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Critical success factors for a destination management system for South Africa

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ABSTRACT

Destination Management Systems (DMS) are considered to hold much promise in theory but have proven difficult to implement in reality. In general, destinations have failed to bring together stakeholders in a way that ensures sustainability of the system. This study explores the critical success factors for implementing a DMS in South Africa. This study is based on previous research by Frew and O'Connor (1999), who established a list of critical success factors for DMS implementations in England, Scotland, Ireland and Austria.

The objective of this research was to determine whether these findings held for the South African case. In-depth, semi-structured interviews were used to obtain views of South African destination stakeholders including strategy consultants, destination management and marketing practitioners, IT service providers, tourism product owners and tourism suppliers. The main findings were that the critical success factors of previous research did hold for the South African case but these were supplemented by a number of additional factors reflecting the current reality. In addition, respondents agreed that for a DMS to succeed government would need to fund the project, but this project should be managed by the private sector. Finally, it was found that central government should consult the industry on a single universal tourism strategy to determine common goals for the public and private sectors.

DECLARATION

I, Catherine Elizabeth Goodwin declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Catherine Elizabeth Goodwin

27 March 2006

DEDICATION

To Mum, Dad, and Bruce, thank you for your unflinching love and support whether in the form of editing, welcome distractions, home-made meals or a joint interest in finally making it onto a graduation photo.

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CHAPTER 1

INTRODUCTION

1.1 PURPOSE OF THE STUDY

The purpose of this study is to identify and analyse the factors which should be present in the South African tourism environment in order to allow for the successful implementation of a destination management system (DMS).

1.2 CONTEXT OF THE STUDY

Travel and tourism is one of the world's largest and most rapidly expanding industries, contributing over 10% to the global gross domestic product (GDP) and generating employment for 200 million people, according to annual research by the World Travel and Tourism Council (WTTC) (Buhalis, 2003). Jean-Claude Baumgarten, President of the WTTC has stated (Foreword to Buhalis, 2003) that "Travel and Tourism can be part of the solution to world problems, such as bridging the gap between the 'haves' and the 'have-nots'. In many areas, it is one of the few possibilities for economic activity. It can create jobs and opportunities for entrepreneurs. It offers training in management skills, education and technology to local people, as well as increasing incomes in rural and remote economies. It can help contribute to the alleviation of poverty in developing countries."

Destinations are recognised as being the raison d'être for tourism. They satisfy the desire that people have to travel, and it is the attractions available at set destinations that generate the motivation to visit the destinations themselves. Destinations are increasingly becoming recognised as an amalgam of products, facilities and services that comprise the 'total tourism product' or the 'travel experience' (Buhalis, 2003).

> *Paris as a destination, for example, brings together a number of tangible elements and attractions (e.g. local attractions, museums, theatres and parks), a number of intangible aspects (e.g. ambience, culture, art) as well as facilities/services for tourists and also locals (e.g. hotels, restaurants, and catering , coaches, taxis, metro and other transportation facilities). All these aspects together develop the destination image and product.*
>
> (Buhalis, 2003: 280)

Traditionally, the planning, management, marketing and co-ordination of destinations have been undertaken by either the public sector (at national, regional or local level) or by partnerships between stakeholders in the local tourism industry (Cooper *et al*., 1998; Mill & Morrison, 1998). Destinations increasingly attract tourists from distant or long-haul markets, thus the need to disseminate information globally will continue to increase as destination-naïve travellers require more information regarding them. Domestic markets also expand rapidly, usually being characterised by people taking short get-away breaks, having decided on impulse on their trips, based on their previous experience. However both markets require timely and accurate information that reflect the individual needs of travellers. Demand patterns also change, as the more contemporary, sophisticated and alert travellers seek new experiences, often based on the available information (Buhalis, 2003). The contemporary connected

consumer “is far less willing to wait or put up with delays, to the point where patience is a disappearing virtue” (Rach, L., cited in Buhalis, 1998: 411). As Mason suggests, “time is the new distance” (cited in Collins *et al*., 2003: 490).

Tourists tend to request a wide variety of information on areas, facilities, attractions and activities at destinations both before departure and on arrival (Buhalis, 2003). According to Carter (2005a), the growth in the online travel market illustrates that travellers are increasingly looking to close their purchases online both in the USA and in Western Europe especially. “US online travel bookings are expected to reach $91 billion by 2009, at which time it will represent 33% of the total US travel revenues. By comparison, in 2004 it represented only 23% of total US travel revenues” (Carter, 2005a: Slide 15).

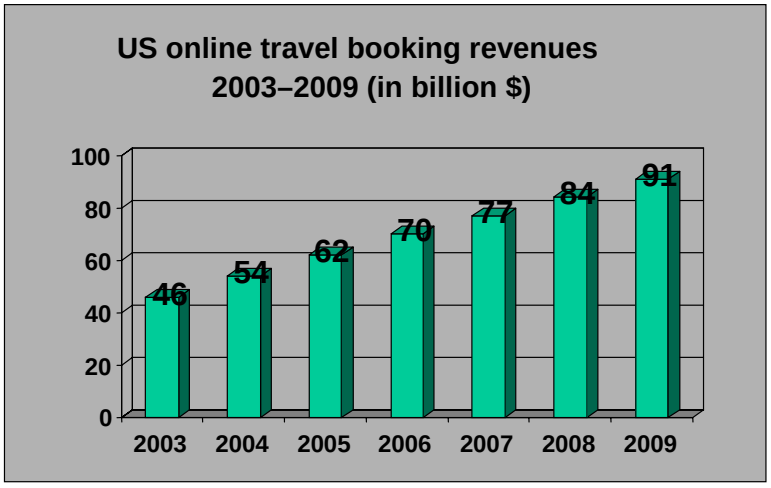


Figure 1.1: US online travel booking revenues, 2003–2009 (in billion $)

Source: Jupiter Research (cited in ClickZ Stats, 2004)

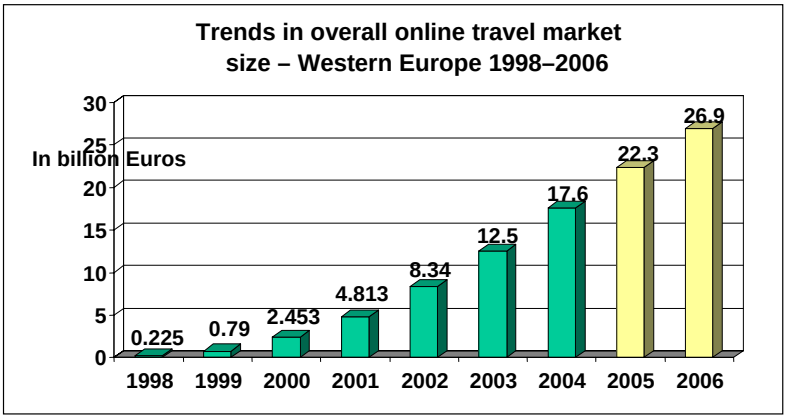


Figure 1.2: Trends in overall online travel market size – Western Europe, 1998–2006 (in billion €)

Source: Marcussen (2005)

A combination of both technological enablers and demand drivers has, therefore, propelled the realisation of destination management systems. Information communication technologies (ICTs) have, up until now, not been regarded as comprising a critical instrument for the development and management of destinations. However, destination management organisations (DMOs) are gradually realising the potential opportunities emerging by way of ICTs and are starting to make increasing use of the latest technology in order to improve their function and performance, as well as for communicating their marketing message globally (Buhalis, 2003):

> *The ability of destinations to satisfy the information and reservation needs of buyers efficiently, by providing appropriate and accurate information on-line, will be critical for their future attractiveness. Hence ICTs and DMSs in particular can support destinations in strengthening their competitiveness* (Buhalis, 2003: 280).

DMSs provide new tools for destination marketing and promotion, as they use ICTs to disseminate information and to support a reservation function for products and facilities at specific destinations. In essence, a DMS is a collection of interactively accessible computerised information on a specific destination (Buhalis, 2003). DMSs typically include information on attractions and facilities available at the destination and often allow for some reservations. DMSs are usually managed by destination management organisations (DMOs), which may be either private or public organisations, or a combination of both (Buhalis, 2003). Increasing literature is available on DMSs, although there is still limited agreement on their role and functionality (Archdale, 1994b; Archdale *et al.*, 1992; Buhalis, 1993, 1994, 1995, 1997; Cano & Prentice, 1998; Frew & O'Connor, 1998, 1999; O'Connor & Rafferty, 1996 Pollock, 1998a, 1998b, 1999; Sheldon, 1993, 1997; Vlitos-Rowe, 1992; Wöber, 1998; WTO, 1999, 2001).

South Africa is a developing country, with a healthy tourism industry which contributes greatly to the national GDP and job creation: "In terms of the South African economy, tourism has outperformed all other sectors in terms of both job creation and contribution to GDP" (South African Tourism, 2004: 2). In the same report, the growth in arrival statistics, especially marked during the boom of 2002, is remarkable.

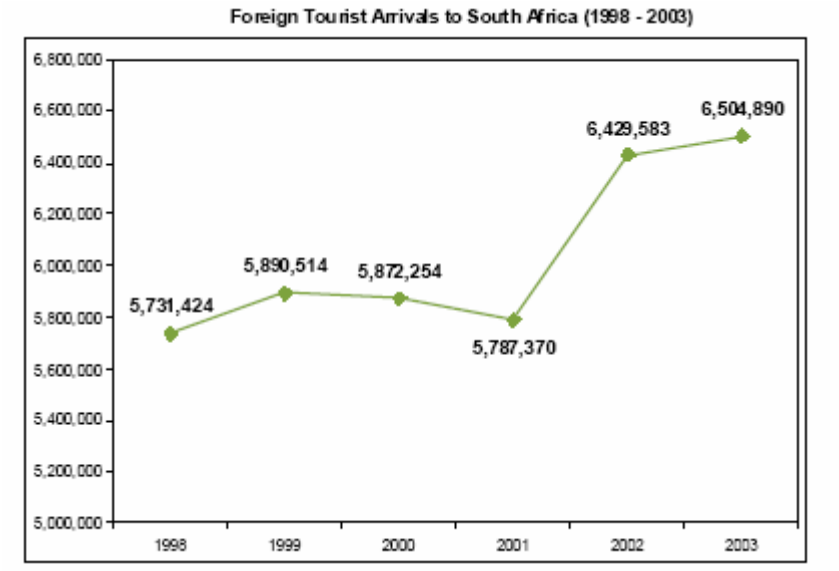


Figure 1.3: Foreign tourist arrivals in South Africa (1998–2003)

> *"South Africa has gone through a rapid period of growth and in 2004 we are holding the gains we have made. Now is the time that we consolidate our gains and prepare for the next growth phase."* (South African Tourism, 2004: 2)

Whether this will continue to grow will depend on the dynamism of destinations embracing new technologies worldwide. As Porter stated, competition from substitute products limits the size and share of the market which can be captured (Porter, 1979). In an attempt to ensure that South Africa's share of the market continues to grow, this research report will look at the tourism industry, the technology which is currently shaping it and, specifically, the new strategies for implementing the sort of systems that will enable a destination such as South Africa to stay ahead of the technology curve and to create a sustainable competitiveness.

This study will explore the critical success factors involved in implementing a DMS in South Africa, keeping in mind that no academic research on the subject of DMSs in South Africa appears, as yet, to be available.

1.3 STATEMENT OF THE PROBLEM

As stated in Section 1.1, the purpose of the current research is to identify and analyse the critical success factors involved in implementing a DMS in South Africa.

1.4 DELIMITATION AND LIMITATIONS OF THE STUDY

The sample for the current study is purposive. The researcher will select respondents who have the required experience to answer the research questions. No attempt will be made to ensure that the sample is random and representative of any population from which it comes.

This study will be delimited to the critical success factors involved in the implementation of a DMS for South Africa alone. No effort will be made to explore the critical success factors involved in the implementation of any system that supports, markets or distributes components of the destination offering, such as air tickets, hotel chains, car hire, or individual lodges.

The study will be delimited to exploring the problem from the perspective of destination stakeholders. No effort will be made to explore the factors from a customer perspective.

The study will explore those factors that are critical to the successful implementation of a DMS in South Africa. No attempt will be made to ascertain whether any relationship exists between these factors.

1.5 SIGNIFICANCE OF THE STUDY

The current study will help to identify factors which may be critical to the success of implementing a DMS in South Africa. The results of the research will be able to be drawn on by all South African destination stakeholders, including product owners; distribution intermediaries; information technology (IT) suppliers; DMOs; government tourism bodies; and marketers, who may be considering an integrated strategic approach to distribution channel management in the global tourism market. The factors explored should provide insight into what the industry as a whole should focus its cerebral and financial might on in order to provide the opportunities that an umbrella brand, such as South Africa, can offer its stakeholders, when provided with the appropriate supportive DMS. The results of this research should also facilitate the conducting of additional research in this field.

In addition, the identification and exploration of these factors will be able to assist strategy practitioners in formulating strategy which takes cognisance of, and embraces, the factors identified. This may enhance the probability of a successful implementation of a DMS system.

Finally, the results of the research will be of value to academia. DMS implementation is a new concept, which has not yet enjoyed rigorous scrutiny by local academics.

The current research should foster a basic understanding of issues relating to the implementation of DMSs and provide a springboard for further academic research.

Thus, destination stakeholders and strategy practitioners, facilitators and academics should find the outcome of the proposed research useful.

1.6 ASSUMPTIONS UNDERPINNING THE RESEARCH

The following assumptions underpin the research to be conducted:

- The existence of different models of DMSs, as well as of different levels of implementation of such models will not influence the validity of the proposed study.
- No national DMS has, as yet, been implemented in South Africa, though destination management and the marketing of destinations have been practised in South Africa long enough not to impact negatively on the validity of the proposed study.
- The respondents chosen will be subject matter experts on destination management, so that their identification of the factors concerned should prove comprehensive.
- Use of in-depth semi-structured interviews and content analysis will enable the data analysis involved to yield consistent results.
- Respondents will provide normal perceptions and perspectives.
- An hour-long interview held with each respondent will allow for the gleaning of enough information and knowledge for purposes of the proposed study, so that no loss in validity is entailed.
- No inherent bias will result from respondent profiles.

1.7 EXPLANATION OF ABBREVIATIONS AND ACRONYMS

⇨ **Computer reservation system (CRS)** The system is used for purposes of inventory management by airlines, hotels and other facilities. CRSs usually allow direct access through terminals for intermediaries to check the availability of accommodation, to make reservations and to print the required vouchers.

⇨ **Destination management organisation (DMO)** The DMO is a partnership organisation between the private and public sectors responsible for the promotion and co-ordination of tourism in a specific region.

⇨ **Destination management system (DMS)** The DMS underpins the function of a destination marketing organisation in its primary task of promoting tourism business within a geographically defined area.

⇨ **Global distribution system (GDS)** The GDS is an electronic intermediary used by travel agents worldwide to buy tourism products.

⇨ **Property management system (PMS)** The PMS is used by hotels for inventory management and control.

⇨ **Tourist information centre (TIC)** A TIC is a destination office or kiosk where a domestic or international traveller can obtain assistance in finding out more about the immediate surrounding area, city or destination as a whole.

⇨ **Area Tourism Board (ATB) or Regional Tourism Organisation (RTO)** The ATB or RTO is a local, regional or provincial body responsible for tourism in a particular area or province.

⇨ **Small to medium-sized tourism enterprise (SMTE)** SMTEs are defined by the European Commission as all enterprises with fewer than 250 employees, less than 40 million euros turnover per year, and less than a quarter of the company being held by a larger firm.

⇨ **World Tourism Organisation (WTO)** The WTO is a specialised agency of the United Nations, which serves as a global forum for tourism policy issues and a practical source of tourism know-how for the industry.

CHAPTER 2

LITERATURE REVIEW

Chapter 2 starts with an introduction to the tourism industry's evolving use of technology over time, including its use of a DMS. The nature of a DMS is defined, and a description of the technology supporting the concept and the drivers behind its implementation given. An overview follows, illustrated with several examples, of its worldwide use, followed by a summary of the critical success factors involved in implementing such a system. Finally, South African use of DMSs is considered.

The literature review concludes with a summary of the argument thus far. A foundation is therefore set in place for the proposed research, which aims to explore the critical success factors involved in implementing a DMS in South Africa.

2.1 THE DEVELOPMENT OF THE DMS

2.1.1 The importance of information for the tourism industry

"A traveller without knowledge is a bird without wings."

(Sa'Di Gulistan, 1258, cited in Kotler, 1984: 220)

Tourism is acknowledged to be very information intensive – in fact, information has been described as the 'lifeblood' of the industry, as, without it, the sector could not function (Sheldon, 1993). Tourists need information before going on a trip in order to

help them plan and choose between the different options available, as well as also increasingly needing information during their trip, as the trend towards more independent travel increases. This demand for information also reflects a more subtle issue: the annual holiday or even a weekend break is increasingly associated with significant financial and emotional risk. In western society in particular, time has become a scarce commodity and, particularly for couples, shared time can be even more elusive (O'Connor, 1999). Therefore, for many consumers their annual holiday represents a major emotional investment that cannot easily be recovered if something goes wrong (Pollock, 1995). Therefore, since travellers cannot pre-test the product or easily retrieve their investment if a trip does not meet their expectations, access to accurate, reliable, timely and relevant information is essential to help them choose appropriately. As Buhalis (1997:82) points out, "the greater the degree of perceived risk in a pre-purchase context, the greater the consumer propensity to seek information about the product".

The need for information is heightened by certain characteristics of the tourism product. Foremost among such characteristics is the intangibility of the product concerned – unlike with manufactured goods, the tourism product cannot be inspected prior to purchase and therefore relies intensively on representations and descriptions that facilitate consumer choice (Go & Pine, 1995). The product is also fixed geographically, requiring that customers travel – and thus, in effect, consume the product – in order to experience what they are buying (Bennet, 1993). Two other characteristics of the product are its complexity and interdependence. Individual tourism products are diverse – in fact, in many cases, it is their very heterogeneity that makes them attractive in the first place (O'Connor, 1999). In addition, tourism

products are rarely bought individually, and the endless combinations and permutations of alternative travel routes, transportation modes, time and accommodation demand significant input from even those accustomed to travel on a regular basis (Kaven, 1974). Suppliers, therefore, face a challenge, which Kaven (1974:117) has described as “trying to gain identity with untold millions of potential customers covering the whole spectrum of incomes, interests, knowledge, sophistication and needs”.

Travellers can acquire information from a wide variety of sources, including directly from the tourism supplier involved. Whether the information comes from the tourism supplier or from any number of intermediaries, such as travel agents, tour operators or government tourism organisations, the primary role of each of these intermediaries is to facilitate the purchasing process, to which information exchange is key (Pollock, 1995). As such, tourism suppliers must provide each potential intermediary with information in an appropriate format to facilitate selling of the product (O’Connor, 1999).

Information also has to flow in the opposite direction as, in order to make a booking, the customer’s contact and payment details have to be communicated to the appropriate tourism suppliers. An effective and efficient method of communication is therefore required (Frew & Pringle, 1995).

2.1.2 The role of information technology in the tourism industry

In line with the finding that information exchange is crucial at every stage in the sales cycle of the tourism product (Pollock, 1995), acknowledgement must be given to the

importance of information flowing quickly and accurately between the client, the intermediaries and each of the tourism suppliers involved in servicing the client's needs. As a result, IT – the amalgamation of computing, communications and electronics – has become an almost universal feature of the tourism industry (Bennet, 1993). Such is its power that it allows information to be managed more effectively, and, in fact, transported worldwide almost instantly (Frew & Pringle, 1995). As a result, such technology has had (and continues to have) a major effect on the methods of operation of the tourism industry (O'Connor, 1999). As Poon (1993) points out, IT has the greatest impact on marketing and distribution functions in the industry, while having relatively little impact on areas involving more substantial human contact. Similarly, certain sectors of the industry, such as airlines, have proved keen adopters of technology, using it to help to manage and streamline their operations and to gain strategic advantage over their competitors (McGuffie, 1994). Some sectors, however, in particular that of hotels, have been less enthusiastic about adjusting to the advance of technology, but are gradually starting to understand the benefits of electronic distribution.

When consumers contact tourist boards, it is generally accepted that they want more than just information (O'Connor, 1999). Inevitably, their ultimate aim is to make a booking, and the easier it is to find information, check availability and complete the booking, the more likely visitors are to both initially choose an appropriate destination and subsequently be satisfied with their experience (Sheldon, 1997). Such consumer demand led to the development of DMSs as supportive structures for assisting both regional and national tourism organisations.

