South African Tourism -Global/Regional and Domestic Marketing Strategy 2012/13

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July 2012



Strategy in Action - Global 2012/13



Key Messages

- _ Tourist arrivals for the 2011 grew 3.3% to 8,339,354
 - ✓ Asia up +14.6% and Regional Africa +6.9%.
 - ✓ First quarter results to end March 2012 grew by 10.5%:
 - > Regional growth at 7.9% and
 - Long-haul growth at 17.8%.
- Global SAT challenge: to create consistent positive awareness about South Africa as a preferred destination in a confident and credible manner in the mind of the consumer.
- Cabinet approved South Africa's new pay-off line: INSPIRING NEW WAYS inspire new ways to make a visit to South Africa a ground breaking 'break' for the leisure traveler.
- Overview of Key Initiatives for 2012/13:
 - ✓ Our Journey/Meet SA brand campaigns and
 - ✓ Phase III of our 20E/10D; and
 - ✓ The launch of our new Domestic campaign; It's HERE
- Winning Mantra 2012/13 About looking forward not back. About looking more outward_than within. About what we need to do to succeed rather than what we can't do.

PARTNERSHIP AND TEAM TOURISM IS KEY TO SUCCESS

South African Tourism sees its role in the tourism sector in terms of what it actually does as an organisation and what it facilitates

Understand who is out there



DO the research to inform the choices about which market spaces we will 'play' in.

FACILITATE industry insights on customer product and service needs.

Choose those who we can & want to get here



DO the choice-making for SAT's focus markets and segments and tourism brand development. **LEAD** the choice-making process for other markets.

Get them here



DO and LEAD marketing in focus markets and tourism brand development.

FACILITATE the unblocking of barriers. (e.g. flights, visas)

FACILITATE packaging for core markets.

Get them to the product



FACILITATE the tourist-product connect. **FACILITATE** appropriate product development.

Ensure they have a good experience



MONITOR tourist satisfaction and experience.

LEARN from feedback.

FACILITATE learning by industry.



Portfolio of Markets



Market Focus - 2011/13

Responsibility		AFRICA & MIDDLE EAST	ASIA & AUSTRALASIA & AMERICAS	EUROPE & UK
Regional Director Country Manager	CORE MARKETS	Angola Botswana Kenya Nigeria South Africa*	Australasia India USA*	France* Germany Netherlands UK
Regiona	INVESTMENT MARKETS	DRC Mozambique	Brazil Canada China (including Hong Kong) Japan	Belgium Italy Sweden
	TACTICAL MARKETS	Lesotho Swaziland	New Zealand	Ireland
Stakeholder Manager	WATCH-LIST MARKETS	Malawi Namibia Zambia Zimbabwe	Argentina Republic of Korea	Austria Denmark Portugal Spain Switzerland
oal inel iger	STRATEGIC IMPORTANCE	Bahrain, Oman, Qatar, Saudi Arabia		
Channel Channel Manager	STRATEGIC LINKS/HUBS ked with an asterisk indicate busine	Egypt, Ethiopia, Ghana, Senegal, Mauritius, Tanzania, UAE ss tourism hubs.	Malaysia Singapore	

Marketing Challenge



Our mix of portfolio countries is changing

Our marketing approach will need to reflect these portfolio shifts

From...

A marketing approach focused on incountry activities, like trade and local brand building



Striking a balance between sufficient in-country tactical marketing and global branding

Portfolio serving 30 countries between 2005-2007 (9 Core; 8 Investment)



Portfolio serving 36 countries between 2011-14 (12 Core; 9 Investment)

Portfolio predominantly consisting of mature markets



Portfolio consisting of both mature and developing tourism markets

Predominantly countries with stable macroeconomic conditions, lower cost and higher ease of doing business

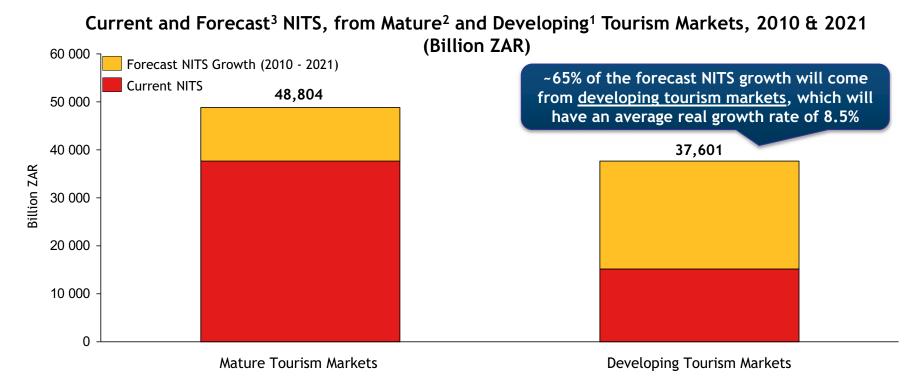


Mix of countries with different macroeconomic conditions, cost levels and ease of doing business



Developing markets will bring disproportionate growth

A large portion of future growth is forecast to come from developing tourism markets, which will catch up with more mature markets in coming years - there is a significant opportunity for us to gain early traction in these markets



Note: ¹Developing Tourism Markets consist of: Angola, Botswana, India, Kenya, Nigeria, Brazil, China, DRC, Mozambique, Australia; ²Mature Markets consists of: France, Germany, Netherlands, UK, USA, Belgium, Canada, Italy, Japan, Sweden; ³Forecast data has been calculated by (A) * (B) * (C) where (A): Forecasted Travel Market Growth Rate to 2021' (Euromonitor) applied to the 'Current Outbound Traveller Market Size' (Euromonitor), (B): 'South Africa's Current Market Share' (South Africa Arrivals / Current Outbound Market Size), and (C): 'Current NITS per Traveller from Source Country' (Departure Survey). Key assumptions include - South Africa's market share of outbound travelers remains constant, as does NITS per traveler

