



Opening the doors of travel to all. It's possible

# Domestic Tourism Growth Strategy

2004 to 2007



THE DEPARTMENT  
OF ENVIRONMENTAL  
AFFAIRS AND TOURISM



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# Introduction

Indaba – May 2004

This booklet has been produced by The Department of Environmental Affairs and Tourism and SA Tourism as a guide to the domestic tourism industry on the strategic plans for the next three years (2004 – 2007) to grow the domestic tourism market.

The information in this booklet is based on extensive research conducted by SA Tourism. Full details of the research and more in-depth figures and facts can be obtained on the SA Tourism web site ([www.southafrica.net](http://www.southafrica.net)) or from your Provincial Tourism Authority.

We are confident that making this information available to the industry will assist you in developing your own tourism growth plans for the coming years, and promote a spirit of working together on similar strategies and objectives to achieve growth in this industry.

We encourage the public and private sector to engage with us on this journey – and in so doing open the doors of travel to all – to show **“It’s possible. Lets Waai”**.



# Why focus on the Domestic Market ?

## **The Domestic Market currently provides significant value to the South African economy.**

The Domestic tourism market is comparable with the International tourism Market in terms of size and value – even with only a small proportion of the domestic population currently taking trips for holiday purposes. This domestic market is currently valued at some R47 Billion – and research indicates there is definitely opportunity for growth.

## **The domestic market has untapped value and potential for growth.**

The opportunity exists to grow the domestic market, increase the value of the market and combat issues of seasonality, geographic spread and limited trip expenditure.

## **The domestic tourist provides the base load for the International Market.**

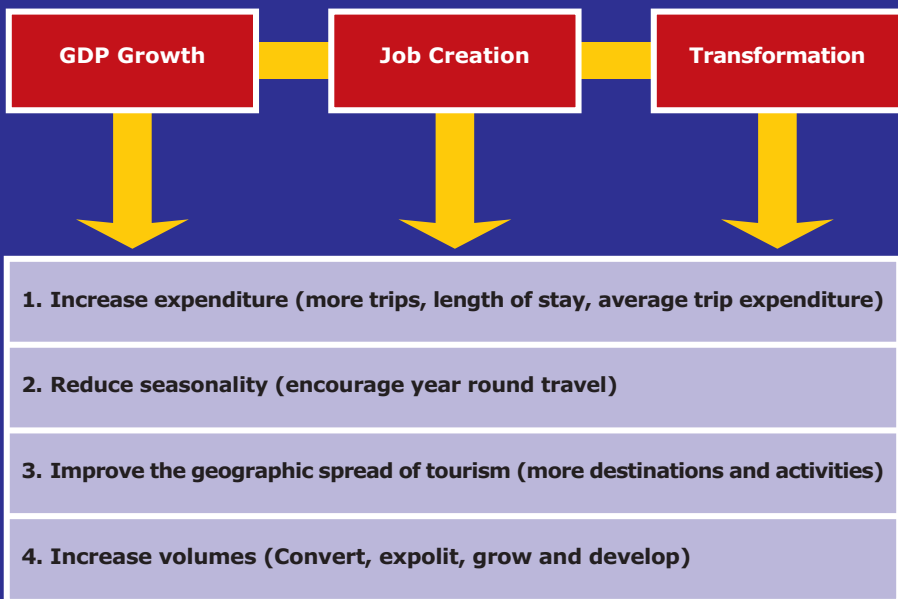
Support of the local industry by South Africans can realise improved quality in product and services, maintenance of occupancy levels and ultimately the confidence of international visitors. This reduces the exposure of the tourism industry to fluctuations in international demand, which is extremely sensitive to global, political and economic issues.

