TOURISM ACCOMMODATION IN MANGAUNG: CURRENT DYNAMICS, IMMEDIATE CHALLENGES AND FUTURE PROSPECTS

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ABSTRACT

Tourism is currently one of the world's fastest growing industries (Cluster Consortium,1999). The phenomenal growth of tourism worldwide has led to tourism becoming big business and highly considered by governments as part of their developmental strategies. Tourism is able to create local jobs, empowers communities and distribute income are some of the reasons that both private and public sector players want to attract tourism to their destinations. For the purposes of the envisaged research, accommodation shall be the focus of the research within the Mangaung municipal area in the Free State Province. ''The tourist economy of Bloemfontein is dominated by the tourist accommodation sector. In addition, this sector comprises mainly guesthouses and bed-and-breakfast establishments'' Visser (2007:356). Bloemfontein is at the centre of the tourist system in the Free State as the centre of the government, and business.

The accommodation sector is very important to the tourism industry because it serves as a supporting product to the tourism destinations which are the core product. Accommodation provides a necessary facility that makes it possible, convenient, and comfortable to engage in the primary reason for travel (George, 2008). Accommodation is a supporting service to the primary reason for visiting a destination area. ''Accommodation provision in cities as elsewhere is a major influence on the volume and value of tourism o any locality. Accommodation should therefore precede any other type of development at a tourist destination'' Nuntsu et al (2004:516).The availability of a range of types of accommodation is important for the competitiveness of a destination area as tourists would compare destinations each other also considering the destination amenities before deciding to travel to one destination at the expense of another. This therefore means that the availability of accommodation is one of the influencers on the motivation to travel to a certain destination area. This research study will unpack the challenges, opportunities and threats to the accommodation industry located in Mangaung that includes the city of Bloemfontein and the towns of Botshabelo and Thaba 'Nchu.

Keywords: Tourism, local economic development, SMMEs, accommodation, development.

INTRODUCTION

''Following the first racially inclusive democratic elections in 1994, the government efforts to eliminate poverty have been frustrated by the continued shedding of jobs from the formal economy'' Aliber (2003:473). In some parts of the country the unemployment rate is 80%, where the state is basically keeping people alive as noted by Isandla Institute (2008). This might be more prevalent in the former homelands which were pools of labour to supply the migrant labour primarily to the mines. According to Bhorat *et al.* (2003) the Gini score for South Africa is about 0,6, with Brazil, South Africa has one of the most unequal income distribution in the world. The task of challenging poverty, inequality and low-skills are fundamental for South Africa's development. Jobs are not being created in the South African labour market at a fast enough rate according to Luiz & Mariotti (2008), whilst Davies & Thurlow (2009) also blamed the underperforming formal sector for unemployment. The government led by the African National Congress (ANC) from the 1994 elections adopted the Reconstruction and Development Plan (RDP) as a programme of action to arrest poverty, unemployment and inequality. *White Paper on the Promotion and Development of Tourism in South Africa* (1996) had identified that tourism more than any other sector has the potential the objectives of the RDP. According to the *Development Indicators Mid-Term Review* by The Presidency (2008) noted that tourism outperforms other economic sectors in terms of job and growth as tourism grew rapidly between 2004 and 2006 at a rate of 12.9 %.

''South Africa's travel and tourism economy directly and indirectly account for 1 148 000 jobs, representing 6.9 % of total employment and R 72.5 million of gross domestic product (GDP), equivalent to 7.1 % of total GDP. The South African story is that (Rogerson, 2002) tourism development may be driven by the imperative for localities to secure new economic activities in order to create employment and growth as traditional industries decay or decline. Both the mining and agricultural sectors were declining in their contribution to GDP. The tourism industry is one industry that has grown in leaps and bound since the watershed moment in 1994. The tourism industry has appeared (Lowitt, 2006) as a priority sector in every government policy related to economic growth and sector strategies since 1994. Before the first democratic election in South Africa in the year 1994, the tourism industry was not a major economic activity and contributor to GDP. The plethora of repressive apartheid laws ensured that the tourism industry did not cater for the previously neglected people as (Rogerson & Lisa, 2005) South Africa's black population as ''not welcomed'' at tourist facilities. Hence the Tourism White Paper (1996) has noted that tourism development in South Africa was largely a missed opportunity.