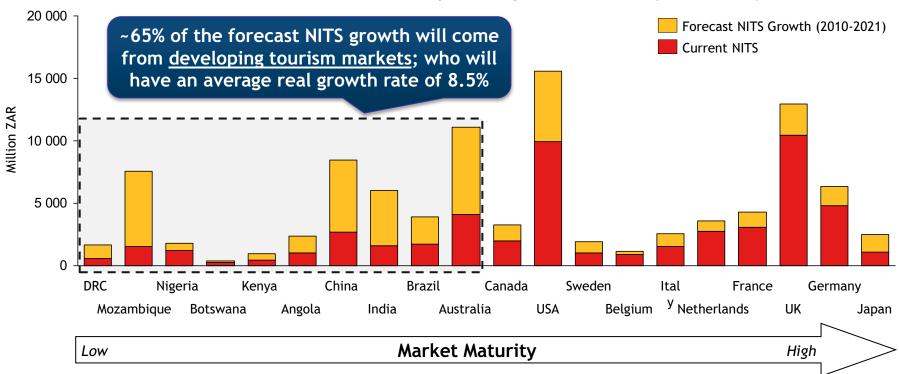
Inspiring new ways

Source: SAT Departure Survey; Euromonitor Travel Report

Major growth will come from Australia and the BRICs

With the exception of Mozambique, most of the growth will be primarily driven by developing economies, including Australia, Brazil, India and China

Current and Forecast¹ NITS by Country, 2010 & 2021 (Million ZAR)



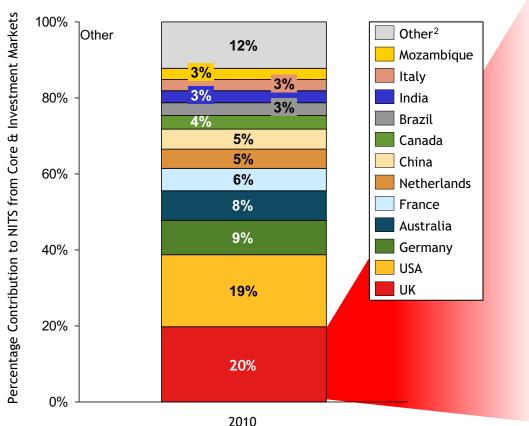
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Inspiring new ways

We also need to protect our Brand equity with our current base

The need to invest in developing tourism markets should not detract from the economic value delivered by mature markets; we also need to keep pace with growth (in real terms) in these markets, in order to maintain market share and retain valuable economic contributions





- Tourists from the UK make the single largest NITS contribution
- We forecast that the UK will remain amongst the top two contributors over the next ten years, brining a cumulative total of over five million tourists to SA
- The UK outbound tourism market is forecast to grow at 1.0% annually, but SAT's high longterm ROI makes continued investment highly rewarding

Continued investment to maintain market share in mature markets is crucial, because of the sheer size of the contribution such markets make to the SA economy

Noterial NHT'S for Africa Land Markets is limited to Holiday + Business Tourism; ²Other includes Nigeria, Japan, Angola, Sweden, Belgium, DRC, Kenya, and Botswana (all contribute less than 2.5% to total NITS from Core & Investment Markets)

Source: SAT Departure Survey



Key Challenges - Summary

- Globally, the challenge is to create <u>consistent</u> positive awareness about South Africa as a preferred destination in a manner that is <u>confident</u> and <u>credible</u> in order to own a <u>distinct</u> space in the mind of the consumer.
- Critical challenge is to consistently market our iconic/big experiences, that drives our <u>Point of Difference</u>, to ensure that we are true to our brand.
- Ensure that the experiences we market are <u>authentic</u>, <u>accessible</u>, <u>doable</u>, <u>attainable</u>, <u>sellable</u>. i.e. consumers can actually do them.
- Understanding that overall, brand SA is an <u>experiential brand</u>.
- It is about engaging visitors with our diversity, possibility and Ubuntu that are found in our people, our place and our cultures.



Key Challenges

- It is about allowing the <u>consumer to create their own enriching memories</u> and life changing experiences.
- This is done through showcasing the unique combinations of holiday experiences available in SA.
- Ultimately, about ensuring that we <u>deliver what our consumers want-</u> memorable holidays that they can share with others, and in turn, inspire them to visit SA.

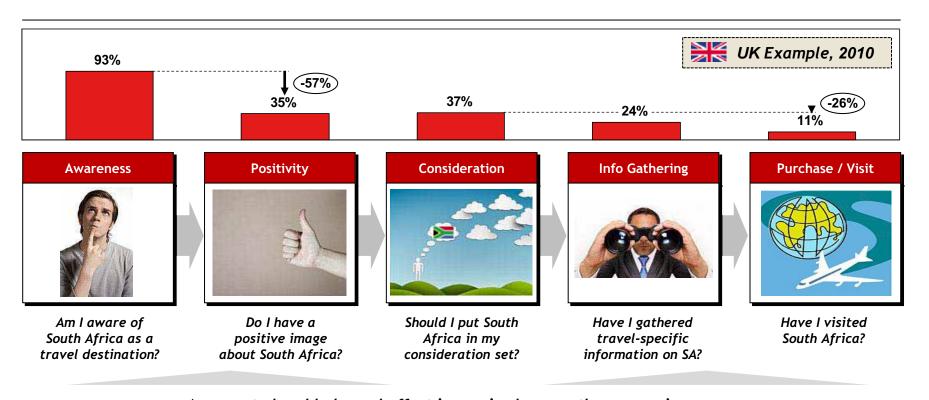


Marketing Blueprint



Our marketing blueprint is focused on improving conversion ratios by increasing awareness/positivity and closure ratios

