DATA AND DIGITAL PLATFORMS

Driving the Tourism Recovery in Egypt

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 Egypt

In 2019 domestic and international visitor spending in the Egyptian economy directly contributed US$20.9 billion to Egyptian GDP and supported a US$29.5 billion total impact including indirect and induced impacts. The Egyptian travel and tourism industry represented 9% of total GDP in 2019. This economic activity supported 2.5 million jobs.

Travel and Tourism Industry Impacts in Egypt in 2019

$29.5B USD
Economic Impact

2.5M
Total Jobs

9%
Total GDP

Digital Content Drives Travel

77% of overnight stays in Egypt in 2019 were booked or researched via a digital platform, up from 69% in 2014

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

10.2M Incremental Visitor Nights in 2019

$1.1B USD Incremental Contribution to Egyptian GDP in 2019

90,000 Incremental Jobs in 2019

Opportunity to Accelerate the Recovery

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

Baseline Outlook

Egypt's visitor volumes and visitor spending are set to fully recover to 2019 levels by 2023. Employment contributions will remain depressed over the forecast period.

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

52,000
New Jobs by 2025
(Direct, Indirect, Induced Jobs)

9.8M
Incremental Overnight Stays in Egypt in 2025

$2.7B 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	219.5	275.1	315.6	338.6	358.6
	Opportunity Outlook	221.5	279.1	321.7	346.6	368.5
	Potential Increase	2.0	4.0	6.1	8.0	9.8
Spend (US$ billions)	Baseline	16.0	20.2	23.7	26.8	30.1
	Opportunity Outlook	16.2	20.5	24.2	27.6	31.0
	Potential Increase	0.2	0.3	0.5	0.7	0.9
GDP (US$ billions)	Baseline	18.4	23.3	27.6	31.2	35.1
	Opportunity Outlook	18.5	23.6	28.2	32.0	36.1
	Potential Increase	0.2	0.4	0.6	0.8	1.0
Jobs (thousands)	Baseline	1,280	1,507	1,690	1,809	1,931
	Opportunity Outlook	1,291	1,529	1,723	1,852	1,983
	Potential Increase	11	22	33	43	52

E1 The Economic Impact of Tourism in Egypt

Tourism is a Growth Engine

Between 2010 and 2019, Egypt's travel sector experienced moderate growth, supported by significant changes in composition.[1] Growth was driven by expansion in domestic travel demand, while inbound travel fell from 14.1 million visitors to 13.1 million. Total arrivals have recovered from the low of 5.3 million visitors in 2016.

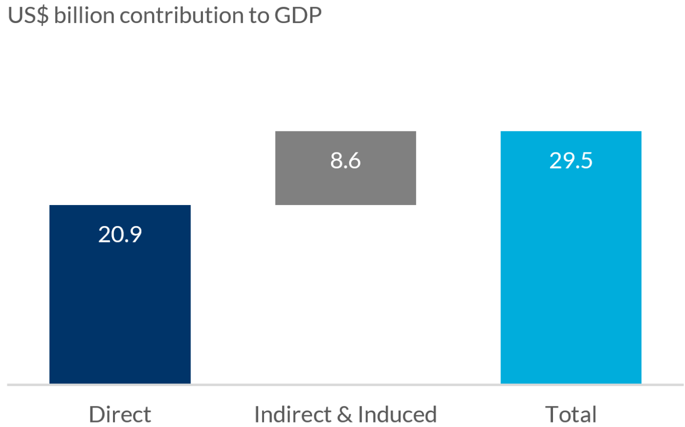
In 2019, domestic and international visitor spending directly contributed US$20.9 billion to Egyptian GDP and supported a US$29.5 billion total impact including indirect and induced impacts. The Egyptian travel and tourism industry represented 9.3% of total GDP in 2019, and this economic activity supported 2.5 million jobs. Although this was equivalent to one in every 10 jobs, the sector has supported a higher proportion of activity in the past and investing in the recovery will be a tool for job creation.

Tourism Has Experienced Massive Losses

Total visitor spending is estimated to have declined US$11 billion in 2020, representing nearly half of 2019 levels. International spending is estimated to have fallen nearly two-thirds while domestic spending fell by less, around one quarter.

The estimated US$11 billion reduction in visitor spending in 2020 has jeopardized approximately 1.4 million jobs within the travel and tourism sector and related industries.

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



Source: Tourism Economics WTTC

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 (77%) of overnight stays in Egypt in 2019 were booked or researched via digital platforms, up from 67% 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$1.1 billion to Egyptian GDP in 2019 and supported 90,000 jobs. Over this relatively short period, travel to Egypt was 4% higher thanks in part to the use of digital content. This increase accounted for almost one-fifth of the growth over 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 E2: The Five Stages of Travel Planning

The 10.2 million additional visitor nights resulting from the increased use of digital platforms and tools generated US$1.1 billion in Egyptian 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 derive from digital platforms—serve as the basis for a destination's marketing decisions.

E4 Recommendations for Recovery

Destinations, governments and private sector businesses affiliated with the tourism industry in Egypt must take immediate actions to support a robust recovery.

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.

DMOs in Egypt will need to expand their destination management capabilities as well. Despite the current realities of reduced travel, Egypt 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. Build a consistent brand message through digital collaboration.

Egypt is still at a relatively early stage of its digital lifecycle—according to stakeholder consultation—and has a lack of consistent branding and messaging. The onset of the pandemic made this clearer as businesses in Egypt became exposed to increased online competition as many non-digital, traditional tourism channels, including travel agencies, have not been available. Competition with destination countries further into their digital lifecycle, and with a more coordinated approach to branding, exposed weaknesses in Egypt's online branding and messaging.

Consistent branding and messaging through digital platforms are only possible with coordination of key tourism stakeholders. Though not solely a digital factor, a consistent and coordinated approach and structure of DMOs, attractions and other related businesses is necessary to maximize the effectiveness of branding and messaging.

This digital collaboration should be led by the Ministry of Tourism and Antiquities, which is ultimately responsible for tourism policy and oversees the Egyptian Tourism Authority (ETA). It will have a particularly important role, given its directive to promote tourism—as opposed to the Tourism Development Authority (TDA), which focusses more on projections and regulation. Beyond the government sector, cooperation and support will be required from the Egyptian Tourism Federation and its affiliate business associations.

This includes a sustainable approach to Egypt's natural and cultural resources, such as making the most of the new Grand Egyptian Museum with its 100,000 artifacts, promoting the Saqqara redevelopment at Giza, and cultural events like film festivals and Red Sea diving opportunities—all while respecting delicate environmental management.

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.

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

2. Continue to tell stories with the extended reach of digital platforms to support travel dreams

Travelers are still dreaming and ready to travel when it is safe. The ETA and travel businesses should focus marketing efforts on reaching these travelers, and actively promoting the entirety of the country's tourist offerings, including both beach and cultural activities.

The development of the new Grand Egyptian Museum is an opportunity to reach new audiences, including marketing it as an alternative to people unable to view the Tutankhamun artifacts due to the cancelled dates on the popular exhibition tour.

New markets can also be effectively targeted through digital storytelling. Egypt has not regained its historic share of travel from traditional European markets following some terrorist activity and safety concerns. Targeted messaging to these markets can communicate increased safety and security, while additional marketing can reach new markets, including the growing Middle Eastern source markets.

Domestic travelers have also been constrained. Outreach to this market will be important in the short run to maximize activity in the early stages of recovery, especially while currency weakness further dissuades some outbound trips.

3. Diversity Egypt's travel market by encouraging independent travelers

Egyptian tourism has been heavily reliant on organized group tourism. Consequently, more traditional (i.e. non-digital) operations continued to dominate marketing activity, including more frequent use of travel agents than for many competing destinations. Encouraging a range of new visitors from different source markets—which is identified as a key economic priority—will require a strong presence on a range of new platforms.

Egypt currently focuses on a narrow range of interests, leading to missed opportunities to further diversify its travel offerings. The country boasts ecolodges, sports and health tourism, yet it captures relatively little market share in those categories.

Use of online platforms is associated with increased length of stay as well as increased frequency of visits, according to prior analysis and modelling by Tourism Economics. If combined with Egypt's multiple offerings, carefully used digital information and skillful marketing can facilitate multiple destination stays. This requires intelligent use of digital data to ensure the combination of destinations is practical and appropriate for the source market where the potential traveler lives. Digital marketing focused on combining multiple destinations will also help to better distribute the benefits of travel around the country and reduce congestion at some heavily visited and busy destinations.

Key Recommended Actions

- Build a consistent brand message
- Continue to tell stories with the extended reach of digital platforms
- Diversify travel market
- Improve internet infrastructure and speeds
- Utilize data analytics to support decision making
- Secure DMO funding
- Adapt to new consumer preferences and sensitivities

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

		2021	2022	2023	2024	2025
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4. Improve internet infrastructure and speeds

Average internet speeds in Egypt are also a constraint on tourism activity. For fixed internet, the average speed in Egypt is 27 Mbps, significantly slower than the 61 Mbps of its source markets and—just as critically—below the 68 Mbps for its regional competitors.[2] Mobile internet access is even slower, affecting business and traveler use with implications for future traveler dreaming. In addition, it is understood that variation in speeds is also an issue and access is not reliable.

Improving internet penetration, speeds and reliability will be critical to maximizing opportunities to attract inbound tourists. This includes the sophistication of the ETA's own website and social media content. Improvements in digital infrastructure will benefit DMOs and businesses by helping reach their customers as well as travelers throughout all stages of the planning cycle, including while they're in Egypt.

