

## **WESTERN CAPE TOURISM POLICY FRAMEWORK AND STRATEGY**

*The purpose of this document is to provide the policy foundations and competitive strategy for the Western Cape to become a leading global tourism destination. The framework:*

- Establishes a vision, growth targets and fundamental policy principles for future tourism development;
- Identifies clear strategies for the Western Cape to establish a competitive advantage and maximise tourism growth in the medium to long term;
- Proposes institutional and financing arrangements to give effect to the strategy.

Compiled by: Western Cape Department of Economic Affairs, Agriculture and Tourism in co-operation with the Western Cape Tourism Board

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## **Executive summary**

Tourism in the Western Cape and its related components and activities have not been managed and developed in accordance with a clear, collective policy and strategy. This document provides the strategic direction for Western Cape tourism and should serve as a framework for synergising and directing the efforts of the tourism industry in the province.

### ***The current situation***

#### *Strengths and opportunities*

- The range of tourism magnets (“icons”) which provide the Western Cape with a strong branding.
- The incredible environmental diversity.
- The rich socio-cultural heritage.
- The combination of metropolitan Cape Town as a well-developed global gateway and the many unexplored, less populated experiences offered by the hinterland.
- Well-developed and maintained public infrastructure that facilitates ease of travel.
- A sophisticated and mature tourism business sector.
- The “spirit” of the Cape, i.e. its image of relaxation, entertainment and outdoor activity.

The following opportunities have not been fully explored and offer much scope for expansion and further development. These include:

- Establishing the Western Cape as a global meetings, incentives, events, exhibitions and convention destination.
- Expanding and promoting our cultural assets and experiences.
- Improving our entertainment opportunities.
- Capitalising on our potential as a premier environmental and outdoor destination.
- Developing our conservation assets to the advantage of tourism.

*Constraints and/or threats to tourism growth*

- Inadequate resources and funding as a result of a limited understanding of tourism's value.
- Tourism security concerns.
- Institutional fragmentation.
- Destructive competition.
- Limited co-operation and partnerships between the private and public sectors.
- Stereotyped generic images.
- Cape Town is not positioned as a major global destination in competition with London, Sydney, Hong Kong, Miami, etc.
- A seasonal market and perceived inhospitable winter climate.
- Imbalances in the development of greater Cape Town and the hinterland.
- Limited involvement of previously neglected constituencies.
- Service quality and pricing limitations.
- Inadequate environmental management.
- Infrastructure constraints, particularly in traditionally neglected urban and rural areas.
- Aviation constraints – limited international direct flights and competition to Cape Town.

***Vision 2010 in a nutshell***

*The Western Cape has developed into a world class tourism destination, globally renowned for its unique combination of natural splendour, cultural diversity and top class convention and visitor facilities. Visitors are offered excellent value for money, a range of high quality tourism products and excellent service levels in a safe, well maintained and user friendly setting. Growing at levels well beyond the overall economic growth rate, tourism is government priority and the major job creator in the province that carries the support and backing of the population at large.*

### ***Growth targets***

The following targets for 2010 are pursued in support of the vision.

- Increase the number of overseas tourists visiting the Western Cape from approximately 830 000 in 1998 to 3 million by 2010
- Increase overseas tourist expenditure in the province from R7.2 billion to R22 billion by 2010 (1998 prices)
- Increase the share of the overseas tourist nights that accrue to the Western Cape from 40% to 48% during Summer and from 26% to 40% during Winter by:
- Increase the number of domestic tourism trips from 2,3 million to approximately 3.7 million
- Increase domestic tourism expenditure in the province from R8,2 billion to R12. 7 billion (1998 prices).

### ***Fundamental principles***

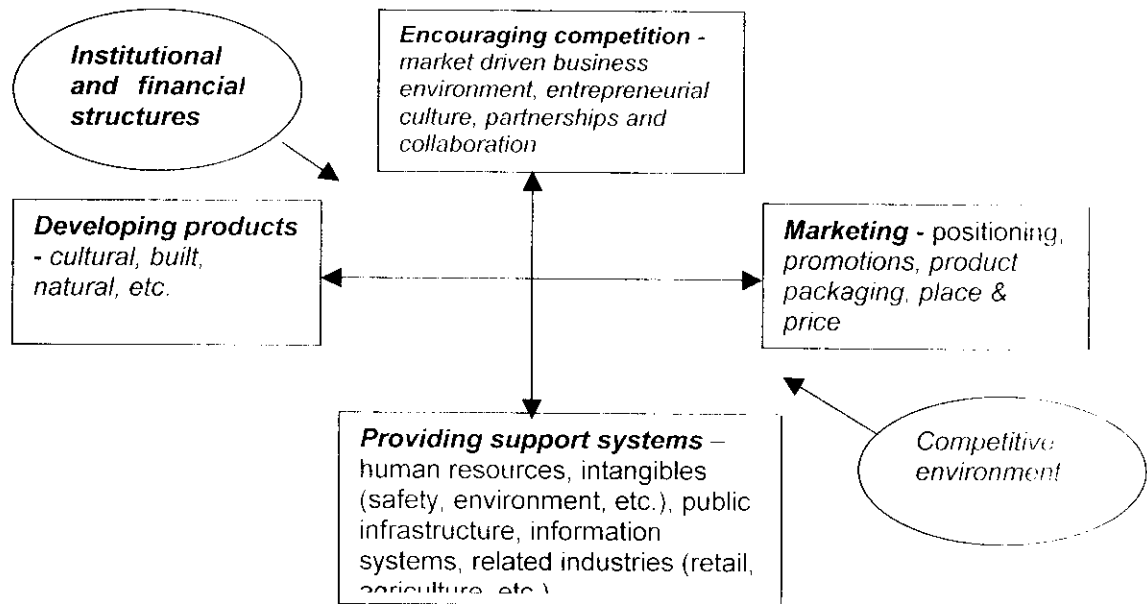
- Tourism should be market driven
- A responsible and sustainable development philosophy should be followed, based on the foundations of social equity, environmental integrity and economic empowerment
- The development and growth of the industry should be based on collaboration and partnerships between the government, private sector, labour force and the population at large, i.e. tourism should be Government led, private sector driven labour conscious and community based.

