Chapter 7
Study Framework

7.1 Introduction

This volume of the report formulates promotion strategies and an action plan for the East Asian market, which is currently a comparatively small market for South Africa, but undoubtedly has good potential in the years to come.

Japan, with 18 million people travelling abroad each year, is a market where a significant number of people have gained international travel experiences, of which many could potentially consider South Africa as their next destination. A high level of income coupled with increasing travel experience is an important factor that could draw more Japanese to long-haul destinations such as South Africa. Other parts of East Asia including Hong Kong, Singapore, Taiwan and Korea also show these tendencies, thus becoming potential markets for South Africa.

Even under these circumstances, however, a significant increase in East Asian travellers to South Africa will not result automatically. The fact that international travel demand is growing means that a number of destinations across the globe are attempting to capture this opportunity, aggressively marketing their products. In addition, the increase in experienced and well-informed customers forces the East Asian outbound travel industry to offer increasingly attractive products and compete fiercely in selling popular destinations. Serious efforts thus are absolutely needed for destination development under this highly competitive environment of the East Asian market.

This volume is composed of the following chapters:

- Study Framework
- East Asian Survey Results
- Tour Packages and Products
- South Africa's Position in the Market
- Promotion Measures Available in Japan
- Promotion Strategy
- Promotion Action Plan

In order to understand the East Asian market, the Study Team undertook the following four surveys:

- Tour operators and travel agents survey in Japan
- Travel agents/operators survey in four East Asian countries including Hong Kong, Singapore, Taiwan and Korea
- East Asian visitors survey in South Africa (departing passenger questionnaire survey)
- Ground operators survey in South Africa

The analysis of the survey results and critical findings are provided in this volume as a basis for strategy and action plan formulation. Separate, complete reporting of these surveys is found in the Appendices to this volume. In addition, this volume also incorporates the results of the following two other surveys that have been carried out by the Study Team:

- Survey on the experience of Dubai, which has successfully and significantly increased inbound travellers within a short period of time, thus providing valuable implications for promotion and marketing by South Africa
- Survey of promotion methods and costs in Japan, providing a basis for proposing a concrete and workable promotion action plan

7.2 Framework for Strategy and Action Plan Formulation

The promotion strategy and action plan formulation will be made according to a framework described in this section. Strategy sets the direction in which the destination development should be going, and a specific action plan carries out the strategy. Major points are as follows:

7.2.1 Strategy and Action Plan Formulation

Generally, government-led tourism promotion measures consist of several dimensions as shown in Figure 7.2.1 (upper half of the figure), including the following:

- Objectives or which “barriers” prevailing in the source market to tackle;
- Target segments and/or players, particularly marketers, having strong influence on consumer choice;
- Tourist draw cards having great appeal to potential tourists in the source market; and
- Other specific measures, including specific information to be delivered, media or means of promotion to be used, period and duration to undertake certain promotion, promoters and advertisers, and resource input.

(1) Formulation of Strategy

Given these dimensions of promotion measures, what is the promotion strategy? Promotion strategy should be a clear statement for “directing” the action to be formulated and undertaken. Specifically, the promotion strategy to be formulated should be one that properly addresses at least the first three elements in the figure:

- barriers prevailing in the source market;
- target segments and/or players strongly influencing consumer choice; and
- powerful tourist draw cards having great appeal to the source market (see lower left side of the figure).

Such barriers, if identified critical, are most likely to be the “root cause” strongly hampering the destination development and market takeoff. Tackling critical barriers could lead to lowering the hurdles that are preventing consumers from getting interested in, and choosing, South Africa as their travel destination as well as those that are preventing marketers from actively marketing tours to South Africa. Needless to say, target segments/players should be part of the strategy as they tell us where to focus on. Moreover, identifying and strengthening tourist draw cards of the destination suited to the source market is also essential for strategy formulation as determining them will lead to specific promotion measures including right information to be delivered and media and means to be used.

In summary, a proper strategy requires the following (see also lower side of the figure):

- Identify critical barriers, target segments/players (marketers) and tourist draw cards from the perspective of the source market
- Include a breakthrough scenario that could lead to a dramatic change in the current situation
- Base strategy formulation on South Africa’s absolute strengths or core competence (not mediocre ones), which is likely to be the right approach as is often the case with strategic planning.

(2) Elements of Action Plan

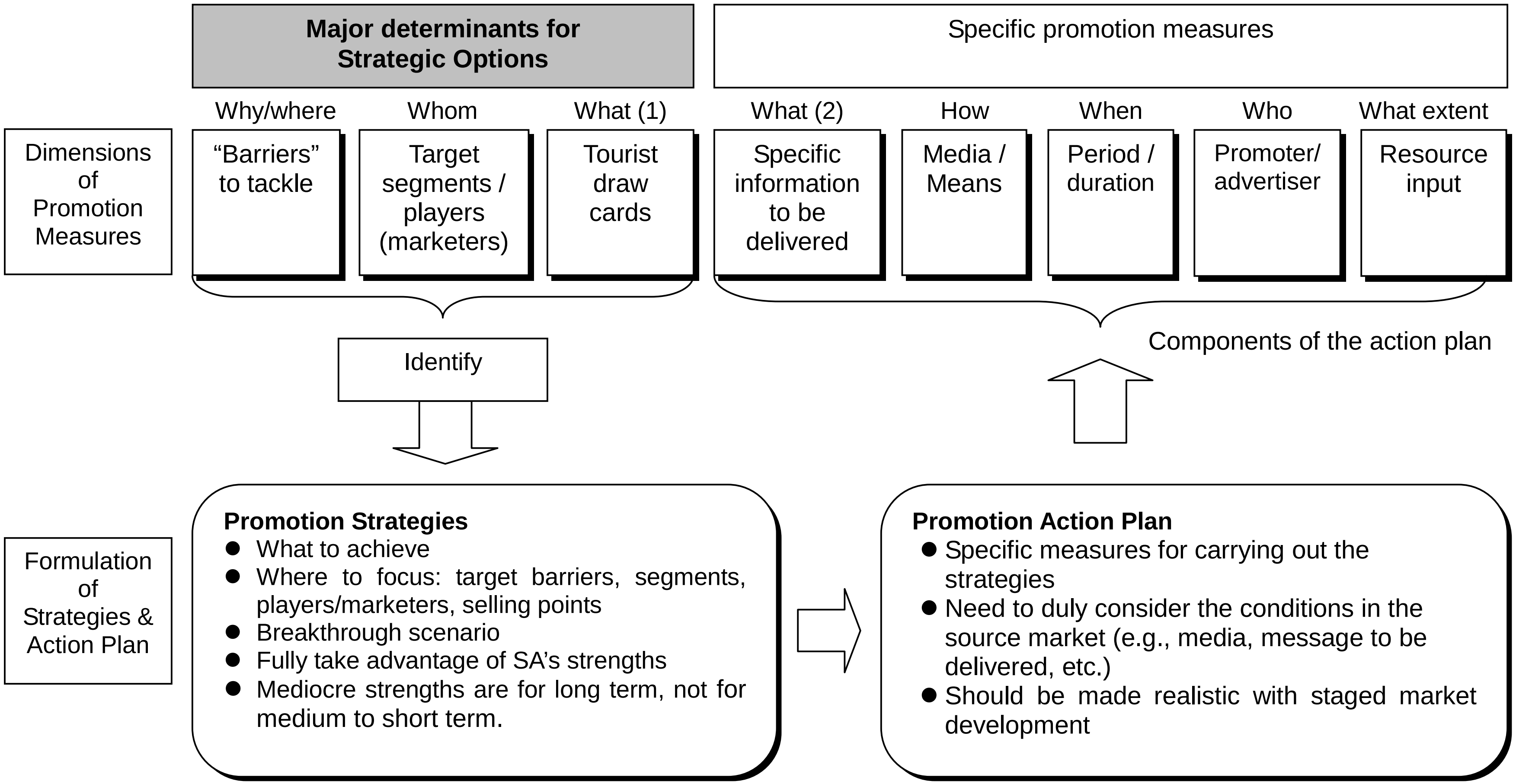
Based on the formulated strategy, concrete and specific measures to carry out the strategy will then be formulated as an action plan, with its elements as described in Figure 7.2.1 (upper right side of the figure).

For action plan as well as strategy formulation, it is essential to look into the conditions in the source market, e.g., the market condition including demand and channels/marketers, media, and adequacy of information and messages to be delivered.

(3) Information Source for Promotion Planning

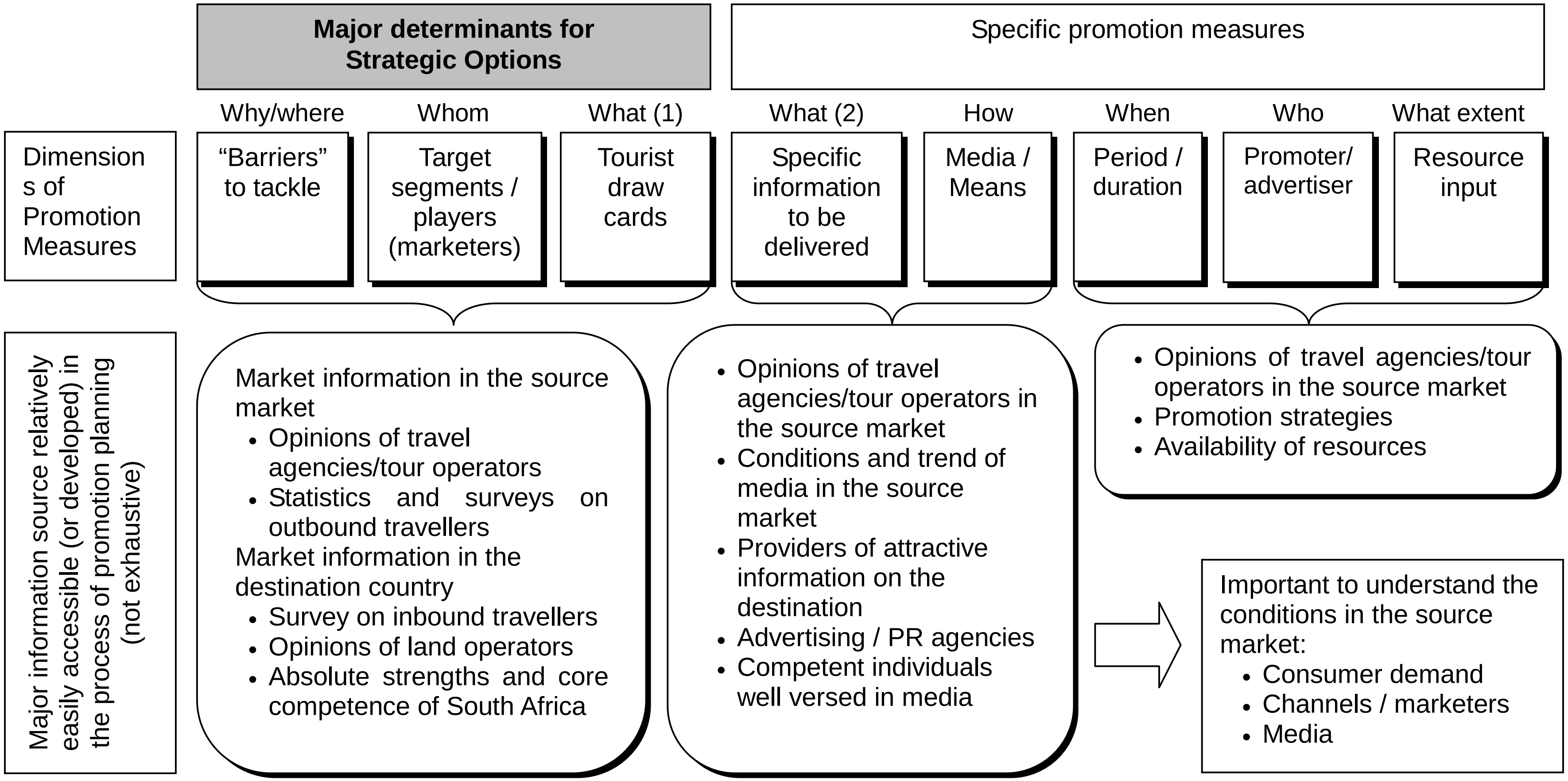
Figure 7.2.2 shows major information source relatively easily accessible (or developed) in the process of promotion planning. Objectively understanding the market (important segments) and the logic of marketers, particularly that of travel agencies and tour operators in the source market who are actually selling the products and have face-to-face contact with customers, is among the most important to be done. Hard statistics on travellers are also essential, especially for quantitatively confirming the segment profile that can be obtained at least qualitatively from marketers (agencies and operators in the source market and land operators in South Africa). The information obtained from these sources is the basis for the strategy and action plan formulation undertaken in this study.

Figure 7.2.1 Formulation of Promotion Strategies and Action Plan



Source: JICA Study Team

Figure 7.2.2 Major Information Sources for Promotion Planning



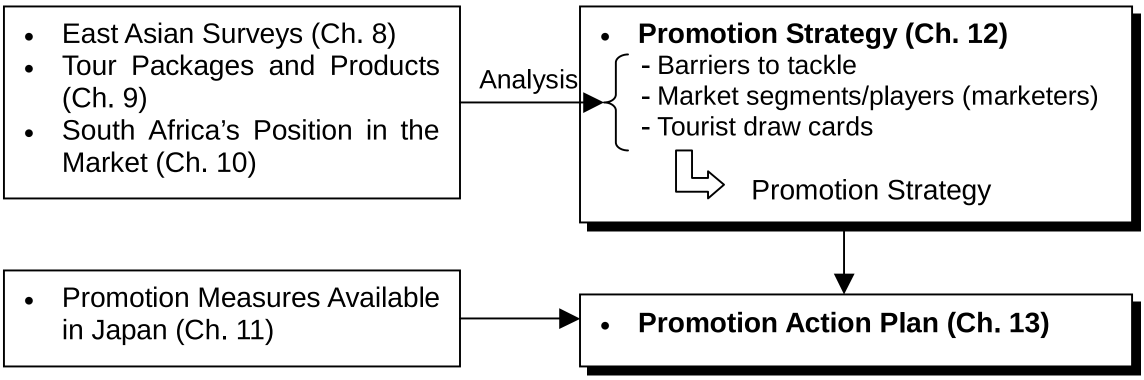
Source: JICA Study Team

(4) Report Composition

According to the framework above, study findings and strategy and action plan formulation will be described in the way as shown in Figure 7.2.3.

Chapter 7 though Chapter 11 reports the findings from the surveys conducted in this study. Based on these findings, an analysis of major determinants for strategy formulation (barriers to tackle, market segments/players (marketers), and tourist draw cards) is made in Chapter 12, and the promotion strategy then proposed. Finally, this is followed by action plan formulation made in Chapter 13.

Figure 7.2.3 Report Composition for Strategy and Action Plan Formulation



Source: JICA Study Team

7.2.2 Determinants for Strategy Formulation

(1) Identification of Critical Barriers

As one of the major determinants for strategy formulation, the Study Team will identify critical barriers strongly blocking the increase in travellers from East Asia to South Africa.

As shown in Figure 7.2.4, various elements in the market might be potentially critical barriers including the consumers' side (e.g., lack of awareness), the extent of market/media exposure, and marketers and channels (e.g., extent of information being received, and any constraints in their operation). Some could be more critical than others, and some could be root causes for others.

The Study Team will look into these elements and assess the degree of criticality of the identified barriers. It is important to note that the interview survey in the source market is essential for this assessment (as undertaken by the Study Team) in order to grasp the true picture of the market condition.

(2) Alternative Promotion Approaches and Determination of Focus Segments

Which segments to be focused, another important element of a promotion strategy, should be based on the assessment of the characteristics of current arriving tourists to South Africa, i.e., what segments are dominant; whether the arriving tourists are diversified segment-wise and product-wise, or concentrated on certain segments; to what extent South Africa has been exposed to the market and penetrated into each of the major arriving segments; and so on.

For the East Asian market, South Africa is apparently an underdeveloped destination, with its penetration into any segment being generally very low. Although the segments of arriving tourists differ somewhat across markets in East Asia (as described later), the arriving segments are generally not diversified. This position of South Africa, relative to more developed destinations, can be illustrated as shown in Figure 7.2.2, in terms of the current state of segment/product diversity and the extent of exposure to the market. In most cases, little promotion is being made for such an underdeveloped destination, and several options of promotion approaches are available for destination development.

Figure 7.2.3 shows primary alternative approaches available for an underdeveloped destination, and indicative general characteristics of each approach are described in Table 7.2.1. They include:

- Steady, "perfectionist" approach: to attempt, given a limited promotion budget, to increase tourists by diversifying arriving segments, thus sacrificing the pace of exposure to the market
- Focused approach: to attempt, given a limited promotion budget, to increase tourists by focusing on increasing market exposure to certain segments that are promising, leaving less promising segments for future possibility
- All-out approach: to attempt, spending a significant amount for promotion, to increase tourists significantly by both diversifying arriving segments and increasing market exposure for various segments

It is important to decide which approach to take, as will be done later in this volume, so that SA Tourism and others concerned will have a basic, "unified" view on what needs to be done, thereby avoiding any confusion or conflict of arguments about the basic approach.

In parallel to selecting basic promotion approach, focus segments will be determined according to the steps described conceptually in Figure 7.2.4. The steps include:

- Sort the arriving segments:
  - Identify the segments that account for a significant portion in total arrivals as "Good Candidate", and those that are relatively less, as "Possible Candidate"
  - At the same time, assess the extent of South Africa's penetration into these segments to see if there is still much room for penetration
  - For the East Asian market, there are virtually no segments where South Africa has deeply penetrated.
- Consider other major factors for candidates, including the prospect of segment growth, expenditure level, and major barriers
- Assess benefit and cost at least qualitatively to see if targeting the segment is truly promising
- Determine the focus segments according to the steps above

Sources of information used for these steps are also described in Figure 7.2.4.

(3) Tourist Draw Cards

Tourist draw cards are crucial in strategy formulation. Even if critical barriers can be removed and high potential target segments are identified, a significant increase in tourists could not be expected if major tourism resources and attractions are not attractive enough for potential tourists to be willing to pay for the trip to South Africa. East Asian tourists will not travel all the way to South Africa for an experience that is not unique, world-class, or greatly appealing. The critical question is: "Are South Africa's tourist draw cards powerful enough for a significant increase in tourists to materialize?" Most importantly, this question should be raised from the perspective of the source market.

As shown in Figure 7.2.5, the major tourist draw cards of South Africa need to be assessed as to whether they are unique and have absolute comparative advantage from the perspective of the source market (and target segments). Then it is necessary to identify possibilities of enhancing the power or attractiveness of these draw cards by promotion measures.

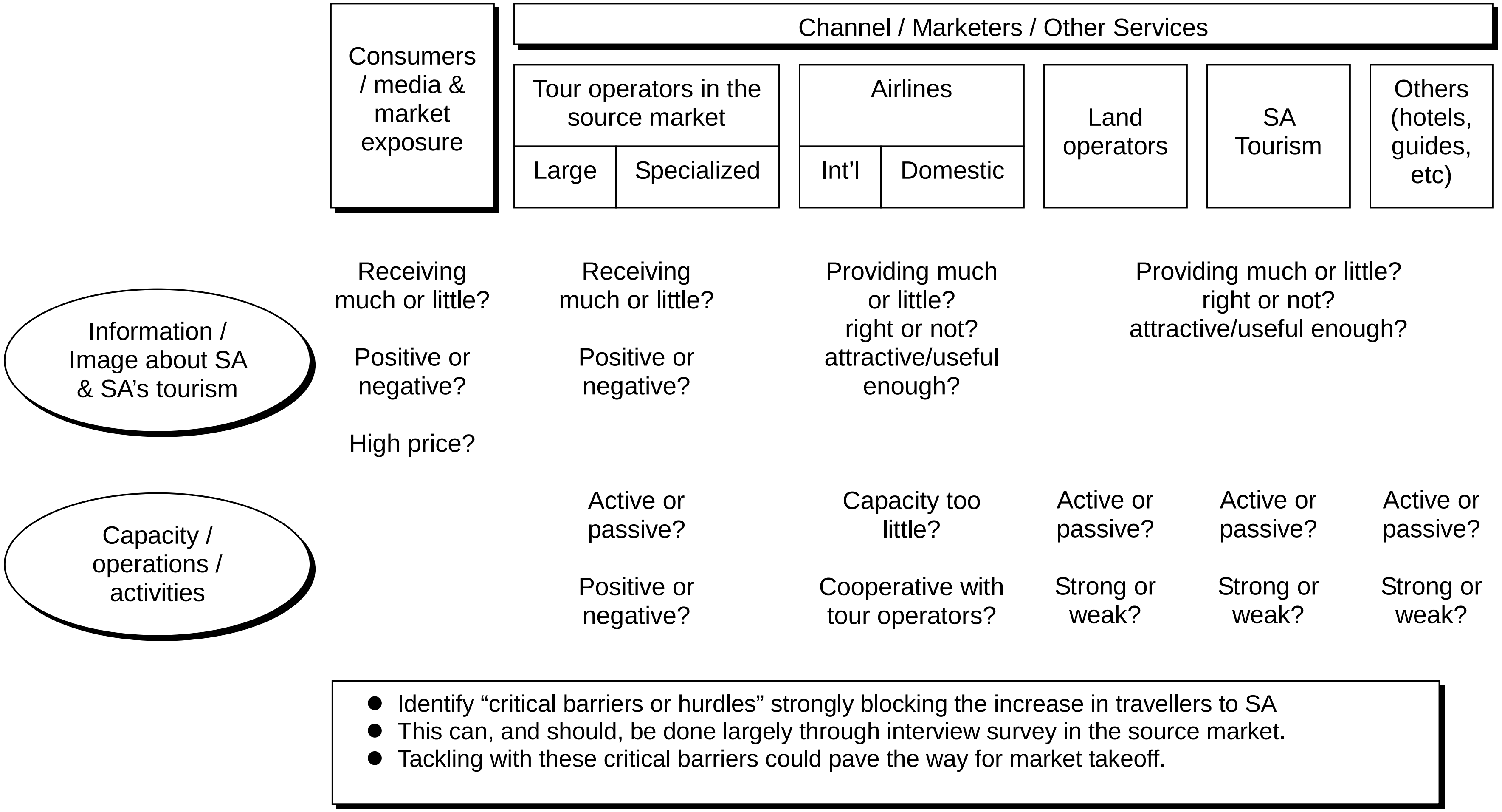
One possibility lies in the fundamentals of branding technique. Figure 7.2.6 illustrates the composition of total brand value: (i) fundamental value; (ii) information value; (iii) and peripheral value. This suggests that given the difficulty to change the fundamental value of South African tourism in the short term, its total value could be enhanced significantly by providing highly valued information on its tourism resources and products including greatly appealing images and messages, fascinating stories, symbols that appeal to the market, and so on.

Table 7.2.1 Indicative General Characteristics of Alternative Promotion Approaches for Underdeveloped Destination

	Time frame	**(1) Steady, "perfectionist" approach**	**(2) Focused approach**	**(3) All-out approach**
Extent of focus by segment	Short/medium term	Equally focused	Focused	Equally highly focused
	Long term	Middle/high	Middle	Equally highly focused
Pace of exposure to the market	Short/medium term	Low	Middle	High
	Long term	Middle/high	Middle	High
Investment level needed*	Short/medium term	Middle	Middle	High/very high
	Long term	Middle	Middle	High

Source: JICA Study Team
Note: * for example, the ratio of promotion cost to current visitor arrivals or total tourist spending

Figure 7.2.4 Identification of Major "Barriers" Blocking Market Takeoff



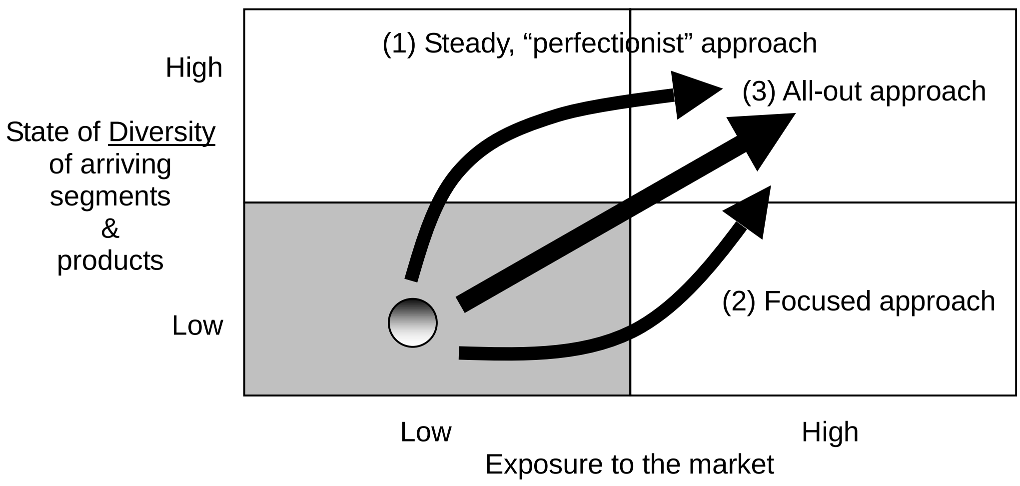
Source: JICA Study Team

Figure 7.2.5 Conceptual Basis for Promotion Approaches for East Asian Market

Current state of Diversity of arriving segments & products	Exposure to the market: Low	Exposure to the market: High
High	• Developing destination • Promotion may be too fragmented and/or too little. ⇩ Need more promotion and/or more focus	• Maturing destination, very well recognized by various segments • US, Europe, Australia, etc. • Stage in need of adding value to further increase its competitiveness
Low	• **Underdeveloped destination** • **e.g., South Africa** • **Promotion is too little.** ⇩ **Several options available (See the figure below)**	• Well recognized for certain segments ⇩ Room for promotion targeting under-focused segments

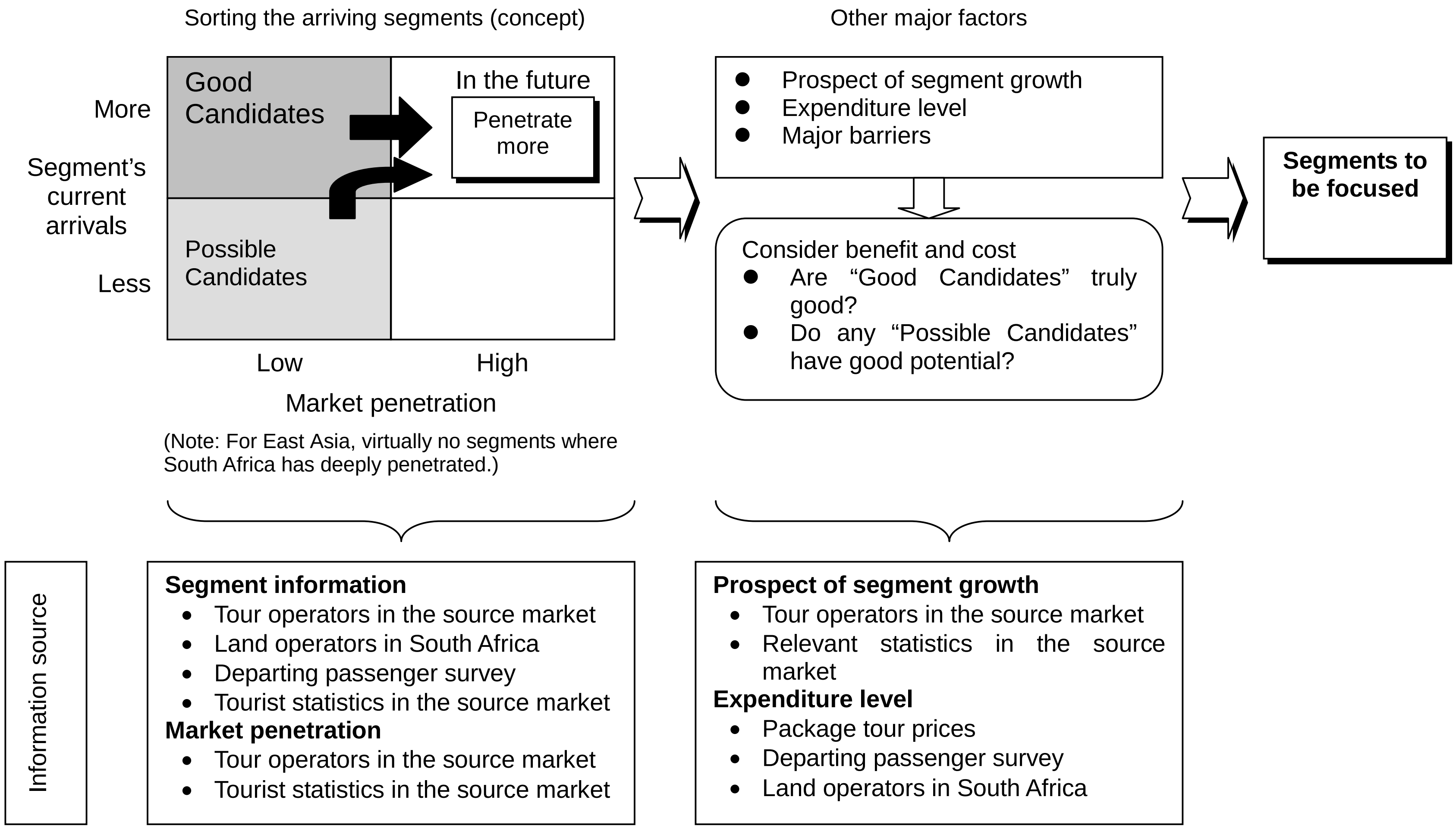
Source: JICA Study Team

Figure 7.2.6 Alternative Promotion Approaches for Underdeveloped Destination



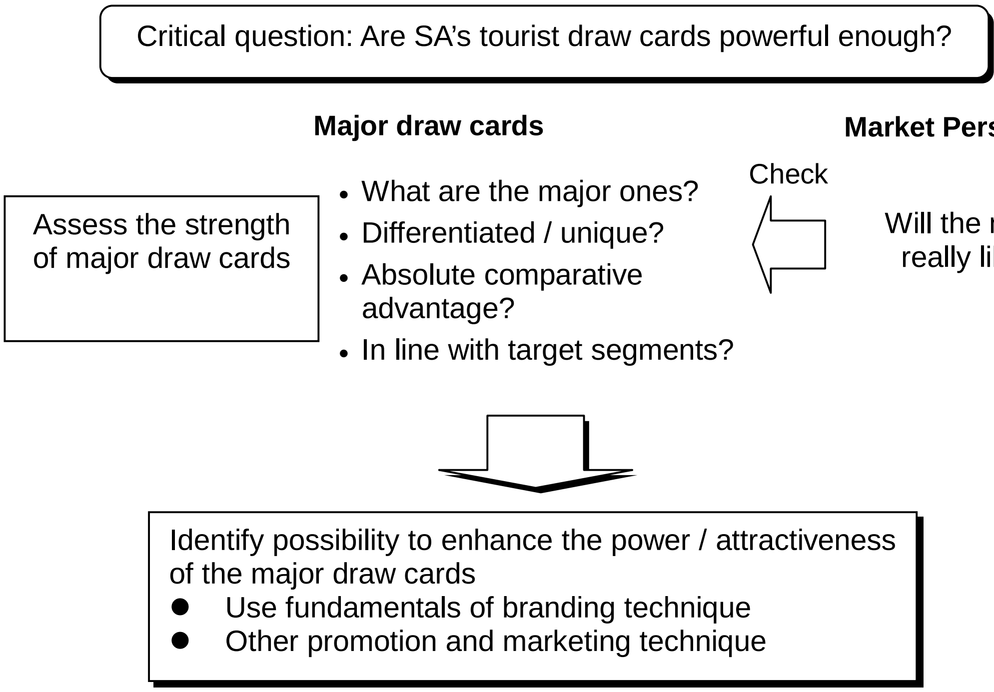
Source: JICA Study Team

Figure 7.2.7 Segments to be Focused and Information Source



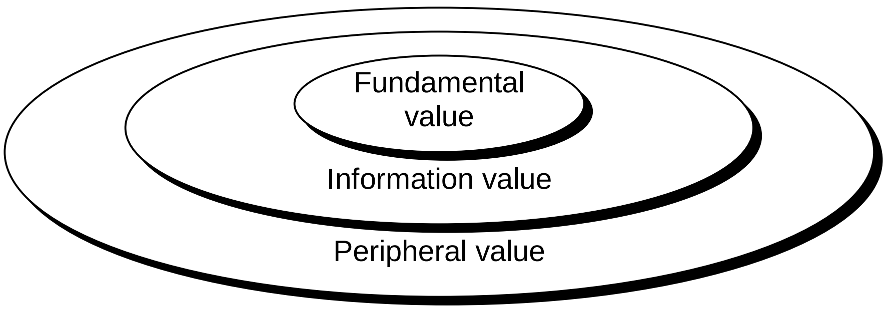
Source: JICA Study Team

Figure 7.2.8 Assessment of Major Tourist Draw Cards



Source: JICA Study Team

Figure 7.2.9 Three Types of Values Constituting Total Brand Value



Fundamental Value	Information Value	Peripheral Value
• World-class tourism resources and sites • Tourist facilities and services • Attractiveness of the country	• Images & messages • Fascinating stories • Symbols • Contents of ads, etc. • Brochures, guide-books, websites, etc.	• Good infrastructure • People's attitude • Marketers' attitude • Uniqueness of the country

Source: Tomoki Yasuhara, The Manual of The Brand Marketing Strategy, 2000; JICA Study Team

Chapter 8
East Asian Survey Results

8.1 Background

This chapter provides a brief synopsis of the key findings of the following surveys carried out to inform the East Asian Market Action Plan and to provide a better understanding of the East Asian Markets, i.e.:

- Survey of Operators/Agents in Japan;
- Survey of Operators/Agents in Other Relevant East Asian Markets, i.e. Hong Kong, Taiwan, Singapore and Korea;
- Survey of South African Tour Operators that handle the East Asian market;
- East Asian visitors survey in South Africa (departing passenger questionnaire survey); and
- Survey of the Reasons of Dubai's Success as a Tourism Destination in attracting the East Asian and in particular the Japanese market.

This chapter first describes current market segments of East Asian tourists travelling to South Africa, followed by the results of the above surveys.

8.2 Current Market Segments and Seasonality

(1) East Asian Tourist Arrivals

Table 8.2.1 shows total arrivals from East Asian countries subject to the study, totalling 68,181 in 2000, with those for holiday being 50,489. These markets are still comparatively small for South Africa (see Chapter 3 in Volume I for more details of the arrival trends). Moreover, these arrival figures are extremely small relative to the total size of the international travel market of these countries.

Table 8.2.1 Total Arrivals of East Asian Travelers in South Africa

Country	Arrivals in 2000		Total overseas travelers (000) (3)	(1) / (3) (%)
	Total (1)	Holiday (2)		
Japan	24,104	15,883	17,800	0.14%
Korea	9,081	6,115	5,508	0.16%
Hong Kong	12,251	11,029	8,818*	0.14%
Singapore	6,920	5,299	4,444	0.16%
Taiwan	15,825	12,163	7,329	0.22%
Total	68,181	50,489		

Source: SA Tourism for 2000 data, Outbound travelers statistics for each country
Note: * excluding travelers to the mainland of China (The figure including them is 50,083,000.)

According to the South African tour operators survey, the thirteen tour operators interviewed handled around 32,600 tourists from East Asia. Of these tourists, 31,000 were handled by the big four, i.e., Wilson Collins Travel, Thompson Tours, ERM and Crown Travel, accounting for 45% of total arrivals (31,000 / 68,181) or equivalent to 61% of total arrivals for holiday (31,000 / 50,489).

(2) Current Market Segments

Current market segments of East Asian tourists can be reasonably captured based on the profile of the tourists handled by these four companies due to their large combined market share.

Table 8.2.2 shows the estimated distribution of East Asian tourists by age group obtained from the interview with the big four. These estimates are based on the weighted average of the age distribution with the weight being the number of tourists handled by each firm.

Table 8.2.2 Estimated Distribution of East Asian Tourists by Age Group

Country	19 below	20 - 29	30 - 39	40 - 49	50 - 59	60 over	Total
Japan	0%	3%	2%	3%	19%	73%	100%
Korea	0%*	0%*	1%	29%	58%	12%	100%
Hong Kong	1%	26%	7%	18%	38%	10%	100%
Singapore	0%	9%	12%	28%	43%	8%	100%
Taiwan	7%	1%	9%	25%	47%	11%	100%

Source: South African Tour Operators Survey, JICA Study Team

Note: * While these young segments for Korea were not captured by the South African tour operators survey, these segments (students) do travel to South Africa (e.g., through student exchange programs), which was found by the operators/agents survey in Korea.

Main characteristics include:

- More than 90% of Japanese tourists are 50 or over, mostly over 60.
- Korean tourists are over 40, predominantly those in 50s, similar to Japanese tourists but somewhat younger.
- Main segments of tourists from Hong Kong are 50s and 20s.
- Singapore shows tendency similar to Hong Kong, but younger Singaporeans (in 20s) are less than those from Hong Kong, and those in 30s are more.
- Age distribution of tourists from Taiwan is similar to that of Koreans.

