Baseline Impact Assessment

# The Impact of Tourism on the Overstrand Economy

22 February 2010

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Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

Directorate:
Economic Development and Tourism

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# Executive Summary

## Introduction and methodology

*Introduction to the project*

PricewaterhouseCoopers (PwC) was commissioned by the Overstrand Municipality to evaluate the impact of tourism activities on the local economy and in this process to develop a tourism barometer for future benchmarking purposes. The project can be divided into three phases: Phase 1: Socio-economic review and analysis; Phase 2: Baseline impact assessment; and Phase 3: Tourism Business Barometer.

*Socio-economic background*

The Overstrand is well connect to the City of Cape Town and the broader Theewaterskloof area. In 2007, Overstrand's local population numbered just over 73 000 with the largest towns being the greater Hermanus area (including Onrusriver, Vermont, Sandbaai, and Zwelihle), the greater Gansbaai area (including Masakhane), Hawston, Kleinmond, and Stanford. These areas together hold 91% of the Overstrand's population.

The racial composition of Overstrand shows that the area is still in many respects spatially segregated. The population growth for the Overstrand averaged at 4.9% per year between 1995 and 2007. 37.5% of the total population of the Overstrand's main towns consist of young individuals in the working ages of 20 – 34.

The Overstrand local economy forms 32% of the broader Overberg district economy, yet only 0,7% of the Western Cape provincial economy. It has been growing at 4,1% a year over the 12-year period 1995 to 2007.

Leading sectors include wholesale & retail trade, catering and accommodation (20,9%); business services (16,9%); construction (10,2%); general government services (7,3%); and transport (6,3%). Tourism resorts primarily in the category for wholesale & retail, catering and accommodation. The knock on effect of tourism is much greater than the initial spend by the tourist, but is unfortunately very difficult to measure.

Hermanus emerges as the economic hub of the Overstrand local economy contributing almost two-thirds (62,2%) of the area's economic output, followed by Gansbaai (20,7%) and Kleinmond (16,6%).

Three quarters (75,6%) of all employment in Overstrand is in the formal sector. The area has an unemployment rate of 22,1%.

The electricity capacity for the area is currently sufficient, but continuous plans would need to be in place for sustainable supply in relation to an increasing demand.

There are currently backlogs in terms of water and sanitation supply in the area, but the Overstrand Municipality is addressing these in terms of action plans set out in their Water Services Development Plan (WSDP).

The area offers a myriad of tourism activities and attractions. The Overstrand boasts with three blue flag beaches, a number of nature reserves, and a natural abundance of marine life, fauna and flora.

# Executive Summary

*Baseline Impact Assessment: General statements and findings*

The rest of this report provides an overview of tourism activities in the specific economic and social context of the Overstrand area. A number of businesses were interviewed from different categories - chosen for their prominence in exerting an influence on tourism in the area. Economic activity as well as population sizes in the nodal areas were used as a guideline in determining the sample size in each case.

For the purpose of this report seasons were specified at the outset of the survey: high season refers to December to February, mid season refers to March to April and September to November and low season is the time from May to August.

## Accommodation establishments

- On average visitors to self-catering facilities and backpackers stayed for longer periods than visitors to other establishments.
- Rates for accommodation in the Overstrand increased on average with 12% from 2008 to 2009.
- Occupancy rates for all seasons have dropped slightly from 2008 to 2009.
- 55% of visitors to the participating accommodation establishments are of international origin. The largest percentage of visitors to the area drive here with their own transport or come here with friends or family.
- On average 69% of employees at accommodation establishments are female and 31% male.
- Guests' favourite activities include whale watching, shark cage diving, hiking, horse riding, wine tours, fynbos and bird viewing.
- Most bookings for the establishments interviewed are made via the phone or internet (39%).
- The largest percentage of respondents (46%) indicated that they are not planning any further developments for their businesses.

## Restaurants and supermarkets

*Restaurants*

- The difference in spend per person from the week to the weekend ranges between 10% and 15%. There is a 17% increase in average spend per person per visit during the week from low to high season.
- Towards the weekends restaurants in the Overstrand serve 20% more guests.
- The average income per restaurant per day was slightly higher in 2008 than in 2009.
- During low season a larger percentage of guests are of local origin, although the amount of people is not necessarily more than during high season.
- On average 56% of employees at restaurants are female and 44% male.
- 35% of restaurants indicated an increase in employment figures from 2008 to 2009 and 41% indicated no change.

# Executive Summary

- 88% of restaurants indicated that one of their most valuable sources of marketing is word of mouth or referrals.

*Supermarkets*

- The average spend per transaction increased with 28% from the week to the weekend in 2009. From low to high season the average spend per transaction increased with 54%.
- The income of supermarkets per day is roughly 135% higher in high season compared to low season. On weekends supermarkets' income is 48% higher than during weeks.
- On average 59% of employees of participating supermarkets in the Overstrand are female.
- All participating supermarket owners but one indicated that they are planning to open up a new store in a different location in the Overstrand.

## Tourist attractions and activities

*Wine tourism*

- During the weekend visitor numbers increased with 18% compared to the week. From low season to high season 71% more people visited the facilities.
- A large number of the wine farms in the area also have a restaurant on the premises. Restaurant visitor numbers correspond to the amount of visitors to the tasting room and these numbers also increase by 70% from the low to the high season.
- High season is characterised by the large numbers of visitors from the rest of South Africa, especially Gauteng (40%). International visitors (mostly from Europe) come throughout the year but numbers decrease slightly during the quieter winter months.
- 30% more people are employed over the high season compared to the rest of the year.
- Word of mouth is the single most valuable source of marketing.

*Golfing*

- During the high season of 2009 the number of rounds played on average per day per golf club is 197. This figure drops to 64 rounds per day during low season.
- 42% of visitors are from the rest of the Western Cape and 29% are of international origin.
- 18% more people were employed during the high season of 2009 than during the low season.
- The most successful forms of marketing are word of mouth, relationships with local guest houses and tour agencies, as well as the golf club's own website.

*Boat cruises*

- During the season classified as high season only 50 people are taken out on whale watching cruises per day by one operator, whereas during the time classified as mid season 150 people are taken out.

# Executive Summary

- Prices have increased on average with 20% from 2008 to 2009.
- A very large percentage of guests on cruises and dives are of international origin.
- The three most successful forms of marketing for boat cruise operators are word of mouth, their own websites, as well as referrals from guest houses and tour agencies.
- 64% of employees working for these respondents were male.

## Transport

*Car rentals*

There are two large car rental companies operating in Hermanus. The rentals for December 2008 were slightly higher than December 2009, but the rentals for August 2009 surpassed the figure for August 2008.On average, based on the figures available, rentals increased with 71% from August to December.

*Tour operators*

There are a number of tour operators offering services in the Overstrand area, ranging from shuttle services (transfers) to and from the area to specific planned tours in the area. 90% of customers over December are of international origin and 10% come from South Africa (mostly Gauteng). During the rest of the year closer to 100% of customers are of international origin.

*Fuel stations*

There was a slight drop in the amount of transactions per day at stations from 2008 to 2009.

*Traffic flow*

The local Overstrand traffic department from time to time counts the amount of cars that flow past a certain point during a certain time. The flow of traffic was monitored on the R43 incoming from the direction of the N2 and R44 on a number of days during December 2009. The average number of cars that enter the Overstrand on the days counted is 653 per hour, it can thus be estimated that between 11:00 and 15:00 each day around 2600 vehicles entered the area.

## General comments and closing remarks

*Future areas for growth & development*

A number of general comments were made by respondents from the different tourism related business and are summarised in the report.

*Response rate*

Our overall response rate for this study was 50%. A number of different reasons were provided for a lack of response.

*Future benchmarking studies*

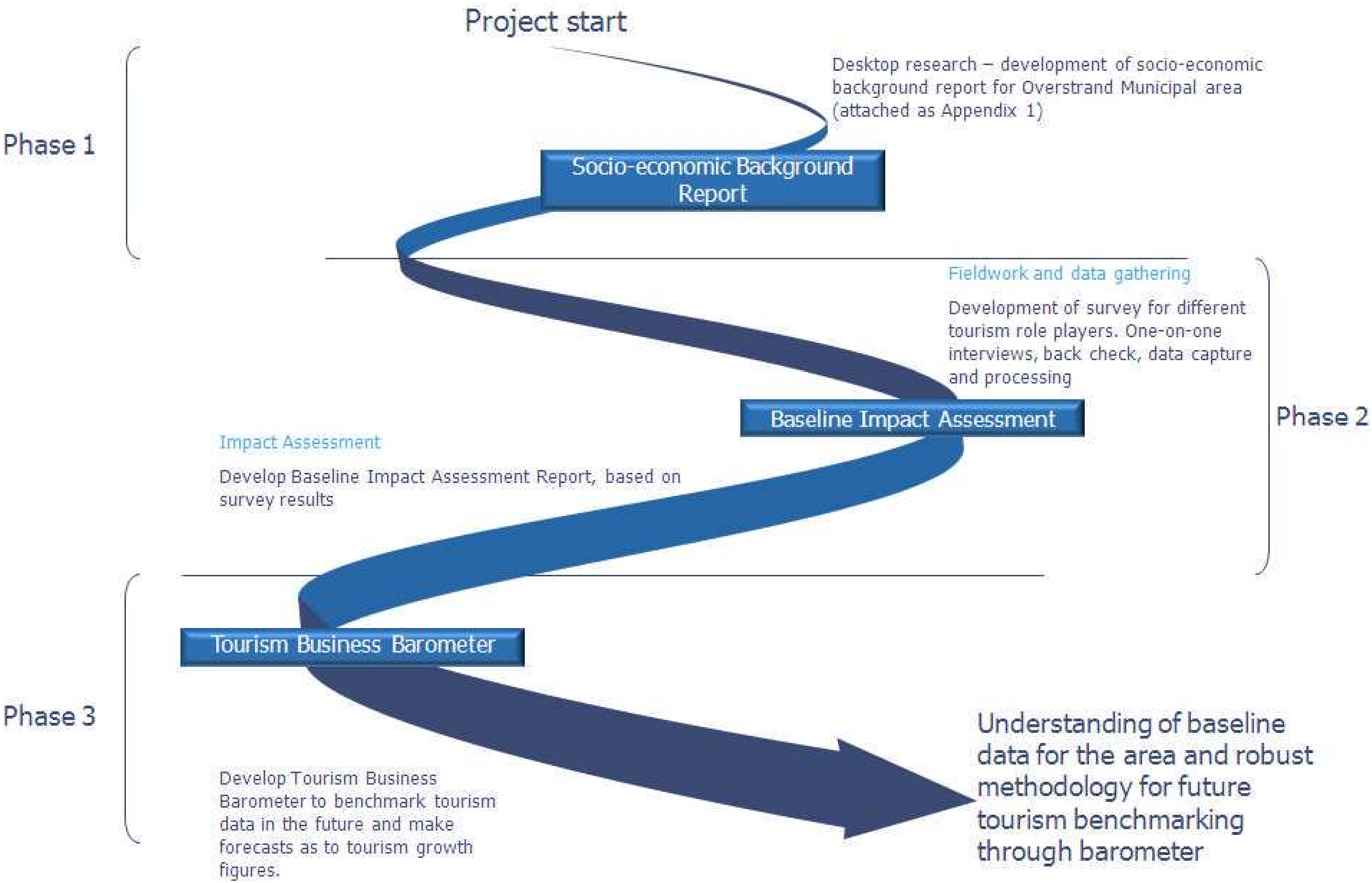
It is recommended that the barometer must be conducted each year during February, at the end of the high season. The same group of respondents should be contacted again, but the sample should also be extended to increase data integrity.

*A word of gratitude to the participants*

We want to thank all participants for their time and effort in providing us with their statistics and perceptions.

# Section 2

## Introduction and methodology


Project start
Phase 1
Desktop research – development of socio-economic background report for Overstrand Municipal area (attached as Appendix 1)
Socio-economic Background Report
Fieldwork and data gathering
Development of survey for different tourism role players. One-on-one interviews, back check, data capture and processing
Baseline Impact Assessment
Phase 2
Impact Assessment
Develop Baseline Impact Assessment Report, based on survey results
Tourism Business Barometer
Phase 3
Develop Tourism Business Barometer to benchmark tourism data in the future and make forecasts as to tourism growth figures.
Understanding of baseline data for the area and robust methodology for future tourism benchmarking through barometer

# Introduction to the project

Tourism plays a vital role in the Overstrand economy. The area is renowned for its natural beauty and draws more and more tourists each year. It is therefore a key strategic objective of the Overstrand Municipality to contribute to the growth of this industry and broaden the participative reach of tourism activities in the area.

However, before one can make a positive contribution to the growth of the industry it is necessary first to understand its inner workings. One needs to build an understanding of what are the most important growth factors: who are the visitors, when do they visit, how do they prefer to spend their time when they visit the area, etc.

For this purpose PricewaterhouseCoopers (PwC) was commissioned by the Overstrand Municipality to evaluate the impact of tourism activities on the local economy and in this process to develop a tourism barometer for future benchmarking purposes.

