

**PERCEPTIONS OF CAPE METROPOLE RESIDENTS ON THE EFFECTIVENESS OF
TOURISM MARKETING STRATEGIES OF THE WEST COAST REGION, OF THE
WESTERN CAPE**

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ABSTRACT

The research study focused on the effectiveness of tourism marketing strategies of the West Coast region of the Western Cape among the residents of the Cape Metropole. The Cape West Coast is an untapped market which offers the visitor a diversity of travel experiences and destinations. It's a unique region overflowing with contrast and beauty.

The researcher's main concern was to investigate the perceptions of the Cape Metropole residents in terms of discovering the level of effectiveness of the current marketing strategies employed by the West Coast, and whether it appeal to residents making it their holiday destination of choice.

The researcher used a quantitative research approach to obtain the residents' perceptions by distributing questionnaires. By using this instrument information was gathered to determine findings from the local Cape Metropole residents, and recommendations were made in order to improve upon the current tourism marketing strategies of the West Coast Region.

INTRODUCTION AND BACKGROUND

The West Coast region of the Western Cape is arguably the most under-developed of the six regions in the province, yet it is a region of contrast and beauty.

The region and its people offer the visitor a surprisingly variety of travel experiences and destinations. These include the beautiful, and at times desolate, coastal region with its magnificent lagoon and numerous small fishing villages, wines of the Olifants River Valley, the spectacular Cederberg and Groot Winterhoek Mountains and the arid beauty of Namaqualand and the Knersvlakte. [Tourismcapewestcoast.co.za, 2010]

For many decades, the region has been populated by residents primarily dependent on the fishing industry for their economic growth and development. Manufacture and agriculture are other primary economic sectors that contribute to the region's GDP but the West Coast is still the centre of South Africa's commercial fishing industry and produces about 70% of the total South African fish catch. This 300 year-old industry is one the cornerstones of the region's economy and presents the economic base of most of the coastal towns and settlements. In 1994, this industry contributed more than R700 million to the region's GDP and supported about 26 000 people. Due to a decline in marine resources, there has been a marked decline in the fish industry in recent years, causing immense socio-economical problems. [Tourismcapewestcoast.co.za, 2010]

But the West Coast is more than just about being the fishing heartland of the country. It has the potential to be one of the major tourist attractions in the province with its diversity of people and activities, presenting the visitor with its unequalled natural beauty in all four seasons. It is a true breakaway. [Tourismcapewestcoast.co.za, 2010]

To the uninitiated, especially residents from the Cape Metropole, the West Coast is known more for its plentiful supply of sea life such as mussels, crayfish or linefish than for the serenity of the region and its diverse attractions that make it the ideal family travel and holiday destination. Given the choice, residents of the Cape Metropole in search of travelling as a holiday past time within the province, are more likely to consider regions such the Garden Route, the Overberg and the Klein Karoo as holiday destinations of choice than the West Coast. While it might be attributed to personal choice and the popularity of certain so-called holiday towns in these competing regions, it is also very likely that holiday seekers from the Cape Metropole do not have access to the information and attractions that make the West Coast a unique experience in the South African tourism industry. [Tourismcapewestcoast.co.za, 2010]

Its natural beauty throughout the year, whether in the veld or the ocean, is unsurpassed not only in the Western Cape but arguably also in the rest of the country. In early spring a paradise of white arum

lilies, fields of daisies and “Bokbaai vygies” form a sea of colour, contrasting with the blue of the ocean. Migrating whales visit the coastal waters from July to November and Heaviside dolphins are often sighted. The region is also a bird-watchers paradise. [Tourismcapewestcoast.co.za, 2010]

A belt of Sandstone Mountains – the Cederberg, Gifberg, Matzikamma, Maskam, Koebee and Bokkeveld Mountains – forms the eastern border. Here, spectacular rock formations are adorned with fascinating and rare rock paintings. Further north, lies the fertile Olifants River Valley with its wine, citrus and vegetable farms and the vast planes of the Knersvlakte with its wealth of succulent plants. [Tourismcapewestcoast.co.za, 2010]

South of the mountains is the Swartland, well known for its undulating wheatfields, vineyards, protea farms, fruit plantations, indigenous veld flowers and pastures. The Sandveld is an extensive and sparsely populated coastal area immediately east of the coastal belt. It derives its name from the sandy soil and is valued for its beautiful wild flowers and spectacular fynbos. [Tourismcapewestcoast.co.za, 2010]

