# Draft Durban Visitor Marketing Strategy

# 2022 - 2026

## Executive Summary

The UNWTO panel of experts predicts that the global tourism sector recovery will only be possible when international tourism returns in full, hopefully in 2024. However, successful recovery would require global co-operation, ramp-up in vaccination rates as well as rethinking and reshaping visitor marketing strategies and plans. WTTC further predicts resumption of travel at a modest pace. Further to this, key policy priorities, existing strategies and mobility protocols must be refined to provide high level of certainty and restore travel consumer's confidence.

It is against this background that Durban Tourism appointed Africa Tourism Partners (ATP) and BDO to formulate a Visitor Marketing Strategy which intends to provide strategic direction for growing Durban's visitor arrivals, receipts, length of stay and spend over the next five years. The goal is to establish a long-term sustainable tourism sector that generates tourism revenues for Durban, while building a resilient visitor economy against future crises such as Covid-19.

The Visitor Marketing Strategy (VMS) is interdisciplinary and is anchored on desk-based research, stakeholders' inputs and an assessment of relevant policy frameworks. It has also been informed by global best practice as well as African competitive and comparative case studies. Non-African cities that were analysed include London (UK), Paris (France), Barcelona (Spain), Sydney (Australia) and Miami (USA). These cities are in the top 100 best cities as ranked in the World Best Cities Report 2021. Each city has been analysed in terms of its city and tourism profile, VMS and marketing campaigns.

African cities that were selected for comparative and competitive analysis include Cape Town, Accra (Ghana), Mombasa (Kenya), Alexandria (Egypt) and Marrakech (Morocco). These cities were chosen primarily because they operate in the same or similar markets as Durban. Each city's visitor and tourism marketing strategies and implementation plans were assessed in relation to eThekwini on comparative and competitive grounds.

After almost two years of uncertainty, it is arduous to clearly predict what the future of travel looks like. It is therefore important that Durban Tourism, in conjunction with its community of partners evaluate how competing and best practice destinations have responded to these uncertainties. In line with the current policy framework, findings of the stakeholder consultations as well as the environmental situation analysis, it is recommended that Durban Tourism and its partners forge stronger co-operation to re-ignite tourism growth through joint marketing initiatives.

Situation analysis of the eThekwini Municipality indicates that the municipality has the necessary capacity and ability to increase its level of competitiveness, arrivals and revenue, and consequently, its contribution to GDP and job creation.

Common visitor marketing trends identified across the five non-African cities benchmarked show that most tourist destinations have adopted diverse, yet similar approaches to recovery. Key learnings from these analyses to inform Durban Tourism's VMS include domestic and regional market-first approach, focus on MICE, and recovery marketing campaigns. These need to be underpinned by promoting experiences in open spaces, ensuring strict enforcement of health and hygiene safety protocols, digital innovations and the use of traditional media platforms. Apart from Cape Town, eThekwini's (Durban) current positioning and competitive strengths outweigh all the other African cities evaluated in this report. However, there is room for improvement with respect to clarity on value proposition, brand personality and identity and improved digital and social media marketing, creative campaigns and Durban Tourism's online presence.

The proposed Durban Tourism VMS is based on the following guiding principles:


The vision proposed is for Durban ***"to be the most favoured beach, recreation, holiday and business events destination in Africa and be positioned as the "playground of Africa"***. *These are informed by Durban's brand values and value proposition.*

The VMS provides various scenarios for growth projections for the domestic and international markets with a strong focus on the domestic and African regional markets. The recommended target provided is 3.5 million overnight arrivals with a direct expenditure of R10.03 billion by 2026. The priority segments to target include Active Buzz Seekers(24-34), Affluent Trendsetters aged 35-44 and 45-54, Youth Travellers (18-23), Curious Explorers and Relaxed Sight Seekers (54 plus). Cross-cutting segments include the business events sector, business traveller and the untravelled.

For Durban Tourism, an integrated marketing and communication strategy is proposed. The aim is to provide systems, processes, and programmes to ensure Durban's brand marketing strategy becomes more coherent and effective. The VMS also proposes a set of key performance areas that can be used to assess the achievement of the desired outcomes. A detailed implementation plan with critical success factors and risks is included in the proposed VMS.

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**Acronyms**

| | |
|---|---|
| AfCTFA | Africa Continental Free Trade Areas Agreement |
| AI | Artificial Intelligence |
| AR | Augmented Reality |
| BIAT | Boosting Intra African Trade |
| CAF | Commission for Africa |
| Covid-19 | Corona virus 2019 |
| CPB | Climate Protection Branch |
| CTO | Community Tourism Organisation |
| DCCS | Durban Climate Change Strategy |
| DICC | Durban International Convention Centre |
| DIRCO | Department of International Relations and Cooperation |

| | |
|---|---|
| DMOs | Destination Marketing Organization |
| EDTEA | Economic Development, Tourism and Environmental Affairs |
| EO | Energy Office |
| ERRP | Economic Reconstruction and Recovery Plan |
| GDP | Gross Domestic Product |
| GFC | Global Financial Crisis |
| GTIP | Green Tourism Incentive Programme |
| IATA | International Air Transport Association |
| ICCA | International Congress and Convention Association |
| IDP | Integrated Development Plan |
| IoT | Internet of Things |
| KZN | KwaZulu-Natal |
| KZNTMP | KwaZulu-Natal Tourism Master Plan |
| LSMs | Living Standards Measurement Study |
| NDP | National Development Plan |
| NDT | National Department of Tourism |
| NTSS | National Tourism Sector Strategy |
| PCR | Polymerase Chain Reaction Test |
| PESTHEL | Political, Economic, Social, Technological, Health, Legal and Environmental Analysis |
| PGDP | Programme Growth and Development Strategy |
| PIDA | Programme for Infrastructural Development in Africa |
| RPK | Revenue Passenger Kilometres |
| SAATM | Single African Air Transport Market |
| SADC | Southern African Development Community |
| SAT | South Africa Tourism |
| SDG | Sustainable Development Goals |
| SEFA | Small Enterprise Finance Agency |
| SIPS | Strategic Integrated Projects |
| SMEs | Small and Medium Enterprises |
| SSA | Sub-Saharan Africa |
| STISA | Science Technology Innovation Strategy for Africa |
| TDM | Tourism Decision Metrics |
| TEF | Tourism Equity Fund |
| TIP | Tourism Incentive Programme |
| TKZN | Tourism KwaZulu-Natal |
| TSRP | Tourism Sector Recovery Plan |
| TTF | Tourism Transformation Fund |
| UK | United Kingdom |
| UNWTO | United Nations World Tourism Organisation |
| UNTCAD | United Nations Conference on Trade and Development |
| USA | United States of America also US |
| USD | United States of America Dollar (currency) |
| VFR | Visiting Friends and Relatives |
| VR | Virtual Reality |
| WTM | World Travel Market |

| | |
|---|---|
| WTTC | World Travel and Tourism Council |
| YTD | Year To Date |

# Chapter 1 Background and Strategic Context

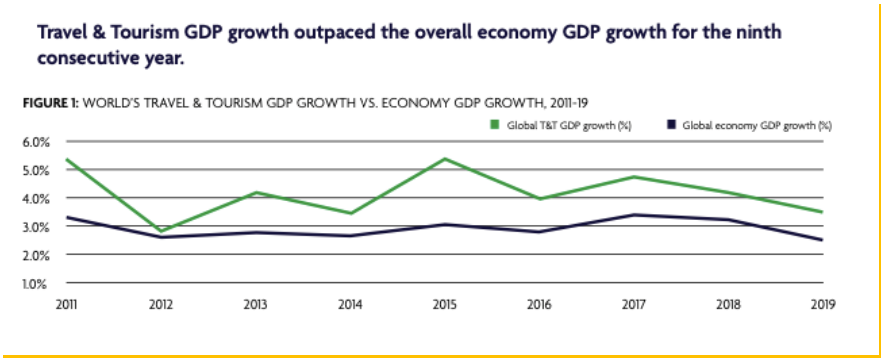
## 1.1 Introduction

### 1.1.1 Global Context and Performance

Tourism is responsible for 7% of global exports and around 30% of services exports. The sector outpaced global economic growth for the 9th consecutive year and created one in ten jobs between 2011 and 2019[1]. According to UNWTO, the sector accounted for 10.3% of global GDP, supported the livelihoods of 330 million people and international visitor spending amounted to US$1.7 trillion in 2019[2].

Regions worldwide experienced unprecedented pre-growth in international tourist arrivals in 2019 with 10% in the Middle East, 7% in Africa, 6% in Asia, the Pacific, and Europe, and 3% in the Americas[3] as shown in Figure 1 below.

*Figure 1: Global Tourism GDP versus Economy GDP – 2011 to 2019.*




*Source: WTTC 2019*

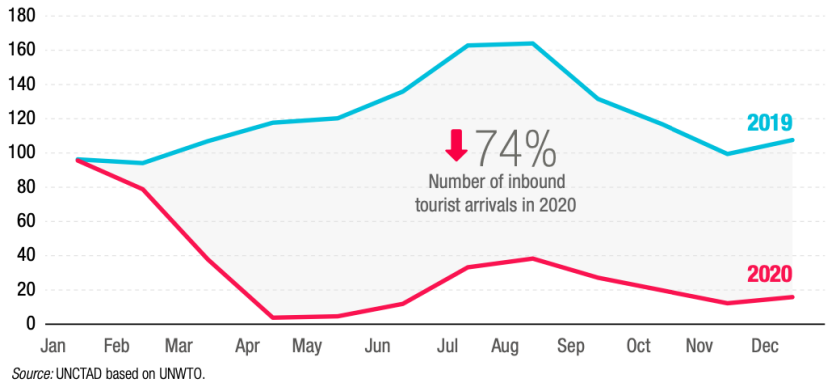
The above growth patterns indicate that the sector is a catalyst for inclusion and export diversification.

### 1.1.2 The impact of Covid-19

Globally, tourism is one of the most impacted sector by the Covid-19 pandemic. Countries which are over-reliant on tourism were the hardest hit. The UNWTO report shows that the number of international tourist arrivals declined by 74% in 2020 compared with those of 2019 as shown in Figure 2.

[1]. *World Tourism Organization (2021), International Tourism Highlights, 2019 Edition, UNWTO, Madrid,*
[2] https://wttc.org/Research/Economic-Impact
[3] *World Tourism Organization (2019), Sport Tourism and the Sustainable Development Goals (SDGs), UNWTO, Madrid,*

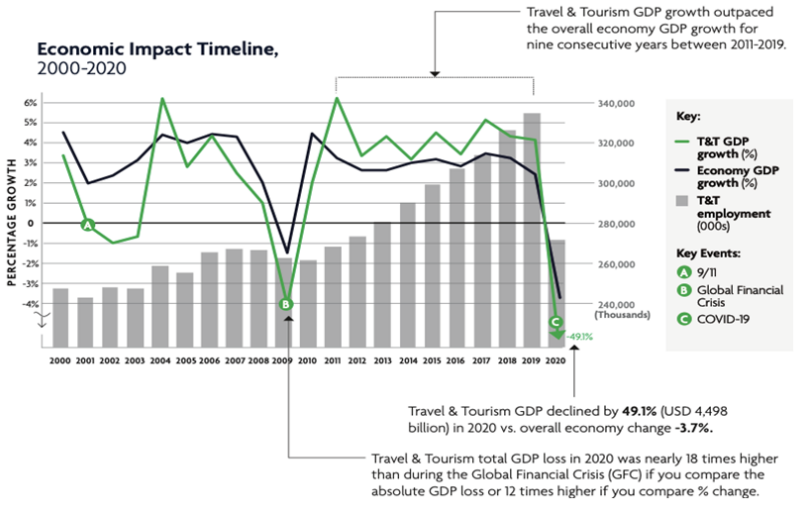
*Figure 2: Decline in international inbound tourist arrivals in 2020*




*Source:* UNCTAD based on UNWTO.

In many developing countries, arrivals were down by 80-90%.[4] In 2020, global tourism's contribution to GDP declined by 49.1% compared to 2019 which reached only USD 4.7 trillion in comparison to a 3.7% GDP decline of the global economy as shown in Figure 3.

*Figure 3: The economic impact and timelines*




*Source: WTTC 2020 Economic impact Report*

The beginning of 2021 was worse for most destinations as the average global decline was 88% as compared to pre-pandemic level. As indicated in Figure 3, the travel and

[4] https://unctad.org/system/files/official-document/

tourism total GDP loss was nearly 18 times higher than the loss experienced during the 2008 Global Financial Crisis (GFC) when compared in absolute terms.

### 1.1.3 The State of Air Access and Mobility

Similar to the global travel and tourism industry, global air travel and connectivity was dramatically disrupted by the Covid-19 pandemic, and long-haul travel even more so. IATA reports that recovery in air travel showed relatively steady growth from the first quarter of 2021. This is confirmed by ForwardKeys data indicating that demand for intra-regional travel started to increase in September 2020 with tickets issued during the 4th quarter reaching 19% of 2019 levels.

### 1.1.4 Future Outlook

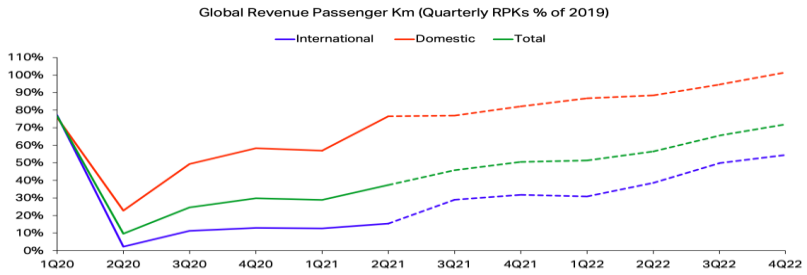
ForwardKeys report shows travel demand in Asia Pacific started to rise in October 2020. Going forward, IATA's analysis of the global aviation industry paints a more positive scenario for 2022 as follows:

- Vaccinations will allow more governments to relax restrictions and support global travel to reach 61% of 2019 levels in 2022.
- Airlines will continue to receive financial support from their governments.
- Airline financial performance to recover in all regions in 2022.
- North America is expected to turn to profitability in 2022.

*Source: FowardKeys*

Aligned with these predictions, IATA further predicts that domestic travel demand in 2022 will be strong and forecasts 93% international and 44% domestic travel as indicated in Figure 4.

*Figure 4: Global Revenue Passenger Kilometres of 2019*




*Source: IATA*

These imply that the pace of vaccine rollout and government policies will determine the course of international traffic while domestic travel will remain strong. UNWTO's tourism experts do not expect a return to Covid-19 arrival levels until 2023 or later, with nearly half of them predicting return to 2019 levels in 2024 or later due to low traveller confidence and a poor economic environment.

### 1.1.5 Travel Behaviour

Travel behaviour has also been altered by the pandemic and rapidly evolved because of new travel requirements. Tickets for long-haul travel issued after the second half of 2020 show a preference for individual travel, longer stays for more than 22 nights and direct bookings, according to ForwardKeys. Again, various research in 2021 shows that a greater proportion of people within Europe and the Americas travel intra-regionally rather than long-haul. They also interested in visiting familiar places.

## 1.2 African Perspective

### 1.2.1 Economic outlook

According to the World Bank, Sub-Saharan Africa is home to more than 1 billion people and half of these people will be under 25 years old by 2050. The continent's economic and tourism potential has been enhanced by the Africa Continental Free Trade Areas Agreement (AfCTFA), which offers the continent the world's largest free trade area with a 1.2-billion-person market potential. This is an immense opportunity for intra-regional tourism[5].

With regards to Covid-19, economic output in Sub-Saharan Africa (SSA) fell by an estimated 2.4% in 2020 as a result of the pandemic. However, the recovery is envisioned to remain fragile, given the legacies of the pandemic and the slow pace of vaccinations across Africa.

In per capita terms, income growth is forecast to remain subdued and average at 0.4% a year in 2021/22. The average per capita GDP level in 2022 is however projected to be 5.3%, which is below its 2019 level.

### 1.2.2 The Significance and Performance of Tourism in Africa

Over the past two decades, tourism has become vital to African economies. International tourist arrivals and tourism revenues for Africa grew at an average of 6% per year between 1995 and 2017. WTTC reports that the tourism industry accounted for about 7% of Africa's GDP and contributed USD$169 billion in 2019.

The sector also employed more than 24 million people in 2019 (WTTC 2020) and welcomed 70 million international tourists with associated international tourism receipts of USD$ 39 billion, although this was not more than 3% of the world's share.

Prior to the Covid-19 pandemic, UNWTO had predicted that the region's international tourist arrivals would reach 134 million by 2030 from 70 million in 2019, suggesting a very robust growth. This positive outlook was, however, compromised by the Covid-19 pandemic.

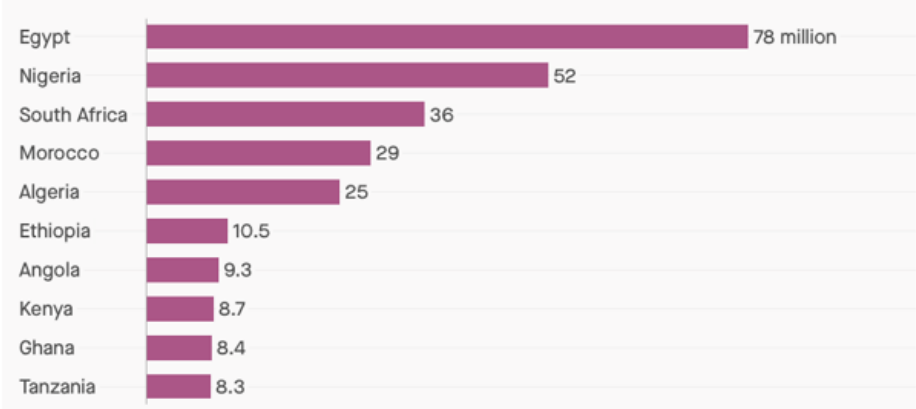
[5] https://www.worldbank.org/en/region/afr/overview#1

### 1.2.3 Intra-Africa Tourism Potential

According to the McKinsey Global Institute, Africa's middle-class household spending grew steadily to over US$1 trillion over the last two decades and is projected to reach US$ 2.5 trillion in 2025 until the emergence of the Covid-19 pandemic[6]. Currently, the middle-class population is estimated to be over 330 million and evenly distributed across the continent, as reflected in Figure 5.

Among the countries with high percentages of the middle class in Africa are Gabon, Botswana, Namibia, Ghana, Cape Verde, Kenya, and South Africa. By 2060, Africans living below the poverty line will be in the minority. This trajectory is 'unstoppable,' according to the African Development Bank[7].

*Figure 5: Size of Consumer Class Population*




*Source: African Development Bank*

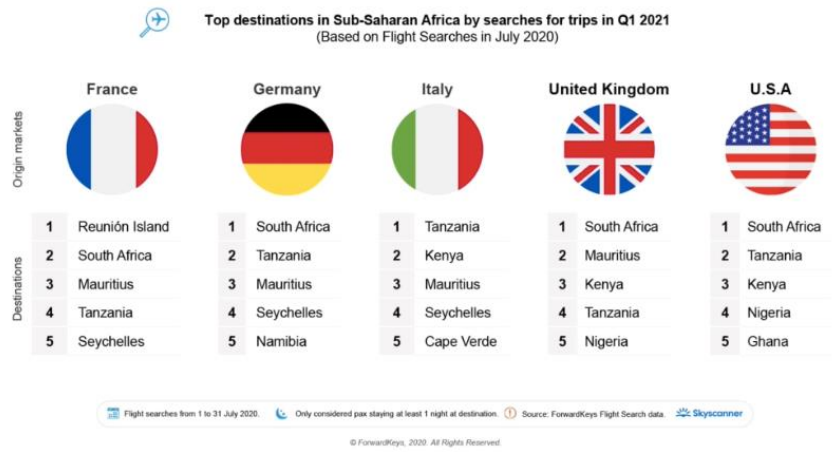
Figure 5 further suggests that Egypt, Nigeria, South Africa, Algeria, and Morocco are the home to two-thirds of the continent's consumer class population of 219 million people[8]. The above continental profile and trends should be exploited by all destination marketing entities such as Durban Tourism to create new growth paths for intra-Africa tourism.

### 1.2.4 The Non-African Inbound Travel Outlook

The ForwardKeys data indicates that France, Germany, Italy, United Kingdom and USA are driving subtle recovery for long-haul travel to Africa. Tourists from these countries were most willing to travel long-haul during this period of Covid-19 as shown in Figure 6. The data further show that Germany, France and Switzerland were the long-haul feeder markets for Botswana, Namibia, Zambia, and Zimbabwe for Q4 in 2020 in terms of volume of tickets issued and year-on-year arrivals in 2020.

[6] https://www.mckinsey.com/featured-insights/middle-east-and-africa
[7] African Development Bank (2022)

*Figure 6: Top destinations in Sub-Saharan Africa by searches for trips in Q1 2021*




*Source: FowardKeys Data*

The data underscore that travellers from these source markets searched for flights and showed the highest interest for Tanzania, Mauritius, and South Africa. The upside is that this trend could restore travel consumer confidence and stimulate demand for travel, thereby strengthening the recovery.

### 1.3 Travel Motivation and Trends

#### 1.3.1 Travel Motivation

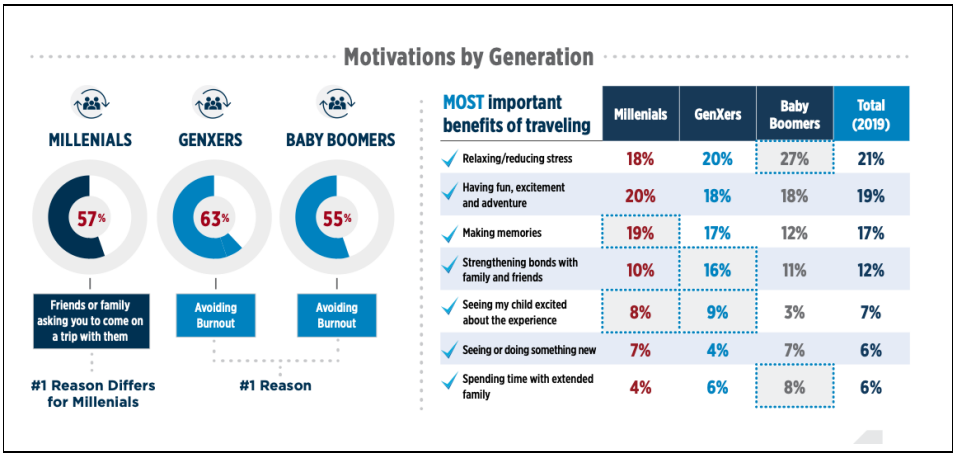
Travel motivation factors for tourists have changed over time to respond to the changes in situations that are influencing travel. These factors are known as intrinsic and extrinsic factors.

Intrinsic factors refer to changes in family lifecycle, culture and heritage, interests, health and personal life experiences. Conversely, extrinsic factors include changes in the structure of the economy, vaccine roll-out, accessibility and value for money.

Various research suggest key travel motivation factors influencing travel motivation in the current Covid-19 environment include border regulations, health measures and current financial capacity to travel. Also, according to the US Travel Association, in 2018, travellers from the USA took 1.8 billion domestic leisure trips. The reasons for their time off for travel are outlined in Figure 7.[9]

[9] https://www.ustravel.org

*Figure 7: Travel motivations among travellers from the USA, 2018*




Source: U.S. Travel Association – https://www.ustravel.org/

In essence, a knowledge of travel motivation, is imperative for destination entities like Durban Tourism to:

- design distinctive brand tags to inspire travel during crisis such as COVID-19.
- co-create products, attractions, and experiences among stakeholders as a way of fulfilling tourists needs and aspirations.
- co-construct and implement bespoke marketing programmes that create top-of-mind awareness.
- drive targeted messaging and activations at specific travel consumers at different stages of the travel consumer's journey and conversion.
- carrying appropriate consumer to research and understand what motivates their target audience and experiences it seeks.

### 1.3.2 Key International Travel Trends

Various desk-based research suggest that the following trends are shaping the course of travel and tourism into the future:

*Table 1: Travel Trends Relevant to the Durban Visitor Strategy*

| Trends | Relevance to Durban Visitor Strategy |
|---|---|
| Health, safety and security | • Because of Covid-19, safety and hygiene standards have become absolutely paramount for all stakeholders whether it is airlines, cruises, hotels, restaurants or bars. Therefore, destinations and stakeholders need to demonstrate what measures they are taking to keep customers safe. |

| Trends | Relevance to Durban Visitor Strategy |
|---|---|
| Increased emphasis on Leisure | • The Covid-19 outbreak has forced organisations and businesses to encourage employees to work from home and business trips have been curtailed. Therefore, destination marketing has to emphasise on leisure rather than business travel. |
| The new traveller and demand evolution | • Travellers' preferences and behaviours have shifted toward the familiar, predictable, and trusted with less appetite for risk due to Covid-19 travel requirements.<br>• This calls for destinations and travel brands to rethink personalized support to be offered to travellers to keep them safe and comfortable. |
| Shift from international to domestic and regional tourism focus | • This does not mean giving up on international travellers entirely, but it is likely to require a change in core marketing strategies.<br>• It therefore requires the co-design and implementation of solution-driven programmes to deepen municipal, provincial, domestic and regional interest and conversions as critical markets in the context of the recovery. |
| Forging & fostering unconventional partnerships | • This involves fostering cooperation to deepen brand awareness and appeal among targeted travel consumer markets. Examples of such prospective partners are Google, Netflix, Showmax, Massmart, Film Production houses, Banks, etc. |
| Tech, Innovation, and digitisation empowered travel | • Technological, digital and innovative solutions are now the heartbeat of destination marketing to assist travel consumers to make informed decisions.<br>• This means stakeholders have to build into their marketing strategies solutions such as Augmented reality (AR), Virtual Reality (VR), Artificial Intelligence (AI), Internet of Things (IOT), voice search and voice control mechanisms to travellers to research a destination more thoroughly. |
| Youth travel & local experiences | • Today, millennials make up an increasingly larger share of the global travel market.<br>• They don't want to be insulated from the places they visit inside a cultural bubble, because they want to engage with and participate in the local culture such as gastronomy, festivals and other local experiences.<br>• To remain relevant, Durban tourism stakeholders need to co-create offerings (products, experiences, and attractions) that appeal to the youth. |
| Eco Travel / Sustainability | • This is focused on social and nature connectedness. Travellers seek to make a difference and a positive impact on host communities when travelling.<br>• Travellers now prefer trips that enrich their lives by reconnecting with loved ones, experience the great outdoors combined with pristine nature experiences. |
| Product innovation, renewal and revitalisation | • Travellers worldwide desire personalisation of experiences and require them to be more "sharable" or "Insta-worthy" through social media. |

| Trends | Relevance to Durban Visitor Strategy |
|---|---|
| Staycation | • A staycation is a form of domestic tourism that essentially involves undertaking tourist-based activities that are located not too far from home.<br>• This has become popular due to Covid-19 and associated issues. |
| Resumption of Business Travel | • Business travel will slowly return in 2022, but there is still a long way to see full recovery as full recovery is predicted to happen in 2024. |

In summary, identifying and embracing these new travel trends is vital for stakeholders and destinations to understand shifts in consumer behaviour and respond accordingly.

### 1.3.3 Implications for Durban Tourism

The above insights and trends were simply not in anybody's minds with regards to formulating and implementing visitor marketing strategies. This therefore simply means that the entire tourism landscape has evolved. There is therefore a need for a paradigm shift for Durban Tourism in relation to the crafting and implementation of its visitor marketing strategy given the likelihood of increased competition when Covid-19 recedes.

## 1.4 The Methodological Approach

### 1.4.1 The Approach

A multi-faceted methodological approach was applied in formulating the Durban VMS. This includes desk-based research, focus group discussions and telephonic interviews with key supply, value chain and demand siders.

