DURBAN VISITOR MARKETING STRATEGY 2022 - 2026

DURBAN
THE WARMEST PLACE TO BE

Africa Tourism Partners
REDEFINING TOURISM IN AFRICA

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THE DECLINE OF THE TOURISM SECTOR IN DURBAN

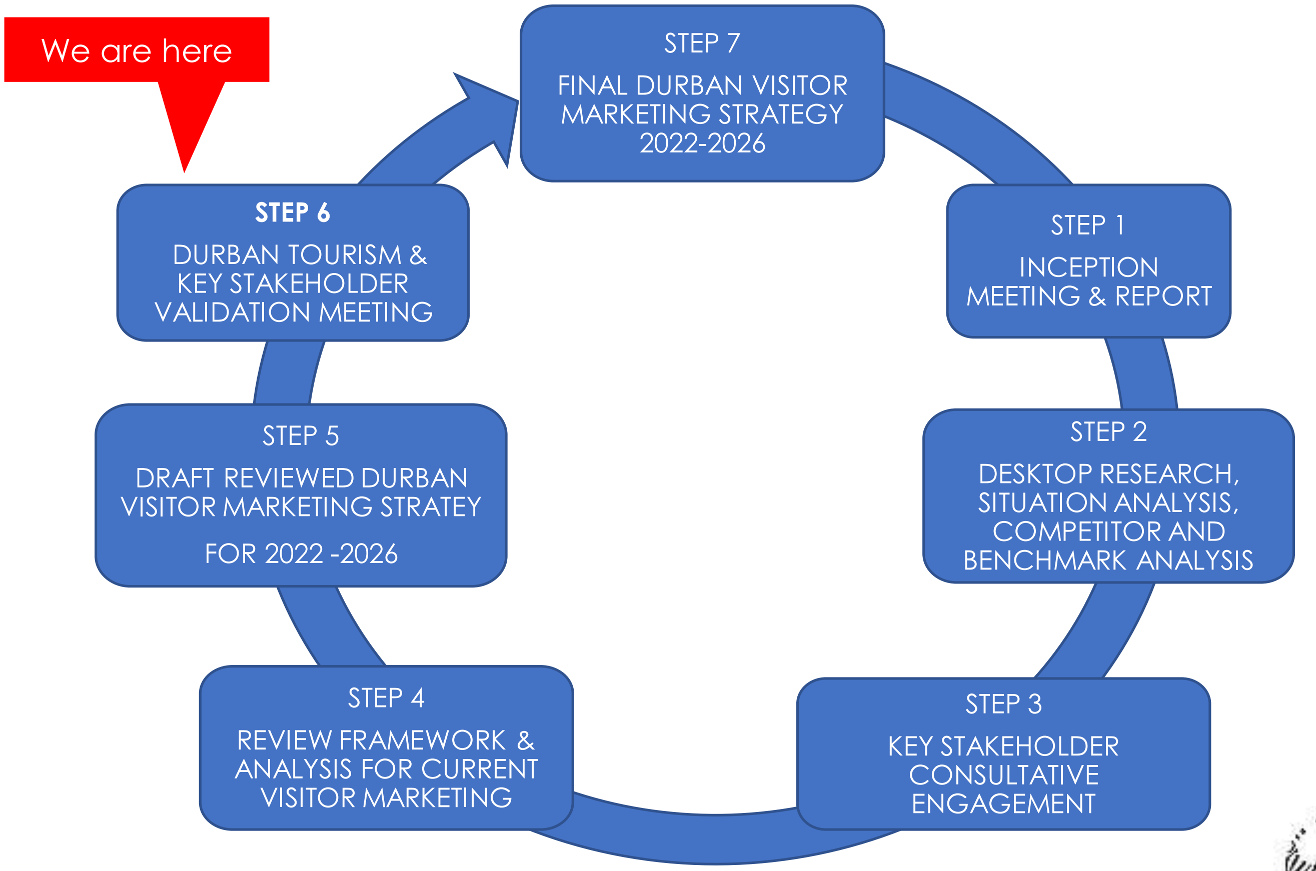
Economic impact	2018	2019	2020	2021
Total direct expenditure	R 11 657 033 216	R 11 481 885 876	R 4 396 274 320	R 5 197 402 043
Contribution to GDP	R 19 617 762 761	R 19 323 005 174	R 9 240 110 426	R 12 858 314 046
Contribution to employment	39 598	37 622	19 335	27 609
Contribution to government taxes	R 1 336 422 388	R 1 329 665 501	R 669 099 075	R 959 078 498

