



Grant Thornton

FNB Tourism Conference  
Roodepoort Chamber of Commerce and Industry

## 2010 – What to Expect

Gillian Saunders  
Principal  
Grant Thornton Strategic Solutions

# Match schedule

10 days

12 days

## MATCH SCHEDULE 2010 FIFA World Cup South Africa™

	Group Matches															Round of 16				Quarter Finals		Semi Finals		3/4 Place & Final								
	Friday June 11	Saturday June 12	Sunday June 13	Monday June 14	Tuesday June 15	Wednesday June 16	Thursday June 17	Friday June 18	Saturday June 19	Sunday June 20	Monday June 21	Tuesday June 22	Wednesday June 23	Thursday June 24	Friday June 25	Saturday June 26	Sunday June 27	Monday June 28	Tuesday June 29	Wednesday June 30	Thursday July 1	Friday July 2	Saturday July 3	Sunday July 4	Monday July 5	Tuesday July 6	Wednesday July 7	Thursday July 8	Friday July 9	Saturday July 10	Sunday July 11	
Johannesburg Soccer City	SA vs Mex			Ned vs Den			Arg vs Kor		Bra vs CIV			Gha vs Ger				2 1B vs 2A						A 1 vs 3									Winner I vs Winner II	8
Johannesburg Ellis Park		Arg vs Nga			Bra vs DRK			Svn vs USA		Esp vs Hon			Svk vs Ita				7 1G vs 2H						D 6 vs 8									7
Nelspruit Mbombela						Hon vs Chi			Ita vs NZL				Aus vs Srb			DRK vs CIV																4
Rustenburg Royal Bafokeng		Eng vs USA			NZL vs Svk			Gha vs Aus					Mex vs Uru				3 1C vs 2D															6
Mangaung/ Bloemfontein Free State				Jpn vs Cmr			Gre vs Nga		Svk vs Par				Fra vs SA				4 1D vs 2C															6
Cape Town Green Point	Uru vs Fra			Ita vs Par			Eng vs Alg			Por vs DRK													B 2 vs 4									8
Durban Durban			Ger vs Aus			Esp vs Sui			Ned vs Jpn																							7
Polokwane Peter Mokaba			Alg vs Svn				Fra vs Mex																									4
Nelson Mandela Bay / Port Elizabeth Port Elizabeth		Kor vs Gre				CIV vs Por			Ger vs Svk																							6
Tshwane / Pretoria Loftus Versfeld			Srb vs Gha			SA vs Uru				Cmr vs Den																						6
<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>3</b>													<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>			<b>2</b>	<b>2</b>			<b>1</b>	<b>1</b>			<b>1</b>	<b>1</b>	

Rest Days

Rest Days

Rest Days

# Forecast foreign tourism numbers and spend

			2008 Update
Total foreign Visitors		Number	Total Spend Rm
Spectators	African	48 145	R 930
	Overseas	288 867	R 6 355
Non-spectators	African	100 000	R 85
	Overseas	25 000	R 550
Teams	African	200	24
	Overseas	1350	145
VIPs	African	995	R 19
	Overseas	4 250	R 128
Media	African	1 700	R 33
	Overseas	12 750	R 236
Grand Total		483 257	R 8 504
Excl non-ticket holders		358 257	R 7 868
Total Overseas		332 217	R 7 413
Total African		151 040	R 1 091
Spend net of estimated displacement			R 6 803

# Projected 2010 foreign tourism numbers

## Compared to previous world cups?

### Germany:

- Almost 1 million
  - 1,3 million tickets to foreigners
  - ± 500k match spectators
  - 294k foreigners to Fan Parks only
  - 2 million more tourists in 2006
- 
- France expected 500k – 800k foreign tourists
  - Japan and Korea expected 350K and 400K respectively
  - General expectation is between 300k – 500k visitors

# Tourism impact

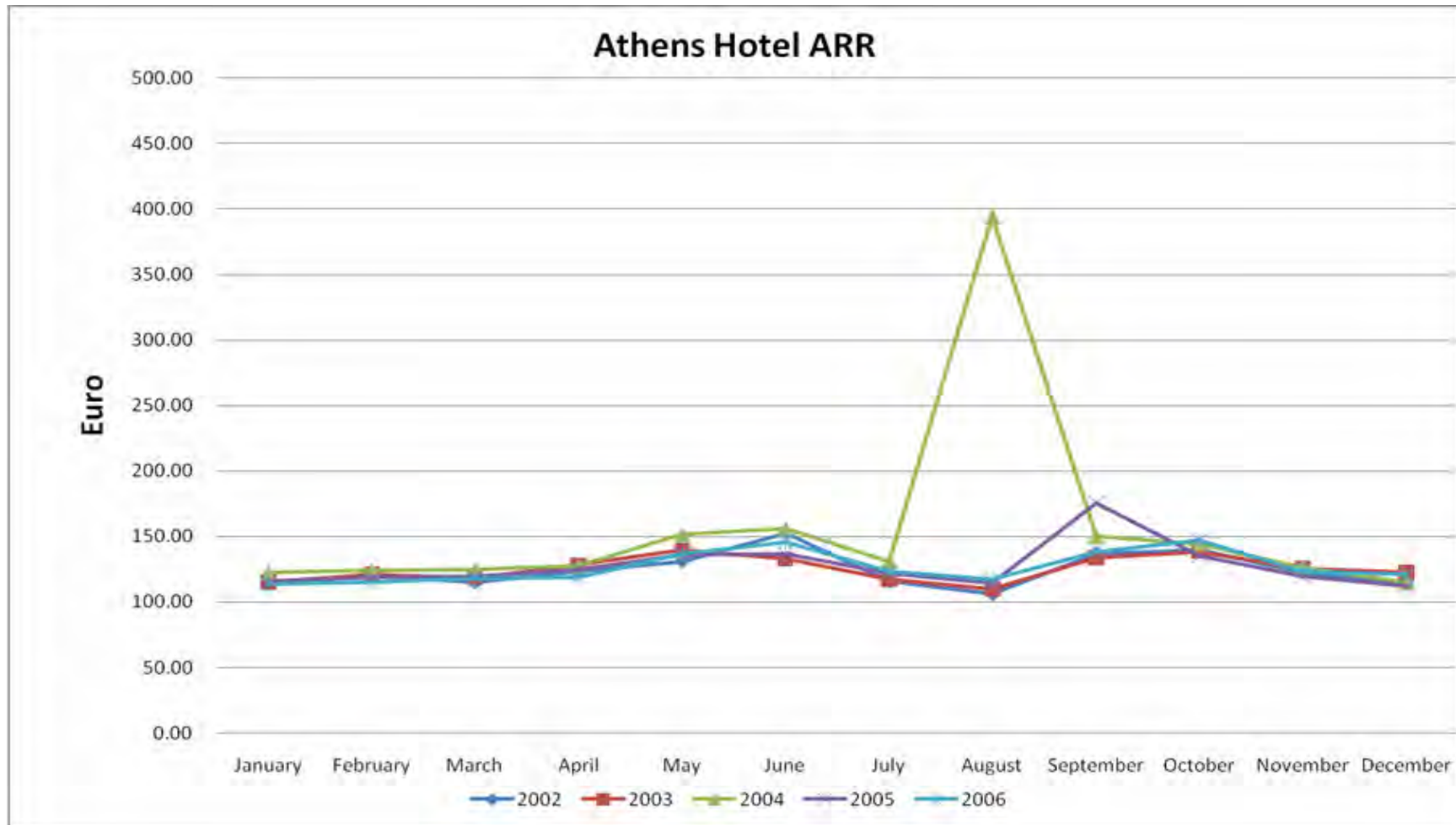
## Foreign Tourism:

- **487 000 foreign tourists to the event**
- **5,2% more tourists in 2010 (projected base without 2010 = 10,7 million)**
- **R8,5 bn foreign spending**
- **12% on current estimates of annual foreign tourist spending**
- **NB in a top month we already host almost 965 000 foreign tourists - 250 000 air arrivals**

## Domestic Tourism

- **1 million spectators ( 1,5 – 1,7 million tickets – Germany 1,26 million)**
- **± 115 000 domestic tourists**

# Greece Olympics



# Germany World Cup



# The economic impact

Category of Spend	Total Direct Spend
	Rm
Ticket Sales	6 000
Other event Expenditure	132
Spectator Trip expenditure	8 163
Team Trip Spend	176
Press & VIP trip spend	440
Sponsorship and rights spend	756
Infrastructure and stadia spend	17 400
<b>Total Spend</b>	<b>33 068</b>
GDP Contribution	55 714
Employment generated	415 400
Tax income to government	19 390
GDP impact of foreign spend	R 14 327
Employment sustained by foreign spend	179 980
Spend net of estimated displacement	R 6 803
GDP impact of net additional foreign spend	R 11 462
Employment sustained by net additional spend	143 984

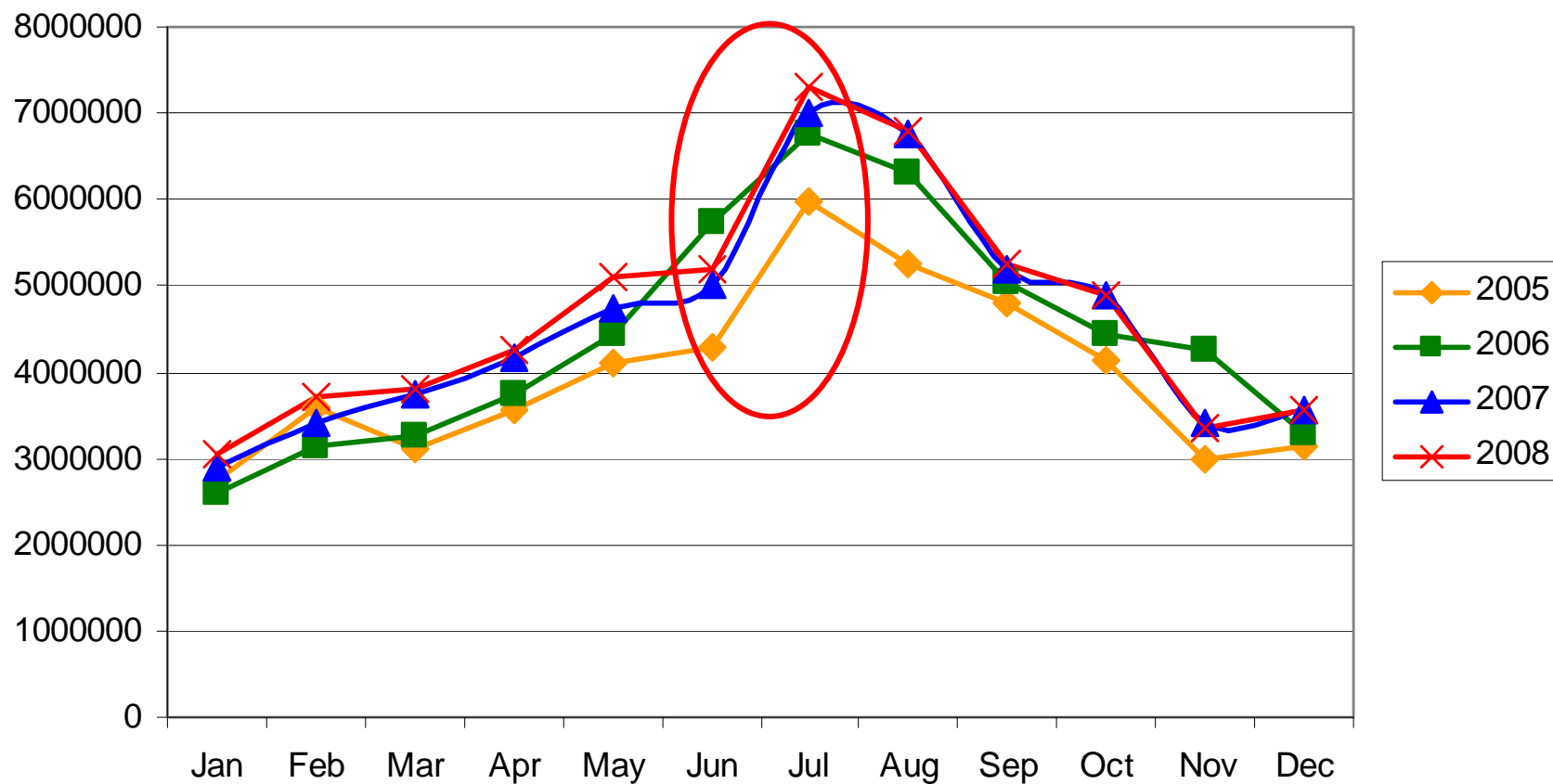
# Economic impact estimates on the conservative side

- Have excluded provincial and city spends
- Based on average international tourist spends
  - R18 788 per trip overseas
  - R7 223 per trip Africa
  - British Lions tour average R44 622!
- Economic multipliers available in 2000
  - Used 1.68 for spend and income
  - Now 2.26 – 2.92!
- Net additional foreign spend GDP impact = 0.56% of GDP



