



## **PROVISION OF ASSISTANCE TO THE SWAZILAND TOURISM AUTHORITY**



### **DRAFT MARKETING STRATEGY**



JUNE 2013

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## 1. SUMMARY

The commissioning of a marketing strategy through the aegis of the Commonwealth Secretariat signals intent on the part of the STA to embark on a new trajectory of growth. The strategy set out in the document is informed by the twin principles of being data driven and market led. Furthermore it strives to be practical and implementable, as well as simple, without sacrificing substance. It lays out a blue print for growth, tailored to the current available budget. The overall thrust is to re-position Swaziland as a sought after tourism destination, through a focused and targeted strategy, that will deliver increased tourism receipts over the next five years.

It is clear both from an analysis of the data, as well as feedback from the market, that efforts to date have yielded results that fall below expectations. This is particularly evident in the decline in tourist arrivals from key European markets over the past five years. Arrivals from South Africa have increased slightly over the same period. The decline in European arrivals can be attributed to the on-going recession in Europe, a decline in group series travel and shorter length of stay for FIT travel in Southern Africa. The decline is compounded by a low level of demand from prospective travellers for Swaziland. Whilst some of these reasons are outside the control of the STA, the approach adopted hitherto of a well-meaning series of generic marketing activities, has not arrested the waning arrivals.

The strategy suggested is predicated on a rigid adherence to a tight geographical focus. It acknowledges the continued importance of overseas arrivals and recommends a maximum of four target markets, namely the UK, Germany, France and the Netherlands. In somewhat of a departure from the previous approach, the strategy recommends a significant marketing thrust into focused regional hubs: Gauteng, Nelspruit/Whiteriver, Durban and northern KwaZulu-Natal and Maputo.

Overseas tourist flows to Swaziland are delineated into group series and self-drive FITs. The latter offer the best prospects for growth. The ability to grow this segment is compounded by a number of factors. Swaziland has limited iconic attractions. There is a decline in the average length of stay for first time FIT travellers to southern Africa, which results in a well-trodden route, that excludes Swaziland. A lack of commensurate four / five star quality accommodation in Swaziland compared to neighbouring destinations, as well as a once off cross-border fee of R790 to take a hired car into Swaziland, limits demand. Finally, the arrivals that do come to Swaziland from overseas, have a low repeater rate.

Notwithstanding these impediments there is scope to grow arrivals from the selected targeted markets. The strategy focuses on sound market intelligence provided through a detailed market mapping of operators in each target market that sell Southern Africa. A parallel market mapping process is also advocated for the regional

inbound market. Indeed a concerted sales process aimed at receptive inbound companies is posited, as the most cost effective method of growing overseas tourist arrivals. The market mapping data will help refine sales efforts by identifying operators who have a propensity for growing the destination. A comprehensive joint marketing agreement (JMA) mechanism to catalyse and subsidise incremental exposure of the Kingdom forms part of the marketing strategy. The issue of representation is discussed and the strategy suggests options going forward. Improvements to existing marketing collateral and the website are set out, as well as a comprehensive review of social media.

The key segment of volunteer tourism is identified as having the ability to contribute significantly to tourism receipts and should be more actively supported.

The regional markets identified are all in close driving proximity to Swaziland. The Kingdom was well positioned during the Apartheid era as a desirable 'get away'. It has not been actively marketed in the South African or Maputo markets over the last twenty years. The opportunity exists to mount a generic marketing campaign that seeks to reposition Swaziland a sought after tourism destination in the South African market. Part of the key message will be a series of 'good news' stories about Swaziland. This will be augmented by harnessing a number of key 'influencers' who have Swazi roots or connections. These have the potential to form the basis for a powerful PR campaign. The fact that marketing costs are in Emalangeni, allows the strategy to extend to targeting key special interest segments that are aligned to areas where the Kingdom has a comparative advantage. These include: birding, hiking, off-road, 4x4, mountain biking, golf, hunting and fishing. Other potential target segments are 'Black Diamonds', retired travellers and students.

A discrete campaign targeting both the ex-pat community and local residents with the propensity to travel will be undertaken in Maputo. The re-orientation in focus on the regional markets, can be extended to the domestic market, in tandem with a ubiquitous tourism awareness drive.

It is recommended that the STA contracts a permanent presence in Gauteng. This entity will take on the guise of the STA but will be managed actively from the STA head office. It will be responsible for driving the generic campaign. In addition a sustained sales interaction with inbound and outbound operators, as well as professional conference organisers (PCOs), incentive houses and corporates will form a significant part of this office's activities.

The strategies outlined above will need to be disaggregated into specific target market budgets. These should reflect the tactical action plan per market for the forthcoming year with clear time lines, areas of responsibility and measurements of success. The strategy makes specific recommendations with respect to the timing of target market action plans as part of an annual budgeting process, as well as who will be responsible for each geographic target market. An increased scope of activities for the research department is outlined.

Three strategic initiatives are highlighted as key investments for the future: satellite accounting, branding and the development of a scheduled bus route linking Kruger Mpumalanga International Airport, Swaziland and southern Mozambique.

## 2. INTRODUCTION

The Marketing Strategy forms the final component of the strategy process for the Swaziland Tourism Authority (STA). It draws on the collective data and analysis in the previous reports, namely: Inception Report, Situational Analysis, Product Development Strategy and the Product Packaging Toolkit. There are several areas of overlap. Some of the formative data and analysis is repeated in this report. It is included as it forms a seminal part in understanding the point of departure in the strategy formulation process. In addition, this report may well be read by persons who may not have had sight of the previous reports.

### 2.1 Aims and Guiding Principles

The strategy development process has produced an Inception Report, a Situational Analysis and a Product Development Strategy as well as a Product Packaging Toolkit. The strategy process aims to:

- Enhance the competitive position of Swaziland's tourism offering
- Develop tourism product and experiences based on Swaziland's key attractions
- Increase the number, length of stay and spread of tourism to Swaziland with an increase in tourism receipts
- Equip the STA and Ministry of Tourism and Environmental Affairs to strategically lobby for the funds required to execute the strategy and take tourism to the desired level

The process has been informed by two key guiding principles. Firstly, that strategy needs to be informed by feedback from the market, and secondly, that it should be data driven. Making the strategy practical and straightforward was a further consideration. What the process has eschewed is to go back over the past ten years of the STA's existence and to 'nit-pick' what was done or in some cases, not done. The approach has rather been to take the current marketing budget of E 10 million, and to come up with a new targeted marketing strategy that will ensure a better return on investment and great tourism receipts to the Kingdom.

### 2.2 A Conceptual Approach to Growth

Before delving into the analysis and substance of the marketing strategy, it is useful to unpack several conceptual issues that inform growth.

Given that the context is the development of a new marketing strategy for a tourism authority with a relatively small budget, the primary issue is focus, focus, focus. A cardinal error made by tourism authorities in this respect is to dilute meagre resources with a plethora of well-meaning activities across a range of source markets. The importance of concentrating the limited resources against a small (less is more!) number of focus markets, cannot be emphasised enough. The Namibia Tourism Board (NTB) adopted a new strategy in 2003 that identified four primary markets (South Africa, German speaking Europe, UK and air arrivals from Angola). It also identified four secondary markets (France, USA, Italy and the Benelux). Not a single dollar was spent outside these markets between 2003 – 2006, as the strategy was executed, with the result that tourist arrivals out of Namibia's top six overseas source markets<sup>1</sup> increased by 43.9% between 2003 and 2008

A review of the expenditure by the STA to date reveals a series of well-meaning generic activities. What is missing is an ability to clearly link specific expenditures against achieved outcomes. In other words, what is absent is a clear sense of a historic return on investment. It suggested that, going forward all activities are predicated on a considered return on investment calculation.

The constraints of a limited budget also throw up the notion of opportunity costs. This is linked closely to focus and targeting. Various options need to be carefully considered and weighed up, as not all can be undertaken. The approach adopted by the STA to date is similar to many small tourism boards in South and East Africa (and elsewhere), and can be exemplified through a series of well-meaning generic activities. Many of these are simply replicated year after year. In this sense, the STA can be characterised as an “input / activity” type of organisation. By re-engineering the approach to growth the strategy process seeks to shift this to a “sales/ output” organisation. In the latter, all actions are aligned to measurable returns on investment. This will be elucidated in more detail within the report. The point of departure is to choose a limited number of geographic target markets. This is followed by a well-considered plan of action per market against a given budget.

The UK and Europe remain key source markets for Swaziland. It is desirable and necessary to attempt to grow these markets. Given the current low levels of awareness of Swaziland that translate into low consumer demand, one of the main aims is to increase consumer and trade awareness of the destination. The problem is that, unless the Kingdom has the resources to reach a critical threshold level that result in a discernible impact in a given market, the expenditure is wasted, and realistically better spent elsewhere. The problem of reaching threshold levels is further compounded by the fact that Swaziland is a tiny country and that marketing costs are in hard currency. Given the recent weakening of the Rand/Emalengeni, this further erodes the ability to attain the desired impact.

Best practice reveals that the key to achieving desired growth rates and increased tourism receipts is a consistent and sustained message over a three to five year period. It is imperative that the timeline of the ‘pipeline’ to success is internalised with the STA, as well as with funding principals. The danger is that strategies

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<sup>1</sup> Germany, The UK, France, Italy, the Netherlands and USA

are chopped and changed well before they have an ability to produce the desired outcome. Although the world of the internet, social media and direct bookings are a reality, for small and relatively obscure destinations in Africa conventional booking channels still play the dominant role. In this sense, “what you see today is what you did or didn’t do 18 months ago!” It is thus imperative that a country adopts the correct mix of marketing and sales tools, as well as an ability to measure performance and adapt if certain strategies are not working.

A final comment on the strategy process has to do with ownership. The strategy process has been undertaken by The Tourism Strategy Company through the aegis of the Commonwealth Secretariat. The strategy produced in the report, as well as the other completed strategy reports, will hopefully form the basis of a sound product development and marketing strategy. This and the other documents do not purport to be the ‘truth’. They remain in the realm of opinion and this has to be tested by the interaction with the STA and its Board. It is envisaged that through the process of engagement, the STA will refine the strategies and take ownership of them. It is important that the final strategies, once adopted by the STA, will be implemented through a well-considered action plan. It is understood that this will form part of the corporate strategy process, currently being conducted by Grant Thornton. It is imperative that the adopted strategies are seen as ‘living’ and should be constantly reviewed and updated as and when necessary.

### **3. SYNOPSIS OF THE DATA**

#### **3.1 Arrivals to Swaziland**

Total arrivals to Swaziland declined by 3.8% in 2012. A total of 871,459 South Africans visited Swaziland, the largest single source market. Arrivals were, however, down by 5.7%, compared to 2011. On a positive note, overseas arrivals increased by 9.8% to 113,305. European arrivals (including UK) rose by 11.0% on the previous year. A significant increase of 43.3% was recorded in arrivals from Germany, with France up 18.2% and the Netherlands up 10.4%. A source market that bucked the trend was the UK, where arrivals were 6.6% down on 2011.

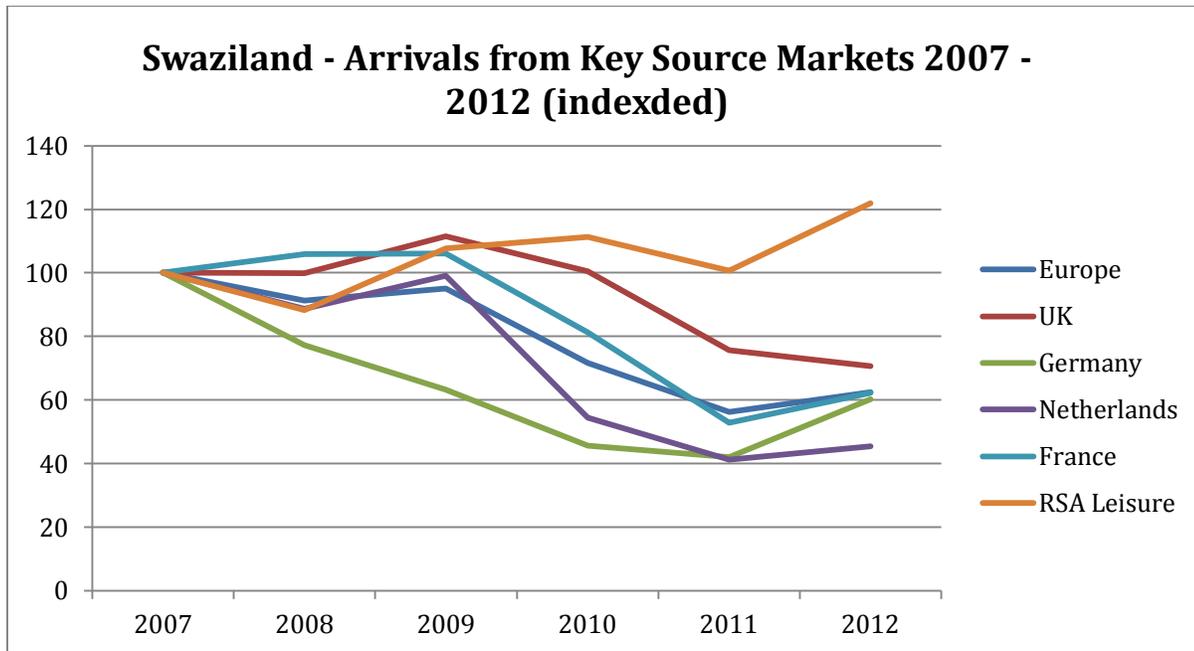
The relatively good performance from the overseas markets in 2012 is encouraging. It is, however, tempered when looking back on the overall performance from 2007 to 2012. This is examined in more detail in Table 1 on the following page.

