

POLITICAL ENVIRONMENT AND ITS IMPACT ON TOURISM MARKETING: A CASE STUDY OF FIJI

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ABSTRACT

Political environment impacts working and efficiency of tourism industry in any country no matter what its size, its area of operation. Whether this industry is large or small political factors of the country it is located in will always have an impact on it. This paper attempts to examine the political forces that have an impact on the marketing of tourism industry in Fiji, a small Island country of South Pacific Region. Analysis of political environment in Fiji reveals the proliferation of malicious groups and political unrest in the country has affected the image and consequently discouraged tourists to plan their visits conveniently and to various destinations of their choice. Political unrest in the country has also affected the international relations with countries who have been immensely contributing to the revenue from tourism industry. This has ultimately affected the marketing efforts and strategies used by Fiji Government and other parties associated with Tourism in the country.

Keywords: Political Environment, Fiji Tourism, Tourism marketing and Fiji Govt.

INTRODUCTION

Directly or indirectly, Tourism is all set to change business propositions in manufacturing as well as services sector. As a quasi-manufacturing activity, tourism is contributing immensely in terms of both earnings and employment across nations. The multiplier effect makes it even more potent. Be it domestic or foreign in nature, its largesse to the target destinations does not only possess economic value but also social value in evolution of civilized societies having cosmopolitan ambience of culture. There is no doubt that the tourism activities will boom manifold over the coming years. The increase in global tourism highlights the need for innovative marketers and the marketing strategies. Global competitiveness in the tourism industry is drastically increasing thus many industries have discovered the significance of customer retention and loyalty marketing (Yoo and Bai, 2007, p.45). However, the share of the world in capitalizing those would not be homogeneous. The prime reason for such comment is that the world tourism still is mostly concentrated in a handful of rich countries, which plan, run and reap its major benefits. Most of the tourism products in developing countries are generated, updated and marketed online by major international service providers who are based in these rich and developed nations. With their obvious technological advantage, these providers carry out most of the sales transactions and absorb a lion's share in the profits.

Changes, particularly the social, political and economic taking place in emerging markets of the world and also the anticipated rise in the standard of living of many in the developing world are likely to reinforce the growing demand for foreign tourism in coming years a head. These developments seem to indicate that the upward trend in tourism will continue into the foreseeable future. Demographic changes, social, educational and work patterns, increasing leisure time, rising real incomes and the falling cost of long distance travel are also likely to increase both the desire and the ability of an expanding number of people to explore the far flung tourist destinations known for beautiful beaches, waterfalls, small islands, wildlife, flora and many other attractions. The WTO has estimated that the number of international arrivals would exceed 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long-haul travelers. The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas

(282 million), followed by Africa, the Middle East and South Asia (UNWTO 2008). Although tourism activity in the Pacific has varied considerably in recent years, the long-term trend has been for gradual, positive growth (Allcock, 2006). The World Tourism Organization and South Pacific Tourism Organisation (SPTO) forecast tourism growth of between 5 and 8 per cent in the short term. However, no forecast is available for the South Pacific to 2020. As the growth of the tourism industry continues to gain momentum worldwide, it is increasingly viewed as a viable development option by Third World countries and Fiji has been trapped up in this ideal (Harrison 2005, p.18).

This paper attempts to examine the political forces that have an impact on the marketing of tourism industry in Fiji, a small Island country of South Pacific Region. Several issues specific to tourism industry are also explored along with the implications of these political factors on the tourism industry of Fiji are also discussed. Political issues facing tourism marketing have also been described. This analysis can prove very useful for market selection as well as for strategic decision making in Fiji while trying to attract overseas tourists. Fiji depends heavily on international tourists. The political environment in Fiji has always been a main area of concern for businesses that are mainly associated with tourism sector, and it has both a direct and an indirect impact on opportunities and performance in tourism sector.

This article has four sections. First section provides introduction, second section discusses tourism marketing issues and strategies. Third section discusses tourism marketing in Fiji. Fourth section provides detailed analysis of political environment of Fiji having impact on tourism and final section deals with conclusion. The focus of this research is on marketing a country's tourism destinations as a whole rather than on marketing a particular tourism product such as an individual airline, hotel chain or resort.

