

**BUILDING BLOCKS OF MARKETING STRATEGY FOR  
TARGETING LOCAL BILTONG HUNTERS: AN  
EVALUATION**

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**MARLÉ VAN EYK**

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TARGETING LOCAL BILTONG HUNTERS: AN  
EVALUATION**

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SUBMITTED IN COMPLETE FULFILMENT OF THE REQUIREMENTS FOR  
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CO-PROMOTER: MR. HUGH BARTIS

JUNE 2003

**DECLARATION**

I, Marlé van Eyk, hereby declare that:

- the work in this dissertation is my own original work;
- all sources used or referred to have been documented and recognised; and
- this dissertation has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised educational institution.

.....

Marlé van Eyk

Port Elizabeth

June 2003

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## **EXECUTIVE SUMMARY**

Game ranch owners are spoilt by the high prices overseas hunters are prepared to pay, and tend to forget that in the long term it is the local market that may ensure the survival of the game industry. More effort should therefore be put into marketing hunting opportunities for the local hunter.

This research focused on analysing the typical building blocks of marketing strategy applicable to service organizations. This was done to determine and evaluate the building blocks of marketing strategy applicable to game ranches in the Eastern Cape Province who are targeting local biltong hunters.

A literature review was conducted to determine the ideal building blocks of marketing strategy for service organizations such as game ranches. Thereafter, a survey was conducted by means of a questionnaire to determine the ranchers' perceptions of marketing and evaluate their marketing strategies.

Most of the respondents:

- had a fair idea of what marketing entails;
- were unaware of the thread that links customer expectations, satisfaction and loyalty;
- realized the importance of relationship marketing with external markets, but not with internal markets;

- perceived direct competition as their biggest threat, while other travel opportunities were seen as the most important substitute for hunting;
- mainly positioned themselves based on the features the ranch offered, and believed that the standard of service delivery and physical features of the ranch (the nature of the offering) were their important competitive advantages.

The study proposes that the framework of building blocks of marketing strategy, designed by the researcher be used as a tool with which marketing strategies for game ranches in the Eastern Cape Province targeting local biltong hunters could be developed. Additional research on topics such as advertising and the various market opportunity strategies of diversification and product development, could lead to improvement and modification of this framework, making it an even more powerful tool in developing marketing strategies.

**KEY WORDS:** Biltong hunter  
Eastern Cape Province  
Game ranch  
Marketing strategies  
Offering  
Target market

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## CHAPTER 1

### INTRODUCTION AND RESEARCH DESIGN

#### **1.1 Introduction**

South Africa is noted for its diversity of habitat and wildlife. The country lies in the Southern Hemisphere within fairly low latitudes. The greater part lies in the subtropics, which means that it has a pleasant climate. This leads to a wide variety of game species and large numbers of game. Across the country, game is replacing livestock at an unprecedented rate and the real benefit to conservation and the economy has astounded the experts (South African game farmers, 2001). Hunters are prepared to pay high prices for game (and the hunting experience), and this has contributed to a healthy economic position for the ranch owner.

A question that could be raised is how game farms, normally associated with the game's worst enemy, the hunter, could contribute to the replenishment of game? The fact that there are people who want to hunt and who are thus the custodians who ensure the continuance of this revolution, answers this question.

The Eastern Cape Province has many game ranches offering quality hunting at such variable rates that most hunters can afford a safari to this area. A safari could take one through the entire Eastern Cape Province, covering a variety of habitats and some very scenic areas.

The fact that the Eastern Cape Province contains five of the six ecosystems identifiable in South Africa, gives the province an ideal opportunity to develop game ranching. This includes giving the ranchers the opportunity to house thirty different game species which means that they will have a wider variety of game for hunting purposes than any other province in South Africa (Botha, 1999).

In this regard, a problem exists because game ranch owners/managers tend to want to attract overseas visitors since they are a more lucrative market than local hunters. Potgieter (2001) notes that game ranch owners in South Africa can get up to six times more revenue from international hunters. However, international hunters take only the trophy with them, while local hunters want the carcass as well. During 2000, trophy hunting generated only 20% of the game industry's annual income in comparison with 67% of income generated by biltong hunters. According to Mulder (in Gouws, 2003), this figure has risen to 70% in 2002. If one takes into account that trophy hunters spend an average of 3.6 times more on the hunt than the biltong hunter, one realizes what a small percentage of animals are hunted for trophies (Potgieter, 2001). These facts emphasize the marketing problem that game ranches may experience in the near future. More effort should therefore be put into marketing hunting opportunities for the local hunter.

According to Pretorius (1998), biltong hunters feel that game ranch owners are spoilt by the high prices that overseas hunters are prepared to pay. They feel that game ranch owners are after quick cash, forgetting that at the end of the day, it is the local market that may ensure the survival of the game industry.

These local hunters suggest that game ranches put together efforts and financial resources to market hunting to the man on the street.

Fourie (2000) reviewed the South African Rifle and Hunting Magazine, and noted that of the 174 advertisements placed to advertise hunting opportunities, 33 (19%) were from the Eastern Cape Province. Fourie analyzed all the advertisements to determine how the game ranches in the Eastern Cape Province compare with game ranches in the remainder of South Africa. He concluded that the Eastern Cape Province compared relatively well, offering better value for money, in some instances, than the other provinces.

Many game ranchers believe that game ranches should only be marketed on a small scale, and that only a few advertisements in magazines are needed to market the ranch successfully. Eko–Afrika (1996a) states that this is a misinterpretation, and that intensive planning is needed to market a game ranch both locally, and internationally.

It is challenging to develop marketing strategies for a role player, such as a game ranch, in the service industry. This is because of the unique characteristics of services. As when marketing goods, at an early planning stage ranchers should define their marketing objectives and target markets. Thereafter management must design and implement marketing mix strategies to reach their markets and fulfil their marketing goals (Stanton, Etzel & Walker, 1991).

This chapter will focus on the presentation of the main problem and sub-problems to be addressed in this study. Important concepts relevant to the scope of the study will also be discussed. Thereafter, the methodology used to solve the problem will be outlined.

## **1.2 Problem statement**

Potgieter (2001) notes that many people speculate about the income annually derived from the game industry in South Africa, but experts estimate it at R1 Billion. Local hunters' contribution is about 67%, trophy hunting 20%, sales of live game 12.5%, while venison contributes only 0.5% (Potgieter, 2001). In 1991, 68% of the game industry's income was derived from hunting. Of this, 63% was generated from local biltong hunters (Bothma, 1995). It is thus evident that special time and effort need to be put into marketing hunting packages for local biltong hunters, as they are the largest financial contributors to the game industry.

This leads to the question that also represents the main problem of this study:

**What are the building blocks of suitable marketing strategies to effectively target local biltong hunters?**

### **1.3 Sub-problems**

To solve the main problem, the following sub-problems were addressed:

- identifying the building blocks of marketing strategies particularly suited to game ranchers wishing to market to prospective local biltong hunters; and
- determining which of these strategies are employed by the game ranchers in the Eastern Cape Province.

### **1.4 Delimitation of the research**

In this study the primary research focused on the building blocks of marketing strategy for game ranches targeting biltong hunters. Any other form of hunting or game utilization was thus excluded. The study further only focused on game ranches in the Eastern Cape Province, thus excluding the other provinces in South Africa.

The purpose of this delimitation was to make the research topic manageable from a research point of view. The exclusion of other game utilization forms, other provinces, and other types of hunting do not imply a lack of need for conducting research in these fields.

### **1.5 Definition of concepts**

For the purpose of this study, the following meanings are associated with the concepts in the title and problem statement of this research:

### 1.5.1 Game ranching and game farming

According to Bothma (1995), confusion exists over the various definitions of game utilization systems. He therefore recommends the following:

Game production may be extensive or intensive. Extensive game production is known as *game ranching* and is the managed, extensive production of free-living game on large fenced or unfenced private or communal grounds, usually for hunting but also for game products, tourism, the sale of live game and other non-consumable uses. Intensive game production is known as *game farming* and is the managed, intensive production of game in small fenced camps or ranches on private or communal grounds, usually for the production of market products such as meat or skins.

**This study will focus on game ranching.**

### 1.5.2 Marketing strategies

According to Stanton, Etzel, Walker, Abratt, Pitt and Staude (1992), a marketing strategy is a broad plan of action through which an organization intends to reach its objectives. Two companies might have the same objectives, but use different strategies to reach them.

Timmons (1994) believes that the overall marketing philosophy should form part of the marketing strategy. Such a philosophy should indicate the approach to marketing one would follow to identify and contact potential customers, and

convince them to use one's products and/or services. One's objectives would be to maintain one's customer base and find innovative ways to do so.

Westwood (1996, p. 120) adds that strategies are needed to achieve specific objectives in a given time span. Tactics, on the other hand, are the steps within the strategies that need to be followed on a "day-by-day or mouth-by-mouth basis".

Kotler, Haider and Rein (1993) believe that for each potential strategy, the organisation must ask the following questions:

- What advantages do we possess that suggest that we can succeed with this strategy?
- Do we have the resources required for successful implementation of the strategy?

**For the purpose of this study, a marketing strategy is defined as the method by which marketers seek to meet their objectives.**

## **1.6 Review of related literature**

According to research ("SA wilbedryf nou wêreldleier", 1996), game ranching, which can be seen as the world leader in almost all sectors of the game industry, is the fastest growing sector of agriculture in South Africa. Over the past few years much has been written about various aspects of the game industry. Although many authors (for example, Botha, 1999; "Eko-Afrika",



1996a; “Eko-Afrika”, 1996b; Fourie, 2000; Potgieter, 2001; Pretorius, 1998; Radder, Van Niekerk and Nagel, 2000; “SA Wildbedryf nou wêreldleier”, 1996) mention the marketing aspect of game ranches in their research, no-one has exclusively researched the marketing strategies of game ranches. According to some authors (for example, “Eko-Afrika”, 1996b; Radder, Van Niekerk & Nagel, 2000), marketing is an unfamiliar strategy to ranch owners/managers and is seen as a burden and an unnecessary expense. These authors also believe that game ranch owners/managers have a lack of marketing knowledge and that marketing is often confused with communication and advertising.

Potgieter (2000, 2001) and Pretorius (1998) both state that too much emphasis is being placed on the international market. Potgieter (2001) feels that misleading opinions by biltong hunters that lower game prices will solve marketing problems, and by professional hunters who claim they have enough marketing knowledge to market the ranch’s package, contribute to the misinterpretation of the marketing aspect by game ranch owners/managers.

The need for marketing in the service industry, such as game ranches, has been recognized since 1991. Many authors (for example, George, 2001; Kotler, Haiden & Rein, 1993; McDonald, 1992; McDonald & Payne, 1997; Shemwell & Cronin, 1994; Stanton, Etzel & Walker, 1991; Stanton et al., 1992) have emphasized the need for marketing in this field.

Many authors (for example, George, 2001; Stanton, Etzel & Walker, 1991) are of opinion that the principles for the manufacturing and service industries are essentially the same in that they all have features that can be applied to a

variety of industries. However, Stanton et al. (1992) argue that service industries, such as game ranches, have not been market oriented. They have lagged behind sellers of goods in accepting the marketing concept and have generally been slow in adopting marketing techniques that would focus on the service industry.

Certain reasons for the lack of marketing orientation has been identified by Stanton et al. (1992). The intangibility of services creates more difficult marketing challenges for sellers of services than for sellers of goods. Sellers in service industries tend to think of themselves as the producers or creators of the service, and not as the marketers of these services. Shemwell and Cronin (1994) maintain that because services cannot be stored, short-term imbalances between supply and demand present an intricate challenge for managers in identifying marketing strategies.

Some authors (for example, George, 2001; Stanton et al., 1991) believe that the marketing mix in particular has to be extended to suit the nature of the service industry. George (2001) also emphasizes the need for internal marketing and relationship marketing.

Stanton, Etzel and Walker (1991) believe that the development of marketing strategies in the service industry, such as a game ranch, is challenging. This is because of the special nature of services that stems from a number of distinctive characteristics, that is intangibility, inseparability, variability and perishability. These features create special marketing challenges and opportunities.

McDonald and Payne (1997) state that the blame for the failure of so many service organizations in recent years can be firmly traced to a lack of a strategic marketing approach. Kotler, Haiden and Rein (1993) point out that most places are interested in growth through marketing, but not at any cost.

As tourism enterprises, game ranches share with firms in all other industries the need to understand what their customers want and to be aware of overall dimensions and trends in the industry. All game ranches face the central business challenge of maximum occupancy and competition with other institutions offering similar services. The potential clients possess similar social and economic settings, and competitors have equal access to them. Business rivals may therefore readily gain an understanding of the clients' many common values and aspirations.

Seen against a competitive background, the recognition that the market is made up of a variety of individuals is both helpful and frustrating for managers. Insight into their clients' behaviour can be gained by systematic observation, directed research into clients' experience, or analysis of their correspondence praising or criticizing their personal experience of a service. Insights into human behaviour are not only limited to the marketing function, but can also help managers avoid situations which might cause dissatisfaction, or minimize the consequences which result from the inevitable problems of running service operations.

All the content analysts make a valuable contribution to the literature. However, the fact that no study has exclusively researched the marketing strategies of

game ranches in the Eastern Cape Province, and the fact that many authors outlined the marketing need of game ranches, suggest a need for further research in this field.

## **1.7 Research methodology**

To promote the logical solution of the stated sub-problems, the following broad procedure was followed:

- A literature survey was conducted to determine the ideal building blocks of marketing strategies for service organizations such as game ranches.
- A survey was conducted by means of a questionnaire to determine the ranchers' perceptions of marketing and the marketing strategies employed by them.
- The findings of the literature and empirical studies were used to evaluate the identified marketing strategies suited for Eastern Cape Province game ranches who wish to market to prospective local biltong hunters.

Subsequent sections provide an overview of the research methods and techniques considered for use in this study.

### **1.7.1 Survey method**

Surveys are useful instruments for obtaining a sizeable amount of data from respondents. A distinction can be made between personal interviews and self-completion survey methods:

### 1.7.1.1 Self-completion surveys

According to Bless and Higson-Smith (1995), self-completion surveys can be used without the assistance of the interviewer. This can be done either by distributing the questionnaire and collecting it after it has been filled out or by mailing and asking respondents to return it. This is called a mailed questionnaire, which is a non-personal form of collecting data.

As self-completion surveys were used to collect primary data for this study, this method is discussed in more detail. According to Welman and Kruger (1999), the self-completion survey has the following advantages:

#### Cost and ease of application

This is the least expensive of all the survey methods. Distance and location does not affect the cost involved in collecting the information as postage within the borders of the country is standardised.

#### Anonymity

Of all the survey methods, self-completion surveys provide the greatest possibility of anonymity as the respondent does not need to provide personal details and thus cannot be identified.

However, according to Welman and Kruger (1999) this survey method also has certain disadvantages:

### Lack of control over responding

It is up to the respondent to decide whether or not to complete the questionnaire, and therefore the researcher has very little control over whether the questionnaires are completed, or the way in which they are completed.

### Response rate

As mentioned above, the researcher has little control over the completion of the questionnaires; therefore, the respondents are allowed to complete the questionnaires at their own convenience and this may result in a low return rate by the due date. The questionnaires may further be lost in the post or may land in the waste basket if the respondents do not wish to complete them.

Self-completion surveys are often associated with mail surveys. Based on findings by Bennett (1997), the mail survey has the following advantages and was therefore chosen as a viable option for this study:

- it is the least expensive of all questionnaire methods;
- it is perceived by respondents as more anonymous.

#### 1.7.1.2 Personal interview surveys

Personal surveys can be divided into telephone surveys and home-based interviews. In each case a selected group of people is part of the sample and is interviewed in person or by telephone by a trained interviewer.

Home-based interviews were not used for the following reasons (Brunt, 1997).

They are:

- subject to interview bias;
- usually costly to implement;
- time consuming as each respondent must be controlled; and
- retrospective with regard to behaviour and opinion.

Telephone surveys have the advantage of speed and thus lower cost as respondents can be contacted quicker by telephone than in person. The telephone survey can thus be seen as a quick and relatively inexpensive survey method (Baines & Chansarkar, 2002). These authors, on the other hand, believe that many people do not take kindly to being disturbed at home and telephone research is thus regarded by many as an invasion of privacy. Many people are also unwilling to give personal information over the telephone as the interviewer is anonymous to them. Based on the information required, telephone interviews were also not deemed a viable option for this study.

Considering the characteristics of self-completion questionnaires and mail surveys discussed above, the self-completion survey was deemed most appropriate for this study.

### 1.7.2 The questionnaire design process

Each stage of the business research process is important because of its interdependent nature. However, a research survey is only as good as the questions asked, and the researcher should design the questionnaire in such a

way as to ensure that respondents are able to provide relevant responses. Questionnaire design is therefore one of the most critical stages in the survey research process (Zikmund, 1994).

Proctor (1997) states that questionnaire design encompasses eight different stages:

- *Identification and specification of the research problem/research objectives.* Here the researcher should ask what the marketing research question is to ensure that the questionnaire addresses the research problem.
- *Selection of the population to be studied.* It is important that the researcher determines who the sample will be as particular questions may be more, or less, appropriate for different populations. Game ranch owners/managers in the Eastern Cape Province represented the sample of this study. The sample was based on a list of the Farmer's Associations in the Eastern Cape Province. A total of 370 questionnaires were distributed by a representative at each association, or by the researcher at the monthly meetings of three associations. Hundred and fifty one usable questionnaires were received – either collected personally, or returned by mail.
- *Choice of data collection method.* The researcher has to decide what survey method to make use of. The survey method used determines the design and format of a questionnaire (Baines & Chansarkar, 2002). For example, personal interview questions have to be worded in such a way that both the respondent and the interviewer understand them, although the interviewer is present to clarify any misunderstandings. With mail questionnaires it is even more important that the respondent understands the questions as there is no-one to explain any misunderstandings. The



instructions to answering the questions on the questionnaire used in this study preceded the questions to ensure that the respondents were clear about what was expected of them.

- *Ordering of the topics to be addressed.* A questionnaire should be structured in such a way that the questions flow in a logical order and should usually proceed from general information to specific information. This technique is called laddering.
- *Establishing the cross-tabulations that will be required.* Where a survey is attempting to perform a particular function and/or identify the relationship between certain variables, it is important to determine whether cross-tabulation is possible between questions and answers. To establish whether cross-tabulation between certain variables in this study could be obtained, the questionnaire was evaluated by a statistician who deemed the type and structure of the particular questions acceptable for this purpose.
- *Deciding how the topic will be covered and how the responses will be pre-coded.* This section determines the types of questions and the relevant coding procedures to be used in the questionnaire. Sometimes codes are assigned to different responses during the design stage of the questionnaire. This is known as pre-coding and was applied by this study. The purpose of pre-coding is to facilitate the data input and processing process. A spreadsheet is then set up and all the data from the completed questionnaires are entered.
- *Questionnaire layout and design of supporting material.* The questionnaire should be presented in such a way that it is easy to complete. Depending on the type of survey, supporting material (for example, photographs) may also need to be designed.

- *Pre-testing of the questionnaire.* To help ensure that the questions are not misunderstood and that the researcher does not assume certain knowledge about the sample, the questionnaire should be formally tested on a small section of the population. This is known as pilot testing and is completed among a small section of the population first and then modified for a larger survey to be completed at a later stage.

Welman and Kruger (1999) state that the purpose of the pilot study is the same as that for which the final study is intended, but is used to:

- detect possible flaws in the measurement procedures;
- identify unclear or ambiguously formulated items; and
- allow the researcher to notice non-verbal behaviour which possibly may signify discomfort or embarrassment about the content or wording of the questions.

During the pilot study, three people offered constructive criticism on the design of the questionnaire. Two are lecturers in the fields of marketing and tourism respectively. The other, an expert in the field of game ranching, also provided inputs. The revised questionnaire was then tested on 10 respondents who were representative of the sample. Consensus was that the questionnaire was understandable.

The questionnaire was finally examined by a statistician who reported that the data could be quantified and subjected to statistical analysis.

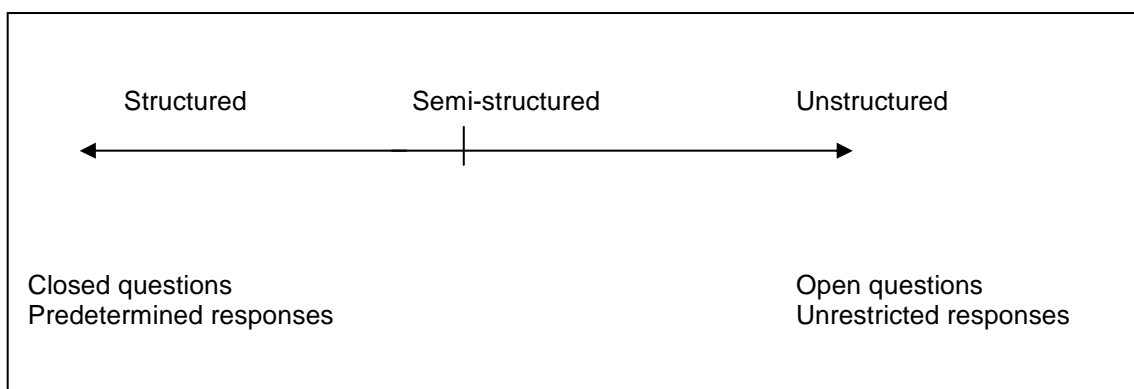
The various stages of the design process are linked, emphasizing the importance of each. In addition, all the processes are two-way, in that while proposed data analysis affects question structuring and wording, question structuring and wording affect data analysis. Data analysis in turn has an influence on the selection of the sample and the selection of the data collection method (Baines & Chansarkar, 2002).

Since self-completion questionnaires were used in this research, attention is now focused on questionnaire structure and question type, content, wording and sequence.

### 1.7.3 Questionnaire structure

As illustrated in Figure 1.1, marketing research questionnaires can be any of three basic types, namely, structured; semi-structured; and unstructured (Baines & Chansarkar, 2002).

**Figure 1.1: Types of questionnaires**



SOURCE: Baines, Chansarkar and Ryan (in Baines & Chansarkar, 2002, p. 99 )

As all the options in structured questions have been predetermined by the researcher, and the respondents must simply tick or circle the response that best reflects their answer, structured questions are easy to analyze. However, this is also a disadvantage because limiting response variables can deny respondents the opportunity to truly state their own opinions, feelings and attitudes.

In unstructured questionnaires, respondents are asked open-ended questions and their responses are thus not limited or predetermined. In semi-structured questionnaires, a mix of both structured and unstructured questions are included.

Due to the open-questions asking the respondents to motivate their answers, the questionnaire in this study (see Appendix A) is in line with the semi-structured approach. It is also important to note that the questionnaire was based on a model (Figure 3.15) constructed by the researcher in which the building blocks of strategy were outlined. Each question represents a specific block in the model.

#### 1.7.3.1 Question content

According to Bless and Higson-Smith (1995), a question can either seek factual information or opinion. *Factual* questions require objective information about respondents (for example, age, gender, location) and are easy and straightforward to answer.

*Opinion* questions on the other hand, are more problematic since the respondent gives a subjective answer. The majority of the questions used in this study were opinion seeking.

#### 1.7.3.2 Question type

There are various ways of asking the same question. This is dependent on the type of question, the extent of the data sought and method the researcher intends to use to analyze the data. Questions can be classified as direct and indirect, open and closed, dichotomous and multichotomous, multiple fixed-response, multiple choice with ranking, and multiple choice with rating (Baines & Chansarkar, 2002). The various categories of questions will be discussed below.

