

FOREWORD

**By Minister Mike Mabuyakhulu
MEC for Economic Development and Tourism**

KwaZulu-Natal

Provincial government demonstrated its commitment to tourism in the 2000-2001 financial year with a 68 percent increase in budget allocation. In the 1999-2000 financial year the tourism allocation was R11,5-million and in the year under review the budget rose to R19,4-million. This is a clear indicator of the fact that we view tourism as a provincial government priority. It is also in some ways recognition of the province's achievement of maintaining the lion's share of the South African domestic tourism market for yet another year. We in government are committed to maximising the scope of tourism in the economy, both regionally and nationally and SA is increasingly claiming its stake of the global tourism market. Approximately 29% of all overseas and African tourists visit KwaZulu-Natal. Its share of this market has been relatively constant in recent years. Coupled with the increase in budget allocation, is the resolve to overhaul the legislation and align the institutions in the industry. Almost a year ago I launched the provincial tier of South African Tourism's Welcome Campaign. The credo, that informed the campaign, is the fact that 'tourism is everyone's business'. The review of current legislation is also guided by this straightforward doctrine. It is also necessitated by the changes in the local government sphere, effected recently. There are two fundamental issues that I intend to address in the new legislation. The first is the aim to bring local government directly into our provincial tourism effort. In fact a large focus of the Bill is establishing those mechanisms, which will facilitate the effective participation of local government. I am proposing that this relationship be formally legislated.

The second key issue is the need for a uniform tourism policy within the province. This requires co-operation from local government, on the one hand, but also clear policy directives from within provincial government. Because the previous legislation only dealt with the establishment of a Tourism Authority, this has been absent over the last few years. The province has a constitutional obligation to set tourism policy and to ensure that we maximise our tourism potential. The amended legislation deals with this matter by clarifying the specific roles of the MEC in determining provincial tourism policy. There is also, within the legislation, an obligation on the part of local government, to participate in this policy formulation and implementation. In defining the roles of the different spheres of government I have made the proposal that there should be one institution responsible for the marketing of the province and its municipalities, nationally and internationally. Institutional alignment is absolutely essential if we are to maximise synergies and realise the huge potential, which this province has.

The reconstitution of the TKZN board, to make it more industry-focused, will form part of this process. In mentioning this, I must thank the incumbent board for their sterling work and single out the commitment of the chairman and his deputy in their term in office. I am confident that the changes envisaged will come to fruition by next year. The empowerment of local government is synergistic with our marketing strategy, which has at its core, our diverse product mix. This diversity will only be enhanced if its owners sing its praises themselves. The entire legislative review effort will be underscored by the fact that 'tourism is everyone's business'.

The devolution of ownership of the province's tourism industry to everyone, I trust, will provide us with the solutions to both our most critical challenges. It will give impetus to the domestic tourism industry by showcasing our diverse product range; thereby arresting the decline brought on by tougher economic realities. In conclusion I take this opportunity to thank the chairman, vice-chairman and members of the board and committees of the KwaZulu-Natal Tourism Authority for their tireless service over the past two years. They planted the seeds of a structure that is currently regarded as one of the most efficient of all tourism authorities in the country. I congratulate them on their achievements. For those who remain on the new board, continue with your fine work and to those who don't, I say "a heartfelt thank you".



CHAIRMAN'S COMMENTS

**By Mr CP Brink
Chairman
KwaZulu-Natal Tourism Authority**

It has been a year since the launch of Tourism Strategy 2000 and it would be fitting to review the process in this Annual Report. Tourism Strategy 2000 is the culmination of a lengthy period of research into the development of the tourism industry in KwaZulu-Natal. The strategy is the vehicle in a process, which we believe will result in a major increase in tourist arrivals in the province and the creation of significantly more tourism related jobs. As expected, progress in some areas has been accelerated while in others, less expeditious. This is primarily due to the initial processes around the formulation of clear and achievable project goals and critical paths. In spite of this the organisation has achieved important milestones. Among these are the following:

- the arrival of the first foreign charter flight in KwaZulu-Natal on January 20 2001;
- the management of infrastructural projects totalling R35-million for the Lubombo Spatial Development Initiative;
- the accessing of R6-million from National Government for the undertaking of poverty relief projects;
- the implementation of the first phase of the Kwa-Mali project. It is envisaged that the experience gained during this phase will guide the organisation and enable them to execute a more successful second phase;
- the upgrading of the organisation's website in accordance with international best practice;
- the maintenance of the province's market share as the country's leading domestic destination in terms of the number of visitors to the region. Concern however, has been expressed at the decline in tourism spend during the period.

The organisation has been recognised for its achievements with respected South African business publication *Professional Management Review*, rating it "the tourist organisation in KZN doing the most to attract foreign investors."

Currently there are several organisations at different levels of government marketing and developing tourism. In a number of cases, there is clear duplication of functions. In the past 12 months KZNTA has pursued the task of aligning all public sector tourism related institutions. While the Tourism Authority has aggressively attempted to clarify roles and responsibilities of these structures, there have been obstacles at different levels of government and this has impacted on progress. While the legislative review process being undertaken by the MEC for Economic Development and Tourism, addresses this issue to a great degree it is imperative that KZNTA, in partnership with other organisations continues to pursue this goal to bring it closer to realisation. While KwaZulu-Natal still has the largest share of the domestic tourism market in terms of the numbers of visitors, there has been an overall decline in tourism spend here and in all provinces around South Africa. This is due to the state of the national economy. There have been over 500 000 job losses during the period and a significant fuel price increase which has resulted in a shortage of disposable income. It is hoped however, that the successful implementation of Tourism Strategy 2000, will be able to start reversing this trend and bring more big spending tourists to the Kingdom.

The review process that the organisation has undertaken after the initial 12 months of Tourism Strategy 2000 has resulted in a clearer set of deliverables and more defined institutional goals. While the strategy may now be clearer and better focussed, success cannot be achieved without co-operation of all stakeholders. We need to take collective ownership to make it work. In Year One, we set the foundation for Tourism Strategy 2000 and look to Year Two as a period of acceleration. I would like to thank the MEC, Mike Mabuyakhulu, the board, management and staff of KZNTA for their commitment and dedication to the task at hand.



CHIEF EXECUTIVE OFFICER'S REPORT

**By Mr Gareth Coleman
Chief Executive Officer
KwaZulu-Natal Tourism Authority**

STATE OF TOURISM

The Domestic Tourism Market

The KwaZulu-Natal Tourism Authority commissioned a study in 2000 to determine the nature and extent of the province's domestic and foreign tourism markets. The survey involved administering a structured questionnaire to a representative sample of 700 South African adults living in urban areas. These studies have revealed that this province still has the dominant share of South Africa's domestic tourism market. There has, however, been a decline in terms of domestic tourism. This decline continued over the October 2000 to January 2001 period. The reasons for this decline could be ascribed to the state of the South African economy and its impact on disposable income. The petrol price hikes have, in particular, lead to less frequent domestic tourism trip been undertaken. On research that has been undertaken it is possible to estimate that in the order of 6.5 million domestic tourists from outside or within this province travel to one or more destinations within KwaZulu-Natal, on an annual basis. The primary reason that domestic tourists visit destinations in KZN is to visit family and friends.

KwaZulu-Natal's core tourism market is derived from within its borders. It is important to note that this is a common phenomenon in South Africa, with other key domestic tourism destinations such as the Eastern Cape and the Western Cape displaying a similar trend. Gauteng is this province's core external source market. However, it is important to note that when this province's market is analysed in terms of holidaymakers only, Gauteng is its most important market. The key destinations, visited by domestic tourists in this province are the Durban Central area, the South Coast, the Midlands and the North Coast.

The domestic surveys have revealed that the average adult domestic tourist who visits a destination in this province spends in the order of R600 a trip, thus implying that KZN's domestic tourism market is worth some R4 billion per annum, in terms of consumer expenditure.

The International Tourism Market

The survey revealed that approximately 29% of all foreigners who visit South Africa visit this province. This is in keeping with the findings of similar surveys, which have been conducted by South African Tourism. It is estimated that 1,8 million overseas and African air arrival tourists visited South Africa in 2000. This was only marginally higher than the previous year as a result of the economic recession being experienced in many of South Africa's northern neighbours, and also as a result of concern about security and health issues in Southern Africa. Roughly 522 000 of these tourists visited KwaZulu-Natal. These tourists originated from the following markets.

- United Kingdom 22%
- Germany 12%
- Africa 13%
- North America 11%
- France 5%
- The Netherlands 4%



They visited KwaZulu-Natal primarily for holiday purposes (54%). Approximately 20% did so to visit family and friends and 21% came to the province on business.

The core destinations that are visited by foreign tourists were:

- The Durban Metropolitan area (69%)
- Zululand (33%)
- Drakensberg (26%)
- The North Coast (23%)
- Pietermaritzburg and the Midlands (21%)

Key attractions were:

- Durban Beachfront (61%)
- Drakensberg (40%)
- Valley of 1000 Hills (19%)
- Seaworld (19%)
- Hluhluwe-Umfolozi (26%)
- Zulu Villages (14%)

Areas that attracted the most interest were:

- Beaches (43%)
- Nature Reserves (42%)
- Arts or Crafts Centres (29%)
- Hiking Trails (19%)
- Museums/Art Galleries (19%)
- Water Sport (9%)

Foreign tourists who visit this province spend an average of R5940.00 per individual during their stay. This implies that this province's foreign tourism market is worth in the order of R3.1billion per annum in terms of consumer expenditure.

