

## Executive Summary

# SA TOURISM'S STRATEGIC PLAN FOR THE 5-YEAR PERIOD 2013/14 - 2017/18 & HIGH-LEVEL ANNUAL PERFORMANCE PLAN & BUDGET FOR 2013/14

For presentation to TBCSA 26 July 2012  
CEO: Thulani Nzima



*Inspiring new ways*

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# Our Mandate

# SA Tourism mandate, key objectives and strategies since 1 April 2011

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*Tourism sector outcome which SAT will need to deliver against*

***Create a thriving tourism sector by making South Africa a destination of choice***



*SAT outcome*

***Make the SA brand a Global Player in portfolio markets which will grow tourism's trended revenue to the economy by 1.5% p.a***



*Strategies to deliver outcome*

**Invest only in selected markets to deliver volume and value**

**Convince consumers that SA can be trusted to deliver memorable experiences**

**Engage Stakeholders to deliver quality visitor experience that re-affirm the brand promise**

**Work the distribution channel to promote SA**

**Energise and empower the organisation to innovate and achieve excellence**

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# **SA Tourism**

## **Vision, Mission and Values**

# Vision of SA Tourism

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For South Africa to be the preferred tourist destination in the world, in order to maximise the economic potential of tourism for our country and its people

## Mission of SA Tourism

To develop and implement a world-class tourism marketing strategy for SA. In pursuance of this SAT will:

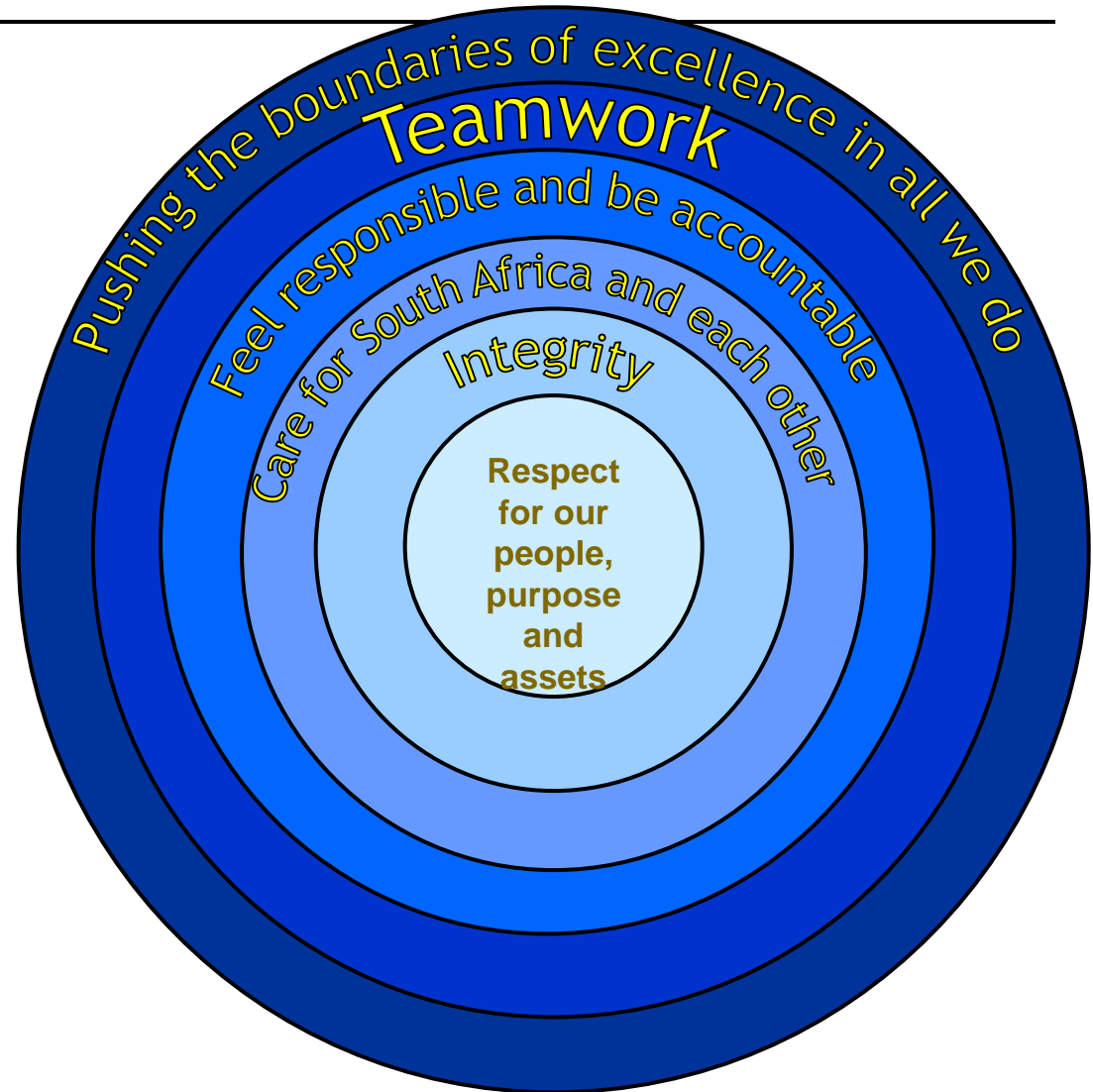
- Develop domestic, regional and international marketing strategies informed by research
- Develop a business events strategy
- Implement and maintain a recognisable, credible and globally benchmarked system of quality assurance
- Facilitate strategic alignment of provinces and industry in support of global marketing of tourism.
- Facilitate the removal of identified obstacles to tourism growth
- Ensure the efficient utilisation of resources to deliver the tourism strategy

# Values of SA Tourism

We respect our organisation, its people, its purpose and its assets.

Living this respect with integrity translates into an authentic caring for South Africa and each other, a feeling of responsibility, and the acceptance of accountability for the outcomes of our actions.

Our team pushes the boundaries of excellence in everything we do.



# SAT's business unit structure

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SAT's current 17 business units:

1. Office of the CEO/COO (including Legal, Internal Audit, Performance Monitoring & Administration)
2. Human Resources
3. Africa Portfolio
4. Domestic Marketing (including Events)
5. Asia and Australasia
6. Americas
7. Europe & UK Portfolio
8. Central Marketing (including Global Brand, Channel & Agency Management)
9. E-Business
10. Strategic Research
11. PR & Communications
12. Product & Itinerary
13. Finance (including Supply Chain)
14. TGCSA
15. Business Information Systems (previously known as IT)
16. Watch-list markets
17. Convention Bureau (including Business Tourism)



SAT's staff compliment and offices in the 2013/14 financial year which has been budgeted for

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## People and Business Units

SA Tourism current staff complement of 188 already caters for the additional staff required for the Brazil and Nigeria offices that will be opened no later than 31 March 2013. So the only changes will relate to the opening of the East Africa hub office in Kenya no later than 31 March 2014. This office will have a staff compliment of 3 and therefore increase SA Tourism's total head count to 191.

Total country offices will increase from 13 to 14 as a result of the opening of the Kenya Hub office.

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# **Linking Government's Key Priorities, the National Tourism Sector Strategy (NTSS) and SAT's Strategic Outcomes**

# Linking Government Priorities, NTSS and SAT's Strategic Objectives

## SAT STRATEGIES

1. Invest only in selected markets to deliver volume and value
2. Convince consumers that SA can be trusted to deliver memorable experiences
3. Engage Stakeholders to deliver quality visitor experience that re-affirm the brand promise
4. Work the distribution channel to promote SA
5. Energise and empower the organisation to innovate and achieve excellence

## GOVERNMENT PRIORITIES

1. Government has set five key priorities for the next five years including the creation of decent work and sustainable livelihoods, education, health, rural development including food security and land reform and the fight against crime and corruption.
2. These five priorities have been converted into Government's Medium-Term Strategic Framework which highlights 10 priorities and 12 outcomes over the MTEF period. Tourism falls under the Economic Sectors and Employment Cluster, one of the 5 Government clusters and its actions appear under Outcome 4: "Decent employment through inclusive economic growth".

## NTSS

1. Arrivals 15M by 2020
  2. Domestic
    - 14.6 - 18M Travellers
    - 30 to 50M Trips
    - 4 to 9M Holiday Trips
  3. GDP
    - R189.4 to 499 bn.
    - 52 to 60% domestic contribution
- 225 000 Jobs by 2020

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# National Tourism Sector Strategy

# NTSS - Targets

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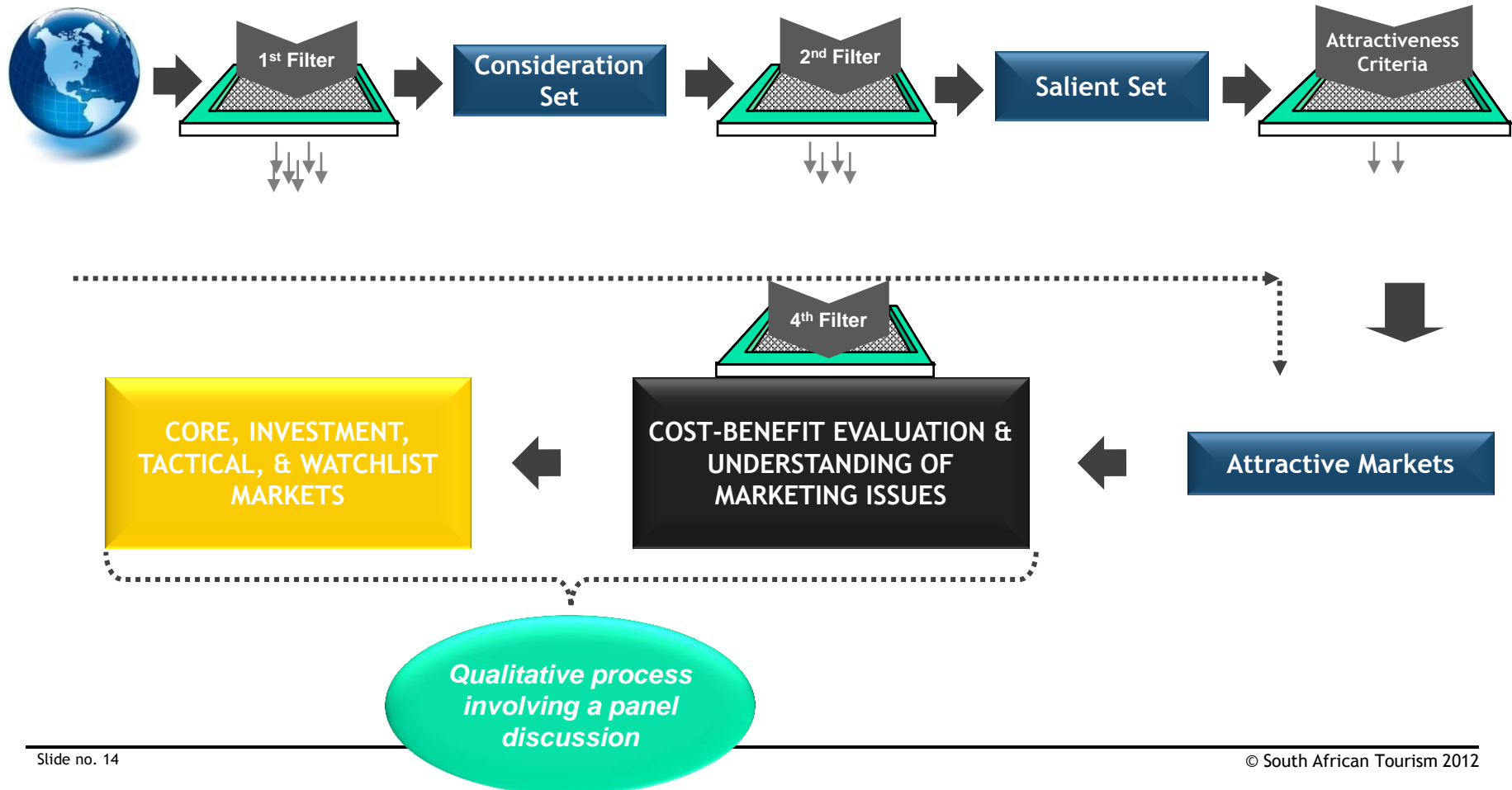
- *Arrivals* - 15 million foreign arrivals by 2020.
- Domestic tourists to grow from 14.6m in 2009 to 18m by 2020 and total domestic trips to grow from 30m to 54m, with holiday trips increasing from 4m to 9m.
- *GDP* - Increase tourism's contribution to the GDP from an estimated R189.4 billion in 2009 to R499 billion by 2020.
- Contribution of domestic tourism to GDP to grow to 60% from 52% in 2009.
- *Job creation* - the tourism sector is committed to consolidating its efforts to create jobs and aims to create 225 000 jobs by 2020 - 177 000 in the tourism sector and 48 000 through direct government investment.

