

SECTION 1. INTRODUCTION

1.1 BACKGROUND

The United States Agency for International Development Mission to South Africa (“USAID/ SA”) through its agent Creative Associates International (“CREA SA”) sought the services of a consortium or company to conduct a Situational Analysis and Develop a Tourism Master Plan for the Buffalo City Municipality (“BCM”). This project falls under the auspices of USAID/ SA’s Local Government Support Programme that is a bilateral agreement with the national Department of Provincial and Local Government in South Africa. The programme has the following objectives:

- Support for developing policies and for supporting national programmes that enable effective democratic governance.
- Direct assistance to municipalities to implement democratic and effective local governance
- Horizontal sharing of lessons learned through the programme and from other interventions across a wider group of municipalities, and feedback to policy makers

After a first phase of the programme, further areas for support were refined through a consultative process and the following areas were defined:

- Strengthening participatory democracy through systems to improve community access and council outreach.
- Building civic responsibility and empowering citizens and community groups to engage with local development initiatives.
- Developing integrated approaches to complex social and economic problems.
- Improving the capability (skills, systems and structures) of municipalities to establish systems of participatory governance and meet social and economic challenges.

BCM successfully submitted a proposal under the second phase of the programme for the development of a Tourism Master Plan, and the CREA Rfp No. GMTA - 047 and requested proposals to address the development of the Tourism Master Plan on behalf of BCM under the programme.

Grant Thornton (previously Grant Thornton Kessel Feinstein) along with its consortium partners were commissioned to develop the Tourism Master Plan on behalf of the BCM. The consortium partners are:

Grant Thornton	Tourism specialists
East London Museum	Historical, Heritage, Culture
Ithemba Environmental	Environmental & Community Facilitation
Setplan	GIS & Town Planning
Online Innovations	Database and IT
Stewart Scott	Transport & Infrastructure Engineers
TMT Communications	Market Strategy and Planning
Empower ED	Training and Skills Development
Prodigy Business Services	Market Research

1.2 METHODOLOGY

Our methodology for the Buffalo City Tourism Master Plan consists of 15 phases spread over 18 months. This report relates to **Phase 14: Tourism Marketing Plan** only and our methodology for this phase is detailed below. We also attach the project plan in **Annexure A** to further place this phase in context.

In short the phases of the Buffalo City Tourism Master Plan are:

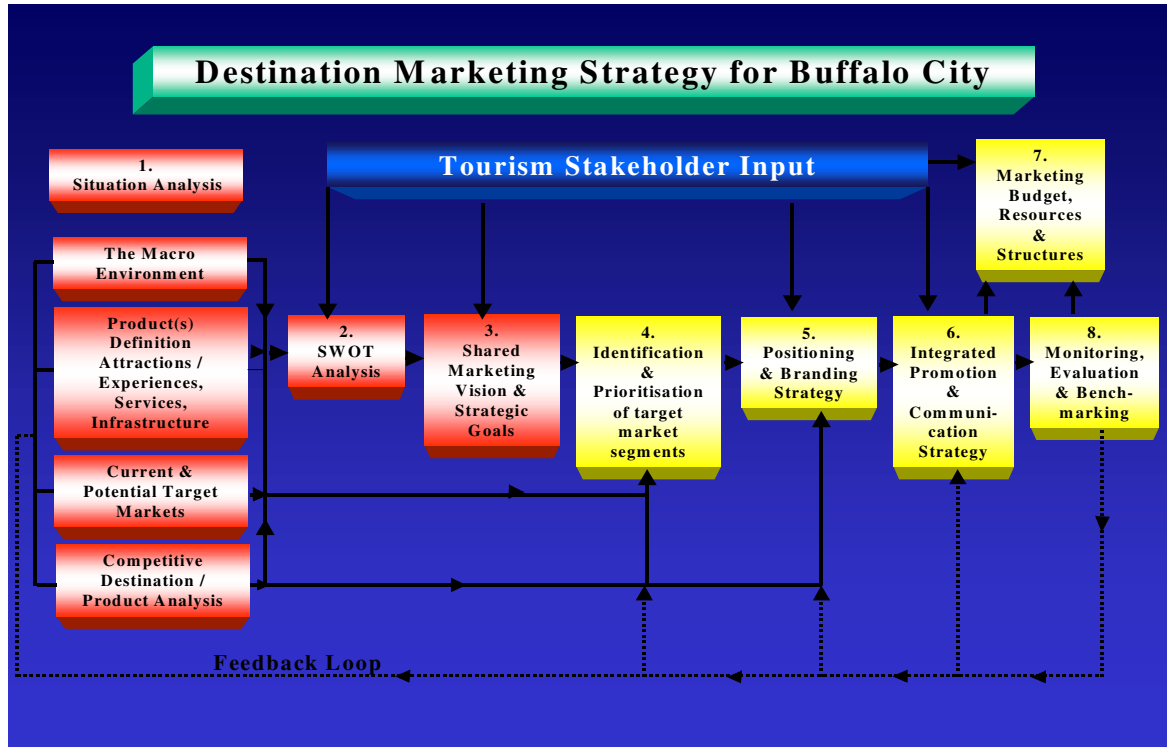
- Phase 1: Project Set-Up
- Phase 2: Analysis of Existing Characteristics
The output of the phase is a report on the review and analysis of the environmental, historical, socio-cultural, economic, resource, land use, and other relevant characteristics of the study area.
- Phase 3: Tourist Attractions, Activities, Facilities and Services
The output of these two phases is:
 - *A n inventory and evaluation of the existing and potential tourist attractions and activities*
 - *A n inventory and evaluation of the existing and planned accommodation and other tourist facilities and services.*
- Phase 4: Transportation Access & Infrastructure
The output of this phase is a study of the characteristics and an evaluation of transportation access to and within the region, and of other infrastructure for present and future tourism development.

- Phase 5: Tourism Markets
The output of this phase is an analysis existing and potential markets that Buffalo City can penetrate.
- Phase 6: Carrying Capacity
The output of this phase will be a identify constraints on general tourist carrying capacity of the area and its major tourism destinations.
- Phase 7: Tourism Development plan
The output of this phase will be a Tourism Development Plan, including recommendations on major tourist attractions and activity areas, tourism development regions, tourist facilities and services, and related infrastructure to serve the tourist markets.
- Phase 8: Environment Management Proposals
The output of this phase will be an environmental impact evaluation and environmental management proposals.
- Phase 9: Socio Cultural Management Proposals
The output of this phase will be a socio-cultural impact evaluation and socio-cultural management proposals.
- Phase 10: Skills Development Programme
The output of this phase will be a comprehensive labour study and skills development programme for tourism and to support the Tourism Development Plan.
- Phase 11: Tourism Institutional Arrangements
The output of this phase will be the recommended public and private organisational structures for tourism.
- Phase 12: Enterprise Development and Support Programme
The output of this phase will be a programme and booklets/ material to assist the development of SMME's and other Tourism Enterprises.
- Phase 13: Tourism Database
The output of this phase will be a tourism database for continuous operation.
- Phase 14: Tourism Marketing Plan
The output of this phase will be a Tourism Marketing Plan (including a Communications Plan and Stakeholder Management Plan) and an interactive website.
- Phase 15: Tourism Development Action Plan
The output of this phase will be a ten year tourism development action plan

Phase 14: Tourism Marketing Plan

The process we followed to develop a tourism destination marketing strategy and plan is depicted below. Steps 1 - 4 have been completed as part of the situation

analysis and particularly assessment of markets. Steps 5 – 8 has been carried out under this phase.