Overall Performance

KwaZulu-Natal's tourism industry was thus worth in excess of R7billion in terms of consumer expenditure in 2000. The total impact of tourism on the economy, if an estimated multiplier of 1.42 is applied was R10bn. Its contribution to the Gross Geographic Product (GGP) of this province was estimated to be in the order of 10%. This industry employs directly or indirectly approximately 112 000 people. This is based on the estimate that 16 jobs are sustained or created from about R1 million of direct tourism expenditure.

Key Conclusions

KZNTA studies have revealed that the primary factor that threatens KwaZulu-Natal's share of both the domestic and international tourism markets is the perception of crime and grime. It is however important to note that perceptions of safety and security are improving. Furthermore, it appears that this province is not marketing the diversity of its tourism product optimally. There is a need to create a greater awareness of KwaZulu-Natal's diverse tourism product. However, on the whole, tourists tend to enjoy their stay in the province and are likely to return, as well as to recommend it to friends and relatives. The surveys have revealed the tremendous influence that word of mouth communication has on influencing the decision of tourists to visit destinations in this province. A creative marketing strategy needs to be developed in order to optimise this medium of communication. Marketing activities should be focused on the residents of Gauteng and KwaZulu-Natal, particularly the members of Living Standard Measurement Groups 7 and 8. Furthermore, it should be directly and aggressively aimed at these potential tourists. The focus in terms of international marketing should be the residents of the United Kingdom, Germany, other European countries, particularly France and the Netherlands, certain African countries and the USA.



STRATEGIC MARKETING FRAMEWORK

Institutional Alignment

The strategic marketing framework encourages more effective alignment of public and private sector marketing organisations in the province. Whilst proactively encouraging the development of a vibrant locally-based tourism industry, the KwaZulu-Natal Tourism Authority strives to ensure that an effective vertical alignment occurs with institutions at national, provincial, district and local spheres of government. The organisation has facilitated more effective co-operation mechanisms and projects with the following institutions:

Department of Economic Development and Tourism

Regular meetings have been held with the department. Issues around budgeting, areas of co-operation and joint initiatives were discussed. In the year under review three staff members were transferred from the DEAT to KZNTA. This was due to the transfer of tourism services, which fell within KZNTA's competencies.

Department of Environmental Affairs and Tourism

There was ongoing communication between DEAT and KZNTA on a range of projects and issues in the year under review. Among the prioritised areas were Poverty Relief projects, the establishment of a new registration system and tour guiding. The CEO and MEC represented the province at MINMEC, which is a forum, presided over by the national minister and provincial MECs, representing various clusters. The CEO also attended MIPTECH, which acts as a technical forum and provides guidance and advice to MINMEC.

Timeless Afrika

The Board of the KwaZulu-Natal Tourism Authority has been directly involved in discussions with the board of Timeless Afrika with regards to an alignment of functions. The KZNTA has recommended that a member of the KZNTA Board or CEO of KwaZulu-Natal Tourism Authority sit on the Timeless Afrika Board. Restructuring at local government, however, has had an impact on the ability to achieve alignment.

Durban Africa

There has been close interaction between the managements of KZNTA and Durban Africa on a number of projects. There, however, remain a number of unresolved matters, particularly around the establishment of a firmer framework for local and provincial governments in relation to branding and legislative mechanisms.

KZN Community Tourism Association

KZNTA has participated fully in the KZN chapter and has also established more direct and effective relationships with local CTOs. KZNTA attended the national conference of CTOs during the financial year and has paid the national membership fees of all KZN Community Tourism Organisations (CTOs).

Regional/District Councils and Durban Metropolitan Council

There has been closer co-operation between these spheres and mechanisms have been established to effect greater co-operation. Management has attended meetings of all Regional Council Tourism Standing Committees during 2000-2001. The CEO and representatives of management have conducted presentations on the organisation's strategy, Tourism Strategy 2000. To date, all Regional Councils have given broad endorsement to the strategy. They have been requested to comment on it, both verbally at meetings, and in writing. The CEO has assisted the MEC in convening meetings with Regional Councils and the Durban Metropolitan Council to effect closer co-operation. The CEO has convened a CEOs forum with Regional Councils, Timeless Afrika and Durban Africa and established a Marketing Forum, which was convened by the Marketing Communications Manager.

Amafa KwaZulu-Natali

There has been continued communication around the Emakhosini, Border Cave and Battlefields projects and other matters regarding cultural tourism in the province. KZNTA is also represented on the Heritage Liaison Committee. A Memorandum of Understanding has been signed with Amafa KwaZulu-Natali.



Ezemvelo – KZN Wildlife

The CEO has been actively involved in Ezemvelo – KZN Wildlife and in providing input around tourism promotion and development at both board and management levels. A Memorandum of Understanding has been signed with Ezemvelo – KZN Wildlife.

Ithala Bank

Regular meetings have been held with Ithala Bank and it has been agreed at management level to work towards the establishment of a Memorandum of Understanding between the two organisations with an emphasis on Poverty Relief Programmes. There is ongoing interaction between the two organisations through the Investment Advisory Forum and between management staff on specific projects.

KwaZulu-Natal Marketing Initiative

There has been continued co-operation between KZNTA and KMI board members who sit on the Investment Advisory Forum. KZNTA has also shared membership with KMI on the South African Property Owners' Marketing Association. During the financial year, the MEC launched a review process around investment institutions. Once this process has been completed there will be greater opportunities for synergy.

Southern African Tourist Services Association

Liaison between KZNTA and SATSA was the responsibility of the Marketing Communications Manager. A number of joint projects have been undertaken around both international and domestic marketing. KZNTA assisted in sponsoring Kingdom of the Zulu branded bags for the national SATSA AGM held in the Drakensberg. There is ongoing communication between the KZNTA CEO and the leadership of the KZN and national branches of SATSA.

Federated Hospitality Association of South Africa

The CEO has attended a number of FEDHASA functions at the invitation of the KZN Chairperson and liaises with the Chairperson of FEDHASA in the province. The CEO was also part of a panel discussion at the national FEDHASA Congress held at the Sandton Convention Centre in September.

Black Emerging Tour Operators

KZNTA has initiated a programme aimed at drawing up a business plan to assist the Black Emerging Tour Operators (BETO) achieve their tourism goals. BETO continues to receive support from KZNTA through the provision of a meeting venue and support at domestic travel shows.

KwaZulu-Natal Economic Development and Tourism Portfolio Committee

The CEO has been in regular contact with the Chairperson of the Economic Development and Tourism Portfolio Committee. Management has attended several meetings and made presentations on issues relating to progress within the organisation and tourism in the province generally.

KZN Tourism Business Council

The CEO attended meetings of the KZNTBC and has discussed various joint issues of concern. The CEO has also made contact with the newly-appointed CEO of the National Tourism Business Council regarding provincial and national relationships.

Lubombo Spatial Development Initiative

There has been a close working relationship between Lubombo SDI and KZNTA management, especially around the Greater St. Lucia Wetland Park Development Infrastructure and Poverty Relief Projects. All funds allocated to these projects from national government are administered by KZNTA. Funds for the SDI projects were managed through the Product Development Committee of KZNTA.



Provision of marketing platforms

KZNTA sees its role as facilitator in providing access to cost-effective marketing and promotional platforms for local and regional stakeholders. Where appropriate, KZNTA will also link into existing platforms created by either public or private sector stakeholders in order to leverage marketing and developmental spend in support of its brand. This includes the use of promotional campaigns and brochures, trade shows and consumer exhibitions and Internet marketing and fax-on-demand facilities.

To effectively market tourism products and raise awareness the following tools were developed:

Marketing Material

Publication	Quantity
KZN Travel Guide	60 000
KZN Road Map	100 000
Scuba Diving	10 000
Camps and Caravanning Brochure	10 000
Backpackers Guide	10 000
BETO Leaflets	5000
KZN Hungarian Flyers	5000
KZN 5Bs poster	2000
Free website design for regions	5
Free website listings for product	300
Free fax on demand listings	6000
"How To" Booklets	20 000
KZN Video	1000
Tourism Statistics Brochure	10 000

Domestic Shows and Exhibitions

KZN stakeholders were also provided with marketing and promotional platforms in the following domestic shows:-

Date	Show	City	Brochures Distributed
7-9 Apr 2000	KFM Getaway Show	Cape Town	2100
15-18 June 2000	Outdoor and Adventure Show	Kayalami	2300
28-30 July 2000	Outdoor and Adventure Show	Shongweni	1200
15-17 Sept 2000	Star Getaway Show	Johannesburg	2500
27-29 Oct 2000	East Coast Radio Getaway Show	Durban	2400



International Shows and Exhibitions

Date	Show	City	Brochures Distributed
13-16 Nov 2000	World Travel Market	London	3000
1-10 Nov 2000	Eastern Europe Workshops	Moscow, Budapest, Prague, Warsaw	1500
26 Jan – 4 Feb 2001	Vakantie Salon	Antwerp	2000
3-7 March 2001	ITB	Berlin	4000
21-25 March 2001	Hungarian Trade Fair	Budapest	6000

Brand Strategy

In the year under review KZNTA achieved significant leverage in partnership with other strong brands:

- East Coast Radio;
- Coca Cola / ABI;
- RCI;
- Ukhozi FM;
- Budget Rent-a-car;
- Skynet;
- Milky Lane (Pleasure Foods);
- Gooderson Leisure Corporation;
- Protea Hotels
- Independent Newspapers.

