

MINISTERIAL FOREWORD

The 2001/2002 financial year has been another exciting year for tourism development and promotion within the province.

Our province continues to dominate the domestic tourist market, and the year witnessed substantial progress in a host of new tourism related projects. Whilst the smaller casinos are now operational in Empangeni, Pietermaritzburg and Newcastle, the Suncoast Casino at the Village Green site finally saw the green light and tills have been ringing at the temporary Sugar Mill Casino, which will be moving to Umhlali.

In addition, construction at the Point Marine Park will definitely be finalised during 2002. We have also seen the National Cabinet giving the green light to King Shaka International Airport, which whilst focussed on cargo, will also provide us with a foundation to drive harder for more international tourist arrivals.

I am heartened by the fact that Tourism KwaZulu-Natal has been putting extra effort in its tourism product development efforts during the period of this report. We are beginning to witness the first real community based tourism projects in our province and I believe that we are leading the way in South Africa in this regard. With the World Summit for Sustainable Development taking place in Johannesburg in 2002 I believe that there is a greater focus placed on governments, the private sector and communities to pool their resources in a manner which leads to the responsible development of tourism projects which are economically, socially and environmentally sustainable.

We still have some way to go however to bringing historically excluded communities into the mainstream of the tourism economy. We have only started this process. We need to put more efforts into not only developing new tourism products in which communities have a direct stake, but also in raising the general awareness within communities of the importance of tourism for the future growth and development of our economy. Our challenge is to make sure that this happens by developing appropriate support structures to nurture and grow these efforts in the coming years.

Whilst our domestic market remains strong, the issue of international arrivals still remains an important area of activity in the year going forward. It is common knowledge that the average spend of an international tourist is higher than that of their domestic counterparts, and they are an important area of foreign exchange for our economy. As a province we need to continue to implore South African Tourism to ensure that we get our fair share of the international tourism cake.

Last year I mentioned that efforts were underway to empower local government to play a more effective role in alignment with the province to both grow and develop tourism. I am pleased to report that during the 2001/2002 financial year great strides were made in this area through the finalisation of amendments to the KwaZulu-Natal Tourism Act. By the end of the financial, this was in its final stages and the amended Act will be implemented during the course of 2002. This will streamline the Board of the Authority and establish a policy making structure for tourism within the province. This path breaking legislation will certainly put our efforts on a firmer and more united footing than it has been in previous years.

With an extended range of products and a framework that allows us all to make our input, we are well poised to take advantage of market conditions. Despite the impact of September 11, the South African tourism market has remained buoyant, with significant growth recorded in the first few months of 2002. We need to be vigilant to defend these gains and make sure that we maintain this momentum.

Finally, I would like to thank the Board of Tourism KwaZulu-Natal, who over the past few years, with very little remuneration have given of their time to provide a very firm foundation for the future of tourism in our province.

In going forward let us make certain that tourism becomes everyone's business.

Mr Michael Mabuyakhulu, MPP

Minister of Economic Development and Tourism - KwaZulu-Natal

CHAIRMAN'S REPORT

It has been three years since the Board of the KwaZulu-Natal Tourism Authority began its term of office in mid-1999. In October of the same year the organization launched a three- year strategic plan of action, **Tourism Strategy 2000**, was a culmination of extensive market research and a comprehensive investigation into the development of the provincial tourism industry. **Tourism Strategy 2000** was the vehicle which would empower the Authority to fulfill its mandate more effectively. In reviewing the 2001-2002 financial year, and particularly as the term of office of this Board draws to an end, it is incumbent upon me as Chairman to reflect on the journey thus far.

In order to realize the vision of the organization, which is for KwaZulu-Natal to be recognized nationally and internationally as Africa's premier tourism destination **Tourism Strategy 2000** identified five core strategic elements – a strategic marketing framework; an international marketing strategy; a domestic tourism strategy; the implementation of a tourism product development strategy and a corporate governance strategy. Consistent throughout the implementation of these programmes is the branding of KwaZulu-Natal as "*The Kingdom of the Zulu*".

The first two years of implementation of the strategic plan saw the organisation focus its efforts on the development of a strategic marketing framework and robust international and domestic tourism strategies. Significant strides have been made in positioning KwaZulu-Natal favourably within selected international markets and in maintaining its dominance in the domestic tourism market.

The year under review witnessed an important shift in the activities of the Authority to focus more consistently on its product development strategies. The Board considers the facilitation of new and appropriate tourism products as one of its key responsibilities, being wholly inter-related to its marketing activities. Its objectives in this regard are to:

- * Broadening ownership in the industry, particularly amongst the previously disenfranchised sectors;
- * Complimenting 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 success of the province's Tourism Product Development Strategy and indeed, **Tourism Strategy 2000**, rests largely on ensuring that the people of KwaZulu-Natal are able to derive direct benefits from the growth of the industry.

The past financial year has witnessed significant progress in these areas. Through the efforts of management and staff, more than R42m was utilised in projects that benefited historically disadvantaged communities. This was primarily through accessing of additional funding from the Department of Economic Development and Tourism and the Department of Environmental Affairs and Tourism. It also however entailed significant contributions from other national and provincial government departments, the private sector and the Norwegian government, all of whom are increasingly understanding the important contribution which tourism can make to our economy. On behalf of the Board I would like to personally thank our partners.

The rehabilitation of the Lilani Hotsprings and the Isithumba Adventure Tourism Project, the eMakhosini Heritage Park and the Inanda Heritage Route exemplify the objectives of such funding and these are just a few of projects which you will read about in this Annual Report.

During this reporting period the Authority commissioned the development of the KwaZulu-Natal Tourism Product Development Strategy. This action plan which followed months of intensive research, study and consultation, was endorsed by the Board in January 2002. This strategy identifies 12 key tourism product development projects and has taken the product development efforts of the Authority to a higher level by focussing its efforts on core projects.

Overall, I am pleased to report that the Authority has risen to the challenges of the year admirably and has accomplished what it set out to do during this period. In the coming years, there is still much to be done in accomplishing the remaining milestones of the Strategy.

We have had a commitment from our political partners, who have consistently put their money where their mouth is and delivered on their financial commitments. In this regard and again on behalf of the Board, I would like to thank the present MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu, for his efforts in not only accessing funding, but also in providing leadership within the tourism sphere.

In conclusion I would like to extend my thanks, as Chairman of the Board, to my fellow Board members who have given of their time and expertise to ensure a fruitful 2001-2002 period and indeed, a committed term of office. On behalf of the Board, I would like to extend thanks and appreciation to the management and staff of Tourism KwaZulu-Natal for their dedication and the level of professionalism with which they have always operated. Sincere thanks must be extended to the Ministry and Department of Economic Development and Tourism and the provincial Portfolio Committee, as well as to the many and diverse tourism stakeholders, for the proactive participation and support which the Authority has received in the fulfilment of its mandate.

