



Indaba Study 2016/17

[Updated: Version II]

Richard Wyllie
Researcher
Tourism KwaZulu-Natal

Karen Kohler
Research Manager
Tourism KwaZulu-Natal

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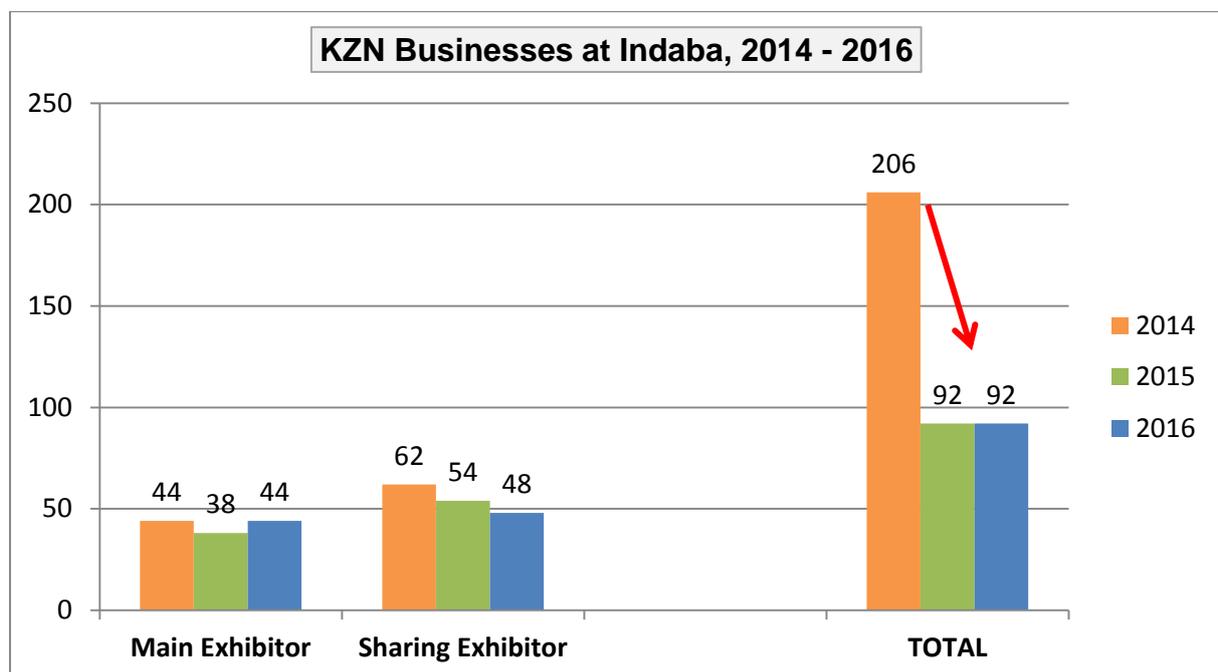
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1. Background to the Study

At the end of the 2016, the CEO made a request to the research unit to conduct a brief study on the Tourism Indaba. The reason for doing so was because a call for tenders was scheduled for early 2017, for the next period of the show, and thus TKZN needed to find out more about the perceptions that people have about Tourism Indaba, and how it could or should be improved to meet the needs of the trade.

To give a brief background on the trends of **KZN-based businesses (only)** exhibiting at Indaba, the figure below has depicted that the number as declined by more than half from 2014 to 2015 and it has remained at this figure in 2016 as well.



Source: Pure Grit, 2016¹

The list below shows the breakdown of the numbers (also in the graph) of the number of businesses:

- 2014 = **206** in total (44 main exhibitors and 62 sharing exhibitors)
- 2015 = **92** in total (38 main exhibitors and 54 sharing exhibitors)
- 2016 = **92** in total (44 main exhibitors and 48 sharing exhibitors)

Not only does this trend paint a worrying picture, but when analysing these figures alongside the number of tourism businesses that are **registered** in the province, it starts to appear more negative.² The number of tourism businesses registered in the province is

¹ These stats were obtained from Pat Kubeka from Pure Grit - pat@puregrit.co.za.

² It is important to note here that all businesses, whose main business is tourism, are required to register with the EDTEA as per the provincial regulations. Those who do not are thus illegal operators. The categories for mandatory registration are accommodation (all types), museums and art galleries, convention centres, tourist

approximately **258**, as of the end of 2016. For the purpose of this study this number does not include the number of registered tourist guides. The tourist guides who do attend Indaba are normally associated with a tour operator business. For example, Jeremy Williamson is a registered tourist guide but he operates under his business, Far & Wild Safaris. The table below gives a breakdown on the different categories of the businesses and how many of them are registered:

Registered Tourism Businesses in KwaZulu-Natal, end of 2016	
1. Accommodation	122
2. Conference Venues	10
3. Historical/Cultural Centres	2
4. Recreation and Entertainment	4
5. Restaurants	3
6. Sports Venues	2
7. Travel Services	115
TOTAL	258

Source: EDTEA, 2016

The findings of this survey are outlined in the sections below, and this is followed by the conclusion and a set of recommendations.

1.1. Methodology

A specific survey was set up and was divided into three separate categories – Survey A was for KZN-based businesses who are currently involved in the show, Survey B was for KZN-based businesses who had never exhibited at the show, and Survey C was for KZN-based businesses who have exhibited at the show but no longer do so.

A number of telephone contacts (or “cold calls”) were made with key tour operators and accommodation establishments in order to introduce the survey to them. Most of them gladly accepted an email with a link to the online survey. In addition to this, the research team unpacked the databases for both tour operators and accommodation owners and the online survey was sent, along with an introduction to the study, to all of these. Although some of these emails “bounced” back, the majority of these email addresses were reached. On top of this, at least three reminder emails were sent out to the respondents in order to encourage them to respond to the survey.

In terms of the response rate of the survey, emails were sent out to approximately **460** accommodation businesses and tour operators. Of these, almost 50 of the emails were “returned to sender” as there was an issue with the recipient’s email address. At the point

guides, cultural villages, conference organisers, and recreation and entertainment attractions. Other categories are optional – restaurants, casinos, etc.

at which the survey was concluded, there were only **39 responses** in total – a response rate of about **9.5%**. The total responses for each survey are indicated in the relevant sections below. As the response rate for email surveys is essentially in the region of 5-10%, this was well within acceptable limits.

