

7.4 Proposed Tourism Environment

The proposed tourism environment in the Chris Hani District Municipality is shown in Figure 30. This plan shows the proposed development of the emphasis in the tourism environment to include:

1. Nature and rock art products – the eastern end on CHDM, in the vicinity of Elliot, Encobo and Tsomo;
2. Agritourism and adventure products – in the northern part of CHDM, Molteno, Sterkstroom, Dordrecht, Indwe, Lady Frere;
3. Nature and heritage products – in the south-western part of CHDM, Cradock and Tarkastad.

This emphasis does not negate other developments within those areas, or similar developments within other areas. It simply identifies areas which should have specific emphases. This also excludes the developments along the defined Liberation Heritage Routes, which are cross-cutting through the District.

8 Tourism Development Plan

8.1 Tourism Product Development

As outlined in terms of the Tourism White Paper the role of Local Government is largely to create an enabling environment to encourage the appropriate and sustainable development of tourism products, in line with the requirements of visitors and the local communities. Local Government should specifically not provide services that can be provided by the private sector.

This position notwithstanding, the District Municipality may prioritise the development of specific projects which have substantial potential to benefit the entire tourism industry in the area in line with the District Municipality's strategic goals.

In the Chris Hani District Municipality the following are identified as trigger development projects, which have the capability to kick-start significant development in the tourism product range, especially in the community-based tourism sector, and stimulating growth in the market:

- Include new products ready for marketing in route maps and other promotional literature produced by the LTO and DTO as marketing tools,
- Promote and facilitate development of heritage attractions based on the heritage of the first indigenous residents;
- Promote the development of events to attract business tourists;
- Facilitate the development of medium-scale conference facilities;
- Promote and facilitate tourist route development – Eco-adventure Route, Rock Art Route, Liberation Heritage Route, etc;
- Include community-based tourism projects in marketing efforts;
- Include festivals and special events in marketing actions;
- Development of the heritage sites on the Liberation Heritage Route – especially those not identified for national priority;
- Development of signage that promotes the Chris Hani District brand;
- Establishment and development of the LTO / tourist information centers;
- Development associated with the Freedom Trail mountain bike trail from Natal to Cape Town.

The development of other appropriate tourism products in the Chris Hani District Municipality will be encouraged primarily through the application of the Policy Guidelines.

8.2 Human Resource and SMME Development

In October 2006 the first ever National Tourism Skills Development Conference was held in Johannesburg. The focus of the conference was on finding practical ways to connect the tourism industry to the best and the brightest South Africans, as employees and as entrepreneurs. The scope of this challenge has been brought into sharp relief by the results of the recent Tourism Skills Audit, which revealed that at least 90% of scarce skills in the tourism sector are high-level skills, including shortages in:

- technical management skills
- skills in information and knowledge management
- product knowledge
- language and communication skills

The weak linkages between industry and training institutions is a major factor contributing to the national skills shortage, and one that is not limited to the tourism sector. All sectors of the South African economy are hindered by lack of skills. However, an analysis of the SMME tourism sector illustrates the need for urgent action.

Only three out of every five tourism SMME owners have matric certificates, fewer than 2% have a degree, and more than 80% of workers have received no formal training. Of the SMMEs surveyed, only about a quarter expressed a need or desire to expand their business. Yet despite, these shortages of skills, tourism has grown in leaps and bounds as a job creator and contributor to the national economy.

In order to maximize the benefits from the lucrative tourism industry, local and international experts agree that it is necessary to hold systematic, coordinated and ongoing reviews of tourism markets, along with the skills required. An added complication is that tourism skills are dynamic – skills needed today may no longer be as important ten years down the line, and the need for new skills will emerge over time. There is therefore a direct correlation between tourism growth in volume, the number of new businesses entering the tourism sector for the first time, and the skills required to service the growing business opportunities.

It can be seen from Table 22 that the hospitality industry is by far the greatest employer of personnel in the tourism sector, employing 80% of total tourism employees in 2000. This means that unless the tourism plant is growing it is unlikely that job opportunities will increase. However, a goal of tourism

development is to reduce dependency on employment and create more opportunities for self-employment. This can only be achieved by increasing the supply of customers hence more tourists.

