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Clarens Report:

Visitor and business survey

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Clarens Report: Visitor and business survey

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Introduction

Since the early 1990s, weekend tourism has expanded in South Africa. There has been an increasing number of city folk wanting to experience the rural life, and remote areas have increasingly positioned themselves to fulfil this demand. The declining relationship between agriculture and rural service areas such as small towns has also played a role. However, areas such as these must be careful, as increased development might in fact jeopardise a rural town's attractiveness as a tourist destination. With the economic recession, the tourist town of Dullstroom has experienced rapid decline, and it has been asked whether the same could occur in Clarens.

Against this background, the following report aims to assess the current nature of tourism and tourist businesses in Clarens and to identify risk factors and areas of potential growth. The report is divided into two sections. The first section deals with an analysis of visitor questionnaires, while the second section focuses on a discussion of business questionnaires. Examining the tourist industry is important considering that an estimated 130 000 to 180 000 overnight visitors and another 20 000 – 30 000 day tourists visit Clarens on an annual basis (45 000 visit units in total), generating approximately R200 million of revenue for the area. The report shows that Clarens has performed very well despite the worldwide recession.

Section A: Visitors

This section gives an overview of overnight and day visitors in Clarens. First, the methodology of data collection is discussed. Second follows a biographic profile of the tourists and the third section presents information about Clarens as a tourist destination. Lastly, the tourists' chosen activities and spending patterns are discussed in detail.

A1. Methodology

The main data presented in this report were obtained from questionnaires that were distributed to and completed by tourists and businesses. Prior to circulating the questionnaires, a qualitative study was undertaken during a field trip to Clarens in which informal interviews were conducted with different stakeholders in the tourism industry. A desktop study consulted surveys that were previously done on Clarens, after which a pilot study was done in which questionnaires were sent out for review by the community of Clarens and researchers. The feedback received was then incorporated into the final questionnaires.

A1.1 Data collection

Three methods were used to complete the questionnaires. First, questionnaires were left at the different locations for four months. The questionnaires for tourists staying in guesthouses for one or more nights were left at various guesthouses in and around Clarens. The owners and managers of the guesthouses were asked to encourage their guests to participate in the survey. Secondly, questionnaires for day visitors were left at seven restaurants and coffee shops in the town square. The agreement with the owners and managers of these restaurants was that the waiters would receive an amount for each questionnaire completed by a day visitor. Third, as the above two methods did not lead to an adequate response; fieldworkers were trained and employed to complete the questionnaires with visitors.

A total of 475 questionnaires were completed. Most of the questionnaires (78.0%, n=372) were completed by overnight visitors, while day visitors completed 22.0% (n=103) of the questionnaires.

A1.2 The questionnaires

Structured questionnaires were used to gather information regarding the perceptions of tourists visiting Clarens. The questionnaires were divided into four sections. The first part focused on basic demographic information and the basic details of respondents' visits to Clarens (e.g. number of nights spent in Clarens and reasons for visiting the town). The second section asked respondents to indicate and rate the activities they participated in. In the third section, visitors had to elaborate more on their perceptions regarding Clarens as a tourist town. The last section focused on an evaluation of certain aspects of Clarens and respondents' household income.

A1.3 Limitations and challenges related to the methodology

One problem experienced at first during data collection was the low response rate obtained from the study area. It seems as if people were reluctant to fill in yet another questionnaire about Clarens. Furthermore, many guesthouses spoke about a lack of interest of their guests in filling out the questionnaires and mentioned that they were cautious not to bother the guests too much as they are their paying customers. The travel distance to and from the study area made it difficult to be part of the study on a continuous basis, to monitor the process properly and to assist immediately with difficulties that arose.

Providing assistance to the different stakeholders proved to be a challenge because the researchers only learned about problems when the area was visited. Lack of interest from the different stakeholders proved a challenge as well. During a visit to Clarens in June, a new strategy was formulated in order to finish the study in time and to counteract the poor response rate: four students were asked to assist with the data collection. Three students were assigned to serve questionnaires in person to overnight and day visitors. Another student was asked to go to the businesses and ask the managers or owners if they would complete the questionnaires.

The following sections provide a biographic profile of the visitors and visitors' perceptions of Clarens as a tourist destination.

A2. Biographic profile of respondents

This section provides a demographic profile of overnight and day visitors to Clarens. Demographic information such as respondents' place of origin, gender, population group, age, family size, education level, type of employment and income is presented in more detail.

A2.1 Gender and population group

Table 1 shows the gender and race of the respondents. In some cases, both partners of a visiting pair completed the questionnaire.

Table 1: Gender and population group of respondents in Clarens, 2010

Gender and population group		Overnight visitors		Day visitors		Total	
		n	%	n	%	n	%
Gender	Male	177	44.6	50	43.1	227	44.2
	Female	220	55.4	66	56.9	286	55.8
	Total	397	100.0	116	100.0	513	100.0
Population	White	310	92.8	84	89.4	394	92.1
	Other	24	7.2	10	10.6	34	7.9
	Total	334	100.0	94	100.0	428	100.0

There was not a great difference between overnight and day respondents' gender and race. Slightly more women (55.8%) than men (44.2%) completed the forms. In addition, racial integration in the Clarens tourist sector appears to be limited. The majority of respondents that indicated their race were from white households (92.1%). One could then ask how a larger portion of the emerging black tourism market could be penetrated.

A2.2 Place of origin

Place of origin is an important factor for targeted marketing. Table 2 reflects on the place of permanent residence of the visitors to Clarens.

Table 2: Place of origin of visitors to Clarens, 2010

Place of origin	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
Gauteng	177	50.9	38	42.2	215	49.1
Free State	60	17.2	19	21.1	79	18.0
Outside South Africa	38	10.9	13	14.4	51	11.6
Kwa-zulu Natal	30	8.6	6	6.7	36	8.2
Eastern Cape	11	3.2	6	6.7	17	3.9
Western Cape	11	3.2	2	2.2	13	3.0
Mpumalanga	8	2.3	3	3.3	11	2.5
Northern Cape	7	2.0	1	1.1	8	1.8
North West	5	1.4	2	2.2	7	1.6
Limpopo	1	0.3	0	0.0	1	0.2
Total	**348**	**100.0**	**90**	**100.0**	**438**	**100.0**

As indicated in the table above, the vast majority of overnight and day respondents are from South Africa, more specifically the provinces of Gauteng (49.1%) and the Free State (18.0%). Proximity to Clarens is probably the main reason why visitors from Gauteng and the Free State outnumber the other provinces. Kwa-Zulu Natal represented the fourth highest percentage of visitors to Clarens for this study (8.2%). In addition, the majority of respondents were from either cities or larger-sized towns, indicating that Clarens is a popular ‘small town’ get away destination for citizens in larger cities. The third highest number of guests came from other countries, showing that Clarens seems to be a popular tourist destination for international guests; 10.9% of overnight and 14.4% of day respondents were from a country outside South Africa.

A2.3 Age

The respondents were asked to fill in their age. Table 3 show the age groups of the respondents that answered this particular question.

Table 3: Age of respondents in Clarens, 2010

Age of respondents	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
< 25	50	14.5	10	10.9	60	13.7
26 – 40	128	37.0	38	41.3	166	37.9
41 – 59	103	29.8	35	38.0	138	31.5
60+	65	18.8	9	9.8	74	16.9
Total	346	100.0	92	100.0	438	100.0

As indicated in the table above, the majority of respondents fell between the ages of 26 and 59 years. However, significantly more day visitors indicated that they were between 26 and 59 years old (79.3%) than their overnight counterparts (66.8%). A possible reason for this is that people in these age categories are often more mobile than older adults; 18.8% of overnight respondents were 60 years or older compared to less than 10.0% of the day visitors being from that same age bracket. The data also suggest that there is room to focus on older visitors in marketing the area, since they might fill mid-week bed-space. The following figure looks at the relationship that the size of one's accompanying family/friend group may have with whether respondents are overnight or day visitors.

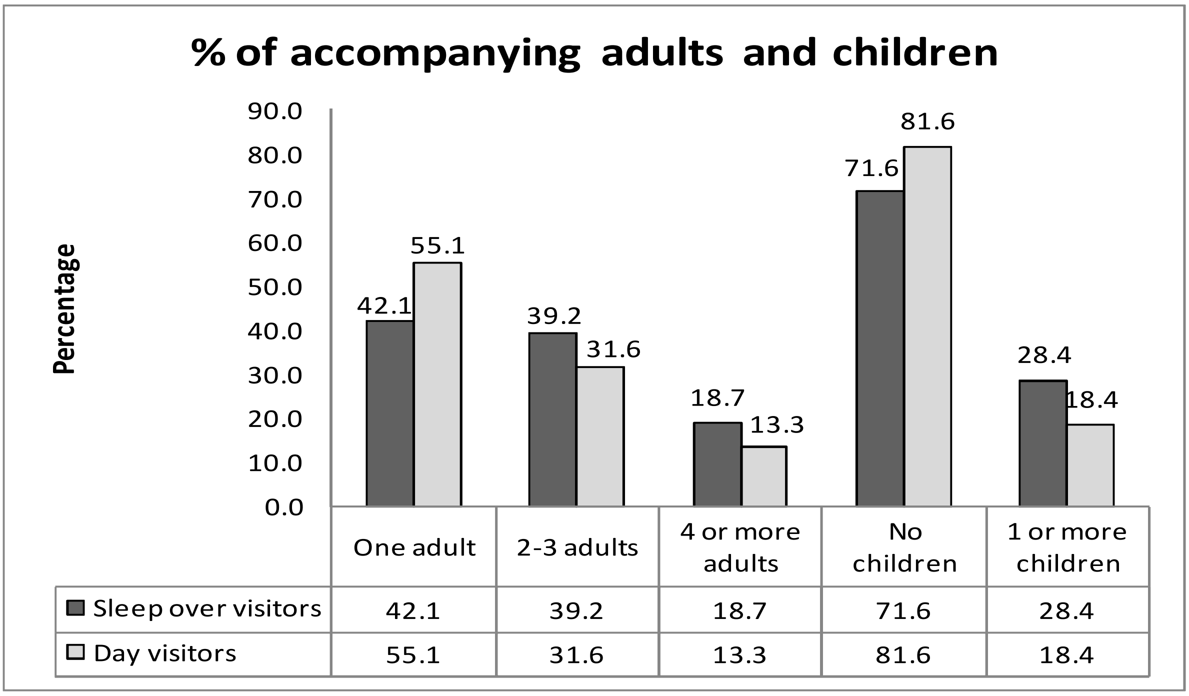


Figure 1: Percentage of accompanying adults and children for visitors in Clarens, 2010

The figure above shows that overnight visitors were accompanied to a greater extent by two or more adults (57.9%) and children (28.4%) than were day visitors. Day visitors tended to be in smaller groups than overnight visitors were. More than half (55.1%) of the day respondents said that they were accompanied by only one adult and less than a fifth (18.4%) had children with them. The average family size for day and overnight visitors was calculated at 2.99.

A2.4 Education, employment and income

This section reflects on the education, employment and income level of the respondents. The educational level, employment status and household income of the respondents is shown in the table below.

Table 4: Education, employment and income of the respondents in Clarens, 2010

	Categories	Overnight visitors		Day visitors		Total	
		n	%	n	%	n	%
Education	Primary or some secondary	4	1.1	2	2.1	6	1.3
	Completed secondary	44	12.5	12	12.8	56	12.6
	Tertiary	138	39.3	36	38.3	174	39.1
	Post-graduate	**165**	**47.0**	**44**	**46.8**	**209**	**47.0**
	Total	351	100.0	94	100.0	445	100.0
Employment	Self employed	29	8.9	17	17.9	46	11.0
	Formally employed	**246**	**75.7**	**67**	**70.5**	**313**	**74.5**
	Student/ learner	17	5.2	2	2.1	19	4.5
	Pensioner/ retired	27	8.3	9	9.5	36	8.6
	Housewife/ homemaker	6	1.8			6	1.4
	Total	325	100.0	95	100.0	420	100.0
Income	Below R200 000	54	17.3	15	17.6	69	17.3
	R200 001-R400 000	68	21.7	19	22.4	87	21.9
	R400 001-R700 000	**86**	**27.5**	**21**	**24.7**	**107**	**26.9**
	R700 001-R1 000 000	48	15.3	14	16.5	62	15.6
	R1 000 001-R1 500 000	32	10.2	5	5.9	37	9.3
	Above R1 500 001	25	8.0	11	12.9	36	9.0
	Total	313	100.0	85	100.0	398	100.0

There were more similarities than differences between the education background, employment status and income level of the overnight and day visitors:

- The majority of the respondents were well educated. More than 85.0% of overnight and day visitors completed either a tertiary degree or post-graduate studies.
- Most of the respondents were employed, either formally or working for themselves (85.5%). A minor employment-related difference was noted with regard to day respondents (17.9%) being twice as likely to be self-employed than their overnight counterparts (8.9%). In addition, more students and housewives / homemakers were overnight visitors than day visitors.
- Although some of the respondents did not want to disclose sensitive information such as income, those respondents that answered the question were high-income visitors. The average household income of the overnight respondents was around R628 000 per annum and for day visitors it was around R645 000 per annum. Almost half (48.7%) of the respondents' household incomes were between R200 001 and R400 000 (21.9%), or R400 001 and R700 000 (26.9%). Approximately a third (33.9%) of the respondents' household incomes were above R700 000.

A3. Clarens as tourist destination

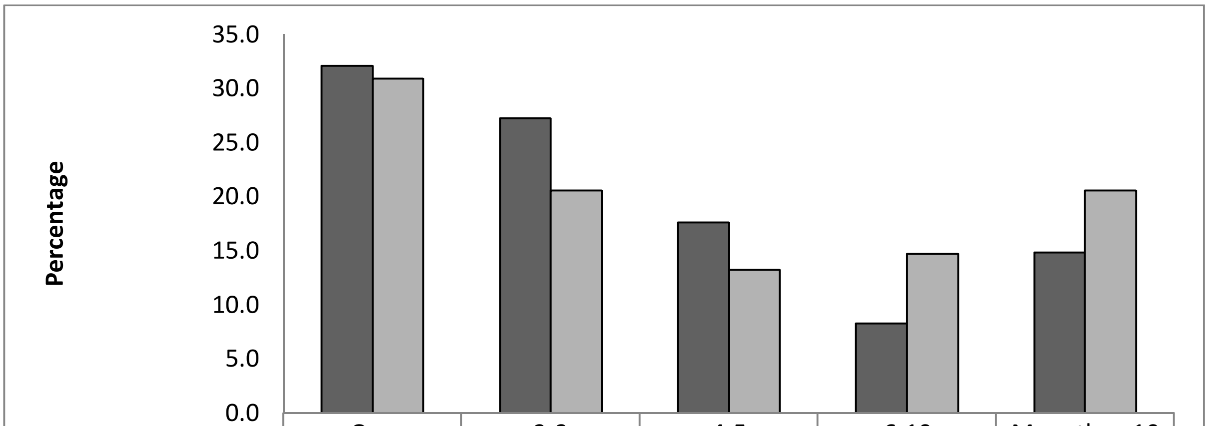
This section focuses on how visitors experience Clarens as a tourist destination. Attention is given to the following aspects: details regarding previous visits to Clarens, respondents' introduction to Clarens, other destinations that were considered before visitors chose Clarens as their tourist destination, and reasons why visitors eventually settled on Clarens as the tourist town to visit.

A3.1 Previous visits to Clarens

Visitors were asked to indicate the number of times they had visited Clarens before. Clarens appears to be a popular tourist destination to return to since 91.1% of overnight and 81.6% of all respondents indicated that they had visited Clarens on previous occasions.

A3.1.1 Number of previous visits

Information on the number of previous visits made by respondents who indicated that they had visited Clarens before is given in Figure 2 below.



	One	2-3	4-5	6-10	More than 10
Sleep over visitors	32.1	27.2	17.6	8.3	14.8
Day visitors	30.9	20.6	13.2	14.7	20.6

Figure 2: Number of previous visits to Clarens by current visitors in Clarens, 2010

Almost a third of overnight (32.1%) and day respondents (30.9%) indicated that this was their second visit to Clarens. More overnight respondents (44.8%) than day respondents (33.8%) had visited Clarens between two to five times. However, day visitors seem to return more frequently to Clarens than overnight visitors. More than a third of the day visitor respondents (35.3%) indicated that they visited Clarens more than six times compared to only 23.1% of overnight visitors. A remarkable 20.6% of day visitors visited Clarens more than ten times before compared to only 14.8% of overnight visitors. The proximity of Clarens to cities in Gauteng and the Free State most likely plays a significant role in the large number of respondents returning to the town. In addition, the variety of activities in and around Clarens is probably another main reason for visitors to return.

The perception of Clarens as a popular tourist destination was confirmed when respondents were asked the date of their previous visit. More than half of overnight respondents (53.1%) indicated that they had visited Clarens at least once before in 2010. Approximately a quarter (24.3%) of overnight respondents visited Clarens last in 2009 and 22.4% before 2009. Many of the day respondents had last been to Clarens in 2009 (38.1%), while 30.2% said they were in Clarens during 2010 and 31.7% indicated that the date of their last visit was before 2009. February and April were the months in which overnight respondents visited most often previously, while day respondents' last visits were most frequently between the months of January and April.