Domestic Market		International Market	
Total Number of Trips 2002/3	<b>49.3 million</b>	Total Number of Arrivals 2003	<b>6.5 million</b>
Total Value 2002/3	<b>R 47 billion</b>	Total Value 2003	<b>R 53.9 billion</b>





# Domestic Tourism Objectives:



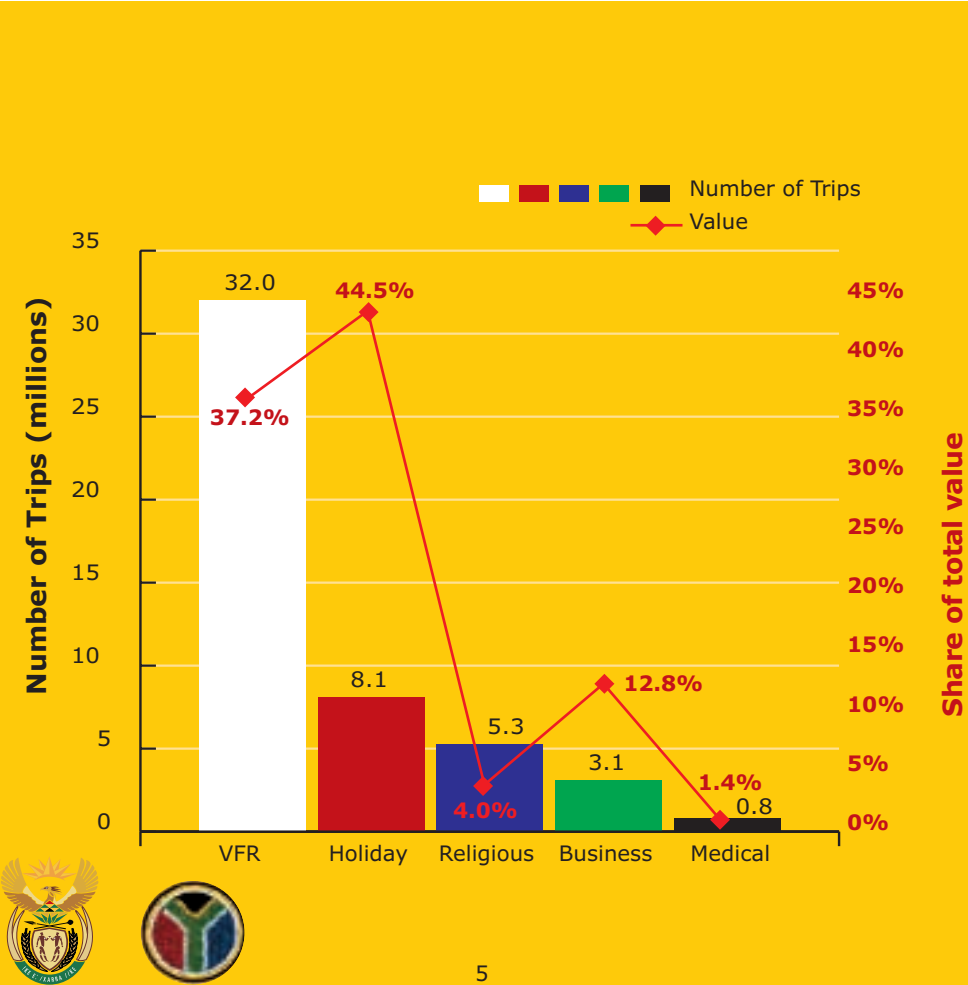
# Overview of the Domestic Market

## Volume and value of the market

South Africans travel for 5 basic reasons

- 1. To visit friends and relatives (VFR) – 65%
- 2. For holiday purposes – 16%
- 3. For religious reasons – 11%
- 4. For business reasons – 6%
- 5. For medical purposes – 2%