**Table 1 Swaziland Tourist Arrivals from Key Source Markets 2007 – 2012**

	2007	2008	% change	2009	% change	2010	% change	2011	% change	2012	% change	2007 – 2012 % change
<b>Overseas</b>	155,090	144,789	-6.6%	152,691	5.5%	124,479	-18.5%	103,146	-17.1%	113,305	9.8%	-26.9%
<b>Europe</b>	117,168	107,007	-8.7%	111,327	4.0%	83,941	-24.6%	65,872	-21.5%	73,125	11.0%	-37.6%
<b>UK</b>	21,608	21,581	-0.1%	24,100	11.7%	21,731	-9.8%	16,359	-24.7%	15,282	-6.6%	-29.3%
<b>Germany</b>	24,749	19,111	-22.8%	15,639	-18.2%	11,294	-27.8%	10,406	-7.9%	14,911	43.3%	-39.8%
<b>Netherlands</b>	19,795	17,554	-11.3%	19,604	11.7%	10,708	-45.0%	8,161	-24.4%	9,011	10.4%	-54.5%
<b>France</b>	15,680	16,619	6.0%	16,638	0.1%	12,737	-23.4%	8,272	-35.0%	9,776	18.2%	-37.7%
<b>USA</b>	14,508	14,421	-0.6%	14,925	3.5%	15,141	1.4%	14,218	-6.1%	14,672	3.2%	1.1%
<b>South Africa</b>	800,113	781,173	-2.4%	866,584	10.9%	911,194	5.1%	924,566	1.5%	871,459	-5.7%	8.9%
<b>South Africa – Leisure</b>	276,839	244,507	-11.7%	298,105	21.9%	307,984	3.3%	278,655	-9.5%	337,255	21.0%	21.8%

Several key points emerge from an analysis of the data:

- There has been a dramatic decline in overseas (i.e. non-African) arrivals, which fell by 26.9% over the 2007 – 2012 period. This is in stark contrast to overseas arrivals to South Africa, which have increased 15.1% over the same period. Overseas arrivals to Namibia increased marginally by 1.6% from 2007 to 2011 (the 2012 arrivals statistics are not yet available).
- Arrivals from Europe declined by 37.6% between 2007 and 2012. This is compared to a decline of 1.1% recorded by European arrivals to South Africa over the same period.
- Of further concern is that the individual large key markets have declined by even more (Netherlands down by 54.5%, Germany down by 39.8%, France down by 37.7% and the UK down by 37.6%) over the 2007 – 2012 period. These four markets accounted for 67% of all arrivals from Europe in 2012.
- The relative growth/decline rates from key markets are depicted on the graph below. Arrivals have been indexed to 100 in 2007. This allows different quanta of arrivals figures to be compared over time.



Clearly the recession in Europe has played a major role in the decline. This will have translated into a dramatic decline in the number of group series departures that are a significant proportion of arrivals from these markets. Many of the same operators are still offering group series tours to South Africa, with a one or two night stop-over in Swaziland, but due to the lack of demand, instead of, for example, twelve departures per year, the operator is only able to fill six or seven. The Royal Swazi Spa Hotel (a popular stop-over for group series tours) was able to corroborate this.

Moreover, the recession would also have taken its toll on self-drive FITs<sup>2</sup> who may have considered Swaziland, but who may now be taking shorter trips, which then precludes a Swaziland leg to their journey.

Feedback directly from the key source markets of the UK, Germany and The Netherlands points to very low demand for Swaziland as a destination amongst prospective travellers. This is exemplified by the case of Cox & Kings. Cox & Kings is an up-market FIT operator based in the UK, with links to India and other source markets. Following a sales process initiated by Big Game Parks and driven by the STA, Cox & Kings agreed to feature Swaziland as a stand-alone destination in 2011. Unfortunately the programme was pulled from the brochure this year, due to lack of demand.

The USA market seems to have bucked the trend. The data refers to all arrivals. However, only 62% of USA arrivals to Swaziland are leisure arrivals, compared to far higher percentages from the UK and Europe (see Table 2 below).

<sup>2</sup> Fully independent travellers

Arrivals from South Africa grew by 8.9% over the 2007 – 2012 period. Only 39% of South African arrivals cite 'holiday' as purpose of visit. This however translated into 339,869 leisure arrivals from South Africa in 2012, compared to only 73,125 total arrivals from Europe. Leisure arrivals from South Africa have grown by 21% in the five years from 2007 to 2012. In addition 84% of South African arrivals are repeaters, whereas the repeater rate out of overseas markets is far lower, as reflected in Table 2 below.

In terms of growth potential, if leisure arrivals from South Africa were to be increased by just 5%, this would amount to 17,000 extra tourists – more than the total current arrivals from any individual European market. If the South African leisure arrivals in 2012 are added to the total arrivals from Europe – the total comes to 412,994. Of this total South African leisure arrivals equate to 82% and the total European arrivals to 18%.

Table 2 below shows the relatively high proportion of leisure or holiday travel as a percentage of total arrivals from key European markets – all of which are in excess of 80%. This is compared to a leisure component of only 62% of arrivals from the USA. Although total arrivals from the USA bucked the dramatic decline in European arrivals and remained flat between 2007 and 2012, there are two key inhibiting factors to growing this market for Swaziland. Firstly, by far the majority of USA tourists to Southern Africa do not self-drive. The combination of safety concerns, driving on the left-hand side of the road and manual gear shifts, appear to be the reasons.

**Table 2 Proportion of Leisure Tourism and Repeater Rates – Selected Key Markets, 2012**

	<b>Leisure Tourism as % of Total</b>	<b>Repeater Rate</b>
UK	81%	30%
Germany	89%	15%
Netherlands	94%	12%
France	90%	12%
USA	62%	30%
South Africa	39%	84%

There has been significant consolidation within the outbound tour operator network in Europe over the past twelve years. This makes interactions with source markets in Europe somewhat easier. The North American market has not witnessed the same degree of consolidation and is characterised by a plethora of small and large operators. Moreover, a significant proportion of travel to Africa in particular is also sold through individual travel agents. This makes interacting with and servicing this market far more arduous and costly, than dealing with outbound travel from Europe.

The proportion of leisure tourists booking their holiday to Swaziland as part of a packaged tour is fairly high – UK 28.7% and Germany 32.6%. This reflects the assertion that approximately a one third of overseas tourists to Swaziland are travelling as part of a South African group series tour. It should be noted that the group series rates paid to Swazi hotels are often significantly discounted off the rack rates. In addition, even the rates remitted by FIT travellers (through the trade channel) can be discounted by as much as 30%, depending on the Standard Tour Operator (STO) rate that has been negotiated between the Swazi accommodation establishment and the tour operator(s) in question. These two factors result in tourism receipts remitted from overseas source markets being less in real terms than it would first appear. Regional tourists tend to book directly with Swazi product and thus pay full rack rates.

The aim of the marketing strategy is to increase tourism receipts to the Kingdom. Table 3 below shows the tourism receipts from the key source markets of South Africa (leisure arrivals), UK, Germany, France and The Netherlands.

**Table 3 Tourism Receipts – Selected Source Markets Compared**

	RSA (leisure)	UK	Germany	France	Netherlands
Average Daily Spend 2012	E 884	E 504	E 578	E 696	E 648
Ave. Length of Stay 2012	2.18	3.53	2.14	1.6	1.7
Arrivals 2012	337,255	15,282	14,911	9,776	9,011
<b>Total Tourism Receipts 2012</b>	<b>E 649,872,593</b>	<b>E 27,185,073</b>	<b>E 18,442,701</b>	<b>E 10,882,358</b>	<b>E 9,929,627</b>
10% growth in arrivals	33,726	16,810	16,402	10,754	9,912
Tourism receipts from 10% growth	E 64,987,259	E 2,718,507	E 1,844,270	E 1,088,236	E 992,963

### 3.2 Trends in Arrivals to South Africa

Given that the vast majority of overseas tourists to Swaziland visit the Kingdom as part of a Southern African tour and do not see Swaziland as a stand-alone destination, it is instructive to examine trends in tourist arrivals to South Africa.

It is however, revealing, that although a massive amount is spent on tourism in South Africa, the approach adopted by SA Tourism has resulted in a stagnation of international tourist arrivals out of traditional key markets of the UK and Europe, which declined by 12.0% and 1.1% respectively over this period. Total overseas arrivals increased by 15.2%, driven in the main by significant growth in arrivals from China, India and Brazil. It is the arrivals from Europe that are of primary interest to Swaziland, as will be shown later in the report.

South Africa has tapped into emerging markets such as Brazil, China and India with relative success. A seminal factor in each of these is the fact that South Africa now has direct air access to all these countries. Table 4 below shows the phenomenal growth in the three markets of China, Brazil and India, compared to the more traditional source markets of the UK and Germany, for example.

**Table 4 BRICS<sup>3</sup> and Traditional Markets – Tourist Arrivals to South Africa Compared**

Country	2007	2012	% Change '07 - '12
UK	497,687	438,623	-12.0%
Germany	254,934	266,333	4.5%
Top Six*	1,328,465	1,32,496	0.3%
Brazil	32,378	78,376	140.2%
China	47,378	132,336	179.3%
India	51,823	106,774	106.0%

\* UK, USA, Germany, France, The Netherlands and Italy

What has however come to light recently is that tourists who are in transit have been included in the South African arrival statistics. In 2012, 16.3% of total overseas arrivals, were “in transit<sup>4</sup>”. The figure is even larger for arrivals from China (31.4%) and Brazil (42.7%). This tempers the huge growth seen in these markets and re-emphasises a key point that it is not only instructive to look at total arrivals, but to examine which of these markets have a propensity for repeat travellers, longer length of stays, spend and importantly for Swaziland, ability and propensity for regional spread (i.e. to travel beyond the conventional well-trodden South African highlights path of Cape Town – Garden Route – Port Elizabeth – Johannesburg – Kruger Park). The traditional European markets reflect higher repeater rates and longer length of stays than the newer BRIC source markets. For example, tourists from the Netherlands have a 48% repeater rate and stay for 17 days in Southern Africa on average.

<sup>3</sup> Brazil, Russia, India and China

<sup>4</sup> There appears to be some confusion around the definition of the term “transit” in the South African statistics. SA Tourism asserts that this excludes same day visitors, but refers to tourists who spend 24 hours in the country.

Arrivals from the USA (and Canada) have increased at a faster rate than European markets over the past 10 years. It is however asserted that a significant proportion of these arrivals are being double counted, as they fly into Johannesburg and then onto other regional destinations such as Botswana, Namibia, Zambia and Mozambique and then back through Johannesburg. In addition, only a small proportion of arrivals from North America use a self-drive option in Southern Africa, preferring to travel in groups or in escorted transport, thus limiting their propensity to get 'off the beaten track'.

A market that is of interest to Swaziland is the Indian market. This market has grown in number and exhibits a propensity to travel beyond the well-trodden South African highlights route. In order to take advantage of this market, Swaziland needs to revisit the current visa regime which requires Indian tourists to obtain visas prior to arrival in the Kingdom.

International arrivals from South Africa's core top six markets improved in 2012, after several years of lacklustre performance. The key six markets of UK, USA, Germany, France, The Netherlands and Italy collectively increased by 9.4% in 2012 compared to 2011. The USA was up by 13.6%, Germany by 12.9% and the UK by 4.2%. However compared to the figures for 2007, the collective six markets were only up by 0.3%. Individually Germany grew by 4.5%, Italy by 11.9%, France by 6.2% and the USA by 17.9%, over this period. The UK showed a decline of 12.0% and The Netherlands was down by 8.6%.

The overall investment in tourism in South Africa has been significant since 1998. At a macro-level, arrival growth appears impressive. On closer inspection, performance out of key traditional source markets has been fairly static or has even declined over the past ten years. The growth out of the BRICS countries is tempered by the high percentage of transit passengers.