A3.1.2 Number of nights visitors sleep over

It is usually important for tourist destinations to keep tourists in town for as long as possible. Figure 3 indicates the number of nights respondents slept over during their last trip to Clarens.

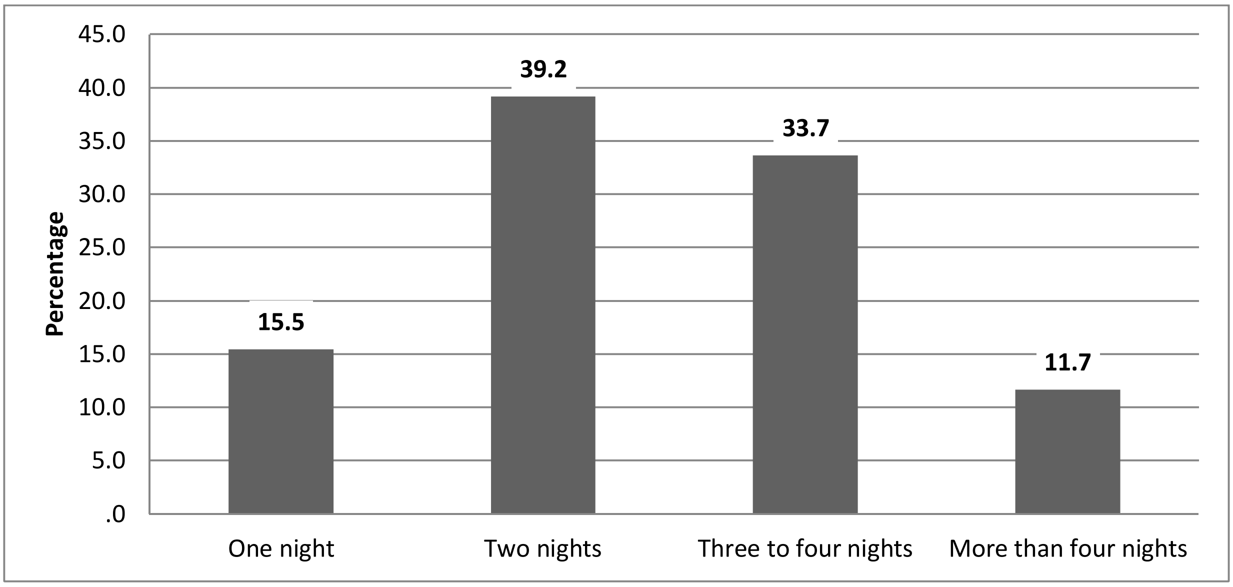


Figure 3: ***Number of nights that respondents stayed over in Clarens, 2010***

As shown in the figure above, the majority of visitors (84.5%) sleep over for two or more nights. Most overnight visitors (39.2%) indicated they are staying over for two nights, while 33.7% and 11.7% were spending three to four or more than four nights in Clarens. The average number of nights spent in Clarens was calculated as 2.86 nights per visit. Respondents from Gauteng stayed over for longer periods (53.5% for more than three nights) than those from any other area. Respondents from the Free State (52.3%), Kwa-Zulu Natal (50.0%) and outside South Africa (33.2%) mostly sleep over for two nights, while visitors from the other provinces tend to stay over for just one night. As Clarens is mainly a weekend destination, the challenge is to extend the number of nights visitors would be sleeping in Clarens. Focusing specifically on older tourists and foreign tourists might be a way to increase utilization of mid-week beds.

A3.2 Respondents' introduction to Clarens

Visitors were asked how they got to know about Clarens for the first time. Their responses are captured in Table 5.

Table 5: Source of information about Clarens as a tourist destination, 2010

Information source	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
Word of mouth	233	65.3	56	54.9	289	63.0
Previous visits	31	8.7	11	10.8	42	9.2
Passing through	23	6.4	15	14.7	38	8.3
Travel guides/magazines	26	7.3	5	4.9	31	6.8
Internet	23	6.4	4	3.9	27	5.9
Reside locally	14	3.9	8	7.8	22	4.8
TV/ Radio	7	2.0	3	2.9	10	2.2
Total	357	100.0	102	100.0	459	100.0

As shown in the table above, word of mouth is by far the best advertisement for Clarens as a tourist destination. Both overnight (65.3%) and day respondents (54.9%) indicated that they had decided to visit Clarens after a friend or relative told them about Clarens being a town worth visiting. More than twice as many day respondents (14.7%) were introduced to Clarens by passing through the town on the way to somewhere else than their overnight counterparts (6.4%). A previous visit to the town also convinced both day (10.8%) and overnight (8.7%) respondents to return to Clarens. More overnight than day visitors decided to visit Clarens because of travel guides (7.3% compared to 4.9%) and the Internet (6.4% compared to 3.9%). Day respondents were more likely than overnight respondents to reside in the local area. Television and radio programmes had only a slight impact in influencing people to visit Clarens.

The internet is a relatively important means for booking accommodations. Overnight visitors were asked if they made use of a web-based booking system, and 42.0% of the respondents said that they did. When asked which internet sites were used, accommodation and venue sites were mentioned the most (especially www.where-to-stay.co.za). Search engines such as Google, the guesthouses' websites and the website of Clarens itself also proved popular ways to find accommodation. Lesser-mentioned websites included SANpark (South African National Parks) and timeshare websites.

A3.3 Other destinations considered

Visitors were asked if they considered any other destination before deciding to visit Clarens (see Table 6).

Table 6: Other destinations considered before choosing Clarens, 2010

Other destinations considered	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
None	161	52.4	43	47.3	204	51.3
Other South African destinations	42	13.7	19	20.9	61	15.3
Other Free State towns	34	11.1	8	8.8	42	10.6
Drakensberg	31	10.1	6	6.6	37	9.3
Golden Gate	16	5.2	10	11.0	26	6.5
Dullstroom	9	2.9	3	3.3	12	3.0
Lesotho	11	3.6	0	0.0	11	2.8
Other countries	3	1.0	2	2.2	5	1.3
Total	307	100.0	91	100.0	398	100.0

More than half of the overnight (52.4%) respondents and 47.3% of day respondents indicated that they did not consider any other destination than Clarens. Respondents that considered other destinations considered a wide range of alternatives. A vast number of different South African destinations were mentioned such as Cape Town, Sun City, Mpumalanga, and coastal areas. Specific areas that were mentioned multiple times include other Free State towns, the Drakensberg area, Golden Gate, Dullstroom and Lesotho. These areas (with the exception of Dullstroom) are relatively near to Clarens and once again illustrate the importance that proximity plays when visitors consider tourist destinations.

A3.4 Reasons for choosing Clarens as tourist destination

There are some differences in the reasons why overnight and day visitors decided to visit Clarens rather than any other town. The reasons why respondents chose to visit Clarens are reflected in Table 7.

Table 7: ***Reasons for choosing Clarens as a tourist destination over other towns, 2010***

Reason for choosing Clarens	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
Scenery, tranquility, mountains, beauty	71	24.1	18	20.9	89	23.4
New experience; came specifically to see Clarens; outdoor activities	43	14.6	28	32.6	71	18.7
Centrally located	41	13.9	16	18.6	57	15.0
Recommendation	33	11.2	0	0.0	33	8.7
Been here before, love the place, regular visitors	23	7.8	5	5.8	28	7.4
Art, shopping, restaurants	21	7.1	7	8.1	28	7.4
Accommodation	24	8.2	4	4.7	28	7.4
Stop over en route	21	7.1	4	4.7	25	6.6
Family	10	3.4	4	4.7	14	3.7
Snow	7	2.4	0	0.0	7	1.8
Total	294	100.0	86	100.0	380	100.0

The following notes relate to the reasons that visitors chose Clarens as a tourist town to visit above other tourist destinations:

- The most important reason that overnight respondents visit Clarens is related to the scenery, tranquillity and beauty. Almost a quarter (24.1%) of overnight respondents mentioned the scenery and tranquillity as the most important reason for choosing Clarens over other towns.
- While the scenery was also an important aspect for day respondents (20.9% said it was the most important reason for choosing Clarens), new experiences and outdoor activities were reasons mentioned much more often by day visitors (32.6%) than by overnight visitors (14.6%) as to why they chose to come to Clarens.
- Both overnight (13.9%) and day respondents (18.6%) mentioned the proximity of Clarens to their own place of residence as the third most important reason for visiting Clarens.
- Aspects mentioned by overnight respondents but not by day respondents for visiting Clarens rather than another town were recommendations from friends and family and the weather, specifically winter time.
- Other reasons given for visiting Clarens include a love of the atmosphere in the town, the art, shopping and restaurant facilities, the pleasant accommodation available, the convenience of Clarens as a stopover on a journey and family related reasons.

A separate but related question asked tourists why in general they visited Clarens. The main reasons given by tourists are reflected in the figure below (see Figure 4).

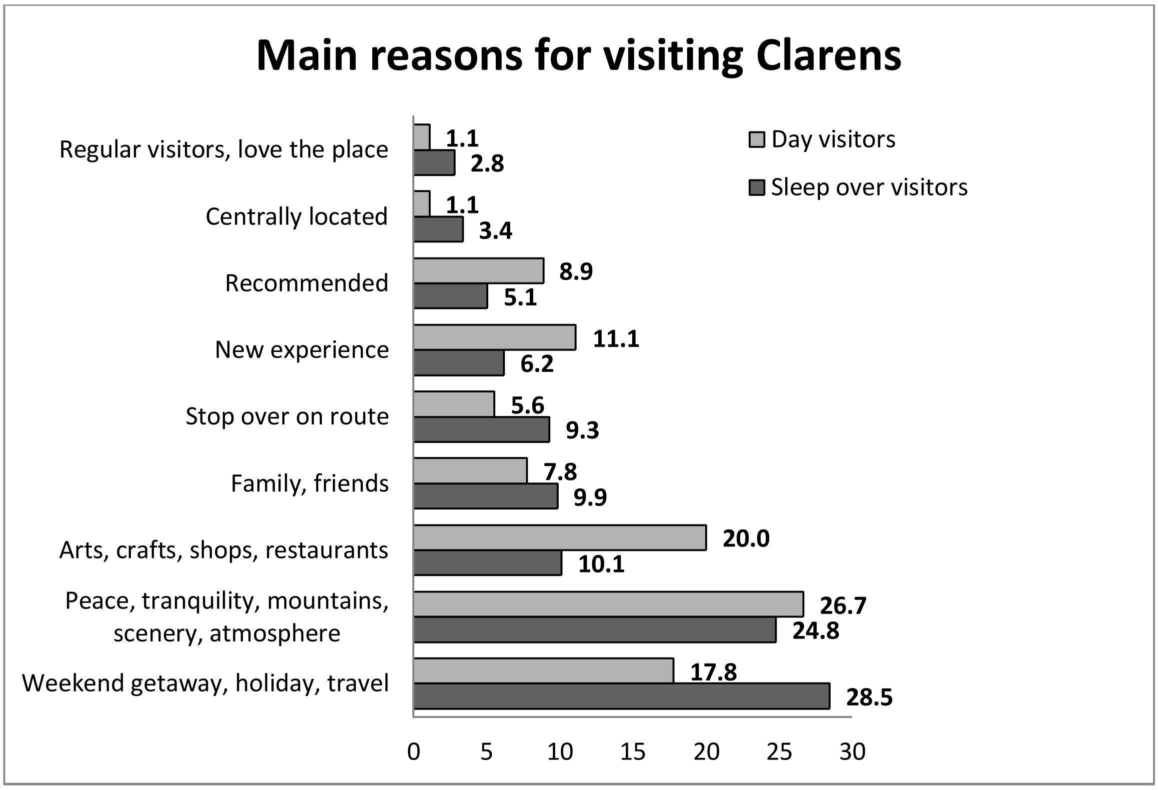


Figure 4: ***Reasons for visiting Clarens, 2010 (%)***

The three most important reasons why overnight respondents visit Clarens are: they wanted a weekend away and needed a holiday (28.5%), they enjoy the peace, tranquillity and atmosphere associated with Clarens (24.8%) and finally the arts, crafts, shopping and restaurants (10.1%). Although day respondents mentioned similar reasons for visiting Clarens, they mentioned the peace and tranquillity (26.7%) as the main reason for visiting Clarens. Twice as many day visitors (20.0%) as overnight respondents said the arts and crafts, shops and eating places were the deciding factors to travel to Clarens. The third reason for day visitors was weekend getaway considerations (17.8%). Other reasons mentioned more often by overnight respondents than day visitors were friends and family, Clarens being used as a stopover en route to somewhere else, the central location and respondents visiting Clarens regularly. Day visitors in turn more often mentioned aspects such as wanting to experience new tourist places and Clarens being recommended than did their overnight counterparts.

A3.5 Positive and negative experiences related to Clarens

Tourists were asked to rate their overall experience of Clarens as a tourist destination on a scale of one to ten (one representing a very negative experience and ten representing a very positive experience). The following section reflects upon these ratings (see Figure 5) as well as on positive and negative aspects of Clarens reported by respondents. The reasons why tourists' expectations were not met are also elaborated on in more detail.

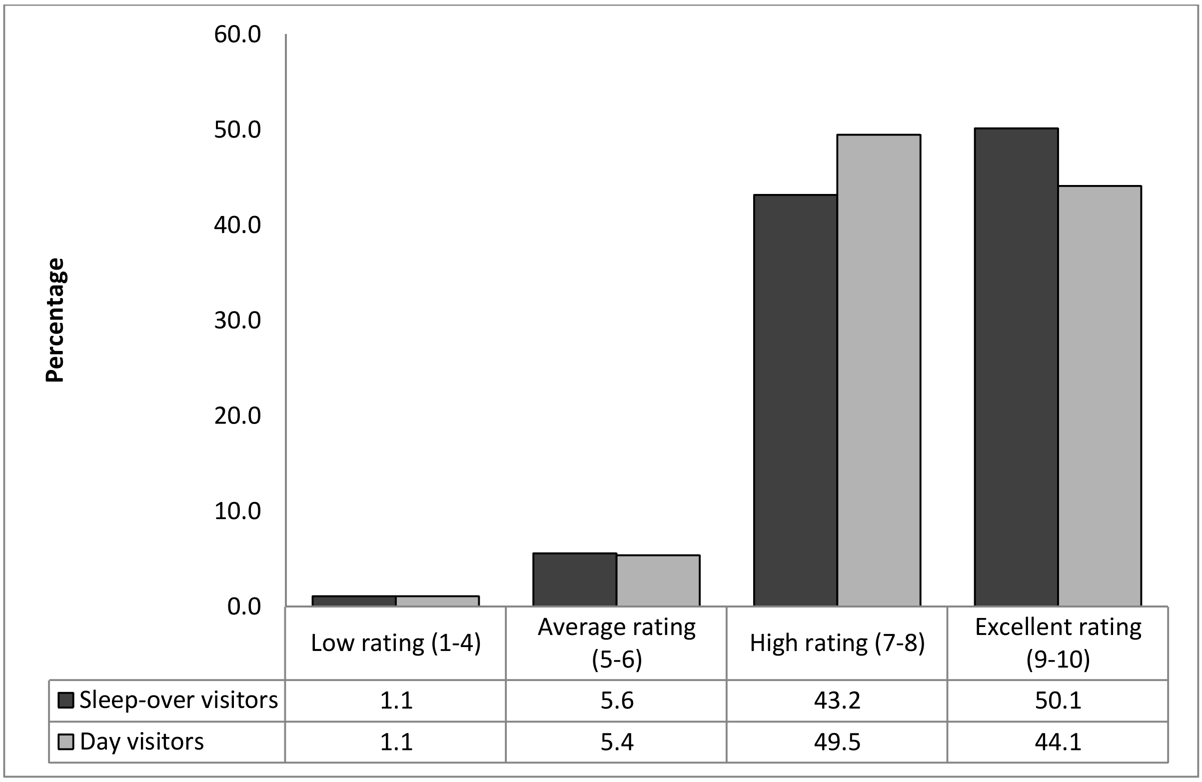


Figure 5: Tourists' ratings of Clarens as a tourist destination, 2010

From the figure above, it can be seen that the majority of the overnight as well as the day visitors rate their experience in Clarens as very positive. There was only a small difference (less than one percent) between overnight and day visitors in their average rating of Clarens (8.49% and 8.35% respectively). As indicated in Figure 5, the vast majority of respondents rated the tourist experience in Clarens as positive or excellent. The only difference was that slightly more overnight visitors than day visitors gave Clarens an excellent rating (50.1% compared to 44.1%). Contributing factors such as friendly people, hospitality services, and the town being clean and quaint were cited most often by overnight visitors as reasons for the high ratings listed in the table above, while nature, mountains, fresh air and scenery were listed as the main reasons for positive ratings by day visitors. Although low and average ratings were a small minority (6.7% for overnight and 6.5% for day visitors), the reasons for these negative ratings need to be investigated and addressed to ensure sustainable tourist growth in Clarens. Positive and negative aspects of Clarens are reflected on in the section that follows.

A3.5.1 Positive aspects of visiting Clarens

Visitors were asked to indicate the most positive aspect of their tourist experience in Clarens. Their answers correspond well with the reasons respondents chose Clarens as a tourist destination in the first place (see Table 8).

