Economic Impact Study: Mountain Bike Tourism in the Karkloof Valley, KwaZulu-Natal

Final Report

[Consumer Survey]

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Matthew Drew	**Kathryn Fourie**	**Richard Wyllie**
Manager & Owner	*Project Manager/Researcher*	*Researcher*
Next Step Consulting	Next Step Consulting	Tourism KwaZulu-Natal

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List of Acronyms

B&B	Bed and Breakfast
Bn	Billion
EIA	Economic Impact Assessment
KMBC	Karkloof Mountain Bike Club
KZN	KwaZulu-Natal
Mn	Million
MTB	Mountain Bike / Biking
NSC	Next Step Consulting
R	Rand
SA	South Africa
SAT	South Africa Tourism
Stats SA	Statistics South Africa
TKZN	Tourism KwaZulu-Natal
VFR	Visiting Friends and Relatives

List of Definitions

Day Visitor	A same-day visitor spends less than one (1) night outside of their usual environment and is not remunerated.
Direct Value	(… of tourism) is a result of the total amount that is spent by tourists in an area and it refers to any businesses that receive direct payment from tourists.
Domestic Tourism	Tourism that takes place between and within regions of a particular country. It effectively includes inter-regional tourism and intra-regional tourism.
Full-Suspension Bike	Both the front and rear wheel are fitted with a shock absorber in some form as the wheel attaches to the bike.
Hard-Tail Bike	A bike with a solid frame and it usually has a suspension fork on the front.
Indirect Value	The 'indirect spend' or indirect impact of tourism is concerned with the consumption of goods and services in the tourism sector.
Induced Impact	(… of tourism) occur when the locals, who have earned money through tourism either directly or indirectly, spend their income on goods and services, thus stimulating the local economy.
Level of Confidence	"Tells you how sure you can be". It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain.
Margin of Error	It expresses the maximum expected difference between the true population parameter and a sample estimate of that parameter. In other words, it is a small amount that is allowed for in case of miscalculation or change of circumstances.
Multiplier	A factor that is applied to any estimation of the direct economic impact of tourism in an area and it makes it possible to estimate the impact of indirect and induced impacts of tourism.
Overnight Visitor	A person from outside of the area who stays at least one night in collective or private accommodation in the destination visited for less than twelve months, and is not remunerated in that destination.
Population (Research)	A well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have a common, binding characteristic or trait.

Representative Sample	A small quantity of something such as customers, data, people, products, or materials, whose characteristics represent (as accurately as possible) the entire batch, lot, population, or universe.
Response Rate	Also known as ‘completion’ rate or ‘return’ rate, it is the number of people who answered the survey divided by the number of people in the sample. It is usually expressed in the form of a percentage.
Road Bike	A bicycle for use on paved roads as opposed to rough terrain or racing tracks, especially one designed for competitive cycling.
Visitor / Tourist	A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.
Trip	A journey undertaken by one or more members of the household for at least one night away from home, where a person did not receive any remuneration (did not make any profit) at that destination. It is important to note that a trip must be complete. That means a trip is only applicable when a person returns to his/her place of residence.

1. Introduction

Following from discussions between Tourism KwaZulu-Natal (TKZN) and Next Step Consulting (NSC), it was agreed that an Economic Impact Study/Assessment (EIA) relating to the value of Mountain Bike Tourism in the Karkloof Valley and KwaZulu-Natal, would be conducted. This study has been considered to be of mutual importance to both parties as this study is a requirement within the Sappi MTB Strategy and Project, and this study is considered, by TKZN, to be a pilot assignment representing further similar assignments within the rest of KwaZulu-Natal Province – i.e. the study of key niche tourism markets in the province.

The original outcomes of the study were as follows:

- Development of a case study and model which can be used for other projects and development initiatives in future.
- A clear understanding of the economic impact of mountain biking tourism in the Karkloof Valley
- Direct, indirect and induced employment statistics for mountain biking tourism in the Karkloof Valley.
- Baseline data against which the impact of social biking (day riding, excluding races) can be measured going forward.
- Identification of potential job creation and enterprise development opportunities related to the trails in the Karkloof Valley.
- Recommendations in terms of the integration of mountain biking into development and marketing initiatives being planned and carried out by the provincial and national tourism authorities.
- Recommendations on the development and marketing of the Karkloof trails including local and international marketing exercises which would facilitate the growth and development of mountain biking in the Karkloof and greater Midlands areas.

The Karkloof Valley represents an excellent opportunity to identify and unlock trail-related opportunities, but also to develop a model for future assessments of a similar kind. This will greatly enhance the ability of all stakeholders including those in the public and private sectors, to engage effectively and build partnerships which can facilitate tourism development, unlock job and enterprise development opportunities and ultimately assist in transforming the tourism sector.

2. Methodology

The large majority of the data for this study was collected through quantitative means and the survey technique was implemented. A grand total of **246** surveys were completed, of which *40* were done on a 'face-to-face' basis (at the Karkloof Mountain Bike Club Trailhead) and *206* were completed online by the respondents. The 'face-to-face' surveys were conducted on Saturday, the 27th of August 2016 as well as the weekend of the 3rd and 4th of September 2016. These surveys were only conducted on a weekend as they are considered to be the most popular time for mountain bikers. The online survey link was sent to the respondents via social media (i.e. Facebook) and through the 'KZN MTB' email database. Only those who had made use of the trails before were requested to answer the survey.

It was estimated that approximately 4 000 people make use of the Karkloof Trails, thus by keeping this figure in mind, the response rate of the survey was 6.1%. In addition to this, with the figures quoted above it was estimated that, by using a level of confidence of 95%, the margin of error would be 7%. In other words, this means that there is only a 7% chance of error with the results and calculations. It should also be noted that the general response rate for the event impact assessments that are conducted by TKZN are between 4% and 6%. Furthermore, most of these also have a margin of error of 7% or more at a level of confidence of 95%. Therefore, one could say that these standards are of an acceptable nature.

This study made use of the internationally accepted '***representative sampling***' research methodology. Representative sampling is defined as, "a small quantity of something such as customers, data, people, products, or materials, whose characteristics represent (as accurately as possible) the entire batch, lot, population, or universe".

The two main advantages of employing this technique are that it saves both time and money. In other words, if the entire population of 4 000 people had to be interviewed this would take up a large amount of time. This is mainly due to the fact that not all 4 000 will visit the trails at once and also, not everyone is inclined to complete an online survey.

The National Department of Tourism has come up with the following uniform standards for surveying a certain sized population:

- If there are 10 people – interview all 10.
- If there are 100 people – you are safe with 40-50 surveys.
- If there are 1 000 people – you are safe with 100 surveys.
- If there are 10 000 people – you are safe with 150-200 surveys.

Therefore, if the sample size grows to more than 400 (in relation to the population), any addition to the sample size becomes statistically irrelevant.

3. Data Analysis and Discussion

3.1. Local vs Visitors

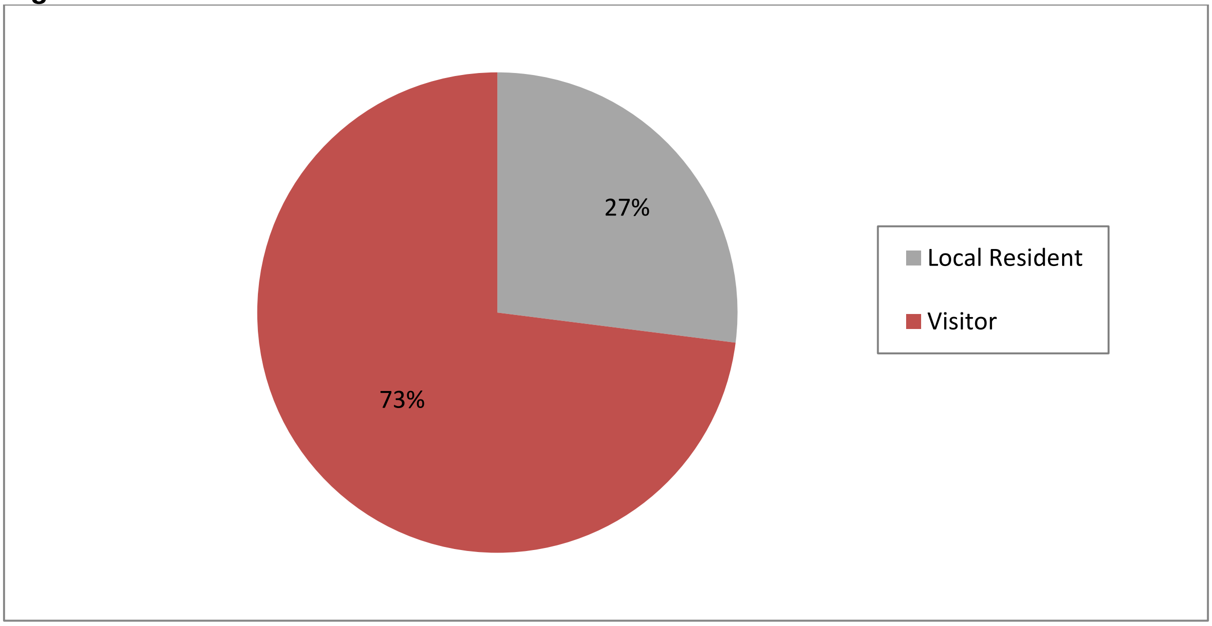
When measuring the economic impact of a certain market, event, or type of tourist it is crucial to understand the split between local residents (of the study area) and visitors to that area. The reason for this is because the number of visitors needs to be obtained for the purpose of calculating the economic value, as visitors contribute to a local economy with what is often referred to as "new money", while the local residents will only "recycle"[1] their money in the local economy.

In Figure 1 below, it is evident that the majority (73%) of the respondents (of the survey) were visitors to the Karkloof/Howick area, while only 27% were considered as local residents to the area. This is extremely positive to note based on the discussion above in terms of

[1] Local residents are said to "recycle" their money in a local economy or stimulate the local economy by spending their income that was earned in the local economy, at various supermarkets and other auxiliary services in the area.

