

SELWYN GRIMSLEY
TOURVEST DUTY FREE

PETER MOHN
M1NDSET



THE MIDDLE EAST
DUTY FREE CONFERENCE
CAIRO 28-29 NOVEMBER 2010

MANAGED BY
BY THE TRADE FOR THE TRADE **TFWA**
www.tfw.com



The 2010 World Cup Legacy

**Selwyn Grimsley
CEO Tourvest Duty Free**

“It always seems impossible until it is done”



Former President
South Africa,
Nelson Mandela

“This world cup is not just hosted by SA, we are hosting it on behalf of a continent... the 1st of January 2010 marks the most important year in our country since 1994, it must be the year in which we work together to make the Soccer World Cup the biggest turning point in the marketing of our country.”



Current President
South Africa,
Jacob Zuma

“What’s in it for me?”



So what is there worth shouting about?





**373,000 foreigners
visited South Africa**

**3.03 million
tickets were sold**





1.2 billion US dollars spent



415,000 annual jobs created

**US\$4.18 bn spent
on construction**



An aerial photograph of a city skyline, likely Johannesburg, South Africa. The foreground features a large stadium with a red roof and a green field. The middle ground is filled with a dense urban landscape of various buildings. The background shows a clear blue sky and distant hills. The text is overlaid on the lower half of the image.

**Total spend in the SA
economy R93 billion**



**The beer market grew by 12.3%
(20 million more beers sold than normal)**

**800 000 vuvuzelas
sold in SA**



A waiter in a white shirt and blue vest is smiling and pouring orange juice from a large pitcher into glasses on a table. In the background, another waiter in a green and white striped shirt is seated at a table. The setting is a restaurant with warm lighting and a chandelier.

**20 million
meals
served to
visitors**



**40,000 prostitutes headed
for South Africa**



**and the French
went home early!**



**That is worth
shouting about**

World Cup Schedule

Opening ceremony:

June 10

Last 16:

26 June

Quarter finals:

2 July

Semi finals:

6 July

Final :

11 July



Massive exposure



CNET reported that the World Cup's first day on Friday 11 June 2010 fueled a new record for Internet traffic, with news sites reaching over 12 million visitors per minute by midday.



The previous record of 8.5 million visitors per minute was set when Barack Obama was elected president in 2008.



**Effect on local
travel retail :
OR Tambo
International**

**1,200,000
departures**



from the new, state of the art, OR Tambo International Airport



**Total sales \$37 million
(SPH \$51)**

OUT OF AFRICA



Effect on Travel Retail Sales

SALES (ZAR)

