

CACCI

Tourism Newsletter

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Message from the ACT Chairperson

It is our great pleasure to publish the Seventh Edition of the Tourism Newsletter by the Asian Council on Tourism (ACT).

In this issue, we feature selected articles reprinted from the No. 2, 2011 issue of the International Trade Forum, a publication of the International Trade Centre, which focuses on the theme “Tourism and Least Developed Countries.”

I hope that you will find the contents of this issue interesting and informative, and that future issues will continue to serve as an effective platform for an exchange of ideas and information not only among ACT members but also among the industry players in the Asia-Pacific region as a whole.

The importance of the tourism sector and its contribution to economic growth, employment and local development has been re-affirmed several times. Moreover, the continuing globalization of markets has brought about a new competitive environment that requires sustained competitiveness and cooperation among those engaged in the tourism industry. We therefore encourage you to use the Asian Council on Tourism as an additional vehicle for networking and collaboration with other CACCI members

Thank you, and we look forward to receiving your contributed articles for the next issues of our Newsletter.

Anura Lokuhetty
Chairperson, ACT

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Tourism as an economic tool:

Shaping strategic positioning to attract tourists to least developed countries

Ronald Hepburn

Founder and Managing Director, Etoile Partners

July 01, 2011

Strategic positioning is the first thing developing countries should do when considering tourism as an economic tool. It requires the development of a carefully constructed, unique proposition that frames the attractions offered to tourists from targeted sources, communicating them in a convincing and consistent manner. High-income travellers offer particular advantages to least developed countries (LDCs) and a nuanced approach is required to attract them and to meet their needs.

In LDCs, tourism is often held aloft as a quick fix for economic ills. Bring in tourists with their dollars, euros and yuan and you open a channel, for you and your country, to hard currency that could make a real difference to the lives of millions of people. The idea is valid. The Maldives has shown what can be done to move a population out of subsistence. The trick is to commence investment in tourism from the right place; in short, to spend some time developing the unique proposition that will bring the right people to your country, the sort of people who will spend money in the local area and will not leave damaging footprints on the landscape.

At the United Nations Fourth Least Developed Countries Conference (LDC-IV) in Istanbul last May, I had the pleasure of speaking on tourism strategies with an audience of delegates at the World Export Development Forum. The delegates came from the world's LDCs and I was tasked with describing how they can make the most of their tourism opportunities to boost their countries' economies out of poverty.

My work at Etoile is about helping people, businesses and governments position themselves on the world stage in the most advantageous way possible, given the resources they have to hand. When my colleagues and I look at a challenge, we spend considerable time considering the geopolitical context within which the client is operating. This means looking very carefully at five things:

1. Where they have come from – the context, the journey or the story of the journey that brings them to the place they are in today
2. Where they are now
3. Where they want to be
4. How they would measure success if they got there – vital if you want to know your budgets are being properly spent
5. How we might help them get there – the strategy and campaign plan.

The goal is to find an unassailable strategic positioning, the sort of positioning that allows a country to carve out a successful tourism niche and bring the right sort of people to the market in the right numbers. If a country understands what its strategic positioning is, then it can start to communicate it to the world.

Some countries make the mistake of setting out to right all the inequalities of their history in setting tourism policy, when they should in fact concentrate on matching their best tourism assets with the best tourists. Economic success will surely follow.

Here are seven rules of thumb for the aspiring tourism minister:

1. Get your strategic positioning right. Do not try and be all things to all

people. People understand what they get in Patagonia, Borneo, the Maldives and South Africa. Each of these countries has had to navigate difficult histories, but they have focused clearly on their strategic positioning to attract the right tourists.

2. Choose your market carefully.

Who are you aiming to attract to your country? If you are at the beginning of your tourism journey it may be appealing to aim for quantity, but this carries risks. The mass market has an appeal, but it requires huge infrastructure investment early on and often brings with it difficult development choices.

3. Aim high. If your destination has high-quality attractions – historic, natural – then think very carefully about how to position your tourism market to appeal to the high-quality, top dollar tourist. The high-income traveller requires much less infrastructure and will leave less of a footprint on your landscape. He or she will bring the most benefits for the least investment and at the same time will create centres of excellence that you can use for training and dissemination across your industry.

4. Be unique. The high-quality traveller will be more likely to seek out a new and unique destination. You cannot just offer the same experience as your neighbours. You have to



find key points of difference. What combination of characteristics makes your destination different?

5. Think carefully about your brand. Remember you do not have control of your brand; you merely have the opportunity to give it a context. This is a fundamental truth that many ignore. Your brand is not your logo, it is your reputation. Remember that your reputation is in the hands of others, but you can influence it.

6. Communicate your strategic positioning, loud and clear. Communicate mostly to the people you want to attract and influence. Use the right tools to attract your audience and remember that your audience, especially if it is of high quality, will have many sources of information about you. Some will be helpful to your cause, others will not. You have to spend time using the sort of communications media that your target is reading, to make sure the balance of opinion, on the Internet, in magazines, is in your favour and is repeating the sort of messages that support your positioning.