Table 8: Most positive aspects of visiting Clarens, 2010

Positive experiences	Overnight visitors		Day visitors		Total	
	n	%	n	%	n	%
Nature, mountains, fresh air, scenery	111	33.2	23	27.7	134	32.1
Friendly people, hospitality, service, clean, quaint	62	18.6	21	25.3	83	19.9
Peace, quiet, tranquility	59	17.7	15	18.1	74	17.7
Art, crafts, shops, restaurants	43	12.9	10	12.0	53	12.7
Good accommodation	30	9.0	2	2.4	32	7.7
Lovely all around experience, love the place	16	4.8	10	12.0	26	6.2
Family, friends	13	3.9	2	2.4	15	3.6
Total	334	100.0	83	100.0	417	100.0

As indicated in the table above, both overnight and day visitors highlighted nature elements as the most positive aspect of Clarens. The friendly people, hospitality and service were rated second most positive, followed by peace and the quiet environment. Thereafter follows a positive assessment of the arts and crafts, shops and restaurant businesses. More overnight than day respondents noted the accommodation as the most positive element, while day respondents in general gave more positive comments related to their overall experiences within Clarens than their overnight counterparts.

A3.5.2 Negative aspects of visiting Clarens

Not many visitors indicated negative aspects related to their Clarens experience. This section reflects on the negative aspects that visitors did mention and specific expectations of Clarens that were not met (see Figure 6).

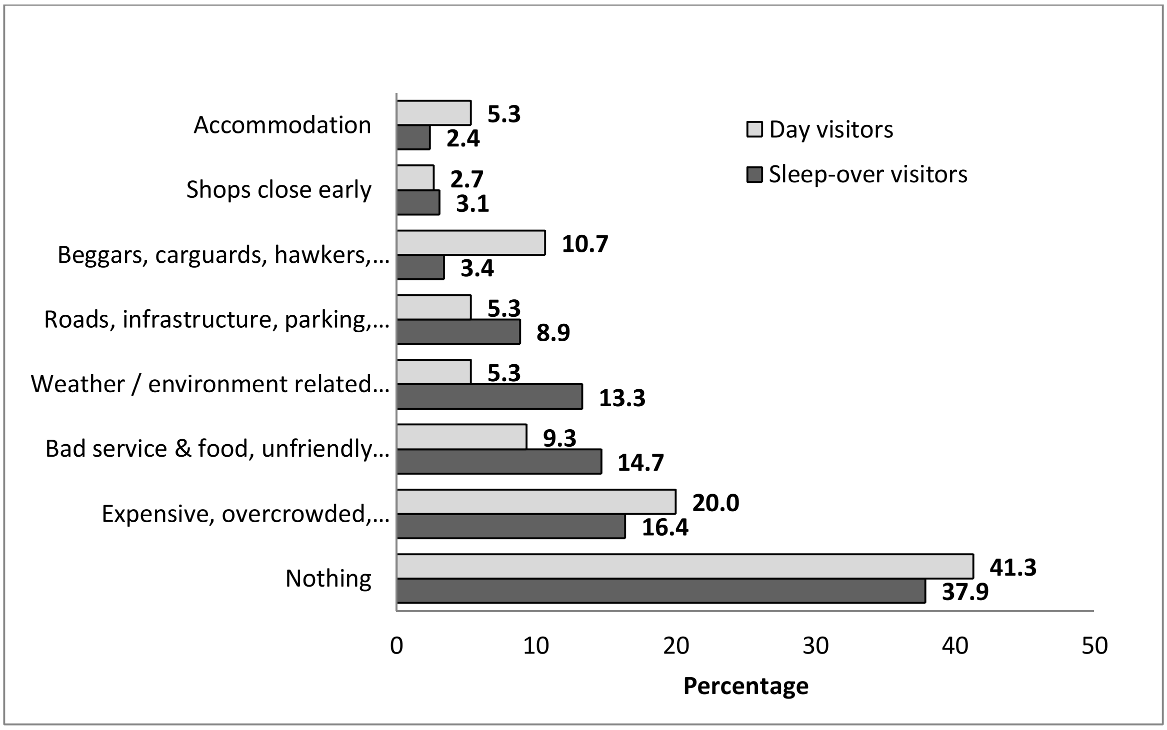


Figure 6: Most negative aspects of visiting Clarens, 2010

The following notes relate to the negative aspects experienced by Clarens visitors:

- A large percentage of overnight (37.9%) and day respondents (41.3%) stated that they did not experience anything negative when they visited Clarens. Although the average rating of Clarens was very positive, the negative aspects that were mentioned might have an influence in respondents' choices to visit or sleep over in Clarens in the future.
- The greatest critique of Clarens by both overnight (16.4%) and day respondents (20.0%) was that the town is becoming too expensive, overcrowded and commercialised.
- Overnight customers in particular also mentioned bad service and food as well as unfriendly locals as negative aspects of their visit (14.7% for overnight compared to 9.3% of day respondents).
- Concerns about beggars, car guards, hawkers, bikers and racism were put forth more often by day respondents (10.7%) than by overnight guests (3.4%).
- A number of overnight respondents (13.3%) said that bad weather (such as the cold) and air pollution were negative aspects of their Clarens experience.
- Other negative elements that were mentioned to a lesser extent (less than 10.0% of respondents per aspect) were roads and infrastructure, shops closing too early and accommodation. Day visitors (5.3%) in particular highlighted accommodation as a negative feature of Clarens.

Considerably more day (85.0%) than overnight respondents (72.9%) said that their tourist experience in Clarens either met or exceeded their expectations (results not shown). Of the 28.1% of overnight visitors whose experiences did not meet their expectations, 10.2% mentioned that they expected better food, services and merchandises in the shops, 6.7% expected more activity-related events, and 3.5% complained about the bad weather. Other expectations of overnight guest that were not met were related to a lack of peace and quiet, few medical facilities and chemists available, and worse than expected children's activities, banks and card facilities. Day respondents mentioned three aspects that did not meet their expectations. Similar to overnight guests, 8.0% of day visitors complained about the variety of activities they had expected but did not find and 5.0% of day visitors' expectations of food and services were not met. A few day respondents (1.7%) and overnight guests (0.8%) expected the shops to be open later than what was actually the case.

Given the high overall rating and positive experience of respondents, the few negative aspects discussed above were not enough to deter tourists from visiting Clarens again in the future. Only 1.4% of overnight respondents and 1.0% of day guests said that they would not visit Clarens again. Those respondents that said they would not visit Clarens again mentioned the overly commercial nature of Clarens as the main reason, while other respondents expressed a desire to explore other parts of the country.

A3.6 Views related to the former black township of Clarens

Visitors were asked if they would be interested in visiting the former black township area. A third of the respondents (32.5% of overnight and 34.4% of day visitors) expressed interest in visiting the former township of Clarens. Although not all of the respondents gave reasons why they were or were not interested in visiting the former black township, the following reasons were mentioned:

Yes- would like to visit township:

- The vast majority of respondents (overnight and day visitors) that expressed an interest in visiting the former township said that they have a keen interest in learning about African cultures. This includes learning more about African history, living spaces as well as African arts and crafts.
- A number of respondents also mentioned that tourists visiting townships could contribute to income generation for the local people.

No- not interested in visiting the township:

- The majority of the respondents who were not interested in visiting the township did not elaborate on a specific reason why.
- The few respondents that gave reasons said firstly that they already live or work in township areas. Secondly, safety and security concerns were noted.

A3.7 Evaluation of infrastructure

The following figure shows the respondents' evaluation of the infrastructure in Clarens (see Figure 7).

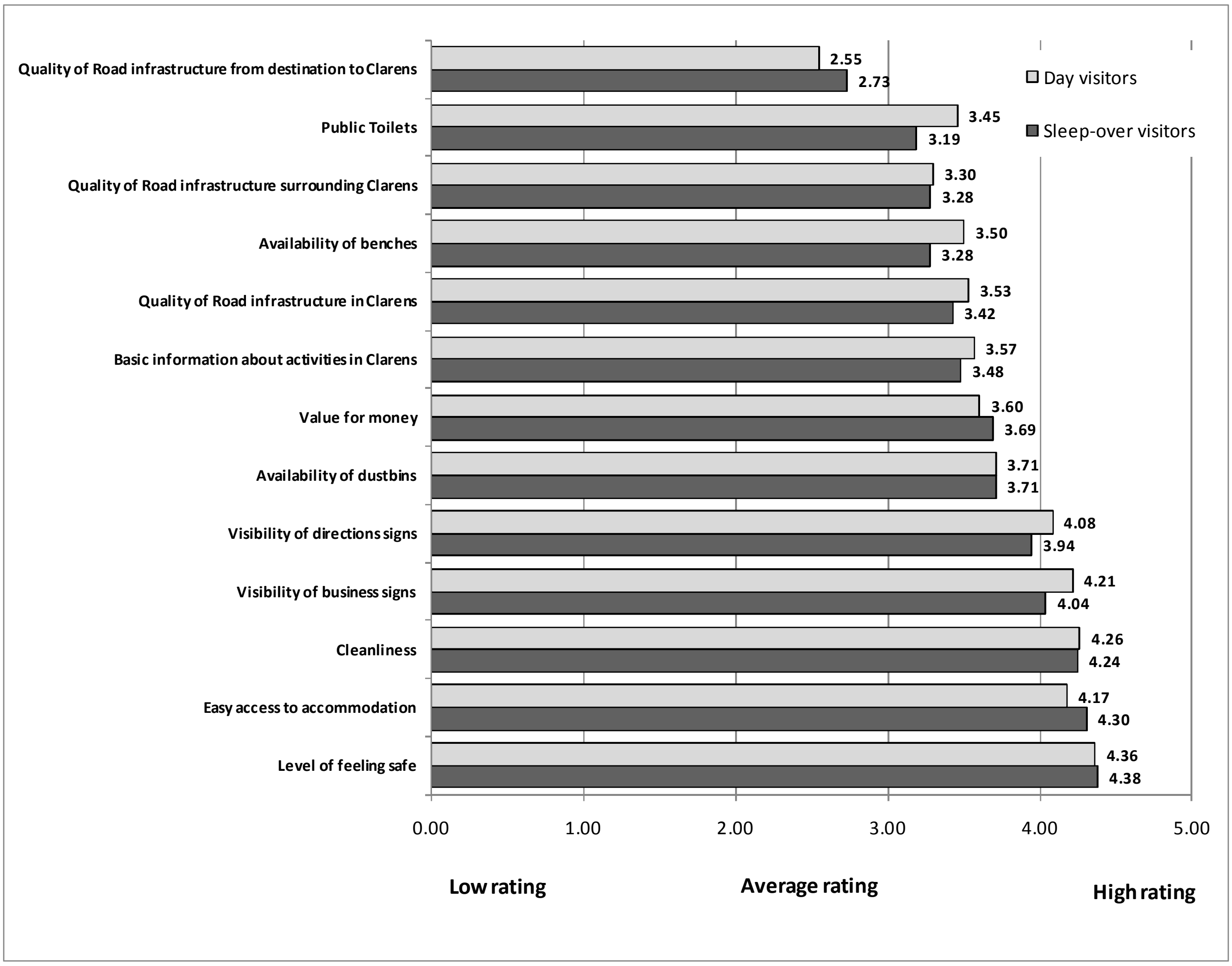


Figure 7 : ***Rating of infrastructure by visitors, 2010***

The following comments refer to the ratings that respondents gave to various aspects of the infrastructure in Clarens:

- Both overnight and day visitors' highest and lowest ratings of infrastructure were similar.
- The highest ratings of infrastructure were related to feelings of safety in Clarens. This sense of safety is probably one of the main reasons why visitors choose Clarens as a holiday destination.Other infrastructure ratings that were high and similar between the day and overnight respondents were: easy access to accommodation, cleanliness of Clarens and visibility of business and directional signs.
- The lowest ratings were for the road infrastructure from the respondents' hometowns to Clarens.

- Other low ratings were given for public toilet facilities (with overnight respondents being more dissatisfied than day respondents), road infrastructure in the surrounding areas of Clarens and in Clarens itself, availability of benches to sit on, basic information about activities in Clarens, Clarens being a destination that has value for the money and the availability of dustbins.
- In the majority of instances (with the exceptions of road conditions from one's home town, value for money, and access to accommodation), day visitors gave similar or better ratings for infrastructural aspects than overnight visitors.

A4. Activities and spending patterns of tourists

The following section gives attention to the types of activities that visitors to Clarens participated in during their previous visit to the area, the amount spent on these activities and the average rating per activity (see Table 9).

Table 9: Activities that respondents participated in, amount spent and average rating, 2010

Activity	Overnight visitors						Day visitors					
	Yes		Average spent		Sum spent (R)	Rating (5)	Yes		Average spent		Sum spent (R)	Rating (5)
	n	%	n	Rand			n	%	N	Rand		
Ate at a restaurant	**322**	**86.6**	**173**	**632.21**	**109 372**	**4.17**	**74**	**71.8**	**42**	**410.02**	**17 221**	**4.37**
Slept over in Clarens	**302**	**81.2**	**157**	**2 190.45**	**343 901**	**4.50**	**43**	**41.7**	**25**	**1 384.80**	**34 620**	**4.58**
Art	**194**	**52.2**	**26**	**1 835.77**	**47 730**	**4.26**	**42**	**40.8**	**9**	**727.78**	**6 550**	**4.53**
Fuelled vehicle	**165**	**44.4**	**86**	**456.74**	**39 280**	**3.89**	**30**	**29.1**	**15**	**394.40**	**5 916**	**4.30**
Bookstore	**95**	**25.5**	**27**	**271.67**	**7 335**	**3.97**	**23**	**22.3**	**4**	**202.50**	**810**	**4.06**
Went hiking	**88**	**23.7**	**10**	**134.60**	**1 346**	**4.49**	**9**	**8.7**	**1**	**44.00**	**44**	**4.71**
Golf	35	9.4	12	1 033.33	12 400	4.33	6	5.8	1	800.00	800	3.50
Quad bikes	32	8.6	12	411.67	4 940	4.10	4	3.9	1	300.00	300	4.00
Horse riding	32	8.6	15	406.00	6 090	4.17	5	4.9	3	333.33	1 000	4.33
Other 1	29	7.8	9	1 148.89	10 340	4.26	9	8.7	6	763.33	4 580	5.00
Visited township	25	6.7	2	225.00	450	4.47	5	4.9	0			4.25
Viewed rock art	21	5.6	0			4.20	3	2.9	0			4.33
Spas/ massage	21	5.6	8	622.50	4 980	4.18	6	5.8	3	1 700.00	5 100	5.00
Fly fishing	19	5.1	4	370.00	1 480	3.73	2	1.9	0			
Mountain biking	16	4.3	2	40.00	80	4.47	0	0.0	0			
4 x 4 routes	15	4.0	3	126.67	380	4.00	2	1.9	0			
Caves	13	3.5	1	150.00	150	3.55	2	1.9	0			4.00
White-water rafting	11	3.0	5	630.00	3 150	4.09	2	1.9	0			5.00
Rode bicycles in town	9	2.4	2	150.00	300	3.70	1	1.0	0			
Bought art from former township	9	2.4	4	198.75	795	4.50	0	0.0	0			
Kiddies farm	8	2.2	1	80.00	80	3.83	0	0.0	0			
Fossil hunting	5	1.3	1	120.00	120	3.80	0	0.0	0			
Archery	4	1.1	1	800.00	800	2.50	0	0.0	0			
Zipline	4	1.1	1	50.00	50	3.67	1	1.0	0			
Buxters	3	0.8	1	150.00	150	3.50	1	1.0	0			
Other 2	3	0.8	1	300.00	300	3.50	1	1.0	0			5.00
Yoga Classes	2	0.5	0			3.00	0	0.0	0			
Open vehicle safari	1	0.3	1	150.00	150	3.00	0	0.0	0			
Absailing	1	0.3	1	200.00	200	1.00	0	0.0	0			
Mini Olympics	1	0.3	0			1.00	0	0.0	0			
Other 3	1	0.3	1	200.00	200	5.00	0	0.0	0			

The following notes relate to the activities that overnight and day respondents participated in the last time they visited Clarens:

- The top six activities that respondents participated in during their previous visit to Clarens were exactly the same for overnight and day visitors. However the greatest difference was visible with the average amount guests spent per activity.
- Both groups indicated eating out at restaurants as the activity they participated in the most (86.6% of overnight and 71.8% of day visitors). The average amount overnight respondents

spent on restaurants (R632.21) was considerably higher than that spent by the day visitors (R410.02).