We have developed the overall brand and positioning for the Buffalo City area and we have then developed marketing strategies for identified brand clusters, and within these for each target segment. These strategies includes the following components:

- Brand & image building strategy
- Positioning strategy
- Pricing strategies
- Commercialisation and distribution strategy
- Communication strategy
- Establishing joint promotion and cooperative promotion opportunities

We have developed a detailed marketing plan that incorporates the following components:

- Detailed plans on how to structure the product which include plans for product benefits, packaging and distribution and pricing policy;
- Defining the sales distribution channels for each market segment which includes attention to the base information system, selling to generalist and

specialised tour operators, selling to and through travel agencies and retailers, direct sales programs, new technologies of sales and distribution (e-commerce), etc;

- From the basis of the branding, positioning and pricing strategy, we have identified appropriate messages for target markets and methods to communicate the messages to those markets. This communication strategy by target segment which includes defining activities to address image building, positioning, etc and indicate which range of tools, -advertising, publicity, press, PR, presentation, trade fairs, workshops, etc should be used. This also includes recommendations on sales activities, and event and programme requirements to attract, and re-attract (repeat visitation).
- In addition the marketing plan includes a web site design and development as well as indicates a structure to manage the site and ensure it remains current on an ongoing basis. The site is interactive, and linked to the database. Through the process of developing the marketing strategy we have determined exactly what web site functionality is required, and what type of information should be provided, in what format and structure.
- The plan also includes the identification of the required marketing collateral – maps, brochures, listings, videos and AV presentations, etc that are required to support the marketing plan. Recommendations on the design of marketing collateral have been provided but no design or production has been undertaken by the Grant Thornton Consortium. Marketing collateral have been design and produced by the current advertising agency of Buffalo City Tourism.
- We have also developed a stakeholder management plan, indicating and including:
 - how relevant stakeholders should be drawn into and kept involved in the marketing process
 - how the tourism institutions identified should communicate with their stakeholders eg investors, community leaders, politicians etc
 - a cooperative marketing programme including recommendations on how to collaborate with the private sector product owners, where and when, and in what type of programmes;

In addition to the marketing plan, we have also:

- Developed a detailed costing of the marketing action plan including the cost of the actual marketing activities as well as the cost of resources and infrastructure. This has been included in a detailed marketing budget;
- Recommended the resources required and the structure required (including involvement of the public and private sectors and partnerships structures) to

