



***TRADE AND INDUSTRY CHAMBER***

**FUND FOR RESEARCH INTO INDUSTRIAL  
DEVELOPMENT GROWTH AND EQUITY (FRIDGE)**

**BUSINESS TOURISM SECTOR STUDY:  
EXECUTIVE SUMMARY**

**2006**

# EXECUTIVE SUMMARY

## Introduction

Business tourism has been identified by the Department of Trade and Industry (“**the dti**”) as one of three niche tourism segments identified to date.

Grant Thornton and Prodigy Business Services were commissioned by the Industrial Development Corporation (“**IDC**”) through the Fund for Research into Industrial Development, Growth and Equity (“**FRIDGE**”), to undertake research into the business tourism industry in South Africa with the ultimate goal of developing a set of recommended interventions to overcome barriers to the industry and thus result in the growth of the industry. The aim of the study was not to develop the growth strategy for business tourism, but rather to undertake detailed research into the trends, challenges, size and potential of the business tourism market in order to support the development of a growth strategy.

There are two key deliverables for the study viz:

**1. A better understanding of the trends, challenges, size and potential of the business tourism niche segment in South Africa, including inter alia:**

- a. A clear and practical definition of the business tourism niche segment;
- b. Identification of relevant industry associations and a consideration of their existing business tourism plans/ strategies;
- c. Export potential (global market size and characteristics);
- d. Best practice case studies;
- e. The number of foreign and domestic business tourists to South Africa each year;
- f. Geographic spread and seasonality characteristics;
- g. Expenditure behaviour and breakdowns;
- h. High level description of the business tourism suppliers, including breakdown of business type, average size of companies, participation of small, medium and micro enterprises (“**SMMEs**”), identification of major players and their market shares;
- i. Investment opportunities and performance data;
- j. Current gross domestic product (“**GDP**”) and employment contributions of the business tourism industry to the South African economy;
- k. Employment trends, and drivers of, or barriers to formal and meaningful employment;
- l. Skills profile and gaps for the niche segment as well as employment trends and opportunities;

- m. Black economic empowerment (“**BEE**”) profile of niche segment and suppliers within the segment;
  - n. Identification and recommendation regarding infrastructure;
  - o. Drivers of and barriers to growth in this segment, with a clear set of recommended interventions;
  - p. Identification of forward and backward linkages;
  - q. Export potential, including the identification of key marketing channels and activities to increase arrivals; and
  - r. A strengths, weaknesses, opportunities and threats (“**SWOT**”) analysis.
- 2. Recommendations regarding the dti’s future role in supporting the growth of this niche tourism segment including a number of realistic interventions that would trigger and sustain an improvement in the performance of business tourism in South Africa.**

The study was undertaken in 7 phases culminating in three reports, viz:

1. **International Benchmarking and Secondary South Africa Research Report** – This report contains:
  - o An international benchmark study – Research was conducted on the global business travel and tourism industry to provide an indication of the size and nature of the industry. Research was also conducted on the business travel and tourism industries in Australia, Ireland and Singapore to determine benchmarks and possible good practice that could be used to help inform recommendations regarding interventions to develop the South African business tourism industry; and
  - o A review of the South African business travel and tourism industry – All available information on the business travel and tourism industry in South Africa was sourced to provide an indication of information currently available. This was used to identify gaps and was used to inform the primary research.
2. **Primary Research Report** – This report highlights the findings of primary research conducted with 50 stakeholders, 391 venues, 252 planners, 314 foreign business tourists and 493 domestic business tourists. Research was conducted to provide an understanding of the size and nature of the industry (from a supply and demand point of view) as well as to identify challenges, drivers of and barriers to the growth of the business tourism industry in South Africa.
3. **Final Integrated Report** – This report highlights key findings from the first two reports. Barriers to the development of the business tourism industry in South Africa are identified and a set of proposed strategic interventions to overcome these barriers are recommended.

This executive summary provides a brief overview of key findings from the final integrated report.

## Focus on Business Tourism

At the outset of the project, business travel and tourism included trading, business travel and business tourism.

