eThekwini Municipality

Coastal Tourism Initiative
Market Segmentation and Product Identification Study

FINAL REPORT

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GLOSSARY OF TERMS

ABBREVIATION & TERMINOLGY	DESCRIPTION
Domestic Tourist	"A domestic tourist is any person travelling to a place, which is other than his or her usual environment (home, work, schools, etc.), for a period less than one year but for at least one night, and whose main purpose of visit is other than the exercise of any activity remunerated from within the place visited." ***WTO***
FIT	Foreign Independent Traveller (as opposed to travelling in group tours)
Foreign Tourist	"A foreign tourist is any person travelling to a place, outside the borders of his/her country, and which is other than his or her usual environment, for a period of less than one year but for at least one night, and whose main purpose of visit is other than the exercise of any activity remunerated from within the place visited." ***WTO***
GGP	Gross Geographic Product
Highlights	Alternative term for Primary Attractions
LSM	Living Standard Measurement
MICE	Meetings, Incentives, Conferences & Events Tourism
Primary Attractions	Tourism asset / product / plant that will maximise the number of visitors to the destination – i.e. beach; wildlife; scenic beauty; culture. Also referred to as 'Highlights'.
Secondary Attractions	Tourism asset / product / plant that will increase visitor numbers, but primarily contribute to increasing their length of stay – i.e. aquarium; museum; nature; events; etc.
SAT	SA Tourism
TKZN	Tourism KwaZulu-Natal
VFR	Tourists who are visiting friends and relatives
Visitor Facilities	Tourism product / plant that will be used by the visitors and contribute to their length of stay and revenue generation– i.e. accommodation, restaurants, shopping, etc.
WTO	World Tourism Organisation

1. INTRODUCTION

The market segmentation and product identification study is a succinct report consisting of the following steps:

1. Review of tourism market research completed to date relative to the eThekwini Coastline;
2. Identify and recommend appropriate target markets for eThekwini Coastal Tourism;
3. Identify and recommend key tourism product to be developed / improved along the eThekwini Coastline, for the identified target markets; and
4. Recommend indicative spatial locations of proposed product, bearing in mind particularly eThekwini Municipality's inner city regeneration objectives, for subsequent review and consideration.

The primary objective of this study is to provide the Coastal Tourism Strategic Team and respective Councillors with sufficient information to enable decisions to be taken regarding:

- Which domestic and foreign tourist market segments eThekwini Municipality should be targeting;
- The value of these target markets in terms of tourism revenue that should be focused on; and
- An indicative range and spatial location of products eThekwini will need to deliver in order to satisfy the demand of such market segments.

In particular it should be noted that the research used for this study has been extracted from earlier tourism research reports conducted over the past 3 years relevant to tourism for the eThekwini Coastline. Where possible such research has been updated to include more current tourism data, but with little or no additional primary research being undertaken. The principle source documents of research reviewed as part of this study are set out in **Annexure A,** which may be reviewed for further background information.

2. METHODOLOGY

The process of identifying appropriate target markets and spatial product development for eThekwini involves the following steps:

- Identify eThekwini's current vision for tourism and associated product development;
- Identify the size and value of existing markets to eThekwini;
- Identify the current market segments to eThekwini and their characteristics i.e.
  - Volume;
  - Growth potential;
  - Length of stay;
  - Expenditure; and
  - Main competitors for this market.
- Identify and prioritise current and potential future markets for eThekwini;
- Identify the future market requirements in respect of tourism and recreation needs;
- Recommend potential products to suit market requirements.
- Provide indicative spatial allocation of the potential tourism product.

Two principal reports of earlier research are the Monitor Report presented in 2000 and the KPMG Report also in 2000, where, presumably, research was undertaken during 1999 or even earlier. Both documents refer extensively to 'Durban' as understood at that time, which was a period of transition from 'Durban' to 'eThekwini'. Whilst the overall contents of both of these earlier reports, as well as other reports, can be equally applied to the current demarcation of eThekwini, it is important to note that certain data discrepancies can be expected due to the transitional nature of the Municipal boundaries during the period that the research was being undertaken.

The methodology for this study includes reviewing the eThekwini Coastline from Westbrook Beach in the north to Scottburgh in the South, which is further referred to as follows:

- eThekwini North Coast – Umgeni River North Bank to Westbrook Beach
- eThekwini Central Coast – Umgeni River South Bank up to and including the Bluff up to the Umlazi Canal and including the Durban Beachfront / "Golden Mile"
- eThekwini South Coast – From the Umlazi Canal to Scottburgh

Unfortunately, available tourism research data does not differentiate between the above three areas. The data for the eThekwini North and South Coast are usually included within the data for the KZN North and South Coasts, with the eThekwini Central Coast usually including Durban Beachfront and Umhlanga.

For future tourism planning and decision making purposes, for eThekwini, it is essential that eThekwini Municipality needs to develop ongoing data collection and collation of research material in respect of it's tourism sector, split into the above, or similar agreed, geographic coastal zones.

3. THE VISION

According to the Monitor Report conducted in 2000, eThekwini's vision for economic development includes to following:

1. To build Durban as a centre of excellence in high-value adding manufacturing,
2. To build Durban as a centre of freight-logistics excellence providing differentiated capabilities for high-value added exports,
3. To build Durban's presence in global growth industries, particularly in tourism but to also create opportunities in other global growth industries, and
4. To build Durban as a centre of entrepreneurial activity particularly for micro and small businesses and to ensure that Durban becomes a quality of life destination attracting and retaining the people that are going will drive growth into the future.

The Monitor Report vision further includes targets for tourism i.e. 10% growth per annum, revenue growth of R5-10 billion and a significant increase in the share of GGP.

The findings of this report recommends that eThekwini Municipality need a more specific and stronger vision and strategy for tourism, in order to focus its ability for delivery through combining tourism development and marketing efforts for the regeneration of eThekwini as a world-class tourism destination.

The KPMG report of 2000 recommended that Durban adopt the following objectives, namely:

- To develop a strong market position and enhance the city's attractiveness as a "must visit destination" enticing to both the domestic and international tourists as well as enforcing its provincial role as a gateway, staging post and distribution point;
- To prioritise marketing efforts target markets that will improve the city's tourism yield;

- To establish private and public sector partnerships in the development and marketing of Durban as a destination;
- To confirm Durban as an active partner in the development of tourism to the province.

Much research and recommendations have been provided regarding the need for Durban to determine a vision and strategy for the future of its tourism sector. These have included:

- **Monitor Report – 2000**
  "Lack of Vision and focus"
- **KPMG – Durban: Tourism Spatial Framework – January 2000**
  "DMC must take the lead in creating an enabling environment and providing strategic direction."
- **Dept. of Geography and Environmental Studies University of Durban Westville – Determining the Market Profile for the Beachfront Forward Planning Initiative – June 2001**
  "It is imperative that the Durban beachfront focus its vision on a realistic positioning platform to achieve desired objectives and outcomes."
- **Haley Sharpe Southern Africa / Maseko Hlongwa & Associates – Position Paper on Accommodation Establishments and Hotels in Durban's Core Inner City – September 2001**
  "A Tourism Strategic Planning exercise is recommended, which will give a clearer vision and strategic direction on the future of the Tourism Industry for Durban."
- **Deloitte & Touché – KwaZulu-Natal Tourism Product Development Strategy – March 2002**
  "At present Durban can probably best be described as a confusing tourism destination as it does not appear to have a single focused image or reputation as to what its primary attraction is to both the domestic and foreign tourist markets"; and recommends *"The preparation of a Strategic Tourism Development Plan for Durban Beachfront, including the Point Development and Marinas to the south and up to and including Blue Lagoon / Umgeni River Mouth to the north."*

This report recommends that eThekwini's vision and strategy for tourism needs to move eThekwini away from just being the "Gateway to the Kingdom of the Zulu" and position eThekwini as a significant global tourism destination in its own right, along the lines of being "Africa's Playground" built upon the primary attraction of its beachfront within the context of the provincial branding of the 'Kingdom of the Zulu' so as to ensure a unique marketing differentiation.

It is an accepted principle that domestic tourists are mainly 'destination tourists', who choose a single destination to visit and therefore tend to stay longer. The trend for foreign tourists, with the exception of the VFR segment, is for them to visit a number of destinations throughout South and Southern Africa and are classified as 'multi-destination' or 'flow-through' tourists. Unless there is a sufficient diversity and quality of tourism product of Scenic, Wildlife and Culture at a single destination on their itinerary, the length of stay for these foreign tourists will be limited, due to the pressure to move on to the next destination that does meet their needs. The context of eThekwini being perceived only as a 'Gateway' may actually also be contributing to shortening the length of stay for foreign tourists.

4. PROBLEM STATEMENT

4.1 Main Issues

The main issues identified in several studies are the loss of eThekwini's market share in respect of mid to upper market domestic tourists and not growing market share of foreign tourists *pro-rata* to arrivals growth into South Africa. This has been identified as primarily due to a lack of diversity and quality of tourism product and poor perceptions of a safe and attractive leisure environment.

A fundamental issue in terms of marketing of the eThekwini Coast is the fact that approximately 70% of domestic and foreign tourists are influenced by 'word-of-mouth' in terms of their decision where to visit for their leisure holidays. Therefore the experience that current tourists have whilst visiting eThekwini is vitally important for the attraction of future tourists. If the experience of a current tourist is negative, then the word-of-mouth marketing generated by that visitor will be negative, with the resultant effect of creating a declining share within that market segment. Negativity will be created by lack of diversity and poor product in terms of the tourist's needs; instability in terms of personal safety and health issues (including crime and poor quality of public facilities); as well as poor customer service.