YTD Sept

June, July

June, July vs.
Rest of period

2010

1.0 bn

278 mil

+31%

2009

0.98bn

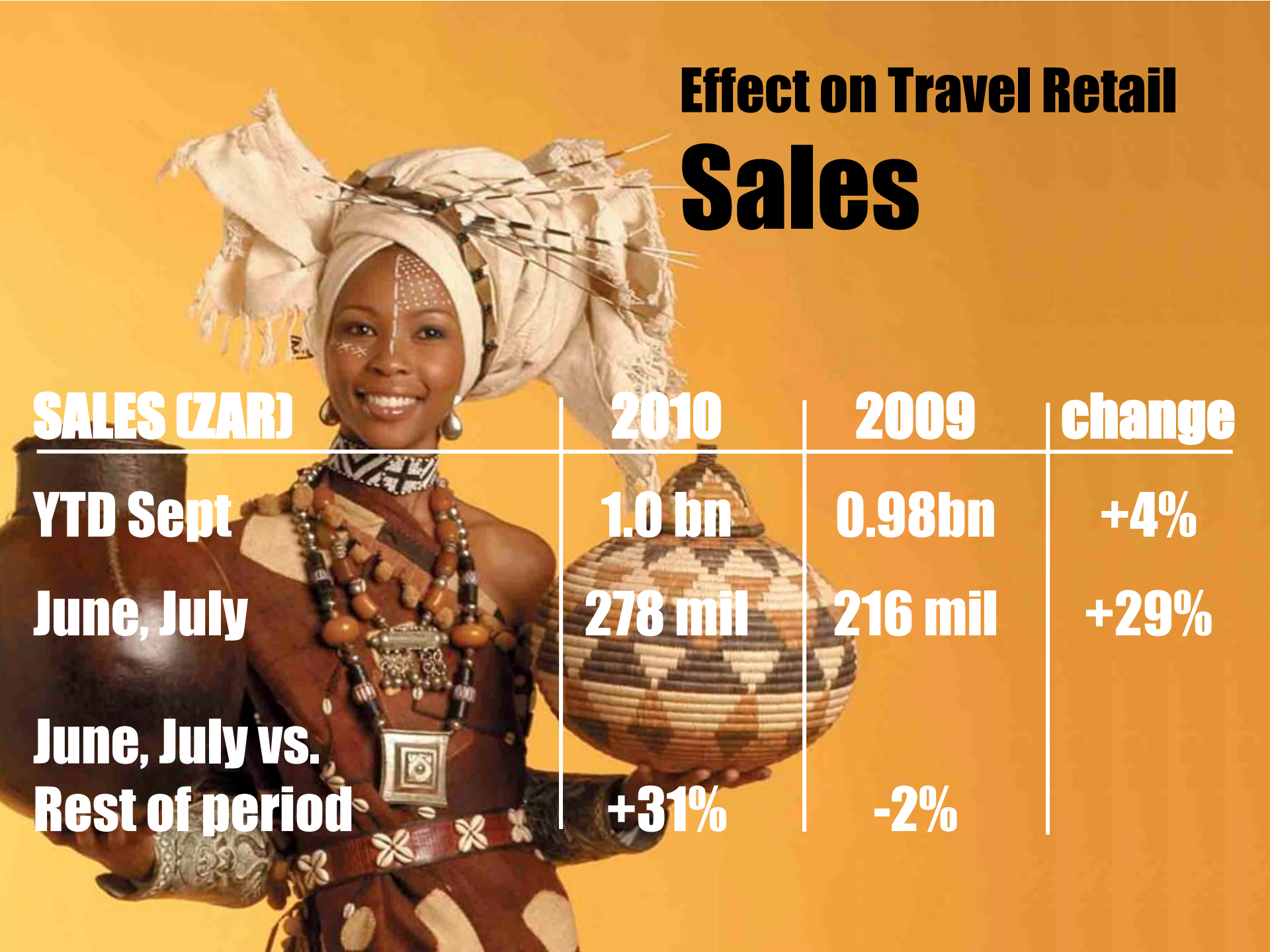
216 mil

-2%

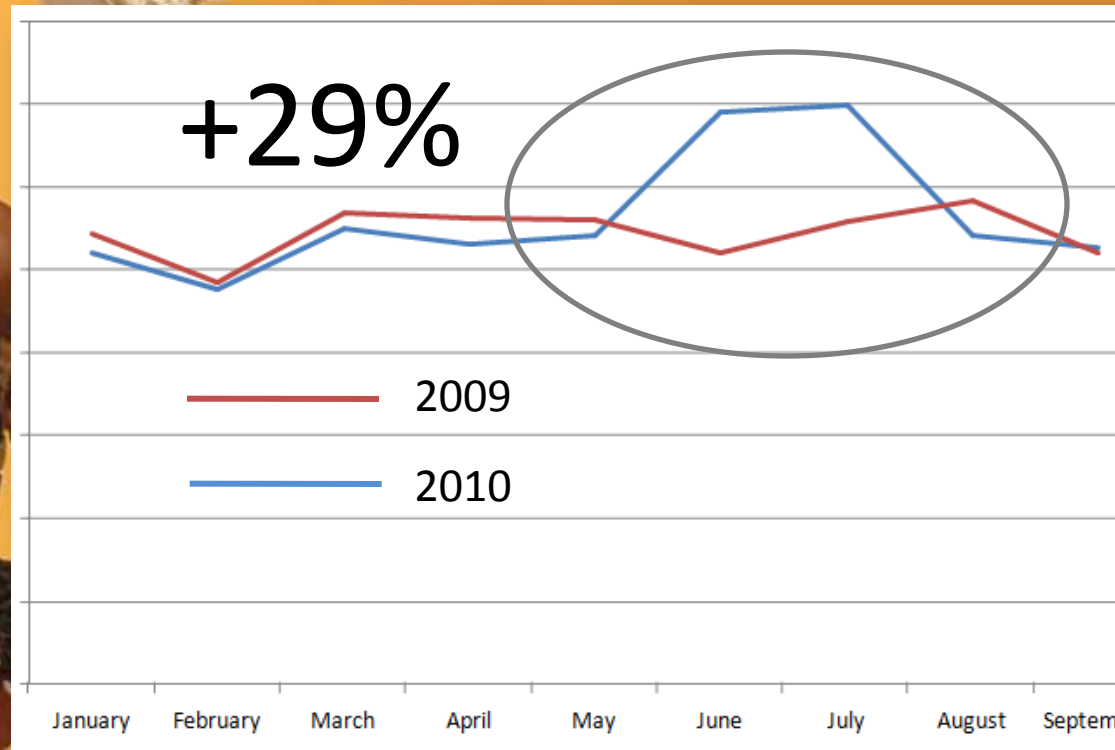
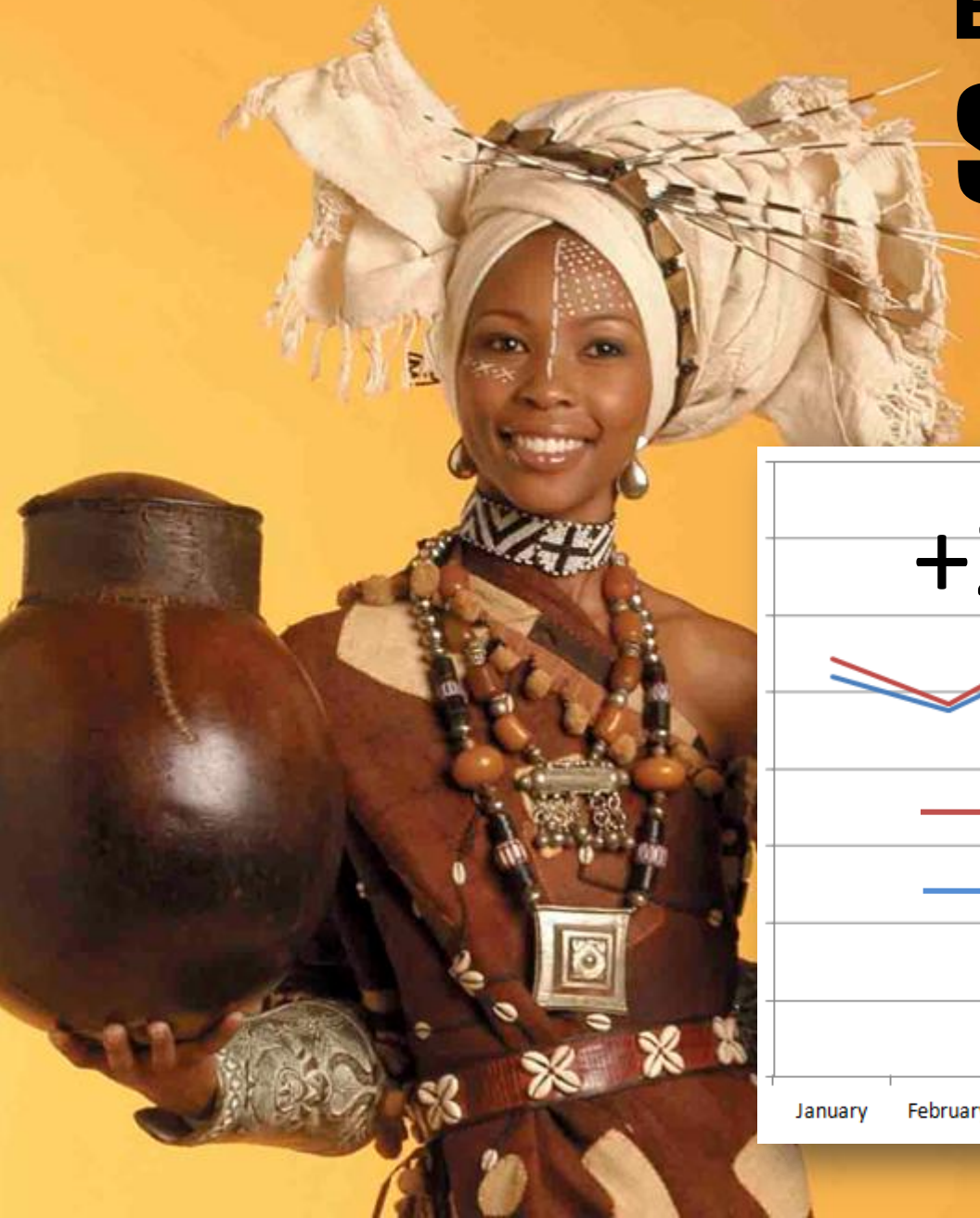
change