- Although the second most mentioned activity by both overnight and day visitors regarding their previous visit was staying overnight in Clarens, almost twice as many current overnight guests (81.2%) slept over on their last visit than did the current day visitors (41.7%). Overnight visitors that did not sleep in Clarens tended to sleep at Golden Gate or Fouriesburg. Proximity to Clarens is probably the main reason for them sleeping over at these places, but lower costs of accommodation might have also influenced their decision to do so.
- Respondents cited browsing art as the third most popular activity. Approximately half (52.2%) of the respondents that slept over and 40.8% of day visitors spent money on art during their previous visit.
- Fuelling vehicles were the fourth-most mentioned activity that overnight (44.4%) and day visitors (29.1%) participated in. The majority of the overnight visitors that did not fuel their vehicles in Clarens filled up in Bethlehem.
- Fifthly, visiting bookstores was also high on both overnight (25.5%) and day respondents' (22.3%) activity lists.
- Many more overnight respondents went hiking (23.7%) than day respondents (8.7%).
- Overnight respondents participated in a greater variety of activities than day respondents. Popular activities included quad biking, horse riding, visiting the township, viewing rock art, visiting spas and going fly-fishing.
- Other activities that respondents mentioned included general shopping, visiting Golden Gate and drinking beer.
- The number of people actually spending money on activities was considerably less than the number of people that participated in activities. The amount of money spent by visitors will be elaborated on in more detail in the next section.
- The highest levels of satisfaction for overnight visitors was recorded for the 'other' category: visiting Golden Gate, accommodation facilities in Clarens, art bought in the township, hiking, visits to the township and mountain bike activities. Activities in the 'other' categories were also rated very high by day visitors. Specific activities rated with the highest level of satisfaction for day visitors were running marathons, shopping, white water rafting, visiting spas and hiking.
- Low levels of satisfaction for overnight respondents were experienced with the mini-Olympics, abseiling, archery, open vehicle safaris and yoga classes. Although not many respondents participated in these activities, the low ratings for these activities are nonetheless areas of concern for their tourism sustainability. Day visitors were overall less critical of the activities they participated in. Activities that scored lower levels of satisfaction for day visitors include visits to the former township, golf, cave visits, quad biking and the bookstores.

In addition to the above data, we also attempted to determine the value of the tourism expenditure in Clarens. This was hampered by a few factors:

- A possible underreporting.
- Small samples related to some of the activities made it virtually impossible to determine values spent per annum.

Despite these difficulties, it was extrapolated from the data that tourists spend an estimated R195 million per annum in Clarens. This figure could be as much as 20.0% below the real value.

Section B: Business overview

B1. Introduction

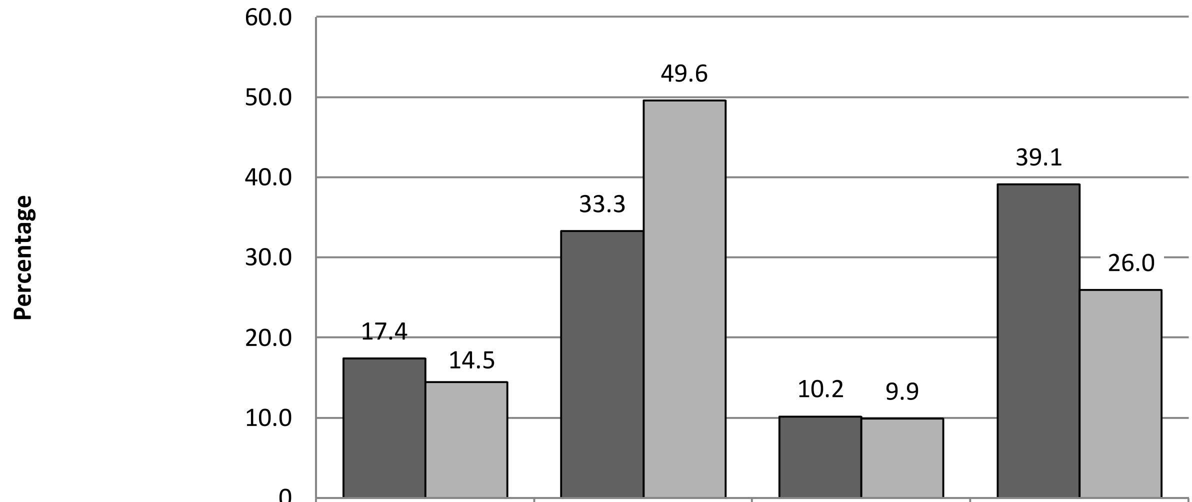
This section presents the results of a survey focusing on the business sector in and around Clarens. First comes a brief explanation of the methodology that was used to conduct the survey, followed by basic information on the businesses interviewed. Thirdly, industry-specific information is elaborated on. This is followed by the operational business details and lastly the business respondents' evaluations of the business environment.

B2, Methodology and data collection

According to listings in the Free State 2009/2010 telephone book and an internet desktop study, approximately 242 businesses exist in the Clarens area.

- Half of these businesses are part of the accommodation industry (49.6%).
- Approximately a quarter (26.0%) fall into the retail sector (this includes tourist activities).
- 14.5% fit into the restaurant industry.
- The remaining 9.9% comprise art and craft businesses.

Although all businesses had an opportunity to take part in the study, only 69 businesses completed the questionnaire. The following figure displays the percentage of each type of business that completed the questionnaires and the percentage of the total number of businesses in the Clarens area that each type of business represents (see Table 10).



	Restaurant	Accommodation	Arts & crafts	Retail - other
Businesses part of study	17.4	33.3	10.2	39.1
Clarens business sector	14.5	49.6	9.9	26.0

Figure 8: ***Percentage that sector represented in study and percentage of overall Clarens business sector". 2010***

As shown in the table above, there was a discrepancy between the actual size of the business sectors and the percentage of total businesses in the study represented by each business sector.

- The arts and crafts sector was the only sector where the actual size of the business sector (9.9%) and its corresponding percentage in the survey (10.2%) were very similar.
- The restaurant business sector showed a slight deviation between the size of the sector (14.5%) and its representation amongst all the questionnaires that were completed (17.4%).
- There were significant differences in the accommodation and retail sectors with regard to the size of these sectors and the proportion that these sectors represented in the study. There were disproportionately more retail and fewer accommodation businesses that took part in the study.

The main reason for this discrepancy can be attributed to the fact that the questionnaires were left at the different businesses and participation was voluntarily. The questionnaire was divided into three sections. The different sections focused on basic business information, operational details of the businesses, and an evaluation of the Clarens business environment. The following sections provide an analysis of the business survey.

B3. Basic business information

The basic business information discussed in this section includes a profile of the business respondents, a profile of the businesses themselves and the geographical details of the business locations.

B3.1 The business respondents

Ideally, business owners would have filled in the questionnaires, but this was not always possible. In cases where the owner was not available to fill in the questionnaire, a person with authority and knowledge of the business completed the questionnaire. Nearly 70.0% (69.6%) of the respondents were either the director or the owner of the business, while 30.4% of respondents were managing the business. With the exception of the arts and crafts sector, more owners than managers completed the questionnaire.

The respondents were asked to indicate their highest academic qualification (see Figure 9).

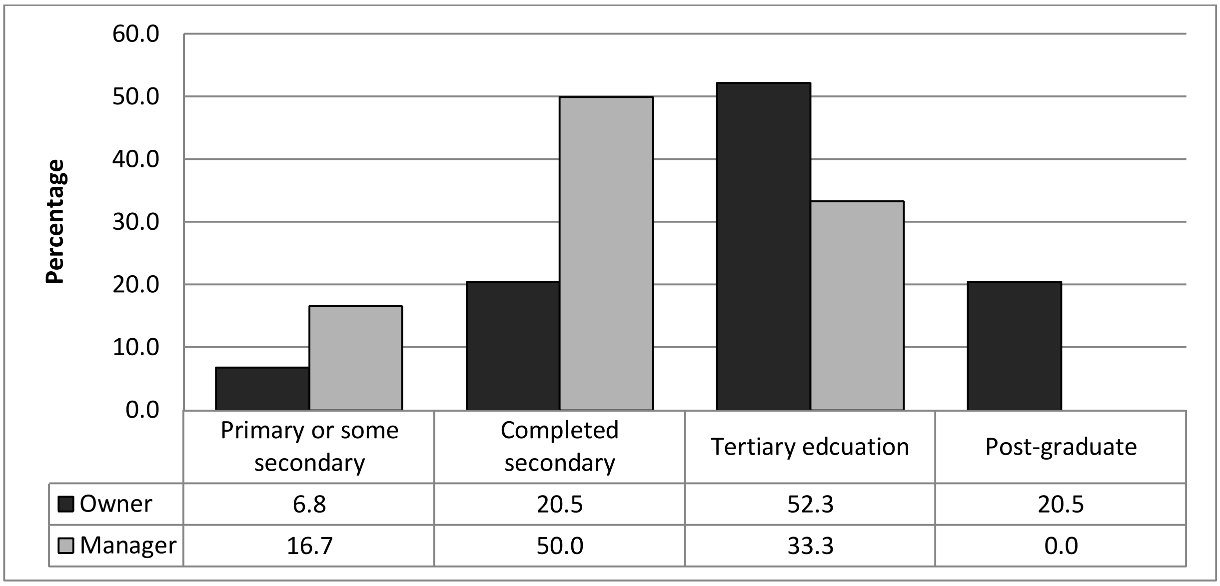


Figure 9: Highest level of education for owners and managers of enterprises in Clarens, 2010

It seems as if owners of businesses in Clarens tend to have higher educational levels than mangers of businesses. Significantly more owners than managers had completed higher education. As shown in the table above, 72.8% of respondents that owned businesses completed either tertiary education or a post-graduate degree. Only a third of respondents that were managers had completed their tertiary education, while none had a post-graduate degree. Half of the managers had only completed grade twelve and more than twice as many managers (16.7%) as owners (6.8%) did not complete schooling.

B3.2 Profile of the businesses

The respondents that were business owners were required to indicate if this particular business was their only source of income (see Figure 10).

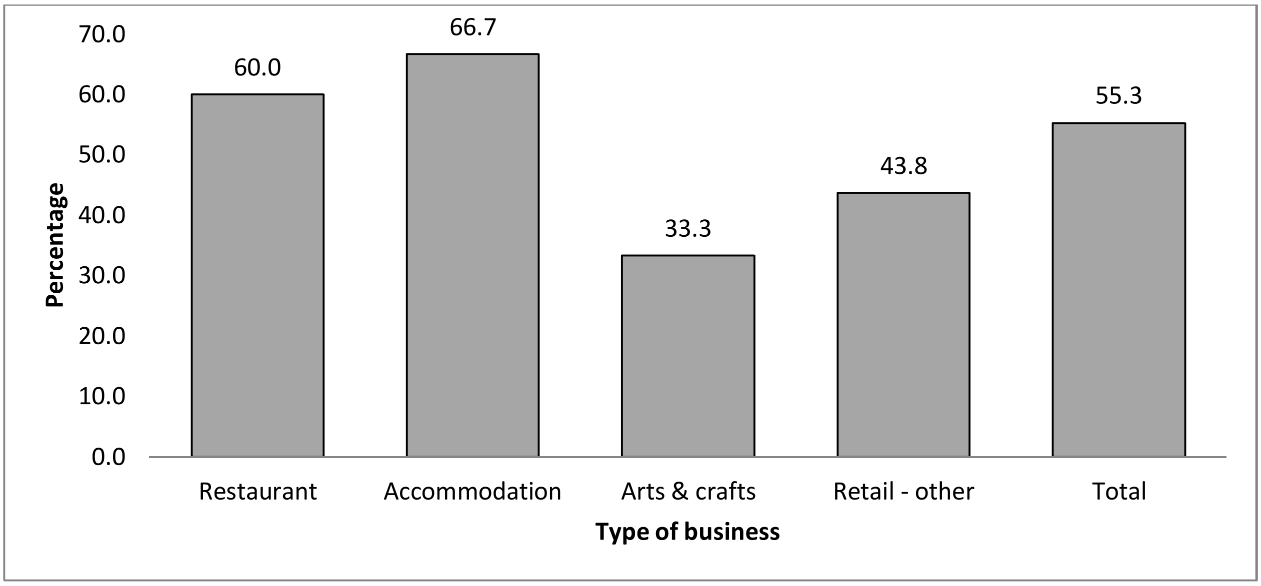


Figure 10: Percentage of owners who indicated that their business in Clarens was their only source of income, 2010

As indicated in the figure above, more than half (55.3%) of the owners said that their business was their only source of income. A closer look at the data shows that this is particularly true in the accommodation (66.7%) and restaurant (60.0%) sectors. In the arts and craft and retail sectors, only a third (33.3%) and 43.8% of the respective business owners said that the business was their only source of income.

The number of years businesses have been in operation is indicated in Table 10.

Table 10: Number of years businesses have been operating in Clarens, 2010

Number of years business is in existence	Restaurant		Accommodation		Arts & crafts		Retail - other		Total	
	n	%	n	%	n	%	n	%	n	%
Less than 1 year	1	8.3	4	17.4	1	14.3	6	22.2	12	17.4
1 - 2 years	5	41.7	3	13.0	1	14.3	4	14.8	13	18.8
3 - 5 years	3	25.0	4	17.4	0	0.0	7	25.9	14	20.3
6 - 10 years	3	25.0	6	26.1	4	57.1	7	25.9	20	29.0
More than10 years	0	0	6	26.1	1	14.3	3	11.1	10	14.5
Total	12	100.0	23	100.0	7	100.0	27	100.0	69	100.0
Average number of years	**3.8**		**6.6**		**6.4**		**6.0**		**5.9**	

As shown in the table above, the number of years the different types of businesses have been in existence varies considerably, with some businesses being relatively newly opened and others having been opened longer. In general, the majority of businesses seem to be fairly sustainable with 29.0% of businesses interviewed being operational between six to ten years and a further 14.5% having opened their doors more than a decade ago. In addition, 20.3% of businesses were operational between three to five years. Slightly more than a third of businesses have opened recently (two years or less). The recently opened businesses are probably a result of the rapid expansion of Clarens during the past few years. The average number of years that surveyed businesses have been open is 5.9 years. Specific notes related to the different business sectors and the number of years businesses have been in operation follow:

- Accommodation businesses seem to have been open the longest (6.6 years) and businesses in the restaurant sector the shortest (3.8 years).
- More than half (52.2%) of accommodation businesses were open longer than six years. 17.4% of accommodation businesses have been open for between three and five years and 13.0% between one and two years.
- Half (50.0%) of the businesses interviewed in the restaurant sector have been in existence for two years or less. The other half of restaurants interviewed had been operational for between three and ten years. None of the restaurant businesses were operational for more than ten years.
- The retail sector also displayed a stable trend with regard to number of years in existence. Although a number of respondents in the retail sector (22.2%) indicated that they were in existence for less than a year, more than half (51.8%) of retail businesses had been operational for between three and ten years. 11.1% opened their retail businesses more than a decade ago.
- The arts and crafts sector displayed the most fluctuation with regard to the number of years in existence. Arts and crafts businesses interviewed were either long in existence, with 71.4% having started six years or more ago, or they were newly established and in existence for less than two years.

B3.3 Location of businesses

The main locations of the businesses were: around the square on the main road, outside the square on the main road, on Sias Oosthuizen Street or in the outside areas of Clarens. Table 11 shows the location of businesses interviewed grouped by the different sectors.

Table 11: Location of businesses in and around Clarens according to business sectors, 2010

Location of businesses	Restaurant		Accommodation		Arts & crafts		Retail - other		Total	
	n	%	n	%	n	%	n	%	n	%
In square (main road)	5	45.5	3	14.3	4	57.1	19	70.4	31	47.0
Outside square (main road)	2	18.2	9	42.9	2	28.6	2	7.4	15	22.7
Sias Oosthuizen street	3	27.3	3	14.3	1	14.3	6	22.2	13	19.7
Outside Clarens	1	9.1	6	28.6	0	.0	0	.0	7	10.6
Total	11	100.0	21	100.0	7	100.0	27	100.0	66	100.0

As shown in the table above, the majority of businesses tend to be clustered either on the square (47.0%) or outside the square on the main road (22.7%). In particular, 70.4% of retail stores, 57.1% of the arts and crafts shops and 45.5% of the restaurant businesses that were interviewed were located on the square on the main road. Other locations of businesses include Sias Oosthuizen Street (19.7%) and outside Clarens (10.6%). Accommodation businesses tend to be located outside the square (42.9%), and a number of accommodation places can be found outside Clarens (28.6%).

B.4 Industry specific information

Some of the items on the questionnaire focused on industry specific information related to:

- The number of seats available in the restaurants (including restaurants at some accommodation places).
- The number of beds in each accommodation business.
- Tourism rating for the restaurant and accommodation industries.
- Occupancy rates in guesthouses and hotels.

B4.1 Seat capacity in the restaurant sector

Thirteen restaurant owners or managers and three respondents in the accommodation sector indicated the seat capacity of their eatery. The seat capacity of the restaurants is reflected in Figure 11.