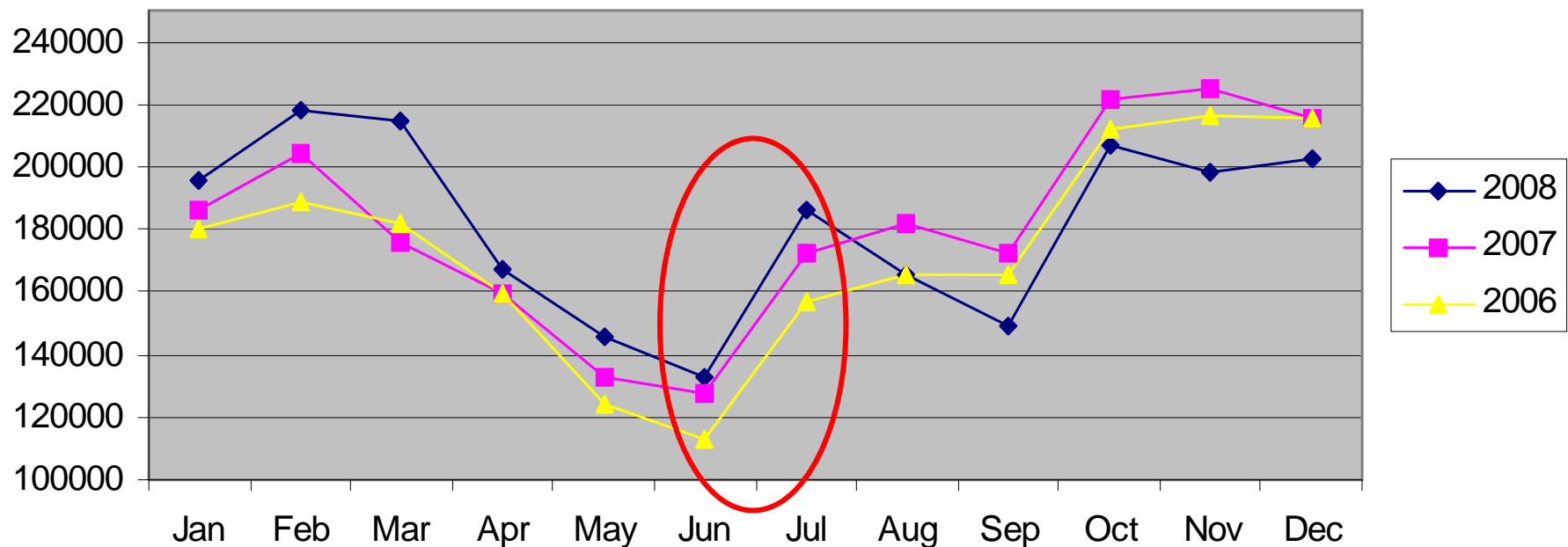
# German foreign tourism seasonality

## Germany foreign overnight stays



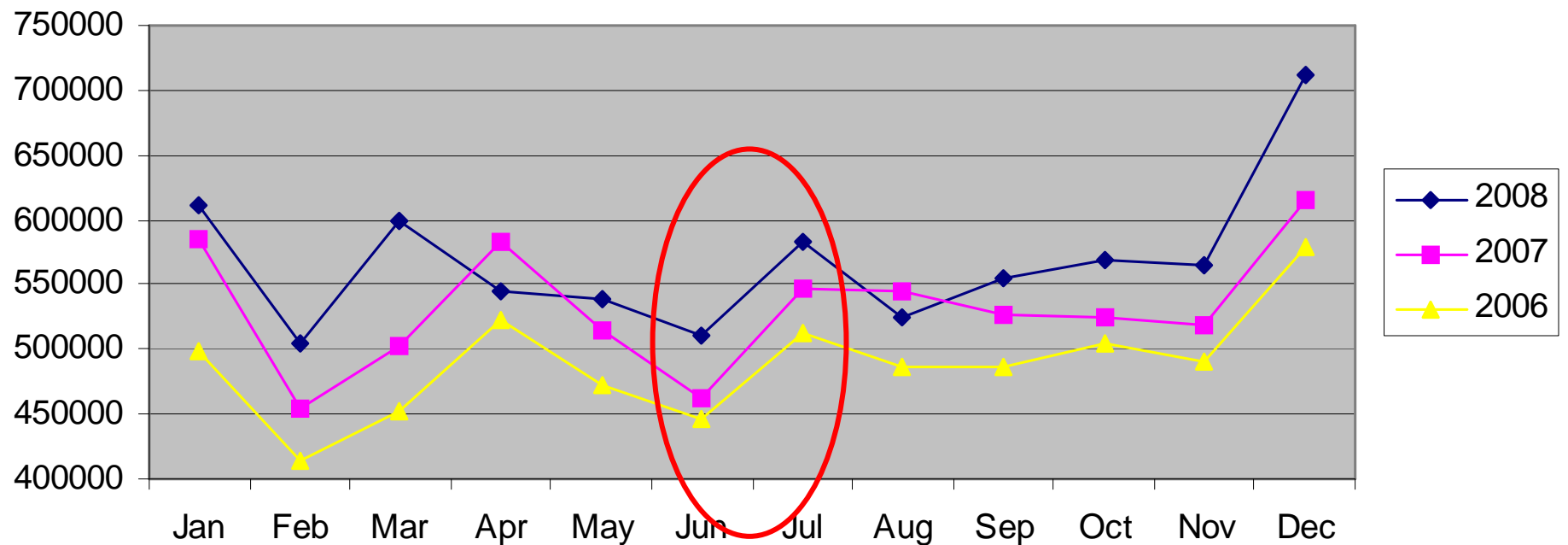
# Foreign tourism seasonality 2008

## SA Overseas Arrivals by Month



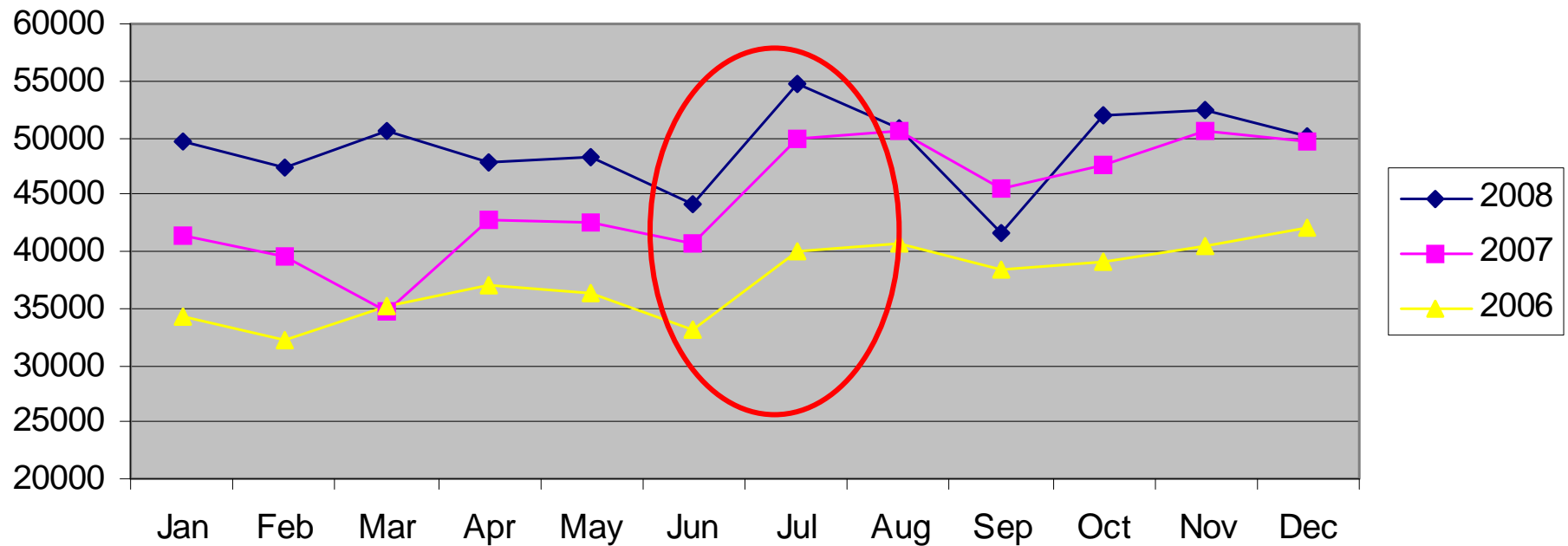
# Foreign tourism seasonality 2008

## SA Africa Land Arrivals by Month

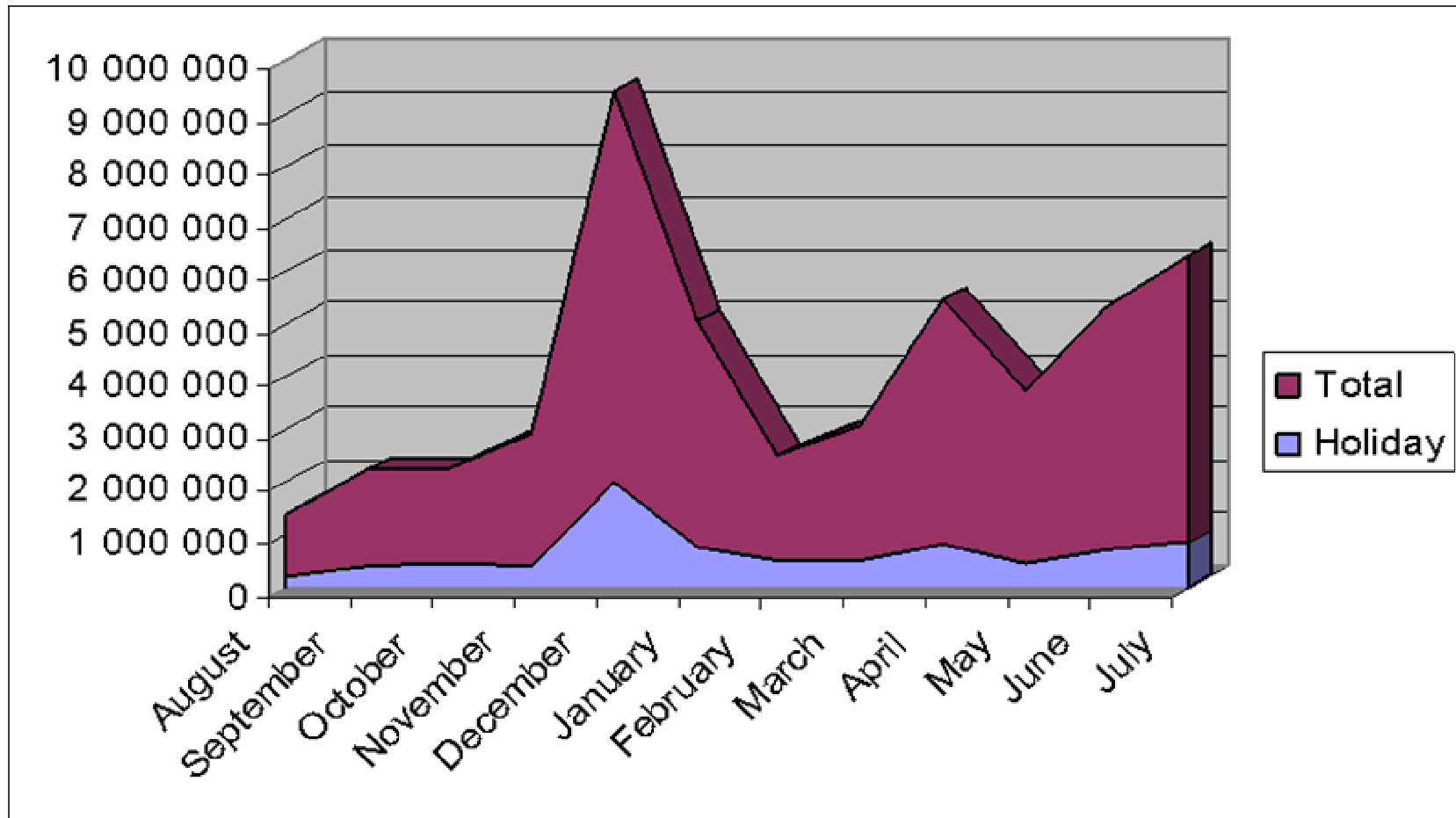