+4%

+29%



Effect on Travel Retail Sales (ZAR)



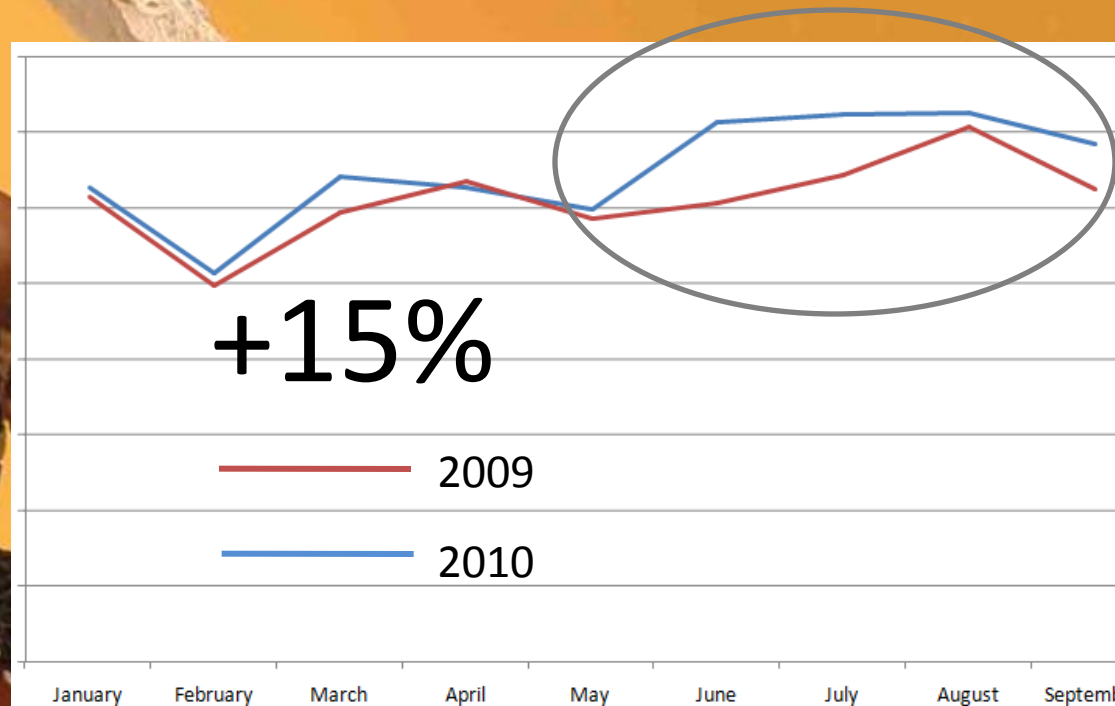
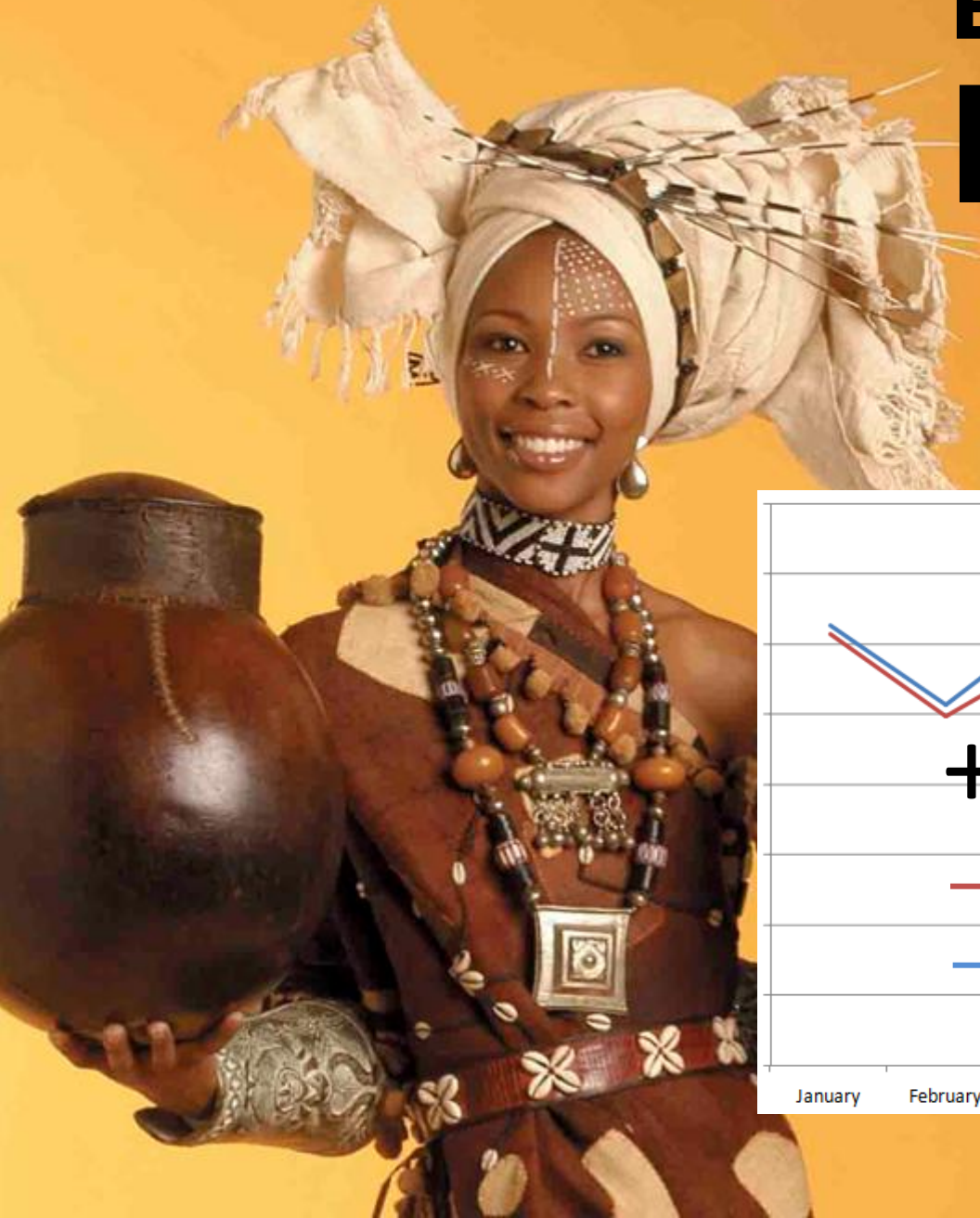