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Repressive laws ensured that previously neglected groups could not travel freely within South Africa and in addition Ntuli & Potgieter (2001) South Africa was blacklisted by many foreign governments as a prohibited tourist country. According to Rogerson & Visser (2005) the impact of urban tourism was small because it was constrained under apartheid by the limitations of free movement of people in and to cities. The 1994 elections was a watershed moment as the destination was opened and increasing international tourists started to visit South Africa. Domestic tourism is also promoted aggressively by South African Tourism (Rogerson & Lisa, 2005) through the *Sho't Left* campaign. According to Saayman *et al.* (2001) the promotion of domestic tourism can stem foreign exchange outflow by reducing the number of locals that travel to foreign countries. The Tourism White Paper (1996) had noted that the country's tourism attractiveness lies in its diversity. ''South Africa is rich in tourist attractions. These include *inter alia,* accessible wildlife sanctuaries, unspoiled landscapes (beaches), wilderness areas and indigenous forests, diverse cultures, a generally sunny and mild to hot climate and a well-developed infrastructure'' Ntuli & Potgieter (2001: 60).The growth in tourism in South Africa during the past ten years resulted in the development of various types of tourism such as: eco-tourism, cultural tourism, adventure tourism, business tourism, sports tourism and event tourism (Strydom *et al.*, 2006). ''Internationally one of the most ''urban'' of tourism product offerings relate to gay tourism'' Rogerson & Visser (2005:69). Furthermore, Rogerson & Visser (2005) noted that in the post 1994 era, there has been an urbanisation of casino gambling. The pre-1999 era, casinos where located in the homelands as a means of economic catalyst for the poor homeland regions whilst gambling was illegal in ''South Africa''.

The pursuit of tourism by many developing countries has led to (Dinh *et al.* , 2011) infrastructure improvements (roads, airports, energy) to support the industry directly and indirectly as well as the trickle down benefits as this infrastructure can be used by locals and tourists. Only 3.9% of all scheduled air service are in the world were attributed to Africa (Dinh *et al.* , 2011) which is low in absolute terms. The tourism sector (ILO, 2010) has benefited from the process of globalisation and from the constantly falling relative price of travel. The advent of low cost carriers (LCCs) has also increased competition due to its low cost model having a positive effect on domestic tourism travel and leading to mode switch from buses and taxis to airlines. According to Oxford (2011) airlines registered in South Africa carry 18 million passengers and 209,000 tonnes of freight a year to and from and within South Africa. ''Aviation is indispensable for tourism, which is a major engine for economic growth, particularly in developing economies. Globally, 51% of international tourists travel by air'' ATAG (2012).

Ferreira (2007) is one of the authors to caution the unrealistic expectations regarding the role that tourism might fulfil as an economic growth mechanism. As noted by Dinh *et al.* (2011) one in every 20 jobs in sub-Saharan Africa are in travel and tourism. Tourism skills are important for the success of the business. The beauty about the tourism industry is that it allows for the absorption of both low skilled and the highly skills employees. ''There's a misconception that the jibs are just making beds in hotels. But tourism demands more than just that, a whole network of ancillary services such as managers, suppliers, chefs, specialised multilingual guides, domestic air and land transport and all the services jobs associated with them'' Peters (2002:10). Tourism and hospitality subjects have been introduced in the pre-tertiary schooling system in South Africa. Vocational colleges which are called Further Education and Training Institutions (FETs) have already adapted their curriculum to the needs of industry and offer up to standard qualifications in tourism and hospitality studies. The institutions of higher learning that are categorised into universities of technology (UoT) and traditional universities have introduced the course to meet the demand from students. According to Saayman *et al.* (2001) South Africa has downplayed the promotion of domestic tourism by leaving it to the nine provincial authorities, whilst international tourism marketing has been properly funded and coordinated by SAT.

There exclusion of black people both as tourists and tourism product owners needed to be addressed as the tourism industry needed to comply with black economic empowerment (BEE) legislation. The lack of transformation in the tourism industry was noted by Mograbi & Rogerson (2007) that the tourism economy of Sodwana Bay is controlled by a group of White tourism companies that accrue all the revenue stream from tourism. Therefore as a result of this ownership pattern, the tourism industry in order to assist in economic growth and development must simultaneously open up opportunities for the previously disadvantaged groups to benefit from the tourism industry. From the perspective of Black tourists, research conducted by Nieftagodien & Van Der Berg (2005) noted that Black consumption of middle class goods such as air travel and going on holiday influenced by the needs of Blacks for asset accumulation preceding a stage of middle class consumption. ''The concept of ''Responsible Tourism'' emerged as the most appropriate concept for the development of tourism in South Africa'' Tourism White Paper (1996:19). The Department of Environmental Affairs and Tourism (DEAT) launched the *Responsible Tourism Manual for South Africa* in 2002 to give policy guidelines on being more environmentally friendly and responsible. Tourism is (Bonham *et al*., 2006) is described as a ''fragile'' industry as demand for travel is susceptible to numerous shocks and when people travel, their safety is of paramount importance. In the context of South Africa (Ferreira & Harmse, 2000) has given the country an undesirable image which has begun to impact negatively on the tourism industry whilst research conducted by George (2003) in Cape Town uncovered that tourists were scared to travel after dark. Tourism because its susceptible to crime, will result in measures created to protect tourists and for the general welfare of the citizens (Upadhayaya *et al.*, 2011) acts as a catalyst for peace so that in turn peace becomes a dividend for tourism.

