DATA AND DIGITAL PLATFORMS

Driving the Tourism Recovery in Kenya

TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

Contents

Executive Summary

The tourism industry has suffered more than any other sector due to COVID-19 and the resulting global economic recession; the challenges to a full recovery in travel are formidable. Digital content and platforms have been proven to drive growth in travel. This study seeks to identify how data and these online platforms can be leveraged to influence the recovery in travel and the economy.
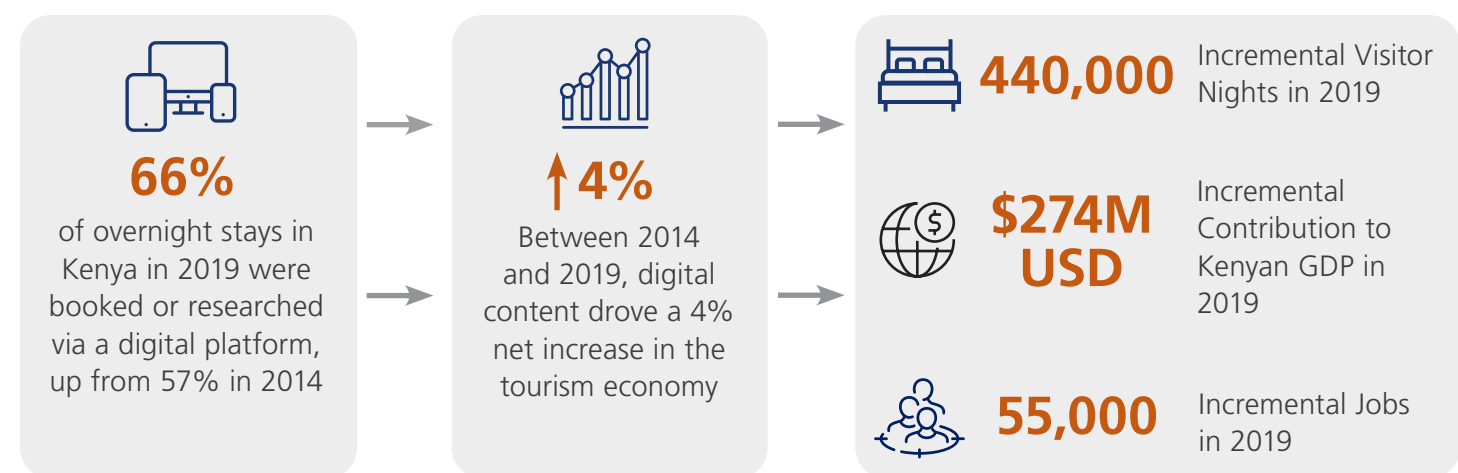
The Economic Impact of Tourism in Kenya

Domestic and international visitor spending in the Kenyan economy directly contributed US$2.6 billion to Kenyan GDP and supported a US$7.9 billion total impact including indirect and induced impacts. The Kenyan travel and tourism industry represented 8% of total GDP in 2019. This economic activity supported 1.6 million jobs.

Travel and Tourism Industry Impacts in Kenya in 2019

$7.9B USD
Economic Impact

1.6M
Total Jobs

8%
Total GDP

Digital Content Drives Travel

66%
of overnight stays in Kenya in 2019 were booked or researched via a digital platform, up from 57% in 2014

↑**4%**
Between 2014 and 2019, digital content drove a 4% net increase in the tourism economy

440,000
Incremental Visitor Nights in 2019

$274M USD
Incremental Contribution to Kenyan GDP in 2019

55,000
Incremental Jobs in 2019

Opportunity to Accelerate the Recovery

Tourism Economics modeled two scenarios for the future of tourism in Kenya.

Baseline Outlook

Kenya's visitor volumes and visitor spending are set to fully recover to 2019 levels by 2023, while total visitor spending will recover by 2024. Employment contributions will remain below 2019 levels through 2026.

Opportunity Outlook:

An increase in the use of digital platforms to meet source market preferences and match competitors will increase destination competitiveness and market share. Tourism Economics has estimated the potential gains in addition to baseline growth as a result of digital advances.

Potential Gains Attributable to Digital Advances

32,000
New Jobs by 2025
(Direct, Indirect, Induced Jobs)

400,000
Incremental Overnight Stays in Kenya in 2025

500M USD
Cumulative Increase in Tourism Spending Over the Five-Year period

Baseline Outlook and Potential Additional Growth Attributable to Higher Online Presence

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	8.7	11.7	14.0	15.4	16.6
	Opportunity Outlook	8.7	11.8	14.2	15.7	17.0
	Potential Increase	0.1	0.2	0.2	0.3	0.4
Spend (US$ billions)	Baseline	3.4	4.1	4.6	5.1	5.6
	Opportunity Outlook	3.4	4.2	4.7	5.3	5.8
	Potential Increase	0.0	0.1	0.1	0.1	0.2
GDP (US$ billions)	Baseline	5.6	6.8	7.7	8.7	9.6
	Opportunity Outlook	5.6	6.9	7.8	8.9	9.8
	Potential Increase	0.0	0.1	0.1	0.2	0.2
Jobs (thousands)	Baseline	1,043	1,240	1,348	1,444	1,513
	Opportunity Outlook	1,051	1,255	1,369	1,471	1,545
	Potential Increase	8	15	20	27	32

TOURISM ECONOMICS

E1 The Economic Impact of Tourism in Kenya

Travel and Tourism Makes a Significant Contribution to National Income

From 2010 to 2019, total overnight visitation to Kenya grew 18%.[1] International overnight stays rose 11% over these 10 years, while domestic visits increased 29%.

In 2019, domestic and international visitor spending directly contributed US$2.6 billion to Kenyan GDP and supported a US$7.9 billion total impact including indirect and induced impacts. The Kenyan travel and tourism industry represented 8% of total GDP in 2019, with this economic activity supporting nearly 1.6 million jobs.
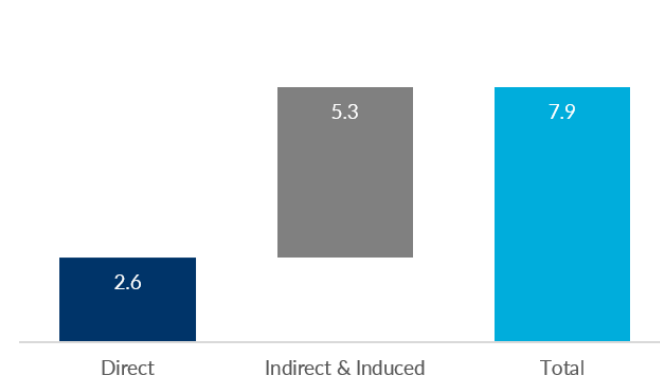
Tourism Has Experienced Massive Losses

Total visitor spend is estimated to have declined by over US$2 billion in 2020, representing a near 50% drop from 2019 levels. The bulk of this travel and tourism spend in Kenya was generated from domestic visitors, sponsored strongly by day visitation. The international market experienced the most acute losses, with inbound spending down an estimated 67% in 2020.

The reduction in visitor spending in 2020 jeopardized over 700,000 jobs within the travel and tourism sector and related industries.

E2 Digital Content Drives Travel Activity

Digital content and online platforms can elevate the ability of a destination to reach travelers across the globe throughout each stage of the travel planning process: Dreaming, Planning, Booking, Experiencing, and Sharing. Travelers are accessible across all five stages of travel planning through a robust digital presence that inspires travel, produces confidence in the product, reduces friction in booking, and enables shared experiences.

The majority (66%) of overnight stays in Kenya in 2019 were booked or researched via digital platforms, up from 56% of overnight stays in 2012. Economic modeling identified a causal relationship between increasing use of digital platforms and growth in the tourism economy. Increasing digital content use from 2014 to 2019 contributed an additional US$274 million to Kenyan GDP in 2019 and supported 55,000 jobs. Digital content increased tourism activity 4% over the past five years, representing a nearly 20% share of total growth during this period.

E3 The Benefits of Digital Platforms

When businesses adapt existing digital processes to best fit the environment and future of the tourism industry, they produce productivity gains that generate ripple effects across the economy. These digital investments encourage destinations to become more creative and competitive at attracting traveler demand, while simultaneously improving their own business practices.

Figure E1: Travel and Tourism's GDP Contributions to the Kenyan Economy, 2019

US$ billion contribution to GDP

Direct: 2.6
Indirect & Induced: 5.3
Total: 7.9

Source: Tourism Economics; WTTC

Figure E2: The Five Stages of Travel Planning

The 440,000 additional visitor nights resulting from the increased use of digital platforms and tools generated US$274 million in Kenyan GDP in 2019

More specifically, digital platforms provide the following benefits:

- **Scalability.** Easily share content and messaging to a large population at a relatively low cost.
- **Agility.** Quickly adapt content and messaging for the current environment.
- **Efficiency**. Target travelers based on active travel intenders and other psychographic considerations.
- **Geolocation.** Better understand how visitors travel throughout the destination and learn about consumer preferences, which can be leveraged to support investment decisions. The use of this technology should follow data privacy regulations. Technology platforms with geolocation capabilities should always ensure the user is aware of this use and that they can decline sharing their data.
- **Marketing return on investment (ROI)**. Gauge the effectiveness or ROI of digital marketing campaigns, which can help refine and adjust future campaigns.
- **Brand Development.** Develop authentic brands that can be consistently used and easily adopted across the industry.

Many of the benefits of digital platforms are grounded in data analytics, which have become increasingly important to the tourism industry in recent years and even more so during the pandemic. Ultimately, data and research—the majority of which are derived from digital platforms—serve as the basis for a destination's marketing decisions and product offering.

E4 Recommendations for Recovery

Destinations, governments and private sector businesses affiliated with the tourism industry in Kenya must take immediate actions to support a robust recovery through digital transformation. Destination marketing organizations (DMOs) are adding a destination management function to their mandate, leveraging new technologies, and engaging with community stakeholders—all while operating with reduced budgets due to COVID-19.

Although some of these new roles were starting to be implemented in recent years, the pandemic accelerated the transition, especially by leveraging new technologies and digital platforms. These important tools quickly allowed DMOs to shift their role and messaging from marketing the destination to promoting the health and safety protocols implemented throughout the destination, which helped to build consumer confidence and interest for future travelers.

Despite the current realities of reduced travel, Kenya must focus on recovery now, which will be largely driven using digital platforms, online content, and data analytics.

We recommend the following actions to support tourism recovery:

1. Improve telecom infrastructure

The private sector in Kenya should work alongside the government to advocate for infrastructure development in rural areas. The promotion of a more proactive and independent Communications Authority to enhance and streamline telecom procedures and regulations will further expedite advances to telecom infrastructure. Improving broadband connectivity for businesses, residents, and visitors will make Kenya a more appealing destination to reside in and visit.

Increased access to high-quality and affordable broadband alongside other digital infrastructure is vital if tourism businesses operating in rural areas are to receive the full benefits of engaging with digital platforms and utilizing data analytics. Good mobile coverage for tourists visiting rural areas is also key, especially for the experiencing and sharing stages of the traveler journey.

2. Upgrade and expand digital capabilities and skills

If private sector businesses throughout the country enhanced their digital presence, it would enhance the entire destination's digital ecosystem, making it more attractive to prospective travelers.

The Ministry of Tourism and Wildlife (MoTW) and the Kenya Tourism Board (KTB) should allocate resources to educate local businesses about digital best practices and collaborate with universities and digital companies to develop a more robust digital skills education platform.

Enhancing the access tourism businesses have to digitally focused experts, industry leaders, training, and information will facilitate the integration of

Digital platforms have played a critical role in the growth of the tourism industry and will continue to do so. In fact, digital will play a far greater role this year, and in the coming years, as the tourism industry recovers from the pandemic.

digital technologies and improve awareness of the benefits of digital transformation. Another way to enable this is through encouraging partnerships and collaborations between traditional tourism small and medium-sized enterprises (SMEs) and education institutions and/or digital organizations.[2]

3. Build a consistent brand message through digital collaboration

The MoTW, the KTB, and the private sector must align marketing messaging and tactics. This should include enhancing relationships between government entities, international digital platforms, and local businesses to develop a common vision and collective strategy for the destination.

The MoTW and KTB can lead this process by supporting the integration of travel partner audience segments (e.g. Travelstart, Kenya Airways, Jubba Airways, Jambojet, Amboseli Serena Safari Lodge, Sarova Mara Game Camp, Villa Rosa Kempinski, etc.) and by developing a content strategy framework for messaging across all channels of communication.

Digital tools can support this with common media platforms, branding, messaging, and an integrated strategy. This will allow for cooperative marketing and shared content to present a brand message that is consistent and powerful.

4. Secure DMO funding

The KTB should secure funding from multiple sources in the public and private sectors. Where possible,

governments should protect the budgets of DMOs over the coming years. Although funding will be difficult to secure during the pandemic, governments should recognize it is a critical investment and priority that will help to accelerate tourism recovery.

5. Utilize data analytics to support decision making

The MoTW, KTB, and tourism businesses should take advantage of the wealth of data that digital platforms provide. Insights-based data from mobile devices, social media, online travel agencies, tech companies, local tourism businesses, and others will directly inform and refine marketing campaigns and strategic decisions. Tech companies and consultants are positioned to support DMOs in creating a data ecosystem with the key stakeholders of a destination. The MoTW and KTB should explore whether this support would be helpful in further utilizing data analytics.

