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Towards a tourism development strategy for the Free State Province

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Towards a tourism development strategy for the Free State Province

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Executive Summary

The core tasks of this research are twofold:

- First, to gather relevant data to understand the dynamics and nature of the tourism economy of the Free State Province, and the challenges that confront it.
- Second, to provide the basis for an action plan, and a set of strategic development interventions, to assist tourism service providers, and to maximize the impact of tourism development within provincial economic planning.

The research approach that was used involved several stages of analysis:

- First an outline of the importance of tourism as an economic activity in South Africa, and the Free State in particular, is provided.
- Second, the current policy frameworks that guide tourism development in South Africa and the Free State are analysed.
- Third, a review of the domestic tourism structure is made.
- Fourth, a detailed description and analysis of current tourism trends, with specific attention to international and domestic tourism flows in South Africa and the Free State, is given.
- Fifth, a macro-analysis and profile of the tourism economy in the Free State is provided.
- Sixth, an analysis is given of the key features of the most important role-players in the Free State tourism system.
- Seventh, a sector-specific analysis is provided of the main obstacles and support structures sought by tourism product providers in the Free State.
- Eighth, a location and sector specific tourism development strategy is provided for the Free State province.

The results of the study are presented in four chapters of material:

Following the introduction provided in Chapter 1, Chapter 2 presents a background to understanding tourism development in the Free State. Two main objectives were set to achieve that goal. Firstly, the chapter describes and analyses the existing institutional environment that affects the development of the tourism system in the Free State. Here it is highlighted that although there are a number of national level policy frameworks and associated institutional structures that support tourism development, there is a total lack of such support at the provincial level. Secondly, the chapter describes and analyses the international and national tourism trends and assesses their relevance to the Free State Province. The main findings in this section of the report are that tourist flows to the Free State from outside South Africa are negligible, whilst the domestic tourism market provides some limited support for the Free State in terms of mainly weekend visitation, and in the form of Visiting Friends and Relatives (VFR) tourism.

Chapter 3 is informed by empirical data gathered during May to July 2004. Drawing on a sector stratified random sample a total of 141 interviews (of between 15 and 45 minutes), ranging across all tourism product providers and institutions, were conducted. The semi-structured questionnaire survey covered between 25 and 30 individual items. Against this backdrop Chapter 3 provides an overview and analysis of the current state of the tourism economy in terms of the tourism product. More specifically, it describes what types of tourism products are on offer, in which locations in the Free State Province. Other questions this analysis aims to address relate to who the tourism product providers are, how their enterprises function and what types of obstacles and opportunities they feel are presented to the provincial tourism economy.

Chapter 3 reveals that the Free State tourism product is limited and concentrated in three regions – Bloemfontein, the Clarens area and Parys. The tourists are overwhelming domestic tourists from Gauteng who are either undertaking business visits (i.e. to Bloemfontein) or taking weekend breaks (i.e. in Clarens or Parys). The main tourism product relates closely to the natural beauty of the Eastern Free State and the tranquility of the Vaal River system in the Northern Free State. Perhaps the most worrying finding concerns the tourism product(s) of the Free State and the overwhelming inability of tourism system participants to define their tourism product(s), or the main attraction of their locality or broader region. The largest proportion of the tourism product providers are tourist accommodation suppliers – usually in the form of guesthouse and bed-and-breakfast establishments. The second most important sector of the Free State tourism system revolves around food services and provision. The tourism system is near exclusively white owned, by entrepreneurs who are pursuing tourism as a second and/or secondary career. On the whole very few tourism product providers have formal training in tourism. The tourism product providers identified a number of obstacles that inhibit tourism expansion in the Free State, and for their businesses in particular. However, the key constraint identified regarding the expansion of tourism development relates principally to the significance of enhanced tourism marketing of the province and the improvement of physical and human infrastructure for tourism development.

Chapter 4 provides key recommendations drawn together from the results of the research reported in Chapter 3. This final chapter is prefaced with a review on "how tourism works". It is deliberately placed towards the end of the report, so as to remind us that: i) tourism is a commercial activity in the first instance; ii) tourism involves the consumption of experiences; iii) tourism is entertainment; iv) tourism is not necessarily benign and may have negative consequences; v) tourism is a demand driven activity that is difficult to control; vi) and that not all natural, cultural, heritage or historical assets are tourist attractions. Moreover, emphasis is placed on the fact that access and proximity dictate the potential number of visitors and that time availability influences the quality and depth of tourism experiences sought by visitors. It is in this context that the main part of Chapter 4 proceeds to develop a tourism development strategy. Key issues here relate to the focusing of the tourism product in terms of its geographic scale and tourism type(s). It is argued that large parts of the Free State cannot reasonably be seen as tourism destination regions. Three key areas of tourism expansion are identified: the Northern Free State focused on Parys and its surrounds, the Eastern and Southern Free State focused on the Clarens-Lesotho axis, as well as surrounding towns, and Bloemfontein. The main recommendations for a tourism development strategy are summarized below.

At the general level:

- The marketing of the province must be improved - as a priority.
- Focus tourism marketing of the Free State on those attractions that are truly unique to the province.
- Focus tourism products in the Free State on travel agencies outside the province. Bring travel guides and tour operators to the Free State to demonstrate its unique tourism products;
- The road infrastructure connecting the Free State destination regions of the Eastern and Southern Free State should be upgraded dramatically to facilitate weekend visitation from Gauteng.
- The road infrastructure connecting Lesotho to the border towns of Ladybrand, Ficksburg and Fouriesburg must be improved to encourage cross-border shopping.
- The road infrastructure connecting Bloemfontein to Maseru should be improved to encourage weekend shopping.
- The provincial government must have an ongoing, constantly updated database that can measure what types of tourism products are available and how they are utilised.
- The provincial government and local authorities must develop “one-stop” information units within the relevant line-departments that can assist both existing and prospective tourism entrepreneurs in the development of their enterprises.

- All developments must be critically analysed as to how they enhance the tourism product of a town or city.
- The provincial government must have a body that can monitor the aesthetic value of building developments, particularly where they are near current tourism products such as museums and historical building sites;
- A dedicated official, available on a full-time basis, has to be provided at the local/district government level. These officials must have training in tourism promotion and know how the tourism system works.
- Support tourism initiatives and entrepreneurs that generate large forward and backward economic linkages such as conferences and nature-based tourism route formats.

For the Conference Market:

- Assist the Mangaung municipality in the financing and planning of good, secure parking near venues such as the Civic Theatre and the Sand du Plessis Theatre complexes;
- Continuously up-date maps of Bloemfontein;
- Ensure that the streets around the conference venues are in good order and clean;
- Make sure tourism marketing material is up to date and easily accessible; and
- Negotiate improvements to the Bloemfontein airport.

For the Festival Market:

- Make sure that the theatre complexes are adequately resourced to remain desirable venues for artists to perform in;
- Support productions that are either unique to the Macufe and Volksblad Arts Festivals, or premiere at these events; and
- Market the Macufe and Volksblad Festivals in other provinces.

For the Route Tourism Market:

- The tourist routes in the Free State need to be simplified;
- Free State tourist routes have to be marketed at appropriate locations outside the province; and
- Tourist routes need to be focused on a theme and have associated ancillary attractions.

For the Guesthouse and Bed-and-Breakfast sector:

- Improve the marketing of the Free State;

- Provide clear outlines of how local rates and taxes apply to guesthouses;
- Provide clear signage;
- Consider local government rates and taxes restructuring to lower costs of guesthouses; and
- Improve and maintain local infrastructure.

For the *En route* market:

- Refueling and resting stops along the main highway network must offer tourist information; and
- The stops have to offer the tourists something unique to the province to buy.

For the International Market:

- The provincial government should design an appealing and focused alternative travel route for overseas visitors so as to encourage movement through the Free State to the Garden Route *en route* to Cape Town; and
- Alternative tourism packages should be marketed among the appropriate travel agents.

For the Hotel sector:

- Better marketing of the Free State; and
- Better Signage.

For the Nature Reserve sector:

- Improve provincial road infrastructure.

Chapter One

Introduction

1.1 Background to the project

The importance of the tourism system for economic development in the Free State has been clearly acknowledged in the development strategies and plans for the province. Despite the recognition of the potential significance of the tourism system for economic development there have been few detailed and comprehensive studies of the structure, dynamics and potential opportunities of tourism development in the Free State. Moreover, the research that has appeared tends to be extremely narrow in sectoral and/or spatial focus. This in turn renders it unhelpful in terms of a more general understanding of the tourism system of the Free State. In the context of such limitations, and in particular the lack of detailed research covering the tourism sector as a whole, strategic planning for tourism development in the Free State is difficult to undertake.

1.2 Purpose of the project

The core tasks of this research project are twofold:

- To gather relevant data to understand the dynamics and nature of the tourism economy in the Free State and the challenges that confront it.
- To provide the basis for an action plan and a set of strategic development interventions to assist tourism service providers, and to maximise the impact of tourism development within provincial economic planning.

1.3 Objectives of the project

The core objectives of the research are to:

- Describe and analyse international and national tourism trends and assess their relevance for the Free State Province.
- Describe and analyse the existing institutional environment that affects the development of the tourism system in the Free State.
- Describe and analyse the dynamics and nature of the contemporary tourism system in the Free State.

- Research the contemporary development challenges facing the provincial tourism economy.
- Assess the future potential of tourism development in the Free State.
- Present a range of tourism development strategies that might assist in the development of the Free State tourism system.
- Present alternatives to the current tourism activities in the Free State, such as locations to visit that are not presently on the tourism map of the province.

1.4. Questions for investigation and research approach

The research questions to be addressed here are directly related to the above project objectives. The research approach and research outputs relate to the core questions of the investigation.

- The research approach begins from the basis that at the national level a growing body of research has been undertaken on the general issues concerning tourism development in South Africa. The aim of the research will be to survey the national context, with particular reference to the specifics of the Free State tourism system.
- As the objective is to inform the development of recommendations specific to the Free State province, a more focused approach will be adopted towards the research investigation, informed by existing national and international research relevant to the local context. Overall, the research approach will involve two major sets of research, each of which will have a number of sub-tasks.
- The first task will be to research and map out the existing institutional and enabling environment which affects the development of tourism in the Free State. This task will involve the following: (1) an analysis of the national support environment in terms of its impact upon tourism development in the Free State; and (2) an analysis of the specific institutions and support frameworks at the provincial and local level for supporting tourism development in the province.
- The second and major task of the research will be the mapping and analysis of the current tourism system in the Free State province. This task will involve the following: (1) a description of the current range of tourism specific enterprises in the Free State province which will lead to a sector breakdown of enterprises, focusing specifically on tourism product provision; (2) an analysis of the key characteristics of these sectors in terms of ownership-base, size, distribution, income, employment

generating capacity; (3) an analysis of the key challenges and opportunities facing these enterprises.

- The third task of this research will be to provide a range of recommendations, in the light of the findings of the preceding two objectives.

1.5 Data Sources and Methodology

As compared to other economic sectors, such as agriculture, manufacturing or mining for which there is considerable official data at the national level, the tourism sector is distinguished by the poor state of official data collection. It is, therefore, not surprising that at the provincial level there is minimal official information upon which to provide a macro-analysis of the tourism economy of the Free State. Given this context the first major task of this investigation was to compile a comprehensive listing of tourism product providers. This information was collected from the *Free State Directory*, the *Yellow Pages and Phone Book*, the *Africa Dream Project*, the information offices of the Free State local authorities and *South African Tourism's* web-directories. This is, as far as we are aware, the most complete dataset for the Free State tourism system (see Appendix A). It has to be noted that the methodology used might have led to certain tourism product providers being over-looked. On the other hand, however, the methodology works on the same basic search behaviour of potential tourists. Thus, should contact details "be hidden" from public view, the businesses are probably not clearly focused on tourists. To facilitate the analysis of data the province was divided into four regions: Eastern Free State, Goldfields, Northern Free State and Transgariep. Appendix B shows which towns and cities were grouped together. This data was augmented with survey material collected during June and July 2004.

The further analysis presented in this report is developed from interviews conducted with tourism product providers. These results draw upon 141 interviews which were conducted randomly during June and July 2004 across all sectors of the 888 tourism product providers identified in the Free State. In terms of the tourism enterprises the focus of the interviews was upon the organization, development and problems of tourism enterprises operating in all spheres of the provincial tourism economy. In conducting the survey a deliberate attempt was made to get as many views as possible so as to capture as wide a range of opinions as possible on core issues surrounding the provincial tourism economy (see Chapter, 3 Tables 4 and 5). An important shortcoming in the survey was that no black tourism enterprise owners were willing to participate in the research. The contact details in the product listings suggested that around 40 of the nearly 888 tourism product providers are black owned. This means that less than 5% of tourism enterprises in the Free State are black owned and that the tourism system of the province is in the main “a white owned” industry.

1.6 Chapter Outline

Following the introduction provided in Chapter 1, Chapter 2 provides a background to understanding tourism development in the Free State. Two main objectives were set to achieve that goal. Firstly, the chapter describes and analyses the existing institutional environment that affects the development of the tourism system in the Free State. Here it is highlighted that although there are a number national level policy frameworks and associated institutional structures that support tourism development, there is a total lack of such support at the provincial level. Secondly, the chapter describes and analyses international and national tourism trends and assesses their relevance to the Free State Province. The main findings in this section of the report are that tourist flows to the Free State from outside South Africa are negligible, whilst the domestic tourism market provides some limited support for the Free State in terms of mainly weekend visitation, and Visiting Friends and Relatives (VFR) tourism.

Chapter 3 is informed by empirical data gathered over a three month period. The survey data consists of a sector stratified random sample. A total of 141 interviews ranging across all tourism product providers and institutions, and lasting some 15 to 45 minutes each, were conducted. The semi-structured questionnaire survey covered between 25 and 30 individual items. Against this backdrop Chapter 3 provides an overview and analysis of the current state of the tourism economy in terms of the tourism product. Moreover, it describes what types of tourism products are on offer, and in which localities in the Free State Province. Other questions this analysis aims to address relate to who the tourism product providers are, how their enterprises function and what types of obstacles and opportunities they feel are presented to the provincial tourism economy.

Chapter 3 reveals that the Free State tourism product is limited, and concentrated in three regions – Bloemfontein, the Clarens area and Parys. The tourists are overwhelming domestic tourists from Gauteng who are either on business visits (Bloemfontein) or taking weekend breaks (Clarens and Parys). The main tourism product relates closely to the natural beauty of the Eastern Free State and the tranquility of the Vaal River system in the Northern Free State. Perhaps the most worrying finding relating to the tourism product(s) of the Free State, was the overwhelming inability of tourism system participants to define their tourism product, or the main attraction(s) of their locality or broader region. The largest proportion of the tourism product providers are accommodation suppliers – usually in the form of guesthouse and bed-and-breakfast establishments. The second most important sector of the Free State tourism system is the restaurant trade. The tourism system is almost exclusively white owned, by entrepreneurs that are pursuing tourism as a second or secondary career. On the whole very few tourism product providers have pertinent formal training. The tourism product providers identified a number of obstacles that prevent tourism expansion in the Free State, and for their businesses in particular. However, the key constraint on the expansion of tourism development relates principally to the significance of enhanced tourism marketing of the province and the improvement of the physical infrastructure and human capital for tourism development.

Chapter 4 provides key recommendations drawn together from the results of the research reported in Chapters 2 and 3. This final chapter is prefaced with a review of "how tourism works". It is deliberately placed towards the end of the report, so as to remind the reader that: i) tourism is in the first instance a commercial activity; ii) tourism involves the consumption of experiences; iii) tourism is entertainment; iv) tourism is not necessarily benign and can have negative as well as positive outcomes; v) tourism is a demand driven activity that is difficult to control; vi) not all natural, cultural, heritage or historical assets are tourism attractions. Moreover emphasis is placed on the fact that access and proximity dictate the potential number of visitors and that time availability influences the quality and depth of tourism experiences sought by visitors. It is in this context that the main part of Chapter 4 then develops a tourism development strategy. Key issues here relate to the focusing of the tourism product in terms of its geographic scale and location. It is argued that large parts of the Free State cannot reasonably be seen as tourism destination regions. Three key areas of tourism expansion are identified: the Northern Free State focused on Parys and its surrounds, the Eastern and Southern Free State focused on the Clarens-Lesotho axis, as well as surrounding towns, and Bloemfontein.

Chapter Two

An analysis of current tourism trends in South Africa and the Free State

2.1 Introduction

The specific task of this chapter is to provide a background for understanding tourism development in the Free State. This task has two objectives:

- To describe and analyse the existing institutional environment that affects the development of the tourism system in the Free State; and

- To describe and analyse international and national tourism trends and assess their relevance for the Free State Province.

These objectives are addressed in five sections. The first section provides a general outline of the importance of tourism as an economic activity in South Africa and the Free State. Thereafter, attention is focused on the current policy frameworks that guide tourism development in South Africa. The third section reviews the latest domestic tourism segmentation research. In the fourth section a detailed description and analysis of current tourism trends with specific attention to international and domestic tourist flows to South Africa and the Free State is given. The final section reviews the key findings of the previous sections.

2.2 Tourism in South Africa: Some introductory notes

It is important to clarify the boundaries of tourism and the tourism sector. The tourism sector is seen as a socio-economic activity with major multi-sectoral linkages and job creation capacities. The World Travel and Tourism Council draws an important distinction between the travel and tourism industry and the broader travel and tourism economy. The travel and tourism industry is seen essentially as the tip of an economic iceberg and comprises transport, accommodation, catering, entertainment and related activities. The travel and tourism economy encompasses all the associated sectors of manufacturing, construction or services which are linked to, and thus impact on, the travel and tourism industry (Rogerson, 2002, 23). Against this backdrop the World Travel and Tourism Council (2003) calculated that South Africa’s travel and tourism system generated R108 billion of economic activity (total demand) in 2002. The industry is reported to have had the following *direct* impacts:

- 492 700 jobs are maintained through this economic system, representing 3 per cent of total employment; and

- R 31.1 billion of the Gross Domestic Product (GDP), equivalent to 3 per cent of the total GDP.

However, since the travel and tourism system touches upon all sectors of the economy, its real impact is far greater. South Africa's travel and tourism economy *directly* and *indirectly* accounts for:

- 1 148 000 jobs, representing 6.9 per cent of total employment;
- R 72.5 billion of GDP, equivalent to 7.1 per cent of total GDP;
- R 42.8 billion of exports, services and merchandise or 12.5 per cent of total exports;
- R 17.1 billion of Capital Investment, or 10.3 per cent of total investment; and
- R 920 million of Government Expenditure, or a 0.5 per cent share.

Moreover, the World Travel and Tourism Council argues that over the next ten years South Africa's travel and tourism system is expected to achieve annualised real growth of:

- 5.1 per cent in travel and tourism GDP, R 84.8 billion in 2012 for the industry directly and up to R194.3 billion for the travel and tourism economy overall (this figure includes direct and indirect expenditure);
- 3.3 per cent in travel and tourism employment to 679 200 jobs directly in the industry and 3.1 per cent to 1 555 300 jobs in the travel and tourism economy overall;
- 4.8 per cent in total travel and tourism demand to R 288.5 billion;
- 4.7 per cent in visitor exports, rising to R 86.2 billion;
- 5.2 per cent in terms of capital investment, increasing to R47 billion; and
- 1.6 per cent in terms of government expenditure to R1.8 billion.

The Free State province has, through its *Free State Development Plan 2002/2005*, indicated its intention to capture a greater share of the tourism system and its benefits, particularly in terms of employment creation and capital investment. Currently, research by Urban-Econ (2004) provides some insight into the province's tourism sector. That research worked from the assumption that one of the main elements in the "Trade and Catering Sector" in the Free State economy is tourism. According to their investigation this sector makes an intermediate contribution to the provincial economy of approximately 10 per cent. Moreover, it is suggested that the sector is fairly labour intensive with the relative contribution towards the economy and employment generation being roughly the same. In real employment opportunities this equates with around 60 000 jobs. Production levels in the trade and catering sector have shown some fluctuation over the past decade but the general trend is downward. The sector depends largely on the spending power of the local community and is therefore a function of the aggregate regional economy. In the case of the Free State, the aggregate economy has contracted over the past decade, which explains the negative growth in the trade and catering sectors, and ultimately tourism.