### 1.4.2 Desk-based Research

Desk-based research involved studying and assessing existing and relevant global research and statistics which were sourced and analysed based on information that was available from the United Nations World Tourism Organisation (UNWTO), World Travel and Tourism Council (WTTC), African Union, IATA, UNTCAD, Forwardkeys and other relevant sources. Key findings are covered in Chapter 1 of this report.

Following the above, national, provincial and eThekwini tourism related documents such as statistics, policies, strategies, programmes and plans relevant to the VMS were assessed. The purpose was to understand the current state of tourism in South Africa and KwaZulu-Natal in general and, particularly, eThekwini. The full assessment is presented in Chapter 3 of this report.

### 1.4.3 Stakeholder and Reference Group Consultations

There was extensive consultation with over 40 stakeholders and 20 reference groups aimed at assessing stakeholder perceptions, challenges and opportunities regarding Durban's VMS over the next five years. A good response rate of over 90% was achieved. The list of stakeholders is provided in Annex 1 of this report.

Commented [BG1]: Kwakye - I have added the stakeholders who attended the workshops, can you please add the other stakeholders/trade etc. that you interviewed

Consulting with a wide range of public and private sector stakeholders regarding their views of Durban Tourism's tasks, responsibilities and management mechanisms for maximising the tourism potential in the eThekwini municipality was extremely useful. This helped in identifying the key elements and tasks to be included in the visitor marketing strategy. Detailed findings are presented in Chapter 4.

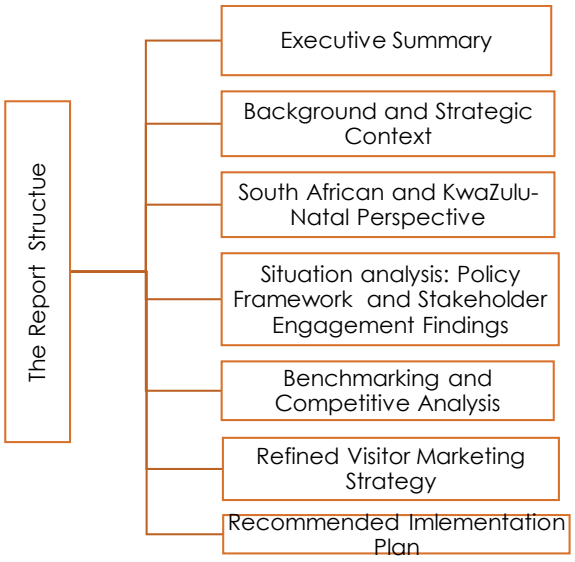
### 1.4.4 Benchmarking, Competitive and Comparative Analysis

Benchmarking, comparative and competitive analysis were carried out. These aimed at extracting strategic lessons adopted by each city selected with regards to visitor marketing strategies and plans. The African cities selected were Cape Town, Accra, Alexandria and Marrakesh in Africa, while Miami (USA), London (UK), Paris (France), Barcelona (Spain) and Sydney (Australia) were chosen as the good practice non-African cities.

### 1.4.5 The Structure of the Review

Figure 8 summarises the structure of the Visitor Marketing Strategy report.

*Figure 8: Structure of the Durban Visitor Marketing Strategy Report*



## 1.5 Conclusion

After almost two years of uncertainty, it is arduous to clearly predict what the future of travel looks like. Therefore, the product and experience offerings of destinations such as the eThekwini Municipality must be delivered in a flexible manner, yet infused with empathy and personalised support.

It is also paramount that Durban Tourism, in conjunction with its community of partners evaluate how competing and good practice destinations have responded to these uncertainties, and thereafter identify possible inspirations in order to adapt to the municipality's environment as well as recovery plan accordingly.

# Chapter 2 South African and KwaZulu-Natal Perspective

## 2.1 South African Perspective

### 2.1.1 Pre-Covid-19 South African Tourism Economy

South African Tourism is mandated by the Tourism Act (2014) to market South Africa as a domestic and international tourist destination by marketing and promoting the country's tourism products, services and facilities, using the "hub and spoke" principle. With this mandate, the entity's strategic priority is to improve the lives of South Africans by contributing to the inclusive growth of the country's economy through tourism.

Prior to the Covid-19 pandemic, global tourism was growing faster than expected. South Africa planned to achieve 21 million international visitors by 2030 which was based on annual projected growth of 6% tourist arrivals. Critical to achieving this performance target was intentional improvements in South African Tourism's marketing programmes and activities by rebuilding and nurturing the South African brand as a way of reversing the decline in 2018 arrivals. In 2018/19, foreign and local tourists spent R116.9 billion, while the tourism sector as a whole contributed R425 billion to the country's economy, according to the World Travel and Tourism Council.

### 2.1.2 Business Events

A key strategic priority area for South African Tourism is Business Events. The country hosted 207 international conferences and meetings in 2018, supported 108 bid submissions in 2018/2019, 42 of which were successful as at the end of June 2019.

In 2018, a total of 12,937 meetings of associations were held around the world, according to the International Congress and Convention Association (ICCA). This represents an increase of about 3% compared to 2017. The average total expenditure at these international meetings in the ICCA database increased by 4% in 2018, from €10,6 billion in 2017 to over €11 billion in 2018.

According to ICCA, South Africa welcomed 100 ICCA-registered international and regional meetings and conferences (down from 122 in 2017). These events brought 38,456 association professionals to the country and led to SA being ranked 39$^{th}$ worldwide by ICCA in 2018 which was lower than 2017's 34$^{th}$ position. Despite this position, the country remains first in the rankings for meetings in Africa with Cape Town ranked first as host destination in Africa, followed by Johannesburg in sixth position and Durban in eighth position.

The above growth performance between 2018 and 2019 were catalysed by pro-active and effective marketing initiatives undertaken by South African Tourism. This growth trajectory was, however, halted by Covid -19.

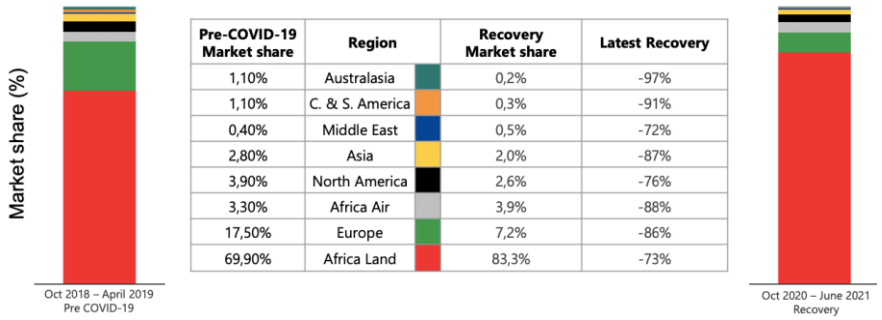
### 2.1.4 Domestic Tourism

Total revenue generated by (overnight) domestic tourism in 2019 was R52,7 billion, a growth of 100%[10] with an average of at least 3 nights per trip. In 2020, domestic tourism resumed in late July 2020 and showed a significant increase. The main reason for taking trips was to visit friends and relatives. This underscores the significance of intensifying marketing for domestic travel.

### 2.1.5 Regional Source Markets

From a tourism perspective, the country received 10,2 million tourists in 2019 with a total foreign direct spend of R81,9 billion rand. According to South African Tourism, African tourists accounts for almost 75% of international arrivals and 40% of visitors spend. This implies that Africa is the leading regional source market for South Africa. Land arrivals from Africa command 69.90% of the overall arrivals and air 3.90% of South Africa arrivals as reflected in Figure 9 below.

*Figure 9: Regional source market for South Africa*




| Pre-COVID-19 Market share | Region | Recovery Market share | Latest Recovery |
|---|---|---|---|
| 1,10% | Australasia | 0,2% | -97% |
| 1,10% | C. & S. America | 0,3% | -91% |
| 0,40% | Middle East | 0,5% | -72% |
| 2,80% | Asia | 2,0% | -87% |
| 3,90% | North America | 2,6% | -76% |
| 3,30% | Africa Air | 3,9% | -88% |
| 17,50% | Europe | 7,2% | -86% |
| 69,90% | Africa Land | 83,3% | -73% |

*Source: South African Tourism*

This means that Africa is crucial for the South African, provincial and municipal tourism sector's recovery and overall economic growth.

### 2.1.6 Covid-19 Impact

Tourist arrivals to South Africa in 2020 was 2 802 320 arrivals. Of this, 87% visited the country between January-March 2020 with 2 054 604 from the continent coming through South Africa's land borders and 82 920 through the air borders. This confirms that arrivals from the African land markets was the biggest source of arrivals in 2020 and the same remains true for 2021. The lead feeder markets with the most arrivals into South Africa for the 2020 period were Zimbabwe, Lesotho, Mozambique, Eswatini and Botswana. Zimbabwe accounted for over 684 546 arrivals, Lesotho 448 745, Mozambique 422 537, Eswatini 214 947 while Botswana contributed 129 467 arrivals. In 2021, total tourist arrivals to South Africa was 2 614 859, a decrease of 6.7%

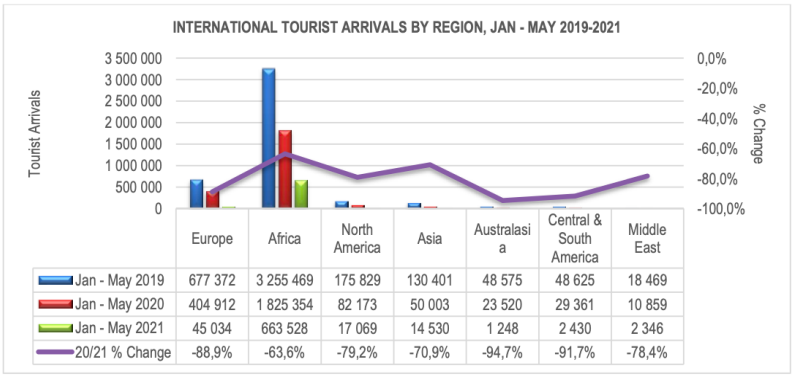
[10] South African Tourism, 2021.

compared to 2020. Of these arrivals, the main African source markets were Mozambique (571 000), Lesotho (424 000), and Zimbabwe (423 000) (StatsSA, 2021).

From non-African source markets, the United Kingdom, Germany and the USA were the main contributors to arrivals for 2020 as well as for 2021. Cumulatively, these three markets accounted for 310 435 arrivals in 2020 and 188 310 in 2021. Obviously, the subdued national performance in 2020 and 2021 in comparison with 2019 clearly reflects the impact of Covid-19 restrictions on travel motivation across all source markets as reflected in Figure 10.

The arrivals statistics from the African continent from October 2020 to February 2021 suggest the gradual start of recovery from this region, in line with the UNWTO and WTTC predictions. However, recovery for the full year in 2021 was constrained due to Covid travel restrictions and the July 2021 civil unrest.

*Figure 10: South Africa's international tourist arrivals by region, Jan–May 2019 to 2021*




| | Europe | Africa | North America | Asia | Australasia | Central & South America | Middle East |
|---|---|---|---|---|---|---|---|
| Jan - May 2019 | 677 372 | 3 255 469 | 175 829 | 130 401 | 48 575 | 48 625 | 18 469 |
| Jan - May 2020 | 404 912 | 1 825 354 | 82 173 | 50 003 | 23 520 | 29 361 | 10 859 |
| Jan - May 2021 | 45 034 | 663 528 | 17 069 | 14 530 | 1 248 | 2 430 | 2 346 |
| 20/21 % Change | -88,9% | -63,6% | -79,2% | -70,9% | -94,7% | -91,7% | -78,4% |

*Source: Stats SA, 2021*

### 2.1.7 Purpose of Visit

"Visiting Friends and Relatives" (VFR) accounted for a total of 41.1% of visitors to South Africa and holiday was their second motivation. Other purposes of travel to South Africa include shopping and Business Travel which each amounted to 12.3% and 3.9% respectively. The average spread for all tourists is slightly more than one province (1.2). It is also worth noting that 40% of Americans, Australians and Europeans visit more than one province, compared to only 3.9% of SADC and 9.1% of African Air tourists.

It is important to highlight that most long-haul tourist arrivals who came from Europe consist of the UK (29.6%), Germany (23.7%) and France (9.2%) in 2020. These European tourist arrivals constituted 15.9% of tourist arrivals in SA in 2020. The primary purpose of travel among 57.8% of these tourists was for holiday purposes and this accounted for 38.6% of international spend with an average tourist spend of R21,343 per trip.

### 2.1.8 Average Length of Stay

The average length of stay in 2020 was 11.0 nights with Asian travellers topping the list at 21.8 nights spent in South Africa. Americas as well as the Middle East have the 2nd highest mean length of around 18.2 nights and African Air travellers with much shorter length of stays of only 14.8 nights. The average nights spent by the European visitors was 18.0 with 1.6 provincial visits in favour of the Western Cape and Gauteng and they stay much longer in other provinces with friends and relatives.

SADC visitors spent 11 nights in South Africa. The proximity of SADC countries leading to more frequent shorter stays can also be seen in their high frequency and high repeat rates. It is important to note that due to Covid-19's travel restrictions, the average length of stay for Australasians has gone up while decreasing for African Air and SADC visitors.

### 2.1.9 South Africa's Recovery Path

The UNWTO panel of experts predicts that the global tourism sector recovery will only be possible when international tourism returns in full. However, successful recovery would require global cooperation, ramp-up in vaccination rates as well as rethinking and reshaping visitor marketing strategies and plans. WTTC further predicts resumption of travel at a modest pace. Further to this, key policy priorities, existing strategies and mobility protocols must be refined to provide high level of certainty and restore travel consumer's confidence.

## 2.2. The Strategic Approach

### 2.2.1 The Purpose

South Africa's goal remains growing current tourism levels to reach the goal of 21 million arrivals by 2030. Tourism Decision Metrics (TDM) used by SAT, estimates that South Africa will receive 16.5 million arrivals in that year, or 0.74% of global market share. Therefore, a new approach has been employed to achieve an extra 4.5 million tourists to reach the 2030 target. Flowing from this, SAT's Strategic Plan for 2020-2025 is formulated to achieve this growth target, while contributing to a reduction of poverty and an increase in inclusive growth which are imperative to drive transformation.

### 2.2.2 Strategic Interventions

SAT is considering a review of its hub concept approach to marketing South Africa and an improved relationship with DIRCO on how missions could be leveraged for marketing purposes. SAT could also work to integrate products with others in the SADC region. Additional focus areas are defined as:

- Develop a digital strategy to better enable operationalisation of the mandate;
- Strong focus on capability building of smaller businesses;
- Quality and grading are important;

- Outsource supply chain and contract management.

### 2.2.3 South African Tourism Growth Forecast

Table 2 shows the 2016 -2018 actuals and 2025 to 2030 tourist arrivals forecast for all 9 South African provinces for international tourist arrivals.

*Table 2: International Tourist Arrivals by Province 2016-2018 and 2025-2030 Targets*

| Province/Year | 2016 Actual | 2017 Actual | 2018 Actual | 2025 Target | 2030 Target |
|---|---|---|---|---|---|
| National | **10.0Mn** | **10.2Mn** | **10.5Mn** | **15.5Mn** | **21.2Mn** |
| Gauteng | 4.3Mn | 4.1Mn | 3.8Mn | 5.2Mn | 7.2Mn |
| Western Cape | 1.5Mn | 1.7Mn | 1.7Mn | 2.1Mn | 2.8Mn |
| Limpopo | 1.5Mn | 1.9Mn | 2.2Mn | 2.3Mn | 3.1Mn |
| Mpumalanga | 1.4Mn | 1.6Mn | 1.6Mn | 1.9Mn | 2.6Mn |
| Free State | 1.2Mn | 1.2Mn | 1.3Mn | 1.5Mn | 2.0Mn |
| North West | 0.9Mn | 0.8Mn | 0.7Mn | 1.0Mn | 1.3Mn |
| KwaZulu-Natal | 0.7Mn | 0.8Mn | 0.8Mn | 1.0Mn | 1.4Mn |
| Eastern Cape | 0.3Mn | 0.4Mn | 0.4Mn | 0.5Mn | 0.6Mn |
| Northern Cape | 0.1Mn | 0.1Mn | 0.1Mn | 0.2Mn | 0.2Mn |

The forecast suggests that the top five most visited provinces in the next three years will remain Gauteng, Western Cape and Limpopo.

Domestically, SAT predicts that the country will receive 3.8 million domestic holiday trips in 2025 (they have not produced targets for total domestic tourism). This will be led by the Western Cape, KwaZulu-Natal and Eastern Cape as indicated in Table 3.

Table 3: Domestic HOLIDAY Trips by Province 2016-2018 and 2025-2030 Targets

| Province/Year | 2016 Actual | 2017 Actual | 2018 Actual | 2025 Target | 2030 Target |
|---|---|---|---|---|---|
| **National** | **2.6Mn** | **2.9Mn** | **2.6Mn** | **3.8Mn** | **4.3Mn** |
| Western Cape | 980K | 538K | 344k | 275K | 314K |
| KwaZulu-Natal | 256K | 129K | 308K | 642K | 733K |
| Eastern Cape | 283K | 33K | 162k | 431K | 492K |

| Province/Year | 2016 Actual | 2017 Actual | 2018 Actual | 2025 Target | 2030 Target |
|---|---|---|---|---|---|
| Mpumalanga | 65K | 231K | 236k | 410K | 468K |
| Gauteng | 617K | 1 404K | 999K | 625K | 713K |
| Limpopo | 517K | 410K | 224K | 946K | 1 080K |
| Northern Cape | 10K | 22k | 45k | 72K | 82K |
| Free State | 28K | 28K | 68k | 139k | 20K |
| North West | 54K | 108K | 135k | 262k | 299K |

*Source: South African Tourism*

It is interesting to note that domestic tourism drives the Coastal Provinces as compared to international arrivals. This forecast means that each tourist destination across the country including Durban should prioritise domestic tourism as critical for growth.

### 2.2.4 The Marketing Approaches

SAT as previously indicated, aims to reach 21 million international arrivals by 2030. SAT aims to intensify its marketing approach towards repositioning the national brand in a positive light and to broaden global awareness of South Africa as a preferred tourist destination. Mixed platforms and channels including traditional and new media will be used. Partnership and brand marketing may include Expedia, CNN, BBC, Netflix, Google and National Geographic. These will help propel in-market "call-to-action" and conversion campaigns.

SAT is also reviewing its stakeholder engagement framework to forge stronger partnerships at national and global levels to drive demand, while exploring how to integrate South African products with the rest of the SADC region.

## 2.3 KwaZulu-Natal Pre-Covid Tourism Performance

### 2.3.1 The Covid-19 Impact

Tourism KZN 2020/21- 2024/25 Strategic plans highlights that the province will focus on building a strong and sustainable tourism sector that improves the lives of all its people. It aims to achieve this by improving on the supply side and by working with municipalities to improve infrastructure at various tourism destinations as well as attractions. Other strategic priorities are to collaborate with key stakeholders to secure the safety of tourists through the use of cutting-edge technology and also position it's culture and heritage as key tourism assets and attractions. The main goal of TKZN's 2020/21 to 2024/25 strategic plan is to increase tourism's contribution to inclusive economic growth, while sustaining employment and spatial equity in KwaZulu-Natal.

### 2.3.2 Value Proposition

The vision of TKZN is to position the province as a globally renowned and Africa's top beach destination with unique blend of distinctive culture, wildlife, scenic sites and heritage experiences for all visitors. This will be driven and achieved through inter-governmental partnerships backed by the private sector and local communities' collaboration.

### 2.3.4 Market Performance

KwaZulu-Natal remains one of the country's top provincial tourism destinations. TKZN's 2019/2020 annual report revealed that the province experienced a 112% increase compared to 2018 in domestic tourist trips. This translated into 6,2 million trips undertaken into and within the province.

Table 4 shows that eSwatini produces the largest tourist arrivals for KZN. This is followed by Lesotho, UK, Germany, the USA, Netherlands and France respectively.

*Table 4: Number of tourists from African countries visiting KwaZulu-Natal*

| Country | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | Percentage Difference |
|---|---|---|---|---|---|---|
| eSwatini | 297 591 | 279 894 | 293 511 | 292 038 | 297 163 | -0,10% |
| UK | 45 638 | 52 219 | 48 341 | 54 644 | 50 464 | 11% |
| Lesotho | 48 822 | 31 534 | 44 543 | 48 922 | 44 796 | -8,25% |
| Germany | 39 267 | 44 755 | 48 835 | 50 636 | 48 385 | 23% |
| USA | 35 667 | 43 914 | 45 095 | 45 602 | 44 181 | 24% |
| Zimbabwe | 45 619 | 49 305 | 38 618 | 40 799 | 36 879 | -19% |
| Netherlands | 20 349 | 20 503 | 25 550 | 30 647 | 24 407 | 20% |
| France | 24 196 | 20 504 | 22 159 | 36 683 | 33 210 | 37% |
| India | 20 639 | 17 259 | 19 340 | 15 080 | 10 209 | -50,10% |
| Australia | 18 017 | 14 885 | 15 364 | 15 113 | 16 594 | -8% |
| Mozambique | 11 547 | 27 182 | 11 598 | 6 696 | 8 041 | -30% |

### 2.2.5 KwaZulu-Natal's Competitive Strengths

Tourism KwaZulu-Natal continues to improve the geographic spread of tourist visits across the province. The province therefore focuses on demand-driven tourism development and industry transformation. Among these interventions are:

- Tourism Infrastructure development - This includes the development of a new R220 million Cruise Terminal at Durban harbour (completed), R380 million newly extended promenade on Durban's famous beachfront (completed) and R200 million green energy efficient terminal development. All these projects aim to

re-position KwaZulu-Natal as a globally competitive cruise and beach tourism destination in Africa.

- Marine and aqua tourism – The investment above, allows KZN to position itself as one of the leading coastal provinces in South Africa that offers a mix of wildlife, marine, and adventure tourism experiences in natural settings.

- Cultural and heritage tourism - The province is improving its positioning in the culture and heritage tourism space pinned on the distinctiveness of Zulu culture. As a result, it has allocated adequate resources for the promotion of culture and heritage.

- Business events - In 2019, business events contributed an estimated R6 billion to the province's economy and created or sustained over 13 000 jobs for the people of KZN.

The province is also positioned as one of the top business events destinations in Africa for global events. A good example of such events hosted in the recent past are the Intra-Africa Trade Fair and the World Football Summit, confirming this positioning.

### 2.3.6 Strategic Approach

- Partnerships – The province is determined to strengthen private sector relationships and inter-governmental co-ordination for the purposes of clearly defining the roles of each stakeholder in order to jointly achieve the goals of the provincial Tourism Master Plan.

- Consumer insights – This is considered as the bedrock of the province's work in the context of understanding the behaviours of its visitors across all source markets. As a result, all marketing planning processes are informed by consumer insights.

- Provincial and tourism recovery plans – The provincial tourism recovery strategy is guided by current provincial government priorities such as the District Development Model (DDM) and Integrated Development Plan (IDP). This is to ensure that the strategic priorities of urban planning and tourism development are synergised for enhanced tourist experiences across the province.

- Multi-pronged marketing approach - The province continues to implement multi-channel marketing and communication strategies. Therefore, its marketing initiatives consist of a mix of traditional and new media channels. The rationale is to attract local, provincial, national and international channels.

- African-bias marketing strategy – Africa is a strategic market for the province. Therefore, TKZN is making a concerted effort to attract more African tourists as a key component for its recovery programme and to increase overall arrivals with strategic African media outlets.

- Digitalisation - The top sources of digital traffic to the province are South Africa, the United States, the United Kingdom, Germany and India. The top three growing social media channels which directed traffic to the TKZN's website are Facebook, Twitter and Instagram. These are supported with high-level print media, broadcast as well as word-of- mouth tactics.

- Strategic media interventions - Through the use of various multi-faceted media interventions, TKZN will continue to ensure its destination appeals to a wide range of audiences considering the profile of domestic and international tourists have evolved since the emergence of Covid-19. The TKZN website and mobile App, together with various partners' online booking systems will be used to augment its engagement with visitors.

- Value Partnerships - This includes major events and trade partnerships to package KwaZulu-Natal's offering in all its key source markets. This involves multi-pronged investments, initiatives and programmes aimed to purposefully grow tourist arrivals, receipts and ultimately more tourism investments.

## 2.4 Relevance and Opportunities for eThekwini Municipality

### 2.4.1 Prioritising Domestic and African Tourism

eThekwini needs to improve its co-operation with TKZN and SAT to align its resumption and recovery plans for domestic, regional and international travel.

### 2.4.2 Advocating to Change Negative Perceptions

The municipality needs to re-frame existing negative perceptions by strengthening positive narratives around tourism investments such as the cruise terminal, promenade as well as any other city rejuvenation initiatives and programmes.

### 2.4.3 Co-creation and Construction of Innovative Products

The entity has to adopt co-creating and constructive approaches to delivering innovative products and experiences with the private sector and sister government entities. This should be aimed at steering its tourism sector to thrive in the "new normal".

### 2.2.3 Consumer Insights

The above considerations would have to be underpinned by big data and consumer insights which are central to the successful management and swift recovery of the municipality.

# Chapter 3 Policy Framework and Market Situation Analysis

## 3.1. Chapter Overview

This section of the report encapsulates data and analysis of the pre-Covid-19 era and the current state of tourism in Durban. It also evaluates the strengths, weaknesses and opportunities as well as all other relevant micro and macro-environmental issues that may affect swift implementation of the VMS. This section also investigates the municipality's capabilities, stakeholders' views, business environment and opportunities that need enhancements for improved visitor experiences. The section outline is therefore as follows:

- Pre-Covid-19 performance and Covid-19 tourism performance in the South African context;
- Policy framework and relevance;
- Durban Tourism's Political Economic, Social, Technological, Environmental, Health and Legal Environment (PESTHEL);
- Durban's Strengths, Weaknesses, Opportunities and Threat (SWOT) analysis and
- Learnings and implications for the VMS.

### 3.1.1 Mandate, Location and Accessibility

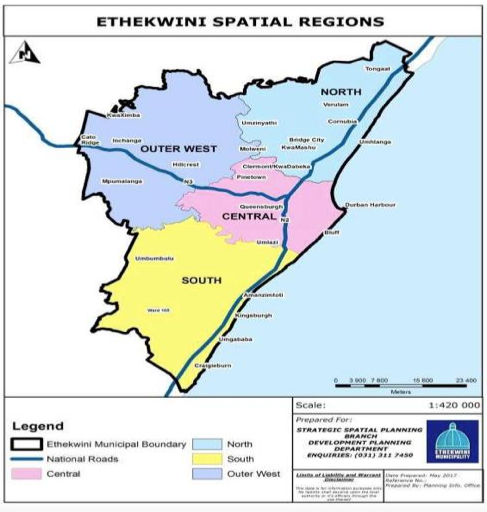
According to Section 152 of the South African Constitution, one of the objectives of Local Government is to promote social and economic development. Section 153 states that municipalities must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Local Tourism is singled out in Schedule 4 (B) as one of the competency areas of local government. The Municipality is therefore obliged in terms of the Constitution of The Republic of South Africa to ensure that local tourism is promoted.

It is worth noting that eThekwini is the only category metropolitan municipality in the KwaZulu–Natal province. Together with Cape Town, Nelson Mandela Bay and Buffalo City, it is one of four coastal metropolitan municipalities in South Africa. It has been recognised by the World Bank's Competitive Cities Programme as one of the best practice cities for its economic response to the global pandemic.

It is the third largest metropolitan municipality in South Africa following Johannesburg and Cape Town, and shares boundaries with three districts, namely; Ugu to the South, iLembe to the North as well as uMgungundlovu to the West. It is accessible via the N2, N3 and King Shaka International Airport and has four spatial regions which are shown in Figure 11:

*Figure 11: eThekwini Spatial Map*




The city has identified 22 key catalytic projects with a total investment value of R276 billion that can contribute to the city's strategic objectives. Among these are the Automotive Supply Park, Avoca Nodal Development, Cornubia, Dube Trade Port, Point Waterfront, Inyaninga, Bridge City Development, Rivertown Precinct, Oceans uMhlanga, Ntshongweni Development and Sibaya Coastal Precinct. These are inspirational projects and bolster the municipality's profile as a city tourism destination.