### ***Critical success factors***

In view of the preceding analysis the following factors are considered critical to the achievement of the vision:

- Meaningful *involvement* of marginalised communities;
- Improved *funding* for tourism development and destination marketing;
- *Co-ordination* and synergising of public tourism resources;
- A *safe* and peaceful tourism environment;
- Constant *innovation* of the provincial product portfolio in the areas of conservation and wildlife, convention business and cultural tourism;
- Crafty and innovative *marketing* and promotion;
- *Improved service* levels, product quality and value for money;
- Greater involvement of *other (supportive) sectors* of the economy;
- Improved *awareness* of tourism and accessibility to training opportunities, advisory services and finance for tourism enterprises;
- *Sustainable* environmental *practices*

## *Strategic Framework*



## *20 strategies for success*

### **Encouraging competition**

#### *1. Keep the industry market driven and deregulated*

Pricing guided by market conditions; limited regulation; discount entrance fees to attractions during off-peak periods; liberal aviation policy that allows for more direct flights; a competitive aviation environment.

#### *2. Establish public-private partnerships and collaboration*

Consult private sector concerning marketing programmes; private products to participate in marketing campaigns; tourism authorities regularly meet with broader business community to obtain their support.

#### *3. Promote entrepreneurship, with a special emphasis on marginalised and disadvantaged entrepreneurs and communities.*

Special attention and assistance to SMME's; provincial tourism entrepreneurship programmes; special conditions for participation of disadvantaged entrepreneurs; special marketing assistance programmes.

### **Marketing**



***4. Focus on lucrative end of international market and provide affordable travel opportunities for domestic tourists.***

Value for money rather than price-based; aim at discerning section of international market; affordable tourism resorts and camping areas to capture and grow domestic market.

***5. Compliment the national (Satour) marketing programmes in targeting the international market and compete provincially for the domestic market.***

Only venture into international marketplace with/in support of Satour; regional and local tourism agencies should not venture into international market; provincial emphasis on creative packaging of regional and local products in support of Satour campaigns; compete vigorously for largest possible share of domestic market.

***6. Initiate collective marketing opportunities to combine the efforts of the private sector, regional and local tourism organisations***

Devise provincial collective marketing opportunities to encourage participation and joint planning by all tourism bodies; generic campaigns to facilitate sales opportunities for private products; provincial tourism authority to provide a menu of tactical marketing opportunities for private businesses.

***7. Promote a single provincial brand – Western Cape “incorporated”, with Cape Town as gateway and magnet.***

Western Cape Tourism logo and branding to link to South African brand; the various regional and local tourism agencies in province should promote the provincial brand; complimentary products and industries e.g. inward investment, wine, fruit, fishing, banking etc. should be encouraged to promote the provincial brand image; branding and imagery to reflect the unique culture and heritage of Western Cape; Cape Town to be strongly positioned as magnet and gateway within provincial brand.

***8. Aggressively target the established “experienter” and “entertainer” market segments and develop the new “explorer” and “eventer” segments***

Nurture and aggressively target the “experienter” and “entertainer” segments as the established “cash cows” of the international and domestic markets; target “eventers” and “explorers” as most important new growth segments.

***9. Package tourism themes and magnets in the form of suggested routes and itineraries in pursuit of target market segments.***

Magnets (location-specific attractions e.g. events, conferences, unique natural/cultural/ built icons) and themes (cross-cutting experiences e.g. outdoor and adventure, nature and wildlife, culture and heritage, shopping and entertainment, etc.) offered in the various regions to be collectively promoted and packaged in the form of suggested travel routes and itineraries; generic marketing campaigns to be launched to promote off-season and hinterland attractions.

### ***Developing products***

#### ***10. Formulate an integrated spatial tourism development framework***

Framework should serve as a guide for establishing tourism development priorities; must identify priorities for product development as well as provision of infrastructure and other support systems.