# Foreign tourism seasonality 2008

## SA African Air Arrivals by Month



# Domestic tourism: seasonality 2003



# Interest in football

Male		Female	
South Africa	8.6	Mexico, South Africa	7.3
Brazil, Italy, Mexico	7.8	China	6.4
China, South Korea, Spain, UK	7.3	Brazil, Italy, Japan	6.1
France, Germany, Japan, USA, Russia	6.9	USA, Russia	5.4
		South Korea, UK	4.8

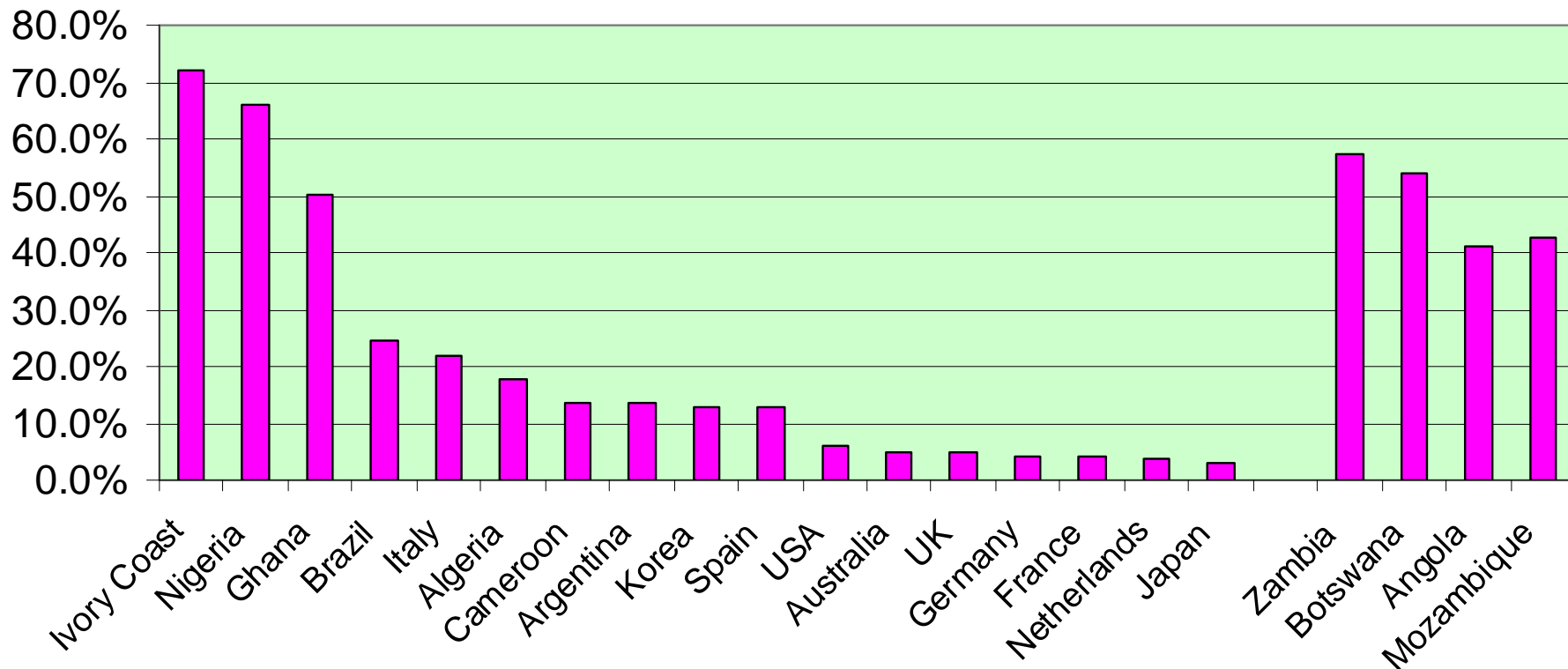
<sup>37</sup> Baade and Matheson (2004) in Cape Town, 2007, 2010 Football World Cup Strategic Plan