2. Survey A: KZN Exhibitors

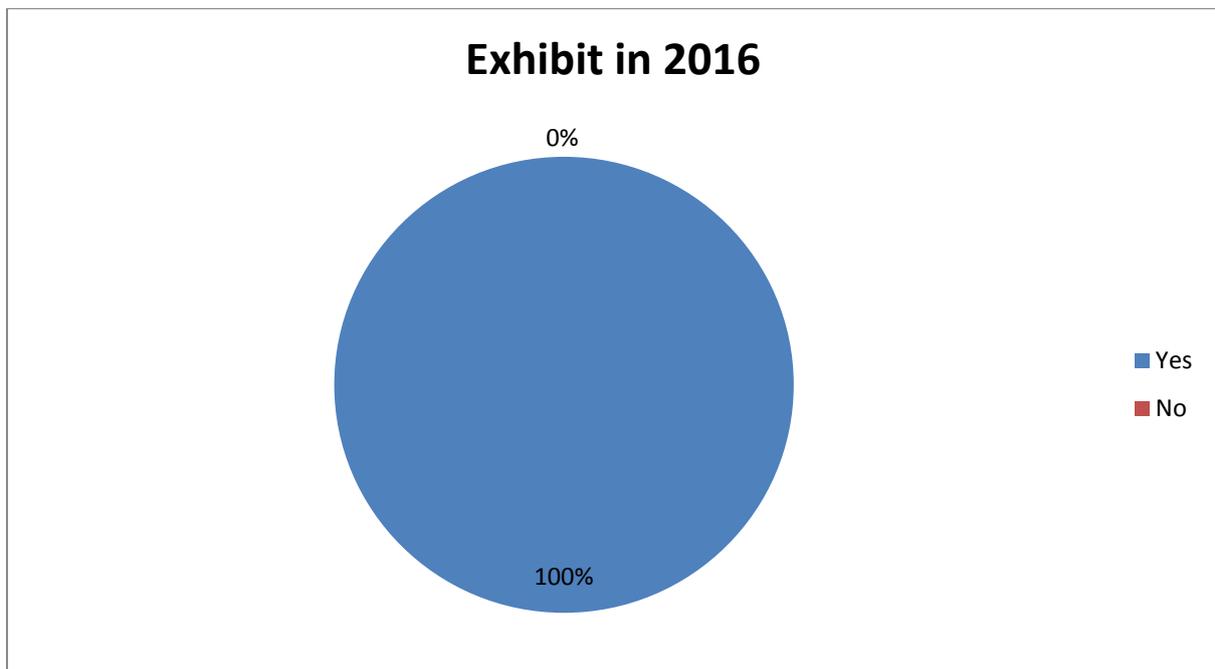
2.1. Respondents

The 10 businesses who responded to the survey:

Tour Operators	Accommodation Businesses
1) African Link Tours	1) Hilton Durban
2) Avoca Travels	2) Cathedral Peak Hotel
	3) Tsogo Sun
	4) Isibindi Africa Lodges
	5) Fordoun Leisure
	6) Lalakhona Lodge
	7) Montusi Mountain Lodge
	8) Qabuleka B&B

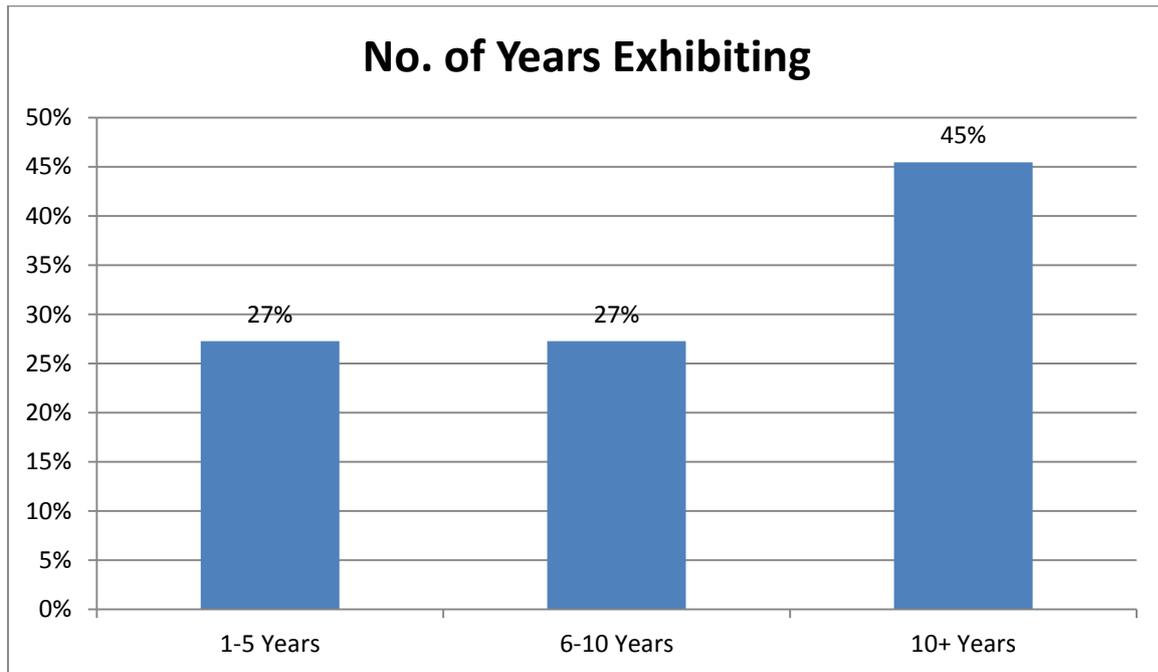
2.2. Exhibited at Indaba in 2016 (and over the past 5-10 years)

Due to the nature of the survey, it is not surprising that 100% of the respondents exhibited at Indaba in last year.



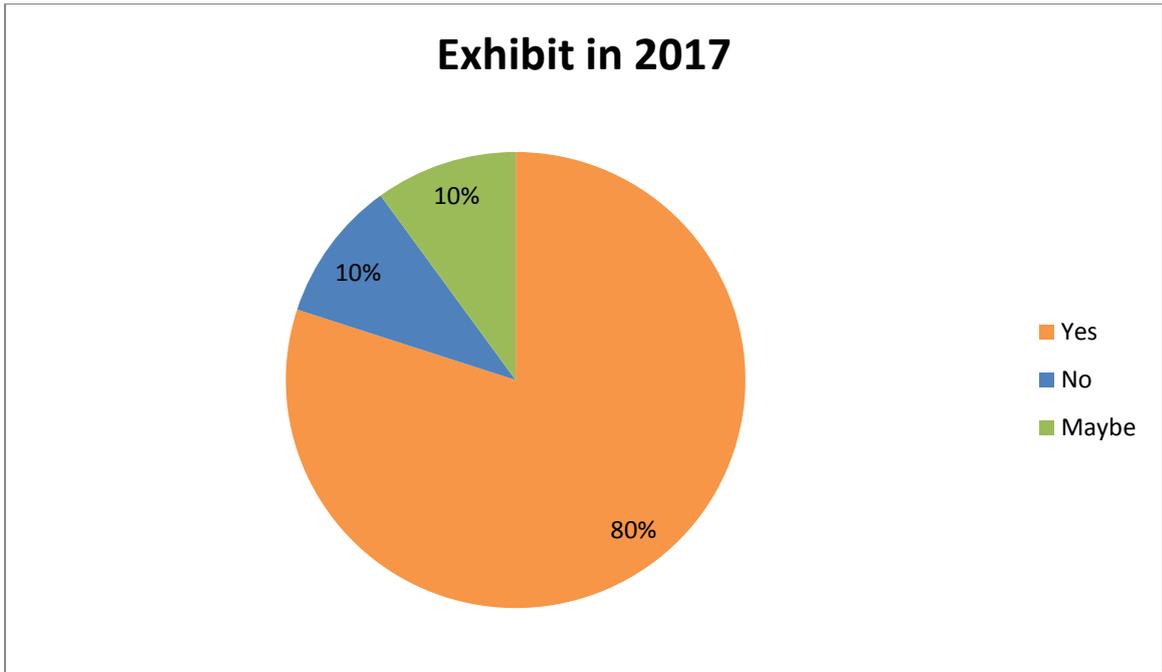
2.3. Number of Years as an Exhibitor

It is positive to note that 45% of the respondents had exhibited at Indaba for more than 10 years, with one respondent noting that they had been exhibiting since the show's inception. Furthermore, 27% had been exhibiting for 6-10 years as well as 27% exhibiting for 1-5 years. The fact that the majority of the respondents have been exhibiting for a while means that the show has a steady support base of repeat exhibitors – however, this number is declining year after year.



