CBI TRAINING REPORT

ACCESSING THE EUROPEAN MARKET: CASE OF SUSTAINABILITY AND OTHER TRENDS

MARKET INFORMATION PRESENTATIONS
SECTOR – TOURISM
TOURISM WORKSHOP FOR SMEs

PRIDE INN WESTALANDS, NAIROBI
NOVEMBER 2 2019
8.00 AM TO 4.00 PM
Date of Report 6 November 2019
By STTA Kenya, www.sttakenya.org
TRAINING PROGRAM BACKGROUND AND OBJECTIVES
CBI, in partnership with Sustainable Travel and Tourism Agenda (STTA) Kenya, launched its first ever market presentation workshop for SME’s in tourism sector. This workshop was a training for tour operators on accessing the European market, and was part of Sustainable Travel and Tourism Agenda (STTA) partnership with Tour Operators Society of Kenya (TOSK) to support SMEs in tourism through empowerment. SMEs lack accurate/up to date market information, and this is a major gap for companies that want to export to Europe, or in the context of tourism, attract European tourists. CBI’s Market Information aims to close this gap, and help entrepreneurs from all around the world find their way to the European market. Each year, CBI publishes 300+ market studies via its website, and 40 up to date studies in tourism, available free of charge. The studies help CBI connect SMEs in developing countries to the European market, and thereby contributing to sustainable and inclusive economic growth. CBI aims to create knowledge and networks in EU and developing countries in the most promising sectors, which include tourism.

Workshop objective:
To present CBI tourism specific content directly in an interactive way to tour operators and tourism SMEs in Kenya. This content would guide practical solutions to solve bottlenecks that make it difficult to sell tourism products to Europe.

The workshop’s objective supports TOSK goals to empower members and strengthen their capacity to access markets for sustainable growth. TOSK is a business membership organization founded in 2015, out of the need to bring together associated tourism enterprises in an incubation hub for nurturing tour operators to offer quality products and services to both domestic and inbound tourists.

The training workshop therefore provided resources on access to market information, for European buyers, and build capacity on knowledge and tools required for sustainability, including tourism.

About participants
CBI Market Information workshop for tourism SMEs attracted about 120 participants. A majority were tour operators, from the Tour Operators Society of Kenya (TOSK). Other associations/organizations represented in the workshop included Gems of Kenya, green tour, and KATO. Representatives from accommodations, sector associations and business support organizations, tourism experts and market researchers participated in the workshop.
TRAINING METHODS AND ACTIVITIES

Opening of the workshop

STTA opened the workshop, followed by addresses from key partners including TOSK and CBI. The CEO TOSK, Anthony Ochieng gave a welcome note, and said that TOSK partnership with STTA aims at giving the best to member companies, with advantages for growth and efficient work. Arthur Scheinhardt, Programme Manager Market Information at CBI, gave a brief background about CBI team, explaining its purpose, and a brief of CBI market information. In his opening address, he explained that CBI had interests in tourism and that this was the first market information presentation for the tourism sector. He explained that the idea behind the sessions was to present CBI content directly in an interactive way to tour operators.

After the opening remarks, workshop participants made round table presentations introducing themselves.

Workshop content

The workshop overall topic was “Accessing the European market; the case of sustainability and other trends”. This included the following sub topics

1. European Markets and potential
2. Tourism niches and opportunities
3. European trends
4. CBI market studies workshop

Facilitation techniques used included question and answer, group discussions, and case presentations.

Presentation 1: European Markets and potential, by Tjalling de Boer, CBI

Europe offers a huge travel market, comprising 32% of all international departures worldwide, with a 5% growth expectation. In Kenya, Europe accounts for 30% of all tourism. Top European markets for Kenya are the UK, Germany, Italy, France, Spain and Netherlands. These market sources have different tourist profiles. The German market has a higher expenditure pattern; friends and family influence Italian markets on holiday destination choice. There are chances for UK in cultural holidays. Brexit might highly influence the economy on the short term. Tourism very much determined by economic situation, it may be a threat on the short term for UK market sources. Netherlands has the highest GDP/capita and also a very high rate of travel to developing countries including Kenya. 18% of all trips in Netherlands had a developing country destination. Spain had a considerable growth rate, at 7.3% between 2016 and 2017.

European markets can be accessed in four basic steps

1. Performing market research
2. Checking websites of European market associations
3. Using online databases
4. Visiting websites and make a selection

Travel agencies have the largest EU market share compared to direct booking in Kenya. Thus, tourism SMEs can consider accessing European markets through agencies. Accessing markets goes hand in
hand with understanding the customer journey. Understanding the customer journey positions companies to identify and utilize opportunities while managing and coping with risks. This entails analyzing what happens at different touch points of a customer experience and converting it into value or meaningful experiences. Creating meaningful experiences for niche tourism products requires intelligence on current and future customer profiles. Tourism niches that have potential in the European market include millennials, adventure travelers, nature tourists and multigenerational travelers.