Vastly improving internet penetration, reliability and speeds will be critical to maximizing opportunities to attract inbound tourist demand

5. Utilize data analytics to support decision making

The ETA and businesses should leverage 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 ETA and the Ministry should explore whether this support would be helpful in further utilizing data analytics.

Public sector organizations (led by the Ministry of Tourism and Antiquities) can play a leading role in encouraging the use of data analytics in tourism SMEs in Egypt, through the development of targeted initiatives to support the integration of these technologies. 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 Egyptian Ministry to do this effectively, they must understand the obstacles facing domestic tourism businesses. Tourism businesses are likely trying to engage in digital transformation but face unknown barriers to adopting digital technologies—beyond just developing the necessary skills.[3]

6. Secure DMO funding

The ETA and TDA should secure funding from multiple sources in the public and private sectors. The Ministry of Tourism and Antiquities should protect the budgets of these DMOs over the coming years and recognize that this spending is a critical investment and priority that will help accelerate tourism recovery. However, additional funding sources should be explored to ease the burden on public investment. Greater engagement with the private sectors for funding should also help to improve collaboration in marketing activity and research.

7. Adapt to new consumer preferences and sensitivities

The travel industry must account for new consumer travel behaviors resulting from the pandemic when developing future marketing campaigns. Messaging across all digital media and platforms should be designed to build trust and communicate health and safety protocols.

E5 Opportunity to Accelerate the Recovery

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

Baseline Outlook

Although Egypt's total visitor volumes are set to fully recover to 2019 levels by 2023, inbound visitor volumes will take a year longer to recover. This outlook is consistent with past market share and expectations for source market demand.

Improvements in productivity mean that total employment contributions from travel and tourism will remain below historic highs but will rebound from the current low levels. Travel and tourism will remain an important sector for job creation.

Opportunity Outlook

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

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.

52,000
New Jobs Supported
(Direct, Indirect, Induced Jobs)

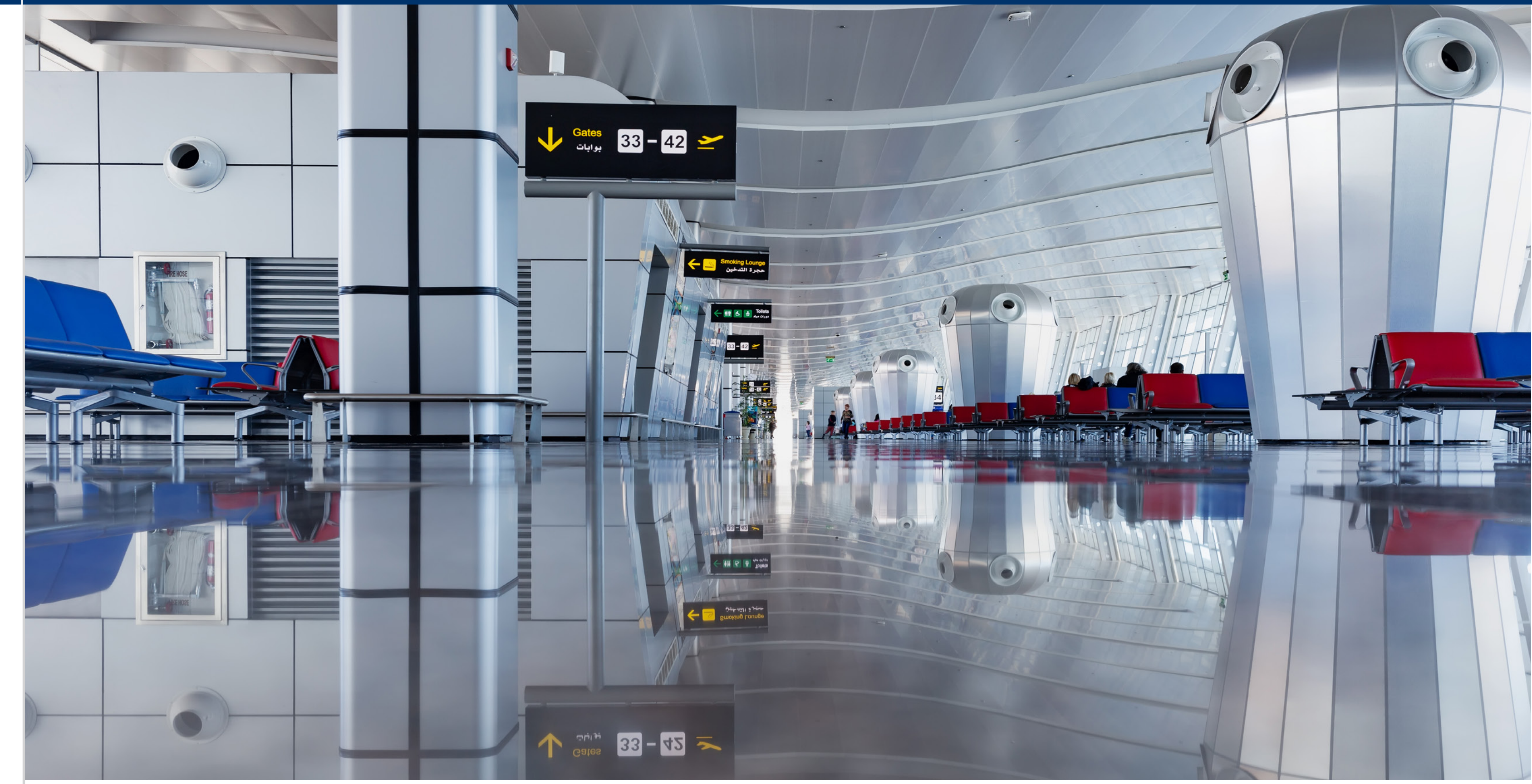
9.8M
Incremental Overnight Stays in Egypt in 2025

$2.7B USD
Cumulative Increase in Tourism Spending Over the Five-Year Period

The current crisis presents an opportunity for Egypt 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 in addition to the baseline growth as a result of digital advances.

This includes the following improvements by 2025:

- 52,000 new jobs supported (direct, indirect, induced)
- 9.8 million more overnights in Egypt
- US$2.7 billion 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 Egypt**—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.

2 The Impact of Travel in Egypt

The travel and tourism industry of Egypt represented 9.3% of total GDP in 2019. Total employment supported by tourism totaled 2.5 million jobs. The shock to travel brought on by the coronavirus pandemic could lead to long-lasting effects on the Egyptian economy as tourism revenues fall. The estimated US$10.8 billion reduction in visitor spending in 2020 has put around 1.4 million jobs at risk within the travel and tourism economy.

This chapter covers the state of travel across Egypt 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 Egypt.

2.1 Visits

Between 2010 to 2019, tourism activity in Egypt experienced varied growth.

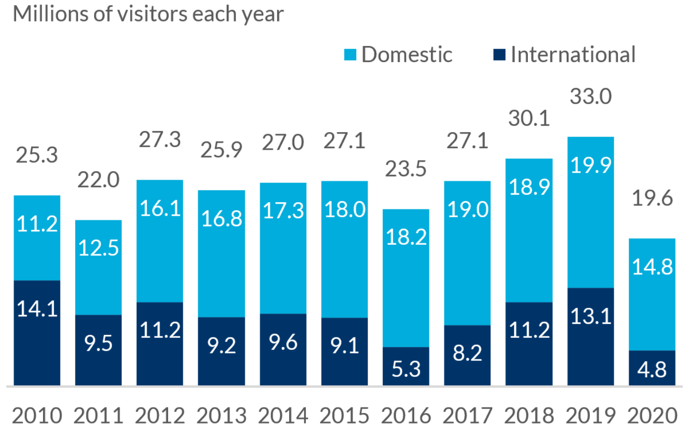
Tourism Economics databases, which form the basis of this analysis, recorded significant changes in the composition of tourism demand throughout this period. Total overnight visits to Egypt in 2019 reached a new high of 33 million, 31% more than the 25.3 million visits in 2010, with a comparable increase in the number of nights spent in paid accommodation establishments. This growth was driven by the domestic travel sector, which increased 78% over the period to reach 19.9 million in 2019.

Travel demand in Egypt fell by over 40% in 2020

International arrivals fell 7% over this period, equivalent to one million fewer tourists in 2019 relative to 2010. This included a series of sharp falls in the years leading up to 2016, following political instability and terrorist attacks, as arrivals dropped to a low of 5.3 million, 60% down from 2010 values.

More recent growth came despite some lingering government advisories against travel to some regions in the country. This growth shows the resilience of travel demand and the ability of the industry to adapt and evolve, including moves to attract visitors from new source markets. For example, Russian travel to Egypt has yet to recover from the very sharp falls in 2016 which followed flight bans, while other traditional European markets (including the UK) have also not recovered. However, new markets have been developed, and travel from the Middle East reached new highs. This was helped by the diverse mix of attractions and destinations within Egypt. Currency depreciation in 2017 also increased destination price competitiveness and drove some of the growth in both international and domestic travel.

