

Strategic planning – implications for the bidding of sport events in South Africa

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Introduction

This article will argue that a coordinated bid for the hosting of major international sport events would be more beneficial to the development of a sustainable sport tourism industry in South Africa as opposed to individual bids by cities in South Africa. It is further argued that strategic planning can assist key stakeholders in deciding which cities should bid for particular events as part of an overall strategy to develop the sport tourism segment in South Africa. Firstly, the status of tourism and sport in South Africa, the relationship between sport and tourism, hallmark events and independent bids by cities and competition among bid cities will be briefly described. Secondly, the need for strategic planning to develop a sustainable sport tourism industry and strategic planning for hallmark events will be reviewed. Finally, current tourism and sport policies in South Africa will be reviewed in relation to its affect on sport tourism and a strategic plan for the bidding of international events in South Africa will be outlined.

Status of Tourism and Sport in South Africa

The tourism and sport industries in South Africa have not reached their potential in terms of generating economic development, largely due to the regime's apartheid policy. Tourism suffered a major setback during the 1970's and 80's as a result of this policy. Conditions began to stabilize after this period and advances on the political front was coupled with an increase in foreign tourism. The first democratic elections in 1994 had a dramatic effect on overseas tourism. It is not surprising that the World Tourism Organization (Caras, 1995) considers South Africa to be one of the most promising tourism destinations on the African continent. However, there are many challenges facing the South African tourism industry to sustain this growth in the future. The Government of National Unity recognizes the importance of tourism as a major catalyst for development and job creation, and a growing generator of foreign exchange. To this end a new national tourism policy, White Paper – the Development and Promotion of Tourism in South

Africa, was formulated in 1996. Moreover, sport tourism has a strategic role to play in achieving the aims of the Reconstruction and Development program which aims to uplift South African society economically. However, little research has been conducted in this area (SATOOR, personal communication, 10 July, 1997). The Minister of Environmental Affairs and Tourism (personal communication, 18 January, 1998) corroborates the importance of studies in sport tourism "since there is no doubt that this market segment hold tremendous growth potential for our country". The White Paper on Tourism (1996) concludes that if tourism contributed 10% to the GDP (Gross Domestic Product) of South Africa, as it does in the USA, the industry would generate some R40 billion (\$US 8 billion) annually and create two million jobs.

Just as the tourism industry has been profoundly shaped by its past so too has sport and recreation in South Africa. With regard to sport, apartheid created inequalities in terms of opportunity, participation and access to facilities. As a result of the effect of apartheid policies on sport, South Africa was almost completely isolated from international sport by 1970. The legacies of apartheid has left a sport structure that was completely biased in favor of "Whites". For sport in South Africa to make the successful transition into a post-apartheid era, there was a need to unify the sport structures and formulate a new national policy (Roberts, 1992). In 1994, the Minister of Sport and Recreation unveiled an ambitious five year plan aimed at redressing imbalances in sport. The International Olympic Committee (IOC) recognized the National Olympic Committee of South Africa (NOCSA) as the country's sole Olympic controlling body in 1994. The National Sport Council (NSC) has established itself as the country's major umbrella sport organization. To promote better liaison between government (Department of Sport and Recreation [DSR]) and the sport fraternity, the National Sport Forum was established in 1994.

Despite South Africa's isolation from international sport, sport has pervaded the lives of many South Africans. Boshoff (1997) corroborates this view by selecting the example of 1995 Rugby World Cup. He remarks that no one would have thought that South Africans, "Black" and "White", would give such frenzied support to a team consisting of only "White" players. This example attests to the potential impact that sport might have in a society divided by decades of apartheid. Since South Africa's re-admission to international sport it has hosted a number of higher profile sport events such as the African Nations Cup of Soccer (1996), World Cross Country Championships (1996) and World Cup of Golf (1997). Upcoming events that South Africa will be hosting include the All Africa Games (1999) and World Cup Cricket (2002). Despite the continual involvement by South Africa in these events there has been a dearth of research in the area of sport event marketing/sport tourism. It is contended that this scenario exists as there is lack of knowledge within the domain of sport tourism in South Africa.