Another aspect of tourism growth where South Africa has not done well, is in length of stay. Of concern is that the average length of stay decreased from 8.5 nights per tourist in 2011 to 7.6 nights in 2012. This has direct implications for Swaziland and it impacts further on the propensity of foreign travellers extending holidays into the Kingdom. The decline in length of stay has a knock-on effect in terms of the spread of tourism. KwaZulu-Natal is positioned as a key leisure province in South Africa. Long haul tourism to the province declined by an alarming 27.6% between 2006 and 2011. The two key markets of the UK and Germany declined by 47.3% and 32.8% respectively over the same period. The lack of spread was also evident when examining long-haul tourism to the Eastern Cape Province, which fell by 18.6% from 2004 to 2008. The decrease in the length of stay is further limiting the potential of tourists to consider destinations outside the well-trodden path of Cape Town – Garden Route – Port Elizabeth – Johannesburg – Kruger National Park.

## 4. FEEDBACK FROM THE MARKET

### 4.1 Regional Outbound Operators

Various tour operators who sell travel to South Africans were engaged about Swaziland as a destination. The market leader, Thompsons Holidays, does not currently sell Swaziland at all. The company was also not interested in meeting to discuss it as a potential future destination. It is instructive to note that in 2011, Thompsons Holidays sold packaged holidays to Mozambique to a value of R6,2 million and to Namibia to a value of R3,7 million. Air Holidays, a smaller operator, also does not currently sell Swaziland at all. They were however open to the idea of including Swazi product on the back of a broader Swaziland positioning campaign in the South African market. Serendipity Tours<sup>5</sup> based in Durban, sells predominantly into the Indian and emerging black middle class markets in KwaZulu-Natal. These are new segments that Swaziland has hitherto not sold to. Serendipity Tours does not currently sell Swaziland, but was very interested in developing it as a short break leisure destination, as well as an incentive destination.

The self-drive market out of South Africa holds significant potential for Swaziland. The Automobile Association of South Africa (AA) deals specifically with this segment. The AA has a tourism division, part of whose brief is to work with destinations to position them to the South African self-drive market. It is suggested that a closer working relationship is fostered with the AA. The organisation has 220,000 family members and sends out a quarterly travel magazine to 60,000 subscribers. In addition, the AA has 1,3 million corporate members that it can also communicate with.

### 4.2 South African Based Inbound Operators

The South African based inbound market is seminal in terms of increasing exposure of any destination of product in international source markets. Unlike stay-put destinations, such as The Caribbean and Mauritius for example, southern Africa is predominately a touring destination, where the tourists will stay in many different places during a 7 to 14 day stay, as well as possibly engaging in a number of activities. Product quality and buying at the correct price are key elements of packaging the holiday. To this end, overseas outbound operators rely heavily on South African based inbound operators to do this for them. In this sense, the inbounds act as 'product funnels' for their overseas principals. In the case of smaller boutique operators in the source market, they may well by-pass the inbound operator and contract directly.

The inbound operators have overseas principals in various source markets. By engaging with the inbound operator (a cost effective local trip) it gives access to a range of overseas outbound operators in various

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<sup>5</sup> Following an initial visit by the consultant, both Big Game Parks and Royal Swazi Spa have followed up with sales meetings.

markets. The inbound is able to determine and guide what destinations and range of individual products may appeal to specific outbound operators, and facilitate the process of developing the new product offering. Supporting the new product offering by subsequent sales and/or training visits to the overseas outbound can then be undertaken, but on the back of an established product.

The consultancy, in tandem with the STA representative based in Cape Town, engaged a wide sample of inbound operators on selling Swaziland. Beyond companies who operate scheduled group series tours to South Africa, with a one or maybe two night stop-over in Swaziland, very few offered a substantial FIT programme. Most operators showed an interest in possibly offering more FIT options, but acknowledged a lack of product knowledge development and / or relying on the STA representative to supply them with the requisite information. It was sobering to note that Thompsons Africa (arguably the market leader in the southern African inbound market) does not currently sell any FIT travellers to Swaziland.

On a positive note, the detailed market mapping produced on the South African inbound market reflects a definite appetite from several companies to explore a wider exposure for Swaziland. Included here are: AAA, Kuoni – Private Safaris, Albatross Travel, Live the Journey, XO, Jenman Safaris and Springbok Atlas. Each of these inbound companies has a unique set of interests and requirements, and these should be actively pursued.

Impediments in attempting to generate more interest in FIT programmes to Swaziland are summarised in direct feedback from Rhino Africa on the following page. Rhino Africa is a direct-sell tour operator based in Cape Town. The company brings in approximately 16,000 tourists to southern Africa per annum. The fundamental problem is that by far the majority of potential FIT travellers are undertaking a trip to South Africa, with possible add-ons. There is very little demand for Swaziland compared to extensions to Victoria Falls, Mozambique or even Mauritius. Combined with limited leave time, this makes Swaziland an obscure sell.

**Feedback from Anton De Witt, Product Manager, Rhino Africa**

*“We have never really sold Swaziland previously, not so much from a lack of intent aspect, but more so since we simply don’t receive any interest from our clients to travel to Swaziland. This is compounded by the fact that if our consultants were to suggest added destinations - which the client is not interested in – we risk losing the booking due to quoting a programme which doesn’t pique the client’s interest, versus company B who quoted ‘accurately’.*

*Another factor that plays against selling Swaziland with specific reference to Rhino Africa is that our clients are often only able to get 10 – 14 days leave, which means that their priority is to focus on the ‘big three’ i.e. Cape Town / Kruger / Vic Falls and they prefer to spend more time at those destinations, than to dilute what they have in favour of lesser known destinations.*

*We also find that second-time travellers to Southern Africa who have seen the major attractions show an interest in destinations such as Namibia and / or Zambia with Mozambique close behind.*

*I believe that since we don’t operate any group / coach tours we are in a position where, unless a client specifically requests Swaziland we would struggle to sell it for the reasons mentioned. For coach groups, the scenario is always different, as they obviously use road transport departing from ORT into Kruger and then travel southwards via Swaziland to KZN, whereas our clients would fly if they prefer the same type of routing.”*

A factor that contributed to relative poor positioning of Swaziland as a FIT destination with the regional inbound market is the lack of active marketing from Swazi based products. A reflection from interactions with Swazi tour operators was that many establishments in Swaziland tend to run on very lean margins and many are geared around lifestyle choices, as opposed to maximising returns. As such, not many establishments and products employ full-time marketing staff who actively engage the market. They tend to rely on inclusion in generic destination-orientated marketing material. The exception here is Foresters’ Arms. By actively engaging the overseas leisure market this business has built up a loyal and perennial source of both group series and FIT business.

### 4.3 Key Outbound Operators – UK, Germany and the Netherlands

The representation company employed by the STA in the UK, The Geo Group, completed a market mapping exercise under the aegis of the consultancy. A total of 34 tour operators provided information sought by the Geo Group. A further 14 were unable to provide the information sought, and it would appear Geo have scant information on these operators. A further 6 operators were listed as offering Swaziland, but were unable to provide the details requested. The total of 54 operators is well short of the over 200 operators who offer southern Africa out of the UK and 125 operators who sell KwaZulu-Natal out of the UK.

Not included on any list were larger operators such as Trailfinders and the Stellar Travel Services (Travel 2), to name but two. It is furthermore interesting to note, that Geo claimed that they were unable to obtain any information from 14 listed operators. One of these was Audley Travel, a market leader in FIT travel to southern Africa. In addition, if you Google “Holidays to Swaziland” – on the very first screen three operators appear (Intrepid Travel, Geckos Adventures and Peregrine) who all feature Swaziland, but are not on the Geo list.

The market mapping represents a first attempt at encapsulating key data about the UK market. It should be further developed in the future to include all the operators selling Southern Africa. Furthermore it should aim to differentiate and detail which operators are offering group series tours (grand tours of South Africa that include a one or two night stop-over in Swaziland) and what product in Swaziland is being used. The nature of FIT options offering Swaziland needs to be unpacked in more detail. What product is being featured and how it is packaged needs to be captured. Beyond this, it is key to understand how well brochure product sells. The STA was able to get Cox & Kings (UK) to feature Swaziland as a stand-alone destination. It has however been withdrawn from the brochure this year, due to lack of demand.

What emerges from the cursory market mapping is that from a FIT perspective, Swaziland is being sold predominantly by smaller boutique operators, with the maximum passenger numbers in a year being 50. Only Air Travel Bargain, African Travel and Acacia Adventure Travel sell more than 100 passengers a year. A significant number of operators list the type of travel to Swaziland as 4 – 5 star. It would be interesting to know what product their customers are using, as there is a dearth of 4 – 5 star accommodation product in Swaziland.

The consultancy undertook a sample market mapping detailing tour operators who offered Swaziland and those that did not, in The Netherlands and Germany. Selected operators who did offer Swaziland were interviewed in these two source markets, as well as the UK. Although most operators interacted with did offer Swaziland, the vast majority of these aren't mentioning the destination in their brochures or on their websites in the same way they do with other destinations. Swaziland is hardly ever included in the overview of destinations that the company offers, is not on the list of destinations featured on the front cover or on the list of destinations on the website, or even in the index of the brochure. Often the only way to find out whether they offer Swaziland is to

search for it if the website has a 'search option', to look at the itineraries they offer to South Africa, or by calling them directly and asking.

An example is Kuoni Travel UK. Even the search engine didn't come up with anything when Swaziland was entered, whereas when speaking to them, it appears they do an escorted tour called 'Best of South Africa Tour' that includes a short stay in Swaziland. This was the same with many; when called, thinking they weren't offering Swaziland, they actually did, as part of a South Africa tour. All German operators and Dutch operators that were researched appeared to be operating Swaziland but you couldn't have found out from a website or brochure.

This is a massive missed opportunity for Swaziland, as it would greatly improve their visibility. When operators were questioned about not featuring Swaziland, even though they are offering it, the response was often that it is part of South African trips and isn't offered as a stand-alone destination, or they felt that there is so little demand for it that it, isn't worth mentioning.

There appears unanimity, from all operators spoken to, that Swaziland needs to be offered as part of a broader regional trip and does not have any potential to become a destination offered on its own.

Some companies (particularly in the UK market) find that Swaziland only sells to repeat visitors to South Africa, whereas others (mainly German and Dutch operators) claim only first-time visitors to the region would be happy to include the destination. Several tour operators mentioned that the type of accommodation on offer in Swaziland doesn't quite match the demand from their clients.

A new opportunity mentioned by one of the companies is a combination of trips to Swaziland and Mozambique because of the increased popularity of Mozambique. This avenue of growth has been put on hold due to the imposition of visa requirements for most European markets by the Mozambiquan authorities. This does not however preclude product linkages between Swazi and product in and around the Kruger National Park and northern KwaZulu-Natal.

The notion of building tourism growth on the pillar of European FIT travellers will be an arduous, but not impossible process for Swaziland. The approach to date has not yielded positive results. A more cost-effective and targeted strategy is called for. Even if Swaziland is able to attract incremental numbers of overseas tourists, their length of stay is fairly short (UK visitors stay an average of 3,5 nights) and their repeater rate propensity is low (UK 30%, but only 15% for Germany). An overseas market segment that holds greater potential than normal FIT leisure is the volunteer segment. These travellers spend up to two months in the country and are involved in upliftment projects or the capacity transfer of skills. Abang Travel based in Cape Town specialise in this type of travel. All Out Africa, a Swazi based company, has developed an international presence, as well as good product, within Swaziland in the volunteer tourism segment.

## 5. SWOT ANALYSIS

**Table 4 'SWOT' ANALYSIS**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Swazi culture - which offers safety, friendly people and a feeling of relaxed comfort	Limited destination awareness in current originating markets
English speaking	Lack of co-ordination and organisation between private sector players
Geographical position - between Kruger National Park/Mozambique and Kwa-Zulu Natal	Constrained financial resources in both the public and private sectors, including for conservation
An additional country to visit on a South African and/or Mozambique itinerary	Shortage of tourism 'icons'
Un-spoilt landscape and scenery	Difficulty in accessing 'Royal experience'; no fixed dates for major cultural festivals
Proximity to Gauteng, economic hub of RSA, as well as Nelspruit, Maputo and KwaZulu-Natal north of Durban	Air access expensive and only from Johannesburg
Wildlife viewing up close including on foot and mountain biking	Insufficient human resource skills and capacity
Events programme including Bushfire festival	Malaria risk in eastern Swaziland
Range of adventure activities - including white water rafting, caving and quad trails	Limited capacity in languages other than English and Swazi
Attractive for volunteer tourism	Limited high end accommodation
Quality handicrafts - relative to many other destinations	Perceived border difficulties/visa requirements for some countries with limited number of foreign embassies
Exemplary rhino conservation record	Weak private sector sales and marketing capacity – poor positioning with regional inbound market
Good quality major roads	Poor quality access roads in certain areas and poor signage
"Not South Africa" – discernible absence of angst	High numbers of transit visitors and short average length of stay

<b>OPPORTUNITIES</b>	<b>THREATS</b>
Grow the regional self-drive market	Trend of decreasing length of stay for overseas visitors to Southern Africa
Increase length of stay among overseas FIT travellers – through focused and targeted sales effort	Negative perceptions of Swaziland linked to Swazi Royal Family
Niche market potential, e.g. hiking, mountain biking, bird watching, river rafting	Global and regional competition
Regional golf group market	Increased prices, e.g. of fuel
Development of the domestic market	Regional instability, e.g. Zimbabwe
Growth of volunteer tourism	Continued weakness in the economy
Enhanced collaboration with neighbouring destinations/businesses	Dramatic decline in arrivals from Europe

Greater collaboration between the Swazi public and private sectors and between private sector tourism businesses	Weakness in tourism in Mpumalanga and Mozambique – limits to regional positioning
Enhanced events programme	
Modular product packaging	
Community based tourism	
Transit and VFR markets	

## 6. WHAT DOES THIS MEAN FOR GROWTH CHOICES GOING FORWARD?

### 6.1 International Source Markets

The data analysis reveals that despite spending the bulk of the STA budget in activities in Europe and the UK, arrivals from these markets have declined dramatically since 2007. It is of further concern that this decline has been more pronounced than in both South Africa and Namibia.