<sup>38</sup> FIFA World Cup Germany 2006, Consumer Research FIFA World Cup 2006 Pre Wave Key Findings December 2005

# Attractiveness of SA for 2010

Survey of 29 countries sample 80 – 110 per country

## Serious or Thinking of Coming to SA for 2010



# A quick profile of the stadiums

<b>Stadium</b>	<b>Cost</b>	<b>Capacity</b>
Soccer City JhB	R3,8bn	94 700
Coca Cola Park (Ellis Park)	+ - R500m	65 000
Green Point	R4,5bn	68 000
Moses Mabhida	R1,83bn	70 000
Nelson Mandela Bay	R2,1bn	48 000
Mbombela	R1,3bn	46 000
Free State Stadium	R306m	48 000
Royal Bafokeng Sports Palace	R330m	42 000
Loftus		50 000
Peter Mokaba	R1,3bn	45 000

## •National government contribution

- R11,7bn for stadium construction
- R14bn for transport infrastructure
- R1,5bn ICT
- R1,3bn security

# The legacy for the sports industry / stadia

- **Increased capacity and ability to host events**
- Sports, music, religious gatherings, political rallies, exhibitions, conferences / meetings, personal functions, office rental, suite sales & rental, stadium tours, naming rights, sponsorships, merchandising
- **Innovation to optimise stadia use e.g. packages including stadium tours, multi-media re-enactment of 2010**
  - *(Typically, a Major Stadium (such as Soccer City) hosts few large events. International Benchmarks for Major*
  - *Stadium Event Days are:*
    - *8% usage for event days at 60% capacity might be considered normal (30 days)*
    - *Wembley - 31 days (FA Cup 2006 – FA Cup 2007)*
    - *Stade de France - 22 events (calendar year 2007)*
    - *ANZ Stadium Sydney - 40 events average attendance 28,000 (calendar year 2007))*

# Transport

## International:

- Pre-event arrivals – 190 000 in SA by day 1
  - Bring in from 14 days before!
  - Peak at 19 000 per day
- Peak departures 17 000 daily at end of group phase

## Domestic:

- 20 000 domestic air arrivals per day in JHB - 30 000 busiest day
- Gauteng - 160 000 inter-provincial arrivals and departures at peak - 35% to 45% of total

# Accommodation demand – Gauteng day 14

- **Bed supply estimates from 46 000 - 72 000**
- **Bed Demand estimates from 110 000 - 185 000**
- **Innovative ways to provide temporary bed supply:**
  - **University and school hostels - UJ 5 000 beds, Wits 2 500 beds**
  - **Home stays**
  - **Trains?**
  - **Tents?**
  - **Out of town**
  - **Cruise ships**
  - **Mobile Campers**

# The opportunities – tourism and related

- **Hotels, guest houses, B&Bs, self-catering apartments & other temporary accommodation - home stays, backpacker hostels etc**
- **Airlines (those flying into SA and domestic airlines)**
- **Car hire, coach operators, trains, shuttle and tour and trip services**
- **Travel agents and booking services**
- **Airports and transport termini**
- **Pubs, bars, clubs, restaurants, take-aways, caterers, equipment hirers**
- **Tourism retail and general retail**
- **Foreign Exchange**
- **Game parks and reserves, other key top attractions such as the Waterfront, Table Mountain, cultural attractions, tour guides etc**
- **Entertainment – cinema, theatre, night clubs,**
- **Suppliers to the industries**

# Where will the foreign tourism spend go?

				2008 Update
Spend Category	Avg European Tourist % Spend	Avg Soccer Tourist	Total Projected Spend Rm	
Accommodation	24%	25%	2 126	
Transportation	13%	18%	1 488	
Food	11%	15%	1 276	
Lesiure/entertainment	8%	12%	1 020	
Shopping	11%	15%	1 276	
Other	33%	15%	1 276	

# Where will the foreign tourism spend go?

- Accommodation nodes
- Transport termini – air, rail, coach
- Stadia (10) plus 20 training venues
- Fan Parks (10) and official public viewing
- Team bases (32)

# How to maximise benefits?

Attract the soccer tourist

Maintain the domestic trade

- **Soccer themed promotions**
- **Teams and personalities**
- **Additional general entertainment**
- **Soccer related competitions and games**
- **Match screening – public viewing**
- **Target teams/countries**
- **Languages**
- **Information provision**
- **Booking services**
- **Restaurant promotions/entertainment promotions**
- **Highlight shops/centres likely to attract fan spend**
- **Bill boards - transport termini, stadia, fan parks**
- **Transport to and from centres, attractions, transport termini**
- **Soccer development support**
- **Inform of FIFA regulations, involve in plans**

# Whats Allowed?

- **Prohibited Words – "Word Marks" – SA and South Africa are seen as interchangeable**
  - **Soccer World Cup**
  - **Football World Cup**
  - **SA 2010**
  - **South Africa 2010**
  - **2010 World Cup**
  - **2010 FIFA World Cup**
  - **World Cup**
  - **Also soccer imagery with SA/South Africa or 2010**
- **Allowed**
  - **Soccer/Football/Soccer ball**
  - **SA Flag, SA**
  - **Vuvuselas**
  - **Co-promotions with official sponsors**
- **Public viewing for no entry free - use of SABC feed is allowed – no licence – restrictions on sponsors**
- **Commercial viewing – licence from FIFA needed – restrictions on sponsors**