7. Security, security, security. The modern traveller can cope with certain levels of insecurity, but as you will have seen in Egypt recently, changes in perceived security levels have dramatic and rapid changes in travellers' behaviour. They need to feel safe.

Clearly, the tourism body that is already doing all these things is a class above the rest; but it has plenty of other things to do as well: making sure that there are direct flights from target markets for instance; encouraging high-value travel organizations to open the market through partnerships and incentives; segmenting the market to seasons; to mention just a few avenues. But if you first truly understand your proposition – your strategic position in the global tourism market – then there is a good chance that the travellers you are hoping to attract will be able to appreciate it too ... and they will want to come. ❁

FICCI-Yes Bank Aims to Make India a Year-Round Tourism Destination



A joint study conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) and YES Bank has outlined a 10-point road map to make India a 365-day tourism destination.

The study calls for:

1. Strategically marketing alternative tourism products in various states of the country to boost local tourism;
2. Availability of travel websites in foreign and native languages and online booking facilities to enable greater tourism flows;
3. Creating good quality accommodation not only in the five star categories but across all categories and across all states;
4. Developing tourism circuits on a hub and spoke model;
5. Enhancing quality of physical infrastructure (air connectivity) to attract greater international tourists;
6. Augmenting the existing road and railways infrastructures, specifically for products such as eco and rural tourism, adventure tourism and heritage tourism where usually the final destination is away from the initial port of entry;
7. Increasing government spending on tourism infrastructure in order to reduce the average trip travel spend by a tourist in India;
8. Tourism infrastructure development through public-private partnership, especially in the regions which are lagging behind in terms of tourism development in the country to narrow the great regional disparity in the development level;
9. Enhancing the productivity of the workforce employed in the tourism sector through partnership between industry, academia and government; and
10. Proper collection and analysis of statistical data by state governments to enable the latter to review their tourism policy and future steps that need to be taken to promote the tourism industry.

Community-based & pro-poor tourism: Two contemporary approaches to poverty reduction in developing and least developed countries

Saskia Marx, Associate Business Development & Programme Support Adviser, ITC

The travel and tourism industry is the world's largest and fastest growing industry, with an average growth rate of 7% in the past decade. If forecasts prove correct, tourism's contribution to the global economy will rise to US\$ 2 trillion by 2020 with 1.6 billion international tourists worldwide according to the United Nations World Tourism Organization (UNWTO).

Tourism drives development and acts as a driving force for social and economic expansion, especially in developing and least developed countries where it has shown encouraging results. Yet inappropriate tourism practices have damaged the environment, local cultures, landscapes and natural resources.

In response to the widely reported negative effects of mass tourism in the 1980s, sustainable tourism became the new mantra for development focusing on 'tourism which leads to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems,' as defined in 1988 by UNWTO. This notion became universal in 1996, when UNWTO, the World Travel & Tourism Council and the Earth Council outlined an Agenda 21 for the tourism and travel industry. Agenda 21 is a comprehensive plan of action to be used globally, nationally and locally by organizations of the United Nations system, governments and major groups in every area in which humans impact on the environment.

Poverty reduction and environmental concerns were at the heart of the tourism development debate, placing strong emphasis on the involvement of local communities in tourism planning and development processes. Based on the notions of local participation, empowerment and conservation, several alternative forms of tourism emerged, such as community-based tourism (CBT), ecotourism and rural tourism.

Throughout the years, a number of CBT projects have been implemented in developing countries, but their success has not been widely monitored. Questions remain regarding the actual involvement and participation of the vulnerable and generally poor communities in these initiatives. In many cases CBT projects have failed to deliver financial viability due to lack of trade-off between costs and revenues, commercially unsustainable products, and weak market linkages, hence weak market demand.

In the 1990s attention was given to identifying more impact driven and practical means of using tourism as a vehicle for poverty alleviation by creating net benefits for the poor. The notion of pro-poor tourism emerged with a more market-led approach enabling more poor people to participate more effectively in the product development process. In straightforward terms, pro-poor tourism is not a niche sector or a specific product; it is a set of strategies whose aim is to have the benefits of tourism trickle down to vulnerable and poor communities, thereby enhancing links between tourism businesses and poor people to contribute to poverty reduction (see www.propoortourism.org.uk).