Tourism, which value chain spans across transportation, property, retail, trade in service, catering and accommodation sub sectors is a key sector for the eThekwini Municipality and is a beneficiary of these projects.

### 3.1.2 Population and Residence Profile

According to StatsSA, the municipality's population is estimated to reach 4.2 million by 2025. Close to 30% of the population is under the age of 15 years and 63% is under the age of 35. This is pivotal for local and provincial tourism marketing. It is critical to note that the metro is the economic powerhouse of KZN as its contribution to GDP is 59.88% or R468 billion to provincial GDP. Characterised by a diversified economy, with strengths ranging from manufacturing, logistics, property and finance to tourism, leisure, sports as well as arts and culture, all these augurs well for growing tourist arrivals and revenues.

From VMs perspective, these socio-economic factors are crucial for strategic planning, tactics as well as allocation of financial of resources for operationalisation.

## 3.2 Key Policy Framework and Initiatives

### 3.2.1 Overview

Various policy frameworks and initiatives at macro and micro levels define tourism industry opportunities in the municipality. Also, these help to establish a transparent system with partners and share information about economic opportunities.

This section of the Durban Visitor Marketing Strategy has to be read in conjunction with the policies and initiatives assessed and outlined below. This will help readers to understand the relevance of these policies and implications for implementing the strategy.

### 3.2.2 Relevant Global Policies and Initiatives

*Table 5: Global Policies and Initiatives*

| Policy/Programmes | Description and Relevance |
|---|---|
| The New Urban Agenda | • This represents a paradigm shift based on the science of cities. It lays out standards and principles for the planning, construction, development, management, and improvement of urban areas.<br><br>• It is critical for eThekwini to forge a shared vision for a better and more sustainable future for City tourism through a well-planned and managed urbanisation system. |
| Sustainable Development Goals (SDGs) | • Sustainable tourism development guidelines and management practices must be applicable to all forms of tourism in all types of destinations.<br><br>• From eThekwini's perspective this will inspire a suitable balance for tourism long-term sustainability and urban development. |
| UNWTO Global Code of Ethics for Tourism | • This leverages Tourism's contribution to mutual understanding and respect between peoples and societies and serves as a vehicle for individual and collective fulfilment through sustainable practices and principles.<br><br>• In eThekwini, this will guide cultural heritage preservation to benefit the municipality and its communities in an ethical manner as well as the right to tourism. |

| Policy/Programmes | Description and Relevance |
|---|---|
| UNWTO Agenda for Africa | • UNWTO, through its Commission for Africa (CAF) in 2017 launched a common action plan to serve the tourism objectives of Member States, with the following core priorities:<br>• To alleviate poverty through tourism projects.<br>• To find innovative approaches to developing tourism in the region; and<br>• To find and foster new partnerships and resources. |

### 3.2.3 Relevant African Union Policy Guidelines and Initiatives

*Table 6: African Union Policy Guidelines and Initiatives*

| Policy/Programmes | Description and Relevance |
|---|---|
| Africa Continental Free Trade Area | • The AfCFTA aims at accelerating intra-African trade and boosting Africa's trading position in the global market by strengthening Africa's common voice and policy space in global trade negotiations. This offers eThekwini access to more African countries. |
| African Passport and free movement of people | • African Passport and free movement of people is a common passport document that will exempt bearers from having to obtain any visas for all 55 states in Africa. Again, this offers eThekwini more African market access. |
| Single Africa Air Transport Market (SAATM) | • This aims to create a single market for air transport in Africa. Once completely in force, the single market is supposed to allow significant freedom of air transport in Africa, advancing the AU's Agenda 2063. With this, the municipality could improve air access to KSIA. |
| SADC Tourism Programme 2030 | • This aims to facilitate growth in cross-border, multi-destination travel in SADC to exceed average global tourism growth levels. This will help eThekwini to facilitate, and effectively coordinate programmes in the region in collaboration with Member States. |

### 3.2.4 National Policy Framework and Initiatives

*Table 7: National Policy Framework and Initiatives*

| Policy/Programmes | Description and Relevance |
|---|---|
| National Development Plan (Vision 2030) | This plan is formulated to improve service delivery for citizens of South Africa, whilst integrating national, provincial and local policies and programmes into a single, target orientated and long term-based plan. The |

| Policy/Programmes | Description and Relevance |
|---|---|
| | Spatial component of the NDP which is the Integrated Urban Development Framework provides a macro spatial context for urban development at a national level. |
| Medium Term Strategic Framework | This serves as the five-year implementation phase of the National Development Plan (NDP). This focuses on education, health, safety and security, economic growth and employment, skills development, infrastructure, rural development, human settlements, local government, environment, international relations, public sector, social protection, nation- building and social cohesion. All these are of extreme significance to eThekwini's VMS's delivery and successful implementation. |
| Strategic Integrated Projects (SIPS) | The SIPS provide an integrated framework for the delivery and implementation of social and economic infrastructure across the face of South Africa. Some of the SIPS's include catalytic projects that can be used to fast-track growth, address unemployment and reduce poverty and inequality. |
| Legislative Changes | Revised regulations, including changes to travel documentation requirements for minor travellers have less onerous requirements. This brings South Africa in line with many countries with respect to foreign minors travelling into and out of South Africa. |
| Tourism Sector Recovery Plan (TSRP) | The Tourism Sector Recovery Plan (TSRP) sets out interventions to ignite the recovery of the tourism sector. It also places it on the path to long-term sustainability whilst contributing to the implementation of the Economic Reconstruction and Recovery Plan (ERRP). |
| NTSS | This focuses on inclusive growth, which must fundamentally be based on domestic and international tourist market growth and expenditure increases. It further links the marketing plans to broader development imperatives, including addressing barriers to growth and the building of a transformed and inclusive tourism economy. |
| TGCSA Grading Criteria | This is about advancing and maintaining a recognisable, credible and globally benchmarked system of quality assurance for accommodation and venues in South Africa. |
| Tourism Equity Fund (TEF) | This is a collaborative initiative between the Department of Tourism and the Small Enterprise Finance Agency |

| Policy/Programmes | Description and Relevance |
|---|---|
| | (sefa). It offers a combination of grant funding, concessionary loans and debt finance to support equity acquisitions as well as new and expansion developments in the tourism sector by black entrepreneurs. |
| Tourism Incentive Programme | The Tourism Incentive Programme (TIP) aims at stimulating growth and development in the tourism sector through the provision of financial assistance to privately owned tourism enterprises. Product owners and CTOs could consider this to access funding for water and energy resource projects. |
| Tourism Transformation Fund | TTF provides a combination of grant funding, debt financing and equity contributions to facilitate capital investment in the tourism sector by prospective black investors. The grant funding component is capped at 30% of the total funding required up to a maximum of R5 million per applicant. Product owners and CTOs could consider this to access funding for water and energy resource projects. |
| Green Tourism Incentive Programme (GTIP) | This serves as a resource efficiency incentive programme of the Department of Tourism to encourage private sector tourism enterprises to be environmentally friendly. Product owners and CTOs could consider this to access funding for water and energy resources projects. |

### 3.2.5 Provincial Policy Framework and Initiatives

*Table 8: Provincial Policy Framework and Initiatives*

| Policy/Programmes | Description and Relevance |
|---|---|
| Provincial Growth and Development Strategy | • As a strategic management tool, PGDS ensures that, there is a concerted and measured effort to achieve the 2035 Vision - "One Province, One Plan, One Future" |
| KZN Tourism Master Plan (KZNTMP) | • The KZNTMP is a comprehensive, strategic guide that provides future direction for the development, growth, management and monitoring of tourism in the province. Therefore, it is necessary that the Durban Tourism VMS is aligned with the strategic objectives of TMP and National Tourism Sector Strategy (NTSS). |

| Policy/Programmes | Description and Relevance |
|---|---|
| EDTEA Strategic Plan 2020-2025 | • This will help to radically transform the province through inclusive growth and employment creation in KwaZulu-Natal. |
| Tourism KZN: Strategic Plan (2020/21-2024/25 | • This is a five-year Strategic Plan that is aligned with the National Development Plan. It reflects Tourism KZN's role in strengthening the tourism sector for economic growth and economic inclusivity. |
| Tourism Kwazulu-Natal Annual Report 2019/20 | • This gives insights into the province's tourism performance during the financial year 2019 and the sector's impact on all the municipalities in the province including eThekwini. |

### 3.2.6 Municipal Policy Framework and Programmes

*Table 9: Municipal Policy Framework and Programmes*

| Policy/Programmes | Description and relevance |
|---|---|
| The Municipal Vision | • To make the eThekwini Municipality Africa's most caring and liveable city by 2030 by creating the utmost convenience for all passengers. |
| Municipal IDP & SDF | • The Municipal IDP & SDF defines the strategic development and spatial framework that guides the desired spatial distribution of land uses, spatial priorities and strategic infrastructure provision within a Municipality. The goal is to give effect to the vision, goals and objectives of the municipal IDP. This is critical for Tourism infrastructure development in the municipality. |
| Durban Climate Change Strategy (DCCS) | • This was developed in partnership with the Climate Protection Branch (CPB) and the Energy Office (EO) and approved by the eThekwini Municipality Council in 2015. This is essential for developing sustainable tourism development programmes. |
| District Development Model | • eThekwini is one of the three pilot District Development Model Planning programme. This is directed at turning plans into action and ensuring proper project management and tracking including tourism development. |
| City Planning Commission | • This is an advisory body appointed by Council to propel the Municipality's long-term vision and strategic plan. This presents an opportunity for Durban Tourism to inform and |

| Policy/Programmes | Description and relevance |
|---|---|
| | educate the council on barriers pertaining to the development of tourism. |
| Inner City Re-Development | • From a tourism perspective this programme aims to put Durban on the global map as a world class sporting and leisure destination with open spaces and world-class cultural infrastructure. This is extremely critical, especially, in the Covid-19 pandemic era in terms of new and reconfigured, pedestrian friendly streets, cycling networks, improved and varied public transport choices. |
| C40 Partnership | • Founded in 2005, C40 is a network of large cities from around the world that are actively engaged with climate change response initiatives. This offers eThekwini international recognition and an opportunity to boost growth for Business Events for eThekwini. |
| Walking and Cycling Network | • The Walking and Cycling Network aims to support cities to increase the share of trips taken by healthy, safe and carbon-free mobility options. |

The principles underpinning assessment of these policies, initiatives and programmes point out that the eThekwini VMS and implementation plan should always be co-constructed with stakeholders and partners. This should however take cognisance of all cross - cutting issues at global and continental as well as national, provincial and municipal levels.

# Chapter 4 Market Situation Analysis

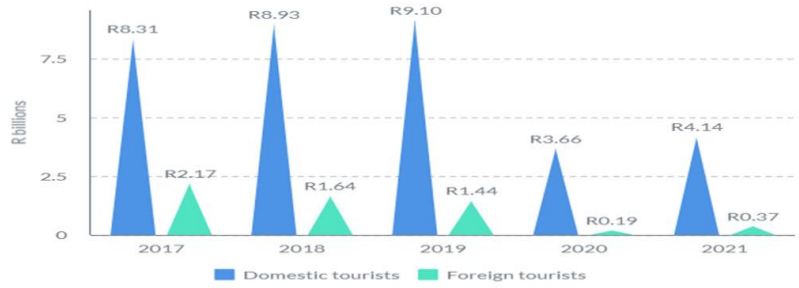
## 4.1. Pre Covid-19 Tourism Performance

### 4.1.1 eThekwini 's Tourism Profile

As a coastal city in South Africa's KwaZulu-Natal province, eThekwini is known for its African, Indian and colonial influences. Combined with this, the municipality's is endowed with iconic attractions such as the seafront promenade, uShaka Marine World, a theme park with an aquarium and Moses Mabhida Stadium, Gandhi's settlement, Shembe Village, Green Corridors and the Durban Botanical Gardens showcases African plant species. These emphasise the recognition of tourism as a priority economic sector and adds to its value proposition.

The municipality's records reveal that Tourism contributes significantly to eThekwini's GDP. The sector added R10.48 billion to the Municipality's Gross Domestic Product (GDP) in 2017, increasing to R10.54 billion in 2019. In 2020 and 2021, tourism's contribution to GDP decreased to R3.85 billion and R4.51 billion, respectively due to the impact of Covid-19 as shown in Figure 12:

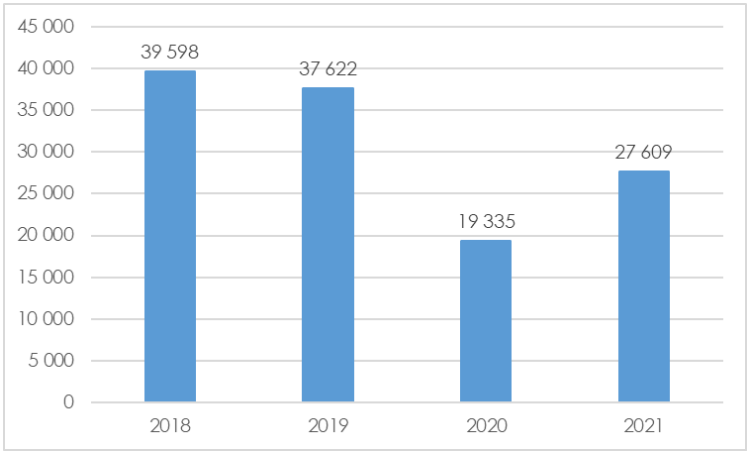
*Figure 12: GDP Contribution of Tourism to eThekwini Municipality (R billions)*




*Source: eThekwini Municipality*

Accordingly, employment in the sector was, 39, 598 (2018) 37, 622 (2019) 29,335 (2020) and 27 609 (2021) respectively as depicted in Figure 13:

*Figure 13: Employment created and sustained 2018 – 2021*




*Source: eThekwini Municipality*

Owing to the impact of Covid-19 on the sector, employment created or sustained in 2020 and 2021 declined. However, the municipality's brand positivity ratio remained excellent at 98% from 2018 through to 2021.

### 4.1.2 Number of Visitors

In 2020 and 2021, tourism was hard hit by the COVID-19 pandemic. This severely affected tourism to eThekwini in these years. A total of 1.7 million overnight tourists visited the Municipality in 2020, down by 54.7% from 3.8 million in 2019. This decline was due to the Covid-19 pandemic and the restrictions on the tourism industry. There was some recovery in 2021 with overnight tourists increasing to 2.1 million from 1.7 million in 2020.

Between 2017 and 2019, the Municipality received around 1.3-million-day visitors. This however declined in 2020 to 823 386, also due to the pandemic but improved to 1.1 million in 2021. Table 4 shows that domestic, day visitors, international overnight visitors for 2017 to 2019 averaged 3.46 million, 1,27 million and 301 217 respectively.

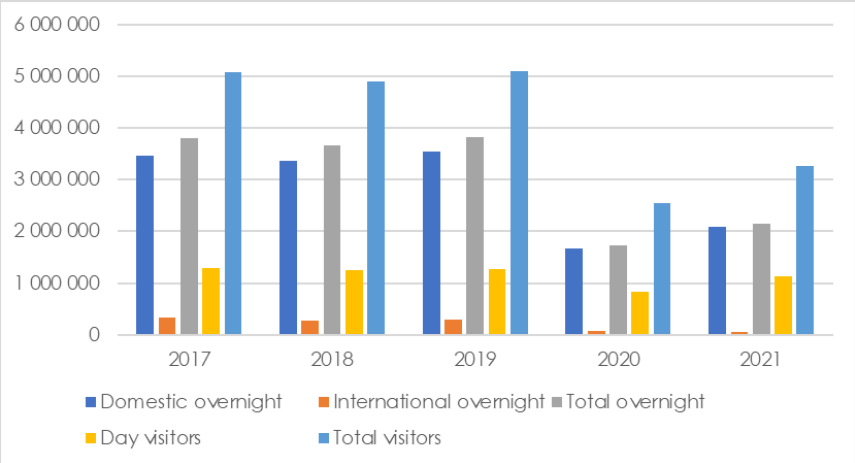
*Table 10: Number of Visitors to eThekwini Municipality*

| Number of Visitors | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Domestic overnight | 3 458 211 | 3 376 504 | 3 545 534 | 1 664 127 | 2 082 176 |
| International overnight | 339 007 | 281 040 | 283 604 | 69 553 | 58 271 |
| **Total overnight visitors** | **3 797 218** | **3 657 544** | **3 829 138** | **1 733 680** | **2 140 447** |
| Day visitors | 1 286 052 | 1 256 029 | 1 273 308 | 823 386 | 1 133 131 |
| **Total visitors** | **5 083 270** | **4 913 573** | **5 102 446** | **2 557 066** | **3 273 578** |

*Source: eThekwini Municipality*

The above trend highlights the fact that domestic tourism is the lead contributor to the municipality's visitor economy, followed by day visitors with regards to tourist arrivals as depicted in Figure 14.

*Figure 14: Number of Visitors 2017-2021*




*Source: eThekwini Municipality*

Conversely, average stay is almost 4 nights per trip, while tourists stayed around 5 nights between 2017 and 2021 as shown in Table 11:

### 4.1.3 Average Length of Stay and Spend

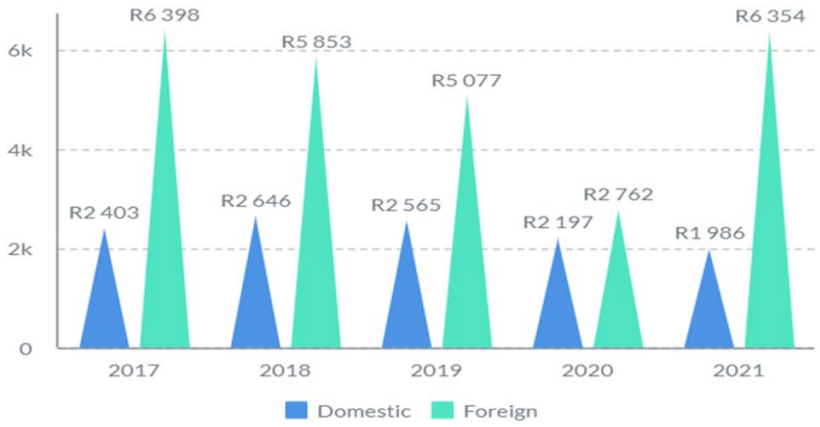
*Table 11 Average length of stay of visitors to eThekwini Municipality (nights)*

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Domestic tourists | 3.8 | 3.9 | 3.9 | 3.7 | 3.8 |
| Foreign tourists | 5.8 | 5.4 | 4.9 | 4.5 | 5.4 |

*Source: eThekwini Municipality*

Domestic and international tourists spent on average of R2,359 and R5,288 per trip between 2017 and 2021. The highest trip spend for domestic trips was achieved in 2018 at R2,646 and foreign tourists spent on average R6,354 in 2021, up from R2,762 in 2020. Even though the international arrivals are much lower than domestic and day trips, international tourists spend is more than twice that of domestic tourists. This reinforces the significance of the international market, despite the small number of arrivals.

*Figure 15: Tourist trip spend in eThekwini Municipality*

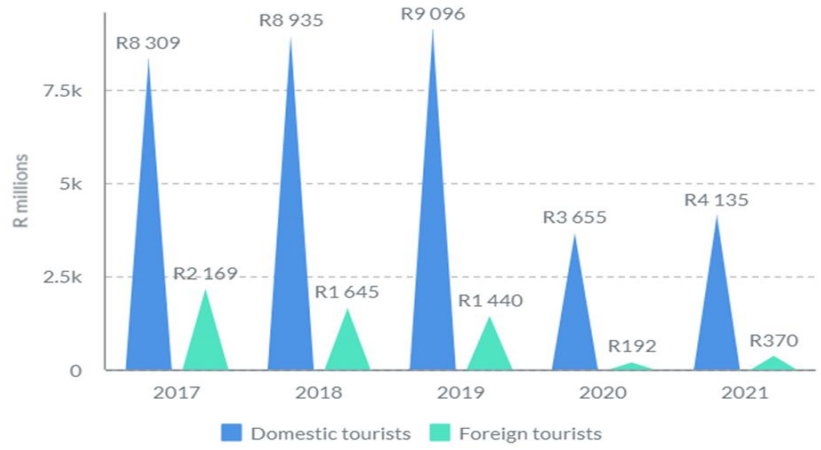



*Source: eThekwini Municipality*

Figure 15 suggests that the biggest spenders among these visitors are business visitors. They spend an average of over R2,000 daily, followed by leisure or holiday visitors and lastly VFR with an average daily spend of about R1,500.

The total direct domestic tourism expenditure in eThekwini Municipality peaked in 2019 at R9,096 billion, while international tourism direct expenditure peaked in 2019 at R1,440 billion. Both expenditures peaked at R4,135 billion and R370 million respectively in 2021, once again, bringing to light the severe impact of the Covid-19 pandemic as revealed in Figure 16.

*Figure 16: Direct tourism expenditure in eThekwini Municipality (R millions)*




*Source: eThekwini Municipality*

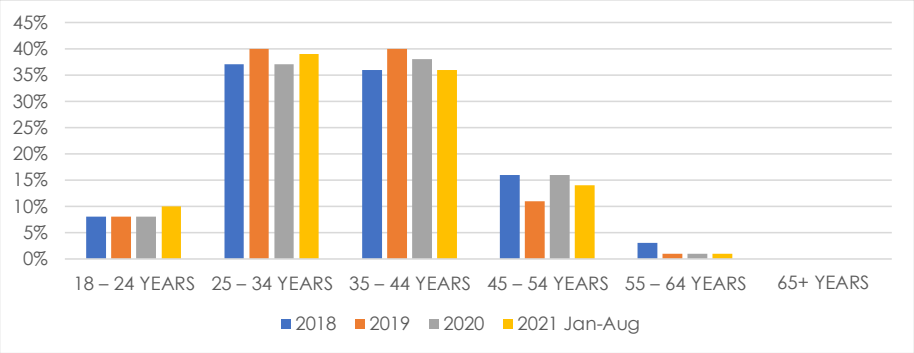
Cumulatively, pre Covid-19 direct total spend of both domestic and foreign tourists were approximately R10,680 billion in 2018 and R10, 536 billion in 2019.

### 4.1.4 Traveller Profiles

Figure 17 reflects visitors' demographics. This points out that almost 40% of the tourists who visit the municipality are young adults, aged between 25 and 34. This is followed by adults aged between 35 and 44, suggesting that about 79% of the visitors to the eThekwini Municipality are young and middle-aged adults.

The third category of visitors are adults aged between 45 and 54 at about 14.25%, followed by 8.5% of youth and about 1.5% of adults aged 55 and above.

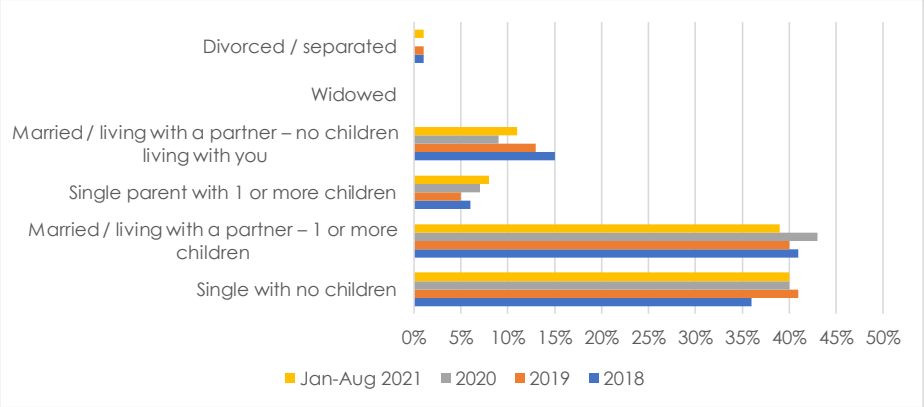
*Figure 17: Travellers Profile by Age*




*Source: eThekwini Municipality*

These profiles confirm that 80% of visitors to eThekwini are either just married, living with a partner or single with no child as presented in Figure 18:

*Figure 18: Visitor Psychographic Segments 2018-Jan to Aug 2021*



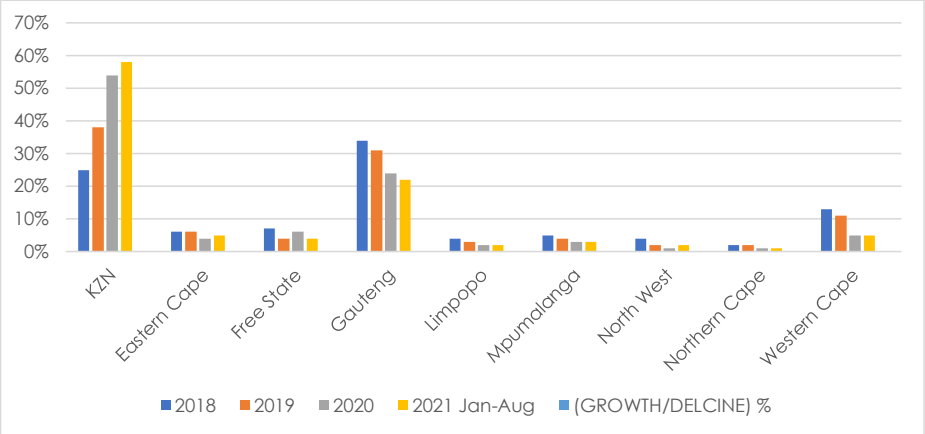

*Source: eThekwini Municipality*

Knowledge of these demographic profiles is extremely relevant because it will inform Durban Tourism on how to match the right product marketing platforms and media to engage each of these demographics.

### 4.1.5 Source Markets and Origin of Tourists

Domestic Tourists **-** The main domestic source markets for eThekwini Municipality are KZN intra-provincial travellers, followed by inter-provincial travellers from Gauteng and the Western Cape. Figure 19 presents the source of domestic tourists to eThekwini Municipality.

*Figure 19: Domestic & Inter-Provincial: Overnight & Day Visitors 2018-Jan-Aug 2021*




*Source: eThekwini Municipality*

While inter-provincial travel has been growing exponentially from 28% in 2018 to 55% in 2021, Gauteng declined from 34% to 23%, Western Cape from 11% to 5% over the same period as shown in Figure 20. This suggests that Durban Tourism needs to review and improve its marketing efforts, programmes and activities in these markets in order to halt the decline and stimulate demand.

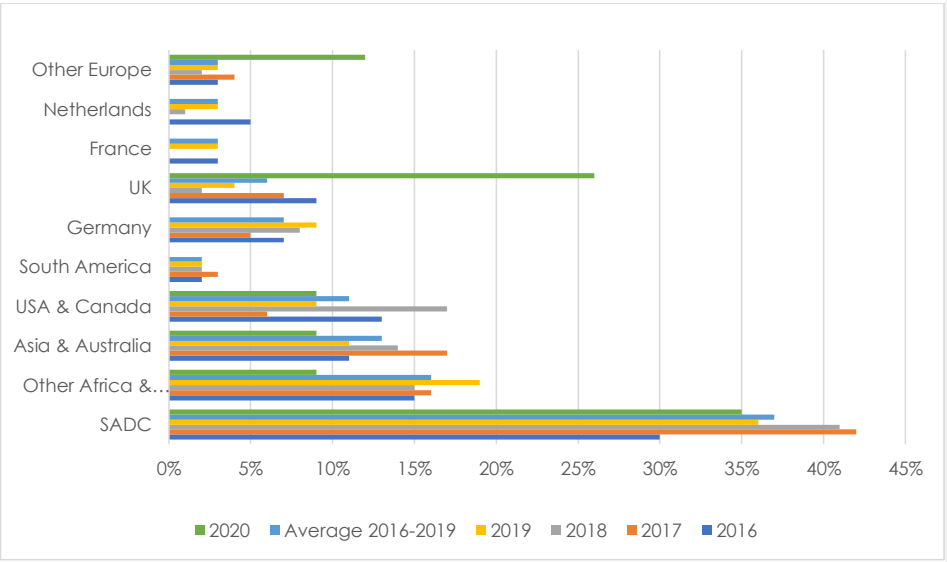
*Figure 20: Inter-Provincial Travel 2017-2021*

| Province | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| KZN | 41% | 25% | 38% | 54% | 55% |
| Eastern Cape | 5% | 6% | 6% | 4% | 5% |
| Free State | 6% | 7% | 4% | 6% | 4% |
| Gauteng | 26% | 34% | 31% | 24% | 23% |
| Limpopo | 3% | 4% | 3% | 2% | 2% |
| Mpumalanga | 4% | 5% | 4% | 3% | 3% |
| North West | 2% | 4% | 2% | 1% | 1% |
| Northern Cape | 2% | 2% | 2% | 1% | 1% |
| Western Cape | 11% | 13% | 11% | 5% | 5% |

Source: eThekwini Municipality

Key international source markets for the Municipality in 2020 were SADC region (35%), USA and Canada (9%), UK (26%) and Asia and Australia (9%). In 2019, the main international source markets were from SADC, the USA and Canada, Germany and the UK.