Recent domestic focus group market research reports conducted by Tourism KwaZulu-Natal revealed the following results in respect of market perceptions of the Province and Durban in particular:

- KwaZulu-Natal is strongly associated with Durban;
- Durban is strongly associated with the central beach area or the 'Golden Mile';
- The main perception of Durban and the "Golden Mile" is:
  - Overcrowding;
  - Crime;
  - Grime; and
  - Lack of diversity and quality tourism product.

The KPMG Report - Durban: Tourism Spatial Framework Report, recommends the need to prioritise focus on the Durban Beachfront (eThekwini Central Coast), as there is a need to recognise that if resources are spread thinly delivery will be minimal. A similar strategic approach is also alluded to within the Monitor and other reports.

The core focus for successful tourism economic growth and development for eThekwini, points to an initial regeneration of the 'Golden Mile' as well as offering diversity of Scenic, Wildlife and Culture attractions particularly for the foreign markets. This will also require a strong marketing campaign to change current perceptions within the domestic and international markets.

4.2 Beach Tourism

According to the Grant Thornton Kessel Feinstein Beach Tourism Report in 2001, the international trend for beach tourism is towards the diversification of beach products to incorporate other elements, e.g. a cultural experience, wildlife, adventure, activities, etc.

Table 1 provides an indication of the type of tourism product for beach tourism as well as the type of product diversification necessary to improve the overall attractiveness of a destination such as eThekwini, thereby enabling it to compete effectively with other local and global beach destinations.

Table 1: Categorisation of Beach Products

Product Category	Description	Products included in Category	
Sand and Sea	▪ Lying on the beach and taking part in the water sports available at the beach and the attractions nearby are of primary importance and motivation	▪ Beaches ▪ Shopping ▪ Surfing ▪ Windsurfing ▪ Swimming ▪ Pier/ Quay ▪ Botanical & scenic gardens	▪ Fun fair/theme park ▪ Snake park ▪ Waterworld parks ▪ Aquarium ▪ Zoo ▪ Herbarium ▪ Animal farm ▪ Crocodile farm ▪ Casino ▪ Research centre
History and Culture	▪ Interest is in the arts, history and cultural experiences of the region.	▪ Craft market ▪ Route/meander ▪ Cultural village ▪ Art gallery	▪ Battlefield ▪ National monument ▪ Museum ▪ Paleontological features
Activity	▪ Little physical risk; and, ▪ Little or no experience required	▪ Boat/fishing trip ▪ Hiking/walking trail ▪ Horse trail ▪ Freshwater fishing	▪ Marine fishing ▪ Golf ▪ Horse riding ▪ Sailing
Adventure	▪ Some previous experience is generally required; ▪ Some risk; and, ▪ For reasonably physically and mentally fit.	▪ 4X4 ▪ Canoeing ▪ Mountain bike riding ▪ Hunting	▪ Abseiling ▪ Aviation ▪ River rafting ▪ Scuba diving
Nature Tourism	▪ Has an exploratory component; and, ▪ Focus is on natural flora and fauna.	▪ Forest ▪ Bird sanctuary ▪ Biosphere reserve ▪ Game reserve ▪ Lagoon reserve	▪ Mangrove swamp ▪ Marine reserve ▪ Nature reserve ▪ Wetland ▪ Coastal reserve

Source: Grant Thornton Kessel Feinstein: 2001

4.3 eThekwini Coastal SWOT Analysis

Based on the research and studies conducted for eThekwini, its strengths, weaknesses, opportunities and threats can be summarised as follows:

STRENGTHS	WEAKNESSES
➢ Climate & long seasons ➢ Beach & sea ➢ High level of interest in beach tourism and associated activities ➢ High market awareness ➢ High volumes ➢ Investment in current infrastructure and new facilities like uShaka Island, Point Development and the Casino ➢ Good MICE facilities ➢ Emerging international MICE and cruise tourism destination	➢ Crime ➢ Poor quality of public facilities ➢ Neglect / deterioration of tourism assets ➢ Single primary attraction of the Beach ➢ Lack of diversity & quality of tourism secondary attractions ➢ High volume budget / emerging tourists ➢ Low tourism revenue yield ➢ Decrease in 'length of stay' in Durban ➢ Loss of market share of higher spend tourists

OPPORTUNITIES	THREATS
➢ Product regeneration and diversification; ➢ Retain, develop and regain mid to upper income tourism markets; ➢ Linkages with TKZN for marketing and branding opportunities	➢ Strong competitors in beach tourism markets ➢ Lack of unique selling features ➢ Negative market perceptions ➢ Lack of holistic approach to destination management ➢ Procrastination ➢ Limitations of current product assets ➢ Limited Tourism 'Primary and Secondary Attractions' compared with competitive destinations

4.4 eThekwini Integrated Destination Management

For eThekwini to regenerate itself as a world-class tourism destination, international best practice informs the need to approach the challenge from a holistic and integrated perspective. Tourism spatial planning; data collection and research; product development; marketing; standards control; training and empowerment; etc.; when managed in isolation, will always produce disjointed results. eThekwini / Durban has the reputation of being a significant tourism destination by virtue of its geographic location, assets and infrastructure. There is now the urgent need for the destination to be holistically managed for its regeneration. This will include:

- Vision and Strategic Objectives
- Product Development Strategy & Implementation Programmes
- Marketing Strategy – Branding & Positioning to Attract Target Markets
- Data Collection & Research
- Operational Standards
- Training & Empowerment

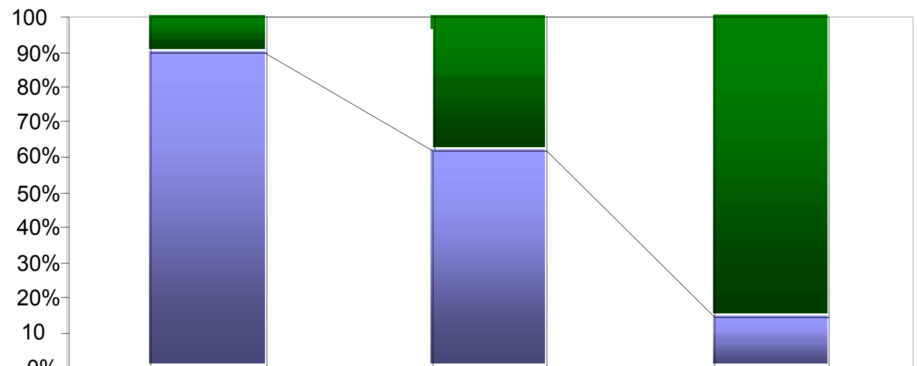
It is proposed that an institutional structure be established within the eThekwini Municipality that provides a holistic service as the 'eThekwini Tourism Destination Management Office', which would be responsible for the above functions and incorporate the various individual municipal tourism structures that already exist. A strong relationship would need to be encouraged between this new structure and organisations such as TKZN, SA Tourism, Private Sector Tourism Bodies and Associations, Community Tourism Associations, etc.

5. MARKETS, SIZE AND VALUE

5.1 Current eThekwini Tourist Markets

eThekwini currently attracts in the region of 4,5 million visitors per annum worth over R6,4 billion. **Figure A** provides a breakdown of international and domestic visitors to Durban and their contribution to tourism revenues and the resultant tourism revenue yield per tourist, into the eThekwini economy.

Figure A: eThekwini Tourism Markets and Contribution to Revenues



	Tourism Visitor Numbers	Tourism Revenues	Revenue per visitor per day
Foreign	447,000	R 2,458,500,000	R 880
Domestic	4,000,000	R 4,000,000,000	R 143

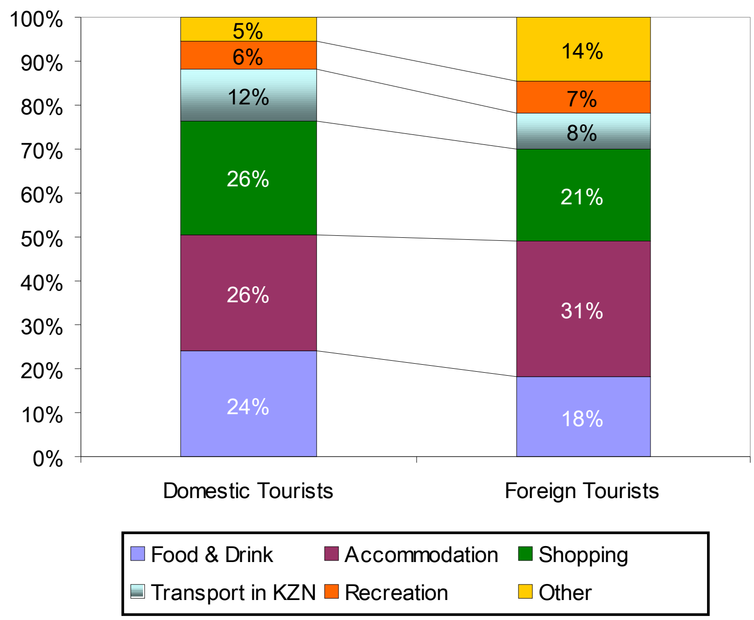
Source: TKZN (2002)

The significance of Figure A, for eThekwini, is the need to focus on the 'Revenue per Visitor per Day' – or 'Tourism Revenue Yield', as it is otherwise known. Market segments and tourism product that increase the tourism revenue yield will contribute to improving the tourism economy within eThekwini. Conversely, market segments and product that effectively reduce the amounts indicated above will impact negatively on the overall eThekwini tourism economy.
This will require focus on the following:

- ***Marketing to attract tourist market segments identified as having a daily spend exceeding the R880 (foreign) and R143 (domestic) per day;***
- ***Product that will attract such markets (primary & secondary attractions); and***
- ***Facilities that encourage additional spend into the local economy (visitor facilities).***

Figure B provides a breakdown of the average percentage split of the component spending for the domestic and foreign tourist revenue per visitor per day from **Figure A**.

