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Major Tour Operators: An Analysis of Major Tour Operators for SA & KZN

[Pilot Study 2017/2018]

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October 2017

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List of Acronyms

KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
SA	South Africa
SAT	South Africa Tourism
TKZN	Tourism KwaZulu-Natal
UK	United Kingdom
USA	United States of America

List of Definitions

Foreign Tourist	A foreign tourist is a non-resident who stays in the country for at least one (1) night but less than a year and is not remunerated.
Pilot Study	A small scale preliminary study conducted in order to evaluate feasibility, time, cost, etc., in an attempt to predict an appropriate outcome and improve upon the study design prior to performance of a full-scale study.
Source Market	The group of consumers or organizations that is interested in the product, has the resources to purchase the product, and is permitted by law and other regulations to acquire the product.
Tour Operator	A travel agent / tour company specializing in package holidays to destinations around the world. Can be wither <i>Inbound</i> (involves selling tour packages within a country to non-residents) or <i>Outbound</i> (involves selling tour packages outside of the host nation to residents of that nation)
Tourism	Comprises the activities of persons travelling to, and staying in places outside their usual environment, for not more than one uninterrupted year, for leisure, business and other purposes, and is not remunerated. The usual environment of a person consists of a certain area around his/her place of residence, plus all other places he/she frequently visits.
Tourist	A visitor who stays at least one night, but not more than one (1) year, in the place visited, and is not remunerated.
Visitor	Any person travelling to a place other than that of his/her usual environment for less than one (1) year and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited.

1. Introduction

This study was established as an enabler for the Marketing Department of Tourism KwaZulu-Natal (TKZN) in order to determine who the major (outbound) tour operators are in the top foreign source markets for the country and KwaZulu-Natal (KZN) – i.e. are they selling KZN and how are they selling KZN. In other words, this study will be fed through to the Marketing Department in order to assist them with identifying key partnerships with major international tour operators from the top source markets – i.e. UK, USA, Germany, France, and Netherlands.

It is important to note, however, that this report is a pilot study. The reason for this is that, due to the nature of this study being quite complex and time consuming, it was put on hold for some time as a great deal of background information had to be collated before it could move forward. As this study was set to be completed in Quarter 1 (Jan-Mar) of the 2017/2018 financial year, a decision was made that a pilot study be undertaken first in order to outline the way forward for the main study.

2. Aim of the Study

2.1. Pilot Study

This pilot study report will outline, test, and modify the methodologies that will be used for the larger study and it will also touch on some of the main source markets that will be discussed in greater detail in the expanded study (e.g. Germany and the UK). In other words, this study will provide an outline of what to expect from the expanded study, once completed, and it will also provide a ‘blueprint’ in terms of the way forward for the other source markets and the key objectives for the study as a whole.

2.2. Expanded Study

The report for the main study will provide an in-depth analysis of the major tour operators from each of the top five source markets for South Africa (SA) and for KZN. A complete analysis of the top ten (10) major tour operators from each of these source markets will provide a detailed amount of information that can be utilised by Marketing to form key relationships with these operators. Another aspect that may be added to the main study is an analysis of the top local tour operators (i.e. in SA and KZN), and how they are operating in the same source markets as inbound tour operators. A more detailed version of the aim and objectives of the study will be highlighted in the report for the main study

3. Major Foreign Source Markets: South Africa

In 2016 (Jan-Dec), the top five source markets for foreign arrivals in SA were the UK, USA, Germany, France, and Netherlands (SAT, 2017). These source markets have been trending for the last decade and it is no surprise that the high number of arrivals from these nations continue. The data that is outlined in this table is vital in terms of understanding which source markets are crucial for tourism into the country and to KZN. Further to this, this information can also assist in determining which outbound tour operators should be considered from each country, in terms of forming key partnerships and relationships from TKZN’s perspective.

