

Trade Led Tourism Growth Strategy for the Eastern Cape

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For the Eastern Cape Tourism Board

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1. Introduction

The tourism sector in South African has grown exponentially following the advent of a public / private sector partnership forged through the activities of the Business Trust in late 1998. Since then there has been a steady growth in the funding of the national promotion agency, South African Tourism and a commensurate increase in numbers of arrivals to South Africa. What is less clear, is the extent to which the Eastern Cape has benefited in terms of tourism receipts during this period and furthermore if the structure and practices of the Eastern Cape Tourism Board¹ (ECTB) to date have been productive. The document will explore these questions using the best practice context of smaller relatively marginalised destinations (Namibian and KwaZulu-Natal) with similar sized budgets that have achieved above average growth through the adoption of practical and focused tourism growth strategies.

It is clear that the ambition of all parties in the sector is to move the Eastern Cape's tourism industry to a new level, through a leveraged, strategic approach to the future of sales & marketing and capacity building. It is also clear that this will require an adjustment of priorities and focus of all these parties. The way ahead offers a promising future, since the Eastern Cape has all the assets it may need to succeed in growing its earnings from tourism, and the associated benefits of job creation, wealth creation and economic growth.

The strategy document constitutes the first step in laying the foundations to growth in tourism. It is a living document and will be constantly updated and improved both as the ECTB evolves internally and as market conditions shift. It is envisaged that the strategy can play a meaningful role in informing the way forward as the ECTB is merged with the Eastern Cape Parks.

The plan adopts a tightly focused tactical approach aimed at achieving a finite set of goals within key markets. The strategy goes further in identifying areas that need to be invested in for future growth to be maintained and makes necessary provision for these. Finally the plan seeks to inform the necessary institutional and organisation re-alignment that is needed to deliver the tactical and the strategic components of the plan. A key theme that characterises the approach is that of a practical and living strategy.

¹ The ECTB in the process of merging with Eastern Cape Parks. It is not know what the new entity will be known as. Consequently the document makes reference to ECTB as the target entity for the new strategy.

2. The Rationale for an Eastern Cape Specific Tourism Strategy

The initial premise that informs the development of a tourism growth strategy for the Eastern Cape, is that the province has not been performing as well as it could in attracting tourism receipts, with particular reference to the international market. South African Tourism has the mandate to market and promote the country internationally. If this mandate is being effectively executed, this would to an extent, obviate the need for provincial tourism bodies to engage in direct international marketing. A strategy of simply “hitching to the SA Tourism wagon” internationally would suffice and resources could be applied to destination management issues such as product, human capacity and PDI SMME development.

2.1 Critique of South African Tourism’s Performance

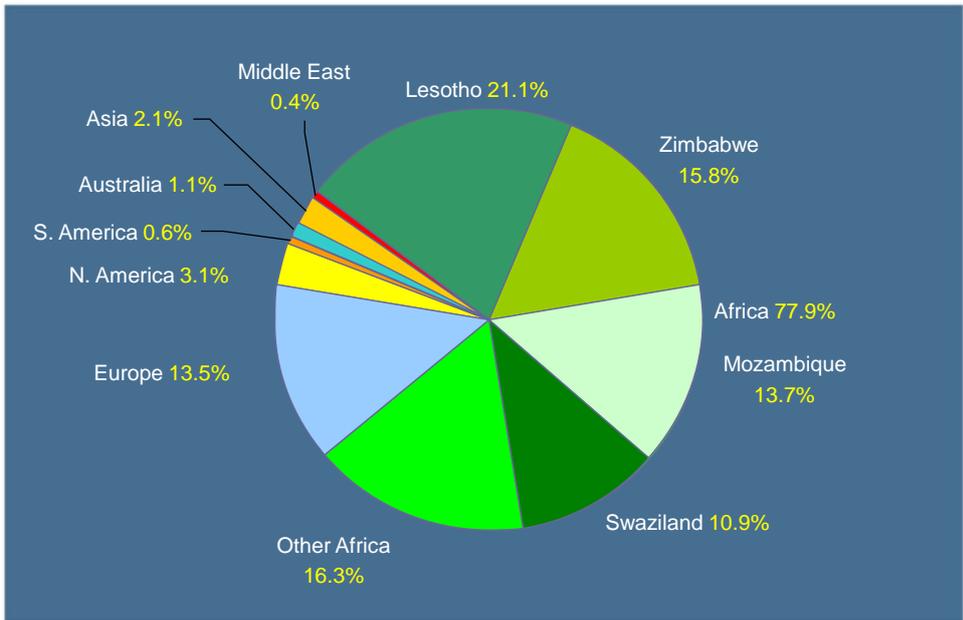
A useful point of departure then would be to examine how well SA Tourism has been doing in growing tourism to South Africa and within that, to the Eastern Cape in particular.

“South Africa was one of the very countries to grow the numbers of foreign tourist arrivals last year when the global industry was badly hit by the global recession and the H1N1 virus, Tourism Minister Marthinus van Schalkwyk said yesterday.

Announcing an increase in tourist numbers of 3,6% to reach 9.9 million, compared with the global industry suffering a decline of 4%, the minister said he was further encouraged by the signs of recovery in world travel that began in December last year ... Van Schalkwyk said there had been healthy increases from Asia (3,7%) and Latin America (3,5%) while arrivals from Africa by air (3,3%) and by land (5,7%) also grew strongly.” – Business Report, 5th March 2010

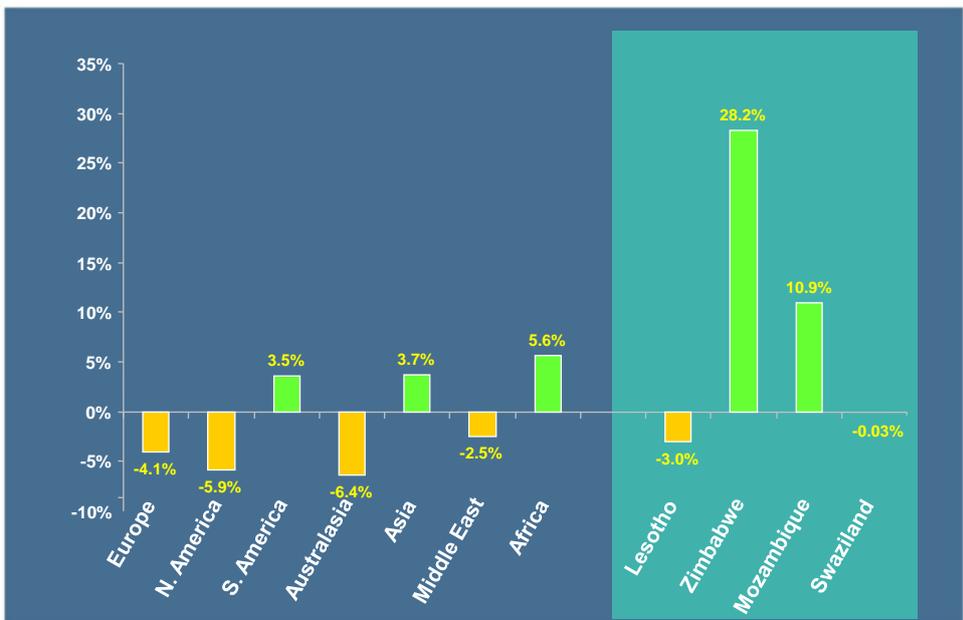
If the sentiments expressed by the national Minister are to be believed, this clearly augurs well for tourism to South Africa.

Graph 1 Tourist Arrivals South Africa 2009



The graph above shows arrivals to South Africa by source region in 2009. Arrivals from Africa account for 77,4% of the total. Moreover, four countries, Lesotho, Zimbabwe, Moçambique and Swaziland together contribute 61,1% of all arrivals to South Africa.

Graph 2 Tourist Arrivals South Africa 2009



The increases by region are depicted in Graph 2. It is instructive to compare percentage shares in Graph1 with the growth or decline figures in Graph 2. The main leisure tourism regions reflected declines – Europe (-4,1%),

North America (-5,9%), Australasia (-6,4%) and Middle East (-2,5%). The principal growth region was Africa (5,9%) and within that massive growth from Zimbabwe (28,2%) and Moçambique (10,9%). The key point is that it is these source markets that have driven the purported growth in tourism arrivals and not the main long haul leisure markets. As a country we do little, if nothing, to attract these cross border arrivals.² These are simply cross border arrivals and not tourists in the true sense of the word. Furthermore, arrivals from our northern and eastern neighbours may be of interest to provinces such as Limpopo and Mpumalanga, but hold scant interest for the Eastern Cape.

