

MSUNDUZI MUNICIPALITY



Policy Name	Marketing Strategy
Policy Number	
Status (1st draft, 2nd draft or approved policy)	1st Draft
Date	
Approved By	To be approved by Council
Date Approved	To be inserted on approval
Date Last Amended	
Date for Next Review	
Date Published on Intranet	Within 12 months from Date of Approval

1. **INTRODUCTION**

Marketing and Public relations Unit of Msunduzi Municipality has identified the need for a Marketing Strategy, aiming to be competitive and creating a vibrant brand identity for the city.

With the development of marketing strategy and the incorporation with the LED strategy aims to synergize the Units efforts to attract investment and marketing Msunduzi Municipality on local and global environment. The focus will be on promoting sustainable and integrated development in local economy.

The objective of marketing strategy is to formulate guidelines and implementation plan for retaining the existing industries and attraction of new and potential industries. In order to achieve this goal the following would be taking into consideration:

Market analysis: a review of local businesses data base and the relevant provincial departments such as Economic development, Integrated Development Plan, non-profit organizations, etc., as well as marketing data, promotional tools that will be cost effective, resources that will enable efficiency of the marketing strategy.

Marketing strategy: the development and formulation of vision, strategies and programmes, are required in order to be able to realize the vision. Target market, brand identity and market segment and marketing messages that are inward and external missions and mechanisms for public must be included.

Marketing materials: review of marketing communication information containing competitiveness of Msunduzi Municipality for the aim of potential investors. The marketing information contains the marketing investment environment of each sector with priority projects and potential investment opportunities. The investors will need to know key information is illustrated in the table below.

MARKET ACCESS	INFRASTRUCTURE	ECONOMY	STRATEGIC RESOURCES
Potential Growth	Logistical platforms	Economic growth rate and responsiveness	Access to land
Place marketing	Infrastructure development	Economic stability and trends	Raw Materials
Tourism	Infrastructure Development	Local and International tourist spending.	Tourism sites.

2. GUIDING LEGISLATION AND POLICIES

The following legislation and policies from national, provincial, and local strategic and/ or policy documents which this marketing strategy will be aligned are:

2.1 NATIONAL POLICIES AND STRATEGIES:

National Growth and Development Strategy

National spatial Development Perspective

Accelerated and shared Growth Initiative for South Africa

National Industrial Policy Framework for Action

The Micro-Economic Reform

2.2 PROVINCIAL POLICIES AND STRATEGIES

Integrated Small Enterprise strategy

Kwa-Zulu Natal Provincial Growth and Development Strategy

Provincial Spatial Economic Development Strategy

The above National and provincial policies and Strategies place emphasis on sustainable development and attraction of investment as expressed by the MEC of Economic Development. Export marketing will be play a pivotal role income generation for Msunduzi Municipality. The local industries will have niche to compete successfully with the integration and efforts of develop the marketing strategy. With the creation of the Tourism Hub, it is another strong focus area and local industries will be encouraged to explore and utilize and market their unique attributes and invest to the local tourism sector.

Efforts have been created and intensified to address unemployment with job creation and investment attraction. These plans are clearly marked out in the Integrated Development Plan which is five year strategic plan. The objectives are:

- To stimulate economic growth through job creation, promotion of BBBEE, development of SMME's, co-operatives and agri- industry.
- To promote sustainable tourism
- To promote and stimulate business investment, retention and expansion

3. INVESTMENT SUPPORT PROPOSAL

The investment support is aimed at analysing the capability of Msunduzi Municipality in rendering support to local businesses and attracting new investment as well as reviving the current support to existing business. The support will include marketing and promotion of business and including them to the mainstream tourism marketing.

4. LOCAL INVESTMENT PROMOTION CAPACITY

It is important to review the current Marketing Business unit's personnel capacity to direct the programmes of the marketing strategy. This component will also assess Msunduzi Municipality's capacity with regards to investment promotion and LED Strategy implementation and evaluation of:

- Marketing Business Units' organizational structure
- Marketing and Led Budget
- Marketing capacity, marketing tools and Marketing drives

The table below provides the current organizational structure, but with a specific reference to Marketing and LED.