I would also would like to wish the incoming Board and its Chairman all of the very best in accomplishing the remaining objectives of **Tourism Strategy 2000** and in the continued implementation of the important work which this Board began three years ago.

Mr C P Brink

Chairman: KwaZulu-Natal Tourism Authority

STATE OF TOURISM

The Domestic Tourism Market

The KwaZulu-Natal Tourism Authority commissioned a third study in 2001 to determine the nature and extent of the province's domestic and foreign tourism markets. The domestic component involved a quarterly survey of a representative sample of 900 South African adults living in urban areas. These studies have revealed that this province still has the dominant share of South Africa's domestic urban tourism market. However, the general decline in domestic tourism continued over the January 2001 to November 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 being undertaken. The December 2001 period was however a much better period for domestic tourism – the KwaZulu-Natal market for example grew marginally if the figures for this period are compared to the same period in 2000.

According to the research that has been undertaken it is possible to estimate that in the order of 6.4 million urban 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 similar trends. Gauteng is this province's core external source market as has historically been the case. However, 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 R616 a trip, thus implying that KZN's

domestic tourism market is worth approximately R4 billion per annum, in terms of consumer expenditure.

The International Tourism Market

The international survey revealed that approximately 25% 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 2001. This was marginally lower than the previous year largely as a result of a lack of air seat capacities to South Africa, the September 'bombing' crises in the USA, also as a result of concern about the political situation in Zimbabwe and local health issues. Roughly 450 000 of these tourists visited KwaZulu-Natal. These tourists originated from the following markets.

- United Kingdom 17%
- USA & Canada 15%
- Germany 12%
- Africa 9%
- Australia 6%
- The Netherlands 5%
- France –4%

They visited KwaZulu-Natal primarily for holiday purposes (54%). Approximately 17% did so to visit family and friends and 16% came to the province on business.

The core destinations visited by foreign tourists were:

- Central Durban areas (69%)
- Drakensberg (31%)
- Zululand (30%)
- Pietermaritzburg and the Midlands (27%)
- The North Coast (25%)

Key attractions were:

- Durban Beachfront (57%)
- Drakensberg (31%)
- Hluhluwe-Umfolozi (23%)
- Valley of 1000 Hills (21%)

- Seaworld (15%)
- Zulu Villages (12%)

Foreign tourists who visit this province spend an average of R5 936.00 per person during their stay. This implies that this province's foreign tourism market is worth an estimated R3.7billion per annum in terms of consumer expenditure.

Overall Performance

KwaZulu-Natal's tourism industry was thus worth approximately R8 billion in terms of consumer expenditure in 2001. The total impact of tourism on the economy, if an estimated multiplier of 1.42 is applied, was R11.4bn. Its contribution to the Gross Geographic Product (GDP) of this province was estimated to be in the order of 10%. This industry employs directly or indirectly approximately 110 000 people. This is based on the estimate that 13 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.

GOALS AND TARGETS

Macro Goals and Targets

National macro goals and targets need to be continuously monitored against actual arrivals in order to identify significant shifts in either direction.

Since the launch of Tourism Strategy 2000 in October 1999, the national goals and targets set through the National Tourism Plan have proved to be 'overly optimistic'. Initial targets had been set around these initial projections.

South Africa's foreign tourism market however performed poorly in 1999 (4.4% growth in terms of overseas and 2.8% in terms of overall visitor arrivals), in 2000 (-0.3% overall and 2.7% in terms of overseas visitors) and in the first 9 months of 2001 (-1.2% overall and 0.6% in terms of overseas arrivals). The expected growth in terms of overseas arrivals for 1999 was 6.4% and 9.1% in terms of the total foreign market . South African Tourism's projections for 2000 and 2001 were as follows:

2000 - overseas 8%
overall 8 %

2001 - overseas 9%
overall 9%

The proportion of foreign air arrival visitors that visited KwaZulu-Natal also declined in 1999 - from approximately 28% in 1998 to 26.5% in 1999, 28.2 % in 2000 and an estimated 26% in 2001. This decline could largely be ascribed to the decision of British Airways and SAA to curtail their international flights from Durban International airport .

As a result of decline in the South African urban domestic tourism market during the previous reporting period, the national estimates of the economic impact of tourism have been revised by the National Department of Environmental Affairs and Tourism.

It is unlikely that South Africa's overseas market grew by more than 2% in 2001. The growth in terms of the overall market is expected to have been 0%.

It is also unlikely that South Africa's overseas market will grow by more than 5% in 2002 and 2003. The overall market is not expected to grow more than 2 – 3% over these two years.

TKZN figures have been revised accordingly:

Measure	Goals and Targets
Growth in domestic urban tourist arrivals	From at least 8mn urban adult tourists in 1998 to 8.1mn in 2003
Growth in foreign tourism arrivals*	From 459 000 in 1998 to 557 000 in 2003
Growth in direct tourism spending	From R6.8bn to R9.6 bn in 2003
Total impact on GGP	From R9.7bn in 1999 to R13.7bn in 2003
Total impact on employment	From 122 482 in 1999 to 132 450 in 2003
Growth in average length of stay	To increase the typical length (mode) of stay from 3 nights in 1998 to 4 nights in 2003 and the stay of domestic tourists from 5 nights in 1998 to 6 in 2003.
Increase in the percentage of tourists indicating that their decision to visit KZN was influenced by marketing media	Domestic tourists from 7% in 1998 to 11% in 2003. Foreign tourists from 35%in 1998 to 40% in 2003.

*That arrived in South Africa by air.

Micro Targets

These are specific targets against which the performance of Tourism KwaZulu-Natal will be measured. In addition, more detailed targets are set in annual action plans against which the Board monitors progress.

Consumer Response

Measure	Goals and Targets
Brand recognition	Foreign - from 7% in 2000 to at least 13% in 2003 Domestic - from 34 % of urban adults or 4mn in 2000 to at least 60% or +/-7mn urban adults in 2003
Use of web site	To increase the hit rate and user rate of the TKZN web site by at least 50% per annum to the year 2003.
E-Mail, telephonic, mail enquiries and walk-in enquiries	To increase the rate of walk in enquiries to TKZN's main office by at least 10% per annum. To grow the number of e-mail enquiries by which TKZN's information service deals with on an annual basis by 30% per annum. To increase the number of telephonic and fax enquiries that TKZN deals with on an annual basis by 20%.
Brochure distribution	To ensure that all SA Tourism Offices and SA Embassies in KZN's key markets are constantly stocked. A monthly e-mail will be sent to these agencies in order to ascertain what their current stock levels are.