Effect on Travel Retail Passengers (Millions)

Passengers	2010	2009	change
YTD Sept	2.92	2.76	+6%
June, July	2.21	2.13	+4%
June, July vs. Rest of period	+13%	+2%	

Effect on Travel Retail Passengers

(Millions, through
OR Tambo International)



Effect on Travel Retail

SPH (Spend per Head)

SPH (ZAR)

YTD Sept

June, July

**June, July vs.
Rest of period**

2010

346

386

+16%

2009

356

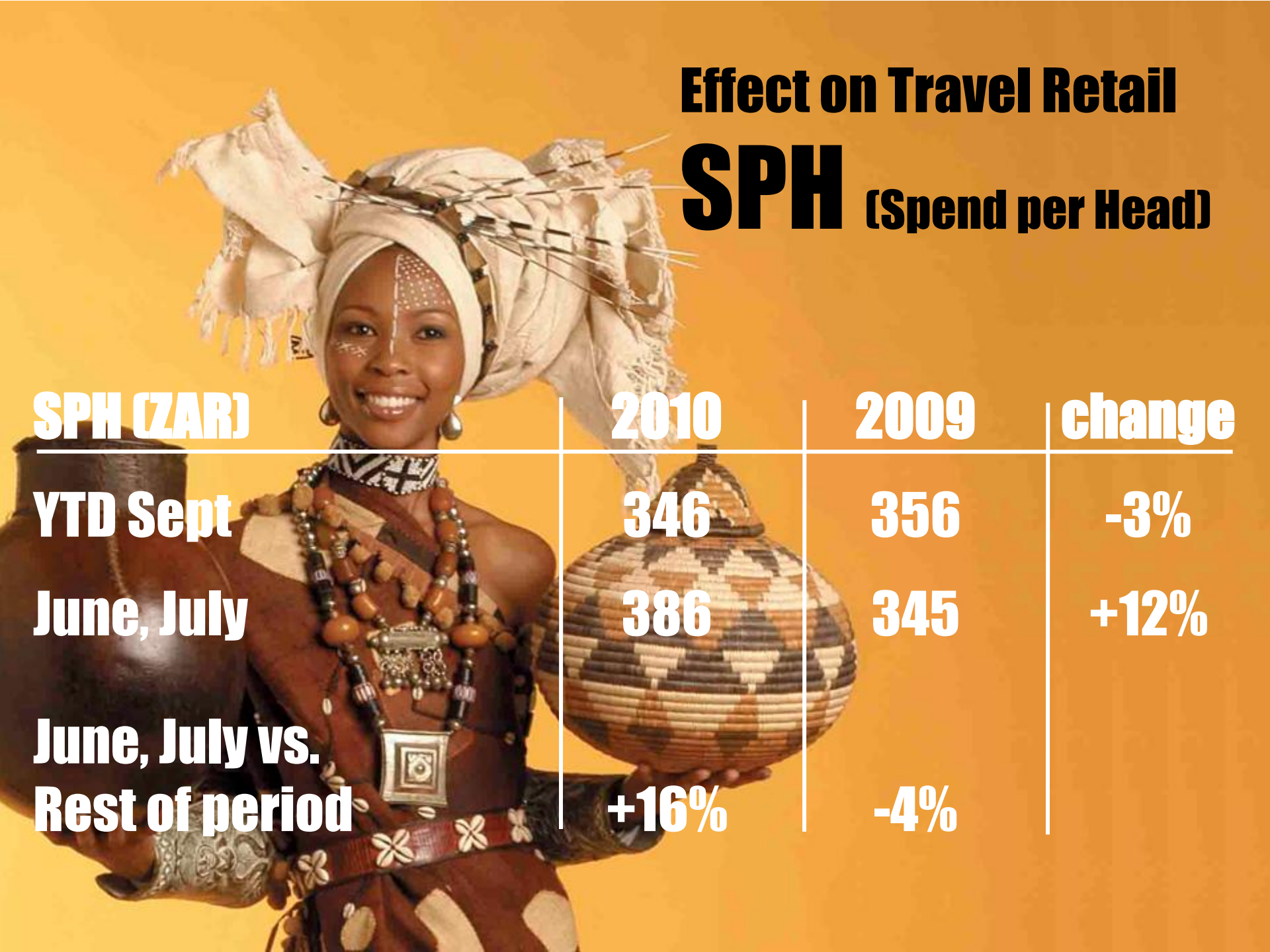
345

-4%

change

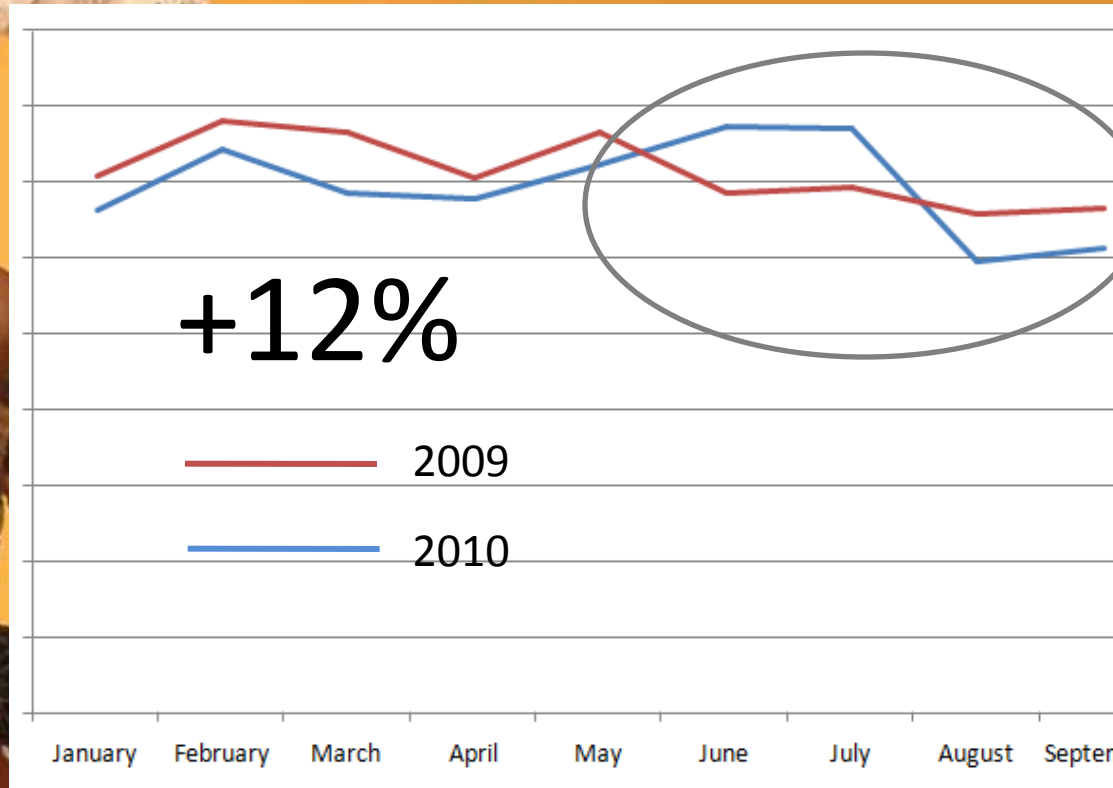
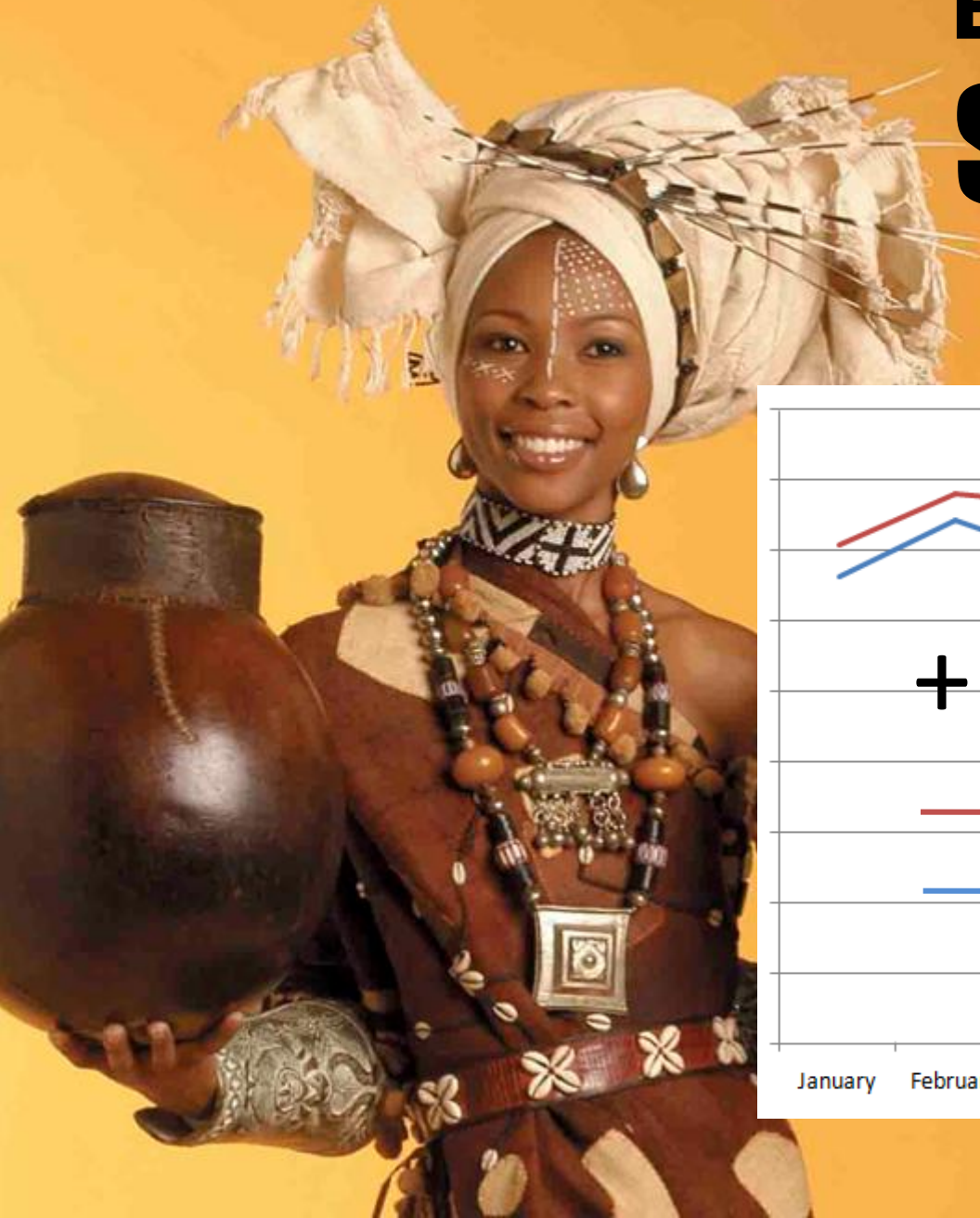
-3%

