

## SECTION 2. SOUTH AFRICAN AND EASTERN CAPE TOURISM

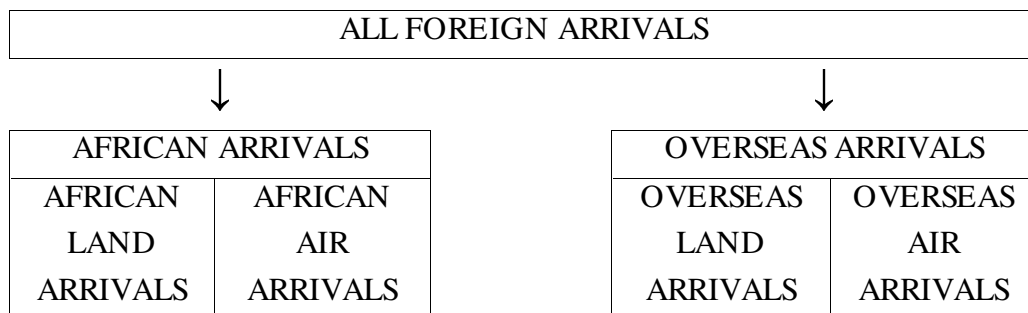
### 2.1 INTRODUCTION

In this section we analyse the tourism market in South Africa and the Eastern Cape to serve as background to our recommendations. Both the foreign and domestic tourism markets have been analysed.

### 2.2 FOREIGN TOURISM IN SOUTH AFRICA AND THE EASTERN CAPE

Statistics South Africa (“Stats SA”) publishes the foreign arrival data for South Africa. The data shows that foreign arrivals to South Africa increased by 11% in 2002 following two consecutive years of declines. South Africa received 6,42 million foreign arrivals in 2002.

Foreign visitors to South Africa include both overseas and African arrivals. The majority of African visitors are cross-border travellers including job-seekers, shoppers and traders from neighbouring countries. African cross border arrivals account for some two thirds of all foreign visitors.



In previous analyses of South Africa’s tourism markets we have excluded the African - land arrivals as very little was known about this market segment. However, two new surveys conducted by SA Tourism at land border posts during the first and third quarter of 2002 have provided us with new insight into this market.

We include an analysis of the African - land arrivals that visit the Eastern Cape in this report, but in some instances we have excluded this market segment in order to compare data from 2002 with data from previous years when data on African - land arrivals was not available.

### 2.2.1 Number of Foreign Tourists

Data published by Stats SA shows that South Africa received 1,8 million overseas arrivals (28% of all foreign arrivals) in 2002, up 24% on 2001. African - air arrivals came to 331 000 (5% of all foreign arrivals) and was up 18% on 2001, while African - land arrivals came to 4,3 million (66% of all foreign arrivals) and was up 8% on 2001.

The Survey of South Africa's Foreign Visitor Market, commissioned by South African Tourism ("SA Tourism") shows that 7% of all foreign arrivals to South Africa visited the Eastern Cape, equivalent to 465 000 foreign visitors. The majority of visitors to the Eastern Cape were overseas arrivals (73% or 338 000 visitors), followed by African – land arrivals (24% or 110 000 visitors) and African – air arrivals (4% or 17 000 visitors).

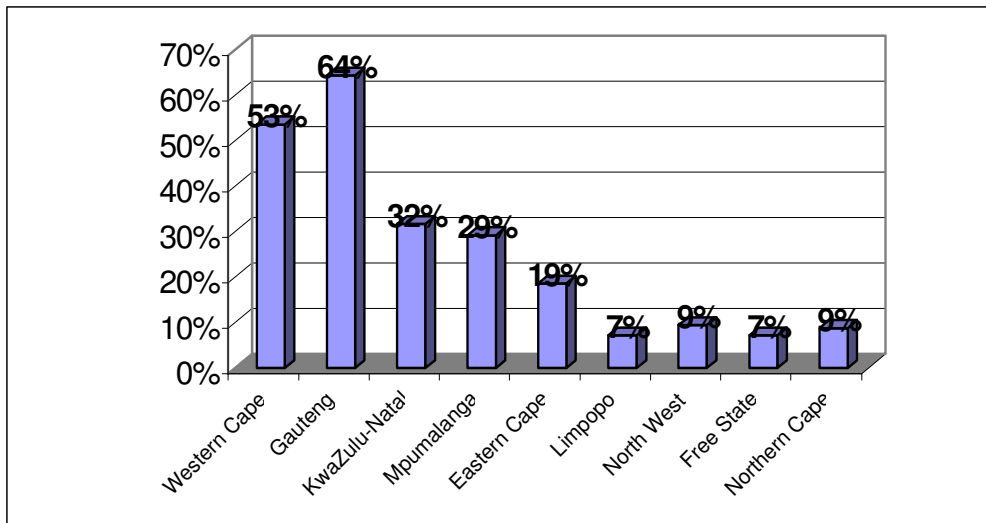
**Table 2.1: Foreign Visitors to the Eastern Cape in 2002**

	Number of Foreign Arrivals	Share of Total Foreign Arrivals to the Eastern Cape	Share of Total Foreign Arrivals to South Africa
Overseas	337 894	73%	19%
African – Air	16 987	4%	5%
African – Land	110 223	24%	3%
Total Visitors	465 104	100%	7%

*Source: SA Tourism, Statistics South Africa & Grant Thornton Kessel Feinstein Calculations*

The Eastern Cape's share of overseas tourists has been steadily declining from 16% in 1997 to 7% in 2001, but increased sharply to 19% in 2002. The actual number of overseas arrivals has grown at an average annual compound growth rate of 11% between 1997 and 2002.

**Graph 2.1: Provinces Visited by Foreign Visitors in 2002**



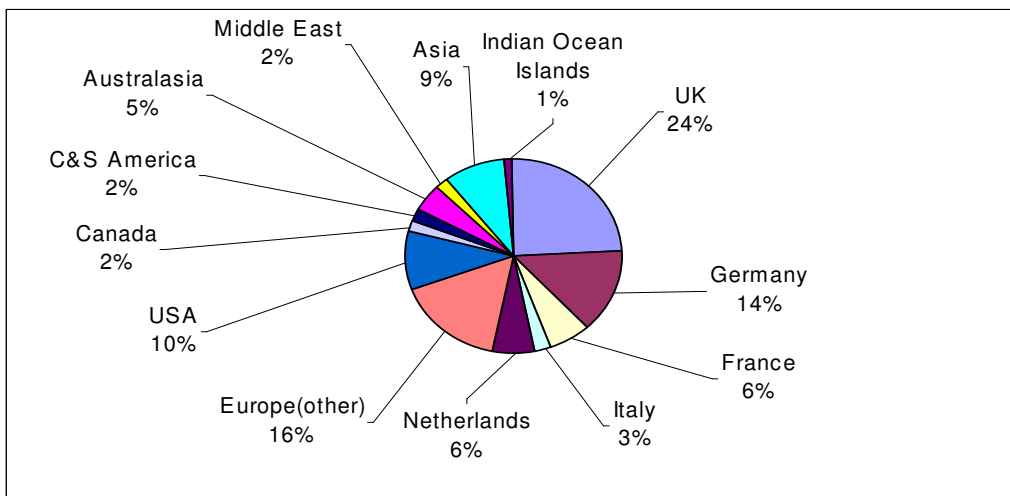
Source: SA Tourism

The Eastern Cape is the fifth most popular province with foreign tourists following Gauteng, the Western Cape, KwaZulu-Natal and Mpumalanga.

### 2.2.2 Origin of Foreign Tourists

Based on data from Statistics South Africa we know that the main generating countries of overseas arrivals to South Africa are the UK, Germany and the USA. South Africa's source markets saw strong growth in 2002 with arrivals from the UK being up 24% on 2001, Germany up 22% and the USA up 8%.

**Graph 2.2: Origin of Overseas Arrivals to South Africa in 2002**

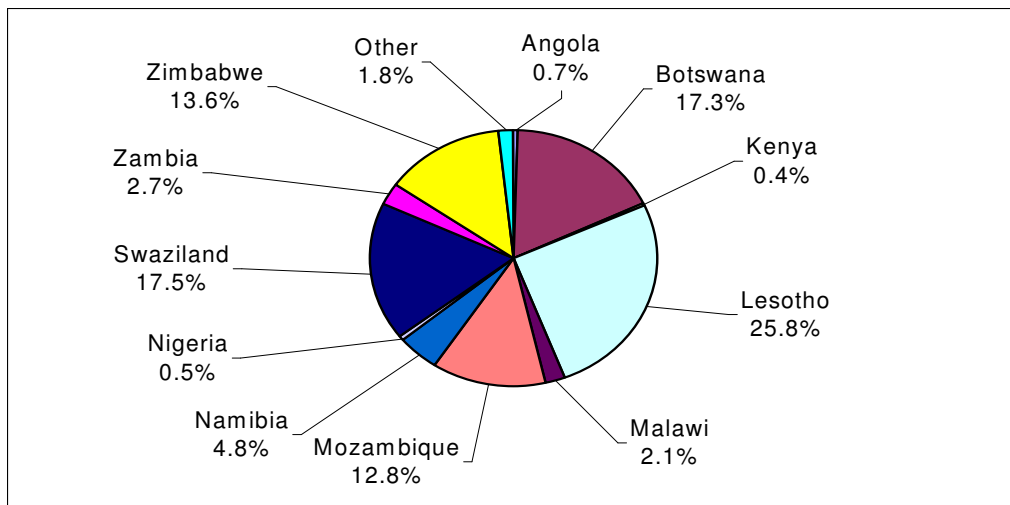


Source: Statistics South Africa

The majority of the 4,6 million African arrivals (land & air ) to South Africa in 2002 originated from our neighbouring countries with Lesotho being the main source market.