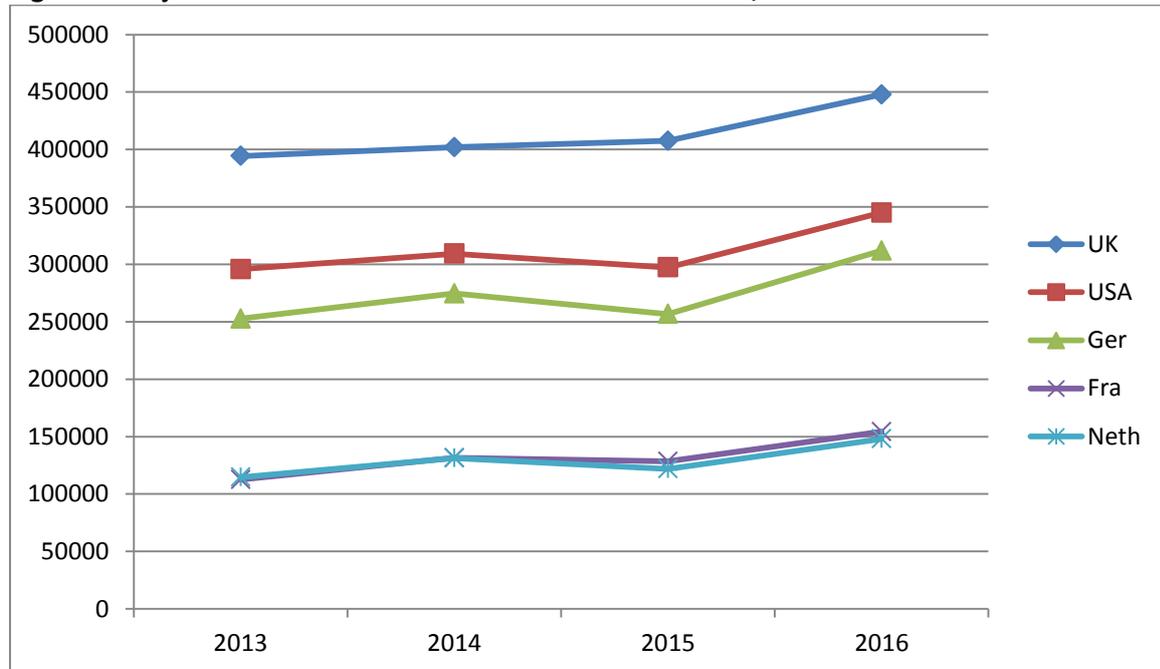
Table 1 outlines the trends in terms of arrivals from the five main source markets into South Africa. These trends are depicted from 2013 to 2016 and are based on the data from South Africa Tourism’s (SAT) annual report of 2017.

Table 1: Top 5 SA Source Markets

Source Market	2013	2014	% Change	2015	% Change	2016	% Change
UK	394 260	401 914	1.9	407 486	1.4	447 840	9.9
USA	295 766	309 255	4.6	297 226	-3.9	345 013	16.1
Germany	252 676	274 571	8.7	256 646	-6.5	311 832	21.5
France	112 606	131 502	16.8	128 438	-2.3	154 226	20.1
Netherlands	114 653	131 287	14.5	121 883	-7.2	147 973	21.4

Source: SAT, Table B, 2017

Figure 1: Major Trends in Arrivals from Source Markets to SA, 2013 -2016



It is clear that, despite a drop in arrivals in 2015, the five major source markets have remained as the top five for the last three years. The negative trends of 2015 certainly disappeared as all of the top five increased the number of arrivals in 2016, some by over 20%. It is therefore clear that these source markets are obviously vital to both SA in terms of foreign arrivals, and relationships need to be formed with the top operators to assist in strengthening this trend.

It should be noted that more detailed visual representations (i.e. graphs and charts) could be used in the expanded study to further emphasise the trends of these source markets.

