University of Pretoria

THE STATE OF DOMESTIC TOURISM IN SOUTH AFRICA: CHALLENGES AND OPPORTUNITIES

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Overview

- What domestic tourism is
- Why it is important
- How we are performing
- How we compare
- How we travel
- Our challenges
- Our opportunities

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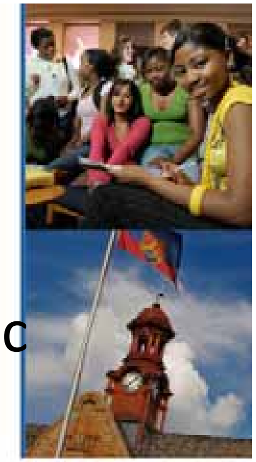
What is domestic tourism?



- Domestic Tourism

  The tourism of resident visitors within the economic territory of the country of reference (StatsSA).

- Domestic Tourist

  Residents of one country travelling only within that country,

  - Outside usual environment
  - Not remunerated within the place visited

- Domestic Travel & Tourism Spending –

  Spending within a country by that country's residents for both business and leisure trips

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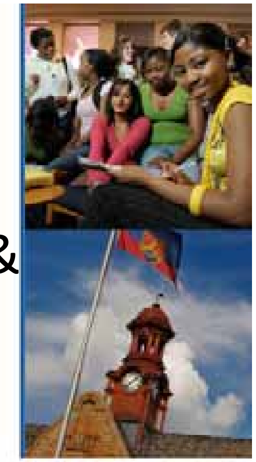
Why is domestic tourism important?



- Cushions effect of global market volatility, bringing stability & predictability in the industry
- Lessens troughs in seasonality
- Keeps spending money within home country
- Geographic spread of tourists beyond main city areas
- Year-round economic growth
- Increased employment (direct and indirect) - poverty alleviation
- Tourism culture creates responsibility for tourism protection within local communities
- Generation of pride and ambassadorship for country
- Not as vulnerable to problems arising from international airline schedules, changing international tastes, perceived security threats
- Greater loyalty towards destination

(Butler, 2012; Okello et al., 2012; Mendiratha, 2011; Cornellisen, 2005; Rogerson & Lisa; 2005)

