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**Market segmentation of visitors to two distinct regional tourism events in South
Africa**

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"Who am I? I am but the sum of my experiences...
and today I am more than I was yesterday and less than I will be tomorrow."

Terabyte

SUMMARY

The purpose of this study was to segment the various markets attending the Transvalia Open Air Show (Vaal Region) and the Cherry Festival (Free State). A comparison of the various segments enabled the researcher to identify key success factors with regard to market segmentation for tourism events to be implemented in the Vaal Region. It will also enable organisers to target the correct tourist market segments for both events and provide guidelines for improving the planning and marketing of events in both regions.

This study therefore aimed to compare the market segments of two tourism events, the Cherry Festival, held in Ficksburg which is located in the Free State and the Transvalia Open Air Show, held in the Vaal Region.

Questionnaires were distributed amongst visitors on the festival grounds as well as in areas surrounding the festival grounds. The study was based on availability sampling, since only visitors who were willing to participate in the survey completed the questionnaires. A total of 550 questionnaires was distributed, of which 472 were suitable for use. At the Transvalia Open Air Show 273 questionnaires were completed, of which 260 were usable. Students were trained by the researcher to assist in the survey. The questionnaires were distributed on the show grounds.

The data were used to compile graphs and tables so that a profile of each festival could be designed. The variables that were the focal point of this study were gender, occupation, language, visitors' province of origin, group size, number of days spent at these events and average spend. These results can contribute to better marketing and more targeted markets to create a larger number of attendants. The organisers can determine what type of entertainment, music and activities the attendants favour, so that all the elements of the event can then be marketed as a whole. Feedback also allows the organisers to improve the facilities and services available at the events.



INDEX

CHAPTER 1 INTRODUCTION AND PROBLEM

1.1 INTRODUCTION	1
1.2 BACKGROUND TO THE STUDY	2
1.3 PROBLEM STATEMENT	3
1.4 STUDY OBJECTIVES	5
1.5 IMPORTANCE OF THE STUDY	5
1.6 DEMARCATION OF THE FIELD	6
1.7 THE RESEARCH METHODOLOGY	6
1.7.1 LITERATURE REVIEW	6
1.7.2 EMPIRICAL SURVEY	6
1.7.3 RESEARCH DESIGN AND METHOD OF COLLECTING DATA	6
1.7.4 RESPONDENTS	7
1.7.5 THE QUESTIONNAIRE	7
1.7.6 DATA ANALYSIS	8
1.7.7 CORRESPONDENCE ANALYSIS	8
1.8 OUTCOMES OF THE STUDY	9
1.9 DEFINITION OF TERMS	9
1.9.1 MARKET SEGMENTATION IN TOURISM	9
1.9.2 VISITOR	9
1.9.3 TOURIST	10
1.10 CHAPTER OUTLINE	10

CHAPTER 2 ANALYSING MARKETING

2.1 INTRODUCTION	11
2.2 UNDERSTANDING MARKETING	11
2.2.1 DEFINING MARKETING	11
2.2.2 CORE STANDARDS OF MARKETING	13
2.3 IMPORTANCE OF MARKETING	16

2.3.1	THE ROLE OF MARKETING IN SOCIETY	17
2.3.2	THE IMPORTANCE OF MARKETING TO ALL TYPES OF BUSINESSES	17
2.3.3	THE EFFECT OF MARKETING ON EVERYDAY LIFE	17
2.3.4	COMPETITIVE ADVANTAGE	17
2.3.5	INCREASE IN TOURIST NUMBERS AND GROWTH OF THE TOURISM INDUSTRY	18
2.4	THE EVOLUTION OF MARKETING THEORY	19
2.5	FACTORS INFLUENCING EFFECTIVE MARKETING OF TOURISM PRODUCTS	21
2.5.1	SEASONALITY	21
2.5.2	RANGE OF DIFFERENT PRODUCTS	21
2.5.3	PERMANENT VS NON- PERMANENT PRODUCTS	22
2.5.4	CROSS MARKET SALES	22
2.5.5	SIMILAR PROMOTION TECHNIQUES	22
2.5.6	LACK OF IMAGE CONTROL	23
2.6	MARKETING ORIENTATION	23
2.7	MARKETING PROCESS	24
2.7.1	MARKETING AS A MANAGEMENT PROCESS EXPLAINED BY LUMSDON (1997)	25
2.7.2	STRATEGIC MARKETING MANAGEMENT PROCESS (RIX 2007)	27
2.7.3	MARKETING PROCESS (GEORGE 2008)	29
2.7.4	MARKETING PROCESS (LAMB, HAIR, MCDANIEL, BOSHOF & TERBLANCHE 2004)	32
2.7.5	THE DEVELOPMENT OF A MARKETING PROCESS (SAAYMAN 2006)	34
2.7.6	THE DEVELOPMENT OF A HYBRID MARKETING PROCESS	40
2.8	CONCLUSIONS	42
 CHAPTER 3 MARKETING SEGMENTATION		
3.1	INTRODUCTION	44
3.2	CONTEXTUALISING MARKET SEGMENTATION	45
3.3	THE IMPORTANCE OF MARKET SEGMENTATION	46

3.4	ADVANTAGES AND DISADVANTAGES OF MARKET SEGMENTATION	47
3.5	THE BASES OF MARKET SEGMENTATION	49
3.5.1	DEMOGRAPHIC SEGMENTATION	49
3.5.1.1	Age and family life cycle	49
3.5.1.2	Gender	50
3.5.1.3	Income	51
3.5.1.4	Ethnic (cultural) segmentation	51
3.5.2	GEOGRAPHIC SEGMENTATION	51
3.5.2.1	Primary markets	52
3.5.2.2	Secondary markets	52
3.5.2.3	Tertiary markets	52
3.5.3	PSYCHOGRAPHIC (LIFESTYLE) SEGMENTATION	52
3.5.3.1	Personality	54
3.5.3.2	Motives	55
3.5.3.3	Lifestyle	55
3.5.3.4	Social class	55
3.5.4	BEHAVIOURAL SEGMENTATION	56
3.5.4.1	Benefit sought	56
3.5.4.2	Purchase occasion	56
3.5.4.3	Perception of offering	56
3.5.4.4	Loyalty	57
3.5.4.5	Buyer readiness	57
3.6	ALTERNATIVE TARGET MARKET STRATEGIES	57
3.6.1	MARKET AGGREGATION	57
3.6.2	SINGLE-SEGMENT CONCENTRATION STRATEGY	57
3.6.3	MULTIPLE-SEGMENT STRATEGY	58
3.7	CRITERIA FOR EFFECTIVE SEGMENTATION	58
3.8	THE MARKET SEGMENTATION PROCESS	59
3.9	DEVELOPING AND IMPLEMENTING A MARKET SEGMENTATION STRATEGY	59
3.9.1	STEP 1: ANALYSE THE EXISTING INFORMATION	60

3.9.1.1 Dimensions of a market analysis	60
3.9.1.1.1 Market profitability	62
3.9.1.1.2 The PEST analysis	63
3.9.2 STEP 2: DEFINE THE MARKET TO BE SEGMENTED	65
3.9.3 STEP 3: IDENTIFY AND APPLY SEGMENTATION BASES	65
3.9.4 STEP 4: METHODS OF DERIVING SEGMENTATION	65
3.9.5 STEP 5: EVALUATE SEGMENTS	67
3.9.5.1 Criteria for segment evaluation	67
3.9.5.2 Tools for evaluating market segments	68
3.9.6 STEP 6: MARKET SEGMENTS	69
3.9.7 STEP 7: TARGET MARKET STRATEGIES	69
3.9.7.1 Porter matrix	69
3.9.7.2 The Ansoff's matrix	71
3.9.8 STEP 8: MARKETING MIX	72
3.9.8.1 Traditional four P's	72
3.9.8.1.1 Product	72
3.9.8.1.2 Pricing	74
3.9.8.1.3 Place	78
3.9.8.1.4 Promotion	79
3.9.8.2 The additional three P's	79
3.9.8.2.1 People	79
3.9.8.2.2 Physical evidence	80
3.9.8.2.3 Process	80
3.9.9 STEP 9: POSITIONING PROCESS	81
3.9.9.1 Step 1: Identify a set of competitive advantages	81
3.9.9.2 Step 2: Select the right competitive advantage	81
3.9.9.3 Step 3: Communicate and deliver the chosen position	81
3.10 STEPS IN CLUSTER ANALYSIS	82
3.10.1 STEP 1: FEATURE SELECTION OR EXTRACTION	82
3.10.2 STEP 2: CLUSTERING ALGORITHM DESIGN OR SELECTION	82
3.10.3 STEP 3: CLUSTER VALIDATION	83

3.10.4 STEP 4: RESULT INTERPRETATION	83
3.11 STEPS IN OVERCOMING BARRIERS IN EFFECTIVE SEGMENTATION	84
3.11.1 STEP 1: MARKET ANALYSIS	84
3.11.2 STEP 2: STRATEGY DEVELOPMENT	85
3.11.3 STEP 3: MARKETING PROGRAMME	85
3.12 CONCLUSION	86
CHAPTER 4 RESULTS OF EMPIRICAL SURVEYS	
4.1 INTRODUCTION	87
4.2 DESCRIPTIVE ANALYSIS	88
4.2.1 CHERRY FESTIVAL	88
<i>Section A: Demographic detail</i>	
4.2.1.1 Gender	88
4.2.1.2 Age group	88
4.2.1.3 Language	89
4.2.1.4 Occupation	90
4.2.1.5 Residence	90
4.2.1.6 Type of accommodation	91
<i>Section B: Economic analysis</i>	
4.2.1.7 Number of people in travelling group	92
4.2.1.8 Length of stay at the festival	93
4.2.1.9 Number of people paid for	94
4.2.1.10 Main reason for visiting Ficksburg	95
4.2.1.11 Spending patterns	96
<i>Section C: Consumer behaviour and preferences</i>	
4.2.1.12 Reasons for attending the festival	96
4.2.1.13 Cherry Festival tours	97
4.2.1.14 Attendance of other festivals	99
4.2.1.15 Number of times at the Cherry Festival	99
4.2.1.16 Evaluation of the 2007 programme	100
4.2.1.17 Repeat visit to the Cherry Festival	100

4.2.1.18	Attendance of festival activities	101
4.2.1.19	Heard about the Cherry Festival	102
4.2.1.20	Evaluation of the festival	103
4.2.2	TRANSVALIA OPEN AIR SHOW	103
<i>Section A: Demographic detail</i>		
4.2.2.1	Gender	104
4.2.2.2	Age group	104
4.2.2.3	Language	105
4.2.2.4	Occupation	105
4.2.2.5	Residence	106
4.2.2.6	Type of accommodation	107
<i>Section B: Economic analysis</i>		
4.2.2.7	Number of people in travelling group	108
4.2.2.8	Length of stay at the show	109
4.2.2.9	Number of people paid for	109
4.2.2.10	Main reason for visiting Vanderbijlpark	110
4.2.2.11	Spending patterns	110
<i>Section C: Consumer behaviour and preferences</i>		
4.2.2.12	Reasons for attending the show	111
4.2.2.13	Helicopter rides	112
4.2.2.14	Attendance of other festivals	113
4.2.2.15	Number of times at the Transvalia Open Air show	113
4.2.2.16	Evaluation of the 2008 programme	114
4.2.2.17	Repeat visit to the Transvalia Open Air Show	115
4.2.2.18	Attendance of show activities	115
4.2.2.19	Heard about the Transvalia Open Air Show	116
4.2.2.20	Evaluation of the Transvalia Open Air Show	117
4.2.3	COMPARATIVE PROFILE SUMMARY OF VISITORS TO BOTH EVENTS	118
4.2.3.1	Section A: Demographic detail	118
4.2.3.2	Section B: Economic analysis	120
4.2.3.3	Section C: Consumer behaviour and preferences	121

4.3	EMPIRICAL ANALYSES	122
4.3.1	CHERRY FESTIVAL	123
4.3.1.1	Age vs gender	123
4.3.1.2	Age vs language	124
4.3.1.3	Age vs accommodation	125
4.3.1.4	Age vs province of origin	126
4.3.1.5	Age vs number of people paid for	127
4.3.1.6	Age vs reason for visit	128
4.3.1.7	Age vs spending category	129
4.3.2	TRANSVALIA OPEN AIR SHOW	130
4.3.2.1	Age vs group size	130
4.3.2.2	Age vs accommodation	131
4.3.2.3	Age vs reason for visit	132
4.3.2.4	Age vs ties with Transvalia	133
4.3.2.5	Age vs number of people paid for	135
4.3.2.6	Age vs reason for visit	136
4.3.2.7	Age vs spending category	137
CHAPTER 5		
5.1	INTRODUCTION	141
5.2	CONCLUSIONS	142
5.2.1	CONCLUSIONS WITH REGARD TO ANALYSING MARKETING	142
5.2.2	CONCLUSIONS WITH REGARD TO MARKETING SEGMENTATION AND HOW IT IS CONDUCTED	143
5.2.3	CONCLUSIONS WITH REGARD TO RESULTS OF THE RESEARCH SURVEY CONDUCTED	145
5.3	RECOMMENDATIONS	147
5.3.1	RECOMMENDATIONS REGARDING MARKET SEGMENTATION OF TOURISM AND EVENTS	147
5.3.2	RECOMMENDATIONS REGARDING FURTHER RESEARCH	149
	BIBLIOGRAPHY	151

LIST OF FIGURES

<i>Figure 2.1: Marketing core standards (Oelkers 2007:6)</i>	13
<i>Figure 2.2: Marketing as a management process (Lumsdon 1997:30)</i>	25
<i>Figure 2.3: Strategic marketing management processes (Rix 2007:480)</i>	27
<i>Figure 2.4: Extended marketing mix (George 2008:371)</i>	31
<i>Figure 2.5: The marketing process (Lamb, Hair, McDaniel, Boshoff & Terblanche (2004:23)</i>	32
<i>Figure 2.6: The marketing strategy process (Saayman 2006:204)</i>	34
<i>Figure 2.7: Comparing the different marketing processes</i>	38
<i>Figure 2.8: The hybrid marketing process</i>	40
<i>Figure 3.1: Maslow's theory of the hierarchy of needs (Marx, Van Rooyen, Bosch & Reynders 2004:5)</i>	54
<i>Figure 3.2: The market segmentation process adapted from Dibb and Simkin (1997:205)</i>	59
<i>Figure 3.3: Porter's five-factor model of marketing profitability (Adapted from Saayman 2006:88)</i>	61
<i>Figure 3.4: The three levels of an offering (George 2008:223)</i>	73
<i>Figure 3.5: Factors influencing pricing decision (George 2008:243)</i>	76
<i>Figure 3.6: Steps in cluster analysis (Xu et al. 2008:486)</i>	84
<i>Figure 3.7: Steps in overcoming barriers in effective segmentation (Dibb et al. 1997:51)</i>	85
<i>Figure 4.1: Gender</i>	88
<i>Figure 4.2: Age group</i>	89
<i>Figure 4.3: Language</i>	89
<i>Figure 4.4: Province of residence</i>	91
<i>Figure 4.5: Main reason for visiting Ficksburg</i>	95
<i>Figure 4.6: Reasons for attending the festival</i>	97
<i>Figure 4.7: Participation in tours</i>	97
<i>Figure 4.8: Opinion regarding tour prices</i>	98
<i>Figure 4.9: Attendance of other festivals</i>	99

Figure 4.10: Evaluation of the 2007 programme	100
Figure 4.11: Repeat visit to the Cherry Festival	101
Figure 4.12: Attendance of festival activities	101
Figure 4.13: Heard about the Cherry Festival	102
Figure 4.14: Gender	104
Figure 4.15: Age group	104
Figure 4.16: Language	105
Figure 4.17: Province of residence	106
Figure 4.18: Main reason for visiting Vanderbijlpark	110
Figure 4.19: Reasons for attending the show	111
Figure 4.20: Participation in helicopter rides	112
Figure 4.21: Opinion regarding helicopter ride prices	112
Figure 4.22: Attendance of other festivals	113
Figure 4.23: Evaluation of the 2008 programme	114
Figure 4.24: Repeat visit to the Transvalia Open Air Show	115
Figure 4.25: Attendance of show activities	115
Figure 4.26: Heard about the Transvalia Open Air Show	116
Figure 4.27: Biplot – Age and gender	123
Figure 4.28: Biplot - Age and language	124
Figure 4.29: Biplot - Age and accommodation	125
Figure 4.30: Biplot - Age and province of origin	126
Figure 4.31: Biplot - Age and number of PPL paid for	127
Figure 4.32: Biplot - Age and reason for visit	128
Figure 4.33: Biplot - Age and spending	129
Figure 4.34: Biplot - Age and group size	130
Figure 4.35: Biplot - Age and accommodation	132
Figure 4.36: Biplot - Age and reason for visit	133
Figure 4.37: Biplot - Age and ties with Transvalia	134
Figure 4.38: Biplot - Age and number of PPL paid for	135
Figure 4.39: Biplot - Age and main reason for visit	136
Figure 4.40: Biplot - Age and spending	137

LIST OF TABLES

<i>Table 2.1: Evolution of marketing theory (Bonita 2006:27)</i>	20
<i>Table 2.2: Summary of the marketing process by George (2008:12)</i>	30
<i>Table 3.1: Traditional life stages and variations (Lubbe 2003:242)</i>	50
<i>Table 4.1: Occupation</i>	90
<i>Table 4.2: City or town of residence</i>	91
<i>Table 4.3: Type of accommodation</i>	92
<i>Table 4.4: Number of people in travelling group</i>	93
<i>Table 4.5: Number of days at the festival</i>	94
<i>Table 4.6: Number of nights at the festival</i>	94
<i>Table 4.7: Number of people paid for</i>	95
<i>Table 4.8: Spending patterns</i>	96
<i>Table 4.9: Evaluation of tours</i>	98
<i>Table 4.10: Number of times at the Cherry Festival</i>	100
<i>Table 4.11: Evaluation of the festival</i>	103
<i>Table 4.12: Occupation</i>	105
<i>Table 4.13: City or town of residence</i>	107
<i>Table 4.14: Type of accommodation</i>	107
<i>Table 4.15: Number of people in travelling group</i>	108
<i>Table 4.16: Number of days at the show</i>	109
<i>Table 4.17: Number of people paid for</i>	110
<i>Table 4.18: Spending patterns</i>	111
<i>Table 4.19: Number of times at the Transvalia Open Air Show</i>	114
<i>Table 4.20: Evaluation of the Transvalia Open Air Show facilities and services</i>	117
<i>Table 4.21: Perception of the Transvalia Open Air Show</i>	117
<i>Table 4.22: Demographic detail</i>	118
<i>Table 4.23: Economic analysis</i>	120
<i>Table 4.24: Consumer behaviour and preferences</i>	121
<i>Table 4.25: Age vs gender categories</i>	123
<i>Table 4.26: Age vs language category</i>	124

<i>Table 4.27: Age categories</i>	125
<i>Table 4.28: Age vs province of origin category</i>	126
<i>Table 4.29: Age vs number of people paid for</i>	127
<i>Table 4.30: Age vs Reason for visit</i>	128
<i>Table 4.31: Age vs spending category</i>	129
<i>Table 4.32: Age vs group size</i>	130
<i>Table 4.33: Age vs accommodation</i>	131
<i>Table 4.34: Age vs reason for visit</i>	132
<i>Table 4.35: Age vs ties with Transvalia</i>	133
<i>Table 4.36: Age vs number of people paid for</i>	135
<i>Table 4.37: Age vs reason for visit</i>	136
<i>Table 4.38: Age vs spending category</i>	137
<i>Table 4.39: Summary of Cherry Festival</i>	139
<i>Table 4.40: Summary of Transvalia Open Air show</i>	139

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

Since South Africa's re-integration into the world economy and the lifting of sanctions in 1994, the role of tourism as a source of foreign exchange has significantly improved (Kagiso Special Places 2003:14). According to the South African Tourism annual report (SAT 2009), South Africa received R83,4 billion in direct foreign spending in 2008, of which 25.8 billion was generated by domestic tourism. In 2008, tourism arrivals to South Africa increased by 5.5% compared with arrivals in 2007.

On the local front tourism has also improved, with 13,9 million adults travelling in 2008 compared with 12,7 million in 2007. This represents an increase of 9,4% (SAT:2008). The growth of the tourism industry is dependent on both international and local travel. This implies not only that potential tourists need to be made aware of tourism opportunities through marketing but also that tourism marketers need reliable data concerning the characteristics and preferences of the various markets. The latter can be determined through market segmentation. According to George (2008:156), market segmentation allows marketers to focus on consumer needs and wants and to develop an effective marketing mix, as well as enabling more effective market positioning. The success of the tourism industry as a whole, as well as of individual products such as festivals, may therefore be increased by effective market segmentation.

This chapter will focus on the background to the study, followed by the problem statement and the objectives of the study. The importance of the study will be stated and the research methodology described. The outcomes of the study will be discussed, after which the discussion of certain concepts and the chapter outline will follow.

1.2 BACKGROUND TO THE STUDY

Market segmentation has developed significantly in recent years and many tourism marketers have realised its importance. According to Doole and Lowe (2008:110), market segmentation is a strategy used by companies whereby the target market is profiled and positioned into sub-markets or segments likely to manifest similar responses to marketing inputs. The aim is to identify the markets on which a company or a tourism product can concentrate its resources and efforts in order to achieve maximum penetration and return on investment. Lamb, Hair and McDaniel (2009:206) define market segmentation as the process of dividing a market into meaningful, relatively similar and identifiable segments and groups.

Market segmentation plays a vital role in the tourism industry. According to Burke and Resnick (2000:32), the travel market as a whole is too large to be effectively reached and too diverse to be communicated with in any single manner. As a result, marketing professionals divide the travel market into smaller, more manageable segments. This allows for the development of tourism products that are tailor-made for specific groups of people who are similar in needs, motivations and preferences. Furthermore, market segmentation allows marketers to focus their efforts on particular types of tourists.

Events and festivals are part of the South African tourism industry and a growing phenomenon. However, the number of events and festivals creates difficulties in attracting a high number of tourists as there are so many events and festivals to choose from. Knowledge of the characteristics and preferences of the festival market can create a competitive edge, and therefore market segmentation can enhance the success of these events and festivals by leading to the development of a better product and an increase in tourist numbers. According to George (2008:156), segmentation allows marketers to focus on consumer needs and wants and to develop an effective marketing mix. It also enables more effective market positioning. Shone and Parry (2010:152) state that it is important for any

organisation to know as much as possible about the target market. This allows a better understanding of the market and its behaviour as well as of what media techniques would make the market aware of a product or event.

This study focuses on the Cherry Festival and the Transvalia Open Air Show. The Cherry Festival is unique and has been held annually in Ficksburg (Free State) for the past 40 years, according to Boy (2007). This festival attracts both the local community and overnight visitors (seen as tourists). Activities at the festival include cherry farm tours, traditional music and live performances by various local and foreign artists, food stalls and a local market selling various goods. The total number of visitors to the Cherry Festival is over 45 000.

The Transvalia Open Air Show is held annually in the Vaal Region. It has been running for 20 years, according to Coetzee (2008), and attracts mainly the local community. Activities at the show include music and live performances by various local artists, a local market selling various goods, helicopter rides, carousels and food stalls. The total number of visitors to the Transvalia Open Air Show is over 10 000.

The results of this study will enable organisers to target the correct visitor market segments for both events and provide guidelines for improving the planning and marketing of events in both regions. A comparison will enable the researcher to identify success factors for both events with regard to market segmentation and assist in the implementation of future, similar events especially in the Vaal Region.

1.3 PROBLEM STATEMENT

As the tourism industry grows there is a need for proper management and sustainable business practices. This process involves the analysis and development of visitor segments, which allows tourism marketers to improve the marketing of products and focus their efforts on high-quality markets.

quality markets. Market segmentation can result in the attraction of fewer visitors but these will be more valued visitors in terms of spending. Geoffrey (2001:109) states that tourism products should try to produce exactly what the customers and consumers want. It should be the aim of any tourism product to enter into a long-term relationship with its tourists and visitors.

Numerous festivals, sports events, carnivals, fairs, shows and exhibitions are held annually across the globe. The dramatic increase in the popularity of events has become apparent in the growth in the number and size of the events that are being produced. Events offer various benefits to the hosting communities, such as creating a favourable image of a destination, expanding the traditional tourist season, spreading tourist demand more evenly in an area, and attracting foreign and domestic visitors (Keyser 2002:263).

Events have become one of the most common methods for visitors to satisfy their desire to sample local foods and traditions, to participate in games or just to be entertained. Events, together with the experience that they offer, are an important addition to the tourism product in that they contribute to visitors' experience of an area. Events often lead to an improvement in the quality of life of the residents of the host community, which, in turn, results in a sense of ownership by the local community (Motale 2008:2).

In order to accelerate growth in the events industry, it is important to understand the wants and needs of the market by means of market segmentation, which plays a vital role in the tourism industry. Market segmentation can be done by means of various methods, such as correspondence analysis, cluster analysis, regression tree and discriminant analysis.

As one of the developing festivals in South Africa and a well-known local festival, it is important for the Transvalia Open Air Show and the Cherry Festival to

1.6 DEMARCATION OF THE FIELD

According to Boy (2007), the Ficksburg Cherry Festival is one of the fastest growing festivals in the country, attracting over 47 000 visitors in 2007. The Transvalia Open Air Show is held annually in Vanderbijlpark and attracts mainly domestic visitors. According to du Preez (2008), the show attracted 10 000 visitors in 2007.

1.7 THE RESEARCH METHODOLOGY

An analytical survey method was used for this study, focusing on a two-pronged approach: a literature study and a quantitative study.

1.7.1 Literature review

An extensive study of literature pertaining to market segmentation has been conducted. During the gathering, classification and analysis of the literature, emphasis was placed on the benefits and limitations of creating market segments and on the methods of segmentation as well as their effectiveness. Databases used include: library databases, South African Periodicals (repertorium), dissertations, multimedia, Social Science Index, ERIC, Humanities Index, EBSCO-Host, Internet and governmental studies. The keywords include: tourist, tourism, market segmentation, visitor and marketing.

1.7.2 Empirical survey

The empirical survey was done at the Cherry Festival held annually in Ficksburg and the Transvalia Open Air Show held annually in Vanderbijlpark and was conducted as described in the following section.

1.7.3 Research design and method of collecting data

A phenomenological approach was used in conducting the quantitative research. In this approach the researcher was interested in the meaning the participant attaches to his/her perceptions of the festival, as well as the profile of the visitor. The research is therefore descriptive by nature.

A survey was conducted during the Cherry Festival held in 2008. Five hundred and fifty questionnaires were completed at the festival, of which 474 were suitable for analysis. A second survey was conducted during the Transvalia Air Show held in 2008. Two hundred and seventy three questionnaires were completed, of which 260 were suitable for analysis. In both cases the data were collected by means of a structured questionnaire.

These questionnaires were distributed amongst visitors on the show grounds based on convenience sampling. The questionnaire took 15 to 20 minutes to complete and it measured the demographic, geographic and psychographic characteristics of the visitors, as well as the service levels of the festival.

Slabbert (2004:63) emphasises that the advantages of a quantitative approach include the following: it is suitable for collecting demographic information such as gender, age and income; it is inexpensive to conduct; and it is relatively easy to tabulate and analyse, using statistical programmes.

1.7.4 Respondents

In both cases a convenience sampling procedure was followed involving festival visitors on the festival grounds. Festival visitors willing to complete the questionnaire were asked to participate. The researcher trained the fieldworkers in the completion of the questionnaire and in most cases the fieldworkers waited for the participant to complete it. Therefore, if there were difficulties with regard to the questionnaire, they were dealt with immediately and in a professional manner. This also resulted in a higher number of completed questionnaires.

1.7.5 The questionnaire

The measuring instrument used to gather the information has previously been implemented by North West University in similar studies (Saayman, Slabbert & Saayman 2006; Saayman & Viviers 2006). It was designed using questions and information from previous studies as well as event and tourism literature. Slightly

different versions of this questionnaire were used in the present study, which focused more on the structure of the two selected festivals.

The questionnaire consisted of two sections. Section A focused on the demographic profile of the visitors and closed-ended as well as limited open-ended questions were used to obtain the data. Section B analysed the consumers' behaviour and preferences.

Since this questionnaire has been tested as being successful in previous studies (Saayman, Slabbert & Saayman 2006; Saayman & Viviers 2006), employing an extensive pilot testing phase was considered to be unnecessary.

1.7.6 Data analysis

The data, coded and captured on Excel, were statistically processed on SPSS (Statistical Package for Social Sciences) (Version 15) by Statistical Services of North West University. The descriptive statistics focused on the demographic profile of the festival visitors and were presented with descriptive graphs and tables indicating the frequency distributions.

Secondly, market segmentation was implemented by means of correspondence analysis.

1.7.7 Correspondence analysis

Correspondence analysis is an exploratory data analytic technique designed to analyse simple two-way and multi-way tables containing a measure of correspondence between rows and columns. It is also a descriptive data analytic technique. The advantage over other methods yielding joint graphical displays is that it produces two dual displays whose row and column have similar interpretations, assisting analysis and detection of relationships.

1.8 OUTCOMES OF THE STUDY

The following outcomes were achieved:

- Knowledge has been added to the current literature base of market segmentation;
- Viable market segments were identified for both events;
- Recommendations have been made regarding the marketing strategies appropriate for the identified market segments;
- Lastly, this study will assist festival organisers in successfully marketing the festivals.

1.9 DEFINITION OF TERMS

1.9.1 MARKET SEGMENTATION IN TOURISM

Oelkers (2007:63) describes market segmentation as a process of acquiring information in order to identify potential customers who have similar needs and wants. Furthermore, the market segmentation process involves identifying subsets of consumers who have distinct, homogeneous demand characteristics. According to George (2008:141), market segmentation is a technique used by tourism establishments to divide a market into smaller, more clearly defined groups that share similar needs, wants and characteristics. The definition of market segmentation proposed by Lamb *et al.* (2004:165) correlates with the previous definitions in stating that market segmentation is the process of dividing a market into meaningful, relatively similar and identifiable segments or groups.

1.9.2 VISITOR

Ivanovic, Khunou, Reynish, Pawson, Tseane and Wassung (2009:171) define visitor attractions as those that cater for day visitors. Lubbe (2003:104) defines a visitor as a person who travels to an attraction for less than 24 hours and who does not stay overnight. This corresponds with the first definition.

1.9.3 TOURIST

Ivanovic *et al.* (2009:156) describe a tourist as the person who makes use of markets and visits an attraction. According to Lubbe (2003:51), a tourist is a visitor travelling to a place outside his or her home environment for a purpose other than work, for less than 12 consecutive months, whose purpose is not for remuneration for activities undertaken at the place visited. According to the United Nations World Tourism Organisation (UNWTO) cited by George (2008:487), a tourist is a visitor whose visit is at least one night and the purpose of the visit may be classified according to one of the following groups: (a) leisure and holidays; (b) business and professional; (c) other tourism purposes. Tourists may be divided into those who travel in their own country (domestic tourists) and those who travel between countries (international tourists).

1.10 CHAPTER OUTLINE

Chapter one provides the problem statement and method of research. In chapter two, a literature review was undertaken to understand market analysis. Factors such as understanding marketing, its importance and evolution as well as marketing theories were covered. Lastly, factors affecting marketing and the marketing processes are discussed. Chapter three is a literature review on market segmentation based on previous studies as well as theory. Aspects of market segmentation that are covered include defining market segmentation, its importance, advantages and disadvantages and implementation strategies. Chapter four will consist of the results of the surveys that were analysed and discussed based on the descriptive and empirical analysis conducted. The data are used to compile graphs and tables so that a profile of each festival is showed. The purpose of this chapter was to reflect the results of the study and is divided into two sections, the first of which incorporates a discussion of the descriptive analyses of both festivals and the second a discussion of the correspondence analyses of both festivals. In chapter five, conclusions are drawn and recommendations made to the festival organisers and also for future studies.

developing day by day. It is a process that influences the tourism industry to an increasing extent in the globally competitive conditions of the twenty-first century.

