

Marketing Zambia as a tourism destination: e-challenges, e-strategies and opportunities for the Zambia National Tourist Board.

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Declaration

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date:

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Abstract

Tourism is emerging as one of the most important socio-economic sectors for developing as well as developed countries. Tourism incorporates features of the information society such as globalisation, mobility, and information reach and richness. A national Tourist Office or as commonly referred to *Destination Marketing Organization* is the core tourism product of any nation. The new forms of e-business are offering major opportunities for all tourism destinations and suppliers, whether large or small, to improve their business and remodel such in a more cost-effective manner.

The study discusses the impact and existing relationship between ICT and tourism as an emerging e-commerce sector in the Zambian tourism industry. It focuses on the tremendous changes in consumer expectations for the Zambia tourism sector caused by the impact of Internet revolution. The World Wide Web through Information and Communication Technology (ICT) is the driving force that is changing the tourism landscape and affecting the production, distribution and consumption of its products. This symbiotic relationship existing between ICT and the tourism sector provides an opportunity for the Zambian tourism industry to create a competitive advantage for the 21st century.

Opsomming

Toerisme kom as een van die belangrikste sosio-ekonomiese sektore in beide ontwikkelende sowel as ontwikkelde lande voor. Kenmerke van die inligtings-gemeenskap soos globalisasie, mobiliteit, inligtings-toegang, -reikafstand en -rykheid word ook in toerisme aangetref. Die kern toerisme-produk van enige nasie is 'n nasionale Toeriste Buro of, soos algemeen verwys word, 'n *Bestemming Bemarkings Organisasie (BBO)*. Toerisme bestemmings en verskaffers, klein of groot, word vele geleenthede aangebied om ten middele van nuwe vorme van e-handel hulle besighede op koste-geskikte manier te verbeter en te hervorm.

Die studie bespreek die impak van en die bestaande verwantskap tussen Inligtings en Kommunikasie Teknologie (IKT) en die toerisme-bedryf in die Zambiese toerisme industrie as 'n ontwikkelende e-handel sektor. Daar word hoofsaaklik op die geweldige impak van die Internet-revolusie op verbruikersverwagtinge in die Zambiese toerisme bedryf gefokus. Deur middel van IKT word die Wereld-Wye Web (WWW) die dryfkrag wat die toerisme landskap verander en die produksie, verspreiding en verbruik van sy produkte beïnvloed. Die wedersydse verwantskap tussen IKT en die toerisme sektor verskaf 'n geleentheid vir die Zambiese toerisme industrie om 'n mededingende grondslag vir die 21ste eeu te skep.

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Dedication

- To my beloved wife Anne Kalumbu (bo Ma-Wamusheke), chosen among the women. I may not have said it quite often but know that you are dearly loved!!
- To our children whom the Lord has graciously given, Wamusheke, Emmanuel and Lemetha - knowledge is a competitive tool of the global economy - strive to reach higher heights
- And in memories of both my late mother Mwendabai Florence Kapule (bo Ma- Kapule) and my elder brother Felly Sheba Sheba who passed away at the beginning and towards the end of this journey.

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Acknowledgements

It has been a journey of mixed feelings, joy, utter discouragements at certain times and not knowing the terrain ahead. Yet like the Chinese proverb a *journey of a thousand kilometres starts with one step*. Towards the end, then one can fully have a true reflection on the experiences encountered along the way. Let me in the first place register my sincere and profound gratitude to the Copperbelt University, my sponsors and employers for both financial and logistical support rendered during my tenure of studies at the University of Stellenbosch. My former boss, Prof. Maurice C Lundu is highly acknowledged for his encouragement and interest shown in this particular work and for just being around even when he had retired from University service.

Fieldwork can prove difficult at times, but I am thankful to all those who were participant interviewees from the Ministry of Tourism, Environment and Natural Resources, Zambia National Tourist Board (ZNTB), the Tourism Council of Zambia (TCZ), and Tourism Online News without whom this work could not have materialised. Ms Doris Shupekile Kofi, Public Relations Officer at the Zambia National Tourist Board (ZNTB) and Mr. Andrew Chilufya, the Focal Person in the Ministry of Tourism, Environment and Natural Resources needs particular mention for their personal assistance and re-assuring personalities.

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I am indebted to both my late mother Florence Mwendabai Kapule who passed away just before I embarked on this course and my elder brother Felly Sheba Sheba who passed away towards the end of my studies. These have been some of the trying and stressful moments. I wish to express my deepest gratitude to my wife Anne Kalumbu for her kindness, affection, encouragement and inspiration. I can no more than re-affirm my love for her. It was her support that has been a catalyst in this mission. She cheered and encouraged me when discouragements set in. Our children, Wamusheke Blessings,

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Emmanuel Mwala and Lemetha – Njambi Abigail (*Praise be to God*) too deserve special mention. They have been a source of strength and more so for their affection and prayers.

I would like to extend my sincere gratitude to all my lecturers in the Department of Information Science both severally and individually are acknowledged. However, I wish to particularly register my profound thanks to Mr. Daniel F Botha who supervised this mini Thesis for his advice, plodding and above all for sticking *to the knit*. Shortcomings, oversight and mistakes, if any, are however, of my own making of which I am solely responsible and accountable.

Among my Community of Practice, I wish to acknowledge a mentor and great friend Isaac Mogotsi of the University of Botswana and a course mate who became my academic bench marker. I am indebted to Dot Van der Walt, a course mate and colleague who was kind enough to translate my abstract from English into Afrikaans. Others who need special mention at the University of Stellenbosch are: Ms Winifred Fourie (Faculty Secretary - Arts), Ms Netta Strauss (Administrative Officer, Department of Information Science) and Ms Linda Uys (Home Affairs & Medical Insurance, International Office). I found the trio to be quite helpful indeed.

I am overwhelmed as one looks back in life's history; one cannot but marvel at the wisdom of God and truly acknowledge, *All events are indeed at His command* (Acts 17:26). However, looking back through this terrain of life, one cannot but console himself with the words of Apostle Paul

For I have fought a good fight, I have finished the race, I have kept the faith.

Finally there is laid up for me the crown ... which will be given to me, not only to me but also to all who have... (2 Tim 4: 7-8)

Let me finally simply say *Dankie, ni itumezi kumina kaufela shangwe* and indeed thank you to all who have been of assistance in one way or another.

Mwala

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List of abbreviations used

ANC	The African National Congress
APEC	Asia Pacific Economic Cooperation
ATMs	Automated Teller Machines
CAZ	Communications Authority of Zambia
DMOs	Destination Marketing Organisations
FNDP	First National Development Plan
FNDP	Fourth National Development Plan
GDP	Gross Domestic Product
GNP	Gross National Product
GMAs	Game Management Areas
ICTs	Information Communications Technology
IMF	The International Monetary Fund
ISPs	Internet Service Providers
MMD	Movement for Multi Party Democracy
NCDP	National Commission for Development Planning
NORAD	Norwegian Agency for International Development Cooperation
NTOs	National Tourism Offices
OECD	Organisation for Economic Cooperation and Development
POPs	Points of Presence
PRSP	Poverty Reduction Strategy Paper
SNDP	Second National Development Plan
TCZ	Tourism Council of Zambia
TCDF	Tourism Credit Development Fund
TDP	Tourism Development Programme
TDFW	Tourism Development Framework Paper
TNDP	Third National Development Plan
UDI	Unilateral Declaration of Independence
UNIP	United National Independence Party
UNCTAD	United Nations Conference on Trade and Development
WTO	World Tourism Organisation

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WTTC	World Tourism and Travel Council
ZAMTEL	Zambia Telecommunications Company
ZNTB	Zambia National Tourist Board
ZTDP	Zambia Tourism Development Programme

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Figure 1: Tourist Map of Zambia



Source: ZNTB website, 2004

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Chapter 1: Background and problem Statement

Background, Problem statement

Zambia has been like a child born with a golden spoon in the mouth due to her abundant copper reserves at independence. Consequently, Zambia's economy has been dependent on the copper mining industry as the main drive in the creation of wealth. The significance and economic value of the tourism sector has been grossly underplayed in both Zambia's first and second republics as observed by Rogerson (2003). Due to this factor, the sector received little attention and was considered and classified as a social sector instead.

However, the precipitating decline of the copper mining industry, that has been a primary earner of foreign exchange, led to diversification of the economy. Many stakeholders including government have now acknowledged the recognition of tourism sector as a significant contributor to Zambia's economy. Government's recognition is reflected through two documents; the *Zambia Poverty Reduction Strategy Paper* (PRSP) (2002-2004) and the *Transitional Development Plan* (TNDP). Through these strategic planning documents, government's vision is, among other things, to:

Market the tourism sector as a major tourist destination of choice with unique features, which contributes to sustainable economic growth and poverty reduction (PRSP, 202:68).

Performance indicators for tourism sector have continually recorded an increase in both foreign exchange earnings and job creation since 1995 as attested by table 1:1

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Table 1:1 Selected Performance Indicators in the Zambian Tourism Sector

Year	International visitors arrivals	Tourism earnings (\$ Millions) per annum	Jobs created
2000	457,419	91.2	11, 892
1999	404,503	85.2	10, 340
1998	362,000	74.4	9, 991
1997	340, 000	75.5	7, 902
1996	263,000	59.8	6, 792
1995	163,000	46.7	5, 909

Source: Adapted from PRSP, 2002: 69

Both Castells (2002:19) and Drucker (1994) predicted the decline of the manufacturing sector and the growth of service sectors such as tourism. According to the United Nations Conference on Trade and Development (UNCTAD), (2001:41) the tourism sector is significantly being shaped or transformed by the Information and Communications Technology (ICT) applications through what has been termed as e-tourism.

E-Tourism is a term that has been coined to symbolise the existing interaction relationship between tourism, ICTs and e-commerce. E-tourism Development in many countries is spearheaded through what has been termed as Destination Marketing Organizations (DMO's) or National Tourism Offices (NTO's) operating and linking businesses as business-to-business (B2B) models. Such DMO's assume leadership position in actively promoting the development of an Internet enabled national tourism marketing strategy by developing products that are repackaged into a *one stop shop* (UNCTAD, 2001:50)

E-tourism is a new phenomenon that is aimed at attaining competitiveness through the adoption of ICTs and application of e-commerce to the tourism sector. Additionally, the World Tourism Organization (WTO) has observed in its E-Commerce and Development Report (UNCTAD, 2001:45) that the tourism sector is being transformed into a competitive product market. This

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international tourist policy making body further emphasises that only organizations that are able to transform their products to an Internet based economy are likely to make it on the global market and hence the coining of the slogan;

If you are not on line, you are not on sale (UNCTAD, 2001:45)

1.1 Problem Statement

The Zambia National Tourist Board (ZNTB) is an autonomous statutory body that implements all Government Policies on Tourism. It was created for the purpose of promoting Zambia as an attractive tourist destination, facilitating and co-ordinating at the national level all development activities of the Tourism sector. According to the ZNTB Strategic Paper (1999), the Board's functional objectives are among other things to:

- Improve awareness of Zambia's diverse tourism attraction both domestically and internationally and to strengthen the country's image as a prime destination in Africa
- Provide an efficient information service both at home and abroad
- Provide the Zambian tourism sector with intelligence market information services
- Collaborate with the private sector in order to enhance the marketing of the sector

However, although ZNTB has been assigned these objectives outlined above, the sector's neglect in both Zambia's first and second republics as observed earlier hindered development (ZNTB, 1999:2). There is significant evidence so far to prove that the tourism sector in Zambia is still in its infancy stage. At the moment, the sector comprises of small and medium enterprises most of which are lacking professional business skills.

Quite evident too is the fact that, tourism is turning into being a global competitive sector and the effects of globalisation are becoming significant in the markets. This fact is spelt out more clearly by Fleisher & Bensoussan (2003:7) who argue that globalisation has increased the absolute level of competition present in most markets places. This is contrasted with the past in which, a competitor could sustain market advantage by being in the right place at the right time. However, geographic, physical and socio-political barriers, which used to keep competition at bay, are now collapsing.

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The emerging challenges that arise from this background are that the globalisation of the tourism sector has significantly altered the competitiveness of many tourist market destinations affecting both their demand and supply. The questions emerging therefore are: *Is the Zambian tourism sector competitive enough to penetrate the global markets? How can the old economy represented by traditional tourism combine with the new economy represented by electronic commerce for developing countries like Zambia? What role should the Zambia National Tourist Board (ZNTB) play as a Destination Marketing Organization?* This study sought to answer some of the challenges within Zambian context

1.2 General Objective

The general objective of this study is to analyse the e-challenges facing the tourism sector and seek to provide e-strategies that will enhance the sector's competitiveness.

1.3 Specific Objectives

The specific objectives of this study are:

- *To analyse the overall importance of the tourism sector in the socio-economic conditions in Zambia*
- *To assess the e-readiness and challenges faced by the Zambia National Tourist Board as a Destination Marketing Organization (DMO) in marketing tourism*
- *To assess the status of e-business in the tourism sector in Zambia*
- *To assess the utilization of ICTs in the tourism sector as a marketing tool*
- *To assess the utilization of information as a critical component in the tourism sector in Zambia*

1.4 Preliminary study

There appears to be a dearth of literature on tourism in Africa as observed by Rogerson (2003). As such, the core background information on this subject matter has been shaped by the *e-commerce Development Report 2001* issue that significantly discussed the relationship between e-commerce and tourism with special focus on developing countries. Another document of value has been the special edition of *Insight Journal* that discussed tourism as an emerging key to prosperity. On the Zambian scene, the *Zambia Tourism Development Frame Work Paper (TDFP, 1999)* and the *Zambia Poverty Reduction Strategy Paper (PRSP) (2002-2004)* provided the impetus for the study.

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1.5 Goals / theoretical positions

This study sought to analyse the Zambian tourism sector through the formulated tourism models that may be utilised to explain circumstances, growth patterns and impacts. Mashinini (2003:98) has outlined the six theoretical models outlined below as patterns through which tourism developments could be analysed:

- Structural Model
- Campbell Model
- Greener and Wall Model
- Thurot Model and;
- Evolutionary
- The Mariot model

1.7 Methodology and approach

The study has been conducted as an ethnographic and qualitative case Study. Consequently, being a qualitative research, no hypothesis was formulated as such. According to Bryan (cited in Struwig & Stead, 2001), qualitative research is applicable when a study seeks to:

- *Understand the issues from the point of view of participants*
- *Describe the social settings of the participants so that participant's views are not isolated.*

Furthermore, Middleton (2001:175) augment this view by stating that qualitative studies are not tied down to structured questionnaires or based on adequate samples of a target group. Consequently, the study adopted a judgemental sampling technique for its procedure. Judgemental sampling, according to Mouton (2001:150), relates to those cases selected because of their considered value to form a central opinion to the subject matter. Therefore, the Ministry of Tourism Environment and Natural Resources, the Tourism Council of Zambia (TCZ) and its affiliates Associations, the Zambia Tourism Online Newsletter Management and lastly the ZNTB were considered primary stakeholders within the tourism sector capable outlining strategies for the sector.

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Mouton (2001) has outlined the weakness of qualitative research and has argued that qualitative research lacked among other attributes, generalisability, and non-standardization of both measurements and rigour in data analysis. Secondly, there is also a pronounced degree of bias associated with qualitative research. However, feedback mechanism during interview sessions and documentary sources were considered as adequate mechanism that would have reduced the perceived high degree of bias in the process.

1.8 Literature review and data collection procedure

Data collection has been hybrid of both semi-structured interviews and analysis of secondary documentary data intended to substantiate evidence and provide a full picture of the phenomenon, as certain experiences could not be traced through interviews. Secondary data are an essential component of qualitative research. Publications by the government, ZNTB and others considered to add value on the subject matter were consulted. Interviews were conducted with officials at the Ministry of Tourism, Environment and Natural Resources, the ZNTB and the TCZ as principal stakeholders. In 2004, Tourism Online Newsletter was launched and it was prudent to include the management on the sample. The Researcher wanted to find out how their decision to launch an Internet medium would enhance the promotion of tourism in Zambia and how it would improve their relationship with the ZNTB.

Data collected has been comparatively assessed against the existing tourism theoretical models to cement firm opinions and provide a basis for comparative analysis.

1.9 Limitations

Zambia has a total of 19 National Parks and 34 Game Management Areas (GMA's) and the National Heritage Conservation Commission (NHCC) has well over 1, 700 potential sites that could not be covered in by this study within the given time frame. Consequently, both time and inadequate financial resources were some of the factors that limited this particular study.