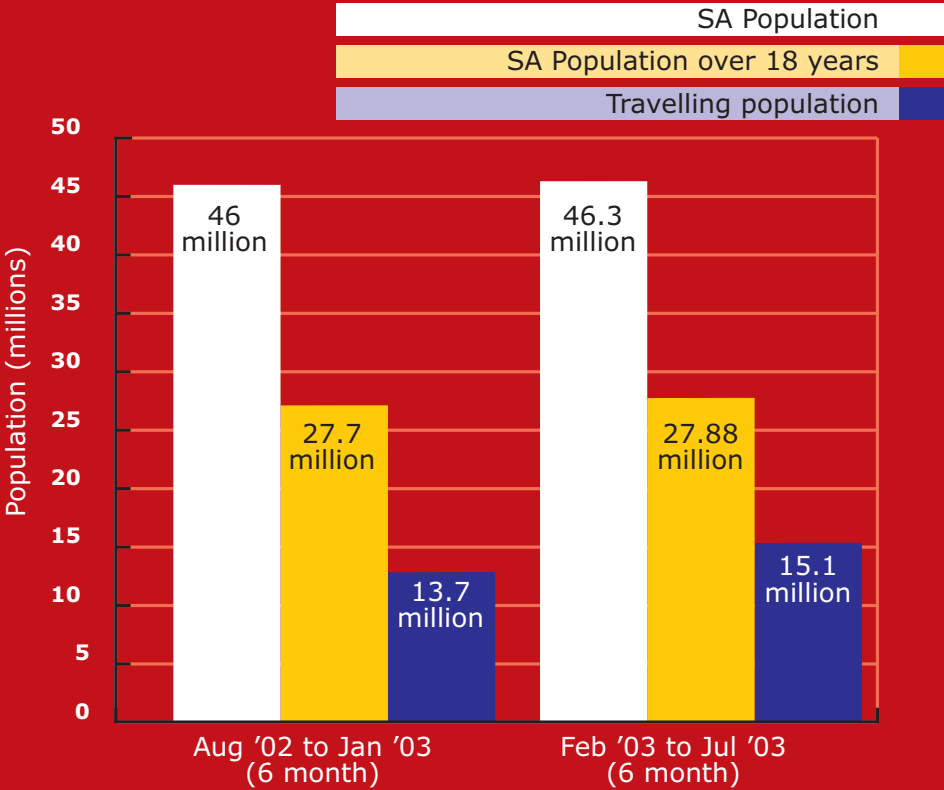
Nearly two thirds of trips are for VFR purposes, but although holiday travel accounts for only 16% of trips, it accounts for **44% of all expenditure**. Therefore by focusing on increasing holiday travel, we will increase the overall value of the domestic tourism market.





Number of South Africans who are travelling

SA TRAVELLING POPULATION

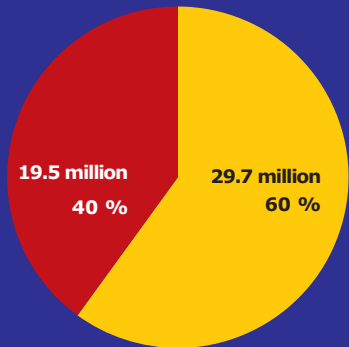
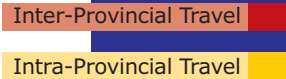
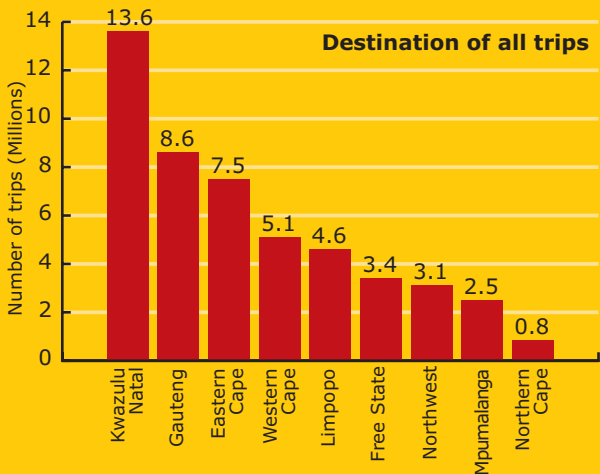
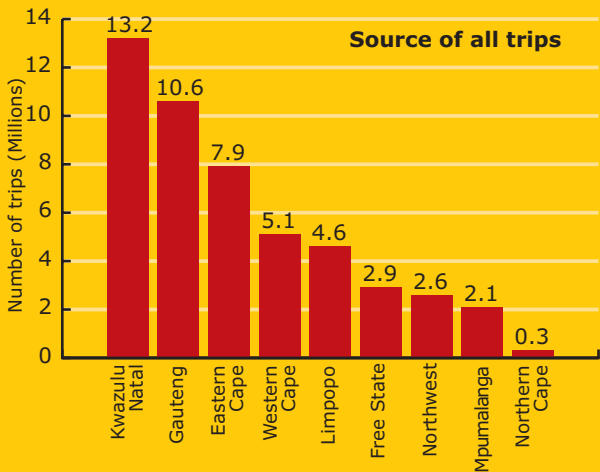