Relationship between Sport and Tourism

Glyptis (1991) asserts that sport and tourism tend to be viewed by as separate spheres of activity yet they are inextricably linked. Sport can be depicted as an attraction category within the broader tourism industry. Other attraction categories include cultural, environmental and social. Delpy (1996) asserts that sport tourism is one of the fastest growing segments of the tourism industry. Kurtzman and

Zauhar (1997) note the term “sport tourism” has been coined to better understand the use of sport as a touristic endeavor. They further add that sport tourism activities can be categorized into five unique areas viz. resorts, cruises, attraction, tours and events. This essay will focus on sport events as a category of sport tourism.

Hallmark or Mega-Events

Hall (1992) describes hallmark events, or mega events, as occurrences which may include major festivals, cultural and sporting events. He adds that hallmark sport events readily encourage other attractions that seek to capitalize on the increased tourist volume created for the sport. International sport competitions have generated a continuously increasing world tourism market and sport participation and attendance has become a global phenomenon (Hall, 1996). Major regional, national and international competitions are included in this category (Kurtzman and Zauhar, 1997). Ashworth and Goodall (1988) contend that nations and cities utilize hallmark events to render a favorable image in the international tourism and business marketplace.

Independent Bids by Cities

Hall (1996) asserts that cities are becoming increasingly competitive in their attempt to attract investment and create employment opportunities in the global economy. He adds that bidding to host events is a widely applied competitive strategy by a city to position itself as a ‘world class city’. In order to illustrate this point, a number of examples of cities who have bid for major sport events are cited. The hosting of the World Student Games (WSG) in Sheffield, England (1991) catalyzed the transformation of Sheffield from an “industrial” to a modern city (Bramwell, 1997). Similarly, Manchester, England put forward its bid for the 2000 Olympics in order to redevelop the ailing city. Although the bid was not successful it heightened worldwide perceptions of the city. Consequently, it has been put forward as the English nomination to host the Commonwealth Games in 2002 (McLeman, 1994). Barcelona, Spain completed 30 years of development and reconstruction in five years after the city had won the rights to host the Olympic Games in 1992 (McLeman, 1994). French and Disher (1997) report that the benefits the City of Atlanta received as a result of hosting the Centennial Olympic Games in 1996 include the legacy of sport facilities built for the event; short-term economic stimulus from new construction before the event and visitor spending after the event and a highly visible marketing opportunity to promote tourism and recruit business.

Apart from the gains in infrastructure and investments, the city receives much television coverage during the duration of the competition itself. Farrell (1994) estimated that more than 31 billion people would watch the World Cup of Soccer in the USA and between 190–195 countries will broadcast all or part of the event. In addition, it was estimated that TV audience for the 1997 World Cup of Golf was about 250 million and the combine audience for the 1997 BT Global Challenge Yacht Race and the 1998 South African Golf Championships drew a combined audience of about 300 million viewers (SAST, 1998). Thus the primary functions of mega-events for a city/region are to focus the world’s attention for a short period, to present itself as an attractive vacation destination and to

improve its touristic image in general. (Ahmed et. al., 1996). Furthermore, by hosting a successful event, the city capitalizes on this success by transferring it to another sphere such as the ability of a city to host investment (McLeman, 1994).

Competition Among Cities to Bid for Events

Hall (1996) points out that competition among cities to host events are intense. Sydney and Melbourne waged a fierce battle for rights to be the Australia bid city for the Olympic Games. Similarly, there was fierce rivalry among South African cities to win the right to bid for the 2004 Olympic Games. Cape Town, Durban and Johannesburg, competed in a national bid to establish which city would go forward as South Africa's candidate city. Cape Town joined ten other international cities in the competition for host city status for the 2004 Olympic Games. In the USA about 150 sport commissions have been established to attract major sport events to a city (Terrazas, 1995). Delpy (1996) adds that as the number of commissions continue to grow and cities become more aware of the benefits of hosting sport events, the competition to bid for events will increase. Likewise Crockett (1997) concludes sport is becoming a very competitive industry, particularly regarding events. He suggests that there is a need to be more adept about the bidding process not only because of heightened competition for international events but as there are also a relatively limited stock of them.