Public bodies can play a leading role in encouraging the use of data analytics in tourism SMEs in Kenya, both through the development of targeted initiatives to support the integration of these technologies and by promoting a digital outlook. Initiatives can range from one-on-one mentoring programs and outreach events to the development of travel-tech incubators and accelerators, to funding and incentive programs.

For the Kenyan government to do this effectively, they must continue to develop their understanding of the needs of domestic tourism businesses that are trying to engage in digital transformation and what barriers they face to adopt digital technologies—beyond developing necessary skills.[3]

6. Continue to tell stories with the extended reach of digital platforms, including social media

Travelers are still dreaming and ready to travel when

Baseline Outlook and Potential Growth Attributable to Higher Online Presence for Kenya

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	8.7	11.7	14.0	15.4	16.6
	Opportunity Outlook	8.7	11.8	14.2	15.7	17.0
	Potential Increase	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**
Spend (US$ billions)	Baseline	3.4	4.1	4.6	5.1	5.6
	Opportunity Outlook	3.4	4.2	4.7	5.3	5.8
	Potential Increase	**0.0**	**0.1**	**0.1**	**0.1**	**0.2**
GDP (US$ billions)	Baseline	5.6	6.8	7.7	8.7	9.6
	Opportunity Outlook	5.6	6.9	7.8	8.9	9.8
	Potential Increase	**0.0**	**0.1**	**0.1**	**0.2**	**0.2**
Jobs (thousands)	Baseline	1,043	1,240	1,348	1,444	1,513
	Opportunity Outlook	1,051	1,255	1,369	1,471	1,545
	Potential Increase	**8**	**15**	**20**	**27**	**32**

it is safe. The KTB and the tourism industry in Kenya should focus marketing efforts on reaching these travelers and actively promoting Kenya's offerings, including key destinations in different parts of the country. Digital platforms are uniquely positioned to keep Kenya a top-of-mind destination, especially social media which can connect with consumers in an authentic and cost-effective manner.

DMOs in Kenya should facilitate the "dreaming" of travelers from domestic and regional markets (like Sub-Saharan Africa), while safety concerns and travel restrictions are in place.

7. Adapt to new consumer preferences and sensitivities

The travel and tourism industry must account for new consumer travel behaviors resulting from the pandemic when developing future marketing campaigns. Messaging should be designed to build trust and communicate health and safety protocol.

E5 Opportunity to Accelerate the Recovery

Tourism Economics modeled two scenarios for the future of Kenyan tourism. The first (baseline outlook) assumes no change in strategy or adoption of digital content and platforms. The second (opportunity outlook) assumes that Kenya advances its digital strategy as outlined in our recommendations.

Baseline Outlook

Although Kenya's visitor volumes are set to fully recover to 2019 levels by 2023, total visitor spending will take one year longer to recover. This outlook is consistent with past market share and expectations for source market demand. Moreover, total employment contributions from travel and tourism to Kenya will remain below 2019 levels until 2026.

Opportunity Outlook

Kenya can accelerate its recovery by aggressively leveraging digital tools in marketing, research, and destination management.

A clear opportunity exists to reach a larger audience of both domestic and international tourists and influence their travel decisions. More widespread use

Key Recommended Actions

Improve telecom infrastructure

Upgrade and expand digital capabilities and skills

Build a consistent brand message through digital collaboration

Secure DMO Funding

Utilize data analytics to support decision making

Continue to tell stories with the extended reach of digital platforms

Adapt to new consumer sensitivities

of digital platforms and content will be facilitated by the above recommendations. This will produce increased reach, greater effectiveness, and significant economic gains.

The current crisis presents an opportunity for Kenya to embrace digital technologies and realize their benefits. Extending the econometric model identifying the relationship between digital adoption and travel growth (outlined in E2), Tourism Economics considered the scope for increased use of digital platforms for travel planning as a result of new investment and other adoption of best practices described above. An increase in the use of digital platforms to meet source market preferences and match competitors will increase traveler confidence, destination competitiveness and market share. Tourism Economics has estimated the potential gains as a result of digital advances.

This includes the following improvements by 2025:

- 31,000 new jobs supported (direct, indirect, induced)
- 400,000 more overnights in Kenya
- US$500 million cumulative increase in tourism spending over the five-year period.

Potential Gains Attributable to Digital Advances

An increase in the use of digital platforms to meet source market preferences and match competitors will increase destination competitiveness and market share. Tourism Economics has estimated the potential gains in addition to baseline growth as a result of digital advances.

31,000
New Jobs Supported
(Direct, Indirect, Induced Jobs)

400,000
Incremental Overnight Stays in Kenya in 2025

$500M USD
Cumulative Increase in Tourism Spending Over the Five-Year Period

1 Introduction

The travel industry has suffered more than any other sector due to COVID-19 and the resulting global economic recession. Within this context, it is imperative that policymakers implement strategies that will accelerate the travel recovery. Digital content and platforms have been proven to drive growth in this sector.

This study seeks to identify how data and online platforms can be leveraged to encourage the recovery in travel and the wider economy. This includes identifying public policies and government-led business strategies or campaigns that will utilize digital transformation and online platforms to recover the tourism industry. This report was commissioned by Google.

There are four strands of analysis considered in this study:

1. **The economic importance of tourism to the economy of Kenya**—assessing the economic value of travel activity and its contribution to the wider economy over the past decade as well as the estimated losses in 2020.

2. **The role of digital content and online platforms in generating travel activity**—identifying the extent to which data and online platforms influence and change behavior, drive additional flows of people, and contribute to economic growth.

3. **How digital content and online platforms can support the recovery in travel**—including recommendations for how destinations and businesses can leverage digital content to accelerate recovery.

4. **A scenario analysis that quantifies how online platforms can accelerate the recovery**—analyzing the historic relationship between travel growth and digital platform engagement to provide a basis for assessing the role that digital content can play in the recovery.

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2 The Impact of Travel in Kenya

The travel and tourism industry of Kenya represented 8% of total GDP in 2019. Total employment supported by tourism totaled 1.6 million jobs. The shock to travel brought on by the coronavirus pandemic could lead to long-lasting effects on the Kenyan economy as tourism. The estimated reduction in visitor spending in 2020 of over US$2 billion put over 700,000 jobs at risk within the travel and tourism economy.
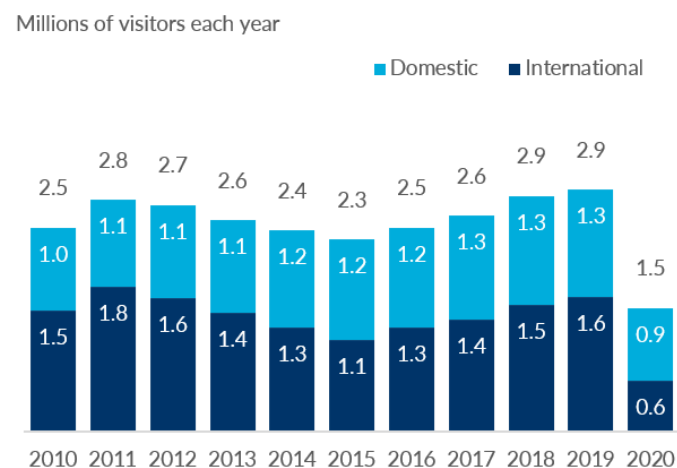
This chapter covers the state of travel across Kenya from 2010 to 2020 by measuring visits and visitor spending, as well as the economic impact across tourism-related GDP and employment.[4] This analysis was carried out using Tourism Economics' existing forecast models—Global Tourism Service (GTS) model and Global City Travel (GCT) service.

The **GTS model** includes historic data and forecasts for economic growth and travel demand for all source markets and destinations worldwide, including country-to-country flows. The GTS model allows the production of a range of forecasts from alternative assumptions. The **GCT service** tracks and forecasts travel for 310 cities worldwide. This database was used to calculate the sub-national impacts for Kenya.

2.1 Visits

From 2010 to 2019, overall tourism growth in Kenya—in terms of visitation—experienced fluctuating growth.

In 2019 total visits peaked at 2.9 million, 18% larger than the 2.5 million visits in 2010. Total overnight visitation declined 17% from 2011 to 2015, before increasing 18% from 2016 to 2019. Losses in visitation from 2011 to 2015 were influenced mostly by militant attacks on Kenya that temporarily pulled international visitation down.[5] Domestic overnight stays grew 29% over the course of 10 years, while international visitation rose 11% during the same time period, reaching 1.6 million overnight visits in 2019.

The spread of the coronavirus in 2020 has severely impacted the conditions that underpin travel and tourism across the globe.

The first case of the coronavirus in Kenya was announced on March 12, 2020. The Kenyan government immediately imposed a lockdown that halted most public gatherings and restricted international travel.[6] In addition to the official restrictions imposed on travel between and within countries and regions, the coronavirus pandemic depressed traveler sentiment while households were hit with increased unemployment and wage losses—Oxford Economics currently forecasts personal

Figure 1: Kenya Overnight Visit Levels

Millions of visitors each year

■ Domestic ■ International

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2.5	2.8	2.7	2.6	2.4	2.3	2.5	2.6	2.9	2.9	1.5
1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	0.9
1.5	1.8	1.6	1.4	1.3	1.1	1.3	1.4	1.5	1.6	0.6

Source: Tourism Economics
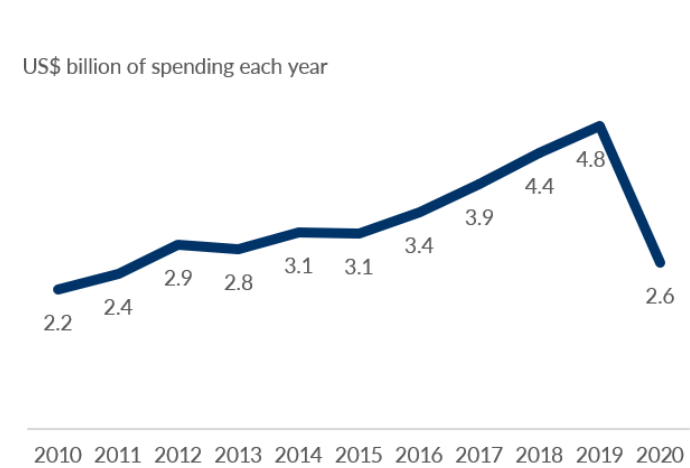
*Domestic visits relate to hotel guests and does not include overnight stays in other types of accommodations.

Figure 2: Total Visitor Spending in Kenya

US$ billion of spending each year
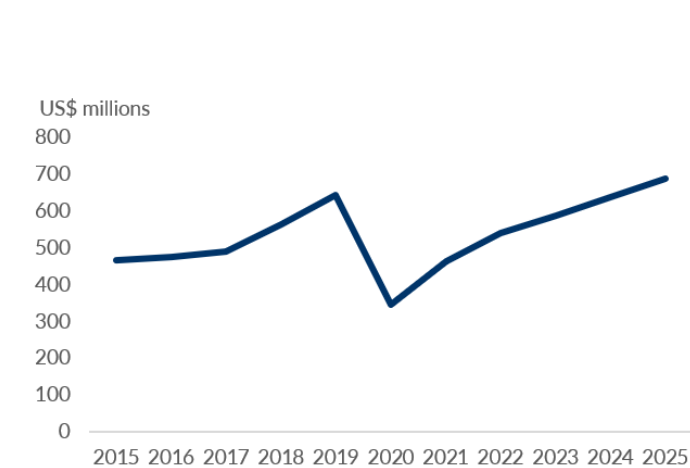

Source: Tourism Economics

Travel demand in Kenya will fall nearly 50% in 2020

disposable income in Kenya fell 3% in 2020, while unemployment increased 3.4%.[7] These factors, along with additional supply-side reactions such as event cancellations, contributed to a significant reduction in domestic and international visitor numbers in 2020.

We estimate that travel demand in Kenya fell nearly 50% in 2020, equivalent to nearly 1.5 million fewer overnight visits.

Kenya's international borders officially began to reopen on August 1, 2020.[8] International overnight visits are estimated to have dropped from 1.6 million to 616,000 total overnight stays, 62% less than in 2019. Domestic travel also experienced a significant decline; we estimate overnight visits fell 32% to 900,000 in 2020.

2.2 Spending

In 2019, total visitor spending—which includes day visit spend as well as overnight spend within Kenya excluding inbound transportation revenues—totaled US$4.8 billion, a 118% increase since 2010.[9]

Domestic tourism represented 76% of total tourism spend in 2019. From 2010 to 2019, domestic spend grew US$2.2 billion, representing a 160% gain from 2010. The strongest period of domestic spend growth continued from 2015 to 2019—years which saw an expanding Kenyan middle class as real GDP grew 6% per year on average. From 2010 to 2019, international spend increased 44%.

In 2020, we estimate that total visitor spend declined by over US$2 billion.

Domestic travel spend fell around 40% while international spend plummeted almost 70%.

Nairobi received over 10% of all visitor spend from day and overnight trips in Kenya in 2019, at US$646 million. However, the city received a higher share on inbound spending as international travelers accounted for 28% of spend. The largest cities in Kenya tend to be more reliant on inbound travel and will therefore have experienced some greater loss from the pandemic.