Further details of market characteristics are described in the subsequent sections.

(3) Seasonality

On average, seasonal fluctuation of East Asian tourists to South Africa is much less than that of European tourists.

Table 8.2.3 shows the level of monthly arrivals during low season relative to the monthly average in 2000 (=100%) for the five East Asian countries subject to study, compared with that for Europe total. The level of East Asian tourists during low season (relative to the monthly average) is consistently and substantially higher than that for Europe.

Table 8.2.3 Level of Arrivals during Low Season Relative to Monthly Average in 2000

	Monthly Average	May	June	July	Aug	Sept
Five East Asian Countries Total	100%	72%	84%	98%	112%	109%
Europe Total	100%	66%	51%	78%	89%	93%

Source: SA Tourism

South African tour operators' comment:

"East Asian market promotion is welcome for "seasonality gap" fill-in. The increase in East Asian visitors during low season will help flatten seasonality gap, improve the year-round financial return of the tourism industry (hotels, coaches, tour operators), and eventually encourage new investment in capacity expansion of hotels and coaches."

8.3 Survey of Operators/Agents in Japan

Key findings:

- Currently demand for South Africa as a destination is low, mainly due to:
  - a lack of exposure; and
  - a lack of awareness of and knowledge on the country as a whole and as a tourist destination (image barrier)
  - a high packaged tour price
- Operators that handle South Africa on average each carry only a few hundred (100 to 200) tourists each to South Africa. Only one operator handled more (around 1 000).
- Current Market Characteristics:
  - Length of packages: about 8 days
  - Main destinations: Cape Town, Vic. Falls, Flowers (particularly Jacaranda trees in Pretoria), a wildlife experience
  - Group size: 15 to 25
  - Tourist Type: 50+ (but mostly over 60), retired couples or single women
  - South African a once-only trip.
  - Not interested in safari/wildlife when decide on a trip to South Africa (those Japanese tourists that have this interest go to Kenya). However flowers is a major draw card.
  - Victoria Falls and Cape Town have to be in a package tour of South Africa, otherwise the package does not sell.
- Operators believe it is unlikely that SA would appeal to other market segments than the current retired, older age market. However, this is a big market and not as yet penetrated by South Africa.
- Satisfaction Levels:
  - Generally the degree of customer satisfaction after a trip to South Africa is very high. Japanese tourists are impressed with the level and extent of infrastructure. Many operators believe the satisfaction level is so high, partly because the prior expectation is modest – tourists are unsure of what to expect.
  - Japanese operators prefer package tour arrangements for trips to South Africa. Those that have organized FIT's to South Africa have had major problems in respect of crime. However package tourists have very few complaints on crime as it allows for a more controlled environment.
- Constraints to the development of the Japanese market for South Africa:
  - Image barrier as a result of crime and health (Aids & Malaria) as well as a lack of knowledge on the destination;
  - Highly priced packages in relation to the risk associated with the destination – difficult to sell;
  - Lack of airline seats;
  - Shortage of Japanese speaking guides;
  - Expensive domestic transport costs, i.e. flights within South Africa;
  - Cumbersome immigration procedures;
  - Lack of marketed/packaged attractions.
- Suggestions:
  - Increase exposure of South Africa to the Japanese public – particularly PR – in order to overcome the lack of image problem and improve knowledge on South Africa.
  - Develop stronger relationships between the South African and Japanese tourist trade.
  - Inform of measures to deal with crime and of actual situation of crime for tourists.
  - Improve the South African promotional authorities and tourist trade's knowledge and understanding of the Japanese outbound tourist market.
  - TV is an extremely good media to use in Japan for awareness building – not advertisements but editorial.

- Greater exposure in brochures. South Africa is not featured in many highly used brochures. Also need a special feature brochure on South Africa.

- Operators generally believe there to be good growth potential for South Africa in the Japanese outbound market, however will be steady growth as the destination proves itself to the market.

8.4 Survey of Ground Operators in Hong Kong, Taiwan, Singapore and Korea

The detailed survey results are provided as Appendix C. Key findings are:

- It should be noted that these markets are not uniform but are similar; each has its own idiosyncrasies and each market should be approached slightly different from the other.
- These outbound markets are of the most affluent in East Asia and could afford the more expensive destinations such as South Africa.
- Current Market Characteristics:
  - retirees or semi-retired people
  - well-travelled
- South Africa could appeal to a wide range of ages and life-stages and this will vary by country, however all would be in the upper income brackets. Potential market segments identified by operators:
  - upscale travellers in their thirties and forties
  - youth and family markets
  - sightseeing travellers – particularly relating to nature
  - adventure travellers
- Constraints to the development of these markets for South Africa:
  - Image barrier relating to crime and safety:

    The low image in respect of crime and safety is a major barrier to the development of these markets. Not only would the crime and safety perceptions need to be addressed, but it would also require more specific measures such as visible policing of tourist areas.
  - Lack of airline seats/airline capacity;
  - Lack of awareness of and knowledge on the destination:

    In most of these outbound markets, brochures on South Africa are not available in the local languages but only in English. It is therefore difficult for most tour operators and travel agents as well as the public to read brochures. This is primarily a problem in Taiwan and Korea;

    South Africa has no presence (i.e. no SA Tourism office, no SAA representative, limited trade representation) in some of these markets, particularly in Taiwan and Korea.
  - Highly priced packages compared to similar destinations;
  - Lack of marketed/packaged attractions;
  - Cumbersome and slow ground handling services;
  - Unpleasant attitudes of immigration and customs staff;
  - Lack of tour guides (particularly Korean);
  - Poor range and quality of souvenirs and shopping outlets.
- South Africa rated highly in respect of:
  - Standard of upmarket hotel facilities;
  - Hotel hospitality services;
  - Hygiene at restaurants;
  - Information and interpretation of attractions visited;

  - Visitor facilities at major attractions visited;
  - No visas are required for Hong Kong, Singapore and Korea.
- Future potential of South Africa as a tourist destination in these markets:
  - Hong Kong and Korean operators rated South Africa's future potential high;
  - Singapore and Taiwan operators' ratings varied from modest to high;
  - Overall, Hong Kong and Singapore seem the most promising and can be considered as fast-growth volume markets for South Africa, particularly as there are existing direct flights to South Africa from both destinations and the nationals of both countries do not require visas to visit South Africa for tourism purposes.

8.5 SA Ground Operator Survey

Appendix C provides the detailed results of this survey. The survey covered a large number of factors relating to:

- The operations of companies involved in the East Asian inbound tourist market (i.e. companies' age, representation, employees, ownership of tourist infrastructure, trade agreements, guides, etc); and
- The characteristics of the current East Asian inbound tourist market to South Africa (i.e. size of the market, market shares, origin of tourists, seasonality, types of packages, price of packages, market perceptions, satisfaction levels, market future, etc).

This summary provides only a brief synopsis of key findings of the survey, viz:

- Overall demand for South Africa from East Asian markets is currently low, with growth in business being around 5% at most.
- Approximately 19 SA tour operators handle tourists from East Asian markets – however four players dominate the market and take up 95% of the market; other players are very small.
- Current Market Characteristics:
  - Length of stay: 7 days
  - Main destinations: Cape Town, JHB/Pretoria, Pilanesberg or private game reserves
  - Group size: 15 to 25
  - Tourist Type: Older couples, retired, above 65
- Growth in demand from East Asia has declined mainly due to:
  - the Asian crisis; and
  - more recently as a result of the political situation in Zimbabwe (most East Asian tourists want to visit Vic Falls as part of a trip to southern Africa).
- Compared to Australia, Europe and the USA, South Africa is very low down on East Asian tourist's list of places to see, due to:
  - price (expensive packages compared to main destinations);
  - long travelling times;
  - a general lack of awareness of and knowledge of South Africa as a country and a tourist destination.
- Fundamental issues need to be addressed to successfully penetrate this market, i.e.:
  - Development of stronger relationships with the distribution channel in East Asia;
  - Improved information on the source market characteristics, the distribution channel, etc;
  - Lack of marketing and market expenditure in the East Asian markets;
  - Lack of flights;
  - Negative (and to some extent incorrect) perceptions relating to crime/safety and health (HIV & Malaria);
  - Service, relating to:

- general low level of service, specifically in restaurants and hotels (some complaints are repetitive and never dealt with);
- the lack of and unwillingness to customize, specifically in respect of menus;
- Lack of nightlife and entertainment;
- Lack of East Asian tour guides;

- Should fundamental issues be addressed, the potential for expansion into the East Asian markets is significant.

8.6 Departing Passenger Survey

The questionnaire sheet used for the departing passenger survey of East Asian tourists to South Africa is provided as Appendix D.

(1) Summary Results

Survey Conducted:

35 working days from July 16 at the two gateway airports of JNB and Cape Town

Samples Collected:

664 samples (Japan 196, Korea 71, Taiwan 76, Hong Kong 250, Singapore 37, Philippines 12 and Malaysia 20)

Note: The sample size for Malaysia and the Philippines is small. This is because the survey targeted Japan, Singapore, Taiwan, Hong Kong, and Korea, rather than Malaysia and the Philippines. In the course of the survey, it was found that achieving the target sample size (originally 1,000) was difficult within the intended timeframe. Thus in order increase the total number of responses, the Study Team in consultation with DEAT decided to collect samples for Malaysia and the Philippines. These samples were not intended for analysis, but would gain some understanding of the tourist profile from these two countries.

Topline Results:

- Of all surveyed travellers including those for holiday, business, and VFR (visit friends and relatives), more than half do not travel on a packaged tour (such travellers were predominantly Korean and Japanese). Only about a third were on a packaged tour (mainly the Hong Kong and Singapore tourists).
- Only just over a quarter of travellers were travelling alone with the majority travelling with companions (spouses, family or friends).
- Just over 85% of travellers in the sample had travelled overseas on several occasions in the past, with a significant proportion (about 45%) having travelled overseas at least 10 times. Thus the majority were frequent travellers.
- The current trip to South Africa was a first for about two-thirds, with over 40% on holiday and about a third travelling on business.
- On average, tourists stayed for about 20 days in South Africa, the longest "stay-over period" was noted for Johannesburg/Pretoria and Cape Town (3 or more nights). The Kruger in this instance appeared to be a "pass through" destination. Indications were also that the tour tended to be confined to South Africa and did not extend to neighbouring countries for many.
- Reasons for choosing to visit South Africa were mainly for the scenery, wildlife and for business purposes. To a lesser extent, tourist attractions in neighbouring countries, visiting friends/relatives and cultural/historical sites in South Africa were mentioned as motivations for choosing this country.

- The main sources of information regarding South Africa were tour brochures/travel agencies and "word-of-mouth" recommendation. Other sources mentioned to a lesser degree were the Guidebook and the Internet. Travellers expressed a need for information about tourist sites, transportation, city activity and maps for directions.
- Ratings for their experience in South Africa indicated scores out of 3 (3=good and 1=poor) as below:

  ACCOMMODATION:

  - Room (2.7)
  - Service (2.53)
  - Facilities (2.51)
  - Meals (2.49)

  THE TOUR:

  - Cape Town, wine route (2.77)
  - Overall tour S.A (2.65)
  - The Kruger (2.6)
  - The Blue Train (2.54)

- The main activity was by far the wildlife reserve, experienced by over a third of tourists. Significantly low proportions of tourists visited neighbouring countries – at levels of 15% and lower.
- The main souvenirs purchased were African handicrafts (by about 60%) and wine/foodstuffs/nuts (about 40%). The quality of souvenirs was generally rated fair to good, the price reasonable and the service provided by attendants was fair to good.
- More than half the tourists tried a restaurant outside the hotel they were staying in; and they rated the food/menu fair to good as well as the level of hygiene. The price of food was generally perceived to be reasonable and service from waiters/waitresses good.
- Banks and car rental were generally rated fair to good and taxi services fair.
- About 5% mentioned being a victim of crime, usually theft related and occurring in Johannesburg. In the South African norm, crime incidence of 5% may be interpreted as exceptionally low. However, in the East Asian norm, the fact that some 35 visitors were reported victimized out of a sample of 600 in a relative short span of time (one month) is a very alarming indication, confirming the strong security concern toward South Afirca generally perceived among Asian visitors.
- South Africa was well rated (mainly good) in terms of natural/scenic wonders and African wildlife. Security was the only aspect indicating a high poor rating by more than a third of the sample. Other aspects were generally rated fair to good.
- Some ambivalence was noted in terms of the intention to return to South Africa again with 40% saying they would maybe consider visiting South Africa again in the future. Nevertheless, about 45% were enthusiastic about the country and would return to visit in the future.
- The demographic profile indicated high proportions of tourists in the following segment:
  - 20-49 years old
  - In professional and administrative occupations

(2) Caution Needed in Understanding and Interpreting Results Above

Issue on "Holiday vs. Business (and VFR)"

The summary results above, though instructive, were obtained from the entire samples of tourists including those for business and VFR (visit friends and relatives) as well as those for holiday. However, for the purpose of tourism promotion, the most relevant information relates to holiday tourists, and the above results in being affected particularly by business travellers could be misleading for formulating a proper promotion strategy and action plan.

Therefore, further analysis was made only for the sample of tourists for holiday, the results of which are described later in this section.

Issue on the sample: potentially significant bias toward individual travellers

For the sample of holidaymakers (travellers for "holiday"), the Study Team conclude that there is a significant bias toward individual travellers, thus underestimating the proportion of package tourists. For example, the sample of Japanese "holiday" travellers numbered 85, of which only 56% were package tourists, with the rest being non-package tourists. This percentage is far below the view of the Japanese travel industry.

A closer look at the profile of Japanese package tourists in the sample also revealed that group tourists are insufficiently captured, making the proportion of packaged tourists much less than the industry's view.

The likely causes for this bias are the following:

(i) English-speaking interviewers

Senior travellers (the majority of the Japanese and Korean packaged group tourists) tended to be reluctant to answer the questionnaire because interviewers only spoke English. Many of these travellers did not understand even though the questionnaire was written in Japanese or Korean. Younger individual travellers are much more likely to respond to such a questionnaire/interview survey partly due to their English capability, which is generally much higher than senior travellers, and their greater responsiveness to such situations.

(Note: The use of English speaking interviewers was an inevitable choice in South Africa given the budget available.)

(ii) Method of interview

As a result of discussion between DEAT, SA Tourism, and the JICA Team, it was decided that interviewers should hand the questionnaire sheet to each tourist, one by one, for self-filling. This coupled with cause (i) above, was most probably an important reason for fewer senior tourists being counted among package tourists than the indications provided by tour operators in both Japan and South Africa i.e. more than 80% of package tourists are senior citizens.

The JICA Team originally argued that at least for Japanese package tourists, it would be better to hand questionnaire sheets to tour conductors accompanying packaged tours who would then distribute them to tour participants. This way, package tourists would feel more obliged to answer the questionnaire, rather than on a purely voluntary basis.

Japanese packaged tours usually consist of about 15 participants, but looking at the raw data, the survey appears to capture very few Japanese group tours successfully.

(Note: It is also true that handing over questionnaire sheets to tour conductors is not always effective.)

(iii) Seasonality

Due to the commencement timing of this Study, the survey was conducted in July and August – a time in which Japanese package tourists to South Africa could be much less than those in higher seasons (i.e. October-November, flower season; in May; and possibly during the summer season of South Africa). This seasonality problem could have been among the causes for fewer package tourists captured by the survey.

Suggestion on the use of the data

From the above considerations, it is suggested that the proportion of package tourists relative to non-package travellers obtained from the survey should not be used as a representation of the actual segments of holiday tourists, at least for Japanese and Koreans.

(3) Holiday Tourists - Top Line Understanding and Interpretation

Out of total 664 samples collected, those who chose "holiday" for their travel purpose are subjected to a more scrutinized analysis in order to eliminate the bias observed as explained in the preceding section. Holiday samples totalled 258 or 38 percent of the total collected samples.

Topline Results of Holiday Tourists:

- Dominant reasons for SA visit are Scenic/Natural (around 90%, except for Korea), followed by Wildlife (around 70 – 50%). Other reasons are well below 20%.
- City/places visited are dominantly two-centred: either Sandton/Pretoria or Cape Town. Garden Route (Knysna) ranks third for Taiwan and Singapore.
- Activities participated are dominated by wildlife (game viewing/safari – around 70%). Museum visit ranks second with a much lower participation of 20 – 30%.
- Information source is dominated by tour operator brochure/tour operator/guidebook – sometimes published by tour operators (60 – 90%), underlining the importance of marketing channels in East Asia.
- Seasoned travellers dominate in Japan, Korea and Hong Kong (60 – 75% for overseas experience of 10 times/more), while Singapore shows a clear split between 10 times/more and first time (30% each) reflecting the weight of its younger market segment.
- First time visits to SA dominates (80 – 90%), except for Korea where 3 prior visits holds 26%. This can be interpreted as holiday/business combined visits, which are more prominent in Korea.
- Rating for the SA visit overall is encouraging with "Good" (64 – 86%) except for Korea (44%). There was a relatively high percentage of "Fair" (56% for Korea and 35% for Japan notably), hinting at room for improvement. Particular attention is invited to very high rating given for Other Countries – Victoria Falls and Chobe NP (82 – 89%) in Japan.
- Information need is acute at Tourist Site (site information/presentation/facilitation, etc.) all across East Asia (63% - 79%) except for Japan (44%), followed by Transport, City Activity and Map by varying percentages for each country.
- Ratings for hotel accommodation (room, meal, facility, service) are generally "Good" (65% - 84%) except for Korea (41%) and Japan (58%). "Fair" is high in Korea (49%) and Japan (39%), hinting at room for improvement.
- Ratings for souvenir (quality, price and shop attendant) generally signal much room for upgrading/improvement. In terms of Quality, "Fair" (55 - 69%) exceeds "Good" (29 – 44%) except for Singapore. In terms of Price, "Fair" (meaning "reasonable") far exceeds "Good" (bargain) for each country. In terms of Shop Attendant, "Fair" also exceeds "Good" except for Singapore, underlining room for improvement.

- In terms of the intention to return to South Africa again, "Yes" is found high in Korea and Singapore (60 – 64%), followed by Taiwan and Hong Kong (50 – 55%). Japan shows lowest intention to return (37%) with "No" the highest (50%).

Table 8.6.1 Airport Departing Passenger Survey -- Summary

	Japan	Korea	Taiwan	Hong Kong	Singapore
Samples Collected (those answering Holiday only)	68	19	21	128	22
Reasons for SA visit(M/A)					
● Scenic/Natural	81%	58%	90%	86%	86%
● Wildlife	63%	47%	55%	66%	45%
● Others	60%(Vic.Falls)	below 20%	below 20%	below 20%	45%(VFR)
City /Place Visited					
● Primary	Santon/Pretoria	Santon/Pretoria	CPT	CPT	CPT
● Secondary	CPT	CPT	Santon/Pretoria	Santon/Pretoria	Santon/Pretoria
● Tertiary	Vic.Falls		Garden Route		Garden Route
Activity Participated(M/A)					
● Wildlife	72%	33%	65%	72%	62%
● Museum visit	21%	33%	25%	21%	29%
● Culture village	11%	17%	25%	11%	38%
Information Source(M/A)					
● Tourbrochure/Agent/Guidebook	65%	87%	60%	87%	86%
● Through Friends	18%	11%	40%	34%	38%
● Web	20%	17%	0%	8%	24%
Travel Experience					
● 10/more times	75%	58%	43%	60%	30%
● First time	13%	11%	14%	8%	30%
SA Visit					
● First time	86%	63%	85%	88%	79%
● More than two times	below one digit	26%(3 times)	10%(3 times)	below one digit	13%(2 times)
Trip rating	Good vs. Fair				
● SA overall	64% vs. 35%	44% vs. 56%	75% vs. 20%	75% vs. 24%	86% vs. 14%
● Cape/Wine route	78% vs. 22%	58% vs. 42%	100% vs. 0%	78% vs. 22%	90%vs.10%
● KNP	75% vs. 25%	33% vs. 67%	64% vs.36%	47% vs. 51%	100% vs. 0 %
● Blue Train	100% vs. 0%	small sample	67% vs. 33%	50% vs. 47%	s/s
● Victoria Falls, Zim.	89% vs. 11%	50% vs. 50%	s/s	s/s	s/s
● Chobe, Botswana	82% vs. 18%	s/s	s/s	s/s	s/s
More info needed:					
● Tourist site	44%	72%	63%	64%	79%
● City activity	22%	22%	28%	32%	50%
● Transport	43%	39%	17%	23%	33%
● Map	31%	22%	11%	27%	11%
Hotel rating					
● Good	58%	41%	65%	65%	84%
● Fair	39%	49%	34%	34%	16%
● Poor	3%	10%	1%	1%	0%
Souvenir rating	Good vs. Fair				
● Quality	44% vs. 55%	29% vs. 65%	44% vs. 55%	44% vs. 55%	67% vs. 33%
● Price	8% vs. 81%	12% vs. 59%	8% vs. 81%	8% vs. 81%	23%vs. 73%
● Shop attendant	46% vs. 52%	18% vs. 71%	46% vs.52%	46% vs. 52%	64% vs. 36%
Other services	Good vs. Fair				
● Restaurant (outsides)					
- Food/menu	40% vs. 60%	24% vs. 71%	68% vs. 32%	40% vs. 60%	83%vs.17%
- Price	47% vs. 47%	25% vs. 56%	17% vs. 78%	12% vs. 84%	13% vs. 83%
- Hygiene	49% vs. 49%	20% vs. 73%	58% vs. 37%	50% vs. 50%	46% vs. 54%
- Waiter	51% vs. 46%	57% vs. 36%	89% vs. 11%	62% vs. 36%	70% vs. 30%
● Money change	58% vs. 38%	Fair43, Poor 43	60% vs. 30%	36% vs. 58%	50% vs. 42%
● Car rental	71% vs. 21%	no sample	75% vs Poor25%	35% vs. 62%	83% vs/17%
● Taxi	42% vs. 53%	Fair 57, .Poor 43	67% vs.Poor33%	15% vs. 55%	86% vs.14%
Intention to return					
● Yes	37%	64%	56%	50%	60%
● Not sure	12%	9%	2%	6%	0%
● No	50%	27%	42%	44%	40%

Note: "M/A" in the table indicates "Multiple Answers".
Source: Departing Passenger Survey, JICA Study Team

8.7 Dubai Case Study

The survey report on the Dubai Case Study, provided as Appendix E, identifies a significant number of general key factors that shaped Dubai success as a tourist destination (for all source markets) as well as specific key factors that lead to Dubai's recent success in the Japanese market. For the purposes of this synopsis we highlight only the main findings of the latter, viz:

(1) Serious Take-up by the Distribution Channel in Japan

The recent trade take-up and interest is primarily ascribed to:

- Dubai having finally (after over 10 years of active promotion in East Asia) established its reputation in East Asia as an extremely safe destination.
- Dubai having convinced the East Asian trade and customers of:
  - its commitment to provide a superlative visitor experience; and
  - its willingness and ability to customise the visitor experience to the source market.
- The importance Dubai awards to customer satisfaction, specifically its policies of responding to complaints within 48 hours (Customer Complaints Hotline) and of customer satisfaction surveys being taken seriously and acted upon.

(2) Market Needs & Product Offering Fit

- Japanese tourists prefer short trips filled with a large number of experiences - Dubai offers a good overall experience of the destination within 3-4 days.
- Dubai is aggressively packaged both as an end-destination (3-4 day package) and as a short stay (roughly 2 nights) stop-over/transit point to other end destinations such as Kenya, Madagascar and other Middle East countries (Jordan & Syria).
- Acceptable flight time for a short trip, i.e. 13-14 hours.

Chapter 9
Tour Packages and Products

9.1 Tour Packages Offered in the Source Market

9.1.1 Main Characteristics

Main characteristics of tour packages offered in the source market are summarized as follows (with detailed characteristics described subsequently):

Focus on world-class destinations

Most package tours focus largely on well-known, world-class destinations. Moreover, in spite of lots of South Africa's tourism resources, Cape Town is prominently highlighted as a primary destination, and on the other hand Johannesburg with Sandton and Pretoria are considered as overnight point. It is not too much to say that there exists no tour itinerary without Cape Town as destination for East Asia market.

Shorter stay at one place

Most package tours to South Africa offered in East Asia are characterized by touring to many places, with time spent at one place being very short. This obviously reflects the preference of East Asian tourists; in general, East Asians going for circuit touring are not fond of staying long at one place unlike European tourists, instead preferring relatively busy schedule and enjoying as many visitations as possible for one travel experience. This tendency is stronger for longer-haul travels, primarily because tour price is higher and tourists tend to want to see as many places as possible within the time given.

Limited areas of visits

The variety of destinations in South Africa is extremely limited due to the problem of safety and security. As East Asian tourists are very sensitive to safety and security, they don't stay at low-security areas even if there were many tourist attractions in the cities like Johannesburg and Durban.

Combination with neighbouring countries

Tourists from Japan and Korea seldom travel to only South Africa except for VFR and business trips. Their itineraries comprise not only South Africa but also neighbouring countries, mostly very well-known tourist sites and destinations in other southern African countries including Victoria Falls, Chobe National Park, and safari in Kenya.

Due to high cost as well as South Africa being a faraway destination, people tend to perceive the country as a once-in-a-lifetime destination, therefore preferring to visit and see as many (attractive) places as possible. They would feel it is worth going if a tour offered satisfies such their preference. Otherwise, they would be likely to say, "why do we have to pay so high for a tour taking us to too few places?" or "as I am not sure if I would go to South Africa again, I would select a tour with more destinations included."

Travel trade in Japan and Korea has tried to merchandise package tours going only to destinations in South Africa and sell them at lower prices, but few trials resulted in success due to less interest shown by customers in these tours.

On the other hand, tourists from Taiwan, Hong Kong and Singapore seldom travel to South Africa in combination with neighbouring countries. For them South Africa is not always a once-in-a-life time destination, because real rate of airfares are much cheaper compared with the ones of Japan and Korea, especially in Hong Kong and Singapore which have direct flight.

Travel patterns

Except for Japanese tourists, East Asian tourists stay at Sun City after staying one night mainly at Sandton, making sightseeing at Pretoria on the way to Sun City next day.

As for game/wildlife attraction, except for Japanese tourists, East Asian tourists buy game drive only at Pilanesberg and Kruger National Park.

Competition in travel trade

Core segment of Japanese market is elderly-rich and the one of Korea and Taiwan is up-market. Therefore the competition of tour price in the travel trade is not so severe.

In contrast, tourists of Hong Kong and Singapore are very sensitive to tour price because of variety of market segments including young generation compared with the former markets.

9.1.2 Typical Tour Patterns by Different Markets

In the course of East Asian Operator Interview Survey, the Study Team collected numerous tour brochures of major operators in the five most productive market of East Asia, namely, Japan, Hong Kong, Singapore, Taiwan and Korea.

Through a comparative analysis of typical tour patterns featured in the collected brochures, a very useful insight can be gained on the different market characteristics that exists even among East Asia. The difference is more conspicuous when compared with those of the West (Europe, Americas, and Oceania) whom South African tourism traditionally has relied on and has been adept to cater to.

The analysis may yield some lessons on how best to market and customize South Africa as a more appealing destination to the burgeoning East Asian market. Figures 9.1.1 and 9.1.2 summarize the typical tour patterns by each source market. The exercise reveals some interesting trends.

Japan

- Japanese packages do not consist of South Africa-proper sites only, but invariably includes world-class sites in neighbouring countries (Victoria Falls, Great Zimbabwe Ruins in Zimbabwe or Chobe National Park in Botswana) as an indispensable complement of SA tour package.
- Average length of tours (days spent for one tour–ex departure Japan until return to Japan) is 8 days for the shortest and 12 days for the longest. Actual nights spent in SA are only two for the shortest and seven for the longest, excluding the nights spent in neighbouring countries (Zimbabwe and/or Botswana).
- Cape Town (Table Mountain, Cape Point, Wine Route) is the magnet of SA tourist draw and no tour misses Cape visit. Johannesburg/Pretoria is but a transfer point on to Cape or Victoria Falls due mostly to the lack of world-class sites/attractions in its environs and crime/security concern.
- Kruger National Park, considered by SA tourism as world-class draw, is not necessarily so for Japanese market. Only one package features KNP. Reasons for omission of KNP include:
    - KNP visit substantially increases tour costs that are already steeper than other comparable products in other destinations (return airfare JNB/Skukuza and private game lodge to add – NP lodges do not match/satisfy the need of the market)
    - Operational difficulty caused by limited seat capacity for JNB/Skukuza (small airport/small aircraft)
    - Many packages opt for private game lodges within driving distance of JNB/Pretoria (Mabula, Bakubung, etc.) due to ease of operation, reduced cost and time saving for customers
- Notable differences of Japanese packages from other Asian packages are:
    - Blue Train ride is a standard feature for such packages for interested customers (Pretoria/Cape run or Pretoria/Victoria Falls run), while other Asian packages do not incorporate it.
    - No Japanese tours feature Sun City, while it is a standard feature for most of Asian tours. Almost nil feature of Ostrich Farm.

- Botswana's Chobe NP is a relatively new feature included in recent years reflecting the political insecurity in Zimbabwe (Japanese Government travel advisory in effect to caution Zimbabwe visit).
- Though not majority, Namaqualand flower blossom viewing is a recent feature of several SIT departures (using camping caravans).

Hong Kong and Singapore

- Average length of tour is 8 to 9 days ex departure countries and the average actual nights spent in SA is 5 to 6 nights.
- Population of both countries are mostly ethnic Chinese with common shared background under the British Commonwealth. Typical patterns follow almost an identical itinerary with 2/3 nights in Cape, 1/2 nights in Sandton and 1/2 nights in Sun City.
- Sun City is a must-see feature with two-night stay in one package. Ostrich Farm is also commonly featured.
- No tour features KNP due to the same factors as with Japanese packages. Pilanesburg is an ideal substitute combined with nearby Sun City stay. One package includes more costly Mabula private game lodge to seek more satisfactory safari experience.
- Victoria Falls visit is offered as a 4-day add-on option for most of Singapore packages.

Taiwan

- Average length of tour is 10 days ex departure Taiwan and the average actual nights spent in SA is 7 nights. Taiwan has the longest average of 10 days compared to others (8 to 9 days for Hong Kong, Singapore and Korea).
- Though ethnically the similar Chinese as with Hong Kong and Singapore, Taiwan itinerary only ventures into Garden Route with overnight in Oudtshorn.
- As with Hong Kong and Singapore, Taiwan share the same ethnic liking for Sun City.
- Pilanesburg is the substitute for KNP game safari, combined with Sun City stay, presumably in order to avoid the cost hike obliged by KNP inclusion.

Korea

- Average length of tour is 8 days ex departure Korea and the average nights spent in SA are 3 nights.
- Korea follows quite similar itinerary as Japanese, with a combined visit to Zimbabwe's Victoria Falls and Botswana's Chobe NP, conspicuously different from other three ethnic Chinese countries (Hong Kong, Singapore and Taiwan).
- Sun City is not a must-see feature in Korean itinerary (some do and some don't), again showing similarity to the Japanese pattern.
- Game safari in SA is not a highlight feature (some include Pilanesburg), and none feature KNP. This is because SA 8-day package is often offered in combination with 6-day Kenya/Tanzania package focused for African safari.

Figure 9.1.1 Typical Tour Pattern for Japanese Market

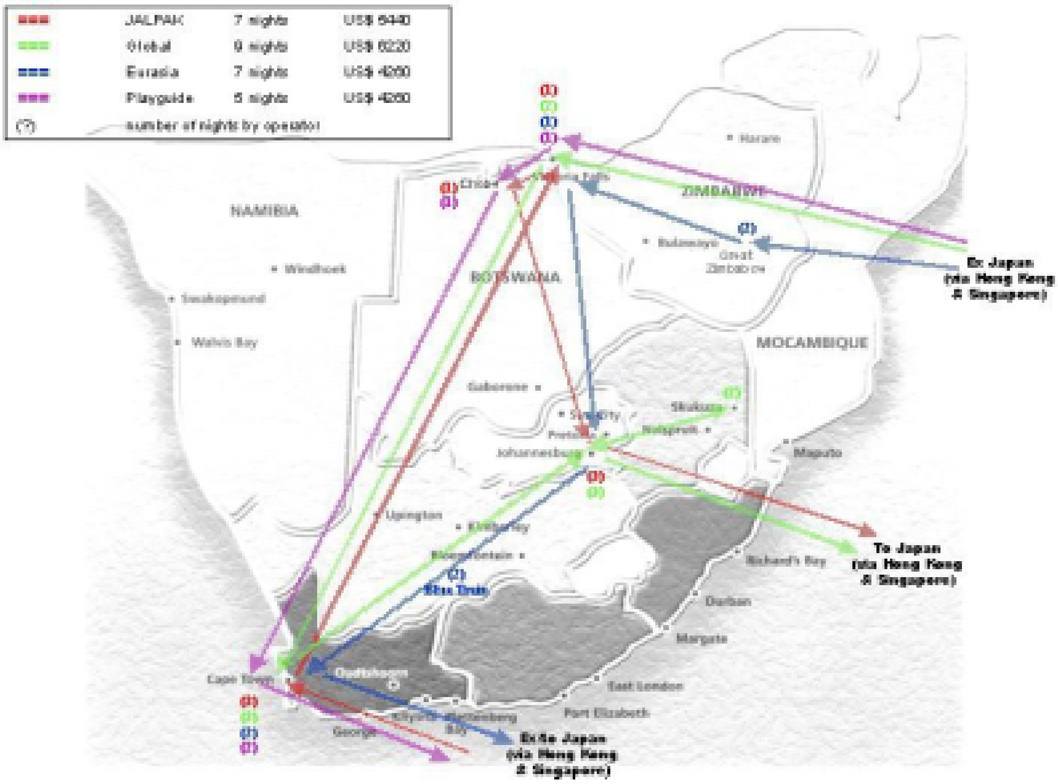
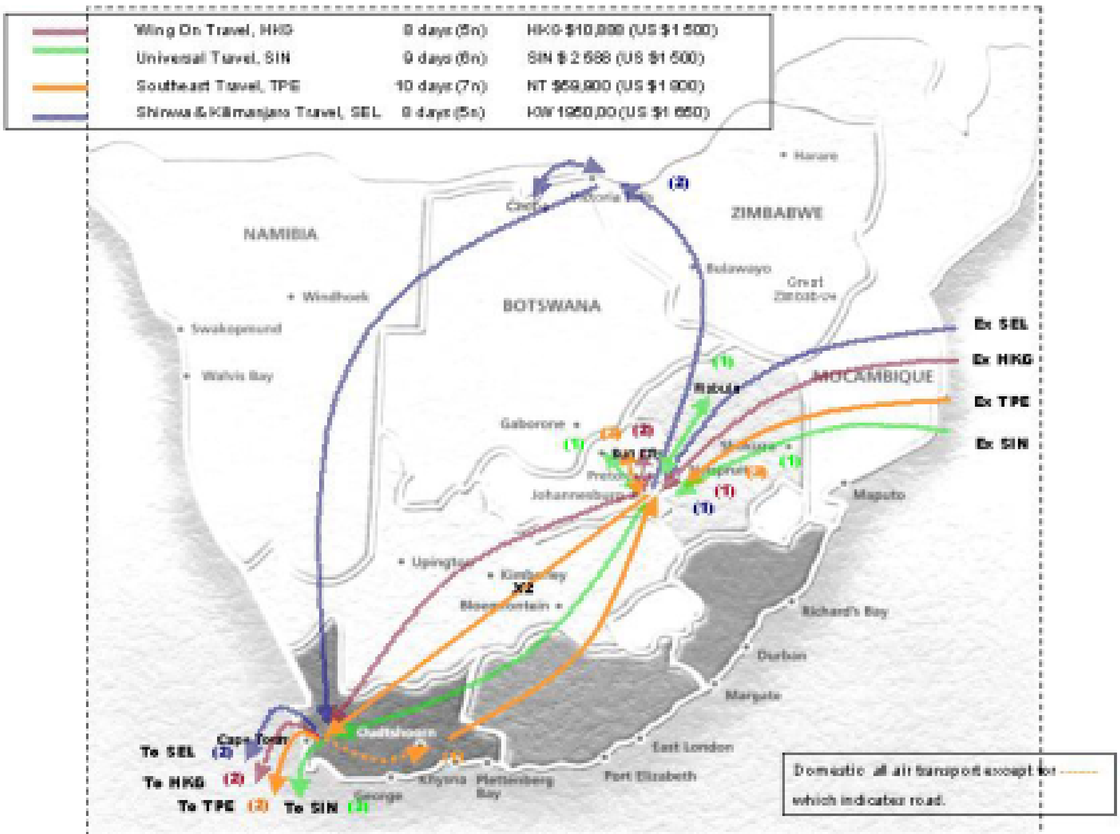


Figure 9.1.2 Typical Tour Patterns for East Asian Market (Hong Kong, Singapore, Taiwan and Korea)



9.1.3 Pricing

Tour Pricing for Each Country

Comparison of tour pricing for the selected typical tour packages in the five East Asian countries also reveals a marked difference, market-by-market, as summarized under sub-sections for each country below.