O'Connor's work (1999) on electronic distribution identified four different categories of DMSs, defined by the features they offer: information only; information and reservations; information, reservations and client databases; and strategically focussed systems:

- *Information only:* The most basic form of DMS is one that stores and distributes information about the tourism suppliers, visitor attractions and events in a particular region (Crichton & Edgar, 1995).
- *Information and reservations:* For many RTOs, the creation of a 'destination database' is adequate, as they tend to lack the mandate to engage in commercial operations by way of selling products, or else they seem not to wish to compete with in-bound tour operators and their domestic travel agent community (Pollock, 1995). A logical extension of the DMS concept is to include booking facilities, which would serve to increase both efficiency and customer service by transforming the focus of the system from a simple electronic brochure into a much more powerful form of presentation (Sussmann & Baker, 1996).
- *Information, reservations and client databases:* RTOs are primarily in the 'information brokerage' business; they use information as an operational and management tool to assist them in their role as intermediaries between tourism suppliers and consumers (Pollock, 1998a). Data on producers, products and places is collected and distributed to consumers by way of the DMS. However, information must also flow in the opposite direction. Increasingly more customers are turning their backs on fixed commodities (such as standardised travel packages), and demanding more meaningful experiences that are personal and subjective. If such experiences are not

unique, than at least they should be tailor-made, flexible and professionally designed (Pollock, 1995). In order to deepen the experience of customers, ‘a profound understanding of the complex requirements, expectations and desires of consumers, as well as their time and budget constraints is vital’ (Poon, 1989:93). Storing and analysing customer information leads to the creation of a valuable resource that can be used to more precisely identify and target potential customers, thus helping to reduce the associated marketing costs and to increase marketing effectiveness (Francese & Renaghan, 1990).

- *Strategically focussed systems:* Most RTOs, in addition to their concern with visitor servicing, also have marketing, planning, development and industry support functions (Pollock, 1998a). In theory, a properly designed DMS should help to manage not just the marketing/promotion functions, but should also transcend departmental and organisational boundaries to help manage the destination as a whole – a development which Buhalis has entitled DICIRMS (destination-integrated computer information reservation management systems) (Buhalis, 1997).

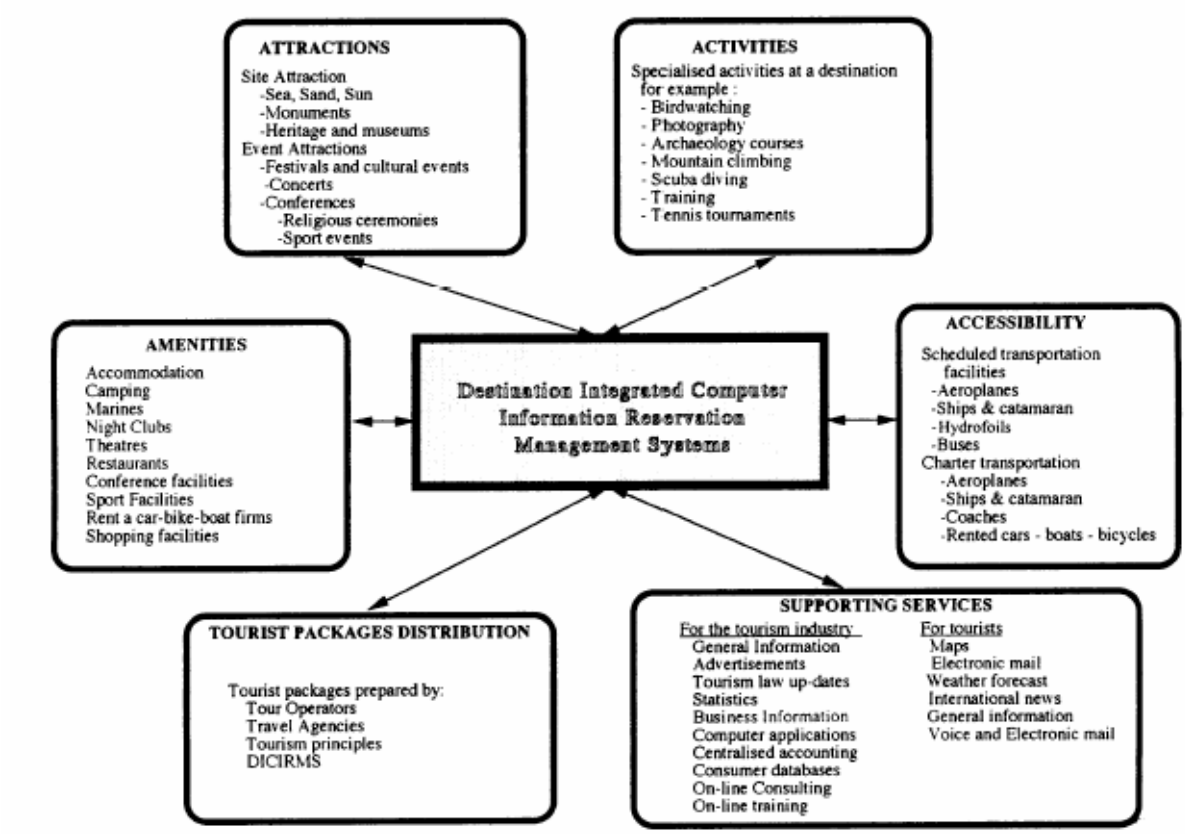


Figure 2.1: Destination-integrated computer information reservation management systems

Source: Buhalis (1993:376)

2.1.3 Introduction to destinations and systems

While computerised reservations systems have been around since the 1950s, effective centralised systems (CRS) have been in existence since the 1970s, evolving into today's GDSs. The provision of accurate and current availability and tariff information was a key factor in the early adoption of CRS by the larger hotel organisations. Today, these features are still the central element of the GDS configuration, and those able to participate in such systems are still typically the larger organisations. However, since the 1980's, much research has been done into

computer-based information and reservations systems founded upon not simply the ownership of bedspaces, but on a common geographical bond – the concept of destination marketing systems (DMS). Authors such as Buhalis (1993) have championed the case for small to medium-sized enterprises (SMEs) to attain cost-effective representation by way of such systems, while others, including Frew *et al*. (1995), have reflected on the inherent potential for a migration of power and control to the destination by way of the implementation of such systems.

Fundamentally, DMSs differ from GDSs/CRSs by providing a comprehensive selection of tourism supplier (not solely limited to accommodation) information regarding a defined geographical area, integrated, in most cases, with an availability and booking service. Inevitably, in pursuing such a membership, the vast majority of the organisations concerned, at least in the European context, will be SMTEs (Buhalis, 2003). Much existing research, including that of Pringle (1995), demonstrates that this group of typically low-margin businesses, while arguably standing to benefit most from cost-effective distribution and efficient transactions, tends to be among the most resistant to new technology.

In the absence of an agreed definitive nomenclature, DMSs are regarded as being those systems that underpin the functioning of destination marketing organisations in their primary task of promoting tourism business within geographically defined areas (Frew & O'Connor, 1998).

DMSs, although their precise content varies, indeed do share a common philosophy – they have been designed to distribute information regarding a diverse and

comprehensive range of tourism-related products, usually from a distinct geographical region, in an attempt to facilitate the highest economic use of the region's facilities (French, 1994).

2.1.4 Destinations that have pioneered the use of DMSs

In order to illustrate the variety of approaches taken towards implementing DMS systems and their diverse outcomes, six destinations have been chosen for closer study. Each of these destinations was responsible for pioneering the concept of DMS in its own arena, as well as for pioneering different features of the DMS which were important to the stakeholders of the particular destination involved at the time of conceptualisation. The concluding summary will provide an overview of the largest DMSs currently in the world, as well as their product offerings, in order to focus attention on the present day. As will be seen, the evolution of DMSs has benefited greatly from the experience of England, Scotland, Ireland, Austria, Finland and Australia.

- **England**

One of the earliest studies conducted on DMS took place in England, when, in 1968, it was proposed to use surplus capacity on the National Coal Board's mainframe computer to distribute tourism information to tourism centres and travel agents. The general operating principles preceded many "new" proposals made along similar lines over twenty years later (Archdale *et al*., 1992). England also pioneered the BRAVO project, which, in 1986, tried to bring telecommunications companies, technical suppliers and the travel sector together in a co-operative venture that would allow the tourism sector as a whole to benefit from the latest developments in

electronic distribution. The initial BRAVO was envisaged as a truly national operation, owned and controlled by the industry itself, intended to facilitate and provide a range of essential technical facilities, including access to the major GDS networks. However, although the project was privatised and its scope broadened to include maintaining a database of accommodation suppliers and the processing of reservations, the investment and support were inadequate at the time, resulting in the company being wound up in 1991. At the same time, the English Tourist Board (ETB) was also working on the development of another related project – the Tourism Resource Information Processing System (TRIPS). TRIPS was developed jointly by the British Tourist Authority (BTA), ETB and the regional tourist boards, being designed to be internally focused (Scarfe, 1994). The central database is, at present, comprehensive, and maintained by the ATBs, which regularly update it with information collected manually from the entire range of tourism suppliers. The system, however, deliberately does not hold availability or process reservations, though it does maintain a client database that can be used for database marketing purposes.

Another project, English Tourism Network Automation (ETNA), commenced in 1988 and was collectively developed by the ETB and various Regional Tourist Boards within England in order to distribute TRIPS information to TICs. Diffusion of the system has been hindered by the structure of the tourism sector in England, where, with few exceptions, TICs are funded by their respective local authorities and neither managed nor owned by the tourist boards themselves. Such disparity has militated against the introduction of a consistent approach to DMS across the entire region, and inter-organisational difficulties have been cited as one of the major reasons

behind DMS failure (Mutch, 1996). Currently, English suppliers are significantly represented on the internet (http://www.visitbritain.com) by way of the TRIPS database, though, as yet, TRIPS is more of a destination database than a DMS as such (Frew & O'Connor, 1999).

- **Scotland**

The first attempt to implement a DMS strategy came about in January 1984, with the introduction of Hi-Line. The system ran into procedural and technical problems at an early stage, as it was under-resourced and the initial platform of dial-up service from dumb terminals proved troublesome. Despite restructuring, refinancing, a positive response from users and a proposed, but doomed, link to BRAVO, Hi-Line failed in 1992. Many causes for its failure were mooted, ranging from economic recession to political and inter-organisational difficulties (Pringle, 1995). A brief flirtation with a local system from Orkney (ORKID) came to nothing, but, in due course, led to a follow-up effort – the Area Tourist Board Computerisation Project. The Project was intended to improve the quality of service to tourists, enhance the effectiveness of the ATB/TIC operation, improve the quality of management information, and upgrade the marketing of tourism. In 1992, the ITIS system from Integra Ltd was proposed for nationwide adoption as "*the preferred supplier of a proven back and front office TIC system*" (Pollock, 1996). Despite deployment in about half of all ATB, the effort, however, disintegrated, amid claims of project management difficulties, technological challenges and concerns over 'proprietary' systems. Despite being a far from complete implementation of the ITIS in Scotland, another new 'vision' was proposed: The © IDMS (Intelligent DMSs), based upon an Open Systems approach, promised full integration across tourism management functions, explicitly promising maximisation of utility from the "*customer's viewpoint first*" by the proposed system.

However, before the initial development was even complete, a significant rethink took place, from which a new, ambitious DMS programme emerged – the Ossian project. Unlike previous projects, Ossian has ongoing substantial political and financial support. The system proposes "*to provide an information dissemination system that will be accessible world-wide. It will accommodate access stratification to create virtual communities within the one physical system"* (Wallum, 1998:58). The tourist is seen as being the core customer, with the infrastructure being designed to "*optimise performance for incoming tourist enquiries*" (Frew & O'Connor, 1999:402). The system features permanent scaleable connections to the internet, with an infrastructure comprising a federation of ATB servers. Its current site on the Web is accessible at http://www.holiday.scotland.net.

- **Ireland**

DMS development in Ireland began in 1990, with the conception of a system that was to become the main channel of distribution for information and reservations regarding all major aspects of tourism in Ireland (O'Connor & Rafferty, 1996). The system was a key component of the increased co-operation between Bord Failte – the Irish Tourist Board – and the Northern Ireland Tourist Board, aimed at marketing the entire island as a tourism destination. Funding was widely sourced, including from the national tourist boards, the European Union and the International Fund for Ireland. The system maintained a comprehensive database of tourism data, including information on accommodation, events, and places of interest, transportation, entertainment and tourist attractions. However, rather than simply being seen as a distribution system, the development of Gulliver was regarded as improving the infrastructure of tourism, making it easier for tourists to make bookings

in Ireland both while at home and abroad. As such, the system was seen as forming a critical part of the Irish government's plan to increase tourist numbers, as well as a key component of the "Tourism Brand Ireland" campaign.

Although the system initially suffered technical difficulties, mainly arising from its mainframe-based hardware configuration, Gulliver was successfully re-engineered into a client server-based system in 1993. The resulting increases in performance allowed Gulliver to broaden its range of distribution channels, by, among other actions, developing its award-winning website, www.ireland.travel.ie. The privatisation of Gulliver in 1997 has allowed the system to begin processing reservations for accommodation and other tourism services (Frew & O'Connor, 1999). This has led to the expansion of the system, particularly by means of the Web, allowing for the introduction of online booking facilities and the development of a variety of product/regional-focused websites, all driven by the Gulliver information and reservations engine. While 4.5 million visitors were recorded as visiting the site in 2003, this figure is predicted to rise to 5.5 million in 2006. Accommodation searches in 2003 totalled 1 950 000, giving rise to €8.4 million worth of online bookings, representing a 68% increase over that recorded for 2002 (Carter, 2005b).

- **Austria**

The Tyrol Information System (TIS) was developed by the Tyrolean Regional Tourist Board with the dual aims of supplying tourist information to the marketplace and of providing information on trends and markets to local suppliers. The initial system was limited to the Tyrol region, and concentrated on distribution information regarding accommodation, prices, resort accessibility and leisure amenities, excluding reservation facilities. Data was collected and maintained by a large

number of local tourist boards, consolidated centrally and then redistributed to each of the users concerned. Distribution channels used included the TICs located throughout the region, videotext and teletext systems in each of the Tyrol's major markets, and the Web. In 1996, the system, which was renamed TIScover, refocused on providing more comprehensive DMS services (Proll *et al*., 1998). The data architecture was changed to internet-based technology, the geographical scope extended to include the other regions of Austria and online booking facilities were developed. Suppliers and tourist boards are now able to update their information using an Extranet, and users may access information and make bookings over the internet. Overall, TIScover (http://www.tiscover.com) has positioned itself as a core system for marketing and distributing Austrian tourism products (Frew & O'Connor, 1999). Site visits are in excess of 50 million a year, but the most impressive statistics reflect the rapid increase in booking requests online: While in 1999 tiscover.com received 242 953 requests, by 2003 the figure had risen to 1 194 291 (Carter, 2005b).

- **Finland**

The Finnish Tourist Board (FTB) has pioneered the use of the internet for developing a network for managing tourism in Finland. ICT is currently used as an integral part of the tourism board's operations, as well as providing a tool for cross-industry co-ordination.

The system includes:

- The Finnish Tourist Board's market information system (MIS) makes a data management and distribution system available. Launched in 1992 and updated in 1997, the system is internal to FTB, being distributed to all offices

of the Board internationally. The system allows FTB staff to manage and organise sales and marketing campaigns, to co-ordinate their marketing and branding activities, and to distribute documents and administer the Board globally. In addition, access is also given to other professionals in the trade.

- The Research, Library and Information Service (RELIS) provides the backbone to national travel research and product documentation. RELIS connects the travel industry to research and education organisations.

- The national database of Finnish travel products and services (PROMIS) provides a wide range of up-to-date information on travel products, services and contact information. External PROMIS partners, including regional and city tourism organisations and other tourism professionals, continuously provide and update the available data. Most of the information (including images) provided is free from copyright restrictions, making it easily accessible for use in brochures and other promotional campaigns. The professional marketing information service offers a tourism database covering the whole of Finland.

Most of the databases discussed so far are accessible via the internet. In summer 2000, services for the tourist industry were improved considerably by opening an internet connection to the PROMIS information system, which the Finnish Tourist Board has seen fit to develop in line with the industry. The number of co-operation partners in the PROMIS information system exceeded 130 by the end of 2005. The amount of information available from the PROMIS system consequently rose by over

40% from spring to autumn in that year, to where it currently consists of more than 5 000 tourist products. Over 20 new information producers have joined the system. Partners currently working in co-operation can now add and update information on-line. The internet service has been expanded, with eight new languages being added to the site. At the end of the year the site presented tailored pages on Finland as a tourist destination in 13 different languages. Product information made available via the PROMIS system was used increasingly in brochures, with the information also being available on the internet. Christmas pages were produced, along with extranet pages for participants in the Savotta Travel Market. A site was also devised to facilitate the arranging of sales events, complete with registration procedures. During the year, the development of the structure and content of traditional marketing tools received much attention, being focused especially on the utilisation of electronic marketing tools (web and WAP). A massive renewal of the Finnish Tourist Board's website began towards the end of 2000. The entire site, containing about 2 500 pages, had been revamped by summer 2001 (Finnish Tourist Board www.mek.fi; WTO, 1999, 2001*).*

- **Australia**

The Australian Tourism Council (ATC) launched its first consumer website in 1996, containing 11 000 pages of motivational and destinational content; product listings;, factual information; competition details; feedback; and a search for Australian specialist travel agents. Then, in 1998, a gateway site poised above the global site was implemented for North America, followed soon after by those for several other regions. The gateways brought content from the global site to a higher level, together with links back to the global site. Such linkages enabled the different regions to present more relevant content to their customers earlier on in their browsing. As part

of the gateway process, translations were also implemented for gateway content, complementing certain sections of the global site. In 1999, a third layer, the 'splash page', was superimposed on the gateways in order to capture user information and route the user to the relevant gateway. Extensive consumer research was conducted in order to determine how potential travellers access on-line travel sites, their information needs and expectations. In this way, the internet has revolutionised the travel industry by providing a new way for consumers to 'experience' a destination, plan their itineraries and purchase travel products (Standing & Vasudavan, 2000).

The ATC's consumer website, http://www.australia.com, is targeted at the international travel market, aiming to provide instant access to motivational information that can influence consumers to choose Australia as their holiday destination. The site, which has been backed by A$28 million in consumer advertising (2001/2002), serves as a base for the primary call to action in all of the ATC's consumer and trade marketing programmes. In 2000/2001, the site delivered 38 million pages of information to an estimated 5 million unique users. The numbers of users is currently growing at a rate of more than 50% annually, with 12 million unique users visiting the site in 2002/2003. The increase in numbers points to the ever-growing importance of on-line technologies and confirms the ATC's strategic move in the direction of web-based marketing. In December 2000, the ATC began a process of redevelopment of australia.com, which resulted in the site becoming a vertical portal, providing users with a relevant, captivating and informative on-line experience, targeted at meeting users' cultural background, language preference, travel styles, behaviours, interests and needs. The site, launched in January 2002, is a dynamic platform upon which the ATC can deliver and distribute interactive,

branded and targeted multilingual content aimed at driving the conversion of actual travel to Australia by potential travellers (Buhalis 2003). Australia's current website is accessible at http://www.australia.com.

2.1.5 Barriers to the successful implementation of DMSs

The research conducted revealed the existence of several issues that had, at least partially, led to the temporary faltering, or even the permanent demise, of certain destinations. What became clear was that managing perceptions all the way through the process with all involved stakeholders was vital to the success of the business. Gulliver in Ireland, for example, has now come to be generally perceived as a successful implementation, despite early performance difficulties related to their technological infrastructure, specifically at peak times, and the exorbitant cost, and risk, of leased lines. What that success represents and how much the cost entailed should be to arrive at intended objectives differ, as reports in the Irish Times, among other media, demonstrate (Frew & O'Connor, 1998).

The English Tourist National Automation project (ETNA) was halted in 1993 after having been launched only three years before. The post-mortem carried out by Mutch (1996) emphasised the negative role played by inter-organisational factors. His work pointed to both structural (governmental) reorganisation and the separation of central strategy formulation from regional resource allocation as contributing to the failure. Organisational conflict was seen as potentially critically blocking technically feasible projects.

Depending on the strategic goals of the DMO responsible for implementation of a DMS, failure can arise from differing conceptualisations of success. In the case of Scotland, Gardner, in the Tourism Services Scotland Company Report of 1991 (cited in Frew & O'Connor, 1998:263), stated:

> *Unfortunately the STB continues to fail to grasp the opportunity of including a central reservations office function in their domestic marketing efforts so development of business without the Highlands and Islands continues to be limited.*

This commercial view typifies a private sector investor looking to show return on its investment, which is often at odds with the public sector, resulting in, as Wayne has already (1991:132) remarked, the "cost of setting up a Central Reservations Office to support public sector tourism marketing in the first instance [being] probably not viable for the private sector".

Wayne, in the same paper on the Scottish Hi-Line project, detailed the intention to link regional/national reservations systems into a UK-based airline reservation switch. The linkage would have resulted in "an interactive service allowing agents direct access to Hi-Line's database for on-line bookings". Although the envisaged link never materialised, the implementation would have allowed Scotland's DMS stakeholders, in both the private and public sector, to measure their success in terms of revenue.