COMMUNITY-BASED TOURISM VS. PRO-POOR TOURISM

Community-based tourism	Pro-poor tourism
Based on narrow definition of tourism	Tourism conceived as a system
Partial	Holistic
Linkages: forward & backward, linear	Vertical and horizontal integration, framework
Geographically based and focusing on a community target group	Focus on the community as a whole; oppressed sectors of population, indigenous minorities
Assessment of tourism potential on the community	Assessment of existing networks and dynamics in the tourism sector – direct and indirect links
Lack of attention to opportunity cost and market demand	Aims to scale up impact on poverty and facilitate access to international markets by the poor
Linear empowerment	Empowerment as a multidimensional concept with linkages beyond the tourism sector

Pro-poor tourism sees the sector holistically, as a system. It stimulates economic vertical linkages within a sub-sector (accommodation, food, excursions, handicrafts, etc.) but also with horizontal linkages with other sectors (formal and informal) to impact a larger group of people. As a result the level of empowerment is richer in this inclusive approach because not only is there greater density of links but there is also a greater range of actors involved.

Along the lines of this evolving thinking and taking into consideration tourism's growth rate, a number of organizations (including multilateral, bilateral, non-governmental and research) are re-evaluating their approach to tourism development. According to a 2008 report for ITC by J. Mitchell and C. Ashley on 'Communities Benefiting from Tourism' (in Strategic review of the Export-led Poverty Reduction Programme), tourism initiatives tend to focus more and more on reducing tourism leakages, thereby boosting market access for the poor, often in relation to mainstream tourism. These leakages, on average, see some 55% of tourism expenditure remaining outside the destination country.

Yet, depending on the location and the tourism infrastructure, the community-based model should still be considered as an approach that can deliver livelihood benefits. Although there are marked differences between the two concepts, they are not mutually exclusive in their implementation.

For more information please see: Scaglione, M., S. Marx, & C. Johnson. (2011). 'Tourism and Poverty Alleviation Approaches: A case study comparison.' in Keller, P. & T. Bieger (Eds.), 'Tourism Development after the Crises. Global Imbalances – Poverty Alleviation' (Vol. 5, pp. 207-226). Berlin: Erich Schmidt Verlag GmbH&Co.



Sustainable futures: Indigenous tourism

*Interviewed by Kris McIntyre & Lucille Gosford
Trade Forum Editorial*

With growing global interest in cultural and ecotourism, indigenous communities in developing countries are presented with opportunities to position their unique product within a global industry. Through strategic partnerships, capacity building and sustainable practices, indigenous communities can produce a tourism experience that supports both their culture and long-term business potential.

Q&A with John Morse, Indigenous Tourism Advisor, Former Managing Director of The Australian Tourist Commission. Mr. Morse now works almost exclusively with aboriginal people and communities in Australia, helping them to start ecotourism businesses.

TF: How do you build a viable indigenous tourism product without sacrificing the environment and culture in which these communities live?

JM: Indigenous people have to understand, and this is sometimes culturally difficult, that there is commercial value to their culture. My mantra in relation to indigenous tourism has always been that the best approach is ‘high yield, low impact.’ In other words, it is important for indigenous communities to attract as few people as possible and paying as much money as feasible for the huge privilege of sharing and learning about the culture and people of these communities.

TF: With growing international interest in cultural tourism, how can indigenous communities in developing countries embrace the opportunities presented by the trend?

JM: Indigenous communities need to build on the one thing that is common: they have something that the rest of the world wants to discover. Tourism in the 21st century is about people connecting with themselves, connecting with the planet, connecting with culture and having real experiences not just photographic experiences. There is growing global demand for that type of experience and people really want to learn, discover and connect with rich cultural experiences when they travel. They also have an advantage as the world becomes more globalized and homogenized, in that indigenous cultures are able to maintain a unique tourism product. This increases the potential for indigenous people around the world to create revenue and incomes for their communities and recognize the value in preserving their culture. It also provides direct pull-through value for the sale of cultural products and services and indigenous food stuffs for related businesses.

TF: What is the role of partnerships in your approach to indigenous tourism strategy?

JM: Indigenous communities have the ‘product’ but often they don’t have the business administration and marketing skills, capital and, most importantly, connections to the mainstream travel industry. By working with partners, the communities can focus on developing and providing the product (experience) while partners can help to build the

business potential – this provides a recipe for shared value.

TF: Who are the key players in the partnership model?

JM: The key players are all part of the distribution channel. They include the people who offer the product and the financial institutions that back them, through to the inbound tour operators, wholesalers and retailers who sell the product to consumers. However, there is another channel, the Internet. As we move forward it is going to play a much more powerful role in tourism development, particularly through the opportunities it offers SMEs to connect directly with consumers. In the future, you will find that people have the ability to seek out indigenous experiences and that is the future of how indigenous communities can engage with the market. This will achieve even greater impact as tourists become more independently minded and Internet-savvy in terms of how they search for and book unique travel experiences. It also presents an immediate capacity building challenge for product owners.

TF: What is the role of government in facilitating tourism within indigenous communities?

JM: There is no question that for indigenous tourism to be successful, there has to be support from the government. Governments need to start thinking longer term with greater consistency for these communities. Government needs to support a staged approach to developing indigenous tourism and it needs to be slow and focused on the long-term. This provides the best chance of getting it right and reduces the risk that the culture will be compromised.

TF: What are the potential pitfalls to watch out for?