Japan

- Price ranges from US$ 4,260 to $ 6,220 for 8-day to 12-day package, which translates into per-night price range from US$609 (Eurasia Travel – discovery specialist operator), $691 (Global Tours – mature/senior age specialist operator), $ 777 (Jalpak – national brand tour operator, subsidiary of JAL, one of Japanese flag carriers) to $ 852 (Playguide Tour – medium-size general market operator).
- Japanese package prices are markedly higher than in other Asian countries. Lowest Japanese per-night price equals about 2.5 times that of Singapore, lowest in other Asia. Highest Japanese one equals about 2.6 times that of Korea, highest in other Asia.
- The prime factor for higher pricing is that all Japanese packages include Victoria Falls visit as an integral component of the package. Secondly, but no less important factor for high pricing is that Japanese packages provide 5-star grade tour services throughout, notably in hotel accommodations.

Hong Kong, Singapore, Taiwan and Korea

- Price ranges from US$ 1,500 to $ 1,800 for 8-day to 10-day package, which translates into per-night price range from US$250 (Singapore), $257 (Taipei), $300 (Hong Kong) to $330 (Korea).
- Highest per-night price of Korea can be primarily attributable to Victoria Falls visit, included as an integral component of the package.
- Asian packages other than the Japanese one generally provides first class tour services throughout, utilizing 4-star hotel accommodations.

9.2 Popular Products Included in East Asian Tour Packages

Package tour catalogues have been collected extensively during our East Asian operators' survey. The table below lists popular products included in their packages counting frequency of one product featured in each tour catalogue.

Products with feature frequency of 15 - 20 are only the following:

Japan:	Cape Town (Cape Point, Table Mt., V/A Waterfront), Wine Route and Victoria Falls,
Korea:	Sun City, Gold Reef City, Pretoria, Cape Town, Wine Route and Victoria Falls,
Taiwan:	Sun City, Pilanesburg, Lesedi Village, Cape Town, Wine Route Kirstenbosch, and Garden Route,
Hong Kong:	Sun City, Pilanesburg, Cape Town, Kirstenbosch, and Wine Route
Singapore:	Sun City, Pilanesburg, Cape Town, Kirstenbosch and Wine Route

Table 9.2.1 Products included in East Asian Tour Package Catalogues

Countries	Product by Province	Category/Nature of Product	Frequency featured in Catalogues				
			JPN	SEL	TPE	HKG	SIN
South Africa	NORTHERN						
	Private Game Lodge near Kruger	Game/Wildlife	3	0	0	0	0
	Kruger National Park	Game/Wildlife	0	0	1	3	1
	Mabula Private Lodge	Game/Wildlife	2	0	1	0	2
	NORTH WEST						
	Pilanesberg National Parks	Game/Wildlife	1	10	20	20	20
	Sun City	Theme Hotel/Entertainment	1	15	20	20	20
	Lesedi Cultural Village	Historical/Cultural Attraction	2	2	15	0	10
	GAUTENG						
	Gold Reef City	Entertainment/Amusement	3	20	20	20	20
	Sandton	Stop-over, Shopping	13	20	20	20	20
	Pretoria	Stop-over, Shopping	7	15	20	20	20
	Blue Train	Special Interest Feature	6	0	0	0	0
	WEST CAPE						
	Cape of Good Hope	Nature - Scenic	20	20	20	20	20
	Boulder Beach	Nature - Fauna & Flora	18	20	20	20	20
	Seal Island	Nature - Fauna & Flora	14	20	20	20	20
	Table Mountain	Nature -Scenic	20	20	20	20	20
	Signal Hill	Nature -Scenic	8	0	15	0	10
	V&A Water front	Shopping	18	20	20	20	20
	West Coast Ostrich Ranch	Nature - Fauna & Flora	2	0	20	20	20
	Hout Bay	Nature - Scenic	0	20	20	20	20
	World of Birds	Nature - Fauna & Flora	0	0	0	20	0
	Stellenbosch	Nature/Culture	6	0	0	0	0
	Wine Route	Culture/Nature	20	20	20	20	20
	Kirstenbosch Botanical Garden	Nature - Fauna & Flora	3	0	20	20	20
	Mossel Bay	Nature - Scenic	0	0	16	0	5
	Oudtshoorn Ostrich Farm	Nature - Fauna & Flora	0	0	16	0	5
	Cango Cave	Special Interest Attractions	0	0	16	0	5
Botswana	Victoria Falls	Nature -Scenic	17	20	0	0	0
	Chobe National Park	Game/Wildlife	9	0	0	0	0
Namibia	Namib Desert	Nature -Scenic	2	0	0	0	0

・Abbreviation: JPN for Japan, SEL for Korea, TPE for Taiwan, HKG for Hong Kong, SIN for Singapore
・Tour brochures referred to are of the following operators:
- JPN: JTB Discover World, Kinki Nippon Tourist, Play Guide Tours, Nippon Travel Agency, Jalpak, Hanshin Air Travel, Global Tours, World Air Service, Eurasia Travel
- SEL: GGT Tour, UTI Korea, STS Travel
- TPE: Taiwan Consortium, Perfect Travel, Phoenix Tours, Lion Tours, Eden Tours, ROC Tours
- HKG: Wing On Travel, Hong Tai, JET Tour, Morning Star, Charming Holiday, Sun Flower
- SIN: Trade Wing, Ananda, Gateway, Chan Brothers, Universal Travel

Source: JICA Study Team

9.3 Potential of South African Tourist Products from East Asian Perspective

Potentials of tourist products available in South Africa are classified into three categories from East Asian perspectives based on the extensive surveys of tour operators organizing SA packages conducted across the five countries.

- Must product : 5 stars * * * * *
- Add-on product complementing the above : 3-stars * * *
- Supplementary add-on product : 1 star *

Classification is given in two timeframes of medium term (3 years) and long term (5 years).

Given East Asians' generally short and hurried tours visiting only two/three areas within SA, products selected are rather limited in areas where the products are located, and categories/natures of the products. Explanatory notes are added specifically relating advantage/disadvantage and future potentiality.

Table 9.3.1 Potentials of Products from East Asian Perspective

Category of Products	Access Gateway	Products	Potentials		Notes
			Medium Term	Long Term	
Game/Wildlife	Skukuza	Private Luxury Game Lodges	* * * * *	* * * * *	Luxury, upmarket facility for overseas international market. Popular in E/Asia.
	Skukuza	Kruger National Park Lodges	* *	* * *	Cheaper than private game lodges. Privatization expected to improve servicing standards
	Richard Bay, Kwazulu-Natal	Hluhluwe-Umfolozi Game Reserve	*	*	Faraway from E/Asian tourist hubs in SA (Cape Town/ Pretoria). Consequent difficult access and little recognition.
	Pretoria/Sun City	Pilanesburg National Park	* * *	* * *	National park of all prized animals brought in from outsides. Lesser game view value. Access advantage from Pretoria/Sun City
	Pretoria/ Sun City	Mabula Private Game Lodge	* * *	* * *	Access advantage from Pretoria/Sun City. Advantage of less costly than KNP private lodges.
Nature – Flora & Fauna	Cape Town	Kirtenbosch Botanical Garden	* * *	* * *	
	Durban	Durban Botanic Garden	*	*	Disadvantages of access and security concern in Durban
	Cape Town/ Springbok	Namaqualand	* * *	* * * * *	Fast becoming well-known for spectacular blossoming in Spring despite its distant location. Combination advantage with Namibia, room for further market expansion volume-wise.
	Cape Town	West Coast National Park	*	*	Weak product value, not necessarily unique to SA
	Cape Town	Boulders Beach	* * * * *	* * * * *	Regular stop for Cape Tour/Cape Penguins. Very popular. Much room for more highlight feature, differentiating from comparable product in Australia.
	Cape Town	West Coast Ostrich Ranch	*	* * *	Tour every half an hour. Popular stopover site.
	Cape Town	Seal Island	* * * * *	* * * * *	Regular stop for Cape Tour, Very popular
	Cape Town	Hermanus	*	* * *	Shore-side close encounter guaranteed whale watch, no need go off-shore boating. Much room for more highlight feature, differentiating from comparable product in Americas/Australia.
	Knysna/ George	Oudtshoorn Ostrich Farm	*	* * *	Regular feature for longer tours (10-12 days) across E/Asia.
Nature - scenic	Cape Town	Table Mountain	* * * * *	* * * * *	Absolute must for any E/Asian package.

Category of Products	Access Gateway	Products	Potentials		Notes
			Medium Term	Long Term	
	Cape Town	Cape of Good Hope	* * * * *	* * * * *	ditto
	Cape Town	Wine Route	* * * * }	* * * * *	ditto
	George	Garden Route (Knysna/ George/Mossel Bay)	* * *	* * *	Featured in some of E/Asian longer tours (1012 days).
	Durban	Drakensberg	*	*	Little recognition. Access disadvantage coupled with time/cost factors within E/Asian short tour circuit.
	Hoedspruit	Blyde River Canyon	*	*	Little recognition. Access disadvantage coupled with time/cost factors within E/Asian short tour circuit.
Golfing	Cape Town	Golf links/clubs	*	*	Only attract resident expats/business visitors. Golfing opportunity is not a magnet draw for SA, just too faraway.
	Sun City	Gary Player Golf Links	*	*	ditto
Culture	Johannesburg/ Pretoria	Lesedi Cultural Village	* * *	* * *	Access advantage ex JNB/Pretoria.
	Durban	Shakaland African Tribal Village	*	*	Superior product value to Lesedi Village, JNB, but disadvantages of access difficulty and security concern in Durban.
	Johannesburg/ Pretoria	Soweto	*	* * *	Introduction to today's black African township.
	CapeTown	Robben Island	*	* * *	Too much emphasis on political education, too long lecture for average tourists. If improvement implemented for more tourist-friendly package for 2-hour tour in lieu of current 3-hour strong, more market and volume expected.
Special Interest	Pretoria/ Cape Town	Blue Train	* * * * *	* * * * *	Penalizing cancellation fee 1/2 months in advance. For market expansion, flexibility needed for group booking
	Johannesburg/ Pretoria	Sterkfontein	*	*	
	Knysna/ George	Cango Caves	* * *	* * *	3 kind of guided tours.
	Cape Town/ Wine Route	Wine Estates/Farms	* * * * *	* * * * *	Standard features in majority of packages.

Category of Products	Access Gateway	Products	Potentials		Notes
			Medium Term	Long Term	
	Durban/ Kwazulu-Natal	Boer War Battle Fields	*	*	Little interest. Security concern in Durban transit. Access disadvantage.
Urban Tourism/ Amenities/ Shopping	Cape Town	V&A Water Front	* * * * *	* * * * *	Regular feature. All packages stay in V/A Waterfront.
	Johannesburg	Sandton City	* * *	* * *	Most packages stay in Sandton.
Themed Attractions	Johannesburg	Gold Reef City	* * *	* * *	Access advantage.
	Johannesburg/ Pretoria	Sun City	* * * * *	* * * * *	Must except for Japanese

Source: JICA Study Team

Chapter 10
South Africa's Position in the Market

This chapter describes how South Africa is positioned in the source market, which is very important to be well aware of. An objective look at these market facts will eventually lead to a proper and effective strategy and action plan.

At the beginning of the previous chapter, East Asian tourist arrivals in South Africa were compared to the total overseas travellers from these countries. In this chapter, further examples are taken from the case of Japan. As shown below, South Africa is currently in a disadvantaged position in this highly competitive source market.

10.1 Tour Packages Offered in Print Media Ads in Japan

South Africa's position is examined by comparing its typical tour package offered in the market with those for comparable destinations, as shown in Table 10.1.1. All the tours listed below, except for South Africa and Kenya, are those advertised on the same day in the most widely circulated/read newspaper in Japan.[1] It should be noted that newspaper is one of the most effective and established retail channels for marketing tour packages in Japan. Lacking comparable ads for South Africa and Kenya (being less popular destination with smaller market), the data for these two destinations were obtained from typical tour brochures,[2] choosing the lowest possible price category among those offered.

These parameters in the table are among the various and multiple factors influencing the ultimate choice of destinations and purchase of tour packages by consumers (potential tourists). This exercise reveals that:

- South Africa is the most expensive destination (1.5 times of Kenya, 4.4 times of Australia, 2.2 times of Canada, 3.3 times of London),
- South Africa is the most faraway and distant destination (3 times longer flight time than Australia, 2 times longer than Canada and London/most other European destinations),
- South Africa package does not consist of South Africa-proper tourist sites only, but invariably includes world-class sites in neighbouring countries (Victoria Falls, Great Zimbabwe Ruins in Zimbabwe or Chobe National Park in Botswana) as an indispensable complement of SA package.

Table 10.1.1 South Africa's Position in the Market: Tour Packages

Destination	Tour			Flight		Note
	Days	Price	Type	Time	Connection	
South Africa	8	$3,650	Full Package	20 hrs	Transfer	Include Vic. Falls/ Chobe NP
Kenya	8	$2,480	F.P.	16 hrs	Transfer	
Anglo Zone						
Australia (Cairns)	5	$ 830	F.P.	7 hrs	Direct	
Canada	8	$1,650	F.P.	10 hrs	Direct	
Europe						
London	6	$1,120	Skeleton P.	11 hrs	Direct	for FIT
Paris	6	$1,120	Skeleton P.	11 hrs	Direct	for FIT
Italy	8	$1,480	F.P.	11 hrs	Direct	
Greece	7	$1,160	F. P.	12 hrs	Transfer	
Malta	8	$1,240	F. P.	12 hrs	Transfer	

Source: Asahi Shimbun (Asahi Newspaper), Playguide Tour, JTB LOOK, JICA Study Team

1 Asahi Shimbun (Asahi Newspaper), Evening Paper on 9 August 2001 (edition for the Kanto area – the most dominant market area including Tokyo Megalopolis with coverage of about 60% of entire Japanese market).
2 Playguide Tour for South Africa, and JTB LOOK-economy for Kenya.

The actual ads placed in the above-mentioned paper are shown in Figures 8.2.1 – 8.2.4 with analytical notes (high exposure page, special feature page, sponsored or not, tied-in with tour operators, etc.). The analysis indicates that:

- Japanese market is a highly competitive one, with established major destinations such as Europe (UK, France, Italy), Australia and Canada exerting maximum efforts to secure a large slice of this lucrative market, as exemplified by the use of high exposure portion of mass media (thus highly costly) as well as tying-in with airlines and tour operators
- Importantly, as exemplified by the case of Malta, new destinations are trying to tap the market with a special market opening initiative even at high cost, expecting little return at the initial stage, but for destination development in the medium to long term.

Table 10.1.2 compares South Africa package prices with those for Kenya and South America in two categories: standard and luxury. Japanese operators' interviews indicate that potential customers considering South Africa as their next destination often compare either Kenya which shares similar Safari features, or South America (consisting mostly of Peru, plus Iguasu Falls) as belonging to a similar physically far and distant destination and price bracket.

The exercise indicates that:

- SA tour prices are higher than others in both categories, except for South America Luxury, which is a 13-day tour while SA one is for 12 days.
- As far as Safari is concerned, the market perception is that Kenya is the better venue. Kenyan pricing is 30% cheaper than SA in both categories.
- Compared to the SA package with two major tourist draws (Cape/Table Mountain and Victoria Falls), the market perceives South America is a better value destination endowed with many more world-class landmark draws (Macchu-Picchu, Cuzco, colorful native cultures, Nazca painting and Iguazu Falls, etc.)
- South America (Peru/Brazil) can offer well organized, customized/sensitised tour services because of a large ethnic Japanese community from pre-war days' immigration. Other notable aspects of South American tourism are:
  - No difficulty in mobilizing Japanese language tour guides/meet/assistance,
  - Ethnic Japanese ground service operators have their own representatives in Japan to further sensitize their products/services/service delivery,
  - South America's market sources are broadly and evenly spread out (No.Americas/Europe/Asia, excluding neighbouring So. American countries), unlike SA which relies heavily on the large UK market. Given this diversification of source markets, South America is well prepared for receiving tourists across the country.
- For these reasons, South America receives a larger slice of Japanese market than SA.

Table 10.1.2 South Africa's Position in the Market: Tour Packages -B

Destination	Tour Days	Tour Price	Flight Time	Note
South Africa Standard PKG	8	$3,650	21 hrs	Includes Victoria Falls and Chobe N.P.
South Africa Luxury PKG	12	$5,000	21 hrs	Includes above plus Namibia.
Kenya STD PKG	8	$2,480	11 hrs	
Kenya LUX PKG	9	$3,400	11 hrs	Use Mala Mala type lodge.
So America STD PKG	10	$3,250	24 hrs	Covers Peru, Argentine, Brazil (Iguasu Falls from both sides). Includes world class Inca Ruins, Macchu-Picchu, colourful native clothing, songs, dances in local markets, gigantic Nazca landmark paintings.
So.Ameica LUX PKG	13	$5,800	24 hrs	ditto

Source: Asahi Shimbun (Asahi Newspaper), World Air Service, Eurasia Travel, JTB, JICA Study Team

10.2 South Africa's Destination Exposure in Japan

10.2.1 Tour Brochures

Popularity, demand and tour operators' (TO) push to package and sell one destination can be gauged quite accurately by looking at TOs' tour brochures, specifically, by comparing the number of pages devoted to each destination in the brochures.

Table 10.2.1 shows the result of this exercise, taking examples from "LOOK" tour package brochures of JTB, the largest wholesale/retail tour operator holding some 50% of the Japanese packaged tour market, thus well indicating the overall market trend.

The exercise reveals that:

- South Africa currently receives minimal exposure, reflecting its limited destination popularity and demand (far smaller than major destinations such as Australia or UK/Europe, for which a stand-alone brochure is prepared).
- South Africa's exposure is just comparable to that of Kenya.
- In the "All-Destination" brochure, Egypt holds 11 pages, followed by Turkey with 10 pages, South America with 9 pages.
- Interestingly, an upmarket-feature package is highlighted on the top pages of this all-destination brochure. This special tour visits the "3 Great Falls of the World" (Niagara, Iguasu and Victoria) in 18 days in executive comfort (business class for all flights, 5-star luxurious rooms – e.g., prestigious Victoria Falls Hotel) with 3 departures (April, June, and August). The tour is priced at US$ 15,900 per person (twin share, departure guaranteed from a minimum of 8 participants). It includes visit to Cape Town (Cape Point, Table Mountain) as well.

Table 10.2.1 South Africa's Destination Exposure in Tour Brochures

Destination	Type of Brochure	Number of Pages	Featured Tour Types
South Africa	For all destinations other than major ones This brochure includes Egypt, Turkey, Middle East, Africa, Russia, South America, Vietnam, India)	3	Full Package (F.P.) (Two of the three pages include Zimbabwe and Botswana)
Kenya	As above	4	F.P. (Two of the four pages include Tanzania)
Australia	Of its own, Stand-alone	131	*Full Package *Discovery/soft adventure *Beach holidays *City stays (SYD,MEL,etc.) *Islands hopping *Skeleton P for FIT *Honeymoon P. *Wedding P. *Senior anniversary *Home/language-stay
UK	Of its own, Stand-alone	(to be filled)	*Full Package *Themed Package (culture/history/discovery/ SIT, etc.) *City stays *Skeleton P. for FIT *Honeymoon P. *Senior anniversary *Home/language-stay
Home-Stay Language School	Of its own, Stand-alone	93 (USA-40) (Can.- 9) (UK – 17) (Aus/NZ - 9)	*Home stay *Language school (2, 3, 4 weeks) *primary school, *junior high school, *high school, *college/university, *adult/corporate trainee

Source: JTB LOOK, JICA Study Team

10.2.2 Guidebooks

Another look at market exposure can be made by the availability of guidebooks and travel guides. An example was taken from the bookstore at the international departure terminal of Narita Airport, the largest international airport in Japan, and where nearly all customers are overseas travellers. This bookstore naturally dedicates much of its space to international travel, and the volume and variety of guidebooks and travel guides that are sold at this bookstore (all in Japanese language) is a good indicator for the popularity of destinations.

Table 10.2.2 shows the proportion of the shelf space used for travel guides and guidebooks given to each destination (in terms of percentage of total space). There are six book cases in total dedicated to international travel, two of which are placed at the best location, thus for popular destinations (see upper part of the table), with the remaining four cases used for guidebooks for destinations across the world (see lower part of the table).

The tendency is consistent with the market exposure in tour brochures, which includes:

- Popular destinations and regions are apparent from the composition of the first two cases placed in front: the USA including Hawaii, Asia, Guam, Australia, Canada, and Europe.
- South Africa is among those given the smallest space in all the destinations available in the bookstore, with three guidebooks available for South Africa (one of which is combined with Kenya), compared, for example, with 15 guidebooks for Australia, 8 for New Zealand, and much more for the USA and Europe.
- The space for Africa including South Africa and Kenya is about half of that given to South America, another distant and faraway destination for Japanese.
- Competition is fierce in travel media as well, with a number of publishers offering differentiated guides and books on popular destinations, consequently adding an informative flavour to them.

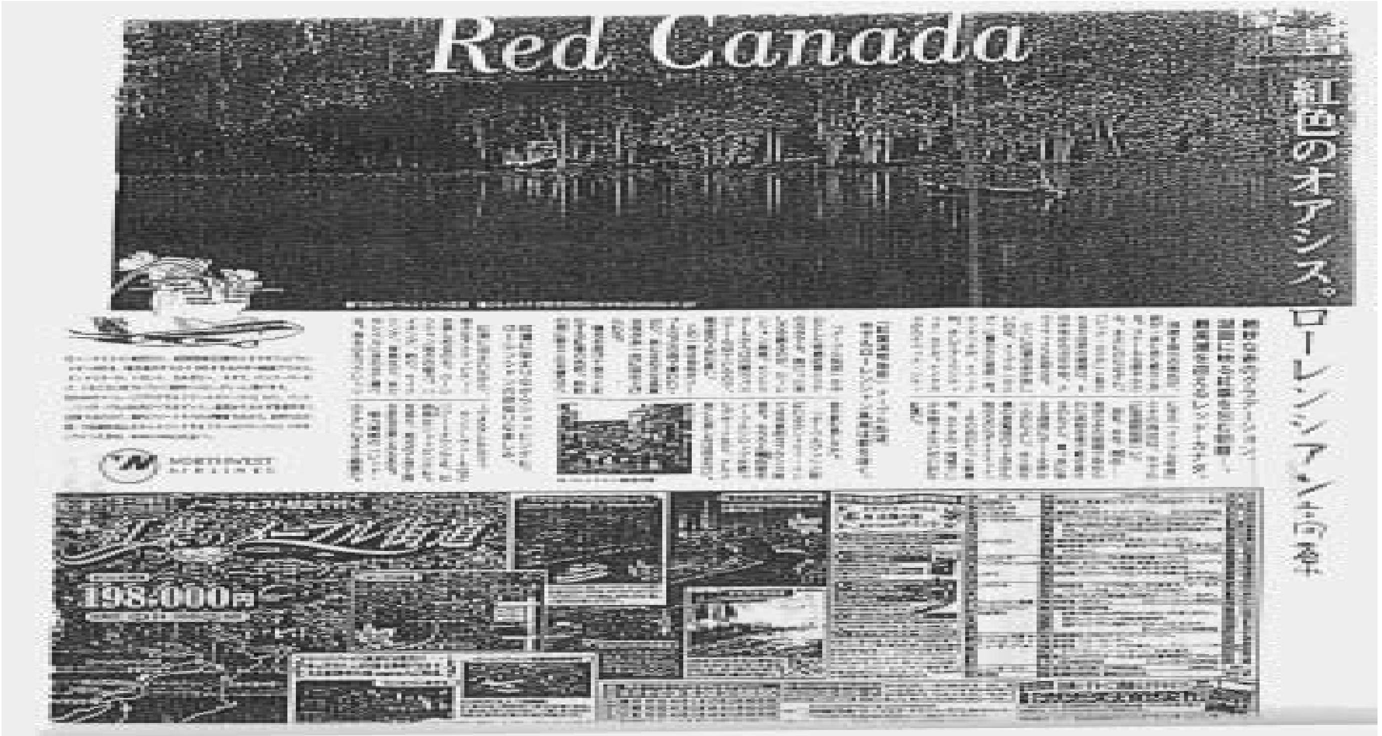
Table 10.2.2 Proportion of Shelf Space for Travel Guides and Guidebooks Given to Each Destination at Narita Airport Bookstore

Destination country/region	% in travel guides, % in guidebooks
Travel guides* with some guidebooks (2 cases placed in front : 33.3% of total space for travel)	
USA	52.0%
Asia, Guam, Australia, Canada, Europe	18.0%
Hawaii	30.0%
Total	100.0%
Guidebooks (4 cases: 66.7% of total space for travel)	
Asia and Pacific	37.5%
Oceania	8.3%
New Zealand	2.5%
Australia	5.8%
Europe	29.2%
Russia	1.0%
Middle East	1.3%
North Africa (Egypt, Morocco, Tunisia)	1.0%
Africa	0.8%
Kenya	0.4%
South Africa	**0.4%**
Turkey	1.3%
Greece	1.3%
Canada	3.3%
USA (note: Books on the US are found mostly in front cases.)	11.7%
Caribbean	1.7%
South (Latin) America	1.7%
Total	100%

Source: Bookstore at Narita Airport in Japan; JICA Study Team
Note: * Travel guides include, for example, special editions of travel magazines and travel guides published by tour operators. These two cases of bookshelves are placed at the best location inside this bookstore, displaying various kinds of travel guides (with some guidebooks) for popular destinations.

Figures 10.2.1 to 10.2.4 show tourist destination ads placed in the August 9th edition of the evening paper Asahi Simbun (Kanto Edition with coverage of some 60% of whole Japanese market).

Figure 10.2.1 Canada Advert in Japanese Newspaper



- Highest exposure page (highest cost)
- In full colour
- Last page under TV program
- Sponsored by NW airlines, with credit of Canada Tourism
- To tie-in (KNT-2nd largest operator)
- Same format Ad repeated as well, with another tie-in

Figure 10.2.2 Greece Tourism and Australia Advert in Japanese Newspaper

Greece

Australia (Cairns)

・Home/Family page (relatively high cost)

・Good readership/exposure page

・To tie-in (KNT –2nd largest operator)

・High exposure page (high cost)

・High readership page (San-men shita)

・To tie-in (JTB – largest operator)

Figure 10.2.3 London/Paris and Italy Advert in Japanese Newspaper

London/Paris

Italy

- High exposure page (relatively high cost)
- Home/leisure/entertainment page, with good readership
- To tie-in (JTB - largest operator)

- High exposure page (relatively high cost)
- Entertainment page, with good readership
- To tie-in (KNT – 2nd largest operator)

Figure 10.2.4 Malta Advert in Japanese Newspaper

・High exposure page (family/leisure/entertainment, with good readership, relatively high cost)

・Sponsored by Maltese Tourism Board, with greetings from its tourism Minister (photo) and Tokyo representative (Japanese resident)

・Sponsored by Malta Tourism Board, with credit of Alitalia

・To tie-in (Hankyu – 3rd largest operator)

Chapter 11
Promotion Measures Available in Japan

11.1 Available Promotion Measures

A number of measures are available in Japan, as elsewhere, for the purpose of promoting a particular tourism destination as listed below. The promotional measures are classified into two major categories:

A. Advertisement, and B. publicity, by its exposure style, purpose and message contents.

- Advertisement
  - TV
  - Newspaper
  - Magazine
  - Radio
  - Billboard
  - Train cars and station walls
  - Internet
- Publicity
  - TV program
  - Newspaper article
  - Magazine article
  - Publicity event (seminar and party)
  - Familiarization tour (FAM tour)

The promotional measures are classified into major categories:

Advertisement conveys clear message on a product, emphasizing how it is good or better than competing products, while the publicity activities aim at establishing an environment so that the product is accepted by consumers for eventual purchase. The two methods are, however, often combined as in the case of a multi-purpose event, and sometimes it is difficult to classify into one particular method although the roles of the advertising agencies and the public relations agencies are clearly different.

It is common that an article in a magazine or in a newspaper is paid by a client without explicitly stated as such. Such a case is often a result of work by a publicity agency and the cost paid by the client can hardly be known, as this transaction is never recorded as an advertisement.

It is generally believed that the total cost of a tourism promotion campaign is at least three times as large as the cost of advertisement alone.

11.2 Expenditure for Advertisement

In the calendar year of 2000, Foreign Government Tourist Offices (FGTOs) and other foreign government tourism organizations in Japan spent a total of JPY 4,070 million (US$ 34 million) for the advertisement on the newspapers, monthly and weekly magazines, TV programs, and Radio programs, according to a survey done by Video Research Ltd., which carries out surveys every year. This total of expenditures by foreign offices represents **only 0.07%** of all advertising expenditures in Japan in that year.

Of this total of JPY 4,070 million (US$34 million), 46% were spent for newspapers, 26% for TVs, 24% for magazines, and 3% for radios Table 8.6.1 shows the details.

Big spenders were:

Korea	JPY 650 million (US$ 5.4 million)

Hawaii	JPY 390 million (US$ 3.3 million),
Australia	JPY 314 million (US$ 2.6 million),
Hong Kong	JPY 274 million (US$ 2.3 million),
Mariana Islands	JPY 252 million (US$ 2.1 million),
Malaysia	JPY 227 million (US$ 1.9 million),
Canada	JPY 221 million (US$ 1.8 million),
Thailand	JPY 188 million (US$ 1.6 million),
Guam	JPY 164 million (US$ 1.4 million),
New Zealand	JPY 138 million (US$ 1.2 million),
Egypt	JPY 102 million (US$ 0.9 million).

All of these countries are in the Pacific Rim, characterized by easy access from Japan, no visa formalities, frequent air flight departures, relatively short travelling time, and relatively low cost of air and land transportation. Keen competition among the above countries has lead them to frequently offer something to consumers such as established or new country image, new destination or service, better quality at lower cost, for example, making their advertisement expenditure to rise. Travel cost to neighbouring countries, such as Korea, Guam and Hong Kong has become so much less than travel cost inside Japan that mass movements to these countries have taken place. This trend has also adversely affected hot spring resorts in Japan in these years. The emerging countries, most of them are in South East Asia, have promoted themselves with ever bigger budgets in the past decade in order to accelerate the movements, while already established countries/areas, such as Hawaii and Guam have done the same to stay in the market.

Table 11.2.1 Spending by Foreign Government Tourist Offices

	Expenditure (1)			JPY million		2000 Outbound	1999Japanese	Yen/
Country	**TV**	**Radio**	**N.paper**	**Magaz.**	**Total**	**Tourists (2)**	**Arrivals (3)**	**Arrival**
Australia	0	0	284.7	29	313.7	636,819	707,500	443
Austria	0	0	48.8	1	49.8	63,412	277,144	180
Belgium	0	0	20.8	0.5	21.3	30,391	160,616	133
Brazil							41,814	0
Canada	0	0	70.5	150.8	221.3	325,110	516,100	429
China	0	0	4.7	0	4.7	1,012,524	1,855,197	3
Egypt	0	0	97	4.6	101.6	51,367	54,244	1873
England (UK)	0	0	76.9	4	80.9	282,624	495,000	163
Fiji	0	0	16.8	15	31.8	18,837	37,930	838
France	0	0	0	0.7	0.7	310,506	637,300	1
Germany	0	0	41.8	0	41.8	235,612	818,482	51
Greece	0	0	0	0.9	0.9	40,978	83,971	11
Guam	62.6	0	101.7	0	164.3		957,738	172
Hawaii	177.6	0	77.4	134.5	389.5			NA
Hungary	0	0	43.7	0	43.7	20,309	? (69,698 in 1997)	291
Hong Kong	140.5	0	5.3	128.4	274.2	580,249	1,175,071	233
Indonesia							606,102	0
Ireland	0	0	5	0	5		? (36,000 in 1997)	139
Israel	0	0	21.8	0	21.8	7,483	18,217	1197
Italy							1,875,139	0
Korea	166.8	0	404	78.3	649.1	2,117,958	2,184,121	297
Malaysia	0	12	168.4	46.4	226.8	191,292	286,940	790
Marianas	158.8	0.4	0	93	252.2	345,820	380,473	663
Malta	0	0	15.5	0	15.5		6,396	2423
Morocco	0	0	0	6.4	6.4		23,466	273
Monaco	0	0	0	14.7	14.7		7,892	1863
Ncaledonia	0	0	0	27.2	27.2	29,371	31,017	877
NZealand	0	0	116.5	21.4	137.9	126,593	147,345	936
Netherlands	0	0	11.6	0	11.6	54,900	? (21,3000)	545
Portugal	0	0	8.3	1.3	9.6	17,211	40,570	237
Sicily	0	0	0	1.4	1.4			NA
Singapore	0	0	87	51	138	461,250	860,663	160
S.Africa	0	0	0.5	0	0.5	5,588	24,711	20
Spain	0	0	0	55.8	55.8	144,741	359,113	155
Switzerland	0	0	4	0	4	129,203	528,416	8
Tahiti	0	32.2	0	24.7	56.9	14,788		NA
Taiwan	0	0	6.4	4.9	11.3	854,901	826,222	14
Thailand	0	0	117.6	70.3	187.9	734,546	1,064,539	177
Turkey							63,568	
Total	706.3	44.6	1856.7	966.2	3573.8			
Countries above	706.3	44.6	1,856.7	966.2	3573.8			
Others	367.3	75.9	30.1	22.7	496.0			
Total	1,073.6	120.5	1,886.8	988.9	4,069.8		23,461,267	

Exception is Egypt, which despite its location and rather small number of the visitors, placed advertisement of well over 100 million yen (close to US$ 1 million). This has been interpreted as their attempt to win back visitors once diminished to near zero due to the terrorists' shooting incident occurred at Luxor in 1997 (a dozen Japanese tourists killed).

Most of the countries have placed advertisements on TVs, newspapers or magazines, while three countries, Tahiti, Malaysia and Mariana Islands have also used radio. Of these three, Tahiti differentiates itself from others by splitting its budgets into radio and magazines, but no TV, nor newspapers. Tahiti seems to have focused on the younger generation, from high teens to 30s, who listen radio, mostly FM stations, while sitting up late at night or driving a car.

Television is used by Korea, Hawaii, Hong Kong, Guam and the Mariana Islands (Saipan). These countries/areas are competing with each other and the volume of the visitors justifies exposures on the television, although advertising media, television costs rather high compared with other media.

In terms of spending per tourist actually arriving in the country, which to an extent indicates the efficiency of destination promotion by each country, Australia fares rather poorly as shown in Table 8.6.1. Nevertheless, other countries in Oceania or South Pacific, such as New Zealand, New Caledonia, Fiji and Tahiti, are less efficient in spending for their destination promotion. At its extreme side stand the countries in and around the Mediterranean Sea, such as Malta, Monaco, Israel, which are not known so well by Japanese yet. The accident occurred in Luxor in 1997 still affects Egypt’s efficiency.

Neighbouring countries like China, Korea, Hong Kong, and Thailand, etc. with which Japan has long history of exchanges, or the European countries, such as France, Germany, Switzerland, U.K. etc., which are well known with good images by the Japanese through economic and cultural exchanges, are promoting their countries effectively.

There are some countries that emphasize more publicity activities than advertisements. For an example, the French Government Tourist Office, in cooperation with Air France, organized a committee named “France Tourism 2000”. The members of the committee are so colourful as Mr. M. Hosokawa, ex Prime Minister, Mr. Somegoro Ichikawa, a well known Kabuki actor, Ms. Keiko Kishi, also well known actress, etc.

The Committee commends media to introduce tourist products of France, even a small and local village, into Japanese market. At the end of the year, the committee selects one out of those programs/articles and gives “Reportage Grand Prix” of the year. For the winner(s), round trip air tickets to France with hotel accommodation for one week are presented.

Naturally, these costs spent for the publicity activities are not reflected in the expenditure statistics.

11.3 Cost and Assessment of Promotional Measures

A keyword to successful promotion is the synergy effect. Promotional activities of the travel industry are no exception. Activities implemented in other areas, such as trade, cultural and business exchange, are also important, especially when trade prospers in addition to tourist visitors. Therefore, in order to have the advertisements or publicity most effective, back up and cooperation from other industries are essential.

11.3.1 Mass Media

A. Television

Television is the most effective medium in terms of reach, widely extending to all generations and areas.

In Japan, the ad on television is called as commercial message (CM), which uses slots of 15 or 30 seconds.

The advertisers naturally prefer their CM being on air during the specific time or program when more consumers are watching TV. In order to avoid imbalance, Rate Points (RP) system has been introduced. The Rate Points show the percentage of the households that watch the TV program in the area or whole nation.

