

# Domestic Tourism Strategy Review Feedback

NTSF

13 March 2017

broadening horizons



tourism

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA



# Purpose

- Report back on the review
- Solicit inputs towards finalisation
- Support recommended approach



## About the review

Need to provide strategic direction in the development and growth of the domestic tourism market/economy

- Audit the 2012 – 2020 Domestic Tourism Growth Strategy action plan and determine the extent to which the listed actions have been implemented and the outcome
- Update the strategy in order to inform the demand and supply interventions necessary for the increase in domestic trips and yield per traveller by 2020.



# Sources

- SAT Domestic Tourism insights
  - Stats SA quarterly report
  - SAT Domestic Survey
  - Budget Resort Study
  - Thebe Tourism afropolitan study
  - SAT/NDT Think Tank
  - Tourism Act
  - Tourism Satellite Account
- Draft sport tourism strategy
  - Events tourism framework
  - Case Studies
    - Butlins
    - Centre Parcs
    - Thomas Cook
    - Visit Britain
    - Sanparks
    - ATKV
    - Forever Resorts



# Performance Summary

Item	Objective	Target	2015. Performance	2015. Stats SA ('000)
1	To increase Domestic Tourism Revenue	55% of internal tourism expenditure	34.6% Total direct domestic tourism spend 11.9% decline	R140'931 56.4% of internal tourism expenditure
2	Increase domestic tourism volume	40m trips	24.5m trips 2.6% decline in holiday trips 16% decline in VFR	24.4m (overnight) 224m (Day visitors)
3	To improve measures and efforts aimed at addressing seasonality and equitable geographical spread	5%-20% increase in share of bed nights in less visited provinces	102, 5 million bed night recorded -9.4% decline compared to 2014	No data
	Geographic Spread (visited more than one province)		2% visited more than one province – 1% decline on 2014	No data
	Seasonality Index	7.7% increase in the share of bed nights during low season	22.1% (- 117% decline on 2014)	No data
4	To enhance the level of the culture of tourism/travel among South Africans	No measurement	N/A	N/A

# Theory of change

- The challenge – declining trips and revenue
- Stakeholder analysis
- Problem analysis
- Objectives analysis
- Strategic options analysis



# Vision

## robust

rə(ʊ)'bʌst/

(of an object) sturdy in construction

synonyms: resilient, tough, durable, hardwearing, long-lasting, well made



# Mission

## robust

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Develop a **robust** and **responsible** Domestic Tourism Economy driving the growth of Heritage, Culture consumption, thereby significantly reducing reliance on inbound tourism to sustain the sector

This we achieve by making affordable and compelling tourism experiences accessible to the domestic market demonstrating understanding of this segments travel motivation to **reConnect**





# Why

For a sustainable and inclusive tourism economy

- Reduction in seasonality and geographic spread
- Increase ROI on government assets
- Increase Domestic Tourism GDP contribution
- Support enterprise development
- Advance social cohesion
- Provide employment opportunities for unemployed youth



# Stakeholder Analysis

Stakeholder and basic characteristics	Problems (how affected by the problem)	Interests (and possible actions to address it)	Potential (capacity and motivation to bring about change)
<b>Domestic Tourism Consumers</b> <ul style="list-style-type: none"> <li>VFR</li> <li>Leisure</li> <li>Business</li> <li>Stokvels</li> </ul>	<ul style="list-style-type: none"> <li>Lack of inclusive packages</li> <li>Sparse Information</li> <li>Affordability</li> <li>“you do not see us” comment from stokvel trust</li> </ul>	<ul style="list-style-type: none"> <li>Discover and enjoy their country with friends and family with ease</li> <li>Discover their family heritage – reconnect with friends and family</li> <li>Discounted packages</li> <li>Travel solutions for groups i.e. stokvels</li> </ul>	<ul style="list-style-type: none"> <li>High</li> <li>Leverage culture of group savings and layby</li> </ul>
<b>Attractions:</b> <ul style="list-style-type: none"> <li>Family resorts</li> <li>Beaches and Parks</li> <li>Events</li> <li>Heritage sites</li> <li>Routes</li> </ul>	<ul style="list-style-type: none"> <li>Guest profile/demographics is changing but the product has not kept pace</li> <li>Reduced occupancies</li> <li>Culture friction</li> <li>Lack of know how in leveraging the meetings/events</li> </ul>	<ul style="list-style-type: none"> <li>Increasing occupancy and revenue</li> <li>Reduction in seasonality to improve cashflow</li> <li>Understanding the needs of the new growing market</li> <li>Create new experiences – increase yield</li> <li>Incentives</li> </ul>	<ul style="list-style-type: none"> <li>Medium to high</li> <li>Need incentives to bring the desired motivation</li> </ul>