Figure 3: Total Visitor Spending in Nairobi, Kenya

US$ millions

Source: Tourism Economics

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In 2020, visitor spend to Nairobi (US$646 million in 2019) is estimated to have fallen nearly 50%.

With high-risk countries maintaining travel restrictions and surging cases in other countries causing renewed lockdowns, domestic tourism will be paramount to the recovery.

Domestic travel spending has been relatively more resilient and is expected to rebound faster than in international markets.

2.3 Economic Impact

The economic impact of tourism in this analysis is expressed in terms of its annual contribution to GDP and the total number of jobs it supports.[10]

This assessment begins with the impact of spending by tourists, but also considers the downstream effects of this injection of spending into the Kenyan economy. This activity can be grouped into three core channels of activity: direct, indirect, and induced.

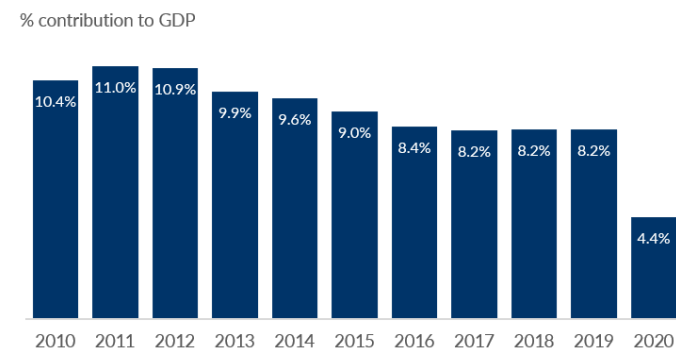The sum of these three channels creates the total economic impact.

- **Direct impacts** occur through spending within a specific group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs and GDP within each sector.

- **Indirect impacts** stem from supply chain spending, where each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production.

- **Induced impacts** are generated when employees whose wages are generated, either directly or indirectly, by travel and tourism spend those wages in the local economy.

Travel and tourism directly contributed US$2.6 billion to Kenyan GDP in 2019, and US$7.9 billion total impact including indirect and induced impacts. The Kenya travel and tourism industry represented 8% of total GDP in 2019.

Employment in Kenya directly supported by the travel and tourism industry reached over 450,000 jobs in 2019. Total employment as a result of tourism measured 1.6 million jobs in 2019. Total employment supported by tourism increased nearly 30% between 2010 and 2019, an annualized rate of 2.8%.

Without intervention, the shock to international travel brought on by the coronavirus pandemic could lead to lasting effects on the Kenyan economy. A loss in Kenyan GDP of nearly US$3.5 billion in 2020 is estimated, which put more than 700,000 tourism-related jobs at risk.

Figure 4: Travel and Tourism's GDP Contributions to the Kenyan Economy, 2010 to 2020

% contribution to GDP

Source: Tourism Economics, WTTC

Figure 5: Travel and Tourism's Total Employment Contribution to the Kenyan Economy, 2010 to 2020

Thousands of jobs

Source: Tourism Economics, WTTC

3 The Role of Digital Content and Online Platforms in Generating Travel

Our research examines the relationship between increasing investment in digital platforms and the outward effect this expansion has on the tourism economy. Increasing strategic digital content use contributed an additional US$274 million to Kenyan GDP in 2019 and supported 55,000 jobs.

Digital content and online platforms support a range of benefits to travelers, tourism-businesses, and the broader economy. This chapter presents the impact of digital content, tools, and platforms on the travel economy.

3.1 Digital as a Catalyst for Travel

Digital content and online platforms can elevate the influence of a destination to reach travelers across the globe throughout each stage of the travel planning process: Dreaming, Planning, Booking, Experiencing, and Sharing.[11] Travelers utilize diverse online resources to efficiently tailor an itinerary to their preferences. These stages of planning represent unique points at which curated digital content and online platforms can be used to influence the decision-making process.

1. **Dreaming** is the first stage of the travel planning process, where travelers think creatively on destinations they would like to visit. Digital content uniquely fuels these dreams through online searches that match potential travelers with stories, images, descriptions, and virtual experiences that explore specific destinations, cultures, cuisines, and more.

2. **Planning** travel is the next stage for people who have decided on a general destination or multiple locations. In this stage, travelers analyze available transportation, accommodations, and experiences related to each destination. Online searches can help travelers find the best option that aligns with their preferences through reviews, online and social media presence, and online booking connections.

3. **Booking** is the third stage of planning which includes the first purchases made toward the travel experience. Travelers often start this step by searching for easy-to-use digital platforms that offer quick and transparent transactions. Digital platforms provide the dual benefits of reduced

Digital content and online platforms provide crucial data that informs business and destination strategy

friction (ease) and pricing transparency in the booking process.

4. **Experiencing** a destination is when a tourist is at their most impressionable state—when the accuracy and quality of digital content is examined by the individual. Though travelers spend time and money across online platforms dreaming, planning, and booking, the experience of travel itself can also be enhanced through digital means. Destination-specific digital platforms can provide access to important information such as attraction hours and accessibility, health and safety protocols, emergency services, currency information, and local customs. Digital content can improve the quality of a visitor's experience and increase their spending in the destination.

5. **Sharing** can be the most influential factor in defining a destination's digital presence. The impressions given to a traveler across all stages

Figure 6: The Five Stages of Travel Planning

of travel planning can be expressed by their own recommendations and endorsements through reviews on each digital platform used in the process or across social media channels. Social media reaches a wide array of audiences and can serve as unpaid marketing for a destination to reach individuals who have never dreamed of visiting the destination before. The ways in which a destination interacts with travelers sharing their experiences on social media not only improves the relationship between destinations and travelers but encourages others to begin the travel planning process as well.

Travelers are accessible across all five stages of travel planning through a robust digital presence that inspires travel, produces confidence in the product, reduces friction in booking, and enables shared experiences.

3.2 Data Drives Performance

Data provide the foundation for insights. Digital platforms provide insights about aggregated online query records, traveler sentiment, advertising effectiveness, visitor satisfaction, and tourist mobility tracking. Digital interactions generate data that can be used by businesses and DMOs to improve products and services for travelers and drive future growth.

Developing messages from data involves analyzing the travel data for trends, which will help destinations develop focused messages to travelers. Data analytics interprets existing data into new and productive business models based on real-time consumer behavior that can be tracked over time. Online query records can offer a real-time perspective on the popularity of various destination features. Traveler sentiment polling can help predict where relevant opinions may lie and help inspire destinations to develop solutions to address those concerns. Through mobility tracking, destinations can then measure which businesses are seeing shifts in traffic as visitation numbers climb.

Planning action from data brings strategic digital outreach and development to the forefront, where destinations act on knowledge gained about travelers to improve performance. This may translate into the development of additional marketing efforts for new target markets or changing the tone of existing messaging to match current sentiment and travel conditions. Encouraging additional digital engagement brings traveler perspectives to the forefront by aggregating what travelers share online and how they encourage others to visit the destination. Marketing strategies can also be adjusted based on digital key performance indicators (KPIs) for owned media (websites), social media, and paid media. Impressions, page views, click throughs, and bookings can all be tracked. This can allow businesses and DMOs to adjust messaging, customer targeting, and platforms in real time to maximize returns on investment.

Digital platforms generate a range of benefits for consumers and businesses

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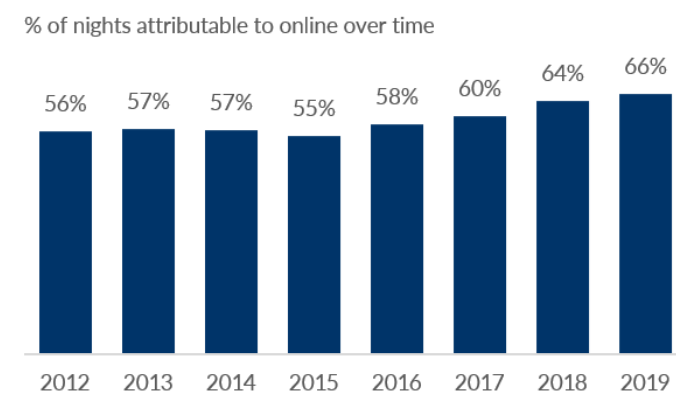
3.3 Digital Impact on the Tourism Economy

Digital platforms generate benefits for both travelers and businesses. Tourism Economics has modelled the incremental impact of increased use and improvements to digital content and platforms on total overnight stays in Kenya since 2014.

This analysis primarily focuses on the impact changes in traveler behavior as they use online platforms. It largely does not capture the positive effect on productivity that digitalization can have within tourism-related business and DMOs.

The methodology can be summarised as follows:

- The first step was to determine the number of overnight stays in Kenya over time ("baseline scenario")—including both domestic and international travel.
- Next, we calculated the share of travel researched or booked via digital platforms within the historical timeframe.
- We then developed an econometric model to calculate the extent to which increased use of digital platforms and online content impacted the number of overnight stays since 2014 (i.e. how much of the tourism growth was attributable to digital platforms).
- The econometric model results estimated what would have happened to the number of overnight stays if visitors were not able to increase their use of digital platforms and online content to book or research travel ("counterfactual scenario").
- The difference between the baseline and counterfactual scenario is the additional impact

supported by increased and improved use of digital platforms and tools.

This analysis was based on a combination of IPK survey data that identifies the search and booking patterns of travelers and Comscore tracking data for travel-related websites, along with data from Tourism Economics' Global Travel Service (GTS) database.[12]
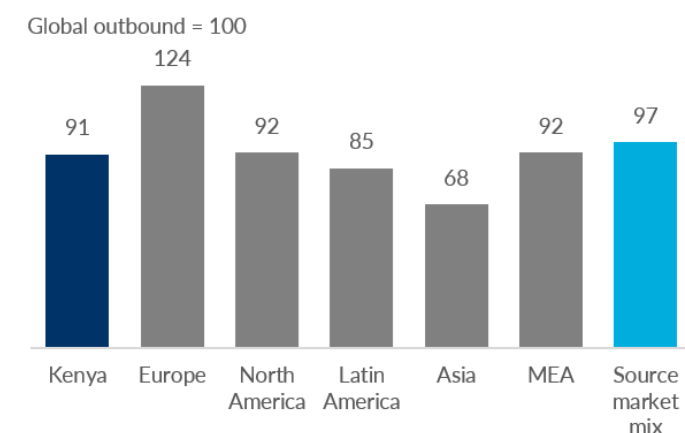
3.4 Use of Digital Content and Online Platforms in Kenya

The first and second step of the analysis (presented above) indicated that 66% of overnight stays in Kenya in 2019 were booked or researched via a digital platform, up from 56% of overnight stays in 2012 (Figure 7). Therefore, we can say that 66% of tourism spend, GDP and employment in Kenya was linked to online research and booking—i.e., most of the tourism activity in 2019.

The intensity of tourism research online varies by region, as demonstrated in Figure 8, which measures the compared use of various online sites for travel research purposes.[13] Kenya, when compared to source market regions in 2019, supported a greater intensity of online research than Latin America and Asia, while just under that of North America, the Middle East and Africa. Europe held a strong lead with the greatest online tourism research intensity for travelers.

By measuring search and booking patterns of travelers we identified internet platforms where inbound travel to Kenya was commonly researched or routed from. Overall, 86% of inbound travelers to Kenya used online platforms to research trips in 2019—3% higher than internet use for travel among source market regions.

Kenya remains ahead of its source markets across online use for tour operators, online travel agencies (OTAs) and price comparison (Figure 9). Social media use (such as YouTube) supporting inbound travel, however, holds the largest difference between Kenya and source market regions, followed by accommodations. Increasing social media interaction between Kenyan destinations and travelers will enable tourism businesses to reach potential travelers throughout all stages of the planning process and remain competitive with source markets.
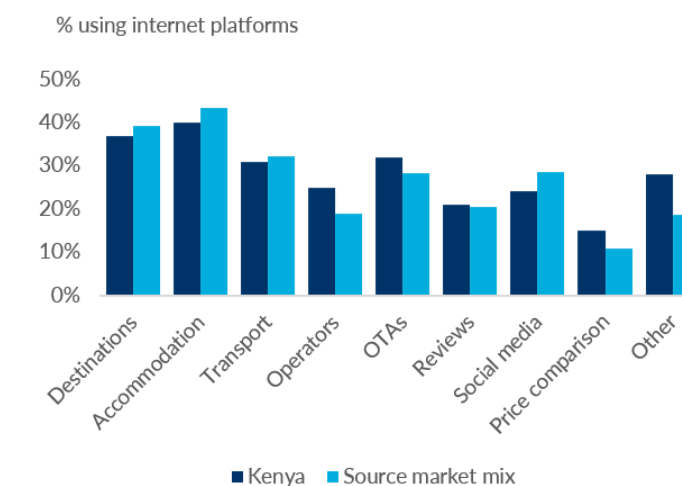
3.5 Analysis on Digital Content's Dynamic Impact on Tourism Growth

Next, we used econometric modelling techniques to determine the extent that increased and improved use of digital platforms had on the number of overnight stays. This analysis confirmed that increasing the use of digital platforms and tools has significantly influenced both domestic and international travel.

