Chapter 16: TOURISM STRATEGIES (UN-WTO book published in 2012)

PEOPLE-FIRST TOURISM
Concept Test in South Africa

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Abstract: Many tourists are interested in locally-beneficial experiences, which should afford opportunities for vulnerable individuals to earn their way out of poverty. However, host communities remain largely relegated to the role of passive tourists receiving only scraps from the tourism industry. This paper introduces “People-First Tourism”, a project that attempts to leverage information technology innovations and ubiquitous cellphones to provide micro-entrepreneurs with access to markets and to support peer networks, with two factors accounting for much of tourism’s unfulfilled potential to enable dignified and sustainable rural livelihoods. The paper reports the findings from fieldwork conducted in South Africa in January-February 2010, testing project validity with individuals from rural communities and with high-level tourism and telecom stakeholders. Keywords: People-First Tourism, information technology, cellphones

Duarte Morais <duarte_morais@ncsu.edu> and his colleagues combine expertise from tourism marketing, computer science, information systems, humanitarian engineering, and rural development to identify multidisciplinary socio-entrepreneurial solutions to human disparities and environmental degradation.
INTRODUCTION

Vulnerable communities in poor regions are often able to produce appealing tourism services and products because these activities are an extension of their traditional practices (such as tracking wildlife, making crafts, engaging in cultural performances). However, lack of understanding of market preferences, and inability to reach markets and to network with peers often prevent them from fully engaging in tourism opportunities. Conversely, independent tourists and tour operators struggle to find authentic providers of community-based services and products, demonstrating a market demand for the products/experiences that these rural communities can sell. The literature was searched to identify factors undermining tourism micro-entrepreneurship. The study pondered on whether an innovative process could be pursued to overcome those challenges and to position tourism micro-entrepreneurship as a solution to poverty and to cultural and natural degradation in resource-scarce rural areas. This chapter outlines bodies of literature that influenced the study, and explains how frugal information technology (IT) has become central to human development work. In addition, the chapter describes attempts to verify whether selected action plans were applicable in the context of rural tourism in South Africa, and delineates current efforts to develop a cellphone-enabled virtual marketplace that mediates transactions between networks of entrepreneurs and tourists. The chapter ends with an invitation for focused scholarship on tourism micro-entrepreneurship (that is, People-First Tourism) as well as for contributions to refine the open source IT application that potentially will support this kind of work.
PEOPLE-FIRST TOURISM

Numerous tourism, community development and environmental conservation scholars have been interested in examining ways to use tourism as a force to enable marginalized communities secure improved wellbeing and self-determination while also improving their often eroded relationships with local natural and cultural resources (Usher and Morais 2010). Throughout the years, several novel approaches to sustainable tourism development were proposed and continue to receive the interest of many scholars and practitioners. The most notable examples include community-based ecotourism (Garrod 2003), community-based natural resource management (Dressler et al 2010), and pro-poor tourism (Ashley, Roe and Goodwin 2001). While the important conceptual and practical contributions of these often studied sustainable tourism paradigms are acknowledged, tourism research details numerous instances where tourism fails to mitigate disparities in human development (material and health) and to revitalize natural and cultural resources systems. Therefore, an alternative research focus and approach to action, which this study calls People-First Tourism, is conceptualized in this chapter.

A primary focus of People-First Tourism is to improve the wellbeing of vulnerable individuals or communities. Yunus (2010) and Pollock (2008) are well-known for their success in enabling millions to earn their way out of poverty. In particular, Yunus identified a social entrepreneurial opportunity to provide micro-loans to the poor; and Polloc has focused on stimulating frugal innovations to meet the needs for market segments at the bottom of the social pyramid. These authors, have fuelled a burgeoning scholarship on business (or at least market-based) solutions to poverty. In other words, solutions to social problems that are self-funded or even profitable. People-First Tourism is influenced by their work proposing a focus on studying and enabling micro-entrepreneurship among segments of host communities currently unable to engage
meaningfully in the tourism industry. The focus is on the development of human beings, not on the advancement of a tourism industry or the conservation of natural or cultural resources.

According to People-First Tourism, the self-determined development of vulnerable individuals and communities can be pursued through the creation of improved eco-dependent livelihoods which can elicit pro-conservation attitudes and behaviors (Morais and Zinn 2010). This directive is consistent with Sen's (1999) assertion that development is more than improved access to income and should instead be seen as individuals' freedom to pursue fulfilling lives. It is also influenced by evidence revealing that sustainable community use of natural resources elicits symbolic connections with the environment (Morais and Zinn 2010), connections that fuel long-term internally regulated pro-conservation and self-help behaviors (Alkire 2005; Ryan and Deci 2000).