*Figure 21: Origin of international tourists to eThekwini Municipality*

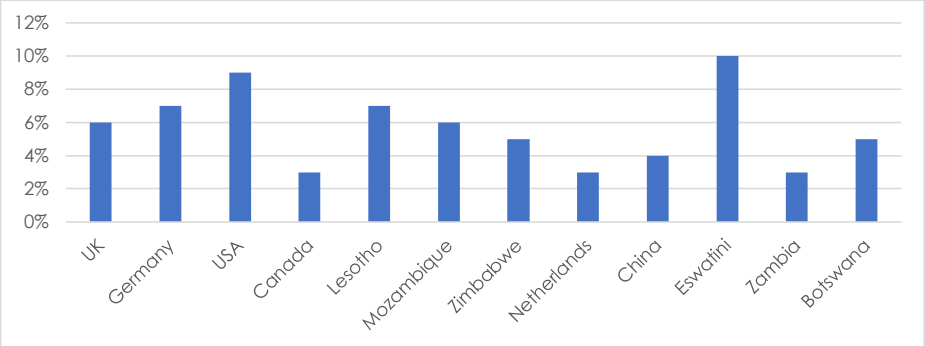



*Source: eThekwini Municipality*

The above trends hint that Durban Tourism's marketing programmes and activities should be directed at sustaining and building on its good performance in the SADC markets and the rest of Africa which are the high producing markets.

In the non-African markets, Figure 22 signals that the entity could intensify its marketing efforts in USA, Germany and UK to sustain current performance. The reason being that these markets have good repeater and untravelled market potential considering their respective 2016 to 2019 performances.

*Figure 22: Source Markets as a Percentage of Arrivals 2016-2019*




*Source: eThekwini Municipality*

### 4.1.6 Purpose of Visit and Seasonality Trends

Among overnight, domestic and international visitors, the lead purpose of visit of tourists to the Municipality is leisure and holidays. This is followed by Visiting Friends and Relatives (VFR), business travel and MICE as shown in Figure 23.

*Figure 23: Purpose of visit of visitors to eThekwini Municipality*

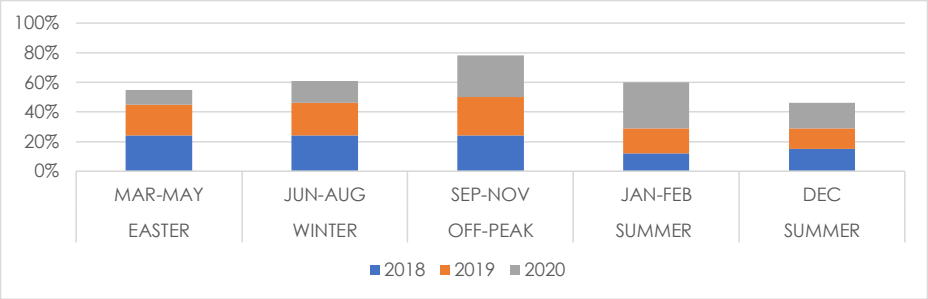
| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Leisure | 49% | 46% | 58% | 51% | 62% |
| VFR | 20% | 23% | 19% | 30% | 24% |
| Business travel | 13% | 13% | 11% | 11% | 9% |
| Conference | 9% | 11% | 4% | 3% | 2% |
| Other | 10% | 7% | 8% | 5% | 4% |

*Source: eThekwini Municipality*

The above purposes of travel affirm the need for Durban Tourism to sustain demand for holiday and leisure travel, while cultivating innovative marketing and promotion programmes to grow demand for VFR, Business and MICE.

Figure 24 indicates that tourist arrivals are highest in the summer season which includes the festive period.

*Figure 24: Seasonality Patterns 2018-2021*

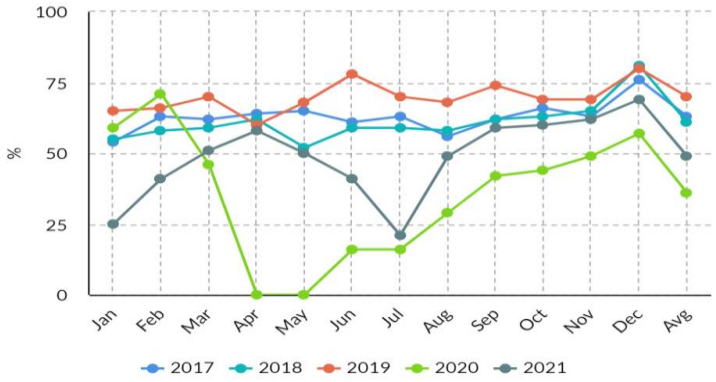



*Source: eThekwini Municipality*

### 4.1.7 Accommodation Trends

The average room occupancy in the municipality was 63% in 2017, 61% in 2018, 70% in 2019 and then declined in 2020 to 36% due to COVID-19. Occupancies recovered marginally in 2021 to 49% for the year. This performance is reflected in Figure 25.

*Figure 25: Accommodation occupancies in eThekwini Municipality*




*Source: eThekwini Municipality*

## 4.2 Stakeholder Consultations and Findings

### 4.2.1 Overview

Generally, good visitor marketing strategies are always co-constructed with key stakeholders. With this mindset, Durban Tourism is leading the process in refining the visitor marketing strategy for the eThekwini Municipality but is committed to make sure that the strategy is co-constructed with stakeholders. Almost all key stakeholders were consulted and engaged, provide inputs for the co-construction process by sharing the views, perceptions and insights across the board.

The findings of the stakeholder consultations are therefore outlined in sections 3.4.2 and 3.4.3 below:

### 4.2.2 Findings and Implications

- Strategic intent – It is well known among all stakeholders that eThekwini's vision is to become "*Africa's most caring and liveable City, where all citizens live in harmony*".

Premised on this vision and coupled with the Municipality's comparative strength and capacity for hosting major sports, social, recreational and business events, stakeholders recommended that this Visitor Marketing Strategy should be formulated in a way that leverages Durban's position as the "*South Africa's playground with global outlook*".

- Destination stewardship and power relations - Most stakeholders signalled that Public; private and community cooperation seems unsound and weak. They therefore suggested that the current approach should be refined to become more inclusive with a marketing partnership model that allows partners such as CTOs, Film Office and TKZN to be more involved. In this way, Durban Tourism, sister government entities, businesses and local communities will jointly assume stronger destination stewardships and power relations.

In line with this, stakeholders consider the consultative approach for reviewing the current Durban's Visitor Marketing Strategy as critical and mutually beneficial for all.

- **Master plan** – In relation to the review, industry partners proposed that it would have been appropriate for the Municipality to formulate a municipal tourism master plan prior to reviewing the visitor marketing strategy. The purpose for this proposal is to ensure that the reviewed strategy and implementation plan are aligned.

- **Tourism Infrastructure Development** - Stakeholders argue that the current composition and planned infrastructure improvements such as the cruise terminal for cruise ships, potential upgrade of uShaka Marine World, and the extended promenade should act as distinct appeals to attract repeaters and untravelled market segments.

Coupled with these, stakeholders proposed that developments of the beach district such as the MSC Cruise Terminal for MSC Cruises, Green Corridors Rural Accommodation Network, Giant Ferris Wheel "Durban Eye" Project at the Northern Breakwaters seaward of the Point Precinct and Molweni Zip Line, should be explored to reposition the Municipality as a world class beach and city destination once all these projects are completed. These are considered as development and diversification initiatives to accelerate domestic and international arrivals and receipts.

- **Value proposition refinement** – Stakeholders unanimously agreed that Covid-19 presents Durban with an avenue to review and refine its current value proposition. Therefore, most stakeholders concur that the strategy should highlight *warm weather, warm sea, warm people (hospitable and friendly) and the popularity of the Zulu culture and proximity to the "Big five"* wildlife as key competitive strengths.

Furthermore, most of them feel that eThekwini is a value-for money destination with a mixture of beach, adventure, distinctive Zulu culture and unique heritage experiences. These experiences together with its blue flag beaches, stakeholders argued that the municipality could easily improve its unique selling points (QTSPs) beyond iconic attractions like uShaka Marine World, the beach Promenade and Moses Mabhida Stadium.

- **Human capital and resource challenges** – It was noted by most industry partners that the entire tourism sector including Durban Tourism lacks adequate marketing capacity and skills. This is especially in comparison to possible competitors such as Cape Town and Johannesburg. It was therefore proposed that this be addressed through skills development and capacity building programmes for the sector and Durban Tourism as a means of resolving marketing deficiencies in the implementation of the visitor marketing strategy.

- **Product improvements and innovation** - Even though the broader product improvements and diversification are extremely imperative, general stakeholder observation was that there is an urgent need for active rejuvenation of the inner-city.

Primarily, these must seriously consider hygiene factors such as cleanliness of the inner city, safety and security, drivability, walkability, Universal Access (UA), greening and cycling. This should be aimed at improving inner city experiences, while curtailing negative perceptions about being in this highly competitive Covid-19 environment. This must contribute to ease of access to places such as Moses Mabhida, ALDICC and uShaka Marine World.

Finally, stakeholder community product improvements and modifications should be done to provide ease of access to both major and lesser-known attractions and experiences. A good example is to rejuvenate the Florida road to present the metro's culture of entertainment, vibrant nightlife, history, art and architecture to all tourists.

- **Product diversification** - With regards to product diversification, it was highly recommended that this becomes intentional in facilitating and attracting global brands such as the Red Bus and other international hotel brands.

- **Market access and accessibility** - Stakeholders consider access to Durban via KSIA, N3 Highway and all land borders with Mozambique, Lesotho and Swaziland as a major advantage to grow both domestic and international arrivals, receipts and increase the length of stay in the Municipality. These, however, need much stronger co-operation between Durban Tourism, industry supply chain, airlines and ACSA. In this way, metro stakeholders will collectively increase airlift.

- **Heritage Tourism** - The tourism industry actors in eThekwini consider heritage tourism as unique niche tourism opportunities and these should be in the spotlight. Therefore, they recommend that products such as the Shembe Village, Marianhill Monastery, Gandhi Settlement, Juma Masjid Mosque, Green Corridors plus those listed below must be used to demonstrate the municipality's heritage tourism positioning:

  - Mpumalanga Heritage Centre Phase 2 - Memorial Wall, peace garden and parking areas.
  - Ohlange/Dube Museum Site (National Dept. Arts & Culture) - Construction of Amphitheatre.
  - Upgrade of George Champion's Homestead; Pixley KaSeme Homestead; Anton Lembede Museum and Griffiths Mxenge Site for Heritage Tourism.

- **Business Events** – Stakeholders engaged agree that the Metro has world-class MICE infrastructure such as Durban ICC, Moses Mabhida Stadium and more with demonstrated experience in hosting mega events. Therefore, Durban Tourism should exploit the sister city platform and other municipal partnership initiatives to get more people to Durban.

Furthermore, stakeholder consultations revealed that the Metro could exploit its global recognition for hosting mega events such as the Comrades Marathon and Durban July to amply its competitive positioning and presence on the global stage.

- **Rural and Township Tourism** - Another key observation is the establishment of Durban Tourism Accommodation Network that aims to promote pop-up accommodation camps being piloted. It is widely believed that this is a game changing concept to enhance product diversification, affordability and value-for-money offerings for the lower LSMs, youth travel, staycation and local tourists.

This is further considered as an innovative approach of introducing an alternative accommodation concept that promotes rural and community-based tourism across eThekwini. As part of the programme, training and marketing support are being offered to host communities to ensure sustainability and growth.

- **Technological innovation and digitalisation** – It is recommended that Durban Tourism forges technology and digital branding partnerships with the likes of Expedia,

Travelzoo, Google Destinations, Amadeus and others to provide seamless online and convenient end-to-end travel experiences to visitors through enhanced technologies.

- **New-market development** – Stakeholders feel that the current marketing development approach is not fully aligned with the concept of a whole-provincial approach to tourism marketing. It has therefore been suggested that Durban Tourism becomes intentional about undertaking joint marketing initiatives and programmes with strategic Durban and KwaZulu-Natal agencies such as TKZN, KZN Film Commission and the Durban Film Office as well as arts, culture, sport and recreation entities.

- **Improving Domestic & Regional marketing**- To capitalise on the initial recovery, both private and public sectors see the need to direct their early marketing and promotional efforts to incentivise and inspire domestic and regional travellers to visit Durban. It has therefore been suggested that Durban considers establishing hub offices in Johannesburg and Cape Town, considering these are lead source markets.

- **Review of pricing models** - Given that domestic and African markets are the lead markets, for South Africa, KwaZulu-Natal and eThekwini, stakeholders highly recommend that a differential pricing model be explored for these markets.

- **Marketing and Brand Communication** – Stakeholders have noted that recent marketing activities including National roadshows with trade and other Government entities. Nonetheless, it is imperative that Durban Tourism co-create an events calendar that encapsulates programmes, events and activities of all partners and sister entities for improved co-operative marketing.

The goal is to ensure that the partners work in harmony and adopt a whole-municipality method. This will help build economies of scale for brand marketing, media buying, campaigns and innovation. However, the overall approach must be monitored, evaluated and improved on a continuous basis.

The engagement with stakeholders revealed the necessity to re-assess and refine Durban Tourism's influencer marketing and ambassador programme to make it more meaningful and appealing to core market segments.

- **Addressing perceptions** – Stakeholders highlighted that it is common knowledge that issues of safety and security have created negative perceptions about South Africa as whole. However, eThekwini has not been perceived as such except the negative perception created by the July 2021 unrest. Given this situation, it is imperative for Durban Tourism to reframe its messaging around personal safety to alleviate any concerns that discerning visitors to the metro may have around this critical issue.

- **CTO Funding** - It was also noted that CTOs do not have adequate funding. This challenge stifles their active contribution and participation in the co-creation of innovative marketing programmes with Durban Tourism and developmental initiatives. It was therefore recommended that Durban Tourism review and improves the funding for CTOs in order to make them active participants.

In conclusion, the outcomes outlined above will be employed to provide stakeholders' inputs into the refined VMS for the eThekwini Municipality.

## 4.3 Macro-Environment (PESTHEL) and SWOT Analysis

### 4.3.1 PESTHEL

Macro-environment trends analysed below are informed by external factors over which Durban Tourism has no control yet might affect its performance and effective implementation of the refined VMS for 2022 to 2026 as well as stakeholders' contribution. In the case of Durban Tourism, these trends are highlighted in Table 12:

*Table 12: Macro Environment Trends – Opportunities and Issues*

| Environmental Factor | Implications, Opportunities and Issues |
|---|---|
| Political | • eThekwini's political and policy leadership have demonstrated tourism as a priority sector by making material investments in tourism and also positioning tourism as a key pillar in the IDP DDM and formulating the provincial tourism masterplan. |
| Economic | • Covid-19 has impacted on livelihoods and income levels of travellers globally. It is therefore necessary for the Municipality to be moderate about its marketing performance between 2022 and 2024 owing to the drastically low global and national growth projections. |
| Social and cultural | • The warmth and hospitality of eThekwini's citizenry embedded in cultural diversity act as a welcoming spirit. Obviously, this strength serves as a distinct trait that eThekwini should use as a pull factor for tourists to visit Durban. |
| Technological innovations | • As revealed in the stakeholder consultation findings, technological innovation and digitalisation must be central to the implementation of eThekwini's VMS. Therefore, Durban Tourism has to allocate qualified personnel and adequate financial resources to re-create its website and digital brand assets to improve technological and social media marketing. |
| Health & safety | • The impact of Covid-19 on tourism now makes health and safety important pillars in the external environmental analysis of global tourism. It is therefore advisable that the |

| Environmental Factor | Implications, Opportunities and Issues |
|---|---|
| | Municipality continue to work towards achieving herd immunity so as to make visitors feel safe and comfortable when visiting. |
| Legal: Regulatory environment | • Durban Tourism is mandated by the municipality to position and market the Metro as a tourist destination. This gives confidence and provides a sense of political will and leadership in marketing the Metro as a tourist destination with confidence. |
| Environmental: Physical and natural | • From the Metro perspective, there are opportunities to bring sustainability to life in the municipality by adapting the principles of the UN SDGs to catalyse sustainable tourism development. In this way, the Metro could attract high-end, yet low-impact tourists. |

### 4.3.2 SWOT Analysis

This section aims to evaluate and assess the overall strategic position of the eThekwini Municipality from a tourism perspective based on its Strengths, Weaknesses, Opportunities and Threats (SWOT) as a city tourism destination outlined in Table 13:

*Table 13: SWOT Analysis*

| Strengths | Weaknesses |
|---|---|
| • Value for money and adequate accommodation capacity for domestic, regional, continental and non-African tourists<br>• Ease of accessibility and mobility<br>• Major tourist infrastructure – DICC, Moses Mabhida Stadium, uShaka Marine World, the Golden Mile, etc.<br>• Warm weather, warm sea, hospitable people<br>• Availability of facilities and infrastructure to host mega sports, entertainment and business events - Durban International Film Festival, Durban July, Major Business Events etc.<br>• Distinct culture and diversity and cosmopolitan city structure<br>• Proximity to "Big Five" and key World heritage sites (two in the province). | • Conflicting use of destination brand names of "City of Durban" versus "eThekwini Municipality".<br>• Constrained power relations and "silo" phenomenon in implementing VMS across inter-governmental entities and the private sector<br>• Insufficient institutional capacity and destination capacity for implementing VMS - all marketing positions are currently vacant<br>• Overly modest in unlocking the brand equity and value of the "Zulu Culture" as a distinctive cultural asset and brand equity<br>• Deteriorating tourist infrastructure due to inadequate maintenance<br>• Limited awareness of diverse offerings |

| | |
|---|---|
| • High destination brand awareness at domestic, regional and continental levels<br>• Positive national perception as South Africa's playground | • Inadequate domestic, national and international trade relations<br>• Limited stakeholder capacity for product diversification and tourism product offering and appeal<br>• Insufficient digital, social media marketing presence and travel technology<br>• Limited amplification of value proposition and unique selling points<br>• Lack of vibrant lifestyle for youth |
| **Opportunity** | **Threats** |
| • Global awareness of the Zulu Kingdom<br>• Waterfront infrastructure development<br>• The presence of Durban Film Office, and KZN Film Commission<br>• Home of Africa's largest and leading travel fair – Africa Travel Indaba<br>• Dube Trade Port Special Economic Zone set up to promote local and international trade<br>• Sound municipal policy and regulatory framework and programmes.<br>• The presence of the 3rd biggest international airport<br>• One of the leading MICE destinations in Africa with the potential for bleisure tourists.<br>• Adventure, rural and township tourism potential<br>• Cruise tourism opportunity owing to marine and waterfront development<br>• Proximity to the wildlife, cultural and heritage sites<br>• Upgrading uShaka Marine World to a world class "stay put resort" in South Africa after Sun City. | • Insufficient leverage of global agreements signed. e.g., sister city agreements<br>• Growing city tourism competition from across Africa<br>• Safety and Security - Negative perception in the areas of South Africa in Xenophobia, July 2021 uprising and perceptions about South African crime situation<br>• Lack of integrated public transport networks for larger conferences<br>• South African visa challenges<br>• Limited international routes and airlifts<br>• Global media coverage of the destination as a tourist destination<br>• South African Visa issuance constraints<br>• Lack of proximity to iconic "Stay-put" resorts such as Sun City or Cape Town Waterfront or Kruger National Park |

## 4.4 Summary of Findings

After almost two years of uncertainty, it is arduously unclear to predict what the future of travel looks like. In line with this, the current policy framework, findings of the stakeholder consultations as well as the environmental situation analysis discussed above, it is suggested that Durban Tourism and its partners foster stronger co-operative marketing initiatives.

Situation analysis further indicates that the municipality has the necessary capacity and ability to increase its level of competitiveness, increase arrivals and revenue, and consequently, increase its contribution to GDP and job creation.

This strategy document is therefore a strategic instrument for all industry actors to achieve the goal of co-constructing and building a more sustainable tourism visitor economy and tourism ecosystem. If effectively implemented together, the partners will jointly make eThekwini's visitor economy and tourism ecosystem a force to be reckoned with in the future.

The strategy and action plans are a call for Thought Leadership and stakeholder collaboration.

# Chapter 5 Benchmarking, Comparative and Competitive Analysis

## 5.1 Background

### 5.1.1. The Context of City Tourism

Cities around the world are vibrant epicentres of diverse culture, commerce and the world's greatest tourism destinations. As a result, cities are attracting a growing number of visitors every year. This trend makes cities like Durban not only a global economic hub that drives growth and innovation, but also an exciting tourist destination. This is not new, yet it continues to gain popularity in recent years because of experiential travel, social acceleration and technological innovation. ForwardKeys' reports suggests that the top travel trends of 2021 highlights city destinations are popular throughout the year. These are not affected by the issue of seasonality, and Dubai remains top of the list. Other notable risers are Miami, Madrid, Cancun, Cairo, Lisbon, Athens, Mexico City and Frankfurt.[11]

In light of this, global benchmarks and competitors have been identified to assess best practice and competitive trends that could be used to inform and guide the formulation and implementation of the Durban VMS. These trends are presented in Section 5.2.

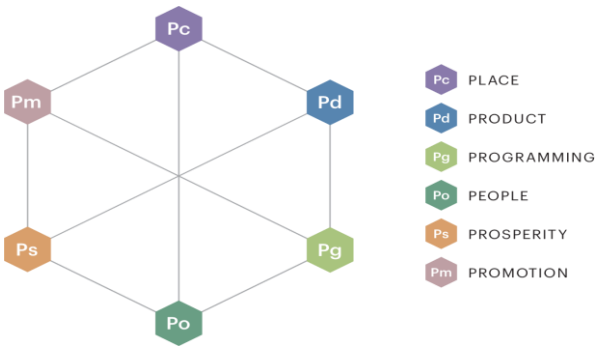
## 5.2 Global Best Practice, Comparative and Competitive Analysis

### 5.2.1 The Benchmarking Criteria and Framework

The World Best Cities report ranks city tourism destinations on an annual basis using an interrelated statistical performance and qualitative evaluations by locals and visitors categorised on six core pillars as provided in Figure 26.

[11] https://www.bestcities.org/rankings/worlds-best-cities/

*Figure 26: The framework for competitive analysis*




*Source: https://www.bestcities.org/rankings/worlds-best-cities/*

Each hexagon in the radar chart represents a category of a city's competitive identity and is explained below in Table 14:

*Table 14: Cities Competitive Identities*

| Pillars | Remarks |
|---|---|
| *Place* | The perceived quality of a city's natural and built environment, including the sub-categories of Weather, Safety, Neighbourhoods & Landmarks, and Outdoor Experiences. |
| Product | A city's key institutions, attractions and infrastructure, including the sub-categories of Airport Connectivity, Attractions, Museums, University Ranking, Convention Centre and Pro Sports teams. |
| Programming | The arts, culture, entertainment and culinary scene in a city, including the sub-categories of shopping, culture, restaurants, and nightlife. |
| People | The immigration rate and diversity of a city, including the sub-categories of foreign born and educational attainment |
| Prosperity | A city's employment and corporate head offices, including the sub-categories of Fortune 500 companies and household income as well as employment rate and income equality. |
| Promotion | The quantity of stories, references and recommendations shared online about a city, including the sub-categories of Google Search Results, Google Trends, Facebook Check-ins, Instagram Hashtags, and TripAdvisor Reviews. |

A city's competitive identity is informed by the above pillars and for the purposes of this strategy, the following cities have been selected: London (ranked #1), Paris (ranked #2), Barcelona (ranked #9), Sydney (ranked #19) and Miami (ranked #34) as global best practice destinations which Durban could emulate. Given that this is a visitor marketing strategy this benchmarking analysis will be focused on the promotion pillars for each of the selected cities.

The benchmark analysis aims to highlight lessons that Durban Tourism could apply from these good practice case studies to inform the refinement of its current visitor marketing strategy. It is critical to note that selected cities for this analysis are in the top 100 best cities as ranked in the World Best Cities Report 2021. Each city has been analysed in terms of its city and tourism profile, VMS and marketing campaigns.

### 5.2.2 London, United Kingdom

**City Tourism Profile** - London has over 11,1 million people and was ranked #1 for its culture, restaurants, shopping and nightlife. The number of foreign visitors to London averaged close to 20 million between 2017 and 2019. There was a significant increase of 12% in foreign arrivals to London between 2017 and 2019. However, like most cities globally, London experienced a significant decline in foreign tourist arrivals in 2020. In 2019 London attracted over 12 million domestic visitors which was 2% higher than 2018. London's key foreign markets include USA, France, Spain, Germany, Italy and Ireland.

**Visitor marketing approach** - The City of London's tourism recovery plan aims to achieve 30% growth in tourism by 2025, which would bring the city's total visitors to 40 million tourists. The plan was developed through an extensive consultative process with over 100 stakeholders. The elements of the plan are as follows:

- Pre-visit promotion: convincing more people to choose London by attracting more first-time visitors; drawing more visitors during off-peak seasons and directing them to locations where London has capacity; and showcasing London's cultural offering.
- Visitor experience and information: providing visitors with information to help them do more and see more in London;
- Improving information: This is to help visitors find rewarding food experiences and encouraging visitors to explore areas beyond central London and connect with Londoners.
- Infrastructure and amenities: ensuring that London is able to sustain and accommodate the growing number of visitors; and investing in culture, amenities and digital infrastructure.
- Infrastructure development – These have been designed to welcome holiday makers, business visits and events. They aim to also strengthen London's meetings and events proposition.

**Marketing Campaigns -** To revive the tourism industry, the Mayor of London launched a £6 million domestic tourism campaign themed ***'Let's Do London'***. This was aimed at attracting visitors back to London to aid the recovery of the hospitality, culture and retail sectors that had suffered due to the Covid-19 pandemic. The campaign was the city's biggest ever promotional push, bringing together the hospitality, culture, nightlife and retail venues to highlight all London has to offer.

The campaign involved a programme of seasonal events and cultural activities designed to suit a range of age groups during all four seasons. The purpose of these events was to provide inspirational reasons for Londoners, day-trippers and overnight visitors to return to the capital.

### 5.2.3 Paris, France

**City Profile** - Paris is home to just over 11 million residents and was ranked #2 in the World Best Cities report due to its commitment to sustainable green initiatives. Paris attracted an average of 50 million visitors per annum between 2017 and 2019. This includes domestic and foreign visitors to the city. The tourism industry contributes €40 million annually to the City's economy. Key foreign markets attracted to Paris include USA, UK, Spain, Italy and Germany. Tourist numbers between June and Aug 2021 increased by 47% compared to the same period in 2020.

Paris is known for its museums and monuments which attracted over 72% of total visitors in 2020. Other top attractions include: The Eiffel Tower, Notre-Dame, Louvre Museum, Arc De Triomphe and Sacre-Couer de Montmartre. The City of Paris' commitment to green initiatives is based on allocating more spaces to pedestrians and sustainable mobility; significant greening of streets and rooftops; and the commitment of hotels and chefs to a sustainable food supply.