TOURISM MARKETING-ISSUES AND STRATEGIES

According to Wahab et al. (1996), tourist markets can be classified by purpose of travel, age and international trends. Each tourism market comprises of many more categories and segments for example, segments on the basis of benefits sought by the tourists (customers). Tourist market is fragmented, comprises of many products and involves many sectors of the economy. Tourism Market consists of three elements-'composite' product; the supplier of tourist services (including tour and travel operators, hotel and catering, transportation) and the person (the buyer who buys it) (Papadopoulos, 1986). Marketing of tourism products has now become increasingly complex, being associated not only with conveying an image of a place, but with attempting to sell an experience of a place through relating it to the lifestyle constructs of consumers (Morgan et al., 2002).The tourism package is by definition an amalgam of often independently produced products and services and venues that include, for example, airline seats, hotel rooms, restaurants, guided tours, theme parks, taxi rides, bars, casinos and cruise ships etc(Ritzer, 1999; Niininen et al., 2007). These products, services and venues offer increasingly complex consumption opportunities to increasingly complex consumers.Marketing is essential for successful tourism development; however, it is often overlooked or simplistic in nature (Hannam, 2004). With the more increase in demand for tour and travel coupled with the globalization of trade and services sectors, hotels, airlines, restaurants, travel agencies and tour operators have become more sophisticated in marketing and serving millions of travelers. The marketing of tourism is an application of the marketing process to specific characteristics of the tourism industry. In Tourism marketing we focus on performance rather than a physical good, which can lead to problems of standardization and control. Tourism is perishable as service production is fixed in time and space. The tourist market is volatile, as it is immediately affected by world events and the health of national economies (Wheeler, 1995). Jayawardena (2002) points out that the future of tourism markets is dependent on the ability of tourism countries to deliver "a high quality product that corresponds to the changing tastes, needs, wants and demands of the international traveler".

There are many issues affecting travel and tourism marketing but the most important issue is related to the understanding of country of origin and travel patterns (Hu, 1996). Country of origin here means the place to which tourists belong and travel patterns are broad areas for travel research ranging from outbound/inbound travel to the issues of travel expenditures and uses of travel information. It is apparent that a successful travel and tourism operation must not only understand who the customers are and how they behave but also know what the products/services are and how to market them. The use of well-developed niche-based marketing strategies can lead to total market growth. The development of such marketing strategies requires tourism officials to measure the image customers have of the destination's tourism products and identify how satisfied they are with the delivery of these products (Jayawardena, 2002). The core objective of most marketing with regard to tourism destinations is to convince the potential consumer that the product being marketed is superior to similar products, and to gain consumer confidence and business (Lanfant et al, 1995; Poon 1993).

Marketing strategies for the tourism industry vary from segment to segment. It is very essential for marketers to understand the differences in market segments and design appropriate strategies that will promote the growth of segments. Few years back, Swarbrooke et.al (2003, p.155) identified a number of characteristics, which highlighted the need for suitable marketing strategies for each segment. Similarly, Suvantola (2002, P.81) in his study highlighted the need for marketers to understand tourist market segments in depth so that they are able to efficiently and effectively develop pertinent marketing strategies for each segment. Competitive travel destinations are places that are able to develop favorable positions in the tourism market by developing and conveying images that targeted segments of visitors find attractive and providing services that appeal to these visitors and that are consistent with destination identity (Kotler, Haider, and Rein, 1993). Common bases for tourism market segmentation include demographic, socioeconomic, geographic, behavioral, and psychographic attributes (McIntosh, Goeldner, and Ritchie, 1995).

TOURISM MARKETING IN FIJI

In Fiji we still need to work more on marketing competitive tourist destinations by developing favorable positions in the tourism market. This can be done by developing and conveying images of these destinations that targeted segments of visitors find attractive and consistent with destination identity. Travel and tourism organisations in Australian and New Zealand and are using specific marketing approaches, in order to reach potential customers in the UK and German markets, are extensively using selective marketing approach aimed at covering a few target segments their respective markets (Riege and Perry, 2000). These approaches can also prove very useful for Travel and Tourism organisations in Fiji. Governments in third World countries like Fiji are actively pursuing tourism growth in their countries and are particularly interested in international tourism (Harrison, 2005). They have a belief that tourism brings them numerous economic benefits including employment opportunities, small business development, and foreign exchange earnings. This belief purely depends on formulation of effective marketing program and strategies that will always help Fiji to maintain its position as an important tourism destination for international tourists who are keen.