The project can be divided into three phases:

### Phase 1: Socio-economic review and analysis

During phase one the Overstrand municipal area was reviewed on a socio-economic level to provide a background for further and more in depth analysis of the impact of tourism. The Socio-economic Background Report should be read in conjunction with this report to form a more comprehensive view of the impact of tourism. However, highlights from that report will be included in the current document to the extent that it is deemed necessary and valuable.

### Phase 2: Baseline Impact Assessment

After the completion of Phase 1, surveys were developed for the various role players in the tourism sector, namely accommodation establishments, restaurants, supermarkets, garages, banks, car rental agencies, tour operators and tourism attractions such as golf, boat cruises, shark cage diving and the wine route.

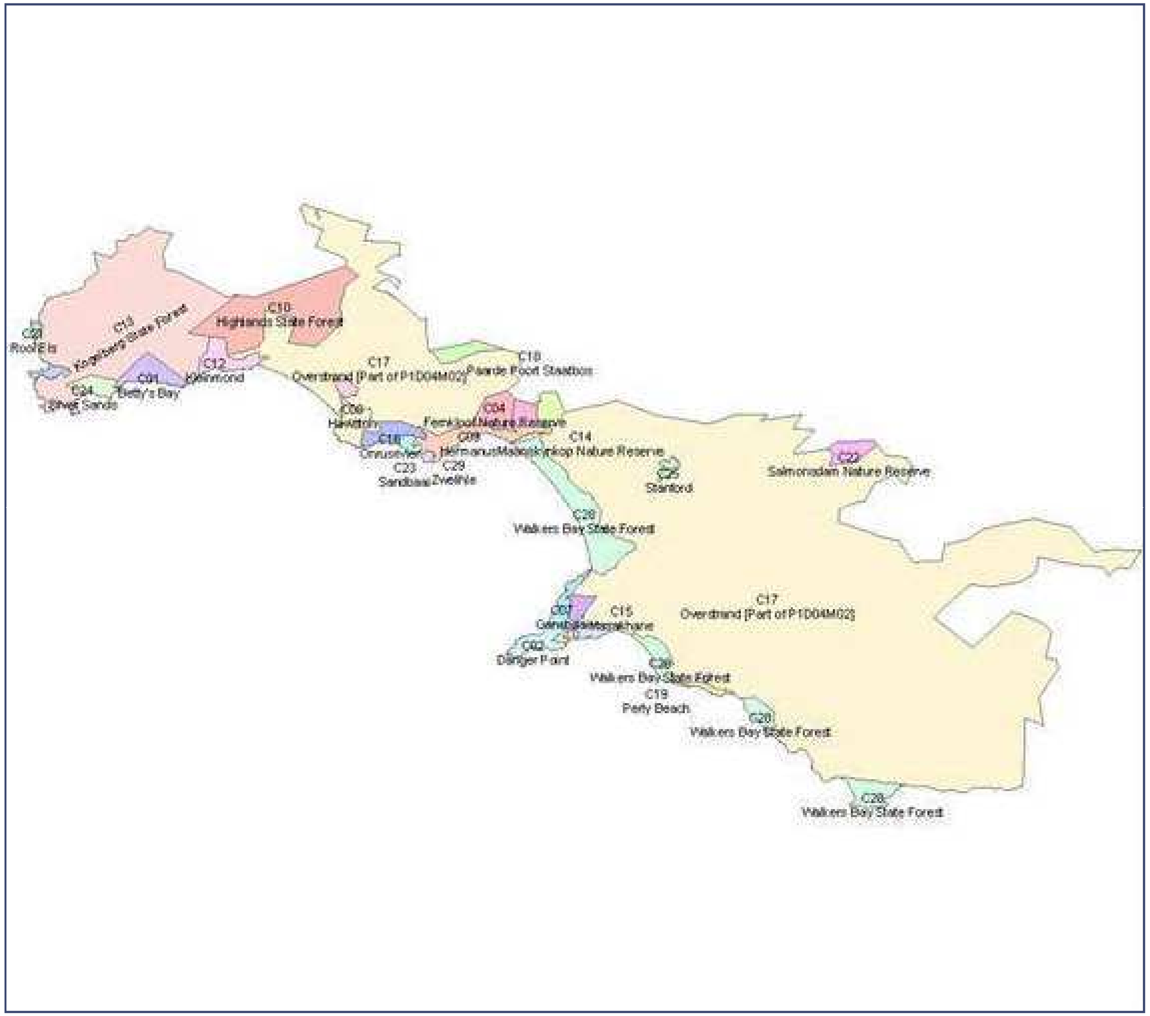
Sample sizes were determined according to economic activity and population sizes for the different nodal areas within the Overstrand area. The main nodal areas are: Hermanus, Gansbaai, Stanford and Kleinmond. The survey was conducted over a period of one and a half months from 15 December 2009 to 30 January 2010.

Field work was completed, data captured and processed. Data was then analysed to determine the impact of activities on the economy. This exercise serves as a baseline assessment for future barometers to be measure against. The findings from this phase of the project are set out in the current report in sections 3 – 6. Therefore the source for all data provided in those sections is our own calculations on survey findings.

### Phase 3: Tourism Business Barometer

The third phase of the project entails the development of a Tourism Business Barometer. The barometer survey will be conducted once a year and will measure the growth of tourism activities against the baseline information already established. The diagram on the adjacent page illustrates the logical flow of the three phases.

*Figure 1: Overstrand's main towns and places*




*Source: Quantec Research, 2009*

# The Overstrand: socio-economic background

Located on the R43, just off the N2, the Overstrand municipality borders the City of Cape Town on the eastern coastline, the Drakenstein municipality on its western edge and Theewaterskloof municipality to the north. At a distance of only 140km or a mere hour and a half's drive, the Overstrand is well connected to the City of Cape Town and also to the broader Theewaterskloof area, including the town of Caledon.

## Profile of the Overstrand towns

In 2007, Overstrand's local population numbered just over 73 000 with the largest towns being the greater Hermanus area (including Onrusriver, Vermont, Sandbaai, and Zwelihle), the greater Gansbaai area (including Masakhane), Hawston, Kleinmond, and Stanford. Figure 1 on the adjacent page shows a detailed map of the main towns and places in the Overstrand area.

Greater Hermanus is home to the largest number (almost 31 000) of people living in the Overstrand region. The area includes Hermanus itself, Zwelihle, Sandbaai and Onrus. Greater Gansbaai is the second largest populated area with a population of 14 400 in Gansbaai and Masakhane. Hawston, Kleinmond and Stanford are three further notably populated towns.

Greater Hermanus, greater Gansbaai, Hawston, Kleinmond and Stanford together hold 91% of the Overstrand's **population**. All other places as seen in the map in figure 1 are quite sparsely populated in comparison to the main towns. Table 1 illustrates the population trends based on 2007 figures.

*Table 1: Overstrand's population trends, by main town, 1995 - 2007*

| Town | 1995 | 2007 | 2007 % share | Ave growth 1995-2007 |
|---|---|---|---|---|
| Greater Hermanus | 22 603 | 30 961 | 42.4 | 2.7 |
| Hermanus | 8 421 | 12 313 | 16.9 | 3.2 |
| Overstrand [Part of P1D04M02] | 4 651 | 4 627 | 6.3 | 0.0 |
| Onrusrivier | 2 470 | 4 125 | 5.6 | 4.4 |
| Sandbaai | 1 465 | 2 537 | 3.5 | 4.7 |
| Zwelihle | 5 596 | 7 360 | 10.1 | 2.3 |
| Greater Gansbaai | 3 887 | 14 409 | 19.7 | 11.5 |
| Gansbaai | 3 002 | 8 669 | 11.9 | 9.2 |
| Masakhane | 885 | 5 740 | 7.9 | 16.9 |
| Hawston | 4 670 | 8 522 | 11.7 | 5.1 |
| Kleinmond | 4 702 | 8 001 | 11.0 | 4.5 |
| Stanford | 2 405 | 4 453 | 6.1 | 5.3 |
| **Main Town sub-total** | **38 267** | **66 347** | **90.8** | **4.7** |
| | | | | |
| **Overstrand total** | **40 985** | **73 044** | **100.0** | **4.9** |

*Source: Quantec Research 2008, own calculations*

Table 2 (following page) illustrates the **racial composition** of the Overstrand and shows that the area is still in many respects spatially segregated. Hermanus, the economic hub, is the most diverse settlement in the area, followed by Kleinmond.

# The Overstrand: socio-economic background

*Table 2: Overstrand's profile by race, 1995 - 2007*

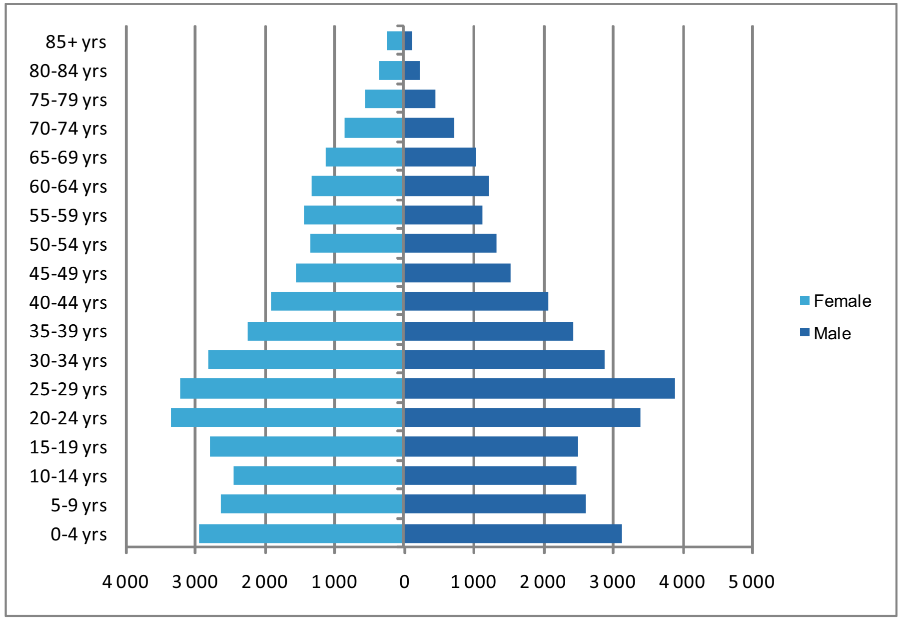
| Town | African | Colored | Indian | White |
|---|---|---|---|---|
| Greater Hermanus | 41.3 | 20.6 | 0.1 | 37.9 |
| Hermanus | 35.7 | 30.9 | 0.0 | 33.4 |
| Overstrand [Part of P1D04M02] | 29.7 | 51.6 | 0.0 | 18.7 |
| Onrusrivier | 0.8 | 1.7 | 0.0 | 97.5 |
| Sandbaai | 1.1 | 2.4 | 0.8 | 95.8 |
| Zwelihle | 94.7 | 0.9 | 0.1 | 4.3 |
| Greater Gansbaai | 41.1 | 41.3 | 0.0 | 17.6 |
| Gansbaai | 2.2 | 68.6 | 0.0 | 29.2 |
| Masakhane | 99.8 | 0.1 | 0.0 | 0.0 |
| Hawston | 0.2 | 99.5 | 0.0 | 0.2 |
| Kleinmond | 36.2 | 26.8 | 0.3 | 36.7 |
| Stanford | 16.9 | 60.3 | 0.2 | 22.6 |
| **Overstrand Total** | **31.5** | **37.0** | **0.1** | **31.3** |

*Source: Quantec Research 2008, own calculations*

The **population growth** for the Overstrand averaged at 4.9% per year between 1995 and 2007, due to fast growth in Gansbaai (9.2%) and Masakhane (16.9%) and moderate growth in Hermanus (3.2%).

Further insight is gained from examining the **age profile** of the main towns. Graph 1 depicts the cumulative 2007 population pyramid for Overstrand's main towns. The most significant insight gained from this distribution is the large number of residents in the young working

*Graph 1: Overstrand's cumulative population pyramid, 2007*



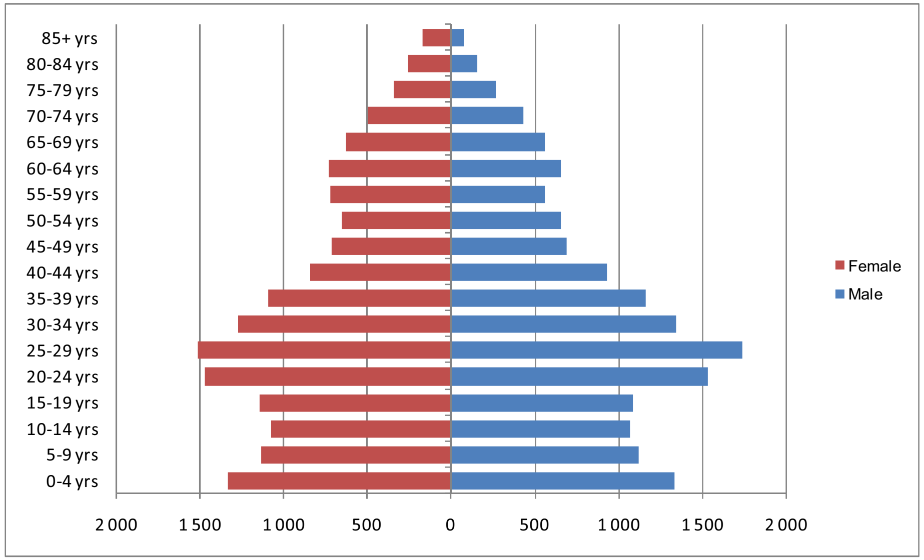

*Source: Quantec Research 2009, own calculations*

ages of 20 to 34, representing 37.5% of the total population of the Overstrand's main towns, while the broader working age population (15 – 64) comprises 70% of the population.

