SECTION 5. REVIEW OF COMPETITIVE DESTINATIONS

5.1 BACKGROUND

In order to develop a comparative positioning for Buffalo City, and to understand the study area's strengths and weaknesses compared to other competing destinations we conducted a review of competitive destinations in South Africa on the basis of range of products or experiences available and current tourism markets.

We analysed Cape Town, Durban and Port Elizabeth in this section. Further analyses of competitors related to products offered are conducted in **Section 8**.

5.2 CAPE TOWN

5.2.1 Geographical Relation to Buffalo City

Cape Town is incorporated in the Cape Town Metropole and is situated in the Western Cape, around 1 100 kilometres south-east of Buffalo City on the coast.

5.2.2 Main Tourist Attractions

Cape Town boasts the majority of the top tourist attractions mentioned by foreign tourists to South Africa. These are:

- Table Mountain;
- The wine routes;
- V & A Waterfront;
- Kirstenbosch Garden;
- Robben Island; and
- Cape Point.

Other attractions in Cape Town include the Two Oceans Aquarium, various museums such as the National Museum, District Six Museum, etc, top hotels such as the Mount Nelson, various restaurants and various beaches such as Clifton, Camps Bay.

5.2.3 Marketing Strategy

Cape Town is positioning itself as a must see destination during any visit to South Africa. The city markets itself as offering a wide variety of attractions and activities to suit any type of visitor.

A wide range of activities is actively marketing ensuring that tourists are left with the impression that there is too much to do for just one visit.

Cape Town's current marketing activities include joint campaigns with the Western Cape Tourism Board. This includes representation at various trade shows and advertising in various media.

5.2.4 Current Markets

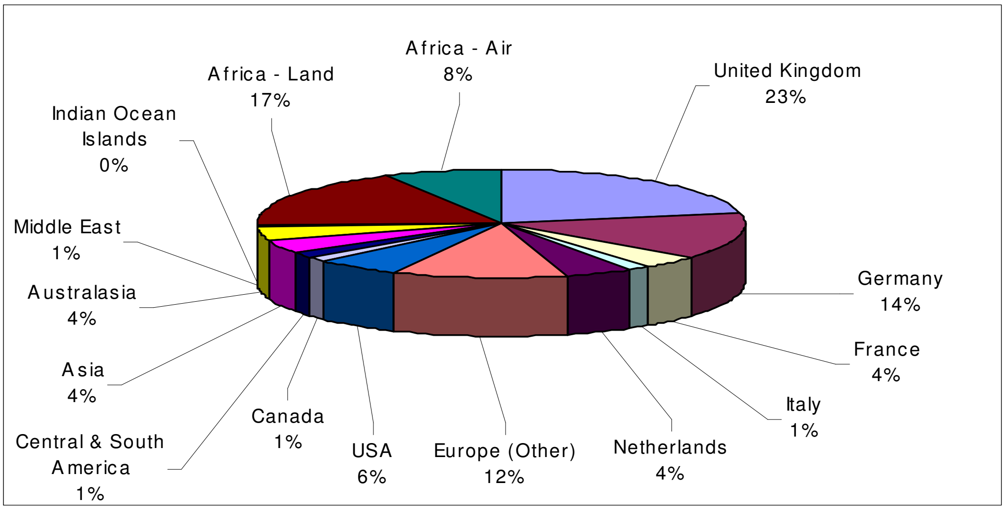
Stats SA data shows that South Africa received 6,4 million foreign arrivals during 2002 of which 1,8 million came from overseas, 4,3 million were African visitors arriving by land and 330 000 were African visitors arriving by air. Indications from the foreign arrival data for the first five months of 2003 are that foreign arrivals to South Africa has grown by 5,8% when compared to the first 5 months of 2002.

The Survey of South Africa's Foreign Visitor Market, commissioned by South African Tourism ("**SA Tourism**") shows that the Western Cape received 1,4 million or 14% of all foreign arrivals in 2002. Data from SA Tourism shows that 92% of foreign arrivals to the Western Cape visit Cape Town, which translates to 1,3 million foreign arrivals to Cape Town in 2002.

Origin of Foreign Arrivals

As 92% of all foreign arrivals to the Western Cape visit Cape Town, the city's origin of foreign bednights will be similar to that of the Western Cape as shown in **Graph 5.1**.

Graph 5.1: Origin of Foreign Bed Nights Sold in the Western Cape in 2002



Source: SA Tourism

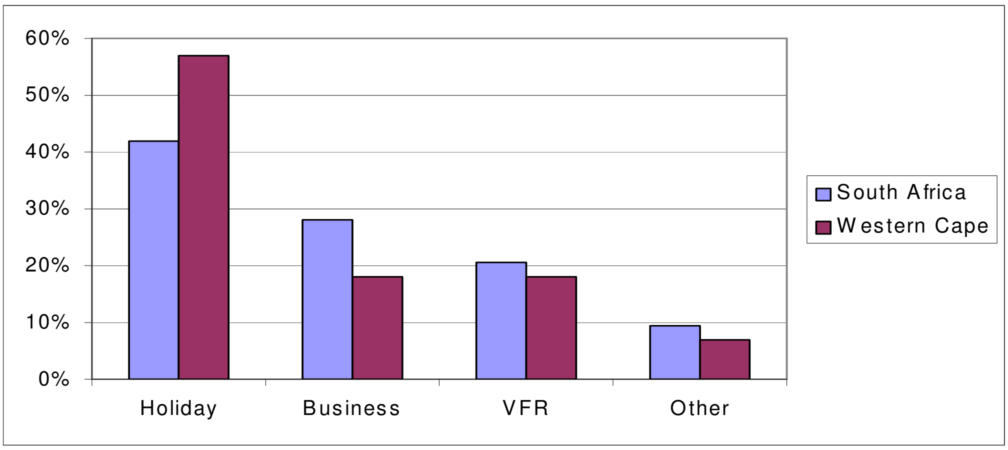
Length of Stay of Foreign Tourists

Data from SA Tourism indicate that the average length of stay of foreign arrivals in Cape Town was 7.6 days between 1996 and 2000.

Purpose of Visit of Foreign Tourists

The main purpose of visit for overseas and African air arrivals to South Africa and the Western Cape is holiday (see **Graph 5.2**).