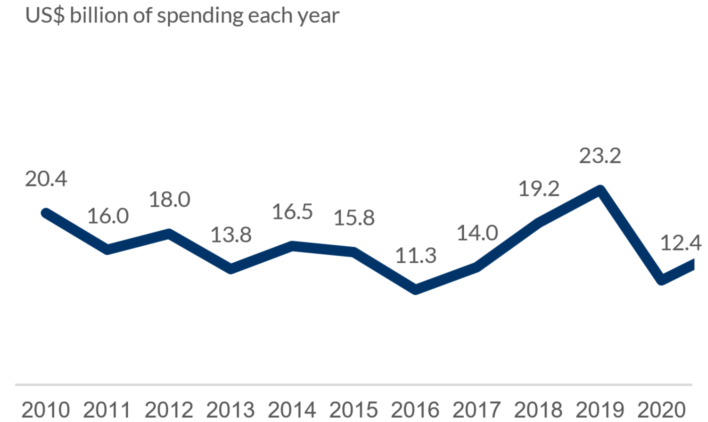
Figure 1: Egypt Overnight Visit Levels



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 Egypt



Source: Tourism Economics

The spread of the coronavirus in 2020 severely impacted travel and tourism across the globe.

Egypt effectively closed its borders to international arrivals in March 2020. 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. 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 Egypt fell more than 40% in 2020, equivalent to over 13 million fewer overnight visits.

Egypt's international borders re-opened later in 2020 but most travelers were required to provide evidence of a negative COVID-19 test on arrival. International overnight visits are estimated to have dropped more than 60% (under 5 million visits). This fall will be

Total visitor spend fell by nearly US$11 billion in 2020

similar to the drop over the six years prior to 2016 with visitors at an even lower level. Domestic travel is also set for a decline with overnight visits estimated at under 15 million in 2020, roughly one quarter less than in 2019.

2.2 Spending

Total visitor spending—which includes day visit spend as well as overnight spend—reached a new high value, of US$23.2 billion in 2019.[5] This represents a nominal 14% increase in total spending over the decade. Spending measured in Egyptian pounds rose by a greater amount due to the currency depreciation, but with more moderate growth when adjusted for inflation. Much like the trends in visitor numbers, there was considerable volatility in spending over the period, with a net decline from 2010 to 2016 (where spending fell to a low of US$11.3 billion), before recovering up to 2019.

In 2019, 57% of travel and tourism spend in Egypt was from international visitors.

Overall, international spend per visitor was higher than for domestic trips. The international market therefore plays a key role in the economic impact of tourism in Egypt. From 2010 to 2019, international visitor spending increased 8%. Domestic spend increased more rapidly, rising 22% over the same period.

In 2020, we estimate that total visitor spending fell by nearly US$11 billion.

Within this, we estimate that international spend in 2020 fell more than US$8 billion, 60% lower than in 2019. The decline in domestic tourism spending in 2020 was less steep, with a reduction of just over one quarter. Domestic spending is projected to recover more quickly, reaching and exceeding 2019 levels by 2022, but the overall recovery in tourism spend will be limited by ongoing sluggishness in international tourism.

The decline in visitor demand has affected Cairo less than many other destinations in Egypt, including resorts.

In 2019, 80% of total travel and tourism spending in Cairo was from domestic visitors. Spending in Cairo is estimated to have fallen around 25% in 2020—far less than across the country as a whole, due to higher reliance on domestic travel, which will also drive recovery and subsequent growth. Total travel spending in Cairo is expected to surpass the 2019 level in 2023. Destinations such as Sharm el-Sheikh experienced deeper falls and a slower recovery due to a greater reliance on international demand. These estimates are supported by Google search data, which shows less of a decline in searches for Cairo than for the primarily leisure resorts of Hurghada and Sharm el-Sheikh.

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.[6]

This assessment begins with the impact of spending by tourists, but also considers the downstream effects of this injection of spending into the Egyptian 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.

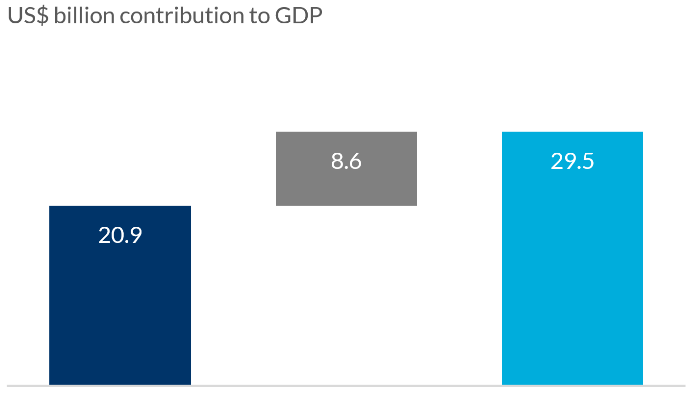
- **Direct impacts** occur through spending within a specific group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs and GDP within each sector.
- **Indirect impacts** stem from supply chain spending, where each directly affected sector also purchases goods and 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$20.9 billion to Egyptian GDP in 2019, and US$29.5 billion total impact including indirect and induced impacts. Egypt's travel and tourism industry represented 9.3% of total GDP in 2019. This was considerably lower than in 2010, when the sector accounted for 13.9% of Egypt's GDP, but still represents an increase from a low of 6.2% in 2016.

Employment in Egypt directly supported by the travel and tourism industry exceeded 2.5 million jobs over the later parts of the decade. Total employment supported by tourism in 2019 was significantly less than in 2010—due in part to improvements in labor productivity—but greater than it had been in 2016 when visitation hit a low.

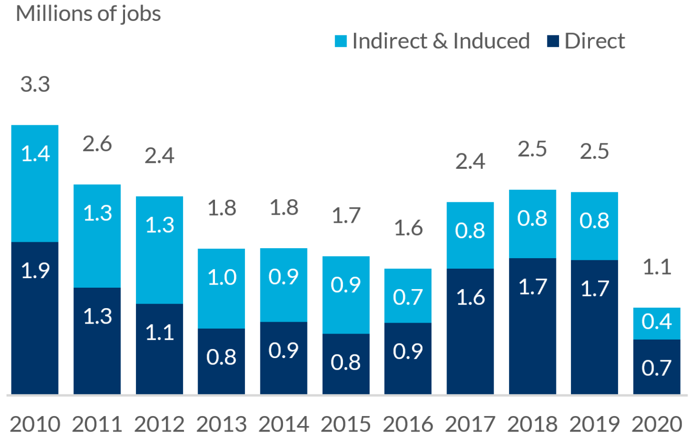
Without intervention, the shock to international travel brought on by the coronavirus pandemic could lead to lasting effects on the Egyptian economy as tourism revenues fall. A US$15 billion loss to Egyptian GDP in 2020 alone has put around 1.4 million tourism-related jobs at risk.

Figure 3: Travel & Tourism GDP Impact on Egypt, 2019



Source: Tourism Economics, WTTC

Figure 4: Travel and Tourism's Total Employment Contribution to Egypt Economy, 2010 to 2020



Source: Tourism Economics, WTTC

Tourism Spending's Link to Tourism Direct GDP

Total tourism expenditure comprises all tourism expenditure of visitors, both resident and non-resident, within the economy of reference. It is the sum of domestic tourism expenditure and inbound tourism expenditure. It includes acquisition of goods and services imported into the country of reference and sold to visitors.

Tourism direct GDP is the sum of the part of gross value added generated by all industries, net of purchases, in response to tourism expenditure plus the amount of net taxes on products and imports included within the value of this expenditure.

The **gross value-added contribution** of an industry is defined as the value of its output minus its purchases of goods and services used in the production process from other firms.

Tourism direct GDP measures the total economic output of the tourism activity within a country and can be used to judge the rate of growth of the tourism industry within an economy.

Tourism GDP figures used in this research are consistent with the annual economic impact research published by WTTC (and produced in collaboration with Oxford Economics). Analysis is consistent with the UN-statistics division approved recommended methodological framework (TSA:RMF 2008) and benchmarked to detailed country accounts.

For further information on key tourism definitions see the UNWTO glossary of tourism terms web page.

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$1.1 billion to Egyptian GDP in 2019 and supported 90,000 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.[7] 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 friction (ease) and pricing transparency in the booking process.

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

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 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.

Figure 5: The Five Stages of Travel Planning

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 searches, 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 to 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 search 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 helps inspire destinations to develop solutions to address those concerns. Through mobility tracking, destinations can 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

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 Egypt since 2014.

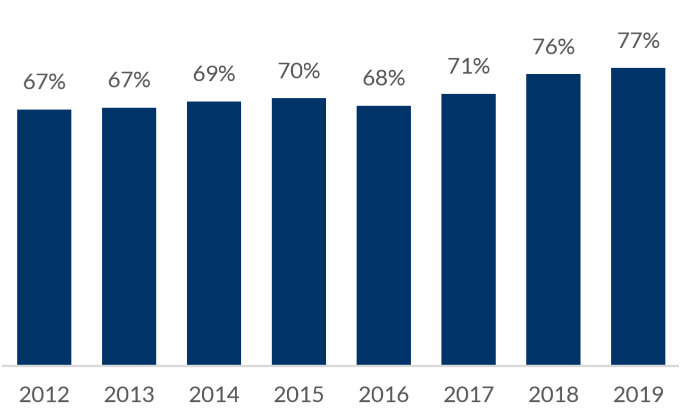
This analysis primarily focuses on the impact changes in traveler behavior as they use online platforms. It largely does not capture the positive effect on productivity that digitalization can have within tourism-related business and DMOs.

The methodology can be summarised as follows:

- The first step was to determine the number of overnight stays in Egypt 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.

Figure 6: Digital Travel Footprint in Egypt

% of nights attributable to online over time



Source: Tourism Economics

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.[8]

3.4 Use of Digital Content and Online Platforms in Egypt

The first and second step of the analysis (presented above) indicated that 77% of overnight stays in Egypt in 2019 were booked or researched via a digital platform, up from 67% of overnight stays in 2012 (Figure 6). Therefore, we can say that 77% of tourism spend, GDP and employment in Egypt was linked to online research and booking—i.e. most of the tourism activity in 2019.