Figure B: eThekwini Tourism Revenue Breakdown



Source: TKZN (2002)

According to the Monitor and KPMG Reports, eThekwini attracts a number of different segments, from both the international and domestic markets. The domestic tourists were segmented into five groups namely:

- young up and coming;
- fast paced;
- established and settled;
- older folks; and
- emerging tourists.

Definitions for these domestic market segmentations were given as follows:

Segment	Characteristics	Motivations
Young up and coming	▪ Gauteng ▪ 5 nights average stay ▪ LSM 8 ▪ Employed full-time ▪ 25 – 35 years ▪ Young and progressive urban professionals (YUPPIES) ▪ Materialistic and brand aware ▪ Trendsetters ▪ High income earners ▪ Experiential lifestyle: Work hard and play hard ▪ **Average spend R208 per day**	▪ Leisure holidays ▪ Weekends, sports & events ▪ Like to "see and be seen" ▪ Action and adventure ▪ Experience "trendy' restaurants, cafes and nightclubs ▪ New experiences, fun and excitement

Segment	Characteristics	Motivations
Fast paced	▪ Gauteng and Freestate ▪ LSM 8 ▪ Average 4 nights ▪ Full-time employment with trade qualification ▪ 25 – 49 years ▪ Couples or singles ▪ Successful in work, and high income earners – wealth creators ▪ Maintain traditional family values, and holidays are of paramount importance ▪ Practical, realistic and long-term planners ▪ Seek quality and value for money ▪ **Average spend R379 per day**	▪ Leisure holiday ▪ Sports and Events ▪ Weekend getaways, short breaks and second honeymoons ▪ Indulge in food and drink
Established and settled	▪ Predominantly from Gauteng / Mpumalanga ▪ Full-time employment with trade qualification ▪ LSM 8 ▪ Tend to stay average of 16 nights ▪ 35 – 49 years ▪ High school education ▪ Advance planning ▪ **Average spend R103 per day**	▪ Leisure holiday ▪ Sun, sea and sand ▪ Family entertainment ▪ Low cost
Older folks	▪ Northern Province dominant source market ▪ 8 nights on average ▪ LSM 8 ▪ Mature (pre/post) retirement ▪ 50 – 64 years ▪ High school qualification ▪ Satisfied and comfortable ▪ Conservative and practical consumers ▪ Plan ahead ▪ **Average spend R121 per day**	▪ Holidays ▪ Sun, sea and sand ▪ Relaxation ▪ Something different ▪ Light activities ▪ Climate
Emerging tourists	▪ From previously disadvantaged groups ▪ Predominantly from KZN ▪ LSM 6 ▪ Generally left school before completing Standard 10 ▪ Predominantly younger than average age of other segments i.e. 35 years ▪ **Average Spend of R61 per day**	▪ Visiting friends and relatives ▪ Limited leisure holidays (beach) ▪ Sports and events ▪ Outdoor life ▪ Experience and discovery

(Description of Living Standard Measurement (LSM) categories is included in **Annexure B**.)

The KPMG Report was of the view that Durban should focus on the ‘young up and coming’; ‘established and settled’; and ‘older folk’; in terms of its domestic marketing effort. The ‘young up and coming’ segment was seen to be most important. Durban Africa was encouraged to portray Durban as an exciting place to live, work and play. It was felt that this could largely be done through the mobilisation of a series of core ‘exciting / novel’ annual events. At the same time Durban was encouraged to begin to revitalise its tourism product to more effectively meet the needs of these three core segments.

The international markets to eThekwini have been categorised by country of origin as per the Monitor Report. Detailed segments within each of the international markets to eThekwini were not developed at the time.

Both international and domestic markets have been analysed to determine their contribution to the tourism economy in the eThekwini area. **Figure C** shows the number of visits; spend per day; and the number of days; each market spends in eThekwini, based upon the original Monitor Report, but updated to provide latest data where possible.

The tourism equation in **Figure C** indicates some of the key issues for eThekwini as follows:

- Firstly, approximately 4 million domestic tourists visit eThekwini each year, of which almost 1.5 million (37%) are ‘emerging tourists’; whereas the international arrivals are comparatively low, at less than 0.5 million (11% of total tourists). The domestic tourists however, spend much less per tourist, although in total the domestic market is currently worth an estimated 63% more than the foreign market (see **Figure A**). Again, as an example, an ‘emerging’ tourist spend only about R60 per day on their trips to eThekwini; with ‘older folks’ R120; ‘up and coming’ about R200; and ‘fast paced’ nearly R400. On the other extreme are North Americans who are spending about R2,000 a day in eThekwini.

- Thus, eThekwini currently has large numbers of people visiting who are not spending very much, nor utilising the existing tourism product to its full potential. Of the international visitors to South Africa who are spending, relatively few come to eThekwini and those that do have a short length of stay. The primary attraction of domestic and international visitors are significantly different, as described later on in this report. eThekwini’s inability to currently cater for both has automatically ‘singled out’ the mass domestic low spend market as being the largest current segment, which, due to demand issues relative to diversity and quality of product, has led to the other segments being attracted to competitive destinations.

- The Monitor Report analysis for international markets to Durban has been updated in **Figure C** to reflect the latest figures from SA Tourism and Tourism KwaZulu-Natal. Concentrating on tourism value (as per the vision to increase tourism revenues) “young up and coming” and “fast-paced” domestic markets and “African land arrivals” generate the highest tourism revenue yield at present.

Based upon the current size, as well as potential, of the various segments within the domestic and foreign markets, it is recommended that eThekwini, with the objective of increasing the overall value of its tourism economy, should maintain its focus on both the domestic and foreign sectors, but with more emphasis on growing the specific market segments as set out in the following sections of this report.

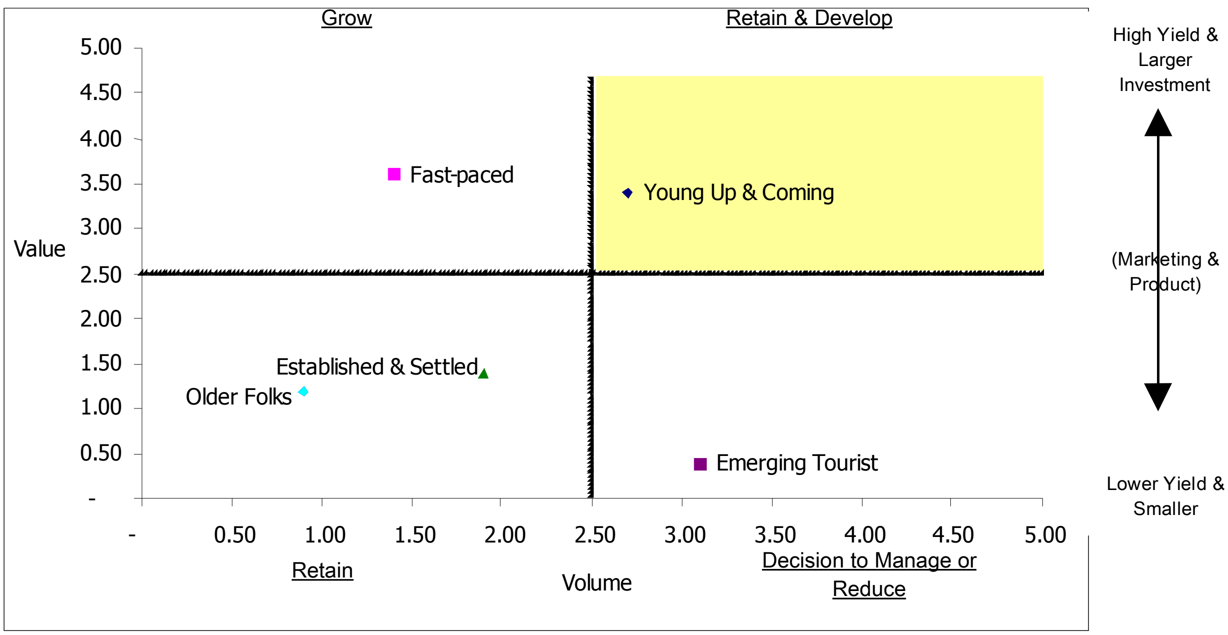
Figure C: The "Tourism Equation" Applied to Local and International Visitors to Durban

6. MARKET SEGEMENTATION & PRIORITISATION

Figure D shows an analysis to determine the potential domestic target markets for eThekwini. The prioritisation of markets was based on the following criteria from **Figure C**:

- Volumes;
- Spending power;
- Tourism Value; and
- Growth potential.