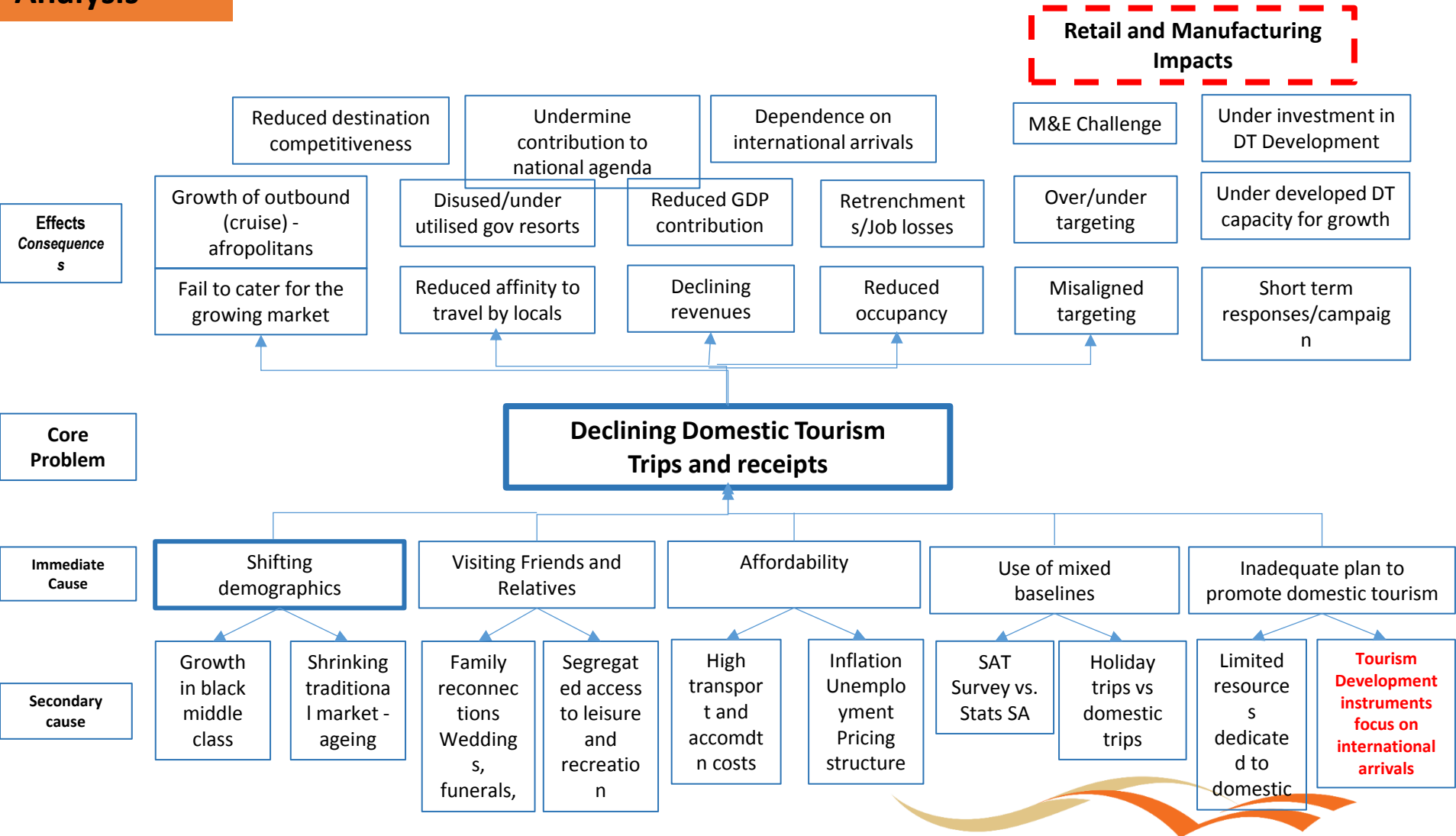


# Stakeholder Analysis

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<b>Suppliers</b> <ul style="list-style-type: none"><li>• Transport</li><li>• Tour operators</li><li>• Guides</li><li>• Accommodation</li><li>• Restaurants</li><li>• Retailers</li><li>• Investors</li><li>• F&amp;B</li></ul>	<ul style="list-style-type: none"><li>• Transportation costs high</li><li>• Transit terminals focus on commuters</li><li>• Product structured for inbound</li><li>• Disused government resort inventory</li></ul>	<ul style="list-style-type: none"><li>• Keeping abreast of technology</li><li>• revenue and cashflow</li><li>• Opportunity to manage disused assets</li><li>• Training of tour operators to facilitate independent travel</li></ul>	<ul style="list-style-type: none"><li>• Medium to high dependent on partnership and incentives</li></ul>



# Problem Analysis



# Objectives Analysis

To improve number domestic trips for leisure and recreation purposes contributing to geographic spread and seasonality

Build pride and excitement underpinned by understanding the value from reconnecting by VFR

Provide for supply and demand side incentives underpinned by tangible ROI e.g. 1:2