The West Coast and its Hinterland are also renowned for its range of museums, monuments and missionary stations like Goedverwacht, Wupperthal and Mamre. From mid August to mid September carpets of wild flowers cover the region from the coast to the mountains. Wild flowers and fynbos are a constantly changing wonder, a definite attraction for hikers and nature lovers throughout the year. [Tourismcapewestcoast.co.za, 2010]

Its small fishing villages dotted along the coastline and the growing number of quality accommodation establishments with top class facilities compares with the best in the Western Cape and contribute to the complete holiday experience. [Tourismcapewestcoast.co.za, 2010]

The missing element appeared to be the ability of the region to aggressively market itself as a holiday destination of choice.

STATEMENT OF THE PROBLEM

“Residents from the Cape Metropole are unaware of or reluctant to experience the core tourism product which the West Coast Region has to offer.”

Locals residing in the Cape Metropole, when deciding on holiday destinations to visit in the Western Cape, more than likely choose regions such as the Garden Route and Klein Karoo. This could

possibly be as a result of these regions marketing their core offering in a way that appeals to Cape Metropole residents more than the West Coast.

This study was aimed at capturing perceptions of Cape Metropole residents of the West Coast Region, and the level of awareness of these residents of the tourism product being offered by the West Coast. It will also to determine whether or not the current marketing strategies of the West Coast needed a complete overhaul, improvement or refinement. Through analysing the current tourism strategies of the West Coast, this study wanted to establish whether such strategies have any effect on the residents from the Cape Metropole in determining any holiday travel to the region.

RESEARCH OBJECTIVES

The main objective of this study was to carefully review marketing strategies drawn up by West Coast Tourism, and adapt, change or refine where necessary in order for the rich history, culture, attractions, beauty and diversity of the West Coast Region to have sufficient appeal for those residing in the Cape Metropole to make the region its holiday destination of choice.

Further objectives included:

- To promote the West Coast as a one stop tourism destination specifically aimed at Cape Metropole residents.
- To increase the number of marketing initiatives per year.
- To use at least 4 marketing mediums to promote the West coast (television, radio, print media and trade shows and exhibitions).
- To change domestic tourists perceptions of the region
- To encourage visitors to the region to spend at least two nights rather than a day trip and,
- To promote all attractions and towns equally along the West Coast.

RESEARCH METHODOLOGY

In conducting this investigation Quantitative research, questionnaires, books and relevant newspaper sources were the methods that were employed. Questionnaires were distributed to the local residents of the Cape Metropole. Information was gathered in order to discover the perceptions of the local residents regarding the effective marketing strategies of the Cape West Coast region and to determine the challenges and problems affecting the decisions made when it comes to the local Cape Metropole residents travelling to the Cape West Coast.

TOURISM MARKETING STRATEGIES

What is Marketing?

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others (Kotler and Armstrong 1994: 8).

Marketing is about consumers (or customers) – how to find them, how to satisfy them, and how to keep them. Today, in any business, be it tourism, hospitality, or car washing, the consumer comes first. Marketing is an ongoing process and philosophy (George 2001: 4).

Tourism and hospitality marketing is a relatively new phenomenon which has only developed during the last decade or so. Tourism marketing is the process through which a tourism company first anticipates consumer needs, then manages and satisfies those needs to achieve sales. It is also the way in which the company identifies what consumers want and makes sure that those requirements can be met in a profitable and efficient manner, and in a way that satisfies consumers on a long term basis (George 2001: 19).

According to Gilligan and Wilson (2003: 3) marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives (Fyall & Garrod 2005: 27).

Morgan (1996: 13) says marketing is about how to find them, how to satisfy them, and how to keep them. Without customers, there will be no money to pay staff, creditors and shareholders. Without customers, there can be no reason for the organisation to exist (Fyall & Garrod 2005: 27).

Marketing is more than a set of business processes. Although it encompasses a number of essential activities, such as research, advertising, public relations and distribution, it is also a way of thinking-a philosophy that states business should begin with the customers, not the product.

At its most basic, marketing refers to the process of exchange. Customers exchange something of value (usually money) for something they want (a hotel room, meal, a seat in the theatre). There is an implication that the exchange is fair. The value of the item should be approximately equal to the value of the money given in exchange (Dickman 1999: 3).

What is a Strategy?

Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations. (Tutor2u.net 2010)

According to Summer (2009), a strategy is a business approach to a set of competitive moves that are designed to generate a successful outcome.

