

Speaker Briefing Notes

For Moeketsi Mosola

To deliver at the Seventh Annual National Tourism Conference at Emperor's
Palace on November 3, 2008

This **first draft document** dated Thursday October 30, 2008

The brief

- Write speaker notes for Moeketsi to deliver at the 2008 National Tourism Conference that takes place at Emperor's Palace on Nov 3, 2008
 - Moeketsi speaks during session two (South African Perspective on Service Excellence) from 10h50 to 11h05 (ie, for 15 minutes)
 - The theme of Moeketsi's speech is global competitiveness of the destination (specifically, the importance of using service excellence to enhance destination competitiveness). He should focus chiefly on the importance of service excellence, skills, being welcoming and benchmarking delivery... all for the express purpose of growing visitor arrivals to South Africa in order to allow the sector to reach its potential as far as the national economy and job creation is concerned
 - The key and central theme should come from the key Welcome messaging
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The speaker notes

Greeting and affirmation of industry success and excellence

Greeting Good morning, gives me great pleasure to be here celebrating and discussing our industry. Thanks for invitation and etc, etc, etc

- I want to start this morning by giving you one key and very important message: South Africa is well and truly a globally competitive destination
 - This is a fiercely competitive industry, and we are doing well, holding our own and recording arrivals statistics that are the envy of many of our competitor destinations
 - Our arrivals growth proves this
 - The positive attention we enjoy from the world's media proves this
 - Our status as host to the FIFA 2010 World Cup proves this
 - The professionalism and delivery ethic of the industry proves this
 - Australia, for example, is one of our fiercest competitors and a destination we benchmark ourselves against
 - In the first half of this year Australia had 2,691,000 arrivals. We had 4,671,749 arrivals
 - Excluding the largest source markets for both the destinations (New Zealand and Lesotho), Australia saw a one percent increase in arrivals. Our arrivals growth was 10 percent
 - I am proud of our industry, of its growth and its ambition. There has never been a better time to work in tourism in South Africa than now
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Arrivals and growth ambitions

(please note, the audience is probably intimate with these numbers already. They are given for additional 'ammunition' in the speech)

Globally and generally	
Arrivals in 2007 (actual number of arrivals)	9,090,994
Arrivals in first six months of 2008	4,671,749
Percentage growth in arrivals: Jan to Jun 07 compared to Jan to Jun 08	7.9 percent
Percentage growth in arrivals since democracy (1994)	1,415 percent
Number of foreign arrivals since democracy (1994)	48 million (4 million more people, approximately, than our entire population)
Growth in the global market last year	6 percent
South Africa's growth last year	8.3 percent
Percentage by which arrivals growth to South Africa eclipses growth in the global market	More than two percent (or more than 33 percent of the percentage)
Growth by markets (all compared to same period, 2007)	
Jan to June 08 arrivals growth: UK	3.1 percent
Jan to June 08 arrivals growth: USA	10.5 percent
Jan to June 08 arrivals growth: Middle East	24.8 percent
Jan to June 08 arrivals growth: Asia	8.2 percent
Jan to June 08 arrivals growth: Europe	7 percent
Jan to June 08 arrivals growth: Africa	7.3 percent
MORE OVER THE PAGE...	

Contribution to the economy	
Target number of visitors by 2010	10 million (we are well on track to reach this target)
Tourism's contribution to South Africa's economy	8.3 percent (against 4.6 percent in 1993... almost double). Actual value in Rands (2007): R60.1 billion (equals +/- 39 billion CNY)
Employment	Approximately 7.5 percent of all jobs in South Africa exist directly or indirectly because of the tourism sector

Global Competitiveness and service excellence

- Tourism as an industry is particularly vulnerable to perception
- Research tells us time and time again that people decide to visit a destination based on the recommendations of other people... primarily people they know and trust
- It is conservatively estimated that every one person who comes as a visitor goes home and tells eight other people of his or her experience here
- It's simple to do the maths: So far this year our 4,671,749 visitors have said either good or bad things about our country to 37,373,992 other people. They have either recommended our destination to them, or have warned them against coming here
- Once one starts considering these numbers, one realises just how important it is to make absolutely sure each visitor to South Africa goes home with a positive experience of our destination, our people, our services and our hospitality products

- The power of this word of mouth marketing is immense and we at South African Tourism work very hard with the travel trade, with consumers and with the world's media to stimulate positive word of mouth messages
 - We also know, from the brand tracking we undertake at South African Tourism, that South Africa is perceived as being unwelcoming and unfriendly
 - The interesting thing about this is that the perception only exists among people who have never been to South Africa
 - When we survey people who have visited our destination, they confirm that we are, indeed, a friendly and welcoming nation
 - It is up to each of us to ensure that the Welcome message gets widely broadcast, and that South Africa becomes entrenched as a friendly, welcoming and accessible destination with an impressive and desirable range of products and experiences on offer for tourists
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The Global Competitiveness Programme

