

DATA AND DIGITAL PLATFORMS

# Driving the Tourism Recovery in South Africa



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ECONOMICS

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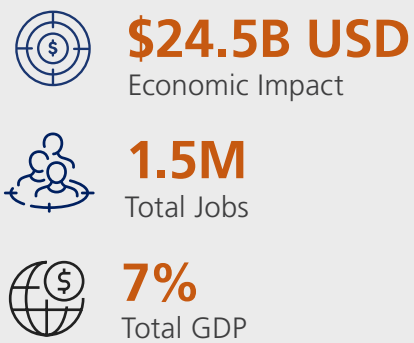
# Executive Summary

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.

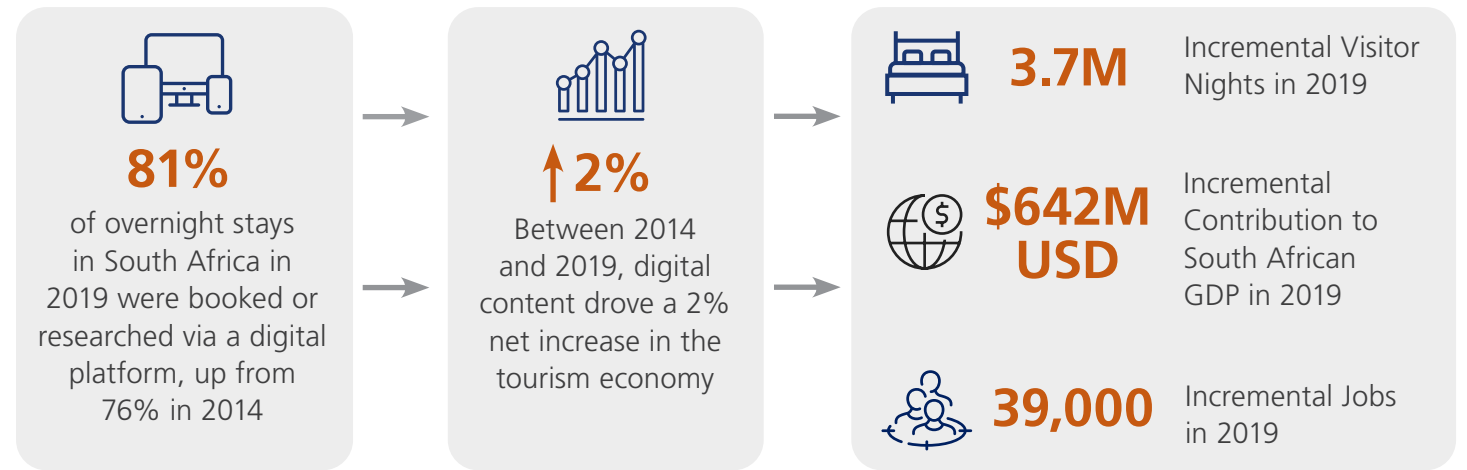
## The Economic Impact of Tourism in South Africa

Domestic and international visitor spending in the South African economy directly contributed US\$9.5 billion to South African GDP and supported a US\$24.5 billion total impact including indirect and induced impacts. The South African travel and tourism industry represented 7% of total GDP in 2019. This economic activity supported 1.5 million jobs.

### Travel and Tourism Industry Impacts in South Africa in 2019



## Digital Content Drives Travel



## Opportunity to Accelerate the Recovery

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

### Baseline Outlook

South Africa's visitor volumes are set to fully recover to 2019 levels by 2023. Total employment contributions from travel and tourism to South Africa will remain below 2019 levels until 2028.

### 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



## Baseline Outlook and Potential Additional Growth Attributable to Higher Online Presence

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	100.2	130.3	150.7	164.0	175.5
	Opportunity Outlook	101.8	132.7	153.4	167.1	178.9
	Potential Increase	1.7	2.4	2.8	3.1	3.5
Spend (US\$ billions)	Baseline	11.4	14.4	16.4	18.2	20.2
	Opportunity Outlook	11.6	14.6	16.7	18.6	20.6
	Potential Increase	0.2	0.3	0.3	0.4	0.4
GDP (US\$ billions)	Baseline	13.0	16.8	19.4	21.7	24.2
	Opportunity Outlook	13.2	17.1	19.8	22.2	24.7
	Potential Increase	0.2	0.3	0.4	0.4	0.5
Jobs (thousands)	Baseline	781	981	1,098	1,189	1,281
	Opportunity Outlook	797	1,005	1,128	1,225	1,321
	Potential Increase	16	25	30	35	40

## E1 The Economic Impact of Tourism in South Africa

### Travel and Tourism Makes a Significant Contribution to National Income

From 2011 to 2019, total overnight visitation to South Africa was relatively flat. Although international overnight stays rose 26% over these nine years, domestic visits declined 37%.<sup>1</sup> Total overnight visits to South Africa in 2019 were 15.3 million, 17% below the peak level of visits achieved in 2014. This volume was also more than 10% lower than the spike achieved in 2010, when South Africa hosted the FIFA World Cup.

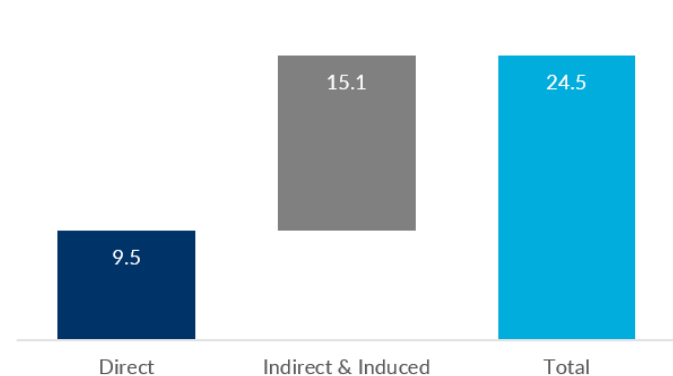
In 2019, domestic and international visitor spending directly contributed US\$9.5 billion to South African GDP and supported a US\$24.5 billion total impact including indirect and induced impacts. The South African travel and tourism industry represented 7% of total GDP in 2019, with this economic activity supporting nearly 1.5 million jobs.

### Tourism Has Experienced Massive Losses

Total visitor spend is estimated to have declined by over US\$10 billion in 2020, representing a more than 50% drop from 2019 levels. The international market experienced the most acute losses, with inbound spending down an estimated 80% in 2020. The reduction in visitor spending jeopardized more than 900,000 jobs within the travel and tourism sector and related industries.

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

US\$ billion contribution to GDP



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 (81%) of overnight stays in South Africa in 2019 were booked or researched via digital platforms, up from 72% of overnight stays in 2012. Economic modeling identified a causal relationship between increasing investment in digital platforms and growth in the tourism economy. Increasing digital content use from 2014 to 2019 contributed an additional US\$642 million to South African GDP in 2019 and supported 39,000 jobs. Digital content increased tourism activity 2% during this period, offsetting some of the decline.

### 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 3.7 million additional visitor nights resulting from the increased use of digital platforms and tools generated US\$642 million in South African 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 and product offering.

### E4 Recommendations for Recovery

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

Although some of these new roles were starting to be implemented in recent years, the pandemic

accelerated the transition, especially by leveraging new technologies and digital platforms. These important tools quickly allowed DMOs to shift their role and messaging from marketing the destination to promoting the health and safety protocols implemented throughout the destination, which helped to build consumer confidence and keep the destination appealing to future travelers.

Despite the current realities of reduced travel, South Africa 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

The National Department of Tourism (NDT), South African Tourism, local DMOs, other public organizations and the private sector must align marketing messaging and tactics. This should include enhancing relationships between government entities, international digital platforms, and local businesses to develop a common vision and collective strategy for the destination.

The NDT and South African Tourism can lead this process by supporting the integration of travel partner audience segments (e.g. Travelstart, Travelcheck, South African Airways, FlySafair, Mango Airlines, Fancourt, The Plettenberg, Cape Grace, etc.) and by developing a content strategy framework for messaging across all channels of communication.

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

#### 2. Upgrade and expand digital capabilities and skills

If private sector businesses enhanced their digital presence, it would advance the entire destination's digital ecosystem, making it more known to prospective travelers.

The NDT, South African Tourism, and local DMOs should allocate resources to educate local businesses about digital best practices and collaborate with universities and digital companies to develop a more robust digital skills education platform.

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.

Enhancing the access tourism businesses have to digital experts, industry leaders, training and information will facilitate the integration of digital technologies and improve awareness of the benefits of digital transformation. Another way to enable this is through encouraging partnerships and collaborations between traditional tourism small and medium-sized enterprises (SMEs) and education institutions and/or digital organizations.<sup>2</sup>

More broadly, the central, regional, and state public bodies should consider whether current education and training systems are able to ensure the future generations have the right mix of digital skills to thrive in digitally transformed businesses, including within the tourism sector. Governments should also consider whether current labor market policy supports adequate reskilling of existing employees to enable them to work effectively with the latest digital technologies.

