

# Nelson Mandela Bay Tourism Strategic Plan 2017 - 2020



**nelson mandela bay**  
T O U R I S M  
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## TABLE OF CONTENTS

1.	NELSON MANDELA BAY TOURISM STRATEGY: OVERVIEW.....	3
2.	STRATEGIC MARKET SEGMENTS.....	6
3.	ALIGNMENT WITH THE STRATEGIC OBJECTIVES OF NELSON MANDELA BAY MUNICIPALITY, THE NATIONAL TOURISM SECTOR STRATEGY & SOUTH AFRICAN TOURISM's 5 IN 5 VISION.....	10
4.	THE TOURISM WORK TO BE DONE IN NMB.....	12
5.	NELSON MANDELA BAY BRAND POSITIONING.....	15
6.	PRODUCT ENGAGEMENT AND MEMBERSHIP.....	17
7.	COMMERCIALISATION STRATEGY.....	18
8.	EVENTS STRATEGY.....	18
9.	KEY ACTIVITIES.....	19
10.	KNOWLEDGE MANAGEMENT.....	21
11.	CORPORATE GOVERNANCE AND ORGANISATION STRUCTURE.....	21

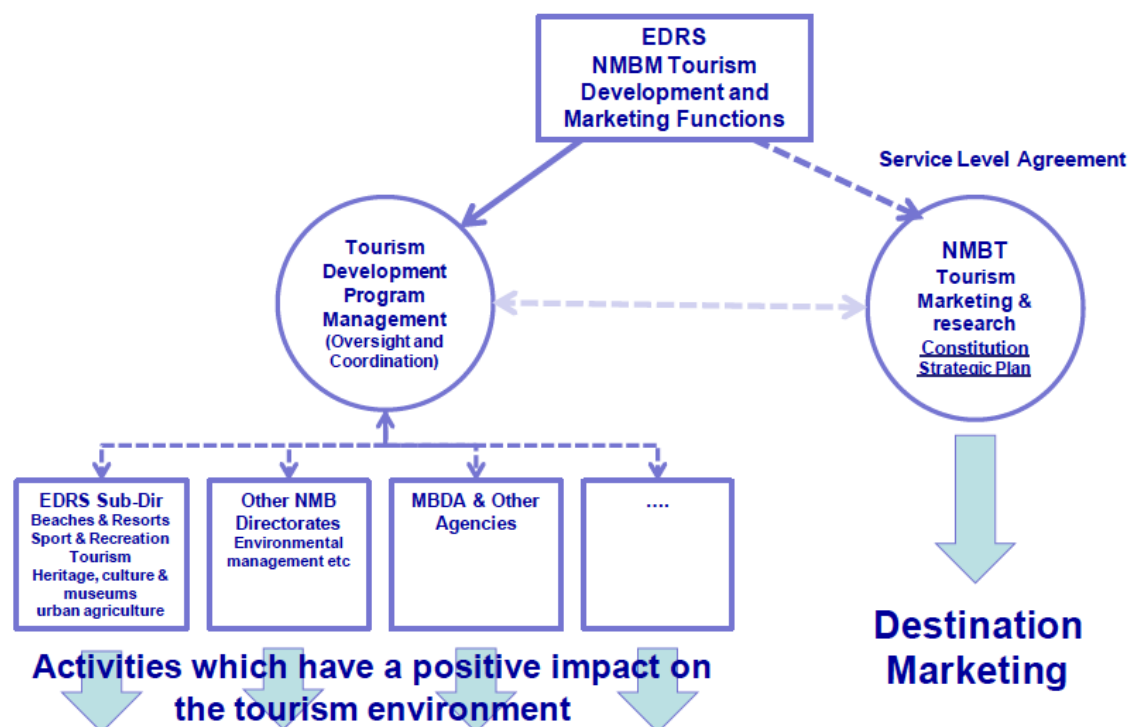
## 1. NELSON MANDELA BAY TOURISM STRATEGY: OVERVIEW

This document represents the plan for Nelson Mandela Bay Tourism's strategic objectives and associated programmes of work for the period 2017 – 2021.

The plan is aligned with the strategic objectives of the Nelson Mandela Municipality and are based on the interpretation of the Municipality's Tourism Master Plan. The Municipality's Tourism Master Plan was created in 2010, however it was a detailed and robust assessment of, and recommendation for, the entire Tourism Value Chain. While the Municipality owns the execution of the broader Tourism Master Plan, it allocates destination marketing and Visitor Information provision to Nelson Mandela Bay Tourism as the Destination Marketing Organisation for Nelson Mandela Bay. Nelson Mandela Bay Tourism does however take cognisance of the broader tourism work to be done in the Tourism Master Plan and endeavours to support the Municipality Tourism Sector Director in their work.

It is however important to note that the Tourism Master Plan has not been updated in 7 years and should have a review and update, which will influence Nelson Mandela Bay Tourism Destination Marketing work. It is also important to note that the position of Tourism Sector Director is vacant and as such a large portion of the Tourism Master Plan implementation work cannot effectively be executed in the absence of this resource.

### Nelson Mandela Bay Municipality – Tourism Master Plan Execution Framework and the role of Destination Marketing Organisation



The above diagram is taken directly out of the 2010 Tourism Master Plan.