+12%



Effect on Travel Retail

SPH (Spend per Head)

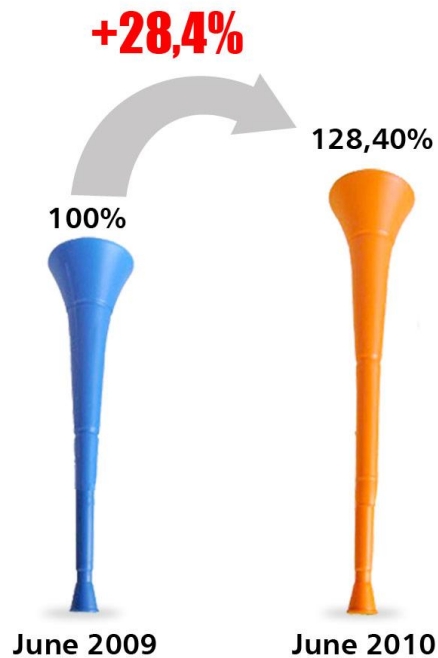


BIG FIVE DUTY FREE

WE'RE ALWAYS TAKING OFF

BIG 5 - AIRPORT SHOPS

**Total
Turnover**



**Total
Turnover**



BIG FIVE DUTY FREE

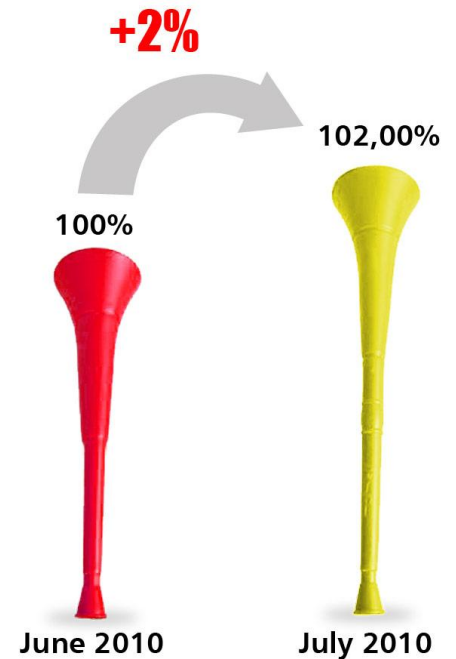
WE'RE ALWAYS TAKING OFF

BIG 5 - AIRPORT SHOPS

**Total
Turnover**



**Total
Turnover**





Effect of the World Cup on Tourvest

Tourvest Group



Tourvest



Travel Retail Stores

African Eco

The Tigers Eye

African Origins

Out of Africa



OUT OF AFRICA



Our destination retail business achieved 90% retail growth



“This is the best opportunity for retail travel because you’re drawing people into the region, but you also invested in your infrastructure”

**Eric De Jager CEO Tourvest
Travel Retail Division**

Tourvest won the tender in the core category of African Souvenirs, making it the second largest operator after Big 5



I'm the best seller!



57,152

**African animal
plush toys!**



THE TIGERS EYE

MEMORIES OF AFRICA

48,310

Vuvuzela's sold!



6,705
ostrich
eggs
sold



44,559

**fridge
magnets
sold!**



Tigers Eye – Out of Africa

- Sales growth of 90% vs prior year
– significant contributors:

125,025
pieces of costume
jewellery sold.