JM: It is important to watch out for people or organizations that want to use indigenous culture for their own commercial advantage without returning value to the communities. There is also a danger in developing too quickly. It is important that tourism be developed in a way in which the culture is king, and the culture needs to be protected. This is about the future of indigenous cultures, and it is about the next generation and the continuation of their tradition.

6 Keys To success

1. Aim for high yield, low impact
2. Create rich cultural experiences
3. Build linkages to local suppliers
4. Foster the right partners to help grow the business
5. Build capacity in business to consumer (B2C) technology
6. Maintain the cultural integrity – keep it real.

Blueprint for new tourism: A partnership model

Olivia Ruggles-Brise

Director, Policy & Research, World Travel & Tourism Council

In its blueprint for new tourism, the World Travel & Tourism Council promotes the importance of partnerships for sustainable tourism development.

With global travel and tourism forecast to grow at a rate of 4% per year over the next 10 years it is not surprising that governments in many least developed countries (LDCs) have identified tourism as a strategic priority for growing their economies. The question is, however, how to ensure that the benefits of travel and tourism filter down through all levels of the economy so that people can build sustainable livelihoods?

At a macro level, it is important that governments recognize that a successful tourism industry relies on private enterprise, and reflect this in their policy-making. At ground level, however, a thriving tourism industry that has real benefits to local communities depends on successful businesses – many of which are small- and medium-sized enterprises – providing employment and stimulating the local supply chain.

But it should not be a question of ‘them and us’. The best examples of successful tourism development are where government, local authorities, non-governmental organizations (NGOs) and local businesses work actively in partnership together.

In its 2003 Blueprint for New Tourism, the World Travel & Tourism Council (WTTC) set out a vision for travel and tourism that looks beyond short-term considerations, focusing on benefits not only for those who travel, but for people in the communities they visit, and for their respective natural, social and cultural environments. It recognizes that the long-term success of tourism is directly linked to the positive involvement of local communities in destinations. The Blueprint promotes travel and tourism as a partnership, fusing the efforts of both the public and private sectors, delivering results that match the needs of economies, local and regional authorities and local communities with those of business, based on:

1. Governments recognizing travel and tourism as a top priority;
2. Business balancing economics with people, culture and environment; and
3. A shared pursuit of long-term growth and prosperity.

In this context the opportunities for small businesses in developing countries are significant. They tend to be driven by local entrepreneurs and respond to localized demand. They are close to the communities and environments that benefit from tourism. And importantly, they can respond directly to growing consumer demand for authenticity. But they too need to realize the importance of working in collaboration with each other and with local government and third-sector agencies. Strong networks of businesses – accommodation providers, food and drink providers, handicraft sellers, visitor attractions, land managers – all working to a common goal – will offer a better quality experience, and ultimately a more sustainable product.

For more information visit: www.wttc.org/eng/About_WTTC/Blueprint_for_New_Tourism/.

Case study: Budongo Ecotourism Development Project in Uganda

In northwestern Uganda, the Budongo Ecotourism Development Project has demonstrated the kind of successful public-private partnership that could well be replicated in other LDCs. Recently shortlisted for WTTC's Tourism for Tomorrow Awards (www.tourismfortomorrow.com), this ecolodge in the heart of the forest reserve is successfully managing to integrate conservation, community development and tourism with tangible benefits to the area in which it sits.

The tourism operation provides an excellent experience that attracts visitors year after year and is financially viable, which in turn ensures that the conservation principles upon which it is founded are being achieved. At the same time, members of the local community generate the income necessary to survive, either by working directly for the lodge as guides, chefs or housekeepers, as farmers providing food and other supplies, or as part of a co-operatives providing services such as laundry.

At the heart of this success is the partnership between an NGO (the Jane Goodall Institute, which oversees the conservation efforts), a private company (Great Lakes Safari, which manages the lodge), and the government (through the National Park Authority), which leverages the expertise and responsibilities of each organization.



In Uganda, the Jane Goodall Institute is overseeing the conservation efforts of the Budongo Ecotourism Development Project. © WTTC

Pro-poor tourism:

Expanding opportunities - Reducing poverty in developing countries through tourism

*Fabrice Leclercq, Senior Trade Promotion Advisor
and Anne E. Buchner, Poverty Reduction Programme, ITC*

The World Travel & Tourism Council predicts that the travel and tourism industry will be one of the world's fastest growing sectors between 2011 and 2021, creating about 66 million jobs and accounting for 9.6% of GDP (up from 9.1%).

According to the World Tourism Organization (UNWTO), international tourist arrivals in developing countries are increasing and tourism is gaining importance as a driver of development, exports and jobs. Tourists increasingly look for cultural and natural attractions in rural areas, thereby increasing the scope for poverty reduction in developing countries due to their comparative advantage. The fact that two-thirds of the people suffering from extreme poverty live in rural areas reinforces the pro-poor potential according to the Rural Poverty Report 2011 by the International Fund for Agricultural Development. Tourism is labour intensive and presents employment opportunities for even low-skilled people. Considering the need for training and capacity building through domestic suppliers, and in cooperation with international and regional providers, tourism offers superior poverty reduction opportunities. In addition, UNWTO argues that more women and young people, who are proportionally more disadvantaged, find jobs within tourism. The figure below shows the tourism value chain along which employment can be generated, directly and indirectly.

