June, 2020

GOVERNMENT OF KENYA

MINISTRY OF TOURISM AND WILDLIFE

COVID-19 AND TRAVEL AND TOURISM IN KENYA: DOMESTIC TOURISM POLICY BRIEF



Introduction and Objectives of Domestic Tourism

Introduction:

Domestic tourism involves activities of persons travelling to and staying in places outside their usual environment but within their country of residence for not more than one year for leisure, business and other purposes (UNWTO, 2010).

Domestic tourism provides paramount support to the tourism industry in various areas of performance such as bridging the seasonality gap, regional dispersal and increased domestic spending.

The Travel and Tourism industry is a significant contributor to the economic development of most economies in the world. The tourism sector is one of the key economic drivers in Kenya generating 8.8% of the country's GDP, worth USD 7.9 billion in 2018.

Objectives:

1. Increase the number of Kenyans involved in domestic tourism.
2. Increase the revenue generated from domestic tourism by increasing expenditure.
3. Maintain tourism resources and infrastructure by addressing seasonality and equitable geographical spread through domestic tourism.
4. Enhance national integration, cohesion and pride through domestic tourism.

Significance of domestic tourism in the world

Domestic tourism is the main driving force of the Travel and Tourism sector in major economies globally, accounting for a total travel and tourism spending of 73% in 2017 and 71.2% in 2018.

The total global domestic travel and tourism spending was US$ 3,971 billion in 2017 (WTTC, 2018).

China is now the leading domestic tourism market, up from 4th position in 2008, having accounted for 62% of absolute growth in this period, reaching domestic tourism spending of US$ 840.9 in 2017 from US$ 208.5 billion in 2008.

The USA recorded domestic tourism spending of US$ 803 billion in 2017, coming second after China.

Jointly, these two countries accounted for over 40% of world's total domestic travel and tourism spending (WTTC, 2018).

Brazil, domestic tourism spending accounts for 94% while in India, Germany, China and Argentina each the share is 87%. In Japan, Mexico, the UK and the US, domestic tourism spending accounts for 80% of all travel and tourism spending.

Top 10 Countries' positions in domestic visitor spending in 2017 (US$bn real prices)

Rank	Country	Spending	% Share of Internal T&T Spending 2017
1)	China	840.9	87
2)	United States	802.8	80
3)	Germany	339.7	87
4)	India	186.0	87
5)	Japan	182.8	84
6)	United Kingdom	169.6	83
7)	Italy	149.0	77
8)	France	127.5	72
9)	Mexico	115.9	84
10)	Brazil	99.9	94

Kenya's Domestic Tourism Market

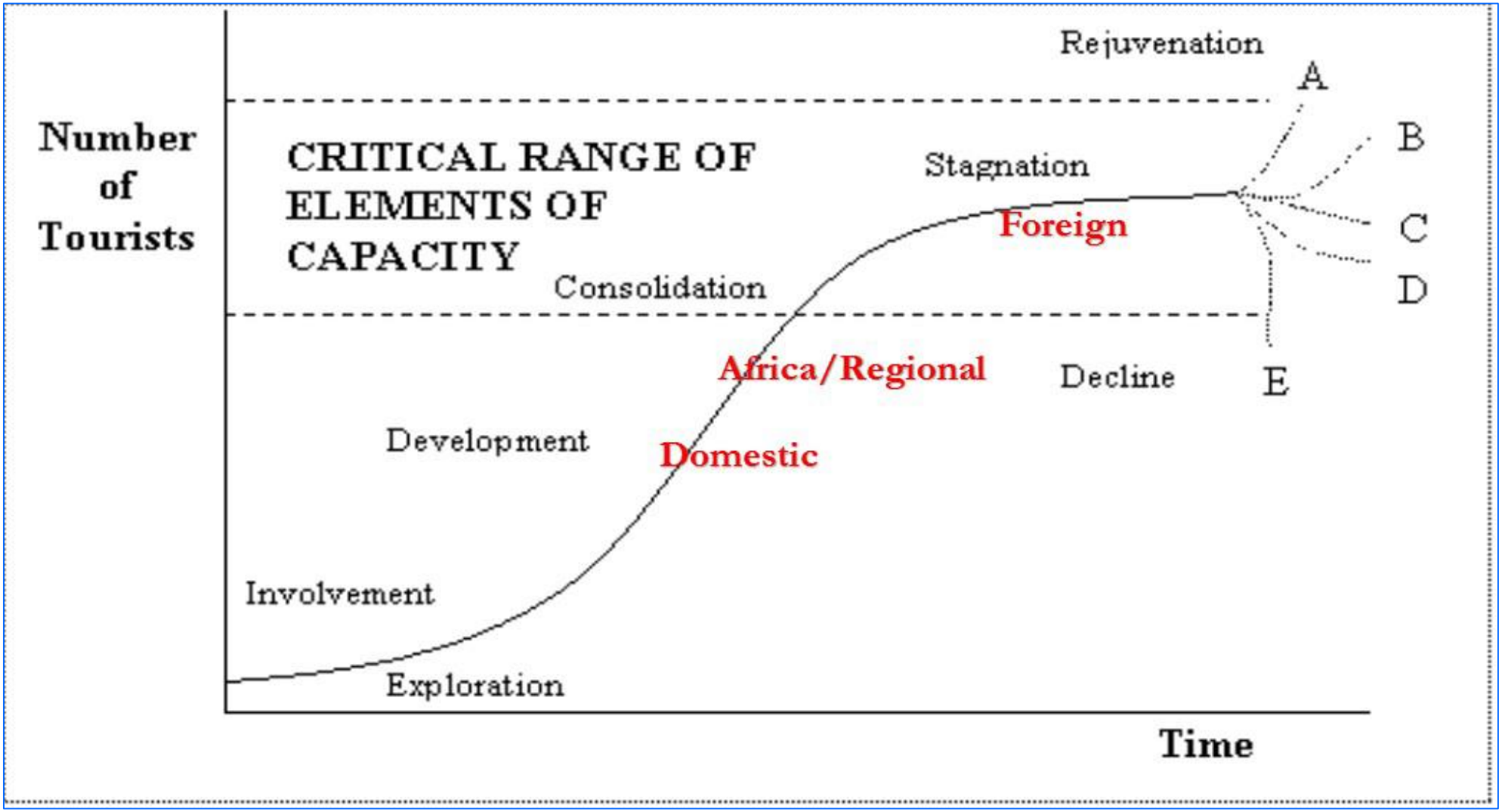
In Kenya, domestic tourists' bed-night occupancy accounts for more than 50% of the Bed Occupancy from 2015-2018. The number of domestic tourists bed-nights has increased from 2,948,000 in 2014 to 4,559,000 in 2018, as indicated in Table 2 (KNBS, 2019).