A strategy is management's game plan for:

- Strengthening the organization's competitive position
- Satisfying customers
- Achieving performance targets (CSUS.edu 2010).

What is a Marketing Strategy?

According to Mahoney and Warnell (1987), the marketing strategy, or mix, should be viewed as a package of offerings designed to attract and serve the customer or visitor. Recreation and tourism businesses and communities should develop both external and internal marketing mixes for different target markets. (MSU.edu 2010)

TYPES OF MARKETING STRATEGIES

Pricing Strategies

A price is the amount of money consumers pay for the exchange of benefits of having or using an offering (Lumsden 1997: 153).

The tourism and hospitality marketer uses different pricing strategies when pricing new or existing offerings. The introduction stage is perhaps the most important and challenging for the marketer as it decides whether or not the offering will continue to exist. There are three options available for pricing new offerings: premium, market-skimming, and market-penetration pricing (Lumsden 1997: 160-161).

Premium Pricing

New and exclusive tour operators, hotels, restaurants, and resorts use premium pricing to position themselves as upmarket offerings and target a certain type of clientele. Prices are initially set high and should be reinforced by other components of the marketing mix, which as we know are interdependent. The high (premium) price must reflect the value and quality of the offering. (George 2001: 188-189)

Market-skimming Pricing

Rather than setting a high price to start, the marketer may set a low price to penetrate the market rapidly and to gain market share. This kind of market-penetration pricing is especially suitable for fast food restaurants, resorts, visitor attractions, and other offerings operating in highly competitive markets. The marketer opens with prices lower than competitors to attract consumers for the first time, and then establishes repeat business through word-of-mouth marketing. (George 2001: 189)

With existing tourism and hospitality offerings, the following pricing strategies are primarily used: product-bundle, discriminatory, tactical, promotional, and psychological pricing. (George 2001: 189)

Product-bundle Pricing

Marketers who use this pricing strategy combine several of their products or offerings in a package or 'bundle' at a reduced rate. Product-bundle pricing is a strategy that can promote the core benefits of an offering which consumers might not otherwise purchase. (George 2001: 189)

Discriminatory Pricing

Tourism and hospitality marketers can adjust their prices to suit different consumers, locations, and times. Such discriminatory pricing means that the same offering may be priced at two or more different prices, despite the fact that costs are the same. (George 2001: 189)

Tactical Pricing

Hotels usually offer corporate rates for companies who buy large quantities of rooms, either for a single period or throughout the year. (George 2001: 190)

Promotional Pricing

This strategy involves using temporary price reductions on some items to attract consumers in the hope they will purchase other offerings at normal prices. (George 2001: 190)

Psychological Pricing

This is a 'finishing touch' strategy, in which a price that has been set using another method is slightly adjusted to attract consumers. Psychological pricing avoids using prices set in round numbers such as R20, R50, or R100. Instead prices are set slightly lower to give consumers the perception of added value. The jump from R9, 95 to R10 can be perceived as a significant increase. (George 2001: 191)

PRODUCT STRATEGIES

There can be little doubt that the formulation of the tourism product is a crucial aspect of the marketing mix with product-related decisions being central to all marketing mix-related decisions. Middleton (2001: 212) goes further to suggest that 'product decisions, with all their implications for the management of service operations and profitability, influence not only the marketing mix but a firm's long-term growth strategy and policies for investment and human resources'. (Fyall & Garrod 2005: 107)

Four levels of product are proposed, each identifying particular functions and attributes of the generic product. The four levels comprise of:

- Core product: this represents the essential benefit designed to satisfy the identified needs of target customer segments.
- Facilitating product: the products that is necessary for the core product to be consumed.
- Supporting product: extra products offered to add value to the core product to be consumed.
- Augmented product: all the forms of the added value producers may build into their formal product offer to make them more attractive than competitors' offers to their intended customers. Elements of the augmented product concept might include the physical environment and service delivery systems. (Fyall & Garrod 2005: 107)

Place Strategies

In the tourism context, Godfrey and Clarke (2000) define the 'place' element of the marketing mix as 'routes of exchange', through which a tourist accesses, books, confirms and pays for a tourism product. Most channels of distribution relate to some method of allocating capacity and creating reservations, these frequently being integrated with yield-management systems. Intermediaries in service channels of distribution arguably perform a number of distinct roles. (Fyall & Garrod 2005: 114-115)

According to Palmer (1998a) these include:

- As a co-producer of a service, an intermediary assist in making a service available locally to consumers at a place and time that is convenient to them.
- Intermediaries usually provide sales support at the point of sale.
- Consumers may prefer to buy services from an intermediary who offers a wide choice, including the services offered by competing service principals.
- Consumers may enjoy trusting relationships with intermediaries and prefer to choose between competing alternatives on the basis of the intermediary's advice.
- An intermediary as co-producer of a service often shares some of the risk of providing a service.
- The use of independent intermediaries can free up capital which a service principal can reinvest in its core service-production facilities.
- Once the initial service act is completed, there may be a requirement for the provision of 'after- sales' services. (Fyall & garrod 2005: 115)

Lumsdon (1997) makes the point that the distribution channel in tourism is different to most other services in that it enables the customer to be enticed to the destination. It is also true to say that the special nature of the tourism product gives particular prominence to the role of the intermediaries in the system of tourism distribution. Tourism is special in that no ownership takes place and that no actual product is being distributed. (Fyall & Garrod 2005: 115)

Promotion Strategies

There can be little doubt that, among the elements of the marketing mix, it is the role played by promotion that had been instrumental to the growth of modern mass tourism. However, while promotion remains an active element of the marketing mix, the current market environment suggests that, for the time being at least, decisions relating to pricing and distribution activity are perhaps higher profile in attempting to establish and maintain competitive advantage in the marketplace. (Fyall & Garrod 2005: 118)

As with all elements of the marketing mix, the aforementioned characteristics of service have an important impact when it comes to the development of communication strategies. Palmer (1998a) highlights that:

- The intangible nature of the service offer often results in consumers perceiving a high level of risk in the buying process.
- Promotion of the service offer cannot generally be isolated from promotion of the service provider.
- Visible production processes, especially service personnel, become an important element of the promotion effort.
- The intangible nature of services and the heightened possibilities for fraud result in their promotion being generally more constrained by legal and voluntary controls than is the case with goods. (Fyall & Garrod 2005: 119)

When it comes to selecting the most appropriate techniques to convey the desired message and induce a response from target markets, a variety of choices are at the disposal of tourism marketers. The traditional choices are as follows:

- **Public relations:** the planned and sustained effort to establish and maintain goodwill and mutual understanding between and organisation, its products or services and its publics. Although public relations, when conducted professionally, can be highly credible and of low cost, its implementation is often imprecise, with considerable difficulty often encountered when trying to target specific markets accurately. Media relations, crisis management, product placement, sponsorship and attendance at exhibitions and travel fairs are public relations activities common to tourism.
- **Advertising:** non-personal, paid-for mass communication by an identified sponsor in a commercially available medium. Advertising is increasingly convincing too many publics and

is highly appropriate for long-term image-building. Effective advertising often legitimises the brand and can be very economical in terms of 'cost per thousand'. On the other hand, it is frequently very costly and remains prohibitive for large sections of the tourism industry.

- Sale promotions: these are temporary, short-term incentives designed to stimulate some kind of action in the target audience. They are very popular when it comes to inducing brand trial and increasing the frequency of purchase.
- Direct marketing and database marketing: instances where an organisation promotes to and deals directly with the customer. Driven by database technology, direct marketing frequently uses intranets (within an organisation), extranets (networks of suppliers and key customers) and the internet. Growth in direct marketing is attributed to its ability target precisely and personalise communications and in its ability to induce a behavioural response.
- Personal selling: verbal communication between one or more prospective purchasers and a salesperson for the purpose of making a sale. Predominantly used in B2B settings, personal selling involves personal interaction which can be very costly. On the other hand, personal selling can be highly beneficial when attempting to build relationships in the trade. (Fyall & Garrod 2005: 120)

LITERATURE SEARCH

Kruger, Mitchell and Welman (2005) explains that by compiling a review of research findings on a particular topic that has already been published, researchers may become aware of inconsistencies and shortcomings that may justify further research. Such a review enables researchers to indicate exactly where their proposed research fits in. (Kruger, Mitchell & Welman, 2005), Bayat & Fox further expands on this (2007)

The following resources has been used to conduct the literature search in order to gain a better knowledge and understanding regarding the research topic, as well to gain background knowledge on the topic. The following resource material:

- Books
- Internet Sites
- Reports
- Newspaper Articles
- Academic Journals

- E-journals
- Official Reports
- Government policies and publications

DATA ANALYSIS

The rationale behind this area is to find out whether the West Coast Region of the Western Cape is an untapped market which may appeal to the cape metropole residents by attracting them to the region making it their holiday destination of choice through the perceptions of respondents.