The provincial government recognises that the Free State is currently not accessing the tourism system with any particular success. It is in fact losing ground on this front whilst, in general, dramatic strides have characterised the tourism system at national level. Consequently, in terms of the development of the local tourism system, the provincial government has set the goal of increasing its share of national tourism by two per cent and, in the Free State GGP, by five per cent over the next two years.

The achievement of such investment and higher levels of direct and indirect job creation is linked to an expansion of tourist numbers, both domestic and international, which is in turn conditional upon the establishment of appropriate policy frameworks to guide the development of South Africa's tourist industry generally and of the Free State in particular.

2. 3 South African tourism policy frameworks since 1994

Until the early 1990s the South African tourism industry was in a state of crisis, beset by problems such as under-investment and low numbers of international tourists arrivals. South Africa's tourist potential could not be effectively realised in a situation where international tourists refused to visit South Africa because of its apartheid policies. In addition, at national level, it was suggested that mistakes made in past policy frameworks aggravated the situation. Because of the unfavourable international and national policy environment that confronted the industry, it is apparent that "tourism development in South Africa has largely been a missed opportunity" (Rogerson, 2002a, 33). In order to address this position, new policy frameworks have been put in place since 1994.

The institutional lacuna in which earlier tourism development took place was addressed through the 1996 national *White Paper on The Development and Promotion of Tourism in South Africa* (1996) and in 1998 by the *Tourism in GEAR* strategy document (South Africa, 1996, 1998). Together these government documents produced by the Department of Environmental Affairs and Tourism (DEAT) furnish the key policy foundations for developing the tourism industry in post-apartheid South Africa (Rogerson 2002a). In the post-1994 period tourism is recognized as a key activity for national economic development and a crucial stimulus for achieving the objectives of the South African government. One of the most important aspects of the appearance of these policy documents was the clear identification of a range of obstacles that hindered tourism in the national economy. Central constraints relate, among others, to the following:

- tourism had been inadequately resourced and funded by government;

- the short-sightedness of the private sector towards the nature of the South African tourism product;
- the limited integration of local communities and of Black South Africans into tourism;
- inadequate or non-existent tourism training, education and awareness;
- inadequate protection of the environment through environmental management;
- the poor level of service standards within the industry;
- the lack of infrastructure in rural areas;
- the lack of appropriate institutional structures; and
- the immediate problem of violence, crime and security (Rogerson, 2002).

In identifying these blockages in the South African tourism economy and subsequently addressing these issues, national government aims to provide pointers to a new tourism economy through the promotion of "responsible tourism" (South Africa 1996, 1998). Overall key objectives envisaged for South African tourism are:

- tourism will be private sector driven;
- government will provide the enabling framework for the industry to flourish;
- effective community involvement will form the basis of tourism growth;
- tourism development will be underpinned by sustainable environmental practices;
- tourism development is dependent on the establishment of co-operation and close partnerships among key stakeholders; and
- tourism will be used as a development tool for the empowerment of apartheid's neglected communities and should particularly focus on the empowerment of women in such communities (Rogerson, 2002).

Subsequently, *Tourism in GEAR* (Growth, Employment and Redistribution) set forth to consolidate these objectives within a neo-liberal economic policy environment. This document is of particular interest as in initial post-apartheid economic planning, tourism was something of an afterthought and omitted entirely from the country's key macro-economic framework document (Rogerson 2002). The "discovery" of tourism's potential as an economic driver was based on several features, including:

- the comparative advantages of South Africa's natural and cultural resources;
- the fact that South Africa's tourism attractions complement global trends toward alternative tourism;
- the ability of tourism to attract substantial private sector investment, as well as to accommodate small enterprise (SMME) development;
- the employment-intensive nature of tourism;

- its potential catalytic role for major infrastructure investment;
- its ability to stimulate linkages with other production sectors; and
- its value as an export earner.

Overall, the essential vision of the document was to support the development of the tourism sector as a national priority in a sustainable and acceptable manner so that it will significantly contribute to the improvement of the quality of life of every South African (Rogerson 2002a).

The most recent addition to the government's policy arsenal has been the publication of the *Responsible Tourism Guidelines* (DEAT 2002), which has subsequently been reworked into the *Responsible Tourism Handbook: A Guide to Good Practice for Tourism Operators* (DEAT 2003a). These important guidelines include a series of quantified targets for the tourism sector to aim for, as a means of addressing the objectives the 1996 White Paper set in relation to the triple bottom line of sustainable development (i.e. economic, environmental and social sustainability). For example, in terms of prioritising opportunities for local communities, three significant guidelines are flagged for the private sector to engage in responsible tourism:

- to develop partnerships and joint ventures in which communities have a significant stake and, with appropriate capacity building, a substantial role in management. Such partnerships should take note of the fact that communal land ownership can provide equity in enterprises.
- private sector enterprises should buy locally made goods and use locally provided services from locally owned businesses wherever quality, quantity, and consistency permits. In addition, they should monitor the proportion of goods and services that the enterprise sources from businesses within a 50km radius and set a 20 per cent target for improvement over three years.
- enterprises should recruit and employ staff in an equitable and transparent manner and maximise the proportion of staff employed from the local community, once again, setting targets for increasing the proportion of staff and/or of the enterprise wage bill going to communities within 20km of the enterprise (DEAT 2002, 2003a).

Whilst providing practical guidance as to what South Africa's "new" or "responsible" tourism system should constitute, these recent policy documents reiterate the importance of addressing key strategic challenges as were earlier identified by The Cluster Consortium (1999) and in DEAT's (2000) publication *Unblocking Delivery in Tourism*:

- to sustain growth in tourism arrivals and in particular in visitor numbers from high-yield tourism sources;

- the importance of stimulating and supporting emerging tourism entrepreneurs and maximising opportunities for the SMME sector;
- the centrality of integrating tourism development with strategic frameworks for infrastructure investment;
- to ensure a quality tourism experience, quality products and services;
- to create an overall environment which is conducive to the growth of the tourism industry; and
- it is stressed that a number of fundamental structural challenges also confront the South African tourism industry which include questions of leadership, ownership and job creation.

From an institutional point of view, tourism and the environment are linked at national level under the Ministry of Environmental Affairs and Tourism. Until 1995 the tourism leg was largely neglected and was able only to provide skeletal and administrative functions. After 1996 the importance of the role of tourism in South Africa was slowly realised and more effort and financial resources were put into tourism. SATOUR, which was associated with the old focus on privileged tourism, was restructured to accommodate new realities, especially to promote the interest of previously disadvantaged groups, and was renamed South African Tourism. Although recent, these changes are already making a difference. Increased budgets and greater cooperation between the private sector and government have resulted in aggressive, tangible and visible marketing campaigns, the highlight being the "Welcome campaign" that was launched in major overseas markets. Some of the more specific programmes providing institutional support for tourism business now come into view.

2. 4. Institutional support for tourism development in South Africa

The national government has developed a range of programmes designed to assist existing tourism businesses, as well as tourism business entrepreneurs (DEAT, 2003b). As pointed out above, South Africa's current tourism system has developed in a very uneven manner. Moreover, one of the greatest challenges in South African tourism is to transform this economic sector so as to benefit a broader spectrum of South Africans. Consequently, during the course of 2003 significant work on business support and development was undertaken under the auspices of the Transformation Forum and the Department of Environmental Affairs and Tourism which was strengthened through broadened representation to include SA Tourism, SANParks, South African Local Government Association (SALGA) and the provinces (DEAT, 2003b). Work on business support and development consists of the following:

- *Tourism Enterprise Programme* (TEP) is an initiative of the Business Trust and implemented on its behalf by a private contractor and a number of designated sub-contractors in some of the provinces (Free State, Gauteng, KwaZulu-Natal, Mpumalanga and Western Cape). The main aim of the TEP is to encourage and facilitate the growth and expansion of tourism enterprises in response to the increasing demand for tourism activity. TEP assists large operators, investors, SMMEs and HDE's to identify viable linkages or business opportunities. Resources are then tapped to realise these opportunities. This often includes assisting the SMME in question to obtain the requisite professional services such as ISO/SABS quality certification, debt and equity finance, proper business planning, packaging, legal advice, technology needs and marketing. TEP has a Training and Technical Assistance Fund (TTAF), which is utilised on a cost-sharing basis with the enterprises (DEAT, 2003b).
- *Support Handbook*: This handbook provides tourism businesses with a comprehensive list of support services (training, mentorship, etc) that are available to tourism SMMEs (DEAT, 2003b).
- *Funding Review*: The objectives of the project are to assess existing funding and support instruments available to tourism business in South Africa and to provide concrete recommendations and action plans to relevant stakeholders on the interventions required to enhance the effectiveness of these instruments (DEAT, 2003b).
- *Black Business Database*: The DEAT, through TEP, is engaged in the establishment of a black business database in collaboration with South African Tourism. This database will ensure that these businesses are marketed, that they receive the necessary capacity building intervention and that they secure procurement opportunities from government. TEP will also assume responsibility of undertaking quality assurance on the HDI products through the facilitation of grading by the Tourism Grading Council of SA (TGCSA) on a cost sharing basis between TEP, TGCSA and the enterprise. Once the database has been quality assured, the graded establishments will obtain the benefit of being accessed first on the SA Tourism website (DEAT, 2003b).
- *Transformation and Empowerment Index*: The level of ownership or management of tourism companies by black South Africans remains a crucial element of transformation and empowerment that needs to be determined, measured and monitored. To this end a Transformation and Empowerment Index will be developed with the Tourism Business Council of South Africa (DEAT, 2003b).

- *Theta*: The Tourism, Hospitality and Sport Education Training Authority (THETA) and the Department of Labour have instituted the Tourism Leadership Project aimed at boosting training and skills in the tourism and hospitality sector (DEAT, 2003b).

These programmes and projects have had, in some cases, significant success while in others the programmes have not had time to prove themselves yet. These are national programmes and can be accessed by qualifying businesses in all provinces. The Free State province itself does not appear to have dedicated institutional support systems for tourism development.

2.5 South African Tourism's Segmentation Research

Since 2000, the tourism promotion parastatal, South African Tourism (SAT), has commissioned a number of investigations into the local tourism system, to find ways in which it might assist in developing the tourism economy. The research has been far-reaching for the development of both the international and regional tourism markets of South Africa. A detailed analysis of SAT's international tourism segmentation research and its implications for the South African tourism economy is reported elsewhere (Visser, 2003). Suffice it to say here that an important set of results in the market segment descriptions relates to the specific geographical regions that potential tourists see as essential to a trip to South Africa, and the travel programmes SAT have subsequently developed in the light thereof.

In terms of the geographical locations of the identified market segments' preferred travel programmes, it was found that at the national level they are highly concentrated in one province: the Western Cape. Indeed, of the 27 categories, 23 included activities that were focused on the Western Cape, with only 12 in Gauteng, eleven in Mpumalanga, nine in KwaZulu-Natal and just two in the Eastern Cape. What is clear is that provinces such as the Free State, Limpopo, Northern Cape and the North-West are totally excluded. The main implication of the international tourism segmentation exercise is that the travel programmes that SAT has developed exclude the Free State. But it also says something about how overseas visitors view South Africa and what regions they deem important for a "South African experience". The Free State is simply not important to international tourists in terms of the "best to be seen region". As the travel programmes have been designed around tourist demand, the marketing of SAT internationally will follow on from that demand. This will only perpetuate the Free State province's already marginal position in terms of international tourism.

More important to the Free State is the recently completed domestic market segmentation exercise (DEAT, 2004a, 2004b). DEAT (2004a, 4) argues that the development of the domestic tourism sector can assist growth in the country and its regions' GDPs, create employment and assist in the more general transformation of the national and regional economy. It is suggested that these objectives can be attained through the development of the domestic tourism market because it addresses key issues in the tourism system. Higher levels of domestic tourism can in their view:

- increase expenditure, through more trips, increasing the length of stay and average trip expenditure;
- assist in the reduction of seasonality by encouraging year round travel;
- improve the geographic spread of tourists by including more destinations and activities; and
- increase volumes, which is necessary for the South African tourism industry to grow (DEAT, 2004a, 4).

Domestic tourism markets do not consist of homogenous travellers. There are different types of people, not least in a country with great variations in cultural, social and economic characteristics. Thus, they have different demands in terms of how they engage tourism and leisure. These differing groups of people have diverse current and strategic values in terms of meeting future tourism objectives. South African Tourism (DEAT, 2004a, 9) argues that to segment the market, they have grouped people in terms of their travel behaviour, media consumption habits and lifestyle, providing a more in-depth knowledge and understanding of how different tourist destinations appeal to different tourist cohorts. On the whole, the research is mainly concerned with the segmenting of the South African domestic market with a view to assisting provincial and local governments in delivering focused marketing strategies and maximising the effectiveness of their marketing expenditure. In the case of this particular research, however, SAT does not design travel programmes from the research but leaves this task to provincial and local governments. A brief review of segmenting research results is now presented.

South African Tourism (DEAT, 2004a, 10-16) reviewed the consumer segments according to when they usually travel, how often, what they spend and the overall size of each segment. Three broad categories consisting of specific market segments, were identified:

- Established segments (see Table 1): They include the so-called "Independent young couples and families", as well as the "Golden Active Couples" segment (see below for a detailed description of this segment). These segments currently spend R8.9 billion on holidaying. They include those South Africans who travel domestically and who generally have more knowledge and understanding about tourism products around the country than the other segments. However, they can still be enticed to spend more, and visit other areas of South Africa.

- Emerging segments (see Table 2): These include three sub-markets, the so-termed "Young and upcoming", "Well-off homely couples", and the "Striving Families" segments. These segments currently spend R7.5 billion on holidaying.
- Untapped Segments (see Table 3): They include the "Home based low income couples" and "Basis need older families" segments. These segments currently spend around R1.7 billion on their holidays and include low income travellers who generally travel for purposes other than for a holiday. For these consumers, a holiday may seem out of their reach and a low priority in terms of their needs.

South African Tourism (DEAT, 2004, 10) argues that in each of these segments there is an opportunity to unlock value and stimulate growth. By understanding the needs of each segment, provincial and local authorities and the travel industry will be able to provide information, new products affordable to the various segments, and relevant communication to instil a greater culture of holiday travel.

Table 1: Established segments (DEAT, 2004a,11-12; 2004b)

	Segment B **Independent young couples & families**	**Segment G** **The golden active couples**
Size of market	700 000	200 000
Holiday value	R6.8 billion	R2.1 billion
Average length of stay	10 nights	13 nights
Trips per year	2.2 per person	3 per person
Average holiday spend	R4 585	R3 985
Decision time to travel	65 days	84 days
Travel party	Partner	Spouse
Transport used	Car	Car
Average age	50 years and under	Over 50 years
Gender	45% male/55% female	45% male/55% female
Monthly household incomes	Primarily between R10 000 and R25 000	Primarily between R5 000 and R20 000
Race	white/black	White
Life stage	Majority have children of primary and high school age	Majority have no children living at home
Where they are from	Mostly Gauteng (59%)	Mostly Gauteng (46%), KwaZulu-Natal (11%), Free State (8%)
Intra or inter-provincial travel	Primarily inter-provincial	Primarily inter-provincial
Where they go to	Mostly KwaZulu-Natal (37%), Western Cape (10%), Eastern Cape (10%)	KwaZulu-Natal (27%), Western Cape (23%), Mpumalnaga (8%)
When the travel	December and April	All year – but in season as well
Accommodation used	Self-catering	Self-catering and Family
Usual media support	Sunday Times, Huisgenoot, True Love, E.TV, SABC2, Metro FM, Cinema Advertising, Internet	Rapport, Huisgenoot, Sarie, SABC2, Radiosondergrense

Table 2: Emerging segments (DEAT, 2004a, 11; 2004b)

	Segment A Young and up-coming	Segment C Striving families	Segment D Well-off homely couples
Size of market	5 100 000	400 000	800 000
Holiday value	R3.1 billion	R2 billion	R2.4 billion
Average length of stay	6 nights	5.5 nights	7.5 nights
Trips per year	2.4 per person	2.3 per person	4.1 per person
Average holiday spend	R1 367	R2 578	R2 258
Decision time to travel	31 days	52 days	54 days
Travel party	Alone of friends	Family/Partner	Spouse/Partner
Transport used	Taxi/Car	Car/Taxi	Car
Average age	30 years and under	31-50 years	Over 30 years
Gender	54% male/46% female	43% male/57% female	57% male/43% female
Monthly household incomes	Primarily under R10 000	Primarily under R10 000	Primarily R10 000 to R20 000
Race	Primarily black	Primarily black	White
Life stage	Majority do not have children	Majority have children of high school age	Majority have no children
Where they are from	Gauteng (24%), Western Cape (23%), Eastern Cape (21%)	Gauteng (42%), Eastern Cape (25%), Mpumalanga (12%)	KwaZulu-Natal (31%), Western Cape (29%), Eastern Cape (17%)
Intra or inter-provincial travel	Primarily intra-provincial	Primarily inter-provincial	Primarily intra-provincial
Where they go to	KwaZulu-Natal (24%), Eastern Cape (21%), Western Cape (18%)	KwaZulu-Natal (21%), Gauteng (21%), Western Cape (14%)	KwaZulu-Natal (31%), Western Cape (29%), Eastern Cape (17%)
When the travel	December (28%), April (10%), June/July (11%)	December (26%), April (13%), June (11%)	December (20%), April (14%), February (12%)
Accommodation used	Friends and Family	Friends and Family	Self-catering
Usual media support	SABC1 , E.TV, Metro FM, Cinema advertising	SABC1, Metro FM, Sunday Times, Rapport, Sowetan	SABC2, SABC3, E.TV. Sunday Times, Rapport, Huisgenoot, Radiosondergrense

Table 3: Untapped segments (DEAT, 2004, 11-12; 2004b)

	Segment E Home based low income couples	Segment F Basic needs older families
Size of market	400 000	5 500 000
Holiday value	R1.4 billion	R300 000 000
Average length of stay	5 nights	5 nights
Trips per year	2.6 per person	2.1 per person
Average holiday spend	R1 392	R1 449
Decision time to travel	45 days	64 days
Travel party	Alone, spouse or family	Spouse
Transport used	Car/ Taxi	Car/ Taxi
Average age	31-50 years	Over 30 years
Gender	50% male/50% female	45% male/55% female
Monthly household incomes	Primarily under R10 000	Primarily under R5 000
Race	Primarily black	Black
Life stage	Majority have children of high school age	Majority have children over 21 years
Where they are from	Western Cape (33%), Eastern Cape (30%), KwaZulu-Natal (22%)	Western Cape (42%), KwaZulu-Natal (24%), Gauteng (13%)
Intra or inter-provincial travel	Primarily intra-provincial	Primarily intra-provincial
Where they go to	Western Cape (33%), Eastern Cape (30%), KwaZulu-Natal (22%)	Western Cape (28%), KwaZulu-Natal (22%), Eastern Cape (18%)
When the travel	December, January, April	December, October, February

Accommodation used	Family and Friends	Family and Friends
Usual media support	Sunday Times, Rapport, SABC1, Metro FM	Sunday Times, You, Bona, Huisgenoot, SABC1, Metro FM

South African Tourism (2004a, 13-14) argues that there should be segment specific strategies for domestic tourism growth to be enhanced. In their view there are at least six strategic objectives in terms of the consumer segments, which can be implemented at national, provincial and local levels. They are:

- Matching products to consumer segments;
- Extracting greater levels of value from established and emerging holiday travellers through promoting more short breaks, staying longer, and providing more to do;
- Converting emerging and untapped segments into holiday travellers by providing group travel options, travel vouchers, and affordable breaks;
- Promoting year round travel by encouraging more trips outside of school holidays through quiet season specials, winter experiences such as "bush and beach" experiences;
- Encouraging greater levels of inter-provincial travel through touring options, publicising "hidden secrets", and providing new experiences; and
- Using events to reduce seasonality and provide full package options that include, for example, travel and accommodation, with events (South African Tourism, 2004a, 13).

It is against the backdrop of these domestic tourism markets that the Free State Province will have to find a unique development and marketing strategy. First, however, an understanding of the latest tourism trends is required. It is to this issue that the attention now turns.