Graph 5.2: Purpose of Visit of Foreign Tourists



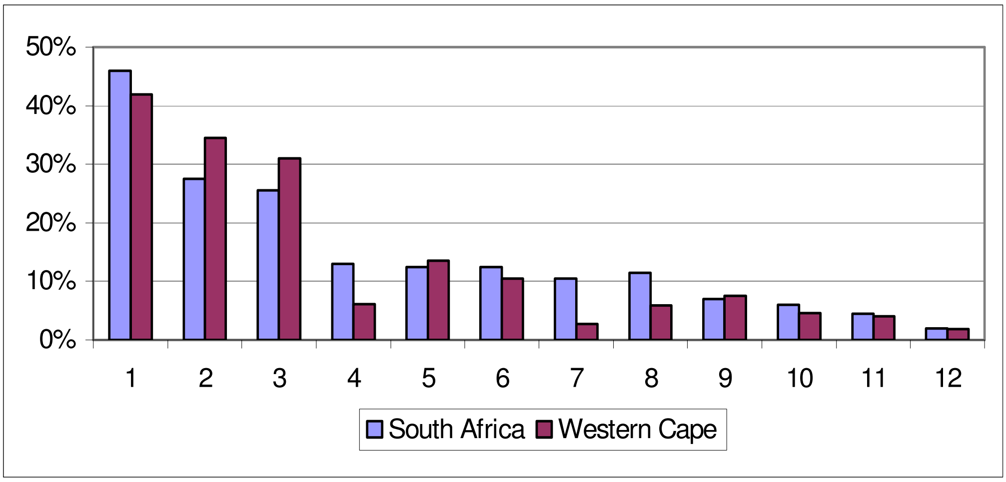
Source: SA Tourism

The Western Cape has proportionally more overseas and African air holiday tourists than South Africa as a whole, but the Western Cape's business market is proportionally smaller.

Activities Experienced by Foreign Tourists

Nature/ Wildlife activities, along with historical sites and museums and art galleries are the most popular activities for overseas and African air arrivals in the Western Cape (see **Graph 5.3**).

Graph 5.3: Activities Experienced by Foreign Tourists in 2000



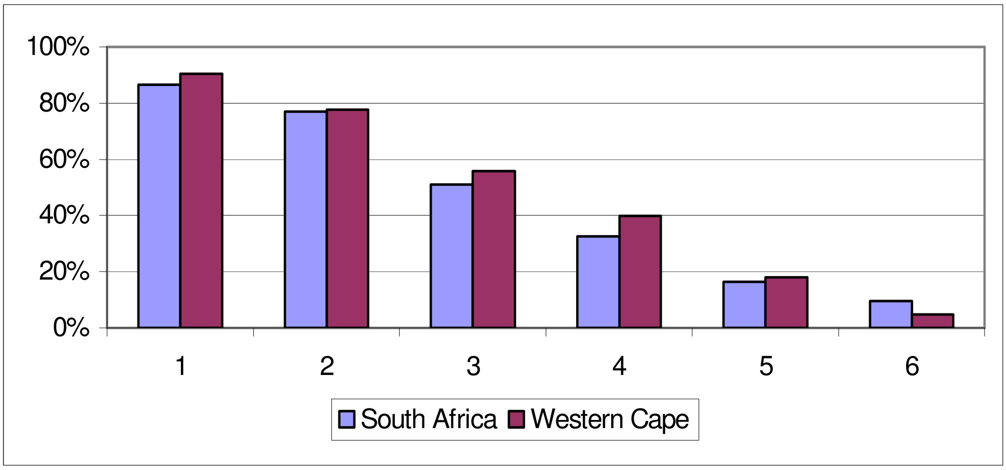
1. Nature/ Wildlife	7. Casino
2. Historical Site	8. Conference
3. Museum/ Art Gallery	9. Backpacking
4. Cultural Village	10. Sport Spectator
5. Adventure Activity	11. Sports Participant
6. Theatre/ Concert/ Live Show	12. Blue Train

Source: SA Tourism

Facilities Utilised by Foreign Tourists

Restaurants are the most popular facility utilised by overseas and African air arrivals in South Africa and the Western Cape (see **Graph 5.4**). The usage of bus tours (7%) and conference facilities (3%) was particularly low in the Western Cape.

Graph 5.4: Facilities Utilised by Foreign Tourists in 2000



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

Source: SA Tourism

Number of Domestic Tourists

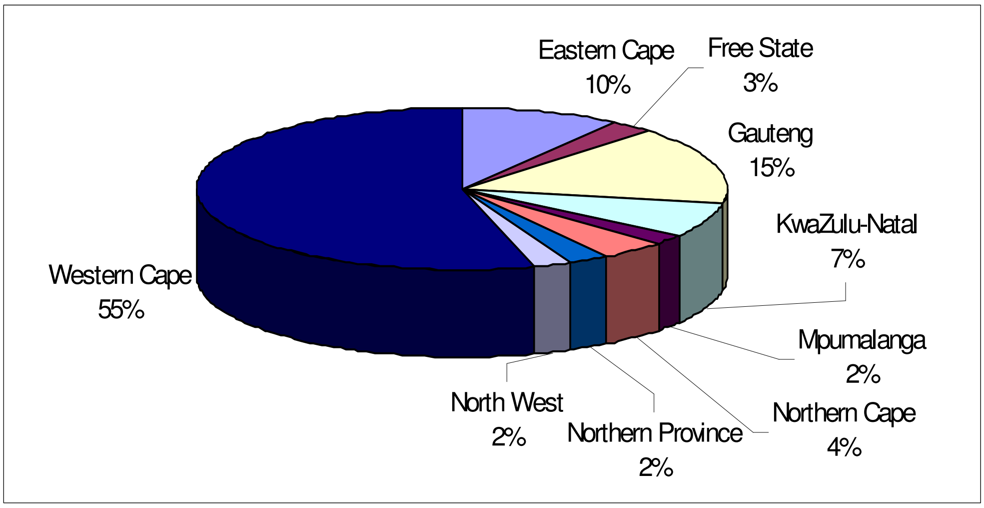
Following a long absence of a national domestic tourism survey, SA Tourism commissioned such a survey to cover the period May 2000 to April 2001. The study is the latest available information regarding the domestic tourism market in South Africa.