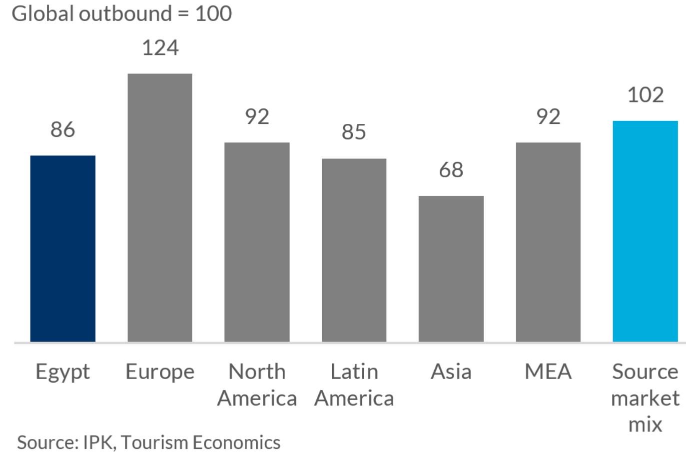
Nevertheless, offline sources are still used for a significant proportion of travel planning and booking. The intensity of tourism research online varies by region, as shown in Figure 7,[9] which measures the compared use of various online sites for travel research purposes. Egypt, when compared to source market regions in 2019, supported a lower intensity of online research than every region other than Asia, and similar to Latin America. Europe (in particular) held a strong lead with the greatest online tourism research intensity for travelers.

The lower intensity of online tourism research in Egypt is partly due to the type of travel to Egypt. At the time, travel agencies were still used for more than half of international trips to Egypt, according to IPK data.

Different types of online platforms are used on average for travel to Egypt relative to source market preferences. According to IPK data, there is widespread use of review sites, while tour operators widely use online platforms to provide information.

Figure 7: Online Research Intensity Index Against Source Markets, 2019

Global outbound = 100



Source: IPK, Tourism Economics

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By contrast, the use of online platforms for transport is lower than for the source market average, as well as OTA use, related to a lower proportion of direct booking. In order to attract a higher proportion of independent travelers, trusted information must be widely available online, including the ability to book on connected platforms. Social media use, including YouTube, in travel research for Egypt also lags the average for source markets. Increasing social media interactions between Egyptian destinations and travelers will enable tourism businesses to reach potential tourists 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 Egypt 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 9. 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 (see Figure 6). 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 Egypt.

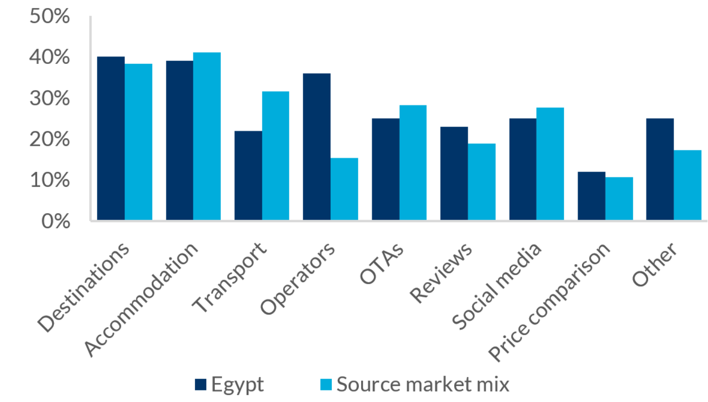
Econometric Modelling Approach

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.

Figure 8: Use of Different Platforms

% using internet platforms

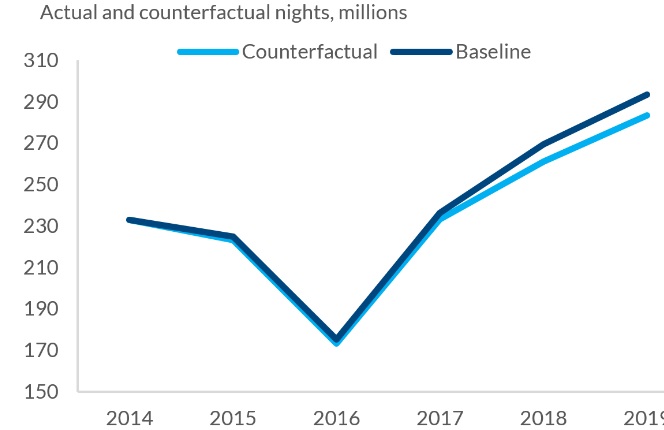


Source: IPK, Tourism Economics

* Top source markets for Egypt in 2019 included countries such as: Germany (1.8 million), Saudi Arabia (941,000), United Kingdom (605,000), and Italy (573,000).

Figure 9: Number of Overnight Stays in Egypt

Actual and counterfactual nights, millions



Source: Tourism Economics

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

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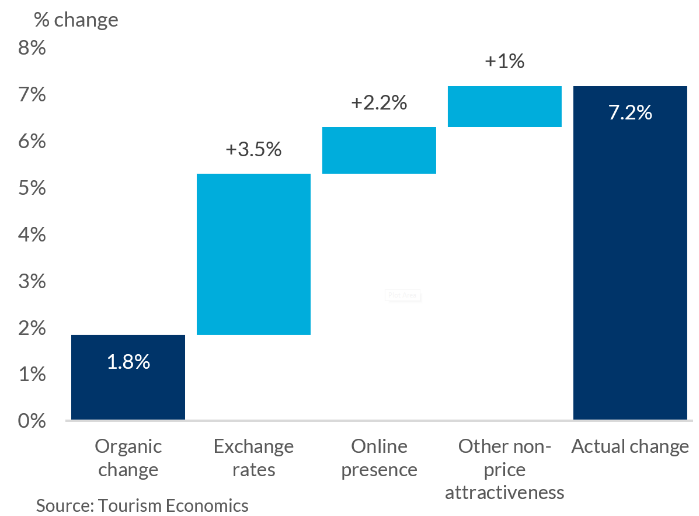
3.6 Historic Additional Impact

The difference between the baseline and counterfactual scenario is the additional impact of digital platforms and tools over the period. In 2019, 10.2 million additional overnight stays in Egypt were generated from the increase in digital platforms and tools.

Since 2014, there has been considerable volatility in travel to Egypt, but international travel rose at an annual average growth rate of 7.2%. This far exceeded the 1.8% annual average increase in outbound travel demand from source markets as Egypt regained market share, at least partly offsetting some earlier losses. Currency depreciation is an important factor behind this growth, accounting for an estimated 3.5% growth per annum on average over this period. However, this doesn't account for all of the market share gains. Increased use of digital content, platforms and data account for 1.0% per annum on average.

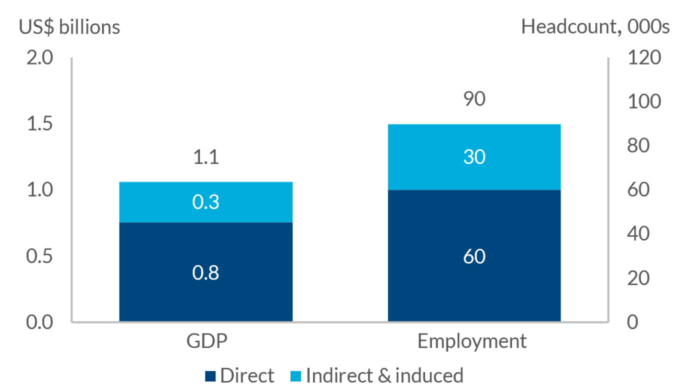
We then calculated the impact these additional nights had on GDP and employment (Figure 11) based on historic relationships. The additional overnight stays resulting from the increased use of digital platforms and tools supported US$1.1 billion in additional GDP, as well as 90,000 jobs. If the digital footprint of travelers did not increase from 2014 to 2019, the additional impacts would remain at zero.

Figure 10: Annual Average Growth by Driver, 2014 to 2019



Source: Tourism Economics

Figure 11: Net Additional Impact of Digital Platforms in Egypt, 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 Egypt, 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 Egypt. In this chapter, we explore the opportunity to accelerate a 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, Tourism Economics 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,

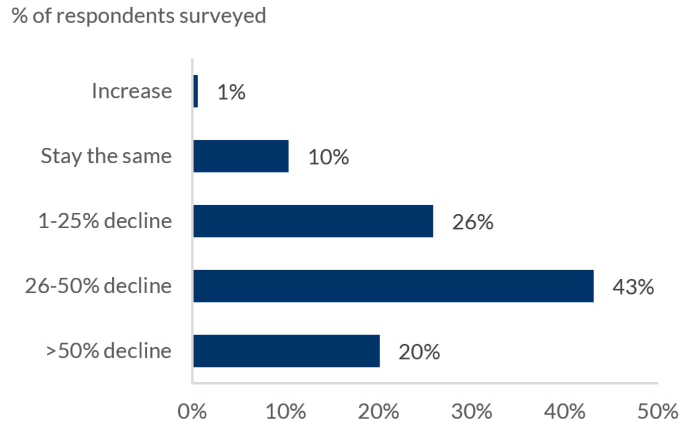
monitoring data, and digital platform engagement were considered "extremely important" by 80%, 65%, and 60% of respondents, respectively (Figure 13).

