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**The effect of responsible tourism management
practices on business performance in an
emerging market**

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Abstract

Climate change, diminishing natural resources and a host of socio-economic challenges have fuelled the demands on businesses to manage their operations in a more sustainable and responsible manner. Global pressure, changing consumer demands and proof of business benefits have driven the growth in the field of corporate social responsibility (CSR). The tourism sector, however, despite being highly dependent on natural and human capital, has been slow to react to this trend.

This paper investigates which factors influence the attitudes and perceptions of business managers towards responsible tourism management (RTM) and the effect that these attitudes and perceptions have on business performance. A conceptual model was developed to consider the relationships between managers' attitudes, management intention and business performance. Additionally variables considered to have disruptive power, such as managers' gender, highest level of education achieved, personal values, level of competitiveness, and industry sub-sector, were also included in the model.

The analysis showed that despite the positive attitudes of tourism managers towards RTM, evidence of employee training, local procurement, and HIV/Aids policies is limited. Only 12.7% have an HIV/Aids policy and merely 13.7% carry the Fair Trade in Tourism South Africa (FTTSA) trademark. Factors disrupting the linear relationship between attitude and behaviour include the level of competitiveness in the business environment, the industry sub-sector, business size and the perceived costs of implementing RTM. The findings confirm previous research that a majority of South African tourism businesses are not adopting responsible tourism practices despite the evident need and benefits thereof. The findings from the research, however, also suggest that businesses who are employing RTM practices enjoy tangible business benefits ranging from increased employee morale to bottom line profits.

The tourism industry in South Africa has been strongly criticised for its lack of transformation. Various government policies have been developed to encourage and expedite the spread of numerous benefits stemming from tourism to more South Africans. These include employment opportunities, small medium and micro enterprise (SMME) development, and poverty reduction. Social marketing campaigns by government tourism agencies aimed at influencing tourism businesses' management style should consider the findings from this study. Strategies will be more effective if the channels to implement RTM are made simpler, if the tourism industry feels supported by government to implement these changes, if the relative size of the business is taken into consideration, and if the perceived costs of RTM are addressed.

It is imperative that the potential business benefits of RTM, including increased brand loyalty, product differentiation, marketing opportunities, and profits are communicated to tourism business managers. RTM, thus, becomes a strategic business choice for companies seeking to gain a competitive advantage. It benefits both the company and the society at large. Ultimately, a more sustainable and competitive South African tourism industry will result if business objectives of profit-maximisation are aligned with social and environmental goals.

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List of Abbreviations

- **ABTA** Association of British Travel Agents
- **AMA** American Marketing Association
- **ASATA** Association of South African Travel Agents
- **BCSR** Business Council for Social Responsibility
- **BCSR** Business Council for Sustainable Responsibility
- **BE** Business environment
- **BEE** Black Economic Empowerment
- **BSR** Business for Social Responsibility
- **CC** Corporate citizenship
- **CRM** Customer Relationship Management
- **CSI** Corporate Social Investment
- **CSM** Corporate Social Marketing
- **CTRU** Cape Town Routes Unlimited
- **CTT** Cape Town Tourism
- **DBSA** Development Bank of Southern Africa
- **DEAT** Department of Environmental Affairs and Tourism
- **DETR** The Department of the Environment Transport and the Regions
- **DMO** Destination Marketing Organisation
- **FEDHASA** Federated Hospitality Association of South Africa
- **EF** Ecological Footprint
- **EMs** Emerging markets
- **EU** European Union
- **FIFA** Fédération Internationale de Football Association
- **FTTSA** Fair Trade in Tourism South Africa
- **FP** Financial performance
- **GCT** Greater Cape Town
- **GDP** Gross Domestic Product
- **GE** General Electric
- **GHESP** Global Higher Education Sustainability Partnership
- **GPS** Global Positioning System
- **GRI** Global Reporting Initiative
- **HICs** Highly industrialised countries
- **ICRTourism** International Centre for Responsible Tourism
- **ICT** Information Communication Technologies
- **IFC** International Finance Corporation
- **IYE** International Year of Ecotourism
- **JSE** Johannesburg Stock Exchange
- **JSE SRI** Johannesburg Stock Exchange Social Responsibility Index

- **KFC** Kentucky Fried Chicken
- **KPNP** Kruger Park National Park
- **KZN** KwaZulu-Natal
- **LSM** Living Standards Measure
- **MDGs** Millennium Development Goals
- **MICE** Meetings, incentives, conferences and exhibitions
- **MNCs** Multinational corporations
- **MO** Market orientation
- **NEPAD** New Partnership for Africa's Development
- **NGOs** Non-governmental organisations
- **NTO** National tourism organisation
- **OC** Organisational Commitment
- **OECD** Organisation for Economic Co-operation and Development
- **PPP** Purchase power parity
- **PeTA** People of the Ethical Treatment of Animals
- **PF** Personal factors
- **PPT** Pro-poor tourism
- **PP4SD** Professional Practice for Sustainable Development
- **PRESOR** Perceived role of ethics and social responsibility
- **QOL** Quality of life
- **R&D** Research and development
- **RMI** Responsible management intention
- **RTA** Responsible Tourism Awards
- **RTM** Responsible Tourism Management
- **RTMSA** Responsible Tourism Manual for South Africa (2002)
- **RTPI** The Responsible Tourism Press Initiative
- **SARS** Severe Acute Respiratory Syndrome
- **SAT** South African Tourism
- **SEM** Structural Equation Modelling
- **SIT** Special interest tourism
- **SPSS** Statistical Package for the Social Sciences
- **SMI** Social Marketing Institute
- **SRI** Socially Responsible Investment
- **STD** Sustainable tourism development
- **STEP** Sustainable Tourism Eco-certification Programme
- **STI** Sustainable Tourism Initiative
- **STI** Sustainable Travel International
- **TAP** Tourism Action Plan
- **TBCSA** Tourism Business Council of South Africa
- **TOI** Tour Operators' Initiative
- **UN** United Nations
- **UN-WTO** United Nations World Tourism Organisation

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- **UNFCCC** UN Framework Convention for Climate Change
 - **USP** Unique selling position
 - **UVP** Unique value proposition
 - **VALS** Values
 - **WBCSD** World Business Council for Sustainable Development
 - **WBCSD** World Business Council for Sustainable Development
 - **WEF** World Economic Forum
 - **WHO** World Health Organisation
 - **WTO** World Trade Organisation
 - **WTTC** World Tourism and Travel Council
 - **WSSD** World Summit of Sustainable Development

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1 Introduction

1.1 Background to the research

Corporate social responsibility (CSR) research and practices have seen a dramatic increase in recent years, both globally and in South Africa. Surprisingly, the tourism sector has been slow to react to this trend, despite being highly dependent on natural and social resources. Only 2% of tourism businesses globally are participating in responsible tourism or CSR initiatives such as the Global Compact, and South African studies into the hotel and tour operator sub-sectors show low levels of transformation (Wijk & Persoon, 2006; Spenceley, 2007; van der Merwe & Wöcke, 2007). Tourism and general travel are estimated to contribute approximately 11% to global GDP, account for 6% to 7% of total exports of goods and services, and provide employment for an estimated 231 million people (8,3% of total employment) (WTTTC, 2007; UN-WTO, 2007). Tourism in South Africa, as one of the largest industries, contributes 8,3% to the country's GDP and is estimated to have created 969 000 jobs in 2007 (7,5% of total employment) (WTTTC, 2007). The potential benefits to society from tourism are currently not being realised due to a lack of transformation in the industry (du Toit-Helmbold, 2007). Internationally, the focus both in the productive industries and in tourism has shifted towards a need for more sustainable management practices (Kramer & Porter, 2006). In order for South African tourism to remain competitive, as well as viable in the future, it is vital that responsible tourism management (RTM) is adopted by the industry. To encourage this transformation process and in order for effective strategies to be developed, the perceived costs and benefits of RTM have to be investigated. For the purpose of this research study *responsible tourism management* has been defined as a management approach that aims to benefit the business, as well as the natural and social environment it operates in (definition based on various others: Hunter & Green, 1997; Cohen, 2004: 35; Aramberri & Butler, 2005: 15; Frey, 2007b: 321).

Three main forces have fuelled the growth of CSR and by implication RTM.

Increase in global pressure

Firstly, global pressure on companies from governments, customers and non-profit organisations has increased considerably. Businesses are no longer given free licence to pursue purely profit maximising objectives, but are mandated to take the social, environmental and economic impacts of their operations into account (Porter & Kramer, 2006). Official international objectives, as outlined by the United Nations Millennium Development Goals (MDGs) as well as local policy documents such as the BEE Tourism Charter and Scorecard (2005), are adding to the pressure on the industry to transform (King Report II, 2002; Spenceley, Relly, Keyser, Warmeant, McKenzie, Mataboge, Norton, Mahlangu, & Seif, 2002; UN-WTO, 2005).

Increase in consumer demand

The increased demand from consumers for responsible products and services is a further reason why RTM has entered the current management discourse. Consumer choices are increasingly influenced by the level of social and environmental responsiveness shown by the company and also by the reputation and image of the business. In tourism there has been a marked trend towards more individual tours, with people seeking unique experiences, authentic products and the opportunity for personal growth and learning. Several research studies suggest that consumers are demanding ethical tourism product-offerings. For instance, the Travel Industry Association of America (TIA) and National Geographic Traveller's study of the travel patterns of 3300 US adults found that more than 75% of travellers believed it is important not to damage the environment, and that over 17 million US travellers consider environmental factors when deciding which travel companies to patronise (TIA/NGT, 2003). Moreover, tourists want to be assured that their visit is not having an adverse effect on the host nation and that the positive impacts of tourism are spread more widely (Tearfund, 2000, 2002). The argument for the adoption of RTM is thus increasingly a strategic one, designed to satisfy customer needs and respond to market trends.

Research in South Africa, seems to show, however, that the overseas trends of ethical tourism consumption are not yet as prevalent. Spenceley (2007) investigated the responsible tourism practices by tour operators in South Africa, whilst van der Merwe and Wöcke (2007) examined hotels. Both studies conclude that levels of RTM practices are low and that the explicit demand from tourists for such product-offerings still limited (75% of tour operators stated that they had not been asked by tourists about their CSR practices). A deeper understanding of why the local market is not following international trends is therefore perused by this thesis.

Business benefits

The CSR debate has moved from a purely philanthropic approach to building a strategic business case. Research clearly indicates that CSR leads to business benefits such as increased staff morale, higher brand loyalty, differentiation, clear positioning, lower costs, premium prices and community support. RTM, whilst morally justified, is thus based on the fundamental business logic of profit maximisation and building a sustainable competitive advantage (van der Merwe & Wöcke, 2007; Karmer & Porter, 2006; Ashley *et al.*, 2005).

In order to investigate why there has been a lack of RTM adoption in the tourism sector in South Africa, and to provide insight on how to affect behavioural change using social marketing techniques, research in this area is necessary. A theoretical framework was developed to test the statistical relationship between perceived costs and benefits of RTM and its effect on business performance. A brief description of the theoretical framework is provided in this introductory section.

1.2 Theoretical framework

In order to increase the adoption of RTM it is necessary to understand what the current perceptions of the industry are towards CSR and RTM, what factors are impeding this

adoption, what the actual level of RTM behaviour is, and how these management attitudes affect business performance (Singhapakdi, Vitell, Rallapalli & Kraft, 1996). In line with previous research, the effect of various moderator effects on management attitude, intention and behaviour were tested including the competitive environment, the size and sub-sector of the business and the personal values of managers (Jaworski & Kohli, 1993; Maignan & Ferrell, 1999; Schwartz, 2004; Burgess & Steenkamp, 2006).

Singhapakdi *et al.* (1996) developed a scale in the United States of America (USA) to test the perceived role of ethics and social responsibility (PRESOR) for marketers. The scale has been tested in an emerging market context, namely China, and has been found to be reliable (Shafer, Fukukawa, & Lee, 2007; Etheredge, 1999). Yaman and Gurel (2006) applied the scale in tourism research, investigating the ethical ideologies of tourism marketers. The authors compared the result from an emerging market (Turkey) with those from a highly industrialised country (Australia) and found that significant differences exist. Turkish managers were found to be more idealistic and relativistic compared to their Australian counterparts. Cultural differences were found to be the main reason for these discrepancies.

Management style and attitude in turn have been shown in numerous contexts to influence performance (Ruekert, 1992; Jaworski & Kohli, 1993; Maignan & Ferrell, 1999). The conceptual model developed in this thesis aims to explore the relationships between attitudes towards CSR and RTM, management intention and business performance in the Greater Cape Town (GCT) tourism industry. The conceptual model is based on the combination of these previously tested statistical relationships.

In order to encourage the tourism industry to transform and remain competitive in the light of global trends, government support is necessary. Gilg, Barr and Ford (2005) found that an increased belief in the support of government had a positive effect on sustainable management practices. A tool that can be used to influence behaviour change is social marketing. Social marketing is defined as "a program planning process that promotes the voluntary behaviour of target audiences by offering benefits they want, reducing barriers they are concerned about, and using persuasion to motivate their participation in program activity" (Kotler & Roberto, 1989: 24). Essentially social marketing is about encouraging a change in behaviour in certain groups of people. An underlying condition of successful social marketing strategies is an understanding of what the perceived costs and benefits of the proposed behaviour change, in this case adoption of RTM, are (Robinson, 1998; Rothschild, 1999; Andreasen, 2000). There is a dearth of research in South Africa regarding the relationship between CSR in tourism and financial and non-financial consequences (MSI, 2006; van der Merwe & Wöcke, 2007). This research study will contribute to the current body of knowledge by increasing the understanding of responsible tourism management in an emerging market, as well as the role of social marketing principles in affecting behaviour change.

1.3 Problem definition

The purpose of this research is to examine the relationship between tourism business managers' attitudes and perceptions towards responsible tourism management and businesses behaviour with regards to responsible tourism management in the emerging market context of the Greater Cape Town tourism industry. Analysis is to highlight the factors that are disrupting or enhancing the relationship between attitude and behaviour.

The specific research objectives are to:

- analyse the attitudes and perceptions of tourism business managers towards corporate social responsibility (CSR)
- analyse the attitude and perceptions of tourism business managers towards responsible tourism management (RTM)
- examine the impact of attitudes and perceptions of tourism business managers towards RTM on business performance
- examine the effect of personal values (i.e. embeddedness and hierarchy) and on management attitude
- examine the effect of personal factors (i.e. ethnicity, gender, education) on management attitude
- examine the effect of industry factors (i.e. sub-sector, number of employees, number of years in operation, level of competition and market turbulence) on management attitude
- examine the effect of industry factors (i.e. sub-sector, number of employees, number of years in operation, level of competition and market turbulence) on business performance.

1.4 Scope

The increased rate of globalisation and the consequent international competition has led to the testing of theoretical concepts in emerging markets (EMs). International trade barriers have been reduced and markets are increasingly open. Many developed countries, including the USA and EU are trading with less developed countries where input resources are relatively cheaper. This increased international trade has led to the growth, as well as exploitation of many EMs necessitating research into these economies (Schianetz, Kavanagh, & Lockington, 2007.). Burgess and Steenkamp (2006) found significant differences to exist in the application and generalisability of marketing theories in these new environments. There is consequently a need to test previously established constructs from highly industrialised countries (HICs) in EMs.

This thesis examines the attitude and perceptions of tourism business managers towards CSR from a theoretical point of view. It specifically analyses the perceived costs and barriers of RTM and their effect on financial and employee performance. It is believed that effective strategies are necessary to influence behaviour change in order to increase the adoption of RTM in the industry. Consequently, social marketing is a key tool necessary to bring about transformation.

Some of the differences influencing the generalisability of marketing concepts in EMs are the influence of values, regulative systems, difficulty and accuracy of data collection and in-country heterogeneity, making general conclusions about the analysed data more challenging (Burgess & Steenkamp; 2006). To address these differences, measurement scales (Likert) were simplified and shortened and subjective financial measurement scales by Burgess and Nyajeka, 2006 used.

1.5 Study limitations

The results of this study, given various constraints, have some limitations. As with most research in EMs it is often difficult to achieve a fully representative sample (Burgess & Steenkamp, 2006). The population for this research study was the Cape Town Tourism (CTT) membership base. Results might therefore not be completely representative of the South African tourism industry. The developed conceptual model is nonetheless a useful tool and should be tested in other industries and in a wider context in the future.

Cost/Budget constraints

The budget for this research was R24 000 (Appendix H). These funds were used to pay for focus groups, online questionnaire support and to incentivise response rates. Given the budget, a sample of 244 respondents is acceptable and a significant enough number to be able to conduct statistical analyses. An incentive, comprised of six-months free advertising on the CTT media platform was offered as an incentive for respondents. The winner was determined by a computer generated random draw, conducted by an outside, objective party, synchcc, who had developed the questionnaire. It is possible that this incentive biased the response towards companies who were more in need of the advertising than others. However, as is discussed in Chapter 4, the use of incentives is a common research practice to increase response rates, the prize provided by CTT was significant enough to not only appeal to small companies and the University of Cape Town ethics committee approved the use of the incentive.

Time constraints

The tourism industry, being service orientated, has to be highly flexible and responsive to changes in consumer demand. The lack of structured work hours and high prevalence of independent small businesses in the research population meant that time for interviews and focus groups was often limited. Moreover, the researcher is a full-time lecturer at a university and therefore needed to divide time for research between other commitments.

The research was conducted between September 2005 and June 2007. The survey was sent out in March 2007 and statistical analysis of the data commenced in April 2007.

Statistical sample constraints

It is possible that there is a level of response bias in the data as those individuals who were already aware of RTM would have been more likely to note and complete the questionnaire. Moreover, these individuals might already be positively inclined towards the topic thereby

creating a bias and distorting the findings. To minimise response bias constructs were tested using more than one scale (in other words the same underlying dimension was tested using three different measurement scales, which will be discussed individually in the Chapter 4) and an incentive was offered to entice respondents who would not necessarily be interested in RTM to complete the questionnaire.

The use of an email based questionnaire would have precluded respondents who do not have access to this medium from answering the survey. The sample was comprised of business managers and owners, who are in constant contact with CTT (via email) and therefore by default have access to the internet and computer technology. This ensured that respondents in the sample had a certain level of professionalism and size. It is true that very small and poor businesses would not be included in the sample. The study is concerned with evaluating the general level of RTM in the Cape Town region, for transformation to occur it is important that established and larger businesses adopt these management practices as they are instrumental in leading the tourism industry (du Toit-Helmbold, 2007). The results are thus reflective of the more formal tourism industry and businesses who have met the minimum criteria set by CTT.

Cultural and language constraints

South Africa is a highly diverse county. Cultural and language differences might have influenced how respondents interacted in the focus groups as well as how they answered the survey. Given that the respondents were all from management positions in the tourism industry, it was assumed that English would be an acceptable medium for the focus groups discussions and the survey. Findings confirmed that English and Afrikaans were the dominant languages spoken by the respondents in the sample.

Geographical constraints

The CTT membership base is comprised of businesses in Cape Town, Somerset West and the wine lands. Businesses have to meet minimum criteria in terms of service, safety and security and capacity depending on their size and level of experience in order to be accredited a CTT membership. It is true that not all tourism businesses are members of CTT. However, according to discussions with du Toit-Helmbold (2007) and d'Oliveira (2007) the sample would be relatively representative of the Greater Cape Town tourism industry. Nonetheless results must be interpreted with care as the generalisability of findings cannot be guaranteed.

Integrity of respondents

This research is concerned with personal perceptions and attitudes towards CSR and RTM. At a deeper level respondents were asked about their moral behaviour. In surveys dealing with ethics and morality there is an inherent over-claim, or social bias problem, as respondents answer what they deem to be the socially (social desirability and acquiescence bias) (Cooper & Schindler, 2006: 280). To increase the accuracy of responses, numerous scales and scale items were used to measure the same construct. Factor analysis

subsequently reduced the data and reliability and validity tests confirmed that the correct underlying construct had been tested.

Instrument design

Research in emerging markets has highlighted that scales need to be simple and questionnaires short. It was therefore decided to use a 5-point Likert scale. Respondents had to answer on a continuum of 1 – 5, with 1 = strongly agree and 5 = strongly disagree. It could be that respondents were unsure of the meaning of 2, 3 and 4. However, a pilot study was run, various marketing research academics and tourism experts were consulted and the understanding of the scale measurement seemed to be very clear.

Non-response

Some questions were not completed in the questionnaire. This could have been due to respondent fatigue, lack of understanding or inability to complete the section. Small companies often failed to understand how CSR and RTM applied to them. This could have been due to the wording of the scale items and care needs to be taken in future studies with regards to the phrasing of questions concerning organisational behaviour.

The next section provides definitions for the key terms that have been used in this research thesis. CSR and RTM have experienced considerable growth in the last ten years and, as a consequence, the terminology used in the subject areas has likewise grown.

1.6 Definitions

1.6.1 Responsible tourism management (RTM)

The tourism industry has seen an increased growth in niche markets, especially in the area of environmentally and socially responsible tourism. A plethora of special interest tourism (SIT) markets and related terminology has emerged. In order to understand what is meant by responsible tourism management (RTM) it is necessary to briefly examine the various terms related to this management approach.

The 1996 White Paper on Tourism Development and Promotion by the Department of Environmental Affairs and Tourism (DEAT), where responsible tourism was first defined for South Africa served as a baseline for South African policy on the subject. Based on this paper the Responsible Tourism Manual for South Africa (RTMSA) (Spenceley *et al.*, 2002), followed by the Responsible Tourism Guidelines (DEAT, 2002) were developed. The RTMSA describes responsible tourism as the process of providing a superior holiday experience for visitors, whilst improving business opportunities for the tourism sector. The objectives of this approach are to increase the socio-economic benefits to local communities, include a broader spectrum of stakeholders in the decision-making process, promote the sustainable use of limited resources, and improve the tourism offering to the consumer. The 1996 White Paper

and the 2002 Responsible Tourism Guidelines form the basis of responsible tourism in South Africa (Spenceley *et al.*, 2002; Pender & Sharpley, 2005: 197).

The purpose of this research thesis is not to produce yet another definition. Rather, the aim is to develop a deeper understanding of the issues that underlie most of the definitions in Table 16.1. For this reason the broader expression of *responsible tourism management (RTM)* has been chosen to describe a general management approach, which incorporates most of the underlying principles of the definitions shown in Table 16.1.

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Table 1.1: Definition of sustainable tourism terms

Term	Definition	By	Emphasis
Responsible Tourism	Responsible Tourism is about providing better holiday experiences for guests and good business opportunities to enjoy better quality of life through increased socio-economic benefits and improved natural resource management.	Responsible Tourism Manual, 2002	<ol style="list-style-type: none"> 1. Develop a competitive advantage; 2. Assess, monitor and disclose impacts of tourism development; 3. ensure involvement of communities and the establishment of meaningful economic linkages; 4. encourage natural, economic, social and cultural diversity; 5. promote the sustainable use of local resources.
Sustainable Tourism	Sustainable tourism means achieving a particular combination of numbers and types of visitors, the cumulative effect of whose activities at a given destination, together with the actions of the servicing businesses, can continue into the foreseeable future without damaging the quality of the environment on which the activities are based.	Middelton, 1998: ix	The responsible management of resources for the use and enjoyment of present and future generations.
Ethical Tourism	Ethical tourism is a concept that goes beyond the three principles of sustainability. It recognises that tourists and tourism providers must take some responsibility for their behaviour and attitudes, with each stakeholder group gaining equity in the tourism decision-making process.	Weeden, 2001	Tourists and tourism providers have a moral responsibility for their actions.
Ecotourism	Travelling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found these areas.	Ceballos – Lascurain, 1983, (as cited in Fennell, 2001)	<ol style="list-style-type: none"> 1. Provides for environmental conservation, 2. Includes meaningful community participation, 3. Is profitable and can sustain itself.
Cultural/ Heritage Tourism	Tourism that respects natural and built environments... the heritage of people and place.	www.planeta.com	Respect for the local natural environment and local heritage is emphasised.
Pro poor tourism	Pro-Poor tourism is not a specific tourism product; it is an approach to tourism development and management which ensures that local poor people are able to secure economic benefits from tourism in a fair and sustainable manner.	(Ashley, Roe and Goodwin, 2001)	<p>Pro-poor tourism may improve the livelihoods of poor people in three main ways:</p> <ol style="list-style-type: none"> 1. Economic gain through employment and micro-enterprise development; 2. Infrastructure gains: roads, water, electricity, telecommunications, waste treatment; 3. Empowerment through engagement in decision making.
Alternative Tourism	Alternative tourists aim to put as much distance as possible between themselves and mass tourism.	(Krippendorf, 1987: 37)	Alternative tourism focuses on individualism and having a unique and authentic experience by interaction with the local community and environment.

It is worthwhile to describe some of the terms in more detail in order to create a foundation for the further discussion.

Many of the concepts underlying the definitions in Table 16.1 overlap, which is why providing one single definition for responsible tourism management that is mutually exclusive of the other is very difficult (van der Merwe & Wöcke, 2007). Fennell (2001) in his research notes that "one of the most habitual practices in the sub-field of ecotourism, from both an academic and industry perspective, is the development of definitions". Content analysis of a representative sample of 85 of the hundreds of ecotourism definitions that exist was used to show communalities between them. Fennell found that the most frequently mentioned variables were:

1. reference to where ecotourism occurs, for example, in natural areas,
2. conservation,
3. culture,
4. benefits to locals and
5. education (2001).

This research thesis examined some of these factors in terms of their effect on RTM, in particular, (3), 'culture' and (4), 'benefits to locals'.

1.6.2 Sustainable tourism

A tourism trend that has more been widely adopted is that of sustainable tourism (WTTC, 2007). The term, generally, is used loosely and a universally accepted definition is lacking. Orams observes that "the concept of sustainable tourism is ambiguous and has been defined in a variety of ways" (1995).

Middelton (1998: ix) defines sustainable tourism as a "means [of] achieving a particular combination of numbers and types of visitors, the cumulative effect of whose activities at a given destination, together with the actions of the servicing businesses, can continue into the foreseeable future without damaging the quality of the environment on which the activities are based". This definition emphasises that numbers of visitors and the impact they have on a destination need to be managed so that the quality of the product can be maintained for the future.

Murphy, on the other hand, included an aspect of cultural respect and environmental regard by defining sustainable tourism "as the management of all resources upon which tourism depends in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems" (1994: 279 as cited in Brown & Essex, 1997). Numerous other definitions exist, all of which centre on the principle of managing resources responsibly for the use and enjoyment of future generations (including visitors, locals and businesses). The emphasis is thus on *managing* tourism activity, rather than restricting it completely.

Brown and Essex (1997) noted that for sustainable tourism to be successful it needs to "promote long-term social, economic and environmental benefits, while enhancing the prospects for the industry's own continued viability". Sustainable tourism, therefore not only addresses the conservation of natural and cultural resources but also concerns itself with the economic viability of such initiatives. The underlying premise is that the motivation for RTM must reside in business logic or it will not be adopted nor successful in the long-term.

Since the Brundtland Report (WECED, 1998: 43 as cited by Spenceley, 2005) proposed that intergenerational equality would not be achieved unless the impacts of economic activity on the environment were managed, both debate and research into sustainable tourism practices and philosophies have increased. Concern for sustainable tourism arose from the increased realisation that mass tourism could have significant negative environmental impacts in destinations if it was not controlled (Spenceley, 2005). Researchers to date have produced a comprehensive body of literature that examines the triple bottom line of sustainability (Elikington, 1997, as cited in Spenceley, 2005; King Report 2002).

At the Rio Earth Summit (1992) global leaders signed the Convention on Climate Change and Convention on Biological Diversity, endorsed the Rio Declaration and adopted Agenda 21, a 300 page document outlining a plan to achieve sustainable development by the 21st century. These policies, coupled with the UN Global Code of Conduct discussed later in this chapter formed the foundation for the global debate on sustainable development.

In a recent paper by Spenceley (2005) the sustainability debate is taken beyond definition, rather addressing the need for tangible measurements. The lack of measurement of the success of sustainable tourism is one of the fundamental challenges and sources of abuse, as business merely pay lip-service to this initiative. Measuring economic, social and environmental impacts is often a subjective, ill-defined and qualitative task. The trend has therefore been one of moving away from policies and debate, towards crucially evaluating what action should and is being taken to ensure a tourism industry that will be lucrative today and in the future.

Ecotourism has been another significant trend.

1.6.3 Ecotourism

Ecotourism is arguably one of the first branches in special interest tourism (SIT) that focused on the behaviour of the tourist at the destination and the impact of the visit on the host destination. The United Nations World Tourism Organisation (UN-WTO) estimates that ecotourism constitutes about 2% - 4% of all international travel expenditure (similar to the size of the meetings, incentives, conferences and exhibitions (MICE) segment) (UN-WTO, 2006). However, due to the fact that ecotourism has developed so rapidly and in so many different areas and contexts, universal adoption of definitions, policies and regulations have not yet been established (Orams, 1996). Ecotourism as a result has evolved into many very different

forms, some of which are sensitive and ethically based, and others which are not but make use of the term. The debate is whether ecotourism is actually "ethically responsible or more concerned with natural living things and how to avoid negative impacts" (Fennell, 2001). The lack of definition and control has led to the misuse of this term, whereby companies advocate their ecotourism products, whilst not truly adhering to the fundamental tenet of environmental concern and conservation or social responsibility.

Valentine argues that ecotourism should be restricted to that kind of tourism which is:

- a) based upon relatively undisturbed natural areas;
- b) non-damaging, non-degrading;
- c) a direct contributor to the continued protection and management of the areas used; and
- d) subject to an adequate and appropriate management regime." (1992: 5, as cited in Orams, 1996).

This definition by Valentine (1992: 5, as cited by Orams, 1996) is very broad and makes use of subjective language such as "relatively" and "adequate and appropriate management schemes". Such ambiguity has been the source of much misuse in these tourism markets.

According to Fennell (2001) one of the most accepted definitions of ecotourism is one developed by Ceballos-Lascurain (1983), which focuses on the importance of natural areas, cognitive and affective domains and behaviour. Ecotourism is defined as "travelling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found these areas" (Ceballos-Lascurain, 1983, as cited in Fennell, 2001). The emphasis here lies on the motive of the traveller to learn and observe and less on the impact that such travel behaviour will have on the natural environment that is being visited. The debate in the literature continues as to where the focus should lie.

A short and precise definition is provided by Goeldner, Ritchie and McIntosh: "ecotourism is the responsible travel to natural areas that conserves the environment and sustains the well-being of local people" (2000: 556). This definition brings together the three elements of sustainability, the conservation of natural, economic and social environments, thereby bridging the gap between sustainable and eco-tourism.

Challenges facing ecotourism

Due to the difference in the definitions what is termed ecotourism in one area might not be so in another. It is clear that this can lead to the exploitation of the positive connotations that ecotourism has by businesses who do not practice the fundamentals this approach is built on. Fennell points out that it is not possible to develop a single definition, but that focus should be placed on "whether or not what is being practiced is in the spirit or ethic of ecotourism" (2001). Goeldner, Ritchie and McIntosh (2000: 557) further highlight the paradox of promoting ecotourism. According to the authors, the two areas of ecology and tourism development are

fundamentally inconsistent. Ecology is defined as "the science of the relationship between organisms and environment". When tourism enters the system, a foreign entity is introduced, changing the natural equilibrium "making the term ecotourism an oxymoron" (Goeldner, Ritchie & McIntosh, 2000: 557). Some authors therefore argue that at times ecotourism and nature-based tourism are unsustainable developments and inherently flawed (Orams, 1996; Swarbrooke & Horner, 2004: 253). It is precisely because of this paradox that this research thesis uses the broader term responsible tourism management, rather than ecotourism. Tourism development will undoubtedly have some negative impacts on the natural environment (Spenceley, 2005; WTTC, 2006). However, human co-existence in nature is a fact that will not change. Managing development in such a manner that restricts the negative impacts and tries to enhance positive externalities, therefore, should be the emphasis in the development debate.

Ethics

Any discussion that aims to develop the debate on CSR needs to also address issues of ethics and morality. Responsible management is influenced by company values, ethics and morals. The discussion in this study does not focus primarily on ethics as the starting point for responsible behaviour, however, the impact of values and morals on decision-making and commitment towards RTM have been shown to be significant and therefore should not be ignored (Singhapakdi *et al.*, 1996; Maignan & Ferrell, 2004, Schwartz, 2004).

Ethics is defined as an "inquiry into the nature and grounds of morality where morality means moral judgements, standards, and rules of conduct" (Tsalikis & Fritzsche, 1989: 696 as cited by Yaman & Gurel, 2006). Morality, therefore, is a construct that influences how individuals make decisions. "Marketing ethics", then, is an "inquiry into the nature and grounds of moral judgements, standard, and rules of conduct relating to marketing decisions and marketing situations" (Tsalikis & Fritzsche, 1989: 696, as cited by Yaman & Gurel, 2006). Morality in a marketing context, influences how strategies are formulated and executed. It follows that morality is an important component of management decisions. These authors note that the term "ethics" is interchangeable with "morals". The definitions highlight that decisions and judgements are influenced by various factors, one of which is marketing ethics.

Hunt, Kiecker and Chonko (1990, as cited by Yaman & Gurel, 2006) state that ethics are closely linked to social responsibility. Although the concepts are related, there are some important differences to note. Robin and Reidenbach state that "while ethics concern the rules and standards of conduct related to rules of moral philosophy, social responsibility concerns the social contract existing between business and the society in which it operates" (1987). This definition addresses the role that businesses play in society. The specific nature of this contract has been the source of considerable debate and covers a wide continuum (Windsor, 2006; van der Merwe & Wöcke, 2007). The one extreme is Friedman's view that the main "business of business is business" (1998: 251). Friedman sees the sole social responsibility of business to use its resources and engage in behaviour that will lead to the highest possible profits given the rules of the "game", which he defines to be open and free competition, lacking deception and fraud. On the other side of the spectrum Spencer and Butler (1987)

advocate that an organisation's responsibility spans beyond pure economic and legal interests and has to take the well-being of society into account.

1.6.4 Corporate Social Responsibility (CSR)

CSR can be broadly defined as 'actions that appear to further some social good, beyond the interests of the company and that which is required by law' (McWilliams & Siegal, 2001: 117). The World Business Council for Sustainable Development (WBCSD) define CSR as "the continuing commitment by business to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as the local community and society at large" (WBCSD, 2002: 3). The emphasis in these definitions for CSR is on the economic development and broader inclusion of various stakeholders that are affected by tourism development.

Business for Social Responsibility emphasise more values and ethical behaviour in that they define CSR as "operating a business in a manner that meets or exceeds the ethical, legal, commercial, and public expectations that society has of business" (as cited in Kotler & Lee 2005: 3).

There are many more definitions. All of the ones reviewed, however, centre on active involvement in safeguarding the environment (economic, social and natural), community support, and development. Arguably, these definitions are relatively broad and open to interpretation. Doane (2005) notes that businesses will only engage in such socially correct behaviour if this does not pose a financial risk to the firm and is thus often used as a tool for positive public relations, rather than a true effort to enhance social welfare. Even if one is to take such a pessimistic view, experience and research shows that CSR has become a strong trend in strategy formulation and can have many positive effects.

Closely related to the concept of CSR is that of good corporate governance which describes the role and responsibility of corporations in society.

1.6.5 Corporate governance

Sir Adrian Cadbury, Chairman of the World Bank contented that "[c]orporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals...the aim is to align as nearly as possible the interests of individuals, corporations and society" (King Report II, 2002). Corporate governance highlights that a balance between individuals, businesses and society has to exist. This is in line with the social marketing concept discussed in more detail in Chapter 2.

A term that is frequently used in this research study is 'responsibility'. As with the preceding terminology responsibility can mean many things to many people. In this thesis the following definition has been used to underpin the concept of RTM.

1.6.6 Responsibility

“With regards to management, responsibility pertains to behaviour that allows for corrective action and for penalising mismanagement. Responsible management would, when necessary, put in place what it would take to set the company on the right path” (King Report II, 2002). This definition encapsulates a management approach and mind-set, rather than specific actions. RTM is concerned with all aspects of management and the associated impacts of business operations.

Finally, this thesis deals to some degree with elements of the BEE Tourism Charter and Scorecard (2005), which have been developed for the tourism industry to address ownership, equity, training, procurement, enterprise development and corporate social investment (Tourism BEE Charter and Scorecard, 2005). RTM implicitly advocates many of the same objectives as the Charter and the following definition serves as a basis of understanding for this uniquely South African policy instrument:

1.6.7 BEE

“Black economic empowerment (BEE) is defined as an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the number of black people (black people include all African, Indian and Coloured South African citizens) that manage, own and control the country’s economy, as well as significant decreases in income inequalities” (Tourism BEE Charter and Scorecard, 2005). The principles underpinning the BEE Charter are aimed at addressing the inequalities of the past and fast-track transformation of the major industries in South Africa to reflect the demographic profile of the country. RTM advocates local employment and involvement of those usually marginalised by tourism development and thus addresses some of the objectives set out by the Charter.

This thesis is placed in the context of an emerging market. As has been outlined in the scope Burgess and Steenkamp (2006) argue that there is a need to test marketing constructs that have predominantly been developed in highly industrialised countries, in emerging markets.

1.6.8 Emerging markets

There is no single definition of what constitutes an emerging market. Some common characteristics however, can be identified. Burgess and Steenkamp (2006) combine the various definitions of financial institutions (ING and Morgan Stanley), the World Trade Organisation (WTO) and the United Nations (UN) and simply state that emerging markets are “countries in which purchase power parity (PPP)-adjusted gross domestic product (GDP) per capita, converted to US\$ and smoothed for three-year currency fluctuations, is equal or less than the highest ranked country classified as “middle income” by the World Bank” (Burgess & Steenkamp, 2006). EMs are characterised by high GDP growth and significant social reform (Hoskisson, Eden, Chung & Wright, 2000).

The mandate in most emerging economies and developing nations is the reduction of poverty and inequality. In line with the Millennium Development Goals (MDGs) and the agenda of the South African government to address unemployment and poverty, this thesis explores the opportunities for tourism businesses to operate in a manner that will help alleviate some of these socio-economic challenges.

Finally, this research was conducted in the tourism sector and some terminology pertaining to this area of study needs to be defined.

1.6.9 Characteristics of tourism

According to the United Nations World Tourism Organisation (UN-WTO), an intergovernmental body of tourism, "tourism is defined as the activities of persons travelling to, and staying in, places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (2004)". Tourism is seen as a distinct activity that is undertaken at a place away from ones home. Tourism, because it is a service industry, also has distinct characteristics that influence how it is managed and marketed. The four unique features of services, intangibility, variability, perishability and inseparability are described below:

1. *Intangibility*: The actual tourism product cannot be touched or seen. Travelling, staying in a hotel or consuming a cultural meal are not physical products. The challenge for tourism marketers is to tangibilise the tourism experience and provide tourists with visual cues as to the product they are consuming. Hotels do this by branding themselves, using physical structures, uniforms, stationery and marketing communication material to create a certain brand, message and image for the consumer (Kotler, Bowen & Makens, 1999: 42; Evans, Campbell & Stonehouse, 2003: 28, George, 2004: 23).
2. *Variability*: The fact that the tourism product is not tangible also means that there is a lack of standardisation. Visiting the same restaurant twice, for example, can result in two very different experiences and levels of satisfaction. This can be due to different service personnel or the same service personnel in a different mood, or other circumstances such as stock-out situation, bad weather or a power failure. These variations are unique to the service industry and are not generally found in consumer goods markets where one can of Coca-Cola is usually identical to the next. Service industries try to reduce variability (heterogeneity) by increasing training and emphasising the importance of superior service standards and customer care (Kotler, Bowen & Makens, 1999: 43; Evans, Campbell & Stonehouse, 2003: 13).
3. *Perishability*: A tourism offering can also not be stored for future sale. An empty airplane seat cannot be resold on the next flight. The unsold seat represents a cost to the tourism company. Airlines have addressed this phenomenon by offering last minute low cost bookings and varying prices according to demand and supply (for example, kulula.com, 1time and Mango) (Kotler, Bowen & Makens, 1999: 43; Evans, Campbell & Stonehouse, 2003: 30).

4. *Inseparability*: It is also not possible to divide the production and consumption of the tourism product-offering. Unlike in the manufactured goods market, where products are produced and consequently sold to the consumer, in tourism both of these activities occur simultaneously. A tourist on a township tour is consuming the product at the same time as the guide is producing the service. The result is that the consumer is not able to evaluate his purchase and return it. This leads to a high level of perceived risk when buying a tourism product and explains why tourists seek considerable information before their purchasing decision (Evans, Campbell & Stonehouse, 2003: 29; George, 2007: 266).

Interdependence of tourism

Another key characteristic of the tourism industry is its interdependence. Tourism affects and is effected by a host of factors related to social and economic environments. The consumption of non-renewable petroleum serves as an effective example. Tourism depends heavily on fuel that is burned to transport travellers both domestically and internationally. Any policy decisions affecting petroleum-based fuels will have a significant impact on tourism, as will global warming, etc. Carter observes, "no other economic activity...transects so many sectors, levels and interests as tourism" (1995: 21, cited by Pender & Sharpley, 2005: 260). This highlights the interdependence of tourism and shows that the topic cannot be discussed in isolation (Goeldner, Ritchie & McIntosh, 2000: 548).

The preceding section has outlined some of the key terms used in this research study. Justification for why it was deemed necessary to analyse in more detail the perceived costs and benefits of RTM and the effect of this management approach on business performance is outlined in the next section.

1.7 Justification of the research

Worldwide tourism contributes approximately 10% to global GDP and is a significant sector for employment and economic activity in many developing nations (WTTC, 2007). There is no doubt that this sector has the potential to create jobs and significant socio-economic benefits (Rogerson & Visser, 2004: 26). However, in emerging markets such as South Africa, responsible management of tourism is essential. Resources are scarce and the global community is increasingly demanding that companies look beyond profit maximisation and include social and environmental objectives in their management strategies (Frey, 2007: 319).

The South African tourism industry though still relatively young is showing rapid expansion. Despite this growth, the level of academic research into tourism management has been low. "Although it has been repeatedly argued that research into the tourism system is crucial in harnessing this sector's potential benefits, this call to action has largely been ignored in the academy (Rogerson & Visser, 2004: 26; Aramberri & Butler, 2005: 15). If both South Africa, and the Western Cape more specifically, want to compete in the global tourism market and gain a competitive advantage over other destinations, then they need to take note of these changes and develop business strategies to facilitate and manage this transformation (Ashley *et al.*, 2005; Goodwin & Francis, 2003; King, 2002; Weeden, 2001).

It is necessary to establish how the tourism industry can manage more responsibly, as well as to analyse how such an approach fits into a marketing framework. The starting point of developing a social marketing campaign is the understanding of perceived costs and benefits of a proposed behaviour change such as RTM. This thesis aims to contribute to the current social marketing theory within a tourism context.

The exploratory research phase of this thesis highlighted that there was an international trend towards adopting responsible management practices in tourism (Pérez & Nadal, 2005; Yaman & Gurel, 2006). One of the key issues highlighted by the literature and qualitative research was the fact that, even though there was demand from consumers for more responsible products, the tourism industry itself was often not clear about how to offer such a product or how to change management practices. It became clear from the exploratory research phase that perceptions towards responsible management practices in tourism are largely unexplored. Yaman and Gurel (2006) argue that although a number of studies have been conducted in the field of ethics, the investigation of the role of ethics in tourism marketing decision-making is at an infant stage. Furthermore the academic foundations of research into tourism ethics is very weak. This highlights the need for robust and reliable research into the area of social responsibility in tourism and gives weight to the necessity of this study. Empirical research is necessary to gain a deeper understanding of this field. Research findings will not only add to the current body of knowledge in social marketing and CSR in tourism, but also provide relevant recommendations for social marketing campaigns aimed at influencing management behaviour. Ultimately such strategies will change management style, and by implication address the socio-economic challenges outlined by the MDGs and which are acutely faced by South Africa.

1.8 Summary

This chapter has outlined the main arguments underpinning the need for RTM and how this research aims to contribute to the current level of understanding of CSR in tourism. Marketing aims to influence action or behaviour. Traditional marketing tools can therefore be employed to affect behaviour change in tourism management, bringing with it much-needed transformation in the tourism industry. It is essential that RTM practices are adopted in order to ensure that the resources tourism businesses rely on today are still available in the future.

This study combines previous research into the role of ethics and social responsibility in business management and the effect of management style on business performance in a single model. The research is moreover placed in an emerging market tourism context. This research area has received limited attention to date. It is important to understand current attitudes and perceptions of business owners and managers towards RTM and what factors influence these psychological constructs. Effective social marketing campaigns, aimed at influencing behaviour change, can be developed only if such information exists. Leaving the industry to self-transform without government support and education has proved to be ineffective and very slow. There is a current resistance towards change and transformation in the tourism industry and a lack of understanding regarding the benefits RTM can bring to the business, the environment and society.

Research is needed to inform the tourism industry and government on how to implement effective social marketing strategies and assist management in their decision-making.

2 Literature Review

2.1 Introduction

Dwindling natural resources, global consumer demand and socio-economic inequality are increasing the pressure on businesses to change their management practices. Companies are no longer given free licence to pursue pure profit maximisation but need to look at their impact on society and its various stakeholders. Managers of all industry sectors are tasked to take social, environmental and economic factors of their operations into account.

The need for responsible tourism management (RTM) has consequently entered the current tourism discourse. It is necessary to uncover which factors inhibit, and which facilitate the commitment of tourism managers to implement responsible management practices. In order to promote this management change the impact of RTM on business performance has to be tested so that a sound business case for this management approach can be built.

This thesis combines the findings of previous research in the field of corporate social responsibility (CSR) and organisational commitment to construct a new conceptual model. The aim of the literature review is to gain deeper insight into the debates surrounding responsible management practices. The analysis of secondary sources allows for parallels to be drawn, highlights global trends, indicates areas where knowledge is still lacking, and guides the research methodology (Brennan, Rae & Parackal, 1999; Aaker, Kumar & Day, 2004: 107; Roth, 2005). The various statistical relationships of the conceptual model and their theoretical bases are discussed in the following literature review.

Chapter outline

The chapter begins by presenting a review of the current literature pertaining to corporate social responsibility (CSR). Numerous research findings and models from CSR can be applied to RTM, necessitating a detailed discussion of the related topic. Building on the CSR body of literature, the chapter then presents CSR in a tourism context and outlines why it has become imperative for the South African tourism industry to adopt responsible management practices. The various forces that have led to an increased demand of RTM, as well as the economic, social and environmental benefits that can be achieved are subsequently discussed.

The chapter concludes by discussing the link between attitude, perception and desired behaviour, and the role of social marketing. Social marketing aims to influence behaviour-change in order to benefit individuals, groups or society as a whole. The guiding principle of RTM is that overall social gain, for example the inclusion of a broad set of stakeholders in the decision-making process, is more desirable than individual, short-term economic profits. The societal marketing concept advocates that a balance between consumers, companies and society needs to exist (Kotler, Roberto & Lee, 2002: 5). Social marketing, therefore, provides an appropriate theoretical marketing framework for this research thesis.

2.2 Corporate Social Responsibility (CSR)

Responsible tourism management can be subordinated under the more general theme of corporate social responsibility (CSR). In order to apply the relevant theory to the tourism industry it is necessary to first analyse CSR generally.

CSR, according to the World Tourism and Travel Council (WTTC), means adopting open and transparent business practices that are based on ethical values. The approach strives to manage the various aspects of operations and minimise their negative impacts on the surrounding environment (WTTC, 2006). Rather than maximising only shareholder value, CSR takes the different objectives of a broad set of stakeholders into account. The shift is one from "profit maximisation" to "wealth maximisation" (Ehlers, & Lazenby, 2004: 3). The interests of employees, neighbouring communities and the environment, amongst others are thus considered. CSR ultimately aims to deliver sustainable values to society at large, as well as to shareholders, for the long-term benefit of both (WTTC, 2002: 2).

The definition of CSR provides the three underlying principles of responsible management. Firstly, CSR addresses the underlying values of conducting business. Transparency and adherence to ethical principles must underpin all aspects of operations. Secondly, CSR looks at the negative and positive impacts of business operations on the environment and stakeholders. Finally, the approach demands a long-term commitment to changing business practices. There is no single accepted definition as to what constitutes these changes, and interpretations vary vastly between industries and individual businesses. CSR includes attempts to: increase community involvement in decision-making, build mutually beneficial partnerships with locals to decrease economic leakages, provide employment opportunities, revise investment policies and relations with investors, address corruption, comply with governmental regulations, improve relations with suppliers and marketing intermediaries, advertise honestly, implement fair pricing policies, provide equal opportunities and remuneration, reduce waste and increase sustainable management of scarce natural resources (Yaman & Gurel, 2006; Pender & Sharpley, 2005; Maignan & Ferrell, 2004; Hunt, Wood & Chonko, 1989).

Active employee and management involvement, resources, commitment and time by all stakeholders is needed to reap the benefits of CSR (Pender & Sharpley, 2005: 289). In most cases the literature indicates that the return on investment of CSR is positive and that business performance is improved in the medium- to long-term (for example Goodwin & Francis, 2003; Kotler, Roberto & Lee, 2002; Tearfund, 2002). The research priority, as identified by numerous authors and the Marketing Science Institute (MSI), lies in trying to quantify the positive effect and determine which factors exactly lead to an increase in business and employee performance (Hunt, Wood & Chonko, 1989; Jaworski & Kohli, 1993; Brammer, Williams & Zinkin, 2007; MSI, 2006). This research study aims to add to the body of knowledge in this regard, focusing specifically on the factors that impede and enhance responsible management in tourism.

The business case for CSR

Commercial activity is based on the concept of having a unique value proposition (UVP) which leads to a transaction (Mukherji, 2004: 1; Porter & Kramer, 2006). Individuals and corporations will only engage in transactions if a perceived value exchange exists. Value, according to Kotler and Keller (2006: 141), is the differential between benefit and cost.

$$\text{VALUE} = \text{BENEFIT} - \text{COST}$$

Value can be increased by either decreasing costs or increasing benefits. Porter and Kramer (2006) argue that successful CSR strategies occur when companies add a social dimension to their existing value offering. CSR cannot replace a businesses' UVPs but can rather be used to add a layer of benefit to the existing offering, thereby creating a strategic competitive advantage (Swarbrooke & Horner, 2004: 245; Porter & Kramer, 2006). This thesis explores the relationship between RTM and both financial and non-financial business performance. By adding value, the likelihood of transactions increases and so, too, commercial activity. RTM consequently does not constitute the product-offering itself, it merely adds to it and provides a basis for differentiation.

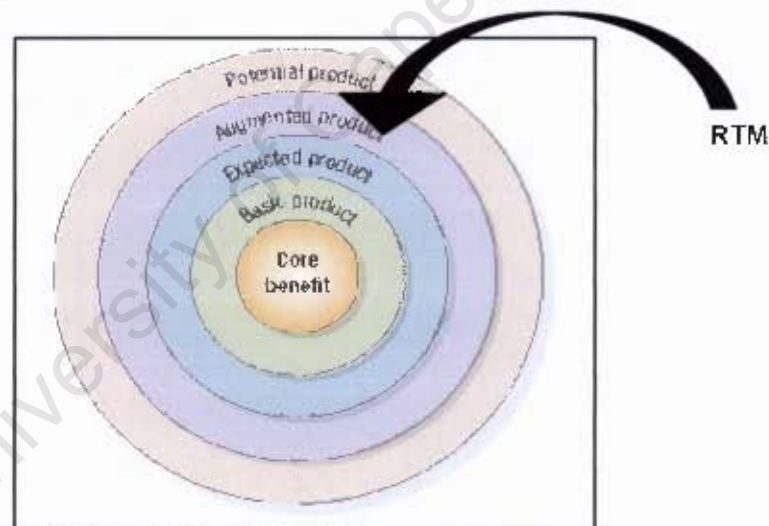


Figure 2.1: Product levels (Kotler & Keller, 2006: 372)

In Figure 2.1 RTM forms part of the augmented product-offering with the basic product still satisfying the core need. Consumers are not interested in buying local products if the quality is inferior and the price is too high. Hideaki Otaka, president of Toyota Motors, North America states that "our customers tell us that they are interested in our environmental investments and innovative technologies, provided we meet their price and performance requirements as well" (UCTUI, 2006). In line with this argument, RTM will be able to add value to the product-offering but not replace it. High quality and a customer centred-approach remain the foundation of successful marketing strategies.

A more detailed discussion on CSR, its history, business benefits and challenges now follows, providing the foundation for the RTM argument.

Background to CSR

The basic principles of CSR have been applied in management for a number of years. Gift schemes, the forerunner of Cause Related Marketing (CRM) which is a practical application of CSR, were already introduced by William Hesketh Lever in the 1930s (Adkins, 2005: 3). In recent years CSR has undergone significant change in both practice and its objectives. Pre-1990 organisations used to 'do good to look good' (Simon, 1995; Wheeler, 1995; Rondirelli & Berry, 2000; Harrison, 2004; Kotler & Lee, 2005: 8). Charity support was short-term in nature and lacked strategic planning. Often the causes that were supported did not relate to the core business function of the organisation, leading to few tangible and measurable benefits for the company. Very little effort was made to use such social involvement for marketing or human resource development. Companies in general had the attitude of taking the easiest path to remain respectable within the public eye but not risk fundamentally changing business practices (Adkins, 2005: 5; Kotler & Lee, 2005: 8). Smith (1994) predicted in a seminal paper on CSR that corporate giving would have to undergo a significant change if it were to remain part of daily business activity. Smith found that organisations were increasingly basing their CSR decisions on benefiting the firms, as well as society, instead of seeing it as merely a good PR exercise. Amine (2003) also discovered that current "green thinking" had evolved significantly from the early focus on product packaging and disposal to issues of global equity and social justice. These broader objectives have resulted in companies using CSR in a far more strategic manner with contributions often being non-financial, including training, mentoring and the sharing of resources (Kotler & Lee, 2005: 8).

Types of CSR approaches

Maignan and Ferrell (2004) identified four conceptual viewpoints that have emerged from the management literature on CSR.

1. *CSR as a social obligation.* This perspective addresses the responsibility of businesses to act in a way that benefits society as a whole. Responsibilities, according to Carroll (1979), can be divided into economic, legal and ethical and philanthropic.
2. *CSR as a stakeholder obligation* recognises that benefiting society as a whole is too wide a scope and that companies should focus on working with those groups that are directly affected by its operations. Stakeholders can be categorised into four main groups: organisational (employees, managers, customers, suppliers and shareholders), community (local residents, advocacy groups), regulatory (government) and media stakeholders. Each one of these groups will have a different relationship to the business and different expectations as to its CSR activity.
3. *CSR as being ethics driven.* The previous two perspectives centre on CSR being good for business, in terms of generating operating licence and support from those involved. The underlying motive is therefore self-interest. Ethics-driven CSR includes a normative judgement about CSR activities that the other two approaches fail to account for, and advocates that the "rightness or wrongness of specific corporate activities independently of any social or stakeholder obligation" needs to be taken into account (Maignan & Ferrell, 2004).

4. *CSR as a managerial process.* Whereas the preceding three approaches constitute a commitment by business to implement CSR and behave in a certain manner the managerial approach looks at CSR as a series of processes that a company can implement to achieve certain goals and describes this as the social responsiveness of a firm. Social responsiveness is comprised of monitoring and assessing the business environment, reacting to stakeholder demands and designing plans and initiatives that aim to increase the positive impacts of the business (Ackerman, 1975 as cited by Maignan & Ferrell, 2004).

CSR, given the various forms it can take, should thus not be seen as a single activity that a business can employ. Rather organisations will find themselves on a continuum with various aspects of the approaches being implemented depending on the nature of the business and industry, as well as the prevailing environmental situation. This thesis has focused predominantly on the social and stakeholder views to CSR to build the business case for RTM.

Justification for CSR

Porter and Kramer (2006) outline the four justifications for CSR. Firstly, given the level of power and influence of companies there is a *moral obligation* to be good citizens and play an active role in society. This is the dominant thinking of the leading CSR non-profit business association 'Business for Social Responsibility'. The association advocates that companies should "achieve commercial success in ways that honour ethical values and respect people, communities, and the natural environment" (BSR, 2007). Secondly, companies are tasked with environmental and community stewardship, i.e. *sustainability*. The World Business Council for Sustainable Development defines sustainability as meeting the needs of the present without compromising future generations to be able to also meet their own needs. Morally, CSR is primarily concerned with the management of resources. Thirdly, CSR involves gaining the implicit or explicit *permission* to operate from various stakeholders, including governments and communities. Companies and consumers do not exist in isolation but function in a social environment that has to be considered when making business decisions. Finally, *reputation* is used by many businesses to justify CSR initiatives. As will be discussed in more detail in subsequent sections, research shows that CSR can improve company image, strengthen the brand, improve staff moral and raise the value of the share price (Porter & Kramer, 2006).

In order to better understand the rise in CSR the following section examines the various factors that have fuelled this growth. The same forces are also transforming the face of tourism and justify why RTM can be such an important strategic tool.

Increased awareness of CSR

The twenty-first century is marked by rapid change in consumer and business markets (Wheeler, 1995; Rondinelli & Berry, 2000; Harrison, 2004). A crucial development in this regard has been the increased awareness of climate change, the influence of corporations on society and the need for greater equality and distribution of wealth (Pender & Sharpiey, 2005;

198). World events including the Asian tsunami floods in December 2004, terrorist attacks such as September 11th 2002, and the high prevalence of HIV/AIDS have shown how vulnerable the environment and societal structures are (Aramberri & Butler, 2005: 66). The East Asian financial crises of 1997 and 1998 further demonstrated that macroeconomic difficulties could be exacerbated by the failure of good corporate governance (King Report II, 2002; Swarbrooke & Horner, 2004: 242). The important role that companies play in society, and the impact their conduct can have, has become dramatically evident (King Report II, 2002; Core Corporate Citizenship Report, 2004; Collier & Fuller, 2005; Porter & Kramer, 2006).

According to Collier and Fuller (2005) the single most important issue of the 21st century is the power that large corporations have to shape the future. The driving force behind CSR is the realisation that if this power is not managed, the opportunities for future generations to be economically successful will be considerably compromised (Goeldner, Ritchie & McIntosh, 2000: 548; UN-WTO, 2003; Swaer & Vanhamme, 2004; Collier & Fuller, 2005). Adam Smith (1793, as cited by Collier & Fuller, 2005) in the *Wealth of Nations*, whilst correctly referring to the danger of "unbridled capitalism", failed to adequately predict the extreme shift of power away from democratically elected political organisations towards commercially driven corporations. The pressure on corporates to play a far more active role in addressing society's problems and safeguarding precious resources has consequently increased considerably (Robson & Robson, 1996; Boehm & Itzhaky, 2004; Kotler & Lee, 2005). Collier and Fuller (2005) argue that the natural, unregulated paths of the free market will not produce a future that is sustainable, resulting in increased levels of inequality and poverty. Given that large global corporations, including Wal-Mart, Microsoft, Intel, General Electric and Hewlett-Packard, have market capitalisations larger than the gross national products of a number of developed and developing countries, including Spain, Kuwait, Argentina, Greece, Poland and Turkey they also have the opportunity to affect significant positive social change if they apply their vast resources correctly (Amine, 2003; Mitchell, 2006). A fundamental paradigm shift is therefore needed in how companies see their role and how they manage their operations.