##### Direct and indirect questions

In direct questioning, the respondents are questioned about their own attitudes, intentions and behaviour, while in indirect questioning the respondent are asked questions about other people's behaviour or opinions, or how other people might respond in certain situations.

##### Closed and open-ended questions

The questions included in a questionnaire may be open-ended or closed questions (Welman & Kruger, 1999). Open-ended questions do not have a predetermined set of answers. This allows respondents to use their own

wording and length of answer. Open-ended questions are normally used when the researcher is unsure of the possible responses to a question. It could also be that the researcher wants to avoid biasing the answer by producing a set of possible responses for the respondent to choose among.

Closed questions are generally used when the researcher is aware of the possible responses to a question and can present the respondent with a specific set of possible replies. Closed questions can be pre-coded and are much easier than open-ended questions to analyze, thus facilitating the data analysis process.

#### Dichotomous and multichotomous questions

A closed question is dichotomous if there are only two possible responses (for example, yes or no), while with a multichotomous question, the respondent is presented with more than two possibilities, but can only choose one response. To ensure that only one option is chosen, the question will usually be accompanied by an instruction (for example, tick only one).

#### Multiple fixed-response questions

In a multiple fixed-response question respondents are provided with a predetermined set of responses, allowing them to choose one or more options. By listing the key influencing factors the researcher can obtain more accurate information, since without this list of options respondents may not select the most appropriate response for them. To ensure an accurate response the

researcher can also add the option 'Other', where respondents can write their preferred response if it is not listed. Baines and Chansarkar (2002) warn that only a small number of these types of questions should be included in a questionnaire, since when respondents feel laboured in filling out a questionnaire they are likely to end up ticking any category simply to complete the questionnaire.

#### Multiple choice with ranking

In this type of question the respondent is asked to provide the researcher with an indication of which factors are more or less important. The use of such questions requires the researcher to be very specific in the format required, for example, "Please rate the following from the least important to the most important, where 1 is the most important, and 5 the least important."

#### Multiple choice with rating

To measure the difference in importance between two answers in a multiple choice question the respondent could be asked to rate the options available. Once again, it is important for the researcher to explain clearly the nature of the rating, for example, "1 relates to no importance, and 6 to maximum importance." The researcher would thus be able to measure the importance of each factor.

In the current study use was made of dichotomous and multichotomous questions, and of multiple fixed-response questions. These questions are easier to complete and more economical and less time-consuming to

administer. Closed as well as open-ended questions were also asked. However, open-ended questions were limited to respondents motivating their answers as these questions normally are difficult and time-consuming to complete and to analyse.

#### 1.7.3.3 Wording the questions

The questions were constructed in such a way as not to offend or underestimate the respondent's intelligence level. Preference was given to concise and unambiguous questions which clearly stated the essential information required to correctly understand and interpret the questions and then provide an accurate response. Care was taken not to suggest or imply a particular response when constructing the questions. These actions were in line with those suggested by Welman and Kruger (1999).

#### 1.7.3.4 Questioning on attitudes

Baines and Chansarkar (2002) believe that respondents have different attitudes towards a variety of products which arise as a result of learned behaviour. This behaviour is regarded as relatively enduring. They also believe that attitude arises from emotional understanding and therefore impacts on perception. Since attitudes affect perception, they also impact on behaviour. The measurement of attitude is thus very important in marketing research as it allows the researcher to determine the likelihood of future purchasing activity.



Attitudes are usually measured using a variety of ranking and rating scales. This was also the case in this research which used the Likert scale. The Likert scale is characterized by statements of agreement or disagreement where the respondent has a choice of five different responses ranging from 'completely agree' at one extreme to 'completely disagree' as the other. In very long questionnaires this method helps to speed up the completion time. Likert scale questions can also be asked in larger numbers if the statements are put together in a table form, as has been done in the questionnaire for this study.

#### 1.7.3.5 Question sequence

Topics should clearly be identified and connected to the overall aim of the questionnaire. Questions should be sequenced in such a way that if preceding responses affect subsequent items, these follow each other. It is further recommended that the questionnaire should start with a few easy, non-threatening and non-personal items which are related to the stated purpose of the questionnaire. These should then be followed by more involved questions (Welman & Kruger, 1999).

None of the questions in the questionnaire used in this study were personal or threatening. The questions in the questionnaire addressed the five building blocks of strategy identified in this research.

#### 1.7.4 Administration of questionnaire

Welman and Kruger (1999) suggest the use of alternative ways of distribution to ensure the return of postal surveys, namely, personal delivery and return via postal services; delivery using the postal services and personal collection; or personal delivery and collection. During this research, a variety of methods were used to distribute the questionnaires.

Those Farmer's Associations that were in close proximity to Port Elizabeth were personally visited to deliver the questionnaires to a representative of the Association who distributed them at the monthly meeting. The completed questionnaires were either collected personally by the researcher, or posted to the researcher. Some questionnaires were posted to a representative of those societies which were located at a distance from Port Elizabeth and after completion were returned by mail.

### **1.8 The significance of the research**

According to a study by Radder, Van Niekerk and Nagel (2000), biltong hunting is the most important game-related income generator in the Eastern Cape Province. This study also notes that ranchers do not deem it necessary to actively market their hunting packages to this segment of the market. Ranch managers/owners were requested to indicate what they do to actively market their hunting opportunities. Sixty-four percent of the respondents indicated that they did not actively market their hunting opportunities. The majority believed that it was not necessary, or that they could rely on word-of-mouth and/or their

reputation (both are the cheapest forms of advertising), and therefore did not need to involve themselves in active marketing. The financial benefits of applying marketing strategies are therefore lost.

Marketing strategies can only be developed after marketing goals and objectives have been established (Hisrich & Peters, 1995). At this stage sufficient time and effort need to be put into planning the strategy as a poor or unrealistic strategy could lead to the failure of the marketing plan.

By identifying and applying marketing strategies specifically suited for game ranches in the Eastern Cape Province, game ranches can increase their chances of satisfactorily serving their clients and improving the overall efficiency of their operations.

## **1.9 Outline of study**

This chapter gave a background to the study and identified the main and sub-problems to be focused on in this research. The methodology used to address these problems was also discussed. Chapter 2 deals with the marketing of service offerings, while chapter 3 identifies the building blocks of strategies.

Chapter 4 presents the interpretation of the results from the empirical study and chapter 5 concludes the study with a summary and recommendations.

## **1.10 Summary**

The aim of this chapter was to present the main problem and sub-problems of this research and to outline how the research intends to solve them. Furthermore, important core concepts and terms were identified and defined to ensure clarity and consistency throughout the study. Chapter 2 will present an overview of the marketing of service offerings.

## **CHAPTER 2**

### **THE MARKETING OF SERVICE OFFERINGS**

#### **2.1 Introduction**

Tourism and hospitality marketing involve finding out what tourists want, developing suitable offerings, informing consumers what is available and providing instructions about where they can obtain the offerings in exchange for their money (George, 2001). However, the basic characteristics that differentiate service offerings from manufactured goods should be taken into consideration when developing a marketing approach.

This chapter will focus on the following aspects: determining whether a game ranch is a service, product or offering; characterising service offerings and determining the four levels of an offering and the service marketing triangle. These aspects were chosen as they should give a background to the marketing of offerings. The chapter will also focus on the various marketing management approaches and give a context to chapter 3 in which the building blocks of marketing strategy will be discussed.

## **2.2 Game ranches: product, service, or offering?**

Since 1991 research emphasized the need for marketing in the service industry (George, 2001; Kotler, Haider & Rein, 1993; McDonald, 1992; McDonald & Payne, 1997; Shemwell & Cronin, 1994; Stanton, Etzel & Walker, 1991; Stanton et al., 1992 ).

Some authors (for example, George, 2001; Stanton, Etzel & Walker, 1991; Witt & Moutinho, 1995) believe that the principles for manufacturing and service industries are fundamentally the same and that their features can also be applied to different industries. Stanton et al. (1992) argue that service industries have not been market oriented. They have stayed behind sellers of goods in accepting the marketing concept and have generally been slow in adopting marketing techniques. Stanton et al. (1992) identify some reasons for the lack of marketing orientation. Firstly, the intangibility of services creates more difficult marketing challenges for sellers of services than for sellers of goods. Secondly, sellers in service industries tend to think of themselves as the producers or creators of the service, and not as its marketers. Shemwell and Cronin (1994) maintain that because services cannot be stored, temporary imbalances between supply and demand present a difficult challenge for managers in identifying marketing strategies.

George (2001) believes that most writers on tourism and hospitality marketing fail to distinguish between products and services. When they refer to the 'tourism product' they give the impression that services and products are the same. Randall (2001) maintains that although the differences between

products and services have been examined, there is not such a clear-cut line between products and services as previously thought.

From a general marketing standpoint products are defined by Kotler (in Witt & Moutinho, 1995) as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. This includes physical objects, services, persons, places, organizations and ideas.

Witt and Moutinho (1995) note that tourism products have to be understood on two levels:

- the overall tourism product, which includes a combination of all the service elements a visitor consumes since departure from his normal place of residence, until his return. This product is an idea, an expectation, or a mental picture in the customer's mind at the point of sale; and
- the specific, mainly commercial product, which includes all components of the overall tourism product such as product offers of attractions, transport, accommodation, and other facilities for example, equipment hire and car hire.

Randall (2001) agrees that services form an important part of the total benefits which are sought. Equally, many services include large elements from hardware for example, hotels, restaurants and busses, which are all classified as services. However, the physical elements in the offering are a very large part of what the customers are actually buying. The difference is that the customers do not receive ownership of the physical elements of a service, but only rent them for a period. It therefore seems that there is a spectrum of product-service

offerings in which the physical element plays a decreasing role from one end to the other. Randall (2001) believes this is one way of classifying a service.

George (2001) believes that the term 'offering' more accurately describes the nature of tourism. By this he means that there are both tangible (the product) and intangible (the service) elements involved when buying a tourism and hospitality offering. For example, a ranch's facilities, promotional merchandise and game are tangible, while the hunting package put together by the rancher is intangible.

Based on the forgoing discussion, the researcher thus believes that game ranches can be classified as 'offerings' and that specific attention needs to be given to the *service offering* of a game ranch, since the features of a service create special marketing challenges and opportunities. It is therefore important to discuss the characteristics of a service offering.

### 2.2.1 The characteristics of service offerings

Service offerings have four distinct characteristics that distinguish them from goods: intangibility, inseparability, variability and perishability. These four unique characteristics are discussed below.

#### 2.2.1.1 Intangibility

Zeithaml and Bitner (2000, p. 12) state that 'the most basic difference between goods and services is intangibility.' Authors such as Martin (1999), George



(2001) and Randall (2001) agree that because a service offering cannot be seen, touched, tasted or smelled it is difficult to communicate and display exactly what the offering is. Intangibility thus presents several marketing challenges to the rancher as it will be difficult for consumers to understand exactly what they are buying and its value, especially since the hunting package cannot be tested and evaluated beforehand.

Since the offering of a game ranch cannot be evaluated prior to the hunting experience, hunters will rely on 'word-of-mouth' from other hunters' experiences. Alternatively, they will look for tangible elements in the offering itself (such as the cleanliness and hygiene of the slaughtering facilities and the condition of the game), or the game ranch's promotional material (brochures).

#### 2.2.1.2 Inseparability

The second characteristic of service offerings is inseparability. George (2001, p. 21) defines inseparability as 'instances where a service and provision occur at the same time with both provider and consumer involved in the process of delivery.'

The above definition implies that whereas most tangible products are produced before being sold and consumed, most services are sold first and then produced and consumed simultaneously. The production and consumption of a service is thus inseparable, which creates difficulties in controlling the quality of the service being delivered. This applies to game ranches where the fun and

self-fulfillment aspects of the offering cannot be separated from the consumption of the ranch's service.

As services are produced and consumed simultaneously, customers may not be able to adequately evaluate their service purchases until after they have received the service and committed payment. Because service providers and customers are so often in such close proximity to one another during the production/consumption process (inseparability), their interaction and the nature of their relationship takes on an added element of importance (Martin, 1999).

The fact that the hunter, the ranch and the ranch owner are involved in the production process makes them not only inseparable from the offering, but makes the offering production very sensitive. The offering has to be 'right first time', as the production process cannot simply start over if production is not satisfactory, as is the case with manufactured goods.

#### 2.2.1.3 Variability

Variability is the third characteristic of service offerings. As services are normally delivered by human beings (whose performances differ), they tend to be less standardized than manufactured goods. Even though it should not be the case, a hunter may receive outstanding service from a ranch owner one day and average service another day. Furthermore, no two customers are precisely the same: they have different demands, expectations, moods and perceptions. It could thus be said that the variability associated with services is largely the

result of human interaction (between and among the ranch's staff and the hunters), and all of the vagaries that accompany it.

Because of variability, service companies should pay special attention to the planning phase of their marketing (Stanton et al., 1992). From the start management must ensure consistency of quality and maintain high levels of quality control. Randall (2001) agrees that where services can be standardized, it will lead to greater efficiency and control over variability.

#### 2.2.1.4 Perishability

The fourth service offering characteristic is perishability. Offerings are produced and consumed at the same time, therefore they cannot be stocked, resold, or returned. This is in contrast with tangible goods which can be stored, or resold at a later stage. For example, a hunting package that is not sold today cannot be sold tomorrow. The ranch and the game still exist, of course, but what is really being sold is time on the farm on a particular day. If it is not required on that day, the revenue that would have been derived cannot be recovered.

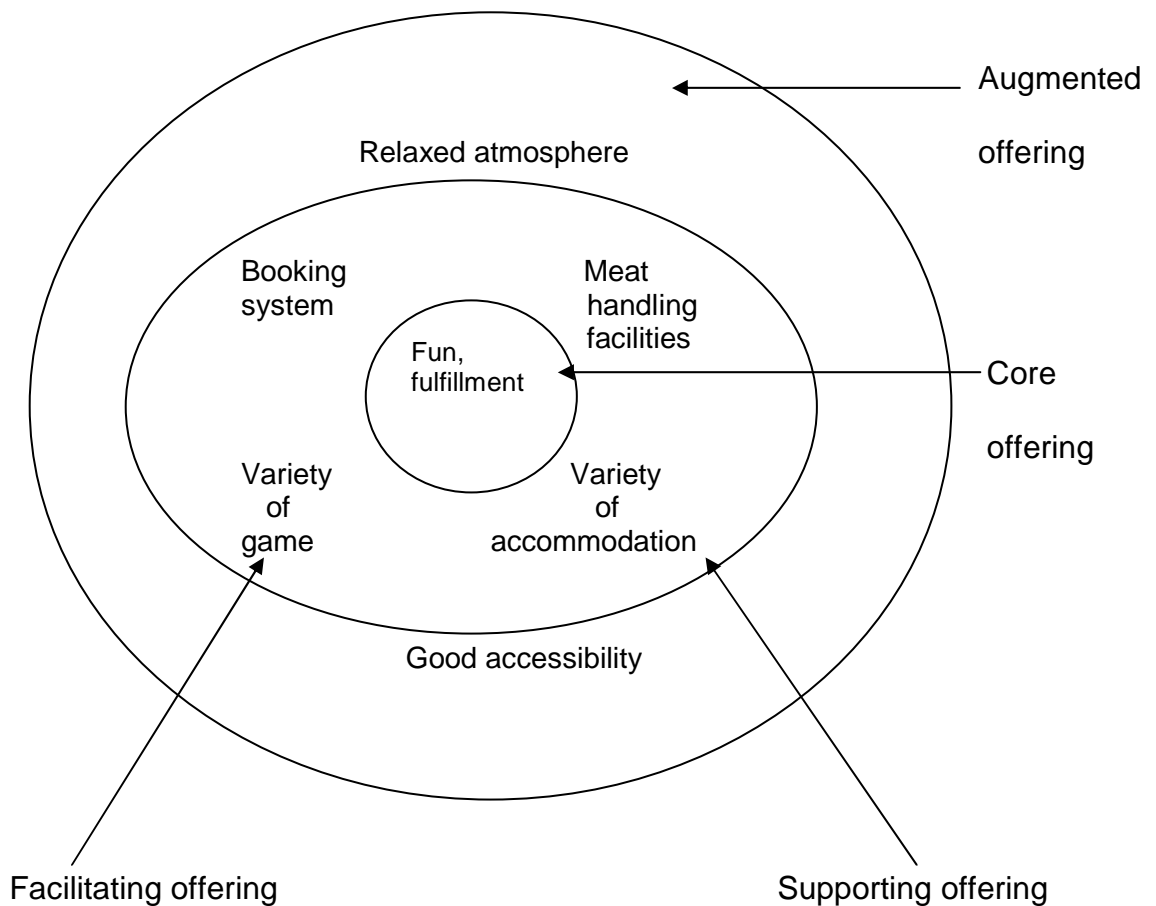
Apart from the characteristics of an offering, managers also have to consider four levels of an offering as discussed below.

#### 2.2.2 The four levels of an offering

Hospitality marketers must have a clear idea of what they are marketing as all offerings have different features (George, 2001). According to Grönroos (in

Kotler et al., 1999), these features can be grouped into four levels (see Figure 2.1): the core, facilitating, supporting and augmented levels. These levels can be used to illustrate that hunters do not just purchase an offering; they also purchase benefits such as a relaxed atmosphere, slaughtering facilities and game drives.

**Figure 2.1: Levels of an offering**



SOURCE: Adapted from Kotler, Bowen and Makens (1999)

As illustrated in Figure 2.1 the *core offering* is at the centre of the total product. The core offering comprises the essential need, or benefit perceived and sought by the customer (Bennett, 1997). The core offering of a game ranch could for instance be the fun and fulfillment associated with the hunt.

The *facilitating offering* is a combination of the goods and services that need to be present for the core offering to be used. A game ranch, for example, needs to have a booking system and a telephone, as well as desired game species available in sufficient numbers.

The *supporting offering* is considered as extras. These extras add value to the core product and help to differentiate the offerings from those of competitors (Kotler et al., 1999). As supporting offerings are considered 'extras', they are not required for the core products to be used, as is the case with facilitating products. In the case of a game ranch these extras could include meat-handling facilities and a variety of accommodation options. There could be an overlap between the facilitating and supporting offerings, hence their inclusion in the same circle in Figure 2.1.

The *augmented offering* combines what is offered (the core and actual offerings) with how it is offered (augmented service), which includes all the additional services and benefits the consumer receives: accessibility, atmosphere, consumer interaction with the organization, consumer participation, and consumers' interaction with each other (Kotler et al., 1999). Examples of augmented offerings for game ranches include a relaxed atmosphere and easy accessibility.

Bennett (1997) stresses the importance of realizing that what clients are demanding is not the product nor the features of the product, but the *benefits* offered by the product. He also maintains that it is the role of marketing to provide added benefits which enable the marketer to distinguish his product

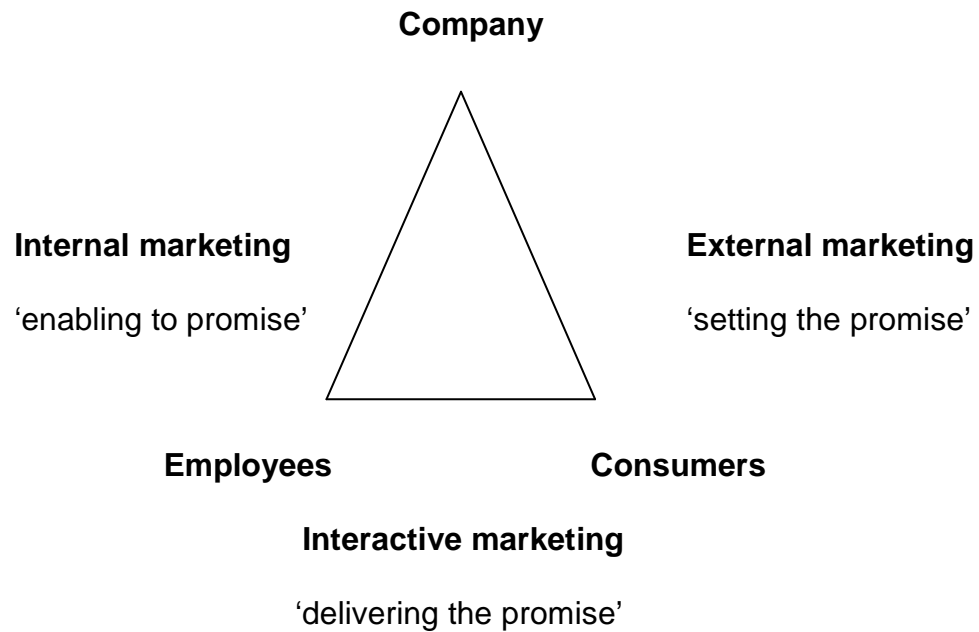
offering from those of competitors. The service marketing triangle (explained in the next section) could serve as an aid in this regard.

### 2.2.3 The service marketing triangle

Grönroos (in Kotler, Bowen & Makens, 1998) states that the task of marketing is to find out what product features the customers are interested in and to give promises about such features to a segment of potential customers through external marketing activities. As these promises are fulfilled through the use of the various types of resources, internal marketing and continuous development of the competencies and of the resource structure of the firm is needed. This is because the outcome of promises impact on the perception of the quality of a service and therefore, on customer-perceived value.

Kotler (2000) agrees with Grönroos (in Kotler, Bowen and Makens, 1998) and Zeithaml and Bitner (1996) when they suggest that within the service marketing triangle (see Figure 2.2) there are three types of marketing that need to be carried out for a service organization to succeed. According to George (2001), all three types revolve around making and keeping promises to customers.

In Figure 2.2 the **left-hand** side of the triangle suggests the critical role played by **internal marketing**. Internal marketing refers to the activities the organization must carry out to recruit, train and reward employees for good service so that the promises made to customers are successfully delivered.

**Figure 2.2: The service marketing triangle**

SOURCE: Kotler, Bowen & Makens (1999, p. 45)

The **right hand side** of the triangle represents the **external marketing activities** that an organization should conduct. Any communication that reaches the customer before the actual delivery of the service takes place, can be regarded as external marketing. These communication activities raise customer expectations and promise to meet them. Apart from the traditional elements of marketing (advertising, promotions, sales and public relations) the organization's physical facilities and its employees are included here.

The **bottom** of the triangle represents the **actual service** delivery that takes place. This is also known as 'interactive marketing'. Company employees interact directly with customers and the promises made are either delivered, or broken by the management and the employees.

The use of a triangle implies that all three sides are critical to the successful marketing of services. If one of the sides of the triangle is out of place, the entire marketing effort is at stake. It is therefore important to discuss the various marketing management approaches that will ensure the success of the triangle.

### **2.3 Tourism and hospitality marketing management approaches**

As can be seen from the characteristics of service offerings (section 2.2.1) and the service marketing triangle (section 2.2.3), offerings call for a unique way of marketing. Although the general marketing principles and theories remain the same, the way that they are applied is different (George, 2001). The tourism and hospitality marketer is therefore required to implement various marketing approaches. According to Morrison (1996), these include:

- increased use of the extended marketing mix;
- greater significance of word-of-mouth advertising;
- more use of emotional appeals in advertising; and
- increased importance of relationship marketing.

However, the researcher believes that relationship marketing should not be seen as a marketing management approach, but rather as a building block of marketing strategy as discussed in chapter 3.

The first three marketing approaches suggested by Morrison (1996) will now be discussed in more detail.