**Trading** (i.e. trip undertaken to shop for goods that will be resold in the visitor's country of residence) was excluded for two key reasons. Firstly, trading tourists do not on the whole make extensive use of formal tourism suppliers and thus tourism-related interventions are unlikely to impact on trading. Secondly, trading is concentrated in specific centres in South Africa and thus national interventions (as is anticipated from this study) may not be the most appropriate approach. Trading was excluded after the Phases 1-3 Report.

**Business travel** (i.e. trip undertaken with the purpose being to conduct commercial or formal transactions or activities that are related to one's job) was excluded because internationally and within South Africa, organisations typically do not have activities aimed at increasing business travel. Business travel is seen as non-discretionary travel and is a function of the economy of the country concerned. Business travel was excluded during Phase 6.

**Business tourism** includes two distinct categories namely:

- Business tourism meetings i.e. meetings, conferences, incentives and exhibitions; and
- Business tourism events i.e. non-meeting events e.g. sporting events, concerts etc.

Internationally and within South Africa, business tourism is viewed as being an industry that can be influenced through dedicated activities. Based on our study findings, including international best practice examples, it was decided that the study should focus on business tourism only and that interventions targeted at business travel and trading should not be developed.

The South African business tourism industry is an important contributor to the economy and although the industry has shown significant growth in the past decade or so, has the potential to continue growing and contributing sustainably to the economy. The recommended interventions contained in this report will drive the industry towards reaching its full potential.

## Overview of the Business Tourism Industry in SA

Some highlights of the business tourism industry include:

- **Industry is growing** – The South African business tourism industry is an important contributor to the economy, believed to be growing at 4-5% a year. In 1995, the National Convention Bureau Steering Group estimated that the business tourism industry was worth approximately R2,6 billion, with SAACI estimating the industry to be worth R3,5 billion in 1999. Analysis of SAT data indicates that the business tourism industry was worth R4,8 billion in 2003;
- **Business tourist numbers increasing** – Foreign business tourism arrivals have increased by 30% from 307 000 in 2002 to 398 000 in 2005, and SAT has indicated that they are targeting to increase this to over 700 000. In 2005, an estimated 2,1 million domestic business tourism trips were undertaken. Thus there were a total of 2,5 million business tourists in 2005.
- **Number of venues growing** – The number of venues in South Africa has grown from 1 500 in 1999 to an estimated 1 600 in 2005 (see **Table 1**) and many new venues, including some large venues with a capacity of 1 000 or more delegates are mooted or planned.

**Table 1: Change in Venue Number and Size from 1999 to 2005**

| Estimated Data                 | 1999        | 2005        | % Change (1999 to 2005) |
|--------------------------------|-------------|-------------|-------------------------|
| Number of venues               | 1 500       | 1 600       | 6,7%                    |
| Conference room days           | 1,4 million | 1,7 million | 22,5%                   |
| Total conference seats         | 273 000     | 343 000     | 25,8%                   |
| Total conference delegate days | 100 million | 125 million | 25,4%                   |

Source: "Conference, Exhibition & Events Guide of Southern Africa" and Grant Thornton Analysis

- **Employment** – There is no accurate data on employment in the business tourism industry. In fact, there is no recent accurate data on employment within the tourism industry in South Africa. However, based on our research findings, we estimate that there are approximately 62 400 people employed in the business tourism industry on a permanent basis, 13% of the estimated 485 060 direct jobs in the tourism industry in South Africa in 2006 (see **Table 2**).

**Table 2: Estimated Permanent Business Tourism Employment for South Africa, 2006**

| Type         | Total Number of Organisations | Average # of Employees per Organisation | Total         |
|--------------|-------------------------------|---|---------------|
| Venues       | 1 600                         | 34 <sup>1</sup>                         | 54 400        |
| Planners     | 1 000                         | 8 <sup>2</sup>                          | 8 000         |
| <b>Total</b> | <b>2 600</b>                  | <b>-</b>                                | <b>62 400</b> |

**Note:**

<sup>1</sup> Based on average number of employees per venue without accommodation (business tourism specific employees)

<sup>2</sup> Based on average number of employees per PCO (business tourism specific employees)

