - 1 Gloomy poor lighting, badly placed, ageing, damaged light fittings.

16.

Accessories

- 10 - 9 Luxury 2 ply toilet paper. A wide range of excellent quality accessories provided in the bathroom e.g.:
 - ↔ Wrapped soap;
 - ↓ Shampoo,
 - ↔ Moisturiser,
 - ↔ Aftershave,
 - ↑ Cologne,
 - ↓ Shower gel,
 - ↔ Conditioner,
 - ↔ Talcum powder,
 - ↔ Tooth brushes,
 - ↔ Tooth paste,
 - ↔ Shower cap,
 - ↔ Toilet bags,
 - ↔ Tissues,
 - ↔ Flowers,
 - ↔ Magazines,
 - ↔ Cotton wool balls,
 - ↔ Cotton buds, etc.
- 8 A reasonable proportion of excellent quality items from the above list. No well-used ageing bottles, scrappy sachets or sticky containers. High quality toilet paper.
- 7 - 6 A small range from the above, all in good condition and of good quality. Medium quality toilet paper.
- 5 - 4 - 3 One or two items from the above list of average quality. (Wrapped soap or shower gel is compulsory).
- 2 - 1 One or two items from the above list of poorer quality. (Wrapped soap or shower gel is compulsory).

17.

Spaciousness

- 10 - 9 Separate bath and shower for 5-stars. Conveniently laid out bathroom with easy access to all facilities. Plenty of provision for laying out toiletries and hanging up clothes, etc. A high level of spaciousness.
- 8 Good-sized rooms with access to all facilities. There may be room for only one guest at a time. No awkward corners or obstructed parts. Good space for toiletries.
- 7 - 6 Adequate size of room for one guest – may be a shower only, but no awkward access or inconvenient position of facilities, etc. Adequate space for toiletries.
- 5 - 4 - 3 Restricted space leading to small bath or shower, small washbasin and awkward access. Limited space for toiletries.
- 2 - 1 Very small room with facilities in separate small rooms. Very awkward access. Limited room for drying and dressing. Small washbasin. Cramped access to toilet.

Public Areas

All areas other than the areas previously mentioned, which are inside a building and are accessible to guests and the public should be evaluated under this section. This includes: conference facilities, corridors, public toilets, lounges, reception areas, fitness centres, business centres, etc.

18.

Decoration

- 10 – 9 High quality wall covering in excellent condition. Evidence of co-ordinated design. Interesting architectural features, artwork, objects d'art, etc. No evidence of ageing, wear and tear (some historical locations accepted). High quality professional finish.
- 8 Use of high quality materials, though not necessarily in pristine condition. Alternatively more moderate quality materials if recently decorated. Attempt to co-ordinate design with additional attractive features. No scratches, chips, stains or scuffs. Professional workmanship throughout.
- 7 – 6 Standard “domestic” style and quality of décor, some ageing but no major wear and tear. Use of wall hangings, pictures, etc. Competent workmanship.
- 5 - 4 – 3 Moderate quality, ageing. Some slight damage, wear and tear. Dated style. Amateur application of décor. Little design input or co-ordination. Looking tired.
- 2 – 1 Very old, faded, damaged wall covering. Evidence of damp or water penetration. Grubby marks. Unsightly paintwork or exposed wiring. General neglect.

19.

Furnishings and Fixtures

- 10 – 9 High degree of comfort and luxury. High quality in excellent condition. Attractive, co-ordinated extras. Decorative, occasional pieces in main room or rooms and corridors. In B&B's high quality domestic furniture in excellent condition.
- 8 High quality furniture but not necessarily new. All in sound condition, but may have a “lived-in” feel. Alternatively, more moderate quality furniture in excellent condition. Comfortable easy seating.
- 7 – 6 Medium to high quality of manufacture but showing some wear and tear. Maybe rather dated but sound. Alternatively, new furniture of medium quality. Comfortable but with little luxury.
- 5 - 4 – 3 Uncoordinated style. Ageing seating. May show marks, sparse arrangement. Not particularly comfortable or attractive. Low quality.
- 2 – 1 Low quality, uncomfortable, ageing furniture. May show some damage – scratched, loose arms or legs. Stained or grubby upholstery. Dated, jaded and unattractive.

20.

Flooring and Ceiling

- 10 – 9 High quality fitted carpets (high percentage wool content), good thick pile and underlay. Alternatively excellent quality domestic carpeting, fit for purpose. High quality wooden or tiled flooring with high quality occasional rugs or mats. Ceilings to be of an excellent quality, no sagging or evidence of water leakage or seeping, marks or stains.
All of the above should be professionally fitted, painted and in pristine conditions.
- 8 High quality carpets beginning to show some signs of ageing (flattening or wearing). No stains, burns or marks, etc. Alternatively carpet with higher percentage of man-made fibre but in new condition. Wooden or tiled flooring in need of buffing but with high quality rugs. Ceiling of good quality, no sagging and evidence of water leakage or seeping. Professionally fitted and painted.
- 7 – 6 High quality carpet with flattening in areas of most traffic but all in sound condition – some small discolouration in places. Alternatively a cheaper new carpet. Wooden or tiled floors a little scratched in places. Ceiling of average quality, competent job of application. Paintwork competently applied, although not necessarily of a professionally standard.
- 5 - 4 – 3 Carpets showing considerable use – flattened spots, bleached by sunlight through windows, some thinning. Unprofessionally fitted with ripples, rough ill-fitting edges thin or no underlay. (There should be no holes, tears, burns or other defects that render the carpet unsound). Vinyl or low quality flooring. Chipped wooden or tiled floors. Poor quality ceiling, amateurishly fitted, but no evidence of sagging. Ceilings slightly stained paintwork of a poor standard.
- 2 – 1 Carpets with distinct signs of wearing, visible canvas or backing fabric, patches, stains, discolouration, obvious seams. DIY fitting with gaping joints, gaps between carpet and wall. Several unmatched styles or newer carpets laid on top of damaged or worn-through older ones. Wooden floors that have aged – now in need of a new coat of varnish, with worn and stained rugs. Missing tiles and obvious chips. Poor quality sagging ceilings and evidence of water seepage. Stained paintwork, old and amateurishly done.