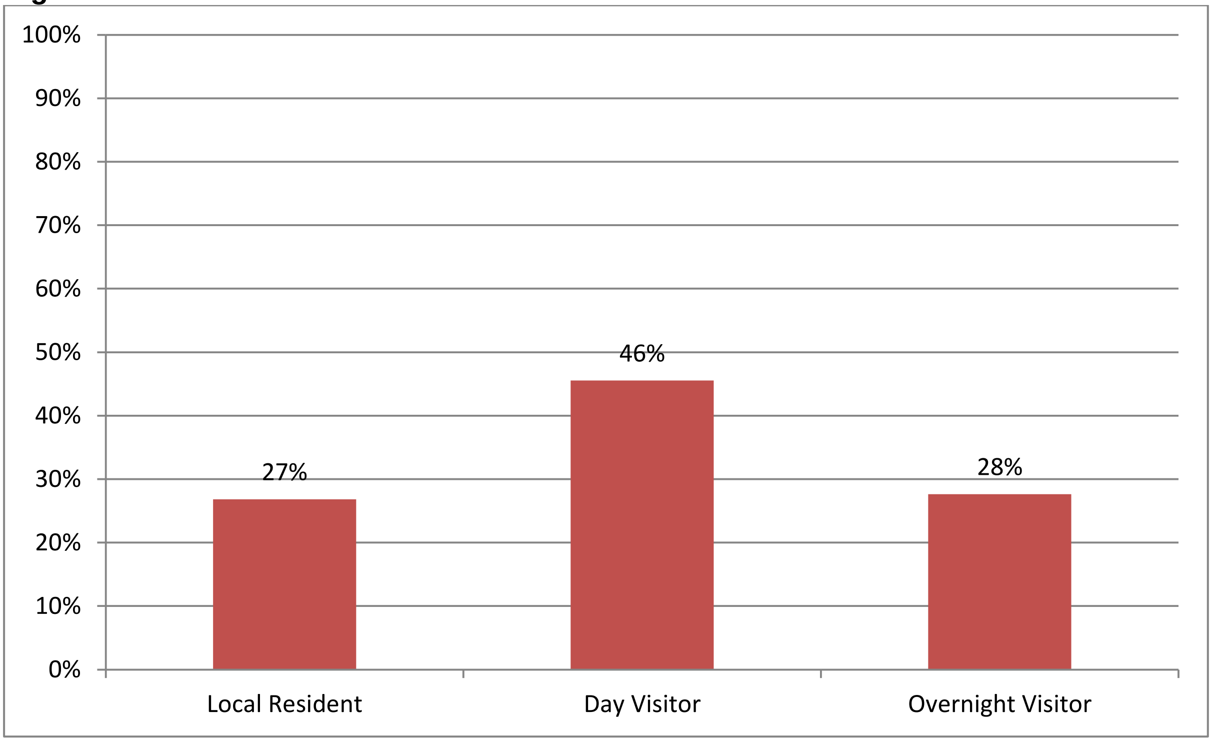
calculating the economic impact – i.e. the higher the number of visitors, the higher possible economic value.

Figure 1: Local Residents vs Visitors



Following on from Figure 1, Figure 2 shows a breakdown of the visitors along with the local residents. It is evident that, of the respondents who were visitors, 46% were day visitors and 28% were overnight visitors. There are positives to draw from this finding. Firstly, the fact that there are more day visitors than overnight visitors is not a cause for concern and even though their spend is generally a bit less than an overnight visitor, they take a lot more trips throughout the year – so it almost balances it out. Secondly, it was evident that there were more overnight visitors than local residents (28% compared to 27%). This is positive as overnight visitors have the potential to provide the greatest contribution to the economic impact as not only do they stay for more than one day in the area, their spend tends to be quite high.

Figure 2: Breakdown of Local vs Visitors



In relation to both of the graphs above, Table 1 outlines these findings in a tabular, numerical format and it shows a breakdown of the exact number of the sample size (246) as well as the estimated population (4 000).

Table 1: Breakdown of Population

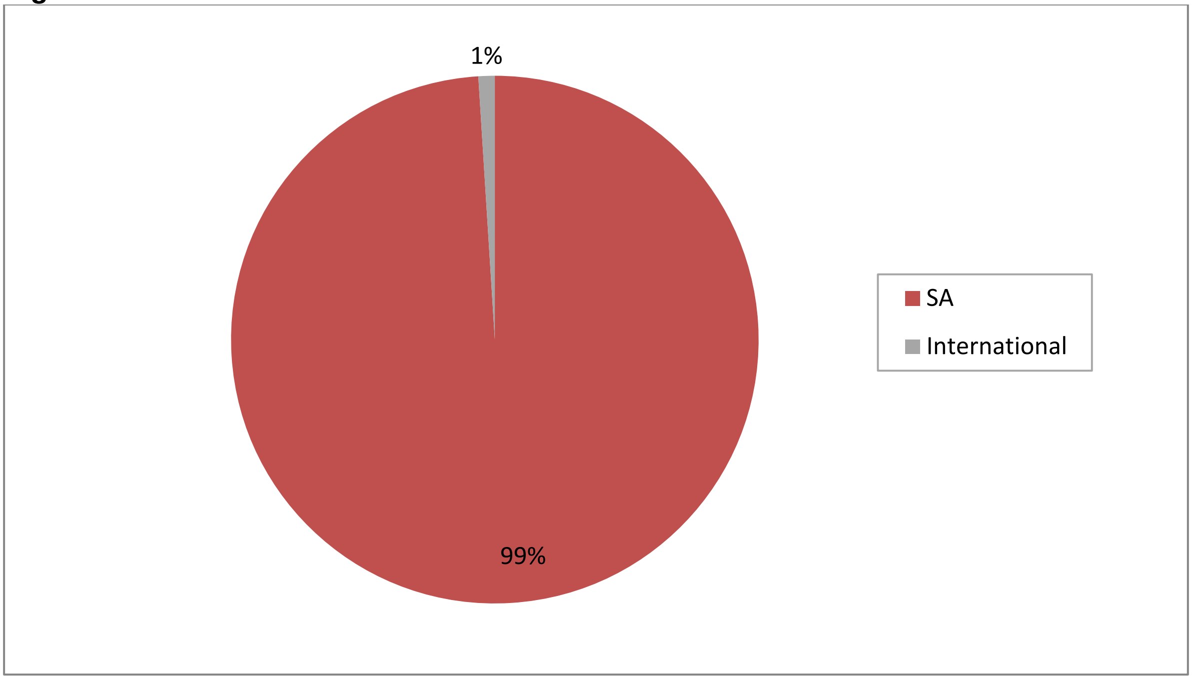
	Sample	%	Total Population[2]
Local Residents	66	27	1 080
Day Visitors	113	46	1 840
Overnight Visitors	67	28	1 120
TOTAL	**246**	**100**	**4 000**

[2] It was estimated that approximately 4 000 people make use of the trails on an annual basis (Karkloof Mountain Bike Club, 2016).

3.2. Origin of Respondents

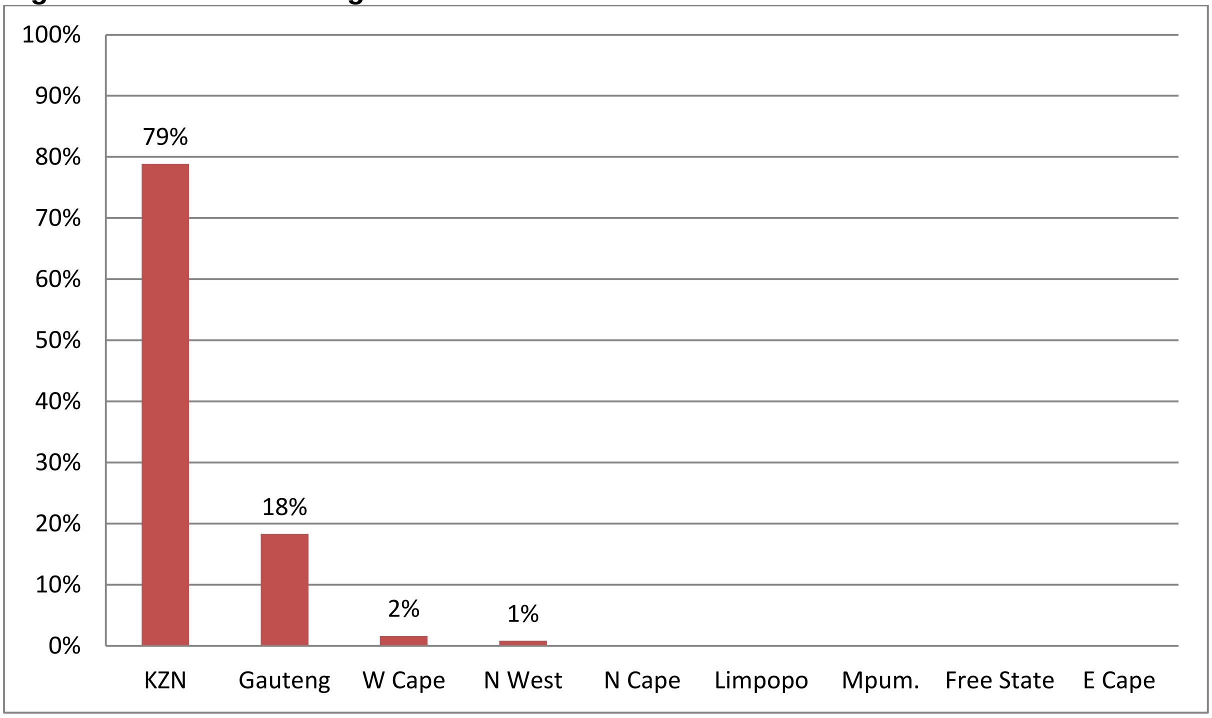
When asked whether the respondent was a South African or international rider/visitor, the large majority (99%) noted that they were from South Africa. The small minority (1%) who were international respondents listed their countries as Malawi and Germany. It is expected that the majority of the respondents would be from South Africa due to the fact that 73% of the respondents were either day visitors or local residents.

Figure 3: South African vs International



When further analysing the origin of the respondents, it was evident that almost 80% were from KZN. Following this, 18% were Gauteng, 2% were from the Western Cape (W Cape), and only 1% was from the North West (NW). Once again, it was not surprising that most of the respondents were from KZN due to the high number of day visitors as well as the local residents. It was interesting to note that there were some riders from the NW as this market is not a common domestic market for the province.