Figure D: Domestic Market Segmentation & Prioritisation



Source: HSSA Weighted Score Index Analysis

The prioritisation of the four categories emanating from the above analysis is as follows:

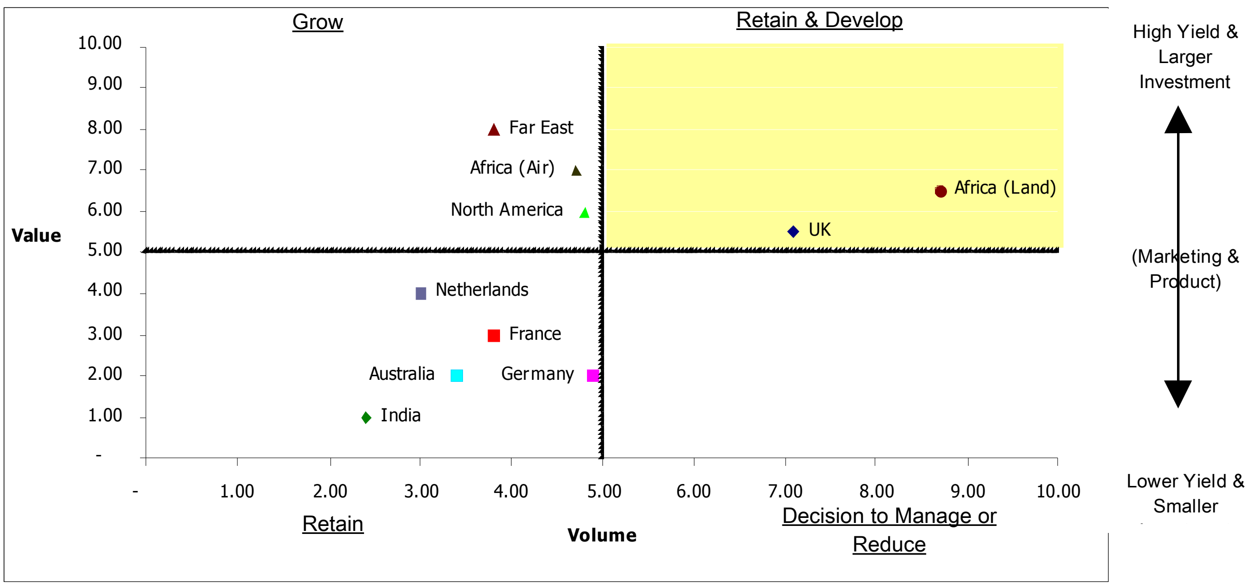
Category		**Markets**
Category 1:	Retain & Develop	➢ Young up & coming
Category 2:	Grow	➢ Fast paced
Category 3:	Retain	➢ Established & settled ➢ Older Folks
Category 4:	Decision to Manage or Reduce	➢ Emerging market

Category 4 of the domestic market segmentation identifies the domestic emerging tourist market, as being a category whereby a decision is required to be taken as to whether this segment should be retained through a managed process of space allocation within an allocated 'beachfront precinct' or alternatively a strategy put in place to reduce the attraction of this market segment to Durban. Whilst the former is recommended, it is suggested that such a decision will need to be taken

at a political level, as this market segment, for obvious historical reasons, does not presently contribute to the economic growth of tourism, but is considered as having the potential to do so in the future. Should the Municipality elect to retain this market segment, the cost of managing the 'precinct' will need to be borne by the Municipality until such time as it is attractive enough to encourage external investment. To not make a decision in this regard will be detrimental to attracting the other categories.

Figure E shows an analysis to determine the potential foreign target markets for Durban. As in the case of domestic markets, the same criterion applies for foreign markets, namely benefit to Durban (volumes, spending power, value and growth potential).

Figure E: Foreign Market Segmentation & Prioritisation



Source: HSSA Weighted Score Index Analysis

The foreign markets that eThekwini should prioritise, based on the above chart, are recommended as being the following categories:

Category		Markets
Category 1:	Retain & Develop	➢ UK ➢ Africa Land arrivals
Category 2:	Grow	➢ Far East ➢ African Air Arrivals ➢ North America
Category 3:	Retain	➢ Netherlands ➢ France ➢ Germany ➢ Australia ➢ India

7. MARKET CHARACTERISTICS & REQUIREMENTS

In order to recommend appropriate tourism product development, it is necessary to understand the characteristics and requirements of eThekwini's main target markets. Focus is therefore given to the current perceptions and market requirements of Category 1 and 2 for the domestic and foreign segments, as identified in section 6 above.

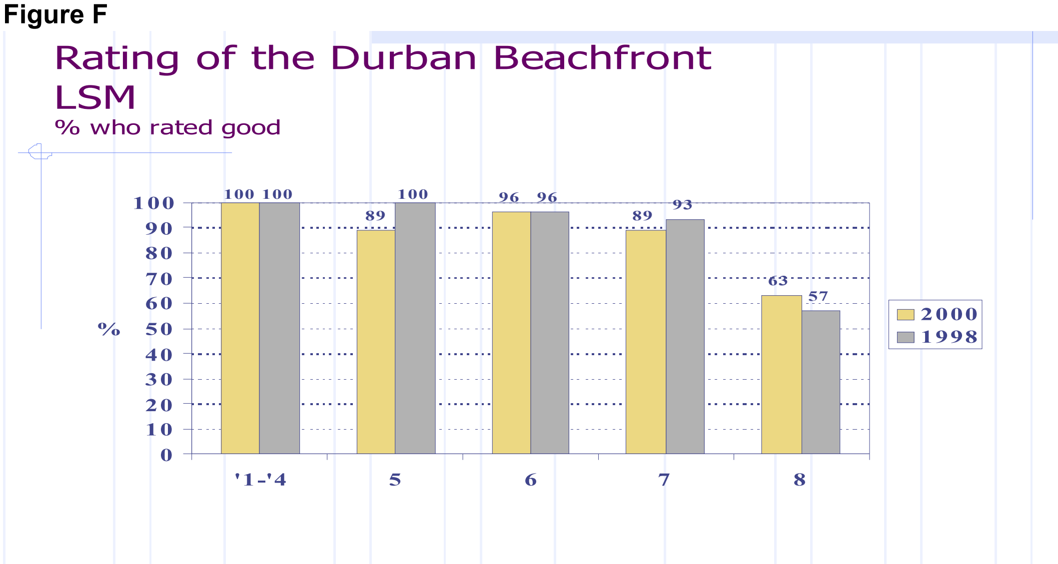
7.1 The Domestic Component

The domestic component of the selected target markets mainly originate from Gauteng and fall in LSM 8. Their leisure requirements and characteristics include the following:

- Action and adventure;
- Sports & events;
- Trendy restaurants and nightclubs;
- New experiences, fun & excitement
- Leisure
- Sun sea & sand
- Cost conscious

Their current perception of Durban and the Beachfront are lower than any other income segment. According to Tourism KwaZulu-Natal's analysis in **Figure F**, perceptions of the Beachfront tend to decline as the LSM rating of domestic tourists increases. This is an important finding, as it appears to be the more affluent that are less impressed with what the Beachfront area currently provides.

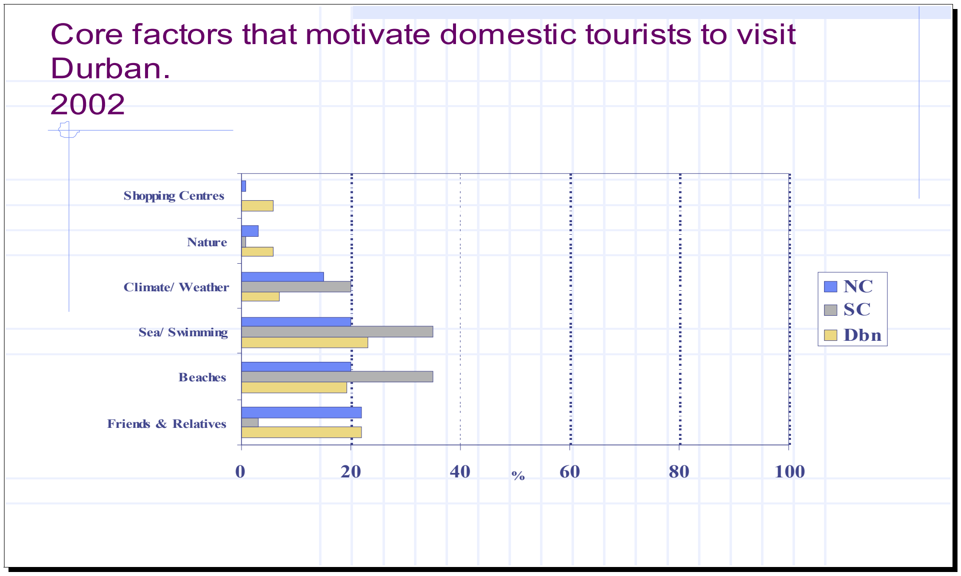
Figure F



Source: TKZN (2000)

KwaZulu-Natal's recent Domestic Tourism Survey's revealed that the core factors that motivate domestic tourists to visit the eThekwini Metropolitan area are the beach, sea & swimming and friends and relatives. Other core factors are climate, shopping centres and natural beauty of this area (see **Figure G**).

Figure G:



Source: TKZN (2002)

Table 2 provides an analysis that matches the market segment needs and tourism product for the domestic market. It is clear that eThekwini should be focussing on upgrading its beach environment and the associated leisure and entertainment facilities at the beachfront in particular, to satisfy the requirements of the identified priority domestic target markets of the 'young and upcoming' and 'fast paced' tourists. By being proactive in this regard, catering for the remaining segments almost becomes automatic, with the exception of 'caravan / camping' (including low-budget and self-catering facilities).

