Market Analysis

Travel industry is an upward growth industry. There are several reasons for this increase. First, a relative healthy domestic economy over the last several years and the devaluation of currency in other regions has made travel less expensive for Canada residents. Pleasure travel has increased by 3.2% in 1999 and is predicted to grow 2.0% in 2000. Second, the healthy economy has increased business.The current drive and emphasis by the government on diversification of the industrial base away from the minerals sector presents an opportunity for Travel tour experts Tours to make a valuable contribution towards achieving this goal. Having undertaken a thorough and comprehensive research of the market we realized that there was a need for a tourist transport company that focuses on providing leisure excursions to tourists. Though there are mobile operators currently on the market, some of whom have been in existence for a relatively long period of time, we believe that there is a market need for one that specializes on providing comfortable and enjoyable transport to tourists and visitors. This, also considering the fact that, potentially Botswana's richest natural resource, the tourism industry is becoming an increasingly important player in the economy and may in the long term prove even more valuable than mineral resources in earning foreign exchange.

Aware of the fact that operating in such a market is largely dependent on good networking, we intend to establish networks and strategic relationships with various hotels, lodges and travel agents to ensure a steady stream of clients. However in so doing we intend to ensure that the service we provide is of extremely high quality and comfortable. Our initial overall target market share shall be 10% of the market, mainly focusing on the greater Gaborone area and southern Botswana.

We appreciate that entering such a market is not a 'bed of roses' and will require us establishing strong links with strategic partners as outlined previously. Hence we intend to implement an aggressive marketing strategy, well supported by the other business functions. The above prognosis influenced our decision to enter the tourist transport industry.

**4.1 Market Segmentation**

We will be focusing on those foreign tourists seeking leisure travel and excursions whilst on vacation in Botswana, with the intention of letting them see and appreciate the numerous attractions in our country. Though we realize that the majority of our tourists come from South Africa we shall be mainly targeting those from Europe and the Americas who often do not have transport or adequate knowledge about the country, unlike their South African counterparts who often do. Hence we shall be mainly targeting those who are not that mobile but wanting to see as many sites as possible. These people often do not want to waste their money on hiring vehicles to move about by themselves, but instead want to be escorted around places of interest by a reliable source. Hence the need to professionally market ourselves and the services we provide, offering a service of uncompromised nature.

**Target Market Segment Strategy**

Our marketing strategy will be based mainly on making the right service(s) available to the right target customer. We will ensure that our services' prices take into consideration organizations' and peoples' budgets, and that these people know that we exist, appreciate the value of our services, and how to contact us. The marketing will convey the sense of quality in every picture, every promotion, and every publication. Our intension will be to target those individuals and groups looking for leisure activities and places to visit. We realize the need to focus our marketing message and our service offerings. We need to develop our message, communicate it, and make good on it. The decision to establish strategic alliances with several hotels, lodges and travel agencies is aimed at tapping our target market effectively and efficiently.

**Market Needs**

Though the tourism sector has undergone rapid growth over the last decade the vast majority entering this sector have rushed to the North where we have the Okavango Delta, Chobe National Park, and other sites as attraction points. Very few have focused on south and central Botswana. With this in mind we intend to exploit the untapped market in this area so as to provide our customers with a good service and realize our business objectives.

We understand that our target markets need more than just being shown the areas of interest but also to be informed about their significance and origins. Hence we don't just intend to provide a service(s), but to provide one of unparalleled nature relative to the market.

**Business Analysis**

Potentially Botswana's richest natural resource, the tourism industry is becoming an increasingly important player in the economy and may in the long term prove even more valuable than mineral resources in earning foreign exchange. With this in mind Sephats Tours intends to play a contributing role towards development of the tourism industry through provision of an impeccable mobile service facility primarily directed at tourists.

**Competition and Buying Patterns**

The key element in service utilization decisions made at the company's client level is trust in the reputation and reliability of the firm. The most important factor in this market will be the quality of the service and places of excursion. This is particularly so considering the various interests of individuals and groups as they strive to see as many places as possible. The very nature of our services dictates that the pricing of our services will vary according to distance traveled, as different customers opt to visit different areas and within specified time frames.

In our line of business, clients often compare travel companies directly, looking for two, or more, possible companies. However, they usually follow word of mouth recommendations obtained from hotels, travel agencies, government departments, car hire companies and other such related companies.

**4.3.3 Main Competitors**

We have identified competing companies, some firmly established, that fill the same needs as Sephats Tours. We intend to market ourselves in such a way that with time competitor customers will choose our service over competitors' on the basis of our higher quality and informative excursions. A more thorough outline of our main competitors including their strengths and weaknesses follows:

1. **XXX:** Located on the first floor of the G Hotel, Gear Adventures specializes in tailor-made safaris throughout Botswana and her neighboring countries. Gear Adventures offers Mobile Wilderness Safaris, Weekend Adventures, One-day explorations and safari operators. Of particular concern to us are the day tours around Gaborone that it offers to G Hotel guests. Research indicated that Gear Adventures is the only operator that offers day trips in and around Gaborone. Several of its services include: [details omitted].

1. **YYY:** Arguably one of the most reputable companies in our intended line of business. It has a fleet of nineteen buses comprising two semi-luxury B7 Volvo train-buses, six semi-luxury B7 Volvo, five M/Benz, four Nissan and two DAF buses. All the Volvo buses have radio facilities, and one of the train-buses has toilet facilities. With close to twenty years of experience Mr. K supported by his wife, Mrs. K, are achieving most of what they envisioned when they started their business-to provide a nation-wide road transport service renowned for its efficiency and reliability. The recent launch of a new imported South American double-decker luxury bus serves as testimony of their continued dedication towards providing a good service to their clients.

1. **ZZZ:** Similar to YYY, Z is well respected in the market with a large fleet of buses. As well as providing daily transport to Selebi Phikwe and several towns it also provides local and international trips by hire. However they lack the marketing edge and foreign tourist focus we intend to have.

Upon closer analysis of the above competitors it may be observed that the majority of these are offering safari excursions, and this represents an opportunity to be realized by us. According to the Central Statistics Office there are approximately 81 travel agents, tour operators and safari operators in Botswana at present, the majority of which have a South African background either in directorship or actual origin.