MARKETING AND LED ORGANIZATIONAL STRUCTURE	
MSUNDUZI MUNICIPALITY	
<p><u>MARKETING UNIT:</u></p> <p>The marketing unit falls under Corporate Business unit which constitutes the following:</p> <ul style="list-style-type: none"> ▪ Manager ▪ Administrative Assistant: ▪ The challenges of marketing unit: ▪ Currently the unit is understaffed resulting in low marketing drives and branding campaigns to attract investment for the municipality. This has detrimental effects to emerging business especially to events marketing and other related industries. ▪ The strength is that the merger of the Msunduzi Tourism Ass. And PMB Tourism, has resulted in a new Msunduzi Pietermaritzburg Tourism Association which has a new vision 	<p><u>LED UNIT:</u></p> <p>The LED unit falls under Development Services, which constitutes the following:</p> <ul style="list-style-type: none"> ▪ LED manager ▪ Support staff ▪ Real Estate, evaluations and Planning manager ▪ Support staff ▪ Housing manager ▪ Support staff ▪ Town Planning manager ▪ Support staff ▪ The challenges of LED unit ▪ Currently the unit lacks to attract new investment and job creation. There is no adequate support to SMMEs and Co-operatives and some other challenges include but not limited to: Influx of informal Traders,

<p>and covers the entire municipal area.</p> <ul style="list-style-type: none"> ▪ Consultations: no marketing strategy and vision 	<p>Unemployment, aging infrastructure, within the CBD and surrounding areas.</p> <ul style="list-style-type: none"> ▪ Consultations: LED Unit
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5. MARKETING CAPACITY, MARKETING TOOLS AND MARKETING DRIVES

The Msunduzi Municipality lacks both human and financial capital to carry out the marketing functions properly as a result of being short staffed and having less budget to undertake huge marketing drives, It is not to say no work has been performed by this unit, but points out to the fact that it poses a challenge in terms of investment attraction and the promotion of the City. The poor infrastructure, bad state of cleanliness and unreliable electricity supply, have also contributed negatively to the attraction of investors and tourists, and made it difficult to promote the City.

The other issue identified as one of the constraints regarding marketing tools was the poor Inter Governmental Relations with other spheres of Government and organizations. The marketing tools that needs further development is the website, brochures with marketing projects and drives, Magazines and Publications as well as other related marketing information.

6. INVESTMENT PROMOTION STRATEGY

This Section presents the Investment Development Framework and strategic interventions within which the Investment Strategy is developed. The vision and mission of the City's guide the framework in which the Investment Strategy is developed. A favourable investment environment is required for any type of development, regardless of sector or economic project. The success of economic initiatives, to a degree, is dependent on investment interventions to improve the investment environment. This section recommends strategic interventions required to improve the City environment in a manner that will facilitate investment.

The strategy indicates that the role of the Msunduzi Municipality in investment promotion and facilitation should include the following:

- Creation of a package of local or regional incentives and concessions to attract and support business activities.
- Maintenance of a lobbying capacity for specific programmes, projects, offices, facilities and other services that may relocate to the area.

- Establishment and maintenance of a regional business inventory and database, including skills base, public owned land, commercial sites, rental rates, etc.
- Provision of relevant and up-to-date information and analysis on the local business environment.
- Creation of a “fast track process unit” in local government for handling planning, information and regulatory activities.
- Branding and promotion of the area as a centre of excellence in this regard.

7. MUNICIPAL VISION, MISSION AND OBJECTIVES

The vision of Msunduzi Municipality is defined in a broad and accommodative sense, as a “ City of choice, second to none.”

The mission is: To ensure that the Municipality function effectively and in a sustainable manner in order to deliver services of excellence to the community.

- To stimulate economic growth through job creation, promotion of BBBEE, development of SMME's, Co-operatives and Agri- Industry.
- To promote full participation of all stakeholders in the planning, implementation and decision making of the municipality
- To improve accessibility and maintenance of habitable human settlements and facilities
- To develop an efficient, effective and accountable administration

It is against this background that the investment strategy is formulated. The primary goal of the Investment Strategy is to formulate guidelines for the Msunduzi Municipality for retaining the existing businesses, assisting in their expansion, and attracting new investment. This goal is supported by the following objectives:

- To create an environment for economic growth and development to enhance the municipal contribution to create job creation and sustainable livelihoods through a Local Economic Development Plan
- To stimulate economic growth through job creation, promotion of BBBEE, development of SMME's, Co-operatives and Agri- Industry
- To promote sustainable Tourism
- To promote and stimulate business investment, retention and expansion

8. THEORETICAL FRAMEWORK OF THE INVESTMENT STRATEGY

Government, economists, international agencies and organizations have reached consensus that the key to development is first the creation of an environment that is conducive to investment. Across the world, development strategies are based on the idea of stimulating competitiveness, seen as crucial to

an environment attractive to investors. Only when this environment has been created, can any measure of success regarding specific project implementation be expected.

As the process of economic globalization picks up pace, shifts have occurred in the relative importance of critical factors that determine productivity, and hence growth, since productivity lies at the heart of growth. Central to productivity is competitiveness, which consists of the set of factors, policies and institutions that determine the level of productivity of an area. Increased competitiveness, through its impact on the efficiency in the use of available resources, enables productivity levels to be raised.