Swaziland remains tightly linked to South Africa with respect to tourist flows. In terms of the international markets the Kingdom attracts both group series tours and self-drive FITs. The former do not choose Swaziland specifically, but buy a grand tour of South Africa that includes a one night (or possibly two) stop-over in the Kingdom. The ability to grow this segment in terms of getting new group series operators to feature the Kingdom is almost zero. Moreover, there is no merit in attempting to shift accommodation or activity choices in Swaziland, as this will result in a zero sum gain for the country (and is almost always only achieved by offering a lower rate – which simply decreases net tourism receipt to the Kingdom).

The FIT self-drive market tends to be drawn from repeater travellers to Southern Africa, who may stay for two to four nights. This is the segment that offers potential for growth. However, growth prospects here are constrained by a number of factors. Research both from the market, as well as, the product audit reveals that Swaziland lacks iconic attractions. In addition, the Kingdom lacks a spread of four and five star quality accommodation that is available and utilised by international self-drive tourists to the north of Swaziland in Mpumalanga, and to the south in northern KwaZulu-Natal.

The average length of stay of tourists to South Africa has decreased over the past ten years. This has manifested itself most acutely in the volume of long haul tourism to the key leisure province of KwaZulu-Natal, declining by 44% from 2006 to 2011. The Eastern Cape province also showed a decline of 18.6% in long haul tourist numbers from 2004 to 2008. This is linked with the limited ability to attract first time self-drive tourists to include Swaziland on their itineraries. As has been mentioned previously, the well-trodden path of Cape Town – Garden

Route – Port Elizabeth – Johannesburg – Kruger National Park is the preferred routing for the vast majority of first time visitors to Southern Africa.

Another hurdle to the attracting self-drive tourists, is the cross border fee of R790 charged by all car rental companies when tourists drive into the Kingdom. This is a significant cost, particularly when considering that the average length of stay is between one and three nights. It is also worth noting the low repeat rates from key European markets; 12% for tourists from France and the Netherlands, 15% for Germany and 30% for the UK. The recent dramatic devaluation in the Rand/Emalangi means that the cost of marketing overseas has risen by around 30%.

A significant proportion of the self-drive market will have booked their holiday through a tour operator. This is the norm, given the nature of travel to Southern Africa and the associated perceptions of security. By booking through a reputable operator, the tourist is also comprehensively insured and covered for all eventualities. This means that Swazi accommodation establishments that will benefit from this flow of tourism will be selling their products at STO rates, which vary from 10% to 30% of the rack rate, with the obvious implications for tourism receipts to the Kingdom.

The factors associated with growing the international self-drive market, unpacked above, may appear to cast a gloomy picture for growth. This is merely meant to provide a realistic perspective in terms of a point of departure and to inform the selection of target markets and the opportunity costs associated with those choices. There remains room to grow international self-drive tourists to the Kingdom.

## 6.2 Regional Markets

Swaziland borders South Africa and Mozambique. There is limited air access into Swaziland and only via Johannesburg. There are four key regional hubs in close proximity to Swaziland that offer significant growth opportunities:

- Gauteng
- Nelspruit/Whiteriver
- Durban/Pietermaritzburg and northern KZN
- Maputo

Not only are these hubs in close driving distance to Swaziland but the costs of marketing to these regions are in Emalangi, and not hard currency. There are high repeat rates of 89% (Mozambique) and 84% (South Africa). Moreover, there is substantial scope for peer to peer endorsement of Swaziland as a tourist destination. In contrast to the international tourist market, regional tourists almost exclusively book their accommodation directly, thus paying rack rates with no associated leakage. They also have the propensity to venture 'off the

beaten track’ and frequent establishments that may not have permanent restaurant facilities (as required by the majority of international tourists).

Another key potential market for Swaziland is Maputo. Mozambique has experienced high rates of real economic growth (between 6% to 8% since 2002) in the past ten years and the trend looks set to increase on the back of the discovery of vast mineral and gas deposits in the north of the country. There are in addition an estimated 10,000 – 12,000 expatriates living in Maputo. The city is congested and humid and inhabitants look to escape for short breaks. There is currently a significant flow of tourism from Maputo to the Nelspruit/Whiteriver area. Swaziland is perfectly situated as a less congested alternative to the busy Maputo – Nelspruit corridor.

Swaziland has a number of ‘good news stories’ (Rhino conservation, Apartheid struggle haven and schooling, Nkonyeni golf course, businessman Nattie Kirsch, Kingsley Holgate – Lubombo Conservancy, etc.) that will have immediate resonance with these markets.

Swaziland has not been actively marketed in either South Africa or Mozambique to date. It has a historic nostalgic image amongst older South Africans as a fun place visited during the 70s and 80s. This was predominantly linked to legalised gambling, and events such as international music acts that eschewed Apartheid South Africa. There is an opportunity to reposition the Kingdom as a ‘cool’, relaxed and fun destination to visit in the four regional hubs identified. An endearing quality that Swaziland exudes, is a friendly, relaxed atmosphere, that is in stark contrast to the relatively tense and angst-ridden environment that currently pervades South African society. Beyond the generic re-positioning, there is the ability to target special interest segments such as birding, hiking, off-roaders, 4x4 clubs, retired travellers, golfers, ‘Black Diamonds’<sup>6</sup> and the meetings, conferencing and incentive segments.

There has been an argument forwarded that the South African domestic leisure market is ‘dead’. This is clearly not the case as reflected in Table 5 below.

**Table 5 South Africa - Domestic Holiday and Business Travel<sup>7</sup>**

	2007	2008	2009	2010
Business trips (million)	2,5	1,65	1,52	1,49
Business spend (R billion)	2,8	3,1	3,8	2,95
Holiday trips (millions)	5,75	5,26	3,64	3,86

<sup>6</sup> ‘Black Diamonds’ is the term used to denote the burgeoning black upper class that has emerged over the last ten years in South Africa. They are predominantly centred around Gauteng.

<sup>7</sup> *Financial Mail*, 9 March 2012.

Holiday spend (R billion)	7,4	10,1	4,93	6,5
Total Spend (R billion)	10,2	13,2	8,7	9,5

The main source markets for domestic tourism within SA are Gauteng (36%) and KZN (23%) accounting for a collective 59% of all domestic tourism trips taken in 2011. The total number of overnight domestic trips in SA have declined by 11,1% from 29,7 million in 2010 to 26,4 million in 2011. Similarly, the average number of trips per traveller has decreased from 2,2 in 2010 to 1,9 in 2011. Although there has been a decline due to the economic climate, the sheer amount of domestic travel volumes makes this a market worth considering. The number of overnight trips undertaken to KwaZulu-Natal is also reflected by way of a proxy to possible travel to Swaziland.

**Table 6 Domestic Trips Taken and Average Number per Traveller**

Year	Annual overnight trips in SA	Average number of trips per traveller	Annual day trips in SA	Annual overnight trips to KZN
2009	30,3 million	2,1	214,6 million	8,8 million
2010	29,7 million	2,2	227,7 million	8,3 million
2011	26,4 million	1,9	274,5 million	7,1 million

Source: SA Tourism, Annual Tourism Report (2011)

The fact that Swaziland lies adjacent to South Africa and Mozambique means that it does attract significant tourist flows. It would, however, be naïve to expect that these will simply grow, independent of any substantial marketing. The four regional hubs, together with the special interest segments linked to identified Swazi special selling propositions, offer the greatest potential for increased tourist receipts in the short to medium term.

## 7. MARKETING AND SALES TOOLS

### 7.1 Market Mapping and Key Account Management

In order to conceptualise and then execute a tourism growth strategy, it is imperative to have a firm understanding of the trade both in the regional inbound market, as well as, the operators selling Swaziland and Southern Africa in key source markets. A useful framework for this is to develop a market mapping template. This serves as a road map to understand the market in question. It collects and distils the intellectual knowledge on a specific market and ensures that this resides with the tourism authority and not only with individuals employed by either organisation, or by representation companies.

The market mapping takes the form of spread-sheets in which key information is captured on all operators. Key data fields such as who the key operators are, relative size, address and contact details, how and importantly what they sell, is stipulated. Key for Swaziland would be to target operators who sell directly to consumers, as opposed to those who sell through travel agents. The former are likely to have a database of past customers and some form of brand loyalty. The potential exists then, to engage the database with offers of new product, such as Swaziland.

This is the crucial road map that informs sales activity going forward. Key here is that it allows active management from the tourism authority head office.

Market mapping is a time consuming and arduous exercise to complete. Once done, it is however relatively easy to maintain. Not many private sector tourism companies are able to compile this type of data. In many senses it is a 'public good' and should be shared with the private sector in the Kingdom as a valuable sales tool. There is clearly a role here for the Research Department at the STA, in terms of mapping and maintaining key source markets.

A useful point of departure for a destination, that is not widely featured in a particular source market, is to do a regional market mapping. This involves a data base of operators listing what countries within south and east Africa, as well as the Indian Ocean Islands, is sold by each operator. An example of this market mapping is attached. It reflects a market mapping done for Namibia for the German market in 2005. This was then disseminated to the Namibian trade, who were then able to use it to target operators who were selling other countries in southern Africa, but not Namibia at that stage.

Once the market mapping has been completed, and depending on in-country resources, a more refined phase of analysis of key accounts is recommended. This involves a more thorough appraisal of each operator than the market mapping allows. It entails three key areas of data capture. Firstly, all the facts pertaining to that operator, and relevant activities and performance. Secondly, an in-depth analysis of these facts, and finally, the development of a detailed action plan for growing tourism receipts from the operator in question, to Swaziland. The data fields to be captured will need to be discussed. An example of a key account analysis of an inbound operator, that was produced for a hotel group in South Africa, is attached.

## 7.2 Joint Marketing Agreements or Co-operative Marketing

The market mapping serves to assist in identifying current key accounts and operators who may not be currently selling Swaziland, but who demonstrate the potential to do so. These operators can then be targeted for possible joint marketing agreements (JMAs). This form of marketing is also sometimes referred to as 'co-operative' or 'co-op marketing'.

The concept of co-operative marketing is predicated on identifying opportunities in a chosen market and/or market segment, and selectively engaging with an appropriate organisation or business entity, to jointly invest in achieving mutually beneficial targeted outcomes.

This is a well-developed form of marketing based on international best practice from destinations such as Australia, New Zealand, Canada, Thailand and latterly South Africa. Essentially it involves marketing campaigns aimed at driving incremental tourism to a destination. It is key that activities identified are indeed incremental and that the tourism promotion body does not end up subsidising what the operator would have spent on their own in the absence of the JMA. To this extent, current and historical marketing activities by the operator are ring-fenced. The incremental marketing campaign is then costed against a projected return on investment. The cost of the campaign is then shared, normally on a 50 : 50 basis between operator and tourism board, (although this ratio can differ depending on the nature of the negotiations).

The hypothetical example set out below demonstrates how the JMA would work, and how the tourism authority calculates and thus evaluates the projected return on investment. The example below demonstrates the enormous leveraging potential inherent in JMAs and introduces a useful return on investment (ROI) calculating methodology that can be used beyond evaluating co-op marketing proposals. It furthermore demonstrates that this form of activity can be timeous and accurately measured in terms of a direct “in-country ROI”.