When Hi-Line failed, the factors regarded as leading to its failure, among others, were: under-resourcing; operator resistance to commission payments; failure to

commit to linking Hi-Line to all tourism promotions; its reluctance to adopt a central reservations function; inconsistent telecommunications quality; the failure of BRAVO; lengthy transaction times; and the resistance of accommodation and other tourism suppliers to the service. Suppliers, however, felt that there had been inadequate explanation of its proposed role, as well as of the potential benefits of the system (Frew & O'Connor, 1998). Pringle (1995: 145) commented that the common theme emerging from any research into this project was consensus on the soundness of the general Hi-Line concept: "The overall cost of Hi-Line's failure cannot be measured only by reference to these (financial and employment costs) but also in terms of the potential for the system as a source of revenue in its own right and as a channel for supporting tourism in Scotland, both in and beyond the Highlands and Islands".

After the collapse of Hi-Line, ITIS in Scotland stumbled along, despite sound support from the majority of ATBs throughout the country. Political will and intermittent funding dogged the project amid claims and counterclaims of project management difficulties, unresolved technological challenges and concerns over 'propriety' systems (Frew & O'Connor, 1998).

Pan-European research has illustrated that failed projects suffered from a lack of organisational co-operation; experienced financing problems, whether public, private or a combination of both; or had problems with the technical infrastructure. The failure could also result from a combination of such factors.

2.1.6 Current status of DMS worldwide

Most local systems have sought to be comprehensive in regards to the product information that they provide, though, in practice, such inclusivity has rarely occurred, due to the expense that it would entail in data collection and management. New software facilitates greater interoperability between systems regarding both the collection and distribution of product data and content. Opportunities for the sharing of data with partner organisations at the local, regional or national levels, as well as for accessing third-party booking sites (such as theatre ticket networks, events and festivals) arise in this way (Carter, 2005a). Table 2.1 illustrates the products offered by the most advanced destination reservation systems worldwide.

Table 2.1: Products offered by advanced destination reservation systems worldwide

Products	Tiscover	Gulliver / Go Ireland	Bonjour Quebec	My Switzerland / STC	Euro-Vacations
Accommodation	✓	✓	✓	✓	✓
Last minute hotel rooms /special offers	✓	✓		✓	
Pre-formed/pre-priced packages	✓	✓	✓	✓	✓
Customised Packages					✓
Car Rental	✓	✓	✓		✓
Train tickets	✓		✓	✓	✓
Flights Tickets	✓	✓	✓	✓	✓
Ferry tickets		✓			
Special local travel arrangements					✓
Travel Insurance	✓				
Golf tee-time		✓			
Travel books			✓		
Events Tickets			✓		
Ski/snowboard equipm't	✓				
Gift shop / certificates	✓	✓	✓		

Source: Carter (2005a)

Table 2.1 features, among others, the products offered by two of the pioneers of DMS: Ireland and Austria. Since the inception of DMS, many destinations have had similar both positive and negative experiences as have these pioneers in developing their own systems. Their assertive online offerings have enabled them to advance into a super category in terms of worldwide DMS stakes. Other destinations that have also been assertively distributing their products have been Bonjour Quebec, which is the site of Tourism Quebec in Canada; MySwitzwerland, the site of Switzerland Tourism, the Swiss NTO, and, continentally, EuroVacations, which consists of a partnership of the Rail Europe Group, Avanti Destinations and Destination Europe Resources (DER) (Carter, 2005a).

2.2 CRITICAL SUCCESS FACTORS INVOLVED IN THE IMPLEMENTATION OF A DMS

Previous studies have aimed at devising a framework with which to assess the critical success factors involved in implementing a DMS. Sheldon's 1993 paper provided the initial benchmark for those examining either critical success factors or barriers to the implementation of such a system. Frew and O'Connor (1998) developed a framework (see Table 2.2) synthesising their research with that of others in order to enable them to study both Scottish and Irish DMSs.

Table 2.2: Framework of critical success factors involved in the implementation of DMSs in Scotland and Ireland

Implementation characteristics	Scotland		Ireland	
	Now	**Future**	**Now**	**Future**
Comprehensive accommodation database	?	√	√	√
Comprehensive tourism supplier database	x	?	√	√
Data quality control procedures	x	?	√	√
Cost-effective supplier data maintenance	x	?	√	√
Official website	√	√	√	√
Official website, with full supplier representation	x	√	√	√
Official website, with on-line booking	x	√	x	√
On-line (national) destination information at TIC, etc.	x	?	√	√
On-line (national) reservations at TIC, etc.	x	?	√	√
Central reservations function	x	x	√	√
PMSs interface	x	x	√	√
Global Distributions Systems link	x	?	x	?
Start-up and implementation finance in place	√	?	√	√
Inter-organisational collaboration arrangements in place	?	?	√	?
Private sector migration strategy in place	x	x	√	√
Ongoing stakeholder protection	?	?	√	√
Clear link to promotion/marketing strategy	x	?	√	√
Strategy and resource allocation conflicts resolved	x	?	√	√
Clear project management structure	x	?	√	√
Settled software ownership (IPR) issues	x	?	√	√

Source: Frew & O'Connor (1998)

The interest shown in this study prompted extending the study from Scotland and Ireland to England and Austria (Frew & O'Connor, 1999). The four destinations chosen had each been pioneer in developing a DMS and were largely financially dependant on tourism consisting of a high percentage of tourism SMEs, which, due to their tending not to be members of a chain or group, were, overall, less well represented in the traditional electronic distribution systems (Frew & O'Connor, 1999). The outcomes of the study sought to extend and validate previous work done in this field.

The features common to the previous study (Frew & O'Connor, 1998) could then be grouped into four distinct areas: database factors; distribution factors; operational factors; and management factors (Frew & O'Connor, 1999).

2.2.1 Database factors

- *Comprehensive accommodation database A* database of *all* bedstock in the geographical area under consideration was deemed to lie at the heart of any DMS, with most attempts to develop such systems in the past having sought to address whether sound accommodation data were, indeed, readily available.
- *Comprehensive tourism supplier database W*hile the accommodation database is of paramount importance, observers agree that users are much more likely to be attracted to an information/reservations system presenting such accommodation data if the system is supplemented by a comprehensive range

of tourism supplier information. In such a case, each area is seen to be synergistically enriched, resulting in broadening the appeal of the DMS involved.

- *Data quality control procedures* in place, ideally alongside *cost-effective supplier data maintenance* As indicated earlier, users are very quickly disenchanted by systems that provide limited information. As a result, in addition to systems providing as much data as possible on accommodation in particular, and on tourism suppliers in general, there is a need to ensure that such data is being appropriately collected, vetted and maintained (Archdale, 1993, 1994a).

2.2.2 Distribution factors

- *A single official website W*hile multilateral distribution strategies should be adopted for the presentation of DMS information, having such a site for any given region offers a significant advantage.
- *An official website with full supplier representation/on-line booking facilities* If the Web is being utilised to extend DMS electronic distribution then, again, following from the views already discussed, the expectation is that full tourism supplier information, which should ideally be bookable, should be available via this medium.
- *On-line national destination information* One of the difficulties facing customers at any destination is the problem of retrieving information about areas beyond its immediate vicinity. Even if many area systems do exist, they may not be integrated. The resulting question is whether the DMS is locally accessible by means of a tourist information centre or kiosk, for example, and, if so, whether

such accessibility extends to *on-line (national) reservations at TIC and other venues*.

2.2.3 Operational factors

- *A single central reservations point and a clear link to the promotion/marketing strategies of the destination* Past failures have largely been blamed on the lack of a central focus regarding universal destination support.
- *PMS interface* Larger properties, operating their own systems, should not be expected to have to re-key data or to have to intervene manually. The expectation, accordingly, should be for a seamless connection between their internal systems and any DMS.
- *Global distribution systems* The question arose as to whether any evidence existed of either a direct or indirect interface, or as to whether any evidence existed of data transfer between the DMS and any GDS. All respondents in the study agreed on the importance of having either a direct or indirect interface, and of the evidence of data transfer between the DMS and GDS.

2.2.4 Management factors

- *Start-up and implementation, finance in place* Perhaps this factor is self-evident, but it is not always present, and with funding (as with broader 'ownership') usually comes stakeholder issues.
- *Inter-organisational collaborative arrangements* Difficulties arise when policy and strategy are devised by a central agency, while resource provision and allocation

have a high local component. Such potential dissonance may be resolved by way of sound project management and inter-organisational arrangements, but the feature is so key that specific evidence is required for resolution of such an issue, or at least evidence that the issue had, indeed, been faced.

- *Private-sector migration strategy in place* The private sector, by itself, appears to be, unwilling or unable to produce the start-up funding required to implement DMS objectives, yet, conversely, general unanimity seems to exist regarding the undesirability of public ownership of such systems.

- *Ongoing stakeholder protection* At the privately owned DMS level, commercial pressure may exist to downplay the (expensive) information provision aspect of such systems in order to allow for a relatively high focus on the reservations side. With this potential difficulty in mind, public to private migration plans may be considered in order to establish whether plans are in place to provide for such redirection.

- *Handling of strategy and resource allocation conflicts* Such conflicts stem primarily from the funding configuration for the DMS, but are also allied to both the inter-organisational arrangements and the project management approach adopted.

- *Clear project management structure* A recurring theme in examining a range of DMS ventures, especially most recently in Scotland, has been the perception that, among the causes of implementation difficulties, particularly at the local stakeholder level, the national agencies could have been providing a greater degree of guidance, leadership and a firmer degree of project management all along.

- *Settled ownership of intellectual property rights* An especially thorny area for DMS was seen to be software development, which may arise entirely 'in-house' by way of public-sector funding, be entirely commissioned from the private sector, or be a combination of public and private development. The involvement of a degree of public funding usually brings with it issues relating to public competitive tendering. As a result, difficulties for software developers arise as regards the protection of interim development, prototype or proof-of-concept work.

The results of the study were in line with events on the ground in these destinations. According to Frew and O'Connor (1999:404), "The overall picture to emerge is that Austria and Ireland display the characteristics of successfully implemented systems whilst England and Scotland lag some way behind. This accords with the general view of Gulliver and TIScover being well-regarded systems."

Once this framework has been adapted to suit the prevailing environmental considerations in South Africa, given the country's aims and objectives, as validated by a local panel of experts, South Africa will most likely be able to develop a suitable framework for ensuring a sound preliminary measure of DMS implementation success.

2.3 THE CURRENT POSITION OF SOUTH AFRICA IN RELATION TO THE EVOLUTION OF DMSs

Currently in South Africa, South African Tourism (SAT) is the national DMO responsible for marketing the country internationally, though it is not responsible for marketing South Africa to South Africans themselves. Such a responsibility falls to the individual provincial tourism boards. Fiona Buchner is the eBusiness manager responsible for the development of technology at SAT. Scant information exists in the public domain regarding the features of SAT's infostructure. However, the website http://www.southafrica.net went live in its current format three years ago, which, though listing limited numbers of places to stay, is far from exhaustive. No reservations function is, as yet, available. One of the first aims of the current research will be to determine from the panel of experts chosen what the current status of South Africa's tourism infostructure, or DMS, is.

The Global Competitiveness Project encompasses the Department of Environmental Affairs and Tourism and the DTI. In the Department's summary of key findings published in October 2004, information infrastructure is listed as being a critical issue (South African Tourism, 2004). The findings are enlightening, reflecting, in regard to some issues, the critical success factors involved, as well as the barriers to implementation, as discussed by Frew and O'Connor (1998). The highlights include:

- *Transparency and availability of information*: Described in the report as involving poor accessibility to consumer information and a general lack of pertinent industry performance information and monitoring, findings showed that international tourists access tourism information on South Africa only with difficulty, tending therefore to rely on word of mouth. The prevailing data

deficiencies in the industry – both from a consumer and industry perspective – need to be overcome.

- *Access to markets*: Airline capacity is constrained on certain key routes, with South Africa being niched and underdeveloped as a player in the associated distribution channel. Only a narrow band of interested consumers exists, marked by a dependency on word-of-mouth referrals. Many travellers to South Africa generally use the channel due to their risk aversion to booking, or in their desire for information. The need to break into the channel is reinforced by its relative importantance for both package and FIT travellers, among whom there is little disintermediation. The large numbers of small product owners make it difficult to use the internet as a disintermediation tactic, due to the high number of individual websites available. SMEs are the worst affected, as their access to the channel is constrained.
- *The investment of Government in the tourism industry*: Such investment, which could include driving the promotion of SA as a tourism destination in overseas source markets, promoting tourism generally in SA and improving the information and communication infrastructure, is needed both domestically and internationally due to market access difficulties. Many international tourists, across the range of source markets, consult South Africans regarding travel in South Africa, so that, from an information access perspective, ensuring that the domestic market is well informed should take high priority.
- *Branding:* Negative perceptions that detract from the brand exist about South Africa in its source markets. Overseas customers tend not to believe that South Africa will welcome and interact positively with the traveller, nor do they

believe that transport will be readily available. The failure to believe in South Africa as being a friendly, fun place to visit undermines successful branding.

- *Clear marketing strategy for the industry:* The preferred mode of competition in tourism entails a differentiation-based focus. SAT has chosen to focus on key source markets and specific consumer segments within those countries that are positive about South Africa and interested in travelling to this relatively far-flung destination. The South African tourism product offering is, however, divided: SAT is responsible for branding and creating awareness, while the different tourism service providers are responsible for the delivery of experience. According to the report, evidence suggests that the industry has an undifferentiated marketing approach which is not yet yielding the desired results.
- *Inter-relationships between businesses within the industry:* Relationships between businesses within the industry, as well as with both local authorities and the national government are moderate to weak as a whole. Though businesses see the benefits of sharing data, they do not tend to do so, which reinforces the perception of the weakness of existing linkages. The inadequacy of sound inter-relationships is due to the lack of having neutral parties to collate, aggregate and disseminate the relevant information.
- *Overcoming the highly fragmented nature of the industry:* Government and industry need jointly to address the barriers to competitiveness, by means of forging and managing strategic alignment in the industry and sector. The industry is, however, highly fragmented and some industry sub-sectors are not yet organised into representative associations.

The current research seeks to explore the factors that will ensure the successful implementation of a DMS, with the objective of attaining sustainable competitiveness for South Africa. The application of an analytical framework may present opportunities for South Africa to develop an integrated strategy for all tourism stakeholders.

2.4 CONCLUSION

The failure of past systems cannot be attributed to simple, single causes. However, *neither* a problematic inability to identify functional attributes of a DMS *per se nor* any unreasonably technologically challenging demands required for configuring an architecture and suitable software to deal with Front and Back Office functions is the main stumbling block. Neither is the problem solely a communications issue; the most difficult challenge seems to lie in addressing the *stakeholder issues* explicitly, effectively and in advance of the implementation of envisaged programmes.

Even a cursory examination of the Scottish and Irish framework (Frew & O'Connor, 1998) reveals the gulf between their DMS implementations. For system developers or those charged with implementing or operating a DMS, the enabling conditions clearly span a range of issues, including those relating to databases, distribution, operations and management. Registration and grading/classification schemes provide a suitable starting-point for examining tourism supplier data quality. Obvious advantages exist in this arena for compulsory registration programmes – in any event, developers must consider the quality and extent of their supplier information from early on. The distribution issues have much to do with questions of

infrastructure and network architecture. The key considerations for developers and managers must be telecommunications costs and data maintenance. Increasingly, such entrepreneurs must also look to managing the effectiveness of their electronic marketing effort.

Finally, of all the management issues to be addressed, the most recurring theme is that of the inevitable tension between central and local tourism functions as regards this effort, as both national and regional organisations perceive a duty to market effectively. Such marketing is potentially expensive for the supplier and confusing for the customer, who will normally be looking for evidence of a single, clear approach. Inevitably, a spectrum of stakeholders exists in any tourism destination, with the highest profile usually representing the public agencies, local and central government, as well as the tourism suppliers and professional bodies/associations. Experience has shown how fragile relationships become when sound arrangements are not set in place among such organisations, particularly among those where a degree of coincidence or overlap of function or interest exists. Looking for explicit and stable inter-organisational arrangements for collaboration regarding shared objectives is, therefore, unreasonable (Frew & O'Connor, 1998).

While DMS strategies tend to vary across destinations, one of their central features is their application in support of the destination marketing effort. Their web presence is also of increasing importance, which raises the key question of effectiveness. Gulliver may be widely regarded as successfully offering and managing information (Frew & O'Connor, 1999), but the focus is now on which systems are successful in conversion terms. Although how to close effectively may currently be a hot topic with

researchers in Europe, South Africa is still grappling with its own infostructure. Future studies may therefore need to focus on assessing the impact performance, and not only on demonstrating the *implementation* success, of a DMS in South Africa.

2.5 RESEARCH QUESTIONS

The following research questions relating to the critical success factors of implementing a DMS in South Africa flow from the literature review and are the questions on which the research is to be based.

→ The first question relates to the current status of the South African infostructure. In order to establish the status, O'Connor's work (1999) is most helpful, as it provides four distinct categories of systems: information only; information and reservations; information, reservations and client databases; and strategically focussed systems.

→ The second question enters into the area of critical success factors, while Questions 2, 3, 4 and 5 all cover the research conducted by Frew and O'Connor (1998, 1999), which established four categories into which the critical success factors of implementing a DMS can be grouped: database factors; distribution factors; operational factors; and management factors. The questions concerned accord with their categorisation respectively. Question 2 asks what database factors are critical to the implementation of a DMS in South Africa. Archdale (1993, 1994a) wrote extensively on the importance of having a comprehensive accommodation and tourism supplier database as

the foundation of a DMS, while Pollock (1995) highlighted data quality control procedures and the ability of tourism suppliers to maintain the databases cost effectively.

→ Question 3 asks what distribution factors are critical to the implementation of a DMS in South Africa. Frew *et al*. (1995) discussed the much-needed power shift from the distribution channel to the tourism supplier on opening of an alternate distribution channel. O'Connor (1999) and Frew and Pringle (1995) advocated having a single, official website with full supplier representation and on-line booking in order to maximise the potential of the destination.

→ Question 4 asks what operational factors are critical to the implementation of a DMS in South Africa. Buhalis (2003) argues that a single central reservations point and a clear link to the promotion and marketing strategies of the destination suffice for destinations, particularly SMTEs whose access to the channel is constrained. Carter (2005a) sees the issue of speed to market as being critical; this, for him, translates into the need for a PMS interface and a link to the GDS systems concerned, in order to ensure that all products can be bought online in real time.

→ Question 5 asks what management factors are critical to the implementation of a DMS in South Africa. The area of management is complex and is often the reason for the success or failure of the projects tasked with such implementation. As Mutch (1996) states, start-up finance and strategy and resource allocation conflicts need to be resolved before the implementation

can take place. Frew and O'Connor (1998, 1999) highlight issues revolving around ownership of the associated intellectual property rights, while Gardner (1991) cautions that a clear project management structure needs to be in place. By far the most significant set of factors in this area, however, is that relating to stakeholders. Cooper *et al*. (1998) and Mill and Morrison (1998) highlight inter-organisational collaboration as being critical to success, while Pringle (1995) argues in favour of a private sector migration strategy in order to ensure sustainability of the project.

→ Question 6 seeks to elicit what other factors the respondent deems critical to the implementation of a DMS in South Africa. This question allows for the airing of any issue which has not already been covered in the previous literature-based questions. Though unstructured, the question is asked in terms of the public domain issues highlighted in SAT's Global Competitiveness Project report (2004).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 QUALITATIVE RESEARCH PARADIGM

The intent of this study was to examine the critical success factors of implementing a DMS in South Africa. The research paradigm selected for the study was qualitative in nature. Leedy and Ormrod (2001:101) suggest that the aim of qualitative research is "to answer questions about the complex nature of phenomena, often with the purpose of describing and understanding the phenomena from the participants' point of view".

The research paradigm adopted was informed by the number of distinguishing characteristics that exist between quantitative and qualitative research (Leedy & Ormrod, 2001), including the purpose of the research; the nature of the research process; the methods of data collection; the form of reasoning used in analysis; and the way in which the findings are communicated (Leedy & Ormrod, 2001). Given the characteristics of a qualitative paradigm, as described by Leedy and Ormrod (2001), a qualitative approach was thought appropriate for several reasons:

- The purpose of the research was to describe and explore.
- The variables were unknown.
- The research was context-bound and encompassed personal views.
- The sample size was small.
- In-depth, semi-structured interviews were used to collect data.

Certain assumptions embedded in qualitative research were considered throughout the research process. The following qualitative paradigm assumptions informed this research (Creswell, 1994:5):

- The relationship of the researcher to the topic researched is governed by "researchers interact[ing] with that being researched".
- The role of values is "value-laden and biased".
- The nature of reality is that "reality is subjective and multiple as seen by the participants in a study".
- The language of the research is "informal, evolving decisions, personal voice, accepted qualitative words".