### 2.3.1 Use of the extended marketing mix

The marketing mix is, in effect, the 'flexible coupling' that occurs between the supplier (ranch) and the customer (hunter) which facilitates the matching process. According to McDonald and Payne (1997), the marketing mix was traditionally said to consist of four elements, namely:

- the product or service being offered;
- the price or fees charged and the terms associated with the product's sale;
- the communication programme associated with marketing the product or service; and
- the distribution and logistics involved in making the product/ service available.

From these four elements arose the shortened term for the marketing mix, namely, the 4Ps. However, in service marketing the 4Ps needed to be extended to suit the special characteristics (refer to section 2.2.1) of service offerings. As a result, this shift in opinion led to a new mix which is more appropriate for service businesses and ensures that important elements are not overlooked (McDonald & Payne, 1997). McDonald and Payne (1997) suggest adding an additional three elements, namely: physical evidence, people and processes resulting in an extended marketing mix, namely, the 7Ps.

#### 2.3.1.1 Physical evidence

As discussed in section 2.2.1, service offerings are intangible, and as they are produced and consumed at the same time, they are inseparable. Hunters will

therefore often rely on tangible indicators, or physical evidence, to evaluate the offering before purchase and to assess their level of satisfaction with the offering during and after the hunting experience. Physical evidence can be described as the environment in which service delivery takes place and where interaction takes place between an organisation and its customers, and any tangible components that will simplify performance or communication of the service (Zeithaml & Bitner, 2000). As customers demand higher levels of service, this element becomes a competitive weapon by which a ranch can differentiate itself.

The physical evidence of a hunting experience includes all of the tangible representations of the offering such as signage to the ranch, dress code of employees which is often very informal khaki coloured clothing to blend in with nature, meat handling facilities, sleeping facilities, and appearance of the hunting vehicle. Hunters will rely on these tangibles to indicate the quality of the proposed hunting experience, especially as the hunter has little on which to judge the quality of the service and the game the ranch offers prior to this experience.

#### 2.3.1.2 People

All people who play a direct or indirect part in service delivery influence the buyer's perceptions and will thus have an influence on the overall outcome of the marketing effort. George (2001) states that there are two groups of people in tourism and hospitality marketing: the guest (customer) and the host (the employees/staff who work at the organisation). As the tourism and hospitality

industry is often referred to as a 'people industry', this component of the extended marketing mix applies not only to employees, but also recognizes the role that customers play in service delivery. This statement is supported by Zeithaml and Bitner (2000) who believe that the customers themselves can affect service quality and their own satisfaction through influencing service delivery. For example, a hunter who arrives at a ranch without sufficient ammunition, with a rifle that is unsuited to the intended hunt, or who does not follow instructions from the ranch's employees will have an unsatisfactory experience and might possibly not shoot any game, thus affecting the service delivery. Other hunters can influence this outcome by either enhancing it, or detracting from it. Furthermore, the selection of the ranch's staff, how they work together as a team, their level of motivation, and their attitude and behaviour will influence the hunter's perception of the service.

Due to the strong influence that employees, the customer, and other customers have on service quality, Zeithaml and Bitner (2000) support George's (2001) view that customers should be included within the people element of the service marketing mix.

#### 2.3.1.3 Processes

The procedures, routines and policies which influence how a service is created and delivered to customers can be instrumental in determining how 'customer friendly' the ranch is perceived to be, and also provides the hunter with evidence on which to judge the service of the ranch. As the hunting experience is a service delivered rather than a tangible product handed over, the hunter

could derive various benefits such as a feeling of relaxation and self-fulfillment from the offering. The way in which the hunting experience is created and delivered (the process) is thus an important part of the offering. Attention should therefore be paid not only to the process itself, but also to the manner in which the process is carried out. For example, how the rancher arranges the hunters in the hunting field, taking not only the hunter's safety but also the safety of his employees into consideration, could determine how safe a hunter would feel while hunting.

The extended marketing mix (the 7Ps) is robust enough to cover most service marketing situations. During a study by Rafiq and Ahmed (1995), it became evident that although there is general support for the 7Ps, there is not uniform support for the three new variables. The study revealed that the 'people' variable was the most widely accepted element and the 'process' variable also had reasonable support. The 'physical' variable was the least supported of the new extended mix. This could be because physical evidence is not as well conceptualized as people and process. Nevertheless, the result of the study provides empirical support for the theoretical reasons advanced for the extension of the 7Ps into a generic marketing mix.

Due to the distinctive characteristics of service offerings (refer to section 2.2.1), the researcher believes that the extended marketing mix is also applicable to the service offerings of a game ranch.

### 2.3.2 Greater significance of word-of-mouth advertising

The second approach to the marketing of tourism and hospitality offerings suggested by Morrison (1996), entails greater significance attached to word-of-mouth advertising.

Service offerings are intangible; therefore, the consumer relies on the recommendations of others to a greater extent than with manufactured products. This is known as 'word-of-mouth advertising' (George, 2001). Zeithaml and Bitner (2000) believe that when consumers buy products they make use of both personal sources (for example, friends or experts) and non-personal sources (for example, mass or selective media) as both effectively convey information about the quality of the product. When purchasing services, on the other hand, consumers tend to seek and rely to a greater extent on personal sources for several reasons.

Firstly, mass and selective media can convey information about search qualities only, while by asking friends or experts, a customer can obtain information about experience qualities. The rancher thus relies on the hunters to talk to each other about the quality of their experience at the ranch, which is in fact more powerful (and cheaper) than advertising or any other form of promotion.

Secondly, non-personal sources of information may not be available, as many of the ranches either do not have the funds or willingness to advertise, or do not believe advertising is a viable method to attract their target market.

Thirdly, the hunter may find post-purchase information-seeking more essential when purchasing a hunting experience than when purchasing tangible goods, as service offerings possess experience qualities that cannot be adequately assessed prior to the purchase. Positive word-of-mouth via users is thus imperative to a ranch while negative word-of-mouth could be damaging to the image of the ranch.

The rancher should therefore remember that hunters are only likely to recommend a ranch if they have experienced a consistent, value-for-money hunting experience which met their expectations.

### 2.3.3 More use of emotional appeals in advertising and stronger emphasis on personal selling

The third marketing management approach is the use of more emotional appeals in advertising and stronger emphasis on personal selling.

According to Lane and Russell (2000), advertising is a paid-for message delivered through the medium of mass communication to a mass audience. It includes the use of such media as magazines, newspapers, radio and TV, billboards and direct mail. George (2001) states that the intangibility of tourism and hospitality offerings means that they require unique advertising and promotional treatment. Consumers tend to make use of emotional appeals when they purchase. For example, marketers can often give a promotional campaign a distinct personality through using a colourful symbol to 'catch' the

customers' eye. A trophy size kudu bull on the front page of a brochure would, for example, attract the attention of a hunter.

As services are inseparable, marketers should capitalize on personal selling. Personal selling is one of the most effective promotional tools as a means of persuasion since it involves direct communication where the salesperson can adapt the message to respond to feedback (Lane & Russell, 2000).

## **2.4 Summary**

In this chapter the term 'service offering' was introduced as it more accurately describes the nature of tourism as clarified by the characteristics of services, namely, intangibility, inseparability, variability, and perishability. The four levels of an offering (the core offering, augmented offering, facilitating offering and supporting offering) were then discussed and it was stressed that added benefits enable marketers to distinguish their product offerings from those of competitors.

Next, the concept of the service-marketing triangle and various marketing approaches, namely, the use of the extended marketing mix, the greater significance of word-of-mouth advertising, and more use of emotional appeals in advertising were discussed.

The next chapter will focus on the building blocks of marketing strategies for service offerings such as game ranches.

## **CHAPTER 3**

### **BUILDING BLOCKS OF STRATEGY**

#### **3.1 Introduction**

The marketing of services was discussed in the previous chapter. The focus of this chapter is on the building blocks of marketing strategies of service organizations such as game ranches.

A strategy can be defined as a set of specific decisions taken by management on how company resources will be allocated and sustainable competitive advantage achieved in its chosen markets. Strategy thus sets the *direction* of the business as well as the *means* to get there (Doyle, 1998).

Certain considerations are, however, necessary for building a successful strategy (Powers, 1997). These considerations, namely, the customer; relationship marketing; the competitive structure of the market; the competitive position of the firm; market opportunities; and company resources serve as the building blocks of strategy and will be focused on in this chapter. The building blocks of strategy as they relate specifically to game ranches will be discussed in chapter 4.

#### **3.2 Identification of the building blocks of strategy**

Powers (1997) points out that strategy is built on five broad considerations: the customer (hunter); the competitive structure of the market; the competitive



position of the firm (ranch); market opportunities; and company resources. The researcher believes that in order to build a successful strategy, another building block, namely, relationship marketing should be added.

Powers (1997, p. 115) notes that "what distinguishes strategy from all other kinds of business planning is, in a word, competitive advantage. Without competitors, there would be no need for strategy". The goal of setting marketing strategies is therefore to gain competitive advantage and at the same time build a loyal customer base. This argument is in line with Ohmae (in Powers, 1997) who maintains that the job of the strategist is to achieve superior performance relative to competition, while also ensuring that the strengths of the organization are matched with the needs of a clearly defined market.

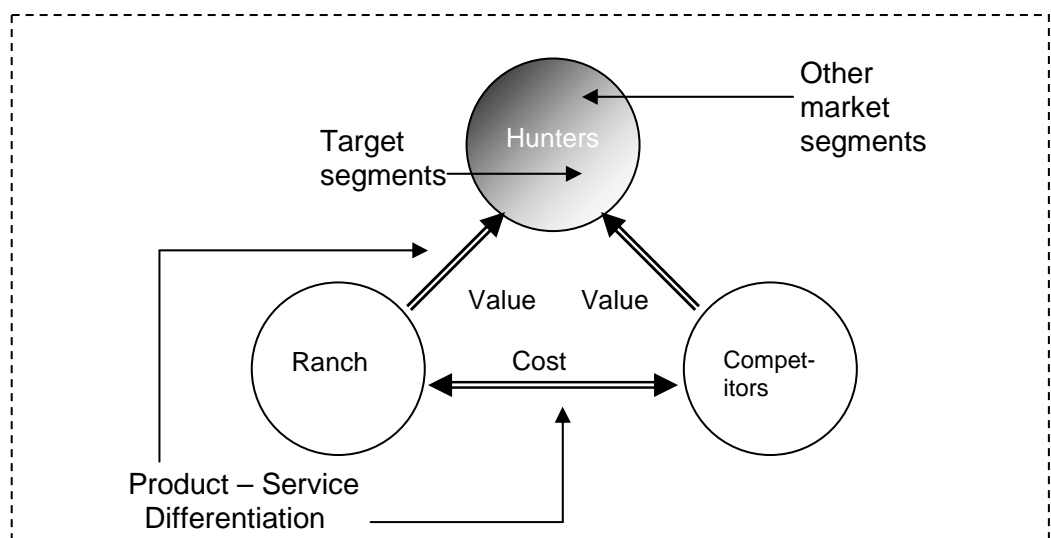
Ohmae (in Powers, 1997) argues that positive matching of the needs and objectives of the two parties involved is required for a good, lasting relationship, and that without this good, lasting relationship the organization's long-term viability may be at stake. In relationship marketing, a manager could, for example, focus on customer value, place a high emphasis on customer service, or encourage continuous customer contact. Relationship marketing initially only involved creating, maintaining and enhancing strong relationships with customers, but the concept expanded to include the development of relationships with all stakeholders who can assist the organization in serving its customers (Kotler et al., 1998). For example, a ranch should therefore also build relationships with the press who could serve as an 'influence market' and so indirectly assist the ranch in gaining market share.

A final determinant of strategy is the organization's resource base (Irwin, 2000). The most obvious resource requirement for undertaking a strategy is of a financial nature. A ranch that expands too fast for its capital base will experience serious difficulty or may go under. Human resources is another crucial resource. Human resources refer specifically to the staff the ranch has in its employ.

The above discussion on the elements of strategy can be summarised in terms of the strategic triangle suggested by Ohmae (in Powers, 1997). Ohmae points out that in the construction of any business strategy three main players must be taken into account: 'the corporation itself, the customer, and the competition'. Each of these is a living entity. Collectively they are known as the 'strategic triangle'.

The strategic triangle has been adapted to fit a typical game ranch (see Figure 3.1.).

**Figure 3.1: The strategic triangle**

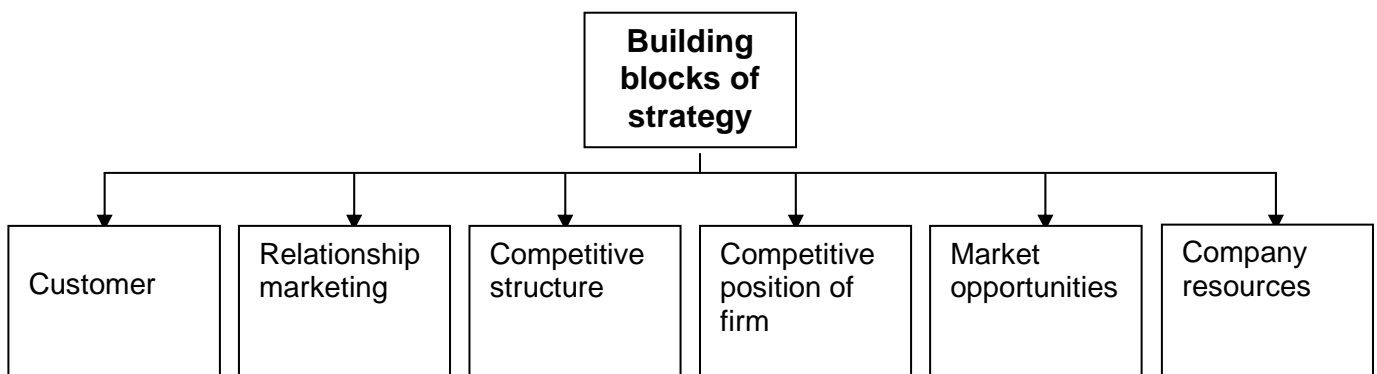


SOURCE: Adapted from Ohmae (in Powers, 1997)

The five broad considerations put forward by Powers (1997) can be integrated with the strategic triangle suggested by Ohmae. The only element not specifically mentioned by Powers is that of relationship marketing. Relationship marketing should, however, be part of such an integration, since without it "the organization's long term viability may be at stake" (Ohmae, in Powers, 1997).

Based on the above, various building blocks of strategy have been identified (see Figure 3.2) and their discussion forms the basis of the remainder of this chapter.

**Figure 3.2: The six building blocks of strategy**



### **3.3 The customer (hunter)**

The most fundamental strategic building block is an understanding of the customer. As most emphasis will be placed on the customer (since the focus of this study is hunting which cannot take place without customers), the building block 'customer' is explained in more detail than the other building blocks of strategy.

Understanding the customer requires that attention be paid to a number of aspects, namely, segmentation; needs; customer behaviour; and customer value and satisfaction. Each of these aspects will now be discussed.

### 3.3.1 Segmentation

Although a market may consist of consumers with similar needs, the customers within a market are never homogeneous (Doyle, 1998). Customers differ in terms of the benefit they expect from the offering, the amount they are willing to pay and the media they are exposed to. For an organization to establish a strategic edge over its competition, it is important to first clearly define the market the organization intends to serve (Jain, 1997), as it is impossible for an organization to serve the total market. Morgan (1996) points out that people's choices of leisure products and activities are strongly influenced by the people with whom they live, work and socialize. For this reason it is possible to target groups of people who share similar patterns of behaviour and attitudes towards a particular offering and can therefore be distinguished from the other groups making up the total market for the offering. According to Bennett (1997), Jain (1997) and Doyle (1998), consumer markets can be segmented in four ways: geographic segmentation, demographic segmentation, psychographic segmentation and behavioural segmentation.

#### 3.3.1.1 Geographic segmentation

According to George (2001), the most common form of geographic segmentation is dividing the market into groups based on where consumers

come from. Some marketers concentrate their marketing efforts on limited geographical *regions*. The regional distribution of the population is important to such marketers, as people within a given region generally tend to share the same values, beliefs, attitudes and life style preferences. On the other hand, marketers can segment their market based on *urban-suburban-rural* distribution. Game ranches using geographic segmentation may, for example, focus their marketing efforts on American, Spanish, German or South African hunters.

#### 3.3.1.2 Demographic segmentation

The most commonly used bases for demographic segmentation are age, gender, stage in the family life cycle, income, occupation, education, religion and ethnic origin (Bennett, 1997).

In recognition of the fact that consumers want change as they proceed through life, many organizations use *age* categories as a basis for segmentation. For example, the youth market carries a three-way marketing impact. Firstly, the youth influences parental purchases; secondly, large sums of money are spent on children by their parents, and thirdly, children themselves make purchases (Bennett, 1997).

The differences between the genders are often used to develop offerings to satisfy the needs and wants of either men or women. Hunting packages are conventionally associated mainly with men, while spa-holidays are associated mainly with women.

The concept of the *family life cycle* implies that there are distinct phases in the life of an ordinary family, namely, bachelor stage; young married couples with no children; full nest 1 - young married couple with children; full nest 2 - middle-aged married couple still with dependent children; empty nest - older married couple without any children living with them; and older, single people still working or retired. The consumer's position in the life cycle is a major determinant of buying behaviour and is thus a useful basis for segmenting consumer markets (Bennett, 1997). For example, consumers in the full nest 1 stage have different needs to consumers in the full nest 2 stage. These needs may influence the expectations of visitors to game ranches.

*Income* is another basis for demographic segmentation. How consumers spend their money often depends on the size of the family's income. Marketers could therefore analyze the expenditure patterns of the various income classes. However, *occupation* might be a more viable criterion than income when segmenting some markets. For example, motor mechanics may earn as much as young executives, but their buying patterns might be different because of attitudes, interests and other life style factors (Bennett, 1997).

The market for some consumer products is further influenced by such factors as education, occupation, religion and ethnic origin. With more and more consumers obtaining higher levels of *education*, for example, one can expect to see changes in product preferences and buyers with more discriminating tastes and higher income.

When looking at *religion* as a basis for demographic segmentation one can use the example of the large Muslim population living in the Durban area affecting the liquor market there to a greater or lesser extent. The *ethnic origin* of the Afrikaners contributes to their love of hunting, while the natural rhythm and love of music of black cultures can be traced back to their ethnic origins.

#### 3.3.1.3 Psychographic segmentation

The decision-making processes and lifestyles of consumers are considerably influenced by a group of psychological forces which include variables such as personality, lifestyle and social class. These forces will be discussed in more detail in section 3.3.3.1 which deals with factors affecting consumer behaviour.

#### 3.3.1.4 Behavioural segmentation

Apart from segmenting markets according to personality, lifestyle and social class (discussed above), one can also divide the market into groups based on behaviour (benefits desired, attitudes towards offering, use of, or response to an offering). This is known as behavioural segmentation (George, 2001). This type of segmentation thus groups consumers according to their relationships with a particular offering. Since behavioural segmentation is deemed to be of particular interest to game ranchers, the different types of behavioural segmentation will now be examined.

Different benefits would appeal to different markets. Therefore a ranch must segment its market according to the *benefits desired* from the hunting

experience. Some hunters may want to visit a ranch for the atmosphere, while others may like a particular ranch for the variety of game available.

Consumers can be enthusiastic, uninterested, or anti-purchasers of hunting offerings. Therefore markets can also be segmented based on the hunters *attitudes towards the offerings*. On the other hand, hunters who have had a negative hunting experience can be completely put off a hunting offering, no matter how the offering is promoted.

The *rate* at which consumers *use* an offering is another basis for segmentation and includes non-users; ex-users; first time and regular users (George, 2001). Although regular users often only account for a small percentage of the market (but a high percentage of spending), marketers tend to focus on this group without realizing the potential of the non-users, or first time users. The latter may constitute an attractive niche simply because they are being ignored by ranches who are targeting regular users.

Consumers can also be grouped according to whether they are regular or once-off users (George, 2001). Hunters, for example, can be grouped into the following categories: hunters hunting on a regular basis in a fenced area; hunters only hunting in hunting season in an unfenced area; and special occasion hunters. The *purchasing occasion* of the hunter will thus place him within a certain segment.

The above discussion shows that effectively serving the hunting market also requires segmentation based upon a good understanding of the market. If the



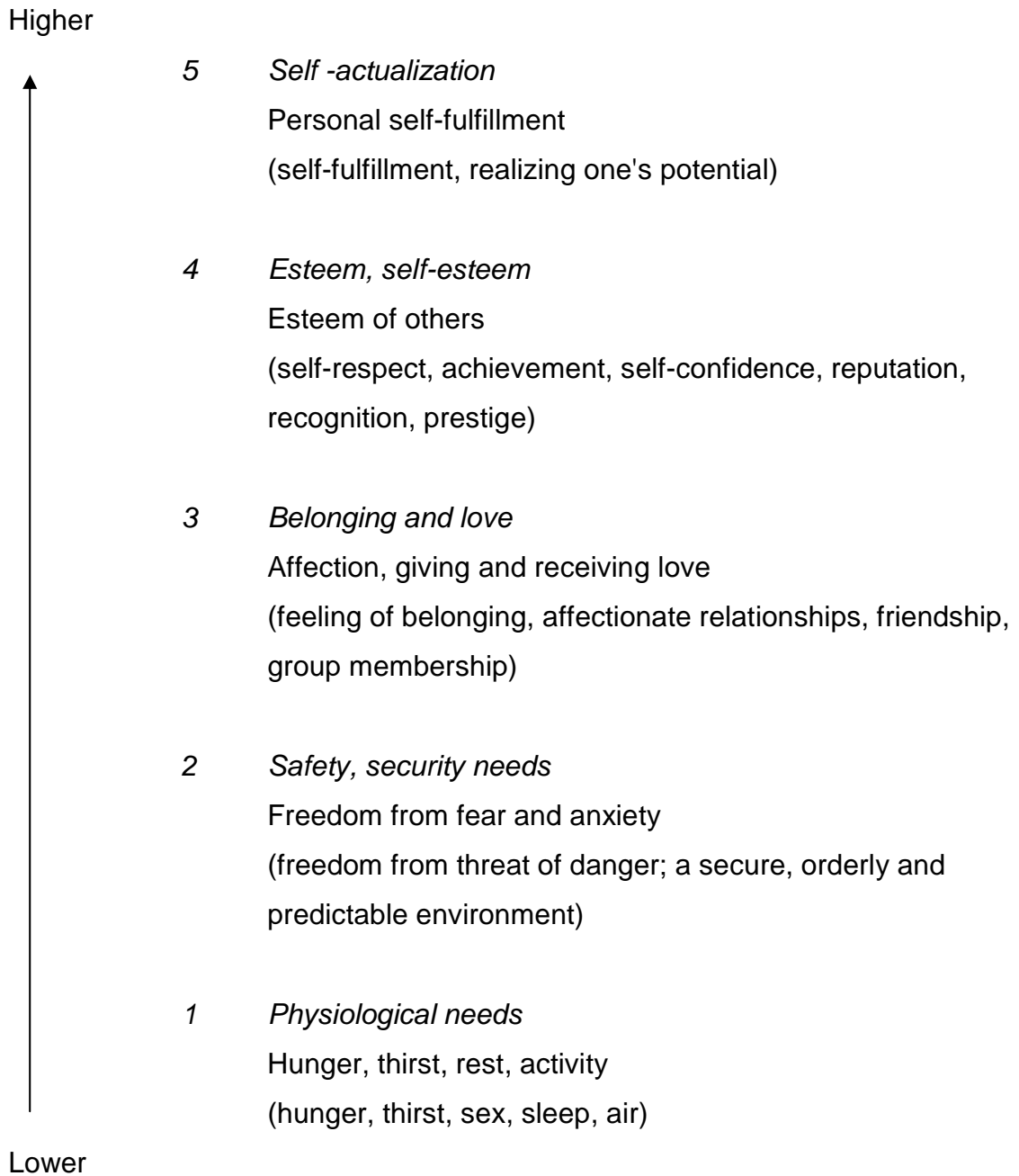
ranch knows exactly which segment(s) it wishes to target it can select the media most likely to be read or seen by those hunters, and so spend less on general mass marketing. If the ranch knows the life-styles and attitudes of a segment and the benefits they are seeking from the offering, the advertising message can be made more persuasive.