According to George (2008:4), marketing concerns consumers (tourists) – how to find them, how to satisfy them, and how to keep them. Kotler, Wong, Saunders and Armstrong (2008:6), as well as Mullins, Walker and Boyd (2006:6), state that marketing is a social process involving the activities necessary to enable individuals and organisations to obtain what they need and want through certain exchanges with others, which may lead to ongoing exchange relationships.

The American Marketing Association, as quoted by Cooper and Schindler (2006:5), view marketing as “an organisational function and a set of processes necessary for creating, communicating and delivering value to customers and for managing customer relations in a way that benefits the organisation and its stakeholders”.

On the other hand, Burns and Bush (2009:7) state that marketing is the process of designing, gathering, analysing and reporting information that may be used to solve a specific marketing problem. More recently, Oelkers (2007:4) added that marketing can be seen as a series of activities that creates an exchange between the customer and the tourism business in order to satisfy the needs of the individual customer and increase the profit of the business.

It can also be added that every customer (tourist) should be seen as an additional marketing tool and that satisfied consumers (tourists), by means of word of mouth, are a tourism product's most effective marketing tool. This statement is supported by Page and Connell (2006:194), who state that word-of-mouth recommendations remain the most powerful promotional tool for any organisation or attraction.

For the purpose of this study, marketing can be seen as the process by which an organisation identifies its consumers and their needs and wants and takes the necessary action to satisfy those needs and wants. In order to understand the context of marketing it is important to analyse the standards of marketing, which will be discussed in the next section.



Figure 2.1: Marketing core standards

Source: Oelkers (2007:6)

2.2.2 CORE STANDARDS OF MARKETING

The core standards of marketing are vital in every transfer of travel goods and services to the consumer. Satisfying the needs and wants of the consumer and making a profit requires knowledge and correct practical implementation of each

standard. The core standards are vital building blocks to successful marketing. Oelkers (2007:6) identified seven core standards, as indicated in Figure 2.1.

a. Distribution

Distribution involves the process of moving the product or service from the producer to the consumer in the best possible way. It is done in order to make the product available for consumption or experience. Tour operators market newly created package tours to travel agencies for consumer use. The distribution of the tourism product is difficult since the product cannot be taken to the potential consumer or tested by the consumer. The potential tourist has to be brought to the product, which makes distribution challenging (Oelkers 2007:6). This is especially the case with festivals, where the product is produced and consumed at the same time.

b. Marketing information management

Marketing information management refers to the collecting of data in order to make business decisions. This data can assist in identifying consumers' needs and wants and in determining how willing they are to pay for obtaining certain products or services. It can lead to more effective market segmentation (Oelkers 2007:6).

George (2008:11) describes information gathering as the knowledge of a market trend, consumer segments and consumer buying behaviour, which is mostly derived from marketing research. For example, market segmentation research will focus on determining the demographic, socio-economic, psychographic and geographic characteristics of the market. This type of information about the market is vital as it is used to make marketing decisions.

c. Pricing

Randall (2001:189) emphasises that in any market, price plays a central role in the exchange process. The exchange process determines the value of a product

or service even if the price is not fixed. Oelkers (2007:6) states that consumers want value for money and a fair deal for money spent. In pricing, a balance must be established between making the product affordable for the consumer and profitable for the tourism business. Competition forces organisations to stay competitive in terms of price according to the needs of the target market. Since the competition in events is increasing and the economic circumstances are challenging, it is important that the product remain affordable.

d. Product/service management

Randall (2001:136) describes seeing the attributes of a product or service from the consumer's perspective as a function of marketing. Oelkers (2007:6) views product/service management as a combination of the right mix of products and services of an organisation to match customer needs and wants, which can increase its sales. Once the consumer's needs and wants have been determined, the product or service can be tailored to adhere to those requirements.

e. Promotion

Bowie and Buttle (2004:196) state that the end goal of most marketing communication strategies is to influence demand and generate sales. Oelkers (2007:6) describes promotion as communication with potential customers in order to sell a product or service. This can be done through various methods and channels, including advertising, publicity, sales promotions, personal selling and so on.

f. Selling

Oelkers (2007:6) states that selling involves communicating directly with customers to determine and then satisfy their needs and wants with appropriate products or services. Bowie and Buttle (2004:196) mention that in the past, companies considered promotion as a tool with which to communicate with customers in order to increase sales. Companies have come to realise that

communication with consumers should be a two-way process if sales are to be improved.

g. Financing

Bennett, Jooste and Strydom (2005:367) emphasise that financial planning is vital in the marketing process. Because of the continuous changes in an organisation's financial position, it is important to be aware of future financial needs. Oelkers (2007:6) states that the best way of achieving this requires budgeting, finding investors, keeping records, funding the business operations and helping customers find ways to afford the product and services. Marketing is therefore not a low-budget item.

It is clear that marketing planning is the systematic process of deciding on and communicating the goals and objectives of the organisation. Marketing involves the analysis of the organisation's strengths and weaknesses in its current and prospective market, identifying its aims and the opportunities it seeks to develop, and defining strategies to achieve its aims.

Both George (2004:9) and Oelkers (2007:7) agree on the importance of understanding and satisfying the consumer. George's view (2004:9) is more relevant to the tourism industry as a whole. It gives the marketing practitioner greater scope and scale to consider. Oelkers core principles are more relevant to the tourism organisation's individual marketing process. The core marketing standards serve as important building blocks for the successful planning and hosting of festivals in the tourism industry.

The importance of marketing will be discussed in the following section.

2.3 IMPORTANCE OF MARKETING

According to George (2008:13), marketing plays a key role in several areas, including society as a whole, different types of businesses and everyday life. It

also offers excellent career opportunities. Page and Connell (2006:299) state that marketing is central to tourism products and enables these products to create value through transactions with customers. The following aspects highlight the importance of marketing:

2.3.1 THE ROLE OF MARKETING IN SOCIETY

Marketing is seen as a core element of modern society and marketing efforts are visible all around us. According to George (2008:13) tourism marketing, which will influence the industry to an increasing extent, is still in the early stages of development. With the increase in competition in the tourism industry it becomes more important to market tourism products effectively and build loyalty towards these products. This adds to the importance of conducting research in the field of marketing and especially with regard to tourism products such as events.

2.3.2 THE IMPORTANCE OF MARKETING TO ALL TYPES OF BUSINESSES

George (2008:14) states that the aim of any business is to make profit, to expand and to prosper. Marketing can be seen as one of the tools used in achieving these aims as it is the first contact consumers have with a product or service. Marketing is equally important in all businesses, both public and corporate, as each organisation competes for its share of the market.

2.3.3 THE EFFECT OF MARKETING ON EVERYDAY LIFE

Wherever tourists travel they are exposed to marketing in one form or another (George 2008:14). Whether one is driving in a car while listening to the radio or standing in a shopping mall, marketing forms a part of everyday life. Everyone is a consumer and, as such, part of the marketing process. Understanding how marketing works will allow for better-informed decisions.

2.3.4 COMPETITIVE ADVANTAGE

The effectiveness of marketing is greatly influenced by various factors outside the marketer's control. Lubbe (2003:145) points out that the success of marketing

is dependent not only on the push (demand side) or pull (supply side) factors. She explains that the success of a tourism destination's competitive advantage is influenced by a number of factors, namely:

- Availability and accessibility of key attractions;
- cultural links between the source and destination market;
- distance and accessibility of the destination;
- development level of destinations infrastructure;
- the level of quality and value for money offerings;
- stable and secure tourist environment;
- positive branding of destination; and
- tourism-conducive policies and enabling factors.

These factors influence the marketing strategy undertaken in a specific target market segment and should be taken into account when undertaking marketing planning.

2.3.5 INCREASE IN TOURIST NUMBERS AND GROWTH OF THE TOURISM INDUSTRY

According to Lubbe (2003:62), in 1990 a research programme was launched by the United Nations World Tourism Organisation (UNWTO) to forecast the future of tourism by 2020. It predicted continuous growth in the tourism industry, especially with regard to domestic travel in developing countries, including Africa. According to SAT (2008) tourism has grown exponentially from 640 000 visitors in 1994 to 9.6 million in 2008. Tourism accounted for 8.5 percent of South Africa's gross domestic product (GDP) in 2008.

The tourism industry has therefore grown at a tremendous rate. The demand and supply of tourism offerings has increased, together with the competitiveness of the market. The Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk as quoted by South African Government Information (2005), stated that the Soccer World Cup in 2010 would offer an excellent tourism marketing

platform for South Africa. He also maintained that marketing should take a leading role in generating tourism for South Africa. The increase in tourist numbers is therefore influenced by the effectiveness of marketing and market segmentation.

In order to understand marketing to its full extent it is important to be aware of the evolution of marketing theory, which will be discussed in the next section.

2.4 THE EVOLUTION OF MARKETING THEORY

Bonita (2006:27) explains the evolution and history of marketing theory. Marketing is not a modern phenomenon and predates even money. The concept of marketing was originally very simplistic, even when bartering goods was the only form of trade. Unless parties involved in the exchange were equally motivated, it was necessary for one party to persuade the other to make the deal. When businesses started to develop they were found in small communities, most often only one business of a kind. This led to a lack of alternatives. Everyone knew the business owners and in self-interest, to keep their neighbours satisfied, goods were produced which were needed and desired.

As the size of businesses grew they were no longer found in each community. Mass production did not allow the producer the opportunity to know all the clients. This led to serious consideration of how a product should be marketed. Producers needed to convince consumers that their product offered value and certain benefits to them. During the early 20th century demand grew for individuals with specialised training to take up the task of marketing products on the manufacturer's behalf. In order to supply the market with the necessary skilled individuals, marketing became an academic study at colleges and universities.

The way in which consumers have been approached to buy a product or service has changed as the market has evolved. During the 19th century, businesses

could rely on the production approach (see Table 2.1) as competition was rare and consumers had no alternative choice. As demand increased and competition became more intense, businesses began implementing the sales approach. The focus was on developing the right sales technique for the appropriate market. The current marketing approach focuses on the needs and wants of the consumers.

Table 2.1: Evolution of marketing theory

Source: Bonita (2006:27)

Era	Approach	Description
Production era (1900)	Production	Build a product and it will be bought.
Sales era (1970)	Sales	Use the right sales technique and the product will be bought.
Marketing era (1990)	Consumer	Ask consumers what they want, build it and they will buy.

Page and Connell (2006:300) support the above, observing that the evolution of tourism and the practice of marketing have a long tradition, evident from the early work of Thomas Cook in using promotional material for tourism. The formal identification of the concept of marketing emerged only in the 1950s. The following stages are highlighted:

- The production era was based on the notion that if a product was priced cheaply, it would sell regardless of consumer preferences. It was an inward, product-oriented focus with little concern for consumers.
- In the sales era, selling formed the main focus, regardless of the market's willingness to accept the product.
- The marketing era replaced the preceding approaches: organisations provided products and services tailored to consumers' needs and wants, effectively making the organisation more consumer-orientated. This

highlights the importance of the target market and the role of market segmentation in the marketing process.

Together with placing the focus on target markets and how to fulfil their needs, it is also important to determine which factors can influence effective marketing in order to minimise marketing problems.

2.5 FACTORS INFLUENCING EFFECTIVE MARKETING OF TOURISM PRODUCTS

Lumsdon (1997:30) explains that the principle of marketing in tourism can be applied universally as a discipline in any business. However, there is a difference in the application of tourism marketing principles. This is true especially in attracting potential tourists and in service delivery. The biggest differences in the tourism industry as opposed to other businesses are described in the following section.

2.5.1 SEASONALITY

Seasonality refers to the effect of climate on demand, for example fluctuating visitor numbers to a ski resort during the year. A perfect example is the Cherry Festival, which is season-bound as it is held only during the time the cherries are harvested. The tourism industry is constantly affected by high and low seasons, which see a rise and fall in visitor numbers and usage of facilities and products. Marketers need to be aware of the effect of seasonality as it has implications for the time and position of placement of advertisements (Lumsdon 1997:30).

2.5.2 RANGE OF DIFFERENT PRODUCTS

The wide range of tourism products in a specific area makes service and product development as well as changes more difficult to manage, and even uncontrollable. Potential tourists are exposed to a variety of products and marketing efforts must be informative and attractive enough to encourage a

booking. Again, this highlights the vital role market segmentation plays in competitiveness, especially as competition increases (Lumsdon 1997:30).

2.5.3 PERMANENT VS NON-PERMANENT PRODUCTS

Tourism products such as accommodation are fixed and cannot easily be transformed into another product. Such products are also located in a certain area, which may influence the attractiveness of the product. Although service levels, interior design, marketing efforts and so on can be adapted according to the needs of the market, the physical product is fixed. It can also accommodate only a certain number of people at any given time. Therefore, during high season it is not possible to add another 10 rooms because the demand is high and, similarly, it is not possible to take away 10 rooms when the demand is low. Marketing must therefore ensure that the bed-occupancy rate is as high as possible throughout the season.

On the other hand, non-permanent attractions such as festivals are more flexible. Festivals can change location based on demand and programmes can be altered yearly to satisfy demand and keep the festival new. Festival organisers rely on research to determine what the visitors think while attending, as well as for recommendations on further improvements. Change can occur when needed to accommodate the visitors' needs.

2.5.4 CROSS MARKET SALES

Destinations sell their services to a wide range of market segments at the same time. This is done as destinations offer different types of products and services. Tourism products can therefore be purchased in the same way anywhere in the world. It is thus crucial to have knowledge of the market.

2.5.5 SIMILAR PROMOTION TECHNIQUES

Service products are generally sold in a similar way even though interests and budgets of the target segments might differ. Competitive products use the same

types of promotion techniques, which make it difficult to be unique in terms of approach. However, it is important to be creative in the marketing efforts in order to attract the attention of the target market.

2.5.6 LACK OF IMAGE CONTROL

The image of a tourism product is often determined by the area or region it is in and cannot be directly influenced by businesses. In an online newspaper article by the Machipisa (2001) it is stated that tourists who would have visited Zimbabwe during a solar eclipse had made alternative arrangements to stay in Zambia. This was due to the political unrest and farm invasions during that time in Zimbabwe. In the above-mentioned example, the tourism destinations had no part in the unrest or any control over what was happening, but suffered losses because of it.

It is therefore clear that marketing of the tourism product requires in-depth knowledge of the needs and wants of the target market. Marketing tourism products has its own unique challenges and is very susceptible to outside factors which can change the consumer's perception at any time. Marketing and market segmentation play a crucial role in identifying opportunities and possible threats to products. It is vital that tourism products such as festivals embrace a market orientation approach in marketing. The next section will highlight some characteristics of products which are market orientated.

2.6 MARKETING ORIENTATION

An organisation which is market orientated has a direct consumer focus. Page and Connell (2007:302) state that in most organisations, marketing is a key component where consumer products are sold. Lumsdon (1997:27) has highlighted some of the characteristics that tourism products which are market orientated might exhibit:

- A clearly defined approach to existing, potential and long-term markets;
- policies and actions which take into account the concerns of the consumer in relation to social and environmental requirements;
- implementation which involves internal marketing, consumer orientation and consideration of stakeholders, including local communities;
- market environmental scanning which includes short- and long-term scenarios;
- marketing planning process which is part of the culture of the organisation and includes genuine reappraisal of internal resources; and
- a structure and culture which leads to long-term vision.

In practice, each product is unique and will subsequently apply marketing activities in a way that is most beneficial to its product or services.

Marketing is not implemented in a short space of time and consists of numerous steps that require careful planning and implementation. These processes may differ depending on the product to be sold and the market at which it is targeted. The following section will highlight different marketing processes and a comparison will be drawn between the identified processes.

2.7 MARKETING PROCESS

The process of tourism marketing has evolved as the tourism industry has grown and became more complex. George (2008:30) states that the marketing of tourism offerings can be more difficult than marketing products. It is necessary to understand how the marketing process has grown in the field of tourism in order to predict its future growth. The following section will examine the perceptions of various authors with regard to what makes a successful marketing process. It will also deal with the components of various marketing processes in order to understand these processes and identify the role and importance of market segmentation in each process. It can be seen that the number of components which form part of the marketing process has increased over the years.

2.7.1 MARKETING AS A MANAGEMENT PROCESS EXPLAINED BY LUMSDON (1997)



Figure 2.2: Marketing as a management process

Source: Lumsdon (1997:30)

Lumsdon based his marketing process on a management framework, which can be seen in Figure 2.2. He identified the steps and explained them as follows:

Step 1: Provision of a marketing information system

According to Lumsdon, the marketing information system is very important. The establishment of an information system will include research on:

- Customers' needs, wants and characteristics in order to provide the necessary services to them;
- competitors' capabilities and market share, which will determine the marketing strategies to be used; and
- the organisation's own capabilities, effectiveness and market share to determine market reach.

Even in the first step of the marketing process it is already clear that the identification of needs, wants and characteristics of customers is important, which relates directly to market segmentation.

Step 2: Marketing planning

Once the necessary information has been collected, the organisation starts to formulate a broad marketing strategy based on:

- Present marketing environment;
- evaluating the strategic options based on the service offering and available resources;
- implementing the best marketing strategy based on the organisation's available resources, its existing and potential markets;
- adapting the organisation's mission statement and objectives; and
- segmenting the market and repositioning its offering.

Step 3: Planning the tactical campaign

Once the marketing strategy has been determined, the short-term plans can be implemented, namely:

- A thorough analysis of the marketing mix, which is based on the research findings and its implementation in the company strategy; and
- setting campaign objectives, budgets and schedules.

Step 4: Marketing operations

The process of implementing the tactical marketing plans is based on the following:

- Co-ordinating the company's internal and external marketing activities;
- making necessary adjustments to the campaign based on changing market trends; and
- implementing programmes of work set out in the planning stages;

Step 5: Monitoring and control

Continuous monitoring of the following:

- Evaluation of sales data and financial performance based on targets;
- consumer feedback as part of the marketing research programme; and

- feedback from staff about the campaign and competitors' activities (Lumsdon 1997:30).

The role of market segmentation can be identified as early as in the first step, where its purpose is to identify the needs, wants and characteristics of customers. This information therefore influences the rest of the marketing process.

2.7.2 STRATEGIC MARKETING MANAGEMENT PROCESS (RIX 2007)

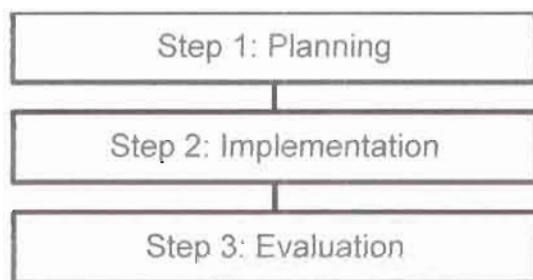


Figure 2.3: Strategic marketing management process

Source: Rix (2007:482)

Rix (2007:482) states that strategic marketing planning is undertaken by organisations in order to establish goals, objectives and the direction to be taken. It can be done only once the appropriate strategies have been identified. Rix (2007) identified three steps (see Figure 2.3):

Step 1: Planning

During the planning phase it is important to design the mission statement of the organisation. A short but clear statement of what should be achieved has to be developed. It should be consumer orientated and therefore adhere to the needs of the customers.

This is followed by the setting of the organisational objectives. It consists of tactical marketing (short-term plans) which is done once the organisation has set out clear guidelines on how to achieve them. This implies an evaluation of existing products and services in the marketplace. Markets should be analysed to

provide insight into their attractiveness. This will assist an organisation in planning its future resource allocation.

Having established its goals and objectives, an organisation can decide how it wishes to achieve them. It would then be necessary to identify and select the correct tools. The Ansoff Product Market Growth Matrix is used as a planning tool to classify future growth opportunities and evaluate the level of risk that might be present. Porter's Competitive Strategies model helps marketers select the correct strategies to pursue the organisation's overall goals.

Step 2: Implementation

Organising the marketing effort involves the setup of internal structures necessary for performing the desired operations. The marketing department identify and allocate personnel tasked with performing the functions. Of high importance is the organising of sales and marketing functions by geography, product or customer specialisation.

Staffing the organisation is vital and selecting employees that are responsible and able to carry out the marketing programme is crucial. It is important that the correct people are selected with the necessary experience and skill.

Managing the marketing operation requires successful implementation of the marketing programme. A dedicated manager is needed with the necessary insight, expertise, communication and motivational skills to implement the programme.

Step 3: Evaluation

Evaluating the performance of the operation allows managers to determine whether the programme is effective or not and the reasons for this. Such an evaluation can be either formal or informal. Both seek to answer three crucial questions:

- What happened?
- Why did it happen?
- What should be done about it?

Analysing sales volumes and marketing costs are useful means of determining marketing performance.

- Sales volume analysis seeks to determine the amount of achieved sales compared with set goals for the organisation, market segments or sales areas. Furthermore, sales volume analysis seeks to compare the organisation's sales with market trends and performance of the market share.
- Market cost analysis seeks to compare the cost of marketing and delivering the organisation's product with the sales made and income generated.

Once management has determined the performance of the programme in respect of sales volumes and marketing costs, it can decide what future action should be undertaken.

2.7.3 MARKETING PROCESS (GEORGE 2008)

According to George (2008:12), the marketing process consists of four phases (Table 2.2): information gathering, marketing planning, understanding the marketing mix and promotional strategies.

Table 2.2: Summary of the marketing process by George (2008:12)

Step	Process	Description
Step 1	Information gathering	Market research, market segmentation, consumer behaviour
Step 2	Marketing planning	Trends in external business environment and market planning process
Step 3	Understanding the marketing mix	The elements of marketing mix and the extended marketing mix
Step 4	Promotional strategies	The communications mix and promotional strategies

Source: George (2008:12)

Step 1: Information gathering

This process consists of research undertaken in the market. The research data will be analysed and marketing decisions are based on the results. The market is divided into segments based on their characteristics and consumer behaviour.

Step 2: Marketing planning

This involves the systematic processes of deciding on and communicating the goals and objectives based on gathered information. Marketing planning requires that the organisation identify its strengths and weaknesses in its current and prospective market. It allows the organisation to identify its aims and the opportunities it seeks to develop, and define the strategy it will employ to achieve those aims and opportunities.

Step 3: Marketing mix elements

The marketing mix elements refer to the basic elements that can be used to communicate with consumers. The traditional market mix for the production industry consists of the four P's: product, price, place and promotion. The four P's form the core of any marketing plan. In theory and in practice the marketing

mix elements are related to one another and can to some extent be controlled by the marketer.

Because tourism is a service-related industry which sells an experience (intangible) and not a physical product (tangible) three additional elements are added to the marketing mix (Figure 2.4): physical evidence, people and processes (George 2008:371). The seven P's will be discussed in greater detail in Chapter 3.



Figure 2.4: Extended marketing mix

Source: George (2008:371)

Step 4: Promotional strategies

George (2008:12) states that the aim of marketing is to ensure that the most suitable promotional strategies are used to achieve the organisation's planned goals and targets. A successful promotional mix consists of the right combination of advertising in magazines or newspapers, sales promotions, public relations and personal selling. Two of the most important marketing mediums are the internet and direct marketing.

Again, market segmentation forms part of step 1, where the market is analysed according to certain components which can be identified.

2.7.4 MARKETING PROCESS (LAMB, HAIR, MCDANIEL, BOSHOF & TERBLANCHE 2004)

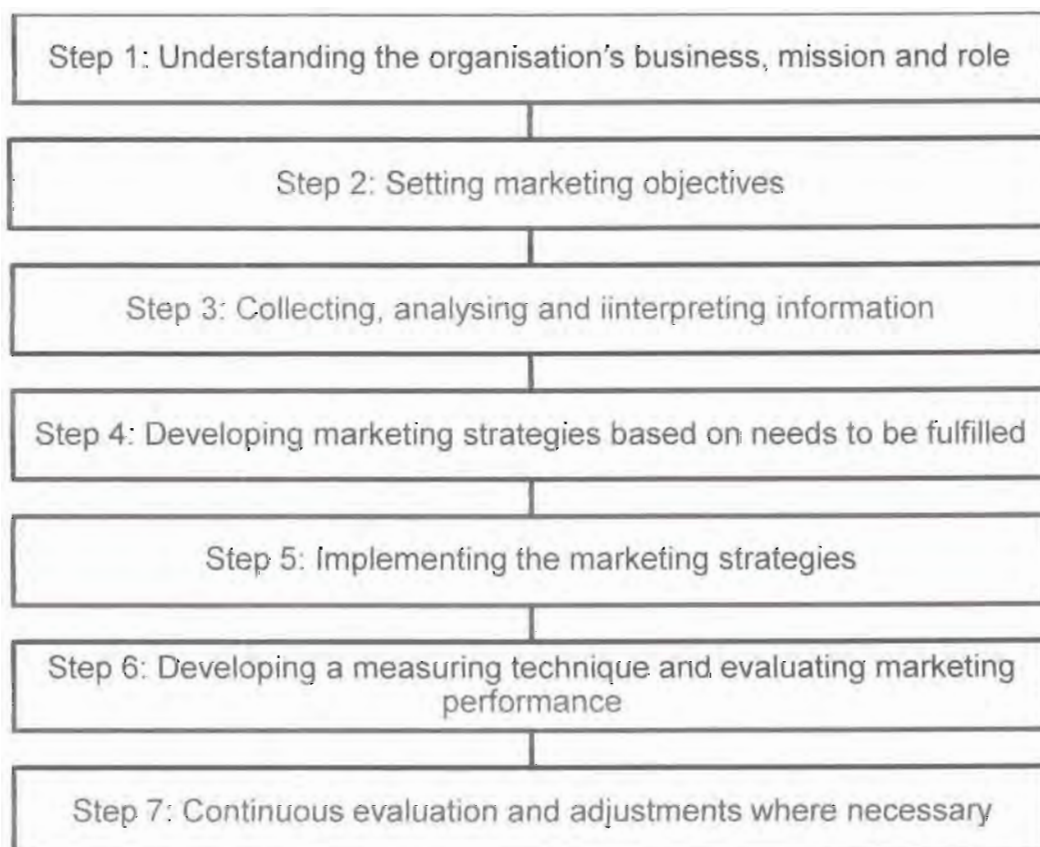


Figure 2.5: The marketing process

Source: Lamb, Hair, McDaniel, Boshoff & Terblanche (2004:23)

Lamb *et al.* (2004:23) state that marketing is not a once-off exercise but a continuous process. All the activities undertaken by a marketing manager constitute the marketing process. These include:

Step 1:

Understanding the organisation's business, mission and role and the part played by marketing in realising that mission.

Step 2:

Setting marketing objectives. The marketing objective determines the tasks employees need to fulfil and contribute in order to succeed.

Step 3:

Collecting, analysing and interpreting information about the firm's situation, including its own strengths and weaknesses as well as the opportunities and threats in the market.

Step 4:

Developing marketing strategies based on whose needs and which needs the organisation aims to satisfy, the position the organisation has in the market compared to its competitors and which share the organisation wishes to own, and then developing the appropriate marketing activities to satisfy the target market needs.

Step 5:

Implementing the marketing strategies. Success is determined by whether or not the marketing strategy is implemented correctly.

Step 6:

Developing a measuring technique for evaluating its market performance.

Step 7:

Continuously evaluating its marketing effort and making appropriate adjustments where necessary.

During step 4 the development of the marketing strategies is based on the results of the marketing segmentation analysis. Market segmentation again plays an important role and determines the marketing strategies to be used.

2.7.5 THE DEVELOPMENT OF A MARKETING PROCESS (SAAYMAN 2006)



Figure 2.6: The marketing strategy process

Source: Saayman (2006:204)

Saayman (2006:204) argues that the process of developing a marketing strategy is one of the key ingredients in the successful marketing of a destination.

Step 1: Strategic analysis

A. SWOT analysis

The first component in strategic analysis is the SWOT analysis. It is the process of identifying the strengths and weaknesses of the organisation which can be influenced and controlled. The opportunities as well as the threats in the market are identified as they cannot be influenced or controlled.

B. Analysing the industry and market

The organisation analyses the present structures and dynamics of the industry in which it is competing or wishes to expand, as well as profitable opportunities. Such analysis is important as it helps to determine:

- The profitability of the market; and
- the dynamics of the market, which helps set the future course of the organisation in the market.

C. Product and competitor analysis

Such an analysis is done to determine the competitiveness of an organisation and its present products against that of competitors. The organisation may offer services which the competition does not and vice versa.

Step 2: Defining the target market

According to Saayman (2001b), it is no longer possible to provide services to all markets. The size, scope and scale of the market and competing products have become too diverse. It is therefore important that an organisation specialise in catering for a specific market. It requires a market segmentation analysis. Once this is completed one can identify a market that is profitable. Market segmentation will be discussed in depth in Chapter 3.

Step 3: Develop a marketing mix

The marketing mix consists of those tools that an organisation uses to ensure that its marketing objectives in the chosen target market are met (Kotler

2008:98). The marketing mix was originally used during the 1960s for the sale of physical products. However, because tourism is a service industry, Kotler and Armstrong (2010:77) restated the P's as C's in order to reflect the service-oriented nature of the tourism industry. The marketing mix consists of product, place, price and promotion (communication) and forms part of the marketing plan.

Step 4: Formulating marketing strategies

Various strategies exist in order to inform, keep and make the best use of the market the organisation has chosen to pursue. Saayman (2001b) and Walker, Boyd and Larreche (1992:503) suggest that marketing strategies can be chosen and used depending on specific market situations. The following are identified:

- Awareness strategy
The purpose is to increase consumer awareness of the service offering and in so doing entice them to visit by more effective advertising.
- Trust strategy
The aim is to increase the trust that visitors place in the offering to encourage return visits as well as advertising by word of mouth.
- Needs stimulation
The purpose of this strategy is to fill the needs of the visitors, thus focusing on a specific market segment. This is also known as niche marketing.
- Market penetration strategy
The aim of this strategy is to attract visitors with affordable rates in order to increase visitor flow to the offering.
- Reaction strategy
The purpose is to negate any negative perceptions that visitors might have due to competitors' marketing or macro-environmental factors such as a tsunami storm.
- Spending versus volume strategy
The aim is to attract a small number of visitors that are high spenders.

- Maintenance strategy

The purpose is to maintain and reinforce the satisfaction levels and loyalty of the visitor market.

- Diversified strategy

This is a combination of the above strategies, the mix depending on the situation to which they are applied.

Step 5: Implementation of marketing strategy

The implementation of the marketing strategy is the process of turning marketing strategies and plans into marketing actions in order to accomplish the organisation's marketing objectives (Kotler & Armstrong 2010:79). It can be argued that the success or failure of an organisation's campaign is determined by how effectively its marketing strategy is implemented.

Step 6: Evaluation of marketing strategy

It is important to evaluate the success of the marketing strategy based on its objectives. It is best done from the viewpoint of the tourist who is in the best position to judge.

Step 7: Sustainability of marketing strategy

The difference between a sustainable marketing strategy and other marketing strategies is that it continually grows and evolves with its target market. Such a strategy adjusts to changes in the market demand and takes the necessary steps to combat its competitors' marketing actions.