The Domestic Study found that 33,5 million domestic overnight trips were taken during May 2000 to April 2001. Of these the Western Cape received 12,5% or 4,2 million trips and the Cape Metropolitan Area received 44% of the domestic trips to the Western Cape, which translates to 1 858 854 domestic tourists during May 2000 to April 2001.

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

The majority of domestic overnight trips to the Western Cape originate from within the province i.e. domestic tourists in the Western Cape travelling within their own province (see **Graph 5.5**).

Graph 5.5: Origin of Domestic Overnight Trips to the Western Cape



Source: SA Tourism

Purpose of Domestic Trips

The main purpose of domestic overnight trips taken to Cape Town is to visit friends and family (56%), followed by holiday trips (30%) .

Table 5.1: Types of Trips to the Western Cape Destinations

Tourism Region	Holiday	VFR	Business	Health	Religious	All Trips
West Coast	53.6	40.2	0.6	3.5	2.1	6.6
Winelands	22.4	51.5	5.0	5.7	15.4	5.9
Breede River	51.7	38.4	2.7	0	7.2	7.6
Central Karoo	49.5	39.8	5.1	0	5.6	2.2
Garden Route	66.0	27.0	2.7	0.8	3.5	16.4
Klein Karoo	48.0	40.3	4.1	0.8	6.9	2.5
Cape Metropole	**27.9**	**56.4**	**7.7**	**3.3**	**4.6**	**44.3**
Swartland & Sandveld	14.4	65.6	8.0	0	11.9	1.5
Olifants River Valley	39.0	51.4	6.3	0	3.3	5.1
Overberg	57.7	34.6	1.0	0.5	6.3	8.1
Average	41.1	46.2	5.1	2.2	5.4	100

Source: SA Tourism

Activity Preferences

Table 5.2 shows the activities that domestic visitors to the Western Cape rated as being very interested in.

Table 5.2: Activities Preferred by Domestic Visitors to the Western Cape

Activity	Very Interested Rating
Going to the Beach	71.8%
Visiting Nature Reserves	58.8%
Shopping	54.5%
Visiting Robben Island	51.7%
Dining	49.8%
Live shows, theatre or concerts	47.2%
Cricket	44.5%
Rugby	44.1%
Visiting museums, art galleries etc	42.8%
Religious gatherings	39.2%

Source: SA Tourism

Based on information available on the Cape Town Tourism website the city can target various tourism markets including:

- General holiday tourists (foreign & domestic);
- Adventure seekers;
- Art & Cultural tourists;
- Health tourists;
- Conferences;
- Day visitors;
- Educational tourists;
- Gay & Lesbian tourists;
- Shoppers;
- Sport tourists.

5.2.5 Website

In the current environment where the Internet and electronic communication plays a major role in providing information, Cape Town Tourism also has a website – www.cape-town.org.

The website provides information on:

- Accommodation;
- The main attractions in Cape Town;
- An events calendar;

- Weather forecasts;
- Travel services;
- Travel news; and
- Guides on things to do.

5.2.6 Current Challenges

One of the challenges for Cape Town is to guard against becoming known as an expensive destination. Although not seen as such by foreign tourists, domestic tourists are starting to perceive the city as expensive. Some domestic tourists feel that the city is only catering for upmarket and more affluent foreign tourists.

5.3 DURBAN

5.3.1 Geographical Relation to Buffalo City

Durban lies on the north coast of South Africa and forms part of the Kwa-Zulu Natal region.

5.3.2 Main Tourist Attractions

Durban has always been known for its beaches and warm seawater.

Other attractions are:

- Aquarium;
- Nature reserves;
- Restaurants and nightlife; and
- Cultural attractions.

5.3.3 Marketing Strategy

The following were received from Durban Africa in regards to their marketing strategy for Durban.

VISION

"To position metropolitan Durban, together with our partners, as a unique tourism destination, providing a true African experience supported by world class facilities."

MISSION
Durban Africa's mission statement aims to communicate the organisation's principle responsibility.

"To market Metropolitan Durban as a "must visit" destination for domestic and international tourism and convention markets; and in so doing favourably impact on the growth of sustainable tourism for the long-term social and economic benefit of all the people of the Metropolitan region".

VALUES
Durban Africa is committed to delivering performance excellence in partnership with public and private sector and the wide community. The core values underlying this commitment are:

- Trust - communicating honestly, freely and fairly.
- Credibility and effectiveness - providing an open and positive working environment in which everyone can perform their tasks effectively.
- Cooperative - achieving results through hard work at all levels in collaboration with our partners and so foster an 'open door' policy across the sector.
- Dynamism - initiating change while at the same time being responsive to the culture of the City and requirements for transformation.
- Motivation - encouraging, delivering and acknowledging excellence in all aspects of our operation.
- Performance-driven - channelling all activities to the most meaningful level of the organisation whereby responsibility for achieving strategic priorities permeates throughout our organisation.
- Customer-focused - committed to service excellence and exceeding expectations.
- Accountability - accountable for the funding and resources invested in the organisation.

GOALS
External

- Improve the image of Durban as a tourism destination.
- Increase tourism value.

Internal

- Build a strong and visible organisational culture.
- Obtain business support and funding

TARGET MARKETS

Durban Africa's primary focus in terms of resource allocation must be channelled towards targeting the right markets, with the right products, at the time, with the right messages. Based on the strategic directions of both SAT and TKZN, Durban Africa has identified markets that we believe will provide the greatest return on our investment on the basis of current travel behavioural patterns, and relevance of geographic and lifestyle segmentation. The challenge is to develop interim strategies that begin to lure these markets in greater numbers.

5.3.4 Current Markets

Approximately 17% of all foreign arrivals (including overseas, Africa air and African land) to South Africa visited KZN in 2002 equating to 1,1 million foreign arrivals.

The breakdown of overseas visitors to KZN by country of origin shows that the province attracts the largest number of visitors from the UK, followed by Germany, the USA and France. **Table 5.3** shows the breakdown of visitors to KZN according to country of origin.