Below, shows the roles of NMBT in context of other role players, which are all co-ordinated by the Tourism Sector Director from within the municipality. This function is essential to reside from within the municipality in order to drive the agenda from within the appropriate construct. This is also why Nelson Mandela Bay Tourism as an entity has found it challenging to influence and drive change in

other areas of the municipality, as operating as an outsourced function – do not have the same level of influence as an internal entity.

Municipality Economic Development (Managed by Executive Director)					
Tourism Sector Director (currently vacant)					
TOURISM MASTER PLAN DEVELOPMENT AND IMPLEMENTATION COORDINATION					
ROADS	POLICE	NMBT	Sport and recreation	Business Council	Arts and Culture
Infra-structure	Safety and Security	Destination Marketing	Events	SMME development	Museums
Roads	Crisis Management plan	Visitor Information	Beaches & Recreational Parks	Product Development	Arts & Culture and Heritage sites
Signage		Citizen Tourism Ambassadors		Transformation	

The high level vision for tourism in Nelson Mandela Bay provides the focus and framework for the **five strategic objectives which Nelson Mandela Bay Tourism is driven by**

1. To define a solid brand value proposition and positioning, building on our unique differentiators of tourist experiences and understanding of consumer insights which can easily be understood by residents, local trade, international trade and all consumers and translated into a consistent image for NMB and demonstrated through a variety of itineraries (establish the blue print of our offering and brand)
2. To optimise tourism volumes and yield for Nelson Mandela Bay in a totally sustainable manner,
3. To establish good levels of tourism business all-year-round,
4. To grow tourism impact in an inclusive, responsible and sustainable manner
5. Facilitate the delivery of a quality tourist experience that lives our brand principles through collaboration with stakeholders, partners, Nelson Mandela Bay's tourism businesses and local citizens.

To fulfil these objectives, Nelson Mandela Bay Tourism has identified **strategic priorities** that are the focus of the strategic plan:

1. Define an easily understood and easily communicated brand proposition that everyone can articulate and buy into
2. Ensure the brand proposition is central to all our activities – both in marketing the destination and in facilitating the delivery of the tourist experience
3. Leverage industry's connection with the travellers and trade to promote the brand value proposition
4. Leverage content marketing to drive awareness and education of our brand offering, both digitally and traditionally
5. Identification of product development needs for tourism development in line with our brand and consumer needs and facilitation of the creation of these offerings through collaboration with other municipal and industry partners - ensuring that inclusive tourism benefit is delivered to the entire region

To deliver these 5 priorities, Nelson Mandela Bay will focus on the following **key programme areas** for the next 3 years:

1. Innovative and impactful destination marketing – Aimed at attracting a mix of market segments (traditional and developing markets) that will deliver good high yield business all-year-round
  - a. Leisure Tourism – Domestic and selected International markets
  - b. Business Tourism - Domestic and selected International markets
  - c. Converting business travel to leisure
2. Content Marketing Strategy – Aligned with international travel trends and best practice, the aim is for Nelson Mandela Bay’s brand to be shared with the world in an impactful, consistent and authentic way resulting in greater awareness and knowledge levels about the city, region and brand offering – this will be done mainly digitally, but also through traditional PR
3. Quality Visitor Experience Delivery through collaboration with stakeholders, partners and industry and through visitor information services
4. Research, insights, monitoring and evaluation.

**Key principles** are to:

- Focus on a limited number of activities that are driven by the strategic choices made and agreed upon in this document. This means that ad hoc projects and initiatives that arise that are not part of the strategic scope, need to be declined – or need to be allocated with additional budget and resource allocation. Being side tracked by multiple ad-hoc requests that are not aligned to the strategy runs the risk of impacting the ability to delivery the agreed KPIs
- Nelson Mandela Bay Tourism will focus on what it can do well itself, but facilitate action by partners and members as well to drive the strategy. In particular, partnerships and joint marketing agreements with neighbouring regions of the Garden Route and Eastern Cape are critical.
- Target a small number of highly productive market segments, to maximise the impact of its budget and work with SA Tourism and East Cape Parks & Tourism Agency to build demand in new markets.

## 2. STRATEGIC MARKET SEGMENTS

Markets have been assessed based on the following principles:

1. Where do we currently get our volumes from and how do we protect, defend and extend their stay in NMB
2. Where is their scope for growth from newer markets, and preparing for the future?
3. What markets are easier for us to market in and which markets does our experience appeal to

### Current statistics:

Country	Arrivals SA	Arrivals EC	Arrivals NMB	% of SA	% of EC
<b>Germany</b>	256,646	46,576	35,478	13.8%	76.2%
<b>United Kingdom</b>	407,486	43,223	33,285	8.2%	77.0%
<b>United States</b>	297,226	32,240	22,892	7.7%	71.0%
<b>Netherlands</b>	121,883	22,147	16,482	13.5%	74.4%
<b>Australia</b>	99,205	10,998	8,010	8.1%	72.8%
<b>India</b>	78,385	3,205	2,290	2.9%	71.5%
<b>China</b>	84,878	1,631	1,178	1.4%	72.2%
<b>Japan</b>	20,202	1,032	555	2.7%	53.8%

(Source: 2015 data compiled by NMBT from SA Tourism Data Cut for Port Elizabeth)

As NMB's current biggest source markets, Germany, UK, USA and Netherlands are prioritised as important markets to focus on protecting and extending length of stay. We also have historical relationships and good traction in these markets making it easier to engage for extending length of stay. Australia is showing growth and we have started work in this market. Ease of doing business based on it being an English speaking market also drives its appeal.