The profile for the greater Hermanus area shows a top bulge in the 55+ age group (graph 2, following page), pointing to the area's large retirement village population. A second bulge at the younger working-age group (15-34 years) highlights the influx of young people into the area in search of jobs and other economic opportunities.

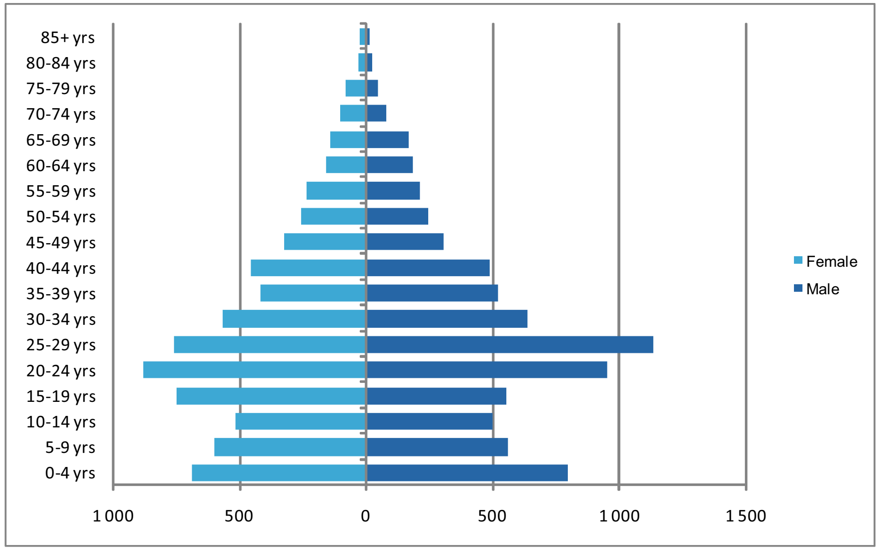
# The Overstrand: socio-economic background

*Graph 2: Greater Hermanus population pyramid, 2007*




*Source: Quantec Research 2008, own calculations*

*Graph 3 Greater Gansbaai population pyramid, 2007*




*Source: Quantec Research 2008, own calculations*

Greater Gansbaai (graph 3) depicts a slightly different picture. Here the most striking feature is the bulge of young working age adults aged 15-34 years, which form 43,3% of the area's population, signifying in-migration of young people in search of jobs and the means to participate in economic activity.

Local economic development must consider the geographic proximity of the main towns, their very different ethnic, age and economic make-ups, as well as their pattern of population growth, to ensure that strategies are designed to promote inclusive spatial and economic participation in the Overstrand area.

## Review of the Overstrand local economy

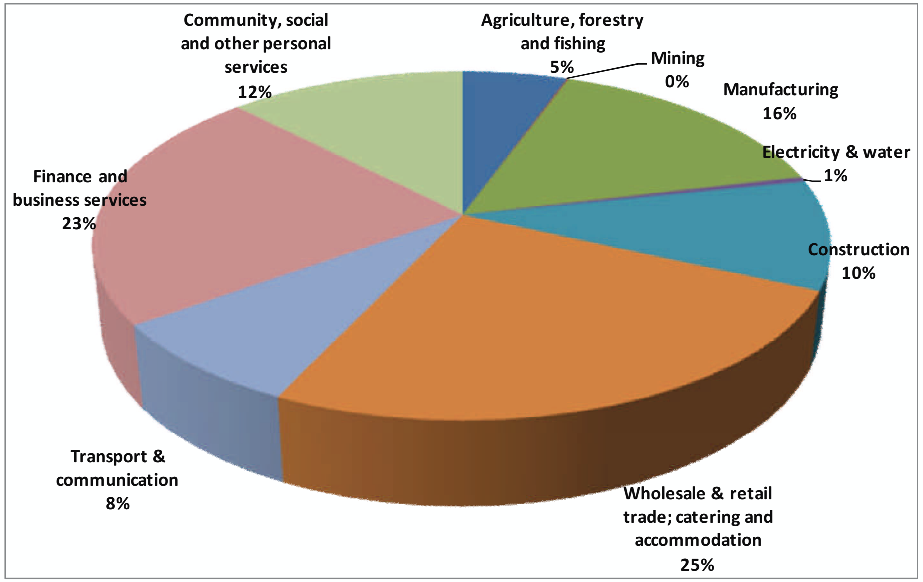
Measured in respect of regional gross domestic product or GDPR the Overstrand local economy – at R1.3 billion – forms 32% of the broader Overberg district economy, yet only 0,7% of the Western Cape provincial economy. That said, the Overstrand local economy grew at the robust pace of 4,1% a year over the 12-year period 1995 to 2007, with higher average annual growth of 5,5% a year registered over the last five years from 2002 to 2007.

# The Overstrand: socio-economic background

Graph 4 depicts a broad sectoral mix of **Overstrand's economy**. Leading sectors include wholesale & retail trade, catering and accommodation (20,9%); business services (16,9%); construction (10,2%); general government services (7,3%); and transport (6,3%).

Local economic growth therefore is firmly based on **tertiary services** such as wholesale & retail, transport and business services. Significant **property development** is also highlighted. Tourism resorts primarily in the category for wholesale & retail, catering and accommodation – which is the largest section of the pie at 25%.

*Graph 4: A sectoral view of the Overstrand's local economy, GDPR, 2007*




*Source: Quantec Research 2008, own calculations*

In addition one should keep in mind that there is a **knock-on effect** created by the tourism industry that will play a role in all of the illustrated sectors. Studying tourism as a **sector** focuses attention on the direct demand that tourists have for certain goods and services in an economy. During the course of this specific research project we have focus on direct tourism demand in the Overstrand, portraying a picture of the preferences that tourists have in terms of their direct spend towards goods and services. However, if one casts the net a little bit wider and studies tourism as an **economy**, the indirect tourism demand also becomes significant.

The direct tourism demand creates a value chain of indirect demand through consumption, investments and income effects leading to what is commonly referred to as knock on effects (source: City of Johannesburg – Tourism Strategy, 2009). Indirect tourism demand can also be seen as the demand generated by the producer of a specific tourism commodity. A restaurateur typically produces a plate of food for a tourist at a certain price, but one can also consider the electricity, transport, food supply and labour costs incurred by the restaurateur, leading to the production of the plate of food. Then there are further costs such as cleaning the restaurant, maintaining the building, etc.

The knock on effect of tourism therefore is much greater than the initial spend by the tourist. It has been estimated that the sum of the direct and indirect value added can be up to 1.6 times the value of the initial spending by visitors. (source: Department of Environmental Affairs and Tourism, 1996). This will have a significant effect on the impact of tourism, but is unfortunately very difficult to measure.

# The Overstrand: socio-economic background

*Table 3: Nodal distribution of Overstrand's economic activity, 2006*

| Nodal area | Share of econ activity |
|---|---|
| Greater Hermanus | 62.2% |
| Greater Gansbaai | 20.7% |
| Kleinmond | 16.6% |
| Hawston | Figure not significant |
| Stanford | 0.4% |

*Source: Overberg, 2006; own calculations*

Of the main towns listed in the Overberg Regional Service Council levy database, Hermanus emerges unsurprisingly as the economic hub of the Overstrand local economy contributing almost two-thirds (62,2%) of the area's economic output, supported by Gansbaai (20,7%) and Kleinmond (16,6%). Stanford trails at a mere 0,4% share, and no other town records significant levels of economic activity.

Taking a sectoral view of **employment performance**, table 4 overleaf shows that three quarters (75,6%) of all employment in Overstrand is in the formal sector, with informal employment comprising 24,4% of total employment in the local area.

Disaggregation of formal employment by skills level shows that 90% of Overstrand's formal employment is located at the skilled and semi/unskilled levels with only 10,6% of workers categorised as highly skilled.

Low levels of growth in the highly skilled category (1,8% a year over the last 5 years) is a further constraint to improving knowledge-intensive activities that drive economic competitiveness over the medium-term.

Disaggregating formal employment by sector and sub-sector, the **largest employment industries** are wholesale & retail trade (16,7%); community, social & other personal services (16,5%); construction (13,7%), general government services (12,4%); agriculture (11,3%); and business services (9,8%). Manufacturing as a whole contributes 9% to Overstrand's formal employment with the food, beverages & tobacco industry having the strongest presence.

Of interest though is that the main sectors that show the **strongest employment growth** over the last five years include business services (10,8%); wholesale & retail trade (7,4%); community, social & other personal services (5,4%). Overall, formal employment growth steps slowly at 2,8% a year over the last five years in comparison to the GDPR's healthier pace of 5,5% a year.

The clear message is that robust economic growth in the Overstrand area is not translating into equally strong employment performance which, set against high population growth (particularly that of younger work-seekers) will place further pressure on an already high **unemployment rate** of 22,1% in the Overberg district area (Quantec Research, 2009; own calculations).

# The Overstrand: socio-economic background

*Table 4: Overstrand informal and formal employment (by skills level), 2007*

| | 2007 | 2007 Share main sector | 2007 Share sub sector | Ave growth 1995-2007 | Ave growth 2002-2007 |
|---|---|---|---|---|---|
| Informal employment | 5 999 | 24.4 | | -0.7 | -3.0 |
| Formal employment | 18 552 | 75.6 | | 1.2 | 2.8 |
| Highly skilled formal employment | 1 973 | 8.0 | 10.6 | 0.7 | 1.8 |
| Skilled formal employment | 7 384 | 30.1 | 39.8 | 2.1 | 3.9 |
| Semi- and unskilled employment | 9 195 | 37.5 | 49.6 | 0.7 | 2.2 |
| **Total formal and informal employment** | **24 551** | **100.0** | | **0.7** | **1.2** |

*Source: Quantec Research 2009, own calculations*

## Water and electricity supply

According to data provided by the Overstrand Municipality the capacity for electricity supply is still safely exceeding the demand in most towns of the Overstrand. Spikes in the electricity usage of the area do not necessarily occur over peak season times. If one looks at the graph for Hermanus' electricity demand (the town housing the largest part of the population and the largest economic activity) from January 2003 to July 2009, the most significant upward curves over the past three years occurred roughly each year from April to September – during the colder months. (See graph 5 below). Graphs for the other towns show similar results.

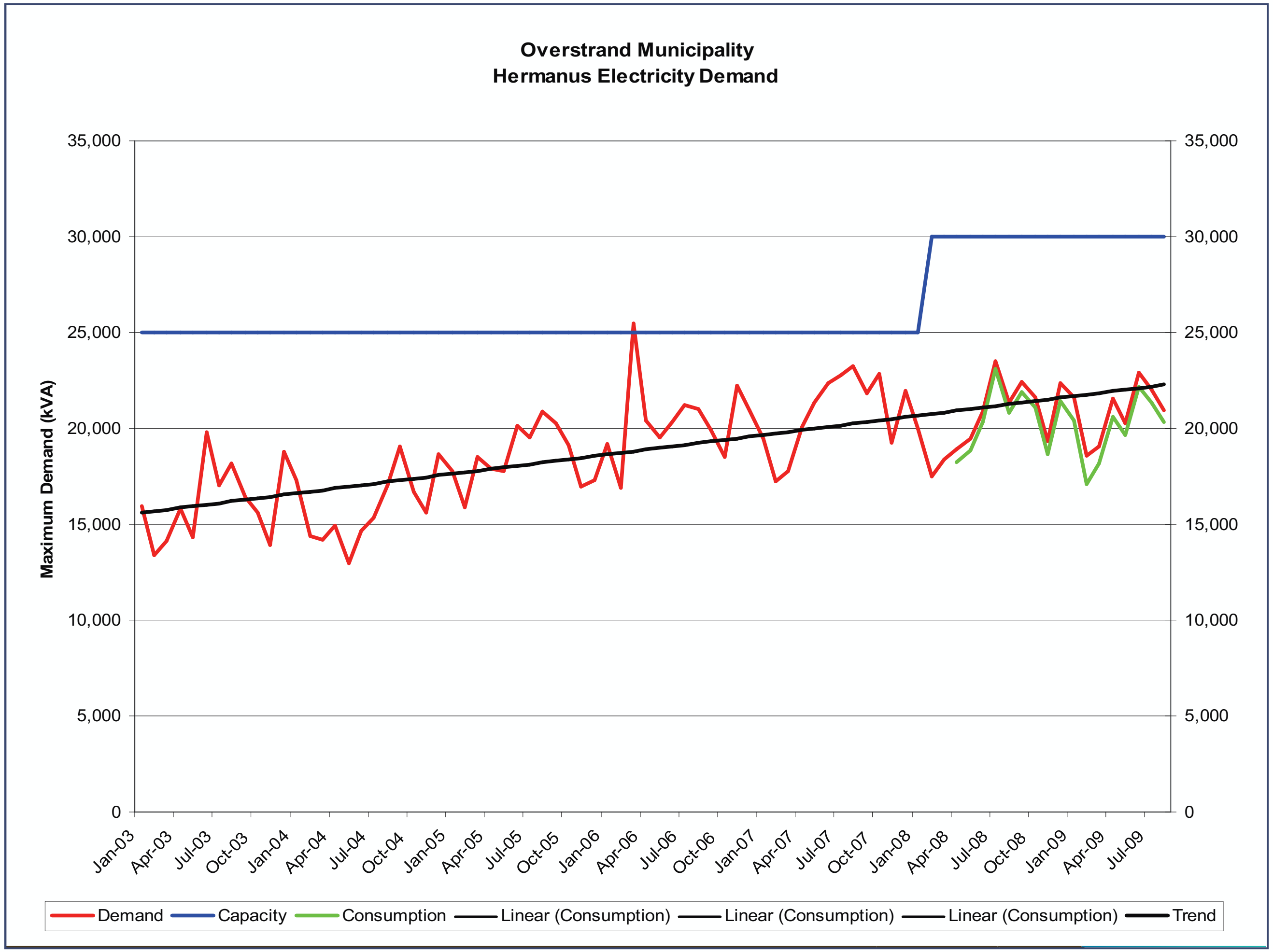
Looking at the electricity demand graph for Kleinmond, however, it seems that capacity should be addressed in the near future to accommodate growing demand. This is illustrated in graph 6 overleaf.