Table 2: Matching Market Requirements & Products (Domestic)

	Accommodation	Special Interest	Activities	MICE

Durban Domestic Tourist Segments	VFR	Beach Resorts	Hotels	Caravan / camping	Culture	Eco / Scenic	Outdoor active	Adventure	Day tourist	Shows & Events	Entertainment	Wine & dine	Sun, beach	Short breaks	Conference	Incentives	Exhibitions
Young up & coming Tourist																	
The Fast Paced Tourist																	
Established & Settled																	
Older Folks																	
Emerging Tourist																	
Business visitors																	

Source: Monitor (2000)

An assimilation of the product needs from the above, for the prioritised categories for domestic tourists are summarised in **Table 3**:

Table 3: Tourism Product Need for eThekwini Prioritised Domestic Tourist Market Segments

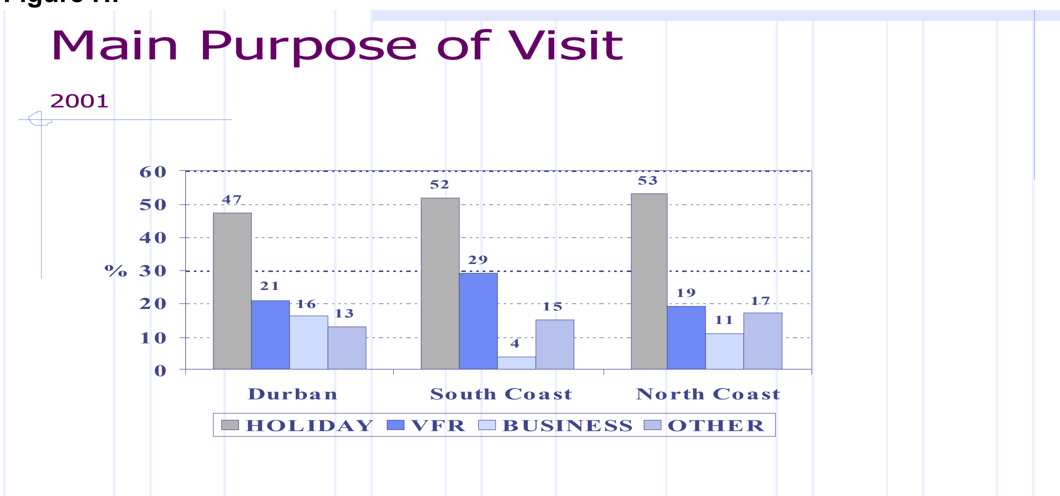
Segment	Attractions & Facilities Required
Young Up & Coming	**Primary Attraction:** ▪ Visiting Family & Friends ▪ Beach **Secondary Attractions:** ▪ Beach & Sea Related Activities ▪ Eco-tourism ▪ Sports & Events ▪ Action & Adventure ▪ New Experiences, Fun & Adventure ▪ Culture **Visitor Facilities:** ▪ Beach Resorts & Hotels ▪ Live Entertainment ▪ Restaurants, Bars & Nightclubs ▪ Shopping

Fast Paced	**Primary Attraction:** ▪ Visiting Family & Friends ▪ Beach **Secondary Attractions:** ▪ Beach & Sea Related Activities ▪ Family Activities ▪ Eco-tourism ▪ Sports & Events ▪ Culture **Visitor Facilities:** ▪ Beach Resorts & Hotels ▪ Live Entertainment ▪ Good Restaurants ▪ Shopping

7.2 The Foreign Component

According to Tourism KwaZulu-Natal, a smaller proportion of eThekwini's foreign market emanates from the 'Youth' segment. This could be regarded as an important opportunity, as the 'youth' segment is increasingly becoming an important source market for long haul tourists. As shown in **Figure H**, the main purpose of visits to eThekwini is holiday (almost half of all visitors to eThekwini), followed by visiting friends and relatives.

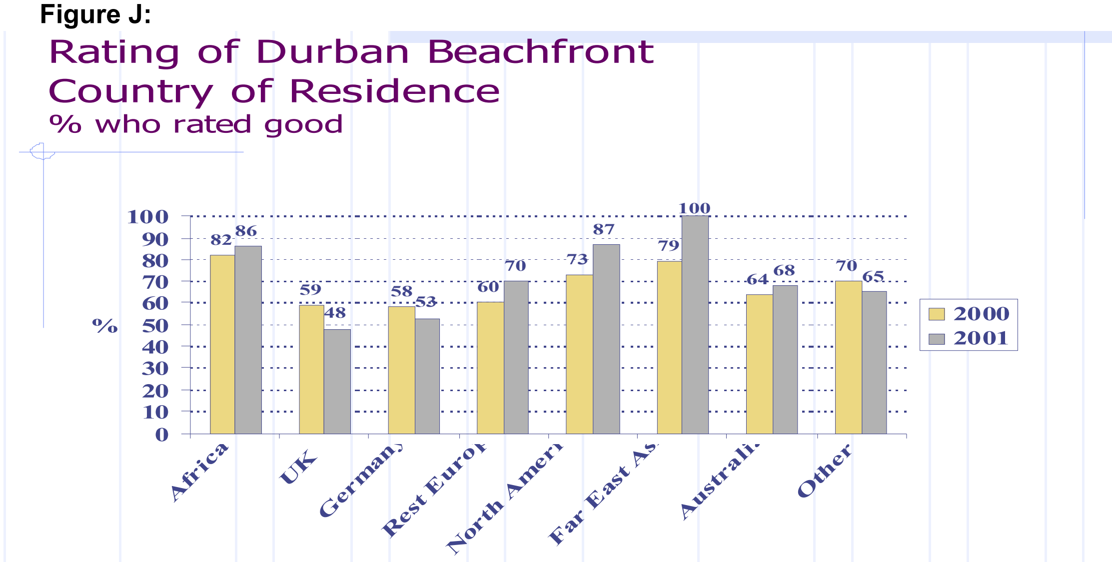
Figure H:



Source: TKZN (2001)

Interestingly, the main target markets, with the exception of the UK, identified for eThekwini, i.e. Africa, Far East and North America have the highest opinion of Durban Beachfront. Tourists from Europe and Australia tend to have poorer perceptions of the Durban Beachfront and a higher perception of competitive destinations. (**See Figure J**).

Figure J:



Source: TKZN (2001)

South Africa's top 3 primary attractions for current foreign tourists are the Cape Town Waterfront (45% of all foreigners to South Africa), Table Mountain (38%) and Cape Point (35%). The primary attractions for foreign *holiday* tourists to South Africa are:

- Scenic Beauty (46%)
- Wildlife (36%),
- Climate (30%)
- African Cultures (24%)

Historically South Africa has not marketed itself as having 'beach' destinations and, as such, it should not be surprising that beaches do not rank as being primary attractions for the foreign tourist markets at present. However, 'beach' tourism globally represents one of the largest market demand segments, particularly for the mass market, medium budget tourist, who mainly travels by charter or 'low-frill' airlines. By developing its beachfront product, eThekwini could start to attract components of this significant international market segment.

Table 4 lists the key primary and secondary tourism attractions for the foreign tourists who currently visit eThekwini. As can be seen from this data, only the Valley of 1000 Hills has managed to grow its market over the last 5 years. Thus signifying that this product meets with the demand requirement of the foreign tourist for Scenic Beauty, linked also to African Culture, however it would appear that the Township Tours are not meeting the expectation of the tourists, which can probably be attributed to crime and quality concerns, as elsewhere in South Africa these have proved popular with foreign tourists.

Table 4: % Of Foreign Visitors to Core eThekwini Tourism Attractions

Attraction	1998	2000	2001
Durban Beachfront	62%	61%	57%
Valley of 1000 Hills	20%	19%	21%
Sea World	19%	18%	15%
Township Tours	13%	10%	9%

Source: TKZN (2001)

Table 5 provides an analysis that matches market segment needs and tourism products for the foreign tourist market, based on the Monitor Reports on international market segmentation recently conducted for SA Tourism. This market segmentation has been developed for the purpose of the SA Tourism Growth Strategy, which has been developed in order to provide a focus on foreign tourist market segmentation with the objective of a national marketing strategy to grow foreign tourist numbers and length of stay into the higher spend foreign tourist categories. The initials after each of the market segments indicate the countries where such segmentation will be targeted.

On the basis that the SA national marketing strategy will be focusing on identified segments, it is strongly recommended that eThekwini should similarly target the same, as well as providing product that will meet with their needs. The shaded boxes in the left hand column of Table 5 indicate Category 1 and 2 prioritised market segments for foreign tourists from the preceding section of this report.

Table 5: Matching Market Requirements & Products (International)

	General Touring				Special Interest				Single Destination						MICE		
SAT "growth" & "defend" segments	Group Tours	Tailor Made	FIT's touring	Backpacker	Culture	Eco/scenic	Outdoor active	Adventure	Beach/resort	Cruising	Charter	Short breaks	Events	VFR	Conference	Incentives	Exhibitions
Wanderluster (USA)		■	■		■	■	■	■					■				
Next stop SA (USA)	■	■	■														
Convertible positive apathetics (USA)	■	■															
Family Explorers (EU & FAR E)			■			■	■										
Luxury tour (UK, GER, FR, NL)	■	■															
Confident golden relaxers (UK)		■	■											■			
Short stay organised break (UK)	■	■										■					
German medium tour	■																
Active independent explorers (FR)			■		■	■	■						■				
High-end package combined (IT, FR)		■															
Wealthy Indian Segment	■												■				
Full activity Businessmen (Africa)												■					
Medium Conference (all)															■		
Incentives (World, US, EU)																■	
Bargainer (GER)		■									■			■			
Working Explorers (UK)		■	■		■	■		■				■	■	■			
Mid-life working break (UK)		■			■	■	■					■					
Budget Packages (NE)		■				■											
High Independents (GER)		■	■		■	■	■					■	■				
Medium Package (GER & FAR E)		■			■		■										
Comfort tour (NE)	■																
Backpackers (UK)			■	■				■									
Low budget tour (GER & FAR E)	■										■						
Upper-end tour (IT)	■					■											
Package Adventures (IT)		■		■	■	■		■				■					
Focused trader												■					
Budget business person												■					
Curious businessman (FAR E)			■									■			■		
Free-loading VFR			■											■			
Holiday VFR (ALL)			■											■			
Medium Budget Holidaymaker			■						■		■						

Source: SAT Monitor Market Segmentation - 2001

It can be seen from Table 5, that only one market segment – Medium Budget Holidaymaker, has been identified as a target for specific beach tourism. The principal focus has been identified as Culture, Eco-tourism and Scenic Beauty. eThekwini will therefore need to develop linkage to similar product diversity, in addition to its Beachfront, if it is to gain market share from the national marketing strategy.