- 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

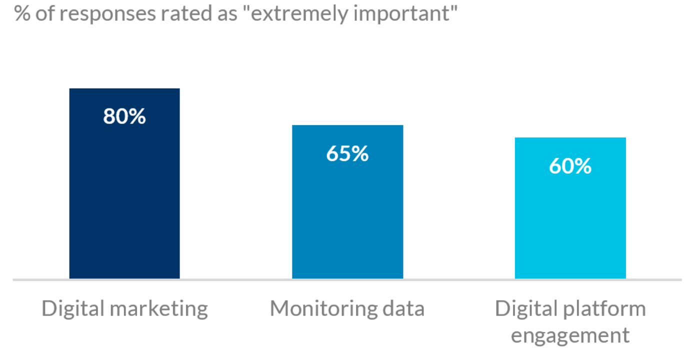
In addition to conducting industry surveys, we hosted one-on-one discussions with destinations, marketing agencies, and other tourism stakeholders to learn about digital best practices and how destinations and consumers are responding to the pandemic. Findings from the discussion can be summarized into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

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



Source: NextFactor

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



Source: NextFactor

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 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.

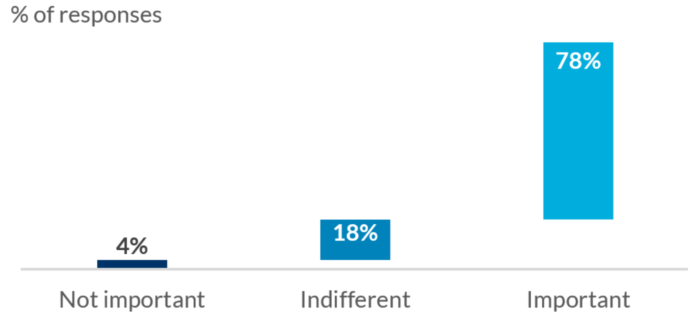
More recently, a DMO's role was expanded beyond marketing to also include destination management, which encompasses broader economic, product development and strategic initiatives.

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

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



Source: NextFactor

Egyptian Tourism Organization Structure

The Ministry of Tourism and Antiquities is the government institution responsible for developing the Egyptian tourism policy. The Ministry oversees two tourism authorities:

- **Egyptian Tourism Authority (ETA)**—which promotes Egypt to both inbound and domestic tourists operating as a DMO
- **Tourism Development Authority (TDA)**—which establishes and implements regulations for tourism projects and investments

Tourism in Egypt is generally promoted at the national level with a centralized approach. For example, the shift in focus for international leisure travel from Sharm el-Sheikh to Hurghada was managed by ETA rather than local agencies. Individual tourism stakeholders promote their businesses locally, but without any formal regional DMO involvement.

In addition to the public sector tourism entities, the Egyptian Tourism Federation (ETF) is a not-for-profit organization that works closely with the Ministry and other governmental organizations to establish an essential climate for growth and sustainable tourism throughout Egypt. The ETF is composed of five affiliate business associations:

1. Hotels Association
2. Travel Agents' Association
3. Chamber of Tourist Establishments
4. Chamber of Commodities
5. Chamber of Diving and Water Sports

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. 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 Directors' 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 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 leveraging more 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.

Though 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 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,

DMOs are more heavily leveraging crowdsourced content, which appeals to both locals and visitors from outside

Yelp and TripAdvisor all added new fields that allow 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 such as:

- 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 conduct 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 time. Destinations now need to understand the consumer's 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 their increasing scalability and agility.

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

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 with digital platforms allow destinations to efficiently target travelers based on active travel prospects and other psychographic considerations. For example, digital marketing concepts, such as paid search, allow destinations to target consumers planning to travel in the near term.

Geolocation: Smart phone technology enables 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 ready to travel. Tracking effectiveness also allows destinations to refine and adjust future campaigns based on the performance of past campaigns.

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

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 locations 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 searches 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 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%).[10] The nature of trips is also shifting, with a consumer preference of shorter haul trips that often remain domestic.

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

Key Recommended Actions

- Build a consistent brand message
- Continue to tell stories with the extended reach of digital platforms
- Diversify travel market
- Improve internet infrastructure and speeds
- Utilize data analytics to support decision making
- Secure DMO funding
- Adapt to new consumer preferences and sensitivities

The strategic use of data content and platforms can easily aid in the diagnosis of changes in consumer behavior at the destination level

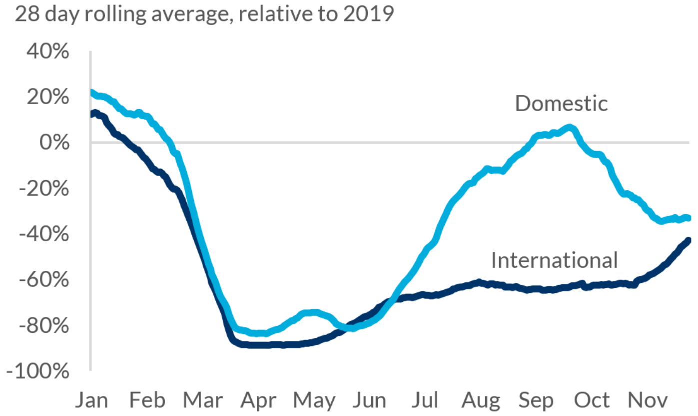
The strategic use of data content and platforms can easily aid in the diagnosis of the previously listed changes in consumer behavior at the destination level. Observing online flight searches support the explanation that current travel conditions remain slanted heavily towards domestic and short-haul trips. Consumer interests can also be mapped through the collection of search engine queries 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.[11]

Analyzing travel behavior shifts

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

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



Source: Google travel analytics center

As travel behavior adjusts to new patterns, measuring how temporary or permanent these developments become can be achieved though monitoring the potential use of various modes of transport, such as flights

Data from the Google travel insights dashboard can assist in predicting the recovery in a multitude of ways.[12] Figure 15 presents a rolling average of 28 days of search queries for flights and accommodation in Egypt compared to the same period one year ago. The data indicates that the steepest percentage declines relative to last year have all been in Western European source markets, suggesting that encouraging a return of these travelers to Egypt may be more challenging than for other source markets. On the other hand, searches from countries such as Russia, Saudi Arabia and Turkey—as well as from the domestic market—have all recorded far less significant declines. This means that these markets (including those within the Middle East and the North African region) may be the easiest to motivate a recovery in travel demand.

Search data also highlights the continued importance of the domestic market to Egypt in the short term. Interest in domestic travel returned to normal 2019 levels in September 2020, albeit temporarily, and recovery is expected to come sooner for this segment than for international demand in the forecast period.

Consistent branding and messaging, communicated via digital collaboration, is essential to remaining competitive relative to other regional destinations

Google travel data can also show how destination use has developed from a city-level perspective, for instance, by examining searches for flights to Egyptian cities. The nature of how accommodation demand has changed can also be analyzed by segmenting related queries. These data support the trend of a shift from business to leisure destinations, including a move away from major city destinations.

4.3 Recommended Actions

Recommendation 1: Build a consistent brand message through digital collaboration

Egypt is still at a relatively early stage in its digital lifecycle—according to consultation with stakeholders in the country. The onset of the pandemic made this clearer as businesses in Egypt became exposed to increased online competition as many non-digital, traditional tourism channels, including travel agencies, have not been available. Competition with destination countries further into their digital lifecycle, and with a more coordinated approach to branding, exposed weaknesses in Egypt's online branding and messaging.

Consistent branding and messaging through digital platforms is only possible with coordination of key tourism stakeholders. Though not solely a digital factor, a consistent and coordinated approach and structure of DMOs, attractions and other related businesses is necessary to maximize the effectiveness of branding and messaging.

Turkey was cited in the stakeholder discussions as a regional competitor using a better practice on this front—including a consistent branding across a range of activities. This notably includes cooperation between airlines and the Turkey Tourism Promotion and Development Agency—using the right mix of culture and beaches in its digital promotions and beyond. If Egypt does not improve the consistency of its messaging and branding, it can lose market share to other destinations in the region that implemented such branding (such as Turkey and Greece).

This digital collaboration should be led by the Ministry of Tourism and Antiquities, which is ultimately responsible for tourism policy, particularly through the oversight of the Egyptian Tourism Authority (ETA) and Tourism Development Authority (TDA). The ETA will have an important role in digital collaboration, given its directive to promote tourism (as opposed to the TDA, which focuses more on projections and regulation). Beyond the government sector, cooperation and support will be required from the Egyptian Tourism Federation and its affiliate business associations (see section 4.1 for more details on the Egyptian tourism organization structure).

Coordinated brand messaging should maximize opportunities created by the new Grand Egyptian Museum with its 100,000 artifacts, the Saqqara redevelopment in Giza, and cultural events like film festivals. This should be balanced against messaging regarding other attractions, such as Red Sea diving opportunities, to present a mix of attractions and activities. Messaging also needs to include a sustainable approach to Egypt's natural and cultural resources, being careful to integrate planned growth with delicate environmental management.

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.

Recommendation 2: Continue to tell digital stories to support travel dreams

Travelers are still dreaming and ready and willing to travel when it is safe and possible again. The ETA,

There is an opportunity to further diversify the travel offer and attract more independent travelers

ETF and tourism businesses should focus marketing efforts on reaching these travelers, and actively promoting the entirety of the country's tourist offerings.

The development of the new Grand Egyptian Museum offers a clear opportunity to reach a new audience. Many artifacts from the tomb of Tutankhamun were included in a popular global exhibition tour prior to being housed in the new museum. The tour highlights the clear interest in Egyptian history and culture, but the cancellation of many dates due to the coronavirus pandemic means that a large audience will not be able to see these artifacts. Marketing outreach can leverage the successful tour and the interest in this culture and history by focusing on the new museum to drive interest in future visits.