Strategic Planning for Hallmark/Mega-Events

Research studies of hallmark events as components of tourist destination planning emphasize the need for effective strategic planning (Bramwell, 1997). Hall (1989) contends strategic planning is essential for both the short-term success of the event as well as the long-term benefits which can accrue to the community. Furthermore Getz (1989) adds that the failure or the lack of planning is evidenced in the 'white elephants' which are left after the event has been completed.

Three theoretical perspectives of strategic planning will be outlined; viz. the classical, the processual and the systemic perspectives. The classical perspective on strategic planning requires a formal process of explicit analysis and decision-making based on working through a number of steps to develop and then implement a plan (Bramwell, 1997). These steps include aims and objectives, policy and plan formulation, and implementation, monitoring and evaluation (Bramwell, 1997). This perspective regards strategic planning as a 'detached' and 'rational' process. However, Bramwell (1997) asserts strategy can also evolve as people learn and circumstances change. The processual approach to strategic planning therefore views strategy as emerging from a continuous processes of learning, accident, politics and compromises as opposed to a strategy being developed from the outset (Bramwell, 1997). The systemic perspective views strategic planning as rooted in society's social, economic and political structures (Bramwell, 1997). He concludes that the context therefore shapes the interest and outcome of the strategy and both tourism planning and event planning literature increasingly emphasize these external factors. South Africa's sport tourism industry can benefit from both the classical perspective which emphasizes a plan from the outset as well as the processual approach which gives more prominence to the evolution of

strategy. Furthermore, strategic planning for the bidding of events cannot be isolated from the socio-political context of South African society.

Tourism and Sport Policies in South Africa

Presently, in South Africa, sport and tourism policy, planning and resource allocation are vested in separate agencies. In order to reform the government's restructuring of tourism, the Tourism White Paper (1996) suggests that the role of the national tourism agency, SATOUR (South African Tourism Board) be reviewed. SATOUR's principle function is tourist marketing and promotion. They suggest SATOUR be replaced by the South African Tourism Organization which will be responsible for almost every aspect of tourism development. Specialist committees who will report to the board members could include product development, marketing and education and training, amongst others. The national organization will play a strong coordinating role with the nine provinces and the presence of all the provinces on the board will ensure that the organization incorporates provincial aspirations in a coordinated national strategy.

In terms of sport policy regarding the bidding of international events, there is no formal policy. The bidding process for major international events start with the national body for that particular sport. In order for there to be some coordination, it was decided about three years ago, that the DSR, NSC and NOCSA (key stakeholders of the National Sport Forum) should be centrally involved in this process because of the financial and credibility implications for the country. However, there is no strict adherence to this arrangement. The City of Durban, for instance, still receive requests from national sport federations for the city to assist in securing international events. Since there is little coordination between the tourism and sport sectors, it is the author's view that it is the role of National Government in conjunction with a National Tourism Organization to develop an integrated national sport tourism plan in collaboration with relevant stakeholders. Presently, the development of a strategic sport tourism plan is in its initial stages as it is largely a promotional campaign.

South Africa Sports Tourism (SAST) Campaign

The Ministry of Environmental Affairs and Tourism, in association with the Ministry of Sport and Recreation, launched "South Africa Sports Tourism" in October 1997. It is an international promotion theme designed to attract foreign visitors to the country and enhance the national image abroad (Mokaba, 1997). It is a government-led, private sector driven and community based partnership designed to promote sport travel to South Africa. Although progress has been made in implementing SAST themes, the campaign faces a number of obstacles such as a lack of government financial support, lack of communication between tourism and sport industries and a lack of forward planning and communication by tourism bodies (SAST, 1998). For sport tourism to be a viable and sustainable industry for social and economic development, the SAST initiative needs to be more than a promotional campaign. A strategic plan, together with key actions and policies, is necessary to ensure a sustainable sport tourism industry. However, it requires all levels of government to develop policies for sport and

tourism which should be translated into strategic plans with targets for achievement and ways of meeting them (Glyptis, 1991).