# Watch points

- No business activity during matches
- Loss of domestic markets
  - Normal July holiday trade?
  - Shoulder periods
- Different market level and mix to current foreign markets
- Security and fan behaviour
- Opening hours – relate to matches, accommodation
- Understand the soccer tourist
  - Need to feel comfortable and safe!
  - Male (89%) & educated (18% secondary only) (NZ at 2006)
  - Groups of friends (70% - 73% with friends/fans, party size 8 - Portugal Euro) ;
  - Entertainment (45% bars, 23% sightseeing – Portugal Euro)

# The West Rand

- Attractions
  - Krugersdorp Game Reserve
  - Cradle of Humankind
  - Rhino & Lion Nature Reserve
  - Botanical Gardens
  - Adventure – ballooning, canopy tours
  - Steam trains
  - Spas
  - Destination restaurants
- Accommodation
  - Rustenberg, Pretoria, Johannesburg matches
  - Australian Team – Kloofzicht Lodge & Ruimsig
  - 14 teams in Gauteng
- Traffic moving through
  - To and from Rustenberg – USA:UK, Netherlands:Slovakia, Ghana:Australia, Mexico:Uruguay, Denmark:Japan, & 1C:2D (UK or USA again!, Germany? Ghana? Australia?)

# Germany

## % Change in overnight stays in host cities June 2006

	Total %	Foreign %	Domestic %
Frankfurt	27.4	43.8	11.3
Nuremberg	18.4	108.2	<b>-16.5</b>
Munich	<b>-4.4</b>	17.4	<b>-23.5</b>
Leipzig	17.9	118.1	<b>-3.8</b>
Gelsenkirchen	10.7	262.7	<b>-19.6</b>
Kaiserslautern	30.2	80.6	6.8
Cologne	21.6	107.0	<b>-14.3</b>
Hamburg	12.9	57.1	0.6
Dortmund	45.3	285.6	<b>-3.3</b>
Berlin	<b>-2.6</b>	31.2	<b>-18.8</b>
Hannover	7.0	56.6	<b>-14.1</b>
Stuttgart	11.9	90.9	<b>-19.2</b>

# 2010 and SA tourism – marketing opportunity

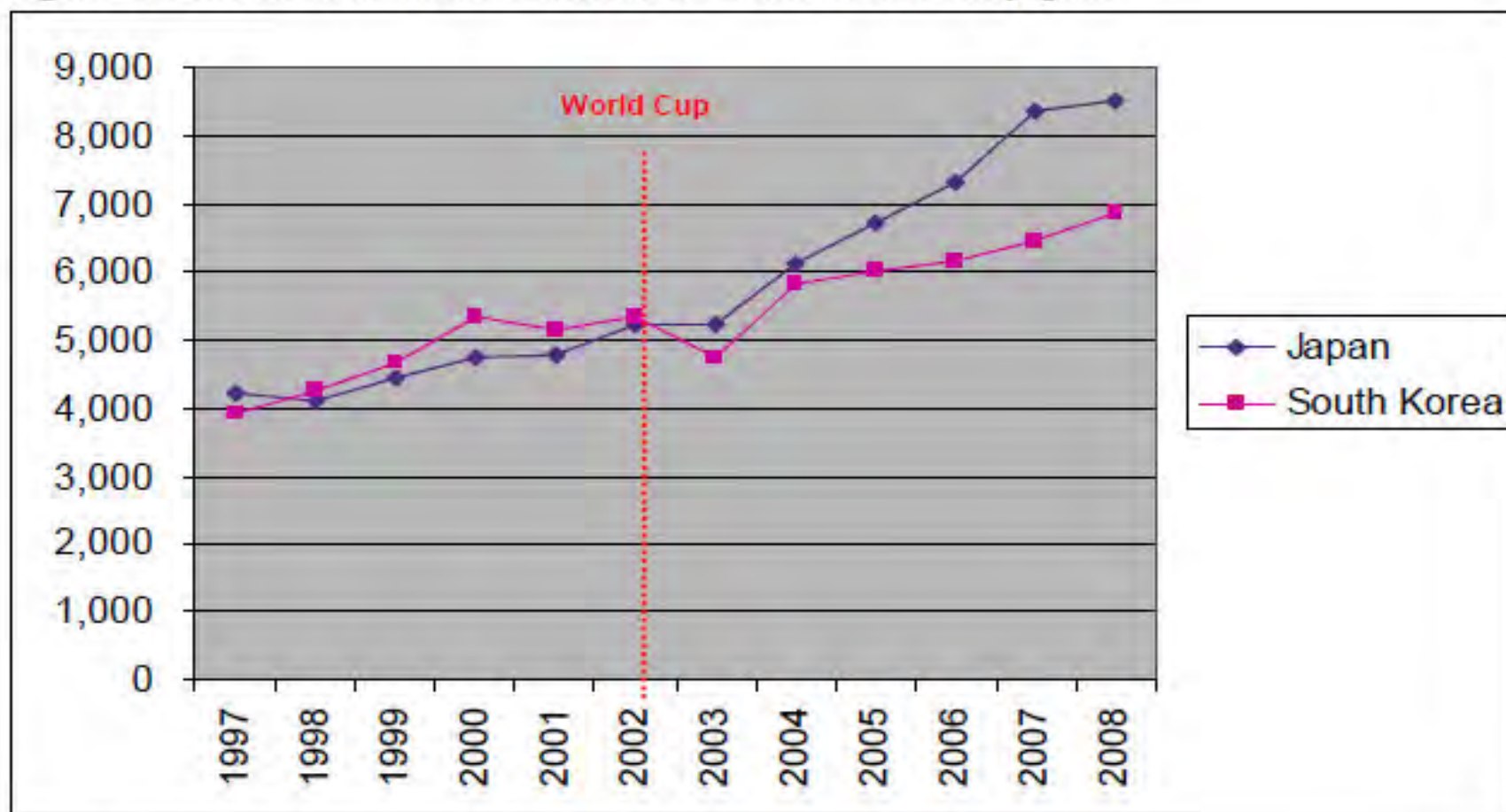
- 26 billion cumulative TV viewers
- 18 850 media
- 487 000 visitors
- Billions of web mentions – news, sport, social networks, mobiles

2010 = tourism marketing opportunity

- Best opportunity to profile SA to visitors and viewers
- Great media opportunity
- Best hosting/entertainment opportunity
- Grow Business and Event Tourism
- Grow leisure tourism
  - New markets eg mid-market
  - New countries eg Argentina, Eastern Europe