3. Secure DMO funding

South African Tourism and local DMOs should secure funding from multiple sources in the public and private sectors. Where possible, governments should protect the budgets of DMOs over the coming years. Although funding will be difficult to secure during the pandemic, governments should recognize it is a critical investment and priority that will help to accelerate tourism recovery.

4. Utilize data analytics to support decision making

South African Tourism, local DMOs, and tourism businesses should take advantage of the wealth of data that digital platforms provide. Insights-based data from mobile devices, social media, online travel agencies (OTAs), 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. South African Tourism and local DMOs should explore whether this could help with other ways to apply data analytics.

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

For the South African government to do this effectively, they must continue to develop their understanding of the needs of domestic tourism businesses that are trying to engage in digital transformation and what barriers more traditional tourism businesses face to adopt digital technologies—beyond just developing necessary skills.<sup>3</sup>

5. Improve telecom infrastructure

The private sector in South Africa should work with the government to advocate for infrastructure development in rural areas. Research should also be conducted to assess how best to reduce the cost of access to digital devices and content. Improving broadband connectivity for businesses, residents,

Baseline Outlook and Potential Growth Attributable to Higher Online Presence for South Africa

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and visitors will make South Africa a more appealing destination to live and visit.

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

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

Travelers are still dreaming and ready to travel when it is safe. The South African tourism industry should focus marketing efforts toward domestic and regional (Sub-Saharan Africa) travel while safety concerns and restrictions related to international travel are in place. Digital platforms are uniquely able to keep South Africa a preeminent destination, especially social media which can connect with consumers in an authentic and cost-effective manner.

Social media platforms are currently underutilized in South Africa, especially when compared to mobile and internet usage. South African Tourism and the local DMOs should educate local tourism businesses

how to effectively use social media for storytelling, a highly effective and low-cost effort that resonates with the vast number of consumers that frequently use social media platforms in source markets.

7. Adapt to new consumer preferences and sensitivities

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

E5 Opportunity to Accelerate the Recovery

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


Key Recommended Actions



Build a consistent brand message through digital collaboration



Upgrade and expand digital capabilities and skills



Secure DMO Funding



Utilize data analytics to support decision making



Improve telecom infrastructure



Continue to tell stories with the extended reach of digital platforms



Adapt to new consumer sensitivities

### Baseline Outlook

Although South Africa’s visitor volumes are set to fully recover to 2019 levels by 2023, total visitor spending will take two years longer to recover. This outlook is consistent with past market share and expectations for source market demand. Moreover, total employment contributions from travel and tourism to South Africa will remain below 2019 levels until 2028.

### Opportunity Outlook

South Africa can accelerate the 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.

The current crisis presents an opportunity for South Africa 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 baseline growth as a result of digital advances

This includes the following improvements by 2025:

- 40,000 new jobs supported (direct, indirect, induced)
- 3.5 million more overnights in South Africa
- US\$1.5 billion cumulative increase in tourism spending over the five-year period.

### Potential Gains Attributable to Digital Advances

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



**40,000**

New Jobs Supported  
(Direct, Indirect, Induced Jobs)



**3.5M**

Incremental Overnight Stays in  
South Africa in 2025



**\$1.5B USD**

Cumulative Increase in Tourism  
Spending Over the Five-Year Period



# 1 Introduction

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

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

There are four strands of analysis considered in this study:

1. **The economic importance of tourism to the economy of South Africa**—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 South Africa

The travel and tourism industry of South Africa represented 7% of total GDP in 2019. Employment supported by tourism totaled 1.5 million jobs. The shock to travel brought on by the coronavirus pandemic could lead to long-lasting effects on the South African economy. The estimated reduction in visitor spending in 2020 of over US\$10 billion put over 900,000 jobs at risk within the travel and tourism economy.

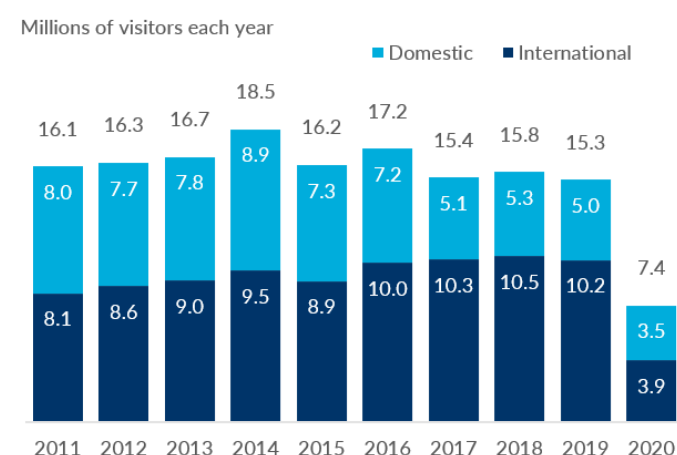
This chapter covers the state of travel across South Africa from 2011 to 2020 through the measures of visits and visitor spending, as well as the economic impact across tourism-related GDP and employment.<sup>4</sup> This analysis was carried out using Tourism Economics' existing forecast models—Global Tourism Service (GTS) model and Global City Travel (GCT) service.

## 2.1 Visits

From 2011 to 2019, overall tourism growth in South Africa—in terms of visitation—was relatively flat.

Total overnight visits to South Africa in 2019 were 15.3 million, 17% below the peak level of visits in 2014. This volume was also more than 10% lower than the spike in 2010 when South Africa hosted the FIFA World Cup. International visitation increased steadily between 2011 and 2019, rising 26%, but with most of the increases between 2011 and 2014—years which featured steady economic growth in the region and depreciation that enticed international visitors. The drop in international visitation in 2015 and modest growth thereafter is likely attributable

Figure 1: South Africa Overnight Visit Levels



Source: Tourism Economics, UNWTO, Statistics South Africa and South African Tourism

\*Domestic visits relate to hotel guests and does not include overnight stays in other types of accommodations.

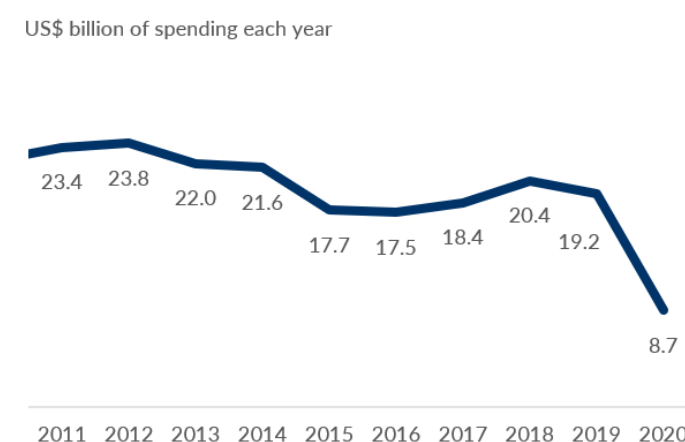
The **GTS model** includes historic data and forecasts for economic growth and travel demand for all source markets and destinations worldwide, including country-to-country flows. The GTS model allows the production of a range of forecasts from alternative assumptions. The **GCT service** tracks and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

to increased administration requirements for visitors, and notably the need for foreign minors to carry additional documentation, enacted in 2014.<sup>5</sup> Losses over the years to 2019 were influenced mostly by domestic overnight stays, which fell 38% over nine years.

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

The first case of the coronavirus in South Africa was announced March 5, 2020. Within 18 days, the government closed its borders to international

Figure 2: Total Visitor Spending in South Africa



Source: Tourism Economics, International Monetary Fund



## Travel demand in South Africa will fall over 50% in 2020

arrivals and began a strict national lockdown that lasted 35 days.<sup>6</sup> In addition to the official restrictions imposed on travel between and within countries and regions, the coronavirus pandemic depressed traveler sentiment while households were hit with increased unemployment and wage losses—Oxford Economics currently forecasts real disposable income in South Africa fell 9% in 2020, while unemployment in key long-haul markets such as the U.S. and UK increased sharply.<sup>7</sup>

We estimate that travel demand in South Africa fell more than 50% in 2020, equal to nearly 8 million fewer overnight visits.

South Africa's international borders initially reopened October 2020 to countries deemed low and medium risk, but were closed again temporarily in January 2021 to curb the risk of a second infection wave.<sup>8</sup> As a result of closures, international overnight visits are estimated to have dropped by nearly two-thirds in 2020. Domestic travel also experienced a significant decline with overnight visits falling around one-third.

## 2.2 Spending

In 2019, total visitor spending—which includes day visit spend and overnight spend in South Africa excluding inbound transportation revenues—totaled US\$19.2 billion, an 18% decline since 2011.<sup>9</sup> Domestic tourism represented 57% of total tourism spend in 2019. From 2011 to 2019, domestic spend fell US\$3.2 billion, representing a 22% loss from 2011. International spend declined 11% during that same period.

Total visitor spend will decline by more than US\$10 billion in 2020

In 2020, we estimate that total visitor spend declined by over US\$10 billion.

Domestic travel spend fell around 40% while international spend plummeted almost 80%.