During 2002 arrivals from Lesotho declined by 10% while strong growth was experienced in arrivals from Zambia (up 27%), Zimbabwe (up 22%) and Botswana (up 21%)

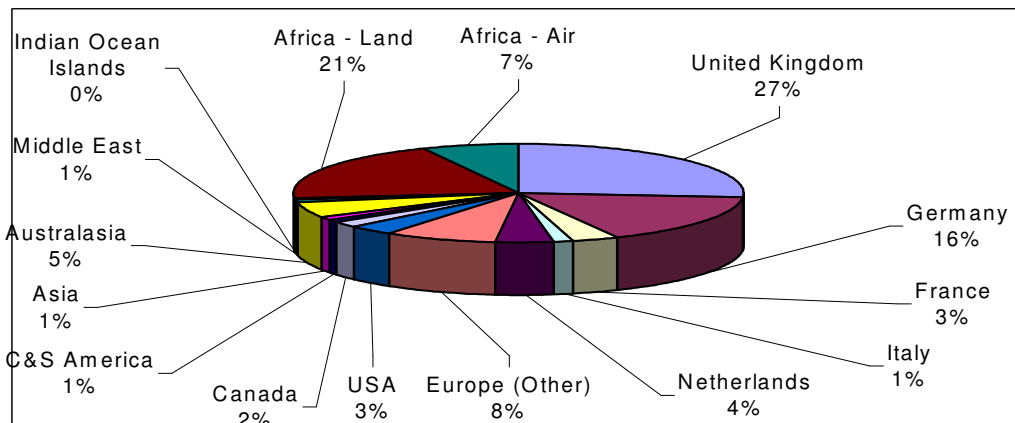
**Graph 2.3: Origin of African Arrivals to South Africa in 2002**



Source: Statistics South Africa

An analysis of the bednights spent in each province provides an indication of the source markets for the Eastern Cape. The UK and Germany dominate with 27% and 16% of all bednights sold in the province respectively.

**Graph 2.4: Origin of Bednights Sold in the Eastern Cape in 2002**

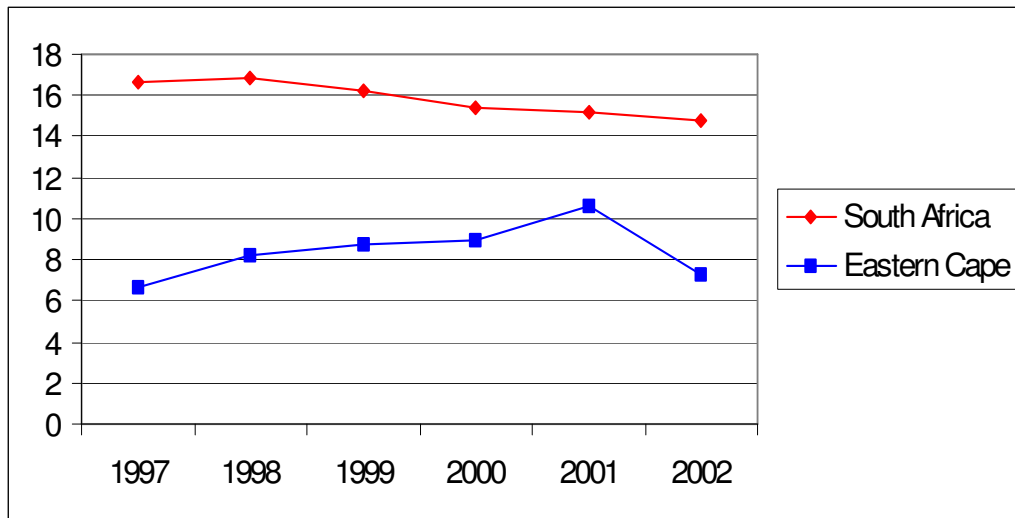


Source: SA Tourism and Grant Thornton Kessel Feinstein Calculation

### 2.2.3 Length of Stay of Foreign Tourists

On average, overseas arrivals to South Africa spent 14,8 days in the country in 2002 (see **Graph 2.5**). This average length of stay has declined slightly from 16,9 days in 1998.

**Graph 2.5: Average Length of Stay of Overseas Arrivals in South Africa and the Eastern Cape**



Source: SA Tourism

The overseas arrivals that visited the Eastern Cape spent, on average, 7,3 days in the province in 2002. This average length of stay has been steadily climbing in recent years but showed a decline in 2002.

African air arrivals spent an average of 13,6 days in the Eastern Cape, while African land arrivals spent 6,1 days. In South Africa as a whole African air arrivals spent an average of 11,1 days, while African land arrivals spent 7,2 days.

### 2.2.4 Purpose of Visit of Foreign Arrivals

The latest data for 2002 does not provide a breakdown of purpose of visit by province visited. **Table 2.2** shows the purpose of visit for arrivals to South Africa.

**Table 2.2: Purpose of Visit of Foreign Arrivals to South Africa in 2002**

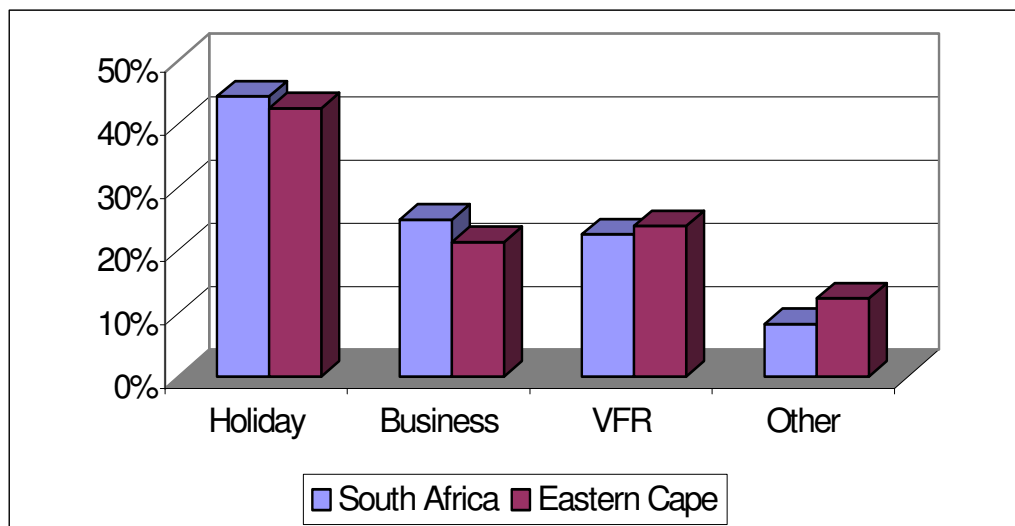
	Overseas	African Air	African Land
Holiday	56.8%	29.8%	30.2%
Shopping	1.9%	3.0%	22.2%
Trading	2.4%	4.8%	7.2%
Professional	19.4%	25.2%	5.9%
Conference	4.7%	12.1%	2.9%
VFR	7.2%	12.3%	19.2%
Other	7.6%	12.9%	12.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: SA Tourism

Overseas arrivals are predominately holiday visitors, with visiting for professional/ business purposes being the second biggest reason for visit. African air arrivals are holiday and professional visitors, while African land arrivals are visiting for holiday, shopping and friends and family.

The latest available breakdown of purpose of visit for overseas and African air arrivals shows that the main purpose of visit for overseas arrivals to the Eastern Cape was holiday in 2001 (see **Graph 2.6**). The Eastern Cape’s breakdown of purpose of visit is similar to that for South Africa as a whole.

**Graph 2.6: Purpose of Visit of Overseas and African Air Arrivals in 2001**



Source: SA Tourism

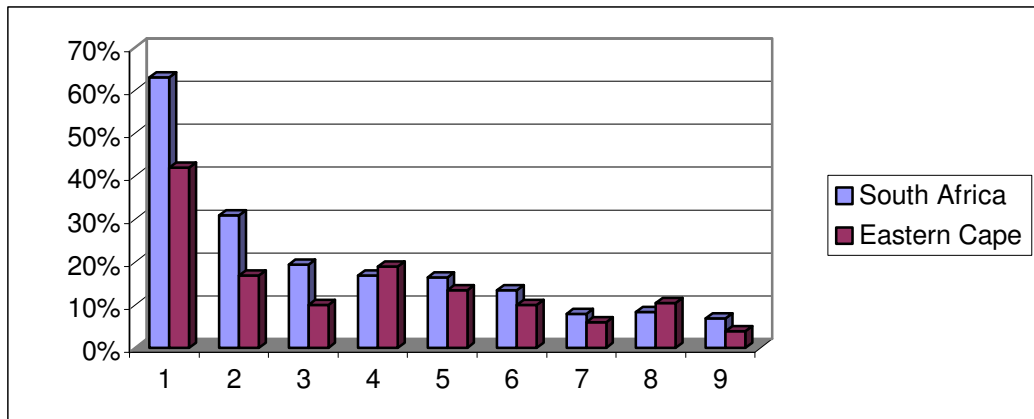


**2.2.5 Accommodation Used by Overseas and African Air Arrivals**

Hotels are the most popular type of accommodation used by foreign tourists to South Africa and the Eastern Cape (see **Graph 2.7**). 63% Of foreign tourists to South Africa and 42% of foreign tourists that visit the Eastern Cape use hotels for accommodation purposes.