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1.10 Impact

As observed by Rogerson (2003) the issues of tourism and its contribution to the socio-economic development present a new terrain of academic investigations. Coupled with this, the diversification of the Zambian economy calls for more studies that could provide an evaluative framework of strategies capable of enhancing the tourism sector's competitiveness as envisioned in both the *PRSP 2002-2004* and *Tourism Development Frame Work Paper*. It is anticipated that this study will meaningfully contribute to the creation of a body of knowledge and scholarship that would play a pioneering role towards the emerging e-tourism sector as a major contributor to the growth of Zambia's economy in the next decades.

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Chapter 2: Literature Review

2.0 Introduction

Tourism is no longer just an expression of leisure and choices but is being recognised as a primary economic driver in all countries (Middleton, 2001:15; Grant, 2001:31). Zambia too has acknowledged the economic contributions to development by the tourism sector through its Poverty Reduction Strategy Paper (PRSP, 2000:68). The economic contributions of the tourism sector has been further underscored by World Travel and Tourism Council (WTTC) which predicts the sector to account for 11% of Gross Domestic Product (GDP) in the Sub Saharan Africa with a further estimated growth rate of 5% in real terms in the ensuing decades (Saayman & Saayman, 2003:93). Despite this projection, tourism marketing has not been very vigorous in many African countries. Only South Africa seems to have significantly penetrated the international market as could be deduced from the country's listing as the 30th among the world's top 40 tourism destinations worldwide in 2003¹.

2.1 Definition of Tourism

Pearce (cited in Mashinini, 2003:88) has argued that the best way to understand the nature of tourism, its policies and strategies is through two premises of definition and conceptual models. It is worthwhile to acknowledge from the onset that the measurement of tourism is both amorphous and increasingly susceptible to definitional problems. The other issue that needs to be clarified is to ascertain as to whether or not tourism could be described as an industry on its own. The World Tourism Organisation (WTO) (as cited in Middleton, 2001:9) has defined tourism as: *...comprising of activities of persons travelling to and staying in places outside their usual environments for not more than one consecutive year for leisure and business purposes.*

Quoted by Mashinini, Pearce defines tourism as

The relationships and phenomena arising out of journeys and temporary stay of people travelling primarily for leisure or recreational purposes (Mashinini, 2003:88).

¹ Source: The Southern African Tourism Update, 2004:15

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A number of authors have analysed tourism as comprising of clearly defined groupings of firms perceived to be primarily in business of selling or serving tourists (Middleton, 2001:11; Lickorish, 1991:22, UNCTAD, 2001:41). Middleton has further outlined these dynamic relationships to comprise of:

- *Accommodation sector:* (Hotels, Motels, conference and exhibitions centres)
- *Attraction sector:* (Wildlife, Museums, heritage and national sites)
- *Transport:* (Airlines, Car rentals)
- *Travel Organisations:* (Tour operators/ Conference organizers)
- *Destination Organizations:* (National Tourist Offices / Destination Marketing Organisations and Tourist Associations)

2.2 Usage and application of the term Industry to Tourism.

Theobold (1994:26) has defined an industry as *being a group of independent firms all turning out the same product* and has gone a step further to argue that the term *industry demeans what tourism is all about, as tourism is a social and economic phenomenon that acts both as an engine of economic progress and a social force with characteristics that are drawn from a variety of circumstances and social factors*. This view is in agreement with the outline provided by Middleton that views tourism as an amalgamation of several industries. Subsequently, in this study the term *sector* has been found to be a more embracing term that takes into account this amalgamated nature of the sector.

2.3 Tourism Conceptual Models

In terms of tourism conceptual models, Mashinini relied on the models provided by Pearce (1995) as a framework for explaining facets of tourism development in Lesotho. Although the six models are not exhaustive by themselves, they illustrate some concepts that could provide a theoretical understanding and interpretations of tourism development as follows:

- *The Mariot model:* Concentrates on analysing linkages between place of origin and destination with particular emphasis being placed on facilities. Tourism policy developed along this particular concept, seeks to strengthen both the quantitative and qualitative aspects of facilities.

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- *The Campbell model:* refers to *distance decay factor* which mainly manifests in the reduction of tourists as the result of the cost of travel away from the urban areas therefore promoting urban biased tourism development
- *Greener and Wall model:* This model ignores distance and seeks a uniform pattern of development to the tourism sector.
- *Thurot's model:* The theoretical framework of this model is based on reciprocal tourism arrangement that enhances partnerships at both national and regional level.
- *Evolutionary model:* The model has little marketing in its decisions because natural endowments facilitates the independent choices of tourists which tourists themselves intended to pursue some of their physiological satisfaction
- *Structural model:* focuses on the existing structural relationships among tourists, places within and outside the country. Heavy use of dependency theory is advocated in this model. The structural model views foreign investment as a way of developing the sector but acknowledges the negative effects contributed by the externalisation of profits. This has resulted in some countries introducing strict regulations to ensure retention of hard currency earnings by investors.

2.4 Definition of Information and Communication Technologies

Tourism is but one sector that is significantly affected by the use of Information and Communications Technologies (ICTs). Many of these ICT tools are converging or coming together in a single medium – the Internet (Kruidhof & Ferguson, 2003:4). The terminology *Information and Communications Technologies* (ICTs) itself has been described by Hamelink quoted in Bedi (1999:1) as:

Encompassing all those technologies that enable the handling of information and facilitate different forms of communications among human actors, between human beings and electronic systems, and among electronic systems. The technologies can be sub divided into capturing, storage, processing, communications and display technologies.

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In essence, as outlined above, tourism is an amalgamation of five industries namely: accommodation, attraction, transport, travel organisers and destination organisations as illustrated in figure 2.1. Each sector is concerned with marketing its activities both in design and management of demand. These linkages between demand and supply in tourism form a fundamental understanding of the marketing element. Each element of the tourism sector is in fact involved in a number of significant linkages that could further be enhanced through Internet enabled connections today.

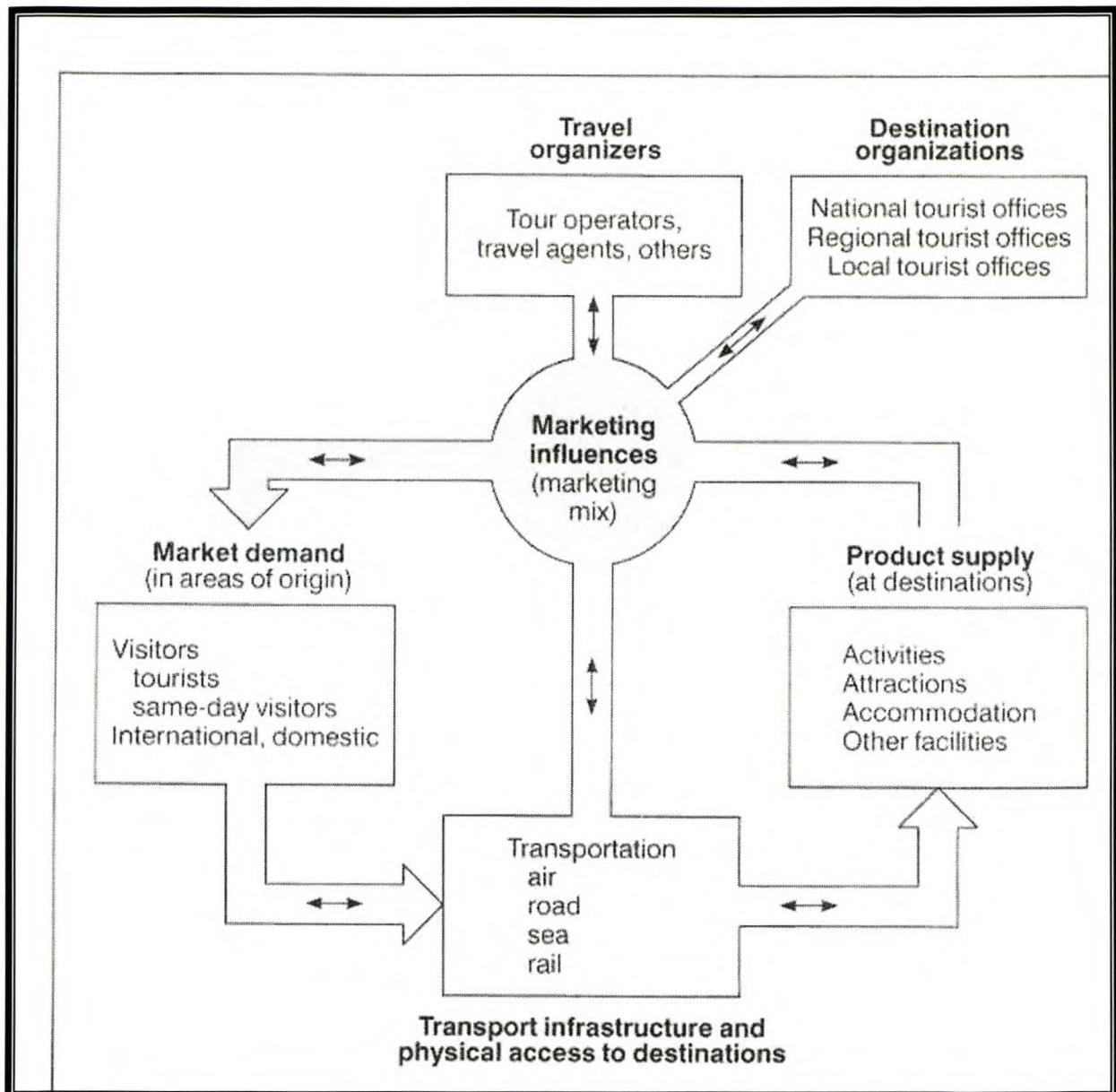
The Internet market place is based entirely on information provision and exchange transactions in which information is made available twenty-four hours a day, a term also commonly referred to as *24/7 economy*. Tourism products have a distinguishing feature that has a thrust it into the forefront of the e-commerce revolution. At the point of sale, tourism is a little more than information that is leaning heavily on a technology platform for its transmission. Consequently, ICTs are no longer an option but a necessary tool in the marketing of the tourism products.

The continuous development in ICTs has had profound impacts on the entire tourism sector, making connectivity a single most important determinant in bridging the gap between tourism demand and supply. The use of Internet and e-commerce by tourism producers and consumers alike raises a variety of issues regarding the impact of tourism sector. For example, the importance of online transactions and security in the global trade are emerging as pertinent issues.

National tourist bodies should be in a position to understand the significant importance of the new tourist space and its impact on other sectors of the economy. The traditional role of DMO's and Tourism Associations have been those associated with the marketing of a country's tourism, with a view of building a global brand for a destination to provide first hand travel information as a foremost point of contact. However, this position is being improved with an envisaged role of DMO's active promotion of an Internet enabled national tourism sector of being a *one stop shop* (UNCTAD, 2001:50). In this way, DMO's are expected to assume new roles of being regulators and setting competitive standards for the tourism sector.

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Figure 2:1 Links between Tourism demand and Supply



Source: Middleton, 2001:12

2.5 Information Communications Technology and Economic development

Governments worldwide are increasingly recognising the significance of information and communications technologies (ICTs) and their application to realize both its economic and social obligations. According to UNCTAD report (2003:41), the array of macro and micro economic changes, by virtue of which they are communicated and exchanged, become a major factor of

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economic performance. This has led many observers to coin such terms as *new economy*, *information economy*, *knowledge economy* and *network economy*. These views agree with Cogburn (as cited in James, 2001:4) who has indicated that these terminologies are being used interchangeably in many occasions to refer to:

A new global economic structure, wherein the production of information (goods and services dominates wealth and job creation) and is under pinned by the use of information and communications Technologies (ICTs).

During the past decade, the wind of change has been blowing towards market reforms of national entities with a view to making them more viable and competitive. The instrument of change has been mainly policy reforms strategies of liberalization and deregulations of national economies. For a number of countries, the deregulation process came about as a re-active policy initiated by the World Trade Organization (WTO) with the intent of making the global economy more attractive and competitive through open views on trade and investment mechanisms. The objectives of these policy reforms were intended to encourage and attract participation of both private and foreign sector investment flow and as a further way of encouraging closed domestic markets to open up for competition.

Mustafa, LaidLaw & Brand (1997) have argued that, telecommunications infrastructure lies at the heart of the information economy and countries lacking modern telecommunications infrastructure cannot compete effectively in the global economy. The growing importance of the telecommunications sector in the global economy is due to the fact that, the sector is a strategic industry attributed to the following reasons:

- The general trend for economic activity through out the world tends to become more communications intensive.
- There is a specific ability of telecommunications to enable producers to overcome difficulties of distance from access to regional and world markets
- There is sustained decline in costs of provision of services under the impact of technological changes

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Several studies are being undertaken to validate linkages between investments in the ICT sector and their overall contributions to the economic development. One of the earliest studies to correlate economic value of the telecommunications sector to national development was a study by Hardy (1980) who wanted to establish the role of the telephone in economic development. In this particular study, Hardy concluded that there was ample evidence available to prove that, the Telecommunications sector significantly contributed directly to the growth of the Gross Domestic Product (GDP).

Yanrui Wu (2000) supports this view and makes reference to several studies by the Chinese government that have validated the fact that investment in the information sector positively contributed about sixteen times to a country's Gross Domestic Product (GDP) in comparison to other sectors. The observed economic strides being made by South Africa could be attributed to policy decision regarding investment in the telecommunications sector. Early emphasis were made by the African National Congress through its Reconstruction and Development Programme (ANC RDP Base document, 1994¹) (cited in James, 2001:42) in which the importance of the sector was outlined as follows:

The telecommunications sector is an indispensable backbone for the development of all other socio-economic sectors. An effective telecommunications infrastructure, which includes universal access, is essential to enable the delivery of basic services, the reconstruction and development of deprived areas.

The United Nations Conference on Trade and Development (UNCTAD, 2001:15) has argued that wrong measurements have contributed to the ensuing controversy regarding the economic contributions of the telecommunications sector to economic development. UNCTAD clarifies that the determination of any country's e-commerce level of adoption could be characterised by any of the following variables:

¹ The RDP Base Document was the 1994 ANC blue print alliance election manifesto later adopted as an overall framework paper for development of South Africa (James, 2001:42)

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- *Readiness* of its people, businesses infrastructure and its economy generally to undertake electronic commerce activities
- *The Intensity* with which information and communications technologies are utilised within a country and the extent to which electronic commerce activities are undertaken
- *The impact* of electronic commerce on national economies and business activities being carried out in the country.

Very few studies have been conducted in Zambia as regards the contributions made by the telecommunications sector to economic development. The study by Chandia (2002:11) sought to explore the potential and extent of e-commerce practices in Zambia. This study provides that sufficient evidence were available to link the growth of e-commerce to the viability of a country's telecommunications infrastructure. The conclusions of this quantitative study were that, there was notably evidence on overall adoption of e-commerce practices although the levels of adoption rates were still quite low among the Zambian business entrepreneurs. However, on applications, the study in its findings concluded that, there was no correlated evidence to prove that a high adoption of e-commerce practices yielded better results.

Similarly, Duncombe & Heeks (1999) in their study of ICTs in Small Enterprises Development in Botswana contend that a number of studies that have explored the economic contributions of ICTs particularly to small enterprises development in most cases adopted a more techno-centric approach that focussed mainly on technology as a starting point. Their conclusion was that understanding information practices and needs at hand was a better pre-requisite for a technology platform. In other words, technology should be established to support processes and not vice versa.

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2.6 Conclusion

In conclusion, it is evident that the tourism sector has already registered dramatic changes in its structures over the last few years. ICTs have altered the traditional way of tourism marketing resulting in conditions that have further led to the re-distribution of tourist flows. In order to remain competitive (retain regular customers as well as gain new ones) it is therefore imperative for the tourist market to adjust to the new paradigm. There is a dire need for respective tourism destination agencies like the Zambia National Tourist Board to adopt pro-active strategies that are in line with the transformed market conditions. Technology application in the tourism sector is no longer a matter of choice but a cardinal reality that must be embraced in order to remain competitive.

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Chapter 3: Research Design and Methodology

3.0 Introduction

It is a standing norm for most qualitative research not to formulate hypotheses. Consequently, this particular study was therefore no exception. Conventionally, a number of consumer research studies are based on questions identified in marketing decision making to be administered randomly within selected samples of potential customers. Although tourism research has been used for evaluation and monitoring strategies, other areas in which studies have been undertaken involve among other things the capture of information relating to the following:

- Market analysis and forecasting
- Consumer research
- Product and prices studies
- Promotion and sales
- Distribution research

These are platforms for sustainable niche tourism products and destinations, enabling the creation of databases of tourist information necessary for supporting planning, monitoring and evaluation processes.