#### **Hypothetical Example of a JMA Deal – “Sense Africa”**

*Sense Africa, a UK based boutique operator, approached the STA with an incremental marketing campaign to stimulate tourism to Swaziland. The cost of the campaign is E 40,000. This cost is shared and each party agrees to pay E 20,000.*

*Sense Africa currently sends 50 passengers to Swaziland as part of its established programme. The campaign is aimed at a targeted direct mail drop aimed at people who have travelled with Sense Africa in the past four years and will target incremental delivery of tourists to Swaziland between November 2013 and March 2014.*

*Sense Africa projects that they can generate at least an extra 50 tourists through this exercise. From the actual offering in the mail campaign, the tourists will spend 4 days in Swaziland and we can calculate from where they stay and what they do, that the average spend per person per day will be E 1,400.*

*It is then possible to calculate the projected incremental “in-country” spend that will result from an extra 50 passengers – 50 passengers x 4 days x E 1,400 spent per day = E 280,000. By dividing this amount by the amount contributed by the province, namely E 20,000, a return on investment (ROI) ratio of E 1 : E 14 is arrived at.*

A note of caution is that the relatively short time spent by the potential tourists in the Kingdom means that the expected ROI ratios may be fairly low.

There are further benefits that are potentially derived from a JMA approach. In the first instance it extends the current market budget by the collective amounts committed by the operators. It furthermore allows the tourist board to influence the spread and nature of the product offering, as well as the timing of the campaign, as the tourist board is also contributing financially. This aspect needs to be carefully negotiated, and experienced negotiation skills ought to be engaged. The real benefit here is that the tourism board ends up working with key established operators in the chosen target markets, and effectively leveraging off their brands.<sup>8</sup> The JMA approach catalyses and subsidises market entry. Best practice suggests that it be pursued for a maximum of three years, but each agreement should be evaluated on a year by year basis and measured against delivery. After this time the programme should be self-sustaining. The allied aspect is that of catalysing interest in a destination. By galvanising certain key operators to offer a region, this should in turn lead to renewed interest from competitor operators.

In the case of South Africa and Namibia, the JMA marketing tool was exclusively limited to deals with operators in source markets. In the case of Swaziland, given the small size of the market, it may be prudent to extend the concept to proposals from within the Kingdom. These proposals should only be entertained if they are able to show a benefit to the Kingdom as a whole, and not simply a single establishment or business.

This approach was effectively pursued by Namibia Tourism from 2004 to 2006. A synopsis of deals and delivery from specific operators is included in Appendix A. In summary, Namibia Tourism spent N\$ 9,349,781 over three years on a JMA campaign with selected operators. This resulted in 14,125 incremental tourists visiting Namibia which translated into a cumulative “in-country injection” of N\$ 394,441,007<sup>9</sup>, yielding a N\$ 1 : N\$ 42.2 return on investment ratio.

A document setting out guidelines for JMA proposals is included as Appendix B.

### 7.3 Representation in Source Markets

Many tourism authorities seek to establish a permanent office in key source markets to manage the process of destination promotion in that country. These could be staffed by either nationals from the destination or

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<sup>8</sup> One of the most productive, and certainly the most evocative, JMA campaigns in recent times was between the Kenyan Tourism Board and Kuoni UK, with the by-line, “Think Kenya, Buy Kuoni”.

<sup>9</sup> The ‘in-country spend’ component include the air ticket, if the tourist flew with Air Namibia, which inflated the ROI ratio slightly.

natives of the source country, or a combination of the two. In general, this is a fairly costly option and is the norm in mature destinations and / or in lucrative source markets.

A more cost-effective option is to contract a representation company to manage the destination promotion in the country in question. The key requirements to do the job are:

- A knowledge of the source market – especially the trade and PR / media
- An ability to speak the language of the source market (i.e. French in France)

It is not necessary, as many tourism authorities believe, to have nationals from the source market selling the destination. An option is to second personnel from the tourism authority to work with the representation company and thus build capacity.

Representation companies provide a hands-on, flexible, knowledgeable entity that can actively service the targeted market on a regular basis. The alternative is to attempt to do this, by officials from the provincial tourism authority travelling to and from the market in question.

These companies should be charged both with growing trade sales, as well as growing consumer awareness through public relations and media. They would commonly be paid a retainer and then be accorded additional operational budget. The representation company would then be charged with the development of a country specific strategy against the budgeted amount that would deliver the following:

- Compilation and management of market mapping data
- Key account analysis
- Sales calls based on market mapping
- Development of trade media strategy
- Procuring JMAs from selected operators
- Development of a tactical campaign to drive sales and/or awareness. This could involve affinity marketing with other products etc.
- PR & media strategy aimed at increasing consumer awareness

Representation companies that have a number of other key international destinations as customers should be valued above stand-alone “one man band” operations. The former have the ability to leverage off their other clients and will be able to bring best practice experience to bear for Swaziland. These companies normally also have a sound knowledge of the trade and have well developed relationships with the operator sector at an executive, as well as at an operational, level.

The hard currency cost of retaining and indeed ensuring that the representation company has sufficient budget to be able to add value can be prohibitive. A seminal, but sometimes, overlooked aspect to engaging

representation companies, is active, involved and informed management from the tourism authority head office.

It is furthermore suggested that the process of appointing a representative company be an open and transparent one. A call for proposals should be followed by a short-listing, and then a rigorous interview process where the short-listed companies present and can then be questioned. Pre-determined evaluation criteria should be agreed on by the evaluation panel, prior to the interview process, and this should determine the preferred company.

#### 7.4 Trade and Consumer Shows

Trade shows offer the opportunity to expose Swaziland to a wide array of potential customers. The key international shows the STA attends, are WTM and ITB. The STA essentially subsidises the cost of private sector players by assisting them to attend these events. In many ways Swaziland, given its relatively small size, is different to other regional destinations such as South Africa, Botswana or Namibia. When these countries attend WTM or ITB, there are well over 20 private sector players representing the destination and in the case of South Africa often in excess of 50. This gives a sense that the 'destination' is being showcased. The Swazi presence is somewhat smaller, with a handful of private sector representation. The concern is that, rather than selling Swaziland as a destination, individual properties are being sold.

The strategy supports the continued attendance of flagship trade shows. This should however be undertaken in the context of the overall strategy. Attendance should be contingent on an appointment-based schedule informed by the market mapping process. Given that only a few private sector players deem it affordable to attend these shows there is an added responsibility on STA to utilise the opportunity to sell the destination. By utilising the market mapping the STA should also use the time at these shows on an appointment basis with selected operators. Many attendees at these trade shows sit around waiting for operators to come up and request a meeting or information. There is a need to move from being 'order takers' to order makers'. In addition sales calls can be scheduled in key markets before and after the key trade show, thereby utilising the cost of traveling to the UK or Germany more effectively.

There may well be merit in the STA considering attending Vakantiebeurs in Holland. This should be explored with key accounts that service the Dutch and Belgium markets and should also be done on a strictly appointment basis.

The key regional trade show Indaba is well attended and should be continued. Market mapping and the overall ramping up of a targeted sales process should result in more appointment-based activity on the stand for the private sector players as well as STA staff.

Key regional consumer shows such as 'The Getaway Show' should continue to be actively supported.

It is also important to be on the lookout for special interest shows. An example is the Adventure Travel Trade Summit, being held in Namibia in October. It is encouraging that the STA is actively supporting Swazi product in attending the show.

## 7.5 Marketing Collateral

The STA has produced an official tourist guide in the form of Swaziland Discovery. It contains a wealth of information, as well as a map. It also details a comprehensive list of accommodation. Whilst this has proved to be a useful tool for the direct consumer (i.e. the tourist), it is less useful for the trade. It is suggested that a more concise trade-focused brochure be produced, that is tailored to what there is to do and where to stay. This could then be produced more cost effectively on a DVD. Feedback from inbound agents suggests that the current DVD is informative, but cumbersome. The consumer brochure could also be improved. It should be a marketing piece that communicates key messages that the visitor will want to know about. The following extract from the website encapsulates very well the message of why a prospective tourist should come to Swaziland:

*"Culture and heritage are deeply engrained in all aspects of Swazi life, ensuring an unforgettable experience for all who visit. As well as the rich culture, the overwhelming friendliness of the people makes all visitors feel truly welcome and very safe. Add to that a stunning landscapes of mountains and valleys, forests and plains; plus wildlife reserves across the country that are home to The Big Five, and you have all that's best about Africa in one small but perfectly formed and welcoming country".*

It strongly suggested that a new map of the country be commissioned. The map should clearly depict the condition of all roads. Key product attractions should be clearly shown. It also suggested that a blown-up insert of the leisure heartland around the Eluzweni Valley be included.

A useful and growing medium is video. The current Kingdom of Swaziland video is 3 minutes and 27 seconds in length. It is cast very much from a Swazi perspective and not from the point of view of a prospective tourist. It needs to be shorter and to focus on what a tourist can do and where they can stay.

## 7.6 Website

The current website provides a very good overview of what to do and where to stay. Of concern is the 'visibility' of the site on a Google search. In this respect it only appears on the first page of a Google search if one types in 'Swaziland tourism'. 'Swaziland holidays', 'Swaziland vacations' and 'Swaziland Reisen' does not show the STA

site on the first page. The on-going market mapping exercise should be fed into extending and refining the “operator” section. The Geo Group have set up and managed the site to date. It would be instructive to know when and how the site reverts back to STA. Are there any copyright issues with transferring the management of the site? It would also be useful if the site could be translated into at least German, French, Dutch, Portuguese and Afrikaans

A further suggestion is that the text could merit a revision. Too much is apologetic – for example:

*"Despite being the smallest country in the Southern hemisphere, Swaziland more than makes up for its lack of size with a hugely diverse range of attractions and activities."* Starting off with a negative is a sub-optimal way of promoting the Kingdom.

*"Reaching Swaziland by air at present is **only** possible from Johannesburg, flying to Matsapha (aka Manzini) International Airport on Airlink." "Flights to Swaziland from Johannesburg are currently provided **solely** by Swaziland Airlink."* The “only” part could be replaced by saying that *"Swaziland benefits from a frequent jet service from Johannesburg that is a part of the South African Airways system and is easily booked anywhere in the world."*

It is also recommended that the STA explores the possibility of establishing a cost-effective booking engine behind the website that allows product owners in Swaziland to allocate inventory on a day to day basis. This will allow smaller product owners particularly to allocate inventory into a system for distribution through the powerful channels that eRes offer.

## 7.7 Social Media

Given that the realm of social media is a relatively new phenomenon, this section seeks to unpack the various elements and options in some detail. It should be acknowledged that the STA has been active in social media on Facebook and Twitter. There is clearly scope to expand on this and venture into other branches of social media.

### 7.7.1 What is Social Media?

#### ***'Sustained conversations that shape perceptions'***

Social media is gaining prominence as an element of destination marketing at a time when the public sector is cutting funding, requiring them to seek greater value in the way marketing budgets are spent. Social media

offers Destination Marketing Managers a tool to reach a global audience with limited resources. This is a relatively new form of marketing and as such the strategy seeks to unpack the various elements in some detail.

Social media refers to user-generated content on the internet. It's created with free or inexpensive technology, is easy to update, and can reach a niche audience of millions. It is a platform that can be used successfully to identify existing communities of tourist prospects, travellers, and influential people on the main social media sites, on travel specific social media sites, and on established travel blogger sites.

It can be mere words in a blog, but also videos, photos, as well as audio. It can be interactive with unfiltered comments from visitors. As user-generated content, it does away with controls associated with traditional media – it may even reduce the need for big, expensive media.

It also means that government and institutions no longer have ultimate control over the image of Swaziland as a destination. Therefore, it is paramount that a sense of ownership of the brand is established in the private sector, organisations and government alike to ensure some degree of consistency in the Swaziland brand throughout the online presence.

Social Media is based on the simple unwritten premises of transparency, sharing and relationship. Due to its public nature, discussion happens out in the open, providing a safe and socially acceptable space for anyone to weigh in on the discussion.