TOURISM AND LOCAL ECONOMIC DEVELOPMENT

''Since 1994, national government has launched several initiatives designed to promote or support economic development across South Africa through tourism'' Rogerson (2002: 144). The devolution of power after 1994 resulted in the formation of the local government sector that had the responsibility of being a developmental local government level. This devolution of power meant that city governments (Nel & Rogerson, 2005) had to seek to improve both the formal market economy and to foster the informal or lower end of economic spectrum. Employment creation, and poverty alleviation became dominant features of the local economic development (LED) planning in South Africa. To achieve rejuvenation in many areas according to Ferreira & Visser (2007) many development have been through partnerships between the local state and capital that may be local or international. As noted by Rogerson (2006) more and more cities compete in producing and reproducing themselves as spaces for tourism consumption. Ferreira (2007) identifies that localities require the development of a total product that will be used to attract tourists to the area. Revitalisation strategies such as the Victoria & Alfred Waterfront in Cape Town according to Ferreira & Visser (2007) as indicated that 80% of the permanent jobs created with the re-development where new jobs. LED planning has been institutionalised at local government level in that Nel & Rogerson (2005) noted that almost all municipalities have established LED units or department. An interesting feature is that tourism has become a standard feature of the LED units, by either having an officer or manager depending on the seriousness with which tourism is taken in the municipality. Tourism-led LED has been pursued by both urbanised economies and rural peripheral economies. This has led cities to develop comprehensive marketing strategies that aim to deliver a message to customers and investors, of the key differential points of the city/town against other competing towns/cities. As noted by Bickford-Smith (2009:1764) ‘’destination branding would appear to be a major way in which we are told both how to imagine and ‘consume’ places. The lack of industrialisation of economies of local economies has led to strategies to present localities as centres of consumption, to consume the tourism product portfolio on offer. Tourism-led LED has been pursued because (Ferreira, 2007) many towns are relatively stagnant or are steadily losing economic power, service-delivery and economic services available to the surrounding agricultural communities, increasing poverty and lowering the quality of life in the farming areas. ‘’Second homes are an integral component of tourism experiences in rural and peripheral areas’’ Visser (2006: 351).

TOURISM AND SMMEs

The attractiveness of tourism potential was associated with the ability to attract substantial private sector investment as well as to accommodate small enterprises (SMME) development according to CDS (2006). According to Telfer (2004) alternative development has been associated with small-scale, locally-owed developments with community participation. These locally owned enterprises would not only increase the retention of the tourism multiplier effect, they would lead to lower economic leakages and increase local employment and asset base of the locals. Local ownership of tourism product offerings would assist in reducing the levels of poverty, and inequality that are a key feature of South African society. ‘’Since the advent of democracy in South Africa, SMME development has been a critical focus of national government planning’’. It has been established in literature and research that there are two types of SMMEs: those that seek a profit motive and those that seek to merge profit objectives with lifestyle demands of the owner. As noted by Morrison & Teixeira (2004) the management of the majority of small tourism businesses defies economic logic as facilitated by low barriers of entry, family and lifestyle are literally accommodated alongside that of the commercial enterprise. The emergence of ‘lifestyle entrepreneurs’ is closely associated with the tourism industry business owner matching lifestyle objectives with business objectives, a convergence of these two objectives. Rogerson (2005) identifies two categories of SMMEs in, the first are established white owned SMMEs whist the second is the recently emerging black owned micro-enterprises in the tourism economy.. Access to finance is not just a South African SMME challenge as research in Canada by Dodds & Holmes (2010) that more than 40% of B&B owners had financial restrictions in implementing sustainable practices.