### New market potential:

The Top 10 overseas tourism markets for SA account for 83% of the total overseas tourism market. China has grown by 41% and is the fastest growing overseas source market. India has grown by over 11% and has consistently shown substantial growth over the past 3 years.

Country of Residence	2014	2015	2016	Growth %
<b>United Kingdom</b>	401,914	407,486	447,840	11%
<b>USA</b>	309,255	297,226	345,013	12%
<b>Germany</b>	274,571	256,646	311,832	14%
<b>France</b>	131,502	128,438	154,226	17%
<b>Netherlands</b>	131,287	121,883	147,973	13%
<b>China(including Hong King)</b>	83,024	84,878	117,144	41%
<b>Australia</b>	111,213	99,205	109,146	2%
<b>India</b>	85,639	78,385	95,377	11%
<b>Canada</b>	60,544	56,224	61,179	1%
<b>Italy</b>	58,605	52,377	60,774	4%
<b>Total Top 10</b>	<b>1,647,554</b>	<b>1,582,748</b>	<b>1,850,504</b>	<b>12%</b>
<b>Switzerland</b>	48,880	48,510	55,160	13%
<b>Belgium</b>	43,205	42,425	48,991	13%

<b>Sweden</b>	39,696	37,623	44,043	11%
<b>Portugal</b>	44,058	39,885	41,216	-6%
<b>Brazil</b>	39,082	29,339	38,814	-1%
<b>Spain</b>	27,336	27,737	36,278	33%
<b>Ireland</b>	26,192	25,823	30,545	17%
<b>Austria</b>	24,290	23,002	27,556	13%
<b>Denmark</b>	24,883	25,320	27,554	11%
<b>Japan</b>	27,504	20,202	25,802	-6%
<b>Total Next 10</b>	<b>345,126</b>	<b>319,866</b>	<b>375,959</b>	<b>9%</b>

(Source: Table compiled by Peter Myles -Tournet Africa from SA Annual Tourism Reports)

### Domestic Tourism:

#### 2015 Domestic Indicators for Nelson Mandela Bay

<b>Nelson Mandela Bay Tourism Baseline</b>	<b>Units</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<i>Domestic Visitor Profile</i>	Pax	7,347,317	7,770,808	7,266,088
Staying in Formal Accommodation	Pax	678,609	724,410	774,545
VFR Overnight Visitors	Pax	1,087,117	1,572,118	1,369,643
Day Visitors to NMB	Pax	5,581,590	5,474,280	5,121,900
Domestic Bednights / Visitor Days	Bednights	8,470,654	8,927,913	10,047,554
- Domestic Bednights Paid	Bednights	2,324,096	2,539,635	2,791,131
- Domestic Bednights VFR	Bednights	6,146,558	6,388,278	7,256,423
- Average Bednights per Visitor (Paid)	Bednights	3.42	3.51	3.60
- Average Bednights per Visitor (VFR)	Bednights	5.65	4.06	5.30
Domestic Visitor Days	Days	14,052,244	14,402,193	15,169,454
Domestic Direct spend Overnight Visitors	Rand	1,884,638,188	2,766,886,859	2,763,387,475
- Average Spend per Overnight Visitor	Rand	1,067	1,205	1,289
Avg spend per domestic paid Overnight	Rand	1,752	2,387	2,312
Avg spend per domestic VFR Overnight	Rand	640	660	710
Avg Spend per day visitor	Rand	443	519	610
Day Visitor Spend	Rand	2,471,486,850	2,842,209,878	3,126,430,865
Average Spend per Visitor / Per Day	Rand	310	389	388
Domestic Direct spend Overall	Rand	4,356,125,038	5,609,096,737	5,889,818,340

(Source: NMBT Domestic Tourism Baseline)

When looking at the number of trips and visits taken to NMB, the vast majority are undertaken by the domestic market. While a high percentage of these are staying with friends and family, we have seen increases in paid for accommodation and daily spend. The sheer volume of numbers means that this market is actually our most valuable to us. International trends demonstrate the need to have a stable domestic tourism base as this allows destinations to weather international challenges and fluctuations. With the advent of international terrorism,

uncertainty around natural events (ash clouds, tsunamis etc.), and swings in economy stability – international tourism is sensitive and can suddenly decline. Compounding this is also the barriers for international travel to South Africa, including cost of airfare, perceptions of safety and security and also difficulties in obtaining visas. For long term sustainability and seasonal influence, a robust domestic strategy is required.

The majority of domestic visitors coming to NMB are intra-provincial, which means people are coming from other parts of the province to NMB. These tourists already see the value in NMB and need to be converted to stay longer and spend more in the tourism value chain.

Gauteng, KZN and Western Cape remain the highest source provinces for interprovincial domestic visits to NMB and should have high focus. Western Cape also presents an easy opportunity to convert Garden Route travellers further along to NMB as part of this route.