#### ***11. Initiate special attraction development programmes to enhance our Unique Selling Propositions (USP's).***

Product development programmes should support USP's (natural environment, cultural diversity and "Spirit of the Cape"); development programmes to be pursued are heritage tourism, ecotourism, adventure tourism and events tourism; constantly improve key magnets and develop new attractions; to involve widest possible range of departments, organisations and agencies; workgroups of relevant role players to spearhead development programmes.

#### ***12. Improve participation of local communities (particularly those previously marginalised) in tourism development programmes.***

Planned process to identify local assets and facilitate participation of marginalised communities; establish appropriate financing and funding mechanisms including a Tourism Development Fund.

#### ***13. Promote appropriate business investment opportunities and establish incentives to stimulate investment in underdeveloped areas.***

Establish tourism investment promotion package (database of investment opportunities, relevant statistics and promotions material); consider special development incentives in underdeveloped areas with potential.

### ***Providing support systems***

#### ***14. Launch provincial tourism awareness, education and customer service programmes***

Launch a provincial customer care programme for front-line staff; establish a tourism awareness programme in schools and relevant institutions; expand tourism as a subject in senior schools; promote fluency in English and other foreign languages; include tourism in HIV/Aids awareness programmes.

***15. Establish tourism skills development programmes***

A consolidated skills development programme should link to the national Sector Education and Training Authority (SETA); establish a provincial tourist guide development programme to train and register tour guides in accordance with national tourist guide regulations; facilitate access to the industry for previously disadvantaged tour guides.

***16. Legislate a compulsory registration system and acknowledge credible voluntary grading systems***

Legislate system for all tourism businesses to register with provincial tourism authority and to adhere to basic entry standards; service standards of businesses that belong to credible voluntary grading systems to be acknowledged

***17. Acknowledge and treat tourism safety as a priority.***

Tourism safety programmes to be initiated by local governments (surveillance camera networks, appropriate signage and special ground patrols); priority precinct zones to combine efforts of all role-players; supplement police capacity by “rent a cop” system with funding sourced from private property owners; public affairs programme to counteract negative perceptions.

***18. Actively encourage sustainable tourism practices and promote general destination upkeep and cleanliness.***

All tourism developments to be subject to procedures of National Environmental Policy Act; continuously inform the industry of global best practice in environmental management; local tourism bureaux to fulfil a watchdog role with regard to general destination upkeep and cleanliness; enlist support of general population to keep destination free of pollution, crime and grime.

***19. Assess tourism-related infrastructure and facilitate the infrastructure provision.***

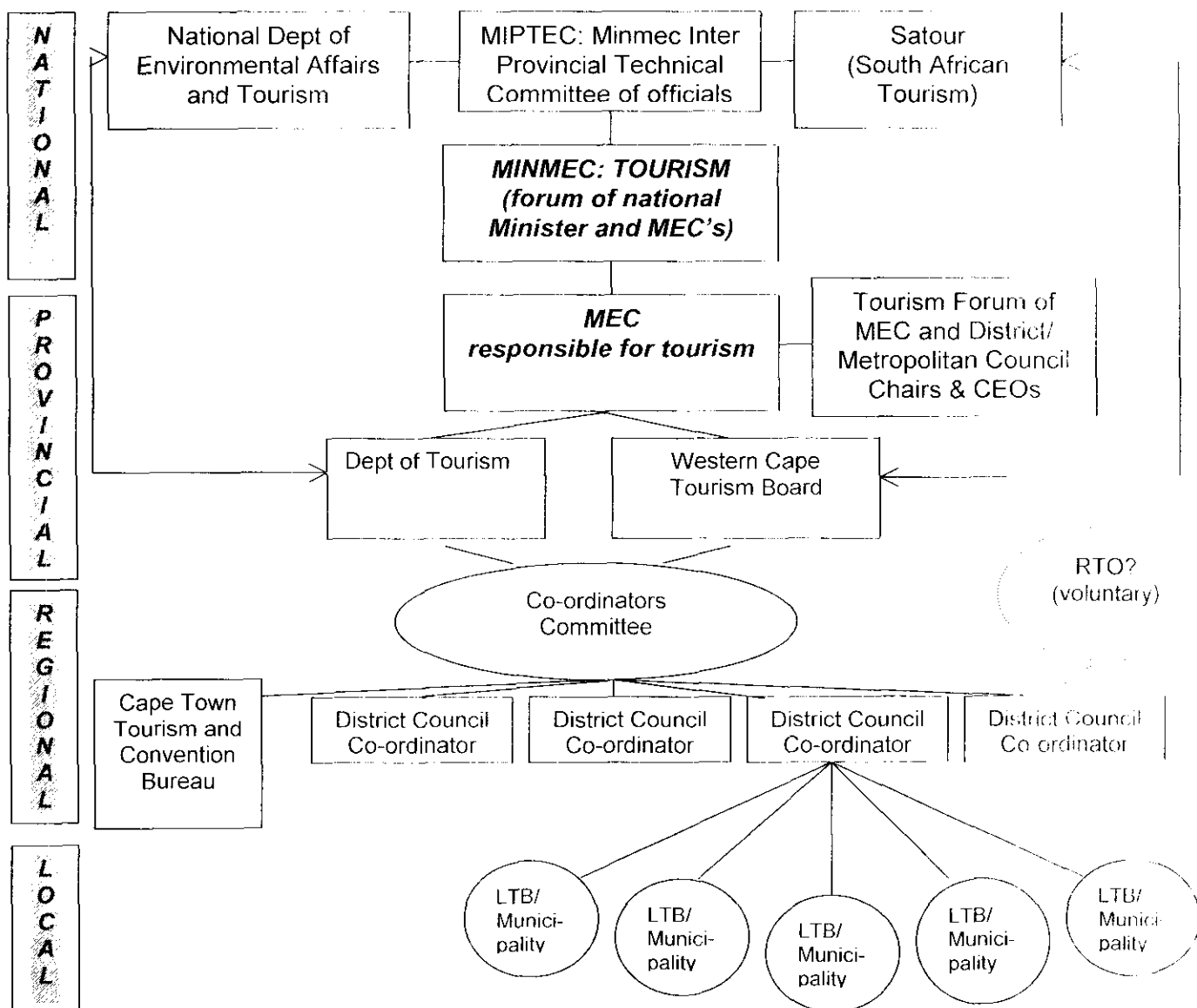
Conduct a thorough evaluation of tourism related infrastructure, including under-utilised public assets, roads and public facilities; obtain the buy-in of all relevant agencies to address gaps.