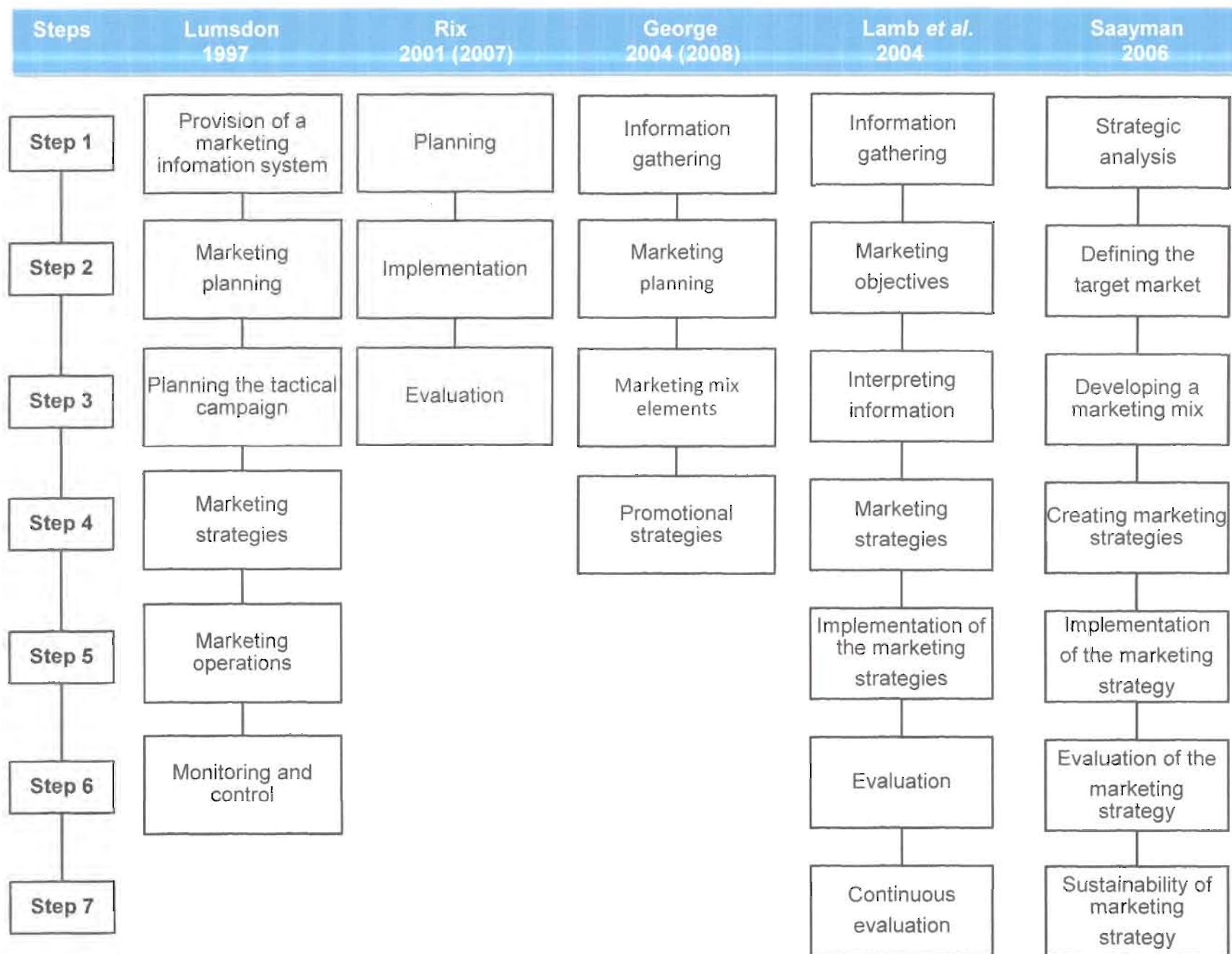


Figure 2.7: Comparing the different marketing processes

When comparing these marketing processes, it is important to realise that process 1 focuses on the provision of a marketing information system, marketing planning and planning a tactical campaign. The marketing information system entails research on the selected market. Market planning requires the formulation of a broad marketing strategy based on factors such as present market environment.

Process 2 and process 3 do differ somewhat from each other. The second process starts with planning while the third process, as with the first, focuses on the marketing information system. The second process ends with the evaluation stage, which allows the manager to determine whether the programme was effective or not and the reasons for this. The third process ends with the promotional strategy, which focuses on strategies that can be used to achieve the organisation's planning goals and targets.

Process 4 and process 5 do not differ in essence from each other. Both the processes are based on information gathering and analysis of marketing strategies, their implementation and evaluation.

In all the processes it is clear that information gathering and analysis is the most important first step, as shown in processes 1,3,4 and 5. Marketing planning is the second most important step, while marketing strategies are third. Evaluating the success of the marketing strategies is the fourth step. Processes 4 and 5 are the most complete.

There are various views on the steps needed to implement a successful market segmentation process. These views might be determined by what the marketer wants to achieve, by the market itself or by the organisation's position in the marketplace. However, it is crucial that market segmentation is applied early on in conjunction with information gathering, evaluation and interpretation during the marketing process.

Based on the above processes, a hybrid marketing process can be designed, as shown in the next section.

2.7.6 THE DEVELOPMENT OF A HYBRID MARKETING PROCESS

Based on the various marketing processes discussed, the most important elements have been identified and a hybrid marketing process designed.

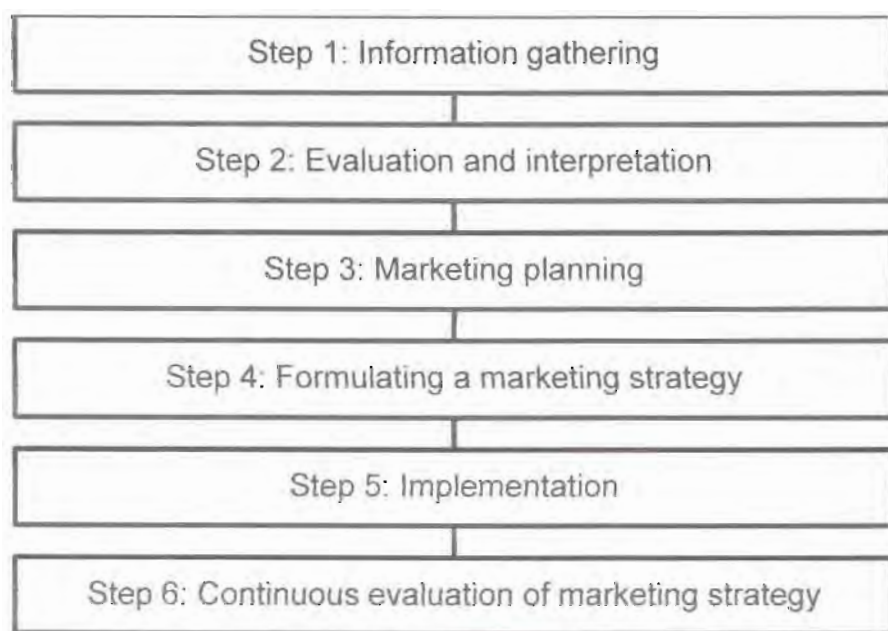


Figure 2.8: The hybrid marketing process

The above hybrid marketing process was created based on the most prevalent and important steps in the previous models.

Step 1: Information gathering

Information gathering focuses on the best and most reliable means of data collection. Information such as age, gender, income and spending patterns are gathered through market research in order to determine the market segments present in the market and the consumers' needs and wants. It is a crucial step in the marketing process as the results allow the marketer to make the right decisions at the right time and for the correct reasons.

Step 2: Evaluation and interpretation

Once the marketer has collected the information needed it has to be evaluated and disseminated. By doing so, the marketer can interpret its meaning and come to the final conclusion regarding the market. The process of market segmentation takes place during this step, where the market is divided into smaller components which can be more easily targeted.

Step 3: Marketing planning

Once the marketer has identified the various market segments (via market segmentation) and determined their characteristics, it is important to decide what marketing approach will be most favoured by which segment. It should be noted that the marketing strategy will be influenced by the organisation's stature in the market and overall strategic objectives.

The marketing planning will require the organisation to identify its strengths and weaknesses in the market segment. Once the planning has been completed, the organisation can formulate its marketing plan based on what it wants to achieve. The plan should be orientated towards the needs and wants of the consumer.

Step 4: Formulating a marketing strategy

The marketing strategy will be based on the satisfaction of the needs of the target market, the position the organisation has in the market in relation to its competitors, as well as the market share the organisation intends to own. Lastly, the marketer will decide on the use of the most appropriate marketing activities which aim to satisfy the needs of the target market. Strategies that can be implemented as discussed under Saayman's marketing process in this study (page 36) and Walker, Boyd and Larreche (1992:503) are:

- Awareness strategy;
- trust strategy;
- needs stimulation;
- market penetration strategy;

- reaction strategy;
- spending versus volume strategy;
- maintenance strategy; and
- diversified strategy.

The choice of strategy will depend on the market position of the organisation as well as the goals it wishes to achieve.

Step 5: Implementation

Once the marketer has done the necessary research into what is needed and has planned the appropriate marketing strategies, the implementation of the marketing strategy can take place. The purpose of implementation is to accomplish the organisation's objectives. The successful implementation of the organisation's marketing effort is determined by how successfully the marketing strategy is carried out.

Step 6: Continuous evaluation of marketing strategy

As the marketing campaign is carried out the marketer needs to keep a close eye on its progress. Unforeseen events could jeopardise the long-term success of the campaign. It would require an adjustment of the marketing strategy should something unforeseen happen. No market stays constant and it should be expected that the market might change, which would require the implementation of a new strategy.

2.8 CONCLUSIONS

The purpose of this chapter was to analyse marketing and to determine the role of market segmentation in the marketing process. This has been done by defining what marketing is and identifying its core standards. The core standards have been identified as price, promotion, selling, distribution, market information management, product/service management and financing.

It was important to understand marketing and its role in society. The importance of marketing to all types of businesses and its competitive advantage has been described. The growth in tourist numbers has increased the importance of marketing for organisations that wish to remain competitive.

Marketing theories of various authors were compared and each step was discussed. Based on the most important steps, a new marketing process was designed to reflect a modern approach.

In conclusion, it can be stated that the role that market segmentation plays in tourism is critical. Segmentation has become more complex as time has passed and markets have evolved. There is no one correct segmentation method but rather a choice of methods depending on the organisation's present situation and the market it wishes to target.

In the following chapter the various ways in which markets can be segmented as well as the advantages and disadvantages of each method will be discussed.

MARKETING SEGMENTATION

3.1 INTRODUCTION

Not all tourists wish to visit the same destination or experience the same holiday destination. Different tourists want to experience different things while travelling. The tourism market is made up of different sub-groups of people with their own needs, wants and characteristics. Those differences could be small or large, which creates a specific demand for which the industry must cater.

To understand a market and divide it into sub-groups, an organisation makes use of market segmentation. Rix (2007:112) stresses that the success of any organisation lies in selecting the most effective form of segmentation. It becomes important for the tourism company to know and understand the market and its sub-groups in order to identify the most profitable one and tailor their services to that group's needs and wants.

Market segmentation plays a vital role in the tourism industry. According to Burke and Resnick (2000:32), the travel market as a whole is too large to reach effectively and too diverse to communicate with in any single manner. As a result, marketing professionals divide the travel market into smaller, more manageable parts. This allows for the development of tourism products that are tailor-made for specific groups of people who are similar in needs, motivations and preferences. Furthermore, market segmentation allows marketers to focus their efforts on particular types of tourists. According to Doole and Lowe (2008:110), market segmentation is a strategy used by companies, whereby the target market is positioned into sub-markets or segments likely to manifest similar responses to marketing inputs. The aim is to identify the markets on which a company can concentrate its resources and efforts in order to achieve maximum penetration and return on investment

The success of events and festivals may be increased through market segmentation, which can lead to an increase in tourist numbers. According to George (2008:141), segmentation, allows marketers to focus on consumer needs and wants and to develop an effective marketing mix; it also enables more effective market positioning. Shone and Parry (2010:152) state that it is important for any organisation to know as much as possible about the target market. This allows a better understanding of the market as well as of what techniques would make the target market aware of a product or event.

The aim of this chapter is to demonstrate the importance of market segmentation in order to attract visitors to an event.

In the following section, market segmentation, its advantages and disadvantages, as well as different forms of segmentation will be discussed.

3.2 CONTEXTUALISING MARKET SEGMENTATION

George (2008:141) summarises market segmentation as the way in which tourism companies divide a market into smaller, more clearly defined groups that share similar needs, wants and characteristics. He explains that it is possible to target groups of people who share similar behaviour and attitudes towards a particular offering. Organisations can then clearly distinguish between different groups and provide them with a desired product. The process is known as market segmentation and is one of the core concepts of marketing. Market segmentation is based on the premise that consumers have different needs and wants, which affect their tastes.

Lamb *et al.* (2004:164) describe market segmentation as the process of dividing the market into meaningful, relatively similar or identical segments that can be classified in groups. These groups are known as market segments, and they share one or more characteristics that cause them to have similar needs and wants. The purpose of market segmentation is to create a market mix specifically

aimed at meeting the needs and wants of a specific market segment. According to Lin (2002:250), the segmentation variables which are used are chosen depending on their measurability, availability, reliability and ability to uncover the characteristics of market segments.

Page and Connell (2006:78) state that understanding the motivation of tourists is not a simple task but a continuous process. Laws (1991:23) argues that it is not realistic to assume that the description gained at the time of purchase would stay the same or remain constant throughout the travel experience. However, by classifying consumers into similar groups, suppliers may deliver their products more easily and more effectively.

For the purpose of this study, market segmentation can be seen as the process of dividing the market into different groups of consumers who share similar needs, wants and characteristics.

3.3 THE IMPORTANCE OF MARKET SEGMENTATION

According to Saayman (2006:84), the most important first step of any product, destination or service is to determine its position in the marketplace. Globalisation has opened many closed markets, which has in turn increased competition. It is crucial in the modern marketplace to identify the market segment where an organisation's resources and efforts should be allocated.

Not all tourism products are attractive to every market segment. It becomes crucial for any tourism company to decide which market segment it wishes to target with its product. Lamb *et al.* (2004:265) agree, stating that all markets contain different sets of sub-groups with their own needs and wants. Market segmentation helps marketers define customers' needs and wants more precisely. Furthermore, segmentation helps management to define market objectives more accurately and allows for the better allocation of resources to

targeted market segments. Performance can also be better evaluated as objectives become more precise.

The aim of all companies is to achieve a marketing advantage over their competitors (Page and Connell, 2006:78). Vellas and Becherel (1999:60) maintain that market segmentation can improve the competitive position of an organisation to better serve the needs of consumers. By segmenting the market, an organisation can establish similar motivations behind the spending patterns on their tourism products within a particular market segment. If the service is tailored to a specific market segment, the company can focus its resources and efforts to increase its competitive advantage in the marketplace.

In conclusion, the purpose of market segmentation is to identify the most profitable market segments and to allocate resources and time to gain a competitive advantage.

3.4 ADVANTAGES AND DISADVANTAGES OF MARKET SEGMENTATION

There are certain advantages and disadvantages associated with market segmentation. George (2008:156), Rix (2007:112), Dibb and Simkin (1997:51) describe the advantages of market segmentation:

- It allows a tourism organisation to focus on its consumer needs and wants and provide better services.
- It assists in identifying the most effective marketing mix development for a specific chosen market.
- It allows for better, more focused marketing campaigns in one or two market segments if an organisation has limited resources.
- Advertising media can be utilised more effectively as they have been tailored to the chosen target market.
- There is better allocation of resources, time and manpower, which makes an organisation's efforts more cost-effective.

- An organisation will gain a competitive advantage over competitors and in doing so increase reaction time to changes in the macro-environment.
- Long-term bonds are created with the market as products are better tailored to the market's needs than are competitors' efforts.
- It allows better understanding of competitors' behaviour.
- By identifying the requirements of particular customer groups, it adds clarity to the process of marketing planning.
- Better understanding of the market entails up-to-date knowledge of customers, environmental trends, competition and internal capabilities of the organisation.
- A more effective marketing information system allows the organisation to better coordinate, explore and disseminate market information so that decision makers and marketers can make better decisions.
- Relationship building is facilitated because such a process involves discussion, data collection, analysis and strategic thought throughout an entire organisation. The sharing of information and ideas increases morale and teamwork.

Disadvantages are identified by Rix (2007:113), who states that an organisation which decides to follow the recommendations made based on the findings will incur some limitations:

- Large investments are needed to develop specialised and separate offerings.
- It is difficult to determine how broadly the market should be segmented.
- There is a tendency to market those products that are not profitable.
- Segmentation is expensive both in monetary investment as well as labour.
- The cost of hiring and training staff to provide the necessary level of service delivery will be increased.
- In order to reach the different market segments, various types of advertising might be needed. Some market segments could be too small to reach effectively with media such as television or radio.

- Administration costs increase as management must plan and implement several different marketing programmes at once.

3.5 THE BASES OF MARKET SEGMENTATION

Various authors have identified different forms of segmenting the market. The segmentation method used is determined by what information the tourism organisation needs. Kotler and Keller (2009:257) stated that the most effective segmentation variables for the consumer market are geographic, demographic, psychographic and behavioural segmentation. The above bases will apply to Step 3: Identify and apply segmentation bases (See section 3.9 Developing and implementing a market segmentation strategy).

3.5.1 DEMOGRAPHIC SEGMENTATION

Kolb (2006:113) and Lubbe (2003:52) observe that demographic segmentation (which is external) is the most commonly used form of market segmentation. Bowie and Buttle (2004:68) describe demographic segmentation as the study of population characteristics, which relies heavily on government censuses. One of the main reasons for this is the changing demand for tourism products, based on birth and survival rates which change the age structure of the said population. It is done to determine the age, education level, gender, occupation and family situation of a market. Demographic segmentation also includes economic factors such as level of income and disposable income to determine spending patterns. It is also the most common form of segmentation in the tourism industry. The reason for this is that the results of demographic characteristics are easily cross-correlated with psychographic characteristics.

3.5.1.1 Age and family life cycle

According to George (2008:146), different age groups have specific needs and wants based on the stage of their life cycle. As a result, many tourism organisations target particular age groups, with their products and services tailored to them. The life cycle stage that a family is in also determines its

to their festivals. According to George (2008:147), geographic segmentation is becoming increasingly important to tourism marketers as tourists become more sophisticated and diverse. Demographic and geographic segmentation are often combined into what is known as geo-demographics. Geographic segmentation can be divided into three categories:

3.5.2.1 Primary markets

They form the core market for any organisation's product or services. The primary market represents the bulk of purchases and forms part of the organisation's long-term strategic development and success, according to Saayman (2006:92).

3.5.2.2 Secondary markets

These are potential markets but are not accessible, owing to unfavourable political and economic conditions. These markets generate tourists but are not as important as the primary market (Saayman 2006:92).

3.5.2.3 Tertiary markets

These are high-risk markets and do not offer long-term commitment opportunities. They do not provide a high-volume flow of visitors. In order to develop their potential, intense research is necessary.

3.5.3 PSYCHOGRAPHIC (LIFESTYLE) SEGMENTATION

George (2008:147) describes the reason for psychographic segmentation as belief that consumers can be grouped based on similar values and that values determine their purchasing behaviour and spending patterns. This for segmentation looks at lifestyle, attitudes, interests, opinions and according to Kolb (2006:116) and Lubbe (2003:53). This segmentatic (which is internal) looks at a person's feelings and opinions about a (2007:121) concurs, stating that psychographic segmentation examines a person thinks, feels and behaves. It is of great value to tourism

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namely midcentric tourists, which is a combination of the psychocentric and allocentric characteristics.

Rix (2007:121) questions the usefulness of personality segmentation on these grounds:

- Personality characteristics are often virtually impossible to measure accurately.
- Many studies have been made on consumer attributes and traits, leading to the study being either too inclusive or too limited.

3.5.3.2 Motives

Lamb *et al.* (2004:171) suggest that marketers could use emotional bonds to appeal to consumers, such as making donations to charity for every one of their products sold.

3.5.3.3 Lifestyle

Lifestyle refers to a consumer's activities, interests, opinions and expenditure patterns. It shows how people spend their time and money as well as reflecting their opinions on social, economic and political issues according to George (2008:148). Rix (2007:122) maintains that there is no consensus on the terminology for lifestyle categories. He notes that researchers often develop terminology to fit the market or service being studied.

3.5.3.4 Social class

Consumers are strongly influenced by the perceived social class to which they belong or to which they aspire to belong. Their social class greatly affects the services they purchase. This perception influences their choice of holiday and destination as they may want to be associated with prime and expensive destinations. Such decisions are influenced by income, social standing and belongings. Higher income groups normally take more frequent holidays than those in lower income groups, according to George (2008:148).

3.5.4 BEHAVIOURAL SEGMENTATION

George (2008:148) describes this segmentation as the consumer attitude to, use of or response to a tourism product. It allows for the grouping of tourists according to their relationship with the offering. Each consumer purchases a tourism offering for a specific reason such as the benefit that will be received, user status, the perception of the offering, loyalty and buyer readiness. Rix (2007:122) notes that marketers regularly attempt to segment their market based on how the market sees and behaves towards its product.

3.5.4.1 Benefit sought

Different tourists seek different types of benefits from the product they purchase. George (2008:148) gives the example that some people may visit a restaurant for its value for money while others might visit the same place for its perceived atmosphere. Rix (2007:123) makes the interesting point that customers do not buy the holiday itself but rather the benefit it provides, such as rest and relaxation.

3.5.4.2 Purchase occasion

Purchase occasion refers to how often tourists purchase a product and whether they are regular customers or once-off purchasers. George (2008:150) explains that some airlines offer frequent-flyer miles for their regular customers while restaurants may cater for once-off occasions such as sporting events. Rix (2007:123) observes that most often the smallest section of buyers accounts for the highest number of purchases or greatest usage of a service as they have the most disposable income.

3.5.4.3 Perception of offering

Tourists' perception of an offering determines their demand of it. If a tourist has a negative experience with a service offering he/she will become reluctant to purchase it again, no matter how the offering is promoted.

3.5.4.4 Loyalty

Consumer loyalty plays a very important role in the tourist's decision-making process when purchasing a product, according to George (2008:150). Some tourists are loyal to one product while others are loyal to many products. Tourism organisations are increasingly realising the importance of encouraging brand loyalty in their customers. Lamb *et al.* (2004:167) state that the strategies marketers use when targeting customers loyal to a brand are different from those targeted at customers who are not aware of a service or offering.

3.5.4.5 Buyer readiness

Markets can be divided according to the readiness of consumers to buy a product. Some may wish to purchase an offering while others might not even know it exists.

3.6 ALTERNATIVE TARGET MARKET STRATEGIES

Rix (2007:127) proposes three alternative target market strategies:

3.6.1 MARKET AGGREGATION

This occurs when an organisation treats its entire market as one single mass unit. The organisation then creates a marketing mix for the entire market. This method is most often used when a large proportion of consumers expect similar benefits from the product or service. Market aggregation is most often followed by a strategy of product differentiation where the organisation tries to show that its service is better than that of its competitors.

3.6.2 SINGLE-SEGMENT CONCENTRATION STRATEGY

The organisation selects only one segment from within the market and focuses its marketing effort on that segment. This strategy is mostly used by small companies that might not have the resources or drive to compete in many market segments. It can also be motivated if the organisation wishes to develop

expertise in the specific market. The danger in this strategy lies in an organisation's investing all its resources in one place.

3.6.3 MULTIPLE-SEGMENT STRATEGY

The organisation selects several segments and develops separate marketing programmes for each.

3.7 CRITERIA FOR EFFECTIVE SEGMENTATION

In order for market segmentation to be successful, marketers should have a checklist to ensure the process is successful. George (2008:157) and Rix (2001:105) suggest that the market to be segmented should adhere to certain criteria, in that it should be:

- *Measurable*
A marketer must be able to estimate the size of the segment and its potential buying power.
- *Accessible*
The potential customer should be reachable via existing marketing media.
- *Substantial*
The market should provide sufficient volume of sales or disposable income to justify investment effort.
- *Implementable*
The potential market should not overwhelm the staff or budget of the organisation.
- *Defendable*
The market should prove easy enough to dominate without potential interference of rivals' marketing efforts.
- *Profitable*
Each segment should be profitable in order to justify the investment of time and resources.

3.8 THE MARKET SEGMENTATION PROCESS

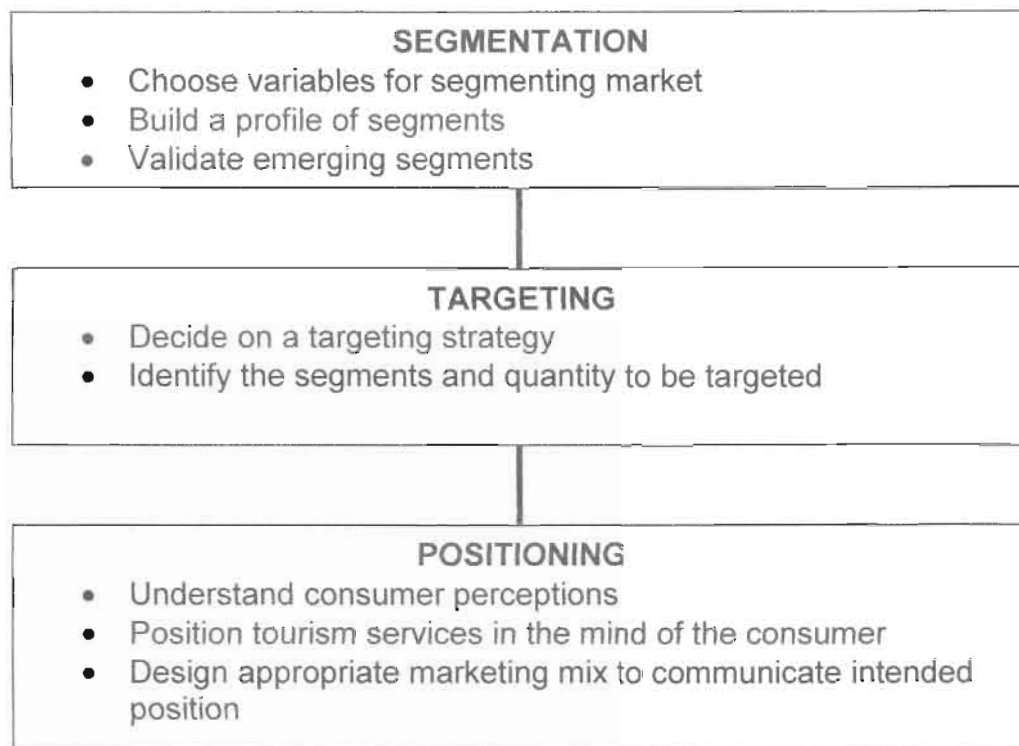


Figure 3.2: The market segmentation process adapted from Dibb and Simkin (1997:205)

The process of segmentation is a very simplistic one, according to Dibb (1998:394). There are several stages of market segmentation. The process starts with the segmenting of customers into groups to increase similarity within and identify differences between various segments. The second step is to target the chosen market segments and decide on the targeting strategy which will be used. Last is positioning, which requires that the marketer position the tourism offering in the customers' minds.

3.9 DEVELOPING AND IMPLEMENTING A MARKET SEGMENTATION STRATEGY

Market segmentation was identified by Horner and Swarbrooke (1996:98) as one of the most important components of a successful marketing campaign. The process of developing a market segmentation strategy is crucial to successful

marketing. According to Saayman (2006:85), there are nine steps to a market segmentation strategy which will be discussed in the sections that follow.

3.9.1 STEP 1: ANALYSE THE EXISTING INFORMATION

Before the market is segmented all existing information on the market and products should be collected. When a new market is to be segmented, research should be conducted in order to determine what knowledge already exists, what is believed about the market, what factual basis exists for those beliefs and what factors could incite change.

There are three types of information needed to analyse the existing market:

- Market state such as the size, trends and products in the market.
- The tourists' behaviour, such as who they are, what they do, when they visit, where they come from and how they use the service.
- Various existing segments.

3.9.1.1 Dimensions of a market analysis

Randall (2001:123) states that gathering information on many markets is more complex than on one only. If a market is foreign it becomes more complex because the marketer needs information on the potential clients' behaviour as this will differ from local markets. To develop such an analysis requires extensive research and investment cost. A market analysis is crucial to the successful implementation of a market segmentation strategy. The characteristics of such an analysis will depend on the nature of the market. Such an analysis will most often contain the following (Randall 2001:123):

A. Actual and potential market

It is important to discover the market size as well as sub-markets in order to determine potential market share that could be gained as well as the profitability level.

B. Market growth

There is no sense in targeting a market that shows no or a negative growth rate. A marketer should determine what the future growth rate will be and whether it will remain constant. Growth in a market means that more sales and profit will be made without having to increase market share.

C. Market profitability analysis

Porter (1985) as referenced by Saayman (2006:88) developed an approach to the business problem of evaluating the investment value of a market. The purpose is to estimate how profitable the average destination would be. If it is found that a destination's average profitability is low, then the return on investment will take longer and there will be less chance of success. The motivation for targeting a market is to make profit; yet short-term profitability is overshadowed by the prospect of long-term profitability and return on investment. The longer a market will remain profitable and the higher the profitability the more attractive it becomes to target. Porter's (1985) approach is based on five factors that have an influence on profitability (see figure 3.3). The lower the threat levels of each of the factors, the higher the chances of a successful return on investment and profitability.

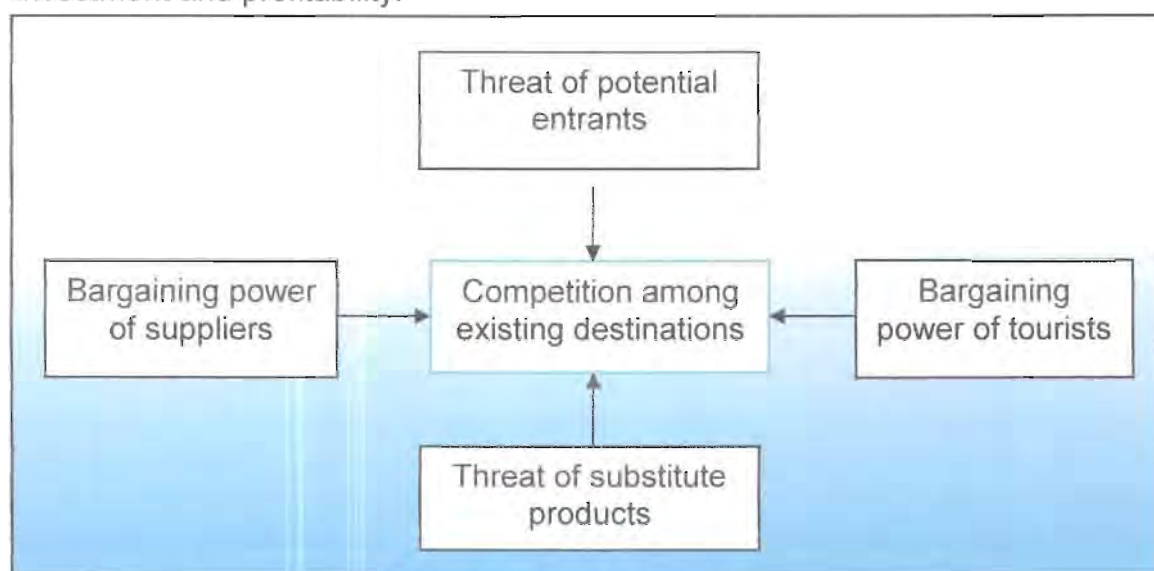


Figure 3.3: Porter's five-factor model of marketing profitability (Adapted from Saayman 2006:88)

3.9.1.1.1 Market profitability

There are five factors which a marketer must consider, as they have an effect on market profitability.

