



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

Department of Tourism
Domestic Tourism Scheme

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Acronyms

DTGS	Domestic Tourism Growth Strategy (reviewed)
GDP	Gross Domestic Product
ISTO	International Social Tourism Organization
LSM	Living Standard Measure
DT	Department of Tourism
SA	South Africa
SAARF	South African Audience Research Foundation
SASSA	South Africa Social Security Agency
SAT	South African Tourism
STR	Social Tourism Report
DTS	Domestic Tourism Scheme
TGCSA	Tourism Grading Council South Africa
TIP	Tourism Incentive Programme
UNWTO	United Nations World Tourism Organization
VFR	Visiting Friends and Relatives
WYSTC	World Youth & Student Travel Conference
WTTC	World Travel and Tourism Council

Definitions of Terms

Accommodation - is one of the basic needs for any tourism activity. Travelers and tourists need lodging to rest, while in transit. Various accommodation options, from low budget lodges/hotels to world-class luxury facilities are available at all major tourist destinations, and they serve the purpose of providing travelers with a home away from home feel.

Domestic Tourism - involves residents of one country traveling within that specific country. It is a holiday spent in the same country, and may overlap with “staycation”; which is a vacation spent in the same region as where the tourist usually resides.

Domestic trip - A trip within the boundaries of South Africa but outside of the residents’ usual environment.

Stokvels – are invitation-only clubs of twelve or more people serving as rotating credit unions or saving schemes in South Africa where members contribute fixed sums of money to a central fund on a weekly, fortnightly or monthly basis.

Tourist – A visitor who stays for at least one night in the place visited.

Tourism – when a person travels to and stays in places outside their usual residence for a period of not less than 24 hours and not more than one continuous year for leisure, business or other purposes.

Tour Operators - typically combine tour and travel components to create a package holiday. They use various means of advertising to promote their products, such as holiday destinations and itineraries.

Visitor - is a person travelling to a place other than that of his/her usual environment or home for less than 12 months, and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited.

Social Tourism - refers to programmes, events, and activities that enable all population groups, in particular the youth, families, retirees, individuals with modest incomes and individuals with restricted physical capacity, to access, participate in and enjoy tourism.

Executive Summary

The Department of Tourism conducted research on global and local social tourism, with the aim of developing a Domestic Tourism Scheme that will enable travel and tourism participation by people of modest income and the inclusion of previously marginalized members of society.

This document outlines the benefits of social tourism by highlighting four main axes by the International Social Tourism Organization (ISTO) and the objectives that seeks to align to these four main axes. It also outlines case studies on overseas, continental and South African initiatives that depict social tourism in general.

There are also initiatives by the Department of Tourism (DT), South African Tourism and partnerships with private business, which are referenced.

Globally, there are more than 20 countries which have a Domestic Tourism Scheme policy developed and implemented. Three countries are highlighted namely; Belgium, France and Mexico which have different implementation initiatives and their funding models.

The Domestic Tourism Scheme (DTS) explores challenges faced by the disadvantaged and low to middle-income earners, and it provides recommendations on how the DT can implement the scheme to promote and encourage travel amongst South Africans of all population groups, buying process and travel behavior.

Lastly, the recommendation highlights initiatives to partner with stakeholder management and develop a voucher system. It also provides information on the qualification criteria, application process, implementation and benefits for value chain partners.

1. Section A: Introduction

The Domestic Tourism Scheme is an initiative of the Department of Tourism aimed at addressing the gaps identified in the (reviewed) Domestic Tourism Growth Strategy, which amongst others include access, affordability, seasonality and an uneven geographical spread of tourism. Through this initiative, the Department is also looking to encourage a culture of travel amongst South Africans.

Some of the challenges and gaps highlighted in the Domestic Tourism Growth Strategy and the reviewed strategy in growing domestic tourism:

- a) Traditionally, there are limited resources dedicated to developing domestic tourism.
- b) There is very little research focused on domestic tourism.
- c) Underutilization of some existing products, both public and privately owned.
- d) Limited implementation capacity at local government level.
- e) Lack of integrated packaging and differentiated marketing.
- f) Partnerships and cooperation levels for domestic tourism can be improved.
- g) Inadequate attention on affordability, particularly around packaging.
- h) Lack of a savings culture towards holiday travel.
- i) Limited tourism culture amongst South Africans.
- j) Limited knowledge about availability of affordable accommodation options.
- k) No collective sector strategy for growth and development of domestic tourism strategy.

The sector Vision for Domestic Tourism is to ‘*grow domestic for a sustainable tourism economy*’ with the main objectives being to:

- a) Increase domestic tourism expenditure (revenue);
- b) Increase domestic tourism volumes;
- c) Enhance measures and efforts aimed at addressing seasonality and equitable geographical spread;
- d) Enhance the culture of tourism/travel among South Africans.

Tourism has been acknowledged as one of the major attributes for cultural and economic sustainability and it offers commercial opportunities to local communities. The increase of travelers within the tourism sector is crucial to economic growth as well as related fields such as transportation, leisure services and hospitality (Telfer, 2002). The International Social Tourism Organization defines social tourism as the connection and a phenomenon that involves citizens within the countries of destinations as well as holiday makers, which targets an improvement of the lives of those who are unable to participate in tourism by making it accessible and affordable to travel¹ (Association for the Development of Social and Health Tourism 2014).

In simple terms, Social Tourism is making tourism accessible for the less fortunate who desire to explore tourist destinations for educational and/or recreational purposes. Which may include low-price holiday accommodations and youth hostels made available to disadvantaged groups in the society and are operated by voluntary and church organizations, trade unions, private or publicly owned enterprises² (Minnaert 2014).

The Department of Tourism aims to encourage domestic tourism in order to inculcate a travel culture, which is lacking amongst mainly black South Africans, caused in part due to the historical marginalization of travel which was restricted during the apartheid era.

This Domestic Tourism Scheme highlights the role and responsibility of tour operators to help contribute in making travelling accessible, enabling the participation of people with modest income and previously marginalized groups in the society ³(Development bank of southern Africa 2009).

Domestic tourism is a key contributor to the growth of the tourism sector as it provides the basis for which sustainable tourism development can occur, more precisely during this era of global economic uncertainties⁴(Development bank of southern Africa 2009).

¹<http://www.shtourism.eu/social-tourism.html>

²Lynn Minnaert, Robert Maitland & Graham Miller (2011) What is social tourism?, Current Issues in Tourism,14:5,403-415,DOI: [10.1080/13683500.2011.568051](https://doi.org/10.1080/13683500.2011.568051)

³<https://www.dbsa.org/EN/About-Us/Publications/Documents/DPD%20No%204.%20Local%20economic%20development,%20tourism%20and%20land%20use%20choices.pdf>

⁴ Ibid

In South Africa, the majority of citizens have not had the opportunity to travel within the country for a number of reasons, which include disadvantages such as the lack of money, health problems or disability, all of which inhibit participation in tourism. This has resulted in the current lack of travel culture amongst many South Africans, more particularly Black South Africans whose adult percentage of travelling has declined between 2013 and 2015 with the total number of day trips decreasing from 54.4 million in 2013 to 48 million in 2014, and 44 million in 2015 (Domestic Tourism Survey 2015).