Source: Grant Thornton Primary Research

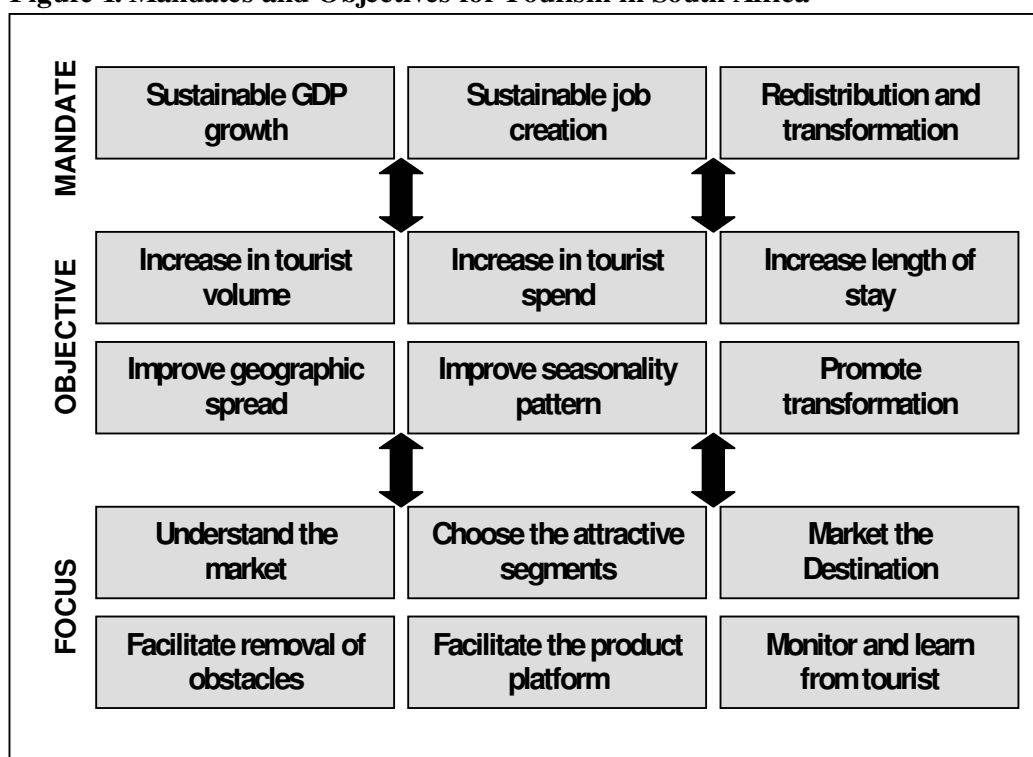
- **Transformation** – Very little is known about transformation in the business tourism industry, however indications are that transformation is slow.

## Context, Barriers and Recommended Interventions

### Introduction

A discussion of the key barriers to the development of the business tourism industry and a set of recommended interventions to overcome these barriers is included below, structured using the six focus areas in **Figure 1** as a framework (see below).

**Figure 1: Mandates and Objectives for Tourism in South Africa**



### Business Tourism Industry Cohesion / Co-operation

Before the industry should consider any interventions, institutional cohesion and co-operation needs to be strengthened. The business tourism industry is highly fragmented and is plagued by a lack of co-operation compounded by poor to little communication between and amongst government, association and private sector stakeholders.

In addition, although stakeholders have activities aimed at developing business tourism in South Africa, they tend to work in isolation of one another and there is general role confusion as to who is doing what and who should be doing what.

In order to effectively develop the industry, all stakeholders will need to work together towards a common goal and on agreed interventions.

Our recommendation is that the business tourism industry discusses the establishment of a mechanism to bring about industry cohesion and cooperation, in the form of a *Business Tourism Forum* entity. Such an entity should include all key players i.e. SAT, **the dti**, the Department of Environmental Affairs and Tourism (“**DEAT**”), provincial governments (Business Tourism officials in tourism organisations), local government/ cities/ convention and visitor bureaus (“**CVBs**”), associations and major private sector. The entity could be a strengthened South African Meetings Industry Federation (“**SAMIF**”), or an entirely new entity. Once in place and working effectively, industry cohesion should improve significantly.

### Focus Area 1: Understand the Market

#### **Context:**

There is currently no research that provides an accurate indication of the value of the business tourism industry in South Africa, how the industry has grown etc. Data on employment, skills levels, scarce & critical skills etc. is also not available and as far as we can determine, is currently not being tracked.