2.6 Tourism in South Africa

Tourism is essentially a commercial activity. Indeed, there is no doubt that tourism, frequently referred to as the world's largest industry, is big business (McKercher and Du Cros, 2002, 26). By the close of the twentieth century, international tourism alone was annually generating well over $450 billion, whilst the total global tourism activity (international and domestic) has been estimated to be worth some $3.5 trillion. It is estimated that the tourism system employs 8.2% of world employed, accounting for at least 207 million jobs worldwide, catering to the need of approximately 700 million international tourists. It is anticipated that these figures will continue to increase for the foreseeable future (Cabrini, 2004). Tourism has long been recognised as a growth industry and the current expectation of an annual increase of about 4% in international tourist arrivals and spending suggests that, by 2020, international tourism will be generating up to $2 trillion a year (Sharpley and Telfer, 2002,1).

Europe is the world's number one tourism region. The EU enjoyed 411 million tourist visits in 2002 which is 58 per cent of the global market. France remains the worlds most popular destination with nearly 77 million foreign tourist arrivals in 2002. Asia and the Pacific, with 131 million tourist visits take the second position, with the top destinations being Hong Kong and China. The Americas are in the third position with 120 million visitors. The Middle East received 24 million foreign tourists, with the top destinations being Dubai, Lebanon and Egypt. Africa accounts for no more that four percent of global foreign tourist receipts (South African Tourism 2002). Of that proportion approximately 22 per cent visited South Africa. In the sub-Saharan region, Southern Africa, that is Botswana, Lesotho, Namibia, South Africa and Swaziland, has the highest proportion of tourists visiting Africa, followed by East Africa, West Africa and finally Central Africa. Between the four regions the industry was worth an estimated $6.6 billion (Simpson, 2003). According to WTO, Africa will see the sector grow fourfold between 1995 and 2020. Of that growth in tourist arrivals, Southern Africa is expected to take the lion's share of the increase. According to WTO forecasts, the Southern African region could be looking at over 300 per cent growth in tourist arrivals by 2020. Similarly, impressive growth of 170 per cent can be expected in East Africa (Simpson, 2003).

In South Africa there has been explosive tourism growth since the demise of apartheid. This growth has occurred on essentially three different fronts. The country has recorded significant increases in international tourist arrivals, both from Africa, and overseas, mainly Europe and North America. In the domestic market the repeal of legislation that restricted the movement of the different races has also expanded domestic tourist flows. The task of the following section is to provide an analysis: firstly, of international (overseas and visitors from Africa) tourist flows to South Africa and the Free State province's position therein; and secondly of domestic tourism flows in South Africa and the Free State.

2.6.1 International tourist flows to South Africa

South Africa has made great strides in the number of international tourist receipts over the past decade. Table 4 shows a selection of the main sources of foreign visitor arrivals to South Africa during 2002. In terms of the number of arrivals in South Africa, it is confirmed that the African market is of critical significance for the national tourism economy (Saayman and Saayman, 2003). Indeed, Rogerson (2004) notes that it has been acknowledged at the highest levels that alongside domestic tourism, visitors from Africa represent the backbone of South Africa's tourism economy. Of a total of 6.4 million foreign tourist arrivals during 2003, 72 per cent were intra-regional flows from the African continent. The leading five source markets are South Africa's neighbouring states. The largest individual source of arrivals is from Lesotho (1.15 million) followed by Swaziland and Botswana; the major international overseas source markets were the United Kingdom, Germany and the USA (see Table 4).

Table 5 provides an outline of a selection of the most important tourism markets' primary motivation for visiting South Africa. It can be seen that there are clear differences between the purpose of visits to South Africa and the countries from which these tourists originate. In the case of African tourists, the main emphasis is upon business travel with holiday or leisure tourism taking in a secondary position. In the case of overseas visitors the purpose of visitation is the reverse, with the overriding emphasis on leisure travel.

Table 4: A selection of top international tourist generating countries to South Africa (South African Tourism, 2003)
Note: As these are selected visitors totals the column total will not agree with the final Foreign Visitors Total at the bottom of the table.

Africa and Middle East	
Botswana	779 794
Israel	16 445
Lesotho	1 157 930
Malawi	95 117
Mozambique	527 028
Namibia	216 566
Swaziland	780 934
Zimbabwe	608 986
Americas	
Canada	33 684
USA	182 591
Asia and Australasia	
Australia	69 832
China	36 957
India	34 062
Japan	26 239
New Zealand	14 907
Taiwan	10 072
Europe	
France	112 078
Germany	248 990
Italy	47 756
Netherlands	110 389
UK	442 910
All foreign tourists	**6 429 583**

Table 5: Purpose of visit to South Africa by selected tourists generating regions (South African Tourism, 2003)

Region	Holiday	Business	VFR	Other	Total
Africa and Middle East					
Botswana	22.7	47.2	14.1	15.8	99.9
Lesotho	25.3	37.3	25.8	11.6	100
Mozambique	33	49.2	9.5	8.3	100
Zimbabwe	35.4	33.1	16.8	14.7	100
Swaziland	34.9	33.9	18.8	12.3	100
Americas					
USA	55.9	28.6	6	9.6	100
Canada	58.6	23.6	10.3	7.6	100

Asia and Australasia					
Australia	59.8	17.1	13.5	9.6	100
China	50.1	38.4	7.7	3.8	100
Japan	48.3	43.5	4.1	4.1	100
Europe					
France	72.2	19.9	2.9	5	100
Germany	76.9	14.1	4.9	4.1	100
Netherlands	80.1	11	5.7	3.2	100
UK	68.7	14.6	10.7	6	100
All foreign tourists	**39.8**	**35**	**14.5**	**10.7**	**100**

Table 6: Selection of the provincial distribution of key international tourist cohorts in South Africa (South African Tourism, 2003)

Region	Gauteng	Western Cape	Mpumalanga	KwaZulu-Natal	Free State	Eastern Cape
Africa and Middle East						
Botswana	55	10	4	8	4	3
Lesotho	43	12	5	12	39	4
Mozambique	52	7	46	10	2	2
Zimbabwe	70	14	2	19	2	6
Swaziland	47	4	46	4	2	1
Americas						
USA	63	46	31	27	5	13
Canada	64	56	33	28	6	21
Asia and Australasia						
Australia	64	48	26	32	5	19
China	79	54	11	14	3	6
Japan	78	35	10	30	3	13
Europe						
France	61	57	51	41	3	16
Germany	51	67	38	37	8	33
Netherlands	57	55	41	37	10	23
UK	50	54	25	32	4	21
All foreign tourists	**55**	**23**	**21**	**17**	**10**	**8**

The distribution of these tourists in South Africa is uneven. As indicated in Table 6, Gauteng is the province most visited by international tourists. Within that segment it is clear that both African and overseas components primarily visit the Gauteng province and the Western Cape, with KwaZulu-Natal forming a secondary focus. As far as overseas visitors are concerned the distribution of these tourists reflects an entrenched travel pattern. Typically these tourists enter South Africa at the "gateway" of Johannesburg International Airport (JIA), staying overnight in Johannesburg, then travelling onward to the Kruger National Park, south to Cape Town, onto the Garden Route and back to JIA (Rogerson, 2002, 33). Within the Free State context it is evident that international tourists do not include this province in their travel itineraries. Indeed, the highest number of overseas visitors in this province are from the Netherlands (10 000). In terms of visitors from African countries a similar patterns prevails, with only Lesotho forming a significant cohort of international visitors to the Free State. As seen in Table 7, this pattern is also reflected in the number of bed-nights sold to different international tourist cohorts.

Table 7: Bed-nights sold in to selected tourist generating countries by selected province (South African Tourism, 2003)

Region	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Free State	Eastern Cape
Africa and Middle East						
Botswana	2398 492	880 515	359 056	155 775	140 308	391 095
Lesotho	4 019 668	764 303	805 676	372 353	3 810 628	315 738
Mozambique	1 980 998	253 556	606 458	802 185	43 742	30 379
Zimbabwe	2 586 353	1 019 993	965 849	176 103	47 035	532 694
Swaziland	2 218 024	178 202	140 186	2 482 951	57 025	35 640
Americas						
USA	734 274	741 452	416 637	273 820	44 714	117 843
Canada	169 630	180 437	75 391	46 263	5 536	62 606
Asia and Australasia						
Australia	273 118	346 164	224 549	97781	30 404	128 443
China	179 661	147 714	26 781	19533	3 926	7 878
Japan	148 600	54 974	39 026	4691	3 190	7 317
Europe						
France	397 275	510 045	220 196	233 279	25 244	112 217
Germany	636 912	1 541 216	594 088	451 490	92 859	471 062
Netherlands	408 695	505 921	252 104	194 298	43 160	146 619
UK	1501 770	2 473 827	1 448 595	676 220	91 135	736 611
All foreign tourists	**22 437 037**	**12 757 914**	**8 028 794**	**6 692 235**	**4 653 812**	**3 789 047**

Table 8: Average length of stay by selected country (South African Tourism, 2003)

Region	Average number of nights	Most common length of stay
Africa and Middle East		
Botswana	8	2
Lesotho	9	3
Mozambique	6	2
Zimbabwe	10	3
Swaziland	7	2
Americas		
USA	14	10
Canada	17	7
Asia and Australasia		
Australia	17	7
China	12	7
Japan	10	4
Europe		
France	13	7
Germany	16	14
Netherlands	15	14
UK	16	14
All foreign tourists	**10**	**2**

Table 8 provides an outline of the average length of the visit to South Africa. Datasets for the length of stay by province for different tourist generator regions are currently incomplete. The table provides two interpretations for the length of stay. The first column deals with the average length of stay for selected international tourist generating regions, while the second column reports the most common length of stay. The latter provides a more reliable picture of the duration of tourists' visits to South Africa. It is evident that African tourists visit South Africa for short periods and can be explained by the fact that at least a third of them travel to the country for business purposes. Indeed, the time spent in South Africa suggests that they make weekend or long-weekend visits to the country. In terms of the overseas markets, some variation is evident. On the whole tourists from these regions visit the country for one (7 days) or two weeks (14 days), which represent an established visitor trend (Visser, 2003).

Table 9: Types of travel packages by selected tourists generating regions (South African Tourism, 2003)

Region	Inclusive Packages	Independent Travel
Africa and Middle East		
Botswana	22.1	77.9
Lesotho	21.4	78.6
Mozambique	14	86
Zimbabwe	10.8	89.1
Swaziland	11.2	88.9
Americas		
USA	37.3	62.7
Canada	29.3	70.7
Asia and Australasia		
Australia	31.3	68.7
China	54.3	45.7
Japan	56.6	43.3
Europe		
France	61.2	38.9
Germany	40.6	59.4
Netherlands	48.9	51.1
UK	35.1	65
All foreign tourists	**32.7**	**67.3**

Table 9 provides some insights into the manner in which international tourists organise their visit to South Africa. On the whole travellers to South Africa prefer independent travel options. This behaviour is in line with current international tourism trends. The most independent travellers are from the African tourist generating regions. The segment that makes most use of all inclusive packages are from France, China and Japan, probably reflecting the fact that these markets are still not that familiar with South Africa. Moreover, English as language barrier might prevent these tourists from engaging independent travel to the same extent as those tourists from Australia, the UK and USA.

Table 10 gives a breakdown of international tourists' accommodation use whilst visiting South Africa. A number of trends can be highlighted from these statistics. Firstly, it is important to note that family and relatives represent the single largest provider of accommodation for international visitors to South Africa. Tourists coming from countries in Africa appear to mostly use this form of accommodation. Secondly, in the "overseas" category we also find use of this form of tourist accommodation. The high levels of VFR tourism among Australian and British tourists can in all likelihood be ascribed to the South African diaspora concentrated in those countries visiting their family and relatives. Thirdly, it is noticeable that hotel accommodation is frequently used as tourist accommodation among all sectors of the international market. It is clear that tourists from China and Japan prefer hotel accommodation to all other forms of accommodation. For the rest of the international market hotel accommodation is primarily preferred by Continental European visitors. Hotel accommodation is also the secondary preference amongst tourists from African countries. Perhaps most surprising is the relatively low use of guesthouses and bed-and-breakfast accommodation. However, the support patterns of these accommodation types is probably more a reflection of its share in accommodation supply, than demand on the part of these tourists. Finally, it is also clear that holiday resorts, camping sites and backpacker hostels do not feature prominently in terms of international visitors' accommodation demands.

Table 10: Tourists accommodation usage among selected international tourist cohorts (South African Tourism, 2003)

Region	Hotels	Guesthouses	B&B	Game lodges	Self-catering	Holiday resorts	VFR	Back-packers	Camp sites
Africa and Middle East									
Botswana	31.4	3.7	2.6	2.6	7.1	1.3	31.7	16.2	3.4
Lesotho	26	3.8	6.6	2.5	6	4.2	49.1	1.6	0.3
Mozambique	41.7	5.6	3.1	3.9	1.7	0.8	40	0.7	2.5
Zimbabwe	21.2	3.5	3.4	2.2	5.7	4.4	50.2	6.4	3
Swaziland	19.6	2.6	6.1	2.4	3.5	0.7	49.8	13.4	1.9
Americas									
USA	34.8	7.7	8.7	11.8	7.9	1.1	20.3	4.1	3.6
Canada	29.8	6.3	7.9	6	5.3	1.1	29.6	7.9	6.1
Asia and Australasia									
Australia	26.2	3.9	7.8	5.8	3.5	1	40.4	8.7	2.7
China	51.4	6.2	3.8	3.9	2.4	10.7	19.6	1.6	0.3
Japan	46.8	4	1.8	5.9	25.4	1.9	9	2.9	2.3
Europe									
France	37.5	8.8	8.4	10.7	5.9	1.8	18.1	5.7	3.2
Germany	30.8	10	13.1	9.8	5.3	2.2	16.4	6.9	5.4
Netherlands	29.6	8.1	10.1	10.4	5.1	2.8	19.3	7.7	6.8
UK	26.6	6.3	6.1	6.5	8.8	1.5	32.1	8.7	3.4
All foreign tourists	**30.1**	**5.3**	**6.3**	**4.8**	**6.2**	**2.2**	**35.5**	**6.7**	**2.9**

Table 11, provides an overview of how different tourist cohorts, i.e. business tourists, holiday, etc., spend money on a daily basis whilst in South Africa. It is evident that there is great variation in "daily spend" associated with the region from which tourists come and the purpose of their visits. Overall, it is clear that business tourists spend the most money per day during their visits to South Africa. What is perhaps most noteworthy is the fact that business tourists from African countries spend the same, and in some instances more, than their counterparts from other regions in the world (see also Rogerson, 2004 for an in-depth analysis of spending patterns by tourists from Africa). As far as international holiday tourists to South Africa go, those visitors from the USA, China, the Netherlands and the United Kingdom spend between R1 300 and R2 000 a day on accommodation, food, goods and travel.

Table 11: Selected countries and provinces daily "spend" by purpose of visit (all amounts in Rand) (South African Tourism, 2003)

Region	All Foreign Tourists	Holiday Tourists	Business Tourists	VFR Tourists	Other Tourists
Africa and Middle East					
Botswana	1 392	1 211	1 851	787	785
Lesotho	831	602	1 375	291	546
Mozambique	1 670	1 472	2 006	1 046	1 256
Zimbabwe	1 667	1 305	2 566	827	1 630
Swaziland	1 140	814	1 625	1 035	823
Americas					
USA	1 857	1 890	1 984	1 042	1 829
Canada	1 335	1 311	1 416	1 632	0
Asia and Australasia					
Australia	1 079	1 153	1 323	679	724
China	1 795	1 824	2 017	0	0
Japan	1 701	1 444	1 894	0	0
Europe					
France	1 215	1 302	1 074	0	1 017
Germany	1 217	1 194	1 533	780	1 021
Netherlands	1 415	1 520	1 166	1 060	0
UK	1 288	1 353	1 424	811	1 028
All foreign tourists	**1 465**	**1 394**	**1 839**	**904**	**1 262**

2.6.2 Domestic tourism in South Africa

Internationally it is agreed that domestic tourism is the backbone of most successful tourism systems. The World Travel and Tourism Council (2003, 18) points out that unlike many developing countries, South Africa has a strong and well-established domestic tourism industry that can be very beneficial for the expansion of tourism oriented development. In terms of the value of the domestic market South African Tourism's (2004a, 3) most recent research suggests it to be comparable to the international market. In total 49.1 million domestic visitor trips were undertaken in 2003, generating an estimated total value of R47 billion. The reason for interest in the domestic market is that it has significant untapped value and potential for growth. Indeed, the opportunity exists to grow the size of the domestic market, increase its value, and to combat issues of seasonality, geographic spread and limited trip expenditure. Moreover, argues SAT (2004a, 3), the domestic tourists provide the base load for the international market. Support of the local industry by South Africans can realise improved quality in products and services, maintenance of occupancy levels and ultimately boost the confidence of international visitors. This reduces the exposure of the tourism industry to fluctuations in international demand, which is extremely sensitive to global, political and economic issues.

As seen in Table 12 more than 60 per cent of all domestic trips made in South Africa are for VFR purposes, with holiday trips only accounting for 16 per cent of total trips. However, the rand value delivered by the markets does not equate to their respective volumes. The holiday market accounts for a significant 45 per cent of total direct domestic spend, despite accounting for only 16 per cent of volumes, versus the VFR market which accounts for only 37 per cent of direct domestic spend but 64 per cent of volumes (South African Tourism, 2004a). Table 13 demonstrates that KwaZulu-Natal, Gauteng, the Eastern Cape and Western Cape generate 70 per cent of all domestic trips. In large part, however, the figures are proportional to the relative size of the population in each province. Similarly, KwaZulu-Natal (28 per cent), Gauteng (17 per cent), the Eastern Cape (15 per cent) and Western Cape (10 per cent) receive 70 per cent of all domestic tourists. A closer look at the available data also shows that only 39 per cent of all domestic trips in South Africa are taken outside the province of residence. Table 14 indicates when domestic travel takes place during the year. As can be seen there are high levels of seasonality in the domestic tourism market. Most trips are taken during the school holidays with a notable decline in the number of trips taken between August and November.

Table 12: Purpose of visits in the domestic market (South African Tourism, 2004b)

Travel Purpose	Number of trips	Percentage of domestic market	Rand value	Percentage of spending category
VFR	32	65	18 billion	37
Holiday	8.1	16	21 billion	45
Business	3.1	11	6 billion	13
Medical	0.8	6	700 million	1
Religious	5.3	2	2 billion	4

Table 13: Domestic tourism generating and receiving regions by provinces (South African Tourism, 2004b)

Region	Generating region (numbers in million)	Receiving region (numbers in millions)
KwaZulu-Natal	13 200 000	13 900 000
Gauteng	10 600 000	8 600 000
Eastern Cape	7 900 000	7 500 000
Western Cape	5 100 000	5 200 000
Limpopo	4 600 000	4 600 000
Free State	2 900 000	3 300 000
North West	2 600 000	3 000 000
Mpumalanga	2 100 000	2 500 000

Northern Cape	300 000	800 000

Table 14: Trips per month by month (South African Tourism, 2004b)

Month	**Number of trips**
January	4 800 000
February	2 500 000
March	3 100 000
April	5 500 000
May	3 700 000
June	5 300 000
July	6 300 000
August	1 400 000
September	2 200 000
October	2 200 000
November	2 900 000
December	9 400 000

2.6.3 Domestic tourism in the Free State

The World Travel and Tourism Council (2002, 18) reports that the Free State province only has a 6.9 per cent share of the South African domestic tourism market. Moreover, in light of the fact that domestic tourism in South Africa is largely over-shadowed by VFR tourism it is not surprising to find that two-thirds of domestic tourist trips to Free State destinations were for VFR purposes. Echoing national trends, two-thirds of these tourists come from the province itself whilst Gauteng contributed a further 15 per cent (Table 15). Black travellers constituted 84 per cent of VFR travellers, while 13 per cent are white. Almost half (46 per cent) were in the middle LSM4 (Living Standard Measure) or LSM5 groupings (Table 16). This means that the average domestic tourist in the Free State has very limited spending power reflecting, in fact, the low per capita income of the province's population generally. The tourists in the Free State are relatively mature with almost two-thirds aged 35 years or older. The province's main urban settlements, Bloemfontein-Botshabelo (26 per cent), Welkom-Thabong-Allanridge (10 per cent) and Sasolburg-Deneysville (7 per cent) were the most popular VFR destinations. The lowest per capita spend per trip for VFR travellers to any province occurred amongst those who travelled to Free State destinations (R126). Three-fifths of the R164 million spent on such trips went to transport costs and almost one-quarter on food (Table 17).