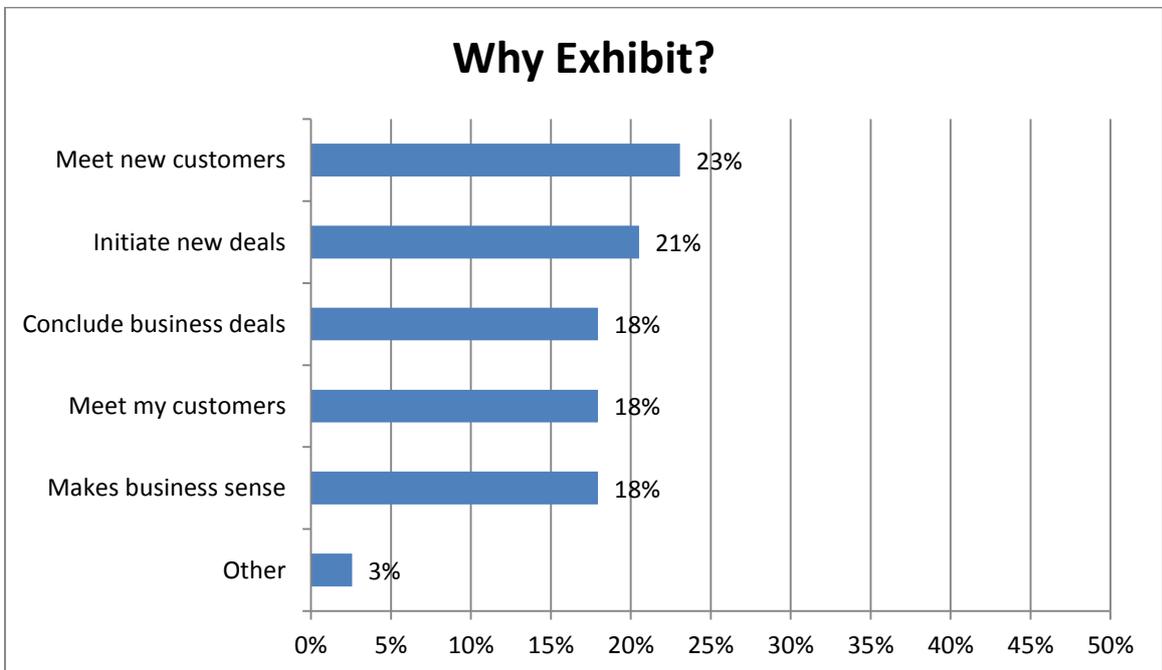
2.4. Exhibit in 2017

It is very positive to note that 80% of the respondents indicated that they would be exhibiting again in 2017, while only 10% said 'Maybe' and 10% said that will NOT be exhibiting in 2017. The fact that the large majority will be returning to the show in 2017 shows positive signs of continued support for the event.



2.5. Why Exhibit at Indaba?

The majority of the respondents stated that they exhibit to *meet new customers* (23%) and to *initiate new deals* (21%). Further to this, they also use Indaba to *conclude business deals*, *meet my (current) customers*, and because it *makes business sense* (all 18%).



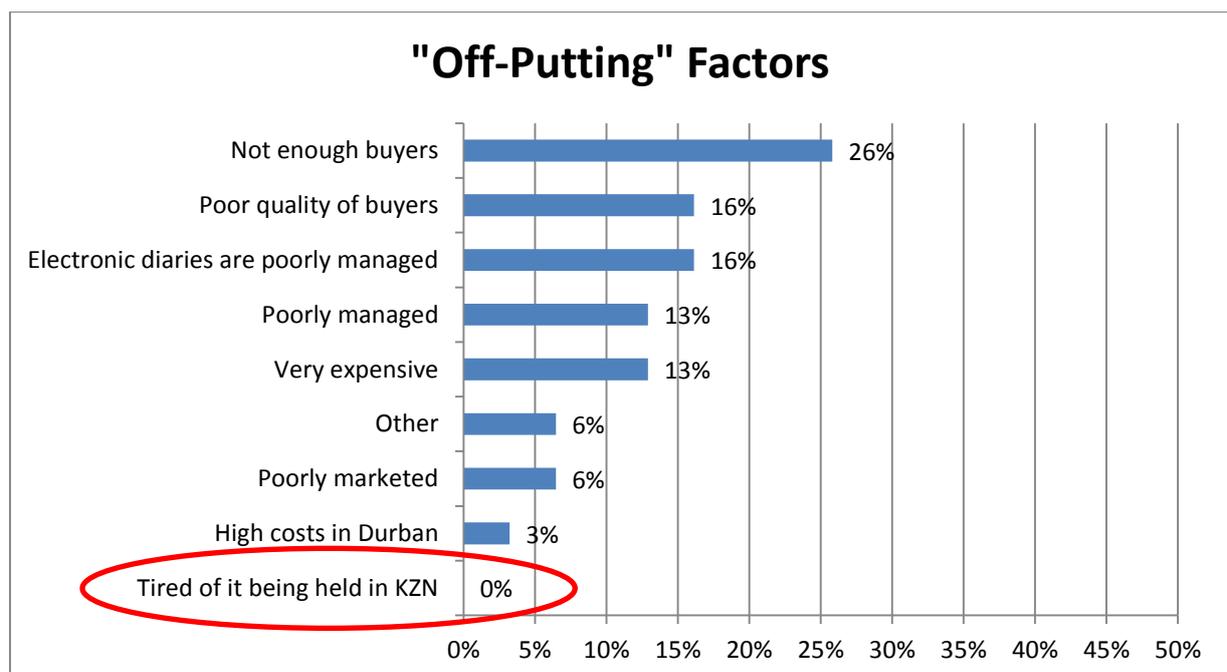
2.6. Top Benefits of Indaba

The respondents listed the following as what they see as the top benefits of exhibiting at Indaba:

• Meeting new leads, agents, and clients
• Reconnecting with existing customers
• Learning about new products
• New business and return on investment (ROI)
• Allowing one's business to have a "presence"
• "Cementing" old relationships
• Networking and marketing
• Meeting with top international tour operators and get them to visit lodges (educational component of Indaba)
• Catch up on industry news (new intelligence/knowledge)
• Promoting business, networking and learning

2.7. What is most "off-putting" by Indaba?

The biggest issues that "put-off" the exhibitors are the fact that there are *not enough buyers* (26%), *poor quality of buyers* (16%), *electronic diaries are poorly managed* (16%), the show itself is *poorly managed* (13%), and it is *very expensive* (13%).



2.8. General Comments

The following general comments were listed by some of the respondents:

<ul style="list-style-type: none">• Durban is home to Indaba --please use Berlin as a case study how it managed to maintain ITB as a key Travel Show.
<ul style="list-style-type: none">• Too many other shows taking place close to Indaba in Cape Town, hence the attendance dropping and that is most properly the reason for decreasing hosted buyers
<ul style="list-style-type: none">• Durban as a city needs to do more to welcome international buyers and promote the city but until Durban city centre is cleaned up and made safe we will never encourage internationals here.³
<ul style="list-style-type: none">• Can I get confirmation early that I have a spot as I share the stand with the main exhibitor?