### 3.3.2 Needs

The second major element of the strategy building block, 'consumer', is that of *needs*. According to Jain (1997), looking at customer needs forms the basis of sound marketing as well as being the first step in delivering value to the customer. It is thus important for the ranch to determine the needs of its clients. Maslow (Jain, 1997) classifies human needs according to five levels (see Figure 3.3), namely, physiological, safety, belonging and love, self-esteem and self-actualization. Only once the needs of a certain level have been fulfilled can the needs on the next higher level be satisfied.

A study by Radder et al. (2000) identified the following needs as reasons why hunters visit a game ranch:

- Physical needs, for example, biltong; trophy;
- Social needs such as entertainment; meeting people;
- Aesthetic needs such as being in nature; escaping city life;
- Recreation needs, for example, relaxation; photographing wildlife;
- Self-actualization needs, for example, feelings of achievement.

**Figure 3.3: Maslow's hierarchy of needs**

SOURCE: Bennett (1997, p. 81)

Understanding the needs, wants and motivations of customers is derived from careful customer research and experience of the market place (Theare, Mazanec, Crawford-Welch & Calver, 1996). In the study by Radder et al. (2000) it became apparent that what the rancher perceived as being the main

need for visiting a ranch differed from the need the hunter expressed. Having accurate knowledge about customers' needs is therefore crucial.

It is also important for ranchers to realize that the needs of one client will vary from those of the next, and that the needs of the target market must be clearly defined before attempting marketing strategies. If one considers what ranchers are actually doing and compares this with what customers would like them to do one can easily see where the ranchers are either meeting the needs of their clients, or falling short.

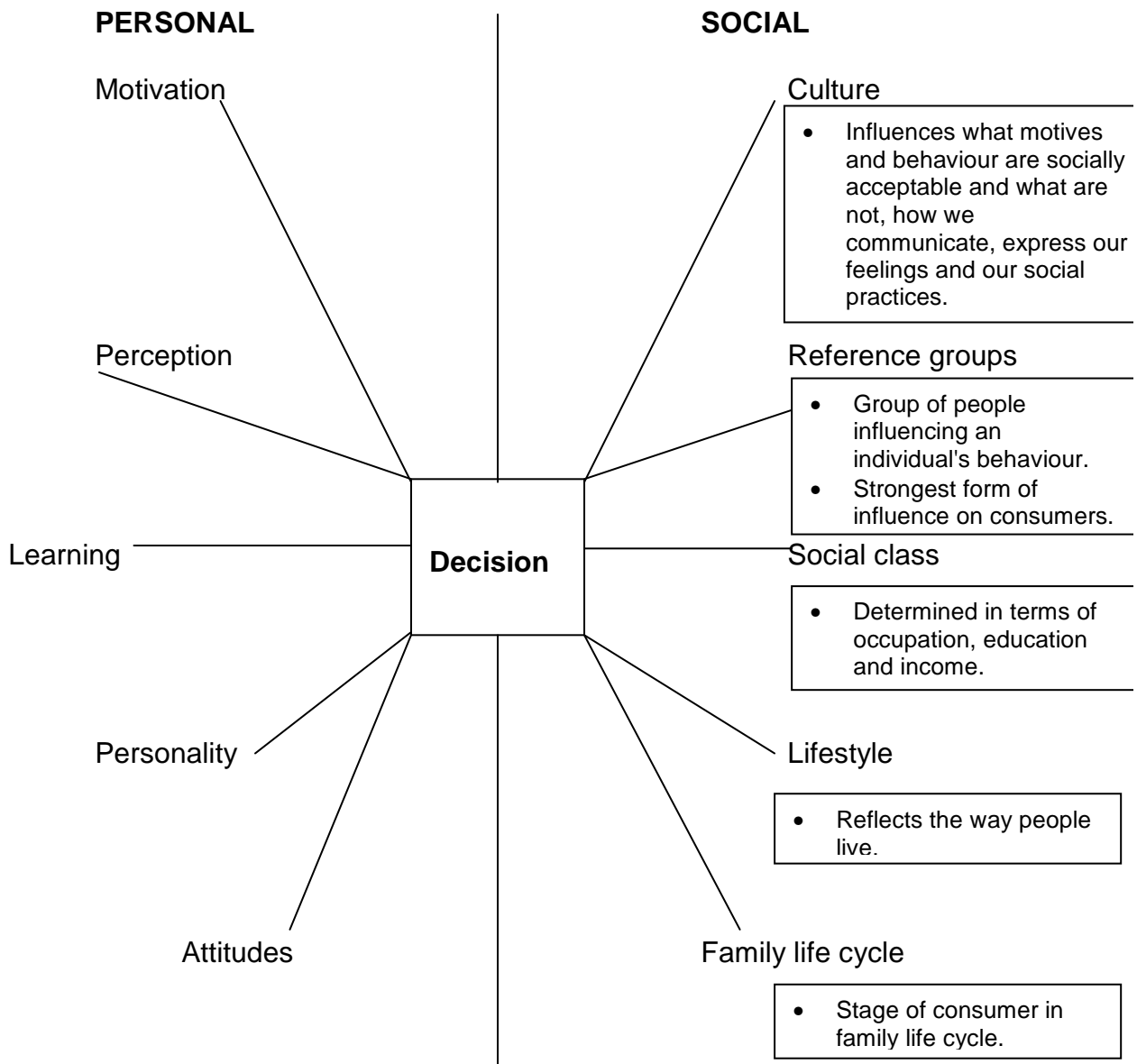
### 3.3.3 Customer behaviour

The third element of the 'customer' building block is customer behaviour. George (2001) states that is important to understand what drives customers to purchase offerings to be able to affect their behaviour as well as their decision-making processes prior to the purchase. These two aspects will now be discussed.

#### 3.3.3.1 Factors affecting customer behaviour

According to George (2001), there are two influences on customer behaviour, namely, personal factors and social factors (outlined in Figure 3.4.). As the researcher believes that 'personal factors' represents a major determinant in this particular study, they will be discussed while 'social factors' will be summarised (Figure 3.4).

**Figure 3.4: Factors affecting customer buying behaviour**



SOURCE: George (2001, p. 131)

## Personal factors

Personal factors include the psychological characteristics of an individual: motivation, perception, learning, personality, and attributes that influence a customer's decision to purchase an offering.

### a) Motivation

Motivation is what drives the customer to make a decision. Swartbrooke and Horner (in George, 2001) identify a wide range of factors that motivate customers to purchase tourism offerings, namely: emotional (for example, romance); personal (for example, making new friends); physical (such as exercise and health); cultural (for example, experiencing new cultures); status (for example, exclusivity or fashionability) and personal development (such as learning new skills).

### b) Perception

Perception refers to the way in which customers interpret messages via their senses (sight, hearing, taste, touch and smell) to assist them in their decision-making processes. As offerings are intangible, customers will have to make their decisions based on their perceptions of the offering. However different customers' perceptions of the same offering differ. While one hunter may perceive the service offerings of a ranch as excellent, the next hunter may perceive them as average.

c) Learning

The way in which experiences influence an individual's decision-making process is known as learning. Whenever a tourism offering is consumed customers learn about it and gain experience through a variety of sources (for example, word-of-mouth advertising).

d) Personality

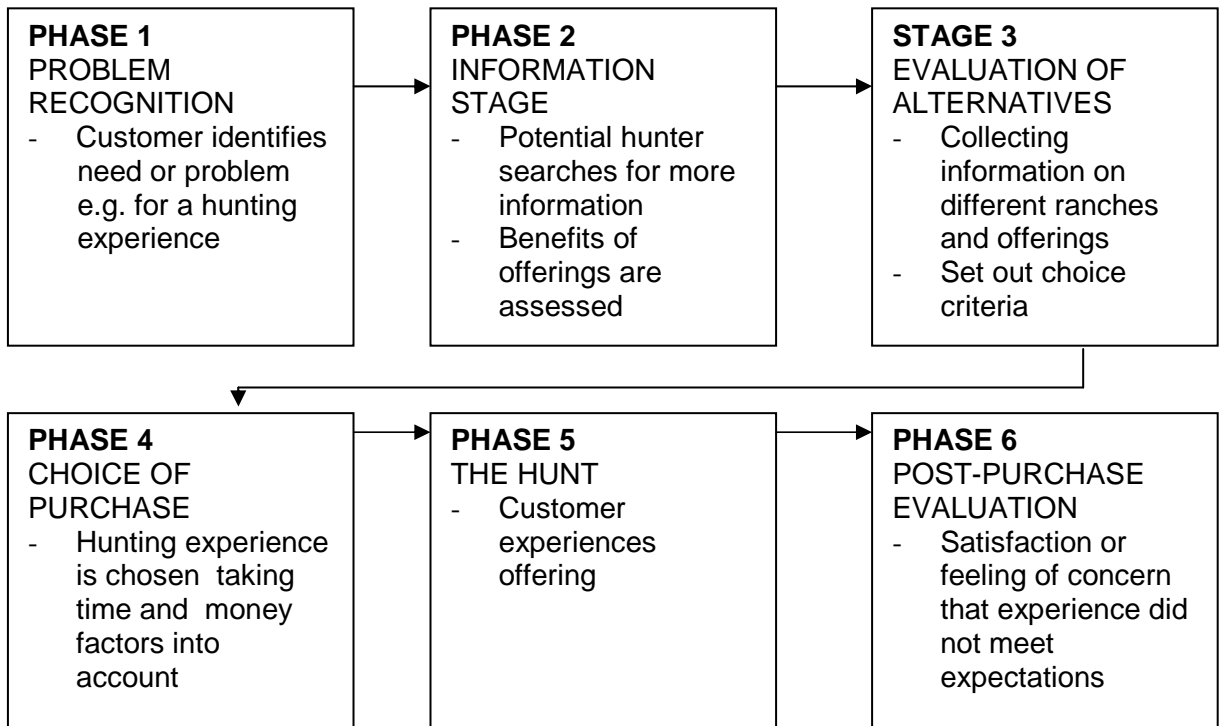
The buying behaviour of customers is heavily influenced by their personalities. Whether a customer is sociable or a loner will influence the type of hunting experience sought.

e) Attitudes

Attitudes can be seen as customers' feelings and thoughts about specific subjects. These feelings and thoughts are difficult to change. If, for example, hunters have a negative experience with a ranch, they could develop a negative attitude towards the ranch which would prevent them from returning.

### 3.3.3.2 Customer decision-making

The customer decision-making process is based on the assumption that customers move through a number of phases before and after purchasing an offering (shown in Figure 3.5).

**Figure 3.5: Customer decision-making process**

SOURCE: Adapted from George (2001)

Although the decision-making process is a useful model when examining buying decisions, it might not always be as straight-forward as it seems. It is not uncommon for stages in the process to be skipped. For example, a regular, satisfied hunter would skip phase 3 (the review of other alternatives). The prospective customer could also withdraw at any stage prior to the actual purchase; for example, if the hunter takes ill and cannot go on the proposed hunting trip.

### 3.3.4 Customer value and satisfaction

Kotler, Bowen and Makens (1998) state that "customers choose the marketing offer that gives them the most value". The ranch's clients will thus form expectations of the perceived value of the offering and act upon these

expectations. They compare the actual value received against the expected value and this affects their level of satisfaction and re-purchase behaviour.

#### 3.3.4.1 Customer delivered value

Customer delivered value can be described as the consumers' assessment of the offering's overall capacity to satisfy their needs (Kotler et al., 1998). It could also be seen as the difference between total customer value and total customer cost of the marketing offer (see Figure 3.6).

**Figure 3.6: Customer delivered value**

	<b>Total customer value</b>	(Product, services, personnel and image values)
<b>Minus</b>	<b>Total customer cost</b>	(Money, time, energy and psychological costs)
<b>Equals</b>	<b>Customer delivered value</b>	('Profit' to the consumer)

SOURCE: Kotler et al. (1998, p. 347)

*Total customer value* can be understood as the total of all the offering-, service-, personnel- and image values that a consumer receives from the marketing offer. *Total customer cost* is the total of all the costs (money, time, energy and psychological) associated with the marketing offer.



If a ranch finds that its competitors deliver greater value it has two alternatives. It can either try to increase total customer value by strengthening the augmented offering, or it can decrease total customer cost by reducing the price.

#### 3.3.4.2 Customer satisfaction

Customer satisfaction depends on the offering's performance relative to a consumer's expectations (Kotler et al., 1998). These expectations are based on the consumer's past buying experiences, the opinions of friends and associates and market and competitive information and promises. There are various degrees of customer satisfaction. The customer can be dissatisfied when the offering's performance falls short of expectations, satisfied when performance matches expectations and highly satisfied if performance exceeds expectations.

#### 3.3.4.3 Customer satisfaction versus customer loyalty

While customer satisfaction depends on how the offering's performance measures against the customer's expectations, customer loyalty, on the other hand, is measured by how likely a customer is to return. Customer satisfaction is thus important for customer loyalty. It is important for ranchers to realize that although customers' expectations have been satisfied, they might not return for several reasons, including the following:

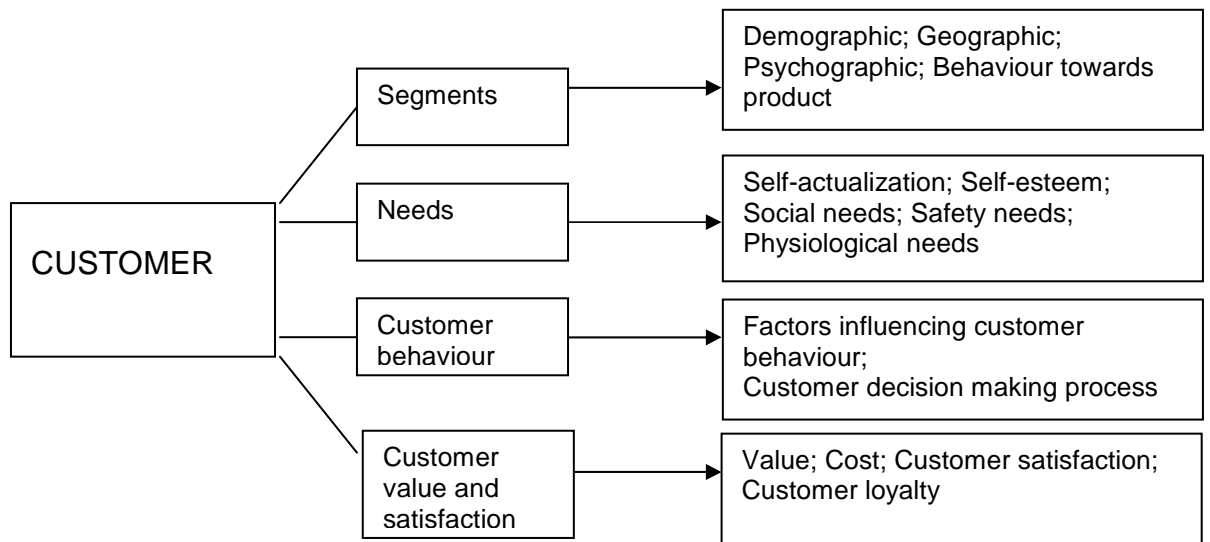
- The client might not return to the area on a regular basis;
- The client might want to experience various ranches; and
- The client might be price-sensitive and shop around for the best price.

It is important to realize that a loyal client is more valuable to the ranch than a satisfied client. A satisfied client who does not return and spreads no positive word-of-mouth has no present value to the ranch. On the other hand, a loyal client who returns and spreads positive word-of-mouth could be of significant value to the ranch.

### 3.3.5 'Customer' as a building block of strategy

Based on the above discussion on 'customer' as a building block of strategy, the following diagramme (Figure 3.7) can be used as a broad outline to analyze the customers the ranch wishes to target.

**Figure 3.7: 'Customer' as a building block of strategy**



SOURCE: Researcher's own construction

### 3.4 Relationship marketing

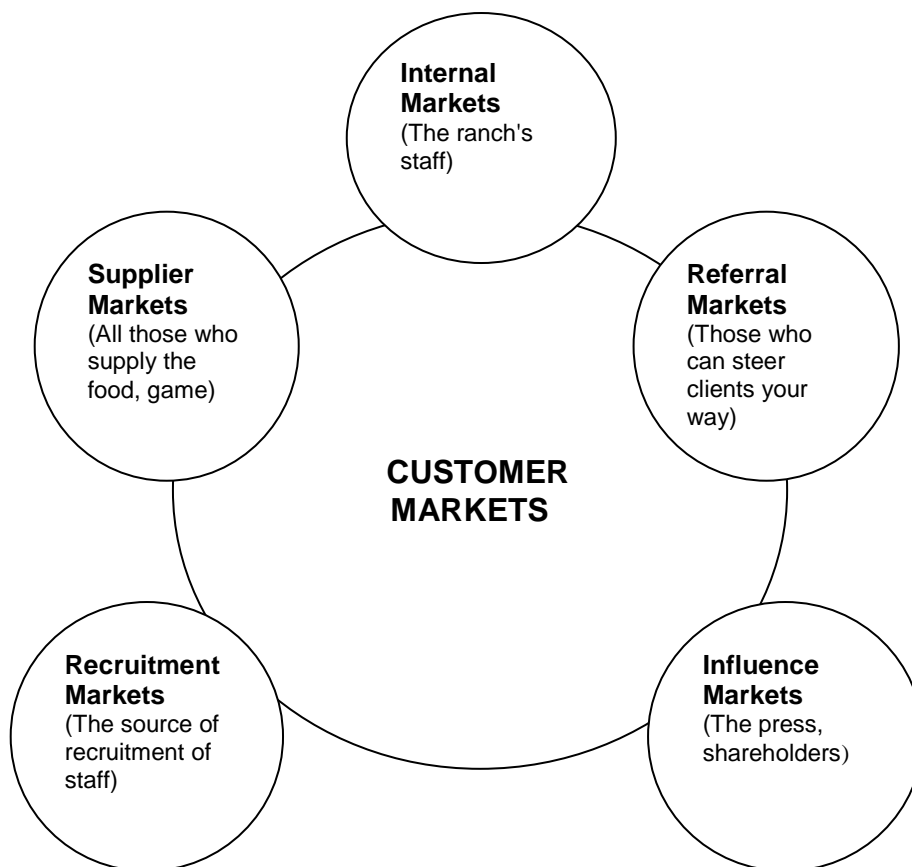
Morrison (1996) states that relationship marketing is important to the travel and hospitality marketer since relationship marketing has to establish, maintain and enhance *relationships* with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises (Grönroos, 1997).

An integral element of the relationship marketing approach is the *promise concept* which has been strongly emphasized by Calonius (Grönroos, 1997). According to Calonius, marketing responsibilities do not only include making promises to persuade customers (who are seen as passive counterparts in the marketplace) to act in a given way. Fulfilling promises that have been made is just as important as a means of achieving customer satisfaction, retaining the customer base and ensuring long-term profitability. A firm that is preoccupied with giving promises may attract new customers and initially build relationships. However, if the promises cannot be kept, the evolving relationship cannot be maintained or enhanced.

Another key element of relationship marketing is *trust*. Trust is a willingness to rely on an exchange partner in whom one has confidence. Therefore, there has to be a belief in the other partner's trustworthiness that results from the expertise and reliability of that partner. Therefore, game ranches need to reappraise the way they relate to customers and also to all other groups who have an impact on the ranch.

Relationship marketing's objective with regard to other groups is to develop co-operation among all parties who can impact on the ultimate satisfaction of the customer. According to McDonald and Payne (1997), there are six 'markets' to be managed within this broader vision of relationship marketing (shown in Figure 3.8).

**Figure 3.8: Relationship marketing**



SOURCE: Adapted from McDonald and Payne (1998)

Kept promises and trust have an effect on the six markets, as shown in Figure 3.8. Only the central area, *customer markets*, is a market in the traditional sense. With the customers being the prime focus of the ranch's marketing

efforts, this new orientation calls for a switch from seeking 'once-off' transactions with a customer who can be persuaded to hunt on a specific ranch to building long-term relationships (McDonald & Payne, 1997).

One of the best forms of marketing is that undertaken by one's own customers. Customer *referrals* provide a tremendous means of marketing at no cost to the business. Other referrals include intermediaries, agencies and connectors (Cranfield School of Management, 2000).

Members of the *influence market* include individuals or groups who directly or indirectly have an impact on the organization (Cranfield School of Management, 2000). In the case of a ranch, the influence market includes shareholders, press, local authorities and the government.

As an appropriately trained and experienced workforce is very important in the service industry, *recruitment markets* need to be wisely chosen. Inspiring recruitment staff and ensuring up-to-date recruitment literature will result in a successful recruitment marketing campaign.

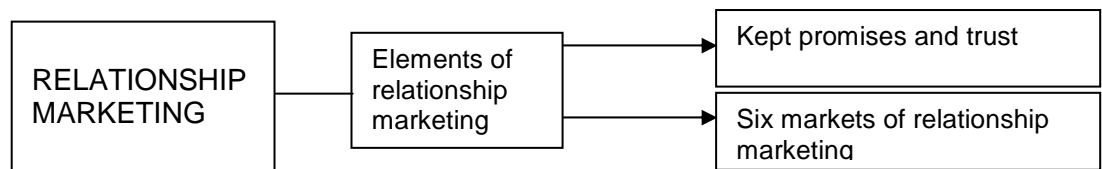
Organizations' relationships with their *supplier markets* have changed from a situation where a company would squeeze its supplier to its own advantage, to a relationship of closer cooperation, mutual concentration on quality, commitment to flexibility, attainment of lowest cost and achievement of long-term relationships (Cranfield School of Management, 2000). In the case of a game ranch these supplier markets could include consultants and contractors.

George (2001) notes that another task of a marketer is to build and maintain a relationship with the company's *internal (or employee) markets*. As in the travel and tourism industry where service quality depends heavily on the people who are delivering the offerings, satisfying the workforce is paramount to the success of the company. It is therefore important that long-term relationships be built with both customers and employees.

### 3.4.1 'Relationship marketing' as a building block of strategy

Based on the preceding discussion on 'relationship marketing' as a building block of strategy, Figure 3.9 can be used as an outline for maintaining and establishing relationships with customers and partners.

**Figure 3.9: 'Relationship marketing' as a building block of strategy**



SOURCE: Researcher's own construction

## 3.5 Competitive structure

A third building block of strategy is the industry's competitive structure. Competition can be seen as the process of active rivalry between ranches with the same offerings as they strive to win and keep the hunters' demand for their offerings.

### 3.5.1 Levels of competition

The ranch's most obvious competition are those ranches with similar offerings who target similar markets. Proctor (1996) identifies five levels of competition: direct competition, close competition, products of similar nature, substitute products and indirect competition.