ACCOMMODATION INDUSTRY

The accommodation sector according to Phillips & Govendor (2001) is the biggest aspect of the tourism and hospitality sector. This is not surprising because Nuntsu *et al* (2004) has noted that accommodation should preceded any other typed of development at a tourist destination. ‘’Structurally, South Africa’s tourism economy is dominated by a small group of locally owned large tourism organisations, led by Sun International, Protea Hotel and Southern Sun enterprises’’ Rogerson (2004:273). As this may be the situation, the vast majority of accommodation establishments are SMME operators. The accommodation sector is very important to the tourism industry because it serves as a supporting product to the tourism destinations which are the core product. Accommodation provides a necessary facility that makes it possible, convenient, and comfortable to engage in the primary reason for travel (George, 2008). Accommodation is a supporting service to the primary reason for visiting a destination area. ‘’Accommodation provision in cities as elsewhere is a major influence on the volume and value of tourism to any locality. Accommodation should therefore precede any other type of development at a tourist destination’’ Nuntsu *et al* (2004:516).The availability of a range of types of accommodation is important for the competitiveness of a destination area as tourists would compare destinations each other also considering the destination amenities before deciding to travel to one destination at the expense of another. This therefore means that the availability of accommodation is one of the influencers on the motivation to travel to a certain destination area. The DEAT in 2000 established the Tourism Grading Council of South Africa (TGCSA) specifically for the responsibility of grading of tourism establishments that range from accommodation, restaurants, and Meetings, Exhibitions & Special Events sector (MESE), Food & Beverage sector (restaurants).MATCH Hospitality (‘’MATCH’’) was the only company appointed by FIFA to manage accommodation, ticketing and Information Technology (IT) solutions for the 2010 FIFA World Cup™ has decided to only contract graded establishments for the 2009 FIFA Confederations Cup™, the 2010 FIFA World Cup™. Morrison & Teixeira (2004) noted that the provision of tourist accommodation was selected as an activity as for many the business represents an extension of the domestic environment child-care could be accommodated alongside making an income. In research by Saayman & Olivier (2005) accommodation was regarded the second most attractive sector for opening a tourism business. The rapid growth of the B&B sector is attributed to the fact that it is the easiest and simplest way to enter the tourism industry. The cost advantage at B&B in addition to a home-away from home feeling where key selling points. Backpackers had emerged as a new tourism accommodation sector that according to Visser & Baker (2004) seeks cheap and non-luxurious accommodation facilities. In South Africa, friends and relatives (VFR) represents the single largest source of accommodation provision for international visitors. Mcintosh & Siggs (2005) had identified boutique hotels as a grown sector that gave personality to its hotels and generally experienced to offer more than a B&B experience in terms of quality, homely and customer service.

RESEARCH METHODOLOGY

The research would assist in filling a research gap that exists into the accommodation component of the tourism system of the Mangaung area. The investigator will be largely using descriptive research through the use of a semi-structured questionnaire as a primary data collection method. Because the previous section descriptive research had been identified as an objective, qualitative research is chosen because the study seeks to achieve understanding and describing. The research study would seek to utilise qualitative methodology to get the respondents opinions. Non-probability volunteer sampling shall be used in the research study. No incentive will be allocated to the research respondents. Survey questionnaire would be the primary means for primary data will be collected. A combination of closed and open-ended questions will be used as the means of primary data collection.

After the data had been captured, the data would be cleaned to ensure that it could be used for scientific analysis. Descriptive analysis using frequency distribution will be explored. A pre-test will be undertaken using a minimum sample of ten tourism accommodation establishments. The semi-structured survey questionnaire that was administered to accommodation providers in the Mangaung area (Bloemfontein, Botshabelo and Thaba N'chu) during 2009 between April 2009 and August 2009. At the beginning of each survey, the interviewer would request that the questionnaire be completed by the owner or manager of the accommodation establishment. The researcher would present the questionnaire with the attached research consent letter, after explaining the purpose and the benefits of the research project written in English. The research findings provide the character of accommodation establishments with due regard for the challenges, dynamics and prospects they face. There were 114 respondents to the questionnaires of which four (4) were spoilt and could not be used for research purposes. The data collection methods that were employed for the research study included a physical drop-off and collection by the researcher, fax survey and surveys sent by emails. The majority of respondents (78%) respondent to the questionnaire when it was dropped at the establishment and collection was arranged. Seventeen percent of the respondents replied to the questionnaire by email when the researcher had sent the questionnaire to the listed email on the accommodation database provided by Mangaung Tourism. Fax surveys were the least of the respondents representing five percent (5%) of the respondents. The fact that a respondent had to incur costs in faxing back the questionnaire to the researcher may have resulted in fax respondents being the least of respondent type.

RESEARCH RESULTS AND DISCUSSION

The majority of the owners of accommodation establishments were White (70.3%), then African Black (26.73%) and lastly Coloured (2.97%). This confirms the findings of research by Rogerson (2007) that the tourism industry is dominated by white entrepreneurs. These black owned properties will be serviced by tourists seeking a niche experience namely ''township tourism'' without a mix of leisure and business tourists according to Rogerson (2005). Of respondents surveyed, the majority of the accommodation establishment's owners were males (63%), whilst females accounted for 54%. Finally, family owned accommodation establishments accounted for 17% of the survey respondents. An interesting character of the accommodation product is the fact that it's typified by owners that are in the middle to old age owners. The majority of the owners (37%) were between the ages 41-50 age bracket, followed by owners in the 51-60 age bracket representing 30% of the sample. There were only 5% of the respondents that could be considered young within the age band of 20-30 years. The research results confirm a study by Chou (2005) in Taiwan that the majority of B&Bs were owned by entrepreneurs that were married and in the 31 to 40 years age bracket. The young owners were far exceeded in accommodation establishment by owners above the age of 60 (13%), which would include pensioners. ''Tourism SMME entrepreneurship is largely the domain of middle-aged or retirement aged people; the majority of entrepreneurs were aged 50 or more years'' Rogerson (2005:632).