In order to strengthen the importance of diversity of product for the foreign tourist segments, a further product analysis from the Monitor SA Tourism Market Segmentation Report provides attractions and features that match the method of travel, i.e. general touring, special interest, single destination and MICE tourism; is provided in **Table 6**. An assimilation of both **Table 5** and **6** in respect of the prioritised category 1 and 2 foreign tourist markets and associated product needs for eThekwini, is summarised in **Table 7**.

Table 8 combines market requirements and product for the domestic and foreign sectors.

Table 6: Tourism Product Requirements

	General Touring				Special Interest				Single Destination						MICE		
SAT "growth" & "defend" segments	Group Tours	Tailor Made	FIT's touring	Backpacker	Culture	Eco/scenic	Outdoor active	Adventure	Beach/resort	Cruising	Charter	Short breaks	Events	VFR	Conference	Incentives	Exhibitions
Highlights (Primary Attractions)																	
Beach resorts																	
Entertainment																	
Eco tourism																	
Scenic																	
Outdoor-Active																	
Adventure																	
Heritage/Culture																	
Wine & Dine																	
Travel ease																	
Conference																	
Major events																	

Source: SAT Monitor Market Segmentation - 2001

Table 7: Tourism Product Need for eThekwini Prioritised Foreign Tourist Market Segments

Segment	Method of travel	Attractions & Facilities required
UK	Group tours Tailor-made packages FIT's Backpackers Variety of travellers – "short break, business visitors" to annual holiday luxury tours.	**Primary Attraction:** ▪ Visiting Family & Friends ▪ Wildlife (Currently Hluhluwe/Umfolozi Area) ▪ Scenic – Valley of 1000 Hills ▪ Durban Beachfront ▪ Zulu Culture **Secondary Attraction:** ▪ Beach & Sea Related Activities ▪ Eco & Nature Based Tourism ▪ Outdoor Activities, Adventure & Sports ▪ Heritage & Culture ▪ Major Events (music, sports, etc.) **Visitor Facilities:** ▪ Mid to Upper Beach Resorts & Hotels ▪ Live Entertainment ▪ Wine & dine

North America	Group tours, Tailor-made packages FIT's Incentives VFR holidays Business travellers	**Primary Attraction:** ▪ Wildlife (Currently Hluhluwe/Umfolozi Area) ▪ Scenic – Valley of 1000 Hills ▪ Durban Beachfront ▪ Zulu Culture **Secondary Attraction:** ▪ Beach & Sea Related Activities ▪ Eco & Nature Based Tourism ▪ Outdoor Activities, Adventure & Sports ▪ Heritage & Culture ▪ Major Events (music, sports, etc.) **Visitor Facilities:** ▪ Mid to Upper Beach Resorts & Hotels ▪ Live Entertainment ▪ Wine & dine
Africa Air & Land Arrivals	Budget businessmen & traders on "short breaks".	**Primary Attraction:** ▪ Visiting Family & Friends ▪ Scenic – Valley of 1000 Hills ▪ Durban Beachfront **Secondary Attraction:** ▪ Beach & Sea Related Activities ▪ Outdoor Activities, Adventure & Sports ▪ Heritage & Culture ▪ Major Events (music, sports, etc.) **Visitor Facilities:** ▪ Lower Budget Beach Resorts & Hotels ▪ Live Entertainment ▪ Wine & dine
The Far East	Group tours; Tailor made packages Curios business travellers on "short breaks" Incentives & VFR holidays	**Primary Attraction:** ▪ Wildlife (Currently Hluhluwe/Umfolozi Area) ▪ Scenic – Valley of 1000 Hills ▪ Durban Beachfront ▪ Zulu Culture **Secondary Attraction:** ▪ Beach Activities ▪ Outdoor Activities ▪ Eco & Nature Based Tourism ▪ Heritage & Culture **Visitor Facilities:** ▪ Mid to Upper Beach Resorts & Hotels ▪ Live Entertainment ▪ Wine & dine

Source: HSSA – Assimilation of SAT Market Segmentation for eThekwini

Table 8: Matching Market Requirements & Products (Combined Domestic & Foreign)

Category	Attractions & Facilities Required
Primary Attractions:	▪ Visiting Family & Friends ▪ Beach ▪ Wildlife ▪ Scenic – Valley of 1000 Hills ▪ Durban Beachfront ▪ Zulu Culture

Secondary Attractions:	▪ Beach & Sea Related Activities ▪ Sports & Events ▪ New Experiences, Fun & Adventure ▪ Eco & Nature Based Tourism ▪ Outdoor Activities & Sports ▪ Heritage & Culture ▪ Major Events (music, sports, etc.)
Visitor Facilities:	▪ Diversity of Lower to Upper Beach Resorts & Hotels ▪ Live Entertainment ▪ Diversity of Restaurants, Bars & Nightclubs ▪ Shopping

8. ETHEKWINI TOURISM SPATIAL & PRODUCT REVIEW & RECOMMENDATIONS

8.1 Current Status of eThekwini Tourism Product

Table 9 provides a broad overview of the current status of tourism product along selected sections of the eThekwini coastal areas, based upon the product needs identified in **Table 8**. Products were evaluated for primary and secondary attractions, as well as visitor facilities. Due to a lack of specific data in this regard it is recommended that more detailed investigations would be required and be more inclusive of the eThekwini Coastline and current status of product:

S - Strong
A - Acceptable but requires improvement
W - Weak and requires product consideration

Table 9: eThekwini Coastline Product Assessment

Attractions by Category	Umhlanga	Umhloti	West-brook	Central Durban BF	Aman-zimtoti	Warner Beach	Doon-side	Winkel-spruit	Umga-baba
Primary Attractions									
Beachfront	**S**	**A**	W	**A**	**A**	**A**	**A**	**A**	W
Wildlife	W	W	W	W	W	W	W	W	W
Scenic	**A**	**A**	**A**	**A**	**A**	**A**	**A**	**A**	**A**
Zulu Culture	W	W	W	**A**	W	W	W	W	**A**
Secondary Attractions									
Beach & Sea Related Activities	**A**	W	W	**A**	**A**	W	W	W	W
Sports & Events	**A**	W	W	**S**	W	W	W	W	W
New Experiences Fun & Adventure	**S**	W	W	**A**	W	W	W	W	W
Eco & Nature Based Tourism	**A**	W	W	**A**	W	W	W	W	W
Outdoor Activities & Sports	**A**	W	W	**A**	W	W	W	W	W
Heritage & Culture	**A**	W	W	**A**	W	W	W	W	W
Major Events (music, sports, etc)	**A**	W	W	**S**	W	W	W	W	W
Visitor Facilities									
Beach Resorts & Hotels:									
Upper	**S**	W	W	**A**	W	W	W	W	W
Mid	**S**	**A**	W	**S**	**A**	W	W	W	W
Lower	**A**	**A**	W	**S**	**A**	**A**	**A**	W	W
Live Entertainment	**A**	W	W	**A**	W	W	W	W	W
Restaurants, Bars & Nightclubs	**S**	**A**	W	**A**	**A**	W	W	W	W
Shopping	**S**	W	W	**S**	**A**	W	W	W	W

eThekwini's product analysis by area shows that there is a major gap between what is available and what the prioritised market segment needs are for tourism product, for both the domestic and foreign sectors. Apart from the beaches and scenic attractions, there is a very weak diversity of primary attractions. There is also a lack of "unique and special" quality products and features that would differentiate eThekwini from its competitor destinations.

Central Durban Beachfront and Umhlanga are the two areas that stand out as not being as weak as the other areas, but even then, attention is required to a wide range of product to bring it up to standard required by the prioritised market segments.

This finding would support the recommendation contained earlier in this report, as well as that advocated by the KPMG, Monitor and other reports, that focus should initially be given to the Durban Beachfront, or 'Golden Mile' for regeneration, as well as Umhlanga being further developed to support and expand its current strength of more upmarket product.

In addition, a diversity of product attractions of Scenic, Wildlife and Culture are essential to increase the attractiveness of eThekwini for foreign tourists.

Once the tourism economy starts to regenerate as a result of the above, focus can then be given to other areas of the eThekwini Coastline, which can be individually prioritised closer to the time.