3.1 Types of Research in Tourism

A number of studies in the tourism and travel sector have in many instances adopted either one or a combination of the methodologies listed below (Middleton, 2001:175):

- *Desk research (involving utilisation of secondary sources)*
- *Qualitative or exploratory research*
- *Qualitative Research (ad hoc and continuous)*
- *Quantitative Research (syndicated)*

This particular research has embraced aspects identified as segmentation by Middleton (2001:173) in which qualitative methodologies are most applicable. This view is consolidated further by Fleisher & Bensoussan (2003:74) who argue that segmentation criteria of consumer markets focuses more on behavioural aspects of segmentation criteria of consumer markets focuses more on behavioural aspects of products. Qualitative research involves the use of

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qualitative data, such as interviews, documents, and researcher's observations, to understand and explain social phenomena. Qualitative research studies in tourism are mainly used to ascertain consumer needs, perceptions and aspirations. Perceptions are by nature behavioural attitudes that cannot be quantified.

Myers (1997) contends that there has been a general shift in Information Systems research from technological to managerial and organizational issues, hence an increasing interest in the application of qualitative research methods. Henning (2004:3) underscores this fact further and postulates that qualitative research is by nature intended to investigate attributes associated with certain variables focussing on the aspects of *what, when, where, and who*, which are by themselves qualities of a phenomena. Mouton (2001: 194) shares this view and further underscores the fact that qualitative studies by nature are subjective, forming up experiences that are sensitive and particularised to a local context.

3.2 Qualities of Qualitative Research

In view of the above advanced reasons, the study has been conducted as a *qualitative (ethnographic case study) research*; highly recommended by Mouton (2001:149) for a study of organisations and companies within their context. The term *case study* has multiple meanings. It can be used to describe a unit of analysis (e.g. a case study of a particular organisation) or to describe a research method. Orlikowski & Baroudi (1991); Alavi & Carlson (1992) (cited in Myers, 1997) argues that Case study research is the most common method used in Information Systems Research and has adopted the definition provided by Yin (1994) who has defined the scope of a case study as:

A contemporary phenomenon within its real-life context, especially where the boundaries between phenomenon and context are not clearly evident.

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Further more, Benbsat et al (cited in Myers, 1997) argues that, case study research method is particularly well suited for Information Systems Research, since the object of the discipline is the study of Information Systems in organizations as interest has shifted from technical to organizational issues. Similarly, the adoption of qualitative research by management scholars has been viewed by Laudon and Traver (2002:42) with the intent of understanding entrepreneurial behaviour and the challenges likely to be faced by emerging firms in need of developing organisational structures in short span of time.

The choice of methodology was mainly intended to provide an in depth description of the tourism phenomenon in Zambia as regards the sector's readiness to *adopt, utilise and apply* Information and Communications Technologies (ICTs) to business processes. Furthermore, Bryan (cited in Struwig & Stead, 2001:12) have outlined the characteristics of qualitative research to consist of the following values:

- Qualitative research is very interested in understanding the issues being researched from the perspective of the participants. The methodology provides for the researcher to analyse and interpret research data in association with the participants.
- Human behaviour does not occur in vacuum. Contextualisation emphasise the various macro and micro contexts that dynamically interact. Contextualisation is closely aligned to holism that examines the social environments in totality.
- The methodology too, examines interrelated events along the temporal or developmental continuum. Social events are not static and therefore understanding change and processes are imperatives

3.3 Research Instruments

Qualitative research is more oriented towards the interplay of contextual factors that integrate several techniques. The natural considered data collection techniques in qualitative research usually take the form of either *participant observation, semi structured questionnaires, interviews (focus and individual)* or the use of *documentary evidence* (Struwig & Stead, 2001:98). This particular research integrated a combination of data gathering tools. These gathering tools are explained as follows:

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3.4 Documentary Sources

The use of documentary sources in qualitative research was considered significant in the formulation of the research problem in the first and foremost. Consequently, documentary sources gathered would be integrated along the research process to further strengthen and consolidate gathered facts. The choice adopted was considered vital in order to lay the basis for validations and conclusions of this particular study.

3.5 Participant Observations

Participant observation were chosen on the consideration of establishing meaning during observations of natural habitat, particularly in seeking to further understand the why circumstances. This type is centred on noting the behaviour of objects and occurrences giving advantage to the researcher. In this particular case, an analysis of comments and opinions posted on the ZNTB website were evaluated to establish behaviour and opinions of individuals who had visited the site.

3.6 Semi structured Interviews

Both Struwing & Stead (2001:98) and Patton (1980:289) are of the view that semi standardised interviews are a combination of structured and unstructured interviews which are determined in advance. Pre-determined questions were posed to participants in a systematic and consistent manner and participants were free to choose how to answer the questions, that is, they didn't need to answer either *yes or no* or provide a numeric rating. This approach was considered to facilitate faster interviews that could be more easily analysed and compared. Patton has noted six types of questions that could be asked in Qualitative Research relating to:

- *Behaviours* - about what a person have done or are doing
- *Opinions/values* - about what a person thinks about a topic
- *Feelings* - note that respondents sometimes respond with *I think...* so be careful to note that you're looking for feelings
- *Knowledge*- to get facts about a topic
- *Sensory* – about what people have seen, touched, heard, tasted or smelled
- *Background /demographics*- standard background questions

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Consequently, participants were given an opportunity to discuss issues beyond questions raised in order to elucidate *a thick description* of stakeholder role interplay.

3.7 Sample Design

As outlined above the study has been conducted as an ethnographic (case study). By nature, ethnographic Case studies either adopt a theoretical or judgemental sampling procedure (Mouton, 2001: 100). The chosen sample consisted of the following institutions mainly located in Lusaka: *Ministry of Tourism, Environment & Natural Resources (policy)*, *ZNTB (regulator)*; *TCZ (representing private sector interests)* and *Tourism News (provision of online content)* would be considered sufficiently adequate. In addition, it was the considered opinion of the researcher that, the selected sample comprised major stakeholders in a position to adequately discuss, analyse and project current and future trends within the sector.

3.8 Sample Technique employed

A judgemental sample was considered suitable for study of this nature. In qualitative research, sample size depends on the researcher's judgement chosen particularly for the common traits that are key as well as the provision of relevant information about the current and future trends (Struwig & Stead, 2001:111). It is, therefore, notable that, in qualitative studies, emphasis is placed more on whether the sample provides both *rich data* and *thick descriptions* of the phenomenon. A thick description according to Hennings (2004:6) gives an account of the phenomenon and interprets information in the light of other empirical basis as well as theoretical framework.

3.9 Validity

One significant weakness associated with qualitative research is its likelihood of bias by persons conducting research because they may have pre-determined position in mind. In order to address this issue of bias or what has been termed as *bracketing out*, for this research, data that was gathered through techniques such as observations and interviews were further validated through triangulation method. According to Patton (1980:187) the term triangulation means using several kinds of methods or data in comparative analysis identified four types of triangulation methods applicable in qualitative research as follows:

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- *Data triangulation* - the use of a variety of data sources in a study
- *Investigator triangulation* – the use of several different researchers or evaluators
- *Theory Triangulation* – the use of multiple perspectives to interpret a single set of data; and
- *Methodological triangulation* – the use of multiple methods to study a single problem or programme

Why triangulation then? It is argued that no single method has ever adequately solved problems associated with causal factors. In this particular study, a combination of interviews, observations, secondary data and theory triangulation were meshed together in order to provide an illuminating picture of the tourism perspective. The findings of this research were compared *post hoc* with tourism theories cited in Mashinini (2003:87-92).

3.10 Coding Technique and data interpretation

According to Hennings (2004:12) qualitative research employs a variety of data analysis methods described as on going, emerging and iterative. Some of these data analysis methods in Qualitative research have been outlined by Cresswell (1998) and Stake (1995) cited in Van der Walt (2004:150). Data analysis for this particular study was analysed according to the *Open Code Technique* in which data was categorised by sub segments of common themes or grouping responses into similar manner. Secondly, the analysis involved interpretation of documentary evidence and occurrences that examined specific meaning in relations to the case study. Synthesis and generalizations were made from an overall portrait of the case constructed. Furthermore, there was established need to assess the application of the tourism development policies outlined by Mashinini.

3.11 Conclusion

In conclusion, it was anticipated that Research Design and Methodology laid sufficient grounds that described the nature of both existing situations and relationships within Zambian tourism sector. Secondly, the methodology and Research Design was considered adequate to provide an interpretation and further verify assumptions and claims perceived within the phenomenon. Within this context, the methodology were intended to provide a platform for evaluating the effectiveness of the tourisms policies in general, strategies, practices and innovations employed by the ZNTB.

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Chapter 4: Tourism overview of Zambia

4.0 Introduction

Zambia is a land locked plateau country surrounded by Angola, Botswana, Burundi, Namibia, Zimbabwe, Mozambique Malawi, Tanzania and the Democratic Republic of Congo. The country covers an area of 752, 617 square kilometres. The country's population is currently 10.3 million with an estimated Gross National Product per capita (GNP) of US \$320 (World Bank Report, 2003:238).

The globalisation of the world economy and developments in ICTs has opened up the tourism sector making it quite competitive in nature. The challenges posed by this phenomena call for the re-organisation of the sector to reflect this challenge. The tourism sector has remained largely untapped despite Zambia's natural resources and comprising of small and medium enterprises, many which lacked business skills (Munsaka & Habeenzu, 2001:45; ZNTB, 1999:2). In 1998, Zambia was ranked 13th among the top 20 African destinations with a total attraction of 362,000 tourists representing 1.4 percent of Africa's total tourist arrivals share. Nevertheless, in terms of earnings for the same period, the country only earned US \$ 75m representing a 0.7 percent of the African tourism earnings, sliding to the 19th position among the top 20 African tourism destinations total as reflected in Appendix I. The gap between tourism earnings and arrivals is a matter that needs further examination to establish the cause in variances.

Tourism in Zambia is described as being predominantly wildlife in character particularly in the Luangwa and Lower Zambezi areas. According to the Tourism Development Framework (TDF) (1999:3), Zambia has 19 National Parks and 34 Game Management Areas (GMA's) taking about 33 percent of the country's land surface. However, only five percent of this land has been fully developed for tourism purposes (PRSP, 2002:68). Other tourism packages include adventure activities such as *white water rafting, game watching, fishing, bungee jumping, canoe and hunting safaris*. The Victoria Falls and its natural endowment have attracted the highest number of tourists annually making Livingstone a top destination route into Zambia.

Marketing Zambia as a tourism destination:

4.1 The influence and impact of the economy on the Tourism sector

Tourism is heterogeneous in character and its development therefore is affected by many variables such as: the country's political, social and economic growth. Zambia's development process has been planned through a series of strategic National Development Plans as follows¹:

- *First National Development Plan (FNDP)* 1966-- 1970
- *Second National Development Plan (SNDP)* 1972 – 1976
- *Third National Development Plan (TNDP)* 1979-- 1983
- *Fourth National Development Plan (FNDP)* 1989—1993
- *Transitional National Development Plan (TNDP)* 2002

The mining industry has been the driving force of the Zambian economy for last 70 years. However, the sudden decline of Zambia's economy in the 1970's was necessitated by the fall of the world copper prices in 1970 and the oil crisis of 1974 (Habenzu & Munsaka, 2001:7). The immediate consequences of crises were the notable decline in foreign exchange earnings mainly due to the slump in copper prices.

For a developing country like Zambia, hard currency earnings are of great importance because it permits the acquisition of goods and services needed for economic development. This worsened scenario adversely affected the country's capacity to attain her development goals. Lickorish (1991:81) attests to this view by arguing that the acute scarcity of foreign exchange, particularly in the developing countries, frustrates development process.

Among some counter measures that were adopted by the Zambian government as the result of the declining indicators were the auctioning of foreign exchange and the introduction of price controls which both negatively impacted the tourism sector in the long term. All sectors of the economy were to bid for foreign exchange through a competitive window except for government, mining and energy sectors that were excluded (Mwanza, 1992:136).

The United National Independence Party (UNIP) led the country from 1964 to 1991 when the party lost elections to the Movement for Multi Party Democracy (MMD). The MMD however discontinued with the National Development Plans when it came to power in 1991. National Planning were only re-introduced after 2002.

Marketing Zambia as a tourism destination:

4.2 The Rhodesian Unilateral Declaration of Independence (UDI) and Zambia's support for the Liberation wars

The Unilateral Declaration of Independence (UDI) in 1965 by the then Rhodesia greatly impeded Zambia's imports and exports route as the only route were through then the Rhodesian to the Southern corridor. Furthermore, later conflicts with the Rhodesian government resulted in the closure of Zambia's borders resulting in severe problems related to international transport and power supply. A railroad to the Tanzanian port of Dar-es-salaam, built with Chinese assistance, reduced Zambia's dependence on her southern route through to South African ports and western route through the war torn Angola.

Zambia's support for the liberation movements such as: the Union for the Total Liberation of Angola (UNITA), the Zimbabwe African People's Union (ZAPU), the African National Congress of South Africa (ANC), and the South-West Africa People's Organization (SWAPO) did not only affect her tourism market but also was a calculated risk that compromised national security and the country's development (Shaw & Heard, 1979:132).

Although by the late 1970's, Mozambique and Angola had attained their independence from Portugal and followed by Zimbabwean independence in accordance with the 1979 Lancaster House agreement, Zambia's problems were still unresolved. South Africa under the apartheid regime remained opposed to Zambia's support to the African National Congress (ANC), which had its external headquarters in Lusaka. The military incursions into Zambia by the South African apartheid regime in search of ANC targets resulted in loss of human lives and destruction of vital communications infrastructure such as bridges and roads.

Mansfeld (cited in Wahab & Coopers, 2001) has pointed out that political instability wherever it occurs, either as an act of violence or hostility of any kind, were more likely to have a detrimental impact on the tourism sector. Additionally, any occurrences that threaten the normal operation and conduct of tourism related business damage a tourist destination's overall reputation and safety. The fluctuations of tourist arrivals between the periods 1970 and 1984 were attributable to the volatile situations experienced both on Zambia's border areas and military incursions that made the country insecure as a tourist destination (Rogerson, 2003:51).

Marketing Zambia as a tourism destination:

4.3 Policy

There are a number of reasons that necessitate the creation of a policy framework. A policy could be described as a tool that gives guidance and further maps out relationships between government and the private sector. Tourism development policies in Zambia are currently private sector driven. The role of the Government is to facilitate private sector entrepreneurial development, through the improvement of infrastructure, creating a favourable climate for investment opportunities, and sustaining a favourable micro economic environment.

4.4 Zambian Economic Reforms

An economic policy of any country is fundamentally considered to be a powerful engine for economic transformation. In the early 1990's, institutional pressures from international bodies such as the World Bank and the International Monetary Fund (IMF) encouraged developing countries to relinquish state commercial interests. The change in both Zambia's political power and her adoption of capitalist driven policies aimed at the market economy since 1991 has been a catalyst that revived private sector participation to the economy. The political change itself has been a stimulus that has encouraged private sector participation reversing the nationalisation process introduced through both the Mulungushi and Matero economic reforms by the United National Independence Party (UNIP) government in the late sixties.

Zambia is vigorously implementing a number of programmes aimed at poverty alleviation and economic revival. The Transitional National Development Plan (TNDP) and the Poverty Reduction Strategy Paper (PRSP) are meant to reverse the country's deteriorating social and economic conditions.

The major steps to policy formulation in Zambia could be summed up as consisting of legislative, economic and sectoral strategic policy orientation. The legislative process involved the enactment of the Tourism Act Cap 29 of the laws of Zambia of 1979 amended in 1985 and 1994 to facilitate the establishment of the Zambia National Tourist Board (ZNTB). The Board became operational on 1st January, 1980 with the sole mission of spear heading the promotion and the development of tourism in Zambia. The revised statute has added value and more responsibility to the functions of the Board.