A. Existing competitors

The level of competition from existing competitors will depend on the following factors:

- The number of competitors
- Their market share
- Similarities in strategy
- Fixed-term cost levels
- Their commitment to protecting their market share
- The scope and scale of existing barriers
- Loyalty of consumers

The more competitors there are in a market the less market share is available and the more difficult it will be to offer consumers something different. Marketers need to evaluate the strategies of their competitors and present their product in a different way to draw interest from consumers. Marketers should also consider how vigorously an existing competitor will protect its market share. According to Strydom, Cant & Jooste (2000) as cited by Saayman (2006:88) brand loyalty should be considered as a financial investment or differentiation which could be required to sway a competitor's existing customers.

B. Potential competitors

The threat of potential competitors, whether they exist yet or not, will depend on the barriers of entry. An analysis of barriers is vital to determine future threat levels. Strydom *et al.* (2000) identify the following barriers:

- Level of capital investment required
- Economies of scale
- Number and type of distribution channels

- Any differences in products

C. Substitute products

Substitute products compete indirectly for discretionary funds of tourists although less intensely than the primary competitors. Nevertheless, they are a threat, especially when discretionary funds are few and economic conditions are hard.

D. Buying power of tourists

The buying power of tourists is determined by the share they make up of a seller's business and by whether the threat of alternative products is high. In such a case the buyers force prices down and demand more and better services, thus affecting profitability.

E. Supplier power

The number of suppliers determines their influence on the market. If only one supplier exists, it has exclusive control over the distribution and costs of supplying its services. If more than one supplier exists, the competition increases and prices are reduced.

3.9.1.1.2 The PEST analysis

There is another tool available for a market planner to use in order to determine the current situation in the marketplace. George (2008:457) states that the PEST analysis looks at the current and possible future forces which might affect a market. The areas are political, economic, socio-cultural and technological forces, which are described next.

A. Political forces

The marketing planner should identify the current and possible future political environment in which the organisation might do business. Tourism is a very fragile industry as political unrest and instability could scare off potential tourists. Other political factors such as government legislation could affect the organisation's business activities.

B. Economic forces

As tourism is an international industry it is quite vulnerable to the global economic environment. Therefore, market planners should keep a close eye on trends and other economic factors in the market they are targeting. Exchange rates, unemployment and consumer spending patterns are important domestic factors.

C. Socio-cultural forces

These forces have a major impact on how marketers market the tourism industry as a whole. Some of the most important factors are:

- The target market's interest in eco-tourism. There is growing interest in destinations which favour environmentally friendly practices.
- Changes in lifestyle and what is fashionable (destinations), such as fitness and eating more healthy foods.
- Changes in family patterns. The traditional family structure is changing towards single-parent families.
- Demographic changes such as the market which shifts in line with an ageing population.
- Holiday formats are changing. As customers become more knowledgeable they might prefer to plan their own holidays instead of taking packaged holidays.

D. Technological forces

As technology becomes easier to use and more accessible, marketers must utilise its potential. Consumers can now be reached in a greater variety of ways such as by the internet and mobile phone advertisements. As home entertainment becomes more affordable, consumers might prefer to spend their money on this rather than tourism.

For factors influencing tourist behaviour and decision-making, see section 3.5.3 on psychographic (lifestyle) segmentation.

3.9.2 STEP 2: DEFINE THE MARKET TO BE SEGMENTED

McDonald and Dunbar (1995) as cited by Saayman (2006:91) point out that before starting to segment the market, the marketer needs to determine and define the overall market. The marketer can eliminate inappropriate or unwanted groups in the process. The decision should be made on whether to target markets internationally, nationally or locally.

3.9.3 STEP 3: IDENTIFY AND APPLY SEGMENTATION BASES

In order to identify a segment the marketer needs to use the correct bases of segmentation. Lamb *et al.* (2008:208) state that the current trend by marketers is to use more, rather than few variables to segment a market. By using multiple-variable segmentations the accuracy of the measurement is substantially increased.

For the various methods of segmenting markets, see section 3.5.

3.9.4 STEP 4: METHODS OF DERIVING SEGMENTATION

A. Correspondence analysis

Correspondence analysis was developed by Jean-Paul Benzécri. It involves the scaling of data (which must be positive) so that rows and columns are treated equivalently. It is traditionally applied to contingency tables.

Moutinho (2000:138) describes it as a visual or graphical technique for representing multidimensional tables. It is very difficult to identify any patterns or relationships in a table or to show what is happening. Correspondence analysis simplifies the table and presents data in an easily understandable way. It is very useful in identifying market segments and determines who non-respondents in a survey most closely resemble.

According to Greenacre and Hastie (1987:439), correspondence analysis is an investigative multivariate technique that converts a matrix of non-negative data into a particular type of graphic display where rows and columns of the matrix are shown as points. The analysis weighs the rows and columns in parallel units so that each can be displayed graphically in the same two-dimensional spaces.

Yavas and Shemwell (1996:15) identify several advantages of correspondence analysis namely:

- Permits quick and easy data collection as respondents can answer the questionnaire within one or two minutes.
- Multiple categorical variables can be represented through cross tabulated data.
- Provides an easy to understand visual representation of both inter and intra category relationships.

Steps in cluster analysis are described in section 3.10.

B. Cluster analysis

According to Xu and Wunsch II (2008:485), cluster analysis is one of the oldest and most important activities practiced by human beings, dating back to Aristotle. According to Saayman (2006:104), it is also very often used in tourism segmentation as it leads to the typology of tourists. It comprises a set of data objects also known as patterns, entities, instances, observances or units. The aim is to explore and identify hidden data structures to provide deeper insight into questions relating to a given set of data. In other words, it explores whether there are hidden groups or categories in the data and, if so, how they interact with each other. According to Randall (2001:123), cluster analysis is a set of techniques that tries to define clusters of objects that are similar within the cluster. It then examines several bases instead of only one. Moutinho (2000:136) explains that cluster analysis provides a set of methods that seek to separate component data into groups. The purpose is to create clusters of objects that

differences. The idea is to identify smaller numbers of groups which share similar profiles.

3.9.5 STEP 5: EVALUATE SEGMENTS

Once the market segments have been identified the marketer can proceed with evaluating the different segments.

3.9.5.1 Criteria for segment evaluation

There are several criteria for evaluating segments that can be used depending on the market and the product:

A. Market focus

- Size of the market;
- growth past, present and future;
- predictability;
- price flexibility;
- the bargaining power of tourists; and
- seasonality and repeatability of demand (Lehmann & Winer 2005:67).

B. Economic and technological factors

- The barriers to entry;
- the barriers to exit;
- bargaining power and number of suppliers;
- level of technological dependency;
- investment needed; and
- precincts attained (Strydom *et al.* 2000).

C. Competitive factors

- Intensity of competition;
- quality of competition;
- treat of alternative products; and
- level of differentiation.

D. Environmental factors

- Dependency on economic fluctuation;
- level of regulation; and
- social acceptability, impact on the environment (Randall 2001) as cited by Saayman (2006:106).

3.9.5.2 Tools for evaluating market segments

The following factors have been identified by Nickels and Wood (1997:234) as important tools for evaluating market segments:

- *Probable sales and profit*

For sales and profit, a market segment that shows greater interest in buying and use of a service is more important than one which shows less interest.

- *Probable growth*

A market which shows greater probability of growth is a more valuable investment than one with little or no growth, as it will ensure future profitability.

- *Ability to retain*

Markets that become brand loyal are most desirable and such bonds are greatly sought after.

- *Probable marketing costs*

Costs of marketing to each market segment should be calculated and weighed against potential benefits. Some market segments may be too costly to reach or cater for.

- *Potential risk*

Current and future risks should be calculated for each market segment. Provisions should be made to counter any risks where possible.

Criteria as discussed in section 3.7 are critical for successful segmentation.

3.9.6 STEP 6: MARKET SEGMENTS

Once all market segmentation has been completed and evaluated a marketer should compare the results of each. Resources for marketing are often scarce and should be applied where they can be implemented with least input and maximum gain. The most profitable and attractive market segments should be kept. Marketers can compare the remaining market segments based on their level of priority. This can be done by rating each segment based on criteria chosen, and those with highest scores should receive first priority.

The final market segments are based on their present and future forecast levels.

3.9.7 STEP 7: TARGET MARKET STRATEGIES

According to George (2008:86), once an organisation's goals and objectives have been set, the appropriate marketing strategies should be chosen to meet those objectives. One of the strategies most commonly used is the Porter matrix; the other is the Ansoff's matrix. The marketing situation will dictate which of three strategies will be used, namely cost leadership, differentiation or focus.

3.9.7.1 Porter Matrix

A. The cost leadership strategy

The least sophisticated of the three strategies is used when an organisation wishes to sell its product at a lower price than that of its competitors. Large organisations could benefit from their huge purchasing power while smaller companies should maintain strict control of their expenses and minimise cost. The benefits of this strategy as identified by George (2008:87) are the following:

- Organisations can increase sales and market share by offering lower-cost products;
- it is very practical in markets with many competitors; and
- profit margin can be increased by selling at a lower price.

The only concern is that consumers require value for money when making purchases. The fact that tourism consumers have become more sophisticated requires other strategic approaches.

B. The differentiation strategy

This strategy is far more commonly used by market planners. The aim of the strategy is to instil a sense in consumers that the organisation's product is superior to that of its competitors, in order to charge premium prices. Organisations can achieve differentiation in one of the following ways:

- Creating a product that stands out from that of its competitors whether it be through technology or design;
- delivering a very high standard of service; and
- creating a very strong brand name through the media, design or innovation.

George (2008:87) makes reference to Poon (1993), who argues that differences exist when applying Porter's analysis to tourism. He recommends four key strategic principles:

- Placing the customer first;
- quality leadership;
- innovative products; and
- strengthening the organisation's strategic position in the value chain.

C. The focus strategy

This is aimed at a segment in the market rather than the entire market. The marketer can then use the differentiation or cost leadership strategy within the

market segment. This strategy is most often used by smaller organisations as their resources are limited. They use their resources to target niche markets which they specialise in.

3.9.7.2 The Ansoff's matrix

George (2008:89) states that this strategy is most often used to analyse the best possible strategic direction which the organisation can follow with its market offering. Ansoff (1988), as cited by George (2008), identified four options when deciding on the strategy: market penetration, market development, offering development and diversification.

- *Market penetration*

In this strategy, the marketer seeks ways in which to increase sales of the organisation's current offering in its existing market. This option offers the lowest risk.

- *Market Development*

Marketing planners look for new markets in which to sell an organisation's offerings. Most often this requires new geographic locations.

- *Offering development*

The organisation develops new offerings for its existing markets.

- *Diversification*

The marketer develops new offerings to be sold in new markets. This is by far the most risky strategy and requires financial investment. It is most often used in these circumstances:

- Current offerings or markets do not yield any financial returns;
- there are surplus resources available;
- the organisation wants to spread its risk; and
- an organisation wants to broaden its business over more than one offering or market segment.

3.9.8 STEP 8: MARKETING MIX

George (2008:12) states that the marketing mix is the most basic and fundamental element in marketing. It refers to the four main activities which an organisation needs to pursue in order to fulfil its marketing objectives. Lumsdon (1997:76) defines the marketing mix as a set of tools the marketer uses to achieve its strategic position or positions. The traditional marketing mix, as identified by McCarthy (1960), consists of the 4 P's: product, price, place and promotion. They are the main elements from which an organisation makes its marketing plans. The theory is that all the elements are linked in some way or another and can be controlled by the marketer in some way, shape or form.

George (2008:12) adds that the 4 P's are referred to as the controllable factors and represent the internal environmental factors of the organisation. However, in the tourism industry the marketer needs to take into account the external environment affecting the organisation.

Much of the organisation's marketing strategy is made up of the design, implementation and evaluation of the 4 P's. It should be noted that the 4P's were originally applied only to the manufacturing industry. It is therefore necessary for the marketer to adjust the 4 P's to suit the tourism industry. For example, in the manufacturing industry a product is produced which can be touched (tangible) and seen, but in tourism the product is in the form of a service which can only be experienced (intangible) and not felt in the broader sense. The 4 P's will be defined and discussed in the next sections.

3.9.8.1 Traditional four P's

3.9.8.1.1 Product

The product offering is by far the most important element of the marketing mix as it is that which the customer purchases to satisfy his or her needs. According to Kotler and Armstrong (2010:248), a product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy the needs

and wants of the user. As mentioned earlier, tourism offerings differ from manufactured products as they are not touchable and can only be experienced. Lumsdon (1997:143) defines a tourism offering as a combination of **services** which deliver primarily intangible, sensual and psychological benefits but can include some tangible elements. The tangible elements referred to are, for example, hotel décor, furniture and staff dress or brochure material in a travel agency. The tourism product will henceforth be referred to as either a product or an offering. The core concepts of tourism offerings will be described next.

A. The three offering levels

A product in a service-related industry is a complex concept which should be considered on three levels, namely the core, expected and augmented levels (George 2008:221) as depicted in figure 3.4. It is important for tourism marketers to know precisely what they are really selling as it is not just the holiday or food experience that they sell but rather a combination of the tangible and intangible elements of the entire experience. The three levels of offering as described by George (2008:224) include:

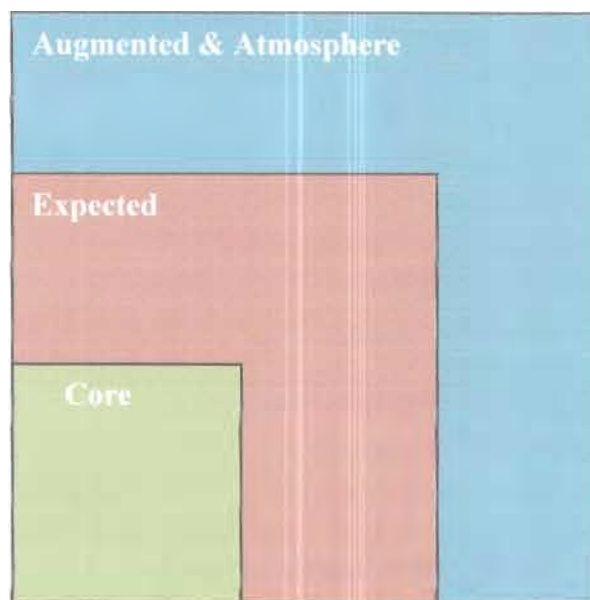


Figure 3.4: The three levels of an offering

Source: George (2008:223)

- *The core offering*

The core offering forms the centre of the total offering and is intangible. This is what the consumer is actually buying and represents the main reason for purchasing the offering to satisfy his or her needs and wants.

- *The expected offering*

The expected offering is made up of tangible products and intangible services that must exist in order for the consumer to purchase the core offering. It includes those features that the customer might expect as standard when purchasing the product, for example a TV in a hotel room.

- *The augmented offering*

This offering is both tangible and intangible. It is at this level that most of the competition takes place and where organisations vie for a competitive advantage and the opportunity to differentiate their products from that of their competitors. It also includes those add-on benefits the customer receives, such as a bunch of roses in the room of a honeymoon couple at a hotel. Some of the added benefits are tangible and others intangible, such as professionalism of service provided, friendliness of staff and the atmosphere at the destination. George (2008:224) cautions that augmented benefits soon become expected benefits, such as a kettle, or coffee and tea in a hotel room.

3.9.8.1.2 Pricing

George (2008:243) makes the point that price is the only element in the marketing mix which produces revenue, as all the others are expenditure. He observes, however, that marketers often underestimate the importance of price as a strategic marketing tool, because consumers determine through price if the product is acceptable. Lumsdon (1997:153) defines price as the amount of money consumers pay for the exchange of the benefits of having or using an

offering. Most tourism organisations vary products with different prices to appeal to the wider market segments.

There are several internal and external factors (see Figure 3.4) influencing pricing decisions. George (2008:244) describes each of the pricing decisions as follows:

A. Internal

a. Organisation's objectives

An organisation's objectives are based on its present market position as this affects the overall strategy chosen by the marketer.

- *Survival*

Organisations will most often lower their prices to create as much cash flow as possible.

- *Increased market share*

An organisation seeking to increase its market share could decide to reduce prices in order to attract more customers.

- *Offering quality leadership*

In this approach, the organisation might be the market leader in a product offering and be reputed as offering outstanding service and quality. In such a case, it can increase prices to cover extra costs.

- *Other objectives*

Non-profit organisations such as museums might choose to offer special prices for groups of students or pensioners.

b. Marketing mix components

As mentioned earlier, price, as one of the marketing mix components, must be able to interact with the other elements of the mix. An example might be that the price of a product must reflect the quality of the offering, as most consumers judge an offering's quality by its price.

c. Costs

When the price is being set for an offering, a marketer should consider some of the following:

- Costs associated with producing the offering;
- distribution costs;
- promotional costs; and
- staff of the organisation.

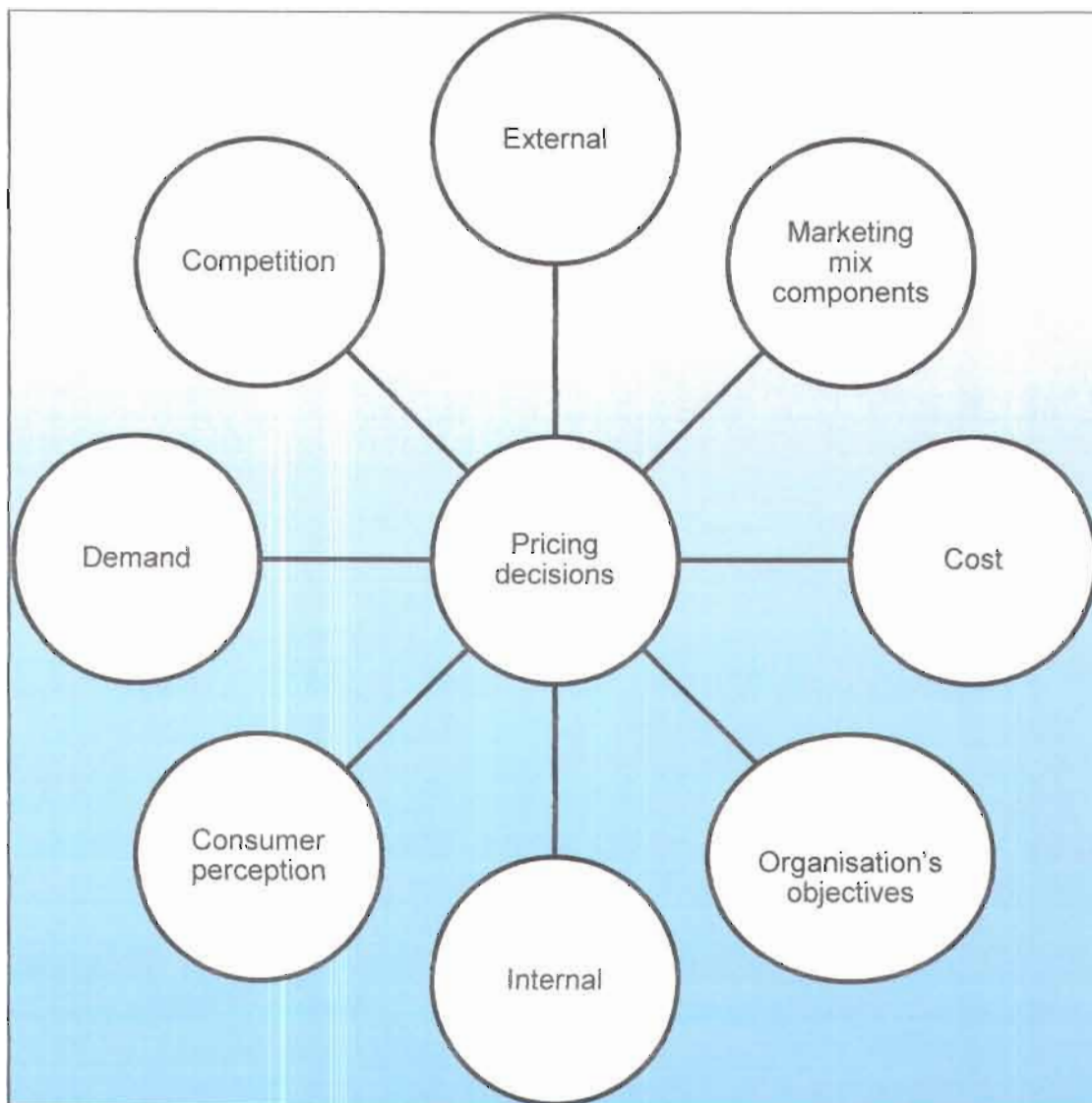


Figure 3.5: Factors influencing pricing decision

Source: George (2008:243)

B. External

a. Nature of demand and price elasticity

It is not just the marketer that is responsible for setting the price of an offering but also the distribution channel and the consumers, as they are the ultimate deciders of the offering's value. Therefore, it is important for a marketer to discover the demand in a market for an offering before setting a price. Another factor is the global economic conditions and how they are affecting national and international demand, depending on the market of the product offering. By increasing the price of a product an organisation reduces the number of people that can afford the offering, while reducing the price increases the pool of people able to afford it. The marketer must understand that the tourism industry is not an essential service and that people consider holidays only when they have surplus funds (Lubbe 2003:241). It is therefore important to be aware that pricing has a powerful influence on demand.

Demand for an organisation's product offering may vary for a number of reasons, as identified by George (2008:246):

- Global and national economic levels which affect consumer spending;
- the stage of the product's life cycle;
- seasonality;
- time of the day and week; and
- intensity and frequency of promotional efforts.

The consumer's price sensitivity also varies, depending on the uniqueness of a product offering or whether it is a superior product of high quality or repute.

b. Competition

Another factor that marketers need to consider when deciding on price is the price of their competitors' offerings. If product offerings are perceived to share similar characteristics and quality, a customer will most likely choose the cheaper

one. It is therefore important that an organisation positions its offering relative to its competitor's product. It is important for marketers to know who their competitors are and also to remember that there are indirect competitors as well.

c. Consumer's perception of price

Perception of the price of a product offering is one of the most crucial factors a marketer should consider. In the end, it is the consumer that decides whether an offering is affordable. It most often happens in the tourism industry that the price of an offering is equivalent to its quality. If the offering is priced too high, consumers will simply not buy it, while if it is priced too low, consumers might believe it is inferior to its competitor's offerings. It thus becomes important that the price of the offering be balanced correctly by being neither too high nor too low.

3.9.8.1.3 Place

Place refers not simply to where the tourism offering is sold but rather to the process of distribution, in other words, how to get the product offering and the potential buyer together. The majority of tourism products are sold through intermediaries such as travel agents and tour operators. However, it has recently become possible for buyers to use technology, more specifically the internet, to purchase product offerings directly from the principals. The principals are also known as suppliers, who in the tourism industry do business with travel agents to sell their offerings, such as hotels. However, this does not mean that travel agencies have become redundant, as they still provide expert knowledge to buyers (George 2008:258).

As mentioned above, place refers to the process of distribution. This is also known as the distribution channel, the process through which an offering goes from the supplier to the customer. In the tourism industry, offerings are mostly distributed through wholesalers such as tour operators or retailers such as travel agencies. The purpose of the intermediaries is to use their knowledge to bring

the consumer and provider together (George 2008:258). It should be noted however that service providers are not required to use intermediaries to sell their product.

3.9.8.1.4 Promotion

George (2008:285) notes that of all the components in the marketing mix, promotion receives the most attention. Promotion or advertising is used to communicate the existence and content of an offering to the intended market segment. The purpose is to entice consumers to buy the offering to satisfy their needs and wants. As the tourism industry deals in intangibles, it is even more important that the market advertise the offering correctly as the customer purchases not a physical object but rather an experience and memories.

Advertising means to encourage and advance a message to sell. It may include any action designed to encourage the sale of a tourism offering. This is achieved by communicating the offering to the target market. The task of the marketer is to ensure that the correct market is told at the correct time for the right price about the tourism offering.

3.9.8.2 The additional three P's

George (2008:370) maintains that the traditional 4 P's as applied to the tourism industry fall far short in acknowledging the additional components in tourism marketing. The addition of three P's allows for greater flexibility.

3.9.8.2.1 People

Zeithaml and Bitner (2003:24) describe people as a marketing mix P, in that they are actors who play a role in service delivery and thus influence the buyer's perceptions. The organisation's staff, the customer himself and other customers in the service environment have an influence on service delivery. People form a crucial part in the production and delivery of all tourism services. In addition, many tourism organisations have recognised the role of people as a way in which

to differentiate themselves from their competitors and gain an advantage (George 2008:371).

3.9.8.2.2 Physical evidence

In the manufacturing industry, the producer of the product rarely comes into contact with the consumer who uses the product. The opposite is true in the tourism industry, as the physical environment in which the service is delivered forms an important part of the service delivery. George (2008:378) states that the tourism offerings are intangible and, as they are produced and consumed at the same time, are inseparable from one another. As consumers cannot touch and see the tourism product they buy, they look for other forms of physical evidence to evaluate the offering, such as brochures when purchasing a holiday. The role of the tourism marketer is to make the offering more tangible. This can be done in two dimensions, using outside and inside cues. The outside cues can take the form of signage, landscape and parking while the inside cues can be décor, building layout or seating. Other examples of physical evidence could be the uniforms of the staff. Physical evidence is most often utilised by resorts and hotels, while travel agencies might emphasise communication such as photos in brochures to make their principals' offerings tangible.

3.9.8.2.3 Process

George (2008:379) describes the process strategy as all the procedures, mechanisms and routines by which a tourism offering is created and delivered to a consumer. The process includes the delivery of the service through which the tourism offering is experienced by the consumer. As tourism offerings are not physical in nature but intangible, when a service is performed the consumer experiences its benefits, namely pleasure and relaxation. It is thus crucial that the process is carried out correctly. Payne (1993:168) explains that a correctly performed hotel reservation, where the customer receives his requested room, will be seen as a successful delivery of service, while a wrong room booking will be looked at critically by the consumer.

3.9.9 STEP 9: POSITIONING PROCESS

George (2008:160) describes market positioning as the way in which a tourism organisation and its offering is perceived by the customers in relation to other competitors. Once the market has been divided into segments which can be targeted, the marketer must position his tourism offering for its intended market. Lumsdon (1997:74) claims that, in the end, positioning lies in the eyes of the consumer. Pitt (2002:58) concludes that positioning is not something one does to the product or offering, but is rather the perception of the consumer.

In order to position a product or service, Kotler, Bowen and Makens (2010:214) have developed three steps that are required.

3.9.9.1 Step 1: Identify a set of competitive advantages

The first step requires that the marketer identify a set of advantages which can be used as a stepping stone to gain a better position in the marketplace. It may include anything that sets the offering apart from its competitors and offers a competitive advantage.

3.9.9.2 Step 2: Select the right competitive advantage

Once the competitive advantages have been identified the marketer should choose the advantage which holds the best possible chance of offering a distinctive position in the marketplace.

3.9.9.3 Step 3: Communicate and deliver the chosen position

During this last step the marketer devises a way to communicate and deliver the identified position of the tourism offering to the intended market segment by utilising the tools to achieve its strategic position.

3.10 STEPS IN CLUSTER ANALYSIS

Xu and Wunsch (2008:486) describe the process of cluster analysis as follows:

3.10.1 STEP 1: FEATURE SELECTION OR EXTRACTION

One first needs to choose the method of extraction. There are two alternatives depending on the purpose of the analysis. Feature selection aims to identify features from a set of candidates while feature extraction uses transformations to create useful features from the original ones.

Feature extraction produces characteristics that are better used in uncovering the data structure. The risk is that the characteristic generated cannot be physically interpreted. Feature selection ensures that the original characteristic and its meaning are retained. The most popular practice is the use of both features without identifying the differences. Both feature extraction methods are crucial for the effective application of clustering. The careful selection or generation of most important characteristics can greatly increase the storage requirement and cost of measuring, as well as simplify the design process and facilitate the interpretation of the data.

3.10.2 STEP 2: CLUSTERING ALGORITHM DESIGN OR SELECTION

This step usually begins with the selection of a suitable proximity (similarity or dissimilarity) measure and the creation of a decisive factor function. Spontaneously, data objects are grouped into different clusters according to their similarity. Data objects in the same cluster should share the same characteristics with one another, while data objects in different clusters should be far removed from one another. Almost all clustering algorithms are clearly or vaguely connected to some specific definition of proximity measure. Once a proximity measure is determined, clustering could be seen as an optimisation problem with a specific criterion function. Clustering is everywhere, and numerous clustering algorithms have been developed to solve a variety of problems from a wide

variety of fields. However, no universal clustering algorithm yet exists to solve all problems. It thus becomes important to carefully investigate the characteristics of a problem in order to choose or create an appropriate clustering strategy.

3.10.3 STEP 3: CLUSTER VALIDATION

Once a set of data has been identified, each clustering algorithm can produce a partition even though there may not be any underlying structure in the data. Furthermore, different clustering algorithms tend to lead to different clusters. Therefore, it becomes necessary to verify the clustering results so that the users will not be confused by the end results. This will make use of the knowledge obtained more effective. There are several categories of testing criteria: external tests, internal tests, and relative tests. External tests are based on some pre-designed format, which is the reflection of prior information about the data and is used as a standard to verify the clustering solutions. Internal tests are not dependent on external information. Instead, they inspect the clustering structure directly from the original data. Relative tests emphasise the measuring of different clustering structures in order to provide a reference to decide which one may best reveal the individuality of the objects.

3.10.4 STEP 4: RESULT INTERPRETATION

The ultimate objective of clustering is to provide researchers with meaningful insights to interpret the original data so that they can develop a clear perception of the data and therefore successfully solve the problems encountered. It is necessary to interpret the data partition, integrating other untried facts and information without restricting the observations and analyses to any specific clustering result. Further analyses and experiments may be required depending on the purpose.

It should be noted that cluster analysis is a process which requires more than one attempt in order to produce meaningful interpretations of the data.

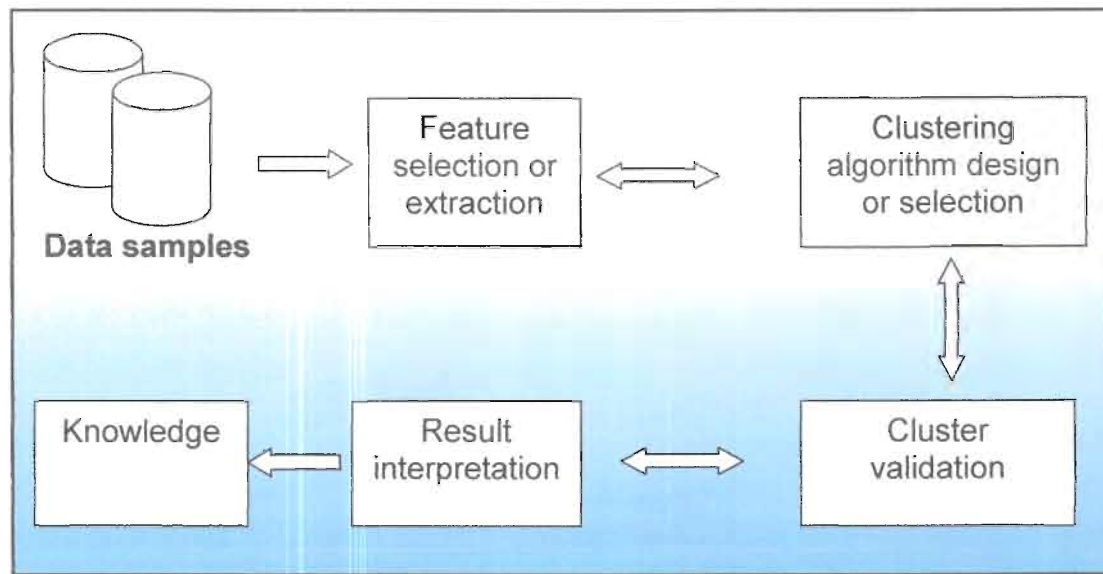


Figure 3.6: Steps in cluster analysis

Source: Xu and Wunsch. (2008:486)

According to Dibb and Simkin (1997:51), many managers understand the importance of market segmentation and its advantages. Unfortunately, despite the benefits, management often encounters practical problems in implementing the strategy. Most often the problems that arise are due to poorly structured marketing analysis. It is vital to the success of the implementation that those problems are overcome and barriers removed.