#### **Domestic Segments that NMBT will be focusing on are:**

- i. **New Horizon Families** – Simply because we have always regarded ourselves as a family destination.
- ii. **Seasoned Leisure Seekers** – NMB boast unique tourism attractions that are enjoyed by many of our visitors. They often come back each year to see the variety that the city offers from the rich colonial history that the city has to outdoor adventure including superb hiking trails and the warm beautiful beaches that the coastal city offers.
- iii. **Established Holiday Families** – Historically NMB has been marketed as a excellent value for money-family-fun-in-the-sun holiday destination
- iv. **Well to do Mzansi Families (Visiting friends and relatives)** – Nelson Mandela Bay has exported a lot of expats to other provinces. During the holiday period, they come back
- v. **Black Single-Parent Families (Visiting friends and relatives)** – NMB is a destination for children, as well as their parents and families as there are a wide variety of fun activities and entertainment options to experience
- vi. **Business Traveller** – NMB offers a seamless combination of business and leisure – the best of both worlds
- vii. **Young and Upcoming Segment** - The youth segment is selected because of its size and long term returns. The segment represents 5,1 million emerging travellers contributing R1,6 billion to revenue (2,3 million holiday trips and average spend of R1,300 per trip). They are young (18 -35 yrs) and have a lifetime as they help create a culture of holiday travel in South Africa through the use of social media , word of mouth and other new media channels. This segment is easier to activate and offers an massive opportunity for growth.

### **PRIORITY 1 – LEISURE TOURISM**

#### **A. Domestic Leisure Tourism**

- a. Convert existing intra-provisional day visitors to stay for a night
- b. Focus on Gauteng, KZN and Western Cape as key domestic visitor source markets, especially leveraging reciprocity and the garden route connection
- c. Promote key events to chosen domestic tourist segments (younger single travellers and family orientated segments)
- d.

#### **B. Foreign Leisure Tourism**

- a. Defend and grow length of stay from core markets of
  - i. Germany
  - ii. UK
  - iii. Netherlands
  - iv. USA



- b. Leverage new connections in English Speaking markets (ease of access) for growth from
  - i. Australia
- c. Entrench foundations for future sustainability and growth from
  - i. China
  - ii. India
- d. Cruise Liner Opportunity
  - i. Increase Cruise Liner business to NMB
  - ii. Encourage leisure itineraries to increase spend from cruise liner travellers
- e. Considerations on above strategic choices
  - i. South African Tourism is currently undertaking a portfolio review and research from this process needs to be reviewed against our choices when available
  - ii. To leverage collaborative marketing opportunities with the Garden Route, Cape Town and Western Cape we need to assess their strategic choices for alignment
  - iii. Should direct air access from other international locations open up, we will assess and potentially support marketing in those destinations
  - iv. When our trade partners have activities in other markets, we can support them with NMB content and marketing tools
  - v. Domestic tourist segments to focus on will be young single travellers (youth) as well as family orientated segments which resonate with our brand offering.

## **PRIORITY 2 – BUSINESS EVENTS**

### ***A. Domestic Business Events***

- a. Focus on conferences between 50 – 500 pax
- b. Target SA associations for annual conferences
- c. Leverage existing marketing platforms for this work (SAACI, Meetings Africa, etc.)

### ***B. Foreign Business Events***

- a. Research Africa opportunities as a way to penetrate Africa effectively by interrogating ICCA data
- b. Support bids for international opportunities as and when viable (especially when linked to NMB industry like Automotive, Agriculture and Marine / Oceans economy)

## **PRIORITY 3 – CONVERSION OF BUSINESS TRAVELLER / FOREIGN STUDENTS TO LEISURE**

### ***A. Foreign and Domestic Business Travellers / Students***

- a. Target for leisure tourism spend
- b. Target for repeat leisure travel
- c. Opportunistic collaboration when economic development initiatives target business traveller opportunities (i.e.: Coega oil rigs, etc.)
- d. Opportunistic collaboration with language schools, education institutions to reach foreign students

### **3. ALIGNMENT WITH THE STRATEGIC OBJECTIVES OF NELSON MANDELA BAY MUNICIPALITY, THE NATIONAL TOURISM SECTOR STRATEGY & SOUTH AFRICAN TOURISM'S 5 IN 5 VISION**

It is the desire of the Nelson Mandela Bay Municipality to improve the Metro's global competitiveness and simultaneously eradicate poverty. As part of the global economy, Nelson Mandela Bay must be developed, managed and promoted within the context of a competitive global economy, but maintaining its distinct personality and being sensitive to the needs of the poor.

The Economic Development Strategy adopted by Council in March 2011 identifies the following key economic enablers for Nelson Mandela Bay:

- Skills development
- Infrastructure development
- Visionary governance
- Meaningful business, civil society and governmental partnerships

We support the Municipality's Tourism Master Plan strategic objective to identify and maximise the development and usage of all the possible tourism attractions in Nelson Mandela Bay and undertake to be actively involved in this process.