Trade Response

Measure	Goals and Targets
Recognition of slogan	To increase local trade awareness of slogan from 80% in 2000 to 95% in 2003

Awareness of campaigns	To increase local trade awareness of TKZN campaigns from 32% in 2000 to 75% in 2003
Perceptions of performance	To increase the 32% of local trade who stated that TKZN is performing above average or significantly above average with respect to similar organisations in 2000 to 55% in 2003
Role Recognition	To increase the level of awareness of at least one role of TKZN from the 75% level in 2000 to the 90% level in 2003
Registration Rate	1 500 registration by end March 2001 4 000 registrations by end March 2003 6 000 by end March 2004

It is estimated that Tourism KwaZulu-Natal will be able reach the following economic targets with the following budgets*:

	2001/2002	2002/2003
Budget	27mn	35mn
Direct Expenditure	R168mn	R182
Impact on GGP	R239mn	R258mn
Total impact on employment - sustained jobs	2623	2758

* These figures are based on the following assumptions:

That Tourism KwaZulu-Natal budget influences 25% of KZN's domestic and 7% of its foreign tourists whose decision to visit was influenced by marketing media. These tourists are expected to spend at least R168mn in the province in 2002 and R182mn in 2003. Research has revealed that the economic multiplier for tourism in KZN is in the

order of 1.42, which implies that the total impact of this spend will be in the order of R239mn in 2001 and R258mn in 2002.

The employment multiplier for tourism is estimated to be 15.6 jobs for every R1mn of direct tourism expenditure in 2001 and 14.6 jobs in 2002.

Tourism KZN's Macro and Micro targets are based on the following broad assumptions regarding the South African & KZN tourism environment:

- ❑ Safety & security situation and perceptions thereof improves;
- ❑ A stabilisation in the perceived health threats to travel in KZN;
- ❑ Economy remains stable and continues to grow;
- ❑ Effective international and domestic marketing;
- ❑ Adequate public & private sector contributions;
- ❑ Perception of KZN as a value for money destination is maintained;
- ❑ National tourism projections are realistic targets.

CHIEF EXECUTIVE OFFICER'S REPORT

By Mr Gareth Coleman

KwaZulu-Natal Tourism Authority

STRATEGIC MARKETING FRAMEWORK

Institutional Alignment

In accordance with its strategic marketing framework, KZNTA supports the effective association of public and private sector marketing organisations in the province. Integral to this objective is encouraging the development of a vibrant and sustainable locally-based tourism industry, and that vertical alignment is effected with institutions at national, provincial, district and local spheres of government. In the term under review, KZNTA has effectively facilitated greater co-operation with all stakeholders in the sector.

Other Tourism Bodies

The leadership structure of SA Tourism has not been steady in the past year. This has impeded on the relationships between SA Tourism and the provinces. Despite this, the working relationship between KZNTA and SA Tourism has improved substantially, which is in part due to the establishment of a CEOs forum which brought together the provinces and SA Tourism in a collaborative structure.

While improving the overall symbiotic relationship, KZNTA has striven to align its international marketing activities behind those of SA Tourism and it is pleasing to report that the co-operative marketing exercises have been increased in the period under review.

The return of strength to the leadership structure of SA Tourism at the end of 2001 has already led to greater co-operation. Regular meetings have been held with the Department of Economic Development and Tourism and the Ministry of Environmental Affairs and Tourism, which have all impacted on greater institutional and vertical alignment.

The stability of leadership in Durban Africa has also led to greater co-operation around a common cause. During the period under review, there has been a host of marketing programmes undertaken jointly. Whilst this has been achieved on an operational level, efforts are being made to effect closer interaction and the establishment of a firmer framework for local and provincial governments in relation to branding and legislative mechanisms. This endeavor has been ongoing and will continue into the next period.

District Councils

There has been closer co-operation between these spheres of government and mechanisms have been established to effect greater co-operation. The unanimous endorsement of KZNTA's Tourism Strategy has culminated in a greater acceptance of the role of KZNTA and regular co-ordination meetings have been held as a result.

KZNTA is also instrumental in encouraging the District Councils and the Durban Unicity to assume responsibility for the co-ordination of tourism marketing and product development at the local level. However, the restructuring at local government level has impacted upon tourism structures across the province. Many community tourism organisations are without funding, often as a result of District Councils reducing its tourism funding.

Other Provincial Departments

Despite regular interaction with Amafa KwaZulu-Natali and KZN Wildlife, the memoranda of understanding in existence has not been followed to the letter or monitored regularly.

The relationship with the Department of Economic Development and Tourism has improved during the year. The new Head of Department, Mr Mel Clark, has initiated a process around clarifying the roles of provincial institutions vis-à-vis the department. Monthly meetings are held between the CEOs of the Department of Economic Development and Tourism mandated parastatals and the Head of Department.

A memorandum of understanding is being explored with Ithala Bank, with an emphasis on poverty relief programmes. There has also been more co-operation with the departments of transport and public works.

National Government

Having aligned its objectives with those of the Ministry of Environmental Affairs and Tourism, KZNTA can report a maturing of this relationship. Collaboration has been most intense around the Ministry's administering poverty relief funds. New relationships and joint programmes have been initiated with the Ministry of Arts, Culture, Science and Technology, the Ministry of Labour and Eskom.

PROVISION OF MARKETING PLATFORMS

A core competence of KZNTA is facilitating the 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 development 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.

The establishment of the registration system and the publication of the *Marketing Opportunities for Tourism Service Providers* brochure have helped in clarifying KZNTA's objectives and activities to stakeholders.

Whilst most of the activities identified in the brochure have been achieved, albeit at the end of the period under review, a priority for the coming period is the strengthening of these relationships to offer a consistently efficient service to the tourism trade and leverage joint marketing campaigns.

In accomplishing this objective in the period under review, KZNTA developed and distributed the following tools:

Marketing Material

Publication	Quantity
Provincial Travel and Tourism Guide	60 000
KZN Road Map	100 000
Bed & Breakfast and Guest Houses brochure	30 000
Self-Catering, Bush camps & Caravan parks Brochure	30 000
Hotels and game lodges brochure	30 000
Township and Cultural Tourism brochure	30 000
World Heritage Sites brochure	30 000

Tourism Partnership brochure	20 000
Reed dance promotional video and CD ROM	1000
Reed dance brochures and posters	15 000
KZN 5Bs poster	2000
Free website design for regions	5 regions
Free fax-on-demand listings	6000
How to ... booklets	20 000
KZN promotional video	1000
Tourism Statistics Brochure	10 000
Various outdoor banners	100
KZN/Kingdom of the Zulu mouse pads	1000
Kingdom of the Zulu promotional bags	30 000
Zulu love letters, pens, beaded necklaces and ties	25 000

Domestic Shows and Exhibitions

Tourism stakeholders in the region were also provided with the following marketing materials, distributed as per the following:

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 May 2001	KFM Getaway Show	Cape Town	3000
23-25 June 2001	Outdoor and Adventure Show	Kyalami	3500
14-16 Sept 2001	Star Getaway Show	Johannesburg	5000
14-17 Oct 2001	East Coast Radio Getaway Show	Durban	3500