As already mentioned, the resident population of the Overstrand has been growing at a pace of 4.9% per year between 1995 and 2007. Coupled with this growth, tourism is also expanding as one of the dominant industries and more and more tourists flock to the area. This rapidly increases the need for a sustainable water supply.

The Overstrand Municipality's Water Services Development Plan (WSDP) for 2009/2010 states that the management of the existing water and sanitation services is being undertaken to the absolute best ability of the municipality, within the considerable financial and technical constraints which prevail. The most pressing need of the Overstrand is to improve capacity and access to finances in order to ensure adequate rehabilitation and maintenance of their existing infrastructure and funds to address the existing and future infrastructure backlogs in terms of water supply. The WSDP sets out these action plans.

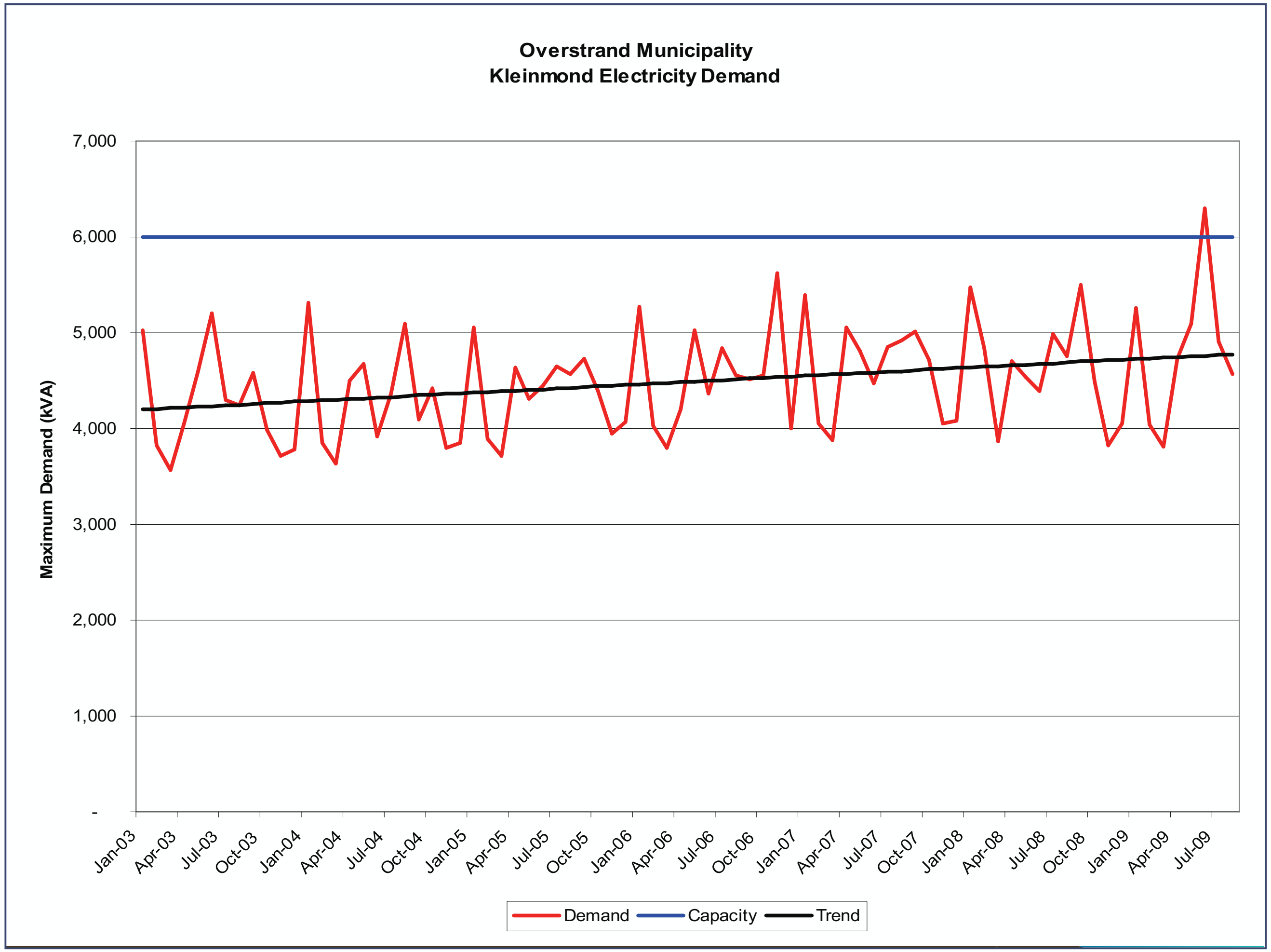
# The Overstrand: socio-economic background

*Graph 5: Hermanus electricity demand, 2003 - 2009*



# The Overstrand: socio-economic background

*Graph 6: Kleinmond electricity demand, 2003 - 2009*



# The Overstrand: socio-economic background

## What does the area have to offer?

The Overstrand's coastline includes three beaches with blue flag status: Kleinmond, Hawston and Grotto. Grotto beach has now received this prestigious award for four consecutive years. The area also includes the Kogelberg Biosphere Reserve which is only one of two such areas in the country. It is commonly referred to as the heart of the Cape floral kingdom as roughly one fifth of all known fynbos species occur here (Overstrand Municipality Water Services Development Plan, 2009).

One of the main tourist attractions of the area is the occurrence of the Southern Right Whale, frequenting the coastline between July and December. The Whale Festival, held each year during September, has been planned to coincide with the peak season for whale watching – an activity that is offered boat-based as well as land-based.

Shark cage diving has also increased in popularity, giving tourists the opportunity to see the great white shark up close and personal in the area near Dyer Island – off the coast at Gansbaai. Dolphins also frequent the Overstrand's waters and a penguin colony can be visited at Betty's Bay.

A wide range of activities are offered for nature and adventure lovers: hiking in the Harold Porter National Botanical Garden or the Fernkloof Nature Reserve; sea kayaking; canoeing and white water rafting in the Palmiet river near Kleinmond; boating, water skiing and wind surfing on the Klein river lagoon; fishing; bird watching; mountain biking; and golfing at one of the beautiful golf courses in the area.

The Overstrand also offers many festivals throughout the year. Table 5 depicts the main festivals.

*Table 5: Main festivals in the Overstrand area*

| Month | Event | Event type | Town |
|---|---|---|---|
| January | Blue Flag Festival | Eco-attraction | Hermanus |
| January | Totalsports cHallenge | Adventure/ Sport | Kleinmond |
| March | Cape Epic Mountain Bike Race | Adventure/ Sport | Hermanus/ Kleinmond |
| April | Hermanus Stanford Canoe Race | Adventure/ Sport | Hermanus/ Stanford |
| April | Hermanus Harbour Museum Seafood | Cultural/ Food | Hermanus |
| July | Hermanus Food & Wine Festival | Cultural/ Food | Hermanus |
| August | Kalfie fees | Cultural/ Food | Hermanus |
| September | Hermanus Whale Festival | Eco-attraction | Hermanus |
| September | Hermanus Half Marathon | Adventure/ Sport | Hermanus |
| October | Stanford Birding Festival | Eco-attraction | Stanford |
| November | Festival of the Gans | Eco-attraction | Gansbaai |
| December | Haswton Sea Festival | Cultural/ Food | Hawston |

*Source: Own assessment of different sources – Overberg info; Hermanus info, 2009*

# Baseline Impact Assessment – general statements and findings

The rest of this report sets out the findings from the baseline impact assessment – the basis of information for future barometer studies to be measured against. The report provides an overview of tourism activities in the specific economic and social context of the Overstrand area.

## Categories

The following categories of tourism businesses were interviewed:

- Accommodation establishments
- Restaurants
- Supermarkets
- Activities: Golf Clubs, Wine cellars with tasting facilities, Boat cruises and shark cage diving
- Car rental agencies
- Tour operators
- Garages
- Banks

These categories were chosen for their prominence in exerting an influence on tourism in the area. Categories can be expanded in the future and more respondents per area can also be included.

## Nodal areas

Economic activity as well as population sizes in the nodal areas were used as a guideline in determining the sample size in each case.

*Table 6: Overstrand's economic activity and population sizes per nodal areas*

| Nodal area | Econ activity | Population (2007) |
|---|---|---|
| Greater Hermanus | 62.2% | 42.4% |
| Greater Gansbaai | 20.7% | 19.7% |
| Kleinmond | 16.6% | 11% |
| Hawston | Figure not significant | 11.7% |
| Stanford | 0.4% | 6.1% |

*Source: Quantec research, 2008*

In the above table Greater Hermanus also includes Onrus, Sandbaai and Zwelihle. Greater Gansbaai includes Masakhane. It is evident in the data that the greater Hermanus and Gansbaai areas are the largest contributors to the economy and house the largest part of the population. In determining our sample distribution these factors were taken into account.

## Types of visitors

There are roughly four different types of visitors to the Overstrand area. The first group consists of overseas tourists who are visiting the area for a short period on a trip through South Africa. The second group is South Africans who come to the area for a weekend breakaway, often from Cape Town. The third group consists of South Africans who visit the area over the high season in December for a period of two or three weeks, mostly staying in their own holiday homes or renting a self catering unit or house.

# Baseline Impact Assessment – general statements and findings

There is another group of people who are semi-permanent residents but also exert an impact on the tourism figures. They are international visitors (mostly Europeans) who live in their holiday homes in Hermanus during the summer months of the southern hemisphere and then migrate to their countries of origin during the summer months of the northern hemisphere. They are locally referred to as 'swallows' and usually fall in the age group of 55+.

## Seasonality

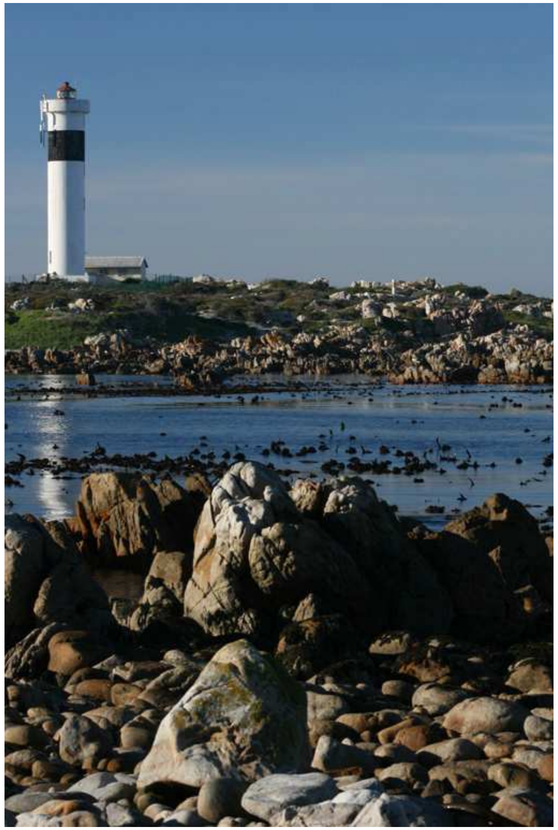
For the purpose of this report seasons were specified at the outset of the survey:

*Table 7: Specified seasons*

| | |
|---|---|
| High season | December to February |
| Mid season | March – April; September – November |
| Low season | May - August |

This categorisation was in line with the majority of respondents' personal experience. However, according to respondents the variance between mid and low seasons have decreased in recent years due to larger numbers of international visitors who spend longer periods of time in the Overstrand. The area used to be a very seasonal tourist destination whereas visitors are now attracted throughout the year – making seasonality less apparent, except for a large spike in visitor numbers over December.