This is compounded by the fact that there are no standardised industry definitions / classifications. Although research has been conducted, this has been done from a different basis resulting in research that is not comparable or consistent. A lack of data affects the industry’s ability to plan.

| <b>Barriers</b>  | <b>Recommended Interventions</b>   |
|--|--|
| 1. Lack of standardised business tourism industry definitions                        | <b>Develop standardised definitions</b> – These should be developed with input from the industry taking into consideration definitions used by other organisations. Definitions must be communicated to the industry once developed. |
| 2. Lack of relevant, applicable, comparable and consistent business tourism research | <b>Develop a research programme</b> – Research programme should collect information on the size and nature of the industry, employment and skills levels and needs, industry performance and transformation etc. Research should be  |

| Barriers | Recommended Interventions  |
|----------|--|
|          | <p>conducted on a regular basis with a targeted group of participants. This programme should be part of an ongoing research programme between SAT and DEAT and should co-ordinate what is currently being done by SAT. Associations can assist in the process by encouraging their members to participate in the research.</p> |

## Focus Area 2: Choose Attractive Segments

| <b>Context:</b>  |
|--|
| <p>Our study indicates that venues host on average 158 business tourism meetings and events per venue, an estimated 253 000 business tourism meetings and events per year for the 1 600 venues. The bulk of these business tourism meetings and events are <b>corporate conferences</b>. In comparison to other destinations, South Africa appears to host a relatively low number of international events. International business tourism meetings and events constitute 1% of the total – equivalent to 3 075 business tourism meetings and events with the bulk of these also being <b>corporate conferences</b>.</p> |
| <p>Thus, our research shows that South Africa’s business tourism market is largely <b>domestic</b> and <b>corporate</b>, and thus dependent on the South African economy. Although not directly a barrier, it should be noted that if the economy experiences a downturn or slowdown, the business tourism industry is likely to be negatively affected.</p>   |
| <p>The question is whether or not the industry is aware of its dependency on the South African economy, and if enough is being done to:</p>  |
| <ul style="list-style-type: none"> <li>• Increase / attract non-corporate business tourism e.g. international association conferences, incentives, exhibitions etc.;</li> <li>• Attract enough international business tourism, including foreign delegates; and international business tourism meetings and events (e.g. association conferences); and</li> <li>• Generate new business tourism.</li> </ul>  |

| Barriers  | Recommended Interventions   |
|---|---|
| <p>1. High incidence of corporate conferences and a lack of “non-corporate”</p> | <p><b>Improve stakeholder knowledge of the business tourism industry</b> – The industry needs to be educated on the nature of business tourism in South Africa which will assist them with planning and deciding on which segments to target. Our recommended research programme should go a long way in assisting with this, but communication of the relevant</p> |

| Barriers  | Recommended Interventions  |
|---|--|
| business tourism meetings and events (e.g. association conferences) | <p>information to the industry is vital and we see a role for SAT and associations in this regard..</p> <p>We believe that South Africa should focus on securing international association meetings through the following possible means:</p> <ul style="list-style-type: none"> <li>• Assist representatives of international associations located in South Africa in securing international conferences to be hosted in South Africa;</li> <li>• Encourage international associations to establish regional offices in South Africa; and</li> <li>• Assist in the site visits conducted by international associations (site visits conducted to select destinations).</li> </ul> |

### Focus Area 3: Market the Destination

| <u>Context:</u>   |
|---|
| <ul style="list-style-type: none"> <li>• <b>Business Tourism Bid Support</b> - Increasing business tourist volume is a key objective that can be achieved by increasing the number of business tourism meetings and events hosted in South Africa, increasing the number of business tourists that travel to and within South Africa i.e. increasing attendance at business tourism meetings and events, increasing the number of pre- and post-business tourism trips or increasing the number of people that accompany delegates to business tourism meetings and events and pre- and post-business tourism trips. In order to increase business tourist volumes, South Africa needs to be marketed as a destination. This is increasingly important as South Africa is fighting for a share of the global market of which countries in Asia (e.g. Singapore and China) are currently getting an increasing share. Internal competition (e.g. province, cities and business tourism suppliers competing for the same business tourism meeting or event) hampers efforts and is a waste of valuable time and resources.</li> <li>• <b>Domestic Business Tourism Marketing and Market Intelligence</b> – Government and SAT in particular were criticised by our respondents for not doing enough to market business tourism in South Africa domestically.</li> <li>• <b>Seasonality and Geographic Spread</b> – The business tourism industry in South Africa is currently seasonal and concentrated mainly in Gauteng, the Western Cape and KwaZulu-Natal.</li> </ul> |