International Shows, Exhibitions and Workshops

Date	Show	City	Brochures Distributed
12 – 15 Nov 2001	World Travel Market	London	3500
1-9 Nov 2001	Eastern Europe Workshops	Moscow, Budapest, Prague, Warsaw	1500
26 Jan – 4 Feb 2002	Vakantie Salon	Antwerp, Benelux	3000
14-20 March 2002	ITB	Berlin, Germany	5000
19-24 March 2002	Hungarian Trade Fair	Budapest, Hungary	4000
7 – 9 Sept 2001	USA Travel Mart	Atlanta, Georgia	1500
11 – 14 May 2002	Indaba trade show	Durban, South Africa	5000

BRAND STRATEGY

The marketing objective and mission of the organization is to achieve national and international recognition of 'The Kingdom of the Zulu' brand and of positioning the province as Africa's premier tourist destination. Consistent with strategies of the previous years, the Kingdom of the Zulu branding achieved higher recognition during 2001/2002, with the branding and merchandising programme due for completion and possible piloting in the next period. Interim sub-regional branding of the various regional tourist destination as agreed with the regional tourism stakeholders, was consistently utilised during the year. However, there remains a need to complete the brand review programme and establish effective implementation mechanisms behind the revised branding and most importantly, to "bring the brand to live".

In encouraging the constructive use of its brand to appear as a signature on all tourism and provincial promotional programmes and material, KZNTA achieved significant leverage in partnership with other strong brands:

- East Coast Radio
- BP
- DSTV
- Consumer Kredit
- Ukhozi FM
- Gooderson Leisure Corporation
- Protea Hotels
- Independent Newspapers

INFORMATION SYSTEMS AND DATABASE MANAGEMENT

KZNTA has continued to develop, manage and maintain a dynamic, relevant and accessible tourism information management system and research programme for the province.

Website

In achieving its world-class efficiency in this regard, KZNTA continued to develop its website and other computer-based tools during the period under review.

The www.zulu.org.za site was developed in 1997, and has grown in use and content ever since. In the period under review, KZNTA continued with its two-year programme to totally overhaul the site, in keeping with relevant technology and design trends. The object of the endeavour is 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 in the world. 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
- East Griqualand
- The KZN Beach, Buzz and Bush experiences

The performance of the TKZN website in terms of hit and unique user rates has been as follows:

Hit Rate

Months	1999	2000	2001	2002
January	44924	151796	149203	966 004
February	41977	115789	140709	1 159 090
March	55962	130133	122482	1 010 500

April	58 130	124 172	193 032	983 914
May	62 424	137 658	165 116	1 320 362
June	65 507	111 577	174 427	1 113 453
July	67 474	120 595	207 504	
August	65 871	125 467	329 669	
September	51 789	129 600	319 561	
October	86 697	151 628	439 845	
November	102 813	99 426	592 734	
December	77 612	123 099	528 694	
TOTAL	499 831	841 994	2 950 582	

Unique Visitors

Months	1999	2000	+(%)	2001	+(%)	2002	+(%)
January	1594	4609	189%	5643	22%	19 941	253
February	1580	4333	174%	7321	69%	20 284	177
March	2086	5301	154%	6112	15%	19 513	219
April	2 354	5 038	114%	7 602	51%		
May	2 261	5 903	161%	6 556	11%		
June	2 258	4 607	104%	7 232	57%		
July	2 196	5 980	172%	7 699	29%		
August	2 228	6 259	181%	8 171	31%		
September	1 978	5 974	202%	8 262	38%		
October	3152	6931	120%	10 477	51%		
November	3 650	4 643	27%	13 473	90%		
December	2 935	6 070	107%	10 703	76%		
TOTAL	28 272	61 183	116%	99251	62%		

Tourism KwaZulu-Natal's website has performed satisfactorily in growth in terms of both hits and unique visitors. The growth in terms of unique visitors was in excess of 100%, far more than the expected rate of 50%.

Tourism Registration System

KZNTA launched a voluntary registration system for the tourism industry in July 2001. Its aim is to ensure that greater benefits accrue to tourism stakeholders.

In addition to the fax-on-demand service, those registered are given access to the extensive KZNTA database and inclusion in trade and travel guides.

In addition to which members will receive an automatically generated and hosted web page that will display details of the establishment, hyperlinks to its e-mail, formal website and booking service facilities, photographs and branding of the establishment.

The registered establishment will also be enabled to edit and upload its own content on the site which will be a component of the KZNTA homepage.

It also affords members access to KZNTA's partnership programme, the receipt of regular updates on developments in KZNTA and the industry through its corporate affairs division, while also devolving the right to be referred to as a registered KZN tourism establishment.

Fax on Demand

During the 2001/2002 financial year KZNTA continued to develop its Fax on Demand service, with a host of new services being added onto the already comprehensive list, including the manifold attractions of the province, which is also available in French, German and Spanish.

Approximately 6000 individuals used the service in the period under review.

Tourism Asset Database

Established in 1997, the Tourism Asset Database is the most comprehensive tourism asset register in the country, providing information on more than 10 000 tourism assets across the province. With the introduction of the Tourism Registration System in the period under review, the asset database is developing even further and today provides an even greater service. The advent of new information gleaned from the Tourism Registration System will be incorporated in the update and editing process that was embarked upon in the period under review.

Market Research

KZNTA played a significant role in devising the methodology for the most comprehensive industry-based domestic survey, to be taken to date.

The research was pioneered by the Ministry of Environmental Affairs and Tourism and SA Tourism in partnership with all the provinces.

An agency was commissioned to conduct research amongst 10 000 South African households regarding domestic tourism preferences. The survey took place at the end of May 2001, covering the period May 2000 to April 2001. A detailed report of the findings of the study was published in September 2001. Independently, KZNTA commissioned a fourth series of in-depth surveys to determine the nature and extent of KwaZulu-Natal's foreign and domestic tourism markets. The study was specifically designed to provide relevant strategic data for the various regions of the province.

KZNTA also 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. The research was carried into the period under review and will be completed in the next term.

Measuring the impact of KZNTA's actions

During the course of the 2001/2002 financial year, KZNTA continued to measure the performance of its marketing activities. KZNTA has established systems to monitor variables such as unique user rate of the website, hit rate, number of e-mail inquiries generated by the website, numbers of a particular brochure that were distributed, number of contacts made at trade and consumer shows and the usage level of the fax-on-demand service. The tracking survey to assess the impact of KZNTA public relations actions continued.

Visitor Books

KZNTA published a common visitor book for Community Tourism Organisations and core attractions in KwaZulu-Natal. The data collected from these books is utilised to gauge the nature of the KwaZulu-Natal tourism market. More than 150 youth hotels, CTOs, museums and other tourism facilities have the books.