In the Eastern Cape, bed & breakfast establishments, staying with friends and family and country/ guesthouses are also popular. Bed & Breakfast establishments and backpacker/ hostels are proportionally more popular in the Eastern Cape than in South Africa as a whole.

**Graph 2.7: Accommodation Used by Foreign Tourists in 2000**



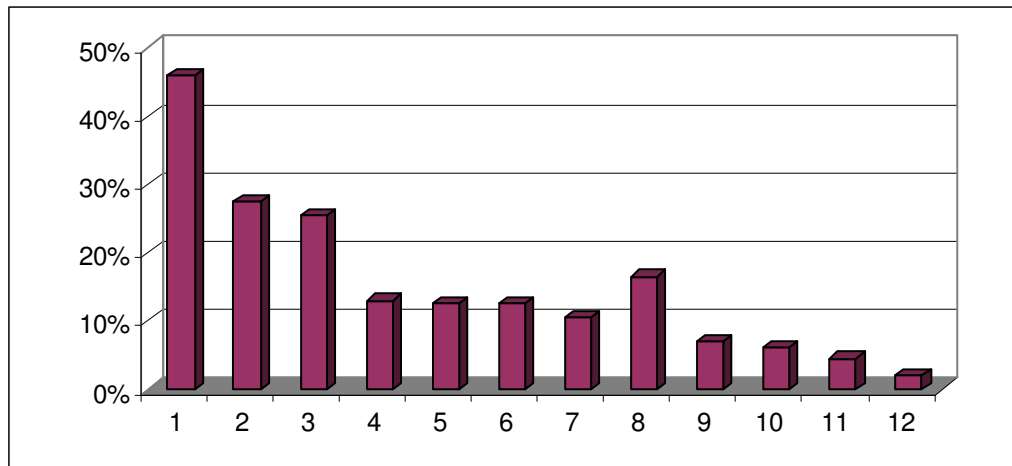
1. Hotels	6. Self-Catering
2. Friends and Family	7. Camping/ Caravanning
3. Game Lodges	8. Backpackers/ Hostels
4. Bed & Breakfast	9. Holiday Resorts
5. Country/ Guest Houses	

Source: SA Tourism

**2.2.6 Activities Experienced by Foreign Tourists**

Nature/ Wildlife activities, along with historical sites and museums and art galleries are the most popular activities for foreign tourists in South Africa (see **Graph 2.8**).

**Graph 2.8: Activities Experienced by Foreign Tourists in South Africa**



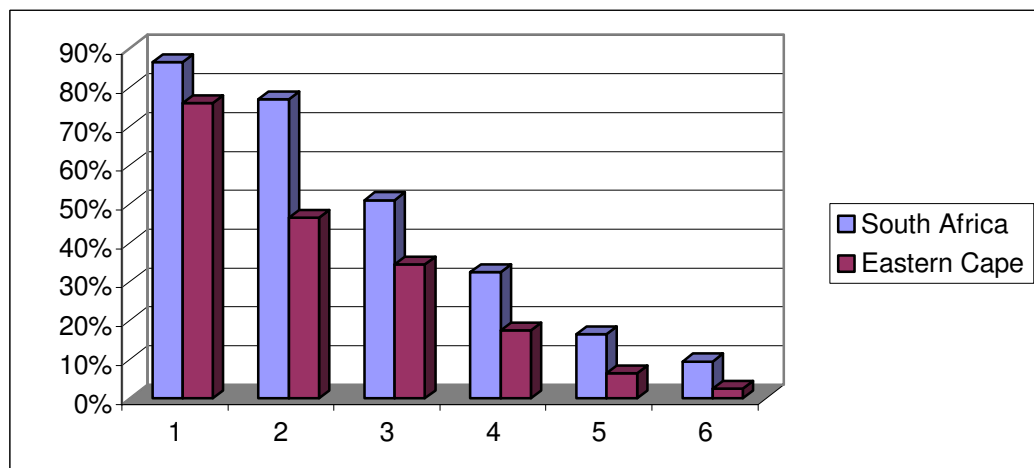
1. Nature/ Wildlife	7. Casino
2. Historical Site	8. Conference
3. Museum/ Art Gallery	9. Backpacking
4. Cultural Village	10. Sport Spectator
5. Adventure Activity	11. Sports Participant
6. Theatre/ Concert/ Live Show	12. Blue Train

Source: SA Tourism

### 2.2.7 Facilities Utilised by Foreign Tourists

Restaurants are the most popular facility utilised by foreign tourists in South Africa and the Eastern Cape (see **Graph 2.9**). The usage of bus tours (7%) and conference facilities (3%) was particularly low in the Eastern Cape.

**Graph 2.9: Facilities Utilised by Foreign Tourists**



1. Restaurants	4. Car Rentals
2. Shopping Facilities	5. Bus Tours
3. Banking Services	6. Conference Facilities

Source: SA Tourism

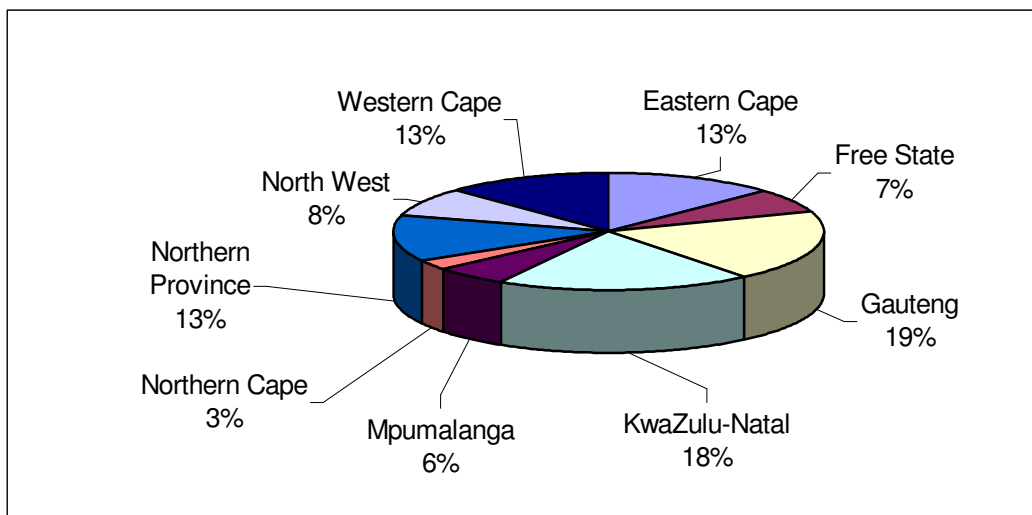
## 2.3 DOMESTIC TOURISM IN SOUTH AFRICA AND THE EASTERN CAPE

Following a long absence of a national domestic tourism survey, SA Tourism commissioned such a survey to cover the period May 2000 to April 2001. The study is the latest available information regarding the domestic tourism market in South Africa.

### 2.3.1 Number of Domestic Tourists

The Domestic Study found that 33,5 million domestic overnight trips were taken during May 2000 to April 2001. Of these the Eastern Cape received 12,8% or 4,3 million trips, which places it on par with the Western Cape and the Northern Province after the most popular destinations of Gauteng and KwaZulu-Natal (see **Graph 2.10**).

**Graph 2.10: Destinations for Domestic Overnight Trips**



Source: SA Tourism

Unfortunately growth in domestic tourism or the length of stay of domestic tourists could not be calculated from this study.

### 2.3.2 Origin of Domestic Tourists to the Eastern Cape

**Table 2.3.** below shows the origin of domestic tourists to the Eastern Cape by purpose of visit.

**Table 2.3: Origin of Domestic Tourists to the Eastern Cape**

<b>Tourism Region</b>	<b>All %</b>	<b>Leisure %</b>	<b>VFR %</b>	<b>Business %</b>	<b>Health %</b>	<b>Religious %</b>
Eastern Cape	54,0	39,1	59,5	20,7	76,6	69,8
Free State	3,0	4,5	2,5	2,1	0	2,5
Gauteng	12,5	16,2	10,8	33,9	9,0	5,9
KwaZulu-Natal	10,4	7,8	10,7	24,3	9,8	3,4
Mpumalanga	1,4	1,2	1,2	0	0	1,7
Northern Cape	0,5	0,8	0,4	0	0	0,8
Limpopo	1,1	0,9	0,7	0	4,6	0,8
North West	1,4	2,5	1,0	2,2	0	1,4
Western Cape	15,8	27,1	13,2	16,8	0	13,6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Source: SA Tourism*

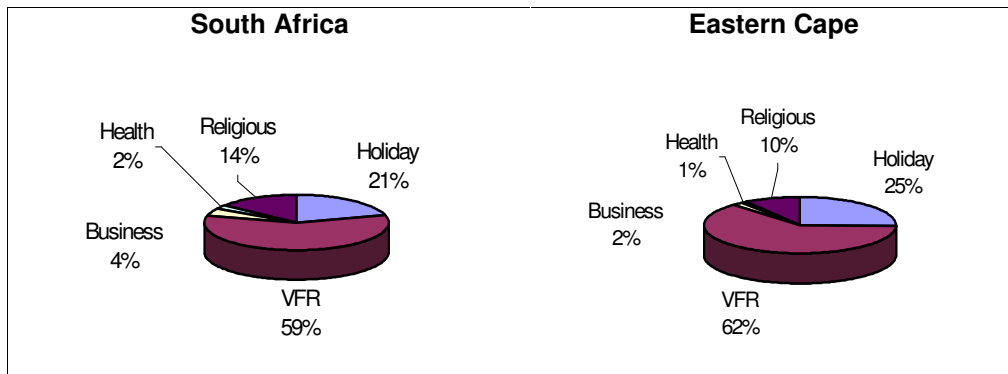
About half (54%) of the domestic overnight trips in the Eastern Cape originated from within the province and these tourists constituted the largest share of the VFR, Health and Religious travellers.