The CSR debate has steadily risen from a sideline issue onto the agenda of executive corporate management. In 2005, 360 different CSR-related shareholder resolutions were filed on issues ranging from labour conditions to global warming (Porter & Kramer, 2006). US social corporate spending jumped from \$125 million in 1990 to \$828 million in 2002 (Porter & Kramer, 2002). Eighty percent of the FTSE 100 companies provide information about their environmental performance, social impact or both (Swarbrooke & Horner, 2004: 242). Importantly, increased awareness of CSR is not only confined to large corporations. A MORI survey of SMMEs found that 61% were involved "a great deal" or "a fair amount" in the local community (Robin & Reidenbach, 1988; Swarbrooke & Horner, 2004: 242). CSR has thus become an important strategic issue for any business to address.

The responsibility that businesses have in society can be further defined and is also referred to as ethical citizenship.

Corporate citizenship

The literature surrounding CSR has identified four types of responsibilities that businesses face: economic, legal, ethical and discretionary (Maignan, Ferrell & Hult, 1999). *Economic responsibilities* pertain to a business meeting its consumption needs and being able to fulfil all its financial obligations. To reach these economic objectives, companies have to operate within the *legal* framework of a country. *Ethical responsibility* is far less defined and tangible. It suggests that businesses operate in a manner that is morally correct and accepted by society. Finally, *discretionary responsibility* is the desire businesses have to be perceived as good corporate citizens. This approach includes philanthropic acts such as cash donations and active involvement in community projects (Maignan, Ferrell & Hult, 1999). It is important to keep in mind that businesses balance all of these responsibilities at the same time, weighing up their options and often making decisions based on numerous conflicting considerations. A company, for example, might want to put in place a waste management system (moral responsibility) but due to the intense level of competition is not able to make the necessary funds available (economic responsibility).

Maignan, Ferrell and Hult (1999) tested these four responsibility dimensions, referred to as corporate citizenship, and developed measurement scales for each one of them. Specifically, the research examined the statistical relationship between the commitment of marketing practitioners towards corporate citizenship and the effect this had on business benefits. Two independent samples were used to validate their findings. The achieved sample of the first group consisted of 229 member companies of the American Marketing Association (AMA). The second sample was comprised of 154 MBA students from different parts of the USA. The study findings are thus applicable to a highly industrialised country context. Maignan, Ferrell and Hult (1999) found that proactive corporate citizenship leads to higher levels of marketing orientation (MO), which, in turn, is associated with business benefits, including "improved levels of employee commitment, customer loyalty and business performance" (Maignan, Ferrell & Hult, 1999, Kirca, 2006). Corporate citizenship can, therefore, lead to improved management practices which result in both internal and external benefits. Constructs measuring the perceived role of CSR, corporate citizenship and RTM were included in the conceptual model to establish the nature of this relationship in an emerging and tourism market (Chapter 3). Combined, they serve as an indicator of management attitude which, in turn, leads to management intention (a subscale of MO) (Rueckert, 1992).

The following hypothesis can therefore be made:

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention.

H_{1a}: Perceived role of ethics and social responsibility has a direct positive effect on the responsible management intention of tourism businesses.

H_{1b}: Corporate citizenship has a direct positive effect on the responsible management intention of tourism businesses.

H_{1c}: RTM has a direct positive effect on the responsible management intention of tourism businesses.

The statistical relationship between market orientation and organisational commitment therefore needs to be tested. In addition the statistical relationship between corporate citizenship and business performance has to be evaluated to see if the findings by Maignan, Ferrell & Hult (1999) can be applied to a tourism context in an emerging market such as South Africa.

Organisational commitment

Hunt, Wood and Chonko (1989) explored the relationship between corporate ethical values and organisational commitment in marketing and found evidence to support the positive association between the two. Research clearly shows that increases in commitment levels lead to various organisational benefits (Hunt, Chonko & Wood, 1985; Maignan & Ferrell, 2004). The authors argue that corporate ethics should not only be seen as a social issue but an important organisational tool as well. Organisational commitment is, therefore, an important consequence of responsible management intention and was included as a non-financial performance measure in the conceptual model (Chapter 3).

Main drivers of CSR growth

There are three main forces that have contributed to the growth in CSR:

1. *Global pressure* on companies to manage responsibly has increased considerably. Governments, activists and the media are holding companies accountable for the social, environmental and economic consequences of their operations (Porter & Kramer, 2006).
2. *Consumers* are beginning to *demand* goods and services from companies that attempt to manage their social, environmental and economic impacts.
3. The increase in CSR awareness and application has led to a wide body of academic literature and professional experience in this field. The evidence shows that a range of *business benefits* can accrue to companies that manage their businesses responsibly. In a highly competitive environment such differentiating factors are increasingly providing an incentive for businesses to adopt CSR principles (Porter & Kramer, 2006; Bellows, 2007).

1. Global pressure

The increased attention that CSR is receiving in corporate circles has not been entirely voluntary. Many companies realised that they needed to address their social role only after negative public reactions.

- In the 1990s, Nike for example faced a consumer boycott ensued after the *New York Times* amongst other newspapers reported on the abusive labour practices of some of their Indonesian suppliers.
- Shell Oil came under extreme public pressure when it decided to sink an obsolete oil rig, Brent Spar in the North Sea. Greenpeace led a number of protests in 1995 which made international headlines, damaging Shell's brand name.
- With the rise of the HIV/AIDS pandemic, pharmaceutical companies are realising that they are expected to respond even if this does not constitute their core product-line or markets.
- The fast-food industry is another sector that has come under pressure to consider their impact on the social and natural environments. Companies such as McDonalds and

Kentucky Fried Chicken (KFC) are increasingly held responsible for obesity, related health issues and poor nutrition (Porter & Kramer, 2006)

Companies that have reacted to this global pressure have, however, not necessarily been spared public scrutiny. Amine (2003) argues that even when companies try to take environmental considerations into account, they can end up facing negative publicity. In 1999, for example, the *Economist* questioned the underlying motives of Sir John Browne, CEO of BP Amoco, after the acquisition of the solar energy company Solarex. The transaction made BP Amoco an oil drilling and refining company, the world's largest solar energy producer (Amine, 2003). This seeming contradiction did not escape public criticism. Ford, likewise, can be accused of using CSR as a mere publicity tool. In the Ford corporate citizens report the company acknowledges that their sport utility vehicles contribute to greenhouse gasses and global climate troubles. Ford's motives for such a statement are questionable. Is the company merely engaging in good PR or genuinely trying to force a collective burden on the motor car industry to change manufacturing processes and automobile design changes? (Amine, 2003: X)

Some companies, however, have been successful in utilising CSR to their advantage. Toyota, for example, used the pressure on car manufacturers to reduce carbon emissions to their advantage by introducing next-generation cleaner hybrid automobile models, the Insight and Prius. The Prius was voted 2004 Car of the Year by Motor Trend leading to considerable market exposure and sales increases (Amine, 2003; Porter & Kramer, 2006). Hybrid engines have been shown to emit only 10% of the harmful pollutants that are produced by conventional vehicles, whilst consuming only half as much fuel. Toyota has managed to produce a product with a competitive advantage and environmental benefits at the same time. Toyota is the market leader in this new field of automobile technology and has seen a significant improvement in the brand value and bottom line figures (Porter & Kramer, 2006).

Unilever is another company that has discovered new opportunities by integrating business and society. Their efforts to produce new products, packaging and distribution systems to meet the needs of the poorest countries has led to new market and business opportunities. Similarly, France's largest bank, Credit Agricole, managed to differentiate itself by offering specialised financial products that were linked to the environment. Offers included financing packages for energy-saving home improvements and audits to certify that farms are organic (Porter & Kramer, 2006)

Government regulation

It is difficult to determine exactly if companies' management practices changed due to environmental and social conditions, or if legislation and global pressure forced them to manage more responsibly (Maignan & Ferrell, 2004). Amine (2003) outlines how this process should not be viewed in a linear manner, but that external and internal factors create a dynamic model of mutually reinforcing interactions. Governments around the world are starting to regulate social responsible reporting and behaviour. In the United Kingdom (UK) for example, pending legislation, would require every publicly listed company to disclose

ethical, social and environmental risks in its annual report. The pressure on companies to be accountable by external stakeholders is clearly increasing (Porter & Kramer, 2006; van der Merwe and Wocke, 2007).

Even though there have been some improvements in terms of considering CSR as a strategic tool many companies are still not utilising it to their advantage. Despite being aware of the potential financial risk of behaving in an unacceptable manner companies often do not know how to address these issues. As a result many businesses have not taken a pro-active, strategic approach in terms of CSR but have rather been defensive and focused on PR and media campaigns to address business scandals (Maignan & Ferrell, 2004; Swarbrooke & Horner, 2004: 249). CSR has to move beyond a PR exercise and into the core strategic realm. Only then will the approach be truly effective and bring tangible, measurable benefits to the company and society at large.

Global pressure is not the only reason behind the growth in CSR. Consumers themselves are becoming more aware of the role of companies in society and the finite amount of resources available for consumption. Companies that aim to be consumer focused need to react to such consumer trends, in order to satisfy a growing need in the market.

2. Customer demand

Research International (UK) Ltd. conducted quantitative cause related market research in 1996 and found that 57% of consumers bought products and services based on environmental or social factors. In the UK alone, Fairtrade-endorsed products grew by 51% in 2004 (amounting to £140 million in GDP) (UCTUI, 2006). An American Express survey (2005) found that one-third of consumers were 'conscience shoppers' who expect a 'feel good' factor from at least some of their purchases. The Co-operative Bank in the UK found that Britons spend 26 billion pounds a year on ethical products (Fickling, 2006). A study by Smith (1996 as cited by Maignan, Hult & Ferrell, 1999) discovered that 88% of respondents were more likely to buy from a company that is socially responsible, whilst 76% would be willing to switch stores or brands that show a regard for the community (Jones, 1997).

In 2000, Market and Opinion Research (MOR), commissioned by CSR Europe conducted a survey with 1000 customers in 12 European countries (Belgium, Denmark, France, Finland, Germany, the UK, the Netherlands, Portugal, Spain, Italy, Sweden and Switzerland). The findings show that 44% of respondents are willing to pay more for a product that is socially or environmentally responsible and two-thirds are of the belief that companies, as well as governments, have a responsibility towards addressing social issues. Moreover, 58% of the respondents were of the opinion that companies are not doing enough in this regard (WTTC, 2002: 20).

In the USA, Becker-Olsen, Cudmore and Hill (2006) conducted numerous experiments to uncover the effect of CSR on consumer behaviour. Eighty percent of the respondents believe that companies have a social responsibility in society and 76% indicated that they believed such initiative would actually profit the company. Considering the situation from a more global

perspective a 2002 internet survey with 25 000 respondents in 175 countries showed that 71% of respondents are dissatisfied with the state of the environment, and 67% said that it is "getting worse". Respondents felt strongly that corporations need to play a more active role with 75% disagreeing that the responsibility for solving environmental problems should rest with local and national governments (www.cnn.com as cited by Amine, 2003). The evidence suggests that there is a shift in international consumer demand towards more responsible products and business behaviour.

A consumer face-to-face omnibus survey with 500 respondents was conducted in the South African financial services sector. The resulting Living Standards Measure (LSM) 5-10, a segmentation tool that grouped respondents according to their demographic and psychographic characteristics, found that 81% of respondents prefer to deal with bank that helps the poor, whilst 68% say they actively seek out a bank that helps the poor (UCTUI, 2006). The emphasis on social responsibility was also reflected in the consumption of consumer goods. Seventy-one percent of respondents stated that they preferred buying tea/coffee/rice from a company that deals with growers fairly, even if they have to pay a slightly higher price. Of the respondents 72% indicated that they would switch brands because of their support of a good cause.

South Africans also feel that businesses should play a more active role in society, with 88% of respondents stating that companies should be doing more to help the poor and alleviate social problems, whilst 85% of respondents said they would prefer to buy products or services where some of the money is donated to charity. These results should be evaluated with care, as there is undoubtedly an over-claim problem, as well as social desirability and acquiescence bias (Cooper & Schindler, 2006: 280). Respondents generally provide answers that are deemed socially correct and agreeable. Nonetheless, even if these results are evaluated prudently, they indicate that there is both an increased awareness regarding CSR, as well as a willingness to support such initiatives by corporates (UCTUI, 2006).

However, only 43% of respondents had purchased a product in the last six months because of an association with a good cause (UCTUI, 2006). This highlights the discrepancy between intention and actual behaviour (Ryan, 1982; Ajzen, 1991; Follows & Jobber, 2000). It is imperative that products and services do not rely on a cause or CSR to present their value offering. The core product offering must be such that it is desirable for consumers to purchase. CSR then becomes a value-add feature that can lead to differentiation.

Reacting to such trends is often fraught with difficulty. Organic farms in Germany represent 3% of total farms and this figure is projected to grow to 20% in ten years. Despite the projected growth, farmers find it difficult to succeed in this market as consumers resist paying higher prices and expect organic produce to be the same as that farmed in a non-organic manner. Predictions are that organic produce will remain a niche product unless there is either a significant change in consumer demand (making these farming methods more viable through higher volumes and economies of scale) or government regulations requiring use of organic farming production methods (Amine, 2003). Companies need to carefully evaluate

what strategic role CSR plays and how it can contribute to their unique selling proposition. This will vary between industries and even individual companies. Tourism businesses should see RTM not as set of rules that can be implemented but rather as a strategic management approach that has to match company objectives, competencies and core values. Research needs to reveal if there is general unwillingness in the tourism industry to adopt RTM or whether there are other factors that are hindering its adoption.

Research findings thus show on the one hand that consumers no longer tolerate the sole corporate objective of profit generation, but are demanding that a triple goal of sustainability be pursued. On the other hand, these consumer attitudes provide an opportunity for firms to use their socially responsible activities to gain a competitive advantage (Simon, 1995; Robson & Robson, 1996; Rondinelli & Berry, 2000; Harrison, 2004; Finlay, 2004; Collier & Fuller, 2005). As expressed by Sir Aidan Cadbury of the Corporate Governance World Bank, "corporate governance is concerned with holding the balance between individual and communal goals ... the aim is to align as nearly as possible the interests of individual, corporations and society" (King Report II, 2002). It is important to note that CSR does not expect companies to incur losses and ignore economic objectives. Rather, the management approach encourages the alignment of goals, namely sustainability and profit maximisation. In the long-run a sustainable industry will also be a more profitable one (Swarbrooke & Horner, 2004: 242).

3. Business environment

Businesses are continually forced to weigh up their options and consider various responsibilities. This often leads to decisions that are not optimal in terms of their CSR objectives but necessary given specific circumstances. One of the factors impacting business decisions is the particular environment an organisation finds itself in. Jaworski and Kohli (1993) developed measurement scales to test different environmental contexts and their effect on a business's market orientation (MO) and business performance. Market orientation refers to "the organisation-wide generation of market intelligence, dissemination of the intelligence across departments, and organisation-wide responsiveness to it" (Jaworski & Kohli, 1993). It essentially means being a market-sensing, customer- and stakeholder-orientated organisation (Maignan, Ferrell & Hult, 1999). CSR can be said to be a response by businesses based on the demand of the consumer and changes in the market environment. RTM therefore is an aspect of market orientation. Previous studies suggest that the effect of MO on business performance is dependent on the environmental context (Jaworski & Kohli, 1999). The market environment that the tourism business operates in could thus impact the relationship between RTM and organisational commitment, as well as on business performance. Jaworski and Kohli (1993) tested the effect of market turbulence and competitive intensity (amongst other constructs) on MO and business performance. They hypothesised that the higher the level of market turbulence, the higher the level of MO and consequently business performance. In highly turbulent and competitive markets, companies have to regularly adapt to changing consumer preferences and product specifications, necessitating a higher level of MO. The following hypotheses can therefore be made.

H₂: Industry factors moderate the strategic relationship between management attitude and responsible management intention.

H_{2a}: Industry factors moderate the relationship between the perceived role of ethics and corporate social responsibility and the responsible management intention.

H_{2b}: Industry factors moderate the relationship between corporate citizenship and responsible management intention.

H_{2c}: Industry factors moderate the relationship between responsible tourism management and responsible management intention.

H₃: Industry factors moderate the relationship between responsible management intention and business performance.

H_{3a}: Industry factors moderate the relationship between responsible management intention and financial performance.

H_{3b}: Industry factors moderate the relationship between responsible management intention and non-financial performance.

H_{3c}: Industry factors moderate the relationship responsible management intention and organisational commitment.

Another factor that has fuelled CSR growth is the acknowledgement by corporations that the approach adheres to business logic. The benefits that are being realised by businesses that employ a CSR approach can be transferred to the tourism industry. A discussion of the various positive impacts of CSR, therefore, creates the basis from which to present the business case for RTM adoption.

2.2.1 Benefits accruing to organisations that adopt CSR practices

Porter and Kramer argue that if businesses applied the same criteria to social responsibility as they do to judge core business opportunities, they would realise that CSR can be much more than a cost, constraint, or mere philanthropic act, "it can be a source of opportunity, innovation, and competitive advantage" (2006). To this effect pure corporate philanthropic giving has been in decline for the past 15 years, dropping by 50% as a percentage of profits, in favour of other strategic CSR initiatives (UCTUI, 2006).

Businesses depend on a healthy society for success. Equality, high education levels, health and transport systems are all essential for a productive workforce. Strong social networks, sound government regulations, property rights and a strong legal system are necessary conditions for innovation and development. In a healthy society, expansion will occur naturally, as more consumer-needs have to be met and personal aspirations, as well as the financial ability to address them, rise. Investing in society is consequently strategically beneficial to the organisation and should be seen as an investment much like research and development (R&D) (Maignan & Ferrell, 2004; Porter & Kramer, 2006). A healthy society in turn is dependent on successful companies to provide job opportunities, wealth and innovation, which leads to increased standards of living and commercial activity. A mutually reinforcing system results in which society and business is dependent on the prosperity of the other (Szykman, 2004).

The benefits that businesses can realise by implementing CSR reach beyond mere financial indicators and include a host of varied business opportunities as listed in Table 2.2.

Table 2.1: Business benefits of CSR

1. increased sales, profits and market share,
2. strong brand positioning,
3. enhanced corporate image,
4. improved human relations,
5. decreased operating costs and
6. increased appeal to investors

(Tearfund, 2002; Szykman, 2004; BEE Tourism Charter and Scorecard, 2005, Kotler & Lee, 2005: 9).

CSR increases sales, profits and market share

Research by the UN-WTO and the well established Cone/Roper Citizens Reports clearly show that companies stand to benefit financially from being socially responsible. A 2001 Cone/Roper report found that 80% of Americans believe that companies have an obligation to support a good cause and 81% indicated that given product and price parity, they would switch to a brand that supported a cause (Szykman, 2004). Companies engaging in strategic CSR or CRM in this case, clearly are able to differentiate themselves and increase their customer base.

Findings by Brown, Helland and Smith (2006) suggest that corporate giving enhances shareholder value. The study interrogated a database of all 1998 Fortune 500 firms' data on US\$ donations, giving priorities, governance and managerial involvement in charity programmes. The final sample consisted of 701 firm years from 207 firms. The findings showed considerable differences in why and how companies gave. The priorities for donations provided by individual firms show which firms deem corporate giving to be in line with profit maximising objectives and which do not. The study findings indicate that pharmaceutical companies for example, give significantly more to health causes than other firms (43% of their total giving) (Brown, Helland & Smith, 2006). These firms strive to form positive relationships with hospitals and doctors who in turn will be more inclined to buy their goods and services. Petroleum companies on the other hand support environmental causes. This environmentally harmful industry is trying to counterbalance its prevalent negative image. The researchers conclude that corporate giving is beginning to be used as a strategic tool to both create meaningful partnerships in relevant industries as well as to manage potentially negative consumer perceptions (Szykman, 2004; Brown, Helland & Smith, 2006). Similarly, Porter and Kramer (2006) suggest that companies should choose carefully which cause to support and only engage in partnerships where there is a clear mutual benefit and strategic fit.

CSR also adds to company profits by increasing customer satisfaction. Consumers experience positive emotions when transacting with businesses that exhibit socially responsible behaviour, thereby increasing satisfaction levels. Consumer research has tried to identify the underlying motivations for altruism, a component of CSR. Several authors have identified that motivations include feelings of self-esteem, public recognition, the satisfaction

of expressing gratitude for one's own well-being and relief from feelings of guilt and obligation (Amos, 1982 as cited by Hibbert & Horne, 1996). Individual giving is consequently driven by an anticipation of 'feel-good' emotions, intrinsic benefits and the belief of being a better person for having behaved in this particular manner (Hibbert & Horne, 1996). CSR in this way adds value to the client-company transaction, thereby leading to increased satisfaction, value and ultimately profits.

CSR strengthens brand positioning

Navarro (1988, as cited by Brown, Helland & Smith, 2006) hypothesised that corporate contributions function as a form of advertising. He found that firms with higher advertising budgets also tend to donate more to charitable causes. It follows that companies see CSR as a means to enhance their brand positioning by creating a meaningful image in the mind of the consumer. Brown, Helland and Smith (2006) concur that public displays of charity are in line with the value maximising theory which postulates that giving and advertising expenses are positively related and serve to increase company value.

Szykman's (2004) study investigated respondents' different evaluations of corporate marketing initiatives. Findings indicate that corporate social marketing (CSM) initiatives can improve brand image and even influence the perceived image of an entire industry (Handelman, 2004; Szykman, 2004). CSR can consequently be a tool to create a unique position for a company in a competitive market environment. The tourism industry in South Africa is increasingly part of a globally competitive market place and needs to concentrate on creating a unique value offering and strong brand position. RTM should be seen as a key marketing tool to achieve these objectives.

CSR enhances corporate image

According to Irwin (2003), the effective use of CSR within corporate strategy in South African businesses, has shown to strengthen brand loyalty in a country where increasingly more consumers are seeking to help solve the host of economic and social problems and inequalities that exist. The European MORI survey found that 70% of respondents felt that the commitment a company showed towards its social responsibility was important to them (WTTTC, 2002: 20). It follows that responsible and ethical business practices are not only morally desirable but are seen by customers as necessary. Positive consumer attitudes in turn have been shown to increase brand awareness, loyalty and enhance company reputation (Brown *et al.*, 2006).

Such positive effects are, however, not always the end result. Companies have also suffered significant losses to their reputational capital due to environmental damage, economic mismanagement or socially unacceptable behaviour. Nike, Shell, Parmalat, LeisureNet, Carbide and General Motors (GM) are examples of companies, which were involved in large public scandals of fraud and mismanagement (Amine, 2003; Adkins, 2005: 26; Porter & Kramer, 2006). If the positive effects of CSR initiatives are to be achieved correct planning is vital (Adkins, 2005). Becker-Olsen, Cudmore & Hill, *et al.* (2006) found in their research that high-fit between the company and the cause is a fundamental component of generating an

improvement in consumer beliefs, attitudes and purchase intentions. Low-fit initiatives were found to have a negative effect on consumer beliefs, attitudes and intentions, regardless of the underlying motivations of the firm. Fit is defined in a social marketing context as the perceived link between a cause and the firm's product line, brand image, position, and/or target market (Becker-Olsen, Cudmore & Hill, 2006). These findings imply that consumers do not perceive companies who have profit maximising objectives as negative. On the contrary, customers expect firms to be profit orientated and will try to uncover suspicious underlying motives if support of a social campaign seems to contravene profit maximising goals. This may result in a sceptical and distrusting view of the firm (Szykman, 2004). Becker-Olsen, Cudmore and Hill (2006) support this finding citing that when the business is viewed as being motivated by business-centred objectives (i.e. profit maximising) there is no reduction in perceived corporate credibility. Scepticism therefore seems to be driven more by a mismatch between a firm's stated objectives and actual behaviour.

A second study by Swaen and Vanhamme (2004) confirmed these findings. The researchers conducted an analysis of 244 respondents to uncover what the effect on company perception was if behaviour did not match stated social objectives. Swaen and Vanhamme (2004) found that companies who promote themselves as being socially responsible are perceived more positively and are trusted more than those that do not. However, companies who do not behave socially responsibly despite having promoted themselves as doing so are perceived even more negatively than those that are silent on the subject. These findings support that CSR initiatives cannot be merely used as public relations exercises but need to be followed by actionable plans to meet stated objectives.

The need for visible CSR outcomes and action was highlighted at the 2002 World Summit for Sustainable Development (WSSD) in Johannesburg, where it became evident that there was no universal understanding of how corporate responsibility should be understood in practice, reporting and measurement of performance. Clearly there is still a significant gap between stated firm values and actual behaviour. Even though some companies are addressing this lack in consistency, there is still room for CSR to move beyond reporting into the realm of practical actions that will lead to long-term value for stakeholders (Collier & Fuller, 2005).

CSR improves human resource relations

Brown *et al.* (2006) found that corporate involvement in charitable causes created goodwill and loyalty amongst staff. Increased staff morale in turn resulted in higher retention levels and improved service. Regulators and government officials also tended to be more lenient with companies that exhibited a social commitment. General Electric (GE) contributed US\$ 1.25 million to each selected underperforming school over a period of five years. Employees were encouraged to participate in the project by helping administrators and teachers. A study of ten schools between 1989 and 1999 showed a significant improvement in performance. The graduation rate in four of the five schools doubled from an average of 30% to 60%. Over and above this direct result the initiative created community goodwill, improved relations between GE and the local government and instilled a sense of pride for their company in employees, improving productivity (Maignan, Ferrell & Hult, 1999; Porter & Kramer, 2006).

CSR also increases employee resources with research showing that socially responsible firms are perceived to be more attractive to potential job seekers (Maignan & Ferrell, 2004). A study conducted with university graduates found that 90% of the respondents would prefer to work for a company that shared their social outlook over a company that paid higher incomes but was misaligned in regard to its core values. None of the respondents was willing to work for a company that was deemed to be uncaring or irresponsible (UCTUI, 2006). Research has confirmed that the benefits associated with a positive image and high organisational commitment also hold true in reverse. Employees exhibit "organisational disidentification" when there is a perceived conflict of company and individual values (for example, WorldCom and Enron scandals) (Maignan & Ferrell, 2004).

Another important aspect impacting on the successful operation of a company is its licence to operate in a given region or community. Explicitly or implicitly, permission for companies to conduct business in a certain environment needs to be gained. Companies that are highly dependent on the support or tolerance of their immediate environment tend to invest more time and energy into building relationships with the various affected stakeholders (Porter & Kramer, 2006). The destination product-offering comprises natural and human resources. It can be argued that even more so than in other industries, the tourism sector, being highly dependent on its human resources, has to invest in gaining a licence to operate by including communities in decision-making. Such efforts will ensure that those who are affected by tourism development also share in the benefits.

CSR decreases operating costs

The incurred up-front costs that are sometimes associated with implementing CSR practices are often recouped in the medium to long-term by reducing operating costs. DuPont, for example, saved over US\$2 billion by energy management since 1990. McDonalds changed their food wrapping materials and were able to reduce its solid waste by 30% (1993; Amine, 2003). In South Africa, Spier Leisure Wine Estate outsourced its laundry facility to an on-site BEE empowerment company which resulted in an estimated 30% cost saving. Pro-poor tourism pilot projects have shown that responsible management on the whole has resulted in economic benefits and cost reductions (Ashley & Haysom, 2006; UCTUI, 2006). CSR and RTM are often seen as a pure cost to companies. One of the reasons for this attitude is the long-term nature of the approach. Economic benefits are usually not seen in the short-term, but require time before they show a positive return (Jaworski & Kohli, 1993).

CSR increases appeal to investors and markets

A further business benefit is the increase in investment opportunities due to CSR. The King Report II (2002) showed that investors are willing to pay a premium of up to 27% for shares in companies that exhibit strong corporate governance practices and systems. The Johannesburg Stock Exchange (JSE) in 2002 released a Social Responsibility Index (SRI), with a rating system for firms, measuring various aspects of their social responsibility. The index provides a comparative measure and creates competition amongst businesses to be more socially active. Moreover, the index serves as a signal to potential investors as to the

values and management systems of the firms, thereby increasing their share value. A McKinsey & Co survey found that more than 84% of investors were willing to pay a premium for the shares of a well-governed company (King Report II, 2002: 14; Porter & Kramer, 2006). In the UK socially responsible investment (SRI) has quadrupled from £0.8 to £3.3 billion from 1999-2004. The Ethical Investment Research Services shows that 77% of pension fund members would like their money to be used for the development of a SRI policy as long as this makes sound business sense for their investment (Swarbooke & Horner, 2004: 246). This is fast becoming a global trend with other major financial markets establishing CSR indices such as the FTSE4Good index and Dow Jones Sustainability Group Index (King Report II, 2002).

A further development that seeks to capitalise on the social awareness of investors is the provision of opportunities for Muslim investors. According to Shaira law Muslims are not allowed to invest in companies that supply beer, pornography or use interest rates. Oasis Capital is a leading South African corporation that is tapping into the Muslim market. Similarly, the FNB Million-a-Month account does not offer any interest thereby allowing Muslims use it as an investment tool (De Cleene & Sonnenberg, 2004).

Kotler and Lee (2005: x) conclude that in order for CSR to succeed companies and civil society have to realise that they all have a common agenda. Everybody is essentially striving for a better world: reduction in poverty, increased wealth, equality and prosperity and a higher standard of living that is sustainable into the future. The key to achieving this common goal is for businesses to realise that bottom-line benefits can be achieved even when social and environmental impacts are taken into consideration. The CSR business approach therefore seeks to form mutually beneficial relationships and sustainable growth (Ashley & Haysom, 2006; Porter & Kramer, 2006).

2.2.2 Measuring the perceived role of ethics and corporate social responsibility

The extent to which these benefits can be realised is highly dependent on the perception of managers and marketers of the effectiveness of CSR on business performance. According to Singhapakdi, Scott and Rallapalli (1995 as cited by Yaman & Gurel, 2006) "the marketers must first perceive ethics and social responsibility to be important or beneficial to organisational effectiveness before their behaviours will become more ethical and reflect greater social responsibility". Singhapakdi *et al.* (1996) developed a scale in the USA to test the perceived role of ethics and corporate social responsibility (PRESOR). This scale has been used in numerous markets and industry contexts, including a cross cultural tourism study and has been found to be highly reliable (Etheredge, 1999; Yaman & Gurel, 2006; Shafer, Fukukawa, & Lee, 2007). It is necessary to first analyse the perceived importance of CSR on business effectiveness in order to test the relationship of RTM on business performance. Given that RTM is a specific application of CSR in tourism, there should be a positive relationship between the PRSOR and RTM scales. Likewise, based on the previous discussion of the positive effect of corporate citizenship on organisational behaviour, one

would expect there to be a positive relationship between PRESOR and organisational commitment. The following hypotheses can therefore be made:

H₄: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and business performance.

H_{4a}: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and financial performance.

H_{4b}: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and non-financial performance.

H_{4c}: There is a direct positive statistical relationship between the perceived role of social responsibility and organisational commitment.

2.2.3 Financial performance

To investigate organisational commitment, the environmental context and the perceived role of CSR on business effectiveness, it is necessary to measure both financial and non-financial performance. Burgess and Nyajeka (2006) conducted a study into market orientation of the low income (base of the pyramid) market in Zimbabwe and developed a dichotomous financial performance scale. Seventy-five Zimbabwean managers from retail outlets were interviewed telephonically for the research study. A scale both on attitude towards the role of responsible management and its effect on business performance, as well as an actual financial performance scale was developed and tested for this purpose. This differs from the traditional scales that usually require respondents to give objective data on company performance in the form of financial documentation. Under ideal circumstances one would gather objective financial performance data. However, in emerging markets (EMs) where data is often difficult to attain and lacks accuracy, subjective measures have been used extensively. The findings show that there is a high correlation between subjective and objective measure of performance (Burgess & Nyajeka, 2006).

2.2.4 Non-financial performance levels

Jaworski and Kohli (1993, as well as several other authors, indicate that the benefits of CSR and RTM are not always directly financial, at least not when measured in the short-term (for example, Tearfund, 2000, 2002; Goodwin & Francis, 2003; Ashley *et al.* 2006). Both financial and non-financial performance measures need to be evaluated. In the South African context, the objectives of advancing RTM are not merely to improve business performance, but also concerned with addressing previous inequalities resulting from the apartheid regime. One of the policy items developed to bring about transformation is the BEE Tourism Charter and Scorecard (2005). The degree to which the Charter has been adopted would therefore constitute a non-financial performance measure for this study.

The preceding section has outlined the three main forces that have led to a rise in awareness in CSR: global pressure, consumer demand and business benefits. The argument up to this point has been focused on presenting the business case, as well as the moral justification for companies to adopt responsible management practices. The next section will briefly outline the other side of the debate, namely that of sustainable living. Advocating responsible management is a justified way of addressing the various social, environmental and economic

challenges we face. However, managing responsibly is only secondary to consuming responsibly. If companies are to be consumer-centred, then the starting point to bring about real social and environmental change lies with the consumer. This line of thinking has recently gained more momentum, especially in the face of global warming, conferences such as the UN Framework Convention for Climate Change (UNFCCC) 2006 in Nairobi on carbon emissions and the realisation that fossil fuels are a finite, non-renewable energy source (Gosling, 2006; Kunstler, 2006).

2.2.5 Sustainable living

The slogan for the 2002 World's Economic Forum (WEF) was "Another world is possible"¹ and in 2005 it was "Taking responsibility for tough choices"² indicating an international focus on responsible management. Amine (2003) notes that whilst business leaders and public policymakers are increasingly being called upon to engage in fundamental rethinking of business objectives and practices, as well as laws and governmental policies to ensure continued well-being and prosperity of society, it is becoming clear that such a "new world" will only be possible if sustainable development is integrated with sustainable consumption (Holt, 1997; Gilg, Barr & Ford, 2005). In a tourism context, Goeldner, Ritchie and McIntosh (2000: 564) conclude that ecologically sustainable tourism will only become a reality if all players in the tourism arena, including the tourists themselves (the consumer) start adapting their demands and behaviour. "If it is to work, sustainable development must become a normal way of thinking and acting by a majority of the global community" (Goeldner, Ritchie & McIntosh, 2000: 549).

By implication, for RTM to be an effective model for the future, we have to be able to replace what we consume without creating a polluting by-product that cannot be naturally absorbed by the ecosystem on which current and future generations depend (Goeldner, Ritchie & McIntosh, 2000: 549). Advocating a lifestyle that ensures that the environment is able to regenerate itself and absorb waste, is the basis of the five capital model. This approach aims to safeguard the resource capital, allowing humans to live off the "interest" these resources yield, thereby safeguarding the capital base on which livelihoods depend (Martin & Jucker, 2005).

The five capitals model

According to Martin and Jucker (2005) one of the most useful approaches for sustainable development is the five capitals model. The framework was derived from key sources including the Rio Declaration, World Business Council on Sustainable Development, The Department of the Environment Transport and the Regions (DETR), The Natural Step, The International Institute for Sustainable Development, the World Commission on Environment and Development, Forum for the Future and Natural Capitalism (Sigma, 2003). The model

¹ www.forumsocialmundial.org.br

² www.commondreams.org

proposes that companies need to manage five types of assets that their operations depend on. These are:

1. *Natural capital* (the environment): In traditional economic theory, natural capital refers to a fixed supply of 'land', as opposed to man-made goods known as 'capital'. It has been argued that considering natural assets to be fixed is fallacious and that many natural systems should be regarded as 'capital', given that their use by humans can either enhance or degrade them. New measurement systems aim at a more holistic view of the environments businesses operate in. Examples include, full cost accounting, triple bottom line accounting and measuring the ecological and natural deficit, alongside social and financial deficits. The underlying concept of natural capital implies that the measurement of a countries' savings rate is incomplete because it is only a reflection of man-made capital. The World Bank now calculates the true savings rate by including the extraction of natural resources and the ecological damage caused by CO₂ emissions. RTM addresses the indirect costs caused by negative impacts on the environment and society resulting from tourism development. Effective management should be able to ensure that the natural capital base is not being eroded beyond its ability to be productive.
2. *Human capital* (people): is a term used to define the skills and abilities people possess to contribute to the economy. The term *capital* implies that similar to physical means of production, namely factories, machines, etc, so also can investment in human capital via training, education and medical treatment occur. Income likewise depends on the return of this human capital, in other words on the productivity of human resources. RTM actively advocates skills training and employee development, encouraging human capital investment, resulting in higher potential returns and income.
3. *Social capital* (social relationships and structures): This is a relatively new concept and can be understood to encapsulate the networks and relationships that people form with each other in order to make use of, and benefit from, resources belonging to such a group. Churches, school boards or internet networks are examples of social capital. Businesses need to manage this asset much like the other four. Local communities, consumer activist groups and business networks can significantly impact on the success of a tourism business. RTM addresses the need to include a wide range of stakeholders in the decision-making process of tourism development, thereby investing in the social capital.
4. *Manufactured capital* (fixed assets): Quite simply this refers to any physical means of production that are not directly found in the natural environment. This can include tools, irrigation systems, dams, roads etc. Infrastructure is a key component of an attractive tourism offering. It is important that physical assets within the tourism business and outside of it are maintained.
5. *Financial capital* (profit, loss, revenue, etc.): This refers to a contract regarding any combination of assets that can be used as a medium of exchange, deferred payment, unit

of account or a store of value. The liquidity requirements of various forms of financial instruments vary significantly. Money for example is highly liquid, whereas a bond would be less liquid (Martin & Jucker, 2005). Traditionally financial accounting and management is still a fundamental component of any organisation. RTM does not negate the necessity of investing in financial capital, but rather stresses that this is not the only area companies should be focusing on.

Martin and Jucker (2005) point out that these five assets need to be managed for the long-term sustainability of an organisation. One of the main reasons behind current environmental challenges is that consumption and production levels have outstripped the natural capacity of the Earth to replenish its resources. Organisations have to invest in these assets in order to live off the generated interest. This will lead to a sustainable outcome since the core capital base is not being eroded (Wilsdon & Porrit, 2000, as cited by Martin & Jucker, 2005; Amine, 2003).

Closely related to the concept of living off the interest of resources is that of the ecological footprint (EF), which is a metaphor that has been used to describe the amount of land and water area that would be necessary to support a population, manufacture a product or undertake a certain project and absorb the produced waste (Martin & Jucker, 2005; Hunter & Shaw, 2007).

The Ecological footprint

Footprinting has only recently entered the sustainability terminology and is an analysis tool for the sustainable use of resources for certain lifestyles, organisations, regions etc. The rapidly declining resource base (for example, soil, water, forests) is due to overuse of renewable resources and not, as many believe, non-renewable resources (for example, metal or fossil fuels). Furthermore, it is not the actual consumption that is the root cause of the strain on the environment, but rather the rate at which this consumption is taking place. Hunter and Shaw (2007) argue that Ecological Footprint (EF) analysis should form the basis of sustainable tourism. EF contextualises the extreme rate at which consumption is taking place and the inability for these natural resources to replenish (Martin & Jucker, 2005, Hunter & Shaw, 2007).

McDonough and Braungart (2002 as cited by Amine, 2003) developed a model which is based on the principle of 'regeneration and nutrition'. In this model production processes initially try to minimise waste and reuse whatever possible for other processes. Managers in leading global companies such as Ford, BP Amoco, DuPont, Steelcase, NIKE, and BASF are actively exploring the feasibility of applying these new approaches. NIKE, for example already produces sneakers that are virtually free of carcinogenic PVCs and is developing products that can biodegrade safely into soil (Amine, 2003). Tourism enterprises need to assess their ecological impact and try to manage such impacts in the best possible manner. In particular those businesses that operate in bio-sensitive areas need to ensure that the natural resource that constitutes their core product-offering is able to regenerate itself and absorb wasteful by-products (Amine, 2003).

Green bling

The discussion on CSR has also entered the more common public discourse. It is interesting to note that sustainable living and consumption has recently become fashionable in the upper LSMs (Fickling, 2006). This trend has already impacted the demands and lifestyle choices of the wealthy and famous who are rejecting mass consumerism. According to Fickling (2006), people are seeking to be different and try out new things. The exclusivity and price-premiums some of the sustainable goods and services offer add to their desirability. Over and above the exclusive nature of such products, there also seems to have been a genuine shift in lifestyles. The high degree of technological development and interaction people are faced with on a daily basis is contributing significantly to a more natural way of life in the private spheres (Trauer & Ryan, 2005). Sustainable living is for many a means to reconnect with nature and basic human principles and values (Fickling, 2006). Such trends can have a positive effect on changing awareness levels and addressing current lifestyle choices. More people and companies will start to adopt these principles if sustainable living becomes fashionable, leading to an overall positive effect on the environment and society. Tourism faces a challenge in this regard, as the act of travel is often based on using means of transport that cause pollution (Böhler, Grischkat, Haustein & Hunecke, 2006; Brits, 2007: 84). Moreover, many tourism destinations are popular because of their untouched natural beauty or authentic, non-commercialised heritage. When tourism develops such environments are often disrupted and suffer negatively (Mathison & Wall, 1982: 8; Andereck, Valentine, Knopf, & Vogt, 2005). There is no denying that tourism, like any industry, causes negative externalities (George, 2007: 291). The question that needs to be addressed, is whether or not these negative impacts can be minimised and ultimately offset by positive impacts. Tourism and travel is not going to disappear in the near future, RTM can contribute towards creating a balance between abusing and positively utilising resources.

Gilg, Barr and Ford (2005) analysed the nature of sustainable living more closely by focusing on green consumption. The researchers were able to find distinct clusters in consumers according to their sustainable consumption patterns. Unique characteristics including gender, education levels and the perceived effectiveness of government were found to group consumers in different clusters. Significant variables were included in the conceptual model of this thesis as they influence the attitude of tourism business managers towards RTM and subsequent behaviour.

Green consumption

Gilg, Barr and Ford (2005) surveyed 1, 600 households in Devon, UK, examining their everyday environmental actions, including energy saving, water conservation, waste management and green consumption (for example, buying fair trade, organic, recycled products). Using cluster analysis the researchers uncovered four different groups of consumers. Three sets of variables were found to influence the classification of a 'green' consumer. Firstly, those factors that focused around environmental and social values, secondly socio-demographic variables and thirdly psychological attributes.

Four clusters emerged from the data (Glig, Barr & Ford, 2005):

1. Committed environmentalists
2. Mainstream environmentalists
3. Occasional environmentalists
4. Non-environmentalists.

Some of the key variables that differentiated one cluster from another were: how individuals perceived the role of government in terms of sustainable development, gender, the level of income, education, and the perceived effectiveness of certain actions' ability to make a difference in the economic, social or natural environment (Glig, Barr & Ford, 2005). The variables from Gilg, Barr and Ford's (2005) study that were included in the conceptual model of the thesis are described below.

Responsibility

Ninety percent of environmentalists (committed and mainstream) do not support the notion that environmental problems are solely the government's concern. Rather, they perceive that each individual should carry a responsibility towards safeguarding the environment. This cluster also shows a sense of pro-activism and belief that individuals can make a difference (Glig, Barr & Ford, 2005).

This finding is supported by Yaman and Gurel (2006) who investigated the effect of culture on ethical ideologies in business decisions. They hypothesise that marketers must first perceive ethics and social responsibility to be important for organisational competitiveness before behaviour will become more ethical and socially responsible. It is necessary to make the philosophical distinction between deontological and teleological theories to analyse the nature of such ethical behaviour. Deontological theories focus on the inherent goodness or badness, rightness or wrongness of a specific action (Robin & Reidenbach, 1987). Teleological theories are concerned with the degree of goodness or badness as a result of a certain action. The approach seeks the greatest good for the greatest number of people (Yaman & Gurel, 2006). Such a utilitarian view supports the social marketing concept, whereby the good of society is sought in balance with the good for the individual business and consumer (Kotler, Roberto & Lee, 2002: 5).

In terms of classifying individuals, Forsyth (1980, as cited by Yaman & Gurel, 2006) suggests that there are two types of personal moral philosophies, namely, idealism and relativism. He defines relativism as "the extent to which the individual rejects universal moral rules", whereas idealistic individuals "assume that desirable consequences can, with the 'right' action, always be obtained" (Forsyth, 1980 as cited by Yaman & Gurel, 2006). As a consequence the idealist will tend to make use of moral absolutes in decision-making, believing that the 'right' action will always lead to the most desirable outcome. This is in line with the ethical approach to CSR discussed in the beginning of this chapter. The realist on the other hand usually rejects a moral absolute and accepts that undesirable consequences will often be interspersed with desirable ones (Yaman & Gurel, 2006). This deduction implies that individuals have different motivations with regards to CSR and consequently RTM. Some managers will believe that it

is their moral duty to behave in a socially responsible manner, as this is 'right', thus taking a more proactive approach to management. A realist of teleological predisposition will behave in a far more reactive way, trying to manage the consequences of certain actions. The differences in how CSR and RTM are perceived by managers will impact on their behaviour. The PRESOR scale measures both the ethical and survivalist motivations of managers, thereby taking the deontological and teleological predisposition into account.

Gender differences

A further variable impacting on how CSR is perceived is the gender of an individual. Some research suggests that females tend to be more socially responsible than males (Deshpandé, Joseph & Masimow, 2000; Yaman & Gurel, 2006). Chonko and Hunt (1985) report that female marketing managers are more sensitive to ethical issues than their male counterparts. Gilg, Barr and Ford's (2005) research found that the proportion of males in the non-environmentalist group was significantly higher than in the other two clusters. Given that executive positions in corporate South Africa are still largely held by men, one would hypothesise this to have a negative impact on the overall adoption and awareness of RTM principles. The following hypothesis can therefore be made.

H_g: Personal factors influence management attitude.

H_{gd}: There is a direct positive statistical relationship between the gender of managers and their perceptions of the role of ethics and social responsibility.

H_{ge}: There is a direct positive statistical relationship between the gender of managers and their perceptions of corporate citizenship.

H_{gf}: There is a direct positive statistical relationship between the gender of managers and their perceptions of RTM.

Company characteristics

Business characteristics, such as size and time of operation, also influence the adoption and perception of CSR. Findings by Gilg, Barr and Ford (2005) show that the likelihood of sustainable living increases with higher incomes. It can be argued that as individuals earn more they are able to move up Maslow's (1954) needs hierarchy and increasingly start satisfying not only physiological needs but emotional, moral, and self-actualisation desires. Sustainable living only becomes a consideration when basic survival needs have been met. By implication, companies who show healthy profits and are beyond pure survival should be more committed towards implementing RTM practices. Mukherji (2004: 66) proposes that a change in behaviour and lifestyle, or in this case, management style presupposes time and education to be available to think about current problems and possible solutions. Such circumstances are only present once basic survival needs have been met. Empirical evidence also suggests that larger companies have more formal guidelines pertaining to ethical behaviour facilitating its adoption and implementation on a company-wide basis (Yaman & Gurel, 2006). This is supported by Stanwich and Stanwick (1998: 198, as cited by Yaman & Gurel, 2006) who found a positive statistical relationship between company size and a firm's social responsibility performance. A limitation that Maignan, Hult and Ferrell (1999) pointed out in their study was the lack of including company size and type of industry. They suggest that these variables should be considered in future research as they might well influence the propensity of organisations to engage in, and benefit from corporate citizenship (Clarkson,

1988, as cited by Maignan, Hult & Ferrell, 1999). The following hypothesis can therefore be made:

H₅: Company characteristics moderate the statistical relationship between management attitude and responsible management intention.

H_{5a}: Company characteristics moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{5b}: Company characteristics moderate the statistical relationship between corporate citizenship and responsible management intention.

H_{5c}: Company characteristics moderate the statistical relationship between RTM and responsible management intention.

H₆: Company characteristics moderate the statistical relationship between responsible management intention and business performance.

H_{6a}: Company characteristics moderate the statistical relationship between responsible management intention and financial performance.

H_{6b}: Company characteristics moderate the statistical relationship between responsible management intention and non-financial performance.

H_{6c}: Company characteristics moderate the statistical relationship between responsible management intention and organisational commitment.

Yaman and Gurel (2006) found increased company size to be a deterrent for ethical decision-making. This implies that managers of smaller enterprises (10 employees or less) perceived social responsibility to be more important for company effectiveness than those of larger organisations. The relationship needs to be evaluated further. It can be argued that smaller businesses are more dependent on the support of local communities and more vulnerable to animosity from them. The level of perceived dependence on local community co-operation and perceived benefit from such a partnership could, therefore, be an important indicator as to the level of RTM.

Efficacy

Consumers in the study by Gilg, Barr and Ford (2005) were more likely to purchase responsibly if they perceived that their act of purchasing (for example, organic food or fairly traded coffee) actually made a difference in the environment and future government policies. Yaman and Gurel (2006) confirm that tourism decision-makers are more likely to adopt ethical management practices in the case where they believed such actions to be effective. For example, people will recycle only if they believe that the waste will be reused and that their actions are helping to reduce negative environmental impacts. Moreover, research suggests that in the case where sustainable actions have immediate and tangible outcomes, the probability of adopting such behaviour increases (Yaman & Gurel, 2006). Gilg, Barr and Ford (2005) recommend that policy-makers market products to specific market segments, highlighting how the purchase of a particular product or service will have a tangible effect on the natural environment, local economy or community. Developing a high level of trust and transparency is essential if consumers and managers are to believe in the effectiveness of their efforts.

Efficacy is also influenced by an individual's belief that government and government-led initiatives are effective in achieving set social, economic and environmental objectives (Gilg,

Barr & Ford, 2005; Yaman & Gurel, 2006). The qualitative research appears to indicate a high level of distrust towards the South African government's ability to effectively execute certain programmes and initiatives. Reasons for this are the country's political history, recent corruption scandals, and the lack of understanding and awareness of many government policies such as the Tourism BEE Charter and Scorecard (2005) and the Responsible Tourism Manual for South Africa (2002) (BEE Tourism Conference, 2005). The level of understanding and perception of government support towards implementing RTM will thus likely play a role in the perception of RTM and should be tested in the quantitative research phase. The following hypotheses are made:

H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.

H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' attitudes towards RTM.

Education

The role of education provides another angle to the CSR debate. Martin and Jucker (2005) argue that tertiary institutions need to start incorporating ethical and sustainable management teaching into their curricula. Of over 100 world leaders at the WSSD, the majority held higher education degrees from some of the world's most prestigious universities. The authors argue that, despite this high level of education, world leadership has failed to rise adequately to the challenge of sustainability. In their view the higher education sector has failed society by producing leaders that are not capable of addressing the most pressing and obvious issues affecting society (Aramberri & Butler, 2005:84). According to Martin and Jucker (2005) universities:

- need to increase awareness, knowledge, technologies and tools to create a sustainable future across all the disciplines (engineering, teaching, politics, law, architecture, biology, banking or tourism). They emphasise the need for sustainable management to be taught at an inter-disciplinary level, pointing out that this adds to the challenge.
- are seen to be the centres of the most advanced knowledge and hence have a responsibility to advance role models for society through teaching and research with regards to best practice, and
- enjoy academic freedom, society expects universities to contribute as much as possible to the solution of society's problems.

Sustainable development has become a mainstream policy issue in the UK and the European Union (EU) and there seems to be an increased demand for graduates who possess a broad interdisciplinary understanding of and training in sustainable development and problem solving (Marin & Jucker, 2005). The University of Greenwich, for example, offers an MSc in Responsible Tourism (Swarbrooke & Horner, 2004: 248).

Several initiatives, moreover, exist that aim to help with education of sustainable development. On an international level, the Global Higher Education Sustainability

Partnership (GHESP) is developing education aids for universities to deal with this complex topic. UNESCO meanwhile has developed an online learning tool that aims to support educators in teaching sustainability issues. Finally, the UN General Assembly in 2002 declared the ten year period from 2005 – 2014 to be the United Nations Decade of Education for Sustainable Development. These efforts indicate the priority that education plays in creating meaningful change. Exposure and understanding of a subject area are prerequisites for the identification of pertinent problems and issues and the ability to address them in a creative and meaningful manner (Hultsman, 1995; 2006; Martin & Jucker, 2005)

Increased knowledge and education with regards to responsible management and CSR is therefore necessary for change. Yaman and Gurel (2006), however, make a distinction between the types of education that are required. Their findings confirm previous research that there is no significant statistical relationship between levels of education and moral behaviour. They argue that it is the type of education that is significant. Higher education in business tends to make people more sceptical. Individuals with a commercial training background understand that there are no simple solutions to the world's complex problems and consequently tend to be less idealistic. Yaman and Gurel (2006) conclude that it is not education in general that has a significant effect on responsible management practices, but the incorporation of ethics teaching into the curricula. It follows that the education of tourism students is a fundamental starting point in bringing about responsible tourism management practices (Hultsman 1995). At the same time it is important for bodies such as government tourism organisations to disseminate information about the role of business in society, and the various ways in which RTM can benefit South Africans and individual business. To investigate the effect of education on management attitude and perceptions the following hypotheses are made:

H₆: Personal factors influence management attitude.

H_{6a}: There is a positive statistical relationship between levels of education of decision-makers and perception towards the role of ethics and social responsibility.

H_{6b}: There is a positive statistical relationship between levels of education of decision-makers and perception towards corporate citizenship.

H_{6c}: There is a positive statistical relationship between levels of education of decision-makers and perception towards RTM.

Culture

Values, perceptions, behaviour and morals are largely influenced by culture (Pizam & Mansfeld, 1999: 110; Kotler & Keller, 2006: 174). Given that values and ethics play a role in socially responsible behaviour and management, the influence of culture needs to be understood. Payne and Dimanche (1996) propose that a number of factors are considered when making ethical and successful business decisions but that the role of culture is disproportionately influential. Culture also often influences how ethical situations are perceived (Yaman & Gurel, 2006). The degree of urgency to develop a sustainable tourism industry, reducing poverty and addressing transformation in the sector, are consequently influenced by the norms and values that have been instilled in people by their individual culture and social surroundings. This study will therefore look at the role of culture in shaping commitment levels of RTM by incorporating an ethnicity as a variable.

H_g: Personal factors influence management attitude.

H_g: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of the role of ethics and social responsibility.

H_h: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of corporate citizenship.

H_i: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of RTM.

Research into the effect of culture on organisational and individual behaviour has usually focused on values. The most extensive research in this area has been by Hofstede (1980, as cited by Bond, Leung, Au, Tong, Carrasquel, Murakami *et al.*, 2004) who found four value dimensions: Individualism – Collectivism, Power Distance, Uncertainty Avoidance and Masculinity-Femininity. Based on Hofstede's work, Schwartz (1994) found ten value structures in his study of 19 countries namely, security, power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, conformity and tradition.

Bond *et al.* (2004) define cultural values as the generalised beliefs people hold about themselves, their physical and social environment as well as their spiritual world. It follows that the study of national culture is important to determine its effect on management and strategic orientation. Schwartz (2004) postulated that there are three bipolar value dimensions, namely:

1. autonomy versus embeddedness
2. hierarchy versus egalitarianism
3. mastery versus harmony

In emerging markets (EMs) cultural embeddedness and hierarchy are the predominant value structures influencing behaviour. This is opposed to autonomy and egalitarianism, values found more often in high income countries (HICs). In embedded cultures it is important not to disrupt the group and the maintenance of the status-quo is favoured over change. These cultures tend to focus on "social order, respect for tradition, security, obedience and wisdom" (Burgess & Steenkamp, 2006). The respect of elders and the concept of "ubuntu" are manifestations of embeddedness. Hierarchical cultures have clearly assigned roles, with differences in power and subsequent responsibility and resource allocation being defined according to position in that hierarchy. People in these cultures obey the rules according to their role, making social power, authority, humility and wealth critical. It follows that decision-making is usually more autocratic and there is little willingness to share power (Burgess & Steenkamp, 2006). Given the strong evidence to support the influence of values on individual and organisational behaviour, it is important to test the role that values play in the perception of RTM and effect on responsible management intention. Moreover, given the highly diverse cultural backgrounds of managers in the tourism industry (many of which are German, Dutch, Zulu, etc.), it will be interesting to analyse if significant differences can be found. The following hypotheses are thus made:

H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.

H_{11a}: Managers' personal values moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{11b}: Managers' personal values moderate the statistical relationship between corporate citizenship responsible management intention.

H_{11c}: Managers' personal values moderate the statistical relationship between RTM responsible management intention.

2.2.6 Perceived advantage of CSR

The way in which CSR is perceived by the marketer also plays an important role in determining to what degree decisions will follow socially responsible guidelines. Several authors argue that it is necessary to establish to what degree marketers believe that social responsibility is important in achieving organisational effectiveness (for example, Singhapakdi *et al.*, 1996; Yaman & Gurel, 2006). Decision-makers need to believe that there is an organisational benefit to be achieved by managing responsibility. Again, the argument for a value exchange holds. Only in the instance where the benefits of CSR outweigh its costs, will such management practices be adopted. The challenge for policy makers is to highlight the benefits and adequately address real and perceived costs.

The analysed body of knowledge highlights some of the issues surrounding decision-making with regards to CSR. There are a number of models and reporting practices that have attempted to formalise and structure the wide field of CSR. The next section provides an overview of some of these approaches.

2.2.7 Approaches to implement CSR

Another approach to that of the five capitals model discussed earlier is 'triple bottom line accounting', which is increasingly being employed by organisations around the world.

Triple bottom line accounting

In South Africa, the adoption of CSR principles in business was formalised by the King Report II (2002) which introduced the concept of 'triple bottom line' accounting. This accounting approach places equal importance on social, environmental and economic performance. It aims to account for the various factors that impact on a business and its environment (Swarbrooke & Horner, 2001: 245). The King Report II (2002) recommends monitoring some of the non-financial aspects listed in Table 2.3, namely:

Table 2.2: Monitoring of non-financial factors

1. Management information systems
2. Risk management
3. Service standards
4. Productivity levels
5. Benchmarking
6. Innovation
7. Training
8. Reciprocal relationships with defined stakeholders
9. Management credibility as seen by third parties
10. Technology (compared to that of competitors)
11. Internal audits

(King Report II, 2002)

In addition to the triple bottom line accounting approach, a fourth element is now emerging within the current global and local thinking surrounding CSR. Figure 2.2 shows the fourth element, responsible governance, as a foundation of the other three lines (economic, social and natural environments). Ethical and responsible governance provides the foundation and guiding principle on which the other three pillars rest.



Figure 2.2: CSR approach (Extract from the Draft National Sustainable Development Framework, 2006)

Numerous multinational corporations (MNCs) have already reacted to this public demand for responsible and transparent reporting. McDonald's, American Express, Starbucks and Shell for example are releasing separate statements outlining their social initiatives and publicly communicate their social projects (Kotler & Lee, 2005: 4). Amine (2003) reports that more than 300 multinationals, such as Dow, DuPont, IBM, NIKE and Timberland, already have implemented a triple bottom line accounting approach and publish environmental supplements to their financial reports. Such accounting creates a link between the softer

"green issues", namely the social and natural environment, and financial business performance (Amine, 2003).

The drive towards transparency and socially responsible management has further been fuelled by the growth of information communication technologies (ICT). Companies no longer are able to operate in isolation but find themselves competing in the borderless world of the information age (Burgess & Steenkamp, 2006; King Report II, 2002). Organisations as a result need to continuously monitor public opinion and their company reputation in a global market place (King Report II, 2002; Becker-Olsen, Cudmore & Hill, 2006).