SA Tourism has set out 5 key goals by way of measuring the organisation's performance.

- Increase in tourist volume
- Increase in tourist spend
- Increase in length of stay
- Improve geographical spread
- Improve seasonality patterns

It is worth unpacking these to ascertain whether, as an organisation, they have been effective in achieving their stated goals, as all of these impact on tourism to the Eastern Cape.

Table 1 Arrivals to South Africa by Regional Source 2002 - 2009

Source Region	2002	2009	Percentage Change
Europe	1,252,710	1,348,502	7,7%
North America	216,275	314,696	45,5%
C. & S. America	38,311	65,211	70,2%
Australasia	85,775	113,180	31,9%
Asia	177,415	209,110	17,9%
Middle East	33,401	44,626	33,6%
Africa	4,435,218	7,744,176	74,6%
Overseas ³	1,803,887	2,095,325	16,1%

As previously alluded to, South Africa has grown its absolute tourism numbers significantly over the last seven years. Key growth source regions have been Africa (74,6%) and the Americas – North (45,5%) and Central & South (70,2%). Of concern is that the core leisure tourism region of Europe grew by only 7,7% over seven years, and average of 1,1% per annum. Similarly, the overseas component (ie. The grand total arrivals to South Africa minus African arrivals) grew by 16,1% or only 2,3% annually. These overall figures are an important benchmark and provide

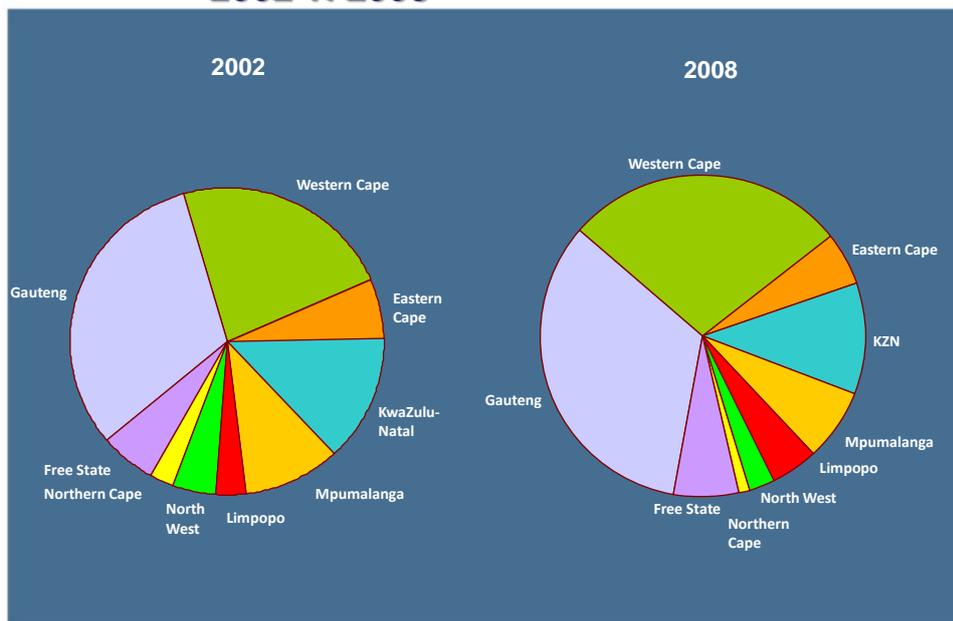
² In the 2007 SA Tourism Annual Report exactly one line of text was devoted to activities in neighbouring states.

³ Grand total of arrivals less arrivals from Africa

a crucial context when examining the performance of the Eastern Cape later in the document.

A useful indicator of geographical spread is “foreign bed nights by province”. Two provinces dominate this measure – Gauteng (African and overseas business tourism) and the Western Cape (leisure tourism). Far from improving, the situation has worsened since 2002, with the Eastern Cape’s share falling from a paltry 7% in 2002 to 5% in 2008. This is mirrored by the plight of Mpumalanga and KwaZulu-Natal.

Graph 3 Foreign Bed nights by Province 2002 v. 2008

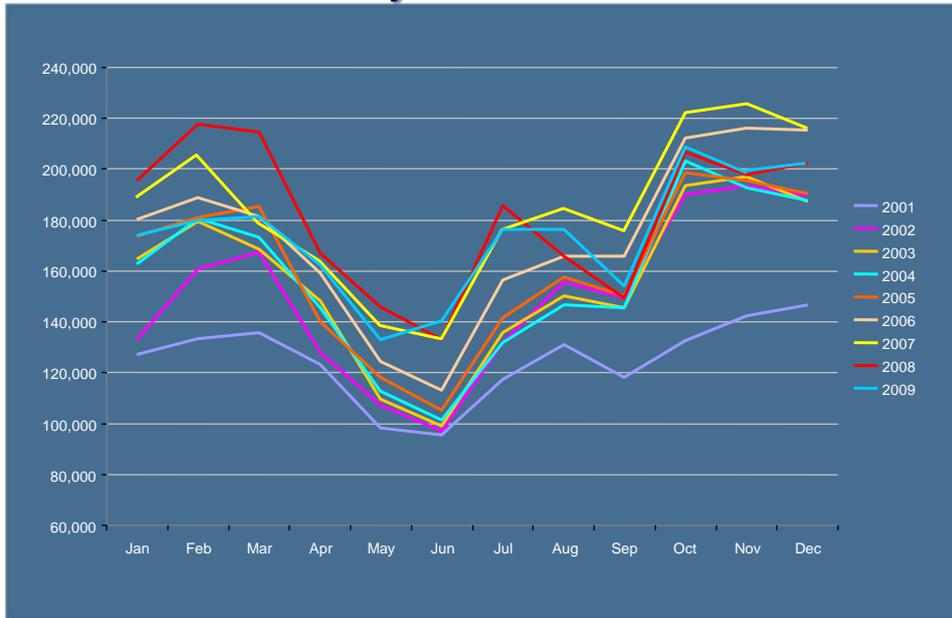


The average spend per day has also fallen from R1,548 per tourist per day to R980 – a decline of 36,6% over six years. A decline has also been recorded in the average length of stay from 10 nights in 2003 to 8,2 nights in 2008. The contraction in geographical spread has been further compounded by the average number of provinces visited declining to 1,2 in 2009 from 1,49 in 2003.

The graph 4 below shows annual seasonality of non-African arrivals to South Africa from 2001 to 2009. Although the quantum of tourism has increased, the seasonality pattern remains markedly skewed with low arrivals in the months of April, May, June & July. Although many destinations will display a degree of seasonality, the persistent pattern is normally characterised by unfavourable climatic conditions throughout that particular destination (Eg. The whole of Greece is cold and miserable in the northern hemisphere winter). South Africa does not suffer from ubiquitous cold and wet winter conditions. Whilst these may be felt in the Western Cape, the Eastern Cape, KwaZulu-Natal, Mpumalanga and Limpopo have very favourable climates in the South African winter months. The seasonality pattern reflects an

inability of SA Tourism to redress the issue by effectively marketing provinces other than an over-reliance on the Western Cape, and Cape Town in particular.

Graph 4 South Africa – Non-African Arrivals Seasonality



The graph 5 below shows how Namibia Tourism has been able to make some inroads into the perennial seasonality pattern in arrivals to Namibia. This is included that show that it is possible to redress seasonality by a sustained and focused approach to growth.