*Direct competition* occurs when ranches have similar offerings and are geographically closely located. *Close competition* refers to ranches with similar offerings but located a distance from each other. As most ranches offer *products of a similar nature* and often have game of trophy standard, a biltong hunter may decide to also hunt a trophy animal instead of hunting only for meat. In the case of the fourth competitive level, *substitute products*, the rancher needs to consider alternative offerings that the customer may prefer to a hunting experience. *Indirect competition* is posed by providers of any other product or service apart from hunting. A lack of money may also cause a hunter to indulge in another activity than hunting.

From the above it can be seen that identifying and defining a ranch's competition is not as easy as it might seem. A ranch should not only be concerned about who its present competition is, but also who is likely to be competition in the future.

### 3.5.2 Porter's five forces

Porter (1998) describes five forces influencing the competitive structure of an industry as well as an approach to developing marketing strategies. They are threat of entry; bargaining power of buyers; bargaining power of suppliers; the threat of substitutes; and competitive rivalry and will be discussed below. Their application to game ranches is dealt with in chapter 4.

#### 3.5.2.1 The threat of entry

Threat of entry to a ranch refers to the extent to which there are barriers to entry which may keep competitors from entering the market. It is therefore important to establish which barriers, if any, exist; to what extent they are likely to prevent entry into the environment concerned; and how prevention will take place. Barriers to entry include economies of scale, product differentiation, capital requirements, switching cost, access to distribution channels, cost disadvantage independent of size, and government policy (Porter, 1998).

#### 3.5.2.2 The bargaining power of buyers

The bargaining power of buyers is "the ability of the industry's customers to force the industry to reduce prices or increase features, thus bidding away profits" (Jain, 1997, p. 91).

The bargaining power of buyers is increased where (Johnson & Scholes, 1997):

- the supplying industry comprises a large number of small operators;



- the cost of switching from one supplier to another is low and involves little risk;
- there is a concentration of buyers;
- the buyers have full information of offerings from various suppliers; and
- supplier offerings are standard or undifferentiated.

#### 3.5.2.3 The bargaining power of suppliers

The bargaining power of suppliers refers to the extent to which an organization has the ability to force customers to accept higher prices or reduced services.

The bargaining power of suppliers is increased when:

- the switching cost from one ranch to another is high, perhaps because the distance is further, or the animals wanted are not present on the ranch; and
- there are only a few ranches within the environment to serve the hunters.

#### 3.5.2.4 The threat of substitutes

Customers of tourist offerings have a wide variety of options to choose from when deciding on how to spend their leisure time. These options can be thought of as substitutes. The threat of substitution in the local hunting industry may take different forms:

- *Generic substitution* occurs when products or services compete for need; for example, game ranches competing for available household expenditure with other leisure activities such as theme parks; and
- *"Doing without"*, meaning that the prospective hunter could also decide not to hunt at all.

### 3.5.2.5 Competitive rivalry

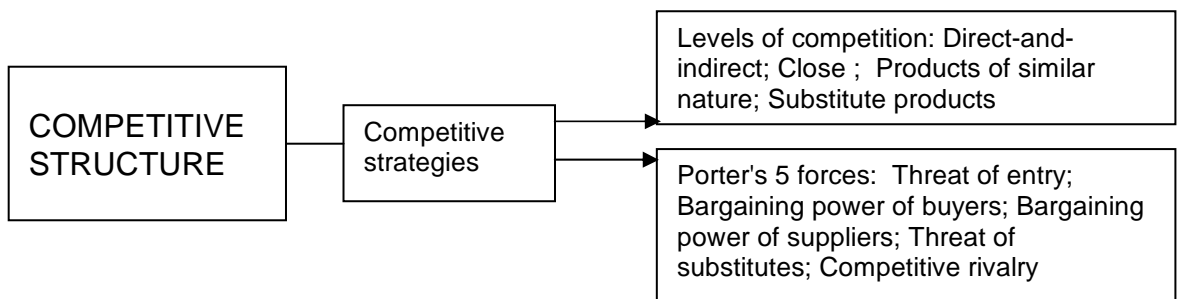
Jain (1997) identifies five variables that will impact on the competitive rivalry of a firm, namely, the number of competitors; industry growth; asset intensity; product differentiation; and exit barriers.

According to Jain (1997), these five forces interact to determine the attractiveness of an industry, and as the strongest forces become the dominant factors in determining industry profitability, the forces will also be the focal points of strategy formulation.

### 3.5.3 'Competitive structure' as a building block of strategy

Figure 3.10 illustrates a framework that can be used to identify the various levels of competition as well as the forces influencing the competitive structure of an industry.

**Figure 3.10: 'Competitive structure' as a building block of strategy**



SOURCE: Researcher's own construction

### **3.6 The relative competitive position of the firm**

The fourth building block, positioning, refers to the process in which the organization and its offerings will establish and maintain a definite position in the market, taking customer perceptions and competition into consideration (Hooley, Saunders & Piercy, 1998). Kotler et al. (1998) identify three steps to positioning: considering possible positions, positioning approaches and choosing and implementing positioning strategies.

#### **3.6.1 Considering possible positions**

Kotler (2000) suggests that a typical market structure would contain a market leader; a market challenger; a market follower; and a market nicher. At the local market level there may, however, not always be a true market leader in the sense of one organization having the dominant market share because there are so many players among whom the local market can be divided. The kinds of strategic options an organization can choose from are determined, to a considerable degree, by how the organization fits into one of the following four categories (Powers, 1997):

##### **3.6.1.1 The market leader**

The market leader will usually have the dominant market share and attempt to retain its share. A defensive posture, however, is not a passive one. As the market leader is normally an aggressive competitor, it will try to increase its share whenever the opportunity arises.

### 3.6.1.2 The market challenger

The major challenger must take the offensive and attack the leader. Although it might not seem sensible for a smaller ranch to attack a larger one, it can be expected that the smaller ranch will fight harder to defend its smaller market, as a loss of the same Rand amount will add up to a much larger percentage of the smaller ranch's profit than it would for the market leader with its larger profit.

### 3.6.1.3 The market follower

This strategy would suit a ranch that is small relative to the bigger players in the market, the leader and the principal follower. The most important aspect of this strategy would be for the ranch to find a segment of the market that is small enough to take and hold. As the market follower would be a smaller, more flexible ranch, it can and must be able to react quickly to changing market conditions.

### 3.6.1.4 The market nicher

A niche in hospitality marketing would, for example, be a small independent lodge that is too small to attract a second competitor (as long as the first one does a good job). The key to niche marketing is to find a *unique segment* of the market that is small enough *not* to attract competition, yet large enough to support a unit serving it profitably.

### 3.6.2 Marketing positioning approaches

According to George (2001), offerings can be positioned in a number of ways. They can be based on *features* such as price, offering and location. Alternatively they can be based on *benefits* provided; for example, a ranch can be positioned as a relaxing destination where nature can be enjoyed together with the hunting experience. Offerings can also be positioned based on *user category* (discussed in section 3.3.1), or positioned against existing *competitors*.

### 3.6.3 Choosing and implementing positioning strategies

According to Kotler et al. (1998, p. 259), "The positioning task consists of three steps: identifying a set of possible competitive advantages upon which to build a position, selecting the right competitive advantage, and effectively communicating and delivering the chosen position to a carefully selected target market".

#### 3.6.3.1 Identifying a set of competitive advantages

This step involves the identification of competitive advantages through which a ranch could gain a position in the marketplace. These may include any aspect that makes a ranch stand out from competitors such as price, accessibility, variety of game, or atmosphere.

Kotler et al. (1998) note that a company's competitive advantage could also result from physical attributes, service, personnel, location and image. A

ranch's *physical environment* should offer something its competition cannot match and should be carefully planned and considered. Ranchers could further differentiate themselves on the services they provide. Strong competitive advantage could also be gained by having more *competent staff* than competitors do.

Depending on the type of hunter, *location* can provide a strong competitive advantage. Even if the offerings of various ranches are the same, hunters may perceive a difference based on *image*.

From the above it is evident that a ranch must constantly compare its prices and offerings with those of competitors and continuously look for improvements. The extent to which a ranch can do better than its competitors is seen as competitive advantage.

#### 3.6.3.2 Selecting the right competitive advantage

An organization may be fortunate enough to identify several potential competitive advantages. The organization must then decide which one(s) it will build its positioning strategy on as well as how many and which differences to promote (Kotler et al., 1998).

##### How many differences to promote

Kotler et al. (1998) note that there are controversial opinions regarding the number of differences to promote. On the one hand, many marketers think that

organizations should promote only one benefit, while others think that organizations should position themselves in relation to more than one differentiating factor. For example, a ranch might claim that it offers the best service and the best location.

As organizations increase the number of claims for their offerings they, however, risk disbelief and a loss of clear positioning. In general, an organization needs to avoid three major positioning errors: under-positioning (when customers have no, or only a vague idea of the organization and its offerings); over-positioning (giving the customer too narrow a picture of the organization); and confused positioning (leaving the customer with a confused image of the organization) (Kotler et al., 1998).

#### Which differences to promote

As organizations must carefully select how they are going to differentiate themselves from their competitors, the differences they choose to promote should be carefully selected. According to Kotler et al. (1998), a difference is worth establishing if it satisfies the following criteria:

The difference must be *important* and deliver a highly valued benefit to the customer. It is important that competitors do not offer the same difference, or if they do, it must be offered in a more *distinctive* way. The difference also needs to be *superior* to the other ways in which customers might obtain the same benefit, and *communicable* and visible to customers. The difference should be pre-emptive: thus it should not be easily copied by competitors. Lastly, it is

important that the customers can *afford* to pay for the difference and that the organization can introduce the difference *profitably*.

Some competitive advantages may be ruled out because they are too slight or costly to develop. An organization thus needs to develop a framework for selecting the one advantage that makes the most sense to develop.

#### 3.6.3.3 Communicating and delivering the chosen position

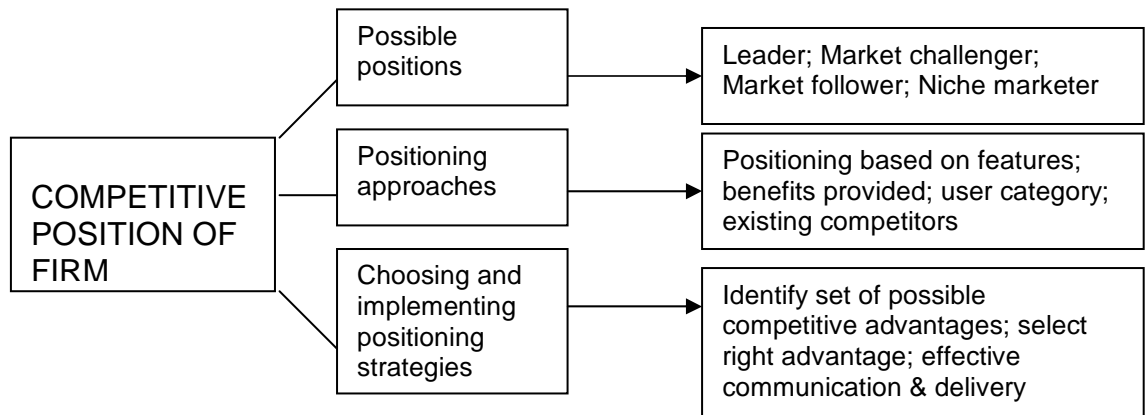
In the final step of the process, the selected position must be communicated and delivered to the target market by means of the marketing mix (discussed in chapter 2). If a ranch, for example, decides to build service superiority, it must employ service-oriented staff who are well trained and create an image of service superiority in its promotional material.

#### 3.6.4 'Competitive position of the firm' as a building block of strategy

The three steps to positioning, identified by Kotler et al. (1998) and discussed above, are summarised in Figure 3.11.



**Figure 3.11: 'Competitive position of the firm' as a building block of strategy**



SOURCE: Researcher's own construction

### 3.7 Market opportunity

Competitive conditions change, creating opportunities where none existed before (Powers, 1997) and in the process leading to the fifth building block, market opportunity. Only those ranches that establish an early lead in seizing a market opportunity will manage to maintain a significant portion of their lead in the market. It is therefore important that the marketer set a framework for identifying the broad kinds of opportunities as early as possible in the marketing strategy planning process. There are four strategies that a ranch can employ in order to grow, namely, market penetration, market development, offering development and diversification.

#### 3.7.1 Market penetration

An organisation that follows this marketing strategy aims at finding ways to sell more of its current offerings in an existing market (George, 2001). A game

ranch could attempt to lure hunters away from its competitors by means of promotions. This is the lowest-risk growth strategy; but an organization that is already successful in its operations would probably also offer the lowest rewards (Powers, 1997).

### 3.7.2 Market development

Market development would encourage the game ranch owner/manager to look for new markets for its existing offerings. This could entail selling offerings to a new geographical region or country (George, 2001). Market development holds greater risk than market penetration because in seeking to enter new markets with existing products the organisation risks the loss of market development expenditures (Powers, 1997).

### 3.7.3 Development of new offerings

A game ranch owner/manager can also develop new offerings for existing markets by using its knowledge of the existing market. However, this is a risky strategy because of its cost and the risk of product failure (Powers, 1997). In the case of a game ranch, the rancher can make use of available resources to develop new offerings such as tanning of the skin by farm workers, and game and bird watching.

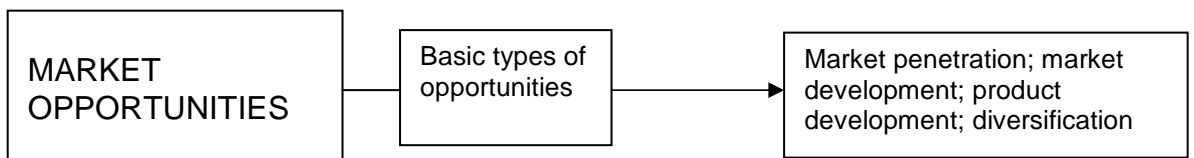
### 3.7.4 Diversification

According to George (2001), diversification is the most dynamic and risky of the four options. A game ranch can diversify by entering into new markets using new offerings. For example, a ranch could sell its hunting packages to international hunters. These hunting packages would differ from those of the local hunters in that the ranch could offer taxidermy facilities and shipping of trophies.

### 3.7.5 'Market opportunity' as a building block of strategy

The fifth building block, market opportunity, and its basic types (discussed above), are illustrated in Figure 3.12.

**Figure 3.12: 'Market opportunity' as a building block of strategy**



SOURCE: Researcher's own construction

## 3.8 Company resources

The sixth potential building block of strategy is company resources. Ducker (in Irwin, 2000) states that all economic activity requires three kinds of resources: natural or physical, financial and human. These three types of resources will now be discussed.

### 3.8.1 Physical resources

The organization should ask itself what physical resources it can offer in terms of tourism-attracting attributes (Bennett, 1997). In the case of a service venture, resources refer to the required land, buildings, equipment and vehicles (Van Aardt & Van Aardt, 1997). A ranch should thus try to establish what it can offer hunters in terms of attractions and infrastructure.

An assessment of an organization's physical resources should stretch beyond a mere listing of the amount of land and the number of buildings and vehicles. It should ask questions about the nature of these resources (such as age, condition and capability of each resource) since the answer to these questions will determine the usefulness of existing resources in gaining competitive advantage (Johnson & Scholes, 1999).

### 3.8.2 Financial resources

An organization's financial resources include sources and use of money such as obtaining capital and managing cash (Johnson & Scholes, 1999). Van Aardt and van Aardt (1997) believe that financial resources will enable the marketer to obtain the other required resources (physical and human).

### 3.8.3 Human resources

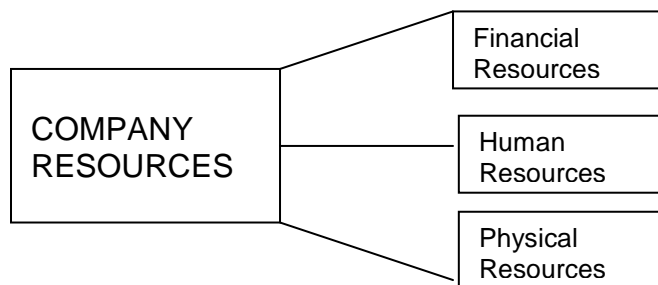
The human resources of an organization include all the employees who are directly or indirectly involved in the service delivery process as well as in

developing and maintaining the capabilities of employees (Van Aardt & Van Aardt, 1997).

### 3.8.4 'Company resources' as a building block of strategy

As illustrated in Figure 3.13 company resources can be divided into three kinds, namely, physical, financial and human.

**Figure 3.13: 'Company resources' as a building block of strategy**

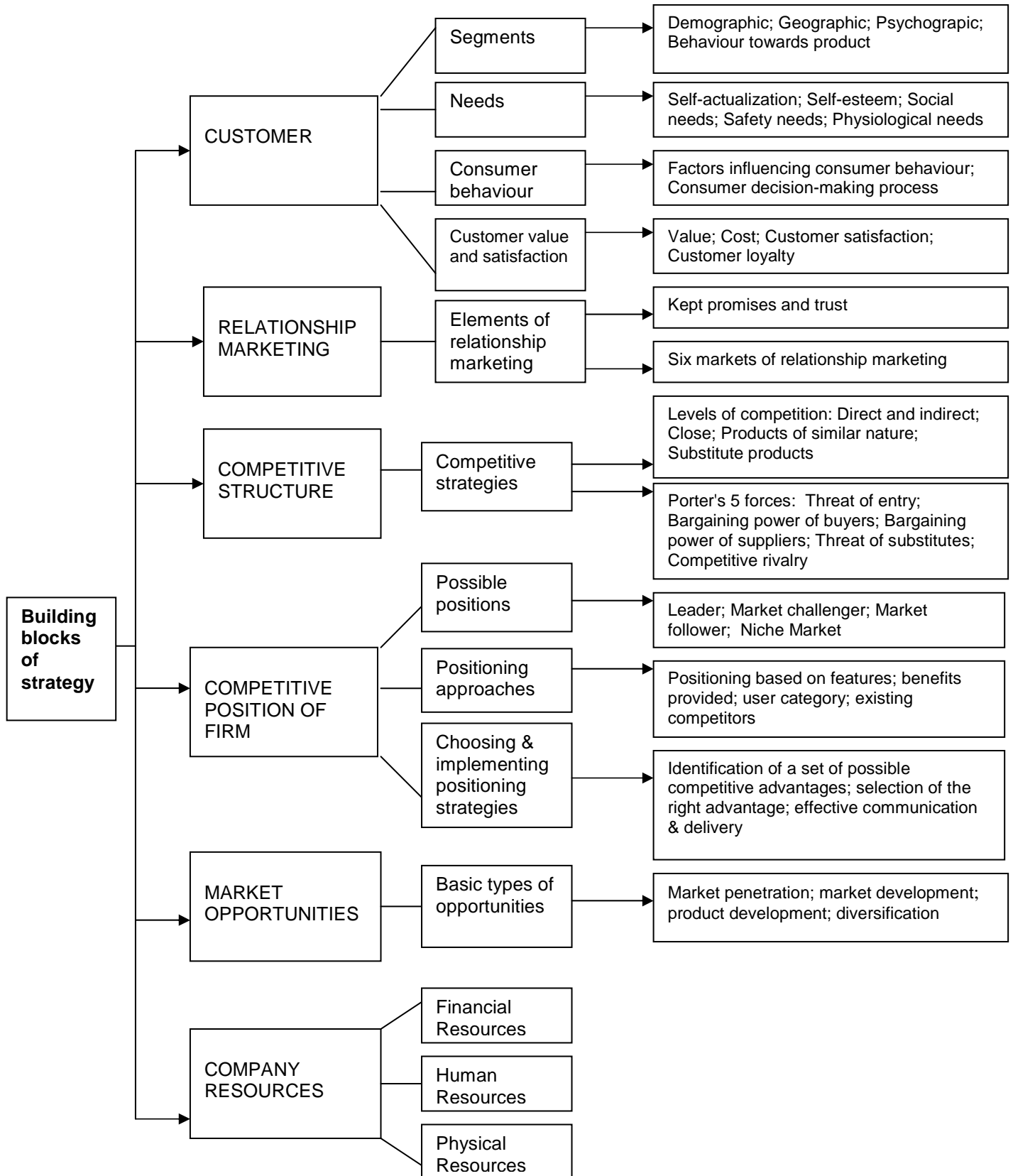


SOURCE: Researcher's own construction

## 3.9 A framework for the understanding of building blocks of strategy

Based on the discussions in this chapter, the researcher believes that Figure 3.14 can be used as a detailed framework for understanding the building blocks of strategy identified earlier in this chapter. The figure identifies the six building blocks of strategy, namely, customer, relationship marketing, competitive structure, competitive position of the firm, market opportunities and company resources. The figure further outlines the elements to be covered under each building block in order to develop a successful strategy.

**Figure 3.14: Framework for understanding of building blocks of strategy**



SOURCE: Researcher's own construction

### 3.10 Summary

In this chapter the strategic triangle (the starting point of strategy) with regard to the customer (hunter), the corporation (ranch) and competition were discussed. Next followed by a discussion of the six building blocks of strategy.

Understanding the customer was identified as the first and most fundamental building block. The second building block, relationship marketing is concerned with building long-term relationships with present customers rather than new ones. The third building block, competitive structure describes the various levels of competition and Porter's five forces (threat of entry; bargaining power of buyers; bargaining power of suppliers; threat of substitutes; and competitive rivalry).

The relative competitive position of the firm, the fourth building block, suggests possible positioning alternatives; namely, market leader, market challenger, market follower and market nicher. Various marketing positioning approaches were outlined and choosing and implementing positioning strategies were discussed.

Competitive conditions change, thereby creating opportunities where none existed earlier and giving rise to the fifth building block, market opportunities. In this regard the four growth strategies (market penetration; new offering development; market development; and diversification) were described.

The last building block, company resources, refers to the physical, human and financial resources needed by a ranch in order to survive. The most important of these is financial resources.

Lastly, a framework for understanding of building blocks of strategy was identified to assist the rancher in developing strategies that will positively differentiate the ranch from its competitors and at the same time satisfy customer needs.

The next chapter provides an overview of the building blocks of marketing strategy as employed by game ranchers in the Eastern Cape Province.



## **CHAPTER 4**

# **INTERPRETATION OF THE RESULTS OF THE EMPIRICAL STUDY**

### **4.1 Introduction**

The building blocks of marketing strategy for service organizations such as game ranches were discussed in the previous chapter. The results of the empirical study are presented in this chapter. The chapter will attempt to provide answers to the second sub-problem: "Which building blocks of marketing strategies are employed by Eastern Cape Province game ranchers who target local biltong hunters?" The results are presented in the form of tables and graphs to provide an interesting illustration and to ensure a clear understanding.

This chapter will further focus on resolving the main problem through the recommendations that will be made. The main problem is to determine the building blocks of suitable marketing strategies for effectively targeting local biltong hunters.