- The declines pre covid were to some extent due to poor state of our economy
- International tourism to South Africa declined due to the visa issues
- Xenophobic violence in Durban also contributed to the decline of our Regional visitors to our City.
- From 2020 the COVID 19 pandemic decimated the tourism sector and still direct international air access to Durban remains constrained
- In 2021 – besides the pandemic, it was the unrest and in 2022, the floods ravaged the City.
- Domestic tourism in South Africa has been under pressure due to economy which places pressure on Durban which is mainly a domestic destination
- Declining disposable incomes as tourism is a luxury – the prices of petrol, food and basic essentials have risen extensively

BACKGROUND

- The UNWTO panel of experts predicts that the global tourism sector recovery will only be possible when international tourism returns in full, hopefully in 2024
- The World Tourism & Travel Council (WTTC) predicts resumption of travel at a modest pace
- Successful recovery will require global co-operation, ramp-up in vaccination rates and rethinking and reshaping visitor marketing strategies and plans
- The Durban Visitor Marketing Strategy provides strategic direction for growing Durban’s visitor arrivals, receipts, length of stay and spend over the next 5 years
- Goal is to establish a long-term sustainable tourism sector that generates tourism revenues for Durban, while building a resilient visitor economy against future crises such as Covid-19

APPROACH TO THE VISITOR MARKETING STRATEGY



STRUCTURE OF THE VISITOR MARKETING STRATEGY REPORT

- The Report Structue
  - Executive Summary
  - Background and Strategic Context
  - South African and KwaZulu-Natal Perspective
  - Situation analysis: Policy Framework and Stakeholder Engagement Findings
  - Benchmarking and Competitive Analysis
  - Refined Visitor Marketing Strategy
  - Implementation Plan

KEY STAKEHOLDERS CONSULTED

- Industry stakeholders consulted using discussion groups / workshops, personal & telephonic interviews between October 2021 & January 2022
- Stakeholders consulted included:

- Durban Tourism managers
- Durban West CTO
- uMhlanga Tourism
- 1000 Hills Tourism
- INK (Inanda) Tourism
- Sapphire Coast Tourism
- Dbn Central CTO
- Clermont CTO
- Umlazi CTO
- ACSA / KSIA
- uShaka Marine World
- Durban ICC
- Moses Mabhida Stadium
- Durban Chamber Tourism Committee
- SATSA KZN (Durban region)
- Tsogo Sun
- Oyster Box / Red Carnation
- Durban Film Office
- eThekwini Economic Council (Tourism)
- Various international tour operators

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KEY RESULTS OF STAKEHOLDER CONSULTATIONS

- **Strategic intent** - the Visitor Marketing Strategy should be formulated in a way that leverages Durban's position as "South Africa's playground with global outlook".
- **Destination ownership & power relations** - Most stakeholders signalled that public/ private and community cooperation is unsound and weak. Suggested that the current approach should be refined to become more inclusive with a marketing partnership model that allows partners such as CTOs, Film Office and TKZN to be more involved.
- **Master plan** – industry partners proposed that it would have been appropriate for the Municipality to formulate a municipal tourism master plan prior to reviewing the visitor marketing strategy.
- **Tourism infrastructure development** – need strategic infrastructure projects such as the cruise terminal and Durban Eye to reposition Durban as world class beach and city destination.
- **Value proposition refinement** - the strategy should highlight warm weather, warm sea, warm people (hospitable and friendly) and the popularity of the Zulu culture and proximity to the "Big five" wildlife as key competitive strengths.

KEY RESULTS OF STAKEHOLDER CONSULTATIONS

- **Human capital & resource challenges** – noted by most industry partners that the entire tourism sector including Durban Tourism lacks adequate marketing capacity and skills. This is especially in comparison to possible competitors such as Cape Town. This to be addressed through skills development and capacity building programmes for the sector and Durban Tourism.
- **Product improvements & innovation** - Even though the broader product improvements and diversification are extremely imperative, general stakeholder observation was that there is an urgent need for active rejuvenation of the inner-city.
- **Product diversification** - recommended that this becomes intentional in facilitating and attracting global brands such as the Red Bus and other international hotel brands.
- **Market access & accessibility** - need much stronger co-operation between Durban Tourism, industry supply chain, airlines and ACSA to improve airlift.
- **Heritage Tourism** - heritage tourism identified as unique niche tourism opportunities and these should be in the spotlight.