Illustrative - Conversion Curve & Traveller's Buying Process



A concerted and balanced effort is required across the conversion curve

Branding at a Global Level

Trade-focused Activities at the Country Level

Slide no. 15

Source: SAT Brand Tracker Survey



To improve conversion, we engage primarily with key trade and media partners at the country level to activate travel to South Africa

In-Country Service Model - Key Activities

NOT EXHAUSTIVE













Slide no. 16

Source: SAT Market Penetration Approach



Global Media - 2012/13



2012/13 Media Objectives

Quantitative

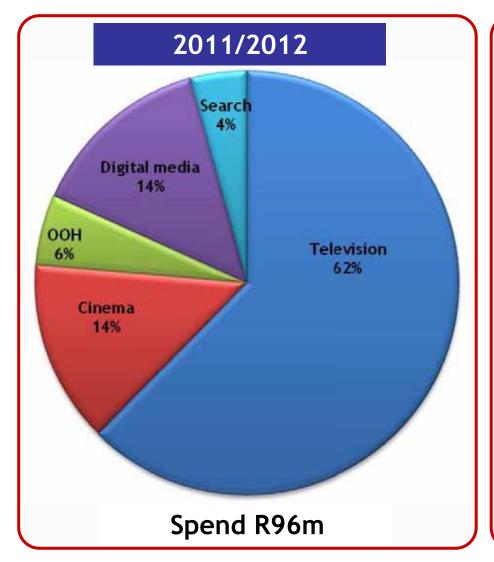
- Achieve 79% brand awareness Target
- Achieve 40% global positivity
- Global Reach 1 Billion Consumers

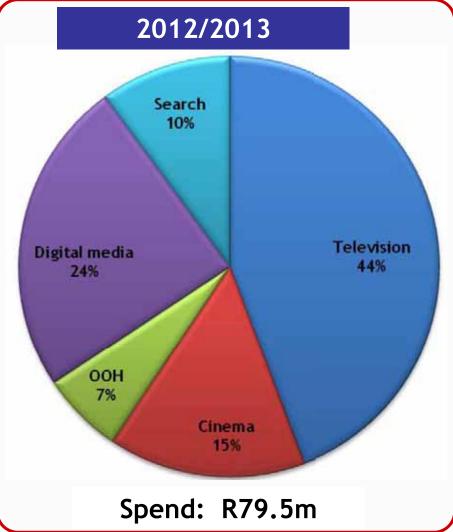
Qualitative

- We need to build a distinctive brand image that will give SA a unique and recognizable character; that South Africa is an enriching, memorable and breakthrough destination.
- We need to improve and drive relevancy of different experiences for our target market and win ahead of competitors by inspiring consumers to desire South African Experiences.
- Improve brand traction, awareness and communicate South Africa's point of difference in our core markets.



2011/12 vs. 2012/13 Channel mix





2012/2013 digital spend increased to drive more engagement and conversion on global platforms.



Global Media Investment In-Country - 2012/13

- Africa leverage AFCON
- Media Investment R1,300,000
- Australia
- Media Investment R1,500,000
- USA TV Travel Channel, Digital
- Media Investment R3,800,000
- China Outdoor, Magazines, Radio, Digital
- Media Investment R5,000,000
- Germany Cinema, Digital
- Media Investment R2,200,000
- India TV, Cinema, Digital
- Media Investment R1,700,000
- UK
- Media Investment R2,800,000



South African Tourism - Marketing Budgets 2012/13



	FOREIGN	APPROVED MARKETING		
COUNTRY OFFICE	CURRENCY	BUDGET 2012/13 FOREX	Budget Rate	RAND
USA	USD	5,074,464.00	9.03	45,816,320.56
UK	GBP	2,659,808.00	13.53	35,993,585.78
Germany	EURO	3,370,656.00	11.58	39,024,106.91
France	EURO	1,988,912.00	11.58	23,026,827.57
Netherlands	EURO	1,719,716.00	11.58	19,910,183.96
Italy	EURO	703,448.10	11.58	8,144,240.72
India	INR	90,882,352.82	0.18	16,685,999.98
China	CNY	12,085,366.00	1.14	13,752,698.90
Japan	JPY	59,663,200.00	11.94	4,994,909.92
Australia	AUD	2,404,556.76	7.34	17,659,064.87
Angola	USD	729,930.00	9.03	6,590,391.98
Nigeria	USD	1,327,906.98	9.03	11,989,406.51
Brazil	USD	1,095,666.81	9.03	9,892,556.52

TOTAL MARKETING BUDGET IN ZAR FOR INTERNATIONAL OFFICES

Overall:

253,480,294.19

643,342,501.09

BUSINESS UNIT			RAND
Europe & UK Head Office Portfolios, Including Ireland, Sweden			
and Belgium	253,220.00	11.58	2,931,679.87
Asia & US Head Office Portfolios, including Canada & South			
Korea	342,912.00	9.03	3,096,083.87
Africa Portfolio including Domestic, SADC, DRC, Kenya,			
Tanzania &Angola			50,884,000.00
Convetions Bureau			29,275,579.00
Central Marketing			188,240,290.94
PR & Comms			6,412,886.70
e-Marketing			14,714,000.00
Product			8,512,843.00
Watchlist Markets			7,348,113.00
Research			51,740,517.70
TGCSA			26,706,192.72
Total:			389,862,206.89