The organisation has recognised that there is still a need to establish greater clarity through various marketing and promotional programmes, regarding the value of the brand, which have implications on its application. This is with regard to the following areas:

- The potential of the brand
- Role of the Zulu monarchy;
- Diversity of tourism product;
- Linkage to other products and regions.

KZNTA conducted a pilot qualitative study in February 2001, which involved three focus groups with respondents from LSM 6,7, and 8 from Gauteng. The purpose of the study was to gauge holidaymaker perceptions of KZN and the organisation's branding. One of the core findings was that there appeared to be support for the Kingdom of the Zulu branding. There was however, some apprehension regarding the perceived aggressiveness of the brand. The organisation is currently pursuing this issue.



Information Systems and Database Management

The international trend in the tourism industry is towards the more effective use of information technology in the operation and marketing of enterprises. In an attempt to build a world-class service in this area, the Tourism Authority continued to develop its website and other computer- based marketing tools during the year in review.

Internet Site

<http://www.zulu.org.za>

The Tourism Authority's Internet site was launched in a joint venture with Zula Rock in December 1997. Since its launch the site has expanded its range of information and substantially increased its traffic flow. As a result the Board took a decision to invest just over R1 million over the 2000/2001 financial years to develop this resource further. It also aims to ensure that it is the most comprehensive source of tourism information on the province and that it is a site that ranks amongst the 'best tourism sites'. The site has developed into a network of regional and experiential sites that provide comprehensive information on the following:

- The Battlefields
- The Drakensberg
- The South Coast
- Zululand
- The Dolphin Coast
- Greater Durban area

Each of these sites provide tourism news, event information, links to other useful sites, photo tours, interactive database facilities and comprehensive static pages on tourism services, attractions and tourism investment opportunities.

The main site also offers the above as well as in-depth information on KZNTA and its projects. In the interim, while additional sub-sites are being developed, it also provides comprehensive information on Pietermaritzburg and the Midlands, East Griqualand, the 'Buzz', 'Bush' and 'Beaches'. The site performed as follows over the year under review:

Successful requests (Hits): 1.5 million:

Hosts (Unique Users): 65 650

Fax on Demand

During the 2000/2001 financial year, KZNTA continued to develop its Fax on Demand service. The following new services were introduced: Restaurants, 'Our Tourism Industry' (a service that provides useful tourism statistics) and Tourism Investment Opportunities. In addition, the generic pages have been translated into French, German and Spanish. The KZNTA Fax-on-Demand covers the following topics: About KwaZulu-Natal, Durban, Coastal Regions, Zululand/Maputaland, Drakensberg and East Griqualand, Battlefields, Pietermaritzburg and the Midlands, Game Reserves, Arts and Culture, Adventure Tourism, Caravans and Camping, Bed and Breakfast, Self-Catering, Hotels, Backpacker/Youth Hostels, Hiking Trails, Golf Courses, Scuba Diving, Tour Operators, Conference Venues, Events, 'Our Tourism Industry' and Tourism Investment Opportunities. Approximately 3000 individuals used this service during the period under review.



Tourism Asset Database

During the 1997/1998 financial year, KZNTA invested in the establishment of a tourism asset database providing information on over 10 000-tourism assets across the province. This is the most comprehensive tourism asset register of its kind in the country. The database has been divided into the following categories: accommodation, conference venues, conservation area, landform features, historical and cultural attractions, hunting and fishing, distances, weather, travel services, restaurants, marinas and boating, recreation and entertainment, development projects, botanical features, sport facilities and associations and events. During the course of the 1998/1999 financial year the KZNTA approved the purchase of Global Positioning System meters for the Regional Councils and CTOs to utilise in assisting the Tourism Authority to gather latitude and longitude measurements for the assets listed in the database. In the 2000/2001 financial year, an attempt was made to edit and update all the records in this resource.

Investor Database

KZNTA has established a database of potential tourism investors. Most of the entries in this database have been obtained as a result of actual enquiries or contacts made with potential investors. A Foreign Trade Database has also been established.

Computer Hardware and Software Support to Community Tourism Organisations (CTOs)

To date, computer hardware and software has been provided by KZNTA to the following CTOs: Port Shepstone, Scottburgh, Drakensberg, Bushman's River, Ladysmith, Dundee, Newcastle, Utrecht, Babanango, Nongoma, 1000 Hills, Amanzimtoti, Sugar Coast, Dolphin Coast, Maputaland, Empangeni, Eshowe, Hluhluwe, Jozini, Mkuze, Mtubatuba, Mtunzini, St Lucia, Tuzi Gazi (Richards Bay), Hibberdene, The Bat Centre, Mpenjati, Umtamvuma, Kamberg, Pongola, Southbroom, Utrecht, Ulundi and Margate. In return for this equipment, the CTOs have agreed to assist KZNTA with the maintenance of its tourism asset database. In the year under review Anti-virus and Office 2000 software was supplied to all the above offices. In addition computer equipment was supplied to the following publicity associations: Richards Bay Tourism, Mtubatuba, Vryheid, Ladysmith, Margate, Scottburgh, Ulundi, Kamberg, Ladysmith, Maputaland, Hibberdene and Utrecht.



Market Research

New tourism products and effective marketing campaigns can only be developed with a thorough understanding of the tourism market. During the course of the 2000 financial year the Tourism Authority continued to commission and produce quality research for the use of the tourism trade and potential tourism investors.

A Third Series of Domestic and International Consumer Surveys

KZNTA commissioned a third series of in-depth surveys to determine the nature and extent of KwaZulu-Natal's foreign and domestic tourism markets. This study was specifically designed to provide relevant strategic data for the various regions of the province.

Tourism Legislative & Policy Review

During the course of the 2000/2001 financial year an agency was commissioned to do a comparative analysis of the organisation, functions and performance of KwaZulu-Natal Tourism Authority with respect to other similar provincial or regional agencies. This involved:

- analysing their strategies
- core competencies
- relationships with local, regional and national government
- nature of expenditure in terms of marketing and product development activities
- private sector involvement, methods of measuring their performance
- providing a description of the various tourism funding models that are applied by regions similar to KwaZulu-Natal.

This involved taking note of:

- the extent of funding that is made available to these agencies
- the funding model(s) which they apply
- private sector funding and support
- local and national government support

The agencies with which KZNTA was compared was The Western Cape Tourism Board, The Gauteng Tourism Authority, The Western Australian Tourism Commission and The Florida Tourism Industry Marketing Corporation.

Another agency was commissioned to conduct the following:

- performance and composition of the Board of KwaZulu-Natal Tourism Authority
- local and regional government and stakeholder representation on the Board of KwaZulu-Natal Tourism Authority
- identification of additional issues for policy or legislation
- role and form of policy intervention by provincial government

The purpose of these studies is to assist the process of formulating new tourism legislation for the province

Trade Union Research Project

KwaZulu-Natal Tourism Authority provided funding to the Trade Union Research project to enable them to conduct a survey amongst union members in the hospitality industry to measure their understanding of the tourism industry and their experiences as employees.



Measuring the impact of KZNTA's actions

During the course of the 1999/2000 financial year, KZNTA established a system to measure the performance of its marketing actions. This system involved the monitoring of variables such as: unique user rate of the website, hit rate, number of e-mail enquiries generated by the website, numbers of a particular brochure that were distributed, number of contacts made at a particular trade or consumer show and usage levels of the fax-on-demand service. A special survey was also launched to assess the impact of the KZNTA public relations actions. A follow-up survey was undertaken in January to determine if there has been a change in perceptions of the KZNTA and its activities.

Visitor Books

The KZNTA introduced and published a common visitor book for Community Tourism Organisations and core attractions in KwaZulu-Natal. The data that is collected from these books is utilised to gauge the nature of the KwaZulu-Natal Tourism market. A total of 147 youth hotels, CTOs, museums and other facilities have books.

Key Stakeholder interviews & Focus group Studies

In the financial year KZNTA launched a project to gauge core tourism stakeholder opinion of the performance of the KZN tourism market. This involved interviewing a panel of 23 leading provincial tourism decision-makers on a monthly basis. Three pilot focus group studies were also undertaken with residents of Gauteng to begin developing an in-depth understanding of perceptions of KZN as a domestic holiday destination.

Towards the development of a strategy to deal with tourist perceptions of crime, grime and disease

An agency was commissioned to assist the Authority in developing a practical strategy to deal with current perceptions of crime, grime and disease in KZN. The study involved analysing the strategies of similar agencies in other countries.

Information Resource Centre

A formal information resource centre or reference library was established at KZNTA at the beginning of 2000. It currently houses the following resources: 863 research reports and articles, media articles, 497 reference books, 4 international journals, slides, CD Roms and videos. It had 375 visitors in the period under review. The market research and product development division constantly monitors international and domestic market trends through the following organisations:

World Tourism Organisation Reports
World Travel and Tourism Council Reports
The Tourism Industry Intelligence Publication
Annals of Tourism Research
SA Tourism's International Market Surveys,
Statistics South Africa Releases,
Special reports outlining the latest international and domestic market trends are published and updated.