The destination marketing strategy is aligned and supportive of the Tourism Master Plan's key areas of intervention namely:

- Encouraging the development of tourism experiences, campaigns and content that support the Nelson Mandela Bay brand name
- Harnessing and maximising benefits from culture and heritage tourism
- Making Nelson Mandela Bay a tourism friendly destination by introducing more tourism signage
- Improving customer services through quality assurance
- Empowering communities through skills development initiatives
- Increasing tourism business and the participation of previously disadvantaged individuals (PDIs) through tourism enterprise development
- Diversifying tourism offerings through product development, especially in township tourism
- The effective use of events used to draw visitors to Nelson Mandela Bay in order to improve the seasonal and geographic spread of tourism; promote Nelson Mandela Bay's unique identity and increase Nelson Mandela Bay's profile, nationally and internationally

The destination marketing strategy is also aligned and supportive of the National Tourism Sector Strategy, which aims to:

- Grow the tourism sector's absolute contribution to the economy
- Provide excellent people development and decent work within the tourism sector
- Increase domestic tourism's contribution to the tourism economy
- Contribute to the regional tourism economy
- Deliver a world-class visitor experience

- Entrench a tourism culture among South Africans
- Position South Africa and Nelson Mandela Bay as a globally recognised tourism destination
- Achieve transformation within the tourism sector
- Address geographical, seasonal and rural spread
- Promote 'responsible tourism' practices
- Help unlock tourism economic development at a local government level

South African Tourism has a new stretch target vision (5 in 5) which is also considered in our strategy -

- 5 million additional tourists (over and above existing targets) in the next five years
- 1 million additional Domestic Visits in the next five years (over and above existing targets)
- SAT intends to allocate targets for this on a per province basis, which can inform our emphasis as NMB

#### 4. THE TOURISM WORK TO BE DONE IN NMB

The Tourism Master Plan details the full extent of Tourism work to be done within the Metro including spatial development, product development, infrastructure, and Marketing. This document is in the process of being updated based on input from the IDP workshop held recently. Nelson Mandela Bay Tourism is contracted to deliver destination marketing services, trade engagement and visitor services but takes cognisance of its role to be integrated into the broader work to be done by other municipal divisions and partners.



Nelson Mandela Bay Tourism as an entity is responsible for:

- Marketing the destination in chosen segments and regions
- Providing visitor information services
- Working with the trade to deliver a quality visitor experience
- Sharing the tourism value proposition with the local population to create welcoming citizens
- Providing research, insights, monitoring and evaluation of the tourism landscape

Nelson Mandela Bay Tourism, while not responsible for execution, undertakes to facilitate, influence and drive the delivery of:

- Appropriate access
- Product Development
- Infrastructure
- Preservation of natural assets
- Safety and Security
- Event Management

From time to time, Nelson Mandela Bay Tourism is required to handle ad hoc projects from the Municipality which may include event management. When these arise, project management resources will be secured to manage the execution, and additional budget will need to be allocated. This will avoid primary KPIs being impacted through reallocation of budget and focus.

## Key programmes of work to deliver the above:

### *i) Destination Marketing*

- Define Tourism Brand and blueprint experiences
- Integrate Brand blueprint into all forms of communication
- Disseminate consistent brand blueprint communication to drive awareness and understanding
  - To local platforms to engage intra-provisional day visitors
  - To local tourism product to share with their guests to drive additional nights and repeat visitation, and enhance visitor experience
  - To local ground handlers to reach visitors accessing NMB only as a gateway to other areas for repeat visitation
  - To domestic travellers through consumer events, shot left hosting and media hosting
  - To inbound operators to influence itineraries through meetings and speed marketing hosting
  - To outbound operators in chosen international markets through roadshows, training material and itinerary examples as well as hosting
  - To online booking entities and review sites to reach independent travellers
  - To international media during hostings
  - In all digital platforms
  - Integrated into Business Tourism offering for domestic and Africa promotion
  - Packaged with event information for national promotion
  - To citizens to enable them to articulate and promote the blueprint offering
- Execute annual marketing plans for
  - Domestic Leisure
  - International Leisure
  - Domestic Business Events
  - Africa and other international Business Events

### *ii) Visitor Experience Management*

- Visitor Information Services
  - City Pass
  - Visitor centres
  - Website
  - Enquiries
  - Information distribution points such as shopping malls, etc.
- Product Engagement
  - Leveraging their engagement with visitors to share the brand blueprint
  - Providing information, research and insights to product to aid them in their marketing and service delivery efforts
  - Providing platforms for product to promote themselves locally and internationally
  - Engage product to assist in trade and media hosting cost effectively
  - Partnering with Product to influence and coordinate other stakeholders
- Stakeholder Engagement to drive tourism agenda
  - Support the Tourism Sector Director to drive tourism master plan agenda with other stakeholders including
    - Sports and Recreation (for Events) (See section on Event Marketing Optimisation for Tourism)
    - Airports
    - Safety and Security
    - Signage

- Product development entities (DTI, MBDA etc.)