Table 5.3: Foreign Visitors by Country of Origin, 2002

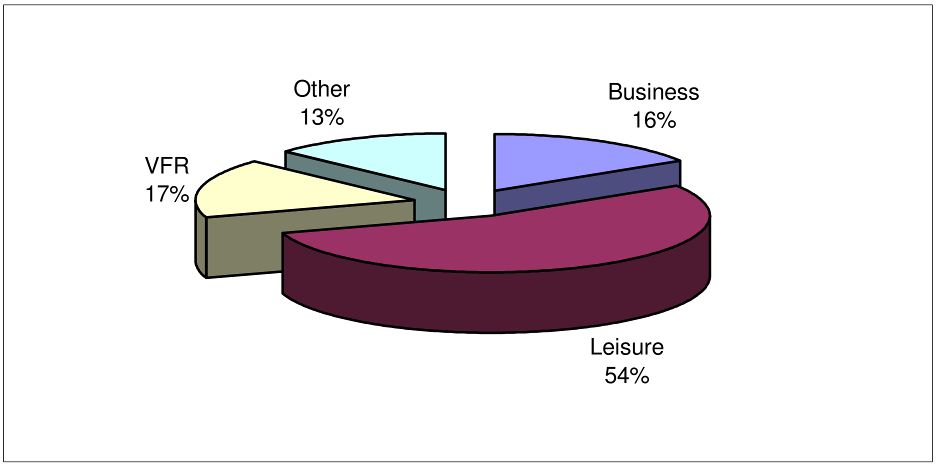
Country of Origin	% Of Visitors
UK	23,9%
Germany	13,5%
USA	8,5%
France	8,3%
Netherlands	7,8%
Australia	3,9%

Source: South African Tourism Foreign Tourist Surveys, 2002

A significant number of foreign tourists visit KZN for leisure purposes. In 2002 approximately 54% of all foreign visitors visited the province for leisure purposes, according to TKZN. Visitors to KZN for VFR purposes made up 17%

of the total foreign visitors. 16% of foreign visitors came to KZN for business, while the remaining 13% visited KZN for other purposes. This breakdown is shown in **Figure 5.6**.

Figure 5.6: Foreign Visitors to KZN by Purpose of Visit –2002



Source: TKZN Statistics, 3rd Edition 2002

The core destinations for foreign visitors within KZN are indicated in **Table 5.4** below. The Central Durban areas attract 69% of foreign arrivals to KZN equating to 736 000 foreign arrivals.

Table 5.4: Percentage Foreign Visitors to Key Destinations in KZN

Destination	% Foreign Visitors
Central Durban Areas	**69%**
South Coast	19%
North Coast	20%
Pietermaritzburg and the Midlands	18%
Drakensberg & East Griqualand	33%
Battlefields	8%
Zululand	27%
Maputaland	15%

Source: TKZN Statistics, 3rd Edition 2002

Size of the Domestic Tourism Market

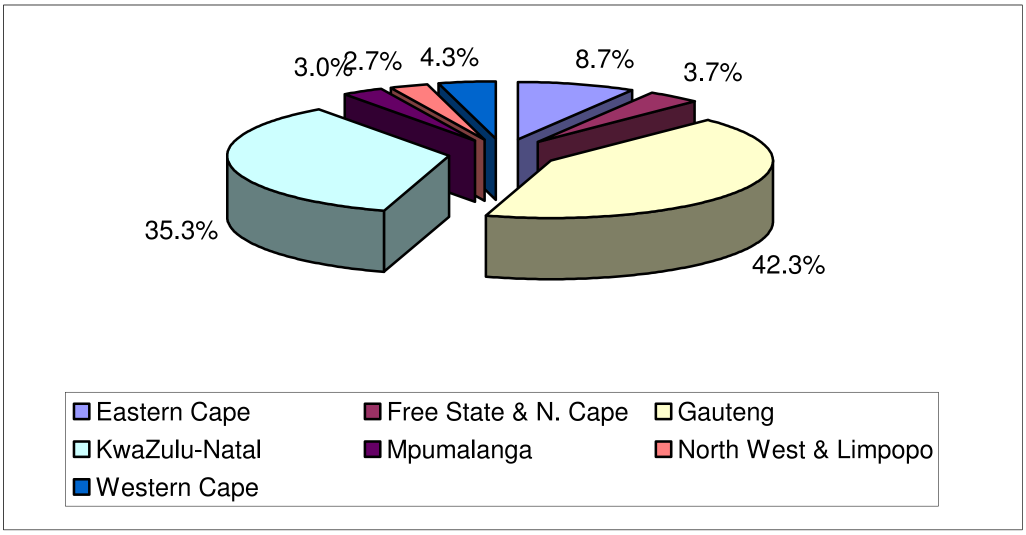
According to the latest SA Tourism domestic tourism survey, KZN attracted some 6,4 million domestic tourists trips between May 2000 and April 2001.

The average length of stay for domestic visitors varied according to the destination, but ranged from 2 nights in Durban, the Midlands and the Battlefields to 9 nights in Maputaland. From June to September 2002, domestic visitors stayed an average of 4,5 nights in KZN.

Domestic Source Markets

Figure 5.7 shows the percentage breakdown by province of origin of domestic visitors to KZN.

Figure 5.7: Percentage Breakdown by Province of Origin of Domestic Visitors to KZN



Source: TKZN Domestic Market Survey 2001-2002

42,3% of all domestic visitors to destinations in KZN come from Gauteng, while the second most important source province for KZN is KZN itself, accounting for 35,3% of all visitors to the province. The least amount of visitors to KZN emanate from the North West and Limpopo provinces.

Purpose of Visit

Table 5.5 below indicates the breakdown of visitors per region, as well as according to the purpose of their visit.