During the financial year a special brochure was published to provide an overview of these trends. The intention is to update and publish this document on a quarterly basis and to distribute it to key tourism decision makers and libraries in the province.

Tourism Research Network

KZNTA has managed to establish a network of more than 60 researchers in the province, who have experience in various areas of tourism research. A company has been contracted to maintain a press clipping service for KZNTA to monitor articles in which this organisation's activities are mentioned.



Events Development

The careful development of events across the province can provide an effective mechanism for brand building, attracting tourists, and the inclusion of previously excluded areas into the tourism mainstream. KZNTA pursued partnerships with District Councils and the Durban Events Corporation to try and spread tourism visitation and spend across the province. In addition to these partnerships, key cultural and sporting events were identified for support and development, and to leverage exposure for the “Kingdom of the Zulu” branding. The following key events were supported by KZNTA during the 2000-2001 financial year:

Umkhosi woMhlanga (The Reed Dance)

The event, hosted by His Majesty King Goodwill Zwelithini took place in September 2000 at the Inyokeni Palace in Nongoma. KZNTA funded the event to the tune of R200 000. Other sponsors included Portnet, South African Breweries, Coca-Cola and Tongaat Hulett. KZNTA supported the event as it is closely aligned to its branding and is a significant function on the Zulu Royal calendar. KZNTA assisted the organisers with the marketing and publicity programme for the event through advertising in key local and national media, the dissemination of press releases, the provision of banners, and the production of promotional material and flyers.

Welcome Campaign

MEC Mike Mabuyakhulu launched the provincial leg of the Department of Economic Affairs and Tourism and South African Tourism’s Welcome Campaign in July 2000 at a function held at the Durban Harbour. The function was jointly hosted by KZNTA and ABI/Coca-Cola. The message of the campaign was: “Tourism is everyone’s business”. In KZN the Welcome Campaign’s objectives were broadened to encourage the public to travel in their own province. In implementing the campaign, KZNTA created a grassroots programme with Amalgamated Beverage Industries (ABI) empowering 200 Coke vendors to become disseminators of tourism information at road intersections.

Tourism Month

KZNTA chose “service excellence” as the main theme during Tourism Month in September 2000. The organisation called on the media of KwaZulu-Natal to assist in publicising a campaign that urged the industry and consumers to “go the extra mile” with regard to service excellence. The campaign was launched by MEC Mike Mabuyakhulu at the Riverside Hotel in Durban and a total value of R2-million in media coverage was leveraged over the period. Morning daily *The Mercury* placed the Welcome Campaign logo on its masthead for the duration of the month and there were significant contributions from the *Natal Witness* and the *Daily News*. East Coast Radio dedicated a special programme called the “Secret Service” where they spied on companies around the issue of service delivery. P4 Radio also provided daily coverage during the month. Internet chat forum TourNet generated significant exposure and ideas over the period. The media campaign was complemented by a share-call centre that was established at Tourist Junction.

Edinburgh Tattoo

KZNTA sponsored the participation of 20 Zulu dancers at the 50th anniversary of the Military Tattoo in the city of Edinburgh. KZNTA’s UK representatives, African Ethos, utilized the dancers when conducting sales calls to selected travel wholesalers and retail operators in Glasgow and Edinburgh. The response to the dancers was outstanding as they attracted huge attention and presented opportunities for distributing marketing material. Concomitant to the attention, much media exposure was generated and photo opportunities created, which were sent to the international travel trade, the local Scottish press and South African media. The dancers were also invited onto a Scottish national radio show where they spoke about their tour and Zulu culture.



Tourism Information Services

During the financial year, the function of tourism information was elevated to form part of the strategic marketing framework of the organisation. Tourism information therefore now stands alone as a unit instead of being one of the functions of the Marketing Communications department.

Flagship Office

One of the key developments was the opening of the organisation's Flagship office on the first floor of the Tourist Junction building. The office has since become popular with tourists who visit Durban and there are plans to extend its services to include the provision of facilities for business/entrepreneurial advice for tourism SMMEs and the establishment of an internet cafe.

Airport Information Office

The organisation continued to manage the Information office at Durban International Airport in conjunction with Durban Africa. Officers provide tourism information related to product, flights and events. KZNTA, Durban Africa and the Airports Company meet and greet conference delegates, sports teams, celebrities and VIPs.

TOURISM INFORMATION						
RECORD OF RESPONSES TO QUERIES AT ALL KZNTA INFORMATION OFFICES						
APRIL 2000 - APRIL 2001						
MONTH	LETTERS	FAXES	E-MAIL	TELEPHONE	WALK INS	No of Domestic Enquiries
2000						2372
APRIL	30	10	60	220		No of International Enquiries
MAY	16	11	178	215		1403
JUNE	25	9	99	178		
JULY	10	5	80	128		No of Brochures as per Region
AUGUST	15	13	67	220		
SEPTEMBER	25	2	48	288	31	Durban 4401
OCTOBER	19	5	41	206	23	Midlands 660
NOVEMBER	10		36	129	15	North Coast 1319
DECEMBER	36	17	53	365	38	South Coast 1664
						Drakensberg 2626
2001						Battlefield 345
JANUARY	10	15	49	406	49	Zululand 1436
FEBRUARY	61	15	42	321	44	East Griqualand
MARCH	38	13	37	701	153	Maputaland 468
APRIL	21	11	374	710	350	Kwazulu Natal 3364
						TOTAL 16283
TOTAL	316	126	1134	4087	703	



Image Marketing

The image marketing component of the KZNTA strategy is divided into two specific components:

Corporate Communications: Strategies undertaken to promote Tourism Strategy 2000 and communicate achievements of the organisation, thereby improving the overall image of KZNTA.

Image Positioning: The implementation of a strategy to promote a positive image of the province and reverse negative perceptions in relation to crime, disease and grime in KwaZulu-Natal is ongoing.

Corporate Communications

In the 2000-2001 financial year, the Corporate Affairs Department undertook to launch the newly-formulated strategy of the organisation, Tourism Strategy 2000. The strategy was launched by King Goodwill Zwelithini in April 2000. The department also produced 8000 copies of a 17-page tourism strategy document and an audio-visual presentation as tools to communicate the strategy. During the year, KZNTA presented the strategy to all regional councils as well as several other key tourism trade, business, government and community stakeholders. The strategy received broad acceptance from all stakeholders. It was published on the organisation's website and on TourNet, the province's tourism e-mail chatline. Progress reports in relation to Tourism Strategy 2000 were published in various publications as well as in the organisation's quarterly newsletter, *Wozani*. Further interaction with the media took place at media briefings scheduled by the organisation.

An annual report was produced to profile the achievements of the organisation and to note progress in relation to the aims and objectives of Tourism Strategy 2000.

A specific agency has been appointed to deal with issues of image promotion in Gauteng and will take direction from both the corporate affairs and marketing communications managers. It is imperative that the province develops a good image in this region as most of the key national decision-makers are based there.

Image Positioning

Image perceptions with respect to crime, disease and grime remain a huge impediment in the effort to lure foreign and domestic tourists to the province. There were further concerns with regard to two diseases - foot and mouth and cholera. In this respect KZNTA was proactive and disseminated information early to prevent excessive hype in the domestic market. The result was that the threat of infection did not deter domestic flows. Beefing up domestic figures, the summer season was one of the best in recent years. From an international perspective there were queries from the German and Hungarian markets in relation to cholera. Press releases and information packs were sent to stakeholders in these countries, together with a memorandum from British Airways backing up the claim that cholera did not affect tourists.

In the year under review, the organisation worked closely with the South African Police Services and key safety and security agencies like the Joint Operational Committee in Durban, to put in place measures to ensure tourists were safe while holidaying in the province. Due to the lack of a budget, a targeted medium to long term strategy was not implemented. However, a preliminary five-step crime and grime programme, was initiated.

During the financial year research into international best practice was conducted and a proposed plan for the province was made available. The research has been circulated to key stakeholders and a focus group will be invited to a workshop and a plan conceived for implementation by mid-2001.



Media Leverage

The dissemination of news with reference to the achievements of the organisation remains the cornerstone function of the Corporate Affairs department. The communication of this information directly influences stakeholder perceptions of the image of the organisation. In the previous year, the organisation recorded impressive yields in terms of media leverage. Originally set a target of leveraging R10-million worth of media exposure, the department more than doubled this milestone.

Significant gains were made with the publication of articles about the Kingdom of the Zulu in:

- London's Daily Telegraph (R800 0000);
- National Geographic (R4-million);
- the undertaking of an American radio remote broadcast in conjunction with SA Tourism, from KZN.

The organisation also recorded significant exposure in national media including the:

- *Business Day*,
- the *Sunday Times*,
- *Sowetan*, *City Press* and
- the *Sunday Tribune*.

Strong electronic coverage was noted in radio stations countrywide and the organisation was interviewed by all major television networks throughout the year. During December, the organisation netted R4,3-million in media exposure. Corporate Affairs manager was the official spokesperson for tourism in the region and spoke on a daily basis from the Durban beachfront with regards to activities.

On Ukhozi FM weekly slots were aired during peak periods focussing on tourism awareness. The *Wozani. Our Kingdom Calls* programme was flighted weekly on East Coast Radio. The station also incorporated the organisation's branding of the Kingdom of the Zulu into their website, which is the largest site in the province (1,5-million hits a month) and their daily programming. Reference to the Kingdom of the Zulu is made in all weather bulletins at no cost. P4 Radio also made constant reference to "the Kingdom" in their programming. The organisation also utilised sponsored supplements to market tourism routes and promote key tourism events during the year. Independent Newspaper's popular *Eating Out Guide* was sponsored by KZNTA.