***20. Develop a state-of-the-art, integrated provincial tourist information, road signage and tourism statistics system.***

Tourist information system to link to national network and local tourism bureaux, include a multi-dimensional user access system including information offices, road signs, guides and maps, World Wide Web, etc; emphasis to be placed on ensuring appropriate and user-friendly road signs (simplifying existing road signs manuals and specifications, formalising application and approval procedures, establishing regional road signs committees, conducting an audit of road signs network); establish a database of tourism statistics; establish mechanisms to measure the economic impact and contribution of tourism.

## *Proposed institutional framework*

(Detailed description of framework and organisational roles in text)



### *Financing the strategy*

The successful implementation of the proposed tourism strategy will require substantial financial resources. The following options should be considered to improve funding:

- Streamlining and co-ordinating the budgets of regional and local tourism agencies;
- Increasing the current provincial fiscal tourism allocation;
- Commercialising various facets of the provincial tourism operations;
- Increasing sponsorships of provincial tourism programmes;
- Establishing a mandatory tourism registration system;
- Implement a legislated levy, based on the following models:
  - The preferred option is a mandatory national tourism levy, with tourists being levied at the international airports upon departure and a portion of national levy income being returned to the provinces.
  - Should the national levy be unacceptable, a provincial tourism levy should be considered, either at the Cape Town International Airport or as a bed levy at tourism establishments.



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## **Introduction**

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There is little doubt that the global tourism marketplace is becoming increasingly competitive. This is due to a number of factors including a “shrinking” globe as a result of improved aviation technology and electronic information systems, the increasing awareness among business and government leaders of the economic significance of travel and tourism and the restructuring of the global economy.

These trends have resulted in tourism companies and destinations becoming increasingly focused and strategic in their approach in order to maintain and improve their competitive positions. The global trend is away from broad, generic marketing campaigns that promote traditional products and use mass distribution channels towards focused, experience-based marketing aimed at specific market segments.

The establishment of the national private-public tourism funding partnership and the resulting Partnership Marketing Committee are clear signals of a national effort towards improving South Africa’s tourism competitiveness. As the foremost South African tourism destination the Western Cape intends to strongly position itself within the national context. A well founded, competitive tourism strategy is the key to increasing the Western Cape’s share of South Africa’s domestic and international tourism markets.

### **The need for a tourism policy framework and strategy**

Tourism in the Western Cape and its related components and activities have not been managed and developed in accordance with a clear, collective policy and strategy. As a result the various components of the industry are largely uncoordinated and inward focused. This could result in ad-hoc and fragmented strategies which fail to effectively capitalise on our diverse tourism resources, thereby limiting the ability of the tourism sector to provide much needed entrepreneurship, employment and skills development opportunities.

The Ministry of Business Promotion and Tourism together with the Western Cape Tourism Board initiated the tourism policy and strategy process during 1998 when the provincial



Minister responsible for tourism appointed the Strategic Management Team (SMT) to investigate the Western Cape tourism system and suggest appropriate improvements. The SMT's report highlighted a number of key areas which required attention including:

- The need for institutional re-alignment and synergy in tourism;
- The need for a clear focus on tourism human resources development, maintenance of standards and effective marketing and promotion;
- The need for greater ownership of and participation in tourism by previously neglected persons and communities;
- The need for effective communication channels and
- The need for improved funding for tourism development and promotion.