Digital check-in/check-out, contactless payment, QR codes and digital keys, have become widespread in a number of hotels to limit points of contact and reduce the risks of contamination. Museums, festivals, and cultural events have continued to propose their offerings in a different way developing online products and services, virtual tours of exhibitions and hybridization of events. In 2019 ICCA rated Paris as the #1 world destination for conferences and meetings. Each year, business tourism accounts for 50% of tourism activity in Paris with 434 trade shows, 1,192 congresses and 100,000 corporate events.

**Marketing Campaigns** - To support the sectors and relaunch B2B activity, the Paris Convention and Visitors Bureau, together with its partners used digital communication to reach its domestic and European target groups. The campaign's message was to show that it is possible to organise or take part in an event whilst following all Covid-19 protocols. The campaign had four major segments: Trade shows / congresses, Micro-MICE, Travel groups and Events.

In terms of media, LinkedIn was chosen as the main media outlet to easily reach these diverse audiences. The campaign was also distributed on Facebook, Instagram, on display, and in the press. The campaign visuals illustrated sanitary measures that change regularly to provoke positive emotions. They reproduced iconic aspects of Paris (famous monuments, gourmet delights, etc.) to convey slightly offbeat messages.

Another campaign launched to target leisure tourists was themed, 'Parisyours' with complimentary campaigns such as "parisnature", "parisiconic" and "paristerrace", etc. These were meant to tempt Europeans to enjoy visiting the French capital, around several themes.

Furthermore, a local marketing campaign was also rolled out to encourage residents of the Greater Paris area to travel 'at home'; and to enable them to discover singular addresses, unexpected itineraries (by bike or on foot) and unusual activities (canoeing, stand up paddle on the Seine, etc.).

### 5.2.4 Barcelona, Spain

**City Tourism Profile** - With a population of around 4,7 million people, Barcelona is a city with near-perfect year-round weather, miles and miles of beaches, iconic parks, striking architecture and colourful neighbourhoods. According to the Barcelona Annual Tourism Activity Reports, the city attracted an average of 9 million visitors between 2017 and 2019. Barcelona's key foreign markets include France, USA, UK and Italy. Tourism accounts for about 13% of the city's GDP.

Prior to the Covid-19 Pandemic, over-tourism was Barcelona's major challenge. The high number of visitors to the city has led to an increase in demand for accommodation and overcrowding at various tourist attractions. Over-tourism has affected residents' quality of life and their ability to live in the area. This resulted in numerous protest marches and campaigns against tourists visiting the city.

Whilst the pandemic to some extent addressed the problem of over-tourism, there were major losses for the city's tourism economy. An estimated 40% of hotels remain closed and the industry suffered losses of €2.7 billion ($3.1 billion) since the start of the pandemic. Barcelona has seen more than 4.3 million infections and more than 81,300 deaths as of August 1, 2021.

In its attempt to support the recovery of the City's tourism industry and address the challenges of over-tourism, the Barcelona City Council launched its Strategic Plan for Tourism 2020. Key elements of the Plan include:

- The plan bans homeowners from renting out individual rooms to tourists on platforms like Airbnb, which would make the city's already tight controls on tourist accommodation some of the strictest in the world;
- In a bid to revive central areas, the city announced a $21 million plan to buy empty commercial spaces and fill them with businesses catering to locals;
- A new app and crowd-monitoring system aims to divert tourists to avoid congested parts of the city;
- The tourism board launched an ad campaign, ***"Barcelona like never before,"*** touting cleaner, calmer streets;
- The campaign targets "high-quality" tourists who participate in the local lifestyle, and also encourage locals to visit areas and attractions normally overrun by tourists.

**Marketing Campaign –** The city launched ***"Barcelona like never before"*** tourism campaign, which is based on a video by the poet and video artist Dani Orviz, who claims Barcelona as one of the best urban destinations in the world. The campaign targets Spanish and European visitors to rediscover the city after confinement. The campaign further highlights the quality of life in Barcelona, with aspects such as creativity, innovation, gastronomy, cultural tourism and sustainability.

The purpose of this campaign is to reach a quality and sustainable audience, who travels both for business and leisure using the social media accounts of the city and Visit Barcelona and on other digital channels (Google, YouTube, Tik Tok, Online TV) or holiday search engines and portals. It will also be flighted on Netflix, HBO or Movistar and digital outdoor advertising platforms.

### 5.2.5 Sydney, Australia

**City Tourism Profile** - Ranked #19 in the World's Best Cities Report, Sydney has a population of 4,6 million people and is known for its golden beaches, big-city harbour, big outdoor spaces and warm climate. According to Tourism Research Australia, Sydney attracted an average of 4 million international and 11 million domestic visitors between 2017 and 2019 contributing over $6 billion to the city's tourism economy. In 2019 there was a significant increase of 16% in total visitors driven mainly by the domestic market. Australia's tourism economy lost roughly $72 billion in revenue since the start of the pandemic.

Since the reopening of its borders to fully vaccinated travellers, flight bookings were up 200%. It is also crucial to note that Sydney's domestic market dominates its tourism economy with over 5,7 million visitors recorded between Jan to Sep 2021.

**Marketing Campaign** - The New South Wales (NSW) government which Sydney is part of launched a new marketing campaign. This was meant to aid the recovery of the tourism industry. Themed ***"Feel New"***, the $10 million campaign is the largest tourism marketing venture the state has entered in the last decade and will be seen on TV, print, outdoor billboards and social media.

The advertisements put less attention on the iconic Sydney landmarks such as the Harbour Bridge and Opera House but showcases and highlights more natural experiences like the Blue Mountains, the Snowy Mountains, the outback, Darling Harbour, Mahon Ocean Pool, Mungo National Park and Sydney's northern beaches. This is informed by research with visitors seeking more open spaces and tranquil environments to get away from the hustle and bustle of city life.

The campaign is part of a recently announced $500 million tourism package that also includes $50 "Stay and Rediscover" accommodation vouchers aimed at encouraging Australians to explore their own country.

### 5.2.6 Miami, USA

**City Tourism Profile** - There are over 6 million people living in Miami. The city has a global reputation for embracing diversity and inclusion as a key selling point for investment in the region. Between 2017 and 2019, Miami attracted an average of 15 million visitors which included foreign (38%) and domestic (62%) visitors. Miami experienced an increase of 3% in total visitors between 2017 and 2019. The city's key international markets include Mexico, Brazil, Colombia and Canada. In 2019 it was estimated that the tourism industry contributed $18 billion to the city's economy.

According to a study conducted by the Florida International University's FIU Chaplin School of Hospitality & Tourism Management, the Covid-19 pandemic is responsible for $1.3 billion in direct revenue loss to hotels and $742 million in direct revenue loss to restaurants located in Miami.

According to figures released in June 2021 by the GMCVB, the City's recovery was much faster than initially anticipated. Some of these statistics include:

- Occupancy rates relative to 2019 hit their high in 2021 when 117% of the number of rooms booked in 2019 were occupied;
- Air travel, while not quite reaching 2019 levels, has hit or exceeded 90% of these numbers;
- Bookings at a sampling of Miami restaurants topped 2019 numbers by 50% and
- Visitors to attractions and museums tallied almost 80% of visitors who came in 2019.

Industry experts believe that Miami's success has been primarily driven by the domestic leisure market. However, for the city to fully recover, Miami needs the return of international visitors, an increase of meetings and conventions business and the full resumption of cruise liners. Initiatives planned to boost the city's tourism industry include:

- The Miami Convention Center, which recently underwent a $650 million renovation and will include an adjoining hotel expected to open in 2022;
- An additional 15,000 hotel rooms to add to the city's current 60,000 rooms and new hotel brands coming into the market and
- The hosting of numerous arts and cultural events in 2022 such as the Art Basel Festival.

**Marketing Campaigns** - The GMCVB launched a marketing campaign dubbed "***Miami Shines"*** to support the recovery of the tourism industry. The campaign has helped to rebuild consumer and meeting planner confidence by highlighting the people, places and neighbourhoods that make Miami shine.

The recovery phase of the campaign was launched in June 2020 and was aimed at keeping Miami top of mind and educated its target markets to travel responsibly. Inspirational brand messaging was combined with special offer deals messaging and targeted those in key international and national markets.

The campaign was re-launched in January 2021 and was entitled ***MiamiLand***, showcasing Greater Miami's great outdoors and highlights the area's beaches, parks and open spaces. The campaign included video, print, national TV broadcast, paid social and billboard placements and other high-impact units to engage with audiences.

Other consumer recovery advertising efforts throughout the year included supporting many programs such as: Winter weather retargeting; Art/culture programs; Art of Black Miami; LGBTQ+ media programs; Remote/work and learn programs; Co-op programs with trusted partners such as Travelzoo and Expedia; and the "Welcome Back to Cruising" campaign.

The Meetings & Conventions advertising recovery program focused on print, digital display, targeted e-blasts with trusted publishers, and digital advertorials highlighting the Zero Attrition and Zero Cancellation Fees promotion. Messaging about this promotion, flexible indoor and outdoor meeting spaces, safety protocols and the Destination Pledge have helped highlight why Miami is the ideal destination to host a meeting.

### 5.2.7 Key Learnings and Conclusion

The five global cities analysed provide a benchmark of best practice in city destination marketing strategies and campaigns that can inform Durban Tourism's marketing strategy. The key learnings comprise:

- Common trends – The common Visitor Marketing trends identified across the five cities benchmarked shows that all of them have adopted diverse, yet similar approaches to recovery as reflected in the Table 15 below:

*Table 15: Visitor Trends Across Global Case Study Cities*

| Key Focus Areas | LONDON | PARIS | BARCELONA | SYDNEY | MIAMI |
|---|---|---|---|---|---|
| Focus on domestic market | X | X | X | X | X |
| Focus on MICE | X | X | | X | X |
| Recovery marketing campaigns | X | X | X | X | X |
| Mandatory vaccines | X | X | N/A | X | N/A |
| Digital innovations | X | X | X | X | X |
| Focus on open spaces | N/A | N/A | X | X | X |
| Traditional Media | X | X | X | X | X |

- **Local and domestic first** - The above trends point out that Durban Tourism should prioritise local and domestic tourism in the short-term while focusing on promoting MICE.

- **Experience of Open Spaces** - All campaigns should attempt to use "Open spaces" to produce inspirational recovery campaigns with "call-to-action" in the short to

medium-term. These would have to be actioned using a blend of digital innovation and traditional print, radio, TV and where possible digital and print outdoor campaigns.

- **Storytelling** - All campaigns must also be informed by "story telling" and offer value-for-money packages with some level of differential pricing.

- **Emphasis on product portfolio and key selling points** – As outlined in Table 16 below, even though Durban's population is lower than all of the cities analysed, Durban has very similar selling points as these cities. These include its hospitable people, beaches, waterfront, good weather, open spaces, the promenade and Zulu culture and heritage. These can be favourably compared with destinations like Barcelona, Sydney and Miami. Durban's infrastructure and MICE facilities can also be compared favourably to these cities as outlined Table 16.

*Table 16: Summary of comparative population sizes and key selling points*

| CITIES | POPULATION | KEY SELLING POINTS |
|---|---|---|
| London | 11,100,000 | Culture, restaurants, shopping, nightlife |
| Paris | 11,000,000 | Museums, restaurants, monuments, MICE |
| Barcelona | 4,700,000 | Weather, beaches, culture, architecture, parks, MICE |
| Sydney | 4,600,000 | Beaches, weather, harbour, open spaces, MICE |
| Miami | 6,000,000 | Beaches, parks, open spaces, culture, MICE |
| Durban | 3,100,000 | Beaches, weather, culture, people, harbour, nature reserves and dams, MICE |

It is, however, important to note that whilst Durban has similar selling points, it attracts a lower number of visitors than these global good practice cities. This underscores the necessity for Durban Tourism to refine its current VMS by adapting the relevant lessons from these good practice cities as analysed.

It should be noted that Durban achieves lower visitation as it is a long-haul destination. The European cities also have the benefit of being located in a region with high population numbers and wealth. Miami also has access to a very large domestic population.

**Recovery campaigns** - All cities analysed were affected negatively by the Covid-19 pandemic, however, recovery has been faster because of substantial investment in integrated marketing communications by the cities.

**Marketing Campaigns** – Almost all of the marketing campaigns aimed to support the recovery of the tourism industry by exploiting a mix of digital and traditional channels. With this slant, most of the cities profiled have rebuilt consumer and trade confidence and fought for top-of-mind awareness and educated its target markets to travel responsibly.

**Messaging** – Most the campaigns delivered inspirational brand messaging combined with promotional offers targeted at key domestic markets and regional markets. These campaigns highlight great outdoors, beaches, parks and open spaces using video, print, national TV broadcast, paid social and billboard placements and other high-impact units to engage with audiences.

**MICE destination positioning** - London, Miami, Paris and Sydney focused on MICE campaigns. Such initiatives have helped in re-opening their respective MICE sectors and venues successfully. This is a great learning opportunity for Durban Tourism.

**Sustainability** - Global good practice cases discussed have shown that travellers are seeking open spaces and tranquil environments when visiting destinations. This is another opportunity for Durban Tourism to consider in its key messaging when promoting its beaches, open spaces, wildlife and cultural tourism attractions in townships and rural areas of the city.

## 5. 3 Comparative and Competitive Analysis

### 5.3.1 Background

Destination competitiveness is fundamental to contemporary destination marketing. Critical to this is the range of activities delivered by a DMO to achieve differentiation, positioning and competitiveness. Premised on this trend, Cape Town, Accra, Mombasa, Alexandria and Marrakech were identified as key African coastal cities whose visitor and tourism marketing strategies and implementation plans to assess in relation to eThekwini on comparative and competitive grounds. These cities were chosen primarily because they operate in the same markets as Durban.

The World' Best Awards survey (travelandleisure.com) voted Cape Town and Marrakesh as the best African cities in 2021. Trip.com (leading online travel agency) on the other hand identified Accra, Mombasa and Alexandria as part of its top African travel destinations to visit in 2022. Durban, Cape Town and Marrakesh were also on its list of top African cities. Cape Town was voted Africa's leading City destination in 2021 at the World Travel Awards with Marrakesh and Durban being nominees for this category. Therefore, based on these accolades, these cities were selected as the case studies to be analysed. Like Durban, these cities create awareness about their leisure and business events offerings.

Qualitative research shows that Durban's brand positivity level is much higher than all the cities except Cape Town. This is according to external industry reference group consultations in all its key markets regarding brand health. More significantly, this comparative analysis considers each city's tourism profiles and strengths in terms of visitor marketing strategies. This information will provide an understanding of the lessons that Durban can learn from.

### 5.3.2 Cape Town, South Africa

**City and Tourism Profile** - Cape Town is known globally for its beautiful natural surrounds, rich history, diverse culture, and incredible cuisine and wine. Cape Town Tourism promotes these experiences through its "*Big Six Attractions*" which include: the Cape Point, Groot Constantia, Kirstenbosch, Robben Island Museum, Table Mountain Aerial Cableway and the V&A Waterfront. With a population of 4,6 million recorded in 2020, the city is also South Africa's legislative capital.

**Tourist Arrivals** - The City of Cape Town attracted an average of 5 million visitors between 2018 and 2019. More than 76% of Cape Town's visitor market consists of the domestic market. Key foreign markets to the city include Germany, UK and the USA.

Whilst Cape Town lost almost 50% of its market share in 2020 due to the Covid-19 pandemic, between Oct-Nov 2021, over 850,000 visitors travelled to Cape Town, representing a 56% recovery from 2019. The recovery was driven largely by the domestic market which made up 82% of air arrivals to the city.

**Target audience** - The key target audience profiles for Cape Town includes the following segments: Indulgers (luxury travellers), Explorers, Specialists and MICE – meetings, incentive, conference and exhibition visitors.

**Marketing Strategy** - The City of Cape Town formulated a Tourism Development Framework 2024 which outlines the City's plan to grow its tourism industry. A key priority of the plan is to promote Cape Town as a tourism destination. To inform its market position as a tourism destination, a survey was conducted to determine its selling Proposition. 70% of respondents surveyed voted for "*The world's most beautiful City*" as the preferred selling proposition. Key elements of this proposition include scenery and climate; vineyards and wine; cuisine; art and creativity; nature and outdoors; meeting spaces and settings; beaches and marine life; city spaces and vibe; people and cultural experiences and historical sites and spaces.

The plan identifies the following approach to achieve its objective of promoting the above selling proposition:

- Combining the city experience with complementary experiences offered in the surrounding regions including agritourism, wine tourism, adventure and adrenaline activities, marine tourism, sport (mountain biking, hiking, golf, etc.), cultural experiences, safari and ecotourism, beaches, etc.
- Promoting a minimum 14-day stay, with Cape Town as entry point and base.
- Stretching the season by promoting "winter" products offered in the surrounding regions including whale watching, wildflowers, safari, adventure activities, regional festivals, etc.
- Collaborating closely and conducting joint marketing with neighbouring tourism authorities.
- Ensuring quality of visitor experiences across the board in the City and Western Cape regions.

- Working with regional partners to inculcate a common commitment to sustainability, quality of products and experiences, authenticity, and community engagement.

The key programmes and initiatives that will be launched as part of its marketing strategy include:

- Executing a "*14 Days of Splendour*" all-year-round promotion campaign - consistent, all-year round domestic and international marketing campaign will be launched with the objective of retaining visitors in Cape Town for as long as possible and increasing visitor share during the traditional slower season periods.
- Launching a *niche market* promotion drive - Setting up attractive content that will appeal to the various niches on the Cape Town Tourism website and social media pages, engaging in an online push-marketing campaign and hosting specialized journalists and bloggers with a following in the various niche markets in Cape Town and tracking the impact of their publications.

### 5.3.3 Accra, Ghana

**City and Tourism Profile** - Accra is the capital city of Ghana with a population of close to 4 million people. The city offers a variety of historical and cultural attractions, flamboyant African people, rich and extraordinary traditions, as well as beautiful beaches. According to Trip Advisor, the top tourism attractions in Accra include: Aburi Botanical Gardens, Kwame Nkrumah Memorial Park, Bojo Beach, Labadi Pleasure Beach, Black Star Gate, Osu Castle, Slave Tour Route, Makola Market, Jamestown, amongst others.

**State of Tourism** - The statistics obtained from GTA which provides visitor information for Ghana, has been extrapolated for Accra based on the assumption that 80% of visitors to Ghana visit Accra. Based on these calculations, about 900,000 foreigners visited Accra annually between 2018 and 2019. Growth of 15,3% was experienced over this period.

**Key Source Markets** - Ghana's key foreign markets include USA, Nigeria, China, Germany and South Africa. Domestic tourism is geared towards VFR, Business Travel, Business and Social Events and Funeral Tourism.

**Marketing Strategy** - The strategy focuses on using online platforms and partnerships to grow both domestic and international arrivals and export revenue. It also serves as a guide for industry recovery. The plan provides a detailed analysis of Ghana's key markets and segments that should be targeted over the next 15 years.

Ghana's approach is to target the various markets and segments for:

- An extended city/holiday destination for the residents and expatriates in neighbouring countries and for domestic markets;
- A cultural destination for the US, European and domestic markets;
- A soft adventure destination for both international and domestic markets;
- A special interest destination, for example, for bird watching.

**Marketing Campaigns** - Ghana aims to raise awareness about Accra by implementing the following coordinated activities:

- Launch a Public Relations (PR) campaign using press releases, information briefings, hosting travel and general feature journalists and TV film crews, celebrity endorsements (e.g., footballers) and publicity events;
- Conduct advertising and promotion for the travel trade including familiarisation tours, trade shows/fairs, tour operator/travel agent presentations, tour operator support, and trade advertising
- Implement consumer focused marketing and communication campaigns through production of collateral (print/digital), promotional videos and social media campaigns.

### 5.3.4 Mombasa, Kenya

**City and tourism profile** - Mombasa is the 2nd largest city in Kenya with a population of 1,2 million people. It is regarded as Kenya's most popular tourist destination due to its beach resorts and cultural historical sites. The city is located along Kenya's eastern coastline and has one of the largest ports in East Africa. Some of its major tourist attractions include Fort Jesus – a UNESCO World Heritage Site, Haller Park, Mombasa Marine National Park, Mamba Village Centre, amongst others.

Information about the number of tourists visiting Mombasa is not available, however, the Kenya Tourism Research Institute conducts research about the performance of the country's tourism industry. The statistics obtained from the institute which provides visitor information for Kenya, has been extrapolated for Mombasa based on the assumption that 20% of visitors to Kenya visit Mombasa.

Based on these calculations, an average of 0.5 million foreigners visited Mombasa annually between 2018 and 2019. Growth of 1,1% was experienced over this period. Kenya's key foreign markets include USA, Uganda, Tanzania and the UK.

**Marketing strategy** - In its quest to support the recovery of the tourism industry, the Kenya Ministry of Tourism and Wildlife in partnership with industry stakeholders formulated a tourism recovery strategy (Covid-19 and Travel & Tourism in Kenya Policy Brief 2020). In assessing the negative impact that the pandemic had on Kenya's tourism industry, the policy identified short-term, medium-term, and long-term strategies to support the industry's recovery.

The strategy has a strong focus on Kenya's domestic market with the following areas of focus:

- Re-build and promote Kenya as a Covid-19 Tourism Resilient destination
- Engage in digital marketing focused on maintaining online visibility and virtual marketing

- Launch aggressive marketing campaigns targeting domestic, regional and foreign tourists
- Intensify research activities to understand changing market dynamics

**Marketing campaigns** - One of Kenya's successful marketing campaigns was the ***"Can you Kenya?"*** Campaign launched in partnership with Expedia. The campaign targeted travellers in five countries through a dedicated microsite, an influencer campaign, Instagram polls, and contest entries with the goal of driving awareness and increasing Kenya's standing as a world-class destination. Visitors to the micro-site explored the experiences, culture, and cuisine of the country, and were able to book travel through a travel partner page on their local Expedia Group website.

During the week-long campaign, all content from the bloggers journey through Kenya was shared with their more than 160,000 followers via Instagram Stories. This content was also repurposed on the *Can You Kenya?* microsite, which included a recap video of the couple's whole adventure.

### 5.3.5 Marrakech, Morocco

**City Tourism Profile** - With a population of just over 1 million people, Marrakech is known as a destination rich in cultural tourism with its countless gardens, markets, palaces and mosques. Promoted as the Magical Red City, key attractions include Medina Souks (UNESCO Heritage site), Djemaa El Fna (vibrant hub of stalls, musicians, storytellers, fortune-tellers, and snake charmers), Koutoubia Mosque, Majorelle Gardens, Bahia Palace, Marrakesh Palmeraie (popular destination for cycling, horse riding, and quad-bike tours, as well as camel rides) and Dar Si Said Museum.

Marrakech attracted over 2,5 million foreigners in 2018 increasing to over 3 million in 2019, representing 17% growth over this period. Key source markets include the UK, France, Germany and Spain.

**Marketing strategy -** The Ministry of Tourism in partnership with tourism industry stakeholders developed the Tourism Vision 2020 Strategy to grow the country's tourism industry and to enhance its competitiveness by addressing the remaining structural weaknesses and positioning them into new trends and opportunities. The strategy seeks to strengthen tourism differentiation by putting sustainable development at the forefront of its strategy.

**Marketing campaigns** - The Marrakech Regional Tourism Council (MRTC) launched a promotion plan to recover tourism and save the 2020/2021 winter season. The initiative established by the Moroccan tourism authorities is based on the three R's: Restart, Re-launch and Reinvent.

- *Re-start*: reopen and resolve to coexist with the virus, while scrupulously respecting health protocols.
- *Relaunch*: reconnect with international partners to regain activity and continue to act together to remove travel restrictions and restore trust among travellers.

- *Reinvent*: re-imagine new concepts, new programmes and new offers that are more united, creative, collaborative and adapt the sector to future realities.

### 5.3.6 Alexandria, Egypt

**City and Tourism Profile -** Alexandria is located on the North coast of Egypt with a population of 5,2 million (2020). The city is named after Alexander the Great and is home to the Great Library of Alexandria and the colossal Pharos Lighthouse - one of the seven wonders of the world. Key attractions include Bibliotheca Alexandrina (Alexandria the Great Library), Abu Abbas al-Mursi Mosque, Catacombs of Kom el-Shuqqafa, Fort Qaitbey, Pompey's Pillar, amongst others.

In 2018 over 11 million foreigners visited Alexandria increasing to 13 million in 2019, representing growth of 15,3%. In 2020, revenue from the tourism sector dropped 70%. There is no information about Egypt's domestic market.

**Marketing Strategy** - In August 2021, Egypt's Ministry of Tourism launched Egypt's tourism brand strategy. The most prominent feature of the strategy is to showcase Egypt as a young, vibrant and welcoming destination inclusive of Alexandria.

During 2021, the Ministry launched a number of promotion campaigns to attract inbound tourism from different markets. These campaigns included:

- A promotional campaign targeting the Arab market on digital, social media and booking platforms;
- Digital marketing campaigns in a number of European countries titled *"Sunny Christmas"*
- In July 2021 the Ministry launched a campaign *'Egypt in the eyes of European Union ambassadors'*, where the ambassadors posted more than 20 videos to promote the various Egyptian attractions, archaeological and cultural sites on their social media platforms and those of their embassies.
- *"Enjoy your winter in Egypt"*, an initiative to promote domestic tourism. As part of this initiative, the Supreme Council of Antiquities granted a 50% reduction on the prices of entry tickets to Egyptians in museums and archaeological sites.
- The Ministry produced a number of promotional videos and documentary films launched in conjunction with promotional campaigns in various markets.
- Bloggers and influencers were hosted from different countries, and organised Trips and visits to them in various tourist places in Egypt.
- The Egyptian Tourism Promotion Board also organized fam trips for tour operators, diplomats, journalists, local, international and regional television channels, from a number of countries, to promote the Egyptian tourist destination.

### 5.3.7 Key Learnings and Conclusions

The five African cities analysed provides a comparative analysis of their marketing strategies and campaigns that can inform Durban Tourism's marketing strategy.

**Comparative competitive strengths** - As outlined in Table 17, most African cities have similar populations, except Mombasa and Marrakech. It is, however, important to note that Durban has very similar competitive strengths and selling points as the other cities. Its beaches, weather, warm sea, Zulu culture, overall cultural diversity and history can be favourably compared with destinations like Accra, Mombasa and Cape Town.

**Infrastructure and MICE facilities** - Durban's infrastructure and MICE facilities are more advanced and compares favourably to these cities. Therefore, strategies adopted by these cities can help inform and guide the formulation of Durban's marketing strategy, when promoting itself as a destination as highlighted in Table 17.

*Table 17: Comparative analysis of key selling points of African cities*

| CITIES | POPULATION | KEY SELLING POINTS |
|---|---|---|
| Cape Town | 4,600,000 | Mountains, beaches, nightlife, culture, MICE |
| Accra | 4,000,000 | Historical / cultural, beaches, MICE |
| Mombasa | 1,200,000 | Beach resorts, culture, wildlife, MICE |
| Marrakech | 1,000,000 | Culture, museums, history, adventure |
| Alexandria | 5,200,000 | Culture, history, museums, |
| Durban | 3,100,000 | Beaches, weather, culture, people, MICE |

Except for Alexandria and Cape Town which attract a high number of foreigners, the other cities attract a similar number of foreigners to Durban.

**Common Marketing Strategy elements** - The common elements of strategies identified in the strategies, plans and programmes analysed of each city which can inform Durban's strategy are reflected in Table 18:

*Table 18: Comparative analysis of marketing strategies of African cities*

| Marketing Strategies | CT | Accra | Mom | Mar | Alex |
|---|---|---|---|---|---|
| Brand positioning statement | X | N/A | X | X | X |
| Promoting key experiences | X | X | X | X | X |
| Joint marketing campaigns | X | X | X | X | X |
| Activation / promotional campaigns | X | X | X | X | X |
| Digital campaigns | X | X | X | X | X |
| Strong domestic market focus | X | X | X | N/A | X |

**Brand Positioning -** Each city's brand statement was informed by research undertaken with their key source markets. It is therefore vital for Durban Tourism to consider undertaking consumer insight studies to inform its brand positioning statement.