According to this RP system, the CMs are on air any time during any program, any day of a week, during any number of days. Costs of TV ads are quoted by accumulating RPs of each program. For example, if a CM is on air in two programs, one of which gets 10% of audience rating and the other 5%, the total of the Rate Points, called as the Gross Rate Points (GRP), is

15%. Under this tariff system, advertisers are not allowed in principle to choose a program or a time slot. For the advertisers, however, who insist on the specific program or time zone, some stations quote as high as Y 5 million (US$ 40 thousand) for a 15 second CM on aired only once during the preferred time or program. In a way, this amount could be considered as the minimum in advertising on TV.

The method of calculating the charge is almost uniform among all television stations. Although the tariff rate varies depending on the season, the average tariff is Y 80,000 (US$ 700) per GRP 1% for a " full day" type"[3], and ¥130,000 (US$ 110) per 1% for a "reversed L letter type"[4], to name a few of the ad patterns. To reach up to GRP 1,000%, which is thought to be the most cost effective exposure level, some Y80 million (US$ 70 thousand) to Y130 million (US$ 1.1 million) should be budgeted accordingly. TV advertisement, therefore, is placed mostly by those countries receiving a massive amount of visitors every year.

Tying up with a particular TV program, either for publicity purpose or advertisement, is recommended. Then the advertiser can choose a program that suits best to their promotional image, targeting segments, and so forth.

Some programs could be selected for SA to introduce its land and people, way of life, history, culture, arts, etc., although it is dependent on negotiation.

Examples are:

1) "Sekai Fushigi Hakken" (TBS. Quiz program. Audience rating 15.2%)

   Every Saturday for 21:00~21:54. Program has been on air for 15 years, but SA has never been in the scene of the program.

2) "Sekai no Shasou Kara" (TB Asahi. Journey on the trains. Rating 5~15%) Daily for 21;48~21:54.,or similar time zone for 6 minutes. In 1998, SA railroad line from Johannesburg to Cape Town was reported for a month, Nov. 9 through Dec.6.

3) "Asada, Namadesu, Tabi Salad" (TB Asahi. Reports on towns, facilities, routine life, by well known people. Rating 8.5%)

   Saturdays at 08:00~09:30. In the program, domestic destinations, hotels, are also introduced.

4) "Sekai Ururun Taizaiki" (TBS. Reports on home stay experience by well known people. Rating 9.9%)

   Sundays for 22:00~23:00.

5) "Sekai Isan" (TBS. Introduction of the cultural heritages. Rating 3.9%). Sundays 0:10~0:40.

   "Chikyuu Kenbunroku" (TV Tokyo. Introduction of a country through exchanges with people by a Japanese delegate sent under the ODA program. Rating 3.1%)

   Saturdays for 14:25~14:30.

Note: audience rating is the average of 4 weeks commencing July 16.

The so-called cooperative fee varies, and mostly depends on the Rate Point of the program. Average level is Y5 million～10 million (US$ 400 - 800 thousand) on top of the cost of film making.

B. Radio

As a medium to promote a tourist destination, it is generally considered inadequate.

---

[3] Full day type" = The commercial messages (advertisement) are on air any time of a day during a week.

[4] Reversed L letter type = The commercial messages are on air evenings of Monday through Friday, and any time of Saturday and Sunday

Visualized approach to the consumers goes further and is more easily recognized. When an advertiser tries to focus on a very narrow segment, or certain age groups, as in the case of Tahiti, this medium can also be effective.

C. Newspapers

Most of the FGTOs use newspapers as advertising media. Circulation figures of major newspapers are shown in Table 11.3.1. Character and advertisement tariffs of each newspaper are also shown. Subscribers' characteristics (sex, age, and income) are shown in Table 8.6.3[5].

Table 11.3.1 Publication's profile, circulation, Ad. Tariff

(unit=JPY10,000)

Publication	Profile	Circulation (million)	Ad.tariff
A.Chirashi	Chirashi means the ad. papers inserted in the news papers distributed to each home. Advertiser chooses a certain area(s), paper size and the publication. Any kind of ad. sheets are inserted.	-	-
B.Yomiuri	Core company of its media group (T/V, radio, pro.sports teams, etc.). It is said about one fourth of Japanese households read the paper.	10.1Milion	4,791
C.Asahi	Read by middle and upper class. Readers are mostly in a managerial position with more than average income. So-called the opinion leaders are also included.	8.3Milion	4.680
D.Nihon Keizai	Specialised in the economy. News on the finance, stock exchange, industries, products, etc. are its main field. Read mostly in the urban area, and at the offices.	3Milion	2,040
E.Mainichi	Of total circulation, about 36% are read in Kansai area, rather high compared with the other three above. cf: B=25.3%,C=28.6%,D=26%.	4Milion	2,592
F.Sankei Sports	Covers every kind of the sport, horse races, keirin, fishing, etc.	*1.4Milion	575
G.Nikkan Sports	Same as above	*2Milion	748
H.Sports Nippon	Same as above	*1.8Milion	755
I.Sports Houchi	Same as above. The publisher is within the above Yomiuri group. News on their baseball, soccer teams are always on the top.	*1.4Milion	645
J.Sankei	Started reporting industry and economy, hence its name comes from. Now a member of a big media group.	2Milion	1,395

5 Source: Survey done by Video Research Ltd. in 2000 in Tokyo for a total number of samples of 2,629.

Publication	Profile	Circulation (million)	Ad.tariff
K.Seikyo	One of the Buddhist sector's religious news paper. Read mostly within a closed circle or by those interested in	*5.5Milion	3,902
L.Koumei	One of the political party's new paper.	0.8Milion	80 (1/3 p.)
M.Tokyo	Main readers are in the Kanto area.	0.6Milion	636
N Nikkei Sangyou	Issued by the same company as D, but much more close look at the industry.	0.2Milion	263

*Notes: 1) Circulation data by ABC.(*marked circulation excluded)*
Evening edition not included.
2) Advertisement tariff is based on 1 full page, mono-chrome, for national circulation.

Table 11.3.2 Newspapers Reading Ratio (multiple choice)

By gender and age (Alphabets represent media publications)

Male				Female			
Over 50	**40 ~ 49**	**30 ~ 39**	**20 ~ 29**	**Over 50**	**40 ~ 49**	**30 ~ 39**	**20 ~ 29**
A. 65.1	B. 34.5	A. 33.0	C. 28.4	A. 80.1	A. 69.2	A. 67.8	A. 37.0
B. 49.2	C. 32.7	B. 31.5	B. 22.8	B. 45.5	B. 36.9	B. 35.6	C. 27.5
C. 35.6	A. 32.3	C. 28.1	A. 21.8	C. 33.8	C. 34.6	C. 24.9	B. 26.0
D. 21.1	D. 18.1	D. 11.6	D. 7.6	E 8.7	D. 7.0	E. 5.6	D. 4.4
E. 13.8	E. 7.5	E. 4.1	G. 5.6	D. 8.0	M. 6.1	D. 2.1	E. 3.7
F. 9.3	K. 6.2	G. 3.7	E. 3.6	M. 6.3	E. 5.1	J. 2.1	K. 2.2
G. 8.8	G. 4.4	F. 3.7	H. 3.0	K. 5.2	K. 4.7	K. 2.1	M. 1.5
H. 8.6	H. 3.5	K. 3.4	F. 2.6	G. 4.0	I. 1.9	G. 2.1	G. 1.1
I. 8.1	L. 3.1	H. 3.4	I. 2.3	L. 3.8	J. 1.4	I. 1.7	F. 0.7
J. 5.0	M. 3.1	N. 2.6	M. 1.7	J. 3.1	H. 1.4	M. 1.3	J. 0.4

By annual income (Income unit = Million Yen, Ratio=%)

Income	3 ~ 3.9	4 ~ 4.9	5 ~ 5.9	6 ~ 6.9	7 ~ 7.9	8 ~ 8.9	9 ~ 9.9
Publication/ %	A 61.4	A 58.4	A 60.4	A 63.6	A 65.7	A 71.9	A 69.8
	B 43.6	B 39.9	B 42.0	B 46.2	C 45.1	C 54.4	B 49.1
	C 29.2	C 37.1	C 37.3	C 32.9	B 39.2	B 36.8	C 47.2
	E 11.0	D 9.0	D 14.2	D 15.4	D 24.5	D 36.8	D 28.3
	D 10.2	G 7.9	E 10.7	E 15.4	E 14.7	E 10.5	E 18.9

Income	10~11.9	12~14.9	15~19.9	20 up
Publication/ %	A 70.1	A 60.5	C 76.5	A 75.0
	D 43.3	D 52.6	A 64.7	D 50.0
	B 40.3	B 42.1	D 47.1	C 25.0
	C 37.3	C 39.5	B 23.5	E 25.0
	E 17.9	N 10.5	G 17.6	B 25.0

Note: Fewer samples for the segment over 20milion yen.

The media publication A, "Chirashi" scores the highest point in reaching every generation regardless of sex. This medium is not newspaper itself. Chirashi is a generic name for advertising sheets inserted in each copy of newspapers and home-delivered together to each reader, i.e. called fliers in some places. This media publication A is quite common as the majority of newspaper copies are directly delivered to houses in Japan by distributors which cover a small area respectively. Contents of fliers are therefore of extremely local nature, e.g. special sales of local supermarkets, ads by local real estates agents, ads for local teaching classes, etc. Promotion of a tourist destination is too remote for this media publication A.

Advertisement for destination promotion should be placed on the media publications designated as B through E since other publications are either for sports/entertainment or for political or religious purposes. The media publications B through E issue two editions a day, morning and evening. Circulation of evening edition is less than that of morning edition as there are some areas where evening edition is not distributed. For the purpose of destination promotion, evening edition is considered preferable as readers' frame of mind in the evening is likely to be more accommodating to planning of their leisure time.

Advertising costs are calculated by accumulation of number of columns used. Different tariffs are applied, however, depending on the edition (morning/evening, or local/nationwide), the page in which the ads are placed (page of national or world news, or economy, or sports, or TV and radio program guides, etc.), full colour or black and white, etc. Furthermore, the rates will be reduced for the advertisers who have an agreement with the medium on the term and the volume. Minimum term is 6 months. For example, the per column rate is about 10% higher for the advertisement using 15 columns than that of 50 columns in 6 months time, in case of the Asahi's morning/nationwide edition.

The ad tariff shown on Table 11.3.3 is based on the 15 columns (full one page) ad on the nationwide morning edition, therefore, those rates may be reduced by the contract and by the concrete promotion plan.

All the advertisements are channelled through ad agencies, who are so recognized by the medium, as a system in Japan. This system applies generally to other media, television, radio, magazine, and transportation.

By heavy users (travelling abroad once or more a year)

Media Publication/%	A	64.6	B	42.7	C	40.6	D	22.9	E	18.8

(Source for C1-C3: By Video Research Ltd.)

D. Magazines

Hundreds of magazines are published every week and month. Because each magazine has its distinctive audience, advertisers can select a magazine according to their own marketing strategy. Thus many of FGTOs also use magazines to place their advertisements. Circulation figures and other relevant information are shown in Table 11.3.3.[6] Also, the top ten media publications are ranked by circulation by age group, and alphabet letters are included in capital letters for men, small letters for women. Capital letters in the women's column means that the magazine in the male column is read by women as well. The magazines are separated into two, monthly and weekly.

[6] Source and research methods: Same as for the newspapers

Table 11.3.3 Publication's Profiles, Circulation and Ad. Tariff

Male

Publication	Profile	Circulation	Tariff
A. Bungei Shunnju	General theme for middle and upper classes.	456	164
B .Shumino Engei	Text book of National T/V's programme of horticulture/gardening	*900	172
C. Ryokou Yomiuri	Specialized on travel, reporting articles on hot spring resorts, etc.	*493	86
D. Tabi	First issue in 1924,specialized on domestic and international travel.	*250	85
E. Nikkei Money	Main theme is "Money", utilizing data of Nihon Keizai Shinbun.	*195	180
F. Nikkei Trendy	Focused on the "Goods and Services" and its trend.	*345	180
G. Shinchou 45	General theme, for the sophisticated readers.	*110	43
H. Yama to Keikoku	Mountain climbers' magazine, world number one circulation.	*230	75
I. Asahi Camera	Photographers' magazine, from the beginners to the specialists.	68	62
J. Nikkei Pc21	For the computer beginners.	189	70
K. Yahoo Internet	Information/articles on how to use internet practically.	187	70
L. Motor Magazine	Automobile, domestic and imported ones.	*200	65
M. Nikkei Best PC	Computer equipment, where and how to buy.	167	65
N. BE-PAL	"Outdoor Lifestyle" is main concept, raising "Let's know the nature".	*450	130
O. Goods Press	Products(wrist watches, shoes, cars, etc.)are analyzed.	153	140
P. Gekkan Aschi	Computer, hardware and software.	104	72
Q. Nikkei Click	For the computer beginners.	136	70
R. Nikkei Net n@vi	Computer for the intermediate class.	91	70
S. Men's Nonno	Young men's fashion, targeted at 15～24 years of age.	*290	150
T. Boon	Men's fashion on the streets, jeans and sneakers.	186	150
U. Newton	Science.	*310	110
V. Car Top	Automobile, domestic and imported ones.	138	70
W. Golf Digest	For the golfers	*400	88
X. AB-Road	Discounted air tickets, package tours, for overseas travellers.	*158	150

Notes: 1) Tariff rates are calculated by 1 page colour insertion(unit=JPY 10.000))
2) Circulation data by ABC(unit= thousand).

*Marks show publishers announcement.

Female

Publication	Profile	Circulation	Tariff
a. Katei Gahou	Concept is how to live beautifully. Many graphics.	*246	200
b. Kyouno Ryouri	Text book of National T/V program of cooking.	*1100	240
c. Misesu(Mrs.)	Fashion, cooking, cosmetics for married women.	*200	185
d. Fujin Gahou	How to live your routine life. Many graphics.	*187	170
e. Oshare Koubou	Text book of National T/V program of ideas to live with smartness .	*700	150
f. Kyouno Kenkou	Text book of National T/V program for health.	*400	100
g. ESSE	Information on routine life". Reader is the writer" is their motto.	431	240
h. Sutekina Okusan	Ideas and information on routine life for married women.	*378	200
I'. TANTO	Cooking information.	*180	150
j. Shufuno Tomo	Ideas and information on routine life for married women.	282	180
k. Sankyu	Theme: To find out one good thing, even trifling, for a day.	*430	170
l. LEE	For married, intellectual young women.	*330	210
m. Very	For married women of their 30s of age.	*320	160
n. MINE	For married young women living in urban area.	*290	150
o. MORE	For women of about 25 years of age.	*750	250
p. JJ	For fashion-,beauty-,sports-oriented women in urban are.	*640	230
q. Can Can	Fashion information for mainly college girls.	363	220
r. ViVi	Same as above.	*450	190
s. With	For working women at their 20s of age.	643	270
t. Ray	For college girls or working women of similar age.	*420	165
u. Classy	Fashion information for women at their late 20s of age.	*165	160
v. CREA	For young women, presenting different themes, topics.	*195	150
w. OGGI	For working women, fashion information.	*270	180
x. ar	Beauty magazine for college girls.	*160	100

In placing the advertisements, selection of the media publication should be done considering such factors as the market segment (sex, age group, interests), circulation, tariff, and the area. The main character or profile of the media publication should be considered in order to keep the quality of the tourist product or destination image.

Monthly magazines are recommended because of longer life than the weekly ones. Repeated exposure on the same monthly magazine is effective to ferment the consistent awareness.

Table 11.3.4 Monthly Magazines' reading ratio (multiple choice)

a) By gender and age (Alphabets represent publications)

Male								Female							
Over 50		40~49		30~39		20~29		Over 50		40~49		30~39		20~29	
A	13.5	F	8.8	F	12.4	S	7.6	a	15.3	b	15.4	g	11.6	p	24.9
B	8.8	J	6.6	K	7.9	O	7.6	b	15.0	a	12.1	l	10.3	q	24.5
C	6.2	K	6.6	O	7.5	K	7.6	B	12.9	g	11.2	m	9.9	r	21.2
D	5.0	C	5.3	P	6.7	T	5.9	c	12.2	c	10.3	n	9.4	o	20.1
E	4.5	E	5.3	Q	5.6	P	5.9	d	9.4	e	9.3	o	8.2	s	19.0
F	4.3	A	4.4	J	5.6	U	5.6	e	9.4	h	9.3	h	7.7	t	16.5
G	4.3	B	4.4	R	4.9	Q	5.0	C	8.9	I'	6.5	b	7.7	u	9.9
H	3.8	L	4.4	M	4.9	R	4.6	f	8.2	j	6.1	k	7.7	v	9.5
I	3.6	M	4.4	N	4.1	V	4.6	D	7.7	k	6.1	j	6.9	w	9.2
J	3.3	N	4.0	I	3.4	F	4.3	A	7.5	B	5.6	I'	6.9	x	9.2

Notes 1) Data by Video Research Ltd.

2) Capital letters indicate the publications read by men, while small letters are by women. The capital letters in the female column show publications listed in the male column that are also read by women.(I'=small letter)

b) By annual income (Income unit = Million Yen)

Income	3~3.9		4~4.9		5~5.9		6~6.9		7~7.9		8~8.9		9~9.9	
Publication/ %	A	6.8	F	7.3	K	7.1	F	9.1	F	9.8	F	12.3	B	9.4
	K	5.9	K	7.3	J	5.9	B	5.6	A	6.9	A	10.5	F	9.4
	C	5.1	J	5.6	R	5.9	I	5.6	K	6.9	C	7.0	A	7.5
	E	5.1	M	5.6	F	5.3	A	4.2	Q	5.9	E	7.0	E	7.5
	p	5.1	O	5.1	P	5.3	b	4.2	g	4.9	P	5.3	G	7.5

Income	10~11.9		12~14.9		15~19.9		20 up	
Publication/ %	A	13.4	A	10.5	F	23.5	A	25.0
	B	9.0	W	10.5	L	23.5		-
	a	6.0	F	5.3	E	11.8		-
	N	6.0	T	2.6	A	5.9		-
	E	6.0	a	2.6	J	5.9		-

Note: Fewer samples for the segment over 20million yen.

c) By heavy user

Publication:	X	19.8	a	12.5	p	12.5	A	10.4	v	10.4	u	10.4	F	9.4

(Source for D1-D3: by Video Research Ltd.)

E. Transportation Facilities

In Japan, a great deal of advertisement, mostly in the form of the posters or stickers, are placed on public transport publications and facilities. Due to the fact that large metropolitan areas in Japan are served by extensive and reliable public transport systems, particularly commuter trains (Tokyo has subway and suburban rail network exceeding 2000 km in length), some 80% of commuters use trains, providing an excellent venue of advertisement Detailed examples, costs, putting up periods and other requirement of Japan Railways companies and the Subways in Tokyo and Osaka are shown below.

Trains and Railroad Stations used as media.

1. JR (Ex. National Railways) trains in Tokyo and Osaka (Examples)

Advertisements are placed mostly inside the cars, using the posters or stickers, on the upper wall of the windows, door windows (stickers only), or hanging down from the ceiling. New type of the cars are facilitated with a small T/V monitors besides the door. These monitors are also used for advertisements if one train's ad. spaces are fully occupied by one advertiser.

	Days	Location	Poster size	Quantity	Tariff (10,000)
Tokyo	2	Hanging	B3	2,500	¥186
(Yamate	30	Upper wall of window	B3	610	¥310
Line)	30	Door sticker	16cm. X 16.5cm.	5,530	¥600
	2	Hanging	B3	1,500	¥83
Osaka	30	Upper wall of window	B3	700	¥120
	30	Door sticker	15.5cm. X 20.0cm.	3,290	¥230

(Source: Eastern and Western Japan Railways)

Notes: 1) Average number of the passengers per day: Tokyo 7.6Million, Osaka 5.2Million.
2) One ad. sheet in one car.
3) Quantity shows the number of posters/stickers to be delivered to the railway co.
4) Tariff include labour cost, but truckage on top.

Printing costs (Estimate, art works not included)

Size	Sheets	Tariff
B3 size in colour	600	14.0
"	700	14.0
"	1500	15.5
"	2,500	16.5
Sticker(16.0 X16.5)	5,500	60.0
Sticker(16.5 x 20.0)	3,300	50.8

2. Subways trains in Tokyo and Osaka (Examples)

Advertisement system is quite similar to that for JR trains.
Tariff unit=¥10,000

	Days	Location	Poster size	Quantity	Tariff
Tokyo	2	Hanging	B3	1,200	¥117
(Ginza	30	Upper wall of window	28.0cm. X 51.5cm.	290	¥174
Line)	30	Sticker	16.9cm. X 20.0cm.	2,970	¥721
	2	Hanging	B3	1,450	¥83
Osaka	30	Upper wall of window	25.6cm. X 54.0cm.	1,400	¥175
	30	Sticker	16.5cm. X 20.0cm.	1,450	¥180

Printing costs (Estimate, art works not included)

Size	Sheets	Tariff
28.0cm. X 51.5cm.	300	15.9
16.9cm x 20.0cm.	3000	46.2
25.6cm. X 54.0cm.	1,400	30.0
16.5cm. X 20.0cm.	1,500	40.0

Notes: 1)Average number of the passengers per day: Tokyo 10.4Million, Osaka 2.6Million
2)One car one ad..

3. One JR or subways train fully used by one advertiser

All advertising spaces of one "designated" train can be occupied by one advertiser.

(Note: Limited to only one special train, so 24 advertisers for one year.)

<u>Example of JR Tokyo Yamate Loop Line</u>:

Number of cars:	11 cars in one train, which circles 13 times a day on the loop line.
Number of days:	15 days (First day of the month～15th, 16th～end)
Tariff:	14,3 million～9.5 million Yen, depending on the month and its first/second half.
Materials needed:	B3 size posters (36.4cm.x 51.5cm.), 1,250 sheets
Posters (14.4cm. X 102.8cm.)	90 sheets
Stickers (16.5cm. X 20.0cm.)	230 sheets
Printing cost is estimated at:	Y 1,150,000 to cover all the above.
Average number of passengers a day:	64,000

Others: Advertiser, if he so desires, can place 60 seconds ad. on the monitor T/V(9 inch) on 6 cars, without audio, at no extra cost.(Production cost is on top).
The ad. will be shown in between JR's announcement.

<u>Example of Tokyo Subway, Ginza Line:</u>

Number of cars: 6
Number of days: 15
Tariff: 8.3 million～5.6 million Yen, depending on the month and its first/second half.
Average number of passengers a day: 130,000
Materials needed: Almost the same as JR train, but without T/V monitor.

4.Advertisements at JR Railroad Stations

The walls of the passengers' corridors are also available for advertisement.

Example of putting up posters at JR Tokyo area stations:

No. of posters to be delivered:	Maximum 50 (1poster at 1 station basis)
No. of days:	1 week (7 days)
Poster size:	B0 (103.0cm. X 145.6cm.), or B1 (103.0cm. X 72.8cm.).
Tariff:	The stations are classified into 8 grades, Super A to G, by the number of passengers utilizing the station a day. The tariff is made by the matrix of the station and the poster size. Example: Tokyo Central Station, one poster of B0 for 7 days ,\84,000. (Passengers a day at the Tokyo Central Station: 754,000)
Printing cost:	B0 size 50 sheets ¥720,000 B1 size " ¥300,000

(Art works, truckage not included)

Example of utilizing illuminated advertisement facilities. Many of the stations are facilitated with the ad. spaces illuminated from the back.

Example of Tokyo Central Station:

Size:	1136mm. X 730mm.
Period:	6 months
Tariff:	¥2,450,000
Production cost:	¥350,000

Note: Very hard to get space, especially at good location, as many advertisers contract for a number of years.

This type of advertisement has the advantage of capturing the attention of a large number of people at once in the targeted area. Disadvantage is that the posting periods are rather short: 2 days for the hanging down advertisement in train cars, 7days on the wall of the stations, and 30 days on the wall of train cars. Also advertisers cannot hold only those consumers at whom their advertisements are aimed. Weekly magazine publishers are mostly utilizing the mid-train car hanging down type.

Use of the “AD Train” system may give considerable impact. The system is to give all of the advertising spaces of one train to one advertiser for 15 days. Passengers who get on that particular train, no matter which car or when, are surrounded by the advertisement messages promoting the same destination, wherever he/she looks. In case of Tokyo, Yamanote Loop Line, a designated train of 11 cars circles the Loop 13 times a day, carrying 64,000 passengers in total, and an average travelling time of each passenger is 11 minutes, sufficient to digest any promotion messages.[7] Every year in February, 24 advertisers are chosen and get an allocation, first or second half of the month, during the next fiscal year commencing in April. The advertiser, however, is required to offer variety of posters of different visuals with different catchwords, if possible, so that the passengers are able to even enjoy the messages.

F. Advertisement for Closed Circle or Club Members

Hundreds of magazines are published by a variety of commercial organizations, mainly for publicity purposes addressed to the members of a closed circle or for the business customers. Once a target segment is determined, an advertisement in a relevant specialized “club” magazine is a very effective one.

Examples selected here are magazines named “Signature” and “Vigore”.

[7] Source: Eastern Japan Railway Company).

Their profiles, circulation and ad. tariffs are;

"Signature" A publicity magazine for holders of the Diners Club credit card.
Circulation: 495,000, issued every month and mailed to the members.
Target: Active high income business persons and their family members.
Ads.tariff: JPY 2,230,000, 4 colour 1 page. JPY 300,000 (US$ 25,000) additional for associated article per 1 page.

"**Vigore"** A publicity magazine for the members of a sports club/gym of Central Sports Co. Ltd., which has 160 facilities, own or contracted, all over Japan.
Circulation: 100,000, issued four times a year and handed over to members at club/gym.
Target: Women of all ages, 20s and on, with relatively high income and conscious of physical well-being.
Ads. Tariff: JPY 450,000 (US$ 37,500), 4 colour 1 page.

G. Internet Web Site

The peculiarity of this medium is its nature of direct communication in that information supplier and viewer/consumer are connected directly on the line and the supplier is expected to respond adequately to the consumer's inquiry as a single individual, not as a mass. Therefore, it is essential to have the web site attractive and useful including response mechanism from the view point of consumers. Reaction of the consumers are to be kept and recorded for further marketing purposes.

It is recommended that:

- the home page should be designed to appeal to the Japanese market including the use of Japanese language, prepared by native Japanese nationals, NOT a simple Japanese language translation from the one made for across-the-board overseas market,
- information should be updated at least once a month, and
- the page for the consumers and the page for the travel trade should be separated in order to give right information to different requirements.

To produce a web site professionally at least JPY 2 million (US$ 17,000) should be budgeted.

H. Events

Regardless the size, events such as seminars and festivals are an effective method to implant a good image of the destination among participating people. However, planning an event requires considerable time and cost. An event held in May-June titled "South African Experience" in Tokyo, was estimated at JPY 20 million (US$ 170,000) in total cost including delegates' travel expenses, if no concession/cooperation was available from airlines or the Embassy.

It is suggested that events are best done when combined with other purposes or other established brands. This has additional merit of cutting down the cost. The following are some examples:

- Send one or two delegates from SA to the "Wine Fair" held from time to time at the major department stores such as Mitsukoshi or Takashimaya. She/he would sell not only wine, but a destination image of South Africa.
- "FoodEx" (Food Exposition) is another chance to promote SA, every year held in Tokyo in February.
- Collaborate with Mercedes Benz dealers, offering bottles of SA wines for their customers when the dealers hold promotional fairs.

The cocktail and buffet reception at the Ambassador's residence, which has often been hold for tourism promotion, seems to be quite effective, giving an impression of being selected out of many, and a chance to listen to the Ambassador's speech is not so often available at other embassies. According to the Embassy, a cocktail buffet would cost about JPY 5,000~ JPY 6,000 (US$ 42 - 50) per participant. In case the consumers are invited, travel agency must select the participants for security reason.

If a large event is planned, such as one with hundreds of participants in a venue, formalities must be cleared, although no cost is involved. Permits must be obtained beforehand from:

- Sanitary Office for foods and beverage
- Fire Station for heating foods, or using fire
- Police Office for an emergency case and the outside traffic of the access routes.

Also, customs/immigration formalities must be checked carefully for the delegates from South Africa, especially for the professional entertainers, or for the goods imported in a large volume.

(3) Travel Industry

A. Travel Agents' Activities and the Law

Travel agents' sales activities are diversified. However, only a few agents, either major agents which have a special division or subsidiary company with respective brand, or middle or small sized agents specialized in off-the-beaten-track destinations, place advertisements in newspapers, introducing package tours to domestic/overseas destinations departing in 2~3 month time. This type of sales to solicit participants mostly through newspapers is called "Media Sales". As the advertisement cost is high, agents always run a risk of failure, i.e. their plan and pricing not accepted by the market.

Usually most of travel agents issue their package tour catalogues twice a year, December/January for the tours leaving from April to September, in June/July for the tours departing from October to March These catalogues are placed in the book stands on the streets or at the counter of the travel agents for consumers to pick up as a free copy. Production cost of these catalogues, 120 pages thick with full colour for 10,000 copies, is JPY 5,000 ~ JPY 6,000 (US$ 42 – 50) per copy. The ad-hoc or mono destination brochures cost less.

Any promotional material or advertisement material which refers to an itinerary or tour conditions must cover certain details of the tour, such as meals, places to visit, schedules, type of hotel rooms, and so forth. Types and extent of information to be disclosed are strictly regulated by the Japanese Travel Industry Law in order to protect the consumers. Violation to the law would sometimes result in the cancellation of license as the tour operator, in addition to the compensation to any participants claiming damages. The law was recently reviewed and revised version will be effective as from April 2001, strengthening further the protection of the consumers.

B. Familiarization Trip

For counter clerks of travel agencies catering day-to-day inquiries of potential customers, an invitation to South Africa can be effective.

However, as many travel agents remarked, experienced managers/directors are often not able to participate in group familiarization tours due to their business schedules, in addition to their reluctance to travelling with competitors. It is suggested that key persons (e.g., director responsible destination/product development) who can introduce new package tours to the market should be invited on a FIT basis to suit his/her needs, interest and schedule. Such a tour/route planning trip to South Africa would directly bring in new package tours in the market.

If no concession from the ground service operators, hotels or airline companies in the destination is available, a 10 days trip to SA would cost about JPY10 million (US$ 80 thousand) for a party of 10 invitees.

C. Seminars

To give travel agents a chance to study the tourist products of the area at home is an important part of the promotion. A seminar at a hotel or at the convention/meeting facilities for 3 hours, presentation and Q./A. session followed by cocktail buffet for 30 people is estimated at JPY 500,000 (US$ 4 thousand).

During a busy season, a short and simple seminar for a small group may work. For example, a staff member of South African Tourism visit a travel agent's office during the lunch break with a snack and light beverage, and exchange ideas on South Africa. The cost for this type of seminar would be nominal, some JPY 2,000 (US$ 17) per participant.

D. Support to the Trade

Providing the travel agents with the necessary number of informative brochures at the time when they are in need, or giving exact and most up to date travel information are essential. Importance of good image is not only for the consumers alone, but also toward the travel trade. Recognition of the accountability by all people involved would support the industry, especially in such a competitive market with the rights of the consumers is protected to minor details by law.

To bear even a part of the printing cost of brochures would certainly be appreciated by travel agents. Burden sharing would be about Y1 million (US$ 800 thousand) per agent on average, but larger amount may be required in case of a campaign or an event is programmed.

E. Convention and Trade Shows

An international convention or a travel fair is held every other year in Japan, a chance to appeal South Africa directly to the industry and to the consumers.

JATA Congress (Sponsored by Japan Association of Travel Agents)

Periods: Usually late Nov.-early Dec. in odd years.

4 or 5 days duration (2-days for convention, 2 or 3 days for trade show)
The last day is open to the general public.

Participating countries: 80~90

Participants/visitors: 21,250 (1999) – 16,953 (trade), (4,297 consumers)

Venue: Mostly in Tokyo, at Tokyo Forum or Big Sight or a big hotel.

Trade show booth: One plain booth costs JPY 450,000 (US$ 4,000).

World Travel Fair (Sponsored by Travel Journal)

Periods: In Aug. or Sept., in even years.

3-days from Friday through Sunday (The first day for the trade only)

Visitors: 14,000 from the trade, 74,000 consumers (Source by Travel Journal)

Venue: Mostly in Tokyo. (For 2002, Yokohama at the Pacifico)

Trade show booth: One plain booth costs JPY 390,000 (US$ 3,200).

F. Advertisements/Publicity on the Industry Magazines

Two major travel trade magazines are issued weekly, both on Mondays. For the publicity or advertisement, these two are recommended, since almost all travel agents subscribe them.

Travel Journal

Circulation: 10,000 (Member of ABC)

Size: A4

Ads. tariff: JPY735,000 (US$ 6,000 for 4 colour 1 page).

Special issue's insertion costs JPY 5.5 million (US$ 46,000) for 24 pages in colour.

Wing Travel

Circulation: 8,900 (Member of ABC)

Size: A3 (tabloid)

Ads. Tariff: JPY 625,000 (US$ 5,200) for 4 colour 1 page.

Special issue's insertion costs JPY 5 million (US$ 40,000) for 24 pages in colour.

(4) Other Promotional Methods

A. Visualism

Production of a movie film for destination promotion requires at least a film shooting team composed of 4 persons (director, camera, engineer and assistant), and its cost is estimated at JPY 10 million (US$ 800,000) for 10 days on site, including round trip air tickets, hotels and fees. Also, if a photographer is to be sent to the site in order to produce suitable photo images, the cost is about JPY 4 million (US$ 33,000) for 30 days.

B. Poster Printing

Examples of printing posters of B0 size and B1 size, 50 sheets each:

B0 size	JPY 720,000 (US$ 6,000)
B1 size	JPY 300,000 (US$ 2,500)

The above estimates do not include costs of conceptualisation, graphic layout, designer or copy writer.

C. Brochures, Pamphlets, etc.

The cost varies depending on the number of copies printed, number of pages, sizes, colours, number of photos to be used, etc. Generally, the cost is JPY 2,000-JPY 5,000 (US$17-40) per copy.

D. Gimmicks

Memo pads, ballpoint pens, clear files, etc. are available at JPY500~JPY1,000 (US$4-8) a piece,

Depending on the lot size. Production cost of a CD-ROM is rather high at JPY 2,000~JPY 3,000 (US$ 17-25) per disk for 1,000 copies, excluding payments to the designer or musician.

E. Talent, or Celebrities

Use of a well-known person, actor or actress, entertainer, or other celebrity, who is accepted with good image by the targeted market would be quite effective. Cost varies enormously depending on the popularity of the subject person. However, if the person is somebody with certain effects on any market, it is better to have a budget of JPY 30 million (US$ 250,000) before sitting at the negotiation table.

F. Guide Books

Available travel guide on South Africa sold at bookstores in Japan includes other African countries or destinations. Should there be any necessity to issue an exclusive one, the cost would be about JPY 8 million (US$ 65,000) for 1,000 copies, excluding the expenses of writer/photographer's trip to South Africa. A guidebook covering only South Africa, however, is not realistic as tourists are visiting also the neighbouring countries at this stage.

Chapter 12
Promotion Strategy

12.1 Determinants for Strategy Formulation

12.1.1 Barriers to Tackle

Based on the operators/agents surveys conducted in five countries: Japan, Hong Kong, Singapore, Korea and Taiwan as well as the results of the departing passenger survey for these countries, various barriers facing South African tourism were identified, as shown in Table 12.1.1. They are grouped into elements including consumers, media exposure, channels, marketers and other services, rated as "major," "next to major" and "minor" according to the extent of their magnitude. These assessments are based on the real voices of front-line marketers who are actually trying to sell tours to South Africa.

The barriers judged "major" include:

- Consumers/media exposure
  - Very little market/media exposure
  - Crime, tourist mugging, etc.
  - Very little awareness
  - Other negative images and misperception
- Operators and agents in the source market
  - Passive due to low demand, low interest, and little awareness of consumers
  - High risk for selling SA tours
- Airlines
  - Too little seat capacity to South Africa, too infrequent
  - No direct flights of SAA and inconvenience of connection
  - Lack of cooperation with SA Tourism
- SA Tourism
  - Danger of falling into supplier logic
  - Insufficient understanding of conditions in the source market and demand-side logic
  - Non-presence of a representative office (excl. Japan)
  - Too small promotion budget

As shown in the table, there are other barriers judged somewhat less important than these major ones.

While listing and rating barriers as above is in itself instructive, it does not tell us much about what is really happening in the source market. It is indeed necessary to understand these barriers in a "structural" context, primarily with causal relationships, so that valuable implications can be derived which will lead to devising truly effective strategies.