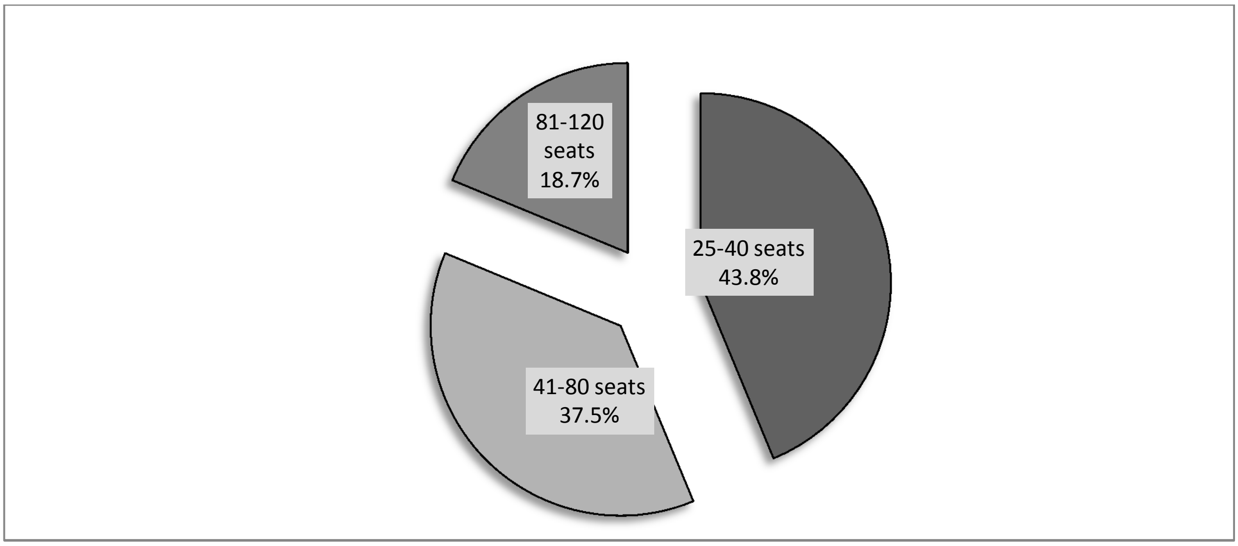


Figure 11: ***Seat capacity in the restaurant sector in Clarens, 2010***

As indicated in Figure 11, the majority of respondents indicated that their eateries were relatively small. The largest group of restaurants (43.8%) said their seat capacity catered for 25 to 40 people. A further 37.5% of respondents' eateries can take between 41 to 80 customers and 18.7% can fit from 80 to 120 people. The average number of seats in the restaurants was 58.6 chairs and the total number of restaurant seats indicated by the eateries was 937.

B4.2 Overnight capacity in the accommodation sector

Twenty-two respondents indicated the number of beds they have available in their establishment for overnight guests. The overnight capacity is shown in Figure 12.

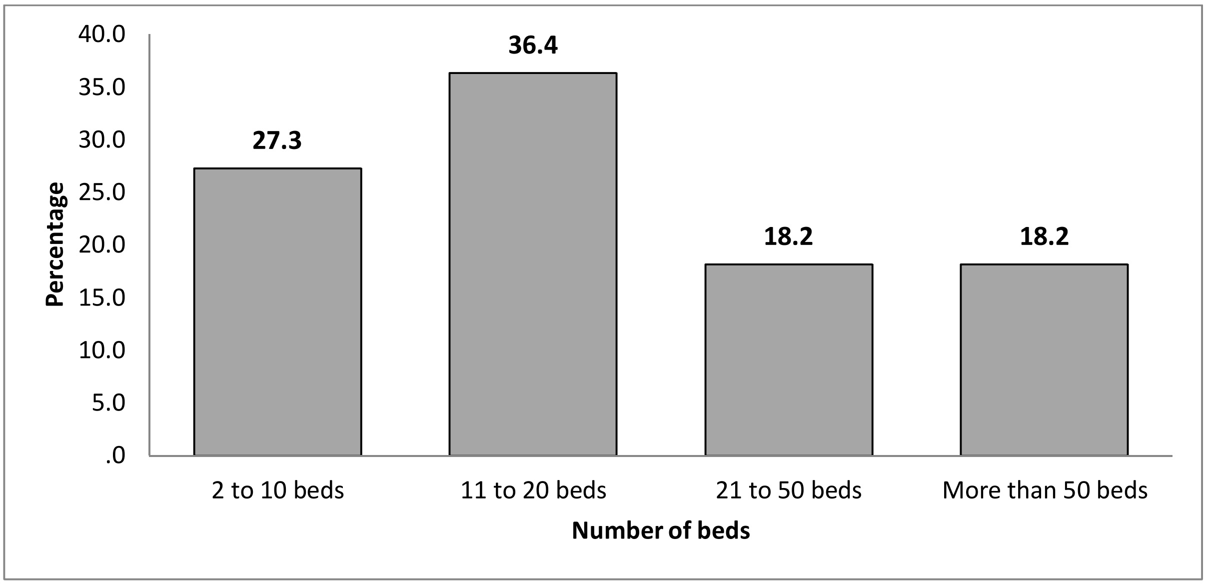


Figure 12: ***Number of beds in accommodation section in Clarens, 2010***

In the telephone book analysis, 121 accommodation establishments were counted. The highest number (36.4%) of respondents in the accommodation sector said that they had between 11 and 20 beds available in their establishment for overnight guests. An additional 27.3% of guesthouses were small businesses that had between 2 and 10 beds available. Less than 40.0% of the accommodation sector had more than 20 beds: 18.2% had between 21 and 50 beds and 18.2% had overnight capacity for more than 50 guests. *Kiara Lodge*, a time-share facility outside of Clarens, caters for the most guests by far and indicated they had 455 beds available. The *Maluti Mountain Lodge* had the second most beds available with an overnight capacity of 62 people. If the *Kiara Lodge* is not taken into consideration, the average number of beds in the accommodation sector is 21.48 beds per facility (with *Kiara Lodge* included, the average number of beds is skewed to 41.28 beds per facility). The establishments interviewed had a total overnight capacity of 906 people. However, considering these averages and the total number of accommodation establishments in Clarens, it is estimated that there are 3 000 beds in the vicinity.

B4.3 Tourism grading

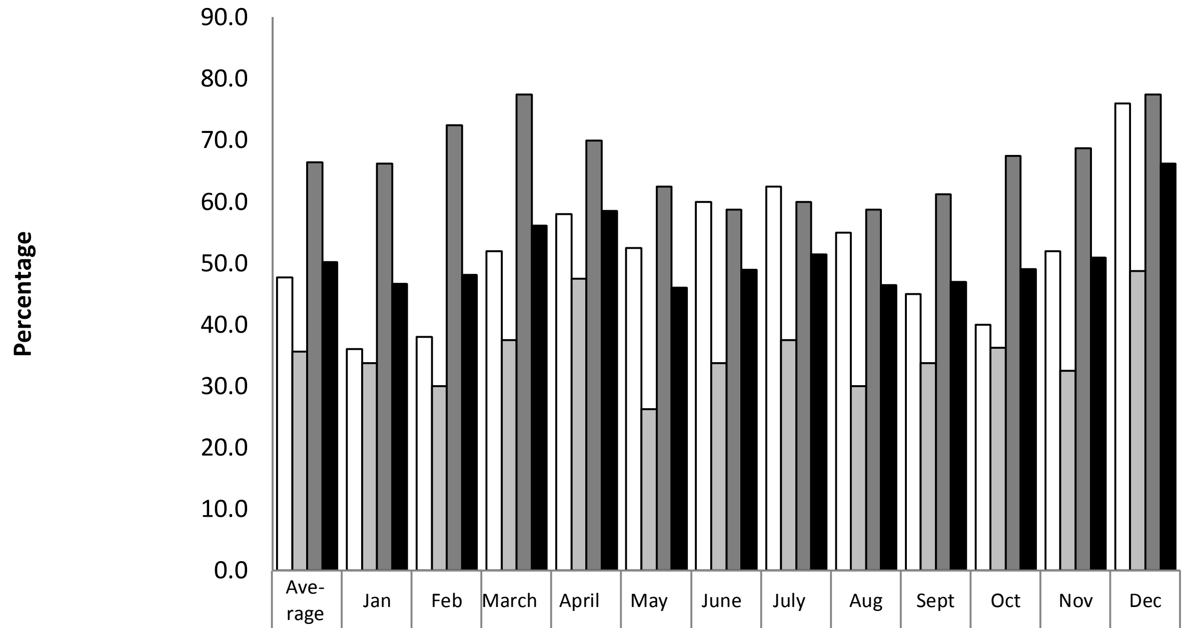
Tourism grading is done through independent assessment, and establishments are rated according to the specific standard of accommodation they provide for guests. The grading is based on the overall quality of the accommodations and takes into account services and facilities offered at the establishment. Through the grading system, guests know what they can expect when visiting an establishment. Tourism grading is done through a variety of establishments. The most well known grading systems are the Tourism Grading Council of South Africa (TGCSA), the quality Assured Accommodation (AA) travel guides and RCI timeshare grading. Restaurants of exceptional quality are given recognition through the *Eat Out* guide in South Africa.

Seventeen respondents indicated that their businesses had a tourism rating. Fourteen of these businesses were in the accommodation sector, two were in the restaurant sector and one was in the retail (take away) industry. The following ratings were mentioned by the business respondents:

- Accommodations with four star ratings were *278 on Main* (including the restaurant at the guesthouse), *Andes Clarens Guest House*, *Ashbrook Country Lodge*, *Rebellie Game Farm* and *Riverwalk Bed and Breakfast.*
- Three star businesses included *Bergwoning/ Koffie pot*, *Cranford Inn Clarens*, *Maluti Mountain Lodge*, *Mantd'Or Hotel, Spa & Conference Centre*, *Millpond House* and *Patcham Place.*
- Other ratings (RCI, AA and Eat Out grading) of exceptional quality were given to *Kiara Lodge Share Block Ltd*, *Madrid Farm Cottages*, *Sir Henry's Guesthouse* and *Phatt Chef Restaurant.*

B4.4 Occupancy rate of guesthouses and hotels

Accommodation businesses were asked to indicate their occupancy rate. The average occupancy rate of the guesthouses and hotels that took part in the survey is reflected in Figure 13.



	Ave-rage	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Small- 2 to 10 beds	47.7	36.0	38.0	52.0	58.0	52.5	60.0	62.5	55.0	45.0	40.0	52.0	76.0
Medium- 11 to 20 beds	35.6	33.8	30.0	37.5	47.5	26.3	33.8	37.5	30.0	33.8	36.3	32.5	48.8
Large- More than 21 beds	66.5	66.3	72.5	77.5	70.0	62.5	58.8	60.0	58.8	61.3	67.5	68.8	77.5
Total	50.2	46.7	48.1	56.2	58.6	46.0	49.0	51.5	46.5	47.0	49.0	51.0	66.2

Figure 13: ***Occupancy rate per month according to size of accommodation establishment in Clarens, 2010***

The accommodation facilities were divided into three categories in order to get a better reflection of occupancy rate according to the size of the guesthouse / hotel. Of the 22 accommodation places that took part in the study, six had between 2 and 10 beds and were classified as small. Eight places had 11 to 20 beds (medium size), and eight establishments were categorised as large in size with more than 21 beds. The following occupancy trends can be noted:

- Larger accommodation places (with more than 21 beds) recorded on average a far better occupancy rate (66.5%) than the smaller facilities. In addition, it seems as if smaller guesthouses, with ten or less beds, had a better occupancy rate (47.7%) than medium size guesthouses (35.6%) with an eleven to twenty bed capacity.
- The high occupancy rate of larger facilities can be attributed to two places: *Stone Haven* guesthouse and *Kiara Lodge*. *Stone Haven*, a guesthouse with a 22-bed capacity, was the only place that indicated an occupancy rate of 100.0% right through the year. *Kiara Lodge*, an RCI

timeshare facility with 455 rooms, had the second best occupancy rate. This lodge recorded a 100.0% occupancy rate in December and was 90.0% full during the rest of the year.

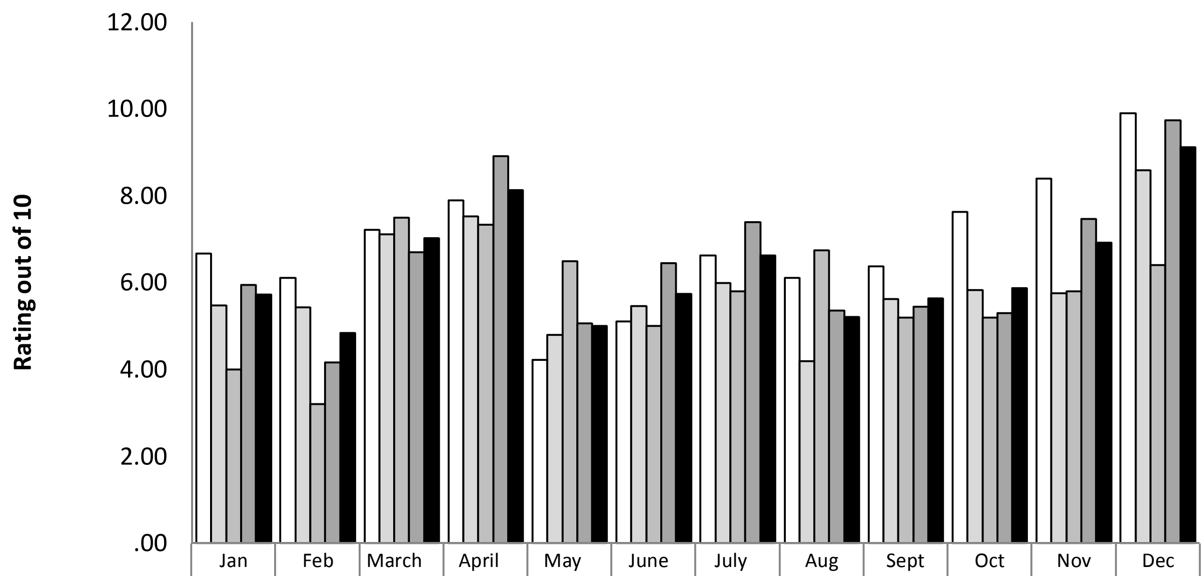
- December (during the Christmas holiday season) was the best month in terms of occupancy rates for all categories. Large-sized accommodation facilities had an occupancy rate of 77.5%, small size guesthouses were 76.0% full and medium size guesthouses and hotels were 48.8% occupied.
- Medium and large accommodation establishments also did well during the months of March and April (when school and Easter holiday seasons occur). Smaller establishments, on the other hand, did well during the winter months of June and July.
- The lowest occupation rates for larger size accommodation facilities occurred during the three consecutive winter months of June (58.8%), July (60.0%) and August (58.8%). Medium size guesthouses experienced their worst occupancy rates during February (30.0%), May (26.3%) and August (30.0%). January, February, and October were indicated as the worst months for small size guesthouses, with occupancy ranging between 36.0% and 40.0%.

B5. Business operational details

Operational details discussed in this section are business turnover, employment trends, factors preventing businesses from employing more workers, expansion of businesses, business perceptions of the market, marketing approaches, unique aspects of businesses and business supply details.

B5.1 Turnover of businesses

Respondents were asked to rate their turnover per month on a scale from one to ten, with ten representing the highest turnover and one the lowest turnover. The average rating of the different industries' turnover is represented in Figure 14.



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Restaurant	6.67	6.11	7.22	7.90	4.22	5.11	6.62	6.11	6.38	7.62	8.40	9.91
Accommodation	5.47	5.44	7.12	7.53	4.80	5.47	6.00	4.19	5.62	5.83	5.76	8.59
Arts & crafts	4.00	3.20	7.50	7.33	6.50	5.00	5.80	6.75	5.20	5.20	5.80	6.40
Retail - other	5.95	4.16	6.70	8.91	5.06	6.45	7.39	5.35	5.44	5.29	7.47	9.74
Total	5.73	4.84	7.02	8.13	5.00	5.74	6.63	5.22	5.64	5.88	6.92	9.13

Figure 14: ***Turnover rating per month for different business sectors in Clarens, 2010***

The figure above shows fluctuating trends with regard to the different industries' monthly turnover:

- The restaurant industry was the sector that had the highest turnover. As indicated in Figure 14, restaurant businesses had the highest turnover rating for six consecutive months of the year (from September through to February). The arts and crafts sector rated its turnover higher than the other three sectors did during the months of March, May and August, while the retail sector rated its turnover higher than the other industries did in April, June and July.
- Despite the fact that the arts and craft sector rated its turnover the highest in the three months of March, May and August, this sector rated its turnover worse than the other three sectors did for eight of the remaining nine months of the year.
- In May the restaurant businesses had its lowest score and in August the accommodation sector reported its lowest turnover.
- Three of the four industries rated December as the month with the highest turnover. The restaurant businesses had the highest rating in this month, with an average rating of 9.9. The retail industry rated its turnover as 9.7 and the accommodation industry gave its turnover an 8.6. The arts and crafts sector was the only sector that did not indicate December as the month with the highest turnover. March, with a rating of 7.5, was seen as the month with the best turnover in the arts and craft sector.