The whale watching season brings a number of tourists to the Overstrand during the winter months. The large number of festivals being hosted in the area throughout the year also attracts more guests also during traditionally quieter months.



# Section 3
## Accommodation establishments



# Accommodation

## Sample size and distribution

*Table 8: Sample size and distribution for accommodation establishments*

| Area | Total | Hotel | B&B/ Guesthouse | Self-catering | Back-packers |
|---|---|---|---|---|---|
| Greater Hermanus | 16 | 1 | 10 | 4 | 1 |
| Greater Gansbaai | 5 | 0 | 4 | 0 | 1 |
| Kleinmond | 3 | 0 | 1 | 2 | 0 |

*The distribution of the sample for accommodation establishments is in line with the population sizes and economic activity for the towns. The Greater Hermanus area includes smaller towns such as Zwelihle and Mount Pleasant. Two of the establishments under the section for Greater Hermanus come specifically from these areas.*

## Average length of stay of visitors

On average visitors to self-catering facilities and backpackers stayed for longer periods than visitors to other types of accommodation establishments. The average length of stay in 2009 was similar to that of 2008. (See graph 7 for details).

## Average rate per person

Rates for accommodation in the Overstrand increased on average with 12% from 2008 to 2009. See table 9 for average rates per type of accommodation.

*Graph 7: Average length of stay of visitors per establishment type*

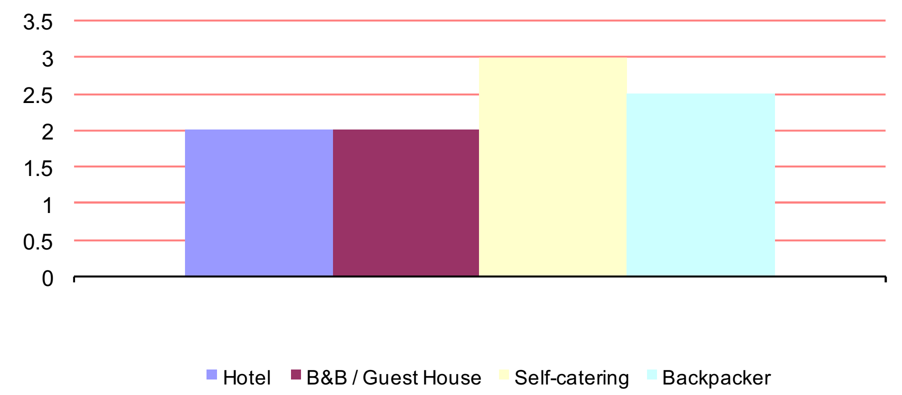



*Table 9: Rates for 2008 and 2009 per high, mid and low season*

| | High season | | Mid season | | Low season | |
|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 |
| Hotel | R1600 | R2000 | R1400 | R1600 | R950 | R1100 |
| B&B / Guest House | R561 | R652 | R533 | R609 | R437 | R476 |
| Self-catering | R271 | R273 | R235 | R239 | R190 | R197 |
| Backpackers | R185 | R217 | R185 | R217 | R175 | R195 |
| **Total group** | **R508** | **R577** | **R470** | **R534** | **R380** | **R409** |

# Accommodation

## Occupancy rates

Occupancy rates for all seasons have dropped slightly from 2008 to 2009. See graph 8 below for details.

*Graph 8: Occupancy rates for total group*

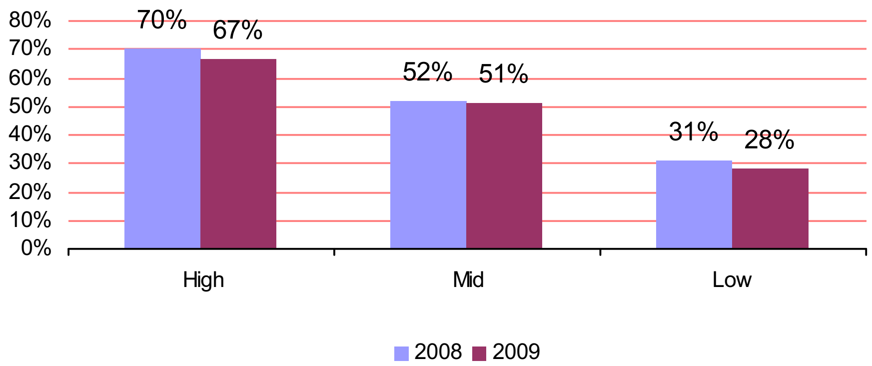



Table 10 indicates the occupancy rates per accommodation category. Self-catering establishments indicated an exceptionally high occupancy rate for high season. The category with the highest occupancy rate for low season was backpackers.

*Table 10: Occupancy rates for 2008 and 2009*

| 2008 | | | |
|---|---|---|---|
| | High | Mid | Low |
| Hotel | 75% | 54% | 32% |
| B&B / Guest House | 64% | 49% | 27% |
| Self-catering | 84% | 50% | 32% |
| Backpackers | 78% | not available | 58% |
| Total | 70% | 52% | 31% |
| **2009** | | | |
| | High | Mid | Low |
| Hotel | 70% | 50% | 35% |
| B&B / Guest House | 59% | 50% | 25% |
| Self-catering | 82% | 44% | 24% |
| Backpackers | 80% | not available | 63% |
| Total | 67% | 51% | 28% |

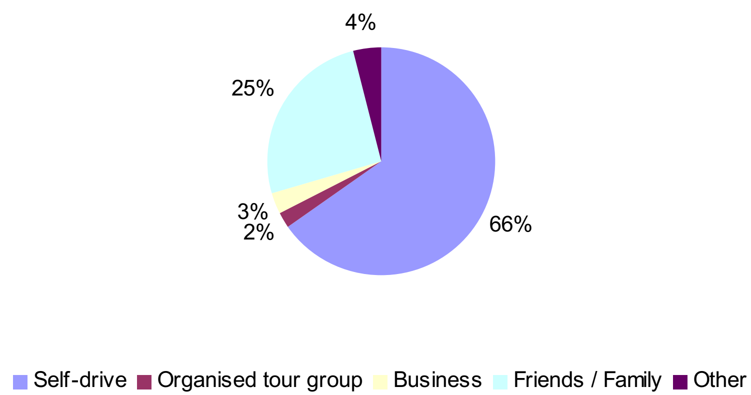
# Accommodation

## Origin and profile of visitors

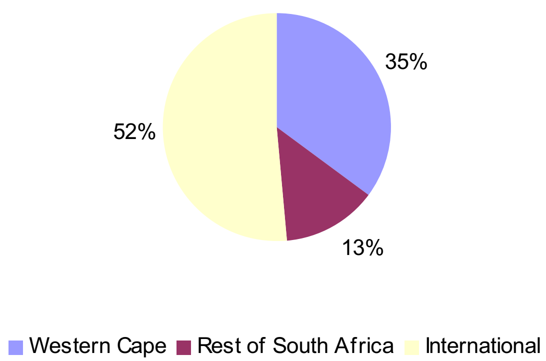
55% of visitors to the participating accommodation establishments are of international origin. The majority of international visitors come from Europe and the United Kingdom. During 2009 a slight decrease was noted in the number of international guests. Owners and managers of establishments claim that the rising crime figures, recent xenophobic attacks in the news as well as certain political factors have contributed to this trend.

The largest percentage of visitors to the area drive here with their own transport or come here with friends or family.

*Graph 10: Profile of visitors*




*Graph 9: Origin of visitors*




## Employment information

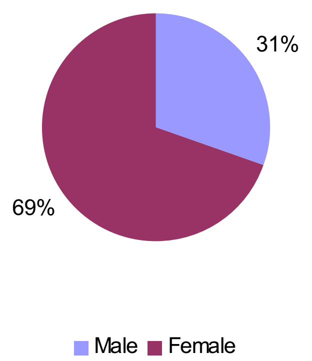
On average 69% of employees at accommodation establishments are female and 31% male (see graph 11).

The number of employees at the participating establishments increased with 11% from low to high season during 2009. Graph 12 shows the number of people employed per establishment. One can see that the majority of establishments employ between 3 and 5 people. The distribution shifts from low to high season, as indicated.

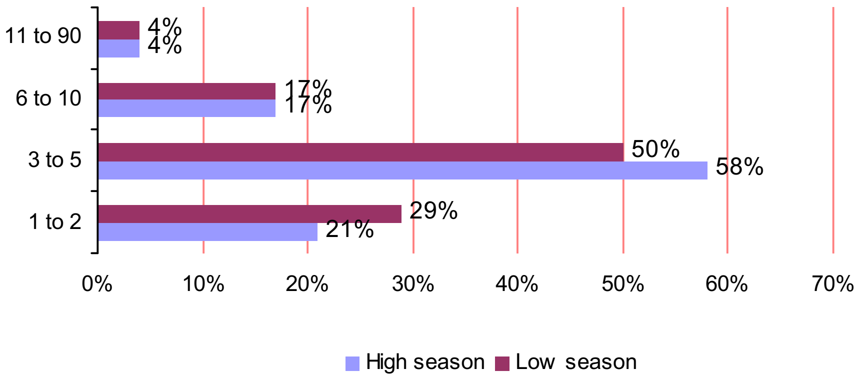
3% of employees working at accommodation establishments are not living in the Overstrand. 75% of establishments indicated an increase in employment figures from 2008 to 2009.

# Accommodation

*Graph 11: Male / Female employment ratio*



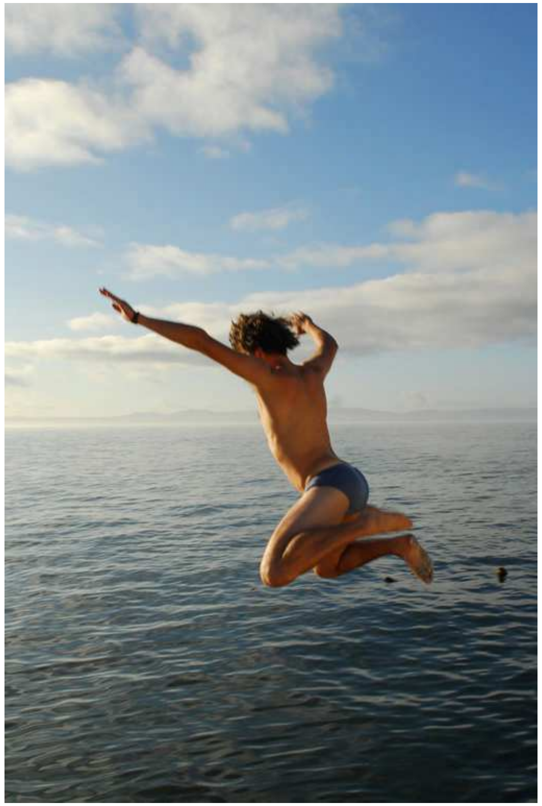

*Graph 12: Amount of employees per accommodation establishment, high & low season*




## Activities offered

Respondents were asked to name the most popular activities that their guests show an interest in. The following were mentioned the most:

- Whale watching
- Shark cage diving
- Hiking
- Horse trails
- Wine tours
- Fynbos viewing
- Visiting beaches



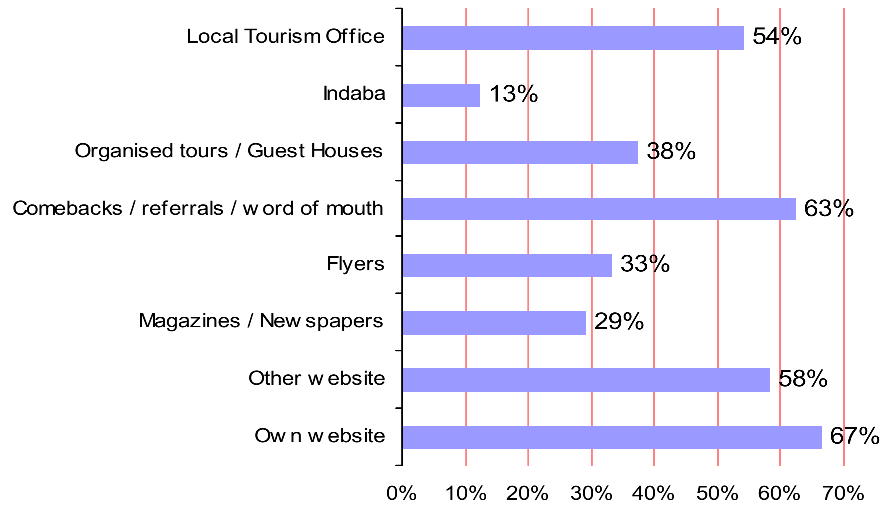
# Accommodation

## Marketing

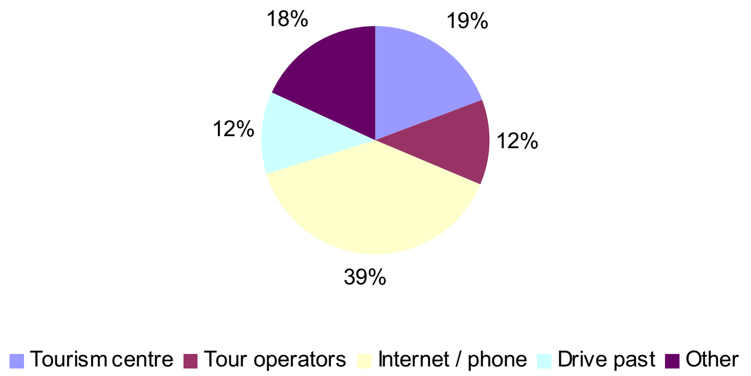
Most bookings for the establishments interviewed are made via the phone or internet (39%). 19% of bookings are also made through tour operators and another 19% through other means such as word of mouth.