3.2 DESCRIPTIVE RESEARCH DESIGN

The design of the research was descriptive, and can be classified as idiographic. Idiographic research is "concerned with exploring particular cases or events and providing the richest picture of what expires" (Cornford & Smithson, 1996:45).

More specifically, the qualitative design took the form of a content analysis. Leedy and Ormrod (2001) describe content analysis as "a detailed and systematic examination of the contents of a particular body of material for the purpose of identifying patterns, themes, or biases". For the purpose of this research, the "body of material" included the transcripts of the interviews that occurred between the researcher and the respondents concerned in the study.

As alluded to above, in-depth, semi-structured interviews were used as the data collection method. Both the advantages and disadvantages associated with this method informed the decision to use this method.

The main advantages of using in-depth, semi-structured interviews for data collection include:

- Respondents can “provide historical information” (Creswell,1994:150).
- The researcher has control over the questions asked (Creswell,1994).
- The interviews provide a large amount of useful information (Leedy & Ormrod, 2001).
- Such research is flexible and enables the researcher to prompt and probe as necessary (Pirow, 1990).
- It enables the researcher to take cognisance of non-verbal behaviour (Pirow, 1990).
- It provides access to information that is difficult to obtain by means of other research methods (O’Sullivan, Rice & Saunders, 1994).
- It provides an opportunity for immediate clarification of any misunderstanding (O’Sullivan, Rice & Saunders, 1994).
- It provides an opportunity to cover an array of data and topics (O’Sullivan, Rice & Saunders, 1994).

Despite its many advantages, several disadvantages are also inherent in this method, including the following:

- The information provided by respondents is coloured by their own perspectives (Creswell,1994).

- The “researcher’s presence may bias responses” (Creswell,1994).
- Some are not “equally articulate and perceptive” (Creswell,1994:150) to others.
- Data may be misinterpreted by the researcher, relative to the intended meaning of the respondent (O’Sullivan, Rice & Saunders, 1994).

Notwithstanding its disadvantages, the in-depth, semi-structured interviewing method was selected due to its flexibility as regards the evolving nature of the research problem. In addition, it was considered appropriate for tackling research problems (such as that dealt with here) calling for in-depth discussion and probing (Pirow, 1990). The researcher attempted to mitigate some of these disadvantages by: ensuring that the respondents understood the key research questions; continuously confirming with them the intended meaning of their responses; not intentionally leading the respondent; and avoiding the use of colloquialisms and ambiguities.

Although the six interview questions were open-ended (Leedy & Ormrod, 2001), as seen in Appendix 1, consisting of the interview protocol, the questions were closely aligned to the research questions themselves. The interview questions were structured with prompts and probes to help to ensure the consistency of responses. The main contributing authors were used to define the issues for discussion, as shown in Appendix 2, the consistency matrix.

3.3 POPULATION AND SAMPLE

The population in this research could be considered to be: strategy consultants, practitioners, facilitators, and observers interested in the outcome of a successfully implemented DMS in South Africa or who were engaged in, or were planning to engage in, or who were considering implementation of their own destination management or marketing system. Interested bodies that influence the tourism sector also formed part of the population, to the extent that they are subject matter experts on destination management and/or marketing. The sample drawn contained strategy consultants, destination management and marketing practitioners, IT service providers, tourism product owners and tourism suppliers who were located within South Africa. For the purpose of triangulation, the researcher considered the sample to contain a sufficient number of stakeholder groupings.

The sample design was “purposive” (Walker, 1985:30). The nature of the sample design was such that the researcher purposefully selected respondents with the required experience to answer the research questions involved (Creswell, 1994). Furthermore, the objective was to select experts who were representative of the population, and who were expected to be able to provide average perceptions and perspectives (Leedy & Ormrod, 2001). No attempt was made to select respondents randomly (Creswell, 1994), though the researcher did endeavour to be objective in the selection of respondents (Walker, 1985). A snowball sample method was used. Key respondents with the most in-depth knowledge on the subject matter involved did advise the researcher as to which other experts might be most appropriate to include in such a sample in order to ensure a broad reach of opinion. Each subsequent respondent was then shown the list of respondents and asked to

validate that those whose names were listed did, indeed, form a panel of experts on the set topic.

The size of the sample included 29 respondents in 26 interviews across 23 organisations. The sample size was limited by the concentration of the tourism sector and the limited number of players who were actively practising destination management. The sample was drawn from among strategy consultants, senior managers, executives and product owners involved in destination management in the tourism industry.

Table 3.1: Respondents interviewed

Institution	Sector	Name	Designation
Chameleon International	IT	Al Karaki	CEO
University of Pretoria	Academia	Professor Ernie Heath	Head: Tourism Department
SAT	Destination Management Organisation (National)	Didi Moyle	Chief Research and eBusiness Officer
Department: Environmental Affairs and Tourism	Government Department	Mahandra Naidoo	Chief Director: Tourism Development
Tourism Business Council of South Africa	Tourism Industry Body	Adrienne Harris	Project Manager
Thompson Tours	Tourism Supplier	Anton Thompson	Chairman
The Business Tourism Company	Consulting Firm	Rick Taylor	CEO
InterRes	IT	Andrew Proctor	Director
InterRes	IT	Lee Barker	Director
Department of Trade and Industry (DTI)	Government Department	Kate Rivett-Carnac	Director: Tourism
Southern Africa Tourism Services Association	Tourism Industry Body	Cheryl Mulder-Verbruggen	Vice-President – National EXCO (Board)
Now Media	IT/Media	Dave Marsh	Managing Director
Now Media	IT/Media	Natalia Thomson	Managing Editor
Grant Thornton	Strategy Consulting Firm	Gillian Saunders	Principal
South African National Parks	Tourism Supplier	Glenn Phillips	Director: Tourism

Institution	Sector	Name	Designation
Tourism KwaZulu- Natal	Destination Management Organisation (Provincial)	James Seymour	General Manager: Tourism Information Services
City Lodge Hotels Limited	Tourism Supplier	Clifford Ross	Chief Executive
International Marketing Council (IMC)	Destination Marketing Organisation (National)	Yvonne Johnson	Chief Executive
The Journey	Strategy Consulting Firm	Dr. Mike Fabricius	Managing Director
Cape Town International Convention Centre	Tourism Supplier	Dirk Elzinga	Managing Director
Cape Town Routes Unlimited	Destination Management Organisation (Provincial)	Calvyn Gilfellan	Executive Manager: Visitor & Membership Services
Cape Town Tourism	Destination Management Organisation (Metropolitan)	Bronwen d'Oliveira	Membership Member
Cape Town Routes Unlimited	Destination Management Organisation (Provincial)	Nokhuthula Dube	Chief Executive Officer
Software Colours	Information Technology	Celestine Donough	Director
Cape Town Tourism	Destination Management Organisation (Metropolitan)	Mariëtte du Toit	General Manager
Independent	Consulting Firm	Sheryl Ozinsky	Chief Executive Officer
South African Tourism	Destination Management Organisation (National)	Fiona Buchner	eBusiness Manager

Institution	Sector	Name	Designation
NFS Hospitality Corporation	Information Technology	Sunil Menon	Director: Sales and Marketing

3.4 DATA COLLECTION

The respondents nominated were contacted initially by telephone to inform them of the purpose of the study, the subjects to be covered and the research process involved, including the expected duration of the interview. The researcher invited the nominated respondents to participate in the study. Upon acceptance, electronic communication was sent thanking the respondents individually for agreeing to participate in the study and confirming the place, date and time of the set interview. As an incentive for participating in the study, each respondent was offered a copy of the research report. Respondents were also assured that their responses would be confidential and remain anonymous (Harrison, 2002).

The in-depth, semi-structured interviews took place at a venue decided on by the respondents, in order to ensure that they were suitable and convenient for the respondents, as well as being more likely to allow respondents to be at ease when talking to the researcher. Most interviews were first audio-taped and later transcribed. In the case of untaped interviews, notes were taken throughout the interviewing process, which were later typed up. The duration of the interviews ranged from 40 minutes to 3½ hours. The protocol format suggested by Creswell (1994:152) was followed for each interview. (See Appendix 1 for a copy of the interview protocol.) The components of the protocol are as follows: “(a) a heading; (b) instructions to the interviewer (opening statements); (c) the key research

questions to ask; (d) probes to follow key questions; (e) transition messages for the interviewer; (f) space for recording the interviewer's comments; and (g) space in which the researcher [could] record reflective notes".

3.5 DATA ANALYSIS

The data analysis activity occurred concurrently with the collection and interpretation of the data, and the writing of the report, thus differing from quantitative research, in which the process is linear (Creswell, 1994).

The following procedure was deployed in order to analyse the data (Leedy & Ormrod, 2001):

- The data was transcribed into narrative form to enable it to be presented logically and systematically.
- The data was then organised into responses in terms of the sequential ordering of questions per respondent, thereby facilitating its retrieval and analysis. The audio- taping of the interview facilitated this process. During the interview, one digital file was created for each question in terms of each respondent.
- The data was then reduced to critical success factors associated with a particular category raised by the respondent (for which each question represented a different category). Each factor articulated by the respondent was noted, with all the ideas linked to that factor being clustered together. Each factor generated by a respondent was accompanied by the adjoining initials of the respondent. This data was organised by means of a computer database.
- The data was then integrated and synthesised.

In addition, the frequency of each identifiable factor uncovered in the transcripts was tabulated, which served to inform the researcher as to the perceived importance of the identifiable factor across the respondents. For the frequency count, only the number of statements made per interview was counted, thereby making the number of respondents equal to 26. The researcher chose to do the frequency count in this way since respondents who had chosen to bring another respondent to the interview had done so in order to add to the richness of the interview, and the responses did not conflict with one another. As such, the researcher thought that the counting of each respondent would cause the results to become skewed. No statistical analysis was performed on the results.

3.6 VALIDITY AND RELIABILITY

The validity of research is determined by the internal and external validity of the research. Internal validity is "the extent to which its design and the data that it yields allow the researcher to draw accurate conclusions about cause-and-effect and other relationships within the data" (Leedy & Ormrod, 2001:103), and external validity is "the extent to which its results apply to situations beyond the study itself" (Leedy & Ormrod, 2001:105).

3.6.1 Internal validity

Internal validity is important, as it attempts to "minimise alternative explanations for the results obtained" (Leedy & Ormrod, 2001:107). The internal validity of the research was checked against the perceptions of the respondents involved in the research themselves, by asking them whether the evaluation and discussion of the

results appeared to them to be accurate and appropriately matching reality. Each respondent was provided with a copy of Chapter 4: Evaluation and Discussion of Results, with a request for his/her comments. Out of 29 respondents, 8 respondents provided feedback. In all cases, respondents indicated that the chapter concerned captured the current reality well. Furthermore, the researcher asked for the opinion of her peers in the tourism sector as to whether they believed that the interpretation was valid and that accurate conclusions had been drawn. Further confirmation was obtained from a strategic consultant, who had not been included in the sample.

3.6.2 External validity

To ensure external validity, the findings need to be generalisable (Leedy & Ormrod, 2001), implying that the sample is truly representative of the population concerned (Leedy & Ormrod, 2001). However, the intention of qualitative research is not to be able to infer that the findings fully reflect the given population. Rather, such research is an attempt to interpret the event from a unique perspective (Creswell, 1994). The validity criteria used in this research are that it is cogent and plausible.

In addition, the external validity of the research is enhanced by its taking place in a "real-life setting" (Leedy & Ormrod, 2001:105), as well as by its inclusion of various stakeholder groupings across multiple sites. The inclusion of those from multiple sites enables the researcher to "make claims about a larger universe of people, settings, events, or processes than can single-site studies" (Miles & Huberman, 1984: 37).

3.6.3 Reliability

The current study is limited in the extent to which it might be reliable, given that it is unlikely that the same study conducted in a different context would reach exactly the same conclusions. However, the researcher attempted to improve the chance of replication by: conducting the interviews systematically; connecting the views of the respondents to an existing theoretical framework; providing additional detail regarding central assumptions; and selecting respondents and following set steps throughout the research process (De Ruyter & Scholl, 1998).

3.7 LIMITATIONS OF THE RESEARCH

The research had a number of limitations. To begin with, the sensitive nature of the competitive environment of the tourism sector may have inhibited the respondents when answering questions for fear that they reveal strategically sensitive information. Furthermore, several respondents may have limited their answers to only positive perceptions for the sake of retaining such an image of destination management in public.

Another limitation was that any specific executive might not have been familiar with DMS implementations in existence elsewhere. In certain instances, respondents were only *au fait* with one particular implementation, most notably that of the Western Cape.

A further limitation of the research was that the quality of the interviews across the respondents was not consistent. Of the 26 interviews, person–person interviews were conducted on 23 occasions; on 3 occasions, two people were interviewed,

leading to a more robust and thorough set of responses, owing to the ensuing thought-provoking discussion that the interviewees were able to have between themselves before establishing how they wished to respond to the various questions. In addition, of the 26 interviews, the researcher taped only 25. The remaining interview was not as accurately recorded as were the taped interviews, nor was the interviewer able to concentrate solely on the answers provided by the respondents, given that the researcher needed in that case to take notes. The value of this particular interview was restricted in this way. A further limitation was that only one researcher conducted all the interviews concerned.

CHAPTER 4

EVALUATION AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

The objective of this chapter is to evaluate and discuss the results of the in-depth, semi-structured interviews conducted with the respondents. The meaning of the results is discussed, using comments from the transcribed interviews, in order to provide additional insight into each factor critical to the successful implementation of a DMS in South Africa. Please note that the quotes taken directly from the transcript have been quoted verbatim, notwithstanding possible grammatical error.

Chapter 4 begins with an overview of the current status of the DMS in South Africa, as described by the respondents. Though this interview question was less structured, a table of results captures the most frequently mentioned elements associated with the current DMS in South Africa. The table is followed by a discussion of the results related to the database factors, the distribution factors, the operational factors and the management factors respectively, which are deemed critical to the successful implementation of a DMS in South Africa. The tables feature the critical success factors established in previous research by Frew and O'Connor (1999), as well as other factors (given in italics) which the respondents stated would also be critical to a successful implementation of such a system. The chapter concludes by identifying other related factors which are critical to the successful implementation of a DMS in South Africa, which are not associated with

the four main categories of database, distribution, operational or management factors.

Table 4.1: Frequency count of factors describing the current status of the DMS

Factor mentioned by respondent	N=26	Percentage
National Portal: www.sa.net		
Front end developed, but nothing behind it by way of people or shared systems	**14**	**54**
Incomplete product database, difficult to find and access	**9**	**35**
General destination information only – not user-friendly	**8**	**31**
Provincial website not integrated, different interface for each province	**8**	**31**
Leisure tourism focus, no business tourism	**6**	**23**
National DMO: South African Tourism		
Poor working relationships between SAT and provinces and between SAT and industry	**13**	**50**
SAT spending without accountability to stakeholders	**9**	**35**
Little willingness from industry or other government bodies to share data with SAT	**9**	**35**
Government working on gut feel and anecdotal information; picture incomplete; no input requested from stakeholders	**8**	**31**
Tourism sector		
Fragmentation – lack of synergy and integrated approach	**18**	**69**
Industry-wide intelligence absent	**17**	**65**
Innovation and initiatives happening on an individual basis	**14**	**54**
Vision and tourism master plan for South Africa absent	**10**	**38**

4.2 CURRENT STATUS OF THE DMS IN SOUTH AFRICA

A considerable amount of **fragmentation** exists in the sector, including government and industry tourism bodies, according to two-thirds of the respondents. The respondents concerned blame the **lack of synergy and integrated approach** on inadequate managing or marketing of the destination, whether in the domestic market or on the international platform.

The three-tiered government structure of local, provincial and national has a shared responsibility for tourism in terms of the Constitution. Although guidelines have been set down by the Department of Environmental Affairs and Tourism as to what role each of the levels should play in order to maximise the benefits to be gained from tourism, respondents confirmed that the guidelines are not working in practice. Each level is doing what it believes it should do, while the collective effect is in fact detracting from the impact of the destination.

> *"Tourism is still run as per districts, regions and provinces. That means there are millions of people with inherently the same goals but different job descriptions and doing things in different ways, all running round in circles."*

The provinces are currently competing with one another, while the national destination marketing organisation, SAT, mandated to market the destination internationally, is unable to align the strategies of the autonomous provinces.

> *"Every province has a development department, a tourism department, a marketing department, their own structures and they are all fighting for their own slice of the pie. At a meeting of MECs when Valli Moosa was*

chairing, one MEC asked why we were using Table Mountain to market South Africa because it was an apartheid symbol. They don't want the Western Cape which has Robben Island and Table Mountain to get preferential exposure over their province, but those are icons and they won't move into another province."

Each province has its own website, which does not interface with the national website, www.sa.net. While each province has a call centre, national also has one. However, the distribution centres concerned operate in terms of widely varying datasets and varying levels of technological capability and human capacity.

"Incognito is a programme we run to test the local authority and provincial tourism agencies at handling calls from potential business. We don't do SAT anymore, it's notoriously bad. Not one tourism agency scores highly. There is a serious lack of knowledge and they can't recommend, it's hard to get through to the agency in the first place, and when you do they don't know what's happening in their own province."

To complicate matters further, the provinces have no influence over the local municipalities. Respondents realise that basic service delivery is a major problem for the municipalities, though tourism relies upon such basic delivery in order to be able to function. Ensuring that basic services that support tourism, such as signage and infrastructure, are in place is often difficult, due to a lack of mutual understanding of the interplay of roles required to support tourism. Some municipalities see their tourism budget line as a marketing one, which can cause duplication of effort and mixed messages.

"At Johannesburg International Airport there is a big sign advertising 'Bojanala – Platinum District'. I don't know where it is … a district municipality promoting themselves over their provincial authority at an international gateway – it's a mess."

The industry is equally fragmented. Associations and bodies that represent different sub-sectors, such as those of car hire, hotels, and tour operators, lack comprehensive membership, with members often belonging to several different organisations.

"There are 15 odd organisations and it can happen that an establishment in Pretoria may be paying to be a member of several to do the right thing and be an upstanding tourism player, but will get little return for the money paid."

In attempting to gather information and not to miss out on any business opportunities, a product owner may hold down several memberships, resulting in the payment of significant fees for the privilege. As a result, associations tend to strive for the benefit of their members alone, rather than for the benefit of the industry sub-sector as a whole.

"They take on members that are non-core because they need membership fees. The upshot is associations don't serve their industries, they serve their members."

Despite the existing representation, a large body of product is not represented at all, and, in fact, not even registered as businesses.

"The National Accommodation Association estimates that 67% of all B&Bs are not registered in any shape or form."

The body that purports to be the voice of the industry is the Tourism Business Council of South Africa (TBCSA), of which the head is a political appointee of the Department of Environmental Affairs and Tourism (DEAT), who is called on to represent the industry on the SAT Board. The role holds an inherent conflict of interest for her, as she is appointed by the Minister of the DEAT, to which SAT has to report. Although TBCSA worked together with the industry, with which it collectively managed to produce the Black Economic Empowerment scorecard for the industry within five months, the existing lack of buy-in to this structure by other industry members is due to their seeing it as a political structure.

The lack of co-operation of competing provinces (called co-opetition) to develop South Africa as a destination is paralleled by a similar **lack of co-opetition** existing across the industry.

"It's a South African cultural problem in the tourism industry, where management still have the view that co-operation is a zero sum game: for me to win you have to lose. We must change this into a win/win game; by collaborating every one gets a share of a bigger pie."

A number of key organisations transact the major portion of the industry, including large hotel groups, such as Southern Sun, Sun International and City Lodge, as well as operators, some of which are forward- or backward-consolidated, such as Thompsons Tours and Tourvest. Such organisations, with significant funds for their

own marketing, have secured good market share in this way. The organisation with the best on-line booking facility going forward is perceived as being likely to secure the lion's share of the international market, and so the race is on.

> *"Across the industry and especially in the large hotel groups technology is seen as a weapon to use against each other not as a means to collaborate for the benefit of the industry as a whole. There is a belief that if they get the best technology they will clean up in terms of market share."*

Significant innovation is taking place and a great number of initiatives are occurring on an individual basis throughout the industry.

The fragmentation of the government tourism bodies has been blamed by half the respondents for the **poor working relationships between provinces and the national destination organisation, SAT.** According to the respondents concerned, the fragmentation of the industry has led to TBCSA being a weaker industry body than clear industry leadership requires. The lack of credible industry representation on the board of SAT, in the opinion of the industry, has led to an application being made for another seat on the board to be filled by a representative of TBCSA. Respondents believe that the **relationship between the industry and SAT is also poor,** because SAT is not accountable to its stakeholders. A third of the respondents stated that neither the industry nor the provinces were forthcoming during the recent attempt to build a national product database. **Little willingness to, or trust in, sharing data with SAT** exists, so that, despite the existence of a product database, the database is incomplete. The database is **difficult to find** from a consumer perspective and **difficult to access** from a tourism-supplier perspective.