Globalisation has necessitated that certain structures and systems which aim to regulate the role that corporates play in modern society are put in place. The King Report II, JSI SRI and numerous organisations such as the World Business Council for Sustainable Development (WBCSD) and Business Council for Social Responsibility (BCSR) provide guidelines and recommendations on how to implement these practices, set measurement criteria and industry benchmarks. In order for South African companies to remain competitive in this global environment, where good corporate governance has increasingly become a prerequisite for investment and customer satisfaction, the standards and recommendations of these documents need to be implemented across the various industries.

The role of marketing in CSR

This literature review has made reference to the fact that CSR will be able to achieve its overall objectives, only if sustainable management is accompanied by sustainable consumption. It follows that marketing, in its traditional sense of encouraging increased consumption, finds itself in a difficult position (Amine, 2003). If the objectives of marketing practitioners are looked at more broadly it can be said that marketing is tasked with understanding and influencing consumer behaviour (Lamb, Hair, McDaniel, Boshoff & Terblanche, 20004: 71). Marketing strategy is aimed at satisfying consumers' consumption needs and influencing their buying behaviour. Alternatively, marketing can also influence responsible consumption and satisfy moral and social needs that consumers are exhibiting. This is the underlying assumption of social marketing, which aims to positively influence behaviour for a greater social good (³;Boehm & Itzhaky, 2004; Mukherji, 2004: 2).

A successful example is the Body Shop, who used this principle to build a strong brand with a differentiating, competitive advantage. Body Shop advocates social involvement, is against animal testing and supports various environmental programmes. The business was also involved in founding the New Academy of Business, which teaches that "social justice, human rights and spirituality are integral parts of modern business practice". The organisation partnered with the University of Bath to develop and deliver a two year Masters of Science degree in Responsibility in Business Practice (Amine, 2003).

³ www.social-marketing.org

The American Marketing Association (AMA) is taking note of the changing role of marketing and has developed a Code of Ethics which promotes marketers to “not harm, provide full disclosure, be good stewards, own the problem, be responsible and tell the truth” (Kotler & Roberto, 2002: 399). Marketers have an ethical and moral obligation towards their target market, making the role of marketing in CSR and by implication, RTM, vital and significant.

According to Wheeler (1995) marketing has a dual function in promoting CSR. Firstly, it has the ethical obligation to communicate the truth to customers about the product they are consuming and the impact of their actions on the surrounding community and its resources. Secondly, it stands poised to take advantage of this new trend, and by developing effective communication strategies turn socially and ethically responsible business practices into business opportunities. Communicating a responsible management approach to customers and investors leads to increased brand identification, enhanced firm reputation and entrance into new markets. Research shows that companies not only need to be well-governed, but should ensure that the market perceives them as being well-governed (Cone Roper Citizen Report, 2004; Becker-Olsen, Cudmore & Hill, 2006). Companies that communicate their social investments and underscore these by responsible behaviour are perceived more positively in the market place. Such findings emphasise the important role that the marketing function plays in promoting CSR (Swarbrooke & Horner, 2001: 436; Pender & Sharpley, 2005: 198).

Cause Related Marketing and Corporate Social Investment

CSR has been used in the preceding discussion of the literature as a more general term to describe the act of managing in a responsible manner. A multitude of specialised approaches have, however, emerged in the market-place. Two approaches that are more commonly known and used are Cause Related Marketing (CRM) and Corporate Social Investment (CSI). CSI can be said to lie at the far end of the continuum of altruistic behaviour, where companies donate money to a cause without direct commercial benefit to the organisation itself, such as Coca-Cola sponsoring the Nelson Mandela Golf Invitational. CRM, on the other hand, is based on a mutually beneficial relationship where the association with a cause or charity is aimed at increasing sales or awareness of the organisation. The 'My School' initiative in conjunction with Woolworths, whereby a customer presents a card upon each purchase and can choose to donate a percentage of the purchase price to a school or charity of their choice, is an example of a CRM. This initiative is aimed at encouraging switching behaviour and increased sales (Adkins, 2005: 9).

A significant amount of scepticism exists, as to the underlying motivations of organisations and the truthfulness of such programmes (Doane, 2005). According to the King Report II (2002) one of the difficulties and challenges has been to provide empirical evidence that good corporate governance yields economic benefits. And indeed, in some cases it does not. Organisations that do not align the cause they want to support carefully with their core business and values, can damage their reputation more than enhancing it (Simon, 1995; Pender & Sharpley, 2005: 198). Transparency and accountability, as well as having systems in place that measure and monitor outcomes, is of utmost importance in building customer

trust. Initiatives such as the Fair Trade in Tourism South Africa (FTTSA) trademark is one such standard that aims at providing this reassurance.

2.2.8 A code of ethics in business

Desmond and Crane (2004) suggest that marketing ethics need to be firmly embedded in the corporate culture of a business. Two fundamental values are affected by moral behaviour namely, profit and efficiency. Only once such values are adopted by top management will they begin to filter through the entire organisation (Ashley *et al.*, 2001; Goodwin & Francis, 2003). CSR cannot be effectively implemented by one department as an isolated project but needs to be a long-term commitment to change by the entire organisation. Francis (as cited by Hammond, 2005) explains that Exodus Travel, was singled out as best operator at the Responsible Tourism Awards (RTAs) because it managed to integrate responsible tourism throughout the organisation. Responsible tourism is part of the businesses' 'DNA' and runs like a golden thread through all the company's activities.

Robin and Reidenbach (1987) highlight that once such core values are developed, they must become an intricate part of the organisational planning procedure. A code of ethics can be a valuable starting point to communicate company values to various internal and external stakeholders, as well as begin benchmarking CSR activities and their outcomes (Payne & Dimanche, 1996). The Tour Operators' Initiative (TOI) and studies by Tearfund highlight how important it is to have a written code of ethics guiding CSR (Tearfund, 2000, 2001, 2002).

Desmond and Crane (2004) also point out that the ethical jargon often associated with ethics codes is resisted by corporates who see this as contravening the underlying business principle of profit maximisation. Their research findings show that managers do not always realise the economic and strategic benefits that companies can gain by implementing sustainable and responsible business practices (Desmond & Crane, 2004). The researchers note that ethics is still largely of marginal significance in organisational life. It is highly unlikely that sustainable tourism practices will survive in the long-run if they do not add value to the bottom line results of businesses. Providing information on the benefits of RTM is an important function of marketers in the tourism sector, and will be a key factor in rendering a social marketing campaign to change management behaviour successful.

2.2.9 Challenges of implementing CSR

The many advantages of CSR, have not always resulted in its adoption. The next section discusses some of the barriers.

The nebulous nature of CSR

Numerous challenges have impeded the spread of CSR. This is partly due to the imprecise and complex nature of sustainability. The subject area involves numerous stakeholders and often needs to consider a wide and holistic approach, necessitating interdisciplinary communication (Goeldner, Ritchie & McIntosh, 2000: 549). Moreover, the subject is one that,

by nature, is continuously evolving as new technologies are developed and different lifestyle trends and public opinions emerge (Wijk & Persoon, 2006).

Lack of global rules, legislation and regulations

Doane (2005) and Pender and Sharpley (2005: 289) further argue that the lack of direct legislation stipulating CSR compliance, is allowing companies to use such initiatives as mere good public relations exercises, hence not really dealing with true social issues. Whilst it is true that many CSR programmes tend to aid smaller projects and communities, rather than tackling root issues such as unequal labour costs, dumping and source market exploitation, there is nevertheless great scope for its positive influence in society. Companies, because of their strong and immediate influence, can contribute positively towards addressing socio-economic problems if correct management practices are put in place. The need for research and country specific recommendations becomes imperative if such standards are to become the norm in business management (Doane, 2005; Pender & Sharpley, 2005: 198; Becker-Olsen, Cudmore & Hill, 2006).

Despite these challenges international guidelines for good corporate governance have been developed to try and promote its adoption. The diverse nature of the corporate arena precludes the possibility of passing one global code. Each country has its own legislation and regulations making a universal law impossible to enforce (Pender & Sharpley, 2005; 289). Companies have to operate within the legal and regulatory frameworks of the countries they are in. Some guidelines have, however, been developed, for example:

1. Organisation for Economic Co-operation and Development (OECD),
2. International Corporate Governance Network and
3. Commonwealth Association for Corporate Governance (King Report II, 2002).

External factors

Uncontrollable macroenvironmental forces can impact on business decisions, forcing managers to behave in a manner that contravenes personal values and beliefs and lead to a sub-optimal social outcome (Amine, 2003). Businesses are often faced with having to make trade-offs and compromises (Porter & Kramer, 2006). The anti-globalisation movements present corporate leaders with a dilemma. Even if a company is managed in an exemplary manner from the perspective of taking social, environmental and economic responsibility, the very existence of a capitalist institution, may make it a target in the minds of protesters. Some extremists argue that is not possible for a company to simultaneously be profit-driven, socially responsible and environmentally friendly. This threat might discourage some managers from even attempting to implement CSR (Amine, 2003). Consequently, it is possible that managers' perceptions towards RTM and actual behaviour differ. In other words managers might be positively disposed towards RTM but not change business practices for fear of public scrutiny. It is thus important to take the impact of the business environment into account when determining what affects RTM and business performance.

Lack of long-term strategic planning

Porter and Kramer (2006) point out that managers who do not have a strategic understanding of CSR, tend to forgo present investments that develop sustainable management. This ultimately leads to far greater long-term costs for the company. Businesses should aim to operate in such a way that secures long-term profitability by avoiding short-sighted behaviour (Jaworski & Kohli, 1993). Given that managers often have to meet strict, time-bound targets, such long-term thinking is not always in their own self-interest. The way in which performance is measured must therefore be re-evaluated, so that long-term, non-tangible investments including CSR are part of performance measures, even if the effects on the bottom-line are seen only later (Jaworski & Kohli, 1993; UCTUI, 2006)

Critical mass

Some companies, including Ben & Jerry's, Newman's Own, Patagonia, Spier Leisure Holdings, Pick 'n Pay, Nedbank, Outsurance and the Body Shop, have managed to differentiate themselves through their strong commitment towards social responsibility. Despite these companies being pioneers in this field, they too find it often difficult to fully quantify the impact on society and their own business that their efforts have had (Porter & Kramer, 2006, UCTUI, 2007). Fundamentally, the success of social change through efforts such as CSR depends on gaining a critical mass in business. It is not sufficient for a select few companies to have a social commitment, even though they are instrumental in setting an example and starting a trend. Real change will only begin when the majority of small and large companies alter their management practices. A host of minor changes will have a significant impact when looked at in a global context. Managing responsibly needs to become the new status quo, rather than the mandate of some exclusive industries or companies.

2.2.10 Summary

Limited resources and a consumer-led demand for transparent and responsible behaviour by organisations have fuelled the growth of CSR in the global market place. There has been a clear shift away from mere philanthropic giving by firms to 'look good' in the public eye towards using CSR as a tool to build strategic advantages (company reputation, brand loyalty, brand equity, price premiums, positive perceptions, etc.). In the next section the tourism industry will be discussed more specifically. The discussion on CSR is applied to this industry sector, drawing parallels and deepening the argument for responsible tourism management (RTM).

2.3 Tourism

The argument for RTM is built on three main premises. Firstly, tourism is an important sector in terms of job creation and contribution to GDP. 'Tourism and general travel' is estimated to contribute approximately 11% to global GDP, accounts for 6-7% of total exports of goods and services, and provides employment for an estimated 231.2 million people in 2007 (8.3% of total employment) (WTTC, 2007, UN-WTO, 2007). It is in a position, therefore, to address some of the socio-economic challenges of South Africa. Secondly, international tourism trends indicate that tourists are demanding a unique travel experience and that RTM practices are better able to meet this demand. Thirdly, RTM is a strategic business decision and has the capacity to lead to differentiation, new product development and ultimately a more profitable, sustainable and competitive South African tourism industry.

2.3.1 The tourism sector's economic importance

Tourism, as the world's largest industry, has an important role to play in addressing the socio-economic problems faced by most developing countries. Given the rapid growth of the industry, considerable concern amongst researchers, planners and citizens regarding the impacts of the industry on the environment has been raised (Cohen, 2004: 35; Aramberri & Butler, 2005: 15). The eight Millennium Development Goals (MDGs) agreed upon at the Millennium Summit in New York, summarise the main issues faced by governments around the world (Figure 2.3). They focus on eradicating extreme poverty, increasing primary education, decreasing inequality, ensuring environmental sustainable development and increasing beneficial trade partnerships between countries. The first MDG targets extreme poverty. The goal is to halve the number of people living on less than one US\$ a day by 2015. The three key strategies that have been identified to meet this objective are to:

1. accelerate economic growth;
2. improve the distribution of income and wealth; and
3. increase the rate social development.

The UN Millennium Development Goals

Goal 1: Eradicate extreme poverty and hunger

- Reduce by half the proportion of people living on less than a dollar a day
- Reduce by half the proportion of people who suffer from hunger

Goal 2: Achieve universal primary education

- Ensure that all boys and girls complete a full course of primary education

Goal 3: Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

Goal 4: Reduce child mortality

- Reduce by two thirds the mortality rate among children under five

Goal 5: Improve maternal health

- Reduce by three quarters the maternal mortality ratio

Goal 6: Combat HIV/AIDS, malaria and other diseases

- Halt and begin to reverse the spread of HIV/AIDS
- Halt and begin to reverse the incidence of malaria and other major diseases

Goal 7: Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
- Reduce by half the proportion of people without sustainable access to safe drinking water
- Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

Goal 8: Develop a global partnership for development

- Develop further and open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction – nationally and internationally
- Address the least developed countries' special needs This include tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction
- Address special needs of landlocked and small island developing states
- Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs to developing countries
- In cooperation with the private sector, make available the benefits of new technologies – especially information and communication technologies (UN. 2006. www.un.org)

Figure 2.3: Eight UN Millennium Goals (MGDs)

Tourism as an industry has been identified by the United Nations (UN) as one of the pivotal sectors able to employ these strategies and address the social problems underpinning the MDGs. The sector should specifically focus on those goals pertaining to poverty alleviation, environmental conservation and creation of employment opportunities for women, indigenous communities and young people. The UN-WTO notes that the tourism industry's great potential to generate economic, environmental and social benefits is not given sufficient recognition at present by government and international development assistance agencies (UN-WTO, 2005). There is a need for governments around the world to realise the opportunity the tourism sector presents to address social challenges. The use of tourism to reduce poverty is often referred to as pro-poor tourism (PPT) (Ashley, Roe & Goodwin, 2001). In response to this the UN-WTO has developed a strategy to support PPT, the 'sustainable tourism elimination poverty' programme (ST-EP) (UN-WTO, 2002; 2005).

Especially in developing countries a labour intensive sector such as tourism can provide employment and entrepreneurial opportunities, promote the growth of the small, medium and micro-enterprise (SMME) sector and address inequality (Weeden, 2001; Rogerson & Visser, 2004: 4; Hammond, 2005; Frey, 2007: 323). The tourism industry is often criticised for failing adequately to deal with social issues (Hammond, 2005). Limited research indicates, however, that the sector as well as governments and NGOs are starting to address these challenges. The World Tourism and Travel Council (WTTC) in this regard have formulated their vision for tourism: "*New Tourism* is a force capable of dramatically improving economic and social well-being right across the globe, waiting to be unleashed" (WTTC, 2003: 5).

The concept of sustainable tourism has been at the forefront of this debate. The approach is closely related to the principles of CSR. It, however, goes a step further to incorporate consumers and governments, instead of placing the responsibility for social and environmental management solely on corporations (Swarbrooke & Horner, 2004: 244; Goeldner, Ritchie & McIntosh, 2000: 548). As in the commercial sector so, too, will sustainable tourism consumption have to go hand in hand with sustainable management. Tourists are given the option to consume in a manner that is more sustainable when they are supplied with a responsible product offering, while businesses create a unique offering with a competitive advantage. Tourists, government and tourism businesses thus become part of a mutually beneficial system.

2.3.2 What is meant by responsible tourism management (RTM)?

The 1996 White Paper on Tourism Development and Promotion (DEAT, 1996) first defined responsible tourism for South Africa. This policy document, which provided the basis for the Responsible Tourism Guidelines (2002) forms the foundation for responsible tourism in South Africa. According to the Responsible Tourism Manual for South Africa (RTMSA), which was developed for the Department of Environmental Affairs and Tourism (DEAT), the concept underlying responsible tourism management is to provide a superior holiday experience for visitors and improve business opportunities for the tourism sector. The objectives of this approach are to increase the socio-economic benefits to local communities, include a broader spectrum of stakeholders in the decision-making process, promote the sustainable use of limited resources and improve the tourism offering to the consumer (Pender & Sharpley, 2005: 197, Frey, 2007: 321). Hunter and Green (1997) promote four principles of sustainability in tourism:

1. the conservation and preservation of natural resources;
 2. conservation and preservation of historical buildings and sites;
 3. respect for the wishes of the local community; and
 4. equitable distribution of costs and benefits amongst locals, developers, and tourists.
- Business owners, furthermore, should share in the cost and government has to be concerned about the impact of such development.

These four principles encapsulate the diverse effect tourism has and the importance of managing these impacts for the greatest positive outcome.

Lord Marshall, Chairman of British Airways, defines the travel industry as being “essentially the renting out of short-term lets, of other people’s environments”⁴. This definition implies that there is a cost associated with making use of a particular environment. This cost should compensate the host nation for any negative impacts or externalities created by the tourist (pollution, increased prices, congestion, corruption etc.) (Spenceley *et al.*, 2002). Responsible tourism management acknowledges these costs and attempts to decrease them and compensate the host nation. Costs are addressed by minimising negative impacts such as labour exploitation and overuse of natural resources, whilst benefits are maximised by involving the local community in tourism and thereby creating income-generating opportunities (Goeldner, Ritchie & McIntosh, 2000: 32; Allen & Brennan, 2004: 7, Slabbert, 2007).

As summarised in Chapter 1, numerous terms have emerged in recent years that are aimed at addressing sustainability principles. For the purpose of this thesis the term *responsible tourism management* (RTM) will be used. RTM incorporates most of the underlying principles of the various definitions shown in Table 1.1 (Chapter 1).

2.3.3 Reasons for managing tourism responsibly

Similarly to the pressures driving CSR growth, there have also been four main reasons why it has become important for the tourism industry to adopt responsible tourism practises. These are as follows:

1. International trends

Increased pressure from activist groups and individuals such as Greenpeace and the musician Bono (U2) have led to a rise in global CSR awareness. The South African tourism industry needs to stay abreast with these international changes if it wants to remain competitive as a country (King Report II, 2002; Spenceley *et al.*, 2002; Aramberri & Butler, 2005: 14; Slabbert, 2007). Moreover, since the fall of apartheid in 1994 all South African industries have been mandated to transform themselves to reflect the demographics of the South African society. The tourism sector has been criticised for not adhering to this transformation agenda, with the sector still reflecting a largely white and affluent ownership, management and benefit structure (Spenceley *et al.*, 2002).

2. Consumer demand

Tourists are demanding more ‘responsible’ offerings and transparency from tourism businesses. There has been a significant increase in demand for ecotourism and sustainable tourism products. Responsible tourism management is therefore demand-driven (Goodwin & Francis, 2003; Yaw, 2005).

3. Increased business opportunities

The tourism industry has seen an international trend away from mass product offerings to more personalised experiences. Respect for local culture and heritage, development of

⁴ www.theinternationalcentreforresponsibletourism.org

local skills and increased involvement by the local community in tourism development has led to more authentic and unique experiences, which, in turn, enable more stakeholders to participate in the tourism sector. Research shows that tourists are exhibiting higher levels of sophistication when making their destination choices, with environmental quality playing an increasingly important role (Adkins, 2005: 3; Yaw, 2005). Providing a product offering that addresses these trends and needs is therefore in the best interest of an organisation.

4. Improved risk management

The realisation of limited resources and climate change is also having a significant impact on global trends and policy making. RTM helps mitigate against unforeseen risks and can insulate businesses against potential shocks. The high dependency on scarce resources such as soil and water is far reduced by developing a more diversified tourism offering. The associated risk of these resources being depleted or devalued is also reduced (Spenceley *et al.*, 2002). Civil society has become highly critical of tourism businesses' activities and no longer tolerates unacceptable social or environmental behaviour. RTM is a way of insulating, to some degree, against the effects of negative PR and damage to reputation and image (Amine, 2003; Porter & Kramer, 2006).

These four forces will be discussed in more detail in the following section.

2.3.4 International trends

Throughout the 1970s, as international tourism grew, the socio-environmental costs of tourism development became more widely recognised (Mathieson & Wall, 1982: 35, George, 2007: 291). As a result the 1980s heralded the first attempts to manage the relationship between the environment and tourism development more effectively. The 1990s responded to this trend by introducing the concept of 'sustainable tourism development' (STD). Since then, STD has "achieved virtual global endorsement as the new tourism industry paradigm" (Godfrey, 1996: 60, as cited in Pender & Sharpley, 2005: 260). A multitude of policy documents, planning guidelines, statements of good practice, case studies, and codes of conduct for tourists and businesses have been produced at an international, local and industrial levels. Despite this increase in attention the topic of 'sustainable tourism development' remains an area of intense debate and a lack of definition, measurement, benchmarks and consensus. Nonetheless, internationally and in South Africa, a sustainable approach towards tourism management and an acceptance of the interrelationship between tourism and the environment (socio-cultural and natural) has been accepted as the key method of addressing the negative impacts of tourism development (Andereck, Valentine, Knopf, & Vogt, 2005; Pender & Sharpley, 2005: 261).

With this in mind the year 2002 was named the International Year of Ecotourism by the World Tourism Organisation (UN-WTO). This contributed significantly to a raised awareness of responsible tourism and improved sustainable management techniques. Tourism is highly dependent on the sustained beauty of natural resources and the support of host communities is vital in this regard (Gursoy & Rutherford, 2003; Swarbrooke & Horner, 2004: 245; Swart, 2006, Frey, 2007: 321)

The Responsible Tourism Awards

The Responsible Tourism Awards (RTAs) is an example of a growing body of international initiatives that recognise that tourism activities can positively contribute towards society and the environment (Hammond, 2005). The RTAs recognise individuals and companies for the contribution they are making towards community upliftment and biodiversity conservation. The Calabash Lodge and Tours in Port Elizabeth, South Africa, winner of the 2005 Responsible Tourism Awards, for example, is a seven-bedroomed lodge, employing 13 black staff from the surrounding townships. The lodge provides tourists with the opportunity to visit the townships in safety thereby creating profits for the company and their service providers, as well as an income for the community. According to Paul and Thandi Miedama, co-owner of Calabash Lodge and Tours, responsible tourism is a new business model that manages to involve the local community, thereby creating a 'win-win' partnership (Hammond, 2005).

Calabash Lodge and Tours was also awarded the Fair Trade in Tourism South Africa (FTTSA) accreditation. South Africa is the first country in the world to introduced fair trade labelling to tourism and is internationally recognised as being a leader in this field. FTTSA has recently also been the winner of Britain's *The Guardian's* inaugural ethical travel awards (Pietrasik, 2006). The key principles underlying the FTTSA trademark is that companies ensure fair wages and working conditions for their staff, ethical business practices and respect for human rights, culture and the environment (Hammond, 2005; Frey, 2007: 328). The FTTSA logo, in turn, provides a competitive advantage and source of differentiation for the organisation. It is not only the small rural or township businesses that are receiving the FTTSA trademark. Luxury lodges such as Sabi Sabi Game Reserve in the Kruger Park National Park (KPNP) and the Tswalu Kalahari game reserve have also been accredited based on their fair trade practices.

According to Francis (2005, as cited by Hammond, 2005), (managing director of responsibletravel.com), the RTAs reflect the changing agenda in responsible travel, away from focussing solely on the environment and towards addressing much broader socio-economic impacts of tourism. The judges of the awards considered travel companies that are not only eco-friendly but also contribute positively to the economies of local communities (Hammond, 2005).

The South African equivalent to the RTAs are the Imvelo Awards run by the Federated Hospitality Association of South Africa (FEDHASA) since 2002⁵. The awards recognise businesses that are leaders in responsible tourism management. These industry recognitions show a shift in what is being measured as successful management. A host of criteria are looked at and economic profits are only one of the many factors. Tourism companies will increasingly be judged, by their consumers and broader civil society, not only on how attractive their product-offering is, but to what degree they are adhering to responsible

⁵ www.fedhasa.co.za

management practices and addressing the environmental, social and cultural impacts of their operations.

It is important to take note of such global pressure because tourism, by its sheer size and economic impact, can make a significant positive contribution in addressing some of the socio-economic challenges. The following section will outline the role and importance of tourism within the economy.

The Importance of the tourism sector in South Africa

The tourism sector has been hailed by both governmental and non-governmental organisations (NGOs) as an industry with significant potential for economic growth and job creation. Tourism is considered the largest and most important industry in the world (Goeldner, Ritchie & McIntosh, 2000: 548; George, 2007: 7). Chao, Hazari and Sgro (2004) argued that promoting tourism domestically and internationally has been a top priority for several governments in addressing socio-economic challenges (Ashley *et al.*, 2001; Goodwin & Francis, 2003; Hall *et al.*, 2003: 26).

The New Partnership for Africa's Development's (NEPAD) Tourism Action Plan (TAP) states that "tourism is recognised as one of the sectors with the most potential to contribute towards the economic regeneration of the continent, particularly through the diversification of African economies" (Rogerson & Visser, 2004: 3). In addition, at the 1998 Job Summit in Johannesburg, the tourism sector was recognised as having the greatest potential to reduce the high levels of unemployment and considerable attention has been devoted to the critical role that tourism plays in job creation (Rogerson & Visser, 2004: 4). Ryan (2002) notes that the tourism sector is often presented as the saviour of economically troubled communities. Tourism is estimated to contribute about 10.7% to global GDP and accounts for 8.3% of local GDP in 2007. Travel and tourism in South Africa is expected to generate \$28450.1 million (R198.1 billion) of economic activity in 2007 and create 969 000 jobs (7.5% of total employment) (WTTC, 2007, UN-WTO, 2007). The tourism sector grew by 13.6% in 2006 exceeding earlier predictions by nearly 7% (George, 2007: 7; WTTC, 2007). The sector is expected to grow by 5% in 2007, and by 4.4% per year in real terms between 2008 and 2017. These statistics indicate that tourism is a sector that is growing and is becoming a significant contributor to the country's economy.

Clearly the importance of the tourism industry and the challenge to remain globally competitive is evident. South Africa, however, faces a further challenge in social development due to its historical past.

Historical community involvement in tourism

During apartheid tourism was 'non-developmental', leading to a non-representative distribution in tourism ownership. Tourism in Africa was historically first developed 'by colonialists for colonialists' and it is only recently, in post-colonial Africa, that tourism is being seen as a tool to promote development (Visser & Rogerson, 2004: 2). In the past, most black South Africans did not participate in the formal tourism sector and could not benefit from it

economically. Often these communities suffered due to forced removals in order to create natural parks or resorts. This has led to a large portion of the community viewing tourism with scepticism and even hostility (Allen & Brennan, 2004: 9). Moreover, limited mobility and disposable income precluded most historically disadvantaged individuals (HDIs) from travelling themselves. There is a lack of support and understanding among South African communities regarding the benefits that tourism can bring (Allen & Brennan, 2004: 8).

If managed correctly, however, tourism has shown to lead to job creation, skills development, improved infrastructure and entrepreneurial opportunities (Ashley, 2006; Spenceley *et al.*, 2002). The recent campaign run by South African Tourism (SAT), the country's national tourism organisation (NTO) to promote domestic tourism is not only aimed at increasing tourism numbers but also strives to educate the South African population about the nature and benefits of tourism (SAT, 2004). Transformation of the industry has become a key agenda item for the Department of Environmental Affairs and Tourism (DEAT). The BEE Tourism Charter and Scorecard (2005) recommends how the industry can begin this process of transformation. Tourism will be able to reach its economic, social and environmental objectives only if a broader base of South Africans are involved and have an understanding of this sector. In order to broaden participation the tourism sector needs to reflect the demographics of South African society so that inequality can be addressed and sustainable plans for growth developed. RTM strives to include a broader range of stakeholders in decision-making and economic participation. Diversity in terms of race and culture should be seen as an asset, diversifying a product, providing an authentic experience and gaining support and licence to operate from communities (Ashley & Haysom, 2006).

Transformation in the South African tourism industry

The tourism industry has been relatively slow to adopt the principles of social responsibility (Martin & Jucker, 2005; Wijk & Persoon, 2006). Tourism, perhaps more so than any other industry, has an obvious interest in following socially responsible principles as it is highly dependent on cultural heritage and the sustained beauty of natural resources. Hunter and Green (1997) point out that one of the difficulties regarding RTM is the fact that there is no simple relationship between tourism and the environment. At any given moment there are numerous factors and stakeholders involved and affected simultaneously. Moreover, the individual and net effects of impacts may be "detrimental, neutral, benign or enhancing" depending on the individual environmental circumstances (Hunter & Green, 1997). Given the many different objectives, viewpoints, perceptions and personal levels of involvement of stakeholders, the industry has found it difficult to transform.

Despite the challenges there has been a significant change in the tourism industry since the demise of apartheid in the early 1990s. Rogerson and Visser (2004: 4) observe that in post-apartheid South Africa tourism is seen as an important sector to promote national reconstruction and development. The authors, however, argue that only if correct management practices are put in place will the process of economic and social development benefit those that are most in need, namely the poorer communities (Brown & Essex, 1997; Rogerson & Visser, 2004: 4). Mowforth and Munt (2003) even suggest that tourism can

potentially endanger the possibilities for sustainable development across the developing world. The authors attribute this to the fact that local communities often only have limited opportunities to participate in decision-making, investment opportunities and benefits stemming from tourism (Mowforth & Munt, 2003; Pérez & Nadal, 2005; McGowan, 2006).

King, McVey and Simmons (2000) cite that international agencies have been committed to working with developing countries to come up with "tourism development programmes". Critics of such initiatives note that a lack of consultation between local communities to implement such plans, and a failure to achieve national self-reliance due to the high dependency on international expertise, is leading to negative results and a lack of true empowerment (Bachleitner & Zins, 1999). In response to this the UN-WTO has developed a new planning model that seeks to address these shortcomings and advocates closer partnerships with communities and aligns tourism objectives with community aspirations (Bachleitner & Zins, 1999; King, McVey & Simmons, 2000). RTM and the BEE Tourism Charter and Scorecard (2005), aim at empowering local individuals to use tourism as a business opportunity in the form of entrepreneurial activity, skills development and enterprise training (Spenceley *et al.*, 2002; BEE Charter and Scorecard, 2005)

The tourism sector's role in job creation

The role that the tourism industry can play in addressing inequality and poverty alleviation needs to be qualified. To use the tourism sector as the main vehicle for job creation and as the sole tool that will end the impoverishment of poor and rural communities in South Africa, is a "utopian concept" (Robson & Robson, 1995; Pender & Sharpley, 2005: 200). There are no instantaneous solutions to the unemployment issues facing South Africa and a single sector should not be independently relied upon to change this situation. Developed countries such as the UK have warned of the limited economic impacts tourism development can have under conditions of "dependence, peripheral economies and 'structural model of the Third World'" (Rogerson & Visser, 2004: 3). This highlights the lack of involvement and control that many developing countries seem to have over their own tourism industries (Weeden, 2001; Rogerson & Visser, 2004: 3). Butler (as cited in Ryan, 2002) points out that many academic researchers are concerned with the pattern developing countries appear to be following. Remote communities seem unable to avoid the problems that older, traditional tourist destinations have had (overuse of resources, congestion, pollution, poor waste management, etc.), leading to a perpetuating cycle of exploitation and degradation (George, 2007: 208).

Tourism clearly has its limitations in eradicating the socio-economic challenges of developing countries. Several authors, nonetheless, agree that if the sector is managed correctly and inclusively benefits can filter down to those most in need of them and result in broad positive impacts (Bachleitner & Zins, 1999; Pender & Sharpley, 2005: 228; Ashley & Haysom, 2006; Frey, 2007: 317).

Economic leakages

One of the underlying causes for the full economic benefits of international tourism not being realised by host nations is the high incidence of economic leakages (Aramberri & Butler, 2005: 145). Aramberri and Butler (2005: 145) define economic leakages as that portion of national income which is not spent on domestically produced goods and services. RTM, by encouraging local procurement and community participation, training and local product development, increases the likelihood of tourism income being retained within South Africa (George, 2007: 292).

Spier Leisure Holdings in the winelands of the Western Cape provides an example of how seemingly simple operational changes can have a significant effect on surrounding communities. Spier Leisure Holdings' total procurement in 2003 amounted to R44.2 million. The company estimated that if 10% of these purchases could be shifted to local small and medium suppliers (given equal quality and service standards), the economic impact, due to a decrease in economic leakages and the multiplier effect, would be far greater than R4 million, signifying a significant economic injection for the surrounding community. According to Spier's management this amount is far greater than any philanthropic activities they are involved in. Strategic decisions like these can add value to the business, as well as increase the benefit to the original recipients of altruistic corporate social initiatives (Ashley & Haysom, 2006). Because of such insights there has been a decrease in direct philanthropic activity around the world, with companies shifting their money and efforts into more strategic areas of CSR (Porter & Kramer, 2006; Frey, 2007: 320).

This section has evaluated what global pressures have caused the tourism sector to address CSR. The second important force that has led to increased awareness levels in this field is the fact that consumers are beginning to demand a more responsible, authentic and differentiated tourism offering. It is positive to see that consumers are aligning their preferences, be it consciously or sub-consciously, with achieving a greater social good.

2.3.5 Consumer demand

Tourism trends

Tearfund's 2001 study, amongst various other studies, found that 30% of tourists are beginning to ask about social, environmental and economic issues. Evidence suggests that some tourists are seeking more individual experiences and moving away from mass organised tourism offerings (King Report II, 2002; Pérez & Nadal, 2005). The following section will discuss these various trends in more detail.

Experience tourism

At the heart of 'experience tourism' lies the premise expressed by Seneca, the Roman philosopher that "you need a change of soul rather than a change of climate. You must lay aside the burdens of the mind; until you do this, no place will satisfy you." (Seneca, as cited in Krippendorf, 1987: xv). Tourism has become much more than just looking at something new.

The travel experience for many people includes learning about others and about one's self, and is often an emotional and philosophical journey, not merely a physical one.

Cohen (2004: 103) referred to this new type of tourist as the "alienated modern tourist". This type of tourist seeks a unique experience and is on a quest for authenticity by looking for the "pristine, the primitive, the natural and that which is untouched by modernity" (2004: 103). Taking a holiday and travelling to a different destination is therefore about much more than seeing particular sights (Cohen, 2004: 38; Gross & Brown, 2006). Goodwin and Francis (2003) found that tourists are seeking to find themselves and meaning for their lives by interacting with locals and their cultures, thereby creating unique experiences and becoming more aware of the socio-cultural problems connected to leisure activities. The problem of tourism in modern and industrialised society is that people travel to escape their mundane daily lives, to recharge, so as to be more productive and have more disposable income to travel again. This cycle continues in the extreme until all resources have been depleted and a state of global exhaustion is reached (Krippendorf, 1987: ix, 13; Cohen, 2004: 39, Andereck *et al.*, 2005). Weeden also notes that even though suppliers and consumers have welcomed the growth of tourism, there is an "increasing global trend towards questioning the nature and speed of this growth" (2001). A balance between nature and human development needs to be reached, and the negative feedback loop interrupted, before a condition of devastation is reached (Ashley, 2006; Tearfund, 2002).

Tourists are taking note of the potential negative impacts their visit could have on the host destination (Bachleitner & Zins, 1999). Research by the Association of British Travel Agents' (ABTA) in 2002 found that 87% of holidaymakers felt it to be important that their holiday did not damage the environment, whilst 76% said that tourism should benefit those in the destination through jobs and business opportunities (ABTA, 2002). Consumers of tourism products are becoming increasingly sensitive to the wider impacts of their activities. The demand of responsible tourism offerings has already started to change the supply of these in developed countries including the USA and UK. It is important for South Africa not to ignore this trend.

A further change in tourists' preferences has been the emphasis on authenticity. According to the findings of the UN-WTO (2003: 14) the most common rationale for business success (in ecotourism) is authenticity in the programme and facilities, which provide a unique experience that differentiates the product from the mainstream market, a reason often cited for the fact that ecotourism is growing three times more rapidly than conventional tourism (UN-WTO, 2003: 14). This rationale does not only apply to ecotourism but has been successful in cases such as the Rocktail Bay Lodge and Ndumo Wilderness Camp in iSimangaliso Wetland Park (formerly known as the Greater St. Lucia Estuary Wetlands Park) in Kwa-Zulu Natal, where responsible tourism practices and community shareholding and involvement, form the cornerstone of the marketing and management practices (UN-WTO, 2003: 251; Pérez & Nadal, 2005).

Goodwin and Francis (2003) note that responsible tourism is emerging as a significant market trend in the UK as wider consumer market trends towards lifestyle marketing and ethical consumption spread to tourism. The global demand for the traditional 3Ss of sun, sand and sea holidays are declining in favour of real authentic and "experiential vacations" (Bachleitner & Zins, 1999; King 2002; Cohen, 2004: 66; Pérez & Nadal, 2005). People are seeking a "different type of experience, a much deeper connection to nature and/or the local community" (Mills, 2006).

Technological development has been a key driver in making the modern tourist more independent. Potential travellers are no longer reliant on travel intermediaries (for example tour operators or travel agents) to organise their travel arrangements but can use the internet to gather information on different destinations, compare offerings and independently book their travel arrangements (for example, flights, accommodation, attractions, etc.) online (Salazar, 2005; George, 2007: 127). This has led to far more freedom and scope for tourists as well as increased competition amongst destinations and tourism businesses. One way that destinations can differentiate themselves in this highly competitive industry is through the promotion of local culture and heritage, which are unique to a particular destination (Allen & Brennan, 2004: 24; Frey, 2007: 326).

Cultural tourism

Allen and Brennan (2004: 24) find that there has been a rise in the demand for cultural tourism product offerings. Developing cultural tourism does not only address a consumer demand, but also safeguards local culture by placing an economic value on indigenous heritage. The RTMSA (2002) notes that communities are not only able to benefit from their unique culture, knowledge and traditions but are also given an incentive to safeguard and uphold them. A co-dependent system is formed, making sustainable usage more likely. The challenge for tourism practitioners is to ensure that people living in the immediate surroundings of tourism developments are not exploited and that local heritage does not become commercialised to the extent that it loses its authenticity (Bachleitner & Zins, 1999). Joint decision-making, communication and increased involvement of host communities in tourism development are imperatives to ensure the sustainability and profitability of these cultural "products" (Lucero & Mysyk, 2004).

Ecotourism

A further trend is the broader adoption of *ecotourism*. This traditional niche market has gained in popularity and is no longer sold to only the extreme environmentally friendly (UN-WTO, 2003). According to Mills (2006) ecotourism is fast becoming a fashionable global trend. Francis, co-founder of the online travel agency Responsibletravel.com, calls these 'light green' tourists⁶. These tourists experience 'feel good' emotions by knowing that the tour operator is taking the negative socio-cultural and environmental impacts of tourism development into consideration and tries to minimise these (Wofinbarger & Yale, 1993). Likewise the 'light green' tourists would also enjoy a hotel holiday in a crowded Mediterranean

⁶ www.responsibletravel.com

resort if the opportunity arises and the price was right. At the other end of the continuum are 'dark green' travellers who are highly environmentally conscious. These have always existed but only constituted 1% of the market (Mills, 2006). The growth in 'light green' travellers is transforming responsible travelling into a mainstream product.

Tourists' direct demand for responsible and ethical tourism products

In order to justify why the tourism industry should change and incorporate responsible business practices into their operations, concrete evidence of market demand for such actions and products needs to be presented. If demand for such a tourism offering is present, the benefits for the tourism industry (increased sales, differentiation, loyalty and added value) become clear and the industry's reaction to such demand self-evident.

Weeden (2001) asserts there is an increasing recognition that the majority of business decisions involve some form of ethical judgement. Selling values has thus become a strategy that can lead to a competitive advantage (Becker-Olsen, Cudmore & Hill, 2006). The need for businesses, including tourism service providers, to provide responsible products becomes strategically imperative if companies are to be consumer-led, (Kotler & Keller, 2006: 140). Companies such as Whitepod have successfully reacted to this need. Whitepod is a 'zero-impact' camp for ten guests situated over 1 700m high in the Swiss Alps. The camp manages to be comfortable and close to nature without having a negative impact on the environment and won the prize for innovation at the 2005 Responsible Tourism Awards (Mills, 2006).

Tearfund's (2000) study entailed an interview of a sample of 2032 adults (aged 15+) The study concluded that tourism is seen as an ethical issue and that because it interfaces with people and communities, fair and equitable working conditions, employment and creating opportunities for entrepreneurship cannot be ignored. "The principles of responsible consumption applied to tea and coffee can be applied to tourism" (Tearfund, 2000). Goodwin and Francis (2003) argued that unlike commodities, fair trade and responsible tourism practices can actually have a positive impact on the product offered. Coffee that has been traded fairly will not taste much different to regular coffee. The tourism product-offering is improved though through RTM. Goodwill from communities results in a friendly atmosphere and a lower crime rate due to an increased understanding of tourism and the benefits it can yield (Tearfund, 2000; UN-WTO, 2001; George, 2003; Ashley & Haysom, 2006).

It is not only the product-offering that is affected by RTM. Tourists are also changing their purchasing behaviour. Tearfund's (2001) survey found that 52% of respondents would be more likely to book their holiday with an operator that had an ethical code of conduct in place. The annual 2002 Association of British Travel Agents (ABTA) survey further indicated that 78% of package tourists felt that the provision of social and environmental information in tour operators' brochures was important to them, that their holiday should not harm the environment (87%) and that their visit should benefit the local community (76%) (ABTA, 2002).

A Mintel research study in 2001 indicated that even though tourists are influenced most by the standard of accommodation (64%), the weather (60%), un-crowded beaches (34%) and price (30%) the ethical stance of a company is starting to enter the purchasing decision. Twenty-eight percent of those sampled indicated that they were aware that tourism could have a negative effect on the host destination and 7% responded that the ethical code of a company directly influenced their purchasing decision. Despite the fact that these figures seem low one needs to remember that in a highly competitive environment of high product parity, any source of added value can be used as a differentiation factor (Meyer, 2003; Gross & Brown, 2006).

Responsible tourism practices add value to the tourists' experiences. Francis' 2000 study found that destination, price, offered services, and departure date remain in the view of tour operators the tourist's key decision-making criteria. When tourists are faced with product and price parity, however, those operators practicing in responsible tourism stated that their management practices very often had given them a competitive edge. This finding on the tourism decision-making process is supported by the Tearfund (2000) study where 65 UK-based tour operators were interviewed. The study found that more than 30% of consumers were beginning to ask about social, environmental and economic issues and showed a much higher level of awareness and sensitivity towards them once they returned home from their holiday. Weeden (2001) notes that especially for small, medium and micro enterprises (SMMEs) responsible tourism and ethical tourism can serve as a platform to target a niche market and differentiate their product. The tourism industry in South Africa shows signs of significant growth in the SMME sector, which in turn is a valuable source of job creation and development (Ashley, 2006; BEE Tourism Charter and Scorecard, 2005; Spenceley *et al.*, 2002). Opportunities therefore exist to capitalise on this trend and in doing so, grow the local SMME sector in South Africa.

Having outlined just some of the consumer trends, and survey results in tourism, the next step is to look more closely at what motivates tourists in their travel decisions. Understanding motivations is an important prerequisite for strategy formulation, as target markets are better understood and differences between motivations can be addressed to influence behaviour.

Travel Motivations

Motivation, as used in the consumer behaviour academic literature, essentially refers to the driving force within individuals that compels them towards a specific action. This driving force is produced because of an unfulfilled need which creates a state of such tension that it results in the consumer having to make behavioural changes in an attempt to reduce this tension and hence fulfil the need (Pearce, 1989: 113; Goeldner, Ritchie & McIntosh, 2000: 260; Schiffman & Kanuk, 2000: 63; Pizam & Mansfeld, 1999: 247). Consuming a responsible tourism product-offering can be understood in the context of Maslow's (1954) hierarchy of needs (cited by Pizam & Mansfeld, 1999: 8). Tourists move up the needs hierarchy by first satisfying basic physiological needs (food and shelter) before addressing higher order esteem and self-actualisation needs. Krippendorf (1987) predicted that tourists would change and become more independent seeking not only to be entertained but also emotionally stimulated.

Travel motivation has to be differentiated from the purpose of the travel, the latter being the conscious reason that somebody would state to justify his or her holiday, for example, to visit a game farm and view wildlife. Travel motivation, in turn, can often be subconscious and can include the need to learn, explore or be challenged (Pearce, 1989: 113). There are consequently various factors that drive people to engage in tourism. Some of the better known motivational theories, and how they relate to responsible tourism are discussed below.

Gray 1970: “wanderlust” and “sunlust”

To describe the various travel motivations academics have developed typologies that group tourists according to their core reason for travelling. Gray (1970) classifies ‘pleasure seeking’ individuals into two different groups. Firstly, there are those tourists that want to relax and enjoy the weather, scenery and environment. These individuals are driven by “sunlust” (Pearce, 1989: 114). They seek a specific experience that the travel destination is in a better position to satisfy than their local home environment. A “pull” factor can be seen to be at play here. A certain attribute be it sun, shopping or architecture is drawing the tourists towards a destination. Alternatively, tourists driven by “wanderlust” are motivated to travel by a desire for adventure, learning and to discover something new, exotic and different. They can be seen to be “pushed” out of their current environment into a new and more exciting one (Pearce, 1989: 114). Responsible travel, according to King (2002), is concerned with self-discovery rather than looking at tourist attractions and thereby a “push” rather than a “pull” factor. RTM appeals to the “wanderlusts”, augmenting the basic tourism offering with authenticity and uniqueness.

Crompton 1979: cultural-socio-psychological disequilibrium continuum

Crompton (1979) conducted a study of 39 tourists’ travel motivations. Amongst others he found the socio-psychological motives to include “exploration of self”, “enhancement of kinship and relationships” and “facilitation of social interaction”. The two primary cultural motives were “novelty” and “education” (Pearce, 1989: 114). It is interesting to note that most of the motivational studies in tourism seem to indicate that tourists are driven by a need to escape and feel free. These deep seated motives relate to the inner state of an individual and correspond with a desire for self-exploration, creativity and self-actualisation (Cohen, 2004: 66, 73). It can be argued that whilst the motivation to relax and escape daily life is still a driving force in travel research indicates that other psychological factors (cultural heritage, emotional experience, learning, etc.) are becoming more important in today’s mature travel market. RTM recognises this development and aims to address the market demand.

Iso-Ahola 1982: social psychological model of tourism motivation

Building on Crompton’s 1979 classification the Iso-Ahola’s 1982 model advocates that tourists are motivated by two equally strong drivers at the same time (Yool & Uysal, 2003). Tourists try to escape from the pressures and routine of daily life and at the same time desire to discover and learn something new. The contribution that this model makes is that two motivations, which can vary in relative strength, can be present and satisfied simultaneously (Pearce, 1989: 117). Providing a responsible tourism product does not have to preclude those

tourists that are more strongly motivated to escape their daily lives, but rather adds another element of potential satisfaction to the tourism offering by also addressing the motivation for personal growth, novelty and knowledge.

Leiper 1984: recreational leisure and creative leisure

Leiper (1984) differentiates between recreational leisure and creative leisure. In the former, individuals are driven mainly by a desire to relax and rest in order to recharge for their normal lives. Creative leisure, on the other hand, is about producing something new: new attitudes, new learning and new ideas (Pearce, 1989: 115). Managing tourism responsibly does not preclude tourists from relaxing, seeking pleasure and resting. RTM does, however, provide more scope for creative leisure. Tourists are given the opportunity to engage with locals and experience the indigenous culture and heritage. Moreover, given that RTM focuses on broader stakeholder participation, a far more diverse product-offering will be developed (as local knowledge sources, ideas and skills are tapped). The opportunity for tourists to experience something unique consequently becomes more likely.

Pearce 1991: Travel needs ladder

Consistent with Maslow's (1954, as cited by Goeldner, Ritchie & McIntosh, 2000: 263) hierarchy of needs, Pearce's (1991) travel needs model postulates that tourists move through different stages in their travel behaviour much like an individual would go through a career life cycle. People will move through different stages being pushed up or inhibited by various factors (money, time, other people or health). Lower order needs (escape, relaxation, eating and drinking) are thus satisfied before higher order needs (self-esteem, self-development, mental stimulation, self-actualisation) are attained (Goeldner, Ritchie & McIntosh, 2000: 263). The responsible tourism product can satisfy the higher order needs and motivations. If tourism companies are to be consumer-led then meeting such psychological needs must be built into company strategy.

As in Iso-Ahola's 1982 model, the needs ladder shows that various motivations can be satisfied at the same time (Pizam & Mansfeld, 1999: 8). A tourist travelling to a remote village and experiencing the unique heritage may well be satisfying a need to escape and relax, at the same time meeting the desire to experience and learn something new.

Cohen 2004: The modes of tourist experiences

Based on the meaning of experiences Cohen (2004: 69) developed five modes of touristic experiences:

1. the recreational mode
2. the diversionary mode
3. the experiential mode
4. the experimental mode
5. the existential mode.

The third travel mode, namely the 'experiential mode', is the most relevant to this research. Cohen (2004: 73) describes tourists in the 'experiential mode' as being disillusioned and frustrated with the meaninglessness of their daily life. Experiential tourists consequently seek

meaning in the life of others through tourism. He comments that this is a predominant feature in younger members of the middle class (Cohen, 2004: 73). This description provides further evidence as to why the growth of experience tourism has been so marked. RTM, by being more people-orientated and holistic is able to address the disillusionment of this group and provide a satisfying offering.

Trauer and Ryan 2005: Intimacy theory

Trauer and Ryan (2005) analysed an extensive body of literature to support their hypothesis that emotional relationships impact significantly on travel behaviour and motivation. Their 'intimacy theory' postulates, amongst other insights, that tourists are more likely to return to a destination where they have formed meaningful relationships and enjoyed uplifting experiences, making them loyal customers (Trauer & Ryan, 2005). According to Tearfund (2002) fostering loyalty is especially difficult within a tourism context, where it has been shown that loyalty towards tour operators is exceptionally low. Customer loyalty is a fundamental tenet of consumer behaviour and it has been shown that the emotional bonding that occurs when interacting with a product, brand or destination is a central component of creating customer loyalty (Mattila, 2004). Given that the acquisition cost of repeat tourists is lower it makes economic sense to foster customer relationships. Only satisfied tourists tend to return to a destination, increasing the likelihood of referrals and positive word of mouth (WOM) (Kotler, 2000: 26, 36; Frey, 2007: 326).

The preceding section has outlined the consumer trends and demand for RTM. A third force that motivates the adoption for RTM is the evidence that it can lead to both tangible and intangible business benefits. Various positive side-effect of RTM are discussed in the following section.

2.3.6 Business opportunities from managing tourism responsibly

Businesses will usually not adopt responsible management practices if not forced to do so by legislation (Doane, 2005). The perception is that RTM constitutes an unnecessary cost to the organisation and thereby contravenes its primary objective of profit maximisation. However, research clearly indicates that responsible management can lead to economic, social and environmental benefits including better community support, stronger brand positioning, increased loyalty and better customer satisfaction (Figure 2.4) (Allen & Brennan, 2004: 26; BEE Tourism Charter and Scorecard, 2005). This section provides examples from the current academic and industry literature where such positive outcomes of RTM have occurred and what form they can take.

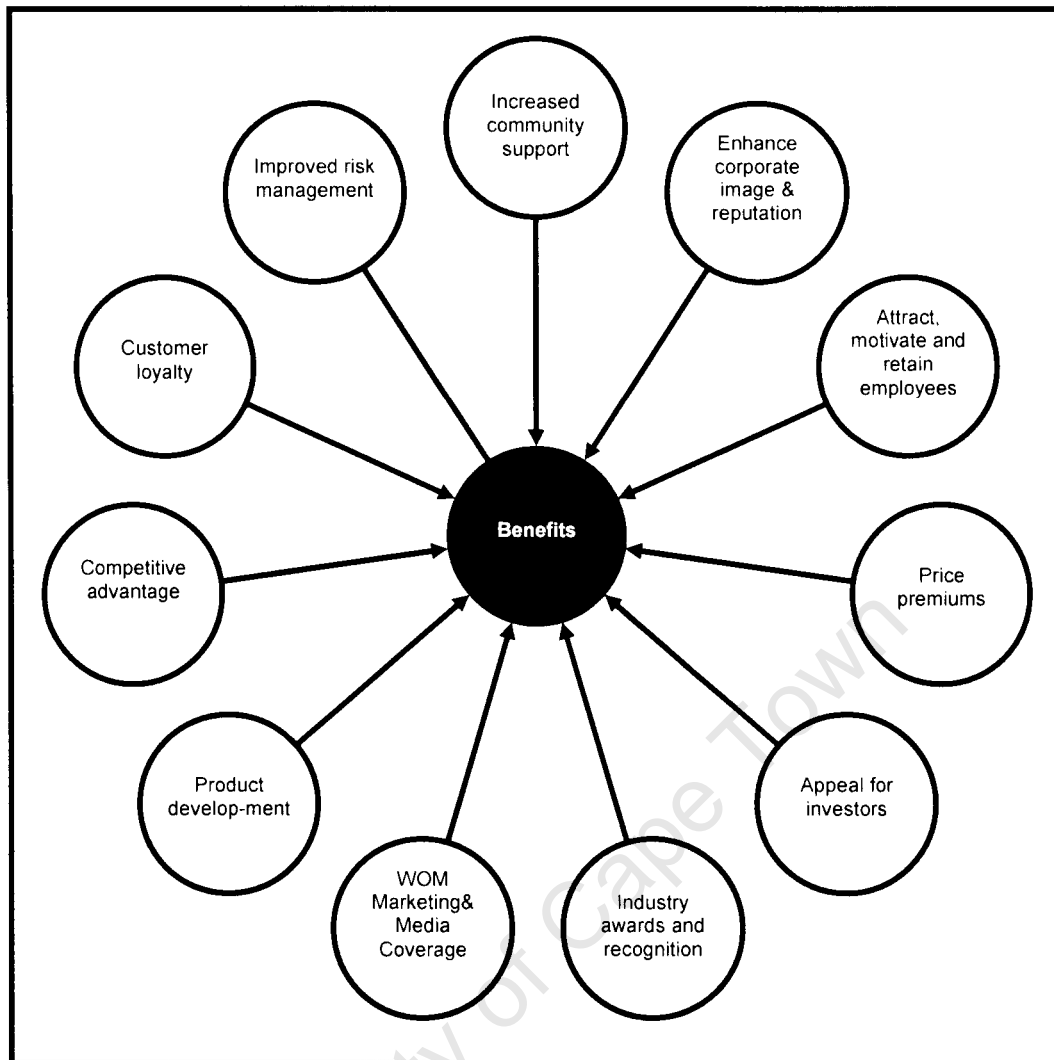


Figure 2.4: Benefits of managing tourism responsibly

- **Gaining a competitive advantage**

Weeden (2002) argues that RTM allows companies to compete on more than just price. Effectively, RTM constitutes an added layer of value to the product offering and allows a company to position itself on a unique selling point (UPS) (Krippendorf, 1987; Spenceley *et al.*, 2002).

Offering superior value to the consumer lies at the heart of an effective marketing strategy and ultimately is the driving force behind successful companies (Godin, 2002). Yaw (2005) argues that the sustainability of a destination and its ability to gain a competitive advantage necessitates a consideration of environmental and conservation-related issues. RTM then becomes a necessity rather than a choice. The ability to create a competitive advantage, in turn, is highly dependent on community support.

- **Increased community support**

The support of the local community plays a significant role in creating a superior tourism offering. Communities that understand the importance of tourism are more likely to be

welcoming and helpful to visitors, and to safeguard the natural resources that the tourism offering depends on. Furthermore, by tapping into indigenous knowledge systems new product offerings can be developed (for example, expeditions to unexplored areas, cultural tours, crafts etc.) (Ashley & Haysom, 2006). When the local community has an interest in seeing tourism grow, potentially negative factors such as crime and fraud also decrease (Spenceley *et al.*, 2002). For example, Wilderness Safaris Rocktail Bay Lodge in Maputoland is working with the community to preserve the local nature resources and culture. The community partners own 49% of the shares of the lodge and are directly involved in decision-making. The success of this approach has been evident on various levels, especially that of safety and security. The community was involved in setting up a security service which has led to job creation, income, a safer environment for visitors and increased brand equity (UNWTO, 2003: 252). Increased brand equity is also a function of the image and reputation that a company has. Similar to CSR, RTM can improve the image and reputation of a destination or tourism business.

- **Enhanced corporate image and reputation**

Brown *et al.*, (2006) and Szykman (2004) show conclusively in their research that companies who promote their socially responsible intentions enjoy a better corporate image in their target markets given that their stated objectives are achieved.

Reputation risk is seen to be very high in the tourism industry. This is attributed to the highly competitive nature of the industry, the strong influence of word-of-mouth promotion and that the purchased product often extends beyond the control and management of the tourism intermediary. Goodwin and Robson (2004) note that RTM is an important technique to minimise such risk.

Employees are a key factor in communicating company image and brand values. CSR, and by implication RTM, can improve staff morale, retention and productivity (Maignan, Hult & Ferrell, 1999).

- **Improved employee morale**

Fair wages and working conditions, training, support for local labour, and increased co-operation in the running of the business are instrumental in attracting and keeping good staff (ABTA *et al.*, 2002; Goodwin & Robson, 2004). Aside from attracting higher quality staff, employee productivity and service levels are maximised when employees identify with company's values and do not feel exploited (Maignan, Hult & Ferrell, 1999; Brown *et al.*, 2006). The Philippine and Bangladesh governments developed new regulations to pay fair living wages and adhere to international labour standards for marketing purposes. They see that compliance to these rules results in a source of national competitive advantage. It can be used as a marketing tool for enhancing their country's image through a positive country-of-origin effect (Amine, 2003).

Not all of the benefits of RTM are as intangible and difficult to measure as employee morale and company reputation. RTM can also lead to concrete economic benefits (Matthews & Shulman, 2002; Berglind & Nakata, 2005).

- **Price premiums**

Wheeler (1995) predicted that the age of the “mass tourist was numbered” and that the “golden age” of travel was on its way, where tourists would be willing to spend more for a quality product that resonated with their own values and expectations.

Tearfund's (2000) study found that 59% of the respondents would be willing to pay more for their holiday if the money went towards guaranteeing good wages and working conditions for workers in the destination, was directly given to a local charity, or used to preserve the environment and reverse some of the negative environmental effects caused by tourists. The study interviewed 927 adults from a representative sample. The results show that between 1999 and 2001 the percentage of UK holidaymakers who indicated that they would be willing to pay more for a ethical holiday had increased by 7% (Tearfund, 2002). Not only had there been an increase in the amount tourists were willing to pay, but the proportion of respondents willing to pay a premium had also increased (compared to the earlier 2000 study).