Domestic Tourism Growth Strategy 2012-2020, notes that their greatest obstacle to domestic tourism is the perception of travel is not affordable. According to Stats SA, the number of trips taken by South Africans travelling domestically is on the decline (Domestic Tourism Survey 2015). Therefore, it is important to highlight the benefits that social tourism provides in order to make its importance more visible.

1.1 Benefits of Social Tourism

The benefits of Social Tourism within a country is presented within four (4) main axes by the International Social Tourism Organization (ISTO):

1. Social tourism is considered as the “shaper of society” as travels and holidays contribute towards self-development and personal enrichment through the exploration and discovery of new places and cultures through sport, leisure and artistic activities.
2. It provides an opportunity to meet with people across different races, educational and generational divides and participating in activities that help to broaden the mind.
3. Promotes economic growth - as tourism is a key driver of economic upliftment, the continuous flow of people will lead to ongoing investment within the country and a contribution to regional development.

4. It is a key contributor to the local and regional development of a country as it enhances tourism development, environmental protection and respect for local identities within a community.

1.2 Domestic Tourism Scheme Objectives

In addressing the four (4) main axes by the International Social Tourism Organization (ISTO) discussed above, DT developed the following objectives;

1. Increase domestic tourism participation,
2. Increase room and the percentage (%) of accommodation of bed nights sold,
3. Ensure improved economic growth and,
4. Create multiplier effect in the tourism industry and increase the growth economy of the country.

2. Section B: Successful Domestic Tourism Schemes Globally

Introduction

This section outlines three countries that are currently running Domestic Tourism Schemes successfully. There are more than 20 countries which have developed social tourism policies, only three countries will be highlighted with different types of Domestic Tourism Schemes. These countries are Belgium, France and Mexico.

2.1 Belgium

Belgium introduced The Holiday Participation Centre which makes holidays accessible for all citizens, they support people who are not able to go on a day trip or holiday because of financial or other problems. They believe everyone is entitled to a break and experiences that can give energy.

This initiative was implemented in partnership with social member organizations which are organizations focused on underprivileged target groups, NGOs and volunteer groups working to combat poverty.

Objectives

- Holidays for all, because everyone deserves a break;
- Offering holidays to people on a low income at a social rate by lowering the financial barriers and;
- Offering an online web platform for questions and answers to solve all kinds of participation barriers.

Target Groups

- People and families who are unable to take a break and enjoy the beauty of their country,
- Everyone who wants to solve participation barriers in tourism is welcome in the network of more than 2200 partners.

Achievements

- A partnership network engaging more than 2200 partners,
- Vacation guides where tourism partners give discounts on their rates (for 50%, others even up to 75%),
- More than 1500 social organization are members of the center,
- Received a Silver Award from the World Tourism Organization (UNWTO),
- Received an Award for social innovation of the World Leisure Organization.

Success Factors

- Many social member organisations are involved which results in a wide range of choices in the offer.
- The online booking process is very much appreciated.
- In order to prevent the abuse of social rates, the center decided to work with membership for social organisations. This way they protect the suppliers and make sure the rates end up with the people they are intended for.
- Each year, Visit Flanders brings all partners together at the Holiday Participation Forum. Tourism providers, social organisations and holidaymakers exchange thoughts and get to know each other's world.

- The Holiday Participation Centre established a news network: turning holiday stories into news so they can be an inspiration to other people.

Problems Encountered

- The discount must reach the intended target group;
- Make the offer known to a wide audience;
- Convince every tourist organisation to put their (discounted) offer in the brochure.
- Some holidaymakers have little experience with going on holiday and do not know what to expect, while others prefer not to leave the family environment for a night. Some also find planning very difficult (how to get to the destination, what to do once they are there, how to save money, what to pack?).

Success Impacts

- The number of participants increase each year;
- Holidays have positive effects, also after the holiday experience itself;
- Going on holiday can be a “stepping stone” to positive changes. This stepping stone effect can bring about, for example, improved family relationships, an expanded social network or increased self-confidence and;
- The Holiday participation center contributes to social tourism policy and organizes training for partner.

Funding Model

The Belgium model is self-funding, through discounts from participating products and attraction centers. Government provides training to travel partners, products and volunteers.

2.2 France

France introduced the holiday voucher system which is managed by the French national agency for holiday vouchers. A public entity of an industrial and commercial

nature placed under the supervision of the Ministry of Economy and Finance and the Secretary of State for Tourism. The holiday voucher is a nominative payment document that allows its beneficiaries to build up a budget dedicated to holidays.

The allocation of the holiday voucher as part of a monthly savings account is preferred. Anyone wishing to benefit from the holiday voucher pays part of their salary into a monthly savings account, which is supplemented on the basis of social criteria. At the end of an agreed savings period, the employee recovers the money accumulated into the form of holiday vouchers.

Objectives

The primary objective of the holiday voucher is to make holidays accessible to as many people as possible. It is aimed in particular at people with modest incomes so that each of them can set up a budget at their own pace to finance their holidays. It is also seen as a tool for motivation and retention by the employer.

Target Groups

- All employees of the private sector,
- Self-employers' workers,
- Civil servants (National, Provincial and Local),
- Retired persons and,
- Parents and children of the holder of the holiday voucher.

Achievements

- 36,700 organisations allocate holiday vouchers to 4.28 million beneficiaries. With their families, 10 million people, or 1 out of every 6 French people, benefit from this scheme.
- A wide and dense network of acceptance of holiday vouchers. It is accepted by more than 190,000 tourism and leisure professionals, representing 208,000 touch points throughout France.
- The creation in 2015 of an e-holiday-voucher. This new and easy to use instrument allows payment on the internet without any manual processing. It is

already accepted by many online professionals, such as travel agency networks.

- The “Coupon Sport”, on the model of the holiday voucher, promotes greater access to sports activities.

Success Factors

- A scheme supported by the French Government, which contributes to its attractiveness through the exemptions granted to organisations during its implementation.
- Wide coverage. Since 2009, access to holiday vouchers for employees of small businesses has been simplified and encouraged to help reduce inequalities between large and small businesses.
- Since 2015, self-employed workers and employees of private individual employers can also benefit from it.
- The implementation of a business strategy tailored to each type of customer.
- Since 2009, the promotion of holiday vouchers has also relied on a network of business providers and purchasing advisors who promote them to their customers. The Agency collaborates with 15 national and regional partners.
- The holiday voucher, which is highly consensual, contributes to fostering social dialogue within the company, facilitating relations and social ties. It plays an important role for both employees and employers.
- The continuous improvement of this process and the modernization of its instruments, with the e-holiday-vouchers and sport coupons.
- The network of professionals is growing with expectations and tourist uses with more than 208,000 points of acceptance. The Agency takes into account the preferences of users to develop its network.
- A very diversified network: players in the accommodation, catering, travel, transportation, leisure, arts and culture industries.
- The Agency’s solidarity-based circular economy model, which generates a strong commitment from its environment to the scheme.

Problems encountered

- The evolution of tourism practices, particularly the role played by internet, is leading to a change in the use of “paper” holiday vouchers and requires the development of an offer adapted to new uses.
- The reorganisation of the labour market, companies and the new role of the government, lead to new prospecting and retention methods.

Success Impacts

- The holiday voucher contributes to economic development, through its impact on the tourism economy and land use planning.
- The holiday voucher is a factor of integration and social cohesion, through its contribution to travel and by helping to maintain seasonal employment.
- Its economic benefits are significant: as there is an increase in purchasing power dedicated to the beneficiaries’ holidays, mainly for the benefit of the national tourism economy.
- In recent years, the number of beneficiaries and issue volume have been steadily increasing, especially among employees of small businesses.
- Its surpluses allow the development of significant social action programmes.