KEY RESULTS OF STAKEHOLDER CONSULTATIONS

- **Business Events** – Durban has world-class MICE infrastructure with demonstrated experience in hosting mega events. Durban Tourism should exploit the sister city platform and other municipal partnership initiatives to get more people to Durban and exploit its global recognition for hosting mega events to amplify its competitive positioning and presence on the global stage.
- **Rural & Township Tourism** - the establishment of Durban Tourism Accommodation Network that aims to promote pop-up accommodation camps being piloted. It is widely believed that this is a game changing concept to enhance product diversification, affordability and value-for-money offerings for the lower LSMs, youth travel, staycation and local tourists.
- **Technological innovation & digitalisation** – It is recommended that Durban Tourism forges technology and digital branding partnerships with the likes of Expedia, Google Destinations, Amadeus etc. to provide seamless online and convenient end-to-end travel experiences to visitors through enhanced technologies.

KEY RESULTS OF STAKEHOLDER CONSULTATIONS

- **New-market development** – Stakeholders feel that the current marketing development approach is not fully aligned with the concept of a whole-provincial approach to tourism marketing. It was suggested that Durban Tourism becomes intentional about undertaking joint marketing initiatives and programmes with strategic Durban and KwaZulu-Natal agencies, and arts, culture, sport and recreation entities.
- **Improving Domestic & Regional marketing-** need to direct their early marketing and promotional efforts to incentivise and inspire domestic and regional travellers to visit Durban. It has therefore been suggested that Durban considers establishing hub offices in Johannesburg and Cape Town, considering these are lead source markets.
- **Review of pricing models** - Given that domestic and African markets are the lead markets, for South Africa, KwaZulu-Natal and eThekwini, stakeholders highly recommend that a differential pricing model be explored for these markets.

KEY RESULTS OF STAKEHOLDER CONSULTATIONS

- **Marketing & Brand Communication** – Stakeholders have noted that recent marketing activities including National roadshows with trade and other Government entities. Imperative that Durban Tourism co-create an events calendar that encapsulates programmes, events and activities of all partners and sister entities for improved co-operative marketing.
- **Addressing perceptions** – it is imperative for Durban Tourism to reframe its messaging around personal safety to alleviate any concerns that discerning visitors to the metro may have around this critical issue.
- **CTO Funding** - It was also noted that CTOs do not have adequate funding. It was recommended that Durban Tourism review and improves the funding for CTOs in order to make them active participants.

PERFORMANCE OF ETHEKWINI MUNICIPALITY TOURISM INDUSTRY

Number of Visitors	2017	2018	2019	2020	2021
Domestic overnight	3 458 211	3 376 504	3 545 534	1 664 127	2 082 176
International overnight	339 007	281 040	283 604	69 553	58 271
Total overnight visitors	3 797 218	3 657 544	3 829 138	1 733 680	2 140 447
Day visitors	1 286 052	1 256 029	1 273 308	823 386	1 133 131
Total visitors	5 083 270	4 913 573	5 102 446	2 557 066	3 273 578

Domestic source markets:

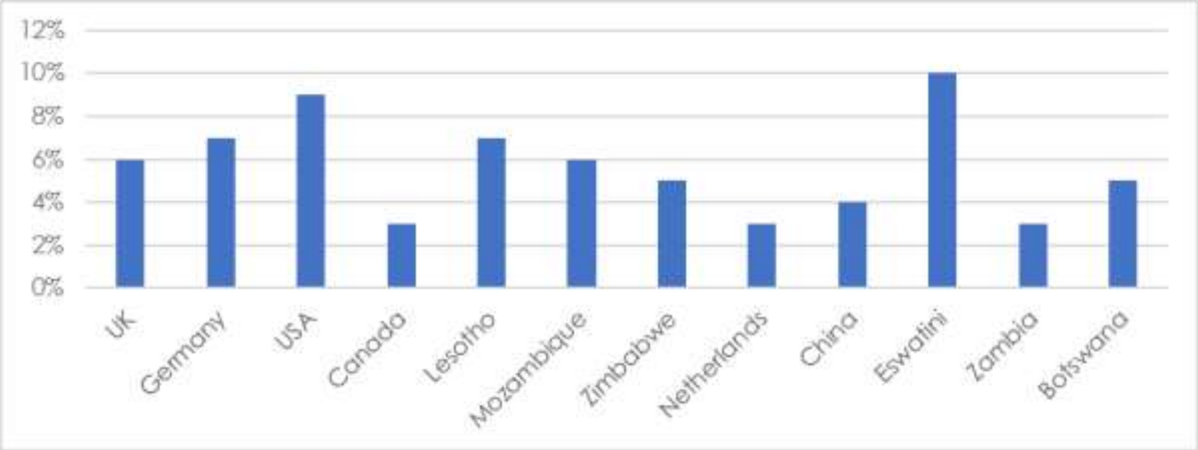
- KZN & Gauteng main source markets

Province	2017	2018	2019	2020	2021
KZN	41%	25%	38%	54%	55%
Eastern Cape	5%	6%	6%	4%	5%
Free State	6%	7%	4%	6%	4%
Gauteng	26%	34%	31%	24%	23%
Limpopo	3%	4%	3%	2%	2%
Mpumalanga	4%	5%	4%	3%	3%
North West	2%	4%	2%	1%	1%
Northern Cape	2%	2%	2%	1%	1%
Western Cape	11%	13%	11%	5%	5%

PERFORMANCE OF ETHEKWINI MUNICIPALITY TOURISM INDUSTRY

International source markets:

- SADC, UK, Germany & USA main source markets



	2017	2018	2019	2020	2021
Leisure	49%	46%	58%	51%	62%
VFR	20%	23%	19%	30%	24%
Business travel	13%	13%	11%	11%	9%
Conference	9%	11%	4%	3%	2%
Other	10%	7%	8%	5%	4%

Purpose of visit:

- Leisure & visiting friends & relatives (VFR)

KEY LEARNINGS FROM BENCHMARKING OF GLOBAL DESTINATIONS

Key Focus Areas	LONDON	PARIS	BARCELONA	SYDNEY	MIAMI
Focus on domestic market	X	X	X	X	X
Focus on MICE	X	X		X	X
Recovery marketing campaigns	X	X	X	X	X
Mandatory vaccines	X	X	N/A	X	N/A
Digital innovations	X	X	X	X	X
Focus on open spaces	N/A	N/A	X	X	X
Traditional Media	X	X	X	X	X

Marketing Strategies	Cape Town	Accra	Mombasa	Marrakesh	Alexandria
Brand positioning statement	X	N/A	X	X	X
Promoting key experiences	X	X	X	X	X
Joint marketing campaigns	X	X	X	X	X
Activation / promotional campaigns	X	X	X	X	X
Digital campaigns	X	X	X	X	X
Strong domestic market focus	X	X	X	N/A	X

SWOT ANALYSIS

Strengths	Weaknesses
• Value for money and adequate accommodation capacity for domestic, regional, continental and non-African tourists • Ease of accessibility and mobility • Major tourist infrastructure – Durban ICC, Moses Mabhida Stadium, uShaka Marine World, Golden Mile, etc. • Warm weather, warm sea, hospitable people • Availability of facilities and infrastructure to host mega sports, entertainment and business events - Durban International Film Festival, Durban July, Major Business Events etc. • Distinct culture and diversity and cosmopolitan city structure • Proximity to "Big Five" and key World heritage sites (two in the province). • High destination brand awareness at domestic, regional and continental levels • Positive national perception as South Africa's playground	• Conflicting use of destination brand names of "City of Durban" versus "eThekwini Municipality". • Constrained power relations and "silo" phenomenon in implementing VMS across inter-governmental entities and the private sector • Insufficient institutional capacity and destination capacity for implementing VMS - all marketing positions are currently vacant • Overly modest in unlocking the brand equity and value of the "Zulu Culture" as a distinctive cultural asset and brand equity • Deteriorating tourist infrastructure due to inadequate maintenance • Limited awareness of diverse offerings • Inadequate domestic, national and international trade relations • Limited stakeholder capacity for product diversification and tourism product offering and appeal • Insufficient digital, social media marketing presence and travel technology • Limited amplification of value proposition and unique selling points • Lack of vibrant lifestyle for youth

SWOT ANALYSIS

Opportunity	Threats
• Global awareness of the Zulu Kingdom • Waterfront infrastructure development • The presence of Durban Film Office, and KZN Film Commission • Home of Africa's largest and leading travel fair – Africa Travel Indaba • Dube Trade Port Special Economic Zone set up to promote local and international trade • Sound municipal policy and regulatory framework and programmes. • The presence of the 3rd biggest international airport • One of the leading MICE destinations in Africa with the potential for bleisure tourists. • Adventure, rural and township tourism potential • Cruise tourism opportunity owing to marine and waterfront development • Proximity to the wildlife, cultural and heritage sites • Upgrading uShaka Marine World to a world class "stay put resort" in South Africa after Sun City.	• Insufficient leverage of global agreements signed. e.g., sister city agreements • Growing city tourism competition from across Africa • Safety and Security - Negative perception in the areas of South Africa in Xenophobia, July 2021 uprising and perceptions about South African crime situation • Lack of integrated public transport networks for larger conferences • South African visa challenges • Limited international routes and airlifts • Global media coverage of the destination as a tourist destination • South African Visa issuance constraints • Lack of proximity to iconic "Stay-put" resorts such as Sun City or Cape Town Waterfront or Kruger National Park

GUIDING PRINCIPLES FOR THE VISITOR MARKETING STRATEGY

VISITOR MARKETING STRATEGY STRATEGIC DIRECTION

Proposed vision

- ***"To be the most favoured beach, recreation, holiday and business events destination in Africa and be positioned as the "playground of Africa"***.

Goals of the visitor marketing strategy:

Goals	Strategic Imperatives
Goal 1	To facilitate cooperative marketing with private sector and other sister public entities through a whole-municipality approach to visitor marketing, perception management and brand equity building.
Goal 2	To promote Durban as a city tourist destination and improve tourism's contribution to the municipality's GDP and create more employment.
Goal 3	To secure emotional links to and loyalty of visitors in order to accelerate industry recovery - grow arrivals, increase length of stay, expand geographic dispersal and increase average spend per visitor.

DURBAN TOURISM NEEDS TO UNDERSTAND TRAVEL MOTIVATION

Imperative for Durban Tourism to:

- design distinctive brand tags to inspire travel during crisis such as COVID-19
- co-create products, attractions, and experiences among stakeholders as a way of fulfilling tourists needs and aspirations
- co-construct and implement bespoke marketing programmes that create top-of-mind awareness
- drive targeted messaging and activations at specific travel consumers at different stages of the travel consumer's journey and conversion
- carry out appropriate consumer to research and understand what motivates their target audience and experiences it seeks

PROJECTED PERFORMANCE AREAS & TARGETS : 2022 – 2026

Domestic Tourism Base Case

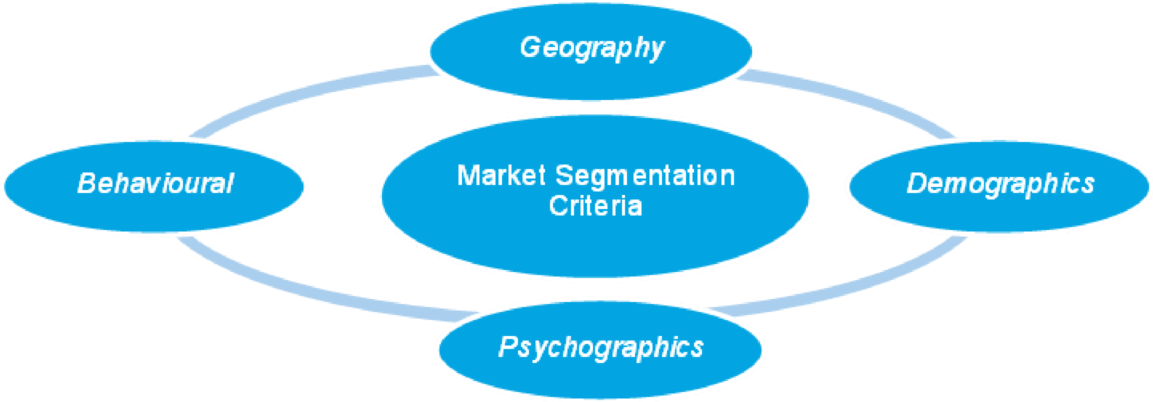
	2022	2023	2024	2025	2026
Number of tourists	2 768 066	2 941 070	2 999 892	3 059 890	3 121 087
% Growth	32.9%	6.3%	2.0%	2.0%	2.0%
% Of pre-COVID average (2017-2019)	80%	85%	87%	88%	90%
Total direct expenditure (billions)	R5.7	R6.3	R6.7	R7.2	R7.7