³ This comment was listed by a an accommodation business, but the question remains whether or not this is an Indaba specific issue, or more of a “crime and grime” issue in general that needs to be dealt with by the city of Durban.

3. Survey B: KZN Non-Exhibitors

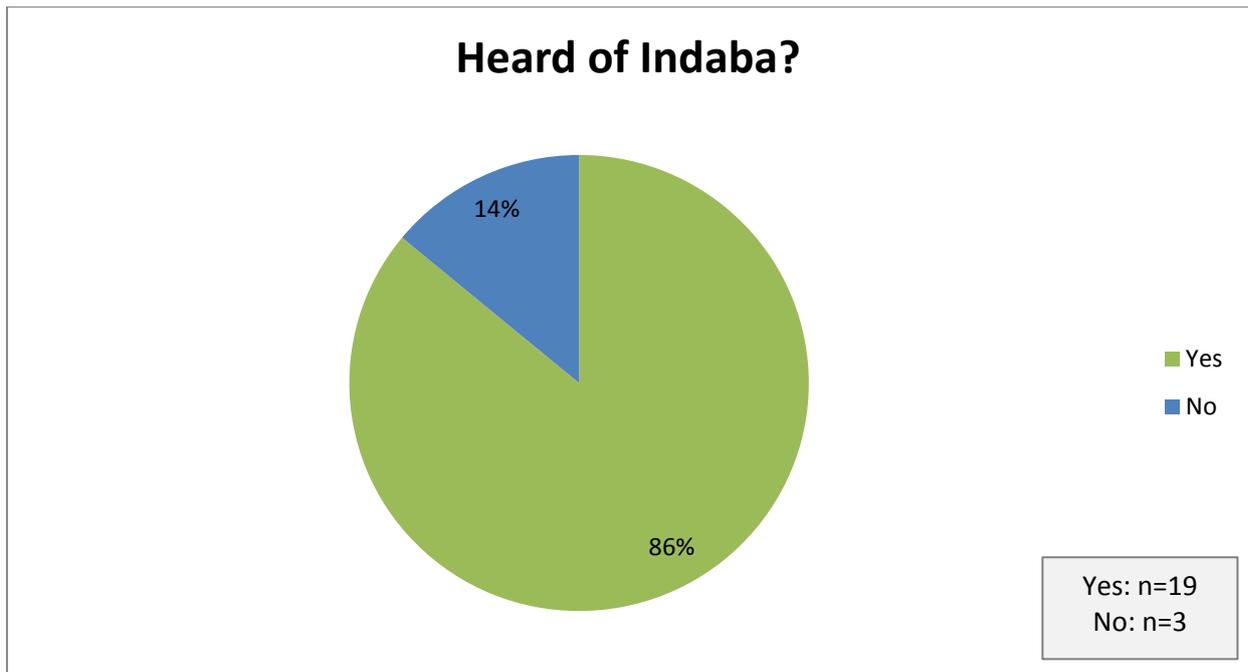
3.1. Respondents

These respondents are businesses which have never exhibited at Indaba. A total of 22 businesses responded to the survey and they are as follows:

Accommodation Businesses (Only)		
B&B	Lodge/Guest House	Hotels/Resorts
1) Marcell B&B	1) Happy Holiday Homes	1) Mountain Splendour
2) Nip Inn	2) Gramarye Guesthouse	
3) Egerton Manor	3) Lincoln Cottages	
4) Venture Inn	4) Avalone Guesthouse	
5) Edladlini B&B	6) La Mer Lodge	
6) Kingston House B&B	7) Mfihlo Guest House	
	8) Mackaya Bella Guest House	
	9) Honeycomb Guest House	
	10) Asante Sana Guesthouse	
	11) Hawlee Country House	
	12) Ashtonville Terraces Guest House	
	13) De Novo Lodge	
	14) Owen's Camp Guest House	
	15) Pleasant Places Guest House	

3.2. Awareness of Indaba

When the respondents were asked if they had heard of Indaba, 86% (n=19) acknowledged that they had, while 14% (n=3) had never heard of the show. These results have shown that a large majority of the respondents had heard of Indaba but have NEVER exhibited at the show, while some had not even heard of the show, let alone exhibited at it.

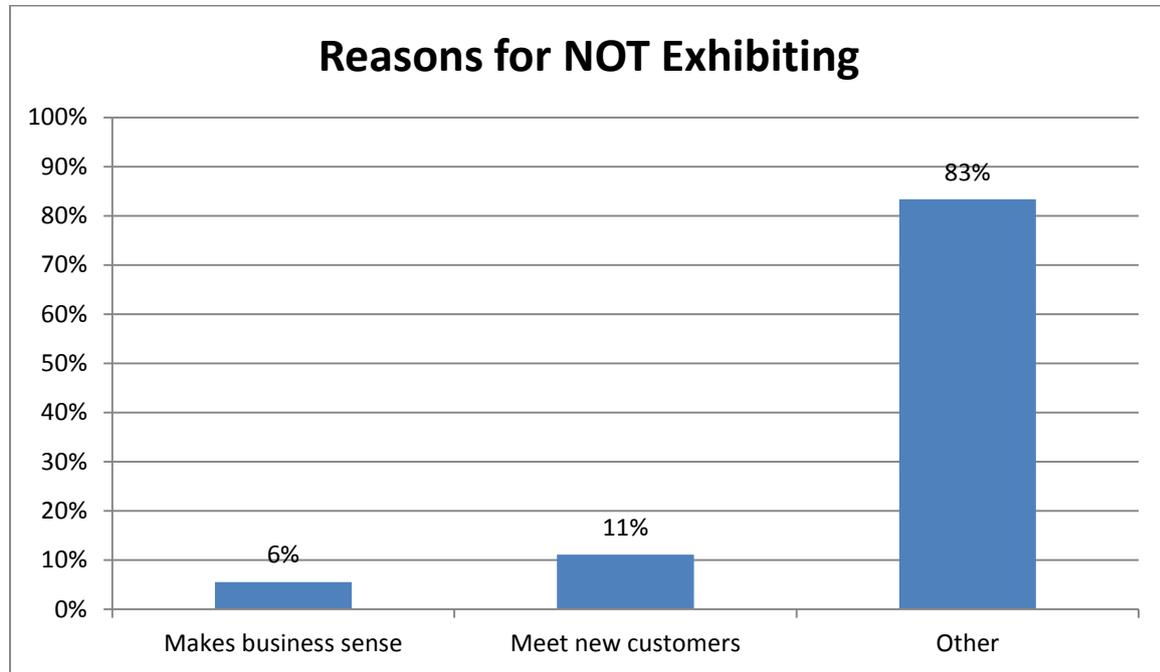


Furthermore, the respondents had noted the following in terms of their understanding of what Indaba means to them:

<ul style="list-style-type: none"> • Africa’s Trade Show
<ul style="list-style-type: none"> • An educational experience for business owners
<ul style="list-style-type: none"> • Where the tourism players comes together to network - transporters, agents, accommodation providers, etc.
<ul style="list-style-type: none"> • Selling KZN/South Africa to international market/selling businesses to the Tour Operators
<ul style="list-style-type: none"> • Promoting Tourism in South Africa
<ul style="list-style-type: none"> • Promoting, marketing or advertising businesses or activity
<ul style="list-style-type: none"> • A platform to sell tourism products by institutions Not for the small entrepreneur
<ul style="list-style-type: none"> • Local and international tourism exhibition
<ul style="list-style-type: none"> • It's a platform for tourism business owners to showcase their offering and sharing of industry ideas
<ul style="list-style-type: none"> • An event showcasing all the latest information on the domestic and international tourism in South Africa
<ul style="list-style-type: none"> • Hospitality Trade Show

3.3. Why have you never exhibited at Indaba?

It is evident that 83% of the respondents noted more specific reasons (that were not listed) as their main reasons for never having exhibited at Indaba.