- This programme sets out competitiveness markers and targets for this industry and examines South Africa's competitiveness in areas such as aviation and air access; public transport; safety and security; destination information; skills and quality assurance; and product development
- The Global Competitiveness Programme forms a complementary half with the Tourism Growth Strategy
- It's very important for us all to understand this... we need to be globally competitive to grow our destination, to attract more foreign direct spend and domestic spend on tourism; to create jobs; to play our part in growing the country's economy and to help build better standards of living for more South Africans
- The consumer's experience is made up of a complex combination of multiple interactions in a destination: interactions that are delivered by a multitude of independent actors ranging from ordinary people apparently unconnected to our industry, to different service providers across the tourism value chain

- Tourism is, essentially, a team sport and every South African needs to act in concert with every other South Africa to maximize our destination's global competitiveness
 - Let's take a look at those competitiveness markers that we have a good measure of control over ourselves
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Value for Money

- Global research show that value for money and affordability are strong drivers when consumers decide where to go on holiday
 - South Africa scores very well in this regard, and we have a valuable reputation as an excellent value for money destination
 - The highly influential New York Times last week said in an article that South Africa was the second best value for money destination in *the world today*
 - This is worthy praise indeed
 - We need, however, to be sensible around our pricing policies and structures... especially in the run-up to 2010
 - If prices inflate rates beyond what is reasonable for 2010, we will do much to erode our hard-won reputation for affordability and impact negatively on tourism arrivals in the medium to long term
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Hospitality and friendliness

- South African Tourism's Welcome Campaign, launched in 2004 at Indaba, is about encouraging every South African, however humble, to make every visitor feel at home, so they take with them an experience that stands out and encourages them to return.
 - When one person talks about the excellent, friendly service they got while they were here – whether this was on a game drive, in a restaurant, at customs in the airport, or when asking for directions at a petrol station – the word spreads, and it spreads everywhere. It accounts for much of the exponential growth in our industry
 - Service excellence lies very near and dear to the heart of South African Tourism and it is for this reason that we offer the annual Welcome Awards and the Welcome campaign that are specifically designed to enhance service excellence across a wide range of product offerings
 - The Awards are open to four main categories: accommodation, tour operators, tourist attractions and tourist guides
 - I would like to encourage as many businesses in this industry as possible to enter the Welcome Awards this year
 - By entering you not only put your business and yourself in line for one of the most prestigious accolades in the industry, but you also join a network of industry players who share a driving passion for excellence; who share tips on service delivery with each other and who work tirelessly together to grow their own businesses and to grow our industry's global competitiveness
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Skills

- It is often said that the available pool of skilled people do not meet the industry's growth needs. Educational bodies, on the other hand, often reported that industry does not value their graduates
 - This apparent disjoint was addressed two years ago when industry and government came together at the Annual Tourism Conference in 2006 to focus on building skills partnership for tourism
 - It was the first time that training institutions, government and industry had been come together to forge a partnership that identified and developed strategies for addressing skills shortages in the industry
 - The audit revealed a number of skills gaps
 - At that stage it was estimated that the industry required at least 58,000 managers and 74,000 technicians and trade workers
 - The outcome of the 2006 conference was a resolution by government, labour, industry and community-based organisations to work together to support the implementation of the Sector Skills Plan that will close the skills gap
 - A Human Resource Development Strategy for the industry is being developed. It gives proposed interventions (such as a professional development programme, a series of 'train the trainer' workshops and a skills based development programme with particular focus on sales, marketing and tour operators) that will address critical skill shortages
 - It's an important turning point for the industry, and I am confident that the skills shortage is being addressed... and being addressed effectively to grow global competitiveness
 - In the meantime, however, there is much we can do to close the skills gap... such as investing in the upskilling of employees; offering vocational training positions to undergraduate students from the country's various hospitality schools; and being active participants in programmes (such as the Human Resource Strategy Development Programme) to help align training with skills gaps in the industry
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The domestic and short-haul market

- It's important when discussing global competitiveness to remember that domestic and short-haul visitors account for the majority of arrivals... not only for our destination, but also for destinations the world over
 - More than 70 percent of our visitors are domestic or short-haul tourists from SADC
 - Our standards of service-excellence, product diversity, our imperative to nurture the skills base and our value for money reputation as a destination drive these arrivals as much as it drives arrivals from long-haul markets
 - These visitors are the life-blood of our industry, and we neglect them at our peril and at the peril of our industry
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Conclusion

- Tourism is becoming more and more important for robust economic growth
- Global competitiveness and service excellence are no longer 'nice to haves'... they are fundamental for the development of our nation, for the transformation of our society and for the welfare of an ever growing number of South Africans
- When we say that "tourism is everybody's business", we mean exactly that... and we mean it literally
- All South Africans need to play their part in growing this industry, and in working to make our destination welcoming, friendly and hospitable to all our visitors, regardless of where they come from
- I am extremely optimistic about the future of our nation and our industry. Our global competitiveness is beyond question
- It's up to us to entrench our competitiveness and to work together to grow our industry to its full potential
- I thank you

Ends