# Geographic spread of domestic tourism

64% of people who are travelling reside in KZN, Gauteng and the Eastern Cape. These three provinces similarly receive 60% of the domestic tourist trade.

60% of domestic travel is within the province in which people live (or INTRA provincial travel), and only 40% of trips taken are to another province (INTER provincial travel).

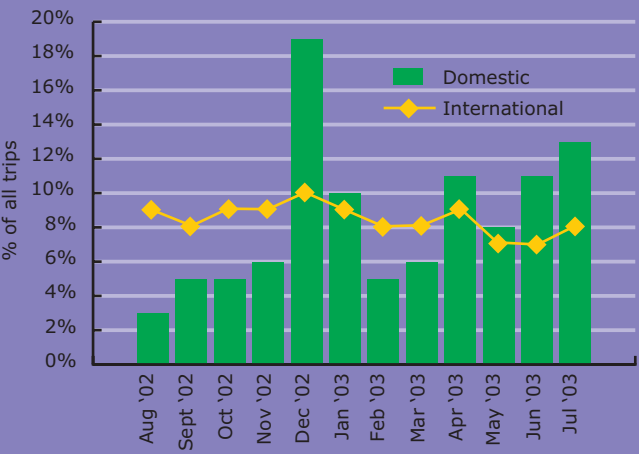
The need to improve geographic spread of domestic tourism is obvious.



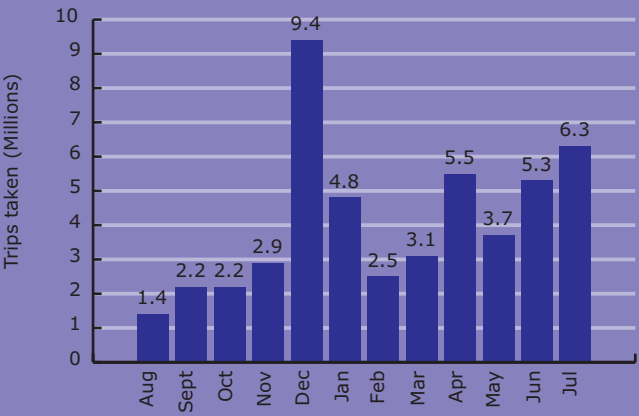




# Seasonality of international and domestic trips to SA



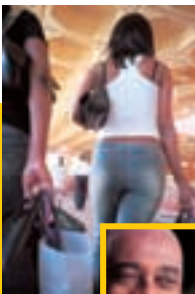
As we know, domestic travel is heavily focused around government school holiday periods, with August to November being the lowest travelling months. Addressing seasonality is a key strategy to boost domestic tourism.