These results are consistent with the findings from the annual ABTA survey which found 57% of respondents willing to pay up to 1% more for an ethical tourism product. The charitable nature of tourist is not the only motivation behind such behaviour. Findings by Tearfund (2001) indicate that tourists experience a ‘feel good’ emotion when they know that their visit is not negatively impacting the host environment. In other words, the paid premium constitutes an added benefit and value to the customer leading to increased satisfaction (Tearfund, 2001). These results confirm findings in the corporate sector, where CSR repeatedly has led to positive emotions and increased customer satisfaction.

It should be noted, however, that these figures are “aspirational”. The survey asks what consumers would be willing to pay and not what they actually did pay. The results show how consumers would like to behave and might differ from the actions taken when actually faced with the purchasing decision resulting in a situation of over-claim. Nonetheless, Goodwin and Francis (2003) point out that when consumers are provided with comparable holidays at similar prices, where one operator meets the ethical agenda and the other does not, it can be reasonably expected that tourists will exercise their preference for a holiday that meets their ethical consumption aspirations.

A further tangible economic benefit is brought about by operational cost savings.

- **Cost savings**

Numerous examples exist where cost savings have been realised due to a change of operations or choice of local suppliers. The on-site laundry business at Spier Leisure Wine Estate that was developed as an empowerment project, for example, has led to a 30% cost saving (UCTUI, 2006). Cost saving must be seen as a positive by-product of responsible

tourism management and not the primary objective. Often an upfront cost has to be incurred to put in place RTM policies, with benefits only being realised in the medium to long-term. However, to date all the pilot PPT projects are not costing any more than another product would and have further resulted in the various benefits listed previously (increase staff morale, community buy-in etc.) (Ashley & Haysom, 2006).

Credit financing and investment is a key factor for economic growth and development, especially in an emerging economy such as South Africa where numerous SMMEs lack the capital to expand their businesses (Ashley, 2006). RTM can be a tool to increase the appeal to investors.

- **Appeal to investors**

Wilderness Safaris and Spier Leisure Holdings are both clients of the IFC, the International Finance Corporation (a commercial arm of the World Bank) which places great value on ethical management when granting financing (Ashley *et al.*, 2005). The Development Bank of South Africa (DBSA) is mandated to contribute to delivery of basic services, promote economic growth through infrastructure development and build institutional financial, technical and knowledge capacity. Various tourism businesses have been more successful at garnering financing from the DBSA due to their responsible management practices (Sacco, 2004, as cited by Ashley & Haysom, 2006).

The previous benefits have been the positive results of RTM. Benefits can, however, also be achieved by avoiding certain outcomes, such as restrictive legislation.

- **Legislation**

Transformation in the tourism industry is necessary for a sustainable sector. The question is whether or not transformation is not more easily achieved by self-regulation rather than strict law enforcement (Swarbrooke & Horner, 2004: 242). The BEE agenda and the BEE Tourism Charter and Scorecard (2005) are voluntary charters at present. If the industry does not show an effort to adopt some of these principles the likelihood of stricter legislation will undoubtedly increase. Swarbrooke and Horner (2004: 246) find that governments around the world are under significant pressure from NGOs, unions, and the general public to regulate the business sector. This pressure intensifies as bad practices are uncovered. According to Ashley *et al.* (2005), leading business people in the tourism sector are calling for action in order to "keep regulation at bay". The process of self-regulation has various benefits. Firstly, government legislation is not as flexible or as innovative as private action, it has to cater for the lowest common denominator and once the set targets are reached, there is no incentive to further change, thereby stumping real transformation. Moreover, legislation usually affects the smaller companies much more than larger organisations. This was evident in the financial services sector where numerous small businesses were eliminated when companies needed larger-scale empowerment deals to meet the industry charter and BEE scorecard. The tourism industry is comprised of many SMMEs who would suffer from such restrictive legislation.

It can be argued, also, that in the case where self-regulation is not taking place or transformation is too slow, government needs to intervene. From a company perspective it makes commercial sense to demonstrate a willingness to change and not be forced to so by laws and regulations (Ashley & Haysom, 2006).

Another benefit that RTM can bring to the bottom line is through increased exposure and publicity.

- **Industry awards and recognition**

Awards such as the Responsible Tourism Awards (RTAs) and the South African equivalent, the Imvelo awards, help promote and market tourism offerings. This industry recognition of RTM results in positive WOM marketing, advertising and free publicity (Frey, 2007: 325).

- **Word-of-mouth marketing and media coverage**

Tourists who have had a unique destination experience, interacted with locals and felt that their visit contributed positively to the local environment are more likely to spread positive WOM and return for another visit (Trauer & Ryan, 2005). Given that responsible management increasingly has become part of the current business discourse, organisations that manage tourism in a sustainable manner have become newsworthy, receiving free positive publicity as a result. Spier Leisure Holdings for example, estimates that their FTTSA certification has led to over 52 mentions in print between 2003 and the end of 2004. The estimated value of this coverage was over R 300 000 (Ashley *et al.*, 2005).

- **Customer Loyalty**

The literature suggests that there is a dearth of consumer loyalty in the travel industry. The research conducted by Tearfund (2000) and Goodwin and Robson (2004) found that a responsible and ethical approach to tourism management could lead to increased loyalty and repeat visits. Ashley *et al.* (2001) point out that tourists often appreciate the effects brought about by responsible tourism initiatives only after they have experienced it. This directly influences subsequent destination and tour operator choices, a finding that is supported by the Tearfund (2000) study. Customer value increases the longer a customer remains with a company because relative acquisition and marketing costs diminish over time (Cravens, 2000: 215; Lynch, 2000: 164; Kotler, 2000: 26, 36). Loyal customers are also more likely to spread positive word-of-mouth reports, thereby promoting the company to other potential customers. Customer referrals have become increasingly important as they represent a highly credible source of information. Marketers should try and stimulate this kind of network marketing, a process that is also known as "buzz marketing" in order to benefit from this form of free promotion (Verlegh *et al.*, 2004 ;Kotler & Keller, 2006: 150).

WOM and PR can have both positive and negative effects on the brand depending on what is being reported on and how a situation is handled. An important feature of CSR and RTM is the ability to manage potential risk.

- **Improved risk management**

Implementation of RTM helps companies to identify problems at an early stage ensuring that appropriate response strategies can be developed (Swarbrooke & Horner, 2004: 246). There are three main areas of vulnerability for tourism companies in particular:

1. risk of local opposition,
2. damage to the local products (wildlife, tranquillity, natural environment), and
3. global criticism.

Patrick Shorten, the managing director of Sabi Sabi, a private game reserve in South Africa, actively involved the community in various business projects. Sabi Sabi's philosophy rests on the belief that a wildlife sanctuary will only be able to survive economic and social pressures if an opportunity for employment, earning of foreign currency, paying taxes and promotion of sustainable tourism is provided (Groenewald, 2004: 84, as cited by Ashley & Haysom, 2006).

Less dependence on natural resources also ensures that the sustainability of the business is ensured even if resources decrease. Developing positive community support has shown to stand the company in good stead when adverse situations occur. Pick 'n Pay general manager for corporate marketing, Tessa Chamberlain (2006), stated that even though the company had never tried to measure the worth of their CSR directly the fact that they had such a strong community support helped them through the poison crisis in 2003 (Swarbrooke & Horner, 2004: 246; UCTUI, 2006).

- **Product development**

Finally, South Africa's tourism portfolio can be diversified by broadening its stakeholders. Local crafts, festivals, skills and resources for example can be developed to increase the product offering. Partnerships with local entrepreneurs often lead to unique and innovative products. According to research by ABTA *et al.* (2002) RTM adds value through product differentiation and increased quality, as well as preventing the degradation of the very base of the tourism experience, namely the cultural and natural heritage of a destination (Ashley, 2006). A further benefit of offering experiences as opposed to once-off events, is the complementary nature of activities. A traditional golf tourist will for example not only visit a few golf estates but also engage in a culinary excursion of the surrounding area and visit a local market (Spenceley *et al.*, 2002; Goodwin & Robson, 2004; Dube, 2006). The challenge of such product development lies in involving smaller businesses and local entrepreneurs, whilst maintaining high quality standards (Szykman, 2004). Training and mentoring by larger, more established tourism businesses is therefore imperative to advance this social agenda. Tentative results show that if managed correctly equal or even superior quality is achieved and cost saving can occur (Ashley *et al.*, 2005).

The three main forces driving RTM, namely global pressure, consumer demand and business benefits, have been discussed. The following section will now examine global and local initiatives aimed at promoting RTM.

2.3.7 Initiatives to promote responsible tourism management

One of the challenges that RTM faces, is to what extent it can be legally enforced given its widespread potential for positive impact? Tourism is a highly diverse global sector and is interrelated with a multitude of other industries (for example transport, building, etc.). It is because of this high level of diversity that universal mandating of RTM is virtually impossible to develop or implement. Numerous national and international initiatives have, however, been launched to encourage the spread and adoption of responsible tourism management.

- **Global Code of Ethics in Tourism**

In 1999 the UN-WTO developed a voluntary Global Code of Ethics for Tourism to address the fragmented issue of ethical and responsible management in tourism. The code provides a framework to "promote responsible, sustainable and universally accessible tourism" (UN-WTO, 2007). It emphasises that in order to reach the objective of developing a sustainable industry, all stakeholders would have to participate, be they individual tourism providers, governments or the tourists themselves. Given that each country has different laws and regulations the code shown in Figure 2.5 was developed to provide guidelines and standards which the industry voluntarily can adopt.

The Global Code of Ethics for Tourism

The Global Code of Ethics for Tourism sets out a frame of reference for the responsible and sustainable development of world tourism. It draws inspiration from many similar declarations and industry codes that have come before and it adds new thinking that reflects our changing society at the beginning of the 21st century.

With international tourism forecast to nearly triple in volume over the next 20 years, members of the World Tourism Organisation believe that the Global Code of Ethics for Tourism is needed to help minimise the negative impacts of tourism on the environment and on cultural heritage while maximizing the benefits for residents of tourism destinations.

The Global Code of Ethics for Tourism is intended to be a living document. Read it. Circulate it widely. Participate in its implementation. Only with your cooperation can we safeguard the future of the tourism industry and expand the sector's contribution to economic prosperity, peace and understanding among all the nations of the world."

Francesco Frangialli, Secretary-General of the World Tourism Organization

Source: www.world-tourism.org

Figure 2.5: The Global Code of Ethics

- **Global Reporting Initiative (GRI)**

The GRI's vision is to make reporting on economic, environmental and social performance as routine a procedure for businesses, as currently financial reporting. The GRI is a global initiative hoping to increase transparency and accountability between the private and public sector, civil society and investors (GRI, 2006).

- **Tour Operator's Initiative (TOI)**

In a show of support for sustainable tourism development, international tour operators developed the TOI in order to promote and create an awareness of the need for CSR in the tourism sector (Meyer, 2003). This initiative is supported by the UN-WTO, United Nations

Environment Programme (UNEP) and the United Nations Educational and Scientific and Cultural Organisation (UNESCO). It provides indicators to measure the level of responsibility of global tourism suppliers (FTTSA, 2005).

- **Sustainable Tourism Initiative (STI)**

STI is comprised of 40 organisations that are involved with outbound tourism from the UK. The initiative was founded by the Foreign and Commonwealth Office in 2001 and aims to collaborate the promotion of sustainable tourism practices. The objective is to provide an enjoyable tourism offering to visitors, improve the quality of life and working opportunities for neighbouring communities, safeguard the environment and improve communication and education of tourists and the impacts tourism can have on a destination (Bachleitner & Zins, 1999; Meyer, 2003).

- **The Responsible Tourism Press Initiative (RTPI)**

RTPI is a dedicated media service that aims to provide tourism enterprises engaging in sustainable management with a unified voice, promoting and marketing them at the same time. It communicates what organisations are doing with regards to social, cultural, ecological and environmental responsibility and provides a networking opportunity for such organisations to start complementing each other and realise potential synergies (Swarbrooke & Horner, 2004: 247).

- **Green Globe**

On a more environmental front one of the better known international organisations in terms of environmental management systems is Green Globe, launched by the World Travel and Tourism Council (WTTC) in 1994. Green Globe 21 Certification was established independently of the WTTC and is concerned with verifying environmental standards of tourism companies and destinations (Pender & Sharpley, 2005: 228).

- **Sustainable Tourism Eco-certification Programme (STEP)**

The US organisation, Sustainable Tourism Eco-certification Programme (STEP), focuses on enhancing tourism providers' triple bottom line. STEP helps businesses achieve economic profitability, respect for the environment and social responsibility. This approach benefits consumers, resource managers, host communities and the tourism providers themselves (STI, 2005). STEP provides guidelines and an accreditation system to their members. They propose that the benefits of eco-certification include enhanced quality of the tourism product, improved profitability through better resource management and a broader market appeal with nearly 36% of the US travel market estimated to belong to the sustainable tourism market (STI, 2005).

These are just some of the many international programmes, organisations and initiatives that have been developed to promote RTM. In South Africa, the past few years have seen the emergence of numerous policies and organisations aimed at using RTM to address a plethora of socio-economic challenges facing South Africa. These include predominantly the high levels of unemployment, poverty and inequality.

- **Responsible Tourism Manual for South Africa (RTMSA)**

South Africa has been a global leader in promoting RTM. National policy states that tourism development should be 'government led, private sector-driven, community-based and labour conscious' (Spenceley *et al.*, 2002). The approach implies that a broad spectrum of people must collaborate to ensure a sustainable tourism industry. The RTMSA was presented by DEAT at a 2002 conference on Responsible Tourism in Cape Town. Based on the manual a responsible tourism handbook was developed, which summarised the key points of RTMSA. The handbook was widely distributed in both hardcopy and Pdf format. The RTMSA provides advice to tourism businesses on how they can manage their operations more responsibly and recognises that companies are mostly profit-driven. Consequently the recommendations show how management practices can be adapted so that a company's operations remain profitable, whilst taking social and environmental considerations into account (Spenceley *et al.*, 2002). Despite the fact that the maunula, guidelines and handbook are very comprehensive and practical evidence of broad-based adoption in the South African tourism industyr is lacking. The policy documents are often cited as being pgressive, however, actual delivery and behaviour change has not taken place.

- **The BEE Tourism Charter and Scorecard**

Although the principles of responsible management might seem desirable at a macro-level, many companies are concerned that they will not benefit by implementing RTM. To encourage the transformation of the tourism industry, DEAT together with the Tourism Business Council of South Africa (TBCSA) drafted the Tourism BEE Charter and Scorecard in 2005 to advance the overall objectives of the Broad-based Black Economic Empowerment Act of 2003. This policy outlines the actions tourism organisations need to take in order to become BEE compliant (Tourism BEE Charter and Scorecard, 2005). The Charter looks at seven areas where organisations can 'score' BEE points namely, ownership, strategic representation, employment equity, skills development, preferential procurement, enterprise development and social development and industry specific indicators. The four main areas are as follow.

1. *Empowerment.* In order for more South Africans to meaningfully participate in the tourism industry the sector as a whole needs to grow and a larger proportion of South Africans need to gain access to direct ownership and control of tourism enterprises. Sharing risks and profits will ultimately lead to true empowerment (ownership and strategic representation).

2. *Human resource development.* Inner transformation will take place by accelerating the skills development of black employees in tourism businesses (employment equity and skills development).

3. *Indirect empowerment.* The creation of procurement partnerships in communities and in broad-based BEE companies will increase the business opportunities of these enterprises. Tourism organisations are to be recognised for their efforts to support entrepreneurs and local small, medium and micro enterprises (SMMEs) by purchasing from them, creating market

access and helping to increase operational and financial capacity (preferential procurement and enterprise development).

4. *Social development.* Companies that contribute to the education, health and other relevant social development issues in the environments they operate are rewarded for their efforts by the Charter (social development and industry specific indicators) (Tourism BEE Charter and Scorecard, 2005).

It should be noted that the BEE Charter and Scorecard (2005) in tourism as well as other sectors focuses predominantly on aspects linked to CSR. All points allocated for activities outside of 'ownership' such as 'employment equity', 'skills development' and 'preferential procurement' can be classified as CSR. The South African government seems to have taken a pro-active stance in stimulating RTM adoption. The question remains to what degree the tourism industry has reacted to these policy recommendations. This research aims to examine the level of understanding and support for key government initiatives including the RTMSA and the BEE Tourism Charter and Scorecard (Rumney, 2006).

- **Fair Trade in Tourism South Africa (FTTSA)**

Fair Trade in Tourism South Africa (FTTSA) is a non-profit marketing initiative that attempts to promote and publicise fair and responsible business practices by South African tourism establishments. FTTSA has developed a set of stringent criteria to measure the responsible management of tourism companies. If companies meet these benchmarks they are awarded the FTTSA trademark. This independent symbol of fairness in the tourism industry serves as a signal to potential tourists and investors regarding the fair operations of the business. The FTTSA trademark has led to positive publicity, product differentiation and improved consumer attitude for the respective organisations. Companies wishing to be awarded the FTTSA trademark have to meet the following criteria:



Figure 2.6: FTTSA trademark

Fair wages and working conditions, fair operations, purchasing and distribution of benefits: All participants involved in the tourism business should receive an equitable share of the benefits in direct proportion to their contribution in the business. Moreover, stakeholders should be able to participate in tourism development decisions that affect their lives.

Ethical business practices: Products and services delivered to tourists must be of a consistent high quality. Furthermore, business practices must be transparent allowing access to distribution of ownership, benefits and profits.

Respect for human rights, culture and the environment: The working conditions must be safe, devoid of gender bias, not exploit the young, provide for HIV/AIDS awareness and safeguard the natural environment. Businesses should strive for sustainable development by increasing knowledge through broader stakeholder participation, reduce leakages by procuring and employing locally and support HDI entrepreneurs (FTTSA, 2005).

- **Tourism Enterprise Programme (TEP)**

TEP is a joint initiative by DEAT and Business Trust to encourage the growth and development of SMMEs within the tourism sector. It is a government policy vehicle designed to bring about the Tourism Action Plan (TAP). TEP provides marketing support for events, assists SMMEs in business plan development, supports training, facilitates in licensing and certification procedures and assists in the tendering process for these businesses to become suppliers (TEP, 2006).

- **Tourism, Hospitality and Sport Education Authority (THETA)**

THETA is the Sector Education and Training Authority for the tourism, hospitality and sports sectors. THETA aims to raise the standards of skills in this sector and provide guidelines to ensure quality and appropriateness by enabling training for skills that are most required by employers in the tourism sector (THETA, 2006).

- **Tourism Public Private Partnerships (PPP)**

In 2004, the National Treasury produced a practical guide to facilitate the formation of partnerships between private enterprises and governmental agencies in the area of nature tourism (for example private investors collaborating with national parks). Such partnerships have led to job creation and subsequent poverty alleviation and economic growth. The Kruger Park National Park (KPNP) partnership provides an example of a successful PPP (DEAT, 2004).

- **Heritage Programme**

The Heritage Environmental Ratings Programme launched a responsible tourism guide in 2002. Members are recognised and encouraged for their environmentally conscious business practices (DEAT, 2002).

- **Responsible Tourism Guidelines for Cape Town Tourism**

CTT together with Ishabi, a South African tourism consulting and branding firm, is currently in the process of developing a set of responsible tourism guidelines for the tourism industry, as well as a comprehensive code of conduct for tourists (Ishabi, 2007). This is a pro-active step to ensure that Cape Town becomes a leading destination in the global market place where ethical codes of conduct are not only becoming desirable, but increasingly imperative. According to CTT this has also been done to address the perception that the Responsible

Tourism Guidelines are complicated and the FTTSA criteria are impossible and unnecessary to achieve (du Toit-Helmbold, 2007, d'Oliveira, 2007). The CTT guidelines are three simple recommendations aimed at motivating the industry to move from a positive attitude towards RTM to action.

The initiatives and policies described here present just a portion of what has been developed in the last years. One of the problems with strategies and policies is the connection between development and implementation. A strategy and policy is only effective if it is implemented, evaluated and constantly improved upon. Evidence thus far would suggest that despite their being a plethora of programmes, fundamental changes in management are few and far between.

2.3.8 Implementation of RTM

A survey of hotels in South Africa in 2005 revealed that out of the 60 respondents:

- 15 had the FTTSA trademark or Heritage rating
- 72% had a responsible tourism policy
- 78% adhered to some of DEAT's responsible tourism guidelines and
- Seven hotels indicated that they employed some of the guidelines despite not being aware of them.

These findings indicate that there is a level of confusion and lack of cohesion in the market as to the role of CSR in tourism. Most hotels were found not to market their responsible management practices. There is an opportunity for the hospitality sector to communicate their fair trade practices, given the increased demand for a responsible tourism offering by key source markets, such as the UK (Grant Thornton, 2006).

The fundamental arguments for RTM, as well as the support structures that are in place to assist the tourism sector to implement such practices, have thus been discussed. The next step is to look more closely at the practical implications of RTM.

Practical implications of managing tourism responsibly

Fundamental to the discussion on RTM is the shift from a shareholder to a stakeholder approach. The underlying prerequisite for successful implementation of responsible tourism management is a paradigm shift away from focusing solely on shareholder benefits. Employees, governments, surrounding communities, activism groups, companies and any other organisations affected by tourism development should be considered in decision-making and benefit-sharing, to ensure long-term, sustainable growth (Aramberri & Butler, 2005: 14).

The shift from a shareholder to stakeholder approach

Maignan and Ferrell (2004) developed a framework to test the effect of stakeholder norms on CSR activities. They postulated that benefiting society as a whole, the underlying goal of CSR to that point, is much too broad an objective and that CSR should focus more on benefiting

the stakeholders of businesses. Stakeholders are defined as "individuals or groups who influence or are influenced by a corporation's activities" (Carkson, 1995 as cited by Maignan, Ferrell & Hult, 1999; Ehlers & Lazenby, 2004: 3). Stakeholders can be divided into two categories:

1. **Primary stakeholders** are both directly and indirectly involved with the business, for example: managers, investors, customers and employees.
2. **Secondary stakeholders** operate more on the boundaries and would include government groups, the media and publics (Maignan & Ferrell, 2004).

Primary and secondary stakeholder memberships are highly dependent on both the organisation and the industry. In tourism, a host of government offices have important roles to play and often constitute primary stakeholders, whereas government is usually considered a secondary stakeholder in other contexts. Wheeler's 1993 study found that for the local government tourism marketers in the UK, "the city council itself, the city council department chiefs and councillors, their customers (hosts and guests), and professional bodies" were perceived primary stakeholders. Secondary stakeholders included central government, national tourism boards, local businesses, and the environment.

The role of government as one of the stakeholders is undoubtedly important regarding issues of service delivery: public transport, supportive legislation, entrepreneurial development and resource management (Ashley, 2006). In Finland for example, the government funded a programme through the Finnish Tourism Board for eco-audits that focuses on tourism operations. As a result of this process, the ten companies involved reduced their disposable products, produced less waste and decreased consumption of raw materials, water and electricity (Pender & Sharpley, 2005: 197). Pender and Sharpley (2005: 197), however, argue that ultimately the implementation of sustainability programmes depends on private capital, which may have diverse and conflicting goals. This means that the private sector needs to be encouraged and convinced of the strategic advantages that can be realised by implementing sustainable business practices (Mitchell, 2002 as cited by Armine, 2003).

The argument for stakeholder as opposed to mere shareholder involvement in tourism revolves around the fact that the impact of tourism does not only affect shareholders, who are usually profit driven, but also the environmental, social and economic surroundings. Objectives of stakeholders might consequently differ vastly. A nature conservationist, for example, will have different objectives than a hotel owner when it comes to tourism development (King, McVey & Simmons, 2000; Pender & Sharpley, 2005: 121). Co-operation between the various parties is essential to ensure a sustainable tourism industry.

It has been argued that a stakeholder approach contravenes traditional free market thinking, whereby government intervention is kept at a minimum. Several researchers have provided a counter argument by stating that the free market system has to a large degree failed to deliver environmentally and socially sustainable economic activity (Robson & Robson, 1995; Boehm & Itzhaky, 2004; Desmond & Crane, 2004). Stakeholder theory, therefore, postulates that in

the face of current inequality, poverty and high unemployment some form of intervention is necessary (Pender & Sharpley, 2005: 121). This is especially true in emerging markets where social development and support structures are still very young, necessitating strong leadership and controlled intervention by government.

Increasing local linkages is an important tool in attaining some of the benefits that have been discussed in this chapter. The following section examines four types of local linkages.

Increase local linkages

Potential economic benefits from tourism to host countries are considerably compromised by economic leakages (Tearfund, 2001; Goodwin & Francis, 2003; Ashley & Haysom, 2006, George, 2007: 292). Local linkages and partnerships aim to reduce these leakages, increase the multiplier effect and thereby retain any locally generated tourism income. Companies can reduce such economic leakages by developing and procuring local products and entering into partnerships with local businesses. The benefits that are realised in this way include winning local recognition, community support for tourism development, enhanced staff morale, greater customer satisfaction, stronger branding, points on the BEE Tourism Charter and Scorecard (2005), and economic cost savings (Goodwin & Francis, 2003; Ashley *et al.*, 2005). Businesses for example, can commit to buying produce from the local community or allow the community to co-invest in new tourism developments. Such linkages instil communities with goodwill and provide an incentive to see tourism grow and prosper, resulting in SMME growth and job opportunities (Frey, 2007: 330).

Ryan (2002), King, McVey and Simmons (2000) found that local involvement is considered to be a necessary variable for the success of tourism development. Boehm and Itzhaky (2004) likewise state that the inclusion of professionals from the community, who are familiar with local culture, is essential for an effective tourism marketing campaign (Goeldner, Ritchie & McIntosh, 2000: 553). Hunter and Green (1997) conclude that the underlying concept of community involvement in tourism is becoming the focus point of the debate around sustainability.

Local linkages can be seen to lead to mutually beneficial relationships between the tourism business and local communities. There are four main types of linkages that can be formed.

Procurement from local enterprises: Instead of using large suppliers companies can purchase the goods and services they need from smaller local businesses. Established organisations can help in training and mentoring smaller businesses so that the required quality standards are met. By establishing a local industry that supports tourism, other local businesses can also benefit from the infrastructure that is being developed leading to overall economic growth and understanding of tourism (Pender & Sharpley, 2005: 200).

Local employment and wages: Remuneration in the tourism industry has a reputation for being very low. Income from direct employment in the tourism sector is one of the main sources of economic benefit for the local community. Companies should ensure that they pay

their staff a competitive living wage. This income is likely to be spent directly in the community, leading to a multiplier effect and overall upliftment and growth. In addition, it is important that companies commit to training and upskilling. If skill levels are increased, new business opportunities and the expansion of the local economy (tourism-based or otherwise) will result.

Local cultural and heritage products: South African Tourism's (SAT) research indicates that South African cultural products are in demand by international tourists. Eighty-five percent of Americans, 77% of Europeans and 60% of Asians show interest in exploring South Africa's local heritage (Ashley *et al.*, 2005). Companies can collaborate with communities to see how opportunities stemming from South Africa's cultural diversity can be unlocked. Organising excursions to archaeological sites, supporting a local festival or developing local culinary experiences can all be used to make a tourism offering unique and provide guests with authentic experiences.

Building local partnerships: Local partnerships differ from stakeholder participation in that usually partners share benefits *and* risks. These kinds of partnerships ensure that there is a personal incentive to see the business grow and prosper (Ashley *et al.*, 2005). Haysom (as cited by McGowan, 2006) concurs that forming local business linkages shows commitment towards building the local economy, whilst at the same time bringing numerous and varied long-term benefits to the individual businesses. Management decisions include strengthening backward economic linkages to reduce leakages, enhancing collaboration and partnerships with communities, the private and public sector, using the informal sector as suppliers and partners, and generating a destination competitive enough to attract the correct market (Pender & Sharpley, 2005: 198; Ashley, 2006).

Despite the logical argument for CSR in tourism, the concept of development and growth seems to fundamentally contravene efforts to preserve social and natural environments. There is an inherent paradox in promoting tourism responsibly as any form of growth will disturb the natural balance of the environment.

2.3.9 The paradox of promoting responsible tourism

Tourism uses large amounts of energy and produces carbon emissions by transporting people from one side of the globe to the other (Kunstler, 2005: 50). The more tourism grows, especially in emerging markets, the higher the volume of travellers to thus far 'untouched' destinations will be (Ryan, 2002; Böhler, Grischkat, Haustein & Hunecke, 2006). The drive in many countries, including South Africa, to promote domestic tourism addresses this paradox and is likely to be a far more important source of revenue in the future, as non-renewable energy resources decrease and their prices rise. Having said this, it is nonetheless important to present an argument for the sustainable consumption of tourism products, similarly to the relationship between sustainable living and sustainable production.

The growth of the tourism sector is both highly desirable and at the same time the source of many associated environmental, economic and social problems. Jacobs argues that the

tourism industry is faced with the mixing of two moralities: the one being that of the commercial institution, which aims to innovate and maximise profits and the second being the “guardian system that teaches of respect and honour” (Fennell, 2001). Tourism is thus a commercial activity, as well as an educational system. According to Wheeler (1995), the positive impacts of increased foreign exchange, job creation and input into the host nation’s economy, stand in contrast to the exploitation of natural resources and the danger of commercialising culture and eroding societal structures. This process erodes the very core of the tourism product, reducing authenticity and setting in motion a cycle of self-destruction (Mathieson & Wall, 1982: 96).

Host destinations are taking note of the impact of tourism and demanding retributive action. In the survey by Pérez and Nadal’s (2005) for example, the majority of respondents felt the responsibility for the destruction of the Balearic Islands’ local environment to lie with the tourism industry. Consequently residents believe that it is the tourist who must pay for any environmental damage (Pérez & Nadal, 2005).

A balance between sustainable tourism consumption and responsible management of tourism development is necessary. Some progress has been made with increased media emphasis on offsetting the carbon footprint and measuring the geographical footprint of not only travelling but general living (Martin & Jucker, 2005; Hunter & Shaw, 2007). For CSR initiatives in tourism to be successful they have to form part of the core business and be integrated throughout the supply and demand chain (Weeden, 2001). A stakeholder approach will ensure that a wide breadth of objectives are addressed, resulting in a more sustainable industry. This means that a systematic approach towards responsible management at all levels of operations has to be adopted. RTM cannot be effective in isolated departments but needs to be an industry and company- wide, long-term approach (Ashley *et al.*, 2001; Francis & Goodwin, 2003).

2.3.10 Summary

The tourism industry is an important economic driver in South Africa’s economy. Tourism provides both an opportunity for job creation and at the same time needs to address past inequalities and assist transformation. Global trends indicate that tourists’ preferences are changing. The consumption of mass products is making way for in-depth individual experiences that enhance self-actualisation and learning. At the same time pressure on governments to address climate change and emission rates is increasing, emphasising a new focus on protecting the natural and social environments. The tourism industry has to adapt to these trends in order to stay globally competitive. RTM provides a framework to profitably use sustainable business practises to achieve economic objectives. Research into the current perceptions of CSR and RTM in the tourism industry and its effect on business performance is necessary in order to develop support strategies that will advance such industry transformation.

The next section will examine the academic literature that pertains to the psychological influences on consumer behaviour. In order to understand what drives responsible tourism management behaviour a sound understanding of the role of values, attitudes and perceptions has to be developed.

2.4 Psychological influences on behaviour

This research aims to understand the current barriers towards RTM. In order to do this it is important to test the relationship between attitude and behaviour. Previous research has investigated the influence of values and attitudes on behaviour. Holt (1997), for example, interviewed 23 randomly selected adults from the telephone directory and found that lifestyles are an expression of individual personality traits, in other words behaviour is a result of certain values and attitudes. Carman (1977, as cited by Shim & Eastlick, 1998) likewise found a statistical relationship between personal values and behaviour in particular consumption patterns. Psychological constructs, including personality, values and attitude have consequently been shown to influence behaviour.

Pizam & Mansfeld (2000: 250) argue that a motive or value can be satisfied in many different ways, but that the way in which these are satisfied is a function of a person's attitude towards the various tools available to them (Mattila, 2004). Even though the link between the attitude object and the values might not always be logical, it is precisely this link that eventually drives behaviour. In the case of ethical or moral management, decision-makers' feelings and attitudes, and their actual behaviour might therefore differ (Weeden, 2002). Weeden (2000) finds in various psychological studies that a discrepancy exists between the conscience of the consumer and their actual purchasing behaviour. This is a phenomenon that is not unique to tourism. This lack of consistency can partly be explained by the fact that many differing motivations feed into the final purchasing or management decisions (Zaltman, 2003: 9). It is due to the interrelationship between values, attitudes, commitment and behaviour that a study examining RTM needs to consider all of these influences and their impact on management practices.

Values

Individuals learn to adapt their behaviour according to certain learned or created rules. Once such rules become established and a preferred way of conduct they turn into values which are the principles according to which we would like to behave. A value is an "enduring belief that a specific mode of conduct or end-state is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (Rokeach, 1973: 5, as cited by Shim & Eastlick, 1998). Values are responsible for the specific goals that individuals strive for and how they plan to reach these goals (Vinson, Scott & Lamont, 1977). Two sets of values can be identified. Values can either describe a preferred way of conduct, instrumental value, or a desirable end state, expressive value. Investing in staff training might represent an instrumental value, whereas being seen as a responsible tourism business is an example of a desired end state (Pizam & Mansfeld, 1999: 250).

Gilg, Barr and Ford (2006) note that the area of green or responsible consumerism is relatively new and that conclusive results regarding the role that values play are still lacking. However, related research examining environmental activism shows the important role that values play in determining behaviour. Schwartz (1994) examined the structures of social values and determined that there are essentially two value dimensions namely, the 'altruistic-egoistic' (or pro-social and pro-self) and the 'conservative – open to change' dimension. Individuals who engage in responsible consumption are more likely to be altruistic and open to change (Stern, 1995, as cited by Gilg, Barr & Ford, 2006, Schwartz, 1994, 2004). These findings confirm earlier research by Inglehart (1990, as cited by Gilg, Barr & Ford) who postulated that environmentally concerned individuals are more likely to hold non-material values. There is further evidence from a study by Karp (1996, as cited by Gilg, Barr & Ford, 2006) that individuals who engage in green consumer activities are more likely to hold altruistic values. The role that values play in determining behaviour is therefore highlighted. Moreover, values that are more social and non-materialistic seem to positively influence responsible behaviour (Gilg, Barr & Ford, 2006).

Gilg, Barr and Ford's (2006) research also finds that individuals who are less involved in sustainable purchasing behaviour, shared significantly less values with those who were more heavily involved. The cluster termed environmentalists was far less concerned with wealth and personal influence, placing a much higher value on creating an equilibrium between nature and human activity. Committed environmentalists believe that their individual actions can make a positive change, whereas non-environmentalists have very little faith in the effectiveness of their actions (Gilg, Barr & Ford, 2006). These findings show the important relationship between values and beliefs and subsequent behaviour. Personal values and the belief that RTM will be effective in enhancing positive impacts on the environment, society and the economy, will therefore be important determinants of RTM adoption and the ultimate behaviour of tourism businesses.

Gilg, Barr and Ford (2006) conclude that although these findings are significant because they show that there is a link between sustainable living and personal values, they also pose a challenge for policy makers as values are very difficult to change. Mukherji (2004: 60) concurs that influencing buying behaviour, or in this case, management practices, is far easier than changing lifestyles. Lifestyles and values are highly robust constructs formed over generations and imbedded in traditions, culture and society. How to influence behaviour and sustain this over a long period of time is one of the key challenges of social marketing (Mukherji, 2004: 60; Blythe, 2006:78).

RTM is based on the concept of increasing incentives for behaviour change rather than trying to change values or entire lifestyles. If incentives are high enough then the adoption of RTM will follow naturally. Such incentives could be represented by business benefits, including increased competitiveness, cost savings and government support. These incentives would then complement values and thus increase the likelihood of responsible management practices.

Blamey and Sutton (1999, as cited by Mukherji, 2004: 2) found five distinct values that influence understanding and promote adoption of desired behaviour. These are found in the answers to the following questions:

1. Functional/economic (what is there in it for me?)
2. Social (what do others say?)
3. Moral (social approval/disapproval)
4. Relational (what is fair?)
5. Emotional (what do I feel like doing?) (Mukherji, 2004: 2).

In order to answer these questions one has to consider two interrelated contexts that influence these values, namely the effect of the person's internal environment (mental make-up) and the person's external environment (Mukherji, 2004: 61). It is for this reason that both perceptions and attitudes towards RTM, as well as the effect of the external business environment, have to be included in a model to test the effect of RTM on performance.

The presence of a set of values that are more altruistic and non-materialistic, coupled with positive incentives should therefore lead to more sustainable management practices. Actual management behaviour is not only influenced by the feelings managers have towards RTM but also by their commitment to implement such change (Grenier & Meis, 1997; Hofmeyer & Rice, 2000: 55). Management intention is consequently an important construct in the relationship between psychological variables and actual behaviour.

Attitude and the effect on behaviour

Another psychological construct that influences behaviour is attitude. Attitude is classically described as a consistent favourable or unfavourable feeling, response towards, or evaluation of an object or class of objects (Allport, 1935, as cited by Pizam & Mansfeld, 1999: 104; Ajzen & Fishbein, 1980: 27, as cited by Allen, Machleit, Kleine & Notani, 2005). The choice of how to respond, be it in a purchasing or management situation, is influenced by attitude and perception (Pizam & Mansfeld, 1999: 105).

Development of responsible management intention

How companies behave and respond to their market environment is also known as market orientation (Jaworski & Kohli, 1993). In order to show that attitude effects behaviour, i.e. responsible management intention, which, in turn, has an effect on performance, it is imperative that this relationship be tested. Burgess and Nyajeka (2006) used scales developed by Rueckert (1992) to test this relationship. The following hypothesis was developed for this study:

H₁₀: Responsible management intention has a direct positive effect on business performance.

H_{10a}: Responsible management intention has a direct positive effect on financial performance.

H_{10b}: Responsible management intention has a direct positive effect on non-financial performance.

H_{10c}: Responsible management intention has a direct positive effect on organisational commitment.

Perception and the effect on behaviour

Perceptions and attitudes are interrelated concepts. According to Swarbrooke and Horner (2001: 436), perceptions are defined as the subjective interpretation by individuals of the data which is available to them. This results in their holding particular views of, and attitude towards, products, places or organisations. Perception is therefore the process by which an individual selects, organizes and interprets information to create a meaningful picture of the world (George, 2004: 149; Schiffman & Kanuk, 2004: 158). A key element of both definitions is that inputs are used to build mental images. Given the complexity of the human mind, different people will select different stimuli and create unique mental pictures accounting for the discrepancy of attitudes towards products or services given the same marketing message (Sirakaya & Woodside, 2005; Sánchez, Callarisa, Rodríguez & Moliner, 2006).

Perceptions are formed using two types of inputs, namely:

1. “**physical stimuli** from the outside world” such as print advertising, brochures and word-of-mouth advertising; and
2. [...] “**previous experiences**” individuals have had, which involve the mental processes of forming memories, stories, motives and learning (Kotler, Bowen & Makens, 1999: 196; Schiffman & Kanuk, 2004: 169; Allen *et al.*, 2005).

The psychologist, Jean Piaget (1970), as cited in Orams (1996) made a significant contribution to cognitive theory by suggesting that the human mind builds cognitive structures, using external stimuli to interpret, transform, and organise information. An individual and the environment are engaged in a continuous interaction, which leads to the creation of new perceptions and new knowledge. Change and adaptation are central to this theory. Perceptions are therefore highly ambiguous and often formed to satisfy a personal need or expectation (Kotler & Roberto, 1989; Schiffman & Kanuk, 2004: 176). This is why products can be nearly identical in terms of their composition yet consumers perceive the leading brand to be of superior quality.

The formation of a perception is consequently a highly individual process of stimuli selection, organisation and interpretation, resulting in a unique mental picture. Moreover, individuals act and react on the basis of their perceptions, not on the basis of objective reality (Schiffman & Kanuk, 2004: 158). It can therefore be argued that managers might be aware of the necessity for RTM but, because of certain perceptions (for example, high costs involved in implementing RTM practices), will not react in the desired manner (March & Woodside, 2005). Consequently, it is important to understand which factors are positively or negatively influencing perceptions towards RTM.

Sánchez *et al.* (2006) conducted qualitative and quantitative research to evaluate the relationship between value perception and tourist product satisfaction. Two focus groups and

402 personal interviews were carried out. The study data was analysed using structural equation modelling (SEM). The authors found that tourists do not behave in a purely rational manner. Sánchez *et al.* (2006) postulate that even though elements such as price and quality play a key role, affective components, especially social values have to also be considered. A similar study by Shim and Eastlick (1998) investigated the role that values play in the patronage of shopping malls. They used a stratified sampling method and achieved a final response from 730 households. The data was analysed using SEM and factor analysis. Shim and Eastlick (1998) found conclusively that individual attitudes towards shopping malls were a reliable predictor for shopping behaviour. Behaviour is thus shown to be influenced by reference groups, attitude, cultural values and how society will judge the holiday experience (Sirakaya & Woodside, 2005). Sánchez *et al.* (2006) suggest that it is important to address these intangible influences on decision-making in order to influence consumer behaviour. Consumer and global pressure is increasingly becoming more evident when it comes to sustainable management. These psychological factors are consequently important when evaluating what variables affect RTM adoption.

Stimuli selection

Perceptions are formed by the selection and interpretation of stimuli. Interpretation of stimuli is a determinant of what kind of picture will be created in the individual's mind. By definition, sensations or stimuli enter via the five senses; touch, taste, smell, sight and hearing (Schiffman & Kanuk, 2004: 159; Sirakaya & Woodside, 2005). Within an environment where consumers are confronted on average with 1,500 adverts or brand communications a day, the human brain has developed methods that filter stimuli, leading to a selection of only a few relevant sensations (Schiffman & Kanuk, 2004: 159; Meekers *et al.*, 2005). People, therefore, often transform information to fit in with existing beliefs and attitudes (Zaltman, 2003: 70). This process explains why individuals who have grown up with an attitude towards helping their community, for example, are more open towards adopting responsible management practices (Shim & Eastlick, 1998; Yaman & Gurel, 2006). Culture and personal values might thus be moderating the relationship between management attitude and RTM intention and should be included in the model.

Perceptual defence

Research has found that individuals will change information subconsciously so that it fits in with their personal values and existing picture of the world and also complement their self-image. In others words, people will see what they want to see and will screen out stimuli that they find psychologically threatening, a process also called perceptual defence (Kotler & Roberto, 1989: 19; Zaltman, 2003: 38). Zaltman (2003) warns that when conducting research, one needs to realise that the conscious experience of emotion is only a very small part of what guides thought and behaviour. Most cognitive functions are influenced by the subconscious and occur without the individual's awareness. The challenge marketers face in trying to influence attitude and perceptions, an often subconscious process, thus becomes evident (Zaltman, 2003: 38).

These preconceived ideas of how something should be are also referred to as expectations or stereotypes (Schiffman & Kanuk, 2004: 177). In terms of RTM, past experiences and preconceived ideas might well influence how new information is interpreted. Corruption in connection with CSR and a perceived lack of government leadership could contribute to the negative perception of any new initiative to promote RTM.

Selective attention

The filtering system explains why not all stimuli are selected to create a mental picture. The next question to ask is, which stimuli do get chosen and why? Consumers have become so accustomed to multitude of stimuli and marketing efforts that many of them no longer make an impact. The challenge for marketers is to be noticed by their target markets (Zaltman, 2003: 1680). According to Godin (2002: 20) advertising campaigns can be creative and stimulating but in the long-run the consumer will tire of the message and start to ignore it. True attention to marketing campaigns will only be achieved if the customer is motivated enough to go and seek it out himself (Kotler & Roberto, 2002: 53; Zaltman, 2003: 37).

The increased level of awareness regarding CSR, coupled with the constant pressure on the private and public sector to address the socio-economic challenges of South Africa might well be having the same block-out effect on managers. According to Schiffman and Kanuk (2004: 171) people tend to notice communication that offers a possible solution to their problems more readily than something they do not need. It is important to identify and understand the needs of decision-makers within the tourism industry so that strategies to affect a change in behaviour towards more responsible management practices will resonate and be effective. Once managers realise that a solution to their problem, or a benefit, is being offered, that specific stimuli will have a higher probability of being retained (Kotler & Roberto, 2002: 56; Schiffman & Kanuk, 2004: 135).

Summary

Values, commitment, attitude and perception have been shown to play an integral part in determining how individuals behave. It is important to test these variables in the conceptual model in order to discover what factors influence RTM adoption and tourism business performance.

2.5 Role of government

The review of the literature thus far has highlighted the need for responsible tourism practices, the demand thereof from the consumer market and the current reaction of the global tourism industry regarding these trends. Given that this thesis seeks to develop an understanding of what factors influence business managers and owners' perceptions of RTM and its effect on performance, it is important to look at the role of government in facilitating this behaviour change. This next section will briefly evaluate what factors are important to manage and bring about such transformation.

Role of government in tourism

Government traditionally has various roles to play. Davis *et al.* (1993, as cited in Pender & Sharpley, 2005: 218) categorise them in the following way:

1. Developer and producer
2. Protector and upholder
3. Regulator
4. Arbitrator and distributor
5. Organiser

Hall (1994, as cited by Pender & Sharpley, 2005: 196) sees government holding seven distinct responsibilities, many of which overlap with the former classification. Government is responsible for:

1. co-ordination;
2. planning;
3. legislation and regulation;
4. entrepreneurship;
5. providing stimulation;
6. social tourism; and
7. interest protections.

It is apparent from these various roles that government should be involved in promoting and facilitating RTM, as it aims to develop entrepreneurial prospects, protects the local natural and cultural environment, and creates new product and market opportunities

Tourism is generally regarded as a private sector activity. Government bodies at every level, from international to local and community tiers, however, have increasingly played a more active role in developing tourism and exploiting it as a tool to address more general socio-economic issues such as poverty and unemployment (Pender & Sharpley, 2005: 218; UN-WTO, 2005). Pender and Sharpley argue that for industry change to take place a collaborative effort between the tourism industry, government and the local community is necessary (2005: 228). This relates directly to the stakeholder approach discussed earlier. Government is tasked to safeguard the interests of the broader public and must refrain from

meeting only the needs of a select few (Pender & Sharpley, 2000: 228). Tourism policy decisions, therefore, need to be seen in the broader context of the government's general goals, one of these explicitly being BEE. RTM contributes to meeting the greater social and economic objectives of the South African government in terms of creating employment opportunities, transformation and increased local procurement. By implication the various areas outlined in the Tourism BEE Charter and Scorecard (2005) are also underscored by RTM. It follows that RTM adoption should be supported and facilitated by government.

One of the characteristics of tourism is its complexity and changing nature. As a result, tourism policy, and the role that government plays, has to be adapted continuously (Pender & Sharpley, 2005: 229). This has been evident in South Africa, where the different roles of national, provincial and local government with regard to tourism development and marketing have undergone significant change and are still in the process of establishing exact areas of responsibility (Firfirey, 2005; Mkefa, 2005). This has led to confusion, inefficiencies and lack of transparency between government bodies involved in tourism. Many involved in the tourism sector consequently regard government with scepticism. It is important that communication and co-operation between government bodies, the community and the private sector is encouraged in order to grow trust, thereby increasing the likelihood that strategies encouraging behaviour change will be adopted by the industry.

Another key feature of tourism planning and development globally has been the increased decentralisation of government involvement. Tourism is so specific to each region that it is more efficient and effective to have a localised approach (Pender & Sharpley, 2005: 230). There is consequently a strong argument for local government offices such as Cape Town Tourism (CTT), a recognised tourism organisation, to support and promote RTM.

In establishing a regulatory framework that is built around sustainability, Williams and Shaw (1998b) argue that a holistic approach is needed in which the actions and interests of all major stakeholders are combined, including appropriate levels of state. Pender and Sharpley (2005: 197) note that although government can support sustainability, ultimate large-scale change will only occur if the private sector adopts such policies. The difficulty arises in that private sector often faces diverse and conflicting goals (Pender & Sharpley, 2005: 197). A company's objective for instance might be to deliver world-class service. The government's objective, on the other hand, is to create employment opportunities. The training necessary to develop local skills presents a cost for the individual firm operating in a competitive environment. Government support is thus necessary to align the various objectives. Companies have to be encouraged and convinced of the strategic advantages that can be realised by implementing sustainable business practices. Pender and Sharpley (2005: 201) argue that the success of such positive change is largely dependent on the co-operation of the tourism industry and government bodies. If relationships between government, industry, and the local population in the destination are strong, then strategies can be developed which will maximise the overall development benefits to the destination.

There are various ways that government can support the tourism industry in adopting RTM. In a comprehensive report detailing how government can help increase the economic impacts of tourism, Ashley (2006) recommends the following:

Government support

- Government should facilitate market access for SMMEs, as well as provide networking opportunities between various suppliers and potential clients in order to encourage local procurement.
- Government can also help with quality standards and capacity constraints. One of the main challenges facing local procurement is the lack of economies of scale. Government can be instrumental in helping producers and clients sell and buy in bulk by creating wholesale associations and beneficial partnerships.
- Encouraging market demand can also be enhanced by government involvement. Tourists are more likely to purchase local goods and services if information and access is easily available.
- The lack of credit for smaller businesses is a further barrier to entry government can help overcome. Providing capital for smaller companies that lack a credit history and consequently cannot expand their operations could contribute significantly to the growth of the local economy.
- Finally, government can put in place mentoring and training opportunities such as Tourism Funding Programme for Small Businesses (DEAT, 2005), TEP and THETA. Skills are developed and more established businesses are able to pass on their knowledge and expertise to newer upcoming enterprises, helping them meet the high standard required to compete in the market

All stakeholders stand to benefit from such local linkages. Government profits by encouraging local economic growth, SMMEs can expand their markets, upgrade their product, and develop skills and local clients often realise cost savings due to the locality of their suppliers and a more distinctive product offering.

The important role that government has to play in bringing about transformation and facilitating RTM adoption has thus been outlined. Promoting RTM is unlike attempting to market a consumer good in that it involves convincing the target market of changing their behaviour in order to achieve a greater good for society, and by consequence also benefit themselves. The marketing of ideas and positive behaviour falls under the area of social marketing, which will be the focus of discussion in the next section.

2.6 Social marketing

Social marketing is defined as a strategy to change behaviour (Kotler & Roberto, 1989: 24). It utilises the best elements of the traditional marketing approaches and applies them to social change. Social marketing makes use of an integrated planning and action framework and uses advances in communication technology and marketing skills to influence positive behavioural change (Robinson, 1998; Rothschild, 1999; Andreasen, 2000). This change is aimed at leading to an improvement of the overall community and society well-being. Social marketing has addressed issues of improving health, preventing injuries, protecting the environment, or contributing to community development (Rothschild, 1999; Andreasen, 2000; Mukherji, 2004: 2).

Social marketing is based on the premise that companies and customers do not function in isolation but that there is a third component, namely society, which needs to be considered. The approach takes customer wants, the company's needs, consumers' long-run requirements, and society's long-run interests into consideration (King, McVey & Simmons, 2000).

In order to achieve these objectives social marketing campaigns try to influence their target markets in such a way that they:

1. accept new behaviour (for example, employ local staff);
2. reject potentially dangerous behaviour (for example, hazardous working conditions);
3. modify current behaviour (for example, try use smaller, local suppliers); or
4. abandon old behaviour (for example, overusing naturally sensitive areas) (Kotler, Roberto & Lee, 2002: 7).

The many social challenges, from health to global climate change have led to significant growth and attention being paid to social marketing in the last years (Kotler, Roberto & Lee, 2002: xi). Even though the underlying concept of social marketing has been present for many centuries, the actual term is relatively new.

2.6.1 History of social marketing

The marketing discipline has undergone significant change in the last decade. Four main development stages can be identified, namely the production, product, selling and the marketing approach. The production approach focused on producing high volumes of goods at the lowest possible prices. The product approach single-mindedly worked at producing higher quality products. This was followed by the sales approach once the high demand of goods had been satisfied. Competition between suppliers of products consequently increased and heralded a period where sales personnel focused on convincing consumers to buy certain products and services over those of their competitors. Finally, the marketing approach changed the focus from the product to the consumer and made the satisfaction of needs and

wants the central objective of the businesses (Rothschild, 1999; Andreasen, 2000; Kotler 2004: 19).

The societal marketing approach is an extension of the marketing approach and appreciates that the company, consumers and society do not exist in isolation of each other but interface on various levels. This interdependence is illustrated in Figure 2.6. Factors such as taking the environment and numerous stakeholders into account in decision-making are some of the key characteristics of the societal marketing concept (Wilhelmhurst, 1995: 166).

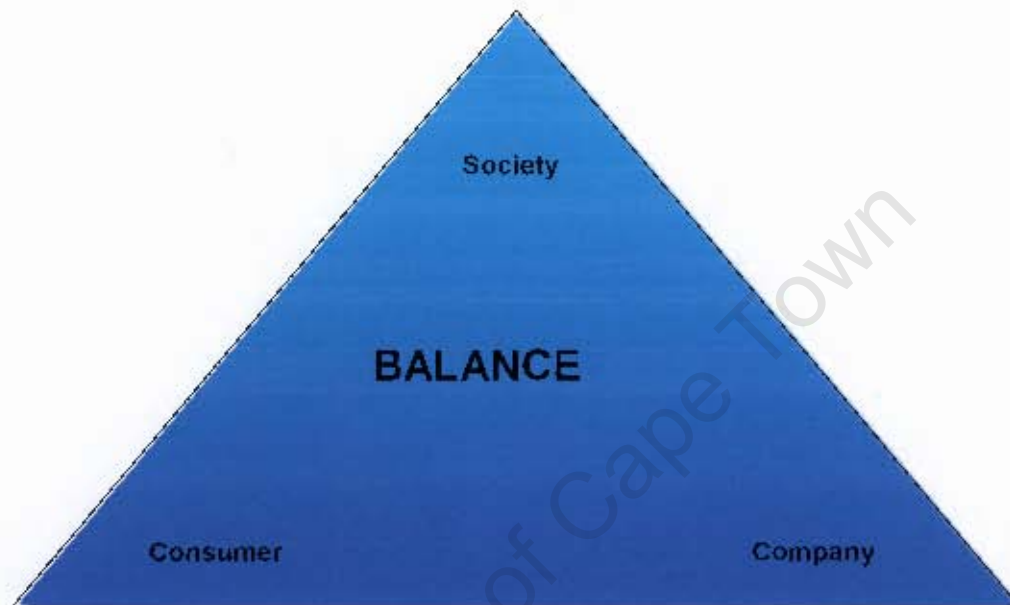


Figure 2.7: The societal marketing concept (George, 2004: 8)

While taking this interdependence into account King, McVey and Simmons (2000) argue that the philosophy of 'the customer is always right' needs to be re-evaluated. In their study of Niue and Vanuatu in the South Pacific, host communities were redefined as being key clients of the tourism development process, as it is their initial needs that gave rise to tourism development in the first place. The link between local aspirations, the demands of the 'market' and tour operators responsible for bringing tourists to the destination, shows how the societal marketing concept is applicable to responsible tourism development (King, McVey & Simmons, 2000; Boehm & Itzhaky, 2004).

The concept of social marketing is not new and originates in Ancient Greece and Rome where campaigns were launched for the freedom of slaves. As long as there have been social systems there has also been the attempt "to inform, persuade, influence, motivate; to gain acceptance for or new adherence to, certain sets of ideas; to promote causes and win over particular groups; to reinforce behaviour or change it - whether by favour, argument or force" (Mukherji, 2004: 135). In its current form, social marketing originated in the public healthcare sector (Rothschild, 1999; Kotler, Roberto & Lee, 2002: xi). One of the earliest publications in this field was by Manoff and Fine (1970). The specific term 'social marketing' was, however,

first used in 1971 by Kotler and Zaltman in a pioneering article featured in the *Journal of Marketing*, titled, *Social Marketing: An approach to planned social change* (Kotler & Zaltman, 1971). It described the positive use of the marketing discipline to not only sell products and services, but try and change behaviour, or advance a social cause. In the case of social marketing, it is no longer a commodity that is marketed; rather "ideas and behaviours are the 'product'" (Kotler & Roberto, 1989: 25; Robinson, 2000).

By the late 1980s and early 1990s social marketing approaches started to show significant growth in organisations, conferences and supporting bodies. In the 1980s the World Bank, World Health Organisation (WHO) and Centre for Disease Control and Prevention started to use the term and underlying principles to address public health problems. Academic programmes in social marketing followed in the 1990s and the subject area subsequently entered the academic field in more earnest (Kotler, Roberto & Lee, 2002: 9). The Social Marketing Institute (SMI) was formed to assist in social marketing campaigns and knowledge sharing.

Ethical and moral decision-making is often discussed or alluded to in the social marketing literature. A full discussion on ethics and morality lies outside the scope of this study. A brief look at the role of self-interest is, however, useful in placing the profit-maximising objectives of business into the context of social marketing goals.

2.6.2 The morality of self-interest

The literature on responsible and ethical tourism draws on the concept of morality. There seems to be a contradiction between pursuing business objectives such as profit maximisation and moral behaviour (Desmond & Crane, 2004; Fennell, 2001; Wheeler, 1995).

Desmond and Crane (2004) argue that social marketing needs to be discussed in the context of morality. According to Adam Smith (1793) if each individual pursues his self-interest, the greater good for all will eventually be achieved and moral conduct ensues. Acting out of self-interest is not to be confused with acting selfishly. A person can be willing to help another out of self-interest to lessen the degree of discomfort that he himself feels by seeing their plight, whereas the selfish person would be indifferent to it (Desmond & Crane, 2004). The Tearfund 2000 and 2001 studies and Weeden (2001) find that tourists are motivated to purchase more responsibly because it makes them 'feel good'. For example, Weeden's (2001) research highlights that some consumers of ethical holidays are motivated by factors other than altruism and mere feelings of obligation or guilt. In other words, consumers behave in a manner that will increase personal satisfaction. Organisations adhering to the marketing concept of meeting customer needs are therefore behaving in their own self-interest by supplying what is demanded by the market (Kotler, 2004: 19; Weeden 2001). Given that marketing is an adaptive mechanism, those businesses who serve the interest of the customer best serve their own interests by satisfying needs more effectively than the competition (Weeden, 2001). Tourists believe that they are receiving a better quality product, impacting less on the environment, travelling in smaller groups or experiencing a holiday off

the traditional 'beaten track' (Bachleitner & Zins, 1999; Weeden, 2001). Acting responsibly is, thus, not done primarily to help the other but to increase one's own satisfaction and bottom line.

Adam Smith attributed this behaviour of perusing pure self-interest to the fact that we live in a world of imperfect information and hence cannot take all factors into account when making a decision. It is consequently best to make decisions according to 'self-love' (Smith, 1793, as cited in Desmond & Crane, 2004). Even though this concept may seem to contradict the previous discussion, Kotler and Lee (2005: 54) show how these concepts from the discipline of Economics can be effectively applied to marketing theory via the social marketing concept.

Kotler and Lee (2005: 57) argue that the enlightened marketer attempts to satisfy the consumer and enhance his total well-being based on the theory that what is good in the long-run for consumers, is good for business in general. The key to sustainable business success lies in generating long-run customer welfare, which will lead to long-run profitability (Rothschild, 1999; Andreasen, 2000; Mukherji, 2004: 180).