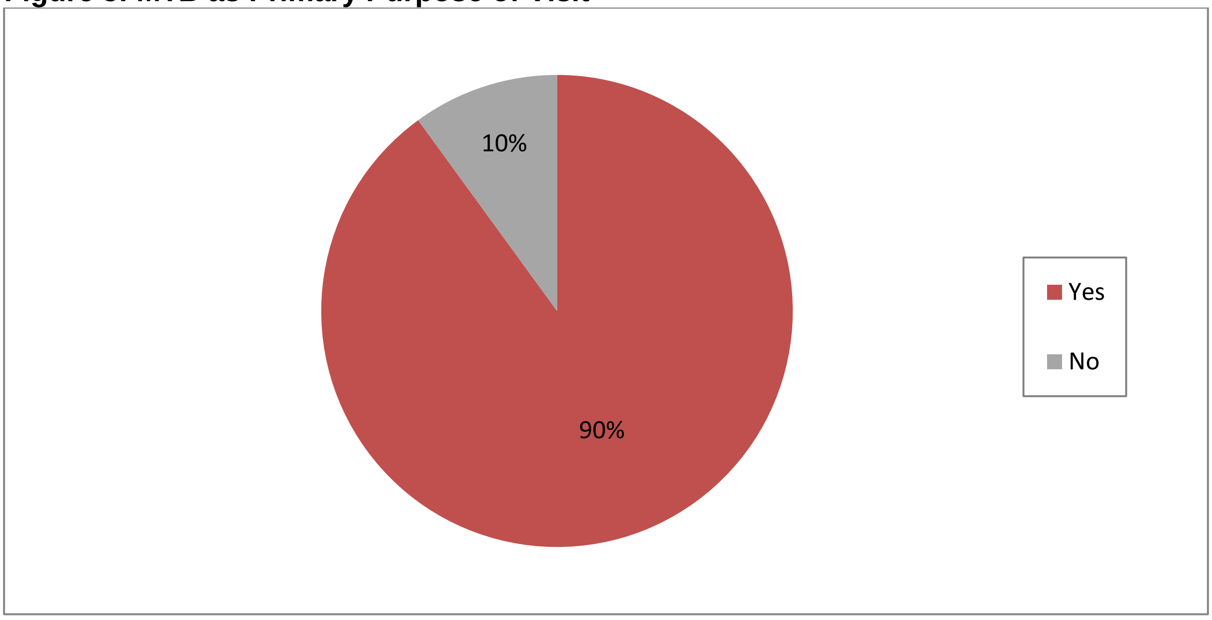
Figure 4: Province of Origin



3.3. Travel Patterns

One of the key questions in the survey was designed to understand the primary purpose of the respondent's visit to the Karkloof area. Therefore, when the respondents were asked if mountain biking (MTB) was their primary purpose, 90% said 'Yes', while 10% of the respondents took part in MTB activities as their secondary purpose. Some of the respondents had listed that they were in the area for either shopping (Karkloof Farmers Market), or for leisure (travelling along the Meander). These respondents had decided to go for a ride in addition to their other activities.

Figure 5: MTB as Primary Purpose of Visit

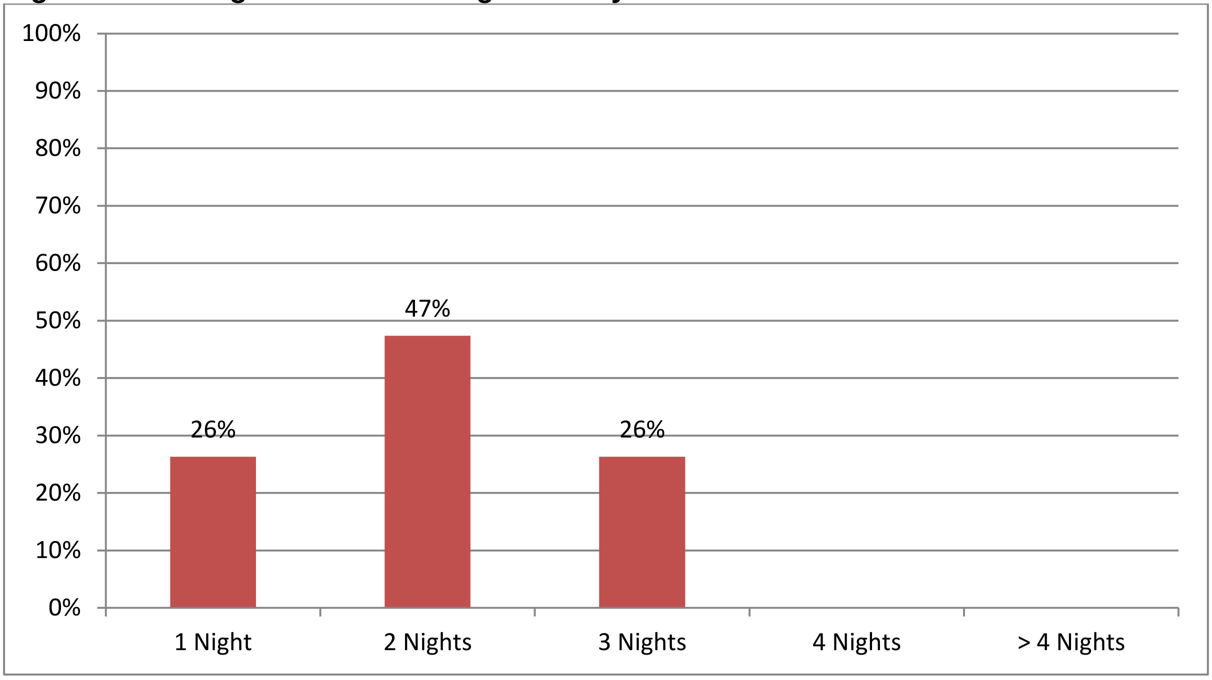


When the respondents were asked about how many people were in their group (immediate number of people travelling together), it was estimated that the average group size (of all respondents) was ***3.8*** people – i.e. 3 to 4 people in a group. When looking at visitors only, it was estimated that the average group size was also 3.8, thus there were no significant statistical differences.

3.4. Overnight Visitors

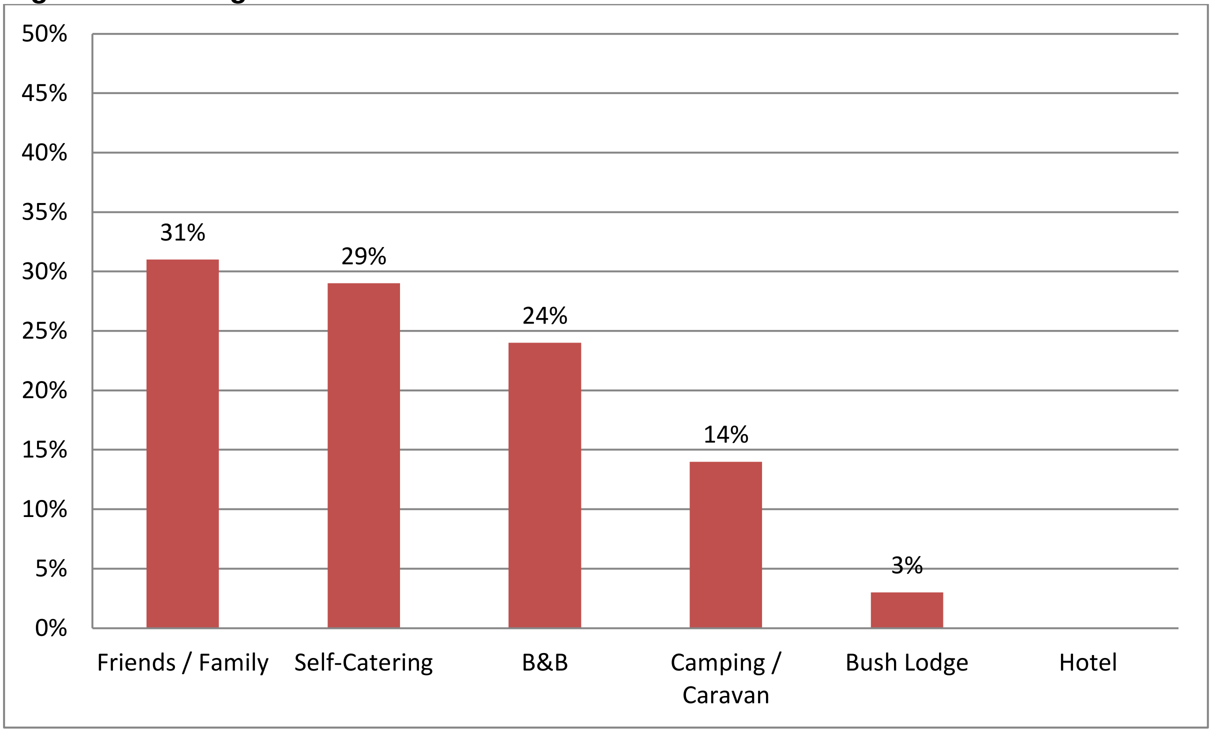
The average length of stay by the overnight visitors was calculated to be 2 nights. This is backed up by the findings in Figure 6 where it shows that 47% of the overnight respondents had stayed for 2 nights in area. It is therefore likely that most of the overnight visitors visit the area for MTB over a weekend or even a long weekend. It is well-known, based on observations in the field, that weekends are the most popular times for riding. However, further research could be conducted to provide more concrete proof – or even ask the respondents which night(s) of the week they stayed over.

Figure 6: Overnight Visitors – Length of Stay



In terms of the types of accommodation that the overnight visitors make use of, the majority either stayed with *friends or family* (31%) or made use of *self-catering* establishments (29%). Other types of accommodation included *B&Bs* (24%), *camping or caravan* (14%), and *bush lodges* (3%). It is not surprising that the majority of the visitors stayed with friends and family or in self-catering establishments, and even B&Bs, as the majority of the establishments on the Midlands Meander are of such nature.

Figure 7: Overnight Visitors – Accommodation



4. Spend and Economic Impact

Table 2: Estimated Direct Mean Value

Total Population (Visitors Only)[3]	2 920
Avg. No. of Trips (per year)[4]	14.8
Total Trips (per year)	43 216
Avg. Spend of Visitors (per trip)[5]	R1 783
Direct Mean Value	**R77 054 128**
Indirect Value (Multiplier)	**R154 108 256**

It is positive to note that the indirect value of MTB tourism in the Karkloof value is as much as **R154.1 million**. Not only is the average spend (per trip) of the visitors higher than that of a domestic tourist, but the indirect value is greater than events such as the 2016 Amashova (R93.2 million), and the 2017 Midmar Mile (R87.1 million).

[3] This figure is based on the fact that of the estimated 4 000 trail users, 73% were visitors.
[4] Based on the findings from the survey.
[5] This figure is higher than the average spend of a domestic tourist in KZN, in 2015.