| Barriers  | Recommended Interventions   |
|---|---|
| <p>1. Lack of business tourism bid support</p>  | <p><b><u>Develop a bid support programme</u></b> – A constraint to South Africa winning more business tourism is the lack of bid support and funding. Bids, especially for large or special business tourism meetings or events are costly, including travel costs, accommodation, bid documents etc. There is no documented or understood bid support process and no real formal funding available, which is a serious constraint to submitting quality bids.</p> <p>The following is recommended:</p> <ul style="list-style-type: none"> <li>• Separate bid support programmes should be developed for events and meetings (e.g. major corporate or association conferences);</li> <li>• Templates should be developed;</li> <li>• Common standards / criteria for cities, CVBs etc. to follow should be developed;</li> <li>• A strong role for CVBs is envisaged and they will thus require strengthening;</li> <li>• Decisions should be made as to who bids for what;</li> <li>• A database of business tourism events and meetings hosted previously in SA or which can potentially be hosted in SA should be developed – industry must assist in identifying these; and</li> <li>• Criteria for bid support funding must be developed. Proposed business tourism TOMSA levies could be considered for funding.</li> </ul> |
| <p>2. Lack of knowledge about domestic business tourism marketing and market intelligence</p> | <p><b><u>Communicate current activities and information</u></b> – Current domestic business tourism marketing activities and market intelligence should be communicated to the industry. The provinces should be encouraged to take a clear role in this regard.</p> <p>There are three groups of role players that should be involved, viz:</p> <ul style="list-style-type: none"> <li>• <b>SAT</b> – Should communicate their strategies and intentions so that the industry is aware of what they are doing and that their focus is on growing the international business tourism market, not the domestic market;</li> <li>• <b>Provinces / Cities</b> – Should be involved in marketing their destinations to domestic business tourists. They will need market intelligence (e.g. from the proposed research programme) to do this effectively. Where activities already exist, these should be communicated; and</li> <li>• <b>New proposed business tourism forum</b> – Should be the custodian of information on all marketing activities and market intelligence.</li> </ul>  |

| <b>Barriers</b>  | <b>Recommended Interventions</b>  |
|--|---|
| 3. Business tourism industry is seasonal and concentrated in Gauteng, the Western Cape and KwaZulu-Natal | <p><b><u>Reduce seasonality and increase geographic spread of business tourism</u></b> – This can be achieved in three ways, viz:</p> <ul style="list-style-type: none"> <li>• <b><i>Assist the development of iconic business tourism meetings and events with a South African flavour</i></b>– These can be organised in off-peak times and can be hosted anywhere in SA. The provinces and cities should play a role in assessing which events and meetings would qualify. Incentives should also be considered, but these should be subject to strict criteria.</li> <li>• <b><i>Create a calendar of key business tourism meetings and events (inclusion of events should be subject to criteria)</i></b> – This will facilitate the understanding of the industry and can assist in planning of events and meetings. It is recommended that only major events with public participation, hosted on an annual basis and attended by a certain number of delegates / visitors be included.</li> <li>• <b><i>Consider offering incentives for business tourism meetings and events hosted in off-peak times or in certain geographic locations</i></b> – Provincial and local government can assist in this regard and are in fact already involved in sponsoring events in their areas. A more deliberate and clearer strategy with detailed interventions, actions and funding is perhaps required.</li> </ul> |
| 4. No specific barriers  | <p><b>There are five interventions to market the destination that have no specific barriers viz:</b></p> <ul style="list-style-type: none"> <li>• Monitor South African prices</li> <li>• Develop/ enhance an ambassador programme</li> <li>• Host international buyers</li> <li>• Improve the business tourism website</li> <li>• Ensure the availability of promotional materials</li> </ul>  |

#### Focus Area 4: Facilitate the Removal of Obstacles

##### **Context:**

- **Infrastructure Issues** – Current barriers include air access and the high cost of airfares (particularly to the international industry), lack of a public transport system, the high cost of local transport (especially when competing against global destinations that have this infrastructure at a more affordable cost) and crime.