With respect to rural areas such as the Chris Hani District Municipality, the critical mass of tourists will ultimately determine the number of job opportunities that can be created, and then skills development should follow to ensure the quality of service is maintained or improved. Perhaps the first priority and a key performance area (KPA) in the implementation of the Chris Hani District TIP Action Plan is to increase the critical mass of tourists and this can only be achieved by cost effective cooperative marketing efforts encouraging the public and private sectors to work together.

The value of training emerging entrepreneurs, unless there are follow-up initiatives to provide them with business, has been questioned. An example is the training of local tour guides in a business environment where there are very few tour operators. Ideally, established hotel owners who are the largest employers in the tourism sector should promote business by referring customers to nearby SMME establishments when their own hotels are fully booked.

Employment in the tourism industry is driven by market growth, which in turn is driven by product development and marketing. The focus in Chris Hani must be on creating an enabling environment for product development, and cost-effective collaborative marketing. Training efforts must focus on developing key basic tourism-focused skills which are unchanging, such as customer service skills.

The Chris Hani District Municipality should create a forum for the promoting of potential SMME opportunities in the tourism sector to emerging entrepreneurs, and at the same time link these entrepreneurs to potential sources of assistance, specifically through existing support agencies such as SEDA.

8.2.1 Tourism Learnership Project (TLP)

The TLP is a programme of the Tourism Hospitality, Education and Sport Training Authority (THETA) in the tourism training sector which is co-funded by the Department of Labour. The basic idea is to boost training and skills in the tourism and hospitality sector. The training programme is structured within the requirements of the Skills Development Act.

The TLP is based on:

- The development of accredited qualifications
- The development of unit standards
- The assembly of unit standards into qualifications and
- The registration of qualifications by the South African Qualifications Authority (SAQUA)

- The certification of the competence of skilled workers and the provision of training for the unemployed.

The TLP has three core objectives:

1. To accelerate the development of national qualifications (NQs) for all primary sub-sectors of the tourism sector. It is estimated that the project will cut the time to develop these qualifications by up to 10 years;
2. To increase the availability of NQs, which will trigger increased investment in training by employers in the sector because they have clearly articulated standards of competence against which to measure the impact of training. This will assist employers in accessing levy grants in terms of the Skills Development Act.
3. To develop systems and support the training of unemployed people through learnerships which provide them with the skills necessary to find jobs in a growing job market. It will generate 40 new NQs in different disciplines in the tourism industry and some 1 250 new unit standards. It will award 10 000 national qualifications in the next four years and implement 5 000 learnerships for both employed and unemployed people.

THETA has established the following targets for the TLP:

- Train more than 10 000 people already in the sector and a further 5 000 unemployed by 2003
- Design and register 35 new national tourism qualifications for trades.

Contact details:

Call Center: 0860 100 221 Email: info@theta.org.za Tel: (011) 803 6010
Website: www.theta.org.za Fax: (011) 803 6702

8.3 Marketing Plan

8.3.1 Destination Marketing

Destination marketing involves coordinating the various promotional activities of local product owners for greater effectiveness and developing an image that will increase the competitiveness of the destination in the marketplace. Destination competitiveness is the ability to deliver an experience-value that is perceived by tourists as superior to relevant alternative destinations.

At the outset it is worth emphasizing the conceptual difference between generic marketing activity and product-specific marketing activity.

- Generic marketing activity is activity directed at building awareness amongst potential tourists about a country as a tourism destination. Particular attractions are advertised as illustrations

only, within a theme about the country. Such marketing is intended to be in competitions with similar marketing by other countries, but not to be in competition with marketing activities, by product providers, for the country concerned.

- Product specific marketing activity is intended to attract potential tourist to purchase the particular product offered by a specific supplier of tourism-related goods and services. It is not intended to have positive spillover effects for other suppliers in a particular region, even though this may occur.

In practice, product-specific marketing can and does assist and complement broader awareness marketing by demonstrating to consumers that the destination concerned is a viable travel option by showing a specific product available at an affordable price.