Other domestic tourists that visited the Eastern Cape came from the Western Cape (15,8%), Gauteng (12,5%) and KwaZulu-Natal (10,4%). Visitors from the Western Cape tend to be leisure travellers, while Gauteng visitors are leisure and business travellers. Visitors from KwaZulu-Natal are business travellers and visiting friends and family.

### 2.3.3 Purpose of Domestic Trips

The main purpose of domestic overnight trips taken in South Africa was to visit friends and family (59%), followed by holiday trips (21%).

**Graph 2.11: Purpose of Domestic Trips**



Source: SA Tourism

The Eastern Cape is more of a VFR destination than South Africa as a whole, with 62% of all trips to the province being to visit friends and family. **Table 2.4** shows the purpose of visit per region within the Eastern Cape.

**Table 2.4: Types of Trips to Eastern Cape Destinations**

Tourism Region	Trips %	Leisure %	VFR %	Business %	Health %	Religious %
Wild Coast/ Transkei/ Ciskei	43,0	20,4	69,0	1,2	1,6	7,8
Friendly N6	22,0	23,6	63,6	2,6	0	10,1
Amatola	6,9	17,1	64,6	0,5	0	17,9
<b>Sunshine Coast &amp; Country</b>	<b>22,4</b>	<b>37,5</b>	<b>51,1</b>	<b>2,7</b>	<b>0,4</b>	<b>8,3</b>
Karoo Heartland	4,8	22,4	58,2	1,4	0,8	17,2
Tsitsikamma	0,7	85,8	14,2	0	0	0
<b>Total</b>	<b>100</b>	<b>25,3</b>	<b>62,5</b>	<b>1,8</b>	<b>0,8</b>	<b>9,5</b>

Source: SA Tourism

Buffalo City has been grouped with Port Elizabeth and the coast between the two cities in the Sunshine Coast & Country region. The area is the second most popular destination for domestic trips in the province after the Wild Coast/ Transkei/ Ciskei and also has proportionally more leisure trips than most of the other regions.

### 2.3.4 Activity Preferences of Domestic Tourists

**Table 2.5** shows the activities that domestic visitors to the Eastern Cape rated as being something they were very interested in.

**Table 2.5: Activities Preferred by Domestic Visitors to the Eastern Cape**

Activity	Very Interested Rating
Going to the Beach	67,0%
Shopping	57,5%
Soccer	56,4%
Visiting Nature Reserves	49,5%
Religious Gatherings	45,4%
Visiting African Cultural Villages	42,5%
Visiting Museums, Art Galleries, etc	41,8%
Visiting African Townships	41,6%
Meetings, Conferencing Events	36,7%
Dancing	35,9%

*Source: SA Tourism*

Domestic tourists to the Eastern Cape are very interested in going to the beach, shopping and soccer. They are less interested in other sports such as golf, rugby and cricket or adventure activities such as canoeing, 4X4 drives or hiking and mountain climbing (see **Table 2.6**).

**Table 2.6: Activities Not Preferred by Domestic Visitors to the Eastern Cape**

Activity	Not Interested Rating
Golf	73,2%
Adventure activities, e.g. canoeing	68,0%
4X4 Drives	59,5%
Cycling	58,5%
Active Night Life	57,3%
Rugby	56,3%
Hiking & Mountain Climbing	55,0%
Running	54,4%
Bird Watching	53,5%
Cricket	49,8%

*Source: SA Tourism*

These results regarding activity preferences should be seen against the profile of the domestic tourist market segments that visit the Eastern Cape. Overall, 79% of the domestic tourists to the Eastern Cape are black and 56% are female, while 62% of the visitors are visiting friends and family. The general profile of domestic tourists to the Eastern Cape is thus black females that visit friends and family.

The preference of these visitors would differ from for example the preferences of a white family visiting for holiday purposes. The white family may be more interested in adventure activities, but as the survey sample for the Eastern Cape contains more black females visiting friends and family, the response to interest in adventure activities are lower.

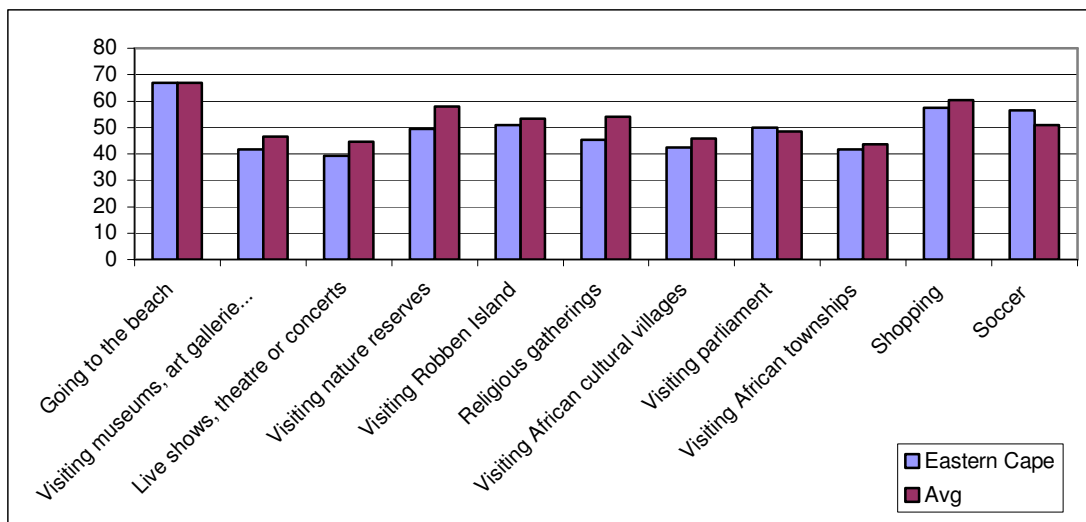
When analysing activity preferences for a specific area such as Buffalo City, primary research should be used and activity preference should be seen against the market segment that is being analysed.

### Comparison with Other Destinations

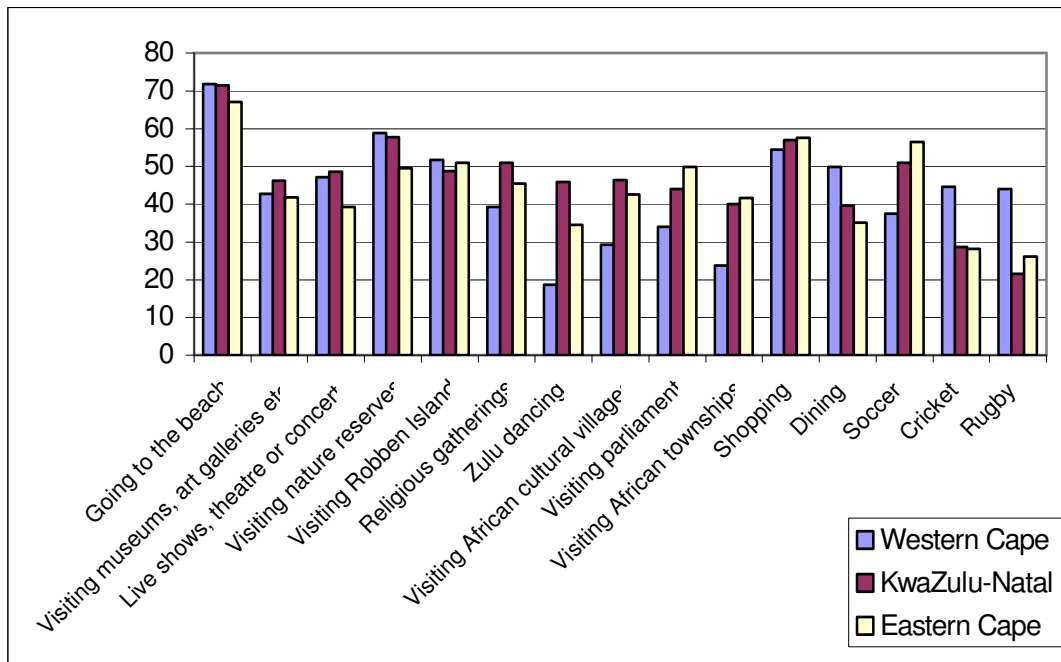
We have compared the activities that domestic tourists to the Eastern Cape are very interested in and not interested in with domestic tourists in South Africa and the other coastal provinces (see **Graph 2.12** to **2.15**). The comparison was done to see if the domestic tourist market to the Eastern Cape is distinct from that to other destinations. No trend could be identified due to a lack of more detailed data.