Cape Town received over one-fifth of all visitor spend from day and overnight trips in South Africa in 2019, at US\$4.2 billion. However, the city receives a lower share on inbound spending as domestic travelers accounted for two-thirds of spend. Destinations in South Africa outside of the largest cities tend to be more reliant on inbound travel and will therefore have experienced some greater loss from the pandemic.

In 2020, visitor spend to Cape Town fell approximately 50% while total spend in Johannesburg (US\$2.7 billion in 2019) and Durban (US\$1.4 billion) are estimated to have fallen by a little more than half in 2020.

## 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.

In 2020 visitor spend to Cape Town is estimated to halve while total spend in Johannesburg (US\$2.7 billion in 2019) and Durban (US\$1.4 billion) are estimated to have fallen by a little more than half in 2020.

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

Domestic travel spending has been relatively more resilient and is expected to rebound faster than international markets. Smaller, rural destinations in South Africa which are more reliant on inbound travel may experience a more prolonged recovery.

## 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.<sup>10</sup>

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

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\$9.5 billion to South African GDP in 2019, and US\$24.5 billion total impact including indirect and induced impacts. The South Africa travel and tourism industry represented 7% of total GDP in 2019.

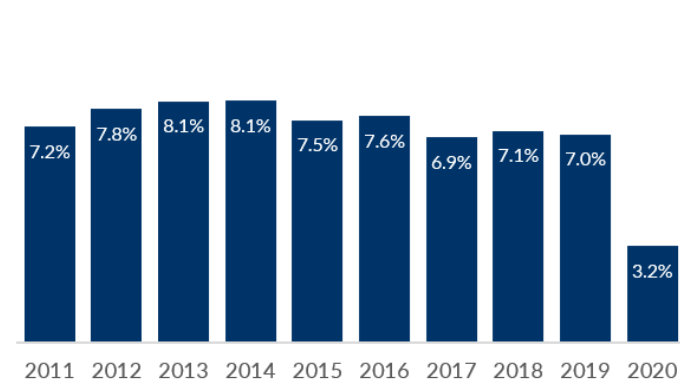
Employment in South Africa directly supported by the travel and tourism industry reached nearly 800,000 jobs in 2019. Total employment as a result of tourism measured 1.5 million jobs in 2019. Total employment supported by tourism increased 20% between 2011 and 2019, an annualized rate of 2.4%.

The South African tourism industry also supports tax contributions—comprising a significant proportion of its total GDP impact—to central and local government. These impacts arise from the direct activities of visitors in South African and the additional rounds of expenditure that flow from those tourism activities.

Without intervention, the shock to international travel brought on by the coronavirus pandemic could lead to lasting effects on the South African economy as tourism revenues fall. A loss in South African GDP of US\$15.3 billion in 2020 is estimated, and this will have put over 900,000 tourism-related jobs at risk. Our current estimates indicate that the number of tourism-supported jobs fell over 50% from 2019 levels.

Figure 3: Travel and Tourism's GDP Contributions to the South African Economy, 2011 to 2020

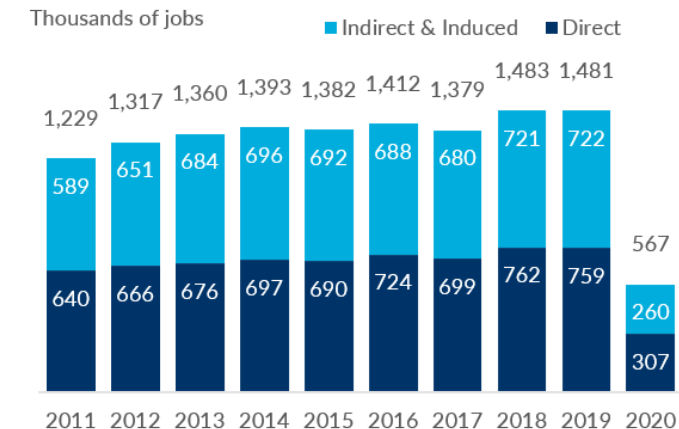
% contribution to GDP



Source: Tourism Economics; WTTC

Figure 4: Travel and Tourism's Total Employment Contribution to the South African Economy, 2011 to 2020

Thousands of jobs



Source: Tourism Economics; WTTC

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

Our research examines the relationship between increasing investment in digital platforms and the outward effect this expansion has on the tourism economy. Increasing strategic digital content use contributed an additional US\$642 million to South African GDP in 2019 and supported 39,000 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 ability of a destination to reach travelers across the globe throughout each stage of the travel planning process: Dreaming, Planning, Booking, Experiencing, and Sharing.<sup>11</sup> 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 begin this step by searching for easy-to-use digital platforms that offer quick and transparent transactions. Digital platforms provide the dual benefits of reduced

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

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

4. **Experiencing** a destination is when a tourist is at their most impressionable state—when the accuracy and quality of digital content is examined in person. 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** destination's digital presence. The impressions given to a traveler across all stages of travel planning can be expressed by their own

Figure 5: The Five Stages of Travel Planning



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

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

## 3.2 Data Drives Performance

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

**Developing messages from data** involves analyzing the travel data for trends, which will help destinations develop focused messages to travelers. Data analytics interprets existing data into new and productive business models based on real-time consumer behavior that can be tracked over time. Online search

records can offer a real-time perspective on the popularity of various destination features. Traveler polling can help predict where relevant opinions may lie and help inspire destinations to develop solutions to address those concerns. Through mobility tracking destinations can 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 preferences 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

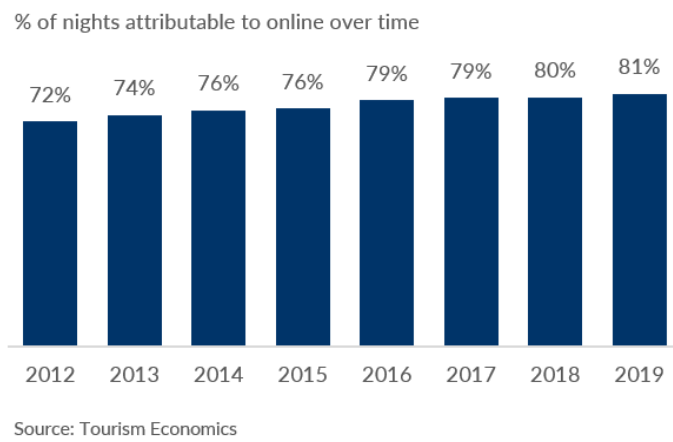
Digital platforms generate benefits for both travelers and businesses. Tourism Economics has modelled the incremental impact of increased use and improvements to digital content and platforms on total overnight stays in South Africa since 2014.

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 South Africa 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 time frame.
- 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 South Africa



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.<sup>12</sup>

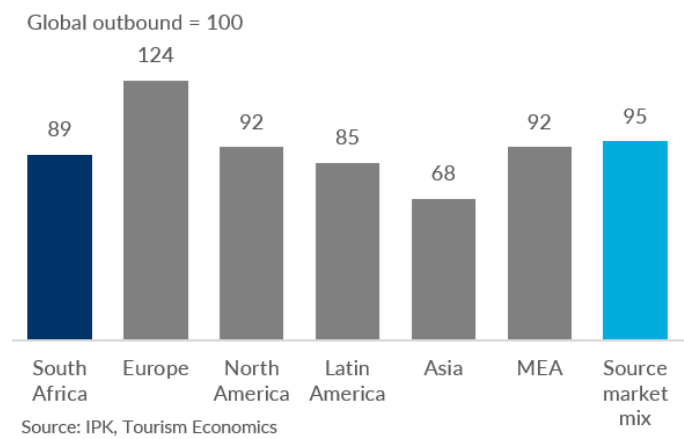
### 3.4 Use of Digital Content and Online Platforms in South Africa

The first and second step of the analysis (presented above) indicated that 81% of overnight stays in South Africa in 2019 were booked or researched via a digital platform, up from 72% of overnight stays in 2012 (Figure 6). Therefore, we can say that 81% of tourism spend, GDP and employment in South Africa was linked to online research and booking—i.e. most tourism activity in 2019.

The intensity of tourism research online varies by region, as demonstrated in Figure 7, which measures the compared use of various online sites for travel research purposes.<sup>13</sup> South Africa, when compared to source market regions in 2019, supported a greater intensity of online research than Latin America and Asia, while just under that of North America, the Middle East and Africa. Europe held a strong lead with the greatest online tourism research intensity for travelers.

By measuring search and booking patterns of travelers, we identified internet platforms where inbound travel to South Africa was commonly researched or routed from. Overall, 85% of inbound travelers to South Africa used online platforms to research trips in 2019—4% higher than internet use for travel among source market regions. South Africa remains ahead of source market regions across most platforms, most notably through the use of OTAs and reviews (Figure 8). The use of social media (such

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



as YouTube) to support inbound travel, however, remains lower in South Africa than across source market regions. Increasing social media interaction between South African destinations and travelers will enable tourism businesses to reach potential travelers throughout all stages of the planning process and remain competitive with source markets.