Domestic tourists bed-night occupancy (in thousands KSh)						
(000)	2014	2015	2016	2017	2018	2019*
Domestic tourists Occupancy	2,948.7	3,154.1	3,495.9	3,645.1	4,559.8	4,559.8
International tourists Occupancy	3,332.9	2,724.5	2,952.6	3,529.1	4,058.1	
Total tourists Occupancy	6,281.6	5,878.6	6,448.5	7,174.2	8,617.9	
Available bed capacity	19,877.2	20,187.2	21,258.5	22,987.1	26,500.6	
Kenyan Residence (%)	46.9	53.7	54.2	50.8	52.9	

**Estimate by Tourism Research Institute (TRI)*
Source: KTB

Kenya's Domestic Tourism Market

Source Market Life Cycle



Source: MoTW (2017)

Why government promote domestic tourism:

- As a tool to eliminate local poverty,
- Generate employment and economic growth,
- Upgrade infrastructure and,
- Alleviate pressure from overcrowding through, for instance, discretionary pricing policies and the provision of non-wage tourism benefits.

Hindrances to domestic tourism in Kenya

Lack of knowledge by the locals
Negative perceptions that tourist destinations are for the rich and foreign
Lack of own transport
Less hospitable treatments to local tourists by service providers
Unfamiliar food types in hotels
Marketing that does not resonate with local people
Lack of disposable income and free time

Forms of domestic tourism

The types of tourism that are most attractive to the domestic market include

- A one-day excursion by urban population
- Urban tourism by rural residents
- Visiting friends and relatives
- Sightseeing tourism of natural and cultural kinds
- Seaside resort tourism
- Shopping
- Business and pilgrimage tourism
- Traditional sightseeing
- Special interest tourism
- Historic and cultural areas
- Natural landscape areas
- Traditional national parks
- Newly developed areas.
- Eco-tourism
- Sports tourism
- Folk tourism
- Recreation
- Educational tourism

Potential for Domestic Tourism Growth in Kenya - Middle Class Population

The middle class in Kenya consists of people earning more than Ksh.50,000 per month 1,020,681 in 2018, equivalent to 36.9% of the total employed population (KNBS, 2020).

Distribution of Monthly Wage Employment Income (KSh)

Year/Income	0 - 9,999	10,000 - 14,999	15,000 - 19,999	20,000 - 24,999	25,000 - 29,999	30,000 - 49,999	50,000 - 99,999	100,000 +	TOTAL
2014	9,842	27,523	153,213	393,530	319,862	821,454	575,980	68,780	2,370,184
2015	10,606	28,973	170,819	386,940	325,676	873,428	606,966	74,547	2,477,955
2016	17,236	32,127	138,569	270,904	345,721	945,885	703,562	100,316	2,554,320
2017	15,533	33,229	124,488	208,247	382,350	894,720	926,499	114,405	2,699,471
2018*	23,188	23,465	91,673	183,333	329,746	1,093,073	888,162	132,519	2,765,159
% in 2018*	0.8	0.8	3.3	6.6	11.9	39.5	32.1	4.8	100.0

Source: KNBS (2020)

Domestic Tourism Growth Strategies



Target Growing Middle Class - 1,020,681 (36.9%) of employed workforce.