### **4.2 Marketing**

George (2001, p. 19) defines tourism marketing as the process through which a tourism company first anticipates consumer needs and then manages and satisfies those needs to achieve sales. It is thus the way in which the company

identifies what consumers want and ensures that those requirements can be met in a profitable and efficient manner, while satisfying consumers on a long-term basis. Respondents were asked to indicate to what degree a number of activities are representative of marketing. The results are shown in Table 4.1

**Table 4.1: Game ranchers' perceptions of marketing**

Activity	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all	Missing	Total respondents	Mean values
	%	%	%	%	%	%	%	
Determining the hunter's needs.	45.03	27.15	18.54	7.30	1.32	0.66	100	4.08
Communicating with the hunter before the hunting experience.	28.50	37.08	23.17	9.93	0.66	0.66	100	3.83
Communicating with the hunter during the hunting experience.	22.52	33.11	29.14	13.91	0.66	0.66	100	3.63
Communicating with the hunter after the hunting experience.	18.54	25.83	29.80	21.19	4.64	0	100	3.32
Continuously improving the hunting package.	15.23	37.09	34.44	12.58	0	0.66	100	3.55
Determining an acceptable price for the hunting package.	14.57	46.36	27.82	9.27	0.66	1.32	100	3.65
Placing advertisements in a newspaper.	20.53	25.83	35.09	13.25	4.64	0.66	100	3.44
Selling game.	7.95	9.94	27.15	33.11	21.19	0.66	100	2.50

Table 4.1 shows that 45,03% of the respondents strongly believed that determining the hunters' needs forms part of marketing. This is in line with George's (2001) definition quoted above. When comparing the respondents'

perceptions of communication with the hunter before, during and after the hunting experience as a form of marketing, Table 4.1 indicates that the ranchers do not yet realize the importance of relationship marketing, as communication after the hunting experience not only received the lowest indication of importance of all the elements listed, but was also rated totally unimportant at all by 4, 64% of the respondents.

It is significant that all the respondents agreed that the continuous improvement of a hunting package is an act of marketing. None of the respondents ranked it 'not important at all', although only 15.23% rated it as extremely important. The majority of respondents viewed determining an acceptable price for a hunting package as a marketing act.

The fact that the respondents were not aware that advertising, which is a form of promotion, is an act of marketing became clear (see above table) as only 20,53% of the respondents rated advertising as marketing to a high degree. It appears that the majority of the respondents knew the difference between 'selling' (where producers simply sell what they have to offer) and marketing, as only 7.95% of the respondents ranked selling as equivalent to marketing.

If those elements taken to possibly constitute marketing are arranged based on the mean values, the following order emerges. The respondents deemed determining the hunter's needs to be the most representative of what marketing is, followed by communicating with the hunter before the hunting experience, determining an acceptable price for the hunting package, communicating with the hunter during the hunting experience, continuously improving the hunting

package, placing advertisements in a newspaper, communicating with the hunter after the hunting package and lastly, selling of game.

Considering the above, one could conclude that most of the respondents had a fair idea of what marketing entails.

### **4.3 The customer (hunter)**

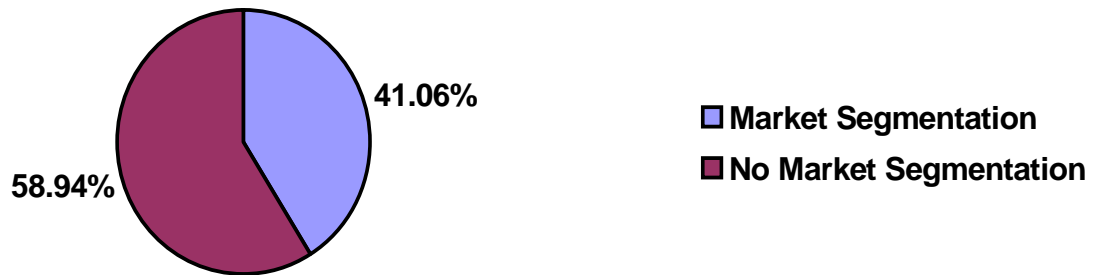
Marketing cannot exist without the customer. It is therefore important for the marketer of a hunting package to have a clear understanding of the customer. Such an understanding can only be achieved by analyzing the aspects of segmentation, customer needs, customer behaviour, and customer value and satisfaction.

#### **4.3.1 Segmentation**

Due to factors such as culture, lifestyle and reference groups, people differ. Therefore their needs and wants differ. It is thus important for a ranch to define the market they want to serve as they will not be able to serve the total market. The respondents were asked whether they deliberately segment their market. Figure 4.1 indicates that 41.06% of the respondents segment their market. One could therefore conclude that 58,94% of the respondents target their offering at the total market, which according to Jain (1997) and Morgan (1996) is undesirable, as needs, wants, expected benefits and levels of satisfaction are to a high degree influenced by a person's reference group. The rancher should

therefore target a group of hunters who share similar needs, behaviours and attitudes towards the offering (segmentation) and so make up the rancher's target market.

**Figure 4.1: Percentage of respondents aiming their offering at a specific target market**



Doyle (1998) identifies the following elements of market segmentation: demographic segmentation; geographic segmentation, psychographic segmentation and behavioural segmentation. Table 4.2 shows the views of the respondents concerning these elements. The 41.06% of respondents who answered 'Yes' to question 2.1 (Figure 4.1) now represents 100% of question 2.2 (Table 4.2).

**Table 4.2: Segmentation bases that can be applied by game ranchers**

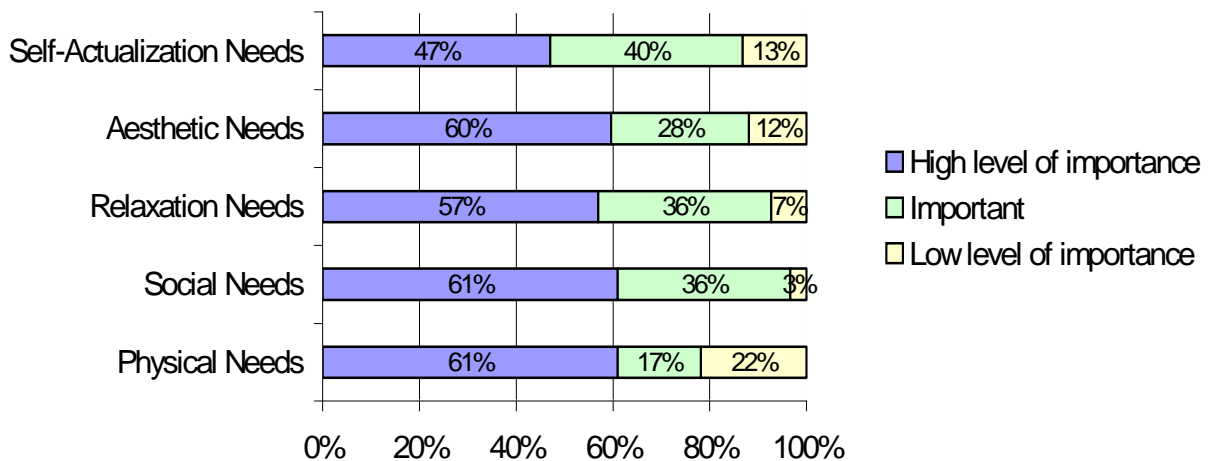
Segmentation basis	Extremely important	Very important	Important	Slightly important	Not important	Total respondents
	%	%	%	%	%	%
Demographic	37.09	43.55	11.29	8.07	0	100
Geographic	14.51	40.32	38.71	4.84	1.62	100
Psychographic	19.35	41.94	24.19	11.29	3.23	100
Behaviour towards product	20.97	29.03	40.32	9.68	0	100

The majority of the respondents rated all the bases of segmentation as important to a varying degree, with demographic segmentation receiving the highest single rating. This correlates with Bennett (1997), who believes that demographic segmentation is the most commonly used form of segmentation. A few respondents deemed psychographic and geographic segmentation to be of no importance.

Although all the different options within geographic, demographic, psychographic, and behavioural segmentation, have not been analyzed in the empirical study, it is vital to realize the importance of each (as discussed in section 3.3.1) to fully understand the concept of segmentation.

#### 4.3.2 Needs

Jain (1997) believes that identifying and acknowledging customer needs will assist in the process of value delivery to the customer. Clearly identifying the specific needs of the rancher's target market will also assist with successfully developing and implementing marketing strategies. The respondents were hence asked to rate how important it is to satisfy a list of the hunters' given needs. The list of given needs was obtained from a previous study by Radder et al. (2000). The respondents' answers are illustrated in Figure 4.2.

**Figure 4.2: Importance of satisfying hunters' needs**

Note: "High level of importance" represents a combination of the values obtained from "extremely important" and "very important", while "low level of importance" denotes a combination of "slightly important" and "not important".

In an attempt to compile Table 4.3, a rank order of the respondents' views was determined by using the appropriate mean values. These findings were compared to those of an earlier study by Radder, van Niekerk and Nagel (2000). A rank of 1 denotes the most important reason, while 5 denotes the least important.

**Table 4.3: Ranked order of needs**

Need	Ranking by ranchers in this study	Ranking by ranchers in a previous study
Social Needs	1	4
Relaxation Needs	2	2
Aesthetic Needs	3	3
Physical Needs	4	1
Self-Actualization Needs	4	5

Interesting differences occur between the ranking of the ranchers in this study, and that of the survey by Radder et al. (2000). This difference could be due to the fact that the previous study concentrated only on those ranchers who had some involvement in the hunting of kudu in the Eastern Cape Province, while this study focuses on all hunting in the Eastern Cape Province. The growing availability of research findings within the game industry since 2000 (when Radder et al. conducted their research), could also have played an important role by creating awareness among the ranchers about the hunters' needs. It could thus be speculated that increased awareness of hunters' needs had an important influence on the change of perception by the respondents of the present study.

While the respondents in this study ranked social needs as the most important need of hunters, the study by Radder et al. (2000) ranked it as the 4<sup>th</sup> most important need. Out of the needs listed in Table 4.3, social needs (such as entertainment and meeting people) and physical needs (such as biltong and a trophy) are the only needs that a rancher can directly influence.

#### 4.3.3 Customer value and satisfaction

Ranchers were asked about statements representing the definition of customer value and satisfaction (as proposed by Kotler et al., 1998 - see section 3.3.4 of this study). Table 4.4 shows that the majority of the respondents were in agreement with all of the statements.



**Table 4.4: Respondents' agreement with customer value and satisfaction**

Statement	Completely agree	Agree	Maybe	Disagree	Completely disagree	Missing	Total respondents
	%	%	%	%	%	%	%
Hunters have certain expectations of the hunt and act accordingly.	27.15	54.97	15.23	2.65	0	0	100
Hunters compare what they experience with what they expect.	19.20	54.97	25.83	0	0	0	100
The actual experience of the hunt influences the level of satisfaction.	18.54	44.37	35.1	1.99	0	0	100
The hunters' experiences determine whether they will return to your farm.	38.41	41.72	14.57	3.31	0	1.99	100

Table 4.4 also indicates that 35,1% of the respondents were not sure whether the actual experience of the hunt influences the level of satisfaction while 25.8% were unsure whether hunters compared what was expected with what was delivered. If compared with the 14,57% of respondents who were unsure that the experiences of the hunters determined whether they would return to the ranch, and the 3,31% of respondents who disagreed with this statement, it appears that some of the respondents are under the impression that there is no connection between a satisfactory experience and the hunter returning to the ranch and between expectations and satisfaction. This finding is in sharp contrast with Kotler et al. (1998) who believe that there is a direct line between a customer's expectations, experience, level of satisfaction, and loyalty.

#### 4.3.4 Customer behaviour

The respondents were asked to rate the importance of various factors influencing hunters' decisions to accept a hunting package or not. To compile the table below, a rank order of the responses was determined based on the mean value of each factor.

**Table 4.5: Factors affecting customer buying behaviour**

Factor	Ranking in order of importance
Lifestyle	1
Social class	2
Reference groups	3
Motivation	4
Personality	5
Perception	6
Attitude	7
Family Life Cycle	8
Learning	9
Culture	10

■ Social factors
 ■ Personal factors

Table 4.5 shows that social factors were rated as the three most important factors influencing a hunter's decision to purchase an offering. This could indicate that the social aspects of the experience are important to local hunters (also reflected in Figure 4.2).

## 4.4 Relationship marketing

According to George (2001, p. 307), 'relationship marketing is one of the oldest approaches to marketing, yet one of the least understood.' In essence, the purpose of relationship marketing is not solely to secure the sale of the hunting package, but to secure long-term relationships between the ranch, the hunters (current and potential), employees and all those involved in the successful running of the ranch. Other shareholders include suppliers, the public, non-hunters and even the media. Ranchers therefore had to express their opinions about a number of issues which could influence their relationship practices.

### 4.4.1 Customers and internal markets

Game ranchers have to build relationships with both hunters (external customers) and staff (internal customers). Table 4.6 shows that the ranchers realized the importance of kept promises and trust in building relationships with the hunters. The same level of importance was, however, not attached to relationships with the internal customers. Keeping staff happy was rated as extremely important by only 21.19% of the respondents. This could be because ranchers do not yet realize the vital part that their employees play in assisting with the satisfactory experience of the hunter, as the quality of service depends very much on the person who is delivering the service, whether it be the rancher's wife or the tracker.

**Table 4.6: Respondents' perception of elements of relationship marketing**

Elements	Extremely important	Very important	Important	Slightly important	Not important	Total respondents
	%	%	%	%	%	%
Keeping promises made by you to the hunters.	41.06	41.06	14.57	3.31	0	100
Being reliable with regard to the hunters and also to other groups that have an influence on your ranch.	33.77	52.98	13.25	0	0	100
Keeping your staff happy, and so contributing to the success of the game ranch.	21.19	31.79	35.76	11.26	0	100

#### 4.4.2 Referral markets

According to George (2001), companies in the travel trade receive a large number of their clients as a result of a recommendation. As word-of-mouth recommendation strongly influences consumer buying-behaviour a marketer must realize that no person would risk his/her own reputation by sending a customer to a ranch with a bad reputation. Table 4.7 shows that 81.45% (41.06% + 40.39%) of the respondents rated clients to be of a higher level of importance in influencing potential hunters than any other referral group. As none of the respondents rated clients as 'not important at all', it can be concluded that all the respondents realized that clients, and thus word-of-mouth recommendation (whether good or bad), have some influence on the ranch.

**Table 4.7: Importance of referral groups**

Referral group	Extremely important	Very important	Important	Slightly important	Not important	Total respondents
	%	%	%	%	%	%
Clients (e.g. other hunters)	41.06	40.39	14.57	3.98	0	100
Contractors (e.g. PHs)	11.26	38.41	35.76	12.58	1.99	100
Agents (e.g. Fair Chase, Ltd.)	9.93	28.48	37.75	19.20	4.64	100

Although contractors and agents also received a favourable rating, the difference between the various levels could be due to the fact that the marketing of the ranches targeting local biltong hunters has not yet been as commercialized as those targeting international hunters, in which case the rancher primarily makes use of contractors or agents.

#### 4.4.3 Influence markets

It is important for ranchers to have a good relationship with those parties who can influence their markets. Table 4.8 shows that all the respondents believed that the media have some level of influence on the success of the ranch. Although local authorities and the government received a lower degree of importance, the rancher should be aware of the role that the local authorities and the government could play.

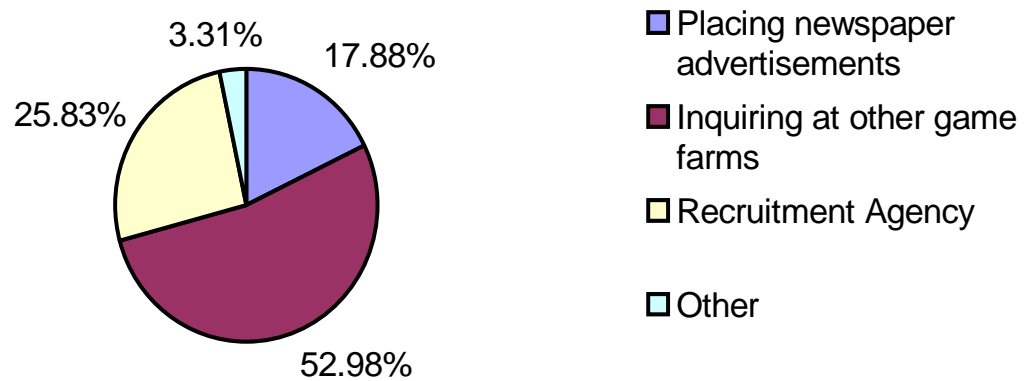
**Table 4.8: Importance of influence markets**

Influence market	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all	Total respondents
	%	%	%	%	%	%
Media	39.07	39.07	14.57	7.29	0	100
Local authorities	7.28	26.49	43.71	16.56	5.96	100
Government	9.93	32.45	38.41	16.56	2.65	100

#### 4.4.4 Recruitment markets

As ranches form part of the service industry, recruiting the right staff is crucial. According to Figure 4.3 the majority (52.98%) of respondents preferred to attract their staff by inquiring at other game farms. This could be because other ranches could act as a reference to the potential employee. This is a familiar method to older farmers and no expenses accompany this method of recruiting. The use of recruitment agencies received the second highest (25.83%) rating, followed by placing newspaper advertisements. The latter could be because many unqualified farm workers are still illiterate or do not have access to daily newspapers.

Should the ranchers however want to deliver service of an exceptional standard, they might have to employ staff with a qualification, or training in the field of hospitality. Ranchers will then have to make more use of methods such as placing advertisements in the newspaper, or using a recruitment agency.

**Figure 4.3: Types of recruitment methods used**

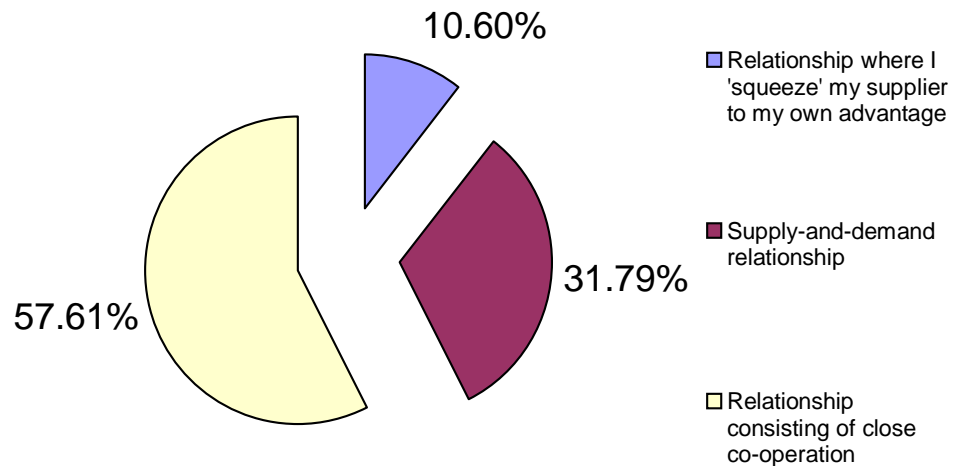
#### 4.4.5 Supplier markets

Without suppliers a ranch would not be able to operate. Various suppliers contribute to the successful operation of a ranch and it is therefore important for the ranch to build a relationship with them. Table 4.9 ranks the suppliers from most important to least important. A rank of 1 denotes the most important supplier, while 5 denotes the least important.

**Table 4.9: Supplier markets in order of importance**

Supplier market	Ranking
Those who supply game	1
Those who supply other material	2
Those who supply feed	3
Those who supply inoculations	4
Those who supply fencing material	5

Respondents were further asked to identify the type of relationship that they have with the supplier chosen in question 10 (Table 4.9). The results are shown in Figure 4.4.

**Figure 4.4 : Types of relationships with supplier markets**

Game ranches must have positive relationships with their suppliers and distributors as they are all dependent on the same consumer market. Figure 4.4 indicates the relationship the respondents have with the suppliers mentioned in Table 4.9. The majority (57.61%) of respondents stated that they have a relationship of close co-operation with their most important supplier. According to George (2001, p. 310), such a relationship is crucial as 'companies that have done so have gained a competitive advantage through benefits such as improved service'.

## 4.5 Competitive structure

It is often surprising how little some companies seem to know about their competition despite the importance of identifying competition, studying them carefully and analyzing what they offer. One of the main benefits of analyzing competition is that it enables the marketer to develop a competitive edge. According to Machado (1996, p. 8), a competitive edge is what one has when customers can see that one's products or services are superior to those of



one's competitors. Possible competitive edges that a ranch could use include the following:

- providing service of a high quality;
- tailor-making a specific offering requested by the hunter;
- creating new offerings before the ranch's competitors do;
- being located in an area that is easily accessible to the hunters.

Before a competitive edge can be developed, it is necessary to first identify the various levels of competition and the five forces affecting competition. According to Porter (as cited in Johnson & Scholes, 1997), these forces are: threat of entry; bargaining power of buyer; bargaining power of suppliers; threat of substitutes; and competitive rivalry.

#### 4.5.1 Levels of competition

Based on the mean values of the responses of the game ranchers, the levels of the most prevalent competition are those shown in Table 4.10. A rank of 1 denotes the level of competition that holds the highest threat, while a rank of 4 denotes the least threatening level of competition.

**Table 4.10: Perceived levels of important competition**

<b>Level of competition</b>	<b>Ranking</b>
Direct competition	1
Indirect competition	2
Close competition	3
Products of a similar nature	4
Substitute products	3

Table 4.10 shows that *direct competition* was identified as the most threatening level of competition. Direct competition exists because all the ranches with similar offerings in the Graaff-Reinett area, for example, are competing for the same consumers, in this case hunters. A hunter might have chosen the Graaff-Reinett area based on its proximity to the hunter's home.

*Indirect competition* was identified as the second most threatening level of competition. This could be because there are so many aspects beyond the control of the rancher that influence the hunter's decision to visit a specific ranch (for example, a rugby test series during hunting season; a money shortage). As a result of lack of control, indirect competition is the most frustrating level of competition for the marketer.

Table 4.10 also indicates that close competition and substitute products were equally rated as the third most threatening level of competition. *Close competition* could occur, for example, when ranches in the Graaff-Reinett area offer similar offerings to similar target markets as ranches in the Middelburg-area. Although geographically they are located a distance from each other, they will serve the same markets and ranches in Middelburg can thus be seen as competition for ranches in Graaff-Reinett.

Many *substitutes* to a hunting experience exist. To know what the ranch is competing against a rancher should try and identify as many substitute products to a hunting experience as possible. The threat of substitute products will be discussed in section 4.5.2.3.

*Products of a similar nature* was identified as the least threatening level of competition. Examples include darting versus rifle hunting and biltong hunting versus trophy hunting.

#### 4.5.2 Porter's five forces

The five factors affecting competitive structure as described by Porter (section 3.5.2) are subsequently discussed.

##### 4.5.2.1 Threat of entry

Certain barriers exist that make it difficult to enter the market. Respondents were asked to identify such barriers and the results are shown in Table 4.11.

**Table 4.11: Perceived barriers to entering the market**

<b>Difficulty</b>	<b>%</b>
Financial barriers	43.71
Number of existing game farms in the area	19.87
Obtaining disease-free game	17.22
Regulations	11.92
Legal problems	5.30
Other, e.g. farming with sheep and goat	1.32
Missing responses	0.66
	100

Table 4.11 shows that 43,71% of the respondents believed that financial barriers prevent entry into the market. Many capital requirements, such as cost of game fences and game, accompany the development of a game ranch. Another financial burden associated with the developing of a new establishment

is that economies of scale require potential new ranches to establish high levels of offerings (which adds to the cost) or to accept a cost disadvantage. Financial barriers were followed by the number of existing farms in the area, obtaining disease free game, regulations and legal problems.

In Table 4.10 it was shown that respondents perceive direct competition (game ranches with similar offerings located close by) to be the most threatening form of competition. Table 4.11 shows that the number of existing game farms in the area was perceived as the second most important barriers to entering the market.