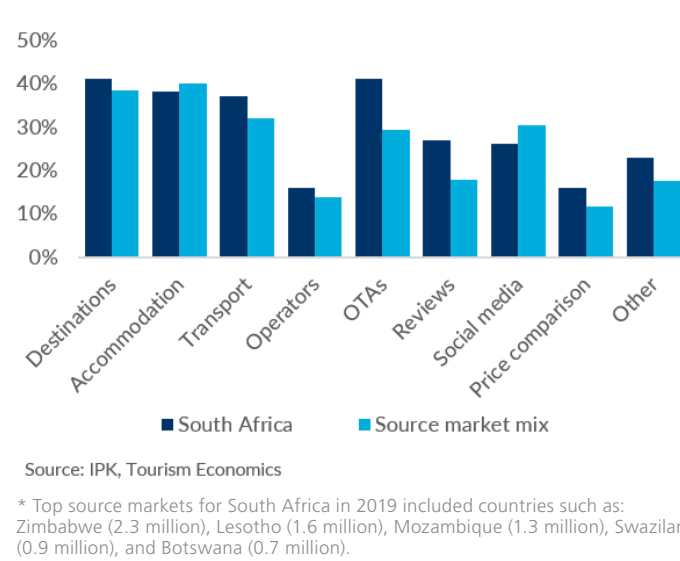
### 3.5 Analysis on Digital Content's Dynamic Impact on Tourism Growth

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

We then combined our estimates for the proportion of nights influenced by digital platforms and tools with the results of our econometric analysis to estimate how much lower the total number of overnight stays in South Africa 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 to 2019, whereas the baseline model depicts actual digital travel footprint increase during this time (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

Figure 8: Use of Online Sites for Travel, 2019



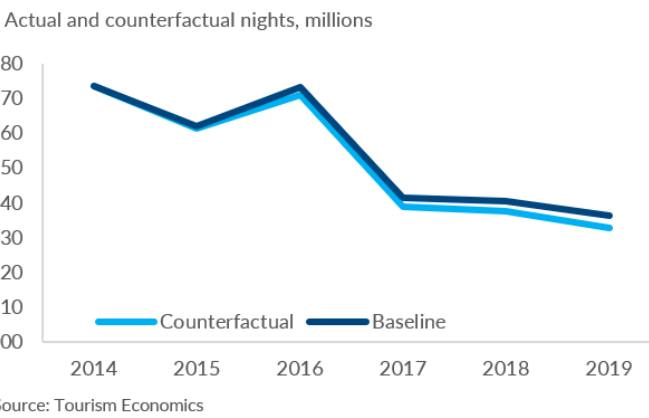
### Econometric Modelling Approach

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.

booking or researching trips contributed to growth in the actual number of nights booked in South Africa. This difference between the baseline and counterfactual scenario is the additional impact of digital platforms and tools over the period. In 2019, 3.7 million additional overnight stays in South Africa were generated as a result of the increase in digital platforms and tools, representing a 3% advantage in

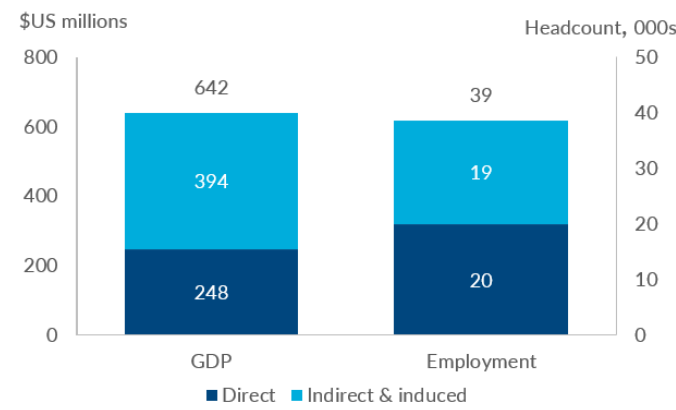
Figure 9: Number of Overnight Stays in South Africa



2019 for the baseline model. This confirms that the increased use of digital platforms and tools when booking or researching trips offset a portion of the decline in the actual number of nights booked in South Africa.

We then calculated the impact these additional nights had on GDP and employment (Figure 10) based on historic relationships. The additional overnight stays resulting from the increased use of digital platforms and tools supported US\$642 million in additional GDP, as well as 39,000 jobs. If the digital footprint of travelers did not increase from 2014 to 2019, the additional impacts would remain at zero.

Figure 10: Net Additional Impact of Digital Platforms in South Africa, 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 South Africa, 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 South Africa. 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, we partnered with NEXTFactor to conduct a survey of nearly 400 DMOs to learn how they are responding to the current crisis. Below are some of the key findings:

- Destination budgets have been severely impacted. Only 11% of respondents believe that next year's budgets will be the same or increase from pre-COVID-19 budgets, while 20% of DMOs expect budgets to decrease more than 50% (Figure 11).
- 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 12).
- 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 13).

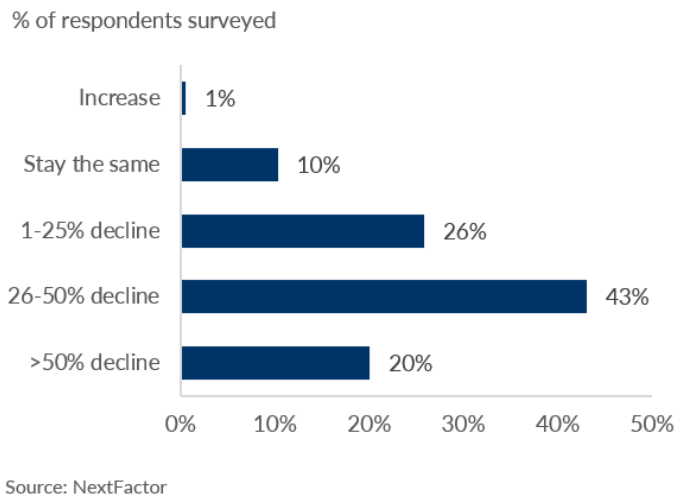
**Stakeholder interview insights: global best practices**

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

**1. DMOs evolving role**

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

*Figure 11: How Does Your Organization's Budget Next Year Compare to Your Pre-COVID-19 Budget?*



the current state of the tourism industry.

Previously, 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.

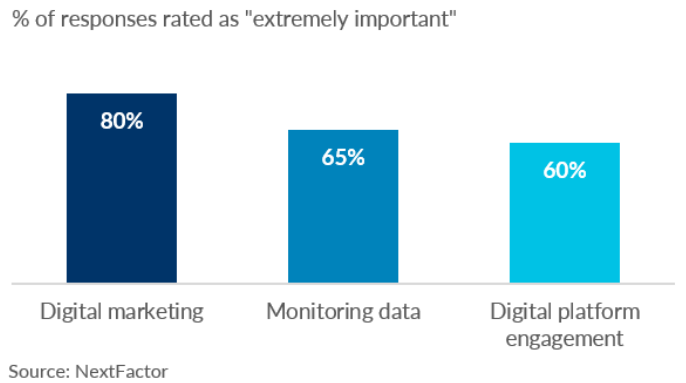
Now, a DMO's role has been expanded beyond marketing to also include destination management, which encompasses broader economic, product development, and strategic initiatives.

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

- **Economic development**—creating local assets and opportunities that will foster community growth in terms of developing new jobs and attracting new businesses and residents to the area
- **Destination branding**—developing an authentic brand that portrays the lifestyle and culture of the community
- **Enhancing the digital ecosystem**—educating and assisting local businesses to enhance their digital presence and develop online content that aligns with the destination branding and messaging

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

*Figure 12: How Important are the Following Customer Engagement Strategies?*



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

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 just promoting the destination, DMOs are now providing information about safety measures and protocols. There is a greater emphasis placed on educating the consumers and gaining their trust and confidence. The target markets are also temporarily shifting from domestic and international travelers to local and regional travelers.

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

**2. Adoption of Digital Platforms**

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

**South African Tourism Organization Structure**

The National Department of Tourism (NDT) is the government institution responsible for overseeing tourism in South Africa. The Minister of Tourism, Mmamoloko Kubayi-Ngubane, and Deputy Minister of Tourism, Fish Mahlalela, lead the NDT, which works to create conditions for the sustainable growth and development of tourism in South Africa.

In October 2020, the Minister of Tourism appointed a panel of tourism experts to review the current tourism policies and develop a new policy for the sector over a 12-month period. The panel consists of seven members with diverse knowledge, including backgrounds in public relations, economics, National Parks, public sector administration, holding companies, and tourism specialists.

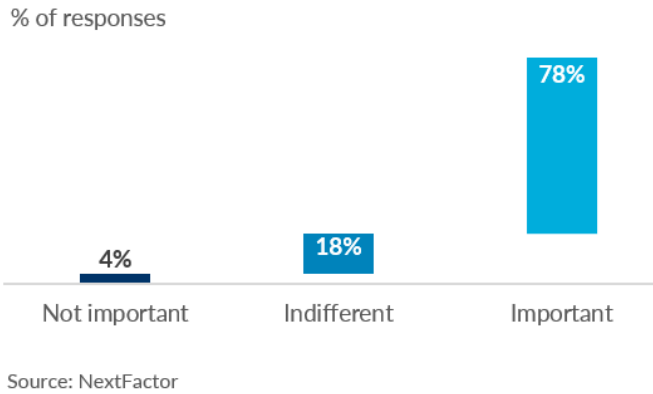
The NDT also oversees South African Tourism which promotes South Africa domestically and internationally for leisure, business, and events tourism.