"It is so user unfriendly that one would rather not try it. We are on there somewhere but to try to find us is an absolute nightmare."

In terms of the discussions concerning the current status of the DMS, many respondents recognised the multiplicity of differing opinions as to where and how to market, as well as a deeper concern relating to what to market and why. A third of the respondents believed that **government tourism bodies are working on a basis of gut feel and anecdotal information.** They do not think that SAT fully understands the functioning of the industry, as **it fails to ask for input from the relevant stakeholders.** Some respondents believe that SAT is too administrative in its orientation, and further that it lacks sufficient tourism management and marketing skills to be able to lead the process optimally.

"There are established channels and processes, do we think with this lack of knowledge we will come up with a new perspective?"

In order for SAT to be successful, it needs to be able to convert its marketing initiatives into sales by means of its relationships with the private sector, which has the product to sell, and with the distribution channel that will get it to market. Respondents believe that those relationships are not in place that could create a seamlessness between generic and product marketing.

"The issue is conversion but many believe they are not mandated to do this. If you are going to convert marketing initiatives to sales (not doing it yourself) you need to have good relationships with industry – we don't have that."

A number of respondents stated that they believed that South Africa could greatly benefit from more attention being paid to niche marketing.

> *"We need more niche marketing, not just geographic markets as SAT is structured now but special interests. Niche markets are no longer geographic but global, and this has happened largely as a result of the internet. SAT even structures MICE (Meetings, Incentives, Conferences, Exhibitions) geographically, we are not niche marketing properly … these are easy direct kills we have whales, birds, steam trains."*

They think that currently too much **focus is on leisure, and that business tourism is being totally neglected,** which might otherwise come to form the most lucrative of the niche markets. Unlike leisure tourism, the business tourism sector demands not only a thorough knowledge of the product to be marketed, but also of the potential client who might be interested in such a product.

> *"I expect the people who are tasked to try to facilitate the selling process of tourism products SA to try to get to know the product a little bit…at least their main stakeholders, this is the easy bit. The real challenge is getting to know the client. There are 9,000 associations, how can SAT get to know these if they can't get to know 3 convention centres."*

Other pockets of activity do or could, in future, impact more on tourism. The International Marketing Council (IMC) has been mandated by government to co-ordinate the communication strategy across several government departments, including DEAT, in order to brand South Africa with a specific focus on tourism, trade and investment. Their website, www.sa.info , has links to www.sa.net , but up until

now their focus has been on trade and investment. The Department of Trade and Industry (DTI) has recognised tourism as an export, and has a tourism department that recently collaborated on the Global Competitiveness Project (GCP) with DEAT and SAT in order to gain a common understanding of government's role in addressing some of the issues found to need intervention so that potential can be released in the industry. Several programmes currently exist within the DTI and the Industrial Development Corporation (IDC), which offer funding for entrepreneurs who want to become involved in tourism. The Development Bank of South Africa (DBSA) also assists with funding for projects or developments in the field of tourism. All of these pockets of tourism activity, as well as two-thirds of the respondents interviewed, lack basic **industry-wide intelligence** that they can easily access from a trusted source.

> *"They (SAT) have wonderful data there, because they do surveys of departing tourists on a quarterly basis, its very powerful stuff but they won't share it with you."*

The respondents agreed that the South African government of being unaware of the size of the tourism industry, as well as having very little understanding of the impact that tourism could have on the economy.

> *"It's all about how to integrate tourism, seen as a nebulous, lightweight sector into serious economic planning. Other sectors have been measured for yonks, people don't understand tourism."*

This situation poses a challenge for decision-makers, marketers, entrepreneurs, planners, product developers, and investors, as well as for those wishing to secure

bids, such as 2010, regarding on what basis to make informed decisions for sustainable tourism.

Over a third of the respondents added that not only is there a lack of understanding of the current state of the industry, but also a lack of understanding of where South Africa needs to be vis-à-vis the tourism industry. **The lack of vision regarding tourism means that no master plan exists for the industry as a whole.**

As a direct result of the issues raised in this section, over half the respondents described the DMS as a **front-end website for South Africa with nothing behind it, no people or shared systems.** Functionally, the website features **general destination information only**: it has an incomplete product database and, while client profiles are starting to be collected, as yet they are not being leveraged. A national call centre is in operation, and, while the provinces have their own websites, they lack interface with the national centre. Though the provinces also have their own call centres or contact points for tourism enquiries, no integration exists of the information that is distributed at a national level.

Skill levels vary extensively across the country, allowing the only real upselling or cross-selling to take place to some extent in the Western Cape, where staff have been trained in regards to the Gateway programme. Though a trade extranet is due to be built, at present no trade platform or business tourism facilitation capability exists. The technology platforms have, however, been built to handle much more capacity and functionality for a DMS in the future.

“The platforms are there, the ingredients are ready but the question is how do we mix them.”

Table 4.2: **Frequency count of database factors mentioned by respondents**

Factor mentioned by respondent	N=26	Percentage
Data collection issues		
Comprehensive accommodation database	**26**	**100**
Comprehensive tourism supplier database	**26**	**100**
Willingness to share data	***15***	***58***
Develop a common information network for the industry	***14***	***54***
Register all products to understand the size of the plant	***14***	***54***
Data integrity issues		
Data quality-control procedures	**26**	**100**
Cost-effective supplier data maintenance	**11**	**42**
Product owners' responsibility to quality control their own data	***8***	***31***
Data should be collected and verified at the lowest possible level	***8***	***31***
Local municipalities should be capacitated to collect and verify the data	***7***	***27***
Other database-related factors		
Quality assurance of the product supplying the data	***21***	***81***

4.3 DATABASE FACTORS

Before discussing the database factors, several respondents were eager to point out that the extent and nature of the database should be driven by a strategic plan, including a marketing plan. The generic information available on the destination needs to be driven by the strategy in regards to what to package and how, how to present it and where, and how the branding should roll out.

Two schools of thought exist regarding the collection and verification of data. Some respondents believe that the process should be based on a centralised model at a national level, fed by the suppliers themselves, and others believe in a distributed model which should entail involvement at a local level in order to collect and verify that data before feeding it into a national database.

4.3.1 Data collection issues

Comprehensive accommodation database

All respondents confirmed that a comprehensive accommodation database is a critical success factor. According to one respondent, 43 000 beds exist in South Africa, approximately the same number as that of New York. For a system like this to provide a sound value proposition for the consumer and the distribution channel, about 80% of the available stock needs to be reflected in the system. Securing buy-in from the hotel chains that hold approximately 60% of the beds, as well as the other 40% held by independents is of crucial importance.

> *"The chains (hotel chains) have the resources to build PMS interfaces, the independents have 20 different systems, and because price was a contention when they were looking to purchase a system often they buy*

from a one-man show, on dial up, but who doesn't understand the complexities of plugging in to global systems."

However, the number of currently unregistered beds poses a major problem.

"The best we have is the Grading Council database as it is renewed every year. There is a project between TBCSA and SAT to share the TOMSA database, which is the second best. Even if we put these together, there would still only be a tenth of the product registered."

As the bed-and-breakfast (B&B) category is a growing demand product group, the matter gives much cause for concern. While the first-time traveller to South Africa tends to stay in hotels, the trend is towards use of B&Bs on subsequent visits.

"It has been shown in the global competitiveness report that first time travellers to SA will book a hotel but when they have visited, the second timer will more often stay in a B&B because they have worked out the cost."

Comprehensive tourism supplier database

All respondents confirmed that a comprehensive tourism supplier database is a critical success factor. The move towards experiential product is prevalent:

"We are moving from the information age to the experience age where authentic experiences and unique destinations sell, hospitality service excellence is more important, the wow factor more prominent."

Consumers may search on the internet in terms of experience, as opposed to by city or even country. To be able to attract a consumer who is interested in a niche such as adventure travel or steam trains, a comprehensive and well meta-tagged database of everything potentially of interest by experience is required. For example, bungee jumpers may well choose a destination because it offers several bungee sites within travelling distance during their allotted holiday period.

Other data collection factors

In order to be able to collect data systematically, those with data to offer require the assurance that effective use will be made of the data. No matter whether the person or organisation with data to offer is an association, province, local authority or product owner, the dynamic would be likely to be the same. The purveyor needs to be sure that an organisation that is asking for the data can be trusted and that the effort that is put into supplying and maintaining the data will not be in vain.

> *"You need trust between the players for it to work, by trust I mean that the data is safe but more importantly that the entity is effective and will use its funds well to do what it is supposed to do."*

In effect, it is critical to have a partnership model where people have confidence that they will be able to access that data and use it for whatever they require. Over half of the respondents thought that if the organisation collecting the data had buy-in from the data supplier and experienced a sense of co-ownership, with no restriction of access to that data at any time after supplying it, that **a willingness to share that data** would help to ensure a successful data collection process.

"We have always been willing to share data but there needs to be an understanding that reciprocal benefits must accrue to us. Data is in the public domain, but it is of strategic value to us."

In order to collect data for a national database, over half the respondents stated that they thought that a **common information network needed to be developed** for the industry. Such development would need to be accompanied by a formalised communication strategy aimed at ensuring that a standardised methodology be used to collect the data, potentially involving the distribution of software to product owners. Many respondents saw the standardisation of methodology as being a critical factor, due to the comparatively high level of technological illiteracy, so that the creation of a platform, with which those who will need to use the technology can become comfortable, is imperative. The lack of access to technology, especially in some of the more remote tourist areas, would require some thought as to how to close the digital divide. Access to the internet, and more importantly for smaller product owners or local municipalities with little funding, the cost and speed of the internet, may well hamper attempts to collect and properly maintain the relevant data.

"In the tourist areas technology skills is an issue and connectivity a problem. You can have a large hotel with 100 to 200 rooms on a coast that may not even have a system in place, the stock sits, with no way or no-one to upload this stock."

As mentioned previously, currently no live accurate national database of product exists.

"There is no comprehensive database of product to supplement a booking system."

Various databases do have significant product listed on them, however. The Grading Council of South Africa houses such a product database, but, as the grading process in South Africa is voluntary, the database is not extensive. The Western Cape currently operates its own DMS, using an exclusive member-based system, but probably the most expansive regional database is that of KwaZulu-Natal, which has gone for a more inclusive approach with respect to product listing. In an attempt to **understand the size of the tourism plant**, half the respondents thought that **registration of all product** is critical, and that the collection of data to form a national database should not be restricted to product which is graded or held for a particular member base.

4.3.2 Data integrity issues

Data quality-control procedures

All respondents confirmed that data quality-control procedures are a critical success factor in so far that they facilitate the accurate reflection of the product on offer. Such quality control in turn empowers the consumer to select the most suitable product, in the right price category and at the right location to complement any other travel arrangements.

"There must be distinct grading and classification of providers, because we have lots of SMEs and although they must be uplifted, we must lend them credibility for the international tourist to understand what the standard is."

The accuracy of data becomes even more important when it is being fed into an on-line real-time booking engine. Double bookings and lost business can occur if data is not properly maintained. The consumer could be aversely affected if any problem arising from an error is not handled quickly and professionally.

Cost-effective supplier data maintenance

Fewer than half the respondents acknowledged cost-effective supplier data maintenance as a critical success factor. Some suppliers were thought to lack the technological literacy or understanding of the demands of real-time data to be able effectively to update their own data.

> *"We tried to supply software at cost for a system with logins but people were too lazy to update their data. Is it human nature? Apathy? We can't rely on people to update themselves. Also technology and the lack of knowledge in this area is a problem for users."*

Respondents felt that a lack of appreciation for the incoming information age may lead to a loss of potential earnings.

> *"Although SA is moving into the technology age from the industrial age, many can't or won't make the move. The information highway is happening above their heads and they don't realise that with technology they could reach up and dip into the potential earnings it offers. They don't know how to take advantage of the movement. Don't equate it … information and earnings."*

When describing the current status of the industry, many respondents mentioned that many sectors of the industry were being innovative. If a supplier is too small to be innovative, however, rather choosing to accept an offer of free software by a booking engine looking to sell its stock, the integration of the stock into the system would be facilitated. However, SMEs might not embrace the technology of a DMS that enabled them to sell their stock directly on its own merits:

> *"The person who takes your booking, and packages all the other players' product together makes the fortune. The bigger players with the hubs or ability to package will make the small players virtual employees, and they have bargaining power over them."*

Other data integrity factors

Respondents tended to be split in regards to who should be responsible for the data and how best to ensure the accuracy of the data. A third of respondents thought that **product owners should be responsible for the quality control of their own data**. However, given the existing low levels of technological literacy, as well as the lack of access to technology in tourism in South Africa, a more collaborative attempt to collect and verify data was propounded by other respondents as a support for such suppliers.

A third of the respondents thought that **data should be collected and verified at the lowest possible level** and fed through up to the national level. Publicity associations, for example, could then assist to verify and update the data if the product owner failed to do so. The respondents concerned believed that core stakeholders need to form partnerships on a local level, which would then form a

sufficiently large network of people to maintain the quality of data. Such collaborative attempts to collect and verify data could be inhibited:

> *"If we need to rely on local municipalities to deliver this service we need to bare in mind that President Thabo Mbeki has stated, that 167 municipalities are currently dysfunctional."*

Skill levels are low in municipalities that are markedly dysfunctional, but the respondents affirmed that **local municipalities should be trained and empowered (capacitated) to collect and verify the data**, for which the provision of training and support would be critical. The provinces should in turn co-ordinate this data before submitting it to the national level. The respondents thought that collecting and maintaining a set of records comprising all of South Africa's product offering could not be achieved by a team of people working at the national level.

> *"Local level is the most equipped to tell you that a B&B has closed overnight, or an attraction has just been established, it's impossible to do this on a national level. Grassroots has a better understanding of the dynamics."*

In order to ensure that the system remains accurate, the respondents believed that a sense of co-ownership and right of access would need to be generated. A small number of respondents believed that a third party might well be able to verify the data.

4.3.3 Other related database factors

Quality assurance of the product

Over 80% of the respondents thought that product integrity and assuring the quality of the product to be marketed is a critical success factor. At present the Grading Council, which is responsible for maintaining grading standards in South Africa, has graded some of the accommodation. However, as mentioned previously, the process is voluntary and, in the view of the aforesaid respondents, the Grading Council's mandate, therefore, does not appear to go far enough. As all respondents confirmed there should be a comprehensive tourism supplier database as well as a comprehensive accommodation base, the responses raised a dilemma. If all products that could possibly be of interest to a potential tourist, or to an agent of sale on behalf of a tourist, were being actively marketed, then the question was raised as to whose responsibility it was to ensure that the product offered was quality assured. If the product owner in question traded without a business license or any official grading status, though, in many cases, there might be no consequences at all, it was, however, possible that a product could be on offer in the DMS which did not even adhere to basic health and safety regulations. In the event of an unfortunate accident, the consumer might find that the product was not covered by the most basic public liability insurance. One of the reasons for the strength of support for this factor might well have been the recent release of a survey by the Tourism Enterprise Programme (TEP):

> *"There needs to be real intervention for quality control if everyone is to be on the system as if all product is represented there we need to avoid what was found in a recent TEP study: 3-10% occupancy levels in Soweto, with*

60% of the tourist guides not being certified, operators there had no public or passenger liability insurance cover."

The same issue was expressed from different perspectives according to the respondent's capacity: dealing with consumers after the fact as a national DMO to which the consumer turned; or answering difficult questions from a tour operator overseas whose faith in packaging South African product had been undermined; or on a branding front, the negative impact that such an experience could have on the perception of South Africa as a destination. Eighty per cent of respondents concerned accepted that inputting the data into a system was not devoid of responsibility for the integrity of that product. A bad experience for any consumer would detract from the brand equity, so that it would be the official tourism offices (at the highest level, SAT) that would have to deal with such negative experiences as a matter of course.

To compound the problem, depending on which body houses the DMS, the decision as to which product to include and which to exclude becomes thornier. If SAT were to house the system, then its "members" would be all taxpayers in the tourism industry.

"SAT can't have members as it takes money from the taxpayers, so can't be restricted but must verify safety and standards."

In such a case, it could be argued that everyone who pays tax has a right to access the markets. In the Western Cape, the existence of a membership base, with exclusive access to the system, allows the DMO to determine the criteria for entry.

“We have an assessment programme set up for members to verify the quality of the member base so they are associated with other products of equal standard.”

If such criteria are enforced, then product integrity is achieved. However members are all fee-payers, which carries financial limitations for commercial entities relying on the money that they have to pay for fees for their own survival.

In order to be credible in both the eyes of the consumer and those of the distribution channel, respondents agreed that it was critical that the Grading Council should have a broader mandate and be more assertive in assuring the quality of the product in South Africa. The new level of quality assurance could then be used to market the country. How this could be done was debated at some length, but all respondents agreed that there would need to be a regulatory framework, possibly based on a mandatory registration system. Product which fell short of the required standards would then not be included in any marketing activities, so that managing expectations of product sold or marketed would be facilitated.

Table 4.3: Frequency count of distribution factors mentioned by respondents

Factors mentioned by respondents	N=26	Percentage
Strategy issues		
Single official website	26	100
Product issues		
Official website, with full supplier representation	26	100
Utilisation issues		
Official website, with full supplier representation and on-line booking facilities	23	88
On-line booking facility housed outside the national DMO	20	77
Portals designed for trade, media and the consumer	18	69
Powerful search engines to allow consumers to self-select and make a comparative analysis of options	17	65
Profile heavily to allow focused 121 and relationship marketing with the trade and consumer	14	54
On-line national destination information with on-line (national) reservations at TICs	10	38
Integration of local, regional, provincial and national distribution points	20	77
Focus on establishing tourism distribution in the domestic market	12	46
Other distribution-related factors		
SAT to integrate into the distribution value chain	15	58
Technological literacy and a high level of responsiveness from the product owners and users	13	50

4.4 DISTRIBUTION FACTORS

4.4.1 Strategy issues

Single official website

All respondents confirmed that a single official website is a critical success factor. Some respondents did go so far as to suggest that there should be a policing of any site, contact or distribution point which purports to be an official distribution point, as otherwise this could lead to confusion and even put the consumer at risk.

> *"Authenticity and official status must be protected; the consumer must know what to expect: right information, correct treatment, booked into a graded product. We have to have a strategy on collateral and naming rights, the words need to be protected by copyright, there are laws that can help us."*

At present provincial sites, a national site, and a site for tourism trade and investment under the IMC's ambit exist. Some respondents thought that a decision should be made as to which should be the official gateway site. Maximum traffic could then be driven to that site in order to drive up search engine volumes.

> *"If we hit on www.sa.net does it matter that there are different areas on the site, it's all SA. A billion euros has been spent on launching Destination Italy on the web. Each component of the web: tourism; investment etc has an owner and one guy manages the integration."*

However, another view held by as many respondents again, was that there should still be a national dataset to which stakeholders had access, but that every potential destination or interest should have an elaborate web presence with significant static

on-line content, which was well referenced from a meta-tagging perspective. Such tagging would allow the information to be drawn up according to the reader's needs and the prescriptions of the search engine.

> *"Most people don't go directly to the destination; they use a search engine like Google or Yahoo. We need a national database resource which could be integrated into your various destination websites across the country. This is a different view to the single portal but often advocates of the single portal don't understand how search engine spiders work."*

4.4.2 Product issues

Official website with full supplier representation

All respondents confirmed that an official website featuring full supplier representation is a critical success factor. The issues of grading the suppliers and product featured on the website were reiterated by many of the respondents.

4.4.3 Utilisation issues

Official website with full supplier representation and on-line booking facilities

The on-line booking facility as a factor was well supported, though 23 of the 26 respondents qualified their response by stating that the **on-line booking facility or hub should be housed in an independent body from the national DMO, SAT**. The form that the body should take varied from respondent to respondent, but the most popular suggestions were: expanding the mandate of the Grading Council, so that grading became a benefit for membership; creating a public–private partnership by means of a tender process or by creating a Section 21 company made up of

private and public sector parties; or, alternatively, leaving it up to the private sector to devise a purely commercial venture to address the need for a hub for the destination as a whole. The respondents saw the body as being equal in status to SAT, serving as a travel distribution service and/or watchdog, depending on the level of involvement that the respondent felt that this body would have with SAT. Those respondents involved in DMOs were less convinced by the desirability of an on-line bookings facility. A few of such respondents believed that having a system which could monitor transactions and the success of marketing campaigns without compromising the divide between public and private sector would be preferable.

"There could be a range of agencies responsible for transaction offered."

In this way, consumers could choose how they wanted to transact, based on the choice of options made available to them.

South Africa is a long-haul, exotic destination.

"We are a hazy destination, not top of mind, so we mull around in people's minds, we need to crystallise their idea of the destination."

Respondents suggested that a consumer focus alone would not be sufficient, and that with significant numbers of visitors booking by way of intermediaries, it would be important to cater for both the trade and the media in order to obtain as wide a distribution as possible.

"There are not many travellers that are that confident or familiar with the destination to come direct. The Dutch are exceptional they book an international ticket and then sort it out themselves when they get here."