- **Capacity of Business Tourism Associations** – A key finding from our research is that South African business tourism associations are severely constrained including:
  - Low membership numbers with many members being apathetic regarding their role and interaction with associations – there is also an overlap in membership with some organisations being members of more than one association;
  - Limited funding for activities; and
  - Tendency to be reactive, rather than proactive to the industry, issues etc.

| Barriers   | Recommended Interventions   |
|--|---|
| 1. Lack of affordable airlift, lack of a reliable public transport system and crime and the perception thereof | <b><u>Recommended intervention: Advocate the importance of infrastructure in creating an enabling environment for business tourism</u></b> – The lack of airlift and public transport, as well as the issue of crime are already being addressed by government. It is recommended that the business tourism industry lobby government to give consideration to the inclusion of business tourism in this.                                     |
| 2. Capacity constrained business tourism associations  | <b><u>Establish mechanisms to strengthen business tourism associations</u></b> – These associations may be strengthened through increased membership, increased funding, clarification of their roles or by increased industry involvement in their activities. However, the current structure of business tourism associations appears to be problematic and thus their current structure may need to be assessed and possibly restructured. |

**Focus Area 5: Facilitate the Product Platform**

- Context:**
- **Accreditation and Grading** – Accreditation of planners and grading of venues is currently voluntary but the uptake thereof is very low. Only 60, of the possible thousands of planners are currently Southern African Association for the Conference Industry (“SAACI”) accredited with only 8% of the 1 600 venues graded by the Tourism Grading Council of South Africa (“TGCSA”).
  - **Skills development** – The business tourism industry is plagued by a lack of skills especially amongst planners, with stakeholders indicating that this is a key issue for the industry. In addition, there are very few business tourism specific qualifications and training programmes available. Barriers to entries are low which means that unskilled people can enter the industry quite easily.

- SMMEs** – On the whole, there is a general lack of SMME-specific knowledge with stakeholders not knowing if they are SMMEs, what programmes are available to assist SMMEs, what is being done to support SMMEs, what their organisations do to support SMMEs and how to support SMMEs.

The industry, particularly independent planners (e.g. PCOs, incentive organisers etc.) is characterised by a high number of SMMEs and thus the lack of industry knowledge about SMMEs is concerning.
- Transformation** – Transformation in the industry is very slow.

| Barriers  | Recommended Interventions  |
|---|--|
| <p>1. Low uptake of accreditation of planners and grading of venues</p> | <p><b><u>Government should use available levers to encourage accreditation and grading</u></b> – Industry players should be encouraged to become accredited or graded. Government can use the levers available to it to bring this about. Government has the ability to significantly influence the business tourism industry, by virtue of its extensive procurement spend. Thus government can encourage the accreditation of planners and the grading of venues by only using accredited or graded suppliers.</p> <p>In addition, accreditation of planners and the grading of venues can also be influenced in the following ways:</p> <ul style="list-style-type: none"> <li>• Only accredited or graded suppliers can benefit from any incentives;</li> <li>• Only accredited or graded suppliers can be hosted on the business tourism website; and</li> <li>• Only accredited or graded suppliers can access hosted buyers etc.</li> </ul> |
| <p>2. Poor skills pool and a lack of qualifications</p>                 | <p><b><u>Identify appropriate qualifications and training opportunities</u></b> – The industry should identify and develop appropriate qualifications which should form part of a larger “career plan” for the business tourism industry. Essentially the industry should be actively promoted as an attractive viable career option. It must be seen as an exciting industry to work in. In addition, mechanisms should be put in place to ensure that knowledge is not lost from organisations within the industry when employees move on.</p> <p>The industry needs to ensure that services levels and professionalism within the industry is improved and constantly maintained. The accreditation / grading of business tourism suppliers will assist in setting and maintaining world class service levels and professionalism as will improved skills development.</p>  |