Key Stakeholder Interviews and Focus Group Studies

KZNTA continues to gauge core tourism stakeholder opinion of the performance of the market. Interviews with a panel of leading provincial tourism decision-makers are held on a monthly basis.

Sixteen pilot focus group studies were undertaken with middle and higher income residents of Gauteng to begin developing an in-depth understanding of perceptions of the province as a domestic tourism destination.

In addition, KZNTA has continued to provide funding to the Midlands Meander to enable it to place a questionnaire card in the Meander Brochure to facilitate research and a better understanding of perceptions tourists have of the area.

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 the province. The study was completed and serves as an important basis for a strategy that was formally launched last year.

Trends Brochure and Catalogue of Research Reports

It has become practice at KZNTA to disseminate research findings via the regular publication of domestic and international tourism market trends in brochure form. This is

made available to all stakeholders and also to schools, tertiary education institutions and on the website.

The research reports cover themes from tourism development research to economic forms of tourism to market research and tourism statistics.

Beach Tourism

In the period under review KZNTA commissioned an agency to specifically investigate the nature and extent of the European beach tourism market and also determine the feasibility of luring that market to the eastern seaboard of South Africa. This particular research has assisted KZNTA in developing a strategy to engage the European charter market.

Incentive Tourism Market

The marketing committee of KZNTA maintains that this market segment has been neglected. In recognition of this view, KZNTA commissioned an agency to investigate the nature and extent of the market with a view to developing a practical strategy to engage this market. The resultant research document was presented to the trade and formally endorsed. KZNTA has been given a mandate to develop the practical strategy.

World Conference Against Racism

The region successfully hosted the World Conference Against Racism during the period under review. The lessons learned from hosting an event of this magnitude were compiled in a document, with recommendations for the hosting of similar events in future. The successful launch of the information kiosk just prior to the conference has significantly raised the profile of the tourism services offered by Durban Africa and KZNTA.

Information Resource Centre

The information resource centre established in the previous year houses all KZNTA resources such as research reports and articles, media reports, reference books, international journals, slides, CD Roms and videos. It hosted more than 500 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 SA Releases
- Special reports outlining the latest international and domestic market trends are published and updated.

Tourism Research Network

KZNTA maintains a strong relationship with its more than 60-strong network of researchers in the province, all of whom have experience in various fields of tourism research. A service provider provides a press clipping and media analysis function for KZNTA and monitors articles and electronic inserts in which KZNTA is mentioned.

Tourism Information Services

During the year under review, TKZN made improved progress in terms of its overall tourism information strategy. These initiatives were further enhanced with the development and subsequent approval by the Board of the Tourism Information Office Strategy which outlines the three levels of information provision within and outside the province and the partnership formula required to drive it. In terms of output for the year, the following progress was made in implementing the strategy:-

- Refurbishment of the Durban international airport office (regional presence)
- Establishment of trade marketing office in Gauteng (national presence)

- Establishment of tourist information office at V & A waterfront (national presence)
- Establishment of a gateway office at Montrose (N3 Gateway office)
- Establishment of a gateway office Kokstad (South Coast Gateway office)
- Low key presence at Golela Border posts with Swaziland (international presence)

In the new year, increased efforts will be devoted to implementing the strategy of the gateway offices as part of strengthening the provisioning of tourist information throughout the province. This is in a bid to ensure that KwaZulu-Natal is ready and serious about becoming Africa's premiere tourist destination. Increased effort will also be devoted to the dissemination of tourist information on a consistent basis to all these offices and other partner organisations both locally and internationally, and the continued training and empowerment of our personnel in the service of providing tourist information.

EVENTS DEVELOPMENT

The prudent development of events across the province has provided an effective mechanism for KZNTA's brand building activities, attracting tourists and the inclusion of previously excluded areas into the tourism mainstream. KZNTA pursued partnerships with the District Councils, which was however hindered by slow levels of participation from District Councils in identifying and proposing events within their regions.

In addition to this effort key cultural and sporting events were identified for support and development, and to leverage exposure for the Kingdom of the Zulu brand. The following key events were supported during the 2001/2002 financial year.

Umkhosi woMhlanga (The Reed Dance) (MR)

The event, hosted by His Majesty King Goodwill Zwelithini ka Bhekuzulu took place from 8 to 9 September at the Inyokeni Palace in Nongoma. KZNTA as one of the sponsors of the event contributed R300 000 towards marketing and promotions programme. Other sponsors include Portnet, South African Breweries, Coca-Cola and Tongaat Hulett Group. KZNTA supported the event as part of our event marketing strategy and as part of supporting the overall branding of the province. 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, the production of a video, brochure and other supportive materials.

In addition, KZNTA supported the following events:

- The Shembe Festival
- Diwali Festival of Lights
- Royal Hunting Ceremony
- BET Jazz Festival
- The Comrades Marathon
- The Duzi Canoe Marathon
- Sevens Rugby Tournament
- The Re-enactment of the Battle of Isandlwana

KZNTA also supported a number of smaller events that took place throughout the province.

- Annual Griqua festival in Kokstad
- Splashy Fen 2002
- Pietermaritzburg Cycling tournament
- Margate Summer festival in the South Coast
- Community Tourism Association's annual congress
- King Shaka Day celebration

In the next period, KZNTA has prioritised the following:

- Finalising a workable events strategy for the province;
- Earlier identification and certainty around events; and
- Improving the marketing of core events to the tourism, trade and consumers, and
- Improved packaging of the KZN tourism product for marketing as part of the events marketing strategy

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.

Corporate Communications

Following the successful launch of Tourism Strategy 2000, KZNTA produced 8000 copies of a 17-page tourism strategy document and an audio-visual presentation as tools to communicate the strategy. The strategy was presented to all the District Municipalities and unanimously endorsed. In addition stakeholders in the tourism trade, business, government and communities were presented with the strategy.

Further interaction with the media took place at media briefings and in interviews.

However the corporate image of KZNTA was not profiled to optimum levels. Reporting structures have been amended to deal with the issue.

Numerous new internal and external communication programmes were established during the year. Four issues of the organisation's quarterly newsletter "*Wozani*" developed and 4000 copies per edition were distributed to both domestic tourism stakeholders and through the offices of the organisation's international representatives in the U.K and Germany.

Image Positioning

The image of the province has improved as far as safety is concerned, but grime still presents a problem. KwaZulu-Natal's 2001 Foreign Visitors' Survey reveals that 54% of tourists that visited the province rated personal safety as being good. In September 2000 this figure was 40% and in September 1998, it was 33%.

During the period under review there was significant progress in the finalisation of a strategy around dealing with issues of the image of the province. A five-point plan of action with deadlines has been approved by the political leadership in the province and will be implemented in the next period.