Table 3: Overall Economic Impact

Direct Value	R77 054 128
Indirect Value (Multiplier)	R154 108 256
OVERALL ECONOMIC IMPACT*	**R231 162 384**

*excludes the **induced** impacts

In terms of the average number of trips that the respondents take within the province as whole (anywhere in KZN), in one calendar year, this figure was estimated to be ***17.2*** trips. It is expected that this figure would be higher than that of the average number of trips to Karkloof only. Therefore, if a basic estimate had to be made on the direct value of MTB Tourism in KZN, this figure would be equal to approximately **R89 549 392**. However, this figure only takes into consideration the same population from Karkloof, as well as the average spend of these riders, and it is expected the total number of MTB tourists in KZN is a lot more than the numbers who visit Karkloof. Thus, it can be said that the direct value of MTB tourism in KZN is potentially no less than the figure quoted above.

Table 4: Breakdown of Spend per Trip (Visitors Only)

Category	Amount (R)
Accommodation[6]	2 000
Transport (local fuel etc.)	447
Food & Beverages	520
Souvenirs & Shopping	124
Tours / Recreational Activities	144
Trail Fees	131
Other Expenses	128

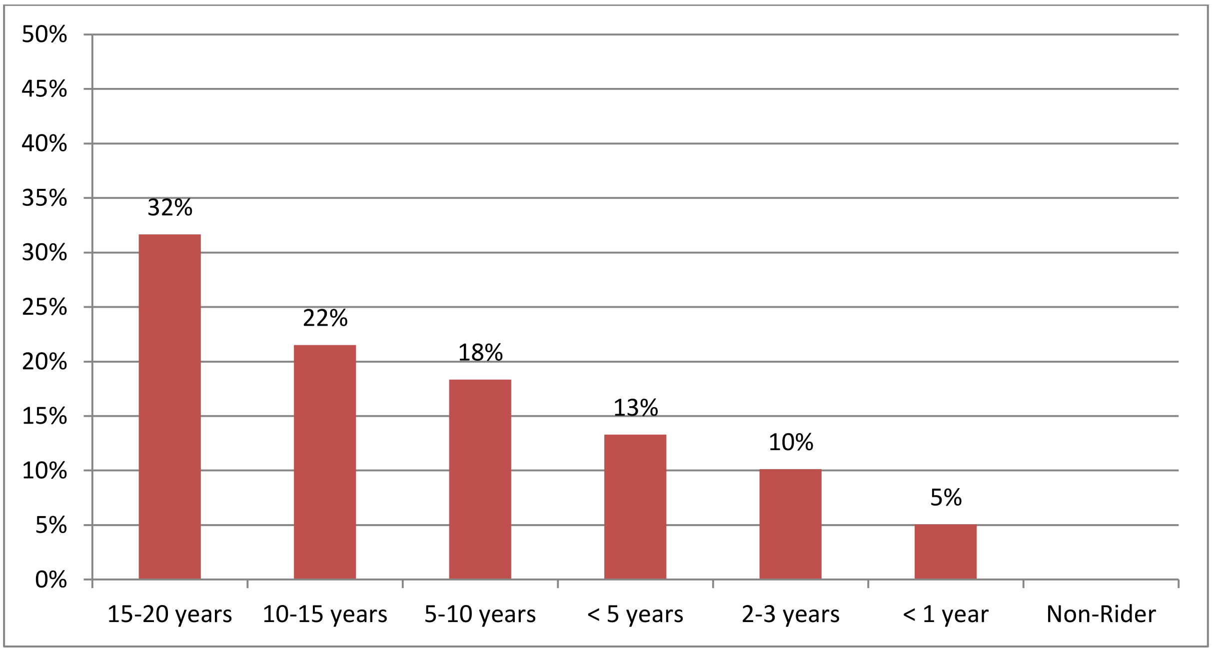
On average, the respondents (including locals and visitors) noted that their spend covers approximately *2 people* during their trip. This shows that even though people travel in groups, they normally pay their own way during a trip either for just themselves or for one other person, such as their spouse or riding partner.

[6] This figure is based on the **overnight** visitors only, as day visitors would not be using accommodation establishments and thus their spend (of R0) is excluded.

5. Mountain Biking Trends

It is evident from Figure 8 that the majority of the respondents (over 50%) have been involved in MTB for 10 or more years – i.e. *10-15 years* (22%) and *15-20 years* (32%). This shows that most of the riders who visit the trails are “seasoned veterans” when it comes to MTB. This is important as it shows that the trails need to be constantly maintained, and sometimes changed or improved in order for these users to continue making return trips to the area.

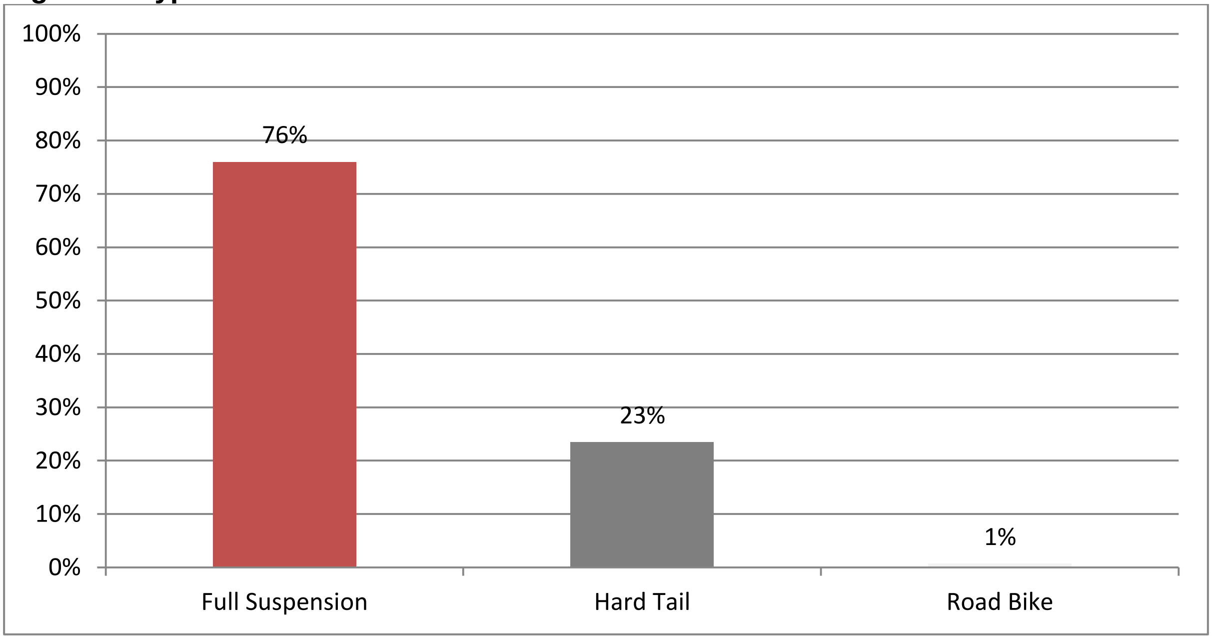
Figure 8: When did you start MTB? (Years ago)



It was interesting to note that over 75% of the respondents have a *full suspension* bike, while 23% have a *hard tail* bike and only 1% owns a *road* bike.[7] This figure is not surprising as the Karkloof Trails are only suited for mountain bikes. However, it is not impossible for recreational road cyclists to pop in to the coffee shop at the trail head as the main tar road runs past here. Thus, there is potential for a new market to be tapped into here. In other words, if “road” cyclists are informed of the coffee shop at the trail head, and they find that it is accessible to them, then they may possibly be potential new customers for the local businesses immediately surrounding the Karkloof Mountain Club.

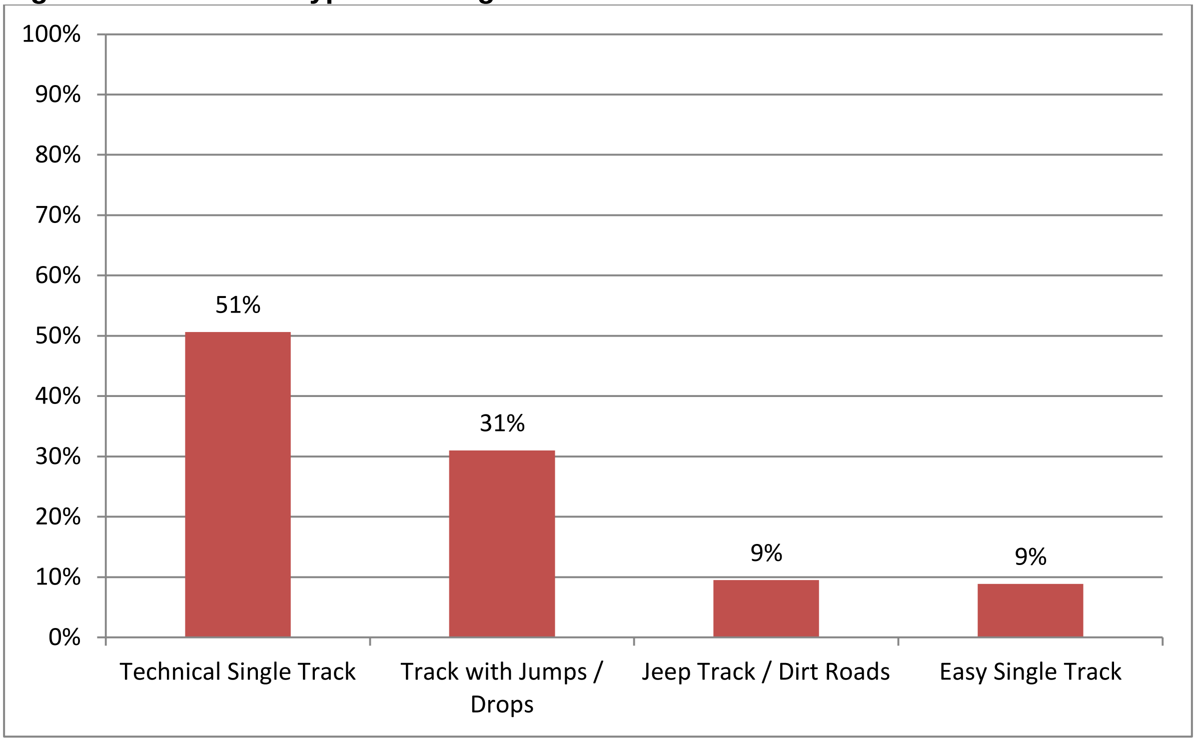
[7] Please refer to the list of definitions for the different types of bikes.