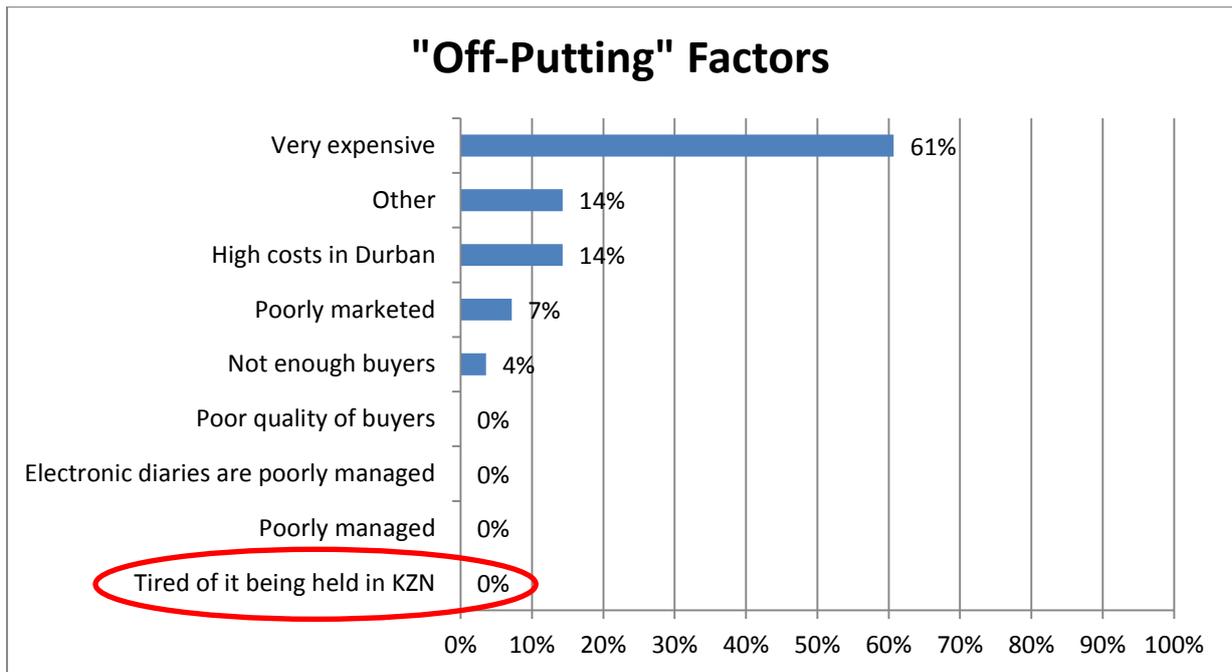
Some of the comments from the respondents, for the category “Other” (83%), have been summarised as follows:

- | |
|---|
| • Too expensive |
| • Time constraints |
| • Never heard of it |
| • Too far away |
| • Indaba does not allow small business to promote themselves |
| • It makes no sense for a small business |

The last two points were considered to be very important following the first review of this report by the senior management of TKZN.

3.4. What is most “off-putting” for exhibiting at Indaba?

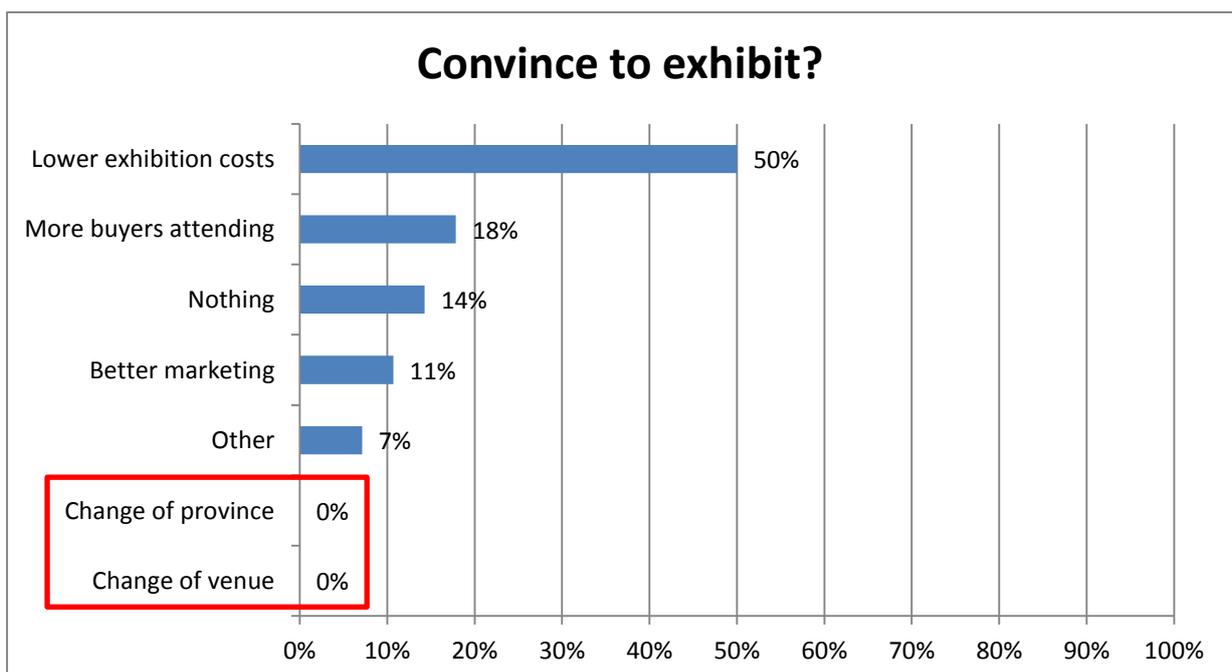
It is evident that the costs and expenses involved with exhibiting at Indaba are the major factors that put people off. Over 60% of the respondents stated that it is *very expensive* to exhibit at Indaba, while 14% indicated that the *high costs* of being in Durban also played a part in their decision for not exhibiting at the show.



It was noted that it is actually unknown whether or not these respondents actually know what the overall cost is to exhibit at Indaba.

3.5. What would convince you to exhibit at Indaba in future?

Once again, the financial aspect has come into play whereby 50% of the respondents have noted that they would possibly exhibit if there were *lower exhibition costs*. It is interesting to note that 18% said they would exhibit if *more buyers were attending*, while 11% said that they would consider it if there was *better marketing*. A total of 14% of the respondents noted that *NOTHING* would convince them to exhibit at the show.