In addition to the government entities responsible for tourism, the Tourism Business Council of South Africa is a membership organization positioned as the unified voice for the tourism industry and advocates on behalf of the industry.

Other key stakeholders in the industry include the Tourism Grading Council of South Africa, Tourism Empowerment Council of South Africa, Tourism Enterprise Partnership, Tourism, Hospitality and Sports Education and Training Authority, among others.

There are also nine provincial tourism organizations that act as a bridge between tourism operators, national tourism bodies, and local and national government.

*Figure 13: How Important is Community Collaboration in the Use of Digital Platforms to Reach Potential Visitors?*



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 their digital platforms and online content. These sessions will educate and digitally upskill the local workforce and ultimately enhance the digital presence of the destination.

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

**3. Better Use of Data Analytics**

Data and analytics continue to become increasingly important to the tourism industry, like many other industries. Data and research serve as the basis for a destination’s marketing decisions and helps to answer key questions 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 consumers propensity to travel and account for other active travel prospects. Additionally, it is in the best interest of the destination to target travelers that are following COVID-19 safety precautions, which requires an understanding of the current state of COVID-19 in feeder markets.

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

**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.**

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.

**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 allows destinations to efficiently target travelers based on active travel prospects and other psychographic considerations. For example, digital marketing concepts, such as paid search, allows destinations to target consumers planning to travel soon.

**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.

**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**

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.

**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?**

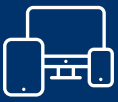
For many destinations, questions remain on the best timing, approach, and new markets for reopening businesses. As highlighted in our consultation findings, DMOs and tourism-related businesses can use data to help identify movement trends, traveler preferences, and online searches that help market destinations to the ideal audiences. The demand for travel to return is growing, and so are expectations that destination businesses follow appropriate health and safety measures. 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

**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 through digital collaboration




Upgrade and expand digital capabilities and skills



Secure DMO Funding




Utilize data analytics to support decision making



Improve telecom infrastructure



Continue to tell stories with the extended reach of digital platforms



Adapt to new consumer sensitivities

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

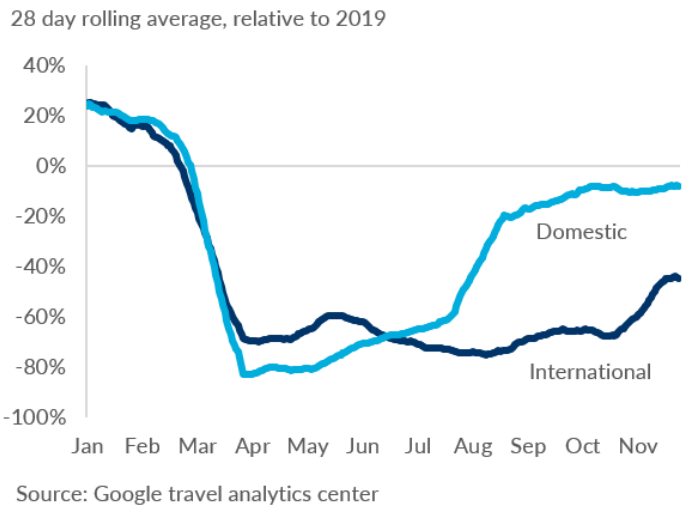
to long-term effects and can be identified through better and more efficient use of data content and platforms.

Tracking consumer behavior changes is one way to gauge traveler preferences regarding post-pandemic travel. Demand for additional health and safety measures, no-contact services, and other risk management plans are naturally higher following 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%).<sup>14</sup> The nature of trips is also shifting, with a consumer preference of shorter haul trips that often remain domestic.

Additionally, according to a McKinsey & Company survey conducted in June 2020, when asked what priority was most important to consumers in South Africa when deciding where to shop in-store, the responses were: cleaning and sanitation (25%); masks and barriers (25%); physical distancing (19%); health checks (13%); store regulations (9%); and no-contact purchasing (9%).<sup>15</sup>

**Figure 14: Travel Interest in South Africa: Flights and Accommodation Queries in 2020**



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

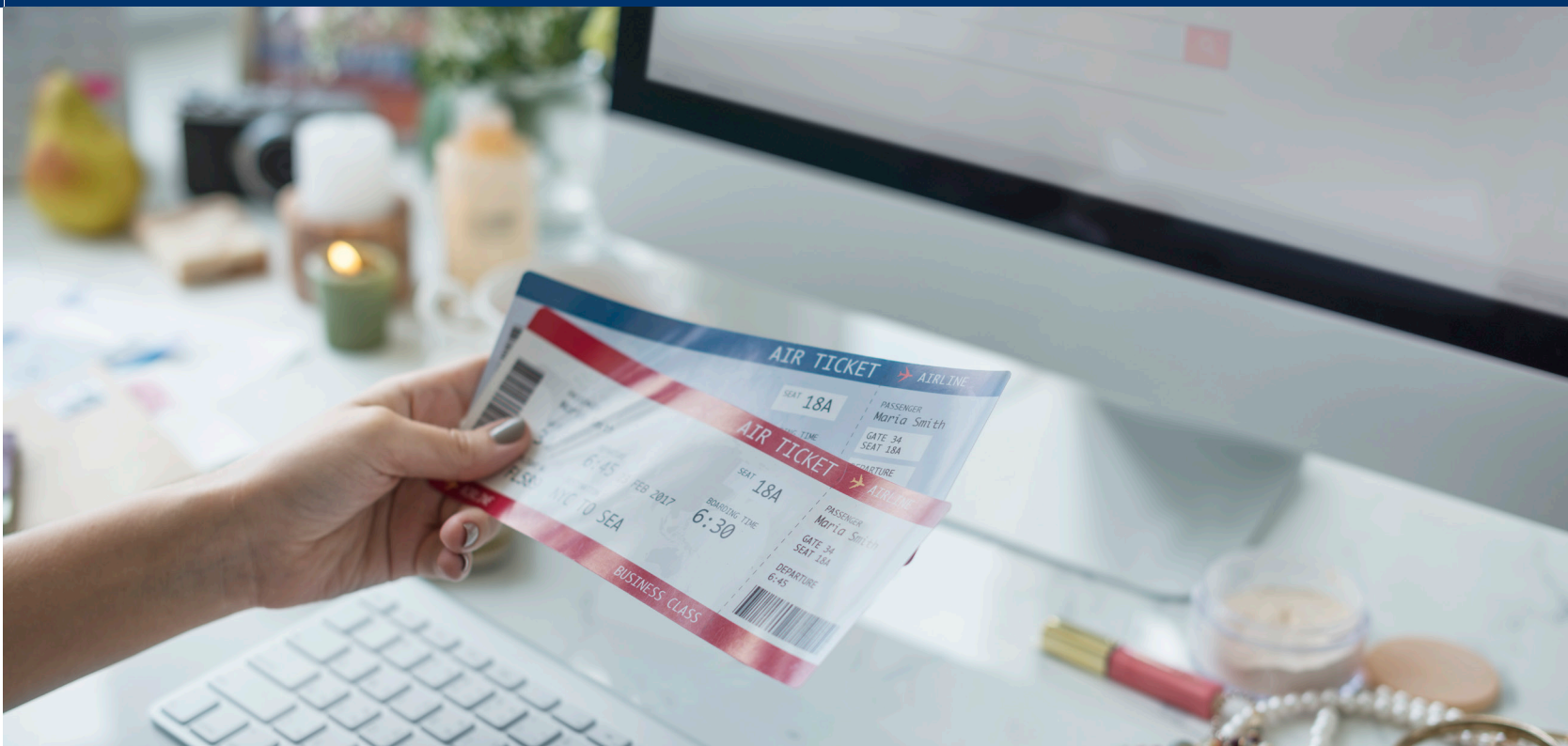
The strategic use of data content and platforms can help understand changes in consumer behavior at the destination level. Observing online flight searches can support the explanation that current travel conditions remain slanted heavily toward domestic and short-haul trips. Consumer interests can also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

While the length of these behavioral changes is largely dependent on the state of the global coronavirus pandemic, it can be noted that the desire to travel after being travel-restricted is particularly high. Destinations can inform travelers about the safety and preparedness of local businesses to meet consumer expectations. Inspiring travel through careful and curated digital content and messaging will increase the performance of a destination and improve its travel recovery.<sup>16</sup>

**Analyzing travel behavior shifts**

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

Data from the Google travel insights dashboard can assist in predicting the recovery in a multitude of ways.<sup>17</sup> Figure 14 presents a rolling average of 28 days of searches for flights and accommodation in South Africa compared to the same period one year ago. In early 2020, before the pandemic, domestic flight and accommodation searches from South Africa increased over the same period one year ago. However, domestic flight and accommodation searches decreased by an average of 71% year-over-year between March 31 and June 1 when



some domestic flights started to resume. Although domestic searches started to improve at that time, it was not until mid-August when inter-provincial travel was allowed that a more substantial improvement occurred. Despite the improvement, domestic travel searches remained below 2019 levels ever since quarantine measures were implemented.