This document outlines the proposed policy and strategic direction for Western Cape tourism. It should serve as a framework for synergising and directing the efforts of the tourism industry in the province. The framework should compliment the broader draft economic strategy of the province, which is based on the following foundations:

- The Western Cape as a premier learning region, with the emphasis on a high-quality primary and secondary education system, encouragement of sectoral training institutions and establishment of links between the business sector and world-class tertiary institutions.
- The Western Cape linked to the world through upgrading international transport facilities, putting the Cape in the fast lane of information technology, making it the most attractive place for investment and establishing it as a world-famous brand.
- The Western Cape as a centre for entrepreneurs by supporting start-ups and new firms and building a strong equity and venture capital sector.
- The Cape of Good Hope for all by improving job creation, raising the quality of basic services (e.g. health care and education) to the poorest citizens and promoting the development of sectors which are able to absorb more low-skilled labour.

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## **The Western Cape Tourism Picture**

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### **Background**

As in the rest of South Africa the pre-1994 apartheid system severely limited the scope of the Western Cape industry and caused various social and economic imbalances. Many tourists abstained from travelling to the country during the apartheid years and previously neglected groups were not afforded the opportunity to freely participate in the sector.

This situation resulted in a number of national tourism constraints as highlighted in the White Paper on Tourism. These included an inadequately resourced and funded tourism industry, a myopic private sector, limited involvement of local communities, inadequate training, education and awareness, poor environmental management, poor service, lack of tourism infrastructure (particularly in rural areas), lack of appropriate institutional structures and poor safety conditions (White Paper on Tourism, 1996).

While the Western Cape has over the years been privileged to be at the forefront of tourism growth, many of the constraints identified nationally also apply to the province. The following information provides an indication of the tourism situation in the province.

### **Tourism performance**

South African tourism has increased substantially during the past 5 years. The following indicators provide a reflection of the performance of the Western Cape in comparison to national performance:

- ***Overall tourism contribution***

At national level, tourism contributes approximately 8,2 per cent to the GDP (WTTC, 1998). In a separate study, using similar satellite accounting methodology to the WTTC, Bloom (1998) estimated tourism's contribution to the provincial GRP at approximately 13 per cent. These

figures are the best available estimates and clearly demonstrate the extremely important and significant contribution of tourism to the Western Cape economy.

- ***Overseas tourism market***

The Western Cape attracts the majority of overseas tourist nights. However, the following figures indicate that there is a clear seasonal pattern and that the Western Cape market share reduces considerably during the winter season.

Total overseas tourist arrivals in SA in 1998	1 482 327	
Total annual bed nights sold to overseas tourists	24,5 million	
Overseas tourists visiting the Western Cape	Approx. 830 000	
No annual bed nights Western Cape	Approx. 8,5 million	
Total annual overseas tourist expenditure in Western Cape (1998)	Approx. R7,2 billion	
	Summer	Winter
% of overseas tourists visiting Western Cape	59%	50%
Western Cape % of total overseas visitor nights	40%	26%
No of Western Cape attraction in top 15 SA attractions	9	7

Source: Satour International Market Surveys, Winter '97 and Summer '98.

- ***Domestic Tourism Market***

The following figures indicate that domestic tourism remains the backbone of the Western Cape tourism industry and that domestic tourist expenditure is substantially larger than international expenditure.

No. of annual domestic tourist trips to the Western Cape	2 278 800
Total average expenditure per trip	R3 580
Total annual domestic tourism expenditure (1998)	R8,2 billion

Source: Western Cape Tourism Board Domestic Market Survey, 1999.

## Strengths and opportunities

The figures cited above indicate that the Western Cape has over the years become the premier South African tourism destination and that it has substantial growth potential.

The following are some of the *comparative advantages* that have contributed to its strong position:

- The *range of tourism magnets or “icons”* which provide a strong branding to the Western Cape, including Table Mountain, Robben Island, Kirstenbosch, Cango Caves, Namaqualand Flowers, Whales, Wines, Events (such as Two Oceans marathon, Argus cycle tour, Klein Karoo Kunstefees), etc.
- The incredible *environmental diversity* of mountains, oceans, landscapes, fauna and flora.
- The rich *socio-cultural heritage* that has provided the province with a unique canvas of cultural experiences, shaped by its African roots and European and Asian influences and links.
- The combination of metropolitan Cape Town as a *well-developed global gateway* and the many *unexplored, less populated experiences* offered by the hinterland.
- Well-developed and maintained *public infrastructure* that facilitates ease of travel.
- A sophisticated *and mature tourism business sector*.
- The *“spirit” of the Cape*, i.e. its image as an area of relaxation, entertainment and outdoor activity.