Responses to Figure 1 indicate that 27% of the respondents strongly agreed that the Cape West Coast is an untapped market whilst 11% disagreed. Furthermore 36% agreed, and 26% were undecided.

Responses to Figure 2 indicate that 12% of the respondents strongly agreed that residents are unaware of the Cape West Coast region as a tourist holiday destination, whilst 7% strongly disagreed. A further 31% of the respondents were undecided.

Responses to Figure 3 indicate that 56% of the respondents agreed that the Cape West Coast would be considered as a holiday destination of choice for them, whilst 8% of the respondents disagreed.

Responses to Figure 4 indicate that 35% of the respondents strongly agreed that the Cape West Coast is definitely recommendable as a holiday destination of choice, whilst 2% of the respondents strongly disagreed. Furthermore, 45% of the respondents agreed, 8% disagreed, and 10% were undecided.

Responses to Figure 5 indicate that 41% of the respondents agreed that the Cape West Coast is a drawing card in terms of attracting locals residing within the Cape Metropole, whilst 9% of the respondents disagreed, and 24% of the respondents were undecided as to whether or not it's a drawing card.

33% of the respondents strongly agreed that the Cape West Coast has attractions which are unique to the region and cannot be found elsewhere, whilst 9% disagreed, 36% agreed, and 22% were undecided. The figure 6 presents this.

Responses to Figure 7 indicate that 53% of the respondents agreed that the Cape West Coast is a region for potential business opportunities, whilst 6% of the respondents disagreed. Another 11% were undecided.

Responses to Figure 8 indicate that 3% of the respondents strongly agreed that the Cape West Coast has too much crime making it not a holiday destination of choice, whilst 26% of the respondents strongly disagreed. A further 6% of the respondents agreed, and 37% of the respondents disagreed. Going even further, 28% of the respondents were undecided.