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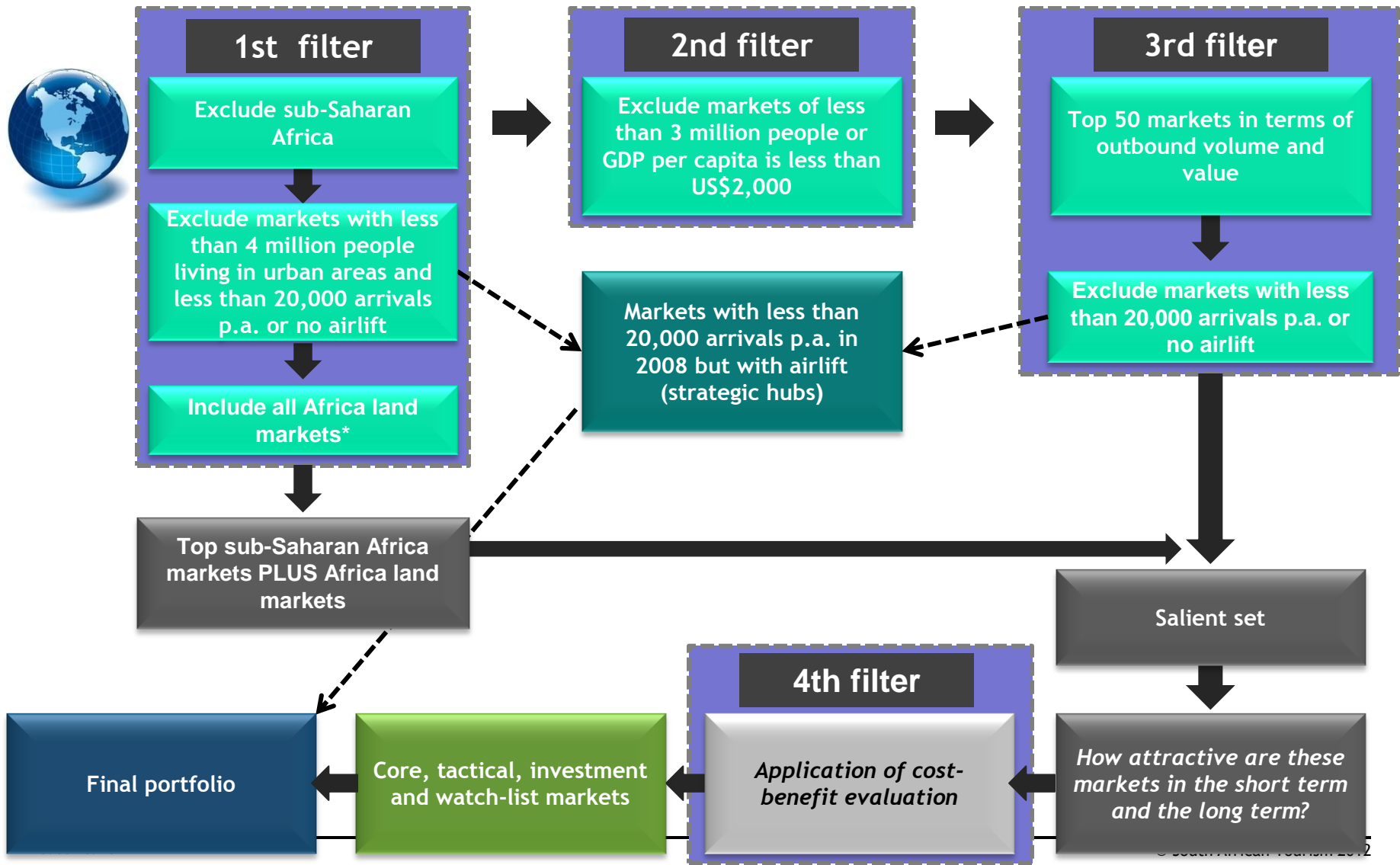
# **Our Strategies informed by our Research based Methodology**

The review adopts a “fresh eyes” approach by considering all the countries in the world, and filtering them based on a set of objective attractiveness criteria

## Approach to Portfolio Review



# Key steps of the Portfolio Review Process

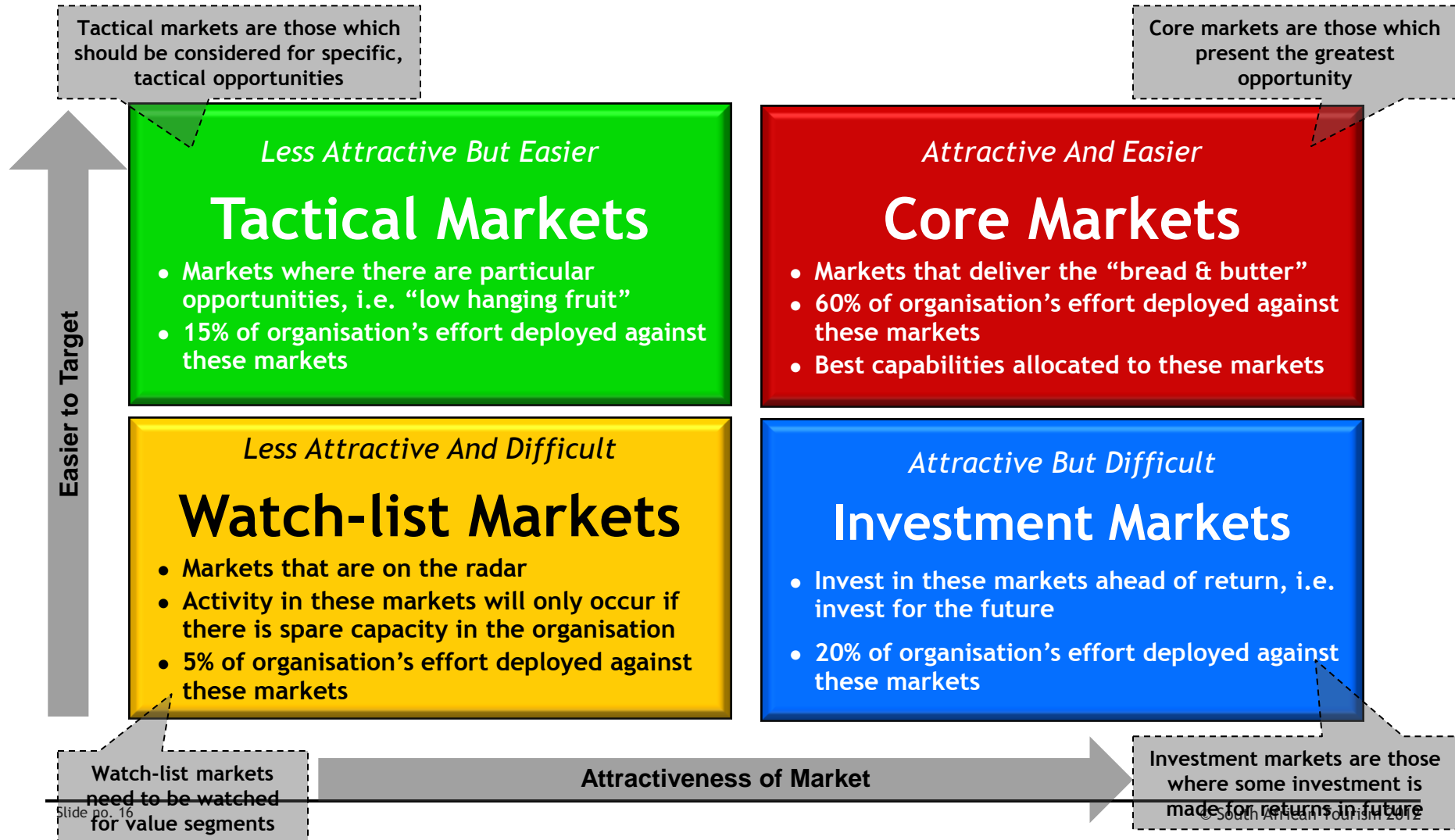


\*Africa land markets are markets where more than 60% of arrivals to SA arrive by land.



The results of the evaluation will illustrate the suggested core, investment, tactical and watch-list markets within each region

## Results of Portfolio Review



# The 4<sup>th</sup> Portfolio Review markets will end March 2014; the 5<sup>th</sup> Portfolio Review process will commence during July 2012 and fully implemented by 01 April 2014

		2002 – 2004		2005 – 2007		2008 – 2010		2011-2014	
4 <sup>th</sup> Portfolio		Africa & Middle East		Canada & Americas		Asia & Australasia		Europe	
Responsibility	Regional Director	Country Manager	<b>Core Markets</b>	Angola Botswana Kenya Nigeria South Africa*	USA*	Australia* India	France* Germany Netherlands UK*		
			<b>Investment Markets</b>	DRC Mozambique	Brazil Canada	China (incl. Hong Kong & Macau) Japan	Belgium Italy Sweden		
	<b>Tactical Markets</b>	Lesotho Swaziland		New Zealand	Ireland				
	<b>Watch-list Markets</b>	Malawi Namibia Zambia Zimbabwe	Argentina	Republic of Korea	Austria Denmark Portugal Spain Switzerland				
	<b>Strategic Importance</b>	Bahrain, Oman, Qatar, Saudi Arabia							
	<b>Strategic Air Links/Hubs</b>	Egypt, Ethiopia, Ghana, Mauritius, Tanzania, Senegal, UAE		Malaysia Singapore					
	Stakeholder Manager								
	Global Channel Manager								

\*Indicates Business Tourism Hubs

- Our future portfolio approach in markets is to operate hubs in key regions e.g. Regional Africa, Japan, South Korea, South America and Nordic Region.
- Change the economic filter for GDP per capita to GDP PPP per capita; this enables us to compare standard of living across countries.