The creation of a single mechanism with new terms of reference to deal with the crime situation

Currently there are a plethora of structures operating in KwaZulu-Natal and the Greater Durban Area, each with their own safety and security mandate. They are uncoordinated and operate independently of each other. There is therefore a need to create one powerful structure which should be lean, comprise key decision makers and be empowered to take key actions.

The establishment of a new framework for the holistic management of the Durban beachfront

The research found that perceptions of a lack of safety in KwaZulu-Natal were based on the way people, particularly local and international tour operators and tourists perceived the Durban beachfront. They saw the beachfront as an area where there was drug pedalling, petty crime, prostitution, illegal gambling and grime. In order to change these perceptions there is an urgent need to relook at the management of this area. This process is being managed by the Ethekewini Municipality.

The undertaking of an investigation into the feasibility of setting up Municipal Courts in the Greater Durban Area

It is apparent that there isn't the stringent application of by-laws on the Durban beachfront. This is partly due to the fact the processing of arrests is cumbersome and ineffective. As a result potential criminals have tremendous leeway and operate on a laissez faire basis. It is therefore proposed that Municipal Courts be quickly set up to ensure the quick and efficient processing of arrests. This is being managed by the Ethekwini Municipality.

The conducting of province-wide safety and security awareness workshops

It is apparent that very little emphasis has been placed on making people aware of the economic importance of tourism in the region. There is a need to convey this message to communities via the media and other forms of communication. Workshops should target the following audiences:

- Key rural hotspots (Should be done in conjunction with establishments and communities)
- Urban communities
- Security agencies
- Tour Operators
- Political stakeholders
- Tour operators

This process will be implemented during 2002/2003.

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 R15-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 international newspapers, often arising out of the hosting of the World Conference Against Racism locally.

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 on issues pertaining to tourism in KwaZulu-Natal throughout the year.

While the bulk of the electronic advertising was concentrated in Gauteng, Free State and Western Cape, the organisation participated in local programming on East Coast Radio and Ukhozi FM. 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 makes constant reference to "the Kingdom" in their programming.

In the coming year though, an effort will be made to broaden the scope of radio penetration to include more national networks. An effort will also be made to make inroads into emerging markets. 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, allowing the organisation to leverage significant corporate benefits by this association.

There is also a need to raise the profile of both the management and board of the organisation. KZNTA has a highly competent and professional leadership team and the opportunities around individual profiling will be exploited in the coming year.

During the course of 2002/2003 there will be a more focused approach on ensuring effective exposure in the national media and with publications targeting the LSM 6-8 level.

MARKETING TOOLS

The goals set for the production of marketing tools were achieved by the end of the period under review. However, the late initiation of a number of projects has led to there being inadequate marketing collateral at certain times during the year. This has since been rectified and the production schedule and targets have been met.

KZNTA will continue to disseminate and produce the following tools to market the province domestically and internationally:

- Annual provincial travel and tourism guide
- Provincial road map
- Provincial promotional video, CD-Rom
- Provincial website, fax-on-demand and tourism database
- Provincial promotional z-flyer and experiential tourism and niche tourism brochures and folders for regional tourism organisations and the private sector
- Marketing infrastructure required for display at trade shows, exhibitions, conferences and events.

In the new financial year, focus will be devoted to the following priorities:-

- Assisting the district municipalities in revising and producing their promotional brochures in accordance with the revised branding
- Activating the experiential brochure and promotional materials in the regions and the entire route initiative
- Regularising the distribution of tourists information and ensuring the continuous availability of regional information

DOMESTIC TOURISM MARKETING STRATEGY

Promotional Campaigns

KZNTA focused on establishing a year-round presence domestically in contrast to its previous practice of mounting short promotional campaigns around key tourism seasons. However, activity during the peak tourism seasons was not abandoned and smaller promotional campaigns were launched in support of regional destination marketing programmes, particularly around Easter, Tourism Month in September, the holiday season of December and the BET Jazz Festival in co-operation with Durban Africa.

As part of its year-round strategy, KZNTA embarked on a cooperative drive with local travel and tourism operators by designing and selling KZN destined holiday packages to boost occupancy during low seasons.

Within the 5-B marketing strategy emphasis was placed on the World Heritage Site, the Greater St Lucia Wetland Park and the province's warm winters. The objective of the campaign was to offer tourists options, outside the routine holiday seasons. Invitations to participate in the campaign were sent to various publicity associations, district municipalities and product owners. The campaign was particularly effective in Gauteng and the Free State.

Significant media was utilised in the campaign including:

- ❑ Volksblad
- ❑ Die Beeld
- ❑ The Star
- ❑ The Sowetan
- ❑ The Citizen

Radio

- ❑ Metro FM
- ❑ 5FM
- ❑ Jacaranda
- ❑ OFM
- ❑ Yfm

KwaMali Campaign

The campaign, which began in the previous period, was abandoned during the period under review. It made use of KwaZulu-Natal holiday money or “KwaMali”, and drew a range of vendors from accommodation establishments to jewellery wholesalers, car rental outlets, bars, fish and chip shops, Internet cafes and a wide range of restaurants. There were participants province-wide – from Vryheid to Margate, Drummond to Mkhuzi and Underberg to Kranskop.

Advertising Programme

KZNTA secured significant news media space during the financial year due to the fostering of good relationships with the various publications. Popular newspapers in key markets were used to drive the organisation’s various campaigns. Among these publications were: *The Star*, *Sowetan*, *Sunday Times* and *Sunday Tribune*, *The Beeld* and *Volksblad*.

The “Kingdom of the Zulu” brand gained significant credibility in the electronic media with buy-in from several leading media. During the year under review, KZNTA negotiated with key stations to, on occasion, use of the term “the Kingdom of the Zulu” instead of KwaZulu-Natal.

Both East Coast Radio and P4 have initiated campaigns at no cost as part of their support for the province’s branding strategy. The organisation also has a healthy relationship with Ukhozi FM and secured significant free on-air time, which will be utilised in an awareness campaign in the ensuing financial year. The organisation partly sponsored the printing of a calendar for Ukhozi FM. Successful promotions were also undertaken with national stations Metro FM, Khaya FM and RSG.

Billboards and Outdoor media programme

Although logistical difficulties were experienced at inception, a total of four outdoor billboards were taken at various points throughout South Africa. One in Cape Town outside the international airport, two in the Greater Johannesburg area, one in

Mpumalanga and one on the N3 entry point into the province at Van Reenen's Pass. The billboards helped to carry the overall positioning message of the province on a regular and consistent manner throughout the year while at the same time helping to focus attention on specific "happenings" within the province from time to time instead of using the television medium.

The "Kingdom of the Zulu" brand was recognized in several key publications during the year under review. Advertisements and advertorials were placed in various publications and media channels. Notably, KwaZulu-Natal messages were featured in the following leading publications: *Sawubona*, *Getaway*, *Southern African Tourism Update*, *Tourism Focus*, *African Focus*, *Enterprise* and *the Millionaire magazine*. In each of the cases advertising was secured alongside negotiated editorial space.