Desmond and Crane (2004) further show that morality cannot be attached to an individual case but is a consequence of, and emerges from, the operation of the greater market place system. For example, in the short-term, the trader (the tourism principal), can cut costs by paying low wages and exploiting natural resources. In the long-term, however, he will ultimately suffer as the tourism product is no longer appealing (for example, exploited environments, unfriendly community and non-differentiated mass products) and consumers turn to alternatives. Employing responsible tourism practices is in the economic self-interest of the tourism industry. It is therefore economically justified for firms to behave morally (Kotler & Lee, 2005: 57, Desmond & Crane, 2004).

Adkins (2005: 71) and Adler (2006: 3) point out that this mutually beneficial situation is difficult to prove because of the false perception by businesses who believe that focusing primarily on satisfying customer needs within a social and moral framework is not profitable. Cognisance needs to be taken that in the end it is profitability and competitive advantage that will ultimately lead to success. Acting responsibly therefore is shown to serve the self-interest of the business, which in turn coincides with the underlying concept of RTM. A "win-win" situation for communities, investors and tourism businesses is created. False perceptions and uncertainty regarding the implementation of such changes lie at the heart of the resistance in the industry. It is important that negative perceptions are first analysed and consequently addressed so that effective change-strategies can be developed, resulting in more sustainable and responsible tourism industry.

How to influence positive behaviour change

According to Mukherji (2004: 71), in order for a social marketing campaign to succeed it is necessary that marketers:

1. understand all the perceived costs/barriers/competition to a product or idea;

2. understand all perceived costs/barriers/competition to the specific activities that precede the acceptance and adoption of the product or idea;
3. highlight the benefits; and
4. increase the benefits if possible.

The BEE Tourism Charter and Scorecard (2005) attempts to increase benefits by awarding BEE compliant companies tenders and preferential procurement. A social marketing strategy to promote the adoption of RTM will have to take into account the various factors that obstruct behaviour change as well as highlight the individual advantages that can accrue to businesses that adopt this management approach.

The impact of sustainable living, development and management is dependent on a relatively large portion of the population adopting such favourable behaviour. Broad-based change will not occur if only a few individuals or companies become exceptionally environmentally friendly. There needs to be a critical mass for true transformation to take place. Individual case studies (for example, Spier Leisure Holdings, Body Shop, Calabash Lodge and Tours) of sustainable development are imperative in terms of being role models for the broader business community. The key objective of a social marketing campaign, however, is to influence carefully selected groups of consumers and change collective behaviour (Mukherji, 2004: 136).

2.6.3 Differences between social marketing and commercial marketing

One of the primary differences between social and commercial marketing is that of objectives. In the commercial context, financial profit usually constitutes the driving force behind the marketing strategy with the main beneficiaries being the corporate shareholders. Social marketing, on the other hand, strives to increase societal well-being by selling a change in behaviour, thereby trying to benefit society as a whole (Rothschild, 1999; Kotler & Lee, 2005: 71; Brown, Helland & Smith, 2006). Kotler, Roberto and Lee (2002: 10) argue that in the 21st century companies are increasingly realising that economic benefits can be achieved by employing social marketing strategies. It can be argued that in an essentially capitalistic society the only systems that will survive are those that lead to economic profits. If social or individual gains can be aligned with profit generation, then all affected stakeholders stand to gain from the proposed development, commercial and non-commercial (Doane, 2005; Becker-Olsen, Cudmmore & Hill, 2006; Brown, Helland & Smith, 2006). If all stakeholders involved benefit, then the new adopted behaviour change will be maintained and is consequently sustainable. This is the reason why CRM and CSI are becoming more popular, and pure philanthropy has been declining in the last 15 years, dropping by 50% as a percentage of profits (UCTUI, 2006).

Another key difference between social and traditional marketing is how target markets are chosen. Given the profit-maximising objective of commercial companies, markets are chosen based on their ability to generate maximum profits. In the social marketing realm, target markets are chosen according to the acuteness and prevalence of the social problems (for

example, the high incidence of HIV/AIDS in South Africa has seen an increase in social marketing campaigns addressing safe sex practices). The two approaches share similarities, as both aim to achieve maximum change in behaviour in their chosen target markets, or to achieve the greatest possible return on invested resources (Kotler, Roberto & Lee, 2002: 10).

Competition of behaviour change

The fundamentals of influencing behaviour change are similar to those governing buying behaviour. Essentially the target market has to have access to information, so that it can determine whether engaging in the proposed behaviour change will lead to a preferred state over the status quo (Rothschild, 1999; Senecal, Kalczynski & Nantel, 2004; Mukherji, 2004. Mukherji (2004: 69) notes, that the availability of information may, however, not be enough for an individual to change as we live in a competitive environment. In a commercial marketing situation, competition is comprised of other companies, brands or products (Kotler, Roberto & Lee, 2002: 7). In social marketing competition presents itself as the disadvantages and perceived costs of having to change a mental framework, as well as specific actions. Barriers that impede the adoption of the proposed behaviour change are moreover activity specific. For example, the barriers to quit smoking are quite different to those of reducing waste (Mckenzie-Mohr & Smith, 2000). It is therefore imperative that social marketers only develop their strategies after the specific barriers are known. This thesis aims to provide information about what those factors are and how they influence RTM and business performance.

In the social marketing context, one often finds that the target market perceives non-action to be favourable over action. Consider HIV/AIDS campaigns promoting condom use or the Arrive Alive's campaign against speeding. People often think that the threatened consequences of inaction do not apply to them, for example getting infected with a deadly virus or dying in a car accident. The most frequent form of competition in social marketing campaigns is therefore often inertia and habit, as people have become too comfortable and accustomed to the status quo. Moreover, changing behaviour is most often voluntary and the results of adopting new behaviour are intangible in the short-term, unlike a commercial purchase (for example, benefits of a healthy lifestyle versus the ownership of a new car) (Rothschild, 1999). Change in behaviour will only occur if strong enough arguments for it can be made and clear steps on how to achieve objectives are outlined (Andreasen, 2000). The importance of increasing incentives in order to achieve socially optimal outcomes is again underlined.

Social marketing strategy

Social marketing to a large extent follows the set techniques that have been perfected by commercial marketing. The two concepts do, however, have different objectives. Commercial marketing aims to increase shareholder value, whereas social marketing focuses on meeting society's needs by improving the quality of life.

Commerce is based on the concept of exchange. Exchange can easily be understood in a commercial context of transferring goods and services for money. Mukherji (2004: 136) outlines how this concept can also apply to many other situations. For example, the

relationship between education and higher possible future income; a vote in return for lower taxes or immunisation for peace of mind that one's child is protected against a potential illness. The exchange of good health, improved living, future resources or a healthy environment for society in exchange for modified behaviour, constitutes the basis of exchange in social marketing (Andreasen, 2000; Mukherji, 2004: 136).

The concept of transaction and exchange therefore applies to social marketing as it does to commercial marketing. The main differences between the two philosophies are elaborated on in the following section.

Target market

In the marketing strategic planning process, two main stages can be identified. Firstly, a market that shares certain characteristics must be chosen. This is done by segmenting the market into homogenous groups. Members of a particular group each represent specific needs, desires, and interests regarding the desired changed behaviour that can clearly be differentiated from other segments (Boehm & Itzhaky, 2004; Mukherji, 2004: 2, 180).

The process of segmentation necessitates that target groups are carefully studied and understood in order to shape an optimal social marketing program (Mullins, Walker & Boyd, 2008: 177). It is necessary to understand what the current attitude and perceptions of these businesses are towards RTM in order to encourage the tourism industry to adopt responsible tourism practices. Such knowledge will assist in a more effective marketing message which will resonate with this particular group and lead to the desired behavioural change.

Due to the voluntary and somewhat abstract nature of social marketing, it is important that the target market is open and willing to change. Many campaigns have failed in the past because incorrect target audiences were selected (Robinson, 1998; Mukherji, 2004: 173). If the following characteristics are present in the chosen target market, the individuals are likely to be more open to adopting the proposed behaviour change:

1. Similarly to the customer-centred approach of commercial marketing, a need or a want has to present in the target market (Kotler & Keller, 2006: 5). The proposed new behaviour in other words, has to promise to satisfy a need or provide a solution to a problem. Tourism companies are struggling to adapt to the BEE Tourism Charter and Scorecard (2005) and consequently are seeking a solution to become BEE compliant in a manner that does not harm their bottom line. The tourism industry in South Africa, is therefore open to the underlying message of RTM.
2. The relevant information regarding the benefits and cost of the new, and alternative behaviour, needs to be made available in order to make an informed choice and compare alternatives (Sirakaya & Woodside, 2005). Information and awareness regarding the potential economical benefits of RTM: increased brand loyalty, differentiation and reduced operating costs, will increase the likelihood of behaviour change. Moreover, awareness of the cost of non-compliance in terms of stricter legislation and ultimately an erosion of the very resources the tourism industry depends on, will also contribute towards success.

The lack of responsible tourism prevalence and seeming resistance towards the BEE Tourism Charter and Scorecard (2005), would suggest that deep understanding of these issues is not present in the local industry (BEE Tourism conference, 2005). This might be a key barrier for RTM.

3. Similar to the evidence discussed earlier regarding green consumption, the target market needs to believe that they are able to perform the new behaviour and that this behaviour will result in the desired benefits (Yaman & Gurel, 2006).
4. If the target market is in some way already engaging, even to a small degree, or infrequently, in the desired behaviour, the probability of successful adoption increases. It is reasonable to assume that those organisations that have already implemented some form of RTM and experienced some major or minor benefits thereof will be more open towards adopting RTM (Rothschild, 1999; Kotler, Roberto & Lee, 2002: 53).

Once the target market has been chosen and evaluated the next step is to create a unique marketing mix that will resonate with the chosen target audience (Mullins, Walker & Boyd, 2008: 219). As in the commercial marketing case, the marketing mix in social marketing can be split into the four categories of product, price, distribution channels and promotional activity. Each one of these elements will be discussed briefly in the following section.

The marketing mix

The second stage in developing a social marketing strategy involves devising a marketing mix. Boehm and Itzhaky (2004) in their research into the effect of social marketing campaigns to change the silence of sexual assault in a rural community, point out that in the social marketing framework the same principles underlying the traditional four Ps of the marketing mix apply (Boehm & Itzhaky, 2004; Mukherji, 2004: 180). The four Ps, namely product, price, place (distribution channels) and promotions and how they apply to the social marketing context are described below.

Product: In social marketing, the product is intangible and consists of the adoption of a new idea or the discontinuing of old behaviour, for example, discouraging the use of non-local suppliers (SMI, 2007).

Price: The price can be monetary, for example the tourist might donate money to a school in a rural area. Tourists might also decide to purchase a volunteer tourism holiday package, whereby a price is paid to work in a nature reserve or community project (McGehee, 2002; Dowling, 2003). The cost could, however, also be measured in time and energy, as well as the confusion and resistance that is often experienced when change occurs, such as the time it would take to train a local community member to become a tour guide or the fear associated with adopting BEE practices.

Place: The channels of distribution would be the methods provided for the consumers to act in the desired way such as providing the opportunity to use local guides or charging a premium on the provided holiday that is invested back into the community.

Promotion: Finally promotion is the fourth element of the marketing mix. Social marketing is aimed at effective delivery of the message in order to persuade the target population that the intended change is justified and worthwhile (Boehm & Itzhaky, 2004). Kotler *et al.* (2002) note that often consumers are not aware of the negative effects of certain behaviour, the link between smoking and lung cancer for example or the overuse and consequent degradation of natural resources. The social marketing concept incorporates the elements of effective communication and information dissemination, enabling consumers to act more responsibly (King, McVey & Simmons, 2000; Kotler *et al.*, 2002)

The ultimate objective of social marketing is to change behaviour by promoting ideas as well as social practices (Ewing, 2001: 1). The degree to which CSR and good corporate governance have entered the limelight in recent years is testimony to the fact that such social marketing campaigns can be highly effective. Consumers are slowly changing their behaviour and choosing more responsible products (Irwin, 2003; Brown, Helland & Smith, 2006).

2.6.4 Social change campaigns

Having outlined the broader concept of social marketing, this section now turns to a few practical considerations. One application of social marketing is the social change campaign. Although this study does not describe a social marketing campaign specifically, some of the practical issues are applicable in developing an effective strategy to promote RTM.

By definition, a social change campaign is an organised effort conducted by one group (the change agent), which intends to persuade another group (the target adopters) to accept, modify, change or abandon certain ideas, attitudes, practices, and behaviour (Kotler & Lee, 2005: 119).

Social change campaigns have not always been successful and in some instances have even had an adverse effect. Many reasons are cited for this failure, one of these being insufficient response-mechanisms. This is an important factor to note in promoting RTM. Tourism businesses need to be provided with easy and accessible means of how to manage their processes more responsibly. If initiatives such as the BEE Tourism Charter and Scorecard (2005), or the Responsible Tourism Guidelines (DEAT, 2002) are too long, complicated or difficult to implement, the desired results will most likely not materialise. There seems to be a lack of understanding regarding these government initiatives, lack of understanding in turn adversely effects adoption (Kotler & Roberto, 1989: 8; Orams, 1996).

Conditions of successful campaigns

Lessons for promoting RTM can be learnt from success factors that have been identified in various social change campaigns. Wiebe (as cited in Kotler & Roberto, 1989: 11) notes that the more successful social change campaigns resemble a commercial product campaign. Eight main contributing factors have been listed here:

1. *Force*: As with commercial products, the recipient of the information will be more open to it if he is already motivated towards reaching some goal and therefore predisposed to receiving the message. The stronger this force is, the more likely the behaviour change. In the case of RTM, it follows that not all tourism organisations will believe in the need to change. The same applies to the end consumer. Tourists who are already more socially aware, will also be more likely to choose a 'responsible' product-offering. Thøgersen and Ölander (2002) tested the hypothesis that sustainable consumption is influenced by individual value priorities. The researchers found significant evidence to support the acceptance of this hypothesis. It can be argued that managing tourism responsibly is a form of sustainable consumption if seen from the organisation's point of view. It follows that the values and attitudes held by owners and managers of tourism businesses regarding sustainability in general, will influence to what degree responsible tourism practices are implemented (Wiebe, as cited by Kotler & Roberto, 1989: 11). The relationship between CSR and RTM consequently has to be tested.
2. *Direction*: Consumers have to be able to identify quickly and easily how they should respond to what the campaign is asking them to do. The same applies to tourism enterprises. It is not sufficient, for example, to merely highlight that there is a lack of human resource management and training. Businesses need to be given information on how to assist in changing the status quo and be provided with easy channels of how to do so. Examples such as Rocktail Bay lodge (KZN) and Spier Leisure Holdings (Western Cape) show that where responsible and pro-poor tourism strategies are integrated into business and management systems they receive support from a wide stakeholder base (UN-WTO, 2003; Ashley *et al.*, 2005). Guidelines and examples of best practice are necessary to help the industry adopt RTM. Government support is essential in supporting this process (Ashley, 2006).
3. *Mechanism*: This is the actual agency or retail outlet that provides the opportunity to translate motivation to change behaviour into specific actions. This, for example, could be the training project that a tourism organisation is running in the local community or the local supplier who is adapting his product to meet the tourism organisation's specifications (Rothschild, 1999). Kotler, Roberto and Lee (2002: 53) emphasise that, because society places such a high value on time, even more so in a business context, the process of adopting the suggested behaviour change has to be simple. Adopting RTM needs to be made as easy as possible in order to reduce effort and time needed to implement such behaviour change and reap the benefits thereof. This is another area that is challenging in RTM as many of the proposed changes require considerable effort and time. Moreover some of the benefits will only be realised in the medium- to long-term and in some cases might be intangible. RTM, for example, advocates resource management and tries to address future negative consequences by reducing carbon emissions and social inequality. Benefits are often the absence of adverse effects (for example, pollution, crime and cultural commercialisation), rather than the presence of direct positive outcomes. This adds to the challenge of convincing target markets to adopt RTM.

4. *Distance*: This is the "individual's estimate of the energy and cost required to change an attitude or behaviour in relation to the expected reward" (Kotler, Roberto & Lee, 2002: 54). In marketing terms this could be related to the value that the tourist will experience from purchasing a responsible tourism product, or the benefits that the tourism business hopes RTM will bring to its bottom line. Obviously the lower the cost in terms of time, money and effort it takes to implement RTM, the higher the net benefit or value will be to the tourism enterprise (Wilmshurst, 1995: 11). Kotler, Roberto and Lee (2002: 54) suggest promoting a single, simple action that is explained in clear terms. This approach can be quite clearly seen in anti-smoking (quit smoking) or condom use campaigns. In terms of promoting RTM the complex nature of tourism and the desired behaviour change makes such a single message nearly impossible. This is likely to be one of the main challenges in developing such a campaign. RTM must be understood as a concept or approach rather than a single action. This can easily lead to confusion and fatigue in understanding and consequent lack of engagement. Strategies to promote RTM should divide the approach into manageable and practical applications. Similar to Eskom's campaign to use energy efficient light-bulbs in their quest to reduce energy consumption, so too can single recommendations begin the process of large scale management change.
5. *Prior knowledge*: Taking advantage of what is known about the proposed behaviour change, the target market and basing campaigns on best practices, increases the likelihood of success (Kotler, Roberto & Lee, 2002; 52). Various pro-poor tourism pilot studies have been conducted in order to provide the tourism industry with a set of best practice principles and practical advice (Ashley, Boyd & Goodwin, 2000). The diverse nature of tourism implies that each sub-sector, if not even each individual tourism business, will face a different set of variables when trying to manage tourism in a responsible manner. RTM will therefore most likely never evolve into an easily applicable set of rules. Rather lessons must be taken out of the experiences from various players in the field and combined with own management approaches (Drumwright, 1996; Kotler, Roberto & Lee, 2002: 52). Having said this it can be assumed that some top-level principles apply to the industry in general. This research thesis aims to uncover whether or not such generalisations can be made, and what constitutes such communalities.
6. *Perceived costs and benefits*: It is vital to identify and highlight the perceived and actual benefits of RTM and try to mitigate perceived costs in order to reduce potential barriers. The conceptual model in this study is primarily aimed at identifying perceived costs and benefits of implementing RTM. This will enable organisations, both governmental and non-governmental, to more accurately address perceived costs and increase benefits (Wiener & Doescher, 1991).
7. *Resource allocation*: A social marketing campaign, like its commercial counterpart, has to have sufficient resources in order for it to be carried out. Campaign successes are dependent on the right questions being asked and answered. Resources invested in

research are therefore imperative for the success of a social marketing campaign (Kotler, Roberto & Lee, 2002: 56).

8. *Evaluation*: Any strategy needs to be evaluated after implementation, and necessary changes made for improvement. This will lead to a continuous feedback loop that ultimately makes a strategy, or campaign, more successful and appropriate (Lynch, 2000: 507). In terms of this thesis it would be highly valuable to repeat the research in two to three years in order to evaluate in what ways attitudes and management intention have changed after the implementation of RTM. Such panel data would be necessary to compare the effectiveness of communication campaigns and also provide the necessary comparative information to further prove causal relationships (Lankford & Howard, 1994; McDaniel & Gates, 2007: 548).

A host of techniques from the traditional marketing discipline can be applied to social marketing. There are, however, certain challenges that the social marketer faces.

2.6.5 Challenges of social marketing

Kotler and Roberto (1989: 42) note a key problem when developing a social marketing strategy. Central to any successful strategy are clearly defined, objectives that when met can be used to measure success. In a social marketing context it is very difficult to measure success (Drumwright, 1996). In the case of RTM objectives such as uplifting the environment, procuring locally and spreading benefits more widely in the community are loose terms. If these are not clearly defined they will not be effective for measurement and management purposes and, moreover, will be open for misuse (Gaski, 1985; Rothschild, 1999; Andreasen, 2000; Doane, 2005). This is why standardised reporting and clear definitions are so important (ABTA *et al.*, 2002; GRI, 2006). The Responsible Tourism Manual of South Africa (2002), the Tour Operators Initiative (TOI), the Global Reporting Initiative (GRI) and the Tools Ideas Plans Steps (TIPS) series provide many examples of how social impacts can be numerically measured. Spier Leisure Holdings, for example, defined 'local' as "an enterprise that has its sole office, or head office, located within the Stellenbosch, Khayelitsha, Somerset West, Gordons Bay, Strand and Eerste River region (Ashley *et al.*, 2005). In other words, constituting the communities within a specific radius of where the farm is situated. This shows that the socio-economic benefits of Spier Leisure Holdings' operations are focused on their immediate environment. This has resulted in a closer partnership with the communities, leading to greater tourism understanding, goodwill, labour and entrepreneurial opportunities (Ashley *et al.*, 2005). Whilst it is not possible to comprehensively translate impacts such as community loyalty, environmental sustainability and improved company reputation into quantifiable measures, it is nevertheless necessary to quantify as many aspects as possible and use these statistics as benchmarks for management, evaluation and improvement purposes.

2.6.6 Summary

This section has highlighted how social marketing can be used to bring about behaviour change aimed at benefiting society. Many techniques from the traditional marketing discipline can be applied to social marketing campaigns. The main differences in the two approaches are their stated objectives and main beneficiaries. In the commercial context profit maximisation for corporate shareholders usually constitutes the goal of the marketing strategy. Increasing society well-being by influencing the target market to adopt new, discard old or modify current behaviour is the primary objective of the social marketer. Promoting RTM can be seen as a social marketing endeavour. Marketers attempting to develop social marketing campaigns aimed at encouraging RTM should note the various similarities and differences between the commercial and social marketing contexts.

2.7 Literature review summary

This chapter has reviewed the literature pertaining to CSR generally, CSR in the specific tourism context both internationally and globally, the role that attitude and perception play in management, the responsibility of government in bringing about positive change and transformation and, finally, the concept of social marketing and how it can be applied to the implementation of RTM.

The reviewed literature suggests that there has been an increase in research addressing various aspects of CSR and ethical and moral management in the commercial sector. Studies investigating CSR in tourism, and especially in tourism management are, however, still very limited. A quantitative study investigating the factors that influence responsible management in the tourism sector does not appear to have been conducted. This thesis attempts to address this gap in the literature in order to facilitate the design of effective social marketing campaigns. In the current global climate, tackling socio-economic challenges and natural resource limitations is a task neither government, nor commercial enterprises can ignore. Developing methods and intelligence on how to align individual, commercial and society's objectives is a key task of academic research. Knowledge is needed to guide policies and decision-making, ensuring sustainable tourism management and a prosperous tourism industry for the future.

3 Conceptual Framework

3.1 Introduction

The purpose of this thesis is to test the direct effect of managers attitude towards RTM on performance and RTM behaviour and uncover what factors influence these constructs. A conceptual model was designed based on previous research as identified by the analysis of the literature in order to test the relationships and hypotheses.

Figure 3.1 provides a graphical overview of the model.

3.2 Conceptual framework

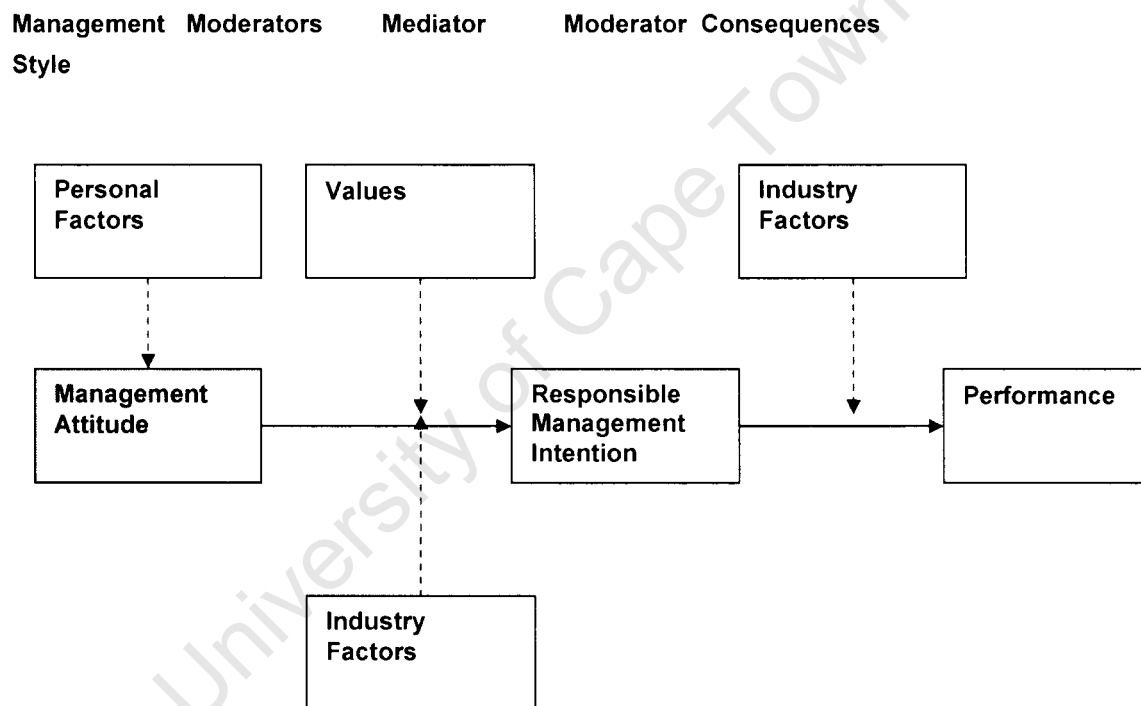


Figure 3.1: Conceptual framework of the effect of management attitude on performance – simple overview

A more detailed diagram of the conceptual model is shown in Figure 3.2.

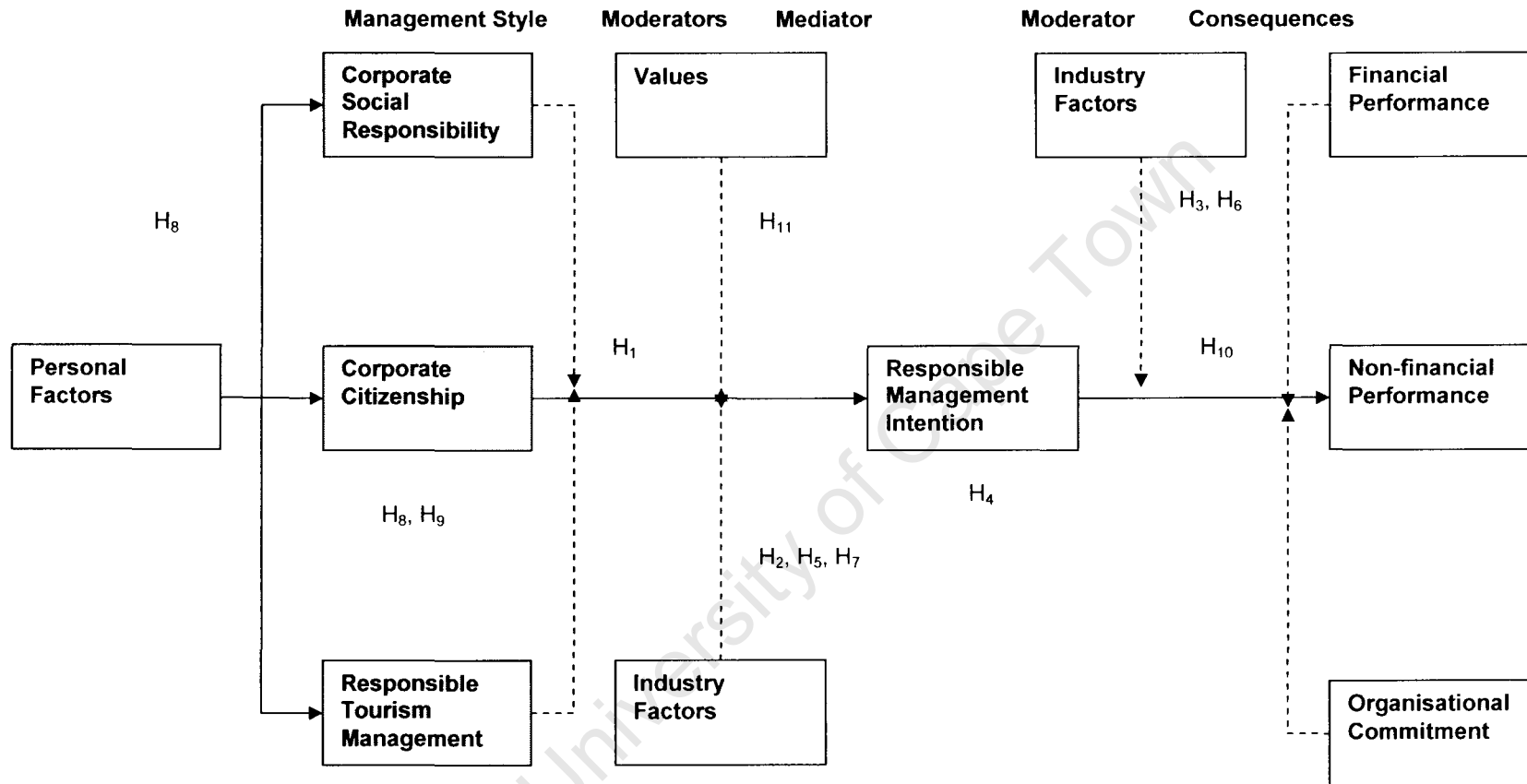


Figure 3.2: Conceptual framework of the effect of management attitude on performance – detailed overview

The model aims to test the statistical relationship between management attitude and performance and what factors influence these. The dependent, independent and moderator variables are listed in Table 3.1 and discussed in more detail below.

Table 3.1: Variables of interest

Dependent Variables	Independent Variables	Moderators
Responsible Management Intention	CSR	Industry factors
Organisational Commitment	RTM	Values
Financial Performance	Corporate Citizenship	
Non-financial Performance	Responsible Management Intention	
	Personal Factors	

Description of the model

The next section briefly describes the relationships in the model and how each of these is represented by a set of hypotheses. The hypotheses have been discussed in the most logical order when looking at the model, which means that they are not always in the numeric order, which was generated in the literature review.

The literature highlighted the fact that both CSR and corporate citizenship influence market orientation. This, in turn, has an effect on performance (Hunt, Wood & Chonko, 1989; Maignan, Hult & Ferrell, 1999). In view of the statistical relationship between CSR and RTM it was hypothesised that RTM would also have an effect on responsible management intention and performance. Responsible management intention is hypothesised to be a mediator between CSR, corporate citizenship, RTM and business performance.

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention.

H_{1a}: Perceived role of ethics and social responsibility have a direct positive effect on the responsible management intention of tourism businesses.

H_{1b}: Corporate citizenship has a direct positive effect on the responsible management intention of tourism businesses.

H_{1c}: RTM has a direct positive effect on the responsible management intention of tourism businesses.

H₄: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and business performance.

H_{4a}: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and financial performance.

H_{4b}: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and non-financial performance.

H_{4c}: There is a direct positive statistical relationship between the perceived role of social responsibility and organisational commitment.

Gilg, Barr and Ford (2005) found the level of understanding of policy issues to be an important variable in determining a manager's attitudes towards CSR in tourism. DEAT and the Tourism Business Council of South Africa (TBCSA) have attempted to affect change and transformation in the industry by developing the 1996 White Paper on Tourism Development

and Promotion, the Responsible Tourism Manual for South Africa (2002), the Responsible Tourism Guidelines (2002) and the BEE Tourism Charter and Scorecard (2005). The need to test whether or not the current level of understanding impacts on the perception of RTM led to the formulation of the following hypotheses:

H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.

H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' perceptions towards RTM.

Yaman and Gurel (2006) identified personal variables that influenced the level of the PRESOR scale. These by implication would also affect RTM. Gender, highest level of education and the ethnicity of managers was, therefore, included in the model:

H₈: Personal factors influence management attitude.

H_{8a}: There is a positive statistical relationship between levels of education of decision-makers and perceptions towards the role of ethics and social responsibility.

H_{8b}: There is a positive statistical relationship between levels of education of decision-makers and perceptions towards corporate citizenship.

H_{8c}: There is a positive statistical relationship between levels of education of decision-makers and perceptions towards RTM.

H_{8d}: There is a direct positive statistical relationship between the gender of managers and their perceptions of the role of ethics and social responsibility.

H_{8e}: There is a direct positive statistical relationship between the gender of managers and their perceptions corporate citizenship.

H_{8f}: There is a direct positive statistical relationship between the gender of managers and their perceptions of RTM.

H_{8g}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of the role of ethics and social responsibility.

H_{8h}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of corporate citizenship.

H_{8i}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of RTM.

In order to test whether or not responsible management intention influences financial performance, financial performance was used as a dependent variable and responsible management intention as an independent variable:

H₁₀: Responsible management intention has a direct positive effect on business performance.

H_{10a}: Responsible management intention has a direct positive effect on financial performance.

H_{10b}: Responsible management intention has a direct positive effect on non-financial performance.

H_{10c}: Responsible management intention has a direct positive effect on organisational commitment.

The literature highlighted that the specific industry factors potentially affected the statistical relationship between the perceptions and attitudes towards management and responsible

management intention, as well as between market orientation and performance. The influence of these potential moderator effects led to the following hypotheses:

H₂: Industry factors moderate the statistical relationship between management attitude and responsible management intention.

H_{2a}: Industry factors moderate the statistical relationship between the perceived role of ethics and corporate social responsibility and the responsible management intention.

H_{2b}: Industry factors moderate the statistical relationship between corporate citizenship and responsible management intention.

H_{2c}: Industry factors moderate the statistical relationship between responsible tourism management and responsible management intention.

H₃: Industry factors moderate the statistical relationship between responsible management intention and business performance.

H_{3a}: Industry factors moderate the statistical relationship between responsible management intention and financial performance.

H_{3b}: Industry factors moderate the statistical relationship between responsible management intention and non-financial performance.

H_{3c}: Industry factors moderate the statistical relationship responsible management intention and organisational commitment.

H₅: Company characteristics moderate the statistical relationship between management attitude and responsible management intention.

H_{5a}: Company characteristics moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{5b}: Company characteristics moderate the statistical relationship between corporate citizenship and responsible management intention.

H_{5c}: Company characteristics moderate of the business moderates the statistical relationship between RTM and responsible management intention.

H₆: Company characteristics moderate the statistical relationship between responsible management intention and business performance.

H_{6a}: Company characteristics moderate the statistical relationship between responsible management intention and financial performance.

H_{6b}: Company characteristics moderate the statistical relationship between responsible management intention and non-financial performance.

H_{6c}: Company characteristics moderate the statistical relationship between responsible management intention and organisational commitment.

Finally, the effect of values on the statistical relationship between the perceptions and attitudes towards CSR and RTM and organisational commitment was included in the model. Culture and values have been found to be moderators in previous studies and led to the following hypothesis.

H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.

H_{11a}: Managers' personal values moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{11b}: Managers' personal values moderate the statistical relationship between corporate citizenship responsible management intention.

H_{11c}: Managers' personal values moderate the statistical relationship between RTM responsible management intention.

Table x summarises the various constructs that were tested.

3.3 Tested constructs

Table 3.2: Tested constructs

Dependent	Relevant Questions	Independent	Relevant Questions	Moderators	Relevant Questions
Corporate Social Responsibility (CSR)	7	Personal Factors	19	Values	11
Corporate Citizenship (CC)	16			Industry Factors	2; 4; 5; 6
Responsible Tourism Management (RTM)	9				
Responsible Management Intention	17	Management Style (CSR, CC and RTM)	17; 16; 19		
Behaviour/Performance (Financial Performance, Non-financial performance and Organisational Commitment)	8; 18; 12; 13; 14	Responsible Management Intention	17		
Management Style (CSR, CC and RTM)	17; 16; 19	Behaviour/Performance	8; 18; 12; 13; 14		

The next section provides an overview of all the hypotheses to be tested in the thesis.

3.4 Hypotheses

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention
H _{1a} : Perceived role of ethics and social responsibility have a direct positive effect on the responsible management intention of tourism businesses.
H _{1b} : Corporate citizenship has a direct positive effect on the responsible management intention of tourism businesses.
H _{1c} : RTM has a direct positive effect on the responsible management intention of tourism businesses.
H₂: Industry factors moderate the statistical relationship between management attitude and responsible management intention.
H _{2a} : Industry factors moderate the statistical relationship between the perceived role of ethics and corporate social responsibility and the responsible management intention.
H _{2b} : Industry factors moderate the statistical relationship between corporate citizenship and responsible management intention.
H _{2c} : Industry factors moderate the statistical relationship between responsible tourism management and responsible management intention.
H₃: Industry factors moderate the statistical relationship between responsible management intention and business performance.
H _{3a} : Industry factors moderate the statistical relationship between responsible management intention and financial performance.

H _{3b} : Industry factors moderate the statistical relationship between responsible management intention and non-financial performance.
H _{3c} : Industry factors moderate the statistical relationship responsible management intention and organisational commitment
H₄: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and business performance.
H₅: Company characteristics moderate the statistical relationship between management attitude and responsible management intention.
H _{5a} : Company characteristics moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.
H _{5b} : Company characteristics moderate the statistical relationship between corporate citizenship and responsible management intention.
H _{5c} : Company characteristics moderate the statistical relationship between RTM and responsible management intention.
H₆: Company characteristics moderate the statistical relationship between responsible management intention and business performance.
H _{6a} : Company characteristics moderate the statistical relationship between responsible management intention and financial performance.
H _{6b} : Company characteristics moderate the statistical relationship between responsible management intention and non-financial performance.
H _{6c} : Company characteristics moderate the statistical relationship between responsible management intention and organisational commitment.
H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.
H₈: Personal factors influence management attitude.
H _{8a} : There is a positive statistical relationship between levels of education of decision-makers and perception towards the role of ethics and social responsibility.
H _{8b} : There is a positive statistical relationship between levels of education of decision-makers and perception towards corporate citizenship.
H _{8c} : There is a positive statistical relationship between levels of education of decision-makers and perception towards RTM.
H _{8d} : There is a direct positive statistical relationship between the gender of managers and their perceptions of the role of ethics and social responsibility.
H _{8e} : There is a direct positive statistical relationship between the gender of managers and their perceptions corporate citizenship.
H _{8f} : There is a direct positive statistical relationship between the gender of managers and their perceptions of RTM.
H _{8g} : There is a direct positive statistical relationship between ethnicity of managers and their perceptions of the role of ethics and social responsibility.
H _{8h} : There is a direct positive statistical relationship between ethnicity of managers and their perceptions of corporate citizenship.
H _{8i} : There is a direct positive statistical relationship between ethnicity of managers and their perceptions of RTM.
H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' perceptions towards RTM.
H₁₀: Responsible management intention has a direct positive effect on business performance.
H _{10a} : Responsible management intention has a direct positive effect on financial performance.
H _{10b} : Responsible management intention has a direct positive effect on non-financial

performance.
H _{10c} : Responsible management intention has a direct positive effect on organisational commitment.
H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.
H _{11a} : Managers' personal values moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.
H _{11b} : Managers' personal values moderate the statistical relationship between corporate citizenship responsible management intention.
H _{11c} : Managers' personal values moderate the statistical relationship between RTM responsible management intention.

4 Research Methodology

4.1 Introduction

This chapter outlines the procedure that was followed to test the hypotheses that were developed in Chapter 2. First, the specific survey method of selecting respondents is discussed. Second, a description is given of the instrument design and the specific characteristics of conducting an electronic survey. Finally, the data analysis tools that were used to test the hypotheses are presented.

4.1.1 Research design

The research design was comprised of two phases:

1. Exploratory: Literature review and focus groups
2. Descriptive: Questionnaire survey.

The research design process as shown in Figure 4.1 was followed in order to achieve accurate and reliable results.

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4.1.1 The research design process

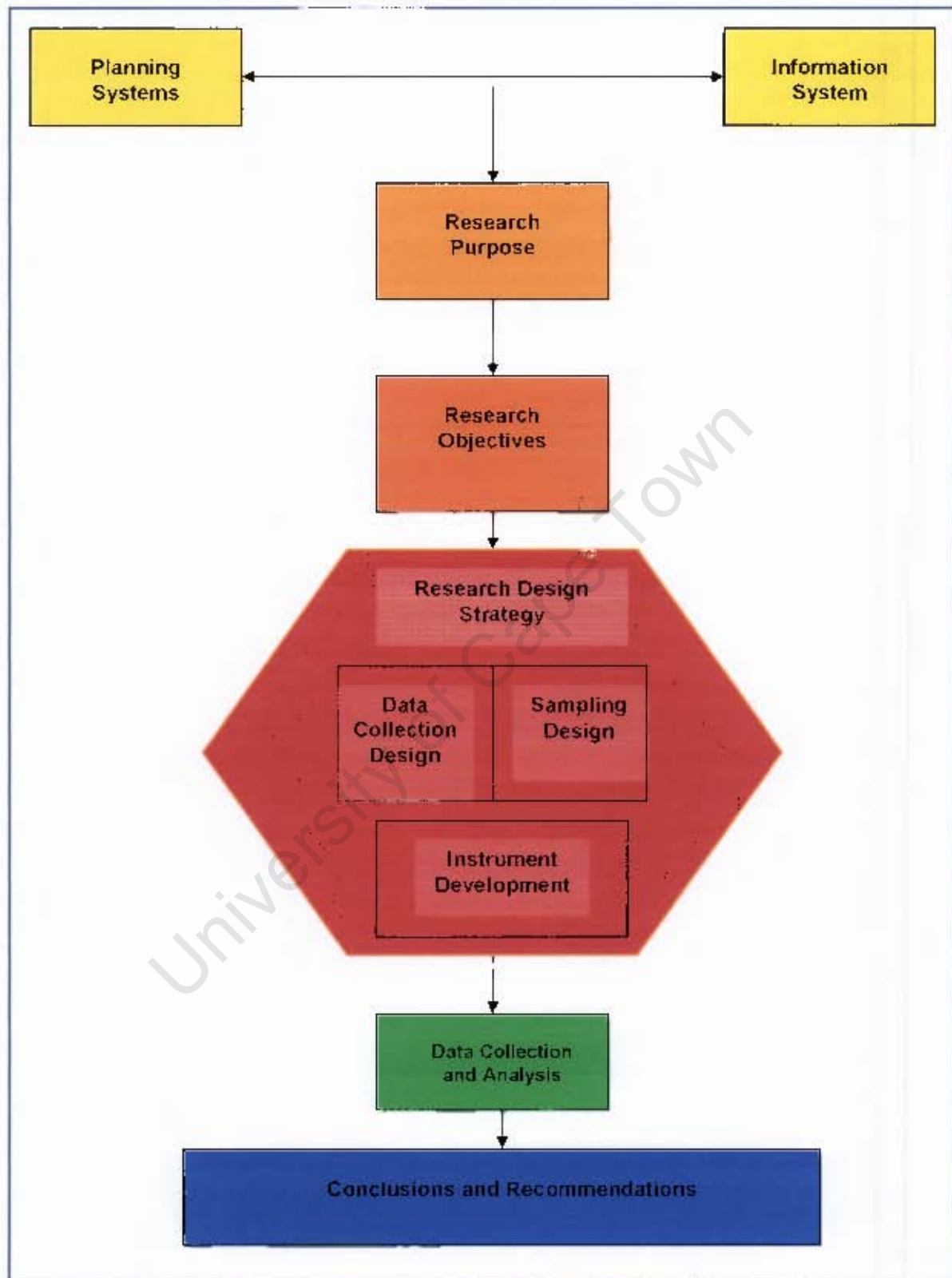


Figure 4.1: The research design process

(adapted from Aaker, Kumar & Day, 2004: 44)

4.2 Research objectives

The purpose of this research is to examine the relationship between tourism business managers' attitudes and perceptions towards responsible tourism management and businesses behaviour with regards to responsible tourism management in the emerging market context of the Greater Cape Town tourism industry. Analysis is to highlight the factors that are disrupting or enhancing the relationship between attitude and behaviour.

The specific research objectives are to:

- analyse the attitudes and perceptions of tourism business managers towards corporate social responsibility (CSR)
- analyse the attitude and perceptions of tourism business managers towards responsible tourism management (RTM)
- examine the impact of attitudes and perceptions of tourism business managers towards RTM on business performance
- examine the effect of personal values (i.e. embeddedness and hierarchy) and on management attitude
- examine the effect of personal factors (i.e. ethnicity, gender, education) on management attitude
- examine the effect of industry factors (i.e. sub-sector, number of employees, number of years in operation, level of competition and market turbulence) on management attitude
- examine the effect of industry factors (i.e. sub-sector, number of employees, number of years in operation, level of competition and market turbulence) on business performance.

4.3 Sample design

It is usually not possible, or it is too expensive, to find a complete list of the population to be researched, necessitating the use of a sample (Zigmund; 2003: 58). The marketing research literature states that if samples are carefully chosen the deviation between the sample results and the actual population can be minimal and accurately calculated (Zigmund, 2003: 58; Cooper & Schindler, 2006: 87).

Figure 4.2 outlines the steps that guided the sampling process:

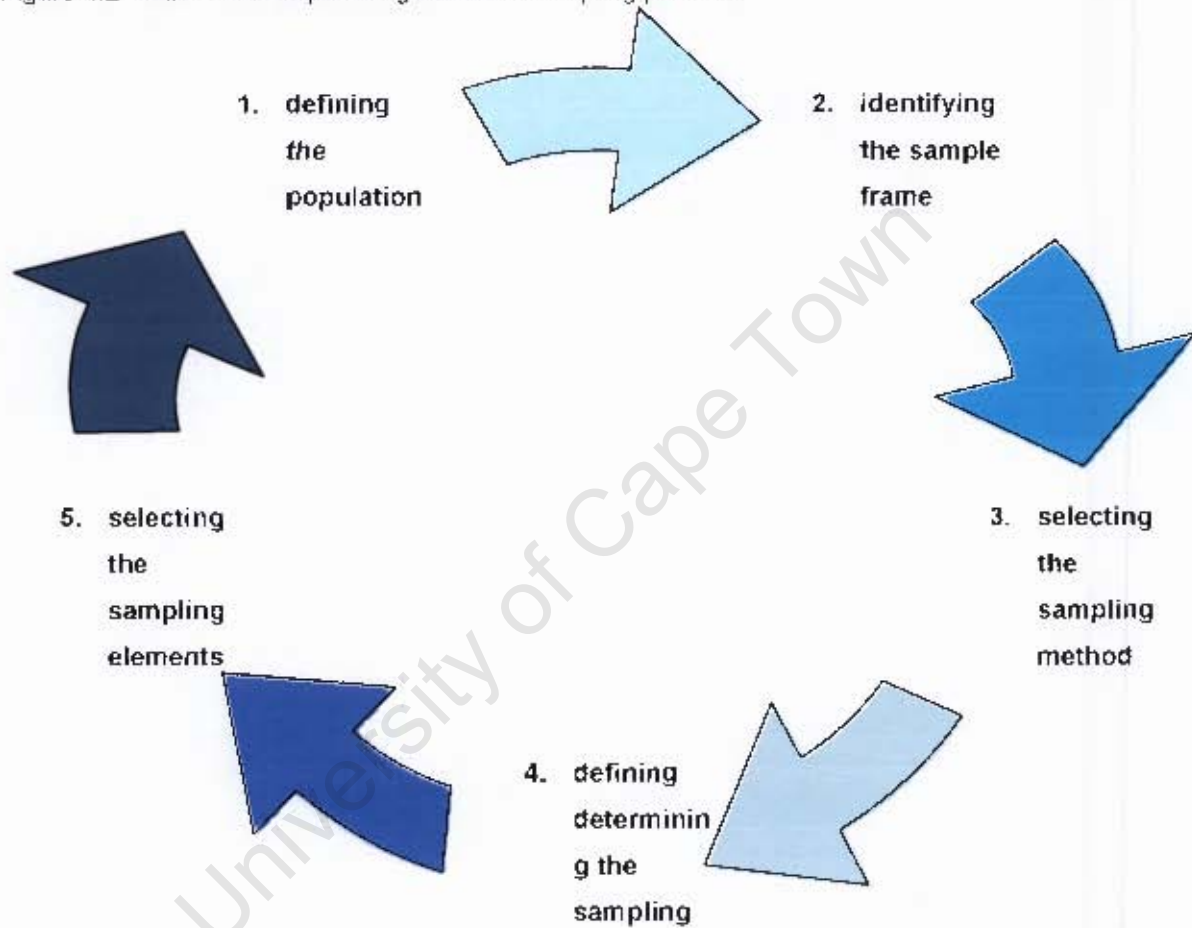


Figure 4.2 The sampling process (McDaniel & Gates, 2007: 376)

Defining the population

The target population for this study was the suppliers of tourism related services in Greater Cape Town. The current research findings are thus limited to the Greater Cape Town area. The 2000 Tearfund study, however, concluded that their results could be applied to similar situations in other comparable countries. This would indicate that the findings presented here are possibly applicable across South Africa and of value to other developing countries, taking country-specific differences into account.

Identifying the sample frame

The sampling frame was decided upon once the survey population had been identified. The sample frame was a list of all the elements from which the final sample was drawn (Zigmund, 2003: 58; Cooper & Schindler, 2006: 443). For the purpose of this thesis the sample frame was comprised of the Cape Town Tourism (CTT) membership database. It consists of 1,700 members and is drawn from the accommodation, entertainment and tour operator sub-sectors. CTT is essentially a government funded information dissemination organisation aiming to provide the link between the tourists and the tourism businesses. Organisations wanting to be members of CTT need to comply with the minimum requirements set out by CTT. The CTT membership base is continuously updated and verified. CTT communicated often with its members through email, ensuring that contact details and addresses were correct. Businesses wishing to become members of CTT have to adhere to certain minimum requirements with regards to safety and security, service and capacity. This implies that not all of the Greater Cape Town tourism businesses had an equal chance of being sampled. Nonetheless, CTT, believes that their membership base is relatively representative of the more formal tourism industry in the region (du Toit-Helmbold, 2007, d'Oliveira, 2007).

Selecting the sampling method

From the sampling frame a final sample needed to be drawn. There are two main sampling techniques that can be used at this stage, namely, probability and non-probability sampling (Cooper & Schindler, 2006: 446). Given that the questionnaire was sent to the CTT membership base, each element in the sampling frame had an equal chance of responding to the survey and the probability of being selected can therefore be calculated using the following formula.

$$\text{Probability of being selected} = \frac{\text{sample size}}{\text{population size}}$$

This simple random sampling technique is one of the purest forms of sampling and allowed for inferential analysis of the data.

Determining the sampling size

Zigmund (2003: 59) states that generally larger samples are more precise. The size of the sample therefore depends on the level of precision that is needed. A response rate of 10-20% or sample size of 100 – 300 is acceptable in this type of study to enable statistical analysis (Jaworski & Kohli, 1993; Etheredge, 1999; Yaman & Gurel, 2006). Difficulties do arise in conducting research in emerging markets (EMs), given low literacy levels and a general lack of exposure to survey research. Sample sizes, especially in business environments, thus tend to be smaller (Burgess & Steenkamp, 2006). The questionnaire was sent to the CTT database of 1,700 members. The initial response rate was 143. A reminder email was sent a week later bringing the total to 244 respondents, which translated into a 14,3% response rate. After deleting unusable questionnaires, 212 responses could be used for data analysis. This

is in line with other research in emerging markets and is deemed a large enough sample to be able to test hypotheses with (Cooper & Schindler, 2006: 445).

Selecting the sampling elements

All CTT members received the questionnaire and had an equal probability of being part of the final sample. The probability of being selected was calculated in the following manner:

$$\begin{aligned} \text{Probability of being selected} &= 244/1700 \\ &= 14.3\% \end{aligned}$$

4.4 Data collection design

Figure 4.3 shows the two-step data collection process adopted for this research study.

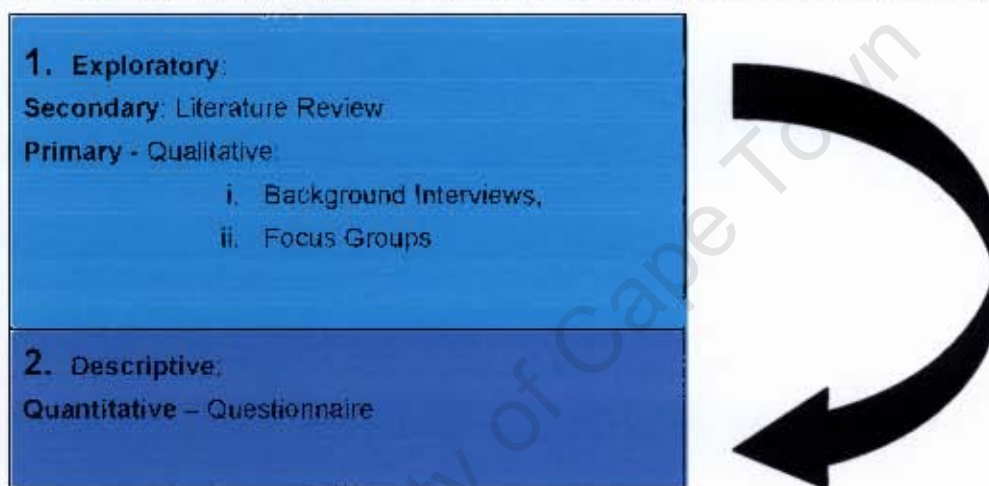


Figure 4.3: Research phases

The exploratory phase helped to define the research objectives and gather information regarding responsible tourism management (RTM) in order to develop the RTM scale. In the second quantitative phase, descriptive research was used to analyse the data and test the hypotheses. This section looks at both phases in more detail highlighting the various factors that had to be taken into consideration.

Exploratory research

Cooper and Schindler (2006:194) argue that most studies, both formal and loosely structured in nature, contain an element of exploratory research. The purpose of this stage in the research process is to investigate the topic at hand, especially where research objectives and potential gaps in the literature are vague or unknown. Furthermore, exploratory research aids in prioritising amongst research questions, and considers all the practical problems associated with the proposed research (Aaker, Kumar & Day, 2004: 76).

The literature suggested that there was a considerable lack of prior research and academic debate regarding CSR in tourism in South Africa. It was therefore necessary to consult a host

of different sources on related subject matters, both local and international, in order to define research objectives more narrowly, prioritise amongst them, and develop the hypotheses for testing.

Cooper & Schindler argue that both quantitative and qualitative methods can be used in the exploratory phase, but that usually the emphasis is placed on the latter. Qualitative research methods aim to uncover underlying "feelings, thoughts, intentions, and behaviours that took place in the past" (2006: 198). Qualitative methods analyse aspects of the research problem that cannot be measured in a quantitative manner. The qualitative nature of this research and the importance of uncovering tourism business managers' attitudes and perceptions meant that the qualitative research phase in the form of focus groups proved invaluable. New problems were highlighted and led to an inclusion of various scale items. Moreover, given that the sample for the focus groups was taken from the CTT membership base, the recruiting for the groups served as an awareness campaign for the survey that followed. This may have increased response rates.

Qualitative research was also important to improve the subsequent steps in the research methodology. Insight from the focus groups showed that some questions would have to be worded far more simply and that the assumption of a general awareness of CSR and responsible tourism was inaccurate. Questions were hence reworded and specific terms defined and explained (Aaker, Kumar & Day, 2004: 189).

Motivation for the use of qualitative and quantitative research methods

The decision to employ both qualitative and quantitative methods needs to be qualified in the light of much debate surrounding the validity of these research tools. Qualitative methods have long been branded as being too "subjective, non-representative and non-systematic in design" to base business decisions on (Cooper & Schindler, 2006: 198). These methods are seen to lack the necessary scientific rigour and by their nature examine issues that are difficult to quantify, measure and compare, such as feelings, perceptions and ideas (Aaker, Kumar & Day, 2004: 189; Levy, 2005; Cooper & Schindler, 2006: 216). However, an understanding of the deeper motivations of individuals and their experiences requires research methods that are able to uncover feelings and attitudes. Given that RTM addresses moral and ethical management decisions, it was valuable to include qualitative research methods in the form of focus groups and background interviews.

In considering the debate between qualitative and quantitative research methods, Levy's (2005) argues that essentially research should test hypotheses and that it is possible that qualitative methods can do this as effectively as can statistical measures (Zaltman, 2003: 3; Cooper & Schindler, 2006: 216). The important point to note is that the research method employed is largely dependent on the type of study, the type of data needed, the urgency of the results and the associated costs (Zigmond, 2003: 255). Both qualitative and quantitative methods were employed in this study as they contributed significantly, albeit differently to the methodology and findings. The combination of both data types resulted in a rich source of

information that deepened the analysis and aided in developing recommendations that would have lacked some key insights if only one of the methods had been employed.

4.5 Secondary research

Both primary and secondary data collection methods were used in the exploratory phase of this research.

Literature review

The literature review, as a secondary data collection method, analysed secondary industry literature and data which had been gathered for purposes other than for the current thesis. Accredited peer-reviewed journal articles, academic textbooks, grey literature (for example the Tearfund and PPT studies) and government publications were used as sources of information for the literature review.

The literature review begins by discussing CSR in a global context and then develops the argument for RTM in the Greater Cape Town region. Hypotheses were formulated throughout the literature review and the relevant statistical relationships of the conceptual model discussed. The flow of information can be seen in Figure 4.4.



Figure 4.4: Funnel approach for literature review

A literature review aims to:

- Find a distinctive approach to answering the research problem.

- provide theoretical knowledge, which will aid in focusing and defining the research problem,
- give the researcher deeper understanding of the subject matter,
- provide the researcher with possible comparative studies or methodology suggestions,
- highlight gaps in the research literature that could be addressed by the research
- provide information to develop hypotheses, and
- define the scope of the research (Cooper & Schindler, 2006: 98).

Advantages of secondary research

Aaker, Kumar & Day (2004: 107) point out that secondary data has many advantages. Some of these are discussed below and are able to justify why the literature review is such an important component of any academic research paper.

- *Secondary data might be able to provide sufficient information to actually answer the research problem.*

During the literature review process the focus of the research changed considerably. Initially the emphasis had been on the developmental side of tourism and its role in addressing poverty. The literature covering the subject of developmental tourism is relatively extensive and yielded sufficient insight not to warrant further research. Moreover, the application of such developmental theory to the marketing discipline is somewhat restricted as the debate at present is still strongly dominated by social objectives, which often disregarded the commercial business angle.

The related topics of CSR and social, ethical and responsible tourism provided a more academic and novel opportunity for research, especially in the context of an emerging market context. The approach of this thesis was to steer away from the traditional environmental focus dominant in the ecotourism debate and take a more socio-economic point of departure. The thesis thus focused on the role of people, communities and how RTM could affect bottom line profits and lead to strategic advantages.

- *Secondary data reports on events that have actually occurred*

Houston points out that "secondary data, in general, represent "real" decisions that have been made by "real" decision-makers in "real" environments" (2004). Lessons and conclusions can thus be drawn from actual behaviour and events, rather than mere hypotheses. Case studies provided information on best practices, practical advice and possible models for organisations to follow and proved a rich source of information. The use of secondary data is especially useful in RTM where it is often difficult to present quantitative evidence in the short-term (Driml & Common, 1996; UN-WTO, 2003).

- *It can highlight new areas that require research or provide the researcher with fresh and innovative ideas.*

The review of the literature revealed that previous studies had looked at the statistical relationship between employee and management commitment and CSR and also at what

factors influence the perceived role of CSR for company effectiveness. Other studies had investigated the effect of the business environment and culture on market orientation. Research that looked at these various statistical relationships in a holistic model in an emerging tourism market was, however, not found. Research in the UK had looked at the ethical behaviour of tour operators and argued convincingly that the tourism business providers needed to react to the global trends of sustainable tourism (Tour Operator Initiative, 2002). Information regarding the attitudes and perceptions of the local tourism industry towards RTM is thus of great importance.