This strategy is thus located within the framework of the latest competitiveness theories, namely the theories underlying the World Economic Forum's Global Competitiveness Index (GCI). The GCI provides guidelines to fundamentals that must be in place to attract investment. Factors that determine the underlying competitiveness of locations are both diverse and numerous. The World Economic Forum (WEF) continually updates its methodology for measuring competitiveness in order to keep up with the changing international environment. Presently, the WEF uses a far-reaching measure of competitiveness, developed by Professor Xavier Sala-i-Martin, a leading expert on growth and economic development. The new Global Competitiveness Index (GCI) represents almost two years of collaboration between the Professor, Forum staff, and a broad set of users. It is presently the main competitiveness index used by the World Economic Forum.

The GCI provides a holistic overview of factors that are critical to driving productivity and competitiveness, and groups them into nine strategic thrusts:

- Institutions
- Infrastructure
- Macro economy
- Health and primary education
- Higher education and training
- Market efficiency
- Technological readiness
- Business sophistication
- Innovation

These thrusts and the factors that underlie them are based on the latest theoretical and empirical research. None of these factors can individually ensure competitiveness. For example, the value of increased spending on education will be undercut if inflexibilities in the labour market and other institutional weaknesses make it hard for new graduates to gain access to appropriate employment opportunities. The most competitive economies in the world are usually those in which concerted efforts are made to structure policies in an all-inclusive manner that recognizes the importance of a broad assortment of factors and their interconnection in a proactive way. The thrusts comprising the GCI will be used as the base for providing guidelines for improving the investment environment in the

Msunduzi Municipality in such a manner that a solid foundation may be laid for the development and consolidation of investment activities.

9. MARKETING STRATEGY

9.1 OBJECTIVES OF THE MARKETING STRATEGY

- To encourage local investors to further invest more in the City and the Municipality.
- To attract foreign investors to invest in the City and the Municipality.
- To promote Local Economic Development
- To enhance the capacity of the Tourism Sector to attract local and International tourists
- To attract National and International events to the City.
- To create jobs through opportunities created by investors.

9.2. BRAND AND POSITIONING

The Msunduzi Municipality needs to highlight its range of attractions and activities as unique to it and different from other destinations by emphasizing the undiscovered, un-crowded quality of these attractions and activities in close proximity to all amenities and entertainment facilities that a tourist could want. It is true that the Msunduzi Municipality is set among the forested hills and rolling country side of the Natal Midlands, and is one of the best preserved Victorian Cities in the world boasting the largest brick building in the Southern Hemisphere, the City Hall.

The location of Pietermaritzburg has a strong influence on regional channels of investment, movement and structuring of the provincial spatial framework for growth and development. Pietermaritzburg has the following selling points:-

- Legislative and Administrative capital of the KwaZulu-Natal.
- Strategically located on South Africa's busiest highway, the N3.
- 45 minutes' drive from the Durban Port, and one hr. to King Shaka International Airport.
- One hour flight from O.R Tambo International Airport and Pietermaritzburg Airport.
- Excellent network of road, rail and air linkages.
- It is the sporting pulse point hosting such great events like the Comrades Marathon, Duzi Marathon, Royal Show and UCI BMX and MTB International Cycling Events.
- Some of the best schools in the Country are found in Pietermaritzburg
- Very unique and significant historical and heritage attractions.

It is recommended that these unique selling points be incorporated into the brand and positioning of Pietermaritzburg.

10. MARKETING TOOLS

These include the following:-

- **Municipal Website:** It has to be up to date with information on all kinds of developments taking place. Has to provide clear details of investment opportunities that are available within the Municipality. It has to pronounce vividly the tourism attractions that are available in Msunduzi Municipality, and fully promote all prominent events in a calendar year.
- **Magazines and other Publications:** In order for the Municipality to be visible, it must take up advertising space in various popular magazines. Be it business, sports and lifestyle magazines, outlining the opportunities as well as attractions within the municipality.
- **S.A Cities Network website:** Msunduzi Municipality is a member of the South African Cities Network, and therefore has the opportunity to promote itself on this great platform which is shared with big Cities such as Tshwane, Durban and Cape Town.
- **Events:** By associating itself with major events taking place in the City, the municipality receives a lot of mileage in brand exposure through websites, brochures, radio, and television.
- **Radio and local press:** By taking up advertising space in local media, this provides an opportunity for local investors to better understand what opportunities are available for further investment.

11. IMPLEMENTATION PLAN

Once approved and adopted, the Msunduzi Marketing strategy will be the Investment attraction and Tourism bible for the improvement of the economy and the creation of jobs in the Msunduzi Municipality. The IDP and the SDBIP will be the measuring tools to give an indication if they talk to the Marketing Strategy. The projects, programmes and events as contained in the performance measuring tools, have to talk to the strategy through implementation.