Figure 1.1 Classification of Accommodation Establishment

	FREQUENCY	PERCENTAGE
Hotel	11	10.19
Bed & Breakfast	23	21.30
Youth Hostel	2	1.85
Boutique Hotel	1	0.98
Guesthouse	51	47.22
Caravan Park	3	2.78
Lodge	11	10.19
Backpacker	1	0.93
Other	5	4.63
TOTAL	108	100.00

The majority of staff employed in management positions were White (60.4%) whilst Coloureds, were the least represented racial grouping in management positions, with 5.4% of the sample. Support services were dominated by Africans with 87.1% of the sample, whilst 2.9% of Whites constituted the least represented racial grouping in support services. Management staff was generally better educated than the support staff members. Low levels of education amongst support staff is reflected in the fact that 86.3% of the sample have no post-Matric schooling compared to the 13.6% that have post-schooling. Only 13.6% of supports staff members had post-Matric qualification with the majority (8.4%) in possession of a certificate and the minority having a degree (1%). The majority of support staff members were in possession of Grade 12, representing 47.3% of the sample. Tourism and hospitality qualifications at post-Matric level were not possessed by 36.7% of accommodation establishments employees. There was only one (1) establishment within the fourty-nine respondents (49) were 50% of the staff had either tourism or hospitality post-Matric qualification, representing 2% of the sample. Low levels of tourism education are not surprising as noted by Rogerson (2004) that the accommodations sector is a dominant route to entrepreneurship without any tourism experience. In research conducted by Rogerson & Rogersonc (2010) boutique hotel owners hired staff based on their inter-personal skills as they had no staff with tourism/hospitality qualifications.The accommodation establishments are small, which typifies SMME establishment as the majority, representing 11.6% of the sample, can accommodate 10 guests. As noted by Booysens & Visser (2010) the size of these establishments limited the job creation potential of these tourism SMMEs, accompanied by low wages and limited career progression opportunities. Accommodation establishments that accommodates between one (1) and ten (10) guests represented the vast majority with 30.1% of the respondents. There was only one establishment that could accommodate 500 guests, which represented the minority with 0.97% of the sample. The accommodation establishment that had the highest number of rooms had 224 rooms and this reflected 0.9% of the sample. The SMMEs character of the accommodation establishments was further reflected by considering that 33.3% of the sample, which represented thirty-four (34) of the respondents, had guest rooms ranging from one (1) to five (5). Whereas 31.3% of the respondents indicated that they had guest rooms ranging from six (6) to ten (10). The majority of accommodation establishments surveyed are generally small when its considered that 64.6% of the sample are establishments with rooms ranging from one (1) to ten (10). Establishments with rooms ranging from eleven (11) to fifteen (15) were the second majority with 7.8% of the surveyed sample.

The fact that the majority of the establishments are start-up businesses is reflected in the fact that the majority of the establishments (68.1%) have been in operation for five (5) years whilst 17.6% have been in existence for ten (10) years. This reflects that 85.7% of the establishments are ten (10) years and less in existence and this confirms their start-up business status. Accommodation companies that have been existence, as the minority, have been operational for 30 years (1.1%), 38 years (1.1%) and 39 years (1.1%). Of the respondents 98 respondents, 55 indicated that they were start-up businesses, which represents 56.1% of the survey respondents. The great number of start-up businesses indicates there has been a growth of the accommodation sector. The majority (65.9%) of the twenty-three (23) respondents indicated that they have an annual business turnover of between R 300.00 to R 500.000. This is whilst 79.3% of respondents indicated that the annual business turnover was between R 300 and R 1,000,000.

The establishment because of its SMMEs character does not employ many people. Of the respondents, the majority have employed three (3) employees (18.3%) in the majority of respondent respondents followed by two (2) employees with 14.2% of the respondents. The majority (63%) of establishments have indicated that the owner of the establishment is also the manager of the establishment. This means that some of the owner manager may be doing the job on a fulltime basis as pensioners or entrepreneurs. This was confirmed by Darkie & Horn (2009) that B&B was the main source of income for 67% of their research sample. On the other hand, the owner manager for the smaller establishment can still keep another job whilst managing the establishment's responsibilities. This may result in the establishment hiring less employees on a full than on a part-time basis. Of the respondents, 35% of the respondents indicated that the owners where not the managers of the establishments. This may be more of the case in the scenario of more than one guesthouse being owned by one owner and the situation in the larger accommodation establishments .Of the 100 respondents, there was a 50% split between establishments that were graded by the Tourism Grading Council of South Africa and those that were not graded. Quiet interestingly, 38.1% of the graded establishments, which represent the majority of establishments, were graded in 2008. The years 2007-2009 there was a greater grading of accommodation establishments, which represented 76.2% of the total graded respondents. The second majority of establishments were graded in 2009 representing 23.8% of the year of grading. The earliest date of grading is 1989 with 2.3% respondents indicating this least number of establishments graded in that year. The increased interest in grading can be attributed to the fact that a FIFA™ contracted hospitality company MATCH would only contract graded accommodation for the FIFA™ World Cup. The fact that the TGCSA Star Grading Scheme sets is a quality assurance system, it sets a standard for the physical features and the service to be offered by the establishment. However, not all graded establishments sought to be contracted by MATCH.