International flight and accommodation searches decreased by an average of 65% year-over-year from March 31 through December 2020. International searches started to improve in October when international flights started to resume, but still remained well below 2019 levels.

**4.3 Recommended Actions**

**Recommendation 1: Build a consistent brand message through digital collaboration**

The National Department of Tourism (NDT), South African Tourism, local DMOs, other public organizations and the private sector must align marketing messaging and tactics. This should include enhancing relationships between government entities, international digital platforms, and local businesses to develop a common vision and collective strategy for the destination.

The NDT and South African Tourism can lead this process by supporting the integration of travel partner audience segments (e.g. Travelstart, Travelcheck, South African Airways, FlySafair, Mango Airlines, Fancourt, The Plettenberg, Cape Grace, etc.)

and by developing a content strategy framework for messaging across all channels of communication.

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

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

In addition to building relationships with local tourism stakeholders, the NDT, South African Tourism, and local DMOs need to develop strategic relationships, as appropriate, with tourism suppliers worldwide (i.e. marketing agencies, data companies, OTAs, etc.) to help form and share the brand message. South Africa is seen by many global companies as the gateway to Africa—a priority market for global business development—and is therefore well positioned to develop new relationships and enhance existing ones.

**Recommendation 2: Upgrade and expand digital capabilities and skills**

The NDT, South African Tourism, and local DMOs should allocate time to educate local businesses about digital best practices and provide assistance where needed. DMOs that focused on improving the destination’s digital ecosystem found it effective to help private sector businesses fix specific digital

problems, such as updating websites, ensuring Google search information is complete, uploading new pictures, enabling digital transactions, and responding to reviews.

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

The NDT, South African Tourism, and local DMOs can also promote the Digital Skills for Africa program offered by Google. Nigeria is an example of a country that heavily utilized the program, with more than 450,000 residents and businesses participating in 2016 and 2017. Refer to the Annex for additional information.

In addition to working with tourism businesses directly, the NDT, South African Tourism, and local DMOs can also work with local universities, global tourism companies, and digital organizations to develop courses and training opportunities intended to digitally upskill the employees and SMEs within the local tourism sector. These entities can also promote the Tourism Technology Grassroots Innovation Incubation Programme that was recently developed.

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

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

Overall, enhancing the digital presence of private sector businesses will uplift the destination's digital

ecosystem and make it more attractive to prospective travelers.

More broadly, the central, regional, and state public bodies should consider whether current education and training systems are able to ensure that future generations have the right mix of digital skills to thrive in digitally transformed businesses, including within the tourism sector. Governments should also consider whether current labor market policy supports adequate reskilling of existing employees to enable them to work effectively with the latest digital technologies.

### Recommendation 3: Secure DMO funding

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

Moving forward, DMOs 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.

South African Tourism should work with the national government, local DMOs should work with their local governments, and all DMOs should work with the private sector to ensure current funding is secured and to explore additional funding options. South African Tourism and the local DMOs will need to articulate how their responsibilities have grown from attracting 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.

South African Tourism and local DMOs should explore all potential funding options in 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.



South African Tourism 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 4: Utilize data analytics to support decision making

South African Tourism, local South African DMOs, and destinations around the world are increasingly understanding the importance of data (especially during a pandemic) and the benefits it can provide when making strategic and marketing decisions.

According to the OECD, "The crisis has highlighted shortcomings in the availability of timely, comparable, granular data in quickly evolving situations. Reliable and consistent indicators are needed to evaluate the effectiveness of programmes and initiatives, and monitor progress on tourism recovery and resilience."<sup>18</sup>

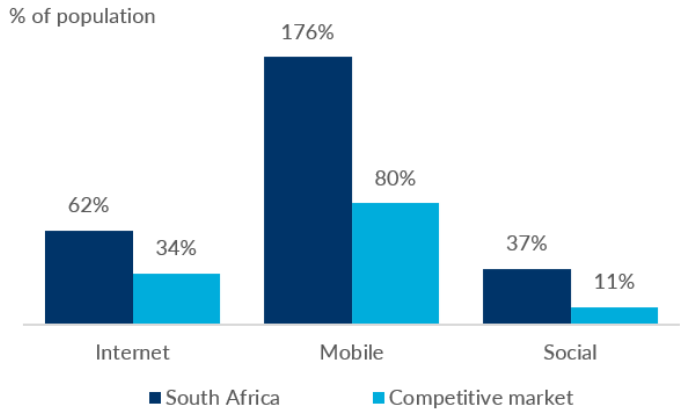
In terms of strategic decisions, data analytics can help secure tourism funding by establishing a baseline understanding about the visitor's impact on the local community and also help determine how to allocate the budget among competing priorities.

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 NDT, South African Tourism, and local DMOs 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 South Africa. 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 the marketing content for each stage of the travel journey within these markets. Aggregated and anonymized data can also be used to develop and monitor KPIs, linking campaign and initiative objectives with business outcomes, and can include metrics like destination visits, hotel occupancy, revenue per tourist etc. These types of analysis can also be carried out 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 NDT, South African Tourism and local DMOs should explore whether this could help with other ways to apply data analytics.

South African Tourism has already started to leverage data and insights to aid smarter decision making in the tourism planning sector. In 2018, the Strategy, Insights & Analytics arm of South African Tourism created a series of dashboards that allows users to easily visualize key performance indicators and filter them on demand to gain insights into the organization’s business performance.

Figure 15: Digital Platforms Penetration Ratio



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

The dashboards include the following information that are available for viewing by the public:

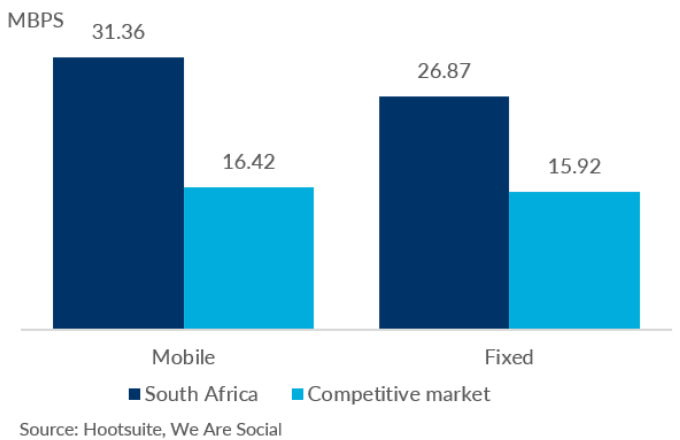
1. Arrivals
2. Key tourist measures
3. Domestic arrivals
4. Provincial tourist arrivals

South African Tourism should also consider how other destinations are using data analytics. For example, the Singapore Tourism Board has developed a data analytics platform called the Singapore Tourism Analytics Network that allows users to view visualizations, perform analytics, and derive actionable insights from tourism data that is collected from the tourism authority and private operators in Singapore. Refer to the Annex for additional information.

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

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

Figure 16: Average Internet Connection Speed



Recommendation 5: Improve telecom infrastructure

South Africa’s telecom infrastructure—in terms of internet coverage and connection speed—is one of the most developed in Sub-Saharan Africa. Mobile infrastructure in particular has been developed across large portions of the country—mainly cities and other populous regions.

However, although South Africa is better positioned than other tourism markets in Africa,<sup>19</sup> (Figures 15 and 16)—since prospective travelers favor South Africa when selecting an African destination to visit—the telecom infrastructure in South Africa is less developed than some of its source markets in Europe, Asia, and the United States.

A recent report by Accenture indicates that the high cost of owning mobile devices and of internet connectivity in South Africa (as a proportion of average income) is impacting access to digital devices and adoption of digital services among businesses.<sup>20</sup>

Rural parts of South Africa also have notably lower levels of access to the internet than the urban population. Not only does this contribute to a lower level of digital literacy, it also creates an issue for visitors on safari that wish to post videos and images to social media. The limited digital presence combined with the large number of international travelers will likely lead to a prolonged recovery for the travel and tourism industry in rural parts of South Africa.

Limited broadband coverage in rural areas is not unique to South Africa as it remains an issue for

many countries in Africa and around the world. There are examples, however, of countries that continue to improve upon their broadband coverage in rural areas. For example, in Ukraine the telecom and broadband infrastructure is well developed, but the Ministry of Digital Transformation still recently established a four-year target to further enhance it by providing the rural population with a minimum fiber broadband speed of 100 Mbps. Refer to the Annex for additional information.

To address these issues, the telecom infrastructure located in the rural and remote parts of South Africa needs to be further enhanced. The private sector in South Africa should work alongside the government to advocate for the infrastructure development. Research should also be undertaken to assess how best to reduce the cost of access to digital devices and content.