# Restating our 5 Strategies to deliver on the outcome

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**Invest only in selected markets to deliver volume and value**

**Convince consumers that SA can be trusted to deliver memorable experiences**

**Engage Stakeholders to deliver quality visitor experience that re-affirm the brand promise**

**Work the distribution channel to promote SA**

**Energise and empower the organisation to innovate and achieve excellence**

# These 5 strategies have been converted to 7 Strategic Outcome Orientated Goals to comply with the National Treasury Annual Resource Plan template:

Strategies to Deliver on our outcome	Strategic Goals	Strategic Objectives
Invest only in selected markets to deliver volume and value	<b>Goal 1</b>	International Portfolio Marketing (purpose: to increase international arrivals focusing on Africa's growth in particular by marketing SA internationally.
Convince consumers that SA can be trusted to deliver memorable experiences	<b>Goal 2</b>	Domestic Marketing (purpose: to aggressively promote a culture of domestic tourism)
Invest only in selected markets to deliver volume and value. Convince consumers that SA can be trusted to deliver memorable experiences	<b>Goal 3</b>	Portfolio Marketing (purpose: to improve spend by marketing SA internationally and domestically thereby contribute to the economy
Work the distribution channel to promote SA	<b>Goal 4</b>	Head Office marketing (purpose: provision of support & toolkits for regions and trade to promote global visibility of SA brand)
Engage stakeholders to deliver quality visitor experience that re-affirm the brand promise	<b>Goal 5</b>	Grading of tourism products (purpose: promote word-of-mouth international and domestic marketing, following quality delivery of experiences to visiting international and domestic tourists, through the grading of tourism establishments using global best-practice grading systems and business processes)
Invest only in selected markets to deliver volume and value	<b>Goal 6</b>	National Convention Bureau (purpose: to increase the size of SA Business events industry)
Energise and empower the organisation to innovate and achieve excellence.	<b>Goal 7</b>	Head Office Administration (purpose: provision of real-time accurate financial information and business processes to ensure quality execution of approved Business Plans & Budgets while complying with regulatory prescripts, policies and procedures. To ensure effective execution of the strategy, the appropriate systems will be aligned with the provision of talented human resources)

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# Situation Analysis - 2013/14

# Environmental Review - 2013/14

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1. Global recovery of travel and tourism following the financial crisis but discretionary consumer income under pressure. SA has to guard against cheapening the destination while we still offer value.
2. Shifting Geographic markets - recession in Europe has meant that new opportunities exist in emerging markets and SA must be prepared on the supply side with relevant products for markets like India, China and Brazil.
3. Evolving post-recession consumer preferences - consumers are focussed on personal value and have ethical concerns about destinations that do not have sustainable practices. SA can exploit our competitive advantage in responsible tourism.
4. New opportunities and challenges presented by emerging technologies - the rise of online travel and mobile/tablets has changed how consumers receive and share information. The immediacy of social media reviews can be challenging if not understood and leveraged appropriately.

# Environmental Review - 2013/14

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5. New cost drivers in aviation that affect consumer behaviour and travel trends. Direct airlift still a big barrier to travel to SA but consumers willing to take indirect routes to save costs.
6. New considerations for E-visa access to destination.
7. Economic growth on the continent is translating into higher value tourists with great potential to drive growth. SA Tourism has additional funding allocation to drive arrivals from the region.



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# Marketing Focus - 2013/14

# Marketing Focus - 2013/14

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1. Globally, the challenge is to create consistent positive awareness about South Africa as a preferred destination in a manner that is confident and credible in order to own a distinct space in the mind of the consumer. In-country, the focus is on driving conversion through innovative campaigns, partnerships and joint marketing agreements.
2. Domestic marketing will remain the bedrock of our industry . The new segmentation has been used to formulate the “whatever you looking for, it’s here” campaign with the focus on affordable, accessible packages geared to the new segments. This is a three year campaign with the opportunity to be leveraged in our regional and international marketing campaigns.
3. The Team SA approach for the National Convention Bureau will focus on building our competitiveness as a business events destination through highlighting our strengths in infrastructure, knowledge and proven capability.
4. To build our awareness and positivity, we are communicating our Brand message on relevant Global Media platforms which enables us to reach our core consumers in the most effective and efficient way. Our media reach/impact gaps in core markets will be complemented by in-Country Global buys to improve impact and frequency. Sales toolkits and expert learning courses like Fundi, familiarization trips will be used to expand the footprint and knowledge of trade who sell SA.

# Marketing Focus - 2013/14

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5. Our key marketing strategy will continue to focus on protecting our leadership in wildlife and adventure which will be supported by our culture, heritage, lifestyle tourism and welcoming people. The critical factor is to develop a stronger 'emotional connection' with our people/destination and our consumer heartland.
6. Our focus online will continue to inspire consumers and drive consideration not only on Southafrica.net, but in mobi, global platforms and through our rich online display and search. Providing content that will connect with and convince users, will improve our conversion to getting users to seek more information in their consideration phase.
7. We are leveraging a number of additional channels to build our awareness and positivity. These include SEO, social media, online media, websites and online applications. Global communications and media relations will form an integral part of our marketing, by ensuring that traditional and new media are exposed to destination SA through features, blogs and networking site participation and all material generated will be sweated across our global platforms such as INDABA, WTM and ITB. Ultimately, we need to deliver what our consumers want- memorable holidays that they can share with others, and in turn, inspire them to visit SA.

# Marketing Focus - 2013/14

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8. Marketing will be boosted by strong communications support in efforts to solidify SA's status as a global wildlife and adventure leader, lifestyle mecca and leading business events destination through rich media, video and word of mouth, innovative content and the use of influencers, disseminated to a global audience
9. New portfolio review in 2012 will unlock new opportunities for SAT
10. New tourism bill to be passed by April next year.
11. Our future portfolio approach in markets is to operate hubs in key regions e.g. Regional Africa, Japan, South Korea, South America and Nordic Region.

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# **Strategic Outcome Orientated Goal 1**

**Increase Annual Arrivals to South Africa**

## Strategic Outcome Oriented Goal 1:

To market South Africa in such a way that annual arrivals to South Africa increase to 12 068 030 by 2015 and 15 000 000 by 2020

Period	Arrivals (Actual or Planned)	Increase over prior year	Tourist Estimation	Increase over prior year	NTSS	Note
2008/2009 Actual	9 591 828		Not available			
2009/2010 Actual	9 933 966	3.6%	7 011 865			1
2010/2011 Actual	11 395 700	14.7%	8 073 552	15.1%		
2011/2012 Actual	12 255 155	7%	8 339 354	3.2%		
2012/2013 Planned	12 518 310	2.2%	8 460 226	1.4%		New projection from 11 922 201
2013/2014 Planned	13 021 979	4.0%	8 749 370	3.4%		
2014/2015 Planned	13 300 535	2.2%	8 987 279	2.7%	12 068 030	
2015/2016 Planned	13 579 999	2.1%	9 256 597	3.0%		
2016/2017 Planned	13 854 335	2.0%	9 534 604	3.0%		
2020 Planned	Not available	NA	Not available		15 000 000	

Note 1 - At its September 2011 Board meeting the Board agreed that SAT must include tourist targets effective 2012/13. Not having adequate data points to set tourist targets (every 5 years to project 1 year), the following must be noted:

- The tourist arrival target is estimated using the annual average incidence of tourist arrivals within the visitor arrivals for 2009 and 2010.
- This method of estimation is not reliable as the number of tourist arriving each month is variable.
- The data on tourist arrivals is an estimation only and not targets.

# Strategic Outcome Oriented Goal 1: Targets by Portfolio

SEE NOTE BELOW	2010 Actual	2011 Actual	2013 Target (growth over 2011)		2014 Projection (growth over 2013)		2015 Projection (growth over 2013)		2016 Projection (growth over 2013)	
<b>TOTAL</b>	<b>11 395 700</b>	<b>12 255 155</b>	<b>13 021 979</b>	<b>6.3%</b>	<b>13 300 535</b>	<b>2.1%</b>	<b>13 579 999</b>	<b>4.3%</b>	<b>13 854 335</b>	<b>6.4%</b>
Africa - Air	358 809	383 725	393 802	2.6%	431 090	9.5%	449 325	14.1%	468 202	18.9%
Africa - Land	8 498 735	9 333 505	9 373 518	0.4%	10 048 643	7.2%	10 257 533	9.4%	10 456 061	11.5%
Americas	506 050	489 198	574 008	17.3%	614 660	7.1%	626 858	9.2%	639 308	11.4%
Asia & Australasia	431 044	471 131	513 559	9.0%	572 353	11.4%	604 842	17.8%	640 901	24.8%
Europe	1 440 590	1 403 295	1 520 641	8.4%	1 606 113	5.6%	1 613 765	6.1%	1 622 188	6.7%
<b>NOTE:</b>										
1. Targets have only been set for markets where SAT invests in										
2. Regional arrivals target is not a sum of the countries listed as they include all countries and not just those where SAT invests in										
3. Total arrivals target is not a sum of the countries listed as they include all countries and not just those where SAT invests in										

# Goal 1 Continued.....

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**MTEF allocation to aggressively  
grow Africa**



# Importance of Regional Africa to meet NTSS targets

## Africa delivers the highest number of tourist arrivals

- Africa delivers more than 70% of all arrivals every year
- Tourist arrivals from Africa grew at ~10.3% annually from 2003-2010. Africa's contribution to the total tourist arrivals to South Africa increased from 68.1% in 2003 to 77.0% in 2010

## Africa is growing

- Africa witnessed a remarkable growth in GDP and GDP per Capita (18.9% and 16.3%, respectively), from 2003-2008
- Tourist arrivals from Africa to South Africa increased at a much faster rate of 10.3%, compared to the growth of 3.3% in tourist arrivals from rest of the world, during 2003-2010
- The value that Africa brings to the South African economy goes beyond tourism (i.e., hotels and attractions), and has major benefits for the whole economy (especially in manufacturing and other downstream industries)

## Africa is accessible

- Africa is South Africa's natural hinterland
  - Accessibility of South Africa to a significant number of travellers, particularly those in Southern African countries, and their familiarity with the country, are the major benefits
  - South Africa captures more than 50% of total outbound departures from African countries

## Africa still represents untapped potential

- South Africa has the potential to further exploit its proximity and strength as a choice destination in the African market, which is still emerging from purpose-based travel into a true leisure-driven tourism market
- South Africa receives a relatively small number of travellers from countries other than African countries, which implies that there is tremendous opportunity for growth

## Objectives to drive growth from the continent to meet NTSS targets

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- Increasing regional awareness of South Africa as a tourism and leisure destination.
- Increase arrivals and spend from Africa to contribute to GDP and job creation.
- In SADC , our market penetration is high but opportunities exist to promote repeat travel and to turn shoppers into holiday travel.
- In Africa Air markets, sizable opportunity exists to attract high value business and leisure traveller.
- Setting up five marketing offices in key African markets by 2020.
- Implementation of regional tourism programmes.