# Consumer Segments in the domestic market

## Why segment the market?

In the research of the domestic market, it was clear that the market was not a homogenous group. There are different types of people in South Africa, with different current and strategic values in terms of meeting future tourism objectives. To segment the market, we have grouped people in terms of their travel behaviour, media consumption habits and lifestyle, providing a more in-depth knowledge and understanding of who we want to appeal to. A real benefit of segmentation is that people with similar characteristics can be targeted with products and communication tailored specifically for their needs. Through research, seven different consumer segments have been revealed in the domestic market:



**A.  
Young and  
up-coming**

**B.  
Independent young  
couples & families**

**C.  
Striving  
Families**

**D.  
Well-off  
homely couples**

**E.  
Home based  
low income couples**

**F.  
Basic Needs  
older families**

**G.  
Golden  
Active Couples**





Looking at the consumer segments according to when they usually travel, how often, what they spend and the overall size of each segment – the 7 segments have been further described as follows:

**ESTABLISHED SEGMENTS**  
**R8.9 billion current holiday spend**

These segments include those South Africans who do travel domestically and who probably have more knowledge and understanding about tourism products around the country than the other segments – but they can still be enticed to spend more, and go to other areas of South Africa.

- B:  
Independent young couples & families
- G:  
The Golden Active Couples

**EMERGING SEGMENTS**  
**R7.5 billion current holiday spend**

These segments include those South Africans who have travelled, but are not very knowledgeable in terms of tourism offerings. They can be convinced to travel more for holiday purposes. The culture of holiday travel needs to be developed here.

- A:  
Young and up coming
- D:  
Well-off homely couples
- C:  
Striving Families

**UNTAPPED SEGMENTS**  
**R1.7 billion current holiday spend**

These segments include low income travellers who generally travel for purposes other than for a holiday. For these consumers, a holiday may seem out of their reach and a low priority in terms of their needs.

- E:  
Home based low income couples
- F:  
Basic Needs older families

In each of these segments there is an opportunity to unlock the value and stimulate growth. By understanding the needs of each segment, S A Tourism, the Provincial Tourism Authorities and the travel industry will be able to provide information, new products (affordable to the various segments) and relevant communication to instil a greater culture of holiday travel.



# Domestic Consumer Tourism Segments 2004

	<b>A. Young and up-coming</b>	<b>B. Independent young couples &amp; families</b>	<b>C. Striving families</b>
<b>Size</b>	5.1 million	0.7 million	0.4 million
<b>Holiday value *</b>	R3.1 billion	R6.8 billion	R2.0 billion
<b>Ave length of stay</b>	6 nights	10 nights	5.5 nights
<b>Decide to travel</b>	31 days in advance	65 days in advance	52 days in advance
<b>Travel with</b>	Alone or friends	Partner	Family / Partner
<b>Transport used</b>	Taxi / Car	Car	Car / Taxi
<b>Monthly household income</b>	Primarily under R10 000	Primarily between R10 000 and R25 000	Primarily under R10 000
<b>Life stage</b>	Majority don't have children	Majority have children of primary and high school age	Majority have children of high school age
<b>Where from</b>	Gauteng, W Cape and E Cape	Gauteng mostly	Gauteng, E Cape, Mpuma-langa
<b>Where to</b>	KZN, E Cape, W Cape	KZN mostly	KZN, Gauteng and W Cape
<b>When</b>	December, April, June/July	December and April	December, April and June

\* Note: This is the value of Holiday Travel only – not the total expenditure which this segment generates.





D. Well-off homely couples	E. Home based low income couples	F. Basic needs older families	G. Golden active couples
0.8 million	0.4 million	5.5 million	0.2 million
R2.4 billion	R1.4 billion	R0.3 billion	R2.1 billion
7.5 nights	5 nights	5 nights	13 nights
54 days in advance	45 days in advance	64 days in advance	84 days in advance
Spouse / Partner	Alone, spouse or Family	Family or spouse	Spouse
Car	Car/ Taxi	Car/Taxi	Car
Primarily R10 000 to R20 000	Primarily under R10 000	Primarily under R5 000	Primarily R5 000 to R20 000
Majority have no children	Majority have children of high school age	Majority have children over 21 years	Majority have no children living at home
KZN, W Cape and E Cape	W Cape, E Cape, KZN	W Cape and KZN	Gauteng mostly
KZN, W Cape, E Cape	W Cape, E Cape, KZN	W Cape, KZN, E Cape	KZN, W Cape, Mpuma-langa
December, April, February	December, January and April	December, October and February	All year – but in season as well