NB: In all levels there may be a high quality natural alternative to carpeting, tiles or wooden floors. In these cases the intrinsic quality and condition would be assessed, taking the style of the property into consideration.

21.

Lighting

- 10 – 9** Overall high standard of illumination providing sufficient light for all purposes but also designed for good effect – showing off features in rooms or corridors. All lights and shades of high quality manufacture and in excellent working order.
No wobbly connections, burnt shades, flimsy bases that could fall over, etc. No harsh fluorescent lighting.
- 8** High quality fittings with more than adequate spread of illumination for practical use, though no or limited use of sophisticated lighting “effects”. Occasional lamps, reading lights, perhaps picture lights.
- 7 – 6** More than minimal lighting. Medium quality fittings in sound condition. No burnt shades, ageing lamps, etc. Main light plus one or two small occasional lamps. No extra lights for effect.
- 5 - 4 – 3** Enough light for practical use, but nothing more. No occasional lamps. Fittings dated, ageing, discoloured. Stark, unattractive and harsh lighting.
- 2 – 1** Low quality fittings in poor condition. Exposed, fraying wires, wobbly fittings, loose plugs. Dim, gloomy effect creating dark areas. Glaring, irritating, harsh fluorescent lights with no diffuser.

22.

Atmosphere and Ambience

- 10 – 9** Harmonious combination of décor, lighting and comfortable furniture. Soothing co-ordinated effect. No jarring elements. Interesting architectural features. Spacious rooms. No intrusive noise. In a B&B's no intrusion of boisterous pets.
- 8** Comfortable, relaxed feel. Maybe some busy activity or music in background but not intrusive. Co-ordinated décor, finishing, etc.
- 7 – 6** Comfortable seating area but maybe used for other things at times. A degree of activity but not irritating. In a B&B some evidence of family activities. Domestic family atmosphere.
- 5 - 4 – 3** Busy area with lots of activities going on creating a “corridor” effect. Harsh lighting. Intrusive noise. Awkward seating. Cooking smells. Not particularly comfortable.
- 2 – 1** Uncomfortable, awkward seating in an area clearly used for other purposes. Loud noises from TV's, radios, etc. Smoky, old, persistent cooking smells. Draughty. No personal touches. Nothing to look at or read.

Dining Facilities

23.

Decoration

Same as public areas and should be assessed as part of the public areas, if in an open plan area. Assessed separately, if it is a separate room. B&B's assessed under public areas.

- 10 – 9** High quality wall covering in excellent condition. Evidence of co-ordinated design. Interesting architectural features, artwork, objects d'art, etc. No evidence of ageing, wear and tear (some historical locations accepted). High quality professional finish.
- 8** Use of high quality materials, though not necessarily in pristine condition. Alternatively more average quality materials if recently decorated. Co-ordinated design with additional attractive features. No scratches, chips, stains or scuffs. Professional workmanship throughout.
- 7 – 6** Standard “domestic” style and quality of décor. Some ageing but no major wear and tear. Use of wall hangings, pictures, etc. Competent workmanship.
- 5 - 4 - 3** Average quality, ageing. Some slight damage, wear and tear. Dated style. Amateur application of décor. Little design input or co-ordination. Looking tired.
- 2 - 1** Very old, faded, damaged wall covering. Evidence of damp or water penetration. Grubby marks. Evidence of neglect. Unsightly paintwork. Exposed wiring.

24.

Furnishings

General principles of furnishings in public areas with additional considerations.

- 10 - 9** High degree of comfort. Well-spaced chairs of appropriate height for tables. Co-ordinated themed design. Spacious tables.
- 8** All of high quality but not necessarily the same design although co-ordinated. Good sized tables.
- 7 - 6** Average quality. Tables large enough for uncluttered use. May be a mix of styles and ages, but all in good order. Design may take precedence over comfort.
- 5 - 4 - 3** May be quite a mix of styles, ages, designs, shapes and heights. Chairs not very comfortable. Tables too close together.
- 2 - 1** Inadequate table size. Cluttered and inconvenient. Cramped and uncomfortable layout.

25.

Flooring and Ceiling

Same as public areas and should be assessed as part of the public areas, if in an open plan area. Dining area assessed separately, if it is a separate room.