- *Evaluating secondary data is the first step to any further research as objectives are more clearly defined, practical implications highlighted, and merits of possible methodologies discussed.*

The advantages and disadvantages of many methodologies could be evaluated by analysing numerous tourism studies. Prior studies from Europe also gave guidance as to which factors should be included in the questionnaire. Especially, the information surrounding the use of the internet to conduct a survey provided suggestions on how to improve such a process (Brennan, Rae & Parackal, 1999; Roth, 2005)

- *Secondary research can save time and money*

Houston (2004) points out that using secondary research allows the researcher to avoid time and resources spent on developing instrument- and primary data collection methodologies. The successful framework of the 2000 Tearfund study, as well as reliable measurement scales from previous research helped to develop the final questionnaire, saving time and improving its reliability.

Disadvantages of secondary data

As with all research techniques there are trade-offs between the negative and the positive aspects. One of the main disadvantages of secondary data is the fact that it was collected for reasons other than the exact research at hand. The results are usually also dated and might no longer be valid or applicable for the particular research problem. Other limitations include the lack of control and detailed knowledge on how the data was collected and analysed often making it difficult to determine the validity, accuracy, timeliness and relevance of the data (Aaker, Kumar & Day, 2004; Houston, 2004).

To increase the validity of the secondary data the following criteria were considered:

- the purpose for the research could be identified to evaluate which aspects would apply to this particular study and where conclusions and findings had to be analysed with caution,
- ensuring that the methodology of data collection was clearly described and showed evidence of academic rigour,
- outdated journal articles and other sources of information were avoided (except in the case of seminal work), and
- consistency was achieved by finding more than one source to support a certain finding or theory (Aaker, Kumar & Day, 2004: 120).

The literature review provided a sound theory and background knowledge base. To uncover the more specific challenges and feelings of the Greater Cape Town tourism industry it was also necessary to conduct primary qualitative research. This was done in the form of focus groups. Numerous background interviews were also conducted with tourism business professionals, tourism government officials and academics working in the field of CSR and responsible tourism. The insight gained from these interviews served to clarify questionnaire content and phrasing and to confirm literature findings as to the most pertinent factors affecting RTM.

4.6 Primary research: Qualitative

In order to gain deeper insight into the attitudes and perceptions of tourism business managers towards RTM and their understanding of this management concept, three focus groups with members of Cape Town Tourism (CTT) were conducted. Even though meaningful insight can be gained from qualitative research, it should be noted that one is dealing with only a small portion of the target population and hence cannot generalise results (Aaker, Kumar & Day, 2004: 189/210). For a summary of the discussion guide, focus group profiles and findings, refer to Appendices A, B and C.

Focus groups

Focus groups began to be used extensively in the 1980s and have had various degrees of success since then (Cooper & Schindler, 2006: 230). By definition a focus group is a collection of usually six to ten people led by a trained moderator who meet for 90 to 120 minutes to discuss ideas, feelings and experiences of a specific topic (Cooper & Schindler, 2006: 230). According to Zigmund (2003: 93), the focus group allows people to discuss their anxieties and frustrations, as well as the depth of their convictions, in their own words. It provides the researcher with a much deeper insight into the more subtle issues of the research problem as perceived by the target market and consequently improves the quantitative research instrument, where applicable. The important role of culture and tradition, for example, became evident in the focus group discussion and led to the inclusion of the Schwarz (2004) scale in the final questionnaire.

Recent theorists have voiced high levels of scepticism about this research method, stating that true feelings and motivations are often deeply subconscious and cannot be uncovered within a purely verbal context. Factors such as group dynamics, social norms and environmental influences can all have an impact on the discussion, distorting what respondents say with what they actually feel. Zaltman argues that "most fixed-response questions and focus group moderator questions address at a surface level *what* consumers think about what managers think consumers are thinking about" (2003: 11). In other words there is a bias already present in the questions that will determine the answers. Because 95% of what occurs in consumers' minds is subconscious, what is said in focus groups needs to be

carefully evaluated and substantiated with further research (Levy, 2005; March & Woodside, 2005; Zaltman, 2003: 3; Godin, 2002).

In order to minimise these limitations and restrict the influence and bias a moderator with 20 years industry experience was hired to conduct the focus groups. Two prior meetings were arranged in order to inform the moderator of the topic and purpose of the research. The rationale for these meetings was merely to provide some guidance as to where the discussion should be directed but was kept superficial enough for the moderator to remain objective.

Aaker, Kumar & Day (2004: 198) point out that three to four focus groups are sufficient in gaining a valuable amount of information. The following factors, as presented by Aaker, Kumar & Day (2004: 199) and Zigmund (2003: 99) were employed to ensure the success of the focus groups.

1. the recruitment process was carefully managed in conjunction with CTT to ensure that a representative and informed sample was achieved,
2. the discussion guide was discussed at length with CTT, tourism marketing academics and the experienced moderator to ensure that results of the focus group would be beneficial for the questionnaire design,
3. the moderator was carefully chosen so that an objective position could be held and hence could not influence the flow and content of the conversation. The chosen moderator has been working successfully in the industry for 20 years and was selected because of her level of experience and professionalism, and
4. the discussions from the focus groups were recorded and key insights transcribed (Appendix C).

4.7 Primary research: Descriptive

The descriptive research phase was the final step in the data collection process and aimed to quantify some of the factors that emerged in the qualitative analysis, as well as test hypotheses. Descriptive research also was used to uncover statistical relationships between different variables and analyse the data for statistical significance (Cooper & Schindler, 2006: 216).

Key variables of interest were identified from the exploratory research phase and the conceptual framework was developed. In order to test the model and the statistical relationship therein, a questionnaire was devised and sent to the relevant sampling frame (Appendix E).

4.7.1 Instrument description

Eight existing scales and one new scale were used in the questionnaire. The language of the scale items was kept simple in line with findings from Burgess and Steenkamp (2006)

regarding the general difficulty respondents in emerging markets (EMs) have to accurately answer questionnaires. A five-point Likert scale was employed for all attitudinal questions as it was found that in EMs a seven-or ten-point scale leads to respondent fatigue and inaccuracy (Baerden, Nelemeyer, Mobley, 1993; Burgess & Steenkamp, 2006). The questionnaire was also kept as short as possible to reduce respondent fatigue. This led to some scales not being asked in their entirety. Individual scale items were carefully considered for deletion in accordance with other academics' advice, as well as their applicability to the tourism industry (Clark, Riley, Wilkie & Wood, 1998: 94). The scale items used in the questionnaire are summarised in Table 4.1. A brief discussion of each of the scales follows. The final questionnaire and can be found in Appendix E.

Table 4.1: Scales used in questionnaire design

Scale	Developed by	Reliability: Cronbach α
1. Perceived role of corporate social responsibility (PRESOR)	Singhapakdi, Vitell, Rallapalli & Kraft, 1996	0.71, 0.57 and 0.64 for three factors
2. Responsible management intention: subscale	Ruekert, 1992	average: 0.7
3. RTM: A new scale to measure the perceived costs and benefits of responsible tourism management (RTM)	New scale	0.70
4. Organisational commitment	Hunt, Chonko & Wood, 1985	0.85
5. Financial performance	Burgess & Nyajeka 2006	
6. Non-financial performance	Based on BEE Tourism charter and scorecard	
7. Corporate citizenship	Maignan, Hult & Ferrell, 1999	0.90
8. Competitive intensity and market turbulence	Jaworski & Kohli 1993	0.81 and 0.68
9. Values (specifically tradition and conformity)	Schwarz, 1994	

PRESOR

Singhapakdi *et al.* (1996) postulated that before marketers would employ responsible management practices, they needed to perceive ethics and social responsibility to be important for company effectiveness. To test this assumption the researchers developed a 13 item scale using exploratory principal component analysis with Varimax rotation of responses. In the original study, which was conducted in the US, a three-factor result was achieved. The first factor measured 'social responsibility and profitability' and explained 32.3% of the variance. Individuals who scored highly on this factor would be more likely to perceive social responsibility as being important for company profitability and competitiveness. The second factor, explaining 12.1% of the variance, was called 'long-term gains' and included scale items that looked at CSR as a long-term investment for company effectiveness. The third and final factor accounted for 8.6% of the variance and was labelled 'short-term gains'. This factor described the immediate responsibility companies had towards stakeholders and the need to make a profit at all costs.

Etheredge (1999) used the PRESOR scale in an emerging market context, and Yaman and Gurel (2006) in a tourism environment. Both studies found that a two-factor solution was more appropriate. The first factor described by Etheredge (1999) is the "importance of ethics and social responsibility" and depicts the significance of social responsibility for organisational effectiveness and performance. The second factor was called "subordination of ethics and social responsibility", and reflects the concept that ethics and social responsibility may at best be supplementary to profitability and survival of the organisation. The scale has a relatively high reliability with a Cronbach's alpha of 0.71, 0.57 and 0.64 for the three factors respectively. Etheredge (1999) further states that the scale can be used as a predictive measurement instrument. Its inclusion in the questionnaire was therefore found to be important to test the statistical relationships between CSR and organisational commitment and business performance as well as RTM.

Corporate citizenship

Maignan, Hult and Ferrell (1999) developed a scale to test corporate citizenship. Corporate citizenship describes the activities undertaken by a business to meet their social responsibility (economic, legal, ethical and discretionary) (Maignan, Hult & Ferrell, 1999). Their study showed corporate citizenship to have an effect on performance, a key research objective of this study.

RTM

Given the lack of a satisfactory scale to test the perceived costs and benefits of RTM a new scale was developed. The eight steps of new scale development, as also used by Maignan, Hult and Ferrell (1999) were used, namely:

1. Gathering of variables of interest

A large pool of potential items was generated using literature and expert sources. These were reduced to 35 scale items.

2. Content validity

Secondly the construct was tested for content validity by pilot-testing the questionnaire with experienced professionals and academics from the fields of marketing, marketing research and tourism to check for content validity. The questionnaire was also sent to a professional research house, the Customer Equity Group, to compare and validate the standard of the questionnaire with that used in the market research industry. Based on the feedback some scale items were edited, eliminated and new ones were added. In particular, the negatively worded questions were changed to positive wording, as it has been discovered that respondents found negatively phrased questions difficult to answer.

The RTM scale was reduced to nine scale items and tested once again with academics and marketing professional. Only minor changes had to be made at this stage.

Personal and organisational information

A few personal and organisational variables were also asked in the questionnaire as the literature had highlighted some significant statistical relationships. 'Race' was not asked explicitly but rather ethnic grouping was, as suggested by Burgess (2002). Questions on respondents' gender, highest level of education achieved, as well as company size, company sub-sector and age of the businesses were also asked.

Organisational commitment

To test organisational commitment the four-item scale developed by Hunt, Wood and Chonko (1993) was used. Their sample consisted of 1,706 respondents and the scale has a coefficient alpha of 0.85. Factor analysis shows a unidimensional factor accounting for 65% of the variance with a high degree of internal consistency (Bearden, Netemeyer, Mobley, 1993). It was necessary to test the level of organisational commitment as the link between commitment and performance has been shown in previous research (Maignan, Hult & Ferrell, 1999).

Commitment and performance

Research has shown that an increase in employee commitment reduces absenteeism, increases job satisfaction and turnover, and is positively associated with motivation. It is therefore a desirable business outcome and was included in the conceptual model as a consequence from RTM and responsible management intention (RMI) (O'Reilly & Chatman, 1986, as cited by Maignan, Hult & Ferrell, 1999; Mowday, Porter & Steers, 1979).

Development of responsible management intention

To test the influence of responsible management intention on the statistical relationship between management attitudes and behaviour (performance), an existing and tested subscale from the market orientation (MO) literature was adapted to the particular research context. Four scale items developed by Ruekert (1994) and used by Burgess and Nyajeka (2006) were identified for this purpose and included in the questionnaire.

Financial performance

A significant amount of literature exists on the relationship between CSR and financial performance (for example, Maignan, Hult & Ferrell, 1999, Jang, 2004). The results, however, are often contradictory and ambiguous showing both negative and positive relationships (Maignan, Hult & Ferrell, 1999). Reasons for this can be found in the vague and ambiguous nature of CSR itself. The field of CSR is highly diverse and often ill-defined so that its impact on financial performance is highly dependent on what particular aspect of CSR was measured. Maignan, Hult and Ferrell (1999) suggest that the lack of conclusive results also stems from an insufficient theoretical justification as to why a certain relationship should exist. The discussion in Chapter 2 clearly highlights the business opportunities of CSR, corporate citizenship, and RTM. The positive relationship between RTM and financial performance should therefore, at least from the discussion, hold.

Burgess and Nyajeka (2006) developed a scale to measure financial performance in an emerging market such as Zimbabwe. The scale consists of four scale items. Respondents could either answer 'yes', 'no' or 'I don't know'. To increase the response the questions did not require respondents to provide objective financial data but rather asked subjective questions. Past research has shown that subjective measures of financial performance are as reliable and accurate as objective measures and were therefore deemed an appropriate scale (Deshpandé & Farely, 1999 as cited by Burgess & Nyajeka, 2006). In order to reduce response bias which is often present when individuals have to report on their own performance, informants were told that their answers would be held in strict confidence (Burgess & Nyajeka, 2006).

Non financial performance measures

Especially in the short run the effect on performance in the area of CSR is not always measurable in terms of pure finances. Most case studies that have employed pro-poor strategies actually report an initial cost and only later are positive financial results achieved. Jaworski and Kohli's (1993) research showed that there was no significant relationship between market orientation and business performance. A central argument underpinning RTM is the need for a market orientation that can be seen to be responsive and sensitive to stakeholders and the general market environment (Maignan, Hult & Ferrell, 1999). Jaworski and Kohli (1993) point out that the lack of impact on financial performance could be due to market share not being an effective measure of business performance, a multidimensional construct. The researchers recommend that more research be conducted into measuring the impact of market orientation on business performance. It is for this reason that both financial, as well as non-financial, indicators were tested in this study.

The benchmarks of the BEE Tourism Charter and Scorecard (2005) were used to measure non-financial performance. Depending on the level of investment in the various categories of ownership, management, equity, training, enterprise development and corporate investment, companies were given a score. Scores were then added and grouped into five categories (very low, low, medium, high, very high).

Business environment: competitive intensity and market turbulence

Past research as well as findings from the focus group discussions gave credence to the important impact that the business environment has on the various statistical relationships in the conceptual framework (Jaworski & Kohli, 1993). To test whether or not business environment acted as a moderator in the model, the scales developed by Jaworski and Kohli (1993) were used to measure competitive intensity and market turbulence. The items for the market turbulence scale assessed the extent to which the composition and preferences of an organisation's customers tended to change over time, for example, "We are witnessing demand for our products and services from customers who have never bought them before" (Jaworski & Kohli, 1993). Competitive intensity scale items assessed the behaviour, resources and ability of competitors to differentiate, and example of this being, "Anything that one competitor can offer, others can match readily" (Jaworski & Kohli, 1993). Given the length

of the questionnaire and the problems of respondent fatigue in emerging markets, it was decided not to use the full scales. Some scale items were thus deleted based on their applicability to the tourism industry. The final scale consisted of nine scale items.

Values

Another key finding from the qualitative research was the strong influence of culture and values on managers' attitudes and perceptions towards RTM. Values have been shown to be potentially strong moderators in the market orientation literature, especially in emerging markets (Deshpandé, Farley & Webster, 1993). According to Schwarz (2004), in EMs cultural embeddedness and hierarchy are more important than the cultural values of autonomy and egalitarianism more commonly found in highly industrialised countries (HICs). It is for this reason that only the tradition and conformity scales were used in the questionnaire. The final scale consisted of six scale items to test values.

4.7.2 Construct validity

To determine whether the measures actually test the underlying, unobserved construct, construct validity needed to be tested. This can be done by assessing convergent validity and discriminant validity (Etheredge, 1999; McDaniel & Gates, 2007: 282). Convergent validity examines the degree of correlation of the various variables in a certain factor. The variables in a factor should be highly correlated to show that they are measuring the same underlying construct. Discriminant validity examines the correlation between different constructs. The correlations here should be low as one is attempting to test a different dimension. In this thesis it was important to analyse these correlations as CSR, corporate citizenship, RTM and responsible management intention all are related in what they are measuring.

PRESOR

The correlations of the variable within the factors are high, and between the factors low. This indicates satisfactory levels of convergent and discriminant validity of the PRESOR scale.

Corporate Citizenship

The correlations in this measurement are relatively low, despite the fact that the Cronbach's alpha is high at 0.73. A reason for this might be that Maignan and Ferrell (1999) tested four responsibility dimensions of which only two were included in the survey for this research. The scales, therefore, are only measuring part of the underlying construct, which would explain why the convergent validity is low.

RTM

The convergent validity of the factor measuring perceived benefits of RTM is acceptable, however, convergent validity of perceived costs is relatively low. It should be kept in mind that this is a new scale and that improvements will inevitably still be made. Moreover, the perceived costs were more diverse in nature than the perceived benefits which focused on brand and employee improvements. The correlations between the variables within the construct are low, indicating an acceptable level of discriminant validity.

Responsible management intention

The correlations of variables in this scale are low. This can again be explained by the fact that only a subscale of the full market orientation scale was used for this study. The four-scale items are hence testing only an aspect of management intention and not the full underlying construct, explaining the low correlation values.

4.7.3 Survey method

The most common method of generating primary data is by use of a survey (Zigmund, 2003: 55).

The three main data collection methods are:

1. "interview or telephone conversations
2. self-administered or self-reported instruments sent through the mail, left in convenient locations, or transmitted electronically or by other means or,
3. instruments presented before and/or after treatment or stimulus condition in an experiment" (Fricker, Galesic, Tourangeau & Yan, 2005; Cooper & Schindler, 2006: 195).

It was decided to conduct a survey using the internet as a distribution and response medium for this final stage in the research process. The significant growth of the internet as a research tool provides robust arguments for the use of this method (Brennan, Rae & Parackal, 1999; Wharton *et al.*, 2003; Morris, Fenton & Mercer, 2004; Roth, 2005). According to Reips "we are in the midst of an internet revolution in experimental research" (2002, as cited in Roth 2005). Numerous studies have successfully compared the results of traditional "pen and pencil" methods with using the internet (Brennan, Rae & Parackal, 1999; Morris, Fenton & Mercer, 2004; Fricker *et al.*, 2005; Roth, 2005). One of the challenges facing this new technique is that traditional methods have a host of "tried and tested methods" on how to incentivise respondents and increase response rates, whereas web-based surveys are as yet new and quite different (Brennan, Rae & Parackal, 1999). Both advantages and disadvantages are discussed in this section and are summarised in Table 4.2.

Table 4.2: Advantages and disadvantages of using a email questionnaire technique

Advantages	Disadvantages
Reduction in cost	Response bias
Geographical dispersion	Security
Decreased response time	Anonymity
Larger sample	Uncontrollable environment
Increased response rates	Drop out
No intermediaries	
Asynchronous information	

Advantages of using email questionnaires

The decision to use self-administered questionnaires that were sent to respondent in the form of an electronic mail was justified by the following reasons:

▲ Cost:

The use of the internet to conduct a survey has been shown to reduce costs of fieldwork up to only 7% of the traditional mail procedure, depending on the size of the sample. The cost when compared to telephone interviews is also considerably lower. Some limitations present themselves when respondents use different computer software potentially distorting the format of the questionnaire, and data is not automatically entered into a database (Wharton *et al.*, 2003; Morris, Fenton & Mercer, 2004; Roth, 2005). To address these limitations, a very simple html format was used to design the questionnaire. Once the questionnaire was filled out and the respondent pressed on the 'send' button the data from the questionnaire was automatically entered into a database on a remote server. This ensured accuracy of data capturing, as well as the anonymity of the respondent.

▲ Reach:

Using the internet as a research tool also reduced geographical distances (Wharton *et al.*, 2003; Aaker, Kumar & Day, 2004: 168; Fricker *et al.*, 2005). It was relatively easy to send the survey to businesses operating outside of central Cape Town. Furthermore, the study can easily be expanded to the rest of South Africa with relatively small increases to costs.

▲ Response time:

The time it takes respondents to reply to an email is usually much quicker than traditional mail as the actual time in the mailing system is eliminated (Morris, Fenton & Mercer, 2003; Roth, 2005). This finding was, however, disputed by Brennan, Rae & Parackal (1999) who found this only to be the case if a suitable incentive was offered. This led to the inclusion of an incentive (one respondent stood the chance to win six months free advertising space on the new CTT digital medium platform to the value of R6000, this prize was sponsored by CTT).

Respondents had to complete the questionnaire within a week of receiving it in order to be able to stand a chance to win. It could be that this led to a bias in the sample. Given the larger nature of the prize though, one would expect that not only small businesses would respond and that the incentive actually increased the credibility of the research.

▲ *Sample size:*

A much larger sample can be achieved due to the low cost, lack of geographical constraints and speed of administration. Initially 143 completed questionnaires were returned. Another 101 responses were added after a reminder email was sent out, bringing the achieved sample to 244, which constitutes a response rate of 14.6%, a finding that is in line with other email surveys conducted in the past (Aaker, Kumar & Day, 2004: 168; Morris, Fenton & Mercer, 2004; Fricker *et al.*, 2005).

▲ *Access:*

The ease of access for respondents was found to further increase the response rates, as questionnaires can be completed at the respondents' own leisure. In addition the cost and effort of sending reminder emails to non-respondents is low when compared to traditional mail. In line with traditional postal survey follow-up procedure a reminder email was sent out one week after the initial email distribution (Wharton *et al.*, 2003; Morris, Fenton & Mercer, 2004). It could be argued that some respondents would not be able to be part of the sample due to the lack of email. This was discussed with CTT, who regularly communicate with their members using email as a communication medium. To become a member of CTT certain minimum business requirements have to be met, this ensures that businesses with a certain level of professionalism were included. All of these businesses had a functioning email address and access to a computer thus the chance of being in the sample was equal for all CTT members.

▲ *Appearance:*

Morris, Fenton & Mercer (2004) noted that the increased ability to make a questionnaire look more visually attractive using computer technology, increases responses and completion. The logos of the University of Cape Town and CTT were placed in the questionnaire header to "promote confidence that the survey was reputable and to facilitate survey recognition with follow-up communications", as well as make the questionnaire more visibly appealing and easy to complete (Morris, Fenton & Mercer, 2004) (Appendix E).

▲ *Honesty:*

Wharton *et al.* (2003) point out that a higher degree of honesty can be achieved with the remote email method as the researcher is not present when the respondents answer potentially sensitive questions. The respondent also is not able to ask for assistance – and this could be seen as a disadvantage – if he or she does not understand a question. This lack of assistance can lead to a lower response rate and consequent response bias. To address this potential problem the email address and phone number of the researcher was provided in

the cover letter. Questions regarding comprehension of questions were answered, whilst taking great care not to bias any responses.

Disadvantages of using email questionnaires

Despite the many advantages of using email surveys, some negative factors had to be considered. These include:

▼ *Respondent bias:*

There is an inherent response bias towards those who own and understand internet and computer technology and results might not be projected onto the wider population (Aaker, Kumar & Day, 2004: 168). The target population of this research study is the Greater Cape Town tourism industry. It is fair to assume basic computer literacy because these businesses are competing both locally and globally. Wharton *et al.* (2003) moreover notes that this constraint has become far less relevant in recent years as the simplicity of such electronic instruments, as well as the technical know-how of most respondents has increased. Wharton *et al.* (2003), thus, argue that it is important to consider the appropriateness of the specific method, which in this particular case justified the use of an email questionnaire.

▼ *Security:*

Because of the lack of direct contact with the respondent, the researcher could not be sure if the questionnaire was completed by the person sampled. This is a general short-coming in self-administered questionnaires. However, only individuals on the CTT membership database received the questionnaire and therefore the level of security was increased.

▼ *Uncontrollable environment:*

The environment where the questionnaire will be completed cannot be controlled in the case of any self-administered questionnaire. It is assumed that because the questionnaire was sent as an email, most respondents would have completed it at their computers most likely in their offices. This would have ensured a certain degree of concentration and lack of disruption.

▼ *Drop out:*

The number of respondents who do not complete a questionnaire can be relatively high, and increases with the length of the questionnaire. Brennan, Rae & Parackal (1999) found that almost 30% of respondents failed to complete all three pages of their survey, resulting in a high loss of data. Wharton *et al.* (2003) argued that response rates differ from one study to the next. In some cases response rates were even found to be higher when using online methods (Morris, Fenton & Mercer, 2004). The literature has no conclusive answer to the average response rates to online surveys with findings differing from 6% - 68%. In general, response rates for email questionnaires were found to be higher than web-based methods (Morris, Fenton & Mercer, 2004). Factors such as the email being unsolicited ("spamming") and hence seen as junk mail and an invasion of privacy contributed to low response rates (Brennan, Rae & Parackal (1999). CTT corresponds regularly with their members, therefore, the emailed questionnaire, which was sent from the CTT headquarters, was not perceived to

be spam. Moreover, the incentive of a R6000 draw prize encouraged respondents to complete the questionnaire in its entirety. The prize was comprised of six-months free advertising on the CTT media platform. The winner was determined by using a computer generated random draw.

The following steps were taken to reduced drop out, as suggested by Roth (2005).

“High-hurdle technique”

A covering email accompanied the survey detailing the purpose, relevance and importance of the research and respondent participation (Appendix D). This email was signed and sent by the general manager of CTT, Mariette du Toit-Helmbold who endorsed the research.

“Warm-up technique”

Simple to answer questions were placed at the beginning of the questionnaire to accustom respondents to the process before more complex issues were addressed.

“Incentive”

Brennan, Rae & Parackal (1999) noted that the response rate using the internet is generally slow if not an appropriate incentive is used. This motivated the use of an incentive of a prize draw to the value of a R6000 being included in the cover email.

Rating scales

In terms of using different rating scales, Roth (2005) found that in a comparative study of using both graphical rating scales and text fields to enter the scoring made no significant difference on the results. It can be deduced, therefore, that respondents answer in a very similar manner if questioned over email or on paper.

Technical factors

Roth (2005) noted that none of the technical factors (screen resolution, colour depth, operating system, browser) or methodological factors (type of rating input) was found to have a significant influence on dropout rates. This indicates that any differences occurring because of different hardware and software being used had no significant impact on the results.

4.7.4 Timing of the survey

The tourism industry is a highly seasonal one and hence the timing of the questionnaire was an important consideration (George, 2004: 26; Caras, 2007: 110). In order to improve response rates it was decided to wait until after the high season (November – February) before conducting the survey. Experts predicted that respondents would have more time and inclination to complete the questionnaires in March. The traditional low season is also one where businesses are more receptive to new ideas, and it is hoped that the recommendations put forward by this research will be more readily accepted by the industry (Morris, Fenton & Mercer, 2004).

4.7.5 Pre-testing

A pre-test was conducted to test for the quality and content validity (Maignan, Hult & Ferrell, 1999). Morris, Fenton & Mercer point out that "pilot testing is absolutely essential in an electronic survey" (2004). The questionnaire was sent to ten experts in the tourism field as well as to academics at the University of Cape Town to ensure technical issues were addressed and the content comprehensible and not too lengthy. The pre-test showed that some scale items had to be adapted and other deleted. A second pre-test with academics showed a marked improvement in the content validity of the instrument.

Conclusion

In general Morris, Fenton & Mercer (2004), Fricker *et al.*, (2005) and Roth (2005) along with an increasing body of research found the differences in responses between traditional survey methods (postal and telephone) and online/email survey methods to be insignificant in most areas. The use of email decreased costs significantly and a large enough sample for statistical analysis purposes was achieved.

4.8 Data collection and analysis

Data preparation

An editing process was undertaken to prepare the data, whereby unsuitable or incomplete questionnaires were excluded. It also involved checking for errors in the data which could lead to the drawing of erroneous conclusions. The questionnaire was either discarded or a case-wise deletion process followed where questions had not been completed. All "other" options were post-coded and questions that had been reverse coded were changed accordingly (McDaniel & Gates, 2007: 434).

Statistical methods

A variety of statistical methods was employed to analyse the relationships described in the conceptual framework and test the generated hypotheses. The software packages Statistical Package for the Social Sciences (SPSS), R and STATISTICA were used for this purpose

Exploratory methods

Exploratory methods were used to profile the data and give an indication of its distribution. Frequency tables, histograms, bar/pie charts, percentages and means were analysed for this purpose (Cooper & Schindler, 2006: 514).

Inferential methods

Inferential methods such as t-tests, one-way ANOVA and cross tabulations were used in order to examine associations between variables (Wegner, 2001: 7; Cooper & Schindler, 2006: 514)

Multivariate statistical techniques

For the identification of simultaneous associations, statistical relationships and underlying patterns, techniques such as correspondence analysis, cluster analysis, multiple regressions and factor analyses were used (Cooper & Schindler, 2006: 514).

Cronbach's alpha, total-item reliability and convergent validity measures were used to test the validity and reliability of the scales.

4.9 Summary

This chapter has outlined the methods that were employed to generate valid and accurate data as well as statistical findings. The limitations of certain methodology decisions have been discussed and addressed. Where possible, recent research has been used to qualify these decisions and provide guidance on how to improve certain methods.

5 Findings and Discussion

5.1 Introduction

The purpose of this research study was to investigate the effect of tourism business owners' and managers' perceptions towards responsible tourism management (RTM) practices on business performance. A review of the literature suggested that there is a current dearth of academic discourse in this field. The findings presented in this thesis will contribute to the body of tourism marketing and management knowledge so that more effective marketing strategies can be developed, benefiting individual tourism businesses and the social, economic and natural environments they operate in. This chapter presents the findings from the statistical data analysis. The profile of the sample, reliability and validity of the measurement scales and factor analyses are discussed. The relationships as presented in the conceptual model are then analysed. Hypotheses were accepted or rejected based on the research findings. The chapter concludes with a general discussion of the overall study research findings.

5.1 Sample profile

Size

The achieved sample is an accurate reflection of the Greater Cape Town tourism industry which is dominated by small to medium and micro sized enterprises (SMMEs). Businesses with one to four employees constituted 61.8% (131 businesses) of the total sample, compared to only 11 businesses with 40 or more employees. Yaman and Gurel (2006) found in their study on the perceived role of ethics and social responsibility (PRESOR) for tourism managers that size had a negative impact on a business' social behaviour. The fact that the industry is dominated by SMMEs is therefore a positive finding. However, it should be noted that in South Africa part of the transformation agenda is concerned with addressing the injustices brought about by the apartheid regime. The Employment Equity Act (1998) for example outlines how companies have to report and on transformation and implement affirmative action to address past injustices⁷. Large companies with significant resources for training, enterprise development and corporate social investment are often in a better position than smaller ones to meet the BEE Tourism Charter and Scorecard (2005) targets. The findings in this research thesis suggest that despite the positive attitude towards RTM, small businesses are often not able to implement RTM due to associated costs, both real and perceived. It is consequently important that mechanisms are developed whereby SMMEs are able to implement RTM in a manner that fits their specific business objectives and target markets.

Sub-sector

⁷ www.labour.gov.za

Hospitality (hotels, B&Bs, guest houses and backpacker hostels) is the largest sub-sector (56.6% or 120 businesses) in the sample. According to d'Oliveira (2007) this is reflective of the actual membership base. The capital needed to open a guest-house is relatively low and many South Africans have taken advantage of the tourism boom that the country has experienced by providing accommodation in their homes for tourists (for example guest houses or 'home-stays'). The tourism industry, consequently, is highly fragmented with many small inexperienced businesses being included in the same sub-sector as large, established tourism businesses such as Springbok Atlas, Thompson Tours Group and Cullinan Holdings. The result of this fragmentation is that setting industry standards, policies and guidelines is very difficult as each business has different requirements and levels of expertise. The apathy and apparent lack of understanding on the part of some in the tourism sector towards government initiatives can be partly blamed on this phenomenon (Table 5.1).

Years in operation

Given that businesses often do not want to divulge annual turnover and profit years in operation was used as an indication of success and sustainability. The majority of businesses have been in operation for the relatively short time of six years or less (69.7%). This reflects the highly volatile and fast-changing nature of the tourism industry. Numerous small tourism businesses begin their operations without the necessary skills, capital or market research to support their business idea and are often forced to close (Firfirey, 2005). Long established businesses (having been in operation for 16 years or more) make up only 8% of the sample. Findings by Gilg, Barr and Ford (2005) show that individuals with higher incomes are more likely to engage in socially responsible behaviour. Years of operation can be seen as a measure of success, as it indicates the level of sustainability of the business. The fact that the sample is dominated by relatively new tourism businesses provides a further reason as to why there is a discrepancy between the positive attitude of managers of tourism business owners towards RTM and their actual behaviour.

Table 5.1 provides an overview of the study sample profile.

Table 5.1: Industry demographics

	Count	Cumulative Count	Percent	Cumulative Percent
Size				
1-4	131	131	61.8	61.8
5-10	35	166	16.5	78.3
11-20	19	185	9.0	87.3
21-30	8	193	3.8	91.0
31-40	5	198	2.4	93.4
>40	11	209	5.2	98.6
Missing	3	212	1.4	100.0
Sub-sector				
Hospitality	120	120	56.6	56.6
Entertainment	13	133	6.1	62.7
Visitor attraction	11	144	5.2	67.9
Travel organiser	31	175	14.6	82.5
Transport	11	186	5.2	87.7
Support services	24	210	11.3	99.1
Missing	2	212	0.9	100.0
Number of years in operation				
<1 year	34	34	16.0	16.0
1-3 years	66	100	31.1	47.2
4-6 years	48	148	22.6	69.8
7-9 years	24	172	11.3	81.1
10-12 years	18	190	8.5	89.6
13-15 years	5	195	2.4	92.0
>16 years	17	212	8.0	100.0
Missing	0	212	0.0	100.0

5.1.1 Managers' characteristics

Previous studies have shown that individual characteristics of managers influence management style and strategic orientation of a business (Gilg, Barr & Ford, 2005; Yaman & Gurel, 2006). Questions on demographic variables such as gender, education and ethnicity were therefore included in the questionnaire.

Gender

Nearly 60% (126) of the tourism business managers and owners in the sampled population are female. This finding is encouraging in the light of the fact that management positions in South Africa are still largely male dominated and indicates that there is a slow transformation taking place in this regard (McEwan, 2003). Moreover previous findings by Gilg, Barr and Ford (2005), as well as Yaman and Gurel (2006), indicate that females are more socially responsible than their male counterparts. This would mean that the effects of a social marketing campaign aimed at encouraging RTM would find more resonance in this market, given the slight dominance of female managers.

Ethnicity

The tourism industry in South Africa has been strongly criticised by the media and government for its lack of transformation. The current view is that tourism is still largely white-owned and that the economic benefits are shared amongst only a select few (TBCSA, 2002; Sapa, 2007). This sentiment is supported by the ethnic representation of the sample. South African English, Afrikaans and European languages make up 94% of the sample, as opposed to only 1.8% isiXhosa and isiZulu combined (the last being the largest ethnic groupings in South Africa). This distribution in ethnicity is clearly not representative of the South African population or of that in the Western Cape. According to AMPS (2007) South Africa has 75.4% Black, 8.8% Coloured, 2.7% Indian and 13.2% White citizens, compared to the Western Cape, which is comprised of 17.4% Black, 8.8%, Coloured, 56.0% Indian and 25.6% White citizens. The research results therefore reflect the attitudes and perceptions of particular group and should be generalised with care as other industries might have a more representative management contingent.

Education

Seventy-five percent of respondents indicated that their highest level of education is at a tertiary level. This is surprisingly high compared to the national average of only 10.4% (AMPS, 2006). It is, however, reasonable to expect that managers and business owners would have a higher level of education than the average South African. This finding does though also provide further evidence as to the non-representative nature of tourism in South Africa and Greater Cape Town. The fact that education levels are high also influences the perceptions and attitudes of managers towards social responsibility. Managers with high levels of education tend to be less idealistic and hence less positive towards issues concerning CSR (Yaman & Gurel, 2006). Table 5.2 provides a more detailed overview of the demographic statistics.

Table 5.2: Managers' demographics

	Count	Cumulative Count	Percent	Cumulative Percent
Gender				
Male	82	82	38.7	38.7
Female	126	208	59.4	98.1
Missing	4	212	1.9	100.0
Ethnicity				
Zulu	2	2	0.9	0.9
Xhosa	2	4	0.9	1.9
Indian	1	5	0.5	2.4
Setswana/Tswana	1	6	0.5	2.8
Afrikaner/Afrikaans	42	48	19.8	22.6
South African	135	183	63.7	86.3
English	2	185	0.9	87.3
Other African	22	207	10.4	97.6
Other	1	208	0.5	98.1
Missing	4	212	1.9	100.0
Education				
No formal education	1	1	0.5	0.5
Some high school	6	7	2.8	3.3
Matric	44	51	20.8	24.1
Tertiary	159	210	75.0	99.1
Missing	2	212	0.9	100.0

Attitude towards RTM

The attitude of business tourism managers and owners towards CSR and RTM is generally very positive, with approximately 90% of respondents indicating that CSR is necessary for businesses to function effectively and that RTM makes good business sense (Table 5.3). Over 60% (127) of respondents, however, also agree with the perceived costs of RTM, for example, that it is too expensive to use small suppliers, quality standards are not sufficient and safety and security issues restrict tourism businesses from using smaller suppliers (Table 5.3). These findings confirm some of the costs and benefits that have been highlighted in both the CSR and tourism literature (Tearfund, 2001; Porter & Kramer, 2006). They also provide the necessary information to develop social marketing campaigns aimed at changing management behaviour in the tourism industry. The perceived costs can effectively be addressed and benefits increased. RTM, for example, leads to better reputation, brand and employee morale (Rothschild, 1999; Andreasen, 2000).

Table 5.3 provides a summary of the responses with regards to managers' attitudes and perceptions towards the role of CSR, and RTM more specifically. More than 90% agree that CSR is necessary for businesses to be effective. There seems to be a general realisation as to the strategic importance of CSR. This finding confirms the general shift in the CSR debate away from pure philanthropy towards seeing CSR as a business investment. The level of agreement with regard to placing profits before responsible management is lower, with just over 60% of the sample agreeing with the statement. It should be noted that there is a

possibility of response bias, as individuals would be inclined to tick the answer that is socially acceptable (i.e. that having a purely profit-orientated view is not the socially acceptable answer) (Cooper & Schindler, 2006: 280). Nonetheless, the factor measuring the profit orientation of a business is significant and will be discussed in more detail later in the chapter.

The scale items that were developed to measure potential barriers towards RTM, clearly confirm literature and qualitative findings. Sixty percent of respondents agree that small suppliers are not able to meet the quality and quantity standards that they require. There is a perception, moreover, that customers might not be safe using smaller community products and service providers. The safety and security debate in the South African tourism industry has been a top priority for a considerable time period, especially as the soccer FIFA World Cup 2010 approaches. This finding confirms once more how important it is to manage crime for economic development not only for the end-consumer but also for the industry itself.

The view that RTM can be a useful marketing tool is also confirmed, with approximately 80% of respondents agreeing that RTM is good for the brand and company image and reputation. Managers also feel that RTM can improve staff morale and, by implication, performance (67%).

These descriptive statistics provide a general overview of the attitudes of tourism business managers towards CSR, as well as the perceived costs and benefits of RTM. A more detailed analysis of these variables is necessary to uncover significant statistical relationships and correlations.

Table 5.3: Level of agreement with CSR and RTM

Scale Item		% Strongly Agree & Agree
Being ethical and responsible is the most important thing a business can do		94%
Business planning and goal setting should include discussions of responsible management		92%
Responsible management is essential to long term profitability		94%
Good (responsible) management is often good for business		92%
Businesses will have to ignore responsible management in order to remain competitive in a global environment		78%
You must forget about responsible management if the survival of the business is at stake		64%
Business has a social responsibility beyond making a profit		62%
It is too expensive for our business to use smaller suppliers	costs	61%
We do not use smaller community suppliers because of safety and security issues	costs	60%
Our customers want international standards that smaller local businesses cannot offer	costs	58%
Community support helps us run our business better.	benefits	47%
We think responsible tourism management improves our staff performance	benefits	67%
Our employees are proud to work for a socially responsible business	benefits	73%
We think responsible tourism management is a useful marketing tool	benefits	81%
Our brand, image and reputation benefits from responsible tourism management	benefits	77%

5.1.2 Levels of actual RTM behaviour

To determine what the actual level of RTM in the tourism industry is, the six categories from the 2005 BEE Tourism Charter and Scorecard (ownership, strategic representation and employment equity, skills development, preferential procurement, enterprise development and social development) were employed as a measure. The categories were used to determine what the actual level of RTM in the tourism industry is and were measured, weighted and grouped into five categories as shown in Figure 5.1: very low (3%), low (44%), medium (25%), high (19%) and very high (9%). It is encouraging to see that 53% the businesses are in the medium to very high category, despite the fact that the tourism industry is dominated by very small businesses that struggle to meet the BEE targets. Nonetheless, the levels are still relatively low, with the largest group falling into the low category. This indicates that despite a generally positive attitude towards CSR and RTM, this attitude is not being translated into positive action (behaviour).

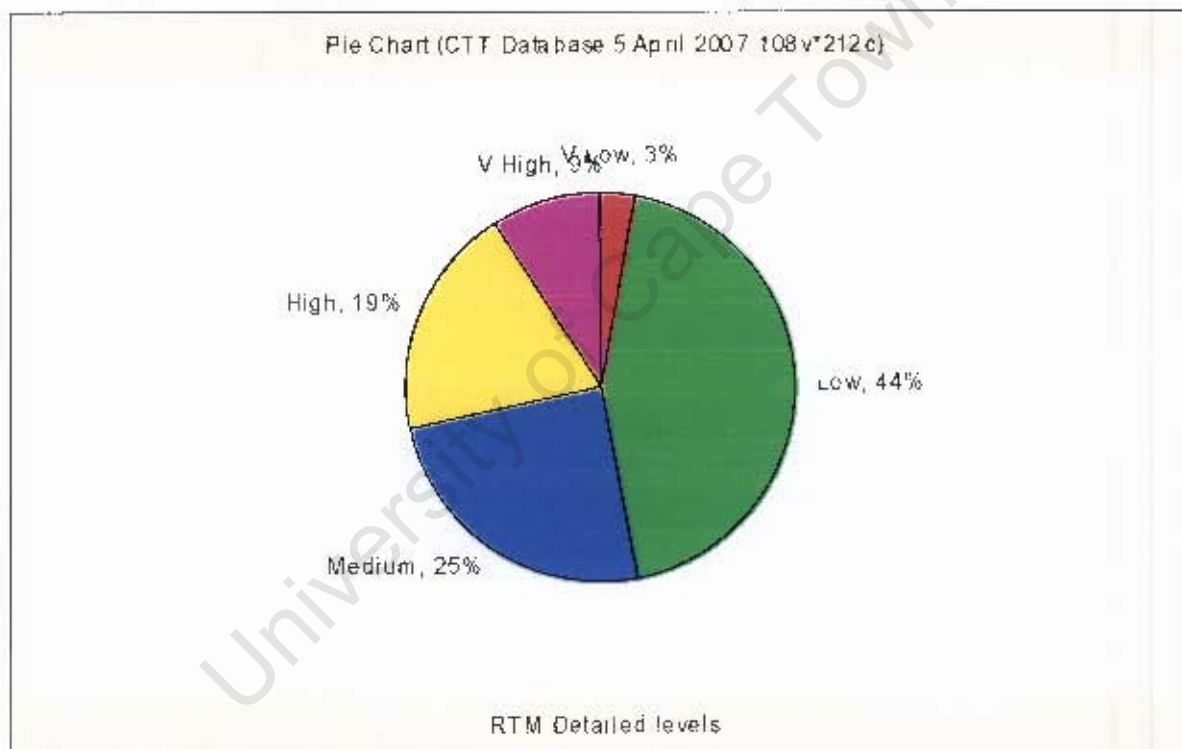


Figure 5.1: Levels of actual responsible tourism management behaviour

5.2 Reliability analysis

Cronbach's alpha coefficients and total inter-item correlation were used to test for reliability. All scales, except the sub-set of the Schwartz (1994) value scales, which were used to measure the constructs in the conceptual model, had a Cronbach's alpha of 0.6 or more. According to Burgess and Steenkamp (2006) this is an acceptable level of reliability in emerging market research. The scales, therefore, accurately tested the underlying constructs and could confidently be used for further analysis. Table 5.4 shows the individual reliability results for the used measurement scales.

Table 5.4: Cronbach's alpha reliability scores for measured constructs

	Cronbach's alpha	N	Items
Perceived role of ethics and social responsibility (PRESOR)	0.71	200	9
Corporate citizenship	0.73	199	5
Responsible tourism management (RTM)	0.70	201	9
Responsible management intention (adapted scale)	0.70	199	4
Financial performance	0.70	194	3
Organisational commitment	0.86	198	4
Values (tradition and conformity)	0.59	201	6
Competitive Environment	0.68	196	7

Perceived role of ethics and social responsibility (PRESOR)

Singhapakdi *et al.*'s (1996) PRESOR scale had a Cronbach's alpha of 0.71, 0.57 and 0.64 in their three-factor solution respectively. The Cronbach's alpha for the two factor solution used in this research is 0.71. It confirms the reliability of the scale in an emerging market. It also indicates that the scale is truly measuring the underlying construct and that results can be interpreted with confidence and the extracted factors used for further analysis.

Corporate citizenship

Maignan, Hult and Ferrell (1999) developed various scale items to test corporate citizenship. A subscale was used in the questionnaire developed for this research. Maignan, Hult and Ferrell's (1999) measurement scale had a Cronbach's alpha of 0.9, whereas the reliability of the scale for this research study is 0.73. However, given that the research was conducted in an emerging market and only a subscale of the original measurement scale was used, corporate citizenship was reliably tested. The acceptable Cronbach's alpha indicates that the scale can be used in a different context to the one Maignan, Hult and Ferrell (1999) used, namely tourism and an emerging market.

Responsible tourism management (RTM)

The RTM scale that was newly developed for this research thesis is highly reliable with a Cronbach's alpha of 0.7. For a new scale in an emerging market, this result is positive and confirms both literary and qualitative findings. New scale development in the relatively young field of tourism marketing research is necessary and is a valuable contribution towards ensuring that academic knowledge in tourism is further developed.

Responsible management intention (RMI)

The scale measuring responsible management intention (RMI), an important link between attitude and behaviour, has a Cronbach's alpha of 0.7. On average Rueckert's (1992) full scale also has a Cronbach's alpha of approximately 0.7 and can thus be reliably used for further analysis.

Business performance (financial and organisational commitment)

Both performance measurers (financial performance and organisational commitment) are reliable with a Cronbach's alpha of 0.7 and 0.86 respectively. These results are especially encouraging, given that respondents of very small companies initially struggled to apply the concept of organisational commitment to themselves and their particular business environment.

Schwartz values

The Schwartz (1994) value scales testing for conformity and tradition had a Cronbach's alpha of just under 0.6. The sample showed that 75% of respondents have tertiary education and 10.4% of the respondents were European. Tradition and conformity value structures are part of embeddedness and more typically found in emerging markets (Schwartz, 2007). Given the sample profile, however, some respondents would be more inclined to have value structures characteristic of highly industrialised countries, namely egalitarianism and autonomy (Schwartz, 2007). This would have led to highly heterogeneous responses and might explain why the scale reliability was relatively low, with a Cronbach's alpha of 0.59.

5.3 Factor analysis

Factor analysis was performed on the data to reduce the variables and uncover whether there were unobserved underlying constructs. Subsequent analysis made use of the factors rather than the variables. A data parcelling technique was employed to compute new values from the factors based on the average of the highly loading scale items. According to Little, Cunningham, Shahar and Widaman (2002) data parcelling is justified under specific circumstances. In the case of this research thesis it was decided to use the data parcelling technique to create new values for the computed factors that could be used for further analysis. The results of the factor analysis are discussed in the following section.

Corporate Social Responsibility – PRESOR scale

Table 5.5: Factors extracted from CSR scale (PRESOR).

Corporate Social Responsibility (PRESOR)	Factor Loading	Mean x	Eigenvalue	Explained variance (%)
Factor 1: CSR orientation			3.91	43.42
Being ethical and responsible is the most important thing a business can do	0.89	1.31		
Business planning and goal setting should include discussions of responsible management	0.92	1.48		
Responsible management is essential to long term profitability	0.92	1.32		
Good (responsible) management is often good for business	0.74	1.41		
Factor 2: Profit orientation			1.30	14.46
You must forget about responsibility if the survival of the business is at stake	0.73	2.19		
It is more important for our business to be efficient than to make a profit, even if it means bending or breaking the rules	0.51	3.04		
Businesses will have to ignore responsible management in order to remain competitive in a global environment	0.77	1.85		
Factor 3: Business's role in society			1.16	12.91
Social responsibility and profitability go hand in hand	0.69	1.82		
Business has a social responsibility beyond making a profit	0.86	2.20		

Even though the full PRESOR scale of 13 items was adapted to fit the tourism and emerging market context the interpretation of the factors is similar to that found by Singhapakdi *et al.* (1996). Factor one, measuring to what degree managers believe CSR to be important for the effectiveness of their business, explains 43.4% of the variance. Factor two, explaining 14.5% of the variance, describes the opposite view, namely that at times social responsibility needs to be compromised in order to survive in a competitive business environment. Factor three is not as easily interpreted but can be said to be the view by managers that CSR is a part of company's role in society and is integrated into its operations. Factor three accounts for only 12.9% of the variance. Together the three factors explain approximately 70.8% of the variance and can thus be confidently used in further analysis.

Corporate citizenship

A further scale was used to test management attitude in order to achieve a more holistic view of the various aspects that comprise corporate social responsibility in tourism. The scale utilised in this study to test corporate citizenship is a subscale of the various aspects influencing management style developed by Maignan, Hult & Ferrell (1999). The five scale items were reduced to two significant factors. As Table 5.6 shows, the first factor is the most significant, explaining nearly 50% of the variance.

Table 5.6: Factors extracted from corporate citizenship scale

Corporate Citizenship	Factor Loading	Mean x	Eigenvalue	Explained variance (%)
Factor 1: External Responsible Management			2.42	48.33
Our business supports employees who acquire additional education	0.60	1.90		
A programme is in place to reduce the amount of energy and materials wasted in our business	0.65	2.24		
We encourage partnerships with local businesses and schools	0.89	2.32		
Factor 2: Internal Responsible Management			0.79	15.81
Our business has a comprehensive code of conduct	0.80	2.10		
Our employees provide full and accurate information to customers	0.78	1.67		

Managers' attitudes towards corporate citizenship expressed in their waste management, employee, and community partnership practices, was seen to be an important variable influencing market orientation. The factor analysis, using Varimax normalised rotation, shows a clear distinction between external and internal responsible management practices. These two factors effectively reduced the data and could be used for further analysis.

Responsible tourism management (RTM)

Because of limited research pertaining to CSR in tourism, it was decided to develop a new measurement scale to test perceived costs and benefits of RTM. The final RTM scale consisted of nine scale items shown in Figure 5.7. A factor analysis showed two significant factors, with the first factor explaining 36% of the variance and the second factor 20%. The first factor, as predicted, can be described as the 'Perceived benefits of RTM', whilst factor two depicts the 'Perceived costs of RTM'. The exploratory and qualitative research phase had highlighted that managers were often concerned about quality standards of the goods and services of smaller suppliers. The globally competitive nature of tourism often discourages tourism businesses from using smaller suppliers because they are under pressure to meet international standards. Another key concern is the perceived lack of safety and security when utilising smaller community service providers. These perceived costs, clearly, are creating a barrier between the positive attitude managers have towards RTM and their management behaviour as reflected in the RTM levels (Figure 5.1).

It is encouraging to note that the perceived benefits, as identified in the general CSR literature, previous tourism research as well as focus group discussions are confirmed by the research findings. RTM is perceived to improve staff morale and by implication performance. Moreover, RTM is seen as a positive marketing tool, enhancing the company image, reputation and brand. In an industry where loyalty is known to be low, creating strong brands

is an important step towards differentiation and building a strategic competitive advantage (Tearfund, 2001).

Table 5.7: Factors extracted from corporate citizenship scale

Responsible Tourism Management (RTM)	Factor Loading	Mean x	Eigenvalue	Explained variance (%)
Factor 1: Perceived benefits of RTM			3.24	35.98
Community support helps us run our business better	0.61	2.75		
We think responsible tourism management improves our staff morale	0.80	2.10		
Our employees are proud to work for a socially responsible business	0.82	1.97		
We think responsible management is a useful marketing tool	0.82	1.79		
Our brand, image and reputation benefit from responsible tourism management	0.87	1.87		
Government is helping us put in place responsible management process	0.28	3.73		
Factor 2: Perceived costs of RTM			1.78	19.73
It is too expensive for our business to use smaller suppliers	0.76	2.28		
We do not use smaller community suppliers because of safety and security reasons	0.78	2.28		
Our customers demand international standards that smaller local businesses cannot offer	0.78	2.40		

Competitive Environment

Jaworski and Kohli (1993) developed scales to test the effect of the business environment on market orientation. A subscale from their study was used to measure competitive intensity and market turbulence. Factor analysis revealed that there were two unobserved constructs. Table 5.8 shows that factor one describes the level of competition in the environment that the business finds itself in, explaining 34% of the variance. Factor two focuses more on the customer and to what degree demand keeps changing. The second factor is less significant explaining only 19% of the variance. These two factors mirror those found by Maignan and Ferrell (1999), once again showing the reliability of this scale in a different market and industry context.

Table 5.8: Factors extracted from competitive intensity and market turbulence subscales

Business environment	Factor Loading	Mean x	Eigenvalue	Explained variance (%)
Factor 1: Competitive intensity			2.36	33.77
Competition in our industry is intense	0.77	1.78		
Anything that one competitor can offer, others can match it readily	0.77	2.36		
Price competition is very common in our industry	0.71	2.143		
Factor 2: Consumer turbulence			1.33	18.93
In our kind of business customers' preferences change a bit over time	0.68	2.51		
We hear of competitor moves every day	0.45	3.17		
Our customers tend to look for new products all the time	0.77	2.51		
We are witnessing demand from totally new groups of customers	0.67	2.62		

Personal values

The influence of personal values on management style has been widely researched (Schwartz, 2004). Hofstede (2001, as cited by Burgess & Steenkamp, 2006) and Schwarz (2004), developed scales that tested various cultural dimensions. Given that culture was only one of the factors that were being tested in this thesis and that response rates decrease significantly when questionnaires are too long, it was decided to not use the complete Schwartz (2004) scale. Rather a sub-set that addresses 'tradition' and the level of 'conformity' in a society, as measures of the level of embeddedness and hierarchy, were included. The reason for testing these particular dimensions was because in emerging markets such as South Africa, embeddedness and hierarchy have been found to be the dominant cultural dimensions (Burgess & Steenkamp, 2007; Schwartz, 2007). Factor analysis was again applied to reduce the six scale item measurement to two factors. Table 5.9 shows how the scale items loaded. In line with Schwartz's 1994 findings, the scale items loaded in such a manner that two distinct factors, namely tradition and conformity could be identified. These factors, as a measure for embeddedness and hierarchy, were used in further analysis to test whether or not cultural values have an influence on management attitude or moderate the relationship between management attitude and responsible management intention.

Table 5.9: Factors extracted personal values scale

Personal values	Factor Loading	Mean x	Eigenvalue	Explained variance (%)
Factor 1: Conformity			1.93	32.11
It is important for me to do things the way other people do them. I should do what others expect of me.	0.83	3.80		
I believe people should do what they are told. We should follow rules at all times even when no one is watching	0.71	2.87		
Factor 2: Tradition			1.15	19.14
I think it is important to do things the way my family taught me. I want to follow customs and traditions	0.63	3.433		
I think it is important to do things they way my family taught me. I want to follow customs and traditions	0.67	3.71		
I do not like to brag or draw attention to things I do. I want to be modest	0.77	2.57		
Being religious is important to me. I try hard to follow my religious beliefs	0.47	2.67		

Multiple regression analysis was used to test for significant statistical relationships between dependent and independent variables. The hypotheses that had been generated from the exploratory research phase and visually displayed in the conceptual model were individually tested. The following section discusses the findings with regards to each of these hypotheses.

5.3 Hypotheses testing

This research is concerned with analysing what the barriers to and advantages of RTM are and how the attitude towards management style influences performance. Consumer behaviour literature clearly links attitude with behaviour (Pizam & Mansfeld, 1999: 105). Attitudes towards responsible management in turn have shown to have an effect on management intention (RMI) (Ryan, 1982). The hypotheses categorise these statistical relationships into smaller, testable constructs.

Management attitude and responsible management intention

From the reviewed literature it was hypothesised that the relationship between management attitude and actual behaviour might be mediated and/or moderated by various other factors. One of these is management intention. Intention to act is a necessary component between a given attitude and resultant behaviour (Ryan, 1982). The following hypotheses were therefore individually tested.

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention.

H_{1a}: Perceived role of ethics and social responsibility have a direct positive effect on the responsible management intention of tourism businesses.

H_{1b}: Corporate citizenship has a direct positive effect on the responsible management intention of tourism businesses.

H_{1c}: RTM has a direct positive effect on the responsible management intention of tourism businesses.

Table 5.10: Management attitude regressed on responsible management intention

Dependent	Independent: Management Attitude	Standardised Coefficient Beta	p-levels
Responsible management intention (RMI)	Factor 1 CSR Orientation	-0.012	0.884
	Factor 2 Profit Orientation	0.013	0.861
	Factor 3 Business' Role	-0.017	0.837
	Factor 1 RTM Perceived Benefits	0.004	0.965
	Factor 2 RTM Perceived Costs	-0.008	0.913
	Factor 1 CC External	0.0469	0.587
	Factor 2 CC Internal	0.050	0.568

H₁ is rejected on the grounds that none of the factors are significant. This can be due to two reasons. Firstly, the relationship might be non-significant because of moderators being present such as the competitive environment and industry characteristics (size and sub-sector). Secondly, in line with predictions, it could also be that in an emerging market the statistical relationship between management attitude and actual intention does not follow the same pattern as found in previous research. The discrepancy between having a positive attitude on the one hand, and lack of consequent behaviour on the other, is a common in emerging markets (Burgess & Steenkamp, 2006). The fact that the industry has not transformed, and that RTM levels are relatively low, would point towards businesses not being sensitive to the changes in the demands and needs of their target markets, as well as an industry that is generally slow to react to change. This would in turn make the relationship non-significant.

Moderator effects

The review of the literature suggested that factors such as personal values, company size, business sub-sector and the competitive environment have an impact on management attitude and performance. Regressions were run with each of the independent and dependent factors to test for the existence of these moderator effects. Table 5.11 shows the summary of the significant findings.

Table 5.11: Moderator effects

Independent CC1: CC	Dependent	Moderator	Significant	p-value	F-stat	Coefficient
External	RMI	Years	Yes	0.12	2.00	1
RMI		Size	Yes	0.00	4.77	-0.03
	Financial	Years	Yes	0.00	5.00	-0.01
	Performance	Competitive Intensity	Yes	0.12	1.98	-0.01
RMI	Non-	Sub-sector	Yes	0.01	4.15	-0.05
	Financial	Size	Yes	0.03	3.00	0.07
	Performance	Consumer Turbulence	Yes	0.04	2.85	0.17

The assumption that moderators might be influencing the relationship between management attitude and management intention led to the formation and testing of the following hypotheses:

H₂: Industry factors moderate the statistical relationship between management attitude and strategic responsible management intention.