Leveraging space in the local press is one of the most cost effective ways of marketing the province and during the 2000/2001 financial year KZNTA received a total value of R 27 073525 in "free" media coverage.

Media Releases

A total of 35 press releases were distributed during the year. In addition to this KZNTA, as in the past, has enjoyed substantial coverage across all media including trade and travel magazines as well as a wide geographic spread reaching throughout the province and into Gauteng and the Cape as well as the international market.

In addition to the provincial newspapers, Daily News, Mercury, Sunday Tribune, Natal Witness, Saturday Independent, Network, Zululand Observer, Sunday Times Extra (KZN) Leader, and suburban newspapers; items on the province appeared in The Sunday Argus, Sunday Times, Business Day, Pretoria News, The Star, Financial Mail, Saturday Argus, Easter Province Herald, Sowetan. In magazines articles appeared in SA City Life, Sawubona, AVIS, D' Arts and Our There to name a few.



Radio Interviews

As in the previous year the Corporate Affairs department was asked to provide comment on tourism matter in the province. The province received coverage, including interviews with KZNTA staff, on 16 radio stations. This is almost double the number of stations that carried stories and interviews in the 1999/2000 year. The following radio stations were used:

• Radio Lotus/SAFM	54
• Ukhozi FM	19
• East Coast Radio	23
• Punt Geselsradio	05
• KFM Radio	10
• Classic FM	01
• Motsweding FM	03
• Cape Talk	02
• Radio 702	06
• 5FM	02
• Umhlobo Wenene FM	02
• Radio Sonder Grense	04
• Jacaranda Stereo	01
• Radio Algoa	01
• Radio Metro	01

In addition to this the province received substantial coverage on television.

• SABC 1/2/3	43
• MNet	03
• Summit TV	02
• ETV	06

Tourism on Track – Sunday Tribune

The fortnightly feature “Tourism on Track” continued in the new financial year. For each edition, journalists were sent to a series of destinations in the province. Industry prizes were obtained for each article written. Destinations were featured under the themes: berg, bush, battlefields, beaches and buzz.

Wozani

KZNTA produced four editions of its in-house newspaper, “Wozani” in the 200/01 financial year. The four page tabloid size newspaper covered news in the tourism industry and had a print run of 10 000 copies distributed around the province to: product owners, publicity associations, regional councils, the Amakhosi, SA Tourism offices, Cabinet ministers and members of the board of KZNTA. An internal newsletter of the same name is published bi-monthly and covers work done by the organisation and general provincial tourism developments.

Wozani. Our Kingdom Calls – East Coast Radio

KZNTA replaced its Tourism on Track on East Coast Radio with a new feature – Wozani. Our Kingdom Calls. This included 2,5 minutes of advertorial with billboards (one-liners publicising KZNTA) every Friday evening at 18h05. The programme ran for 48 weeks. It introduced a generic tourist destination or route in the province. A competition was featured every fortnight and was linked to the feature in the Sunday Tribune. A total of 25 prizes were awarded during the year and 32 attractions were featured.



INTERNATIONAL MARKETING STRATEGY

KZNTA is to initiate a programme of activities aimed at substantially increasing the number of foreign tourists visiting KwaZulu-Natal. This will include the following:

Relationship with South African Tourism

Any effective international marketing campaign requires significant funding, which is not available to KZNTA. In order to optimise exposure and maximise returns for the provincial tourism industry, KZNTA aligned itself to and supported the marketing programmes implemented by SA Tourism, initially focusing on core traditional markets in the United Kingdom, Germany, Benelux, France and sections of the United States. KZNTA also collaborated with SA Tourism in investigating intra-continental tourism from within Africa and in exploring the potential for new markets from this and other regions.

The following were key issues raised with SA Tourism in the year under review:

The equitable allocation of exposure to KZN in SA Tourism's international marketing campaign

The equitable allocation of exhibition space and branding opportunities on the SA stands at international events/shows

Domestic marketing strategy;

Formal co-operative marketing mechanisms;

Formal alignment of programmes and activities

The following core international markets and segments were identified by SA Tourism:

- United Kingdom;
- Germany;
- France;
- Benelux (Belgium, Netherlands and Luxembourg)

Emerging markets:

- Central and Eastern Europe;
- United States;
- India;
- Africa.

Regarding emerging markets KZNTA will ensure that it effectively profiles KwaZulu-Natal within these new markets. In the future there is a need to be more proactive regarding our relationship with SA Tourism. This should include:

- ensuring compliance with legislation through the MEC;
- providing alternatives on how relationships should be established;
- direct relationships with SA Tourism international managers;
- more effective use of SA Tourism's marketing programmes eg. Co-operative marketing funds;
- focus on SA embassies and SAA GSA's where SA Tourism is not present.



Trade Marketing

Trade marketing involves the establishment of closer working relationships with both the domestic and international travel wholesalers and retail operators. This is done through brokering business deals and hosting familiarisation trips and educational visits for international travel buyers. It is also achieved via the effective distribution of literature and promotional material to industry decision-makers, consistently updating information on prices, packages and special attractions. KZNTA also regularly informed the trade of special events and theme marketing initiatives to provide them with greater exposure to international wholesalers and retailers.

Foreign Representatives

The Board approved the appointment of tourism trade and media representatives (GSAs) African Ethos in the UK and Tour Link Afrika in Germany.

Key Focus areas for these agents included the following:

- Establishing presence for KZNTA through its brand – “Kingdom of the Zulu” and the overall product offering of KwaZulu-Natal;
- Perform PR and media relations work for KZNTA;
- Travel trade relations; Promotions and event coordination;
- Distribution of information

To date the following milestones have been achieved by foreign representatives:

Germany

- Joint marketing partnership with Jacana and Karawena tours in Germany.
- Relationship established with ASA, which is a key association of German operators selling the South African product.
- Exposure in publications such as *Zuid Afrika* magazine.

The following is a list of tour operators that the KZNTA representatives interacted with in Germany:

Albatros Urlaub - Kriffel (Frankfurt)
African Special Tours - Bad Vilbel (Frankfurt)
African Safari Club - Mannheim
Afro Sales - Munich
Austrasia Tours - Lahntal
Abacus Touristik - Niederrhhausen (Frankfurt)
Afrika Pur Touristik - Wehrheim (Frankfurt area)
Afrika Tours Individuell & Steiner Reisen - Munich
Australia Connections - Berlin
Blue Ridge Golf Tours - Garbsen (Hannover area)
Clever Reisebüro - Oelde
Discover Africa - Osnabrück
DERTOUR - Frankfurt
Carpe Diem Sprachreisen - Münster
Columbus Travel - Cologne
Discovery Tours - Heidelberg
Edutainment Travel Company - Munich
Flugbörse - Friedrichshafen



Freedom Unlimited - Velbert (Düsseldorf)
 Footprints - Dormagen
 Gerson Travel - Luzern, Switzerland
 Hapag Lloyd Reisebüro - Worms
 Hapag Lloyd Reisebüro - Wiesbaden
 Hawelka Reisen - Linz, Austria
 Holidayland Travel Agency - Lohne
 Horizont Fernreisen - Bochum
 Hotelplan - Zurich, Switzerland
 Intercontact Reisen - Bonn
 ITR Travel Agency - Essen
 Jambo Tours - Sundern
 Jetstream Reisen - Berlin
 Jacana Tours - Munich
 Karawane Reisen - Ludwigsburg
 KIWI Tours - Munich
 Kneissl Touristik - Lambach, Austria
 Koch Übersee - Hamburg
 Meier's Weltreisen - Düsseldorf
 Natura Travel - Korb
 NUR Touristik (Neckermann, Thomas Cook) - Oberursel (Frankfurt)
 Nyala Tours - Seggebruch
 One World Reisebüro - Kempten
 Out of Africa Reise - Munich
 Reisebüro Ruhr Press - Hattingen
 Reisdienst Drosdol - Gladbeck
 Reiseland - Magdeburg
 Reiseservice Afrika - Munich
 Rotunda Tours - Zurich, Switzerland
 S.A. Landprogramm - Wendelstein
 Safari Aktuell - Neu-Isenburg (Frankfurt)
 Schilde Reisen - Ludwigshafen
 Schulz Aktiv Reisen - Dresden
 Schumann Reisen - Triptis
 Selve-Timmermann Reisen - Unna
 Sonnenhol Promotions - Munich
 Studiosus Reisen - Munich
 Take Off Reisen - Hamburg
 Travel Team Africa - Clausthal-Zellerfeld
 Tischer Reisen - Garmisch Partenkirchen
 Toucan S.A. - Hamburg
 Uhambo e Africa - Hannover
 Weitsicht Reisen - Berlin
 Windrose Reisen - Berlin
 Zebra Tours - Hamburg
 Zingg Event Travel - Zurich, Switzerland

United Kingdom

- Road show and sales calls with Zulu dancers in Edinburgh and Glasgow as part of the annual military tattoo celebration;
- Participation at the annual MICE workshop – the M & IT in partnership with Durban Africa and the International Convention Centre.