Graph 5 Namibia Seasonality 2001 - 2006



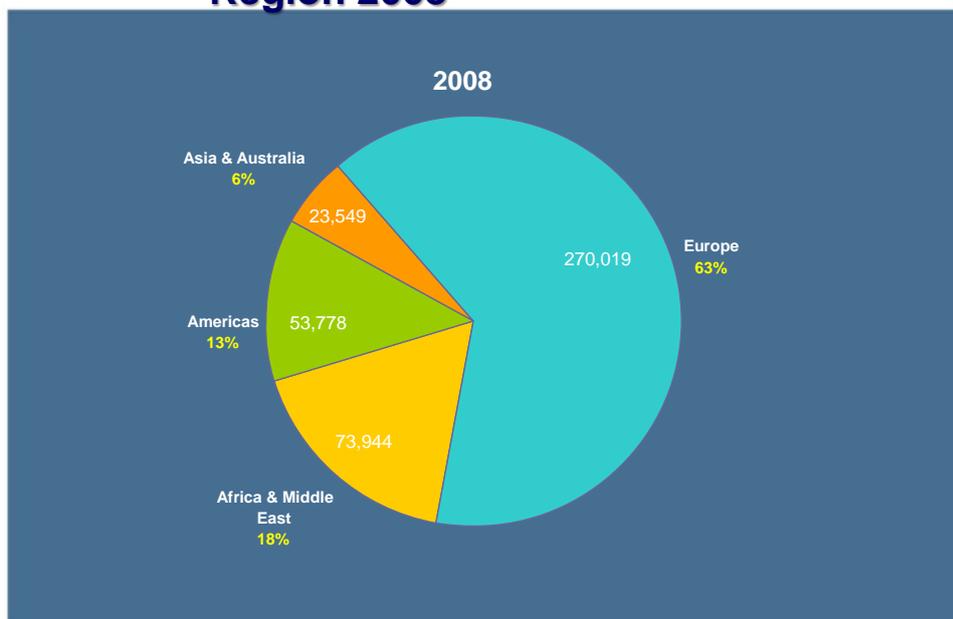
Reflecting on the performance of SA Tourism against their own set of goals, provides a somewhat more sober context of purported tourism growth over the past seven years. Whilst there has been growth in overall arrivals, this has not been seen in the key European markets. Spend, spread and length of stay have all deteriorated. Seasonality is dire and remains so, as little has been done to market provinces that have favourable winter climates. The national picture is far from the euphoric headline that appeared in Business Report (5th March 2010) reporting on the National Tourism Minister’s boastful utterances – “SA Bucks Trend to Grow as a Tourism Destination”.

2.2 Review of the Eastern Cape Performance To Date

The report turns to examine the performance of the Eastern Cape to see if it has been able to buck the fairly depressing national picture.

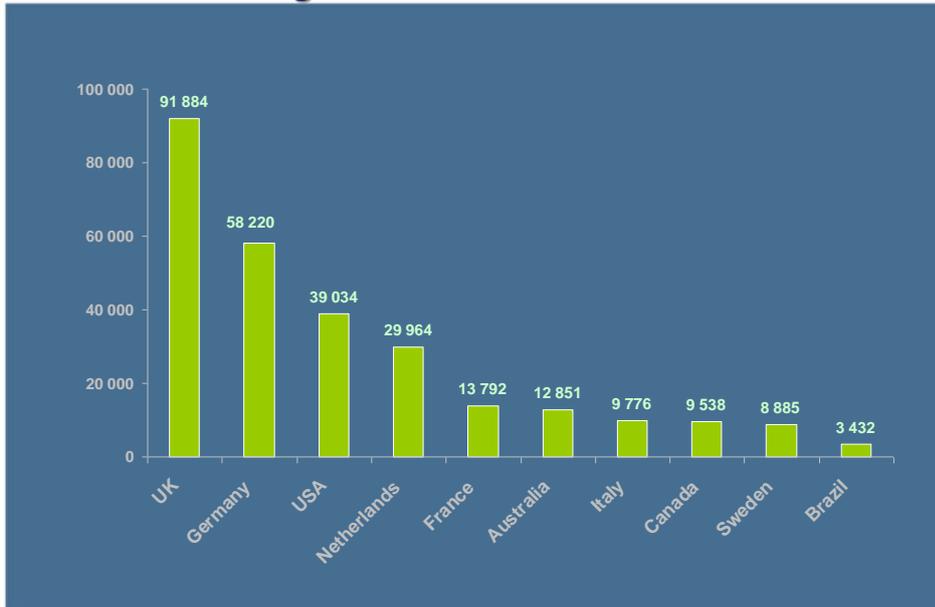
In 2008 a total of 421,290 foreign tourists visited the Eastern Cape. A key point of departure is to consider where tourists to the Eastern Cape currently travel from. This is depicted in the graph 6 below. Europe dominates, accounting for 63% of arrivals, followed by Africa and the Middle East (18%) and the Americas (13%).

Graph 6 Eastern Cape Source Markets by Region 2008



Of the total foreign tourist arrivals in 2009 of 421,290, 78,3% came from the top ten long haul source markets as depicted in graph 7 below. Whilst Zimbabwe accounted for 21,462. Lesotho 18,670 and Moçambique 10,845 – these markets are less attractive than the tourists from long haul countries who stay longer and spend more than the average arrival from neighbouring states.

Graph 7 Eastern Cape - Top Ten Long Haul Foreign Visitor Markets 2008



In the section critiquing SA Tourism’s performance it was noted that total long haul arrivals to South Africa grew by 16,1% from 2002 to 2009. Data for tourism numbers to the Eastern Cape is only available for the 2004 – 2008 period. Total long haul arrivals to South Africa grew from 1,884,336 to 2,181,130 an increase of 15,8%. In the same period total long haul visitors to the Eastern Cape fell from 403,128 in 2004 to 329,939 in 2008, a decline of 18,6%.⁴ This dramatic decline in provincial performance, relative to a growth in the national numbers is grave cause for concern. What is more than puzzling is that this data is obtained from SA Tourism. It would appear that it has hitherto not been sufficiently scrutinised and made available, at both national and provincial level, as a matter of some urgency. The data for specific key source markets comparing the national performance against that of the Eastern Cape is contained in the table below.

Table 2 Growth / Decline in Long Haul Markets to South Africa & Eastern Cape 2004 - 2008

Source Market	Percentage Change 2004 – 2008	
	South Africa	Eastern Cape
UK	6,3%	-13,4%
Germany	- 2,9%	-28,2%
France	17,1%	-42,0%
Netherlands	6,0%	-3,1%
USA	38,1%	22,4%

⁴ Total long haul arrivals to KwaZulu-Natal fell by 14,6% from 2002 – 2007. UK and German arrivals to KZN declined by 29,8% and 33,9% respectively between 2002 – 2007.

It is clear from the data above that the Eastern Cape is heavily dependent on arrivals from Europe, which accounts for 63% of international tourist arrivals. The performance of key individual markets within Europe has been dire, with the exception of the Dutch market which only declined by 3,1% from 2004 – 2008. Arrivals from the USA bucked the European performance by growing at an impressive 22,4%.

As a proxy for what share of the international market the Eastern Cape has beyond the bed-night measure from SA Tourism, the following data was obtained from Tourvest Inbound Operations (TIO).⁵ As a percentage of their total annual turnover in 2009, 41% was spent in Western Cape, 20% in Mpumalanga, 8% in Gauteng, 8% in KZN and only 4% in the Eastern Cape.



In reflection, it would appear that notwithstanding the significant budget at its disposal, SA Tourism has had little impact on tourism receipts to the Eastern Cape. Moreover, there is no acknowledgement of the decidedly poor track record in terms of tourist arrivals from the main markets that are visiting the Eastern Cape and certainly no strategy from a national level to redress the matter. The situation has been compounded by an attitude that appears to exclude campaigns and tactical promotions to redress the marginalisation of a province such as the Eastern Cape. Indeed empirical evidence would suggest that Cape Town and the Western Cape are sold and promoted at the exclusion of other provinces. This is evident from the co-operative advertisement between SA Tourism and a selection of large wholesale

⁵ TIO is arguably the largest inbound entity in South Africa. The group handles approximately 150,000 passengers annually.

operators in the UK⁶, which appeared in the *Daily Telegraph Travel Supplement* last November as depicted above.

Whilst the macro data in terms of arrivals to the Eastern Cape has been disappointing, the strategy process engaged a sample of operators in the two key overseas markets of the UK and Holland, as well as number of leading South African inbound companies, to obtain their input on the current positioning of the province, as well as potential for future growth.

The average first time visitor to South Africa tends to follow a well trodden itinerary – Cape Town – Garden Route (ending in Port Elizabeth) – Johannesburg – Kruger National Park / private game parks in the Sabi Sands – possibly Victoria Falls – back to Johannesburg and home. The Eastern Cape share is limited to a one or possible two night stay in Port Elizabeth. The advent of malaria free private game reserves has increased the profile of the province but with very limited spread into the eastern half of the province. The acute decline seen from key source markets is further compounded by the trend of shortening itineraries, with tourism stays, and hence receipts, to the Eastern Cape being further reduced.

The fact that the province does not have any direct international flights limits accessibility. There was a fundamental lack of awareness from many of the operators of product in the Eastern Cape, beyond the private game reserves. Negative perceptions concerning the safety and quality of roads was a common held view.

Having set out a fairly bleak perspective above, there are some glimmers of hope. The Eastern Cape is widely featured in almost all leading tour operator brochures. Having noted the iconic well trodden path that excludes the bulk of the province, of 50% of the tourists to South Africa are repeaters. The intuitive hypothesis is that the Eastern Cape is more easily sold to a repeat visitor who has exhausted the iconic path and is looking for a different set of experiences and products.