Marketing Zambia as a tourism destination:

4.5 Strategic Planning Reforms

Policy formulation for the tourism sector has been quite slow. Effective policy formulations were those outlined in Tourism Development Frame Work Paper (TDFWP), Poverty Reduction Strategy Paper, 2002 -2004 (PRSP) and the Transitional National Development Plan (TNDF) and the ZNTB Marketing Strategy Paper, 1999-2004. Major sector reforms have been spelt out in the TDF document and the Zambia Tourism Development Programme (ZTDP). Strategies for developing the tourism sector currently consists of two sets of initiatives and these are:

Spatially targeted programmes for tourism zones and the initiative to enhance the tourism sector as a whole that have been incorporated in both the PRSP and the Transitional National Development Plan (TNDF). Under this policy formulation, emphasis is to enhance product development through a narrow focus of the key tourism priority areas of: Livingstone, Kafue National Park, Lower Zambezi, Lusaka and Luangwa (TDFWP, 1999:35)

The intention to develop an elaborate tourism marketing strategy by the Zambia National Tourist Board covering the period 1999-2004 has been a worthwhile venture too. The ZNTB marketing strategy focuses on five key elements that could be summed up as: *a focus on marketing strategies, the promotion of research and business intelligence information services and the overall coordination of the sector* (ZNTB, 1999:4). These principal functions are not dissimilar to those pointed out by Likorish (1999:192) who has itemised the functions of any Destination Marketing Organisation (DMO) to consist of *research, marketing, developing of tourism resources, regulatory, training and, above all, facilitation.*

4.6 Strategies to create the Tourism Council of Zambia (TCZ) and Tourism Credit Development Facility (TCDF)

Earlier concerns regarding investment in the tourism sector were due to lack of incentives. The Fourth National Development Plan proposed alternative strategies to revamp the sector and encourage private sector investment. Two major proposals were among the very important listed proposals intended to enhance the sector. Firstly, the development of a comprehensive incentive scheme for the tourism sector; and secondly, the establishment of the *Tourism Council of Zambia (TCZ)* (FNDP, 1989: 210).

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4.7 Tourism Development Credit Fund

An added element to the tourism sector development has been the creation of the *Tourism Credit Development Facility* (TCDF). The objectives of TCDF were primarily to promote and encourage participation of local private sector entrepreneurs. Before the establishment of this fund, the business fraternity were faced with lack of access for loans to investment in the tourism sector. The funds are allocated annually through the Ministry of Tourism, Environment and Natural Resources and managed through a National Steering Committee that process and approve loans. An allocation of K5 billion annually have been allocated in the last two years for this purpose.

Major donor support to the sector has been through the Norwegian Agency for Development Cooperation (NORAD) that supported the South Luangwa Area Management Unit (SLAMU) for the past 16 years. Similarly, the European Union has provided technical assistance to the Tourism Council for capacity building and developing entrepreneurship skills. The Tourism Council is the representative body bringing together different interest organisations contributing to Zambia's tourism product.

4.8 The Tourism Council of Zambia

The affiliate associations have page each on the Africa Insite's guide to Zambia (<http://www.africa-insites.com/zambia.htm>). The Council has received assistance from the European Development Fund since its inception. It draws its membership from the following:

- *Airline Owners and Operators Association (AOOA)*
- *The Board of Airline Representatives (BAR)*
- *Professional Hunters Association (PHAZ)*
- *The Wildlife Producers Association (WPAZ)*
- *The Hotel and Catering Association (HCAZ)*
- *South Luangwa Safari Association (LSA)*
- *The Tour Operators Association (TOAZ)*
- *Livingstone Tourist Association (LTA)*
- *The Travel Agents Association (TAAZ)*
- *Conservation Lower Zambezi (LZOC)*

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- *Car Hire Association of Zambia (CHAZ)*
- *Safari Outfitters Association of Zambia (SHOAZ)*
- *Africa Travel Association (ATA)*
- *The Sports Fishing Association (ZSFA) (Associate Members)*

The TCZ has set its core activities aimed at rejuvenating the sector through the process of identifying strategic issues and active participation in formulation of tourism policies. These activities are encompassed within TCZ's objectives outlined as follows:

- *Promote sustainable development of a quality competitive tourism sector which meets the needs of its members the industry, customers, investors and in doing so, respects the environment and Zambia's society and culture in all respects.*
- *Promote ethical practices and the protection of the customer*
- *Aim to be an effective lobby for the tourism sector and to speak and act as the sole national voice on all issues which affect the sector*

4.9 Theoretical reasoning

Lickorish (1991:81) has put forward four theoretical reasons likely to inhibit growth of the tourism sector as follows:

- *A weak organisation structure which fails to establish the roles that should be played by the public and private sectors particularly in developing, marketing and monitoring the sector*
- *A public sector that lacks the essential experience of functions of a tourism development corporations or those of National Tourist Office (NTO)*
- *Inadequate financial support for the NTO leading to weak marketing and promotional activities*
- *A lack of experience and understanding of the tourism sector by the bilateral and multilateral agencies resulting in poorly researched and inadequate or inappropriate projects.*

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Some of the reasons why tourism has not developed in Zambia could be linked to other sectors of the economy as earlier observed. A closer analysis of Lickorish's theoretical preposition reveals how sluggish the development of the sector has been although this has to be contextualised. The failure of the tourism sector to pick up during the four National Development Plans covering the period 1964-1991 could be mainly attributed to the following:

4.10 Economic factors

The fall in copper prices in 1970 and oil crisis of 1974 were causes that led to the poor economic situation. Furthermore, the Mulungushi and Matero economic reforms of 1968 and 1970 respectively impacted on the economy through the nationalisation of the economy (Habeezu & Munsaka, 2001:7; Mwanza, 1992:120). The nationalisation process of the country's economic activities through the acquisition of 51 percent shares by the state of commercial interests involved in production, distribution and mining turned the state into being a key player in the running of the economy (Turok, 1989:42). In other words, the state was responding to the effects of structural development approach. According to this model, policies of this nature are intended to limit penetration of foreign investment market. Alternatively, the policies aimed at restricting foreign participation by imposing strict regulations were intended to limit expropriation of income generated by Trans national Corporations from the tourism sector (Mashinini, 2003:89). However, this move greatly crippled private sector investment security.

4.11 Infrastructure Development

Lack of financial resources has significant impact on infrastructure development. It is evident that support to the tourism sector was almost non-existent in both Zambia's first and second republics (Rogerson, 2003:51). Several factors could suffice but the issue linked to the late creation of the Tourism Ministry in 1979 to spear head policy formulation is paramount. The Tourism Ministry was created at the time Zambia was experiencing deep financial problems necessitated by the fall in copper prices and energy crisis of 1974.

4.12 Human Resource Capacity and Closure of ZNTB Offices

The side effects of the prolonged neglect of the sector resulted into inadequate capacities to develop human resources with necessary skills and experience in tourism sector (TNDP, 1979:295; FNDP, 1989:207) hampered the development of the sector. Furthermore, It has been noted in all Zambia's National Development Plans that, lack of marketing skills both at home and

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abroad were recognised as a major hindrance to the tourism sector. However, very little was done to address the matter. Lack of inadequate funding constrained the operations of ZNTB. Consequently, the Board, adopted strategies of selective promotion, concentrating on those activities requiring minimum expenditure (FNDP, 1989:207). As the result of these austerity measures undertaken, several ZNTB offices in Italy, Germany and Washington, DC that acted as front offices promotion were closed. Only London and Johannesburg remained as key outside marketing fronts due to these budgetary constraints (ZNTB, 1999:9).

4.12 Conclusion.

A number of factors outlined in this chapter principally show how the sector's growth had been severely hampered. The key factors identified were mainly social, economic and political factors since independence. The belated creation of the Ministry of Tourism in 1979 and the subsequent creation of the Zambia National Tourist Board showed lack of political will accorded to the sector then. Additionally, the classification of tourism as a social sector since 1979 reduced the impact until 1996 when the status was reconsidered as an economic status.

The sector lacked consistent policies over the years although this trend was subsequently reversed in 1999 with the drafting of various strategic documents aimed at reforming the sector. The reforms initiated through the Tourism Development Framework (TDF), the Zambia Poverty Reduction Strategy Paper, 2002-2004 (PRSP) and the Transitional National Development Plans (2002) indicated the government's renewed commitment to make the sector more competitive as an economic activity.

Marketing Zambia as a tourism destination:

Chapter 5: Information and Communications Technologies (ICTs) and Tourism marketing: an integrated and symbiotic business relationship**5.1 Introduction**

The key feature of the tourism sector in the 21st century is that, it is becoming more and more an information product. Competitive advantage is being catalysed by information. One emerging phenomenon of the global economy utilises knowledge, ICTs as principal agents behind business transactions (UNCTAD, 2003:41).

Technology is no longer an afterthought but the actual cause and driver of business enterprises as further pointed out by Kalakota (2001:4). This has been argued, in reference to this type of economy in which information, knowledge and the networks through which they are communicated and exchanged are described as *Information Economy*, *Information Society*, *Knowledge Economy* and *Network Economy* (Castells, 2000:21; UNCTAD, 2003: 41; Bedi, 1999:1; Kruidhof & Ferguson, 2003:2). These terms symbolise the utilisation of information and knowledge as a critical resource and the basis for economic competition.

The United Nations Conference on Trade and Development (2001:41) has made particular reference to the emergence of tourism and its Internet relationship as *e-tourism* which is recognisably one of the fastest growing e-commerce sectors. Available statistics revealed that the conduct of business over the Internet has grown massively worldwide. For example, the global forecast of the e-Commerce Development Report (2003:17) indicated that e-commerce grew by between US\$ 1,408 and US\$ 3, 878 billion in 2003 alone.

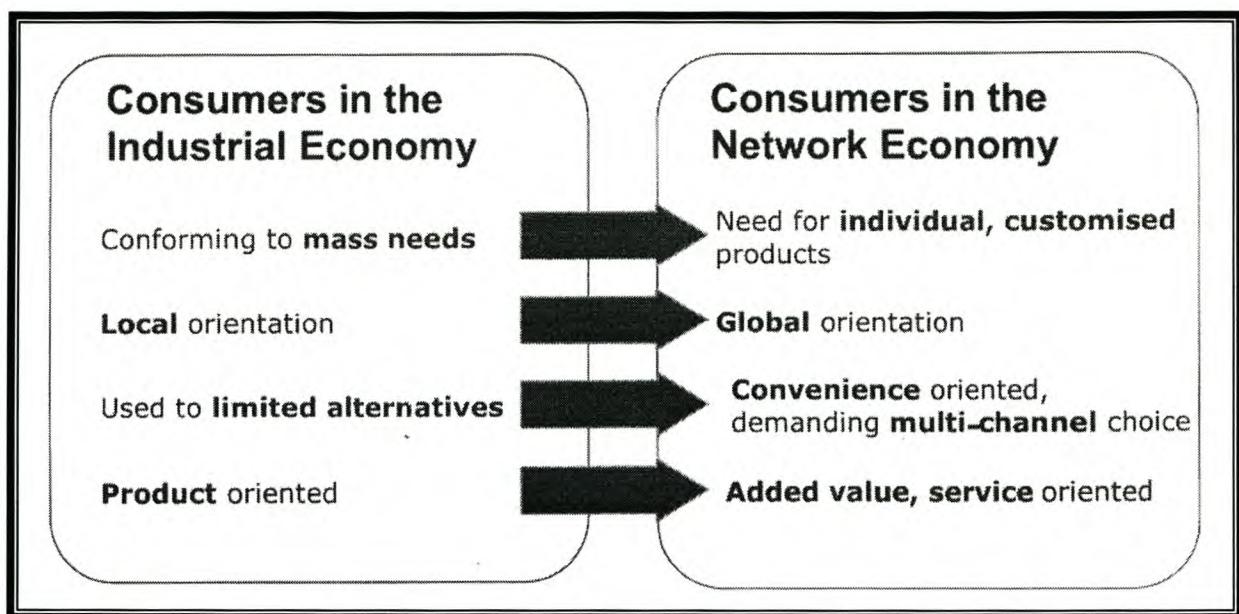
In addition, the report further anticipated growth of e-commerce activities to reach a peak of US \$ 12,837 billion by the year 2006. In contrast, the growth of e-commerce African countries is still relatively low as compared to other regions of the world. Although Africa had earned a total of US\$ 70.6 million in 2003, between 80-85 percent of this amount accrued to the Republic of South Africa alone showing yet the differences in the level of adoptions.

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Information and Communications technologies have brought potential challenge to commerce and industry by facilitating the selling of goods, services and products. It is also changing the way products are designed, manufactured, distributed as well as exchanged. The Internet therefore enables the provision of tailor made information and marketing material to meet specific needs of individual tourists. Internet is a medium platform linking tourists, tour operators, travel agents and tourism sector suppliers together (Wahab & Coopers, 2001:137; UNCTAD, 2001). Internet information content consists of data, payments, services that may be represented as advertisements, promotions, counselling and bookings tailored to appeal to individual tourists. This has enabled individual tourists to selectively choose or pull only what is considered appropriate at a particular time. Consequently, tourists are increasingly inclined to choose holiday packages based on the attractiveness, completeness and reliability of online presentations.

Markets are volatile and value no longer exists in tangible products but in intangible products such as branding, customer relations, supplier integration and the aggregation of key information assets that regards the consumer as central with the ability to make preferred choices.

In the industrial economy, competitors sustained their market value advantage by being in the right place at the right time. However, these barriers have fallen due to vast progress in communication as observed by Fleisher & Bensoussan (2003:7). Structural changes taking place as the result of transformation within the economy place a consumer in the central position. Apart from the consumer being central in the value chain of supply, added value and personalised services were replacing product as a focal point. This concept is well illustrated in figure 5.1

Marketing Zambia as a tourism destination:**Figure 5:1 Comparisons between the Industrial and Network economies**

Source: Kruidhof & Ferguson (2003:2)

5.2 Defining e-commerce and e-business

E-commerce and e-business are two terminologies that are interchangeably used to refer to the processes of conducting business over the Internet. Several authors have attempted to define the two phrases or terms. For example, Laudon & Laudon (2002:24) have distinguished the two terms by denoting the term e-commerce to relate

to the process of buying and selling goods and services electronically involving transactions using the Internet, networks and other digital technologies whilst on the other hand, e-business relates to the use of the internet and other digital technology for organisational communication and coordination and the management of the firm.

Kruidhof & Ferguson (2003:6) on the other hand contend that e-business is not e-commerce and illustrate e-business to include external oriented processes (e-commerce) internal processes like production, inventory management, product development, risk management, finance, strategy development, knowledge management and human resources.

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Additionally, the Organisation for Economic Cooperation and Development (OECD) views e-commerce as:

A term that refers generally to commercial transactions, involving both organisations and individuals, that are based upon processing and transmission of digitised data, including text, sound and visual images carried over open networks like the Internet or closed networks like AOL or Mintel that have a gateway onto the open market.

The European Commission (1997) has provided a definition that has incorporated both characteristics of e-commerce and e-business as follows:

E-commerce is about doing business electronically. It is based on the transmission of data, including text, sound and video. It encompasses many diverse activities including electronic trading of goods and services, online delivery of digital content, electronic fund transfer, electronic share trading, electronic bills of lading, collaborative design and engineering, online sourcing, public procurement, direct consumer marketing, and after sales service. It involves both products (e.g. Information services, financial and legal services); traditional activities (e.g. Healthcare, education and new activities (e.g. virtual malls.

From the above definitions, it is clear that e-business incorporates aspects of e-commerce and is further concerned with customer management as well as general management. The whole process is intended to foster business relationships to promote the use of the Internet and other digital technology for organisation, communication, coordination and above all management of the firm in general.