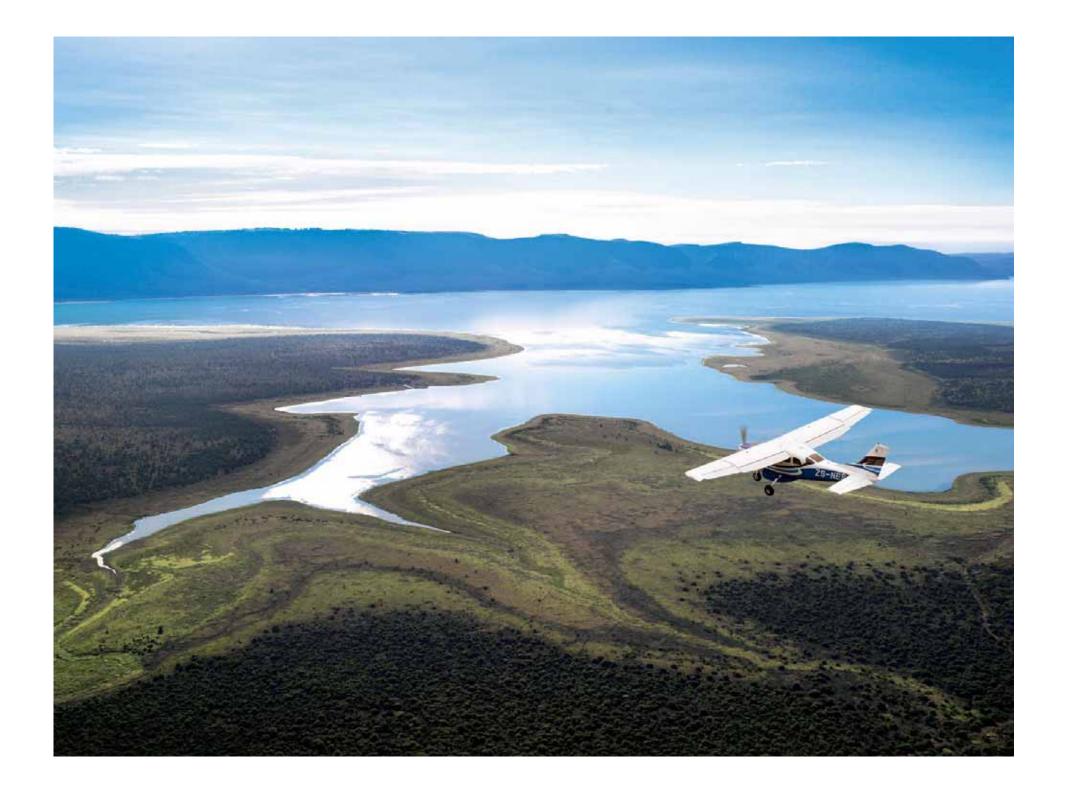
Strategy in Action - Global 2012/13



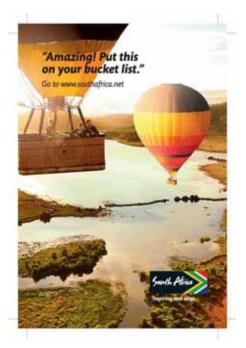




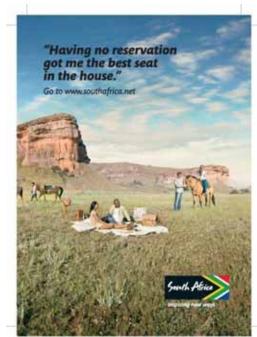
















Strategy in Action - Regional Africa, & SA Domestic



Strategy in Action - Regional Africa 2012/13

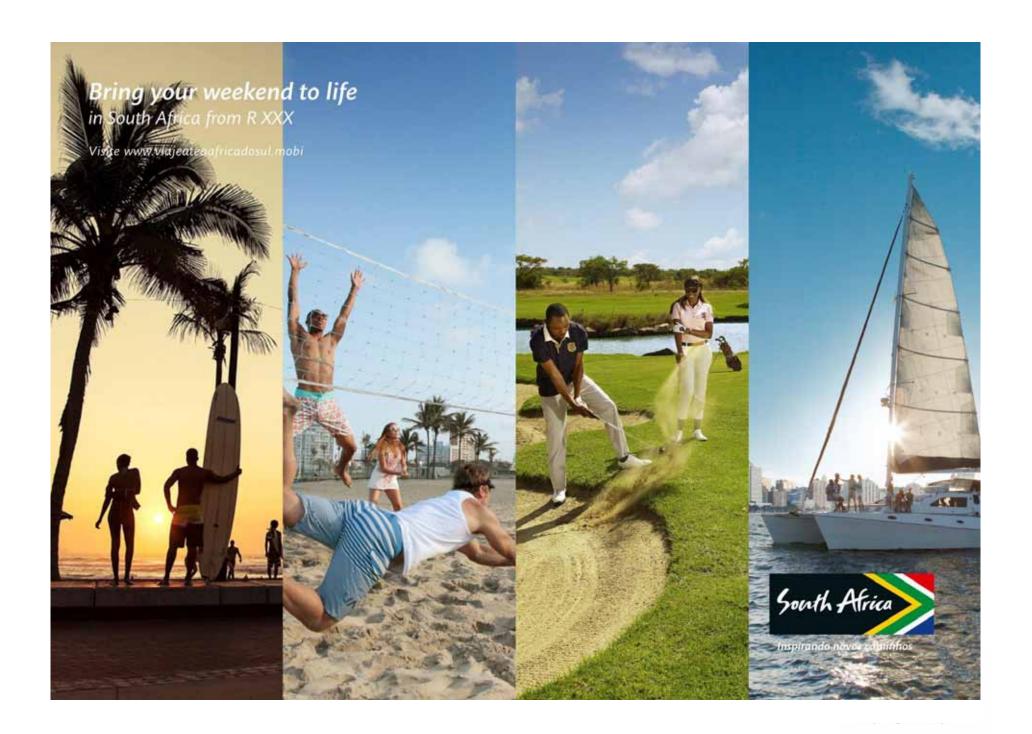




Angola - Bring your ... to life







Angola Media at Glance













Source: Pamro, Budde.com and internetworldstats



Angola/ Media Platforms Summary

Television

- √TV Zimbo
- ✓TV Globo
- **√**TPA

Radio

- ✓ Radio Luanda
- ✓ Radio Ecclesia
- ✓ Radio Mais

Magazines

- √Chocolate
- ✓ Caras
- ✓ Austral

Newspapers

√Journal de Angola + Online

Outdoor

Bellas shopping Centre















Jornal de Angola











DRC - Let's get together ...