The following is a list of tour operators that the KZNTA representatives interacted with in the United Kingdom:



British Airways Holidays
Cahners Travel Group
Crusader Travel
Definite Africa
Elite Vacations
ICircle
Lion World Travel
Melhart Travel
Ocean Marketing
Rainbow Holidays
Scotia Air Holidays
Somak Holidays
Sovereign Holidays
Sunvil Holidays
Tairlormade Holidays
Tana Travel
Travelsphere Ltd
Wild Africa Safaris
Abercrombie and Kent
Argo Holidays
Union Castle Travel
Worldwide Journeys
Bushsports African Expeditions
Southern Africa Travel
SATO A
Experience Holidays
Bluebird Holidays
Thomas Cook Holidays
Africa Exclusive
ITC
Elegant Resorts
Tana Travel
ATTA Symposium
Holland & Holland Press Day
British Airways
Unijet educational
Bushsports African Expeditions
Cox & Kings Travel Ltd
Cresta World Holidays
Elegant Resorts
Granadier Safaris
Hayes and Jarvis
Home & Continental Travel
Journeys by Design
North America Travel Service
Page and Moy Ltd
Sunflight Travel
Time for Africa
Union Castle Travel
Voyages Jules Verne



International Trade and Consumer Shows

Eastern Europe (2-11 November 2000)

A series of tourism promotion workshops in Eastern Europe were organised by SA Tourism offices in conjunction with South African Airways and various SA embassies. It was the first time that SA Tourism organised workshops in these markets, which are amongst the fastest growing economies in the world. The workshops commenced in Moscow on 2nd November and ended in Warsaw, Poland on 10th November. The workshops were attended by chief executive officer, Gareth Coleman and marketing communications manager, Mmatsatsi Ramawela.

Moscow, Russia (2 – 4 November 2000)

The workshop was held at the Grand Marriott Hotel in Moscow and was attended by local travel operators and media. A range of KZN brochures were distributed at the workshops and the remaining copies were given to the SA Embassy for distribution. The KwaZulu-Natal Tourism Authority table also acted as the information point for marketing Indaba 2001 and capturing details of people interested in attending the event. The most regular requests related to:

- Prices and costs of accommodation in Durban and KwaZulu-Natal;
- Scuba diving and adventure tourism;
- Brochures and marketing materials for distribution;
- Information on excursions either in Durban, or from Durban to the rest of KwaZulu-Natal;
- Potential tour operator partners who could handle ground arrangements;
- Registering for Indaba. We interacted with a total of 46 operators during the workshop in Moscow.

Budapest, Hungary (6 November 2000)

A significant amount of the CEO's time was taken up with working with Safari Travel to finalise arrangements for charter flights which were due to arrive in January 2001. Discussions were held with a total of 34 travel operators who were very interested in the KZN products. A range of marketing material including 5 000 Hungarian brochures on the Kingdom of the Zulu, 300 Travel and Tourism Guides, 100 Scuba Diving brochures, 300 KwaZulu-Natal maps, 100 Hiking trail brochures, 100 Camping and caravan brochures were distributed at the workshop, through Safari Travel and the SA Embassy:

The main issues raised during the sales discussions were on the following areas: -

- Accessibility of the various attractions of KZN - infrastructure, prices, flight connections and ground travel
- Existence of a multitude of tour operators who could act as ground handlers for most of the operators who were interested in selling the KZN product
- Attractions inquiries on culture, eco-tourism, adventure products such deep sea fishing, scuba diving and the St. Lucia World Heritage site were high on the agenda

Prague, Czech Republic (8 - 9 November 2000)

Approximately 50 to 60 local operators attended the briefing sessions by SA Tourism and SAA and due to the poor logistical set-up, many departed immediately after the briefings, leaving behind only a few operators to interact with. However, the poor attendance of the workshop did not negate the fact that the Czech Republic and other Eastern European countries are the markets of the future.. Most tour operators had little or no knowledge of KZN and requested more information. KZNTA interacted with a total of 20 operators including key media representatives.

Warsaw, Poland (10–11 November 2000)

While there is significant growth in Polish arrivals to South Africa, this is from a very low base. In 1999 there were 5 600 arrivals. The workshop was not very successful due to the manner in which it was organised. The majority left after lunch and meetings were held with approximately 25 travel operators and writers. KZN marketing material was distributed at the workshop or supplied to the South African Embassy and SAA for distribution.



General Comment on Eastern European Workshops

An analysis of the Eastern European workshops reveals that the greatest potential lies with the Russian market and there needs to be a focussed follow-up. Work also needs to be done in the Hungarian market and KZNTA should consider ways of linking Poland and the Czech Republic through this market. Due to the manner in which South Africa is currently being marketed, there is a need to ensure that KwaZulu-Natal is represented at these shows, failing which there may be no focus on the region at all. In the newer and emerging markets it is more appropriate for tour operators, rather than accommodation establishments, to attend. As a region, KZN enjoys favourable support from SA representatives in Russia, the Czech Republic and Poland and these contacts needs to be nurtured in the interest of long-term tourism growth in the province.

World Travel Market, London, England (13-16 November 2000)

KZNTA took part under the South African Tourism banner and was represented by the marketing communications manager, Mmatsatsi Ramawela and the events coordinator, Nomika Singh. The region was further represented by Durban Africa which formed part of the SA Six Cities Conventions Initiative; and Timeless Afrika who were partnership with a group of KZN product owners.

The show experienced fewer trade visitors than in previous years. The South African stand though, was better organised with the provinces given prominent platforms. The KZNTA counter fielded a large number of calls from operators and agents.

After the show, the marketing communications manager conducted sales calls with a selection of tour operators, set up by UK representatives, African Ethos. The following is a report on those calls.

Air Miles

Air Miles has a database of 6 million cardholders and publishes newsletters on a quarterly basis with special offers and items of interest. Discussions with Bob Tamindzic touched on an awareness campaign including special offers.

Bluebird Holidays

Product Development Manager, Jim Morgan said there was an improved inclusion of KZN product in their brochure and promised to increase coverage in their next edition. He indicated an interest in staff training on KZN.

Elite Vacations

A comprehensive presentation about the province and its products was conducted. Questions were fielded which raised self-drive and safety issues. There was agreement that KZN would be included in their next brochure.

Tailormade Holidays

Glynis Macdonald indicated an interest to put together wedding and honeymoon and fishing packages.

Voyages Jules Verne

Jonathan Plumridge and Daryl McKeown are setting up a new programme with small groups aimed at the mid to top end of the market. They were looking for mid-sized properties with an owner-run focus. KZN, with its diversity, proved appealing. They requested assistance in sourcing historical literature.

Wild Africa Safaris

Currently doing more business in Mpumalanga and the Western Cape. Following a presentation and distribution of promotional material, they showed an interest in learning more about the region and expressed a firm undertaking to recommend it to their repeat clientele to SA.



Cox & Kings Travel Ltd

Specialises in historical tours. Product Development Manager, Greg Young has previously put together a tour focusing on the Battlefields, the game reserves and the Drakensberg. They are keen to work together on media educational. They also expressed an interest in His Majesty Zulu King Goodwill Zwelithini's proposed visit to the UK as well as the Reed Dance, Shembe Festival and Shaka Day celebrations.

ECCO Tours

This is a small but exclusive travel agent cum tour operator working closely with Travel Bag, the biggest mover of UK tourist traffic to Australia. During the visit a discussion was held with MD Norma Meyer, an ex-South African on how KZNTA could work more closely with them. Further discussions were held on the conducting of workshops for staff on the KZN product.

Other key meetings

South African Tourism Offices – Wimbledon

The Marketing Communications manager met with PR manager, Basil van Bloomenstein and discussed the possibility of joining forces with them in the several initiatives including the joint initiation of media and trade familiarisation visits, the upgrading of coverage for KZN in advertising campaigns and promotional campaigns undertaken by large companies in the UK

South African High Commission

A meeting was held with the SA High Commission's cultural attaché, Ms Jean Maritz at their offices in Trafalgar Square. Various issues including the dissemination of KZN information and channels of communication were discussed. Discussions also focused on educational for diplomats.



ITB, Berlin, Germany (March 3-7 2001)

The International Tourism Exchange travel and tourism show was held at the ICC Berlin and was well attended by a total of 10 148 exhibitors and 132 companies from 179 countries. South Africa was represented by a contingent of 100 companies. KwaZulu-Natal Tourism Authority exhibited under the South African Tourism banner alongside the other provincial agencies and Durban Africa. There was significant interest in ecotourism and queries with regard to the World Heritage Sites. Other queries related to adventure and marine activities such as whale watching, shark diving and scuba diving. There was also interest in self-drive packages and fly-in safaris into Zululand/Maputaland with an emphasis on authentic Zulu culture and safari packages.

A range of brochures including 700 KZN Travel Guides and maps, 300 Scuba Diving, 300 Hiking Trails and 5000 German flyers were distributed at the exhibition and the remaining copies were given to the SA Embassy and South African Tourism for distribution.

KZNTA representatives in conjunction with Durban Africa also assisted in the promotion of Indaba to the German trade.

Trade and Media

KZNTA representatives held discussions with various German tour operators and media, some of which resulted in tangible output. Below are a few of the programmes secured:-

- Safari Afrika –a honeymoon package into the Maputaland/St. Lucia area
- Spiegel TV –a travel programme with footage of three German speaking couples to showcase luxury lodges
- *Sud Afrika* magazine –a permanent listing of KZN news within the publication and proposed editorials for journalists twice a year
- Creation of a new tourist route for German tourists in KZN to be linked to the October beer festival in Germany.