SA Tourism has not published the tables providing the breakdown of domestic tourists by tourism region, activities interested in and by LSM group. We would recommend that the Client, as a government body, could request this information from SA Tourism in order to compare the Sunshine coast with other tourism regions in terms of activities preferred by various LSM groups visiting in those regions.

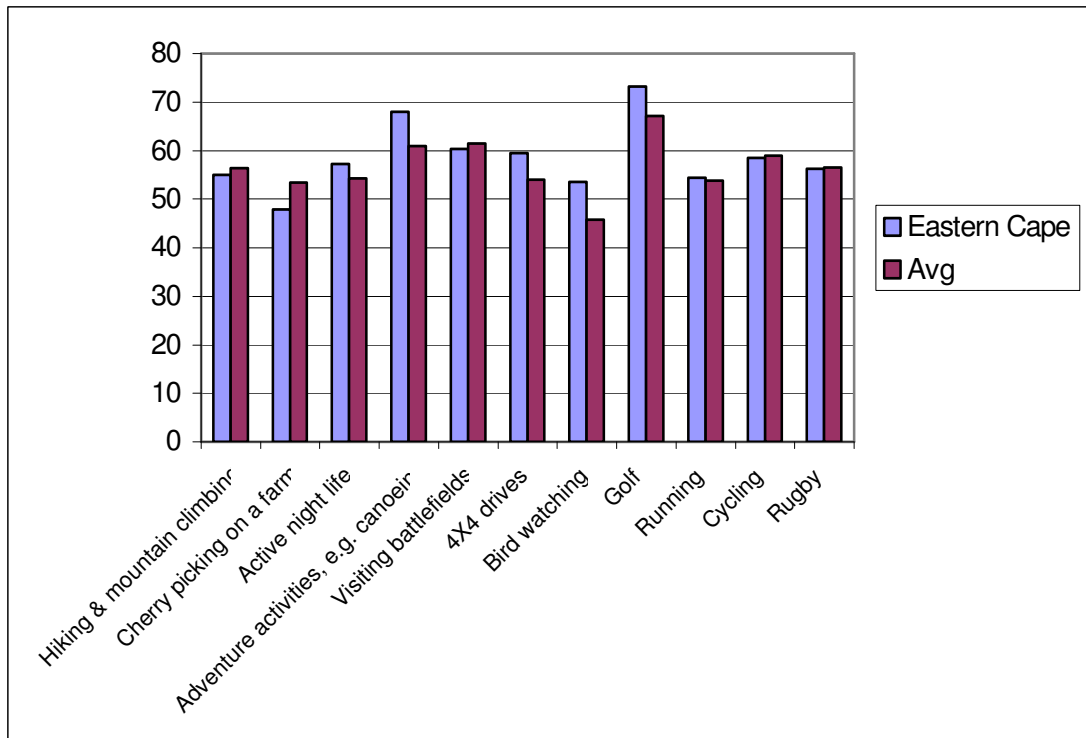
**Graph 2.12: Activities Very Interested in-South Africa and the Eastern Cape**



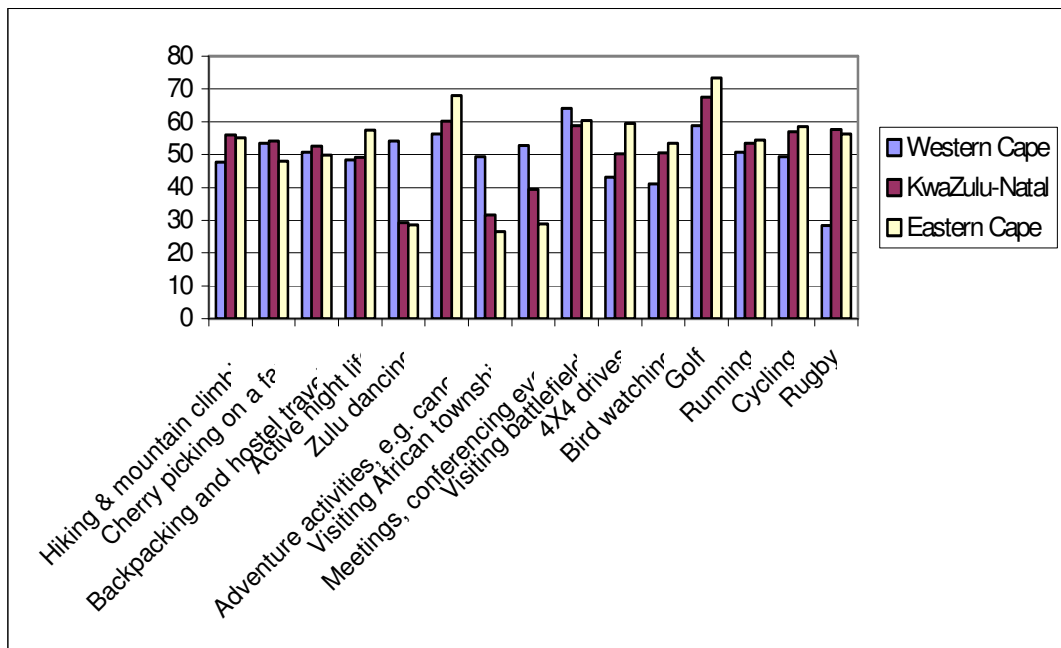
**Graph 2.13: Activities Very Interested in, in Coastal Provinces**



**Graph 2.14: Activities Not Interested in-South Africa and the Eastern Cape**



Graph 2.15: Activities Very Interested in, in Coastal Provinces



### 2.3.5 Perceptions of the Eastern Cape

Visitors to the Eastern Cape were asked an open-ended question about what attracted them to or put them off the Eastern Cape as a potential tourist destination and the results are shown in Table 2.7.

Table 2.7: Main attractions and put-offs in the Eastern Cape

Attractions	%	Put-offs	%
Beach and sea	10	Crime and violence	10
Scenery and beauty	7	Unemployment	5
Game reserves	3	Weather	4
Home	2	Roads	2
Mountains	2	Poverty	2
Nothing	7	Nothing	21

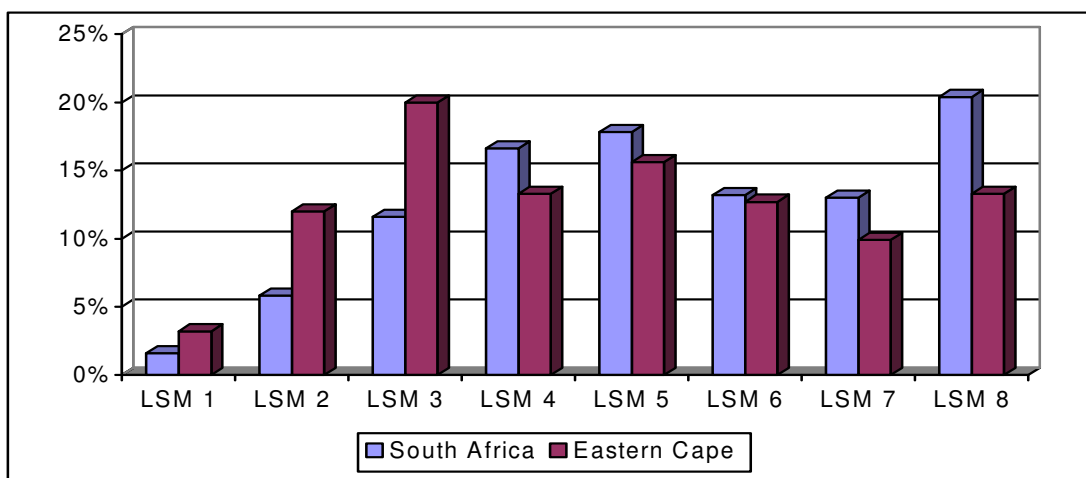
Source: SA Tourism

The major attractions were the beach, sea and scenery, while game reserves, the fact that it was the respondent's home province and the mountains were also mentioned. One in six (7%) said that nothing attracted them to the province. On the negative side, one in ten (10%) said that the crime situation put them off the province, while others mentioned unemployment, the weather, the roads or poverty in the Eastern Cape. One in five (21%) said that nothing put them off the province.

### 2.3.6 LSM Profile of Domestic Tourists

Domestic tourist in South Africa are fairly evenly split between middle income tourists (LSM 3 to 5 – 46%) and upper income tourists (LSM 6 to 8 – 47%). Domestic tourists to the Eastern Cape are mostly middle income tourists with 49% of these tourists falling within the LSM 3 to 5 income groups (see Graph 2.16).