Funding Model

France appointed an Agency to manage the holiday voucher system, the management fees are covered by a 2% commission, 1% payable by the organisations allocating them and 1% by the service provider who provides either accommodation, transport, attraction or food.

2.3 Mexico

Ministry of Tourism in Mexico launched a national movement aimed at making Mexicans travel more in their own country and to generate a greater economic income through;

- A value chain that strengthens the local economy;
- The generation of new and attractive offers that represent opportunities both for the largest tourism companies in the country and for local businesses, so that they can join the virtuous circle of tourism;
- A more efficient use of the significant existing tourism capacity in Mexico, which becomes underutilized in the low season.

The implementation of this initiative encourages all stakeholders, organisations and institutions that operate tourism in Mexico to enter into agreements that allow potential or existing tourists to benefit from competitive prices.

Objectives

The aim is to encourage a greater number of Mexicans to discover and enjoy the great tourist riches that Mexico has, by making it easier for them to travel. It also aims to generate more local revenues, jobs and business opportunities.

Target groups

- Young people
- Children
- Senior citizens
- People with disabilities
- Active workers
- Low-income families
- Sports Tourism

Achievements

One year after the Launch of this movement, their achievements include:

- 30 nationwide launches;
- 18,430 business appointments; and 2,150 local tourism companies and stakeholders have joined the movement, generating more than 2,842 tourism offerings in a number of destinations, routes and tours across the country, with savings of up to 65% off.
- In addition, 2,000 micro and small tourism service providers have received specific training in 82 Pueblos Mágicos (Magical Towns) and 102 municipalities, allowing them to enhance their tourism offerings and enter the virtuous circle of tourism.
- Let's all travel around Mexico has proven to be a key factor in improving hotel occupancy rates: 8.4% annual growth in the number of domestic tourists staying in hotels during the low season, compared to the previous year.
- It has also boosted the capacity building of thousands of small and medium-sized tourism companies, who had not been able to integrate into the value chain of the sector.

Success Factors

- Underutilized capacity
- Diversification of the offer
- Advertising Campaign

Problems Encountered

- Reports have shown that due to the marked seasonality and adverse effects, there is a considerable amount of underutilized capacity:
- 89 million hotel rooms/night not occupied per year (2015).
- 8.9 million empty seats on domestic flights in 2016.
- 200 million bus seats are not occupied annually.

Success Impacts

Total arrival of national tourists to Mexico hotels (millions)

- 226 Million national tourists.
- 89 million national tourists stayed in hotels in 2016.
- 137 million national tourists stayed in non-hotel establishments in 2016.

Funding Model

Government initiated the Domestic Tourism Scheme and manages the implementation by means of signing agreements with private sector (product owners, travel business and tourism interested parties). It's a self-funding model, the strategy is to promote participating products during off-peak and low seasons. The consumer gets reduced rates and benefit from these agreed discounts between Public and Private sector.

3. Section C: Initiatives That Encourages Travel in South Africa

The Tourism Act (Act 3 of 2014) makes provisions for the development and promotion of sustainable tourism for the social, economic and environmental benefit of South African citizens.

It provides the Department of tourism initiatives, programs and mechanisms to help to develop and grow the tourism sector. These incentive programs aim to encourage tourism development that is inclusive, sustainable and provides tangible growth to the entire tourism industry ⁵(Department of Tourism 2015). Additionally, Department of Tourism enables access to tourism for those who were previously unable to participate in holidays due to financial constraints.

For the purposes of DTS, these initiatives will create awareness to the targeted groups of South Africans who are participants of the DTS, they will encourage travel and communicate discounts, benefits and qualification criteria of the scheme.

3.1 Sho't Left

Sho't Left Domestic Marketing Campaign is one initiative that was brought forward to the attention of the DT to help encourage travelling in the country. The campaign has diverted from being a "Nothing More Fun than a Sho't Left in 2013 to a campaign of "A Million New Experiences are a Sho't Left away" to accommodate and involve the participation of all South Africans. Unlike the old campaign which focused on the five brand segments of people who could already travel, the new domestic marketing campaign was targeted to all South Africans. This change came as a way to increase the frequent travel within the country with the aim of establishing a culture of travel amongst South Africans.

The idea was to give those who could not previously travel an opportunity to experience something new and that every weekend was an opportunity to do something that they had not been able to do before⁶(Ngcobo 2015).

⁵<https://pmg.org.za/committee-meeting/20687/>

⁶<https://pmg.org.za/committee-meeting/21497/>

For the purposes of the DTS, this initiative will further create exposure of available products who supports the DTS and participates in providing affordable tourism services.

3.2 “It’s your country, enjoy it”

This is a new campaign that encourages South Africans to travel locally. The latest campaign by the South African Tourism in collaboration with Ola! Films, aims to revive a travelling culture amongst South Africans, more precisely travelling within the country as part of their Sho’t left initiative previously discussed above.

This campaign was to produce a TVC that would not only encourage Black people to travel all around South Africa, but to travel in the way they would love to, enjoy different activities and be exposed to new adventures and experiences that they were not previously able to⁷(Between 10 &5, 2018).

3.3 We Do Tourism

This nationwide campaign helps to remind South Africans of the imperative role they can play for the country and for the industry. It simply aims to remind South Africans of the social and economic values of tourism which carries a 3% economic growth contribution and has created close to 500 000 jobs⁸ (Marketing Spread 2017). It draws attention to the reality that the impact that tourism brings forth is not just industry specific but that almost every sector of the economy is positively affected when people travel places, from agriculture to transport. It stresses the effectiveness of tourism being an integral point to growth and development of the country.

Through the creation of a wide range of experiences such as family getaways, girls weekend away, romantic escapes, it aims to make travelling more accessible and affordable to South Africans who have not yet had an experience of travelling, due to

⁷<http://10and5.com/2018/04/24/its-your-country-new-campaign-encourages-south-africans-to-travel-locally/>

⁸<https://marketingspread.co.za/2017/06/19/fcb-joburg-helps-south-african-tourism-launch-new-initiatives/>

either affordability or not having the culture to travel or do not consider travelling for holidays or entertainment.

This in return is helping the South African Tourism commoditize travelling, become less complicated to do and more accessible, as well as making South Africa the first country to take this approach⁹ (Marketing spread 2017).

3.4 Welcome

Welcome is an initiative by South African Tourism that aims to create and sustain engagement with industry stakeholders and encourage information sharing. The initiative extends a hand to all role-players in the tourism industry, from seasoned tourism business owners to young, thriving start-ups. For anyone in the travel trade, word-of-mouth referrals and personal endorsements are the pinnacle of marketing, and the Welcome initiative wants to help clients to achieve this on a regular basis. The tools they provide will assist clients in making guests' day, every day. It will empower clients with the tool to improve level of service, and make sure that guests have the best possible experience in South Africa, and establishment. This will ensure they have a meaningful experience and they will then want to return and recommend the service provider (and South Africa) to their friends and relatives.

3.5 Tourism Grading Support Programme

This programme improves conformity to quality standards that enhance the overall visitor experience and improve South Africa's destination competitiveness. The programme will make grading assessments more affordable to encourage wider participation in the tourism grading system from accommodation and meeting exhibition and special event (MESE) establishments.