Tourism’s role in bridging human disparities and assuring sustainable use of common pool resources has also been undermined by the concentration of power among industry stakeholders and governance agencies under their influence. As described by Quadir (2002) “good governance emerges when ordinary citizens can demand checks and balances to restrain [self-serving behaviors of] powerful individuals” (p. 77). Therefore, efforts to make tourism serve vulnerable segments of society will inevitably have to focus on enabling individuals to pursue the change they want to see in their lives and in their communities. Development schemes are all too often devised by well-intended consultants that understand market preferences and coach communities to produce appealing tourism experiences. While this process may be effective in the short term, it is also disempowering and its success short-lived. Spivak (1985) commented on the importance of giving the subaltern a voice, rather than studying them and deciding what is interesting about them or better for them. Furthermore, tourism should leverage and empower
indigenous knowledge and social capital so that individuals can create self-supporting mechanisms to gain control over development, and can remain engaged to address subsequent challenges to their continued growth as a sustainable and self-determined community.

The appeal of rural destinations is often intimately related with local natural or cultural common pool resources that are bound to be lost unless temperance is imposed (Briassoulis 2002). According to Hardin’s (1968) original “Tragedy of the Commons” essay, the sustainable use of common pool resources can only be accomplished through government control or through privatization. However, recent work has revealed that management of complex common pool resources requires solutions at international, national, regional, and, most importantly, local scale (Ostrom et al 1999). Indeed, Ostrom (2000) and her colleagues researched numerous complex cases of common pool resource use and derived design principles that consistently resulted in local-level organizations that self-governed their use of common pool resources sustainably for long periods of time. Whence, People-First Tourism scholarship will attempt to extend this body of work to the context of rural tourism. Namely, tourism scholars should examine how local tourism organizations might be best designed to enable inter-member communication, and endogenous reward and monitoring systems. Moreover, tourism scholars should then examine the extent to which such traits might fuel inter-member trust, cooperation, and, ultimately, result in host communities’ self-determined sustainable use of local natural and cultural resources.

IT 4 Change

Concomitant with the investigation of conceptual insights about poverty alleviation, the growing interest on information technologies among development scholars was intriguing. Information and communication technologies, and cellphones in particular, have become important in
development scholarship and practice (Bhavnani et al 2008). As documented in recent studies (Aker and Mbiti 2010; Bhavnani et al 2008; Garguilo et al 2010), cellphones are now seen as critical tools for poverty alleviation because they are globally ubiquitous and because they connect previously isolated segments of society.

As of recently, supply chains were universally vertical with multiple layers of middlemen, because networks are crucial to any trade function (Bhavnani et al 2008) and individuals only had access to limited exchange partners. During the past decade, internet-based networks fueled tremendous entrepreneurial engagement for formerly disenfranchised people by creating virtual marketplaces where entrepreneurs can interact directly with markets at the global scale (Garguilo et al 2010). Examples of these social networks include Facebook, eBay, Craig’s List, and others. Unfortunately, rural communities often lack the ability to meaningfully and dependably rely on virtual networks to reach the marketplace. As a result, they have remained dependent on retailers that control trade and maintain entrepreneurs dependent on them for access to markets. In such communities, social networks largely consist of family and friends living in close proximity, but rapidly expanding through the use of cellphone calls and text messaging.

Attracted by the 3.5 billion cell phone subscribers, more than 30 startup companies are developing applications to leverage this increasingly ubiquitous technology (Aker and Mbiti 2010). Most of these startups are currently targeting Western markets, but there is a growing interest in innovation for the bottom of the pyramid: the millions of individuals globally who own a simple cell-phone and devote a large portion of their income for its use. This technology has gone from being a rare, expensive item used by the business elite to a pervasive, low-cost personal item that has become the world’s leading telecommunications technology. This medium has profound impact on the social connectedness of users (Aker and Mbiti 2010) and on the way
individuals do business and manage their money (Mas 2009). Cell phones are now able to reach people in remote places and grow their social and economic networks, but still lack practical and inexpensive systems to access markets and mediate commercial transactions, and facilitate business networks (Aker and Mbiti 2010).

The WishVast system is a cell-phone-enabled social system developed to connect networks of micro-entrepreneurs initially in the context of small-scale Kenyan farmers and agricultural retailers, and later adapted to informal employment, micro-lending, and other applications (Garguilo et al 2010). Currently, this open-source software was used in this study as a benchmark for the development of a related system that might support future People-First Tourism projects. The People-First Tourism IT system (Figure 1) is being designed to create a virtual marketplace of tourism services, akin to a traditional village marketplace. The system allows entrepreneurs to compete and collaborate with each other selling their tourism services to networks of independent tourists, or possibly to providers interested in supplementing their offerings.