As bidding for international sport events is but one aspect of sport tourism, it is further argued that the development of a strategic plan for the bidding of events should be part of an overall strategy for the development of a competitive sport tourism industry in South Africa. However, it is beyond the scope of this essay to review the overall strategy. In developing an overall sports event strategy, South Africa gears itself towards hosting major sport events. Success in bidding and hosting these events contribute to the development of a sustainable tourism industry as it reduces seasonality. Moreover, a successful track record for hosting sport events, in all probability, makes it easier for cities to secure subsequent events. Sport events can further attract tourism to regions which have not traditionally attracted geographical tourism (SAST, 1998).

Some may argue that each city should bid for international events independently of each other. A number of bid proposals are being considered by South Africa such as 1999 Formula One (F-1) Grand Prix, 2006 Soccer World Cup and 2008 Olympic Games. Thus bid proposals are being made independently and there is not much coordination. It is the author's contention that it would be more effective for cities to develop their plans cooperatively in order to develop a sustainable sport tourism industry in South Africa. It is noted that a collective plan will maximize the efficient use of resources. It is therefore proposed that bids for the All Africa Games, Commonwealth Games, Olympic Games and F-1 Grand Prix should be strategically planned for a particular city depending on a number of key factors which, once considered, will identify the best city for a particular Games as well as the best Games for a particular city. Moreover, a coordinated national framework for the bidding of events can assist the national and provincial tourism organization in internationally marketing sport tourism as a strong product line.

How the National Tourism Organization can Work with the Sport Forum to Strategically Plan for Bidding of International Events

The product development sub-committee is responsible for the development of products that offer good potential for development such as sport tourism, ecotourism and cultural tourism. The Sports Forum is responsible for liaising with national sport federations in terms of coordinating bids for international events. Once bids have been submitted by the national sport federations to the Sport Forum, collaboration between the product development sub-committee and the Sports Forum may well lead to many advantages that follow from a strategic approach to tourism planning. For the sake of identifying this organization it will be referred to as the 'Sport Tourism Product Development Committee' (STPDC). Following a classical perspective of strategic planning, the STPDC will take into consideration the following components.

The Mission Statement

Davis (1994) defines a mission statement as a broad, visionary focus which explains what the organization wants to accomplish. Hence the mission statement for STPDC can be described as follows: "to encourage the development of sport

tourism by providing a co-ordinating framework to evaluate and determine which bids will be most beneficial to the community in the long-term”.

Organizational Objectives

Lawrence and Osborne (1981) define organizational objectives as more detailed statements derived from the mission statement. The organizational objectives of STPDC will include the following:

1. To ascertain to what extent would the various bids prompt favorable media interest, promote positive images of the city, and be a symbol of the city’s regeneration/development.
2. To ascertain to what extent would the facilities built for a particular Games or event be used for subsequent events to attract tourists, develop a stronger tourism industry and enhance the city’s image in consequent years.
3. To ascertain to what extent would the new sport and other facilities required for a particular Games be seen as a legacy for the long-term use and benefit for the particular community.

The STPDC will be responsible for reviewing bids during a given period. For example, all bids for Games to be held between 2000 and 2010 should be strategically planned before endorsed by the STPDC. The role of STPDC will be to determine the extent to which the bids submitted meet these objectives. The objectives therefore provide a standardized framework for bid submission. Furthermore knowing why one is bidding for an event by having objectives assists in determining the lists of events one should bid for.

Review External Factors

As bidding for an event does not exist in isolation, evaluating external factors is a primary step in strategic planning. A variety of key political, social and economic factors have to be considered when devising a strategic plan (Lumpkin, 1997). Furthermore Bramwell (1997) contends that effective strategic planning must be sensitive to the social and political context of the event. For example, cities such as Durban and Johannesburg are actively pursuing the use of sport events as part of their cities’ business development plans. However, other cities can benefit from this approach and need to be made aware of the benefits of strategically linking sport and tourism. A key factor which has to be examined by STPDC is the extent to which local residents are involved in consultation and decision-making processes. Lankford and Associates (1997) report that local residents may be more supportive of tourism development efforts if tourism promoters and government planners work together with local residents.