| <b>Barriers</b>  | <b>Recommended Interventions</b>  |
|--|---|
| 3. Lack of knowledge about SMME programmes                 | <p><b><u>Improve communication on SMME programmes etc. and increase the use of SMMEs in the industry</u></b> – Programmes and other support available from government should be communicated to industry stakeholders e.g. via workshops, newsletters etc. This could once again be linked to only those that are accredited / graded or BEE compliant.</p> <p>Although backward linkages (e.g. companies that provide products and services to venues etc.) were not researched as part of this study, backward linkages provide an opportunity to develop skills in the industry. For example the use of black and SMME providers.</p> <p>In addition, SMMEs can be strengthened for example through the introduction of a mentoring or incubator system for SMMEs.</p> |
| 4. Lack of transformation in the business tourism industry | <p><b><u>Government should use the levers available to it to encourage the use of business BEE-accredited suppliers</u></b> – The Tourism BEE Charter, once gazetted, will provide government with a significant lever to improve transformation in the industry, as government will procure services only BEE-compliant suppliers. This will “force” private sector to improve their transformation if they wish to benefit from government procurement.</p>   |

### **Focus Area 6: Monitor and Learn from the Tourist Experience**

SAT is already monitoring and learning from the tourist experience. The research programme recommended above will add to what is already being done. A co-ordinated effort is required to ensure that information gathered is appropriately disseminated.

### **Summary**

**Table 3** details barriers, recommended interventions and potential role players.

**Table 3: Identified Barriers to Business Tourism, Recommended Interventions and Key Role Players**

| Focus Area   | Barriers  | Recommended Interventions   | Priority | New Entity | Government |                  |            |       |     | Associations | Private Sector |
|--|---|---|----------|------------|------------|------------------|------------|-------|-----|--------------|----------------|
|  |   |   |          |            | SAT        | DEAT/<br>the dti | Provincial | Local | CVB |              |                |
| <b>Establish the business tourism forum entity</b> |   |   | 1        |            | √          | √                | √          | √     | √   | √            | √              |
| <b>Understand the market</b>                       | Lack of standardised business tourism industry definitions  | <ul style="list-style-type: none"> <li>Develop standardised definitions which should be communicated to all stakeholders</li> </ul>   | 2        | √          |            |                  |            |       |     |              |                |
|  | Lack of relevant, applicable, comparable and consistent business tourism research                       | <ul style="list-style-type: none"> <li>Develop a research programme</li> </ul>  | 2        | √          | √          | √                |            |       |     | √            | √              |
| <b>Choose the attractive segments</b>              | High incidence of corporate conferences and a lack “non-corporate” business tourism meetings and events | <ul style="list-style-type: none"> <li>Improve stakeholder knowledge of the business tourism industry and focus on securing non-corporate business tourism meetings and events</li> </ul> | 1        | √          | √          |                  | √          | √     | √   | √            | √              |
| <b>Market the destination</b>                      | Lack of business tourism bid support  | <ul style="list-style-type: none"> <li>Develop a bid support programme for business tourism meetings and business tourism events</li> </ul>   | 1        | √          | √          |                  |            |       | √   |              |                |
|  | Lack of knowledge about domestic business tourism marketing and market intelligence                     | <ul style="list-style-type: none"> <li>Communicate current domestic marketing activities and market intelligence to the industry</li> </ul>   | 3        |            | √          |                  | √          |       |     |              |                |