3.6. General Comments

Some of the general comments from the respondents were as follows:

<ul style="list-style-type: none">• Smaller businesses wish to send promotional material to be displayed on their behalf at the show.
<ul style="list-style-type: none">• Indaba is a huge success and is located in best tourism location in SA
<ul style="list-style-type: none">• Could SMMEs be invited to exhibit at Indaba and could they be funded?
<ul style="list-style-type: none">• If small guest houses could attend a 1 or 1/2 day sharing perhaps the Durban Tourism stand, that would be a more cost effective way for us to meet potential buyers. Maybe all the Durban South accommodation providers could be one morning, then Durban North one afternoon and so on.
<ul style="list-style-type: none">• Must still be held in Durban – should retain it here at all costs
<ul style="list-style-type: none">• A very useful marketing platform and recognising good performers (key industry leaders in other words)

4. Survey C: KZN Exhibitors, No Longer Exhibiting

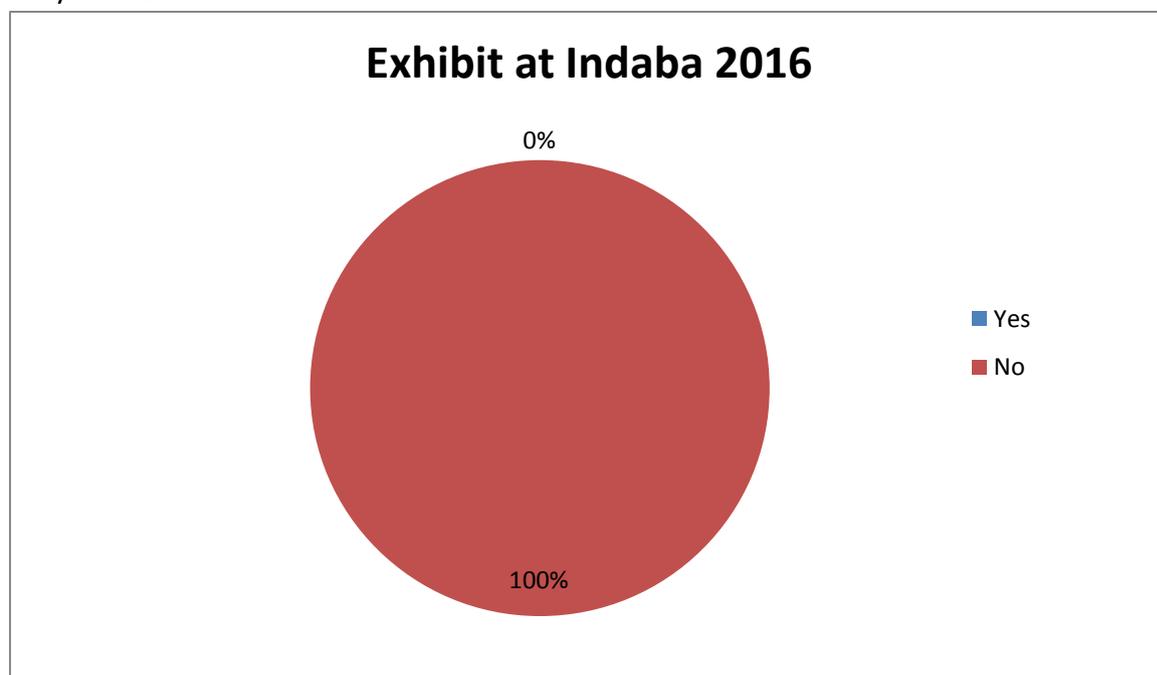
4.1. Respondents

The 7 businesses who had responded to the survey were:

Tour Operators	Accommodation Businesses
1) Julnic Tours	1) Corian's Pennington Caravan Resort
2) Far and Wild Safaris cc	2) Bonamanzi Game Reserve (also <i>Attraction</i>)
3) Inspirations Travel and Tours (Pty) Ltd	3) The Benjamin Hotel
4) Dinizulu Safaris	

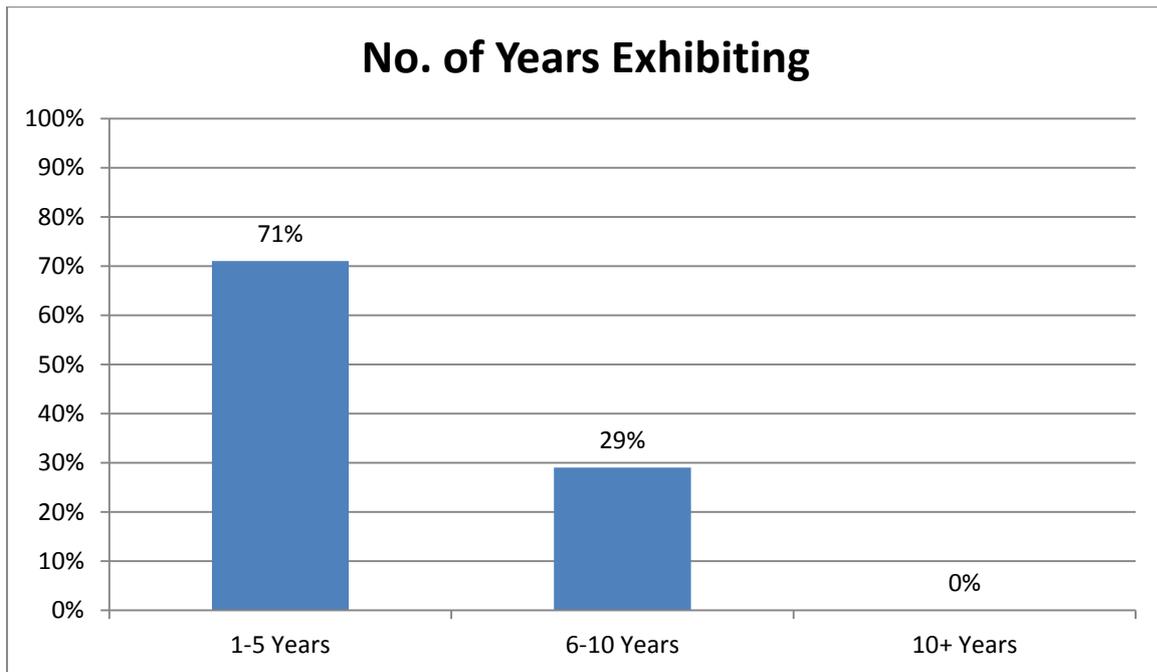
4.2. Exhibit at Indaba 2016

Once again, it is not surprising that 100% of the respondents (for this survey) stated that they did not exhibit at Indaba in 2016.