67% of establishments indicated that their own website is one of the most valuable sources of marketing and 63% highlighted word of mouth / come backs / referrals. See graph 14 for more detail.

*Graph 14: Most valuable forms of marketing.*




*Graph 13: Sources of bookings*

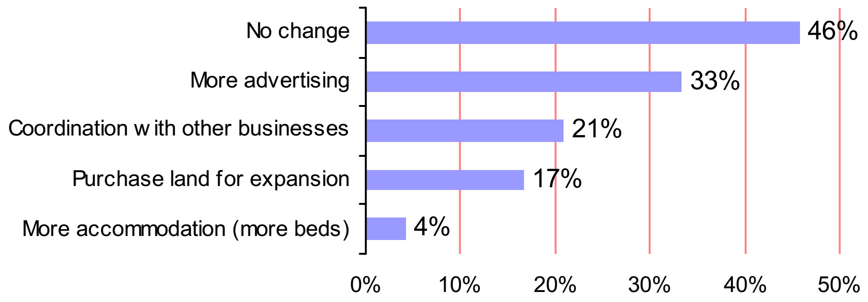


# Accommodation

## Further developments

The largest percentage of respondents (46%) indicated that they are not planning any further developments for their businesses. 33% indicated that they would like to expand their advertising efforts, 21% indicated that they are planning a combined effort with another business, 17% indicated that they wish to purchase more land and 4% indicated that they would like to increase their capacity for guests at their current establishments.

*Graph 15: Further development*




***Some comments from respondents:***

*"In 2009 we saw less international visitors" – Guest House, Hermanus*

*"More overseas tourists are reluctant to visit South Africa because of political unrest rather than crime" – Guest House, Gansbaai*

*"The race diversity of guests increased in 2009" – Self-catering establishment, Kleinmond*

*"Township tours are a favorites amongst overseas visitors" – B&B, Vermont*

*"We have a few overseas guests (UK) who visit us twice a year and stay for a month" - Self-catering establishment, Hermanus*

*"Most of the overseas guests who visit us are older and and enjoy being here, relaxing and going for walks. The younger visitors play golf, go shark cage diving, and whale watching" – Self-catering establishment, Hermanus*

*"We have had more experience based bookings in the last year – people come for specific activities" – Hotel, Hermanus*

# Section 4

## Restaurants and supermarkets

# Restaurants

## Sample size and distribution

*Table 11: Sample size and distribution for restaurants*

| Area | Number |
|---|---|
| Hermanus | 9 |
| Gansbaai | 2 |
| Kleinmond | 2 |
| Stanford | 3 |
| Fisherhaven | 1 |

*17 restaurants in total participated in the study. The sample distribution gives a good indication of actual distribution of restaurants in the Overstrand. The respondents varied between coffee shops, restaurants focusing on lunch and restaurants focusing on dinner. Their guest capacity ranges from 25 to 320.*

## Average spend per person per visit

The difference in spend per person from the week to the weekend ranges between 10% and 15%. Over weekends guests normally stay for longer periods and eat more than one course. During the week guests tend to eat only one course.

Average spend also increases substantially towards high season. There is a 17% increase in average spend per person per visit during the week from low to high season. Spend per person increased from 2008 to 2009 with 5%, 2% lower than inflation.

(See table 12 for details.)

*Table 12: Average spend per person per visit, 2008 - 2009*

| Year | Week/ weekend | High season | Mid season | Low season |
|---|---|---|---|---|
| 2008 | Week | R91.53 | R81.53 | R78.87 |
| 2008 | Weekend | R101.94 | R94.20 | R91.53 |
| 2009 | Week | R97.24 | R85.29 | R83.06 |
| 2009 | Weekend | R107.06 | R96.76 | R95.29 |

## Average number of guests served per day per restaurant

Towards the weekends restaurants in the Overstrand serve 20% more guests. This trend did not change from 2008 to 2009. From 2008 to 2009 the number of guests served per day decreased with 7%.

*Table 13: Average number of guests served per day per restaurant, 2008 - 2009*

| Year | Week/ weekend | High season | Mid season | Low season |
|---|---|---|---|---|
| 2008 | Week | 213 | 129 | 84 |
| 2008 | Weekend | 261 | 150 | 102 |
| 2009 | Week | 197 | 116 | 84 |
| 2009 | Weekend | 236 | 134 | 102 |

# Restaurants

## Average income per restaurant per day

The average income per restaurant per day was slightly higher in 2008 than in 2009. As mentioned above, although spend per person increased, the amount of guests served per day decreased from 2008 to 2009.

*Table 14: Average income per restaurant per day, 2008 - 2009*

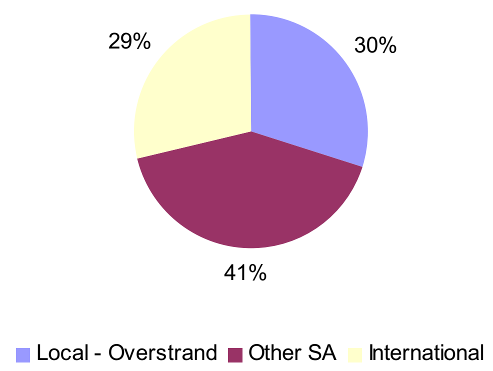
| Year | Week/ weekend | High season | Mid season | Low season |
|---|---|---|---|---|
| 2008 | Week | R19,495.89 | R10,517.37 | R6,625.08 |
| 2008 | Weekend | R26,606.34 | R14,130.00 | R9,336.06 |
| 2009 | Week | R19,156.28 | R9,893.64 | R6,977.04 |
| 2009 | Weekend | R25,266.16 | R12,965.84 | R9,719.58 |

## Origin of guests

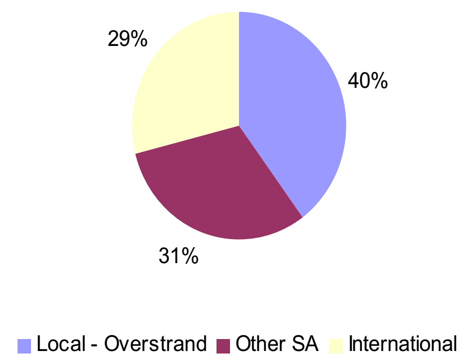
During low season a larger percentage of guests are of local origin, although the number of people are not necessarily more than during high season. The percentage of guests from the rest of South Africa is substantially higher during high season and decreases gradually through mid to low season.

The percentage of international visitors stay more or less constant during high and mid season but decrease slightly in low season. (See figures 16 – 18)

*Graph 16: Origin of visitors during high season*

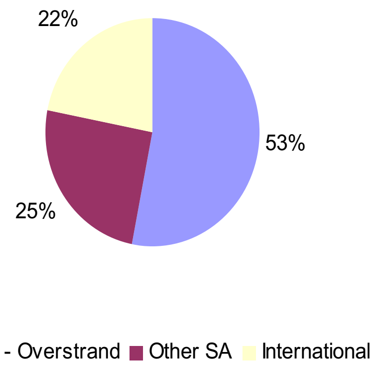



*Graph 17: Origin of visitors during mid season*

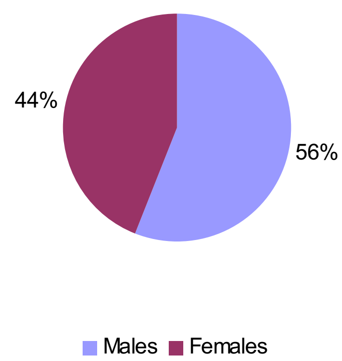


# Restaurants

*Graph 18: Origin of visitors during low season*




*Graph 19: Male / female employment ratio for 2009*




## Employment information

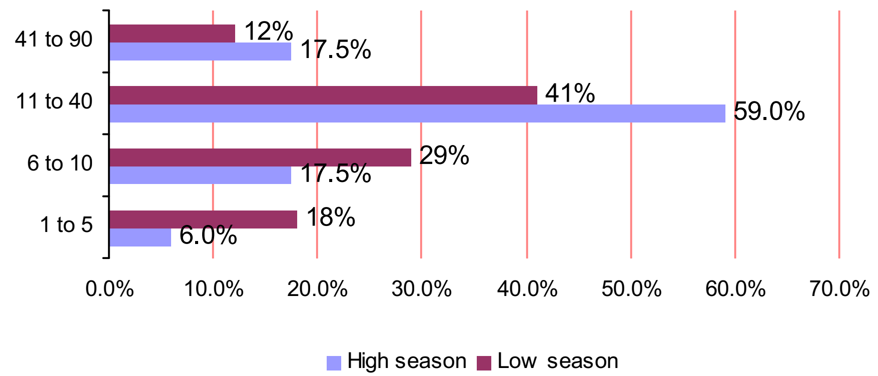
On average 56% of employees at restaurants are female and 44% male (see graph 19).

The number of employees at the participating restaurants increased with 19% from low to high season during 2009. Graph 20 shows the number of people employed per restaurant. The graph further depicts that the majority of restaurants employ between 11 and 40 people. The distribution shifts from low to high season, as indicated.

A mere 0.3% of employees working at restaurants are not living in the Overstrand.

35% of restaurants indicated an increase in employment figures from 2008 to 2009 and 41% indicated no change.

*Graph 20: Amount of employees per restaurant, high and low season 2009*

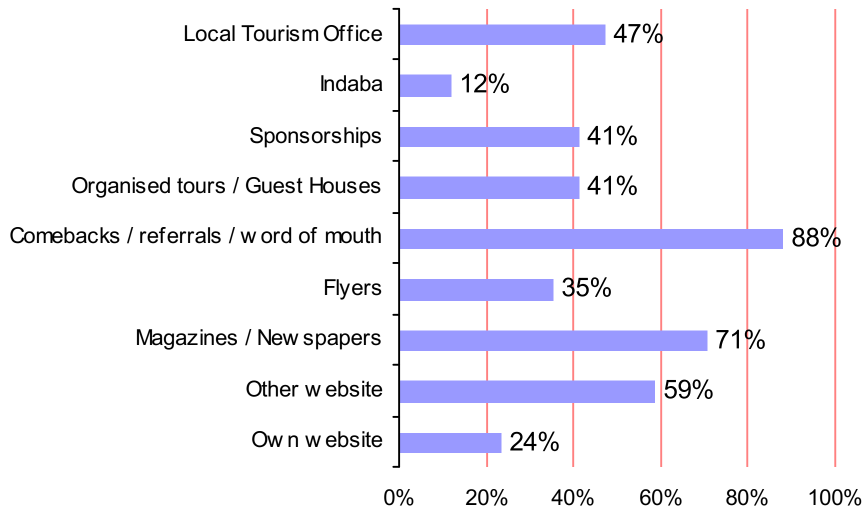


# Restaurants

## Marketing

88% of restaurants indicated that one of their most valuable sources of marketing is word of mouth or referrals. Local magazines and newspapers (such as the Hermanus Times) was a further important source, as well as websites. More extensive marketing is chosen as the most important future development for the majority of restaurants.

*Graph 21: Most preferred forms of marketing for restaurants in 2009*




# Supermarkets

## Sample size and distribution

*Table 15: Sample size and distribution for supermarkets*

| Area | Amount |
|---|---|
| Hermanus | 3 |
| Kleinmond | 1 |

*2 large supermarkets in Hermanus were interviewed and one in Kleinmond. Another smaller supermarket in Hermanus was also included. Other supermarkets in the Overstrand chose not to be included in the study although given the opportunity.*

## Supermarket economics

The average spend per transaction increased with 28% from the week to the weekend in 2009. From low to high season the average spend per transaction increased with 54%. (See table 16).

Table 17 shows that 51% more customers on average visit the supermarkets in the Overstrand on a day during high season compared to low season. During high season 20% more customers visit the supermarkets over the weekend compared to during the week. One should keep in mind that one person can also make two trips per day to the supermarket – this happens often during high season, according to the owners and managers of supermarkets.

The income of supermarkets per day is roughly 135% higher in high season compared to low season. On weekends supermarkets' income is 48% higher than during weeks. (Calculations based on table 18).