| Focus Area             | Barriers  | Recommended Interventions   | Priority | New Entity | Government |                  |            |       |     | Associations | Private Sector |   |
|------------------------|---|---|----------|------------|------------|------------------|------------|-------|-----|--------------|----------------|---|
|                        |   |   |          |            | SAT        | DEAT/<br>the dti | Provincial | Local | CVB |              |                |   |
| Market the destination | Business tourism industry is seasonal and concentrated in Gauteng, the Western Cape and KwaZulu-Natal | <ul style="list-style-type: none"> <li>Assist the development of iconic business tourism meetings and events with a South African flavour</li> </ul>                                | 3        |            |            |                  | √          | √     |     |              |                |   |
|                        |   | <ul style="list-style-type: none"> <li>Create a calendar of business tourism meetings and events (subject to criteria)</li> </ul>   | 2        | √          | √          |                  |            |       | √   |              |                |   |
|                        |   | <ul style="list-style-type: none"> <li>Consider offering incentives for business tourism meetings and events hosted in off-peak times or in certain geographic locations</li> </ul> | 2        |            |            |                  | √          | √     |     |              |                |   |
|                        | No specific barrier   | <ul style="list-style-type: none"> <li>Monitor South African prices</li> </ul>  | 3        | √          | √          |                  |            |       |     | √            |                | √ |
|                        |   | <ul style="list-style-type: none"> <li>Develop/ enhance an ambassador programme</li> </ul>  | 2        |            | √          |                  |            |       |     |              |                |   |
|                        |   | <ul style="list-style-type: none"> <li>Host international buyers</li> </ul>   | 2        |            | √          | √                |            |       |     |              |                |   |
|                        |   | <ul style="list-style-type: none"> <li>Improve the business tourism website</li> </ul>  | 1        | √          | √          |                  |            |       |     |              |                |   |
|                        |   | <ul style="list-style-type: none"> <li>Ensure the availability of promotional materials</li> </ul>  | 3        | √          |            |                  |            | √     | √   | √            |                |   |

| Focus Area  | Barriers  | Recommended Interventions   | Priority | New Entity | Government |                  |            |       |     | Associations | Private Sector |
|---|---|---|----------|------------|------------|------------------|------------|-------|-----|--------------|----------------|
|   |   |   |          |            | SAT        | DEAT/<br>the dti | Provincial | Local | CVB |              |                |
| <b>Facilitate the removal of obstacles</b>  | Infrastructure issues (e.g. red tape, affordable airlift, public transport and crime) | <ul style="list-style-type: none"> <li>Advocate the importance of infrastructure in creating an enabling business tourism environment</li> </ul>  | 2        | √          |            | √                |            |       |     |              |                |
|   | Capacity constrained business tourism associations                                    | <ul style="list-style-type: none"> <li>Establish mechanisms to strengthen business tourism associations</li> </ul>  | 2        | √          |            | √                |            |       |     | √            |                |
| <b>Facilitate the product platform</b>  | Low uptake of accreditation of planners and grading of venues                         | <ul style="list-style-type: none"> <li>Government should use the levers available to it to encourage supplier accreditation/ grading i.e. procurement spend on accredited/ graded suppliers only</li> </ul> | 1        | √          | TGCSA      | √                | √          | √     |     | SAACI        | √              |
|   | Poor skills pool and lack of qualifications and training opportunities                | <ul style="list-style-type: none"> <li>Identify appropriate skills and qualifications</li> </ul>  | 1        | √          | THETA      | √                |            |       |     | √            | √              |
|   | Lack of knowledge about SMME programmes   | <ul style="list-style-type: none"> <li>Improve communication on SMME programmes</li> </ul>  | 1        |            |            | √                |            |       |     | √            |                |
| <ul style="list-style-type: none"> <li>Increase the use of SMMEs in the industry</li> </ul> |   | 1   |          |            | √          |                  |            |       | √   | √            |                |

| Focus Area                                       | Barriers                               | Recommended Interventions  | Priority | New Entity | Government |                  |            |       |     | Associations | Private Sector |
|--|--|--|----------|------------|------------|------------------|------------|-------|-----|--------------|----------------|
|  |  |  |          |            | SAT        | DEAT/<br>the dti | Provincial | Local | CVB |              |                |
| <b>Facilitate the product platform</b>           | Lack of transformation in the industry | <ul style="list-style-type: none"> <li>Government should use the levers available to it to e.g. the Tourism BEE Charter – procurement spend on BEE compliant suppliers only</li> </ul> | 1        | √          | √          | √                | √          | √     |     |              |                |
| <b>Monitor and learn from tourist experience</b> | Uncoordinated effort in the industry   | <ul style="list-style-type: none"> <li>Build on what SAT is already doing and ensure co-ordination with the proposed research programme</li> </ul>                                     | 3        | √          | √          |                  |            |       |     | √            |                |

**Priority Key:**

1 = Vital

2 = Very Important

3 = Average Importance

*Source: Grant Thornton Research*