Distribution

The chain of distribution in tourism is slightly different from other industries, as a result of some of the differences in the tourism product.

The typical distribution system of a manufacturer of a physical product is shown in Figure 31. In this system, the manufacturer distributes its product to industrial and domestic consumers either through a wholesaler / retailer chain, or directly. In the direct sales channel to consumers, the mail order house includes the internet sales channel.

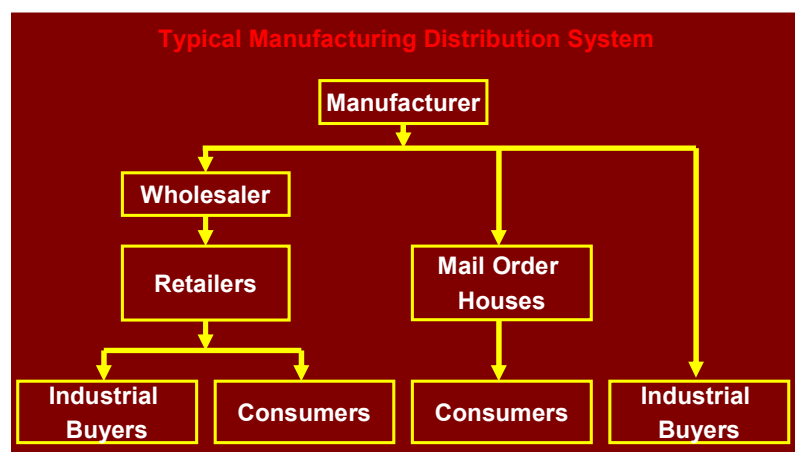


Figure 31: Typical distribution system of a manufacturer of a tangible product.

In the tourism industry there are no manufacturers, their places being taken by those components of the tourism industry classified as principals. Also, the physical product of a manufacturing industry is replaced by an intangible product.

Tour operators are the so-called wholesalers in the business chain who in effect break bulk by combining flight seats and hotel rooms to form inclusive tours that are really new products. Tour operators may sell their products direct to the tourists, or sell through their own wholesale outfit or sell through a retail agent.

Tourism retailers, the travel agents, simply act as agents for the principals and receive commission on ticket sales.

This tourism distribution system is shown graphically in Figure 32.

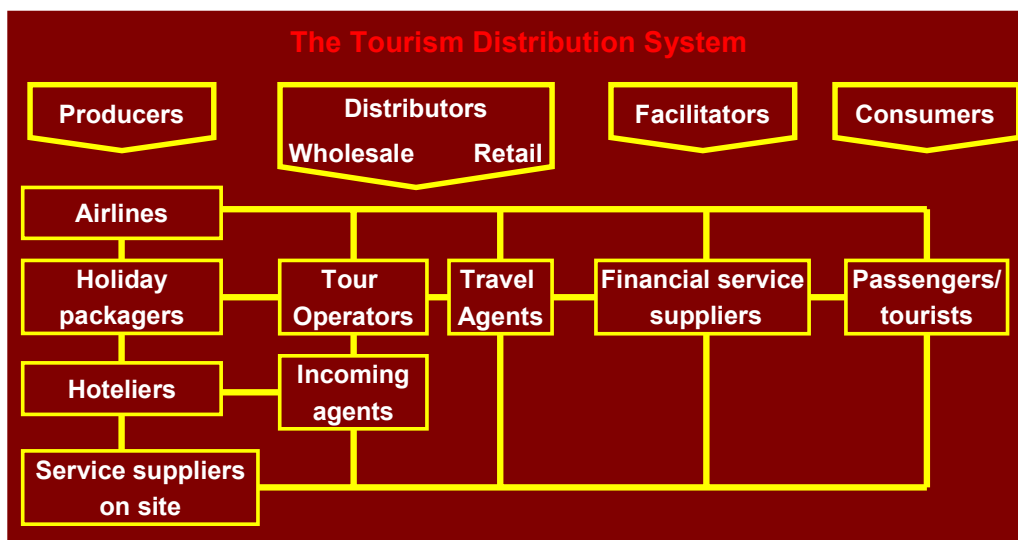


Figure 32: The tourism distribution system.