RESULTS ILLUSTRATED IN GRAPHS

Figure 1. An untapped Market

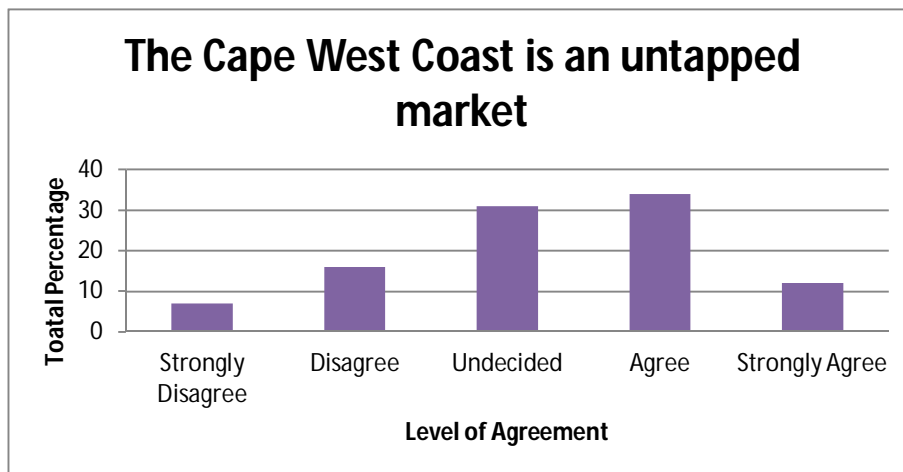


Figure 2. Unaware of it being a Tourist Holiday Destination

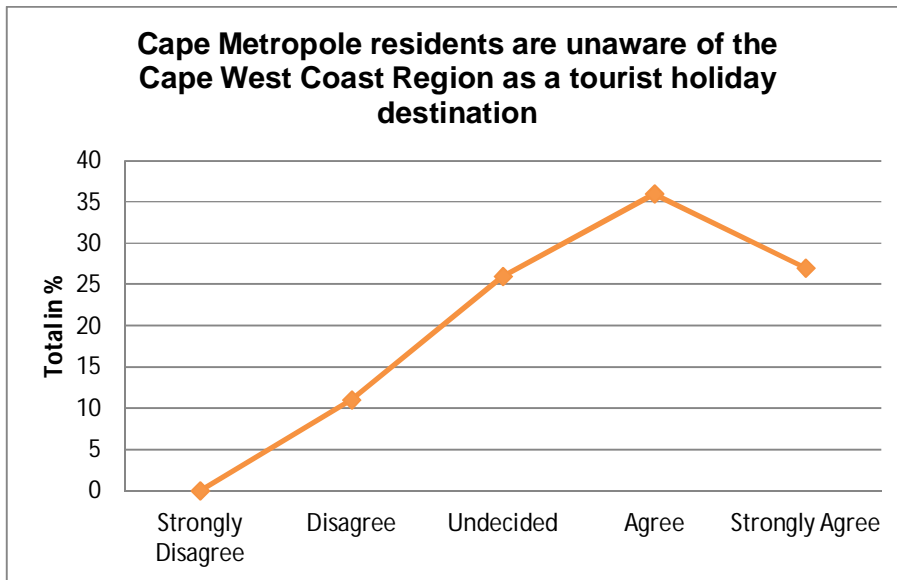


Figure 3. Consideration of it being a holiday destination of choice

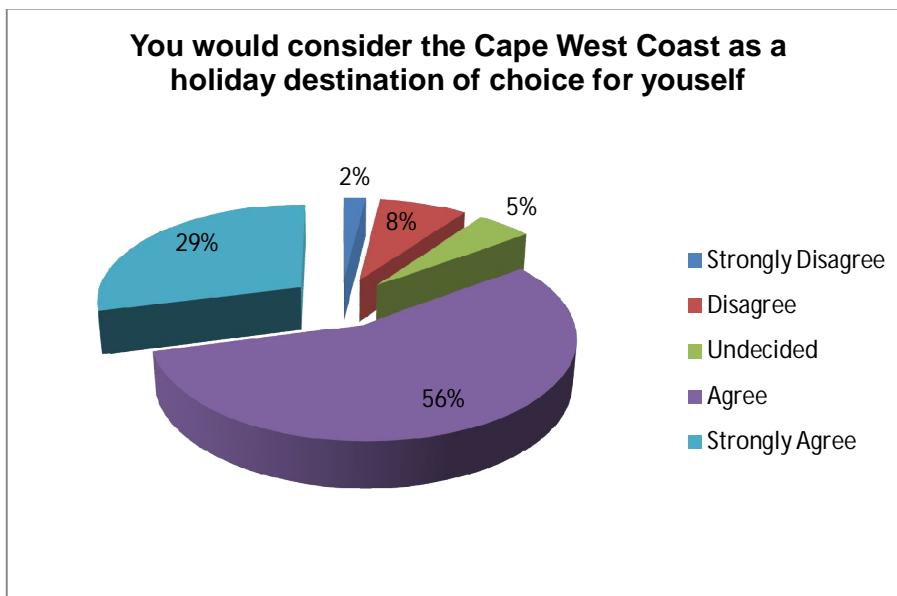


Figure 4. A recommendable holiday destination

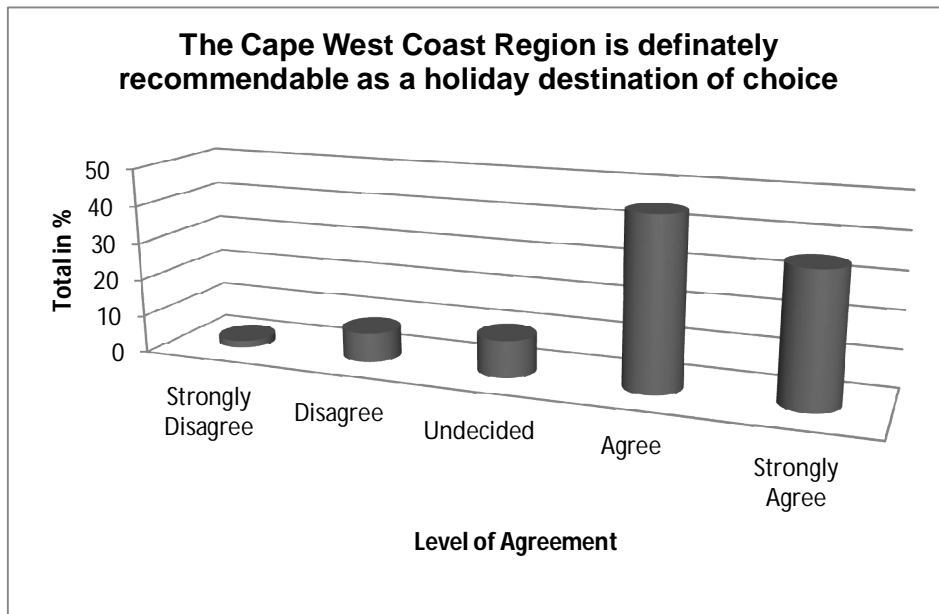


Figure 5. A drawing card for Cape Metropole Residents

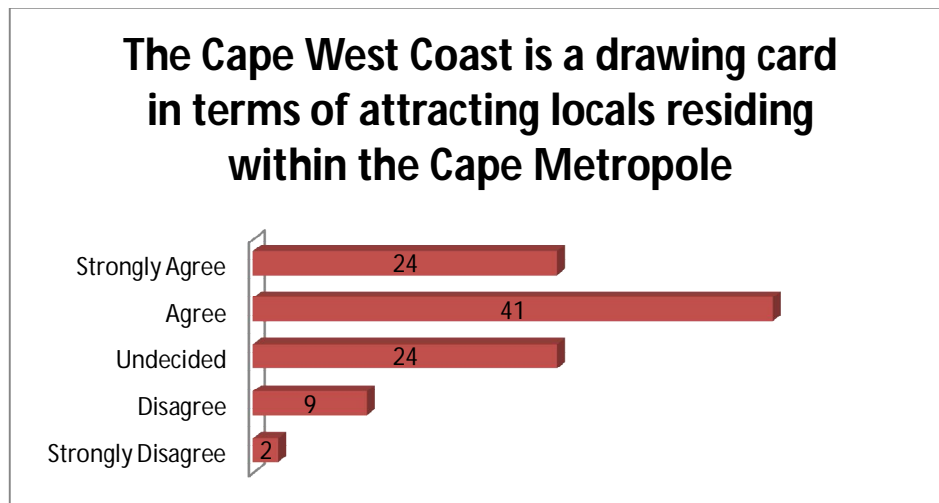


Figure 6. Unique attractions to the Region

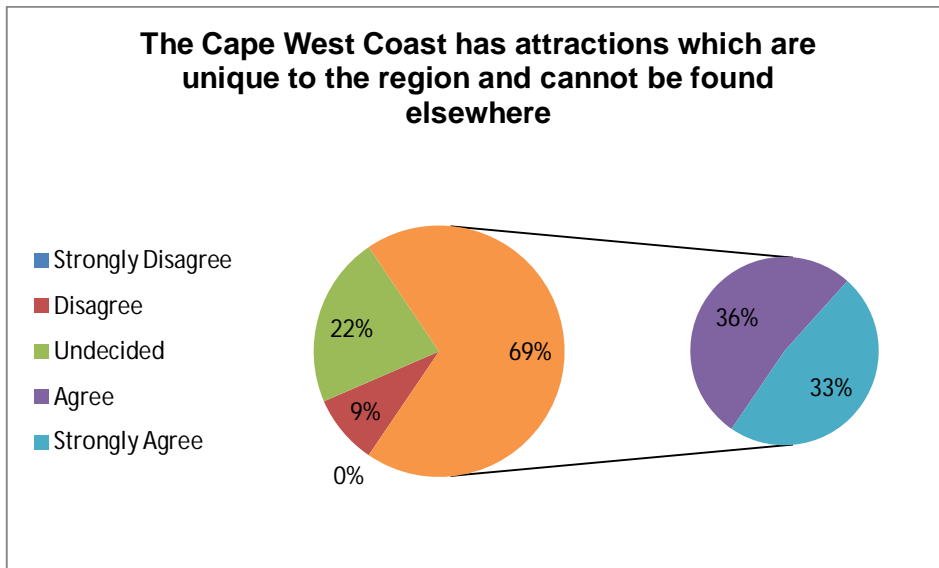


Figure 7. Potential Business Opportunities

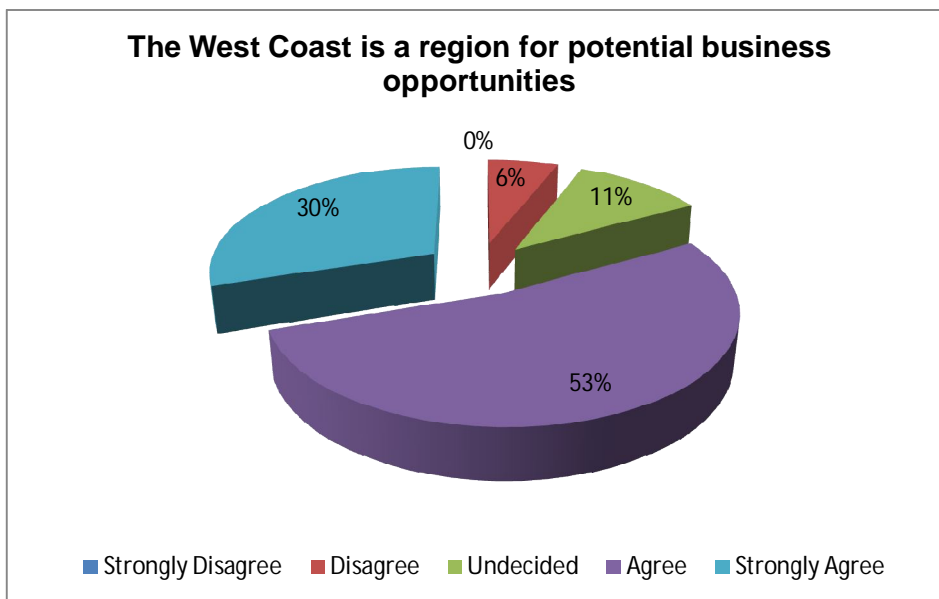
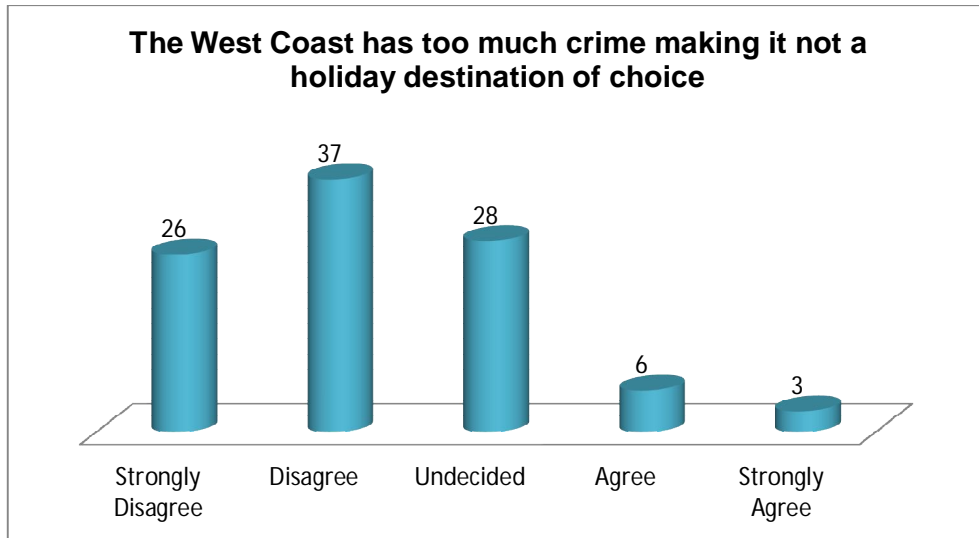


Figure 8. Is crime a factor?



RECOMMENDATIONS

- Implement e-marketing mediums such as mxit, facebook, and twitter to appeal to a larger audience of the Cape Metropole selling its product via these social networking tools.
