

Dear **Cherie Club Members** and 2010 Opportunity Agents,

Thank you for attending one of our national **Road Show Mornings** during Nov/Dec 2009, at which we showcased the 2010 FIFA World Cup earning opportunities.

139 days to go

Much has happened since then. I have been in numerous meetings over the December period and since January I have been in daily meetings & discussions with key service providers for 2010. These key players range from tour operators, rental agencies, large real estate organisations and accommodation providers for Match. This email is all about managing expectations, so please read on.



My findings, whilst not yet conclusive are very interesting. Many Real Estate agencies rushed out and secured mandates on thousands of **“owner vacated”** properties, expecting rentals ranging from 30 to 60 days. These rentals would allow the owner to vacate his premises and simply collect one rental cheque from one booking. These agencies are now besieged by their “mandated owners” asking where the rental bookings are. The signing of the mandate created an **expectation** of a secured booking. Several of these Real Estate agencies are now embarrassed in that current demand for accommodation is not typically for 30 to 60 day rentals.

Some agencies requested a **listing or inspection fee** from the owner as part of taking a mandate. This too created an **expectation** that a booking would be secured. Several companies have also insisted that owners buy an **insurance policy** as part of the mandate.

On Friday, 4 December the fixtures and pools were announced. We are now in a position to give you very valuable feedback.

The longer term bookings (30 to 60 days) pertain primarily to the actual teams, media, and official staff for the World Cup. Most of these people have been booked into hotels and not into private homes. They were never going to be part of our opportunity.

It is important to understand the difference between a soccer **fan and a supporter**. A fan will attend FIFA World Cup for the general atmosphere, vibe, holiday and party. A supporter will attend FIFA World Cup for the same reasons, but will very specifically follow their team around South Africa to watch their games and the team’s progress. If the team loses, the supporter will continue to support.

The supporters are coming to **follow their team** around South Africa. This has resulted in a demand for **3-7 night rentals**, rather than 30 day rentals. As a result, many of the companies who mandated private homes now face the embarrassing challenge of thousands of mandated properties where the

owners are vacating their homes. If the supporters require 3-7 night rentals, then the **owners need to be present to:**

- change linen
- hand over keys
- meet and greet
- provide “hotel standard” meals
- provide transport to stadiums or to public transport facilities
- generally host the visitors (tour guide, leisure activities, B & B manager etc.)

My findings therefore, now point to **“home hosted” accommodation** for smaller parties (2 – 8 people).

This changes **everything**. It places us in a very **strong position** in that our careful investigation has allowed us to avoid creating unrealistic expectations amongst our valued home owners. It has also prevented us from taking inspection money from home owners and from signing mandates which may need to be re-signed, give current market knowledge. We have effectively saved face.

Whilst many service providers are currently scrambling to handle unexpected enquiries for **short term rentals**, home owners are often declining a 3-7 night rental in the hopes that they will secure a 30-night rental. At the end of the day they may well have a home that is not rented out for World Cup.

We need to prepare our home owners along the lines of **“home hosted” accommodation** and to capitalise on every other opportunity that comes with it. The supporters, who have confirmed 3-7 night rentals will **require transport**. They will also require breakfast, dinners, entertainment and alcohol, all of these presenting money making opportunities.

Most visitors will only attend a match or fan park every four days, and will avail themselves of touring and leisure opportunities in between. A fan park is a large open area accommodating thousands of people, with the match projected onto a giant screen. Fans parks are attractive for many reasons. The vibe is unparalleled, food and beverages are available, entertainment is provided, and the supporter avoids the costly purchase of a ticket. A national World Cup atmosphere will prevail. This is what many foreigners will be seeking. This presents a massive earning opportunity for any entrepreneurially minded agent who is prepared to:

- secure a PDP (Public Drivers Permit)
- act as a host
- feed the visitors
- book golf games & leisure activities
- arrange over-night trips to game lodges, area attractions, Sun City etc.