The role of the LTO and DTO in the tourism distribution system is to facilitate the development of package tours with the objective of influencing tour operators to include these packages in their marketing brochures. Travel trade shows such as Indaba are platforms for marketing the region's packaged tours to overseas wholesalers.

The distribution chain for international tourists to local product owners is illustrated in Figure 33.

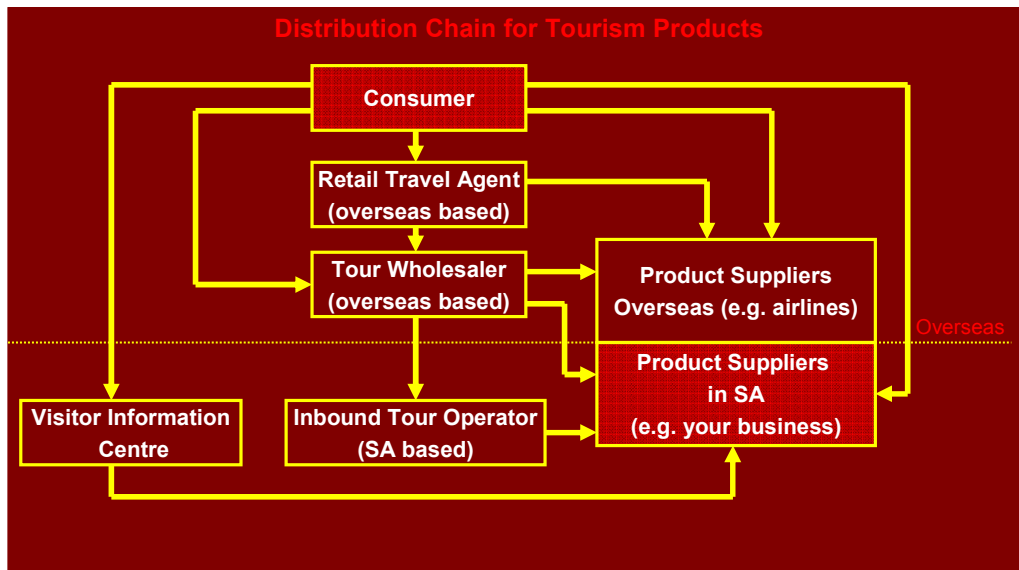


Figure 33: The distribution chain for international tourists to local product owners.

Promotional Strategy

The Chris Hani DTO is responsible for the promotion of tourism in the Chris Hani area of the Eastern Cape. A DTO will normally brief an advertising agency on a specific campaign aimed primarily at the domestic tourism market. The campaign should include both above-the-line (ATL) and below-the-line (BTL) expenditure. Familiarisation trips and educational tours are very cost effective but need the full cooperation of the product owners and tour operators.

Media Selection

With a limited budget the preference is usually for magazines (full page, full colour) and radio (30 second spot) to convey its message effectively within the budget constraint. However, this is not a given and other media should be proposed if improved reach and cost efficiency can be shown. Both the SAA and BA in-flight magazines as well as Getaway and Country Life have proved effective in the past and these publications should form an integral part of the campaign.

Direct Marketing

Many tourism enterprises and tourism marketing organisations are reporting excellent results from direct marketing using the Internet after the design of an effective interactive website. Research shows e-audiences to be relatively young, with a low-boredom threshold. Target Market Groups (TMGs) use the Internet as the medium-of-choice for accessing information, or conducting research into possible tourism destinations, experiences and products.

8.3.2 Overall Marketing Strategy

The overall marketing strategy combines a number of activities and marketing actions. These include an above-the-line media campaign and below-the-line promotions such as the Indaba travel trade show. Educational tours and familiarisation trips are arranged in conjunction with the Eastern Cape Tourism Board. Direct marketing via the Internet is proving to be one of the most cost effective distribution channels. Marketing tools include route maps and brochures.

The objective of a marketing strategy is to position the Inxuba Yethemba area as a major tourist destination. Tourist routes should be developed to encourage travelers to deviate from national highways and explore the hinterland. These routes move the critical mass of tourists from the large gateway cities to small towns and rural areas.