# Japan Korea arrivals growth

Figure 22: International tourist arrivals to South Korea and Japan



Source: World Travel and Tourism Council

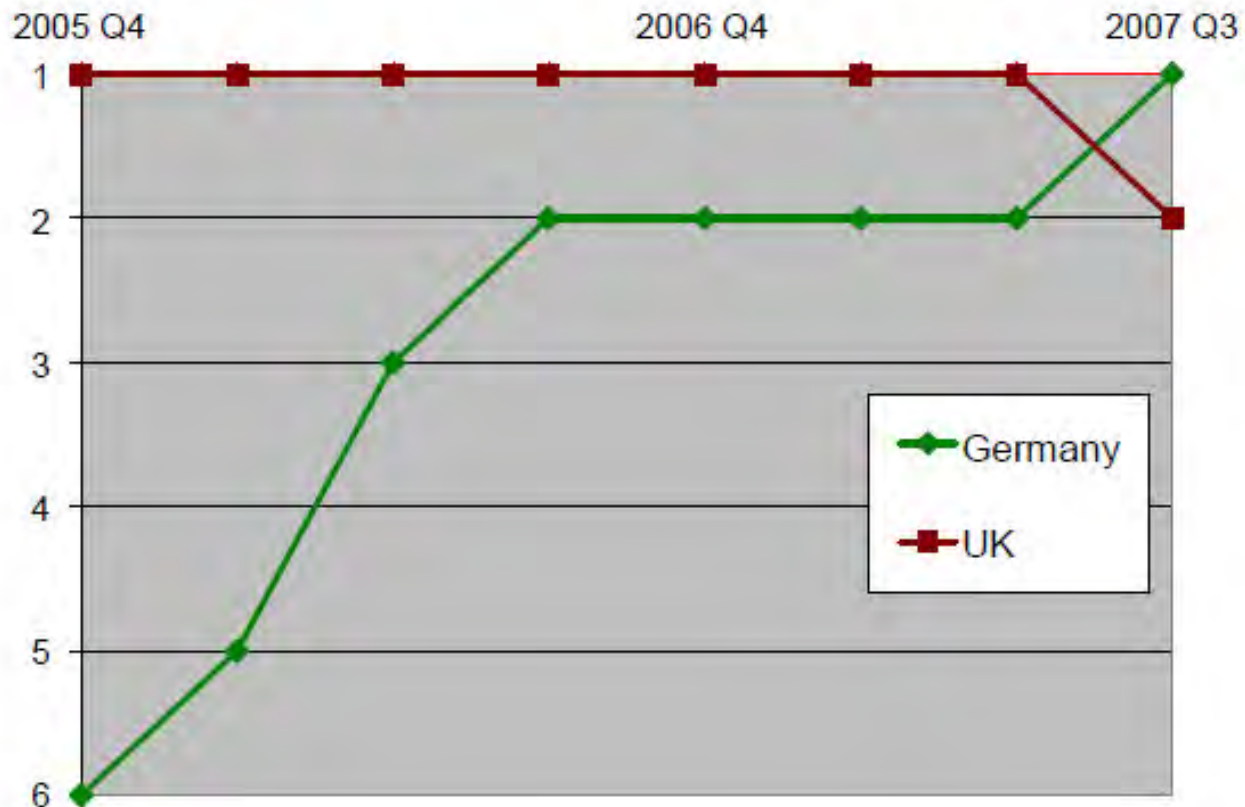
# Country brand index

## NBI overall ranking and scores 2007 Q3

Overall rank order	Total scores	Overall rank order	Total scores		
1	Germany	127.0	19.0	Wales	113.7
2	UK	126.4	20.0	Portugal	111.2
3	Canada	126.0	21.0	Brazil	107.3
4	France	126.0	22.0	Russia	106.0
5	Switzerland	124.0	23.0	Singapore	104.6
6	Italy	123.8	24.0	China	104.5
7	Sweden	123.7	25.0	Mexico	103.4
8	Australia	123.6	26.0	India	103.1
9	Japan	123.0	27.0	Poland	102.3
10	United States	121.2	28.0	Egypt	102.0
11	Netherlands	119.7	29.0	South Korea	101.8
12	Norway	119.5	30.0	South Africa	99.3
13	Denmark	118.7	31.0	Malaysia	97.8
14	Spain	118.7	32.0	Turkey	96.6
15	New Zealand	118.1	33.0	Estonia	95.7
16	Finland	116.4	34.0	Lithuania	95.4
17	Ireland	115.7	35.0	Latvia	95.3
18	Belgium	114.6			

# Germany country brand improvement

Germany and UK's overall ranking 2005 Q4 to 2007 Q3



# TV viewership

Stadium	France 1998	South Korea/ Japan 2002	Germany 2006
Total viewers	24,770,446,000	28,843,581,000	26,288,753,000
In-home viewers	-	26,374,465,000	24,200,000,000
Out-of-home viewers	-	2,469,116,000	2,058,382,000
Channels showing the World Cup	-	232	376
Countries/ territories shown in	196	213	214
Total coverage (hours)	29,145	41,324	73,072

Source: FIFA

# Long term tourism impact

<b>Growth No World Cup</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Average</b>
Overseas	0.3%	-10.0%	2.0%	5.5%	5.5%	5.5%	5.5%	5.5%	2.5%
Africa land	6.9%	8.0%	5.0%	8.0%	8.0%	7.5%	7.0%	5.0%	6.9%
Africa Air	10.9%	-12.0%	5.0%	8.0%	8.0%	7.5%	7.0%	5.0%	4.9%
<b>Growth With World Cup</b>									
Overseas	0.6%	-9.5%	20.3%	-5.8%	8.0%	6.7%	6.1%	5.9%	4.0%
Africa land	6.9%	8.0%	6.5%	6.7%	8.0%	7.5%	7.0%	5.0%	7.0%
Africa Air	11.3%	-11.4%	16.9%	1.5%	9.9%	9.0%	8.1%	5.6%	6.4%
<b>Total Additional Arrivals</b>									<b>Total</b>
Overseas	6 415	17 773	380 346	131 032	193 239	233 867	261 730	286 125	<b>1 510 527</b>
Africa land	1 615	4 744	114 981	21 179	26 874	31 889	36 122	38 928	<b>276 332</b>
Africa Air	6 344	9 082	72 577	38 259	53 320	67 319	80 032	89 033	<b>415 966</b>
<b>Total</b>	<b>14 373</b>	<b>31 599</b>	<b>567 903</b>	<b>190 471</b>	<b>273 433</b>	<b>333 076</b>	<b>377 883</b>	<b>414 086</b>	<b>2 202 824</b>

# The legacy for the tourism industry

- better known and understood destination
- good reputation for delivery – experience and value
- better public transport - larger bus, coach and minibus fleets
- increased car hire fleets - doubling to 90 000
- better tourism information provision
- improved and more destination management and trip/shuttle operators
- more event support businesses – entertainment, catering etc
- increased hotel and other accommodation stock - ± 35 new hotels
- improved industry supply chains
  - hotel inputs
  - catering inputs
  - merchandising
  - transport inputs.