**Presentation 2: Tourism Niches and opportunities, by Judy Kepher Gona, STTA**

Kenya’s National Tourism Blueprint 2030 recommends development of niche tourism products majorly to revive markets currently at stagnation stage, and rejuvenate products at the tail end of their life cycles. For the country, the domestic market for tourists is at a development phase, as compared to foreign market, which is currently at a stagnation phase. Kenya is a popular beach and wildlife safari destination. Beach tourism is currently at a decline stage, while wildlife component firmly positioned at stagnation phase. Niche Products could appeal to target markets, as well as provide alternatives to product offers that have outlived their stay. There is potential for this, based on growth & contribution to sustainable destinations in wellness tourism, cultural tourism, bleisure tourism, solo women travel, and ecological tourism.

**Presentation 3: European Travel Trends, by Judy Kepher Gona, STTA**

Travel trends act as a guidepost to show the future market directions, or prospective inclinations of consumer preferences. Trends empower businesses with insightful knowledge for management planning. Some businesses in tourism fail because they are unable to manage better key risks of operational disruptions because of environmental damage and climate change issues, resource scarcity, employee and community wellbeing issues. Others fail because they are unable to reduce operating costs through improved natural-resource management; employee retention or motivation; raise prices or achieve higher market share with new or existing sustainable products; and drive down costs by systematically managing their value chains.

Change in consumer demands is a dominant travel trend. European travelers are looking for authentic experiences, and are demanding for responsible offers. This presents an opportunity for destination actors to innovate based on authenticity, and could be a loss for unethical operators.

There are notable change in consumer booking behavior. For example, increased bookings through Online Travel Agents, last minute or at the destination booking are on the rise, and the tendency of travelers to book from “personalized” information. For the Kenyan context, this could imply a higher visibility and consumption from local SMEs, and a decline of all-inclusive packages.

Globally, the concern for climate change and negative impacts travel is a topical issue. This could possibly lead to increased short-haul/domestic travel, and demand for alternative destination and experiences owing to climatic factors.

The growth of shared economy, presents tourism with new economic opportunities from utilization of “idle capital” of unutilized tourism resources, e.g. Air BnB. This facilitates decentralization of travel, and promises new forms of sustainable tourism. There is possibility of having reduced demand for hotels and mainstream ground handling services with the rise of shared economy models in tourism. Nonetheless, the sector stands to benefit from increased collaboration among different service providers.
Millennials and Gen z are a unique market segment to tap. They have preferences for last chance and Instagrammable holiday experiences.

**Presentation 4: CBI Market study workshop, by Tjalling de Boer, CBI**

This session focused on market entry for tourism sector in Europe, and included round table discussions on actions to attract European tourists. Session linked its activities to market study information on CBI website. Workshop participants searched for product fact sheets that matched with their business concept on the CBI website.

CBI addresses two types of topics in its studies: the European market potential in a sector, and topics related to market entry in a sector in Europe. Over 70% of users for CBI market studies come from the Americas, Africa and Asia. Studies on “Finding Buyers” are popular among users, in the 14 sectors that CBI focuses on. Tourism is one the 14 sectors, and for many developing countries, is a key export to Europe.

**KEY TAKE AWAYS**

For tourism destinations to retain competitiveness, stakeholders including tourism SMEs need to be market smart. This means that they have market information, as a tool to shape strategy in achieving their business goals.

- European markets have great potential as source markets for tourism in developing countries, including Kenya.
- Tourism SMEs in Kenya can use market intelligence to adapt their product offerings to a value that would appeal to European niche markets.
- Travel trends within tourism source markets in Europe are altering future market directions especially on demand for products, and are inclining consumer preferences towards niche experiences. This presents an opportunity for SMEs to innovate product offerings that can deliver value matched to changing patterns in travel trends.
- Tourism SMEs can use CBI market information to target buyers for their product offerings.

**FACTORS FOR IMPLEMENTATION**

The CBI market information presentation for tourism sector made clear the potential for European markets, and elaborated strategies for entry to the market. Market intelligence must be followed by action. A fundamental starting point for tourism SMEs would be the customer journey. This is where most tour operators miss out because they do not connect with customers throughout the journey. The typical customer journey flows from contact, desire to travel, planning, travel, post trip, and finally sharing. Understanding this aspect is essential in linking to target groups in the European market, and guaranteeing a seamless customer journey during a traveler’s experience. Europe presents a number of countries as source markets for tourism to developing countries, and each has unique tourist profiles. The European tourist source market can be segmented on product basis, for example, multigenerational travel for families, nature tourism for people living in urban areas, and even bleisure that is a millennial trend. Tourism SMEs targeting the European market thus need to tailor appeals for their product offerings to match preferences that are characteristic of diverse tourist profiles based on country of origin or product consumed.
Tourism SMEs in Kenya can use CBI market studies as a resource to guide their market entry to Europe. For market entry, the studies are rich in information on buyer requirements, finding potential buyers, doing business and organizing exports. CBI market information also wraps up trends and statistics on European market potential in tourism, and this information can guide SMEs in deciding where to promote their product offers. The CBI website also presents product fact sheet, based on information from focus group discussions with industry representatives and associations. It is therefore very possible for tourism SMEs to find their own target groups using CBI studies.

FORTHCOMING: Participant feedback on evaluation of workshop.