All establishments that apply for tourism grading with the Tourism Grading Council South Africa (TGCSA) and meet the qualifying criteria and submit all required supporting documentation will receive a discount of about 80-90% at initial application or renewal of membership.

⁹ Ibid

4. Section D: Challenges Faced by the Disadvantaged & Low Income-Middle Class Segment to Travel

There is a dire need to promote tourism in developing countries but not much has been done to achieve promoting tourism in these countries. Beneficiaries of social tourism are people who would like to travel but cannot due to a certain disadvantage: for example, this could be the lack of money, health problem, or disability that inhibits participation in tourism (Okharedia 2017).

Common barriers that hinder domestic travel include low disposable income amongst most South Africans. The belief that traveling is expensive and not affordable is already a limitation in encouraging those people to travel.

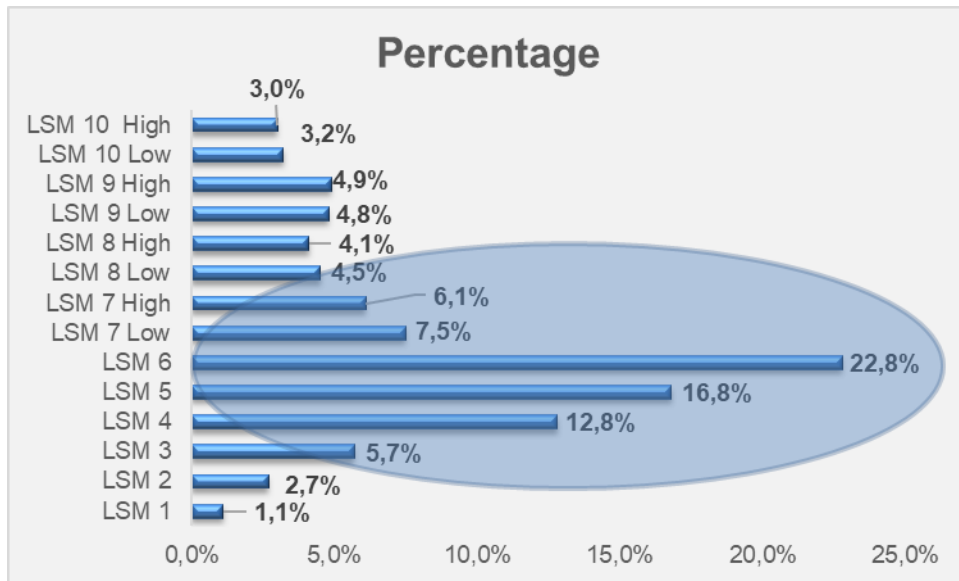
Secondly, the lack of culture of travel amongst South Africans is partly due to the lack of knowledge and understanding of the importance and benefits of travel, more especially within the country itself. The general perception within the media, provinces and cities that international tourism was better than domestic tourism poses a critical limitation in achieving a sustainable social tourism growth¹⁰(Ncgobo 2015).

4.1 Living Standard Measure (Low Income- Middle Class Segment)

Living Standard Measure (LSM) has been the most widely used marketing research tool in Southern Africa. Its dividing the South African population into 10 LSM groups, 10 (highest) to 1 (lowest), data sourced from South African Audience Research Foundation (SAARF) 2015. LSM is a unique means of segmenting the South African market. It cuts across race and other outmoded techniques of categorising people, and grouping people according to their living standards using criteria such as degree of urbanisation and ownership of cars and major appliances. Since 2017, it has been mentioned that Socio-Economic Measure (SEMs) will replace the market segmentation tool, Living Standard Measure (LSMs) over the next two years, although there has not been any data published. Therefore, LSM (2015) will be used to measure

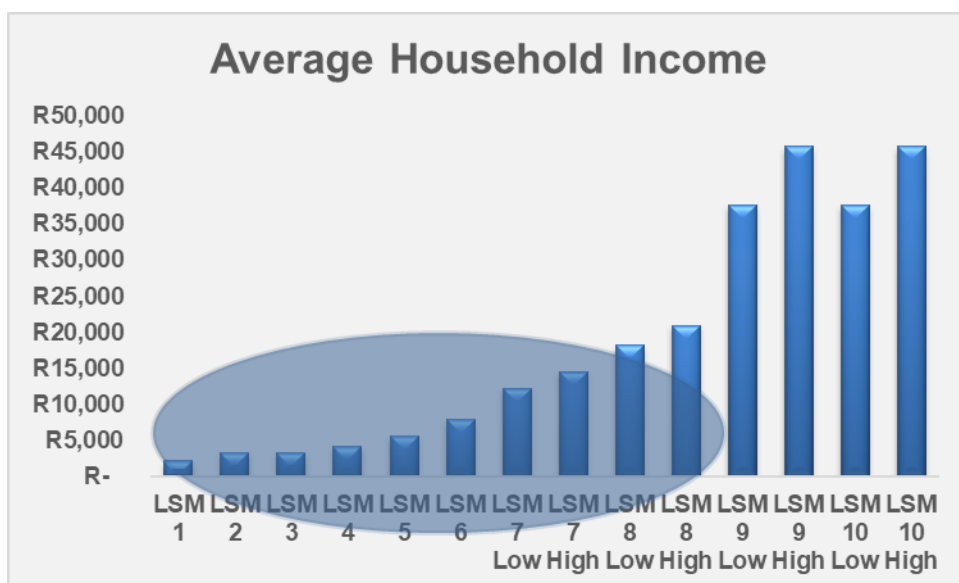
¹⁰Op.Cit

the South African segmentation. The illustrated LSM patterns mainly focus on the Low-income earners and Middle-Class segment.



Source: South African Audience Research Foundation (SAARF) 2015

According to the SAARF 2015 data, there is a high percentage between LSM 3 to LSM 7, which is likely to be 80% of these segments fall within the Low-Middle Class segments. However, LSM 4, LSM 5, LSM 6 and the Low LSM 7 are high in percentage ranging between (7.5% to 22.8%), and LSM 6 with the highest at 22.8%. ¹⁵(Living Standard Measure in South Africa, 2015)



Source: South African Audience Research Foundation (SAARF) 2015

The average household income is from R2,225 to R45,785 per month. As the graph shows an upward curve, as a height takes place in the (LSM 9 low) with R37,709 and a slight dip in the (LSM 10 Low) at the same average household income.