We then combined our estimates for the proportion of nights influenced by digital platforms and tools with the results of our econometric analysis to estimate how much lower the total number of overnight stays in Kenya would have been if the use of digital platforms and tools had not increased and improved since 2014.

The confirmation of the positive influence of increased use of digital platforms and tools is visible in Figure 10. The counterfactual measure of nights holds the 2014 share of nights attributable to online activity equal through 2019, whereas the baseline model depicts actual digital travel footprint increase during this time

Econometric Modelling Approach

Tourism Economics' existing global model tracks historic travel flows and produces forecasts based upon fundamental economic drivers of demand. Tourism activity is modelled first by source market and then by destination taking changes in destination market share into account due to competitiveness factors. However, economic drivers do not fully explain all the observed growth over recent years and some trend factors are also included within modelling to cover a range of additional growth factors. This includes the contribution of online platforms to total demand by source market as well as to destination market share.

By including indicators of online tourism activity in estimation of existing equations, the contribution to growth has been identified while accounting for all other growth factors. A series of elasticities was identified which can be applied to measures of online activity; robust coefficients were estimated using econometric techniques with a high degree of confidence. The proportion of the previously unexplained growth attributable to online platforms has been isolated. This analysis proves that use of online platforms has had a notable impact on growth in demand by source market and on destination market share.

(see Figure 7). As time continues, the counterfactual measure of nights increasingly slips away from the count of baseline nights. This confirms that the increased use of digital platforms and tools when booking or researching trips contributed to growth in the actual number of nights booked in Kenya. This difference between the baseline and counterfactual scenario is the additional impact of digital platforms

Figure 7: Digital Travel Footprint in Kenya

% of nights attributable to online over time

2012	2013	2014	2015	2016	2017	2018	2019
56%	57%	57%	55%	58%	60%	64%	66%

Source: Tourism Economics

Figure 8: Online Research Intensity Index Against Source Markets, 2019

Global outbound = 100

Kenya	Europe	North America	Latin America	Asia	MEA	Source market mix
91	124	92	85	68	92	97

Source: IPK, Tourism Economics

Figure 9: Use of Online Sites for Travel, 2019

% using internet platforms

Kenya / Source market mix: Destinations, Accommodation, Transport, Operators, OTAs, Reviews, Social media, Price comparison, Other

Source: IPK, Tourism Economics

* Top source markets for Kenya in 2019 included countries such as: the United Kingdom (306,000), the United States (149,000), Germany (133,000), Italy (111,000), and France (72,000).
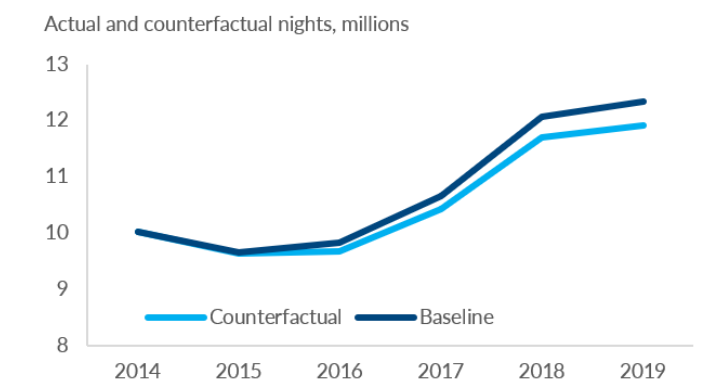
Figure 10: Number of Overnight Stays in Kenya

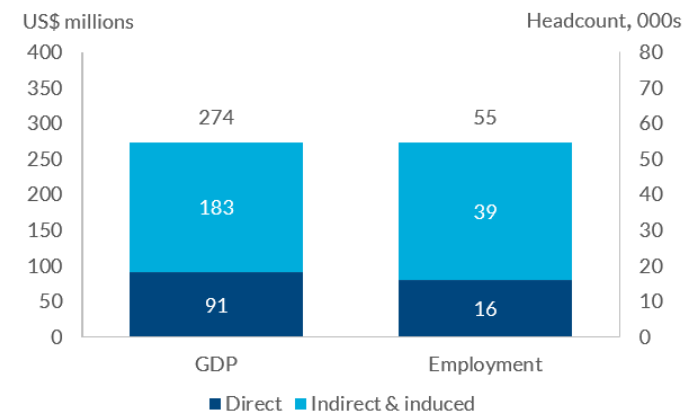Actual and counterfactual nights, millions

Counterfactual — Baseline

Source: Tourism Economics

* The counterfactual represents the number of overnight stays in Kenya if use of digital platforms and tools had not increased and improved since 2014.

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and tools over the period. In 2019, 440,000 additional overnight stays in Kenya were generated as a result of the increase in digital platforms and tools, representing a 3% advantage in 2019 for the baseline model. This confirms that the increased use of digital platforms and tools when booking or researching trips offset a portion of the decline in the actual number of nights booked in Kenya

We then calculated the impact these additional nights had on GDP and employment (Figure 11) based on historic relationships. The additional overnight stays resulting from the increased use of digital platforms and tools supported US$274 million in additional GDP, as well as 55,000 jobs. If the digital footprint of travelers did not increase from 2014 to 2019, the additional impacts would remain at zero.

Figure 11: Net Additional Impact of Digital Platforms in Kenya, 2019

Source: Tourism Economics

*The additional impact represents the net impact of increased use of digital platforms since 2014.

4 How Digital Content Can Support the Recovery in Travel

Destinations, governments, and businesses affiliated with the tourism industry in Kenya, and globally, are taking immediate actions to respond to the pandemic and the ensuing challenges. Many DMOs are adding a destination management function to their mandate, leveraging new technologies, and engaging with community stakeholders—all while managing reduced budgets. Despite the current realities of tourism, destinations are focused on tourism recovery, which will be driven by using digital platforms, online content, and data and analytics.

In the previous chapter we demonstrated the impact of increasing digital platform engagement on travel growth in Kenya. In this chapter we explore the opportunity to accelerate recovery in travel with digital transformation and a wider embrace of online platforms. These services can aid the recovery by extending the marketing reach of destinations, providing clear messaging to a global audience to support a transparent and safe return to travel, and informing businesses about the current position and nature of the recovery in travel.

We focus on specific tools and provide an overview of the various content, platforms, and services that DMOs and tourism-related businesses can utilize to accelerate the recovery and conclude with related recommendations.

4.1 Current Position of DMOs

Tourism Economics works with more than 200 destination marketing organizations around the world each year as well as many of the largest

global travel corporations. Our clients in every region are now developing strategic plans to produce a sustainable recovery in travel. The global spread of the coronavirus pandemic has produced a historically challenging environment for DMOs, which often rely on visitors to fund essential operations (i.e. lodging taxes and tourism improvement district generated taxes). With the gradual reopening of cities, regions, and countries, DMOs are now looking to tap into pent up travel demand through better use of digital platforms and online content. Assuring travelers that destinations are open for business and promoting pandemic safety measures have become the focus of destination marketing.

DMO survey insights

In August 2020, we partnered with NEXTFactor to conduct a survey of nearly 400 DMOs to learn how they are responding to the current crisis. Below are some of the key findings:

- Destination budgets have been severely impacted. Only 11% of respondents believe that next year's budgets will be the same or increase from pre-COVID-19 budgets, while 20% of DMOs expect budgets to decrease more than 50% (Figure 12)

- When asked about the importance of different customer engagement strategies, digital marketing, monitoring data, and digital platform engagement were considered "Extremely Important" by 80%, 65%, and 60% of respondents, respectively (Figure 13)

- When asked about the importance of community collaboration in the use of online platforms and content to reach visitors, 78% of DMOs indicated that community-involved digital strategies are important (Figure 14)
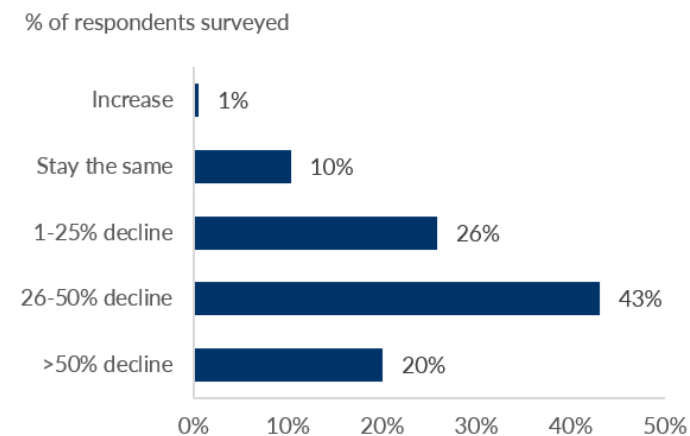
Stakeholder interview insights: global best practices

In addition to conducting industry surveys, we hosted one-on-one discussions with destinations, marketing agencies, and other tourism stakeholders to learn about digital best practices and how destinations and consumers are responding to the pandemic. Findings from the discussion can be summarized into three key themes: DMOs evolving role, adoption of digital platforms, and better use of data analytics.

1. DMOs evolving role

The role of a DMO is shifting from destination marketing to destination marketing and management ("DMMO")—a transition that started prior to the COVID-19 pandemic but has since accelerated given

Figure 12: How Does Your Organization's Budget Next Year Compare to Your Pre-COVID-19 Budget?

% of respondents surveyed

Increase	1%
Stay the same	10%
1-25% decline	26%
26-50% decline	43%
>50% decline	20%

0% 10% 20% 30% 40% 50%

Source: NextFactor

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the current state of the tourism industry.

Traditionally, DMOs were tasked with marketing the destination to prospective travelers. They developed traditional and digital media campaigns to attract new visitors to the destination, increase visitor spending, and generate additional tax revenue for the destination.
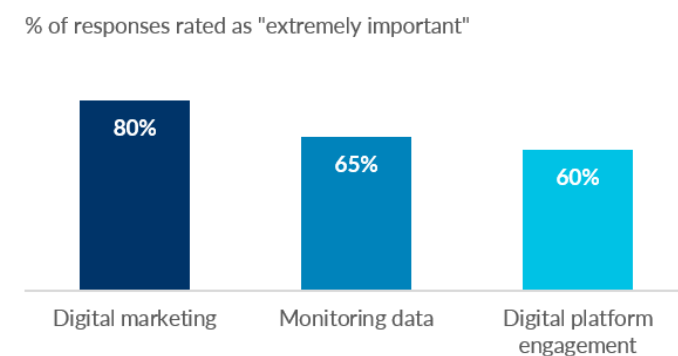
More recently, a DMOs role was expanded beyond marketing to also include destination management, which encompasses broader economic, product development, and strategic initiatives.

To accomplish its enhanced role, DMOs are engaging with community stakeholders—private businesses, government entities, and residents—more frequently to further develop relationships and collaborate on initiatives that will uplift the entire destination. More specifically, DMOs are working with the broader community on the following efforts:

- **Economic development**—creating local assets and opportunities that will foster community growth in terms of developing new jobs and attracting new businesses and residents to the area

- **Destination branding**—developing an authentic brand that portrays the lifestyle and culture of the community

- **Enhancing the digital ecosystem**—educating and assisting local businesses to enhance their digital presence and develop online content that aligns with the destination branding and messaging

In addition to highlighting the importance of community engagement, the pandemic accelerated the need for DMOs to focus on the consumer buying decision process. Specifically, it helped DMOs acknowledge that consumers leverage a variety of digital platforms when selecting a destination to visit. Consumers rely less on DMO recommendations (i.e.

Figure 13: How Important are the Following Customer Engagement Strategies?

% of responses rated as "extremely important"

Digital marketing	Monitoring data	Digital platform engagement
80%	65%	60%

Source: NextFactor

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listings on the DMO website) and more on consumer recommendations (i.e. reviews on Google, TripAdvisor, Yelp, etc.) when making travel decisions. This concept enticed DMOs to work with private sector businesses to enhance the digital ecosystem for the destination.
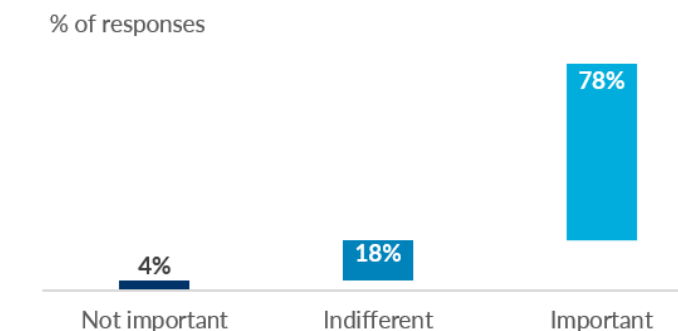
DMO marketing priorities also shifted in response to the pandemic. Instead of promoting the destination, DMOs are now providing information about safety measures and protocols. There is a greater emphasis placed on educating the consumers and gaining their trust and confidence. The target markets are also temporarily shifting from domestic and international travelers to local and regional travelers.

It is important for DMOs to focus on mid- and long-term goals, despite the obvious need to generate travel in the short term, which might not always align with the DMO Board of Director's priorities. The goals must consider the entire destination, including those stakeholders outside of the tourism industry.