- 10 - 9** High quality fitted carpets (high percentage wool content), good thick pile and underlay. Alternatively excellent quality domestic carpeting, fit for purpose. High quality wooden or tiled flooring with high quality occasional rugs or mats. Ceilings to be of an excellent quality, no sagging or evidence of water leakage or seeping, marks or stains.
All of the above should be professionally fitted, painted and in pristine conditions.
- 8** High quality carpets beginning to show some signs of ageing (flattening or wearing). No stains, burns or marks, etc. Alternatively carpet with higher percentage of man-made fibre but in new condition. Wooden or tiled flooring in need of buffing but with high quality rugs. Ceiling of good quality, no sagging, evidence of water leakage or seeping. Professionally fitted and painted.
- 7 - 6** High quality carpet with flattening in areas of most traffic but all in sound condition – some small discolouration in places. Alternatively a cheaper new carpet. Wooden or tiled floors a little scratched in places. Ceiling of average quality, competent job of application. Paintwork competently applied, although not necessarily of a professionally standard.
- 5 - 4 - 3** Carpets showing considerable use – flattened spots, bleached by sunlight through windows, some thinning. Unprofessionally fitted with ripples, rough ill-fitting edges thin or no underlay. (There should be no holes, tears, burns or other defects that render the carpet unsound). Vinyl or low quality flooring. Chipped wooden or tiled floors. Poor quality ceiling, amateurishly fitted, but no evidence of sagging. Ceilings slightly stained paintwork of a poor standard.
- 2 - 1** Carpets with distinct signs of wearing, visible canvas or backing fabric, patches, stains, discolouration, obvious seams. DIY fitting with gaping joints, gaps between carpet and wall. Several unmatched styles or newer carpets laid on top of damaged or worn-through older ones. Wooden floors that have aged – now in need of a new coat of varnish, with worn and stained rugs. Missing tiles and obvious chips. Poor quality sagging ceilings and evidence of water seepage. Stained paintwork, old and amateurishly done.

NB: In all levels there may be a high quality natural alternative to carpeting, tiles or wooden floors. In these cases the intrinsic quality and condition would be assessed, taking the style of the property into consideration.

26.

Lighting

Same as public areas and should be assessed as part of the public areas, if in an open plan area. Dining area assessed separately, if it is a separate room.

- 10 - 9** Overall high standard of illumination providing sufficient light for all purposes but also designed for good effect – showing off features in rooms or corridors. All lights and shades of high quality manufacture and in excellent working order. No wobbly connections, burnt shades, flimsy bases that could fall over, etc. No harsh fluorescent lighting.

- 8 High quality fittings with more than adequate spread of illumination for practical use, though no or limited use of sophisticated lighting "effects". Occasional lamps, reading lights, perhaps picture lights.
- 7 - 6 More than minimal lighting. Medium quality fittings in sound condition. No burnt shades, ageing lamps, etc. Main light plus one or two small occasional lamps. No extra lights for effect.
- 5 - 4 - 3 Enough light for practical use, but nothing more. No occasional lamps. Fittings dated, ageing, discoloured. Stark, unattractive and harsh lighting.
- 2 - 1 Low quality fittings in poor condition. Exposed, fraying wires, wobbly fittings, loose plugs. Dim, gloomy effect creating dark areas. Glaring, irritating, harsh fluorescent lights with no diffuser.

27. **Menu Presentation**

- 10 - 9 Clear, informative layout. Attractive design in excellent condition. No grease, thumbprints, wine stains, written corrections, etc. Wine set out in clear sections with options available. Menu items could be explained.
- 8 High standard of presentation. May show a little wear, although not dirty. Where wines are not available they are clearly marked. No written corrections.
- 7 - 6 Clear layout but not a top quality production. Clean, not worn or grubby. Large majority of wines available, those that are not, are clearly marked.
- 5 - 4 - 3 Scrappy appearance. Well used, stained. Many wines out of stock. Not marked as such. Vintages wrong.
- 2 - 1 Dirty, dog-eared. Difficult to read. Wine list out of date, bearing little relation to what is available.

28. **Table Appointments**

Cognisance will be taken of the nature and style of the establishment.

- 10 - 9 An emphasis on style and high quality (stainless steel, silver, etc). All cutlery and crockery of high quality, matching and co-ordinated. No wear, damage, cracks or chips in glassware, etc. Additional features such as vases, candlesticks, coasters, etc. Good quality linen and cloth napery. Large napkins. Equally high quality accessories, ice buckets, sauce boats and jam pots, etc. Provision of appropriate styles of cutlery for different functions and different glasses or crystal for different uses.
- 8 Items of similar style and quality as above but perhaps more limited in range, fewer glasses, smaller napkins. Alternatively, high quality domestic crockery rather than professional china. Fine glass rather than crystal. Good quality stainless steel rather than silver, etc. Limited wear, damage, etc.
- 7 - 6 Middle to high range domestic cutlery and crockery. All in sound condition with main service matching. Perhaps accessories of different style but good quality. Thick (multi-ply) paper napkins. Shorter tablecloths.
- 5 - 4 - 3 Variety of styles and quality. Some damage, wear and tear (fading of pattern or glaze). Thin napkins. No accessories. Sauces in bottles and or packets.
- 2 - 1 Mismatched patterns. Cracks, chips, well-used appearance. Pyrex or low quality functional crockery. Small, thin (one-ply) napkins. Sticky sauce bottles on table.