While the above mentioned advantages have been at the core of the Western Cape’s attractiveness, various *opportunities* have not been fully explored and offer much scope for expansion and further development. These include:

- ***Establishing the Western Cape as a global meetings, incentives, events, exhibitions and convention destination.*** The MICE industry has experienced major international growth during the past fifteen to twenty years. Despite being a sought after corporate and group travel destination, the Western Cape has not been able to respond to this opportunity. The development of a world-class convention centre and the establishment of a professional convention bureau are major opportunities in this regard.
- ***Expanding and promoting our cultural assets and experiences.*** These could relate to the development of historical areas, communities, personalities and events as well as the “living” culture of the province. Examples include “platteland” lifestyles and hospitality, palaeontology, religious diversity, struggle history, township life, cuisine, arts, music, language, Cape history, etc. It is about promoting and packaging the rich “soul” of the Western Cape.
- ***Improving our entertainment opportunities.*** Tourism is about an entertaining experience. While various entertainment facilities and events have developed during the past few years, much could be done to further develop this area by encouraging the development of nightlife, festivals, theme parks and staged events.
- ***Capitalising on our potential as a premier environmental and outdoor destination*** The Western Cape is already well established as an environmental and outdoor paradise. This image could be further enhanced by capitalising on the global trend towards niche experiences (adventure travel, sport tourism, hiking, environmental interests such as birding, star gazing, etc.) and environmental sensitivity (sustainable practices and planning).
- ***Developing our conservation assets to the advantage of tourism.*** The large number of provincial and national parks located in the province has not been fully developed. These provide major opportunities for expanding our tourism attractions in “platteland” areas. The introduction of big game species on private and public conservation land and the further proclamation of conservancies provide much scope for substantially expanding our tourism resource base.

## Constraints and/or threats to tourism growth

As indicated in the previous section the Western Cape tourism sector has been growing in leaps and bounds during the past four to five years. It has capitalised on the post election window. However, all signs indicate that the post-'94 stimulus is flattening off and that competition is increasing. As with all products, tourism destinations have a product life cycle and require *constant innovation and improvement* in order to sustain a competitive edge. In addition it has often been proven that tourism growth is dependent upon the support of other sectors and the community at large. In this regard, much work is still required to put tourism at the forefront of economic development. The following are some of the most substantial *threats and constraints* facing the Western Cape industry:

- ***Inadequate resources and funding.*** It is clear from the limited budgets allocated to tourism at provincial and local level that the true wealth-creating potential of the sector has not been fully grasped by decision- makers. Such limited appreciation for the contribution of the sector fails to acknowledge that tourism:
  - represents a major *comparative advantage* for the province;
  - is the *world's largest generator of jobs*, is labour intensive and can generate immediate employment opportunities as it grows;
  - employs a *multiplicity of skills* and training opportunities;
  - creates *substantial entrepreneurial opportunities*, particularly for SMME's;
  - brings *development to underdeveloped* and rural areas;
  - if well managed can be *kind to the environment*;
  - builds *cross-cultural relations* and is a vital force for peace;
  - is a *final good* that is fully created in the Western Cape with low levels of leakage.
  - has a *high multiplier effect* throughout the economy;
  - provides *many linkages* with other sectors of the economy such as agriculture, retail goods, financial services, etc.
  - is often the *catalyst that draws trade and investment* to the province.
- ***Tourism security concerns.*** The perception in the marketplace that South Africa is an unsafe tourism destination is no doubt the most important threat facing the industry in the

short to medium term. Although tourism has proven fairly resilient and has recovered well after security incidents, the situation can quickly deteriorate if it is not well managed and urgently improved.

- ***Institutional fragmentation.*** The various tourism organisations in the province have not been operating within an agreed-upon strategic framework, thereby failing to establish consolidated branding and diluting resources. As a result the provincial tourism act perpetuates duplication and fragmentation at the various tiers. Roles and responsibilities of organisational structures at the various tiers of government have not been clarified. By co-ordinating and consolidating the efforts and resources of the various organisational levels there is no doubt that the industry could achieve more “bang for its buck”.
- ***Destructive competition*** often occurs between provinces, between urban and rural areas, between metropolitan and local councils, between towns and districts and even within towns (i.e. between the town centre and former townships).
- ***Limited co-operation and partnerships between the private and public sectors.*** Due to the lack of a strategic framework for tourism the private and public sectors in the province have not effectively joined forces towards achieving a collective vision for provincial tourism.
- ***Stereotyped generic images.*** The Cape icons (Table Mountain, scenic routes, Kirstenbosch, wines, etc.) have for years been projected as the sole content of the Western Cape tourism product. Culture, adventure and social hospitality have not adequately featured in promotional material and branding efforts. There is a need to add a true South African “flavour” to our tourism image.
- ***Cape Town is not positioned as a major global destination*** in competition with London, Sydney, Hong Kong, Miami, etc. While Cape Town has the potential to become one of the most sought after cities of the world, the lack of world standard sport and convention facilities and the growing perception of criminality are severely constraining its competitiveness.

- ***A seasonal market and perceived inhospitable winter climate.*** Market movement during the period between May and September is extremely limited. The Western Cape winters are perceived to be “no-go” periods. While Winter is the rainy season in a large part of the Western Cape the area offers special attractions with regard food and wine, romanticism, arts and music and various outdoor experiences in the hinterland.
- ***Imbalances in development of the Cape metropole and the hinterland.*** While Cape Town is well established as a provincial magnet and gateway, tourism is very underdeveloped in most of the hinterland areas. Yet, these areas are in great need of employment creation and also offer some of the most exciting new product opportunities. A special effort should be made to develop the tourism opportunities in the outlying regions and to integrate the Metropolitan and hinterland experiences in our tourism promotion programmes.
- ***Limited involvement of previously neglected constituencies.*** Past policies have neglected some areas of the country (in particular the hinterland and townships) and constrained the involvement of certain population groups in the industry.