In the prototype version of the system, independent tourists intending to visit a rural region can register on the People-First Tourism web portal for a small fee and can download a software application for their smart-phones. They will register a cellphone number to be used during their trip. They can use their own global-ready cellphone, rent a travel phone (such as the National Geographic Travel Phone) or purchase one at the international destination. The website forms a gateway to the People-First Tourism marketplace and the tourist's cellphone becomes a customer-member in this virtual network.
Networks of tourism micro-entrepreneurs in poor rural areas will also register in the system as sellers. Their registration will generally be mediated by nongovernmental organizations with stake on and history of empowerment work in the area. Each entrepreneur will have a geographically anchored seller’s profile describing services provided, visitor comments, and quality ratings.

The system allows tourists to browse the People-First Tourism marketplace geographically to plan their trip, and to use their GPS-enabled smart phones to find add-on experiences when already in their trip. Tourists will be able to send web-based messages that are then translated to SMS to be received by the simplest cellphones. This way the participation in this system becomes affordable and accessible to virtually anyone globally. Once the tourists are in the destination region, they may receive short advertisements about the services offered there, based
on their preferences and, if using a GPS-enabled smart-phone, based on their exact location. The system will operate in a cloud, processing and storing tourists’ ratings of tourism services, learning preferences, and mediating communication.

The prototype version of the People-First Tourism IT system is now being developed, based on the successes and challenges faced by the WishVast team and based on insight from the concept testing described in the next section. The project team expects to be able to make the software and smart-phone application available as open source software by December 2011 at www.people-firsttourism.blogspot.com for anyone to use, adapt, and continue to develop.

Study Methods

Work delineating the scope of the People-First Tourism approach and the architecture and functionality requirements of the IT system spanned over 12 months and involved investigators from varied disciplines in three institutions and two countries. These efforts shaped and were informed by a field test of concept in rural South Africa. Between May and September of 2010, investigators deliberated asynchronously and synchronously face-to-face and online about the scope of the People-First Tourism project and about its theoretical foundations. Between September and December 2010, the investigators planned a one-week field study scheduled for January-February 2011. Planning involved developing a video (Youtube) illustrating the scope of the project to be used as a tool to recruit community leaders and high-level stakeholders to participate in group workshops or in individual interviews. During this period, the investigators also developed interview protocols to be used in the field and obtained approvals from the United States and South African institutions for collecting data from human subjects. Lastly, the
investigators also deliberated extensively on the most appropriate study sites and on the format of a group workshop for high-level stakeholders.

A diverse group of faculty and students from two American institutions and one South African institution were involved in this project; however, a subset participated more actively in the concept test reported in this paper. This team included one professor, two lecturers, and two undergraduate students from South Africa, as well as two undergraduate students, two graduate students, and one professor from the United States. The team was evenly divided across gender and ethnicity.

*Community assessment*. In the end, two semi-rural townships north of Pretoria and a rural village adjacent to Pilanesburg National Park were selected for the study. Key contacts in each of the communities were contacted a week ahead of time by investigators from South Africa, whom had extensive involvement in those communities. These individuals helped in recruiting other members of the community. They were instructed to help in recruiting male and female informants with varying age and income levels. In addition to this snow-ball sampling method, individuals were also intercepted in the streets so as to avoid circumscribing the sample to particular community factions. Together, 54 individuals were interviewed (28 female and 24 male) with a median age of 27 (age ranged between 18 to 74).

The interview protocols included a section inquiring about cellphone ownership and use, and about livelihoods and entrepreneurial activity and interests. Interviews were initially conducted in pairs and the field team met regularly after a few interviews to assure consistency in interviewing and probing styles. Most interviews were conducted in English, but some of the field team members spoke several regional languages and, in two occasions, those team members
were assigned to older female informants who did not speak English. Data were recorded directly in individual interview protocols and then transcribed to MS Word.

*Stakeholder input.* National and regional-level stakeholders were invited individually to a 2-hour group workshop in Pretoria by the South African co-principal investigator. The 15 stakeholders in the workshop included representatives from the Tourism Ministry, provincial governments, tourism and regional planning academics, and telecom multinational corporations. The South African principal investigator moderated the structured meeting soliciting answers from participants in a round-robin fashion regarding challenges and opportunities facing the implementation of the system in rural South Africa. The answers given by participants were summarized and typed directly in a computer and visualized in a large screen. The meeting was conducted in English, with occasional comments in Africans. In the event a word or comment was given in Africans, the moderator, fluent in both languages, typed it in English and asked confirmation for his translation.