Vakantie Salon, Belgium, Antwerp (26 January – 4 February)

The Antwerp Show is the world's second largest tourism consumer exhibition and drew 190 000 people in 2000. About 35 000 Belgians and 85 000 visitors from neighbouring Holland come to South Africa annually. The KZNTA stand drew significant interest, backed up by a group of popular Zulu dancers, who performed four times a day. Sourced from Shakaland, the troupe also generated media interest appearing on Belgian television as well as the top selling newspaper in Antwerp, the *Gazet van Antwerpen*. Buyers showed interest in the province and indicated they would consider including the destination in wholesale and retail brochures. Discussions were also held with a major charter group in the country



Indaba (May 1 – 10 2000)

As part of the marketing drive to promote South Africa and the southern African region to the world, South African Tourism hosted Indaba - Africa's largest travel trade show. The show took place during 2000 at the International Convention Centre in Durban and drew a total of 1030 foreign delegates. A total of 850 companies participated in the show. Delegates emanated from 60 countries around the world.

The KZNTA stand comprised 24 workstations and strongly reflected Kingdom of the Zulu branding. Through smart design it emphasised the unique cultural elements and reflected the Five Bs. Four counters were set aside for the participation of regional tourism agencies. This provided regions the opportunity to disseminate information, meet tour operators and network with the larger tourism industry. All KZN stands were provided with a thatched fascia-mounted authentic shield. The innovative yet functional design was recognised by show organisers who presented the award for best provincial stand at Indaba 2000 to KZN.

Business on the stand was brisk and in excess of 1500 enquiries were received. The organisation utilised the opportunity to launch its new tourism guide. A total of close to 3000 guides were distributed. KZNTA hosted educationals, during, before and after the Indaba. A full day tour to the St Lucia Wetland Park focussing on the World Heritage Site was hosted by SA Tourism, *KZNTA* and the Uthungulu Regional Council. A total of 65 journalists participated in the educational. Media groups from Germany, Eastern European countries, Belgium, Holland and Canada were hosted on pre-Indaba tours. These covered various themes including wilderness, culture, adventure, wildlife. The groups visited destinations including the Battlefields, Hluhluwe Umfolozi, St Lucia Wetlands, the Drakensberg and Maputaland. In addition, four trade educationals took place including a one-day educational into Zululand and Maputaland.

KZNTA took on the responsibility of providing the Black Emerging Tour Operators (BETO) forum with the opportunity to participate on the KZN stand at Indaba 2000. The response from international tour operators, established local operators and the media was positive. BETO members met and secured deals with outbound foreign tour operators and established ties with local inbound operators who were prepared to include township tours in their itineraries.



Airport Arrivals

Charter flights are an integral part of the province's three-year plan, Tourism Strategy 2000.

The need to secure charter flights into Durban has arisen partially due to past and current aviation policies, which favour South African Airways. SAA's adoption of a hub-and-spoke policy has resulted in major foreign carriers not landing at Durban International. This in turn has resulted in a reduction in tourism arrivals as shown by research conducted by Kessel Feinstein on behalf of KZNTA.

Relationships are being pursued with the following countries and companies with regards to charter flights:

Hungary

Between January and February 2001 five flights and 650 passengers and 50 crew arrived from Budapest, Hungary. The charter was arranged by Safari Travel in Budapest with ground arrangements being managed by SCA Tours. The total costs paid in support of the charter amounted to R1,45-million being shared between SA Tourism (R500 000), KwaZulu-Natal Tourism Authority (R600 000), and Durban Africa (R350 000). The total economic impact of the arrival of Hungarian charter flights in Durban was approximately R6,6-million over the five-week period. A significant amount of media exposure was leveraged in Hungary. This included both television and radio programmes as well as articles in key print media, written by journalists who come on the trip. The Hungarian tour was considered a success from a tourist perspective and most visitors enjoyed their first contact with Africa coupled with exposure to big game.

As a follow up KZNTA visited the main consumer show in Budapest in March 2001 to assess the success of the charter and trade and consumers support for the initiative. For a further charter both SA Tourism and KZNTA have indicated a willingness to support the trade with an amount of R1,2 million.

Russia

Although there have been enquiries from Russian operators these have not materialised. Given the visitor profile and the size of the current market, without significant marketing support it appears unlikely that KZNTA would be able to sustain a charter flight in the short term.

United Kingdom

a) Airtours

Discussions advanced with large British charter company Airtours. In March 2002 an assessment will be made on whether to continue with the charter. An amount of R1,5 million has been budgeted to provide marketing support for this charter by KZNTA. SA Tourism has agreed to fund R7 million, while the Durban Africa has given a verbal commitment to provide the additional R1,5 million..

b) South African Airways

A copy of the report on the impact of BA and SAA flight policies was handed to the new CEO of South African Airways Andre Viljoen. In the interim KZNTA has taken the decision to focus on working with SAA to improve its international connecting services from JIA and Cape Town International through Durban International. Focus was placed on improving domestic travel and services between these and other destinations within South Africa.



Benelux Countries

During the Antwerp Show in Belgium discussions were opened with JetAir who are part of the TUI Group. They indicated an interest only if commercially viable and if other operators were willing to share the risk. Investigations have been made to ascertain the possibility of diverting the current traffic on scheduled flights onto charters through Durban. Initial indications are that this will not be feasible without significant funding support.

France

French companies with charter capacity have shown an interest in investing in the Lubombo SDI. KZNTA is co-operating with the SA Tourism Office in Paris and meetings were held between the National Minister and large operators.



DOMESTIC TOURISM MARKETING STRATEGY

Promotional Campaigns

Winter Campaign

The KZNTA Winter Campaign focused on two of the 5B elements – the bush and the beaches. Within these elements particular emphasis was placed on the World Heritage Sites and the province's warm winters. The objective of the campaign was to offer tourists options, outside the routine holiday activities. Invitations to participate in the campaign were sent to various publicity associations, regional councils and product owners. KwaZulu-Natal Nature Conservation Services committed R105 000 towards the campaign and RCI Resorts R100 000. The campaign was particularly effective in Gauteng and Free State.

Summer Campaign

In excess of 300 companies in KwaZulu-Natal offered tourists to the province added value when they participated in the Summer /Always More campaign. The campaign, which made use of KwaZulu-Natal holiday money or "KwaMali", drew a range of vendors from hotels and accommodation establishments to jewellery wholesalers, car rental outlets, bars, Internet cafes and a wide range of restaurants. The natural features offered by the province- the "5 B's" were boosted by rewards from these major business partners for money spent in the Kingdom of the Zulu. The "Always More" Campaign utilised a number of positive features of the province. Radio, print and point of sale materials were effectively utilised to communicate the holiday message. The campaign recorded mixed results. It scored heavily on the public relations front, leveraging R1,4-million worth of exposure during the period. In addition it created significant awareness and KZNTA information offices were inundated with telephonic, e-mail and personal enquiries as a result. Information staff reported that many of the enquiries were directly as a result of the print and radio campaigns. A number of electronic entries were received for the 'Summer Campaign' competition, which was run on the KZNTA website. There however, was mixed feedback with regard to the redemption of Kwa-Mali in the various businesses that took part in the campaign. Some businesses reported low redemption while others reported a stronger response.

Advertising

The "Kingdom of the Zulu" brand was recognized in several key publications during the year under review. Advertisements were placed and KZN was featured in the following leading publications: *Sawubona*, *Getaway*, *Southern African Tourism Update*, *Tourism Focus* and *African Focus*. In each of the cases advertising was secured alongside negotiated editorial space. The organisation sponsored the printing of a calendar for Ukhozi FM. Successful promotions were also undertaken with national stations Metro and RSG. KZNTA international representatives in Germany and the United Kingdom negotiated with key foreign trade media for the inclusion of marketing information about KZN in key publications. During 2000/2001, the German agents assisted in the facilitation of a tour from Dertour, the second largest tour operators in Germany. The resultant media exposure programme played a pivotal role in exposing the province to the German market.



Domestic Trade and Consumer Shows

KFM Getaway Show, Good Hope Centre, Cape Town (7-9 April 2000)

KZNTA participated alongside Timeless Afrika, KZN Wildlife, Durban Africa, Amanzimtoti Publicity Association, Indlovu and Uthukela Regional Councils. The show was attended by 17 000 consumers. Interest was shown with regards to the Greater St Lucia Wetland Park and outdoor activities.

Outdoor Adventure Show, Kyalami, Gauteng (15-17 June 2000)

The Outdoor Adventure Show is a consumer show and KZNTA participated alongside Indlovu Regional Council and Uthungulu Regional Council. The show was well co-ordinated and there was a marked improvement in the calibre of attendees. Approximately 45 000 people attended the show over the four days. A total of 1400 personal visits were made to the stand. There were numerous enquiries for scuba diving and camps and caravanning brochures. There were also requests for information in relation to KZN Wildlife facilities.

Comrades Experience, Durban (13-15 June 2000)

The show is held annually for consumers and marathon participants. In 2000 the marathon drew some 24 000 competitors, many of whom attended the event at the International Convention Centre. Approximately 9000 of the participants were not residents of KZN. There were several enquiries at the show for tourism information.