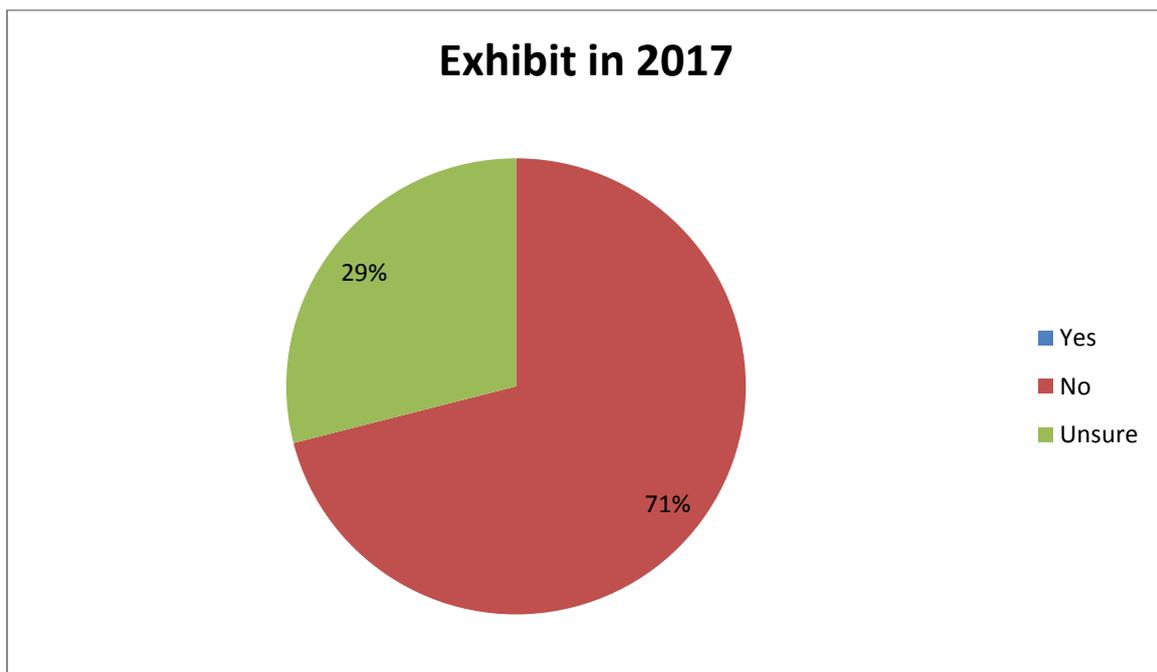
4.3. For how many years did you exhibit at Indaba in the past?

It is evident that the majority of respondents, who are no longer exhibiting at Indaba, only stayed with the show between one and five years (71%), while 29% stayed with the show between six and ten years. It is also important to note that none of the respondents had exhibited more than ten years at Indaba.



4.4. Will you exhibit next year?

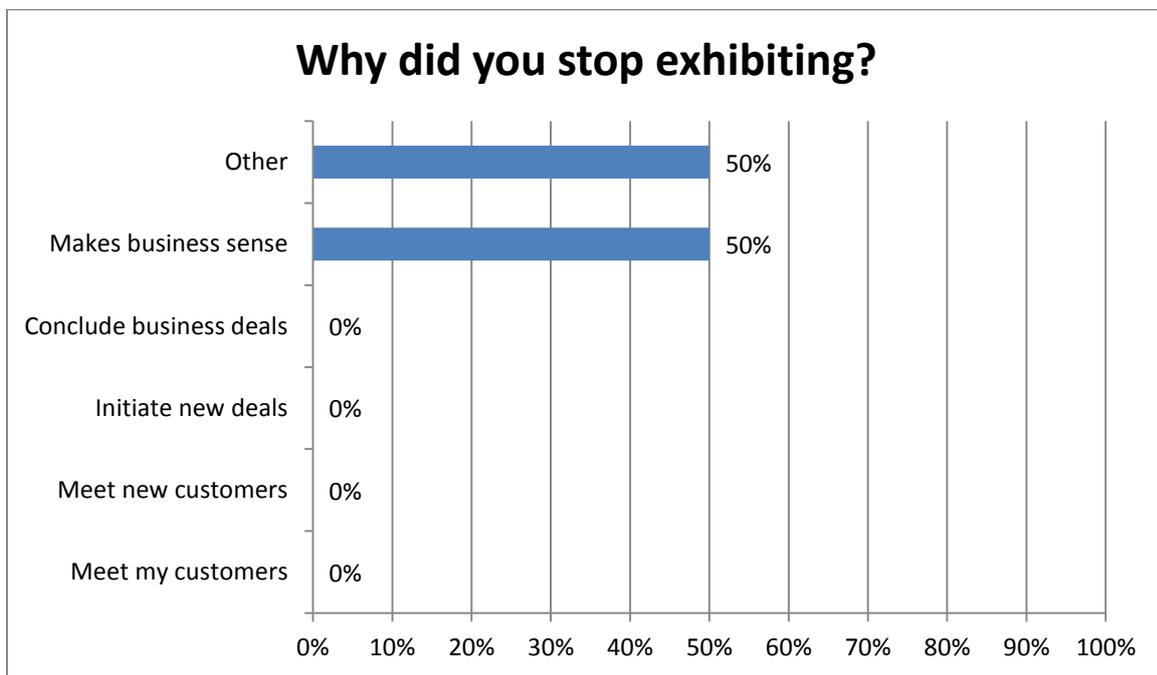
It is evident that the majority of the respondents plan to continue with their current trend of NOT exhibiting at Indaba in 2017. However, 29% of the respondents were unsure whether they would exhibit this year, while none of the respondents noted that they would definitely be exhibiting. This is not a positive finding as it shows that they have not changed their minds over their decision not to exhibit, which may have an impact on the future of the show.



4.5. Why did you stop exhibiting at Indaba?

The majority of the respondents had noted that they stopped exhibiting at Indaba as it *makes business sense* (50%),⁴ as well as *other* reasons (50%). Some of the “other” reasons that were listed are as follows:

• Not ideal for our target market
• We market online and in the digital space
• Too many trade shows, not enough ROI
• Get more deals outside of Indaba, than at the show



Please refer to the “other” reasons in the table above the graph.

⁴ With half of the respondents noting that they STOPPED exhibiting at Indaba because “it makes business sense”, it is therefore important to understand what they meant by this exactly. In other words, were they not getting enough business from Indaba? Or did they find cheaper or more effective ways to market their business? These, and other questions, should be explored further.

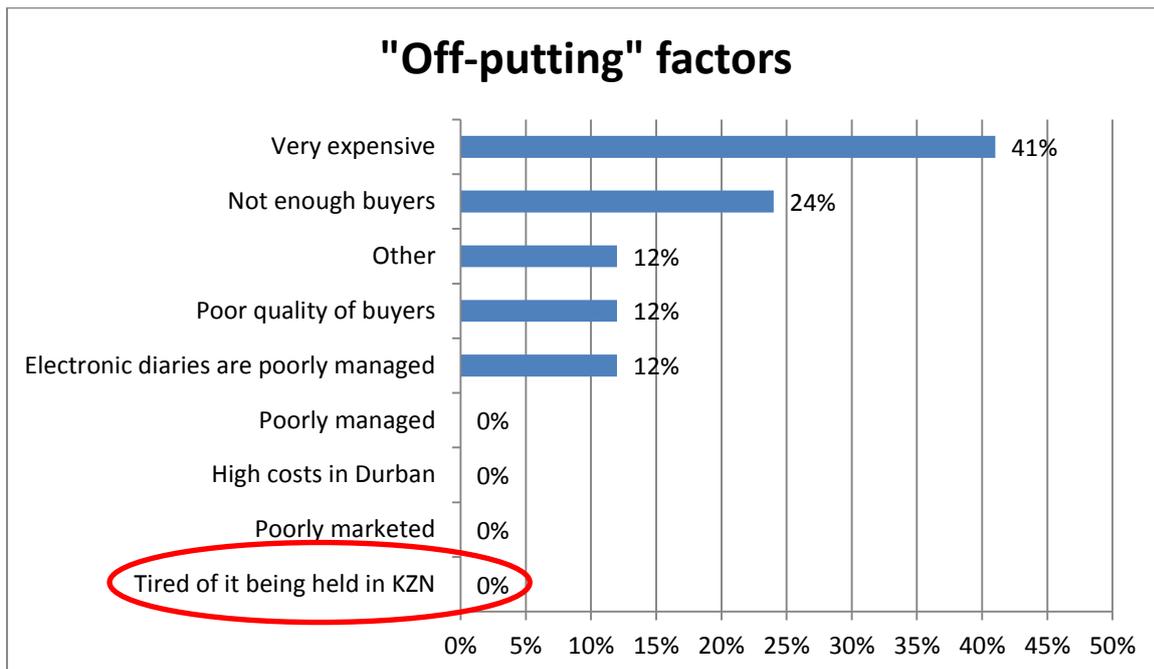
4.6. Top benefits of exhibiting at Indaba