4. Major Foreign Source Markets: KwaZulu-Natal

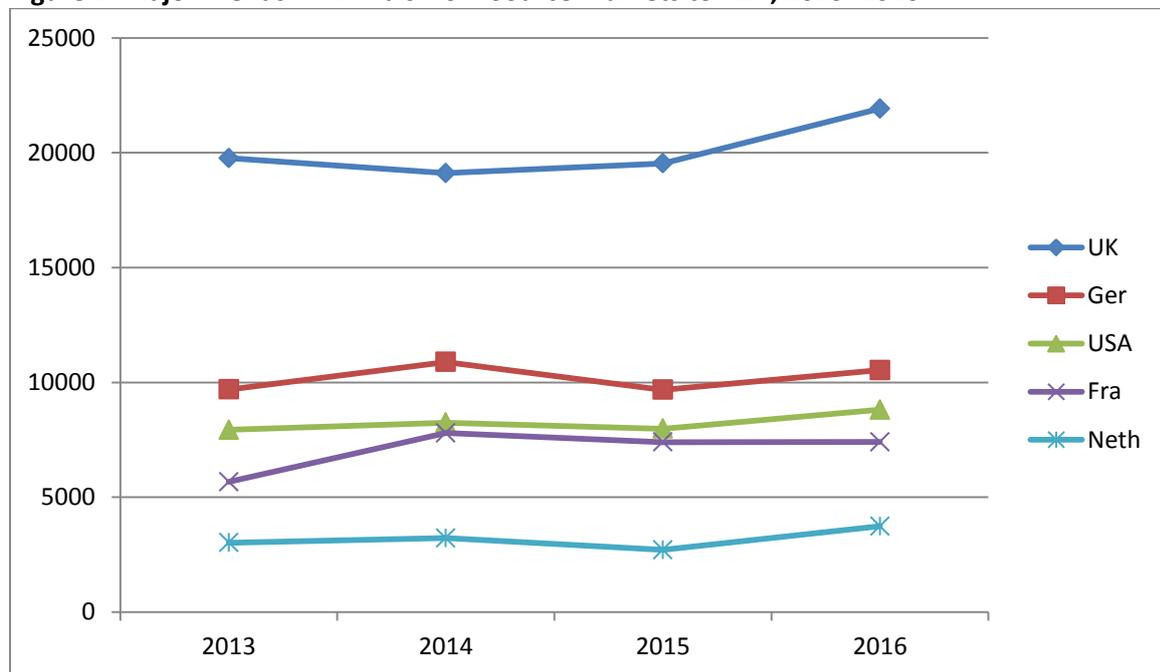
When looking at the top source markets for KZN, they are exactly the same as those for SA – which does not come as a surprise as these nations are amongst the majority in terms of total arrivals into the country and thus, the province. The data below was obtained from Forward Keys¹ and it shows a comparison between the total numbers of air arrivals of foreign tourists into King Shaka International Airport (KSIA) in Durban. Although this information omits any numbers of foreign arrivals from road users (i.e. self-drive tourists, tour groups in busses, or from low-cost air carriers), it does provide a clear enough idea of the trends of arrivals from these source markets.

Table 2: Top 5 KZN Source Markets

Source Market	2013	2014	% Change	2015	% Change	2016	% Change
UK	19 761	19 109	-3.3	19 535	2.2	21 918	12.2
Germany	9 696	10 889	12.3	9 677	-11.1	10 538	8.9
USA	7 934	8 251	4.0	7 984	-3.2	8 814	10.4
France	5 672	7 799	37.5	7 400	-5.1	7 408	0.1
Netherlands	3 024	3 227	6.7	2 707	-16.1	3 738	38.1

Source: Forward Keys, 2017 (Based on air arrivals into KSIA/Durban)

Figure 2: Major Trends in Arrivals from Source Markets to KZN, 2013 -2016



Once again, it is positive to note that there were increases in the number of arrivals across all of the foreign source markets into KSIA. This data, along with the data from Table 1, further emphasises

¹ Website: <https://forwardkeys.com/>

the fact that the number of arrivals these source markets in to KZN continue to increase and it vital to thus form partnerships with key operators in these countries.

Once again, it should be noted that more detailed visual representations (i.e. graphs and charts) could be used in the expanded study to further emphasise the trends of these source markets.