Table 15: Domestic VFR tourists – destination summary statistics by province (Source: Rule et al., 2003, 105)

Destination	**Total Annual volume (million VFR trips)**	**Most recent VFR trip destination expenditure**		**% Provincial origins of VFR tourists**			**% Black**	**% Female**	**% LSMB group**
		Total (Rm)	**Per capita (R)**	**% Same Province**	**% Gauteng**	**% Other**			

Gauteng	7.8	617	234	41	41	59	79	56	15
Eastern Cape	3.0	604	306	60	11	29	87	58	6
KZ-Natal	2.4	507	181	65	16	19	76	51	14
Limpopo	1.6	191	161	67	20	13	92	60	6
West Cape	1.4	519	278	72	6	22	23	53	36
North West	1.4	159	130	56	16	28	92	53	7
Mpumalanga	1.2	107	174	51	24	25	84	53	15
Free State	0.8	164	126	67	15	18	84	53	13
North Cape	0.4	97	227	25	17	58	51	55	20
Total/Average	**20.0**	**2965**	**211**	**53**	**25**	**38**	**78**	**55**	**14**

Table 16: Profile of VFR travellers to the Free State (Rule et al., 2003, 105)

Origin	%	Age	%	Race	%	LSM	%
Eastern Cape	5.2	18-24	15.6	Black	83.5	1	4.1
Free State	67.1	25-34	19.6	White	13	2	2.5
Gauteng	15.2	35-49	38.1	Coloured	3.3	3	12.3
KwaZulu-Natal	3.6	50+	26.8	Indian	0.2	4	22.3
Limpopo	0.9	Total	**100**	**Total**	**100**	5	23.2
Mpumalanga	0.8					6	14.0
North Cape	2.1	**Gender**	**%**			7	9.1
North West	2.8	Male	46.9			8	12.5
Western Cape	2.4	Female	53.1				

Table 17: Expenditure of VFR tourists at Free State destinations (Rule et al., 2003, 105)

	Transport	Accommodation	Food	Entertainment	Gifts	Total
Rand total	R101237511	R4 690 515	R35035 537	R10992703	R9076 675	R164032 943
Per Capita	R77	R4	R29	R8	R7	R126
Percentage	61%	3%	23%	6%	6%	100%

2.7. Conclusions

The task of this chapter was to provide background information against which tourism development in the Free State can be understood. This goal consisted of the following two objectives: Firstly, to describe and analyse the existing institutional environment that affects the development of the tourism system in the Free State; and secondly, to describe and analyse international and national tourism trends and assess their relevance to the province.

2.7.1 Key findings concerning the institutional context within which tourism functions

- South Africa has accorded tourism development significant prominence in the policy arena.
- Tourism is seen as a private sector activity.

- The government's primary task is to assist private enterprise in developing the tourism system.
- Tourism is seen as an economic sector by which uneven development in South Africa might be addressed.
- The South African government aims to transform the tourism system so as to include as many historically disadvantaged individuals as possible through a range of institutional support structures.
- There are a number of institutional support structures aimed at assisting both existing and aspirant tourism entrepreneurs.
- Many of the support mechanism are focused on small, medium and micro enterprises and black South African entrepreneurs.
- The Free State does not have any institutional support structures exclusively aimed at the tourism sector.
- There are a number of enterprises that do enjoy support through the national programmes from regionally based representatives.
- The National Government has, through the South African Tourism market segmentation research initiative, provided valuable insights into the future marketing and tourism development options for the Free State tourism system.
- There are currently no travel programmes targeting international tourists that might directly benefit the Free State tourism system.
- The current national segmentation does not include the development of travel programmes which provide an opportunity for the Free State to developed tourism programmes appropriate to the South African domestic tourism market.

2.7.2 Key findings concerning the international tourism market

- South Africa is currently the primary tourist destination for international visitors in Africa.
- The country is the largest recipient of visitors from other continents.
- Visitors from Africa generally travel to South Africa for business purposes.
- Overseas tourists, primarily from Europe and America, visit South Africa for holiday purposes.
- Overseas tourists generally visit during the summer months (October to March)
- The distribution of international tourists is highly uneven and focused on Gauteng and the Western Cape.
- Overseas tourists tend to travel a specific route focused on Gauteng, Mpumalanga and the Western Cape.

- African tourists are independent travellers focusing their visits mainly on Gauteng.
- Among overseas travelers, Australian, British, Canadian and American visitors are mainly independent tourists, while those from China, France and Japan mainly visit South Africa on packaged tours.
- Most tourists from Africa use accommodation provided by friends and relatives.
- Overseas tourists generally use hotel accommodation.
- International business tourists spend the most money in South Africa, although leisure travellers from China, Japan, the UK and USA also represent high-spending tourists.
- The Free State cannot focus its strategic tourism development initiatives to cater for the overseas tourist market.

2.7.3 International tourists and the Free State

- International tourists do not include the Free State on their travel itineraries in any significant way.
- The Free State receives no more than three per cent of international tourists.
- The Netherlands is the only overseas market that includes the Free State in their travel itineraries. However, this is only so in 10 per cent of cases.
- Lesotho is the most important international tourist generating region for the Free State and represents the only international market segment that might provide benefit to the province's tourism system.

2.7.4 Key findings concerning the domestic market

- Most domestic tourists travel within the province in which they already reside.
- VFR travel dominates domestic travel as a result of high volumes.
- The greatest value is, however, derived from the holiday market despite significantly lower volumes.
- Holiday travel is concentrated in the Western Cape and KwaZulu-Natal.
- Holiday travel is mainly undertaken during school holiday periods, with December, July and April experiencing drastic increases in domestic travel.
- Tourism economic benefit is polarised between Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape.

2.7.5 Key findings concerning domestic tourism in the Free State

- The largest sector in domestic tourism is the Visiting Friends and Relatives market.
- This market is currently worth approximately R165 million annually.
- Most of the domestic tourists in the Free State are from the region itself.
- The only significant contribution to domestic tourism in the Free State is from Gauteng.

- The Free State will have to tap the through-flow of Gauteng tourists travelling to the coastal provinces.
- Domestic tourists to the Free State are mainly above 35 years of age.
- More than 80 per cent of the domestic tourism market is black.
- The Living Standard Measure of domestic tourists in the Free State is among the lowest in the country.
- The Free State has the lowest per capita spend in the province of all regions in the country.
- The largest single expense item for domestic tourists visiting the Free State is transportation.
- The Free State will have to develop products that entice tourists from other regions to visit the province.

In the context of the above structure of institutional support for tourism in the Free State and the current travel trends in South Africa, the questions that now need to be addressed are:

- What does the current tourism system in the Free State actually offer tourists?
- What do the tourism product providers deem is necessary to develop tourism in the Free State?
- How can one marry the current tourism product with the domestic tourism market segments identified in this chapter?

These issues will be addressed in Chapter 3.

Chapter Three

An analysis of current tourism products

3.1 Introduction

The exploration of a tourism development strategy is dependent upon a number of different inputs. These include the institutional environment in which tourism enterprises function, the profile of the tourists in terms of personal characteristics and associated tourism needs and desires, and tourism products on offer. The aim of this chapter is to provide an overview and analysis of the current state of the tourism economy in terms of the tourism product. Seen differently, the report has as objective the description of the types of tourism product on offer, and where they are located in the Free State Province. Other questions this analysis aims to address relate to identifying the tourism product providers, seeing how their enterprises function and what types of obstacles and opportunities they feel are presented to the provincial tourism economy.

The first section of the chapter provides an outline of the data sources consulted for the field-research reported in this document. In the second section a macro-analysis and profile of the tourism economy in the Free State is provided. Thereafter, notes on the methodology employed in this study are presented. Against this backdrop, the fourth section furnishes the results of the interviews that were conducted in June and July 2004 with tourism product-providers across the Free State. The final section offers a summary of the chapter's key themes.

3.2 Data Sources

As compared to other economic sectors, such as agriculture, manufacturing or mining for which there is considerable official data at the national level, the tourism sector is distinguished by the poor state of official data collection. It is, therefore, not surprising that at the provincial level there is minimal official information upon which to provide a macro-analysis of the tourism economy of the Free State. Given this context the first major task of this investigation was to compile a comprehensive listing of tourism product providers. This information was collected from the *Free State Directory*, the *Yellow Pages and Phone Book*, the *Africa Dream Project*, the information offices of the Free State local authorities and *South African Tourism's* web-directories. This is, as far as we are aware, the most complete dataset for the Free State tourism system (see Appendix A). It has to be noted that the methodology used might have led to certain tourism product providers being over-looked. On the other hand, however, the methodology works on the same basic search behaviour of potential tourists. Thus, should contact details “be hidden” from public view, the businesses are probably not clearly focused on tourists. To ease the analysis of data the province was divided into four regions: Eastern Free State, Goldfields, Northern Free State and Transgariep. Appendix B shows which towns and cities were grouped together.

3.3 Characteristics of the overall tourism economy of the Free State

The spatial pattern of tourism enterprises in the Free State can be best understood via an analysis of the list of enterprises given in Appendix A. There are a number of distinct and uneven geographical clusters of tourism enterprises. The largest and strongest cluster is in Bloemfontein, which accounts for approximately a quarter (27%, 242 enterprises) of all tourism enterprises in the province. The second and third most important tourism clusters are centred on Clarens (13%, 111 enterprises) and Bethlehem (6%, 53 enterprises). A fourth important cluster is in the Parys area (5%, 45 enterprises). What is significant is that together these locations account for half (51%, or 452 enterprises) of the total provincial tourism system. The remainder of the tourism economy is distributed widely across all parts of the province with the Goldfields the region currently the most weakly developed with regard to tourism enterprises.

The database shows that approximately 900 businesses focus on the provision of tourism products ranging from accommodation through to rental vehicles, travel agents, tour operators, museums, nature reserves, as well as festival and conference organisation. In common with the national tourism economy, most of these tourism providers are small, medium and micro enterprises. At the provincial as well as sub-regional scale the main tourism products are very unevenly distributed. It was found that 75% (680 enterprises) of the province’s tourism products are located in the Transgariep and Eastern Free State regions alone. Internal to these regions distinct patterns emerge. Not surprisingly in the Transgariep region tourism product providers are heavily concentrated in the Bloemfontein area. Similarly, in the Eastern Free State the tourism product providers are concentrated in the Clarens area, although there is a very significant number of tourism products and service providers located elsewhere in the region. In contrast, the Goldfields region only has 7% (66 enterprises) of the provincial tourism product, whilst in the Northern Free State tourism products tend to be located along the Vaal River, in the main clustered in and around Parys. The general distribution of tourism products is, as seen in the sub-sections that follow, echoed in the different service and product sectors of the tourism economy.

Table 1: Main tourism sectors of the Free State tourism system

Tourism sector	Number of units
Accommodation	579
Food/Restaurants	104
Tourist attractions (excl. nature-reserves and museums)	83
Tourist information	36
Travel agents	26
Travel transport	24
Nature reserves and parks	15
Museums	15
Tour organiser/operators	5
Total	**888**

3.3.1 Tourist Accommodation

The sectoral composition of tourism enterprises is shown in Table 1. It is clear that the tourism economy is dominated by the tourist accommodation sector. Indeed, of the 888 tourism-oriented enterprises identified in the Free State no fewer than 579 enterprises have tourist accommodation services as the primary focus of their business (Table 2). Within this general business focus, small and medium-sized enterprises dominate the accommodation sector. This is demonstrated by the fact that bed-and-breakfast, guesthouse, guest lodge and self-catering establishments dominate tourist accommodation provision, accounting for 479 enterprises, or 83% of the total provincial tourist accommodation economy. On the other end of the enterprises size-scale it was found that only 100 enterprises, or 17% of the accommodation sector, are larger businesses, in the main accounted for by hotels. At the regional level it is clear that tourist accommodation services are clustered in the Transgariep (231 enterprises) and Eastern Free State (204 enterprises) regions. Together these two regions account for 75% of all tourist accommodation in the province. The Northern Free State region has 93 tourist accommodation enterprises of which most are located in the Parys area. The Goldfileds region has a very low incidence of tourist accommodation with the main focus on the mining town of Welkom.

Table 2: Tourist accommodation by type

Accommodation Types	Number of units
Bed-and-Breakfast / Guesthouse / Guest Lodge	388
Hotel	41
Holiday/Game Farms	62
Self Catering	25
Caravan Parks / Resorts	48
Conference Acc	11
Backpacker hostels	4
Total	**579**

3.3.2 Food Services

The provision of food services through restaurants is a further important sector of the provincial tourism economy. It has to be cautioned that questions arise as to whether most of these establishments would be operating primarily to serve tourists, as opposed to a combination of local residents and tourists. In addition, of all the sub-categories of provincial tourism enterprises, the geographical coverage of restaurants in the data sets consulted appears the least satisfactory. Nevertheless, seen in a general sense it was found that there are approximately 100 restaurants that are largely dependent upon tourists. In accordance with the distribution of tourist accommodation and other tourism products more generally, it is not surprising to find that these businesses are concentrated in Bloemfontein, Bethlehem, Clarens and Ladybrand. The only other significant cluster is found in Parys.

3.3.3 Tourism Products

The third most important sector relates to a broad category of products that might be seen as tourist attractions. These attractions excluded the nature reserves and parks, as well as museums that were accounted for separately. The category included an amalgam of enterprises ranging from adventure activities, rock art, historical buildings, locations of historical or cultural significance, to specialist craft shops and art galleries. In total 83 individual tourism products were identified. In the main these products were natured-based, ranging from hiking to horse-back riding and trout fishing. This type of analysis, however, holds many problems as in most cases the availability of this information was more a reflection of individual enterprise owners' ability to advertise and market their services, than it was representative of the total tourism product base. Nevertheless, from the information gathered it was found that the Eastern Free State had the highest level of tourism product development. By and large this was connected to nature-based activities, with a strong secondary focus on arts and crafts. Second in this respect, was the Transgariep region which presented the broadest range of tourism products. In large part this finding can be explained by the diversity of activities found in Bloemfontein, and is not therefore representative of the region as such. In the northern Free State tourism products tended to focus on nature and adventure based activities, as well as arts and crafts. The only region that did not really provide any clear tourism product-base was the Goldfields region. To supplement these findings another technique was employed.

In the course of the field research, an overall tourism product type description was also attempted. Generally, tourism information for particular localities or regions provides an overall "feel" or "type" of tourism. Typically tourism products are divided into broader categories such as nature-based, cultural, historical, business, or urban tourism types. A destination will present potential tourists with one or a combination of these types of tourism products. An analysis of the tourism system reveals most of the tourism products on offer, and the overall focus of a city, town or village's tourism offering, were closely tied to nature-based products. Indeed, as seen in Table 3, the Free State tourism system is heavily skewed toward nature-based products with very little variation. However, the most disconcerting finding of this exercise was that from the travel information gathered, the majority (35 out of 58 locations, or 60%) could not define the nature of the tourism product on offer.

Table 3: General tourism product types of locations

Tourism product type	Number of locations
Nature	18
Cultural-historic	2
Nature and cultural-historic	2
Business and cultural-historic	1
Undefined	35
Total	**58**

3.3.4 Nature Reserves, Parks and Museums

As is evident from the above focus on nature-based tourism types it is to be expected that a significant tourism product in the Free State would relate to nature reserves and parks. A secondary focus is locations of cultural-historic significance represented through the museum sector. Whilst the former is squarely focused on tourists, the latter serves the needs of many different types of leisure seekers. In the region as a whole 16 nature reserves and parks currently operate. These reserves are in the main located in the Goldfields, Eastern Free State and Transgariep regions. In terms of museums there is a significant cluster of museums in Bloemfontein, with a number of smaller museums scattered throughout the province. It has to be noted, however, that these small museums are of very limited scale and importance compared to those in Bloemfontein.

3.3.5 Other Tourism Products

The remaining groups of tourism enterprises are represented by the operation of tourism products and attractions – from art to hiking trails to adventure tourism operations; local marketing offices and tourism advice centres; arts and crafts establishments, game lodges and guest farms, many of which also provide accommodation; and travel and tour operators. Overall, it is shown that the structure of the Free State tourism economy encompasses an array of different types of tourism enterprises and offers a host of different entrepreneurship opportunities. Moreover, their spatial distribution echoes that of the main tourism service providers such as guesthouses.

3.4 Survey Methodology

The further analysis presented in this report is developed from interviews conducted with tourism product providers. These results draw upon 141 interviews which were conducted randomly during June and July 2004 across all sectors of the 888 tourism product providers identified in the Free State. In terms of the tourism enterprises the focus of the interviews was on the organization, development and problems of tourism enterprises operating in all spheres of the provincial tourism economy. In conducting the survey a deliberate attempt was made to get as wide a range of opinions as possible on core issues surrounding the provincial tourism economy (see Table 4 and 5).

An important shortcoming in the survey was that no black tourism enterprise owners were willing to participate in the research. The contact details in the product listings suggested that around 40 of the nearly 900 tourism product providers are black owned. This means that less than 5% of tourism enterprises in the Free State are black owned and that the tourism system of the province is in the main a white industry.

Table 4: Location of respondents

Place	**Number of respondents**
Bethulie	1
Boshof	1
Bloemhof	1
Bloemfontein	51
Clarens	18
Ficksburg	6
Fouriesburg	3
Frankfort	1
Gariep	5
Heilbron	3
Jagersfontein	1
Kroonstad	6
Ladybrand	3
Parys	9
Philippolis	1
Sasolburg	3
Smithfield	2
Springfontein	2
Tweespruit	1
Ventersburg	2
Villiers	1
Welkom	16
Zastron	4
Total	**141**

Table 5: Types of tourism product providers interviewed

Tourism product provider	**Number of enterprises**
Bed-and-Breakfast	11
Caravan Park	1
Guest Farm	6
Guesthouse	71
Guest Lodge	11
Resort	11
Conference organiser	1
Hotels	7
Museums	8

Tourism Office	10
Nature Reserve	4
Total	**141**

Prior to exploring the overall findings of the Free State tourism system a few general remarks concerning the survey are necessary.

Provincial and local government:

- As this is research commissioned by the Premier's Office, enquiries at the Provincial government level were made first to develop some outline of how tourism was understood at the provincial level. It was distressing to find that no information could be provided concerning provincial tourism trends or the number and range of the tourism products in the province. In this respect it is clear that the necessary monitoring systems are not in place.
- "Dummy" calls were made to see in what way provincial government could assist a tourism entrepreneur with the establishment of a tourism enterprise. No assistance could be given, nor could relevant contact details be provided of persons or institutions that could assist in answering such inquiries.
- Similarly, "dummy" calls were made to the larger local authorities to ascertain their ability to guide potential tourism entrepreneurs in the establishment of a tourism enterprise. Again the researchers were left in the dark as to who could assist and in what manner.
- During the research process it was found that information in the Free State directory of tourism enterprises was often incorrect and/or incomplete.
- The provincial website for tourism in the Free State Province, is attractive, but out of date and a significant amount of the contact information appears to be incorrect.
- The tourism offices of most local authorities in the Free State were found to be haphazard in their operations and deficient in their ability to provide accurate information.
- Moreover, local authorities appear to operate in a typical "local government fashion". On weekends and public holidays it was impossible to contact most of the supposed tourism offices of local authorities. It would appear that the tourism offices have reduced office hours during the week and mainly closed during lunch hours and over weekends. This is a critical shortcoming as these are the very times that potential tourists would either have the time to enquire about the local tourism product, or are likely to visit a destination region. In addition, the tourism officials did not appear to be overly conversant with tourism in their region.

Tourism product providers:

- A number of the tour operators do not answer phones, nor do they have voice messaging services. Those that do have messaging systems failed to return inquires.
- Many operators did not want to participate, whilst a number of them found the idea of participation in a research survey a waste of time.
- Most tourism product providers are oblivious to the importance of research for the tourism system generally. The tour operators were in large part unhelpful and antagonistic.
- Tour operators do not seem to view their businesses as part of a larger system. Rather they see their businesses in isolation.
- Many of the tour operators are parochial in their concerns. They do not consider the problems of any other part of the tourism system as impacting upon their own business.
- Most tour operators do not seem to have any ideas as to what types of assistance they want the provincial, and indeed, other levels of government, or private institutions, to provide them with.