Living Standard Measure in South Africa,2015¹¹

LSM Group	Gender	Age	Education	Geographic Area	Residential Type	General Info
LSM 1	female bias	above 50	Some High School	Small urban / Rural	Traditional Hut	Minimal access to services, 54.1% have SASSA Grant card
LSM 2	female bias	15-24 and above 50	Some High School	Small urban / Rural	Squatter Shack, matchbox	Access to water, 43,9% have SASSA Grant card
LSM 3	female bias	25-34 and above 50	Some High School	Small urban / Rural	Squatter Shack, matchbox	Water on plot or communal, 40,8% have SASSA grant cards
LSM 4	female bias	35-49 and above 50	Some High School	Small urban / Rural	Squatter Shack, matchbox	electricity, water on plot or communal, non-flush toilet, 38% have SASSA cards

¹¹ Living Standard Measure in South Africa,2015

LSM 5	no gender bias	15-34	Some High School	Small urban / Rural	House, matchbox/ improved	electricity, water on plot, flush toilet outside, 31,5% have SASSA cards
LSM 6	female bias	25-49	Some High School/Matric	Large Urban	House/townhouse	electricity, water in home, flush toilet, 27,4% use SASSA card
LSM 7 Low	female bias	25-49	Matric and higher	Urban		full access to services
LSM 7 High	female bias	25-49	Matric and higher	Urban		full access to services including cheque and savings
LSM 8 Low	female bias	25-34 and above 50	Matric and higher	Urban		full access to services and bank accounts
LSM 8 High	female bias	Above 25	Matric and higher	Urban		full access to services and bank accounts
LSM 9 Low	female bias	above 35	Matric and higher	Urban		full access to services and bank accounts
LSM 9 High	female bias	Above 35	Matric and higher	Urban		full access to services and bank accounts

LSM 10 Low	Male bias	Above 35	Matric and higher	Urban		full access to services and bank accounts
LSM 10 High	Male bias	Above 35	Matric and higher	Urban		full access to services and bank accounts

Source: South African Audience Research Foundation (SAARF) 2015

However, the comparison of the average household income and the Living standard measure in South Africa diagram. It shows that LSM 6 is the highest LSM in the Low-Middle Class Segment (LSM 1-8), this is predictable as the age bracket is between (25-49), this LSM group likely have matric or high school education, geographically reside in the large urban areas at house/townhouses with basic utilities such as electricity, water in a home, flushable toilet, and 27,4% use South Africa Social Security Agency (SASSA) card and earns an average household income of R7,876 per month.

Therefore, Department of Tourism needs to determine the groups of people per age group and travel interests in order to ensure that the right marketing by South African Tourism is used to attract the targeted groups for the scheme.

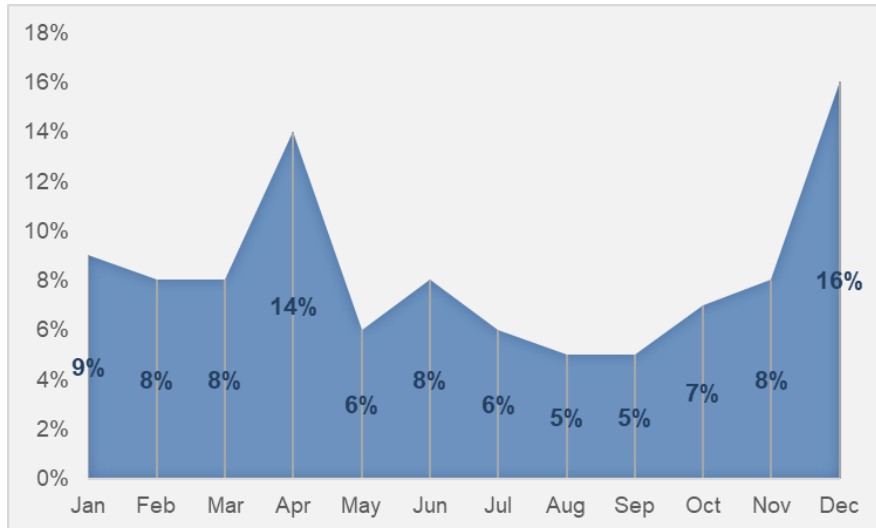
People	Age Group	Services
Senior Citizens	60+	Budget Resorts, Lodges, Guest House and Self Catering
Adults	23 to 59yrs	Budget-Economy Hotels, Lodges, Self-Catering and Holiday Resorts
Young People	Up to 23yrs	Youth Camps, Backpackers and Hostels
People living with disability	Any age group	Nonphysical barrier accommodation types

Source: 3T Business Fusion

4.2 Domestic Tourism in South Africa

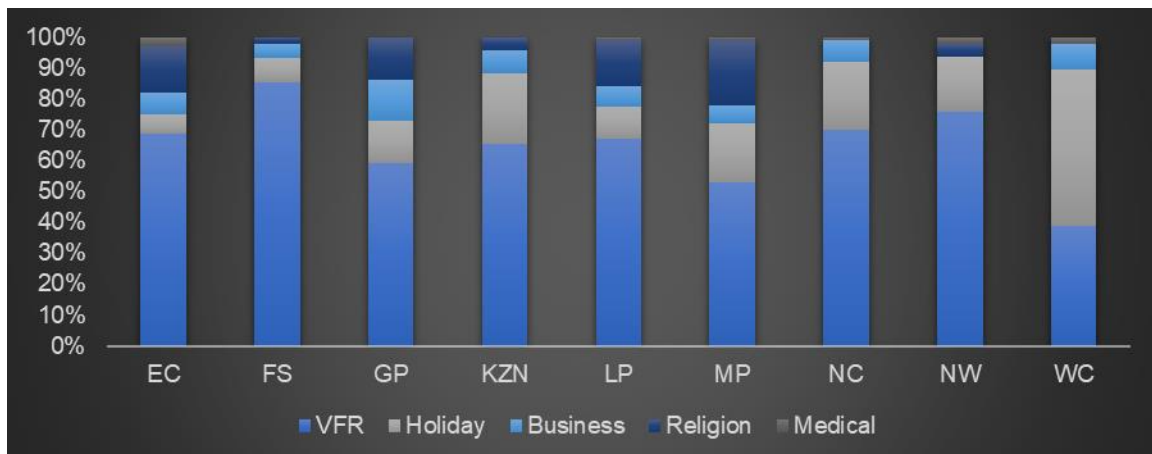
As according to the SAT 2017 data, domestic tourism contributes substantially to the tourism and hospitality sector with just under 75% of total tourism spend in South Africa with April (14%) and December (16%) being the most peak seasons this is likely due to Easter and festive season public holidays.

Domestic Trips (Monthly), 2017



Source: South Africa Tourism

Domestic Patterns (By Province), 2017

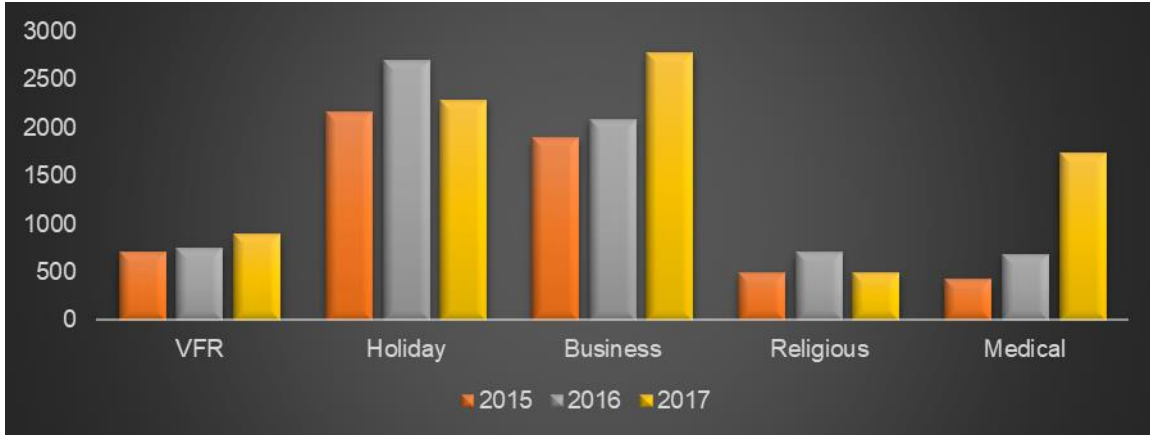


Source: South Africa Tourism

Overall the graph shows that there is domestic demand in Business, Holiday or Visiting Friends and Relatives (VFR) tourism. Although, VFR takes the large share of domestic

patterns in all 9 Provinces, with the large amount in Free State (77%), Eastern Cape (66%) and the North West (73%).