H_{2a}: Industry factors moderate the statistical relationship between the perceived role of ethics and corporate social responsibility and the responsible management intention.

H_{2b}: Industry factors moderate the statistical relationship between corporate citizenship and responsible management intention.

H_{2c}: Industry factors moderate the statistical relationship between responsible tourism management and responsible management intention.

H₃: Industry factors moderate the statistical relationship between responsible management intention and business performance.

H_{3a}: Industry factors moderate the statistical relationship between responsible management intention and financial performance.

H_{3b}: Industry factors moderate the relationship between responsible management intention and non-financial performance.

H_{3c}: Industry factors moderate the statistical relationship responsible management intention and organisational commitment.

Number of years that a business has been in operation

H₂ and H₃ can be partially accepted. The number of years that a company has been in operation moderates the statistical relationship between the factor measuring corporate citizenship and responsible management intention (Table 5.11). The longer a company has been in operation, the more likely are attitudes of managers translated into intention. Interestingly, the moderating effect between management intention and financial performance is negative. A possible explanation for this might be that as companies become more experienced they realise that intentions are not always sufficient in driving actual behaviour. Other factors that are affecting this relationship might also be present. The fact that competitive intensity and consumer turbulence were also found to be moderators, supports this argument. The finding also confirms research by Yaman and Gurel (2006) who showed that the more experienced managers were, the less likely they were to be idealistic, and by

implication socially responsible. The various considerations that impact on management decision-making increasingly enter the equation for these experienced individuals, reducing the likelihood of a direct linear relationship between attitude, intention and behaviour.

Company characteristics

One of the measures used to further test whether or not industry factors moderate the statistical relationships in the conceptual model, was the number of employees that a business had, translated into the size of the business. H_5 and H_6 were developed and tested in line with these assumptions.

H_5 and H_6 can be partially accepted.

H_5 : Company characteristics moderate the statistical relationship between management attitude and responsible management intention.

H_{5a} : Company characteristics moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{5b} : Company characteristics moderate the statistical relationship between corporate citizenship and responsible management intention.

H_{5c} : Company characteristics moderate the statistical relationship between RTM and responsible management intention.

H_6 : Company characteristics moderate the statistical relationship between responsible management intention and business performance.

H_{6a} : Company characteristics moderate the statistical relationship between responsible management intention and financial performance.

H_{6b} : Company characteristics moderate the statistical relationship between responsible management intention and non-financial performance.

H_{6c} : Company characteristics moderate the statistical relationship between responsible management intention and organisational commitment.

In the literature, as was discussed in Chapter 2, the size of the business influences the statistical relationship between management attitude and performance (Jaworski & Kohli, 1993; Maignan & Ferrell, 1999; Yaman & Gurel, 2006). In the case of financial performance the effect is negative, whilst size of businesses positively impacts the statistical relationship on non-financial performance. The fact that size negatively influences the statistical relationship between management intention and financial performance is counter-intuitive as one would expect the larger a company is the more likely it would be to contribute towards the environment and society. In fact, the finding confirms previous research by Yaman and Gurel (2006) who discovered that smaller businesses were more likely to view social responsibility as important for their company's survival and success. This could be attributed to the fact that smaller businesses are more dependent on the communities they work with and are more vulnerable to shock.

The positive influence of size on non-financial performance measure can be explained by looking at the specific composition of the local tourism industry. The tourism industry is dominated by SMMEs who struggle to meet the requirements set out by the 2005 BEE Tourism Charter and Scorecard. Given that the measures set out by the Charter were used to

determine non-financial performance, it would follow that smaller companies would be more challenged in this regards, despite having positive attitudes towards CSR. The larger a business is, the easier it is for it to reach the BEE Tourism Charter and Scorecard (2005) criteria.

This finding is significant for policy formulation. In the past, policies have been released for the tourism industry holistically, not taking the different sizes and sub-sectors of the businesses into consideration. Recently, the 2005 BEE Tourism Charter and Scorecard has made allowances for smaller businesses, however, the negative sentiment that has already been created due to unreasonable government demands, impedes the transformation process.

Sub-sector

The tourism industry is highly fragmented, comprising various sub-sectors which are statistically significantly different. The sub-sector that a business is operating in moderates the relationship between management intention and non-financial performance. Businesses operating in the accommodation sector, as opposed to those in the entertainment arena, face different challenges with regards to implementing RTM. Social marketing campaigns have to take these differences into account, showing a sensitivity towards the diverse nature of tourism.

Competitive environment

The level of competition and discernment of consumers that a business faces was also found to moderate the statistical relationship between management intention and performance confirming previous findings by Jaworski and Kohli (1993). The higher the level of competition, the less likely management intention is going to affect financial performance. As competition increases margins become narrower. Good intentions with regards to RTM, therefore, no longer necessarily lead to performance (i.e. desired RTM behaviour).

Consumer turbulence, namely the degree to which consumers demand change, positively moderates the statistical relationship between management intention and non-financial performance. RTM is consumer-driven, consequently, businesses that are more market-sensing, in other words are sensitive to consumer changes in their markets, would be more likely to behave in a manner that reflects their responsible management attitude and intention.

To test whether or not management attitude (comprised of PRESOR, corporate citizenship and responsible tourism management scales) influences business performance, the following hypotheses were devised.

H₄: There is a direct positive statistical relationship between management attitude and business performance.

H₄ is partly accepted. Table 5.12 shows that the direct statistical relationship between management attitude and financial performance cannot be shown to conclusively exist at the

90% confidence interval, with p-levels for all seven factors being more than 0.15. This again points to the fact that the statistical relationship might be moderated by other factors. Furthermore, it indicates that despite the fact that the industry has a generally positive attitude towards CSR and RTM, this is not actually translating into RTM action nor financial performance.

Table 5.12: Management attitude regressed on financial performance

Dependent	Independent: Management Attitude	Standardised Coefficient Beta	p-levels
Financial performance	Factor 1 CSR Orientation	0.119	0.155
	Factor 2 Profit Orientation	-0.081	0.281
	Factor 3 Business's Role	-0.118	0.155
	Factor 1 RTM Perceived Benefits	0.0918	0.319
	Factor 2 RTM Perceived Costs	0.009	0.901
	Factor 1 CC External	0.0108	0.899
	Factor 2 CC Internal	-0.064	0.460

The factor measuring external corporate citizenship (as a measure of management attitude) is the only statically significant independent variable in determining non-financial performance at a 95% confidence level with a p-value of 0.000001. This can be attributed partly to the fact that this particular factor is measuring tangible management policies such as encouraging employee education and local partnerships. These initiatives of corporate citizenship were also used as non-financial performance measures in the conceptual framework and one would therefore expect a high level of correlation.

Table 5.13: Management attitude regressed on non-financial performance

Dependent	Independent: Management Attitude	Standardised Coefficient Beta	p-levels
Non-financial performance	Factor 1 CSR Orientation	-0.012	0.874
	Factor 2 Profit Orientation	0.037	0.585
	Factor 3 Business' Role	0.047	0.534
	Factor 1 RTM Perceived Benefits	-0.0574	0.496
	Factor 2 RTM Perceived Costs	-0.100	0.147
	Factor 1 CC External	-0.395	0.000001
	Factor 2 CC Internal	0.0178	0.822

Table 5.14: Management attitude regressed on organisational commitment

Dependent	Independent: Management Attitude	Standardised Coefficient Beta	p-levels
Organisational commitment	Factor 1 CSR Orientation	-0.197	0.0153
	Factor 2 Profit Orientation	-0.044	0.537
	Factor 3 Business's Role	-0.096	0.230
	Factor 1 RTM Perceived Benefits	0.285	0.001
	Factor 2 RTM Perceived Costs	-0.178	0.0143
	Factor 1 CC External	0.080	0.335
	Factor 2 CC Internal	-0.057	0.493

H₄ can be partially accepted in that corporate citizenship and RTM significantly influence non-financial performance indicators such as RTM levels and organisational commitment (Table 5.13 and 5.14). 'RTM perceived costs' has a $\beta = -0.18$, indicating that managers' more pessimistic view towards RTM negatively influence their organisational commitment levels. 'RTM perceived benefits' has a positive $\beta = 0.29$. Managers that perceive RTM to be good for business therefore tend to be more committed to their organisations. High levels of organisational commitment in turn lead to improved business performance (Hunt, Chonko & Wood, 1989).

It is encouraging to see that attitude towards RTM is directly related to RTM levels. These levels were calculated using the criteria from the 2005 BEE Tourism Charter and Scorecard. (2005). From a policy development point of view, it consequently is important to determine managers' attitudes towards RTM as this leads to the desired transformation goals. From a business perspective, then, there are tangible benefits, such as an increase in organisational commitment, that are achieved by adopting RTM principles. Hunt, Chonko and Wood (1989), amongst many other researchers, in turn, showed conclusively that increased organisational commitment leads to improved business performance. Consequently, businesses will be improving their bottom line by adopting RTM.

Another factor influencing the attitude towards RTM is the level of understanding of government policies. Gilg, Barr and Ford (2005) as well as Yaman and Gurel (2006) discovered a positive association between understanding and support of government initiatives and attitude towards social responsibility. Based on these findings the questionnaire used for this thesis included questions regarding government support and policy understanding.

H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.

Principles of RTM have already been formulated in government policy documents such as the RTMSA (2002), Responsible Tourism Guidelines (2002) and the BEE Tourism Charter and Scorecard (2005). The level of understanding of both policy documents is not particularly high with approximately 26% stating that their understanding is neither good nor bad and 44.3% of

respondents understand the RTMSA (2002) badly or not at all (Table 5.15). These policies are the formal framework on which the transformation agenda and sustainable tourism development is founded. The low level of understanding of tourism business managers who are tasked to put in place the recommendations of these policies is disconcerting and would explain the lack of transformation and CSR initiatives in the tourism sector. Educating the sector about the relevance and importance of these policies is therefore an important prerequisite in bringing about the desired behaviour change. Managers must first understand what RTM is before they are able to successfully address their business practices and manage them in a more responsible manner.

Table 5.15: Understanding of government policy documents

BEE Tourism Charter and Scorecard	Count	Cumulative Count	Percent	Cumulative Percent
Very well	29	29	13.7	13.7
Well	45	74	21.2	34.9
Neither	57	131	26.9	61.8
Badly	24	155	11.3	73.1
Not at all	48	203	22.6	95.8
Missing	9	212	4.2	100.0
RTM SA				
Very well	14	14	6.6	6.6
Well	39	53	18.4	25.0
Neither	56	109	26.4	51.4
Badly	41	150	19.3	70.8
Not at all	53	203	25.0	95.8
Missing	9	212	4.2	100.0

Moreover, businesses do not perceive that government is helping them put in place RTM policies. Figure 5.2 shows that 60% of respondents disagree with the statement and only 17% perceive government as being helpful in advancing RTM practices. This negative perception of government effectiveness and support is significant in that it influences to what degree individuals believe it to be worthwhile to change. Social marketing campaigns aimed at encouraging recycling, for example, are only effective if people believe that their collected waste will actually be recycled and that this action will benefit the environment (Kotler, Roberto & Lee, 2002: 53). Gilg, Barr & Ford, 2005; Yaman & Gurel, 2006 demonstrated that for RTM to be effective and transformation to take place, it is imperative that businesses believe that government is supporting them.

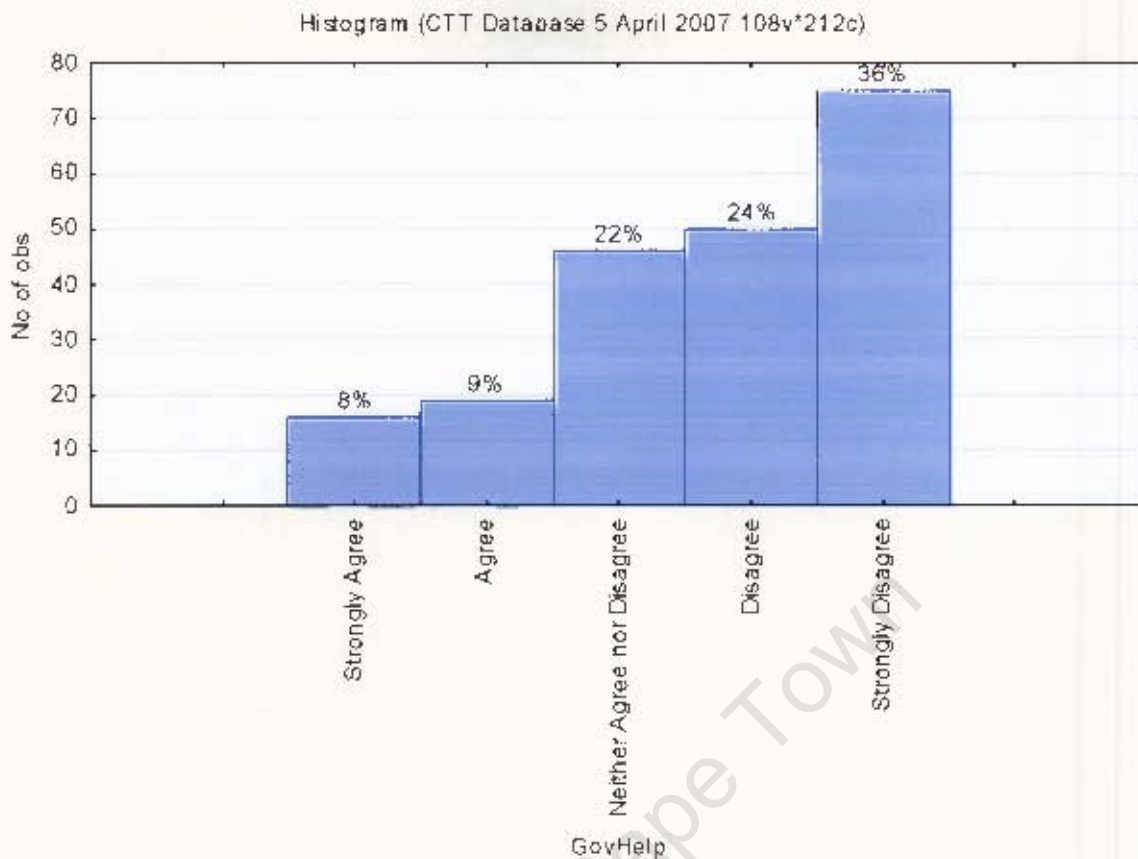


Figure 5.2: Government is helping us put in place responsible management processes

FTTSA, HIV/AIDS and codes of conduct

Another indication of the level of RTM awareness and implementation is the endorsement of the FTTSA trademark (Figure 5.3). The majority of respondents (80% or 169 businesses) do not make use of the FTTSA logo with only 14% (29 businesses) indicating that they have been able to meet the FTTSA's stringent criteria. The qualitative research found that one of the reasons for the low number of tourism businesses with the FTTSA accreditation could be because tourism businesses considered the FTTSA criteria too difficult to attain and not worthwhile and hence did not bother to get accredited (Table 5.16). Clearly other reasons, including the lack of awareness, costs and implied effort could also play a role.



Figure 5.3: FTTSA trademark

Only 13% of respondents indicated that they have a HIV/AIDS policy in place. This number is disconcertingly low given the high level of awareness and urgency regarding this pandemic in

South Africa. A sector like tourism that is so highly labour-intensive and people-orientated should be at the forefront of ensuring that employees and customers have the necessary information and protection with regards to a social problem that is at the centre of public debate. Once more the tourism industry seems to be slow in reacting to a rapidly changing market place.

Table 5.16: FTTSA and HIV/AIDS

FTTSA	Count	Cumulative Count	Percent	Cumulative Percent
Yes	29	29	13.7	13.7
No	169	198	79.7	93.4
Missing	14	212	6.6	100.0
HIV/AIDS policy				
Yes	27	27	12.7	12.7
No	170	197	80.2	92.9
Missing	15	212	7.1	100.0

Over two-thirds of respondents (68%) agreed to having a code of conduct in place (Figure 5.4). This is an important finding, as the literature review indicated that businesses with responsible management policies are more likely to exhibit positive management behaviour (Desmond & Crane, 2004).

Pie Chart (CTT Database 5 April 2007 10&v*212c)

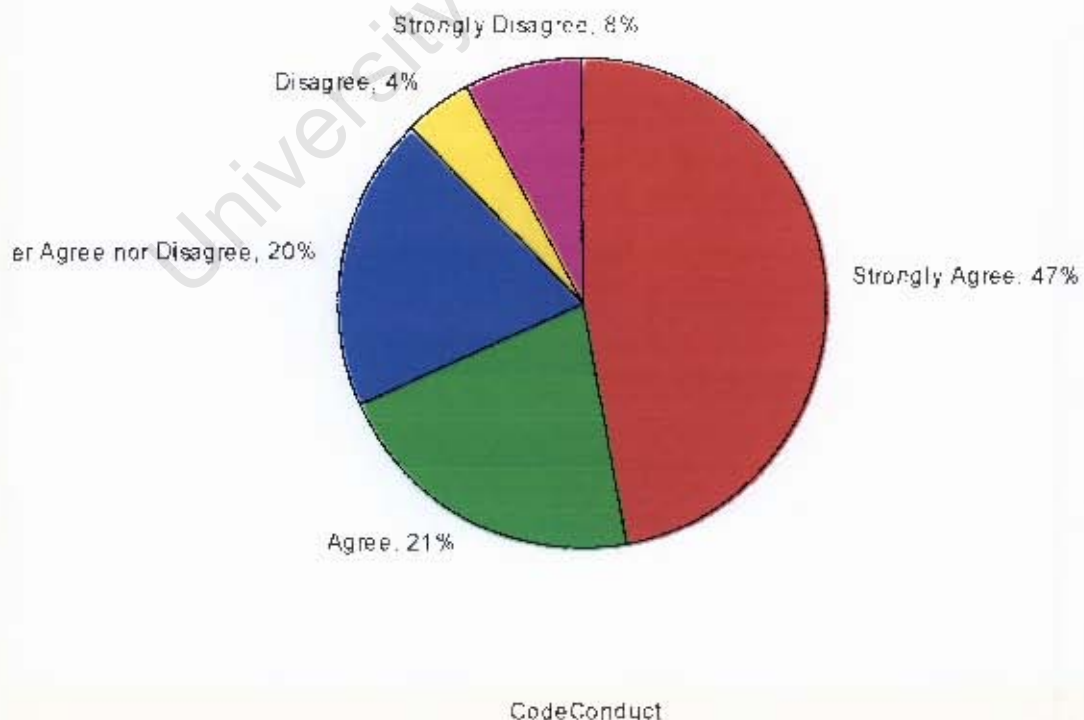


Figure 5.4: Code of conduct

The literature indicated that personal factors (i.e gender, education and ethnicity) have an influence on management attitude and behaviour. The impact of personal factors was therefore included in the conceptual model and the relevant hypotheses statistically tested.

H₈: Personal factors influence management attitude.

H_{8a}: There is a positive statistical relationship between levels of education of decision-makers and perception towards the role of ethics and social responsibility.

H_{8b}: There is a positive statistical relationship between levels of education of decision-makers and perception towards corporate citizenship.

H_{8c}: There is a positive relationship between levels of education of decision-makers and perception towards RTM.

H_{8d}: There is a direct positive statistical relationship between the gender of managers and their perceptions of the role of ethics and social responsibility.

H_{8e}: There is a direct positive statistical relationship between the gender of managers and their perceptions corporate citizenship.

H_{8f}: There is a direct positive statistical relationship between the gender of managers and their perceptions of RTM.

H_{8g}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of the role of ethics and social responsibility.

H_{8h}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of corporate citizenship.

H_{8i}: There is a direct positive statistical relationship between ethnicity of managers and their perceptions of RTM.

Based on the multiple regression results summarised in Table 5.17, H₈ can be partially accepted. The belief that a company is more effective when adhering to CSR principles is positively influenced by ethnicity ($\beta = 0.20$) and negatively influenced by education ($\beta = -0.13$) (Table 5.17). The negative statistical relationship between CSR and education confirms Yaman and Gruel's (2006) findings. The authors concluded that managers with a commercial background tended to realise that there are no simple solutions to the world's problems and had a less idealistic attitude towards management. The positive effect of ethnicity on CSR likewise reflects previous research, indicating that moral and ethical management is highly dependent on the culture and values of managers. Moreover, the majority of the sample is from of European descent (94%). CSR as a management concept has already entered the mainstream management discourse in highly industrialised countries (including Germany and the UK) for some time. This might explain why ethnicity positively influences CSR orientation in this particular sample.

Table 5.17: Personal factors regressed on management attitude

Dependent: Management Attitude	Independent: Personal demographics	Standardised Coefficient Beta	p-levels
CSR Orientation	Ethnicity	0.20	0.005194
	Education	-0.13	0.070133
Business's Role	Gender	-0.17	0.015587
	Education	-0.15	0.030277
RTM perceived benefits	Gender	-0.11	0.126445
RTM perceived costs	Gender	0.10	0.141175

The statistical relationship between the gender and achieved education level of managers and the perception that businesses have a role to play in society is negative ($\beta = -0.17$). Gilg, Barr and Ford (2005), as well as Yaman and Gurel (2006), found females to be more socially responsible and aware than their male counterparts. Again, the argument that Yaman and Gurel (2006) put forward, that higher levels of education reduce managers' idealism, would apply here. It should be noted that it is not education itself that causes lower levels of CSR but the type of education. The more profit-orientated and business training a manager has received, the less open he or she will be to alternative management practices such as CSR and RTM. It is important that educational institutions begin to integrate the strategic management aspects of CSR into traditional commercial training.

Personal factors do not influence 'RTM perceived costs and benefits' at the 90% confidence level. This finding is somewhat surprising as qualitative research showed that respondents' attitudes towards RTM differed according to cultural background. It is highly probable that the questions regarding culture and ethnicity were not detailed enough to uncover more underlying constructs. Further research should focus on uncovering what the effect of culture and values on management style is.

As has been discussed briefly earlier, the level of understanding of policy documents has been shown to influence attitude towards social responsibility. Respondents were thus asked to self-evaluate their level of understanding of government policies.

H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' perceptions towards RTM.

H₉ can be partially accepted at the 95% confidence level. The level of understanding of the 2000 Responsible Tourism Manual for South Africa (RTMSA) positively influences the level of perceived RTM benefits with $\beta = 0.18$ (Table 5.18). Social marketing campaigns therefore need to promote the use and accessibility of the manual and guidelines, as well as the potential benefits that can be achieved by employing RTM.

Table 5.18: Policy understanding regressed on RTM

Dependent	Independent: RTM	Standardised Coefficient Beta	p-levels
RTM perceived benefits	BEECharter	0.029	0.764
	RTMSA	0.177	0.065
RTM perceived costs	BEECharter	0.148	0.126
	RTMSA	-0.150	0.123

The second half of the conceptual model depicts the link between intention and business performance. Responsible management intention (RMI) was regressed on business performance in order to accept or reject the following hypotheses.

H₁₀: Responsible management intention has a direct positive effect on business performance.

H_{10a}: Responsible management intention has a direct positive effect on financial performance.

H_{10b}: Responsible management intention has a direct positive effect on non-financial performance.

H_{10c}: Responsible management intention has a direct positive effect on organisational commitment.

The reviewed literature suggests the existence of a statistical relationship between market orientation and business performance. H₁₀ can, however, only be partially accepted in this study. The scale item, 'In our business managing responsibly is more important than financial performance' is significant ($\beta = 0.17$). The scale item tested a respondent's view that responsible management is more important than financial performance and can actually lead to financial benefits. One could tentatively hypothesise that managers who realise that their businesses depend on a sustainable industry, and by implication, responsible management practices, are rewarded by improved financial performance. Moreover, this finding would indicate that a long-term strategic view of CSR and RTM adds to the business's financial bottom line. Looking at non-financial indicators, the scale item "We focus on markets where we have a competitive strength in social/environmental practices" has a direct positive effect on non-financial performance ($\beta = 0.16$). This statistically significant relationship indicates that businesses who perceive RTM to provide them with a competitive advantage are more active in implementing responsible management practices. This finding partially confirms that responsible management intention has a positive effect on businesses performance.

The influence of values on behaviour and management attitude has been the topic of various research studies (Hunt, Wood & Chonko, 1989; Schwartz, 1994; Brammer, Williams & Zinkin, 2007). The dominant value dimensions in emerging markets, namely embeddedness, and hierarchy were tested using scales that measure tradition and conformity, two values that are dominant in embedded and hierarchical societies.

H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.

H_{11a}: Managers' personal values moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.

H_{11b}: Managers' personal values moderate the statistical relationship between corporate citizenship responsible management intention.

H_{11c}: Managers' personal values moderate the statistical relationship between RTM responsible management intention.

Interestingly, values were not shown to moderate any of the statistical relationships in the conceptual model. This contravenes findings from the literature. A possible reason for this discrepancy could be the fact that only the value constructs 'tradition' and 'conformity' were tested, which is in line with what one would expect in emerging markets. However, the sample profile shows a high number of European and English-speaking managers. The effect of this could be that values follow more of a highly developed country profile. Further research is necessary to determine whether or not other aspects of values are potential moderators.

Organisational commitment

The analysis showed that very few of the predictor variables influenced organisational commitment, or that there was a moderator effect between management intention and organisational commitment as a measure of business performance. This lack of significant findings can be explained in two ways. Firstly, respondents tended to have difficulties with applying the concept of organisational commitment to themselves if they were very small businesses or single proprietors. Hunt, Chonko and Wood (1989) had developed the scale for larger organisations. This short-coming in the employed questionnaire needs to be addressed in future research. A second reason for the lack of causal relationships is the fact that organisational commitment might be an independent variable rather than an actual outcome. In other words, the level of commitment toward the business might well influence a business's management attitude and management intention. Statistical analysis actually indicated that organisational commitment does influence the CSR orientation and the non-financial performance levels of a company. The review of the literature revealed that increases in organisational commitment improve business performance and also have a positive effect on the perceived role of CSR for business effectiveness. Organisational commitment can thus function as both an independent and dependent variable in the model. Further research is needed to determine the exact effect of management and employee commitment on RTM and performance.

Table 5.19 provides an overview of all the tested hypotheses.

Table 5.19: Tested hypotheses

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention	rejected	Question
H ₁ a: Perceived role of ethics and social responsibility have a direct positive effect on the responsible management intention of tourism businesses.	rejected	7; 17
H ₁ b: Corporate citizenship has a direct positive effect on the responsible management intention of tourism businesses.	rejected	16; 17
H ₁ c: RTM has a direct positive effect on the responsible management intention of tourism businesses.	rejected	9; 17
H₂: Industry factors moderate the statistical relationship between management attitude and responsible management intention.	partially accepted	
H ₂ a: Industry factors moderate the statistical relationship between the perceived role of ethics and corporate social responsibility and the responsible management intention.	rejected	2; 4; 5; 6; 7; 17
H ₂ b: Industry factors moderate the statistical relationship between corporate citizenship and responsible management intention.	partially accepted	2; 4; 5; 6; 16; 17
H ₂ c: Industry factors moderate the statistical relationship between responsible tourism management and responsible management intention.	rejected	2; 4; 5; 6; 9; 17
H₃: Industry factors moderate the statistical relationship between responsible management intention and business performance.	partially accepted	

H _{3a} : Industry factors moderate the statistical relationship between responsible management intention and financial performance.	partially accepted	2; 4; 5; 6; 17; 18;
H _{3b} : Industry factors moderate the statistical relationship between responsible management intention and non-financial performance.	partially accepted	2; 4; 5; 6; 17; 12; 13; 14
H _{3c} : Industry factors moderate the statistical relationship responsible management intention and organisational commitment	rejected	2; 4; 5; 6; 17; 8
H₄: There is a direct positive statistical relationship between the perceived role of ethics and social responsibility and business performance.	partially accepted	7; 18; 12; 13; 14; 8
H₅: Company characteristics moderate the statistical relationship between management attitude and responsible management intention.	partially accepted	
H _{5a} : Company characteristics moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.	rejected	2; 4; 5; 7; 17
H _{5b} : Company characteristics moderate the statistical relationship between corporate citizenship and responsible management intention.	accepted	2; 4; 5; 16; 17
H _{5c} : Company characteristics moderate the statistical relationship between RTM and responsible management intention.	rejected	2; 4; 5; 9; 17
H₆: Company characteristics moderate the statistical relationship between responsible management intention and business performance.	partially accepted	
H _{6a} : Company characteristics moderate the statistical relationship between responsible management intention and financial performance.	accepted	2; 4; 5; 17; 18
H _{6b} : Company characteristics moderate the statistical relationship between responsible management intention and non-financial performance.	accepted	2; 4; 5; 17; 12; 13; 14
H _{6c} : Company characteristics moderate the statistical relationship between responsible management intention and organisational commitment.	rejected	2; 4; 5; 17; 8
H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.	accepted	10
H₈: Personal factors influence management attitude.		
H _{8a} : There is a positive statistical relationship between levels of education of decision-makers and perception towards the role of ethics and social responsibility.	accepted	19; 7
H _{8b} : There is a positive statistical relationship between levels of education of decision-makers and perception towards corporate citizenship.	rejected	19; 16
H _{8c} : There is a positive statistical relationship between levels of education of decision-makers and perception towards RTM.	rejected	19; 9
H _{8d} : There is a direct positive statistical relationship between the gender of managers and their perceptions of the role of ethics and social responsibility.	accepted	19; 7
H _{8e} : There is a direct positive statistical relationship between the gender of managers and their perceptions corporate citizenship.	rejected	19; 16
H _{8f} : There is a direct positive statistical relationship between the gender of managers and their perceptions of RTM.	rejected	19; 9
H _{8g} : There is a direct positive statistical relationship between	accepted	19; 7

ethnicity of managers and their perceptions of the role of ethics and social responsibility.		
H _{8h} : There is a direct positive statistical relationship between ethnicity of managers and their perceptions of corporate citizenship.	rejected	19; 16
H _{8i} : There is a direct positive statistical relationship between ethnicity of managers and their perceptions of RTM.	rejected	19; 9
H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' perceptions towards RTM.	partially accepted	10; 9
H₁₀: Responsible management intention has a direct positive effect on business performance.	partially accepted	
H _{10a} : Responsible management intention has a direct positive effect on financial performance.	accepted	17; 18
H _{10b} : Responsible management intention has a direct positive effect on non-financial performance.	accepted	17; 12; 13; 14
H _{10c} : Responsible management intention has a direct positive effect on organisational commitment.	rejected	17; 8
H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.	rejected	
H _{11a} : Managers' personal values moderate the statistical relationship between the perceived role of ethics and social responsibility and responsible management intention.	rejected	11; 7
H _{11b} : Managers' personal values moderate the statistical relationship between corporate citizenship responsible management intention.	rejected	11; 16
H _{11c} : Managers' personal values moderate the statistical relationship between RTM responsible management intention.	rejected	11; 9

In order to determine, whether responsible management intention (RMI) is a necessary construct in order for the linear relationship between attitude and behaviour to exist, mediation effects had to be tested for.

5.4 Mediators

RMI completely mediates the statistical relationship between CSR orientation and financial performance. As a result, management intention needs to be present in order for desired behaviour to result. The presence of this mediator partially confirms the structure of the model, as well as the findings from the literature, which indicates that intention is a necessary construct enabling attitude to translate into behaviour. Management attitude therefore influences management intention, which in turn leads to behaviour. This finding is significant in that it highlights the importance of managing tourism business owners and managers' perceptions and attitudes. Social marketing campaigns aimed at highlighting the benefits and decreasing the costs of RTM and CSR will, therefore, positively affect performance (Table 5.20).

Responsible management intention also completely mediates the statistical relationship between the factor measuring the perceived costs of RTM and non-financial performance (Table 5.20). It should be clear from this result that a positive attitude towards RTM is not

enough to result in actual RTM behaviour. It is important that managers are willing to invest time and resources in managing responsibly. The desired behaviour will only result if this intention to action is at hand. This finding is significant in that it shows that, despite the attitude towards RTM and CSR being generally positive, it is the link to management intention that is currently missing, resulting in the observed low RTM levels and lack of transformation.

Finally, responsible management intention also completely mediates the statistical relationship between corporate citizenship and non-financial performance. As in the case of the perceived benefits of RTM, the willingness of managers to invest in RTM needs to be present in order for the expressed attitude towards corporate social responsibility to be translated into tangible actions.

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Table 5.20: Summary of mediation and co-linearity effects

Independent	Dependent	Controlled	Significant	p-value	F-stat	Mediation	Multicollinearity
RMI	Financial Performance		yes	0.09	2.87		
CSR1: CSR Orientation	RMI		no	0.91	0.01		
CSR1: CSR Orientation	Financial Performance		no	0.24	1.35		
CSR1: CSR Orientation	Financial Performance	RMI	yes	0.13	2.05	complete	
RMI	Non-financial performance		no				
CSR1: CSR Orientation	RMI		no				
CSR1: CSR Orientation	Non-financial performance		yes	0.09	2.99		
CSR1: CSR Orientation	Non-financial performance	RMI	no				yes
RMI	Financial Performance		yes	0.03568	2.906		
CSR1: CSR Orientation	RMI		no	0.01178	3.101		
RTM Perceived benefits	Non-financial performance		no				
RTM Perceived benefits	Non-financial performance		yes	0.09	2.45	complete	
RMI	Non-financial performance		yes	0.05	3.75		
RTM Perceived benefits	RMI		no				
RTM Perceived benefits	Non-financial performance		yes	0.11	2.54		
RTM Perceived benefits	Non-financial performance		no				yes
RMI	Non-financial performance		yes	0.05	3.75		
CC External	RMI		no				
CC External	Non-financial performance		no				
CC External	Non-financial performance		yes	2.30E-07	28.7	complete	
RMI	Non-financial performance		yes	0.05	3.75		
CC Internal	RMI		no				
CC Internal	Non-financial performance		no				
CC Internal	Non-financial performance		yes	0.06	3.48	complete	

All relationships were tested at using 90% confidence interval.

5.5 Collinearity

It was deemed necessary to control for collinearity as responsible management intention can be assumed to nest within the subsets of management attitude (Cooper & Schindler, 2006: 619). As the last column in Table 5.20 shows, the perceived benefits of RTM and a business's belief that CSR is important for success. Both of these benefits indicate evidence of collinearity with responsible management intention. Firstly, one should note that both of these factors are measuring a positive attitude towards CSR and RTM and one would therefore expect them to be collinear. Secondly, this finding shows how difficult it is to measure the effect of intentions on actual behaviour due to the over-claim problem so common in subject matters dealing with socially and morally correct behaviour, especially in emerging markets.

5.6 Summary

The tourism industry is dominated by small and medium sized businesses with hospitality being the largest sub-sector. The rapid growth of tourism is reflected in the fact that a majority of the businesses in the sample have not been in operation for more than six years. The profile of the achieved sample reflects the lack of transformation for which the South African tourism industry has been strongly criticised in recent years (post 1994) (TBCSA, 2002). Ninety-four percent of respondents are Afrikaans or English-speaking or of European origin (Dutch, German, French). The level of education is exceptionally high, with 75% of managers having a tertiary qualification. Encouragingly, more than half of the business owners and managers are female, this is especially pertinent in the field of CSR where past research has shown that women are more open towards social responsibility.

Overall it can be said that the data fits the model well. The measurement scales used in this research thesis all proved to have a sufficiently high Cronbach's alpha and could be used reliably to test the underlying constructs. Factor analysis was used to reduce the data, as well as confirm past research findings. Overall, it can be said that the measurement scales proved reliable in a tourism and emerging market context. A new scale measuring the perceived costs and benefits of responsible tourism management was developed for this particular research and proved reliable. This scale development adds to the current body of research of CSR in tourism.

The attitude of tourism business managers towards CSR and RTM is positive. This attitude is, however, not being translated into actual behaviour. The research findings clearly indicate that a positive attitude of tourism managers is not sufficient to bring about responsible management practices. Intention to engage in RTM is a necessary mediator between management attitude and business performance.

Factors that are further moderating the statistical relationship between attitude and behaviour are the competitive environment that the business finds itself in and the level of consumer change it experiences. As competition increases margins are eroded and social responsibility

no longer is a priority for businesses, especially given that perceived costs of RTM were confirmed by the research.

Further moderators are the level of achieved education and ethnicity. The right kind of education is necessary so that managers understand the importance of CSR as a business objective, contributing to the bottom line. The level of understanding of government policies, including the Responsible Tourism Manual for South Africa (2002) and the BEE Tourism Charter and Scorecard (2005) was also found to be a statistically significant variable influencing RTM. Increasing awareness and understanding in the industry with regards to these policies is thus an important step towards increasing responsible tourism management practices.

Since the data gathered from the quantitative research has been analysed it is possible to now discuss the conclusions that have been drawn from the findings and provide an overview of the managerial implications in the next section. This research thesis has investigated a specific area in tourism management in South Africa that has thus far received little attention. The scope for further research is consequently vast. Some specific areas are discussed in the following section.

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6 Conclusions and Managerial Implications

6.1 Introduction

The recent rise in corporate social responsibility (CSR) has led to a wide range of research and academic literature in the field. The tourism industry, however, has been slow to react to this trend (Wijk & Persoon, 2006). Related academic tourism research has traditionally focused predominantly on the environmental impacts of tourism and there is a resultant lack of literature that investigates the more holistic aspect of CSR in tourism. This study aimed to address this gap by developing a model that tests the statistical relationship between responsible management attitude and business performance and behaviour in the Greater Cape Town tourism industry (refer to Chapter 3).

The South African tourism industry, as with other sectors, is tasked with addressing past inequalities by embracing the transformation agenda. It is imperative that tourism public sector agencies are aware of the various factors that are impeding or enhancing the adoption of responsible and equitable management practices in order to achieve these objectives. The research findings indicate that there is a discrepancy between managers' attitudes and behaviour towards responsible tourism management (RTM) practices. Tourism business owners, further, are seen to be generally in favour of RTM. Nonetheless, this seemingly positive attitude is not being translated into responsible management intention and consequent behaviour. Factors such as the competitive environment (competitive intensity and market turbulence), personal factors of managers (education and ethnicity) and business factors (size, sub-sector and years of operation) are affecting the statistical relationship between attitude and behaviour, resulting in the current lack of transformation. This study provides valuable insight for government as to what factors have to be addressed in a social marketing campaign to bring about desired behaviour-change.

The study clearly provides evidence in support of using RTM as a strategic management tool. Findings show that RTM leads to tangible benefits including improved staff morale, organisational commitment, financial and non-financial performance; and thus can be used as a source of differentiation to create a competitive advantage.

This chapter summarises the main findings of the research study, drawing conclusions and recommendations for tourism business marketing practitioners and tourism government agencies. The limitations of the study and areas of further research are discussed in the final section.

6.2 Summary of research design methodology

The entire research process was guided by a detailed research methodology (Chapter 4) that ensured that reliable data would be available to statistically test the various relationships in the conceptual model as well as generated hypotheses.

Data collection

After an extensive review of the relevant literature and qualitative research in the form of background interviews and focus groups, a questionnaire was emailed to the Cape Town Tourism (CTT) database of approximately 1,700 members (Appendix E). In a covering email the purpose of the research, an incentive and the importance of the contribution of the respondent were explained. In order to reduce non-response bias a reminder email was sent a week after the initial distribution. The final achieved random sample comprised 244 respondents, resulting in a response rate of 14.3%.

The questionnaire included nine measurement scales aimed at statistically testing the relationships in the conceptual model. The main effect of management attitude on business performance was tested using three scales for attitude (perceived role of ethics and social responsibility (PRESOR), corporate citizenship and responsible tourism management (RTM), and three for different performance measures (financial performance, non-financial performance and organisational commitment). The main mediator effect, namely responsible management intention was tested using a sub-scale from previous market orientation research. Hypothesised moderators, namely, competitive environment and values were tested with one scale each. Questions pertaining to personal demographics of managers and business characteristics were also included to test for potential moderating or direct effects.

Data analysis

Questionnaire data was captured automatically in numeric pre-coded format in a database when the respondent clicked on 'send'. This avoided capturing error when entering data, as well as saving time. The collected data was subsequently analysed using the statistical software packages Statistica, SPSS and R. Descriptive statistics were used to profile the sample, while multivariate techniques were used to validate and reduce the data. Multiple regression analysis served to investigate the statistical relationships in the conceptual model and accept or reject the generated hypotheses. Various variables were found to have a direct, moderating or mediating effect.

6.3 Discussion of main findings

This section summarises the main findings, providing a profile of the achieved sample, an overview of the reliability of scales and how the data was reduced using factor analysis. The section concludes with a discussion of the statistically significant findings as identified by the regression results.

6.3.1 Profile of the achieved sample

Over 60% of the respondents were female, with 75% having a tertiary education qualification. Ninety-four percent of the sample were English and Afrikaans speaking or originate from Europe. The profile of the sample, when compared to the general demographics of South Africa, clearly points towards a lack of transformation and confirms government criticism of the industry.

Gender

The number of female managers was higher than their male counterparts. This finding is encouraging and one might tentatively conclude that a change is taking place in management in terms of gender equality. The high number of female managers is also positive in the light that past research, as well as this study, has found there to be a positive statistical relationship between gender and social responsibility. This finding would suggest that social marketing campaigns aimed at educating managers and influencing the adoption of RTM would find more resonance in this sector.

Education

The high level of education is not surprising, given that only business owners or managers were included in the sample. Education has been shown in past research, and is confirmed by the current research findings, to have a negative effect on attitude towards social responsibility. The more educated managers tend to be, the less idealistic they are. Corporate social responsibility (CSR) is consequently regarded as another business decision, requiring various trade-offs. The point to note is that not education as such is negative, rather the particular type of education plays a pivotal role in attitude formation. Tertiary degrees in management and commerce have traditionally focused on profit-maximisation. The shift in the CSR debate and application, from philanthropy to strategic investment, has occurred only in the last few years and, consequently, has not yet entered the commercial teaching curricula. It is consequently the type of education that is important. Tertiary and other training institutions need to address this knowledge gap and ensure that a logical and sound business case for CSR is included in the curricula.

Ethnicity

The lack of black business owners and managers is not only a phenomenon in the tourism sector but can be found in all of South African businesses to a larger or lesser degree. However, only 1.8% of the sample was isiXhosa or isiZulu speaking, a figure that is particularly low. Tourism is a highly diverse and people-orientated industry. It is imperative that it reflects the very nature of South African society as this forms part of its product-offering and is the main differentiation factor to other competing destinations. Spreading the ownership in tourism to other South Africans should therefore not be seen in a negative light, as a reduction of ownership of the one population group in favour of the other. Rather, diversification is at the heart of improving the overall tourism offering and competitive advantage and will result in the South African tourism industry being more competitive as a whole, thus benefiting a much wider group of stakeholders than what is currently the case.

Data on the characteristics of the businesses was gathered in order to test also whether or not business size, sub-sector, or number of years in operation played a role in influencing management attitude, intention or behaviour. An overview of the business profile is now discussed.

Size

The tourism sector is dominated by SMMEs with nearly 62% of respondents employing only one to four employees. The fast growth of tourism has resulted in many individuals entering the industry and trying to carve out a niche in tourism. Tourism is a highly diverse sector, requiring many different skills and services. Furthermore, in some cases the start-up capital that is required is relatively low allowing for a broader spectrum of entrepreneurs to enter the market. However, on account of the appealing nature of tourism, many SMMEs have started up without the necessary skills and industry know-how, resulting in a high failure rate of new businesses.

Years of operation

The fact that nearly 148 businesses in the sample have been in operation for less than seven years attests to the fast change and volatility of the tourism sector. The sustainability and success of many of these tourism businesses has to be questioned. Success and having formal structures in place are positively related to an increase in socially responsible behaviour. The relative youth of the industry is an impeding factor in advancing RTM. Social marketing campaigns need to focus on promoting the strategic business case for RTM to small, young businesses, highlighting how these management practices can actually lead to improved long-term performance, profitability and sustainability.

Sub-sector

The hospitality sector makes up 56.6% of the sample, with travel organisers (for example, tour operators and travel agents) being the next largest sub-sector with only 14.6% or 31 businesses being represented. There is a perception that it is relatively easy to open a B&B or guesthouse, which partly explains the high representation. Moreover, many South African families have converted their homes into guest houses and B&B to take advantage of the tourism boom. Both size and the composition of the tourism sector point towards a highly fragmented industry. Large organisations with 40 or more employees operate alongside businesses run by a single individual (for example a guest house). However, policies to date have often treated the industry collectively, not taking its highly diverse nature into account. It is not surprising that the level of understanding of government policies such as the Responsible Tourism Manual for South Africa (2002) and the BEE Tourism Charter and Scorecard (2005) is so low. Given the general support for RTM, it is not attitudes of managers that are misplaced but rather the mechanisms that enable small businesses with limited resources to behave accordingly. Eighty percent of businesses do not have the Fair Trade in Tourism South Africa (FTTSA) trademark. The criteria of the FTTSA and the BEE Tourism Charter and Scorecard (2005) are clearly too difficult or deemed unnecessary for many small

businesses to achieve. Social marketing campaigns aimed at bringing about behaviour-change have to take the nature and the size of businesses into consideration and focus on making the mechanism for change easy, cheap and accessible.

Levels of RTM activities

It was necessary to develop a measure for RTM in order to test what factors lead to higher responsible management. Three performance indicators were measured. Financial performance, as measured by relative increase in market share and profits using scales by Burgess & Nyajeka (2006), organisational commitment using the Hunt, Chonko and Wood (1985) scale and non-financial performance. Non-financial performance was calculated using the six categories of the 2005 BEE Tourism Charter and Scorecard, these being ownership, strategic representation and employment equity, skills development, preferential procurement, enterprise development and social development. In each category respondents had to indicate their level of involvement. The scores of all categories were summed and businesses categorised into very low, low, medium, high or very high levels of RTM. Fifty-three percent of tourism businesses fall into the medium to very high categories. It can therefore be said that there is some degree of responsible behaviour. However, nearly half of the respondents (99 businesses) are in the low to very low category indicating no or very little responsible management practices. This figure is clearly too low and will lead to dissatisfaction and animosity towards the tourism sector from the wider South African population which is currently marginalised.

Attitude towards CSR and RTM

Research findings indicate that the majority of respondents, on average 90%, agree that CSR is important for business and that RTM can be used as a marketing tool (81%), improves employee morale (73%), and is good for the brand, image and reputation of the business (77%). A significant percentage of respondents, however, also feel that at times it is important to ignore CSR in favour of surviving in a competitive, global environment (78% and 64%). Likewise, respondents agree with the perceived costs of RTM as identified in the academic literature, namely the high cost of small community suppliers (61%), lack of safety and security when using small suppliers (60%) and the high quality standards demanded by customers (58%). It should be noted that the agreement levels with perceived costs are generally lower than those of the perceived benefits of RTM. This is an encouraging finding and supports the argument that the tourism industry in Greater Cape Town generally supports RTM initiatives. Other factors, not directly measured in management attitude, consequently are disrupting the statistical relationship between attitude and behaviour. Subsequent regression analysis attempted to uncover what variables were moderating or mediating the statistical relationship. These will be discussed in more detail.

Scale reliability testing

The nine scales that were used all, except values, had a Cronbach's alpha of 0.7 or above and therefore could be reliably used for further analysis. The results confirm the validity of the scales in an emerging market and tourism context. Moreover, a new scale testing managers

attitudes towards responsible tourism management was developed for this research thesis and found to be reliable with a Cronbach's alpha of 0.71. This new scale adds to the still young and limited field of responsible tourism management market research. The scale testing values, specifically the value dimensions usually found in emerging markets such as embeddedness and hierarchy, had a lower Cronbach's alpha of just under 0.6. The fact that the sample comprised managers from predominantly European origin could explain why the values were not reflective of an emerging market and would have led to a high level of heterogeneity in the data, resulting in the low reliability score. Further research is necessary to test all the value dimensions to uncover the effect of personal values on managers' attitudes and behaviour with regards to CSR in tourism.

Factor analysis was performed on the data to reduce it in order to facilitate interpretation of the various statistical relationships depicted in the conceptual framework once the scales had been tested for reliability

Factor analysis

Factor analysis results reflect findings by the original authors of the measurement scales. A two factor solution was used for the PRESOR scale, whilst the new RTM scale also showed two significant factors measuring perceived benefits and perceived costs of RTM respectively. A data clustering technique was employed to compute new values for the significant factors which were then used in subsequent hypotheses testing.

Hypotheses testing

Based on the findings from the literature review and qualitative research phase a conceptual framework was developed. The statistical relationships shown in the model needed to be tested. Hypotheses were generated to describe the different statistical relationships and multiple regressions used to accept, or not accept, these.

H₁: There is a direct positive statistical relationship between management attitude and responsible management intention.

H₁ is rejected at the 90% confidence level. Consumer behaviour literature postulates that attitude leads to intention which, in turn, results in behaviour. Findings indicate that attitudes towards RTM and CSR are generally positive, however, RTM levels are low, indicating that this direct statistical relationship does not exist in the present study. There must be other factors in line with predictions that are disrupting this connection between attitude, intention and behaviour. Further analysis found significant moderators which are impacting the statistical relationship.

H₂: Industry factors moderate the statistical relationship between management attitude and responsible management intention.

Multiple regressions with all significant factors were run to determine which variables moderate the statistical relationship between management attitude and responsible management intention (RMI). The hypotheses can only be partially accepted. The number of

years that a business has been in operation increases the strength of the statistical relationship between the factor measuring external corporate citizenship (support of employee education, waste management systems and partnerships with local schools) and responsible management intention. Businesses that have been in operation for a longer time are more likely to have more formal management structures in place, including employee training programmes and waste management systems. Moreover, experienced tourism businesses most likely realise the importance of working with local communities (schools, churches, etc.) to ensure the support and goodwill of the communities that are surrounding their business.

H₃: Industry factors moderate the statistical relationship between responsible management intention and business performance.

The size, number of years, and level of competitive intensity all moderate the statistical relationship between the intention of managers to manage responsible and the financial performance outcome. Size has a negative β -coefficient of -0.03. The larger a company, the smaller the effect of RMI on financial performance will be. This finding is somewhat surprising as one would expect larger organisations to be able to translate their intentions into actions and reap the consequent financial rewards. A possible explanation for the negative coefficient is that larger companies realise that good management intentions do not always lead to bottom line benefits, but that a host of factors (for example, the level of competitive intensity) have to be considered. The finding confirms previous research by Yaman and Gurel (2006) who discovered that smaller companies tended to behave in a more socially responsible manner. This is partly due to smaller companies being more dependent on the support of the surrounding communities and thus realising that they need to engage with communities and manage the impacts of tourism development.

The number of years that a business has been in operation also moderates the statistical relationship between RMI and financial performance. The coefficient in this instance is negative and very small ($\beta = -0.01$). The more experienced a company's managers are, the less idealistic they become (Yaman & Gurel, 2006). Idealism and the belief in the greater good are still highly correlated with social responsibility (Yaman & Gurel, 2006). Experience, therefore, has a negative influence on the statistical relationship between RMI and financial performance.

As expected, the coefficient of competitive intensity is negative ($\beta = -0.01$). The more competitive the environment is that businesses operate in, the harder it is to realise profits and translate responsible management intentions into performance. The intense level of both local and global competition in the tourism sector is a key factor impeding the adoption of RTM. Tourism businesses still perceive RTM as being associated with increased costs. The strategic business case for CSR and RTM has not been firmly established in the minds of managers. It is imperative that information is disseminated outlining how RTM can improve the competitive position of a company and not detract from it. It is also important that a strategic long-term view is adopted by management. Strategic competitive advantages take time to develop. Similarly, RTM does require time and commitment in order for the positive

benefits to result. Staff and managers' performance thus should not be measured only in terms of their achievements over the short-term. Evaluations have to take long-term strategic planning initiatives into account and give recognition to these investments for sustainable growth and development.

In respect of non-financial performance the data showed sub-sector, size and consumer turbulence to be significant moderators at the 90% confidence level. The sub-sector negatively influences the statistical relationship between RMI and non-financial performance. The tourism industry is highly diverse with a broad scope of businesses and support services comprising it. Policies thus far have been aimed at the industry as a whole. Clearly, there are vast differences between a convention centre and whale-watching charter company. Policies have to allow for these differences and try to recognise the different needs and constraints that the various sectors face. Staff training is highly important in the hospitality sector, whereas community involvement is perhaps more relevant for a tour operator. Having one policy for all sub-sectors can lead to resentment and discouragement as businesses fail to meet set regulations or targets due to the specific nature of their business.

Size, as in the case of financial performance, is a significant moderator. However, in the case of non-financial performance, the coefficient is positive $\beta = 0.07$. The finding is significant as it supports the qualitative research results indicating that small and medium sized companies were finding it arduous to meet the requirements of the BEE Tourism Charter and Scorecard (2005). The larger a company is, the easier it is for it to invest resources in the various Charter sections. It is imperative that smaller tourism businesses are provided with channels to behave responsibly. The attitude of managers towards RTM clearly is positive. The means that are available at present to allow business to translate this attitude into responsible management intention and actual RTM behaviour, however, are not sufficient. This finding supports the theoretical discussion on the vital success factors for a social marketing campaign. As in traditional marketing the marketing mix lies at the heart of a marketing strategy. Place, as the distribution channel, is the mechanism in a social marketing campaign that is presented to the target market as to how they can engage in the proposed positive behaviour. It is imperative that these channels are easy and accessible to increase the likelihood that the target market will engage in the proposed behaviour. The Responsible Tourism Guidelines launched by CTT in May 2007 are a first step towards addressing this gap and providing a channel and recognition for change in management. Further suggestions would be to adapt the Charter scores, making allowances for company size and sub-sector, thereby recognising the diversity in the tourism sector.

Consumer turbulence was found to be a significant moderator, supporting the market orientation literature. Consumer turbulence positively influences the statistical relationship between RMI and non-financial performance. RTM is essentially demand-driven. Companies that are more market orientated, adapt at sensing and reacting to changes in the market, would be more positive and proactive towards RTM. The fact that consumer turbulence has a positive $\beta = 0.17$ confirms this previous finding by Jaworski and Kohli (1993).

H₄: There is a direct positive statistical relationship between management attitude and business performance.

H₄ is only partially accepted. From the six factors measuring management attitude, only external corporate citizenship is significant with a p-level of 0.000001. This can be attributed to the fact that external corporate citizenship and actual RTM behaviour, as measured using the BEE Tourism Charter and Scorecard (2005) criteria, are closely related and a positive attitude in the one would therefore be more strongly correlated to a higher RTM level. Encouraging corporate citizenship, in other words, promoting a waste management plan, employee training, and partnerships with communities will therefore lead to higher levels of RTM.

H₅: Company characteristics moderate the statistical relationship between management attitude and responsible management intention.

H₆: Company characteristics moderate the statistical relationship between responsible management intention and business performance.

H₅ and H₆ are partially accepted. The size of the business does moderate certain but not all statistical relationships in the conceptual model. As has been discussed earlier other industry factors such as size moderate the statistical relationship between external management attitude and corporate citizenship, as well as between RMI and financial and non-financial performance.

H₇: The level of understanding of the RTMSA and BEE Tourism Charter and Scorecard is low.

The current level of understanding for both the BEE Tourism Charter and Scorecard (2005) and the Responsible Tourism Manual for South Africa (2002) is low (44.3% of respondents understand the policies badly or not at all). The lack of understanding and apparent apathy towards government initiatives is alarming as these policy documents are the guidelines that need to be adopted to bring about transformation and help the industry develop in a sustainable manner. It is not clear why awareness and knowledge in this regard is so lacking. One of the reasons might be that tourism businesses do not feel that government is supporting them in implementing responsible management practices. Only 17% agree that government is helping them with RTM, and 60% disagree. Past research clearly shows that there is a positive statistical relationship between the understanding and belief in efficacy of government initiatives and socially responsible behaviour (Gilg, Barr & Ford, 2005). The low levels of understanding are yet another reason as to why there is a discrepancy between attitudes and RTM behaviour, explaining in part the lack of transformation and change in the industry.

H₈: Personal factors influence management attitude.

H₈ is accepted. The personal demographic variables of managers, ethnicity and education were found to influence CSR orientation. The fact that nearly 94% of the sample are English and Afrikaans speaking or originate from Europe, might explain why this is the case. CSR is a

far more established management concept in Europe and the USA. The necessity of such management principles might be more accepted in this ethnic group and explain the positive effect on CSR orientation. The negative effect of education ($\beta = -0.13$) on CSR orientation can be attributed to the fact that the more educated an individual is, the more likely he or she will be to take a larger number of factors into consideration when faced with a management problem or decision. Idealism is consequently replaced by realism (Yaman & Gurel, 2006). It is not necessarily education itself that is to blame for its effect on CSR orientation, but rather the type of education. Internationally, tertiary institutions need to include material on CSR processes and their strategic implications in their management curricula and have begun to do so in various universities overseas.

H₉: There is a positive statistical relationship between the level of knowledge and understanding of government policies and managers' perceptions towards RTM.

H₉ is accepted at the 95% level of confidence. The level of understanding of the RTMSA positively influences the level of perceived RTM benefits with $\beta = 0.18$. This would indicate that the policy itself, and subsequent guidelines are not inappropriate, rather that there is a lack of education and communication around these policies. Government agencies need to work at implementation of these plans so that they do not become superfluous documents. A key component of a successful strategy is the implementation and control phase. Too often resources are invested in devising plans for change and improvement. Not enough effort, however, is expended in ensuring that the proposed strategy is adopted and translated into action. This lack of follow-through is also partly the reason why there is such a high level of scepticism towards the effectiveness and efficiency of government in supporting RTM adoption.

H₁₀: Responsible management intention has a direct positive effect on business performance.

H₁₀ can be partially accepted. Managers who view CSR as being more important than profits are shown to have increased levels of financial performance. This finding indicates that those managers who understand that their success is dependent on the sustainability of their natural, social and economical environments are faring better in terms of their bottom line. A strategic, long-term approach to responsible management results in improved business performance. Findings such as these are imperative if CSR in tourism is to become a mainstream management style. Tangible and reliable evidence has to be gathered that can convince managers as to the financial and strategic benefits of such a management approach. Further research is necessary to provide more evidence of the positive statistical relationship between responsible management and improved business performance.

H₁₁: Managers' personal values moderate the statistical relationship between management attitude and responsible management intention.

H₁₁ is rejected. The influence of personal values on management practices and attitudes was tested using a sub-set of the Schwartz (1994) value scales. The fact that the findings are non-significant does not necessarily point towards values as a construct not playing a role in

determining management style. Rather, the measurement scales that were used might have been inappropriate. Further research is necessary to uncover the role of personal values on management attitude, intention and behaviour.

Organisational commitment

Managers that perceive RTM to be good for business tend to be more committed to their organisations. High levels of organisational commitment in turn have been shown to improve the performance of businesses. This was the only scale item that was found to significantly influence organisational commitment. The lack of significant findings more likely points towards a short-coming in the questionnaire, rather than the absence of significant statistical relationships. The concept of an organisation, as a large entity, does not always apply to the South African tourism industry which is dominated by SMMEs. It was, therefore, a difficult concept for respondents of small businesses to understand. Future research should take this fact into account and adapt the scale accordingly. Organisational commitment might also be an independent rather than a dependent variable. Rather than seeing organisational commitment as a consequence of management, one should test whether or not the commitment towards the organisation has an impact on management attitude and performance. This statistical relationship has been tested in previous studies but the literature is scarce in the tourism subject area. There is scope to investigate these effects further.