Tourism plays a significant role in the economies of South Pacific island states in terms of generating employment, income and foreign exchange earnings. For those island states that have some economic alternatives for growth, tourism is a welcome diversification that provides additional opportunities for employment, foreign exchange earnings and higher standards of living. The main tourist attractions for most small Pacific Island states are the natural beauty of

the land- and seascape combined with the culture of the people (Fagence 1999; Milne 1997; Hall 1998).

The origins of tourism in Fiji can be traced back to the 1890s when Fiji was recognized and when trans-Pacific shipping trade made its beginning. The steamships used Suva, the capital city, as the port of call, and a colonial administrator of the period saw the potential for tourism in this transportation activity (Douglas and Douglas, 1996, p 24). Then in 1940s many development foundations were laid down, particularly the construction of the international airport in Nadi in 1941 (Britton, 1983). However, it was not until the late 60s to early 70s that Fiji experienced what may be considered a "tourism boom", on account of the expansion of hotel rooms, development of the aviation sector, duty free shopping incentives and the increased marketing initiatives undertaken by the Fiji Visitors Bureau (FVB). Since beginning, the Fiji tourism industry has developed into the major foreign exchange earner for the country. Over the last few years - Fiji has emerged as a tourism hot spot in the South Pacific but owing to political instability caused by December 2006 military coup industry has suffered huge losses.

Tourism marketing presents many benefits like foreign exchange earnings, contribution to government revenues, employment generation, new venture creation, contribution to local economies, conservation of historical sites, protection of natural environment, and leads to appreciation of cultures (Pizman & Mansfield 2005, p.56). Tourism is Fiji's biggest employer and foreign income earner. It continues to dominate Pacific tourism, although its growth has been affected by successive coups (Pacific Economic Survey, 2008). Tourism in Fiji brings obvious economic benefits, with the two most important being the generation of foreign exchange and the creation of jobs. Therefore, it is no surprise that tourism is the largest industry in Fiji's economy and also the fastest growing industry in terms of employment creation and foreign exchange earnings. The industry provides employment directly and indirectly to an estimated 45,000 people. The tourism industry is mainly private sector driven and contributes approximately 25% to the GDP (Fiji Island Bureau of Statistics, 2007). It is much more than an industry; it is a social and economic phenomenon that can act as an engine of economic progress and a social force. Tourism represents 13% of the Fiji's Gross Domestic Product (GDP) and 10% of employment. It provides both direct and indirect employment in Fiji (Fiji Island Bureau of Statistics, 2007). The tourism industry in Fiji offers a wide range of services and facilities to suit the needs of the target markets ranging from backpackers to up-market tourism products.

Active marketers of the tourism industry of Fiji include the Fiji Visitors Bureau (FVB), Tourism Action Group (TAG), Fiji Islands Hoteliers Association, Fiji Eco-tourism Association, Tourism Resource Owners Association, Fiji Backpackers Association, Fiji Dive Operators Association, Destination Associations and The South Pacific Tourism Organization (SPTO). These associations in one way or the other are involved in the marketing of the tourism industry.

Tourism is by far the largest foreign exchange earner for Fiji. Earnings in 2007 were \$784.2m (r), 2008 it increased to \$853.8m (r), in 2009 \$816.5m and in 2010 this has increased to \$979.8m (p). Tourist arrivals in 1995 were 318,495 and this number increased to 409,955 in 1999 but then the same number dropped to 293,793 in 2000. This was due to coup in Fiji. But again after some political stability number have again risen to 631,768 in 2010.