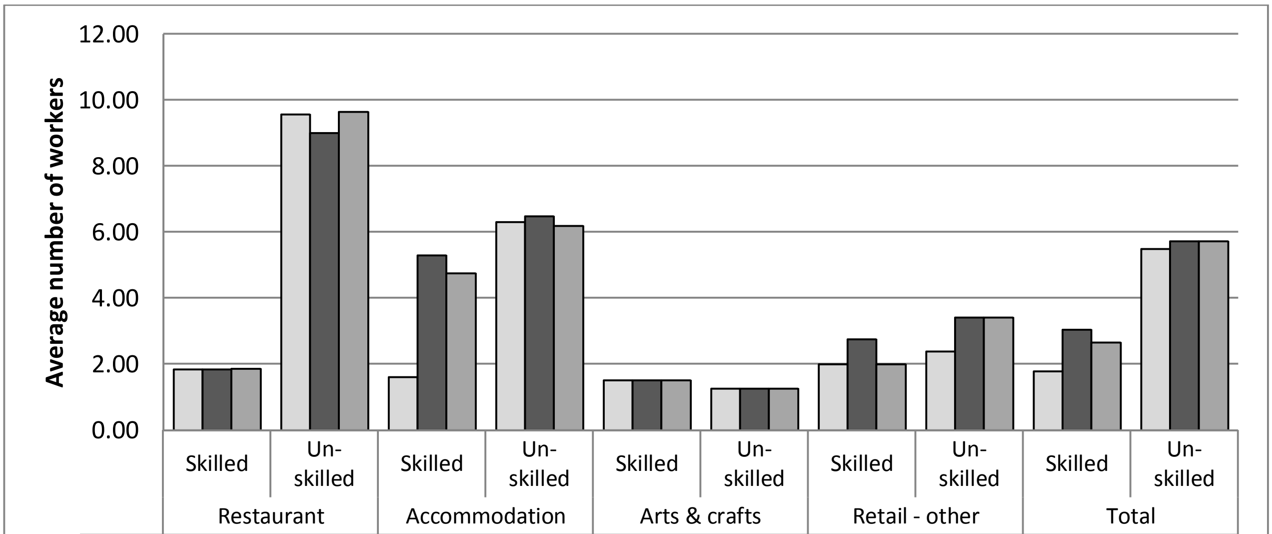
Revealing turnover amounts is regarded as a sensitive subject and only 25 respondents indicated the turnover amount for the month with the highest turnover.

- Seven respondents said their highest recorded monthly turnover was between R20 000 and R50 000.
- Ten respondents indicated their highest turnover was between R50 001 and R100 000.
- Eight respondents said their business turnover in the best months was higher than R100 000. The highest turnover noted was R1 000 000 for a business in the retail sector (property sales).

Extrapolating from the above data, the estimated total turnover for all businesses in Clarens was determined to be R194 million per annum (the R1 million turnover response was considered to be an outlier and was excluded from calculations).

B5.2 Employment trends

Figure 15 shows the employment trend of the average number of workers employed per sector in Clarens, based upon those enterprises that participated in the survey.



	Restaurant Skilled	Restaurant Un-skilled	Accommodation Skilled	Accommodation Un-skilled	Arts & crafts Skilled	Arts & crafts Un-skilled	Retail - other Skilled	Retail - other Un-skilled	Total Skilled	Total Un-skilled
2007	1.83	9.57	1.60	6.31	1.50	1.25	2.00	2.38	1.77	5.49
2008	1.83	9.00	5.29	6.47	1.50	1.25	2.75	3.42	3.04	5.72
2009	1.86	9.64	4.75	6.19	1.50	1.25	2.00	3.40	2.66	5.73

Figure 15: Average number of employees in four business sectors in Clarens, 2007, 2008 and 2009

The following aspects can be highlighted in terms of the employment trends of the different industries:

- The restaurant industry had the greatest number of semi or unskilled workers.

- The accommodation sector employed the most skilled and professional people. The average number of skilled persons in the accommodation sector increased from 1.6 skilled workers in 2007 to 5.29 in 2008, followed by a slight decrease to 4.76 skilled workers in 2009.
- The arts and crafts sector employed the lowest number of skilled (1.5) and un-skilled (1.25) workers per business. In addition, the arts and crafts industry's employment figures remained unchanged between 2007 and 2009.
- The retail sector employment numbers were very similar to that of the accommodation sector. The average number of workers was the highest in 2008 and slightly decreased in 2009.
- The economic recession probably influenced the fluctuating employment numbers in the accommodation and retail businesses, the stagnant employment numbers in the arts and crafts sector as well as the slow growth in the restaurant industry.

Although the growth in employment seems slow in terms of the average number of employees per business, the actual number of people employed in the business sectors increased from 2007 to 2009, with the exception of the arts and crafts sector which remained unchanged (see Table 12).

Table 12: Actual number of people employed in four business sectors in Clarens, 2007 - 2009

Industry	Type of employment	2007	2008	2009
Restaurant	Skilled	11	11	13
	Semi-skilled (earning less than R2000 / month)	67	90	106
	Total	**78**	**101**	**119**
Accommodation	Skilled	8	37	38
	Semi-skilled (earning less than R2000 / month)	101	110	130
	Total	**109**	**147**	**168**
Arts & crafts	Skilled	6	6	6
	Semi-skilled (earning less than R2000 / month)	5	5	5
	Total	**11**	**11**	**11**
Retail - other	Skilled	14	22	20
	Semi-skilled (earning less than R2000 / month)	19	41	51
	Total	**33**	**63**	**71**
Total	Skilled	39	76	77
	Semi-skilled (earning less than R2000 / month)	192	246	292
	Total	**231**	**322**	**369**

As indicated by Table 12 above, the number of employees has increased in the restaurant, accommodation and retail business sectors. The greatest increase in the number of employees from

2007 to 2009 was in the retail sector, which more than doubled the number of employees during this time period. The other two sectors each increased employment by more than 50.0%. This large increase in the number of employees can be attributed to the fact that more than a third of businesses interviewed (36.2%) opened their doors after 2007. Employment may therefore not have increased as much as the numbers indicate, as other businesses that were open in 2007 may have closed by the time of the interviews and those workers would not have been counted. Increases related to the specific type of worker are worth mentioning:

- Skilled employment increased by almost 100.0% (97.4%), from 39 skilled workers to 77.
- Almost a third (28.1%) more semi-skilled workers were employed in 2009 (246 workers) than in 2007 (192 workers).
- The greatest increase (122.2%) was seen in the employment of casual workers. Respondents indicated that a total of 18 casual workers were employed at their work places in 2007, increasing to 40 casual workers in 2009.
- The number of other workers with a salary lower than R2000 increased by 82.2% from 45 in 2007 to 82 in 2009 .
- The number of waiters and cleaners increased from 2007 to 2009 by 15.6% and 31.7% respectively. There were 32 waiters employed in 2007 and 37 were employed in 2009 at the interviewed businesses. The number of cleaners increased from 101 in 2007 to 133 in 2009.

Although the total number of people employed seems to point at employment growth, the data is only valid for the businesses interviewed. As indicated in Figure 15, the actual number of employees per business did not show a significant increase, and most businesses had more people employed in 2008 than in 2009. In order to get a real grasp on the employment trends, an analysis needs to be done of the businesses that closed down compared to those that opened.

B5.3 Factors preventing businesses from employing more workers

Businesses were asked to indicate what the main factors were that prevent them from employing more workers (other than finances). Their responses are shown in Table 13.

Table 13: Factors preventing businesses from employing more workers in Clarens, 2010

Factors preventing businesses from employing more workers	Restaurant		Accommodation		Arts & crafts		Retail - other		Total	
	n	%	n	%	n	%	n	%	n	%
No need	8	61.5	14	70.0	6	100.0	15	60.0	43	67.2
Business too small / not enough space or opportunities for growth	1	7.7	3	15.0	0	.00	6	24.0	10	15.6
Hard to find skilled labour	1	7.7	1	5.0	0	.00	4	16.0	6	9.4
Labour laws	3	23.1	2	10.0	0	.00	0	.00	5	7.8
Total	13	100.0	20	100.0	6	100.0	25	100.0	64	100.0

The majority of respondents (67.2%) in all industries indicated that they had no desire or need to expand at the moment; therefore they had no intention of employing more workers. Some respondents mentioned specifically that they already had more than enough employees as it was and that the workload did not justify employing more workers. The second reason businesses are not employing more workers is related to the physical size of the business and that there was simply not enough space in the business premises for more workers. This was mentioned particularly by respondents in the retail and accommodation sectors. Some respondents (9.4%) reported that they experienced difficulty finding skilled labour, and they would rather not employ anybody than employ workers lacking the necessary skills to do the work. Finally, labour laws prevented some respondents in specifically the restaurant sector (23.1%), and to a smaller extent the accommodation industry (10.0%), from employing more workers.

B5.4 Business expansion

Related to whether business respondents planned to employ more workers was the question of whether businesses intended to expand their enterprise within the next two years. The vast majority of business respondents (60.3%) had no plans to expand their businesses in the near future. Only 39.7% of businesses said that they do intend to develop their business in the next two years.

The main reason that businesses did not plan to expand was that they were simply not interested in expansion. Respondents providing this reason felt comfortable with the size of the business at the moment and did not want to increase their current workload. The second reason businesses did not want to expand was related to finances. Financial reasons included competition from businesses in the same sector, the uncertain economy in the country, and current finances not being of a nature to expand. The third reason, given only by accommodation and restaurant respondents, had to do with zoning regulations and the lack of space to expand.

B5.5 Business perceptions of the market

Respondents were asked if they thought the market for their business's goods or services had been growing, declining or staying the same during the past year. In addition, respondents also had to provide a reason for their answer. The business perception of the growth or lack thereof is reflected in Table 14.

Table 14: Business perceptions about market growth and decline in Clarens, 2010

Market growth	Restaurant		Accommodation		Arts & crafts		Retail - other		Total	
	n	%	n	%	n	%	n	%	n	%
Growing	6	50.0	15	65.2	3	42.9	14	53.8	38	55.9
Staying the same	6	50.0	4	17.4	3	42.9	9	34.6	22	32.4
Declining	0	.0	4	17.4	1	14.3	3	11.5	8	11.8
Total	12	100.0	23	100.0	7	100.0	26	100.0	68	100.0

As shown in the table above, perceptions of market growth differ amongst the business sectors. Slightly more than half (55.9%) of the respondents felt that there was some growth in their business over the last year, while 32.4% experienced no difference and 11.8% said that there was actually a decline in the demand for their business services.

- The greatest positive perception of business growth was reported in the accommodation sector, with 65.2% of respondents indicating that the market for their service had been growing over the past twelve months. The number of respondents in the accommodation industry that experienced either no growth or a decline in their business was the same: 17.4% each.
- Approximately half of the respondents in the retail sector (53.8%) experienced growth in the demand for their goods, while more than a third (34.4%) of the retail respondents said business demand stayed the same and 11.5% experienced a decline in the demand for their goods.
- The arts and crafts sector reported the worst in terms of business growth. Only 42.9% of the businesses interviewed in the arts and crafts sector experienced business growth. A further 42.9% reported business growth being stagnant over the past year, and 14.3% of the arts and crafts respondents said that they experienced negative growth in their sector.

B5.5.1 Reasons for business growth being positive, stagnant or negative

Reasons provided for positive business growth were very similar amongst the different business sectors. Most respondents (46.7%) related positive business growth to an increase in tourists or customers visiting Clarens. The second most given reason (26.7%) linked the growth to an increase in business turnover. Thirdly, 16.7% of respondents indicating positive growth said that business growth could be attributed to the business being either new or under new management. The last reason, mentioned particularly by respondents in the restaurant and retail sectors, related to businesses providing a quality product and customers experiencing value for their money (10.0%). Reasons provided for business growth staying the same or declining were:

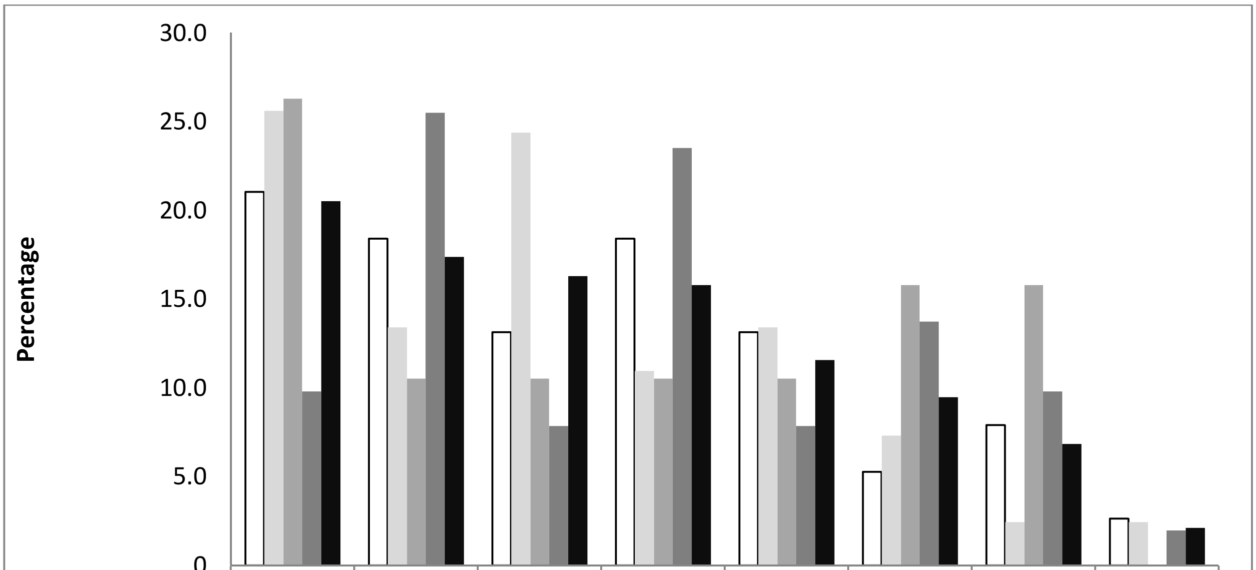
- 50.0% of those who experienced a lack of business growth attributed it to the recession. Respondents in particularly the arts and crafts and retail sectors mentioned the recession as the main reason why their growth stayed the same or declined during the past twelve months.
- 31.8% related the stagnant or negative growth to the market not being conducive at the moment to stimulate business growth.
- The last reason given for the lack of growth in the market was competition amongst similar kind of businesses (18.2%).

B5.6 Marketing approaches

Business respondents were asked if they market their business, and if they do, what their marketing approaches were. The vast majority (82.4%) of respondents indicated that they did indeed market their business.

- Marketing was most important for respondents in the restaurant and accommodation sectors. All of the restaurant business respondents, 95.5% of respondents in the accommodation sector and 85.7% of respondents in the arts and craft industry said that they advertise their businesses.
- Marketing was less prominent in the retail industry compared to the other sectors, with only 63.0% of retail respondents saying they promote their services through marketing.

The various industries made use of different marketing strategies, as illustrated in Figure 16.



	Websites	Magazines	Information/ Booking centers	Pamphlets	E-Mail	Other (e.g word of mouth, television)	News-paper	Yellow Pages
Restaurant	21.1	18.4	13.2	18.4	13.2	5.3	7.9	2.6
Accommodation	25.6	13.4	24.4	11.0	13.4	7.3	2.4	2.4
Arts & crafts	26.3	10.5	10.5	10.5	10.5	15.8	15.8	0.0
Retail - other	9.8	25.5	7.8	23.5	7.8	13.7	9.8	2.0
Total	20.5	17.4	16.3	15.8	11.6	9.5	6.8	2.1

Figure 16: Marketing strategies of the different business sectors in Clarens, 2010

The four most popular methods of marketing businesses were websites (20.5%), magazines (17.4%), information and/or booking centres (16.3%) and pamphlets or brochures (15.8%). Some industries also mentioned the importance of e-mail (11.6%) and other methods such as word of mouth and television shows (9.5%) as important marketing strategies. Newspapers (6.8%) and the telephone book (2.1%) were the least used methods of marketing. Specific marketing related notes are made below:

- Except for respondents in the retail sector, internet websites were the most popular means of advertising businesses. Websites such as *Where to stay*, *Clarens tourism*, *Places for Africa*, *Fine dining*, *Eat out*, *Foods24*, *Arte fun* and the *Holiday club* were mentioned frequently.
- The second most popular means of marketing was through magazines and pamphlets. The *Speckled Bean*, *Country Life* and *Go* magazines were mentioned the most often.
- Information and booking centres such as the tourist centre in Clarens itself were used for marketing, but respondents also relied on internet information centres such as *Clarens destinations*, *Mountain Odyssey* and *SA Places* for marketing for their businesses.
- The different sectors made use of different marketing strategies:

- Accommodation businesses preferred to make use of websites and information and booking services to market their businesses.
  - Restaurants relied mostly on websites, magazines and pamphlets for marketing.
  - The arts and crafts sector depended heavily on websites to promote their businesses.
  - The retail sector advertises mostly through magazines and pamphlets.
- The least popular method of advertising for all the business sectors was the yellow pages in the telephone book. In addition, newspaper advertising was not popular in the accommodation sector, restaurant respondents did not depend on word of mouth or television to promote their eateries, and respondents in the retail sector did not use e-mail, websites or information centres as often as the other sectors to promote their businesses.