Dibb and Simkin (1997:51) provide a step-by-step guide to overcoming barriers in effective segmentation. This is known as the analysis, strategy and programmes (ASP) method:

3.11 STEPS IN OVERCOMING BARRIERS IN EFFECTIVE SEGMENTATION

3.11.1 STEP 1: MARKET ANALYSIS

The objective is to gain knowledge on current market trends and utilise that information to achieve a market edge.

3.12 CONCLUSION

In order to implement a successful marketing strategy a marketer needs to carry out a market segmentation programme. By doing so, the marketer can identify the various market segments along with their needs, wants and characteristics. Once the most lucrative market is identified, the marketer can make use of the information at his/her disposal to plan a marketing strategy that will appeal to the chosen market.

The importance of market segmentation can clearly be seen in this chapter in which the various steps of marketing strategies have been discussed. The marketer can save a tremendous amount of time and money if a proper and accurate market segmentation process has occurred. As the accuracy of marketing has improved, the marketer can improve the planning of present and future marketing programmes. The target market will enjoy a product (experience) that has been better planned and presented.

The most important step in marketing events is to identify the present and potential market based on their needs, wants and characteristics. By doing so the marketer can better utilise the seven P's when targeting or catering for a market. The next chapter will show the results of the surveys conducted for this study.

will be discussed and in the second, the correspondence analyses of both festivals.

4.2 DESCRIPTIVE ANALYSIS

The following section highlights the descriptive analysis of both festivals, of which the Cherry Festival will be analysed first. This provides an overview of the profile before market segmentation will be performed.

4.2.1 CHERRY FESTIVAL

Section A: Demographic detail

4.2.1.1 Gender

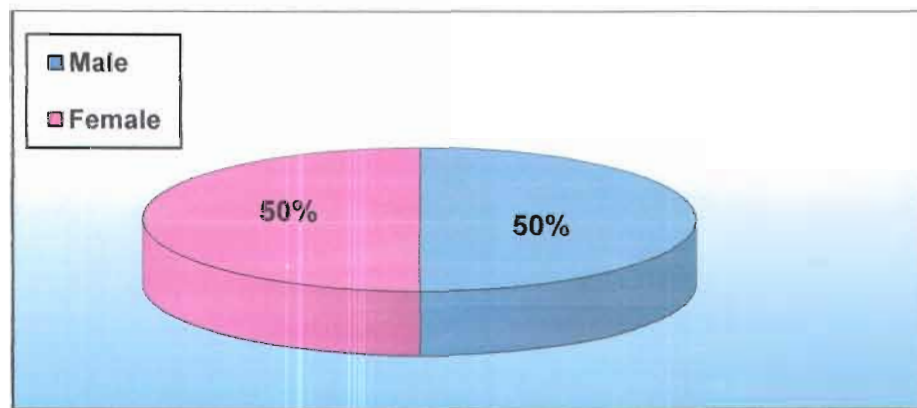


Figure 4.1: Gender

It is clear from Figure 4.1 that there was an equal distribution between men and women who completed the questionnaire, with 50% female and 50% male respondents.

4.2.1.2 Age group

Figure 4.2 reveals that the majority of respondents (24%) were between 18 and 25 years of age. This was followed by those between 26 and 35 years of age (22%), 36 and 45 (19%), and 46 and 60 years of age (19%). Only 10% of the respondents were older than 60 and 6% were between 13 and 17 years of age. The average age of the visitor to the Cherry Festival therefore was 37.7 years.

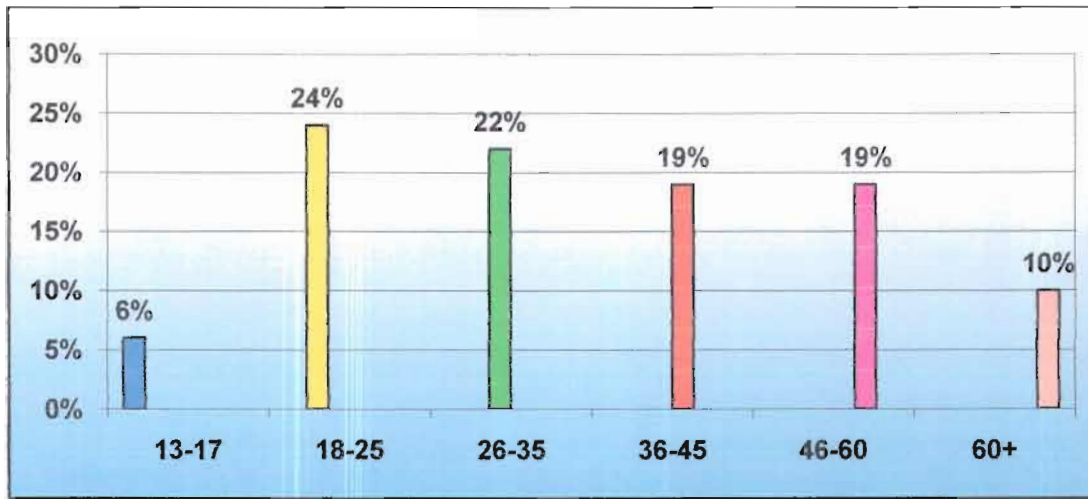


Figure 4.2: Age group

4.2.1.3 Language

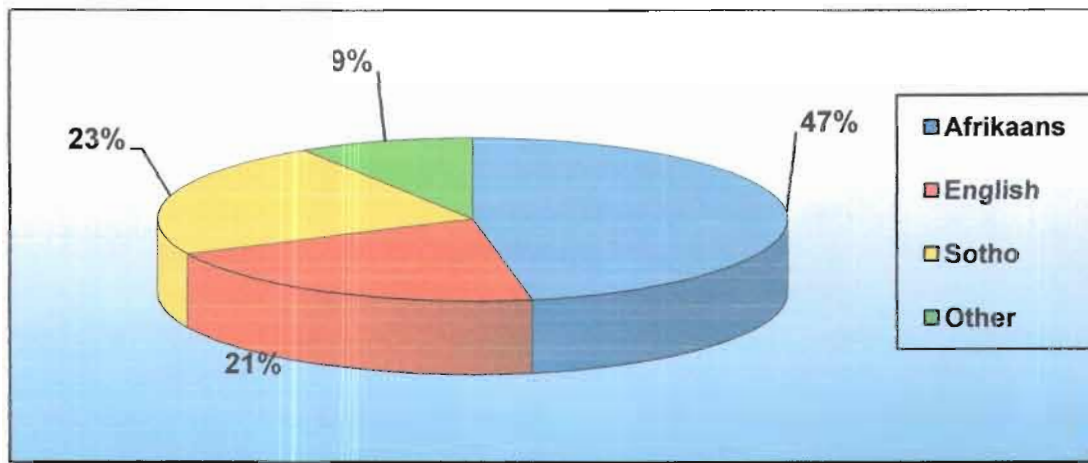


Figure 4.3: Language

Forty-seven percent of the respondents who attended the Cherry Festival were Afrikaans-speaking, while 23% were Sesotho-speaking and 21% were English-speaking. The other languages, representing 9% of the total, included Setswana, isiXhosa, isiZulu, Pedi and Chinese (See Figure 4.3).

4.2.1.4 Occupation

Table 4.1 displays the distribution of visitors according to occupation. Most of the respondents were students (15%), while 13% were self-employed and 12% were in professional occupations.

Table 4.1: Occupation

OCCUPATION	PERCENTAGE
Professional	12%
Management	9%
Administrative	7%
Technical	3%
Sales	6%
Farmer	7%
Mining	1%
Civil service	1%
Self-employed	13%
Education	7%
Student	15%
Unemployed	4%
Housewife	5%
Pensioner	7%
Other	3%

4.2.1.5 Residence

A. Province of residence

Figure 4.4 clearly indicates that most visitors to the Cherry Festival reside in the Free State (63%), which is also the hosting province of the festival. Provinces such as Gauteng (16%) and KwaZulu-Natal (7%) were also represented. Relatively low numbers of visitors came from the other provinces. Foreign visitors accounted for 6% of the total number of respondents.

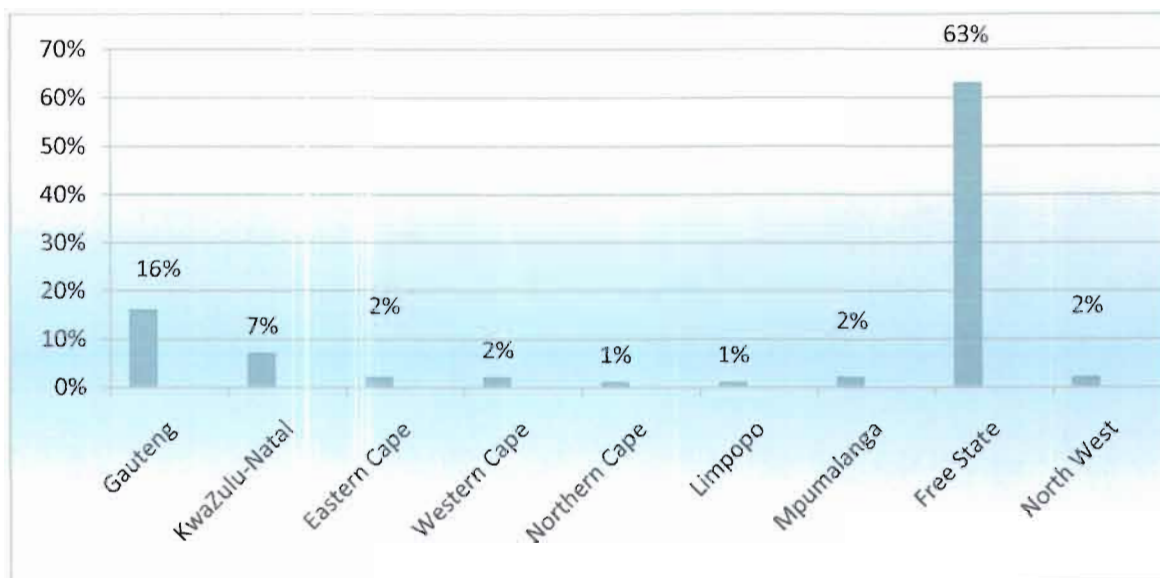


Figure 4.4: Province of residence

B. City or town of residence

According to Table 4.2, most visitors to the Cherry Festival were from Ficksburg (35%), followed by Bloemfontein (14%) both in the Free State. Visitors from Gauteng were mainly from Johannesburg (6%) and Pretoria (6%).

Table 4.2: City or town of residence

CITY/TOWN OF RESIDENCE	PERCENTAGE
Ficksburg	35%
Bloemfontein	14%
Johannesburg	6%
Pretoria	6%
Other	39%

4.2.1.6 Type of accommodation

According to Table 4.3, most respondents were locals (35%), therefore staying in Ficksburg, followed by 18% who preferred to stay in guesthouses or B & B's and 17% who stayed with family or friends. Nine percent of the visitors stayed in

camping facilities and 8% in the hotel/s. This correlates with other data included in this report.

Table 4.3: Type of accommodation

TYPE OF ACCOMMODATION	PERCENTAGE
Local	31%
Family & Friends	17%
Guesthouse or B&B	18%
Hotel	8%
Camping	9%
House (rent)	3%
Day visitor	6%
Hostel	4%
Other	3%

Section B: Economic analysis

Section B focuses on the analysis of certain economic components of the respondents such as spending patterns, number of days and nights at the festival and so on. It is important to encourage visitors to stay at the festival longer and to spend more money in order to ensure the sustainable growth of the festival.

4.2.1.7 Number of people in travelling group

Table 4.4 reveals that the majority of people visit the festival in groups of two (28%), followed by groups of four people (19%) and three people (17%). The average number of people per travelling group is 4.45.

Table 4.4: Number of people in travelling group

NUMBER OF PEOPLE IN TRAVELLING GROUP	PERCENTAGE
1	11%
2	28%
3	17%
4	19%
5	8%
6	4%
7	3%
8	2%
10	2%
12	1%
14	1%
15+	1%

4.2.1.8 Length of stay at the festival

A. Number of days at the festival

Most visitors spent three days at the festival (41%), followed by visitors that spent two days (22%). Eighteen percent of the visitors spent only one day at the festival. It is ideal to increase the length of stay at the festival in order to increase the spending and economic impact of the festival. Respondents spent 2.74 days at the festival on average.

Table 4.5: Number of days at the festival

NUMBER OF DAYS AT THE FESTIVAL	PERCENTAGE
1	18%
2	22%
3	41%
4	14%
5	1%
6	1%
7	1%
10+	1%

B. Number of nights at the festival

Most visitors spent three nights at the festival (35%), followed by those visitors that spent two nights (22%) and one night (16%) at the festival. The average number of nights spent at the festival was 2.58 nights.

Table 4.6: Number of nights at the festival

NUMBER OF NIGHTS AT THE FESTIVAL	PERCENTAGE
1	16%
2	22%
3	35%
4	11%
5	4%
6	1%
7+	1%

4.2.1.9 Number of people paid for

Table 4.7 shows the number of people one person paid for. The majority of visitors paid for two people (33%), while the second highest group of people

travel in groups of two (24%). The average number of people paid for by one visitor was three.

Table 4.7: Number of people paid for

NUMBER OF PEOPLE PAID FOR	PERCENTAGE
1	24%
2	33%
3	14%
4	12%
5+	5%

4.2.1.10 Main reason for visiting Ficksburg

According to Figure 4.5, 59% of respondents visited Ficksburg specifically to attend the festival, while 20% did not. Twenty-one percent of the respondents were locals.

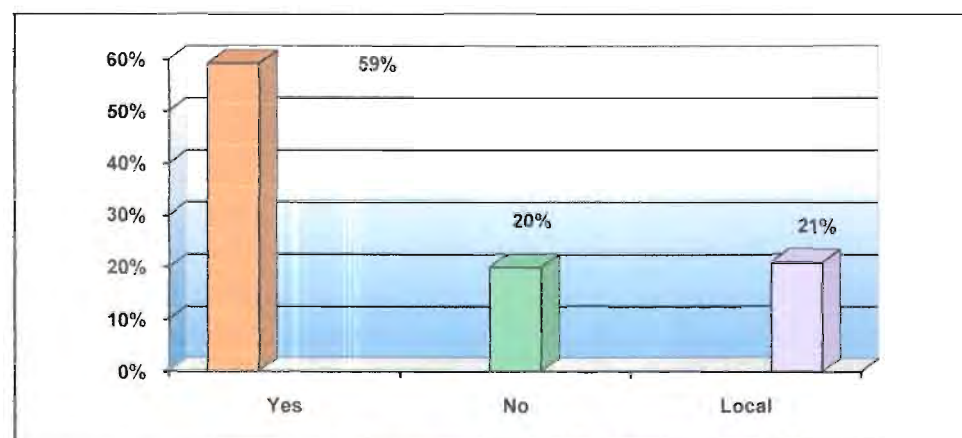


Figure 4.5: Main reason for visiting Ficksburg

(The percentages may not correlate with table 4.2 and 4.3 as visitors might be from surrounding farms and do not see them self's as locals.)

4.2.1.11 Spending patterns

Table 4.8: Spending patterns

CATEGORY	EXPENDITURE (average)
Accommodation	R406.50
Food	R312.40
Alcohol	R198.26
Non-alcohol	R113.40
Tobacco products	R30.27
Retail shopping	R203.98
Souvenirs	R220.40
Transport to Ficksburg	R321.6
Transport at the Cherry Festival	R64.24
Tours	R60.90
Sports activities	R17.53
Parking	R24.04
Other	R42.14
Total average expenditure	R2 015.74

The average group of respondents spent R2 015.74 while visiting the festival. The highest spending categories include: Accommodation (R406.50), Transport to the Festival (R321.60) and Food (R312.40).

Section C: Consumer behaviour and preferences

Section C focuses on the analysis of consumer behaviour while visiting the festival as well as on the preferences of visitors regarding certain facilities and services provided at the festival.

4.2.1.12 Reasons for attending the festival

Figure 4.6 clearly indicates that respondents visit the Cherry Festival mainly because it is a sociable festival (29%), for family entertainment (17%), because it is different from other festivals (11%) and it is the closest festival (13%).

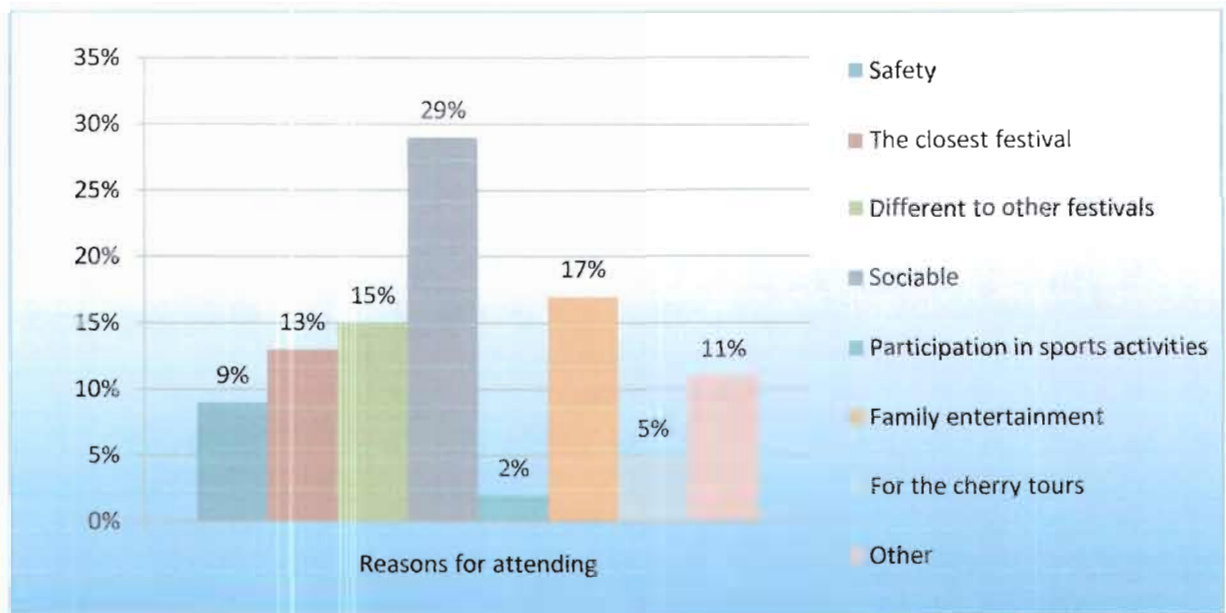


Figure 4.6: Reasons for attending the festival

4.2.1.13 Cherry Festival tours

A. Participation in tours

Figure 4.7 shows that only 23% of respondents participated in tours offered during the festival. As already indicated, it is important to determine the needs of visitors in terms of the tours in order to expand this part of the festival. The tours provide an income for the festival.

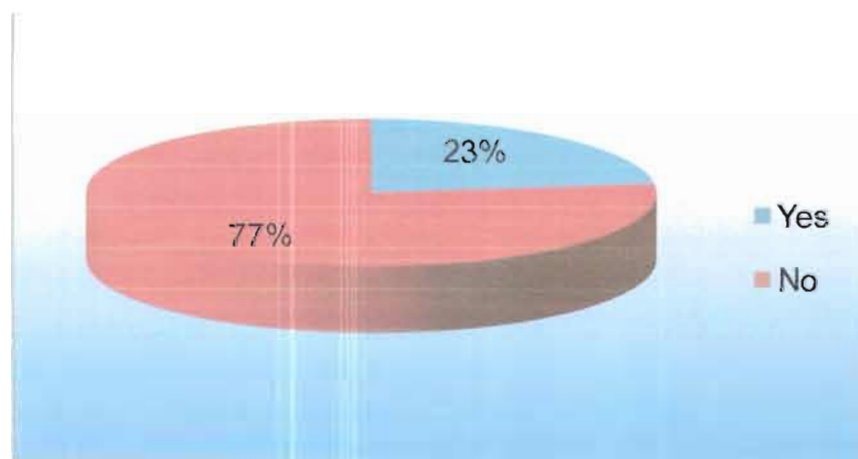


Figure 4.7: Participation in tours

B. Tour prices

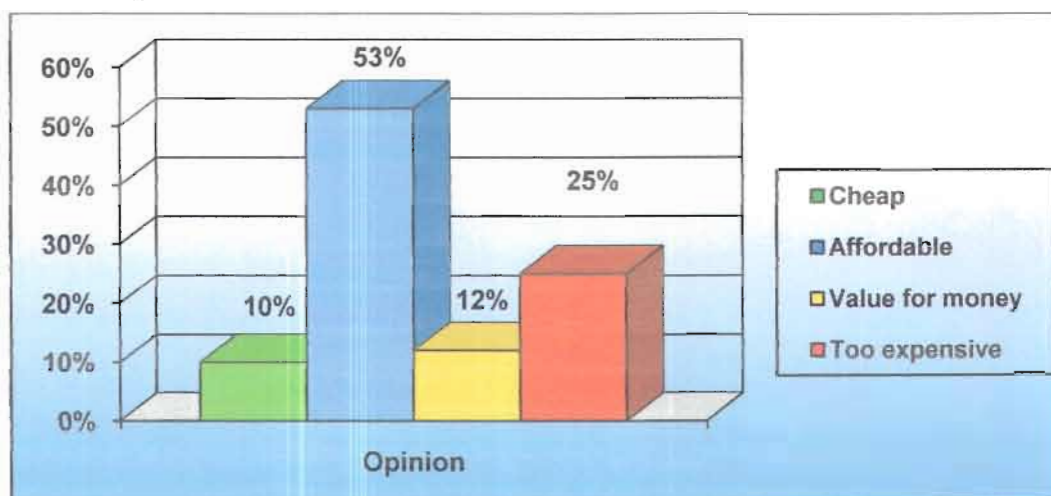


Figure 4.8: Opinion regarding tour prices

It is clear from Figure 4.8 that the majority of respondents feel the tour prices are affordable (53%), 25% feel that it is too expensive, 12% feel that it is value for money and 10% feel that the tour prices are cheap.

C. Evaluation of tours

Table 4.9 shows that most of the visitors were neutral when asked whether the cherry tours were too long (48%), 40% indicated that they were professional, 36% that they offered value for money and 37% that they were interesting. Most visitors strongly agreed that the cherry tours were fun and educational.

Table 4.9: Evaluation of tours

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
Too long	7%	31%	48%	7%	8%
Professional	3%	8%	40%	33%	17%
Value for money	1%	9%	36%	35%	19%
Interesting	3%	1%	37%	31%	28%
Fun	0%	7%	27%	28%	39%
Educational	3%	1%	23%	35%	39%

4.2.1.14 Attendance of other festivals

Figure 4.9 clearly shows that the majority of visitors (29%) have attended the Volksblad festival. This can be due to the fact that most visitors were from the Free State, and Volksblad is also a festival held in the Free State. Eighteen percent of the respondents have attended Aardklop and 15% the Klein Karoo National Arts Festival.

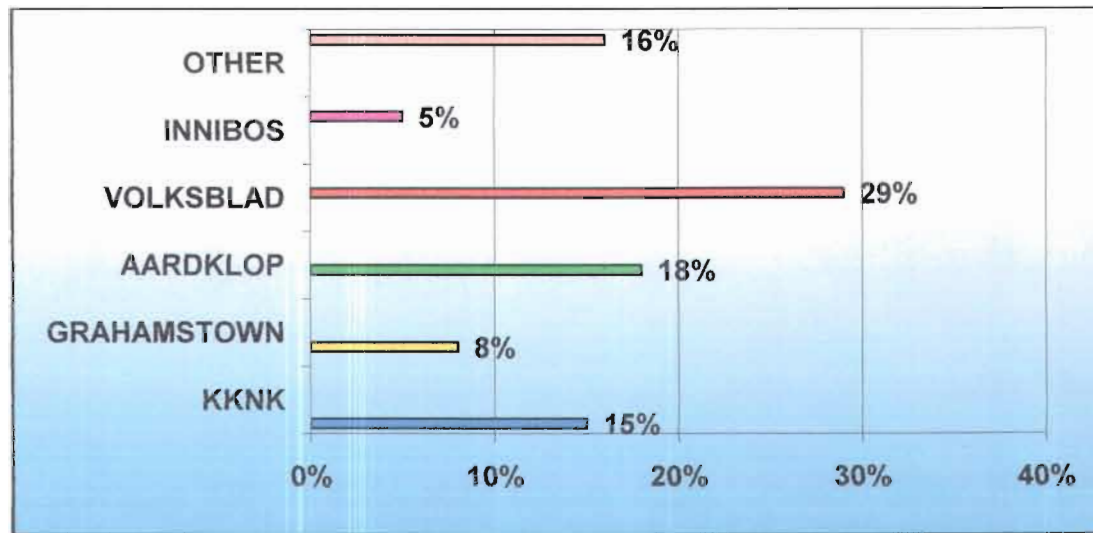


Figure 4.9: Attendance of other festivals

(The percentages do not add up to 100%, since respondents were allowed more than one option)

4.2.1.15 Number of times at the Cherry Festival

Table 4.10 shows that 31% of visitors have attended the festival between two and four times while 18% indicated that they had visited the festival between five and seven times.

Table 4.10: Number of times at the Cherry Festival

NUMBER OF TIMES AT THE FESTIVAL	PERCENTAGE
1	28%
2-4	31%
5-7	18%
8-10	9%
11-15	6%
16+	8%

4.2.1.16 Evaluation of the 2007 programme

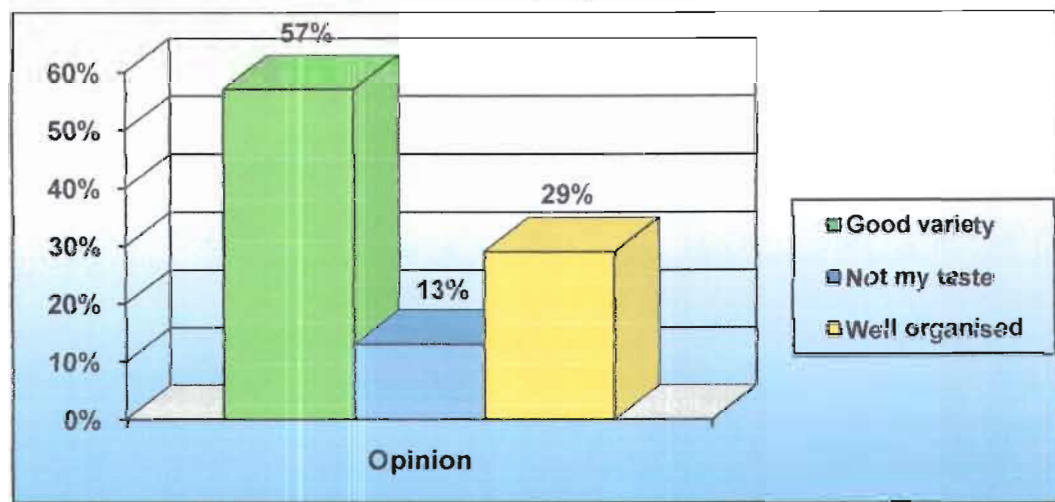


Figure 4.10: Evaluation of the 2007 programme

(The percentages do not add up to 100%, since respondents were allowed more than one option)

It is clear from Figure 4.10 that most of the visitors (57%) believe the 2007 programme offered a good variety of activities, while 13% indicated that the programme did not suit their taste. Only 29% of the participants felt that the festival was well organised.

4.2.1.17 Repeat visit to the Cherry Festival

An overwhelming majority of visitors (83%) indicated that they would visit the festival again, while 13% said they would not and 4% were uncertain.

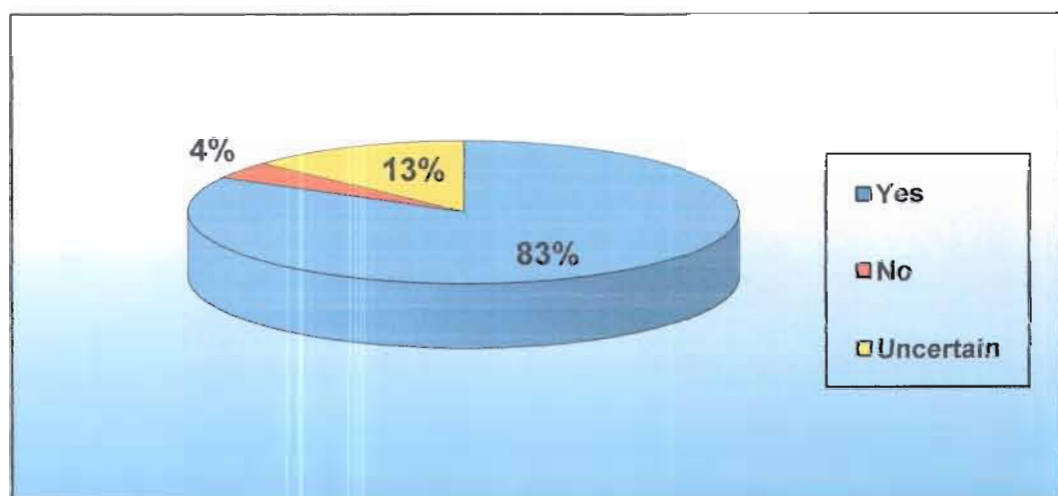


Figure 4.11: Repeat visit to the Cherry Festival

4.2.1.18 Attendance of festival activities

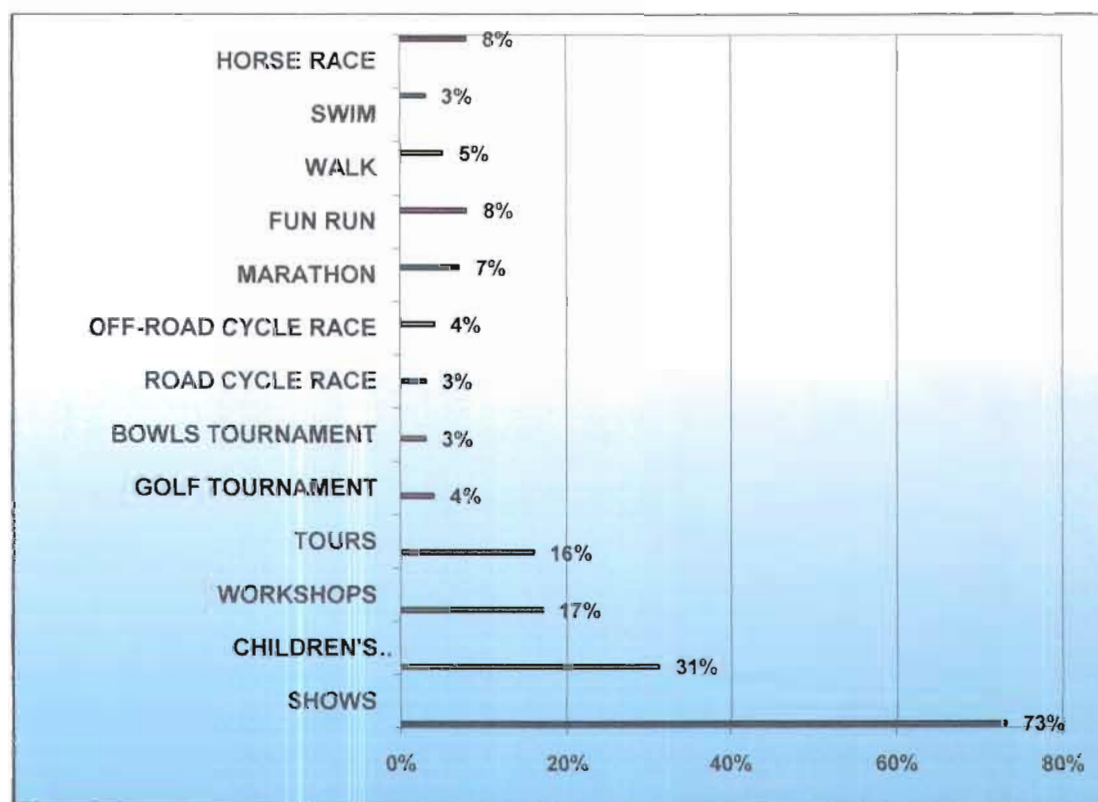


Figure 4.12: Attendance of festival activities

(The percentages do not add up to 100%, since respondents were allowed more than one option)

Figure 4.12 reveals that 73% of the respondents attended the shows at the festival, while the entertainment for children accounted for 31%. Seventeen percent of the respondents attended the workshops and 16% the tours.