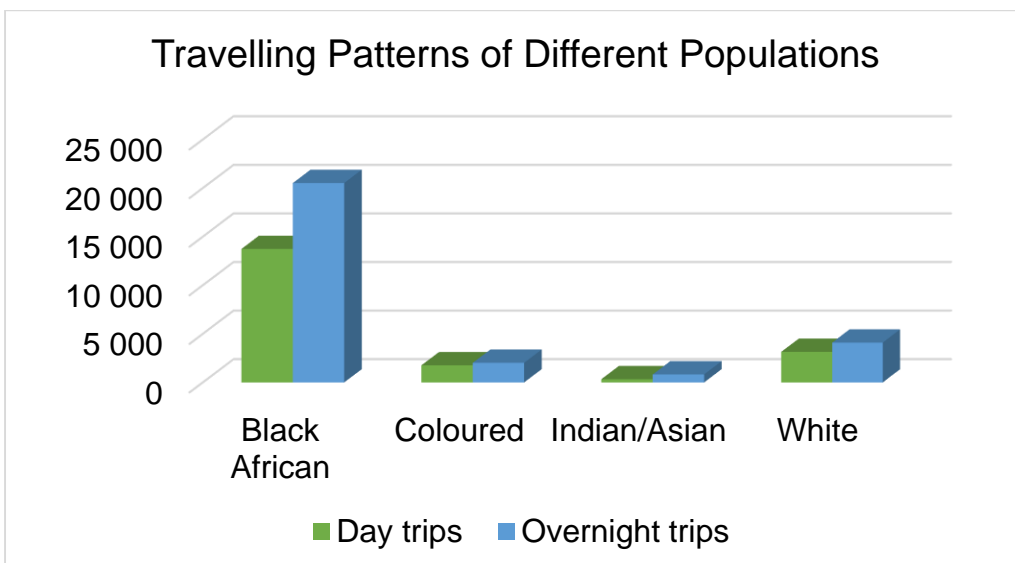
Domestic Tourism Average Spend per Trip by Purpose of Trip



Source: South Africa Tourism

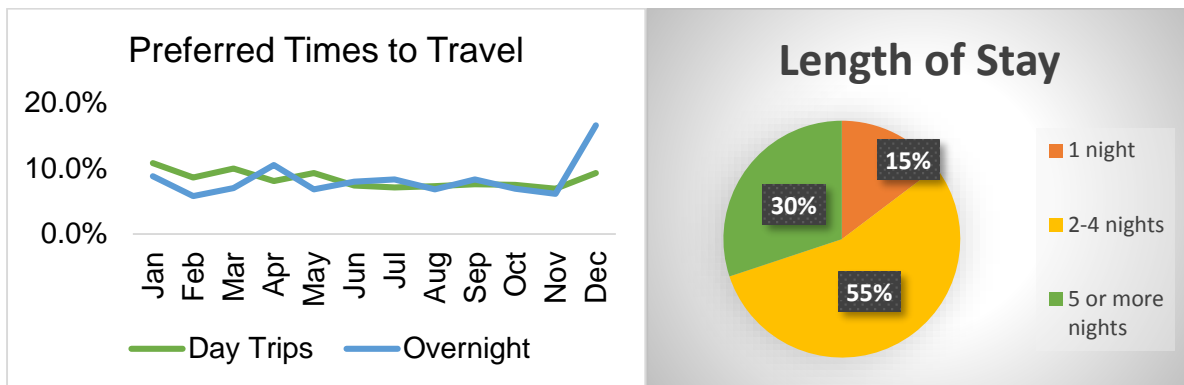
The VFR segment spends less within a destination, this is likely due to the perception that “travelling is not affordable”, whilst the holiday segment has slightly decreased in 2017 with R2,290 compared to the previous 2 years (2015 with R2,170 and 2016 R2,700). And the scheme is likely to increase the holiday market, to increase the volume of domestic travellers and this will increase the length of stay and more spending within the region.

4.3 Domestic Tourism Scheme Buying Process and Travel Behavior in South Africa



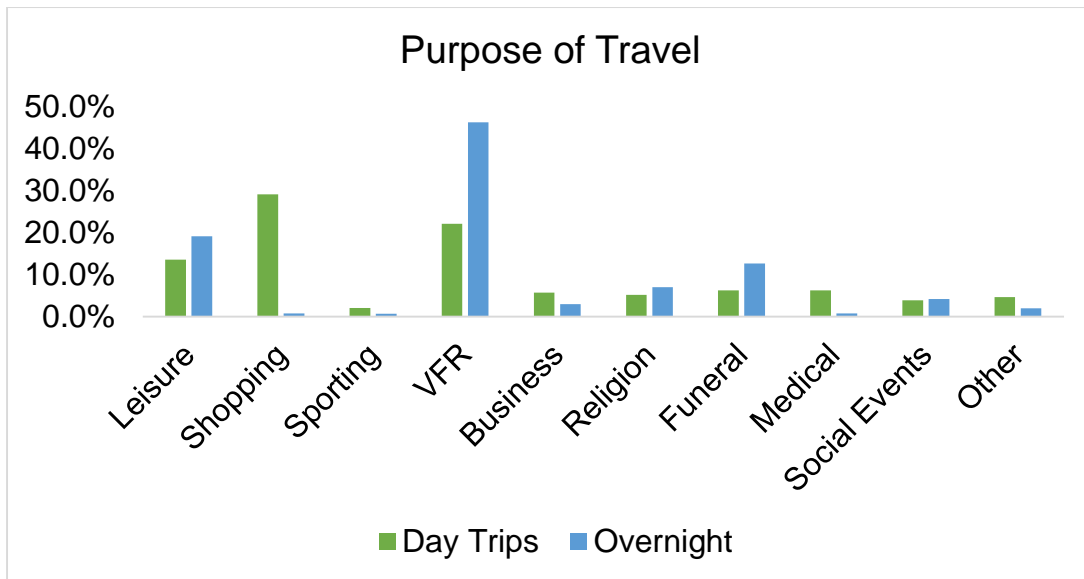
Source: Stats SA

According to the Domestic Tourism Survey 2017, the least population that travels is the Indian population with 332,000-day trips and 820,000 overnight trips undertaken. With the Black African population travelling the most overnight trips with 20,518,000 making it 74,7%.