Tourism provides many opportunities for emerging communities, including:

- *Operators of tourism infrastructure:* bed and breakfast establishments, farm stays, guest houses, taverns, bars, restaurants, transport services, attractions (such as township experiences, “platteland” hospitality, historical/cultural attractions and museums), entertainment (music, dance, story-telling) trails (hiking, 4x4, horseback) and many others.
- *Services to the industry:* tour operators, shuttle services, travel agencies, tour guides, marketing services, booking services, training, etc.
- *Suppliers to the industry:* crafts, interior décor (rugs, wall hangings, furniture), laundry services, construction, provision of building materials, maintenance of plant and equipment, portage, environmental services (gardening, bush clearing), agri-tourism services (vegetables, herbs, milk, natural medicines, etc.)



However, various factors limit the involvement and growth of local communities and previously disadvantaged entrepreneurs in the tourism industry. These include:

- *Lack of information and awareness* about tourism due to not having been meaningfully exposed to the industry. This includes the perception that tourism caters mainly for the white upper and middle class; that it is not within the reach of the previously neglected and suspicion and mistrust due to past forced removals of people to proclaim protected areas.
  - *Limited training opportunities* for previously neglected groups and entrepreneurs, thereby effectively limiting meaningful participation in tourism.
  - *Lack of involvement* in decision making, development and promotion of tourism
  - *Limited access to finance* to take advantage of the entrepreneurial opportunities provided by the sector.
  - *Poor access to the market* due to the fairly rigid tourism distribution channels and the fact that tourists are poorly informed of alternative products. They therefore keep to the confines of “sanitised” places of interest.
  - *Negative attitudes* in some sections of the established tourism industry towards community tourism products, which are sometimes viewed with scepticism and inferiority.
- ***Service quality and pricing limitations.*** While the industry in South Africa and the Western Cape is generally service conscious, levels of service in the industry are in certain instances unacceptable and reflect the lack of a true service culture. The situation is symptomatic of the lack of service skills amongst the population at large, a problem that can only be overcome through improved training opportunities. There is also a lack of an introductory standard for entering the industry. In addition concerns have been expressed with regard to overpricing and declining value for money in some segments of the industry.
  - ***Inadequate environmental management.*** Environmentally insensitive development and urban sprawl along the coastline and in inland areas are causes for concern. Tourism has not

yet been effectively integrated in spatial planning processes. Various forms of pollution and in particular littering are often eyesores. There seems to be a limited acknowledgement of the fact that the environment is *the* most important tourism resource and that the future of tourism in the Western Cape is dependent on the good state of the environment.

- ***Infrastructure constraints, particularly in traditionally neglected urban and rural areas***  
While the major public infrastructure in the province is well maintained and of a reasonable standard, tourism specific infrastructure is underdeveloped in certain areas of the hinterland. Such infrastructure includes public amenities such as parking, ablution facilities, visitor information, entertainment, landscaping, etc. at local tourist attractions. The lack of appropriate road signs is a major constraint, in particular in rural areas where attractions and tourist areas are located on travel routes. Travellers depend on effective signage to find their way in such areas.
- ***Aviation constraints*** Cape Town international airport is the gateway to international tourism in the province. It is vitally important that adequate capacity exists on flights to Cape Town to accommodate increasing tourist numbers. Recent indications are that flight capacities to South Africa from Europe are inadequate during peak season periods, thus also having a negative effect on tourist flows to the Western Cape. Specifically, direct flights to Cape Town from our source markets (particularly the UK) are limited and constrain the growth of the Western Cape industry.

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## **Our Vision, aspirations and principles**

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### **Vision 2010**

The tourism industry strives towards achieving the following vision in the *year 2010*:

*The Western Cape is renowned as a premium world tourism area. Visitors from the Northern Hemisphere and the rest of South Africa flock to the province and*

*tourism is growing at rates well above the national and international averages. The province prides itself in offering visitors a unique, Cape "flavoured" combination of nature, culture, entertainment and top class convention opportunities in a safe, well-maintained and hospitable setting. A network of exciting tourism attractions in the metropolitan area and hinterland combine the attractiveness of the globally renowned Cape Town brand and icons with a variety of innovative travel experiences. Tourism facilities and services are of the highest quality and offer some of the best value for money in the world. Tourism is regarded as a priority sector within the provincial economic strategy and is supported and valued by the community at large. Tourism provides the bulk of new jobs and increasing numbers share directly and indirectly in the benefits derived from the industry.*

## Growth targets

The following targets for 2010 are pursued in support of the vision.

- Increase the number of overseas tourists visiting the Western Cape from approximately 830 000 in 1998 to 3 million by 2010
- Increase overseas tourist expenditure in the province from R7.2 billion to R22 billion by 2010 (1998 prices)
- Increase the share of the overseas tourist nights accruing to the Western Cape from 40% to 48% during Summer and from 26% to 40% during Winter by 2010
- Increase the number of domestic tourism trips from 2,3 million to approximately 3.7 million
- Increase domestic tourism expenditure in the province from R8,2 billion to R12, 7 billion (1998 prices).