Figure 9: Type of Bike



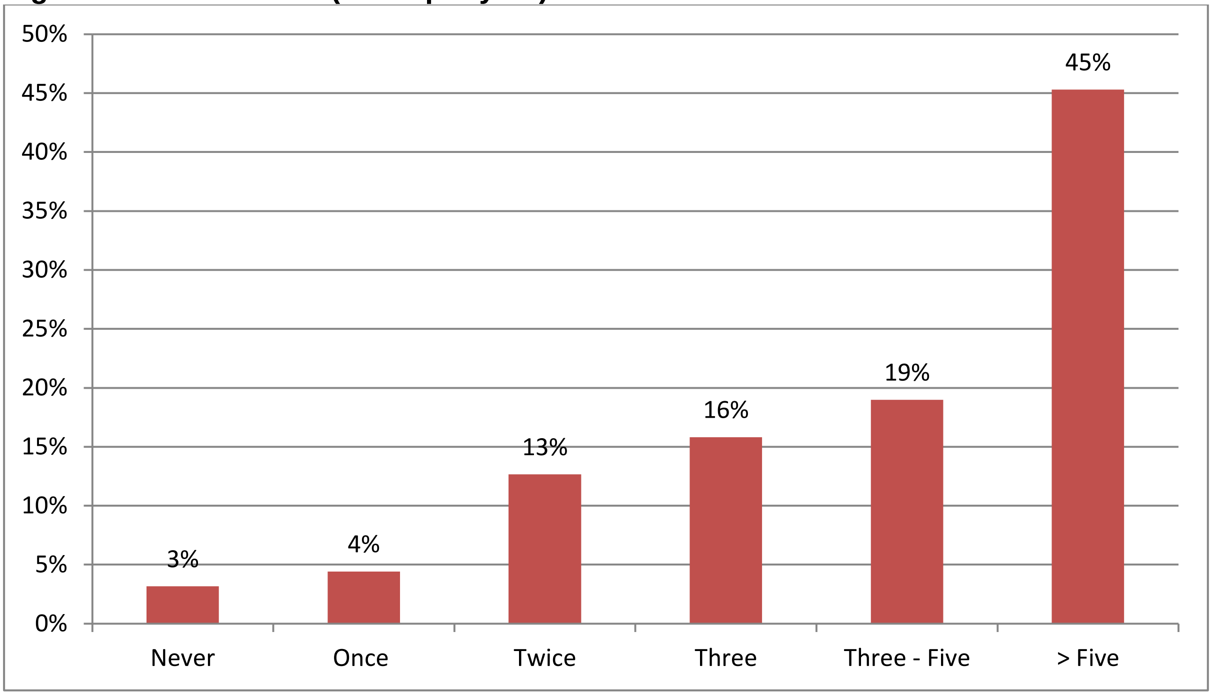
Many of the respondents (over 50%) noted that their most preferred type of riding was *technical single track*. Following this, 31% preferred *tracks with jumps and drops*, while 9% chose *jeep track or dirt roads* and 9% preferred *easy single track*. This information is very important for the trail builders and for other key stakeholders as it indicates the type of trails that are in demand by the users/consumers.

Figure 10: Preferred Type of Riding



It is has become evident that MTB riders undertake at least five or more trips per year for sole the purpose of riding – this is backed up by the fact that 45% of all the respondents travelled within SA five or more times for mountain biking. This was then followed by those who travel between three and five times a year (19%), three times a year (16%), and twice a year (13%).

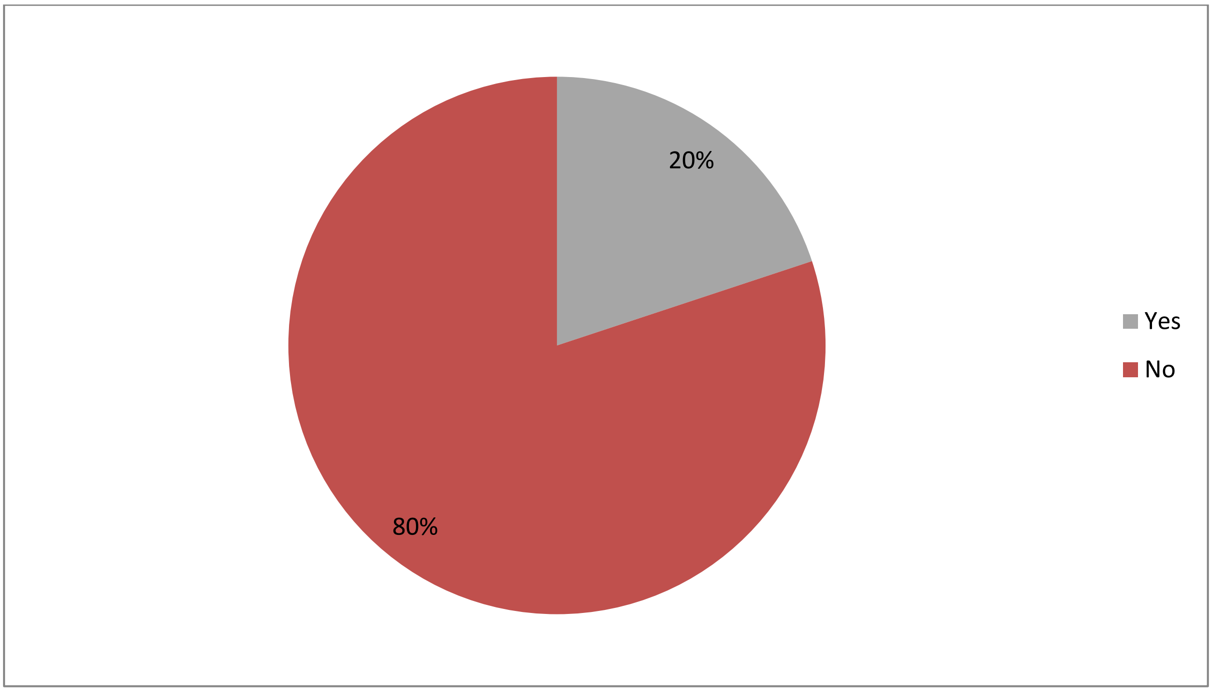
Figure 11: Travel in SA (times per year) for MTB



In addition to the above, the respondents were also asked if they have travelled internationally for the purpose of MTB, and it was revealed that only 20% of the respondents had while 80% had not. Some of the destinations that respondents have travelled include:

- European destinations such as Italy, France, Germany, Switzerland and Croatia
- African destinations such as Lesotho, Namibia and Botswana
- Destinations across the USA such as Nevada
- Destinations in the UK such as England and Scotland

Figure 12: International Travel for MTB



The survey's results have also shown that the respondents spend, on average, **R12 195** per year on recreational riding (excluding events). In other words, the average rider spends this amount on equipment and maintenance of their bikes, as well as on other aspects such as trail fees, all within one calendar year.

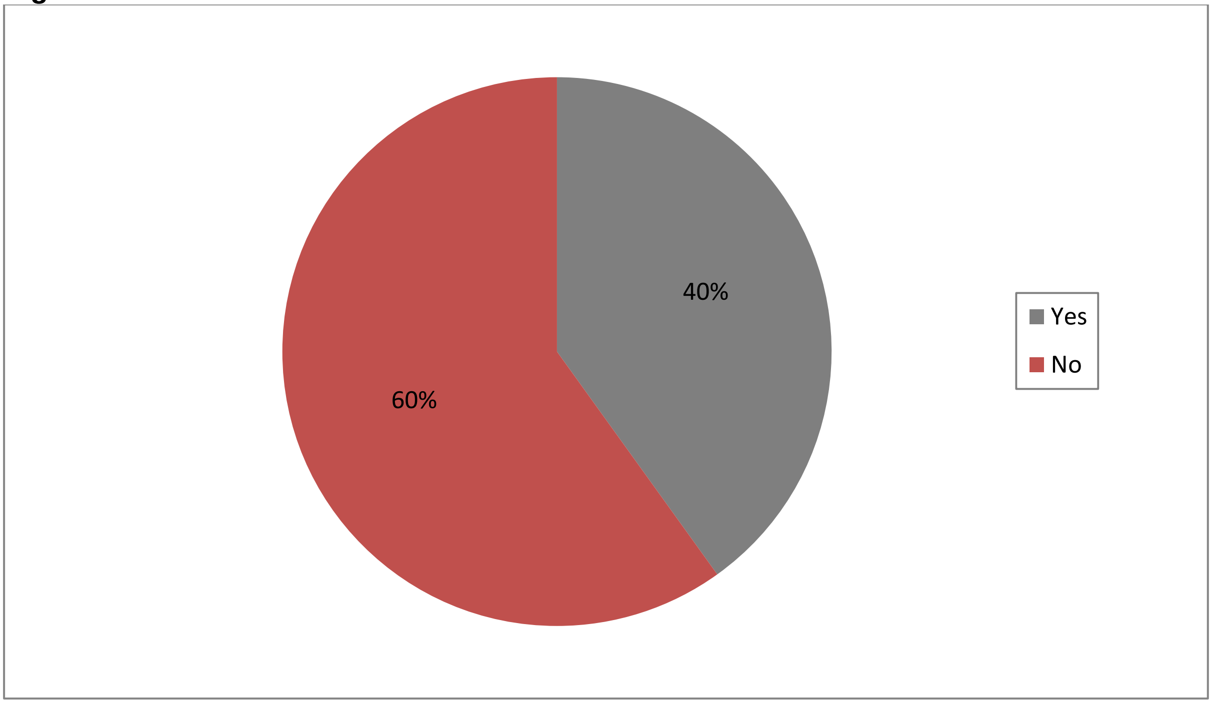
It was also discovered that on average, riders take part in approximately 7 events throughout one calendar year. Furthermore, Table 2 has outlined a breakdown of the expenses involved with these events and the average spend per spend category (expense).

Table 2: Average Spend Breakdown on Expenses at Events

Category	Amount (R)
Entry Fees[8]	7 484
Accommodation[9]	4 558
Transport & Fuel	3 606
Food & Beverages[10]	2 501
Race Kit & Spares[11]	4 321
Medical Expenses	773
Other Expenses	890

It was noted that only 40% of the respondents are members of a MTB club. The question that was put forward to the respondents did not state where this club needed to be based and therefore some clubs are in KZN while others are not.

Figure 13: Member of a MTB Club



[8] It is important to remember that some events (1 day events) will have lower entry fees compared to multi-stage events (such as Sani2C and Berg & Bush). Therefore, this figure shows that it is likely that most of the respondents take part in the smaller, 1 day events as this figure is a COMBINED cost of ALL events in one year.

[9] It is important to note that many of the events include accommodation in their entry fees or many events are also in areas where camping is often favoured (which is a low cost form of accommodation).

[10] Once again, it is important to remember that some events cater for their participants and thus it is included in the entry costs.