3.5 Key findings of the survey

In this section the key findings of the field survey are reported. In all the sub-sections a brief description of the tourist product providers is first given, after which key obstacles for the development of the tourism system as interpreted by these providers are outlined. In the following section a synopsis is given of the main types of assistance the tourism product providers seek from the provincial government.

3.5.1 Guesthouses (inclusive of B&B and Guest Lodges) and similarly styled tourist accommodation services

In the light of the tourism products listing information which demonstrated that the tourism economy in the Free State is essentially a white owned economic sector, it was not surprising to find that guesthouse owners were overwhelmingly white. In 46 (40%) cases guesthouses were owned by women, 35 by men and in 30 cases by husband and wife teams. The age profile of respondents disclosed that guesthouse owners were largely of middle or early retirement age, with nearly 70% of respondents above the age of 40. Indeed, nearly 45% are older than 50. The guesthouse owners are well educated with 56% having a tertiary level qualification. However, only in 6% of cases were these qualifications tourism orientated. It was also found that more than 50% of respondents had been in the tourism industry for 5 years or less. Only 8% of the respondents had worked in the tourism industry prior to running their current guesthouse. These findings suggest that the running of the guesthouse accommodation sub-sector of the Free State, as in other parts of South Africa, is an activity that is commonly practised by early retirees or lifestyle entrepreneurs - those who have given up other work as a result of a household decision to run a tourism business and live in pleasant country surroundings. This finding is further supported by the fact that it was found that guesthouses constituted a major source of income for only around 60% of the respondents. In the remainder of the cases the guesthouses acted as an additional source of income, supplementing income from farming, pensions or other investments.

Most of the guesthouses had been in operation for several years. The distribution of business origins was as follows; 21% (24 units) had been in operation for 3 years, 46% (53) opened between 1996 and 2000, 24% started operating between 1991-1995, and only 9% (10) started prior to 1991. From the starting dates it is clear that the largest group of guesthouses (46%) opened their businesses in the immediate years following South Africa's democratic transition.

In the main (43% of cases) the guesthouse sector caters to the needs of 16 or more guests who are accommodated in at least nine rooms. The capacity of the remainder was fewer than 16 and indeed, as many as 20% only had capacity for five to eight guests. The development costs of guesthouses vary considerably, in line with the high variation in the sizes of these establishments. It was found that in 37% of cases the guesthouses cost in excess of R1 million to establish. This was mainly where guesthouses were specifically purchased to function as such. A further concentration in capital invested in the establishment of guesthouses was in the R100 000 - R300 000 (17%) and the R300 000 - R500 000 (13%) price brackets. The capital for the conversion and development of properties into guesthouses was in all cases either raised via private bank loans or drawn from existing reserves.

A number of people find employment in the guesthouse industry. As can be expected, there is a strong correlation between the total number of employees and the size of the guesthouse establishment. Half the guesthouses surveyed employed fewer than four people. In the majority of cases part-time labour was used and 65% of the respondents indicated that they would temporarily employ one or two persons. In terms of the gender division of employees it was found that 55% were female and 45% male. Of the female workers 81% were black and of the male workers 83% were black. The general age of employees at guesthouses was between 30-49 years (73%). The guesthouse industry consistently demonstrated a clear racial and gender division of labour. The cleaning of rooms was the near exclusive domain of black women, whereas the maintenance of the guesthouses and the grounds was taken care of by black men. The management of the guesthouses was in large part the responsibility of middle-aged white women. The salaries of employees at guesthouses are low, with 81% of respondents indicating that their staff earn less than R1 500 a month.

In terms of the guesthouse patrons, it was established that they were in the main domestic tourists (98% of cases) from Gauteng (48% of cases), with the remaining tourists from across South Africa. The tourist season, as far as guesthouses are concerned, tends to be relatively even, although somewhat quieter during the Christmas season. The most important reason for visiting the Free State was for business purposes (54%) and short break holidays (40%). There was, however, some variation. Hence in areas such as Clarens the reason for visiting the Free State is exclusively for leisure purposes, whilst in Bloemfontein it was generally for business reasons. A small fraction of tourists came to the Free State to visit family and friends, or to use medical facilities. Generally all tourists stayed for 2 evenings (60%), with the balance either staying overnight (17%), or for 3 days (23%).

Obstacles for the Free State guesthouse sector include:

- Marketing of the Free State is totally inadequate;
- Local government has allowed too many guesthouses to be developed;
- The development of inappropriate buildings and businesses detracts from the aesthetic value of most towns and cities in the Free State;
- The business taxes imposed on guesthouses are too high;
- The general standard of cleanliness and appearances in urban areas is low; and
- There are not enough tourist attractions in the Free State.

3.5.2 Hotels

The response from the hotel sector was disappointing and hence only cursory remarks can be made about these tourism product providers. There are 41 hotels in the Free State of which 10 are located in Bloemfontein, four in Welkom and the remainder distributed in a number of smaller towns across the province. With the exception of two hotels in Bloemfontein, these hotels have been established for at least 15 years and in some cases have been doing business for decades. Bloemfontein was the only location in which two hotels have opened in the past ten years. It was found that the larger hotels, accommodating up to 250 guests, are concentrated in Bloemfontein and Welkom, as well as the Casino hotels of Naledi and Thaba'Nchu. However, hotels in the Free State are by and large family owned enterprises and tend to be small, catering to the needs of 40 to 60 guests. The larger hotels are owned and operated by hotel groups such as Southern Sun, City Lodge, and Protea. The hotels in general have medium-sized staff complements, with 40 full-time employees at the largest of the hotels interviewed (City Lodge) and around 11 employees for smaller hotels. All the hotels employed some part-time workers but this exceeded four persons. There is a high incidence of female employees in the hotel sector (75%). The division of labour between different levels of employment is expressed in terms of race and gender. Thus, the management team would largely be white and male, whilst the cleaning and maintenance staff is black female. The balance between race and gender at the management level tended to be more even at the larger hotels owned by the main national hotel groups. In terms of age distribution all hotels reported that their staff were between the ages of 20 and 50. Interestingly family owned hotels tended to be older than those which are owned by hotel groups. Hotel employees are not well remunerated, with average wage levels in nearly all cases below R1 500 a month. However, it is important to note that employees at hotels owned by national hotel chains received substantially higher average wages of between R1 500 and R3 000. Management positions did pay significantly better although the precise detail thereof was seldom disclosed.

In terms of the guests visiting hotels in the Free State they were found to be mainly Gauteng visitors (70%) conducting business in the town or city, and staying over for one to two nights. These business tourists tended to visit the province from April to November. They typically paid between R250 and R500 per person per night. It has to be stressed, however, that considerable variation was recorded. This was the only tourism product or service provider that could report that their clients were 50% black and 50% white. There was no clear explanation for these proportions, but it was felt by interviewees that the less personal attention and the fact that many of the hotels were national hotel chains, minimized the risk of racial tension and favoured even-handedness in service provision. Hotels in the Free State do not receive any form of support from any level of government.

The hotel sector feels that the Free State in general, but Bloemfontein in particular, is not marketed properly in South Africa;

- Road and destination signage is inadequate;
- There is a great need to upgrade the Bloemfontein Airport;
- The road network connecting the airport and the central city area has to be upgraded;
- The general squalor of urban areas in the Free State needs to be addressed; and
- The hotel sector would like to see a more affordable local government rates and taxes policy.

3.5.3 Festivals

Internationally local festivals are increasingly being used to promote tourism and boost the regional economy (Chhabra, et al. 2003; Felsentein and Fleischer, 2003). Similarly, many South African towns and cities have introduced festivals as a means by which to generate income and promote tourism development. Not surprisingly then, it was found in the course of the study that a number of "festivals", celebrating the potato, the cherry, witblits, and so forth, are held in nearly every urban settlement in the Free State (see Table 6 for a listing of Festivals in the Free State). A number of these events are quirky and some are even informative of particular industry sectors and products. Yet, very few are in fact instrumental in drawing tourists to the province or in stimulating sustainable tourism. While these festivals surely have the potential to generate income for a town or village, their "footprint" is generally so small that they at best circulate capital between different localities in the Free State. Echoing experiences elsewhere in the world, where festival related capital inflows have been shown to be rather limited (Felsenstein and Fleischer, 2003), the local festivals are seldom important enough to generate large capital-flows from outside the province. However, the two Bloemfontein arts festivals, each drawing over 50 000 visitors, stand out as prominent festivals that do hold some status beyond the confines of the province.

Table 6: A Listing of Annual Festivals in the Free State by month (2003)

January	**July**
Deneysville – Round the Island Race; Harrismith – The Farmers Dance & Gliding Competition	Bloemfontein – Volksblad Arts Festival
February Clocolan – Veteran and Vintage Tractor Show; Ficksburg – Cherry Festival; Harrismith – Inter Provincial Open Catamaran Championship; Helibron – Agricultural Show; Koppies – Agricultural Show; Reitz – Annual Maize Festival; Virginia – Sand River Festival	**August** Harrismith – Eastern Free State Stud Stock Sale; Ladybrand – Cave Church Anglican Service; Zastron – Vulture Festival
March Bloemfontein – Bloemfontein Skou; Harrismith – Yellowfish Bonanza Competition; Petrusburg – Potato Festival	**September** Bloemfontein – Macufe Festival; Deneysville – Sailsure Week; Harrismith Polo Tournament; Fouriesburg – Asparagus Festival & Agricultural Show, Surrender Hill Marathon & Half Marathon
April Clarens – Easter Flea Market and Beerfest; Harrismith – Verkykerskop Marathon, Annual Agricultural Show, Northern Natal Polo Crosse Tournament; Philippolis – Annual Festival	**October** Bethlehem – OFM Hochland Autp Cycling Competition; Deneysville – Maize Capital Food & Agricultural Show; Harrismith – Platberg Mountain Spring Festival, Spring Beerfest
May Bothaville – NAMPO Harvest Festival; Harrismith – Sheep Town Hall Festival, Free State Polo Championship	**November** Bethlehem – Bielie Mielie Fees; Ficksburg – Cherry Festival; Harrismith – Platberg Nature Reserve Orienteering, Prince Arthur's Bowling Shield; Golf Open, Sterkfontein Long Haul Sailing Challenge
June	**December**

Bethlehem – National Hot-air Ballooning Championship; Harrismith – Sterkfontein Dam Race	Harrismith – Gliding Tournament

Source: Tourist Information Office in the Free State (2004)

Although the festivals market is not that well understood in the South African context, an investigation by Saayman and Saayman, (2003) into their monetary significance has been undertaken. Among many interesting findings it was, for example, found that the Klein-Karoo Nasionale Kunstefees (KKNK), in Oudtshoorn drew 100 000 visitors, along with R100 million. The research revealed that the Grahamstown, Aardklop and KKNK festival together drew more than R200 million annually. A further interesting and very important point for the Free State was the finding that economic leakages out of the local economies of Grahamstown and Oudtshoorn were far larger than for Potchefstroom. The reason for this is that Potchefstroom is a larger urban economy and many of the services the festival requires are accordingly sourced from local services providers. This helps to keep the money generated by the festival within the local economy. The point is that Bloemfontein is significantly larger than Potchefstroom and hence stands to gain much more from hosting festivals.

A further set of findings came from interviews held with art producers and artistes at the Volksblad Kunstefees 2004. It was found that the artistes and producers take the Bloemfontein festival far more seriously than the other Afrikaans festivals because it has a far more stringent selection system. The festival was seen as attracting more discerning concert-goers who were far more appreciative of the productions they saw. As one producer put it the patrons are “not a bunch of beer-belly drunks sitting in the audience”, whilst another noted that they were “not a lot of drunk students”. It was remarked that the audiences are far more mature and responsive to the works performed than is the case elsewhere. Perhaps one of the most interesting sets of remarks related to the fact that the producers and artistes prefer Bloemfontein’s festivals because the city boasts of superior venues for staging their work. In particular, the fact that productions were hosted in the Sand du Plessis theatre complex, as well as the Wynand Mouton and Albert Wessels theatres was very important to these respondents. Moreover, they preferred the fact that they could move around Bloemfontein easily, and more anonymously, than at the other festivals which are held in large towns, not cities. In this respect they felt that the Bloemfontein festivals were less stressful.

The festival organisers were on the whole positive about their role in tourism development in the Free State. They also felt they were receiving good support from provincial and local government. There were only two issues that might be seen as obstacles in the further development of the festival market:

- There is a lack of marketing the festivals outside the Free State province, particularly in Gauteng;
- Greater financial support could secure more and better productions;
- It is essential that the provincial government maintain and expand its financial support of theatre complexes such as the Sand du Plessis; and
- It is essential that Mangaung local municipality maintain and increase its financial support of the Civic Theatre Complex.

3.5.4 Conferences

The survey yielded a considerable array of conferencing venues. In nearly all cases the conferencing facilities form part of accommodation units, such as hotels, guesthouses, guest lodges, guest farms and even schools that make their facilities available for conferencing. Other facilities included tertiary institutions such as the University of the Free State, The Central University of Technology, as well as the Manguang Municipal conferencing complex and the Sand du Plessis theatre complex. It has to be pointed out that Free State conferencing facilities are overwhelmingly located in Bloemfontein and hence no analysis was made of those conference facilities outside of this area. A further reason for excluding facilities outside Bloemfontein was that they were by and large used as venues for weddings, 21st birthday parties and such celebrations. Other uses included team-building weekends.

In Bloemfontein there are 62 registered conferencing venues (Mangaung Tourism, 2003; see Appendix C venue listing; and Appendix D for two case studies). These venues are generally centrally located and mostly cater to the needs of no more than 200 delegates at a time. Moreover, it was found that whilst these facilities were more frequently used for conference and meeting purposes than were their more rural equivalents, they too were mostly hired for weddings, year-end parties and the like. The venues that appear to be used most frequently for conferencing purposes are the Civic Centre Complex, President Hotel, the Sand du Plessis Theatre Complex and an array of venues at the Central University of Technology and the University of the Free State. These five sites have venues that can cater for larger conferences and congresses ranging between anything from 100 to 1 000 delegates. Interviews with the handful of permanent conference organisers in Bloemfontein also confirmed that these venues were mostly used to host conferences and congresses.

Bloemfontein has four fulltime conference organisers who actively pursue organizing conferences and congresses as a career. However, there is also a large secondary group that pursues conference organising as a part-time activity. Involvement in this industry-sector, however, grades into those who only occasionally organise conferences, to those that do so on a sustained basis. The conference organisers work as small companies comprising two to three core permanent employees. The owners of the business were all white, between the ages of 35 and 40 and female with but one exception. All the support staff were white women in their 20s who had worked in this sector for a number of years and most had qualifications closely related to organisational skills development. In addition, many had worked as conference organisers for institutions such as the University of the Free Staters prior to establishing their own enterprises.

The conference organisers were probably the most optimistic of all the tourism product providers in the province. They were very positive about the possibilities for growth in the conferencing market, particularly in Bloemfontein. In their view there are four key competitive advantages:

- Firstly, the central location of Bloemfontein in relation to other South African cities;
- Secondly, the cost of organising conferences in Bloemfontein is significantly lower than it is in the three main urban centres that currently hold a high status as conference centres. Indeed, not only is venue hire lower, but ancillary support services, such as catering, sound equipment, and décor changes and so forth, are far lower too;
- Thirdly, the cost of accommodation for conference delegates is lower; and
- Finally, "everything is less than ten minutes way" – Bloemfontein is a city that is easy and quick to navigate.

The typical conference held in Bloemfontein ranges from 150 to a maximum of 800 delegates. Bloemfontein is particularly popular when it comes to conferences in the medical field. Most conferences tend to take place from March to October. Within this general pattern large conferences tend to cluster over March and April, June and July, as well as September and early October, interspersed with smaller conferences and symposia in May, August and the remainder of the year.

The University of the Free State is the most popular for smaller meetings and the Sand du Plessis theatre for larger congresses. However, a range of venues is used and includes the Bloemfontein Civic Centre, Oliewenhuis's Reservoir, Ilanga Estate, Bains Lodge, to name but a few.

On the whole the conference organisers feel that Bloemfontein is excellently suited for mid-sized conferences, adequate for national needs. Given the size of the venues, the cost factor is lower. Moreover, as these venues are generally multi-purpose facilities, the cost of hiring them is lower.

The following points were highlighted as posing problems for the conferencing sector:

- The lack of good, secure parking at venues such as the Civic Centre Complex and the Sand du Plessis Theatre;
- The lack of up-to-date maps of Bloemfontein;
- The dirtiness of the areas surrounding venues in the CBD;
- The dearth of promotional material as regards entertainment in the city;
- The need for better facilities at the Bloemfontein Airport;
- The absence of quality public transport between the airport and the main conference venues; and
- A lack of marketing of Bloemfontein as a national conferencing centre.

All in all though, the conferencing product providers were the most optimistic and positive about tourism development in the Free State generally and Bloemfontein in particular.

3.5.5 Tourism Routes

Internationally, a variety of factors have contributed to securing business in less developed rural areas. These are: clustering tourism activities and attractions; the erection of user-friendly signage; the establishment of easily accessible information offices; and the development of rural route tourism. This latter supposedly stimulates entrepreneurial opportunities, and the development of ancilliary services, and provides a diverse range of optional activities (Briedenhann and Wickens, 2004, 72). Similarly, in South Africa, many local authorities have clamoured for a slice of the route tourism market (Rogerson, 2003). So too the Free State has a number of tourism routes traversing the province (see Table 7). These routes have in large part been the product of provincial and local government financial support for developing tourism (de Klerk, 2001). Ten routes were found to be regularly advertised. Tourist support of these routes could, however, not be established.

Table 7: List of regularly advertised tourism routes in the Free State

Route Name	Main Focus
Actions N8 Route	Route connecting Kimberley and Maseru via Bloemfontein along the N8.
Battlefields Route	A route connecting a number of primarily Anglo-Boer War battlefields
Friendly N6 Route	Nature-based route connecting Bloemfontein to East London and the Sunshine and Wild Coast.
Maloti Route	Nature and cultural-historic route focusing on the R26 along the Lesotho and Free State border.
Mangaung Cultural Route	Route connecting a range of museums and townships in Bloemfontein.

Motheo Art Route	Connecting a number of artists in Bloemfontein
Motheo Township Route	Connects a number of townships in the Bloemfontein area. Highlights some interesting local sites and stories.
Naledi Tourism Route	Route connecting towns from Bloemfrontein through the Southern Free State to Zastron.
Riemland Wine Route	A route focused on the Western Free State wine producers
Steam Train Route	Organised train travel

Although the notion of tourism routes in the Free State is certainly welcome, it would appear that very little is known about these routes. Indeed, tourism product providers such as guesthouse owners and hotel managers appeared to be unaware of their existence. Moreover, the route maps were not readily available. They are only obtainable from the Bloemfontein tourism centre, and not outside the province which is where one would expect to find such promotional material. The rationale for these routes has not been thought through carefully. Table 8 provides some critical reflections regarding the routes.

Table 8: A brief critique of tourism routes in the Free State

Route Name	Main Focus
Actions N8 Route	It is unclear why a tourist would want to travel from Maseru to Kimberly. The distance between the putative attractions is large, and the two main anchors of the route, Maseru and Kimberley, are not strong destinations.
Battlefields Route	The South African War is only of specialist interest and this route requires a good deal of motoring between distantly located battlefields. Moreover, a number of the battlefields are located on private land and require prior arrangements and permission to visit.
Friendly N6 Route	The route actually guides the tourist out of the Free State, and does not lend itself to travel within the province.
Maloti Route	This is a nature-based route connecting a number of towns along the Lesotho/South Africa border. Many of the by-ways in fact guide tourists out of the province
Mangaung Cultural Route	The route is probably not of interest to that many tourists
Motheo Art Route	Although a good idea, the route is not one that can be engaged without prior appointment. Tourists do not have the time to set-up such appointments. Those tourists that are serious about art will not need a route to pursue their interest
Motheo Township Route	These townships are not as important or well-known as many others in South Africa. Thus, there is only a limited market for this route.
Naledi Tourism Route	None of the so-called tourism attractions are of any major importance and will not draw tourists from outside the province.
Riemland Wine Route	This can hardly be deemed a route as only two wine cellars are listed. The route also extends from road connections that have no direct link to the main flow of tourists through the province.
Steam Train Route	This requires a lot of effort on the part of the tourist to undertake and access to it is hard to schedule.