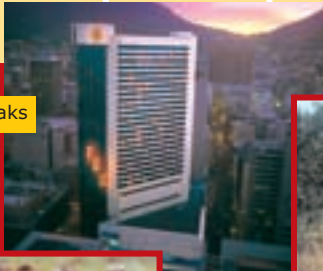


# Segment Specific Strategies for domestic tourism growth

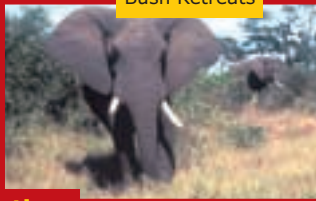
There are six strategic objectives in terms of the consumer segments, which will be implemented at both a national, provincial and local level:

1.	2.	3.	4.	5.	6.
Matching products to consumer segments	Extracting greater levels of value from established and emerging holiday travellers through promoting <ul style="list-style-type: none"> <li>* More short breaks</li> <li>* Staying longer</li> <li>* Providing more to do</li> </ul>	Convert emerging and untapped segments into holiday travelers by providing <ul style="list-style-type: none"> <li>* group travel options</li> <li>* travel vouchers</li> <li>* affordable breaks</li> </ul>	Promote year round travel by encouraging more trips outside of school holidays through <ul style="list-style-type: none"> <li>* Quiet season specials</li> <li>* Winter experiences - such as bush and beach</li> </ul>	To encourage greater levels of inter-provincial travel through <ul style="list-style-type: none"> <li>* Touring options</li> <li>* Publicising hidden secrets</li> <li>* Providing new experiences</li> </ul>	To utilise events to reduce seasonality and provide a full package option (travel accommodation etc.) with events

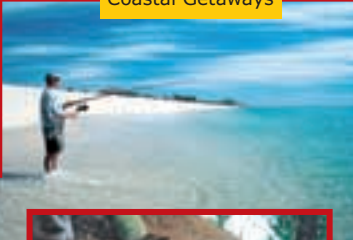
City Breaks



Bush Retreats



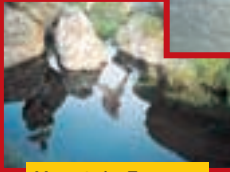
Coastal Getaways



Promoting Tourism Experiences to South Africans



Event Wonders



Mountain Escapes



Cultural Discoveries

Countryside Meanders



# Government Strategy for Domestic Tourism



**In order to support the growth of the domestic tourism industry, the following will be implemented from a national perspective – and will commence from June 2004:**

## **1. Greater promotion of the Domestic Tourism Brand**

SA Tourism domestic brand will be seen and heard more than ever before. The objective is to create a holiday culture amongst all South Africans and to make travel “sexy”.



## **2. Promote a set of experiences that relate to South African consumers**

It's possible to travel for a Holiday – the doors of travel are open to all. Here are seven reasons to take a holiday: (These experiences can be tailored for each segment.) City Breaks, Coastal Getaways, Mountain Escapes, Cultural Discoveries, Countryside Meanders, Bush Retreats and Event Wonders



## **3. Distribute appropriate information in specific places**

Information (motivational decision-making, destination) and Education around domestic tourism and tourism products and experiences to be more widely available through traditional and non-traditional media



## **4. Facilitate the development of co-operative product packages**

Working at National and Provincial level to facilitate linkages and product packaging which will convert interest into action.



## **5. Develop marketing and distribution channels**

Greater marketing of products to consumers to ensure conversion and purchase in a relevant and cost-effective manner – through traditional and non-traditional media  
e.g. Stokvels and Retail



## **6. Promote repeat visitation**

Customer relationship management and loyalty or reward programmes for frequent domestic travellers are to be facilitated to encourage repeat visitations by the consumer to engage with a variety of travel experiences.

**This implementation plan will be supported by continuous research, strategic planning and partnerships with the public and private sector.**



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**SOUTH AFRICAN TOURISM**

It's possible. Let's Waa!