5.3 E-business Varieties

According to UNCTAD (2001:3) electronic commerce is often described as being one of the three varieties *Business-to-Business* (B2B), *Business to consumer* (B2C) and *Business to Government* (B2G). A simple definition of each variety has been outlined as follows:

Marketing Zambia as a tourism destination:

- *Business-to-Business (B2B) which is the sale of goods and services among business.*
- *Business-to-consumer (B2C) that is the electronic retailing of products and services directly to individual consumers.*
- *Business-to-Government (B2G) that is transactions between government and business entities.*

5.4 Business to Business (B2B)

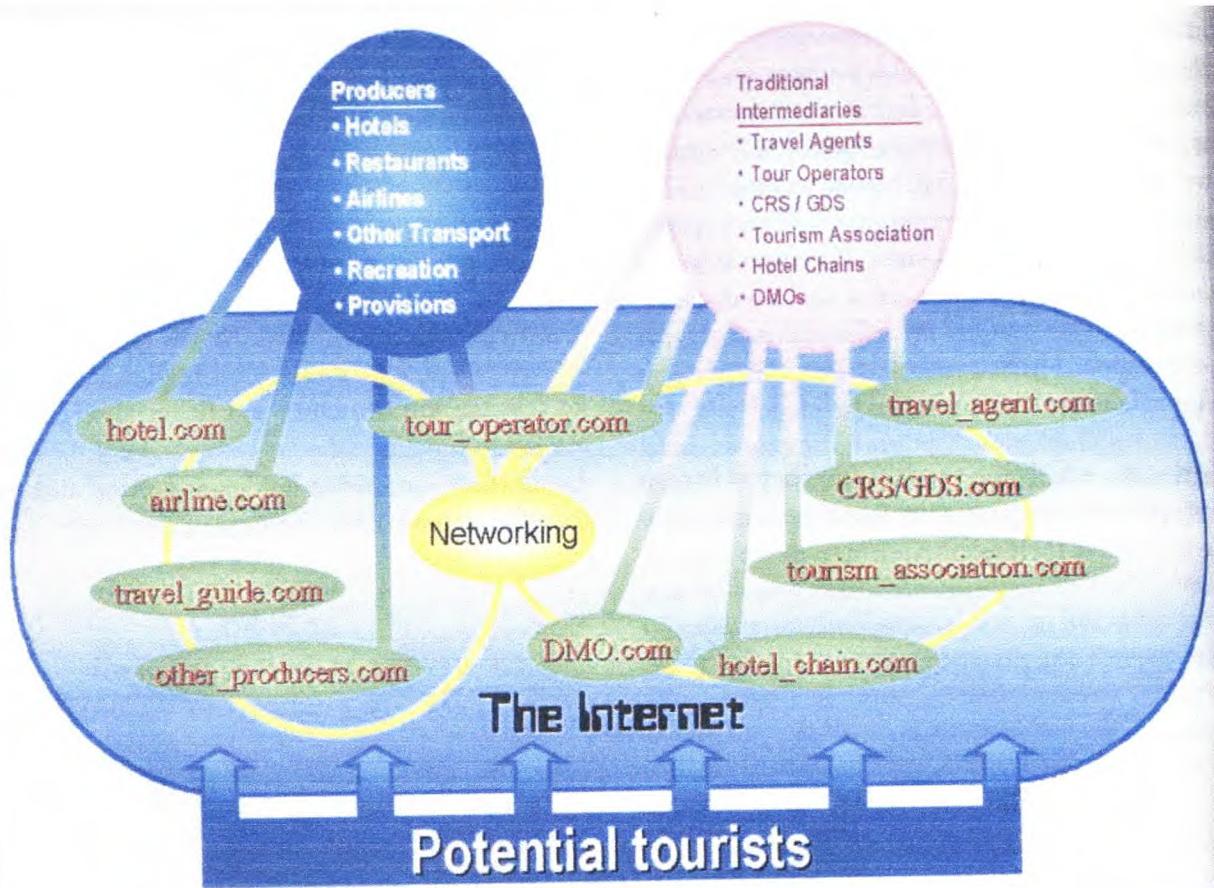
In terms of comparison between the three levels, it is statistically proved that the largest volume of e-commerce currently takes place as business – to- business (B2B) and accounts for about 80 percent of the total Internet revenue earnings. Out of this value, the accrued net earnings by the tourism sector were estimated at about 38.5 percent (UNCTAD, 2001:7). B2B is an essential component to the tourism sector due to the interactive linkages between various business entities. The focus is on efficiency, the improvement of operations and taking into considerations the following variables:

- Business integration
- Digital branches
- Supply Chain Management
- E-procurement
- Market places

Internet enabled tourism model illustrated in figure 5.2 shows that there is networking and information exchange taking place in the tourism sector linking producers and other intermediaries together (UNCTAD, 2001:46). Global marketing strategies have become an option for small and medium enterprises (SME). Small or very small enterprises were rarely able to afford big investments in marketing budgets or technological innovations necessary to keep pace with the global competition and development (Wahab & Coppers, 2001:115).

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Figure 5:2 Internet enabled Tourism Model



Source: UNCTAD, 2001:46

5.5 Destination Marketing Organisations (DMOs) as B2B

Destination Marketing Organisations (DMOs) such as the ZNTB play a significant role of being an infomediary. The term infomediary was first coined by Hagel and Rayport to describe a breed of company that would act as custodians, agents and brokers of customer's information, marketing it to business and consumers alike (Laudon & Traver, 2002:80). Similarly, the ZNTB is therefore better placed to be an essential vehicle that should provide first point of contact information or operating as a one *stop shop repackaging* information from various tour operators within its confines. The one stop concept is an idea built around the marketing mix concept.

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According to Middleton (2001:88) marketing mix is the concept that involves the considerations of the four *Ps*: *product, price, promotion and place*. Product is what is offered to prospective customers. It incorporates strategic design bringing together related components that are offered as one. Price on the other hand denotes the published term of exchange for a product between a producer and customer aimed at achieving a pre-determined sales volume. Lastly, promotion is a response required for a particular market segment and intended to manipulate demand or counter the effects of both seasonality and competition.

One of the DMO's that has portrayed these attributes is the Namibian DMO (<http://www.e-tourism.com.na>) although the previous features have since been altered to create a separate online reservation engine www.namibiareservations.com. The Namibian DMO portal has demonstrated its key role of actively promoting an Internet enabled tourism marketing strategy, effectively repackaged into a *one stop shop* concept with relevant information enabling customers to make a choice in relation to product, price, promotion and place was provided

In contrast, the Zambia National Tourist Board marketing strategy paper (1999-2004) has grossly underplayed this fact a lot. The paper has considered the application of Information technology marketing or what the Board termed as *Marketing at long range by telecommunications* as unsuitable option likely to further reduce visitor traffic by between 2-3 percent annually (ZNTB, 1999:21). Although the portal has relevant information, navigation proves difficult, as some of the information is not quite visible. Furthermore, some tourist business entities within the sector seem to market their own websites lacking many facets of the four Ps and in some cases not linked to the ZNTB web portal.

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5.6 Business to Consumer (B2C)

Business to consumer (B2C) is a type of e-commerce variety with a particular business focus on customer relationship. According to Kruidhof & Ferguson (2003:2), B2C relationship is built around five main objectives of:

- *Providing information about the organisation, product and services*
- *Selling products*
- *Delivering services*
- *Customer relations management and*
- *Communications and marketing*

The whole essence of B2C is among other things first to lay a foundation by developing strategies intended to increase traffic through the capture of markets that would result into a business transaction in the end. According to Lockwood & Medlik (2001:252) selling is a continuous process with emphasis being placed on enhanced quality service and sustained provision of high quality products and the expansion of the market horizons.

Thirdly, customer's loyalty is a vital component in the tourist sector. Fierce competition, globalisation and customer turn over are influencing firms to strategically enhance their profitability value by identifying, attracting and retaining best customers. The strategy for managing customers in a business is commonly referred to as Customer Relations Management (CRM) defined by Laudon & Laudon (2001:52) as *an integrated sales, marketing and service strategy that depends on coordinated action*. There may be several reasons for customer loyalty but two would suffice for this particular study. Wahab & Coopers (2001:91) further under scores the point by suggesting that customer loyalty is an essential component to be nurtured fundamentally due to the fact that:

- It costs more to serve new clients than it does to existing markets
- Existing customers tend to be most reliable and cheapest promotional medium as they usually recommend tourist destinations to friends and enterprises.

Marketing Zambia as a tourism destination:

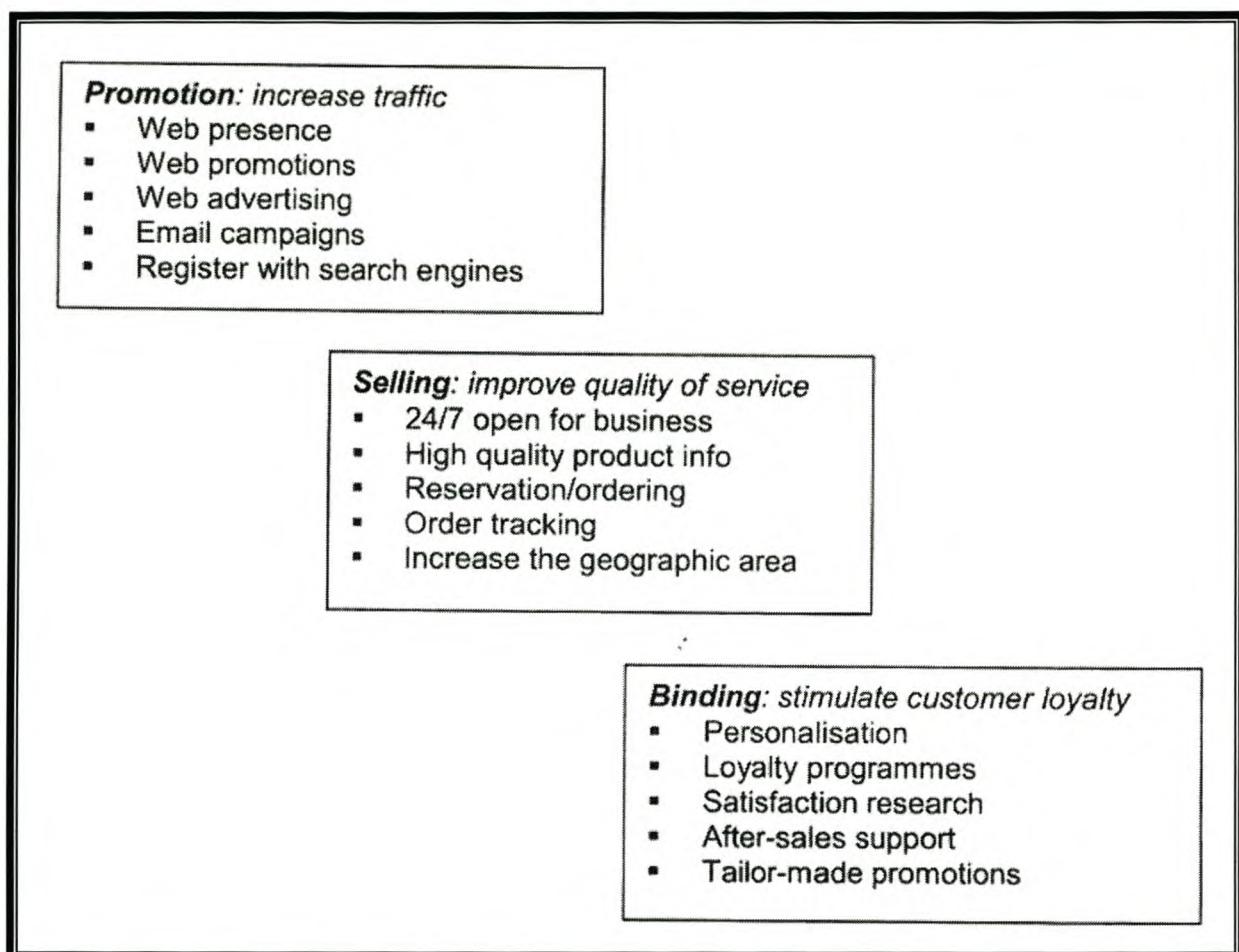
The mechanism for enhancing customer loyalty, as a firm's Internet strategy is an integrated process that involves a combination of strategies such as: promotion, selling and binding. In the promotion phase, the intention is to increase traffic through active web presence focusing on either promotion or advertisements.

Search engines are used as pull technologies. Consequently, it is profitable to register the web site with as many search engines as possible in order to attract potential visitors. The overall aim of binding is intended among other things to stimulate customer loyalty, personalisation of service and tailor made promotions. This concept is well illustrated in figure 5.3

Embracing the Internet revolution provides great potential that will enable and facilitate Zambia's inclusion in the global economy or network economy. Habeenzu and Munsaka (2001:47; UNCTAD, 2001:22) and the South African government e-commerce debate (www.ecomm-debate.co.za) have outlined some of the possible benefits to accrue from the integration as:

Marketing Zambia as a tourism destination:

Figure 5:3 The Business to Consumer or B2C Relationships



Source: Kruidhof & Ferguson (2003:2)

5.7 Market development

Markets are being developed and tapped as awareness grows among the small and medium entrepreneurs on the potential of e-commerce and ICT connectivity. In turn this affords niche players that were earlier constrained by geographical barriers to compete favourably on the global market.

5.8 Competitive Pricing

E-commerce gives consumers a wide range of products selection and services. The globalisation of the supply side within the tourism sector is a real threat leading to standardization of the destination products. Wahab & Coopers (2001:173) have observed that price has remained single differentiating factor in a number of destination markets.

Marketing Zambia as a tourism destination:

5.9 The Irrelevance of time and distance

Internet enabled technologies have reduced time factor by speeding up processes regardless of geographical locations, eliminating physical distance and boundaries between suppliers and customers as well as search costs. One characteristic of Internet enabled tourism is to sustain the market on twenty-four hours basis or what Kruidhof & Ferguson (2003:2) has described *as 24/7 economy.*

5.10 Technology

Although there notable reduction of time and distance in the global trade, there are however still some hindrances that could impede the growth of e-commerce particularly among a number of developing countries. The World Tourism and Travel Council (WTTC) <http://www.wttc.org> produces research results that enable decision-makers and investors in the travel and tourism sector to track the competitiveness of the tourism sector of well over 200 countries. The Council provides this information through its competitiveness monitor ratings. Currently, the WTTC competitive ratings for Zambia has been rated lowest on information technology standing at 4 percent and positioned 175th in the world as reflected in the table 5.4

Marketing Zambia as a tourism destination:**Table: 5: 4 Zambia's Tourism Competitive ranking by the WTTC**

Zambia	Index Value	Ranking
Price Competitiveness	n/a	n/a
Human Tourism	n/a	n/a
Infrastructure	50	67
Environment	43	117
Technology	4	175
Human Resources	31	114
Openness	7	167
Social	20	166

Source: <http://www.spicenewmedia.co.uk/wttc/compmon/compmon.asp?compmonid=206>

Key:

Index Value	(Least Competitive is 0.0; Most Competitive is 100.0)
Ranking	(Most Competitive is Number 1; Least Competitive is Number 212)
N/A	(Data not available)

Information Technology indices ratings is calculated as a total combination of all indexes relating to all ICTs tools such as the number of available :Internet hosts, telephone lines, mobile phones and high technology exports indices. As observed in table 5.4 above, technology infrastructure in Zambia is quite low. Since e-commerce depends upon a modern seamless of networked computer and other telecommunications infrastructure that connect it, developing countries like Zambia faces many challenges prohibiting the competitiveness of the sector. The following factors have been cited as some of major hindrances facing the tourism sector in Zambia:

Marketing Zambia as a tourism destination:

5.11 Limited Physical Infrastructure

The telecommunication sector is a key network industry that is critical to the process of growth and development of the economy. One of the most severe constraints on the wider use for the developing countries is the limited access to international bandwidth and high capacity needed to transmit information for conducting electronic commerce.

E-commerce principally relies on high-speed leased lines, which is key to making the Internet attractive to use. One severe constraint on the wider use of the Internet in developing countries is the limited access to international bandwidth and high capacity connections needed for the conduct of e-commerce. It is evident that, telecommunications infrastructure in Zambia is unsatisfactory. One of the technologies facilitating quick transmission of data is broadband Internet access that enables quicker download of web pages to heavy traffic (UNCTAD, 2003:24). Evidently, this facility currently only exists in the Copperbelt and Lusaka regions. Traffic to rural areas is carried through light microwave links (Habeenzu & Munsaka, 2001:17).

5.12 High Internet access rates

International tariffs charged by the Zambia Telecommunications Company (Zamtel) are considered relatively higher. On average, the tariffs are more than 100 per cent higher than those applicable in other developed countries for equivalent routes (Ndulo, 1999:24). When Zambia's domestic tariffs when compared within the region such as South Africa, it becomes more clearer of the need to review the time charge rates on certain routes in order to assist the far off places to enjoy equitable cheap rates too.

Internet monthly access rates too, tend to vary widely across the globe especially among the developing countries. In the case of Zambia, an average cost for a 30 hours online Internet connection per month may range from US\$21.00 for urban areas along the line of rail where Internet Service Providers (ISPs) have their Point of Presence (POPS). However, further away from the line of rail in the rural Zambia, monthly Internet costs could be as high as US \$ 486.00 per month as illustrated in table 5.5. The cost of connectivity as well as monthly subscriptions makes it quite an unaffordable for a number of small and medium entrepreneurs in Zambians.

Marketing Zambia as a tourism destination:

Table 5.5 Telephone Costs for Internet Access

Region	Cost of Telephone/ per hour to the nearest POP	Average Monthly cost of 30 hours online
Lusaka, Copperbelt, Livingstone areas	Local access (\$0.7/hr)	\$ 21.00
Western Province - Mongu	\$16.20	\$486.00
Eastern Province - Chipata	\$16.20	\$486.00
North Western – Solwezi, Kabompo, Mwinilunga	\$12.15 \$16.20	\$364.50
Luapula – Mansa, Kawambwa	\$ 6.08 \$12.15	\$182.40 \$364.50
Northern Province - Kasama, Mbala/Mpulungu	\$12.15 \$ 16.20	\$364.50 \$ 486.00
Southern Province Choma, Gwembe	\$6.08	\$182.40

Source: Habenzu & Munsaka, 2001:16

5.13 Legal

Although there have been some concerted efforts towards the establishment of appropriate legislations to facilitate e-commerce, stages of development vary. Currently, Zambia has no national ICT policy in place, although a process to draft one has commenced. The release of the first draft national ICT policy took place in December 2003. There are, however, still more concerted efforts required in order to harmonise various pieces of legislation necessary to enhance and facilitate the growth of e-commerce in the country. For example, the current Banking Act stipulates that banking hours are from 8:15 hours through 14:30 hours even though most banks transact business through Automated Teller Machines (*ATMs*) on twenty-four hours.