DOMESTIC TRADE AND CONSUMER SHOWS

Outdoor Adventure Show, Kyalami, Gauteng

(23 to 25 June 2001)

The Outdoor Adventure Show is a consumer show in which TKZN participated in collaboration with District Municipalities. The show was well co-coordinated with marked improvement in the calibre of attendees and exhibiting products, as compared to previous years. 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 inquiries for scuba diving and camps and caravanning brochures. TKZN received the best stand award, which was no small way due to the collaborative efforts with the Zululand exhibiting partners (Uthungulu and Zululand District Municipalities)

Comrades Experience, Durban

(16 June 2001)

The show is held annually for consumers and marathon participants. This time around the marathon was downhill from Pietermaritzburg to Durban with an exhibition that took place at the ICC for visitors and runners. Approximately 20 000 runners took part in the marathon of which 9000 were from outside the province of KwaZulu-Natal. There were several inquiries at the show about tourism opportunities in Durban and the greater province of KwaZulu-Natal, which were aptly handled by TKZN's information personnel.

The Star Getaway Show, Johannesburg

(14 to 16 September 2001)

As part of the ongoing strategy of growing our market share in the Gauteng market and also maintaining our presence, TKZN once again took part in the annual Getaway show held at the Northgate shopping centre. The KZN party consisted of a mixture of regional tourism bodies supported by service providers ranging from accommodation establishments to crafters and brewers. A total of 2500 travel guides were handed out to visiting travel and trade operators as the show coincided with the opening of TKZN's

Gauteng trade marketing office. KZNTA, which had the biggest exhibition space with the most diversified product offerings, won the award for the best provincial stand - "The Spirit of Getaway Award". This was the second the time running that the province won the award.

For the first time, TKZN sponsored the participation of product owners from the historically disadvantage communities, who used the opportunity to exhibit township and authentic Zulu experiential products.

East Coast Radio Getaway Show in the Kingdom of the Zulu, Durban (14 to 17 October 2001)

KwaZulu-Natal hosted the show for the second consecutive year and KZNTA managed to secure joint naming rights with East Coast Radio and Getaway organisers. KZNTA committed funds toward extending the publicity campaign for the event through increasing the poster display, radio (secured airtime with Ukhosi FM) and newspaper appearances (*The Mercury*, *The Daily News*, and through the knock and drop series of Caxton papers, *Ilanga* and *The Natal Witness*). In addition KZNTA disseminated posters through the District Municipality channels and through the Community Tourism Organisation (CTO) network to draw further interest for the event. The show took place at the Durban Exhibition Centre (DEC) and drew crowds of close to 30 000 people. KZNTA secured a 602m² stand at the event and sponsored the participation of HDE entrepreneurs.

KFM Getaway show in Cape Town (7 to 9 May 2001)

Once again, TKZN accompanied by District Municipalities and private sector partners took part in the Getaways consumer show in the Western Cape. This was part of the TKZN's strategy of attracting an increased number of domestic tourists from the Western Cape with specific focus on the Cape Town consumer and travel trade. Although the show was smaller as compared to the Gauteng and the KwaZulu-Natal shows, it nonetheless, recorded an increased number of visitors in the year under review. The show took place in the Good Hope Centre in the heart of Cape Town.

INTERNATIONAL MARKETING STRATEGY

Airport Arrivals

In accordance with TKZN's strategic marketing framework, the authority researched and adopted a charter flight policy for tourism in the province. This was, in the main, as a response to the success of a number of Hungarian charters to Durban. This required an analysis of the link between securing charters to Durban International Airport and South Africa's current aviation policy. The need to secure charters to Durban arose partially out of aviation policies that discriminated against the region. These policies favour the hub and spoke practises of South African Airways that encourage international airlines to fly to Johannesburg and have their passengers transported domestically by SAA.

Charter operators are willing to fly to Durban as long as no scheduled carriers use the airport.

Arising out of President Thabo Mbeki's *State of the Nation* speech in 2001, where he indicated the need to review aviation policy, a working group was established between the national ministry of transport and the provincial tourism development ministry. The aim of talks was to identify the needs of airlines, develop a strategy for increasing tourist arrivals, and determine the economic impact of these arrivals. The revision of aviation policy presents Durban International Airport with the choice of focusing exclusively on charters and potential cargo, or scheduled flights.

In the short term, it is TKZN's view that charter flights rather than scheduled flights will bring the most benefit. With the Hungarian success in mind, TKZN is investigating links to other Eastern European cities. Two Russian operators have inquired about bringing charters, but a significant marketing campaign is required to sustain support from this region, given our current visitor profile from Russia.

Discussions are underway with two British charter companies about prospective flights to Durban.

Similar talks have also been held with Benelux and French companies interested in charter flights to Durban en route to holidays in the Lubombo SDI area.

Lubombo and a number of projects underway in the province support a charter based strategy for Durban International Airport. Other projects include: the Point Waterfront; Greater St Lucia Wetland Park; Emakhosini Valley; Ukhahlamba-Drakensberg Park; existing game reserves; the International Convention Centre. Additional attractions can include those allied to conventions; cultural tourism experiences; casinos; regional shopping centres; and township tours.

TKZN is actively seeking to ensure that a 3-5 year public sector investment strategy in the province is finalised to provide security for potential charter operators. Such a strategy would require public popularisation and wide exposure to local and international operators and should be oriented around marketing KZN as a middle-income holiday destination.

Utilising SA government offices abroad

In its bid to raise the province's profile abroad, TKZN has tried to establish direct contact with South African government missions abroad so foreigners inquiring about the Kingdom of the Zulu are given all the relevant information. There are over 100 missions and this sort of contact, while preferable, is not always possible. TKZN has touted the idea of an educational tour for all diplomats before their foreign postings, and negotiations with the Department of Foreign Affairs, in this regard, are continuing. Information packs containing tourism brochures, posters and Zulu love letters, or beadwork, have been sent to SA offices abroad with direct collaborative efforts taking place with specific embassies such as Budapest, Czech Republic, Mozambique, Beijing, Poland and Germany. In the coming year, more effort will be placed into strengthening these relations and also in broadening them to other key embassies such as the USA, Australia and the United Kingdom.

TKZN's Relationship with SA Tourism

The relationship between TKZN and South African Tourism is likely to strengthen in light of the recent changes in SA Tourism's management. Building relationships between the two organisations has been difficult in the past because of the constantly changing leadership of SA Tourism's CEO in the last four years.