*Findings and Discussion*

*Community assessment.* Interview data with community members revealed that all of informants owned at least one cellphone, some owning two or more. The predominant telecom providers were Vodacom and MTN, and most informants preferred to buy air-time vouchers instead of having a long-term monthly contract (Figure 2). Some indicated that they preferred the flexibility of prepaid air-time over making a commitment to a long-term contract, because their income was very unstable. Additionally, data revealed that 56.8% of prepaid users spend between US$1.30 and US$26.00 (R10 and R200) in air-time per month. Several respondents explained that they occasionally ran out of air-time and were only able to receive calls and SMSs
until they had some money to charge up the cellphone again. As an example, an 18-year old man with a MTN LG phone and a Vodacom Nokia phone reported that he spent US$6.50 (50R) per month and declared, “When I have cash I can use it, when I don’t I do not spend”.

Approximately half of the respondents indicated using SMS at least some of the time. One of the small business owners said that “If it is a regular client, then SMS is used more; if an irregular/unfamiliar client, then [I use] voice calls”. Those that reported never using SMS explained that they did not like it because you could not give “enough detail in messages”, because “SMS is more expensive than short phone calls”, or because “text language is difficult to understand”.

![Cell phones Owned per Person](image1.png) ![Providers by Phone Plan Type](image2.png)

**Figure 2. Cell-phone Ownership and Use Profile**

Almost all respondents indicated that they used their phone for social reasons (96%). Not surprisingly, many respondents mentioned using their cell-phone to keep in touch with friends and family, and several mentioned using them to access social media. A 65-year old woman indicated that the cell-phone allows her to transfer money to or from her kids working in Johannesburg. Interestingly, however, 71% of the respondents indicated that they used their
phone for business or to generally support their livelihoods. This kind of utilitarian use of cellphones varied greatly among respondents. The respondents that owned small businesses used cellphones for communicating with clients. They also reported using them to make orders from suppliers, give instructions to staff, pay bills, save time through mobile banking, and send solicitations to potential customers. Unemployed respondents indicated using their cellphone to call around inquiring about possible work, or to respond to newspaper employment ads.

Data regarding involvement and interest in entrepreneurship in these study sites revealed that these individuals were extremely entrepreneurial. Namely, only four out of 53 respondents indicated that they were not involved or interested in owning a small business. One of the respondents, a 28-year old woman, simply declared that she “trust[s] no one”. A 50-year old woman indicated that she was not interested, because she had “no knowledge about business”. Of the respondents, 17 indicated that they did not own a small business but would like to or

![Money Spent Monthly in Prepaid Air Time](chart.png)

**Figure 3. Cell-phone Expenditures (in ZAR; 10 ZAR = US$1.30)**
planned to own one soon. These individuals mentioned wanting to start catering businesses, saloons, bakeries, and even goat breeding. Most pointed to lack of start-up capital as the main constraint for starting a business. As an example, a 26-year old woman indicated, “No [I do not have a business], but I am very interested in opening a catering business. I haven’t because of lack of capital”. A 49-year old woman explained

It’s very hard to do business in this country. To get funding you need business security, property, or a job even though it is hard. Being blacklisted in [ITC Credit Reports] means you cannot access money; you can get blacklisted even by default [for being black].

And a 56-year old man indicated, “Funding, no banks will make a loan without collateral.

Honestly, the blacks can’t get a loan. If a white man walks into a bank, in two hours’ time he will leave with the money.”

The 32 remaining respondents indicated that they were currently involved in some sort of entrepreneurial activity. These businesses included sandwich shops, internet cafes, spaza shops, video and decorations for weddings, tour guide services, and others. They all targeted local customers from the township or village. When asked what was most difficult about doing business in their area, responses pointed mainly to limited markets. A 22-year old woman, for example, responded, “There are products made by people, but there is no market for them [beads, vegetables]”. Many respondents indicated that they had few customers and that their few existing customers were not always able to pay their debts. A 26-year old woman, for example, said “People normally don’t pay after they have been given the goods”. Additionally, despite the fact that all three study sites were located adjacent to very popular destinations with vans, buses, and SUVs driving by regularly, it was evident that existing businesses catered almost exclusively to local residents. A 68-year old woman explained that “There are no outside relationships with
other organizations or tourism agents. There are people but it’s hard for travelers to hear about my business”.