Marketing Zambia as a tourism destination:

5.14 Regulatory Framework

Regulation of the telecommunications sector in Zambia is done through a number of legislations like the *Companies Act*, the *Competition and Fair Trading Act*, the *Investment Act and the Telecommunications Act*. However, the principal Act is the *Telecommunication Act* passed in 1994 (Ndulo, 1999:24). The licensing mechanism has been vested into the hands of the Communications Authority of Zambia (CAZ). The Communications Authority currently has three types of licence scheme as illustrated in table 5.6 that a number of business houses consider as quite prohibitive. For example, a data transmission licence types A 1 (*Network Facilitations for basic local services*) and A 2 (*Network Facilitations for basic long distance services*) respectively are currently pegged up front at ZMK 477,000,000.00¹ equivalent of US \$ 99,668.81.

Table 5.6 CAZ Licensing Structure

Type	Structure	Annual Fee
Type A	Intended for ISPs who wish to install their own and operate Public Switched Telephone Network (PSTN)	Between 2% -3% of the gross revenue
TYPE B	This mainly caters for data transport, basic voice services, Internet Service Provider and Closed User Group Networks	Ranges between B1-B3, K95, 400,000.00, Private Network – K71, 550,000.00, Public Data Network – US \$ 100,000.00.00, Public Asset Tracking – US \$ 30,000.00
TYPE C	Caters for licenses that requires ownership of infrastructure facilities for mobile and paging systems	National mobile ¹ Cellular services K 715,500,000.00

Source: CAZ Brochure

¹ At the time of writing this document, (08/09/04) the exchange rate of a Kwacha to a US (\$) dollar was **1 US = ZMK 4,785.85**

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5.15 Security Concerns

E-commerce security is concerned with protecting transactional information and authenticating credentials of transacting parties (May, 2000:165). In order to enhance the conduct of e-commerce, there is need to provide for and improve security guarantees. According to UNCTAD (2003:26), Internet security concerns take many forms such as: Spam, viruses, web squatting, fraud, copyright violations, denial of service, unauthorised entry into corporate or personal computers and networks (and theft or manipulations of the information stored in them), privacy infringements, and harassment among others.

Providing e-commerce security guarantees an agency to respond to global concerns and formulate or enact adequate cyber law is an urgent matter for Zambia. One stride that has been achieved is the enactment and assenting of the Zambia *Computer misuse and Crimes Act No. 13* that came into effect on 8th September, 2004. The Act addresses issues relating to e-commerce, electronic documents, credit cards and Internet banking among other things.

5.16 Conclusion

The 21st Century is information driven economy. Technology plays a catalyst role in the transmission of information as has been established. The network economy or an information economy has a global orientation in which products are sold beyond the physical boundaries. Products sold on the market are being individualised (or personalised) and customised too.

Although there have been positive strides in the global trade and tourism in particular, there are still several impediments that need to be resolved to facilitate the growth of the tourism sector particularly in developing countries like Zambia. The tourism sector is relatively underdeveloped in Zambia. Several factors have contributed to this under development. One would therefore concur with the position taken by Ndulo (1999) that the full realisation of tourism sector has been constrained by inefficient and high cost of supporting industries such as telecommunications, transport, financial services and energy. The utilisation and adoption of Information and Communications Technology (ICTs) in the sector is inadequate and most firms too have inadequate computer facilities. This has adversely affected their ability to take advantage of reduced costs through the utilisation of information technology in their operations. E-commerce

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flourishes where there are inbuilt security mechanisms. Consequently, there is urgent need to address e-commerce security concerns as a way of responding to the effects of the global trade.

Furthermore, there is need for the Zambia National Tourist Board (ZNTB) to play an active role in the promotion of ICTs as a competitive tool in order to effectively enhance the Zambian tourism sector. It is imperative that the Board shares the vision of the World Tourism Organisation that the *hard reality in the tourism industry today is that, if you are not online, you are not on sale* by lending support to the emerging small and medium entrepreneurs in order to make the sector more competitive.

Chapter 6: Research Findings and Discussion

6.1 Introduction

The research methodology in chapter 3 outlined the conduct of this research as being qualitative in nature. Judgemental sampling technique was adopted in order to enable assess opinions and views of principal stakeholders within the Zambian tourism sector. Judgemental sampling was chosen particularly on the likely attributes to be provided by the segment as opposed to sample size used in quantitative research. Furthermore a judgemental sample was preferred because of its ability to provide in depth and relevant information about current and future trends within its phenomenon. A standard semi-structured questionnaire was used in the conduct of interviews to all principal stakeholders within the sector (Appendix II). The study among other things sought to assess Zambia's competitiveness through the utilisation and adoption of ICTs within the tourism sector as well as the role of the Zambia National Tourist Board in marketing Zambia as a tourist destination.

In chapter 5 marketing mix was described as an interplay concept involving four variables of: *product, price, promotion and place*. Product, promotion and price are to a large extent factors of what the place itself could offer, in this case a destination market. Place is viewed as a key variable that compounded and affected product, promotion and price. Arising from the objectives of this study, nine variables within the context of the Zambian tourism sector were considered as reflected in Appendix II. Considered variables were investment opportunities available to both local and foreign investors, human resource capacity, infrastructure including the levels of ICTs adoption, partnerships and finally the product as pre requisites for destination tourism marketing.

The tourism sector has been greatly impacted by the Internet revolution as can be attested by the increasingly number of clients inclined to choose their holiday packages based on the attractiveness, completeness and reliability of online presentations. According to Rita (2000:1) statistics on the number of travellers using the Internet for travel related purposes were estimated at 70 million in 2000. About half of this number consulted the Internet to either get information on destinations or checked prices and schedules. On the other hand, the number of travellers booking through online facilities shot up to 11 million making travel the most popular e-commerce category.

Marketing Zambia as a tourism destination:

6.2 The importance of Tourism to the Zambian economy

The recognition of the tourism sector as a significant contributor to the country's economy has been fully acknowledged in both the *Zambia Poverty Reduction Strategy Paper* (PRSP) (2002-2004) and the *Transitional Development Plan* (TNDP). The sector has shown continued to growth as well as being an alternative principal earner of Zambia's foreign exchange. The importance and contribution of the tourism sector to national development is reflected by the prominent status accorded to the sector. Tourism performance indicators have continued to record an increase in both foreign exchange earnings and job creation since 1995. Although Zambia has a rich tourism potential, several factors identified in the previous chapters and findings have considerably impinged on the growth of the sector.

An assessment of tourism development in Zambia has revealed that the sector has skewed towards the urban areas due better facilities and good communications networks that enable the support and conduct of e-commerce. This has resulted in tourism being concentrated or skewed towards urban areas, a theoretical framework referred to as the *Campbell model* of tourism development that manifest itself through what has been termed as *distance decay factor*. Distance decay factor is the reduction of tourists as the result of the cost of travel away from the urban areas therefore promoting urban biased tourism development. To a large extent, distance from urban centres to the remote rural parts of the country is one major factor that has adversely affected tourism development.

Less marketing is required for tourism promotion in the Livingstone area because of its natural endowments. According to the *evolutionary model*, little marketing is required because natural endowments facilitate the independent choices that tourists themselves make in order to pursue their physiological satisfaction. As such, Livingstone has remained the highest tourist attraction entry for the country and hence its reference as the tourist capital.

Marketing Zambia as a tourism destination:

6.3 The Zambia National Tourist Board as a Destination Marketing Organisation (DMO)

Internet enables a Destination Marketing Organisations like the Zambia National Tourist Board to greatly engage in Business-to-Business (B2B) as an infomediary. As an infomediary, the Board is dedicated to a single destination (Zambia) in contrast to any other intermediary organisation without a destination focus in mind. With this focus in mind, the Board should therefore act to consolidate the full range of products within its destination by adopting a total e-business strategy. Further more, the Board as a DMO is more better placed to encourage and identify various categories of participants within the sector to go on line. This would result in a networked tourism environment linking a larger spectrum of tourism products to potential clients.

Core to this study has been the focus on the adoption and utilisation of ICTs as a marketing tool within the tourism sector. Statistical evidence from the World Tourism and Travel Council (WTTC) has ranked Zambia ICT adoption within the tourism sector at 4 percent. In general terms, significant growth and the thriving of e-commerce is largely dependant on the inter related factors such as the existence and *availability of networks* over which relevant activities are to be carried, *business processes* a term that refers to such activities as marketing and advertising and *e-commerce actors*, a term that refers to transaction of sale or purchase of goods or services conducted over the Internet. The Organisation for Economic Cooperation and Development (OECD) and the Asia Pacific Economic Cooperation (APEC) have developed e-readiness Assessment tools for measuring e-commerce priority indicators or activities (UNCTAD, 2001: 8). The use of selected variables within these two e-readiness assessment models could help establish a case for Zambia with particular focus on the following:

- Number and proportion of business with computers
- Number and proportions of business with access to the Internet
- Number and proportion of business with websites
- Proportion of business with barriers to e-commerce
- Number of business which receive orders over the Internet
- Barriers to e-commerce growth

Marketing Zambia as a tourism destination:

Zambia's telephone network is still at a very low level of development with less than 90,000 connected main lines for a population of over 10 million. About 80 percent of Zambia's telephone lines are concentrated along the economic hub of the nation - the *predominant line of rail*, while the rest of the country share the remaining 20 percent. Significant barriers to the growth and thriving of e-commerce activities in Zambia have been attributed to the poor telecommunications network especially in the outlining area as well as lack of an established ICT policy frame work in place. E-commerce applications principally rely on high-speed leased lines, key to making the Internet attractive for use.

One of the technologies facilitating quick transmission of data is broadband Internet access that enables quicker down load of web pages. Broadband facility allows a number of users to share an Internet connection therefore reducing the cost of every individual connection, an important aspect for small and medium enterprises (SMEs). Although Broadband Internet access is important to the conduct e-commerce, the facility currently exists only in the Copperbelt and Lusaka regions. The United Nations Conference on Trade and Development considers broadband as essential and has indicated that in cases where broadband penetration remained below 10 percent and prices fairly high; the short impact on most operations has remained limited (UNCTAD, 2003:24).

The Zambian Internet industry has grown sluggishly compared to other countries in the region. The available Internet r statistics has been estimated at 45,000 individuals whilst the total Internet subscribers is roughly about 15,000 giving out a ratio of 1:1000 individuals per computer¹. The combined number of both users and subscribers put together is still far less than 10 percent of the Zambian population. In essence, the actual estimates by the WTTC may be quite modest as these could be for the whole country. The low penetration of ICTs both at national and sector levels as a whole may be as the result of outlined perceived impediments. Consequently, Zambia's vision of attaining a knowledge-based economy by the year 2020 is not feasible especially with prevailing low figures of both access and usage.

¹ Source: Milner Makuni, Computer Society of Zambia President, 2004

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An assessment of the Zambian travel and tourism sector has revealed very little of e-business practices taking place on the ground. Despite a number of firms within the travel and hospitality sector having either an e-mail, website or in some cases both could not be effectively utilised to generate business transactions. The cost of connectivity has remained a key issue for Zambia. The further away from the nearest Point of Presence (PoP), the higher the cost incurred on monthly basis. This could be proved by the reduction of firms within the sectors such as hotels, lodges and motels with e-mails and websites as reflected in appendix iv showing a number of hotels and motels in Eastern, Western, Northern, Luapula and North Western Provinces not been connected to the Internet. The concentration and existence of both Internet and e-mail facilities to tourist firms around Lusaka and Southern Provinces follows the same pattern of Zambia's development with concentrated commercial activities along the line of rail. Online facilities are considered an absolute fundamental necessity in the conduct of e- business particularly for the tourism sector. The use of Internet for information, reservation, bookings and marketing enables suppliers and distributors to reach wider markets and increases their competitiveness (UNCTAD, 2001:80)

The general observed phenomenon emerging from this particular study has been the apparent lack of or insufficient e-commerce enablers such as online payment facilities within the sector. An analysis of the Zambian tourism sector indicate that only a limited number of firms had interactive online reservation facilities such as: the *Holiday Inn, Protea, Pamodzi, the Inter Continental Hotel, Royal and Zambezi Sun* that are part of the world's brand chain hotels. Online facilities make consumers more accustomed to instant information retrieval proving to be convenient channel for the sector. Lack of such online facilities is considered to encourage tourism businesses to move their accounts and profits offshore or relocate them to more financially advanced destinations. This may result in the existence of physical production services with a reduced foreign currency inflows as well as the encouragement of transfer pricing mechanism.

There is significant evidence to prove that tourism firms in Zambia with online payment facilities have encouraged bookings and payments to be made through their respective headquarters, a factor that has been acknowledged all principal stakeholders as one major contributing factor to the perceived variances between earnings and arrivals. The observed variances between *earnings and arrivals* as reflected in appendix 1 have been attributed to

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tourism leakages, a term used to refer to prepaid tours organised and paid for outside the country.

The *structural model* of development views foreign investment as the best way of developing the sector but acknowledges the negative effects contributed by its externalisation of profits. This has resulted in some countries introducing strict regulations to ensure retention of hard currency earnings by investors. The Mulungushi and Matero economic reforms were instituted as a counter measure to the non - retentions of profits by investors in Zambia's first republic. There are however, no restrictions or controls currently in place as regards the externalisation of profits due to the market economic policies being pursued.

The Zambia National Tourist Board has attributed lack of a national ICT policy and high taxes slapped on computers as some of the major factors that have contributed to the slow adoption of ICTs especially among the small and medium tourism entrepreneurs. Lack of an integrated ICT policy as well as uncoordinated institutional framework in the introduction, deployment of ICTs has resulted in fragmented efforts, incompatible solutions and missed investment opportunities. The national ICT policy consideration was only floated last year in 2003 and is still going through phases of consultative process.

6.4 Tourism Marketing Strategy

The Zambia National Tourist Board is charged with the mandate of marketing Zambia's tourism potential both locally and abroad through its brand name of *Zambia- the real Africa*. According to ZNTB, the phrase *Zambia: the real Africa* is an appropriate phrase that refers to Zambia's unspoiled, unpackaged and still unknown tourism to the common tourists. Laudon & Traver (2002:356) have defined a brand strategy as *a set of plans for differentiating a product from its competitors and communicating these differences effectively to the market*. As earlier observed, some of the differentiating features in tourism marketing are predominantly quality, price, support and reliability of the services or products being marketed. These variables in turn bring about, trust, affection, loyalty and above all reputation considered key to tourism marketing strategy. However, several factors could have contributed to Zambia's poor marketing strategies.

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Three viable marketing options were considered under ZNTB strategic plan covering the period 1999-2004. Among the alternatives, the Board considered marketing *at long range through telecommunications (an equivalent of Internet marketing)* as the least preferred option. The reasons advanced by the Board were that Internet marketing would reduce tourism traffic by between 2-3 percent per annum.

The Board's preferred option could be considered as a picture of struggles and leadership challenges faced in migrating from marketing products from place into space. The Board's preference of physical presence has a narrow focus scope in character and may be viewed as a perpetuation of the linear tourism value chain. Transactions in the tourism sector are a system of distributed channel involving many players as illustrated in the Internet based model in figure 5.2. The core functions of a DMO like the ZNTB therefore, are to connect buyers and sellers within the travel distribution channel (UNCTAD, 2001:78).

As a market leader, ZNTB need to be in the forefront outlining the objectives of online presence to the whole sector. The benefits accruing from Internet enabled tourism are that it provides a scope strategy and has greater benefits of competing in all markets. Internally, ICTs could bring about efficiency in both delivery and transactions, increasing opportunities to provide access to a wider variety of recreational and leisure experiences.

6.5 Content

The availability of information is one factor identified as lacking for the Zambian tourism market. Both the First Secretary at the Russian Embassy, in Lusaka Dr. Slaidslav Zhivulin and the Minister of Tourism, Hon. Patrick Kalifungwa expressed similar sentiments regarding the inadequate information availability in relation to tourism products and services in Zambia (Musanshi, 2004). Lack of content has been cited as a major constraint to a number of tourists seeking to come to Zambia. The perceived lack of information on the market has resulted in the emergence of a rival intermediary competitor - *Tourism News Online*, a commercial online player to give competition to ZNTB. The reasons advanced for the formation of Tourism News Online point to the inadequate availability of information content perceived to create a gap between demand and supply. Tourism News Online is a content provider with a revenue model based on advertising and commissions. Although in comparison the range and ability of Tourism News Online is to promote total products and services within the

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destination, has a limited range and their generic information would still be limited to a great extent.