At the same time, tourism does not represent a trouble-free means of economic development. The tourism sector is competitive and vulnerable to natural disasters and political instability; and poor communities do not automatically benefit from tourism

as there are high 'economic leakage' rates as key industry players often prefer imported supplies and services.

To turn leakages into linkages, it is essential to consider different levels of intervention, namely producers, key buyers, support institutions and national policymakers. Equally, it is crucial that developing countries establish a 'coherent policy framework, [develop] effective and efficient institutions and [stimulate] a proactive private sector in order to exploit their comparative advantage in tourism. In addition, a national tourism development strategy must inevitably address issues that extend beyond the sector and establish cross-sector linkages,' says a 2011 United Nations Development Programme discussion paper on 'Tourism and Poverty Reduction Strategies in the Integrated Framework for Least Developed Countries.' A lack of suitable infrastructure and weak institutions need to be addressed, along with security and political stability, to increase a country's attractiveness to investors and tourists.

Unfortunately tourism has not been given sufficient priority in international development cooperation. Due to its huge pro-poor potential it should be accorded more attention by national and international

policymakers. The International Trade Centre (ITC) began implementing inclusive tourism projects in 2003 with the aim of integrating local producers, for example of agricultural or handicraft products, into promising tourism value chains, strengthening entrepreneurial capacities and generating employment.

For example, ITC launched an inclusive tourism project on Brazil's Coconut Coast in 2003. This project embraces capacity building activities in organic agriculture, arts and crafts, the hotel business, computer science, English, environmental education, design, and apiculture, in collaboration with specialized partners. Furthermore, an organic waste processing plant was installed, providing balanced fertilizer at subsidized rates to 300 farmers.

Today, 70% of the 3,000 beneficiaries of the project have found employment (mostly in nine 5 star partner hotels) and the monthly income of 390 local women artisans has risen from US\$ 40 to US\$ 250. The proportion of the population earning less than one minimum salary has decreased from 40% to 28%.

The success of this and similar projects confirms the fact that tourism represents an important opportunity for developing countries in their fight against poverty.



Collaboration Tourism: Tourism development in least developed countries - economic significance and policy priorities

Tobias Schiedermaier, Associate Expert, Office of the Executive Director, ITC
July 01, 2011

Least developed countries (LDCs) continue to play only a minor role in global tourism, receiving a mere 1% of the world's travel exports. LDCs' tourism earnings have risen from US\$ 3 billion in 2000 to over US\$ 10 billion in 2010, increasing an impressive 14% per year on average. Tourism in LDCs has also been less severely affected by the 2008-2009 global crisis than non-service exports, with numbers bouncing back to above pre-crisis figures in 2010.

Despite varying economic reliance on tourism earnings and diverse levels of tourism industry sophistication, common lessons can be learnt from how LDC governments address tourism-related challenges. 'Tourism and Poverty Reduction Strategies in the Integrated Framework for LDCs', a discussion paper by the United Nations Development Programme (UNDP) for the Steering Committee on Tourism Development (SCTD) provides insights into the nature of these challenges and the proposed policy actions. The paper analyses 35 Diagnostic Trade Integration Studies (DTIS) prepared under the Enhanced Integrated Framework initiative and validated by LDC governments.

According to the paper, some 90% of LDCs consider tourism development a priority to achieve growth and poverty reduction. LDCs rank transport, tourism-related infrastructure, the investment climate and small and medium enterprise development as the most important tourism-related support areas. Other key areas, such as safety and medical issues, hospitality standards, and the preservation of cultural heritage, receive the least attention. This situation notwithstanding, today most LDCs adopt a holistic view when planning tourism development.

In addition, most priority actions on tourism development in LDCs seem to lean towards improving the policy framework for tourism and less towards strengthening institutional structures. This policy bias reflects the importance that LDC policymakers and tourism stakeholders attach to areas such as tourism policy mainstreaming, facilitating air access, or developing inclusive tourism strategies. Strengthening the private sector through more direct support at the enterprise level was equally perceived as being of high importance for LDCs.

Even though key challenges to developing the tourism sector have been identified with the help of the DTIS, many development partners have in the past paid little attention to tourism as a potential driver of economic growth and poverty reduction in LDCs. As a result, LDCs were left with difficult policy choices. The SCTD was created to tackle these impediments and to improve access to strong institutional partners and technical expertise in the field of tourism. This multi-agency partnership assists LDCs holistically, covering the various aspects of tourism development as well as building local capacity at the policy, institutional and enterprise level. With good economic prospects for tourism in many LDCs and new support partnerships in place, LDCs and their population will soon be in a better position to capitalize on the opportunities offered by international tourism. ❁

The work of the UN Steering Committee on Tourism Development (SCTD)

The SCTD was launched at the fourth United Nations Least Developed Country Conference (LDC-IV) in Istanbul in May 2011. The SCTD partner agencies (UNWTO, ILO, ITC, UNCTAD, UNDP, UNEP, UNESCO, UNIDO, and the WTO) will provide policymakers in LDCs and developing countries with an overview and description of the specific tourism support services that the agencies aim to deliver in a coordinated, complementary and country-driven fashion. SCTD's portfolio of services is organized around four pillars (good governance and sustainability, investment, poverty reduction and business linkages and human resources development) and will be published in mid-2011. As a first follow-up activity to LDC-IV, SCTD will host a three-day consultation workshop on tourism project development with LDCs in September 2011.

GROSS TOURISM EARNINGS
In percentage of total exports of goods and services 2008

Tourism remained or became the largest export sector (Since 2000)		Tourism remained or became the 2nd or 3rd largest export sector (Since 2000)		Small tourism sector, but demonstrating progress (Since 2000)	
Maldives	76.6	Sao Tome & Principe	34.7	Sierra Leone	10.4
Samoa	69.8	Haiti	33.5	Kiribati	6.3
Vanuatu	52.1	Liberia	25.5	Laos	5.4
Eritrea	51.4	Cambodia	19.2	Niger	5.2
Comoros	42.6	Benin	15.3	Togo	3.8
Tuvalu	34.8	Madagascar	12.1	Malawi	3.6
Gambia	32.8	Mali	11.5	Lesotho	3.5
Rwanda	30.4	Ethiopia	10.7	Zambia	2.8
United Republic of Tanzania	26.0	Yemen	8.7	Djibouti	2.1
Uganda	20.0	Mozambique	5.9	Myanmar	<1.0
Nepal	19.6	Sudan	2.7	Bangladesh	<1.0
Senegal	18.7			Bhutan	<1.0
				Burkina Faso	<1.0
				Mauritania	<1.0

Adapted from: UNCTAD, International Monetary Fund and national sources, 2008.

A natural partnership: Tourism & online marketing

Martin Labbé, Online Marketing and Digital Networks Adviser, ITC

For enterprises operating in the tourism and hospitality industries, gaining an understanding of the expectations and practices of consumers wanting to use the Internet as a medium to seek information and arrange online travel bookings is absolutely vital.

Tuning in to the online traffic about customer satisfaction with services is a key to addressing quality issues and responding swiftly and deftly to consumer perceptions and needs. 'When we upgraded our website, we only thought about having a nicer online brochure than the one we had before,' recalls Karim Bouayad, manager of the Hotel Amine in Marrakech. Mr. Bouayad was a participant in an ITC e-booking training programme and a beneficiary of an ITC web marketing analysis programme that took place in Morocco in the framework of the Enhancing Arab Capacity for Trade (EnACT) programme. 'But after a few weeks, we saw a sharp increase in inquiries flocking in and, even better, direct bookings through our online booking engine'. An effective mix of design, professional pictures, well thought through navigation and content, and a powerful yet affordable booking engine were key to their success.

EnACT is an ITC technical assistance facility funded in large part by the Canadian International Development Agency. EnACT capitalizes on the long-term partnership and trade development expertise of ITC to develop the full export potential of Algeria, Egypt, Jordan, Morocco and Tunisia.

The case of Hotel Amine is not isolated. In 2008, hotel groups like Marriott saw a staggering 70% of overall bookings taking place directly through their online portals. But it is only recently that small- and medium-sized hotels have been able to fully benefit from the web to increase visibility and sales while reducing marketing costs. Many of them, however, still do not leverage this potential effectively, especially in developing countries.

This comes as a surprise as it is probably in the travel and hospitality industry that the Internet has brought the most dramatic changes. The Global Trends in Online Shopping report released by Nielsen, a global information and measurement company, in June 2010 shows that one out of four Internet users worldwide intended to book tours and hotels online. Most of them already had in the recent past. Although there are still geographic differences, the trend is bullish across the board. Some countries are leading the way: GfK, another large market research company, observed similar trends in the German market and anticipates that by 2015 more than 40% of hotel reservations will be made online by consumers. In addition, 30% of bookings will be made in a traditional agency after an online search. Hence, GfK reckoned the Internet would play a primary role for

more than 70% of all bookings.

Indeed, according to a study by PricewaterhouseCoopers, for 65% of European Internet users the web is a primary source of information to prepare their travel. Young Russians planning a ski trip to the resorts of Central Asia's Tian Shan range will go online first, as does the Malaysian business man preparing a trip to Bangladesh to meet his partners. Whether for leisure or for professional purposes, travellers seek information online first; hence the necessity to be present on the web, with a website or through a partnership with brokers such as www.booking.com.

In this context, social media, which encompass sites like Facebook and Twitter, but also more specialized ones like TripAdvisor, are becoming a major source of information to validate choices made by customers. Social media accounts for 78% of traffic to travel websites according to the recent L2 Digital IQ Index for Travel report. Social media sites can be accessed from anywhere in the world and web users report their experience with a particular hotel – from their laptop and increasingly through their smartphone.

'Hotel owners who are not actively participating in the conversation about their place can lose out on a fair amount of extra business,' says Daniel Ebnetter, a Swiss Social Media expert. 'Even worse, they are taking the risk of ignoring a serious threat to their business if unsatisfied customers or ruthless competitors start a smear campaign against them.'

For small- and medium-sized hotels in least developed economies, engaging in social media might seem premature if they use their local market as a reference point. It is not. Especially with export-oriented hotels, which rely on foreign clients, it is much more important to understand consumer habits abroad. 'Innovation is continuous,' notes Mr. Ebnetter. 'Think augmented reality: tomorrow, your customers will point their mobile at your hotel and get real-time information about it, like peer reviews, ratings and immediately available special deals.'

So what should a manager of a small- and medium-sized hotel with few resources do to jump on the bandwagon? Claim ownership of your profile on popular sites like TripAdvisor and actively manage it, even if you do not yet have a website. Hotel Royal in Algiers, for instance, has a great view of the sea, but for travellers to the Algerian capital who look for options online, it does not exist as it has no web presence. With a profile on TripAdvisor, and by encouraging visitors to review the site during or after their visit, the hotel will gain a digital existence. It is essential to create this basic visibility.

Creating a simple website with Tumblr or Posterous is the next obvious step. These sites offer free, simple-

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Tourism & travel in the green economy

Professor Geoffrey Lipman, Director, Green Earth Travel

The rapidly evolving green growth paradigm shift that all nations are embracing at a policy level, with the buy-in of industry and civil society, provides an unparalleled opportunity to leverage the massive socio-economic power of travelism (travel and tourism) to benefit humanity and the planet.

We are at a tipping point where the past four decades of climate and poverty concern – the Stockholm Environment Conference, the Rio Earth Summit, the Kyoto Climate Summit, the Millennium Development Goals and the like – must give way to shared solutions. What is needed now is vision, innovative thinking and courage by policymakers – public, private and civil society – to recognize the potential and create new, inclusive frameworks to make it happen.

Green growth is not a simple concept. For the world's least developed countries (LDCs), and Africa specifically, the global green growth agenda could bring huge potential dividends – with inclusion as

a key element, renewable energy as a point of focus, technology and capacity support as givens and transformation financing pivotal. Brazil, the Russian Federation, India, China and South Africa (the BRICS) will lead the reshaping of the international order – particularly China with its huge tourism flows and LDC-aligned strategic geo-policy (see Figure 1).

There is a key role for travelism – the combined impact of the whole travel and tourism supply and demand chains and not just the sub-sector silos (transport, accommodation, hospitality/events and travel services). However, much of the potential lies hidden. If its role can be recognized and incorporated into mainstream green growth politico-economic decision-making, it can have

Figure 1
Green growth



significant positive socio-economic benefits. This is particularly the case for the world's poorest countries generally and Africa specifically, where it is a universal services exporter, a producer of wealth, jobs and investment, a catalyst for other economic activity (agriculture, infrastructure, manufacturing and communications) and a force for development that increases understanding between people. Leveraging this value will need radical new thinking and, more importantly, action.

- Travelism must be mainstreamed by all in green growth strategies in the next five years.

- It must be recognized and supported as a responsible sector that will meet and exceed evolving government carbon targets, including for the pivotal air transport sector.

- LDCs require more air services. In some densely populated markets

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A natural partnership

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to-use tools to create content. You can also create a Facebook company page. The largest social network in the world already counts more than 700 million followers and is fast outpacing Google in terms of web traffic and time spent. Twitter, the micro-blogging platform, also offers no-cost opportunities to establish links with new clients. Success is not immediate, but it is worth giving it a try, which is what the Hotel Alma Ata in Almaty, Kazakhstan, is doing: www.twitter.com/#!/hotel_almaty. They are following the inspiring example of hotels like the Casa400 in Amsterdam, www.twitter.com/#!/hotelcasa400, which has managed to create a community of followers. No large investment is required, just a little time and a good deal of creativity. ITC's Enterprise Competitiveness section offers a two day course on the subject with more examples and hands-on web marketing skills development.

The Internet is becoming the most important distribution channel for the hospitality industry. No small- and medium-sized hotel manager can afford to ignore this development. A professional website, advanced reservation features and the best use of all channels to the customer (global distribution systems, online agencies, comparison sites, social networks) will be needed in the future. ❁

Tourism & travel

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like Europe, North America and China, substitution of transport modes based on carbon footprints may be feasible. However, LDCs lack alternative options and depend on aviation for sustainable future growth and emergence from poverty.