Non-MATCH contracted graded accommodation establishments could still benefit from an improved image in the eyes of tourists through their grading and the grading could be used as a competitive advantage. This explains the increased interest by accommodation establishments in the TGCSA Star Grading Scheme. Boutique hotels in research by Rogerson & Rogerson (2010) were critical of the Star grading scheme as it did not cater for the unique character of the boutique hotels. The majority of accommodation providers in Mangaung can be regarded as SMMEs because of the dominant number of guesthouses (47.2%), bed & breakfast establishments (21.3%) and lodges (10.1%). There were a same number of lodges and hotels that took part in the study (10.1%). The increased segmentation in the accommodation industry has led to the emergence of custom-themed Boutique Hotels that were represented by 0.98% of the respondents. Backpacker tourism accommodation were represented by 0.93 of the respondents. Of respondents interviewed, 46.7% of the visitors, their length of stay were 2 days. Four days stay at an establishment was the least with 3.7% of respondents indicating this. It was encouraging that there were more people (15.8) that spend in excess of 5 days in Mangaung accommodation establishment, than those that spent 3 days (13%) and those that spent 1 day, representing 14% of the sample. Mangaung's is host to two major festivals namely the Volksblad Kunstefees and MACUFE which are held in Bloemfontein. The Volksblad Kunstefees is predominantly targeted at the White Afrikaner market held during the June recess whereas the third Quarter occurring MACUFE has the African Black as the core market. Of the respondents, 43.2% indicated that they have received visitors that have attended both these festivals. The majority of establishments have only received MACUFE attendants (37.5%) whilst establishments that have received Volksbald Kunstefees attendants only are limited to 11.5%. Accommodation establishments that have benefited from neither festival amounted to 7.6% of the respondents. The majority of surveyed establishments were in Bloemfontein with 101 respondents of the total 108 respondents which represent 93.5% of the respondents. Botshabelo, the smallest part of Mangaung, has the least number of respondents with two (2) respondents that represent 1.8% of the sample. Thaba 'Nchu was represented by 5% of the sample. The majority of the accommodation establishments in Bloemfontein are located in the previously White-only surburbs (inclusive of the CBD) which represents 90.4% of the respondents. Of the 94 respondents, nine respondents representing 9.5% of respondents indicated that they were based in the previously Black locations in Bloemfontein. Botshabelo and Thaba 'Nchu because they are traditionally Black only establishments had been represented by 6 respondents which represents 6% of the total respondents.

Figure 1.2 Demographic Details of the Owner: Age

	FREQUENCY	PERCENTAGE
20-30 Years	5	5.00
31-40 Years	15	15.00
41-50 Years	37	37.00
51-60 Years	30	30.00
Above 60 Year	13	13.00
TOTAL	100	100.0

The majority of staff employed in management positions were White (60.4%) whilst Coloureds, were the least represented racial grouping in management positions, with 5.4% of the sample. Support services were dominated by Africans with 87.1% of the sample, whilst 2.9% of Whites constituted the least represented racial grouping in support services. The majority of staff in management positions (73.9%) had post-Matric qualifications within the range of Certificates, Diplomas and Degrees. Management staff was generally better educated than the support staff members. Low levels of education amongst support staff is reflected in the fact that 86.3% of the sample have no post-Matric schooling compared to the 13.6% that have post-schooling. Only 13.6% of supports staff members had post-Matric qualification with the majority (8.4%) in possession of a certificate and the minority having a degree (1%). The majority of support staff members were in possession of Grade 12, representing 47.3% of the sample. Tourism and hospitality qualifications at post-Matric level were not possessed by 36.7% of accommodation establishments employees. There was only one (1) establishment within the fourty-nine respondents (49) were 50% of the staff had either tourism or hospitality post-Matric qualification, representing 2% of the sample. The research findings have indicated that there is a majority of women in support services in accommodation establishments. What is clear is that the accommodation sector is dominated by females in both management and support positions. The accommodation establishments are small, which typifies SMME establishment as the majority, representing 11.6% of the sample, can accommodate 10 guests. Accommodation establishments that accommodates between one (1) and ten (10) guests represented the vast majority with 30.1% of the respondents. There was only one establishment that could accommodate 500 guests, which represented the minority with 0.97% of the sample.