Most of it was tribal ethnic in style
and composition



THE TIGERS EYE
MEMORIES OF AFRICA





Tourvest Duty Free Inflight Sales

- **Within Tourvest Retail Merchandising Division**
- **Specialises in inflight sales**
- **Services 2 of the big 3 in Sub-Saharan Africa**

- **Services one of the World's top brands – Virgin**
- **Services the third largest airline in Spain - Vueling**
- **World Class Technology**
- **An Award Winning Company**



SAA Sales Performance



Best selling item

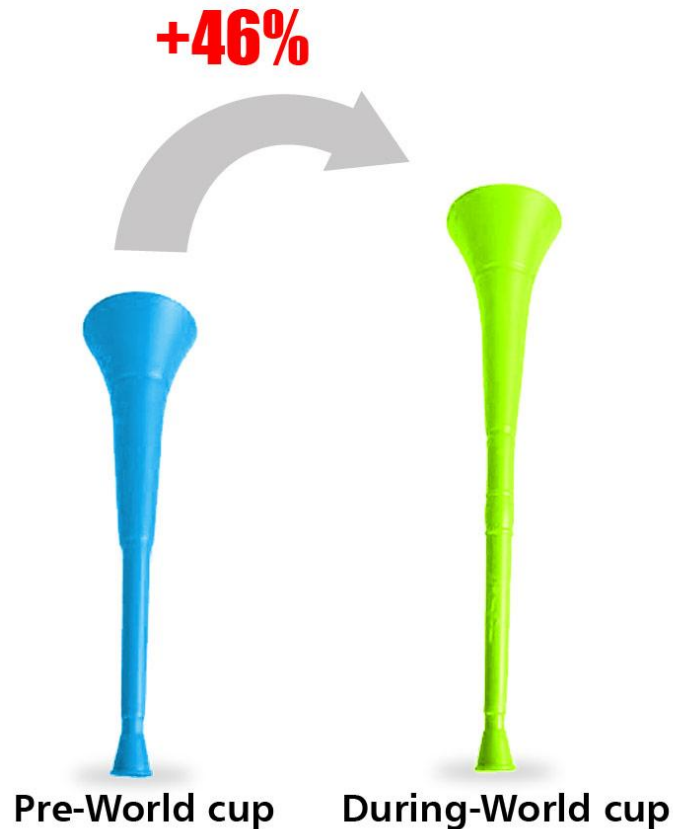


SOUTH AFRICAN AIRWAYS

A STAR ALLIANCE MEMBER 

SAA SALES PERFORMANCE

**SALES
US \$**





SOUTH AFRICAN AIRWAYS

A STAR ALLIANCE MEMBER 

SAA SALES PERFORMANCE

**JUNE-JULY
SALES
US \$**





SOUTH AFRICAN AIRWAYS

A STAR ALLIANCE MEMBER 

SAA SALES PERFORMANCE



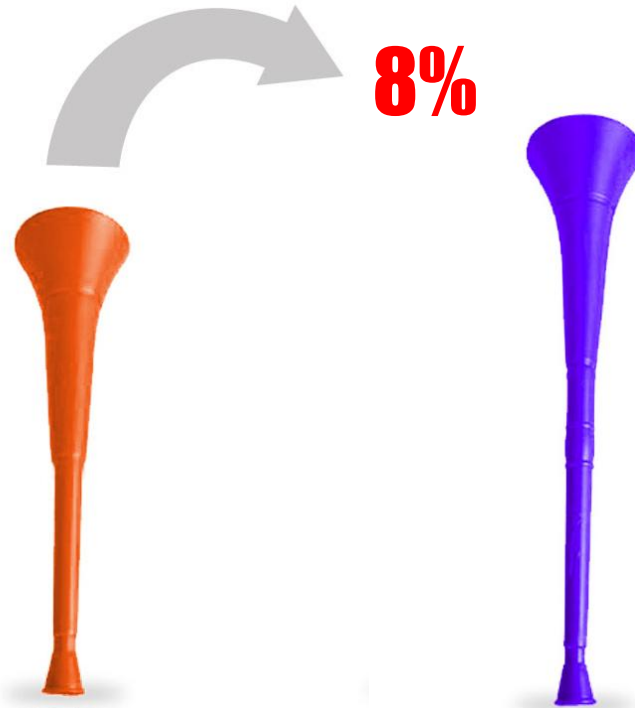


SOUTH AFRICAN AIRWAYS

A STAR ALLIANCE MEMBER 

SAA SALES PERFORMANCE

**SPH
growth**



June & July 2009 vs June & July 2010



SOUTH AFRICAN AIRWAYS

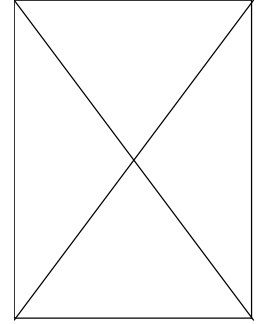
A STAR ALLIANCE MEMBER 

SAA SALES PERFORMANCE

**SPH
growth**



Jan – May 2010 vs June & July 2010



**TDF were not
license holders.**

**Sales performance through
optimising non-FIFA range.**

**Lesson learnt:
Get your licensing rights
in place!**

A new Tourvest business is born

TEAM

: Tourvest Event Activation Management :



Hospitality to 68,000 visitors

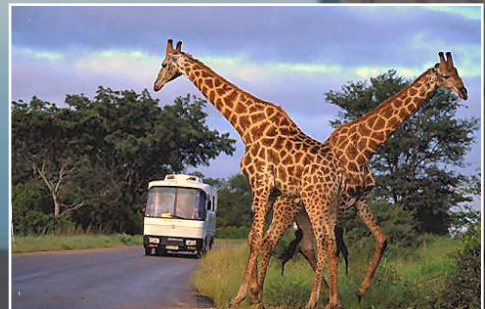
- 7 International sponsors over 5 weeks



TEAM handled the full ambit of sponsor guests' needs:

Hospitality services included:

- **Budget to luxury accommodation**
- **Exploration Tours**
- **Safe and reliable transfers and transport (with own vehicles and drivers)**
- **Personalised incentives**





CAPE ROYALE

88,000 room nights sold



: Tourvest Event Activation Management :