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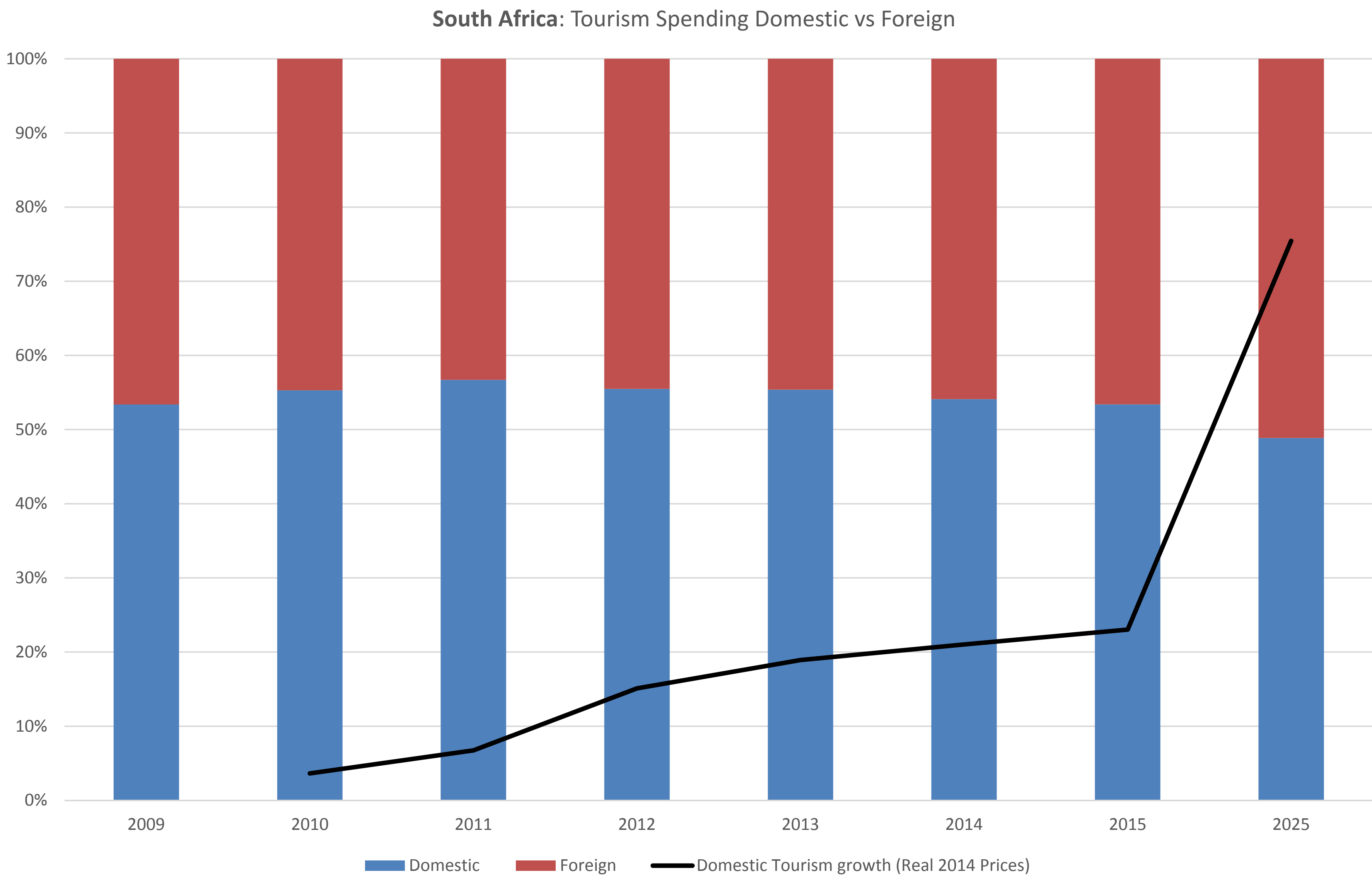
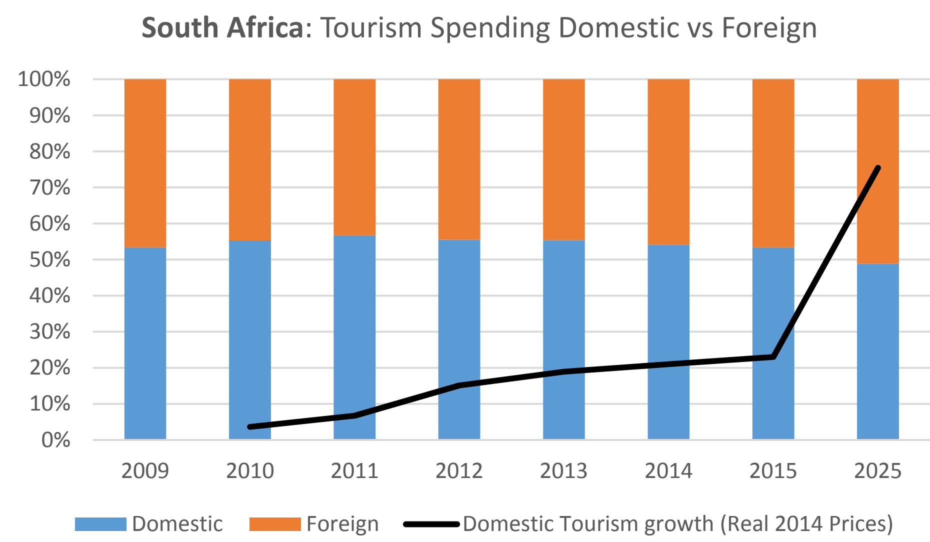
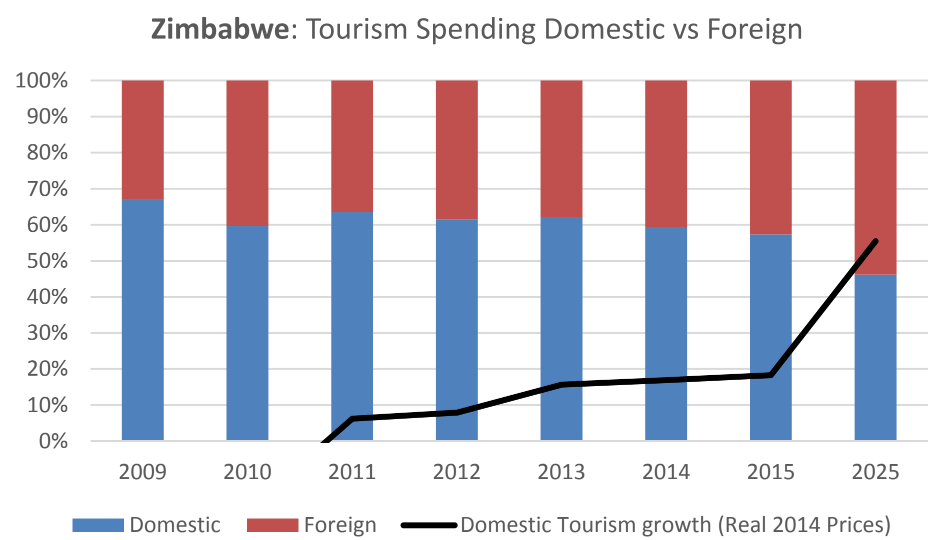
How are we doing?