# Regional Hub Strategy

*In addition to developing each market individually, we will look at growing arrivals in key regional markets using a hub strategy*

## East African Regional Strategy

- Kenya is a relatively small market on a standalone basis, with only ~32k arrivals in 2010
- Serving additional EAC countries, such as Uganda and Tanzania would be beneficial
  - Combined arrivals of over 70k
  - Similar consumers
  - Good regional integration and growth

## Central African Spillover Effect

- The DRC market remains an investment market
- Its high tourism potential, however, warrants increased investment
- Due to the proximity and high connectivity between the DRC and Congo-Brazzaville, any activities in the DRC will have spillover effects into Congo-Brazzaville. Combined arrivals from this region represent 37k

## West African Quick Win Strategy

- The Nigerian market is a large, and fast growing market
- Serving Ghana adds ~20k arrivals to the Nigerian market
- Arrivals from Ghana are growing fast
- Combined arrivals from Ghana and Nigeria represent ~81% of ECOWAS's arrivals or ~70k arrivals
- Our strategy in West Africa will include showing, in the short term, our presence in Ghana by developing critical trade and media partnerships and making very targeted investments in the market
- In addition, we will build our understanding of consumers and trade in Ghana through targeted research
- Finally, we will continue to monitor the market's growth and adapt our investment decisions in the long term

### Summary of Opportunity

### Key Elements of Approach

- Large regional market potential suggests the need to establish presence in the market rapidly
- This presence will start immediately by building key relationships (e.g., media, trade, etc.) to be leveraged for winning in these markets
- In the short term, we will start developing a fully-fledged regional strategy for the EAC

- Limited additional effort is required in the short to medium term as effects will automatically spill over with no additional effort
- We will, however, continue to monitor Congo-Brazzaville and other surrounding Central African states to leverage opportunities as they arise

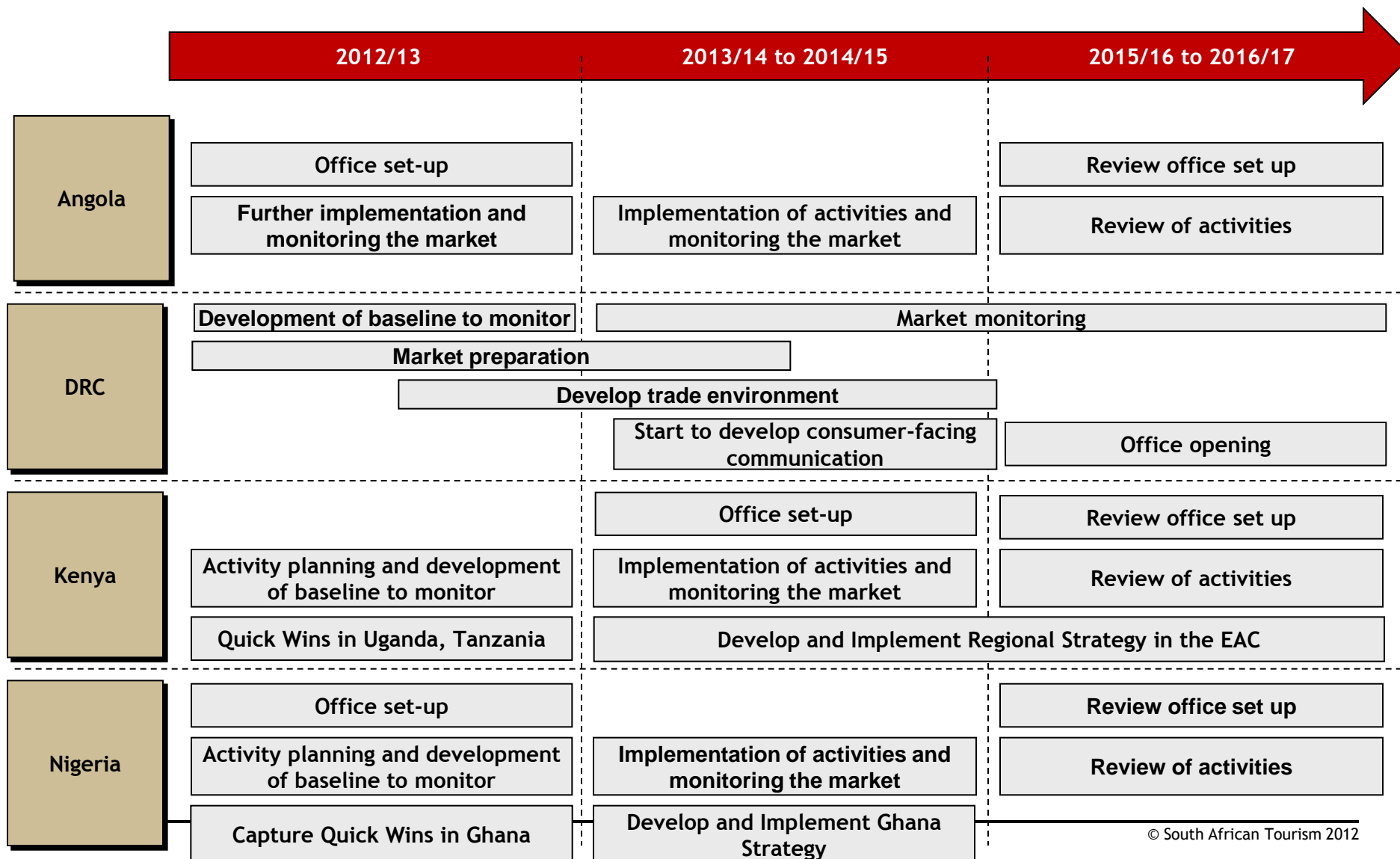
# Arrivals targets for Africa - 5 years

<b>SEE NOTE BELOW</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2013 Target (growth over 2011)</b>		<b>2014 Projection (growth over 2013)</b>		<b>2015 Projection (growth over 2013)</b>		<b>2016 Projection (growth over 2013)</b>	
<b>TOTAL</b>	<b>11 395 700</b>	<b>12 255 155</b>	<b>13 021 979</b>	<b>6.3%</b>	<b>13 300 535</b>	<b>2.1%</b>	<b>13 579 999</b>	<b>4.3%</b>	<b>13 854 335</b>	<b>6.4%</b>
<b>Africa - Air</b>	<b>358 809</b>	<b>383 725</b>	<b>393 802</b>	<b>2.6%</b>	<b>431 090</b>	<b>9.5%</b>	<b>449 325</b>	<b>14.1%</b>	<b>468 202</b>	<b>18.9%</b>
Angola	39 557	40 007	48 144	20.3%	53 332	10.8%	56 158	16.6%	59 022	22.6%
DRC	32 099	33 893	38 573	13.8%	42 243	9.5%	43 975	14.0%	45 690	18.5%
Kenya	32 129	33 695	35 484	5.3%	38 748	9.2%	40 298	13.6%	41 910	18.1%
Nigeria	49 520	67 954	71 352	5.0%	74 206	4.0%	76 432	7.1%	78 725	10.3%
Ghana	19 990	20 215	20 907	3.4%	22 172	6.1%	22 394	7.1%	22 618	8.2%
Tanzania	21 847	32 096	39 176	22.1%	44 467	13.5%	47 980	22.5%	51 675	31.9%
Uganda	15 648	17 071	19 005	11.3%	21 053	10.8%	22 210	16.9%	23 432	23.3%
<b>Africa - Land</b>	<b>8 498 735</b>	<b>9 333 505</b>	<b>9 373 518</b>	<b>0.4%</b>	<b>10 048 643</b>	<b>7.2%</b>	<b>10 257 533</b>	<b>9.4%</b>	<b>10 456 061</b>	<b>11.5%</b>
Botswana	829 928	782 313	858 315	9.7%	901 231	5.0%	901 231	5.0%	901 231	5.0%
Mozambique	1 329 590	1 389 732	1 591 391	14.5%	1 726 102	8.5%	1 779 612	11.8%	1 831 220	15.1%
<b>Americas</b>	<b>506 050</b>	<b>489 198</b>	<b>574 008</b>	<b>17.3%</b>	<b>614 660</b>	<b>7.1%</b>	<b>626 858</b>	<b>9.2%</b>	<b>639 308</b>	<b>11.4%</b>
Brazil	59 860	62 115	90 680	46.0%	97 309	7.3%	99 450	9.7%	101 637	12.1%
Canada	61 681	65 208	67 164	3.0%	67 973	1.2%	69 332	3.2%	70 719	5.3%
USA	314 619	325 575	348 669	7.1%	373 424	7.1%	380 893	9.2%	388 510	11.4%
Argentina	22 732	14 625	21 430	46.5%	22 502	5.0%	22 502	5.0%	22 502	5.0%
<b>Asia &amp; Australasia</b>	<b>431 044</b>	<b>471 131</b>	<b>513 559</b>	<b>9.0%</b>	<b>572 353</b>	<b>11.4%</b>	<b>604 842</b>	<b>17.8%</b>	<b>640 901</b>	<b>24.8%</b>
Australia	119 843	116 618	127 294	9.2%	134 996	6.1%	136 346	7.1%	137 709	8.2%
China	74 805	92 757	95 496	3.0%	111 300	16.6%	123 543	29.4%	137 133	43.6%
India	79 841	101 539	130 128	28.2%	153 031	17.6%	171 395	31.7%	191 962	47.5%
Japan	30 948	29 586	31 319	5.9%	33 214	6.1%	33 546	7.1%	33 881	8.2%
Korea	18 707	19 675	18 894	-4.0%	20 037	6.1%	20 238	7.1%	20 440	8.2%
<b>Europe</b>	<b>1 440 590</b>	<b>1 403 295</b>	<b>1 520 641</b>	<b>8.4%</b>	<b>1 606 113</b>	<b>5.6%</b>	<b>1 613 765</b>	<b>6.1%</b>	<b>1 622 188</b>	<b>6.7%</b>
Belgium	43 060	44 544	49 575	11.3%	53 095	7.1%	54 157	9.2%	55 240	11.4%
France	127 906	117 050	142 264	21.5%	149 377	5.0%	149 377	5.0%	149 377	5.0%
Germany	227 859	249 131	272 663	9.4%	292 309	7.2%	297 863	9.2%	302 926	11.1%
Italy	63 321	64 070	67 606	5.5%	67 944	0.5%	68 284	1.0%	68 626	1.5%
Netherlands	130 868	121 010	139 209	15.0%	146 169	5.0%	146 169	5.0%	146 169	5.0%
Sweden	43 164	41 238	44 738	8.5%	46 975	5.0%	46 975	5.0%	46 975	5.0%
UK	491 599	461 161	493 073	6.9%	517 727	5.0%	517 727	5.0%	517 727	5.0%
Austria	21 731	23 359	24 989	7.0%	26 763	7.1%	27 298	9.2%	27 844	11.4%
Denmark	26 131	25 070	26 237	4.7%	27 549	5.0%	27 549	5.0%	27 549	5.0%
Portugal	51 842	54 857	52 412	-4.5%	55 638	6.2%	54 434	3.9%	54 434	3.9%
Spain	36 898	32 699	37 063	13.3%	38 916	5.0%	39 344	6.2%	39 777	7.3%
Switzerland	42 902	44 399	43 760	-1.4%	46 867	7.1%	47 804	9.2%	48 760	11.4%