29. **Atmosphere and Ambience**

- 10 - 9 Harmonious combination of décor and lighting. Spacious room and good layout of tables. No intrusive noises or smells. Themes or designs may add to the ambience. In a B&B it may be a comfortable family dining room with high quality domestic furniture.
- 8 High standard of fabrics. Perhaps busy, with some background noise. Tables rather close together. A little noise from the bar or in a B&B, the sound of family in kitchen. Smaller room. Atmospheric lighting.
- 7 - 6 Tables quite close but with sufficient space to allow private conversation, staff and customers to pass without inconvenience. A certain amount of noise and activity from other areas. In a B&B there may be some evidence of family i.e. games, knitting machine (but tidy, not cluttered).
- 5 - 4 - 3 Crowded tables. Awkward access. Difficult to have private conversation. Intrusive noise and stuffy.
- 2 - 1 Very crowded, cramped, uncomfortable. Loud noises. Very stuffy. Impossible to have privacy. In B&B table clearly used for other purposes. Clutter all around.

Food and Beverage

Applies to outsourced as well as internal F&B. If the guest sees the outsourced facility as being part of the hotel establishment

(irrespective of whether that is a branded product), it should be included in the assessment.

30.

Dinner Presentation

- 10 - 9** Well presented on appropriate plates with attractive and appropriate garnishes. Pleasing combination of colours, textures and shapes. Care in execution with attention to visual appeal. Carvery to be attended and refreshed. Buffet replenished and refreshed. In a B&B careful thought as to combinations of texture and colour. In simpler dishes the use of garnishes, tidy and neat arrangements.
- 8** Obvious care and attention to detail with visual effect, but perhaps not with the highest degree of skill. Tendency to follow standard garnishing.
- 7 - 6** Attractive arrangement and garnishes. Neat arrangements on plates.
- 5 - 4 - 3** No real attempt to enhance appearance. No variety of colours and textures. No careful arrangements. Some drying out of food, wrinkled skin on sauce. Not particularly hot.
- 2 - 1** Badly presented. No garnish. Dull combination. Lukewarm.

31.

Dinner Quality

- 10 - 9** Skilful use of finest, fresh ingredients. Could be simple in style but with great attention to detail and quality. Everything prepared to the right degree. Good balance on menu with something for all tastes.
- 8** Evidence of aiming for highest quality, but may not quite reach top level of execution. High quality fresh ingredients.
- 7 - 6** Maybe a mixture of fresh ingredients and high quality prepared meals. Obvious care and attention paid to preparation but perhaps domestic in style.
- 5 - 4 - 3** Low quality food or inexpertly prepared. Not very appetising but edible.
- 2 - 1** Lowest quality ingredients, poorly prepared. Burnt, dried out, over salted. Unappetising. Inedible.

32.

Breakfast Presentation and Quality

- 10 - 9** Cold buffet neatly set out, attractive containers. May opt for plated cold courses. In hotel, preferably a refrigerated counter. Good range of hot and cold food. Preferably plated main course and eggs cooked to guests order. High quality fresh ingredients and wide choice. Speciality foods and unusual dishes. Wide selection of breads and pastries. Service must be offered.
- 8** Smaller range of items on buffet or fewer cold courses. Less attention to detail. Smaller range of cooked items. High quality ingredients. Perhaps lower skill in execution, but noticeable attempt to provide high quality and some unusual items. Eggs cooked to guests order.
- 7 - 6** Standard range of cold courses. Limited range of choice for cooked items. All ingredients of good quality. Competent cooking, but no unusual or sophisticated dishes. Some choices available.
- 5 - 4 - 3** Only basic breakfast and limited choice of hot and cold courses. Low quality ingredients. Small portions.
- 2 - 1** No choice. Low quality ingredients. Badly cooked.

Services and Service

33.

Welcome, Friendliness and Attitude

- 10 - 9** Warm friendly smile. Helpful attitude. Help with luggage and provision of information about the establishment. Everyone at the establishment attempt to establish a good rapport and show willingness to please.
- 8** Cheerful demeanour and attitude. Guests shown to room and given necessary information. Asked if anything else is required.

- 7 - 6 Pleasant appearance. Willingness to help when asked.
- 5 - 4 - 3 Neutral behaviour. No particular enthusiasm. Just doing the job.
- 2 - 1 Surly or rude behaviour. Clear indifference to guests. Irritation at being asked for anything.

34.

Reservation, Check-in and General Efficiency

- 10 - 9 Efficient and helpful telephone reservation. All details taken down and checked. All necessary information provided. Prompt thorough check-in. All essential information given to guests, layout of property, available facilities, meal times, etc. Any messages forwarded promptly. Efficient communication with other departments, porters, booking of restaurant tables, etc.
- 8 Reservations dealt with promptly. All necessary information taken and provided. Efficient check-in. Perhaps not always given full information about facilities. Good responses to any requests. Guest's needs aren't always anticipated.
- 7 - 6 Reservations dealt with fairly well. All necessary information taken and provided. When registered key is given and guest is directed to room. All requests dealt with pleasantly.
- 5 - 4 - 3 Name and address taken. Minimal information given. Key given without directions to room. Rather unwilling response to any requests.
- 2 - 1 Name only taken. Administrative errors not proficiently rectified. Surly manner. Marked reluctance to give any help.

35.