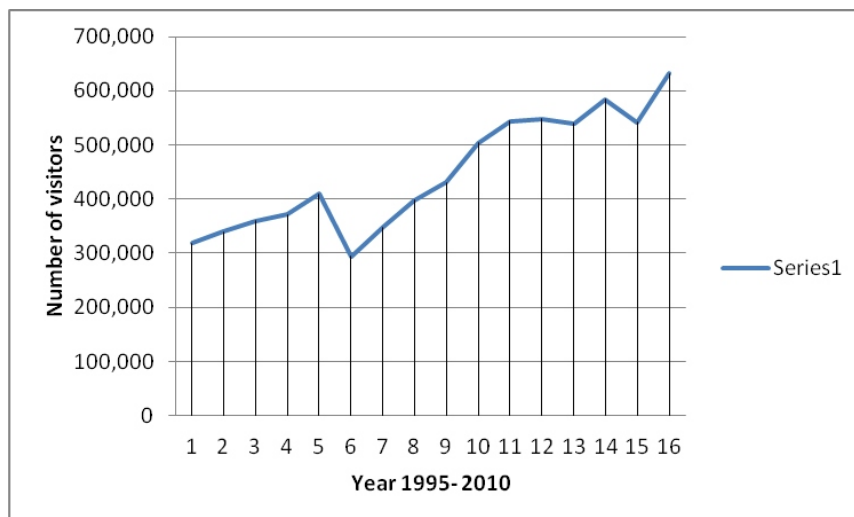
Visitor arrivals almost doubled during the 15-year period (1995-2010). Since the 70s, visitor arrivals have grown steadily in the last 36 years (1974-2010). Not accounting for the decline in visitor arrivals during the coups of 1987, 2000 and 2007 the average rate of growth at present is more than 6 percent. In fact, total visitor arrivals reached a record high of around 631,768 visitors in 2010 (as depicted in Table 1) and are expected to surpass current levels in the years to come.

Table 1 Visitors coming to Fiji from different parts of the world

Period	Australia	New Zealand	USA	Canada	U.K.	Continental Europe	Japan	Pacific Islands	Others	Total
1995	78,503	59,019	39,736	10,412	24,409	30,968	45,300	17,461	12,687	318,495
1996	79,534	63,430	38,707	11,431	28,907	31,875	44,598	18,545	22,533	339,560
1997	80,351	68,116	44,376	13,359	35,019	32,806	44,783	20,381	20,250	359,441
1998	100,756	70,840	48,390	12,837	39,341	29,334	35,833	22,850	11,161	371,342
1999	118,272	72,156	62,131	13,552	40,316	28,371	37,930	26,090	11,137	409,955
2000	76,883	49,470	52,534	10,532	29,215	22,506	19,674	21,534	11,445	293,793
2001	98,213	66,472	57,711	10,752	30,508	20,917	20,411	23,608	19,118	347,710
2002	123,606	68,293	58,815	9,802	43,393	21,654	26,832	24,051	21,547	397,993
2003	141,873	75,016	58,323	10,990	49,794	21,847	23,464	28,167	21,058	430,532
2004	176,195	103,900	65,211	12,435	47,668	22,720	24,392	26,182	25,372	504,075
2005	203,250	112,932	62,640	12,625	44,472	25,123	22,304	28,476	32,933	543,617
2006	206,529	107,277	66,631	14,372	38,239	26,801	23,794	29,725	3,4867	548,235
2007	207,001	99,744	64,687	16,992	34,785	26,311	22,800	34,221	32,921	539,462
2008	247,608	100,018	63,667	17,871	33,935	29,512	21,918	35,936	34000	584,465
2009	248,589	90,898	51,592	13,452	26,213	28,926	14,975	35,078	32,115	541,838
2010	318,185	97,857	53,122	12,970	23,813	30,088	12,011	44,524	39,198	631,768

Source: Compiled with data from Fiji Islands Bureau of Statistics

Figure 1 Line graph of Visitor Arrivals in Fiji



Source: Compiled with data from Fiji Islands Bureau of Statistics

Superficially, Islands in Fiji and Island Province in Bali (Indonesia) are destinations that offer similar tropical island attractions of sun, surf, sand and coconut trees in an exotic cultural environment and are direct competitors in most of the Australian Tourist market

(McDonnell, 1999). However, residents of northern and western Australia tend to have low visitation rates to Fiji because of its comparative inaccessibility to them (Asmal, 1992: A-30).

Historically, Australia has been Fiji's biggest source market for tourists and continues to be tourism's largest export market. In 2003, visitors from Australia reached a record high of around 142,000 visitors, making up 33 percent of total visitor arrivals (Fiji Island Bureau of Statistics, 2007). More than 209,000 (estimated) Australians spent holidays here in 2007 with a value of one billion Fiji dollars (more than \$A800 million)" (Gavoka, 2006). Tourists are drawn to Fiji from a range of northern and southern hemisphere markets. Approximately half of all arrivals are from Australia and New Zealand (Allcock, 2006). A large proportion of visitors are on package tours. New Zealand, the United States (US) and the United Kingdom make up the other major source markets. These three countries together accounted for around 64 percent of total visitor arrivals in 2003. Australia has a population of 22 million and out of this Fiji gets about 200,000 visitors. On the other hand New Zealand's population is about 4 million and Fiji gets 100,000 (Fiji Live, 2008). Australia and New Zealand are two big contributors of Fiji Tourism industry but political instability and lack of democracy has forced these countries to issue strict travel advisories. To bring about political stability in the country, these two big powers in Pacific region are putting too much pressure on interim Fiji government for holding the election.