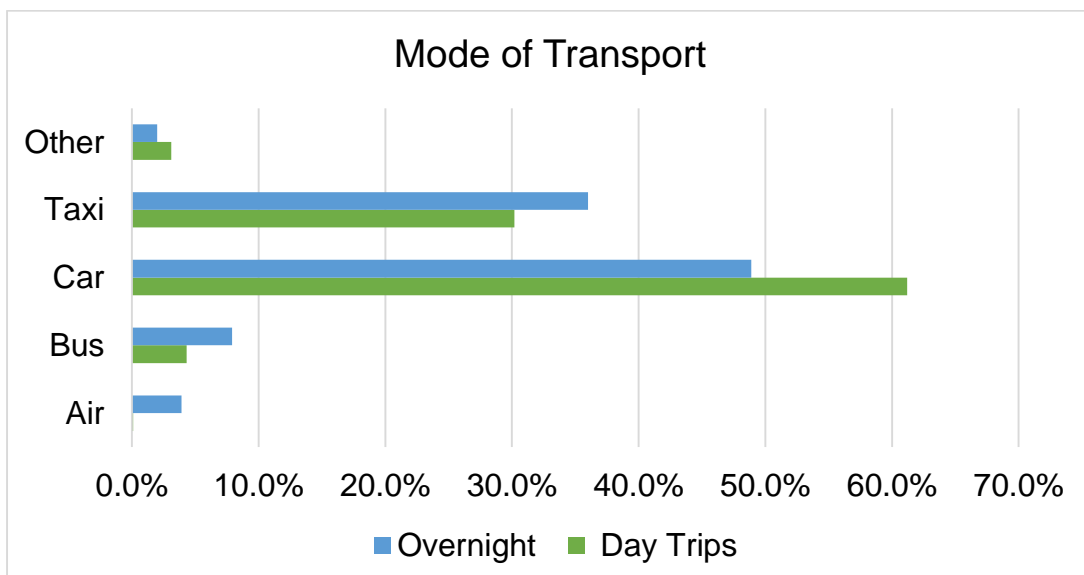
Source: Stats SA

As illustrated on the graph domestic tourism overnight trips contributes significantly to the tourism sector accounting for just under 75% of total tourism spend in South Africa. Overnight trips, seems as though domestic tourists that spend at least 2 nights at their destination, are highly seasonal and traditionally peak for school holidays, including the festive season holidays.



Source: Stats SA

The Stats SA figure illustrates that most of the domestic trips taken consist of VFR for overnight trips, with 46,2% and only 13% of day trips taken particularly for holiday purposes. However, the VFR market needs to be targeted for the Domestic Tourism Scheme to continue increasing the number of overnights at tourists' destinations.



Source: Stats SA

Day travelling by car seems to be higher with 61,2% than any other modes of transports, with public transports (taxi) are the second most used transport with 36,0%. However, most aircraft travellers are overnight trips, and only 0,1%-day trips.

Buying Process

The buying process of domestic travellers, was sourced various sites including Stats SA 2017. Grey colour and bold text highlight the highest accumulated percentages. However, red colour presents an assumption analysis.

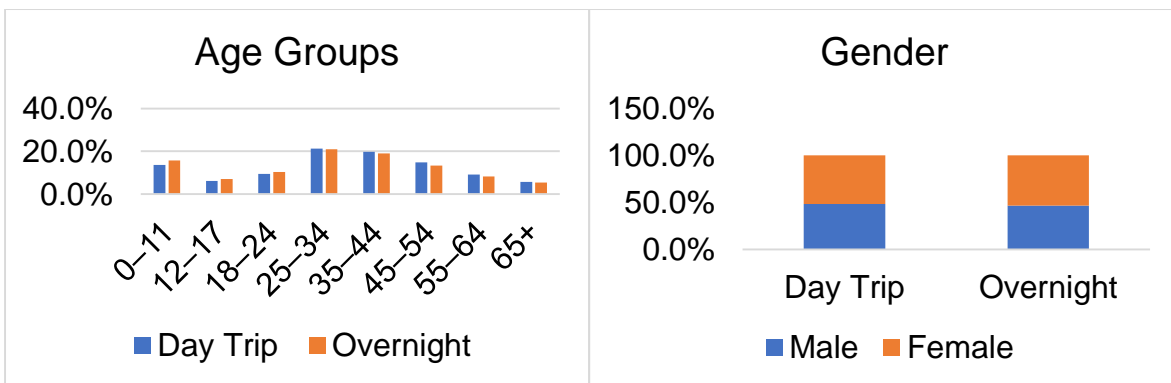
Most South Africans travel for VFR purposes. Whilst, shopping and eating out at restaurants are popular activities undertaken for day trips. Individuals that are likely to make overnight travel bookings are individuals (86,7%), on the internet (37,4%), on the phone (33,8%) and making travel bookings 2 weeks to a month before departure. Most South Africans do not take trips due to financial reasons and family relatives prefer to stay at home. However, those that travel gather their information via social network, Word-of-Mouth (WOM), and TV seeing Sho't left adverts.

Purpose of Travel	Leisure	Shopping Personal	Cultural Occasion	Sporting	VFR	Business	Religion
Day Trip	13,6%	29,1%	0,7%	2,1%	22,1%	5,7%	5,2%
Overnight	19,1%	0,8%	1,9%	0,7%	46,2%	3,0%	7,0%
Activities Undertaken	Eating Out	Shopping	VFR	Nature Based	Religious Activities	Sports	Business Meetings
Day Trip	46,9%	20,2%	7,0%	10,1%	1,9%	3,3%	1,3%
Overnight	25,2%	19,7%	10,8%	17,0%	6,3%	5,4%	0,9%
Total Booking Pattern Overnight Trips	Tour Operator	Travel Agent	Independently	On Phone	On the Internet	Less than 2 weeks	2 weeks to a month before departure
	1,1%	6,3%	86,7%	33,8%	37,4%	27,1%	33,2%

Reasons for not taking trips	40-km radius, family relatives prefer to stay home	Financial reasons	Too Busy at work/school	Not enough time to travel	No particular reasons	No family/friends to visit somewhere else	Too Expensive
Day Trip	43,9%	28,4%	9,8%	1,3%	7,6%	1,3%	3,5%
Overnight	28,0%	36,7%	9,6%	1,4%	8,9%	2,0%	5,4%
Travel Companions	Alone	Kids	Parents	Family	Spouse	Friends	Colleagues
	14,0%			37,0%		31,0%	18,0%
Information Gathering	WOM	Social Network	Online News	TV	Newspaper	Radio	Broaches
	28,0%	35,0%		22,0%	6,0%	7,0%	

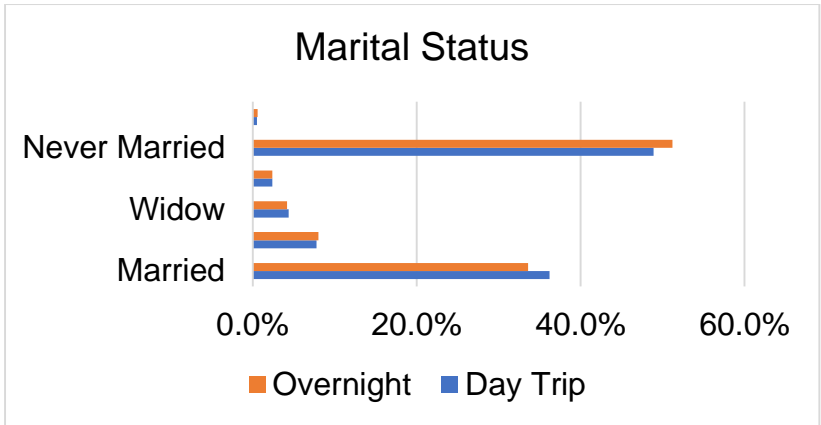
Source: Various

Demographics



Source: Stats SA

Predominately, Females are the group of people that travel more for both day trips and overnight trips with just over 50%. Whilst, individuals between the age group of 25-44 years of age are likely to travel day and overnight trips. These are the unmarried individuals in terms of marital status with 51,2% overnight trips and married being second group of travellers with 36,2% day trips.