## Fundamental principles

The tourism policy and strategy will be guided by the following fundamental principles:

- Tourism should be *market driven* and the needs, requirements and travel patterns of consumers will be instrumental in directing the development of the industry.
- A *responsible and sustainable development philosophy* should be followed, based on the following foundations:
  - Social equity
    - Tourism should benefit the population at large.
    - Every effort should be made to encourage the participation of women, the disabled, the youth and other marginalised or disadvantaged groups.

- The full spectrum of cultures inherent in the province should be reflected in tourism promotions.
- Special programmes should be established to minimise potentially negative social impacts of tourism such as sex tourism and its effects on the youth and the extent of AIDS.

➤ Environmental integrity:

- The environment should be acknowledged as the cornerstone of the Western Cape tourism industry and environmental assets should be constructively developed to the benefit of tourism.
- Environmental impacts should be carefully considered in all tourism development plans.
- All industrial, commercial, residential and agricultural development proposals should consider potential conflicts and impacts on tourism growth.
- Spatial development plans and conservation efforts should incorporate the tourism potential of areas being developed.
- Visual, sound, water and air pollution should be limited, taking cognisance of the effects of such hazards on tourists.

➤ Economic empowerment:

- The industry should be deregulated as far as possible and regulation should only be employed in instances where the market fails to appropriately direct economic growth or to protect tourists from unacceptable consumer practices and poor health and safety standards.

- Since tourism has many backward and forward linkages with other sectors of the economy, participation in decision making should be broadened to include other sectors of the economy.
  - Emerging entrepreneurs, in particular SMMIE's should be encouraged and facilitated to participate in the industry.
  - Special efforts should be made to substantively facilitate participation and ownership in tourism among previously disadvantaged entrepreneurs.
- The development and growth of the industry will be based on ***collaboration and partnerships*** between the government, private sector, labour force and the population at large. While tourism development and promotion should be collectively planned and executed, the following are the primary roles and responsibilities of these parties:
    - The *Government* should lead the direction of tourism by providing the social, economic and environmental policy framework, public infrastructure, a generic image and branding and a safe, well maintained and sustainable environment that is conducive to tourism growth:
    - The *private sector* should capitalise on the framework by investing in tourism and competing for a growing share of the tourism market, towards increased profits:
    - A motivated, skilled, adequately remunerated and productive *labour force* should provide consistent, high quality service levels comparable to the best in the world.
    - The *community* at large should receive tourists in a hospitable manner and should fulfil a "watchdog" role with regard to their tourism resources.

## **Critical success factors**

In view of the preceding analysis the following factors are considered critical to the achievement of the vision:

- Meaningful *involvement* of marginalised communities;
- Improved *funding* for tourism development and destination marketing;
- *Co-ordination* and synergising of public tourism resources;
- A *safe* and peaceful tourism environment;
- Constant *innovation* of the provincial product portfolio in the areas of conservation and wildlife, convention business and cultural tourism;
- Creative and innovative *marketing* and promotion;
- *Improved service* levels, product quality and value for money;
- Greater involvement of *other (supportive) sectors* of the economy;
- Improved *awareness* of tourism and accessibility to training opportunities, advisory services and finance for tourism enterprises;
- *Sustainable* environmental *practices*

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## The Strategy

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In order to establish and enhance its competitive position the Western Cape will have to increasingly position its unique selling points within the national and global environment. It is crucial that a strategic approach be followed in this regard and that the provincial tourism industry clearly focuses its efforts on strategies which will facilitate the most lucrative, sustainable returns on its investment. All strategies should compliment and support the above mentioned policy framework.

### **An integrated framework for tourism development**

While tourism development should be market driven and it is acknowledged that the viability of the industry is in the first instance dependent upon a growth in tourist numbers, growth will only be possible if all facets of the tourism “play” are developed in an integrated manner. The key factors that form part of such an integrated approach are:

#### *External factors, including*

- Factors in the *broader environment*, including economic, political, social and technological trends that could impact on the internal tourism scene.
- *Government institutional and financing policies* in support of the industry

#### *Industry factors, including*

- Encouraging *competition* which is conducive to tourism growth including a deregulated business environment, the encouragement of entrepreneurship and a focus on partnerships and collaboration.
- Stimulating tourism demand through an appropriate *marketing* strategy that includes appropriate positioning of the province, identification of target markets, effective product packaging, promotions, and distribution mechanisms;



- *Developing* and maintaining a “bouquet” of marketable tourism *products*. These include tourism attractions and plant (environmental, cultural, man-made, etc.), tourism services (guiding, booking, etc.) and investment in commercial plant (accommodation, transportation, etc.)
- Providing relevant *support systems* such as public and private infrastructure, tourism service levels (human resources), information systems and the intangible facets such as a safe, clean and user-friendly environment.

The following *competitive framework* has been used in devising a competitive strategy for the Western Cape, based on the Porter Diamond:

