

DATA AND DIGITAL PLATFORMS

# Driving the Tourism Recovery in Tanzania



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY



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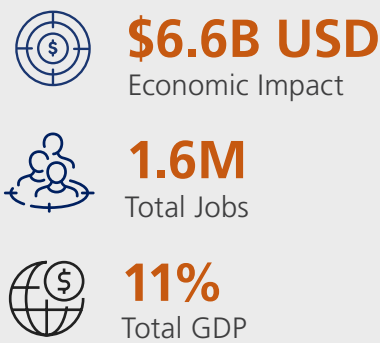
# Executive Summary

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.

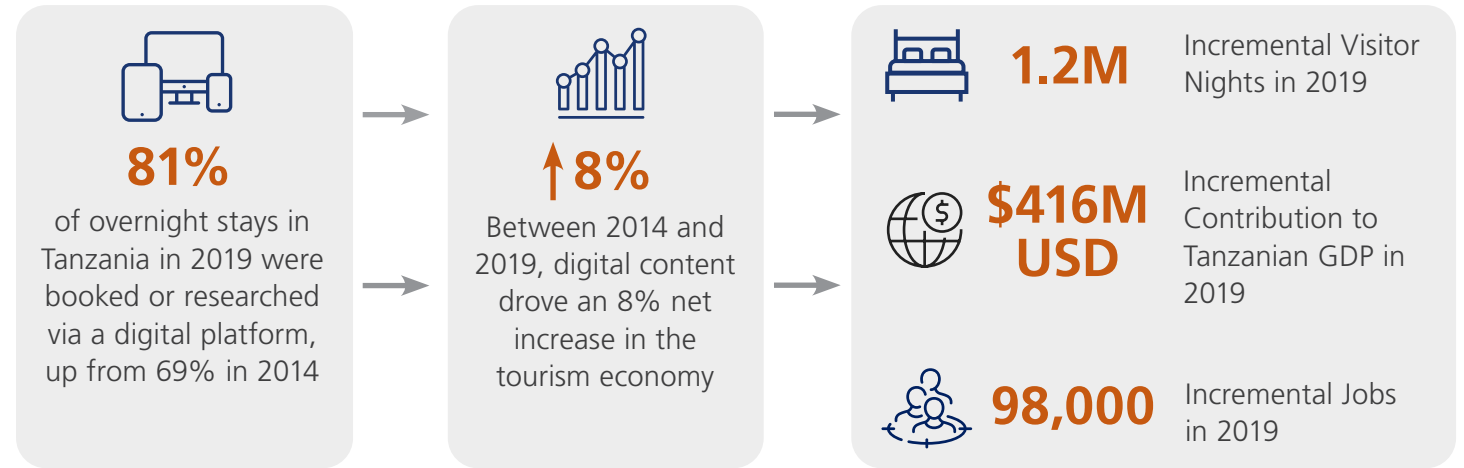
## The Economic Impact of Tourism in Tanzania

Domestic and international visitor spending in the Tanzanian economy directly contributed US\$1.9 billion to Tanzanian GDP and supported a US\$6.6 billion total impact including indirect and induced impacts. The Tanzanian travel and tourism industry represented 11% of total GDP in 2019. This economic activity supported 1.6 million jobs.

### Travel and Tourism Industry Impacts in Tanzania in 2019



## Digital Content Drives Travel



## Opportunity to Accelerate the Recovery

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

### Baseline Outlook

Tanzania's visitor volumes and visitor spending are set to fully recover to 2019 levels by 2024. Employment contributions will surpass 2019 levels in 2027.

### 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	11.3	14.7	17.7	19.4	21.0
	Opportunity Outlook	11.5	15.0	18.2	20.1	21.8
	Potential Increase	0.2	0.3	0.5	0.7	0.8
Spend (US\$ billions)	Baseline	2.4	3.0	3.4	3.9	4.4
	Opportunity Outlook	2.5	3.0	3.5	4.0	4.5
	Potential Increase	0.0	0.1	0.1	0.1	0.2
GDP (US\$ billions)	Baseline	4.6	5.2	5.9	6.5	7.3
	Opportunity Outlook	4.7	5.3	6.0	6.7	7.5
	Potential Increase	0.0	0.1	0.1	0.2	0.2
Jobs (thousands)	Baseline	1,033	1,120	1,228	1,316	1,414
	Opportunity Outlook	1,042	1,136	1,252	1,349	1,455
	Potential Increase	9	17	25	33	41



## E1 The Economic Impact of Tourism in Tanzania

### Tourism is a Growth Engine

From 2010 to 2019, international overnight visitation to Tanzania grew strongly, rising by 86%, which drove the increase in total sector activity. Total overnights in Tanzania over the same period rose 55% to 18.3 million.

Domestic and international visitor spending directly contributed US\$1.9 billion to Tanzanian GDP and supported a US\$6.6 billion total impact including indirect and induced impacts. The Tanzanian travel and tourism industry represented 10.8% of total GDP in 2019, with this economic activity supporting nearly 1.6 million jobs (equal to one in every 9 jobs).

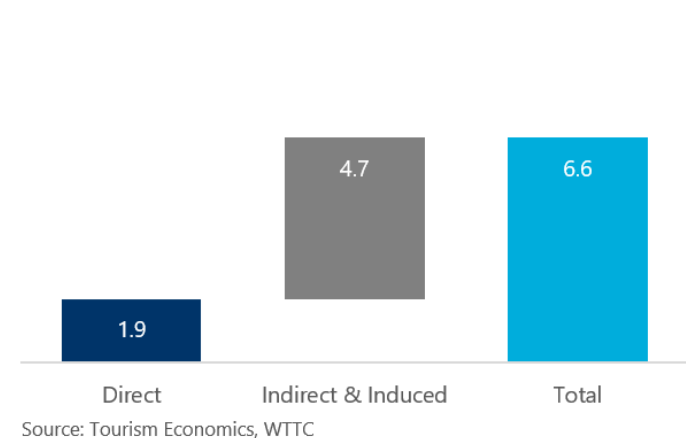
### Tourism Has Experienced Massive Losses

Total visitor spend fell more than US\$2 billion in 2020, representing a more than 50% drop from 2019 levels. The international market will experience the most acute losses, with inbound spending declining approximately 60%. Domestic travel saw a milder reduction in spending in 2020, falling around 25%.<sup>1</sup>

The expected reduction in visitor spending in 2020 has jeopardized more than 600,000 jobs within the travel and tourism sector and related industries.

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

US\$ billion contribution to GDP



## 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 Tanzania in 2019 were booked or researched via digital platforms, up from 65% of overnight stays in 2012. Economic modeling identified a causal relationship between increasing use of digital platforms and growth in the tourism economy. Increasing digital content use from 2014 to 2019 contributed an additional US\$420 million to Tanzanian GDP in 2019 and supported 98,000 jobs. Digital content increased tourism activity 8% during this period, accounting for about 40% of the growth.

### 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 1.2 million additional visitor nights resulting from the increased use of digital platforms and tools generated US\$400 million in Tanzanian 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 intenters 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 Tanzania 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 just marketing the destination to promoting the health and safety protocols implemented throughout the region, which helped to build consumer confidence and interest for future travelers.

Despite the current realities of reduced travel, Tanzania 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. Refine the DMO structure and secure funding

The roles and responsibilities of the Tanzania Tourist Board (TTB)—one of the four divisions within the Ministry of Natural Resources and Tourism—should be reviewed and modified, as necessary, to ensure that they do not overlap and conflict with the mandates of the other divisions within the ministry.

Furthermore, the TTB 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.

#### 2. Build a consistent brand message through digital collaboration

The TTB 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 TTB and Ministry of Natural Resources and Tourism, can lead this process by supporting the integration of travel partner audience segments (e.g. Hotels Association of Tanzania, Association of Cultural Tour Organizers, the Tourism Confederation, Air Tanzania and the Tanzania Society of Travel Agents etc.) and by developing a content strategy framework for messaging across all channels of communication.



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

Digital 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.

3. Upgrade and expand digital capabilities and skills

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

The TTB and Ministry of Natural Resources and Tourism should allocate resources to educate local businesses about digital best practices and collaborate with universities and digital companies to develop a more robust digital skills education platform.

Enhancing the access tourism businesses have to digital experts and 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>

4. Utilize data analytics to support decision making

The TTB and tourism-related businesses should take advantage of the wealth of data that digital platforms provide. Insights-based data from mobile devices, social media, online travel agencies, tech companies, local tourism businesses and others will directly inform and refine marketing campaigns and strategic decisions. Tech companies and consultants are positioned to support DMOs in creating a data ecosystem with the key stakeholders of a destination. The TTB 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 Tanzania, 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 Tanzanian 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

Tanzania’s telecom infrastructure—in terms of internet coverage and connection speed—is constraining the country’s tourism and economic development. Both internet penetration and mobile use fall behind competitive destinations in the sub-Saharan African region.

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

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	11.3	14.7	17.7	19.4	21.0
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The private sector in Tanzania should work with the government to advocate for infrastructure development in rural areas. Most Tanzanians still live in rural areas with limited physical infrastructure where broadband access technologies tend to be scarce and require significant investment. Mobile technologies can help get around this issue. Research should also be undertaken to assess how best to reduce the cost of access to digital devices and content. Improving broadband connectivity for businesses, residents, and visitors will make Tanzania a more appealing destination to live and visit.

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

(Sub-Saharan Africa) travel while safety concerns and restrictions related to international travel are in place. Digital platforms are uniquely able to keep Tanzania a preeminent destination.

The TTB 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. The standard operating procedures (SOPs) developed by the government and key tourism stakeholders is an achievement in Tanzania that should be built upon.

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 Tanzanian tourism industry should focus marketing efforts toward domestic and regional

Key Recommended Actions



Refine the DMO structure and secure funding



Build a consistent brand message



Upgrade and expand digital capabilities and skills



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



### E5 Opportunity to Accelerate the Recovery

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

#### Baseline Outlook

Although Tanzania’s international visitor volumes are set to fully recover to 2019 levels by 2024, international visitor spending will take a year longer to recover. Domestic spending is set to recover faster, exceeding 2019 levels in 2023. This outlook is consistent with past market share and expectations for source market demand. Total employment contributions from travel and tourism will remain depressed, regaining 2019 levels by 2027.

#### Opportunity Outlook

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

A clear opportunity exists to reach a larger audience of both domestic and international tourists and influence their travel decisions. More widespread adoption of digital platforms and content, including the above recommendations, will produce increased reach, greater effectiveness, and significant economic gains.

The current crisis presents an opportunity for Tanzania 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.

### 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.



41,000

New Jobs Supported  
(Direct, Indirect, Induced Jobs)



800,000

Incremental Overnight Stays in  
Tanzania in 2025



\$430M USD

Cumulative Increase in Tourism  
Spending Over the Five-Year Period

This includes the following gains by 2025:

- 41,000 new jobs supported (direct, indirect, induced)
- 800,000 more overnights in Tanzania
- US\$430 million cumulative increase in tourism spending over the five-year period<sup>4</sup>.



## 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 Tanzania**—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 Tanzania

The travel and tourism industry of Tanzania represented 10.8% of total GDP in 2019. Total employment supported by tourism amounted to 1.6 million jobs. The shock to travel brought on by the coronavirus pandemic could lead to long-lasting effects on the Tanzanian economy. The estimated reduction in visitor spending in 2020 of US\$2 billion has put over 600,000 jobs at risk within the travel and tourism economy.

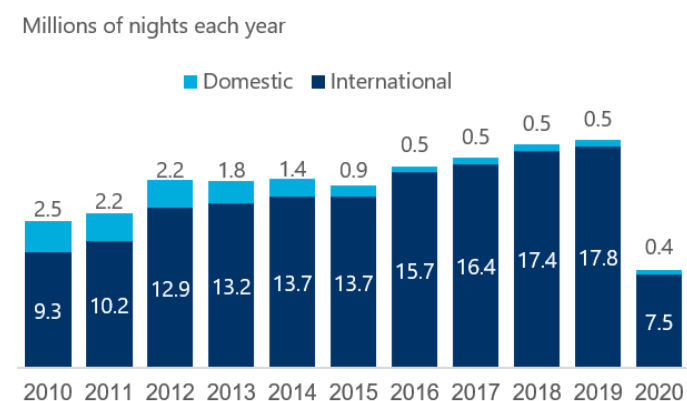
This chapter covers the state of travel across Tanzania from 2010 to 2020 by measuring visits, nights and visitor spending, as well as the economic impact across tourism-related GDP and employment.<sup>5</sup> This analysis was carried out using Tourism Economics' existing forecast models—Global Tourism Service (GTS) model and Global City Travel (GCT) service.

## 2.1 Visits

From 2010 to 2019, overall tourism growth in Tanzania—in terms of overnights—was strong.

Total overnights in Tanzania in 2019 were 18.3 million, 55% above the level in 2010. International tourist nights increased between 2010 and 2019, rising 92% to a total of 17.8 million nights in 2019. The strongest period of growth in total overnights continued from 2011 and 2014—years which featured steady economic growth in the region. Although international overnights experienced a slowdown during 2015, modest growth since contributed to a 30% increase in international tourist nights since 2015.

Figure 1: Tanzania Overnight Visit Levels



Source: Tourism Economics, Tourism Division - Ministry of Natural Resources and Tourism and National Bureau of Statistics, UNWTO

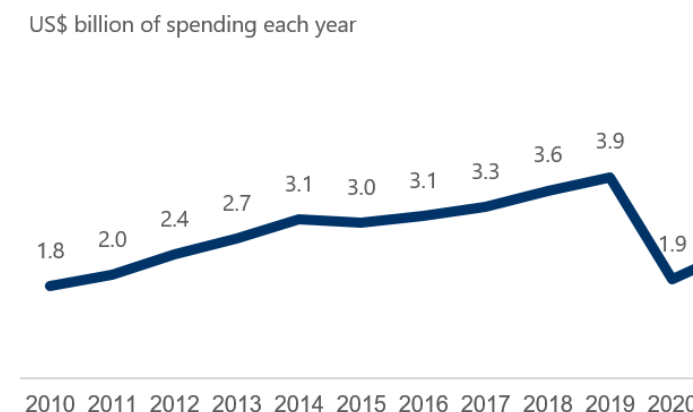
\*Domestic visits relate to hotel guests and does not include overnight stays in other types of accommodations.

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 Tanzania.

One-third of the growth in nights from 2010 to 2019 came from Western European source markets (especially from the UK and Germany) while another third came from visitors dispersed across the MEA region (centralized to nearby countries such as Rwanda, Burundi, Uganda and the Comoros).

In contrast, domestic visitor overnights, which represent only a small proportion of total overnights, fell over the period by 80% to the 2019 level of 500,000.

Figure 2: Total Visitor Spending in Tanzania



Source: Tourism Economics, International Monetary Fund



## Travel demand in Tanzania fell nearly 60% in 2020

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 Tanzania was announced on March 16, 2020. However, a lack of data and public mistrust created problems when Tanzania stopped reporting new cases of the coronavirus. On June 8, the President declared Tanzania to be COVID-free and while the incidence of the viral infection may well have been lower than in many other destinations, testing was dramatically reduced, which potentially undermined both

domestic and international confidence.

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.

We estimate that overnights demand in Tanzania fell nearly 60% in 2020, equal to more than 10 million fewer overnights.

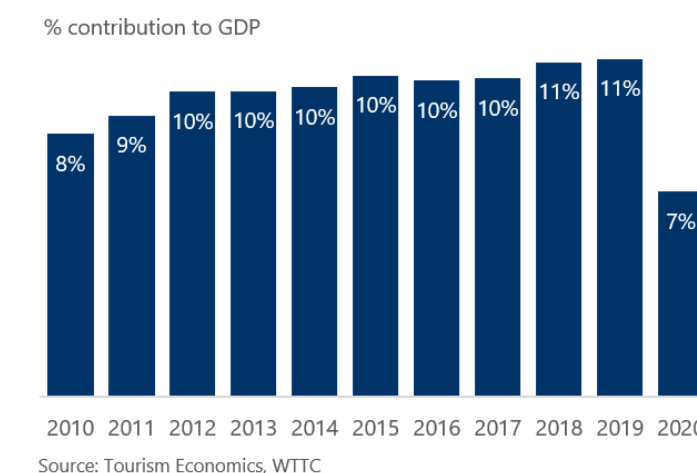
Although Tanzania made it a priority to reopen and keep its borders open, international overnights are estimated to have dropped by 60% in 2020. Domestic travel also experienced a significant decline with overnights dropping around 25%.

## 2.2 Spending

In 2019, total visitor spending—which includes day visit spend as well as overnight spend in Tanzania (excluding inbound transportation revenues)—reached US\$3.9 billion, an increase of 120% since 2010.<sup>6</sup> International visitor spending increased by 112%.

One-third of increased spending came from Western Europe, especially from the UK, Germany and France. However, the source market country with the greatest growth in spending in Tanzania over the period was China. The growth of spending from Chinese visitors links to increased investment interest in Tanzania by Chinese companies. Although China has contributed to significant tourism growth in Tanzania, it remains strongly orientated toward business travel due to

Figure 3: Travel and Tourism's GDP Contributions to the Tanzanian Economy, 2010 to 2020



Source: Tourism Economics, WTTC



## Tourism Spending's Link to Tourism Direct GDP

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

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

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

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

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

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

difficulties like accommodating language barriers.<sup>7</sup>

Domestic tourism represented 32% of total tourism spend in 2019. From 2010 to 2019, domestic spend increased US\$700 million, more than doubling despite the declining domestic visitor overnights. The strongest period of domestic spend growth continued from 2010 to 2014—years which saw an expanding Tanzanian middle class as real GDP grew 6% per year on average.

### Total visitor spend fell US\$2 billion in 2020

**In 2020, we estimate that total visitor spend fell US\$2 billion—a decline of more than 50% of the total spending in 2019.**

Domestic travel spend declined around 25% while international spend plummeted by more than 60%.

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

Domestic travel spending has been relatively more resilient and is expected to rebound faster than international markets. Smaller, rural destinations in Tanzania more reliant on inbound travel may experience a 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>8</sup>

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

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

- **Direct impacts** occur through spending within a specific group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs and GDP within each sector.
- **Indirect impacts** stem from supply chain spending, where each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production.
- **Induced impacts** are generated when employees

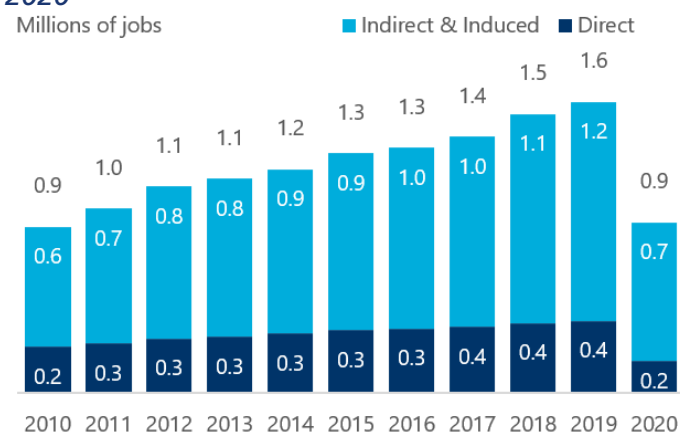
whose wages are generated, either directly or indirectly, by travel and tourism spend those wages in the local economy.

Travel and tourism directly contributed nearly US\$1.9 billion to Tanzanian GDP in 2019, and US\$6.6 billion total impact including indirect and induced impacts. The Tanzania travel and tourism industry represented 10.8% of total GDP in 2019.

Employment in Tanzania directly supported by the travel and tourism industry reached nearly 400,000 jobs in 2019. Total employment as a result of tourism measured 1.6 million jobs in 2019. Total employment supported by tourism increased 75% between 2010 and 2019, an annualized rate of 6.4%.

Without intervention, the shock to international travel brought on by the coronavirus pandemic could lead to lasting effects on the Tanzanian economy. A US\$2 billion loss to Tanzanian GDP in 2020 is estimated, and this alone will have put around 600,000 tourism-related jobs at risk.

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



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\$420 million to Tanzanian GDP in 2019 and supported 98,000 jobs.

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

## 3.1 Digital as a Catalyst for Travel

Digital content and online platforms can elevate the influence of a destination to reach travelers across the globe throughout each stage of the travel planning process: Dreaming, Planning, Booking, Experiencing, and Sharing.<sup>9</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 start this step by searching for easy-to-use digital platforms that offer quick and transparent transactions. Digital platforms provide the dual benefits of reduced friction (ease) and pricing transparency in the

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

booking process.

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

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

records can offer a real-time perspective on the popularity of various destination features. Traveler sentiment polling can help predict where relevant opinions may lie and helps inspire destinations to develop solutions to address those concerns. Through mobility tracking destinations can measure which businesses are seeing shifts in traffic as visitation numbers climb.

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

Digital platforms generate a range of benefits for consumers and businesses





3.3 Digital Impact on the Tourism Economy

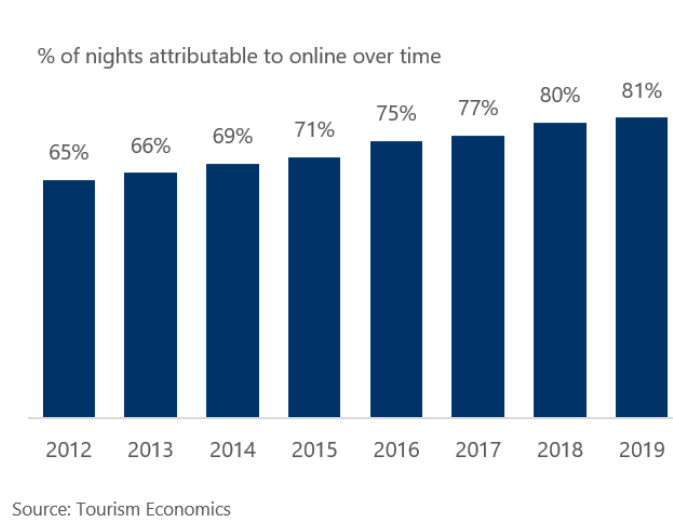
Digital platforms generate benefits for both travelers and businesses. Tourism Economics has modelled the incremental impact of increased use and improvements to digital content and platforms on total overnight stays in Tanzania since 2014.

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

Figure 6: Digital Travel Footprint in Tanzania



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

This analysis was based on a combination of IPK survey data that identifies the search and booking patterns of travelers and ComScore tracking data for travel-related websites, along with data from Tourism Economics’ Global Travel Service (GTS) database.<sup>10</sup>

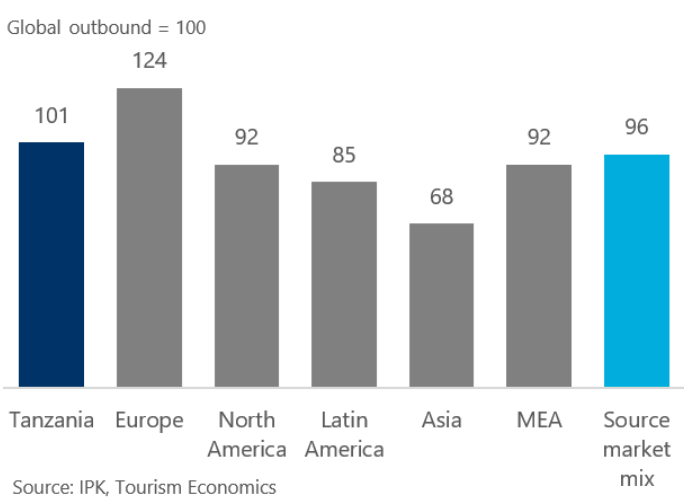
3.4 Use of Digital Content and Online Platforms in Tanzania

The first and second step of the analysis (presented above) indicated that 81% of overnight stays in Tanzania in 2019 were booked or researched via digital platforms, up from 65% of overnight stays in 2012 (Figure 6). Therefore, we can say that 81% of tourism spend, GDP and employment in Tanzania 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>11</sup> Tanzania, when compared to source market regions in 2019, supported a greater intensity of online research than Latin America, Asia, North America and the Middle East and Africa (MEA). Only Europe had a higher intensity. Europe held a strong lead with the greatest online tourism research intensity for travelers.

Through measuring search and booking patterns of travelers, we identified internet platforms where inbound travel to Tanzania was commonly researched or routed from. Overall, 82% of inbound travelers to Tanzania used online platforms to research trips in 2019—1% higher than internet use for travel among source market regions. The use of online platforms

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



for planning a trip to Tanzania is higher than in most source markets. Widespread use of online information is evident for most platforms, and notably through the use of Online Travel Agencies (OTAs) and reviews (Figure 8). Use of social media (including YouTube) to support inbound travel, however, lags source market regions. Increasing social media interaction between Tanzanian destinations and travelers will enable tourism businesses to reach potential travelers throughout all stages of the planning process and remain competitive with source markets.

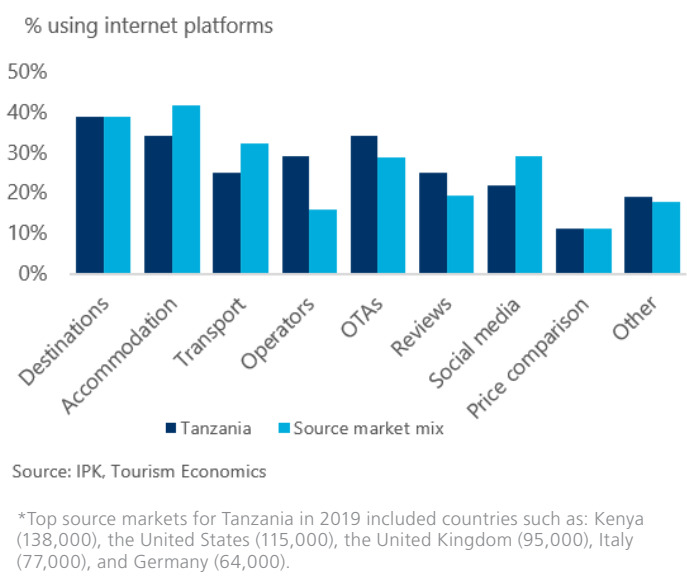
3.5 Analysis on Digital Content's Dynamic Impact on Tourism Growth

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 Tanzania would have been if the use of digital platforms and tools had not increased and improved since 2014.

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

Figure 8: Percentage Using Internet Platforms Compared to Source Markets



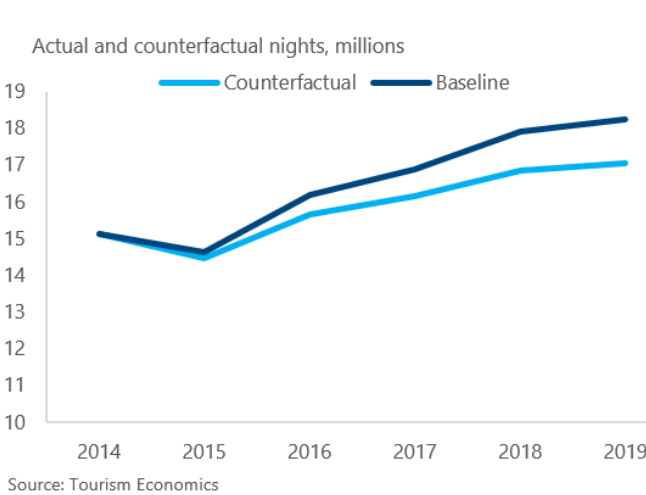
Econometric Modelling Approach

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.

6). As time continues, the counterfactual measure of nights increasingly slips away from the count of baseline nights. This confirms that the increased use of digital platforms and tools when booking or researching trips contributed to growth in the actual number of nights booked in Tanzania.

Figure 9: Number of Overnight Stays in Tanzania



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

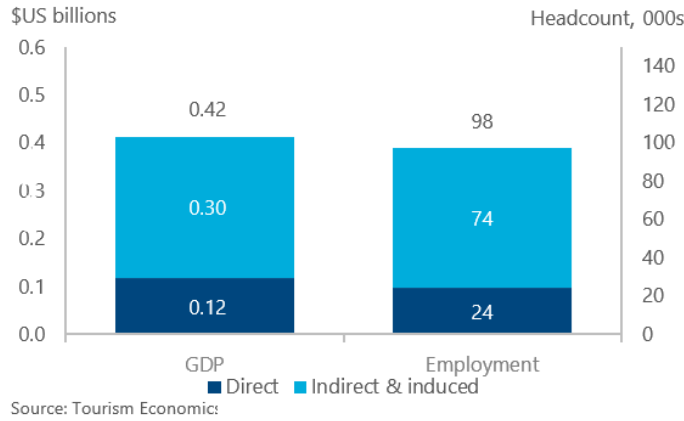


3.6 Historic Additional Impact

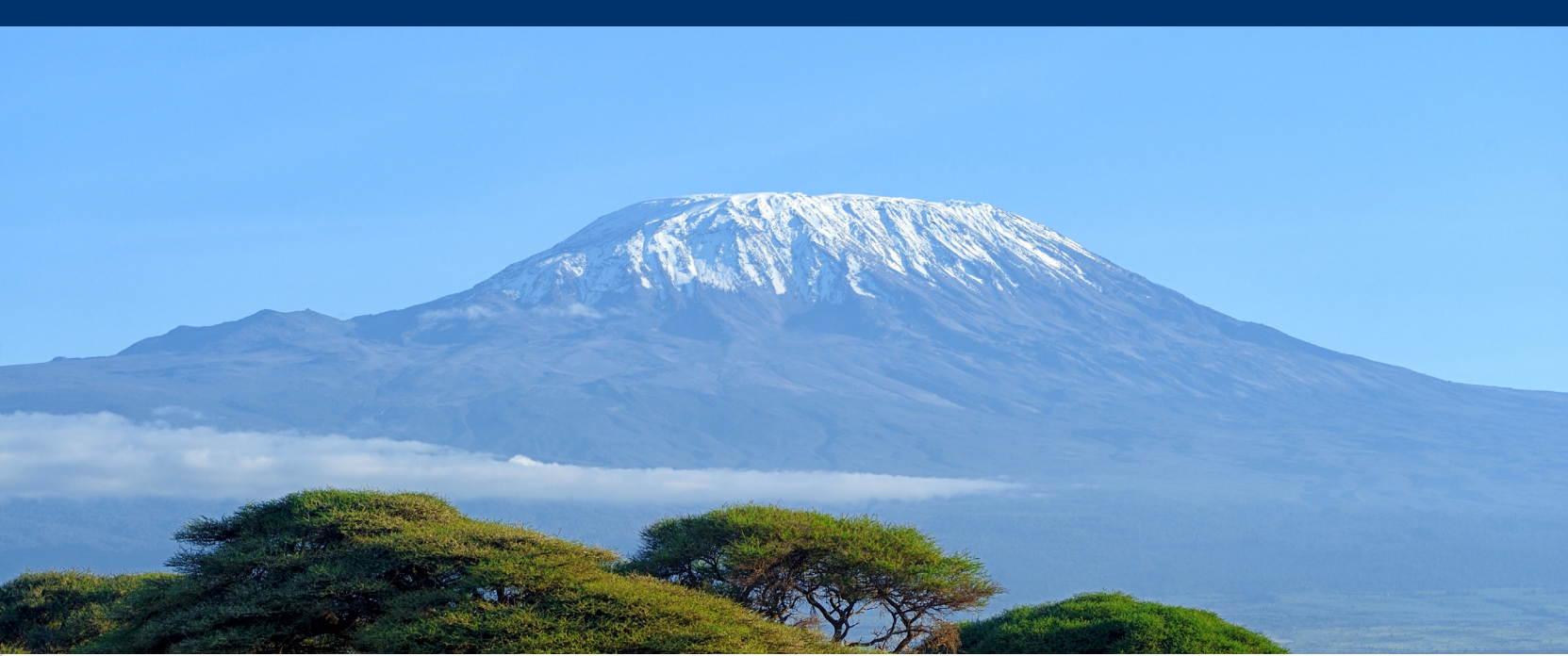
This difference between the baseline and counterfactual scenario is the additional impact of digital platforms and tools over the period. In 2019, 1.2 million additional overnight stays in Tanzania were generated as a result of the increase in digital platforms and tools, representing an 8% advantage in 2019 for the baseline model. This confirms that the increased use of digital platforms and tools when booking or researching trips contributed to growth in the actual number of nights booked in Tanzania.

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\$420 million in additional GDP, as well as 98,000 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 Tanzania, 2019



\*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 Tanzania, 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 through 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 Tanzania. In this chapter, we explore the opportunity to accelerate a recovery in travel with digital transformation and a wider embrace of online platforms. These services can aid the recovery by extending the marketing reach of destinations, providing clear messaging to a global audience to support a transparent and safe return to travel, and informing businesses about the current position and nature of the recovery in travel.

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

4.1 Current Position of DMOs

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

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

**DMO survey insights**

In August 2020, Tourism Economics partnered with NEXTFactor to conduct a survey of nearly 400 DMOs to learn how they are responding to the current crisis.



Below are some of the key findings:

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

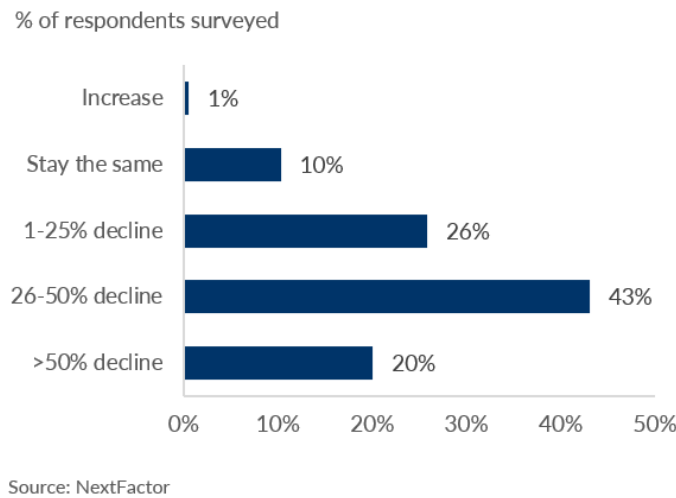
### Stakeholder interview insights: global best practices

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 a DMO is shifting from destination marketing to destination marketing and management

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



("DMMO")—a transition that started prior to the COVID-19 pandemic but has since accelerated given 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.

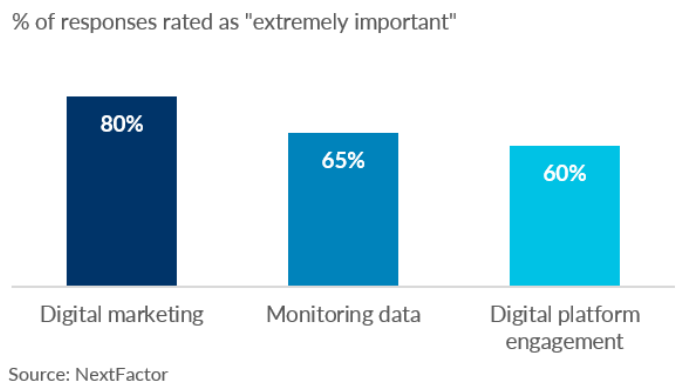
More recently, a DMOs role was expanded beyond marketing to also include destination management, which encompasses broader economic, product development, and strategic initiatives.

To accomplish its enhanced role, DMOs are engaging more frequently with community stakeholders—private businesses, government entities, and residents—more frequently to further develop relationships and collaborate on initiatives that will advance 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

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



**The Ministry of Natural Resources and Tourism Tanzania is the government institution responsible for overseeing tourism. The ministry is divided into four divisions, one of which is the Tanzania Tourism Board (TTB).**

acknowledge that consumers leverage a variety of digital platforms when selecting a destination to visit. Consumers rely less on DMO recommendations (i.e., listings on the DMO website) and more on consumer recommendations (i.e. reviews on Google, TripAdvisor, Yelp, etc.) when making travel decisions. This concept enticed DMOs to work with private sector businesses to enhance the digital ecosystem for the destination.

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

It is important for DMOs to focus on mid and long-term goals, despite the obvious need to generate travel in the short term, which might not always align with the DMO Board of 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.

### Tanzanian Tourism Organization Structure

The Ministry of Natural Resources and Tourism is the government institution responsible for the management of natural, cultural, and tourism resources in Tanzania. The ministry is divided into the following four divisions:

1. Tourism Division, also known as the Tanzania Tourist Board (TTB)
2. Wildlife Division
3. Forestry and Beekeeping Division
4. Antiquities Division

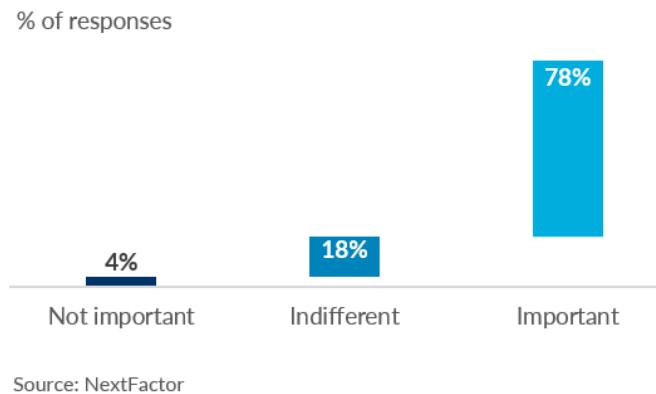
The TTB was established in 1962 and tasked with the promotion and development of all aspects of the tourism industry in Tanzania including policy, planning, data and research, training, and licensing and quality control of tourism agencies. The TTB is currently divided into two sections: Licensing & Control and Tourism Development.

The Ministry recently developed the National Convention Bureau (NCB) to promote conference tourism and help diversify the tourist products beyond wildlife attractions, which are a major tourism generator for the country. The NCB is under the TTB.

Many stakeholders in the tourism industry partner with the TTB including the Tourism Confederation of Tanzania, Air Tanzania, the East African Community, Tanzania Broadcasting Corporation, National College of Tourism, and others.

Tourism in Tanzania is generally promoted at the national level. However, the Zanzibar Commission for Tourism is responsible for promoting, developing, and regulating the tourism industry in Zanzibar.

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





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

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

Digital platforms themselves also made updates due to the pandemic. For example, Google My Business, 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

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

to marketing. Developing a baseline understanding about the visitors’ impact on the local community—in terms of taxes, visitor spending, jobs, room nights, or other metrics—is essential. It will help destinations calculate the return generated by marketing campaigns and adjust future campaigns.

**Stakeholder interview insights: digital platform benefits**

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

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

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

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

**Efficiency:** Data and analytics used in conjunction with digital platforms allows destinations to efficiently target travelers based on active travel interest and other psychographic considerations. For example, digital marketing concepts, such as paid search, allows destinations to target consumers that intend to travel in the near term.

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

**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 in 2021 and in the coming years.**

can be leveraged to support investment decisions.

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

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

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

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

organically develop brands since it took longer for destinations throughout the country to adopt the brand and messaging.

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

For many destinations, questions remain on the best timing, approach, and new markets for reopening businesses. As highlighted in our consultation findings, DMOs and tourism-related businesses can use data to identify movement trends, traveler preferences, and online searches to 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

**DMOs and tourism-related businesses can use data to identify movement trends, traveler preferences, and online searches that help market destinations to the ideal audiences**

**Key Recommended Actions**



Refine the DMO structure and secure funding



Build a consistent brand message



Upgrade and expand digital capabilities and skills



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**

influence what destination marketing strategies are necessary. These adjustments range from temporary to long-term effects and can be identified through better and more efficient use of data content and platforms.

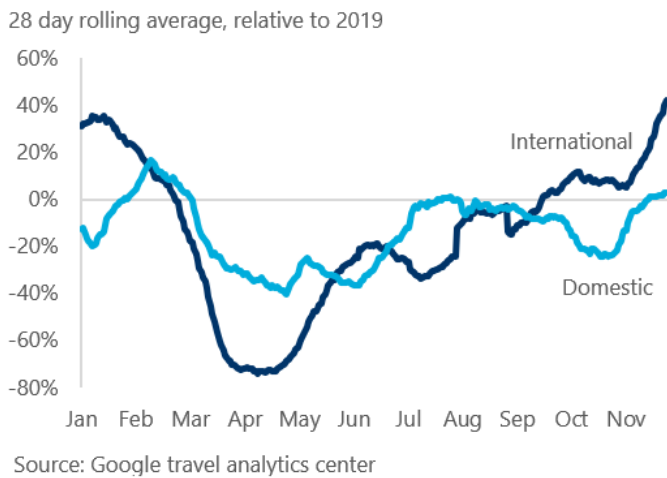
Tracking consumer behavior changes is one way to gauge traveler sentiment regarding post-pandemic travel. Demand for additional health and safety measures, no-contact services, and other risk management plans are naturally higher following a global pandemic.

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 why, the most common responses were effective public governance and good health infrastructure (53%), less crowds and extensive hygiene (39%).<sup>12</sup> The nature of trips is also shifting, with a consumer preference of shorter haul trips that often remain domestic.

When consumers in Tanzania were asked what priority was most important when deciding where to shop in-store during a June 2020 survey by McKinsey & Company, 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>13</sup>

The strategic use of data content and platforms can

**Figure 14: Travel Interest in Tanzania: 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**

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 analysis of aggregated online searches, for example using Google Trends, to break down how often people look for 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.

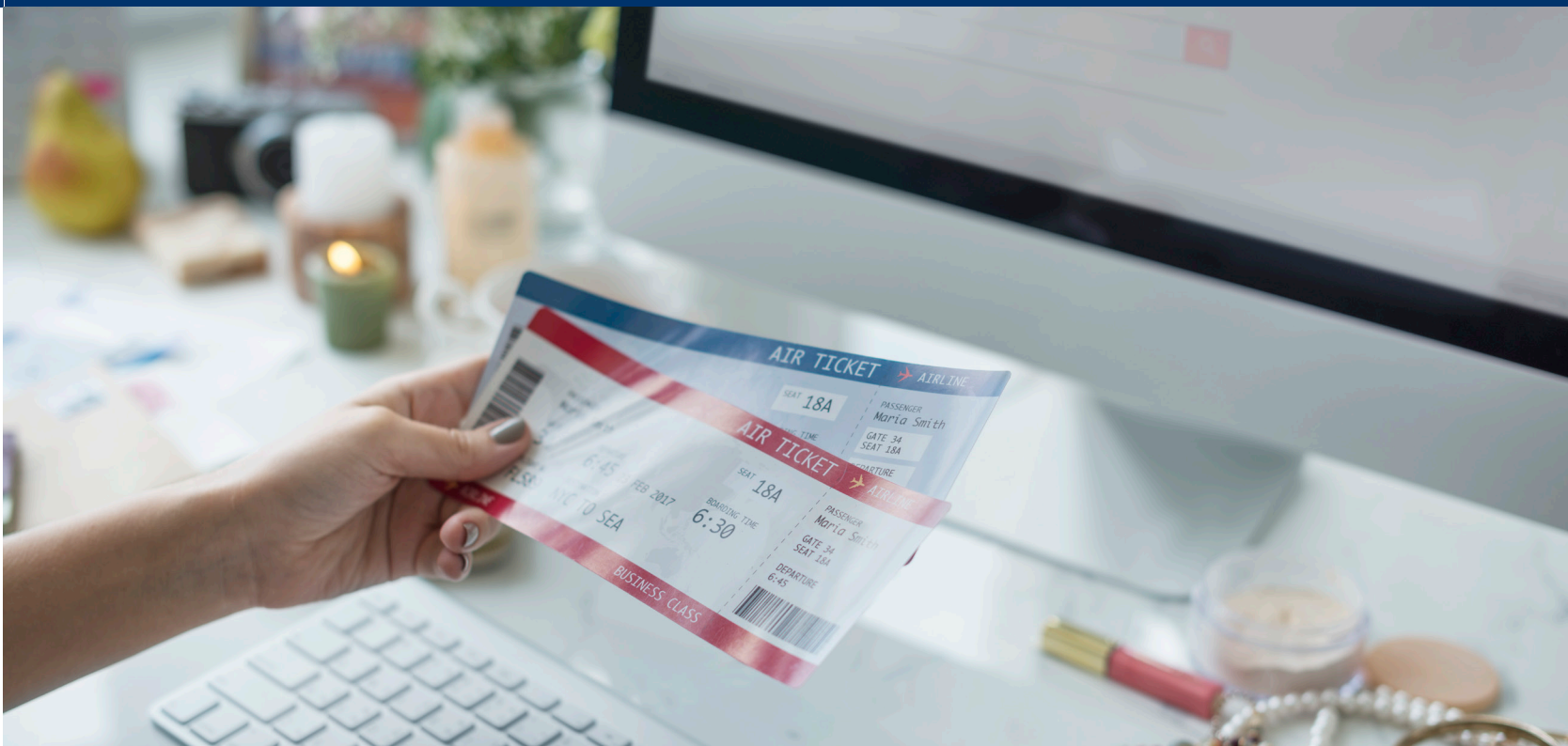
While the length of these behavioral changes is largely dependent on the state of the global coronavirus pandemic, it can be noted that the desire to travel after restrictions is particularly high. Destinations can inform travelers about the safety and preparedness of local businesses to meet consumer expectations. Inspiring travel through curated digital content and messaging will increase the performance of a destination and improve its travel recovery.<sup>14</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 Tanzania will come from by demonstrating destination interest through online searches.

Data from the Google travel insights dashboard can help predict the recovery in a multitude of ways.<sup>15</sup> Figure 14 demonstrates a rolling average of 28 days of searches for flights and accommodations in Tanzania compared to the same period one year ago.

On average, international searches in 2020 decreased by 36% when compared to 2019, while domestic searches decreased by an average of only 20%. The sharp fall in April reflects lockdown, but recovery after that reflects Tanzania’s relatively low case rates and determination to reopen the tourism sector.



However, the recovery in international searches, which experienced positive year-over-year growth starting in September, more likely reflects the end of lockdowns in source market countries.

The impact on searches correlates closely with daily cases which gradually rose through April. COVID data has not been released since the beginning of May 2020, although in mid-June the prime minister said there were 66 active cases.

**4.3 Recommended Actions**

**Recommendation 1: Refine the DMO structure and secure funding**

The Ministry of Natural Resources and Tourism is the government institution responsible for overseeing tourism in Tanzania. The ministry is divided into four divisions, one of which is the Tanzania Tourist Board (TTB)—the DMO tasked with the promotion and development of all aspects of the tourism industry in Tanzania.

Despite being responsible for promoting and developing the tourism industry, TTB responsibilities overlap with other divisions within the ministry, including the Wildlife Division and the Antiquities Division. Unfortunately, the divisions act as silos and often have conflicting policies, particularly with respect to private sector operations in and around wildlife areas.<sup>16</sup>

The Tanzanian government should reexamine the

policies and mandates for each division within the Ministry of Natural Resources and Tourism and modify them, as appropriate, to ensure that the divisions work together and do not have competing mandates.

Furthermore, as the general role of a DMO shifts from destination marketing to destination marketing and management, it becomes increasingly important for the TTB 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.

The TTB should work with the Tanzanian government and private sector to ensure current funding is secured and to discuss additional funding options. The TTB will need to articulate how the responsibilities of DMOs have expanded 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.

The TTB should explore all potential funding options which can be generated by either the public or private sector. Funding options may include tourism specific taxes (i.e. lodging taxes, amusement taxes, car rental taxes), general taxes (i.e. sales tax, general fund), private sector support (i.e. membership fees,



sponsorships, co-ops), and other innovative solutions like tourism improvement districts.

One consideration that Tanzania needs to keep in mind is its relatively high cost compared to some competitor destinations—partly due to taxes and levies raised on travelers. The country must ensure that funding the TTB is not at the expense of making the national tourism sector uncompetitive.

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

The TTB 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 more than 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 2: Build a consistent brand message through digital collaboration**

The TTB, 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 TTB and Ministry of Natural Resources and Tourism can lead this process by supporting the integration of travel partner audience segments (e.g. Hotels Association of Tanzania, Association of Cultural Tour Organizers, the Tourism Confederation, Air Tanzania, and the Tanzania Society of Travel Agents 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 during difficult times. In the current environment, it is important for all local stakeholders to utilize consistent messaging about safety measures and protocols currently in place in Tanzania.

In addition to building relationships with local tourism stakeholders, destinations 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.

**Recommendation 3: Upgrade and expand digital capabilities and skills**

The TTB should allocate time to educate local businesses about digital best practices and provide assistance where needed. Generally, DMOs focused on improving the destination’s digital ecosystem effectively helped 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.

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

In addition to working with tourism businesses directly, the TTB should work with the National College of Tourism, 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.



The TTB can also promote existing courses that seek to improve the digital skills of residents and businesses, such as 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.

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. Central government and the Government of Zanzibar 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 4: Utilize data analytics to support decision making**

Destinations around the world are increasingly understanding the importance of data 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 programs and initiatives, and monitor progress on tourism recovery and resilience.”<sup>17</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 TTB 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 Tanzania. 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.



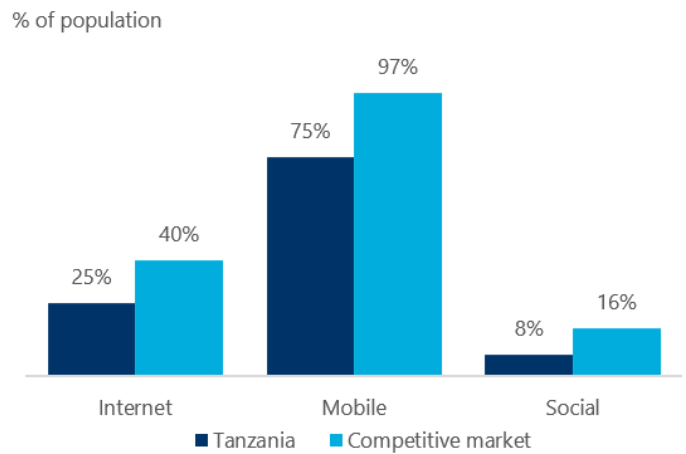
**Destinations around the world are increasingly understanding the importance of data and the benefits it provides when making strategic and marketing decisions**

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 TTB should explore whether this could help with other ways to apply data analytics.

Tanzania can also learn from other countries in the region, specifically the data dashboard programs developed by the Strategy Insights & Analytics arm of South Africa Tourism, as well as global examples of good practices, such as the Singapore Tourism Analytics Network (STAN). 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 Tanzania, 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 Tanzanian government to do this effectively, they must continue to develop their understanding

**Figure 15: Digital Platforms Penetration Ratio**



Source: Hootsuite, We Are Social

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

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>18</sup>

**Recommendation 5: Improve telecom infrastructure**

Tanzania’s telecom infrastructure—in terms of internet coverage and connection speed—as well as the remainder of its physical infrastructure, is constraining the country’s tourism and economic development. Both internet penetration and mobile use fall behind competitive destinations in the sub-Saharan African region.

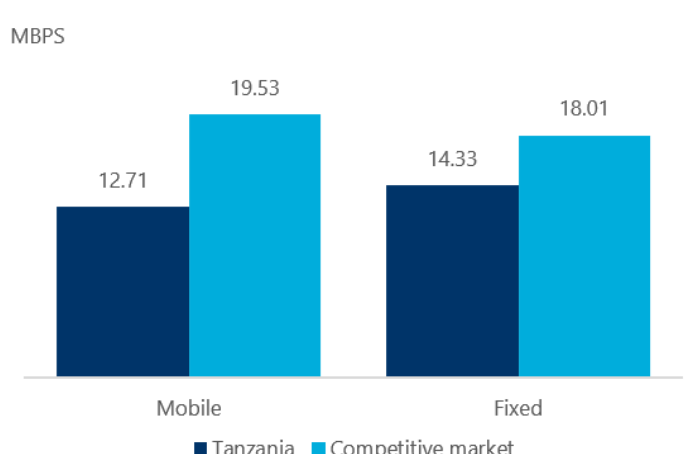
Tanzania is at a disadvantage to other tourism markets in Africa (Figures 15 and 16) and the telecom infrastructure in Tanzania is less developed than many of its source markets in Europe, Asia, and the United States.<sup>19</sup>

Research ICT Africa, a technology think tank, found that Tanzania has one of the cheapest internet prices on the African continent.<sup>20</sup> However, costs need to be considered in the context of incomes. The World Bank estimates that East Africans spend around 4% of their income purchasing data bundles—about twice the proportion elsewhere.

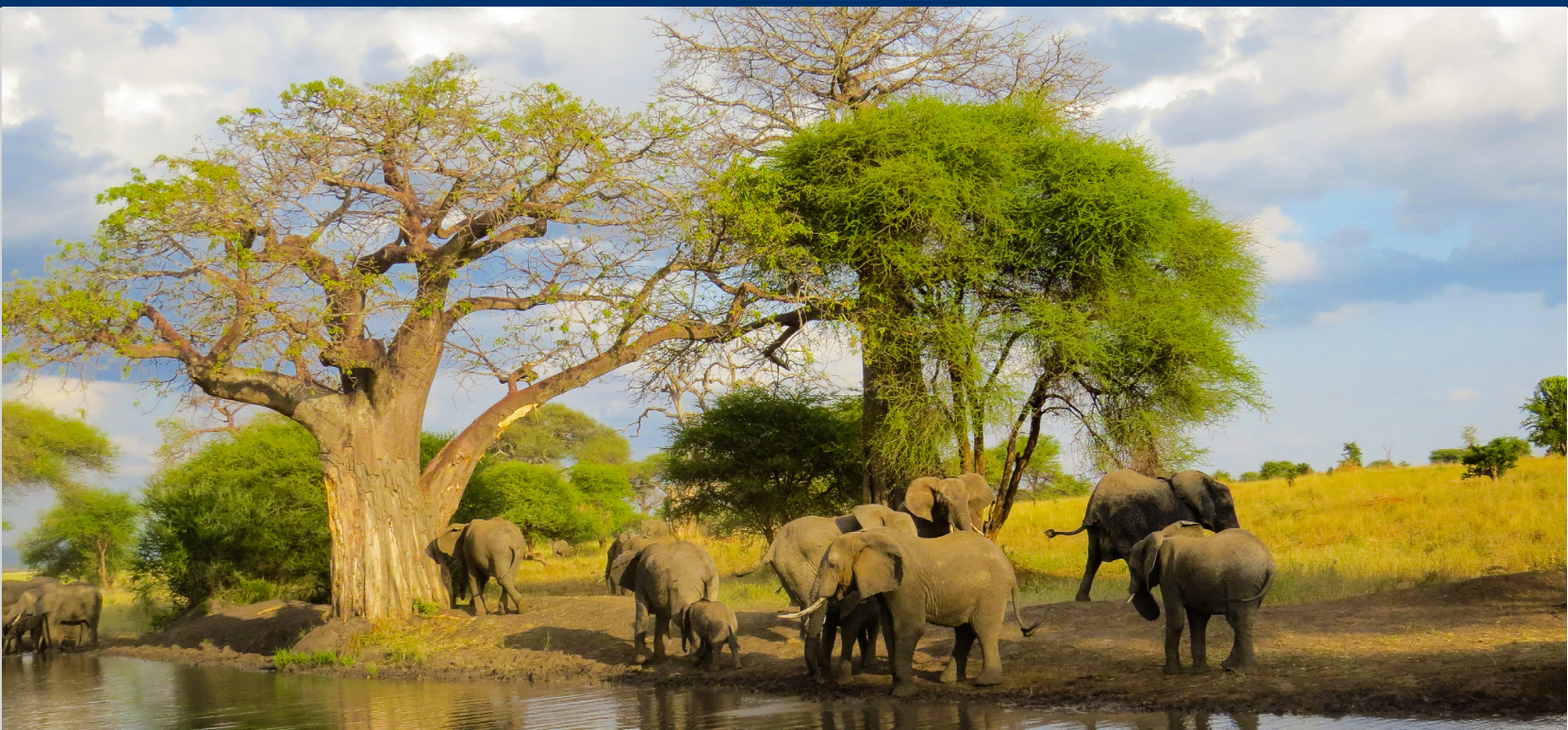
The development of SEACOM should have pushed prices down further, but there remain issues around transmission and regulation.<sup>21</sup>

To address these issues, the telecom infrastructure needs to be further enhanced. The private sector in Tanzania should work alongside the government to advocate for infrastructure development. Research

**Figure 16: Average Internet Connection Speed**



Source: Hootsuite, We Are Social



should also be conducted to assess how to reduce the cost of access to digital devices and content and to make optimal use of the rural telecommunication trials which have already been done in the country.

The Ministry of Natural Resources and Tourism should also engage with the liberalized telecommunications market to look at new ways to get a higher share of the rural population online to use media and digital platforms.

Until recently, Africa was behind other global regions in terms of telecommunications and digital connectivity but has made significant strides in recent years. For example, Nigeria has prioritized the rural roll-out of broadband, albeit with relatively low speed benchmarks. Elsewhere in the world, countries such as Panama have opened up peripheral regions to tourism by prioritizing them for internet infrastructure upgrades. Tanzania should consider what lessons can be learned from these countries.

**Recommendation 6: Support travel dreams with digital story telling**

Travelers are still dreaming and ready to travel when it is safe. The Tanzanian 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 Tanzania a preeminent destination.

Social media platforms are currently underutilized in Tanzania, especially when compared to mobile and internet use rates (Figure 15). The TTB should educate

**Social media platforms are currently underutilized in Tanzania, especially when compared to mobile and internet use rates**

local tourism businesses how to effectively use social media (including YouTube) 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 attractive 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 featured the various health and safety protocols undertaken in the parks and facilities to ensure that visitors remain safe (see the “Support Travel Dreams with Digital Story Telling” recommendation).

In Puerto Rico, Discover Puerto Rico created the “All in Good Time” marketing campaign as the pandemic spread. The campaign included videos and Instagram Live sessions intended to keep Puerto Rico appealing to future travelers. This marketing approach was similar to many destinations around the world. What set Puerto Rico apart, however, was that it also launched live guided tours via Google Earth, the first



destination to do so. The live tours, which lasted about 30 minutes and could be viewed by Facebook users, rendered a 3D representation of a location based primarily on satellite imagery. 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. The TTB must consider new behaviors in its marketing strategy, potentially targeting new markets and accounting for additional consumer demographics and preferences.

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

Destinations must continue to inform prospective travelers about the health and safety protocols in Tanzania, which helps to establish trust. The standard operating procedures (SOPs) for the management of COVID-19 in tourism business operations that were developed by the government and key tourism stakeholders are a good practice in Tanzania that should be built upon.

As the TTB builds its reputation as a source of quality information, the trust and confidence of potential visitors will generate travel demand once the conditions are appropriate.

Tanzania 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 Tanzania. Some destinations have developed classes on local cuisine, music, or dance, while others offered virtual yoga

**Building consumer trust and confidence is critical in the current environment**

classes 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>22</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 a 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>23 24</sup>



# 5 Travel Outlook

**This chapter examines the outlook for tourism in Tanzania 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.

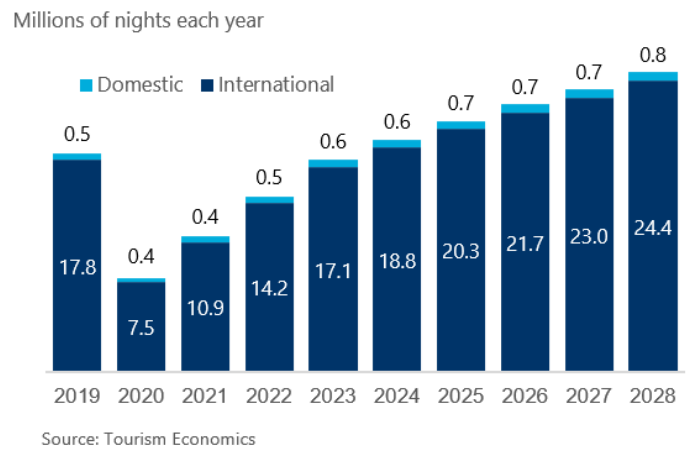
**Total nights spent in Tanzania by tourists are set to exceed 2019 levels by 2024, reaching a total of 25.1 million tourist nights by 2028.**

This recovery will be largely driven by international tourism despite the smaller domestic market making a faster recovery. International tourist nights are expected to grow from the depressed levels in 2020 but will not reach 2019 levels until 2024. Near-term shifts to domestic and short-haul travel mean that nights by domestic visitors will comprise a larger share of total than in 2019 and account for nearly 4% of total tourist nights in Tanzania in 2021. By 2028, the domestic share of total tourist nights will level out around 3%, slightly above its share in 2019.

**The recovery in travel and tourism’s total contribution to GDP will accelerate into 2021 but remain behind 2019 levels until 2025.**

Travel and tourism’s GDP contribution is expected to grow over 15% in 2021, reaching a total of US\$4.6 billion. However, this value added for 2021 will remain at only 70% of 2019 levels. Nevertheless, in simple volume terms, GDP contributions from travel and tourism will continue to increase, reaching US\$9.9 billion by 2028.

*Figure 17: Overnight Visits to Tanzania Over the Forecast Period*





**Total employment contributions as a result of travel and tourism to Tanzania will remain below 2019 levels until 2027.**

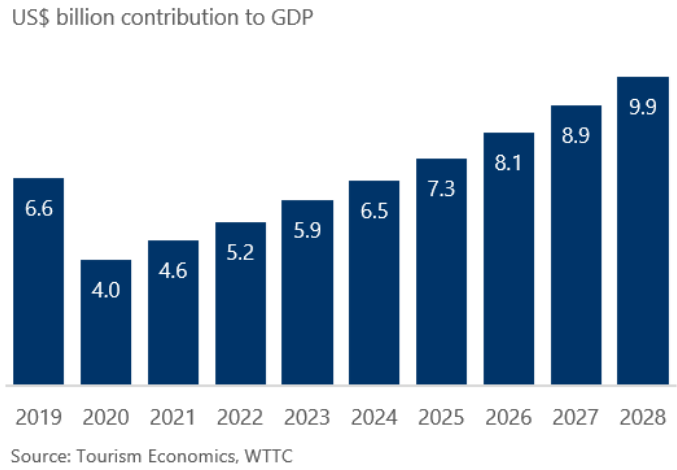
In 2028, total employment from travel and tourism will approach 1.8 million. Employment gains will lag growth in GDP over the years up to 2028 due to expected productivity improvements. This will remain consistent with the trend of improved productivity in the travel and tourism industry and the wider economy over recent years. The number of jobs created per US\$1 million of travel and tourism GDP will be 24% lower in 2028 than in 2019, but the sector will remain important for job creation. Travel and tourism will support more than one in 11 jobs in the Tanzanian 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), 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.

*Figure 18: Contribution of Travel & Tourism to Tanzania's Economy*



**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.

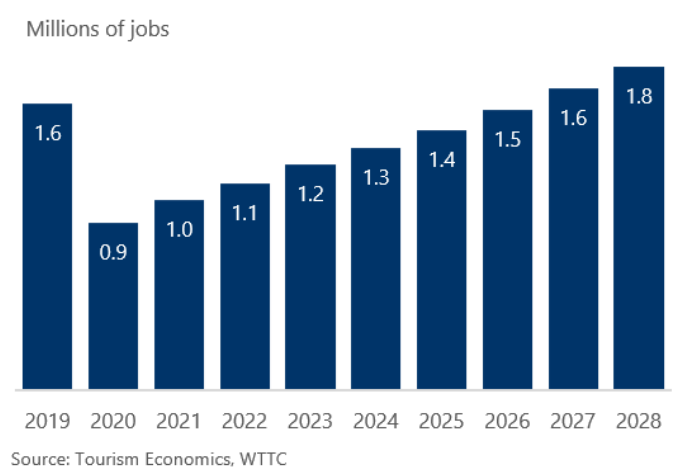
**DMOs, tourism-related businesses and other travel industry stakeholders and policymakers can all play a role in mitigating these problems and supporting new growth.**

Proactive steps that could be taken 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 action to mitigating traveler risk aversion. Moreover, the tourism industry may benefit from Tanzania's ambitious rail infrastructure development program that recently awarded new contracts to Chinese firms. It also plans a 2,560-kilometer railway connecting Dar es Salaam port to landlocked neighbors.

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

Investment in extended use of digital platforms and other actions recommended above will drive an increased use of platforms. Modelling of the contribution of digital content to travel growth in

*Figure 19: Contribution of Travel & Tourism to Tanzania's Employment*



sections 3.5 and 3.6 has been extended for the forecast period. A baseline outlook considers a constant use of digital platforms for travel planning over the next five years. 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 Tanzania organized online has increased in recent years, but we estimate that preferences in major source markets have also risen at a similar rate. Travelers from major source markets are now, on average, equally as likely to research or book travel online compared with those in Tanzania. There remains some opportunity to move ahead with preferences among travelers. For example, IPK data shows that the proportion of travelers to Tanzania 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 to digitally upskill local tourism sector employees will enhance the digital ecosystem and increase the competitive edge of Tanzania's tourism economy.

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

*Figure 20: Digital Travel Footprint in Tanzania*

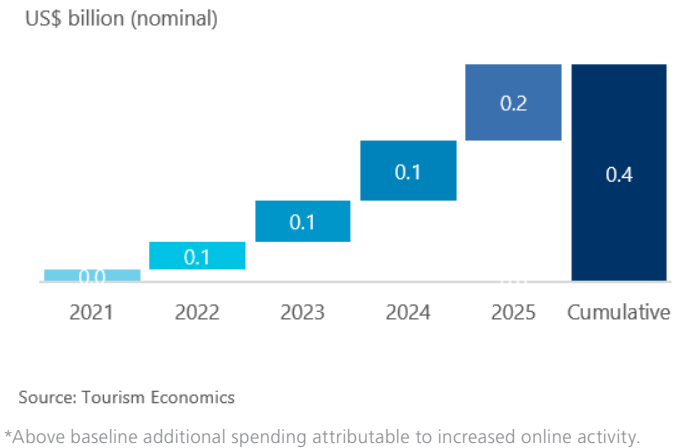


Under this scenario, the use of digital platforms would increase to match source market preferences and any higher use for benchmark competitor destinations. Based on the historic estimated relationship between digital use and travel activity a higher opportunity outlook has been quantified. Growth would exceed the baseline projections with a cumulative increase in tourism spending of US\$430 million over the next five years. This would create an additional 41,000 new jobs by 2025. However, as noted in chapter 3, these estimates may underestimate the full impact when considering the additional benefits from increased productivity across the Tanzanian economy.

The table below (Figure 23) summarizes the baseline outlook and the potential opportunity scenario for the travel and tourism industry in Tanzania. 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, Tanzania 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 Tanzania to remain competitive with source market regions in online travel research and encourage future market share gains. Destination organizations and tourism business in Tanzania 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

*Figure 21: Opportunity for Higher Tourism Spending in Tanzania, 2021 to 2025*





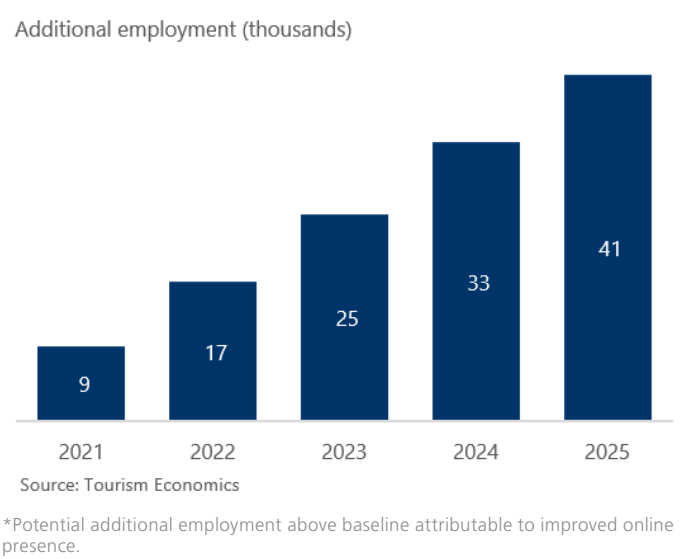
drivers of destination and source market demand into account.

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:

- Refining the current structure of the Tanzania Tourist Board (TTB) and securing TTB funding from multiple sources in the public and private sectors
- Building a consistent brand with key tourism stakeholders through digital collaboration
- Upgrading and expanding digital capabilities and skills among tourism SMEs
- Utilizing data analytics to support decision making in the TTB, the Ministry for Natural Resources & Tourism and tourism businesses
- Improving internet infrastructure and speeds across Tanzania
- Supporting travel dreaming with digital storytelling in key source markets
- Adapting Tanzania’s tourism offerings to new consumer preference and sensitives

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



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

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

		2021	2022	2023	2024	2025
Nights (millions)	Baseline	11.3	14.7	17.7	19.4	21.0
	Opportunity Outlook	11.5	15.0	18.2	20.1	21.8
	Potential Increase	0.2	0.3	0.5	0.7	0.8
Spend (US\$ billions)	Baseline	2.4	3.0	3.4	3.9	4.4
	Opportunity Outlook	2.5	3.0	3.5	4.0	4.5
	Potential Increase	0.0	0.1	0.1	0.1	0.2
GDP (US\$ billions)	Baseline	4.6	5.2	5.9	6.5	7.3
	Opportunity Outlook	4.7	5.3	6.0	6.7	7.5
	Potential Increase	0.0	0.1	0.1	0.2	0.2
Jobs (thousands)	Baseline	1,033	1,120	1,228	1,316	1,414
	Opportunity Outlook	1,042	1,136	1,252	1,349	1,455
	Potential Increase	9	17	25	33	41



# 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: Refine the DMO Structure and Secure 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 to manage resources generated by parafiscal taxes for tourism promotion, which must follow the tourism policy guidelines set forth by the Ministry of Commerce, Industry and Tourism.

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

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

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

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

## 6.2 Case Studies: Upgrade and Expand Digital Capabilities and Skills

**Nigeria** – Google launched the Digital Skills for Africa program in 2016 to help individuals and businesses in 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 2016 and 2017 out of a total target of 1 million for the entire continent. Given its success, Google extended the program in 2017 for an additional five years and set an updated target of training 10 million people. Nigerians maintained their strong participation as the program expanded into additional locations, including Aba and other

local communities in the Abia State in 2019.

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

1. 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

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

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

**South Africa** – South African Tourism—the national tourism organization tasked with promoting tourism to South Africa—leverages 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 allow users to easily visualize key performance indicators and filter them on demand to gain insights into the organization’s business performance.

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

- Arrivals
- Key tourist measures
- Domestic arrivals
- Provincial tourist arrivals

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

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

## 6.4 Case Study: Improve Telecom Infrastructure

**Nigeria** – The Nigerian government released the National Broadband Plan 2020-2025 in March 2020 to address telecom infrastructure issues and foster economic growth throughout Nigeria. The plan intends to increase data download speeds across Nigeria to a minimum of 25 Mbps in urban areas and 10 Mbps in rural areas. It also aims to make broadband access available to at least 90% of the population by 2025 at a price less than N390



per 1GB of data (2% of median income or 1% of minimum wage).

To help reduce broadband costs, the Nigerian government announced it will waive fees for laying fiber optic cables along federal highways through December 2022. However, state governments across the country can charge right-of-way fees, which can be counter intuitive to the national government’s effort to reduce costs.

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

## 6.5 Case Studies: Support Travel Dreams With Digital Story-Telling

**Kenya** – The Kenya Tourism Board built upon its Magical Kenya campaign with #MagicAwaits to help keep Kenya top of mind to future travelers during the pandemic. The campaign included 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 adopted in the parks and facilities to ensure that visitors remain safe.

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

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

## 6.6 Case Studies: Adapt to New Consumer Sensitivities

**South Africa** – The South African Tourism Strategy, Insights & Analytics team recently deployed an International Tourists Behavior Survey that examined how the COVID-19 pandemic changed consumer preferences and attitudes of visitors that traveled to South Africa in the past five years.

Survey results found that South Africa remained the top choice destination among potential travelers, followed by New Zealand, Canada, Costa Rica, and Namibia. Other trends derived from the survey included:

- A shift away from crowded, urban sites towards wide open spaces
- Safari emerging as the most popular reason for leisure visitation to the country
- Millennial travelers projected to be the first back to the market

These findings can help South African Tourism develop future marketing campaigns and help private sector businesses to strategize moving forward.

**World Travel & Tourism Council** – In May 2020, the World Travel and Tourism Council (WTTC) developed the Safe Travels stamp program to restore traveler confidence hindered by the COVID-19 pandemic. The stamp recognizes destinations that have adopted health and hygiene global standard protocols. At the end of 2020, more than 200 destinations around the world adopted the stamp.





# Endnotes

1

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

2

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

3

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

4

Tourism Economics – Global Travel Service (GTS).

5

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

6

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

7

Oxford Business Group, Tanzania to diversify tourism offerings and address growth challenges, 2018.

8

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

9

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

10

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.

11

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.

12

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

13

McKinsey & Company, Survey: Tanzanian consumer sentiment during the coronavirus crises, June 22, 2020.

14

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

15

Travel Insights with Google.

16

World Bank Group, The Enhanced Integrated Framework, and the Government of Tanzania, Tanzania DTIS Update 2017.

17

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

18

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19

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

20

The Citizen, Tanzania has lowest internet data cost in EAC, January 12, 2020.

21

Africa’s first broadband submarine cable system along the continent’s Eastern and Southern coasts, completed in 2009. Dar Es Salaam is one of the cable landing points.

22

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