B5.7 Unique aspects of businesses

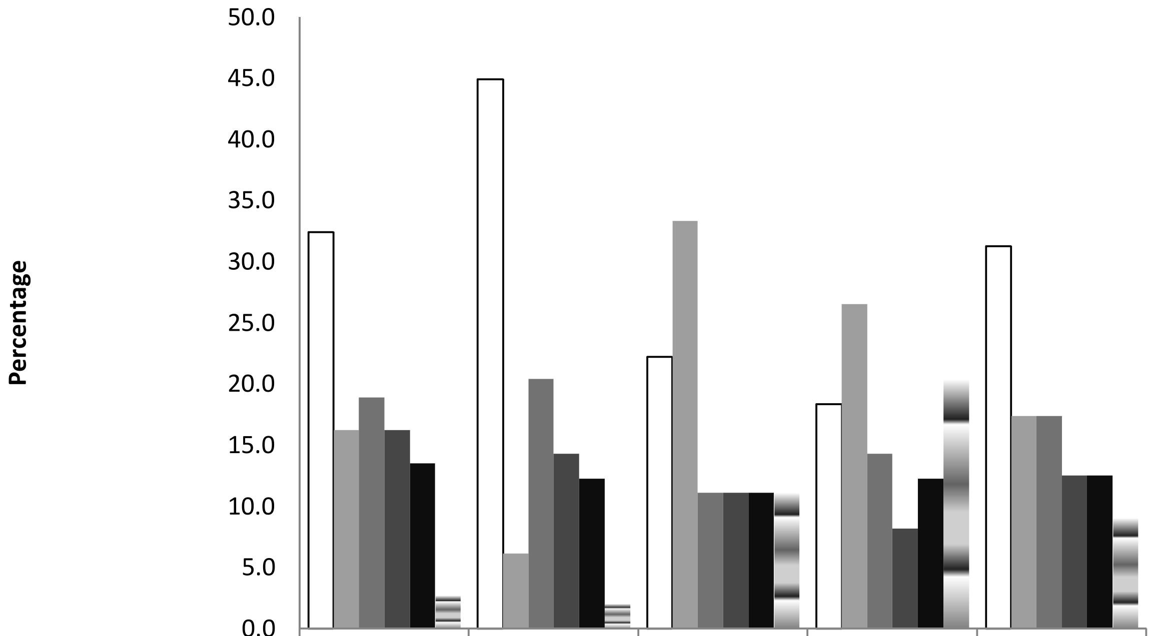
Business respondents were asked what aspects made their businesses unique. The vast majority (83.6%) of answers related to a quality or unique product and service that the businesses provide for their customers. The respondents in the restaurant sector felt particularly strong about the unique quality of the products and services they provide. Two other aspects mentioned to a lesser extent were business location (8.2%) and rendering a service that provides value for money (8.2%). Having a unique location was mentioned more often by respondents in the accommodation sector than any of the other sectors, while value for money was an aspect noted more frequently by the retail sector.

B5.8 Business supplies

This section focuses firstly on the geographic areas from which business respondents buy the majority of their monthly business supplies, secondly on delivery aspects, and thirdly on the estimated amount spent per town or province.

B5.8.1 Origin of business supplies

Respondents' decisions about where to buy their business supplies were influenced mostly by the availability of goods and the proximity of towns. Figure 17 shows the origin of business supplies according to the different sectors.



	Restaurant	Accommo-dation	Arts & crafts	Retail	Average total
Bethlehem (40km)	32.4	44.9	22.2	18.4	31.3
Gauteng (300 km)	16.2	6.1	33.3	26.5	17.4
Bloemfontein (270 km)	18.9	20.4	11.1	14.3	17.4
Clarens	16.2	14.3	11.1	8.2	12.5
KZN (340 km)	13.5	12.2	11.1	12.2	12.5
Other	2.7	2.0	11.1	20.4	9.0

Figure 17: Origin of business supplies for businesses in Clarens, 2010

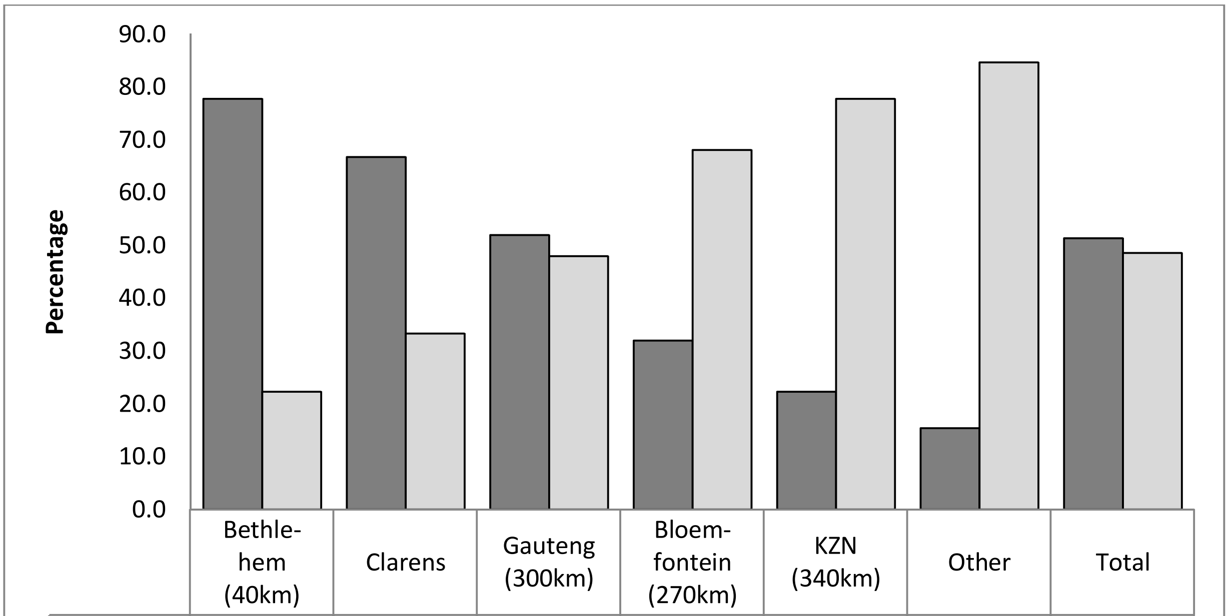
Almost a third (31.3%) of all business supplies used in Clarens was from the neighbouring town of Bethlehem. The province of Gauteng (17.4%) and the city of Bloemfontein (17.4%) were also identified as main places where respondents purchased their business supplies. 12.5% of the business respondents bought their goods locally in Clarens itself, while a further 12.5% indicated Kwa-Zulu Natal as the origin of their business supplies. Other main places where business supplies were ordered from were Cape Town, Harrismith and the Qwa-Qwa area. The "other" category also included Internet and overseas acquisitions. A closer look into the different sectors reveals interesting trends related to business supplies:

- The vast majority of respondents in the restaurant and accommodation industries bought a large amount of their supplies from Bethlehem, approximately 40 kilometres away. These two sectors make the most use of perishable goods that must be purchased on a frequent basis. Therefore, Bethlehem is a convenient choice to buy supplies given its proximity to Clarens. However, there is probably room for business expansion in Clarens itself to provide these supplies to the restaurant and accommodation sectors.

- 13.0% to 19.0% of goods in the restaurant sector came from the cities of Bloemfontein (18.9%), Gauteng (16.2%), Clarens (16.2%) and Kwa-Zulu Natal (13.5%).
- The accommodation sector purchased more supplies from Bloemfontein (20.4%) and from cities in Kwa-Zulu Natal (12.2%) than from cities in Gauteng (6.1%).
- The most goods in the arts and crafts (33.3%) and retail (26.5%) sectors were purchased from the Gauteng area, with the town of Bethlehem placing either second or third.
- The arts and crafts respondents indicated that the remainder of their goods were acquired equally from Bloemfontein, Clarens, Kwa-Zulu Natal and other areas in the country.
- The retail sector purchased the least amount of their goods in Clarens itself. Given the variety of different retail sectors interviewed, their need for specialised goods determines the place where they can acquire their goods. Thus, the "other places" such as Cape Town and the internet were mentioned more often by respondents in the retail sector than any of the other business sectors.
- Surprisingly few goods were purchased from the town of Harrismith, which is less than 100 kilometres away. It seems that immediate availability (purchasing from Clarens) and lower cost of goods (purchasing from distant large cities) were more important factors than proximity when decisions were made about where to purchase business goods.

B5.8.2 Delivery of business supplies

This section discusses the influence of proximity and the importance of economic hubs in determining whether goods were fetched by or delivered to the businesses (see Figure 18).



	Bethlehem (40km)	Clarens	Gauteng (300km)	Bloemfontein (270km)	KZN (340km)	Other	Total
Fetched	77.8	66.7	52.0	32.0	22.2	15.4	51.4
Delivered	22.2	33.3	48.0	68.0	77.8	84.6	48.6

Figure 18: ***Origin of business goods and whether they were delivered or collected by the business in Clarens, 2010***

The following comments relate to the delivery of business supplies:

- It seems as if proximity was in most cases a significant factor in determining whether goods were delivered or fetched from the suppliers.
- The majority of businesses (77.8%) fetched their own goods from the town of Bethlehem. However, fewer business respondents in the retail and restaurant sectors fetched goods from Bethlehem than the other sectors. While all of the respondents in the arts and crafts sector and 86.4% of respondents in the accommodation sector went to Bethlehem themselves to pick up their supplies, only two thirds (66.7%) of respondents in the retail and accommodation sectors noted that they went to fetch the goods themselves.
- Although a large percentage of respondents (66.7%) fetched their own goods locally in Clarens, a significant difference is noticeable between the different business sectors and how their goods are delivered. All of the respondents in the accommodation sector and the arts and crafts sector said they fetch goods in Clarens themselves. However, only half (50.0%) of the restaurant sector fetched their own goods locally and most respondents in the retail sector (75.0%) had goods from Clarens delivered to their businesses.
- Economic and competitive considerations seem to be important in determining whether goods get delivered or fetched from greater distances. The distances from Clarens to the cities in Gauteng, Kwa-Zulu Natal and Bloemfontein do not differ much, but the delivery trends do.

- Approximately half of the respondents (52.0%) fetched their own goods from Gauteng while the other half (48.0%) had goods delivered.
- On the other hand, the other cities (Bloemfontein and those in Kwa-Zulu Natal) mostly delivered goods to Clarens.
- A possible reason for this trend relates to supply and demand factors. Gauteng, an economic hub of South Africa, has more goods readily available and is not as dependent on delivery services to generate an income. In order to keep competitive, cities in Kwa-Zulu Natal, Bloemfontein and other places may need to offer additional services such as delivery to sell their products.

B5.8.3 Value of goods purchased per month

Next is indicated the value of goods per source.

Table 15: Value of goods purchased per month by enterprises in Clarens, 2010

Business industry		Bethlehem	Gauteng	Bloemfontein	Kwa-Zulu Natal	Other	Western Cape	Clarens	Harrismith	Total amount
Restaurant	n	6	2	5	3	0	0	3	0	6
	Mean (R)	15 167	12 000	17 000	31 667	0	0	11 333	0	54 833
	Sum (R)	**91 000**	**24 000**	**85 000**	**95 000**	**0**	**0**	**34 000**	**0**	**329 000**
Accommodation	n	17	2	7	4	1	0	6	0	17
	Mean (R)	9 712	10 000	6 000	4 275	2 000	0	2 750	0	15 453
	Sum (R)	**165 100**	**20 000**	**42 000**	**17 100**	**2 000**	**0**	**16 500**	**0**	**262 700**
Arts & crafts	n	2	2	1	1	0	1	1	0	3
	Mean (R)	20 250	6 500	5 000	8 000	0	20 000	400	0	28 967
	Sum (R)	**40 500**	**13 000**	**5 000**	**8 000**	**0**	**20 000**	**400**	**0**	**86 900**
Retail - other	n	8	9	7	6	2	4	2	2	14
	Mean (R)	40 500	25 222	16 714	16 583	60 000	21 250	3 000	3 250	70 357
	Sum (R)	**324 000**	**227 000**	**117 000**	**99 500**	**120 000**	**85 000**	**6 000**	**6 500**	**985 000**
Total	n	33	15	20	14	3	5	12	2	40
	Mean (R)	18 806	18 933	12 450	15 686	40 667	21 000	4 742	3 250	41 590
	Sum (R)	**620 600**	**284 000**	**249 000**	**219 600**	**122 000**	**105 000**	**56 900**	**6 500**	**1 663 600**

A number of notes should be made in this respect:

- Total stock purchased by all enterprises in Clarens was estimated at about R120 million per year.
- It seems that nearly 38.0% of the value of stock is purchased from Bethlehem, an indication of the economic relationship between Clarens and Bethlehem.

- Gauteng was second with 17.0% of money spent on stock being spent in this province.

B6. Evaluation of the Clarens business environment

The last part of this report focuses on problems experienced in the business environment, positive attributes of Clarens, infrastructure ratings and perceptions regarding new land developments.

B6.1 Problems experienced in the business environment

Respondents identified a number of problems they experience in the business environment (see Figure 19).

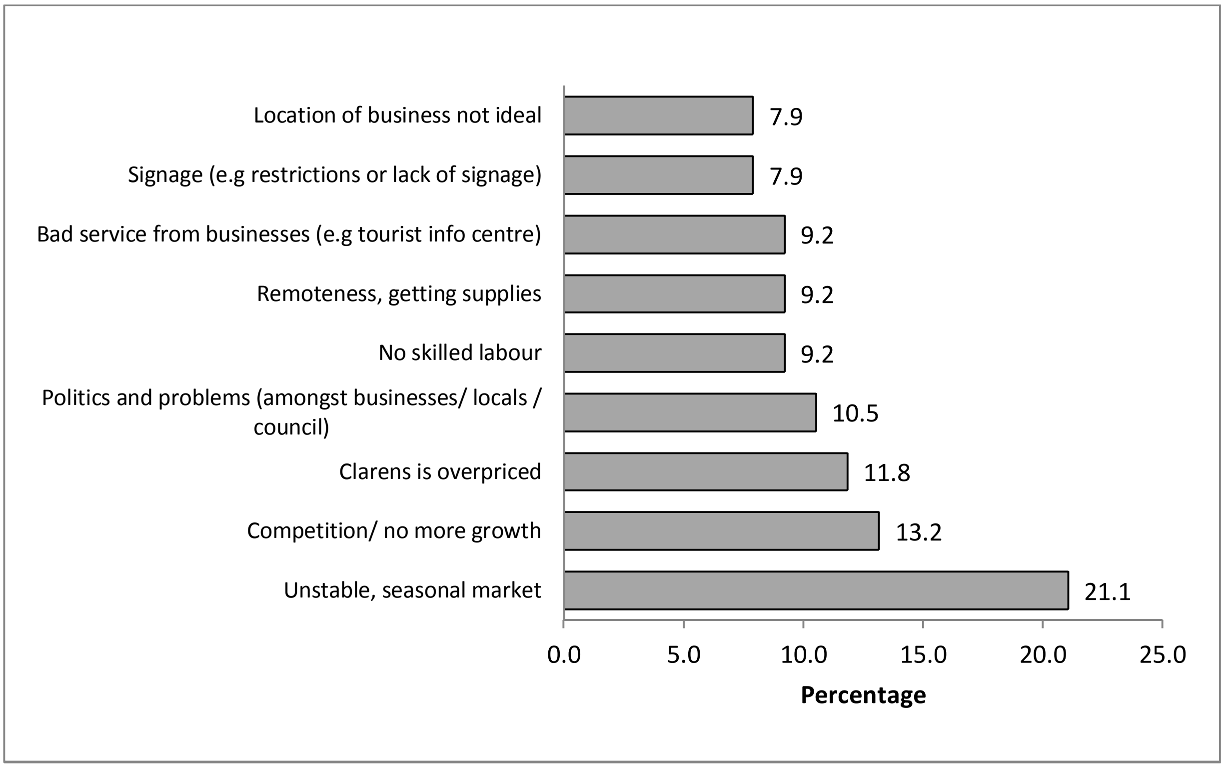


Figure 19: Problems experienced in the business environment in Clarens, 2010

The problems indicated in the figure above can be grouped into three main problems: finances, social problems and infrastructure.

<u>Problems associated with economic and financial matters:</u>

- The unstable nature of the tourism sector (21.1%) - Businesses felt that their success was too dependent on positive economic conditions and the seasonality of the tourist industry. Respondents complained about the lack of customers during the week and said that too few locals support their businesses.
- Competition amongst businesses (13.2%) – Some stated that too many similar kind of businesses had opened, leading to saturation of the market and no growth in some sectors.

- Prices (11.8%) - A number of respondents felt that Clarens was over-priced and that this has a negative effect on their businesses.

Business problems related to social interaction and labour issues:

- Local politics amongst businesses, the locals or council (10.5%);
- 9.2% of the complaints were about the lack of skilled labour in Clarens. Difficulties retaining skilled labour were also mentioned.
- Respondents also mentioned that some business services (especially the tourist information centre) were not up to standard, leading to negative opinions being formed by tourists and businesses about Clarens (9.2%).

Geographical and infrastructure concerns:

- Remoteness of Clarens and problems experienced in getting supplies to the town (9.2%);
- Some respondents felt that their businesses location was not ideal and that the current location had a negative impact on their business (7.9%).
- Closely related to location concerns was the lack of proper signs (including street name boards) indicating businesses. Some of respondents also felt that restrictions imposed on signage affected their businesses negatively (7.9%).

In a separate question, business respondents were asked specifically what infrastructure problems they experience in Clarens. Road infrastructure and parking were highlighted as the greatest public infrastructure concerns, followed by poor service delivery and problems with electricity, street lights and water provision. Lastly, the issue of poor signage was once again raised by the respondents as a matter that needs urgent attention.