During the early 90s, Japan emerged as an important source market for Fiji tourism, occupying third place in Fiji's export market in the mid-90s. However, in recent years, visitors from Japan have waned.

Fiji as a tourist destination has attained its own market positioning. Islands in Fiji are promoted for their natural tropical island beauty or simply a tropical paradise and are well known to most overseas tourists as an attractive holiday destination. Respective governments in Fiji have always laid emphasis on the development of the industry. Some of the policies implemented by Governments in Fiji to improve the marketing of the tourism industry are: Active marketing of the tourism industry through the Fiji visitor's bureau and private sector to boost visitor arrivals and diversify source markets; Securing adequate airline capacity through the negotiation of new air services agreements and the acquisitions of larger capacity by air Pacific; Encouraging new investment in tourism plant to realize the full development potential of the industry; and Promoting education and training to ensure availability trained manpower and increased tourism manpower and increased tourism awareness within the economy.

ANALYSIS OF POLITICAL ENVIRONMENT

Understanding marketing environment is considered to be very essential for marketers to decide about their marketing offer. Marketers who fail to recognize the changes in environmental forces have great difficulty in preparing to capitalize on marketing opportunities or to cope with threats created by changes in the environment (Dibb et al., 2001). The marketing environment comprises of micro- and macro-environment. This paper specifically deals with political environment that is part of macro-environment. Political environment impacts working and efficiency of tourism industry in any country no matter what its size, its area of operation. Whether this industry is large or small political factors of the country it is located in will always have an impact on it.

Political factors consist of the laws, regulations and governmental policies that facilitate or hinder direct marketing (Wilkinson et al, 2007). Political factors influence Tourism Industry of any country in many ways. Political factors can create advantages and opportunities for tourism industry. Conversely they can place obligations and a duty on industry. The political environment includes critical issues such as management, strategic planning, adapting to restructuring,

globalization, the creation of social capital, and sustainability. This also comprises all laws, government agencies, and lobbying groups that pressure or limit individuals or organizations in the society (Kotler & Armstrong 2006, p.85; Kotler & Bowen 2003, p.135). These critical issues have direct impact on the tourism industry in any country. Political environment has direct impact on the marketing of the tourism industry. In the academic literature Ritchie and Crouch (2003, p.213) point out that contemporary marketers are faced with the challenge of identifying appropriate strategies for political crisis management. Similarly, in light of the aforementioned findings and discussion the study by Garrod and Leask (2003, p.127) highlight that marketers should be able to observe the marketing trends and adopt innovative marketing strategies that will be essential in building the preferred destination brand and to maintain the intended competitive position in the minds of the consumers. The authors are highlighting the point that marketers should be able to closely observe the marketing environment and change the marketing strategies as the marketing environment changes.

GOVERNMENT REGULATIONS AND LAWS

National government regulations and laws are a product of the political systems in which they originate and the socio-cultural backdrop which precedes those systems. There fore, Laws, legislations and acts originate from the political environments and these are supported and put into practice by the government agencies, lobbying groups, individuals and organizations (Kotler & Bowen 2003, p.134). Not only must businesses be able to negotiate their way through a wide variety of regulations and laws, but they must also understand how those regulations and laws are administered (or not, as the case may be) in country specific situations. Governments, and by extension their public services, are the bodies that formulate the framework within which tourism must operate. If there is any flaw in the framework, then the tourism environment is not conducive to success (Coathup, 1999).