Further to this, demand is directly linked to **proximity to the stadium**. Every city with a 2010 stadium will enjoy demand for short term accommodation around the stadium. The capacity per stadium is as follows:

- **Soccer City Stadium** (Johannesburg) – 95 000
- **Ellis Park Stadium** (Johannesburg) – 60 000
- **Loftus Versfeld Stadium** (Pretoria) – 45 000
- **Royal Bafokeng Stadium** (Rustenburg) – 40 000
- **Mbombela Stadium** (Nelspruit) – 40 000
- **Peter Mokaba Stadium** (Polokwane) – 40 000
- **Free State Stadium** (Bloemfontein) – 40 000
- **Moses Mabhida Stadium** (Durban) – 70 000
- **Nelson Mandela Stadium** (Port Elizabeth) – 50 000

- **Green Point Stadium** (Cape Town) – 68 000

As **64%** of the stadiums are within driving distance of Johannesburg, Gauteng will enjoy the most activity.

My friends, we need to gear up for this global event. Please manage the expectations of your home owners carefully as it may well be that the greatest opportunity lies in the associated income streams, and not just the accommodation. Should your owners agree to rent their homes, they need to understand that they will be running a **“guest house”** and that rather than securing a single 30-night booking, they may rather secure 10 x 3 night bookings. They may also experience gaps / vacancies between bookings.

They also need to understand that many of their bookings might only be made days before a match. As South Africa is an unknown destination, the current trend amongst supporters is that, whilst they are making enquiries, the masses of bookings are not forthcoming as yet. The expectation is that we will face a **last minute rush**.

Pricing is averaging **R750.00 – R1500.00 per person per night** depending on amenities, facilities and quality, in a home which is within easy **driving distance of a stadium**. Please bear in mind that our visitors are expecting a “value for money” holiday and that every South African who deals with a visitor is a brand ambassador for our country. Please strive to make your interaction with them positively memorable. Many supporters will want to spend at least some time in the city where their team is based. For example:

- **France and Denmark are in Knysna**
- **Uruguay are in Kimberly**
- **Paraguay have provisionally booked Mossel Bay**
- **Argentina are in Pretoria**
- **Australia are in Muldersdrift**
- **Brazil are in Bloemfontein**
- **Holland are in Sandton**
- **Germany are in Pretoria**
- **Ghana are in White River**
- **Nigeria are in Zimbali**
- **Honduras are in Johannesburg**
- **Italy are in Pretoria**
- **Ivory Coast are in Vanderbijlpark**
- **Japan are in George**
- **Mexico are in Johannesburg South**
- **Slovakia are in East London**
- **Slovenia are in Johannesburg**
- **Spain and South Korea are in Rustenburg**
- **Switzerland are in Vanderbijlpark**
- **USA are in Irene (Pretoria)**
- **England are in Rustenburg**

The teams are required to finalise their accommodation contracts by the end of January.

As flights will be over booked and exceptionally expensive access to games will be primarily limited to travel by road. An opportunity exists for anyone prepared to offer transport.

We have connected with a company who require accommodation for **10 000 supporters**. Negotiations are underway to secure this group and to spread them amongst the Cherie Club agents. You will be notified if we secure this group. If we do, it will most certainly put us in a **favourable**

position when compared to other accommodation providers, as some of them have thousands of homes under mandate and few bookings. For us to secure 10 000 bookings would most certainly be a coup. Please note that negotiations are still at an early stage and we will keep you posted when we have news.

For now we trust that this suffices as an update and that you can begin talking to your owners along the lines of **short term owner hosted accommodation**. We have had sight of several different 2010 rental agreements, but as we are only going to get one shot at this, it is our desire to safeguard your relationships with your home owners and only provide a mandate when we are confident that you will secure bookings.

Let us rather learn from the mistakes of our predecessors, who now face the re-signing of their mandates and the refunding of monies taken, and let us monitor the demand for accommodation in South Africa after today (**22 January 2010**) when the random phase of ticket allocations is announced.

As always we have your best interests at heart and wish you well in your 2010 endeavours.

We will not call for mandates until we are in a position to begin confirming solid bookings. Please visit the www.cherieclub.co.za website regularly, as we will be posting all information there, rather than inundating you with emails. Please also follow this [link](#) to download a fabulous FIFA 2010 document.

Finally, I would request that every South African makes an effort to learn all the words of our national anthem. You will find the anthem on our website.

Warm regards,

Cherie Eilertsen

CHERIE CLUB

Tel: (011) 467 8889

Email: info@cherieclub.co.za

Blog: <http://cheriepower.wordpress.com>

Web: www.cherieclub.co.za