**Graph 2.16: Domestic Tourists in South Africa and to the Eastern Cape**



Source: SA Tourism and Grant Thornton Kessel Feinstein Calculation

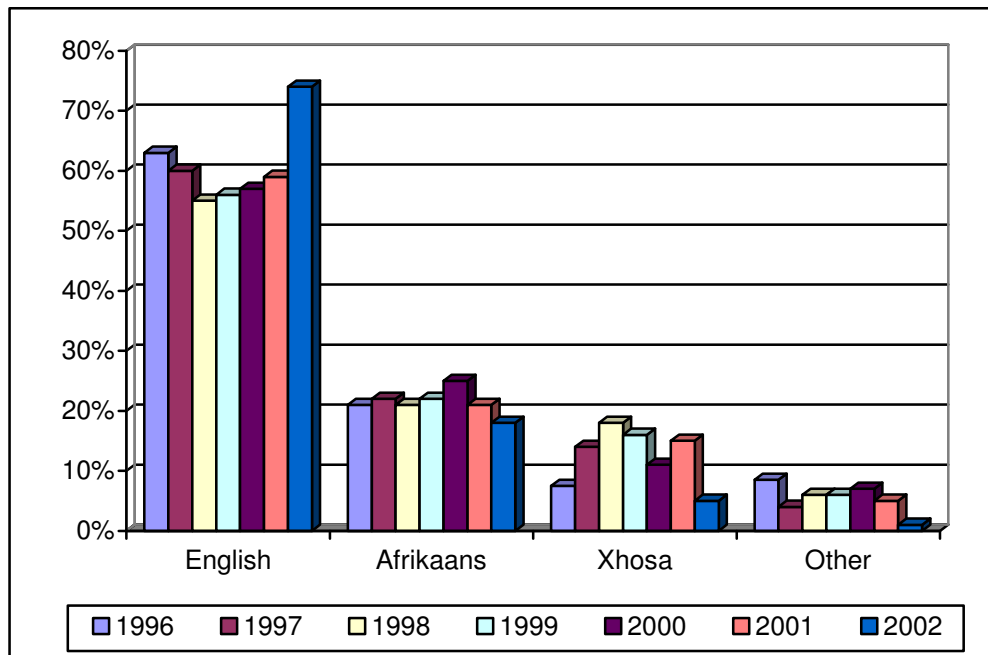
## 2.4 BUFFALO CITY VISITOR RESEARCH SURVEY

Since 1996, Buffalo City Tourism has conducted a survey of visitors to the city during the summer holidays. The survey sample is around 500 people and provides more specific details of the preferences of visitors to Buffalo City than the national data.

### 2.4.1 Language Preference

The language preference of the visitors to Buffalo City who have been interviewed are shown in **Graph 2.17**.

**Graph 2.17: Language Preference of Visitors to Buffalo City**

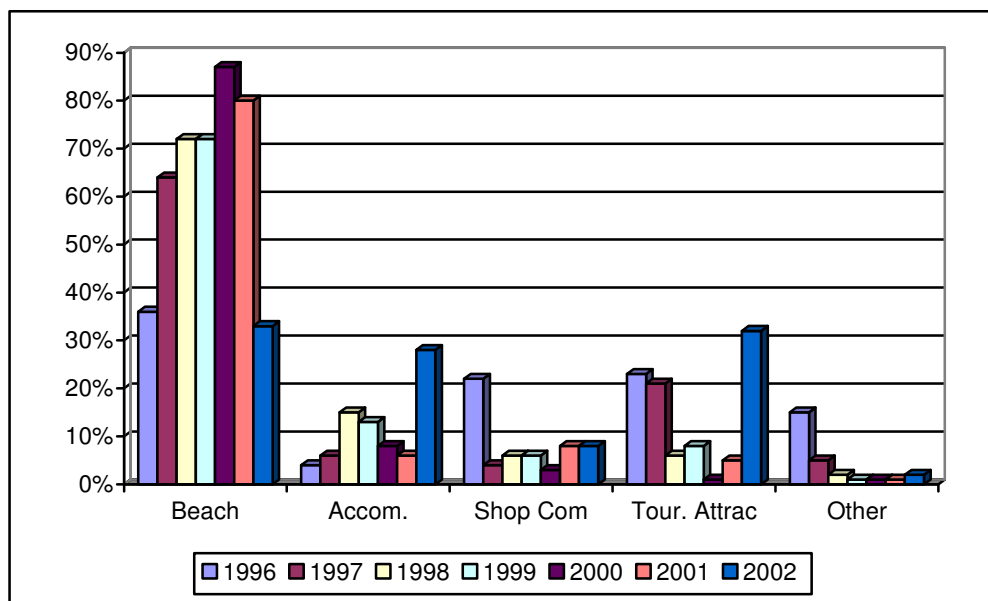


Source: Buffalo City Tourism

The preferred language of visitors to Buffalo City that has been interviewed remains English.

**2.4.2 Places Interviewed**

**Graph 2.18: Places where Visitors to Buffalo City were Interviewed**

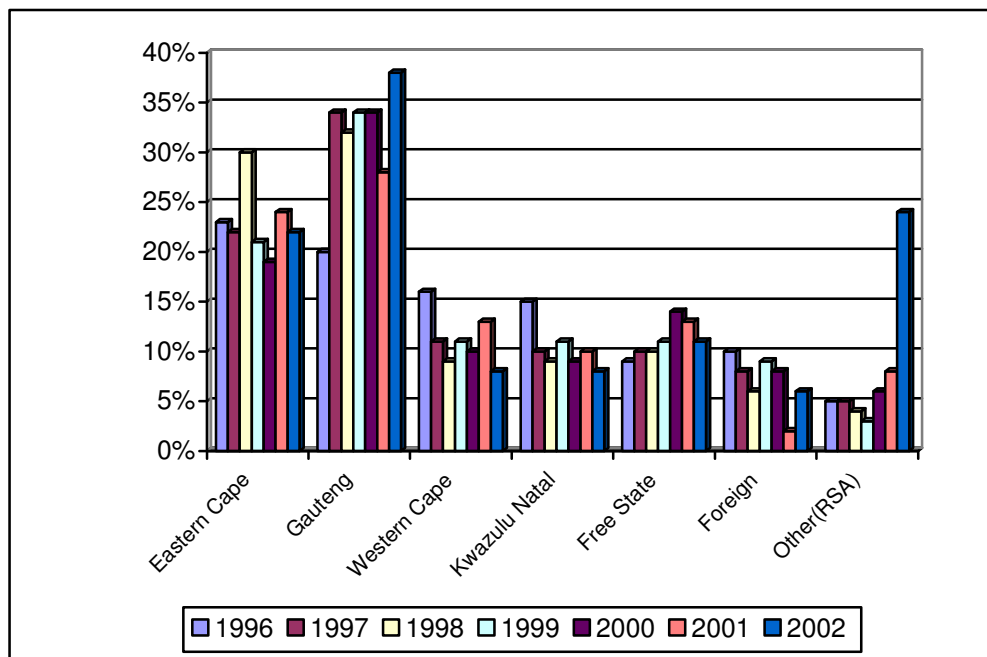


Source: Buffalo City Tourism

In the 2002 survey less visitors were interviewed at the beach and more at accommodation establishments and tourism attractions.

### 2.4.3 Origin of Visitors

**Graph 2.19: Origin of Visitors to Buffalo City**



Source: Buffalo City Tourism

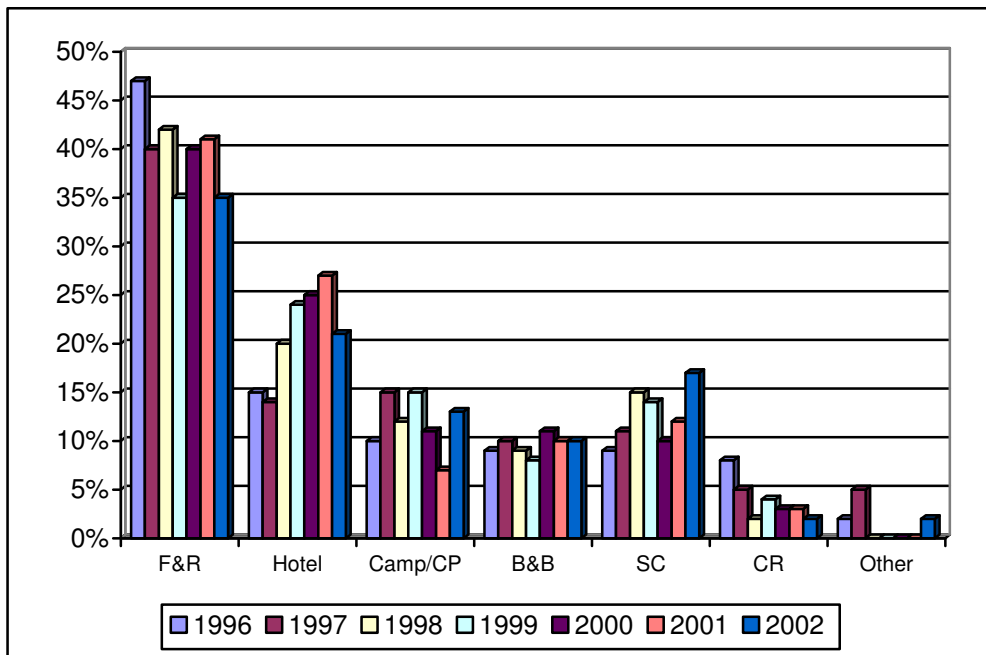
The main origin of visitors interviewed remains Gauteng, followed by the Eastern Cape. It is interesting to note that 24% of visitors interviewed were from provinces other than the traditional source markets of the Eastern Cape, Gauteng, Western Cape, KwaZulu-Natal and the Free State.

Around 7% of the visitors interviewed were foreign, indicating the dominance of domestic visitors on the Buffalo City tourism market.

### 2.4.4 Accommodation Utilised

The accommodation utilised by the visitors to Buffalo City that have been interviewed are shown in **Graph 2.20**.