POLITICAL ECONOMY

The complex political economy of Fiji is a case in point. Communal political divide, ethnic differences with central are naturally at odds with the capitalistic opportunity presented by tourism marketing in other parts of the world. Yet, the Fijian Government has embraced free-markets as a means of achieving economic growth but political stability still remains an important factor that is badly affecting the tourism industry in the country. The political landscape of Fiji has been continuously changing after 1987 coup and with the result Fiji has always remained prone to political instability. This Political instability in Fiji is often accompanied by deterioration of democracy. The global political stability study by the United Nations rates Fiji a poor 3 out of 5 in its political and security scale (www.gsdi.org.com). Fiji still remains the most important logistic hub in the South Pacific also houses the headquarters of a large number of Pacific Islands Forum organisations including the University of the South Pacific that has thousands of resident students from all over the region. (Fiji Times, 2008). Because of the above fact every political crisis in Fiji has come at a great cost, not only to itself but to much of the South Pacific Region.

POLITICAL INSTABILITY

Tourism has long been touted as an economic savior but political instability has held it back. Political instability plays a significant role in determining the pattern and flows of visitors in Fiji. Politically unstable tourist destinations are the places to be avoided by international tourists. Empirical studies have revealed that during the periods of coups visitor arrivals fell by between 30-40% from Fiji's main tourism source markets (Narayan, 2000, 2002, and 2003). Fiji is currently described to be as politically unstable because of the December 5th, 2006 military coup. The real impact of the coup was felt when upgraded travel advisories by various countries like US, Australia and New Zealand had warned

tourists to stay away from Fiji. Some countries have softened these travel advisories but in one or other these advisories are still there. Due to this Fiji Tourism industry has suffered huge losses in terms of revenue generations. This fact is supported by Fiji Islands Hotel and Tourism Association chief executive Mereani Korovavala who highlighted in one of her interviews with Fiji times that "One of the top hotels in the Coral Coast lost \$7million of bookings while the rest expressed their concern over no bookings late this year until next year". (Fiji Times, 2007a).

In response to the December 2006 military takeover the marketers of the tourism industry decided to revise the marketing strategies to boost the tourism industry. Reviews of newspapers reveal that marketers implemented the tourism industry recovery strategy after the political crisis. The tactics of the strategy included marketing campaigns, task forces who would reassure their partners in the core markets, and hosting hundreds of media and travel personnel to sample Fiji. Tourism industry recovery plan was funded by the interim government.

POLICY ISSUES

The most important of the political conditions that concern tourism marketing is the stability or instability of the prevailing government policies. These policies directly impact timely service to international travelers who are considered to be important customers for the survival and growth of tourism industry in the country. As a result of such policies the marketing of tourism becomes a difficult task. Reflected in its policies and attitudes toward tourism industry are a governments idea of how best to promote the national interest, considering its own resources and political philosophy. A government control's and restricts a industry's activities by encouraging and offering support or by discouraging and banning or restricting its activities depending on the government. Thus, political environment of countries is a critical concern for the marketer and he should examine the salient features of political features of tourism destinations.

Both popular and academic literatures highlight that the motivation to travel depends on the ability of the destination country to satisfy and delight the customer. The motivation to travel declines if the tourist perceives that the service is not worth its payment or the competitor is offering a better quality service (Burns & Novelli 2007, p.25). To cater for the loss of the visitor numbers the marketers of the tourism industry have come up with innovative marketing strategies. One of the most prominent innovative strategies employed by Fiji Visitors Bureau to attract customers was offering incentives to the visitors. These incentives are a way to motivate the customers to travel to Fiji.

LAND ISSUES

Fiji's tourism industry is a victim of the existing land problems that includes ownership, control, management and utilization of land. Land lease and rights issue is important political factor affecting tourism development and marketing in Fiji. The land rights issues have always affected the tourism industry of Fiji. Land issue problem between the investors and the traditional chiefs has spread bad image about the Fijian tourism industry (Harrison 2004, p.12). Another disincentive for tourist operators arises when the landowners insist that the tourist plants employ people of their own village, where appropriate, as first priority. The imposition of such terms by the landowners makes the investment to Fiji less attractive (Narayan 2002). Land ownership in Fiji is very complex. Indigenous Fijians own 83% of all land and out of this about 20% is leased for agricultural purposes. NLTB (The Native Land Trust Board) does the administration of native land. Tourism industry makes extensive use of land particularly for hotel/resort development. Those involved with tourism business are facing acute shortage of freehold land at suitable tourism sites and destinations, new plants would necessarily have to be situated on native land. For the native land, in addition to the normal lease payment, 2.5-3.5% of the gross turnover of hotels situated on this land is to be paid to the landowners (Prasad, 2002). Owners of native land in Fiji, amidst the inability of government and the NLTB in solving landowner

claims, have regularly disrupted hotel/resort operations, often seeking hefty compensations from operators. Fiji has witnessed frequent disputes between landowners and investors in hotel and tourist resorts and due to these disputes many projects have seized before completion. Natadola Project (Hotel resort project) that was expected to give major boost to Fiji Tourism Industry is one such example, where construction was halted due to disagreements between landowners and investors.