**Campaigns and Key Experiences** - All campaigns were linked to "call-to-actions" by packaging their key products, experiences and attractions such as open spaces,

heritage, beaches, arts and culture and seasonality related experiences when promoting their destinations. These experiences are aligned to their brand promise.

Durban Tourism will therefore need to identify, package and promote its unique experiences such as Zulu Culture, uShaka Marine World, Moses Mabhida Stadium and beach experiences based on market demand.

**Value partnerships** - Almost all the cities undertook joint marketing campaigns as follows: Cape Town partnered with neighbouring countries and Mombasa and Marrakech partnered with Expedia to promote their campaigns. These show that Durban Tourism should strengthen its partnership with industry stakeholders in key cities to roll-out recovery campaigns. Further lessons should be learnt from the partnership by Mombasa and Morocco with Expedia.

**Activation / Promotional Campaigns** - Whilst all cities invested in activations, the success of Kenya's and Morocco's campaigns are good lessons that Durban Tourism could learn. It is therefore proposed that Durban Tourism produce similar promotional campaigns using influencers, travel bloggers and celebrities to promote its experiences.

**Domestic Tourism** - The winter campaigns launched by Cape Town and Marrakech targeting domestic visitors should be explored. Given that Durban is an all-year weather destination and has value-for-money and more affordable products, it will be important to retain and grow its domestic market share through a more aggressive domestic campaign across appropriate online and traditional platforms.

**Conclusion** – In summary, apart from Cape Town, eThekwini's (Durban) current positioning and competitive strengths outweigh all the other African cities considered in this report. However, there is room for improvement with respect to innovative marketing, digital and social media marketing, creative campaigns and online presence is relatively weak. This means that the municipality will need additional financial resources to address any potential deficiencies accordingly.

# Chapter 6 Recommended Durban Visitor Marketing Strategy

## 6.1 Introduction

### 6.1.1 Chapter Overview and Guiding Principles

This chapter covers Durban's Visitor Marketing Strategy and intends to provide strategic direction for growing Durban's visitor arrivals, receipts, length of stay and spend over the next five years. The goal is to establish a long-term sustainable tourism sector that generates tourism revenues for Durban, while building a resilient visitor economy against future crises such as Covid-19.

### 6.1.2 Strategic Direction

This refined Visitor Marketing Strategy is interdisciplinary. It is therefore anchored on desk-based research, stakeholders' inputs and policy framework. It has also been informed by global good practice as well as African competitive and comparative case studies. The essence of this approach is to unlock the full potential of Durban's visitor economy while fostering integration of tourism into its future urban development as described in the Municipality's IDP and the Economic Turnaround Strategy.

Consequently, it has been aligned with the city vision: "*eThekwini Municipality will be Africa's most caring and liveable city*" as defined by the city's IDP.

### 6.1.3 The Purpose

The purpose is to provide a renewed strategic direction and plan of action for Visitor Marketing from 2022 to 2026 taking cognisance of Covid-19 and associated uncertainties as well as opportunities.

### 6.1.4 Specific Goals

The strategy aims to achieve the following specific goals as outlined in Table 19:

*Table 19: Specific Goals of the VMS*

| Goals | Strategic Imperatives |
|---|---|
| **Goal 1** | To facilitate cooperative marketing with private sector and other sister public entities through a whole-municipality approach to visitor marketing, perception management and brand equity building. |
| **Goal 2** | To promote Durban as a city tourist destination and improve tourism's contribution to the municipality's GDP and create more employment. |
| **Goal 3** | To secure emotional links to and loyalty of visitors in order to accelerate industry recovery - grow arrivals, increase length of stay, expand geographic dispersal and increase average spend per visitor. |

### 6.1.5 Guiding Principles

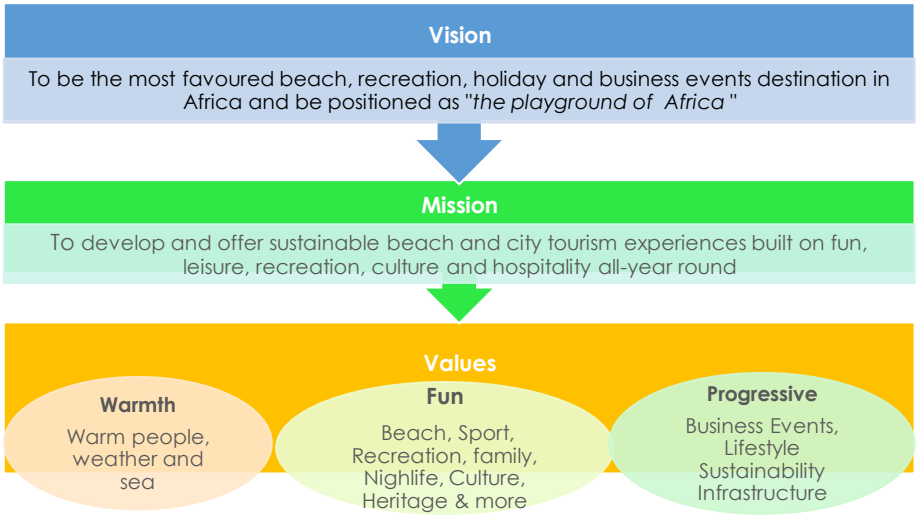
*Table 20: Guiding Principles of the VMS*

| Principles | Implications |
|---|---|
| Restoring travellers' confidence | Restoring traveller confidence and stimulating demand with new safe and clean labels. |
| Single-mindedness | Revitalise and strengthen public-private-community partnerships to build the culture of single-mindedness. |
| Stronger partnerships | Strengthen collective, traditional and non-traditional partnerships to achieve the strategic objectives |
| Future-fit paradigm shift /Futuristic | Use travel consumer insights to shift demand to pre-Covid-19 levels as guided by sound data and analysis, not anecdotes. |
| Socio-economic inclusion | Advance sustainable tourism development to promote socio-economic inclusion and transformation (to include previously disadvantaged individuals, women and youth). |
| Technological innovation and digitalisation | Advance the application of technological innovation and digitalisation by rethinking tourism as a pillar for recovery |

## 6.2 Strategic Intent

### 6.2.1 Vision, Mission and Values

*Figure 27*: Vision, Mission and Value

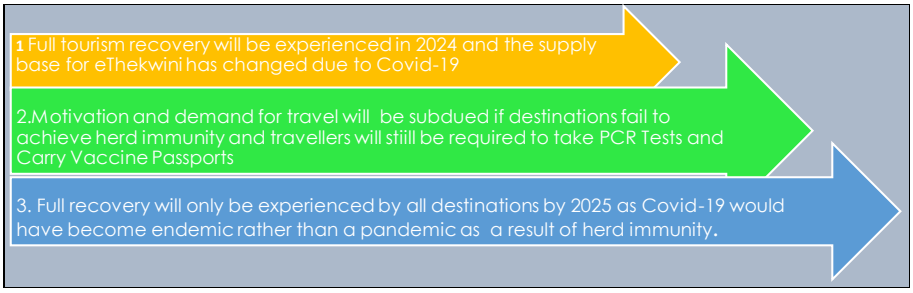


Informed by the proposed vision, mission, and values above, Durban's value proposition and competitive strength can be described as: ***"as a welcoming African beach destination that shares the warmth and culture of its people in a fun-filled vibrant atmosphere"***. With this, it is recommended that the municipality is positioned as "*The playground of Africa*". *This takes cognisance of the fact the previous slogan was "**South Africa's playground**".*

### 6.2.2 Key Assumptions and Growth Scenarios

Considering trends that have emerged due to Covid-19, the following assumptions have been established to guide the 2022 to 2026 projections and/or targets:

*Figure 28*: Key assumptions




## 6.3 Projected Performance Areas and Targets

### 6.3.1 Growth Projections/targets

This section provides the tourism growth projections for eThekwini Municipality and assumes that the visitor marketing strategy will be implemented as per the implementation plan. It should be acknowledged that forecasting the timeframe for full recovery from Covid-19 to pre-pandemic tourism levels is difficult. Therefore, the projections provided should be closely monitored and reviewed over time and adjusted based on recovery rates.

Three scenarios have been developed for growth projections inclusive of domestic and international growth, viz; *base case, high road and low road*. All years referred to are calendar years from January to December. Also, the projections provided are for overnight tourism and exclude day visitors.

### 6.3.2 Domestic Tourism Projections Scenario

The projections for domestic tourism are based on the timeframe for tourism to return to pre-Covid-19 levels and thereafter, growth rates are based on projected SA economic growth rates and the value above or below the national rate that tourism to the Municipality will grow.

#### 6.3.3.1 Domestic Tourism Base Case Scenario

In the base case, it is projected that domestic tourism will be at 80% of the pre-Covid-19 average in 2022 and 85% in 2023. Therefore, it is has been projected that 2.8 million domestic tourists will visit the Municipality in 2022 and 2.9 million in 2023. For the period 2024 to 2026, domestic tourism will increase at 0.5% higher than the national GDP growth rate. The number of domestic tourists will therefore be at almost 3.0 million in 2024 and thereafter increasing to 3.1 million in 2025 and 2026.

The average trip spend for 2022 to 2026 is assumed to increase at inflationary levels and is projected to grow to R2 073 in 2022, increasing to R2 454 by 2026. The direct expenditure of domestic tourists is therefore projected to be R7.7 billion by 2026. Tables 21 and 22 give a summary of the base case domestic projections.

*Table 21: Base case Domestic tourism projections scenarios*

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Number of tourists | 2 768 066 | 2 941 070 | 2 999 892 | 3 059 890 | 3 121 087 |
| % Growth | 32.9% | 6.3% | 2.0% | 2.0% | 2.0% |
| % Of pre-COVID average (2017-2019) | 80% | 85% | 87% | 88% | 90% |
| eThekwini growth above SA GDP | N/A | N/A | 0.5% | 0.5% | 0.5% |
| SA GDP growth (mid-term budget 2021) | 1.8% | 1.6% | 1.5% | 1.5% | 1.5% |
| Average trip spend | R2 073 | R2 163 | R2 256 | R2 353 | R2 454 |
| Total direct expenditure (billions) | R5.7 | R6.3 | R6.7 | R7.2 | R7.7 |

### 6.3.4 Domestic High Road and Low Road Scenarios

In the high road and low road scenarios, the recovery to pre-Covid-19 levels has been adjusted and the growth rate in tourism to eThekwini Municipality above or below national economic growth is also adjusted as reflected in Table 22:

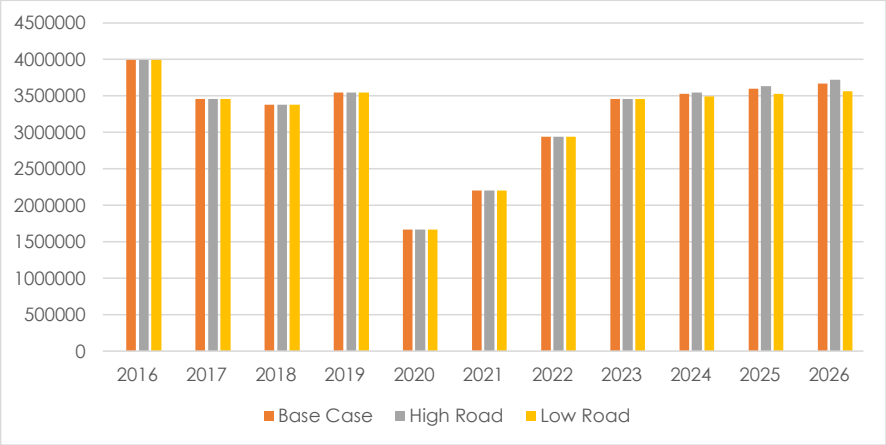
*Table 22: Low & High Road Domestic tourism projections Scenarios*

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **Low Road Scenario** | | | | | |
| Number of tourists | 2 768 066 | 2 941 070 | 2 970 481 | 3 000 186 | 3 030 188 |
| % Growth | 32.9% | 6.3% | 1.0% | 1.0% | 1.0% |
| % Of pre-COVID average (2017-2019) | 80% | 85% | 86% | 87% | 88% |
| eThekwini growth above SA GDP | N/A | N/A | -0.5% | -0.5% | -0.5% |
| SA GDP growth (mid-term budget 2021) | 1.8% | 1.6% | 1.5% | 1.5% | 1.5% |
| Average trip spend | R2 073 | R2 163 | R2 256 | R2 353 | R2 454 |

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Total direct expenditure (billions) | R5.7 | R6.4 | R6.7 | R7.1 | R7.4 |
| **High Road Scenario** | | | | | |
| Number of tourists | 2 941 070 | 3 460 083 | 3 546 585 | 3 635 250 | 3 726 131 |
| % Growth | 41.2% | 17.6% | 2.5% | 2.5% | 2.5% |
| % Of pre-COVID average (2017-2019) | 85% | 100% | 103% | 105% | 108% |
| eThekwini growth above SA GDP | N/A | N/A | 1.0% | 1.0% | 1.0% |
| SA GDP growth (mid-term budget 2021) | 1.8% | 1.6% | 1.5% | 1.5% | 1.5% |
| Average trip spend | R2 073 | R2 163 | R2 256 | R2 353 | R2 454 |
| Total direct expenditure (billions) | R6.1 | R7.5 | R8.0 | R8.6 | R9.1 |

Accordingly, Figures 29 and 30 provide a summary of the three domestic tourism projections scenarios described in sections 4.2.3 and 4.2.4.

*Figure 29: Domestic – Base, Low, High Road Projection Scenarios 2022-2026*




*Source: ATP & BDO projections*

*Figure 30: Domestic Direct Spend (in billions) 2022-2026*


*Source: ATP & BDO projections*

### 6.3.5 International Tourism Growth Projections

International tourist arrivals are based on the timeframe for tourism to return to pre-Covid-19 levels and thereafter based on the relevant share of international tourists to the Municipality based on assumptions provided earlier.

### 6.3.6 Base Case Scenario

In the base case, it is projected that international tourism will be at 40% of the pre-Covid-19 average in 2022, 60% in 2023, and 80% in 2024 and 2025. This will increase the share of international tourists from 4% in 2022 to 7% by 2025. In 2026, the projections for international tourist arrivals are based on international tourists comprising 10% of total tourists to the Municipality. The projections for international tourists to the Municipality is therefore around 123 000 in 2022, increasing to around 346 000 in 2026 as outlined in table 23 below.

The average trip spend for 2022 to 2026 is assumed to increase at the average rate of growth in foreign tourism spend as reported by South African Tourism for 2019. Foreign tourist trip spend will therefore be R6 440 in 2022, increasing to R6 835 by 2026.

*Table 23: Base case - Foreign tourism projections*

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Number of tourists | 123 093 | 184 639 | 246 186 | 246 186 | 346 787 |
| % growth | 111.2% | 50.0% | 33.3% | 0.0% | 40.9% |
| % of pre-COVID average | 40% | 60% | 80% | 80% | N/A |
| % share of total tourists to eThekwini | 4% | 6% | 8% | 7% | 10% |

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Domestic tourists | 2 768 066 | 2 941 070 | 2 999 892 | 3 059 890 | 3 121 087 |
| Average trip spend | R6 440 | R6 536 | R6 634 | R6 734 | R6 835 |
| Total direct expenditure (billions) | R0.79 | R1.21 | R1.63 | R1.66 | R2.37 |

### 6.3.7 High Road and Low Road International Projection Scenarios

In the high road and low road scenarios, the recovery to pre-Covid-19 levels and the share of total tourists has been adjusted. The relative share of international tourists of total tourism is based on the high and low road scenarios for domestic tourism where applicable. Details of the low and high projections are provided in Table 24:

*Table 24: Low & High Road Scenarios - International tourism projections*

| Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **Low Road Scenario** | | | | | |
| Number of tourists | 123 093 | 169 253 | 215 413 | 276 959 | 307 732 |
| % growth | 83.7% | 37.5% | 27.3% | 28.6% | 11.1% |
| % of pre-COVID average | 40% | 55% | 70% | 90% | 100% |
| % share of total tourists to eThekwini | 4% | 5% | 7% | 8% | 9% |
| Domestic tourists | 2 768 066 | 2 941 070 | 2 970 481 | 3 000 186 | 3 030 188 |
| Average trip spend | R6 440 | R6 536 | R6 634 | R6 734 | R6 835 |
| Total direct expenditure (billions) | R0.79 | R1.11 | R1.43 | R1.87 | R2.10 |
| **High Road Scenario** | | | | | |
| Number of tourists | 123 093 | 200 026 | 261 573 | 307 732 | 414 015 |
| % growth | 83.7% | 62.5% | 30.8% | 17.6% | 34.5% |
| % of pre-COVID average | 40% | 65% | 85% | 100% | N/A |
| % share of total tourists to eThekwini | 4% | 5% | 7% | 8% | 10% |
| Domestic tourists | 2 941 070 | 3 460 083 | 3 546 585 | 3 635 250 | 3 726 131 |
| Average trip spend | R6 440 | R6 536 | R6 634 | R6 734 | R6 835 |
| Total direct expenditure (billions) | R0.79 | R1.31 | R1.74 | R2.07 | R2.83 |

*Source: eThekwini Municipality*

The direct expenditure of international tourists in the Municipality is therefore projected to be R792.7 million in 2022, increasing to R2.4 billion by 2026. Figures 31

and 32 show the summary of the three international projection scenarios and spend respectively:

*Figure 31: International Arrivals: Base, Low & High Road Scenarios 2022-2026*

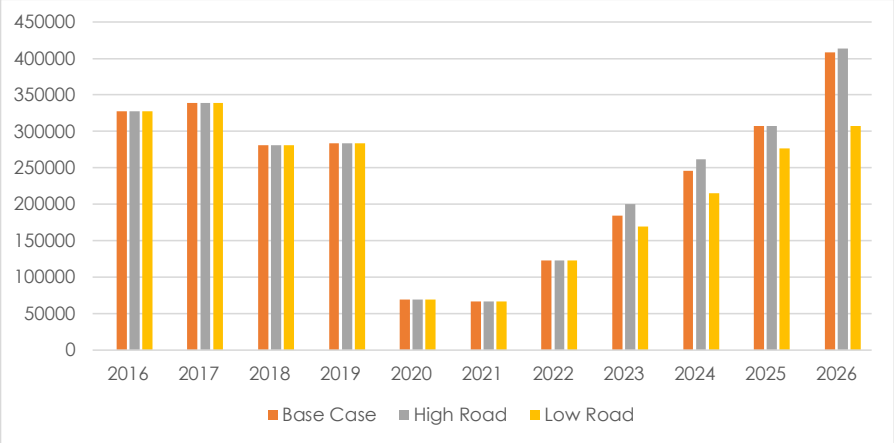
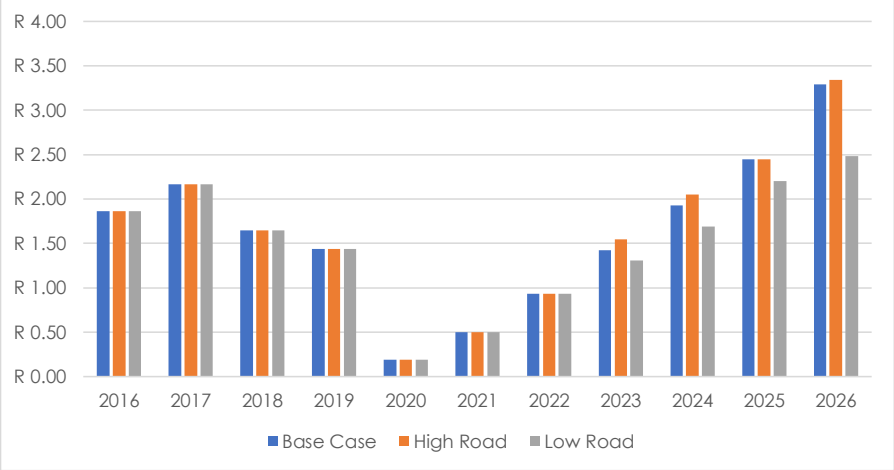



*Figure 32: International Tourist Direct Spend Forecast (in billions) 2022-2026*




*Source: ATP & BDO projections*

### 6.3.8 Conclusion

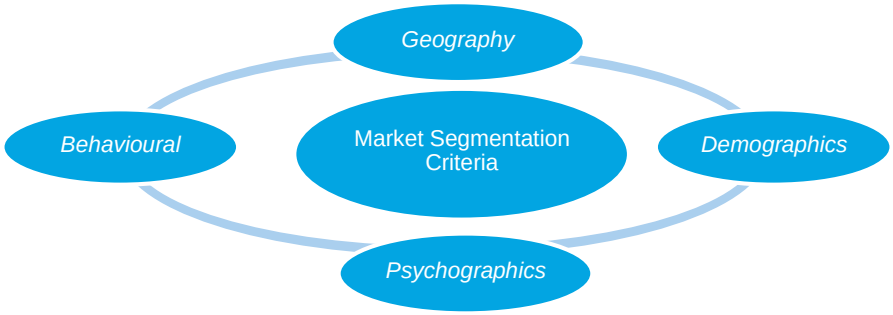
In conclusion, guided by the analysis provided in sections 1,2, 3, 4 and 5.1 to 5.3 of this report, 3.5 million overnight arrivals with a direct expenditure of R10.03 billion by 2026 have been recommended as the main target for Durban Tourism.

## 6.4 Market Segmentation

### 6.4.1 Overview of Market Segmentation Approach

To achieve any of the projections provided above for both domestic and international scenarios, it is prudent to understand the characteristics of targeted travellers and know their places of origin. Therefore, the segmentation criteria provided in Figure 33 will be applied to inform and guide the profiling of eThekwini's target audience and geographic source markets.

Figure 33: Market Segmentation Criteria




*Source: Adapted from Perreault, Cannon and McCarthy (2011)*

*Table 25:* Key considerations for market Segments

| Criteria | Key considerations | Description |
|---|---|---|
| Geographics | Economic Power and Population Size | In this case, the source market selection approach for the Metro is being guided by each market's historic performance with regards to their economic potential (demand levels, volume, length of stay, average spend and dispersal) versus required marketing Investment. This is crucial for the markets with high GDPs and per capital income. |
| | Proximity and ease of access to Durban | With this approach markets selection is guided by proximity to Durban and ease of access for visitors and not necessarily the economic power and population size. |
| Demographics | Age and life cycle, family structure, ethnicity, or socioeconomic profiles of the targeted traveller. | These will guide the kind of market positioning, Integrated Marketing Communication, key messaging and appropriate engagement and distribution channels. |
| Psychographics | Personality, lifestyle, social status, activities, interests, | This will assist Durban Tourism to target tourists based on their expectations and perceptions of a holiday experience in relation to Durban. In this way, |

| Criteria | Key considerations | Description |
|---|---|---|
| | opinions, and attitudes of targeted travellers | appropriate positioning, Integrated Marketing Communication, key messaging and appropriate engagement and distribution channels could be employed to reach potential travellers. |
| Behaviour | This focuses on purchase, timing of purchase, benefits sought by the traveller and repeater traveller potential. | This will be based on existing data utilising behaviour to allow for execution of more successful marketing campaigns. |

The above criteria given in Table 25 will ensure that Durban Tourism works across the tourism value chain to satisfy the needs of each specific target audience and source market appropriately.

In addition to this, the VMS would have to consider and bring into the fold the roles of the entire value chain including product owners, travel trade and distribution channels, media, local communities and unconventional partners. The reason being that these are pivotal to the effective and collaborative implementation of the VMS.

It is worth noting that various research shows that travel trends vary with age and there are significant differences in the booking habits of individuals depending on age. This is crucial in sustaining the marketing efforts of Durban Tourism.

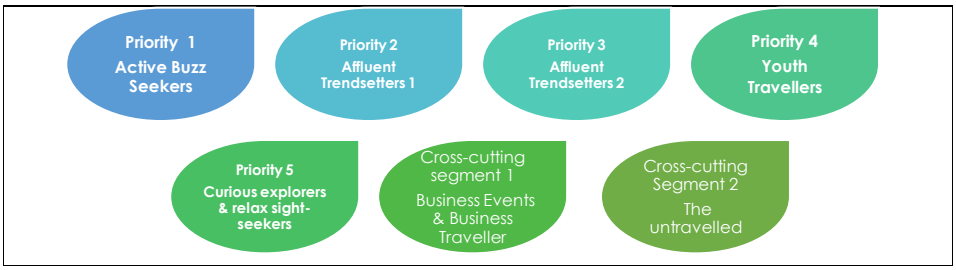
The 2018 to 2021 market analysis and structure in section 4, scenarios explained in sections 5 and the audience profile described in section 5.3 should be prioritised accordingly.

### 6.4.2 Target Audience and Prioritisation

New travel trends show that demand for leisure travel is weighted towards the VFR and FIT segments. Most of these tourists need authentic and lower-density itineraries and are mostly higher net-worth individuals and experiential as well as adventurous travel consumers. They represent the highest potential segment and one that is common to most priority markets.

Based on Durban's historical data, trends, desk-based research and stakeholder consultation findings, Durban's target audience profile have been categorised as depicted in Figure 34.

*Figure 34: Target audience and prioritisation*




*Source: Africa Tourism Partners*

*Table 26: Proposed target audience profiles*

| Priority | Age group | Description |
|---|---|---|
| 1 | 25 -34 years | **Active buzz seekers**<br>• These young adults constitute almost 38.25% of Durban Tourism's current target audience.<br>• Most of them either pursue tertiary education or are at the early stage of their professional careers and are mostly single.<br>• They are extremely adventurous and therefore focus on wellness, sports, recreation, fun and entertainment.<br>• Being the first generation of digital natives, they have an affinity for technology and are further described as the "Yahoo, mobile phones, Google, Facebook and iPhone" generation.<br>• Therefore, marketing to these people will require a good investment in technological innovation and digitalisation. |
| 2 | 35 - 44 years | **Affluent Trendsetters 1**<br>• Similar to the priority 1 segment, this segment forms 36.75% and place focus on value for money and wellbeing.<br>• These are very result-focused, open-minded and they think globally.<br>• They thrive on flexibility and therefore are easily adapted to change and always eager to learn new things.<br>• They are also interested in luxury, adventure and unique experiences such as water-based activities, natural activities, music and dance.<br>• Marketing to this segment should, therefore, be underpinned by a mix of traditional and new media across all social media and sharing platforms but should be skewed in favour of new media. |

| Priority | Age group | Description |
|---|---|---|
| 3 | 45 -54 years | **Affluent Trendsetters 2**<br>• This group comprises 14.25% of consumers visiting Durban.<br>• The people within this demographic of travellers are focused and want to make a difference.<br>• They are also senior executives who are usually active in business travel, attend conferences and enjoy family holidays.<br>• Even though this group uses traditional media more than modern technology, Covid-19 has compelled them to shift quickly to new media. These travellers could also be reached domestically, regionally and in all key geographic source markets.<br>• They, however, prefer more relaxed natural activities, pleasurable sight-seeing and participate in favourite sports or pastimes such as golf, cycling and hiking. |
| 4 | 18-24 | **Youth Travellers**<br>• These are low net value travellers who love backpacking and budget accommodation and enjoy new cuisines. They are risk averse, love adventure, vibrant lifestyle including outdoor pursuits, clubbing and live events (music and sports)<br>• They think global, like novelty, are spontaneous and want to get out in the world between 7 nights to 6 months. |
| 5 | 55 to 65 & 65 plus | • Curious Explorers and relaxed sight-seekers.<br>• They will avoid crowded places and will plan thoroughly when making travel decisions.<br>• They are descried as curious explorers and relaxed sight seekers and are either retired or nearing retirement and want to explore the world. Given their age, they are interested in "bucket list" experiences with family, relatives and friends.<br>• They are very interested in culture, heritage and gastronomy as well as giving back to local communities. This discerning traveller is keen on escaping from Europe during the winter periods and should be targeted through partnerships with charter companies such as TUI.<br>• This group could also be reached domestically, regionally and in all traditional markets but in small volumes. They also prefer more relaxed and pleasurable sight-seeing activities and participate in favourite sports or recreation activities.<br>• They could be reached mostly through industry partners or travel trade. |
| Business Events | | • Similar to the business traveller, business visitors have a high budget because their budget is not a discretionary |

| Priority | Age group | Description |
|---|---|---|
| | | expenditure but rather committed expenditure by their organisations.<br>• They usually stay between 3 to 7 nights in high-end accommodation and enjoy pre-and-post package leisure tours organised by the event organiser or the host. |
| The untravelled | | • This is a new opportunity for Durban to tap into. They are first time travellers who have not yet visited Durban.<br>• They should be reached by building emotional connection. |

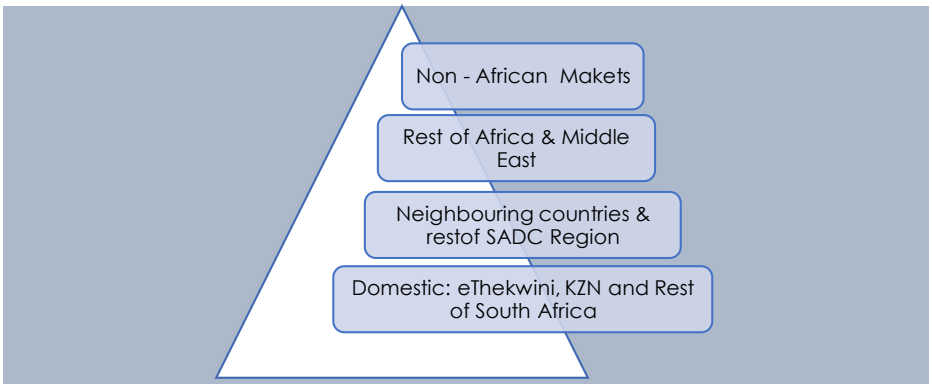
In summary, it can be strongly argued that there is a strategic fit between these prioritised market segments and Durban as a city tourist destination. This is because the municipality's tourism assets include warm beaches, vibrancy, warmth of its people as well as sport, distinct culture and heritage offerings which offer inspiration, opportunities, emotional connections and personal enrichment to these segments.