### 7.7.2 Quick Facts

- 4 of the top 7 highest-traffic websites (Facebook, YouTube, Wikipedia, and Blogger) are social media websites
- Two-thirds of the global internet population visit social networks — *Nielson, Global Faces and Network Places*
- More than half of all people in the U.S. over 12 years old, have set up a social media profile
- With over 400 million users, if Facebook were a country, it would be the 3<sup>rd</sup> largest country in the world
- Twitter now has 110 million users and is adding 300,000 a day

### 7.7.3 Types of Social Media

Type	Media	Strengths and Features	Key Measurements
Micro-blogging	Twitter Google Buzz	Ultra-brief blogging, 140 characters or so. Microblogging gives people real-time insight into	<ul style="list-style-type: none"> <li>• Number of friends/followers</li> <li>• 2nd-order followers (follower's follower count)</li> <li>• Velocity - average of first- and second-order followers attracted per day since the</li> </ul>

		Swaziland in a digestible way. Retweets promote viral marketing on microblogs. Hashtags provide a streamlined way to organize and track specific topics and events.	<p>account was established</p> <ul style="list-style-type: none"> <li>• Social Capital - influence of writer followers</li> <li>• Pages ranking on key terms from microblogging sites</li> </ul>
<b>Blogging</b>	Blogger Wordpress TypePad, Other nonbranded blogging platforms	Blogs boost organic search engine by adding pages to web site and encouraging inbound links. A blog offers the perfect opportunity to “humanize” Swaziland through different voices and perspectives.	<ul style="list-style-type: none"> <li>• Number of posts</li> <li>• Audience growth —unique and repeat visits</li> <li>• Number of conversions</li> <li>• Conversion rate (depending on specific conversion goals)</li> <li>• Subscribers</li> <li>• Inbound links</li> <li>• Technorati, Allop and other directory listing</li> </ul>
<b>Video sharing</b>	YouTube Vimeo Keek	Increase awareness for Swaziland. Improve SEO – Video links show up in search engine results. Publish online videos on the website	<ul style="list-style-type: none"> <li>• Referrals from social video sites</li> <li>• Views of videos on social sites</li> <li>• Pages ranking on key terms from social video sites</li> <li>• Subscribers to video channels</li> </ul>
<b>Photo sharing</b>	Flickr Picasa Photobucket	Photo sharing allows for a personal, human touch to Swaziland. Use shared photos to start conversations with prospects, and	<ul style="list-style-type: none"> <li>• Referrals from photo sharing sites</li> <li>• Views of photos on social sites</li> <li>• Subscribers to photo profile or pages</li> <li>• Pages ranking on key terms from photo sharing sites</li> <li>• Subscribers to video series or</li> </ul>

		learn more about them. Improve SEO	channel
<b>Document sharing</b>	Google docs Slideshare Issuu	Similar to a “Resources” or “Downloads” section on the website, with the added benefit of greater exposure. Upload and share content that addresses tour operators	<ul style="list-style-type: none"> <li>• Referrals from presentation/document sharing sites</li> <li>• Views on presentation sharing sites</li> <li>• Pages ranking on key words from presentation/document sharing sites</li> <li>• Subscribers to profile or pages</li> </ul>
<b>Bookmarking</b>	digg de.lic.ious reddit Tumlr StumbleUpon Pinterest	Social bookmarking lets users share the websites that they think are interesting with other users who have similar interests.	<ul style="list-style-type: none"> <li>• Referrals and visits from these sites</li> <li>• Page rankings on key terms from these sites</li> <li>• Button views – the number of times the sharing icon (button) was viewed on the site</li> <li>• Bookmarks – the number of bookmark events</li> <li>• Bookmarking rate – the number of bookmarks divided by button views</li> </ul>
<b>Social Networking</b>	Facebook Linkedin – professionals	Facebook Page as a mini-website to share information, grow a fan base, post multimedia content, communicate events and give status updates. The more people that ‘like’, the more Swaziland gets promoted to their friends and networks.  As a leading social networking site for	<ul style="list-style-type: none"> <li>• Number of posts</li> <li>• Audience growth</li> <li>• Interactions in groups and fan pages</li> <li>• Number of likes</li> <li>• Number of shares</li> <li>• Referrals from social networks</li> <li>• Connections on social networks</li> <li>• Facebook platform</li> </ul>

		professionals, LinkedIn is a perfect way to approach operators in key markets. Use “shared connections” to make introductions.	
<b>Commenting</b>	Mainly topical and often self-developed (nonbranded)	Write interesting blog posts that engage readers and encourage comments. Start a two-way conversation by offering engaging commentary that is insightful and stimulates dialogue. As a reader, only comment when there’s something valuable to say.	<ul style="list-style-type: none"> <li>• Inbound links</li> <li>• Number of comments</li> <li>• Increased number of conversions from commenters</li> <li>• Increased traffic on searchable comments</li> </ul>
<b>Travel specific</b>	Tripadvisor Triplt Dopplr TripLine Lonely Planet		

#### 7.7.4 Content Type

In its simplest form, there are 3 types of social media content:

- **News Content** – This is content that is time-sensitive and is based on facts, events, and happenings in Swaziland. News content does exceptionally well in the realm of most social media sites. In reality, there are two types of news in terms of social media opportunities:
  - a.) the news gathered from other sources and submitted
  - b.) the news created internally us (by using research, case stories, scoops, etc.)

- **Entertainment Content** – This type of content is designed to entertain or attract attention e.g. "Top 10" type lists, staged videos, majestic images, and the like. These entertainment-focused submissions typically perform well on general social media sites like Digg, Reddit, or Stumbleupon but do poorly on industry sites.
- **Resources/Educational Content** – These types of posts are based on research and facts. The depth and comprehensiveness of information increases the likelihood that they'll be bookmarked or saved for future reference. These types of posts would work towards educating operators in the industry about Swaziland as a destination.

### 7.7.5 Examples of Content

- Photographs
- Stories on exciting topics
- Articles
- Videos of people, places and activities
- User-generated articles and videos
- Mailers
- Surveys

### 7.7.6 Objectives of a Social Media Strategy for Swaziland

The objectives of a social media strategy for Swaziland include:

- Building awareness of Swaziland as a tourist destination
- Embrace and project the Swaziland brand's personality
- Positively position Swaziland among its competitors
- Gain valuable industry insight by listening intelligently to community, industry and competitors
- Crowd source fresh ideas from Swaziland's biggest fans
- Identify new product ideas
- Increase web site traffic
- Improve search engine rankings
- Drive traffic to the Swaziland trade show stand

### 7.7.7 Suggested Action Plan

- **Listen to conversations** – Who is talking about Swaziland? What are they saying? What are they interested in and where are they saying it?
- **Establish share of voice** – There are millions of conversations online. When tapping into the ones about traveling in neighbouring countries, what share of voice do we have?

- **Set goals** – Use the information and insights gathered to set the goals that should be pursued in social media.
- **Find bloggers and communities – Where are the conversations taking place?**  
It's no longer about how many people we will reach, it's about whether we have reached the right people who want to engage and communicate with us?
- **Identify Influencers**
- **Develop a content strategy** – Success in social media is dependent on the quality of content and its ability to engage people in conversations.
- **Pick the right media** – Should Swaziland have a Facebook page, Twitter, Blog or does it make more sense to be somewhere else?
- **Create and distribute content** – once the content strategy is in place ideas will naturally flow about which content to create. Good content not only sparks conversations it also builds links. People will share the content, and they'll link to it from blog posts and tweets. This can raise search visibility and drive lots of traffic to the content.
- **Engage in and facilitate conversations** – Social media is about two-way communication.
- **Measure results**

#### 7.7.8 Recommendations for a Social Media Campaign

- **Find our best ambassadors** - When it comes to most destinations, the power of the experience usually comes most from the people who have already been there and talk about it. The benefit of social media is that it allows us to find these people easily. They are the ones that upload hundreds of great photos, or comment on message boards or write blog posts. Once it has been determined where to find them, we are in a much better place to think about how we might help them share their positive experience in Swaziland with even more people.
- **Create a unique and sharable experience** – Swaziland is still considered off the beaten track and the uniqueness and relative inaccessibility as a destination could be turned to a marketing advantage.
- **Interact with people** - Community conversations are an integral part of any outreach campaign and we can gain valuable insight.
- **Tell stories** – To ensure open communication and continuous interest (followers), keep it more about the stories than just blasting promotions from the private sector.

- **Show real faces** – Imagine how beautiful and strong a campaign with all the different faces of Swaziland could be.
- **Aim at user-generated content** - Reviews, comments and tweets are good ways to pass on travel advice and recommendations. People who have truly loved a place will dedicate a like, make a re-tweet or give a comment honouring Swaziland.
- **Be curious and experiment** – Why not use the opportunity to give Swaziland a unique voice and identity

### 7.7.9 Key Performance Indicators

Social media is about creating followers that are engaged with Swaziland and connect with what Swaziland has to say. It could be difficult to measure exactly when those followers might convert into actual tourists. However, it is certain that as more people become aware of Swaziland as a destination, the more likely they are to visit one day or recommend someone else to come.

STA will measure social media impact based on:

- **Volume** - the number of comments, 're-tweets' or followers around a specific topic.
- **Sentiment** - the perception of the topic in terms of positive or negative.
- **Penetration** - how far the topic is moving across social networks.

Regular monitoring will allow the online marketing team to instantaneously capture developing trends and conversations around Swazi related topics and either amplify the positive messaging or respond intelligently to questions or negative feedback. Positive mentions will boost the morale, highlight what is being done well, and uncover fans. Negative mentions are even more valuable. They will give STA a chance to turn a vocal critic into a vocal fan and they will show, what needs to change.

Success in online marketing will also be measured by increased traffic and engagement on Swaziland platforms including social media platforms, the website, blog content hubs and advertising initiatives.

#### Tracking Tools:

- FanPilot
- Facebook Insights
- Google Analytics
- Hootsuite Ow.ly Summaries
- LinkedIn Analytics
- YouTube Insights

## Negative Comments

Giving power over to an audience can be a risky procedure, especially if they have any gripes with the country or any of its citizens. Although many examples show that when a brand engages, the number of negative comments decreases, a social media campaign has the potential to go horribly wrong and impact the Swaziland brand in a negative way. It is recommended, but not included in this draft, that an emergency damage control plan is developed.

- Social media is not a panacea: if the branding or the products offered are inadequate, social media will not make that go away
- While many of the tools are free, it can take a substantial investment in time and consistent effort to build up a loyal following on the main social media sites
- Social media is not just another advertising channel – old-school marketing messages will not work
- There is a substantial learning curve in terms of the technology, language, and culture of the various social media sites
- Social media is always evolving, so successful methods can stop working
- Success may require effort from a team, not just from one person

### 7.7.10 Who Will do Social Media for Swaziland?

The first step in choosing who does social media for Swaziland is deciding between doing it internally, hiring a consultant to do it, or a combination of the two. The learning curve can be shortened with social media consultants who can train and help identify online communities where travellers already gather. But ultimately, the people who work to promote the tourism sector should do the social media activity. It is incredibly difficult to hire an outsider to be the authentic voice of Swaziland. When considering who can do social media, it isn't so much about experience as it is about finding someone who:

- Has deep knowledge of travellers, the tourism industry and the products of the region
- Exemplifies the personality of Swaziland
- Has insatiable curiosity
- Has integrity
- Has good people and communication skills
- Has a strong work ethic

## 8. THE MARKETING STRATEGY

It has been noted that the marketing activities adopted by the STA to date have lacked a clear sense of target markets. It is suggested going forward that clear target markets are selected and backed up by clear plans of action per market with associated budgets. The marketing strategy has taken as its point of departure the current marketing budget of E 8 million plus E 2 million expected to be raised by the tourism levy. There is thus approximately E 10 million available for the marketing budget. Of this E 1 million is dedicated to the research department. This leaves E 9 million. The marketing strategy suggests that E 6 million be spent in regional markets and E 3 million be spent in overseas markets.

### 8.1 International

The strategy will be tailored to the suggested budget of E 3 million. The overseas markets are currently served by a representation company, Geo, in the UK. They are further serviced by visits by senior staff, generally around trade and consumer shows. The STA has recently contracted capacity based in the Western Cape to promote Swaziland. It remains unclear what markets received priority above others and what the plan of action for growth was per market.

#### 8.1.1 Target Markets

It is recommended that the three key overseas source markets of the UK, Germany and the Netherlands are selected as overseas target markets. France was a consideration, but was omitted as the current limited budget precluded the necessary language and translation requirements with respect to marketing collateral and sales visits. These are the largest three individual overseas source markets and together they accounted for 34.6% of all overseas arrivals in 2012. Moreover they also account for 32.8% of overseas arrivals to South Africa. The UK is the largest overseas source market to South Africa. Germany is third and the Netherlands fourth.

The USA is the second largest overseas source market to South Africa. It is excluded from Swaziland's target list for a number of reasons. Firstly, the relatively low percentage of leisure to Swaziland (62.4%) compared with the suggested targeted four markets, where the leisure percentage is above 80%. Secondly, the fact that the US market traditionally avoids self-drive in Southern Africa, preferring escorted touring. Thirdly, the fragmented tour operator sector coupled with the sheer size of servicing the market makes it prohibitive in the context of the limited STA budget.

Although there has been a lot of hype around the growth of arrivals from China, Brazil and India to South Africa, the current budget available to STA precludes these as target markets in the short to medium term. The fact that 31.4% of Chinese and 42.7% of Brazilian arrivals to South Africa are in transit and spending at best one night

near OR Tambo airport, diminishes the appeal these markets may have. Moreover, the fact that Indian tourists still require visas to enter Swaziland (and there is no Swazi High Commission in India) is a major deterrent to the growth of this market.