Ownership of marine resources is also controversial in Fiji. Qarase led government that was overthrown in military coup of December 2006, was considering 'Qoliqoli' legislation, which was supposed to devolve the management of traditional inshore fishing grounds to the original owners. This could have potentially affected current uses, including tourism.

Marketers highly concentrate on promoting investments in Fiji but the land issues are deterring the investors away (Mancini 2004, p.53). In such situations marketers should adopt to strategies that would bring compromise between the landowners and the investors. For example act as a negotiator between the investor and the landowner. Marketers of the Fijian tourism industry are well aware of the Fijian culture thus they would be more effective negotiators between the investor and the landowners.

FOREIGN DIRECT INVESTMENT ISSUES

Foreign Direct investment (FDI) is considered to be catalyst for growth and in South Pacific Nations this is the main driver in development of many industries including tourism (Rao et al, 2008; Parry, 1988; Gani, 1999). Therefore, FDI is one important issue that positively helps in marketing the tourism industry and is also the foundation of the revitalization of the tourism industry in Fiji. All infrastructure development that has taken place in Fiji and is helping Fiji to venture into in to new tourist markets has been made possible through foreign investment. Low FDI in Fiji is a cause of concern for tourism industry and the contributing factors of this low FDI as identified by ADB(1998)include political instability, law and order problem, insecurity of property rights and many other problems existing in the country. FDI is also helping Fiji to accelerate economic activity. Fijian government maintains closer consultations with the promotional agencies such as the Fiji trade and investment Board (FTIB) and Fiji Visitors Bureau (FVB) so that the country can maximize effective use of resources and information flow. Currently the interim government is attempting to diversify foreign investment portfolio. For example, the tourism projects in the pipeline that will help the marketers in marketing are Port Denarau Development, Grand Pacific Hotel, Fantasy Island and Hilton Denarau. These are the multimillion-dollar projects, which will positively affect the marketing of the tourism industry.

GOVERNMENT SUPPORT

The most crucial and unavoidable realities of tourism industry are that both host and home governments are integral partners. Therefore, attracting potential tourists from different parts of the world depends on developing a successful tourism marketing strategy that involves a multistep process beginning with an analysis of the impact any changes in the political environment will have on tourism marketing effort. In Fiji, even with the tourism industry's vulnerability to both adverse internal and external factors, it has been quite resilient. For instance, despite the coup in 2000 together with several adverse external shocks (the September 11 terrorist attacks in the US in 2001, the spread of the Severe Acute Respiratory Syndrome virus in Asia and the US-Iraq conflict in 2003), visitor arrivals and hence, tourism earnings peaked in 2003. Tourism in Fiji suffered in the uncertain security and political environment following the December 2006 coup (Pacific Economic Survey, 2008). As per Fiji Islands Hoteliers Association president Dixon Seeto, Fiji's tourism industry made an estimated loss of \$96-\$128 million for 2007. But now tourism in Fiji is showing signs of fast recovery. Fiji Visitors' Bureau has projected visitor arrivals for 2008 to increase to 57,000 from 545,000 in

2007, though this increase does not mean increase in tourist earnings (Prasad and Narayan, 2008).

Marketing of the tourism industry is largely possible through government support and policies formulated by it and other agencies associated with it. In situation like Fiji this is more serious challenge because governments are frequently vulnerable to coups and instability. Chiang and Jiang (Chiang and Jiang, 2008, p.40) note that the success of the tourism industry relies heavily on promotion and majority of the times it is the government that provides inflows for the promotions. In Fiji as well the large percentage of the funding for the marketing of tourism is provided by government. For instance the government budget for 2008 was \$12million towards the tourism industry (Fiji Times, 2007b). Government does not only support the marketers through funding but they also provide support services to the marketers when they need help. But in Fiji government support to tourism marketing is not that satisfactory due to long bureaucratic delays and rampant corruption. Other key factors directly or indirectly associated with the government support to tourism in Fiji are lack of financial resources, poorly qualified and experienced officials and expertise.