The accommodation establishment that had the highest number of rooms had 224 rooms and this reflected 0.9% of the sample. The SMMEs character of the accommodation establishments was further reflected by considering that 33.3% of the sample, which represented thirty-four (34) of the respondents, had guest rooms ranging from one (1) to five (5). Whereas 31.3% of the respondents indicated that they had guest rooms ranging from six (6) to ten (10). The majority of accommodation establishments surveyed are generally small when its considered that 64.6% of the sample are establishments with rooms ranging from one (1) to ten (10). Establishments with rooms ranging from eleven (11) to fifteen (15) were the second majority with 7.8% of the surveyed sample. The fact that the majority of the establishments are start-up businesses is reflected in the fact that the majority of the establishments (68.1%) have been in operation for five (5) years whilst 17.6% have been in existence for ten (10) years. This reflects that 85.7% of the establishments are ten (10) years and less in existence and this confirms their start-up business status. Accommodation companies that have been existence, as the minority, have been operational for 30 years (1.1%), 38 years (1.1%) and 39 years (1.1%). Of the respondents 98 respondents, 55 indicated that they were start-up businesses, which represents 56.1% of the survey respondents. The great number of start-up businesses indicates there has been a growth of the accommodation sector. The majority (65.9%) of the twenty-three (23) respondents indicated that they have an annual business turnover of between R 300.00 to R 500.000.

This is whilst 79.3% of respondents indicated that the annual business turnover was between R 300 and R 1,000,000. The business turnover figures do indicate that the majority that the majority of SMMEs are start-up businesses and that they accommodation establishment may not be the only means of achieving financial benefits for the owners. 8.7% of the respondents indicated that they had a business turnover of between R 2,100,000 and 27,000,000, by far the minority. This means that really big accommodation companies that can have such huge annual turnovers are few are far between, the many SMME establishments. The establishment because of its SMMEs character does not employ many people. Of the respondents, the majority have employed three (3) employees (18.3%) in the majority of respondent respondents followed by two (2) employees with 14.2% of the respondents. Establishments that have employed between one (1) and ten (10) employees represent 80.6% of respondents; and establishments that have employed between eleven (11) and twenty (20) employees represent 12.2% of the respondents. It is clear that the establishments are SMMEs as they don't employ many full staff members employees; 81.7% of establishments employed one (1) to ten (10) employees; 10.7% employed eleven (11) to twenty (20) employees. Most establishments employed two (2) employees (22.5%), whilst those that employed one (1) employee were 17.2%, three (3) employees were amongst the 12.9% and establishments that employed four (4) employees were 9.6% of the respondents. The majority (63%) of establishments have indicated that the owner of the establishment is also the manager of the establishment. This means that some of the owner manager may be doing the job on a fulltime basis as pensioners or entrepreneurs. On the other hand, the owner manager for the smaller establishment can still keep another job whilst managing the establishment's responsibilities.

This may result in the establishment hiring less employees on a full than on a part-time basis. Of the respondents, 35% of the respondents indicated that the owners where not the managers of the establishments. This may be more of the case in the scenario of more than one guesthouse being owned by one owner and the situation in the larger accommodation establishments. Of the 100 respondents, there was a 50% split between establishments that were graded by the Tourism Grading Council of South Africa and those that were not graded. Quiet interestingly, 38.1% of the graded establishments, which represent the majority of establishments, were graded in 2008. The years 2007-2009 there was a greater grading of accommodation establishments, which represented 76.2% of the total graded respondents. The second majority of establishments were graded in 2009 representing 23.8% of the year of grading. The earliest date of grading is 1989 with 2.3% respondents indicating this least number of establishments graded in that year. The increased interest in grading can be attributed to the fact that a FIFA™ contracted hospitality company MATCH would only contract graded accommodation for the FIFA™ World Cup. The fact that the TGCSA Star Grading Scheme sets is a quality assurance system, it sets a standard for the physical features and the service to be offered by the establishment. However, not all graded establishments sought to be contracted by MATCH. Non-MATCH contracted graded accommodation establishments could still benefit from an improved image in the eyes of tourists through their grading and the grading could be used as a competitive advantage. This explains the increased interest by accommodation establishments in the TGCSA Star Grading Scheme. The majority of accommodation providers in Mangaung can be regarded as SMMEs because of the dominant number of guesthouses (47.2%), bed & breakfast establishments (21.3%) and lodges (10.1%). There were a same number of lodges and hotels that took part in the study (10.1%).

The increased segmentation in the accommodation industry has led to the emergence of custom-themed Boutique Hotels that were represented by 0.98% of the respondents. According to Rogerson & Rogerson (2010) boutique hotels are predominantly a new development, the bulk in the Western Cape, and preferred by international tourists. Backpacker tourism accommodation were represented by 0.93 of the respondents. Of respondents interviewed, 46.7% of the visitors, their length of stay were 2 days.