4.2.1.19 Heard about the Cherry Festival

Figure 4.13 confirms that the best marketing tool for the Cherry Festival is word-of-mouth communication (34%). Others included the radio (28%) such as OFM and newspapers (12%) such as the Beeld as the most important marketing tools. This highlights the importance of the delivery of a consistent quality of service during the festival to ensure that positive word-of-mouth messages are conveyed to potential visitors.

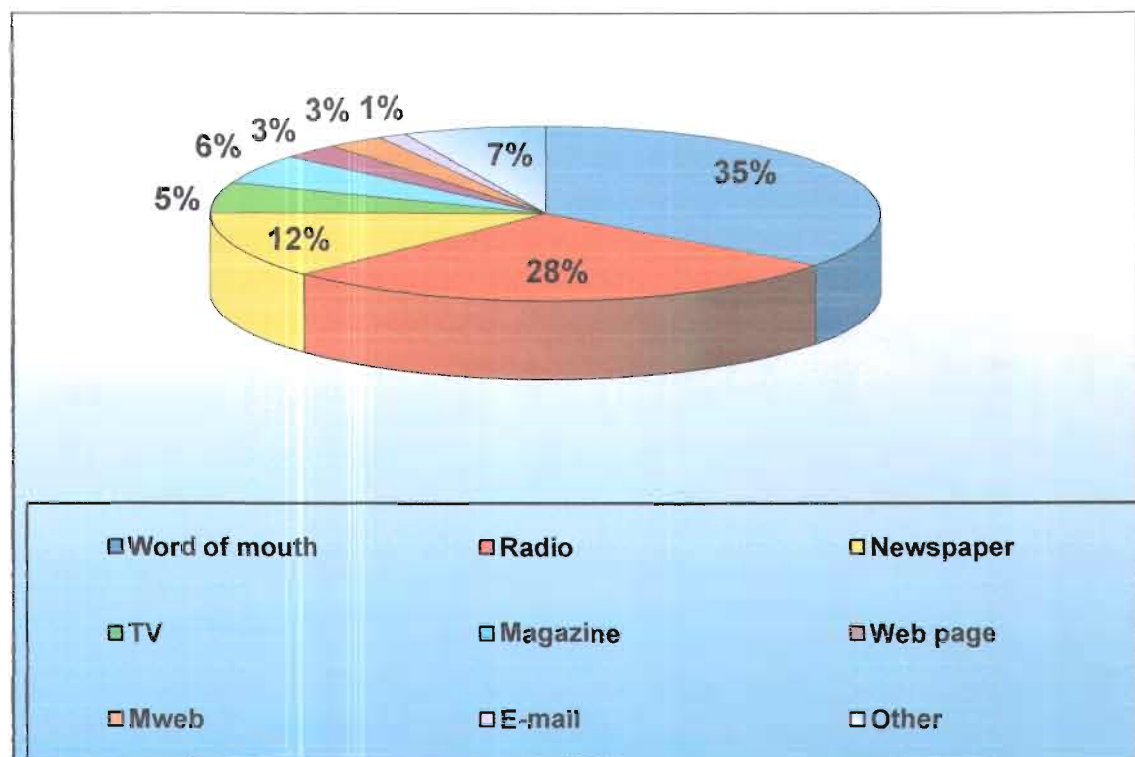


Figure 4.13: Heard about the Cherry Festival

(The percentages do not add up to 100%, since respondents were allowed more than one option)

4.2.1.20 Evaluation of the festival

Table 4.11 shows that visitors perceived the following aspects of the festival to be good to very good:

- Security at the festival (70%);
- Venue for the shows (69%);
- The sports activities (67%);
- The quality of the stalls (64%).

Attention is needed in terms of the transport provided at the festival and the change rooms.

Table 4.11: Evaluation of the festival

	VERY POOR	POOR	AVERAGE	GOOD	VERY GOOD
Transport	4%	7%	43%	30%	16%
Change rooms	5%	13%	36%	36%	10%
Tours	2%	7%	34%	38%	19%
Bathroom Facilities	8%	13%	31%	36%	12%
Show venue	1%	6%	24%	43%	26%
Security	3%	4%	23%	41%	29%
Quality of stalls	2%	9%	26%	41%	23%
Sports activities	2%	3%	28%	40%	27%

4.2.2 TRANSVALIA OPEN AIR SHOW

Section A: Demographic detail

Section A focuses on the analysis of certain demographic information concerning the respondents in order to develop a profile of visitors to the Transvalia Open Air Show held in Vanderbijlpark.

4.2.2.3 Language

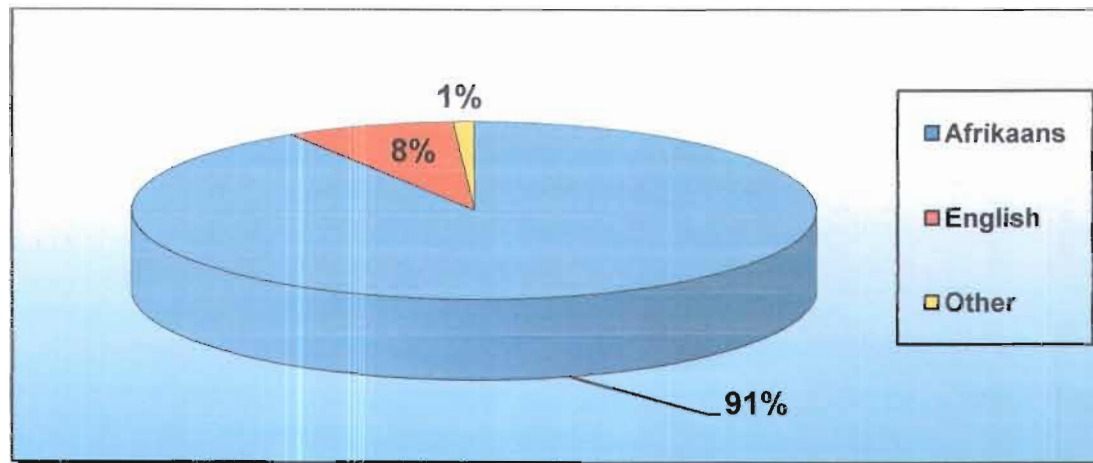


Figure 4.16: Language

Ninety-one percent of the respondents who attended the Transvalia Open Air Show were Afrikaans-speaking; while 8% were English-speaking. The other languages, representing 1% of the total, included isiZulu and Tswana. (See Figure 4.16).

4.2.2.4 Occupation

Table 4.12 displays the distribution of visitors according to occupation. Most of the respondents were students (25%), while 11% were in management and in a technical field.

Table 4.12: Occupation

OCCUPATION	PERCENTAGE
Professional	7
Management	11
Administrative	8
Technical	11
Sales	5
Farmer	1
Mining	1
Civil service	1

Self-employed	7
Education	7
Student	25
Unemployed	1
Housewife	4
Pensioner	5
Other	8

4.2.2.5 Residence

A. Province of residence

Figure 4.17 clearly indicates that most visitors to the Transvalia Open Air Show reside in Gauteng (85%), which is also the hosting province of the show. The Free State province (12%) was also represented and relatively low numbers of visitors came from the other provinces.

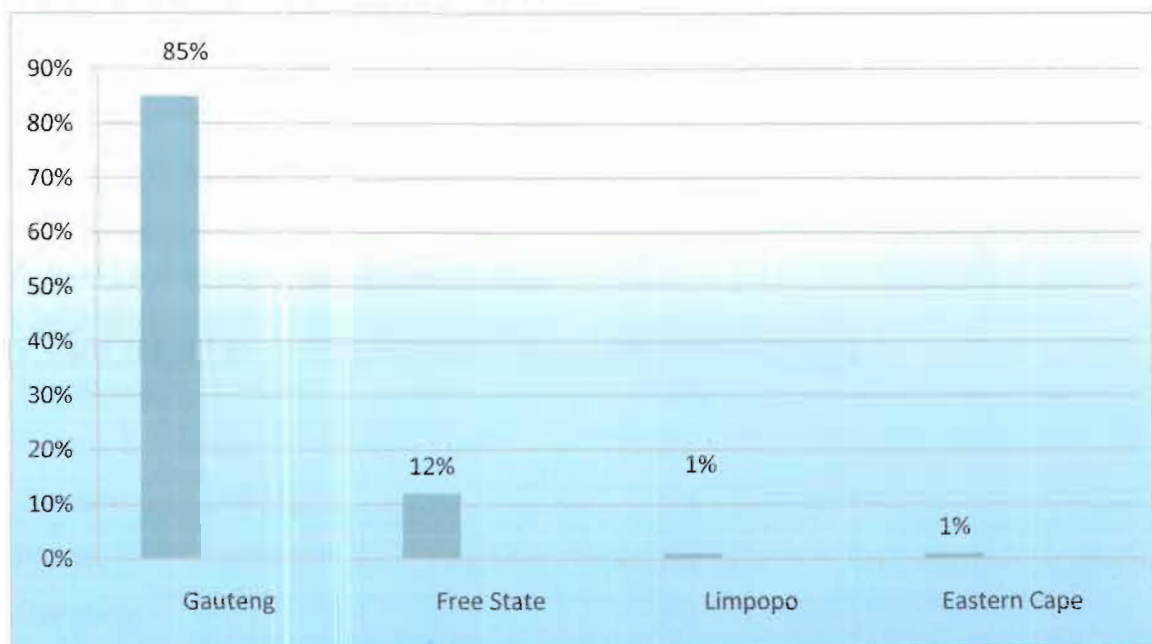


Figure 4.17: Province of residence

B. City or town of residence

According to Table 4.13, most visitors to the Transvalia Open Air Show were from Vanderbijlpark (71%), followed by Sasolburg (5%). Some visitors came from

Section B: Economic analysis

Section B focuses on the analysis of certain economic components of the respondents such as spending patterns, number of days and nights at the festival and so on. It is important to encourage visitors to stay at the Open Air Show longer as well as to spend more money in order to ensure the show's sustainable growth.

4.2.2.7 Number of people in travelling group

Table 4.15: Number of people in travelling group

NUMBER OF PEOPLE IN TRAVELLING GROUP	PERCENTAGE
1	12%
2	32%
3	18%
4	21%
5	10%
6	8%
7	4%
8	5%
9	4%
10	5%
11	5%
20	5%

Table 4.15 reveals that the vast majority of people visit the Transvalia Open Air Show in groups of two (32%), followed by groups of four people (21%) and three people (18%). The average number of people per travelling group is 3.5.

Table 4.17: Number of people paid for

NUMBER OF PEOPLE PAID FOR	PERCENTAGE
1	29
2	32
3	19
4	13
5+	3

4.2.2.10 Main reason for visiting Vanderbijlpark

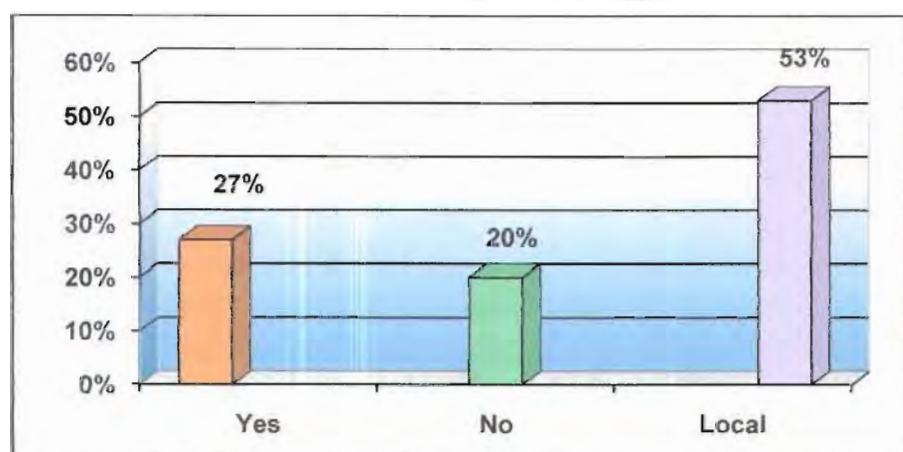


Figure 4.18: Main reason for visiting Vanderbijlpark

According to Figure 4.18, 27% of respondents visited Vanderbijlpark specifically to attend the show, while 20% did not. Fifty-three percent of the respondents were locals. This does not correlate with Table 4.14 as some visitors might be staying in surrounding areas and not consider themselves to be locals in the context of this question.

4.2.2.11 Spending patterns

The average group of respondents spent R570.40 while visiting the show. The highest spending categories include: food (R128.40), retail shopping (R121.40), souvenirs (R67.70) and non-alcoholic drinks (R64.10). From Table 7 it can be concluded that the economic contribution of the festival is very low.

Table 4.18: Spending patterns

CATEGORY	EXPENDITURE (average)
Accommodation	R29
Food	R128.40
Alcohol	R43.80
Non-alcohol	R64.10
Tobacco products	R12.8
Retail shopping	R121.40
Souvenirs	R67.70
Transport Vanderbijlpark	R45.40
Activities	R30.20
Parking	R6.50
Other	R21.20
Total average expenditure	R570.40

Section C: Consumer behaviour and preferences

Section C focuses on the analysis of consumer behaviour while visiting the Transvalia Open Air Show as well as on the preferences of visitors regarding certain facilities and services provided at the show.

4.2.2.12 Reasons for attending the show

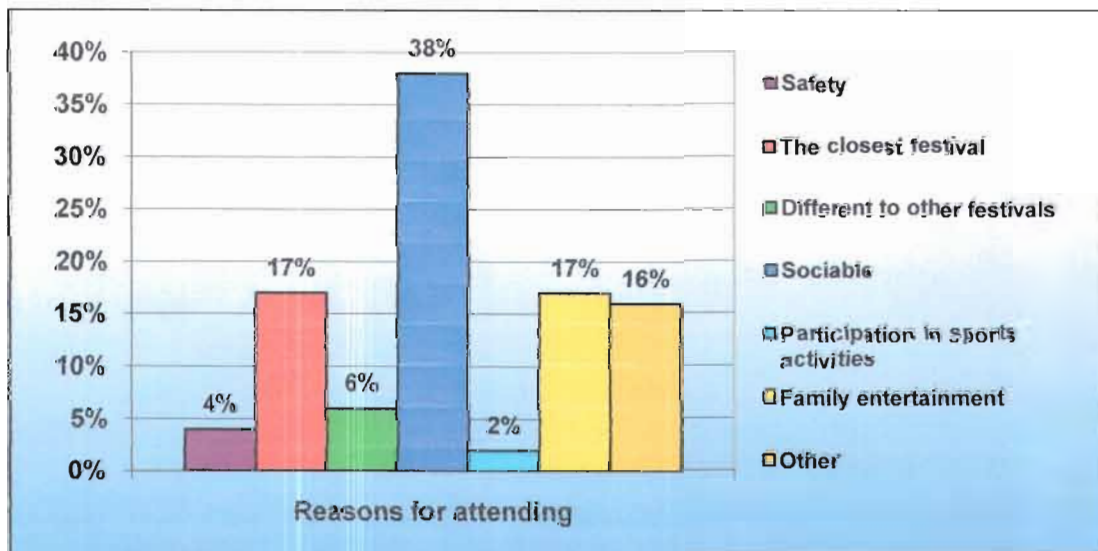


Figure 4.19: Reasons for attending the show

Figure 4.19 clearly indicates that respondents visit the Transvalia Open Air Show mainly because it is a sociable event (38%), for family entertainment (17%), and because it is the closest festival (17%), while 16% listed other reasons.

4.2.2.13 Helicopter rides

A. Participation in helicopter rides

Figure 4.20 shows that only 8% of respondents participated in helicopter rides during the show. As this can create an income and serve as an attraction it is important to market these types of activities and encourage people to participate.

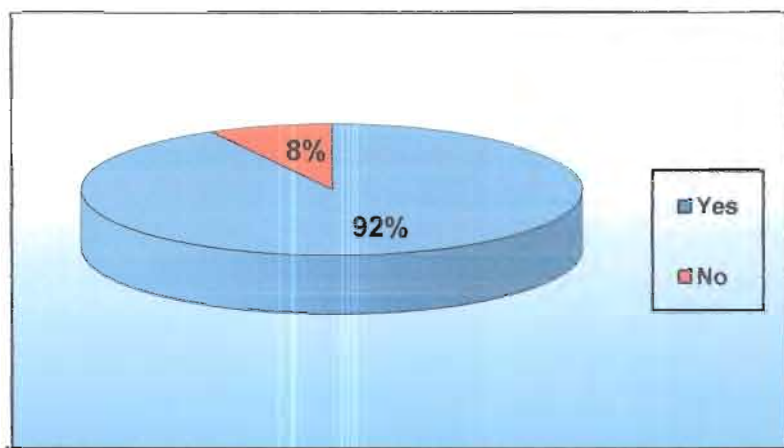


Figure 4.20: Participation in helicopter rides

B. Helicopter ride prices

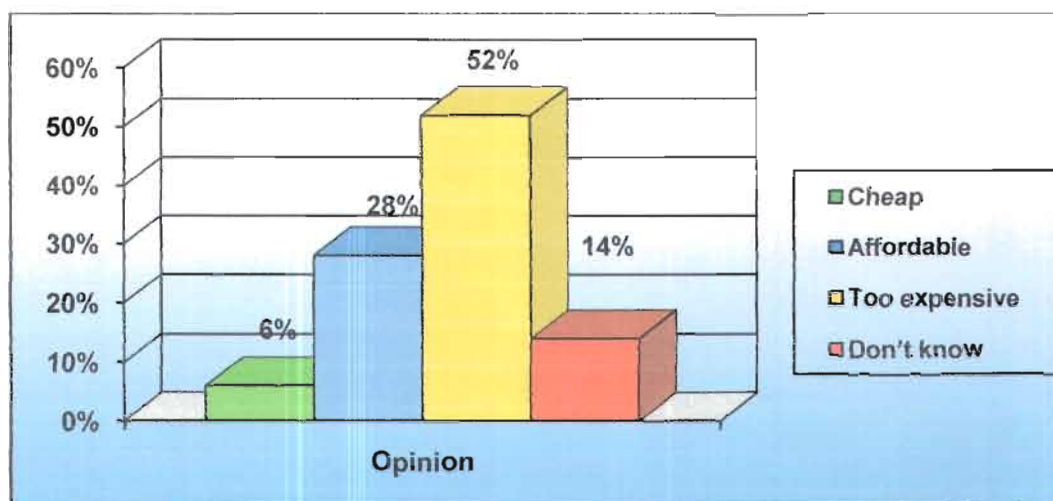


Figure 4.21: Opinion regarding helicopter ride prices

It is clear from Figure 4.21 that the majority of respondents feel the helicopter ride prices are too expensive (52%), 28% feel that they are affordable, 6% believe that they are cheap and 14% did not know what the price was.

4.2.2.14 Attendance of other festivals

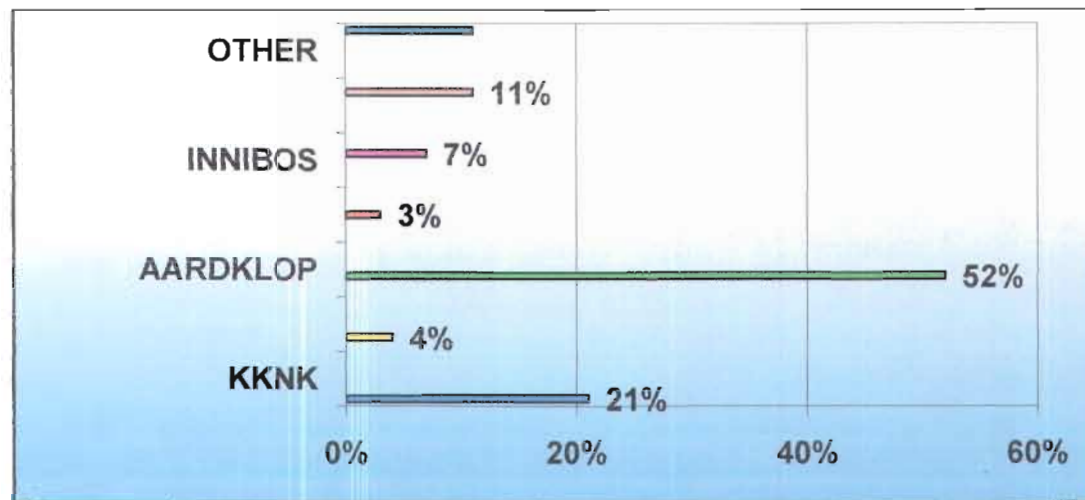


Figure 4.22: Attendance of other festivals

(The percentages do not add up to 100%, since respondents were allowed to select more than one option)

Figure 4.22 clearly shows that the majority of visitors (52%) have attended the Aardklop festival. This can be due to the fact that most visitors were from Vanderbijlpark, and Aardklop is closely situated. Twenty-one percent of the respondents have attended the Klein Karoo National Arts Festival and 11% the Ficksburg Cherry Festival.

4.2.2.15 Number of times at the Transvalia open air show

Table 4.19 shows that 37% of visitors have attended the show between two and four times while 26% indicated that they had visited the show between five and seven times.

Table 4.19: Number of times at the Transvalia Open Air Show

NUMBER OF TIMES AT THE FESTIVAL	PERCENTAGE
1	18%
2-4	37%
5-7	26%
8-10	10%
11-15	7%
18-20	1%

4.2.2.16 Evaluation of the 2008 programme

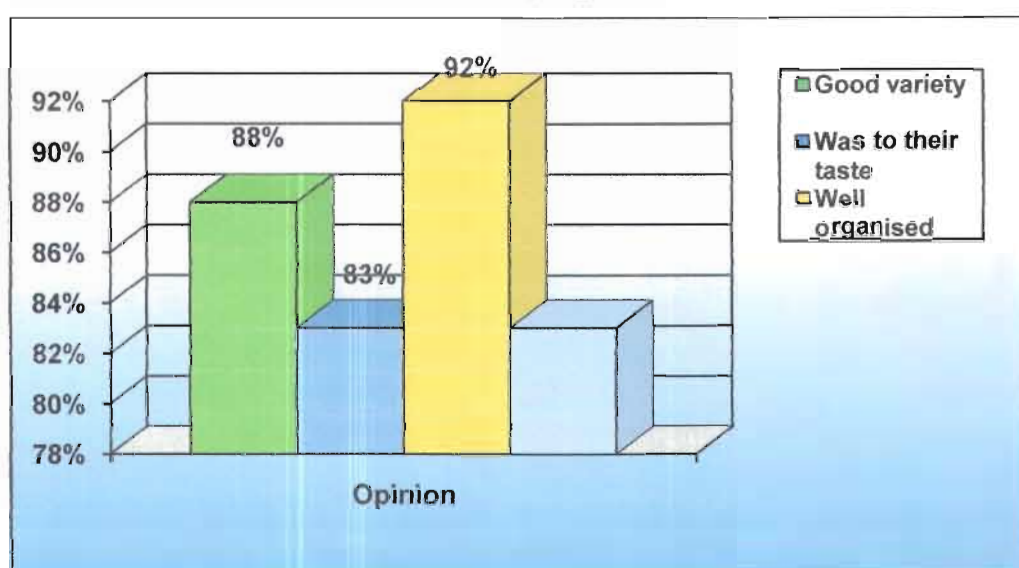


Figure 4.23: Evaluation of the 2008 programme

(The percentages do not add up to 100%, since respondents were allowed to select more than one option)

It is clear from Figure 4.23 that most of the visitors (92%) believe the 2008 programme was well organised, while 88% indicated that the programme offered a good variety. Eighty-three percent felt that the show was to their taste and was also good value for money.

4.2.2.17 Repeat visit to the Transvalia Open Air Show

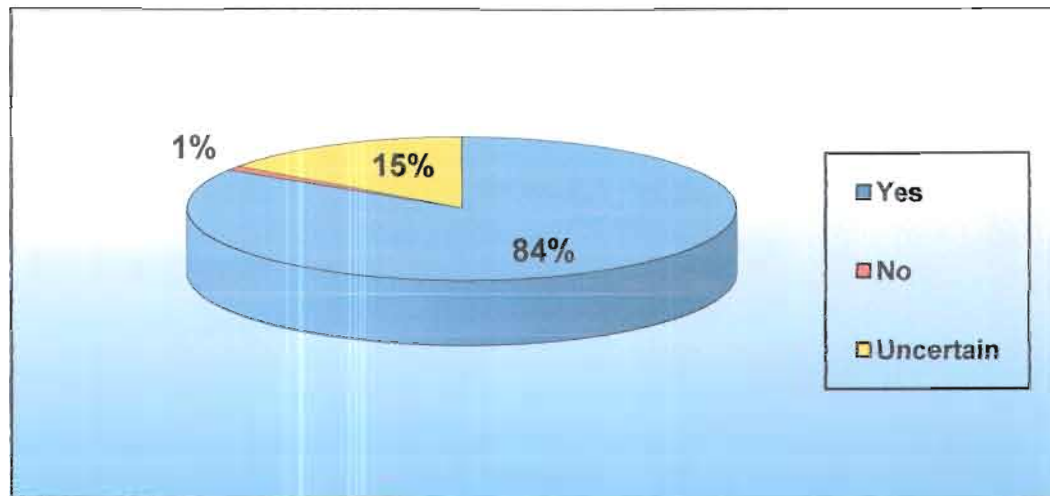


Figure 4.24: Repeat visit to the Transvalia Open Air Show

An overwhelming majority of visitors (84%) indicated that they would visit the festival again, while only 1% said they would not and 15% were uncertain.

4.2.2.18 Attendance of show activities

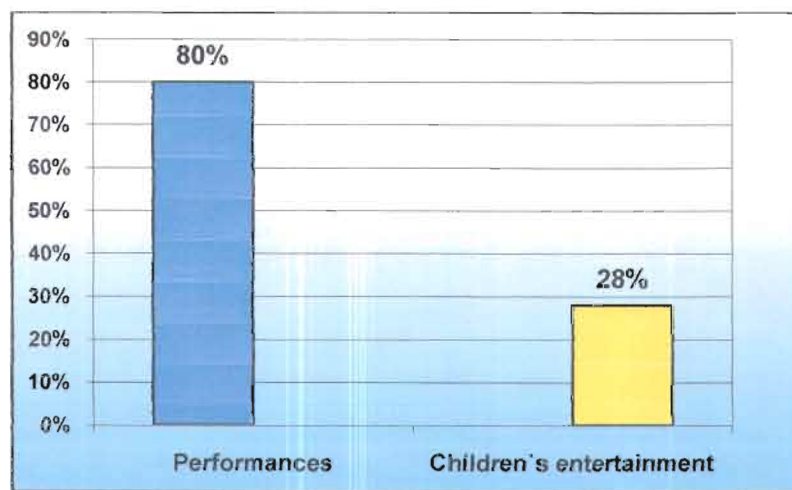


Figure 4.25: Attendance of show activities

(The percentages do not add up to 100%, since respondents were allowed more than one option)

Figure 4.25 reveals that 80% of the respondents attended the performance activities at the show, while the entertainment for children accounted for 28%.

4.2.2.19 Heard about the Transvalia Open Air Show

Figure 4.26 confirms that the best marketing tool for the Transvalia Open Air Show is word-of-mouth communication (39%). Others included the newspapers (26%) and radio (11%) as the most important marketing tools. This highlights the importance of the delivery of a consistent quality of service during the show to ensure that positive word-of-mouth messages are conveyed to potential visitors.

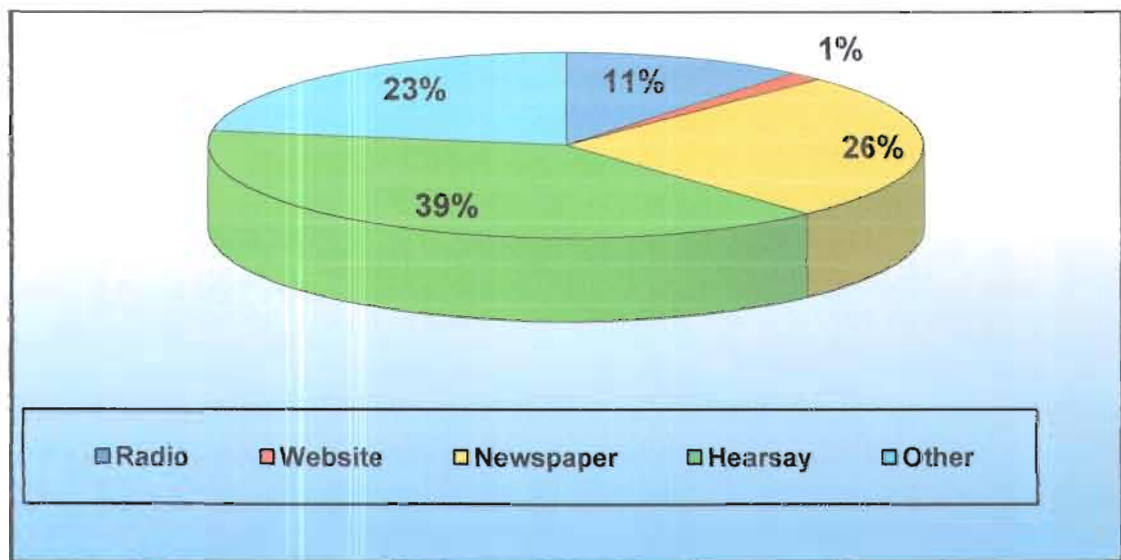


Figure 4.26: Heard about the Transvalia Open Air Show

(The percentages do not add up to 100%, since respondents were allowed more than one option)

4.2.2.20 Evaluation of the Transvalia Open Air Show

Table 4.20: Evaluation of the Transvalia Open Air Show facilities and services

	VERY POOR	POOR	AVERAGE	GOOD	VERY GOOD
Bathroom Facilities	4%	8%	39%	42%	7%
Show venue	-	2%	20%	58%	20%
Security	1%	3%	23%	52%	20%
Quality of stalls	-	3%	31%	48%	18%
Activities	-	5%	27%	49%	18%
Parking	3%	10%	29%	42%	14%
Background Music	6%	7%	29%	45%	12%
Atmosphere	1%	1%	23%	50%	25%

Table 4.20 shows that visitors perceived the following aspects of the show to be good to very good:

- Bathroom facilities (81%);
- Venue for the shows (78%);
- The quality of the stalls (66%);
- The activities (67%).
- Atmosphere (75%).