OTHER ISSUES

Other issues related to prevailing political environment constraining tourism development in Fiji include:

- i) Australia and New Zealand have taken strong stance against the political upheaval in Fiji. These two countries are urging their citizens and also influencing tourists from other countries for not visiting Fiji
- ii) Due to political problems and adverse reporting of Fiji's stability tourism inflows to this small Island country have been negatively impacted by competing Pacific and Asian destinations offering better value than Fiji.
- iii) Fiji's exclusion from seasonal guest worker scheme of New Zealand from which ordinary citizens would have benefited.
- iv) Prevailing uncertainty with regard to holding of elections by the interim military government is causing resentment and unhappiness to neighboring pacific countries. These countries are now lobbying with Australia and New Zealand for creating relentless pressure causing political tension in the south pacific region.
- v) Fiji's role as the hub of Pacific regionalism is also being questioned. Latest out come of political turmoil in the country is Fiji's non-participation in the August 2008 Pacific Island leaders Forum meeting in Niue. This will potentially have harmful consequences for long term relations with island neighbors that will ultimately impact tourism in the country.
- vi) Political problems in Fiji also affects other small countries in the region. During previous coups, the small states in South Pacific spent millions of dollars on the evacuation of students alone, not to mention the inconvenience caused by sanctions on Fiji that affected inter-island transportation and trade (Fiji Times, 2008b).

CONCLUSION

Analysis of political environment in Fiji reveals the proliferation of malicious groups and political unrest in the country has affected the image and consequently discouraged tourists to plan their visits conveniently and to various destinations of their choice. Political unrest in the country has also affected the international relations with countries who have been immensely contributing to the revenue from tourism industry. Some of the other constraints related to tourism marketing faced by Fiji mainly due to political instability and lack of democratic leadership are: Lack of funds for marketing; Absence of adequate market research; Lack of basic and advanced promotional tools; Lack of clearly identified tourism products which should be projected as unique; Relatively low awareness of tourist destinations and Inability to attract private investment. Therefore, Fiji government should undertake market research and prepare promotional tools. To promote international tourism, the government should construct new roads and

repair the existing ones, modernize open up telecommunication sector, improve electricity and water supply etc. Training to improve productivity and performance in the tourism sector in Fiji is the need of hour. Relaxing immigration restrictions will help in improving the international tourism. There is also need for improving the regional cooperation in Pacific region for promoting regional tourism. Under prevailing situations when tourism industry is in crisis developing destination' Web sites can also prove very essential to face the onslaught of campaign launched through travel advisories. There is also need bring to the attention of tourism authorities the potential role that destinations' Web sites have in helping to prevent worldwide anti-promotion campaign launched through travel advisories affecting the tourism in country. This will also help Fiji Government, Fiji Visitors Bureau, destinations and other stakeholders to understand the conditions necessary for communicating tourism crises by using their Web sites as effective tools to better share information among them.

Future sustainable growth of tourism in Fiji poses great challenge but can be ensured first, by encouraging investment in tourism infrastructure; second, by paving way for strong democratic government for running the affairs; third, by finding a solution to the land problems and disputes; fourth, by government playing an active role in influencing and directing tourism development to enhance the competitiveness of the tourism products on offer; fifthly, boosting the intra regional travel by focusing on strong demand from emerging middle classes - with increasing long term potential in all world markets; sixthly, effective tourism planning in cooperation with private sector can also help in attracting domestic as well as the foreign tourists; seventhly, international events of sports like International rugby tournaments, golf tournaments, and adventure sports can be used as the window of opportunity to promote self-image on the international arena in terms of trade and tourism; and lastly, like other industries, tourism industry and its products in Fiji needs effective marketing decisions so as to match these decisions with the changing needs, likes and dislikes of the tourists. Stemming from the results of this study, there are many areas for future research. Further studies could examine the extent to which the problems of tourism marketing discussed above could provide the opportunities to small emerging economies struggling with political unrest. While this paper does not offer much insight in this direction, it has introduced the present political instability and government functioning as a valuable perspective for creating a critical awareness of context. Excepting Political many other major macro environment factors having impact on tourism marketing in Fiji remain to be explored.

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