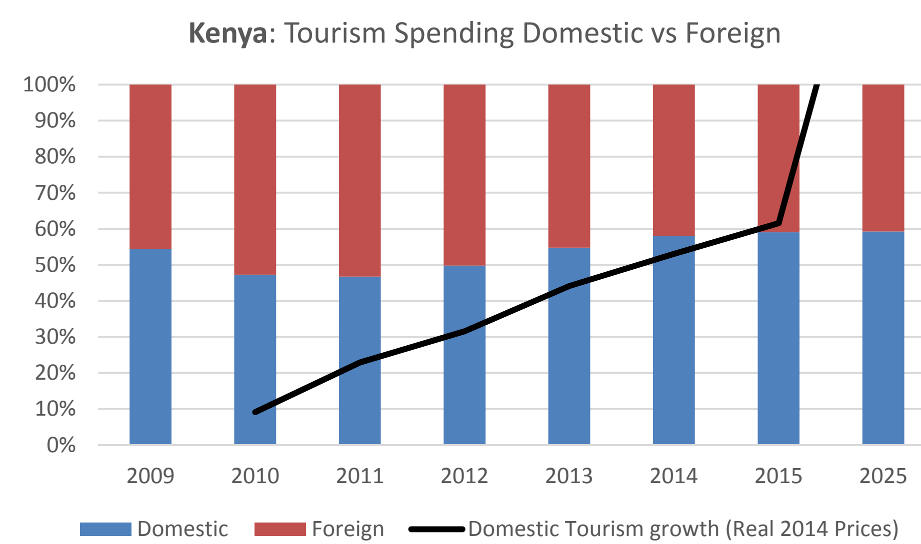


Source: WTTC, 2015

How do we compare?







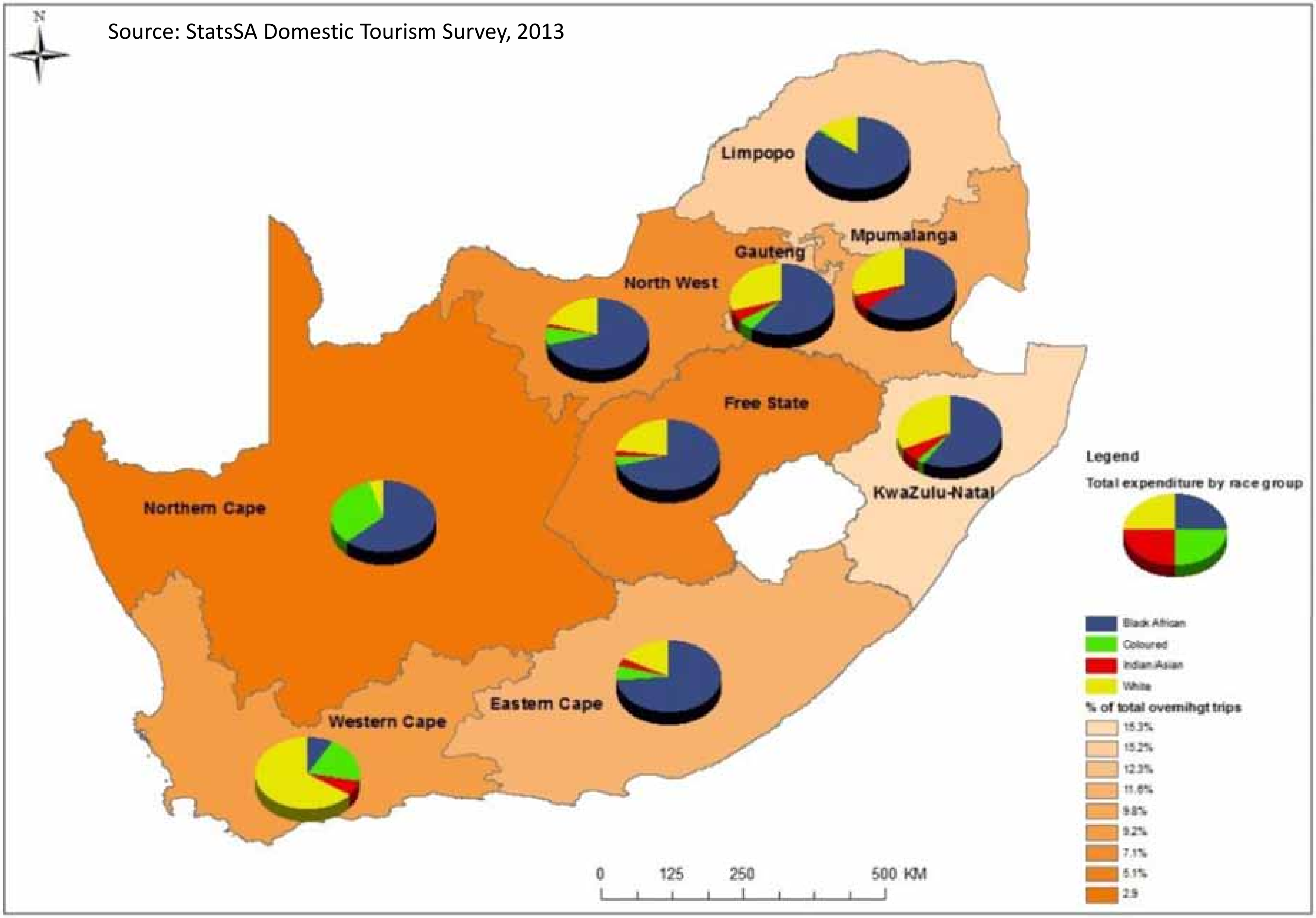
Source: WTTC, 2015

How do we travel?

Key Metrics		2007	2008	2009	2010	2011	2012	2013
Number of Trips	Annual	35,9 Million	32,9 Million	30,3 Million	29,7 Million	26.4 Million	25,4 Million	25,2 Million
	By purpose	VFR: 68%, Holiday: 56%, Business: 7%, Religious: 7%, Medical: 1 %	VFR: 71%, Holiday: 16%, Business: 5%, Religious: 5%, Medical: 2 %	VFR: 76%, Holiday: 12%, Business: 5%, Religious: 5%, Medical: 1 %	VFR: 74%, Holiday: 13%, Business: 5%, Religious: 6%, Medical: 1 %	**VFR: 73%,** **Holiday: 15%,** **Business: 5%,** Religious: 6%, Medical: 1 %	**VFR: 72%,** **Holiday: 12%,** **Business: 5%,** Religious: 8%, Medical: 1 %	**VFR: 70%,** **Holiday: 12%,** **Business: 8%,** Religious: 7%, Medical: 1 %
Spend	Total Annual spend	R 20.0 Billion	R25,8 Billion	R28,8 Billion	R21,1 Billion	R20,2 Billion	R 21,8 Billion	R24,3 Billion
	By purpose	VFR: 45%, Holiday: 37%, Business: 14%, Religious: 3%, Medical: 0 %	VFR: 45%, Holiday: 39%, Business: 12%, Religious: 3%, Medical: 2 %	VFR: 59%, Holiday: 22%, Business: 17%, Religious: 2%, Medical: 1 %	VFR: 51%, Holiday: 31%, Business: 14%, Religious: 3%, Medical: 0%	**VFR: 51%,** **Holiday: 31%,** **Business: 14%** Religious: n/a, Medical: n/a%	**VFR: 52%,** **Holiday: 23%,** **Business: 17%,** Religious: n/a%, Medical: n/a%	**VFR: 47%,** **Holiday: 26%,** **Business: 19%,** Religious: n/a, Medical: n/a%
	Average Spend per Trip	R550/ Trip	R780/Trip	R730/Trip	R710/Trip	R780/Trip	R850/Trip	R980/Trip

(Source: SA Tourism; Statssa)

Percentage spend on most recent overnight trips by population group at province of destination, Jan – Dec 2013



What are our challenges?

- Research focus
- Economic impediments
  - Affordability
  - Loss of income – informal sector)
- Social impediments
  - Lack of knowledge
  - Lack of awareness of activities (e.g. KNP)
  - Socialisation patterns (Butler, 2012)
  - Lack feeling of “belonging” in many recreational spaces
- Tourism capacity at local government level
- Limited resources in domestic tourism
- Infrastructure capacity
- Matching supply and demand in all regions

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Are we using our opportunities?

We have gained recognition………..

China

- During 2009 Recession
  - Tourism authorities launched series of stimulus plans to boost domestic tourism
    - Promotion of rural tourism & tourism coupons
- Introduction of "Golden Weeks"
  - National days & Festivals

South Africa (DTGS)

- "Tourism belongs to all"
  - Stimulate a tourism culture (SAT)
    - Sho't Left campaign
    - First-time travellers FAQ (SAT)
    - "Fun Bus"
  - Industry innovations for new travellers
    - Tour Operator packages

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(Mendiratta, 2011; Rogerson & Lisa, 2005; Lang, liu & Ki, 2013)

......but we can always do more

- Recognise the value of the "Diaspora" VFR market?

  - Adding the "Diaspora tourist" as sub-segment of domestic tourism (Scheyvens, 2007)

    Nationals from a country who live overseas - the diaspora – but who return home for short holidays (same characteristics as the domestic tourist):

    - Tendency to travel to places that foreign tourists do not go
    - Attend important social and cultural events
    - Distinct from international visitors
    - Can make significant contributions to development of their country

- Match tourism supply & demand –

One size fits all is not the solution – Recognise that:

1. Domestic market segments have different needs
2. Product offerings in different regions meets these needs to a greater or lesser extent
3. Each tourism region (stakeholders) should cohesively develop their product offerings to meet the needs of the different market segments

Match Model (2013)

SPONTANEOUS BUDGET EXPLORERS

- Ages: 18-24 (22yrs average)
- Racial profile: All races (44%black)
- Income: R5000 p/m (87%work fulltime)
- 91%single
- No kids

Adventure; the journey; activities; socialising; nightlife, fun

NEW HORIZON FAMILY

- Ages: 35> (44yrs average)
- Racial profile: B, C, I (66%black)
- Income: R5000-R10000 p/m (86%work fulltime)
- 42%married
- 74%kids

Access to sites, shopping; info; socialising; heritage activities

HIGH-LIFE ENTHUSIASTS

- Ages: 25-45 (33yrs average)
- Racial profile: B, C, I (73%black)
- Income: R10000> p/m (97%work fulltime)
- 70%single
- No kids

Escape, relax; shopping; food, wine; nightlife; memorable events; SI Groups

SEASONAL LEISURE SEEKERS

- Ages: 25-45 (34yrs average)
- Racial profile: White
- Income: R5000>p/m (89%work fulltime)
- 48%married
- No kids

Escape, relax; shopping; food, wine; nightlife; memorable

WELL-TO-DO MZANSI FAMILIES

- Ages: 25-45 (37yrs average)
- Racial profile: B, C, I (63%black)
- Income: R10000>p/m (96%work fulltime)
- 65%married
- 100%kids