Source : Stats SA

5. Section E : Domestic Tourism Scheme Implementation

DT will appoint an implementing agent who will partner with tourism value chain stakeholders who provides, accommodation, transport and food to provide affordable holiday offerings for all for he Scheme.

Recommendations

In terms of lessons learned from Belgium, France and Mexico. DT should consider merging all three initiatives and implement into following phases;

Phase 1: Stakeholder management initiative

- Appoint an implementation agent who will manage the booking process on behalf of DT and also sign agreements with Tour Operators who will sell packages for domestic travel.
- Sign agreements with interested value chain stakeholders to provide occupancy levels and low season discounted rates. This will immediately have a positive impact to those who can afford to travel at a certain rate based on affordability because they will be afforded an opportunity to travel.
- SAT to provide strategic marketing support, in order to ensure that this initiative and its benefits are communicated to targeted South Africans.
- DT in collaboration with other Government departments and state entities both at national and provincial should utilise tourism products owned by these parties as part of launching the DTS. This will ensure affordability, value for money and return on investment for the state whilst benefiting the citizens of South Africa.
- National Treasury should be consulted as the custodian of Travel regulation for government institution and employees.

Phase 2: Voucher System

A voucher is a small printed piece of paper that entitles the holder to a discount, or may be exchanged for goods or services. DT should start an initiative with value chain stakeholders to develop a travel voucher system, whereby the citizens can buy travel vouchers before travel. These travel vouchers can be paid off like Stokvel, where one determines where they want to travel then determine how many months they need to pay off.

- Initiate meeting with National Treasury to start a process to encourage public sector employees to save for their holidays through PERSAL system, where a small (5) percentage can be deducted towards a holiday. Organised Labour to be consulted, in order to ensure that they support the scheme.
- Initiate similar meetings with private sector through Organised Labour in different sectors of the economy. These will ensure that those who cannot afford travel are subsidised apart from phase 1 agreement above.
- The public sector, Department of Education and Social Development needs to look at initiatives that will encourage travel levy for learners at school to travel, this will result in the right to travel for learners across the country.
- Whilst Social Development will do it through SASSA, to encourage the old age pensioners to save towards their holiday by deducting a small levy on their month-to-month receipt. Legislation or regulation will have to be developed by the relevant government department.
- South African National Parks (SANParks), currently gives its staff members 14 days accommodation at organisation owned establishment. However, the uptake is very low, especially at the junior level. Noting that the staff member gets taxed between 10% - 40% of the accommodation costs. Which leads to the take-up being estimated at less than 5% for A – C band and less than 20% at D band and upper. It is therefore recommended that DT engages Treasury to do away with the tax, secondly engage SANParks on making discounted transport available for A & B band staff members, as majority of them can't afford own transport. For more information for the mention, refer to SANParks

Qualification Criteria

The implementing agent determines the affordability line based on Average Living Standards Report published by Statistics South Africa and the LSM 1-7 in terms of the report published by SAARF. This may be referred to South African citizens that are unable to travel for a holiday or day trip visits, due to financial constraints and affordability issues.

The following groups are targeted on the Domestic Tourism Scheme;

- Pensioners
- Youth
- People leaving with disability
- Scholars
- Lower/ Working Class.

5.1 Off-peak Season Program

Implementing agent in partnership with value chain stakeholders should make use of the off-peak season program that South African Tourism (SAT) has developed for marketing plan on domestic travelers, mainly for off-peak seasons and not for the whole year. Establishments will be encouraged to determine their pricing for low season period in advanced, this will ensure reduced rates are offered to the DTS participates. This will also give the tour operators enough time to sell their packages amount the off-peak season.

Online platform can be developed, members of the public can register and become members. An agent or a service provider will need to be appointed to handle and manage the process end-to-end. Department of Tourism will invest into the scheme by providing subsidies to encourage and promote travel amongst those that participate in the system

5.2 Application Process

In order to prevent any abuse by the member of the public, application process has been designed to ensure that only qualifying South Africans enjoy the benefit of the scheme.

The following process must be followed by the participant;

- Register online or at a nearest Kiosk
- Provide ID document
- Proof of Income/ Sworn Affidavit for the unemployed
- Proof of residence

Once a participant of the DTS has been loaded, they will be provided with a unique identification or user and password. They can identify the dates for their next trip and determine payment plan.

5.3 The Department of Tourism will appoint an implementing agent to implement Domestic Tourism Scheme by;

- a) Developing Customer Relationship Management (CRM) system to manage the scheme.
 - All customers information should be stored in one place, needs to be easily updated, and to be easily accessed by the whole team.
 - DT team will be able to see the exact point when last communication was done with the client, and what was the nature of communication.
 - CRMs can give you instant metrics on various aspects automatically and reports can be generated. These can also be used to forecast and plan for the future.
 - A complete history of the interaction with clients, stakeholders and Tour Operators can be seen.
 - Calendars and diaries can be integrated, relating discounts, peak and off-peak rates, and suitable times can be suggested to contact customers and set reminders.

- b) Have an online platform whereby the interest/ target market can make bookings.
- The LSM 1-7 is the main niche market.
 - Develop a safe user-friendly app, including a location feature this should be designed for people with smart phones such as scholars, youth and etc.
- c) Implementing agent will consider Sales Centers whereby potential travelers can purchase travel vouchers;
- Travel vouchers to have standard terms and conditions that will be aligned to the contracted sales centres.
 - Travel vouchers to be redeemable within a certain timeframe e.g 6 months or less.
- d) Partner with different stakeholders, in order to have shared % discount i.e Hotels, Guest Houses, Backpackers, Youth Hostels, Buses, Airlines, Attractions (Cultural Centers, Historic sites, Parks).
- e) Different traveler segments categories and subcategories: (as indicated on the Living Standard Measure in South Africa,2015 diagrams)
- Pensioners
 - Youth
 - People leaving with disability
 - Scholars
 - Lower/ Working Class.

5.4 Benefits for value chain partners

Implementing agent will partner with value chain partners to ensure that every South African's right to a holiday is fulfilled. The contribution of these partners is critical as they start to look at different seasons and packages to accommodate South Africans.

- The partnership will ensure that the partners reach thousands of other potential visitors which creates new travel opportunities.
- Boost the partner's company image by supporting the initiative.
- They are guaranteed additional occupancy during the low season.
- No extra cost or commissions during low season, resulting in financial boost.
- Corporate social responsibility through a unique partnership based on goodwill, expertise, commitment and recognition for participating in DTS.

6. Section F: Monitoring and Evaluation

There is

- I. A budget availability needs to be created, for monitoring purpose, with clear timeline plans;
- II. Enter into a service level agreement with an implementing agent, develop monitoring process to ensure that the DTS is implemented properly;
- III. To further develop clear, practical and all-inclusive goals for social tourism and tour operators, using Responsible tourism guidelines. (SANS 1162)
- IV. Establish a process of feedback for performance on domestic tourism particularly (social tourism) indicators, to revise policies, and strategies.
- V. Improve and assess the tool that will sample all tourism data for domestic tourism (social tourism) to trace progress/ for progress valuation.
- VI. Review the gap between monitoring and performance of tour operating engagement with other social tourism service providers.
- VII. Evaluate, review and revise this framework and implementation plan every 3 to 6 years.

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