Namibia Tourism was able to grow tourism receipts significantly from 2004 – 2007 and reposition a hitherto marginalised destination through the adoption and execution of a practical tourism growth strategy on a meagre total annual budget of R30 million⁷. This shows that by adopting a focused practical strategy a smaller destination can indeed grow tourism.

This adds up to suggest that the Eastern Cape needs to take charge of its own tourism destiny. Drawing on the Namibian experience it is argued that the optimum path is through the adoption of a trade growth strategy. Before delving into an appraisal of the Eastern Cape's performance, it may be useful to unpack why the document is unequivocal that working through the trade offers the best returns and

⁶ Trailfinders, Virgin Holidays, Audley Travel, Travel Bag and Africa Travel

⁷ See Appendix A for a synopsis of the Namibian performance 2004 – 2007.

what this entails. This essentially involves working closely with and harnessing the resources of both the local tourism trade and in particular key overseas tourism operators. In this way the Eastern Cape is able to reach a sizable segment of the market (ie. Travellers who are already coming to South Africa) as well leveraging off the operators knowledge of their markets, their marketing budgets and importantly their brands. Trying to target individual travellers directly is the alternative. This is where the identification of market segments has a role to play. SA Tourism followed this approach from 2002 to roughly 2007 through its contracted research company, The Monitor Group⁸. Massive amounts were spent both identifying these segments and then trying, with success to market directly to them. The other negative aspect of this approach was to marginalise and eschew the trade, both locally and overseas as partners.

2.3 Performance of Eastern Cape Tourism Board To Date

A cursory analysis of the how the ECTB has performed to date, reveals in short an organisation essentially willing but not that able. At the outset there does not appear to be a clear marketing budget with focus areas and activities set out in a budget process. This leads to activities being undertaken in an *ad hoc* and often reactive manner. These activities tend to be once off in nature and lack impact due to not being sustained. In most instances many initiatives are poorly managed and evaluated, with no clear return on investment criteria. In the absence of real market intelligence, what is fallen back on is an over reliance on trade shows. This attendance is generally not strategically planned, resulting in few structured appointments of value. It must be stressed that this is a cursory review of the organisation and not an in-depth audit. In discussion with senior executives of the organisation, they concurred with the above appraisal.

The review found a high level of effort and activity amongst staff. However, the lack of a clear and focused organisational strategy, results in this work being a series of isolated activities that do not end up growing tourism to the province in any meaningful way. In this sense the ECTB can be characterised as an “input/activity” organisation. It needs to evolve into an “output/sales” organisation, in which every action and activity is in some way linked to a tangible and measurable output. A useful measure to adopt is to split the budget into two areas a) fixed costs b) marketing & sales costs. Although it is always difficult to do this exercise exactly, it does provide the organisation with a proxy to measure its focus going forward. International best practice⁹ points to a 30 : 70 split with the former being the fixed cost component. In the Namibian experience the R30 million budget was split 50 : 50.

⁸ The average annual fee paid to The Monitor Group was in the region of R15 million.

⁹ Australia has long been held up as the bench mark long haul destination success. This measure was gleaned by interviews with the ATC in 2000.

2.4 How Does the Market Perceive the Eastern Cape?

A series of interviews with key South African inbound operators and overseas operators in the UK and The Netherlands was conducted between October 2009 and February 2010. These interactions provided a seminal insight into where the market currently perceives the Eastern Cape as a destination and points to areas of strength and weakness.

As previously mentioned, the Eastern Cape is known and recognised, although many operators did not know the full geographical extent of the province. This recognition is however limited to:

- The extension of the Garden Route
- Port Elizabeth hotels
- Private game reserves

Of concern were negative perceptions, mixed with ignorance, from many of the South African inbounds on safety issues, especially with reference to the Wild Coast as well as the condition of roads in the eastern half of the province.

A common call from the overseas operators was a plea for “beach product”. This refers to a managed beach environment that could include a private or semi-private beach area, the provision of chairs and food and beverage service operating onto the beach. The scarcity of such product in South Africa often results in tourists extending their programmes to Moçambique or Mauritius after visiting South Africa. Product differentiation or new product was the other main demand from the overseas operators.

The market research undertaken was further bolstered by interviews with Eastern Cape product, including a sample along the Wild Coast. At the outset it is clear that any tourism growth strategy should target spreading tourist flows beyond the current nexus of Port Elizabeth and the private game reserves into the eastern half of the Eastern Cape. The study tour revealed a number of factors that currently serve to constrain this spread. Although there are a number of hotels on the Wild Coast, the quality of a number of these was questionable. The Port Alfred / Kenton area could be touted as a possible beach destination, but there is a lack of accommodation above six room establishments. Eastern Cape product owners appear ignorant of how the tourism channel and commission structures within the channel operate. This acts as a disincentive to the inbound operators to sell these properties. The dependence of the local market results in the crowding out of the international market in domestic holiday periods. One of the limiting factors in trying to grow tourism through a trade growth strategy in KwaZulu-Natal were the relatively high average annual occupancies recorded by many accommodation establishments fed by local leisure and business tourism. This is clearly not the case in the wild Coast area, with average annual occupancies between 30 and 40 percent.

2.5 Weaknesses & Threats

The province does not have any direct international flights, although it is well serviced by a plethora of domestic connections. Product knowledge outside of the Garden Route – Port Elizabeth – private game reserve nexus is extremely poor. This extends to total ignorance of provincial parks and offering within these. Although Port Elizabeth is well known it is perceived as a necessary one night stop over. More than one operator asked, “*What is there to do in PE?*”, reflecting an impression that it was a “boring” city. The lack of beach front attractions such as cafes and terraces was alluded to, whilst there was a total ignorance of the quality of beaches in and around the city.

Concerns around safety and conditions of roads, especially in the Wild Coast were expressed. Whilst the issue of safety can be countered, the quality of roads, especially access roads from the N2 to various Wild Coast destinations are a real cause for concern as they act as a disincentive to travel. The current impasse between many Eastern Cape product owners and the inbound channel needs to be redressed. One of the key elements in any successful destination strategy is the use of icons or “hooks”. Currently there do not appear to be many icons that stand out as delivering the message that “this is quintessentially the Eastern Cape”.

2.6 Strengths & Opportunities

The Eastern Cape has an abundance of attractions, combining both natural beauty and culture. In many senses it is an undiscovered jewel. It has access roads and accommodation product which is reasonably and relatively priced thus delivering good value. A strategy of targeting operators who sell to travellers who are relatively independent and intrepid is advocated. Target segments that have an appetite for longer length of stay as well as repeater visitors to South Africa would be of interest.

A key requirement to open up the eastern half of the province is to attend to the quality of arterial roads from the N2 to the various attractions along the Wild Coast. The N2 provides a good quality access funnel into the region, but needs to be more actively marketed as a “route”. There are various best practice examples of route development including Route 62 in the southern Cape and recently The Cape Namibia Route¹⁰. A route that links KwaZulu-Natal and the Eastern Cape (Durban – Port Elizabeth) that is actively crafted, branded and marketed could provide a massive impetus to driving tourist flows eastwards.

Whilst the Wild Coast abounds with breathtaking natural beauty, the lack of tourist receipts into the area has resulted in a deterioration of the quality of accommodation

¹⁰ This was a joint venture, spawned in the advent of the Namibian Tourism strategy, between Namibia Tourism, CTRU and Northern Cape Tourism – www.capenaminbia.com

in key areas. The nature of the product along the Wild Coast lends itself to a 'walking / hiking segment'. This is a sizable segment internationally and should be specifically targeted. The Mantis Group and &Beyond are companies that have invested in both product in the Eastern Cape as well as possessing a tour operator arm. The ECTB should work closely with these two groups as they are currently delivering tourist flows into the province. The Garden Route is one of the main attractions to tourists visiting South Africa. There are significant tourist flows from Knysna / Plettenberg Bay through to Port Elizabeth. The current perception is that activities and hence accommodation is centred in these towns and that there is little between the Western / Eastern Cape border and Port Elizabeth. The area around St. Francis is well poised to capture a share of this sizable existing flow of tourism. In a similar strategy exercise conducted on behalf of Tourism KwaZulu-Natal in 2008, the market feedback on the Durban beachfront was very negative. The City of Durban has subsequently engaged in a massive beachfront overhaul project which will deliver a world class beach front product that appeals to the international tourism market. This best practice could be explored by city authorities from both East London and Port Elizabeth. A final opportunity exists to upgrade and expand the provincial parks offering beyond self-catering options, which exclude international visitors.