8.2 Tourism Product Recommendations

By analysis and assimilation of the information developed through the various studies carried out for the eThekwini Coastline, and in particular the Durban Beachfront, together with the findings of this report, the following summations are provided relative to the development of recommendations for tourism product:

- Visiting friends and relatives (VFR market) is currently the single biggest attraction and motivator for domestic and foreign tourists to eThekwini. ***This implies a need to strengthen the beachfront environment and diversity of tourism product for use by these tourists.***

- The beach, and in particular Durban and Umhlanga beachfronts, are the most important tourism product primary attraction for the domestic tourist. ***The beachfront environment and beach tourism related activities require improvement, with particular reference to a beach resort facility.***

- The foreign tourist is seeking a range of scenic, wildlife, culture and beach primary attractions, in choosing to visit eThekwini. ***The beachfront environment and beach tourism related activities require improvement, with particular reference to a beach resort facility. In addition, diversification of tourism product away from the beachfront for scenic, wildlife and culture attractions.***

- Domestic and foreign tourists, other than the VFR market, appear to be choosing competitive destinations in preference to eThekwini due to a variety of reasons that include perceptions of crime, lack of diversity of product and poor quality of public facilities. ***This implies a need to improve the beachfront environment and tourism product as per the above points so as to improve word-of-mouth marketing from a reality perspective, as well as strong marketing campaigns to change the perceptions within the identified market segments.***

- <u>Category 1 and 2 market segments for the domestic and foreign tourists</u> are not dissimilar in terms of their beachfront tourism product needs, and that by addressing these needs as a priority, the principle needs of categories 3 and 4 will also be addressed. The <u>emerging tourist</u> market needs will not necessarily conflict with the beachfront environment issues either, but would make limited use of the associated tourism product due to their limited spending power. The emerging market needs can be addressed by spatial allocation of beachfront areas with particular product needs attended to within its area. ***This implies a need to create spatial differentiation along the beachfront with associated tourism product development being provided within the context of the spatial allocations.***

Figure K provides an overview of the eThekwini coastline depicting the prioritisation and indicative spatial allocations for tourism product development in terms of this report:

Figure K: eThekwini Prioritisation of Tourism Spatial Product Development

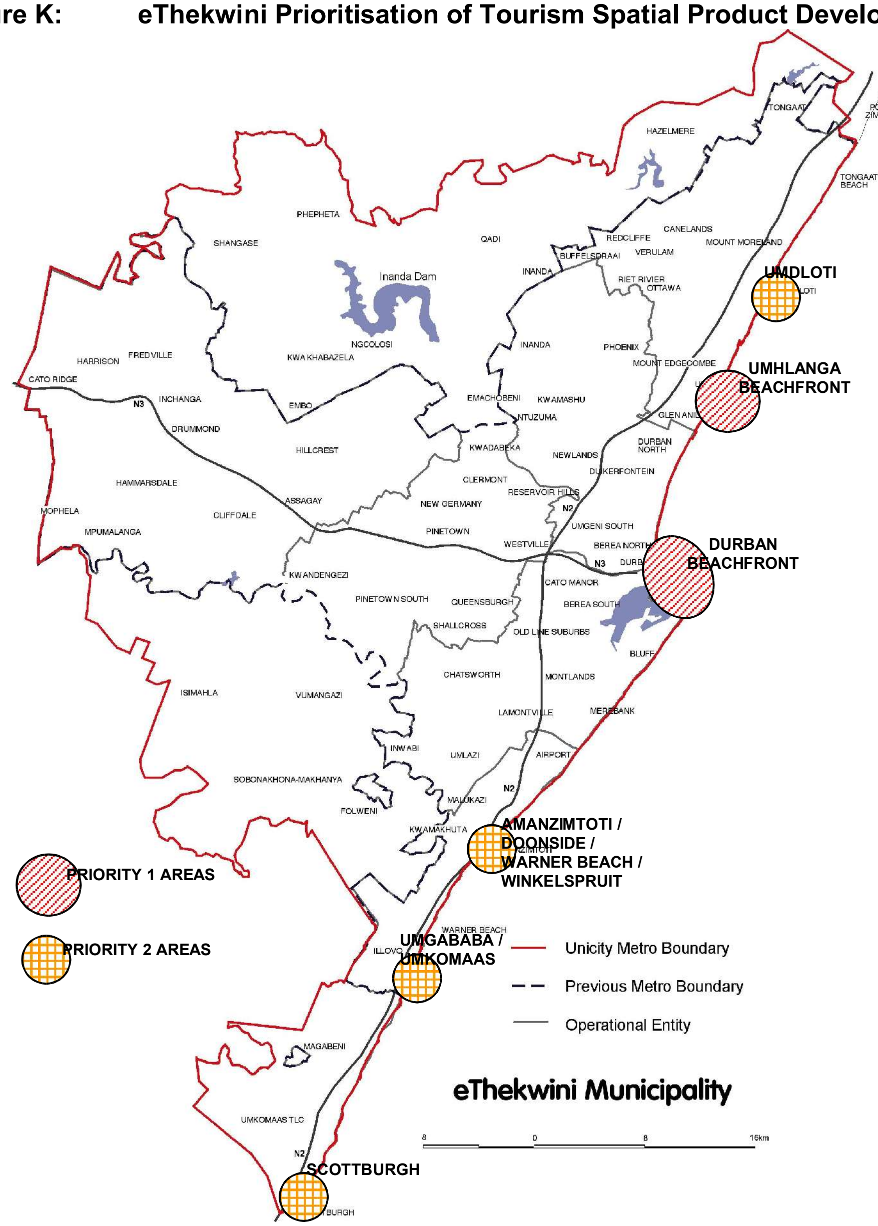


Figure K reiterates the recommendation to immediately prioritise Durban and Umhlanga Beachfronts in terms of the needs of category 1 and 2 market segments for the domestic and foreign tourists. The remaining sections of this report provide recommendations on the specific tourism product development issues for these two areas.

In terms of medium to longer term planning for tourism product development, Umdloti, Amanzimtoti, Umgababa and Scottburgh have been identified as the next priority nodes, primarily due to the already developed level of tourism awareness and product. In terms of market segmentation, it is proposed that each of these nodes initially target the domestic tourist, with emphasis on the foreign sector where niche tourism product can be offered in terms of the market needs.

8.2.1 Durban Beachfront

For the purpose of this report, the Durban Beachfront covers the area from the south bank of the Umgeni River to the Bluff, extending to the mouth of the Umlazi Canal. **Table 10** and **Figure L** provide the outline recommendations for spatial allocation and product development for the Durban Beachfront:

Table 10: Durban Beachfront Spatial & Product Market Segment Proposals

Proposed Spatial Zone	Market Segment	Product Development Proposals
ZONE 1. ***Umgeni River Mouth, Country Club Beach, Oasis Beach, Battery Beach and Snake Park Beach, up to Somtseu Road Pier.*** ***For marketing purposes the zone could be considered as 'Umgeni Beach', possibly retaining 'Blue Lagoon' to the North***	Due to the limited depth of beach between the shoreline and the M4 Freeway, it is proposed that this zone focus on day visitors to the beach mainly from eThekwini residents, whose interests are primarily on beach and sea related activities. This could also cater for the VFR market wanting the beach only, as well as a component of domestic upper market self-catering facilities in the vicinity of Battery and Snake Park Beaches.	▪ It is recommended that the Blue Lagoon area be upgraded into a more park-like environment with family braai, picnic and ablution facilities, as well as a central core of commercial/retail opportunities of food, beverages and beach related product. ▪ Provide a 'causeway' linkage across the Umgeni to a Boardwalk through the Beachwood Mangroves. ▪ Provide a Boardwalk / Pathway for a stronger pedestrian linkage to Windsor Park and other leisure and sports activities inland of this section of the M4. ▪ Linkages to Waterworld and the Casino to be strengthened. ▪ Ample parking and clusters of food, beverage and beach product commercial / retail activities to be developed along the length of Snell Parade, with sub-tropical plants. ▪ Beach sub-zone allocation for families, cultural privacy, swimming, surfing, fishing, motorised craft (jetski's), etc. should be included. ▪ A continuous walkway and cycleway to be provided along the length of this zone.