2. Adoption of Digital Platforms

The pandemic accelerated the adoption of digital platforms and online content. Traditionally, DMOs primarily promoted their destination by exhibiting at trade shows and advertising on TV, billboards, radio, and in magazines. Although effective when used in conjunction with digital marketing, the pandemic highlighted some of the issues associated with traditional marketing platforms (refer to the "Stakeholder interview insights: digital platform benefits" detailed later in this chapter for further insights) and fast-tracked the shift of marketing

Figure 14: How Important is Community Collaboration in the Use of Digital Platforms to Reach Potential Visitors?

% of responses

Not important	Indifferent	Important
4%	18%	78%

Source: NextFactor

Kenyan Tourism Organization Structure

The Ministry of Tourism and Wildlife, established in 2018, is the government institution responsible for overseeing tourism in Kenya. The goal of the Ministry is to develop a vibrant and innovative tourism industry supported by sustainable wildlife resources.

The Ministry is divided into the State Department of Tourism and the State Department of Wildlife. The State Department of Tourism is further segmented into four departments:

1. Tourism Policy and Strategy
2. Tourism Development
3. Tourism Finance and Support
4. Tourism Safety and Security

The State Department of Tourism coordinates and oversees policy direction and planning; product diversification and experience; tourism marketing and promotion; synergy building and the alignment between supply and demand; competitiveness and investment potentials; and tourism programs and activities.

The State Department of Tourism also oversees various parastatals, including the following:

- Kenya Tourism Board—markets Kenya to domestic and international travelers
- Tourism Finance Corporation—develops and diversifies Kenya's tourism industry by providing a range of finance services in tourism-related enterprises
- Tourism Fund
- Kenya Utalii College
- Kenya Safari Lodges and Hotels Limited
- Tourism Regulatory Authority
- Tourism Research Institute

The Kenya Export Promotion and Branding Agency, a State Corporation under the Ministry of Industry, Trade and Enterprise Development, identifies and refines the key attributes of Kenya that contribute positively to the image and reputation of the country.

In addition to the public sector tourism entities, the Kenya Tourism Federation is the voice for private sector tourism businesses. The association's objectives include enhancing the industry's ethics and standards, strengthening private sector representation on boards/organizations, and advocating on behalf of the private sector on critical issues.

Tourism in Kenya is generally promoted at the national level. Individual tourism stakeholders also promote their businesses, but there are not any formal DMOs at the local or regional level.

funding from traditional media to digital platforms.

Although many destinations previously experimented with emerging digital platforms and online content—such as creating video and audio content (i.e. podcasts) or advertising on audio streams and Connected TV—there is increased adoption and a greater comfort level surrounding these technologies, as well as others.

DMOs are also more heavily leveraging crowdsourced content, which appeals to both locals and outside visitors and helps the destination with storytelling. This user-generated content is generally posted on social media and provides consumers an opportunity to learn about the culture and lifestyle of the destination—one of the key roles for a DMO.

Given that many DMOs reduced marketing efforts during the pandemic, it provided an opportunity for destinations to assess and enhance their digital ecosystem. DMOs are hosting webinars and one-on-one virtual sessions with local businesses to audit their digital presence and provide guidance on how to enhance their digital platforms and online content. These sessions will educate and digitally upskill the local workforce and ultimately enhance the digital presence of the destination.

Digital platforms themselves also made updates due to the pandemic. For example, Google My Business, Yelp, and TripAdvisor all added new fields that allows businesses to provide information on safety measures, cleaning protocols, and updated hours, in addition to others.

3. Better Use of Data Analytics

Data and analytics continue to become increasingly important to the tourism industry, like many other industries. Data and research serve as the basis for a destination's marketing decisions and helps to answer key questions including:

- How should destinations allocate their marketing budget?
- What digital platforms should be used?
- What images and content should be incorporated in the marketing campaigns?
- What markets and demographics should the destination target?

It is even more critical to undertake research and data analysis during the pandemic given the reduced funding available for marketing and the fact that many consumers are unwilling to travel at this

Digital platforms have played a critical role in the growth of the tourism industry and will continue to do so. In fact, digital will play a far greater role this year, and in the coming years

time. Destinations now need to understand the consumers propensity to travel and account for other active travel prospects. Additionally, it is in the best interest of the destination to target travelers that are following COVID-19 safety precautions, which requires an understanding of the current state of COVID-19 in feeder markets.

The current state of the tourism industry places greater scrutiny on budgets, especially as it relates to marketing. Developing a baseline understanding about the visitors' impact on the local community—in terms of taxes, visitor spending, jobs, room nights, or other metrics—is essential. It will help destinations calculate the return generated by marketing campaigns and adjust future campaigns.

Stakeholder interview insights: digital platform benefits

In addition to providing insights about global best practices for destinations, the stakeholder interviews also helped to identify the benefits of digital platforms.

Digital platforms have played a critical role in the growth of the tourism industry and will continue to do so. In fact, digital tools will play a far greater role this year, and in the coming years, as the tourism industry recovers from the pandemic, given the scalability and agility of digital platforms.

Scalability: Destinations can easily share content and messaging to a large population at a relatively low cost via digital platforms. Although there will always be a cost to produce content, the cost to distribute content has significantly reduced as destinations continue to shift marketing dollars to digital platforms.

Agility: Digital platforms allow destinations to quickly adapt content and messaging for the current environment. For instance, destinations quickly shifted messaging during the pandemic from promoting the destinations to focusing on their approach to safety. Traditional media, on the other hand, requires a longer lead time and does not offer this flexibility.

Efficiency: Data and analytics used in conjunction with digital platforms allows destinations to efficiently target travelers based on active travel interest and

DMOs and tourism-related businesses can use data to help identify movement trends, traveller sentiment, and online queries to aid in marketing their destinations to the ideal audiences

other psychographic considerations. For example, digital marketing concepts, such as paid search, allows destinations to target consumers that intend to travel in the near term.

Geolocation: Smart phone technology allows destinations to better understand how visitors travel throughout the destination, which provides numerous benefits. Through geolocation, destinations can learn about visitor characteristics and preferences, which can be leveraged to support investment decisions.

Geolocation also allows DMOs to target travelers from nearby markets during times when long-haul travel is suppressed and to engage visitors while in market—this can be used to complement traditional media by understanding where to purchase billboards or other placed ads.

The use of this technology should follow data privacy regulations. Technology platforms with geolocation capabilities should always ensure the user is aware of this use and that they can decline sharing their data.

Marketing return on investment (ROI): Digital platforms allow destinations to track the effectiveness or ROI of digital marketing campaigns, as well as other key performance indicators and market intelligence, which is especially important during the pandemic due to limited budgets and the need to more accurately target consumers willing to travel. Tracking effectiveness also allows destinations to refine and adjust future campaigns based on the

performance of past campaigns.

Brand development: Digital platforms allow destinations to quickly develop authentic brands that can be consistently used across the industry. For example, a country can develop a country-wide brand and marketing campaign that, through digital, can easily and quickly be adopted by regions and local destinations throughout the country. In the past, it took years, even decades, for destinations to organically develop brands since it took longer for destinations throughout the country to adopt the brand and messaging.

4.2 How Can Data Help DMOs and Tourism-Related Businesses?

For many destinations, questions remain on the best timing, approach, and new markets for reopening businesses. As highlighted in our consultation findings, DMOs and tourism-related businesses can use data to help identify movement trends, traveler sentiment, and online queries to aid in marketing their destinations to the ideal audiences. The demand for travel to return is growing, along with expectations of appropriate health and safety measures being followed by businesses within each destination. Using additional digital content and online platforms to observe the best strategies for destination reopening can foster further levels of trust between destinations and travelers, yielding a stronger and faster recovery. In this section, we set out some practical examples

As a result of the coronavirus pandemic, consumer behavior adjusted in ways that immediately influence what destination marketing strategies are necessary

Key Recommended Actions

| Improve telecom infrastructure | Upgrade and expand digital capabilities and skills | Build a consistent brand message through digital collaboration | Secure DMO Funding | Utilize data analytics to support decision making | Continue to tell stories with the extended reach of digital platforms | Adapt to new consumer sensitivities |

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of how data can help DMOs and tourism-related business navigate the recovery.

Understanding what the new normal looks like

Travelers and destinations alike are learning to adapt to travel conditions that are evolving on a day-to-day basis. As a result of the coronavirus pandemic, consumer behavior adjusted in ways that immediately influence what destination marketing strategies are necessary. These adjustments range from temporary to long-term effects and can be identified through better and more efficient use of data content and platforms.

Tracking consumer behavior changes is one way to gauge traveler sentiment regarding post-pandemic travel. Demand for additional health and safety measures, no-contact services, and other risk management plans are naturally higher following the arrival of a global pandemic.

According to a Bloom Consulting survey conducted in April 2020, almost half of respondents who planned to travel for leisure said they may change destinations from what they had planned prior to the COVID-19 pandemic. When asked the factors contributing to the change in preferences, the most common responses were effective public governance and good health infrastructure (53%), followed by less crowds and extensive hygiene (39%).[14] The nature of trips is

also shifting, with a consumer preference of shorter haul trips that often remain domestic.

The strategic use of data content and platforms can easily aid in the diagnosis of the previously listed changes in consumer behavior at the destination level. Observing online flight queries support the explanation that current travel conditions remain slanted heavily towards domestic and short-haul trips. Consumer interests can also be mapped through analysis of aggregated search engine queries, for example using Google Trends, related to various modes of travel or trip types, such as "road trips," "remote destinations," and "staycations." Destination-specific health and safety information can be made available to travelers online and resulting web traffic can then be monitored to determine traveler interest and outreach effectiveness.

While the length of these behavioral changes is largely dependent on the state of the global coronavirus pandemic, it can be noted that the desire to travel after being travel-restricted is particularly high. Destinations can inform travelers about the safety and preparedness of local businesses to meet consumer expectations. The inspiration of travel through displaying careful and curated digital content and messaging to tourists will increase the performance of a destination and improve its travel recovery.[15]

Analyzing travel behavior shifts

As travel behavior adjusts to new patterns, measuring how temporary or permanent these developments become can be achieved through monitoring the potential use of various modes of transport, such as flights. For example, Google travel data can predict which markets the recovery in Kenya will come from by demonstrating destination interest through online queries.

Data from the Google travel insights dashboard can assist in predicting the recovery in a multitude of ways.[16] Figure 15 presents a rolling average of 28 days of search queries for flights and accommodations in Kenya compared to the same period one year ago. In early 2020 prior to the

Figure 15: Travel Interest in Kenya: Flights and Accommodation Queries in 2020

28 day rolling average, relative to 2019

Source: Google travel analytics center

pandemic, domestic flight and accommodation searches from within Kenya increased over the same period one year ago. However, domestic flight and accommodation searches decreased by an average of 71% year-over-year between March 25, when flights were suspended, through July 15, when domestic flights resumed. Domestic travel searches then improved and finally started to increase over last year in mid-September. Since that time, domestic travel searches increased 15% year-over-year.

International flight and accommodation searches decreased by an average of 51% year-over-year from March 25, when international flights were suspended, through December 2020. International searches started to improve in early August when international flights resumed, but still remained below 2019 levels.

4.3 Recommended Actions

Recommendation 1: Improve telecom infrastructure

Kenya has an above average telecom infrastructure—in terms of coverage and connection speed—when compared to other countries in Sub-Saharan Africa (Figures 16 and 17).[17]   Much of the success is due to Kenya's connection to the global telecom infrastructure through five submarine cables, which provide vast bandwidth connectivity.[18]

Despite strong international connectivity, Kenya's infrastructure challenge occurs with the networks that connect the submarine landing stations to local communities. The more populated communities

are often connected by multiple networks, which provides protection against service disruption and also results in lower costs due to competitive pricing.[19]
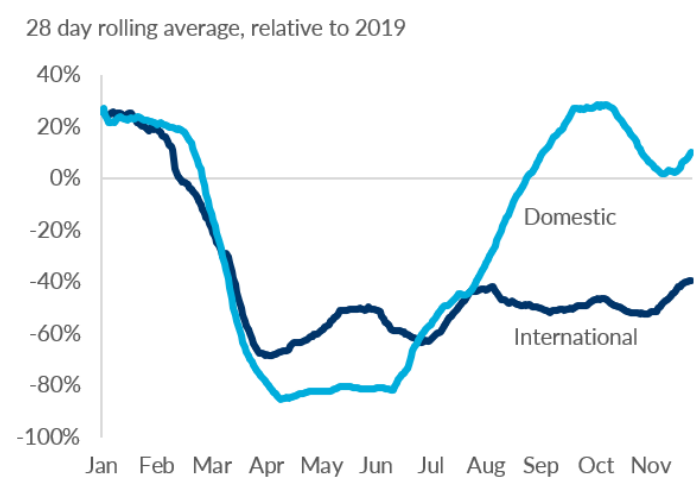
The rural areas, however, typically are only connected from the submarine landings to the local community through one network provider, which results in lower service reliability and less competitive prices. Once the submarine landing stations are connected to the rural areas, they are then connected to individual households and businesses via wireless solutions, which tend to be lower quality than the high-speed fiber connections available in urban areas.[20]

Not only do these issues contribute to a lower level of digital literacy in rural areas, they also create an issue for visitors on safari that wish to post videos and images to social media. The limited digital presence combined with the large number of international travelers will likely lead to a prolonged recovery for the travel and tourism industry in rural parts of Kenya.