[11] It was not clear whether this amount also included other expenses such as maintenance or services.

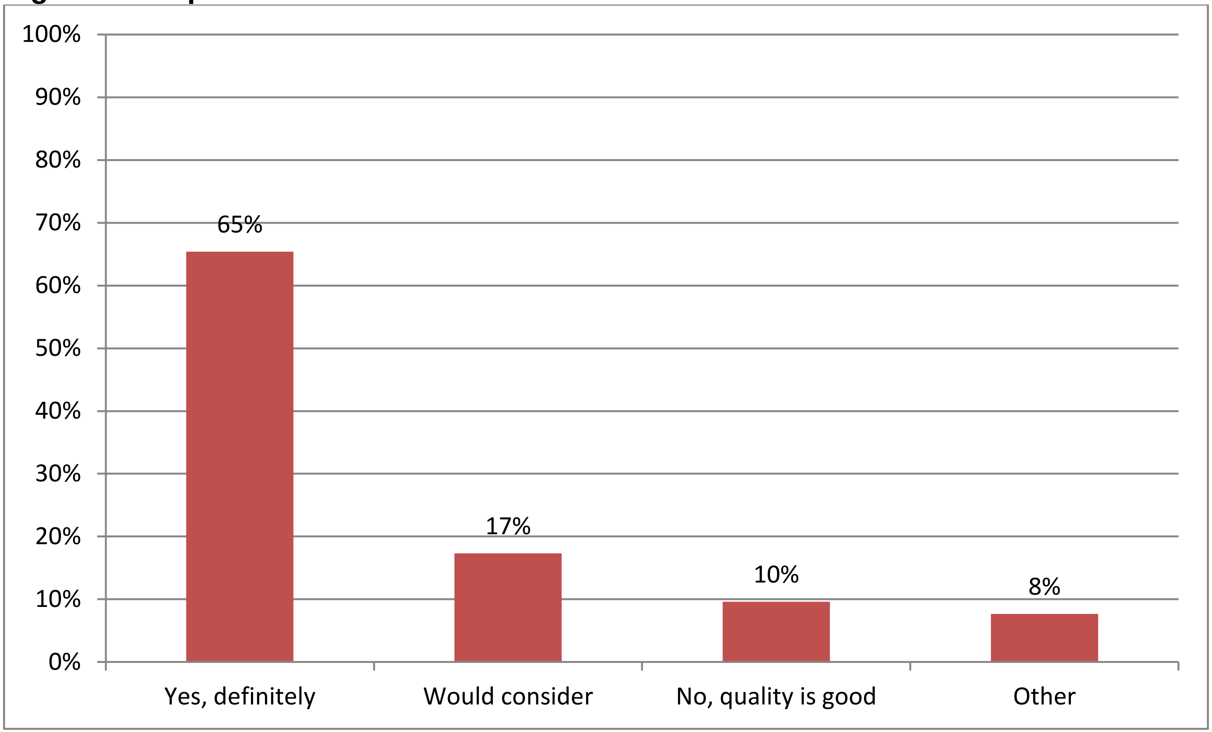
The list of the clubs that the respondents had noted includes the following:

- Berg/Burg Wheelers
- East Coast Cycling Club (ECCC)
- Giba Gorge CC
- Howick MTB Club
- Jowetts Cycling Club
- Karkloof Mountain Bike Club
- ROAG Cycling Club
- Swampdogs Cycling Club
- Team Vitality

6. Feedback on the Karkloof Trails

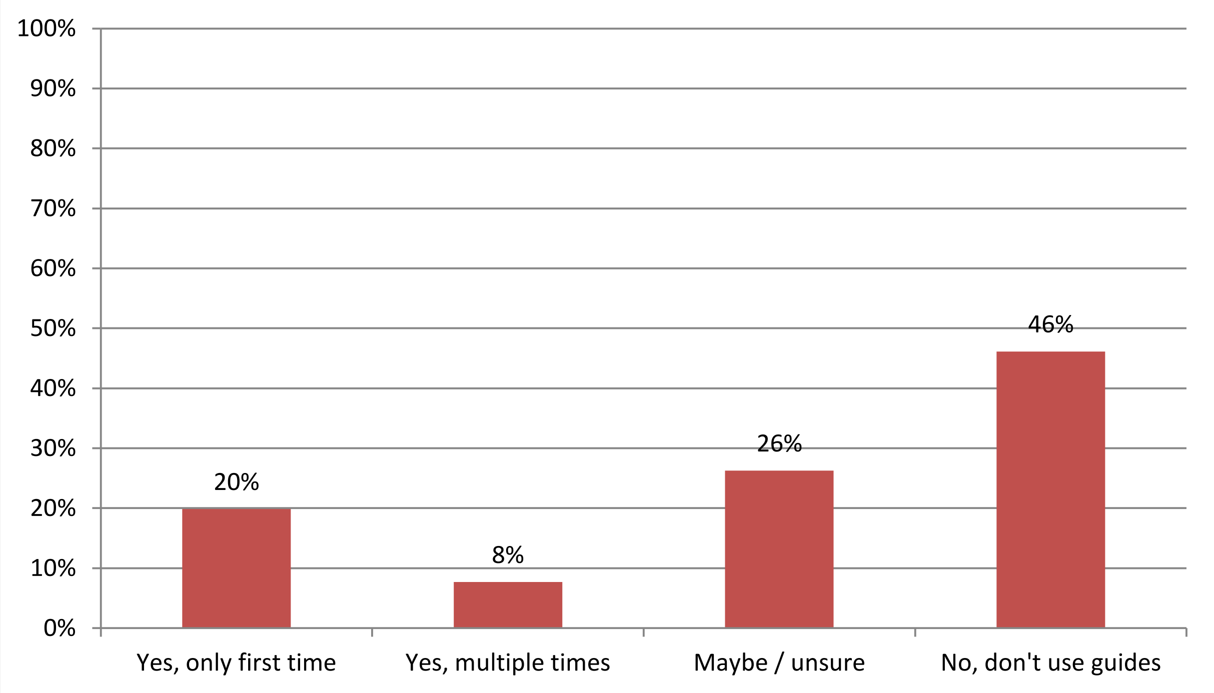
When the respondents were asked if they would visit the trails more often if they were constantly improved, 65% had noted that they *definitely* would. In addition to this 17% said that they would *consider* it and 10% believed that the trails were *good* as they were. The fact that the majority of the respondents had noted that they would visit the trails more after improvements shows that there is definitely potential for a growth in visitor numbers and number of annual trips – thus, a potential increase in the economic value.

Figure 14: Improvement of the Trails and Future Visits



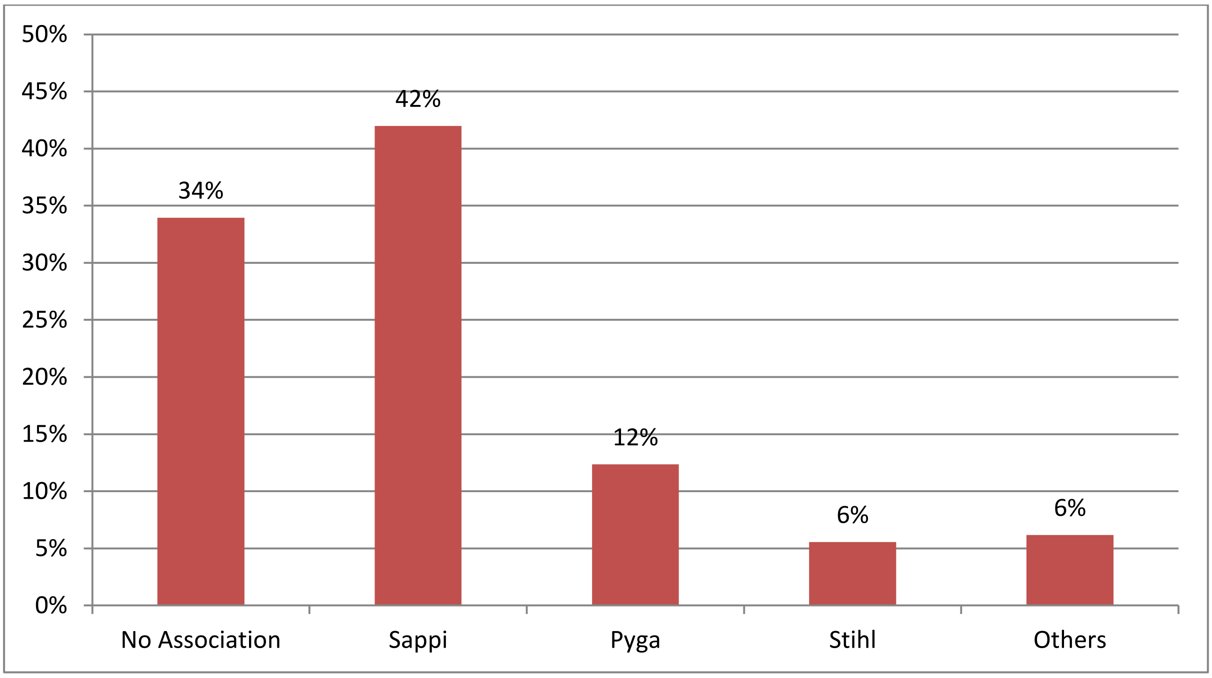
When the respondents were asked if they would make use of a local community guide in the trail network, the majority (46%) stated that they do not use guides. Besides from this, 26% were still unsure whether they would or would not and 20% said that they would use a guide but only for the first time they used the trails. Only 8% of the respondents said that they would use a guide on multiple occasions. From this information, it is evident that there is not a big demand for local guides on the trails but the idea should not be completely disregarded. It is recommended that guides can still be employed but only a few should be selected. If the demand for the use of guides does grow, only then should more be employed.

Figure 15: Local Community Guides



The respondents were asked if they associate the Karkloof Trails with any particular brand(s). Figure 16 has shown that the majority (42%) of the respondents associated the trails with the brand, ‘Sappi’. This shows that Sappi have definitely made their presence felt when it comes to the branding of the trails. It is evident that people know that Sappi are behind the development and maintenance of the trails. In addition to this, 34% of the respondents did not associate the trails with any particular brands while 12% associated them with ‘Pyga’ and 6% associated them with ‘Stihl’. Some of the other brands that the respondents had mentioned included ‘Red Bull’, ‘Powerade’, ‘aQuellé’, and ‘Mondi’.