New markets can also be effectively targeted through digital storytelling. Egypt has not regained its historic share of travel from traditional European markets following some terrorist activity and safety concerns. Targeted messaging to these markets can communicate increased safety and security, while additional marketing can reach new markets, including the growing Middle Eastern source markets.

Domestic travelers should also be targeted in the early stages of recovery as travel is rediscovered by all markets but cautious travelers will remain close to home in early stages of growth. The Egyptian pound has stabilized in recent years but remains at historically weak levels and will continue to constrain outbound travel and boost domestic demand. This could compensate for some proportion of lost inbound travel in the near-term.

Recommendation 3: Diversify Egypt's travel market by encouraging more independent travelers, without losing the current market

Egyptian tourism has been heavily reliant on organized group tourism. Consequently, more traditional (i.e. non-digital) operations continued to dominate marketing activity, including more frequent use of travel agents than for many competing destinations. Encouraging a range of new visitors from different source markets—which is identified as a key economic priority—will require a strong

Use of online platforms is not just associated with the attraction of new tourists but also with increased length of stay. Carefully used, digital information combined with skillful marketing can help facilitate multiple destination stays

presence on a range of new platforms, including those widely used in different source markets.

Independent (i.e. non-group) travelers are a key, high-spending, market segment that can be targeted to attract new demand and boost activity in the sector. For this segment of travelers, a greater and more unified digital presence is essential—these travelers overwhelmingly use digital platforms for researching and booking, rather than traditional mediums (which is a key feature of group tourism). Social media will be an important platform used to target independent travelers, including in messaging about health and safety.

Expanding the independent traveler market will also allow the sector to take full advantage of all available infrastructure, although some of this can be captured through additional diversification of group offers. Ecolodges exist within Egypt but are not being fully used, likewise sports and health tourism potential is not maximized; these segments have yet to capture any significant market share.

Egypt should try to increase the length of stay for international visitors by encouraging them to visit multiple destinations, especially among the independent travel sector. Prior analysis and modelling by Tourism Economics shows that using online platforms increases the length of stay and the frequency of visits. If combined with Egypt's multiple offerings, carefully used digital information and skilful marketing can help facilitate multiple destination stays. This requires intelligent use of digital data to ensure the combination of destinations is practical and appropriate for the source market where the potential traveler lives.

Digital marketing focused on combining multiple destinations will also help to better distribute the benefits of travel around the country and reduce congestion at some heavily visited and busy destinations. This could involve focusing on a combination of city, culture/history and outdoor recreation that Egypt has to offer. Focus should be on any destinations featuring culture and heritage as well as popular beach resort areas, as well as the ability to visit multiple destinations for a range of activities

within one trip to Egypt.

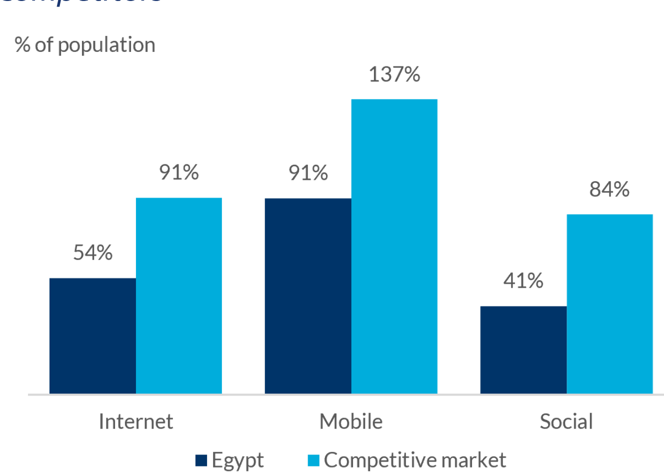
Investment in these new areas, with secured funding for the ETA in addition to traditional activity, will allow a greater future return from tourism. New marketing activity should include a wider focus to further diversify the travel offerings.

There is a specific digital opportunity for all destinations in the recovery from the coronavirus pandemic to diversify tourism by promoting "working from the beach". A new generation of digital nomads will be able to flexibly work from any location with good digital connectivity and could be attracted to Egypt, especially outside traditional peak seasons.

Recommendation 4: Improve digital infrastructure and physical infrastructure

The ETA is constrained to an extent in their digital marketing activities by the existing infrastructure of key tourism stakeholders. The constraints in Egypt appear to be large relative to some other markets. Penetration rates for the internet and mobile phones are markedly lower than for both the country's source market mix and for its competitors in the region.[13] For example, 91% of Egypt's competitor markets has

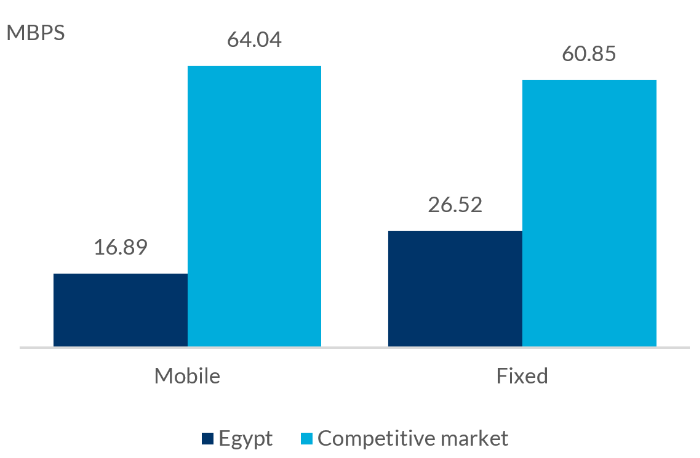
Figure 16: Internet Penetration Rates: Egypt and Competitors



Source: Hootsuite, We Are Social

* Competitive market mix is a weighted regional average including Tukey, Saudi Arabia, UAE, and Qatar.

Figure 17: Average Internet Connection Speed



Source: Hootsuite, We Are Social

access to the internet, the same share as for its source markets. However, only 54% of Egyptians have access to the internet (Figure 16).

Average internet speeds in Egypt are also a constraint on activity. The average fixed internet speed in Egypt is 27 Mbps, well below the 61 Mbps of its source markets and 68 Mbps for its regional competitors (Figure 17). Mobile internet speeds are even slower in Egypt, lagging competitors by an even greater amount. This will limit business use of digital platforms, but crucially also limit traveler use of platforms within the destination—affecting research and planning as well as sharing experiences—with additional implications impacting future traveler dreaming. It is also understood that variation in daily connection speeds is an issue.

Improving internet penetration, speeds and reliability will be critical to maximizing opportunities to attract inbound tourists. This includes the sophistication of the ETA's own website and social media content. Improvements in digital infrastructure will help DMOs and businesses reach their customers as well as travelers throughout all stages of the planning cycle, including while they're in Egypt.

Elsewhere in the world, countries such as Panama have opened up peripheral regions to tourism by prioritizing them for internet infrastructure upgrades. This might be an example especially relevant in Egypt where there is a genuine wish to diversify destinations within the country—and not upgrading networks will impose constraints to this objective. Ukraine has set its sights on developing rural broadband with a minimum benchmark of 100 Mbps—very nearly four times the average fixed speed in Egypt.

Other physical infrastructure should also be improved to increase Egypt's attractiveness as a destination. Inadequate transport linking air arrivals in Cairo to resorts and more remote destinations in Egypt has been identified as a shortcoming in the country's tourism infrastructure. For instance, coastal resorts are typically a long distance from historic attractions and airports, limiting the ability of travelers to explore parts of the country outside of the resort.

Any advances in physical infrastructure should be emphasized as part of Egypt's digital branding and messaging, such as the forthcoming high-speed rail network in the country which will connect some important destinations. This can be highlighted as a signal of Egypt's development as a more logistically advanced destination, and as something that future travelers can enjoy. This can also be a feature of any messaging emphasising the "sun and culture" aspects of the destination.

Recommendation 5: Utilize data analytics to support decision making

Destinations around the world are increasingly understanding the importance of data and the benefits it provides 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."[14]

In terms of strategic decisions, data analytics can help secure tourism funding by establishing a baseline understanding about visitors' impact on the local community and 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, and 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 ETA and its partners 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 Egypt. These data can help prioritize source markets and develop customized marketing strategies for various consumer segments. Anonymized audience and insights-driven content can also help further tailor marketing strategies 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 on an incremental basis, 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 ETA should explore whether this support would be helpful in further utilizing data analytics.

Egypt can also learn from other countries in the region, specifically Abu Dhabi's partnership to develop real-time travel intent signal analysis, as well as global examples of best practices such as the Singapore Tourism Analytics Network (STAN).

Recommendation 6: Secure DMO funding

As the role of a DMO shifts from destination marketing to a combination of marketing and management, it becomes increasingly important to establish secure funding—a difficult task that will only be exacerbated by the pandemic. In Egypt, the ETA and TDA will need to commit a significant amount 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.

Businesses and local destinations in Egypt should engage with the Ministry of Tourism and Antiquities, and the ETA and TDA as well as the private sector to ensure current funding is secured and to discuss additional funding options. The ETA in particular should articulate how their responsibilities have grown 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.