Table 12.1.1 Barriers Identified for East Asian Market

	Consumers / Media Exposure	Channel / Marketers / Other Services				
		Operators & agents in the source market	**Airlines**	**Ground operators**	**SA Tourism**	**Other services**
Barriers (rated as: Major, Next to Major, & Minor)	**Major** • Very little market/media exposure • Very little awareness - Mostly, almost no idea about SA • Crime, tourist mugging, etc. • Other negative image / misperception - Cannot differentiate SA from rest of southern Africa - Fear of diseases (malaria, yellow fever, AIDS, etc.) **Major** • High cost, faraway destination	Large (wholesalers) **Major** • Still passive due to low demand, low interest, little awareness of consumers (J) • High risk for selling tours to SA (J) **Next to Major** • Lack of information on SA itself and its products (except Japan) **Minor** Need information and brochures in Korean language (K) Retailers/Specialized	International: **Major** • Too little seat capacity to SA, too infrequent • No direct flights of SAA (except from HK) and inconvenience of connection • Lack of cooperation with SA Tourism **Next to Major** • Little competition among airlines, partly causing high cost **Minor** • Inconvenience of airline services - Stiff seat confirmation policy (S) - Difficulty with seat confirmation (T) Domestic: **Next to Major** • Little capacity • Expensive	**Next to Major** • High ground service cost • Not active enough • Lack of knowledge on the source market and demand-side logic	In South Africa **Major** • Danger of falling into supplier logic • Insufficient understanding of conditions in the source market and demand-side logic Representative Office **Major** • Non-presence of a rep office (other than Japan) • Too small promotion budget	**Next to Major/Minor** • Lack of tour guides and strict conditions for guides (K, J)

Source: Operators/agencies surveys, JICA Study Team
Note: The barriers specific to certain countries are indicated with country initials: “J” for Japan, “S” for Singapore, “K” for Korea, “T” for Taiwan, and “HK” for Hong Kong.

(1) General Awareness

General awareness of most East Asians about South Africa is very low, which is judged a major barrier. Very low awareness is widespread and should be considered as a precondition in marketing South Africa in East Asia.

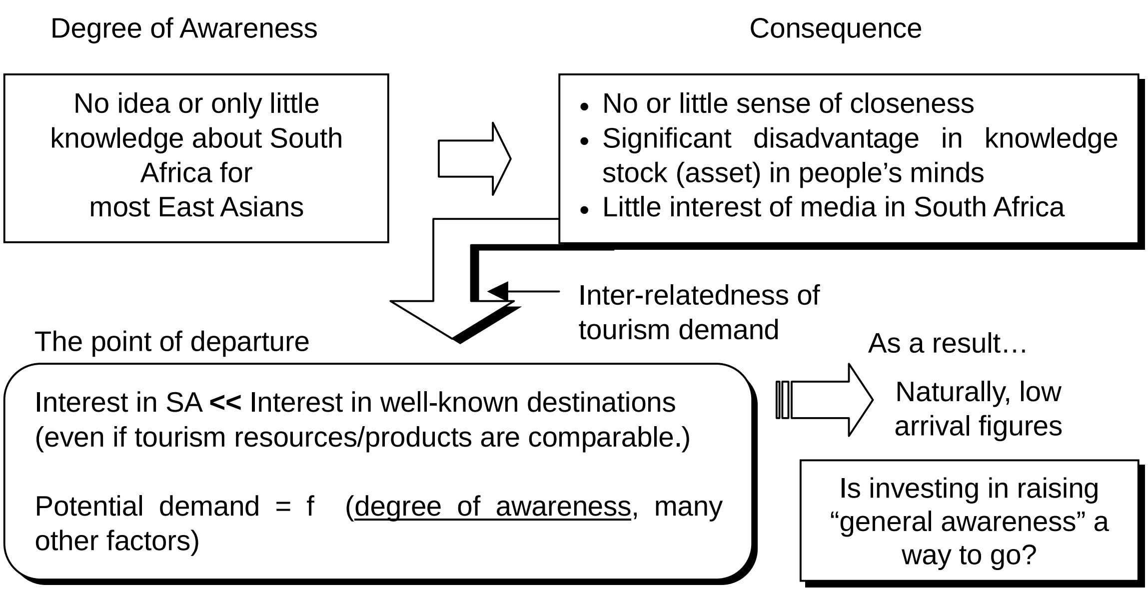
Primary reasons include:

- Generally, far less historical and cultural tie of South Africa with East Asia, than that with UK, southern Africa, Australia, India, etc.
- Little aspiration of East Asians for South Africa, unlike that for Western Europe, North America, and even Australia
- A faraway country
- Little exposure in various kinds of media

Consequently,

- East Asians have very little knowledge on South Africa and thus do not feel “close” to the country.
- This little knowledge is an inherent disadvantage for South Africa in East Asia.
- Media naturally shows little interest since its most important objective is audience rating. Currently, there is little incentive to produce programs, articles and publications about South Africa on the part of media.
- In addition, people generally tend to show little interest in travelling to a certain destination unless there are many people interested in it (inter-relatedness of tourism demand).

Figure 12.1.1 General Awareness of East Asians about South Africa



Source: JICA Study Team

Therefore, one should bear in mind that:

- East Asians' interest in South Africa is generally far lower than that in other well-known destinations, even if tourism resources/products are comparable.
- Degree of awareness is a big factor for potential demand. A destination's competitiveness is determined not only by its resources and products, but **it lies, to a large extent, in people's minds**. Current low arrival figures are, in a sense, a natural consequence.

One important question, however, is the following:

- "Is investing in raising "general awareness" in this relatively smaller market for South Africa a right thing to do for the tourism administration?"

If one can think of an inspired idea that can instantly and positively raise awareness, it may work. But it is reasonable to assume that there are no such immediate, cost-effective solutions (aside from those that will effect gradually over the years), given the current state of general awareness.

(2) Importance of Understanding the Source Market

It is important to note that little improvement can be expected without fully understanding the characteristics of the source market.

Throughout the study, however, it was recognized that there is currently a significant information gap between the supplier and demand sides (i.e., South Africa vs. the East Asian market), specifically as follows (see Figure 12.1.2):

- The tourism administration and industry in South Africa (the suppliers' side) possess much more information on South Africa and its tourism resources and products than the demand side, i.e., consumers, marketers and media in the source market.
- However, the supplier side significantly lacks in information on the demand side logic that is embodied in the behaviours and economics of marketers, motivation and preference of potential tourists, and the characteristics and behaviours of media.

Under these circumstances, potential danger that could result is as follows:

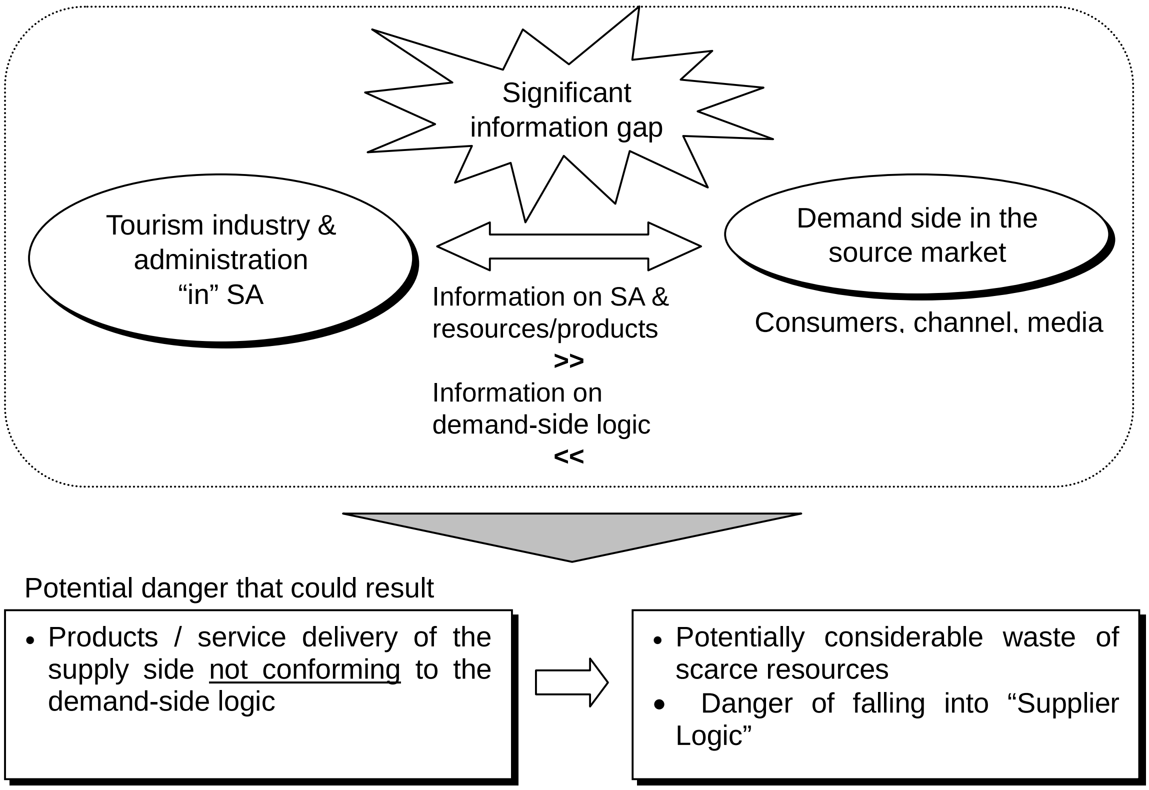
- The supplier side is very likely to provide products and deliver services that do not conform to the demand-side logic
- This could potentially lead to considerable wastage of scarce resources (time and money)

This "supplier logic" is by far the most critical barrier, particularly because this mind could potentially obstruct all kinds of attempts to meet the needs of the source market. The message is clear, as wisely and accurately stated in the market guide of BTA (British Tourist Authority: a British equivalent of SA Tourism) for the Japanese market:

"A word of warning: Japanese do not travel 7,000 miles to experience a re-creation of Japan. Be prepared to offer a British experience, but one that is sensitive to Japanese customer needs."

(Source: BTA Market Guide, Japan)

Figure 12.1.2 Danger of Falling into "Supplier Logic"



Source: JICA Study Team

(3) Market Perception and Value for Money

Rather than raising general awareness, it is far more cost effective to focus on the barriers more directly related to travel: very little market exposure and negative information/misperception. As shown in Figure 12.1.3, these negatively affect value for money that is among the major determinants for the choice of potential tourists to South Africa, particularly in Japan where tour price for South Africa is very high (see section 8.2 for price comparison).

These effects are:

- Negative information, particularly crime, mugging, etc, lowers the value of tours to South Africa perceived by potential tourists.
- Potential tourists are also not fully aware of the true value of SA tours due to little market exposure as well as lack of appealing messages that target responsive audience (potential customers) in the market.

In addition,

- Potential tourists tend to perceive that the value for money is relatively low due to fewer powerful tourist draws available in South Africa (as mentioned earlier in this chapter) even if world-class tourist attractions in the neighbouring countries such as Victoria Falls are taken into account.

One critical fact, however, is that:

- Despite these market perceptions, East Asians who toured South Africa are mostly satisfied, across the board according to all the Japanese operators and agencies interviewed and most of those in four other East Asian countries as well as to ground operators in South Africa dealing with the East Asian market. This was also generally confirmed by the departing passenger survey results.
- This is quite a contrast with the market perception in the source market.

Apparently, the important conclusion that can be drawn is that:

- **True or experienced value for money of tour packages to South Africa is higher than the value for money perceived by potential tourists in the source market.**

This has a tremendously important implication for South Africa's potential in the East Asian market, which is further assessed later in this section.

Figure 12.1.3 Market Perception and Assessment of Value for Money

Negative information

- **Crime, mugging, etc.**
- **Other negative & mis-information**
  - unable to differentiate from rest of southern Africa
- AIDS, other diseases

Lowering value due to negative information

Market exposure

- **Very little media exposure**
  - Frequency, number, depth
  - Not fully exposed to selling points
- **Lack of appealing message**

True value not fully recognized

Resources/products

- **Fewer "powerful tourist draws"**
- Difficult to increase tourist draws
  - TOs attempting to do this, but finding difficulty

Low value for money perceived by "potential" tourists

- Despite these, those East Asians who toured South Africa are <u>mostly satisfied, across the board</u>.
- Undoubtedly,

  "Perceived" value for money in the market << True (or experienced) value for money

Source: Operators/agencies surveys, JICA Study Team

(4) Security and Safety Concern

For all the five countries, security and safety in South Africa are a top concern as indicated by all the survey results, which need to be addressed seriously. This not only lowers the value for money perceived by potential tourists, but also it will be devastating to operators and agents if anything serious happens to their clients.

According to the surveys, the negative effect of crime is obvious as shown in Figure 12.1.4. Specifically,

- South Africa has a negative image as being one of the most unsafe destination across East Asia.
- Tour operators and travel agencies in Japan offering South African packages receive a number of inquires about security from potential customers.
- Asians are generally very sensitive to, and concerned about, safety in the destination, much more than, say, Western Europeans.
  - This is a fact widely and seriously recognized by the travel trade in Europe and other major destinations for Asians. For example, the Britsh Tourist Authority (BTA), a Britsh equivalent of SA Tourism, prepares a detailed sales manual for marketing UK in Japan, which states a "place where one can travel safely" as the top appeal of Britain.
  - Another, more concrete example includes the fact that one-third of the Japanese tourists to South Africa-Zimbabwe (Victoria Falls) canceled their tours when the crises in Zimbabwe intensified in 2000.
- The most popular Japanese guidebook spares, in its South African edition, much space for cautionary tips about safety and security during the trip. Equally, the most trusted guidegook in the English speaking communities, particularly for FIT/backpackers, "Lonely Planet", spares more than one full page of survival advice in CBD (central business district) in major tourist centres including Johannesburg and Pretoria. This obviously have a negative effect on those interested in touring to South Africa.

There is no question that South Africa should reduce its negative image prevailing in the market. Fixing misinformation is also crucial.
Actions are absolutely needed, including:

- Visible and tangible efforts need to be seriously made, for example, visibility of tourist police in popular tourist sites as well as CBD in major tourist centres (Cape Town, Pretoria, etc.)
- More accurate picture of the current situation and the tangible efforts made need to be actively anounced to the market in order to fix misinformation and reduce the negative image.

Internationally, major tourist destinations are extremely sensitive to security issue, and fully aware of the importance to deliver a safe image to the market.

For example,

- <u>Thailand</u>: After the social unrest in the early 1990s causing a number of killing of civilians, Thailand conducted a campaign using a message: "The world is our guest."
- <u>Egypt</u>: After the terrorist killing of dozens of Japanese/Western tourists in 1997 in Luxor, Egypt spent tremendously for media campaign worldwide.
- <u>Dubai</u>: Having established a reputation as the world's no. 1 safe destination (Global Magazine, Germany) as well as due to other factors, Dubai has succeeded in rapidly increasing Japanese tourists since late 1990s.

Figure 12.1.5 Effect of Security and Safety Concern

Obviously, large negative effect

- In all the five surveyed countries, South Africa has a negative image as being an unsafe destination.
- Many inquiries from potential clients about safety and security in SA (Japanese operators)
- Asians generally much concerned about safety, e.g.,
  - Note in BTA's sales manual for Japan
  - One-third of tourists cancelled when the crises in Zimbabwe intensified.
- The most popular Japanese guidebook on SA includes much space for safety warnings.

Undoubtedly, strong need for:

- Reducing too negative image
- Fixing misinformation

- Visible / tangible efforts need to be made seriously.
  - e.g., visibility of tourist police
- Active announcement to the market
  - More accurate picture (unsafe places are limited)
  - SA's tangible efforts

Source: Operators/agencies surveys, JICA Study Team

(5) Other Major Barriers

Some of other major barriers described earlier are straightforward, including too little seat capacity to South Africa; no direct flights of SAA from Japan, Taiwan, and Korea; non-presence of a representative office of SA Tourism (except Japan); and too little promotion budget of SA Tourism for the East Asian market.

Those related to marketers (operators and travel agents in the source market) will be analysed later in the sub-section of "Marketers", in which lack of coordination among South African players (SA Tourism, embassies, and SAA) is also assessed, which causes major marketers in the source market to be passive in selling tours to South Africa.

(6) Potential of Destination Development

(i) Market Expectation

As mentioned, true or experienced value for money is judged significantly higher than that percieved by potential tourists. This translates into marketers' judgment on the prospect of further destination development, which is quite positive.

Almost all the operators and agents surveyed highly rate the potential of South Africa as a promising destination as shown in Figure 12.1.6.

Specifically,

<u>Japan</u>

- There is a good potential, with some interviewed expecting the growth at least to the same level as South America or perhaps more. South America is currently receiving about three times as many Japanese tourists as South Africa.
- While there is a good potental, Japanese operators want to nurture South Africa as a high-priced, high-margin destination, contrary to the path Australia took. Since popularity of Australia increased rapidly in 1990s, a number of tour operators and agents entered this

market to capture the opportunity, causing severe price competition, eventually making Australia a low-margin destination.

- Lowering price is not quite effective to increase Japanese tourists to South Africa. There were operators offering inexpensive tours costing about $2,000, but this attempt turned out to be a failure. It is judged that potential clients questioned this low price for such a faraway destination, suspecting that quality would be sacrificed.

Figure 12.1.6 Prospect of Further Destination Development: Voices of Agencies and Operators in the Source Market

Japan

- Generally, highly rated
  Some expect at least same level as South America (at least three times as large as now)
- Want to nurture as high-priced, high-margin destination, avoiding the path Australia took
- i.e., high margin → severe competition → mass marketing → cheaper package → margin shrunk

Four East Asian Countries

- Generally, highly rated
- Potential growth expected by operators
  - Hong Kong: 10-200% increase/year
  - Singapore: 10-30% increase/year
  - Korea: 100-500% increase/year
  - Taiwan: 1.4-3% increase/year
  (Taiwan: most probably their feel when constraints are little improved)
- But still much to do for significant increase

Reasonable conclusion of the market expectation
- At least, overall increase to 3 times, say, in 5 years
- Which could be achieved if promotion and marketing activities are successfully done.

Source: Operators/agencies surveys, JICA Study Team

<u>Other four countries</u>

- South Africa's potential is generally highly rated in other four countries as well, as shown in the figure, with Korea and Hong Kong showing higher expectation, some projecting even doubling or more year on year.
- Taiwanese agents are the most conservative, but the survey concludes that if major issues and constraints, particularly that of direct flights, are resolved, then it is believed that Taiwanese agents could produce more than what they projected, especially because they have huge client bases.
- It is, however, judged that much effort is needed for their expectation to materialize. Market exposure, even provision of information on South Africa, appears to be scarcer in these countries than in Japan. There is a concensus among the respondents that SA Tourism

should open its representative office in each of these countries. Equally importantly, security and safety issue is among the major concerns.

Putting aside any major barriers, issues and constraints, it can reasonably be concluded that:

- The market expects an overall growth at least to three times as large as the current level, which could be achieved, for instance, in a period of five years.

This is shown quantitatively below.

(ii) Potential Tourists

Based on the market expectation, the number of potential tourists from the five countries is estimated as shown in Table 12.1.2.

Assumptions:

- The estimate is based on the arrivals for holiday in year 2000.
- A factor is used to convert arrival data to the number of tourists for holiday. For specific assumptions used, see note of the table.
- Growth rates assumed for Korea, HK, Singapore, and Taiwan are based on the expectation of the surveyed operators/agents. For Taiwan, see note of the table.
- For Japan, a growth factor of 3.5 is assumed based on the expectation of some of the major operators.

Total number of potential tourists for holiday after five years is estimated at about 125,000 per year, up from the current level of about 50,000, i.e., 3.2 times as much.

The number of potential tourists is converted back to arrival figures using the same factor. Total number of potential arrivals for holiday is estimated at about 176,000. With business travelers and those for other purposes, the figure would add up to the order of 200,000 for these five countries.

Table 12.1.2 Estimate of Potential Tourists

Country	**Arrivals in 2000**		**Factor (Note *)**	**Holiday Tourists**	**Growth in 5 yrs****		**Holiday : after 5 yrs**	
	Total	**Holiday**			**(%/yr)**	**(times)**	**Tourists**	**Arrivals**
Japan	24,104	15,883	0.5	7,942	-	3.5	27,795	55,591
Korea	9,081	6,115	0.5	3,058	50%	7.6	23,218	46,436
HK	12,251	11,029	1.0	11,029	30%	3.7	40,950	40,950
Singapore	6,920	5,299	1.0	5,299	20%	2.5	13,186	13,186
Taiwan	15,825	12,163	1.0	12,163	10%	1.6	19,589	19,589
Total	68,181	50,489	-	39,490	-	3.2	124,737	175,750

Source: JICA Study Team, SA Tourism for 2000 data.
Note: * This factor is to convert arrival data (for holiday) to the number of tourists. For Japan and Korea, due to the inclusion of Victoria Falls in most packaged tours for which tourists are "arriving" twice for each tour, the factor is assumed (conservatively) at 0.5. For HK, Singapore, and Taiwan, essentially all the packaged tours are destined for South Africa alone, thus assuming 1.0 for the factor.
** Assumed based on the market expectation. For Taiwan, expected growth is assumed at 10% per year, considering that the Taiwanese market would grow substantially higher than expected if major constraints are resolved.

(iii) Potential Market Growth

For the case of Japan, a crude estimate was made for the magnitude of potential market growth as shown in Table 12.1.3.

Assumptions

- Three cases were considered: a growth factor of 3.0, 3.5 and 4.0 times that of the current number of tourists for holiday (estimated at about 8,000 per year in 2000 as shown above).
- Minimum packaged tour price is used for the amount pre-paid in Japan.
- The amount spent in South Africa is assumed as shown in note of the table.

Due to the high tour price and high propensity of Japanese to spend for souvenirs, the magnitude of potential market growth is estimated to be fairly substantial, with increment in the order of $60 million - $100 million annually.

Table 12.1.3 Crude Estimate of Magnitude of Potential Market Growth: Case of Japan

Current tourists per year (holiday)	Growth assumption (3 cases)	Potential tourists	Spend in Japan and in SA (US$)			Total annual spend (million US$)	
			Minimum tour price	Spend in SA	Total per person	Current → potential	Increment
About 8,000	3.0 times	24,000	About 3,500	500*	4,000	32 → 96	**64**
	3.5 times	28,000				32 → 112	**86**
	4.0 times	32,000				32 → 128	**96**

Source: JICA Study Team
Note: * Assumption based on the interview with a Japanese operator stating that its customers traveling to South Africa spend some $400 – some $800 for souvenirs "in cash", excluding the amount spent by credit card which is unknown.

12.1.2 Market Segments

(1) Japan

i) Current market segment

Major characteristics found from the surveys include:

- Senior tourists are dominant, accounting for more than 70% of the Japanese package market for South Africa. They are either couples or singles (widowers, widows and unmarried). For couples, it is widely recognized that the decision to travel is mostly held by wives.
- Those over 50 years old account for more than 90% of the Japanese package market for South Africa.
- The segment of women is broader than men, with women being in 40s up, compared with men mostly being in 50s up (retired). There are groups of female only and even individual female tourists.

This segment is considered:

- Very experienced in international travel, choosing South Africa after many times of traveling abroad, thus being well aware of what South Africa can offer and can compare it with many other destinations.

- Among the most affluent in Japan in terms of "time and money."; and
- Word of mouth is the most influencial factor for decision making for the selection of destinations, particularly in this segment.

ii) Competing destinations

Japanese tourists visit South Africa mostly for scenic/natural beauty, wildlife, and tourist attractions in neighboring countries. Competing destinations against South Africa for the Japanese market in terms of tourism products, distance and price include:

(i) Kenya and Tanzania for Safari: These two destinations are more accessible than South Africa (shorter flight time) and packaged within an affordable tour fare (average US$2,480). They are considered to offer better safari experience than South Africa. Their package appeal has been further enhanced in the last two years by addition of a short Dubai stopover (1-2 nights) offering exotic Arabian experience and shopping galore (results of vigorous joint sales effort by Dubai Tourism/Emirates Airline).

(ii) Madagascar for Nature/Eco tour, located within the greater Southern African region. Some packages are offered combining South Africa and Madagascar.

(iii) South America (Peru, Brazil – Iguasu Falls) as a comparable destination in distance/flight time and range of package tour fare.

It should be noted that although European destinations can be grouped in the same long-haul destination category with South Africa, they are in fact not competing with SA. The clientele for Europe is motivated primarily by its tourist draws based on history, culture and tradition (such as France, UK, Italy, Spain, Germany), unlike South Africa. In addition, price range for European package tours is far lower than that for South Africa.

iii) Redent trend of the overall Japanese outbound market

- As shown in Table 12.1.4, the segment of 50 years of age or over accounts for more than a third of all the Japanese overseas travellers, and is the fastest growing segment, with its share jumping from about 25% of the total market in 1990 to more than 35% in 2000.
- Notably, female overseas travellers of 50 years old or over have increased most rapidly, the primary reason for a rapid increase in the female's share in the entire Japanese overseas travellers.
- These segments now lead the market: specifically, senior market (65 years/over), empty nesters (55-65 years, with grown-up children living outside of their household), and middle-aged/over married women (45-65 years). This trend will almost surely continue in the coming decade as Japan's population will be rapidly aging.
- In the female market, single women segment (in 20s), a segment that had long driven the overall Japanese market, is still dominant in number, but has lost its steam over the past decade, due partly to Japan's stagnant economic condition since the early 1990s that apparently has affected their disposable income (and most probably due partly to shifting their expenditure out of their income from overseas travel to cellular phone and networking environment).

There are other emerging trends, including

- Young family segment (e.g., 30/40-year couples with 10-year/below children), sometimes accompanied their parents (senior), is an emerging segment that is promising ("three-generation tour" according to the travel trade appellation).
- Mother-daughter segment (unmarried daughter, often working, in 20-35 years living in parent's household) is also promising, many travelling this way notably to culture destinations in Europe.

Table 12.1.4 Japanese Overseas Travllers by Age Group in 1990, 1995 and 2000

	1990				1995				2000			
	Number (000)	Growth (90=100)	Share %	%	Number (000)	Growth (90=100)	Share %	%	Number (000)	Growth (90=100)	Share %	%
MALE												
20/24	489	100	7.6%		619	127	7.8%		536	110	6.1%	
25/29	839	100	13.1%		961	115	12.1%		996	119	11.3%	
30/34	772	100	12.1%		979	127	12.4%		1,058	137	12.0%	
35/39	763	100	11.9%		848	111	10.7%		1,034	136	11.7%	
40/44	1,021	100	16.0%		888	87	11.2%		945	93	10.7%	
45/49	767	100	12.0%		1,134	148	14.3%		940	123	10.6%	
50/54	620	100	9.7%		819	132	10.4%		1,167	188	13.2%	
55/59	469	100	7.3%	27.3%	642	137	8.1%	31.4%	792	169	9.0%	37.7%
60/64	333	100	5.2%		493	148	6.2%		624	187	7.1%	
65 -	325	100	5.1%		528	162	6.7%		756	233	8.5%	
Total	6,398	100	100%		7,911	124	100%		8,848	138	100%	
Male %	62.4%				56.0%				54.2%			
FEMALE												
20/24	870	100	22.6%	45.1%	1,313	151	21.1%	42.8%	1,127	130	15.1%	35.4%
25/29	867	100	22.5%		1,349	156	21.7%		1,520	175	20.3%	
30/34	353	100	9.2%	15.6%	676	192	10.9%	17.1%	924	262	12.4%	20.0%
35/39	246	100	6.4%		387	157	6.2%		573	233	7.7%	
40/44	304	100	7.9%		359	118	5.8%		424	139	5.7%	
45/49	271	100	7.0%		505	186	8.1%		476	176	6.4%	
50/54	267	100	6.9%		473	177	7.6%		713	267	9.5%	
55/59	256	100	6.7%	24.4%	419	164	6.7%	26.1%	596	233	8.0%	32.5%
60/64	208	100	5.4%		355	171	5.7%		500	240	6.7%	
65 -	206	100	5.4%		377	183	6.1%		617	300	8.3%	
Total	3,848	100	100%		6,213	161	100%		7,470	194	100%	
Female %	37.6%				44.0%				45.8%			
TOTAL*	10,246	100			14,124	138			16,318	159		

Note: * Total is for those of 20 years old or over.
Source: Japanese Ministry of Justice.

<u>Potential segment</u>

(i) Senior / empty nester / middle-age or over women: immediate target

- Japanese operators and agencies judge that South Africa has a high growth potential to capture much more of these markets that have grown rapidly and will continue to grow further.
- In 2000, total Japanese overseas travellers over 50 years old were 3.3 million for male and 2.4 million for female, of which South Africa captures only a tiny fraction. This means that there is significant room for penetrating into these market segments.
- These segments are a big spender, and is a lucrative market for South Africa.

(ii) Younger segments: longer-term target

Currently, Japanese marketers are very reluctant to capture younger segments, primarily because:

- Young FIT visitors almost always end in troubles in South Africa, not paying enough attention to crime, mugging, etc, despite the advance safety precausions given by tour operators. In fact, tourist mugging and injuries enountered by Japanese are experienced mostly by young FIT tourists. Japanese operators and agencies fear any serious indicent that could happen to young people, which could be devastating not only to their business but also to the overall destination image of South Africa.
- The motivation of young people does not fit the tour to South Africa. Generally, they are not fond of packaged circuit tour, but prefer more free/independent itenerary (hence more liable to be a target of mugging).
- In the travel trade, it is also widely recognized that FIT will grow automatically as “general tourist” segment expands. Therefore, it is much more cost effective for the government to focus on increasing general tourists in the short to medium term, not FIT.
- Moreover, marketing for FIT is hard and costly. Marketers have little incentive to invest in capturing young FIT segment.

Implication for Proper Strategy

- It is highly costly and risky to attempt to increase tourists by diversifying segments. Marketers have no such intention, thus extremely difficult to persuade them to market South Africa to other segments, particularly as far as security concern continues to exist.
- It is much easier and more cost effective to push marketers to actively sell to the current segments. The senior market is a promising one, and marketers are sure that much more of them can be persuaded to select South Africa.

One should note that marketers (travel agencies) have a strong influence on the choice of potential tourists in Japan (and in other East Asian countries studied). In fact, the result of the departing passenger survey indicates that tour brochure is among the most important information source for the trip to South Africa. It is therefore important to understand their behavior (as described later), particularly as to why South Africa is currently not actively marketed in Japan despite its good potential.

(2) Market Segment – Other East Asian countries

Current market segment

Korea:

- The Korean package market for South Africa is dominated by senior and middle-aged tourists (with those in 50s being dominant, followed by those in 40s). The profile of Korean tourists is similar to that of Japanese, athough Japanese tourists are on average somewhat older.
- Korean tourists are largely very experienced in international travel, choosing South Africa after many times of traveling abroad.
- These tendencies should be mainly because travel to South Africa is long-haul and costly. These segments are considered to be the most affluent in Korea.
- Korean tourists visit South Africa largely because of its scenic/natural beauty and wildlife. Some do visit tourist attractions in neighboring countries, but these attractions are much less important for Korean tourists than Japanese in choosing the tour to South Africa.

- According to Korean tour operators interviewed, youth and students are also travelling South Africa.
- Korean tourists to South Africa are mostly male, which reflects the general characteristics of the overall Korean outbound market, including:

  A recent WTO study shows that male dominated the overall Korean outbound market, accounting for more than 60% of all the departures.

  For the entire departures for Africa (the whole continent including North, East, West and Southern), male accounts for more than 80%.

Taiwan:

- Taiwanese tourists to South Africa on package tours show similar profile to that of Koreans, dominated by middle-age/over tourists (with those in 50s being dominant, followed by those in 40s).
- The proportion of younger tourists including those in 30s and students is much higher than that for Korea.
- Many of the Taiwanese tourists surveyed are very experienced in international travel, choosing South Africa after many times of traveling abroad.
- Top motive of Taiwanese holiday tourists to travel to South Africa is its scenic/natural beauty, followed by its wildlife. Those motivated to visit tourist attractions in neighboring countries are a small fraction.
- Due to the past historical and business ties between South Africa and Taiwan (before South Africa's political transformation), VFR and business travel are conspicuous.

Hong Kong and Singapore:

- Segment profile of package tourists from Hong Kong and Singapore to South Africa is quite similar to each other, and differs from that for Japan, Korea and Taiwan.
- While middle-age/over tourists are the majority, younger segments account for a significant portion for Hong Kong and Singapore.
- This larger proportion of younger segments should be due largely to shorter travel time from Hong Kong and Singapore than from other three countries, and the presence of direct flights to South Africa.
- These common conditions should be among the reasons for the similar charactersitics between Hong Kong and Singapore markets for South Africa. Other reasons include the same Chinese ethnicity, both being small city states, solid middle class societies, and past (HK) or present (Singapore) British Commonwealth association.
- Female contingent is rather high, at about 50% for both.
- Top motive of holiday tourists from Hong Kong and Singapore to visit South Africa is its scenic/natural beauty, followed by its wildlife. Those motivated by tourist attractions in neighboring countries is negligible.
- As in the case of the Taiwanese market, VFR and business travel are conspicous particularly for the Singapore market.

It should be noted that as in the case of the Japanese market, the influence of travel agencies and tour operators in these four countries above appears very strong in potential tourists deciding to travel to South Africa, as suggested by a high proportion of the tourists surveyed viewing tour brochures and tour operators as an important information source.

Potential segment

(i) Current segments: Immediate targets

Total number of arrivals from these four markets is still a tiny fraction of their entire overseas travellers, at around 0.15% for Korea, Hong Kong and Singapore and about 0.2% for Taiwan (see the beginning of Chapter 8). Even if the comparison is limited to the current segments, South Africa's current share in these markets is apparently very small.

At this stage of South Africa's destination marketing for these source markets, the current market segments are a good indicator for the easiness of market penetration. No doubt that there is significant room for penetraing into these market segments. Capturing the market share in these segments would be far less costly than attempting to increase tourists by broadening the customer base, at least in the short term.

Therefore, the most potential segments in these markets include:

Korea:	(1) seinor & middle age, (2) youth/students
Taiwan:	(1) middle age & over, (2) young/monied professionals (in 30s), (3) youth/students
Hong Kong:	(1) middle age & over, (2) young/monied professionals (in 20s, 30s)
Singapore:	(1) middle age & over, (2) young/monied professionals (in 20s, 30s)

(ii) Longer-term targets

In addition to the immediate targets above, other potential segments, though they should be longer-term targets, would include: single women in 20s, MICE market, and youth/students (for Hong Kong and Singapore).

12.1.3 Marketers

(1) Marketers' Behaviour – Case of Japan

As described earlier in "Barriers to Tackle," Japanese travel agencies, particularly large ones, are currently passive in selling South African packages, despite the fact the they highly rate the potential of South Africa. This is simply because of market forces operating in this industry.

Figure 12.1.10 illustrates major forces driving sales personnel (tour planner) in large Japanese travel agencies to propose certain tour plans to their bosses. They include:

- Ground operators in Europe and other popular destinations stationed in Japan: These operators, deploying significant sales force in Japan, are aggressively approaching large Japanese travel agencies with very attractive tour plans, and are fiercely competing with each other in order to capture the attention of those sales personnel.
- Consumer demand: These sales personnel of large travel agencies are seeking information on destinations and tours popular among consumers, which is perfectly natural.
- Fear of sales personnel: What they fear most is "cancellation of planned tour departures they put on the market" which will negatively affect their sales performance, causing waste of invested resources: money spent on brochure preparation, ads, etc. and time spent for the entire process of tour planning and preparation.

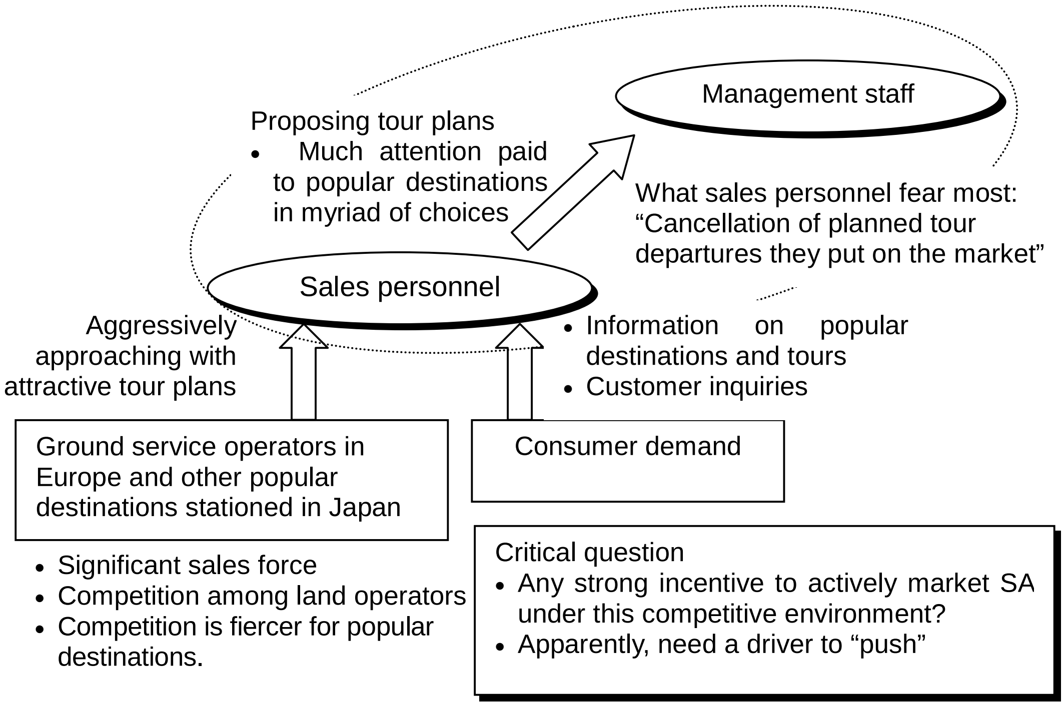
Consequences are:

- Sales personnel of large agents pay much more attention to popular destinations than unpopular ones. They have myriad choices of tour plans in hand that are provided by a number of ground service operators from popular destinations.
- Under this environment, it is difficult for unpopular destinations to draw much attention of large travel agencies. For sales personnel of these agents, proposing tours to unpopular destinations is simply very risky.