Recommendation 6: Support travel dreams with digital story telling

Travelers are still dreaming and ready to travel when it is safe. The South African tourism industry should focus marketing efforts toward domestic and regional (Sub-Saharan Africa) travel while safety concerns and restrictions related to international travel are in place. Digital platforms are uniquely able to keep South Africa a preeminent destination, especially social media which can connect with consumers in an authentic and cost-effective manner.

Social media platforms are currently underutilized in South Africa, especially when compared to the usage

of mobile and internet (Figure 15). South African Tourism and the local DMOs should educate local tourism businesses how to effectively use social media for storytelling, a highly effective and low-cost effort that resonates with the vast number of consumers that frequently use social media platforms in source markets.

During the pandemic, many destinations transitioned marketing efforts toward supporting travel dreams while travel restrictions remained in place. For example, the Kenya Tourism Board built upon its Magical Kenya campaign with #MagicAwaits to help keep Kenya appealing to future travelers during the pandemic. Refer to the Annex for additional information.

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

**Recommendation 7: Adapt to new consumer sensitivities**

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

Building consumer trust and confidence is critical in the current environment. Stakeholder interviews suggest that consumers have a greater tendency to trust marketing conducted by official organizations, which gives South African Tourism and the local DMOs 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 that South African Tourism and the local DMOs need to provide high-quality and accurate information on current conditions, and not only try to sell the destination.

South African Tourism and the local DMOs must continue to inform prospective travelers about the health and safety protocols in the destination, which helps to establish trust. As South African Tourism and the local DMOs build their reputation as a source of quality information, the trust and confidence on the

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

part of potential visitors will generate travel demand once the conditions are appropriate.

South African Tourism, local DMOs, and South African tourism businesses should follow best practices and adjust digital content in order to maintain engagement with travelers. Events that normally would be held in person can be transitioned to an online format, such as concerts, shows, competitions, and games. For example, many artists are now 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 South Africa. Some destinations have developed classes on local cuisine, music, or dance, while others offer virtual yoga 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.<sup>21</sup>

**4.4 The Future of Digitization in the Tourism Sector**

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

Careful inclusion of digital best practices can position a destination to pursue strategies enabled by the increased use of digital content and platforms. Providing an up-to-date business model can stabilize the working environment while encouraging a smarter, more innovative approach to tourism. For example, the internal use of cloud computing creates a transferrable environment for destinations that can then be managed from anywhere with reliable internet access. The external implementation of technologies such as artificial intelligence (AI) can assist travelers exploring or booking from destination websites through the use of chatbots. This expansion

can provide a valuable source of data to destinations to measure how individuals interact with their website. In addition, collecting user-generated content from social media platforms can create a record of the image a destination has built among its travelers. All of these practices can contribute to the development of effective campaigns using insights gained from expanding the collection of traveler data content. As destinations understand their travelers more through efficient data collection and monitoring, the relationship between tourism businesses and consumers can flourish.<sup>22 23</sup>



# 5 Travel Outlook

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

## 5.1 Baseline Outlook

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

Supporting domestic and short-haul travel remains critical for near-term recovery. This includes ensuring that remote destinations are prepared to host visitor segments less interested in cities. Tourism is additionally being revitalized through the renewed movement of international travelers between countries where pandemic spread has become less intense.

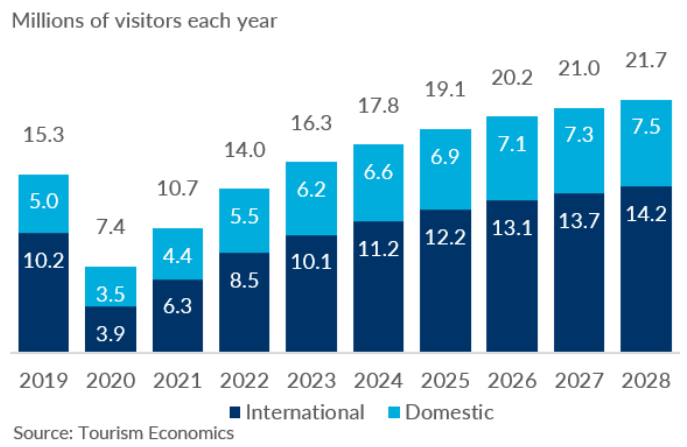
Overnight visits to South Africa are set to exceed 2019 levels by 2023, reaching a total of 19.1 million visits by 2025.

This recovery will be supported by growth in domestic tourism, which should surpass 2019 levels by 2022. Near-term shifts to domestic and short-haul travel mean that domestic visitors will comprise a larger share of the total than in 2019 and account for 41% of all overnight visits to South Africa in 2021. By 2025, the domestic share of overnight visits will level out at 36%, still 3% higher than its share in 2019. International visits are also expected to grow from the depressed levels in 2020 but will not exceed 2019 levels until 2024.

The recovery in travel and tourism’s total contribution to GDP will accelerate into 2021 but remain below pre-coronavirus levels until 2026.

Travel and tourism’s GDP contribution is expected to grow 41% in 2021, reaching a total of US\$13 billion. This value added for 2021 will remain at only 38% of 2019 levels. GDP contributions of travel and tourism to the South African economy will reach US\$26.8 billion by 2026.

Figure 17: Overnight Visits to South Africa Over the Forecast Period



Total employment contributions as a result of travel and tourism to South Africa will remain below 2019 levels through 2027, supporting 1.4 million jobs in 2024. A full recovery to 2019 levels will not occur until 2028.

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

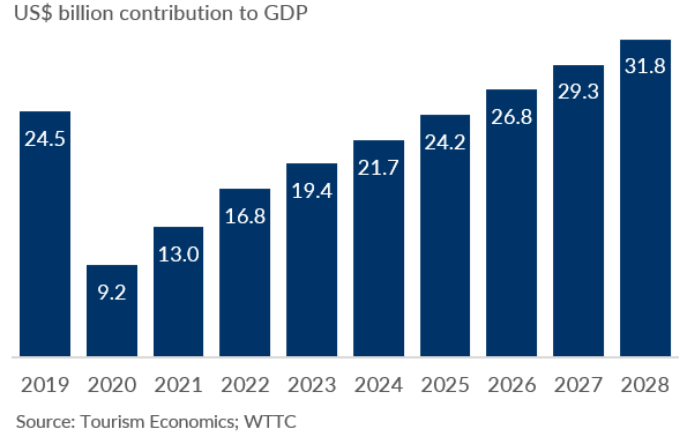
Employment gains will lag growth in GDP over the years to 2028 due to expected productivity improvements. This will remain consistent with the trend of improved productivity in the travel and tourism industry and the wider economy over recent years. The number of jobs created per US\$1 million of travel and tourism GDP will be 33% lower in 2028 than in 2019, but the sector will remain important for job creation. Travel and tourism will support one in 12 jobs in the South African economy.

## 5.2 Opportunity Outlook

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

For example, wide vaccine distribution in 2021 and effective immunity against infection and transmission would allow current restrictions to be eased faster, 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),

Figure 18: Contribution of Travel & Tourism to South Africa's Economy



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.

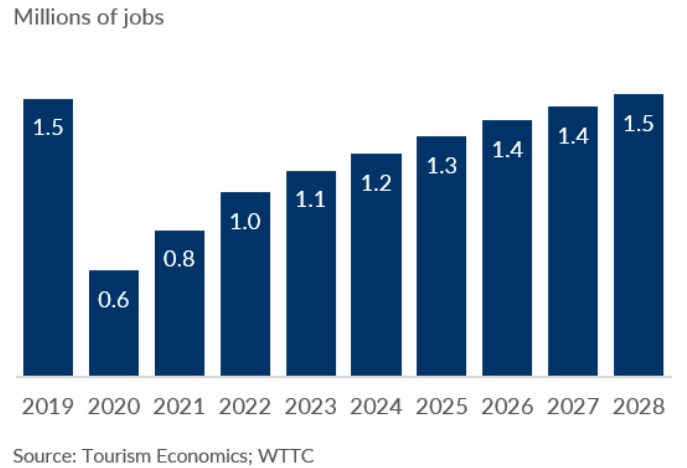
The recovery also depends on what actions governments, businesses, and individuals take in response to the crisis.

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 investment incentives to facilitate private sector investment in travel and tourism enterprises; and mitigating traveler risk aversion. Inbound travel could potentially be supported by a review of the increased administration requirements for visitors, and notably the need for foreign minors to carry additional documentation.