3. The Marketing Strategy

The document thus far has made the case for the development of a trade growth strategy to grow tourism to the Eastern Cape. The two key aspects to such a strategy are a) what markets will the strategy focus on (ie, the Where) and b) what elements will form the marketing mix in the execution of the strategy (ie, the What).

3.1 Target Markets – “The Where”

The overriding lesson from small destination best practice is focus, focus, focus. Typically smaller tourist boards will choose around four focus markets and concentrate their efforts in these. A further rule of thumb gleaned from smaller successful destinations is that to be effective at budget of at least R2 million (and preferably more) needs to be spent in any market to establish a presence. Clearly the ECTB with its limited resources both human and financial should adopt a very focused approach. It is suggested that the following four key markets are targeted:

- UK & Ireland
- Benelux (The Netherlands, Belgium & Luxembourg)
- North America (USA & Canada)
- South Africa (the domestic market)

Whilst there is no exact science in selecting target markets, the following criteria provide useful guidance with respect to the Eastern Cape:

- Total arrivals from that market
- Historical growth and capacity for future growth
- Language issues – can the market absorb English language collateral?
- Regional groupings – Eg. Benelux / USA & Canada
- Ability to service the market
- Seasonality
- Average length of stay
- Average spend
- Self drive potential

Table 3 Top Ten International Source Markets to South Africa 2009

Country	Arrivals	% Growth / Decline 2008 - 2009	
UK	431,726	-0,3%	
USA	238,295	-10,7%	
Germany	189,216	-12,1%	
Netherlands	110,360	-4,5%	
France	107,382	-9,5%	
Australia	83,014		-8,1%
India	56,911	17,2%	
Canada	46,273	-9,9%	
China	41,709	12,1%	
Belgium	37,334	-2,9%	

Table 3 above sets out the top ten international (ie. Non-African source markets to South Africa in 2009. This should be read in conjunction with Graph 7 p. 8 which depicts the top ten source markets to the Eastern Cape. From this list the top five appear attractive to the Eastern Cape. However Germany and France appear less attractive than the UK, USA and The Netherlands. Growth from Germany as we have seen in Table 2 p.8 has been almost static over the past six years. The German market also showed the biggest decline during the recent recession period, driven in part by very negative PR about South Africa over the last 18 months. Outbound travel from Germany is dominated by three large vertically integrated groups, Rewe (Meiers & Detour brands), TUI and Thomas Cook. These three groups collectively account for 78% of all arrivals to South Africa, that book via the trade¹¹ split accordingly:

- Rewe – 42%

¹¹ According to SA Tourism Germany - 60% of arrivals to South African book via the trade and 40% directly.

- Thomas Cook – 21%
- TUI – 15%

These groups have adopted a very conservative approach in reaction to the dramatic decline in overall volumes from Germany travelling to South Africa, thus offering limited ability to engage around growing flows to the Eastern Cape. In addition, Tourism KwaZulu-Natal have targeted the German market as one of their three key overseas markets in 2009 (the others being UK & Ireland and USA). The French intuitively would be of interest, as they do self drive and are interested in cultural offerings. However, language issues complicate the marketing process both in terms of engaging the trade in France and the development of French collateral.

This leaves the 3 large markets of UK, USA and The Netherlands. All three offer good potential from the perspective of language (English is widely understood in The Netherlands). From Table 4 all three demonstrate relatively long average length of stays.

Table 4 Average Length of Stay Q4 2008

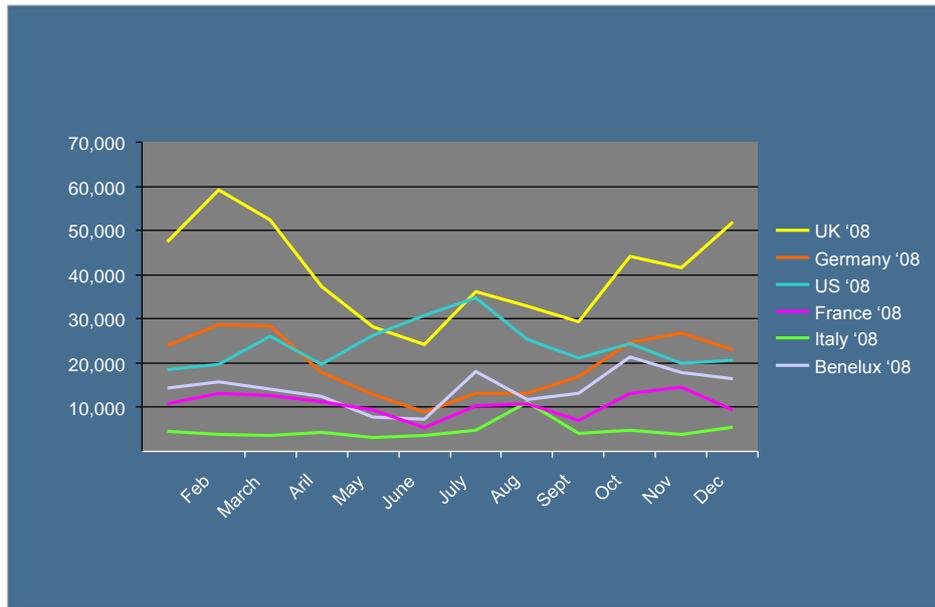
Market	Average Number of Nights
USA	20.3
Canada	17.5
France	13.8
Germany	17.6
Italy	13.9
Netherlands	21.9
Sweden	14.6
UK	18.1

Tourists from the Netherlands spend more than their counterparts from other European countries as depicted in Table 5 below. At an average spend per passenger of R16,600 this is also much higher than the average for all foreign tourists at R9,100. Spend from the USA is also high, while the UK and Canada exceed those from France, Italy and Germany.

Table 5 Average Spend per Tourist 2008 – Selected Markets

Country	Average Spend in South Africa
USA	R 16,500
Canada	R14,500
France	R 11,800
Germany	R 12,800
Italy	R 12,400
Netherlands	R 16,600
Sweden	R16,100
UK	R 14,100
All Foreign Tourists	R 9,100

Graph 8 South Africa Seasonality – Selected Source Markets 2008



Graph 8 above depicts the seasonality from several top source markets to South Africa in 2008. The extremely skewed national seasonality evident in Graph 4 p. 5 is driven in the main by the UK and Germany. It is worth noting that both the USA and Benelux¹² seasonality patterns show encouraging arrivals in our winter months.

The self drive segment is significant from both the UK & Benelux markets, with the Dutch and Belgians in particular demonstrating a high degree of intrepid and often adventurous travel, thus being perfectly matched to the Eastern Cape. Although the USA is not only the second largest source market to South Africa, but has shown above average growth over the past six years as well as being the only key market to show growth to the Eastern Cape. This market clearly holds significant potential for the Eastern Cape, however it needs to be noted that almost no tourists from the USA self drive. This severely limits the ability to draw this market eastwards beyond the private game reserves.

Table 6 Selected Source Market Groupings Based on 2009 Arrivals to RSA

UK & Ireland	466,611
USA & Canada	284,568
Germany, Switzerland & Austria	237,125
Holland, Belgium & Luxembourg (Benelux)	147,694
Scandinavia & Nordics ¹³	81,884

¹² The Netherlands, Belgium & Luxembourg

¹³ Sweden, Denmark, Norway & Finland

Clearly from the above, if one was to target the UK, it makes sense to include Ireland as well. Similarly this would extend to including Belgium and Luxembourg with The Netherlands and Canada with the USA. It is instructive to note that SA Tourism does not follow this approach, and has thus ignored both the Irish and Belgium markets over the past five years. The advent of regional support in the form of trade orientated growth strategy from the Eastern Cape will thus be well received from operators in these markets, selling South Africa, who have felt more than neglected.

The ability to service these markets is also key. It is strongly suggested that the ECTB appoint a representation company in all three international target markets. There are a number of extremely competent such companies in all markets who can not only service the trade but handle PR as well. A solid working relationship with the SA Tourism office in each area must also be forged.

The three international focus markets thus selected for a targeted trade growth strategy by the Eastern Cape are:

- UK & Ireland
- Benelux
- USA & Canada

In addition the South African domestic market is also selected as a focus area. The sheer size of this market combined with the fact that marketing and servicing costs are in Rands support this notion.

The markets selected are merely to give focus and impetus to the ECTB as it embarks on executing what is a nascent strategy. In time, given success in these markets coupled with an increased budget, other emerging growth markets such as India, Australia, France and Italy should be explored.