**NOTE:**

1. Targets have only been set for markets where SAT invests in
2. Regional arrivals target is not a sum of the countries listed as they include all countries and not just those where SAT invests in
3. Total arrivals target is not a sum of the countries listed as they include all countries and not just those where SAT invests in

# Implementation Timeline



## Regional Africa - MTEF Budget Allocation

High Level breakdown for regional Africa - hub configuration	Actual expenditure for 2011/12 (R'mil)	Approved 2013/14 budget (R'mil)
SADC	6.7	11.6
Angola		15.275
DRC, with Congo		13,225
Kenya, with Tanzania and Uganda		18,025
Nigeria, with Ghana		25,975
Africa Air	27.400	72,500
<b>Total</b>	<b>34.100</b>	<b>84.100</b>



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## Regional Africa detailed allocation for 2013/14 and 2014/15 (R84m per year) with approved Headcount

ACTIVITY	ANGOLA	DRC	Kenya/ Tanzania/ Uganda	Nigeria Ghana	SADC
<b>Approved Head Count</b>	<b>3</b>			<b>3</b>	<b>4</b>
Capacity/HR	R 2 000 000	R 1 500 000	R 3 000 000	R 3 000 000	R 1 000 000
Office rental & setup	R 1 000 000	R 750 000	R 1 000 000	R 2 500 000	R 1 500 000
Research					
Television		R 1 000 000	R 2 000 000	R 5 000 000	R 2 000 000
Radio	R 1 000 000	R 1 500 000	R 2 000 000	R 1 000 000	R 1 500 000
Print	R 1 500 000		R 1 500 000	R 2 000 000	R 1 500 000
Outdoor		R 500 000	R 500 000	R 2 000 000	R 1 000 000
Trade workshops	R 1 500 000	R 500 000	R 1 000 000	R 2 000 000	R 1 000 000
Cons. Activations					R 1 000 000
Mobi advertising	R 1 000 000	R 500 000	R 500 000	R 1 000 000	R 500 000
Website advertising	R 500 000	R 750 000	R 500 000	R 1 000 000	R 500 000
Collateral/branding	R 750 000	R 500 000	R 500 000	R 1 500 000	R 250 000
Translation	R 250 000	R 250 000			R 250 000
JMA	R 1 000 000	R 750 000	R 2 000 000	R 2 000 000	R 250 000
Social Media	R 800 000	R 500 000	R 500 000	R 750 000	R 200 000
Trade Education	R 1 000 000	R 1 000 000	R 500 000	R 1 500 000	R 200 000
Media Hosting	R 500 000	R 500 000	R 1 000 000	R 500 000	R 200 000
Events promotion	R 750 000	R 250 000	R 1 000 000	R 2 000 000	R 200 000
Public Relations		R 750 000	R 500 000	R 500 000	R 200 000
<b>TOTAL</b>	<b><u>R 13 550 000</u></b>	<b><u>R 11 500 000</u></b>	<b><u>R 18 000 000</u></b>	<b><u>R 28 250 000</u></b>	<b><u>R 13 000 000</u></b>

# Nigeria



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# Nigeria - 2013/14

## BIG THING TO BE DONE

Entice “accomplished travelers” to experience our uniquely cosmopolitan vibe, by convincing SA and Nigerian trade of the value of business and leisure travelers and showing them how to package quality and VFM leisure experiences that can be proudly shared with peers.

## INSIGHT

### The Nigerian Traveler

Wants an easy-to-do destination that elevates their status in life and makes them proud to share their stories with friends and colleagues.

## STRATEGIC PLATFORM

### Meet South Africa

And embrace the ultimate in tailor-made experiences.

# Angola



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# Angola - 2013/14

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## BIG THING TO BE DONE

Develop and promote a variety of cosmopolitan leisure offerings in SA by packaging information and disseminating it through travel trade and consumer intercept points.

## INSIGHT

The Angolan Traveler wants an easy-to-do destination where they feel welcome, refreshed and rejuvenated, after a weekend-getaway.

## STRATEGIC PLATFORM

Meet South Africa

And experiences the abundance South Africa has to offer - and still go back to Luanda feeling rejuvenated.

DRC



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## BIG THING TO BE DONE

Drive Congolese leisure travelers who seek status to experience the modern, affordable luxury that SA offers by effectively utilising all channels to sell SA.

## INSIGHT

The Congolese Traveler wants to show off their worldliness and social status. They seek to connect and have fun with the locals.

## STRATEGIC PLATFORM

Meet South Africa

By embracing a new conversation through connections made and experiences that will enhance your social status.

Kenya



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# Kenya - 2013/14

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## BIG THING TO BE DONE

Trigger explorers to visit SA on holiday to immerse themselves in the cosmopolitan vibe and diverse cultures and people by offering a variety of affordable packages (they are price sensitive, but still look for quality) and making use of modern and innovative forms of communication.

## INSIGHT

The Kenyan Traveler wants to connect with a local when they travel. They gravitate towards the cosmopolitan vibe of a city and want to do what the locals do.

## STRATEGIC PLATFORM

Meet South Africa  
And travel like a local

# Strategic Outcome Orientated Goal 2

Promote the culture of Domestic Tourism



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# Domestic Tourism

# Overall Results:

## Domestic tourism: 2007-2011

Key Metrics		2007	2008	2009	2010	2011
Domestic Travel Incidence	Annual	43.5%	46.5%	47.6%	43.0%	44.0%
	Monthly <sup>1</sup>	9.9%	9.0%	8.2%	7.9%	7.0%
	Adults	12.7 million	13.9 million	14.6 million	13.5 million	13.9 million
Number of Trips	Annual	35.9 Million	32.9 Million	30.3 Million	29.7 Million	26.4 Million
	By Purpose	VFR: 68%, Holiday: 16%, Business: 7%, Religious: 7%, Medical: 1%	VFR: 71%, Holiday: 16%, Business: 5%, Religious: 5%, Medical: 2%	VFR: 76%, Holiday: 12%, Business: 5%, Religious: 5%, Medical: 1%	VFR: 74%, Holiday: 13%, Business: 5%, Religious: 6%, Medical: 1%	VFR: 73%, Holiday: 15%, Business: 5%, Religious: 6%, Medical: 1%
Spend	Total Annual Spend	R20.0 Billion	R25.8 Billion	R22.4 Billion	R21.1 Billion	R20.3 Billion
	By Purpose	VFR: 45%, Holiday: 37%, Business: 14%, Religious: 3%,	VFR: 45%, Holiday: 39%, Business: 12%, Religious: 3%,	VFR: 59%, Holiday: 22%, Business: 17%, Religious: 2%,	VFR: 51%, Holiday: 31%, Business: 14%, Religious: 3%,	VFR: 53%, Holiday: 29%, Business: 12%, Religious: 3%,
	Average Spend per Trip / per Day	R550 / Trip; R120 / Day	R780 / Trip; R170 / Day	R730 / Trip; R170 / Day	R710 / Trip; R160 / Day	R780 / Trip; R170 / Day
Trip Length	Total Annual Bed Nights	157.8 Million	149.0 Million	128.4 Million	130.8 Million	115.2 Million
	Avg Nights per Trip	4.4	4.5	4.2	4.4	4.4

## Strategic Outcome Oriented Goal 2:

### Number of Domestic Travelers

Period	Total Domestic Trips (Millions)	Increase over prior year	NTSS Strategy Targets	Total Holiday Trips SAT Targets (Millions)	NTSS	Total Number of travelers (Millions)	NTSS Target
2009/2010 Actual	30.3			3.6		14.6	
2010/2011 Actual	29.7	(2%)		4.0		13.5	
2011/2012 Actual	26.4	(11.2%)		3.9		13.9	
2012/2013 Target	29.4 (27.2)	(2.7)%		4.3		14.5	
2013/2014 Planned	28.0	3.5%		4.5		15.0	
2014/2015 Planned	28.9	4.0%	40.1Mn	4.8	6.0 Mn	15.6	
2015/2016 Planned	29.7	2.1%		5.1		16.2	
2016/2017 Planned		2.0%		5.5		16.9	
2020 Planned	Not available	NA	54.0Mn	Not Available	9.0 Mn	Not available	18Mn

# NTSS Objectives Related to Domestic Tourism

Keeping in mind the targets set out in the NTSS, it is important to identify the most attractive segments on which to focus activation efforts

Objective	Measures and Targets	2009 Baseline	2015 Target	2020 Target	Consumer-level Job <sup>1</sup>
To grow the tourism sector's absolute contribution to the economy	Increase number of domestic tourists <ul style="list-style-type: none"> <li>- No. of adult travellers</li> <li>- Population penetration</li> <li>- Total Domestic Trips</li> </ul>	14.6 Mn 48% 30.3 Mn	16 Mn 40 Mn	18 Mn 54 Mn	Growth Growth Growth
Increase domestic tourism's contribution to the tourism economy	Domestic tourism as a contribution to tourism's overall contribution to GDP	52%	55%	60%	Growth
	Upper LSM consumers: change perceptions of taking a South African holiday versus outbound holidays	No baseline	-	-	Culture Transformation
	Middle LSM consumers: increase level of knowledge, understanding and propensity to take holidays	No baseline	-	-	Culture Transformation
	Increase in domestic holiday travel across all markets <ul style="list-style-type: none"> <li>- No. of first-time holiday travellers</li> <li>- Levels of, and penetration into, black market for domestic leisure tourism</li> <li>- Holiday travel penetration by LSM</li> <li>- Increase affordable and accessible tourism experiences for the domestic market</li> <li>- Total no. of holiday trips</li> </ul>	No baseline No baseline No baseline No baseline 4 Mn	- - - - 6 Mn	- - - - 9 Mn	Culture Transformation Culture Transformation Culture Transformation N/A Culture Transformation
Entrench a tourism culture among South Africans	Build a culture of embracing tourism among South Africans <ul style="list-style-type: none"> <li>- Increase in levels of awareness of tourism and its value within South Africa</li> <li>- Increase in levels of community participation in the sector</li> <li>- Enhance social tourism programmes</li> </ul>	No baseline No baseline No baseline	- - -	- - -	Culture Transformation N/A N/A
Address the issue of geographic, seasonal and rural spread	Increase geographic spread <ul style="list-style-type: none"> <li>- Total domestic bed nights</li> </ul>	128.4 Mn	20%	34%	Growth
	Increase the level of tourism to rural areas <ul style="list-style-type: none"> <li>- Domestic arrivals and bed nights in rural areas</li> </ul>	No baseline	-	-	Culture Transformation
	Decrease seasonality <ul style="list-style-type: none"> <li>- Increase in share of bed nights spent in the low-season months</li> </ul>	5.3%	7.1%	10%	Growth

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Note: <sup>1</sup>The classification of the consumer-level job required is a subjective evaluation

Source: Monitor/ Grail Analysis; National Tourism Sector Strategy, February 2011, Department of Tourism, Republic of South Africa

# Strategic Outcome Orientated Goal 3

Tourism trended revenue contribution to the economy



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# **Tourism's Trended Revenue Contribution towards the Economy**

## Strategic Outcome Oriented Goal 3:

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*To grow tourism's trended revenue to the economy by more than 1.5%*

Through the execution of its Strategic Plan and Annual Performance Plan, the following total foreign direct spend (TFDS) based on total arrivals should be achieved.