In spite of this, however, the two organisations have co-operated well on media and trade educational visits (guests programmes), to the province and frequent international exhibitions. Whilst SA Tourism has showed a willingness to support KZN strategies, progress has been hindered by the lack of effective provincial input into the development of SA Tourism's international marketing campaign. TKZN has identified the need to aggressively pursue programmes that will increase arrivals and in pursuance of this goal, TKZN continue to encourage financial partnerships with SA Tourism to support these programmes. Efforts to ensure that SA Tourism integrates provincial concerns within international marketing campaigns are consistently increased.

Trade Marketing

In line with the Tourism Strategy 2000, TKZN continuous to have presence in its key source markets of Germany, United Kingdom and in Gauteng. Their role is to provide a presence for the province primarily amongst the travel and tourism trade and media in these respective markets. As a result, numerous educational trips were arranged for the travel trade and media into the province with the benefits accrued through increased media profile of the province and increased international tourist arrivals. These trips are aimed at exposing media to the range of holiday activities on offer in KwaZulu-Natal, like game drives and adventure holidays, comprising activities such as bungi jumps, horse riding and white water rafting.

During the year under review, a total of 26 foreign media representatives, mostly television crews, visited the province. The exposure secured from this investment far outweighed the potential cost of advertising in foreign newspapers and on international television channels. In most instances, TKZN secured complimentary accommodation and travel for the visiting media representatives thereby highlighting the continued partnership between the Authority and the local trade.

In addition to this effort, marketing and promotional literature showcasing the province's offerings were also widely distributed locally, nationally and internationally. Another novel feature of TKZN's international marketing strategy was the introduction in recent years of adverts emblazoned across the chassis of London taxis. The drivers of select

cabs were brought to South Africa on educational trips and on their return were able to talk at length to their passengers about the sights and sounds of KwaZulu-Natal.

International consumer and trade shows

TKZN has participated in seven international consumer shows, most notably Berlin's ITB and London's WTM, both premier events on the world tourism calendar. For the ITB show, TKZN secured its own independent exhibition space and used it to effectively profile the province while at the same time afforded participation to product owners. An important aspect of the international shows is the participation of entrants of the annual tourism entrepreneur of the year competition from KZN and other provinces at ITB and WTM.

A key element of the province's attraction is its variety. Overseas visitors are increasingly looking at packaged holidays in KZN. Added value comes from marketing conferences at Durban's International Convention Centre that have a leisure component, like game reserve holidays and golf tours around KwaZulu-Natal.

With each year the Authority makes committed effort to raising the small business component of its exhibits. 2001/2002 was no exception. At Indaba no less than 45 small and emerging tourism businesses were showcased, up by 200% since the last financial year and at ITB and WTM shows in collaboration with South African Tourism.

TKZN is also involved in travel workshops that market the province in Eastern Europe and Benelux countries, both regions are fertile for negotiations of charter flights directly into Durban. In South Africa, domestic marketing at trade shows is proving worthwhile, as more local tourists grow tired of holidays in the Kruger Park and Cape Town.

The major challenge facing the Authority at international exhibits is the Rand-Dollar exchange rate. The branding of the province as the Kingdom of the Zulu has reaped enormous rewards as increasingly more people identify the region with the Zulu monarch and the region's distinct cultural heritage. Following is a list of the shows in which TKZN took part during the 2001/2002 year: -

- Indaba travel and tourism show
- World Travel Market in London, United Kingdom
- International Tourism Exchange in Berlin, Germany
- Hungarian trade and consumer expo in Budapest
- Benelux road show for trade and consumer
- USA Travel workshops
- Eastern Europe workshops

STRATEGIC PRODUCT DEVELOPMENT

Small Business Support

As a continuation of the momentum set in the 2000/2001 year, TKZN continued to make grate strides in terms of providing opportunities for small and emerging businesses. The organization lobbied provincial government to support the procurement of tourism related services from women and black owned businesses. The authority continues to audit the value of work these businesses derive as a result of funds allocated by TKZN.

The development of new attractions, products and events, present key opportunities for historically disadvantaged communities. This, in turn, improves the tourism product mix and facilitates investment in areas of low economic industry. In terms of accessing marketing and promotions platforms from TKZN, an even bigger improvement was made in terms of affording exhibition opportunities to HDE entrepreneurs at all the international and domestic shows. The R360 000 budget that was set aside for small business support was made available to qualifying businesses to assist them in the following areas:-

- Training and accreditation of small and emerging businesses, i.e. training as tour guides and for securing accreditation for their businesses with industry associations; and
- Marketing Assistance programme with specific focus on development and production of brochures and other marketing materials to promote their businesses

The Authority also works closely with other organizations and agencies to help provide crucial advice on business management, such as the legal requirements of running a business and other business skills training and in facilitating access to additional funding for marketing such as the ITMAS and the TEP programmes.

From an institutional alignment perspective, the Board of TKZN has also set aside a once-off R1 million grant to support community tourism organisations during the period

under review. The funds were allocated to the establishment of sub-regional brands; and marketing and IT support.

TKZN's aim is to establish regional routes in areas under the control of District Municipalities, and to electronically connect them via telephone modems. Similarly, some of the funds were used to assist emerging operators to establish their own association called BETO, or Black Emerging Tour Operators. During the year under review, TKZN facilitated workshops to strengthen the organisation's membership and business principles and a renaming exercise was also undertaken. TKZN also rendered financial support to assist BETO members to attend a number of domestic shows countrywide.

Poverty Relief Projects

Small businesses in KZN were also advanced through four tourism projects co-ordinated by TKZN, which has accessed R13 million from overseas funding and national government poverty relief initiatives, which are as follows:

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

The development of these projects involved sourcing funds, developing community participation, drawing up business plans and ensuring the use of local labour. An integral element of this required capacity building of grassroots community based structures. A variety of tasks arose out of developing these tourism venues, offering vital jobs in many economically depressed regions.

Work involved monthly site meetings and an accredited training programme that ensured local labourers were able to use their skills in other avenues on completion of the projects. Project development also involved co-ordination with a range of government departments that had the advantage of speeding up the service delivery to some areas.

Community participation also helped ensure the sustainability of projects and the successful marketing of attractions. In many instances locals, passionate about the attractions in their area, staff tourist attractions and guarantee a visitor's experience is a pleasant one. The success of these four projects is also thanks to private sector involvement that established world service standards.

Tourism infrastructure, human resource development & corporate governance.

Tourism infrastructure is developing at a heady pace in KZN. Much of it is done under the supervision of TKZN, on an ad-hoc basis when money becomes available from government for specific projects, like the Greater St Lucia Wetlands Park. The major hurdle for the authority is to see to it that the money for these projects is spent in the financial year that it is allocated, or face the funds being returned to the treasury.

As an employer, TKZN has performed well. An indication of its human resource development is that only two people, of a staff of 39 left the Authority's employ in the last financial year. TKZN relies on the close co-operation of its Board to ensure successful corporate governance. The Authority has operated firmly within the boundaries of its budgets and was nominated for the Premier's Good Governance Award this year.