3.2.1 Tactical Components – “The What”

As the document has evolved, what is being argued it that the Eastern Cape needs to take charge of its destiny as far as tourism growth is concerned and that the optimum way to pursue this is via a focused trade growth strategy. There are three components to the suggested strategy – a tactical component (ie, What practically will be executed in the next twelve months); a strategic component (ie. What activities and initiatives need to be engaged in to deliver a macro return over the next five years); and finally an organisational and institutional component (ie. Suggestions around how the organisation can best adopt and execute the agreed strategy).

3.2.2 Tactical Components – Market Mapping

In order to conceptualise and then execute a trade growth strategy, it is imperative to have a firm understanding of the trade both in the South African inbound market as well as the operators selling South African in the target markets. A useful framework for this is to develop a market mapping template. This serves as a road map to understand the market in question. It collects and distils the intellectual knowledge on a specific market and ensures that this resides with the ECTB and not only with individuals employed by ECTB or by representation companies.

The market mapping takes the form of spreadsheets in which key information is captured on all operators. Key data fields such as who our key accounts are, relative size, address and contact details, how and importantly what they sell are stipulated. Work in this respect has already begun and draft versions of market mapping is available for the UK & Ireland and Benelux¹⁴. This is the crucial road map that informs sales activity going forward. Key here is that it allows active management from ECTB head office.

Once the market mapping has been completed, and depending on in-country resources, a more refined phase of analysis of key accounts is recommended. This involves a more thorough appraisal of each operator than the market mapping allows. It entails three key areas of data capture. Firstly, all the facts pertaining to that operator and relevant activities and performance. Secondly, an in-depth analysis of these facts and finally the development of a detailed action plan for growing tourism receipts from the operator in question to the Eastern Cape.

3.2.3 Tactical Components – Joint Marketing Agreements

The market mapping serves to assist in identifying current key accounts and operators who may not be currently selling the Eastern Cape or regions thereof, but who demonstrate the potential to do so. These operators can then be targeted for possible joint marketing agreements (JMAs). This form of marketing is also sometimes referred to as 'co-operative or co-op marketing'.

This is a well developed form driving incremental marketing based on international best practice from destinations such as Australia, New Zealand, Canada, Thailand and latterly South Africa. It essentially involves marketing campaigns aimed at driving incremental tourism to a destination. It is key that activities identified are indeed incremental and that the tourism promotion body does not end up subsidising what the operator would have spent on their own in the absence of the JMA. To this

¹⁴ Copies of these can be obtained from ECTB executives. This will be augmented by a market mapping of the South African inbound operators.

extent current and historical marketing activities by the operator are ring-fenced. The incremental marketing campaign is then cost out against a projected return on investment. The cost of the campaign is then shared (normally on a 50 : 50 basis between operator and tourism board, although this ratio can differ depending on the nature of the negotiations).

The hypothetical example set out below demonstrates how the JMA would work and how the ECTB calculates and thus evaluates the projected return on investment:

Miles Travel, a leading Dutch operator, approached the ECTB with an incremental marketing campaign to stimulate tourism to the Eastern Cape. The cost of the campaign is R200,000. These costs are shared and each party agrees to pay R100,000.

Miles Travel currently sends 1,000 passengers to the Eastern Cape as part of its established South African programme. The campaign is aimed at a targeted direct mail drop aimed at people who have previously travelled long haul with Miles Travel in the past four years and will target incremental delivery of tourists to the Eastern Cape between November 2010 and March 2011. Miles Travel projects that they generate at least an extra 200 tourists through this exercise. From the actual offering in the mail campaign, the tourists will spend 8 days in the Eastern Cape and we can calculate from where they stay and what they do, that the average per person spend per day will be R1,300. It is then possible to calculate the projected incremental “in-province” spend that will result from an extra 200 passengers – 200 passengers x 8 days x R1,300 spent per day = R2,080,000. By dividing this amount by the amount contributed by the ETCB, namely R100,000, a return on investment (ROI) ratio of R1 : R20.80 is arrived at.

This demonstrates the enormous leveraging potential inherent in JMAs and introduces a useful ROI calculating methodology that can be used beyond evaluating cop-op marketing proposals. It furthermore demonstrates that this form of activity can be timeous and accurately measured in terms of a direct “in-province ROI”.

There are further benefits that are potentially derived from a JMA approach. In the first instance it extends the current market budget by the collective amounts committed by the operators. It furthermore allows the tourist board to influence the spread and nature of the product offering as well as the timing of the campaign, as the tourist board is also contributing financially. This aspect needs to be carefully negotiated and experienced negotiation skills ought to be engaged. The real benefit here is that the tourism board ends up working with key established operators in the

chosen target markets and effectively leveraging off their brands.¹⁵ The JMA approach catalyzes and subsidises market entry. Best practice suggest that it be pursued for a maximum of three years, but is evaluated on a year by year basis measured against delivery. After this time the programme should be self sustaining. The allied aspect is that of catalysing interest in a destination. By galvanising certain key operators to offer a region, this should in turn lead to renewed interest from competitor operators. This approach was effectively pursued by Namibia Tourism from 2004 – 2006. A synopsis of deals and delivery from specific operators included in Appendix B. In summary Namibia Tourism spent R9,349,781 over three years on a JMA campaign with selected operators. This resulted in 14,125 incremental tourists visiting Namibia resulting in a cumulative “in-country injection” of R394,441,007, yielding a R1 : R42.20¹⁶ return on investment ratio.

A document setting out guidelines for JMA proposals has been delivered to the ECTB and is included in Appendix C. In terms of institutionalising the JMA evaluation and approvals process the strategy suggests the following:

- JMA proposals are for the sole use of operators based outside the Eastern Cape. It becomes very difficult to discern conflicts of interest and accusations of favouritism if this is extended to product within the Eastern Cape.
- Proposals should be channelled via representation companies within key markets. These are then evaluated by the representation company, utilising the JMA Evaluation Template in Appendix D. The purpose of this is to distil the essence of the return on investment in a uniform summarised form that can be more easily understood.
- The JMA proposal and the accompanying evaluation document are then sent to ECTB Head Office. Here a JMA Committee meets to evaluate the proposal. It is key that the Committee meets whenever a proposal is received and is able to respond almost at the end of the meeting to the operator. The Marketing Manager responsible for that particular market will motivate the proposal to the committee and field any questions that may arise. As mentioned, a quick response is optimum. This may be a conditional acceptance dependent on minor tweaking of certain activities or focus areas.
- Once the JMA has been signed off, the representation company in question is then charged with the management, payment and evaluation of the execution.
- One of the key reasons that characterise successful JMA campaigns is a sustained marketing campaign that lasts at least three years. In the “Guidelines” operators are required to supply details of campaigns for this period, but the JMA is concluded and signed on a year by year basis, dependent on delivery.

¹⁵ One of the most productive and certainly the most evocative JMA campaigns in recent times was between the Kenyan Tourism Board and Kuoni UK, with the by-line, “Think Kenya, Buy Kuoni”.

¹⁶ The “in-country spend” component included the air ticket if the tourist flew with Air Namibia which inflated the ROI slightly.

- In the Namibian case, a threshold of Namibia Tourism’s contribution to the JMA being above €8,000 would follow the path set out above. There were instances where operators came forward with tactical opportunities with a value of less than €8,000. In these instances, the Namibia Tourism representative entity was empowered to conclude a “trade support” deal without having to obtain approval from head office. These deals were still evaluated and measured as a full blown JMA and reported on as such.

3.2.4 Tactical Components – In-country Representation

The strategy has identified four key geographical focus areas (UK & Ireland, Benelux, North America and South African domestic market). In order to effectively drive tourism growth to the Eastern Cape in these markets, it is strongly recommended that the ECTB engage the services of representation companies. The main reasons this is recommended is to provide a hands on, flexible, knowledgeable entity that can actively service the targeted market on a regular basis. The alternative is to attempt to do this by ECTB officials travelling to and from the market in question.

These companies should be charged both with growing trade sales, as well as growing consumer awareness through public relations and media. They would commonly be paid a retainer and then be accorded additional operational budget. The representation company would then be charged with the development of a country specific strategy against the budgeted amount that would deliver the following:

- Completing and management of market mapping data
- Key account analysis
- Sales calls based on market mapping
- Development of trade media strategy
- Procuring JMAs from selected operators
- Development of a tactical campaign to drive sales and/or awareness. This could involve affinity marketing with other products etc.
- PR & media strategy aimed at increasing consumer awareness

Representation companies that have a number of other key international destinations as customers should be valued above stand alone “one man band” operations. The former have the ability to leverage off their other clients and will be able to bring best practice experience to bear for the Eastern Cape. These companies normally also have a sound knowledge of the trade and have well developed relationships at executive as well as operational level with the operator sector.