Over two-thirds of respondents thought that **portals should be designed for trade, media and the consumer** in terms of their specific needs, featuring dynamic content which kept them returning to the site as a source of both information and interest. The trade appears not to receive adequate training on new or even established product to inform their selection of South African product at the time of producing brochures. This may assist in bridging the gap. At World Travel Market (WTM) held in London annually, the most common complaint reported to respondents about South Africa from the industry was the lack of education by SAT on new products in the market. In the absence of this it was suggested that …

> *"there could be on-line workshops, detailed information on the site, and immediate response through e-mail (5 minutes), phone calls into a call centre which picks up quickly and is manned by knowledgeable people who help you convert the sale."*

For consumers to accept that the information made available on a site is credible, they need to feel that they have a broad choice and that they are making an informed decision.

> *"An FIT (foreign independent traveller) is known to look at six websites to find the product they want and compare the major players like Expedia and Travelocity. By their nature they are independent travellers looking for a credible deal, therefore is a one stop solution the answer? It can be but only as long as you give credibility that this covers the length, breadth and depth of the industry offering, and perhaps facilitates comparative scenarios."*

Again, two-thirds of the respondents suggested that the site would need to feature **powerful search engines** in order to enable consumers to **self-select** from the range of product available. The search engines should be able to search on the basis of: experiences; or niche market interests such as business tourism; backpacking; sports or cultural events; wildlife; golf; and steam trains. In addition, the suggestion was made that for consumers to be comfortable enough to convert to sales, they would need to see a **comparative analysis of options** from which they could make an informed decision. However, product owners tended not to be in favour of this proposal, as they thought that they might not look as attractive to consumers as did their competition.

> *"What would be in it for Southern Sun if the playing field was going to be levelled? At the moment the situation suits them well. All the big players with marketing money are in the distribution channel, because they get out there and physically find them (tour operators) and set up educationals, supply collateral, and build relationships which bare fruit. Southern Sun doesn't want to be on the same level as Frikkie's B&B."*

Some of the respondents who espoused the aggregated model suggested that the ultimate example that could be used in the design of a South African system was the Australian travel agent Webjet, whose website drew on sources across the web, as well as from those within GDSs, such as Galileo.

> *"This concept is probably where people want to go. It looks at established airlines and low cost carriers and gives a comparative analysis of the consumer's options. This is stunning for the consumer as it consolidates all offerings. GDSs are supposed to do this but they do not get everything*

on the system. The power of Webjet is that it makes sense of the information out there."

Over half of the respondents suggested that, owing to the limited resources in the marketing budget, **heavily profiling the consumers and trade** partners who engaged with South Africa by means of any of the distribution points would be very useful for gauging their potential as consumers.

"This database would need to be full of profiled entries of our consumers which are end users and the international trade partners with whom we also build up relationships to enable selling of the destination. All interaction should be kept on one database."

The profiles could then be used to establish consumer types in specific markets. This information could then inform 1to1 marketing with consumers tailored to suit the identified consumer type profiles, and also relationship marketing with trade partners according to their client base interests or their specialisations. Several respondents emphasised the potential of niche marketing globally. The respondents concerned felt that making use of this type of marketing could provide quick wins needed for any project within a broader marketing plan, and that dynamic communication with such a rich seam of potential consumer types could provide a good return on investment.

Schools of thought differed in regards to disintermediation. If communication on a 1to1 basis is occurring with potential consumers, and the trade begins to realise that this communication is selling, rather than marketing, the very people who are

responsible for sending South Africa the vast majority of its business could become alienated.

> *"The industry parlance is do you go B to B or B to C? With B to B this could be the travel agent but there seems to be a breakthrough in corporate, you could talk to Mr Anglo-American rather than Rennies. In the USA it seems to be going this way but in Oz it is the opposite where the travel agents are dominant, for example, Harvey World Travel and Flight Centre … so we are not sure which way the ball will bounce."*

Care would have to be taken regarding the distribution of special offers, for example, and a sound record would have to be kept of what was offered to whom, as well as of the resulting responses, updated for the stakeholders to see, in order to avoid confusion in the marketplace.

On-line national destination information with on-line (national) reservations at TICs

Although more than a third of respondents agreed that having on-line national destination information with on-line national reservations at TICs was critical, two other areas were seen as being even more critical, though they could be viewed as supporting this factor.

Over two-thirds of respondents suggested that **integrating the local, regional, provincial and national distribution points** was critical. The integration would encompass the websites and contact points, such as call centres and tourist offices.

> *"SAT needs to pay particular attention to the lack of integration between the provinces with regards to cross selling and distribution of consumers.*

SAT has only worked with the international market but there is nobody co-ordinating the domestic marketing from a perspective of ensuring that the provincial agencies work together. There is a big gap with the dataset that is different to the individual datasets that the provinces hold. SAT can't link into the product; they don't have the right information, so how can they market correctly? It is destination marketing without the product."

Each of these points was thought to require working from the same dataset. In addition, the realisation of the true potential of the contact points would depend on those engaged in the centres adopting a consumer-friendly approach. The staff would need to be able to convert both direct and indirect sales from marketing initiatives or enquiries.

"The capacity base that have to deliver on the destination marketing promises is your most important resource, the staff need to be evangelists for this new vision, without it, it doesn't matter what technology you give them they won't use it."

Respondents who had already had experience with the international markets suggested that there should be a marriage between the virtual and physical distribution outlets in the target markets, as, in the hierarchy of access, the web comprised the lowest level.

"Distribution points can take on all sorts of forms. How can we capitalise on space as distribution points e.g. embassies, tourism offices, airlines? If we are smart enough we link the system to the physical structures on the ground."

Any leads from the associated activities should then be tracked by means of the private sector until the sale was closed.

> *"Ideally the DMO should do the homework for the buyer to solve their particular problems and satisfy their particular needs: 'Hello Mr Tui, (TUI is a one of the largest wholesale tour operators in Europe), of the product available I have selected five products of the 3,000 available that will improve your product offering, they can handle 1,000 beds a week, 3 jumbo's as requested."*

The resulting client information and market intelligence from indirect selling, whether confirmed or having resulted in lost business, should form part of a broader network of intelligence-gathering for the industry as a whole.

Almost half of the respondents affirmed the need for a **focus on establishing tourism distribution in the domestic market**, as SAT's mandate is for international marketing only, despite its recent involvement in the domestic Sho't Left campaign. There are several reasons for such restrictions.

> *"SAT is outwardly focussed, not inward. A study commissioned by Valli Moosa showed that two-thirds of the money generated in tourism was from the domestic market: visiting friends and relatives (VFR traffic) etc. So SAT's role is weird: market the country outside but then wash your hands of the tourist when they arrive and leave them up to the provinces."*

Owing to the fact that so much business is booked locally, it was suggested that attention should be directed at prioritising distribution for the domestic market as a bedrock of demand in order to offset the more volatile international market.

> *"We market both to the domestic market (70%), our bread and butter and the international market, (30%). I would prefer more domestic market as when 9/11 happened we still operated because of our strong domestic market."*

4.4.4 Other distribution-related factors

Over half of the respondents said that it would be critical for **SAT to integrate into the distribution value chain**, building and establishing sound and productive relationships with both the product owners and the distribution channel involved in order to enable distribution to take place. Whether it is directly responsible for the on-line booking facility or not, distribution of the South African destination value proposition depends on securing such relationships.

> *"A DMS should get the destination closer to the consumer and the distribution partners. Tourist offices tend to be further removed from the trade and the consumer as there is no integration into the value chain of end users and although better, the distribution partners' value chain is not integrated either. Destination officers do seem to have moved away from just sending communications 'we are beautiful, come to us' but more could be done. We need to transact with people."*

Half the respondents stated that a critical success factor particular to the South African context involved raising the level of **technological literacy**. In an on-line environment, user comfort in regard to technology is even more important, as both the suppliers and users of the system are required to be **highly responsive** to realise the true potential of eBusiness and real-time reservations.

Table 4.4: Frequency count of operational factors mentioned by respondents

Factors mentioned by respondent	N=26	Percentage
Centralisation issues		
Single central reservations point and a clear link to the promotion and marketing strategies of the destination	25	96
Alignment needed on consumer-driven marketing and branding strategy with stakeholders	25	96
Engender co-opetition within the industry	13	50
Speed to market issues		
PMS interface	25	96
GDSs	25	96
Ability to make sequential bookings and transact across multiple factors, such as flights, hotel, car hire, activity	7	27
Inhibitor: Availability, speed and cost of telecommunications	9	35
Other operational related factors		
Re-engineering of business processes to allow migration to a DMS	14	54
Simplicity, accessibility and user-friendliness of the system.	9	35
Complementary human interface with sales expertise to assist conversion	6	23

4.5 OPERATIONAL FACTORS

4.5.1. Centralisation issues

Single central reservations point, with clear link to the promotion and marketing strategies of the destination concerned

All respondents, bar one, confirmed the need for a single central reservations point, and agreed that all destination marketing, no matter what the source, should ideally be channelled to that hub. Only one respondent did not confirm this factor, and believed that creating a platform where the end-user and the product could meet was more important. The product owner in such a case, whether a tour operator or hotel owner, would then transact directly with the end-user involved. Many respondents thought that the role of the destination marketing organisation could indeed be in conflict regarding the on-line bookings trade. Having acknowledged that, however, they supported the making of on-line bookings via an independent body which would serve as the point of central reservations. The strength of support for such a mode of making bookings was informed by the respondents' understanding of consumer demand.

> *"The correct process is to open this up to tender, to get the correct one. Expedia for example spends more on research than SAT has in its entire budget. In 26 seconds they can confirm a room and a particular air-line seat."*

Other centralisation issues

As many respondents as those who believed that there should be a single reservations point, also held that **alignment on consumer-driven marketing and**

branding strategy with stakeholders is a critical success factor. The respondents concerned thought that such alignment would maximise impact from a destination point of view, while also avoiding the current duplication in target markets.

> *"There is huge rivalry with National versus Provincial: provinces have only just agreed to put www.sa.net on their individual websites. There is still no industry representation there. We are paying through the nose to be independent – at WTM everyone turns up fighting for the limelight, paying to push their little neck of the woods. No-one wants to share whether that is data, opportunity, or anything else."*

In addition to the alignment of the strategy, respondents thought that a constant evaluation of the return on investment of the promotion and marketing strategies involved was necessary in order to inform future marketing and branding activities. The evaluation would need to be able to identify growth segments or consumer types per target market which could, in turn, inform the content of the website in future campaigns in that market, ultimately increasing the market share for South Africa.

> *"We need to make provision for different suppliers to suit consumers' self-select needs. A daily update must be facilitated for suppliers. The product needs to shift and change. The suppliers who understand the segments and consumers could design product and offers accordingly."*

In order to achieve the alignment, half of the respondents thought that a sense of **co-opetition** needed to be engendered within the industry.

> *"We need to look at best practices and compare, for instance with Australia. We should track campaigns over the last 10 years and stack*

this against South Africa on the increase of international visitors. For example in this year Australia pulled together to work as one, look at the result: They increased the pie by x and we have only increased by y."

The current situation played into the hands of those businesses in the industry with marketing money to spare, as their products are featured most notably in the international distribution channels.

"Operators will sell what is easy to sell, instead of Frikkie's guesthouse in Clarens, which may be wonderful, they will sell Protea in Bloemfontein because they know its graded, Protea they meet at WTM etc, they know the quality is ok. Frikkie's may be exceptional but they can't afford to take the risk and to travel here to find out, its costly, time consuming and may not bring them a return as South Africa is not a volume destination."

However, with an aligned strategy a possibility exists of even those who are currently moving the market being interested in acquiring and maintaining their market share of a larger pie.

4.5.2 Speed-to-market issues

PMS interface

All the respondents who believed that a single reservations point is critical to the success of a DMS in South Africa support the use of a PMS interface. Those properties or product owners that have the technology to interface with such a system would have a leading advantage over those needing to update their inventory by phone or e-mail.

"There is now a real-time reservations system which will be rolled out for the big hotel groups. The system feeds off the PMS systems. If there isn't

a PMS in your property the process needs to be done manually and updated – you are at a disadvantage. (Product) clusters have come about because of electronic packaging e.g. Flights, car hire, and now shark diving."

A PMS interface offers on-line, automatic updating of an inventory, which greatly increases the efficiency of the system to sell in a real-time environment, ultimately yielding better occupancy results for the property owner concerned.

Global distribution systems

The same respondents who supported the PMS interface also supported the links to the GDSs. Stock that is sold, or which once more becomes available, can be updated automatically by means of a PMS interface with the supplier. A GDS can be updated with related information in order to offer the stock for sale across a worldwide network of travel agents. The inflexible and formulaic nature of a GDS system demands that, the South African inventory update process be as efficient and stable as possible. Many respondents think that inventory control on an individual basis could be taken a step further: The DMS should be linked to a yield management system, which would allow South African tourism bodies to see when and where availability exists. Such information would not only keep marketing activities up-to-date, but could also be used to assess global competition, such as in establishing the competitiveness of South Africa in relation to similar long-haul exotic destinations, such as Australia.

"Some people don't know how to price their products. We need a cost indication that will help players do this properly. We then need to be able

to compare SA to other destinations to get an idea of where SA is positioned in the global arena. Externally we need to know capacity and internally we need to understand capacity linked pricing."

Other speed-to-market factors

The **ability to make sequential bookings** on the internet was raised by a quarter of the respondents.

"Especially for foreign visitors in South Africa, the user interface needs to be able to manage sequential bookings as visitors tend to hop around on general interest tours. Therefore the system must be able to list multiple properties then take two nights here, one night there etc."

Some respondents believe that all ancillary services, bar the long-haul flight, should be bookable on the internet via this system. Internal flights, car hire, hotels and activities would all then be on offer, allowing for an entire itinerary to be booked from a remote location before arrival. The system would thus need to allow for **transactions across multiple factors**.

"If we are serious about a DMS, it has to have ancillary support services. Long-haul is generally done by the travel agent but after landing we need to be able to facilitate all travel in-country."

A third of the respondents believed that the government needed to address the inhibiting effect of telecommunications. The **availability, speed and cost of telecommunications** considerably constrain the operational efficiency of a DMS implementation in South Africa. For the system to function efficiently, data has to

flow back and forth constantly between the product owner and hub, and between the end user and hub. Owing to the lack and cost of bandwidth in South Africa, destination-marketing organisations, among others, have been faced with a dilemma regarding the selection of a host for their web server:

> *"This is a Telkom bandwidth issue, the question is who do you prioritise? The consumer or the product, the system is nothing without the product."*

If the decision is to move offshore, then especially those consumers based in South Africa's target markets with high-speed connections will be assured of a heightened experience of the website. However, the experience for the product owner within South Africa itself would be quite different. To populate the back end of the website could be slow and costly for those responsible for updating and maintaining data on-line.

> *"Only the poor South Africans who are prepared to put up with Telkom need suffer."*

Product owners who lack the required technology, but who, nevertheless, would like to migrate may, accordingly, be discouraged from doing so.

> *"When the technology is slow and expensive they don't understand why, the disadvantages prevent any further adoption of the system."*

Therefore, respondents believe that the availability and speed of access to the internet needs to be improved, along with a reduction in cost of especially broadband telecommunications.

4.5.3 Other operation-related factors

In the Western Cape, it took an entire year to get all tourism organisation bodies on board the DMS project. Though the lengthy process of consultation served to build trust and secure buy-in from the stakeholders involved, understanding why processes had to be carried out in a specific way in order to feed the system which would distribute the inventory required much effort, according to those respondents who were part of the implementation. The process of training product owners and users alike in one-day workshops was still ongoing at the time of the study, as was the need for protracted explanations relating to what would be gained by certain actions required of the participants concerned, and why they needed to behave in certain ways.

> *"The problem is that in the tourism industry, most people don't understand what a business process is, so to understand the impact of this technical tool on their business processes is even more difficult."*

Although, so far, the Western Cape has been the only province to implement a DMS with on-line transaction capability, the respondents from the Western Cape were not the only ones to state that, in order to successfully implement a DMS, tourism bodies would have to help product owners to **re-engineer their business processes**. The related processes would need to be established in order **to allow migration to a DMS**.

> *"There is therefore a huge role for tourism agencies to bridge the gap between the consumer's demands and what the suppliers are doing."*

Users would need to be upskilled by means of this process if they were to feel comfortable with the technology and to come to trust real-time operations.

A third of the respondents thought that the low level of technological access and high level of technological illiteracy in South Africa calls for particular attention to the type of system used. The **system, which must be simple**, accessible and user-friendly, must be developed so that any suitably qualified person can further develop and maintain it. Respondents expressed a belief that overdependence on any one consultant would be a considerable weakness.

Regarding the ever-present choice to buy off the shelf or to custom design a system, several respondents believed that the system should be locally developed, possibly from what is already freely available, obviating the need for it to be complex and customised.

> *"There are too many examples of highly complex systems that have been developed and only the developers have the appropriate knowledge to maintain and further develop, this is a dangerous situation to be in, and very costly."*

Linked to the discussion of telecommunications, many of the respondents who currently operate DMSs, thought that an enquiry-based booking system should be available off-line, which would assist the contact centres when telecommunications go down.

The idea of a DMS consisting of a consumer web interface in the absence of trade in long-haul exotic destinations, such as South Africa, was thought to be unfeasible, according to a quarter of the respondents involved. As mentioned in the distribution factors section, two reasons exist for this: the importance of the intermediary and the lack of top-of-mind branding that exists regarding South Africa in the target markets partly as a result of SAT's relationships with the distribution channel, but also owing to a lack of branding funds being at their disposal.

For the same reasons, the respondents concerned in the study expressed a belief that no web interface could exist in the absence of a supporting call centre to provide a **complementary human interface**. Such an interface would reassure consumers or trade partners regarding their transactions, as well as provide confirmation that what has been transacted has, in fact, taken place.

> *"You are still going to have to have a call centre behind it operationally. Some people will want to talk on the phone; they want to hear a human voice give them the comfort of double checking that what they did on the web has been done."*

The respondents expressed a belief that management of such an interface calls for a high level of expertise and selling skills in order to inform, reassure, and even recommend, ensuring a conversion of marketing activity to sale, whether directly or indirectly.

Table 4.5: Frequency count of management factors mentioned by respondents

Factors mentioned by respondents	N=26	Percentage
Resource Issues		
Start-up and implementation finance in place	26	100
Strategy and resource allocation conflicts	26	100
Human resources and skills development	15	58
Connectivity across South Africa.	9	35
Legal issues		
Settled ownership of the intellectual property rights	21	81
Data protection	7	27
Consumer protection	5	19
Stakeholder issues		
Inter-organisational collaboration arrangements	26	100
Collective responsibility for ROI on tourism budget	13	50
Private-sector migration strategy in place	26	100
Government tourism bodies to build trust with the private sector	18	69
Government tourism leadership to be accountable to its stakeholders	18	69
Clear leadership from industry	17	65
Reconcile the political need and the consumer need	14	54
Ongoing stakeholder protection	24	92
Information knowledge management system (IKMS)	18	69
Transparency and availability of data	17	65
Leadership issues		
Clear project management structure	23	88

Factors mentioned by respondents	N=26	Percentage
One comprehensive strategic framework for each destination	23	88
Capacitate government tourism leadership	18	69
Clear leadership from government	16	62

4.6 MANAGEMENT FACTORS

A number of additional factors were provided in this section relating to what respondents stated they believed to be critical to the successful implementation of a DMS in South Africa. Most of the factors have been deemed critical by a large percentage of the respondents, whose exposure to different levels of DMS implementation varied widely. As a result, two legal factors, regarded as critical by the researcher, were included, although only a small number of respondents actually raised the issues as being critical. Though the factors pertain to the South African business context, only those currently working closely with the implemented systems deemed them to be critical.

4.6.1 Resource issues

Start-up and implementation finance in place

All respondents confirmed that start-up and implementation finance is a critical success factor. Some respondents were quick to point out that many attempts had been made at different times in the past to set up a DMS in the private sector, and often the amount of funding needed after implementation was the reason why the systems had been abandoned.

> *"Because of where we are at as a country, people don't really understand the discipline of eBusiness. You spend on a platform, invest and then have to increase funding from there. They are told it would cost x and to*

escalate after that had not been counted on, so they get a fright and drop it, losing a lot of money. You have to refresh and change and invigorate all the time – it's like feeding a monster."

Although a few respondents felt that it might be possible for the private sector to fund the related initiative and to run with it as a purely commercial venture, the majority thought that it would have to be funded from the public sector:

"The private sector have tried many times before and failed because usually they couldn't get the critical mass of product plus the huge start up costs incurred in getting the programmes written etc. It would need public sector support to start it plus private sector profit motive drive and then that may get something going."

Funding was expected to take on a very different perspective, depending on the housing model adopted. During the discussions of distribution factors, respondents strongly supported the idea of the on-line booking facility being housed in an independent body outside the national DMO. Although many claimed to accept that the government would probably have to fund a project of this size, they wanted to ensure that the project would be viable and private-sector managed.