DRC Media at Glance

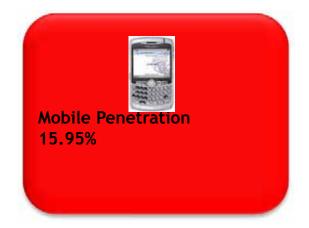












Source: Pamro, Budde.com and internetworldstats



DRC / Media Platforms Summary

Television

- ✓Digital Congo,
- **✓** RTGA
- ✓B- One
- **✓** RTNC

Radio

- ✓B-One
- ✓RTVS 1 FM
- ✓Top Congo

Magazines

- ✓Bellissima,
- ✓ Reneitre
- **✓** Optimum
- ✓ B Spirit

Outdoor



















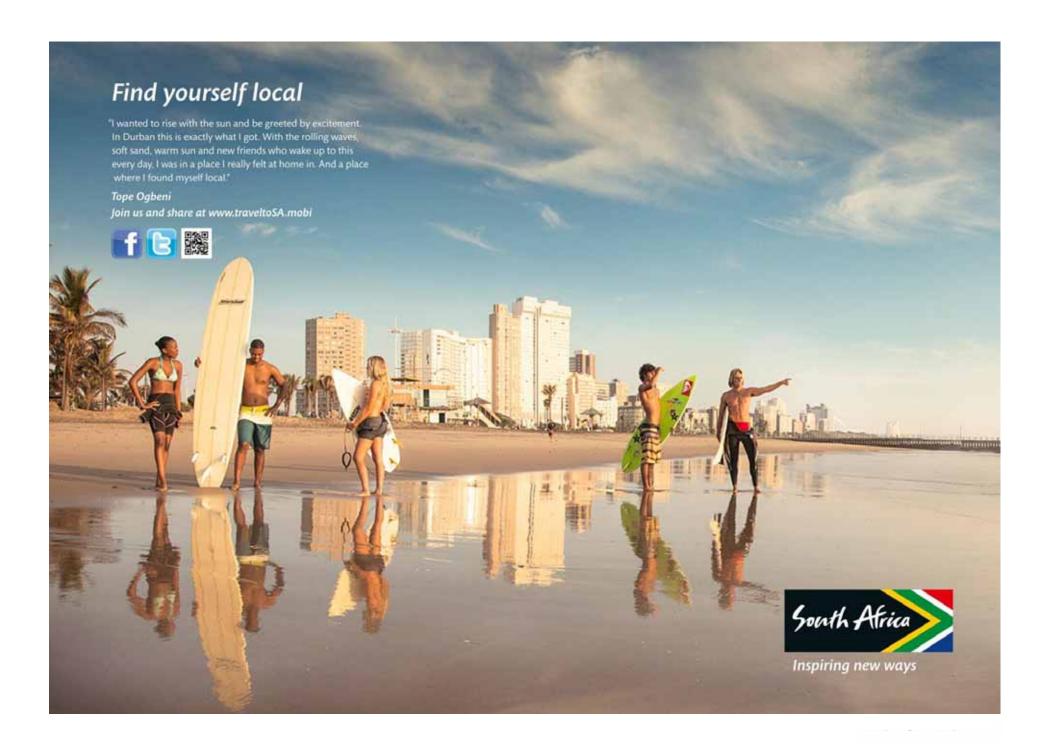




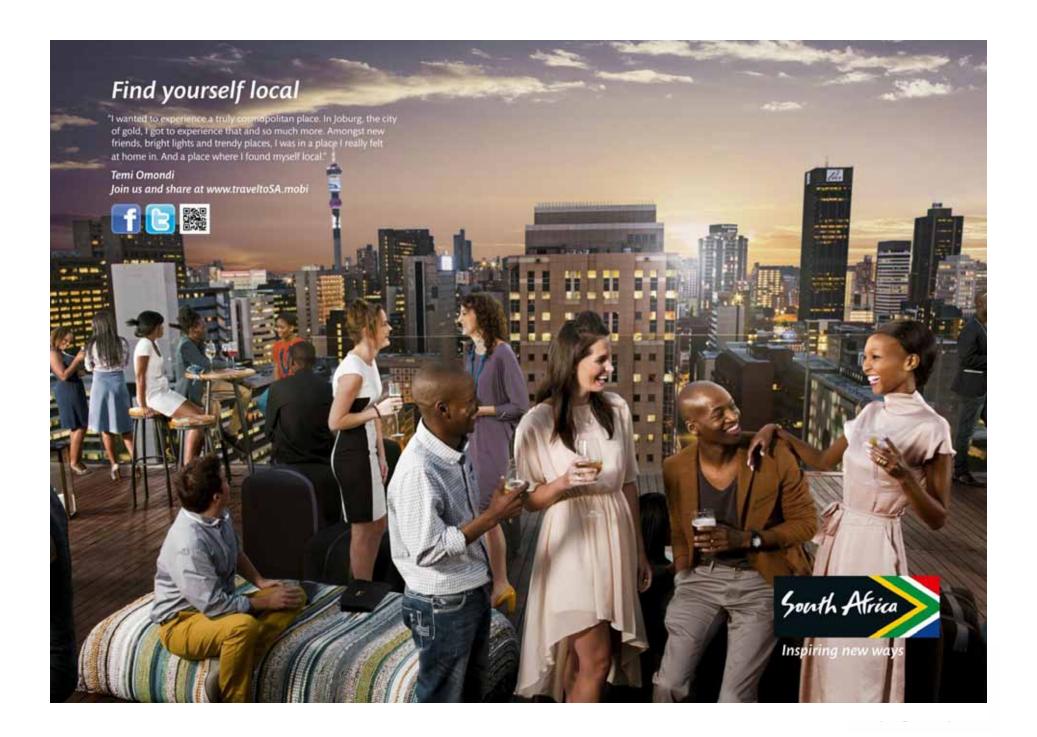


Kenya - Find yourself local ...











Kenya Media at Glance













Source: Pamro, Budde.com and internetworldstats



Kenya / Media Platforms Summary

Television

✓KTV

Radio

- ✓ Capital FM
- ✓ Classic FM

Magazines

- ✓ Msafiri
- ✓ Destinations
- ✓ African Woman

Newspapers

Daily Nation
The Standard

Outdoor

Airport

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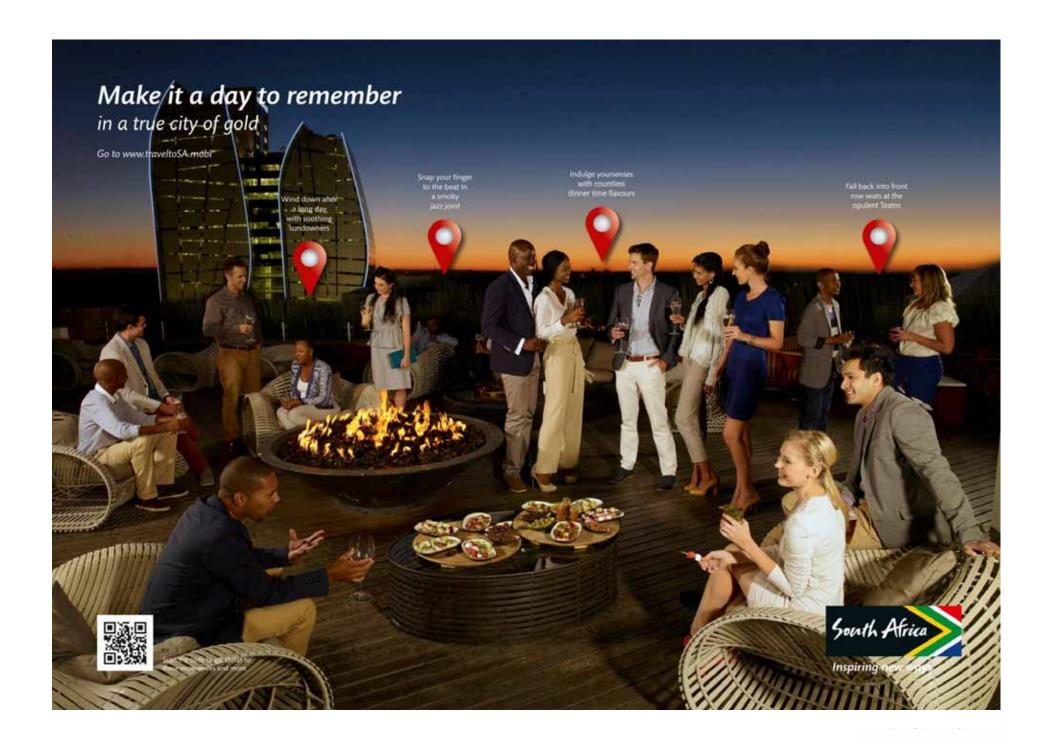




Nigeria - Make it a day to remember...











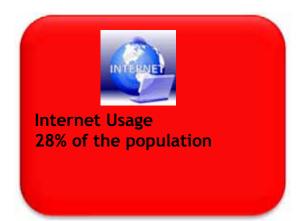
Nigeria Media at Glance













Source: Pamro, Budde.com and internetworldstats



Nigeria / Media Platforms Summary

Television

- **✓**NTA
- **✓**AIT
- ✓ SuperSport

Radio

- ✓Beat FM + Online
- ✓ Classic FM+ Online

Newspapers

- √The Guardian + Online
- √Business day+ Online
- √Thisday+ Online

Magazines

Wings, Business Traveller (Trade) ModeMen

Outdoor

Lagos and Abuja



















Domestic Tourism - 2012/13



Targets

NTSS targets by 2020

- 18 m travellers
- 54m domestic trips
- 5m more holiday trips
- Increase contribution of domestic travel to GDP to 60%



Our Job

- Promote a culture of holiday travel through showing the personal value of travel
- Increase awareness of provincial offerings
- Promote affordable packages
- Package events

The How?