Areas that require improvement are parking (56%) and background music (57%).

Table 4.21: Perception of the Transvalia Open Air Show

	VERY POOR	POOR	AVERAGE	GOOD	VERY GOOD
Professional	1%	2%	23%	55%	20%
Value for money	1%	8%	26%	43%	18%
Interesting	1%	7%	23%	47%	23%
Fun	2%	5%	23%	44%	25%
Educational	10%	17%	40%	22%	10%

Table 4.21 shows that visitors perceived the following aspects of the show to be good to very good:

- Professional (75%)
- Value for money (61%)
- Interesting (70%)
- Fun (69%)

Visitors do not consider the Transvalia Open Air Show as an educational experience.

4.2.3 COMPARATIVE PROFILE SUMMARY OF VISITORS TO BOTH EVENTS

The following table (Table 4.22) provides an overview of the profile of visitors to both events in order to generate a basic profile for each event and identify similarities and differences in the basic profile.

4.2.3.1 Section A: Demographic detail

Table 4.22: Demographic detail

Variable		Cherry Festival	Transvalia Open Air Show
Gender	Male	50%	48%
	Female	50%	52%
Age Groups	13-17	6%	18%
	18-25	24%	14%
	26-35	22%	17%
	36-45	19%	25%
	46-60	19%	21%
	60+	10%	5%
Language	Afrikaans	47%	91%
	English	21%	8%
	Other	32%	1%
Occupation	Professional	12%	7%
	Management	9%	11%
	Technical	3%	11%
	Self-employed	13%	7%
	Student	15%	25%
Province	Gauteng	16%	85%

of residence	Free State	63%	12%
	Kwazulu-Natal	7%	0%
Type of accommodation	Local	31%	73%
	Family& Friends	17%	6%
	Guesthouse	18%	1%
	Hotel	8%	1%

It is clear that there is an equal distribution between the genders attending both festivals. Concerning age distribution it is clear that the Cherry Festival attracts a younger visitor group than the Transvalia Open Air Show.

There is a major difference regarding age group distribution between the two events. The Cherry Festival's main market seems to be between the ages of 18 and 35, which accounts for almost half its visitors while the Transvalia Open Air Show attracts mainly those between the ages of 36 and 60, who make up 46% of the visitors. It seems that the Cherry Festival attracts a greater variety of different language groups than the Transvalia Open Air Show, which is dominated by Afrikaans-speaking people. This can be attributed to the fact that the show is held at an Afrikaans school in a predominantly Afrikaans-speaking suburb while the Cherry Festival draws from a more diverse geographic area. Both the events share a commonality that most of the visitors are students; however, the Cherry Festival draws more professional and self-employed visitors. The Transvalia Open Air Show attracts more management and technical visitors. The events are both visited predominantly by visitors from the province they reside in. The Cherry Festival receives 63% of its visitors from the Free State and 16% from Gauteng, while the reverse occurs at the Transvalia Open Air Show, which is visited by 85% from Gauteng and 16% from the Free State. For both events the majority of visitors are local although the scale differs, with the Cherry Festival attracting 31% and the Transvalia Open Air Show attracting 73%. Visitors to the Cherry Festival mostly resided with family and friends or at guest houses and B&Bs, while only 6% of visitors to the Transvalia Open Air Show resided with friends and family.

Table 4.23: Economic analysis

Variable		Cherry Festival	Transvalia Open Air Show
Group size	1	11%	12%
	2	28%	32%
	3	17%	18%
	4	19%	21%
Length of stay number of days	1	18%	43%
	2	22%	21%
	3	41%	11%
	4	14%	24%
Number of people paid for	1	24%	29%
	2	33%	32%
	3	14%	19%
	4	12%	13%
Main reason for visiting	Yes	59%	27%
	No	20%	20%
	Local	21%	53%
Spending Pattern	Accommodation	R 406.50	R 29.00
	Food	R 312.40	R 128.40
	Alcohol	R 198.26	R 43.80
	Non-alcohol	R 113.40	R 64.10
	Tobacco	R 30.27	R 12.80
	Retail shopping	R 203.98	R 121.40
	Souvenirs	R 220.40	R 67.70
	Activities	R 17.53	R 30.20

The sizes of the groups which travel together at both the events are nearly identical. The duration of a visitor's stay at each event differs. The majority of visitors who attend the Cherry Festival stay three days while many visitors to the Transvalia Open Air Show attend for only one day. An almost equal number of

visitors attend both events for two days. Another similarity between the events can be seen when looking at the number of people paid for. The main reason given by 59% of visitors for travelling to Ficksburg was the Cherry Festival, while only 27% of respondents travelled to Vanderbijlpark specifically to attend the Transvalia Open Air Show. More locals from Vanderbijlpark (53%) attended the Transvalia Open Air Show compared with the 21% of locals (Ficksburg) who attended the Cherry Festival. When comparing spending patterns of visitors, there are clear differences in the amount of money spend at each event. The Cherry Festival visitors spend more per capita than those who attend the Transvalia Open Air Show.

4.2.3.3 Section C: Consumer behaviour and preferences

Table 4.24: Consumer behaviour and preferences

Variable		Cherry Festival	Transvalia Open Air Show
Reason for attending	Safety	9%	4%
	Closest	13%	17%
	Different	15%	6%
	Sociable	29%	38%
	Participation	2%	2%
	Entertainment	17%	17%
	Other	16%	16%
Attendance of other festivals	Innibos	5%	7%
	Volksblad	29%	3%
	Aardklop	18%	52%
	Grahamstown	8%	4%
	KKNK	15%	21%
	Other	16%	11%
Number of times visiting festival/show	1	28%	18%
	2 - 4	31%	37%
	5 - 7	18%	26%
	8 - 10	9%	10%
	11 -15	6%	7%
Repeat visit	Yes	83%	84%
	No	4%	1%

4.3.1.2 Age vs language

Table 4.26: Age vs language category

AGE	AFR	ENG	ZUL	SES	SOT	TSW	XHO	OTH	Total
1	2.16	0.43	0.00	0.22	0.22	0.22	0.00	0.00	3.23
2	12.50	3.23	0.43	4.96	3.45	0.00	0.00	0.22	24.78
3	9.70	5.39	1.51	2.59	1.94	0.65	0.86	0.00	22.63
4	6.47	4.09	0.65	4.31	1.51	0.86	0.43	0.43	18.75
5	10.34	4.31	0.65	2.37	1.29	0.43	0.22	0.43	20.04
6	6.25	3.45	0.22	0.22	0.22	0.00	0.00	0.22	10.56
Total	47.41	20.91	3.45	14.66	8.62	2.16	1.51	1.29	100.00

A significant chi-square value was reported for the age and language relationship. The chi-square value for the above was $\chi^2(35) = 57.150$ $p < 0.010$.

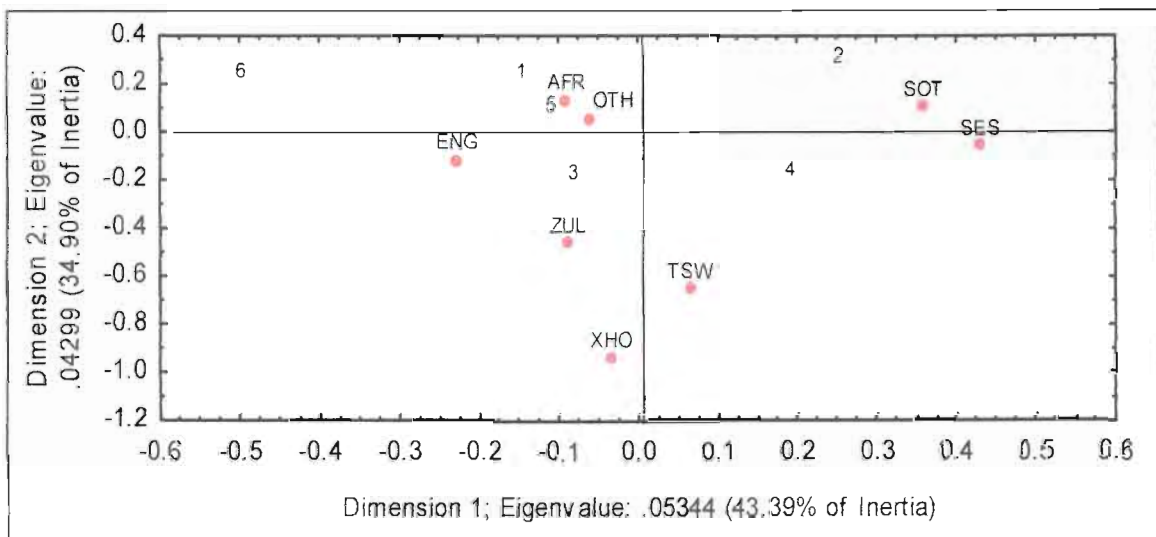


Figure 4.28: Biplot - Age and language

Figure 4.28 is the biplot for the cross tabulation of age category with language, which reveals the relationships between the row (age category) and columns (language) based on the proximity of the row and column points. The biplot indicates that the age groups (18-25; 36-45) were associated with Sesotho- and Sotho-speaking respondents while age group 26-35 spoke English and Zulu.

4.3.1.3 Age vs accommodation

Table 4.27: Age category

AGE	LOC	F&F	GH/B&B	HOT	CAM	HOU	DAY	HOS	OTH	Total
1	0.64	0.43	0.86	0.43	0.21	0.21	0.43	0.00	0.00	3.21
2	7.49	4.28	4.50	2.36	3.21	0.00	1.71	0.64	1.07	25.27
3	7.92	4.07	2.57	1.71	2.14	0.86	1.93	0.43	0.86	22.48
4	6.21	4.07	2.78	1.07	1.50	0.21	0.86	1.28	0.64	18.63
5	5.78	3.21	4.50	0.86	1.50	1.07	1.07	1.28	0.21	19.49
6	3.21	1.07	3.21	1.28	0.86	0.43	0.43	0.43	0.00	10.92
Total	31.26	17.13	18.42	7.71	9.42	2.78	6.42	4.07	2.78	100.00

A significant chi-square value was reported for the age and accommodation relationship. The chi-square value for the above was $\chi^2(40) = 62.460$ $p < 0.013$.

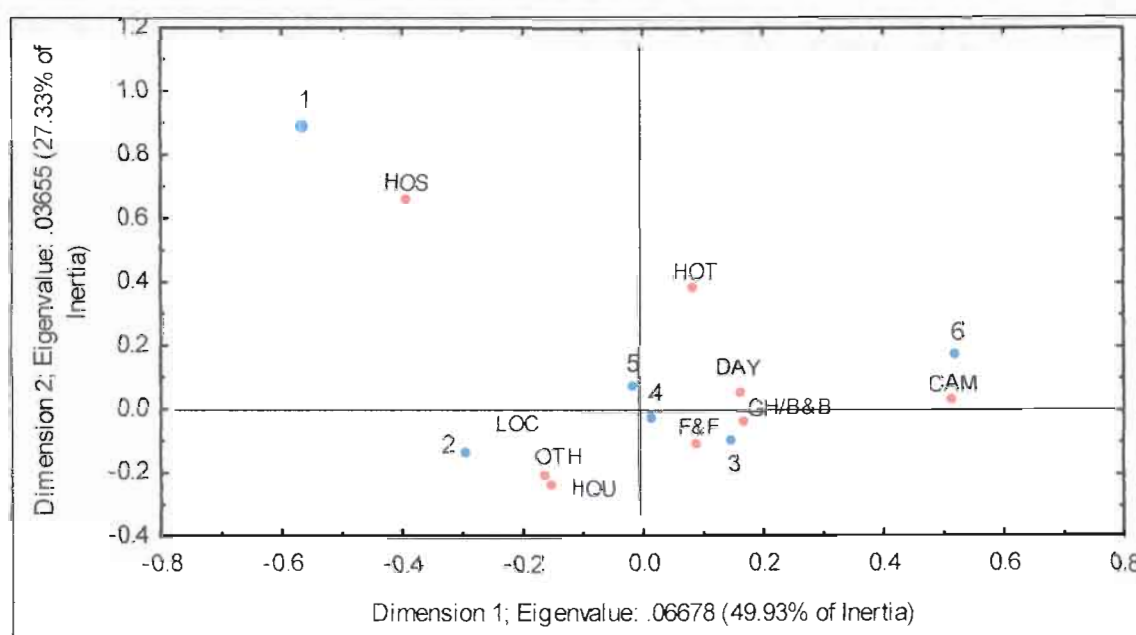


Figure 4.29: Biplot - Age and accommodation

Figure 4.29 is the biplot for the cross tabulation of age category with accommodation, which reveals the relationships between the row (age category) and columns (accommodation) based on the proximity of the row and column points. The biplot indicates that the youngest age group (<18) preferred hostels. This form of accommodation is more affordable than any other and would suit the needs and budgets of the younger people. Those over 60 years preferred to

camp. It seems that those between 18-25 years resided locally, which allowed easy access to the festival.

4.3.1.4 Age vs province of origin

Table 4.28: Age vs province of origin category

AGE	FS	GAU	MPU	NW	EC	WC	NC	KZN	LIM	INT
1	0.64	0.43	0.86	0.43	0.21	0.21	0.43	0.00	0.00	3.21
2	7.49	4.28	4.50	2.36	3.21	0.00	1.71	0.64	1.07	25.27
3	7.92	4.07	2.57	1.71	2.14	0.86	1.93	0.43	0.86	22.48
4	6.21	4.07	2.78	1.07	1.50	0.21	0.86	1.28	0.64	18.63
5	5.78	3.21	4.50	0.86	1.50	1.07	1.07	1.28	0.21	19.49
6	3.21	1.07	3.21	1.28	0.86	0.43	0.43	0.43	0.00	10.92
Total	31.26	17.13	18.42	7.71	9.42	2.78	6.42	4.07	2.78	100.00

A significant chi-square value was reported for the age and province relationship. The chi-square value for the above was $\chi^2(45) = 71.292$ $p < 0,007$.

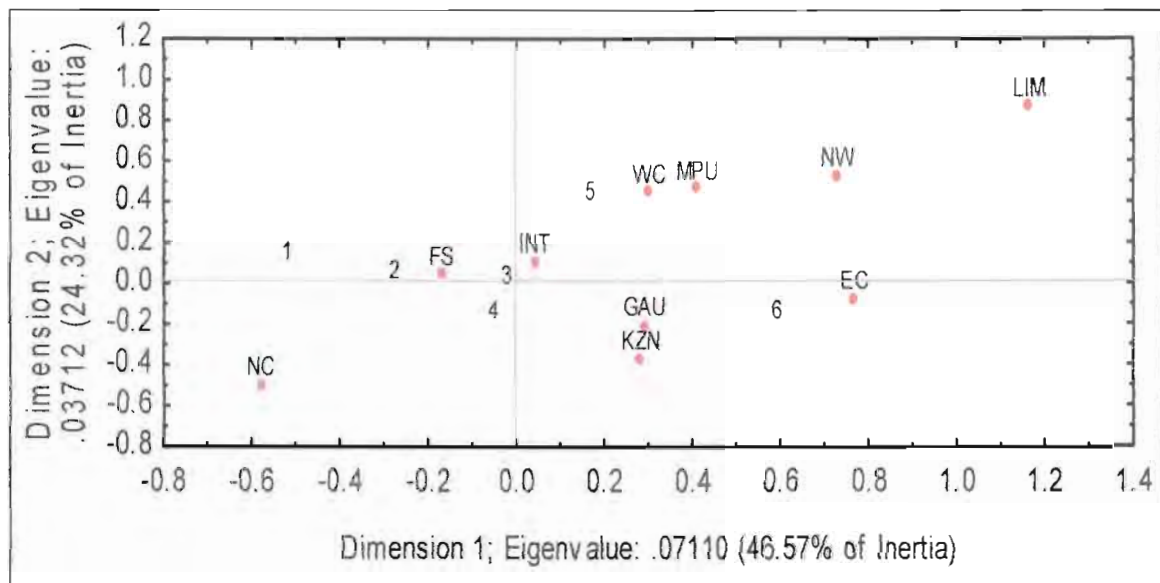


Figure 4.30: Biplot - Age and province of origin

Figure 4.30 is the biplot for the cross tabulation of age category with province of origin, which reveals the relationships between the row (age category) and columns (province of origin) based on the proximity of the row and column points. The joint plot indicates that the youngest age group (18-25) is from the Free State while those between the age of 46-60 are from the Western and Northern

Cape. The oldest age group (60+) are from several provinces, namely Gauteng, Eastern Cape and KwaZulu-Natal. It is assumed that the two oldest age groups have the time and money to travel long distances.

4.3.1.5 Age vs number of people paid for

Table 4.29: Age vs number of people paid for

AGE	1 person	2 ppl	3 ppl	4 ppl	5 ppl	6 ppl	7 ppl	9 ppl	10 ppl	15 ppl	22 ppl	44 ppl	Total
1	0.89	1.11	0.22	0.44	0.22	0.22	0.00	0.00	0.22	0.00	0.00	0.00	3.33
2	7.98	6.87	2.44	4.21	1.33	0.67	0.22	0.00	0.22	0.00	0.22	0.22	24.39
3	7.76	6.43	4.21	2.00	0.89	0.44	0.44	0.22	0.00	0.00	0.00	0.00	22.39
4	4.66	5.76	3.10	2.44	1.11	1.11	0.89	0.00	0.22	0.00	0.00	0.00	19.29
5	5.99	8.65	2.66	1.55	0.67	0.00	0.22	0.22	0.00	0.22	0.00	0.00	20.18
6	2.66	3.99	1.55	1.55	0.44	0.00	0.22	0.00	0.00	0.00	0.00	0.00	10.42
Total	29.93	32.82	14.19	12.20	4.66	2.44	2.00	0.44	0.67	0.22	0.22	0.22	100.00

A significant chi-square value was reported for the relationship between age and number of people paid for. The chi-square value for the above was $\chi^2(60) = 97.582$ $p < 0.0016$.

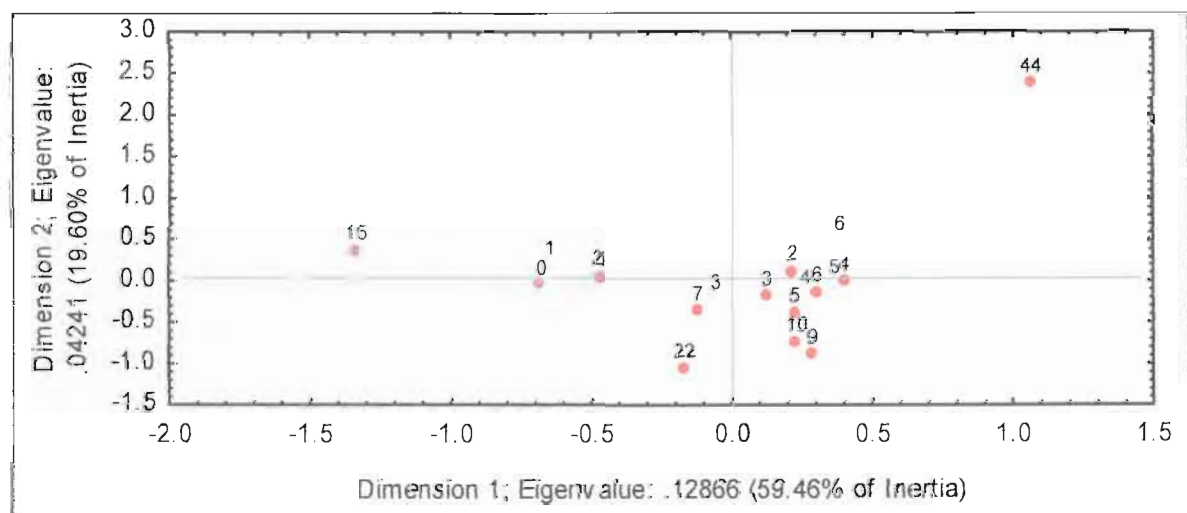


Figure 4.31: Biplot - Age and number of PPL paid for

Figure 4.31 is the biplot for the cross tabulation of age category with number of PPL paid for, which reveals the relationships between the row (age category) and columns (number PPL paying for) based on the proximity of the row and column

points. The biplot suggests that respondents in the age groups of <18 and 18-25 paid either only for themselves or themselves and a partner.

4.3.1.6 Age vs reason for visit

Table 4.30: Age vs reason for visit

AGE	YES	NO	LOC	Total
1	2.40	0.44	0.44	3.27
2	13.51	5.88	5.23	24.62
3	13.94	3.49	5.45	22.88
4	9.80	3.92	4.58	18.30
5	12.64	3.70	3.92	20.26
6	6.10	2.61	1.96	10.68
Total	58.39	20.04	21.57	100.00

A significant chi-square value was reported for the age and reason for visit relationship. The chi-square value for the above was $\chi^2(10) = 19.397$ $p < 0.035$.

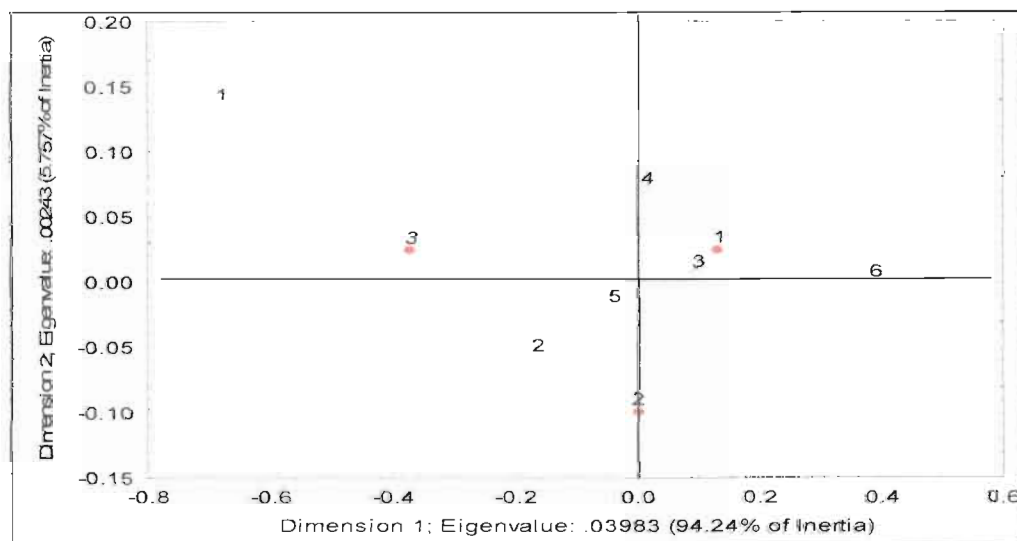


Figure 4.32: Biplot - Age and reason for visit

Figure 4.32 is the biplot for the cross tabulation of age category with the reason for visit, which reveals the relationships between the row (age category) and columns (reason for visit) based on the proximity of the row and column points. The biplot suggests that the younger age groups (<18-25) travelled to the Cherry Festival because it was the closest festival to them. The age groups of 26-35 and

46-60 were of the opinion that the festival offered a safe environment which suited their needs.

4.3.1.7 Age vs spending category

Table 4.31: Age vs spending category

AGE	Under R80	R80-R249	R250-R429	R430-R700	R800+	Total
1	0.64	0.85	0.21	0.43	1.06	3.19
2	4.89	4.04	5.32	5.11	5.74	25.11
3	5.32	5.96	4.26	2.55	4.26	22.34
4	4.47	3.40	4.47	2.77	3.62	18.72
5	3.40	4.26	3.83	5.74	2.55	19.79
6	1.70	1.28	1.70	2.98	3.19	10.85
Total	20.43	19.79	19.79	19.57	20.43	100.00

A significant chi-square value was reported for the age and spending relationship. The chi-square value for the above was $\chi^2(20) = 61.525$ $p < 0.001$.

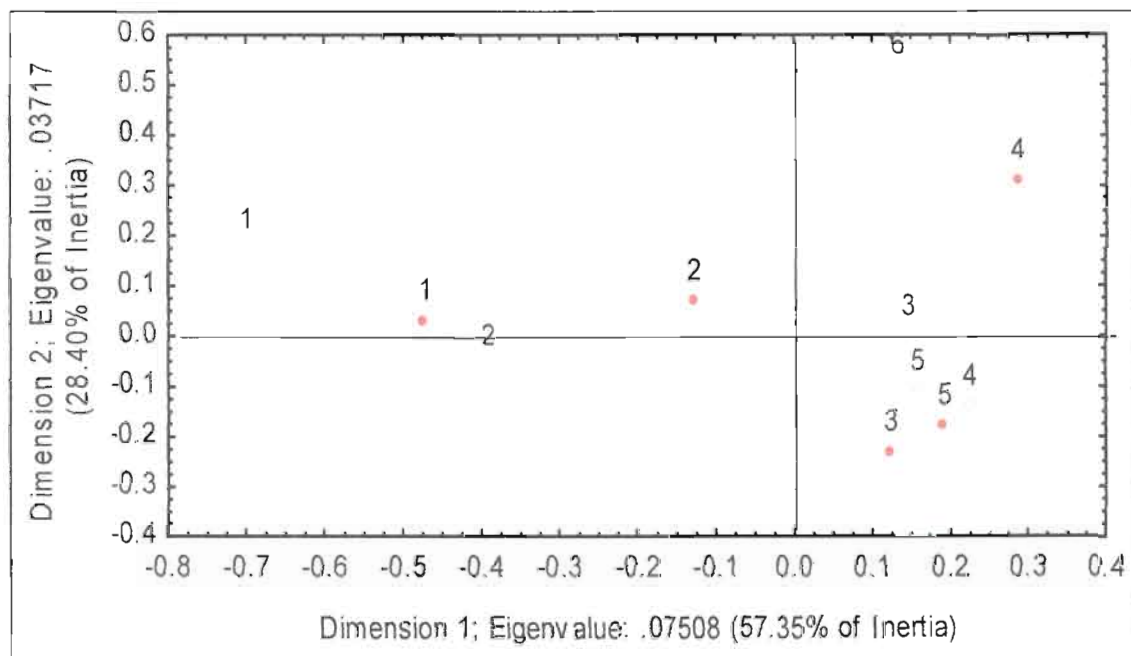


Figure 4.33: Biplot - Age and spending

Figure 4.33 is the biplot for the cross tabulation of age category with spending, which reveals the relationships between the row (age category) and columns

(spending) based on the proximity of the row and column points. It seems that the lowest spenders (R0-R349) were also the youngest age groups (<18; 18-25). The age groups of 36-45 and 36-60 seem to have spent between R950-R1819, which would suggest they are employed. Those older than 60 years spent the most (>R3300).

4.3.2 TRANSVALIA OPEN AIR SHOW

4.3.2.1 Age vs group size

Table 4.32: Age vs group size

AGE	1-2 ppl	3-4 ppl	5-10 ppl	11+ ppl	Total
1	8.24	2.75	6.27	0.78	18.04
2	7.45	3.53	1.96	1.18	14.12
3	8.24	5.88	3.53	0.00	17.65
4	5.10	14.51	3.53	0.78	23.92
5	9.02	9.02	2.75	0.00	20.78
6	3.53	1.18	0.78	0.00	5.49

A significant chi-square value was reported for the age and group size relationship. The chi-square value for the above was $\chi^2(15) = 43.579$ $p < 0.001$.

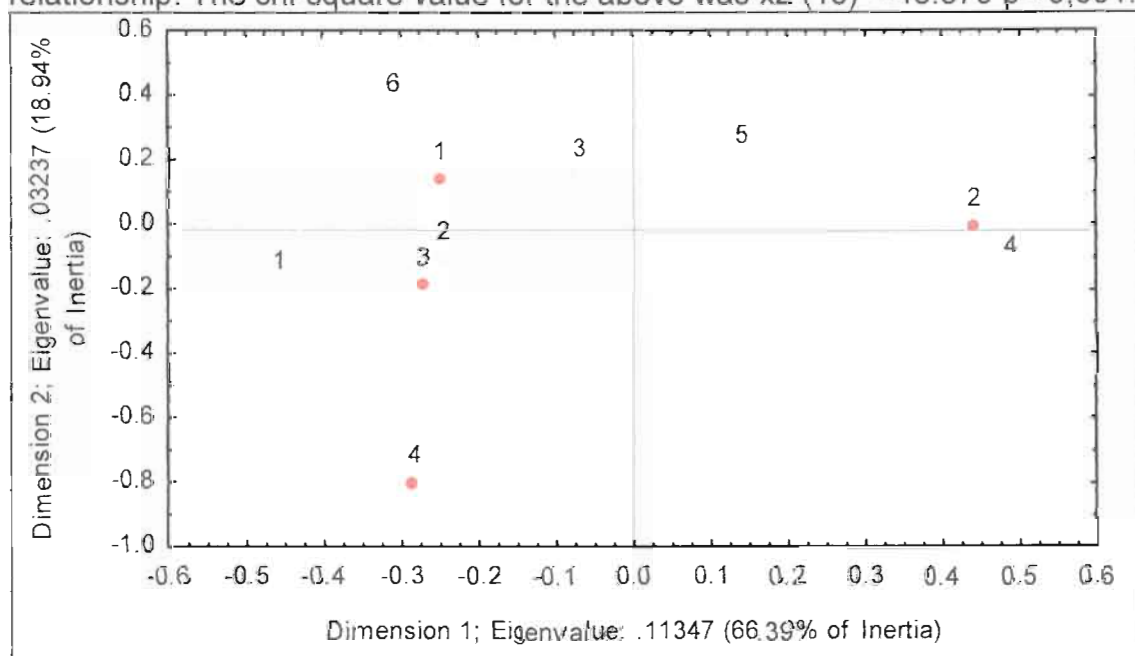


Figure 4.34: Biplot - Age and group size

Figure 4.34 is the biplot for the cross tabulation of age category with group size, which reveals the relationships between the row (age category) and columns (group size) based on the proximity of the row and column points. The joint plot indicates that the younger age groups (18-25) travelled in groups of five to ten. Those between the ages of 36-45 travel in groups of three to four which could suggest that they are travelling as families. Lastly, those over 60 years travel either alone or with someone else.

4.3.2.2 Age vs accommodation

Table 4.33: Age vs accommodation

AGE	1-2 ppl	3-4 ppl	5-10 ppl	11+ ppl	Total
1	8.24	2.75	6.27	0.78	18.04
2	7.45	3.53	1.96	1.18	14.12
3	8.24	5.88	3.53	0.00	17.65
4	5.10	14.51	3.53	0.78	23.92
5	9.02	9.02	2.75	0.00	20.78
6	3.53	1.18	0.78	0.00	5.49
Total	41.57	36.86	18.82	2.75	100.00

A significant chi-square value was reported for the age and accommodation relationship. The chi-square value for the above was $\chi^2(15) = 43.579$ $p < 0.001$.