"The strategy of the government in tourism is for government to lead tourism and the private sector to manage and operate it. If the hub sits in government or a parastatal we're in trouble, political agendas will dictate e.g. emerging market entrepreneurs will have priority on the hub, but perhaps this isn't what the consumer wants to buy."

In terms of securing finance from government, respondents thought that consideration of the national goals of government regarding the determination of what the DMS might be able to offer in return for finance was important. In the Western Cape, financing for the project was funded on the basis that technological development and tourism growth were viewed by Cape Town and the provincial government as a job creator.

> *"One of the drivers that came out of the strategy was the need for technology as a tool to drive strategy. This made it easier for the city and the province to put a special investment in getting us moving forward as developing technology skills was a key objective of theirs."*

Strategy and resource allocation conflicts

All respondents confirmed that resolving strategy and resource allocation conflicts is a critical success factor. To be able to resolve these conflicts, however, ownership has to be at the highest level possible.

> *"This is a total strategic project which reports into the CEO. He leads this and takes ownership for it. It is essential to have the management buy-in to support the strategic objectives of the company through technology, if the management can't understand what is required to drive strategy to direct the project then technology drives it and this is the wrong way round."*

Over half of the respondents thought that the focus needs to be on getting the skills in the tourism sector right.

"Based on the global competitiveness report, a strategy on tourism for the economy has been written, taking critical interventions and packaging them into programmes to raise a proper debate in cabinet e.g. about skills: sorting them out with the department of labour, education and Theta (tourism's SITA) and higher education etc because skills is a disaster in tourism."

Human resources need to be developed on the most basic level, in order to enable the tourism sector to deliver an acceptable level of service on a local delivery level.

"It is important to put a strategic priority on the people factor, this centers around political will, we need this will to drive tourism as a strategic priority in SA. We need to be enhancing entrepreneurship, empowering communities because tourism can fail on this level, human resources development is important because people make the difference."

Telkom, similarly to South African Airlines (SAA), is a parastatal that harbours an important resource. For the tourism industry, Telkom controls **connectivity across South Africa**, together with the possibility of operating efficiently and effectively. In the opinion of a quarter of the respondents, the government could and should manage the resource better in order to facilitate growth in this sector. SAA is a strategic issue, which will be discussed in Section 4.7, Other Factors. In the discussions on operational factors, the availability, speed and cost of internet access was flagged as being an inhibitor, so that any strategy for developing tourism would need to address the issue.

"The cost of communications is important, access and cost of broadband, the monopoly, is making it expensive to be in this industry."

Tourism is an industry which affects many different government departments, and so fully exploiting its potential may involve engaging additional government departments, not overtly associated with tourism.

"I expect SAT to lobby government on the cost and speed of the internet."

4.6.2 Legal issues

Settled ownership of intellectual property rights

Over 80% of the respondents confirmed that intellectual property rights is a critical success factor and that this ownership issue needs to be settled before any implementation takes place. Some of the respondents in government assumed that, as this would be a national public sector asset, the issue would not arise, but those at a local level who had already implemented systems expressed a different view.

"For destination marketing, ownership needs to be shared by the different levels of tourism organisations. This arrangement needs to be clear. It is important to define how this data can be used i.e. for marketing and not to give to a third party."

The respondents in the Western Cape who had been involved in the implementation of the Tiscover system had already experienced data ownership, so that their opinion was informed.

"We didn't win the intellectual property rights issue with Tiscover, they own the right to that data as well."

Respondents believed that data-sharing principles need to be clearly defined in terms of who receives what data to use for which purpose. The principles involved would need to cover data in the customer relationship management (CRM), information management, and booking systems. Having already experienced the problem of misuse of data, respondents tended to stress the need for clarity regarding contracts with, or on behalf of, stakeholders, especially in the absence of any **data protection legislation**.

In the discussion about critical database factors, the majority of respondents were concerned about the lack of grading or quality assurance of products in the industry. In an attempt to create a brand equity that aspires to **consumer protection,** respondents expressed the belief that South Africa cannot afford to put its tourists at risk. In light of the low barriers to entry in the tourism industry, and with messaging from government about tourism becoming everyone's business, such consumer risks could increase in the absence of adequate regulation. Respondents who have had experience in dealing with the consumer on the front line think that a basic business license needs to be applied for in order to set up a tourism activity, whatever form that may take.

> *"Throughout the world a business license is a basic pre-requisite to operate. That data is available, why can't we have similar prescriptions for tourism enterprises. We need some form of regulation to govern tourism practise. If such registration legislation is put in place it would lead to an improvement of standards, an assurance of the wellbeing of the tourist to*

a certain degree, and certainly would improve the perception of SA as a tourist destination."

4.6.3 Stakeholder issues

Inter-organisational collaborative arrangements

All respondents confirmed that this factor is indeed critical. As fragmentation and a lack of synergy were identified as posing a current problem in the industry, the way in which organisations within the private or public sector collaborate may have been expected to have been highly rated.

"We've tried very hard to get this right, but it's fallen between the cracks, there aren't good relationships between industry, government, tourism bodies or up and down the levels."

Half the respondents expressed a belief that, in addition to trying to resolve inter-collaborative arrangements, the **responsibility for return on investment** for the tourism budget should be **collective**, and, as such, shared between industry and government. Respondents thought that many resources across the various tiers of government within the Department of Environmental Affairs and Tourism, as well as in other government departments, could be pooled for greater impact. Such pooling could include the Department of Trade and Industry on development; the IMC on national branding; and the relevant departments involved with telecommunications and transport, including both public transport while in South Africa and SAA, in order to allow more volume to enter the country.

Further, in determining how the various organisations collaborate, respondents thought that, in order for South Africa to relate more closely to the consumer and to interact with the consumer, tourism needs to be designed with a focus on seamless consumer experience of the product “South Africa”. Such experience starts when consumers first search for information, and should extend until after their travels to the destination are complete. The monitoring of such experience could take place by means of consumer surveys and subsequent 1to 1 marketing being informed by their profiles. The concept of consumers being squeezed into existing administrative and political structures should be replaced by one characterised by a fresh consumer-orientated perspective.

> *“The challenge which the Deputy President touched on is that we are not making a collective effort to build this one big brand that sits out there as South Africa, which, if I delve deeper I may be able to find it comprises of this or that province. There is a lot of duplication and fragmentation of effort – we need to eliminate this if we want to be globally competitive.”*

Private-sector migration in place

All respondents confirmed that private-sector integration in the project is a critical success factor. Working relationships between the public and private sector in general generated more pages of transcriptions than did any other issue.

> *"We work in municipalities where we almost have to get a mediator to facilitate between the public and private sector, because the dissonance, discord, strength of tensions and anger is so big, relationships have completely broken down in quite a few places."*

On a local level, respondents thought that migration would involve the empowerment of local tourism organisations to educate their product owners; however, the respondents regarded the current lack of skills and capacity at this level as inhibiting. The private sector appears generally much more knowledgeable than the public sector, and so it may take industry leaders to bring other industry members on board. One way of addressing this, which the Western Cape respondents believed would be very successful, would be by way of establishing a pilot group of suppliers who understood why the implementation was taking place, and what benefits might accrue to them over time.

> *"It is better for an industry person to explain to another industry person, than rely on an information person to do it. As with any project you needed to have your quick wins: we needed to bring on board people those who were prepared to put their head on a block and say 'this is working for me'."*

Three factors exist, which, according to two-thirds of the respondents, would be critical to get right before the private sector could become an integral part of a project of this nature. The first is that **government tourism bodies, especially SAT, need to build up relationships of trust with the private sector**. Respondents clearly stated during the discussion to establish the current status of the DMS that the working relationship between SAT and the industry was poor. In order to ensure private-sector migration, respondents expressed a belief that trust would have to be built up in order to obtain buy-in from the private sector.

> *"I believe SAT has been very arrogant and parochial, they haven't shared with provinces, haven't shared with national government and certainly don't share information or involve people from the industry – they keep them all at arms length."*

Linked to this issue, but very clearly stated by over two-thirds of respondents as being a critical success factor in its own right, was the need for **accountability to stakeholders from government tourism leadership**. Again, SAT's name was most frequently mentioned in respect to the various government tourism bodies.

> *"They don't pay enough attention to those who feed them."*

The respondents expressed a belief that government's role is to ask what it is that industry needs in order to be able to deliver the product and support that delivery.

> *"The most important line in the global competitiveness report was that of stakeholders: the government felt they are consulting beautifully, the industry said they were not. If you listen to them, they will say the industry isn't consulting us, it doesn't work like that, they are there to look after the*

industry. They are the government for the people. They must ask industry how can we work with you and they must be the support for industry. Industry has to deliver the product, they must lead the process but let industry do the job."

Some respondents, who were working at the time of the study in a membership arrangement with the private sector, qualified this statement by saying that if they only did what their members wanted, such an arrangement would not work:

"As government one must always focus on service delivery to those who pay for you to do what you do – but this has to be balanced by a vision. Members may not always see the other factors that influence the sector so you can't only do what they say."

Almost as many respondents recognised **that clear leadership from industry** would be critical to ensure that the migration was as comprehensive as possible, but, even more important, in order for the industry to be able to negotiate and lobby government on how best to collaborate, it needed to have one active voice. The respondents expressed a belief that leadership would need to be a representative body elected by the industry members concerned, which included all of the industry sub-sectors, such as the hotel industry, the car hire industry, the business tourism industry, the inbound tour operators, and the domestic tour operators, to ensure that strong leadership is as all- encompassing as possible. Should one large organisation be in a position to set up a competing system on a point of difference, doing so might, in effect, destabilise the process.

"A proposed central portal raises a number of issues, especially if this is lodged with SAT, individual companies may feel that they could get a competitive edge by doing their own bigger flashier system with better rates."

To ensure credibility with the government, the industry has to have one voice, which is empowered to speak on its behalf, which is not the present case:

"Our industry is a problem, TBCSA is the representative body, but it is headed up by a public servant in Tanya, she has never worn a private sector hat and now she is getting reprimanded by the industry for being too in cahoots with the public sector which they now have to address."

The industry is built like a pyramid, with very few organisations at the top, but those that are there need to become part of the process, as they have resources, in-house expertise and experience, though they may believe that they have nothing to gain from collaborating in a collective:

"A manageable system will not work unless there is a much closer relationship between the private sector and government and some big guns buy in to get volume, the 20% that transact 80% of value, they need to co-own, and co-manage and be a part of it."

Over half of the respondents stated that there needed to be a **reconciliation of the political need and the consumer need** in the tourism sector. Respondents thought that by distancing politics slightly more from business, tourism should still be government led, but the private sector needed to be allowed to have a greater

influence in managing the business on a national basis in order to ensure maximum growth. Respondents who espoused this view were very comfortable with transformation and the political goals which had been established; it is the way in which those goals are to be reached that is in question. In order to achieve transformation, the respondents concerned wanted to ensure the possibility of achieving growth. No shared vision or strategy currently exists between the public and private sector at the national level.

Without a shared vision and strategy for tourism, distrust has developed between the industry and the public sector on a macro-economic level, as each party pursues its own goals without interaction with the other. The socially focused government tourism bodies are becoming further alienated from the commercially focused industry that they serve, and opportunities to identify and reach common goals are lost.

> *"We are a nation in transition and there are certain messages we want to get out. We are using tourism to piggy back on to get the messages out. The private sector want to survive and make profit, the DMO wants to create an environment for creating opportunities to make profit and sell the destination as a whole. The DMO will cover everything including history, geography, culture etc. with a central message until such time as we are in sync with the industry."*

Ongoing stakeholder protection

Over 90% of respondents confirm that ongoing stakeholder protection is a critical factor. Respondents thought that constant communication is needed: to explain to and inform the industry as to why it should be doing what it is being asked to do; to

ensure that they are on board and have bought into the system and its benefits; to ensure that they receive training in a way that suits their requirements; and to orientate new staff.

> *"It is ongoing, once you start this process it is never ending. It is a way of doing business and the only difference is how you are doing it. When you take this on it doesn't go away."*

In the opinion of the respondents, support staff are needed for the industry and local organisations. Respondents believe that the project leadership and those implementing the system constantly have to look for new ways in which to engage with stakeholders to help them understand, and surmount, the challenges that they face. The project and the technology can be used as a tool for ensuring that role-players co-operate with one another.

Ongoing stakeholder protection can take on different forms: access and availability to data is critical, according to two-thirds of the respondents. They articulated this in calling for an **information knowledge management system** (IKMS) as an integral part of the DMS. To be effective, they believed that the system should be linked to satellite accounting. Tourism satellite accounting is important for planning and is to be introduced in South Africa. Tourism is a set of different industries; it is not a clear sector so it is difficult to measure the industry conclusively. The World Travel and Tourism Council (WTTC) and the World Tourism Organisation (WTO) have estimates of employment and investment for tourism satellite accounts, which is best practice globally. It is a complex way of building data into a national system of

accounts for tourism which get attached to the statistical modelling that gets done by the statistical agency (Stats SA).

> *"This is really important because as government we need to know what tourism contributes to the economy and how it links to other sectors, what employment effects are."*

The respondents want an advanced tool to supply information and intelligence, as this will not only provide an invaluable tool for planners, developers, financiers and other interested parties, but it will also, for the first time, create a blueprint of the impact that tourism has on the national gross domestic product. Respondents believe the difficulty, if not impossibility, of measuring tourism at present explains why very little understanding of this sector exists in government.

Respondents thought that an IKMS can assist strategists to track supply and demand by comparing the inventory sold with that requested. An analysis of such information could define opportunities and challenges for targeted product development, but in the short term, on an operational level, with the assistance of yield management, it could, in fact, maximise business distribution. Further to the information on unrequited demand, a quarter of the respondents wanted to see a layer built over this, catering for the consumer. The additional layer would take the form of a consumer feedback loop built up from internet interaction; contact point interaction, such as 1to1 marketing; and consumer surveys, which would need to be conducted at the searching, consumption and post-consumption stages of the consumer's experience of the destination. This information would also inform the enhancement of existing product and, even more importantly, ensure that the quality

assurance promise of the destination remains intact. Such information would also indicate trends, which could provide direction for potential future product development. The same system could assist with contingency planning preparatory to any given change in the environment. In addition, should there be a sudden need for crisis management, the tool could provide the necessary intelligence to facilitate acting timeously and decisively in response to the perceived need.

The discussion around an IKMS was tightly bound to the next point, which two-thirds of respondents stressed as critical: the **transparency and availability of data**. Without such intelligence, it would be difficult to measure not only the efforts that are made in increasing the global market share of South Africa on an international level, but also the growth of tourism in real terms in relation to the domestic economy. Respondents also expressed a belief that, in order to eliminate ignorance and anecdotal decision making, intelligence needs to be available on all markets. The transparency of data should also form a source of learning for the industry as a whole, accessed by way of the DMS. Research and its reporting should both be regularly communicated to all stakeholders and tailored to the user, whether planner, product owner, marketer, entrepreneur, investor, or consultant.

> *"The government's role is to assist with information. Monitor (consultancy firm to SAT) is good but the level at which it is published and pitched at is too high for most entrepreneurs in South Africa, and they need much more information."*

Tailored reports, however, it was noted, are only informative and empowering if the delivery to stakeholders is timeous.

"In December 2005, the latest statistics on arrivals etc that were available was April. In Australia, Singapore and Hong Kong for example the reports are out in a couple of weeks after the end of the month, why does it take 6 to 8 months to get the reports out if the information is captured electronically. We need a centralised trading point where we can get all information and statistics that we need in order to plan."

A couple of respondents suggested that such timely delivery might be achieved by way of a partnership with an academic institution, creating a tourism research centre. The centre would serve both the public sector and industry, with the information being in the public domain. Should a further breakdown of the information be required, an application for such a pay-on-demand service could be made.

"There is good data at SAT but you can't get to the tables behind the reports that are produced though. If it was all available in a research centre, then for a fee or for free (depending on what you need) you could get access."

4.6.4 Leadership issues

Clear project management structure

Twenty-three of the 26 respondents confirmed that a clear project management structure is critical. Many respondents stated that a professional company would have to be brought in, either for reasons of limited time or capacity:

"A company needs to be contracted of the Section 21 company to control the project and implement it. There needs to be targets and penalties for non-delivery, but this must be given to a professional team, not a project

team comprising one person from Southern Sun and one person from Sanparks etc – no! It needs to be a full time job."

Project management principles must be adhered to in terms of timeframes, with deliverables, in order to manage expectations.

"There could be a huge opportunity to link BEE and marginalised product into this system. Timing and sequencing plays an important role, and being clear on what is achievable in managing that. People will want it to do everything, so it could easily fail, and people will point fingers."

Twenty-three of the 26 respondents expressed a belief that, in order for the project to work in the South African environment, **one comprehensive strategic framework for the destination** where the branding and marketing plan could occur, is required. The framework should be preceded by a participative strategic planning process with stakeholders on a national basis aimed at determining measurable, meaningful goals, which addressed the issues around the triple bottom line: people, profit and the planet. Respondents also thought that having a strategy is only going to work if there is constant evaluation of South Africa's performance against this strategy's deliverables, regarding where South Africa stands in terms of global competition.

"We need a top down framework and a bottom up participative approach, so there is at least consensus on: where we are; what our shared vision is; what our strategic priorities are; and what the critical success factors are to get there."

Inhibitors however, to the success of the process described, involve constraints on human and political capacity, with two-thirds of respondents regarding the overcoming of such constraints as being critical to success of DMS implementation. The respondents expressed a belief that, in order for the government tourism leadership to lead this process, they would need to be equipped with the appropriate tourism business management skills, the call being to **capacitate government tourism leadership.**

→ **On SAT**:

"We are making appointments based on government seniority, political correctness, BEE I understand that, but the CEO doesn't know anything about tourism, he is an administrator, there is no-one who can sell in SAT. The resources we have are inappropriate, not matched…you can't have a guy who markets cell phones selling tourism."

→ **On DEAT**:

"DEAT don't have strong leadership and they don't have the skills. They are not technically strong on tourism, maybe strong from a political economy point of view, for example creating jobs, empowerment etc. but they don't understand the technical issues around how to get there – no-one has ever worked in tourism, they are all public servants."

Political capacity may take a little longer, but has been deemed equally critical. **Clear leadership is required from Government**, as the current three-tier structure is too fragmentary. Respondents thought that provinces will have to build trust and obtain

buy-in from all tourism agencies and local suppliers on the ground level, and that national needs to obtain buy-in from all provinces. Such buy-in is critical to achieve before any implementation could start.

> *"Everyone is doing their own thing on every level. DEAT created different responsibilities for the separate levels: local, provincial, national which made sense but they didn't follow it, and possibly didn't understand it, but it is difficult to achieve if there are no teeth down the line."*

The issue of "teeth down the line" is important if government is to be empowered to lead this process.

> *"The authorities all through government need to support it. The Minister must be able to give the directive and that directive must cascade down: 'This is what we are going to do, do this'."*

Clear national leadership in tourism may, however, if not managed sensitively lead to the loss of flavour and personality of the sub-brands represented currently by the provinces and local municipalities across South Africa.

> *"The community has to own tourism at a local level, you can't have someone on the tenth floor of a building in Cape Town running a gateway for Paternoster, who never sees that person. You will quickly lose brand definition as the ownership moves out of town…it needs to be kept with the community's politicians and private sector to enable the personality and magic of that place to flourish."*

Such pockets of interest enrich and help build brand equity to the mother brand South Africa, especially as it relates to the so-called icons such as Table Mountain, Cape Town, Kruger Park and Sun City.

> *"South Africa cannot be the only buzzword out there, although it must lead. The push should be nationally, but what sits underneath is very relevant e.g. we are going with the film association guys to ITB (Trade show in Berlin) to establish Cape Town as a film destination."*

The South Africa brand can also build brand equity to the sub-brands, as in the following national example, taken from Australia:

> *"We need to work at creating specific associations with the sub-brands for instance there is Australia and Sydney as a sub-brand but now there is also Melbourne which has come up, this brand wasn't even on the radar a couple of years ago."*

One of the goals of tourism is to distribute business as far as possible into areas of South Africa which until now may not have enjoyed the limelight. However, doing so can only be achieved if sufficient consumer demand is created from the available products.

Table 4.6: Frequency count of other related factors mentioned by respondents

Factors mentioned by respondent	N=26	Percentage
Developmental factors		
Develop consumer-led sustainable experiential product offerings	18	69
Encourage entrepreneurship and empower communities	10	38
Introduce mentorship programmes	6	23
Branding		
Government needs to address detractors from the brand	19	73
Strategy		
Lift the airline seat constraint	21	81
Develop a master plan for tourism	19	73
Create a Southern African Destination gateway	17	65
Develop tourism by the appropriate use of land	6	23

4.7 OTHER FACTORS

In the interview protocol, a number of issues were used as prompts to establish what other related factors were of relevance to the study. The issues were drawn from the Global Competitiveness Project (GCP) report. Most of the issues from the report, however, had already been dealt with by the respondents under the other sections, where the researcher has seen fit to record and discuss such factors. Therefore, the following additional factors are those which are not as closely associated with database, distribution, and operational or management issues, but which the respondents nonetheless regarded as critical.