Limited broadband coverage in rural areas is not unique to Kenya. In fact, it remains an issue for many countries in Africa and around the world. There are examples, however, of countries that continue to improve their broadband coverage in rural areas. For example, in Ukraine, the telecom and broadband infrastructure is well developed, but the Ministry of Digital Transformation still recently established a four-year target to further enhance it by providing the rural population with a minimum fiber broadband speed of 100 Mbps. Refer to the Annex for additional information.

Although Kenya is better positioned than other

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tourism markets in Africa—which favors Kenya when prospective travelers are selecting an African destination to visit—the telecom infrastructure in Kenya is less developed than some of its source markets in Europe, Asia, and the United States.
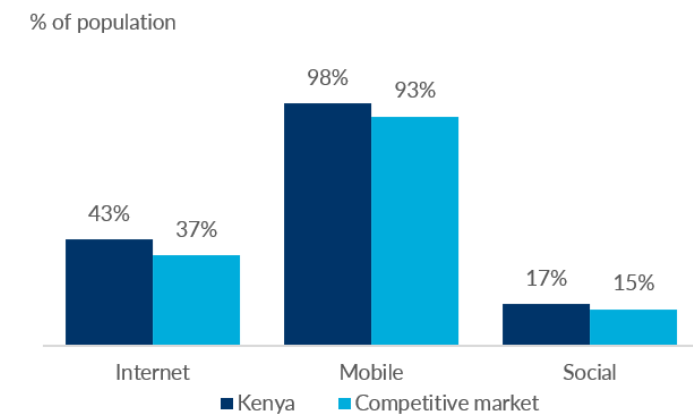
To address these issues, the telecom infrastructure located in the rural and remote parts of Kenya needs to be enhanced through investment. The private sector in Kenya should work alongside the government to advocate for infrastructure development and ensure that existing regulations and policies keep pace with the rapid growth. The promotion of a more proactive and independent Communications Authority to enhance and streamline telecom procedures and regulations will further expedite development.[21]

Recommendation 2: Upgrade and expand digital capabilities and skills

The Ministry of Tourism and Wildlife (MoTW) and the Kenya Tourism Board (KTB) should allocate time to educate local businesses about digital best practices and provide assistance where needed. DMOs that focused on improving the destination's digital ecosystem found it effective to help private sector businesses fix specific digital problems, such as updating websites, ensuring Google search information is complete, uploading new pictures, enabling digital transactions, and responding to reviews.

Specifically, the MoTW and KTB can create roadshows, webinars, and other educational materials to help local businesses assess their digital presence across various platforms. This will allow businesses to identify ways to enhance their digital presence and prioritize the list so they can focus on quick fixes first.

In addition to working with tourism businesses directly, the MoTW and KTB should work with local universities, global tourism companies, and digital organizations to develop courses and training opportunities intended to digitally upskill the employees and SMEs within the local tourism sector.
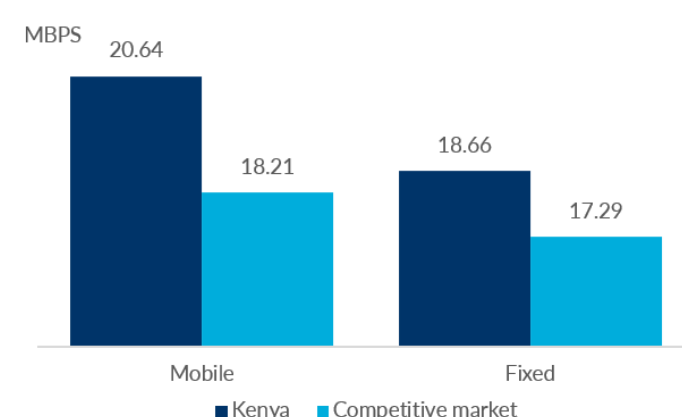
Although Kenya has added digital skills to the national education system and numerous Kenyan Technical and Vocational Education and Training (TVET) institutions and universities offer advanced-level IT courses, there is still more that needs to be done to improve the digital education. Further investment in digital skills education will be critical to the growth of the digital economy.

The MoTW, KTB, global tourism companies, and digital organizations can also develop a digital incubator where they can collaborate on creating and implementing digital initiatives throughout the destination. Given that Kenya's digital startup scene is one of the most vibrant in Africa and that many tech companies see Kenya as an entry into the East African market, there should be many opportunities available to collaborate on digital initiatives.

Other countries are also making progress in this area. In South Africa, for example, the Technology Innovation Agency partnered with the South African Government's Department of Tourism to develop the Tourism Technology Grassroots Innovation Incubation Programme, which aims to stimulate entrepreneurship and new start-up enterprises in the tourism industry. Refer to the Annex for additional information.

Enhancing the digital presence of private sector businesses and the tourism workforce will boost the destination's digital ecosystem and make it more attractive to prospective travelers.

Figure 16: Digital Platforms Penetration Ratio

% of population

Source: Hootsuite, We Are Social

* Competitive market includes Ethiopia, Nigeria, Rwanda, Senegal, South Africa, and Tanzania.

Figure 17: Average Internet Connection Speed

MBPS

Source: Hootsuite, We Are Social

Recommendation 3: Build a consistent brand message through digital collaboration

The MoTW, KTB, other public organizations, and the private sector must align marketing messaging and tactics. This should include enhancing relationships between government entities, international digital platforms, and local businesses to develop a common vision and collective strategy for the destination.

The MoTW and KTB can lead this process by supporting the integration of travel partner audience segments (e.g. Travelstart, Kenya Airways, Jubba Airways, Jambojet, Amboseli Serena Safari Lodge, Sarova Mara Game Camp, Villa Rosa Kempinski, etc.) and by developing a content strategy framework for messaging across all channels of communication.

Digital tools can support this with common media platforms, branding, messaging, and integrated strategy. This will allow for cooperative marketing and shared content to present a brand message that is consistent and powerful.

Establishing strong relationships throughout the travel and tourism industry is even more vital during difficult times. In the current environment, it is important for all local stakeholders to utilize consistent messaging about safety measures and protocols currently enforced within the destination.

In addition to building relationships with local tourism stakeholders, the MoTW and KTB need to develop

strategic alliances, as appropriate, with tourism suppliers worldwide (i.e. marketing agencies, data companies, OTAs, etc.) to help form and share the brand message.

Recommendation 4: Secure DMO funding

As the general role of a DMO shifts from destination marketing to destination marketing and management, it becomes increasingly important for the KTB to establish secure funding—a difficult task that will only be exacerbated by the pandemic.

Moving forward, DMOs will need to commit a significant number of resources—both time and money—to accomplish the additional goals associated with destination management, including economic development, destination branding, and enhancing the digital ecosystem.

The KTB should work with the Kenyan government and private sector to ensure current funding is secured and to discuss additional funding options. The KTB will need to articulate how the responsibilities of DMOs have expanded from engaging with travelers to making the destination an attractive place to live, work, and visit. Data analytics and research will play a crucial role in effectively communicating this message.

The KTB should explore all potential funding options which can be generated by either the public or private sector. Funding options may include tourism

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specific taxes (i.e. lodging taxes, amusement taxes, car rental taxes), general taxes (i.e. sales tax, general fund), private sector support (i.e. membership fees, sponsorships, co-ops), and other innovative solutions, such as tourism improvement districts.

Securing multiple funding sources—some of which are fixed amounts and others that vary based on tourism performance—will ensure that the funding does not fall below a certain level in the down years, while allowing the destination to benefit from increased income in the good years.

The KTB can gain insights from the funding models of other destinations. The Panamanian Government, for instance, developed the Tourism Promotion Fund, which provides dedicated funding for international tourism promotion. The Tourism Promotion Fund is funded by an international passenger service fee at Tocumen Airport (the international airport of Panama City), private company contributions and donations, and government and state sources.

Other examples include Brand USA and the National Tourism Fund (FONTUR) in Colombia. Brand USA is a public-private partnership responsible for promoting the U.S. to international travelers and is funded by contributions from over 700 partnering organizations that are matched by fees paid by international travelers that come to the U.S. under the Visa Waiver Program. FONTUR manages resources from parafiscal contributions for the promotion of tourism in Colombia. Contributions include transfers from central government funding, tourism-specific taxes, charges to tourist service providers, donations, funds from sponsorships and commercial activities and revenues from FONTUR-owned tourism assets. Refer to the Annex for additional information.

Although funding will be difficult to obtain during the pandemic, it is a critical investment and priority that will help to accelerate the tourism industry recovery.

Recommendation 5: Utilize data analytics to support decision making

The MoTW, KTB, and destinations around the world increasingly understand the importance of data (especially during a pandemic) and the benefits it can provide when making strategic and marketing decisions.

According to the OECD, "… the crisis has highlighted shortcomings in the availability of timely, comparable, granular data in quickly evolving situations. Reliable and consistent indicators are needed to evaluate the effectiveness of programmes and initiatives, and

monitor progress on tourism recovery and resilience."[22]

In terms of strategic decisions, data analytics can help secure tourism funding by establishing a baseline understanding about the visitor's impact on the local community and it can also help determine how to allocate the budget among competing priorities.

Data analytics plays a key role in marketing, especially as a larger portion of destination marketing shifts from traditional media to digital media. Aggregated and anonymized data from digital platforms on consumer preferences and demographics helps destinations determine target consumer groups, the most effective platforms to engage with those groups, as well as the appropriate message and content to best connect with various consumers segments.

Given the importance of data analytics and the impact it can have on tourism recovery, the MoTW and KTB should work with mobile operators, tech companies, and local tourism businesses to obtain aggregated data on key indicators (e.g. number of visits, flight availability etc.) and insights (e.g. barriers to travel, misconceptions) for current and potential travel source markets for Kenya. This data can help prioritize source markets and develop customized marketing strategies for various consumer segments. Anonymized audience and insights-driven content can help further tailor the marketing content for each stage of the travel journey within these markets. Aggregated and anonymized data can also be used to develop and monitor KPIs, linking campaign and initiative objectives with business outcomes, and can include metrics like destination visits, hotel occupancy, revenue per tourist etc. These types of analysis can also be carried out incrementally, which can be important for determining the scale of future marketing campaigns. Tech companies and consultants are positioned to support DMOs in creating a data ecosystem with the key stakeholders of a destination. The MoTW and KTB should explore whether this support would be helpful in further utilizing data analytics.

The partnership between the Abu Dhabi Department of Culture & Tourism and Sojern, a company that provides digital marketing solutions for the travel industry, is an example of a DMO working with a third-party to utilize data to inform its marketing strategy. The two organizations partnered to develop real-time traveler targeting in order to better understand booking behaviors, which will help to refine marketing strategies. Refer to the Annex for additional information.

Public bodies can play a leading role in encouraging the use of data analytics in tourism SMEs in Kenya, both through the development of targeted initiatives to support the integration of these technologies and by promoting a digital outlook. Initiatives can range from one-on-one mentoring programs and outreach events to the development of travel-tech incubators and accelerators, to funding and incentive programs.

For the Kenyan government to do this effectively, they must continue to develop their understanding of the needs of domestic tourism businesses that are trying to engage in digital transformation and what barriers they face to adopt digital technologies—beyond developing necessary skills.[23]

Recommendation 6: Continue to tell stories with the extended reach of digital platforms, including social media

Travelers are still dreaming and ready to travel when it is safe. The KTB and the tourism industry in Kenya should focus marketing efforts on reaching these travelers and actively promoting Kenya's offerings, including key destinations in the different parts of the country. Digital platforms are uniquely positioned to keep Kenya a priority destination, especially via social media, which can connect with consumers in an authentic and cost-effective manner.

DMOs in Kenya should facilitate the "dreaming" of travelers from domestic and regional markets (like Sub-Saharan Africa) while safety concerns and travel restrictions are in place. Destinations in Kenya have already done some work in this space specifically,

Building trust and confidence in consumers is critical in the current environment

the Narok County Government, which operates the Maasai Mara Reserve, marketed the park to locals and other regional travelers during the pandemic. The local marketing conducted by the Narok County Government along with tour operators offering attractive packages to locals, the KTB running a domestic campaign called TembeaKenya, and other initiatives, led to an increase in local visitation, with many natives visiting the park for the first time.

Engaging with travelers to keep Kenya a top-of-mind destination can be an effective way to accelerate the recovery. If combined with the multiple offerings (including those of different regions of Kenya), carefully used digital information and skillful marketing can help facilitate increased length of stay and frequency of visits once international travel resumes.

During the pandemic, many destinations transitioned marketing efforts towards supporting travel dreams while travel restrictions remained in place. The Kenya Tourism Board built upon its MagicalKenya campaign with #MagicAwaits to help keep Kenya appealing to future travelers during the pandemic. As part of the campaign, there was a virtual Safari live stream that showcased the game safaris in some of the parks and reserves across the country. It also described the various health and safety protocols undertaken in the parks and facilities to ensure that visitors remain safe.

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In order to keep South Africa attractive, South African Tourism focused its new campaign on the message "Don't travel now so you can travel later," encouraging prospective travelers to stay safely at home now but be ready to travel again in the future. Local conditions will dictate how much to promote travel, or to encourage a stop and wait, but still dream, strategy.