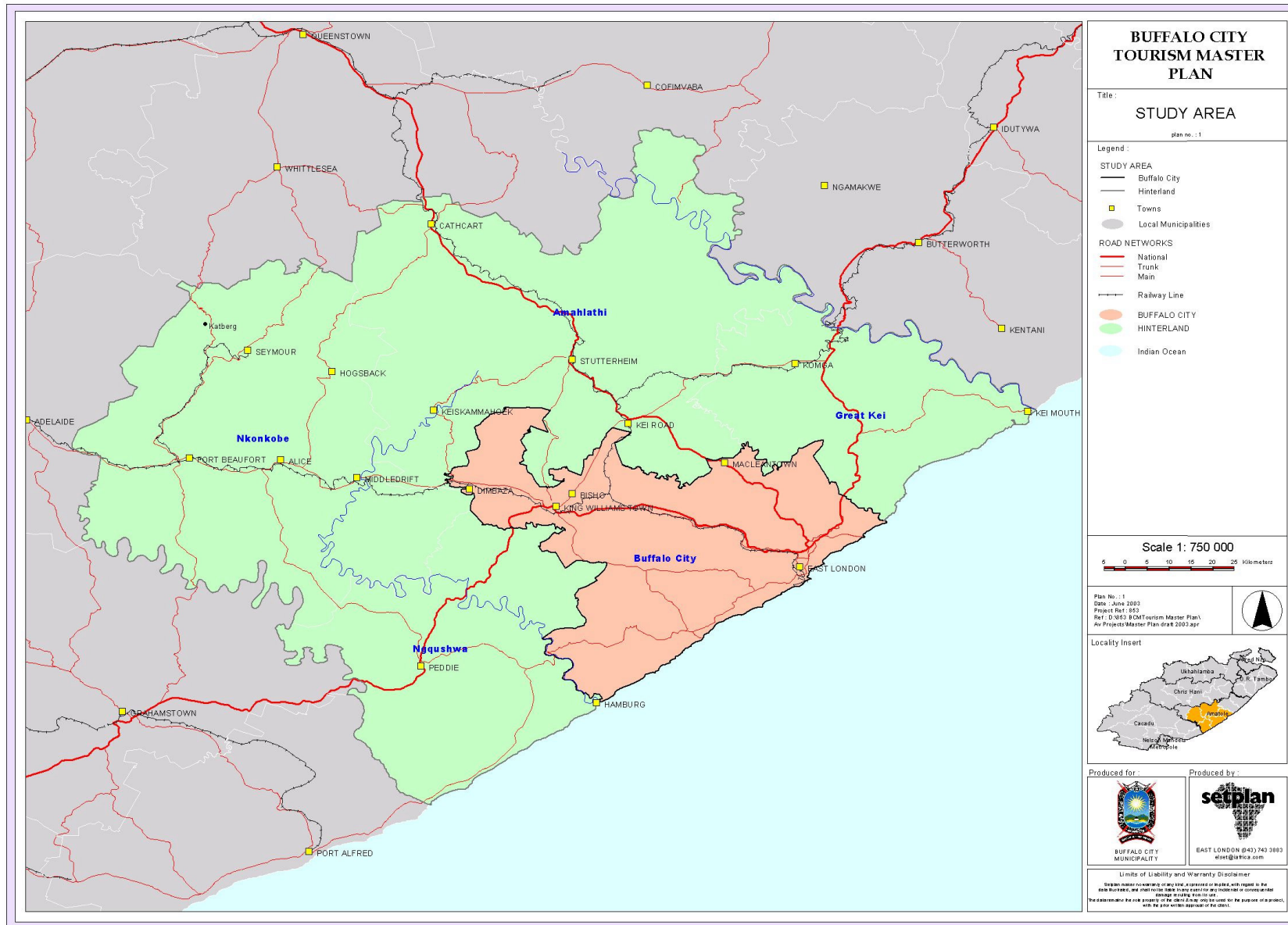
successfully implement the detailed marketing action plan. The recommendations also includes:

- A capacity and expertise needs assessment, which comprise a specification of the capacity and expertise required to implement the strategy and plan, an assessment of the current human resources and a training and capacity building plan;
- A detailed costing of human resources as well as the cost of the proposed training and capacity building plan which has been incorporated into the overall detailed marketing costing/ marketing budget.
- Provide recommendations on the roles and responsibilities to be undertaken by both private and public sector in respect of the proposed marketing plan and its sub-activities as well as the type and level of linkages required between public and private sector. These recommendations also includes proposals on how activities and programmes within the marketing plan should/ could be financed and the role of public and private sector in this financing;
- Specify specific Management and Monitoring techniques to ensure the proper implementation and to assess the success of the marketing strategy and the marketing action plan.

1.3 THE STUDY AREA

For the purpose of this study the study area is defined as the Buffalo City Municipal area. Cognisance will be taken of the hinterland extending inland to include the Hogsback/ Katberg area, west to the Keiskamma River and east to the Great Kei River.

This extended planning area necessitated a collaborative planning partnership with the Amatole District Municipality, Great Kei, Amahlati, Nkonkobe and Ngqushwa Local Municipalities and the Tourism Stakeholders of this region (including the national Department of Environmental Affairs and Tourism, the Eastern Cape Tourism Board, Local Tourism organisations, product owners, community representatives and entrepreneurs). The study area is shown in the map below.



1.4 TERMINOLOGY

BCM	-	Buffalo City Municipality
CREA SA	-	Creative Associates International
DEAT	-	Department of Environmental Affairs & Tourism
ECDC	-	Eastern Cape Development Corporation
FIT	-	Foreign Independent Traveller
NGO	-	Non-Governmental Organisation
SA Tourism	-	South African Tourism
Stats SA	-	Statistics South Africa
USAID	-	United States Agency for International Development Mission to South Africa
VFR	-	Visiting Friends and Relatives