### 8.1.2 Overseas Operators

The appropriate point of departure is to conduct a thorough market mapping exercise for each target market. This should list all the operators who sell South and East Africa. The data fields that should be captured should be akin to the market mapping exercise undertaken in the UK earlier this year. The market mapping is attached. It is imperative that the method of selling is captured. Of primary interest to Swaziland are operators who sell directly to consumers and who have a database of past clients. These operators have a greater propensity to explore new modular product offerings with multi-night stays in the Kingdom targeted at repeater clients. The aim should be to target these operators for sales meetings. The aim is to secure a greater product exposure for Swaziland. This could be supported by the JMA mechanism, which reduces the risk to the operator. The operator will normally have a clear sense of possible marketing and sales support to ensure that the incremental programme sells. Educationals, product training and 'fam trips' should be linked to the new marketing plan and should form part of the JMA. It is also prudent to encourage the operator to suggest PR coverage by utilising a journalist they have worked with in the past. The costs of this should also be encapsulated in the JMA, thus making it as holistic as possible. In this way all marketing activities are linked to and support the sales process. It may well emerge from the market mapping that operators who do not sell directly, may exhibit a willingness to work with the STA in growing the destination. These leads should also be actively pursued.

Feedback from the representation company contracted by Tourism KwaZulu-Natal in the UK points to a resurgence in the travel agent segment, particularly to long-haul destinations. The representation company is doing an increased amount of online activities with travel agents, including online destination training and booking incentives, e-newsletters and social media. The latter can either take the form of basic Facebook or Twitter (for free) or a more sophisticated campaign where an outside specialist is brought in. Destination supplements, travel agent educationals, tour operators product manager educationals, Southern African Tour Operators Association (SATO) workshops and tour operator dinners (ie industry entertainment and networking) still form part of their activities.

### 8.1.3 Regional Inbounds

A key data field in the overseas target market mapping is 'inbound operator or Destination Management Company (DMC)'. Inbound operators play a crucial role in tourism to Southern Africa as it is predominantly a 'touring' destination where the tourists will stay at varied accommodation and engage in a number of activities during their holiday. The majority of overseas operators contract their programmes through South African based inbounds. This is in contrast to 'stay-put' destinations, such as Mauritius, where the overseas operators will contract directly with hotels. An important consequence of this is that the inbound companies play a key

role in determining and evaluating new product options. There are cases where the overseas operator does not use an inbound company and contracts directly. This tends to be the norm with smaller boutique operators who generally sell small and thus manageable volumes to the region.

Given the seminal role played by the inbound operator sector, it is imperative that the STA conducts a thorough market mapping of the regional inbound market. Equipped with this information, key inbounds should be targeted for a sales sweep. This approach is relatively cost effective as travel costs remain in Emalangeni. This means that a slightly larger sales team can be utilised, thus opening the space for capacity building. An added benefit is that by targeting a single inbound company, the STA is actually potentially reaching all the overseas clients serviced by that inbound. Thompsons Africa based in Durban service over 120 overseas operators. The Swazi experience and products may not be appealing to many of Thompson's clients. However it will have resonance with particular customers. This process and the development of a relationship with the overseas principal is best guided by Thompsons. As the relationship unfolds, there may be a need to service it with product and destination training. There may also be scope to bolster the growth potential with the overseas operator by concluding a JMA. These may well require a sales visit to the operator in question. The benefit of this approach is that such a trip takes place against an expected return on investment.

The strategy has been unequivocal about the need to maintain focus given the limited resources both human and financial. This could be construed as limiting the exploration of growth from new and emerging markets. The inbound approach offers some respite in this regard. It may well transpire that a particular inbound has a sound client base in Brazil for example and feels that Swaziland could be included in a new programme. Although this falls outside the four key target markets, this could well be supported by a JMA. In this way the STA is able to focus support against a projected return on investment. Such instances should be considered on a case by case basis.

#### **8.1.4 Volunteer Tourism**

The approach outlined above is predicated in the main on attracting leisure self-drive tourists to consider spending one to four (or longer if possible) in the Kingdom. An important segment that offers far greater tourism receipts is the volunteer tourism market. The actual 'tourist' stays in Swaziland for an extended time and often returns with extended family. Swaziland has developed a sound capacity both in terms of product and tour operator networks in this segment. The STA should work closely to support Swazi players who operate in volunteer tourism to further enhance the competitiveness of the destination.

#### **8.1.5 Representation**

At present, the STA has a market representative in the UK only. This small company, Geo Group, based in Nottingham, has established the Swaziland tourism website to which it has the copyright. It would appear that the only other client of Geo is Malawi. This can have the advantage of a focus by the company on these two

destinations. However, it may also mean that key contacts with major tour operators are limited in scope, and likewise contacts with the media. This is important when addressing the key issue for Swaziland, i.e. its low visibility in the market place and its near invisibility even in those tour operators who feature the destination. The only exception is the very small operators who do give greater emphasis to Swaziland but where the volume of visitors generated is small.

Given the low visibility of Swaziland, and the need for good contacts with tour operators and the media, it is likely to be some time before it would be appropriate for Swaziland to have a dedicated member of staff in one or more European markets.

Thus the options are for the STA are:

- To service European markets via regular carefully targeted visits;
- To appoint a market representative firm in one or more European markets.

The first of these two options could be the most cost-effective if the right human resources can be found.

If market representation is to be continued, it is highly advisable that when the Geo Group contract is due for renewal, a tender process is adopted. This allows the STA to assess different approaches from the tenderers as to how best to target the UK market. Before the tender is launched the STA will either need to acquire the rights to the existing Geo Group website or to devise an alternative website.

The same process would apply to market representation in other European markets.

Among market representative firms with African experience are<sup>10</sup>:

### ***United Kingdom***

- **AMG:** an experienced representation company with a range of clients in the Caribbean and USA as well as Tourism KwaZulu-Natal.
- **Marketplaces:** A small representation company with corporate clients in Kenya, Mauritius and the Seychelles as well as elsewhere.
- **Hills Balfour:** a relatively large market representation company, whose clients include the Kenya Tourist Board. The company previously represented Namibia.

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<sup>10</sup> These are a suggested sample and by no means an exhaustive list.

## Germany

- **Interface International:** a representation company with tourist board clients including Botswana.
- **TravelMarketing Romberg:** a well-established representation company with a range of tourist board clients including the Kenya Tourist Board.
- **Kleber PR Network:** well established PR and trade agency. Their range of clients including – South African Tourism, Namibia Tourism Board, Thailand Tourism, Chile, Northern Territories (Australia).
- **Aviareps:** destination clients - Hawaii, Las Vegas
- **BZ-Comm:** destination clients - Peru, Ecuador
- **Lieb Management:** destination clients - Ontario, Jordan

### 8.1.6 International Strategy Summary

In summary the strategy approach in international markets:

- Three target markets:
  - UK
  - Germany
  - The Netherlands
- Market mapping and key account analysis of these markets plus regional inbound market
- Drive the process through the regional inbound market
- Targeted sales visits with key product, to operators who have the ability to grow the destination
- Use co-op marketing to stimulate incremental business
- Re-evaluate:
  - Representation
  - Trade show attendance
- Grow volunteer tourism as a discrete segment
- Develop a strategy per market with itemised budget lines against key deliverables

## 8.2 Regional

The regional strategy is set against a recommended budget of E 6 million.

### 8.2.1 Target Markets

Four key regional hubs have been identified as target markets:

- Gauteng
- Nelspruit/Whiteriver
- Durban/Pietermaritzburg and northern KwaZulu-Natal
- Maputo

### 8.2.2 Generic Campaign – Repositioning Swaziland

At the core of the strategy in these markets is the need to reposition Swaziland as a sought after leisure and meetings /conferences/ incentive destination. Given the size of the indicative budget, there is scope to mount a concerted generic campaign that focuses on the intrinsic appeal associated with Swaziland as a relaxed, warm, friendly, welcoming place – a ‘cool’ place. This is in stark contrast to the current climate in South Africa which is characterised by high levels of collective angst and tension. This message should provide a ‘generic blanket’ that forms the basis of the campaign. This message could then be supported by a series of good news stories about Swaziland, using key proponents and influencers. Examples here could include:

- Exemplary rhino conservation record (particularly in contrast to the dire situation in South Africa) – key person Ted Reilly
- Apartheid struggle haven and schooling
- Nkonyeni golf course – built by local farmer Johan Rudolph (see the attached article that appeared in the June issue of Golf Digest SA)
- Businessman Nattie Kirsch
- Kingsley Holgate – Lubombo Conservancy stories (see attached article)
- Richard E Grant – used to communicate to the South African public

Key here is that the South African public will resonate directly with these stories.

### 8.2.3. Special Interest Segments

The message lends itself to a strong ‘below the line’ campaign, but the possibility of also using ‘above the line’ communication should also be explored within the budget constraints. The Product Development Strategy pointed to numerous special selling propositions that could be targeted to special interest segments in the region. These include:

- Birding
- Hiking / walking
- Adventure based (canoeing, white-water rafting, caving, horse trails, canopy tours, quad biking, etc.)
- Mountain biking

- Golf
- Off-road / 4X4 trails
- Hunting & fishing

Given the proximity to the four key regional hubs, these special interest segments can be actively targeted and exploited relatively cost effectively.

The combination of the destination and its products, with the SSPs set out above, also offers the potential of marketing to several discrete segments. Swaziland has a safe environment and good road network. The 'contained' country club product in the north east of the Kingdom can be marketed to the retired couple segment. A key market that could be exploited is the student market in Gauteng and Durban/Pietermaritzburg. Many students at universities in these centres own cars. In addition the academic year is only 7½ months in duration which leave 4½ months of leisure time. Swaziland could be positioned as 'your playground' with an array of adventure activities that can be tailored to this segment. A further segment that could be explored is the 'Black Diamonds'. This refers to the burgeoning black upper/middle class in Gauteng and KwaZulu-Natal. Key figures in these circles were educated in Swaziland in the Apartheid era and have some affinity with Swaziland.

Maputo holds substantial potential for Swaziland. There are two distinct target segments there: ex-pat community (estimated at between 10,000 – 12,000) and upper/middle class Mozambique citizens. They provide a captive market both in the sense that they already travel in significant numbers to the Nelspruit area, for shopping and medical reasons but also for leisure. The potential for targeted campaign to both segments should be explored. This should include possibly retaining a Portuguese speaking presence in Maputo to manage the process. In addition, marketing collateral and social media will be key in this market and Portuguese translations should be effected where necessary.

The corporate market within the three South African hubs can also be targeted. There is the ability to accommodate sizable groups for conferencing, corporate getaways and incentives. The recessionary environment has resulted in companies cutting back on costs. Swaziland offers the allure of an 'international' destination a bus ride away. The activity /adventure product is well developed in Swaziland and lends itself perfectly to this segment.

The regional campaign can also be extended to the domestic market in Swaziland. The collateral and good news stories will have strong resonance within the Kingdom. There is in fact scope to mount a domestic tourism awareness campaign in tandem with the regional generic campaign.

#### **8.2.4 How Does the STA Drive This Regional Strategy?**

It is strongly recommended that the STA establishes a permanent presence in South Africa. Given the regional focus, this should be located in Gauteng and preferably in Johannesburg. There are two forms this could take. First would be to establish a permanent STA office in Johannesburg staffed by the STA employees. The second would be to contract out to a representation company. Given the current resource levels within STA, the latter

is recommended. A good representation company with a strong reputation and good knowledge of the South African market, will be able to 'hit the road running'. This would give Swaziland a 24/7 presence in this key market. Consideration could be given to seconding selected STA employees to work in the representation company office to receive first hand training in destination management. It should be noted that the representation company would take on the guise of the STA and operate as the STA presence in South Africa.

The successful company would be charged with developing a strategy within budget constraints to grow the tourism market to Swaziland. This would entail a mix of interactions with PR & media, outbound operators, professional conference organisers (PCOs), corporates and influencers. In addition to these, they would also interact with the South African based inbound operators throughout the country. Activities here would be aimed at growing overseas tourism to Swaziland.

A key aspect of growing the South African market would be the generic campaign to re-position Swaziland. The strategic direction and management would have to come from the STA head office. However the 'on the ground' execution and oversight would be the responsibility of the representation company. In terms of developing the generic campaign it would be prudent to appoint an advertising agency to execute this process. The current research that has been commissioned by Nielsen would be invaluable in informing the way forward. It may also be useful to conduct focus group research. The aim would be to develop a three year coherent campaign using 'below the line' and possibly 'above the line' messaging to position Swaziland as a sought after tourism destination in the three regional hubs. A sustained message needs to be communicated before results will be seen. In this sense this initiative should be seen as a primary investment in positioning the Kingdom. The exact messaging will be determined by the agency(ies) involved. There is significant scope for cost effective collateral, for example, handing out Swazi bumper -stickers to all returning tourists. The potential for peer to peer endorsement in the regional market, is massive.