Porterage

Porterage may not apply to all serviced accommodation, but some assistance with luggage is expected at all 4- and 5-star hotels.

- 10 - 9 Smart, helpful manner of staff readily available. Good knowledge of accommodation facilities and local area.
- 8 Willing and friendly. Reasonably knowledgeable about most matters, willing to find out more. May have other duties but endeavours to be prompt.
- 7 - 6 Member of staff available to carry bags, though there may be some delay. Cheerful, but not necessarily skilled in dealing with matters outside hotel environs. Happy to help where he or she can.
- 5 - 4 - 3 Long delay in getting bags to room. No further help or information. Responds to requests for information or help in an indifferent way.
- 2 - 1 Bags ignored or taken to wrong room with error not proficiently rectified. Great difficulty in finding a porter when one is required. Unforthcoming, unhelpful and clearly resents having to carry other people's bags. Not interested in helping guests.

36.

Room Service

Applies to outsourced as well as internal room service.

- 10 - 9 High standard of promptness and efficiency. Telephone answered promptly. Order delivered with minimal delay. Attentive manner. Orders correct no items wrong or missing. Appropriate condiments. Attractive presentation. Cutlery and napkin provided. Dirty dishes removed at earliest convenience.
- 8 Order taken in pleasant manner. Delivered in reasonable time. Pleasant attitude. order correct. Asks if anything else required. Tray collected from outside room.
If outsourced a tray (or table), plate and cutlery is provided by the accommodation establishment, on which the guest can place their food.
- 7 - 6 Order taken efficiently. No undue delay. Order correct but condiments missing.
- 5 - 4 - 3 Some items on room service menu not available. Some delay in answering phone. Lengthy wait. Orders only partially correct no napkins, knife and forks. Indifferent attitude. Told to leave tray outside room. Trays not collected for several hours.
- 2 - 1 Long delay in answering phone. No knowledge of what is available. Room service not available until chefs

come in for shift. Order wrong. No tray. DIRTIES never taken or left for a long time to clear away.

37.

Public Area Service

- 10 - 9** Efficient, attentive service from smart, willing staff. Needs of guests anticipated. Polished, professional manner. Drinks correctly served and presented. Top ups offered.
- 8** Brilliant, willing staff. Helpful and attentive, though perhaps lacking the final polish. Shows willingness when anything is requested, may have to go away, to find out.
- 7 - 6** Staff always present and respond helpfully when asked. Willing, though could possibly benefit from further training.
- 5 - 4 - 3** Staff difficult to locate at times. Do what they are asked without enthusiasm. No rapport with guests. Little interest.
- 2 - 1** Surly inefficient staff. Missing for long periods of time. No willingness to be helpful. Ignoring the customer they are serving. Little product knowledge. No interest.

38.

Meal Service

- 10 - 9** Cheerful friendly, polite and well-trained staff. Well-informed about food and wine. High standard of personal cleanliness. Prompt and efficient service. Correct cutlery and glasses supplied for each meal. Good judgement on timing of courses and drinks. Any further needs are responded to. For breakfast a cheerful welcoming. Prompt service, dirty dishes cleaned promptly and top-ups noted.
- 8** Well-motivated staff. Evidence of aspiring to excellent standard, may fall a little short, would benefit from further training.
- 7 - 6** Willingness to be helpful and attentive. More enthusiastic than polished, but trying to do their best. Would benefit from further training.
- 5 - 4 - 3** Low skills but basically pleasant. Informality bordering on inefficiency. Not really interested, but responds in a reasonably and helpful way to requests. Conversely, well skilled and trained, but lacking social skills, arrogant or insensitive.
- 2 - 1** Surly, indifferent, poorly skilled staff. Slow service. No professionalism or interest.

39.

Check-out Efficiency

- 10 - 9** Prompt attention. Bill correct in all details. Every item explained by receptionist. Guests asked if they enjoyed their stay. Positive last impression. Staff well versed in all methods of payment.
- 8** Prompt attention. Attempt at excellence, but perhaps lacking professional polish. Cheerful. Bill correct.
- 7 - 6** Bill correct. Staff obviously willing and trying to be helpful.
- 5 - 4 - 3** Bill unclear (some charges not explained). Arithmetic wrong. Staff unable to explain why charges made but sort things out eventually. Lack training.
- 2 - 1** Bill wrong and unexplained. Staff have no idea and are unwilling to assist the guests. Surly manner. Long wait. Staff unable to manage some forms of payment.

40.

Tourist Information

- 10 - 9** Information pack in bedrooms, reception or lounge. Information covers immediate and surrounding area as well as specific accommodation information. Books, pamphlets on matters of local interest, leisure facilities, etc. Personally prepared information. Staff well versed on relevant tourist information. Staff willing to assist and inform tourists on the local area. High attention to personalised itineraries and personal interest in guest's information requirements.

- 8 As above but a limited range. Staff not as well versed.
- 7 - 6 Fewer pamphlets available on surrounding area. Staff able to assist but not well versed.
- 5 - 4 - 3 Limited information at reception only. Staff lack required knowledge.
- 2 - 1 No information or out-of-date information. Staff unable to assist.

Housekeeping

41.