*SAT EXCO reformulated the target for spend per arrival. Net Inbound Tourism Spend (NITS) is considered not an ideal target to accurately demonstrate SAT's contribution to GDP. We have now reverted to TFDS, but aligning it to our trended revenue target of contributing 1,5% to the economy. We will no longer track and report on average spend, but TFDS in total only.*

Trended revenue will always differ based on what measure we use. We can have this measure reflected in four different ways

	NITS Foreign Arrivals			NITS Tourist Arrival			TFDS Foreign Arrivals			TFDS Tourist Arrival		
	2010	2011	% Growth	2010	2011	% Growth	2010	2011	% Growth	2010	2011	% Growth
<b>Total</b>	<b>170.2</b>	<b>170.8</b>	<b>0.4%</b>	<b>137.0</b>	<b>133.6</b>	<b>-2.5%</b>	<b>120.7</b>	<b>121.8</b>	<b>0.9%</b>	<b>93.7</b>	<b>91.3</b>	<b>-2.6%</b>
Foreign	149.1	150.5	0.9%	115.9	113.3	-2.2%	99.6	101.5	1.9%	72.6	71	-2.2%
Domestic	21.1	20.3	-3.8%	21.1	20.3	-3.8%	21.1	20.3	-3.8%	21.1	20.3	-3.8%

- Depending on which indicator we use it paints a different picture on the state of tourism in SA.
- TFDS (excluding capex) has been the primary tourism expenditure indicator used by SA Tourism. This indicator is a conservative measure of the revenue generated by foreign tourism / arrivals as it does not include any prepaid expenditure repatriated to SA.
- We also use this measure to set our targets historically. By the time NTSS targets were formulated in 2009 they were based on Arrivals and TFDS figures.
- At a Board meeting in 2011, it was agreed that we should assume that a **standard 14%** commission on prepaid expenditure applies and that the balance (86%) is repatriated to SA. It was agreed that a new indicator be developed which better reflects the revenue generated through foreign tourism
- Net Inbound Tourism Spend (NITS) was developed which = Total Foreign Direct Spending - Capital Expenditures + Prepaid Expenses - Commission to Foreign Travel Agents
- **We have now reverted to back to TFDS based on foreign arrivals, but setting our target based on total revenue (i.e. volume and average spend). This method is regarded a better way of illustrating tourism's revenue contribution to the economy.**



## Strategic Outcome Oriented Goal 3:

*To market South Africa in such a way that the revenue contribution to the economy exceeds 1.5% growth per year.*

Spend	ZAR TFDS Actual	ZAR TFDS Target Billion	Increase over prior year	ZAR NITS Target (as previously reported)
2010/2011 Actual	R 8 900	R 99.6		
2011/2012 Actual	R 8 600	R 101.5	1.9%	
2012/2013 Planned	Not Available	R 109.3	2.5%	12 536
2013/2014 Planned	Not Available	R 115.4	5.6%	13 162
2014/2015 Planned	Not Available	R 119.6	3.6%	13 820
2015/16 Planned	Not Available	R124,0	3.6%	14 511
2016/17 Planned	Not Available	R128.4	3.5%	N/A

# Tourism Revenue by Country

<b>SEE NOTE BELOW</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2013 Target (growth over 2011)</b>		<b>2014 Projection (growth over 2013)</b>		<b>2015 Projection (growth over 2013)</b>		<b>2016 Projection (growth over 2013)</b>	
<b>TOTAL</b>	<b>99 603 091 952</b>	<b>101 454 798 160</b>	<b>115 445 307 333</b>	<b>13.8%</b>	<b>119 683 540 056</b>	<b>3.7%</b>	<b>124 031 247 636</b>	<b>7.4%</b>	<b>128 434 914 433</b>	<b>11.3%</b>
<b>Africa - Air</b>	<b>3 613 069 528</b>	<b>4 103 190 973</b>	<b>5 356 724 362</b>	<b>30.6%</b>	<b>5 922 583 483</b>	<b>10.6%</b>	<b>6 234 838 060</b>	<b>16.4%</b>	<b>6 561 741 659</b>	<b>22.5%</b>
Angola	723 047 171	873 887 551	1 105 329 018	26.5%	1 236 672 502	11.9%	1 315 238 306	19.0%	1 396 138 615	26.3%
DRC	410 128 090	367 076 038	554 233 549	51.0%	613 038 560	10.6%	644 554 873	16.3%	676 389 438	22.0%
Kenya	279 049 955	299 626 034	382 402 221	27.6%	421 759 058	10.3%	443 015 714	15.9%	465 343 706	21.7%
Nigeria	580 537 333	850 566 946	1 029 251 885	21.0%	1 080 714 479	5.0%	1 113 135 914	8.2%	1 146 529 991	11.4%
Ghana	174 502 082	177 705 268	217 897 351	22.6%	222 277 087	2.0%	226 744 857	4.1%	231 302 429	6.2%
Tanzania	116 975 951	200 857 092	424 059 930	111.1%	486 142 516	14.6%	529 793 252	24.9%	576 293 206	35.9%
Uganda	131 696 170	117 820 994	185 000 460	57.0%	206 983 602	11.9%	220 551 377	19.2%	235 008 520	27.0%
<b>Africa - Land</b>	<b>71 334 852 136</b>	<b>74 785 780 115</b>	<b>76 106 575 063</b>	<b>1.8%</b>	<b>82 404 012 235</b>	<b>8.3%</b>	<b>84 958 188 603</b>	<b>11.6%</b>	<b>87 468 521 561</b>	<b>14.9%</b>
Botswana	2 258 403 942	1 869 001 210	2 084 887 430	11.6%	2 211 023 120	6.1%	2 233 133 351	7.1%	2 255 464 684	8.2%
Mozambique	15 387 864 701	13 508 752 271	15 770 769 332	16.7%	17 276 822 605	9.5%	17 990 528 147	14.1%	18 697 375 998	18.6%
<b>Americas</b>	<b>5 762 813 269</b>	<b>4 759 995 466</b>	<b>6 446 596 843</b>	<b>35.4%</b>	<b>6 972 181 636</b>	<b>8.2%</b>	<b>7 181 652 521</b>	<b>11.4%</b>	<b>7 397 530 758</b>	<b>14.8%</b>
Brazil	668 265 117	621 683 271	1 011 492 091	62.7%	1 096 286 485	8.4%	1 131 608 836	11.9%	1 168 069 272	15.5%
Canada	688 603 380	684 701 551	779 255 072	13.8%	842 928 004	8.2%	868 384 430	11.4%	894 609 640	14.8%
USA	3 523 506 407	3 137 867 574	3 835 041 093	22.2%	4 148 402 300	8.2%	4 273 684 050	11.4%	4 402 749 308	14.8%
Argentina	284 137 676	152 547 696	237 099 608	55.4%	251 444 134	6.1%	253 958 576	7.1%	256 498 162	8.2%
<b>Asia &amp; Australasia</b>	<b>5 234 377 309</b>	<b>5 136 330 902</b>	<b>6 252 283 378</b>	<b>21.7%</b>	<b>7 037 746 899</b>	<b>12.6%</b>	<b>7 511 611 562</b>	<b>20.1%</b>	<b>8 039 019 351</b>	<b>28.6%</b>
Australia	1 323 077 470	1 248 455 379	1 356 586 707	8.7%	1 453 046 805	7.1%	1 482 253 046	9.3%	1 512 046 332	11.5%
China	1 331 692 765	983 450 485	1 576 426 626	60.3%	1 855 698 485	17.7%	2 080 423 572	32.0%	2 332 362 866	48.0%
India	921 645 886	928 410 894	1 408 887 207	51.8%	1 673 419 869	18.8%	1 892 972 555	34.4%	2 141 330 555	52.0%
Japan	330 554 853	250 887 113	281 274 580	12.1%	301 274 609	7.1%	307 330 229	9.3%	313 507 566	11.5%
Korea	253 061 687	234 578 002	251 883 177	7.4%	269 793 331	7.1%	275 216 177	9.3%	280 748 022	11.5%
<b>Europe</b>	<b>13 657 979 711</b>	<b>12 669 500 703</b>	<b>16 064 886 632</b>	<b>26.8%</b>	<b>17 137 543 493</b>	<b>6.7%</b>	<b>17 391 384 106</b>	<b>8.3%</b>	<b>17 656 980 206</b>	<b>9.9%</b>
Belgium	361 637 258	338 474 702	454 193 216	34.2%	491 305 344	8.2%	506 142 765	11.4%	521 428 277	14.8%
France	1 021 791 858	904 845 038	1 268 371 857	40.2%	1 345 108 354	6.1%	1 358 559 438	7.1%	1 372 145 032	8.2%
Germany	2 133 710 216	2 469 008 614	3 173 724 153	28.5%	3 436 414 887	8.3%	3 536 723 838	11.4%	3 632 816 625	14.5%
Italy	580 356 243	517 983 997	588 270 033	13.6%	626 979 672	6.6%	636 415 716	8.2%	645 993 773	9.8%
Netherlands	1 244 458 145	1 108 294 182	1 606 877 271	45.0%	1 704 093 346	6.1%	1 721 134 280	7.1%	1 738 345 623	8.2%
Sweden	423 365 606	374 520 854	465 369 631	24.3%	493 524 493	6.1%	498 459 738	7.1%	503 444 336	8.2%
UK	4 966 029 812	4 251 141 934	5 070 414 866	19.3%	5 377 174 965	6.1%	5 430 946 715	7.1%	5 485 256 182	8.2%
Austria	221 404 526	227 876 707	266 309 705	16.9%	288 069 871	8.2%	296 769 581	11.4%	305 732 022	14.8%
Denmark	244 513 825	204 619 865	246 276 482	20.4%	261 176 209	6.1%	263 787 971	7.1%	266 425 851	8.2%
Portugal	274 751 475	289 829 626	544 730 828	87.9%	584 041 601	7.2%	577 115 642	5.9%	582 886 798	7.0%
Spain	374 667 186	324 911 165	415 119 977	27.8%	440 234 736	6.1%	449 528 091	8.3%	459 017 629	10.6%
Switzerland	476 274 797	453 151 464	516 706 396	14.0%	558 926 475	8.2%	575 806 055	11.4%	593 195 398	14.8%