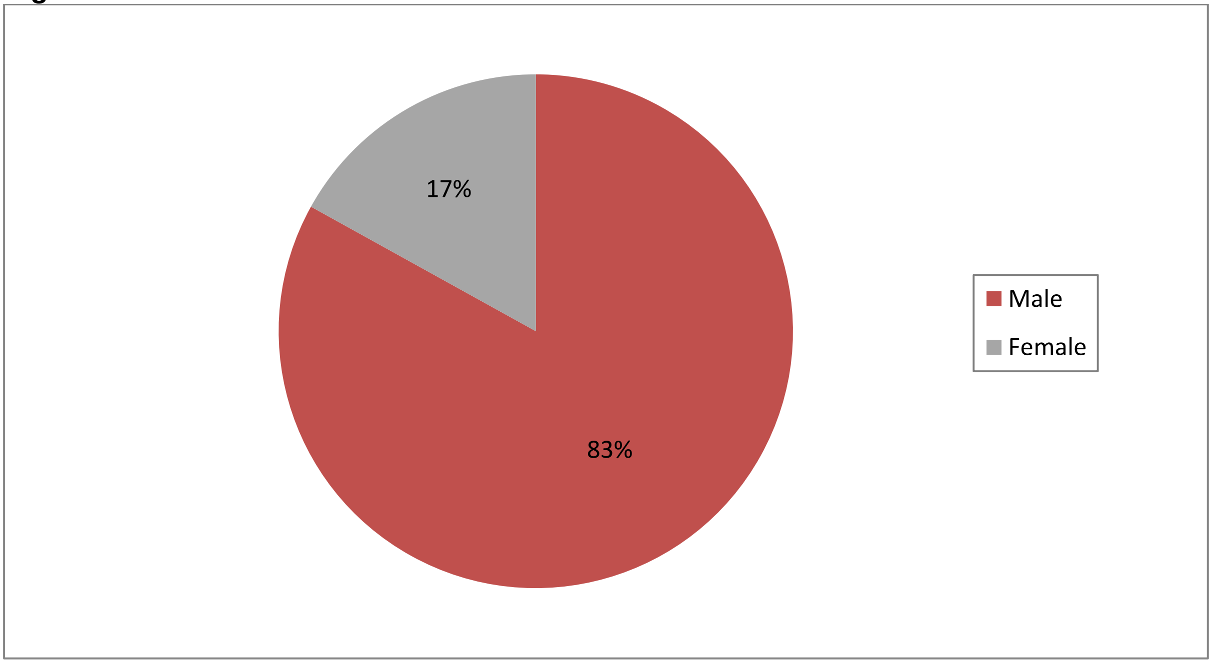
Figure 16: Brand Association with the Karkloof Trails



7. Demographics

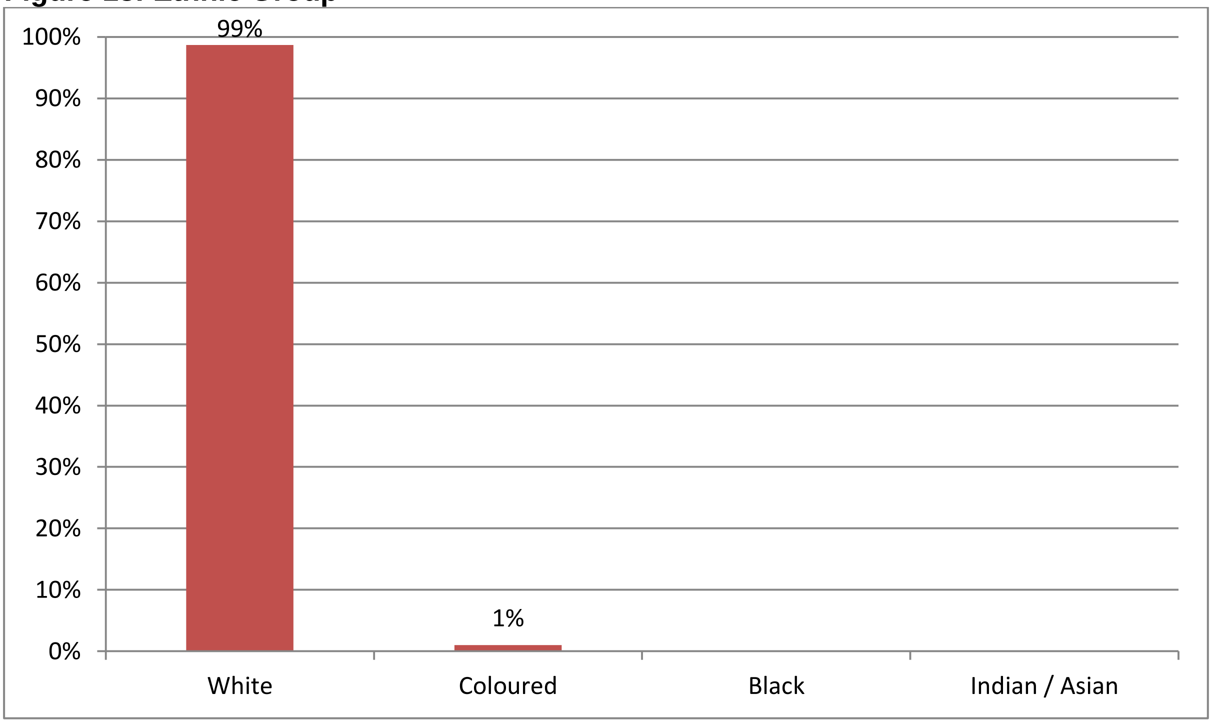
Figure 17 has shown that the large majority of the respondents, 83%, are males while only 17% of the respondents were female. This finding also relates to the findings from the EIA of the Karkloof Mountain Bike Classic (conducted by TKZN), which also shows that MTB is perceived to be a sport/activities that is more popular with males than females. This data shows that, even though future marketing campaigns could be aimed at the male audience, it is recommended that strategies should be introduced to also entice females to visit the trails as well. In other words, there is potential to grow the number of female riders but also for those who do not want to ride, there is also the option to encourage more females to accompany the males (e.g. wife and husband) and they can partake in other activities in the area – such as shopping, visiting a spa, amongst others.

Figure 17: Gender



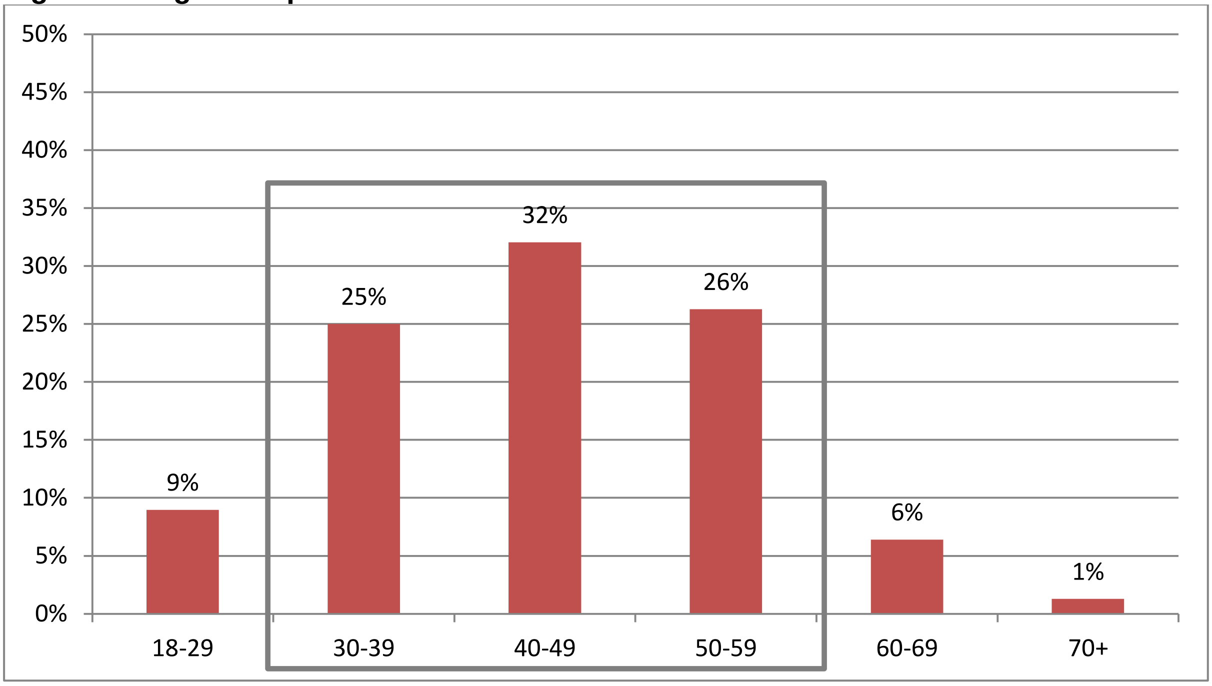
In term of the population or ethnic group of the respondents, almost all of them were "*White*", while 1% were "*Coloured*". Due to the fact that there is such a large majority of respondents from one population group, is an indication that the demographics of the riders is unlikely to dramatically change in the future. It also means that there is huge potential for growth amongst "new" riders. It would also be interesting to note the general population or ethnic groups in the Karkloof area as a simple comparison.