Some of the important strategic marketing actions are listed in Table 28. These actions have been prioritized for the Chris Hani area, based on the current stage of development of the marketing programme.

IMPORTANT STRATEGIC ACTIONS	
STRATEGIC DIRECTION	RANK
Attracting tourism infrastructure investment	4
Developing a Corporate Communications Strategy	1
Developing a Brand Identity	1
Increasing the critical mass of tourists	3
Identifying target markets	2
Developing effective Strategic Partnerships	4
Increasing the length of stay	6
Improving safety and security	4
Increasing consumer awareness	5
Identifying tourism growth markets	2
Developing wholesale packages	4
Improving the Information Technology facilities	4

Table 28: Important strategic tourism marketing actions, prioritized for implementation, depending on the current stage of development of the marketing programme.

From the analysis, the top 3 priority items for the Chris Hani tourism marketing programme are:

1. Developing a brand identity and a corporate communications strategy;
2. Identifying tourism growth markets and target markets;
3. Increasing the critical mass of tourists.

8.3.3 Marketing Identity

The marketing identity adopted for the Chris Hani area should be based on the perceived and actual tourism attraction strengths of the area, and the desired market positioning.

As discussed in Section 5.6.1, the main tourism attraction strengths of the Chris Hani area are:

- Location – stop-over en route coast / inland
- Accessibility - coastal cities (captive markets)
- Existing tourism routes & potential new routes (Liberation Heritage, N6, Karoo Heartland, Agritourism, Khoisan, Maluti)
- Range of heritage products (khoi-San, frontier, Xhosa, British settler, liberation, fossils, rock art)
- Natural environments – parks, reserves
- Range and distribution of accommodation

This is also captured in the Tourism Vision for the Chris Hani area:

“The Chris Hani District - a sustainable tourism destination offering visitors a quality nature-based and heritage experience with benefits for all people”

The desired market positioning therefore is as an accessible nature-based and heritage-rich tourism destination, suitable for the family.

8.3.4 Target Markets

The target markets for tourism in the Chris Hani area have been investigated and defined in Section 6.4.3.2. From that analysis, the target markets have been defined as:

- Domestic holiday, VFR and Special Interest markets;
- Foreign (overseas) Leisure and Special Interest markets;

Within these broad primary target markets the following specific markets were identified for consideration in media selection:

- Travelers interested in cultural and heritage tourism experiences
- Travelers interested in wildlife and nature
- Travelers interested in farmstays
- Travelers interested in “outdoor” and “adventure” vacations

The top 6 niche markets which were identified are:

1. Heritage tourism
2. Nature-tourism
3. Agri-tourism
4. Adventure tourism
5. Avi-tourism

Finally, the potential market segments for the Chris Hani area have been identified and ranked according to importance, as shown in Table 29. From the Table, the top 3 market segments for the Chris Hani are:

1. Leisure travel market;
2. Weekend special market;
3. Domestic independent travel market;

IMPORTANT TOURISM MARKET SEGMENTS					
TOURISM MARKET SEGMENT	1	2	3	4	5
The Family Market					6
The Foreign Group Tour Market					
The VFR Market				1	
The Eco-Tourism Market					5
The Mature Market (55 years & older)				4	
The Special Interest Group Market				2	
The Domestic Independent Travel Market					3
The Foreign Independent Travel Market					4
The Emerging Tourist Market					
The Special Events Market					
The Leisure Travel Market					1
The Adventure Travel Market				3	
The Hunting Market				6	
The Youth Market (25 years & under)					
The Weekend Special Market					2
The Honeymoon Market					
The Budget Travel Market					
The Business Travel Market					
The Domestic Group Tour Market					
The MICE Market					
The Dive Market					
The Gaming Market				5	
The Cruise Market					

Table 29: The potential tourism market segments for the Chris Hani area, ranked by priority. Note that an entry of "1" in the column headed "5" indicates the first priority item (1) of the high priority items (5).