Destinations should also explore all potential funding options which can be generated by either the public or private sector. Funding options may include tourism 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 ETA and TDA 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 7: Adapt to new consumer preferences and sensitivities

Consumer traveler behavior has 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 ETA an advantage, but also increased responsibility to consistently develop (and fund) marketing campaigns and other messaging during both the up and down times. It also means there is an added responsibility to provide high-quality and accurate information on current local conditions, and not to just try to sell the destination.

Successful destinations are creating content that does not promote the destination in a traditional manner, but instead notifies the consumers about safety measures, restrictions, and other information directly associated with the pandemic in order to gain trust and stay attractive to future travelers. The ETA is aware of the importance of clear social distancing and the maximum of 50% occupancy in accommodation. These safety and hygiene measures being imposed should be clearly communicated to potential travelers.

Furthermore, clear messaging will help to counteract some negative misperceptions about the safety of travel in Egypt which have affected inbound travel to the country over recent years.

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

Egypt 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, including trivia with rewards. For example, many artists are now offering streaming performances instead of in-person concerts.

The travel downturn presents an opportunity to develop fun and engaging content that promotes the culture, history, and views of Egypt. 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 to video content, some destinations developed games, puzzles, and other activities to interact with consumers.[15]

5 Travel Outlook

This chapter examines the outlook for tourism in Egypt 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.

While the domestic travel sector will help to soften the impacts of the coronavirus crisis, supporting international travel will be critical for Egypt over the longer term. Nevertheless, in our baseline scenario, the domestic share of overnight visits will increase to 76% in 2020 and stay high throughout the remainder of the forecast period, although falling back to 59% by 2028.

However, as long-haul travel is expected to take longer to recover than short-haul and domestic travel, focusing on source markets within Europe and the Middle East to maximize traveler interest will be essential to achieving as quick a recovery as possible.

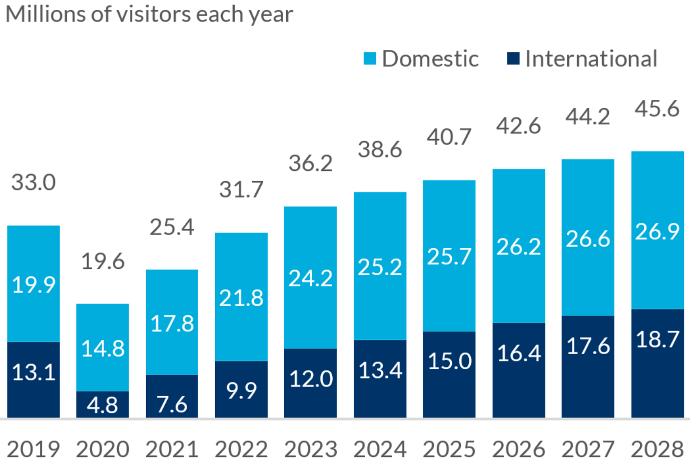
Overnight visits to Egypt are set to exceed 2019 levels in 2023, reaching a total of 40.7 million visits by 2025.

Recovery will be supported by growth in international tourism although this is expected to remain smaller than domestic demand throughout the period.

Travel and tourism's GDP contribution is expected halve in 2020, but it will begin to recover from 2021.

The GDP contribution of tourism to Egypt's economy will subsequently increase and reach US$31.2 billion by 2024 and US$45.6 billion by 2028.

Figure 18: Overnight Visits to Egypt Over the Forecast Period



Source: Tourism Economics

Total employment contributions from travel and tourism to Egypt will remain relatively low throughout the period.

Productivity in the travel and tourism industry (and in the wider economy) will increase in future years so that, over time, the number of jobs created per additional US$1 million of total travel and tourism GDP will decline. This is particularly true in a sector such as tourism, with acceleration of capital investment in new and more efficient technologies.

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. 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.

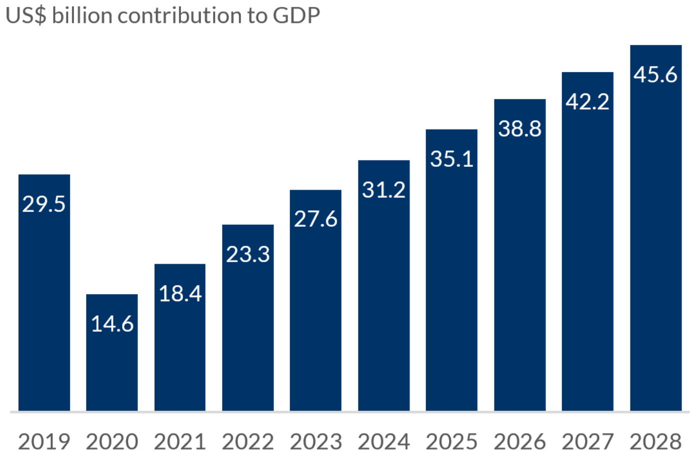
DMOs, tourism-related businesses and other travel industry stakeholders and policymakers can all play a role in mitigating these problems and supporting new growth.

Proactive steps include investment in travel infrastructure such as airports and local transportation; a review of tax policies and investment incentives to facilitate private sector financing in travel and tourism enterprises; and action to mitigate traveler risk aversion.

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

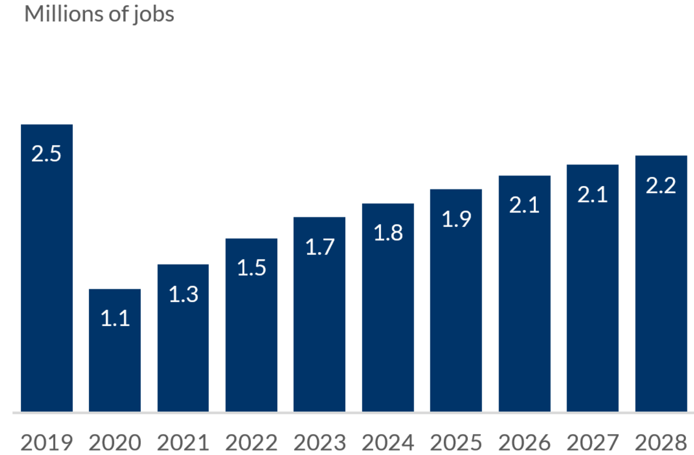
This will happen not only by itself but also through supporting communication toward shaping necessary policy measures. Investment in extended use of digital platforms and other actions recommended above will drive an increased use of platforms. Modelling of the contribution of digital content to travel growth in sections 3.5 and 3.6 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

Figure 19: Contribution of Travel & Tourism to Egypt Economy



Source: Tourism Economics, WTTC

Figure 20: Contribution of Travel & Tourism to Employment in Egypt



Source: Tourism Economics, WTTC

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 proportion of travel to Egypt organized online has increased significantly in recent years but this proportion now lags the country's major source markets and there is some opportunity to embrace best practice and drive additional travel activity.

Under an alternative "opportunity outlook" that incorporates the benefits of the combined recommendations for Egypt 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$2.7 billion over the next five years. This would create an additional 52,000 new jobs by 2025. However, as noted in chapter 3, these estimates do not fully capture the positive effect on productivity by committing to better adoption of the suggested digital strategies.

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

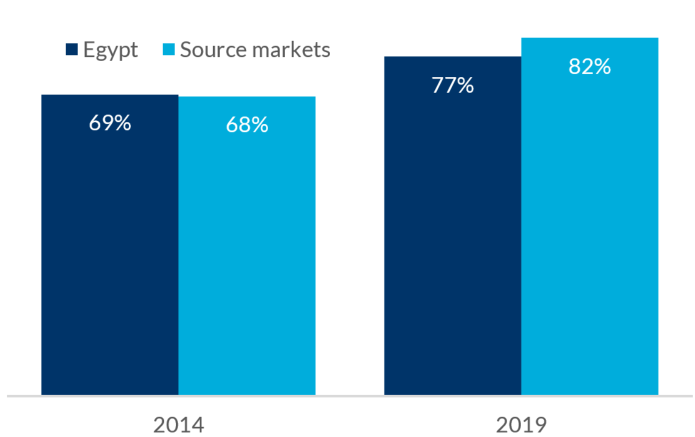
The upside scenario illustrates the potential opportunity from the combined recommendations highlighted in chapter 4. By increasing digital interactions, a competitiveness gain will be realized. Gains were projected based on the historic estimated relationship between digital interactions and tourism 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:

- Building a consistent brand with key tourism stakeholders through digital collaboration
- Supporting travel dreaming with digital storytelling in key source markets, including actively promoting the entirety of the country's tourist offerings
- Diversifying Egypt's travel market by encouraging independent travelers
- Improving internet infrastructure and speeds
- Utilizing data analytics to support decision making in the ETA and tourism businesses
- Securing and protecting DMO funding
- Adapting Egypt's tourism offer to new consumer preference and sensitives

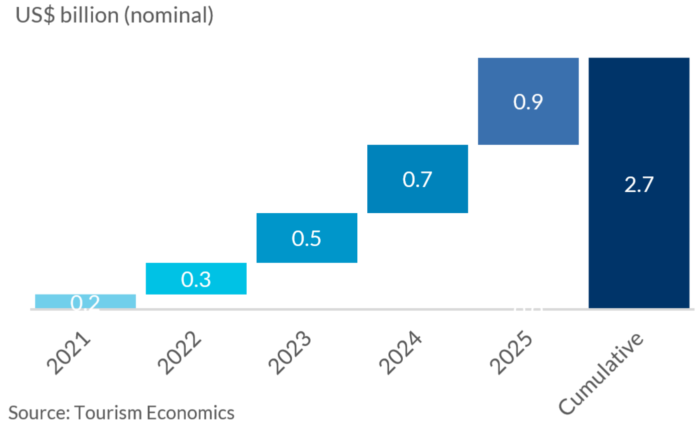
These actions will support a strong tourism recovery