- Brand campaign
- Provincial participation
- Industry participation



We prioritized five segments for immediate growth

Spontaneous Budget Explorers

- 18-24
- All races
- Income range: R5,001+

New Horizon Families

- 35+
- Black, Coloured and Indian
- Income range: R5,001- R10,000

High-Life Enthusiasts

- 25-45
- Black, Coloured and Indian
- Income range: R10,001+

Seasoned Leisure Seekers

- 25-45
- White
- Income range: R5,001+

Well-to-Do Mzansi Families

- 18-45
- Black, Coloured and Indian
- Income range: R10,001+

- Avg. Length of Stay: 5.4 nights
- Trips/year: 3
- Avg. Spend: R1,252.00

- Avg. Length of Stay: 5.2 nights
- Trips/year: 3.1
- Avg. Spend: R1,160.50

- Avg. Length of Stay: 4.5 nights
- Trips/year: 3.1
- Avg. Spend: R1,265.54

- Avg. Length of Stay: 7.7 nights
- Trips/year: 4.4
- Avg. Spend: R1,853.40

- Avg. Length of Stay: 5.6 nights
- Trips/year: 3.2
- Avg. Spend: R1,687.80

Travel is a way to discover new people, places and adventures. Consumers in this segment travel to get away from the monotony of daily life; to add to their life experiences and fond memories

Travel is a way to educate their children, and to provide them with the opportunity to broaden their perspectives. It is also seen as quality time for the family to spend together, and a reward for hard work

Travel is a way to boost one's social status, and to experience the finer things in life in new and different settings

Travel is a way of life and something of a necessity. Having grown up going on regular holidays, this group of consumers understands the value of travel experiences and memories over commodities Travel is all about escaping the city, and being able to spend time with friends and family in new and different locations. To a certain extent, travel is also about exposing the children to alternative ways of life and activities

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Integrated Marketing Activation - BUILD CULTURE OF TRAVEL AND ACTIVATE HOLIDAY TRAVEL NOW

Value Proposition

Spontaneous Budget Explorers

> New Horizon Families

High-Life Enthusiasts

Seasoned Leisure Seekers

Well-to-Do Mzansi Families

- Have fun in new/ different surroundings, whether with existing friends or meeting new friends along the way
- Spend quality family time and broaden the family's horizons, while being rewarded for hard work
- Domestic travel is the quickest and easiest way to enjoy invaluable and enviable world-class experiences
- South Africa has so many different places and ways to escape, relax and spend quality time with loved ones
- Break away from daily pressures, whether relaxing with family or having good times with friends

Products

- Lots of activities with friends without being prescriptive
- Accessible and informative family holidays
- Glamorous and comfortable holidays
- Explore hidden cultural, culinary and landscape gems
- Hassle free and comfortable getaways

Umbrella Strategy

 Travelling in South Africa is not only a great way to explore the country and discover the many reasons why the rest of the world wants to visit, but also an accessible way to escape and have fun with family and friends



Source: Monitor/ Grail Analysis

Domestic Drivers

PROVINCIAL AND INDUSRTY

PACKAGES

 Develop provincial packages encouraging SA's to travel like a local in their own province regularly

TOOL KITS

 Develop provincial tool kit to help guide priorities per province to link to well-suited activations



CONSUMER

NATIONAL

- Develop and execute a National Consumer campaign that captures the hearts and minds of South Africans and inspires the to travel and share their experiences
- Design a National competition to encourage SA's to share their National and Provincial places they have seen
- Build awareness via television, radio, print, outdoor, mobi, digital and activations of all the places to be seen in SA create an element of excitement to travel, explore, share and stand a chance to win a road-trip of a lifetime



Domestic Engagement Strategy - 360 Overview

TRADE / COLLATERAL

- Trade partnerships with airlines, travel agents, hotel groups to encourage link/support
- Trade toolkits and POS

PUBLIC RELATIONS

- On-going PR campaign to capture experiences and share with SA
- Invite magazines to tell personal travel stories linked to audience

MEDIA

- Channel strategy to be frequent and supported by media partnerships
- Promotional opportunities to be focused regionally

ACTIVATIONS

- Launch event 2 May in Cape Town
- On-going Provincial and Consumer activations throughout the year to encourage SAs to travel and tell us their stories

CAMPAIGN IDEA

- 360 campaign idea to create demand and excite SAs to travel
- Capture a bank of real stories to position SA globally

Engagement
through
Inspiration &
Sharing

TELEVISION

DIGITAL

mobi

Short (20", 10", 5") and effective
 TVCs for each market segment

All communications to drive to

Social media used to encourage

SAs to share their experiences often

Deals to be on web

and be rewarded

 Teaser TVCs to create excitement and awareness

RADIO

- Radio scripts to drive demand to travel and highlight deals
- Live reads to encourage Provincial participation and drive mobi

OUTDOOR

 Inspire segments to travel and remind them at Gautrain and other sites

PRINT

 Print campaign to help create demand and show deal per segment
 Include trade partner print and event specific print campaign



Domestic Conversion Strategy - 360 Overview

PARTNERSHIPS

- Provincial link to experiences in each Provinces
- Trade and Retail partners eg Engen, Pick 'n Pay

VOUCHER CAMPAIGN

Toll gate vouchers

GOVERNMENT DEPARTMENTS

- Civil Servants and their communication tools
- · Rate Payer, Post Office etc

LOYALTY PROGRAMME

 Facilitate a corporate loyalty programme with Edcon, Discovery, Banks (Travel Savings Card) etc

DOMESTIC Conversion Strategy

FUN TRAVEL PACKAGE

· Plane, Bus, Taxi, Train, etc

EVENT DEALS

 On-going deal driven communication eg Jazz Festival, Food and Home Expo, Beach on the Track, Macufe, etc