Review Internal Resources

An analysis and review of internal resources further needs to be conducted to take inventory of the bids’ strengths and weaknesses. An effective analytical tool to

implement this step is “SWOT” analysis (Bridges and Roquemore, 1992). Lumpkin (1997) explains that planners identify strengths (S) and weaknesses (W), as well as look at external opportunities (O) and threats (T). Bridges and Roquemore (1992) conclude that this will lead to isolating significant strengths or competitive advantages that can be used most effectively in formulating future strategy. On the basis of the SWOT analysis STPDC can ascertain which events will be most effective in meeting the aims of benefiting the community by providing a catalyst for economic and social regeneration. In analyzing the strengths and weaknesses of the bid, the opportunities presented by the bid and the possible threats to the bid, factors which need to be considered include the following:

1. Research and assess the cost and benefits of the Games to the region and to South Africa.
2. The projected economic and social impacts of the Games investment.
3. Feasibility studies to assess the potential demand for facilities required by the Games.
4. Linkage of facility development with sport development.
5. Participatory planning processes which include the residents in a particular locality.
6. Location of the event; depending on the criteria of national and international sport bodies
7. Unique/special events or recurring events
8. Security and crime issues within regions (risk management)
9. Actual economic and social impacts after the Games should further be considered. A long-term perspective is required since Games investments can continue to bring significant benefits long after the Games have been held (Bramwell, 1997).

Once all the above-mentioned factors have been reviewed and one is satisfied that the bids will meet the objectives of STPDC, these bids can be endorsed and monitored by STPDC. Thus the various bids by cities can be viewed as alternative strategies by STPDC. The strategy that is finally accepted should be one that meets the degree of risk that the organization deems acceptable (Bridges and Roquemore, 1992).

Once a strategy is selected, plans are developed to provide direction to the organization (Bridges and Roquemore, 1992). Plans consists of programs, policies and procedures. Formal strategy documents bring together and formalize approaches and practices which have evolved among event organizers and tourism bodies (Bramwell, 1997). SPTDC will review the plans and programs related to the bid strategy. The strategic plan for the bid should further be developed in the context of a strategic plan for the cities’ wider economic development. However, these areas remain fairly fragmented. Weed and Bull (1997) report that an increasing amount of sport tourism activity is not matched by significant liaison amongst the agencies responsible for sport and tourism. Thus the STPDC in its review of bidding strategies can contribute towards the creation of an integrated framework for sport and tourism. Furthermore it encourages local and regional sport tourism bodies to work closely together as a thorough planning process is required.

The final step in the strategic planning process is the implementation and control of the strategy (Bridges and Roquemore, 1992). They describe control as the function of measuring actual performance against the expected results or the desired

results. Evaluation is a critical part of control. The strategy should be evaluated to ascertain whether the strategy is being implemented as designed (Bridges and Roquemore, 1992). STPDC will play a critical role in evaluating the merits of bidding for events as an urban regeneration/development strategy. A substantial and continuing program of research and monitoring is required in order to assess the effectiveness of the tourism and city development strategies around the Games investment (Bramwell, 1997).

Conclusions

For genuine collaboration to succeed between the sport and tourism industries in South Africa, it requires a shared understanding of objectives and clear and regular communication. The establishment of the STPDC provides a mechanism through which liaison between all the relevant stakeholders may take place. It indicates the potential role government, sport and tourism bodies have in integrating the development and practice of sport tourism. Sport tourism will no longer be considered an adhoc activity as the STPDC provides a way of ensuring a more continual view of problems and opportunities regarding the bidding for international sport events. Decision-making concerning which bids present the greatest opportunity for socio-economic development in South Africa can benefit from the formal strategic process. It further provides a plan for integrating Games investment with tourism and city development. A coordinated bid by various cities therefore contributes to sustainable tourism industry for South Africa as a whole. A strategic plan can assist South Africa in becoming a center for staging major international events. The establishment of the STPDC is the first step toward ensuring the development of an integrated national sport tourism plan. This essay was limited to the bidding of international sport events, however there is a need for National Government to take the lead role in strategically planning for all categories of sport tourism.

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