Table 5.5: Tourism Regions visited in KZN, according to purpose of visit

Tourism Region	Total Trips (%)	Leisure (%)	VFR (%)	Business (%)	Other (%)
Battlefields	11,3%	8,6%	69,7%	1,9%	19,9%
Drakensberg	2,9%	50,8%	24,2%	16,7%	8,3%
Durban Central	**31,3%**	**37%**	**44,4%**	**5,2%**	**13,4%**
Durban South	**5,5%**	**16,8%**	**66,2%**	**0,2%**	**16,9%**
Durban North	**2,9%**	**23,2%**	**65,9%**	**0%**	**10,9%**
Durban Outer West	**3,1%**	**3,5%**	**76,5%**	**2,2%**	**17,8%**
North Coast	3,7%	40,3%	47,1%	0%	12,6%
South Coast	9,6%	58,8%	33,4%	2%	0,9%
PMB-Midlands	11,3%	12,5%	70,7%	1,6%	15,2%
Zululand-Vryheid	9,4%	24,7%	53,8%	2,3%	19,3%
Maputaland	3,4%	29,8%	51,9%	0,3%	18,0%
East Griqualand	5,7%	6,7%	81,3%	0%	12,0%
Total	100%	28,0%	54,7%	3,0%	14,3%

Source: SA Tourism Domestic Tourism Survey 2001

KZN Attractions and Deterrents For Domestic Visitors

For domestic visitors, the actual and perceived incidences of crime and violence in KZN are the main deterrents preventing them from visiting the province. On a more positive note, the key attractions for domestic visitors to KZN are mainly the beaches and the sea, scenery and beauty and warm weather.

Table 5.6 highlights the key attractions and deterrents for domestic visitors to KZN.

Table 5.6: Attractions and Deterrents in KZN

Attractions	%	Deterrents	%
Beach and sea	29%	Crime and violence	31%
Scenery and beauty	4%	Unemployment	3%
Home	3%	Weather-floods	3%
Warm weather	2%	Diseases	2%
Culture and tradition	2%	Overpopulation	2%
Nothing	7%	Nothing	14%

Source: South African Tourism Domestic Tourism Survey 2001

5.3.5 Website

In recognition of the increasing importance of the Internet as a source of information and as a medium of communication, the Durban Africa's website is: www.durbanexperience.co.za

The website provides information on:

- An introduction to Durban;
- Accommodation;
- Restaurants;
- Conference facilities;
- Tour operator/ car hire;
- Attractions; and
- Tourism information offices.

It also has information for residents of Durban (e.g. bylaws, minutes, departments), council information and business information.

5.3.6 Current Challenges

Durban currently faces the challenge to become more than a stopover destination for international tourists. Our review of tour itineraries shows that tour operators utilise Durban as a link between the Garden Route and the game experiences of Mpumalanga. Durban has also lost a number of direct international flights to the city which limits its marketability as a destination.

As for domestic tourism, Durban has managed to establish itself as a conference and business destination. This has helped in filling beds that have been left by holiday tourists who are now opting for alternative destinations such as Balito, outside the Durban urban centre.

5.4 PORT ELIZABETH

Port Elizabeth is seen as the main competitor to Buffalo City as a tourist destination in the Eastern Cape and have been analysed in more detail than Cape Town and Durban.

5.4.1 Geographical Relation to South Africa

Port Elizabeth is incorporated in the Nelson Mandela Metropolitan Municipality (“**NMMM**”) along with the towns of Uitenhage and adjacent Despatch. The NMMM is located around 300 kilometres to the south-east of Buffalo City on the coast of the Eastern Cape.

5.4.2 Main Tourist Attractions

Below we provide an overview of the existing tourism activities and facilities in the NMMM as listed by Nelson Mandela Tourism.

Beaches

The area boasts 40 km of coast-line and protected beaches including King's Beach, Humewood Beach, Hobie Beach, Pollock Beach, Brighton Beach, Bluewater Bay, St George's Strand and Wells Estate.

Humewood Beach is linked to Happy Valley via a walk-through garden. On the south side of the city Schoenmakerskop offers picnic spots, coves, rock pools and holiday resorts with safe bathing and fishing in tidal pools. Sardinia Bay is a Marine Reserve while the Swartkops River estuary offers watersports. King's Beach, Hobie Beach, Brighton Beach and Wells Estate offer a diversity of entertainment options for the entire family.

Bayworld

Bayworld is situated on the Beachfront and incorporate a history museum, oceanarium and snake park. The history museum is the third oldest in South Africa and contains the Marine, Bird and Maritime History Halls, a Costume Hall, a Local History Hall and a Curiosity Corner, as well as diverse exhibits in the fields of natural science, archaeology and geology. The snake park houses a number of indigenous and exotic reptiles and plants, while the oceanarium houses a wide variety of large fish, sharks, rays and turtles, as well as a dolphin lake and seal enclosure.

Boardwalk Casino

The Boardwalk Casino and Entertainment World is located in Summerstrand and offers numerous entertainment venues. Facilities include the Boardwalk Conference Centre; the Supersport Arena, which features a regular line-up of comedy and music acts; the Piano Bar, which sees a variety of top pianists performing as well as the Boardwalk Amphitheatre.

The casino has 700 slot machines and twenty gaming tables, including blackjack and roulette. The Boardwalk also incorporates a selection of international restaurants, specialist shops, a craft market in the Red Shed, five movie-houses as well as entertainment for the young at heart such as carousels, fun-fair rides and mini-golf operated by the Magic Company.

Museums and Historic Sites

No 7 Castle Hill Museum is regarded as one of the oldest surviving Settler cottages in Port Elizabeth. This picturesque family dwelling, which dates back to 1827, has been restored to reflect the history and elegant lifestyle, which was enjoyed by any English middle-class family in mid-19th century Port Elizabeth.

The King George VI Art Museum and Gallery was opened on the 22nd June 1956 and named to commemorate the 1947 Royal visit to Port Elizabeth. The collections are housed in two buildings framing the entrance to St George's Park. Included are British art, international printmaking, South African art, particularly that of the Eastern Cape, and Oriental art, including Indian miniatures and Chinese textiles.

The St Croix Motor Museum displays a private collection of vintage and classic vehicles dating back to 1901. Visits can be arranged on request.

The Port Elizabeth Air Force Museum boasts three complete reconstructed pre-war aircraft and other aircraft memorabilia. The Jewish Pioneers' Memorial Museum is housed in the original synagogue, which was used by the city's Jewish community between 1912 and 1954. It features an interesting collection of memorabilia, ceremonial items and historical photographic displays such as a bridal gallery, a Jewish ex- servicemen's memorial and much more.

Art & Crafts/ Flea markets

The Wezandla Gallery and Craft Centre specialises in African art, African wire & wood sculptures, woven baskets, pottery, crafts and curios. Many of the items on sale are the works of local entrepreneurs. The Craft Centre basement features an African art gallery.

Red Location is the future site for a heritage and cultural centre.