5. Proposed Methodologies

As per Appendix 1, and Appendix 2, the main study will follow a similar pattern whereby a full list of all the operators, from each source market, will be outlined in a table format. This table will be populated with the name of the operator, their website, whether they sell SA or not (and to what degree, i.e. the “market mapping” method), whether they sell KZN or not (and to what degree), the types of tours they offer (e.g. all inclusive, self-drive), as well as the number of tours purchased in year / how many residents purchase a tour to SA/KZN per year. It is evident that some of the information is not available at present (in the Pilot Study) but this detail will be completed in the main study – where possible. Colour codes have also been used – for example, those operators highlighted in yellow are considered as a priority due to the fact that they sell an extensive amount of KZN products.

This information will be obtained in as many ways as possible. This includes, for example, the ‘market mapping’ exercise whereby the websites and brochures (where possible) of each operator will be analysed in depth with regards to any information that may be useful for the purpose of this study. One such example of this would be whether or not they are selling tours to South Africa, and furthermore whether they are selling to KZN or not. If the case calls for it, the operators will be contacted in order to gather more complex data, such as how many residents purchase tours per year – i.e. number of potential tourists buying tours to SA versus those buying for KZN.

6. Way Forward

It is imperative that the methodologies utilized in the pilot study are shown to be able to provide the type of information required so as to be able to direct the Marketing Department in terms of future focus. Refinements can be made to the methodologies and these can then be employed in the expanded study.

It is therefore critical to conduct the aforementioned in-depth analysis of the other source markets (i.e. continue with the UK, and look at the USA, Netherlands, and France as well). The higher level of detail and discussion based on these operators and their source markets will prove to be vital for the overall aim of this study. The more detail that is found on these markets and the types of tours they are sold, the better for the operations of TKZN as a whole, and more specifically for the Marketing Department. The methodologies that were discussed above will be implemented going forward.

Further to the above, research needs to be done on other key operators from the list below. This list was obtained from the Marketing Department and it is considered that these current operators/partnerships also need to be analysed for the purpose of this study. These operators are (see next page):

Tour Operator	Country of Operation
1. Trailfinders	United Kingdom
2. TUI	Germany
3. Followme2Africa	United Kingdom
4. Thomas Cook	United Kingdom
5. Cox & Kings	India
6. Akilanga	South Africa
7. Kuoni	Switzerland
8. Knecht Reisen	Germany
9. Goway	Canada

It is important to note that many of these operators, such as Thomas Cook, TUI, and Followme2Africa operate in numerous global destinations. The countries of operation in the table above are where the head offices are situated.

It is also imperative that this pilot study report is presented at an EXCO/OPSCO committee meeting, and that it is also sent to, and discussed with the Marketing Department for their critical feedback and comment.

APPENDIX 1

Tour Operators in GERMANY

**GERMANY
(Top Operators)***

Tour Operator	Website	Selling South Africa	Selling KZN	Type of Tours
<i>Utracks</i>	http://www.utracks.com/	No	No	
<i>Globus Tours</i>	http://www.globustours.co.za/	Yes (%)	No	
<i>CostSaver Tours (Trafalgar)</i>	https://costsaver.trafalgar.com/	No	No	
<i>Trafalgar</i>	https://www.trafalgar.com/	No	No	
<i>Collette Tours</i>	http://www.gocollette.com/	Yes (%)	No	
<i>Croisie Europe River Tours</i>	http://www.croisieurope.travel/	No	No	
<i>Insight Vacations</i>	https://www.insightvacations.com/	No	No	
<i>Uniworld River Cruises</i>	https://www.uniworld.com/	No	No	
<i>Busabout</i>	http://www.busabout.com/	No	No	
<i>Avalon Waterways</i>	http://www.avalonwaterways.com/	No	No	
<i>Cosmos Tours</i>	http://www.cosmostours.co.za/	Yes (%)	Yes (%)	
<i>Carpe Mundo</i>	http://carpemundo.com/	No	No	
<i>Stoke Travel</i>	https://stoketravel.com/	No	No	
<i>ExperiencePlus!</i>	https://www.experienceplus.com/	No	No	

Contiki (Trafalgar)	https://www.contiki.com/	No	No	
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*Tour Radar Rated Top 10 - <http://www.tourradar.com/g/germany-tour-operators>.