*iii) Research, monitoring and Evaluation*

- Research to inform strategic choices, opportunities and to deliver customer insights
- Monitoring of results for optimisation and learning
- Consistent evaluation of efficacy

*iv) Institutional and capacity development*

- Organisation structure
- Performance Management
- Financial Management
- Reporting

## 5. NELSON MANDELA BAY BRAND POSITIONING

Our previous strategy focused on positioning Nelson Mandela Bay as the “birthplace of Freedom” and while this pivots on our history in connection with Mandela – our trade, product, visitors and citizens battle to have an experience that allows them to connect to the Mandela history in NMB as there is little or no formal tourism product around this. While the Red Location Museum offers some exposure to our Freedom connection, it is not currently operational. When our own product and citizens don’t know why we are the Birthplace of Freedom or how to explain how tourists can experience the area in this context – it becomes confusing.

We also have historically aligned our tourism communications to the broader value proposition of the Eastern Cape Province, which positions itself as the Adventure province. “A whole lotta Adventure” has worked well in our communications, but doesn’t fully represent our complete offering.

There is also confusion about PE vs NMB and how we articulate this difference. Further compounding this confusion is our historical association with being the friendly city, the cleanest city, family friendly, etc. We are not known for one differentiating experience or offering.

Feedback from our product owners and trade has identified the lack of an easy to understand *tourism* positioning for Nelson Mandela Bay that translates easily into a core set of itineraries and experiences that everyone can promote and talk to.

We need a tourism brand value position and itinerary / experience blue print that everyone can easily understand and communicate to ensure brand resonance. This should be based on:

- Aligning to a Municipal Brand but be tourism focused. A municipal brand needs to speak to the needs, desires, and insights of its rate payers and citizens, whereas our Tourism brand needs to speak to the needs, insight and offerings we have for the domestic and international tourist
- Aligned to Eastern Cape Provincial tourism positioning to leverage their traction
- Align to the overall South African tourism brand
- Be based on insights into our chosen tourist segments and their needs
- Be based on our unique differentiators in our offering
- Be easy to understand, adopt and communicate by all so we can ensure consistent application and resonance

This will be a key engagement of 2017 to ensure we have a blueprint which will form the back bone of all our communications.

### **The need for experiences**

Travellers are not searching for a product or something to “see” on their holiday. They are looking for real, authentic experiences that will be memorable and real. The insight used by South African Tourism allows us to understand this – “as an explorer at heart, I am excited by the idea of participating in new and enriching experiences, but on my own terms. I want to expand my world – and seeing new places, meeting new people, and experiencing different cultures allows me to do this”

We need to ensure our brand offering is based on tourist insight and our blueprint of experiences resonates around the need for meeting new people, experiencing new cultures and delivering enriching experiences.

## Content Marketing

Once we have a robust, easily communicated brand blueprint, we will use this as the core of all our communications in our Content Marketing strategy.

*“Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience — and, ultimately, to drive profitable customer action.”*

*Content Marketing Institute*

Content will be distributed and proliferated across digital and traditional channels and will include both owned and earned media platforms.

Content becomes the biggest tool a destination marketing entity has and it needs to focus on created, curating and distributing new, fresh and exciting content around the brand blueprint which include text, articles, images and video. This will be the primary marketing cost for the next three years – content production and dissemination.

Our product and trade partners will be key in generating and distributing content. We need to work with our local product and trade to train them on how to maximise their content production, specifically around online visitor testimonial generation and leverage.



## 6. PRODUCT ENGAGEMENT AND MEMBERSHIP

In the past we have run a membership programme which encourages local product to sign up to the membership programme at a fee and gain access to our marketing platform, research and information. This was part of our commercialisation programme, aiming to grow membership revenues to supplement marketing funding.

Unfortunately, efforts with this approach have not resulted in significant increased membership revenues (R55 membership fee a month). Membership numbers have doubled in the past two years but revenue generated out of that remains insignificant. A number of reasons can be cited in this regard but most importantly, businesses in Nelson Mandela Bay are battling with affordability. NMBT is confident that the value proposition for membership is attractive and clearly articulated, but even so, the uptake when translated into monetary value, remains low. Some tourism businesses may find booking and marketing value through online platforms such as Knightsbridge way better and more effective than having to leverage our marketing platforms. As our marketing tools are never going to rival commercial booking entities and will never be able to raise significant amount through membership fees, it is proposed that membership be restructured in order to achieve much better value out of it. The proposal is that all tourism businesses be listed on our database at a nominal fee. This approach would allow us to use membership as a tool to expand our member database and allow the organisation to adopt a more inclusive approach which would assist to transform the industry.

Also, as we have, in the past, only been able to promote and market our members – it means we have not necessarily been able to promote and communicate the complete NMB offering and experience. By restructuring membership, we allow access to a wider product offering and give ourselves a broader opportunity to talk about experiences and products available.

We do however take cognisance of the need to protect the integrity of our brand and will only allow entities who pass certain minimum standards / criteria to be featured on our marketing platforms to ensure only quality products are promoted.

We do nevertheless need to engage with the local product more effectively and regularly in order to:

- Leverage their engagement with visitors to share the brand blueprint
- Provide information, research and insights to product to aid them in their marketing and service delivery efforts
- Engage with them to assist in trade and media hosting cost effectively
- Partnering with them to influence and coordinate other stakeholders

We intend to do this through regular, mutually beneficial, workshops and engagement session. These will take the form of quarterly Stakeholder Engagement Workshops. These will provide feedback on research and stats, engage a key speaker from the tourism value chain and will also include an education session on marketing, branding and visitor experience enhancement. A section of the event will also allow open debate and discussion around key issues so that we can consistently understand and help address the issues of our local trade.