Developmental factors

Respondents have raised various issues around product and product integrity, even touching on product development and what informs it. Two-thirds of the respondents thought that South Africa should be leveraging the competitive and comparative advantage that only this destination holds. If the trend is towards unique destinations and authentic products, then the respondents felt that South Africa needs to **develop consumer-led sustainable experiential product offerings.**

> *"We need to be consumer driven but along developmental lines. It is possible that we could create a fantastically beautiful white elephant. We have to make the consumer part of our development."*

Issues of demand, or at least potential demand, need to be understood, so as to avoid supply-push marketing in the absence of assurance regarding adoption of the product. Where government does spend, through poverty relief programmes and special developmental initiatives they are very often supply-led.

> *"They fail to understand that if you want this community to benefit, you can't go and build a cultural village in the middle of the sticks where no tourists go and expect tourists to go there."*

Projects that are supply-led with poverty relief money have failed because they are product driven and the demand hasn't been assessed. If tourists are not already going there, it will be hard to get them there.

> *"They don't understand demand and whether there is demand. If it is in an area where tourists are, is that what tourists want to do?"*

According to respondents who have worked on these types of projects, management and marketing capacity is a big problem.

> *"It has taken successful community projects in Namibia between five and seven years to hand over to the communities to run them and those are small businesses."*

As mentioned in terms of the establishment of the current status of the DMS in South Africa, a great many institutions are currently attempting to **encourage entrepreneurship and to empower communities** to deliver tourism. Over a third of the respondents questioned whether the projects are really addressing identified needs.

> *"The government needs to look at the tools it has in the economy, and redefine what we are trying to achieve. Not business development for business developments sake, but business development to enhance the destination offering through product innovation that the industry can engage with and package."*

The barriers to entry into the field of tourism are low, and with the recent hype around tourism having overtaken mining as a foreign exchange earner, and the upcoming 2010 event attracting 300,000 visitors to South Africa, there is reason for concern.

> *"2010 has been very useful because politicians roll over at the mention of it. We've got money for the database project, transport etc. It is such a political thing, with such high expectations, it will be a large non-event but*

the unemployed and the emerging entrepreneurs are being fed this line. We will end up with many unsuitable products."

Once entrepreneurs have been selected, their funding approved and the related development completed, those concerned still need to acquire many skills in order to be able to conduct business successfully. Some respondents expressed a belief that **mentorship programmes should be introduced**, aimed at empowering identified emergent product owners or entrepreneurs to deal with prospective buyers, or to interact with the distribution channel involved.

"We have people who do not know how to deal with buyers and so when no interest is shown in their product they become despondent. Several small products were exhibited at WTM but they were not going to succeed because the buyers that attend this show are looking for volume, choice and options all over South Africa to put together product to sell. When this is raised we are accused of being paternalistic and racist, but we do want to help."

Respondents think that if emergent black product like this is going to succeed there will need to be a mentoring programme to get those businesses to a level where they can trade.

It is accepted by respondents that in the future the emphasis or scope of government tourism leadership, and especially SAT may shift, but currently government is tasked with imperatives such as: new entrants; HDI companies; and transformative agendas which are not conducive to taking a purely commercial decision around issues such

as a DMS and on-line bookings. There are two schools of thought around starting this type of project in a country such as South Africa where 90% of businesses in the industry are SMEs. One which suggests that the playing field has to be level:

> *"We can't take the best horses to the race and expect the others will come and tag along as we go … it's a dilemma we grapple with."*

And another which suggests that South Africa needs to embrace the product that is available to compete globally now whilst building an understanding of consumer demand which would inform product development and enhancement for both existing and new product development in the future.

> *"It's acceptable to start working with and using product that is ready and able now to be part of the system, and use this product for demonstration effect to get others on board."*

The problem according to respondents is that politically if other SMEs don't see the benefit in the short term, but see the established businesses benefiting from the DMS, the DMS will never succeed as it will be seen as unfair. Respondents think that to create a first world system with product that can engage on that level with PMS interfaces is feasible but there has to be a parallel mechanism to find ways of bringing SMEs on board. For various reasons these SMEs may be too small for volume buyers, in marginalised areas so need to be packaged in a product cluster or they may suffer from the digital divide and be technologically illiterate.

Branding

Over 70% of respondents think that it is critical for **government to address the social problems that most directly affect the tourist experience** and South Africa's imaging for potential tourists: crime, safety, health, education, and HIV/Aids.

> *"We need to get back to basics to be a competitive destination this is the first challenge. To do this we must address the non-negotiables: its great having good product and great marketing but if safety and health issues are major obstacles they will become barriers to market share growth."*

Strategic factors

Over 80% of respondents believe that the **airline seat constraint on SAA should be lifted** and slots be enabled in order to make South Africa a more accessible destination, allowing it to take on more volume as a job creator and growth facilitator.

A clear project management structure was confirmed as providing a critical success factor, but an equal number of respondents expressed a belief that the project should form part of a larger vision articulated by way of a **tourism master plan for South Africa**.

> *"Where can you read about the master plan for South African tourism over the next 10 years? Nowhere – that should be a priority. You can outsource it to a couple of universities and then when you have a draft, consult people and check whether this is correct, have panel discussions, workshops etc, but we spend more time on the BEE scorecard than we do on how to develop the industry."*

In terms of a vision and master plan, it would then be possible to define such a project as forming part of a growth strategy for the industry. In the short term respondents also think that the 2010 World Championship should be used as part of a growth strategy to build into, in order to develop a master plan for tourism regarding where the industry needs to be in ten years' time.

Developing certain areas for mass tourism, obtaining international investment and building an airport to service each area were also regarded to be of great importance.

A few respondents suggested that the most successful way to approach this would be from the perspective of land use:

> *"A master plan for tourism needs to be done by National government, whether DTI or DEAT. A team of highly experienced and highly educated civil servants should be responsible for* ***writing a plan to determine land use*** *where the tourism areas are going to be, then what type of tourism do we want there, and then after debate in Parliament we hear what investment is going where and then it is released."*

And finally over two-thirds of respondents believe that South Africa should be working to create a destination beyond South Africa: leveraging strategic links with surrounding destinations; establishing one visa for SADC; and **creating a Southern African Destination gateway.**

CHAPTER 5

CONCLUSION

5.1 INTRODUCTION

This report set out chiefly to confirm or reject the work of Frew and O'Connor (1999), and to supplement their work with addition critical success factors for the implementation of a DMS in the South African context. The critical success factors they established in 1999 have indeed been confirmed by the respondents who participated in this research report. Other factors which have been included are occasionally a pre-cursor to another established factor or a qualifier to that factor applicable to the South African context. There are however, critical success factors which have emerged in addition to those established by previous research (Frew and O'Connor 1999).

5.2 RESEARCH QUESTIONS

5.2.1 Current status of the DMS in South Africa

The first research question established the current status of the DMS in South Africa today. Respondents agreed that South Africa's tourism industry is dominated by a fragmented amalgamation of government structures largely scorned by the private sector. In some cases government is aware of its shortcomings. But a lack of mutual respect means high-level co-operation between public and private sector is tenuous at best. The three tier government structure also means different arms of the state compete, often duplicating functions at an ever increasing cost to taxpayers. This

fragmentation and lack of an overall strategy for the industry means that regions and individual products compete so vigorously against one another that they lose sight of the bigger picture – the sustainable, long term growth of a viable South African tourism sector. Respondents strongly concur that mutual trust is at the very centre of the future success of any Destination Management System for the South African market.

5.2.2 Database factors

The second research question established the type of content and the suggested protocols around that content. While other destinations such as Austria, Scotland and Ireland have been working on DMS for the better part of the past two decades – South Africa's effort to date has been disjointed and in the interests of individual provinces rather than the country as a whole. The basic building blocks for a DMS in the South African market may very well exist in the Western Cape and Kwa-Zulu Natal, but global lessons need to be drawn upon to facilitate an appropriate system for the local market. At the core of the DMS challenge for South Africa lies the need for a comprehensive accommodation database for the country's 43000 beds. Essential too is a single, reliable grading system. Respondents pointed to quality of information being critical to the future success of any DMS system.

5.2.3 Distribution factors

The third question addressed the distribution of the content. Respondents agreed that visitors to any tourism destination require a single, comprehensive, user-friendly point of entry into the destination that they neither know nor understand. That point

of entry must be able to assist their decision making process. It should house the widest possible scope of product and the user must know that the information they draw from it is reliable and up to date. The issues however highlight the divisions between government's goal of broadening the base of tourism product in the South African SMME sector, and the private sector goal of generating higher turnovers from a growing number of visitors to the continent. While industry wants any product of this kind to be state-funded, the private sector wants control over the product. Government is concerned this would undermine its efforts to drive greater participation in the tourism sector. Technological literacy is seen as a serious inhibitor to broader participation in a DMS. Even if an entrepreneur developed a good product in a geographically remote area – if they were unable to update database information, it would seriously jeopardise their ability to compete effectively.

5.2.4 Operational factors

The fourth research question established operational success factors. A central reservations point is essential to the future of any DMS system in South Africa. The downside threat to this however is the belief in the private sector that it would not be in the short-term commercial interests of the larger, more established players which have spent years and invested many millions of rand developing their own IT infrastructure. They are concerned that government's political imperative could dilute their already lucrative share of the market. It appears from the respondents' answers that product suppliers are intently focussed on driving individual business and are nervous of entering into an arrangement they believe could be detrimental to their

respective market shares. In many cases, the fact that there is no national tourism strategy and the fact that the industry is fragmented, plays straight into their hands.

The high cost of South African telecommunications also remains a business inhibitor rather than an enabler. Respondents pointed out that while an internet presence was critical, it would not be sufficient to adequately service visitors to what is seen internationally as an exotic long-haul destination. There would need to be strong working relationships with both the trade and the media to ensure sufficient distribution of the product.

5.2.5 Management factors

Research question five attempted to tackle the contentious critical success factors for management. Management factors appear to be the most fractious issue. Previous individual attempts at creating DMS platforms have been defeated eventually by serious cost factors. Individual companies that have tackled DMS projects in the past have not fully comprehended the cost implications and have, as a result had to abandon previous attempts at a private sector model for the industry. Respondents want government money to fund the establishment of a DMS, but the right to operate the system as they see fit. There is a big divide between what government sees as important, in promoting marginal players in the SMME sector and the big business ideal to grow the respective profitability of individual organisations.

A significant factor in the management of a DMS is a severe skills shortage across the industry. Unlike other sectors, tourism is not well paid and does not draw the same level of skills as the local financial sector, for example.

Concerns around intellectual property rights and their protection on a shared database also raised serious issues about the viability of co-operation, not only between competitors, but also the future of government's role in the development of a DMS.

Despite generating more negative responses than any other issue, respondents recognised the need for greater co-operation between public and private sector and acknowledged it as a critical success factor. There was also strong support for an academic institution to be involved in analysing key industry data.

5.2.6 Other related factors

Research question six dealt with issues very particular to the South African context. There is a clear sense among respondents that South Africa as a destination does not adequately promote its unique positioning as an experiential destination. Due to the structure of the local industry, South Africa is failing to drive industry growth through consumer requirements, but instead pushes projects and destinations that might not hold any particular interest for visitors. Examples exist of money being channelled to projects that are not visited either because of geographical inaccessibility or the fact that the sorts of products being encouraged and funded by various government initiatives are not what visitors to South Africa are looking for.

In summary, this research may be seen as somewhat divisive – but it reflects the attitudes of the industry and increasingly agreement from within government about the critical issue inhibiting the growth of tourism as a substantial growth sector. But a lack of trust between public and private sector as well as a failure at the highest levels of government to provide adequate leadership also mean there is little trust between the state and private sector. Respondents understand the need for greater co-operation, but individual agendas pose a significant threat to the ability of the industry to successfully implement a single DMS for the South African market. While other countries have implemented systems successfully, they tend to have been in homogenous communities where the tourism infrastructure is considerably better developed than in South Africa.

Parties agree however that for a DMS to succeed – government needs to fund a project that should be managed by the private sector. It implies that central government needs to consult the industry on a single universal tourism strategy that will align government ambition with the private sector's need for a profitable sector into the future.

While the sector is divided over many issues – there is broad concurrence on the issue that only through greater co-operation between public and private sector will their mutual interests be served. Respondents agree that it is up to leadership in both the public and private sector to ensure this co-operation is allowed to flourish. South Africa needs a tourism master plan –without it, a DMS implementation could be a pipe dream.

5.3 AREAS FOR FURTHER RESEARCH

1. Most studies of DMS implementations around the world have been carried out in developed economies with homogeneous populations that are well educated by emerging market standards and have good access to, and high comfort levels with, the technology. It may be interesting to look at other emerging long-haul destinations to establish if in fact there is a pattern to the critical success factors adopted and what the implications of that would be for developing a strategy around DMS implementation for emerging long-haul markets.

2. This research focussed on the critical success factors for implementing a DMS in South Africa. It may be useful to assess the impact performance in various destinations, not limiting research only to the implementation success of those systems.

3. Australia conducted extensive consumer research in order to inform the development of the Gateway site and Splash Page as described in the literature review. South Africa may benefit from similar research to determine how potential travellers access on-line travel sites, their information needs and their expectations.

5.4 RECOMMENDATIONS TO MANAGEMENT

The complexity of the issues raised do not allow for a neat solution, however the researcher would recommend that a 2010 forum be set up at a national level which

represents both government and industry. This would allow a short term project such as 2010 to focus both national goals and industry goals. Industry would need to pre-empt this by coming together as one voice with elected representation that has credibility from both the industry it serves and the government it will be called on to interact with. The government also needs to look at existing structures to find a way to empower national leadership to act decisively but in a way that does not alienate the sub-brands such as the metros and provinces.

The resulting committee could form the basis of a national tourism forum which if empowered to do so by those that it serves, would then be in a position to determine a strategy for a DMS implementation as part of a larger strategic framework. Leadership in the sector is a big issue, but this can be addressed through a participative approach if the right individuals are elected to this forum and are accountable to their stakeholders.

Inhibitors such as air-lift constraint, connectivity, skills, intelligence etc could be raised at this forum for discussion and government intervention. This would also be the correct forum to explore how to co-ordinate a collective effort under the brand South Africa.

It has been said that the success of a DMS is the success of getting people to work together. If that is indeed the case, and as reported here seems to be the most significant perceived inhibitor to a DMS implementation in South African today, then whatever forum can bring together the expertise, innovative ideas and good will that the researcher experienced during the interviews with both government and the

private sector would be a step in the right direction to establishing a DMS for South Africa.

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APPENDIX 1

INTERVIEW PROTOCOL

Implementing a Destination Management System in South Africa

Details of the respondent

Respondent's name:

Title:

Organisation:

Contact telephone number:

Email address:

Date:

Time:

Duration of interview:

Opening statement to respondent

Thank you for agreeing to contribute to this research study. The interview will not last longer than an hour. Your contributions will be anonymous; neither your name nor company will be linked to any statements or comments made.

As I explained briefly in our telephone conversation, I am exploring the critical success factors required to implement a destination management system in the local market.

The research departs from the assumption that a destination management system would be implemented to gain sustainable competitiveness in the global tourism market for South Africa as a destination. What I am investigating are the critical success factors of implementing such a destination management system, in other words, the key conditions which need to be in place for such a system to be successfully implemented.

To clarify what is meant by Destination Management System, Frew and O'Connor (1998:260) understood that a:

> *DMS is taken for those systems underpinning the function of destination marketing organisations in their primary task of promoting tourism business within geographically defined areas.*

The focus of our discussion will be on establishing the current status of the information communication technology, or destination management system, within the industry and then determining the critical success factors which need to be in place in South Africa in order to successfully implement the sort of destination management system which would ensure South Africa can be a global player. There are four categories of systems as postulated by O'Connor in his 1999 work on features offered by DMS systems around the globe. They can be:

- Information only;
- Information and reservations;
- Information, reservations and client database; or
- Strategically focussed systems.

In our discussion, we will establish where South Africa is currently situated in the development of DMS, and then we will proceed to tackle the critical success factors of implementation. There are five areas which have been established as critical. We will tackle these one by one in our discussion:

- Database factors
- Distribution factors
- Operational factors
- Management factors
- Other factors

Key interview questions

⇨ **Interview question 1.**

What is the current status of the destination management system in South Africa?

- **Prompt: As defined by the features it offers the customer**

  Probe: Information only system

  Probe: Information and reservations functionality

- **Prompt: As defined by the features it offers the DMO**

  Probe: Information, reservations and client database capability

  Probe: Strategically focussed system

⇨ **Interview question 2.**

What are the database factors which are critical to the successful implementation of a destination management system in South Africa?

- **Prompt: Data collection issues**

  Probe: Comprehensive accommodation database

  Probe: Comprehensive tourism supplier database

- **Prompt: Data integrity issues**

  Probe: Data quality control procedures

  Probe: Cost-effective supplier data maintenance

⇨ **Interview question 3.**

What are the distribution factors which are critical to the successful implementation of a destination management system in South Africa?

- **Prompt: Strategy issues**

  Probe: Single official website

- **Prompt: Product issues**

  Probe: Official website with full supplier representation

- **Prompt: Utilisation issues**

  Probe: Official website with full supplier representation and on-line booking facilities

  Probe: On-line national destination information with on-line (national) reservations at Tourist Information Centre

⇨ **Interview question 4**

What are the operational factors which are critical to the successful implementation of a destination management system in South Africa?

- **Prompt: Centralisation issues**

  Probe: Single central reservations point and a clear link to the promotion and marketing strategies of the destination

- **Prompt: Speed to market issues**

  Probe: PMS Interface

  Probe: Global Distribution Systems

⇨ **Interview question 5**

What are the management factors which are critical to the successful implementation of a destination management system in South Africa?

- **Prompt: Resource issues**

  Probe: Start-up and implementation finance in place

  Probe: Strategy and resource allocation conflicts

- **Prompt: Legal issues**

  Probe: Settled ownership of the intellectual Property Rights

- **Prompt: Stakeholder issues**

  Probe: Inter-organisational collaboration arrangements

  Probe: Private sector migration strategy in place

  Probe: Ongoing stakeholder protection

- **Prompt: Leadership issues**

  Probe: Clear project management structure

⇨ **Interview question 6**

What other factors do you deem critical to the successful implementation of a destination management system in South Africa?

- **Prompt: Integrated marketing issues**

  Probe: One strategy for tourism suppliers, local, regional and national bodies' efforts

  Probe: Transparency and availability of data (sharing) to measure these efforts

- **Prompt: Government investment issues**

  Probe: Branding, infra- and infostructure

- **Prompt: Stakeholder issues**

  Probe: Inter-relationships between industry and government tourism bodies

  Probe: Fragmentation of the industry, lack of representation of sub-sectors

- **Prompt: Access to market issues**

  Probe: Airline seat constraint; SA as niche product; dependency on the distribution channel

CLOSING STATEMENT TO RESPONDENT

Thank you very much for your time and for contributing to the research. The information gleaned from you today has been very valuable. As soon as the results of the research are available, I will send you a copy for your perusal. Once again, thank you and goodbye.

INTERVIEWER'S COMMENTS

REFLECTIVE NOTES

APPENDIX 2

Validity request

Dear Mr……..

Attached please find a copy of Chapter 4: Evaluation and Discussion of Results. This is a chapter to be found in the research report: *Critical success factors for a destination management system for South Africa.* The chapter discusses the results of the interviews conducted with the respondents who contributed to the above-mentioned research.

As part of the research validation process, the researcher would like to ensure that the results of the research accurately reflect the views of the respondents. Thus, if, as a respondent, you wish to comment on any of the findings contained within Chapter 4: Evaluation and Discussion of the Results, please provide me with these comments by no later than 24th March 2006.

Please note that the results are an aggregate account of the interviews. Therefore, they cover the contributions of 29 respondents across 23 organisations (the organisations involved include 2 government departments; 5 information technology companies; 1 academic institution; 4 destination management organisations; 5 tourism suppliers; 3 tourism industry bodies; 4 consultants; and 1 national branding organisation). As such, respondents may find diverging views represented in the

findings. If so, rather than noting diverging views, please restrict your comments to highlighting the views which have not been taken into account in this chapter, or which you believe the researcher may have misinterpreted.

I would like to bring to your attention that this is only one of the chapters of the research report. A copy of the full research report, detailing the literature review, research methodology, evaluation and discussion of results and conclusions will be provided to you once the report has been submitted to the Faculty of Management, University of the Witwatersrand. This should be no later than 31 March 2006.

Once again, thank you for contributing to the research. If you require any additional information, please do not hesitate to contact me.

Best regards

Catherine Goodwin