**Graph 2.20: Accommodation Utilised by Visitors to Buffalo City**

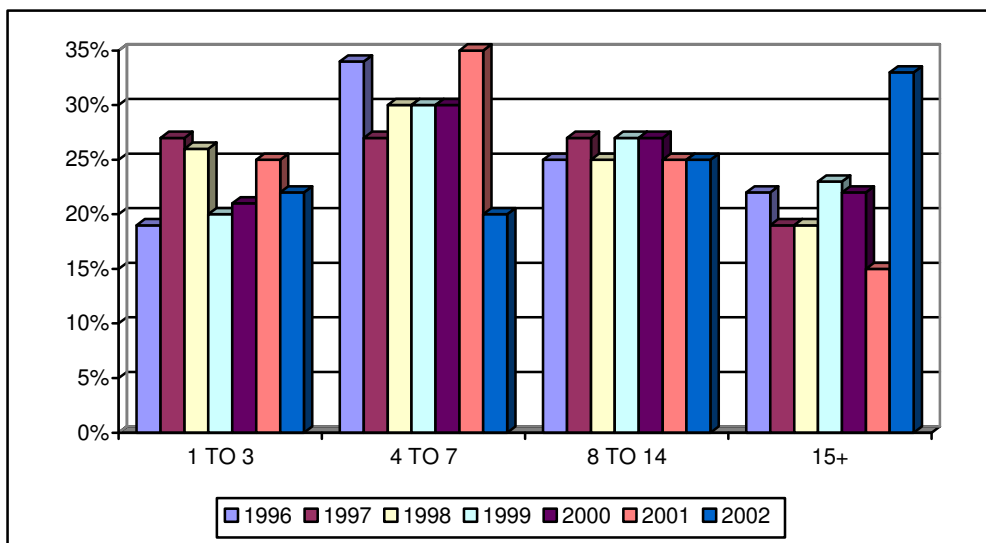


Source: Buffalo City Tourism

Staying with friends and relatives remain the most popular form of accommodation amongst the visitors interviewed with hotels and self-catering establishments being most popular as formal accommodation.

**2.4.5 Duration of Stay**

**Graph 2.21: Duration of Stay of Visitors to Buffalo City**

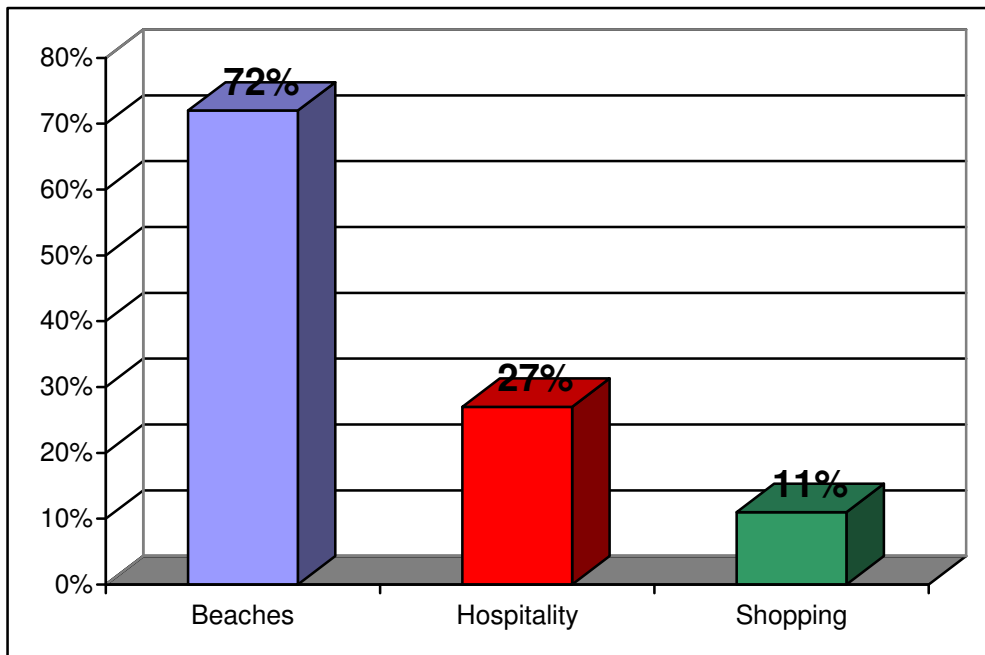


Source: Buffalo City Tourism

The length of stay of visitors interviewed is evenly spread between the categories provided. The results would seem to indicate that half of the visitors interviewed stay for 7 days or less, while the other half stay for 8 days or more.

#### 2.4.6 Aspects Enjoyed by Visitors

**Graph 2.22: Aspects Enjoyed by Visitors to Buffalo City**



Source: Buffalo City Tourism

The beaches in Buffalo City was by far the aspect most enjoyed by visitors interviewed, followed by the hospitality of the city and the shopping that it provides.

#### 2.4.7 Aspects Disliked by Visitors

When the visitors interviewed were asked what aspects of Buffalo City they disliked, they mentioned:

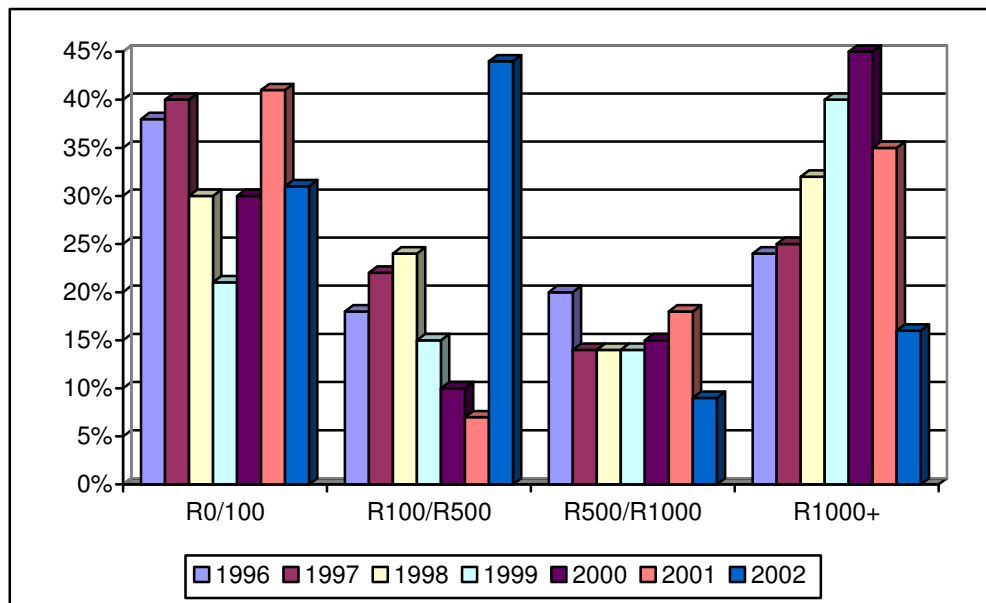
- The dirty city and specific mention was made of the beachfront and the CBD;
- The traffic flow; and
- Criminal activity.

Suggestions that was made to improve the attractiveness of Buffalo City includes:

- Clean the City;
- More entertainment;
- Increase and upgrade facilities;
- Improve service delivery; and
- Marketing and promotion.

### 2.4.8 Average Spend on Accommodation

**Graph 2.23: Average Spend on Accommodation by Visitors to Buffalo City**



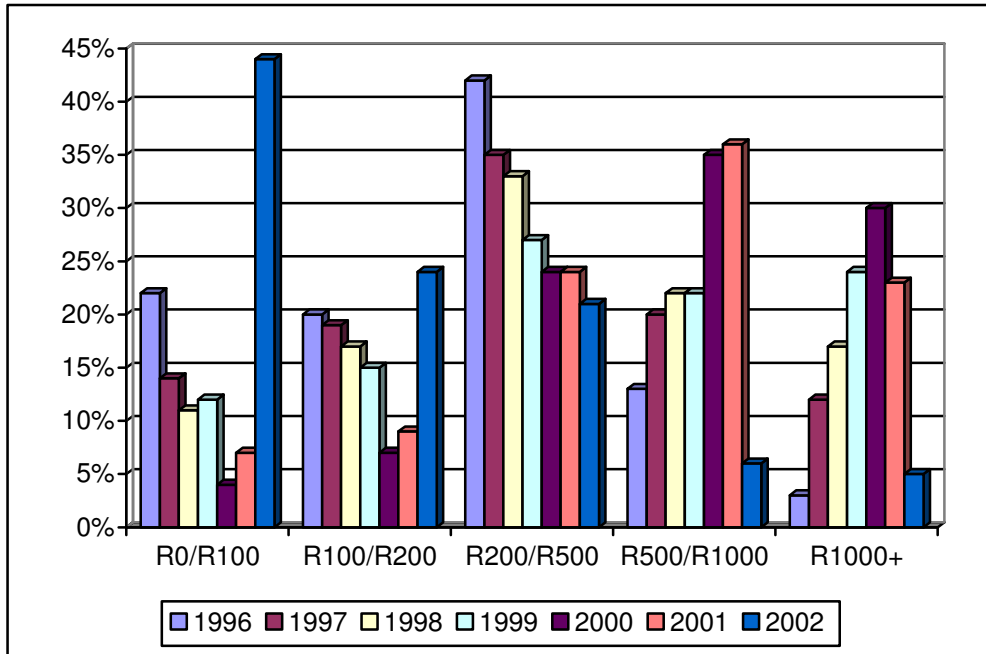
Source: Buffalo City Tourism

44% Of visitors interviewed indicated that they spent between R100 and R500 on accommodation during their visit in 2002 which is markedly higher than in previous years. However, only 16% indicated that they spend more than R1 000 on accommodations, which is markedly less than in previous years.