### 6.4.3 Core Geographic Markets and Source Markets

The common tourism trends identified in the cities benchmarked and analysed suggests that eThekwini Municipality has to adopt a selective marketing model for the purpose of resource optimisation and also to generate the best Return on Marketing Investments.

This model is shown in Figure 35:

*Figure 35: Recommended Geographic Market Structure*




*Source: Africa Tourism Partners*

### 6.4.4 Domestic

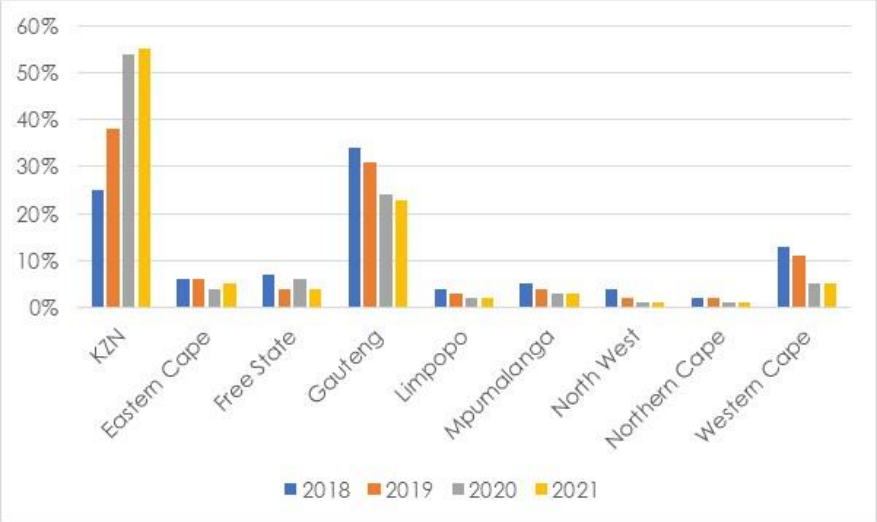
Domestic tourism will initially be oriented towards local experiences, day trips and weekend-aways, short breaks as well as business critical travel. Thereafter, repeaters

from neighbouring countries, rest of the SADC region and key markets in the rest of Africa are ideal for swift recovery.

Special attention should be given to inter-provincial, Gauteng and Western Cape markets and prioritising these as lead source markets. The goal is to increase day trips, domestic arrivals and associated length of stay and average spend. In this regard marketing activities should be targeted at inspiring tourists to visit attractions and experiences across the metro during weekends and public holidays. This implies that "staycations" could be aggressively promoted among these audiences using a mix of local radio, TV, digital media platforms and unconventional partnerships.

Figure 36 highlights Gauteng, KZN and the Western Cape commanding 47.75%, 27.75% and 8.5% arrivals including day trips. These inter and intra-provincial markets are extremely relevant based on their performance since 2018 through the Covid-19 era to 2021.

*Figure 36: Source Market: Domestic (including day visitors) 2018-2021*




Other key considerations for the domestic market are:

- **Accessibly** - Access to the municipality through public transport, self-drive and air connectivity driven students and active buzz seekers. These segments seek highly affordable products, vibrant lifestyle activities, and experiences that offer fun, recreation, education, entertainment bias and travel for VFR purposes.
- **Activities** - The affluent trendsetters, for instance, visit for short breaks mainly to indulge in beach, family activities, weekend aways, sports, recreation and social events, business travel, business events and also for VFR reasons. They are usually not price sensitive but expect value for money coupled with unique visitor experience.

- **Distribution channel** – The natured of distribution channel partnerships that will be established by Durban Tourism is crucial. For example, active buzz seekers prefer to buy online, while the affluence trend setter will use the travel trade, particularly, OTAs. Curious explorers and relaxed sight seekers on the other hand prefer to use traditional tour operators and established retailers. Therefore, Durban Tourism needs to improve its online presence and digital marketing activities, and further forge unique media partnerships to reach these markets.

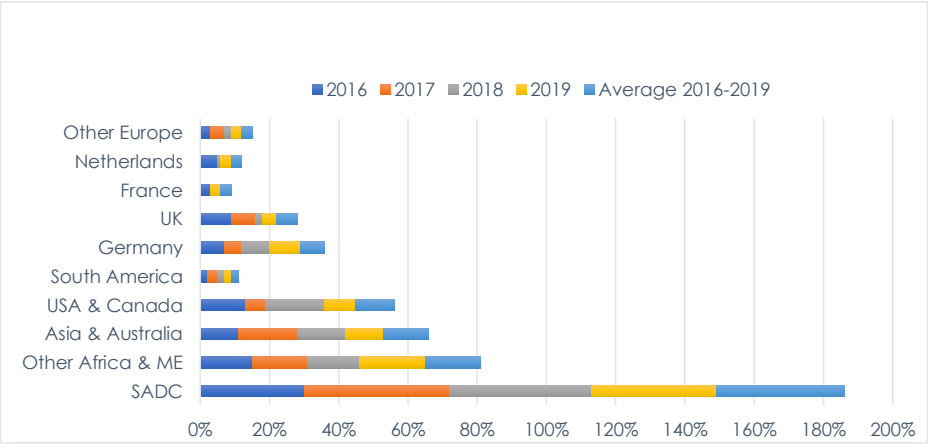
The above provide an immense opportunity for market penetration, product innovation and diversification for the purposes of boosting repeat visits, while attracting the untravelled within the various target audience segments.

- **Integrated Marketing Communications** – A mix of traditional and new media including improved online presence and digital marketing (Facebook, LinkedIn, Instagram, Google My Business and YouTube) are required to deepen awareness.

### 6.4.5 International Market – SADC Region and Rest of African Market

Historic performance and desk-based research as well as stakeholder consultations have highlighted the main feeder source markets as presented in Figure 37. This clearly highlights SADC sub-region as being the leading feeder and source market for tourist arrivals to eThekwini. The sub-region produces about 37% of total arrivals based on 2016 to 2019 records. This includes neighbouring countries, namely; Swaziland, Lesotho and Mozambique. The majority of these tourists visit the municipality for VFR, shopping, entertainment and fun. Given that most of these are land-locked countries, among the main motivation for travel are beach experiences, holiday and business or MICE reasons, not wildlife.

*Figure 37: International Source Markets 2016 - 2019*




Although future consumer insight research is required to validate these international sources, Figure 37 provides a sense of direction for Durban Tourism to leverage its

current awareness in the SADC Sub-region to unlock more value and same in other high producing regions such Europe, Australasia and USA and Canada.

- **Rest of Africa and Middle East Markets** - Following the SADC region is the rest of Africa and Middle East Markets, which have jointly produced about 16% of the metro's arrivals during the pre-pandemic period. This result further substantiates the argument that the rest of Africa is a crucial market for the Metro. Nonetheless, the purpose of visit ranges from VFR, beach holiday, business events, business travel and entertainment. These reasons for travel present an avenue for Durban Tourism get repeat visitors, while engaging in new market development initiatives to get the untravelled to visit eThekwini.

- **Accessibility** - In terms of accessibility, almost all African countries except neighbouring countries are air-connectivity driven markets owing to long-distances. This requires a dedicated air access programme to be led by Durban Tourism for the purposes of route and market development.

- **Integrated Marketing Communications** – Similar to domestic markets, a mix of traditional and new media including improved online presence and digital marketing (Facebook, LinkedIn, Instagram, Google My Business and YouTube) are required to deepen awareness and create a desire for travel and ultimately, conversion.

- **Business events** - The business events segment of these source markets usually have a high budget because their budget is not a discretionary expenditure but rather committed expenditure by their organisations. They usually stay between 3 to 7 nights in high-end accommodation and enjoy pre-and-post package leisure tours organised by the event organiser or the host.

### 5.4.6 International – Non-African Markets

Figure 37 further shows that from 2016 to 2019 Australia and Asia, USA and Canada, Germany and UK recorded averages of 13%, 11%, 7% and 6% arrivals respectively. These are all long-haul air connectivity driven and the audience are major affluent trendsetters.

- **Target markets** – International target audiences are mostly affluent trendsetters and a small number of relaxed curious explorers and relaxed sight seekers. The majority of them buy their travel services from trade, OTA and charter where possible. For this reason, they use online services to deepen their awareness and create inspiration for travel rather than buying. The purpose of their visits are primarily holiday including wildlife, nature, culture and heritage, adventure and relaxation with good gastronomy experiences.

- **Activities** - These audiences prefer more curious and relaxed bucket list experiences coupled with pleasurable sight-seeing activities. They participate and enjoy their favourite sports or pastimes such as golf, horse riding, boat cruises, cruise ships, heritage, culture and wildlife. The average length of stay for them is between 8

to 10 nights. The business traveller, on the other hand, stay shorter periods averaging about 3 to 4 nights. They usually have a very high average spend as they stay in 3* to 5* accommodation facilities.

## 6.5 The Value Chain

### 6.5.1 Supply Chain

The supply chain consists of airlines and all other transport systems (buses and cruises), accommodation facilities, attractions, experiences, entertainment and ground transportation providers as well as tour guides and financial services.

Considering the vital role these stakeholders play, Durban Tourism's marketing activities should aim to highlight these services as key to enhancing visitor experiences.

It is also vital for Durban Tourism to cooperate with supply chain partners in all marketing and destination brand activation programmes. This will improve dispersal, length of stay and increase average spend.

### 6.5.2 Travel Trade

Similar to supply chain, a bespoke travel trade marketing programme is required to target both inbound and outbound operators in key markets including specialist and key market development programmes.

The objective is to partner with both online and traditional travel trade partners to drive key messaging that is aligned with the municipality's goals. This will ensure consistency of messaging and communication in the marketplace.

### 6.5.3 Enablers and Social Compact

Durban Tourism has to design programmes specifically targeted at educating urban planners and other sister public entities on their role in marketing Durban as a world class city destination.

Marketing to these audiences should clearly articulate the value they bring to positioning the municipality as a world class city tourism destination, and also to help understand how their work will impact on tourism growth. These may include safety and security, crisis communication, infrastructure development, sanitation and signage.

### 6.5.4 Travel and Mainstream Media

Durban Tourism needs to be intentional about its media engagement programmes. This could be done by designing bespoke, yet quarterly dedicated media engagement sessions for both local and international media (off and online). This will serve as a pro-active approach for updating the media on all positive developments, while managing negative perceptions affecting the sector.

## 6.6 Product Portfolio Opportunities

### 6.6.1 Leveraging Existing Products and Experiences

Lessons from Cape Town, Sydney, London, and all other cities researched and analysed, point out that the municipality needs to apply the concept of its own "Big 6". This should be done leveraging a mix of iconic attractions, inspirational intangible experiences and attractions.

In relation to this, it is strongly recommended that Durban Tourism considers identifying and framing: Warm Sea and Beaches, Warm people, The Zulu Culture, Promenade (Golden Mile), uShaka Marine World and Moses Mabhida Stadium" as its "Big 6".

Complemented with other key attractions, activities and experiences, Durban Tourism has to exploit these to stimulate demand, increase overall visitation, length of stay as well as spend. This also requires the stakeholder community to rethink the composition of the current product portfolio as reflected in Figure 38:

*Figure 38: Activities undertaken by Tourists to eThekwini 2018 - 2021 August*

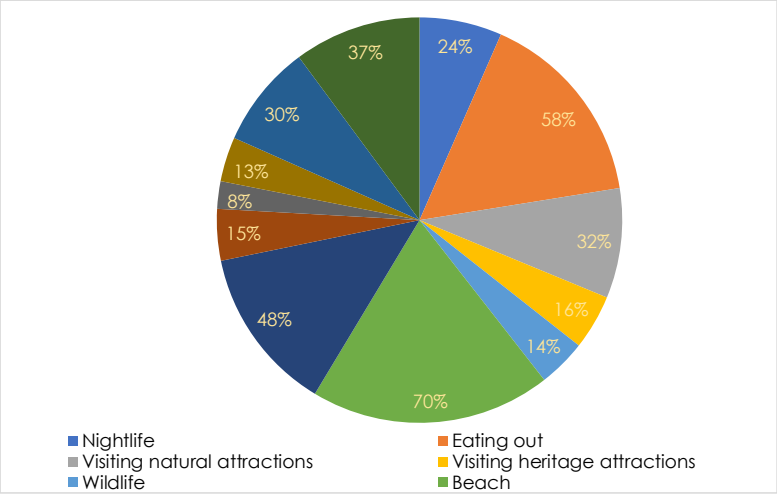



Figure 38 indicates that 70% of the visitors to the Metro indulge in beach tourism. This is naturally followed by eating out (58%) and shopping (48%). Adding to these are visits to natural and man-made attractions such as uShaka Marine World and Moses Mabhida Stadium, events, night life and other activities.

### 6.6.2 Product Innovations and Renewal

Durban Tourism and its stakeholders need to expand efforts to market the city's neighbourhoods as tourist destinations and untapped opportunities. These should

include rethinking cruise tourism, film tourism, honeymoons and weddings ("Stay-put" uShaka resort development), Golf Tourism (Zimbali, Durban County Club, etc), adventure tourism (Moses Mabhida, hiking and bungee jumping), pleasurable sight-seeing (promenade), youth and sport travel (Higher educational institutions), heritage tourism (Improvement in heritage assets, museum and heritage sites) and township tourism as informed by (District Development Model and contemporary township development initiatives).

The product innovation and renewal method should be done by auditing, mapping out and mainstreaming technological innovation.

### 6.6.3 Niche Product Development

Comparative analysis revealed that it is crucial to articulate and create top of mind awareness for eThekwini's niche tourism products. It is therefore recommended that "Zulu Culture", Youth Travel including honeymoons and weddings, gastronomy tourism and open spaces experiences.

The above should be augmented or packaged with existing ones such as education, sport tourism experiences, promenade (Beach Front), heritage tourism products (Gandhi Settlement, Mariannhill Monastery, etc and those currently under re-development such as cruise tourism (new waterfront and cruise terminal development), film tourism (Durban Film and KZN commissions), beach tourism (warm sea, blue flag status) are prioritised and re-packaged accordingly.

### 6.6.4 Alignment with New Travel Trends

It is further recommended that products, attractions and experiences are given a facelift or modernised to meet Covid-19 protocol requirements. This means that current products and experiences have to be refined to make them technology-driven and future-fit so as to enrich customer experience in this changed environment.

### 6.6.5 Product Opportunities - Target Audience Match

Findings from stakeholder consultations, pre-pandemic performance analysis, and desk-top research are outlined in the product portfolio and the target audience profile presented in Table 27. This highlights preferred accommodation types, class and mode of travel, attractions, experiences, and access fit for various categories of target audiences already identified this report.

*Table 27 : Product Matching - Target Market Segmentation*

| Products & Attractions | Target Audience | | |
|---|---|---|---|
| | **Priority 1 Affluent trendsetters** | **Priority 2 Active Buzz Seekers** | **Priority 3 Relaxed Sight seekers and relaxed explorers** |
| Accommodation | Shared to 5* | Shared to 3* | 3-5* |
| Mode of transport | Air & Road | Air & Road | Air |
| Entertainment | ✓✓ | ✓✓✓ | ✓✓✓ |
| Adventure | ✓✓ | ✓✓✓ (Extreme) | ✓✓ (Soft adventure) |
| Nightlife | ✓✓ | ✓✓✓ | ✓ |
| Shopping and lifestyle | ✓✓✓ | ✓✓ | ✓ |
| Education & New Experiences | ✓✓✓ | ✓✓✓ | ✓✓ |
| Religious and pilgrims | N/A | N/A | ✓✓✓ |
| Sports and recreation | ✓✓ | ✓✓✓ | ✓ |
| Nature, Culture and Heritage | ✓✓ | ✓ | ✓✓✓ |
| Gastronomy | ✓ | ✓✓✓ | ✓✓✓ |
| Arts, culture & heritage | ✓✓ | ✓✓✓ | ✓✓ |
| Honeymoon & Weddings | ✓✓✓ | ✓✓✓ | N/A |
| Pleasurable sights, hiking and walking tours | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| Township Tourism | ✓ | ✓✓✓ | ✓ |
| Film Tourism | ✓✓✓ | ✓✓✓ | ✓✓ |
| Beach Tourism | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| Business Events | ✓✓✓ | ✓✓✓ | ✓✓✓ |

**Legend: High demand = ✓✓✓ Medium demand = ✓✓ Low demand = ✓ N/A = No demand**

### 6.6.6. Conclusion and Recommendations

In conclusion, it is recommended that lead stakeholders jointly embark on in-depth consumer insights research to clearly validate consumer profiles in each feeder market and their associated product preferences. This will help to determine the level of product modification, innovation, and new developments required in the immediate to long-term.

Furthermore, target market-product match should be adapted as a guide for Durban Tourism and key stakeholders to intentionally identify and develop new tourism nodes, routes and experiences for long term sustainability. These would have to be innovative yet sustainable, accessible, affordable and must exude market confidence for travellers to visit the municipality.

## 6.7 Pricing Model Opportunities

### 6.7.1. The Relevance of Pricing

Price is an important element of the eThekwini's marketing mix. Travel consumers consider prices of products, experiences and services as key factors in evaluating destination options before they decide where to go, how to get there and where to stay.

Therefore, it is critical for Durban Tourism to actively engage its partners to understand and agree on exciting pricing models in relation to the entire municipality tourism experience – products and services, considering the effect Covid-19 has had on the industry. Nonetheless, any model that will be adopted has to be satisfactory for the tourists and meet the profit objectives of the tourism businesses at the same time.

Considering the above, the profile of target markets identified as well as source markets, the following pricing models are proposed:

### 6.7.2 Differential Pricing

Since the leading source markets for the municipality are domestic, neighbouring countries, rest of SADC and the Africa region, it is recommended that Durban Tourism and partners develop a differential pricing framework. This is to offer South Africans and the rest of African tourists bespoke pricing opportunities by virtue of being residents in Africa. A discounted offer or valued-added services could be offered in this regard. This should be adapted without necessarily devaluing the quality of products and services being provided.

### 6.7.3 Seasonal Pricing

Even though seasonal pricing has always been applicable in destinations, it is recommended that this becomes part of the key messaging in ways that do not create perceptions of Durban being a cheap destination. Therefore, this should be positioned as value-for-money using technology to create a surge in demand.

### 6.7.4 Auction Pricing Model

This refers to packaged and promotional pricing similar to the issuing of travel pass vouchers, QR codes and last-minute pricing. This should always be all-inclusive through collaboration among all products, experiences, attractions and the travel trade. The key determinant of success in this case is inclusion of flights, car hire, restaurant outlets and all other fee-paying activities for longer stays.

### 6.7.5 Partnership with Commissionable Systems

With this model, Durban Tourism has to engage all online and relevant platforms to reduce commission for products in Durban so as to allow product owners, particularly, accommodation to pass on these to tourists without necessarily losing on profit margins.

### 6.7.6 Conclusion and Recommendations

In conclusion, it should be noted that on the demand side, price is a key component of the destination tourism and marketing mix. This is because prospective tourists use price to determine affordability and value for money before making a travel purchase decision. Therefore, without an appropriate pricing model, some of the products, services, attractions and experiences will not be economically sustainable as a result of low demand.

## 6.8 Distribution Networks and Channels Strategy

### 6.8.1 Recommended Channels and Networks

Distribution partners remain important in city tourism marketing. They influence consumers' destination choices, spend and length of stay. Because of this, Durban Tourism's distribution strategy needs to be a blended model built on digital, online and traditional intermediaries. These should include Online Travel Agents (OTAs), Retail Travel Agents (RTAs), Domestic and Overseas Wholesalers (DOWs) and DMCs (Ground Handling Tour Operators, PCOs, Incentive and Meeting Planners). It must also consider exploiting unexplored networks to bring on board non-traditional channels.

Given the current state of play of the global tourism economy, it is suggested that Durban Tourism and partners broaden their distribution mix beyond traditional ones to include unconventional partners such as technology and digital companies (Google and Facebook, Financial), Payment systems and Banks (Capitec, Discovery Bank, U-Bank, The leading Banks in Mastercard, Visa and Yoco). From a retail perspective, this should include consumer facing companies in South Africa such as Woolworths, Pick 'n Pay, Checkers, Spar, Massmart (Game and Makro), while telecoms may include Telkom, MTN, Vodacom and Cell C and Electronics (Samsung channels).

The overarching intention of the proposed distribution strategy is to increase total booking value and visitor arrivals to Durban as a whole using formalised modalities.

### 6.8.2 Long-haul Retail

For long haul travel, retail agents remain an important channel for consumers. According to the Association of British Travel Agents (ABTA) Travel Trends Report 2022, people are 30% more likely to book with a travel professional now than before the pandemic. This makes long haul distribution very useful in destination marketing.

### 6.8.3 Online Travel Agents (OTAs)

Globally, the online market is dominated by Expedia (who has acquired both Travelocity & Orbitz, now operating all three brands) and Priceline with other online travel agents (OTAs). It is therefore proposed that Durban Tourism establishes relationships with these companies to provide online front shops and promotional opportunities. The key among these are Travelstart, Expedia Group, Booking.com as well as AirBnB.

### 6.8.4 Local and International Retail Relationships

Despite the increase of online distribution, retail agencies remain an integral part of global distributor networks. These can be online and offline. The common among these are consumer-facing brands such as Google Destinations, Travelstart in South Africa, Expedia, Trip Advisor, Nightsbridge, Agooda, Booking.com and AirBnB. It will therefore be prudent for Durban Tourism to mainstream these relationships and agree on distribution growth modalities.

### 6.8.5 Inbound Travel DMCs

Durban Tourism needs to strengthen working relationships with South African leisure, corporate travel and the Business Events trade. The objective is to carry out refreshed but joint marketing campaigns and activation programmes in feeder markets. Such initiatives should include half-yearly traditional and online marketing programmes subject to resource availability. Among these are Thompsons, Tourvest, African Pride, Albatros and Walthers DBS.

### 6.8.6 Special Interest Channels

These channels specialise in attracting niche tourism audiences. They usually include youth travel, sport (cricket, rugby, golf, soccer, cycling and marathons), business events and social events (honeymoon and wedding travel,) as well as heritage, cruise tourism, etc. These have to be prioritised by Durban Tourism in order to build its niche tourism profile.

### 6.8.7 Key Distribution Partner Programme

This programme involves renewal of relationships with past eThekwini partners and establishing new ones for co-operative marketing. It may include traditional, technology and non-traditional channels. These relationships should be structured in a way that permits partners to provide a physical and online shopfront for eThekwini. In return, they could be offered incentive-based programmes such as for participation at travel fairs, familiarization trips, roadshows, and training programmes when possible.

### 6.8.8 Long-haul Wholesale Specialist

In the Americas, it is recommended that Durban Tourism works closely with key retail consortia groups such as Virtuoso, Signature Travel Network, Internova (which includes The Travel Leaders Network, Nexion and Pro Travel), American Express, Ensemble Travel Group. Others are The Tailor, Southern World, Epic Private Journeys, Abercrombie & Kent, TCS Expeditions and Southern Crossings.

In the UK, the travel industry has seen a shift in business operations as companies adapt to a changing travel booking environment. Therefore, Durban Tourism has to attract operators specialising in the luxury segment such Abercrombie & Kent, Elegant Resorts Original Travel, Carrier, Black Tomato and Turquoise Holidays, many who are of the luxury consortia for golf tourism, horse racing (Durban July) and Cruise ships.

Germany - There are two major distribution channels in the German market. These are wholesalers who sell through travel agencies (mainly chains, franchise systems, co-operations and independents) and direct sellers who use their own retail offices and partner agencies. Key direct sellers include Best of Travel Group, Boomerang, Explorer Fernreisen and STA Travel.

The top five travel agency chains and franchise agencies for leisure travel are DER, TUI Leisure Travel, RTK Group, TSS Group and Lufthansa City Centre.

### 6.8.9 Durban Specialist Programme

Special training and capacity-building programmes should be offered by Durban Tourism to the travel trade in key markets, locally and abroad. These should be available on online platforms and provide learning opportunities to the travel trade worldwide about travel and product preferences in Durban. This would help with access to information and promotion in these markets.

### 6.8.10 Mainstreaming Airline Partnerships

It is proposed that Durban Tourism formalises partnerships with key airlines. These should include those that may not fly to Durban but use SA as a hub. The objective is to run bespoke "Durban Holiday packages" and campaigns using inflight videos. Recommended airlines in this case may include Airlink, SAA, Ethiopia, Kenya, Flysafair, Kulula, Eurowings, Emirates, Qatar/RwandAir and Turkish as well as domestic airlines in key markets.

It is further suggested that Durban Tourism pursues a planned Route Development programme in partnership with KSIA and the likes of RwandAir/Qatar, Emirates, BA, KLM and others focusing on key African markets.

### 6.8.11 Trade-facing Distribution Programmes

These are critical to achieve decent market penetration and new market development. It involves planned meetings, workshops and brand activations. The platforms for these include traditional travel fairs such as WTM (London & Cape Town), ITB (Berlin), Africa Travel Indaba (Durban), Magical Kenya (Nairobi), MTA (Morocco) and Meetings Africa (Johannesburg).

### 6.8.12 Conclusion

Each of the channels outlined should be actively engaged based on the overall market audience profiles and source market characteristics. It is anticipated that with

committed leadership and sound engagements, the above distribution strategy could be employed to advance growth in tourist arrivals in general.

## 6.9 Integrated Marketing Communications (IMC) Strategy

### 6.9.1 Strategic Imperative

To achieve measurable market penetration, Durban Tourism requires effective integrated marketing communications. This should encompass the use of traditional media (radio, TV, print, outdoor, market activations, etc) and digital and social media marketing as well as public relations (PR). In this regard, it must be underscored that the application of suitable channel mix is crucial in building unaided awareness.

### 6.9.2 Priorities and Objectives

The primary objective of the IMC is to make sure that Durban's brand gets elevated recognition and stands out in the crowded city tourism marketplace in all targeted markets and segments identified.

The IMC strategy has been scoped to help narrate and share all of Durban's stories in a way that leads to conversion. At the same time, it should guide stakeholders to "*live the Durban brand*" while delivering the concepts "*Durban Experience*" and "*Durban Experience plus*"

Figure 39 provides a snapshot of the strategic priorities of the IMC as well as specific objectives to be achieved.