The hard currency cost of retaining and indeed ensuring that the representation company has sufficient budget to be able to add value can be prohibitive. A

suggestion is to explore the possibility of twinning with another province, such as Tourism KwaZulu-Natal (TKZN). This would enable overall costs to be shared and thus lowered. This would render a wide number of economies of scale that could be reaped. JMAs that offer itineraries that include both provinces (Eg. featuring the Wild Coast and the marginalised area TKZN are seeking to promote, Southern KwaZulu-Natal).

The twinning approach advocated above is recommended for the three international target markets. As far as the South African domestic market is concerned, a stand-alone Eastern Cape representation based outside the province is recommended. This company would be charged with driving exactly the same set of deliverables as the overseas based representation companies¹⁷.

A seminal, but sometimes, overlooked aspect to engaging representation companies, is active, involved and informed management from ECTB head office.

The main thrust of the tactical strategy is centred around the key elements of market mapping, key account analysis, JMAs and PR and media. There are however a number of improvements that could be developed within the ECTB that were communicated through the trade engagement process in developing the strategy. There needs to be a thorough audit and overhaul of support collateral. This needs to be driven by the requirements of the market. The current map distributed by ECTB whilst informative, is often confusing to the first time traveller. More user friendly versions of specific areas, such as the Wild Coast have been developed by the private sector and are favoured by operators. There needs to be a process aimed at honing the unique selling points of the province, which are currently diverse and not well known. This should then inform a dynamic photo library of high resolution pictures that can be accessed and used by the trade and media in promoting the province. The current offering is far too generic and does not act to differentiate the Eastern Cape specifically.

3.3 Strategic Components

Whilst executing a tightly focused tactical campaign as set out above, with the aim of growing tourist arrivals within the calendar year, the ECTB needs to identify areas where a more long term impact can be made that will ensure returns over the next five years. The document suggests four main initiatives that could be undertaken. Cognisance should be taken that these are merely suggestions and there may well be more deserving programmes, however whatever is decided on should be limited

¹⁷ Namibia Tourism successfully outsourced this function to a dynamic representation company based in Johannesburg after closing a costly, non-functioning Namibia Tourism office.

to not more than four or five. Spreading beyond this dilutes and dissipates the organisations resources.

3.3.1 Product Audit

This is required primarily to match the demand side (ECTB's marketing linkages with providers of tourists) to the supply side (Eastern Cape products and attractions). It will assist the ECTB with product development, refining its investment promotion strategy, and provide a benchmarking of international tourism products that are comparable to those in the Eastern Cape.

The product audit will be aimed at eventually mapping all areas of the Eastern Cape, with a particular focus on previously marginalized areas. This will be a multi-phased activity, drawing on existing audits as well as the information collected during the course of the registration process, which will include non-financial information on occupancy rates and number of visitors, training needs and number of employees and fee and services structures. On the basis of this the ECTB will be able to review the current product segments and offering within the industry and identify product linkages with the market as well as the resources required to offer new products and/or upgrade existing product offerings.

Linked to the primary aims of the product audit is the crucial area of pricing. The audit needs to address this by benchmarking Eastern Cape offerings with alternative comparable product both regionally and internationally. It moreover needs to examine the *status quo* with respect to the effect seasonality has on pricing and suggest future pricing strategies for different regions and price bands.

Several marketing tools have been highlighted in the document to better sell the Eastern Cape's tourism products. One of the aims of the strategy concentrates on increasing Eastern Cape's accessibility and reliability for self-drive tourists. An interactive website that provides information with a route planning facility and presents an easy way to make reservations for the accommodation establishments along the chosen route(s) would lend fundamental support to this aim. On a comprehensive and interactive website, all Eastern Cape tourism products should be easily located and through clicking on each tourism product, the website should display the exact location, the route description to the site, the description of the facilities and services and a booking number. Furthermore, suggested itineraries, segmented along special interest routes, with several options for accommodation along themed routes should be available.

A comprehensive product audit including some of the areas alluded to above, would then be able to inform the first stage of a specifically tailored tourism investment promotion strategy.

3.3.2. Infrastructural Improvements

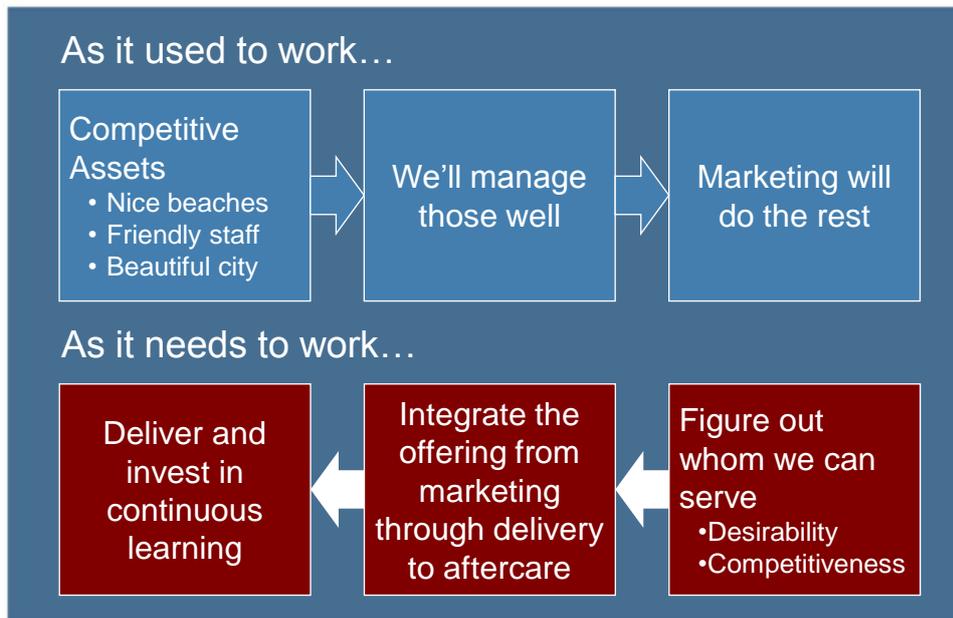
Whilst the product audit will inform direct infrastructure gaps and weaknesses in more detail, there are a number of infrastructural areas where urgent attention is required. The document is cognisant of the fact that these lie outside the strict ambit of the ECTB authority and ability to deliver. What is suggested is that they need to be highlighted and the ECTB needs to drive action to redress these in as far as it is possible.

The first is the upgrade of arterial roads linking the N2 to Wild Coast destinations. These are mainly gravel roads that require regular grading. These roads are accessible by normal non 4x4 sedans. Decent quality roads provide a smooth and non-stressful way of accessing some of the most spectacular product in the province. Feedback from tourists to the operator they booked through is one of the key ways to encourage further investment. Negative endorsement around bad access experiences will only hinder our efforts to open up this part of the Eastern Cape.

As alluded to earlier in the document when discussing specific feedback from the market, product and infrastructure development in Port Elizabeth needs some attention. Firstly, the tourism authorities in the metropole need to package and communicate current attractions and activities more clearly as well as events. Secondly, Durban should be explored as a best practice case study around beach front development. This would also be applicable to East London.

Clearly, the provincial parks will be actively marketed as the ECTB is merged with Eastern Cape Parks. Careful thought needs to be given to how these products are positioned in the market. In order to appeal to the international market, accommodation as well as food and beverage offering is required. A upgrade of key accommodation facilities should be considered. It is strongly suggested that the repositioning of the provincial parks is a market led initiative, where key local inbounds and overseas operators are consulted. This process is well encapsulated in the slide below.

Global Competitiveness: a rethink



3.3.3. SMME and Product Development

As the ECTB engages in executing the strategy it will accumulate a wealth of market led knowledge. This is the principal driver that should inform growth opportunities for SMMEs. Too often small enterprises are established without any thought given to who is actually going to purchase the services or product offered. The bulk of tourists still make use of the tourism channel. In order to be economically viable, SMME product has to achieve two things. Firstly, it must be of sufficient interest to the tourist whilst satisfying certain quality criteria. Secondly, the product should ideally be able to be booked in the source market (eg. Holland). This means being featured in the brochure of the Dutch operator. Tourists generally book all accommodation and activities in the source market. If the SMME does not feature in the product offering at the point, they end up relying on 'drive- by' tourists that happen to chance on them with discretionary time to spare. This occurs extremely rarely.

What is required is a market led mentored approach to inform the development of the desired product type by the market and then to assist the SMME to gain access to the market channel¹⁸.