International Tourism Base Case

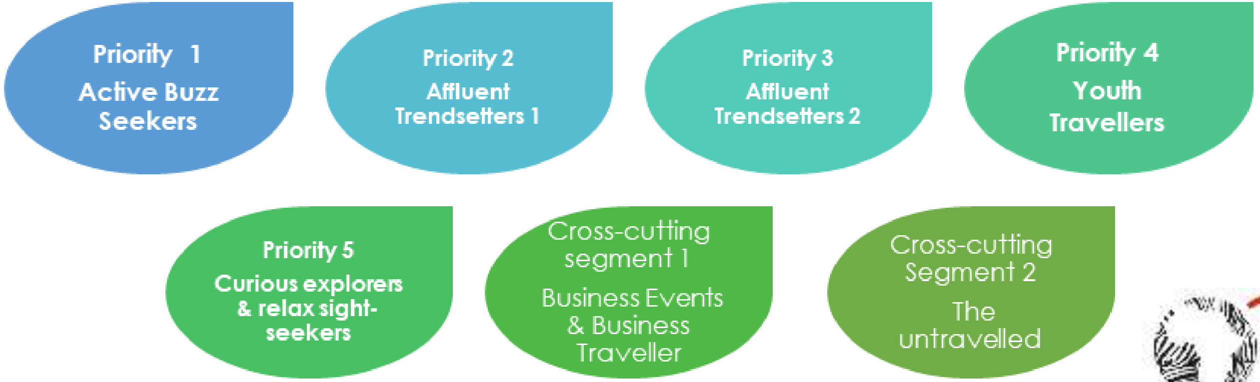
	2022	2023	2024	2025	2026
Number of tourists	123 093	184 639	246 186	246 186	346 787
% growth	111.2%	50.0%	33.3%	0.0%	40.9%
% of pre-COVID average	40%	60%	80%	80%	N/A
% share of total tourists to eThekwini	4%	6%	8%	7%	10%
Total direct expenditure (billions)	R0.79	R1.21	R1.63	R1.66	R2.37

MARKET SEGMENTATION

Segmentation criteria



Priority Travel consumer segments



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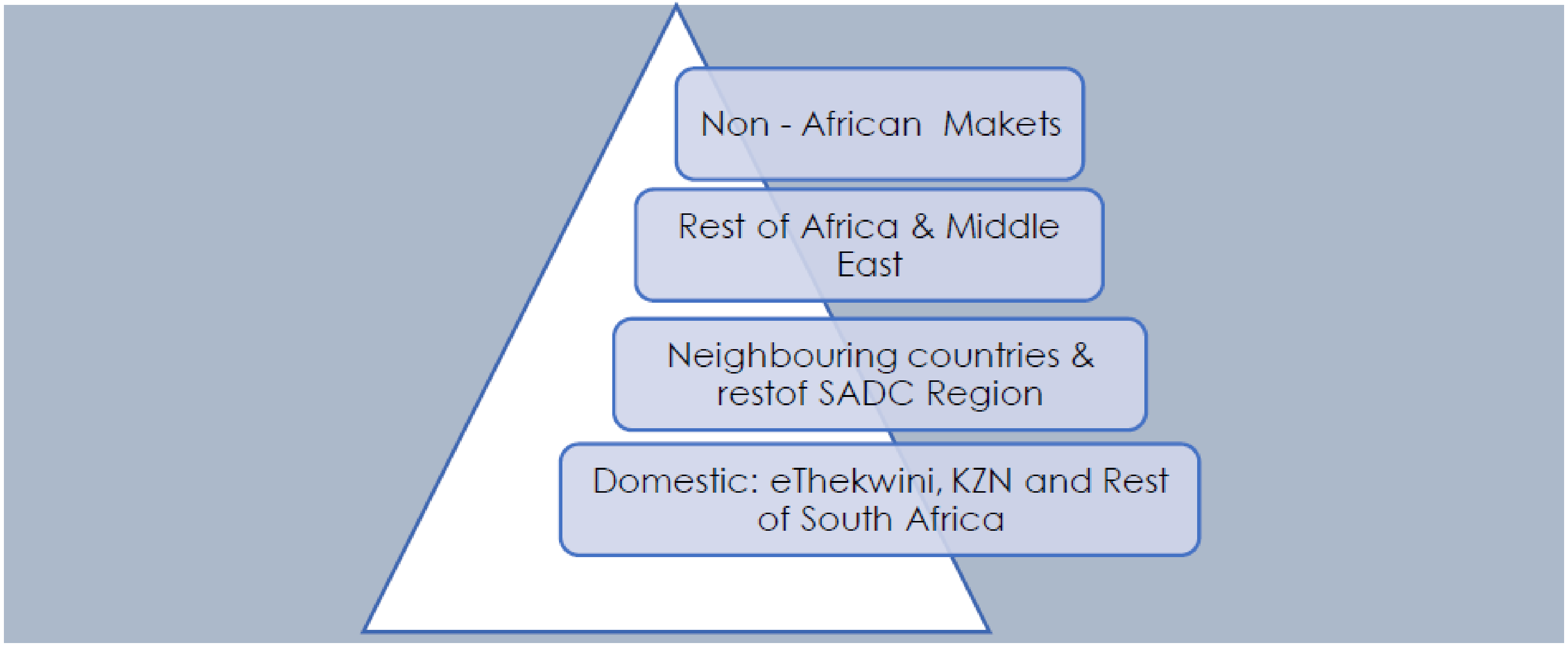
GEOGRAPHIC MARKET SEGMENTATION