Aya's Art Studio in Gunguluza Street, New Brighton produces handcrafted, utility and decorative contemporary African ceramics by three female artists.

Nomakwezi Craft Centre in Peel Street, Central offers visitors traditional, contemporary beadwork and clothing with an innovative African flair.

E'khaya Art and Craft Centre in Ramaphosa Village showcases a variety of locally produced artwork in the form of lino prints, beadwork, and leatherwork.

Gotyana Art Studio, situated in the Red Location, houses skillfully crafted sculptures in the form of jewellery and sculptural miniatures. All are produced in the medium of indigenous wood.

Concerts, performances, modern musicals, operettas and small productions by various theatrical groups are staged at the following venues:

- The Feather Market Centre;
- The Opera House and Barn;
- Pemads Little Theatre;
- The Savoy Theatre;
- The Centrestage and Manville Theatre;

Game and Wildlife Reserves

Shamwari Game Reserve is a private game reserve 45 minutes' drive from the NMMM and boasts the "Big Five" in a malaria-free environment. "Kaya Lendaba", an African Arts and Culture Village, is also located in this upmarket Reserve.

The Seaview Game and Lion Park offers close-up game viewing in 31 hectares of coastal bush.

Shumba Safaris, home of the lion prides of the late JP Kleinhans, is situated on the farm "Wolwekloof", near Patensie, 30 km from the NMMM.

Other reserves include the Kariega Game Reserve and Day Centre; Schotia Safaris; Reed Valley Crocodiles; Intaba Lodge and The Burchell Game Reserve.

The Addo Elephant National Park, 72 km from the NMMM, is home to over 314 elephants. It also offers and sanctuary to a myriad of birds, the black rhino, numerous antelope species as well as the unique flightless dung beetle.

Other Activities

Some of the other activities and attractions in the NMMM include:

- The Algoa Grand Prix’s indoor go-kart racing, including a 11m climbing wall and a 40 m scalextric track;
- Indoor sports such as action cricket, indoor soccer, ice- skating, tenpin bowling and golf driving ranges;
- Golf courses such as the top-ranked Humewood Golf Club Links course;
- The horse racing tracks of Fairview and Arlington; and
- Scuba- diving at various sites around the bay.

5.4.3 Marketing Strategy

Port Elizabeth is currently undergoing a review of its marketing activities. The city’s LTO has been renamed as Nelson Mandela Bay and is marketing the city as, “the gateway to the Eastern Cape, and is the perfect complement to the Garden Route, Frontier Hinterland and the Sunshine Coast”.

Nelson Mandela Bay is set to launch its new marketing strategy in September 2003.

The LTO established a dedicated Sports and Events Division in 1999 to assist sporting bodies by adding value to their competitors' and visitor's stay. The division also assists with:

- the preparation of bid documents and sponsorship proposals
- promotion and planning
- event co-ordination
- sourcing of sponsors
- media releases and liaison

A dedicated conference bureau has also been established to:

- Promote and market NMMM as a premier South African conference destination.
- Create top of mind awareness of NMMM as a conference venue.
- Promote members' businesses and services within the industry.
- Provide an information and data center for members and conference delegates.
- Provide a directory of members and services to the market place.
- Benefit members and their businesses through the process of increasing NMMM's exposure nationally and internationally.

5.4.4 Current Markets

The NMMM is included in the Sunshine Coast, which includes the Eastern Cape coastline from Jeffrey's Bay to East London. The aim of the strategy is to create awareness of the coastline between the NMMM and East London, which, has until now, been neglected by local and international travellers. Products along this route include battlefields and forts, nature trails, game reserves and watersports (including surfing, windsurfing, sailing, scuba diving and river, rock and deep sea fishing).

During the course of our analysis of tourism in the NMMM we have utilised information from:

- South African Tourism;
- Tourism 2000 Network;

- Nelson Mandela Tourism;
- Monitor Report (2002).

Foreign tourism

The South African Tourism Index Quarterly Report (October 2002 to December 2003) does not include any information on foreign tourism to specific South African cities, but only breaks the foreign tourist market down per country of origin. The released South African Tourism 2001 survey only provides information in respect of Johannesburg, Cape Town and Durban and provided no information in respect of other cities visited by foreign tourists and we therefore use the South African Tourism 2001 and the results of the Monitor Group work in 2002 survey to assess the foreign tourism market in the NMMM.

According to SA Tourism's 2000 survey of South Africa's overseas tourism market, around 4,5% (the Monitor Group's research indicates 5,2% in 2002) of all overseas tourist arrivals in South Africa visited the NMMM during their trip to South Africa in 2000. 80% of international tourists to the Eastern Cape visit the NMMM. **Table 5.7** shows foreign visitors to the NMMM and other Eastern Cape tourist destinations.

Table 5.7: Percentage of Overseas Tourists to the NMMM & Other Eastern Cape Tourist Destinations

Attraction	1999	2000
NMMM	5,5%	4,5%
Eastern Cape Beaches	5,0%	5,0%
Eastern Cape National Parks	6,0%	6,0%

Source: SA Tourism International Tourism Market Survey

The Monitor Group indicates that in 2002 the NMMM attracted 14% of international air arrivals to South Africa (which equates to 302 000), whereas Johannesburg attracted 52%, Cape Town 46% and Durban 26%.

Table 5.8 shows the breakdown of foreign visitors to the NMMM by purpose of visit. Most foreign tourists to the NMMM (58%) visit the area for holiday purposes and 22% visit the area to see friends and family. Conference business is captured within the business tourism category.

Table 5.8: Foreign Tourists to the NMMM by Main Purpose of Visit

Purpose of Visit	Share
Friends & Relatives	22%
Holiday	58%
Business	9%
Other	11%
Total	100%

Source: SA Tourism International Tourism Market Survey

Research conducted by the Monitor Group indicates that international air arrivals are a significant contributor to the NMMM's tourism receipts. In 2002 the NMMM generated a total of R1,5 billion in receipts from tourists, 36,7% from domestic arrivals, 9,9% from international land arrivals and 53,4% from international air arrivals.

The NMMM attracts the same key countries as the Eastern Cape and South Africa with the United Kingdom and Germany as the key source markets.