Figure 18: Ethnic Group



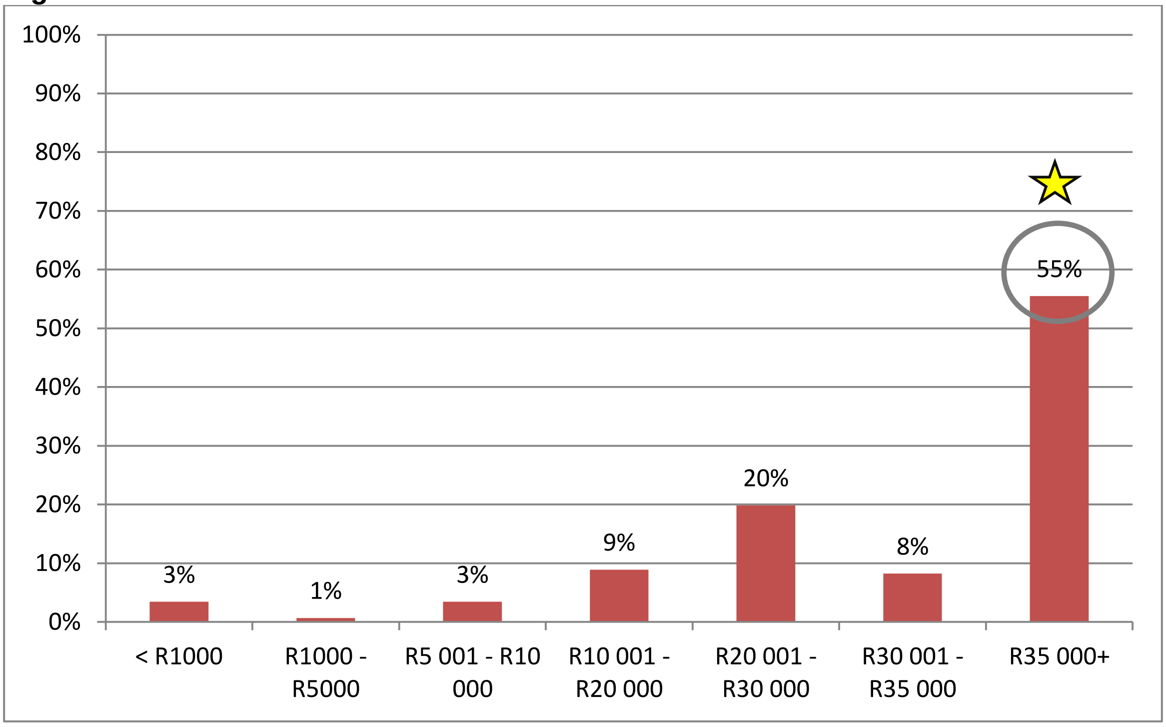
It is evident from Figure 19, that most of the respondents fall into the middle to older age groups. In other words, 32% were *40-49* while 26% were *50-59*, and 25% were *30-39*. Only 6% were *60-69*, and 9% were *19-29*. Therefore, it can be noted (and assumed) that most of the respondents are employed adults and may also have their own family that could accompany them on trips into the area.

Figure 19: Age Group



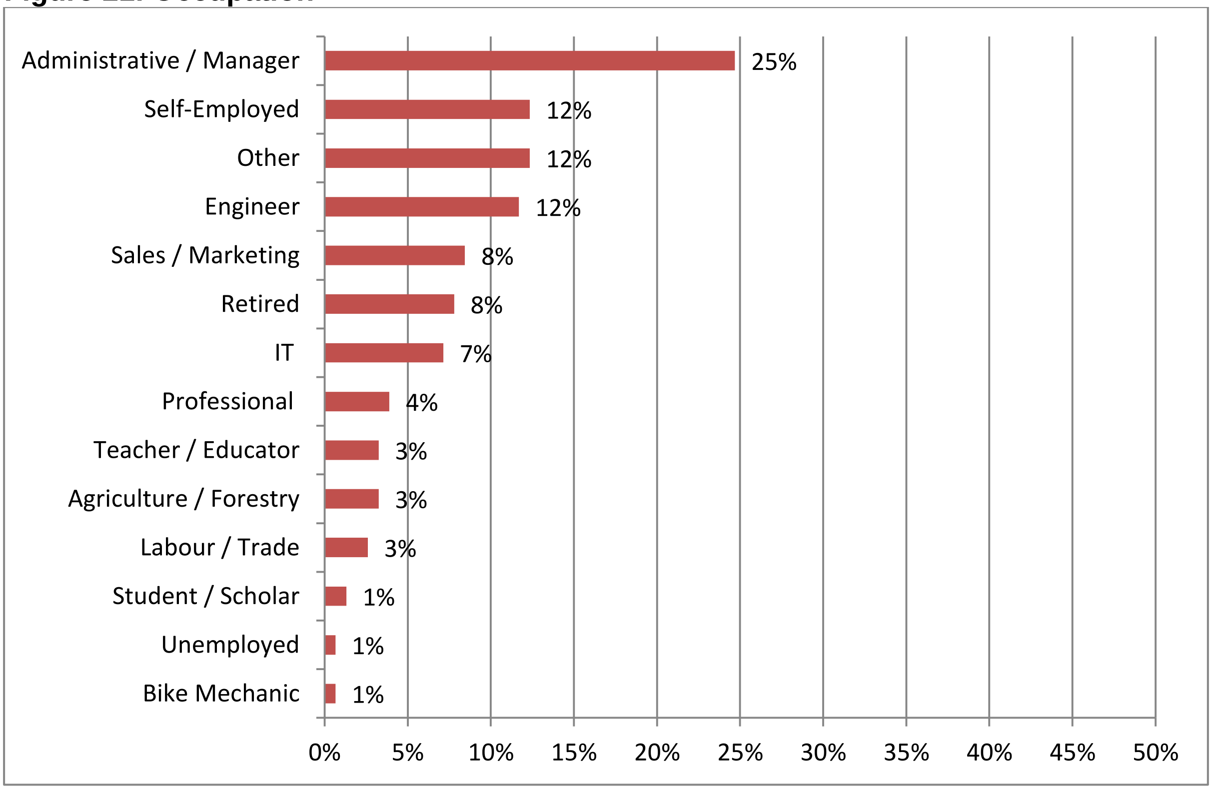
It is extremely positive to note that 55% of the respondents had noted that they earn over R35 000 on a monthly basis. This shows that most of the respondents who have visited the trails have money to spend in the area. It is also shown in Figure 20 (occupation) that many of these respondents are either in a management position or are self-employed – this shows that they either have both the time and the money or it can also show that MTB is their "release" or their favoured leisure activity that allows them to escape all the stress at the office. The combination of the latter with the fact that they have money to spend shows positive signs for the growth of MTB tourism in the Karkloof area.

Figure 20: Income Level



Following on from Figure 20, and the discussion above, it is evident that 25% of the respondents hold a position in management while 12% are self-employed. Both Figure 20 and Figure 21 thus complement each other and almost back up the fact that most of the trail users are high earners who have the time and the demand for a day or weekend riding on the trails.

Figure 21: Occupation



8. Conclusion and Recommendations

8.1. Summary of Findings

8.1.1. MTB Tourism in the Karkloof Valley

- It was positive to note that 73% of the respondents were visitors to the Karkloof area during their trip, while 27% were considered as local residents. Of these visitors, 28% of them stayed in the area overnight and 46% just visited for the day.
- Almost all of the respondents were South African, with only 1% from being outside of the country.
- The majority of the respondents were from KZN (79%), while 18% travelled from Gauteng, 2% from the Western Cape, and 1% from the North West. The top two markets are in line with KZN's major domestic source markets.
- It was noted that 90% of the respondents travelled to the Karkloof area for the primary purpose of taking part in MTB activities.
- In terms of the overnight visitors, 47% stayed for two (2) nights (i.e. most likely a Friday and Saturday) while 26% stayed for either one (1) night or three (3) nights.
- The majority of these overnight visitors stayed with friends and relatives (31%) while 29% made use of self-catering units and 24% stayed in B&Bs.
- The economic impact (i.e. total spend) of recreational mountain biking in the Karkloof Valley was estimated to be between R77 million and R154.1 million. The overall economic impact was thus estimated to be in the region of R234.4 million.
- In terms of demographics, the following was noted:
  - 83% of the respondents were male, while 17% were female
  - 99% of the respondents were from the 'White' ethnic group
  - 83% of the respondents were between the ages 30 – 59
  - 55% of the respondents earn more than R35 000 per month

8.1.2. Mountain Biking Trends

- It was noted that 72% of the respondents had been riding for 5 – 20 years, and more.
- The majority of the respondents (76%) prefer to ride a 'full suspension' bike, while 23% make use of a 'hardtail' bike.
- Most of the respondents (51%) prefer to ride on 'technical single track', while 31% prefer tracks with 'jumps and drops'.
- Almost half (45%) of the respondents travel around SA for MTB more than five (5) times in one year, while 19% travel at least three (3) times a year.
- Only 20% had noted that they had travelled outside of SA for the purpose of MTB.
- Of all the respondents, only 40% were "paid-up" members of a MTB club.

8.1.3. Feedback on the Sappi Trail Network

- When the respondents were asked if they would visit the trails more if they were improved, 65% stated that they would. 10% mentioned that they are happy with the trails as they are.

- In terms of using local community guides, 46% of the respondents noted that they would not make use of guides. 20% noted that they would use them once and then ride on their own after that.
- Just over 40% of the respondents associated the trail network with the Sappi brand, while 34% made no association with any brands.

8.2. Concluding Remarks

It is evident from the findings in this report, that recreational mountain bike tourism in the Karkloof Valley contributes a substantial amount to the local economy in terms of economic impact. As discussed above, the findings of the survey have revealed that mountain bikers contribute a total direct value (estimated) of R77.05 million to the local economy of Karkloof/Howick. It was also noted that their average spend per trip, of all visitors to the region, (R1 783) was higher than that of a domestic tourist in the province (R1 108). The spend of mountain bikers in the region was mainly on items such as accommodation, local transport costs (i.e. fuel, toll fees), and on food and beverages (e.g. supporting local restaurants and coffee shops). It was very positive to note that 73% of all riders were considered as 'visitors' or 'tourists' to the Karkloof region which is important as local residents do not have an impact on the local tourism economy.

The findings and outcomes of this study are crucial in terms of further development of infrastructure and facilities that support both recreational riding (and trail running) and mountain bike events (and trail running events) such as the Sappi Karkloof Trail Festival (formerly known as the Sappi Karkloof Classic. The results of this study have shown the importance of recreational riders in the area and by using this information for key sponsorships and investment opportunities, the value of the activities on the trails have a huge potential of increasing. In doing so, not only will the local businesses and economy achieve further growth, but there are a number of other socio-economic impacts that will follow – such as increased job creating and the improvement of general infrastructure such as road networks, health facilities, amongst others.

9. Way Forward and Future Research

In terms of the way forward, one of the priority areas is to initiate the **business survey** in order to determine the induced economic impacts of the activities on the trails. The business survey was initially part of this study but due to time constraints, the survey has not been completed as yet. The main outcome of the business survey is to obtain a more accurate economic figure. The economic impact is calculated (as seen above) by adding the direct, indirect, and induced impacts.

Thus, it is necessary to engage with the local businesses to determine their spending patterns and perceptions of how their businesses are or can benefit from the various activities on the trail networks. For example, if a business is directly involved in the trail network not only will there revenues increase, with increased usage, but they will also contribute to the local economy by hiring more local staff and paying their wages and salaries. By doing so these local employees are not only able to then support their families, but they will then begin to increase their overall contribution to the local economy by spending money at the local shops and businesses.

It is also recommended that a **stakeholder forum** is set up to present the findings of this study and to form a working group to discuss the way forward in terms of further development of the trail networks and the local businesses. It is recommended that Sappi, NSC, and TKZN invite all relevant businesses to attend the forum – examples of these include all local accommodation establishments that are nearby to the trails, local coffee shops and restaurants in town and nearby, and the local CTO members.