*Table 16: Average spend per transaction, 2009*

| Week/ weekend | High season | Low season |
|---|---|---|
| Week | R129.25 | R88.75 |
| Weekend | R171.75 | R106.25 |

*Table 17: Average number of transactions per supermarket per day, 2009*

| Week/ weekend | High season | Low season |
|---|---|---|
| Week | 3 500 | 2 500 |
| Weekend | 4 200 | 2 600 |

*Table 18: Average income per supermarket per day, 2009 (rounded to 1 000)*

| Week/ weekend | High season | Low season |
|---|---|---|
| Week | R452 000 | R222 000 |
| Weekend | R721 000 | R276 000 |

# Supermarkets

## Employment information

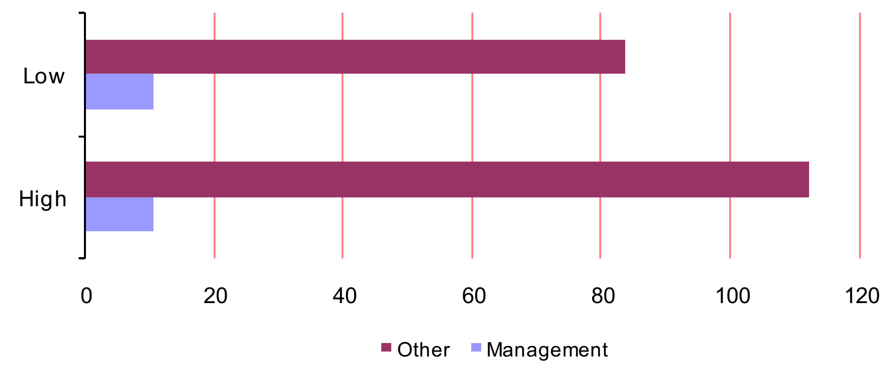
On average 59% of employees of participating supermarkets in the Overstrand are female (see graph 22).

The number of employees increased by 30% from low to high season. Graph 23 indicates that management figures did not change from low to high season, but more casuals were hired – on average about 28 people per supermarket.

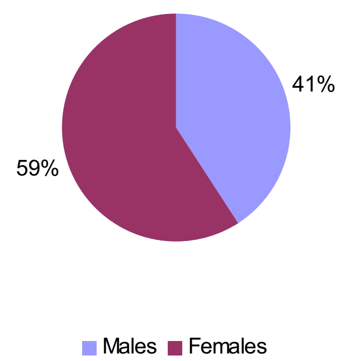
Only 0.8% of employees working at supermarkets are not residents of the Overstrand.

75% of supermarkets interviewed indicated no change significant change in employment figures from 2008 to 2009.

*Graph 23: Number of employees per supermarket, high and low season 2009*




*Graph 22: Male / female employment ratio for 2009*




## Marketing

Supermarkets are subject to brand-wide marketing and are not allowed to market locally only for the branch. The most successful forms of marketing (albeit on a brand-wide national level) are newspapers and specials / promotions.

## Future developments

All participating supermarket owners but one indicated that they are planning to open up a new store in a different location in the Overstrand. There is a definite perception that population figures and economic activity in the area is growing at a fast enough speed to justify further developments.

# Section 5

## Tourist attractions and activities



# Wine tourism

## Sample size and distribution

*Table 19: Sample size and distribution*

| Area | Amount |
|---|---|
| Hermanus, Hemel-en-Aarde Valley | 4 |

*The Hemel-en-Aarde Valley has the largest concentration of wine farms in the Overstrand and therefore justifies that the sample comes from this are. Unfortunately farms in other areas ether did not wish to participate or they did not have the appropriate information regarding their tasting facilities.*

## Visitors to the tasting room

During the weekend visitor numbers increased with 18% compared to the week. From low season to high season 71% more people visited the facilities. The tasting rooms of wine farms in the area are thus very busy over the high season and experience very quite winter months.

*Table 20: Average number of visitors to the tasting room, 2009*

| Week/ weekend | High season | Mid season | Low season |
|---|---|---|---|
| Week | 75 | 43 | 18 |
| Weekend | 81 | 50 | 28 |

## Average wine sales per person through tasting room

It is not so easy to use the average wine sales per person as a measure of the success of the tasting room as big groups may come for tastings where only one or two individuals may buy wine. One manager explained that smaller groups actually spend more money because they come specifically to buy wine. With large tour groups some individuals would buy one bottle as souvenir. Often more serious buyers would rather visit at quieter times.

*Table 21: Average wine sales per person through the tasting room, 2009*

| Week/ weekend | High season | Mid season | Low season |
|---|---|---|---|
| Week | R129 | R86 | R105 |
| Weekend | R126 | R98 | R122 |

## Restaurants

A large number of the wine farms in the area also has a restaurant on the premises. Most of the restaurants are open all day, but not in the evening. Guests often combine a wine tasting with a lunch at the restaurant.

Restaurant visitor numbers correspond to the amount of visitors to the tasting room and these numbers also increase by 70% from the low to the high season.

On average 20% more is spent per visitor to the restaurant during high season than during low season.

# Wine tourism

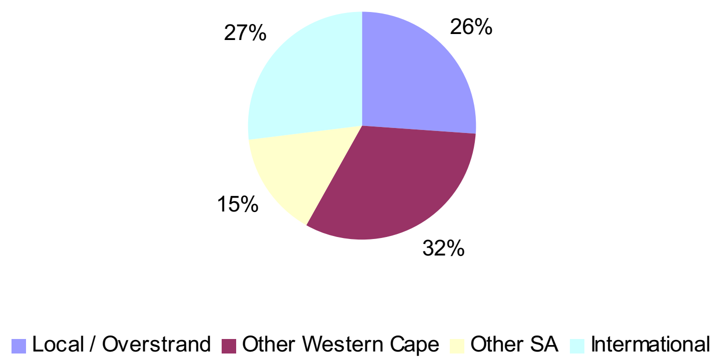
## Origin of visitors

Locals and visitors from the Western Cape are more frequent during low season (41% and 31% respectively). (See graph 26)

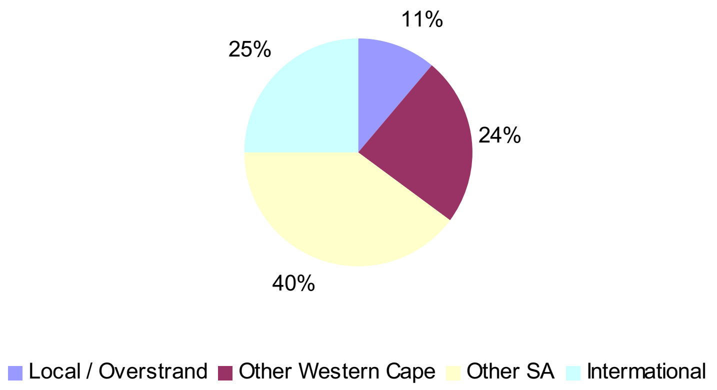
High season is characterised for the large numbers of visitors from the rest of South Africa, especially Gauteng (40%). (See graph 24)

International visitors (mostly from Europe) come throughout the year but numbers decrease slightly during the quieter winter months.

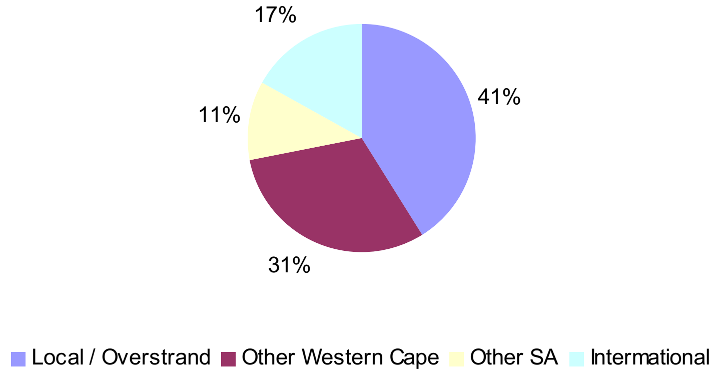
*Graph 25: Origin of guests to tasting rooms, mid season 2009*




*Graph 24: Origin of guests to tasting rooms, high season 2009*




*Graph 26: Origin of guests to tasting rooms, low season 2009*



# Wine tourism

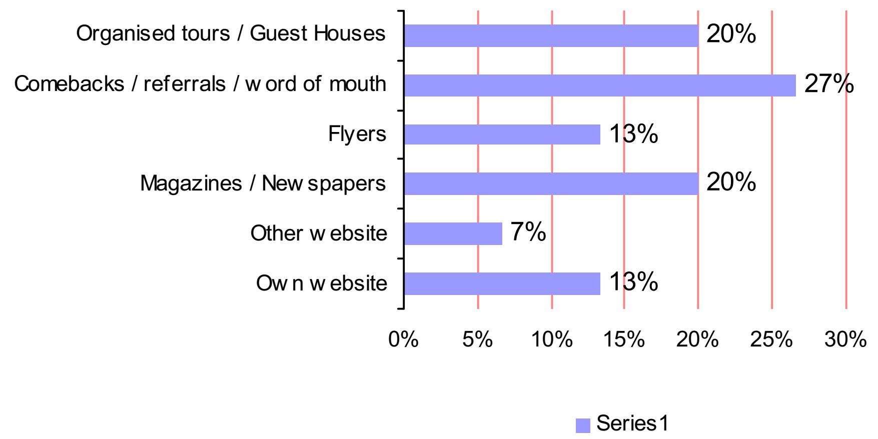
## Employment information

64% of employees at wine farms who are dealing directly with tourism (through the tasting facility or restaurant) are female.

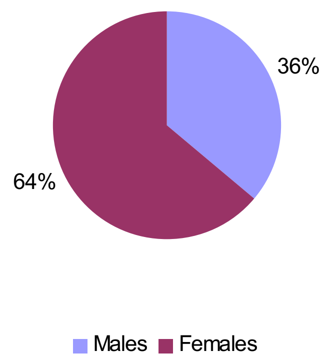
30% more people are employed over the high season compared to the rest of the year.

All wine farms indicated that their employment figures did not undergo any changes from 2008 to 2009.

*Graph 28: Most preferred form of marketing for wine farms, 2009*




*Graph 27: Male / Female ratio for employees of wines farms, 2009*




## Marketing

Word of mouth is the single most valuable source of marketing for wine farms. Second place is shared by guest houses / tour groups and magazines / newspapers. Wine farms all advertise in the local printed media such as the Hermanus Times, the Whale Talk and the Stanford Village Life.

Another form of marketing singled out by respondents was special tasting events by invitation.

# Wine tourism

***Some comments from respondents:***

*"During the winter of 2008 we had very good wine sales locally" – Stanford*

*"The bigger the group of guests who come for a tasting, the lower the wine sales per person. Tour buses who stop here never mean large sales" – Stanford*

*"A more organised approach needs to be followed for the valley as a wine route; maybe a weekend festival like the Whacky Wine Weekend in Robertson?" – Hemel-en-Aarde Valley*

*"Maybe an information counter can be run from the turn off into the valley for tourists to gather information. A shuttle can even take guests on a wine tour into the valley from that point." – Hemel-en-Aarde Valley*

*"European visitors mostly come from the UK, Germany, the Netherlands, and the Scandinavian countries" – Hemel-en-Aarde Valley*

*"It will be extremely beneficial for the whole valley if the dirt road is finally tarred right through to Caledon" – Hemel-en-Aarde Valley*

# Golfing

## Sample size and distribution

*Table 22: Sample size and distributions*

| Area | Amount |
|---|---|
| Hermanus | 1 |
| Kleinmond | 1 |

*Two large golf clubs were included in the study – one in Hermanus and one in Kleinmond.*

## Number of rounds played

During the high season of 2009 the number of rounds played on average per day per golf club is 197. This figure drops to 64 rounds per day during low season. Rounds per day increased with 10% from 2008 to 2009.

*Table 23: Number of rounds played*

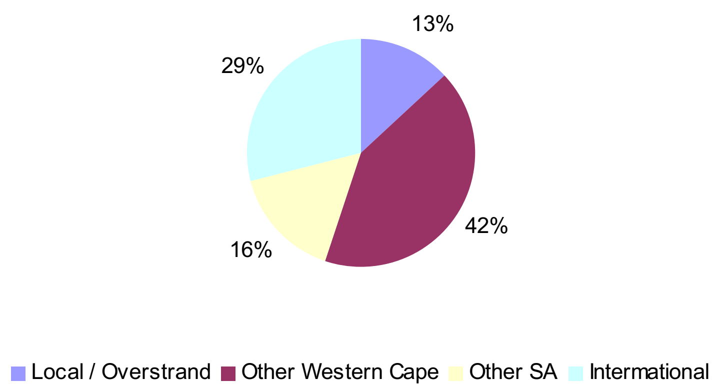
| Average rounds per day per golf club | |
|---|---|
| High season | 197 |
| Low season | 64 |

It is not possible to determine one rate per round as a number of different membership options exist. Non-membership fees range from R250 per day to R380 per day depending on the season.