**NOTE:**

1. Targets revenue have only been set for markets where SAT invests in
2. Regional revenue targets is not a sum of the countries listed as they include all countries and not just those where SAT invests in
3. Total revenue target is not a sum of the countries listed as they include all countries and not just those where SAT invests in
4. Targets are set assuming 2011 inflation rate

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# **Strategic Outcome Orientated Goal 4**

**Marketing South Africa to become the preferred Tourism Brand  
by 2015**

## Strategic Outcome Oriented Goal 4:

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**To market South Africa in such a way that South Africa becomes a most preferred Tourism Brand by 2015 obtaining at least a 80% brand awareness**

To become one of the most preferred Tourism Brand by 2015 as measured by the following criteria:

1. Brand Knowledge
2. Brand Journey
3. Conversion of positive brand awareness to sales

### Increase Average Brand Awareness

- Achieved 78% in Feb 2012
- 2013 Target 79% use Nov 2012
- 2014 Target 79% use average for Feb and Nov 2013
- 2015 Target 80% use average for Feb and Nov 2014

# Conversion - Global Target (2008-11)

*The closure ratio improved for both core markets and investment markets in 2011, as compared to 2010*

Market	2008		2009		2010		2011	
	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank
Netherlands	1 in 3.44	7	1 in 3.27	6	1 in 2.96	6	1 in 2.86	6
Germany	1 in 2.17	8	1 in 2.21	7	1 in 2.14	8	1 in 1.87	6
UK	1 in 2.16	7	1 in 2.40	7	1 in 2.24	8	1 in 1.94	3
France	1 in 3.44	8	1 in 3.90	8	1 in 3.57	8	1 in 3.18	8
USA	1 in 3.87	9	1 in 3.57	10	1 in 3.14	10	1 in 2.28	5
India	1 in 1.91	8	1 in 2.05	8	1 in 1.68	6	1 in 1.58	6
Australia	1 in 3.40	8	1 in 2.79	8	1 in 2.82	7	1 in 2.81	7
Kenya	1 in 1.24	1	1 in 1.06	4	1 in 1.30	2	1 in 1.61	3
Nigeria	1 in 2.09	5	1 in 1.39	8	1 in 1.77	6	1 in 1.74	↓

**Core Markets<sup>1</sup>**  
 1 in 2.75 (2008)  
 1 in 2.85 (2009)  
 1 in 2.56 (2010)  
 1 in 2.10 (2011)

**Global Closure Ratio**  
 1 in 2.75 (2008)  
 1 in 2.88 (2009)  
 1 in 2.65 (2010)  
 1 in 2.19 (2011)

█ Significantly below Average for 13 destinations (at 95% confidence level)

Market	2008		2009		2010		2011	
	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank
Italy	1 in 3.44	7	1 in 4.09	8	1 in 3.98	6	1 in 3.87	8
China	1 in 2.10	8	1 in 2.44	6	1 in 3.45	7	1 in 3.07	↓
Japan	1 in 6.36	9	1 in 4.77	9	1 in 4.44	8	1 in 4.43	9
Brazil	NA	NA	NA	NA	1 in 3.21	7	1 in 2.94	↓

**Investment Markets<sup>2</sup>**  
 1 in 2.78 (2008)  
 1 in 3.12 (2009)  
 1 in 3.76 (2010)  
 1 in 3.26 (2011)

█ Significantly below Average for 13 destinations (at 95% confidence level)

# SA Brand Journey - Global Target (2008-11)

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*Compared to 2010, South Africa's global scores on Positivity and Short-term Consideration have improved slightly in 2011*

## Global Targets

	Awareness	Positivity	Sought Info in the Past	Likely to Visit in Next 18 Months
<b>2008 Actual</b>	76%	37%	22%	11%
<b>2009 Actual</b>	79%	38%	21%	11%
<b>2010 Actual</b>	79%	36%	22%	10%
<b>2011 Actual</b>	<b>79%</b>	<b>37%</b>	<b>22%</b>	<b>12%</b>

Note: In 2011, Core Markets weighted according to relative investment spend - Australia = 7.3%, France = 13%, Germany = 15.2%, India = 7.8%, Netherlands = 9.5%, UK = 20.2% , USA = 21.4%, Kenya = 2.7%, Nigeria = 2.7%; Investment Markets weighted according to - China = 38.9%, Italy = 25.8%, Japan = 11.6% and Brazil = 23.7%; Global Average, weighted according to investment spend - Core = 90%, Investment = 10%; All rating questions have been analyzed using top 2 box approach

Source: SAT BrandTracker Feb-08 through Nov-11 (merged for each year)

# Key Brand Journey Metrics (2011)

	Total Awareness	Positivity	Likely to Visit in Future	Likely to Seek Info	Sought Info	Plan to Visit in Next 18 Months	Visited Recently
Australia	82%	27%	23%	10%	13%	6%	5%
France	77%	36%	25%	18%	17%	9%	5%
Germany	69%	35%	26%	14%	17%	8%	9%
India	64%	40%	34%	39%	34%	24%	21%
Netherlands	87%	42%	32%	18%	27%	10%	9%
UK	91%	35%	35%	15%	20%	12%	10%
USA	82%	40%	30%	21%	21%	12%	9%
Kenya	72%	44%	51%	38%	45%	31%	28%
Nigeria	77%	47%	60%	41%	34%	32%	19%
China	78%	29%	36%	29%	33%	18%	11%
Japan	26%	8%	13%	3%	5%	1%	1%
Italy	73%	44%	33%	26%	29%	13%	7%
Brazil	63%	31%	23%	21%	20%	8%	7%
Core Markets <sup>1</sup>	80%	37%	31%	20%	21%	12%	10%
Investment Markets	67%	31%	30%	23%	26%	12%	8%

Note: Core Markets weighted according to relative investment spend – Australia = 7.3%, France = 13%, Germany = 15.2%, India = 7.8%, Netherlands = 9.5%, UK = 20.2%, USA = 21.4%, Kenya = 2.7%, Nigeria = 2.7%; Investment Markets weighted according to – China = 38.9%, Italy = 25.8%, Japan = 11.6% and Brazil = 23.7%,  
 All rating questions have been analyzed using top 2 box approach  
 Source: SAT  
 BrandTracker Feb-11 and Nov-11

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# **Strategic Outcome Orientated Goal 5**

**Quality Experience by both the International and Domestic Tourist**



## Strategic Outcome Oriented Goal 4:

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### *Quality experience by the international and domestic tourist*

To deliver on expected quality experience by the international and domestic tourist by having at least 6 789 graded tourism products in South Africa by 31 March 2014

	Actual	Target
2011/12	4,886	6,051
2012/13		6,172
2013/14		6,789
2014/15		7,468
2015/16		8,215
2016/17		9,036

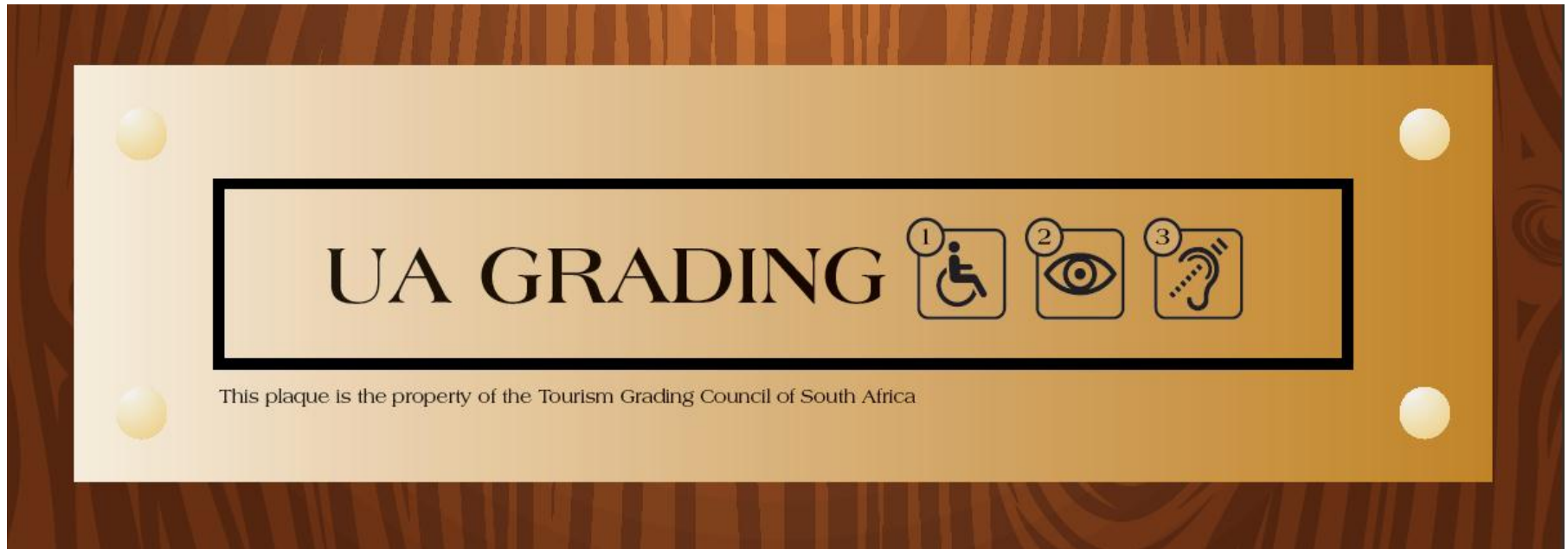
# Plaque has been re-designed with New Security Feature

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# Accommodating visitors with disabilities

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- **South Africa needs to know how friendly our tourism accommodation facilities are to people living with disabilities or impairments!**

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# **Strategic Outcome Orientated Goal 6**

**To grow South Africa's business events industry**

# National Convention Bureau Focus

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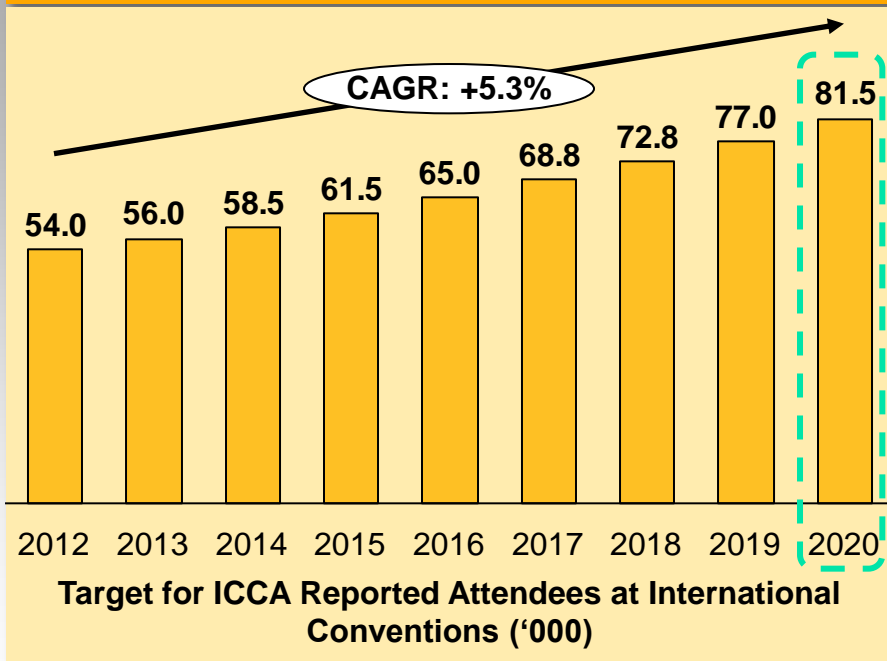
*To increase the size of SA business events industry*