Four days stay at an establishment was the least with 3.7% of respondents indicating this. It was encouraging that there were more people (15.8) that spend in excess of 5 days in Mangaung accommodation establishment, than those that spent 3 days (13%) and those that spent 1 day, representing 14% of the sample. Mangaung's is host to two major festivals namely the Volksblad Kunstefees and MACUFE which are held in Bloemfontein. The Volksblad Kunstefees is predominantly targeted at the White Afrikaner market held during the June recess whereas the third Quarter occurring MACUFE has the African Black as the core market. Of the respondents, 43.2% indicated that they have received visitors that have attended both these festivals. The majority of establishments have only received MACUFE attendants (37.5%) whilst establishments that have received Volksbald Kunstefees attendants only are limited to 11.5%. Accommodation establishments that have not benefited from neither festival amounted to 7.6% of the respondents. The majority of surveyed establishments were in Bloemfontein with 101 respondents of the total 108 respondents which represent 93.5% of the respondents. Botshabelo, the smallest part of Mangaung, has the least number of respondents with two (2) respondents that represent 1.8% of the sample. Thaba 'Nchu was represented by 5% of the sample. This is not suprisng as almost all the festivals occur exclusively in Bloemfontein. The suburb of Universitas in Bloemfontein has the majority of respondents, indicating 9% of the sample, followed by the Bloemfontein suburbs of Fichardt Park with 8% of the sample and Bayswater with 7% of the sample. Botshabelo had a joint majority of establishments in the B-Section and the E-Section, representing 1% of the total respondents.

The majority of the accommodation establishments in Bloemfontein are located in the previously White-only surburbs (inclusive of the CBD) which represents 90.4% of the respondents. Of the 94 respondents, nine respondents representing 9.5% of respondents indicated that they were based in the previously Black locations in Bloemfontein. Botshabelo and Thaba 'Nchu because they are traditionally Black only establishments had been represented by 6 respondents which represents 6% of the total respondents. As noted by Rogerson (2004) black owned B&B are confined almost exclusively in the former 'black space' as defined by apartheid as 'townships'. These townships areas needed to manage the threats and perception of crime in order to attract tourists. The majority of the findings in the research project confirm the findings of the study by Visser & Baker (2004), that the character of the accommodation industry is dominated by the accommodation sector and establishments that can be classified as SMMEs. Backpacker establishments are the least represented confirming the findings of Visser (2004) that backpacker establishments appear to be the most recent tourism development type to have emerged in the South African tourism accommodation system. The character of the accommodation industry remains white dominated with the spatial distributed of accommodation establishments located in the previously White suburbs. This hampers the developmental impact of tourism. The townships had the least of accommodation establishments and they were the areas that needed the developmental impact of tourism and the development of SMMEs the most.

CONCLUSION

The rapid growth of the accommodation sector especially SMMEs is encouraging in the tourism system of Mangaung. Its commendable in that it has increased the number of beds, whilst caution due to market saturation that can lead to potentially a price war. Mandatory regulation at local government level must be fast tracked as many SMME accommodation are not registered. This is not isolated to the Mangaung area, according to Tourism KwaZulu-Natal (2005) many B&Bs remain unregistered. TGCSA star grading must be promoted as this will raise the service standards, ensure that they meet statutory requirements and improve the physical infrastructure of the establishment. The majority of the findings in the research project confirm the findings of the study by Visser & Kotze (2006), that the character of the accommodation industry is dominated by the accommodation sector and establishments that can be classified as SMMEs. Backpacker establishments are the least represented confirming the findings of Visser (2004) that backpacker establishments appear to be the most recent tourism development type to have emerged in the South African tourism accommodation system. The character of the accommodation industry remains white dominated with the spatial distributed of accommodation establishments located in the previously White suburbs. This hampers the developmental impact of tourism. The townships had the least of accommodation establishments and they were the areas that needed the developmental impact of tourism and the development of SMMEs the most. The tourism system of Mangaung and the Free State is still dominated by Bloemfontein, as the provincial capital and the seat of the provincial government.

There is a need for the region to attract increasing numbers of leisure international tourists and backpackers are an attractive market that must be promoted. The destination area in order to benefit from backpacker system must be integrated in the transportation system of the BazzBuzz that is a transportation system for backpackers. The attraction of backpackers is that they seek new destinations, do not seek luxury, spend more money on procuring local products and their length of stay is longer. The Free State hosts two major festivals in the national calendar, namely MACUFE and the Volksblad Kunstefees. These two festivals that are both held in the second quarter of the year are held during the shoulder season and are able to address the challenges of seasonality. There is a need to further grow these events so that they become hallmark events that would be used not just for place marketing, but also for increasing tourism expenditure, length of stay and dispersing the tourism rand. MACUFE, with its traditional black market has been able to allow opportunities for black accommodation providers to tap into this market. MACUFE which is much bigger than the Volksblad Kunstefees has resulted in full occupancy in Bloemfontein, to the benefit of establishments in Botshabelo and Thaba 'Nchu. Access to finance and mentoring are critical for the success of the accommodation sector especially the newly established black owned enterprises. Since the SMME operators cannot afford marketing at the scale of big hotels, the clever use of social media can be pursued. The best advertisement is a great experience to customers that will result in positive word-of-mouth advertising. Destination marketing, supported by tourism product development and events can stimulate further demand in the area thereby benefiting the accommodation sector.

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