Other structural reasons for large agents being reluctant to sell South African packages at this moment include (as shown in Figure 12.1.11):

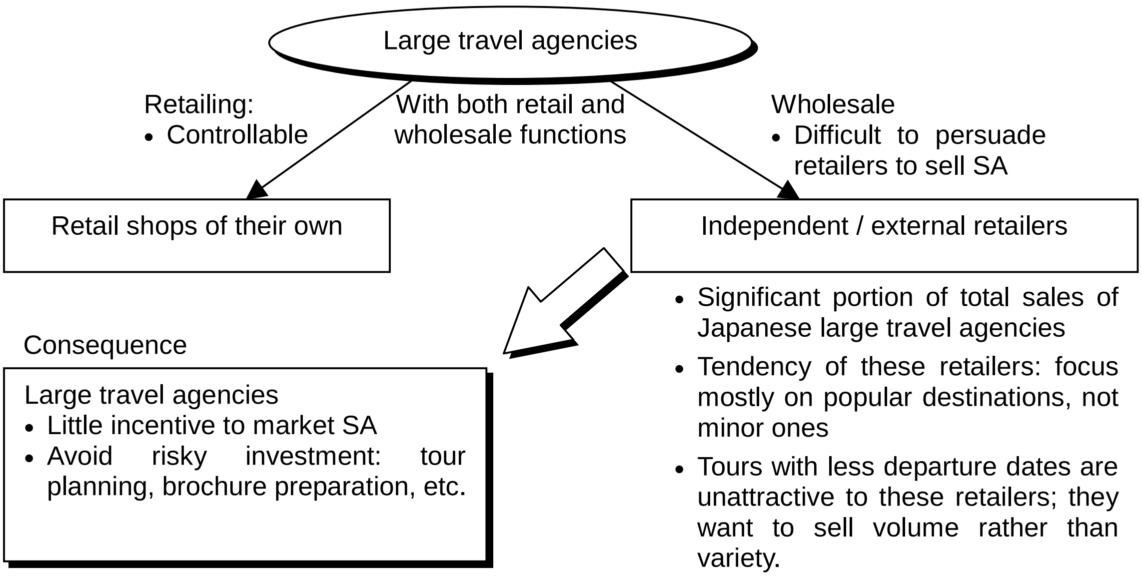
- These large agents are retailers of their own product, and at the same time, wholesalers using external independent retailers as market channel. These contracted retailers focus mostly on popular destinations to attract a large number of potential customers. Large wholesalers find it hard to persuade these retailers to sell destinations that are currently unpopular, simply because these destinations are difficult to sell.

Figure 12.1.10 Behaviour of Major Marketers: Tendency of Large Japanese Travel Agencies (1)



Source: Operators/agencies survey, JICA Study Team

Figure 12.1.11 Behaviour of Major Marketers: Tendency of Large Japanese Travel Agencies (2)



Source: Operators/agencies survey, JICA Study Team

(2) Significant Room for Further Pushing

From the surveys for the five East Asian countries, it is judged that there is significant room for further "pushing" major players in the source market having strong influence on the decision of potential tourists to select South Africa.

Figure 12.1.12 illustrates major factors and structural forces affecting consumer choice. The major factors include:

- General awareness
- Market exposure
- Marketers: tour operators and travel agencies
- Word of mouth

(i) General awareness

It is not practical or cost effective to substantially raise general awareness of East Asian people about South Africa, particularly because presently media is little interested in South Africa, given the current state of awareness.

(ii) Market exposure

In all the countries surveyed, there is significant room for raising market exposure that will directly contribute to facilitating the decision of potential tourists. Much more effort can be made by several players in the market, major ones being:

- Tour operators / travel agencies
- Media
- SA Tourism / Embassy
- SAA

The current situation for each of these players is as follows:

- Tour operators and travel agencies in the source market, particularly large ones, are currently not pushed strongly, in other words, not provided strong incentives to sell South African package despite its potential. In the four East Asian countries surveyed, even information on South Africa is not sufficiently provided for operators and agents.
- Interesting and fascinating stories about South Africa that can capture media attention are not known by the market. (An example of media's behaviour is described later for the case of Japan.)
- Promotion activities of SA Tourism / embassies are not very active, especially in the four East Asian countries surveyed. Operators and agents in these countries would like SA Tourism to establish its representative office in each country.
- Coordination among SA Tourism / embassies and SAA is lacking, and much room exists for improvement (e.g., consolidation of promotion efforts). Images and messages delivered by these players are fragmented and not consistent. For example, the image used for the SAA ads in travel magazine is very different from what is publicized by SA Tourism (an example of Japan). Most of the operators and agents interviewed in the four East Asian countries point out lack of coordination.

(iii) Marketers: tour operators and travel agencies

Tour operators and travel agencies in the source market can be influenced to actively market South African packages mainly through the push by:

- Interest of potential tourists
- SA Tourism / Embassy
- SAA

Current situation for each of these players is as follows:

- Currently, the push of potential tourists toward marketers is weak mainly due to little market exposure. They are not fully exposed to the true value of South African packages. Consequently, operators and agents are not receiving enthusiastic inquiries about South Africa from these potential clients; instead, their inquiries are mostly about security and safety concern (example of Japan).
- The approach of SA Tourism / embassies and SAA toward marketers is fragmented as in the case of media exposure. There is significant room for further pushing marketers by giving them incentives to actively market South Africa, both directly (e.g., collaborative actions) and indirectly (e.g., through media exposure).
- In order to push marketers, what is needed is to capture their attention. This is essential, and requires much stronger emphasis on South Africa's selling points. Large Japanese travel agencies, for example, tend to focus on popular destinations, and avoid risky investment, which is a natural and sound economic behaviour. Under fierce competition among popular destinations as well as among ground service operators for the same destination, drawing attention of large Japanese agents is not an easy task, thus requiring an approach based on selling points truly attractive to them.

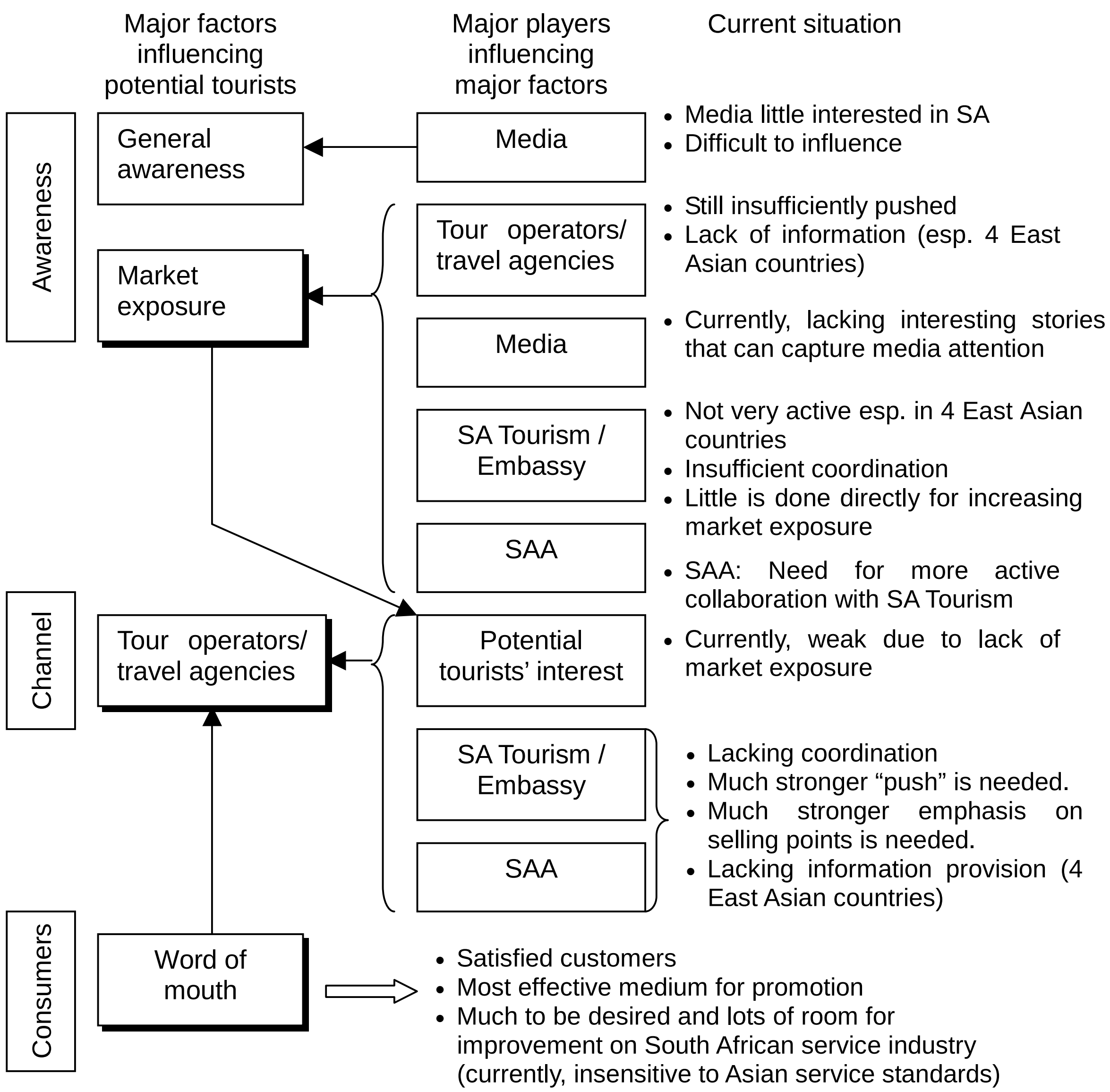
(iv) Word of Mouth

There is no question that word-of-mouth is a medium most influential to the ultimate decision of potential customers.

As mentioned, East Asians who toured South Africa are mostly satisfied; however the demand is still stagnant. This positive sign needs to be further strengthened for increasing East Asian travellers to South Africa.

There is in fact much room for improvement in service delivery that is currently not sensitive to Asian service standards. This would take time as Europe experienced earlier (starting in 1980s) in getting sensitive to the needs of Asian travellers and actually offering what can truly satisfy them. But the reward for doing it will certainly be substantial.

Figure 12.1.12 Need for Push to Major Factors Influencing Potential Tourists



Source: Operators/agencies surveys, JICA Study Team

(3) Behaviour of Media – Japan

While promotion measures available in Japan (use of media) were described in the previous chapter, major characteristics of media are assessed below, specifically in terms of their current interest and attention. An example is taken from TV programs on overseas travel and world discovery, very influential for enhancing interest of responsive potential tourists.

(i) Past Trend

Figure 12.1.13 shows the evolution of these programs since mid-1980s along with the trend of overseas travel. The past trend is characterized as follows:

Till mid-1980s

- Overseas travel was still not very common among Japanese, with only 5.5 million of them travelling abroad in 1986. Popular destinations were concentrated largely on Europe and North America/Hawaii in this period.
- TV programs on travel in this period were characterized by "what people want to watch equals where they want to go." Therefore, the main feature of programs was guidebook-like introduction of popular tourist destinations in the world.

Late 1980s – mid-1990s

- The travel demand of Japanese expanded astonishingly in this period, with those travelling abroad increased to 16.7 million in 1996. People began travelling, in a large scale, to more diversified destinations, including South East Asian countries, East Asia, and Australia as well as traditionally popular Europe/North Americas. In addition, niche destinations emerged, attracting increasingly experienced tourists as well as SIT travellers.
- Keeping pace with the diversification of people's interest, topics taken up by TV programs on travel also diversified from common to emerging destinations. However, emphasis was still placed on the provision of guidebook-like information, which was demanded by the audience increasingly interested in more diversified destinations.

(ii) Recent/Present Trend

Since a couple of years ago, the trend of TV programs on topics related to world discovery and overseas travel clearly changed in response to the increased overseas travel experience and information stock about destinations overseas on the part of consumers.

Audience rating for programs introducing guidebook-like information declined, and major TV broadcasters began offering programs that deal with more in-depth topics across the world. Audience rating then recovered, which clearly corresponds to the maturing trend of overseas travel as well as to an increase of senior citizens in the total population and in the travel market.

Currently, emphasis of these programs is placed on the following:

- Sense of "on the spot" / "being there"
- Attractive theme / story
- Uniqueness of viewpoint
- Human interest
- Motivated report, not a composed narration

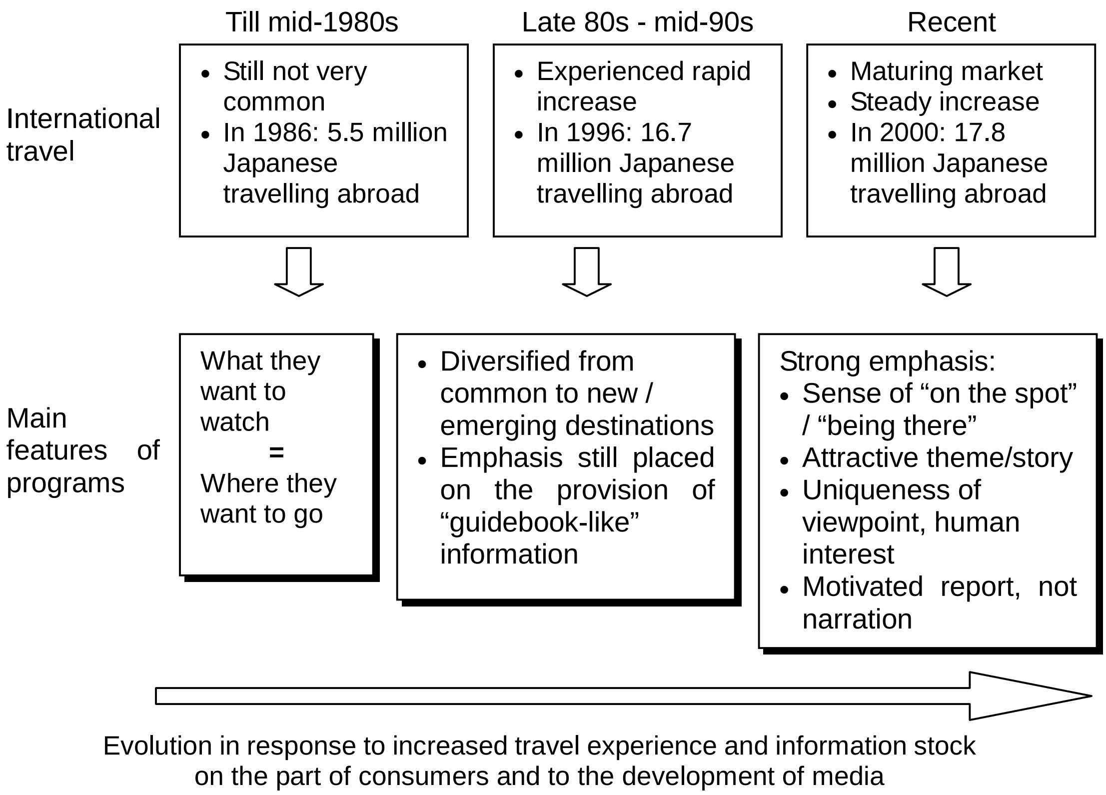
Clearly, people today demand the following:

- Stories and themes that are attractive, fascinating, and unique as well as those with human touches
- Virtual experiences with in-depth motivated reports on these stories and topics, which will enrich people's knowledge and stimulate their lives.

People are no longer interested in programs featuring just the discovery of beautiful scenery, a land of mystery, gorgeous resorts, world-class entertainment, and so on.

This trend has a very important implication when South Africa attempts to capture media attention in Japan.

Figure 12.1.13 Evolution of TV Programs on International Travel: Case of Japan



Source: Weekly Travel Journal, August 6, 2001; JICA Study Team

12.1.4 Tourist Draw Cards and Appeal to Market

(1) Major Draw Cards

Based on the product assessment made in Chapter 10 as well as the East Asian survey results in Chapter 8, major tourist draw cards for the East Asian market are listed in Table 12.1.5. These draw cards are attractions that are powerful enough to draw potential East Asian tourists to South Africa (not attractions or products simply "available" in South Africa).

Table 12.1.5 Major Tourist Draw Cards of Tours to South Africa for East Asian Market

Major Tourist Draw Cards			Appeal to each market
Area	**Absolutely Powerful**	**Powerful**	
Cape Town / Wine Route	Cape Point Table Mt.	Wine Route V/A Waterfront Boulders Penguin Colony	All five countries
Sun City / Pilanesberg	Sun City	Pilanesberg National Park	All countries, except Japan
Namaqualand	Flowers (during the season)		Japan
Pretoria	Jacaranda (during the season)		Japan
Blue Train	For SIT and those interested		All countries, but limited segments
Kruger National Park		Private luxury game reserves/lodges	All countries (limited to high-priced tours)
Neighbouring countries	Victoria Falls (Zembabwe)	Chobe National Park (Botswana) Kalahari Desert (Namibia) Eco Diversity (Madagascar)	Japan, Korea (possibly other countries as well)

Source: JICA Study Team

Assessment:

- As shown in the results of the departing passenger survey (section 8.6), East Asian tourists are coming to South Africa for: (i) scenic beauty/natural wonder; (ii) wildlife; and (iii) attractions in neighbouring countries including Victoria Falls and Chobe National Park (for Japanese). This tendency accurately corresponds to these tourist draw cards.
- South Africa does have truly powerful tourist draw cards, i.e., “world-class monumental sights and discovery,” having great appeal to East Asian tourists, but the number of these attractions is limited.
- It is reasonably considered that the limited number of powerful draw cards is reflected in the overall rating of tourism in South Africa that is not conspicuously high (source: the departing passenger survey).
- A considerable proportion of tourists even rate these major draw cards as “Fair” (rather than “Good”), although the proportion varies across countries (source: the departing passenger survey).
- One reason for this is a lack of presentation and interpretation of these major sites and attractions, which is reflected in high proportion of tourists who demand more information of tourist sites (source: the departing passenger survey).
- In addition, tourists’ rating of tourist services is not quite satisfactory (e.g., hotels, souvenirs, restaurants, money exchange, etc.), which represses the rating of the tour and major draw card destinations (source: the departing passenger survey).

(2) Weakness of SA's Major Products

One weakness of South Africa's major tourist sites/products from the East Asian market perspective (or more broadly from the perspective of the international tourist market) is a lack of visitor facilitation and site presentation of international standard.

East Asian Tourists to South Africa are generally:

- Well-experienced in many overseas trips (frequently more than 10 times as confirmed in the airport departing passenger survey),
- Accustomed to today's world-class site presentation and facilitation both at home and abroad through their extensive past travel experiences in Asia, Oceania, Europe, Americas, and accordingly
- Tend to take it for granted and expect that SA tourist sites and products are provided with those modern first class paraphernalia comparable to South Africa's first world infrastructure and facilities.

Those who have visited South Africa are generally disappointed by poor site facilitation and information provision. This point is underlined by the rather high percentage (64 to 79%) of holiday tourist respondents in the departing passenger survey who felt the need for more information at tourist sites.

Weaknesses mainly lie in:

- Visitor facilitation is often dated or not up to today's world-class standard, typically in the lack of a visitor centre of modern standards provided with :
  - visitor information service,
  - free handout maps and leaflets giving generic introduction/information on the site,
  - interpretation displays and panels of mini-museum level,
  - a small hall or auditorium for an orientation lecture or a short audio-visual program,
  - a booklet for sale with more detailed information, interpretation, research, etc.,

  Weakness is conspicuous at Table Mountain and Cape Point, all the more so because these two are the must-see draw cards for Cape Town visit,
- Site presentation is scarcely available and if any, often dated or not up to today's world-class standard to help better appreciate the value of a site and make the site visit a satisfying experience, typically lacking are:
  - general site layout map,
  - three dimensional scale model (sometimes aided with light buttons to indicate visitor's location),
  - a series of well-researched interpretation sign boards along the trails and walks complemented with graphical drawings and maps.

  Weakness is rather conspicuous again at Table Mountain and Cape Point.
- Products have been developed over the years mainly for national/domestic market characterized by longer, more leisurely holiday patterns with ample time/days to spare at each sites and attractions. These same products are still offered with little effort or consideration given to customizing and packaging them to meet East Asian travel patterns, needs and expectations. Typically, such requirements are a much shorter, rushed tour itinerary, and the need for a quick and compact site visit within a limited timeframe. Typical examples of such deficiencies, in addition to those at Table Mountain and Cape Point, are found at sites including:
  - Wine Museum in Stellenbosch (not satisfying the need of international tourists who expect to gain a quick and one-stop overview of generic wine making history in the whole region);

- Cango Caves (guided tours too long – minimum of 45 minutes and tour departures too few); and
- Outeniqua Choo-Tjoe Train (too time-consuming – 2.5 hours for full ride and 70 minutes for a section ride, too few departures – only one each either from Knysna and George, and not operating on Sundays and Public Holidays).

Table 12.1.6 summarizes the situation of visitor facilitation at major tourist sites featured in East Asian tour packages.

Table 12.1.6 Visitor Facilitation at Major Tourist Sites Featured in East Asian Packages

	Information Centre	**Restaurant/ Souvenirs**	**Tourist Trail Guided Tour**	**Interpretative Signboard**	**Free Handout Map/Info Sheet**	**Visitor Centre of Modern Standard**	**Audio-Visual Program**
Table Mountain	No	Yes	Yes Viewpoint Decks Trails	No. Only one direction metal plate in centre of table flat. No direction map at viewpoint decks to help visitors to identify typical Landmarks observed below (Waterfront, Company Garden, Lion's Head, Signal Hills, Robben Island, etc.)	No *Cable car pamphlet only - totally inadequate & insufficient	No No information available on Table Top, as to its topography, how this singular land formation came about, what is the known record of the first viewer, who was the first known climber, how rack railway was built, how cable car was built etc.	No
Cape Point	Yes But only on lighthouse, and nothing on geography of Cape Point – meeting place of Atlantic/Indian Oceans or historical context (its role in the Age of Discovery), which are the motivation for overseas visitors.	Yes Left-hand corner/ lower level from parking/snack kiosk. Difficult to locate due to lack of proper signs to lead visitors.	Yes Trails Mini cable car to lighthouse	No (on the Cape Point proper from its historical viewpoint, the main motivation for international visitors, such as in the context of Age of Discovery, etc.)	Yes But found only after investigation. One sheet NP pamphlet deals only on flora & fauna, which is definitely not the motivation to visit the Cape Point for overseas visitors.	No (one that provides concise yet generic orientation on geography – meeting point of Atlantic/Indian Oceans, history, role of the Cape Point in the context of Ages of Discovery, etc.)	No
Boulder's Bay –	Yes	No	Yes	No	Yes	No	No

	Information Centre	**Restaurant/ Souvenirs**	**Tourist Trail Guided Tour**	**Interpretative Signboard**	**Free Handout Map/Info Sheet**	**Visitor Centre of Modern Standard**	**Audio-Visual Program**
Penguin Colony	in park ranger station, but little information available on Penguin Colony proper.		Trails (boardwalk) Viewpoint Deck	Except for a general site layout board	one sheet introduction. Need detailed Booklet for sale.		
Wine Route • Stellenbosch • Paarl	 Yes Yes	 Yes Yes	 -- --	 No No	 Yes Yes	No (one that provides concise yet generic history, back-ground of wine making in the region)	No
Kruger NP • Skukuza APT • Paul Kruger Gate • Lower Sabie Camp	 No No No	 Cafeteria No Yes	 -- -- Guided game viewing	 No No No at representative view sites, e.g. Hippos, birds, etc.	 No No No	 No No No	 No No
Pilanesburg NP • Bakubung Gate • Service Centre	 No No	 No Yes	 -- -- --	Yes (some) No No	 No Yes, but for sale only	 No No	 No
Cango Caves	Yes	Yes	Guided tours (45-min. & 90 min.), Min. 45-min. is too long for East Asians.	??	??	No	Yes But a little dated.

Source: JICA Study Team

(3) Room for Enhancing Appeal to Market

Synthesizing all the findings and analyses above, the most critical barriers and constraints hampering a significant increase in East Asian tourists are summarized as follows (see Figure 12.1.14):

(i) Disadvantage

- Limited powerful tourist draws, or “world-class monumental sights and discovery”

(ii) Market perception on the current image

- Weak image
- Negative image
- Lack of appealing umbrella image

(iii) SA Tourism / Embassies / SAA

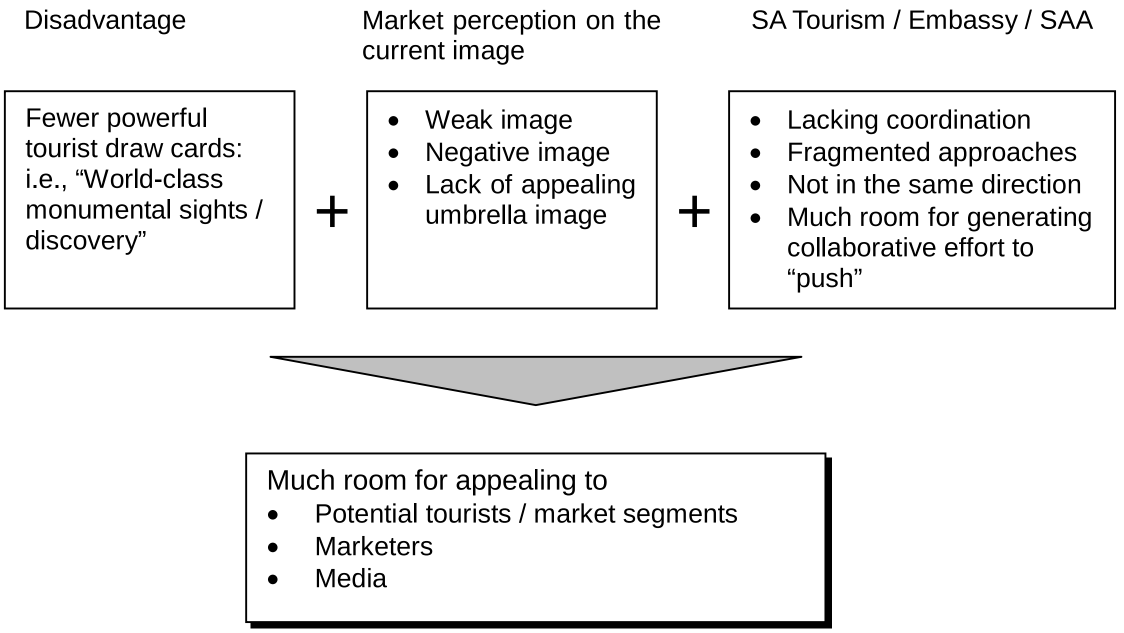
- Lack of coordination
  - Fragmented approaches (lack of collaboration)
  - Not in the same direction (lack of consistency/consolidation)
  - Much room for generating collaborative effort to push players having strong influence on the choice of potential tourists.

In view of the potential of South Africa in the East Asian market, there is significant room for generating much greater appeal to all the following three:

- Potential tourists / potential market segments
- Marketers
- Media

On the basis of all the findings and analyses above, the Study Team believes that the reward will be substantial if taking right measures in due consideration of the findings above, i.e., the measures that will meet the needs of East Asian market.

Figure 12.1.14 Most Critical Barriers and Constraints & Room for Enhancing Appeal to the Market



Source: JICA Study Team

12.2 Promotion Strategy

On the basis of all the findings and assessment, a promotion strategy judged to be effective is proposed. The points contained in the strategy should be largely valid for the five countries studied with particular emphasis placed on the Japanese market.[8] Specific action plans that can be immediately implemented are proposed for each country in the subsequent chapter.

12.2.1 Objectives

The objectives of the promotion action plan to be proposed are as follows:

(i) Attract a significantly greater number of East Asian tourists in the coming five years

(ii) Establish South Africa as one of the major long-haul destinations in East Asia

(iii) Increase foreign exchange earnings by opening up this potentially lucrative market for South Africa

(iv) Indirectly influence South African tourism-related industries through the increase in East Asian visitors, thereby improving their service delivery in a way to be responsive to Asian service standards.

[8] For the countries other than Japan, the Study Team relied mostly on the results of the operators/agents survey and the departing passenger survey as well as on the team's judgement, given the resources available. This study condition is different from that for the Japanese market for which the team has a significant in-depth understanding of market conditions. Indeed, the team found during the study that each of these countries has distinct characteristics (e.g., potential market segments, typical tour prices, some of the draw card attractions), although common elements do exist.

12.2.2 Approach to Promotion

In view of the market characteristics in East Asia, South Africa's current position in the market, and the analyses of major determinants for strategy formulation made in this section, there are several approaches one should bear in mind in promoting South African tourism in this market, including:

(1) Need for Commitment

- Be aware that promotion activity in East Asia is at the very initial stage, and thus initial investment is needed for this still half-closed market to South Africa. Namely, commitment for "opening up" the market needs to be made.
- Potentially substantial economic return on the investment will be gained, with supportive perception in the source market.
- Reward may not come instantly, but without commitment, little will change even in the long run. Many destinations, long-haul as well as smaller ones, are investing in this lucrative market knowing that long-term return would substantially exceed the cost.

(2) Precondition: raise market exposure and reduce negative image

- Always bear in mind that there are two preconditions for opening up the East Asian market, and do both:
  - Raise market exposure
  - Reduce negative image
- Make serious, tangible and visible efforts to reduce crime, mugging, etc., and announce the efforts and effects to the market, recognizing that this will lead to tangible and substantial economic benefits. There is no need to spend much time on discussing this issue. Economic return will be there. What is needed is action.

(3) Market exposure rather than general awareness

- Marketers point out that low "awareness" about South Africa is a major barrier. When talking about awareness, distinguish between market exposure and general awareness.
- Raising market exposure (among potential tourists) is the focus, not enhancing general awareness (among general public). The latter is far less cost effective than the former.
- Raising market exposure will lead directly to an increase in potential and actual tourists, possibly resulting in enhancing general awareness as a consequence, but not the other way round.

(4) Basic approach

- Take a focused approach, and do not attempt to do everything to every market segment at the same time.
- The current stage of destination development is still far from being one that needs diversification of market segments.

(5) Total trust and delegation of tactical deployment based on "market-first" mind

- Once promotion goals and objectives are agreed upon between the South African players' headquarters (SA Tourism, SAA) and their representative offices in the source market, delegate decision making on specific measures and tactics to representative offices that are far more familiar with the market conditions.

- Sense of total trust should be nurtured between them, based on the "market-first" mind.

12.2.3 Five-Point Strategy

A "five-point strategy" is proposed below as a set of recommended directives that are judged truly effective for achieving the objectives in the coming years. This five-point strategy was derived from careful analysis of all the findings and results obtained above.

(1) Focus on Specific Segment

Japan

- Focus on the older segments in the short term (at least up to three years). This market is the money tree. There is significant room for penetration into this market, and the reward for the right effort will be substantial. The fact that this segment is choosing to travel to South Africa today (though still small in volume) is a promising indication. Attract more of them.
- Do not assume that the amount these tourists are spending in South Africa is what they can afford. They are prepared to spend more for products (e.g., souvenirs) that meet their taste. For them, even $1,000 is a fraction of what they have pre-paid for their tour. Remember that they made a decision to come "all the way" thousands of miles down here, so they are willing to spend for something unique of authentic flavour, taste, quality, finesse and packaging that meet their taste. For them, price is a secondary issue. They can afford.
- There is no need to attempt to attract young segment in the short term. Doing so is not cost effective at least at the moment. Their purchasing power is also far lower than that of senior tourists. Likewise, FIT should be put out of scope for government-led promotion activity.
- Widen the target segments (toward younger ones or below 45 years old) after a significant increase materialises.

Other East Asian markets

- For other East Asian markets, focus also on the current major segments, keeping in mind that the current market segments are a good indicator for the easiness of market penetration, and that there is undoubtedly significant room for penetrating into these market segments. Capturing the market share in these segments would be far less costly than attempting to increase tourists by broadening the customer base, at least in the short term.
- Target segments include:

Korea:	Senior & middle age, youth/students
Taiwan:	Middle age & over, young/monied professionals (in 30s), youth/students
Hong Kong:	Middle age & over, young/monied professionals (in 20s, 30s)
Singapore:	Middle age & over, young/monied professionals (in 20s, 30s)

(2) Strengthen and fortify the existing powerful tourist draws from market perspectives

- Bear in mind that from East Asian perspectives, there are fewer powerful magnetic tourist draws in South Africa (i.e., world-class monumental sights, opportunities for world-class tourist experiences) than other world's major destinations. That is, "fundamental value" of South African tourism is not so high relative to its price and distance.

- While emphasizing the existing powerful tourist draws, strengthen and fortify them with "valued add-on products, not as you (South African Industry) see valuable, but as seen valuable by the market," thereby enhancing the total value perceived by the market.
- Short stay is a given factor for the East Asian market, with limited gateways and hubs appealing to them (Johannesburg/Pretoria and Cape Town). Therefore, "valued add-on products" should be identified within easy access from the two tourist hubs, not in areas or regions faraway from the hubs.

(3) Identify and add informational value

- Fully take advantage of informational value in strengthening and fortifying the existing powerful tourist draws.
- Capture media attention with the power of information, and deliver it through various/multiple media channels.
- Information, messages, and images to be delivered should be based on selling points that have absolute strengths and comparative advantage, again from the perspective of the source market. Always keep in mind "how the market see them," never falling into supplier logic.

(4) Do things that can push marketers to sell South Africa

- Bear in mind that marketers in Japan (and most probably those in other East Asian countries as well, as suggested by the survey result) are much more influential and dominant than in the West, having firm hold over multitude of potential tourists.
- Capture marketers' attention, particularly by taking entirely new approach of delivering information and messages about South Africa's selling points, not just relying on the existing powerful tourist draws, but featuring newly identified powerful (add-on) products that are truly appealing to potential tourists. Substantial change in the information contents to be delivered is the key to successfully capturing their attention.
- Actively collaborate with marketers in selling South Africa. Pick operators and agents actively selling South Africa as a strategic partner. Keeping fairness (dealing with just anybody or everybody) does not generate tangible results.

(5) Be consistent, and make consolidated, collaborative effort

- All the promotional activities as well as information, messages and images to be delivered should be made consistent and clear, never making them fragmented and inconsistent as they apparently are today. This way, appeal to potential tourists will substantially improve, and marketers will very likely follow.
- Always consolidate promotional efforts among major South African players, i.e., SA Tourism, embassies and SAA, thereby achieving economies of scale in promotion, and undertake collaborative, joint activities among South African players, marketers, and media.

Chapter 13
Promotion Action Plan

13.1 Japan

13.1.1 Immediate / Short Term Action Plans (1 – 3 years)

Objective:

- To reach a critical mass of 50,000 arrivals in 3 years from present (2004).

The level of 50,000 arrivals is an established / proven number of critical mass in the Japanese travel trade for a newly introduced destination to really start to grow. Comparable volume has been reached in Egypt in 1994 (58,700 arrivals) in the African continent and Turkey in 1994 (59,900) in the Mediterranean. In 2001, Egypt received some 100,000 arrivals despite the 1997 terrorist attack on Japanese tourist groups when the arrivals dropped to 20 thousand level. Turkey also records some 90,000 in 2001 despite the government travel advisory after Sept. 11, 2001 terrorist attack forcing total cancellation of Turkish package departures.

Thus, the immediate goal is market expansion in volume, viz.:

- arrival numbers,
- types of packages,
- extension of arrival months and seasons, which helps lessen SA tourism industry's seasonality by complementing European market low season, and
- extension of length of stay and places of visit.

Focus Market Segments:

- Seniors (SN: – 65/over, couple or single – widower, widow and unmarried);
- Empty Nesters (EN: - 55-65 years, with grown-up children living outside of their household);
- Middle Age/Over, but Married Women (MAO: 45-65 years).

These represent the most tangible and identifiable market segments. They are the most cost-effective segments to tap as well, since well-established and dominant market channels of package tour operators are already in place. Tour operators have proven record of prowess at destination marketing. SA's marketing budgets are constrained for East Asian coverage and large scale consumer publicity/advertising as is done in UK/Europe can not be undertaken.