## 7. COMMERCIALISATION STRATEGY

In light of the recommendation to abolish membership fees, further consideration needs to be given to our commercialisation strategy. We appreciate the need to look for supplementary sources of income but in the current construct this proves challenging.

Destination Marketing Organisations can generate revenue through membership fees but this is usually only successful as a result of it being legislated into law that businesses need to comply. This has been recommended in the past but the Business Chamber was strictly opposed to this as it threatened their membership base and membership fees so it was not progressed further.

The other approach would be to secure commissions from sales, but as this means the DMO would need to compete against already well established and highly successful commercial entities it is not really viable.

While other value added membership services could be defined to support revenue generation – the current economic landscape means our product are under pressure and all membership fees are being scrutinised for value and being ended. This is not a sustainable model.

In looking at other revenue generating options, there remains

- Nelson Mandela Bay specific merchandising for sale
- Event management and securing sponsorship

Nelson Mandela Bay merchandising can be conducted as a “licensed” approach with little risk from NMB but this business case needs to be investigated further due to the complexity of using the Nelson Mandela name in marketing materials.

With regard to event management and sponsorship – this function has been removed from NMBT and resides with Sports and Recreation so it limits the ability to use events as a revenue generating opportunity for Nelson Mandela Bay Tourism. Should this be an area to investigate further for commercialisation – the operational model and collaboration model between the two entities will need to be investigated in detail.

## 8. EVENTS STRATEGY

Events are a great way to drive domestic tourism and also to demonstrate the essence of your brand. As an example, if you are to be known as a family friendly destination, events that are family orientated and cater for the entire family lend credence to your positioning and a “reason to believe” the brand offering. Events are also a good mechanism to drive PR and are an easy opportunity to develop packages around to ensure that length of stay is also considered.

Because events are such a crucial tool for destination marketing, there needs to be a much closer collaboration between NMBT and Sports and Recreation. The identification of, securing and approval of events for the area should be considered in context of the tourism brand and the tourism opportunity. From the outset, the marketing of the event should be budgeted for (as part of the event budget) and planned for. This means the event can be adequately leveraged for tourism as opposed to being given short notice to market the event.

Should events be created that do not speak to the tourism brand, the marketing should be catered for and budgeted for by the event owner.

## 9. KEY ACTIVITIES

Nelson Mandela Bay Tourism operates as a fully integrated organisation, focused on increasing tourism business in a truly beneficial and sustainable way and orientated to the needs of target markets and local communities.

This requires a high level of coordination and joint working horizontally across the organisation as well as joint marketing agreements and mechanisms between regions, associations and industry partners.

Key Activities	Rationale
Brand Blue print definition	Central brand proposition to guide all communications and obtain buy-in, support and resonance from all product and trade partners as well as citizens
Domestic Campaign execution	Grow length of stay in the domestic market requires dedicated focus and effort.
Content Creation	The backbone of marketing tools – content needs to be created in line with brand blueprint to remain fresh and exciting.
Digital Marketing	In the light of limited budget, cost-effective and impactful digital marketing is a key priority. This includes an improved web presence, investment in a new interactive blog, dynamic content, on-line campaigns and proactive social media engagement.
Events strategy & promotion	Events and improved events promotion (using events as dynamic destination marketing platforms) hold the key to unlocking Nelson Mandela Bay’s tourism potential and reducing the negative impact due to seasonality or the perception that Nelson Mandela Bay is merely an entry point to the Garden Route and the Eastern Cape.
Business Tourism strategy & promotion	Establishment of a convention bureau function/mechanism with business tourism marketing and management strategy
Media engagement & hosting	High RoI can be achieved through media partnerships and a proactive positive relationship established with the media including targeted and well managed hosted media trips.
Trade engagement & hosting	Targeted and tailor-made trade engagement to increase the knowledge on Nelson Mandela Bay as a desirable hub to stay from where the rest of the Eastern Cape and some of the Garden Route can be explored. Personal face to face encounters allow trade and media to experience the multi-dimensional nature of the region.
Visitor Services strategy	Visitor Services Strategy including visitor information centre, on-line visitor information platforms and mobile apps to ensure improved visitor dispersal.
Research & Intelligence	To prioritise informed decision making by tapping into the latest global travel trends and research and conducting some local research on visitor profiling and spend as well as industry surveys on occupancy levels.
Responsible tourism & transformation	Important principles that will underline all programmes with specific interventions and programmes to drive these priorities. Highlight Nelson Mandela Bay’s “green” tourism offering and

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	commitment to responsible tourism.
Industry engagement	Provide information, research and insights to product to aid them in their marketing and service delivery efforts
Information (data, content, third party) collection and management (CRM)	Key to improved service delivery, stakeholder relationship management and understanding the unique needs of the visitor.

## 10. KNOWLEDGE MANAGEMENT

Knowledge management (KM) remains a priority area to be undertaken, but with the support from the Nelson Mandela Bay Municipality, University and ECPTA, local consulting partners and South African Tourism.