- West Coast Tourism should promote potential business opportunities among the Cape Metropole population such as Guest houses and B&B's
- The West Coast boasts many prospective business opportunities within the tourism industry which should be promoted among upcoming tourism entrepreneurs specifically aimed at graduates specialising in the field.
- The West Coast being an untapped market should identify gaps within their structure and implement strategies of promotion to attract all residents of the Cape Metropole in every age category, social class, an income classification.
- Exhibitions and trade shows by West Coast Tourism should be held on a regular basis in various locations of the Cape Metropole promoting the region as a number one domestic tourism destination.

- West Coast Tourism should enter into an agreement with various local radio and television stations in the Cape Metropole to promote the region among listeners and viewers making use of the mediums' prime time slots.

FUTURE POTENTIAL RESEARCH STUDIES

- Planning ecotourism development in protected areas
- Tourism market research
- Tourism destination management
- Corporate travel strategies
- Segmentation and targeting
- Branding a tourism destination
- Marketing mix strategies for a tourism destination
- Destination selection process

CONCLUSION

The West Coast Region of the Western Cape is an untapped market which is able to be marketed more extensively among residents of the Cape Metropole making the region locals holiday destination of choice.

Residents are aware of the West Coast as a tourism destination however, a focus should be set upon promoting all products and offerings of the West Coast creating a positive perception among the domestic population of the Cape Metropole attracting them to the region frequently.

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