8.3.5 The Marketing Mix

The overall marketing mix for the Chris Hani tourism area combines the knowledge of the overall marketing strategy, the marketing identity, and the target markets, and selects the preferred mix of marketing media with which to pursue the marketing strategy to market the product identity to the target markets.

Potential elements of the marketing mix have been ranked for the Chris Hani area, as shown in Table 30.

THE MARKETING MIX: 1 (Low) to 5 (High) Priority					
ACTIVITY OR ITEM	1	2	3	4	5
<i>Above-the-line advertising:</i>					
Consumer Magazines					2
Internet					1
Newspapers					
Trade Magazines					
Television					
Outdoor					
Radio					
<i>Newspapers:</i>					
Eastern Province Herald					2
Die Burger					
Volksblad					
Weekend Post				1	
Sunday Times					
Daily Dispatch					1
Natal Mercury					
<i>Consumer Magazines:</i>					
Getaway					
Go					
Weg					
Out There					
Sawubona					
Drum					
Wegbreek					
You					
Huisgenoot					
Indwe					
<i>Trade Magazines:</i>					
Travel News Now (print & electronic)					
Conference, Exhibition & Events Guide					
SATSA Newsletter					

THE MARKETING MIX: 1 (Low) to 5 (High) Priority					
ACTIVITY OR ITEM	1	2	3	4	5
Radio:					
Radio Algoa					
Radio Sonder Grense					
SAFM					
5FM					
Radio Metro					
Radio Oranje					
Kfm					
Travel Trade Markets:					
Indaba Travel Market (Durban)					1
World Travel Market (London)					
ITB (Berlin)					
Consumer Shows:					
Getaway Show (Johannesburg)					
Getaway Show (Durban)					
Getaway Show (Cape Town)					
Special Events(sporting & cultural):					
Road Shows/Workshops:					
Durban					
Johannesburg					
Bloemfontein					
Maseru					
Partnerships:					
South African Tourism Board					
Eastern Cape Tourism Board					1
Regional Tourism Organizations (RTOs)					2
Local Tourism Organizations (LTOs)					3
Tour Operators					
Airlines					
Hotels					
Conference Centres					
Marketing Tools:					
Visitors Map					1
Visitors Guide					2
What's On					
Product Manual					3
Promotional Video					

Table 30: Key elements of the marketing mix for the Chris Hani tourism area, ranked in order of priority. Note that an entry of "1" in the column headed "5" indicates the first priority item (1) of the high priority items (5).

8.3.6 Marketing Budget

The marketing budget for the District Tourism Organisation will depend heavily on the availability of funding, and the intended reach of the programme. Typical elements of the destination marketing budget are shown in Table 31.

DESTINATION MARKETING BUDGET	
ABOVE-THE-LINE ADVERTISING	AMOUNT RANDS
Newspapers	
Consumer Magazines	
Trade Magazines	
Television	
Radio	
Internet	
Outdoor	
TOTAL	
BELOW-THE-LINE PROMOTIONS	
Travel Trade Shows (National)	
Travel Trade Shows (International)	
Consumer Exhibitions	
Direct Mail	
Internet and Data Base Marketing	
Familiarisation/Educational Trips (Media)	
Familiarisation/Educational Trips (Travel Trade)	
Radio (Feature Programmes/Competitions)	
Television (Feature Programmes/Competitions)	
Feature Articles (Magazines)	
Joint Venture Campaigns	
Personal Selling (Trade Visits)	
Overseas Agent	
Sales Literature	
Promotional Videos	
MICE (Meetings, Incentives, Conferences, Exhibitions)	
Special Events (Sporting and Cultural)	
Workshops/Road Shows	
Product Development	
Developing the Brand Identity	
Public Relations and Communications (Newsletter)	
Membership Marketing	
TOTAL	
GRAND TOTAL	

Table 31: Typical elements of the destination marketing budget.

8.3.7 Marketing Tools

International Travel Trade Shows

The main travel trade shows used for the generic marketing of South Africa and the Eastern Cape Province are WTM in London and ITB in Berlin. The cost of attending these shows is about R60 000.00 per show and is out of contention for any DTO. However, DTO's can be represented by ensuring their region and products feature in the marketing brochures of the ECTB.