Figure 21: Digital Travel Footprint in Egypt



Source: Tourism Economics

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

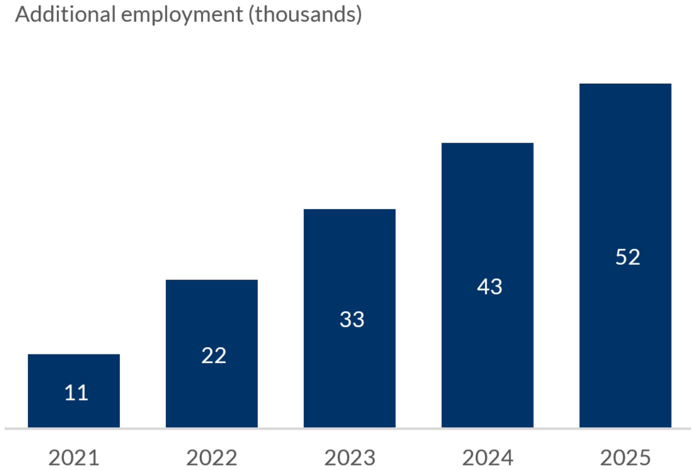


Source: Tourism Economics

* Above baseline additional spending attributable to improve online activity.

in Egypt and the long-term health of the industry, by supporting a tourism market that is larger, more diverse, and faster growing.

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



Source: Tourism Economics

*Potential additional employment above baseline attributable to improved online presence.

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

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	219.5	275.1	315.6	338.6	358.6
	Opportunity Outlook	221.5	279.1	321.7	346.6	368.5
	Potential Increase	2.0	4.0	6.1	8.0	9.8
Spend (US$ billions)	Baseline	16.0	20.2	23.7	26.8	30.1
	Opportunity Outlook	16.2	20.5	24.2	27.6	31.0
	Potential Increase	0.2	0.3	0.5	0.7	0.9
GDP (US$ billions)	Baseline	18.4	23.3	27.6	31.2	35.1
	Opportunity Outlook	18.5	23.6	28.2	32.0	36.1
	Potential Increase	0.2	0.4	0.6	0.8	1.0
Jobs (thousands)	Baseline	1,280	1,507	1,690	1,809	1,931
	Opportunity Outlook	1,291	1,529	1,723	1,852	1,983
	Potential Increase	11	22	33	43	52

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 Studies: Support Travel Dreams with Digital Storytelling

Portugal – The Portuguese National Tourist Board, Turismo de Portugal, launched the "It's time to stop" marketing campaign that messaged the importance of taking time to pause and "change our little world and calibrate the path of mankind." The beaches, monuments, nature, and landscape will still be there waiting for visitors once the time comes.

The campaign included videos that portrayed the landscape, nature, and beauty of Portugal. It also leveraged the hashtag #CantSkipHope, which built upon an earlier pre-pandemic campaign that utilized the hashtag #CantSkipPortugal.

Puerto Rico – At the start of the pandemic, Discover Puerto Rico created the "All in Good Time" marketing campaign, which included videos and Instagram Live sessions, to keep Puerto Rico attractive to future travelers. This marketing approach was similar to many destinations around the world. What set Puerto Rico apart, however, was that it also launched live guided tours via Google Earth, the first destination to do so. The live tours, which lasted about 30 minutes and could be viewed by Facebook users, rendered a 3D representation of a location based primarily on satellite imagery.

Discover Puerto Rico has committed to offering travelers ways in which to take vacations virtually, utilizing the opportunity to highlight the work of some key tourism businesses on the island.

6.2 Case Studies: Improve Digital 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 citizens. So far, the new network already connects over 200,000 people in 180 villages.

Panama – The Panamanian Government believes that advancing internet and technological innovation will enable the country to experience strong growth in a service-based economy. Since 2003, when fixed line telecommunication was moved from a monopoly under Cable & Wireless Communications to an open and competitive market, the country became a technological innovation leader and was the first Latin American economy to install 4G. The National Authority for Government Innovation (AIG - Autoridad Nacional para la Innovación Gubernamental) played a key role in the transformation. The country also experienced success by focusing on developing peripheral regions that were formerly disadvantaged in terms of digital connectivity, which subsequently benefitted tourism in these regions.

6.3 Case Studies: 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 in order to better understand booking behaviors, which , will help to refine marketing strategies.

Real-time travel signals are evaluated using proprietary data analysis 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.

Singapore – Singapore Tourism Analytics Network or STAN is a data analytics platform that allows users to view visualizations, perform analytics, and derive actionable insights from tourism data collected from the tourism authority and private operators in Singapore.

STAN provides a holistic understanding of visitor arrivals in Singapore, which is relevant data for many stakeholders in the tourism industry. For example, attraction operators can use the data to tailor their experiences to match consumer preferences of different visitor profiles. Travel agents can tailor tour offerings, hotels can improve revenue management frameworks, and event managers can direct their marketing efforts all by leveraging increased knowledge of visitor profiles.

6.4 Case Studies: 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.

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.

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.

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 See figure 16 and 17 in the main report for more detail.

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. Data for historic visits, nights and spend are from Tourism Economics databases, all forecasts are produced by Tourism Economics.

5 Total visitor spend estimates do not include spending on inbound transportation. However, revenues from inbound transportation are included in our assessment of direct travel and tourism GDP, presented below.

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

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

8 IPK international conducts and 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.

9 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.

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

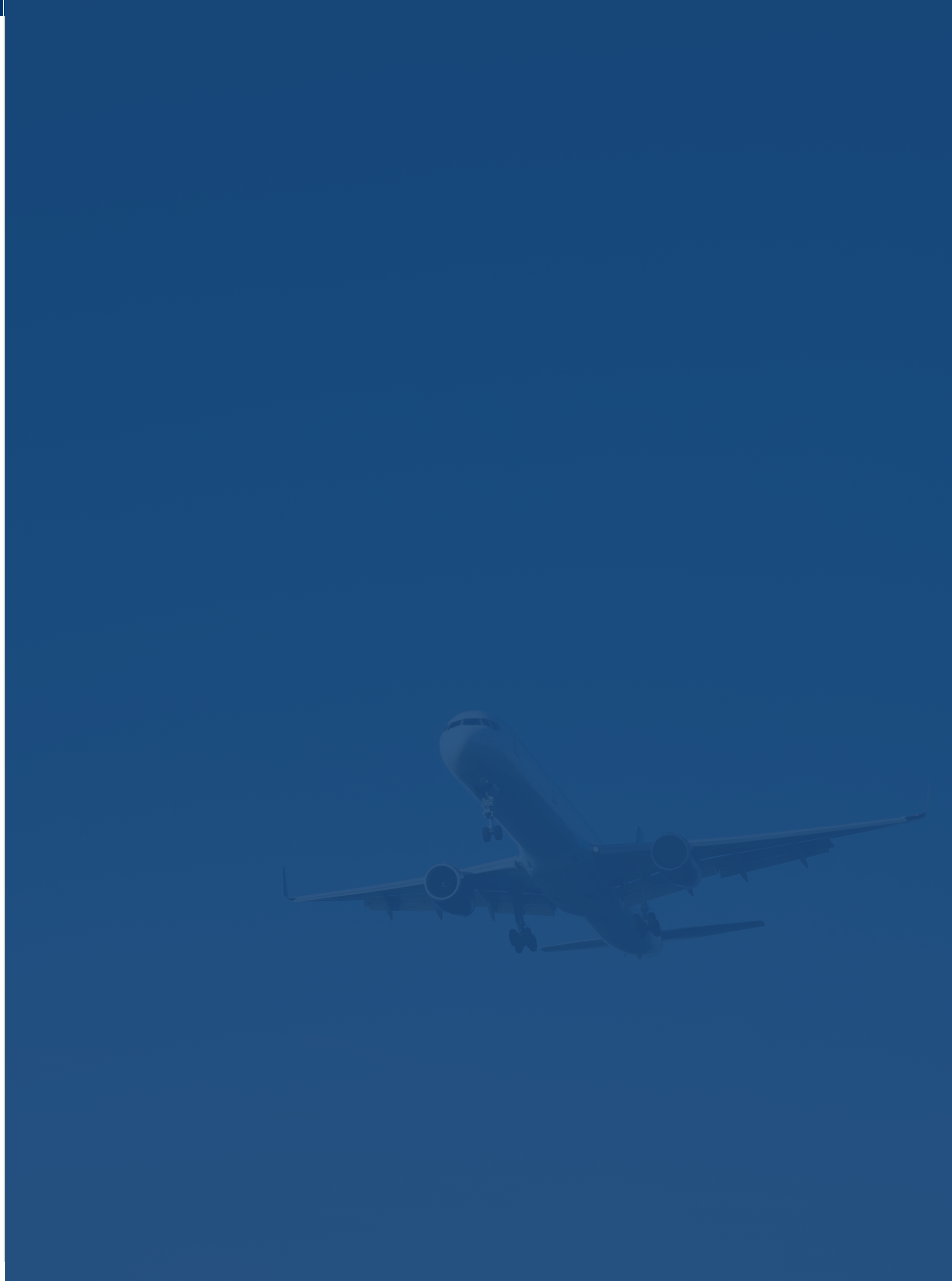
11 Boston Consulting Group & Google, Actions for Destination Marketers to Navigate in a COVID-19 World, 2020.

12 Travel Insights with Google.

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

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

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



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