Recommendation 7: Adapt to new consumer preferences and sensitivities

Consumer traveler behavior transformed due to the pandemic and will likely continue to do so even as a new normal is established. Destinations must account for these new behaviors in their marketing strategy, potentially targeting new markets and accounting for additional consumer demographics and psychographics.

Building consumer trust and confidence is critical in the current environment. Stakeholder interviews suggest that consumers have a greater tendency to trust marketing conducted by official organizations, which gives the KTB an advantage, but also an increased responsibility to consistently develop (and fund) marketing campaigns and other messaging during both the up and down times. It also means that the KTB needs to provide high-quality and accurate information on current local conditions, and not just try to sell the destination.

The KTB must continue to inform prospective travelers about the health and safety protocols in place, which helps to establish trust. As the KTB builds its reputation as a source of quality information, the trust and confidence on the part of potential visitors will be fundamental in generating travel demand once the conditions are appropriate.

The KTB and Kenyan tourism businesses should follow best practices and adjust digital content in order to maintain engagement with travelers. Events that normally would be held in person can be transitioned to an online format, such as concerts, shows, competitions, and games. For example, many artists are now streaming performances instead of holding in-person concerts.

The travel downturn presents an opportunity to develop fun and engaging content that promotes the culture, history, and views of Kenya. Some destinations, for example, have developed classes on local cuisine, music, or dance, while others offered virtual yoga classes that took place at a scenic location or in front of a famous attraction. In addition

Careful inclusion of a wide array of digital practices can position a destination to become better suited for pursuing strategies resulting from the increased usage of digital content and platforms

to video content, some destinations developed games, puzzles, and other activities to interact with consumers.[24]

4.4 The Future of Digitization in the Tourism Sector

When businesses adapt existing digital processes to best fit the environment of the recovery and future of the tourism industry, they bring additional productivity into their work that sees ripple effects across the economy. These digital investments encourage destinations to become more creative and competitive at attracting traveler demand, while simultaneously improving their own business practices.

Careful inclusion of digital best practices can position a destination to become better suited for pursuing strategies resulting from the increased usage of digital content and platforms. Providing an up-to-date business model can stabilize the working environment while encouraging a smarter, innovative approach to tourism. For example, the internal use of cloud computing creates a transferrable environment for destinations that can then be managed from anywhere with reliable internet access. The external implementation of technologies such as artificial intelligence (AI) can assist travelers exploring or booking from destination websites through the use of chatbots. This expansion can provide a valuable source of data to destinations to measure how individuals interact with their website. Additionally, collecting user-generated content from social media platforms can create a record of the image a destination has built among its travelers. All of these practices can contribute to the development of effective campaigns targeted to groups using insights gained from expanding the collection of traveler data content. As destinations understand their travelers more, through efficient data collection and monitoring, the relationship between tourism businesses and consumers can flourish.[25] [26]

5 Travel Outlook

This chapter examines the outlook for tourism in Kenya under two scenarios. This includes a baseline outlook as well as an examination of an alternative "opportunity outlook" that incorporates the benefits of the combined recommendations highlighted above.

5.1 Baseline Outlook

Recovery at the global level will largely hinge on widespread control of the coronavirus pandemic, which continues to permeate and resurge in many countries.

Supporting domestic and short-haul travel remains critical for near-term recovery, as well as preparing remote destinations to host visitors less interested in cities. Tourism is progressively being revitalized through the renewed movement of international travelers between countries where pandemic spread has become less intense.
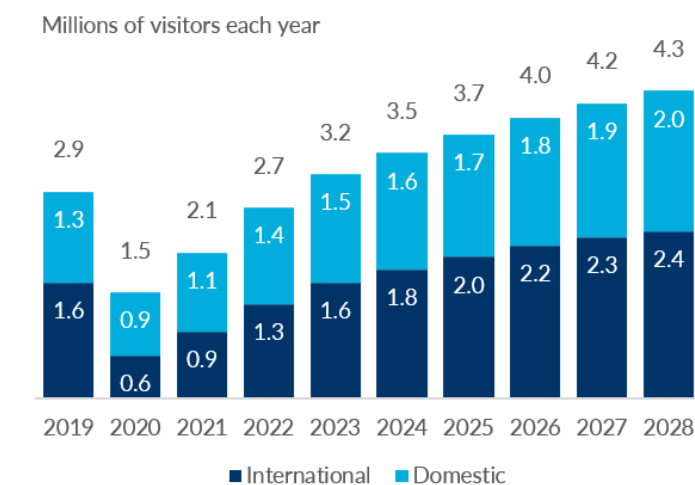
Overnight visits to Kenya are set to exceed 2019 levels by 2023, reaching a total of 3.7 million visits by 2025.

This recovery will be supported by growth in domestic tourism, which should surpass 2019 levels by 2022. Near-term shifts to domestic and short-haul travel mean that domestic visitors will comprise a larger share of the total than in 2019, accounting for 54% of total overnight visits to Kenya in 2021. By 2025, the domestic share of overnight visits will level out at 46%, still 2% higher than its share in 2019. International visits are also expected to grow from the depressed levels in 2020 but will not reach 2019 levels until 2023.

The recovery in travel and tourism's total contribution to GDP will accelerate into 2021 but remain below pre-coronavirus levels until 2024.

Travel and tourism's GDP contribution is expected to grow 24% in 2021, reaching a total of US$5.6 billion. This value added for 2021 will remain at only 38% of 2019 levels. GDP contributions of travel and tourism to the Kenyan economy will reach US$10.5 billion by 2026.

Figure 18: Overnight Visits to Kenya Over the Forecast Period

Millions of visitors each year

Year	International	Domestic	Total
2019	1.6	1.3	2.9
2020	0.6	0.9	1.5
2021	0.9	1.1	2.1
2022	1.3	1.4	2.7
2023	1.6	1.5	3.2
2024	1.8	1.6	3.5
2025	2.0	1.7	3.7
2026	2.2	1.8	4.0
2027	2.3	1.9	4.2
2028	2.4	2.0	4.3

■ International ■ Domestic

Source: Tourism Economics

Total employment contributions as a result of travel and tourism to Kenya will remain below 2019 levels through 2026, supporting a nearly 1.7 million jobs in 2028

Most employment gains will occur during 2021 and 2022 following the rebound in visits, nights and spending. A slower pace of growth is then likely in each year to 2028, closer to longer-run trends.

Employment gains will lag growth in GDP over the years to 2028 due to expected productivity improvements. This will remain consistent with the trend of improved productivity in the travel and tourism industry and the wider economy over recent years. The number of jobs created per US$1 million of travel and tourism GDP will be 32% lower in 2028 than in 2019, but the sector will remain important for job creation. Travel and tourism will support one in 14 jobs in the Kenyan economy.
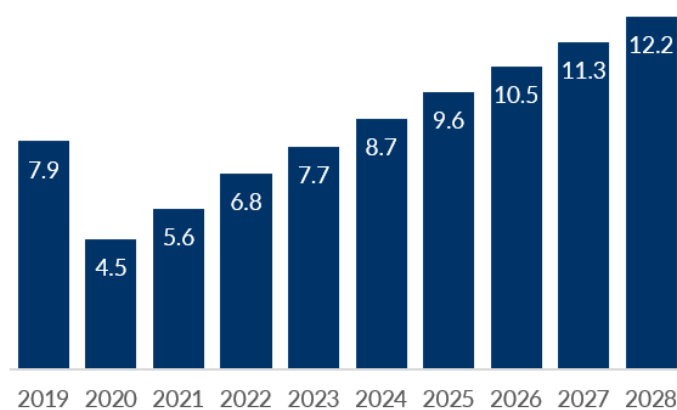
5.2 Opportunity Outlook

The recovery profile of both inbound and domestic visitors varies significantly under alternative scenarios. Uncertainties surrounding these forecasts in part involve the degree at which the coronavirus pandemic continues to impact global travel.

For example, wide vaccine distribution in 2021 and effective immunity against infection and transmission would allow current restrictions to be eased more quickly, facilitating a rapid recovery and limiting permanent damage on the global economy. This would drive a quicker return to 2019 peaks. However, if infections continue to rise and the distribution of vaccines are delayed (and/or effectiveness is less than anticipated), downside risks will become more likely.

With the resurgence of travel restrictions in areas where infection rates began to spike again, forecasts for recovery can become increasingly volatile.

The recovery also depends on what actions governments, businesses, and individuals take in response to the crisis.

Increasing control of the coronavirus pandemic will aid the travel and tourism industry's recovery and support a quicker return to previous levels of visitation. Kenya's orientation toward outdoor tourist activities like safaris will support travelers that wish to avoid indoor areas. However, depressed traveler sentiment and slower economic growth can create drags on the sector's recovery even after travel restrictions have been lifted. Additionally, there may also be potential supply constraints, reflected in the closure of many providers as a result of the crisis.

DMOs, tourism-related businesses and other travel industry stakeholders and policymakers can all play a role in mitigating these problems and supporting new growth.
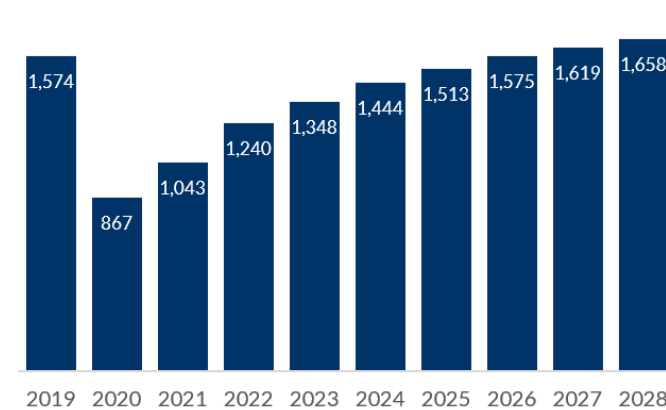
Proactive steps that could be taken include investment in travel infrastructure such as airports and local transportation; a review of investment incentives to facilitate private sector financing in travel and tourism enterprises; and action to mitigating traveler risk aversion.

Better use of data and digital content and platforms will also be key in supporting the tourism recovery.

Increased access to high-quality and affordable broadband alongside other digital infrastructure is vital if tourism businesses operating in rural areas are

to receive the full benefits of digital platforms and data analytics. Good mobile coverage for tourists visiting rural areas is also key, especially for the booking and planning stages of the traveler journey.
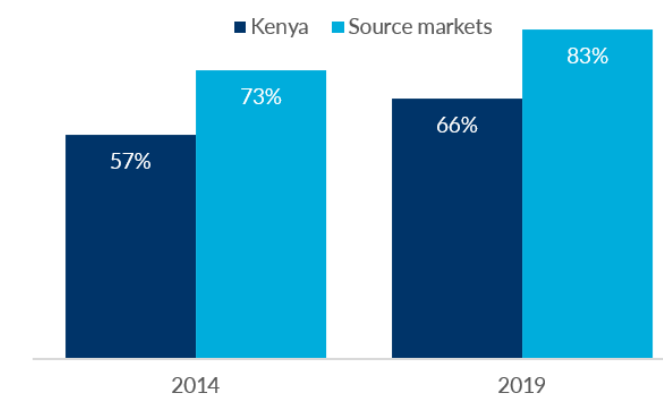
Modelling of the contribution of digital content to travel growth in section 3.5 has been extended for the forecast period. A baseline outlook considers a constant use of digital platforms for travel planning over the next five years. A prospective opportunity outlook considers an increased use of digital tools by travelers for planning. This is facilitated by tourism service providers investing to meet any historic shortfall and match the increased demand for information and digital services. The associated boost in activity implied by historic trends and increased user and provider interactions has been calculated.

The opportunity for recovery is particularly strong for rural communities that consider these recommendations. Enabling a wider digital culture helps rural areas meet the latent flight demand currently trending away from densely populated locations.

The proportion of travel to Kenya organized online has increased in recent years, but we estimate that preferences in major source markets have risen faster. Travelers from major source markets are on average more likely to research or book travel to other destinations online, whereas visitors to Kenya are more reliant on the use non-digital methods. There remains some opportunity to move ahead with preferences among travelers. For example, IPK data show that the proportion of travelers to Kenya relying on OTAs exceeds the average for all demand in Sub-Saharan Africa, while the proportion using social media is lower. There is an opportunity to embrace best practice and drive additional travel activity

through digital transformation across destination organizations and tourism businesses. Allocating time to educate local businesses about digital best practices and providing opportunities to digitally upskill local tourism sector employees will uplift the digital ecosystem and increase the competitive edge of Kenya's tourism economy.

Under an alternative "opportunity outlook" that incorporates some of the combined benefits of the recommendations for Kenya, we anticipate an even greater increase in the adoption and use of digital platforms.
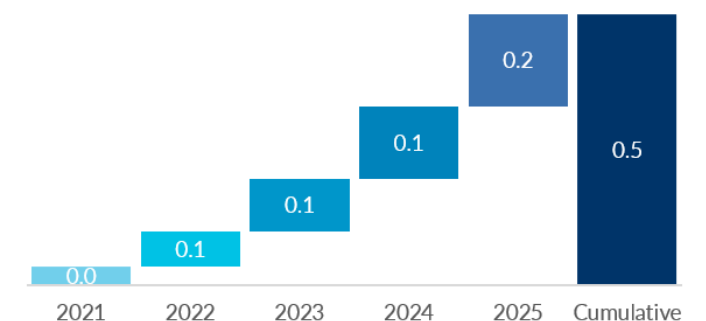
Under this scenario, the use of digital platforms would increase to match source market preferences and any higher use for benchmark competitor destinations. Based on the historic estimated relationship between digital use and travel activity a higher opportunity outlook has been quantified. Growth would exceed the baseline projections with a cumulative increase in tourism spending of US$0.5 billion over the next five years. This would create an additional 32,000 new jobs by 2025. However, as noted in chapter 3, these estimates may not include the full impacts when considering the additional benefits possible through productivity gains across the Kenyan economy.