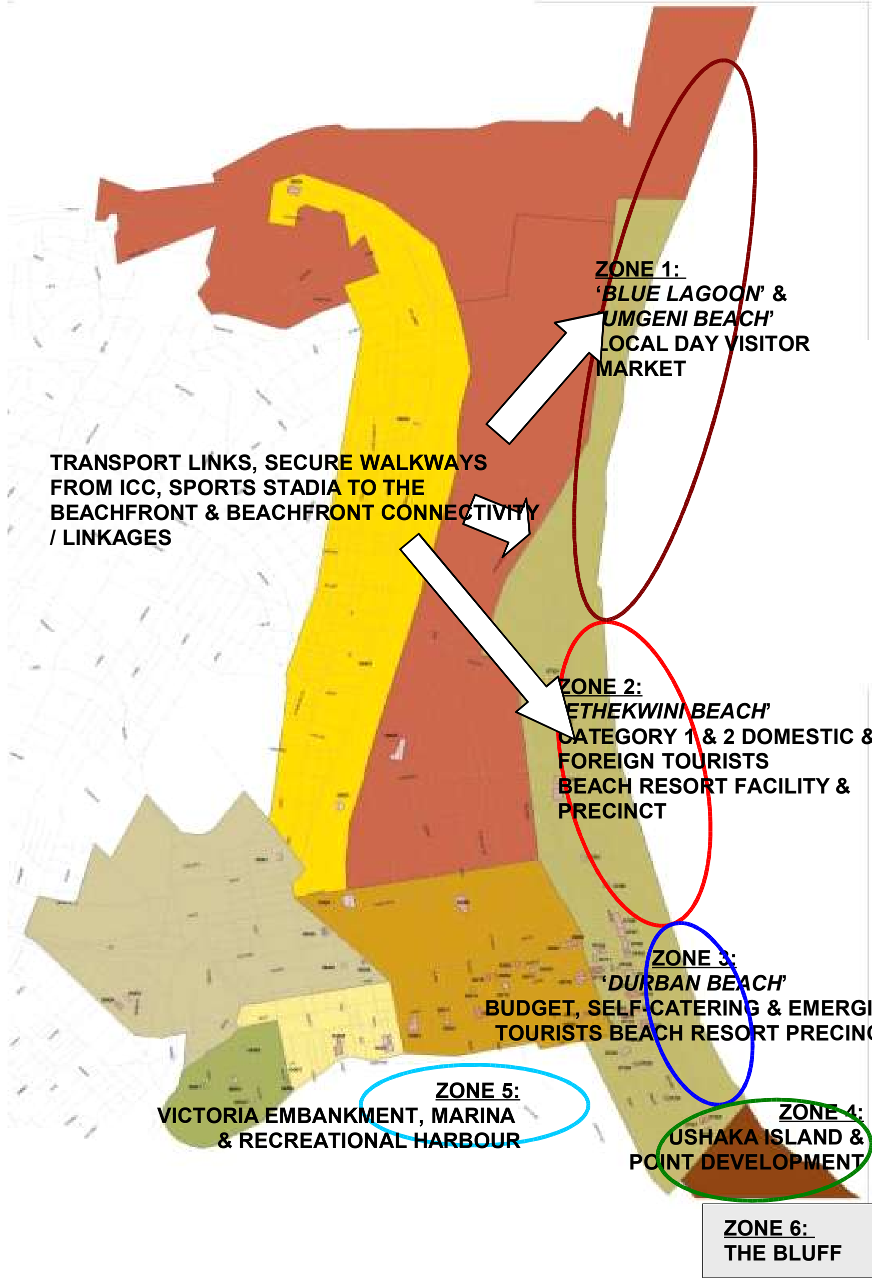
Proposed Spatial Zone	Market Segment	Product Development Proposals
ZONE 2. Somtseu Road Pier to West Street Pier, including Bay of Plenty, North Beach, Dairy Beach and Wedge Beach. ***For marketing purposes the zone could be considered as 'eThekwini Beach'.***	This is considered as the primary economic activity beachfront zone for category 1 and 2 domestic and foreign tourists, with an upper market leaning, to the north half, and middle market to the south. Consideration of the existing accommodation facilities have informed this recommendation. However, the addition of a Beach Resort facility would increase the attractiveness. This could be located adjacent to the Casino at the Natal Command.	▪ The physical and visual relationship and linkages between the beach and the tourism product along Snell and Marine Parades need to be opened up, with the objective of creating a beachfront environment of a 'single beach resort precinct' with a distinct themeing. ▪ Snell and Marine Parade to be converted into a one-way system from north to south, providing access to accommodation facilities; with plenty of parking, traffic calming and street furniture. ▪ Particular focus should be given to the pedestrian linkage from this beachfront to the ICC. ▪ The area between Snell and Marine Parade and the Lower Marine Parade Pedestrian Walk needs to provide a mixture of open space with pedestrian walkways and cycleways, all set in a relatively open sub-tropical park environment, with four (one per beach) appropriately designed, single storey clusters of commercial / retail activity that include internal and open-air good restaurants, bars, live entertainment, and beach related product, including ablutions. Both day and nigh time quality and trendy economic activity needs to provide the core attraction within this precinct. ▪ This stretch of beach includes five piers, which creates opportunity of four distinct beach sections. Each beach section can provide alternative beach experiences and sea related activities. The following are provided as examples: - Somtseu Pier / Bay of Plenty Pier – Bay of Plenty Beach A more upmarket beach providing an exclusive quality environment where the tourist can hire chairs and umbrella's and receive food and beverage service, even to the extent of hotels extending their services onto the beach. - Bay of Plenty Pier / North Beach Pier – North Beach A more activity related beach with beach sports, surfing, windsurfing, body boarding and other non-motorised watersport, with equipment available for hire from concession operators. - North Beach Pier / Dairy Beach Pier – North Beach A family orientated beach, with safe swimming and other beach and water related activities for children and parents. Qualified 'Tourist Carers' could be available for a fee to watch over children and possessions while parents swim or play with their other children, as a form of potential SMME economic activity. - Dairy Beach Pier / West Street Pier – Dairy & Wedge Beach A younger generation beach with more fun and adventure related activities both on the beach and in the sea, including facilities for live music and beach parties. An organisation such as East Coast Radio could operate a concession for this beach. ▪ Due to the nature of the above beach proposals the range of other activities from the piers, such as fishing, etc. are proposed to be transferred to Zones 1 and 3.

Proposed Spatial Zone	Market Segment	Product Development Proposals
ZONE 3. ***West Street Pier, South Beach and Addington Beach*** ***For marketing purposes the zone could be considered as 'Durban Beach'***	This beachfront zone is proposed for the more budget conscious end of the tourist market, including emerging tourists. Budget Hotels and self-catering accommodations should be prevalent within this zone.	▪ As with Zone 2, the area needs to be opened up in order to create a 'single beach resort precinct' addressing the needs of the targeted market segments in terms of themeing, which should be distinctly different from Zone 2. This should include opening up the physical and visual relationship and linkages between the accommodation facilities and the beaches. ▪ The significance of this Zone is also its function of providing a linkage between Zone 2 as the main tourism area and the development occurring for uShaka Island and the Point Development. This will require particular attention to the pedestrian pathway and cycleway through Zone 3. ▪ It is proposed that the one-way road system from Zone 2 be continued in a north south direction through Zone 3. ▪ As opposed to the separate beaches within Zone2, it is proposed that a more open style of beach be utilised in Zone 3, as there are no piers creating physical breaks. ▪ However, designation of a family beach, activity beach and a younger generation beach are also advocated. Tourism product provided between the beach and the accommodation facilities should relate to its adjacent beach allocation and be commercially designed in terms of the market segment needs. ▪ Consideration is recommended to encourage budget accommodation for the emerging tourist market, as well as expanded ablution facilities within this zone.
ZONE 4. ***uShaka Island and the Point Development*** ***For marketing purposes the zone could be considered as 'uShaka Beach' & 'uShaka Marina'***	As this zone is already in the process of being redeveloped, no additional proposals have been considered, except for the inclusion of a Passenger Cruise Terminal facility within the Harbour area, with a strong pedestrian linkage into the uShaka Island and Point Development.	▪ Need to ensure lateral linkage and connectivity to other beachfront zones to the north.
ZONE 5. ***Victoria Embankment / Recreational Harbour Area*** ***For marketing purposes the zone could be considered as 'Durban Bay Harbour'***	Depending on the current plans for uShaka Island and the Point Development, it is proposed that this zone continue to focus on economic growth around yachting, marina and related commercial and retail activities.	▪ Successful coastal tourism destinations, with working harbours, need to have an area of leisure or recreational harbour. It is proposed that this zone be used for this purpose, but not duplicating the current developments within the Point.
ZONE 6. ***The Bluff, from the Point to Umlazi Canal***	Until such time as a physical linkage, such as a bridge or tunnel, allowing ease of accessibility between the Point and the Bluff, it is proposed that beach tourism along this stretch of the eThekwini Coast will remain limited to use by local residents of the area.	▪ Limited additional facilities proposed.

8.2.2 Umhlanga Beachfront

For the purpose of this report, the Umhlanga Beachfront is considered to already be developed, and being developed, to accommodate the mid to upper market domestic and foreign tourists, and that this should remain its focused market segments. Stronger off-beach primary and secondary attractions need to be added for wildlife, culture and scenic opportunities, with particular emphasis on broadening of economic activity for historically disadvantaged groups and individuals. This could include a variety of activities similar to those proposed for Zone 2 of the Durban Beachfront.

Figure L: Durban Beachfront Spatial & Product Market Segment Proposals



ANNEXURE A

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ANNEXURE B

LIVING STANDARD MEASUREMENT CATEGORIES
(Latest categories include LSM 9 & 10, which were not available at time of original research)

Below is a summary of some of the key variables that distinguish the various LSM categories. This information has been extracted from the SAARF 1997 AMPS survey.

LSM 1
Most of this group live in traditional huts with no access to mains electricity or piped water.

One in ten LSM 1's took a holiday in the last year – all within South Africa, and all stayed with friends and relatives.

LSM 2
Almost 40% of the people in LSM 2 live in a traditional hut, whilst almost 50% live in conventional houses. One in four have electricity whilst access to running water or flush toilets is sparse.

As with LSM 1, holidays are taken within South Africa and friends/relatives provide the accommodation.

LSM 3
60% Of the people in this category reside in conventional houses and a further 20% live in traditional huts. Just over one in three has access to electricity and piped water.

Holiday patterns are the same as for LSM 1 and 2, with just under 1 in 10 taking a vacation in South Africa.

LSM 4
Nearly three quarters live in conventional homes. Only 5% of the total reside in traditional huts yet 12% live in squatter accommodation. 62% Have electricity supply but only 18% have water inside their home. However, three-quarters have piped water on their property.

Holidaying is at the same level as LSM's 1 to 3.

LSM 5
Traditional huts have virtually disappeared in this group, but compound dwellers are at their most numerous (6%) and squatters and backyard dwellers are still above average (9% and 6% respectively). Most (87%) have electricity and 93% have water.

In spite of their relatively greater affluence, the holidaying pattern of LSM 5 is essentially the same as seen in LSM's 1 to 4 (1 in 10, travelling within South Africa and staying with friends and relatives).

LSM 6
The dwelling mix is similar to LSM 5, however, there are fewer squatters (4%) and flats (9%) are a significant element. Electricity and water are almost universally available, although nearly a third rely on an outside supply of water.

Tourism is not yet a significant lifestyle activity, for although 15% of the group took a holiday during the past year, relatives and friends remain the most usual accommodation.

LSM 7

Four out of five live in conventional houses, and nearly all the balance in flats which means that virtually all have electricity and water laid on to the home. 7% Own a swimming pool and 28% have a mortgage bond.

It is in this group that travelling makes its first significant appearance as a lifestyle factor. One in twenty undertakes air travel within South Africa each year, and over a three year period the same number fly to a foreign country. Nearly a third go away on holiday each year, and of these half stay with friends and relatives and 7% use timeshare accommodation.

LSM 8
All of this group live in formal housing (house 83%, flat 11%, townhouse 4%, cluster home 1%) with both electricity and water. One in 4 has a swimming pool.

Travel comes into its own in this LSM group. 18% Flew to a foreign country within the last 3 years and approximately 20% fly within South Africa in the course of a year. Three in five take a holiday each year, but only one in five stay with friends and relatives. In addition, one in four take weekend trips where they stay in hotels.

ANNEXURE C

POWER POINT PRESENTATION