MTN Gateway Show, Johannesburg (23-26 September 2000)

The Indlovu, Ugu, Zululand, North Coast regions and Durban Metro participated in the show. KZNTA won the award for the best provincial stand - "the Spirit of Getaway Award". The 800m² stand, designed by Lydia Hirschman, reflected authentic Zulu design and elements of the province's 5 B's. For the first time the province also sponsored the participation of emerging black operators, who used the opportunity to exhibit township and authentic Zulu experiences. Other KZN individual prizewinners were: Most Promising Stand: Tembe Elephant Park, Best Creative Stand: Battlefields Route and Most Interactive Stand: Eshayamoya Country.

East Coast Radio Show in the Kingdom of the Zulu Show, Durban (2-29 October 2000)

KZN hosted the show for the second consecutive year and KZNTA secured naming rights with East Coast Radio and Getaway. KZNTA committed funds towards extending the publicity campaign. The show took place at the Durban Exhibition Centre (DEC) and drew crowds of close to 30 000 people. KZNTA also sponsored the participation of emerging entrepreneurs.

Outdoor Leisure Expo, Shongweni (28-30 July 2000)

KZNTA was provided with an 8m² by 3m² indoor stand by the organisers in return for the sponsorship. Apart from Thousand Hills Tourism who took part in the event, none of the other regions booked space. The event was well attended with approximately 20 000 attendees, as it was strongly promoted by East Coast Radio.



STRATEGIC PRODUCT DEVELOPMENT

One of the challenges facing the tourism industry in KwaZulu-Natal is the development of new products to attract both international and domestic tourists. The Tourism Authority allocated a substantial portion of its resources to supporting projects, which would create new tourism plant or infrastructure. These projects, often initiated in partnership with the Department of Economic Affairs and Tourism, Durban Metropolitan Council and Regional Councils are central to implementing the tourism policy of broadening the base of the ownership of tourism product in the Province.

Tourism Infrastructure

Lubombo Spatial Development Initiative

National government has allocated more than R630 million over three financial years to the development of the Lubombo Spatial Development Initiative. The initiative, which includes the World Heritage Site, the Greater St Lucia Wetland Park on the South African side, provides for the creation of a transborder park through Northern KZN, Mozambique and Swaziland. The Greater St Lucia Wetland Park comprises 280km of coastline and beaches, 100 species of coral, eight inter-linking ecosystems, major swamp forests, three major lake systems and five cultural groups.

The authority predicts that the roll-out of the planned tourism development would generate revenue of more than R300 million a year for the province, about nine times the current annual revenue of the park. It is estimated that about 1 200 jobs in new tourism operations would be created during the first six years, increasing to more than 3 000 by the end of the decade. Approximately 50% of the R630 million infrastructure spend granted by the government for the park would return to the local communities in the form of job creation, the purchase of community equity and infrastructural development.

Infrastructural developments to date are:

- R230 million to repair and upgrade the national N2 road from Richards Bay to the Swaziland border;
- Construction of a new R220 million spine road through the broader Maputaland tourist area from Hluhluwe to Ponta do Ouro in Mozambique;
- Substantial investment in tourism infrastructure including big game-stocking, "big five" fencing, improved beach facilities, the creation of tourism routes with the Greater St Lucia Wetland Park and an internal road network and support infrastructure for the investment sites;
- a three-year, R40 million environmental rehabilitation programme; and rehabilitation of 10 000 hectares of commercial forestry land on the western shores for incorporation into the park and;
- A tri-national malaria programme which completed spraying in March 2001.

A total of 14 tourism sites have been set-aside for the first phase of potential investments in the project. National government appointed an authority to manage the park and expressions of interest for developments of the sites closed in the first quarter of 200. By April 2001, the first phase, concentrating on the southern section of the park, namely the eastern shores and St Lucia, and on the Mkuze Game Reserve, was nearing completion. The next phase will focus on the western shores and the Coastal Forest Reserve.



Poverty Relief Projects

Four KwaZulu-Natal projects have been identified by national government as poverty relief initiatives. A total of R6-million was invested in the following projects:

- The construction of a cultural village on the Inanda Heritage Route
- The construction of a cultural village for the Isithumba Project in the KwaXimba region
- The development of a 24-bed lodge at the Lilani Hot Springs near Greytown
- A training centre at the Mnweni Valley in the Northern Drakensberg

Progress in relation to these respective projects is as follows:

Inanda Heritage Route

The first allocation of funds was received in December 2000. Urban Architects won the tender as principle agents of the project. Sub-consultants are to be appointed by end March for the training of communities and construction of the project. The use of local labour and development of SMMEs' is one of the criteria to be met in the implementation of all Poverty Relief Projects. Construction of this project began in mid-July 2001.

Isithumba Project

The first allocation of funds was received in December 2000. Cassimjee Architects won the tender as principle agents of the project. Sub-consultants were appointed at the end March 2001 for the training of communities and construction.

Lilani Hot Springs

The first allocation of funds was received in December 2000. CNN Architects won the tender as principle agents of the project. Construction work has already started and the Mthembu/Sithole community is currently undergoing training in construction, hospitality and management to run the project once complete.

The Department of Labour has agreed in principle to pay for the training of local communities who will be employed on each project. Support has been garnered from the departments of transport and mineral and energy affairs to assist with some infrastructural developments for these projects.



Tourism Investment Promotion

Investment Marketing

One of the core competencies of the Market Research and Product Development Divisions is to ensure the marketing of tourism investment opportunities in the Province. A number of activities were undertaken in the 2000/2001 financial year to achieve this objective.

Developer's Guide and Portfolio of Investment Projects

During the course of the 1997/1998 financial year the Tourism Authority DEVELOED a Developer's Guide which outlined the key processes required to develop a tourism facility.

This document was updated during the course of the 2000/2001 financial year and 10 000 copies of the summarised version were printed. Investor sheets for each of the following projects were printed and distributed over the 2000 financial year: Mkhambathini Game Reserve, KwaShuShu Hot Springs, Lilani Hot Springs, Mpembeni Lodge; Emakhosini Valley, Isibaya; Nongoma, KwaBulawayo; Ongoye ecotourism opportunities and Zimbali. General sheets on other key investment opportunities in areas such as the Durban Metro, the South Coast and the Drakensberg were also distributed.

Tourism Investment Advertising

One of the strategic aims of the Tourism Authority in the 2000/2001 financial year was to market the Province as a potential investment destination and to market the investment support offered by the organisation. In attempting to achieve this objective, the Tourism Authority placed advertisements in the following targeted investment journals and magazines nationally and internationally.

How To Booklets for SMME's, Community Tourist Organisations and Local Government Structures

To encourage the development of new tourism services and products, the Tourism Authority developed an initial set of seven pamphlets on actions required to establish the following types of services: bed and breakfast establishments and guesthouses; tour operating businesses; tour guiding services; community tourism organisations or publicity associations; restaurants or other eating establishments; cultural villages and hunting and game farms. These are regularly updated and to date more than 4 000 of each have been distributed to individuals and Community Tourism Organisations in the province. In addition, these pamphlets have been translated into Zulu. A special training manual to assist communities in establishing tourism ventures has also been published and translated into Zulu. During the course of the 2000 financial year the series of 'How To Booklets' was extended to include guidelines on establishing a travel agency and drafting a business plan.



Human Resource Development

Retaining and hiring quality staff remains at the core of KZNTA business thinking. The Authority recognises that its strength is its staff. The year under review saw the growth of the Authority from just 15 employees to a staff complement of five managers and 30 staff members in less than 12 months. The Authority invested a fair amount of effort in the training and development of its human resource capacity. This culminated in an 18-month soft skills and technical training program for all employees. Emphasis is also being placed on improving the representation of women at all levels and in all job categories. Women currently represent 67% of the Authority's workforce. During the year, a Workplace Committee, with each Department represented, was formed. The Committee completed a review of the Staff Conditions of Services and through management, have submitted recommendations to the Board for approval.

Small Business Support

The success of Tourism Strategy 2000 is incumbent upon ensuring that the people of KwaZulu-Natal are able to derive direct benefits from the growth of the industry. In addition to providing support to small emerging businesses within the industry, KZNTA recognises that the development of new attractions, products and events are key mechanisms for providing opportunities for disadvantaged communities.

The Strategic Product Development objectives are:

- Broadening ownership in the industry, particularly amongst the previously disenfranchised sectors;
- Complementing and improving the existing tourism product mix;
- Giving support to the strategic marketing framework and brands;
- Facilitating new investment/funding in areas of low economic activity; and
- The facilitation of new tourism infrastructure.

The organisation has undertaken a number of initiatives in line with these objectives. Among them are the following:

BETO

The organisation set up the Black Emerging Tour Operators (BETO). This is one of the first associations of black tour operators countrywide and the group looks at all issues relating to tourism. KZNTA has funded this organisation and arranged for them to attend a number of domestic shows countrywide. KZNTA has also provided meeting facilities and constant support.

Research

KZNTA has commissioned research, in conjunction with BETO that looks specifically at the problems facing black people in the tourism industry and finding ways of correcting this. The researcher will also produce a business plan to address these issues. The report is close to being complete and will be used to develop a clear strategy in this regard. At Indaba 2000 KZNTA created a platform for eight previously disadvantaged product owners and tour operators including the Black Emerging Tour Operators.