Indaba Travel Trade Show

Indaba is South Africa's and Africa's premier tourism marketing event, organised and facilitated by SA Tourism, usually held in Durban during May of every year. This is a trade show, open only to product owners – national and international – and not to the public. It is the dream of every product owner and event organiser to exhibit at Indaba, even if that is all they can afford on marketing. Most product owners and event organisers in South Africa attend. CTO's, LTO's and DTO's are accommodated on a generic stand of their province. Product owners exhibit in stands around the provincial stand. Provision should be made for an adequate budget of around R12,000.00 (2006). Brochures and other information on product owners are handed out free of charge at the DTO cubicle/stand at Indaba.

Consumer Shows and Exhibitions

Organised by the "Getaway" magazine and held over four days (Thursday to Sunday) in May, October and November of every year in Cape Town, Durban and Johannesburg, Bloemfontein and Pretoria, the Getaway Show is a popular travel/adventure show open to members of the public. Like Indaba, a DTO usually exhibits on a generic Eastern Cape provincial stand. Exhibitors pay R 3,000.00 for a stand which is used at all three main exhibition venues. A budget of R12,000.00 per show should be provided. Not all Eastern Cape product owners exhibit at the Bloemfontein show unless the Free State is a target market. Partial sponsorship is provided by product owners in exchange for their brochures being distributed by their LTO at these shows.

Road Shows

Road Shows are coordinated by the DTO as a cooperative marketing action with the product owners who should be subscribing members of the LTOs in the District. Road Shows have a lot of potential. Usually a marketing route is worked out beforehand and every city and town on that route is visited with messages from the local mayor to the respective mayors of the cities and towns visited. Press releases and statements are issued in each city and town to generate maximum publicity for the tourism region. Accommodation is usually sponsored as a trade off for a reciprocal visit by the cities and towns visited during the road show.

Internet

A good interactive website is recommended for direct marketing to the consumer and trade. A number of LTO's report on average about 120,000 hits per year leading to actual enquiries. A budget of about R14,000.00 per year should be provided for maintenance and upgrading of the website on an annual basis.

Travel Companion to the Eastern Cape

The annual edition of the Eastern Cape Section of the "Cape Combo" by Garden Route Marketing is one in a series of DL sized booklets named *Eastern Cape – Coastal & Country Routes*. This publication is a cost effective investment and is widely distributed. It is available from LTO's and other distribution outlets serviced nationally by Brochure Management. Generic information about a region and its products are spread over a number of pages supported by advertisements and editorial sponsored by the product owners.

Advertisements

The most popular magazines and journals used by LTO's include the following:

- Explore South Africa
- Getaway
- Eastern Cape Madiba Action
- What's Hot Eastern Cape
- Whezzit
- The Eastern Cape Guide
- SA Country Life

It is a mistake to spread a small budget over too many magazines. Consumers generally need to be exposed to an advertisement at least four times before it has impact. It is far more cost effective to select a few magazines and increase the frequency of the advertisements especially in those publications selected by ECTB for the generic marketing of the district and province. DTO's must 'piggy back' on provincial initiatives.

When selecting a publication it is important to establish its readership circulation and the number of distribution outlets. Many fly-by-night publications make all sorts of promises but an investigation usually discovers very poor distribution. A comparison of publications is recommended using the cost-per-thousand benchmark i.e. how much does it cost to reach a thousand of the target audience.

Print Media Selection - Magazines

Print Media Selection		
Name	Circulation	Cost per insertion for full page, full colour (R)
Magazine		
Country Life South Africa	33,401	13,000
Getaway	96,328	24,950
Sawubona	94,882	28,500
Skyways	12,382	13,370
Caravan & Outdoor Life	17,437	9,610
Newspaper		
Weekend Argus – Travel	103,806	15,336
Saturday Star – Travel	142,195	14,386
Pretoria News – Travel	15,727	-
Sunday Tribune – Travel	109,116	15,318

Table 32: Print media selection according to circulation and cost.

9 Implementation Plan

IMPLEMENTATION PLAN CURRENTLY UNDER DEVELOPMENT