

Survival guide: Looking to more resilient markets

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In a downturn, although it is important to focus on the tried and trusted for that time of recovery, many tourism businesses are looking to new markets in the hope of developing new streams of revenue to keep them afloat. *Tourism Update Online* takes a look at which markets are doing well right now and what tourism businesses should be doing to capture their attention...

It's important to remember that when looking at new markets, operators may be tempted to jump right in and claim that they are offering the ideal product for a certain market or niche but it's very important to first do the research and ensure that your product is ideal, otherwise you may have a large group of unhappy customers on your hands. South African Tourism offers in-depth reports from each market that it considers important to the country's tourism economy on its website. It is best to ensure that your product would be attractive to a market before spending money on sales trips and the like.

The Asian powerhouse

Emerging economies such as China have been coined the new money markets for tourism potential and the statistics seem to correlate. The World Tourism Organization predicts that Chinese outbound travel will reach 100 million by 2020. In 2010, CNTA (China National Tourism Administration) predicts that outbound tourism will grow approximately 10% to 12%, exceeding the 48 million outbound tourists of 2009. China was the only major global outbound market predicted to grow in 2010.

The potential for this market seems to be infinite with South Africa only bagging around 34 000 Chinese travellers in 2009. South African Tourism has also indicated its confidence in the growth of this market with the establishment of a full office in Beijing headed up by **Bradley Brouwer**. This office also works closely with the Japanese arm of the SA Tourism operation.

Managing Director of Planet Africa Tours, **Takashi Miyata**, who deals mainly with the Japanese market among other core markets, says that market in particular is resilient, notwithstanding problems endemic to South Africa such as the perception of safety and crime. He says the Japanese market has also acted similarly to other markets at present that have slumped into a post-World Cup drop that can also be a result of the strength of the rand against the Japanese yen.

Brazilian bazaar?

South American markets have also been touted as those to watch, especially since the advent of the World Cup when travellers were, in a sense, forced to visit South Africa to watch their football teams. The result being that a large contingent of South American travellers went back to their home countries boasting of the experiences they had had in South Africa.

But studies show that the South American market could offer niche travellers in itself. Revealed in the largest lesbian, gay, bisexual and transgender (LGBT) survey by Out Now Global ever undertaken, the South American market holds great untapped potential for LGBT travel with more than 25m LGTB people who spend significant amounts on leisure travel.

Large companies are also investing in the South American markets with the set-up of operations in those countries such as Welcome Tourism Services (WTS), which this week announced the establishment of a new office in Cape Town that will deal solely with the Latin American market.

Sabine Blehle, WTS Sales Director, who has recently returned from a sales trip to Chile, Argentina and Brazil, says: "While we've been testing the South American waters for quite some time already, the World Cup, along with several other key factors, has exposed the destination to South Americans more than ever before. This has provided us with the perfect opportunity to launch our Spanish and Portuguese product to this exciting emerging market."

Looking in our own backyard

The National Department of Tourism has also been long selling the prospects of the African market to local operators and Minister of Tourism, **Marthinus van Schalkwyk**, has tasked his department and South African Tourism with extensive development with those markets to increase the arrivals from African countries.

Martin Oosthuizen with Don Suite Hotels charged with Group Business Development and Sales for Africa, says the African markets are proving to be very lucrative for the group. He says African markets see South Africa as a great destination for business, shopping and entertainment.

He adds that it doesn't take much for operators to take the leap into these markets: "The issue a lot of operators have is taking the leap and getting on a plane to explore the opportunities or to speak to seasoned South African operators who have been in these territories for many years, who understand these travellers' needs and aspirations and how to 'set up shop'. The point here is that these travellers have lots of money to spend but are not stupid and do not appreciate being ripped off but will gladly pay for top services and amenities. Get the balance right and you have a winner."

Kate Els