According to the Monitor Report the spend per day of international visitors to the NMMM in 2002 is quite comparable to other cities, yet the length of stay is significantly shorter. The spend per day is R810 in the NMMM whereas it is R931 in Cape Town ands R993 in Johannesburg. The length of stay is 3.9 days in the NMMM, whereas it is 6.6 days in Cape Town and 4,2 days in Johannesburg. The average total spend is R3 159 in the NMMM, R6 145 in Cape Town and R4 171 in Johannesburg.

Domestic Tourism

In the latest (no domestic survey was done in 2002) national domestic tourism study by SA Tourism (conducted in 2001), the NMMM is grouped with Port Alfred and East London in the Sunshine Coast and Country tourism region. Unfortunately, limited data is available for the NMMM area. The Monitor Group's report indicates that in 2001 the NMMM capture 2,9% of all domestic trips within South Africa and that the NMMM captures 25% of all domestic trips in the Eastern Cape equating to around 972 000 domestic tourists. The majority of domestic trips to the NMMM are intra-provincial with 42% of trips originating in the Eastern Cape, 20% from Gauteng and 24% from the Western Cape.

The latest South African Tourism domestic tourism survey shows that the Sunshine Coast and Country tourism region received 22% of the domestic overnight trips to the Eastern Cape, which translates to 962 500 trips.

The Sunshine Coast and Country tourism region is mainly a destination for trips to visit friends and family, followed by leisure trips (see **Table 5.9**). Conference tourism is captured within the business tourism category.

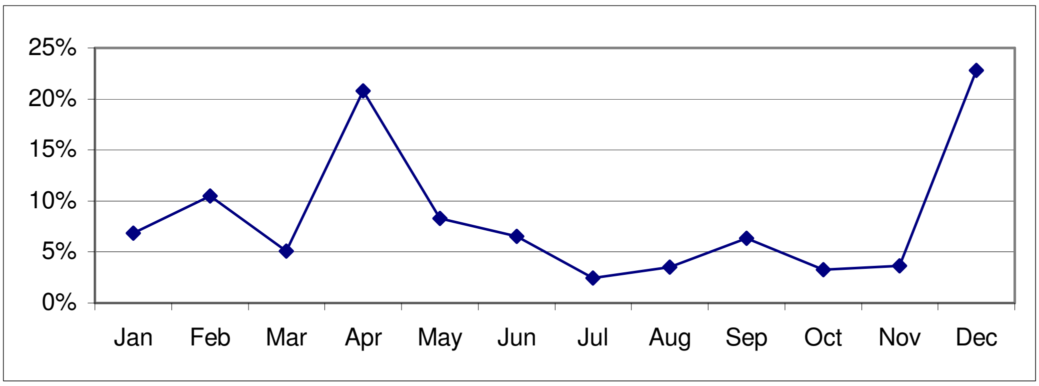
Table 5.9: Purpose of Visit to the Sunshine Coast and Country in 2001

Purpose of Visit	Share	Number of Trips
Leisure	37.5%	360,928
VFR	51.1%	491,825
Business	2.7%	25,987
Health	0.4%	3,850
Religious	8.3%	79,885
Total	100.0%	962,475

Source: SA Tourism and Grant Thornton Kessel Feinstein Calculation

Graph 5.8 shows that December and April are the most popular months for domestic trips to the Sunshine Coast. Business tourism to the Sunshine Coast remains constant throughout the year.

Graph 5.8: Seasonality of Domestic Trips to the Sunshine Coast and Country in 2001



Source: SA Tourism and Grant Thornton Kessel Feinstein Calculation

The Monitor Group indicates that the average spend by domestic visitors in the NMMM is comparable to other cities in South Africa. The spend per day in the NMMM is R85 whereas its is R88 in Cape Town, R85 in Durban and R58 in Johannesburg. The average length of stay of domestic visitors is 6.8 days in the

NMMM, 6.3 days in Durban, 6.8 days in Cape Town and 6.1 days in Johannesburg. The total average spend per domestic tourist is R572 in the NMMM, R545 in Durban, R597 in Cape Town and R358 in Johannesburg.

The Monitor group also indicates that in 2001 the NMMM attracted only 3% of domestic trips in South Africa, whereas Durban attracted 8%, Cape Town 6% and Johannesburg 8%.

Overall Assessment of Statistics:

- Most international tourists come to the NMMM by air; the geographical position of the Eastern Cape is a barrier to international air travel;
- International tourist impact is significant, both in volume and in value, to the NMMM as a result of the NMMM's position as the gateway to the Eastern Cape;
- The NMMM attracts the same key countries as South Africa as a whole in international, but there is less alignment in domestic tourism; the majority of domestic tourism is intra-provincial;
- International tourists do not stay for long in the NMMM compared to other cities in South Africa; and
- Due to the tourist position of the NMMM the contribution to employment is significantly lower in the NMMM compared to other cities (4% in the NMMM, 9% in Durban, 11% in Cape Town, 6% in Johannesburg and 7% in South Africa as a whole).

TOURISM 2000 NETWORK ANALYSIS

Tourism Port Elizabeth (the former name of Nelson Mandela Tourism) commissioned a study called "A Tourism Survey to Establish a Baseline for Measuring Tourism Growth in the Nelson Mandela Metropole". This study was completed by Tourism 2000 Network and some of the findings are included below.

The study estimates that tourist arrivals to the NMMM are as shown in **Table 5.10.**

Table 5.10: Estimated Breakdown of Tourist Arrivals in the NMMM in 2000

Category	Share of Total
Overseas	10%
Africa	2%
Total Foreign	12%
Domestic Inter-provincial	60%
Domestic Intra-provincial	28%
Total Domestic	88%

Source: Tourism 2000 Network

The study found that 63% of foreign tourists and 30% of domestic tourists visit the NMMM for holiday purposes (see **Table 5.11**).

Table 5.11: Purpose of Visit of Tourists to the NMMM in 2000

	Share
Overseas Tourists	**100%**
Holiday	63%
Business	11%
VFR	18%
Other	8%
African Tourists	**100%**
Holiday	63%
Business	11%
VFR	18%
Other	8%
Domestic Tourists	**100%**
Holiday	30%
Business	25%
VFR	45%
Total	

Source: Tourism 2000 Network

Conference tourism is captured within the business tourism category.