¹⁸ The Tourism Enterprise Programme conducted a pilot project "High Potential Client Initiative" 2007-2008. Experienced tourism and financial consultants worked successfully in developing growth strategies for fifteen tourism SMMEs along the principals set out above with significant success. Fuller Frost & Associates were the lead consultancy in the project and would gladly share findings and methodology with the ECTB.

3.3.4 Branding

The ECTB has recently undertaken a comprehensive branding exercise. “Adventure Province” is the brand that has emerged. The document remains sceptical as to the extent that this brand positioning is able to support the trade growth strategy espoused in the document. The document argues that the current brand does not sufficiently differentiate the Eastern Cape from other provincial and regional destinations and how it appeals to the target segments in the focus markets. It remains unclear to what extent the brand positioning was informed by perceptions, crucially in the four target markets selected for focus in this strategy. This could be tested by following the process set out below.

In order to stand out amongst the plethora of holiday choices and underpin their appeal in customers’ eyes, tourism destinations need to establish a clear personality that distinguishes them from their competitors, that reinforces positive consumer perceptions of the destination and corresponds with residents’ views of their own country. The need to develop a distinctive brand, that is underpinned by core values that are applied consistently over time, is even greater where competitors are offering a similar product (e.g. KwaZulu-Natal, Mpumalanga) and in markets where the destination is relatively unknown (e.g. Europe and North America).

Developing a destination brand requires core brand values to be identified through consumer research in key markets, tested back home amongst residents of the destination to achieve alignment between the market perception and residents’ views. Thereafter brand guidelines/toolkit should be developed to underpin future marketing, ideally by both the tourist board and by all involved in promoting the Eastern Cape. In this way, with tour operators and all companies promoting the Eastern Cape externally expressing the same underlying Eastern Cape brand values, and with residents of the Eastern Cape becoming “brand ambassadors” through pride in what the province stands for (core brand values), the combined impact of all marketing activities by different organisations will be greater than the sum of the parts. This synergy is especially important where budgets are limited in order to maximise the impact for the destination.

Research into consumer perceptions and attitudes in the four focus markets identified is now needed in order to better understand motivation for, as well as barriers to, travel amongst key potential segments. This research should also test attitudes towards, and perceptions of, the Eastern Cape’s major competitors to help identify where the province might develop a competitive edge, in terms of both marketing presentation and identify implications for product development. As part of this process of exploring consumer perceptions brand values will be developed and prioritised afresh for each market and the provisional brand values identified above

will be tested and prioritised in each market (UK, North America, Benelux and South Africa). The conclusions will then be explored with key provincial stakeholders (e.g. trade, government, businesses, residents) to achieve alignment between external and internal perceptions of the Eastern Cape's brand values with a view to developing a robust provincial brand for use in all external marketing of the province. Brand guidelines and a brand toolkit will then be developed for all those involved in marketing the Eastern Cape and its products in order to achieve maximum synergy from limited resources.

4. Organisational and Institutional Realignment

Best practice suggests that structure should always follow strategy. Having laid the framework for a practical trade led tourism growth strategy, the document now turns to *organisation* (ie. Issues pertaining to the ECTB and the new proposed merged entity) realignment as well as what is referred to as *institutional* (ie. How the ECTB articulates with bodies and organisations outside its direct ambit) issues.

The ECTB in its functioning to date can be described as an “input / activity” focused organisation. Through the adoption and execution of the above strategy it will move more towards a “sales / output” organisation . This needs active management and synergies with budgeting and financial structures. In transforming the ECTB to become a world class tourism board, the main focus needs to shift squarely to a deeper and closer understanding of product with the Eastern Cape and the market that these products will be sold to. It is crucial that staff with the ECTB spend a lot more time interacting with and understanding product within the province.

Some may perceive the strategy as set out above as too simplistic. Although this may appear true at a cursory level, best practice suggests that a tightly focused strategy in which key objectives are limited to not more than four of five aims, have a far greater chance of being well executed than a long list or matrix of twenty or thirty objectives.

The strategy has posited focusing on the four key markets of UK & Ireland, North America, Benelux and the domestic market. Whilst the principal resources of the organisation need to be concentrated on these key markets, opportunities will present themselves from other source markets. It would be churlish to simply ignore all of these. Similarly, other markets should be monitored for growth potential that can be explored as and when resources become available. The value of the JMA approach is that it does not have to be limited in application to the core markets, but any operator is capable of developing a proposal for incremental growth and these can be entertained on a case by case basis against the ROI criteria. Cost effective generic collateral can be developed and disseminated through such agencies as SA Tourism offices in areas outside the four core markets.

In order to effectively manage the strategy in the four core markets, it is suggested that four “silos” are created in the marketing department corresponding to the four core markets. Each would be headed by a marketing manager. Further to this a fifth “silo”, namely “other or emerging markets” should be assigned to deal with all activity outside “the core four”, also headed by a marketing manager. These marketing managers would be responsible for all activities in their “silos” including the servicing and management of representation companies.

The proposed structure should then be linked to a strategic budgeting process. A criticism of the ECTB historically was that there were no clear budget amounts allocated to specific marketing activities, which led to reactive once off type initiatives. What is suggested is that each “silo” be allocated an indicative budget amount in November. By the end of January the following year, the silo manager and his/her team must present to the ECTB Exco a strategic operational plan based on this amount. This should be broken down into the following areas:

- Fixed costs
- Trade sales costs
- JMAs
- Trade media
- PR & Media
- Tactical budget

Specific and tightly costed execution plans with clear time lines detailing cash flow requirements must be presented. In addition, given the vagaries of public finances, two alternative scenarios must accompany the primary budget. One in which the primary budget amount is increased by 25% and the other in which it is reduced by 25%. This is extremely useful in separating out the “nice to have” activities from the “crucial” activities. Moreover, in the event that the budget is reduced (which is the norm) it prepares the ground and allows a smooth transition to the lower operational budget.

This would then equip the organisation to present a fully costed marketing budget, with fluctuation scenarios, to the Board prior to the advent of the financial year. The benefit of adopting such an approach is to ensure that all tiers of the organisation, from the Board down to the representation company calling on a tour operator in Rotterdam, to be on the same page. Once the budget has been signed off, it obviously needs monitoring, but this approach allows the silo manager and his/her team to execute the strategy in a relatively autonomous manner. By doing so this engenders an ability to make decisions and act in a timeous and flexible way, all of which are the two traits the market values.

5. Conclusion

The strategy document has outlined a cogent case for the adoption of a trade led tourism growth strategy focused and practical in character. This has been advocated in answer to the relatively paltry performance witnessed to date in terms of driving tourism receipts to the province. The document crafts an autonomous strategy after critiquing the ability of SA Tourism to deliver the desired tourism benefits. This is based on proven successful best practice from Namibia and latterly applied to KwaZulu-Natal, entities that are analogous in resources, both human and financial to the ECTB.

The strategy is disarmingly simple in substance. At the heart is a tight focus on core markets. The marketing mix has a tactical component, which has as its point of departure in a deeper and more common understanding of the focus markets, through market mapping and key account analysis. The adoption of a JMA framework allows targeted measurable incremental marketing activity aimed at ensuring not only increased tourism flows but improved seasonality and geographical spread.

Representation companies that can combine both trade growth and PR & media are advocated in the core focus markets. These need to be well managed. A realignment of the marketing function within the ECTB is set out with “core market silos” being established headed by a market manager. Activities outside the ‘core four” markets to be the responsibility of a fifth emerging markets silo. This is then linked to a proactive budgeting process that generates tightly costed strategic operational budgets and plans per silo for the year ahead.

The document extends beyond the tactical market mix aimed at delivery in the short term, to consider four key areas of strategic investment that could be considered. These include, a product audit, SMME and product support programme, infrastructural imperatives and a review and audit of the current brand.

The above offers a tight well focused approach to stimulating tourism growth to the Eastern Cape. It does not claim to solve all issues tourism related, but if adopted and rigorously executed, will provide a locomotive of growth that will drive the sector in the province forward. This will in turn engender a closer and more meaningful working relationship between the ECTB and the private sector, both within the province and suppliers in source markets. This will provide a solid and sustainable foundation for establishing the Eastern Cape’s long-term competitiveness in the league of southern African tourism destinations.

In conclusion, the seminal kernel that needs to be grasped is that of sustained continuity. This involves a five year commitment to stick to the strategy adopted and to look to returns over this period. Too often a stop start approach bedevils the execution of sound strategies. This acts as a disincentive to the international market,

who simply redirect their interest and resources to destinations that embody sustained competitiveness.