Bedrooms

- 10 - 9 High standard of cleanliness and attention to detail. Well-made beds. Gleaming surfaces, no smears or marks. Evidence of thorough, not just superficial cleaning. No blown bulbs or broken equipment. Turndown service. Room tidied, any trays taken away. Lights on and curtains drawn in the evening.
- 8 High standard of cleanliness but attention to detail may not come up to the same standard as above. One or two small areas of attention missed.
- 7 - 6 No dust, efficient vacuum cleaning. Equipment and room accessories not perhaps quite as tidy and well arranged as they should be. Occasional lapse in maintenance – odd bulb blown. All surfaces free from dirt and polished.
- 5 - 4 - 3 Surfaces smeary or dusty. Evidence of neglect of vacuum cleaning under beds and in inaccessible corners. Pieces of paper, debris in corners and under furniture. Blown bulbs, dusty lamp shades.
- 2 - 1 - 0 Very heavy dust on all surfaces. Debris in wardrobes, drawers. Bits of paper, threads and other items, grit, etc on carpet. Long-term neglect.

42.

Guest Bathrooms

- 10 - 9 Fastidious attention to hygiene. All surfaces gleaming. Clean, fresh smell. High level of efficiency.
- 8 Generally very high standard, but perhaps one or two slight lapses.
- 7 - 6 No evidence of dirt, dust, hair or grime. Surfaces all clean. Floors clean. Slight discolouration of enamel or grout.
- 5 - 4 - 3 Generally clean but lacking attention to detail. Dirt and dust on low and high surfaces and in inaccessible places. Surfaces and enamel dull. Flooring discoloured.
- 2 - 1 Low standard of housekeeping. Dirt and dust on all surfaces. Long-term encrusted grime in inaccessible places. Dirt, dust and hairs on floor, in corners. Flooring around toilet stained, smelly.

43.

Public Areas

- 10 - 9 All well vacuum cleaned. All surfaces, high and low, dirt and dust free. No cobwebs. Table surfaces well polished. Ashtrays clean. No fingerprints left on doorplates or light switches, etc. Flowers fresh and well arranged. Newspapers, books, etc up to date and tidy. In B&B's personal or family items all tidy and uncluttered.
- 8 Generally a very good level of vacuum cleaning and dusting. Everything tidy and well arranged.
- 7 - 6 High level of cleanliness. Easy seating area may have "lived-in" feel with some books, magazines, etc on tables.
- 5 - 4 - 3 Clean but with some dust on high and low surfaces. Personal clutter. Books and magazines out of date and in untidy piles. Dying houseplants. Smears on surfaces.

2 – 1 Generally neglected housekeeping. Carpets badly vacuum cleaned. All surfaces dirty or dusty. Cobwebs, dead insects. Dead or wilting plants. Ashtrays not emptied. Newspapers, magazines and books on floor. Dirty glasses or cups on tables.

44.

Public Toilets

10 – 9 Fastidious attention to hygiene. All surfaces gleaming. Clean and fresh smell. High level of efficiency.

8 Generally very high standard, but perhaps one or two slight lapses.

7 – 6 No evidence of dirt, dust, hair or grime. Surfaces all clean. Floor cleaned and free from dirt and dust.

5 - 4 - 3 Generally clean but lacking attention to detail. Dirt and dust on low and high surfaces and in inaccessible places.

2 – 1 Low standard of housekeeping. Dirt and dust on all surfaces. Long term encrusted grime in inaccessible places. Dirt and hairs on floor, in corners. Flooring around toilet stained and smelly.

45.

Restaurant

10 – 9 High standard of cleanliness in all areas. No evidence of previous meals. Efficient cleaning. Tables always set-up to high standard.

8 Generally high standard of cleanliness – no dirt, dust, etc. May be some clutter. Pile of menus, wine lists, etc.

7 – 6 Always tidy and clean in time for beginning of meal service. Generally good standards of cleaning and tidiness.

5 - 4 - 3 Not always at its tidiest. Bottles, glasses, menus on surfaces. Generally clean but may be some dirt and dust on high or low surfaces. Some tables remain unset during meal service. Pot plants and flowers neglected.

2 – 1 Untidy. Dusty, crumbs on carpet, surfaces smeared, ring marked. Dead or dying flowers. Untidy piles of menus etc scattered around. Marks, stains on tablecloths. Dirty, unclean ashtrays.

46.

Appearance of Staff

The nature of the establishment will be taken into account as formality may vary significantly.

10 – 9 Clean, neat, appropriate dress. A general smart, well-groomed appearance. Sleeves, trousers and skirts the right length. Clothing fresh and well ironed. Hair clean and under control. Hands and fingernails clean. Polished shoes.

8 Approaching excellent, but lacking the final touch. Perhaps some clothing items a little ill fitting. All clothing clean.

7 – 6 A noticeable attempt to be smart. No stains, tears, etc but dressed for comfort rather than smartness.

5 - 4 - 3 Clothes starting to look worn, rumpled, lived in, but basically clean. Hair a bit uncontrolled.

2 – 1 Clothing dirty, stained, frayed, holed. Dirty shoes. Hands and fingernails grubby. Hair unwashed and out of control. Unshaven. Personal hygiene lacking.