Barriers to Tackle:

SA's destination awareness and recognition need to be drastically enhanced. Major mass/general market destinations in North America, Europe, Australasia and Asia are deploying a large-scale destination campaigns annually in two fronts: directly to consumer and focused toward travel trade. SA's current fragmented effort is engulfed by the massive campaigns of "big player" destinations for SA to leave a meaningful impact in the Japanese market.

Weak product appeal from the Japanese market perspective. The current market perception holds SA as having fewer world-class tourist draws than other competitive/ comparable destinations and its product presentation and packaging inferior to other destinations.[9] This weakness, to some extent a perceived one, needs to be overcome through imaginative product enrichment by mobilizing various value-adding materials identified from the market's perspective and packaging them with attractive information value such as segmented information, themes, topics and stories on discovery, experience and activity in lieu of commonplace sight-hopping circuit.

Immediate Actions to be Implemented

(1) Phased Market Development Plans

One-year, four-phase (quarterly) market development and promotion plan is proposed in order to enhance SA's exposure toward focused segments. Four phases consist of:

Phase 1: Consolidation of Trade Tie,
Phase 2: Focused Approach on Trade and Target Segments,
Phase 3: Focus Approach Expanded on Trade and Segment Market, and
Phase 4: Lead-on to Second Year Action Plan (Introductory to a new four-phase plan further consolidating the first year plan)

Details of the Plan with cost indications are found at the end of this section in Table 13.1.1.1. Marketing Deployment Plan, the first year in the amount of Japanese Yen 122,555,000. The proposed amount corresponds to SA Tourism proposed budget for Year 2002 for Japan (subject to its Board's approval).

To reach a critical mass of 50,000 visitor arrivals from Japan by the end of third year, SA Tourism budget for Year 2003 is assumed to increase by 50 % or 150% of Year 2002 budget (Japanese Yen 183,832.5), and for Year 2004 to add another 50% or 200 % of Year 2002 budget (Japanese Yen 245,110).[10]

Phase 1	Consolidation of Trade Tie

ACTION 1.1 Travel trade ads, sales seminars, and product planning trip for 5 chosen operators

Through this action, SA Tourism sends out a clear-cut message to the Japanese travel industry that SA Tourism is serious to open up Japanese market; SA Tourism will implement more focused approaches toward both trade and consumer, away from the past commonplace and lukewarm practice, and consolidated efforts will be implemented by three resident SA tourism players of SA Tourism, SAA and SA Embassy, away from the past fragmented and uncoordinated efforts by each player.

Tasks

1.1A Travel Trade Ads – SA Tourism travel trade ad (4 weeks out of 12 weeks) placed in the most influential trade weekly, sending out SA Tourism message of renewed approach toward Japanese marketing opening with much closer inter-action with tour operators and market needs,

[9] Detailed discussion and analysis are found in Sections 10.1 Tour Packages Offered in Print Media Ads in Japan and 12.1.4 Tourist Draw Cards and Appeal to Market.
[10] (Cost per one visitor arrival: 4,900 Yen)

1.1B Operator Seminar – SA Tourism organizes a cocktail seminar in Tokyo and Osaka, two most important market centres, inviting designated directors (less than 10 in each market centre) directly in charge of destination development/tour package programming of the influential tour operators (less than 10). Aim of the seminar is to emphasize SA Tourism Industry's seriousness in renewed market opening approach and supportive actions to be introduced,

1.1C Product Planning Trip for 5 chosen operators – SA Tourism will choose 5 most productive/influential/potential tour operators, and offers:

- New product development/planning trip to each operator with budget subsidy (air, ground cost in SA borne by SA industry – SAA, tour operators, hotels, etc.),
- Trip organized for each invitee of the operator(designated director responsible for destination development director/tour package programming) on customized itinerary, i.e., subject to available timeframe of the designated director, regions/ areas/sites/products to visit to be named/chosen by him/her for more creative product development from market perspective,
- Trip is the opposite of the usual operator familiarisation (fam) trip that is organized in one lot from several to a dozen operators travelling together following the same fam trip itinerary,
- Offer of Product Planning Trip, together with tour package brochure support later mentioned, will replace the current operator support scheme under Joint Marketing Agreement (JMA).

ACTION 1.2 Focus segment magazine ad – existing tour package tie-in

<u>Tasks</u>

1.2A Though constrained by limitation of budget allowance, SA exposure ad will be introduced in two media with strong influence over the target segments of seniors and MAO on the 3rd month of this phase:

- Two media chosen are monthly issued magazines of national coverage, e.g., "Bungei-Shunjyu" for seniors and "Katei Gahou" for MAO,
- Ad focus is SA attraction/appeal exposure with a greeting/welcome message ("go-aisatsu") of SA Tourism with photos of its CEO in SA and/or its Tokyo Manager, and
- Tie-in tour package (chosen from existing packages out of the five selected operators) to be featured using a section of ad space. Pro-rata cost sharing can be negotiated with tour operator so that SA Tourism ad cost is proportionately reduced.

ACTION 1.3 SA event and fair tie-in

SA Tourism will actively participate in/collaborate with SA event/fair to be held at any phase of the first year.

The past practice shows a business/trade mission visit in spring often led by Minister of Industry and Trade with business representatives from jewelry, wine, craft, etc., with SA Embassy in Tokyo hosting fair organization. Little effort made to utilize the occasion for the benefit of SA tourism promotion. Rather, one of tour operators keen on SA destination development utilizes the occasion in direct contact with Embassy to help promote their SA package exposure.

Tasks

1.3A Closer collaboration among resident 3 players of SA Tourism, SAA and Embassy,

1.3B Consolidation of publicity effort relating to tourism so that a consistent message will emanate from 3 players and SA's tourist image be enhanced. Current practice is rather the opposite, sending out a fragmented or unfocused message, besides the constrained resource available per each player, and

1.3C SA Tourism to act as catalyst to facilitate tour operator/organizer to utilize the occasion whenever available ultimately to help boost SA market development.

1.3D Improvement of SA Tourism brochures in Japanese language

- Current 9 titles (one-sheet, colour, two-fold format – 5 titles on city/area, 4 titles on theme) to update from generic description to more focused information on interests, purposes, experiences, activities, etc.,
- Discontinuation of the uniform SA All-Province Travel Guide, a thick and costly booklet, the literal Japanese language translation of the original English version published and distributed in all major source markets of the world, and

  Trial introduction of one-sheet, two-fold newsletter aimed for the travel trade, containing most up-to-date and practical information that help sell SA.

Phase 2	**Focus Trade Approach and Focus Segment Approach**

ACTION 2.1 Travel trade ads, in-house seminars and brochure support for 5 chosen operators

Tasks

2.1A Travel Trade Ads – SA Tourism travel trade ad (2 weeks out of 12 weeks) placed in the most influential trade weekly, as introduced in the previous phase. Its copy/message need to be adjusted to meet with the changes/trends of the market and trade,

2.1B Operator In-House Seminar – SA Tourism organizes a compact/short (1 hour) seminar at 10 sales outlets of most productive/potential tour operators in Tokyo during lunch break targeting frontline sales clerks in direct contact with potential customers. Seminar focus is on updating counter clerks' sales capacity for SA packages information and sales. Refer to Boxed Text on Australian Tourist Commission's example.

2.1C Brochure Production Support – Cost sharing by SA Tourism for 5 chosen tour operators who will introduce a new package program based on their findings after Product Planning Trip. Brochure contains a message/recommendation of SA Tourism with photo of its representative, common practice in Japanese tour brochure, endorsing reliability of the product and enhancing the image of SA as favourable destination.

ACTION 2.2 Expansion of focus segment magazines ads – tie-in with new tour packages

Tasks

2.2A SA exposure ad will be expanded once every month consecutively for 3 months of this phase on:

- Two magazines of monthly issue with national coverage, e.g., "Bungei-Shunjyu" for seniors and "Katei Gahou" for MAO,
- Ad focus is SA attraction/appeal exposure with a greeting/welcome message ("go-aisatsu") of SA Tourism with photos of its CEO in SA and/or its Tokyo Manager, and
- Tie-in tour package chosen out of those newly developed by Product Planning Trip offered to 5 operators. Pro-rata cost sharing to be negotiated with operators.

Phase 3 Expanded Focus Approach on Trade and Target Segments

ACTION 3.1 Travel trade ads, in-house seminars (expanded locations)

Tasks

3.1A Travel Trade Ads – as in previous phase, but its copy/message to modify to meet with the market/trade changes and needs,

3.1B Operator In-House Seminar – by the similar format as introduced in the previous phase. Seminar locations to be expanded to cover the second largest market of Osaka, with 5 operators each in Tokyo and Osaka,

ACTION 3.2 Participation in travel trade conference/trade fair

Tasks

3C Participation in the largest local trade conference (JATA – bi-annually) and/or trade fair (World Travel Fair – annually),

3D SA Tourism to actively facilitate two-way business dialogue between SA participants (sellers) and Japanese operators (buyers),

3E Consolidated/collaborative efforts among 3 resident players of SA Tourism, SAA and Embassy toward these events.

ACTION 3.3 Introduction of national newspaper ads on top of segment magazine ads

Tasks

3.3A National newspaper ads to be introduced in two dominant markets of Tokyo and Osaka,

- Two influential newspapers of wide circulation to be chosen, e.g., "Asahi" and "Yomiuri,"
- Ad context/copy focused on SA destination image enhancement, with a message/welcome greeting ("go-aisatsu") of SA Tourism with photos of its CEO in SA and/or its Tokyo Manager, and
- Tie-in tour packages chosen out of those newly developed by Product Planning Trip to be featured in section of the ad. Pro-rata cost sharing to be negotiated with operators.

ACTION 3.4 SA Embassy reception (tied in with national newspaper ads placed by sponsor tour operators)

Tasks

3.4A SA Embassy reception (small cocktail reception held on the Embassy premises organized by sponsoring tour operator) to help promote the launch of newly developed tour packages advertised in national papers (proven record of high return on successful tour bookings in many other destinations, Australia, Canada, New Zealand, etc.),

- Embassy to offer venue only at a reasonable cost borne by tour operators,
- Welcome address of Embassy's Tourism attaché, SA Tourism, or SAA followed by promotional video/talk on SA by celebrity/talent organized by tour operator,
- Annual and official trade/business mission visit can offer an ideal venue, if properly coordinated among 3 resident SA players and tied with these plans (mission visit normally includes some SA artists – Ms.Sylvia Mdunyelwa, icon SA jazz singer in April 2001)

ACTION 3.5 Segment magazines ads (expanded)

Tasks

3.5A On top of the two magazine media for the segmented markets in the previous phase, one more magazine to be added for ad placement, e.g., Diners Club magazine "Signature" (membership circulation) for moneyed professionals and executives,

- Ad to be tied with newly introduced tour packages.

ACTION 3.6 Focus segment magazine editorial tie-in – special tour package tie-in,

Tasks

3.6A Though allocated budget is limited, effort should be made to solicit editorial tie-in for SA tour feature column/pages in any one of potential magazines available : e.g., "Waraku", "Fujin Gahou" for MAO, "Sarai" for Senior/Men in Middle Age and Over (going rate amounts to minimum 2 times, on average 3 times of the allocated budget).

- All cost for SA visit by editor/photographer to be borne by SA players (SAA, SA Tourism, hotel, etc.),
- SA Tourism earnest solicitation and coordination is a must,
- Tie-in special tour package to be developed with cooperation of tour operator and to be part of the editorial feature.

Phase 4 Lead-On to Second Year Plan

ACTION 4.1 Travel trade ads

Tasks

4.1A Travel trade ads – as previous phase, but its copy/message to modify to meet with the market/trade changes and needs,

ACTION 4.2 Travel trade weekly Special Edition / "Throw-In" – SA Sales Manual / Tour Planner

Tasks

4.2A Special edition / "throw-in" for the travel trade weekly– specially edited in "throw-in" format (15-20 pages). Content should be of SA Sales Manual/Tour Planner form (most other destinations have one) to facilitate tour planner/sales staff of operators in selling SA destination and products,

4.2B By advance arrangement with the weekly,SA Tourism can purchase a quantity of "throw-in edition" copies at an additional cost for use (trade sales aid). Many destinations utilize this facility (e.g. Germany, Australia, Turkey, etc.)

ACTION 4.3 National newspaper ads

Tasks

4.3A To continue in the same scale as in the previous phase, possibly with change/adjustment in its copy, highlight and feature tour package,

ACTION 4.4 Target segment magazine ads

Tasks

4.4A To continue in the same scale as in the previous phase, possibly with change/adjustment in its copy, highlight and feature tour package.

ACTION 4.5 SA Embassy receptions

Tasks

4.5A To be made available whenever requests come in from tour operators.

Expanded Phase Measures

Increased budget for the second and third years can be best spent by combining the following measures:

(a) Expanded placement of travel trade ads, e.g., "news from SA Tourism" page every other week, and similar content followed up by SA Tourism "newsletter" direct mail to key tour operators/organizers (destination manager, product development manager),
(b) Expanded edition/updating of themed SA tour brochures in Japanese language, incorporating new attractions, products, new routes. Introduction of two split edition of information materials for trade and consumer inquiry,
(c) Expansion of in-house sales seminars to cover the 3rd and 4th largest market centres of Nagoya and Fukuoka, besides Tokyo and Osaka previously covered,
(d) Introduction of focused and sophisticated format of joint sales mission to Japan. Refer to Box Text: Scandinavian Joint Workshop example,
(e) Expansion of focus segment magazines ads and editorial tie-in – expansion to include such as:

- "Esse" for SW-2 (single women between 30/44) segment,

- "Be-pal" for male, youth, nature, activity and soft-adventure-oriented – Student, SM (single men between 18/44) and MM (married men between 18/44),
- "Misesu (Mrs)" for MAO
- "Cred" for SW-2

Note: Ad placement always to be tied with special packages jointly developed with tour operators,

(f) Expanded national newspaper ads –

- To highlight new attraction, new appeal, new topic for value-add such as:

  - Penguin Encounter at Boulder's Bay, Cape Peninsula,
    Inherent popularity of penguins in Japan across all age group. SA has huge advantage of penguin encounter for 24 hours on 365 days of the year over Australian penguin product (popular feature in Australian tour package), where the encounter is only limited in late night time of two/three chilliest winter months,

  - Kirstennbosch Garden,
    Huge boom for English gardening particularly among MAO (Middle Age/Over, and Married Women, one of the two most lucrative target segments for SA in short term),

  - Spier Vintage Train,
    If operated more regularly with more frequent departures, an ideal add-on to match the tight packed Japanese/East Asian itinerary and at the same time to greatly enchance the value of overall Cape Town visit and particularly the Wine Route visit.

- Always tied in with special tour packages developed in cooperation with tour operators,

- Segment newspapers to be included:

  - Nikkei for business people and executives,
  - Community papers in major urban centres (greater Tokyo and Osaka) – advantage of inexpensive ad cost,
    Always tied in with special tour packages developed in cooperation with tour operators,

(g) Magazine editorial tie-in, ideally coupled with celebrity character/talent (s),

Many magazines have regular features for overseas travel/tour, often in the format of celebrity character(s) telling of his/her/their exciting discovery, experience, encounter, adventure in the host destination. The feature is normally fully or partly sponsored by destination tourism authority (with pro-rata participation of tourism industry such as airline, hotel, tour operator, craft/souvenir, etc.).

Example of Australian Tourism Commission:

- Two celebrities, Mss. Sakai and Manda – very popular actresses cum personalities among SW2 and MAO segments, retained by annual contract,
- Appearance and participation of two celebrities in TV programs tie-in,
- Participation in TV travel programs tie-in, where two celebrities travel in Australia with focus attractions, tourist sights, products or tourist regions that ATC desires to sell,

- Celebrities' featured ATC destination ads, tied with feature tour packages specially organized by tour operators (pro-rata cost sharing by operators),
- Magazine travel features tie-in by editorial as well as part / full sponsorship, closely coordinated with feature tour packages developed by tour operators,
- Appearance of contracted celebrities at Australia-hosted events and fairs (not necessarily ATC hosted, but all across Australian industries and services wherever are the opportunities – wine, wool/clothing, art festival, music/dance, etc.)

(h) Effort to tie in with popular TV travel programs and shows

Many popular travel programs/shows are on air weekly on Japanese TV, which have immense impact on destination exposure toward millions of viewers. No serious effort seems to have been made from SA side (SAA, SA Tourism, Embassy) to hook these showings to enhance SA destination exposure or to tie with tour operators for SA tour packaging.

Some of the programs aired in the past with SA and African highlights are:

Program	Date	Subject
NTV's Travel Expert	Morning Live, Mar. 2000	Blue Train
NTV's Travel Expert, Morning Live	Jun. 2000	Victoria Falls
TBS's World Heritages	Mar. 2000	St. Lucia Wetland
TBS's World Heritages	Apr. 2000	Robben Island
TBS's World Heritages	Dec. 2000	Sterkfontein Caves
TBS's Discover the Wonders of the World (celebrity quiz show, with one tour operator's package to featured destination offered as a grand prize)	Sep. 1994 Dec. 1996	Diamonds of SA, Dr. Livingston and his African exploration
TV Asahi's Planet Earth	May 2000	Zimbabwe fishery
TV Asahi's Planet Earth	July 2000	Tanzania animals
TV Asahi's From Train Windows (introducing attractive rail trips/scenic beauty from train windows, days of the week)	5-minute mini-series on air over some 15 years	Blue Train, Victoria Falls (railway bridge crossing)

Note: Always bearing in mind that "Focus" should be on:[11]

- Market exposure, not general awareness,
- Target on specific segments for now,
- Do things that will push marketers (operators) to sell SA,
- Be consistent and patient. A long term commitment only reward you with a substantive result. Do not expect a quick return in one year.

[11] As discussed in Sections 12.2 Promotion Approach and 12.3 Five-Point Strategy.

Table 13.1.1 Japanese Market Development – Marketing Deployment Plan for the First Year

(Unit : Japanese Yen 1,000)

Audience / Phase	Travel Trade Advert	Travel Trade Marketing	Consumer Media	Consumer Target	Consumer Area	Consumer Tie-In Coverage (editor/photo-grapher)	Con-sumer Monitor -ing	SATourism Tokyo JMA Promo Materials	Sub Total
Phase 1 Consolidation of Trade Tie (1, 2 & 3 months)	Trade Weekly x 4 Adverts 2,205 Block copy 200	Operator Seminar (Tokyo x 1, Osaka x 1) 800 Product Planning Trip to SA (5 operators x @800) 4,000	Monthly Magazine x 1 Adverts (3rd month only, tie-in tour feature)	Seniors Middle Age/Over Women	National 3,640 (Bun-Shun 1,640) (Katei Gaho 2,000)		250	JMA – modified to Product Planning Trip & Brochure Support (@2,800 x 5 = 14,000) Promo / brochure production 6,000	
Sub total	2,450	4,800			3,640		250	6,000	17,140
Phase 2 Focus Approach on Trade & Target Segments (4, 5 & 6 months)	Trade Weekly x 2 Adverts 1,470 Block copy 100	Operator In-house Seminar (Tokyo, 10 operators) 200 Brochure Support (5 operators x @2,000) 10,000	Monthly Magazine x 3 Adverts (once each month, tie-in tour features)	Seniors Middle Age/Over Women (MAO)	National 10,920 (Bun-Sun 4,920) (Katei Gaho 6,000)		250		
Sub total	1,570	10,200			10,920		250		22,940
Phase 3 Expand Focus Approach on Trade & Target Segments (7, 8 & 9 months)	Trade Weekly x 2 Adverts 1,470 Block copy 100	Operator In-house Seminar (Tokyo/ Osaka, 10 operators) 200 JATA or Trade Fair 5,000	Newspapers x 1 Ads (tie-in tour) Magazines x 3 (tie-in features) Magazine x 2 (tie-in features)	All segments Seniors MAO Monied Profesional, Executives	Tokyo/Osaka 16,000 National – ditto 10,920 National (Diners – Signature 3,060	Magazine Tie-in Editorial/feature tour package (editor/photo-gra pher)	500		
Sub total	1,570	5,200			29,980	7,175	500		44,425
Phase 4 Lead-On to Second Year Plan (10, 11 & 12 months)	Trade Weekly x 2 Adverts 1,470 Block copy 100	Trade Weekly Throw-In Special Edition (SA sales manual/tour planner) 6,000	Newspapers x 1 Ads (tie-in tour) Magazines x 3 (tie-in features) Magazine x 2 (tie-in features)	All segments Seniors MAO Monied Profesional, Executives	Tokyo/Osaka 16,000 National – ditto 10,920 National – ditto 3,060				
Sub total	1,570	6,000			29,980		500		38,050
Total	7,160	26,20			74,520	7,175	1,500	6,000	122,555

Source: JICA Study Team

(2) Destination Product Sales Mission

In trying to carve up a larger slice of the lucrative Japanese market, i.e. 1,800 million departures in 2001 out of which SA received only about 24,000 arrivals, some 170 tourist destination countries of the world are competing fiercely each other, mobilizing every conceivable promotional means and exploring every available marketing channels. Compared to the activities and efforts of other tourist destinations, SA's present promotional approach has to be assessed as lukewarm at best, constrained primarily by resources (budget, materials, know-hows).

One-shot participation in travel fairs makes little or no impact on the market, engulfed by the more aggressive and sophisticated approaches adopted by competitive "big player" destinations. There seems to be no repetitive sales calls to follow up the trade fair participation.

Trade fair participation is only effective when SA team consists of not only SA Tourism representatives but more importantly of key players of tourist industry such as airlines, hotels, ground service and product operators, convention bureau, etc. SA Tourism's role is to provide a venue for business opportunities to these key players, who actually cut business deals with potential tour operators in the market. This is the reason why repetitive follow-up calls are indispensable to ultimately harvest bounties of crop (arrivals).

One model example of **sophisticated and productive sales mission format** is introduced here, the case of Scandinavian Tourist Board (Denmark, Norway, Sweden and Finland) for Japanese market. SA Tourism is suggested to emulate similar format every year.

Box – Examples of Sophisticated Models of "Destination Product Sales Missions" and "Agency (counter sales clerk) Seminars"

(A) <u>Scandanavian Tourist Board</u>

- Scandinavian Tourist Board consists of Denmark, Norway, Sweden and Finland, four smaller destinations in Europe compared to the big players like UK, France or Germany, Italy, Switzerland. In order to compete with the big ones and yet to highlight their market exposure, these four small destination join forces (resources, fund, know-hows) and have been successfully promoting their products over the past many years. They have one joint promotion office in Tokyo, with branch representatives in four other key urban centres in Japan.
- Besides day-to-day promotional activities deployed throughout the year, they have been successfully organizing "Scandinavian Joint Workshop"(a mini travel mart focused on showcasing new Scandinavian products) in September every year for many years now, in three major urban centres in Japan (Tokyo, Osaka and Nagoya) inviting influential Japanese tour operators (buyers).
- "Joint Workshop Autumn 2000" was attended by 42 Scandinavian service providers (sellers), consisting of:
  - 4 national tourist boards of Denmark, Norway, Sweden and Finland,
  - 2 national airlines of SAS and Finnair,
  - 4 capital city tourist offices of Copenhagen, Oslo, Stockholm and Helsinki,
  - 10 municipal tourist offices and convention bureaus,
  - 9 hotels/hotel chains inclusive of SAS Radisson chain,
  - 8 tour and ground service operators inclusive of fjord/arctic cruises,
  - 3 craft/artisanal/souvenir makers inclusive of Royal Copenhagen,
  - 1 museum, and
  - 1 airport of Copenhagen.

Apart from the four national tourist boards and two national airlines, all others are of private or semi-private/public sectors (municipal tourist office or convention bureau).

A workshop in one city opens 1000 to 1800 hours in a compact conference/ seminar room of a respectable hotel. 47 small desks were set up to accommodate above 42 service providers (some occupying two desks).

Box – Examples of Sophisticated Models of "Destination Product Sales Missions" and "Agency (counter sales clerk) Seminars"

Business talks between potential buyers and sellers (pow-wow style) are arranged by advance appointment through floor coordinator, allocating an average of 15 minutes to each buyer in order to ensure a minimum time slot for holding a down-to-earth, effective business dialogue.

All information, brochures and materials prepared/provided are most up to date and of concrete substance on fixed themes and topics, such as Product Manual, Travel Agent Manual, New Attractions and Tour Circuits, Event Calendar with contacts/ organizers, Technical Visit Proposal (theme for MICE), etc., sometimes prepared in Japanese language.

Workshop format is strictly focused on business. No commonplace presentation paraphernalia are included such as country-by-country tourist video showing, speeches of representative dignitaries or cocktail reception, except coffee/biscuits for business breaks.

Major destinations in Europe are successfully holding similar focused workshops annually at fixed time of the year (e.g., UK, France, Germany and Switzerland) for many years.

(B) Agency (counter sales clerk) Seminars – Example of Australian Tourist Commission (ATC)

Agency In-House Seminar – Seminar (small scale) held during lunch break (lunch) at productive Sales Outlet(s) of Major Travel Agencies (wholesalers/retailers) by ATC Marketing Officer.

- Targeted to Sales Clerks specialized for Australian package sales/Australian or Oceania Desk,
- Introduce/showcase information on new/up-to-date products, attractions and resources together with substantive collaterals (catalogs, brochures, leaflets, photos, etc.)
- Small give away related to new products, attractions, etc.,
- Lucky draw for participating clerks for ATC-sponsored Weekend (overnight) Workshop held at scenic mountain resort 2-hour drive out of Tokyo,
- Light snack lunch borne by ATC,

(C) Sponsored Weekend Workshop

Focused Workshop on weekend held at scenic mountain resort 2-hour drive out of Tokyo, offering a brainstorming and interactive opportunity between a dozen of participating sales clerks of major productive travel agencies and ATC marketing officer/staff, in order to develop best/most attractive sales packages/ modules/options out of the raw materials supplied by ATC (new products, attractions and resources).

- Targeted to Sales Clerks specialized for Australian package sales/Australian or Oceania Desk,
- Presentation showcasing new/up-to-date products, attractions and resources together with substantive collaterals (catalogs, brochures, leaflets, photos, etc.)
- Small giveaways relative to new products, attractions, etc.,
- Transfers, hotel/meals (twin-share), some evening entertainment borne by ATC,

(3) Tied-in and Staggered Package Tour Development

Parallel to the introduction of various media promotion plans/programs, a wide range of package tour programs need to be developed in close co-ordination with media organizers, tour operators in a staggered manner so that promotional impact/stimulus will be hooked into and materialize in successful tour bookings. Tri-partite SA players of SA Tourism, SAA and SA Embassy are expected to consolidate their effort wherever each player's supportive contribution is required/expected.

Recommended layouts of package tour development according to each phase will be:

Phase 2 – Focus Trade Approach and Focus Segment Approach

ACTION 2.3 Tie-in new tour packages with ads

Tasks

2.3A New tour packages developed by 5 chosen operators through Product Planning trip must highlight all ad tie-in for national magazines for the target segments

ACTION 2.4 Tie-in SA event/fair with tour operators

Tasks

2.4A If any SA event and fair are planned during this Phase, tie-in possibility needs to be explored by tripartite SA players with tour operators based on coordinated publicity and promotion plan to hook its impact to successful tour booking.

Phases 3 and 4 – Expanded Focus Approach and Lead-On to Second Year Plan

ACTION 3.7 Newspaper tie-in tour package, to be offered in two formats subject to SA tourism budget availability:

Tasks

3.7A SA Tourism sponsored page for general destination exposure/recognition enhancement message and new/attractive product introduction (various format from 1 full page to 1/2, 1/3, 1/4 page, etc.) with a portion of the page for a specific tour package developed by specific tour operator (pro-rata newspaper advert cost borne by tour operator), and

3.7B Tour operators' own advert for a specific SA tour package, with an endorsement message from SA Tourism or jointly with SAA/SA Embassy (advert cost fully borne by tour operators – possible marketing help from either SA Tourism or SAA for a specific SA tour brochure production – shell folder,etc.),

ACTION 3.8 Travel trade PR/AD coordination

Tasks

3.8A Travel trade PR/AD needs to be time-co-ordinated with the above promotion/ package deployment as well in order to maximize the impact of promotion efforts by all concerned players.

ACTION 3.9 TV/Magazine tie-in tour package, to be offered in two tiers

Tasks

3.9A Lucky draws of a free invitational tour to SA offered as an recognition enhancement sizzler for those who answer a pre-formatted, easy-to-fill-in questionnaire to help collect data for SA tourism market development, and

3.9B For those missed by lucky draws, but interested in participating SA invitational tour on subsidized/reduced tour fare (20 to 40% reduction - subsidy can be funded from tri-partite SA players as well as tourism industry in SA (hotels/tour operators/craft-souvenir-shopping facilities), so that an invitational tour will be composed of minimum

25/maximum 45 participants in order to minimize tour operation costs that inevitably incur for the winners of lucky draw.

(3) Product Development and Enrichment

Focused effort is needed for SA to counter its prevailing destination perception in the East Asian source market of only a few tourist draw cards with rather inferior presentation, interpretation and packaging.[12]

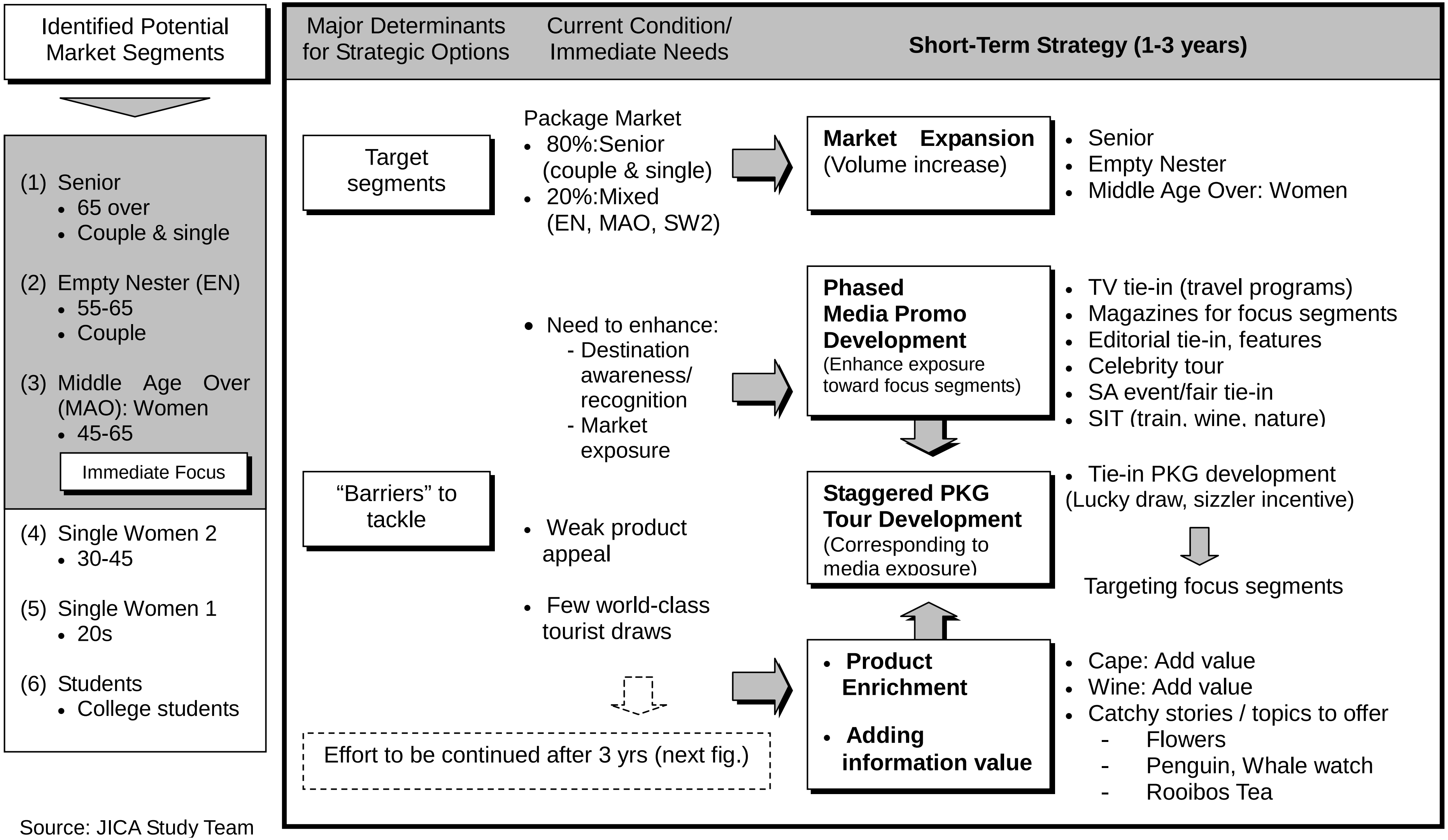
ACTION: SA needs to enhance its destination "value" in the Market, addressing and reversing these perceptions by:

<u>Tasks</u>

- Enriching the few existing products by improved facilitation, presentation, customization and packaging (e.g., Table Mountain, Cape of Good Hope, Wine Route),
- Identifying potential resources and products that can be developed matching the Market wants and niche interests (Boulder's Bay Penguin Colony, Kirstenbosch Garden, Spier Vintage Train, Rooibos Tea, Hermanus whale watch, etc.),
- Customizing them into "attractive add-on sub-products" to complement the icon draw cards of Table Mountain, Cape of Good Hope, Cape Town and Wine Route, and
- Disseminating captivating information on the products (newly identified ones as well as renewals out of the existing stock) hooked to Media Promotion and Packaged Tour Development. Value-adding Information (theme, topic, story) needs to be devised from the Market's perspective (is there an interest already in the Market?, how can it be hooked to other known SA product, such as Rooibos Tea?, is it suitably presented/packaged to meet the Market – timeframe, frequency, operation?, how competitive products in other destinations are doing?, etc.) and not from the perspective of SA tourism industry.

[12] Weakness of SA's major products popular in East Asian packages is discussed in detail in Section 12.1.4. (2) Weakness of SA's Major Products.

Figure 13.1.1 Promotion Strategy for Japan – Short Term (1-3 Years)



Source: JICA Study Team

13.1.2 Medium / Long Term Action Plans (5 years /over)

Objective:

- Market Expansion by Tapping New Markets.

Focus Market Segments

- Single Women 2 (SW2: working women of 30-45 years, sometimes living in the same household with their parents – 30-35 years),
- Single Women 1 (SW1: 20-29 years, often called "OL" or Office Lady, working women living in the same household with their parent, still the dominant market force, particularly for short/medium haul destinations in Asia, Hawaii, Oceania),
- Students (20/below, collegiate) and Single Men (SM: 20-29 years).

Barriers to Tackle

Effort to enhance SA's destination awareness and recognition needs to be continued consistently as in the Immediate/Short Term, although some scaling down can be envisaged subject to consideration on most cost effective budget allocation.

Since the focus will shift from the existing dominant market to new segments to be tapped, absence of suitable and attractive products to match up with the identified segments will emerge as a new barrier to be overcome in this stage.

Effort to strengthen weak product appeal needs to be continued consistently as well in this stage as in the Immediate/Short Term. In its execution, however, some shift of focuses needs to be introduced again to meet up with the desires/wants of new segments to be targeted, such as expansion of flower theme, African music/dance, niche nature theme, soft/hard adventure. "Market perspective" should be the keyword in devising value-adding information (theme, topic, story) similarly as in the Immediate/Short Term stage.

Actions to be Implemented

(1) Phased Media Promotion Development

More or less similar action plan components need to be implemented through phased programs. Necessary adjustments (media to be chosen, timing for exposure, tie-in sponsors, etc.) will be made to meet with the needs/wants of the new segments, such as more focus on SIT (special/niche interests: wine, train, music, dance, nature, adventure, etc.).

(2) Tied-in / New Package Tour Development

New market segments are more price-conscious than the dominant segments in Short Term Stage. They generally feel less constrained in Western/foreign travel environment and prefer more freedom in tour package to fully scheduled, tight controlled packages popular in the currently dominant segments. Hence the need to introduce matching types of packages such as those already well tested and succeeded in the "big player" destinations of Europe, Oceania and North America.

