Chapter 15  
Marketing Tourism

The role of price of international tourism marketing in Africa

Oyewole (2004) examined the price competitiveness of African tourism destinations using a tourism price competitiveness index. This examined prices of tourism goods and services (i.e. food, beverages, tobacco, purchased transport, equipment and services for recreational hotel costs). In terms of the top five rankings, the most competitive were:

- Ethiopia
- Zimbabwe
- Malawi
- Senegal
- Mauritius

while the least competitive were:

- Congo
- Botswana
- Egypt
- Tanzania
- Cote d’Ivoire.

Oyewole (2004) explains the price competitiveness of a country’s international tourism product is a function of the export nature of tourism resulting from:

- the exchange rate (external cost of money)
- the inflation rate (internal cost of goods and services in a country).

The price competitiveness of a country’s tourism product is not static, since it varies through time. In countries with a low price competitiveness, government policies directed at the tourism sector may help reduce this problem, such as reducing tax on hotel rooms and sales tax on goods. Therefore, the least price-competitive countries promoting international tourism may need to concentrate on market niches and particular segments which are less concerned with price (e.g. safari tourism in Botswana as discussed in Chapter 24) as well as joint marketing campaigns focused on regional tourism to combine a price-competitive and less price-competitive destination. Above all, the issue of price when combined with issues of product and destination marketing illustrates the need for marketers to have a sound understanding of the external environment and the changing position of their competitors.

References