It may be difficult for a new ranch to enter the market if other ranches in the environment are well established. A ranch should therefore carefully analyze the distribution channels available to promote its activities and differentiate its product by providing the hunter with an offering that is better and different to that of its competition. The marketer should also be aware of what the financial implications would be if the hunter were not to return.

Although only 11.92% (see Table 4.11) of respondents indicated regulations to have a major impact on developing a ranch, many such regulations exist; for example, hunting is only allowed in an unfenced area during the hunting season.

Only one of the respondents who reported that local authorities influence the success of the game ranch to a high degree (question 8), reported in question 13 that regulations affected the development of the ranch most. However, 14 of the respondents who reported that regulations affect the development of the

ranch most, attach a lesser importance to the influence of local authorities (question 8).

#### 4.5.2.2 The bargaining power of buyers and suppliers

While the bargaining power of the hunters (buyers) denotes their ability to force ranchers to reduce prices or increase the offerings of the hunting package, the bargaining power of the rancher (supplier) refers to the extent to which a ranch has the ability to force the hunters to accept their higher prices, or reduced services (see section 3.5.2). Figure 4.5 shows the ranchers' perceptions of the perceived negotiating power of hunters.

**Figure 4.5: Perceived negotiating power of hunters**

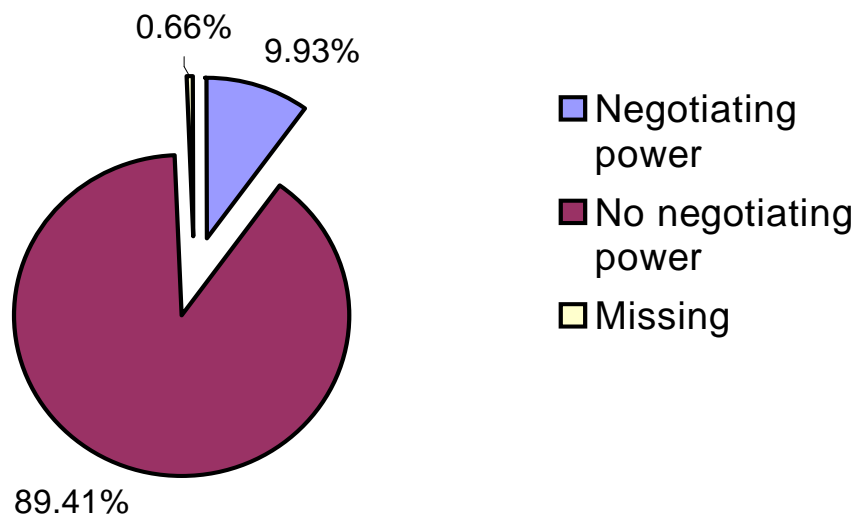


Figure 4.5 indicates that only 9.93% of respondents believed that the hunters have power when negotiating the price of a hunting package. Although the majority (89.41%) of respondents believe that hunters do not have bargaining power, they will have to take into account that hunters have full information on

offerings from various ranches and could easily switch from one ranch to the next without incurring high switching cost or risk.

#### 4.5.2.3 The threat of substitutes

Table 4.12 below shows the respondents' views on the most threatening substitutes to the hunting offering. A rank of 1 denotes the substitute with the highest degree of threat, while a rank of 3 denotes the least threatening substitute.

**Table 4.12: Ranked order of substitutes affecting a ranch**

Substitute	Ranking
Other travel opportunities	1
Fishing	2
Sport events	2
Hiking	3

Table 4.12 shows that other travel opportunities were indicated as the substitute with the highest threat to hunting. Possible reasons for this include the current economic situation in South Africa which decreases the disposable income of the average family. Where in the past a hunter might have hunted once a season as well as taken his family on a holiday, he might now have to choose between the two.

After identifying the substitutes that influence the ranch directly, a rancher could try and incorporate as many of these substitutes as possible into his offering.

For example, a ranch could offer fishing, bird watching and hiking as alternatives to the hunting experience.

#### 4.5.2.4 Competitive rivalry

Table 4.13 below shows the ranchers' perceptions of the factors influencing competition.

**Table 4.13: Ranked order of factors influencing competitive rivalry between game ranches**

<b>Factors</b>	<b>Ranking</b>
Industry growth	1
Number of competitors	2
Exit barriers	3
Product differentiation	4
Asset intensity	5

As can be seen from Table 4.13, industry growth (ranked 1) and the large number of competitors (ranked 2) were deemed to be the most important factors influencing competitive rivalry.

A large number of the respondents who described game ranches with similar offerings and geographically located close to their ranch (direct competition) as an important threat (question 12), rated the number of existing game farms in the area as influencing competitive rivalry to a higher degree. Ranchers are thus aware of the threat of competition and the influence it has on competitive

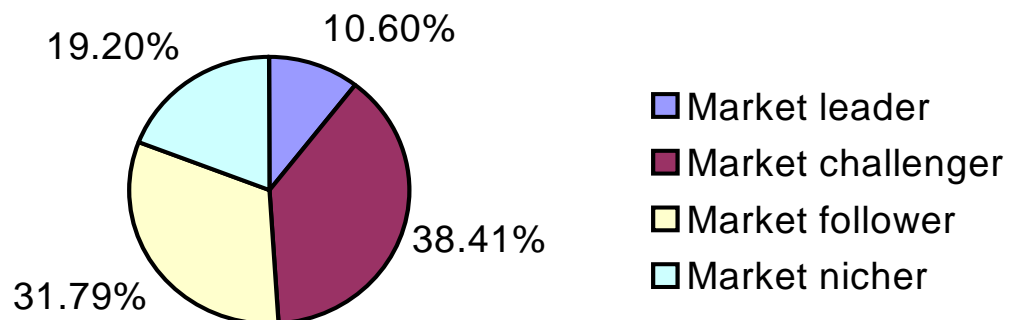
rivalry. They therefore need to determine what the rivalry is based upon and whether it is likely to increase or decrease in intensity.

## 4.6 The relative competitive position of the firm

### 4.6.1 Possible positions

A ranch can be a market leader, market challenger, market follower, or market nicher. Figure 4.6 shows the positions taken by the respondents.

**Figure 4.6: Possible market positions indicated by respondents**



#### 4.6.1.1 Market challenger

Figure 4.6 shows that 38.41% of the respondents believed that they are market challengers, and are therefore doing everything in their power to maintain their existing market share. The task of the market challenger is to identify which ranch to try and take a share from and the areas which the other ranch has not yet taken advantage of.



#### 4.6.1.2 Market follower

Figure 4.6 also shows that 31.79% of the respondents choose to follow rather than challenge the market leader. This could be because they might think the market leader would react strongly to any threats. As discussed in section 3.6.1.3, this strategy would suit a smaller ranch that does not have the ability to seriously threaten the market leader. The smaller ranch has the advantage that when there seems to be a market opportunity they might be more flexible than their larger counterparts and could thus react quicker.

#### 4.6.1.3 Market nicher

For the smaller ranch, an alternative to being a market follower is to be a market nicher. As shown in Figure 4.6, 19.20% of the respondents agreed. A ranch can avoid competition in two ways. It can either deliberately not be a threat in the overall market, or it can target a unique segment of the market that has little or no appeal to the market leader. In other words, the ranch should become a specialist in some area (for example, level of service, type of offering).

#### 4.6.1.4 Market leader

As shown in Figure 4.6 only 10.60% of the respondents thought that they are market leaders and thus believe that they have the largest market share. The respondents who believe they are market leaders should at all times be aware that they are the target of, and will consciously be challenged by the 38.41% of respondents who stated that they are market challengers. Rao and Steckel (1998) note that in general, the strategies available to the market leader include

increasing and/or defending market share, expanding the market by attracting new customers, developing new use situations, or increasing the use of current offerings.

#### 4.6.2 Marketing positioning approaches

As game ranches are competing for the hunter's time and money they must identify other ranches (competition) the hunter might consider. They will then have to identify the competitive advantages through which a ranch could gain a position in the marketplace. These may include any aspect that makes a ranch stand out from competitors: price, accessibility, variety of game, atmosphere (George, 2001).

A ranch's offering can be positioned in the following ways: features, benefits provided, user category, competitors. Table 4.14 shows a rank order of the positioning approaches influencing a game ranch.

**Table 4.14: Ranked order of positioning approaches influencing a game ranch**

Possible positioning approaches	Ranking
Features (e.g. variety of species, location).	1
Satisfaction of the hunter's expectations.	2
Benefits provided (e.g. relaxation while hunting, slaughtering facilities).	3

Table 4.14 shows that positioning is mostly based on features, with benefits being the least popular approach.

### 4.6.3 Choosing and Implementing positioning strategies

There are three stages a ranch must go through in order to position itself, namely to:

- identify a set of possible competitive advantages;
- select the right competitive advantage; and
- effectively communicate and deliver the chosen position.

#### 4.6.3.1 Identifying a set of possible competitive advantages

Possible competitive advantages identified by the respondents are shown in Table 4.15.

**Table 4.15: Ranked order of the importance of competitive advantages to game ranches**

<b>Competitive advantage</b>	<b>Ranking</b>
Service differentiation	1
Physical environment	2
Prices of the hunting package	3
Atmosphere on the ranch	4
Variety of game on the ranch	5
Accessibility of the ranch	6
Workers who support the hunter	7
Image of the ranch	8
Location of the ranch	9

Table 4.15 shows that respondents ranked service differentiation as the most important competitive advantage having a positive influence on the attractiveness of the ranch. For some hunters, a ranch with meat-handling facilities will be chosen above a ranch without them, or a ranch providing

hunting vehicles would be chosen above a ranch were the hunter must make use of his own vehicle.

Physical attribute differentiation was ranked second, fifth and sixth, while personnel differentiation was ranked seventh. A conclusion that can thus be drawn is that the ranchers deem the role of support staff to be of lesser importance.

Although image differentiation was ranked eighth, ranches must work on creating images that differentiate them from competitors (even if the offerings are the same). Staff, advertisements, atmosphere and physical evidence must support the image a ranch wishes to create.

It is interesting to note that location was ranked ninth as a possible competitive advantage, but ranked first as a feature that makes the ranch stand out most from its competitors (see Table 4.14). Ranchers must realize the importance of location in providing a strong competitive advantage. A hunter who is hunting for meat and has little time at his disposal would most likely choose a ranch close to his home, while a hunter who hunts for the enjoyment of nature and the hunting experience would probably choose a ranch in a more scenic area, regardless of the distance he has to travel.

#### 4.6.3.2 Selecting the right competitive advantage

Out of a list of possible competitive advantages the respondents were asked to indicate the main reason why hunters visit their ranches (Figure 4.7).

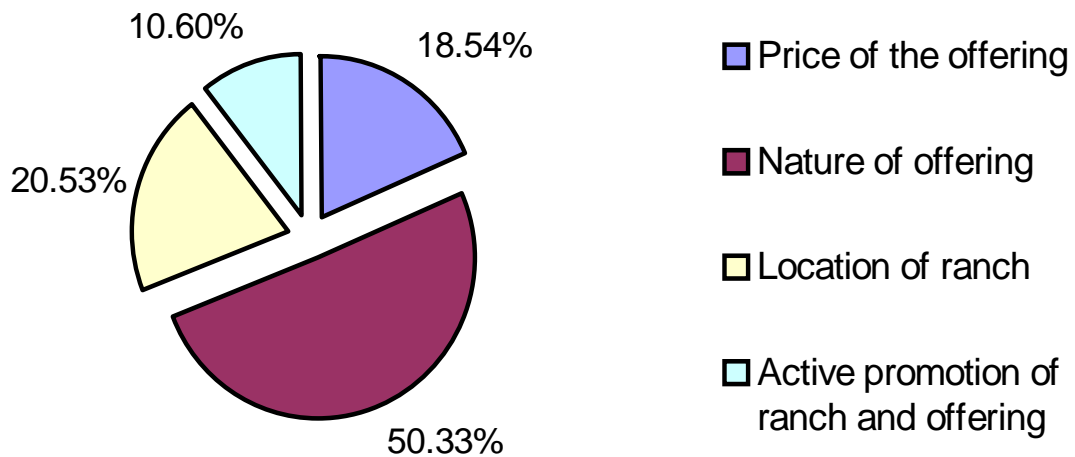
**Figure 4.7: Main competitive advantage**

Figure 4.7 shows that the majority (50.33%) of respondents believed that their competitive advantage is based on the nature of their offering. From this one can assume that they think that their competitors do not offer what they offer, or that they are offering it in a more distinctive way than their competitors do. If this is the case, the marketer will have to take into consideration that the difference in their offering should not be easily copied by competitors otherwise it will only serve as a short-term advantage. It is also important that the difference in offering is affordable to the hunters they are targeting and that the ranch will be able to introduce the difference profitably.

Respondents (18.54%) rated price as the main reason why hunters visit the ranch. This correlates well with the results in Figure 4.8, as the majority (70.20%) of respondents reported that the price of their offering is on a par with game ranches with similar offerings and can thus not be seen as a competitive advantage.

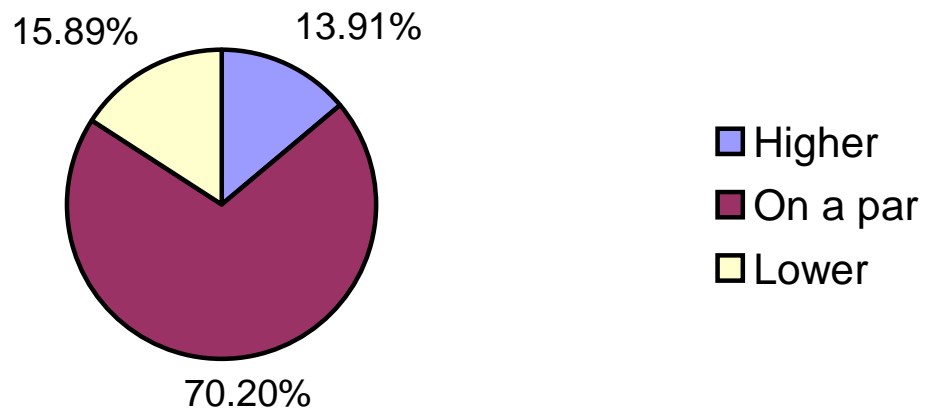
**Figure 4.8: Price comparison of offerings**

Figure 4.8 also shows that 10.60% of respondents believed that their promotion campaign is the main reason why hunters visit the ranch. Although it follows from Table 4.1. that the respondents are aware that placing advertisements in a newspaper (which is a form of promotion) is a form of marketing, it seems that ranchers do not understand the influence promotion could have as a competitive advantage.

#### 4.6.3.3 Communicating and delivering the chosen position

Respondents were asked to provide a motivation for their choice of communication to advertise their game ranch (Table 4.16).

From Table 4.16 it is evident that more than half of the respondents (50.33% and 64.24%, respectively) do not make use of internet and agents to communicate their offering. This could be because they have the perception that these communication methods will not effectively reach their specific target market, as these methods are mostly associated with trophy hunters. As the

internet might be an effective method in also reaching local hunters, ranchers will have to adapt their communication methods. The electronic media is becoming the communication channel of the future and ranchers will have to educate themselves in this method to reach an optimal number of their target market.

**Table 4.16: Most popular communication method used by ranchers and reason for answer**

Form of communication used <u>most</u> to advertise game ranch, and <u>main reason</u> for choosing this method	Method not used	Affordability	The method always works	Familiar method	Convenience	Missing	Total respondents
	%	%	%	%	%	%	%
Printed media (e.g. newspapers, brochures)	37.75	20.53	12.58	17.88	7.29	3.97	100
Word-of-mouth	6.62	29.80	47.02	5.96	7.95	2.65	100
Internet	50.33	8.61	17.22	7.95	11.92	3.97	100
Agents	64.24	8.61	9.27	7.28	5.96	4.64	100

It is interesting to note that 20.53% of those respondents who make use of printed media, chose this form of communication due to 'affordability'. This figure is high if one considers that there is a perception that high costs accompany printed media. It could be that the ranchers believe the results are worth the effort and when compared to the success rate of the communication method, the cost is affordable. Ranches, due to the intangibility of their offerings, should place special care and attention into their promotions through printed media, since what hunters see on paper is all they have to base their decisions on. As word-of-mouth advertising is the cheapest form of advertising,

it comes as no surprise that only 6.62% of respondents (Table 4.16) reported that they do not make use of this method of communication, and 29.80% of respondents chose this method due to its affordability. Table 4.16 indicates that 47.02% of respondents chose word-of-mouth advertising because they believe the method always works. A hunting experience is intangible, therefore the hunter will rely on recommendations from other hunters to assist him in the decision-making process.

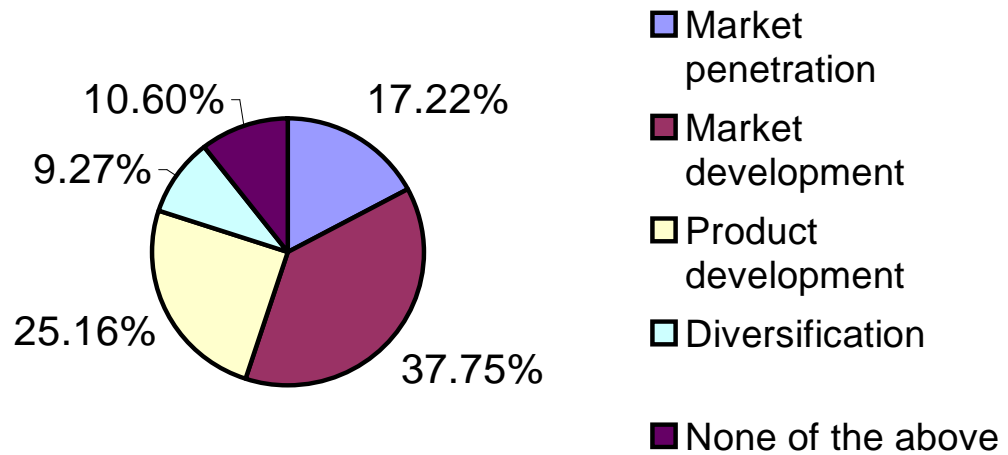
It was noted (Table 4.1) that respondents gave a relatively low rating to advertising in the media as a form of marketing. Table 4.16 shows that 37.75% of respondents do not use the print media to advertise their ranch. Although not making much use of the media for advertising purposes, not a single rancher believed that the media does not influence the success of the ranch. In fact, 39,07% thought it has a high degree of influence (see Table 4.8).

#### **4.7 Market opportunity**

There are four growth strategies that a ranch can employ, namely, market penetration, market development, offering development and diversification. Respondents were asked to indicate which one of the growth strategies they apply.

Figure 4.9 show that 37.75% of respondents believed that they employ market development as their growth strategy. The ranchers are therefore looking for new clients who will make use of their existing offering.



**Figure 4.9: Growth strategies employed by respondents**

Product development is currently being employed as a strategy by 25.16% of respondents. In this strategy the ranchers are developing new offerings for their existing markets. This may be a viable choice as the ranch needs to follow the changing needs of the hunter. To save cost the ranch could make use of its available resources to develop these new offerings.

The lowest-risk strategy, market penetration is currently being employed by 17.22% of the respondents, with 9.27% of the respondents following a strategy of diversification. Market penetration aims to increase market share from existing offerings in existing markets. By employing active promotional campaigns the ranch could create more awareness of the ranch within its existing market.

The fact that only 9.27% of the respondents chose diversification as their growth strategy could be because it is the most risky of the four options. Here

the ranch is trying to attract new clients with new offerings, for example, entering the international market for trophy hunting.

## 4.8 Company resources

In chapter 3 of this study, three resources were identified that could assist in the success of a game ranch, namely financial resources, human resources, and physical resources. Table 4.17 shows the ranking of the importance of those resources in general and for individual ranches.

**Table 4.17: Ranked order of the importance of resources in the success of game ranches**

Resource	Ranking	Ranking
	Game ranches in general	Applicable to your ranch
Financial	1	1
Human	2	3
Physical	3	2

### 4.8.1 Financial resources

Table 4.17 shows that financial resources were ranked as the most important resource by the respondents for game ranches in general, as well as for their particular ranch. Without financial resources a ranch will not be able to obtain physical and human resources. It is important that the ranch manages its financial resources in such a way that the cash flow of the ranch is not jeopardized. The rancher must therefore determine if he has the financial resources available that are necessary to develop and manage the potential of the ranch.

#### 4.8.2 Human resources

Human resources received the second highest rank (Table 4.17) for game ranches in general, and the lowest rank for the respondent's ranch specifically. The ranch has to determine what staff numbers and training are required to satisfy of the hunters' needs. The employees, who will have direct contact with the hunters (either during or after the hunt, or at the time of booking), should be presentable and well trained in their duties. Training and developing the employee's skills and abilities will not only lead to better service delivery, but also to an increase in job satisfaction which indirectly influences the performance of employees.

#### 4.8.3 Physical resources

Table 4.17 shows that physical resources received the lowest ranking for game ranches in general, and the second highest for the respondent's ranch in particular. Without the essential physical resources (such as land, vehicles and buildings) the ranch will not have much to offer.

### **4.9 Conclusion**

The purpose of this chapter was to analyze and interpret the data obtained from the research questionnaire. The aim was to solve the second sub-problem that sought to determine which of the building blocks of marketing strategy are employed by the game ranchers in the Eastern Cape Province. The data provided information that indicated that the information obtained from the

literature study could be applied and that the situation within the game industry in the Eastern Cape Province has room for improvement. Certain recommendations in this regard are made by the researcher in Chapter 5.

## **CHAPTER 5**

# **SYNOPSIS OF CHAPTERS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

The study originated from the need of game ranches in the Eastern Cape Province targeting local biltong hunters to develop successful marketing strategies to become and stay competitive. Developing marketing strategies for service industries is challenging and in an environment with an increasing number of new entrants competing for the same market share, a rancher cannot afford to be reactive. Ranchers will have to be proactive in developing strategies to not only capture market share from competitors, but also to sustain current market share. The intention of this study was to identify building blocks to develop these strategies.

This chapter contains a synopsis of the previous chapters, and gives conclusions and recommendations based on the empirical findings.

### **5.2 Synopsis of chapters**

Chapter 1 focused on explaining the background of service marketing and the need for marketing in this field, specifically referring to game ranches in the Eastern Cape Province wishing to target local biltong hunters. The main research problem and sub-problems were defined and the significance of the

research was outlined. Important core concepts were identified and defined to ensure clarity and consistency throughout the study.

The research methodology followed in this study was further discussed. The broad research method included:

- A literature survey conducted to determine the ideal building blocks of marketing strategies for service organizations such as game ranches.
- A survey conducted by means of a questionnaire to determine the ranchers' perceptions of marketing and the marketing strategies employed by them.
- The findings of the literature and empirical studies were used to evaluate the identified marketing strategies suited for Eastern Cape Province game ranches who wish to market to prospective local biltong hunters.

Chapter 2 began with a discussion on whether a game ranch should be classified as a product, service or offering. It was concluded that the term 'service offering' more accurately describes the nature of hunting as clarified by the characteristics of a service, namely, intangibility, inseparability, variability and perishability.

A discussion on the four levels of an offering (the core, facilitating, supporting and augmented levels) followed, stressing the importance of added benefits in distinguishing one's product from that of competitors. The service marketing triangle served as an aid in this regard to explain explaining the critical role played by internal, external and interactive marketing in the success of an organization.