It is crucial to understand the tourism impact on Nelson Mandela Bay better and to use tourism intelligence to inform future decision-making and strategies.

Nelson Mandela Bay Tourism will be conducting visitor surveys and monthly industry occupancy surveys. It will also work with SA Tourism and ECPTA to identify and analyse consumer and travel trends and ascertain the relevance and impact on Nelson Mandela Bay as a tourism destination.

Monthly and annual performance information will be used in the strategic review of Nelson Mandela Bay's tourism performance and as an input into economic impact studies and strategies. Short to medium term forecasts are very useful for both Nelson Mandela Bay Tourism and the industry.

Nelson Mandela Bay Tourism will also develop an annual satisfaction index survey at the discretion of the Municipality, but with separate funding from the Municipality to:

- Track Tourists / Visitors opinions on the nature, quantity, quality of the tourism experience of Nelson Mandela Bay
- Track visitor spend in the region
- Track visitor activity and needs
- Contribute to CRM for future targeted marketing communication

Nelson Mandela Bay Tourism will work with experts as far as possible to acquire, use and disseminate intelligence on trends and issues relating to tourism globally, in Southern Africa, South Africa and the Eastern Cape that could impact on Nelson Mandela Bay and its tourism sector. The principal need is to define and analyse target markets by geographical region and by themes and interests, in order that Nelson Mandela Bay Tourism's marketing can be focused to achieve the highest return on investment.

Analysis of target markets done in association with SAT and ECPTA will start by building up an understanding of existing and potential markets and how our members and we need to adapt to suit their unique needs.

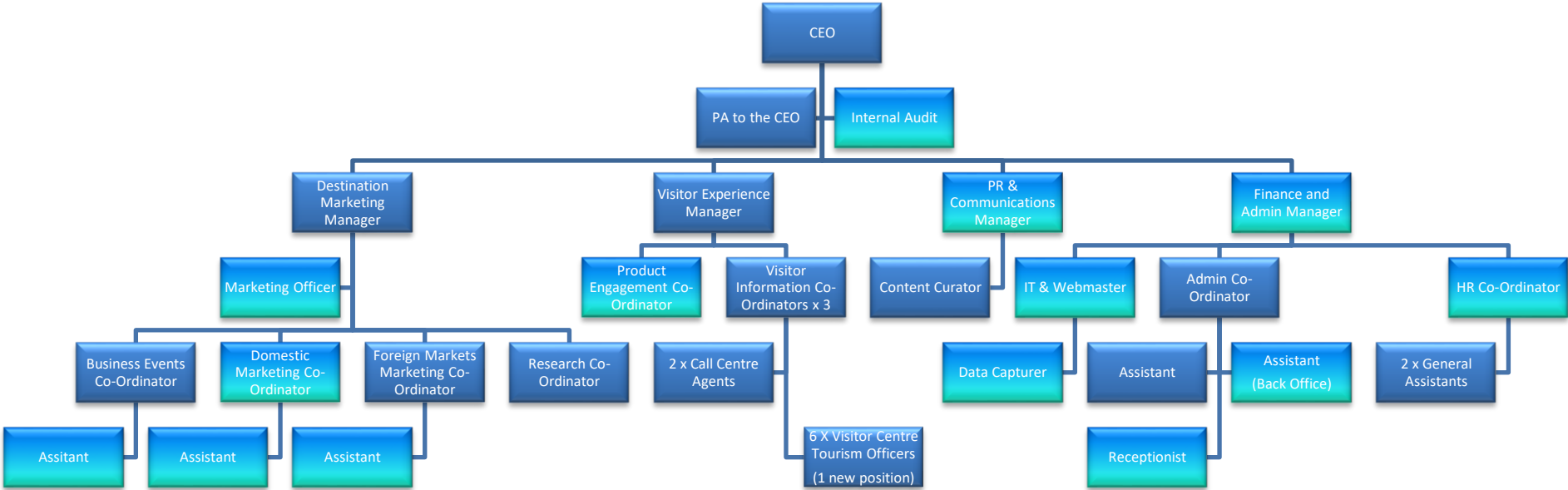
We recommend that the Municipality consider a long-term programme of research as part of its local economic development strategy and planning. Nelson Mandela Bay Tourism can take responsibility for the management of such a programme.

We anticipate that, in implementing such a research programme, there will be the potential for a strong working relationship with universities, drawing on their tourism research expertise.

## 11. CORPORATE GOVERNANCE AND ORGANISATION STRUCTURE

Nelson Mandela Bay Tourism has a good track record with clean annual audits and a healthy financial cash flow status.

With regard to Team Structure, we envisage looking at our strategic priorities and restructuring ourselves to more optimally deliver against these. Our proposed structure is as follows:



**STAFF TOTAL = 35**

**NEW & VACANT POSITIONS = 15**

In order to support the volume of execution required in digital platform management (including social media monitoring and management) it is also recommended to secure the services of a Digital Agency to execute this function. This will also aid in the repackaging of content and content proliferation.

As content creation requires varied, rich content on a frequent basis – this cannot be done by one headcount. Budget will be allocated to commission and secure content from various places – photographers, bloggers, freelance writers, etc. This will ensure content is rich and updated frequently but managed for consistent messaging by the PR and Communications Manager.