ADDENDUM TO CHAPTER 4

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4.2 CAPE TOWN SAMPLE: FIVE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
	May – August	September – April
Arabella Sheraton	R2705	R3405
Commodore Hotel	R1966	R2111
Greenways	R1439	R1799
Hotel Le Vendome	R2460	R3126
Lagoon Beach	R1550	R1700
Mount Nelson	R3453	R4908
Radisson	R2205	R2372
Southern Sun Cape Town	R1737	R1910
Table Bay	R3275	R4340
The Bantry Bay	R1750	R3800
The Bay	R2080	R2450
The Twelve Apostles	R3120	R4095
Total	R27 740	R36 016
Average per night ZAR	R2 312	R3001

Source: Reference numbers 50-61

4.3 BANGKOK SAMPLE: FIVE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
	May – October	November – April
Bangkok Marriott	B5270	B6260
Conrad Hotel	B8000	B9600
Dusit Thani	B6400	B6900
Grand Hyatt	B7400	B7400
Grande Sheraton	B7240	B7640
Imperial Queens Park	B4944	B5989
Intercontinental	B6592	B8162
Landmark	B9418	B10202
Millennium Hilton	B6867	B7652
Royal Orchid Sheraton	B8880	B9496
Sukhothai	B12635	B12635
Watergate Amari	B5690	B8829
Total	B89336	B100765
Average per night THB	B7444.67	B8397.08
Average per night ZAR	R1205	R1359

Source: Reference numbers 74-85

4.4 SYDNEY SAMPLE: FIVE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
	April – September	October – March
Amora Hotel Jameson	A\$260	A\$315
Four Seasons	A\$470	A\$555
InterContinental Sydney	A\$305	A\$445
Market St Swissotel	A\$590	A\$720
On the Park Sheraton	A\$594	A\$634
Plaza Raddison	A\$332	A\$362
Rydges North Sydney	A\$193	A\$318
Shangri-La	A\$516	A\$576

Sir Stamford	A\$250	A\$270
Star City	A\$457	A\$582
The Observatory Hotel	A\$383	A\$413
Wentworth Sofitel	A\$441	A\$543
Total	A\$4 791	A\$5 733
Average per night A\$	A\$399.25	A\$ 477.75
Average per night ZAR	R1848	R2211

Source: reference numbers 62-73

4.5 CAPE TOWN SAMPLE: THREE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
	April – August	October - March
Avenue Hotel	R530	R530
Cape Castle Protea Hotel	R966	R1045
Cape Manor Premier Hotel	R725	R930
De Waal Garden Court	R647	R763
Eastern Boulevard Holiday Inn	R672	R796
Grand West City Lodge	R640	R740
Hotel Graeme	R545	R600
Newlands Southern Sun	R935	R1098
Parliament Hotel	R470	R520
Sea Point Protea	R738	R738
Tudor Hotel	R420	R520
V & A Waterfront City Lodge	R640	R740
Total in ZAR	R7928	R9020
Average per night ZAR	R660.67	R751.67

Source: Reference numbers 86-97

4.6 BANGKOK SAMPLE: THREE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
	February – September	October – January
Ariston	B1700	B1800
Chaophya Park	B2600	B2800
Euro Grande	B1265	B1520
Grand Tower Inn	B2400	B2400
Leela Inn	B1300	B1500
Nana Hotel	B1290	B1290
Regency Park	B1850	B2050
Sena Palace	B990	B990
St James	B3790	B3790
Elegance Best Western	B2354	B3139
Tower Inn	B2500	B2500
Wall Street	B1400	B1400
Total	B23439	B25179
Average per night THB	B1953.25	B2098.25
Average per night ZAR	R316	R340

Source: Reference numbers 110-121

4.7 SYDNEY SAMPLE: THREE STAR HOTEL PRICES

HOTEL NAME	LOW	HIGH
Dates	April – September	October - March
Crowne Plaza Norwest	A\$161	A\$176
Glenferrie Lodge	A\$79	A\$119
Ibis Darling Harbour	A\$135	A\$185
Leisure Inn	A\$120	A\$120
Metro	A\$255	A\$255
Pacific	A\$116	A\$136
Radisson Kestrel Manly	A\$202	A\$238
RydgesParamatta	A\$296	A\$316

Sulivans	A\$168	A\$187
Trendwest	A\$260	A\$260
Victoria Park Inn	A\$103	A\$103
Waldorf Bondi	A\$106	A\$131
Total	A\$2 001	A\$2 226
Average per night in A\$	A\$166.75	A\$185.50
Average per night ZAR	R772	R858

Source: Reference numbers 98-109

4.8 CAPE TOWN: ALL FIVE STAR HOTELS

1.	Arabella Sheraton
2.	Cape Grace Hotel
3.	Cape Town Radisson SAS Hotel
4.	Commodore Hotel
5.	Greenways Hotel
6.	Hotel Le Vendome
7.	Lagoon Beach Hotel
8.	Mount Nelson
9.	Southern Sun Cape Town
10.	Table Bay
11.	The Bantry Bay
12.	The Bay
13.	The Constantia
14.	The Twelve Apostles
15.	Western Cape Hotel & Spa