3.5.6 Nature Reserves and Parks

There are a number of nature reserves and parks in the Free State. One has, however, to differentiate between those that belong to municipalities and those that are larger national or provincial parks. Here only the 15 national and provincial reserves are considered.

The nature reserves are distributed relatively evenly across the Free State. These parks function on a relatively small staff complement (on average between 30 and 40 employees) considering their size. Unlike with the accommodation sector, employees in this sector are largely black (85%). However, as with the other tourism sectors, management was almost exclusively white and male. The average wage in this sector was significantly higher than in the accommodation sector, generally ranging from R3 000 to R5 000 a month.

It is unsurprising that the visitors to these facilities were all leisure tourists. Tourists are nearly exclusively white and tend to only stay overnight either *en route* to coastal destinations or on their return from these areas. Visitors to the parks come from a number of regions. Typically a third comes from the Free State itself, a further third from Gauteng and the remaining third from the Western and Eastern Cape. Unlike other tourism product providers the flow of visitors to the reserves tend to be more evenly distributed throughout the year.

Obstacles for the development of tourism as seen by Nature Reserves and Game Parks are as follows :

- There is a total lack of marketing Free State Game Parks and Reserves;
- The road infrastructure connecting reserves to the main national road networks is totally inadequate; and
- There is a need to invest in park and reserve infrastructure, such as internal roads and facilities.

3.5.7 Museums

There are a number of museums in the Free State. However, only a few of them can really be said to be full-fledged museums. Of this category only 15 could be identified in the province as a whole. In the main they form part of the responsibilities of the National and Provincial Governments' Department of Arts and Culture. Of these museums 10 are located in Bloemfontein, with the Military and National Museums at the top of the list. The largest of these is the National Museum with a staff complement of fewer than 110 employees. The South African War Museum has 24 staff and the National Afrikaans Museum 20. These are relatively evenly divided between black and white employees, as well as between men and women. Seeing that these facilities employ a broad range of staff, including fulltime scientific researchers, curators, cleaners and porters, remuneration packages differ substantially. Higher skilled jobs were by and large occupied by white men and women. On average though this sector's incomes and benefits were radically better than in any of the other tourism sectors.

Museums by their very nature pre-eminently provide educational services. The more general museums such as the natural-history museum receive school groups rather than leisure tourists. On the other hand, Oliewenhuis Art Museum receives more leisure seekers. The more specialist museums, relating to South Africa's military history and the South African War receive both scholars and leisure tourists. The theme foci of the museums influence what racial communities visit them. Those museums that are less specific in terms of the social history they portray, receive more black visitors than those that focus, for example, on the South African War. The more specialised the focus of the museums was, the more of its visitors came from other parts of South Africa. Consequently, the museum with the greatest appeal, both locally and internationally, was the South African War Museum.

Obstacles for the development of tourism as seen by the Museum sector were:

- Perceptions of Bloemfontein are very negative;
- Bloemfontein is seen as a place where nothing happens;
- Finances are insufficient to attract museum specialists;
- Without specialised staff the museums cannot be developed properly as tourist attractions;
- There is not enough funding to expand the museums; and
- There is a lack of marketing of the museums.

3.5.8 Tourism Offices

There are currently 36 tourism information offices in the Free State. In the main these offices are attached to local authorities. The tourism offices are not evenly distributed across the province but are mainly found in the Transgariep and the Eastern Free State. The tourism offices are typically small and white-female dominated. Interviews with these role players functioned as a sounding-board for the corroboration of insights gathered from other tourism product providers. The obstacles they see for tourism development in the Free State, largely echo those outlined above. However, the listing below provides some evidence of other problems, hitherto not remarked upon:

- There is a serious lack of communication between councils and local authority administrations; and between local authorities and tourism product providers;
- Local authorities are generally ignorant of the contribution tourism can make to the local economy;
- Local authorities do not consider the impact of urban development on the tourism potential of a locality;
- Local authorities lack a corporate look – they come across as amateurs;
- Local authorities do not properly fund tourism offices; and
- Very few local authorities have tourism trained specialists to guide tourism efforts.

3.6 Types of support desired from tourism product providers

One of the survey's goals was to record the types of support the various tourism product providers seek from the different spheres of government. It was to be expected that they would require different types of support from provincial or local government. Moreover, the provincial government does not necessarily have any jurisdiction or control over certain types of functions. Where support types were not the responsibility of the provincial or local government, they have nevertheless been included as the provincial or local government might either assist or lobby for such support.

3.6.1 Types of support from provincial government for tourism product providers

Support for the Hotel Sector:

- Marketing of the Free State Province is seen as the primary way by which the provincial government can assist the hotel sector; and
- Marketing of the province has to focus on addressing the negative view residents of other provinces have of the Free State.

Support for the Nature Reserves and Parks:

- Marketing of the Free State province is seen as essential to developing nature reserves and parks;
- The provincial road network has to be improved to provide easier access to the nature reserves and parks; and
- Significant investment in the infrastructure of parks and reserves is required.

Support for the museum sector:

- There is a need for marketing the main museums of the Free State which are all located in Bloemfontein;
- There is a requirement for more appropriately qualified staff; and
- There is a need for capital investment in museums to properly maintain collections, as well as to develop their offerings further and hence enhance their tourism appeal.

Support for the Conference Market (focused on Bloemfontein):

- Develop secure parking facilities close to the main conferencing venues;
- Place pressure on local government to clean and maintain areas around the main conferencing venues;

- Place pressure on the airports agency to improve the airport facilities in Bloemfontein;
- There is a need for greater competition in the airline services to Bloemfontein. The airfares are extremely high; and
- Place pressure on the local authority to significantly improve road and venue signage in Bloemfontein.

Support for the Festival Market:

- The provincial government must provide better marketing support for the two main cultural festivals in Bloemfontein.

Support for the guesthouse sector:

- Marketing support for the Free State as a tourism destination

3.6.2 Types of support from local governments for tourism product providers

Support for the Museums sector:

- Marketing of the Museums in their jurisdiction;
- Cleanliness of the areas around Museums;
- Better control and coordination of developments in the vicinity of museums, with special reference to the areas in Central Bloemfontein; and
- Clear and coordinated signage in Bloemfontein.

Support for the Accommodation Sector:

- Marketing of the province and towns as tourists destinations;
- Simplification of the rules pertaining to tourism accommodation development;
- Reduction of rates and taxes;
- Clear road signage; and
- Cleanliness of the city.

Support for the tourism offices:

- Improved communication between local government officials, administrative departments and tourism product providers;
- Funding for improved marketing of the locale in question; and

- Adequate funding for the development of appropriately located tourism offices.

3.7. Summary of Survey Findings

The key characteristics that emerged from the 141 interviews with tourism product providers were as follows:

- Provincial tourism product providers are clustered in two regions: Bloemfontein and Clarens/Bethlehem.
- The tourism product of the Free State is overwhelmingly nature-based, with cultural-historic tourism products fulfilling a secondary role.
- The tourism system is overwhelmingly dominated by white entrepreneurs.
- Tourism entrepreneurs are primarily middle-aged or retirement age persons.
- The level of black ownership of tourism products in the Free State is negligible and clustered in three areas of the province.
- The majority of the tourism product providers are new businesses.
- SMMEs represent the largest part of the tourism system as a whole.
- The accommodation sector is the most significant sector of the Free State tourism system.
- The worker base of the tourism system in the Free State is largely black.
- The salaried income derived from tourism in the Free State is generally low.
- Women form a disproportionately high percentage of tourism product providers.
- Most tourism product providers have prior working experience outside of tourism.
- Both leisure and business tourists visit the Free State but there are distinctive patterns in these respects.
- Most tourists visiting Bloemfontein are business tourists.
- Most tourists visiting the rural areas of the Free State are leisure tourists.
- The domestic market, Gauteng in particular, is the most important market for Free State tourism product providers.
- There is a very clear racial and gender division of labour amongst nearly all tourism product providers.

- The key concern for tourism product providers relates to the expansion of markets mainly through better and more appropriate marketing drives.

Chapter Four

A Tourism Development Strategy for the Free State Province

"Few people really understand tourism, but that does not seem to stop them from commenting on it and telling willing audiences how tourism should work. Indeed, tourism is one of those activities that produce an inordinate number of instant experts who confuse emotions and feelings with fact" (McKercher and Du Cros, 2002, 25).

4.1 Introduction

The aim of this chapter is to outline a tourism development strategy in the light of the research results presented in the preceding two reports. However, prior to this, some discussion of "how tourism works" needs be to be embarked upon. Section 4.2 below is pivotal to the development of the tourism strategy as outlined in the main part of this chapter. It highlights what the key characteristics of tourism are, how it is that attractions drive tourism, and that there are a number of factors that impact upon visitation levels. In the following section the focus switches to the key components of the development strategy in the light of the current Free State tourism system. This part highlights what draws tourists, to which areas in the province they are so drawn, and the types of tourism product development that might most productively aid the development of the tourism system in the Free State Province.

4.2 How does tourism work?

4.2.1 The key characteristics of tourism[1]

- *Tourism is a commercial activity*

Businesses enter the tourism sector to profit from those who travel. We need to acknowledge that stakeholders pursue tourism in search of economic gain, and the social benefits that accrue from the generation of wealth. States and provinces advance tourism because it generates new money for their jurisdictions. Whilst the tourist travels to satisfy inner needs such as escape, rest, recreation, status, or learning, the product providers aim at profits. Tourism is unique in that the bulk of revenue is generated by facilitators of experiences rather than by experience providers. The tourism industry enables tourists to 'consume' experiences, but does not necessarily provide the experiences themselves. Indeed, only a small fraction of the cost of a tour is spent at what can be termed designated attractions; the rest is spent on transport, accommodation, food, drink, tips, sightseeing and commissions to the travel trade. Yet, it is the attractions that draw tourists to a region in the first place, enabling the rest of the benefits to accrue.

- *Tourism involves the consumption of experiences*

Tourists satisfy their personal needs by experiencing enjoyable activities – tourism is thus a form of consumption. Unlike most other economic activities that enjoy a virtually exclusive hegemony over the use or consumption of their resources, tourism resources are typically part of the public domain or are intrinsically linked to the social fabric of the host community.

- *Tourism is entertainment*

Tourism experiences, especially the culturally- or event-centred variety, have their bases in entertainment. To be successful, and therefore commercially viable, the tourism product must be manipulated and packaged in such a way that it can be easily accessed by the public. Tight tour schedules, limited 'time budgets' and the need to process large numbers of visitors mean that the product must often be regulated to match fixed 'consumption times' in order for the experience to be a guaranteed one. Clearly the experiences may incorporate an element of didacticism, but their primary role is to entertain. Even museums and art galleries whose ostensible rationale is to provide education and cultural enlightenment have recognised that they are *de facto* in the entertainment business and have arranged their displays accordingly. The reason is that only a small number of tourists are really in search of learning. Most are travelling for pleasure, or to satisfy escapist impulses, reasons, and therefore wish to enjoy themselves. Some account for this phenomenon as being a manifestation of the modern consumerist lifestyle; tourism is an end in itself and not, in the first instance, a means to any loftier goal.

- *Tourism has both positive and negative effects*

One of the great myths promoted by sector tourism agencies and NGOs is that by controlling supply, the adverse impacts of tourism can be controlled. Although this may be true at an operational level where undesirable elements can be refused entry or forcibly removed, the global history of rampant tourism development, even under a supply-driven approach, illustrates that this policy rarely works on a regional or national basis. "The great challenge for any destination is to control the genie of tourism once it is let out of its bottle." The history of spontaneous development and the resultant social and environmental costs associated with it attest to the challenge faced by any destination that seeks to promote tourism. The best that governments can do is hope to influence the direction tourism will take.

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[1] Please note that this section is a summary of the work of McKercher and du Cros (2002).

- *Tourism is a demand-driven activity that is difficult to control*

Tourism is fundamentally a demand-driven activity that is influenced more by market forces (tourists and the industry that seeks to satisfy tourists' needs), rather than by governments that try to control or manage it. Tourism, tourists and the industry itself behave in a manner similar to a bottom-up, self-organising, living ecosystem that cannot be controlled using traditional supply systems. Further, it has been the experience of many researchers that advocates of supply-side controlled tourism are often elitist in their attitudes. They assert that encouraging the 'right type' of development will attract the 'right type' of provider, which will appeal to the 'right' travel distributor who will reach the 'right type' of tourist. This person is usually posited as an affluent experienced traveller who is aware of and sensitive to local culture, its heritage and natural ecosystems, and who will want to stay in local accommodation, eat locally produced food, and be content with very basic facilities – all this while paying high tariffs. The problem is that this type of person represents only a tiny portion of the travelling public. How does one satisfy the needs of the vast majority of tourists, those who do not fit this ideal description? They are not going to stop travelling: they will continue to make demands for affordable services and facilities.

4.2.2 Attractions drive tourism

- *Not all tourist attractions are equal*

Tourism is driven by attractions or, in marketing terms, demand generators. However, not all tourist attractions have equal demand generation potential. Investigators such as Bull (1991), have argued that a clear hierarchy of tourist attractions exists. This can be defined according to the degree of compulsion felt by tourists to avail themselves of these attractions. The more dominant the attraction is, the greater the sense of obligation to visit. The purchase decision becomes increasingly discretionary for lower-order attractions, until visits to the lowest-order ones are typified by low involvement decisions entailing little effort expended by the visitor.

It is argued that it is important to appreciate where any attraction is positioned in the hierarchy, for this will dictate how many visits it receives and how it will be used (McKercher and du Cros, 2002, 31-33). Primary attractions will draw people who specifically want to see the asset and who therefore may be expected to have some advance knowledge of it. The quality of interpretation and presentation will differ from that of lower order attractions. They, on the other hand, will probably draw a different type of tourist seeking a different experience. These lesser attractions will draw people seeking a 'lighter' experience or who are looking for discretionary activities to round out their trip. They will be less familiar with the asset, less willing to spend a lot of time appreciating it, and less likely to invest substantial emotional resources in the experience.

- *Cultural heritage attractions are part of tourism*

Cultural and natural tourist attractions are widely recognised as being important elements of the tourism mix for any destination. Many of them, though, fall in the category of lower-order attractions. A wide array of publicly and privately owned cultural and natural tourism products is available, including cultural and nature tours, art galleries, museums of all description, heritage buildings, historical assets and/or complexes, and purpose-built theme parks (Janiskee, 1996). Many of these cultural and natural asset managers, however, resist the notion that the assets they manage have tourist appeal. As a result, they refrain from introducing management structures that will optimise the quality of the experience provided, thereby minimising the impacts that tourism may have.

The first key to the successful management of any cultural or natural tourist attraction is to acknowledge that the feature is indeed a tourist attraction and should be managed as such, even if only in part. The reality for managers of these assets is that some visitation will occur, regardless of whether it is wanted or not and regardless of what management strictures are in place. This means that proactive managers should develop plans to ensure that the needs, wants, and desires of tourists visiting the assets are satisfied, all the while ensuring that the heritage values and integrity of the cultural assets are maintained.

- *Not all assets (natural, heritage, cultural) function as tourist attractions*

Although a whole range of putative attractions potentially form part of the tourism mix, not all of them have tourism potential. Cultural heritage places, for example, are usually designated by communities for reasons other than their tourism potential. They may be locally significant or locally unusual assets. But just because an asset is listed does not mean that it will automatically be attractive to tourists. It is sad to see the mistakes that well-meaning people have made by overestimating the perceived tourism value of an asset when, in fact, it has only limited appeal. Valuable resources have been wasted developing infrastructure and services to cater for anticipated tourist use that never eventuated.

In terms of cultural and natural heritage, places with tourism potential share a number of common features. They are known beyond the local heritage community; they provide experiences that can be consumed; they are interesting and unique; they are robust; they can absorb visitation; and they are accessible. Most importantly, they provide tourists with some compelling reason to visit, even if they are lower-order attractions. A church, is a church, is a church, unless it offers something unique or unusual for tourists that will entice them to visit it. Festivals provided for the benefits of local residents may be interesting events within the local context, but many have little appeal or relevance for tourists unless they satisfy the above criteria.

4.2.3 Factors influencing visitation levels

- *Access and proximity dictate the potential number of visitors*

Demand for tourism products is influenced by a range of factors, including 'distance decay', market access, and time availability. The distance decay theory suggests that demand for tourist attractions varies inversely with distance travelled; that is, demand declines exponentially as distance increases. Similarly, market access states that demand is influenced by the number of similar, competing products or destinations available between the tourist's home base and the prospective product or destination. Time availability has been shown to accentuate or minimise the effect of market access and distance decay.

The proximity of an attraction to a large population base, a major tourist destination, or a gateway will influence its potential visitation and consequently how the asset is to be used. Demand influences the revenue generation potential for the asset, which should, in turn, have a bearing on the levels of development and investment. The basic rule of thumb is that attractions that are located close to large populations or tourist centres will attract significantly larger numbers of visitors than more distant attractions.

The same holds true on a micro- or destination-specific scale. Readily accessible attractions will enjoy greater visitation levels than out-of-the-way assets, unless the compulsion to visit the latter is so great that its remoteness is negated. Museums located in downtown areas or in tourist precincts, for example, will enjoy greater visitation than isolated museums located in outer suburbs. The physical location of the asset, vis-à-vis its major markets, must therefore be taken into consideration when assessing tourism potential. Only truly distinctive assets are capable of overcoming the realities of distance decay and market access. Their drawing power must be so strong that people are motivated to see them, regardless of the time, effort, cost or distance involved.

- *Time availability influences the quality and depth of experiences sought*

Most tourists are travelling on finite time budgets, with many having their time strictly controlled by tour operators, or personal commitments. They have only a limited amount of time available at any one destination and, being rational consumers, will choose to spend that time in the most cost-effective manner. As such, many tourists will seek to consume as many experiences as possible during their stay and will show a predilection for those activities that can be consumed quickly and effortlessly, and where they feel their experience is a guaranteed one. Especially when cultural tourism participation is an incidental aspect of a trip, the amount of time a tourist is willing to allocate to related experiences will hinge on the amount of discretionary time available and the number of competing uses for that time. Those experiences that entail large chunks of time will tend to be avoided if an attractive alternative exists. It has to be kept in mind that in tourism terms, large blocks of time are reckoned in hours, and not days. A useful way of looking at time budgets, proximity and their implications for the type of leisure tourism people are willing to engage in, is given by Strydom (1994, 33) as follows (Table:1).

Table 1: Time-budgets and travel distances

Free Time	Travel Distance
One day	30-80 km
Weekend	160-250 km
Short holiday (less than two weeks)	640-1000 km
Long holiday (more than two weeks)	1600 km

Source: Stydom (1994)

The question then is, in what way can these key elements of "how tourism works" be integrated with the research results presented in the previous two reports?

4.3 Towards a tourism development strategy

The aim of this section is to provide an outline of how the tourism system of the Free State could be developed given the general dynamics of tourism, the existing provincial tourism product and the tourist types currently found in South Africa. These concerns are addressed through a number of interlocking sections. Firstly, attention is given to the most likely locations in the province that fit both the requirements of time and distance influences from main tourist-generation regions. Thereafter, attention turns to providing location specific suggestions for the development of tourism in the Free State.

For the Free State province tourism has, until now, largely been a lost opportunity. It is with irritation that one notes that a tourism development strategy for the province was drawn up ten years ago (Strydom, 1995; Strydom and Lourens, 1995; Strydom and Van der Merwe, 1996), but totally ignored. This reflects badly on the provincial government, as well as local authorities, in that they did not bother to concern themselves with the relevant research, completed at the local university, or to ask how they might benefit from these resources. Many of the ideas outlined by Strydom were good, but sadly, are of little use in the current Free State tourism context. The tourism system of the country has changed dramatically over the past decade. The opportunities for competitive advantage that obtained at the beginning of the 1990s have unfortunately been lost to other regions in South Africa that took the initiative on many of the strategies outlined in the Strydom studies.

The tourism development strategy presented here represents a significant departure from Strydom's study, and indeed many others in the South African context, insofar as its spatial focus is concerned. It is typically argued that tourism development, particularly when government institutions are involved, has to be as even-handed as possible in the strategies pursued. Thus, the aim is to provide as many people, over as large an area as possible, the opportunity to benefit from tourism interventions. The strategies outlined below do not subscribe to this philosophy. Whereas the even distribution of tourism-related opportunities and interventions is certainly a more desirable outcome, we believe it to be naïve in the context of a province, and local government system, that has little tourism related capital or the human resources to implement such strategies.