# Strategic Direction

## Growth of Industry

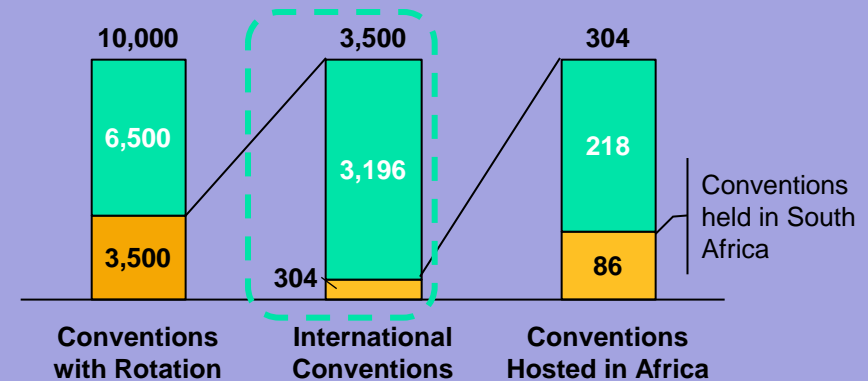
### Goal 1 – Key Performance Indicators

#### Pace Goals for Delegates at International Conventions<sup>1</sup>



#### Current Scenario and Growth Potential

- Opportunity to host conventions:



- ICCA estimated average attendees at conventions: 571
- Global Growth in Business Travellers for 2009-10: ~6.8%

Note: <sup>1</sup>Baseline for international delegates hosted by South Africa is 50,285 delegates in 2010 (based on ICCA statistics) and an estimated 52,000 in 2011; Estimated Baseline for total attendees in 2011 is 140,000 delegates. This is based on the global trend of ~35-40% of the business travellers being pure MICE delegates and departure survey indicating South Africa had a total of ~357,000 business travellers in 2010. We expect the total number of MICE delegates to grow at the same rate as the convention delegates. Actual baseline to be established for total attendees at international meetings, conventions and incentives plus total international attendees at exhibitions.

# NCB focus - 2013/14

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1. Create a 'marketing platform' for the local business events industry players through trade shows, familiarisation trips and sales activities
2. Support regional and/or City Convention Bureaus (CBs) in bidding for key events
3. Financial support provided through programmes such as subvention
4. Develop an aggressive and coordinated business development approach to generate leads and maximum delegate attendance at business events
5. Identify and qualify leads that will feed into a national sales database (CRM)
6. Facilitate Capacity Building programmes to create a more professional environment for the Business Events Industry
7. Conduct industry research to build a baseline for the business events industry size

# NCB Programmes 2013/14

<b>Brand alignment</b>	<b>Site inspections (clients &amp; media)</b>
<b>Website refinement</b>	<b>Global marketing platforms</b>
<b>CRM (nationally integrated)</b>	<b>Research</b>
<b>Lead development</b>	<b>PR / Media / Advertising</b>
<b>Bidding policy</b>	<b>Ameliorating national bid-offs</b>
<b>Bid support</b>	<b>Association development</b>
<b>Delegate boosting</b>	<b>Capacity building for industry</b>
<b>On-site events services</b>	<b>Technical support</b>
<b>Subvention policy</b>	
<b>Stakeholder engagement / road shows</b>	





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# **Strategic Outcome Orientated Goal 7**

## **Administration**

**Improvement of Internal Policies, Procedures and Business Processes to execute on the approved Strategic Plan**

## Strategic Outcome Oriented Goal 7:

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### *To continuously improve internal policies, procedures, communication and business processes*

For South African Tourism to achieve the continuous improvement of its internal policies and procedures and strict compliance with governments' regulatory prescripts:

- To spend 100% of our annual budget included in the Annual Resource Plan for 2013/14
- 100% compliance with regulatory prescripts
  - Treasury Framework
  - Strategic Plan formulation
  - Performance & Risk Management
  - Work Skills Plan
- Maintain a vacancy rate of no more than 5% during 2013/14
- Maintain an average score of 3.8 for SAT when participating in the Deloitte's Best Company to Work For Survey
- Develop an action Plan for the implementation of the new Tourism Act

# SA Tourism's Consolidated Key Performance Areas for the 2013/14 financial year

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## **SA Tourism 2013/14 Key Performance Areas for Performance Information Management purposes**

# SA Tourism Revenue budget: 2013/14 vs 2012/13 (R'000)

<u>Final approved 2013/14 revenue budgets - 27 June 2012</u>					
				Final 2013/14 budget in	Final 2012/13 budget in
				Rand	Rand
<u>Revenue</u>				incl o/heads	incl o/heads
Government grant				825,977,000	753,303,000
TOMSA levies				87,472,000	78,000,000
Indaba & Meetings Africa				42,462,497	40,058,959
Grading fees				15,736,148	14,050,132
Sundry revenue				16,668,356	26,667,909
				988,316,000	912,080,000

# Breakdown of expense budgets per objective: 2012/13 - 2015/16 (R'mil)

					ENE Estimate Adjustment Approved			Medium-Term Estimate			
in Rand		Audited	Audited	Audited	Budget	Budget	Budget				
1	Major Objectives	765.3	853.4	857.8	840.2	-19.6	820.5	912.1	988.3	1,036.4	1,130.0
2	International Portfolios	413.8	405.3	429.9	386.0	-19.6	366.4	439.7	495.5	514.0	565.4
3	Head Office Marketing	215.8	293.7	249.2	267.0		267.0	275.2	279.5	296.3	325.9
4	Tourism Grading Council of South Africa	33.4	35.4	37.5	39.8		39.8	42.2	44.7	47.4	49.3
5	Head Office Finance	31.5	33.5	35.4	37.5		37.5	39.8	42.2	44.7	47.4
6	Head Office Support	70.8	85.4	105.7	109.8		109.8	115.3	126.4	134.0	142.0
<b>Total</b>		<b>765.3</b>	<b>853.4</b>	<b>857.8</b>	<b>840.2</b>	<b>-19.6</b>	<b>820.5</b>	<b>912.1</b>	<b>988.3</b>	<b>1,036.4</b>	<b>1,130.0</b>

Breakdown of International Portfolios Objective		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15	
in Rand		Audited	Audited	Audited	Budget	Budget	Budget	Medium-Term Estimate			
1.1	Project Growth Africa							50.0	84.0	84.0	84.0
1.2	Other International Portfolios	765.3	853.4	857.8	840.2	-19.6	820.5	389.7	411.5	430.0	481.4
<b>Total</b>		<b>413.8</b>	<b>405.3</b>	<b>429.9</b>	<b>386.0</b>	<b>-19.6</b>	<b>366.4</b>	<b>439.7</b>	<b>495.5</b>	<b>514.0</b>	<b>565.4</b>

# SA Tourism country office budgets for 2013/14 vs 2012/13

Country office	Currency	Overhead mainline items			Marketing expense mainline items			Grand 2013/14 total	Grand 2012/13 total
		HR	Net premises	Other operating expenses	Marketing expenses excl CRM and Hosting	CRM	Hosting	Overheads and marketing budget in diff. currencies	Overheads and marketing budget in diff. currencies
1. USA	USD	988,803	593,609	134,484	4,156,531	247,343	777,154	6,897,924	6,756,047
2. UK	GBP	578,302	59,907	143,246	1,836,662	457,093	419,250	3,494,460	3,425,941
3. Germany	EUR	629,970	193,763	132,253	2,697,458	224,901	515,710	4,394,055	4,307,897
4. France	EUR	724,605	244,388	65,324	1,528,728	136,515	363,447	3,063,007	3,002,948
5. Netherlands	EUR	403,413	83,601	106,896	1,349,421	127,300	277,389	2,348,020	2,301,981
6. Italy	EUR	378,640	84,547	79,452	541,821	70,179	105,517	1,260,156	1,235,447
7. India	INR	6,278,532	8,064,178	9,831,087	74,231,579	2,343,421	16,215,882	116,964,679	114,558,941
8. China	CNY	1,521,145	591,483	490,207	12,248,869	454,752	2,335,538	17,641,994	14,634,665
9. Japan	JPY	17,949,246	16,915,811	10,017,780	49,418,160	2,056,266	9,083,722	105,440,985	103,882,744
10. Australia	AUD	601,523	132,563	72,257	1,990,215	120,986	360,683	3,278,227	3,188,937
11. Angola	USD	170,000	55,000	55,000	517,845	39,245	172,840	1,009,930	1,009,930
12. Nigeria	USD	104,102	156,151		1,329,907	-	-	1,590,160	1,588,159
13. Brazil (Am)	USD	203,522	45,227		2,008,676			2,257,425	1,206,359
14. Kenya	USD	104,102	103,029	-	1,038,228	-	-	1,245,359	1,062,625

## 1. Information Systems

To support the execution of the overall organisational strategic objectives, the IT strategy for 2013/14 will focus on:

- Oracle R12 enhancements
- QiT changes to accommodate membership model
- Improved business continuity and redundancy
- Improved workflow and project management capabilities
- Fully functional CRM system for National Convention Bureau
- Improved procedures to monitor logical and physical access

# Areas of co-operation with stakeholders

Stakeholder	Details of co-operation
1. TBCSA & TOMSA	<p>1.1 SAT is co-funded from voluntary tourism levies collected and SAT therefore offers some specific benefits for establishments that collect TOMSA levies</p> <p>1.2 SAT and TBCSA, which represents all tourism business associations, jointly addresses the industry once a year in all provinces and have quarterly bilateral meetings.</p>
2. Provincial Tourism Authorities	<p>CEO's Forum (now called the Marketing Working Group) meets quarterly where SAT CEO meets Provincial CEO's to share Business Plans &amp; Budgets and discuss specific marketing issues including joint marketing projects. SANParks, SANBI and TEP also attend. The CMO convenes the quarterly marketing forum with provincial marketing managers.</p>
3. Fedhasa, ASATA and SATSA	Sharing of information
<p>4. NDT, other public entities &amp; programmes:</p> <p>4.1 SANPARKS</p> <p>4.2 SANBI</p> <p>4.3 TEP</p>	<p>Provide exhibition space at exhibitions at beneficial rates</p> <p>Share information</p> <p>Joint funding of ETEYA project</p>
5. BrandSA, GCIS and the Department of Trade & Industry	Sharing of information and joint marketing activities
6. Miptech and Minmec	Sharing of information on obtaining inputs on high-level marketing issues. SAT's CEO attends both meetings.
7. Departments of International Relations & Cooperation and South African embassies overseas	Provide marketing collateral



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Thank You