### 2.4.9 Average Spend on Transport

More visitors interviewed in 2002 indicated that they spend R100 or less on transport than in previous years, while less indicated that they spend more than R1 000 (see **Graph 2.24**).

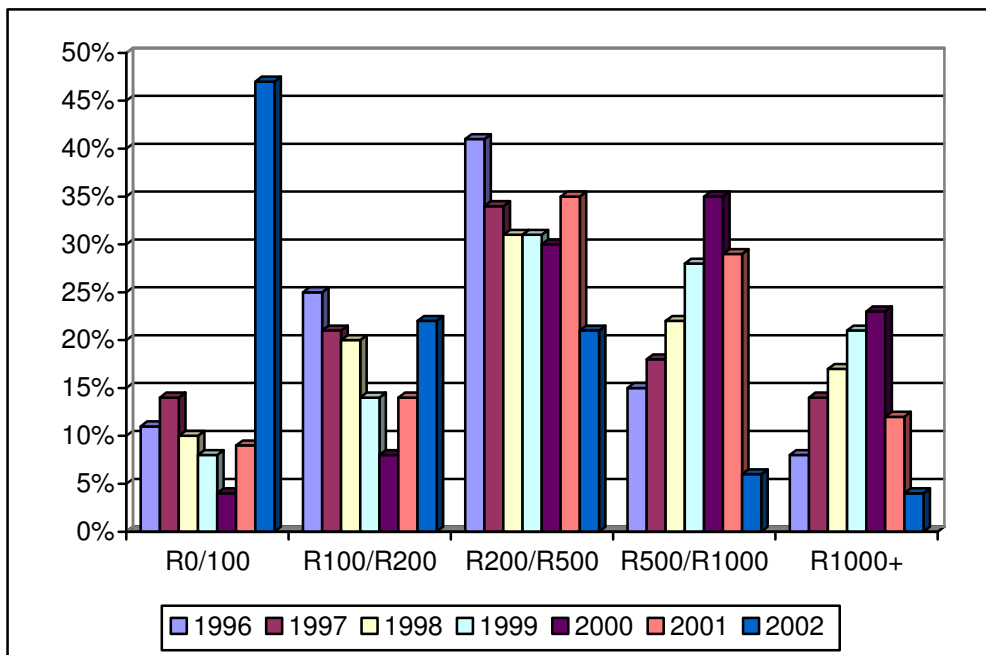
**Graph 2.24: Average Spend on Transport by Visitors to Buffalo City**



Source: Buffalo City Tourism

**2.4.10 Average Spend on Food or Restaurants**

**Graph 2.25: Average Spend on Food or Restaurants Visitors to Buffalo City**

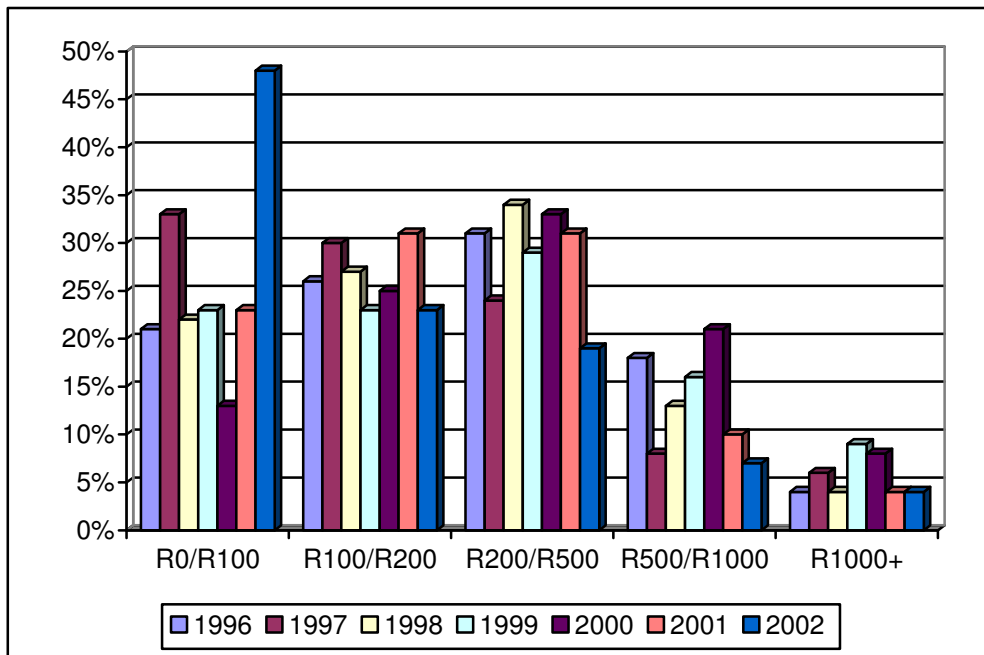


Source: Buffalo City Tourism

As with the average spend on transport, more people indicated that they spend R100 or less on food and restaurants in 2002 than in previous years, while less indicated that they spend more than R1 000.

### 2.4.11 Average Spend on Entertainment

**Graph 2.26: Average Spend on Entertainment of Visitors to Buffalo City**



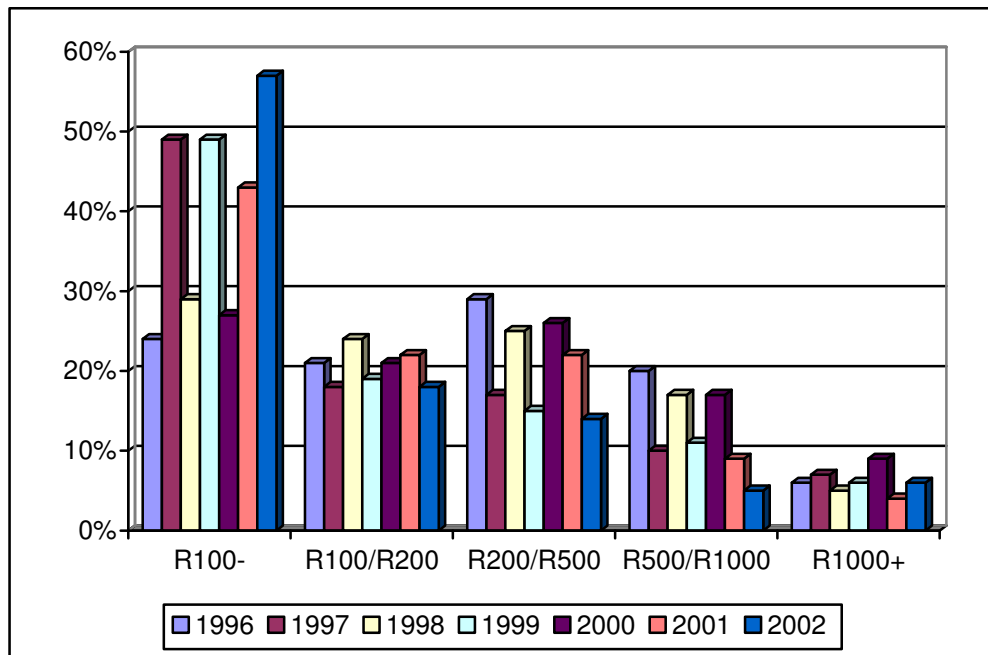
Source: Buffalo City Tourism

More visitors interviewed in 2002 indicated that they spend less than R100 on entertainment than in previous years, but a similar amount indicated that they spend more than R1 000.

### 2.4.12 Average Spend on Gifts and Curios

**Graph 2.27** indicate that as with the average expenditure on entertainment, more visitors interviewed indicated that they spend less than R100 on gifts & curios in 2002 than in previous years. However, the decrease in the share of people that indicated that they spend more than R1 000 was not evident. The spending categories also fluctuates more with spending on gifts & curios than for any other expenditure category.

Graph 2.27: Average Spend on Gifts & Curios of Visitors to Buffalo City



Source: Buffalo City Tourism

## 2.5 CONCLUSION

Based on the analysis of national and provincial data we can summarise the profile of foreign and domestic tourists to the Eastern Cape as follows:

	Foreign	Domestic
Origin	UK Germany Netherlands	Eastern Cape Western Cape Gauteng KwaZulu-Natal
Purpose of Visit	Holiday	VFR
Average length of Stay	7,3 days	
Activity preference	Nature/ Wildlife Historical Sites Museum/ Art Gallery Cultural Village Adventure Activity	Beach Shopping Soccer Nature Reserves Religious Gatherings

Based on the information contained in the Buffalo City Visitor Research Survey we can conclude that:

- Visitors to Buffalo City originate mainly from Gauteng and the Eastern Cape itself;
- Staying with friends and family is the most popular form of accommodation;
- Half of the visitors stay for 8 days or longer;
- The beaches is a major tourist attraction for visitors to the city;
- The appearance of the city requires attention;
- More entertainment facilities are required and the city should be marketed.