4.3.1 What types of tourists should the Free State attract and to what areas?

Currently, the Free State's main tourism product is its natural scenery. This is followed by a range of historical and cultural tourism products. It has already been emphasized that tourists need to be offered attractions of a significant calibre to stimulate the industry. In the course of the fieldwork for this study it was often found that, whilst well-intentioned, many tourism product providers had a somewhat over-optimistic view of their products. Indeed, many of the so-called tourist attractions have very little appeal for a broader public. The promise of impressive landscapes has to be measured against the yardstick of how tourists have experienced 'impressive landscapes' elsewhere. To over-promise and under-deliver is a sure way to antagonize one's clientele. The same has to be said of the cultural-historical assets of the province. The historical significance of battlefields, concentration camps, and the museums attached to these, is surely of specialist value but not necessarily for the broader public.

Moreover, to proclaim a particular location as having a beautiful sandstone church, or some attractive sandstone houses as ancillary attractions, cannot serve as the main motivation for a visit to such a location. Apart from anything else, these attractions' value is reduced when surrounded by ugly additions and alterations. In the case of the Free State this often takes the form of hideous, cheap building stock that has been erected over the past century. It is important to take cognizance of the destinations the Free State is competing against. Nearly every reasonably sized town in South Africa can boast of an attractive church or town hall and a few other public buildings of note – this does not make these places tourist destinations.

Epithets such as 'tranquil', 'quiet', 'historic' and so on, are currently used by legions of tourist destinations. Through overuse the utility of these denotations is diminished while their usage tacitly places the destinations in competition with a whole host of other destinations in the country. The use of these descriptors, for example, makes it difficult to differentiate between destinations from the Free State, the KwaZulu-Natal Midlands, or the Western Cape winelands.

- *Focus the tourism development strategy geographically in terms of markets and products*

The Free State tourism product is unevenly developed spatially. There are parts of the province that do not have any particularly noteworthy cultural, historical, natural or scenic attractions, whilst other areas have an abundance of all of these. Given the resource constraints of any provincial government in South Africa it is not deemed prudent to try and develop the tourism system evenly across the whole of the province.

It has already been demonstrated that the Free State does not constitute an important tourist destination region for either the domestic or international markets. The typical tourist in the Free State is from within the province itself. Given the demographics of the province the overwhelming majority of the tourists are visiting family and relatives (VFR tourists) on very limited budgets. In this context tourism promotion will not bring 'new capital' to the provincial economy. If domestic tourism is to bring 'new money' into the province, then the most immediate focus relative to current tourist flows should be on Gauteng, with the tourism programmes focused on the weekend-market, in the first instance, and secondly on the Gauteng, Limpopo and Mpumalanga markets making a stop *en route* to coastal destinations.

In geographically situating the optimal tourist generating region, it stands to reason that one match the market segments identified earlier with the Free State regions that have the most tourism potential. In this respect there are three important market segments that might be targeted:

- The primary domestic tourist market that originates in Gauteng is the so-called "Independent Young Couples and Families" segment. The reason for targeting this market is its proximity to the Free State and its penchant for inter-provincial travel. This opens up a number of possibilities for destinations in the Free State.
- Similarly, the "Golden Active Couples" segment is another from Gauteng that is within striking distance of the Free State.
- A further market segment that warrants consideration is that of "Well-off Homely Couples". The reason for this is that they undertake the highest number of trips per person per year. Moreover, the members of this segment typically have children that have completed their schooling, making it possible for them to engage route tourism and lengthier visits.

As far as the international market is concerned Lesotho nationals are the primary visitors to the Free State. They generally visit the Free State for three days at a time and have relatively small travel allowances allocated to buying goods which are either not available, or too expensive, in Lesotho.

Implicit in these realities we find the key elements outlined in the 'how tourism works' section outlined above. Visitors to the Free State are by and large drawn from its immediate neighbours, who spend a weekend in the province. Given distance/proximity arguments there are three very obvious regions we might consider for the Free State. In terms of domestic market we can look at what places in the province are within a) the day-visit distance, and b) the weekend visit distance from the two main markets of the Free State, namely Gauteng and Lesotho. As per Table 1 below this highlights three promising locations:

- The Vaal River area focused on Parys
- The Eastern Free State focused on Clarens; and
- The Southern Free State focused on the Orange River.

Table 1: Main sites for tourism development in the Free State

Free Time	Travel Distance from Gauteng	Main Location in the Free State
One day	30-80 km	Mainly the Vaal River area Parys
Weekend	160-250 km	Mainly the Eastern Free State Memel Bethlehem Harrismith Golden Gate Highlands National Park Sterkfontein Nature Reserve Clarens Fouriesburg
Short holiday (less than two weeks)	640-1000 km	Mainly the Southern Free State Vanderkloof Dam Gariep Dam Nature Reserve Tussen Die Riviere Game Farm

		Zastron
Long holiday (more than two weeks)	1600 km	None

4.3.2 Which tourism development strategies to explore for the domestic market

Tourism development in the short to medium term will have to be concentrated on the Eastern part of the province (weekend visitors), and the Parys area (day-visitors) where there currently exist a number of established tourist attractions and the infrastructure that can cope with a reasonable number of tourists. A further focus, but separate from the others, relates to Bloemfontein as a centrally located conference and festival city.

- *Develop a nature-based tourism focus in the rural areas*

No destination can be all things to all tourists. The Free State has an abundance of scenic beauty and relatively few inhabitants. These characteristics should be used strategically. Within the realm of nature-based tourism there is scope for a number of activity foci.

- *Develop tourism products as part of focused tourism routes in rural areas –particularly the Maloti Route*

Seeing that many Free State towns have little to offer that might attract tourists, route tourism promotion is something the province might want to consider. The provincial government has to be realistic about what route tourism can achieve however. There are already a number of tourism routes in South Africa, such as the Wine Route, Midlands Meander, Garden Route, and so forth. These routes have a relatively high density of tourism product providers. In the case of the Free State the tourism products are much less concentrated and are not thematically focused. Free State tourist routes will have to package the distances between product providers as integral to the routes' attractiveness versus their being seen as an impediment. Should the province focus on nature-based tourism in the route format, the following might be seen as possibilities:

- *Develop routes within routes*

The provincial government could encourage the development of tourism routes within routes. A key task for the provincial government is to generate new tourism products by linking those that already exist. A possibility is stringing together the tourism attractions of the Eastern Free State such that the resultant route could be traversed in a combination of hiking, quad-biking, horseback riding, river rafting and canoeing. The overall route should comprise subsidiary routes which can be traversed over a weekend. Should the tourist have a larger time-budget, then additional routes could be followed. The ultimate route would be one that links the eastern with the southern Free State. The strategy should be to develop routes that vary in focus or theme. Thus, the overall route might consist of a trail that connects Witsieshoek with Vanderkloof Dam. It could be billed as the world's longest uninterrupted nature-based trail using multiple modes of transport.

- *Tourism routes must have a focus and ancillary foci*

It is very important that routes focused on natural scenery feature additional product foci. Thus, whilst the scenic attraction of the Eastern and Southern Free State route would serve as the main attraction, subsidiary routes might focus on adventure, cultural, or historical aspects, as appropriate.

- *Choose tourism development options with the potential to include a diverse array of people*

The reason tourism development has the support of national government is its ability to generate employment. Ideally a tourism strategy should also benefit the poor. It is evident from the research that very few Previously Disadvantaged Individuals (PDIs) are involved in the Free State tourism system as product owners.

In the case of nature and adventure based tourism products in a route format, it is possible to provide opportunities for a whole range of economic linkages that benefit a wide array of people, not least PDIs.

If one takes hiking as an example, tour guides might relay tourists along different sections of the route. Hikers could have tents taken to overnight camping sites ahead of them and the camp-site could be prepared in advance. Fuelwood could be provided and even the cooking could be done for the hikers. These all present opportunities for local communities and entrepreneurs, at relatively low cost to all concerned.

- *The Free State's urban centres have limited leisure tourism potential*

From the survey results it is clear that the Free State urban centres are generally not well positioned as tourist destinations. With the exception of Bloemfontein, Clarens and Parys, there are very limited tourism services in the urban areas.

- *Develop the existing adventure-based weekend and day-trip market of Parys and the Vaal River system*

Currently Parys has an active day-trip market, as well as adventure-based tourism products focused on the Vaal River. However, more could be made of this market if greater access to the river was provided.

- *Develop Clarens but include the surrounding Eastern Free State towns for the weekend and short-break market.*

Clarens has become the tourism hub of the Eastern Free State and enjoys a lot of support from Gauteng. However, much of this remains concentrated in Clarens. The careful development of nature-based activities in adjoining areas such as QwaQwa, Witsieshoek, Fouriesburg and even Lesotho, should aid in attracting visitors to these currently neglected areas.

- *Integrate the Lesotho Highlands with the Eastern Free State tourism product*

Lesotho is a day-trip destination for visitors to Clarens. Value could be added for Eastern Free State visitors by offering day-trips to Lesotho – particularly Katse Dam and its surrounds.

- *Bloemfontein is not a traditional leisure tourism destination but has tourism potential*

Bloemfontein has a range of interesting cultural and historic attractions. However, these features do not constitute sufficient justification for holiday visits.

- *Develop a conferencing and meetings focus in Bloemfontein*

Bloemfontein could exploit its central location for regional and national conferences. Given the already significant number of well-established conferencing venues in Cape Town, Durban and Johannesburg, keenly pursuing the international market, it might be prudent for Bloemfontein to rather focus on national conferences.

- *The conference market can stimulate leisure tourism opportunities*

Conferences provide a 'captive audience' and these visitors are likely to participate in short excursions if these are included in a conference package. Such tours provide a platform for introducing the natural, cultural and historic attributes of Bloemfontein. Typically this might include a game drive on Naval Hill integrated with tours of the many museums in Bloemfontein and concluded with a visit to the theatre, or a sporting event and dinner at one of the many restaurants.

- *Develop the two main Bloemfontein cultural festivals into nationally significant events*

It was pointed out previously that Bloemfontein plays host to two important cultural festivals: Macufe and Volksblad Kunstefees. Although both these festivals are relatively new, they have grown quickly in stature and, importantly, in public support. Currently these festivals, whilst contributing enormously to the cultural life of the city, do not attract significant income from outside the region. These festivals should be used to get visitors from other provinces to travel to the Free State in more significant numbers. Most productions currently staged are part of a nation-wide performance circuit. Most often productions are premiered elsewhere, often at the two main National Arts Festivals in Grahamstown and Oudtshoorn, and only later brought to the Macufe or Volksblad Festivals. The organisers of these events should aim for productions that premiere in Bloemfontein, and which will not be seen at the other festivals for some time to come. In this way interested patrons would have to come to the Free State to view these productions.

- *Tap into the* en route *tourist markets by providing opportunities to spend money on region-specific products*

There is very considerable travel through the province from Gauteng to the coastal provinces. The Free State, because it is so central, is badly located in terms of getting tourists to stay overnight in the province. Whereas it is beneficial to the province that it is three to four hours from most places in Gauteng, a typical holiday trip to the coastal destinations from Gauteng would lead to a petrol and rest stop, but not to an overnight stay. When travelling to the coast and back, the priority is to reach the destination and stopping on the way is kept to a minimum.

The *en route* tourist is not that likely to stop along the way or to deviate from the planned route to the end destination. This market can be tapped into by providing better opportunities to spend money when the *en route* tourists are re-fuelling and resting. In this respect much can be done to provide shopping facilities at service stations along the main highway routes. At these shops the emphasis should be placed on traveller-useful but provincially unique products. Thus, most cold drinks, food and snacks, postcards, etc… should be Free State specific. In this way the profile of the province’s producer goods could be enhanced, whilst providing additional outlets for the products.

- *Market the Free State, particularly in Gauteng*

During the research for this report promotional brochures were obtained from a number of tourism offices throughout the province and beyond. It is with some bemusement that one finds 10 tourism routes being publicised at the Bloemfontein Tourism Office, but nothing at tourism offices outside the province. Surely the point is to stimulate tourism to the provice from without the region, and then at the gateways to the various routes advertised. Quite apart from this, most domestic tourists do not visit tourism offices anyway and so the target market is being missed. Advertising and marketing material should be made available at service stations in the regions from which the province’s tourists come. In the case of the Free State it is, for example, imperative that this material be readily available in Gauteng and Lesotho.

4.3.3 What tourism development strategy to develop for international tourists

- *Lesotho visitors are important to the Free State - their needs should be catered for*

As already indicated, the largest single international visitor cohort to the Free State is Lesotho nationals. It is well-known that these visitors travel to South Africa for the purchase of goods.

Currently, Johannesburg is the key “shopping” destination for these tourists. The Free State province could do much to stimulate this market by packaging a shopping-trip that includes safe, reliable and cost-effective travel. Moreover, it should provide, good, yet inexpensive and centrally located accommodation. Should the Free State demonstrate to Lesotho visitors that their economic support is taken seriously and is appreciated, they will visit more frequently. Moreover, the main route connecting Maseru and Bloemfontein has to be significantly upgraded to ease travel between these points. The combination of these shopping visits with healthcare and entertainment could significantly influence this cohort to travel to Bloemfontein rather than Johannesburg.

- *International tourism is not a significant market segment for the Free State but there is some potential to tap into this market*

International tourists do not constitute a significant market for the Free State. This is not to say that there is no potential to tap into this market. What can be done is to provide international tourists options to travel through the province, rather than fly over it. The strategy would be to integrate the Free State into the travel itinerary and make it an *en route* stay-over for those tourists on their way to Garden Route destinations, and ultimately, Cape Town. This could be achieved by marketing the nature reserves of the southern Free State as places to spend the late afternoon and evening. Moreover, the reserves could be promoted as alternatives to the Mpumalanga game parks. In this respect the idea would be to provide tourists with the open space and wildlife experiences whilst conserving their time budgets. This also makes it possible to integrate towns with a ‘big five’ game reserve into the international tourism route and thereby spread the benefits of tourism development over a larger area. This strategy could be employed for both packaged tour-guided, as well as self-drive overseas visitors. The marketing of such a programme could be facilitated by targeting travel agents and making them aware of such options.

4.4 Assisting tourism product providers

The above section provided ideas concerning which types of tourists to attract and what tourism products one might provide. There are, however, also a number of ways in which the provincial and local governments of the Free State might intervene to assist specific tourism product provider categories.

4.4.1 Plan of action at the provincial level:

- The marketing of the province must be improved - as a priority.

- Focus tourism marketing of the Free State on those attractions that are truly unique to the province.
- Focus tourism products in the Free State on travel agencies outside the province. Bring travel guides and tour operators to the Free State to demonstrate its unique tourism products;
- The road infrastructure connecting the Free State destination regions of the Eastern and Southern Free State should be upgraded dramatically to facilitate weekend visitation from Gauteng.
- The road infrastructure connecting Lesotho to the border towns of Ladybrand, Ficksburg and Fouriesburg must be improved to encourage cross-border shopping.
- The road infrastructure connecting Bloemfontein to Maseru should be improved to encourage weekend shopping.
- The provincial government must have an ongoing, constantly updated database that can measure what types of tourism products are available and how they are utilised.
- The provincial government and local authorities must develop “one-stop” information units within the relevant line-departments that can assist both existing and prospective tourism entrepreneurs in the development of their enterprises.
- All developments must be critically analysed as to how they enhance the tourism product of a town or city.
- The provincial government must have a body that can monitor the aesthetic value of building developments, particularly where they are near current tourism products such as museums and historical building sites;
- A dedicated official, available on a full-time basis, has to be provided at the local/district government level. These officials must have training in tourism promotion and know how the tourism system works.
- Support tourism initiatives and entrepreneurs that generate large forward and backward economic linkages such as conferences and nature-based tourism route formats.

4.4.2 Plan of action for the Conference Market:

- Assist the Mangaung municipality in the financing and planning of good, secure parking near venues such as the Civic Theatre and the Sand du Plessis Theatre complexes;
- Continuously up-date maps of Bloemfontein;
- Ensure that the streets around the conference venues are in good order and clean;

- Make sure tourism marketing material is up to date and easily accessible; and
- Negotiate improvements to the Bloemfontein airport.

4.4.3 Plan of action for the Festival Market:

- Make sure that the theatre complexes are adequately resourced to remain desirable venues for artists to perform in;
- Support productions that are either unique to the Macufe and Volksblad Arts Festivals, or premiere at these events; and
- Market the Macufe and Volksblad Festivals in other provinces.

4.4.4 Plan of action for the Route Tourism Market:

- The tourist routes in the Free State need to be simplified;
- Free State tourist routes have to be marketed at appropriate locations outside the province; and
- Tourist routes need to be focused on a theme and have associated ancilliary attractions.

4.4.5 Plan of action for the Guesthouse sector

- Improve the marketing of the Free State;
- Provide clear outlines of how local taxes and rates apply to guesthouses;
- Provide clear signage;
- Consider local government tax and rates restructuring to lower costs; and
- Improve and maintain local infrastructure.

4.4.6 Plan of action for the *En route* market:

- Refuelling and resting stops along the main highway network must offer tourist information; and
- The stops have to offer the tourists something unique to buy.

4.4.7 Plan of action for the International Market

- The provincial government should design an appealing and focused alternative travel route for overseas visitors so as to encourage movement through the Free State to the Garden Route *en route* to Cape Town; and
- Alternative tourism packages should be marketed among the appropriate travel agents.

4.4.8 Plan of action for the Hotel sector:

- Better marketing of the Free State; and
- Better Signage.

4.4.9 Plan of action for the Nature Reserve sector:

- Improve provincial road infrastructure.