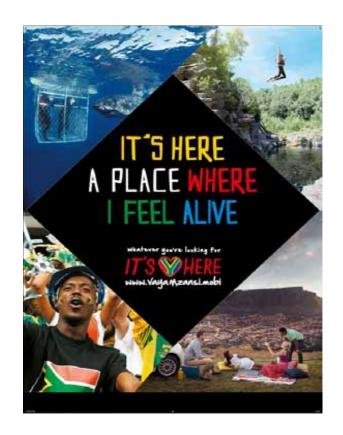
CORPORATE ACTIVATION

Partnerships with Banks eg FNB

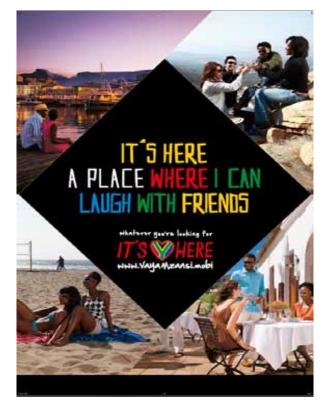
LAST MINUTE DEALS

 Link deals to Groupon and Last Minute.com, etc











MobiSite - Deal Detail, About & SignUp Result Pages









MobiSite - Home, Deals & Search Result Pages







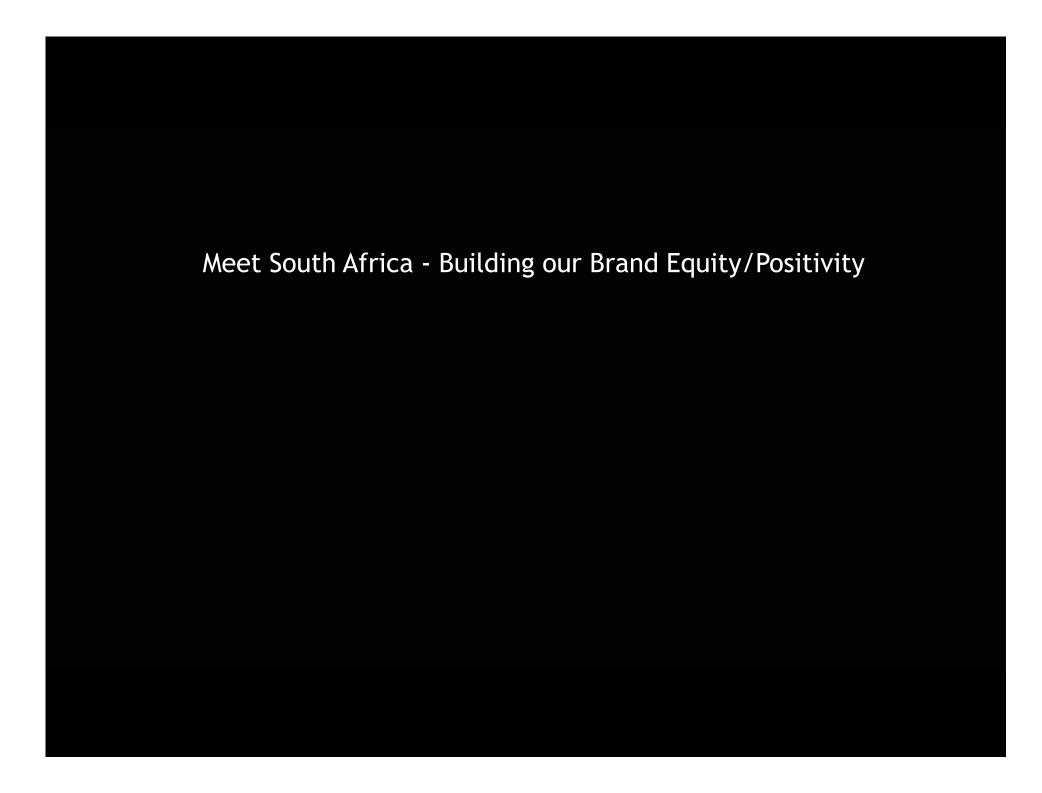


Awareness

ACTIVITY	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
TV = 30' TVC:	Х	Х	Х	Х	Х	Х	X	X	Х	Х	X
Outdoor Gautrain Stations Shopping Malls BP Forecourts	Х	Х	X	X							
PR: • Magazine Travel Features • Newspaper supplements • Digital Content Marketing (blogs etc.) • Publicity Stunts • Agenda Setting Interviews	Х	X	X	X	X	X	X	X	X	X	X
Events, Sponsorships & Partnerships		Moretele Park Jazz Festival PTA	Beach Festivals EC/DBN/C PT	Joy of Jazz JHB		Macufe FS Sixties MPM		Sixties NW	J&B Met CPT	Sacret	CPT Jazz Festival Rand
Social Media • Youtube • Twitter	Х	Х	X	X	X	X	X	X	Х	Inspiring	new ways

Conversion

ACTIVITY	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
Radio	Х	X	X	X	Х	X	Х			Х	Х
Consumer Activations		Corporate	DBN July Knysna Oyster Festival	Soweto Festival Baba Indaba Getaway Show	Tourism Month		DBN Motor Show	Travel Vouchers Dist. On Translux, Intercape, City2City, Mango, Kulula, 1Time		VDay	Travel Vouchers Dist. On Translux, Intercape, City2City, Mango, Kulula, 1Time
Social Media • Facebook • Online advertising	Х	X	X	X	X	X	X	X	Х	Х	X
JMA's/DDCs: Thompsons Holidays Computicket Travel Student Flights Flight Centre Pick n Pay Travel GoTravel24 STA Travel Holiday Tours (new)	X	X DBN July Fun Bus/Train Package School Holiday Family Packages	X Vodacom Challenge Travel Deals	X	X Vaya Mzansi Day Trips and Weekend get aways for Tourism Month	X Macufe Travel Deals Sixties Travel deals	X Self Drive Family Holiday Packages Cruise Travel Deals	X Last minute Travel deals and specials	X J&B Met Travel Deals	Romantic Getaway packages	Easter Holiday Packages



Thank You, time for a refreshment.