Relax; socialize; shopping; tailored trips; expose the kids

Spontaneous Budget Explorers				New Horizon Family				High-Life Enthusiasts				Seasonal Leisure Seekers				Well-to-do Mzansi Families			
Central Karoo	BBR	West Coast	OR Tambo	Central Karoo	BBR	West Coast	OR Tambo	Central Karoo	BBR	West Coast	OR Tambo	Central Karoo	BBR	West Coast	OR Tambo	Central Karoo	BBR	West Coast	OR Tambo
✓×	✓✓	✓✓	×✓	✓✓	✓✓	✓✓	✓✓	××	✓×	✓×	××	✓✓	✓✓	✓✓	×✓	✓✓	✓✓	✓✓	×✓
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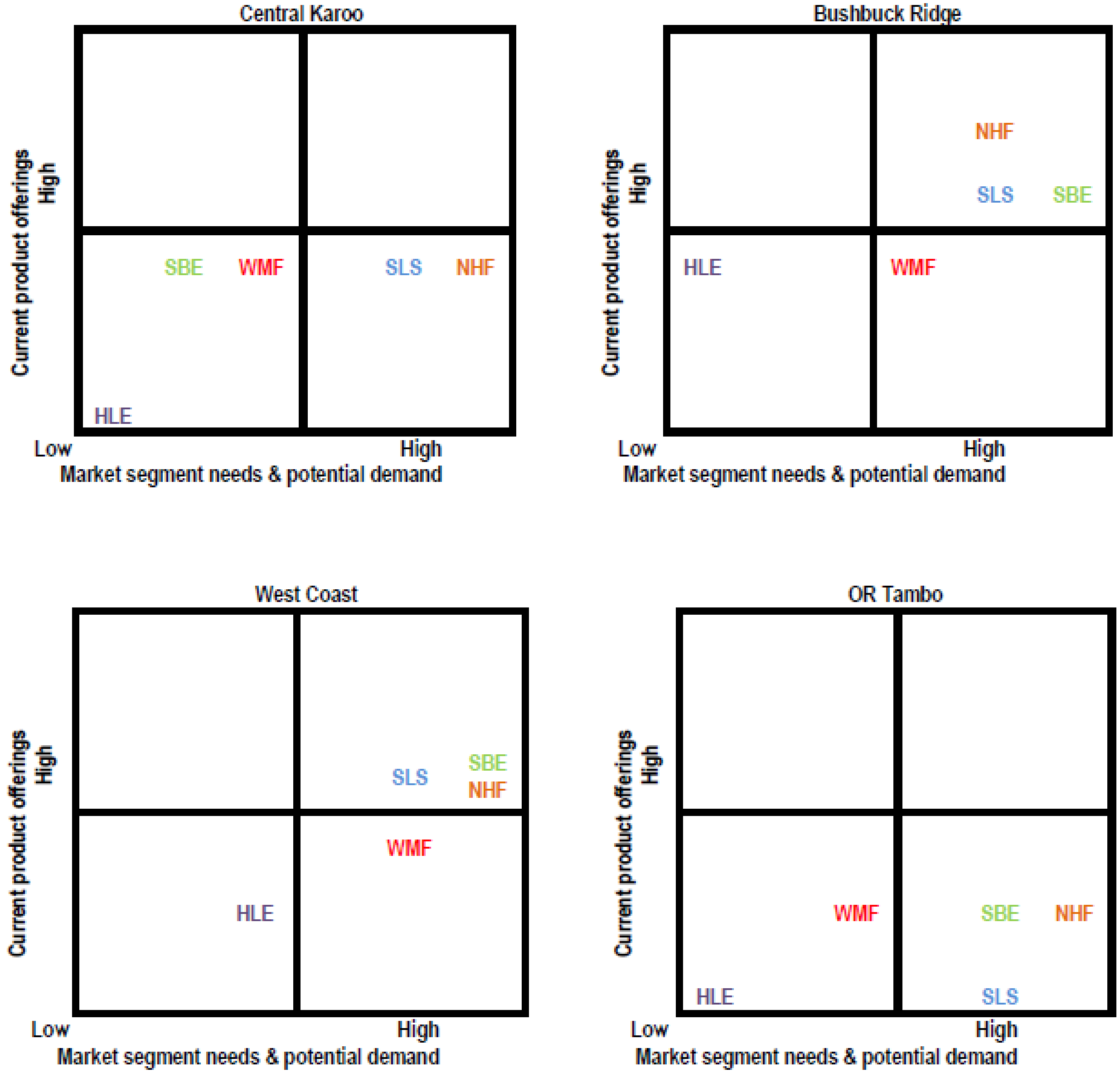
Figure 1: Current product offerings in terms of market segment needs and potential demand per node



"…leisure travel is no longer….the exclusive prerogative of the upper classes.….it extends beyond the growing middle class to include the participation in leisure travel of the lower middle classes."

(Rogerson & Lisa, 2007:91)

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Thank you