B6.2 Positive attributes of Clarens

Respondents were asked to reflect on the most positive aspect of their business in Clarens. In addition, they were required to indicate how they perceive the future of Clarens to be. The most commonly mentioned positive aspect of their businesses given by respondents (39.7%) was the excellent service and products they render to customers. Secondly, 31.7% of respondents mentioned the outstanding tourism industry in Clarens. The last two reasons refer to the physical location or landscape scenery (15.9%) and the quiet, peaceful environment and friendly locals (12.7%).

The above mentioned positive perceptions of Clarens are related to respondents' perceptions of the future of Clarens (see Figure 20).

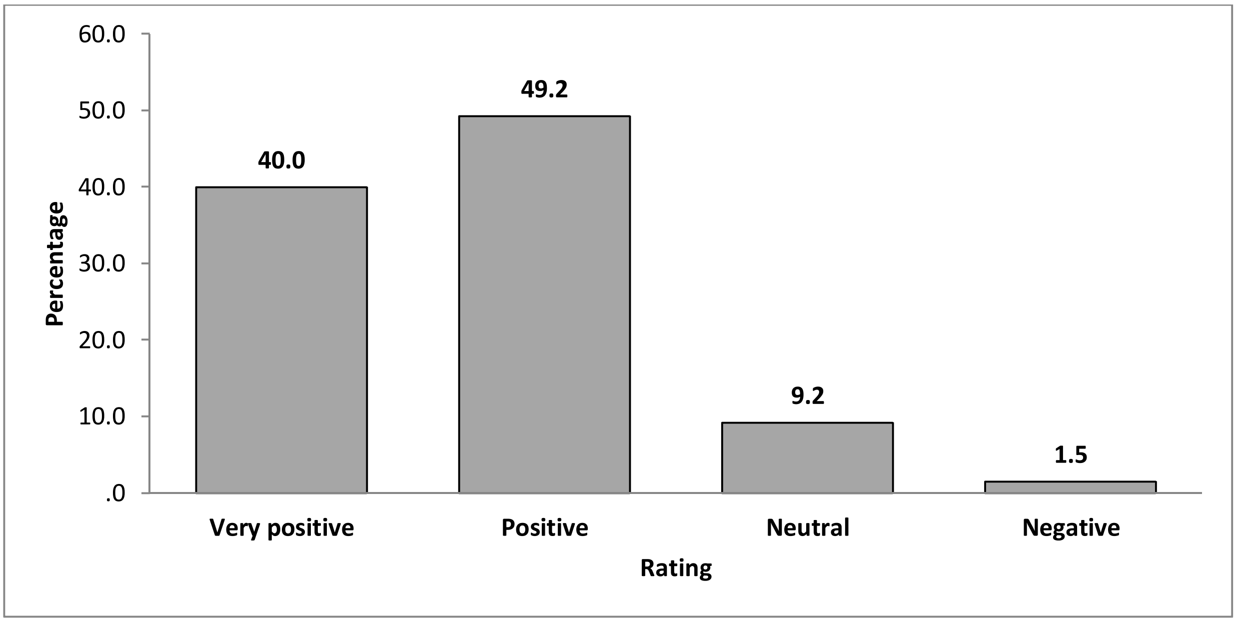


Figure 20: Perceptions of the business future of Clarens, 2010

Nearly all of the businesses interviewed (89.2%) were either very positive (40.0%) or positive (49.2%) concerning the business future of Clarens, while 9.2% of the respondents were neutral and only 1.5% negative. None of the respondents were very negative about the future of the Clarens business sector. Not all of the respondents provided reasons for their positive ratings of Clarens, but those that did cited the growing tourist trade as the main reason for their positive feelings towards Clarens. The landscape, scenery and central location were mentioned to a lesser extent as reasons for the positive ratings. Respondents who were less positive, neutral or negative felt that there was no more room for growth in Clarens and that Clarens was already overdeveloped as it was.

B6.3 Infrastructure service ratings

This section shows the average rating that business respondents gave to infrastructure services in Clarens, with a response of one showing great dissatisfaction with the service while a response of five represents a high level of satisfaction (see Figure 21).

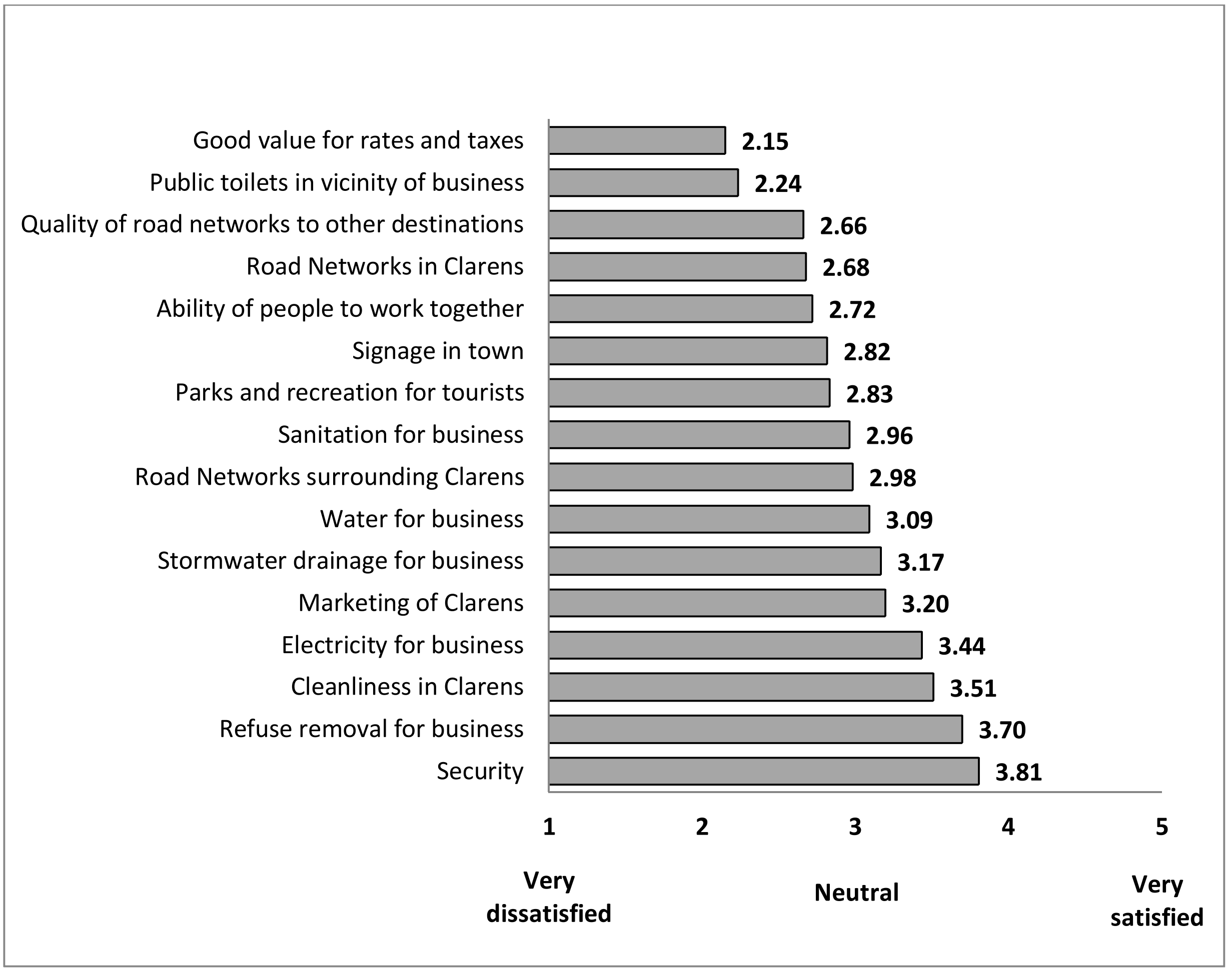


Figure 21: ***Satisfaction ratings for infrastructure aspects in Clarens, 2010***

Specific comments related to the infrastructure ratings follow:

- Infrastructure ratings were in general relatively low, with the highest levels of satisfaction falling between neutral and somewhat satisfied. In addition, the business respondents rated infrastructure services in Clarens much lower than what the visitors rated them.
- The highest level of satisfaction, with a rating of 3.81, was regarding feelings of safety in Clarens. Other aspects that were moderately approved of, with ratings falling between neutral and satisfied were: refuse removal for business (3.70), cleanliness in Clarens (3.51), electricity for businesses (3.44), marketing of Clarens (3.20), storm water drainage for businesses (3.17) and water access to businesses (3.09).
- The two infrastructure aspects that were rated as the worst were respondents' perceptions of receiving good value for rates and taxes (2.15) and the public toilets in the vicinity of businesses (2.24). Other ratings that fell between dissatisfied and neutral were the quality of road networks to other destinations (2.66), road networks in Clarens (2.68), the ability of people

to work together (2.72), signage in town (2.82), parks and recreation for tourists (2.83), sanitation for businesses (2.96), and road networks surrounding Clarens (2.98).

B6.4 New land development

Business respondents were asked if new land development within Clarens should be prioritised, if new land developments outside the historical boundaries of Clarens should be allowed or if they thought that no new land development should be allowed, inside or outside Clarens (see Figure 22).

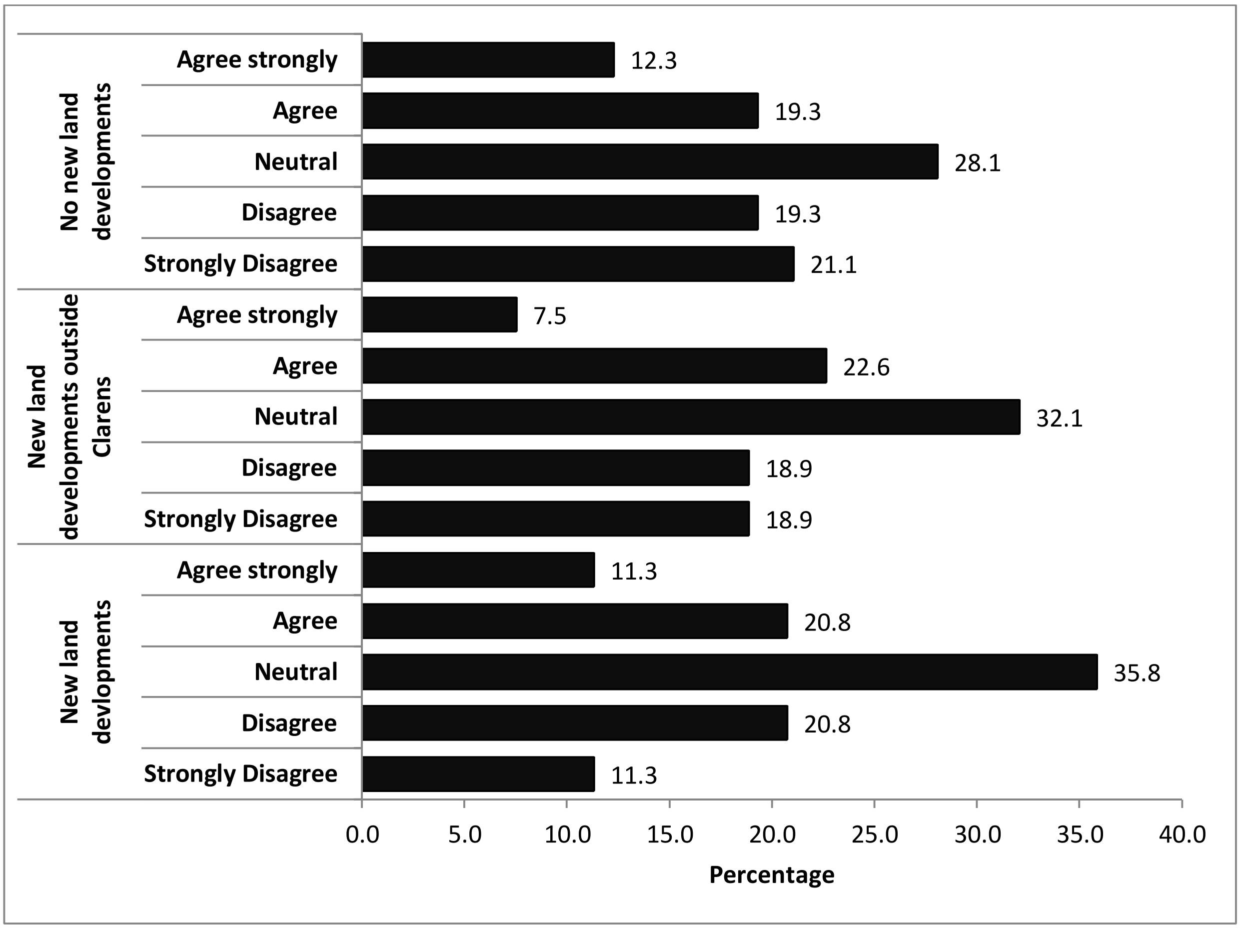


Figure 22: Perceptions of land development in Clarens, 2010

As shown in the table above, the viewpoints of business respondents regarding new land development were rather mixed. The most common response given by the Clarens business respondents was a neutral opinion about the possibility of new business developments either inside (35.8%) or outside (32.1%) of Clarens. In addition, the largest number of respondents were also neutral (28.1%) about whether no land development should take place at all. The opinions of respondents that were not neutral regarding land development inside or outside Clarens were fairly equally distributed between being either for development or against it.

The reluctance of some respondents in supporting development was further highlighted when they were asked to indicate if they support the idea of opening more chain stores in Clarens. The vast majority (75.0%) of respondents were totally against the idea of chain stores being allowed in the

Clarens area. These respondents felt that Bethlehem was close enough (less than 40 km away) for those tourists that needed to shop at these stores. A further 18.8% stated that a careful selection of chain stores could be beneficial for Clarens while only 6.3% said that all chain stores should be allowed to open up in Clarens. Selected food stores that would be approved of by the respondents were Woolworths Food, banks, a mini Pick 'n Pay and Spar.

Conclusion

The conclusion is divided into three sections. Section 1 deals with risks faced by the Clarens tourism industry. Section 2 considers potential growth areas and section 3 discusses the need for continuous monitoring and evaluation.

Risks

The following risks should be acknowledged and addressed:

- Access roads to Clarens need to be well maintained. It was the item rated the lowest by visitors while business owners also noted it as a risk factor.
- There is risk that Clarens could over-develop and become commercialised. There are some early indications from visitor feedback that this is indeed the case and some business owners have also warned about this aspect. The fact that nearly one quarter of the visitors chose Clarens for scenery, tranquillity, mountains and beauty and that nearly 50.0% of visitors noted these as some of the most positive aspects of Clarens should be a reminder that the place cannot afford to lose these attributes. Approximately 15.0% of visitors noted that Clarens did not meet their expectations and the lack of "peace and quietness" was an important consideration in this respect.
- Although nearly 53.0% of overnight visitors did not consider other destinations, 47.0% did. This is an indication that household decision-makers do weigh their weekend tourism experiences and would consider other destinations should they not be satisfied.
- Another risk is the fact that a significant percentage of respondents indicated that Clarens was either expensive or overcrowded or that they had experienced bad service or food. The latter should be managed pro-actively and a competition related to service between restaurants and accommodation establishments might help to improve the situation.
- The fact that there is currently no common vision about the future of tourism in Clarens is problematic. It seems that such a common vision should be built around the scenery, quietness and arts. However, other activities could also be offered in such a way that they do not interfere with the above three aspects. A common agreement on a vision should include both the private and public sectors.

- The lack of an effective and appropriate signage system in town impacts negatively on the town architecture and accessibility of the town.
- Although town infrastructure currently seems to be appropriate (maybe with the exception of road maintenance), effective long-term management of this infrastructure is required – one of the reasons why Dullstroom's popularity as a weekend tourism destination has declined is the sporadic water shortages that the town experienced.

Potential

A number of comments should be made about the potential to grow the tourism market in Clarens:

- The weekend tourism market seems to be fairly well filled, but more beds could be filled during the week. Three aspects should be considered in this respect: foreign tourists, older tourists and mid-week conferences.
- The fact that word-of-mouth recommendations and having visited before are the most common reasons why visitors mentioned choosing Clarens suggests that a specific effort should be made to ensure that service quality in town remains high.
- In an increasingly technological environment, the Internet and other electronic media are crucial in marketing and booking processes.
- Enjoying the art scene is a small but a consistent theme running through visitors' responses. Ways to enhance the art experience and increase the demand for this niche area should be considered.
- Investigate ways to access the emerging black tourism market.
- The concept of "a safe weekend" might be helpful in marketing material.

Aspects for M&E

Tourism has become a competitive industry. Not only do tourist destinations compete with one another, but tourist destinations are also competing with events linked to certain destinations. In this regard, continuous market research and monitoring and evaluation are crucial. There is a range of low-cost initiatives that could be used, but a public-private partnership is critical in respect of monitoring and evaluation of the tourism industry. The knowledge gathered through these processes should help to position Clarens in the larger South African market. A more detailed study such as this one is probably not required on an annual basis, once every 5/6 years should be sufficient. The following provides an idea what could be done annually, every three years and every five years.

- Annually: 1) A visitor rating questionnaire to be distributed at the various guesthouses (2) A business confidence survey similar to the one in this report.

- Every three years: 1) Include an infrastructure rating questionnaire for visitors (2) Include a business infrastructure survey.
- Every 5/6 years: A full study such as this one.