Next followed a discussion on various tourism and hospitality marketing management approaches, namely, the extended marketing mix, greater significance of word-of-mouth advertising and more use of emotional appeals.

Chapter 3 started with a discussion on the strategic triangle (which acts as the starting point of strategy) with regard to the customer (hunter), the corporation (ranch) and competition.

Based on a literature review and scrutiny, the researcher developed a model of the building blocks of strategy, which was used as a framework for this chapter and the construction of the research questionnaire. The six building blocks of strategy, namely, the customer, relationship marketing, competitive structure, the relative competition of the firm, market opportunities and company resources, were described using a diagram depicting each building block. After the completion of the discussion on all six building blocks, a framework was constructed by combining the various diagrams depicting the individual building blocks. This framework assisted the rancher in the understanding the building blocks of strategy, and enhancing the development of strategies that could differentiate a ranch from its competitors and simultaneously satisfy the needs of the hunters.

Chapter 4 contained the results and analysis of the empirical study. The actual results were depicted in either tabular or graphic format and contextually commented upon. The discussion of the questionnaire followed the same structure as chapter three in that the data obtained for each building block of

strategy (identified by the researcher) was analyzed individually before being compared with aspects of other building blocks.

### **5.3 Conclusions**

The conclusions were drawn keeping in mind the situation within the industry and the objectives of the research. The industry is confronted by a situation where the game ranchers believe that international hunters can be their main source of income, while local hunters in turn suggest that effort and financial resources should be combined to market hunting to the local market. Past research indicated that ranchers are fairly unfamiliar with the concept of marketing, leading to difficulties in achieving success.

An underlying objective of this research was to make a meaningful contribution by collecting accurate information that would assist game ranchers in the Eastern Cape Province in developing marketing strategies that will attract the local biltong hunter.

The following conclusions were drawn:

- The study showed that although the majority of the respondents had a fair idea of what marketing entails, they did not yet realize the importance of all the aspects of marketing such as relationship marketing. This emphasized the statements by Eko-Afrika (1996b) and Radder et al. (2000) that marketing is an unfamiliar factor to ranch owners/managers and is often confused with communication and advertising. A ranch owner/manager who



does not set realistic objectives and work out strategies to achieve those objectives will not be able to succeed.

- The majority of the respondents did not segment their market and were therefore targeting the entire market, which many authors (for example, Jain, 1997; Morgan, 1996) have proved to be undesirable. The majority of the respondents who reported that they did segment their markets, do so on the basis of demographic segmentation, which is in line with literature sources (Bennett, 1997; George, 2001).
- Not all respondents were aware of the thread that links customer expectations, customer satisfaction and customer loyalty. They were thus unaware that the ranch's clients will form expectations about the proposed offering and act upon these expectations. The hunter will then compare the offering's performance against the expected value and this result will affect their level of satisfaction and how likely they will be to return to the ranch (loyalty).
- The researcher believed that personal factors would be a major determinant in this study. However, it became apparent that ranchers believe some aspects of social factors play a greater role in affecting customer behaviour.
- The study shows that ranchers realize the importance of relationship marketing with external markets, but that the same could not be said about internal markets. This could be because the ranchers do not yet realize the importance of staff in creating a satisfactory hunting experience and that the

level of service delivery depends heavily on the quality of human resource delivering the service.

- It further became evident that clients are among the most important referral markets, and that the ranchers are aware of the power of word-of-mouth recommendation. In general, the ranchers see word-of-mouth advertising as a favourable method of communicating their marketing offering. This could be attributed to the affordability and convenience of this method. However, ranchers will have to realize the importance of delivering a satisfactory experience if they want to ensure positive word-of-mouth referrals by their clients.
- Although the majority of the respondents rated continuous improvement of the hunting package (which also includes the standard of service delivery by staff) as important, most of them recruit staff by inquiring from other game ranches and not through recruitment agencies or by newspaper advertisements. By using the last two methods of recruitment the ranchers would be able to attract staff (possibly qualified) from a wider pool and thus not simply employ individuals because they are available, but because they are the best suited for the job. A reason for not using recruitment agencies and newspaper advertisements could be the cost associated with these methods.
- The respondents identified suppliers of game as their most important supplier and the majority of respondents indicated that they work in close co-operation with these suppliers. It could thus be said that ranchers realize

that a relationship of close co-operation with a supplier brings about certain benefits such as improved service and lower cost.

- The study shows that direct competition is perceived as the biggest threat to game ranches, while other travel opportunities are seen as the most important substitute for hunting. The first perception confirms Doyle's (1998) statement that most organizations focus on direct competition.
- Although the study indicates that financial difficulties hinder the entrance of new game ranches into the market, it was also indicated that industry growth has a severe influence on competitive rivalry. This implies that although the ranchers have difficulty in obtaining the financial means of establishing a game ranch, many of them overcome the obstacle and enter the market creating more competition for the already existing ranches.
- The study shows that the respondents mainly position themselves based on the features the ranch offers, and believe that the standard of service delivery and physical features of the ranch (the nature of the offering) are their important competitive advantages. A reason for not choosing benefits as a marketing approach could be because the ranchers are not aware of the benefits that the hunters perceive the ranch to have that could be used by the rancher as a marketing approach.
- It can be concluded that the growth strategy of market development is favoured by many ranchers, followed by product development, with the risky strategy of diversification being applied by the minority of respondents. It

could be argued that the respondents are following a growth strategy of market development as it does not require them to modify their offering, but only search for new hunters to make use of their existing offering.

- The study emphasizes the importance of financial resources in the successful operation of a ranch, for without financial resources the important other resources (for example, human and physical) cannot be obtained.

## **5.4 Recommendations**

Based on the findings of this research, a number of recommendations can be made which should be taken into account when developing marketing strategies for game ranches in the Eastern Cape Province who specifically target local biltong hunters.

- A positive approach should be adopted by the rancher towards marketing as in order for ranchers to survive, they will have to be competitive and this can only be achieved by setting objectives and working out strategies.
- Ranchers should select a specific target market at which their marketing strategies can be aimed. By correctly identifying their target market, ranchers will not only reduce the time and money spent on mass-marketing but also establish a competitive edge.

- Ranchers should take a definite stance in identifying the hunters' expectations in order to ultimately satisfy these expectations and in such a way create customer loyalty.
- Due to the inseparable nature of service offerings, the staff of the ranch is part of the offering itself. Staff should be friendly, polite, well trained and well motivated at all times. It is therefore recommended that ranchers make a deliberate effort to create and maintain long-term relationships with their employees, and make them aware of their role in the marketing process.
- In analysing their competitors, ranch owners/managers should realise that it is not impossible for an indirect or weak competitor to obtain the means and skills to transform itself into a strong, direct competitor. Ranchers should therefore not only define their current but also their future competitors. Furthermore, ranchers should analyze each competitor's objectives and assess the threat it represents, its strengths and weaknesses and marketing strategies as well as how the ranch should respond to these anticipated competitor strategies.
- As the offerings of many game ranches targeting local biltong hunters are similar, the positioning approach that the ranch follows is of great importance. In order for the ranch to achieve a distinctive position in the marketplace it is vital that the right competitive advantages are chosen to be promoted. Once the ranch has identified competitive advantages, the rancher will have to determine which advantages will give a distinctive position in the market. The rancher must also decide how many of these

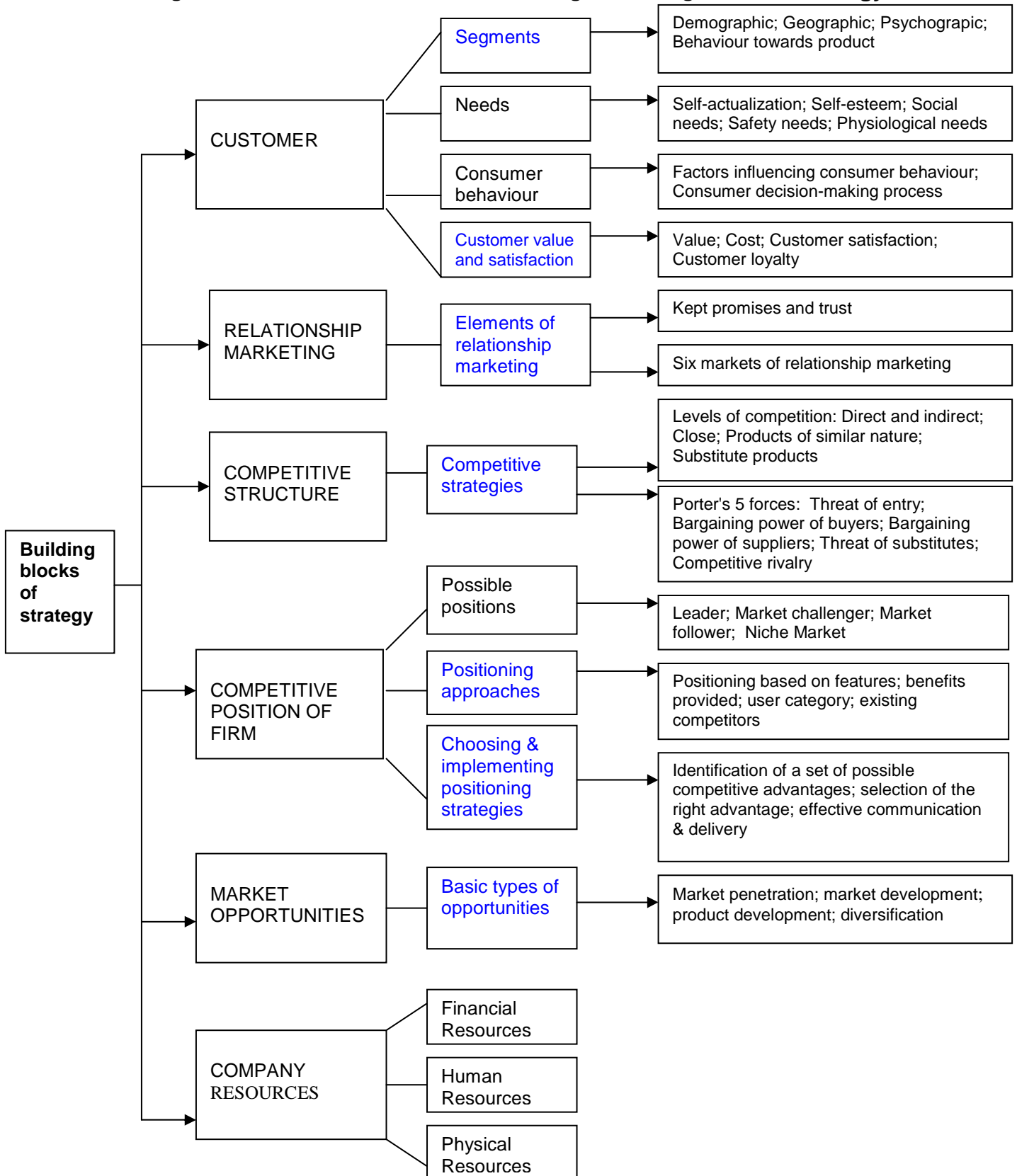
advantages to promote. A ranch could choose to promote itself based on one major advantage, such as service quality, best location, or best price. The selected position must be communicated and delivered to the target market by means of the marketing mix.

- Special attention should be given when deciding on the best method to communicate a ranch's offering. Ranchers will have to look at the various options available and the possibility of combining options. Only once the ranch has successfully identified its target market will it be able to choose an appropriate communication method. It is also recommended that more thought be given to printed media and the internet as methods of communication, as they allow for a more visual appeal to the hunter.
- It is further recommended that ranchers aim to gain advantage over competitors, not by positioning themselves as the cheapest, but by delivering an offering which is not generally provided by competitors. Such an approach is likely to be successful if the ranch can clearly identify who the client is and what the client's needs and values are. The ranch could focus on a unique offering that makes it 'stand out' over competitors, for example, game and bird watching for which a higher price can often be charged.
- It is proposed that the framework of building blocks of marketing strategy, designed by the researcher be used as a tool with which marketing strategies for game ranches in the Eastern Cape targeting local biltong hunters can be developed. Based on the findings of this study, the items

highlighted in blue typography in Figure 5.1 should receive particular attention. Additional research could lead to improvement and modification of this framework, making it an even more powerful tool in developing marketing strategies.

- More research needs to be considered on topics such as advertising and the various market opportunity strategies of diversification and product development, which have been referred to but not discussed in great detail in this study.
- Finally, it is also suggested that other related issues such as enhancing and strengthening the ranches' competitive advantages be pursued.

**Figure 5.1: Framework for understanding of building blocks of strategy**



SOURCE: Researcher's own construction



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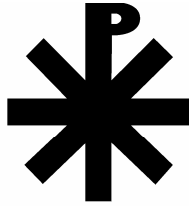
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**APPENDIX A****P E TECHNIKON**

Department of Marketing  
**COLLEGE CAMPUS**  
Private Bag X6011 Port Elizabeth 6000 South Africa  
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e-mail: llradder@petech.ac.za

Dear Sir/Madam

**FACTORS THAT INFLUENCE MARKETING STRATEGIES**

The attached questionnaire forms part of a research project in completion of a MTech-degree in Marketing at the Port Elizabeth Technikon. The purpose of the questionnaire is to gather information for the project entitled: **AN EVALUATION OF THE BUILDING BLOCKS OF MARKETING STRATEGIES OF GAME RANCHES IN THE EASTERN CAPE PROVINCE.**

The questionnaire is compiled in such a way that it will not take up much of your time. The researcher ensures that all answers will be treated as confidential and all participants will remain anonymous.

It will be greatly appreciated if you would complete the questionnaire. Your Farmer's Association will make the findings of the study available to you.

Thank you for your co-operation.

Marlé van Eyk  
RESEARCHER

Prof. L. Radder  
STUDY LEADER



FOR

Please indicate your answer by ticking the appropriate block or writing your answer in the space provided:

OFFICE USE ONLY

ID 

1. To what degree do you see the following as 'marketing' Your offering?	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
Determining the hunter's needs.	5	4	3	2	1
Communicating with the hunter before the hunting experience.	5	4	3	2	1
Communicating with the hunter during the hunting experience.	5	4	3	2	1
Communicating with the hunter after the hunting experience.	5	4	3	2	1
Continuously improving your hunting package.	5	4	3	2	1
Determining an acceptable price for your hunting package.	5	4	3	2	1
Placing advertisements in a newspaper.	5	4	3	2	1
Selling of game.	5	4	3	2	1

2.1 Is your offering aimed at specific types of hunters?	Yes	1	No	2
If so, why:				

2.2 If your answer was 'yes' to the previous question, how Important are the following in your attempt to identify Specific types of hunters?	Extremely important	Very important	Important	Slightly important	Not important
Differentiating between potential hunters based on characteristics such as age, income, gender and education.	5	4	3	2	1
Differentiating between potential hunters based on their region of origin (e.g. Gauteng, Eastern Cape)	5	4	3	2	1
Differentiating between potential hunters based on their personality, lifestyle or social class.	5	4	3	2	1
Differentiating between potential hunters based on what they expect of the hunt.	5	4	3	2	1

3. In your opinion, how important is it to satisfy the following Needs of hunters?	Extremely important	Very important	Important	Slightly important	Not important
Their physical needs (e.g. biltong, exercise).	5	4	3	2	1
Their social needs (e.g. entertainment, spending time with friends).	5	4	3	2	1
Their relaxation needs (e.g. getting out of the office).	5	4	3	2	1
Their aesthetic needs (e.g. being in nature).	5	4	3	2	1
Their self-actualization needs (e.g. feeling of achievement).	5	4	3	2	1

4. Please evaluate the following statements with regard to your situation.	Completely agree	Agree	Maybe	Disagree	Completely disagree
Hunters have certain expectations of the hunt and act accordingly.	5	4	3	2	1
Hunters compare what they experience with what they expect.	5	4	3	2	1
The actual experience of the hunt influences the level of satisfaction.	5	4	3	2	1
The hunters' experiences determine whether they will return to your farm.	5	4	3	2	1

5. Rate the importance of the following factors in influencing a Hunters' decision to accept a hunting package or not.	Extremely important	Very important	Important	Slightly important	Not important
Factors driving the hunter to make a decision, e.g. emotional factors, personal development, physical factors.	5	4	3	2	1
Seeing the hunt as a sensory experience.	5	4	3	2	1
Seeing the hunt as a learning experience.	5	4	3	2	1
Personality of the hunter.	5	4	3	2	1
Attitude towards a specific subject, e.g. night hunting, hunting ethics.	5	4	3	2	1
Cultural background, e.g. Afrikaans or English.	5	4	3	2	1
Other people influencing the hunter's behaviour.	5	4	3	2	1
Social class, e.g. low-income bracket and high-income bracket.	5	4	3	2	1
Lifestyle of the hunter, e.g. outdoor person, city person.	5	4	3	2	1
Family lifecycle, e.g. if hunter is a young man, or a retired man.	5	4	3	2	1

6. How important do you rate the following with reference to your situation?	Extremely important	Very important	Important	Slightly important	Not important
Keeping promises made by you to the hunters.	5	4	3	2	1
Being reliable with regard to the hunters and also to other groups that have an influence on your ranch.	5	4	3	2	1
Keeping your employees happy, and so contributing to the success of the game ranch.	5	4	3	2	1

7. Rate the importance of the influence of each of the following groups in the influencing of potential hunters?	Extremely important	Very important	Important	Slightly important	Not important
Clients (e.g. other hunters)	5	4	3	2	1
Contractors (e.g. PHs)	5	4	3	2	1
Agents (e.g. Fair Chase, Ltd.)	5	4	3	2	1
Other, please specify one:	5	4	3	2	1

8. To what degree do think the following factors influence the success of the game ranch?	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
Media (e.g. Newspapers, Farmer's Weekly articles)	5	4	3	2	1
Local authorities (municipal regulations and requirements)	5	4	3	2	1
Government (Tax laws)	5	4	3	2	1

9. Which method do you prefer to attract staff? Tick only <u>one</u> .	
By placing newspaper advertisements.	1
By inquiring at other game farms.	2
By using a recruitment agency.	3
Other, please specify:	4

<b>10. Which <u>one</u> of the following suppliers is the most important contributor to the successful running of your ranch?</b>	
Those who supply fencing material.	1
Those who supply inoculations.	2
Those who supply game.	3
Those who supply feed.	4
Those who supply other material (e.g. pipes, pumps).	5
Other, specify <u>one</u> only:	6

<b>11. Which <u>one</u> of the following <u>best</u> describes your relationship with the above-mentioned supplier?</b>	
A relationship where I 'squeeze' the supplier to my own advantage.	1
A supply-and-demand relationship only.	2
A relationship consisting of close co-operation.	3

<b>12. To what degree do you feel threatened by each of the following?</b>	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
	5	4	3	2	1
Game ranches with similar offerings geographically located close to your ranch.	5	4	3	2	1
A money shortage.	5	4	3	2	1
Game ranches with similar offerings located a distance from your game ranch.	5	4	3	2	1
Darting.	5	4	3	2	1
Alternatives to a hunting experience (e.g. fishing).	5	4	3	2	1


<b>13. Which <u>one</u> of the following difficulties affected the development of your ranch the most?</b>	
Financial difficulties.	1
Legal problems.	2
Obtaining disease-free game.	3
Regulations.	4
Number of existing game farms in the area.	5
Other, specify one:	6

<b>14. Do you feel the hunter has more negotiating power than you when negotiating the price of a hunting package?</b>	Yes	1	No	2
Motivate your answer:				


<b>15. Customers of tourist offerings have a wide variety of options to choose from when deciding how to spend their leisure time. These options can be thought of as <u>substitutes</u>. To what degree is your ranch <u>negatively</u> influenced by the following substitutes to the hunting experience?</b>	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
	5	4	3	2	1
Hiking	5	4	3	2	1
Fishing	5	4	3	2	1
Other travel opportunities	5	4	3	2	1
Sporting events	5	4	3	2	1
Other, please specify:	5	4	3	2	1

16. To what degree does each of the following influence competitive rivalry between game farms?	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
The number of existing game farms in the area.	5	4	3	2	1
The fast increase in the number of game ranches in your area.	5	4	3	2	1
High costs resulting in farmers lowering the prices of hunting packages to attract more hunters.	5	4	3	2	1
Attempts to offer something not generally offered by other game ranches.	5	4	3	2	1
Factors that make it difficult to exit the market, e.g. high financial cost which you are liable for.	5	4	3	2	1

17. Which one of the following illustrates your situation best? Choose <u>one</u> only.	
I do everything in my power to maintain my dominant market share.	1
I do everything in my power to maintain my existing market share and to be as successful as the best game ranch.	2
I do everything in my power to copy other successful game ranches.	3
I only focus on a small, yet unique, part of the market.	4

18. To what degree does each of the following make your ranch stand out from the rest?	To a high degree	To a certain degree	To a lesser degree	To a limited degree	Not at all
Features (e.g. variety of species, location).	5	4	3	2	1
Benefits provided (e.g. relaxation while hunting, slaughtering facilities).	5	4	3	2	1
Satisfaction of the hunter's expectations.	5	4	3	2	1

19. How important do you view the following as adding to the attractiveness of <u>your</u> game ranch compared with other ranches.	Extremely important	Very important	Important	Slightly important	Not important
The prices of the hunting packages.	5	4	3	2	1
The accessibility of your ranch.	5	4	3	2	1
The variety of game on your ranch.	5	4	3	2	1
The atmosphere on your ranch.	5	4	3	2	1
The service that you deliver.	5	4	3	2	1
The workers that support the hunters.	5	4	3	2	1
The location of your ranch.	5	4	3	2	1
The image of your ranch.	5	4	3	2	1
The physical environment (e.g. gorges, bush).	5	4	3	2	1
Other, specify:	5	4	3	2	1

20. Which <u>one</u> of the following do you see as the main reason why hunters visit your ranch?	
The prices of your hunting packages.	1
The nature of the hunting packages.	2
The location of your ranch.	3
The active promotion of your ranch and hunting packages.	4

21. Rate the prices of your products and services compared with those of game ranches with similar offerings.	Higher	3	On a par	2	Lower	1

22. Which form of communication do you use <u>most</u> to advertise your game ranch, and what is your <u>main reason</u> for choosing this method?	Method not used	Affordability	The method always works	Familiar method	Convenience
Printed media (e.g. newspapers, brochures)	5	4	3	2	1
Word of mouth	5	4	3	2	1
Internet	5	4	3	2	1
Agents	5	4	3	2	1
Other, e.g.:	5	4	3	2	1

23. Which <u>one</u> of the following describes your behaviour best? Choose <u>one</u> only.	
I am looking for ways to get more of my <u>existing</u> clients to come back for more hunts.	1
I am looking for <u>new</u> clients who will choose my <u>existing</u> hunting package.	2
I am developing <u>new</u> offerings for <u>existing</u> clients.	3
I am trying to attract <u>new</u> clients with <u>new</u> offerings.	4
None of the above.	5

24. Do you have a specific reason for your above-mentioned choice?	Yes	1	No	2
Motivate your answer:				

Resource	25. Rate the importance of the following in the success of game ranches in general, and your game ranch specifically?									
	Game ranches in general					Applicable to your ranch				
	Extremely important	Very important	Important	Slightly important	Not important	Extremely important	Very important	Important	Slightly important	Not important
Physical (e.g. vehicles, buildings)	5	4	3	2	1	5	4	3	2	1
Financial (e.g. capital)	5	4	3	2	1	5	4	3	2	1
Human (e.g. employees)	5	4	3	2	1	5	4	3	2	1

**THANK YOU FOR YOUR CO-OPERATION**