- Tapping the growing BRICS markets will be important. Chinese outbound business is forecast to be the largest international market in the world. One great upside of Chinese investment in Africa is that travelism will be an integral part of growth and development requiring more air services, support infrastructure, products and quality delivery. Chinese travellers are discerning and will be looking for the same standards in airports and ground services they find in Asia.

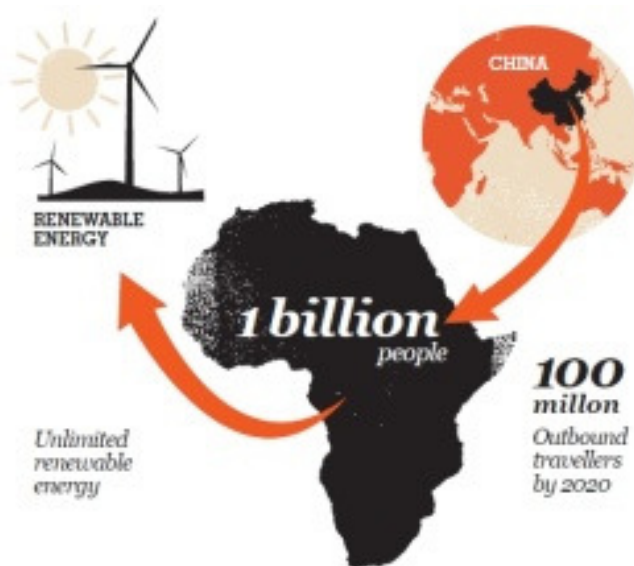
- There is a vast array of micro strategies that will need to be deployed in the short, medium and long term to respond coherently to the economic, poverty and carbon timescales. Activating regional and locally focused collaboration will be required to stimulate 'bottom of the pyramid' (BOP) market activity across the travelism value chain.

Through these actions, the public/private sector balance in infrastructure and delivery of services will shift. Governments will have less money and the private sector will have to be convinced to fill the gap. Progress already made with the adoption of corporate social responsibility standards will help in the conversion. Relationships between public and private interests need to be fair and balanced, avoiding discriminatory taxes and stimulating seamless, secure travel.

New style public-private partnerships dealing with infrastructure, agriculture,

communications, renewable energies and micro-credit are required so that travelism can play an important role in climate and poverty transformation, as well as share directly in the funding support, technology-related matters like climate-proofed buildings, rural restructure and green education systems.

Figure 2
Chinese outbound travellers business



Two core principles should inform green growth initiatives. Quadruple bottom line sustainability, with climate the new, game changing one, integrated with social, environmental and economic balance. And smart travel – clean, green, ethical at all levels of the price/product spectrum and incorporating local community interests.

Last, but by no means least, change is required in all levels of education to produce a green travelism workforce, including the entrepreneurs who make up so much of the informal sector. At present travelism education is quite inadequate.

Few policymakers understand the true impact and importance of the sector. Educating future leaders requires new forms of collaborative, web-centric, interactive, dynamic relationships. Multi-stakeholder

collaboration, with local communities at the core and civil society at the table, will have greater credibility and sustainability.

Finally, innovation is required to attract essential investment. Competition is getting tougher as austerity pressures increase and as public scrutiny of financial transactions intensifies. The following considerations apply to both public and private investors, as well as international and regional development banks:

- Travelism needs to be looked at more holistically across the value chain. For example a well planned airport or port is an investment base for road, rail, air or cruises and all the related communications technology support systems.

- The industry is a major source of job creation and a catalyst for green growth, opening up access to massive financial resources for the required infrastructure, human capital, technology and finance while spreading benefits across communities.

- Investment funds are available in the BRICS, particularly China and South Africa.

- Trans-border, regional and sub-regional coalitions can be targeted as the basis of both investment and projects. Development banks are already active.

There are massive new opportunities. The timing is right for travelism to emerge as a key sector in the coming green growth transformation, driving the change to low-carbon lifestyles and helping LDCs burst out of their historic poverty shackles. ❁



ABOUT CACCI

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional grouping of apex national chambers of commerce and industry, business associations and business enterprises in Asia and the Western Pacific.



Conferences and various training programs which CACCI regularly conducts either on its own or in cooperation with other international organizations and member chambers.

It is a non-governmental organization serving as a forum for promoting the vital role of businessmen in the region, increasing regional business interaction, and enhancing regional economic growth. Since its establishment in 1966, CACCI has grown into a network of national chambers of commerce with a total now of 29 Primary Members from 27 Asian countries. It cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region. CACCI is a non-governmental organization (NGO) granted consultative status, Roster category, under the United Nations. It is a member of the Conference on NGOs (CoNGO), an association of NGOs with UN consultative status.

Among the benefits of membership in CACCI are the following:

1. Policy Advocacy - CACCI aims to play a strong policy advocacy role in order to establish a business environment conducive to creating better opportunities for CACCI members.

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