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Appendix A

Tourism products in the Free State Province

Location	Tourism Product	Number of Units
Allanridge	Bed and Breakfast / Guesthouse / Guest Lodge	1
Bethlehem	Bed-and-Breakfast / Guesthouse / Guest Lodge	21
	Holiday/Game Farm	3
	Self Catering	3
	Hotel	1
	Food/Restaurant	17
	Tourism Info	1
	Travel Agents	2
	Tourism Product	3
	Reserves & Parks	3
Bethulie	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	3
	Museum	1
	Reserves & Parks	1
Bloemfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	122
	Self Catering	16
	Conference & Acc	5
	Hotel	10
	Backpackers/Y hostel	3
	Caravan Park/Resort	5
	Food/restaurant	35
	Tourism Info	4
	Travel Agents	13
	Museum	6
	Reserves & Parks	3
	Travel Transport	20
Boshof	Caravan Park/Resort	1
	Hotel	1
Bothaville	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
Christiana	Caravan Park/Resort	1
Clarens	Bed-and-Breakfast / Guesthouse / Guest Lodge	43
	Self Catering	3
	Conference & Acc	1
	Holiday/Game Farm	12
	Hotel	1
	Food/Restaurant	9
	Tourism Info	2
	Travel Agents	4
	Tour operators	1
	Tourism Products	34
	Reserves & Parks	1
Clocolan	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Holiday/Game Farm	3
	Tourism Product	1
Deneysville	Bed-and-Breakfast / Guesthouse / Guest Lodge	7
Dewetsdorp	Hotel	1

	Tourism Product	1
Edenburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Tourism Product	1
Fauresmith	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Tourism Product	1
Ficksburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	20
	Holiday/Game Farm	5
	Self Catering	1
	Hotel	1
	Caravan Park/Resort	2
	Food/Restaurants	1
	Tourism Product	4
	Museum	1
Fouriesburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	7
	Holiday/Game Farm	7
	Self Catering	1
	Tourism Product	1
Frankfort	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Holiday/Game Farm	1
	Hotel	1
	Caravan Park/Resort	2
	Tourism Product	1
Gariep Dam	Bed-and-Breakfast / Guesthouse / Guest Lodge	5
	Caravan Park Resort	3
	Tourism Product	1
Harrismith	Bed-and-Breakfast / Guesthouse / Guest Lodge	13
	Holiday/Game Farm	3
	Conference & Acc	1
	Hotel	1
	Backpackers/Y Hostel	1
	Tourism Info	1
	Travel Agents	1
	Tourism Product	2
	Reserves & Parks	1
	Travel Transport	1
Heilbron	Bed-and-Breakfast / Guesthouse / Guest Lodge	8
	Holiday/Game Farm	1
	Conference & Acc	1
	Caravan Park/Resort	1
	Food/Restaurants	1
	Tourism Product	3
	Museum	1
Jacobsdal	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
	Tourism Info	1
	Tourism Product	1
Jagersfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Tourism Info	1
	Tourism Product	1
Kestell	Hotel	1
Koffiefontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Holiday/Game Farm	1
	Tourism Info	1
Koppies	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Holiday/Game Farm	1
	Hotel	1

	Tourism Product	1
	Reserves & Parks	1
	Tourism Products	2
Kroonstad	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Holiday/Game Farm	3
	Hotel	1
	Conference & Acc	1
	Caravan Park/Resort	2
	Tourism Info	1
	Museums	1
Ladybrand	Bed-and-Breakfast / Guesthouse / Guest Lodge	15
	Hotel	1
	Holiday/Game Farm	1
	Caravan Park/Resort	1
	Food/Restaurants	10
	Tourism Info	1
	Tourism Product	2
	Museums	1
	Travel Transport	1
Lindley	Hotel	1
	Food/Restaurant	1
Luckhoff	Tourism Info	1
Marquard	Hotel	1
Memel	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Self Catering	1
	Holiday/Game Farm	3
	Caravan Park/Resort	1
	Tourism Info	1
Odendaalsrus	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
Oranjeville	Hotel	1
	Caravan Park/Resort	4
Parys	Bed-and-Breakfast / Guesthouse / Guest Lodge	12
	Conference & Acc	1
	Hotel	1
	Holiday/Game Farm	1
	Caravan Park/Resort	13
	Tourism Info	1
	Food/Restaurants	15
	Travel Agent	1
	Tour Operators	2
	Museums	1
Paul Roux	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Tourism Product	4
Philippolis	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Tourism Info	4
	Museum	1
Petrusburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
	Tourism Info	1
Phuthaditjhaba	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Conference & Acc	1
	Tourism Info	1
	Tourism Product	2
Reddersburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Tourism Info	1
Reitz	Bed-and-Breakfast / Guesthouse / Guest Lodge	2

	Caravan Park/Resort	1
Rouxville	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Tourism Info	1
	Tourism Product	2
Sasolburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	10
	Hotel	1
	Caravan Park/Resort	1
	Tourism Info	1
	Tour Operators	1
Senekal	Holiday/Game Farm	1
Smithfield	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Food/Restaurant	1
	Tourism Info	1
	Tourism Product	6
	Museum	2
Springfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	8
	Tourism Info	1
Thaba' Nchu	Hotel	2
	Tourism Info	1
	Tourism Product	1
	Reserves & Parks	1
Theunissen	Hotel	1
	Reserves & Parks	1
Trompsburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Holiday/Game Farms	1
	Tourism Info	1
Tweeling	Food/Restaurant	2
	Tourism Product	2
Tweespruit	Tourism Product	2
Van Reenen	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	1
Ventersburg	Caravan Park/Resort	1
	Reserves & Parks	1
Viljoenskroon	Caravan Park/Resort	1
	Travel Agent	1
Villiers	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Hotel	1
	Caravan Park/Resort	1
	Food/Restaurant	4
	Travel Agent	1
	Tour Operators	1
	Tourism Products	3
Virginia	Hotel	1
	Caravan Park/Resort	3
	Food/Restaurant	1
Vrede	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Caravan Park/Resort	1
	Tourism Info	1
Vredefort	Hotel	1
	Caravan Park/Resort	1
Warden	Hotel	1
Welkom	Bed-and-Breakfast / Guesthouse / Guest Lodge	23
	Hotel	4
	Caravan Park/Resort	1

	Food/Restaurant	4
	Tourism Info	1
	Travel Agent	2
	Museum	1
	Reserves & Parks	1
	Travel transport	2
Wepener	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Hotel	1
	Tourism Info	1
	Reserves & Parks	1
Wesselsbron	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
Winburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
Witsieshoek	Travel Agent	1
	Tourism Product	1
Zastron	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Holiday/Game Farms	3
	Caravan Park/Resort	1
	Tourism Product	3

Appendix B

Tourism Products by Region

Transgariep Region

Location	Tourism Product	Number of Units
Bethulie	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	3
	Museum	1
	Reserves & Parks	1
Bloemfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	122
	Self Catering	16
	Conference & Acc	5
	Hotel	10
	Backpackers/Y hostel	3
	Caravan Park/Resort	5
	Food/restaurant	35
	Tourism Info	4
	Travel Agents	13
	Museum	6
	Reserves & Parks	3
	Travel Transport	20
Dewetsdorp	Hotel	1
	Tourism Info	1
Edenburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Tourism Info	1
Fauresmith	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Tourism Info	1
Gariep Dam	Bed-and-Breakfast / Guesthouse / Guest Lodge	5
	Caravan Park Resort	3
	Tourism Info	1
Jacobsdal	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
	Tourism Info	1
	Tourism Product	1
Jagersfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Tourism Info	1
	Tourism Product	1
Koffiefontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Holiday/Game Farm	1
	Tourism Info	1
Philippolis	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Tourism Info	4
	Museum	1
Petrusburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
	Tourism Info	1
Reddersburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Caravan Park/Resort	1
	Tourism Info	1
Rouxville	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Tourism Info	1

	Tourism Product	2
Smithfield	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Food/Restaurant	1
	Tourism Info	1
	Tourism Product	6
	Museum	2
Springfontein	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	8
	Tourism Info	1
Thaba' Nchu	Hotel	2
	Tourism Info	1
	Tourism Product	1
	Reserves & Parks	1
Trompsburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Holiday/Game Farms	1
	Tourism Info	1
Wepener	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Hotel	1
	Tourism Info	1
	Reserves & Parks	1
Zastron	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Holiday/Game Farms	3
	Caravan Park/Resort	1
	Tourism Product	3
Totals	Bed-and-Breakfast / Guesthouse / Guest Lodge	165
	Backpackers/Y hostel	3
	Caravan Park/Resort	10
	Conference & Acc	5
	Holiday/Game Farms	16
	Hotel	16
	Self Catering	16
	Food/restaurant	36
	Tourism Info	23
	Travel Agents	13
	Museum	10
	Reserves & Parks	6
	Travel Transport	20
	Travel Product	14
Total		**351**

Eastern Free State Region

Location	Tourism Product	Number of Units
Bethlehem	Bed-and-Breakfast / Guesthouse / Guest Lodge	21
	Holiday/Game Farm	3
	Self Catering	3
	Hotel	1
	Food/Restaurant	17
	Tourism Info	1
	Travel Agents	2
	Tourism Product	3
	Reserves & Parks	3
Clarens	Bed-and-Breakfast / Guesthouse / Guest Lodge	43
	Self Catering	3
	Conference & Acc	1
	Holiday/Game Farm	12
	Hotel	1
	Food/Restaurant	9

	Tourism Info	2
	Travel Agents	4
	Tour operators	1
	Tourism Products	34
	Reserves & Parks	1
Clocolan	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Holiday/Game Farm	3
	Tourism Product	1
Ficksburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	20
	Holiday/Game Farm	5
	Self Catering	1
	Hotel	1
	Caravan Park/Resort	2
	Food/Restaurants	1
	Tourism Product	4
	Museum	1
Fouriesburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	7
	Holiday/Game Farm	7
	Self Catering	1
	Tourism Product	1
Harrismith	Bed-and-Breakfast / Guesthouse / Guest Lodge	13
	Holiday/Game Farm	3
	Conference & Acc	1
	Hotel	1
	Backpackers/Y Hostel	1
	Tourism Info	1
	Travel Agents	1
	Tourism Product	2
	Reserves & Parks	1
	Travel Transport	1
Kestell	Hotel	1
Ladybrand	Bed-and-Breakfast / Guesthouse / Guest Lodge	15
	Hotel	1
	Holiday/Game Farm	1
	Caravan Park/Resort	1
	Food/Restaurants	10
	Tourism Info	1
	Tourism Product	2
	Museums	1
	Travel Transport	1
Lindley	Hotel	1
	Food/Restaurant	1
Marquard	Hotel	1
Memel	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
	Self Catering	1
	Holiday/Game Farm	3
	Caravan Park/Resort	1
	Tourism Info	1
Paul Roux	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Tourism Info	4
Phuthaditjhaba	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Conference & Acc	1
	Tourism Info	1
	Tourism Product	2
Reitz	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Caravan Park/Resort	1
Senekal	Holiday/Game Farm	1
Tweeling	Food/Restaurant	2

	Tourism Product	2
Tweespruit	Tourism Product	2
Van Reenen	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Holiday/Game Farms	1
Vrede	Bed-and-Breakfast / Guesthouse / Guest Lodge	2
	Caravan Park/Resort	1
Warden	Hotel	1
Witsieshoek	Travel Agent	1
	Tourism Product	1
Totals	Bed-and-Breakfast / Guesthouse / Guest Lodge	137
	Backpackers/Y hostel	1
	Caravan Park/Resort	6
	Conference & Acc	3
	Holiday/Game Farms	39
	Hotel	9
	Self Catering	9
	Food/Restaurants	104
	Tourism Products	83
	Tourism Info	36
	Travel Agents	26
	Travel Transport	24
	Reserves & Parks	16
	Museums	15
	Tour Operators	5
Total		**513**

Goldfields Region

Location	Tourism Product	Number of Units
Allanridge	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
Boshof	Caravan Park/Resort	1
	Hotel	1
Bothaville	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Hotel	1
Christiana	Caravan Park/Resort	1
Odendaalsrus	Bed-and-Breakfast / Guesthouse / Guest Lodge	6
Theunissen	Hotel	1
	Reserves & Parks	1
Ventersburg	Caravan Park/Resort	1
	Reserves & Parks	1
Virginia	Hotel	1
	Caravan Park/Resort	3
	Food/Restaurant	1
Welkom	Bed-and-Breakfast / Guesthouse / Guest Lodge	23
	Hotel	4
	Caravan Park/Resort	1
	Food/Restaurant	4
	Tourism Info	1
	Travel Agent	2
	Museum	1
	Reserves & Parks	1
Wesselsbron	Bed-and-Breakfast / Guesthouse / Guest Lodge	2

Winburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
Totals	Bed-and-Breakfast / Guesthouse / Guest Lodge	36
	Hotel	8
	Caravan Park/Resort	7
	Food/Restaurant	5
	Tourism Info	1
	Travel Agent	2
	Museum	1
	Reserves & Parks	4
	Travel transport	2
Total		**66**

Northern Free State

Location	Tourism Product	Number of Units
Deneysville	Bed-and-Breakfast / Guesthouse / Guest Lodge	7
Frankfort	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Holiday/Game Farm	1
	Hotel	1
	Caravan Park/Resort	2
Heilbron	Bed-and-Breakfast / Guesthouse / Guest Lodge	8
	Holiday/Game Farm	1
	Conference & Acc	1
	Caravan Park/Resort	1
	Food/Restaurants	1
	Tourism Product	3
	Museum	1
Koppies	Bed-and-Breakfast / Guesthouse / Guest Lodge	1
	Holiday/Game Farm	1
	Hotel	1
	Tourism Product	1
	Reserves & Parks	1
	Tourism Products	2
Kroonstad	Bed-and-Breakfast / Guesthouse / Guest Lodge	4
	Holiday/Game Farm	3
	Hotel	1
	Conference & Acc	1
	Caravan Park/Resort	2
	Tourism Info	1
	Museums	1
Oranjeville	Hotel	1
	Caravan Park/Resort	4
Parys	Bed-and-Breakfast / Guesthouse / Guest Lodge	12
	Conference & Acc	1
	Hotel	1
	Holiday/Game Farm	1
	Caravan Park/Resort	13
	Tourism Info	1
	Food/Restaurants	15
	Travel Agent	1
	Tour Operators	2
	Museums	1
Sasolburg	Bed-and-Breakfast / Guesthouse / Guest Lodge	10
	Hotel	1
	Caravan Park/Resort	1
	Tourism Info	1
	Tour Operators	1

Viljoenskroon	Caravan Park/Resort	1
	Travel Agent	1
Villiers	Bed-and-Breakfast / Guesthouse / Guest Lodge	3
	Hotel	1
	Caravan Park/Resort	1
	Food/Restaurant	4
	Travel Agent	1
	Tour Operators	1
	Tourism Products	3
Vredefort	Hotel	1
	Caravan Park/Resort	1
	Tourism Info	1
Totals	Bed-and-Breakfast / Guesthouse / Guest Lodge	49
	Conference & Acc	3
	Hotel	8
	Holiday/Game Farm	7
	Caravan Park/Resort	26
	Food/Restaurants	20
	Tourism Product	10
	Museum	3
	Tour Operators	4
	Tourism Info	4
	Travel Agent	2
	Reserves & Parks	1
Total		**137**

Appendix C

Conferencing Venues in greater Bloemfontein

Conferencing Product Providers	Venue Capacity
Aldersgate Wedding and Conference Centre	90
Aventura Bloemfontein	20-200
Bains Game Lodge	20-200
Bloemfontein Inn	30
Bloemfontein Spa Lodge	30-50
Bobbies Park	500
Botanical Gardens	-
City Hall Complex	30-1000
Civic Centre	50-300
Country Inn	30-40
Dagbreek Accommodation	30-70
De Kat Guesthouse	20
De Oude Kraal Country Lodge	20-150
Dias Guesthouse	15
Die Oewer	150
Eskom Marekting Centre	40
Glen Country Lodge	25-30
Good Year Park	-
Grey College	100
Holiday Inn Garden Court	25
HTS Louis Botha School	200-300
Haldon House	15-20
Hobbit Boutique Hotel	30
Hugenoot Guesthouse	30
Hydro Guesthouse	15
Ilanga Estate	10-350
Indaba Lodge	150-350
Innes Guesthouse	10-30
Klipkraal	80
Kloof Lodge	60
Klub Vrystaat	75
Kopano Nokeng	540
Lala Dene Guesthouse	20-40
Lettie Fouche School	150
Marlow Guesthouse	30
Martie du Plessis School	150
Mizpah Lodge	20
Mooigenoeg	100
Naledi Sun	40
Onze Rust	80
President Hotel	40-450
Pride Rock Guesthouse	10
Protea Hotel Landmark Lodge	50-200
Premier Protea Hotel	-
Reyneke Park	40-100
SA Police Hall	500
Sand du Plessis Theatre	100-900
Shalom Guesthouse	12
Show Grounds	-
Synodyl Centre	10-600
St Andrew's School	200
St Michael's School	150
Stately Guesthouse	25
Swan Lake – Roodewal	-
Central University of Technology	100-1000
Thaba 'Nchu Sun	250
The Resting Place	50
Tom's Place	60
Toscana	20

Unitas Herberg	60
University of the Free State	75-5000
Vista University	100

Appendix D

Conferences in Bloemfontein – Two case studies

It is well-known that conferences represent a form of business travel that can yield immense benefits for the host location. In the light of the large financial gains that can be made from such meetings it is not surprising that many cities and towns actively pursue the conference market. Nationally, the main urban centres of Cape Town, Durban and Johannesburg have established themselves as key role-players in hosting conferences. In the main these centres compete against one another for the large, very often international, conferences. In contrast, Bloemfontein plays host to a number of national conferences each year. The size of these meetings varies tremendously, ranging from 100 to 800 delegates. Seldom, however, does the local community reflect on the impact of such gatherings. In the light of this, two case studies are outlined demonstrating the impact of conferences on Bloemfontein's local economy. The first case study reviews a small national academic conference, while the second case study focuses attention on a larger-scale national medical congress.

Case Study One – Small national academic conference

In September 2003 an academic conference spanning three days was held at the University of the Free State. The conference drew 200 delegates of which 150 came from outside Bloemfontein. Typically the delegates arrived the Sunday afternoon, and left Wednesday morning. The conference had a small budget of approximately R170 000 mainly paid for by the delegates themselves. Of the R170 000, a total of approximately R130 000 came from outside the province. As seen in Table 1 a range of different service providers was involved in the organisation of the conference. The conference organiser was a professional local conference services provider whose service fee was R20 000. The remaining funds were dispersed within the local economy through services such as programme design costs, printing, catering, flowers, entertainment at the opening function and the conference dinner in the local economy.

There were further expenditures related to the conference, but met by the individual delegates. These costs included delegate accommodation, travel expenses, dinners not provided at the conference venue, and varying forms of entertainment, such as visits to museums, the theatre, cinema, and so on. In this respect it is important to remember that 150 delegates needed accommodation for three days and at least two dinners, besides other discretionary spending. Average room rates are R250 (including breakfast) and two dinners will cost at least R100 a meal. This means that over three days R750 was spent on accommodation and R200 on meals, adding a further R950 to what the delegate spent on the conference. The implication is that a further R145 000 flowed into Bloemfontein's economy. Moreover, it brings the conference-linked capital inflow to the region to R275 000 over the three-day period. Given most of the accommodation in Bloemfontetin consists of guesthouses, and that all service providers were locally based (apart from the UK speakers) there was very little leakage from the provincial economy.

Table 1: Expenses of a small national academic conference (Source: Oosthuizen, 2004)

Expense Item	**Cost**
Printing	
Design costs (local advertising agency)	R 3000
Printing costs	R 18 000
	Sub-total: R21 000
Venue	
Poster boards	0
Flowers	R2 000
	Sub-total: R2 000
Lunch	
Lunch: (R30 x 200) x 2 days	R12 000
Tea: Monday (full day) + Tuesday (half day)	R4 000
	Sub-total: R16 000
Functions	
Welcoming function	
Menu R30 x 200	R6 000
Bar (wine and juice)	R2 000
Flowers	R 500
Entertainment	R1 500
Contingencies	R 500
	Sub-total: R10 500
Banquet	
Menu R120 x 200	R24 000
Décor	R8 000
Venue hire	R1 000
Flowers	R2 000
Music	R1 500
Cards	R200
Bar (wine and juice)	R 1 500
Contingencies	R1 000
	Sub-total: R39 200
Transport	
Kombi's	R10 000
	Sub-total: R10 000
Audio visual	
Hire of equipment and technicians	R5 000
	Sub-total: R5 000
Travel expenses: Speakers	
SA speakers – Durban	R3 000
Speakers – UK	R20 000
Accommodation	R3 000
	Sub-total: R26 000
General	
Congress material: bags, name, tags, pens	R7 000
Signs and direction signs	R1 000
Conference helpers	R500
Photos and notices	R1 500

General admin	R500
Postage	R2 000
Stationary	R250
Bank costs	R2 000
Professional fee	R20 000
Contingencies	R2 000
	Sub-total: R41 050
Total Expense	**R170 750**

Case Study Two – Large National Medical Conference

In June 2002 a national medical congress spanning five days was held at the Sand du Plessis Theatre. The congress drew 350 delegates of which nearly all came from outside the Free State Province. As the congress included workshops, many delegates arrived a day earlier. The congress had a large budget of R 1 million wholly made-up by sponsorship from pharmaceutical companies located mainly in Gauteng. As seen in Table 2 a very large range of service providers were involved in the congress. The hire of the venue and the catering for the conference alone came to R260 000. This budget does not include the accommodation of all the delegates, but for those that used the conference accommodation R62 000 was allocated. The local advertising agencies also got a large part of the budget, some R95 000. Perhaps one of the most interesting expense items relates to the excursions held for the VIP guests. This came to R22 000.

Table 2: Expenses of a large national medical conference (Source: Oosthuizen, 2004)

Expense Item	**Cost**
Direction banner and signs	R5 037
Accommodation and breakfasts	R62 939
Banquet entertainment	R6 117
Photos	R1 131
Honoraria speakers	R66 850
Venue hire and catering	R259 768
Informal function and entertainment	R56 000
Spouses programme	R1 765
Design and printing costs	R95 842
Opening ceremony	R10 000
Audio visual expenses	R59 232
Postage	R4130
Proofreading	R71
Professional fees: Organiser and audit	R75 960
Prizes	R500
Travelling costs	R186 361
Stationary	R1 803
Telephone, fax and e-mail	R8 301
Refunds	R23 623
VIP excursion	R22 352
CPD accreditation	R1 700
Workshop expenses	R7 324
Total expenses	**R 968 715**