The study also found that there were 2 873 rooms and 7 155 beds in the NMMM in 2000 (see **Table 5.12**). We do not believe that the number of rooms have increased significantly as no new hotel developments occurred in the NMMM over the past two years. The only change (although insignificant) has been in respect of B&B developments which seem to come and go.

Table 5.12: Number of Rooms and Beds in the NMMM in 2000

Category	Rooms	Beds	Share of Beds
B&B/ Guest House	609	1,391	19%
Country Houses	47	95	1%
Budget Accommodation	125	370	5%
Holiday Flats & Apartments	230	668	9%
Self-Catering	373	1,784	25%
Graded Hotels	1,230	2,159	30%
Non-graded Hotels	259	688	10%
Total	2,873	7,155	100%

Source: Tourism 2000 Network

Using the number of rooms in the NMMM market we are able to determine the approximate size of the NMMM tourist market. **Table 5.13** provides an indication of the size of the NMMM tourist market.

Table 5.13: Estimate of the Total Tourism Market in the NMMM in 2003

Approximate Number of Rooms available	2837
Total number of Roomnights available	1 035 505
Average Room Occupancy	55%
Roomnights sold	569 527
Average Double Occupancy	80%
Resulting Bednights sold or overnight visitors to the NMMM	1 025 149

Taking into account the 2 837 rooms we estimate that from the 1 035 505 available room/ unit nights per annum, 55% were sold, resulting in room/ unit night sales of 569 527. Taking an average double occupancy rate of 80% into account, we estimate that from 2 071 010 available bednights, 1 025 149 were sold resulting in a bed night occupancy rate of 49%. The average length of stay in the NMMM in 2002 is approximately 4.5 days. It is therefore estimated that the NMMM received 227 811 overnight visitors in 2002 who used formal accommodation.

As the calculations included are based on the estimated number of rooms in the NMMM, we believe the number of bednights is a fair reflection of the number of tourists to the NMMM.

KEY CONCLUSIONS OF THE MONITOR REPORT

The Monitor Group was recently appointed to do a Tourism Pilot Cluster Study for the Nelson Mandela Municipality. In the study a number of conclusions were made:

Capacity

- Current airline, accommodation and tour operator capacity is sufficient to meet short term tourist demand, although the key gap is in respect of 5-star accommodation and there is a high prevalence of B&B accommodation;
- Capacity utilisation is highly subjective to seasonality;
- Future capacity will be highly dependent on development initiatives;
- There is a clear need for capacity data collection; and
- There is a role for the NMMM to improve and smooth out capacity utilisation by leveraging seasonality of different domestic and international market segments.

Main conclusion: Capacity is not a major barrier to growth

Market Access

- The city must still make the "Where to play?" choice for both international and domestic tourists (i.e. there is not a key tourist destination in Port Elizabeth and surroundings);
- The NMMM does not have a targeted focus on particular international countries to attract;
- The NMMM does not have a targeted focus on particular domestic tourists to attract;
- It is important for the city to focus its attention on selected market segments; its needs to develop a deeper understanding of the domestic market and increase the length of stay of domestic and international tourists;
- The city lacks insight into what tourist preferences are;
- The standard and quality of the product offering is not comparable to that of Cape Town or Gauteng; and

- The current product offering is weak for the international tourist market.

Main conclusion: Market access appears to be a major barrier to tourism growth

Competitiveness

- Domestic tourists provide the backbone of the city's tourist industry; the domestic market is mainly younger segments with little education or income; the product and services are therefore geared towards unsophisticated domestic markets – attracting both sophisticated international and domestic tourists will smooth out seasonality and increase capacity utilisation;
- The city has few attractions or events to attract international tourists – most international tourists use the city as a gateway to the Garden Route;
- The tourism cluster requires leadership in tourism development to align a fragmented tourism cluster;
- Partnerships between business and government are rare and needs to be improved; and
- Service delivery is not up to international standards and need to be improved.

Main conclusion: Competitiveness appears to be a major barrier to growth.

The research conducted by the Monitor Group clearly identifies the small base of international tourists and the lack of key tourist attractions clusters of attractions as major obstacles in expanding its international base and domestic tourism base.

5.4.5 Website

Port Elizabeth also has a website – www.ibhayi.com - to provide in the ever increasing need for available information on the Internet.

The website provides information on:

- The geographical features of the country;
- Climate and other general things about Botswana;
- Government;
- Travelling to and within Botswana;
- Accommodation;
- Tour Operators and Travel Agents;

- Attractions;
- Flora and Fauna;
- Maps;
- Embassies and Consulates;
- International Representatives;
- Statistics;
- News and Events;
- Contact information;
- Reference to reading matter and books about Botswana; and
- Links to relevant websites.

5.4.6 Current Challenges

Port Elizabeth is facing its challenge of being just a stopover for tourist going to or coming from the Garden Route. Various big tourism projects are being promoted to establish Port Elizabeth as a destination in its own rights such as a major new convention centre, a massive statue of Nelson Mandela and associated complex and the Madiba Bay attraction, which will create a wildlife attractions in an urban environment.

5.5 CONCLUSION

Following our review of the competitive destinations to Buffalo City we provide a comparison of the destinations below. More analyses of competitive destinations are provided in **Section 8**.

Foreign Arrivals

	Buffalo City	Cape Town	Durban	Port Elizabeth
Number	105 000	1,3 million	736 000	390 000
Main Origin	UK Germany	UK Germany	UK Germany	UK Germany
Length of Stay	1.5 days	7.6 / 6.6 days	4.5 days*	3.9 days
Purpose of Visit	Holiday VFR	Holiday	Holiday VFR	Holiday VFR
Spend per day	R750*	R931	R890*	R810

** Estimate*

Domestic Arrivals

	Buffalo City	Cape Town	Durban	Port Elizabeth
Number	734 000	1,9 million	2,7 million	972 000
Main Origin	Eastern Cape Western Cape KwaZulu-Natal Free State	Western Cape Gauteng Eastern Cape	Gauteng 42% KZN 35% Western Cape 9%	Eastern Cape 42% Gauteng 20% Western Cape 24%
Length of Stay	5 days	6.8 days	6.3 days	6.8 days
Purpose	VFR Holiday	VFR Holiday	VFR 44% Holiday 37%	VFR 51% Holiday 38%
Spend per day	R70*	R88	R85	R85

** Estimate*