Figure 19: Contribution of Travel & Tourism to South Africa's Employment



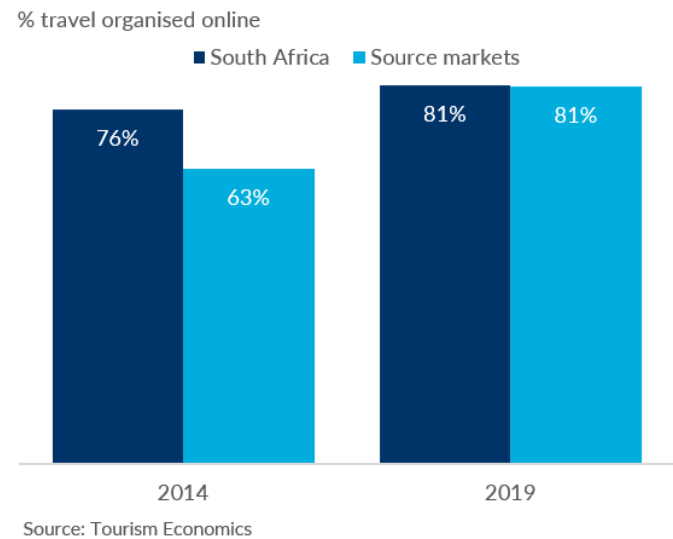
**Better use of data and digital content and platforms will also be key in supporting the tourism recovery.**

Inbound travel would be supported by more facilitative visa policy and other entry requirements, including a review of the aforementioned additional documentation foreign minors must carry.

Modelling of the contribution of digital content to travel growth in section 3.5 has been extended for the forecast period. A baseline outlook considers a constant use of digital platforms for travel planning over the next five years. An opportunity outlook considers an increased use of digital tools by travelers for planning. This is facilitated by tourism service providers investing to meet any historic shortfall and match the increased demand for information and digital services. The associated boost in activity implied by historic trends and increased user and provider interactions has been calculated.

The proportion of travel to South Africa organized online has increased in recent years, but we estimate that preferences in major source markets have risen faster. Travelers from major source markets are now, on average, equally as likely to research or book travel online compared to those in South Africa. There remains some opportunity to move ahead with preferences among travelers. For example, IPK data show that the proportion of travelers to South Africa relying on OTAs exceeds the average for all Sub-Saharan Africa demand, while the proportion using social media is lower. There is a further opportunity to embrace best practice and drive additional travel activity through digital transformation across destination organizations and tourism businesses. Allocating time to educate local businesses about digital best practices and providing opportunities

Figure 20: Digital Travel Footprint in South Africa



to digitally upskill local tourism sector employees will uplift the digital ecosystem and increase the competitive edge of South Africa’s tourism economy.

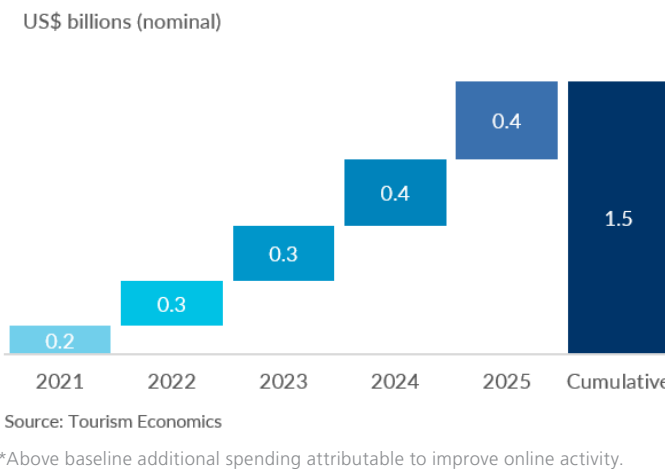
**Under an alternative “opportunity outlook” that incorporates some of the combined benefits of the recommendations for South Africa we anticipate an even greater increase in the adoption and use of digital platforms.**

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\$1.5 billion over the next five years. This would create an additional 40,000 new jobs by 2025. However, as noted in chapter 3, these estimates may underestimate the full impacts when considering the additional benefits from increased productivity across the South African economy.

The table in Figure 23 summarizes the baseline outlook and the potential opportunity scenario for the travel and tourism industry in South Africa. 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, South Africa will be able to fully catch up with traveler preferences from all major source markets. Increasing these interactions through mediums such as social media will allow South Africa

Figure 21: Opportunity for Higher Tourism Spending in South Africa, 2021 to 2025

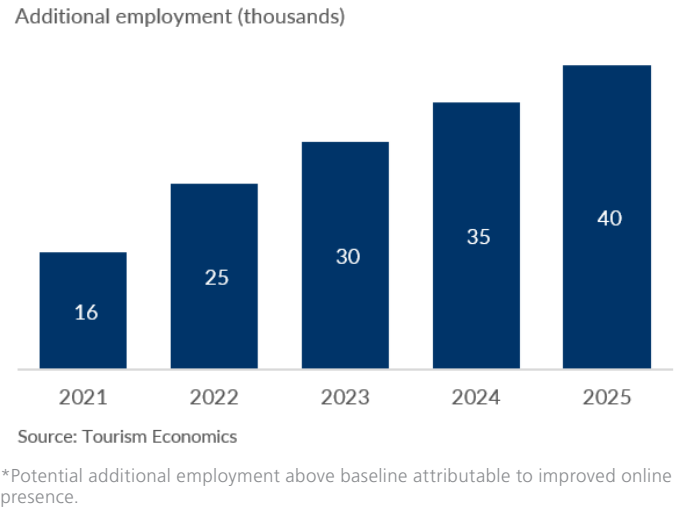


to remain competitive with source market regions in online travel research and encourage future market share gains. Destination organizations and tourism business in South Africa can increase social media outreach to improve online interaction with potential travelers throughout all stages of the planning process. Gains were estimated 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 that bring destinations closer to travelers 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
- Upgrading and expanding digital capabilities and skills among tourism SMEs
- Securing DMO funding from both public and private sectors
- Utilizing data analytics to support decision making for South African Tourism, local DMOs, and tourism businesses
- Improving telecom infrastructure and reducing the cost of access to digital devices across South Africa

Figure 22: Opportunity for Higher Employment in South Africa, 2021 to 2025



- Supporting travel dreaming with digital storytelling in key source markets
- Adapting South Africa’s tourism offerings to new consumer preferences and sensitives

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

Figure 23: Baseline Outlook and Potential Growth Attributable to Higher Online Presence for South Africa

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	100.2	130.3	150.7	164.0	175.5
	Opportunity Outlook	101.8	132.7	153.4	167.1	178.9
	Potential Increase	1.7	2.4	2.8	3.1	3.5
Spend (US\$ billions)	Baseline	11.4	14.4	16.4	18.2	20.2
	Opportunity Outlook	11.6	14.6	16.7	18.6	20.6
	Potential Increase	0.2	0.3	0.3	0.4	0.4
GDP (US\$ billions)	Baseline	13.0	16.8	19.4	21.7	24.2
	Opportunity Outlook	13.2	17.1	19.8	22.2	24.7
	Potential Increase	0.2	0.3	0.4	0.4	0.5
Jobs (thousands)	Baseline	781	981	1,098	1,189	1,281
	Opportunity Outlook	797	1,005	1,128	1,225	1,321
	Potential Increase	16	25	30	35	40

# 6 Annex

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

## 6.1 Case Study: Upgrade and Expand Digital Capabilities and Skills

**Nigeria** – Google launched the Digital Skills for Africa program in 2016 to help individuals and businesses within Africa enhance their digital skills and succeed online. The program provided free online courses, tools, and in-person digital training to educators, jobs seekers, and businesses.

Nigerian residents and businesses heavily utilized the program, with more than 450,000 Nigerians participating in the program in 2016 and 2017, out of a total target of one million participants for the entire continent. Given its success, Google extended the program in 2017 for an additional five years setting an updated target of training 10 million Africans. Since the extension, Nigerians continued to participate strongly with the program expanding into additional locations. For example, in 2019 the program expanded into Aba and other local communities in the Abia State.

## 6.2 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.

**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, but was not limited to, the following:

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

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

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

## 6.3 Case Study: Utilize Data Analytics to Support Decision Making

**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 that is collected from the tourism authority and private operators in Singapore.

STAN provides a holistic understanding about 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 attraction experiences to match the 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 on the basis of increased knowledge of visitor profiles.

## 6.4 Case Study: Improve Telecom Infrastructure

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

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

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

**Kenya** – The Kenya Tourism Board built upon its MagicalKenya campaign with #MagicAwaits to help keep Kenya top of mind to future travelers during the pandemic. As part of the campaign, there was a virtual Safari live stream that showcased the game safaris in some of the parks and reserves across the country. It also highlighted the various health and safety protocols undertaken in the parks and facilities to ensure that visitors remain safe.

# Endnotes

1

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

2

OECD, Preparing tourism businesses for the digital future, 2019.

3

OECD, Preparing tourism businesses for the digital future, 2019

4

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

5

Travel Market Report, South Africa Relaxes Entry Restrictions on Minors, January 3, 2020

6

Salim S. Abdool Karim, M.B., Ch.B., Ph.D., The New England Journal of Medicine , The South African Response to the Pandemic, 2020

7

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

8

Business Tech, South Africa Plans to Reopen Borders, February 9, 2021

9

Revenues from inbound transportation are included in our assessment of direct travel and tourism GDP

10

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

11

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

12

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

13

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

14

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

15

McKinsey & Company, Survey: South African consumer sentiment during the coronavirus crises, June 22, 2020

16

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

17

Travel Insights with Google

18

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

19

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

20

Accenture, Unlocking digital value in South Africa’s telecoms sector, 2020

21

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

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OECD, Preparing tourism businesses for the digital future, 2019

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



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