The table below (Figure 24) summarizes the baseline outlook and the potential opportunity scenario for the travel and tourism industry in Kenya. Our baseline outlook depicts the expected recovery from the coronavirus pandemic, including some continued online interactions based on the past level of digital activity.

The upside scenario illustrates the potential opportunity from the combined recommendations

Figure 19: Contribution of Travel & Tourism to Kenya's Economy

US$ billions contribution to GDP

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
7.9	4.5	5.6	6.8	7.7	8.7	9.6	10.5	11.3	12.2

Source: Tourism Economics, WTTC

Figure 20: Contribution of Travel & Tourism to Kenya's Employment

Thousands of jobs

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1,574	867	1,043	1,240	1,348	1,444	1,513	1,575	1,619	1,658

Source: Tourism Economics, WTTC

Figure 21: Digital Travel Footprint in Kenya

% travel organised online

■ Kenya ■ Source markets

	2014	2019
Kenya	57%	66%
Source markets	73%	83%

Source: Tourism Economics

Figure 22: Opportunity for Higher Tourism Spending in Kenya, 2021 to 2025

US$ billions (nominal)

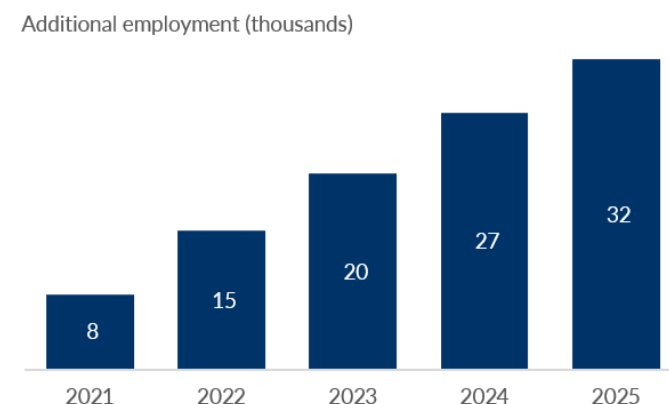| 2021	2022	2023	2024	2025	Cumulative
0.0	0.1	0.1	0.1	0.2	0.5

Source: Tourism Economics

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highlighted in chapter 4. By increasing digital interactions, Kenya will be able to fully catch up with traveler preferences from all major source markets. Increasing these interactions through mediums such as social media will allow Kenya to remain competitive with source market regions in online travel research and encourage future market share gains. Destination organizations and tourism business in Kenya can increase social media outreach to improve online interaction with potential travelers throughout all stages of the planning process. Gains were projected based on the historic estimated relationship between digital interactions and tourism sector performance, taking all other drivers of destination and source market demand into account.

A clear opportunity exists to invest in the expansion of digital efforts which bring destinations closer to the individual and reach a larger audience of both domestic and international tourists. Key actions to meet increasing traveler use of digital tools and maximize the opportunity outlook include:

- Improving telecom infrastructure, affordability of broadband, and mobile coverage across Kenya
- Upgrading and expanding digital capabilities and skills among tourism SMEs
- Building a consistent brand with key tourism stakeholders through digital collaboration between the Ministry of Tourism and Wildlife (MoTW), the Kenya Tourism Board (KTB), and the private sector

Figure 23: Opportunity for Higher Employment in Kenya, 2021 to 2025

Additional employment (thousands)

Source: Tourism Economics

Potential additional employment above baseline attributable to improved online presence.

- Securing DMO funding from multiple sources in the public and private sectors where possible
- Utilizing data analytics to support decision making in the Kenya State Agency for Tourism Development and tourism businesses
- Supporting travel dreaming with digital storytelling in key source markets
- Adapting Kenya's tourism offer to new consumer preference and sensitives

These actions will support a strong tourism recovery in Kenya and the long-term health of the industry, by establishing a tourism market that is larger, more diverse, and faster growing.

Figure 24: Baseline Outlook and Potential Growth Attributable to Higher Online Presence for Kenya

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	8.7	11.7	14.0	15.4	16.6
	Opportunity Outlook	8.7	11.8	14.2	15.7	17.0
	Potential Increase	0.1	0.2	0.2	0.3	0.4
Spend (US$ billions)	Baseline	3.4	4.1	4.6	5.1	5.6
	Opportunity Outlook	3.4	4.2	4.7	5.3	5.8
	Potential Increase	0.0	0.1	0.1	0.1	0.2
GDP (US$ billions)	Baseline	5.6	6.8	7.7	8.7	9.6
	Opportunity Outlook	5.6	6.9	7.8	8.9	9.8
	Potential Increase	0.0	0.1	0.1	0.2	0.2
Jobs (thousands)	Baseline	1,043	1,240	1,348	1,444	1,513
	Opportunity Outlook	1,051	1,255	1,369	1,471	1,545
	Potential Increase	8	15	20	27	32

6 Annex

This annex includes case studies of the recommendations made in this report. Some of these are from competitor countries in the same region, while others are global examples.

6.1 Case Study: Improve Telecom Infrastructure

Ukraine – Even though the telecom and broadband infrastructure in Ukraine is well developed, it continues to implement policies to further enhance connectivity, particularly in rural areas. In July 2020, the Ministry of Digital Transformation established a four-year target to provide the rural population with a minimum fiber broadband speed of 100 Mbps. It also intends to use public-private partnerships to increase the percentage of the country's rural population that has access to broadband from 65% to 95%.

Over the next 2.5 years, Ukrtelecom, in partnership with Iskratel and SID Banka, plans to roll out broadband to 2.6 million rural dwellers. So far, the new network already connects over 200,000 people in 180 villages.

6.2 Case Studies: Upgrade and Expand Digital Capabilities and Skills

South Africa – The Technology Innovation Agency partnered with the South African Government's Department of Tourism in December 2020 to develop the Tourism Technology Grassroots Innovation Incubation Programme (TTGIIP). The two-year program "… aims to stimulate entrepreneurship and new start-up enterprises in the tourism industry, underpinned by technology, innovation and new business ideas that have potential to enhance services and experiences in tourism." The program will focus on four key business development initiatives:

1. Business management skills of the entrepreneur through development and training
2. Enterprise idea and prototype design and development, business viability and market testing, regulatory compliance, business financial/risk structure and quality standards
3. Start-up funding and venture capital for business expansion
4. Market and trade associations for enterprise commercialization

The use of digital solutions is seen as a route to open new frontiers in tourism, raise the sector's competitiveness, and improve resource management post-COVID. Through its Enterprise Development Network, the Department of Tourism is advocating to embed technology and innovation at the heart of the tourism sector.

6.3 Case Study: Secure DMO Funding

Panama – In 2017, the Panamanian Government created the Tourism Promotion Fund, which provides dedicated funding for international tourism promotion. PROMTUR, which also was developed in 2017 (commenced operations in 2019), is the public-private destination marketing organization responsible for promoting Panama internationally. The Tourism Promotion Fund is funded by an international passenger service fee at Tocumen Airport, private company contributions and donations, and government and state sources.

Colombia – In 1996, the Colombian Government created the Tourism Promotion Fund as an instrument to manage resources generated by parafiscal taxes for tourism promotion, which is subject to follow the tourism policy guidelines set forth by the Ministry of Commerce, Industry and Tourism.

The fund taxed businesses that participated in the tourism industry, which included:

- Accommodation providers
- Travel agencies and companies devoted to tourist sporting activities
- Vehicle rental companies and specialist land transport providers
- Spas and wellness centers
- Theme parks
- Tourist bars and restaurants
- Passenger transport providers
- Timeshare projects
- Convention centers

In 2012, the Tourism Promotion Fund changed its name to the National Tourism Fund (FONTUR) and expanded its scope. In addition to providing funding for tourism promotion, it also managed and sold real estate, and entered into concession agreements, lease agreements, loan-for-use agreements, hotel management agreements, or any other contract used for tourism exploration purposes.

United States – The Travel Promotion Act of 2009 established Brand USA, which is a public-private partnership responsible for promoting the U.S. to international travelers. Brand USA is funded by contributions from over 700 partnering organizations that are matched by fees paid by international travelers that come to the U.S. under the Visa Waiver Program.

6.4 Case Study: Utilize Data Analytics to Support Decision Making

United Arab Emirates – The Department of Culture & Tourism Abu Dhabi partnered with Sojern to develop real-time traveler targeting to better understand booking behaviors which will help to refine marketing strategies.

Real-time travel-intent signals are analyzed using proprietary data methodologies to examine all stages of the path to purchase. This information is then used to develop personalized marketing to support brand campaigns that promote Abu Dhabi as a tourist destination, as well as direct response campaigns that drive bookings and conversions to the Emirate's attractions.

6.5 Case Studies: Continue to Tell Stories with the Extended Reach of Digital Platforms

Russia – In July 2020—as some of the coronavirus restrictions were eased in Russia—the Russian government developed a plan to entice Russians to vacation at home instead of traveling to the Mediterranean. The government allocated US$211 million to develop domestic tourism, part of which was used to compensate Russians who vacationed within the country. The government offered Russians between US$70 and US$211 to travel within the country between August and December 2020. To qualify, residents were required to purchase a tour from a government-compiled list that was at least five nights long and cost a minimum of US$352.

South Africa – In order to keep South Africa appealing during the pandemic, South African Tourism—the national tourism organization tasked with promoting tourism to South Africa—developed a new campaign called "Don't travel now so you can travel later," which encouraged prospective travelers and South African residents to stay safely at home now but be ready to travel again in the future. The campaign consisted of videos that showcased some of the country's top attractions with the message of hope and positivity for the future.

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Endnotes

1   Note: All historic GDP and employment impact figures cited from World Travel & Tourism Council. Data for historic visits, nights and spend are from Tourism Economics databases. All forecasts are produced by Tourism Economics.

2   OECD, Preparing tourism businesses for the digital future, 2020.

3   OECD, Preparing tourism businesses for the digital future, 2020.

4   Note: All historic GDP and employment impact figures cited from World Travel & Tourism Council. All forecasts produced by Tourism Economics.

5   Reuters, Kenya's earnings from tourism fall 3 pct in 2015, June 7, 2016.

6   Ministry of Health, First Case of Coronavirus Disease Confirmed in Kenya, March 13, 2020.

7   GDP and unemployment forecasts were sourced from Oxford Economics' Global Economic Model. This is a globally integrated economic model, covering over 80 countries, which provides consistent country levels forecasts for a wide range of metrics. Where available, this model draws on data published by national statistics bodies. GTS and GCT travel and tourism forecasts are consistent with this model.

8   Kenya Civil Aviation Authority, Protocol and Communique for Air Travel Operations During the COVID-19 Public Health Crisis, 2020.

9   Revenues from inbound transportation are included in our assessment of direct travel and tourism GDP, presented below.

10 Definitions presented in the blue box located at the end of section 2.3 were sourced from UNWTO glossary of tourism terms web page.

11 Tourism Economics, Data & Digital Platforms: Driving Tourism Growth in Asia Pacific, 2020.

12 IPK international conducts an annual survey monitoring Global outbound travel demand. This survey provides select measures of travel online search behavior and booking patterns, as well as demographic details.

13 The index measures the ratio of digital platforms for travel planning relative to all information sources used in planning. There is considerable overlap in sources used for travel planning as both offline and traditional offline sources can be used. This index captures the extent to which online platforms are exclusively used. For example, if online platforms are used to the same extent for travel to both country A and country B, but offline platforms are less frequently used for travel to country A then there will be a higher intensity index score.

14 Bloom Consulting, COVID-19: The Impact on Tourist Behaviours, June 17, 2020.

15 Boston Consulting Group & Google, Actions for Destination Marketers to Navigate in a COVID-19 World, 2020.

16 Travel Insights with Google.

17 The competitive market includes a selection of comparable emerging markets from the same region as Kenya.

18 Kenya Broadcasting Corporation, East Africa's largest submarine cable lands in Mombasa, March 2020.

19 World Bank Group, Kenya Economic Update Edition No. 20, October 2019.

20 World Bank Group, Kenya Economic Update Edition No. 20, October 2019.

21 World Bank Group, Kenya Economic Update Edition No. 20, October 2019.

22 OECD, Rebuilding tourism for the future: COVID-19 policy responses and recovery, December 2020.

23 OECD, Preparing tourism businesses for the digital future, 2020.

24 Boston Consulting Group & Google, Actions for Destination Marketers to Navigate in a COVID-19 World, 2020.

25 OECD, Preparing tourism businesses for the digital future, 2020.

26 World Economic Forum, Digital Transformation Initiative: Aviation, Travel and Tourism Industry, 2017.

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