GERMANY
(Other Operators – Tours to ALL continents)

Tour Operator	Website	Selling South Africa	Selling KZN	Type of Tours
<i>1AVista</i>	https://www.1avista.de/	No	No	
<i>Aida Cruises</i>	https://www.aida.de/	No	No	
<i>All Tours</i>	https://www.alltours.de/	No	No	
<i>Chamäleon</i>	https://www.chamaeleon-reisen.de/	Yes	Yes (Partial)*	
<i>Costa Cruises</i>	https://www.costakreuzfahrten.de/	No	No	
<i>DER Touristik</i>	https://www.der.com/urlaub	No	No	
<i>Diamir</i>	https://www.diamir.de/	Yes	Yes (Partial)*	
<i>Dr. Tigges</i>	https://www.drtigges.de/	Yes	Yes (Partial)*	
<i>Eberhardt</i>	https://www.eberhardt-travel.de/	Yes	Yes (Partial)*	
<i>Erlebe Fernreisen</i>	https://www.erlebe-fernreisen.de/	Yes	Yes (Partial)*	
<i>Frosch Sportreisen</i>	http://www.frosch-sportreisen.de/	Yes	No	
<i>FTI Touristik</i>	https://www.fti.de/	Yes	Yes	
<i>Gebeco</i>	https://www.gebeco.de/	Yes	No	
<i>Hafermann Reisen</i>	https://www.hafermannreisen.de/	No	No	

<i>Hapag-Lloyd Cruises</i>	https://www.hl-cruises.com/	Yes	Yes	
<i>Hauser Exkursionen</i>	https://www.hauser-exkursionen.de/	Yes	Yes	
<i>Ikarus Tours</i>	https://www.ikarus.com/	Yes	No	
<i>JT Touristik</i>	https://www.jt.de/	Yes	No	
<i>Lernidee Erlebnisreisen</i>	https://www.lernidee.de/	Yes	No	
<i>Mediplus Reisen</i>	https://www.mediplusreisen.de/	No	No	
<i>MSC Kreuzfahrten</i>	https://www.msc-kreuzfahrten.de/	Yes	Yes	
<i>Phoenix Reisen GmbH</i>	https://www.phoenixreisen.com/	No	No	
<i>RUF Jugendreisen</i>	https://www.ruf.de/jugendreise/	Yes	No	
<i>Schauinsland-Reisen</i>	https://www.schauinsland-reisen.de/	No	No	
<i>Studiosus Reisen / Marco Polo</i>	https://www.studiosus.com/	No	No	
<i>Thomas Cook</i>	https://www.thomascook.de/	Yes	Yes	
<i>TUI Deutschland</i>	http://www.tui.com/	Yes	Yes (Partial)*	
<i>Wikinger Reisen</i>	https://www.wikinger-reisen.de/	Yes	Yes (Partial)*	
<i>Windrose Finest Travel</i>	https://www.windrose.de/	Yes	Yes	

***Partial** – includes Drakensberg or St Lucia, or both.

APPENDIX 2

Tour Operators in the UK

UNITED KINGDOM (UK)
(Other Operators – Tours to ALL continents)

Tour Operator	Website	Selling South Africa	Selling KZN	Type of Tours
<i>1st Class Holidays</i>	https://www.fcholidays.com/	No	No	Themed Cruises Self-drive
<i>Abercrombie & Kent</i>	https://www.abercrombiekent.co.uk/	Yes	Yes	Luxury travel Themed Self-drive Cruises
<i>Audley Travel</i>	https://www.audleytravel.com/	Yes	Yes	Themed Self-drive
<i>Best at Travel</i>	http://www.bestattravel.co.uk/	Yes	Yes (Partial)*	Luxury travel
<i>Black Tomato</i>				

***Partial** – includes Durban, Drakensberg or St Lucia, or at least 2 of these.

TO BE COMPLETED IN THE EXPANDED STUDY...