Improve quality and quantity resources dedicated to DT across the board

Make affordable and compelling tourism experiences accessible for the domestic market

Unlock of value of VFR to Domestic Tourism growth

Sharpen policy and strategy instruments to support DT development

Boost DT development and growth implementation capacity

Facilitate the establishment of an all in one affordable budget family resort for the domestic market

Objectives

**A Robust Domestic Tourism by 2030  
Taking Tourism to the People**

Purpose

**VFR spurring leisure and recreation growth**

**Domestic Tourism development and growth capacity boosted**

Packaging and conversion systems that reflect needs/understanding of the growing segments

Promotion incentives unlock new markets & attractions

Group travel crowd funding club – Stokvels

Review resource allocation – money, policy, people

Establish dedicated unit supported by a multi stakeholder advisory council

**Budget Resort Brand Developed**

Results

Education and Awareness

Shift in partnerships to promote DT

Social Tourism

Public and private sector lobbying and advocacy

**Engagement with provincial and private sector stakeholders on study recommendations**

Activities



**Demand**  
SAT & TA's

**Institutional**  
& Strategic  
SAT, NDT &

**Supply**  
Private Sector and  
asset owners

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Social Tourism

Public and private sector lobbying and advocacy

**Strategic options analysis**



# How – Activities Scheduling

Institutional  
SAT, NDT

Activity	Means	Timeline	Dependency
Establish institutional capacity, supported by advisory committee.	Organisational structure and resource allocation review	2017 - 2020	Ministerial approval
Review resource allocation – policy, budgets and people, across the three spheres	Approved additional capacity Conditional grants	2017/18	Structure approval
Public and private sector lobbying and advocacy	Cabinet dialogue on value of DT Lobbying partner departments (SRSA, DSD, ED, DAC) Nedlac, Busa, Chambers of commerce	2017 - 2020	Filtering of same actions at provincial and local level



# How – Activities Scheduling

Activity	Means	Timeline	Dependency
Facilitate the creation of a budget resort brand	Implement budget resort study recommendations Develop DT	2017/18	Provincial and local government tourism inventory owners corporation
Infrastructure incentive to increase investment	Develop incentive guidelines	2017/8	Incentive budget availability
	Identify infrastructure projects to support DT growth	2018 onwards	Incentive take up by private and public stakeholders





# How – Activities Scheduling

Activities	Means	Timeline	Dependency
Packaging incentives for suppliers	<ul style="list-style-type: none"> <li>• Trade partnerships to promote competitive pricing</li> </ul>	2017 – 2020	Budget New partnerships
Shift in partnerships to promote DT	<ul style="list-style-type: none"> <li>• Expand current scope of partners to include non traditional partners in the retail space</li> <li>• Transport partnership with Transnet – improve access to attractions in outlying areas.</li> </ul>	2017 - 2020	Marketing buy-in
Strengthen social tourism initiatives	<ul style="list-style-type: none"> <li>• Secure partnership with extra curricular federations at schools</li> <li>• Partnership with NGO's</li> <li>• Development of directory</li> <li>• Private sector participation</li> </ul>	2017 - 2020	Budget allocation

# How – Activities Scheduling

Activity	Means	Timeline	Dependency
Education and awareness	<ul style="list-style-type: none"> <li>• Brand SA partnership</li> <li>• TOMSA contribution to DT</li> </ul>	2017 - 2020	Brand SA buy in
Package for shifting demographics	<ul style="list-style-type: none"> <li>• Training and development of domestic travel facilitators (offline and online)</li> </ul>	2017 - 2020	HRD and ED collaboration Associations participation
Support group travel crowd funding	<ul style="list-style-type: none"> <li>• Understanding needs and taste of group travel into pricing, payment options, interests, etc</li> </ul>	2017 - 2020	Stokvels and special interest groups partnership

# How – Activities Scheduling

Activity	Means	Timeline	Dependency
Building culture of travel through targeting the 9 other segments that travel very little as well as	<ul style="list-style-type: none"> <li>targeting schools for school trips and tertiary institutions</li> </ul>		
Seasonality and Geographic spread - “deal driven tactical campaigns” in the low season from May to Sept and the	<ul style="list-style-type: none"> <li>use of iconic heritage sites such as Sanparks, Table Mountain Cableway, Maropeng, etc to incite free entry to attractions encouraging day trips</li> </ul>		



# NTSS inputs

- Domestic Tourism remains a key pillar in establishing a resilient tourism sector industry
- The demographics of south Africans travelling for leisure purposes is shifting reflecting the increase in the number of black south Africans
- Investment in capacity building for tour operators necessary to facilitate memorable and affordable experiences
- Incentives to stimulate investment in attractions and tourism products



# Targets

- 50% increase in day visitor numbers
- Retain 40m in domestic trips target
- Improve seasonality performance
- Improve geographic spread



# Recommendations

- Further stakeholder consultations for inputs
- Finalisation – March 2017