The NTB contracted a representation company to manage its presence in Johannesburg in 2004. The company in question has been successful in establishing Namibia as a sought after destination in the minds of South African travellers. Using their network of PR contacts, excellent relationships were forged with a number of editors of magazines that sell into segments with a high propensity to travel. This extended well beyond the usual magazines such as *Getaway* and *Wegbreek*, to women's glossy magazines and special interest publications. Relatively cost effective viral campaigns were run, resulting in hue awareness and adding significantly to the NTB database of addresses. A three city (Johannesburg, Cape Town and Durban) Namibia product road-show was established. This afforded the opportunity for Namibian products to meet with key tour operators and travel agents in a focused appointment-based two day event in each centre. Given the low marketing and sales capacity within the Swazi private sector, this type of cost-effective targeted 'market place' would be welcomed.

The Maputo market can be tackled from the head office in Mbabane. It may be necessary to contract some presence in Maputo with language and media capacity. The ex-pat community can be targeted through the English language web portal 'Club Mozambique'. It would also be useful to develop a database of embassies, NGOs, organisations and corporates in Maputo. There are several tour operators based in Maputo (e.g. Mosaic and Dana Tours) who pre-dominantly serve the inbound market to Mozambique. They may have an interest in offering Swaziland to the Maputo market.

### 8.2.5 Regional Strategy Summary

In summary the strategy approach in regional markets:

- Four target regional hubs:
  - Gauteng
  - Nelspruit/Whiteriver
  - Durban/Pietermaritzburg and northern KwaZulu-Natal
  - Maputo
- Generic campaign to reposition Swaziland as ‘cool’ and desirable destination
- Use ‘good news’ stories and key influencers
- Permanent presence in South Africa, based in Gauteng
- Active strategic management from the STA head office
- Strong PR & media campaign
- Targeted on-going engagement with South African based inbound as well as outbound operators
- Target special interest segments as well as ‘Black Diamonds, retired travellers and student market
- Target corporate and incentive market
- Representation and dedicated campaign into Maputo market

### 8.3 Targeted Budget Breakdown per Market

The broad strategies outlined above will need to be disaggregated into specific target market budgets. These should reflect the tactical action plan in that market for the forthcoming year with clear time lines, areas of responsibility and measurements of success. A suggested framework for each budget is set out below:

- **Trade**
  - Marketing support (including JMAs)
  - Trade Fairs
  - Consumer Fairs
  - Advertising
  - Training and educational
  - MICE
  - Special interest
- **Consumer**
  - PR and Media
  - Advertising
  - Press trips

## 9. INSTITUTIONAL COMMENT

The fine-tuning of exactly how the product development and marketing strategies will be operationalized is the preserve of the corporate business plan.

This report has sought to set out parameters for a clear marketing strategy for the STA going forward. Clear choices will have to be made around budget allocations per market. From there the 'team' to execute in each market will have to be decided. This may take the form of STA staff or contracted assistance or a combination of both. Each market team should be given an indicative budget for their market. They should be charged with preparing a detailed action plan to grow their market, with clearly budgeted amounts as per the criteria above. Each target market team should then present to a budget committee of senior STA executives and Board members three months before the commencement of the new financial year. In addition to planning for the indicative budget, scenarios should also be presented that speak to a 25% increase and 25% decrease to the indicative budget. This should allow for sufficient time for the Board to deliberate and for each team to make the necessary adjustments well before the commencement of the financial year.

The research department has played a seminal role in providing useful data for the STA and the strategy process. It consumes a budget of approximately E 1million annually (which equates to around 5.5% of the total STA budget including the addition E 2 million expected to be raised through the levy). Going forward it is suggested that the research department plays an expanded role. There is a need for more accurate data on spend per market, which is a key determinant of tourism receipts. In addition there will be a significant amount of work required in the short term to develop the market mapping of each target market as well as the regional inbound market. From this base, the next step is to refine this by developing a practical key account analysis.

## 10. STRATEGIC INITIATIVES

### 10.1 Satellite Accounting

There is a need to raise the profile of the tourism sector within Swaziland. The approach of developing a satellite accounting framework is a tried and tested way of measuring the impact tourism has on the broader economy. The STA has recognised this and is currently driving such a process. A desired outcome would be for the Swazi cabinet to appreciate the extent of the contribution made by the tourism sector, historically and currently, to the economy and to job creation in particular. What would hopefully emerge is that tourism, with its multiplier linkages, offers potential for growth in the short to medium term, in an economy that is relatively dependent on agricultural commodity production. This in turn will hopefully be translated into a larger budget allocation for the STA to undertake and execute the new growth strategy.

A useful adjunct to the satellite account process would be to engage with the World Travel and Tourism Council (WTTC). The WTTC is the peak private sector tourism body globally. Membership is limited to 100 companies. The WTTC has developed a simulated satellite accounting framework, that has been brought more closely into line with the methodology followed by the UNWTO. The WTTC, when undertaking a satellite accounting exercise in a particular country, contextualises the findings, within a country report. Country reports have been undertaken for South Africa, Namibia, Kenya and Botswana. These can be downloaded and viewed at <http://www.wttc.org/research/economic-impact-research/country-reports/>. Once the reports have been completed, senior executives from the WTTC and its board, seek an audience with the cabinet of the country in question. The message of the importance of tourism and what should be done in order to grow it, are imparted with the gravitas associated with the CEOs of the world's leading tourism companies.

## 10.2 Branding – Revisited?

The current Swazi brand - “A Royal Experience” has a strong resonance within the Kingdom. How useful and visible this branding is in core source markets and to what extent it assists or retards tourism growth is unclear. It may well be useful, as part of the broader regional campaign, to revisit the brand from a tourism perspective.

In order to stand out amongst the plethora of holiday choices and underpin their appeal in customers' eyes, tourism destinations need to establish a clear personality that distinguishes them from their competitors, that reinforces positive consumer perceptions of the destination and corresponds with residents' views of their own country. The need to develop a distinctive brand, that is underpinned by core values that are applied consistently over time, is even greater where competitors are offering a similar product (e.g. Botswana and South Africa) and in markets where the destination is relatively unknown (e.g. Europe).

Developing a destination brand requires core brand values to be identified through consumer research in key markets, tested back home amongst residents of the destination to achieve alignment between the market perception and residents' views, and brand guidelines/toolkit to be developed to underpin future marketing, ideally by both the tourism authority and by all involved in promoting Swaziland. In this way, with tour operators and all companies promoting Swaziland externally expressing the same underlying Swazi brand values, and with Swazis becoming “brand ambassadors” through pride in what the country stands for (core brand values), the combined impact of all marketing activities by different organisations will be greater than the sum of the parts. This synergy is especially important where budgets are limited in order to maximise the impact for the destination.

Namibia undertook a tourism specific branding exercise as one of the strategic initiatives identified in the 2003 Tourism Growth Strategy. This resulted in a Tourism Brand Toolkit that was widely used by the Namibia trade resulting in a uniform look and feel for the country beyond the collateral produced by NTB. A copy of the Toolkit is attached.

### **10.3 Strategic Product Development – Regional Scheduled Route**

This suggested product development was set out in the Product Development Report. It moots the possibility of a scheduled bus service that links Kruger Mpumalanga International Airport (KMI) with Swaziland and southern Mozambique and Maputo. Although it forms part of product development, the strategy seeks to draw attention to it and suggest that it be included as a ‘strategic initiative’ of the STA.

## Appendix A – JMA Deals – NTB 2004 - 2006

Tour Operator	Cum. PAX 2004-06	Cum. NTB Contribution N\$	Cum. Namibias benefit N\$	Cum. ROI
<b>Europe</b>				
Airtours Germany	100	198 360	3 136 000	15.8
Best of Group	200	514 500	4 950 000	9.6
Dertour Germany	1 300	915 922	41 067 000	44.8
Dsar Germany	222	149 622	7 007 904	46.8
FTI Germany	100	135 000	3 150 000	23.3
Ikarus Germany	240	139 351	9 072 000	65.1
Gebeco Germany	50	45 000	1 764 000	39.2
Iwanowski Germany	1 800	750 385	84 564 000	112.7
Studiosus Germany	790	675 000	27 871 200	41.3
Thomas Cook Germany	1 080	570 150	26 827 200	47.1
TUI Germany	380	416 478	11 704 000	28.1
Windrose Germany	45	71 100	1 316 000	18.5
Knecht Swiss	900	577 570	35 481 600	61.4
Rotunda Swiss	1 420	559 389	51 120 000	91.4
Amex Amsterdam	100	145 200	3 960 000	27.3
Jetair Benelux	150	220 000	4 250 400	19.3
Miles Travel Benelux	80	130 000	2 412 000	21.3
Hotelplan Italy	150	66 009	3 069 000	46.5
Il Diamante italy	200	118 351	5 808 000	49.1
UK				

Expert Africa	627	645 242	11 131 659	17.3
Cox & Kings UK	89	274 456	2 340 789	8.5
Saga UK	675	548 700	14 459 005	26.4
A & Kent UK	68	176 834	2 425 560	13.7
OTC	135	80 930	1 181 250	14.6
Kuoni	300	177 000	6 750 000	38.1
VJV	1 112	472 000	13 914 677	29.5
<b>Namibia</b>				
African Travel US	502	257 837	7 339 038	28.5
Thompsons SA	1 310	319 396	6 368 725	19.9
<b>TOTAL</b>	<b>14 125</b>	<b>9 349 781</b>	<b>394 441 007</b>	<b>42.2</b>

## Appendix B – JMA Proposal Guidelines (suggested draft)

### SWAZILAND TOURISM AUTHORITY

#### CO-OPERATIVE MARKETING AGREEMENTS GUIDELINES AND MINIMUM REQUIREMENTS

##### Aims and Objectives

- The STA is seeking to enter into co-operative marketing agreements with overseas operators to fund incremental marketing activities in source markets. Proposals should be for a three-year period to ensure a sustained marketing campaign.
- The guidelines provide basic parameters. Prospective operators should feel free to submit proposals that meet the minimum requirements but that are tailored to the needs of their business.
- Both existing as well as new business will be considered for funding.
- The STA will contribute funds on a 50 : 50 matching fund basis. The funding is specifically for incremental marketing activity. The STA is looking for a significant return on its investment. Rather than specify a fixed return on investment factor, this has purposely been left open. Applicants will, however, be required to make tourist receipt projections in the form of a ROI calculation. This will enable the STA to make relative opportunity cost comparisons as well as avoiding unrealistic and unsustainable projections. It may well be that an initial investment is required in order to generate growth over the three year period.
- It is not intended that co-operative marketing funds be spent on Swazi based companies' marketing efforts overseas.
- Co-operative marketing proposals are open to all source markets and in no way geographically specific.

##### Guidelines and Minimum Requirements

The following set of guidelines is intended to inform proposals for co-operative marketing funding from the STA. All agreements entered into will be subject to negotiation and will vary from market to market.

1. Are you already operating a programme to Swaziland?  
If so, give details of last three years marketing activities and spend per activity / item.
2. Supply details of passenger numbers / packages sold and average value – for last three years.
3. What is the profile of your current / potential customer?
4. How much do you intend to spend on marketing the Swaziland programme in your new financial year?  
Please be as specific as possible and provide a costing for each activity. Please compare to last financial year spend to give clear indication of increment.

Please note that proposals that simply pass the cost of the Swaziland promotion from the tour operator to the STA will not be considered. STA investment will match incremental spend (on a 50/50 ratio) and not subsidise existing spend.

5. How do you, or will you, measure your performance/growth rate? The STA would wish to have the permission of the operators to survey customers during or after their visit to Swaziland.
6. Explain, in detail, how the eventual product reaches the end consumer. This will assist us in clearly defining the type of business and the segments that you are, or intend to be, active in.
7. If applicable include a training and educational component for staff or agents selling Swaziland.
8. The STA will give preference to proposals that include ground infrastructure providers that are registered with the STA. This includes inbound operators, accommodation suppliers, vehicle suppliers etc.
9. A minimum 20% new product exposure must be included in the marketing programme. e.g. new itineraries, new geographic areas. This should be included in all the elements of the campaign being included in the agreement e.g. brochure/catalogue etc.
10. If targets are reached in year one, it would be expected that marketing expenditure will continue in year two. Please provide specific costings and timings in the proposal.
11. The proposal should be for a period of three years. The STA is looking for a significant return on its investment. The extent of that return is measured by a ROI factor based on the expected incremental tourist receipts attained. The methodology of calculating the ROI factor is detailed below. The calculation is based on the average each customer would spend in Swaziland (less source market commissions). All applicants must complete the calculation for each year of the marketing programme.

### Return on Investment Calculation

- Incremental marketing spend = STA contribution (Swazi Emalangeni) – A
- Incremental tourist pax numbers – B
- Average in-country spend per pax per day(Swazi Emalangeni) – C
- Average length of stay in-country – D

$$\frac{B \times C \times D}{A} = \text{ROI Factor}$$

### Submission of Proposals

The co-operative marketing agreements should be submitted to the STA - Marketing Manager for consideration.

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