**Grant Thornton**

**“With strategic vision that works, just think  
what we can do for you”**

**Thank You**

# Sector Preparations

## Transport Industry

- Not fully organised
- FIFA ticket sale information

## Hotel Industry

- Liaison group with LOC/FIFA
- Industry confident

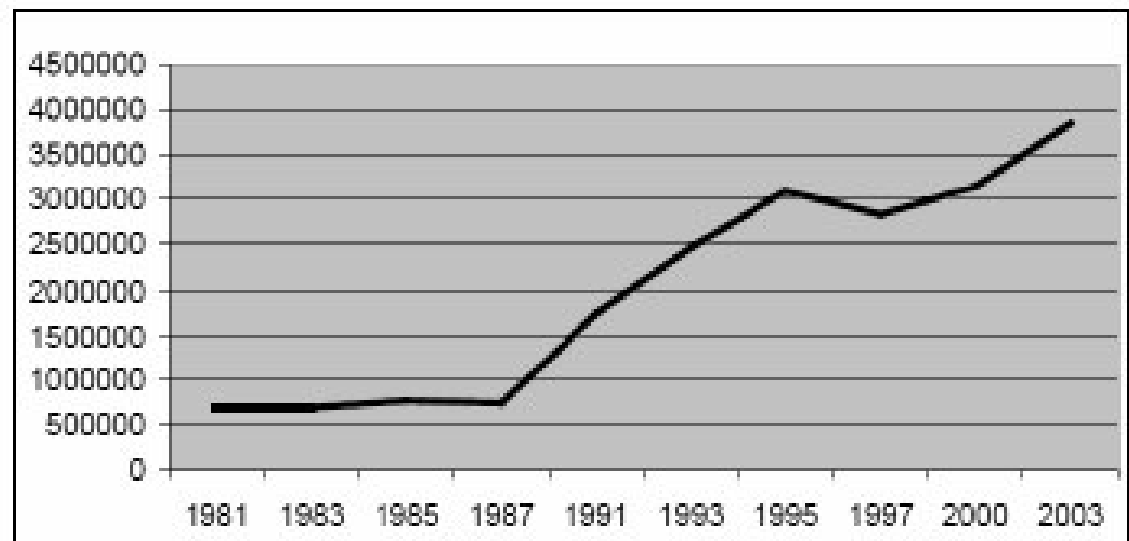
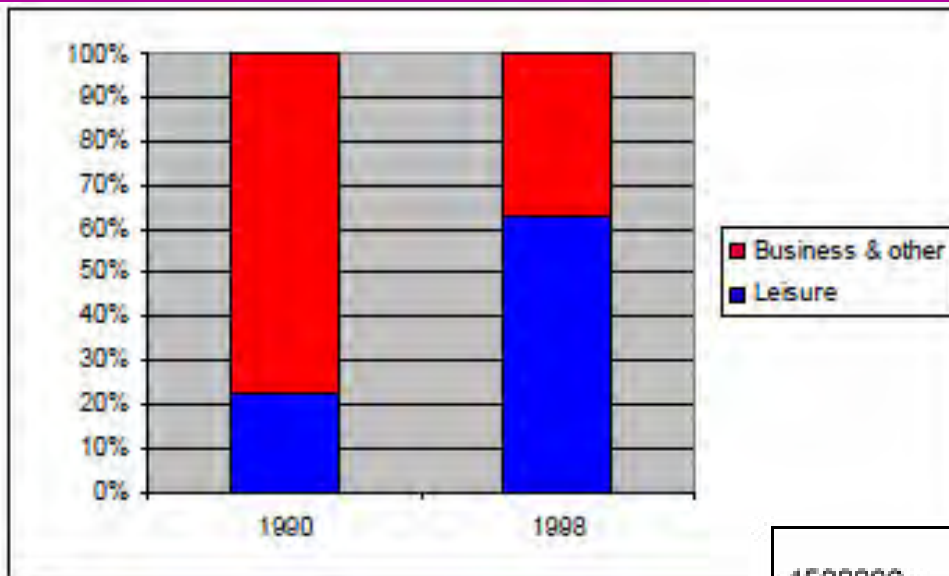
## Tourism Industry

- Packaging trips and tours
- Information provision
- Transport constraint

## Food and beverage service

- Gearing up
- Looking at hours, supply chains

# Tourism Arrivals Barcelona



**Table 1.1: Overall Nation Brands Index<sup>®</sup>**

Overall rank order		2008 NBI <sup>SM</sup> score	Overall rank order		2008 NBI <sup>SM</sup> score
1	Germany	67.4	26	Mexico	53.2
2	France	67.3	27	India	52.9
3	United Kingdom	66.8	28	Hungary	52.8
4	Canada	66.3	28	China	52.8
5	Japan	66.1	30	Poland	52.7
6	Italy	65.9	31	Czech Republic	52.5
7	United States	65.5	31	Egypt	52.5
8	Switzerland	64.9	33	South Korea	51.6
9	Australia	64.6	34	Thailand	50.7
10	Sweden	64.1	35	Taiwan	50.6
11	Spain	63.3	36	Turkey	50.5
12	Netherlands	61.6	37	South Africa	49.6
13	Norway	60.6	38	Chile	49.4
13	Austria	60.6	38	Malaysia	49.4
15	Denmark	60.3	40	Peru	49.1
16	Scotland	60.2	41	Romania	48.9
17	New Zealand	60.1	42	Lithuania	48.0
18	Finland	59.2	43	Indonesia	47.7
19	Ireland	58.7	44	Estonia	47.6
20	Belgium	58.1	44	United Arab Emirates	47.6
21	Brazil	56.6	46	Cuba	46.6
22	Russia	55.7	46	Ecuador	46.6
23	Iceland	55.0	48	Saudi Arabia	45.5
24	Singapore	53.7	49	Nigeria	40.9
24	Argentina	53.7	50	Iran	38.0

NBI<sup>SM</sup> scores range from 1-100

# Accommodation Demand – Gauteng day 12 and 14

	SA Tourism	DoT - Gauteng
•Bed supply –	45 500 – 49 800	72 000
•Bed Demand	109 700	185 000

## •Innovative ways to provide temporary bed supply:

- University and school hostels - UJ 5 000 beds, Wits 2 500 beds
- Home stays
- Trains?
- Tents?
- Out of town

## 2010 Related Work:

- **Bid economic impact - with occasional high level updates**
- **City of Johannesburg economic impact**
  - **Entire City**
  - **Various specific projects**
- **Venue stadia business plans**
  - **Extensive – Nelson Mandela, Cape Town**
  - **Bloemfontein, Rustenberg, Pholokwane, Neslpruit, Ellia Park, Loftus**
  - **Reviewed – Durban**
- **Feasibilities for training stadia upgrades – Umthata, Pretoria**
- **Destination marketing – Northern Cape, Lesotho, SADC**
- **Business opportunities – Austrian Embasssy**
- **Other impacts – Rugby World Cup bid, Namibia CAF Cup bid**
- **Kaiser Chief's Krugersdorp stadium**
- **DBSA/Treasury – team monitoring progress & impacts stadia construction**
- **UK Office – Olympic facility business plans and regeneration plans**
- **Dubai, SA and UK – Qatar 2010 Bid**