Source: reference numbers 122-132

4.9 BANGKOK: ALL FIVE STAR HOTELS

1.	Airport Amari
2.	Bangkok Golf Spa
3.	Bangkok Marriott
4.	Banyan Tree Bangkok
5.	Conrad Hotel
6.	Dusit Thani
7.	Four Seasons
8.	Grand Hyatt
9.	Grande Sheraton
10.	Holiday Inn Bangkok
11.	Imperial Queens Park
12.	Intercontinental
13.	JW Marriott
14.	Landmark
15.	Le Bua at State Towers
16.	Metropolitan
17.	Millennium Hilton
18.	Pan Pacific
19.	Plaza Athenee
20.	Royal Orchid Sheraton
21.	Shangri-La
22.	Siri Sathorn
23.	Sukhothai
24.	The Oriental
25.	The Peninsula
26.	Watergate Amari

Source: Reference numbers 133-137

4.10 SYDNEY: ALL FIVE STAR HOTELS

1. Amari Westgate
2. Amora Hotel Jameson
3. Avillion Hotel
4. Central Plaza Sofitel
5. Four Seasons
6. Harbour Rocks
7. Holiday Inn
8. InterContinental Sydney
9. Kirketon
10. Landmark
11. Market St Swissotel
12. Medina Grande
13. Medusa
14. Montien Riverside
15. On the Park Sheraton
16. Park Hyatt
17. Park Nai Lert Swissotel
18. Plaza Raddison
19. Rydges North Sydney
20. Saville 2 Bond St
21. Shangri-La
22. Siam City
23. Silom Sofitel
24. Sir Stamford
25. Stamford Plaza Airport
26. Stamford Plaza Double Bay
27. Star City
28. Sydney Harbour Marriott
29. Sydney Hilton Hotel
30. The Observatory Hotel
31. W Hotel
32. Wentworth Jameson St
33. Wentworth Sofitel
34. Westin Grande

Source: Reference numbers 138-149

4.11 CAPE TOWN: ALL THREE STAR HOTELS

1. Avenue Hotel
2. Breakwater Lodge
3. Cape Castle Protea Hotel
4. Cape Diamond
5. Cape Manor Premier Hotel
6. Cape Suites Best Western
7. Cape Waters
8. De Waal Garden Court
9. Eastern Boulevard Holiday Inn
10. Fritz Hotel
11. Grand West City Lodge
12. Hollow on the Square
13. Hotel Graeme
14. Lady Hamilton
15. Newlands Southern Sun
16. Park Inn Hotel
17. Parliament Hotel
18. Pier Place Protea Hotel
19. Pinelands City Lodge
20. Ritz Hotel
21. Sea Point Protea
22. The Don Beach Road
23. Tudor Hotel
24. Tulbagh Hotel
25. Victoria & Alfred Waterfront City Lodge
26. Village Lodge

Source: Reference numbers 122-132

4.12: BANGKOK: ALL THREE STAR HOTELS

1. Airport Hotel Bangkok
2. A-One Bangkok
3. Ariston

4. Baiyoke Sky
5. Bangkok Centre
6. Bangkok Palace
7. Bossotel Inn
8. Chaophya Park
9. Classic Palace
10. Comfort Airport Hotel
11. Eastin Hotel
12. Ebina House
13. Euro Grande
14. First Hotel
15. Gold Orchid
16. Grand Diamond
17. Grand Mecure
18. Grand Tower Inn
19. Grand Ville
20. Holiday Mansion
21. Jims Lodge
22. Canary House
23. Leela Inn
24. Louis Tavern Hotel
25. Manhattan
26. Manohra
27. Maruay Garden
28. Nana
29. New World
30. Park
31. Pinnacle Lumpinee
32. PJ Watergate
33. Regency Park
34. Royal Benja
35. Royal City
36. Royal Parkview
37. SD Avenue
38. Sena Palace
39. Siam Beverley
40. Silom City Inn

41. Silom Village
42. Soi 19 City Lodge
43. St James
44. Sukhumvit City Lodge
45. Swana Bangkok Best Western
46. Swiss Park
47. Tai-pan
48. The Elegance Best Western
49. The Royal Ivory
50. The Royal River
51. The Swiss Lodge
52. Tongtara
53. Tower Inn
54. Trang Hotel
55. Travelers
56. Trinity Silom
57. Viengtai
58. Wall Street
59. White Orchid
60. Windsor
61. Woraburi Sukhumvit

Source: Reference numbers 133-137

4.13 SYDNEY: ALL THREE STAR HOTELS

1. Aarons
2. Annandale Lodge
3. Capitol Square
4. Central Railway
5. City Crown
6. Crest Hotel
7. Crowne Plaza Norwest
8. Darling Harbour Holiday Inn
9. De Vere
10. Glenferrie Lodge
11. High Cross Park

12. Hotel 59
13. Hotel Ibis Darling Harbour
14. Hotel Ibis Olympic Park
15. Hotel ibis Sydney Airport
16. Leisure Inn
17. Manly Beach
18. Marquarie
19. Metro
20. Metro Inn Edgecliff
21. Old Sydney Holiday Inn
22. Pacific International
23. Park Lodge
24. Pensione Hotel
25. Radisson Kestrel
26. Rendezvous
27. Russel Hotel
28. Rydges Parramatta
29. Somerset North
30. St Mark's Lodge
31. Sullivans
32. Sydney Airport Holiday Inn
33. Tallawanta Lodge
34. Trendwest
35. Travelodge
36. Unilodge Best Western
37. Victoria Park Inn
38. Vulcan Darling Harbour
39. Wahroonga Spanish
40. Waldorf Bondi
41. Y Hotel

Source: References numbers 138-149