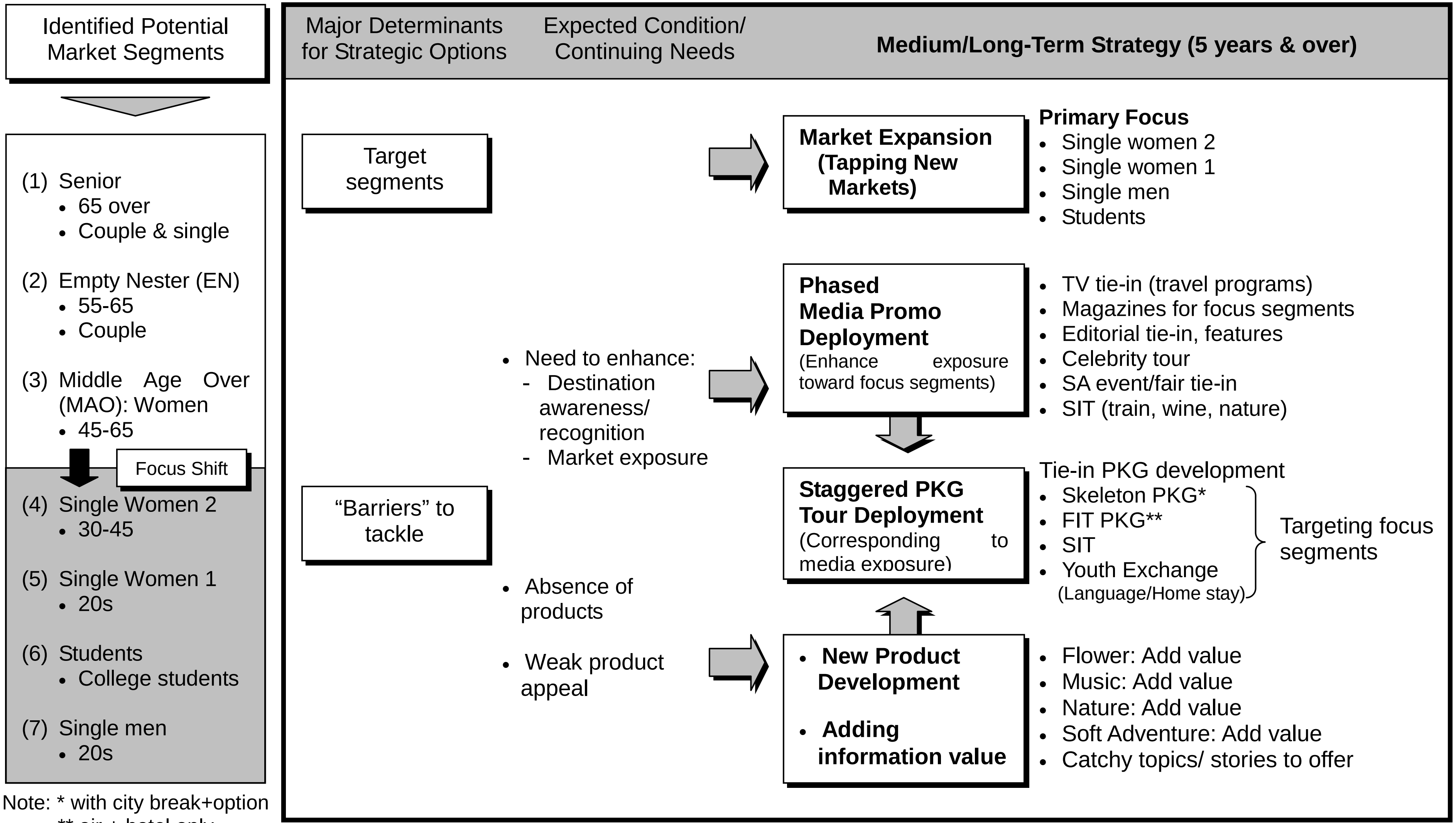
- FIT package (minimum departure from booking of 2 participants, including minimum basic tours in the destination),
- Skeleton package (minimum departure from booking of 1 or 2 participants, including return

air and first 2/3 nights in gateway city. Optional local tours available/to be booked after arrival into gateway),

- SIT package (a variety of special/niche interests packages including only segmented/ in-depth visits in the destination, often escorted by professional lecturer)
- Youth exchange package (including various exchange programs of university/ collegiate/Rotary/Lions, or NGOs, etc.)

Value-adding information will also shift from those meeting the current dominant markets to the ones that appeal to the new segments: more focused, segmented, in-depth themes, subjects, interests and topics. Value-add requirement, i.e., identification, crafting and device of most attractive/appealing information, can be best sourced by mobilization and networking of locally available experts, specialists or enthusiasts found in Japan.

Figure 13.1.2 Promotion Strategy for Japan – Medium / Long Term (5 Years & Over)



Note: * with city break+option
** air + hotel only
Source: JICA Study Team

13.2 Korea

Objective:

Market expansion in volume, viz.:

- arrival numbers,
- types of package modules,
- extension of arrival months/seasons (lessening of SA tourism industry's overall seasonality by complementing European market low season), and
- extension of length of stay and places of visit.

Focus Market Segments

- Senior (SN – 60/over years),
- Middle Age and Over (MA – 40-59 years),
- Young/Student (YS – 20-29 years and 19/below years) and
- Business of male gender.

These segments are the existing and most identifiable market with enough potential for growth subject to further effort to cultivate in depth. The market/distribution channels are already in place, with eagerness to develop a larger market for a relatively new destination of SA.

Barriers to Tackle

SA is a relatively new destination in the Korean outbound market. Hence, SA will have a good potential in Korean market development if this nascent market is properly approached in view of the past market trend of fast-paced expansion (63.5% in 2000 over the previous year).

Major barriers to overcome for market opening/development are:

- Destination awareness and recognition still weak and feeble,
- No direct air link and no presence of SA tourism hamper building up of SA's destination awareness and recognition,
- No facilitative help offered from SAA Hong Kong, the nearest flight connection hub to SA, besides the always tight capacity for Seoul/Hong Kong sector to connect with SAA flight ex Hong Kong,
- No SA Tourism presence and little information/ product update available. No promotional/product materials available in Korean language. Koreans are most language barrier conscious,
- Weaker wildlife/nature/safari draw than Kenya/Tanzania – more feel of the real Africa, while SA of more Western feel than African, and
- Servicing not up to Asian level of customization – Asian carriers' in-flight servicing is reputed to be the top level of the world (Japan Airlines, Singapore Airlines, Cathay Pacific, etc.). Compared to these servicing, SAA has much room to be desired on both international and domestic routes.

Immediate Measures/Actions to be Implemented

The Korean market for SA is at its opening stage. Several enterprising pioneer tour operators are trying hard to sell SA, sometimes with the help of similarly entrepreneurial SA ground operators through general sales agent partnership.

These risk takers, mostly specializing for SA or other African destination development, are in need of support from SA side (SA Tourism, SAA and Embassy) so that their initiatives will be rewarded with a good result, eventually enlarging the market for SA.

ACTION 1 Phased Measures to Overcome Barriers

Tasks

1A Facilitative sales approach from SAA Hong Kong in tour programming/booking allocation,
1B Examination of SAA alliance/code share agreement with Korean airlines (KAL/Asiana) for Seoul/Hong Kong sector,
1C Regular roving sales call ex SA Tourism Tokyo Office, Japan,
1D Awareness/recognition enhancement PR/AD jointly by SA Tourism, SAA and SA Embassy,
1E Active participation at local trade fair/show such as KOFTA with Korean language promotion collaterals,
1F Active information release to counter negative image of SA destination: notably security and crime (Koreans top the list in crime victimization in Airport Departing Passenger Survey),
1G Seminars for travel trade and fam (familiarisation) tours for media/travel trade – competing destinations of Kenya and Tanzania organize these regularly, and
1H Support for newspaper ads of tour operators. Newspaper ad is recognized as most effective tool/media to reach the market, as confirmed by Korean operators' interviews (not necessarily meaning monetary support – advert insertion of a message endorsement and/or recommendation from SA Tourism/ SAA/Embassy for SA tour programs, etc.).

ACTION 2 Package Module Development

Tasks

2A Introduction of tour modules (model tour plans, tour routes, options, etc.) matching the segments' needs and wants: Groups, FITs and SITs,
2B Creation of business visitor tour module with optional suggestions for weekend/off duty activities (golf, casino, icon site visit combination, etc.),
2C Creation of smaller size MICE modules for Korean business firms with SA business interests (Hyundai, Kia Motors, etc.) – small business seminars/incentives, ideally themed with motives like Sun City/casino/golf, Wineland like Spier venue/theme, and
2D Facilitation of SA contact and network expansion for new youth exchange programs.

ACTION 3 New Product Offer and Customization

Tasks

3A Dissemination of latest travel information and product update – quarterly newsletter form in Korean language,
3B Introduction of creative products meeting the market needs – in consideration of strong male contingent, business travel and youth program,

3C Introduction of Korean language collaterals – examples of SA Tourism Tokyo for Japanese market (focused city/area guides, themed guides),

3D Customization of service delivery – service delivery at hotels/restaurants, tour/coach companies and souvenir quality, variety and taste, profiting from the experiences of SA ground operators with GSA partnership with Korean tour operators,

3E Product development with more focus on experience and participation rather than just site visit/circuit (e.g., traditional craft work making, song and dance, etc.).

Figure 13.2.1 Promotion Strategy for KOREA – Short Term (1-3 Years)

Identified Potential Market Segments

(1) Senior, Middle Age
- 60/over
- 40-59

(2) Young/Student
- 20-29
- 19/below

(3) Business
- Middle Age Male

Immediate Focus

(4) Business + holiday options (golf/casino)
- Middle Age Male

(5) Student/Youth Program
- 20s

(6) MICE

Major Determinants for Strategic Options	Current Condition/ Immediate Needs	Short-Term Strategy (1-3 years)	
Target segments	Package Market • 60%: Senior & Middle Age, • 20%:Young & Student • 20%: Female	**Market Expansion** (Volume increase)	• Senior & Middle Age/Over • Young & Student • Business
		Phased Measures to Overcome Barriers	• Facilitative sales ex SAA HKG • SAA alliance with Asian carriers (KAL, Asiana) • Roving sales call ex TYO • Destination recognition enhance-ment • Vigorous counter-info re: crime/security
		Staggered PKG Module Deploy-ment (Corresponding to barrier-breaking	• GIT/FIT/SIT/Theme Modules • Business Visitor Option Modules • Youth Exchange Programs • MICE Modules Targeting focus segments
"Barriers" to tackle	• No direct airlink (SAA) • No facilitative help ex SAA HKG • Little destination awareness & recognition • No SA Tourism presence - No aggressive effort - No info/product update - No Korean language material • Negative image • Servicing not up to Asian customization (SAA, hotels) • Weaker safari draw than Kenya/Tanzania • High cost (air/land)	• **New Product Offer & Customization**	• Info/product update • Creative product introduction • Korean language collaterals • Servicing customization - Matching Asian tastes/wants - Finer/varied souvenir items

Source: JICA Study Team

13.3 Taiwan

Objective:

Market expansion in volume, viz.:

- arrival numbers,
- types of packages,
- extension of arrival months/seasons (lessening of SA tourism industry's overall seasonality by complementing European market low season), and
- extension of length of stay and places of visit.

Focus Market Segments

- Middle Age/Over,
- Young Professional,
- Young Mixed (youth/student), and
- Business/VFR.

Barriers to Tackle

Until SA political transformation in 1994, Taiwan had a direct air link and enjoyed much closer business tie with SA. These backgrounds have favourably influenced tour package planning and sales resulting in making Taiwan the most productive market in East Asia until 1997. SA political transformation therefore had most adversely affected Taiwan market as proved in the shrinking arrival figures since 1997. However, Taiwan's potential remains unchanged as a lucrative long-haul outbound source market in East Asia.

Since the political situation can not be changed, barriers to tackle become even more difficult to cope with:

- Discontinuation of direct air link, necessitating cumbersome/time-consuming flight connection in Hong Kong,
- Visa now required, though it is quite easy to obtain,
- No facilitative help offered from SAA Hong Kong in tour planning and seat allocation, besides the always tight capacity for Taiwan/Hong Kong sector to connect with SAA flight ex Hong Kong,
- No SA Tourism presence and little information/product update available. No assistance for tour planning/package advert, that is available in other destinations,
- SA tourist image limited only to safari,
- No variety in tour programs offered by SA ground operators for many years (one operator quotes the same itinerary offered for the last 10 years, no change whatsoever). Tour cost in SA rather high compared to other destinations,
- Stiff deposit policy of hotels (one month prior to arrival) deterrent to more SA package programming (current market trend is that bookings come in only 10/14 days before tour departures), and
- Servicing not up to Asian level of customization – Asian service delivery is reputed to be the top level of the world: (e.g., airlines: Japan Airlines, Singapore Airlines, Cathay Pacific, hotels: Oriental in Bangkok, Peninsular in Hong Kong, etc.). Taiwan tourists take these servicing level for granted wherever they go.

Immediate Measures to be Implemented

ACTION 1 Phased Measures to Overcome Barriers

Before the political transformation SA had a solid and, from market development viewpoint, “mature” market base in Taiwan because of the direct air link and closer business tie.

If SA desires to regain its destination position enjoyed before its political transformation in the Taiwanese market, serious and consistent effort is needed all the more now.

Tasks

- **1A** Continuation/expansion of the existing consortium tour packaging sponsored by SAA,
- **1B** Facilitative sales approach from SAA Hong Kong in tour programming/seat allocation,
- **1C** Examination of SAA alliance/code share agreement with Taiwanese airlines (China Air Line/Eva Air) for Taipei/Hong Kong sector,
- **1D** Regular roving sales call ex proposed SA Tourism Singapore Representative – similar Chinese ethnicity and Mandarin language,
- **1E** Consolidation of PR/AD efforts by SA Tourism, SAA and SA Embassy,
- **1F** Active participation at local trade fair/show such as ITF/OTF with Chinese language promotion collaterals,
- **1G** Increased opportunity for travel trade seminars and fam tours for media/travel trade, and
- **1H** Support for newspaper ads of tour operators. Tour operators’ interviews confirm that newspaper ads occupy the largest slice of Taiwanese operators’ media budget – ideally with cost sharing, but other symbolic support is also effective such as a message endorsement/recommendation from SA Tourism/ SAA/Embassy for SA tour programs, etc.

ACTION 2 Package Module Development

Tasks

- **2A** Introduction of new and attractive tour modules (model tour plans, tour routes, options, etc.) matching the segments’ needs and wants: Groups, FITs and SITs,
- **2B** Joint effort to develop new tour module and identify/create new products matching the market’s needs and wants through collaboration between Taiwanese operators (consortium players if suitable) and SA players (SA Tourism, SA ground operators),
- **2C** Creation of business visitor tour module with optional suggestions for weekend/off duty activities (golf, casino, icon site visit options, etc.),
- **2D** Creation of MICE modules for Taiwan business firms with SA business interests (Mercer computers, etc.) – business seminars/incentives, ideally themed with motives like Sun City/casino/golf, Wineland like Spier venue/theme, and
- **2E** Facilitation of SA contact and network expansion for new youth exchange program development.

ACTION 3 New Product Offer and Customization

Tasks

3A Dissemination of latest travel information and product update – quarterly newsletter form in Chinese language, common cost-effective tool that can be utilized in all three ethnically Chinese market of Taiwan, Hong Kong and Singapore,

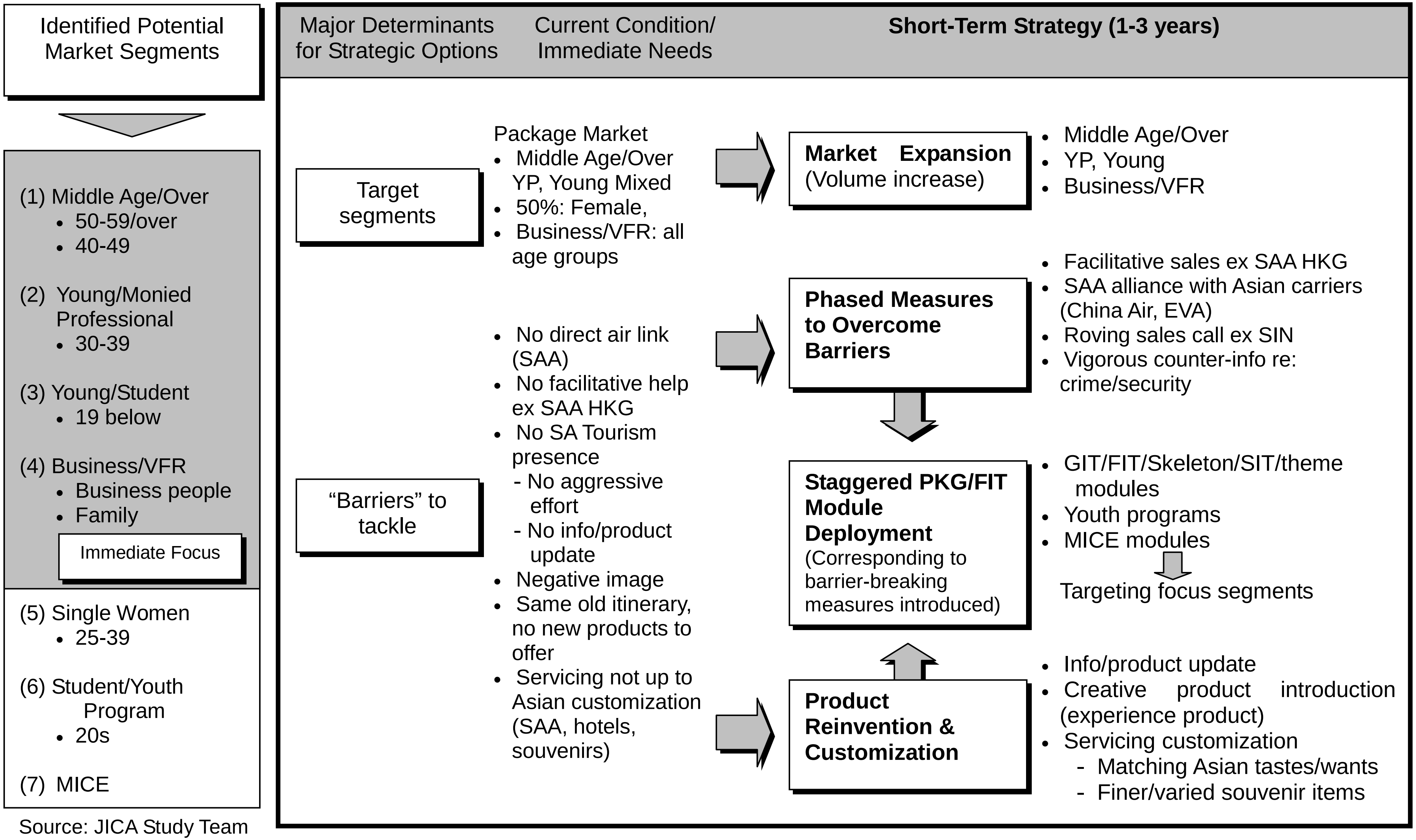
3B Introduction of Chinese language collaterals – examples of SA Tourism Tokyo for Japanese market (focused city/area guides, themed guides),

3C Product development with more cultural visit/experience focus to mitigate current rather monotonous dominance of wildlife and nature – more prominent interest in the market in culture focus resources/attractions,

3D Product development with more focus on experience and participation rather than just commonplace site visit/circuit – traditional craft work making, song and dance, festival, meet-the-people, etc., and

3E Customization of service delivery – service delivery at hotels/restaurants, tour/coach companies and souvenir quality, variety and taste, profiting from the experiences of Taiwanese tour operators participating in SAA package tour consortium.

Figure 13.3.1 Promotion Strategy for TAIWAN – Short Term (1-3 Years)



Source: JICA Study Team

13.4 Hong Kong

Objective:

Market expansion in volume, viz.:

- arrival numbers,
- types of packages,
- extension of arrival months/seasons (lessening of SA tourism industry's overall seasonality by complementing European market low season), and
- extension of length of stay and places of visit.

Focus Market Segments

- Middle Age/Over and Seniors (50/59 years and 60/over),
- Young and Monied Professional Mixed (20/29 and 30/39), and
- Business/VFR.

Barriers to Tackle

Hong Kong market has an advantage of direct air link with SA (SAA and Cathay Pacific). SA awareness and recognition as a destination is much higher along with Singapore than the other East Asian countries because of this direct link, close business tie and past British Commonwealth association.

Yet, there are not a few barriers to overcome in order to achieve further penetration into this dynamic market with high potential and productivity.

- Partiality of SAA for a few preferred tour operators (SAA consortium preference),
- SAA sales effort less aggressive than Cathay Pacific, Hong Kong based carrier with code share partnership with SAA, but with much closer business link and influence with Hong Kong operators,
- No SA Tourism presence and little information/product update available. At one time, SA Tourism rep in Tokyo made regular sales calls, but the practice discontinued since,
- Split opinion on SA Consulate (tourism attaché) between very helpful (probably because of SAA preferred tour operators and contacts) and not so helpful,
- Visitor security and safety is the prime concern, although pre- and on-trip caution is given to tourists repeatedly. More visible effort needed like presence of uniformed policemen in tourist-frequented areas,
- Tourist facilities getting dated year by year and little effort to upkeep : e.g., Sun City Palace Hotel, tour coaches,
- Shopping items not varied, little choice and not matching Asian taste and sophistication level,
- Discriminatory attitude at entry/exit procedures to Asian/Chinese (dependent on staff in charge) and in-flight servicing (though maybe more of perceived level), and
- Servicing not up to Asian level of customization – Asian service delivery is reputed to be the top level of the world: (e.g., for airlines: Cathay Pacific, Singapore Airlines, and for hotels: Peninsular in Hong Kong, Oriental in Bangkok, etc.). Hong Kong tourists take these servicing level for granted wherever they go, more so in SA where the first world

infrastructure/facilities are in place contrary to other neighbouring Southern African countries.

Immediate Measures to be Implemented

ACTION 1 Phased Measures to Overcome Barriers

Tasks

1A Continuation/expansion of the existing JMA under SA Tourism scheme,
1B More aggressive sales approach from SAA to the level matching Cathay Pacific's,
1C Regular roving sales call ex proposed SA Tourism Singapore Representative – similar Chinese ethnicity, Mandarin language and past British Commonwealth association,
1D Consolidation of PR/AD efforts by SA Tourism, SAA and SA Embassy,
1E Active information dissemination to counter security/safety concern for SA trips through Consulate/SAA,
1F Active participation in local trade fair/show such as ITE with Chinese language promotion collaterals,
1G Regular road shows in lieu of one shot, sporadic one, and follow-up sales calls,
1H Tie-in Travelogue programs aired in Hong Kong (so many) by SAA/SA Tourism/SA product operators,
1I Tie-in TV sponsorship for BBC/National Geographic wildlife/nature programs (frequently aired), where SA wildlife/nature is often featured, and
1F Introduction of consumer promotion activities, since Hong Kong abounds in suitable venues for various promotion events/festivals (food, wine, song/dance, culture, folk tradition, shopping, etc.) and participation very cost-effective,

ACTION 2 Package Module Development

Tasks

2A Introduction of tour modules (model plans, tour routes, options)matching the segments' needs and wants: Groups, FITs and SITs,
2B Joint effort to develop new tour module and identify/create new products matching the market's needs and wants through collaboration between Hong Kong operators on JMA scheme and SA players (SA Tourism, SA ground operators),
2C Creation of business visitor tour module with optional suggestions for weekend/off duty activities (golf, casino, icon site visit combination, etc.), and
2D Creation of MICE modules for Hong Kong business firms with SA business interests – business seminars/incentives, ideally themed with motives like Sun City/casino/golf, Wineland.

ACTION 3 New Product Offer and Customization

Tasks

3A Dissemination of latest travel information and product update – quarterly newsletter form in Chinese language, common tool for Taiwan, Singapore as well.

3B Introduction of Chinese language collaterals – examples of SA Tourism Tokyo for Japanese market (focused city/area guides, themed guides),

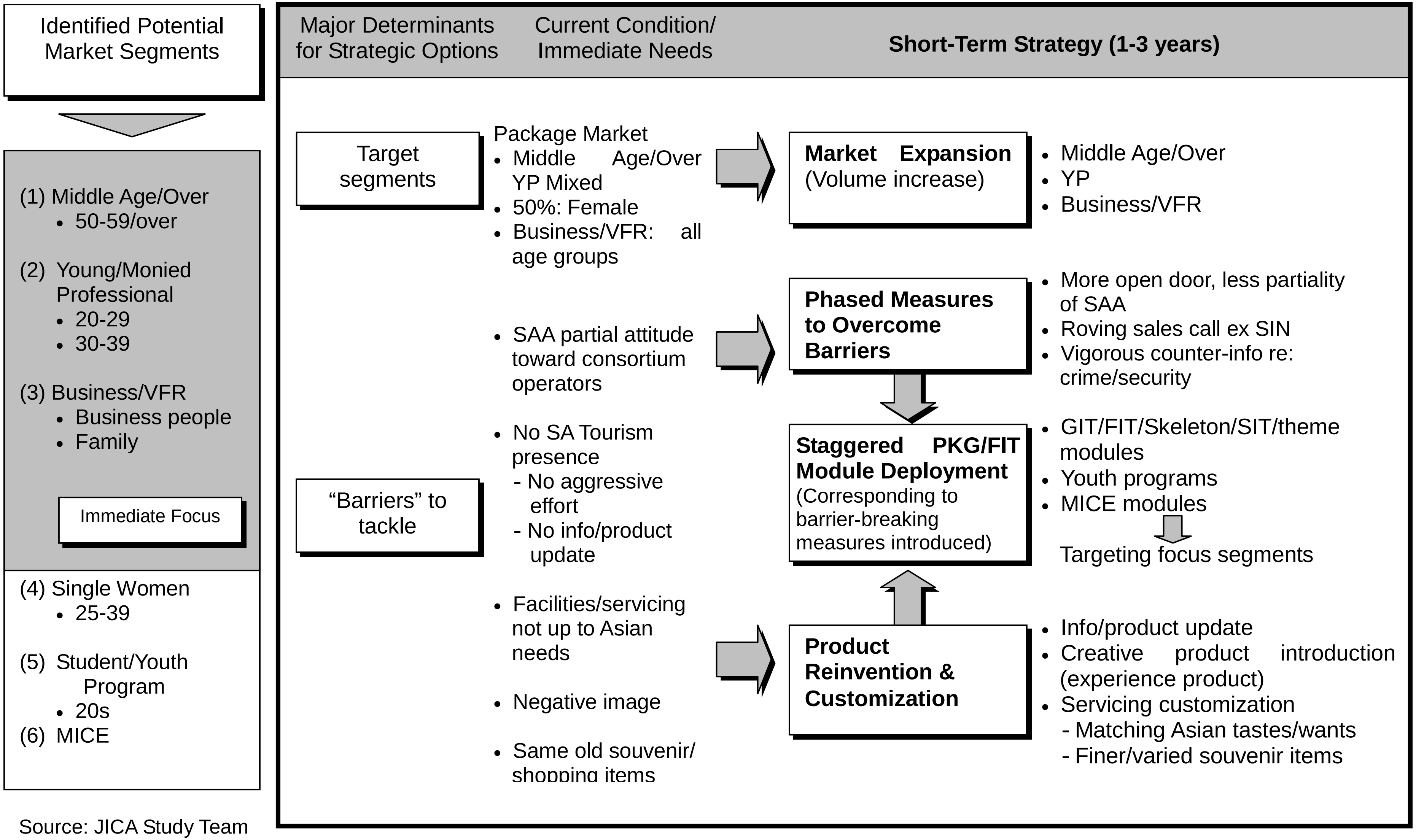
3C Product development with more cultural visit/experience focus to mitigate current dominance of wildlife and nature,

3D Product development with more focus on experience and participation rather than just site visit/circuit – traditional craft work making, song and dance, festival, meet-the-people, etc.,

3E Introduction of new itineraries/routes through investigation with Hong Kong operators participating in SA Tourism JMA agreement, and

3F Customization of service delivery – servicing in SAA, hotels/restaurants, tour/coach companies needs to be improved and more customized to Asian level of standard, reputed to be the topmost in the world. Hint of discriminatory attitude to Asians/Chinese needs to be seriously addressed (notably in entry/exit formalities, in-flight servicing). Quality and variety of souvenir/shopping items leave ample room for improvement and customization.

Figure 13.4.1 Promotion Strategy for Hong Kong – Short Term (1-3 Years)



Source: JICA Study Team

13.5 Singapore

Objective:

Market expansion in volume, viz.:

- arrival numbers,
- types of packages,
- extension of arrival months/seasons (lessening of SA tourism industry's overall seasonality by complementing European market low season), and
- extension of length of stay and places of visit.

Focus Market Segments

Middle Age and Over (50/59 years followed by 40/49 years), Seniors (60/over years), Young Professional (30/39 years), and Business/VFR/Family.

Barriers to Tackle

Singapore shares similar market position as with Hong Kong. It has an advantage of direct air link with SA (Singapore Airline) over the other East Asian markets (Japan, Korea and Taiwan). SA awareness and recognition is much higher than the others because of this direct air link, business tie and British Commonwealth association.

Despite these advantages, however, there are not a few barriers to overcome in order to fully exploit its market potential.

- Singapore Airline (SQ) capacity, always full with business/VFR, etc, poses a deterrent to further holiday market expansion – low priority to tour package bookings and stiff policy for seat allocation (minimum lead time and guarantee letter),
- SAA Bangkok, the nearest SAA hub, neither cooperative with nor interested in Singapore market,
- Discriminatory attitude at entry/exit procedures (dependent on staff in charge) to Asians/Chinese – Singapore Airport servicing and efficiency is reputed to be the topmost of the world. Singaporeans consider their servicing level as the norm, thus finding SA airport servicing and efficiency unsatisfactory,
- No SA Tourism presence and little information/product update available. No assistance for tour planning/package advert, that is readily available in other destinations,
- No variety in tour programs offered by SA ground operators for many years. Each and every packages offered in the market selling the same itinerary,
- Smug attitude at sought-after facilities, e.g., Sun City Palace Hotel – only tipping can ensure good service,
- Limited range of souvenir/shopping items – the same items all across SA. Asian tourist sites are reputed for having a wide variety of quality/high taste items typical of each site, area and region, resulting in opportunity loss for more tourist dollar earnings,
- Singapore Airline offers fam tours to the trade in partnership with SA ground service operators. No such offer made available either from SAA or SA Tourism, and
- Servicing not up to Asian level of customization – Asian service delivery is reputed to be the top level of the world, e.g., airlines: Singapore Airlines, and hotels: Mandarin, Raffles in Singapore, etc. Singaporean tourists take these servicing levels as the world norm. Their disappointment is consequently greater in SA servicing and efficiency, since SA infrastructure and facilities are of the first world level.

Immediate Measures/Actions to be Implemented

ACTION 1 Phased Measures to Overcome Barriers

Tasks

1A Continuation/expansion of SA Tourism JMA with productive Singaporean tour operators,

1B Posting of SA Tourism Singapore representative under Australasian Hub, who will be responsible for regular roving sales call to ethnically similar Hong Kong/Taiwan markets as well as emerging Malaysian and Indonesian markets where latent holiday tourist market of affluent and ethnically Chinese Malaysians and Indonesians exists,

1C Consolidation of PR/AD efforts by SA Tourism, SAA and SA High Commission,

1D Re-introduction of SAA flights into Singapore ideally or introduction of SQ code-share flights with SAA on top of currently available SQ flights, thus increasing air capacity allowing for more tour package planning,

1E Active participation in local trade fair/show such as NATAS with Chinese/English language promotion collaterals,

1F Increased opportunity for travel trade seminars and fam tours for media/travel trade, and

1G Support for newspaper ads of tour operators. Singapore operators' interviews reveal that newspaper ads occupy the largest portion – 80 % – of Singapore operators' media promotion budget – remaining 20% for direct mail. Ideally with cost sharing, but other symbolic support is also effective such as a message endorsement and recommendation from SA Tourism/SAA/Embassy for SA tour programs, etc.

ACTION 2 Package Module Development

Tasks

2A Introduction of new tour modules matching the segments' needs and wants: Groups, FITs and SITs such as:

- Fly/drive module for Young and Professional segments and young single women – appeal of wide and open space in SA coming from the congested city state of Singapore,
- Home/farm-stay package for youth and family segments – uniquely SA experience coming from the congested Singapore city state,
- Long stay for themed add-on such as animals, nature, wildlife, etc. – not available in the congested city state,
- Eco theme discovery – not available in the congested city state.

2B Creation of business visitor tour module with optional suggestions for weekend/off duty activities (golf, casino, icon site visit combination, etc.),

2C Creation of MICE modules for Singaporean business firms with SA business interests – business seminars/incentives, ideally themed with motives like Sun City/casino/golf, Wineland like Spier, and

ACTION 3 New Product Offer and Customization

Tasks

3A Dissemination of latest travel information and product update – quarterly newsletter form in Chinese/English language, the common tool for Hong Kong and Taiwan as well,

3B Introduction of Chinese/English language collaterals – examples of SA Tourism Tokyo for Japanese market (focused city/area guides, themed guides),

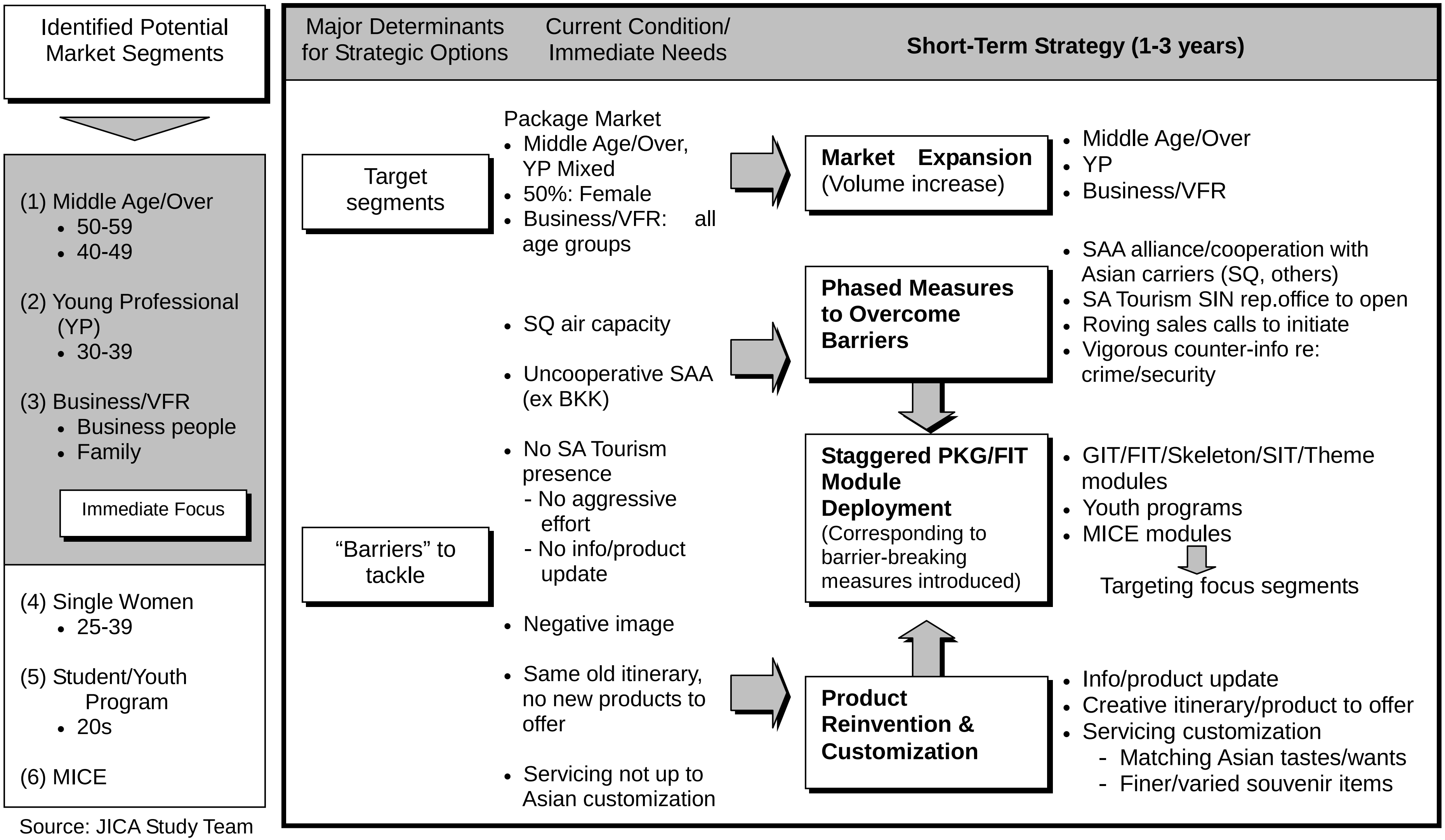
3C Product development with more cultural visit/experience focus to mitigate current rather monotonous dominance of wildlife and nature,

3D Product development with more focus on experience and participation rather than just commonplace site visit/circuit – traditional craft work making, song and dance, festival, or home/farm stay, etc.,

3E Introduction of new itineraries/routes that appeal the market through investigation with Singaporean tour operators participating in SA Tourism JMA or SQ consortium schemes, and

3F Customization of service delivery – service delivery at hotels/restaurants, tour/coach companies and souvenir quality, variety and taste, profiting from the experiences of Singaporean tour operators (JMA and SQ consortium schemes).

Figure 13.5.1 Promotion Strategy for SINGAPORE – Short Term (1-3 Years)



Source: JICA Study Team