## Origin of guests

The two golf clubs exhibit quite different guest patterns: the Hermanus golf club rely more heavily on local golfers and the Kleinmond golf club has a much larger group of golfers from the rest of the Western Cape. However, the consolidated figures are displayed in the graph below. According to these figures 42% of visitors are from the rest of the Western Cape and 29% are of international origin. One should take note that these figures were not based on actual statistics but on estimates provided by the managers.

*Graph 29: Origin of golfers, 2009*



# Golfing

## Employment information

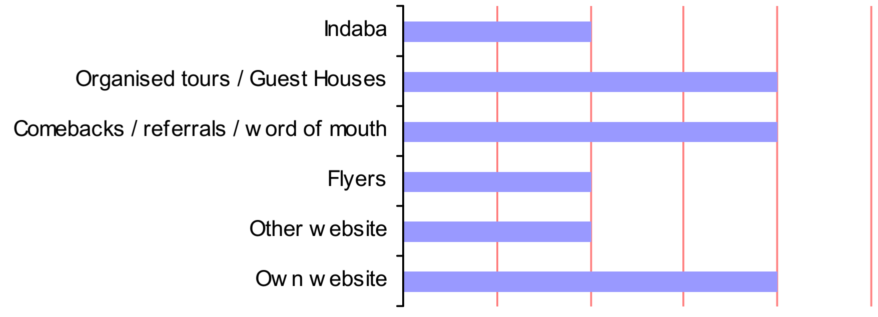
18% more people were employed during the high season of 2009 than during the low season.

Employment figures stayed the same from 2008 to 2009.

## Marketing

The most successful forms of marketing are word of mouth, relationships with local guest houses and tour agencies, as well as the golf club's own website. Further methods that they make use of are flyers, tourism indabas and other websites listing activities. (See graph 30)

*Graph 30: Most preferred forms of marketing for golf clubs, 2009*




# Boat cruises

## Sample size and distribution

*Table 24: Sample size and distribution*

| Area | Amount |
|---|---|
| Shark cage diving | 2 |
| Whale watching | 1 |

*There are a number of operators in the boat cruise industry in the Overstrand. Although all of these operators were invited to participate, only three provided us with feedback.*

## Number of guests on cruises / dives

The high season for boat cruises differ substantially from that of the rest of the tourism industry because it coincides with the whale season. During the season classified at the outset of this document as high season only 50 people are taken out on whale watching cruises per day by one operator, whereas during the time classified as mid season 150 people are taken out.

The shark cage diving operators could not provide figures for dives per day.

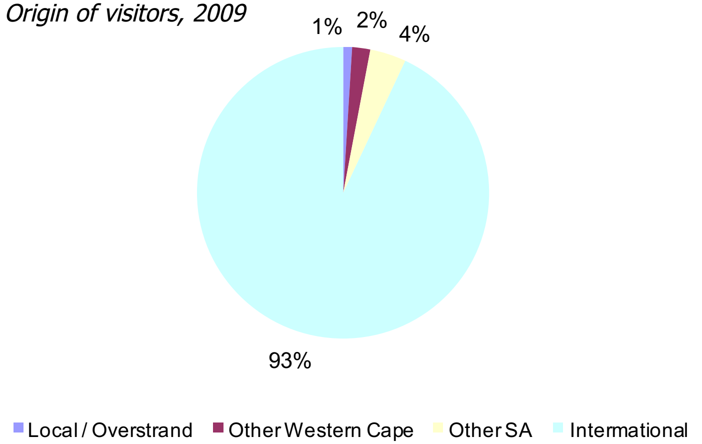
## Rate per cruise / dive

A shark cage dive will cost you R1250 per person on average and a whale cruise costs R550. Prices have increased on average with 20% from 2008 to 2009.

## Origin of guests

A very large percentage of guests on cruises and dives are of international origin (see graph 31). According to operators most of these people come from the UK, Germany and the Netherlands.

*Graph 31: Origin of visitors, 2009*



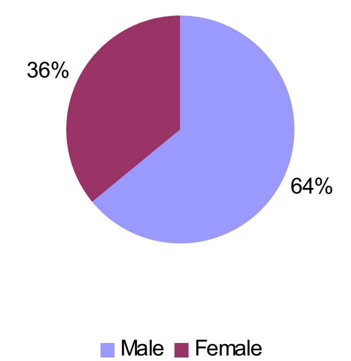
# Boat cruises

## Marketing

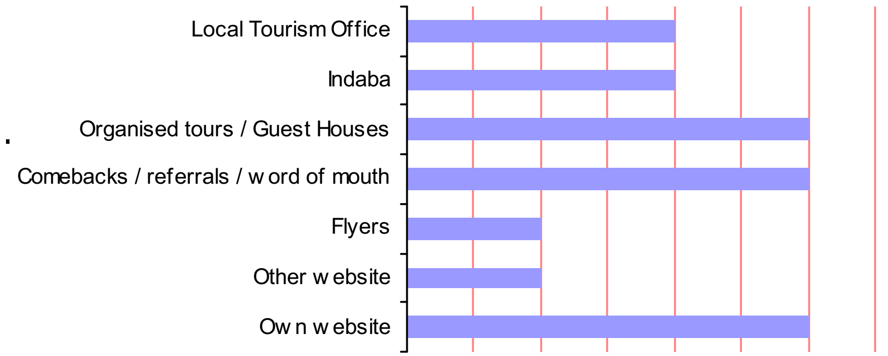
The three most successful forms of marketing for boat cruise operators are word of mouth, their own websites, as well as referrals from guest houses and tour agencies. (See graph 32)

Their marketing strategies are specifically focused on international guests and local forms of marketing such as the local newspaper and magazines are seen as ineffective.

*Graph 33: Male / female employment ratio, 2009*




*Graph 32: Most preferred sources of marketing, 2009*




## Employment information

Employee figures do not change from one season to the next. The male / female employment ratio is displayed in graph 33. 64% of employees in working for these respondents were male.

# Section 6
## Transport



# Transport

This section will look at different methods of transport to and from the Overstrand. We will discuss car rental figures, tour bus operators, petrol stations as well as traffic flow into town.

## Car rentals

There are two large car rental companies operating in Hermanus. Car rental figures for 2008 and 2009 are indicated below. Unfortunately only one agency could provide information on the number of cars dropped off, but both agencies provided the number of car rentals from the branch. The rentals for December 2008 were slightly higher than December 2009, but the rentals for August 2009 surpassed the figure for August 2008. On average, based on the figures available, rentals increased with 71% from August to December.

*Table 25: Car rentals, 2008-2009*

| Month | Car rentals | Cars dropped off (only figures available for one agency |
|---|---|---|
| August 2008 | 155<br>(37 + 118) | 74 |
| December 2008 | 264<br>(75 + 189) | 132 |
| August 2009 | 172<br>(59 + 113) | 84 |
| December 2009 | 243<br>(69 + 174) | 138 |

## Tour operators

There are a number of tour operators offering services in the Overstrand area, ranging from shuttle services (transfers) to and from the area to specific planned tours in the area. Planned tours are focused on the main activities that are available, for instance wine tours, whale watching and shark cage diving, quad biking, horse riding, bird watching and fynbos viewing. Orientation and sightseeing tours are available for an overview of the area. Favourite sightseeing trips from Hermanus include the penguin colony at Betty's Bay, the Harold Porter Botanical Garden, or even Table Mountain.

Four tour operators were interviewed. These operators together ran 79 tours and 131 transfers in December 2009. During August the figures were 30% lower and during May another 30%. May is the quietest month for these operators.

All respondents agreed that 90% of their customers over December are of international origin and 10% come from South Africa (mostly Gauteng). During the rest of the year closer to 100% of their customers are of international origin – mostly the UK, Ireland, Germany, the Netherlands and the Scandinavian countries.

The tour group sizes can vary from a intimate group of 6 that fit into a small coach to large groups of 60 to 90. One operator may not have the vehicles in his own fleet but can quickly source it from other operators.

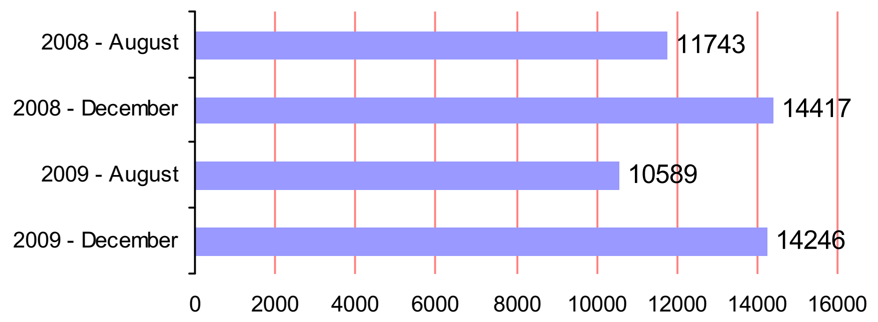
# Transport

## Fuel stations

Four large fuel stations were interviewed to determine the amount of vehicles that fill in at stations (number of transactions) over December and August respectively. One station is situated in Hermanus, two in Gansbaai and one in Kleinmond.

The graph indicates the average transactions per month per station. It is evident that there was a slight drop in the amount of transactions from 2008 to 2009 – comparing the August figures this is even more apparent.

*Graph 34: Transactions per petrol station per month, 2008-2009*




## Traffic flow

The Overstrand traffic department from time to time counts the number of vehicles that drive past a point during a certain time. These checks are not done on a regular basis but only as spot checks. Nevertheless they give an indication of traffic flow into the Overstrand area. The flow of traffic was monitored on the R43 incoming from the direction of the N2 and R44 on a number of days during December 2009. The results are displayed in table 26. The average number of vehicles that enter the Overstrand on the days counted is 653 per hour, it can thus be estimated that between 11:00 and 15:00 each day 2600 entered the area.

*Table 26: Vehicle counts on R43 incoming from N2*

| Day | Time | Amount |
|---|---|---|
| 24 Dec 09 | 11h25-12h25 | 704 |
| | 12h30-13h30 | 768 |
| 28 Dec 09 | 12h00-13h00 | 590 |
| | 13h00-14h00 | 580 |
| | 14h00-15h00 | 780 |
| 29 Dec 09 | 11h00-12h00 | 680 |
| | 12h00-13h00 | 560 |
| | 13h00-14h00 | 700 |
| | 14h00-15h00 | 620 |
| 31 Dec 09 | 11h00-12h00 | 521 |
| | 12h00-13h00 | 580 |
| | 13h00-14h00 | 709 |
| | 14h00-15h00 | 840 |

# Section 7

## General comments and closing remarks

# General comments and closing remarks

### Future areas for growth & development:

A number of general comments were made by respondents from the different tourism related business. These will be summarised briefly. Please remember that these are the views of specific respondents:

- "The communication channels amongst the role players of tourism in the Overstrand need to be strengthened."
- "Safety of tourist should be made a number one priority as this is currently a limiting factor."
- "There is insufficient parking space in Hermanus for the number of tourists who visit the town during certain times."
- "Better marketing is needed for the Overstrand as a whole" (not only Hermanus).
- "Traffic flow needs to be managed more sufficiently during peak times."
- "Traffic officers target tourists unfairly."
- "Safety on hiking trails and in public places (such as the harbour) should be prioritised."
- "Better co-operation needs to be established between the Municipality and local businesses."
- "Parking attendants should be better trained to engage with tourists and even provide basic tourism information."
- "A strategic forum for discussion of tourism related issues should be created with equal representation of all areas in the Overstrand. Peripheral towns should also be marketed."
- "All beaches and lagoons should be kept clean at all times. Public areas should be properly cleaned after festivals."
- "Specific sub committees should be formed by the Destination Marketing Organisation (DMO) for specific industries, such as restaurants, with industry role players as participants."
- "Action plans regarding road works should be better communicated."
- "The Municipality should provide more support for entrepreneurs from previously disadvantaged areas."

# General comments and closing remarks

## Response rate

Our overall response rate for this study was 50%. A number of reasons were provided for a lack of response – the most common being that potential respondents were too busy or simply chose not to participate. A large number of businesses also promised responses but never delivered after being followed up three or four times. Face-to-face, e-mail and telephone interviews were conducted, depending on the preference of the respondent and the practicality of the situation. The most time consuming part of the study was the following up of responses/non-responsiveness.

## Future benchmarking studies

It is recommended that the barometer must be conducted each year during February, at the end of the high season. This will enable respondents to 1) have sufficient time to commit to an activity such as an interview and 2) be able to comment on high season figures that are still fresh in their minds. The barometer can again be structured around a comparison of high and low season, as well as year on year data.

It is recommended that the same group must be interviewed in the future again, as these individuals are already aware of the project and the chances are good that they will agree to take part in future years. It is also recommended that the sample group should be extended as far as possible as a larger sample group will only strengthen the integrity of the data.

## A word of gratitude to the participants

We want to express our sincere gratitude to the participants of this study for putting in the time and effort to contribute with their statistics and views. Without these inputs it would not have been possible to conduct this first baseline assessment. As inputs were provided on an anonymous basis we will not be publishing a list of the participant names, but nevertheless acknowledge them here.

# Appendix 1
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