The ZNTB has made tremendous improvements to its websites particularly in 2004 although still lacking a suitable marketing strategy in place. The major focus of Zambia's tourism market attraction are currently the United States of America, the United Kingdom, the Netherlands and Australia where considerable use of Internet for online booking activities by tourists is predominant. During the month of September, 2004 alone over 37, 925 prospective tourists visited the ZNTB website mainly from the countries referred above. New markets are also necessary and a sign of growth. One of the successful e-tourism strategies recommended by UNCTAD (2001:57) is for destinations to speak the language of the tourists. Consequently, ZNTB as a marketing strategy has embarked on the translation of its website content into French and Japanese languages as a new opportunity these new markets. Website marketing is an essential component because merely having a website does not guarantee business. What is needed by ZNTB is an extensive marketing strategy of its website using a combination of both on and off line strategies through traditional marketing channels in order to widen scope.

6.6 Product development and differentiation

The ZNTB marketing focus has been predominantly the Victoria Falls where there is stiff competition between Zambia and Zimbabwe due to similarities in names. However, Zimbabwe has built a marketing reputation over a period of 20 years that has branded Victoria Falls as her own. Another differentiating factor between Zambia and Zimbabwe has mainly been price and standard of services provided. Price is considered as a major competitive differentiator in tourism. In terms of comparisons Zambia has been rated as a high destination market necessitating therefore giving Zimbabwe as a preferred destination advantage. For the same value, tourists are able to spend more days in Zimbabwe than in Zambia (WTO, 1999:138).

The appropriate thing for ZNTB to do is to build a diversified product offering and a niche marketing strategy to reduce on existing price competition with her competitors. In this way, as a DMO's, ZNTB and its partner institutions should endeavour to position their destination as unique products and move away from purely competing on price. Although Zambia's

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tourism has been described as being predominantly wildlife in character except for the spectacular Victoria Falls; the country has a number of other existing tourism potential.

Consequently, ZNTB need to develop a niche marketing strategy to differentiate its market by offering unique products and added value services. For example, Luapula and Northern provinces have about 21 waterfalls, among them Kalambo falls (*second highest in Africa and twice the height of Victoria falls*) and 12th highest in the world. Other waterfalls are the *Chishimba falls* in Kasama, consisting of three waterfalls, rapids and rain forest, the *Lumangwe and Kabwelume* water falls in Mporokoso, the *Ntumbachushi* waterfall in Kawambwa, the *Mambilima falls near Mansa* as well as the *Kapisha Hot springs* in the Shiwa Nga'andu area of Chinsali are among the many unexploited tourist sites. There are also important historical sites such as the unique *Mwelwa Rock Arts* at Kasama believed to be over 1,500 years and the Nachikufu caves near Mpika.

Seasonality has significantly impacted the Zambian tourism market. However, there are several strategic opportunities that could be employed to reduce on seasonality effects. Zambia has a rich traditional heritage of traditional ceremonies spread through out the year such as: *Kuomboka of the Lozi, Shimunega of the Ila, Likumbi lyamize of the Luvale, Umutmboko* of the Lunda of Luapula and N'cwala of the Ngoni ceremonies are a unique Zambian product. These ceremonies are least marketed although they could effectively narrow the effects of seasonality. By having unique products would help Zambia move away from rivalry and competition purely based on cost for similar products.

The weaknesses of Zambia's tourism marketing strategy could be attributed to poor information technology infrastructure among existing key players. Institutions spearheading the e-business revolution are themselves considered technologically limping. For example, the Tourism Council of Zambia has no proper ICT infrastructure to play an effective role as a promoter of e-business model. The Council has only one PC shared among its four members of staff and its connectivity is through dial up. The Council is supposed to be in the forefront of spearheading the establishment of better e-business models within the private sector.

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On the other hand the Tourism News has no infrastructure of its own and depended on the Media Council for its operations. Before the conclusion of this research, Tourism Online had gone offline for reasons that could not be established. This scenario illustrates the difficulties at hand in the utilisation and adoption of ICTs in the sector. If institutions that are supposed to be in the forefront of transforming tourism marketing are not well established, it sends wrong signals of the sector's preparedness. The emerging challenge therefore to both the Tourism Council of Zambia and the Zambia National Tourist Board are to provide an ICT platform that would enable the Board fulfil its respective roles within the tourism value net by establishing an Internet based relationships with consumers, product suppliers and other market intermediaries within the destination.

6.7 Fostering e-Partnerships strategies

The Zambia National Tourist Board as a Destination Marketing Organisation has realised the need to integrate and catalyse Public - Private Participation in the tourism sector in order to attain its objectives of promoting and marketing Zambia as a tourist destination. In essence, as a DMO, ZNTB has cultivated a networking relationships intended to attract and stimulate public private partnership involving Chambers of Commerce and Industry, Zambia Institute of Marketing (ZIM) and other interest groups within the sector such as online Travel agencies and destinations portals.

In establishing an e- business strategy, there is need to create strategic partnerships with a wider network of firms involved either directly or indirectly within the tourism value chain. The World Tourism Business Council (2001:22) has recommended that evolving partnerships could be extended to non- tourism organisations like:

- i. *Media* – Media organisations have substantial content asset and forms key electronic and distribution channels. As part of the strategy the Board had invited a number of local media organisations for the tours of Luangwa National Park in August, 2004 and the visit to Luapula and Northern provinces in September by the ZNTB Managing Director in the company of the World Bank Country Representative.
- ii. *Telecommunications*- such companies like Internet Service Providers (ISPs) excluded from the partnership consortium are an essential link in the provision, systematic development and supply of ICT services to tourism businesses. Internet Service Providers have the potential to provide content distributions through their own

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channels, Internet connectivity, web hosting and in some cases portal distribution. The

Zambian ISPs could be counted on as an effective entry points of tourism information

- iii. *Banks* are essential partners to the tourism sector because they facilitate transmission and payment of money.

Among the activities attracting wider networking within the tourism sector has been the *Visit Zambia 2005 Campaign* intended to promote a global awareness of Zambia's tourism through activities marking a centenary anniversary for the city of Livingstone and 150th anniversary since Dr. David Livingstone's first sighting of the Victoria Falls. The campaign is estimated to attract well over 500,000 tourists from Russia, France, the United States, South Africa and Europe (Times of Zambia, 2004:7). Consequently, a wider network of institutions have joined hands in this Campaign such as: the Zambia Electricity Supply Corporation, (ZESCO), the Taj Pamodzi, Sun Hotels, Zambian Airways and the Holiday Inn hotels. Others are the Zambia Institute of Marketing (ZIM) the convenors of the first ever private sector tourism forum that took place in August 2004; Celtel Telecommunications Systems, Stanbic Bank as well as the French and American embassies.

6.8 Human Resource Management and Training

The term training should be considered in its broadest term to encompass awareness, monitoring and dissemination of knowledge related techniques. Other aspects are that which incorporates new technologies and aspects of in-service training in response to developments within the sector. Training should have a multi faceted element that integrates the application of new technologies within the sector. What this means is that the ZNTB should take the initiative to inculcate e-business skills within the sector in partnership with other key stakeholders.

The deficiency of the sector's human resource base has been registered in each of the National Development Plans. Although there have been renewed calls to strengthen skills for the sector, a new dimension with an emphasis on the utilisation and adoption of ICTs should take a centre stage should be emphasised. A networked Society is essentially a Knowledge Society dependent on the competitiveness of its skilled professionals able to change data into new knowledge. Despite these highlights, necessary steps were not taken to develop an all-embracing human resource base for the sector. Consequently, the sector's skilled human resource base has remained under developed.

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Developing a country's human resource and meeting the challenges of e-business environment requires government's highest level of intervention. Consequently, the Ministry of Tourism has devised a multi strategy approach in addressing the human resource deficiency in the tourism sector. At national level, the Department of Tourism in the Ministry of Tourism, Environment and Natural Resources and its agencies has proposed to invest efforts in supporting both the existing programmes as well as facilitating new training initiatives. Plans are underway by the Ministry to persuade the two public universities in the country to establish travel and hospitality faculties. The Tourism Council of Zambia has applauded the move floated by the ministry and is of the view that the design of the curricula and institutions offering such training would need to be accredited by the sector in order to promote training standards required.

6.9 Tourism Investments

A premise was established in Chapter 3 about the country's tourism potential being under developed. In real terms, only 5 percent of land is fully developed for tourism purposes in Zambia (PRSP, 2002:68). Due to lack of financial investment portfolios, foreign investment has been considered a major source of revamping the sector.

The total flow of foreign investments into the tourism sector from January, 1993 to July, 2004 reached US \$ 291,777,543². Tourism development has continued to concentrate within the traditional places like Livingstone, in the Southern Province, the South Luangwa National Park in Eastern Province and the Lower Zambezi National Park, in Lusaka Province. The natural endowments around Livingstone facilitate independent decisions of tourists to visit the area. Foreign investment flow into Zambia as illustrated in figure 6.1 revealed less or very minimal investment particularly in areas where access is considered a major factor.

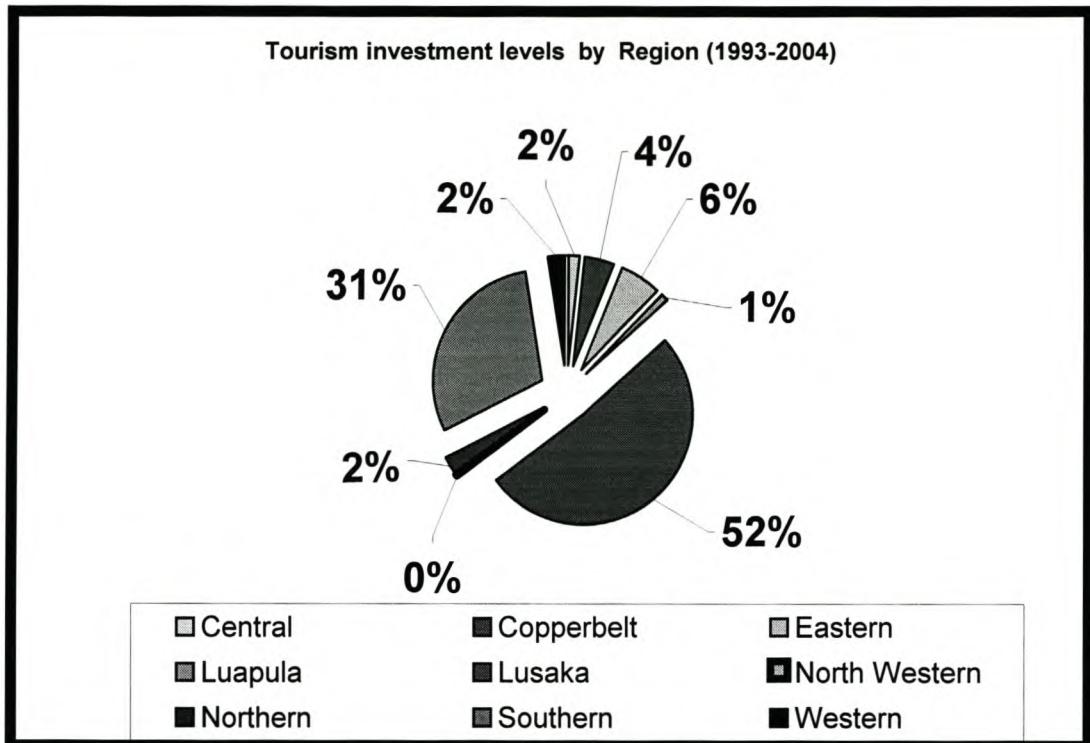
To a large extent, distance from urban areas to the remote rural parts of the country has affected tourism development due to what has been termed as distance *decay factor*. This has resulted in tourism being concentrated or skewed towards urban with existing good road network and communications facilities (*Campbell model*). The highest investment were recorded for Lusaka and the Lower Zambezi areas, Livingstone and the surroundings areas of Siavonga and Kalomo in the Southern Province, Chipata and the Mfuwe areas of the Eastern

² Source: The Zambia Investment Centre, Lusaka

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Province are the currently considered prime tourist areas where government policy has invested in infrastructure in order to jump-start the tourism sector.

Figure 6.1: Investment Portfolio by Province



According to the Ministry of Tourism, Environment and Natural Resources, a number of Tourism investment opportunities still existed in accommodation, transport etc. Although there has been a considerable level of foreign investment in the sector, there were still a number of difficulties being experienced in attracting foreign investment mainly due to:

- Poor infrastructure in terms of roads, airports, bridges and telecommunications facilities
- Lack of institutional incentives- investors are faced with cumbersome bureaucratic procedures in obtaining licences and excessive number of licences required to run business that should be reviewed into one stop shop.
- Most tourist attractions are located in the rural areas which are under traditional land tenure system
- The prevailing high tax regime makes investment in tourism quite unattractive as a destination for investment too.

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One issue that is paramount to the growth of tourism sector is the availability of land for investment. The amended land Act No.: 29 of 1995 of the laws of Zambia has vested the custodianship of land in the hands of the state President. Although Zambia has vast tracks of land, 94 percent of it is customary land while the remaining 6 percent is what constitutes state land. Leasehold polices currently in place for the investment in tourism varies between a minimum of 5 years and a maximum of 25 years for offers of land situated in the National Parks and Game Management Areas under the jurisdictions of the Zambia Wild Life Authority (ZAWA). Alternative leasehold covers a 99-year renewable period. Approved certificates issued by ZAWA, the Zambia Investment Centre and the Ministry of Tourism³ need to be obtained by potential investors in addition to the following documentations:

- Five year business plan
- Proof of finance
- Certificate of incorporation in Zambia
- Provide an environmental impact assessment project brief

Among issues of consideration in granting land offers to non-Zambians are that the applicants should be permanent residents owning a company registered with 75 percent Zambian shareholding. The title deeds in this case are issued in the name of the company and not an individual

6.10 Tourism Incentives

There are two types of tourism incentive schemes on offer as provided for in the Investment Act of 1993 (amended on 1st April, 1996) such as tax rebates on machinery and reduced custom duty on intermediate taxable goods at 15 percent whilst finished goods taxable at 25 percent. Although investments in the rural areas qualify for one seventh of the normal 35 percent corporate income tax in the first five years of operations. Listed companies on the Lusaka Stock Exchange get a further rebate of 2 percent and pay a reduced tax of 33 percent instead. However, stakeholders were of the view that the current incentive scheme could not stimulate tourism growth as the incentives were eroded by the high tax regime.

³ Source: The Zambia Investment Centre, 2004

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6.11 Infrastructure

The theoretical framework concerned with the analysis of tourism infrastructure is the *Mariot Model*. Through this model, linkages between place of origin and destination are established with particular emphasis being placed on standards of the available facilities. The observed critical infrastructure underdevelopment such as roads, rail, airports/ airstrips, telecommunications and lack of all weather roads to tourist areas is hampering growth. The road network is in bad state. Apart from the stretch along the line of rail, the rest of the country has poor road network and not serviced by regular flights except for chartered planes. The capacity of accommodation in Zambia is still inadequate to sustain high volume traffic.

6.12 The Tourism Credit Development Fund (TCDF)

The proposal to establish a tourism revolving fund came about as a recommendations made in the Fourth National Development Plan (FNDP, 1989: 210). The Tourism Credit Development Fund (TCDF) is a revolving fund initiated by the Zambian government in order to facilitate private sector funding. The fund now in its second year running still suffers from among other things bureaucratic and operational problems. Previously, local Zambian entrepreneurs were finding it difficult to access both medium and long term financing due to harsh lending conditions by financial institutions. The TCZ considers the current annual allocation inadequate to stimulate investment in the sector. The overwhelming response of 921 applications received in 2003 amounting to K230 billion is evidence enough of the insufficiency of the allocations. However, only 43 applicants were successful in competing for a portion out of the K5 billion available each year.

Although the TCDF has encouraged local entrepreneurship, stringent conditionalities attached to these loans in some cases have frustrated efforts of those without considerable collateral. Secondly; there is little information available about the fund especially among the rural based potential tourist developers. As a response, the Ministry of Tourism, Environment and Natural Resources has initiated a process of implementing an awareness and sensitisation campaign pertaining to fund requirements.

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6.13 Conclusion

The key essential factors for e-commerce growth are networks, business processes and the presence of significant numbers of actors involved. The levels of ICT adoption in the sector are substantially low. Without an appropriate network infrastructure, high connectivity costs and taxation slapped on computer accessories and lack of a National Communications and Technology Policy in place are hindering and slowing the adoption rate. The overall e-business strategy for the sector at the moment is still quite minimal with few actors participating. There is need for ZNTB as a principal stakeholder to sensitise the sector about the importance and need to adopt an Internet strategy for a competitive advantage, securing new markets as well as consolidating the existing ones.