Overall, the data suggest that individuals in the study communities are very entrepreneurial, running sometimes several micro-ventures catering to people in their community. They have limited access to capital and to customers with sufficient income; they do not have ways to capture business from the tourism industry even if they pass right by their community. In addition, the data also reveal that most individuals own and use cellphones. The amount of money spent in air time varies greatly, but prepaid air-time is consistently preferred over long-term contracts so that they can consume only if they have available income.

Stakeholder input. Challenges and opportunities identified by the stakeholders generally referred to one of three themes. First, many comments focused on desired or necessary characteristics of the IT system. In particular, stakeholders noted that “the cell-phone enabled system would address key needs among current and potential rural tourism entrepreneurs, namely that of networking, collaboration and coordinating their tourism offerings”. They commented favorably on the use of cellphones indicating that “many current and potential rural tourism stakeholders already either own cell phones or have access to them”. Further, they cautioned that the system should carefully mediate money exchanges between tourists and entrepreneurs, perhaps through a system like M-PESA mobile banking currently supported by Vodacom (system allows tourists to pay services in air-time which entrepreneurs can cash out in any Vodacom air-time sales booth in Africa).

Second, the stakeholders made several recommendations regarding capacity building with participating individuals or communities. They favored implementing a digital awareness and
literacy drive, as well as training in a code of conduct and customer care. They also indicated that “a representative from participating communities should be appointed to serve as mediator/ambassador/gatekeeper for the project”. In addition, they noted that much work will be needed to collect and organize information about the services and location of participating tourism businesses so that the system can effectively match tourists’ preferences with appropriate experiences.

Third and last, stakeholders emphasized the need to nurture key partnerships and build a support infrastructure. Specifically, they noted that once the system is ready to go live, public/private partners will have to invest in a significant marketing campaign. They also suggested that it may be wise to pilot the project in the domestic tourism market before rolling it out into prospective international target markets. Initially, the focus could be, for example, be on self-drive [tourist] segments and special interest segments, such as local and international volunteer tourists.

The following is a representative list of key priorities identified by the stakeholders: feedback on the outcomes of the pilot study should be provided to all participating stakeholders; must clarify and communicate how the project can fit in local, provincial, and national tourism strategies; must identify how public and private sector stakeholders can become engaged with the project; must communicate with government agencies, NGO’s (such as Fair Trade and Open Africa), and other stakeholders who could have an interest in the project; key platforms and conferences should be used to communicate the project concept and invite input from various stakeholders; during the first phase must focus on appropriate target markets; should avoid being dominated by larger institutions by using a focused message in the initial marketing campaign; and should identify who will champion and manage project, ideally through an integrated public-private partnership.
CONCLUSION

The purpose of the People-First Tourism project was to deliberate on the factors inhibiting rural poor individuals from engaging in tourism micro-entrepreneurship, to advance a discussion about a form of tourism scholarship and practice that addresses these factors, and to use the information and ideas generated by that exercise to inform the development of an IT system prototype that can support future People-First Tourism projects. At this point, it appears that People-First Tourism will make a decisive contribution to the role of tourism in addressing human development disparities by focusing on business-savvy opportunities that leverage market forces to engage vulnerable individuals in destination areas (Yunus 2010). Working on innovations that serve the bottom of the pyramid (such as an open-source IT system accessible to anyone with a cellphone) might also be instrumental to enable individuals to earn their way out of poverty through tourism micro-ventures (Polak 2003). Additionally, People-First Tourism approaches must enable communities to identify and address challenges to their wellbeing and to become agents of their own destiny (Sen 1999; Spivak 1985). People-First Tourism projects will need to identify what kind of social organization will be most conducive to self-regulated sustainable use of common pool resources by micro-entrepreneurs, such as business cooperatives (Ostrom 2000).

The concept test in South Africa revealed that rural poor use cellphones extensively for social and utilitarian purposes and that they are very entrepreneurial. A virtual marketplace accessible through cellphones seems to be an appropriate and opportune mechanism to provide this population access to a broader market. Input from stakeholders also supported the potential of incubating networks of tourism micro-entrepreneurs and to connect them with each other and
with markets through a cellphone-enabled virtual marketplace. These stakeholders indicated that the project would likely be synergistic with several established tourism businesses. Therefore, an important next step for this project will be to introduce the People-First Tourism concept to industry stakeholders and seek their input on its continued development.

While the conceptual delineation of the People-First Tourism approach remains fluid and the reported concept test provides insight from limited sets of stakeholders, the direction of this project is encouraging and further scrutiny and input of peers is greatly welcomed. The role of tourism in creating dignifying and sustainable livelihoods for vulnerable individuals has never been more important or expected; therefore, input, criticism, and contributions in research and applied efforts to People-First Tourism scholarship are expected to intensify.

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