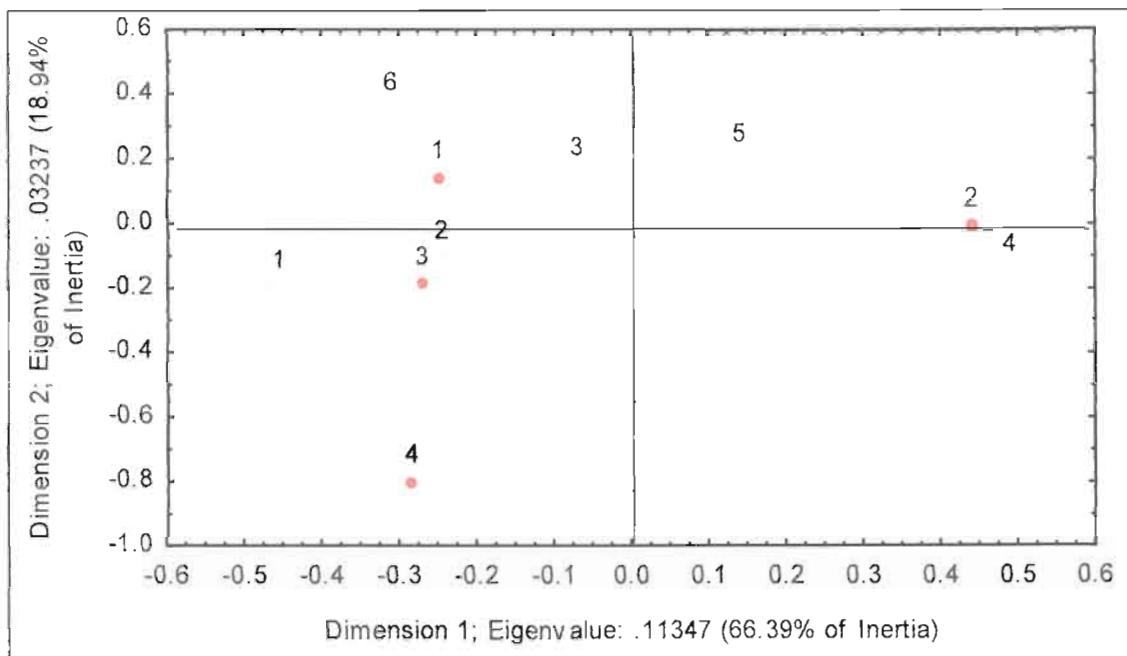


Figure 4.35: Biplot - Age and accommodation

Figure 4.35 is the biplot for the cross tabulation of age category with accommodation, which reveals the relationships between the row (age category) and columns (accommodation) based on the proximity of the row and column points. The biplot indicates that the younger age group (18-25) rented a house, booked in at a hotel or stayed with friends or family while they visited the Open Air Show. The oldest age group (60+) preferred to camp.

4.3.2.3 Age vs reason for visit

Table 4.34: Age vs reason for visit

AGE	YES	NO	LOC	Total
1	2.31	4.62	10.77	17.69
2	1.92	3.85	8.08	13.85
3	3.08	4.23	10.00	17.31
4	7.31	5.38	12.31	25.00
5	10.00	1.54	9.23	20.77
6	2.69	0.38	2.31	5.38
Total	27.31	20.00	52.69	100.00

A significant chi-square value was reported for age and reason for visit relationship. The chi-square value for the above was $\chi^2(10) = 28.629$ $p < 0.001$.

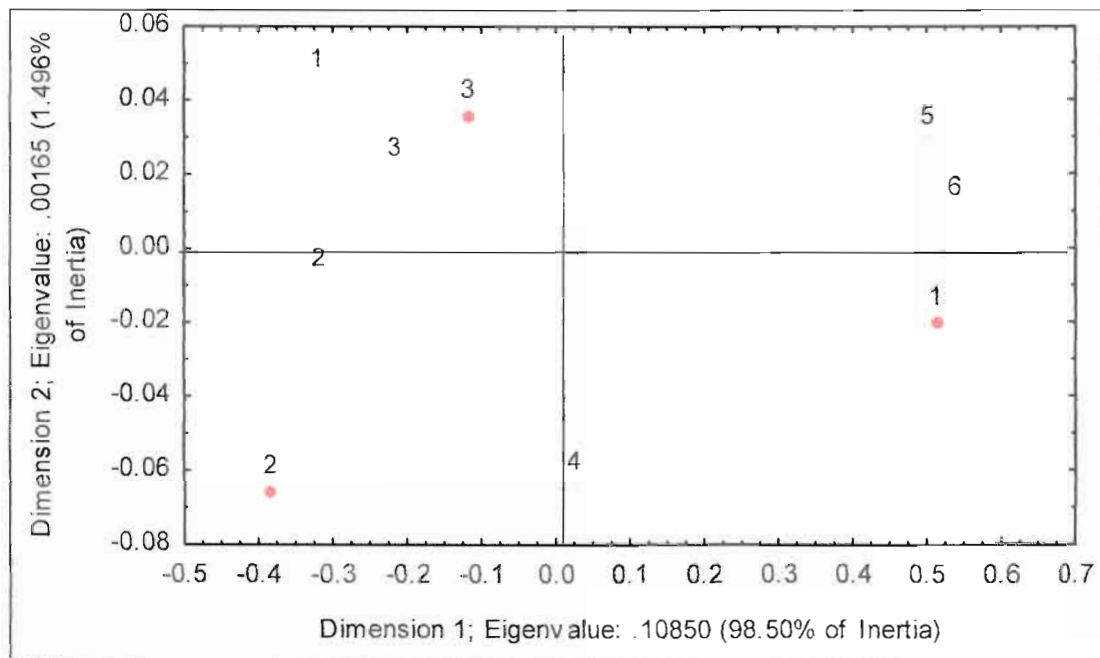


Figure 4.36: Biplot - Age and reason for visit

Figure 4.36 is the biplot for the cross tabulation of age category with reason for visit, which reveals the relationships between the row (age category) and columns (reason for visit) based on the proximity of the row and column points. The biplot indicates that the older age groups (of 46-50; >60) visited Vanderbijlpark only for the Open Air Show. The younger age group (18-25) indicated that the Open Air Show was not the only reason they visited Vanderbijlpark. The age groups of <18 and 26-35 indicated that they are locals.

4.3.2.4 Age vs ties with Transvalia

Table 4.35: Age vs ties with Transvalia

AGE	OLD PUP	PAR	FAM	OTH	Total
1	1.69	0.42	3.38	13.08	18.57
2	5.49	1.27	1.69	5.49	13.92
3	5.49	2.95	3.38	3.80	15.61
4	7.59	3.80	4.64	7.17	23.21
5	5.06	0.42	5.06	5.06	15.61
6	0.42	8.86	2.53	1.27	13.08
Total	25.74	17.72	20.68	35.86	100.00

A significant chi-square value was reported for age and ties with Transvalia relationship. The chi-square value for the above was $\chi^2(15) = 44.697$ $p < 0.001$.

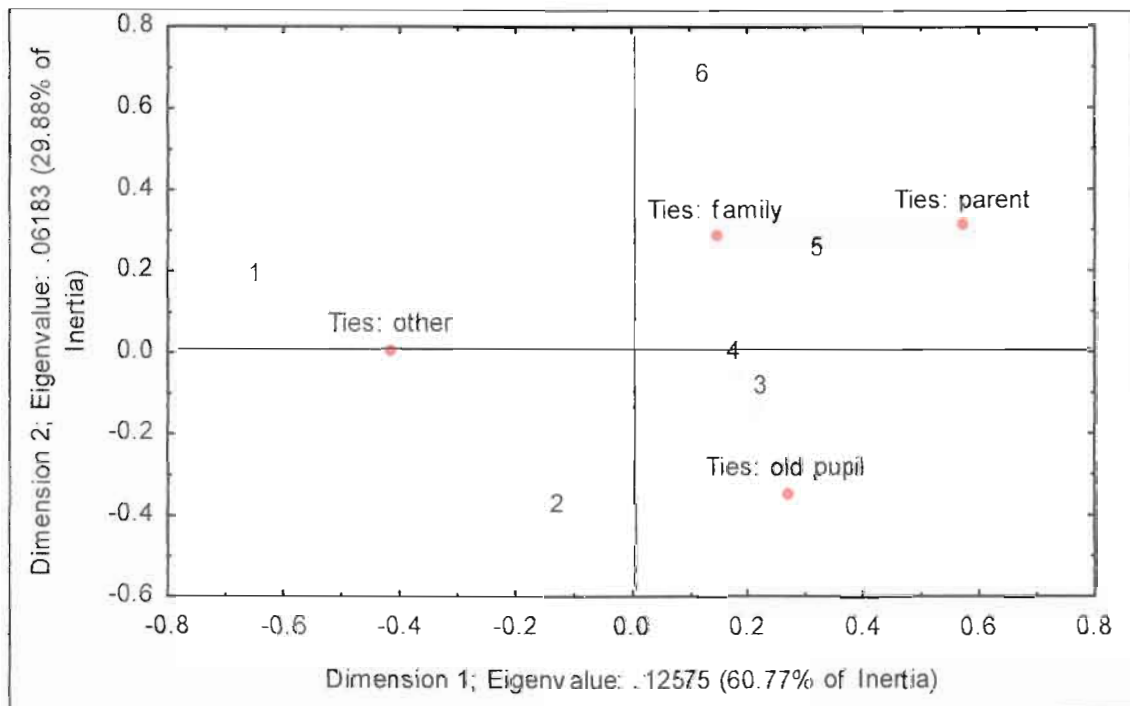


Figure 4.37: Biplot - Age and ties with Transvalia

Figure 4.37 is the biplot for the cross tabulation of age category with ties with Transvalia, which reveals the relationships between the row (age category) and columns (ties with Transvalia) based on the proximity of the row and column points. The biplot indicates that those over the age of 46 have ties with Transvalia via family members. The younger age group (<18) indicated that they share some other form of tie with Transvalia. It is speculated that they are currently at school. Respondents between the ages of 26-35 indicated that they are past pupils of the school.

4.3.2.5 Age vs number of people paid for

Table 4.36: Age vs number of people paid for

AGE	1-2 ppl	3-4 ppl	5+ ppl	Total
1	16.92	0.38	0.38	17.69
2	11.15	1.54	1.15	13.85
3	11.54	5.00	0.77	17.31
4	6.54	16.15	2.31	25.00
5	10.38	8.08	2.31	20.77
6	3.85	1.54	0.00	5.38
Total	60.38	32.69	6.92	100.00

A significant chi-square value was reported for the relationship between age and number of people paid for. The chi-square value for the above was $\chi^2(10) = 70.295$ $p < 0.001$.

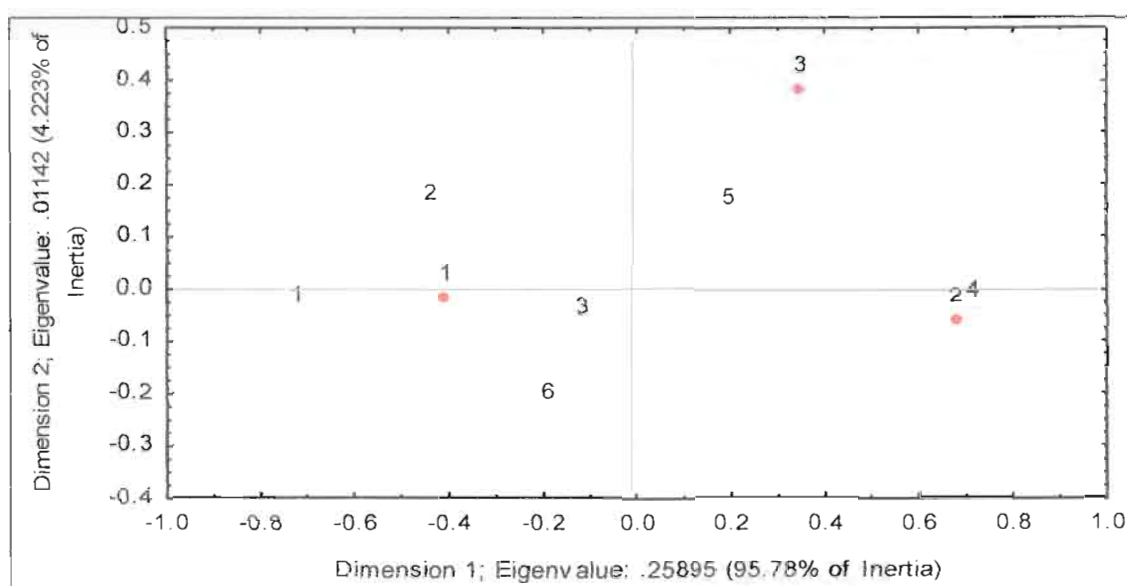


Figure 4.38: Biplot - Age and number of PPL paid for

Figure 4.38 is the biplot for the cross tabulation of age category with number of people paid for, which reveals the relationships between the row (age category) and columns (number of people paid for) based on the proximity of the row and column points. The biplot suggests that the younger respondents (<18; 18 – 25) paid for themselves and/or another person. Those between the ages of 36-45 paid for two to four people, which again suggests a family-based travelling group.

4.3.2.6 Age vs reason for visit

Table 4.37: Age vs reason for visit

AGE	SAF	CLOS	DIF	SOC	SPO	FAM	OTH	Total
1	0.38	2.69	1.54	11.54	0.38	0.77	0.38	17.69
2	0.00	2.69	0.38	8.08	0.38	1.54	0.77	13.85
3	1.54	2.69	1.15	7.31	0.38	3.08	1.15	17.31
4	0.77	3.08	1.54	6.15	0.77	5.38	7.31	25.00
5	0.77	4.62	1.54	4.23	0.00	4.62	5.00	20.77
6	0.38	1.54	0.00	1.15	0.00	1.15	1.15	5.38
Total	3.85	17.31	6.15	38.46	1.92	16.54	15.77	100.00

A significant chi-square value was reported for age and reason for visit relationship. The chi-square value for the above was $\chi^2(30) = 60.295$ $p < 0.001$.

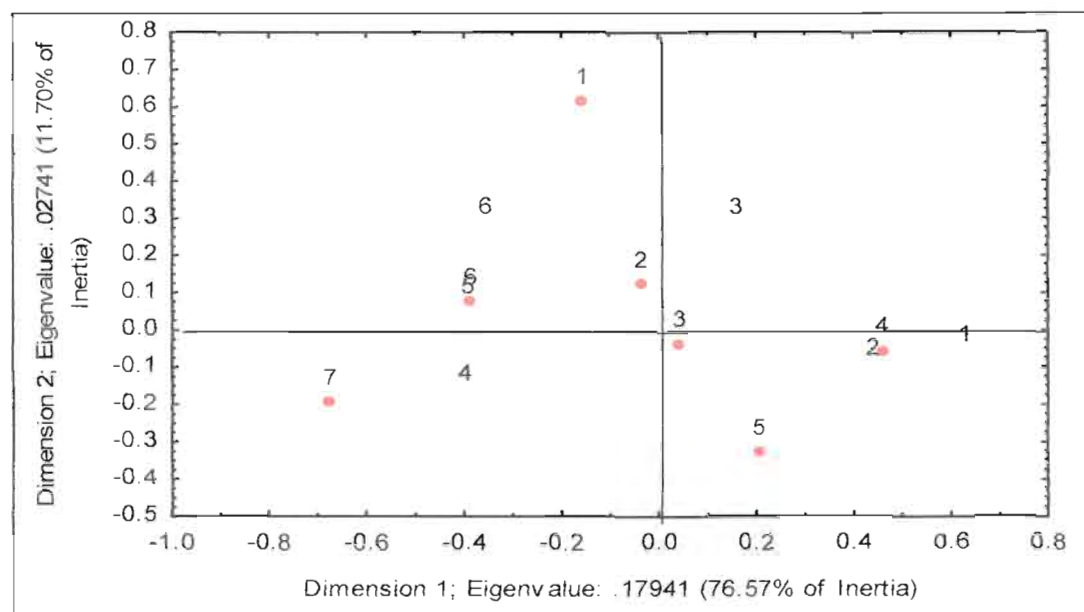


Figure 4.39: Biplot - Age and main reason for visit

Figure 4.39 is the biplot for the cross tabulation of age category with the reason for visit, which reveals the relationships between the row (age category) and columns (reason for visit) based on the proximity of the row and column points. The biplot suggests that respondents in the younger age groups (<18; 18-25) attended the Open Air Show as they perceived it as an opportunity to socialise. Respondents older than 36 years suggested that they attended the Open Air Show as it offered family entertainment, thereby also supporting the family experience.

4.3.2.7 Age vs spending category

Table 4.38: Age vs spending category

AGE	Under R80	R80-R249	R250-R429	R430-R700	R800+	Total
1	5.00	6.92	2.31	2.69	0.77	17.69
2	5.38	1.54	2.69	1.15	3.08	13.85
3	2.69	1.92	4.23	4.23	4.23	17.31
4	4.62	3.08	6.92	5.77	4.62	25.00
5	1.54	3.85	3.08	6.15	6.15	20.77
6	0.38	2.69	0.77	0.00	1.54	5.38
Total	19.62	20.00	20.00	20.00	20.38	100.00

A significant chi-square value was reported for age and spending relationship. The chi-square value for the above was $\chi^2(20) = 56.647$ $p < 0,001$.

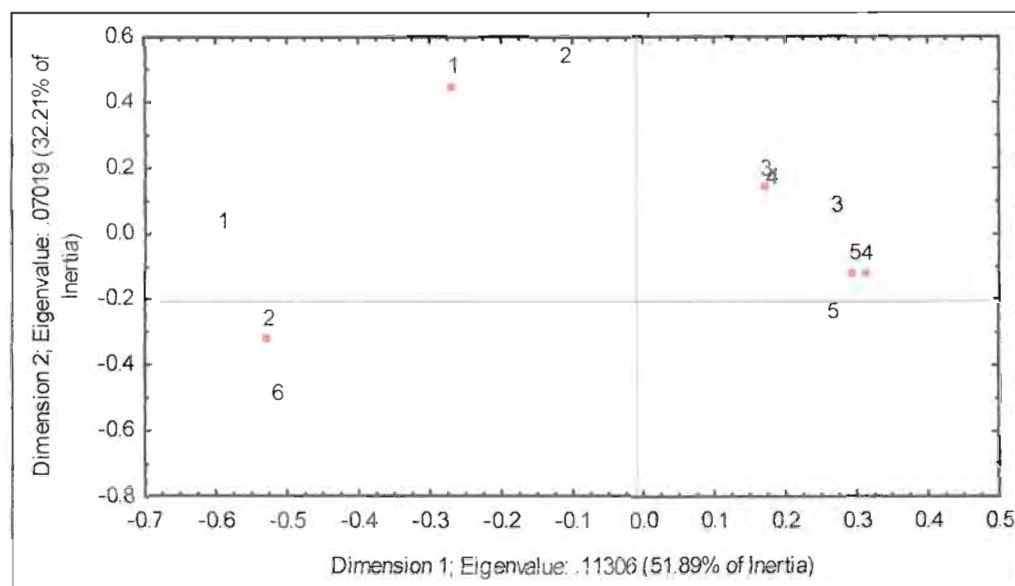


Figure 4.40: Biplot - Age and spending

Figure 4.40 is the biplot for the cross tabulation of age category with spending, which reveals the relationships between the row (age category) and columns (spending) based on the proximity of the row and column points. The biplot suggests that respondents between the ages of 18-25 spend between R0-R79. Respondents between the ages of 26-35 and 46-60 spend more than R430. The

age group of 36-45 spend between R250-R429 while the oldest age group (>60) spend only R80-R249.

Table 4.39 and Table 4.40 summarize the variables where differences were identified according to the correspondence analysis. All variables were therefore not included.

Therefore these tables show the most important market segments and their characteristics at both the events. The purpose of this study was to determine and compare the market segments of visitors to the Cherry Festival (Free State) and Transvalia Open Air Show (Vaal Region), which has been done.

Plog (1976) recommended the personification of a target group in order to transpose the statistics above into a "living" profile. This enables marketers to personify the market, which will lead to improved marketing efforts. Using this approach introduced by the Plog research group, the typical tourist to the Cherry Festival and Transvalia Open Air Show will be personified by **Johan** (Cherry Festival) and **Susan** (Transvalia Open Air Show)

Johan is a student at the University of the Free State. He is 23 years old. His home language is Afrikaans. He visited the festival with a friend and they stayed at his parents' house in Ficksburg for the duration of the festival. He spent R349 during the festival. He has visited other festivals such as KKNK and Aardklop in the past.

Table 4.39: Summary of Cherry Festival

	<18	18 - 25	26 - 35	36 - 45	46 - 60	>60
Gender	Male	Male		Female		
Language		Sesotho/Sotho	English/ Zulu	Sesotho/ Sotho		
Accommodation	Hostels	Local				Camp
Province of origin	Free State				Western and Northern Cape	Gauteng, Eastern Cape and KZN
Number of people paid for	1 - 2.	1 - 2.				
Reason for visit		Closest festival	Safe environment		Safe environment	
Spending	R0 - R349	R0 - R349		R950 - R1 819	R950 - R1 819	> R3300

Table 4.40: Summary of Transvalia Open Air Show

	<18	18 - 25	26 - 35	36 - 45	46 - 60	>60
Group size		5 - 10.		3 - 4.		1 - 2.
Accommodation		House rental, hotel or family and friends				Camp
Reason for visit	Local	Other reasons	Local		Open Air Show	Open Air Show
Ties with Transvalia	Some form		Past pupils		Family or Friends	Family or Friends
Number of people paid for	1 - 2.	1 - 2.		2 - 4.		
Reason for attending	Socialize	Socialize		Family entertainment	Family entertainment	Family entertainment
Spending		< R79	> R430	R250 - R429	> R430	R80 - R249

Susan (28) is an administrative assistant in Vanderbijlpark. She is a past pupil of Transvalia High School. Her mother tongue is Afrikaans. She attended the show with her husband. **Susan** spent R430 during the show. They stayed at their own home during the festival and made use of their own transportation. She and her husband have visited Aardklop in the past.

From the above it can be concluded that most visitors to both events are Afrikaans-speaking and reside in the town that hosts the event. This information can assist marketers in targeting their market more effectively.

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of this study was to determine and compare the market segments of visitors to the Transvalia Open Air Show (Vaal Region) and Cherry Festival (Free State). This chapter concludes the findings of the completed research and makes recommendations based on the results of the research. The aims of this research were achieved as described in the paragraphs that follow.

The primary goal was to use market segmentation variables to segment the market of the selected events.

In achieving the goal the following objectives were set and met:

- To analyse tourism marketing and the role of market segmentation therein, according to a literature review.
- To explore market segmentation and how it is conducted, by means of a literature review.
- To determine the demographic, geographic, socio-economic and psychographic segments of visitors to the Transvalia Open Air Show and the Cherry Festival by means of a survey.

The purpose of this chapter is to make recommendations with regard to market segmentation and future marketing strategies for the events according to the market segments.

5.2 CONCLUSIONS

The following conclusions based on the research can be drawn:

5.2.1 CONCLUSIONS WITH REGARD TO THE ANALYSIS OF MARKETING

Chapter two focused on analysing marketing as a management function and on determining the role of market segmentation in the marketing process. This was done by discussing the marketing function of a tourism product.

The following are regarded as the main conclusions with respect to the analysis of marketing (Refer to 2.2):

- Marketing is a core element of modern society and is developing day by day. (Refer to 2.2.1).
- Core standards of marketing are vital in every transfer of travel goods and services to the consumer (Refer to 2.2.2).
- Marketing plays a key role in several areas, (Refer to 2.3) namely:
 - Role in society
Marketing is seen as a core element of modern society and marketing efforts are visible all around us.
 - Importance to all types of businesses
Marketing can be seen as one of the tools used in achieving profit aims as it is the first contact consumers have with a product or service.
 - Everyday life
Everywhere tourists travel they are exposed to marketing in one form or another
 - Competitive advantage
The effectiveness of marketing is greatly influenced by various factors outside the marketer's control.
 - Increase in tourist numbers and growth
The demand and supply of tourism offerings have increased as well as the competitiveness in the market.

- The evolution of marketing theory (Refer to 2.4)
 - The way in which consumers have been approached to buy a product or service has changed as the market has evolved.
- Factors influencing effective marketing of tourism products include seasonality, range of different products, permanent vs. non- permanent products, cross market sales, similar promotional techniques and lack of image control (Refer to 2.5).
- Marketing orientation creates a clearly defined approach to the market (Refer to 2.6).
- Marketing process is challenging as marketing of tourism offerings can be more difficult than marketing products (Refer to 2.7).
- Based on the various marketing processes discussed, the most important elements have been identified and a hybrid marketing process designed (Refer to 2.7.6).

5.2.2 CONCLUSIONS WITH REGARD TO MARKETING SEGMENTATION AND HOW IT IS CONDUCTED

In chapter three, various ways in which market segmentation can take place were discussed, as well as the advantages and disadvantages of each.

The following are regarded as the main conclusions with respect to marketing segmentation (Refer to 3.1):

- Contextualising market segmentation reveals it as the way in which tourism organisations divide a market into smaller, more clearly defined groups that share similar needs, wants and characteristics (Refer to 3.2).
- The importance of market segmentation is that not all tourism products are attractive to every market segment. It becomes crucial for any tourism organisation to decide which market segment it wishes to target with its product (Refer to 3.3).
- Segmenting the market has some of the following advantages (Refer to 3.4):

- It allows a tourism organisation to focus on its consumers' needs and wants and to provide better services.
- It assists in identifying the most effective marketing mix development for a specific chosen market.
- It allows for better, more focused marketing campaigns in one or two market segments if an organisation has limited resources.
- It allows better understanding of competitors' behaviour.
- Clarity is brought to the process of marketing planning by identifying the requirements of particular customer groups.
- Relationship building is facilitated, as such a process involves discussion, data collection, analysis and strategic thought throughout an entire organisation. The sharing of information and ideas increases morale and teamwork.
- The bases by which markets are segmented are determined by what information the tourism organisation needs, such as (Refer to 3.5):
 - Demographic segmentation (for example, age, gender and occupation)
 - Geographic segmentation (for example, country of origin)
 - Psychographic (lifestyle) segmentation (for example, interests and opinions)
 - Behavioural segmentation (for example, benefits sought and usage rate)
- Alternative target market strategies are explained, which include market aggregation, single-segment concentration strategy and multiple-segment strategy (Refer to 3.6).
- Criteria for effective segmentation which all marketers should use to ensure that the process is successful are that the market to be segmented should be identified as (Refer to 3.7): *measurable, accessible, substantial, profitable, defensible and implementable*.
- The marketing segmentation process is shown (Refer to 3.8).

- Developing and *implementing a market segmentation strategy* is discussed *based on the research of multiple authors, and the steps are explained in detail* (Refer to 3.9):
 - Step 1: Analyse the existing information.
 - Step 2: Define the market to be segmented.
 - Step 3: Identify and apply segmentation bases.
 - Step 4: Decide on methods of deriving segmentation.
 - Step 5: Evaluate segments.
 - Step 6: Compare and choose market segments.
 - Step 7: Choose target market strategies.
 - Step 8: Identify the marketing mix.
 - Step 9: Use the positioning process to position product in the market.

5.2.3 CONCLUSION WITH REGARD TO RESULTS OF THE RESEARCH SURVEY CONDUCTED

- Visitors to the Cherry Festival were mainly:
 - students (12%) and self-employed people (13%) who wish to socialise;
 - Afrikaans-speaking (47%);
 - between the ages of 18-25 (24%); and
 - it is remarkable that on average they spend R2 015.74.
- Visitors to the Transvalia Open Air Show were mainly:
 - Students (25%) and management professionals (11%);
 - aged 35 years on average (25%);
 - residents of Vanderbijlpark (71%) and Sasolburg (5%); and
 - on average only R570.40 is spent.
- The correspondence analysis according to age revealed the following for the Cherry Festival:
 - The younger age groups (<18; 18-25) were male while the older age group (36-45) were female.

- The younger age groups (<18; 18-25) spent between R0 and R349 while the older age group (36-45; 46-60) spend R950- R1819.
- The younger age groups (<18; 18-25) indicated that they attended the festival as it was the closest one to them.
- The older age group (26-25; 46-60) preferred the festival as they perceived it to be safe to attend.
- The older age group (46-60; >60) came from other provinces.
- The oldest age group (>60) identified camping as their preferred type of accommodation.
- The correspondence analysis according to age revealed the following for the Transvalia Open Air Show:
 - The younger age groups (<18; 18-25) indicated that they attended the show to socialise.
 - The older age groups (36-45; 46- 60; >60) attended for the family entertainment offered.
 - The younger age groups (<18; 18-25) indicated that they paid for one to two people while the older age group (36-45) paid for between two to four people.
 - The older age groups (46-60; >60) ties with Transvalia either through friends or family.
 - The age groups (26-35; 36-45; 46-60; >60) spend the most.
- In a comparison of the two events, the following similarities in the target markets were noted:
 - Afrikaans-speaking people attend the events.
 - Most visitors were either students, self-employed or in management.
 - The majority of attendants of both events were from the host province and host town.
 - Attendants stated that their main reason for visiting was socialising.
 - The majority indicated that they would attend the events again;
 - Shows were the main reason for attending.

- The most prominent media by which visitors heard of the events were word of mouth and radio.
- In comparing the two events, the following differences were detected between the target markets:
 - The age groups differ somewhat with the Cherry Festival attracting those between the age of 18-25 years (average: 22) and the Transvalia Open Air Show 36-45 years (average: 35).
 - The Cherry Festival attracted groups consisting of three people while the Transvalia Open Air Show attracted groups consisting of two people.
 - Most visitors to the Cherry Festival stayed an average of three days while those to the Transvalia Open Air Show attended for only one day.
 - Expenditure at the various events also differed: at the Cherry Festival R2015.74 was spent on average, whereas R570,40 was the average at the Transvalia Open Air Show.
 - Cherry Festival visitors said that they had also visited Volksblad in the past, while Transvalia Open Air Show attendants had visited Aardklop in the past.

5.3 RECOMMENDATIONS

5.3.1 RECOMMENDATIONS REGARDING MARKET SEGMENTATION OF TOURISM AND EVENTS

The following recommendations can be made regarding the study:

- Clear market segments have been identified for both festivals and therefore marketing strategies can be developed to improve relationships with these markets as well as build loyalty.
- For the Cherry Festival it is important to attend to the following recommendations:
 - Improve the marketing of the festival tours, since respondents already perceive it as value for money. This aspect calls for attention in the media.

- Increase the use of the radio (OFM) and newspapers (Beeld) to improve awareness of the festival and its activities.
- Improve marketing to cycling clubs, swimming clubs and other appropriate sports clubs to increase the number of participants in the sports activities.
- Be sure to market the festival at Volksblad and Aardklop National Arts Festivals, since the festival-goers also attend these festivals.
- More active marketing is needed in the surrounding areas.
- The cherry tours are unique to this festival and should thus be utilised in the branding and marketing of the festival.
- For the Transvalia Open Air Show it is important to attend to the following recommendations:
 - The research indicates that no large groups speaking languages other than Afrikaans are present at the Transvalia Open Air Show. It is recommended that show management should consider expanding its interests by including activities for other markets in the future in order to increase attendance. In doing so, the organisers will increase the variety of offerings at the show and implement a growth strategy which can sustain future growth of the show. Further recommendations include the following:
 - Improve the marketing of the activities, since this can lead to increased participation. This aspect calls for attention in the media. More activities can also be presented at the show.
 - Increase the use of the radio (OFM) and newspapers (Beeld) to improve awareness of the festival and its activities. This must be done in the surrounding provinces in order to increase the number of visitors contributing to the economic impact of the Open Air Show.
 - Improve marketing in schools, academic institutions and shopping malls in order to increase the number of visitors.

- Be sure to market the show at Aardklop National Arts Festival, since the visitors attend those festivals.
- The show must determine its unique character or speciality and capitalise on this aspect in order to brand the show successfully.
- This research should be conducted on an annual basis in order to determine the development of the show and measure visitors' perceptions regarding the show.

5.3.2 RECOMMENDATIONS REGARDING FURTHER RESEARCH

- It is recommended that this research is repeated at both festivals in order to analyse trends and improve relations with the current market.
- It is also recommended that correspondence analyses are repeated for both festivals in order to determine the market profile of visitors.
- It is recommended that this research is compared to that of other festivals in order to analyse the events market thoroughly in South Africa.

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