The respondents had listed the following as some of the top benefits of exhibiting at Indaba:

• Brand awareness
• Meeting potential clients
• Brand exposure
• Finding out what International buyers want
• Networking

4.7. What is most “off-putting” about exhibiting at Indaba?

Once again, the financial implications of exhibiting at Indaba have put off the majority of the respondents as 41% have stated that it is *very expensive*. Furthermore, 24% of the respondents have stated that there are *not enough buyers* at the show while 12% feel that the *quality of buyers is poor*. Also, 12% feel that the *electronic diaries are poorly managed*.



4.8. General Comments

Some of the general comments that were recorded from the respondents are as follows:

- | |
|--|
| <ul style="list-style-type: none">• At present we use Indaba (as buyers) to look at new products, meet and maintain current clients |
| <ul style="list-style-type: none">• May consider taking a small stand in 2017 provided there is a dedicated Golf Tourism pavilion. |
| <ul style="list-style-type: none">• Too expensive for local small operators. There should be a pre-indaba for local operators and accommodation to showcase their products to the national operators so that they can plan their itineraries for the international market. |
| <ul style="list-style-type: none">• It is not for the caravanning and camping tourism market and especially not for the smaller resorts.⁵ |

⁵ However, what is the target market for caravanning and camping establishments? Would such markets, or those tour operators who deal with these markets, actually be at Indaba?

5. Conclusion and Recommendations

5.1. Conclusion

As per the table on page 23 (Annex. 1), it is clear that the findings of the survey have revealed both positive and negative results.

It is positive to see that the majority of the current exhibitors are planning to attend the show again in 2017 - with just fewer than 50% having exhibited for more than 10 years. However, the current exhibitors do feel that there are not enough buyers at the show and that the quality of the buyers has also put them off attending the show.

In terms of those who have never exhibited at Indaba, over 70% were put off exhibiting due to the exhibition costs being too high as well as the general costs of Durban being high. However, 50% said that they would consider exhibiting if the costs were lower and if more buyers were invited to or were available at the show.

For those who used to exhibit at the show but no longer do so, many of which (76%) had only exhibited for no more than five years while none of them had exhibited for more than ten years. It was negative to note that 71% do NOT plan to exhibit in 2017. Once again, these stakeholders were out off by the high costs of exhibiting as well as by the number of good quality buyers who attend the show – they are after both the quality and quantity of the buyers.

It is also very positive to note that not one of the respondents had noted a problem relating to the province/destination in which Indaba is hosted. For example, on pages 9, 14, and 19, it was revealed that 0% of the respondents were “tired of it being held in KZN”. In addition to this, on page 14, 0% of the respondents had noted that a change of province would convince them to exhibit at the show.

In conclusion, it can be said that some of the main priorities of moving forward with Indaba would be to address the costs involved with the show as well as the quality and quantity of the buyers that attend the show. Another key factor in moving forward with the show, being an almost three-fold approach, would be to **keep hold of and build stronger relationships** with those who continue to exhibit, **reach out** those who do not exhibit, and to **engage** with those who have exhibited but no longer choose to do so.

5.2. Recommendations and Way Forward

Based on the findings of the surveys, the following recommendations are proposed:

- In order to retain of the exhibitors who continue to attend the show, it is recommended that they are rewarded in some way, with a loyalty initiative or something similar. Although some of the other exhibitors may see this as favouritism, it is important to approach this concept in lieu of convincing other exhibitors to continue to exhibit or even to start attending the show – maybe even offer a discount to first time exhibitors.⁶
- It is recommended that various road shows and other promotional activities should be set up for the stakeholders who are aware, and unaware, of Indaba and what it will mean for them to exhibit at the show. These will need to be carefully planned and executed as many of the stakeholders will have the same attitude towards the show and pose questions such as, “How will it benefit my business?” and “Will I have a high ROI from attending the show?”.⁷
- In order to convince those who are no longer exhibiting to do so again, it is recommended that they are also invited or encouraged to attend the road shows (as mentioned above). However, the only problem with this is that there may then be two different types of stakeholders attending, both with their own agendas – one having never attended and needing more information rather than convincing, while the other needing a lot more convincing as they already know what it is about. Therefore, it is suggested that the Marketing team could discuss a way on how to tackle this issue. Also, another idea would be to run a campaign that shows these stakeholders the changes that have been made at Indaba, and how these address the issues that they have with the costs and the buyers.⁸
- It is also recommended that further research be done on the international buyers in order to determine what products or services they have “bought” while attending Indaba.

⁶ It has been noted, by the CEO, that this is already in place by SAT.

⁷ It has been suggested that the KZN Indaba roadshow/workshop will address the issues that have emanated from this research.

⁸ It has also been suggested that an ‘above the line’ and ‘below the line’ marketing and communication plan should be developed and implemented for a local media partner.

Annexure 1: Summary of Findings

Survey A: Exhibitors	Survey B: Non-Exhibitors	Survey C: Past Exhibitors
<ul style="list-style-type: none"> 100% exhibited in 2016 	<ul style="list-style-type: none"> 86% are aware of the trade show, known as Indaba 	<ul style="list-style-type: none"> 100% did NOT exhibit in 2016
<ul style="list-style-type: none"> 45% have exhibited for 10+ years 	<ul style="list-style-type: none"> 83% gave specific reasons for never exhibiting at Indaba, which included aspects such as 'too expensive', and 'not enough time to attend' 	<ul style="list-style-type: none"> 76% had exhibited in the past for between 1 and 5 years, while 0% had exhibited for 10 or more years.
<ul style="list-style-type: none"> 80% plan to exhibit in 2017 	<ul style="list-style-type: none"> 61% are put off by the high costs involved with exhibiting, and 14% are put off by the high costs in Durban 	<ul style="list-style-type: none"> 71% do NOT plan to exhibit in 2017, while 29% were unsure if they would
<ul style="list-style-type: none"> 23% exhibit to meet new customers, while 21% want to initiate new deals 	<ul style="list-style-type: none"> 50% said that they may consider exhibiting if the costs were lower, while 18% wanted more buyers 	<ul style="list-style-type: none"> 50% stopped exhibiting as it made business sense not to, while 50% stated "other" reasons – such as no ROI from the shows etc.
<ul style="list-style-type: none"> Many people benefit from Indaba as they often meet new clients, market their business, and learn about new products 		<ul style="list-style-type: none"> 41% were put off by the high costs for exhibiting, while 24% felt there were not enough buyers
<ul style="list-style-type: none"> 26% are put off by the fact that there are not enough buyers, while 16% say the quality of the buyers is poor 		