Responsible management intention as a mediator

Responsible management intention (RMI) was found to completely mediate the statistical relationship between CSR orientation and financial performance. This means that intention to manage responsibly must be present so that attitude translates into behaviour and the actual benefits of RTM and CSR can be realised. It is thus important to educate tourism managers about the benefits, as well as methods available to implement RTM. Social marketing campaigns have to focus on highlighting perceived costs and benefits, as well as making the channels for change easy and accessible.

The previous section has concluded the main statistical relationships that have been tested in the research to investigate the fit of the conceptual model. The overall research conclusions are presented in the next section before practical managerial recommendations are made.

6.4 Main conclusions

The main conclusions from the research are:

- Tourism business managers' attitudes and perceptions towards responsible tourism management are positive. However, levels of responsible management practices (investing in training, diversifying ownership, helping to develop enterprises, etc.) are generally low. Other factors, therefore, are disrupting the statistical relationship between attitude and behaviour.

- The size of the business, years of operation, sub-sector, demographics of managers, the competitive environment, and the level of customer turbulence were all found to moderate the statistical relationship between management attitude, responsible management intention and business performance. It is consequently important to develop social marketing campaigns that take the differences of businesses into account as well as highlighting the strategic business advantage that RTM can bring.
- The level of understanding of government policies aimed at bringing about transformation and sustainable tourism development is very low. There seems to be an indifference on part of the tourism sector towards government initiatives. The private sector tourism industry does not feel that government is supporting them in implementing responsible management practices. There is, consequently, a strong negative perception towards government and its effectiveness. It is important that the private sector believes in the efficacy of what government is trying to achieve. Despite the fact that many positive plans and policies have been initiated by government, there seems to be a sense that there is a lack of action. Government needs to communicate actively what it is doing and attempt to improve its image in the tourism industry. Sectoral organisations such as the TBCSA, SATSA and FEDHASA have to play a more active role in communicating what they are doing to support the private tourism sector (George, 2007: 164).

6.5 Marketing implications

The study findings show that there is a discrepancy between managers' attitudes towards corporate social responsibility (CSR) in tourism and their responsible tourism management (RTM) behaviour. It is imperative from a practical perspective that the various factors that are inhibiting tourism companies from engaging in RTM are addressed. In terms of achieving the wider socio-economic mandate of tourism in South Africa, adopting RTM practices will contribute significantly to bringing about transformation and addressing the inequalities of the past. Globally, RTM is in line with reaching the objectives of poverty reduction and unemployment as outlined by Millennium Development Goals (MDGs), as well as addressing issues around climate change and scarce resource management. Finally, RTM is a tool for the local tourism industry to develop a strategic competitive advantage, diversify the product offering and provide a unique, authentic experience.

The next section will provide practical recommendations for tourism government bodies and marketers. It has been structured according to the various factors, as identified by the statistical data analysis, which are currently affecting the statistical relationship between management attitude, intention and behaviour.

6.5.1 Perceived costs

The perceived costs of RTM, as identified by the literature, were confirmed by the research findings.

Costs of using small community suppliers

Managers perceive the cost of using small suppliers to be too high. This cost includes insufficient quality standards and quantity capacity, as well as ordering and delivery ease. Many of the tourism businesses indicated that they would try and use more of the smaller community suppliers if they could be sure whom to contact and what the level of service and quality would be. It is suggested that Cape Town Tourism start compiling a database with suppliers and their various performance delivery criteria. Moreover, government and sectoral organisations should stand surety for potential defaulting or lack of delivery by these companies. This safety measure will ensure that a broader spectrum of suppliers can enter the formal tourism supply chain and the industry becomes more diversified.

It is imperative that the current mentoring programme is supported and grown in order to address the quality measure. The transfer of skills remains a key challenge in South Africa and necessary agenda item. It was highlighted throughout the research phase that the mentoring of smaller businesses by their larger and more experienced counterparts is a crucial step in ensuring sustainability and growth of the industry.

Lack of safety and security

The lack of safety and security when using small suppliers is a key deterrent for many tourism businesses. Attacks on tourists in informal settlements, corruption, and overcharging tourists are some of the examples that make tour operators and other tourism service providers weary of using community suppliers. A strategy is currently being developed by the Department of Environmental Affairs and Tourism (DEAT) to address the safety of visitors and put in place safety and security measures for tourism service providers. Besides the actual problems of crime and violence, there is also a challenge around the perception of crime. In many instances local community tourism service providers have a safe and secure product offering. However, one incident can ruin the image and reputation of the entire industry and has significant negative spin-off effects. It is imperative that the initiatives that have been developed by government to deal with the negative effects of crime are communicated to the tourism industry and that success stories are widely publicised.

Factors that are contributing to crime are the high inequality and unemployment levels currently in South Africa. Past research has shown that where communities become involved and benefit from the economic impacts of tourism, support of tourism development increases, licence to operate is gained and crime levels decrease. Increasing the involvement in tourism development, participation and sharing of benefits is therefore an important aspect in addressing the safety and security challenges.

Demand for international standards by customers

One way of avoiding having to directly compete with similar international products is to create a uniquely South African experience and product offering. There is often a misconceived perception, that overseas travellers demand the same products and services as they receive at home. Whilst there is no doubt that quality standards have to be high, research clearly

indicates that tourists are beginning to look for new, authentic and different cultural experiences. Employing RTM practices makes use of local heritage and community knowledge. By engaging with different people and cultures a far richer product-offering can be developed. This, then, can be sufficiently unique that it does not have to compete on features with overseas product offering.

Clearly, the question of superior customer service and quality cannot be ignored and it is imperative that local community service providers are trained and skilled. Education in the tourism industry, as is the case in most of South African business sectors, needs to be placed continuously at the centre of development.

Business size and sub-sector

The research findings discussed in Chapter 5, show that company size is a significant variable influencing RTM attitudes and intentions. The tourism industry is comprised of a multitude of very different businesses. Expecting businesses with two employees to adhere to the same regulations as those with 200 employees is unrealistic, and will lead only to negative sentiment towards government. It is imperative that recommendations such as those in the BEE Tourism Charter and Scorecard (2005) take note of the different sub-sectors and sizes. There should be no difference between small and larger business when complying with government policies. A weighting system could be developed that looks at the performance of businesses with regards to the Charter requirements and weights their scores according to company size. Moreover, different sections could be given more weight depending on what sub-sector the business operates in. Training for example could be weighted more heavily in the hospitality sector and community support given more emphasis in the tour operator sub-sector. Thus a more balanced and fair measurement system ensues.

Education

The research findings show that the higher the level of education of a manager the lower the level of RTM and CSR. It has been noted in the literature that it is not education as such that is to blame for this negative relationship, rather the specific type of education. Schools, tertiary and other educational institutions need to take note of the shift in business management practices. CSR is no longer a separate function that businesses can decide to engage with or not. CSR has become, and will increasingly become, a key strategic component of business planning. The provision of the right exposure and skills in commerce education will ensure that managers' attitudes are positive towards CSR and that the necessary skills are available for such attitudes to be translated into behaviour.

Competitive environment and market turbulence

The competitive environment that a business operates in has an impact on the statistical relationship between management intention and business performance. The higher the level of competitive intensity, the less likely will responsible management intention result in business performance. This finding is in line with general business practice, where it is often the marketing budget that is reduced first when profits decrease or competition intensifies.

Whilst this reaction is understandable, it is also counter-productive. It is exactly in the periods of heightened competition and decreased sales that the marketing department has to be more active. If one accepts that RTM brings bottom line, competitive benefits to businesses, then the increase in competition should drive businesses to engage in RTM in order to survive and increase their market share. It becomes imperative that the industry is educated about the potential financial benefits and strategic competitive advantages that can be achieved by employing RTM practices. Past research findings and cases of best practice can be used to support this argument and provide tangible evidence to the tourism industry as to the business case of RTM. A workshop, accompanied by a "How to..." booklet outlining the specific benefits and how these can be achieved would be a first step in communicating this management approach. The TIPS booklet series, as well as the Responsible Tourism handbook was developed with this objective in mind. However, merely producing the booklet is not sufficient to communicate the underlying message. Publishers of the series indicated that there was a significant short-coming in planning the roll-out and implementation of the booklets (Haysom, 2007). Again, this failure highlights the importance of the implementation and evaluation stage in the strategic planning process.

Research findings indicate that the tourism industry has been slow to react to market and management changes (Wijk & Persoon, 2006). As with all businesses it is imperative that the local tourism industry be in tune with the changes that are taking place in the market, both locally and internationally. Being market-orientated and reacting to the consumer and market turbulence is a key survival tactic for all types of businesses. Tourism as a sector needs to use existing market orientation literature and work at being more reactive to the changes and trends that are taking place on a global scale. Corporate social responsibility, sustainable, authentic and responsible tourism have been market trends for a considerable time. The Greater Cape Town tourism industry has to react urgently if it wants to remain relevant and competitive.

Government support

The perception by tourism businesses that government is not helping them put in place RTM practices has to be changed and managed. It is imperative that the private sector believes in the competence and will of the public sector to bring about change. True transformation and the achievement of the goals set out by the BEE Tourism Charter and Scorecard (2005), as well as the much wider objectives of poverty alleviation, job creation and environmental sustainable management, will be achieved only through public-private engagement. Government support needs to be carefully communicated and the effects monitored. By clearly showing tourism businesses what is being done practically to support them, goodwill will result and consequently improved buy-in to adopt RTM practices.

In line with the scepticism towards government support, comes the lack of understanding in the industry of policy documents concerned with implementing and helping the adoption of RTM. The low levels of understanding of the Responsible Tourism Manual for South Africa (RTMSA) (2002) and the BEE Tourism Charter and Scorecard (2005) show a level of apathy

towards adopting the transformation agenda. It is important that these documents continue to be communicated and work-shopped. It might be necessary, in the face of continued lack of change, for government to regulate certain minimum requirements for the industry (for example, HIV/AIDS policy, waste management and corporate social investment).

HIV/AIDS policy and code of conduct

The low level of HIV/AIDS policies (13%) that are currently in place is unacceptable. It is essential, given the people-orientated nature of tourism that both visitors and employees are made as safe as possible when it comes to HIV/AIDS, as well as having measures in place that deal with staff members who have been infected with the disease. Because so few policies are currently in place, government should provide a generic guideline for businesses that then can be adapted to suit the nature and size of the particular business.

The literature review indicated that having a code of conduct in place improves the socially responsible behaviour of businesses. Government could again facilitate the process of businesses developing a code of conduct both for their customers and their employees by providing a generic document that can be adapted to meet the needs of the businesses.

FTTSA

The current number of businesses that have been awarded the Fair Trade in Tourism South Africa (FTTSA) trademark is very low (13.7%). The qualitative research findings indicated that especially smaller businesses find the FTTSA criteria far too stringent. However, many businesses are engaging in some form of RTM and are not receiving any recognition for this. There is a need for a more general accreditation system. The Responsible Tourism Guidelines that have been launched by Cape Town Tourism in May 2007 are a first step in enabling a broader spectrum of tourism business to participate in, and receive recognition for, their RTM practices. Similarly to the current hospitality grading council, so too should a system be put in place that gives scores to individual businesses in terms of their RTM behaviour. The current categories, as outlined in the BEE Tourism Charter and Scorecard (2005), can be used but the percentages should be relaxed and weighted to accommodate the different sizes and sub-sectors businesses operate in. Businesses could then be graded according to their RTM behaviour and use this as a marketing and differentiation tool. Furthermore, given that the foundation of the evaluation criteria is that of the BEE Tourism Charter and Scorecard (2005), businesses will naturally progress towards achieving these national objectives, and reap the rewards of being a BEE business.

Now that the various factors that have a negative effect on RTM have been examined the discussion can turn towards perceived benefits of RTM and CSR and provide recommendations as how best to capitalise on these.

6.5.2 Perceived benefits of RTM CSR

RTM improves staff performance

The CSR literature as well as research findings confirm that employees prefer to work for a company that reflects their own values and that is seen to be a good corporate citizen. Improved staff morale, in turn, has been shown to increase staff performance. Communicating the ethical values both to potential recruits and internally to existing staff is an important exercise in terms of improving performance. Involving employees actively in community programmes is another way of encouraging CSR and reinforcing the values of the company. As past research has shown (Chapter 2: Literature Review), the direct involvement of employees enhances their sense of belonging and positive commitment towards the organisation.

RTM is a useful marketing tool

It is imperative that RTM communication is backed up by actual responsible management practices. The effect of not delivering on social responsible promises can be highly detrimental to the brand and company reputation. The converse, however, is also true and customers will support a business that is trying to make a difference in the community it operates in and takes care to safeguard the natural environment. Managing communication around RTM activities is an important aspect of ensuring that the benefits of RTM are realised. RTM should be seen as a company-wide approach to conducting business and not an isolated project or department. In this way, all involved in the business, will also be involved in RTM and the necessary cohesion will result.

Brand, image and reputation benefit from RTM

The consumer of today has become increasingly critical of the activities of businesses and the impact of their operations on the social and natural environments. Adhering to ethical management practices and adopting a triple bottom line accounting approach ensures that businesses safeguard against potential risks with regards to their reputation and image. In a highly competitive environment where product and price parity reigns, purchasing decisions are often made based on brand reputation, recognition or emotional connection. RTM ensures transparency and a balance between financial, social and environmental objectives. Such cognisance of a fine balance will safeguard the business, to some degree, against activism groups and negative public sentiment.

6.5.3 Practical management implications

In order to achieve the discussed benefits it is imperative that certain management practices are adopted. For a more detailed suggestion on how RTM can be implemented refer to Appendix F.

A recognised industry body, also described in the literature review, the Tour Operators Initiative for Sustainable Tourism Development by ABTA and Tearfund (2002) makes the following recommendations to improve tour operators' responsible management performance. The recommendations can be applied to the Cape Town tourism industry as a whole.

The role of corporate social responsibility and reporting:

1. Share best practice

Businesses should start to record examples of fair practices and responsible tourism behaviour to aid the industry as a whole to move towards the goal of sustainable development and enable learning from each other. Currently a major barrier in adopting RTM is the lack of knowledge and awareness. Sharing success stories and disseminating practical advice will facilitate this education process.

2. Consult with local groups

New businesses must aim to not only focus on partnerships with large suppliers but engage with local communities and seek ways on how to integrate local SMMEs into the larger tourism sector. This will lead to a better quality holiday for visitors (diverse product offering), more unique experiences drawing on the local character of the destination, as well as positively benefiting the communities affected by tourism development.

3. Consider how to overcome barriers

Barriers to RTM have to be overcome by providing training, disseminating more detailed information to customers and taking a long-term approach to destination and product development.

4. Implement incremental changes

It is important that businesses do not attempt to make changes to management practices all at once. Moreover, given the diversity of tourism a successful strategy for one business might not have the same effect in a different context. Tourism businesses should implement RTM in a phased manner, beginning in one area, receiving feedback, and then re-evaluating what has been effective and what not.

5. Integrate into normal business processes

Adopting RTM has to be an approach that is driven from top management and permeates all aspects of the business. From staff recruitment to waste management, in every area of managing the business it is possible to do so in a responsible manner.

6. Initiate effective research

Continued research is needed to inform business decision-making and aid government policy development. It is important to investigate what the view of communities and locals is towards tourism development so that a broad host of objectives can be addressed. A stakeholder view is imperative to ensure that the benefits of tourism are spread as widely as possible.

7. Commit to a funding level

Any new strategy requires that the necessary resources are in place to ensure effective role-out. Creating an successful social marketing campaign that will address the perceived costs of RTM and highlight the perceived benefits will be an essential first step towards effecting behaviour-change. However, continued funding is necessary to educate tourism businesses, conduct relevant research and provide the necessary support.

8. Develop long-term partnerships

As has been mentioned already developing local partnerships and linkages is a crucial step in terms of implementing RTM. Not only do supplier partnerships have to be developed, but community leaders, environmental activists and other NGOs need to be engaged with.

9. Accountability and transparency and monitoring

Transparent accounting and monitoring of RTM activities are important steps in communicating both internally and externally what the business is doing, as well as ensuring that processes are fair and non-corrupt.

10. Code of conduct for tourists

Many tourists have a desire to behave in a manner that is not offensive when visiting a holiday destination. It is important for tourism businesses to develop a code that outlines the correct behaviour that tourists should adopt in terms of culture, as well as how tourists can help to minimise the negative impacts of tourism on the host destination (Andereck *et al.*, 2005).

How to address the various costs and benefits of RTM have now been discussed. For an outline of the social marketing process, refer to Appendix G.

The final section of this chapter evaluates further areas for research.

6.6 Areas for further research

Longitudinal study

Jaworski and Kohli (1993) note in their research that it would be valuable to test the impact of market orientation on both financial and non-financial performance indicators over an extended period of time as there is known to be a lag effect. The same can be said for RTM. The benefits that accrue to companies managing their business in a responsible manner are often realised only in the medium to long-term. A longitudinal study would therefore be highly valuable in analysing the cause and effect relationships in the conceptual model, as well as measuring the effectiveness of social marketing campaigns.

Values

In emerging markets Burgess and Steenkamp (2006), based on the theory developed by Schwartz (1994), found that hierarchy and embeddedness (of which tradition and conformity are measures) were the most dominant cultural value priorities influencing behaviour. The emphasis in these markets is on deriving individual worth from belonging to a group and maintaining the status-quo. Power roles are clearly defined and resources are allocated according to the place somebody holds in the specific hierarchy. Because respondent fatigue in tourism and emerging markets is well known it was decided not to test the full Schwartz (1994) values scale but rather only focus on tradition and conformity. The findings of the study indicate that values were not significant in affecting management attitude. This could be due to the fact that the tourism industry is not necessarily representative of businesses in emerging markets. The majority of managers and business owners possessed tertiary education and spoke English as their mother tongue (65%), indicating that they were most probably Caucasian, with a significant portion being from Europe or European descent (10%). This fact highlights the extreme need of the industry to transform but also means that other cultural value priorities such as autonomy and egalitarianism, more commonly found in HICs, should be tested in the future to determine what role individual values play in determining the attitude and level of RTM.

Broader sample

Jaworski and Kohli (1993) and Maignan and Ferrell (1999) also identify a need to test a broader market in determining how attitudes and perceptions towards the influence of market orientation on performance differ between the various levels of management and employees. This too would be a valuable addition to the existing body of knowledge in the field of tourism management as it is often non-management employees that interact directly with the client and have significant amount of autonomy in how they manage the individual tourism service. Extending the study to include non-managerial employees would, therefore, provide valuable insight to the overall attitude and perception towards RTM.

The current study also only questioned managers and owners of tourism businesses in Greater Cape Town. Cape Town Tourism has already indicated a desire to roll-out the study provincially and, eventually nationally. Achieving a representative, national sample would give the study findings more validity, as well as increasing the extent of generalisation of research results and recommendations.

Financial performance

Findings from the research indicate tentatively that there is a positive statistical relationship between RTM and increased financial performance. More research is required to support this finding, employing different samples and methodologies. Providing tangible proof of the financial benefit of managing tourism responsibly, will be an effective tool in bringing about desired behaviour-change.

Organisational commitment

This research thesis looked at organisational commitment as a desired business performance or outcome. This construct was therefore treated as a dependent variable. Previous research has looked at organisational commitment as a dependent variable influencing performance. It could be, moreover, that organisational commitment also influences management attitude. Research investigating these different statistical relationships would broaden the current research scope. Moreover, given the composition of the local tourism industry, the measurement scale should be edited to accommodate very small companies, who struggled to apply the concept of organisational commitment to their small operations.

Consumer demand research

This thesis has focused on the tourism industry. The next step is to analyse the actual tourism consumer market. It is necessary to uncover the exact magnitude and nature of responsible tourism demand. In order to be market-sensing it is vital that organisations understand the needs, perceptions, attitudes and obstacles facing consumers with regards to responsible tourism practices.

6.7 Summary

The statistical relationships in the conceptual framework, which were developed based on previous research as identified in the literature review, are partially confirmed by this research study. The data thus fits the model relatively well.

Most significantly, it can be said that despite the positive attitude of managers towards RTM, this attitude does not always result in related positive behaviour. This disjuncture partially explains the lack of transformation and low RTM levels in the industry. Factors that are disrupting the statistical relationship between attitude, intention and behaviour are the perceived costs of RTM, personal factors of managers (education and ethnicity), level of policy understanding, lack of belief in government, effectiveness and industry factors, especially the level of competition in the business environment. These findings are significant in the light of the fact that it is not the attitude of managers that needs to be addressed, but rather the mechanisms that enable businesses to implement RTM practices.

Furthermore, the findings confirm that in emerging markets the direct statistical relationship between management intention and behaviour does not necessarily hold. There is a current discrepancy between attitude, intention and actual responsible tourism management practices. Social marketing campaigns are clearly needed to influence this behaviour change and facilitate the transformation of the industry for a globally competitive, socially equitable and naturally sustainable future.

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Appendix A: Discussion guide

Discussion Guide: Managing Tourism Responsibly Qualitative Research Phase of UCT Master's Dissertation 2006

Introduction

10min

- Moderator
 - Who
 - What
 - Role
- Purpose of FG
 - Need information to improve systems
 - Deeper understanding, want to help the industry, need to know what you think
- Administrative
 - Being taped
 - Being viewed
 - All opinions are valuable
 - I am unbiased
- Introduction of Members
 - Name
 - Industry
 - Business

Personal attitude towards sustainable living

10 min

1. Explanation of what the research is about and where the knowledge gaps are.

The purpose of this research is to try and find out how you, the tourism industry, feel towards managing responsibly. We want to know what you think of corporate social responsibility, BEE etc. and hear what the challenges, opportunities and areas of potential improvement are. The aim is to together find solutions for a sustainable and profitable tourism industry.

2. Ice Breaker: Mind Map – “charity”

What comes to mind when you hear the word charity? (*write down some words – to be used later as a hook to lead into CSR etc.*)

3. Imagine the following scenarios:

- A woman comes to your door and asks for money, food and clothing.
- Or a street child holds out his or her hand at the traffic light.

- What is your reaction? What motivates you to act in this manner?

Probe further if help is given immediately – avoidance of negative feelings e.g. guilt or development of positive feelings e.g. feel good, benevolence or habit/other e.g. I grew up that way, part of my religion etc.

If help/handout is refused probe why – give to a formal charity, they should help themselves etc.

Probe:

- *What kind of charity do you give to?*
 - *Socially active – how?*
 - *Why?*
 - *What do you care about?*
 - *Environment*
 - *Society/Culture/People*
 - *Economic state*
 - *How do you think companies should help?*
4. We all say that we think recycling is a good idea but I know that I am sometimes too lazy to recycle.
- Does anyone here feel like that? Anybody not?
 - Tell me about why you recycle or why not.

Corporate Social Responsibility

10 min

5. We have spent some time talking about your personal habits and reactions but what about when we get to the office or in your own business?
- What comes to mind when you hear Corporate Social Responsibility?
 - Tell me what you think is meant by the triple bottom line accounting method?
 - How do you feel about companies having to take environmental, social and economic issues into account?
 - What is Good Corporate Governance? Corporate Citizenship?
 - Let's be honest, I know I am in business to make money and being CSR does not fit into that objective. Does anybody else feel like that? What do you think is the main barrier that keeps companies from being more socially responsible?
 - What do you think is the role of companies in modern society? (*I.e. Can there be another objective besides profit maximisation?*)
 - Some research in the UK found that more than 75% of the tour operators interviewed gave money or support to a charity? Is this statistic reflective of what is happening in South Africa?

Tourism and CSR/Responsible management**10 min**

6. Let's talk a bit more specifically about the tourism industry in South Africa and Cape Town specifically.

Projective Technique: Mind Map – “Tourism in Cape Town”

- What are the trends?
- Let's talk about the opportunities in the tourism sector in Cape Town.
- Tell me about the challenges in your daily working life with respect to the tourism industry?
 - Management – staff, people
 - Legislative – restrictive laws
 - Economic – too high costs, instable exchange rate
- Do you feel there has been a change in what tourists are demanding? What has been this change?
 - More socially aware?
 - Higher quality?
 - International standards?
 - Uniqueness? African experience?
- 30% of UK tour operators in some research indicated that their clients were asking about environmental and social issues when booking a holiday? Can you identify?

Current Behaviour**15 min**

7. If you think of other businesses in the tourism industry. Have you seen any evidence of socially responsible business practices (e.g. fair trade, training, local linkages)
- What do you think about these initiatives? What would have to change in order for it to work for you? (*Probe: both negative and positive comments*)

8. Projective Technique: Mind Map

The industry is full of fashion words depicting new kinds of tourism. What comes to mind when I say:

- Responsible tourism?
 - Pro-poor tourism?
 - Sustainable tourism?
9. What do you think about these approaches? What are the positives and the negatives?

Probe: try and get both benefits and challenges out of the discussion i.e.

- *Benefits of managing tourism responsibly:*
 - *What are they?*

- *What are barriers?*
- *How can it work? What is needed to make it work?*
- *What could be done to make it easier?*
- *Research tells about such behaviour leading to a competitive advantage. What do you feel about that? What kind of competitive advantage?*
- *Marketing opportunity?*

10. The same study I have mentioned before found that nearly 50% had a written policy on managing tourism responsibly. So half have and half do not.

- What are the reasons do you think?
- Who here has a written code of ethics or corporate values?
- What is your motivation for producing such a document/policy?

BEE Tourism Charter and Scorecard

10 min

11. Projective Technique: Mind Map

What do you think/feel when you hear the *transformation*?

- What do you think the purpose of the Charter is?
- What is the problem?
- What would help?
- How do you feel about the BEE Tourism Charter and Scorecard?
- Benefits?
- Only costs?
 - What does the employment situation look like in you company? Representative? What is the main hurdle?
 - Does any money go into training? Enough?

Future: what is needed?

5 min

12. Projective Technique: Gestalt

Imagine an ideal tourism industry in 5 years time.

- What would it look like?
- What is needed to get there?

Conclusion

10 min

13. Thank you very much for your time and valuable insight. It is by sharing opinions, challenges and ideas that we as a industry will be able to grow into the future. I would just like to summarise briefly the main points that have emerged in today's discussion.

-
14. As a final note. If you could say one thing to policy makers and tourism organisations (CTT, SAT etc.) that might help some of the issues that have been raised in today's discussion. What would it be (go around and let everybody have one final say).

Appendix B: Focus group profiles

Focus Group 25th October 2006

Warren

- Tourguide – very small
- Does sub-contracting for larger local tour companies
- Has been in tourism business since 1995 (from Netherlands)

Lily Joan Ithier – Island Touch Tours

- Inbound/outbound tour operator - Indian Ocean
- Also has a B&B in Pinelands
- Been in SA for many years (originally from Mauritius)

Estelle

- Service provider to hospitality industry and government
- Disability travel guide
- Been in operation for 2 years
- Developing a training scheme
- Branching out into the corporate sector

Busi Mavuka – Marketing Coordinator Thebe Tourism Group

- Marketing Tourism
- Cape Point

Focus Group 27th October 2006 – Business

Gail Menzies – Events Research

- Triple bottom line
- Specialising on events and festivals

Stanley van Rooi – Nolizwe Shuttle Tours and Accommodation

- Used to work in SAFMarine
- Now new business

Xolani L. Gumbi

- Tekwini – film industry

Nelson

- Film producer with Xolani in a project
- Community events

- Took 120 pensioners to Cape Point
- Need to re-invest in community – very outspoken, lots of racial issues

Linda Gxablea – Mojo Occasions cc

- Events
- Package tours
- E.g. CT international Jazz Festival
- Also looking at community market as corporate market is saturated

Patricia – Bilton

- Bilton supplier
- Employs 6 people
- Cheaper product than competitors

Cecilia Smith-Chirstensen – Events Research

- Sustainable development
- From Netherlands
- Very similar to what I am looking into

Focus Group 1st November 2006 – Accommodation

Lea – Three Anchor Bay Guest House

- 5 bedrooms
- Positive atmosphere – very pro SA
- German/Austrian

Nia Van Damme – Vialla Montebello Hout Bay

- 3.5 years came from Belgium
- Husband used to be a tour guide
- 4 bedrooms with breakfast

Gary – Sundown Manor

- Fled from Zim (had been a farmer, very politically involved)
- Has been in SA for 4 year, running guesthouse for 3 years
- 8 double rooms

Ken Urquhart – Sunbird Mountain Resort Hout Bay

- Worked 3 years in EU as tour operator and driver
- Used to be a dental practitioner (still does this on the side in quiet winter months)
- 10 self catering and 10 beds with breakfast
- Ex Netherlands (I think)

Sonia du Plessis – Ivory Heights 5 star Boutique hotel and conference centre

- Somerset West
- 10 bedrooms
- Many corporate and government clientele
- A lot of repeat business

University of Cape Town

Appendix C: Focus group findings

Charity - Personal

- Some people give out of egotistical reasons – to feel and look good
- Charity evokes associations of loneliness, being dependent
- Charity is not sustainable

- Donations – one has to know where the money is going, issues of trust came up often
- Mistrust due to corruption and misuse – especially in SA, don't trust government
- Money is not the only way to give – time can be much more valuable – maybe the idea of constructive, strategic involvement starts emerging here
- "Donor fatigue" – sick and tired of giving out
- Charity sector is "out of control" – there needs to be structure

- Charity is just a "hand out", freebee, efforts that don't pay
- Ubuntu – part of our culture and duty - Cultural differences influence charitable giving
- There is a lack of accountability – one cannot see the differences that are being made, often feels like a waste of time
- It is a form of emotional blackmail – one is forced to "give", give to feel relief from, guilt
- One is not helping – if you give money to a child on the street you are helping to keep them there
- A respondent mentioned though that it is our duty, our responsibility to help.
- Charity is a 2way thing
- Personal involvement (i.e. tutoring Matric pupil) more effective, time, development, education
- All grew up differently, so have different priorities – "I know what it feels like, so I have a softer heart" – identification with situation increases likelihood of charity and community involvement, *supports the argument that corporate SA is faced with the challenges everyday in backyard – i.e. the double burden of corporates*

- There has to be a value exchange – then there is a good feeling, about oneself and the role played in society
- One respondent clearly stated that social involvement had the business objective of increasing exposure and for good PR and marketing

Charity – Business

- Have a predetermined amount that you will give away (i.e. CSI) – "it's then done"
- Gives "great sense of self-esteem"
- Strategic giving much better than just "hand-outs" – have to do it on an "official basis" then it is "in control"
- There is a need for a change of mindset

- Many do it out of a “gut feel” that it is right (i.e. personal motivation influences business behaviour, especially since so many tourism businesses are small)
- “giving is something very personal” – you have to always remember your limitations – “recognise my own humanness”, “can’t solve all problems” (there is a real sense of many who want to give back to the community but feel faced with insurmountable obstacles – lack of direction, organisation and tangible differences – argument to be made for more direct involvement of e.g. training and local procurement where results are immediately seen)
- E.g. Habitat for Humanity is a tangible benefit
- One has to create awareness, social investment has to do with creating awareness for disability – i.e. serving a business objective
- Donations/help have to do with personal compassion – will be more likely to give to something that is meaningful to me (e.g. SPCA or NSRI)
- Businesses have a responsibility, especially with regards to education
- There is a difference between objectives of government and corporates, businesses have to make money
- Companies also have a responsibility towards tourists

CSR

- “be responsible in how you give”
- Often seems like a separate function for corporates – where their business constitutes a sole-proprietor “one does what one can”
- Company should give back to the community – share profits
- Share skills and knowledge – should also be seen as an opportunity to market your business and creating business networks
- “one gets tired of that though – using CSR for marketing” - *there is quite a difference in opinions with those individuals who have been involved in the NGO or community sector being very comfortable with CSR and associated concepts and those some who have never heard of it and hold quite vague and often incorrect views*
- Some were very much against using CSR to market – saying that one should not talk about the good one is doing – this view was not supported unanimously as some felt that the positive PR was the sole motivation for doing so (the difference has to do with size, success and business orientation of the business – there were a social goal underpinned the business a more philanthropic approach dominated, whereas in a pure profit driven organisation the commercial benefits of CSR were advocated - *it therefore is important to ascertain what the main motivation/objectives of the business are and if community involvement actually forms core of the offering.*
- There seems to be a different view between “giving” and “real” giving
- Business are here to make money “it is socially irresponsible if we don’t include the community because that is my market – that is my product” – *so there is a recognition that to some degree the charitable action is also an investment into the source market – views are however, quite conflicting*

- About tapping into local skills, i.e. use local resources, but there is a lack of information regarding this (need some form of portal whereby local suppliers are graded and can be contacted)
- “Companies only invest where they want to”, where they think they will get a return, so there is need to show how the SMMEs can add value, create that return for corporates
- Marketing is seen as the main benefit of CSR, the question on effective communication of CSR becomes pertinent
- Companies also have a responsibility towards their shareholders, i.e. businesses need to make a return primarily
- Objective of a business is to sustain itself/survival
- One respondent made the insightful remark that there are two types of CSR, direct and more indirect. For the black market companies but sponsor e.g. soccer, Nedbank can sponsor a golf day to increase business relationships, the one is not better or worse than the other, it is just a matter of knowing your market and your objectives.
- CSR is about tax breaks – maybe, but is that so wrong? Surely this is a way that government is trying to create positive incentives, and thereby aligning objectives, i.e. much like taxing a second child in China – has reduced birth rate.
- CSR is about making business decisions and the most NB component of this is that these decisions HAVE to be MANAGED!
- Smaller companies do give to charity and are involved in CSR, look after own people

Barriers

- Greed, ignorance, lack of foresight
- Lacking a sustainable view – e.g. packaging
- “all about bottom line” – i.e. motivations are not seen as “pure”
- E.g. Old Mutual, increases consumer awareness so is financially motivated
- Corporate atomisation – redundancies, working pool shrinking – have to look out for general human rights
- Negative press – managing perceptions
- Whites are keeping all the top positions – there is no “sharing”, *there were strong feelings along race lines that the white population were still milking the industry and not sharing resources nor opportunities equally*
- Government is not setting an example of hard honest work – how will society be able to behave in such a way – “they” should first show their commitment before demanding so much for private sector (e.g. CSR and BEE0
- Global pollution and global trade – awareness that SA needs to compete and address these international issues

Opportunities

- Global pressure “greenness”
- Not just satisfying shareholders
- Tour guides in SA are involved in community development/CSR in one way or another because they are faced with the problems constantly – *i.e. the proximity of the problem makes you more involved*
- “tour operators are at the face”
- Buy African goods – supporting NGOs
- About creating a better tourism environment
- CSR provides free marketing opportunities

- Free market environment – there is scope for more niche markets
- Can't all expect to be big – need to find something that makes you unique and different *RTM could be an option*

Tourism in Cape Town

- Booming, ideal one-stop destination, natural assets, diversity, people come for different things, weather, food, heritage, sport
- Has loosened up since 1995
- Product mix is now much bigger, much broader tourism offering
- Business travel huge – opportunity for CSR
- Repeat visitors – this is where MTR has a role to play as they seek new and less explored experiences, this view was not supported by the accommodation sector
- “experience tourism”
- Drill down into the community – to uncover unique product offerings
- There is evidence of a maturing tourism market and with that the demand for MTR will increase and with it opportunities
- Market is however, also more cost conscious, exchange rate
- Tourists are demanding more “quality” and more “professionalism” – *there is a conflict here that is quite difficult to address, as the demand for quality and professionalism increases, so the challenges to use local products and labour that might not yet meet the standards required also rise – the crux of the matter again resides in product quality, which is largely a result of training.*
- Tourists are asking more for “socially responsible products” this view was contested by the accommodation sector, who note that this is never a drawing card, however, concede that once here, the tourists do ask about such factors and that the presence of responsible management leads to higher levels of satisfaction
- Dutch tourists seem to be more socially aware – the host nation's attitude towards CSR will play a significant role in terms of the tourism product demanded
- There is a desire to interact with the local community “the human touch”
- Want to know about culture – often after they have been here, “educate us” – again MTR is not a pull factor but leads to overall higher levels of satisfaction

- SA people are one of our biggest assets and is seen as not being exploited enough – opportunity to focus more on the “people factor”

Challenges

- Government legislation and policies are in place but not being implemented
- Economic challenge – the rand strength – it becomes more risky if you have a niche market
- FTTSA – lack of understanding what it is and how to make use of it
- Seen as a positioning tool – rightly so but also as very niche – not exactly desirable – comes at a price
- Proudly SA – if one is trying to build one’s own brand then 1% turnover is a high price to pay (*again the different concepts and initiatives are all thrown in one pot – lack of understanding, rightly so*)
- People give out of own convenience – but if one could motivate this with a sound business case – different story
- “is it a human right to be a stakeholder in tourism?”
 - Difficult industry, seasonal, need to be educated
 - Who’s responsibility is it to create demand – the respondents were quite split in opinion with the one group clearly showing that government had to do more to improve opportunities, and the other side adopting a more free market approach whereby demand comes from the market and businesses responsibility was it to respond in the most appropriate and profitable way
 - “if you are not competitive, should you be allowed to stay in the industry?”
- “South Africans have this feeling that government should do everything for them, leads to us not being competitive”
- Government makes empty promises, fallacious information, people are not educated
- There is a general lack of recognition and addressing of domestic tourism, all the focus is on overseas tourists – lacking out on opportunity
- “fractured tourism industry” there is a lack of discourse, very different backgrounds, very little networking
- Lack of personal information – i.e. information that will help me be better at my business
- SA is 5 years behind – the transformation of the industry is not happening fast enough

Responsible Tourism

- Seen to mean “we have to take our place in tourism”
- “can’t regulate tourism”
- “is an individual thing”
- “if you are responsible there is a good chance you will be sustainable”
- “it is about doing the ‘right’ thing for the environment

- Have to bring is down to “daily practices”
- RT not understood as a term
- PTT never heard of it – “horrible term”, “not PC” did not like the poor element

- “cannot run a business with a social heart”, be socially aware but ensure that you do it in a competitive way.
- Have to look out first for yourself
- Social incentive needs to make business sense – there is a need to create incentives
- Comes back to education, people need to be informed about the potential benefits. Advice needs to be given in simple language that all can understand and apply

- Tourist don’t want to stay in hotels – personal touch
- “can’t get rich from tourism industry”
- Tourists are demanding more quality and comfort – one needs to have standards, grading council but this is very expensive
- Some tourists are becoming more socially aware and demanding – usually adds to satisfaction levels, i.e. it is not a pull factor but can add value
- “where we can we maybe could encourage alternative industries”
 - One respondent said, that in the case where a unique local offering was of high and consistent value it sells – there is over demand – so the industry is willing to support such initiatives, because it makes business sense in terms of increasing and improving the tourism offering, however, there is not enough of such high quality offerings around.
- There is a lack of definition – RT, ST, BEE etc – more uniform and clear information

Sustainable Tourism

- Tourism that is self supporting – does not need any other assistance
- A long term view
- “most companies do what tourists require and not what is important and beneficial for the community” i.e. responsive/reactive tourism and not pro-active
- Consumer led (*again this would indicate that there seems to be the notion that the two are mutually exclusive – i.e. that a consumer focus and a company profit maximisation objective cannot co-exist*)

Policy

- The trend seems to be to “write” something
- Depends on the market you are serving
- Have to have something tangible to show – important for government tendering

- “once you advertise social responsibility, you have to be accountable for it” - *there is a certain degree of fear that such exposure can be more detrimental than positive*

BEE

- “PC at the moment”
- Is about getting business – *i.e. there was a recognition here that the charter really aims to improve business opportunities – this most probably has something to do with the fact that some of the respondents actively dealt and tendered for government contracts. Other respondents felt that the BEE thing was a big money making farce*
- A lot of fronting was still happening – scorecard was often “misleading”
- Difficult because of the seasonal nature of tourism – there are often full and part time staff and in high season there is just no time to train
- Seasonal business cycle – shaped by demand and supply
- Comes back to the quality argument – in the end there is no way around having to offer the highest standards
- There were clearly different levels of understanding – with some having taken the time to study the charter and its guidelines and other not at all, especially very small businesses showed great levels of frustration as the charter kept on changing to accommodate the unique structure of the tourism industry
- There are two very different paradigms between small and big business, many issues cannot just be applied across the industry
- There has to be the development of a “capitalist mindset”
- For the smaller business who do not tender to government anyway there is NO tangible BENEFIT of being BEE compliant but only a cost – it does not make sense for them
- There is a need for quite different measurements for the different sizes of businesses with regards to transformation – a blanket approach is not sustainable nor does it make individual business sense – hence the great amount of resistance from SMMEs.

Purpose of BEE

- “Depends on the company” – for the service providers to the tourism industry it can “open doors” – *one needs to understand motivations – i.e. in which circumstances does BEE make business sense and provide opportunity for tourism enterprises*
- There was a strong recognition that the BEE charter has to be “embraced” i.e. it is here to stay – we might as well make the best of it.
- Business Unity SA – seems to be an organisation that facilitates the transformation process
- In order to do business in the new SA we have to go through a transformation process – otherwise the sector will not be sustainable
- “need to unlock opportunities of BEE through skills development” – the charter can bring value

Challenges of BEE

- Finding the right partner is difficult – there is a need for a greater networking opportunity or database of different organisations seeking partnerships that can lead to synergy
- There is a notion that government i.e. CTT should facilitate this process as “they” are the ones that want the change – *overall there is quite a strong sense of lack of ownership – a kind of sit back and make me attitude – this will inevitably impede the adoption process. It is clear that if not personal benefits and incentives are communicated the transformation process will continue to be either lip service or only grudgingly adopted, leading to restrictive legislation ultimately.*
- One of the respondents had gone to the Black Management Forum in search for a suitable partner – the process should be facilitated by the representative body – “to help us”
- Big tour operators need to share with the smaller ones, “there is no synergy between large and small companies”
- Many don’t want to merge (*fair enough, why should they...the charter is still predominantly seen as a transfer of ownership, which in a sector such as the tourism one, where there is a proliferation of SMMEs does not make any sense*)
- There was mention that the tourism sector is more of a monopoly with Tourvest owning most of the pie
- 80% of small businesses fail
- “at the end I get work because I do good work” – again the quality argument comes to the fore
- “not businesses but people form partnerships” – the need for networking and relationship marketing
- “Alternative tourism networks”
- SAians have a negative attitude, seem uninterested

CTT

- There is a lack of communication between the different tourism departments
- Confusing
- No satellite offices
- Applying for a route is difficult
- Communities are not talking to each other to try and unlock value
- There needs to be a complaints, supervisory and control body to ensure things like fair wages, exploitation etc. – is this the job of government? And how would this be enforceable?
- Networking events should not only be in CT
- CTT should consider working with or engaging with other organisations such as the Chamber of Commerce or the Black Empowerment Forum
- Networking events should also have an educational component – people want to learn. i.e. have a guest speaker
- People should be better trained in efficient service delivery

- More management of people and resources

General Notes

- Given the impact of negative press, there is scope to use RTM to promote a positive and modern aspect of tourism to change and influence perceptions of CT as a destination
- The notion that giving on a corporate level should be done out of pure humble desire needs to be changed. If businesses make a profit by being socially responsible so much the better – creating mutually beneficial partnerships is key to a sustainable sector
- There is evidence to suggest that some tourists are demanding more authentic/experience holidays and offerings. The question is how are these needs being met? Moreover, increased satisfaction results were tourism organisation have provided evidence of RTM.
- Benefits that can be realised through the BEE charter are seen, however, there is still a lot of misunderstanding around this area
- FTTSA and what it stands for is badly understood and not desired. If the tourism industry does not see this as a high achievement and desirable certification one needs to wonder if the market is more ready. The FTTSA trademark or the ethos of what it represents needs to become the norm in the industry for it to be truly effective.
- The problems of SA are seen in their entirety – there is little cognisance of the fact that individual businesses can make a significant contribution
- Time/effort involvement – seen to be priceless and also have evidence of tangible different
- Culture seems to be a key determinant in terms of establishing attitude towards giving and community involvement
- Living in a impoverished community gives a deeper sense of involvement and responsibility
- There is a lack of understanding how practical management changes can lead to sustainable outcomes and broader stakeholder benefits
- Need to develop systems whereby a value offering that lies outside of the traditional sights can be developed

Appendix D: Cover email



CTT Survey: Responsible Tourism Management and your business

Are you interested in increasing guest satisfaction, brand loyalty, decreasing operating costs and being able to deliver valued service at premium rates? International research indicates that responsible tourism management or simply managing your business in a way that benefits the local community business environment will assist your tourism businesses to achieve these aims.

Cape Town Tourism is committed to responsible tourism management and ensuring that its tourism partners are informed, actively practise and benefit from the principles of responsible tourism. We have thus partnered with the University of Cape Town to carry out research to assist the Cape Town tourism industry to increase its global competitiveness.

We would very much like you to participate in the below survey. Your answers will help your business to grow and compete globally. Please answer EVERY question. Incomplete questionnaires are deemed invalid. Try to answer the questions the best you can and estimate where you are unsure. The questionnaire will take about 15 minutes to complete. Your answers and identity will be held in strict confidence.

As an additional benefit, each business that completes the questionnaire **BEFORE 12 noon on Friday the 23rd of March** will be entered into a draw to **WIN** a six months **FREE** advertising package on the new Cape Town Tourism digital media platform. This includes a full listing on the touch screens as well as great exposure on the plasma network for six months. This prize is worth R6000.

The Cape Town Tourism business networking functions during the month of May will focus on responsible tourism management including discussions on proposed responsible community tourism guidelines. Please be sure to look out for the email invitations to these sessions at the end of April.

If you have any difficulty with the questionnaire, please either contact Nicole Frey, who is conducting the research at the University of Cape Town on email Nicole.frey@uct.ac.za or by telephone on 072 217 6849. You can also contact Bronwen d'Oliveira, Cape Town Tourism Membership Manager on email bronwen@tourismcapetown.co.za or by telephone on 021 487 6800.

We look forward to sharing the comprehensive international literature review, qualitative research and practical guidelines to ensure our industry and communities benefit from responsible tourism management.

Kind Regards,

Mariette du Toit-Helmbold
General Manager

University of Cape Town

Appendix E: Questionnaire



UNIVERSITY OF CAPE TOWN



CAPE TOWN
TOURISM

UCT & CTT SURVEY

Thank you for participating in this study, which examines *responsible tourism management*. This approach implies that a business manages in a way that benefits its local community, business environment and itself.

Your answers will help your business to grow and compete globally. Please answer EVERY question. Incomplete questionnaires are deemed invalid. Try to answer the questions the best you can and estimate where you are unsure. The questionnaire will take about 15 minutes to complete. Your answers and identity will be held in strict confidence.

1. We begin with a simple question on tourism.

	Yes	No
Are you a member of Cape Town Tourism?	<input type="radio"/>	<input type="radio"/>
Do you hold a management position in your company?	<input type="radio"/>	<input type="radio"/>

IF YOU ANSWERED "NO" TO ANY ABOVE, END QUESTIONNAIRE. OTHERWISE, PLEASE CONTINUE.

SECTION A: BUSINESS ENVIRONMENT

2. Please click on the sub-sector that your business belongs to

Hospitality (e.g. hotel, B&B, guest house, backpacker's hostel)	<input type="radio"/>
Entertainment (e.g. restaurant, night club)	<input type="radio"/>
Visitor attraction (e.g. built, natural, cultural)	<input type="radio"/>
Travel organiser (e.g. travel agent, tour operator, ground handler)	<input type="radio"/>
Transport (e.g. coach, taxi, train)	<input type="radio"/>
Support services (e.g. tourist guide, souvenir shop)	<input type="radio"/>
Other: (please specify here: _____)	<input type="radio"/>

3. What is the name of your business? (this information will only be used for the R6000 prize draw)

4. How many people approximately are employed in your business?

1 - 4	5 - 10	11 - 20	21 - 30	31 - 40	More than 41
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Choose the years your business has been operating in this industry?

Less than 1	1 - 3	4 - 6	7 - 9	10 - 12	13 - 15	More than 16
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Click the appropriate statement that indicates your level of agreement. (1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
Competition in our industry is intense	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anything that one competitor can offer, others can match it readily	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our competitors are relatively weak	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We hear of competitor moves almost every day	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price competition is very common in our industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In our kind of business customer's preferences change a bit over time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our customers tend to look for new products all the time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sometimes our customers are very price-sensitive, but on other occasions, price is relatively unimportant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We are witnessing demand from totally new groups of customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION B: RESPONSIBLE MANAGEMENT

7. Click on your level of agreement with the statements below. (1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
Being ethical and responsible is the most important thing a business can do	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Business planning and goal setting should include discussions of responsible management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Responsible management is essential to long term profitability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is more important for our business to be efficient than to make a profit, even if it means bending or breaking the rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good (responsible) management is often good for business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Businesses will have to ignore responsible management in order to remain competitive in a global environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social responsibility and profitability can go hand in hand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business has a social responsibility beyond making a profit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You must forget about responsible management if the survival of the business is at stake	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION C: ORGANISATIONAL COMMITMENT

8. Click on the statement that best describes how you feel about your job.
(1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
I would be willing to change companies if the new job offered 25% pay increase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would be willing to change companies if the new job offered more creative freedom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would be willing to change companies if the new job offered more status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would be willing to change companies if the new job offered was with people who were more friendly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION D: RESPONSIBLE TOURISM MANAGEMENT

9. Click on your level of agreement with the statements below.
(Responsible tourism management means managing the business in a way that benefits its local community, business environment and itself.)
(1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
It is too expensive for our business to use smaller	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

suppliers					
Government is helping us put in place responsible management processes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We do not use smaller community suppliers because of safety and security reasons (e.g. tour guides, craft markets)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our customers want international standards that smaller local businesses cannot offer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community support helps us run our business better	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We think responsible tourism management improves our staff performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our employees are proud to work for a socially responsible business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We think responsible tourism management is a useful marketing tool	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our brand, image and reputation benefits from responsible tourism management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We believe in having a racially and culturally diverse management team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. How well do you do you understand the below government policies? (1 = very well, 5 = not at all)

	Very well				Not at all
The BEE Tourism Charter and Scorecard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Responsible Tourism Manual for South Africa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION E: PERSONAL ATTITUDE

11. Click on how much you **personally** agree with the below statements. (1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
I think social responsibility is a waste of time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important for me to do things the way other people do them. I should do what others expect of me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I believe people should do what they are told. We should follow rules at all times even when no one is watching	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think it is important to do things the way my family taught me. I want to follow customs and traditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think it is important not to ask for more than you have. I believe that people should be satisfied with what they have	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not like to brag or draw attention to things I do. I want to be modest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being religious is important to me. I try hard to follow my religious beliefs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION F: PERFORMANCE

12. How much of profit does your business spend on employee **training**?

Less than 1%	1% - 6%	7% - 12%	13% - 19%	20% or more
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. How much of profit does your business spend on **Corporate Social Investment** (e.g. community programmes, job creation, training, health, conservation, community tourism)?

Less than 1%	1% - 2%	3% - 4%	5% - 7%	8% or more
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Based on the categories below, how involved is your business?

	Less than 1%	1% - 5%	6% - 10%	11% - 14%	15% or more
% owned by black people (i.e. non-white)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
% of management positions held by black people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total purchases from BEE compliant companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
After tax net profits spent on enterprise development (e.g. skills training, mentoring, etc.) for black-owned SMMEs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. Click on the appropriate answer.

	Yes	No
Our business displays the Fair Trade in Tourism South Africa (FTTSA) logo	<input type="radio"/>	<input type="radio"/>
Our business has a written policy on HIV/Aids	<input type="radio"/>	<input type="radio"/>



16. What is your level of agreement with the statements below?
(1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
Our business has a comprehensive code of conduct	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our employees provide full and accurate information to customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our business supports employees who acquire additional education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A programme is in place to reduce the amount of energy and materials wasted in our business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We encourage partnerships with local businesses and schools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. Click on your level of agreement with the following statements.
(1 = very negative impact, 5 = very positive impact)

	1	2	3	4	5
We have the money, time, skills and other resources we need to improve our responsible management practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In our business managing responsibly is more important than financial performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We focus on markets where we have a competitive strength in social/environmental practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We are prepared to invest in responsible management practices in order to improve our position in the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Click on the most applicable answer. (yes = 1, no = 2, don't know = 3)

	1	2	3
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Is there reliable data available on company profits in the industry in which you do business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have your profits, relative to competitors', increased over the last year?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your business' profits increased when compared to last year's?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your business' market share increased over the past five years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION G: DEMOGRAPHICS

19. Gender

Male	<input type="radio"/>
Female	<input type="radio"/>

Language/Ethnicity:

Zulu	<input type="radio"/>
Xhosa	<input type="radio"/>
Indian	<input type="radio"/>
Setswana/Tswana	<input type="radio"/>
Afrikaner/Afrikaans	<input type="radio"/>
Sesotho	<input type="radio"/>
South African English	<input type="radio"/>
Swazi	<input type="radio"/>
Tsonga/Shangaan	<input type="radio"/>
Ndebele	<input type="radio"/>
Sepedi	<input type="radio"/>
Venda	<input type="radio"/>
Other African: (Pls specify below)	<input type="radio"/>
Other Non-African: (Pls specify below)	<input type="radio"/>

If other, please specify: _____

What is your highest level of education?

No formal education	<input type="radio"/>
Primary school	<input type="radio"/>
Some high school	<input type="radio"/>
Matric	<input type="radio"/>
Tertiary studies (e.g. degrees or diplomas)	<input type="radio"/>

20. Click on your level of agreement with the statements below.
(1 = strongly agree, 5 = strongly disagree)

	1	2	3	4	5
Cape Town Tourism's services help our business be more competitive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cape Town Tourism provides opportunities to establish networks between other tourism businesses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication between our business and Cape Town Tourism is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

THANK YOU

Send in Questionnaire Answers

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Appendix: F Practical management implications

In order to achieve the discussed benefits it is imperative that certain management practices are adopted. The following recommendations were made by Tearfund based on the findings of the 2001 research study into the attitudes and behaviour of the UK tour operator industry.

1. It is imperative that the tourism industry react to the ethical demand of tourists by adapting their business practices.
2. A long-term view needs to be approached for operations. Reaping the benefits of RTM will not occur in the medium- to short-run. It is necessary that managers are therefore given the space to put long-term plans in place and are consequently not only measured on their short-term financial performance.
3. Finally, charitable giving and training has to be integrated into normal business practices. CSR and RTM will not bring the desired benefits to a company and society if it is adopted in isolation as a once of project or singular department. A company-wide approach to creating a balance between economic, social and environmental objectives has to be taken.

Appendix G: 8 Steps in the social marketing process

In terms of developing a social marketing campaign, marketers should:

- 1. Conduct an environmental analysis.** Prior to any strategy implementation it is imperative to evaluate the environment that this campaign needs to function in. Such an analysis is an important tool to identify potential threats or weaknesses and highlight opportunities and strengths both in the internal and external environments (Lynch, 2000: 81; Kotler & Keller, 2006: 71). The research findings and discussion of the literature provide important insight into the various factors affecting RTM.
- 2. Select the target market:** In terms of promoting RTM, the Greater Cape Town tourism industry is the target market. Further research is necessary to determine, whether the results can be generalised to the Western Cape, and ultimately to other provinces.
- 3. Set clear objectives:** As has been discussed, RTM by its nature is difficult to quantify. It is therefore necessary to select smaller, measurable targets so that progress can be communicated and built on. It is recommended to use the BEE Tourism Charter and Scorecard (2005) categories as a starting point to developing such grading criteria. Successful social marketing campaigns are those that promote a single simple action. A social marketing campaign aimed at promoting RTM, should therefore select one practical action at a time that businesses can adopt instead of overloading the target market with too much information. One could for instance promote one activity per month, by the end of the year a host of practical management practices have been communicated and hopefully adopted by the industry.
- 4. Understand the target market:** This study has been the first step in identifying perceived costs and benefits that impede or facilitate RTM adoption. Further research should be conducted on a continuous basis to track changing trends and supplement current knowledge with new insight.
- 5. Develop the marketing mix:** The necessary information has now been gathered to enable the development of a specific social marketing mix that will resonate with the target market and bring about a change in management behaviour. The components of the mix have been discussed in Chapter 2 (Literature Review).
- 6. Develop evaluation and monitoring systems:** As a recommendation for further research it would be advisable to measure certain attitudes and perceptions again in a year of two and test the model and the effectiveness of the social marketing campaign. This will ensure that the scientific base of the research, namely trying to establish a cause and effect statistical relationship, as well as evaluate to what extent the campaign has been able to deliver on invested resource, is maintained.
- 7. Establish budgets:** Promoting RTM will inevitably carry some financial costs with it. CTT will have to allocate the necessary resources.
- 8. Complete and implement the plan:** Clear areas of responsibility have to be defined so that every individual involved in the social marketing campaign is aware of what he or she is tasked to do and can be held accountable for this. A schedule of who has to do what

when is necessary to keep the project on track and within a certain time frame (Kotler, Roberto & Lee, 2002: 35-43).

University of Cape Town

Appendix H: Budget

Budget	Number	Unit Price	Total
Questionnaire			
Mail - postage	0	R 0.00	R 0.00
Mail - envelopes	0	R 0.00	R 0.00
Online - web design (Sven Welzel: Synchcc)	7 hours	R 500.00	R 3,500.00
Incentive for questionnaire	1		R 6,000.00
Focus Groups			
Incentives	30 people	R 0.00	R 0.00
Moderator (Marie Verhave)	3.2	R 500.00	R 1,600.00
Venue	3	R 0.00	R 0.00
Sound (Lucas Visser)	2	R 750.00	R 1,500.00
Travelling costs			
			R 500.00
Printing costs			
			R 2,000.00
Presentation of Findings/Final report			
	4 hours	R 300.00	R 1,200.00
Value of Final report			
			R 7,000.00
Miscellaneous			
			R 700.00
Total			
			R 24,000.00

Executive Summary

The purpose of this qualitative report was to gain a deeper understanding about the duality of the relationship between the corporate and the cause through comparing the information from the experience interviews with the information contained in the literature reviews

This qualitative Report analyses the findings of two experience interviews and compare them to findings of the previously researched literature reviews conducted for Octagon. The first experience interview was conducted with Khanyisa Balfour of the Engen CSI department and the second interview was done with Aubrey Robinson from Mamelani Wellness Centre in Mowbray.

The intention of the interview with Ms. Balfour from Engen was to gain a deeper understanding as to what it is that company's look for when choosing a philanthropic cause. Specific objectives were analysed to ascertain a typical South African company's approach to corporate social responsibility initiatives. Conversely, the intention of interviewing Mr. Robinson was to investigate the concerns and needs from a cause-perspective. These holistic views amalgamated with the literature review provide a solid foundation for Octagon to advise its clients on the best possible social philanthropic strategy.

Conclusions

Consumers are becoming increasingly aware of the corporate world around them, and know when they are being misled. Both Engen and Mamelani feel that all companies need to have social responsibility at the core of their business. CRM campaigns have been shown in the literature reviews as little more than side-line marketing tools to generate short-term sales and cannot create sustainable solutions to the nation's major problems, namely AIDS, education and poverty. Furthermore, consumers realise when companies are abusing causes for mere brand exposure, and actively boycott these initiatives. Therefore companies must be transparent and accountable in their support of social development issues.