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Chapter 7: Conclusions and Recommendations

7.1 Introduction

Tourism has emerged as the second important sector in Zambia according to government priority listings. Consequently, with the re-classification of the sector from social to an economic status, the importance and the contribution of the tourism sector to national development have taken prominent position, being only second to the agriculture industry. The tourism sector has continued to grow and has become the second earner of the country's much needed foreign exchange earner. Although Zambia has rich tourism potential, a number of factors identified in various chapters and findings have considerably impinged on the growth of sector.

Patterns of tourism developments in Zambia have been characterised and shaped by a combination of tourism models outlined in chapter 2 for various reasons highlighted in the discussions. The first strands of problems are those linked to Mariot model with a focus on the inadequate infrastructure in place to handle high volume tourism traffic. Critically, infrastructure underdevelopment has affected the tourism sector in Zambia.

Secondly, the Zambian tourism sector development has been partnered along the Campbell model of development with significant bias towards the urban areas due to the better facilities in the urban areas as well as good communications networks enabling the support and conduct of e-commerce. Similarly, distance from urban areas coupled with poor communications networks to the remote rural parts of the country has affected tourist flow resulting in distance *decay factor*. Livingstone has continued to be Zambia's tourist attraction entry point or the Zambia's tourist capital mainly due to less marketing required about the area. According to the evolutionary theory, natural endowments like the case for the Livingstone area require very little marketing because tourists made their own independent choices to visit the places.

Zambia like many other developing countries has relied on *Structural model of development* to stimulate tourism development. Although direct foreign investment has been considered as the best alternative for developing the sector, among its negative effects is the externalisation of profits. This has resulted in some countries introducing strict regulations to ensure retention of hard currency earnings by foreign investors.

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Zambia currently has no regulatory framework in place compelling foreign investors to re-capitalise a percentage of their profits as the case was for Mulungushi and Matero economic reforms. However, the above economic reforms stifled private sector participation and confidence.

The available Internet statistics for the country at an average of 4 percent are significantly low. This has been compounded further by the lopsided infrastructure design as well as lack of a national ICT policy framework in place. The Board is better placed to advocate for reforms likely to rejuvenate the sector. On the other hand, it is a considered view of the Researcher that the drive has been impaired too by the Board's consideration of ICTs as its third strategic marketing option in preference to physical presence in its prime markets. The Board's stand could be translated as lack of an appropriate culture and skills set to transform its business practices to a fully-fledged e-business environment. The need to invest in appropriate IT infrastructure by a number of local tourism firms hinges on the Board vision. A positive attitude would enable to transform the sector from marketing *in place* (physical) into space (digitised). Although there is evidence of e-commerce practices, the levels of adoption are still considerably low particularly among small and medium Zambian entrepreneurs.

In response therefore to the research question, is Zambian tourism sector competitive enough to penetrate the global markets? The answer is definitely *No* for several reasons discussed and highlighted in this particular research as follows:

- i. Although there is a positive acknowledgement of the role ICTs could play to enhance tourism marketing, significant infrastructure investments are negligible.
- ii. The insufficiency of the existing bandwidth to facilitate e- business activities particularly among the rural Zambia
- iii. It has been well established that the cost of connectivity is too high and unaffordable at an average of US \$ 486 per month particularly for the Small and Medium Entrepreneurs in the rural areas
- iv. Lack of sensitization of the likely benefits to be derived by adopting e-business practices in the sector is non-existent

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- v. Lack of a national Information and Communications Technology policy in place coupled with a poor regulatory framework has hampered efforts to promote e-business practices

7.2 Recommendations

Several challenges have been identified as impinging on adoption, access and use of ICTs in the tourism sector. Arising from these observations therefore, the following are the recommendations:

i. **Status of the Board**

The inadequate financial and logistical resource has continued to impair the Board's operations. There is an established need to review the status and operations of the Zambia National Tourist Board with a view of granting sufficient regulatory powers for sector. This should be further coupled by government commitment to secure adequate funding to the Board in order to beef up its limping operations. In terms of comparison, the Board has been neglected when compared with other ministerial agencies like the Zambia Wildlife Authority (ZAWA) that has received substantial support. Marketing is an investment, and there is need therefore to invest sufficient funds into the Board activities if the country is to get reasonable returns.

ii. **Access and connectivity issues**

Zambia as a nation faces many challenges with the digital divide being one of the major issues. The major hindrances with the adoption of ICTs in the sector are attributable to both high cost and poor telecommunications infrastructure particularly in the rural area. The urban orientation of Internet services that has characterised both mobile and fixed telephone lines is quite observable to the tourism sector as well. All Internet Service Providers have their Point of Presence (PoPs) located in cities along the line of rail, that is, Livingstone, Lusaka and Kitwe resulting in the cost of connectivity and subscription rates increased with distance from the urban areas. It is an established fact that the rural areas of Zambia such as: Eastern, Luapula, Western, North Western, Southern and Northern Provinces pay more for Internet access than the areas of Lusaka, Copperbelt and Livingstone where PoPs are located. In other words, the further away from the centre of economic activities, that is, the corridor along the line of rail, the more expensive it becomes to access the Internet.

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There is need therefore for ZNTB as regulator and one of the principal stakeholders of the sector to lobby for the review of the telecommunication Act in order to promote universal access. The Board and other stakeholders within the sector could join hands to spell out mechanism for promoting universal access particularly for the rural areas where tourism potential is still untapped. In order to enhance the levels of access and adoption of ICTs, the government should provide infrastructure loans or grant tax incentives to firms that acquired computers to enhance their business operations.

iii. Content

Lack of content has been identified as one of the issues requiring immediate address. The Zambia National Tourist Board should provide content that captures all areas of tourism activities in partnership with the private sector. It must ensure that message and content of the site is appropriate to its various targeted audience like the initiative to explore the French and Japanese markets. Furthermore, the Board should build capacities for awareness promotion, information provision and transaction processing within its value networks. It is the responsibility of the Zambia National Tourist Board as a DMO to provide an in depth and non-biased information of the tourism sector in totality. The Board should invest in the development of new marketing strategies to create awareness for its website using television and print media advertisements. The Board should further consider migrating its publicity materials from brochures to electronic version, as there is sufficient evidence to prove that more and more travel agents and tourism consumers are turning to the Internet to obtain their required information.

iv. Research

Commissioned research studies likely to enhance information and competitiveness about markets, trends, consumer needs and website usage need to be encouraged and promoted. It is being recommended that 10 percent of the annual TCDF allocation be reserved or utilised on research activities that addressed emerging concerns within the sector. The Ministry of Tourism, Environment and Natural Resources should consider transferring the management and disbursements of TCDF to the Board as a way of separating policy formulation from the implementation process.

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v. Standards

The Zambia National tourist Board as a pacesetter within the sector should adopt a total Internet strategy. The Board in conjunction with the Tourism Council of Zambia should define objectives of being online and focus on product quality as corner stone to marketing. The government should consider reviewing the existing tax structure in relation to machinery and accessories such as vehicles and computer hardware as a further way of reducing overhead costs within the sector. A further reduction on computer tax related accessories from the current 15 percent to 5 percent would act as a stimulant for the adoption and use of ICTs, particularly among the small and medium entrepreneurs.

vi. Human Resource capacity building

The sector needs to address its human resource development both as a short and long-term strategy. As a short-term strategy, appropriate skills required for e-business environment particularly to the Small and Medium Entrepreneurs (SMEs) should be encouraged through facilitation of short courses. Secondly, as a long-term strategy, the government together with the Tourism Council of Zambia as a major private sector representative and the Zambia National Tourist Board should open up negotiations with the country's two public universities with a view of establishing tourism and hospitality faculties as a response to the challenges facing the sector.

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Marketing Zambia as a tourism destination:

Appendix I: Top 20 African Tourism destinations (International Tourist Arrivals) and Top 20 Tourism earners in Africa, 1998 (International Tourist receipts)

Rank	Country	No. Of arrivals (000)	Percent of the Total	Country	Earnings in US \$ (Million)	Percent of the Total
1.	South Africa	5898	23.6	South Africa	2,738	27.3
2.	Tunisia	4718	18.9	Morocco	1675	16.7
3.	Morocco	3242	13.0	Tunisia	1557	15.6
4.	Zimbabwe	2090	8.4	Tanzania	570	5.7
5.	Kenya	857	3.4	Mauritius	503	5.0
6.	Botswana	740	3.0	Namibia	288	2.9
7.	Nigeria	739	3.0	Ghana	274	2.7
8.	Algeria	678	2.7	Reunion	265	2.6
9.	Namibia	560	2.2	Kenya	233	2.3
10.	Mauritius	558	2.2	Senegal	178	1.8
11.	Tanzania	450	1.8	Zimbabwe	177	1.8
12.	Reunion	391	1.6	Botswana	175	1.7
13.	Zambia	362	1.4	Nigeria	142	1.4
14.	Senegal	352	1.4	Uganda	142	1.4
15.	Ghana	335	1.3	Seychelles	111	1.1
16.	Swaziland	319	1.3	Cote D'Ivoire	108	1.1
17.	Cote D'Ivoire	301	1.2	Madagascar	91	0.7
18.	Uganda	238	1.0	Eritrea	75	0.7
19.	Eritrea	188	0.8	Zambia	75	0.7
20.	Malawi	178	0.7	Sierra Leone	57	0.6
	<i>Total</i>	<i>23,194</i>	<i>92.7</i>	<i>Total</i>	<i>9,434</i>	<i>94.0</i>
	<i>Total Africa</i>	<i>25,023</i>	<i>100.00</i>	<i>Total Africa</i>	<i>10,011</i>	<i>100.00</i>

Source: Adapted from World Tourism Organisation quoted in Lockwood & Medlik (2001:123-24)

Marketing Zambia as a tourism destination:

Appendix II: Semi structured Tourism Research Questionnaires

1. The World Tourism and Travel Council (WTTC) competitive monitor ranks, Zambia as the 175th nation at 4% in terms of utilisation of ICTs by the Tourism Sector. What reasons could be attributed to the slow adoption of ICTs in the sector?
2. ZNTB views marketing at long range by telecommunications is considered as unsuitable marketing strategy that is likely to reduce visitor traffic by between 2-3 % annually. What is the view of other stakeholders sector regarding this statement?
3. Zambia is positioned as 13th on Africa's top 20 destinations but in terms of earnings the country falls to the 19th position. What significant factors contribute to this variance between earnings and arrivals?
4. Do you consider Zambia to have the pre-requisite infrastructure to handle high volume tourism traffic?
5. Tourism in Zambia is still in its infancy, how does the sector been addressing lack of access to investment funds? How accessible are these funds? Are the modalities known by a number of would be investors?
6. The Human Resource and low levels of Skills have been a considerable factor of concerns in various National Development Plans. In terms or human resource the WTTC competitive rankings, places Zambia as the 114th at 31%. The country has inadequate trained professional staff. What strategies are in place to upgrade training skills?
7. What investment opportunities and incentives are being offered to foreign investors intending to invest into the sector? Are they any difficulties being encountered in attracting foreign investment?
8. The Minister of Tourism and Natural Resources Hon. Patrick Kalifungwa has bemoaned lack of information about the Zambian tourism sector (ZNBC News 02.08.04 and Tourism Online). Tourists find very little distinction between Zambia and Zimbabwe. Do we have unique product development (brand) that can make Zambia distinguishable from her competitors?
9. How would you describe the existing relationship between ZNTB and other tourism stakeholders? Where do we need to improve?

Marketing Zambia as a tourism destination:

Appendix III: Institutions visited and Staff Interviewed

Name	Institution	Position
Ms Charity Chanda Lumpa	Zambia National Tourist Board	Managing Director
Ms Doris Shupikile Kofi	Zambia National Tourist Board	Public Relations Officer
Mr. Percy Chabu Bwalanda	Tourism Council of Zambia	Assistant Director
Mr. Andrew Chilufya	Ministry of Tourism HQ	Focal Point Person
Ms Victoria Milimo	Ministry of Tourism	Regional Tourism Officer
Ms Barbara Muzumwa	Zambia Investment Centre	Analyst
Mr Noah Ndumingu	Zambia Privatisation Agency	Business Analyst

Marketing Zambia as a tourism destination:**Appendix IV: Hotels, Lodges & Motels in Zambia with e-mail & websites access**

Hotels/Lodges/ Motels	Website Presence	E-mail facility	Online booking facilities	Price offering	Region
Chainama Hotel	X	X	X	X	Lusaka
Chaminuka Lodge	✓	✓	X	✓	
Dream Valley	✓	✓	X	X	
Protea Safari Lodge	✓	✓	✓	✓	
Fringilla Lodge	✓	✓	X	✓	
Fairview Hotel	X	✓	X	X	
Garden House Hotel	✓	✓	X	X	
Chrismar Hotel	✓	✓	X	X	
Lilayi Lodge	✓	✓	X	✓	
Hill view	X	X	X	X	
Holiday Inn	✓	✓	✓	✓	
Inter Continental Hotel	✓	✓	✓	✓	
Kafue Rd Garden House	✓	✓	X	X	
Mumana	X	✓	X	X	
Mwiza Corporate Lodge	✓	✓	X	✓	
New Londe	X	X	X	X	
Ndeke Hotel	✓	X	X	X	
Pamodzi Hotel	✓	✓	✓	✓	
Villa Lodge Gardens	X	✓	X	X	
Lusaka Hotel	X	X	X	X	
Lechwe Lodge	✓	✓	X	X	
Mulungushi Village	✓	✓	X	X	
					Copperbelt
Protea Hotel	✓	✓	✓	✓	
Lima Hotel	X	X	X	X	
Munsunhya	X	X	X	X	
Hibcus Guest House	X	X	X	X	
Nchanga Hotel	X	X	X	X	
Edinburgh Hotel	X	✓	X	X	
Kamunga Hotel	X	X	X	X	
Nkana Hotel	X	X	X	X	
Loweden Lodge	X	X	X	X	
Mufulira Hotel	X	X	X	X	
Katuba Guest House	X	✓	X	X	
Mukuba Hotel	X	✓	X	X	
Nazinina	X	X	X	X	
Kafue Lodge	X	✓	X	X	
Nyimba	X	X	X	X	Eastern
Kacholola	X	X	X	X	
Ibis	X	✓	X	X	Central
Plough mans	X	X	X	X	
Tuskers	X	✓	X	X	
Forest Inn	✓	✓	X	X	

Marketing Zambia as a tourism destination:

Lyambai Hotel	X	X	X	X	Western
Ngulu Hotel	X	X	X	X	
Sir Mwanawina Motel	X	X	X	X	
Sakatongo Hotel	X	X	X	X	North-Western
Kasama Hotel	X	X	X	X	Northern
Kwacha Relax Hotel	X	X	X	X	
Arms Hotel	X	X	X	X	
New Grass Hopper Inn	X	X	X	X	
Crested Crane Hotel	X	X	X	X	
Mutinondo Wilderness	✓	✓	X	✓	
Kalambo Lodge	X	✓	X	X	
Nkupi Lodge	X	X	X	X	
Tanganyika Lodge	X	✓	X	X	
Mishembe	✓	X	X	X	
Kapisha Hot Springs	✓	✓	X	X	
Nyambadwe Motel	X	X	X	X	Lower Zambezi
Gwabi Lodge	X	✓	X	X	
Kanyimba Lodge	X	X	X	X	
					Southern
Choma Hotel	X	X	X	X	
Mabushi Chalets	✓	✓	X	X	
Kalomo Hotel	X	X	X	X	
Mazabuka Garden Hotel	X	X	X	X	
Mutemwa Camp	✓	✓	X	✓	
Monze Hotel	X	X	X	X	
Eagles chalets	✓	✓	X	X	
Lake Kariba Inn	✓	✓	X	X	
Leisure Bay	✓	X	X	X	
Manchinchi Bay	X	X	X	X	
Lakes Safari Lodge	X	✓	X	X	
Chete Island Lodge	X	✓	X	X	
Chikanaka Island Camps	✓	✓	X	X	
					Livingstone
Ngolinde Lodge	✓	✓	X	X	
Siakamba	✓	✓	X	✓	
Sussi & Chuma	✓	✓	X	✓	
Taita Falcon lodge	✓	✓	X	✓	
The Royal Livingstone	✓	✓	✓	✓	
Tongabezi Lodge	✓	✓	X	✓	
Wasawange Lodge	X	✓	X	X	
Zambezi Tree Lodge	X	✓	X	X	
Zambezi Chundu Lodge	✓	✓	X	X	
Zambezi Sun	✓	✓	✓	✓	

Source: Adapted from the ZNTB web page

(<http://www.zambiatourism.com/travel/listings/hotels.htm>)