*Figure 39: Durban Tourism's Integrated Marketing & Communication Priorities*


*Source: Africa Tourism Partners 2020*

Crucial to this is the use of eThekwini's value proposition as a differentiator and embedded in key messaging and platforms. As a result, this model focuses on creating awareness, generating interest and brand positivity, while inspiring booking and generating conversions for potential travellers to visit the municipality.

### 6.9.3 Destination Brand Marketing

The focal point of eThekwini Municipality's destination brand marketing should be positioning Durban as the ***"Playground of Africa".*** The rationale is to move away from the traditional way of defining the Municipality's character by its geographic location. Global good practice cases assessed suggest that destination branding should be infused with creative development and imagery campaigns to reinforce unique selling points and times.

### 6.9.4 Key Elements of Durban's Brand Marketing

The key elements of Durban's brand marketing should capture and embed the following:

*Table 28: Key Elements of Durban's Brand Marketing*

| Key Elements | Tactical Methodology |
|---|---|
| Brand identity Management | • The brand identity must remain easily recognisable to identify, understand and/or digest. The logo, slogans, colour schemes and consistent messaging must be synergised under the 'master brand" umbrella and in all campaigns that Durban Tourism undertakes. |

| Key Elements | Tactical Methodology |
|---|---|
| Imagery | • All images must be simple, yet big and bold to educate audiences to learn and know more about eThekwini. |
| Presentation | • All great images of Durban should be presented in a unique fashion to make it impossible for target audiences to miss. |
| Evergreen content | • Durban Tourism would have to maintain a year-round conversation with tourists and locals about their inspirational experiences in order to convert them to become ambassadors and advocate for the destination brand. |
| The concept of house of brands | • Durban Tourism should adopt the concept of house of brands by producing high volume of brand assets including images and video/s to be posted consistently, but with solid scheduled plans for flighting. |
| Storytelling | • The concept of "storytelling" has to be employed to shift perceptions. This should cover beach tourism, arts, culture, adventure, entertainment, nightlife, youth travel, sport and distinct experiences that can only be found in eThekwini Municipality. |
| International and homegrown events | • Durban Tourism has to use the power of international, yet homegrown events such as the "Durban July" to place the municipality on the world map. |
| Customer experience | • This must be driven through partnerships with products to offer training across all product experiences and brand engagement. The aim is to generate loyalty among repeat and new tourists through word of mouth. |
| Leap frogging through innovation | • By comparison with Cape Town, Durban will have to embark on technological partnerships with the likes of Travelstart, Alibaba, Amazon, Google, Showmax, Netflix and Expedia to be able to achieve measurable results. |
| Campaigns | • All campaigns should be multi-faceted, yet bespoke and targeted at specific audiences.<br>• Lessons from benchmark, comparative, and competitive case studies demonstrates that Durban Tourism must create inspirational images that will stay in the mind of the visitor for a long time. |

In spite of the above, Durban Tourism would have to adopt a systematic process of brand marketing.

### 6.9.5 Digital and Social Marketing

The central pillar in Durban's Tourism's Digital Marketing should be generating content to inspire and convert travellers to visit Durban. This should be done across paid (Search Engine Advertising), Earned (PR and Advocacy), owned (Search Engine Optimisation, website and all other unpaid platforms) and shared.

For instance, "*Experience Durban*" display advertising can be used on third-party websites and platforms, to generate curiosity from repeaters and the untravelled.

The following key tactical elements are among those that must form the basis of Durban's digital marketing strategy:

*Table 29: Tactical Elements of Durban's Digital Marketing Strategy*

| Tactical Elements | Remarks |
|---|---|
| Making Durban Tourism's website Compelling | • A huge number of potential visitors to Durban will turn to the internet for inspiration. Therefore, it is essential that Durban improves its current website to make it more compelling than it is now.<br>• This should be done by including fresher images, videos and blog posts to promote specific Unique Selling Points and features. |
| Devise a Search Marketing Strategy | • The main way to achieve this is through search marketing. Most people seeking a city break or a city to travel for any other purpose will research their options on the internet and search engines like Google which are a common starting point.<br>• Ideally, in the case of Durban, any Durban related search should direct audiences to Durban Tourism's website, so that they read persuasive content.<br>• The above should be complemented with SEO, Search Engine Marketing *(SEA/Pay Per Click*), Virtual Reality and Video, conventional video marketing content, Social Media (Facebook, Instagram, Twitter), Social Media Influencers, Email Marketing and Content Marketing<br>• The use of "*Storytelling*" should be foundational to all the above. |

### 6.9.6 Digitalisation

Durban Tourism's website has to be multi-faceted by being both consumer-facing and trade facing - Destination to consumer (D2C) and Destination to Business relationships (D2B). This should be guided by a measurable execution programme for e-newsletters, LinkedIn, Facebook, Instagram, Twitter, YouTube, Goggle+, Google my business, WeChat and others targeting all profiled audiences and followers, while seeking appropriate influencers.

Digital check-in/check-out contactless payment, QR codes and digital keys, have to be used by supply chain to limit points of contact. This will help to reduce risks of infection and must be applicable to all museums, festivals, and cultural tours in the form of Virtual reality programmes.

Other critical pillars should include: Links to individual products, social media sections, blog, bookable tourism products, calendar of events, list of operators and ground handlers and cross-fer between TKZN and South Africa Tourism website. These must be managed by a dedicated webmaster or officer.

### 6.9.7 Public Relations

This should aim at addressing stereotypes, negative narratives and perceptions about socio-economic ills in a more proactive manner. Durban Tourism should concentrate on improving media relations with local, national and key international media agencies.

There is also an opportunity to exploit all major homegrown and international events such as the Durban July, international and local sport and lifestyle events and films for PR. Other opportunities lie in the hosting of the Africa Travel Indaba and other MICE events.

### 6.9.8 Trade Partnerships

Strengthening trade partnerships with selected trade partners locally and abroad is essential for market recovery. With these partnerships, Durban Tourism will be able to drive and increase conversion using an agreed multi-channel approach.

Such joint marketing promotions may be run in collaboration with travel portals such as TripAdvisor, Expedia, Trippiece, Travelstart, Nippon Travel, Travel Zoo, Travel Value, Booking.com and others and amplified using social media campaigns.

### 6.9.9 Non-Traditional Partnerships

In the case of unconventional partnerships, it is crucial that Durban Tourism considers partnering with the likes of Showmax, Netflix, YouTube and Google as well as reality shows like Durban Housewives. These and other films shot in Durban could be used to amplify the municipality's value proposition.

Another opportunity to take advantage of is Durban's sister city programme. This should be used by the eThekwini municipality as a highly respected and dynamic tourist city.

### 6.9.10 Trade Activities

In co-operation with trade partners, Durban Tourism should develop a year-round trade activity programme to inspire and educate agents and operators to package and sell a range of eThekwini products. These must include easy-to-do experiences such as "*Experience Durban*" and "*Experience Durban plus*" that highlight geographic dispersal, affordability and value for money offerings. These can be boosted with familiarisation trips for key trade partners on a quarterly basis and media campaigns.

Durban Tourism should continue to participate at travel fairs and roadshows where South African Tourism and TKZN are fully present. The aim is to nurture existing partners and find new ones.

### 6.9.11 Traditional Media Campaigns

These are usually multi-layered and comprise above-the-line and below-the-line media. They could be very expensive, have limited reach and be fragmented. However, in the case of Durban Tourism, traditional media selection should cover broadcast, outdoor, print, and radio for local, intra-provincial and national media. Application must however be extremely selective.

### 6.9.12 Influencer Marketing

Influencers are important to the marketing of Durban because they have the ability to inspire and create desire to visit eThekwini.

Micro-Influencer marketing came to the forefront in 2020 during Covid-19 and is still rising today. These usually have 1,000 -1,000,000 followers and specialize in a specific niche within their industry. As such, they often have higher engagement, more loyal followers, and better conversions on their social channels. These are cheaper than the high-flying influencers. In the case of eThekwini Municipality, Durban Tourism has to recruit a mix of opinion leaders and micro influencers of key economic sectors to inspire travellers.

### 6.9.13 Conclusion and Summary

The proposed integrated marketing communication strategy will provide systems, processes, and programmes to ensure Durban's brand marketing strategy becomes more coherent and effective. This must however be managed by a distinct but varied set of key performance areas that can be used to achieve the desired outcomes as provided in Table 30:

*Table 30: Traditional and new media application*

| Markets | Durban & KZN | Rest of South Africa | Rest of Africa & Middle East Core Markets | Non-African core markets |
|---|---|---|---|---|
| Intent | Drive & inspire ambassadorship among stakeholders and citizenry by encouraging them to live the brand | Drive "Experience Durban" campaigns and market-centric programmes | Stimulate demand "Experience Durban", Africa's Playground & positivity and value-for-money | Drive positivity, stimulate demand using "Experience Durban" campaign to affirm Durban's destination brand positioning as *"Africa's Playground"* |
| Audiences | Youth, buzz seekers affluent trendsetters, relaxed sight seekers and relaxed explorers | Youth, buzz seekers and affluent trendsetters, relaxed explorers | Youth travellers, buzz seekers, affluent trendsetters, curious explorers, and relaxed sight seekers | Affluent trendsetters' curious explorers and relaxed sight seekers |
| Message | Focused on affordability "Experience Durban" vibrancy day trips, staycations, short breaks, weekend - away, excursions, VFR, sports, entertainment and nightlife, and MICE, Youth Travellers and affluent trendsetters | Value for money and competitive and comparative strengths, vibrancy short breaks, weekend - away, VFR, entertainment and nightlife, MICE, Youth Travellers and affluent trendsetters | Value for money, distinctiveness, and exclusive experiences | Value for money, wellbeing, nature, connectedness, and bucket list experiences |
| Media | Online, social media, Local, Provincial Broadcast and Bespoke Outdoor/Activations | Broadcast and online in Gauteng and Western Cape | Targeted online (social media), in market media, airline and Travel | Targeted online media (social media), in market media, airline and |

| Markets | Durban & KZN | Rest of South Africa | Rest of Africa & Middle East Core Markets | Non-African core markets |
|---|---|---|---|---|
| | | with national reach. Travel Trade (Wholesale, Retail OTA), FMCG, Financial Services and unconventional partnerships | Trade (Wholesale, Retail and OTA) and unconventional partnerships | Travel Trade (Wholesale, Retail and tech companies) |

## 6.10 Access and Mobility

### 6.10.1 Generators and Interceptors

Air connectivity coupled with ground transportation are generally good from a domestic perspective. However, Durban needs to achieve strong international connectivity and seamless local transport that is comparable to that of Cape Town and other global good practice destinations. It is therefore, strongly recommended that Durban Tourism improves institutional co-ordination with its City Planning Department, KSIA and Airlines to improve the current situation.

With regards to local mobility, it is further recommended that the Municipality explores the introduction of bikes sharing, ferry service and other alternative modes of transportation such as the red bus.

Other important aspects of mobility are signage and Universal Accessibility. These will help tourists to confidently navigate the city.

## 6.11 Human Capital Development

### 6.11.1 Capacity Building

Capacity for tourism marketing is limited due to high turnover. Therefore, the experienced professionals must be assigned to implement the strategy as required. Figure 40 provided in section 6 of this report is recommended for effective implementation.

Owing to constantly changing consumer and marketing trends, capacity building has to be embedded in the IMC programme to improve knowledge and skills of all staff.

## 6.12 Conclusion and Further Recommendations

### 6.12.1 Conclusion

The return of global tourism will see varying rates of recovery in all source markets that eThekwini plays in. It is therefore recommended that marketing investment in each market is carefully managed throughout the recovery cycle.

In combination, this strategic mix could be exploited by Durban Tourism to re-ignite tourism demand.

### 6.12.2 Further Recommendations

Durban Tourism has to formulate the eThekwini Municipality Tourism Master Plan to guide urban planners on the revitalisation of the municipality's tourism infrastructure, particularly ground transportation, air access mobility and walkability among others.

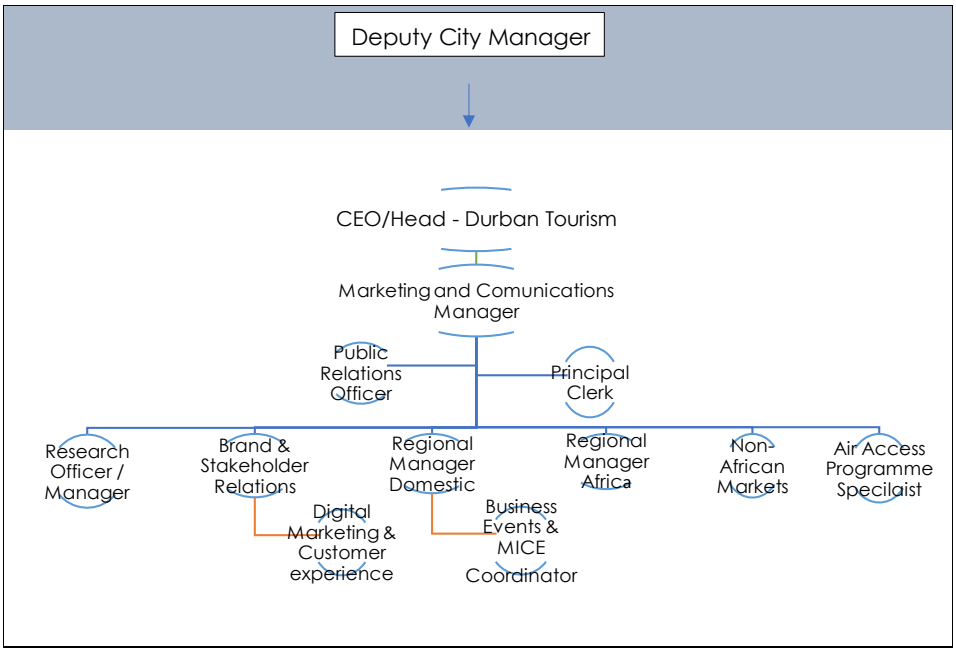
# Chapter 7 Implementation Plan and Critical Success Factors

## 7.1. Proposed Marketing and Communication Plan

### 7.1.1 Proposed Implementation Structure

SWOT analysis and stakeholder consultations revealed that a number of critical positions required for effective implementation are vacant. For effective and result-orientated implementation, it is paramount that these positions are filled. As a result, the structure for implementation has been reviewed and Figure 40 presents the proposed Marketing and Communications structure for implementation.

*Figure 40: Proposed Marketing & Communications Structure*




It is worth noting that the design of this proposed structure was informed by the VMS.

### 7.1.2 Operational and Institutional Arrangements

*Table 31: Stakeholder Map*

| Stakeholder Map | Role |
|---|---|
| Durban Tourism | • To champion the implementation, monitoring and evaluation<br>• Work with TKZN and iconic products to bolster the position of eThekwini as a city tourist destination. |

| Stakeholder Map | Role |
|---|---|
| | • To provide brand custodianship including provision of brand guardianship<br>• To provide required brand assets to CTOs for active participation in digital brand marketing and crisis communication.<br>• To guide, advise, coordinate and/or engage implementing partners to build institutional capacity<br>• To co-ordinate cross-cutting tourism-related municipal and provincial agencies to positively support implementation.<br>• To facilitate financial and technical support for the private sector for active participation in all visitor marketing programmes and activities.<br>• To recruit, appoint and train qualified personnel for effective implementation |
| Product Owners & Travel Trade | • To provide value-for-money products that will enhance visitor experience<br>• To innovate and diversify products to meet the needs of travel consumers<br>• To facilitate private sector investment in product development<br>• To up-skill employees and harmonise service quality levels.<br>• To advocate with Durban Tourism for swift urban rejuvenation, increase in air access and mobility<br>• Partner with media to promote local tourism events and promote awareness |
| CTOs | • Complement Durban Tourism's efforts with value-for-money providing experiences.<br>• Align with the Durban tourism objectives and contribute to effective implementation and improve customer experience.<br>• Establish cooperation agreements with the public and private sector, participate in tourism business and identify attractions suitable for tourism development.<br>• Manage local tourism information offices. |
| Local Communities | • Advocate for sustainable tourism development<br>• Promote awareness of community tourism products and experiences<br>• Encourage media to promote local tourism events and happenings and promote awareness. |
| Other eThekwini Departments & Entities | • Support and collaborate with Durban Tourism in its efforts to market Durban to international and domestic visitors. |

| Stakeholder Map | Role |
|---|---|
| | • Share market intelligence and knowledge that may enhance the Durban visitor experience and marketing of Durban. |
| TKZN | • Strategic partnerships for the marketing of the province and Durban as an anchor destination and gateway to the rest of KZN.<br>• Collaborate on packaging of Durban and promotion to travel trade and consumers.<br>• Ensure that Durban is represented at trade shows that TKZN attends. |
| ACSA | • Air route development to enhance air access into Durban from international, regional and domestic source markets. |

## 7.2 Implementation Plan and Risks

### 7.2.1 Implementation

*Table 32: Implementation Plan*

| Strategic Priorities | Programme, activities and objectives | Timeline | | | Success indicators | Responsibility |
|---|---|---|---|---|---|---|
| | | 2022 - 2023 | 2023 - 2024 | 2024 - 2026 | Key Performance indicators | |
| **Human capital Development** | Recruit and appoint Senior Marketing and Communications Manager and support staff for effective implementation | | | | Appointment of Senior Marketing and Communications Manager, Regional Managers for each core market, Brand Manager, PR Officer and Digital Marketing & Customer Experience Officer | Durban Tourism |
| **Enforcement of Covid-19 protocols** | Harmonise municipal wide Covid-19 protocols across all products to drive enforcement | | | | Covid-19 incident reports | CTOs and Chamber of combers |

| Strategic Priorities | Programme, activities and objectives | Timeline | | | Success indicators | Responsibility |
|---|---|---|---|---|---|---|
| | | 2022 - 2023 | 2023 - 2024 | 2024 - 2026 | Key Performance indicators | |
| **Consumer insights Study** | Conduct an in-depth consumer insights study for all African feeder markets to understand travel motivation factors; consumer needs, preferred experiences and affordability levels. | | | | Validated and approved consumer insights report | Durban Tourism |
| **Integrated Marketing Communications** | Review current brand management strategy<br><br>Produce Brand/Corporate Identity Manuals/Guidelines | | | | Refined brand strategy with brand Identity manual<br><br>Appointment of qualified brand guardian | Durban Tourism |
| | Appoint relevant ambassadors and not just influencers | | | | Approved marketing programmes for all selected and targeted markets | Durban Tourism |
| | Appoint marketing and ad agencies in core markets for traditional and digital marketing campaigns focused on recovery and growth | | | | Number of campaigns undertaken and return on engagement | Durban Tourism |
| | Establish and improve media partnership in core markets focused on improving positive narratives and change negative ones | | | | Value of media exposure and brand awareness versus investment | Durban Tourism |

| Strategic Priorities | Programme, activities and objectives | Timeline | | | Success indicators | Responsibility |
|---|---|---|---|---|---|---|
| | | 2022 - 2023 | 2023 - 2024 | 2024 - 2026 | Key Performance indicators | |
| | Produce tourism crisis communication protocols and implementation guidelines for eThekwini | | | | Approved eThekwini crisis communication management protocols | Durban Tourism |
| **MICE Drive** | Formulate a framework and guidelines to attract, support and host African homegrown MICE initiatives and events homegrown African events in – grants, sponsorships, direct investment, marketing and PR support, airline partnerships, etc. | | | | Approved programme and guidelines<br><br>Growth in MICE contribution to arrivals | Durban Tourism & Durban - KZN Convention Bureau |
| **Technology, digital and innovation adoption** | Forge partnerships with digital partners including Travelstart, Expedia, Google, Netflix, Priceline, TtravelZoo, DSTV, Telcoms (MTN, Telkom, Vodacom & Cell C, etc). | | | | Number of partnerships agreements signed and value of each agreement | Durban Tourism |
| | Improved website with enhanced tools including Search Engine Optimisation, Search Engine Advertising Google My Business, YouTube Channel and chatbots, Virtual Reality among others | | | | Percentage growth in website traffics and visitor engagements | Durban Tourism |
| | Appointment of a dedicated Digital Marketing and Customer Experience officer for consistent execution | | | | Percentage growth in website traffic and visitor engagements | Durban Tourism |

| Strategic Priorities | Programme, activities and objectives | Timeline | | | Success indicators | Responsibility |
|---|---|---|---|---|---|---|
| | | 2022 - 2023 | 2023 - 2024 | 2024 - 2026 | Key Performance indicators | |
| **Product modification and innovation** | Formulate a programme and guidelines for new and Innovative products Such as - Ziplines, entertainment, nightlife, sports (golf and mountain biking, shopping, entertainment, soft and extreme adventure and experiences). | | | | Approved programme and guidelines | Durban Tourism |
| | Create or host Pan-African annual sporting and entertainment programmes including golf, biking, concerts, shopping festival and MICE | | | | Joint comprehensive annual calendar of events | Durban Tourism |
| | Design and build extreme youth-oriented adventure, attractions – bungee jumping, ziplines, mountain biking routes, etc. | | | | Number of new products developed per annum | CTOs and Chamber of Commerce |
| **Packaging and Pricing** | Formulate and design tier-pricing, seasonal and incentive pricing framework and guidelines for locals, domestic and African markets | | | | Approved framework and programme for differential pricing for local, domestic and international. | Durban Tourism, Chamber of Tourism and CTOs |
| **Distribution** | Establish global and key distribution partner networks (traditional and non-traditional) in | | | | Number of networks established, and overnight trips booked by networks | Durban Tourism |

| Strategic Priorities | Programme, activities and objectives | Timeline 2022 - 2023 | 2023 - 2024 | 2024 - 2026 | Success indicators Key Performance indicators | Responsibility |
|---|---|---|---|---|---|---|
| | domestic and all core markets | | | | | |
| | Develop and introduce eThekwini Specialist Programme | | | | Number of specialists trained, and overnight trips booked by specialists | Durban Tourism |
| | Establish online distribution partner network for Domestic and international markets | | | | Number of specialists trained, and overnight trips booked | Durban Tourism |
| Advocate the improvement of priority tourism roads and interpretative signage and ensuring greater tourist guide mobility | Engage appropriate sister eThekwini government entities to improve signage, road maintenance and tourism roads in the city | | | | Number of improved tourist routes and roads with signage | Durban Tourism, CTOs and Chamber of Commerce |
| **Improving air access policies and practices** | Establish a dedicated air access unit or desk to facilitate route development and increase in the number of flights and airline partnership | | | | Increase in number of airline schedules to and from feeder markets | Durban Tourism, CTOs and Chamber of Commerce |

| Timeframe | Short-term | Medium-term | Long-term |
|---|---|---|---|
| | 2022 to 2023 | 2023 to 2024 | 2024 to 2026 |

### 7.2.2 Potential Implementation Risks

The major risks that will impact on the effective implementation of this strategy are reflected in Table 33:

*Table 33: Implementation Risks*

| Risks | Mitigation |
|---|---|
| Lack of political will and progressive policy. | Educate policy makers on the significance of their role in making the strategy work. |
| Inadequate financial resources. | Boost marketing budget by a minimum of 5% or based on CPIX to be able to deliver this plan effectively. |
| Lack of robust brand guardianship and custodianship. | Assign a dedicated digital and customer experience manager to act as the brand guardian. |
| Lack of adherence to monitoring, evaluation and control principles. | Implement project quarterly review sessions to monitor progress, opportunities and challenges. |
| Inadequate internal capacity | Fill current unfilled marketing department vacancies. Professional support from Ad and digital marketing agencies could assist in timely implementation. |

### 7.2.3 Critical Success Factors and Potential Impact

The proposed Visitor Marketing Strategy requires effective implementation in order for Durban Tourism to achieve the desired outcomes forecasted in section 5 of this report.

Against this background, it is recommended that Durban Tourism takes into consideration the success factors outlined in Table 34:

*Table 34: Critical Success Factors*

| Success Factors | Context |
|---|---|
| Health and Safety | Durban Tourism and stakeholders need to harmonise protocols for safe travel experiences to create a more positive perception similar to those created by good best practice case studies discussed. |
| Capable and effective leadership | Durban Tourism's leadership need to secure buy-in of key stakeholders and policymakers to financially and technically support the implementation of the strategy to ensure effective implementation in a cooperative fashion. |
| Innovation and Digitalisation | The implementation should be digital and technological innovation-led across all marketing campaigns. |

| Success Factors | Context |
|---|---|
| Product innovation & Diversification | Durban Tourism and stakeholders need to rethink, innovate, diversify and co-create the new product portfolio to invigorate recovery. |
| Human Capital Development | All marketing related vacant positions have to be filled, while training and capacitating critical personnel including upskilling Durban tourism's senior management team, CTO and sister entities to ensure effective implementation of this strategy. |
| Infrastructure improvements | Durban Tourism, CTOs and the Chamber of Commerce have to engage authorities responsible for tourism infrastructure with regards to revitalisation of tourism infrastructure and improving city cleanliness for enhanced visitor experience. |
| Stronger partnership & Co-operation | Durban tourism needs to work closer with various categories of stakeholders to create more awareness and conversion. |
| Promote local, regional, and domestic first | Promotion of domestic and regional tourism should be prioritised over international across all integrated communication platforms, given that these are lead producing markets for Durban. |
| Sustainability | Durban Tourism and Private Sector adhere to SDGs measures and applied across the tourism value chain, inclusive of social and cultural equity and economic inclusion |
| Funding | The municipality should provide adequate budget annually and guaranteed operating budget that allows Durban Tourism to allocate appropriate resources for effective and efficient implementation including human capital. |
| Monitoring and Evaluation | There must be strict adherence to work towards achieving annual projections and Key Performance Area Indicators. These have to be reviewed on a quarterly basis and improve continuously. |

In conclusion, it is proposed that Durban Tourism works closer with private sector and sister government entities including TKZN, KZN Film Commission and other key players to accelerate implementation.

### 7.2.4 Summary of Monitoring and Evaluation Measures

*Table 35: Monitoring & Evaluation Measures*

| # | Key Performance Areas | Annual Performance Indicators |
|---|---|---|
| **1** | Annual tourism arrivals, overnight stay and spend as projected in the Visitor Marketing Strategy | • Domestic - Percentage increase in day trips, intra-provincial overnight arrivals and direct spend as set out in this VMS. |

| # | Key Performance Areas | Annual Performance Indicators |
|---|---|---|
| | | • International - Percentage increase in, African overnight arrivals and direct spend as set out in this VMS.<br>• Percentage increase in non-African overnight arrivals, length of stay and direct spend as set out in this VMS.<br>• Total tourism contribution to GDP as projected in this VMS. |
| **2** | Brand Awareness and positivity levels | • Total unique visitors to Durban Tourism's website as measured by Google Analytics.<br>• Improved brand awareness based on brand tracking, research and annual consumer insights.<br>• Return on Investment and customer engagement on activities.<br>• Total number of blended local, domestic and international campaigns run. |
| **3** | Market penetration and development | • Total number of certified eThekwini Market Development Specialists in key markets and regions.<br>• Total number of marketing partnership agreements signed for digital technology and non-industry partners in core markets<br>• Total number of feeder markets travel trade trained and ambassadors recruited |
| **4** | Job Creation | • Total employment sustained or created. |

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## Annex 1 List of Stakeholders Consulted

- Durban West CTO
- uMhlanga Tourism
- 1000 Hills Tourism
- 1000 Hills Tourism
- INK (Inanda) Tourism
- Sapphire Coast Tourism
- Dbn Central CTO
- Clermont CTO
- Umlazi CTO
- ACSA / KSIA
- uShaka Marine World
- Durban ICC
- Moses Mabhida Stadium
- Durban Chamber Tourism Committee
- SATSA KZN (Durban region)
- Tsogo Sun
- Oyster Box / Red Carnation
- eThekwini Economic Council - Tourism
- Council tourism member
- Council tourism member
- Council tourism member
- Durban Film Office