9,790 vehicle movements

**1 person in 10 at the final
was handled by TEAM**





: Tourvest Event Activation Management :



“TEAM made more money during the tournament than the total division makes in 5 years”

**Tommy Edmond
Tourvest Group CEO**



: Tourvest Event Activation Management :

Future events:

- Rugby World Cup 2011 – New Zealand**
- Olympic Games 2012 – London**
- Soccer World Cup 2014- Brazil**
- Olympic Games 2016 – Brazil**



The ongoing effects and legacy in Africa

**Perceptions of Africa
do not always equate to reality...**





National Pride





Infrastructure

- The New Gautrain moving 20,000 people a day



The New Bus Rapid Transport System BRT

Infrastructure

Huge national highway upgrades



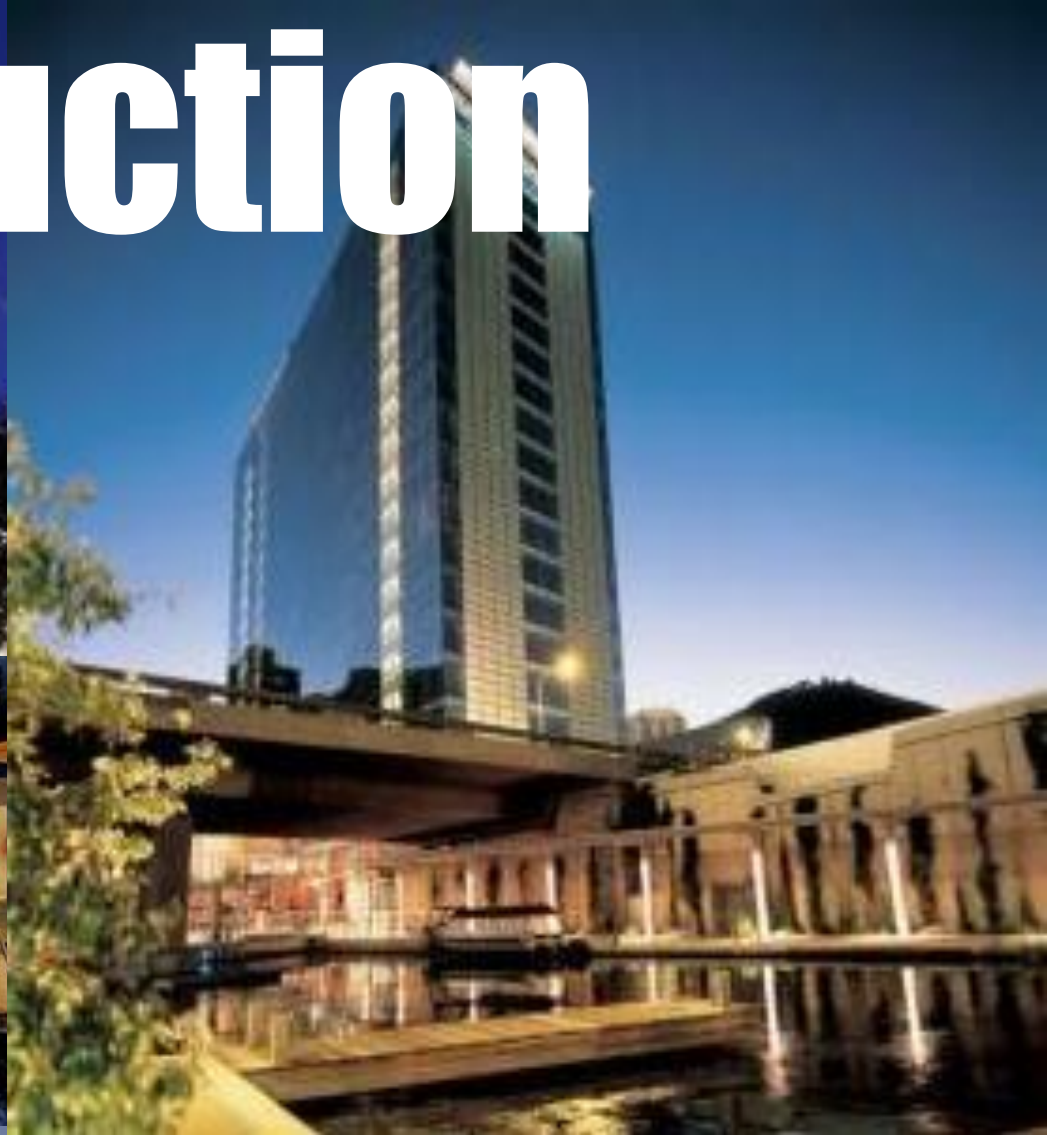
Construction

- Power stations and heavy industry
- Commercial and residential



Construction

- World class hotels





Safety & Security

- Even the former chief of police was tried and convicted!

The Soccer World Cup will sustain an estimated 695 000 jobs and have a gross impact of R93-billion on South Africa's economy



Tourism



- **92% of visitors would recommend SA to friends and relatives**

Tourism



**96% would come again
(2006 world cup Germany only 88% said they
would visit Germany again)**

Tourism

A man wearing a cowboy hat, a brown shirt, and blue jeans stands on a rocky peak, looking out over a vast mountain range. The landscape is rugged with layered mountain ridges and valleys under a blue sky with light clouds. The foreground consists of large, reddish-brown rocks.

2011 – 2015

Forecast by Grant Thornton

**“1.6 million more foreign arrivals,
double digit growth for 2 years after”**

“If there is one thing on this planet that has the power to bind people, it is soccer”



World's Best Sport Building – World Architecture Awards Barcelona 2010



With thanks to



Grant Thornton



Gebr. Heinemann

ACSA

AIRPORTS COMPANY SOUTH AFRICA



GORDON INSTITUTE
OF BUSINESS SCIENCE