Prioritisation by market



INTEGRATED MARKETING COMMUNICATION STRATEGIC PRIORITIES & OBJECTVES

Strategic Priority	CREATE AWARENESS	INTEREST & DISCOVERY	CONSIDERATION & DECISION	ACTION
	INSPIRATION	BUILD BRAND POSITIVITY	BOOKING & PREFERENCES	CONVERSION & RETENTION
Specific Objectives	To create awareness among all target audiences and target source markets about Durban, existing and new products, attractions and experiences	Work on improving positive narratives while changing negative perceptions and addressing key issues.	Expose audience to the bigger picture, stimulate demand by making easy for them to travel and experience Durban Durban as tourist or visitors	Deliver Durban's promise by working closely will all stakeholders and partners to ensure their on-the-ground experiences match expectations created

Global, regional, domestic and local brand message delivery by Durban Tourism, Media Partners and Trade

Partner and trade focussed activities, in-source markets and in Durban

Target audience	Global targeted	interested audience	Reached & engaged audience	Travelled Audience

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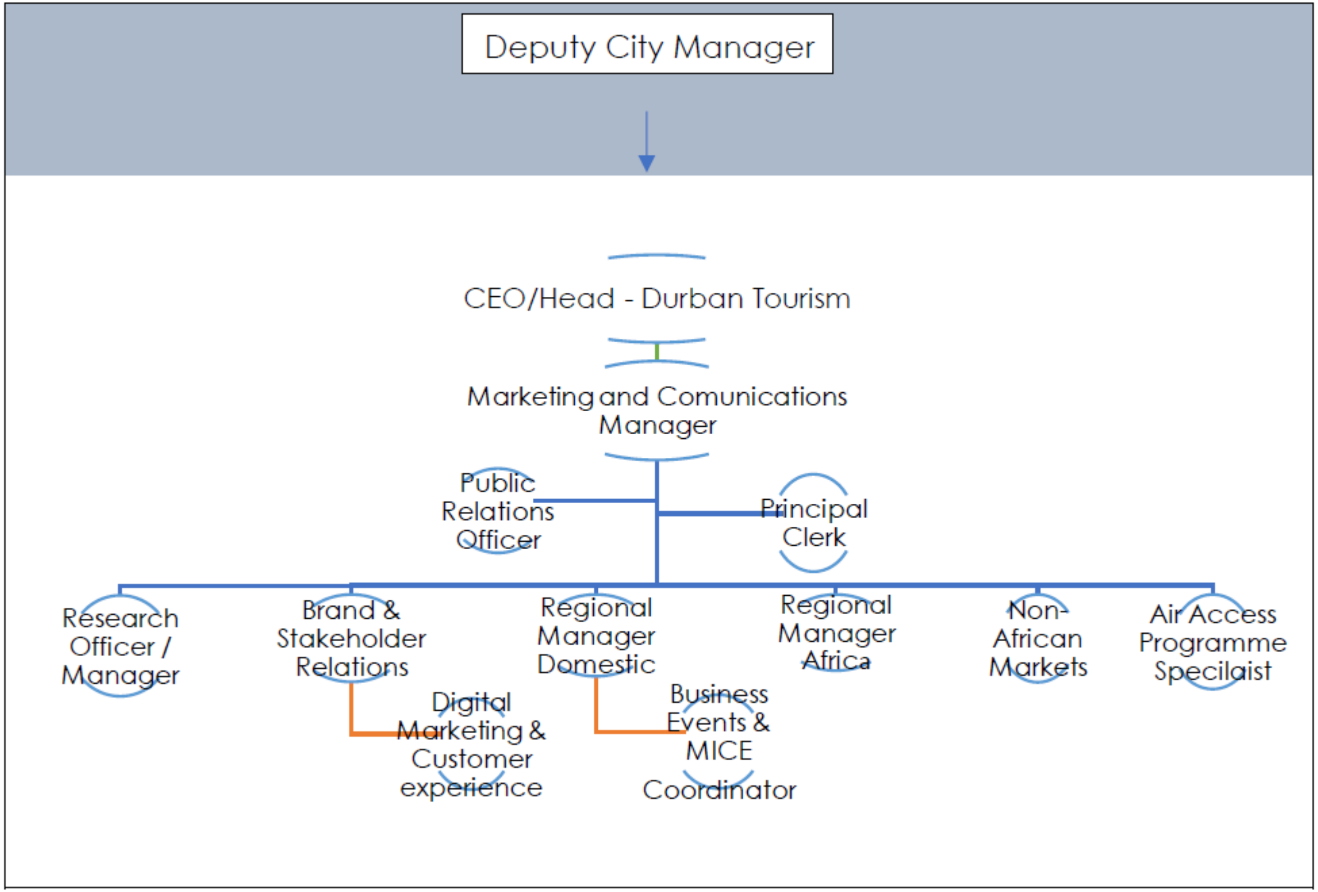
RECOMMENDED DURBAN TOURISM MARKETING & COMMUNICATIONS STRUCTURE



IMPLEMENTATION PLAN

Timeframe

2022 -2023

- Human resources development
- Enforcement of Covid-19 Protocol
- Launch annual consumer insights study
- Put in place integrated marketing and communications plan
- Intentional MICE Business Development Drive
- Institute intentional digital transformation & innovation programme
- Product & experience modification

2023 - 2024

- Product & experience modification
- Refined pricing and package models with private sector
- Reviewed and improve global distribution channels /network
- Design and launch Infrastructure improvement advocacy and partnership programmes
- Refine and Improve air access policies and practices to strengthen Durban Direct programmes

2024 – 2026

- Product & experience modification
- Refined pricing and package models with private sector
- Reviewed and improve global distribution channels /network
- Design and launch Infrastructure improvement advocacy and partnership programmes
- Refine and Improve air access policies and practices to strengthen Durban Direct programmes

Implementation Risk

- Lack of political will and progressive policy.
- Under funding of marketing programmes and activities
- Lack of robust brand guardianship and custodianship.
- Non-adherence to monitoring, evaluation and control principles.
- Inadequate internal capacity

SUMMARY OF MONITORING AND EVALUATION MEASURES

#	Key Performance Areas	Annual Performance Indicators
1	**Annual tourism arrivals, overnight stay and spend as projected in the Visitor Marketing Strategy**	• Domestic - Percentage increase in day trips, intra-provincial overnight arrivals and direct spend as set out in this VMS. • International - Percentage increase in, African overnight arrivals and direct spend as set out in this VMS. • Percentage increase in non-African overnight arrivals, length of stay and direct spend as set out in this VMS. • Total tourism contribution to GDP as projected in this VMS.
2	**Brand Awareness and positivity levels**	• Total unique visitors to Durban Tourism's website as measured by Google Analytics. • Improved brand awareness based on brand tracking, research and annual consumer insights. • Return on Investment and customer engagement on activities. • Total number of blended local, domestic and international campaigns run.
3	**Market penetration and development**	• Total number of certified eThekwini Market Development Specialists in key markets and regions. • Total number of marketing partnership agreements signed for digital technology and non-industry partners in core markets • Total number of feeder markets travel trade trained and ambassadors recruited
4	**Job Creation**	• Total employment sustained or created.