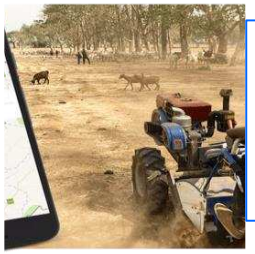
Propose one week national-wide holiday for all working population during August and December school holidays (prolonged festivals holidays).



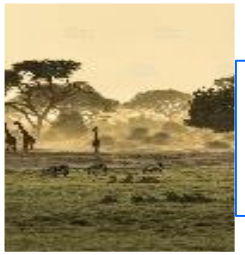
Repackage tourism product with local market interests.



Make domestic travel more attractive through campaigns.



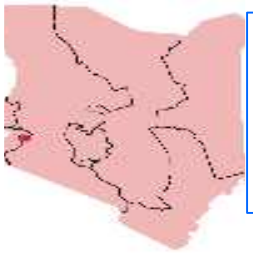
Provision of accessible information and ease of purchase.



Holidays as non-wage benefits.



Organized road transport to events and attractions.



Development of circuits with specific itineraries.



Research on domestic market preferences.

Domestic tourism growth Strategies for Kenya implementation matrix

Domestic tourism growth Strategies	Implementation	Responsibility
Marketing Strategies for Promoting Domestic Tourism		
Rebuild trust after any crisis	• Articles written after familiarization trips arranged for journalists and bloggers showing in real-time that the area is safe and pleasant to visit	• MoTW • KTB • TRA
Target Growing Middle Class	• A growing middle class is a sign of a robust economy. Strong domestic tourism is driven by a growing or sizeable middle-class population, an increase in spending power among domestic consumers, and governments' initiatives in promoting new locations, and strong or improving transportation infrastructure and economic links between different internal regions (WTTC, 2019). With over 50% of the global population now categorized as "middle class" or "rich", more and more people can afford to travel. • In Kenya, the total number of middle-class is 1,020,681, equivalent to 36.9% of the total employed population in the country.	• MoTW • Private Sector
Greater focus on the local domestic tourism market-make domestic travel attractive and create a holiday culture amongst all Kenyans	• Repackage tourism product with local market interests and air adverts on local media to change attitude towards travel and tourism • Promote a set of experiences that a majority Kenyans could relate to by tailor making the experiences according to different market segments - the different experiences included City Breaks, Coastal Getaways, Mountain Escapes, Cultural Discoveries, Countryside travels, Bush Retreats and Event Wonders.	• MoTW • KTB • Private Sector
Destination marketing and image building - create awareness, thereby sensitizing domestic tourists of the products being offered thus stimulating them to want to travel and visit places	• Create world-class destination brands for domestic market • Marketing campaigns targeted at domestic tourists through TV, Radio, Internet, Print media, Social media, word of mouth campaigns etc. • Create group discounts, special packages, incentives and competition involving domestic tourists, travel expos and road shows • Value added products to domestic tourism packages with free added products for consumers such as bonus meals, sightseeing, and entry to attractions	• MoTW • KTB • Private Sector

Domestic tourism growth Strategies for Kenya implementation matrix

Support companies to participate in travel fairs and shows, other events and marketing activities	• Reducing or waiving fees • Encourages employers to provide various non-wage benefits to employees which include a program for holiday and recreation activities	• KTB • Private Sector • KNCB
Provide precise customer-focused and targeted products and marketing to potential customers to identify the different needs and wants of the different domestic travellers.	Market segmentation and targeting within domestic market based on the different consumer beliefs and values	• KTB • Private Sector • TRI • Academia

Promote repeat visits by the domestic tourists to destinations previously visited	• Customer relationship management and loyalty or reward programmes for frequent domestic travellers e.g.
	  ○ A special welcome with a hospitality touch.
	  ○ A thank you, gift or recognition for the visit.
		• KTB
		• Private Sector

Improve the knowledge of the domestic market and understand consumer attitudes, their motivations and the barriers to involvement in domestic tourism in Kenya	• Conducted market intelligence	• TRI • Academia
Invest in digital marketing - provision of accessible information and ease of purchase to improve awareness on accessibility, attractions, amenities, Activities etc.	• Creation of an Integrated Tourism Management System that is georeferenced • Facilitate linkages and product packaging to convert interest into action	• TRI • KTB • Private Sector • Academia
Dedicate more research focused on high potential markets for domestic tourism growth, effectiveness of promotion strategies, acceptability of products etc.	• Put in place a monitoring, evaluation and reporting mechanism in place to track the performance of the sector	• TRI • Academia

Domestic tourism growth Strategies for Kenya implementation matrix

Socio-economic Strategies		
Growing economic health, increased disposal income and growth of the middle classes	• Target middle class (1.02 million people)	• National Government
Provision of tourist facilities suitable for domestic tourists	• Increase and quantify number of affordable accommodation facilities	• Private Sector • County Governments
Create strong desire to travel	• Documentaries on destinations and capture experiences	• KTB • County Governments
Offering sponsored holidays for best employees to destinations	• Create incentive travels to destinations countrywide	• Private Sector • KTB
Tier pricing system that differentiates prices paid by locals and that paid by international tourists	• Revise pricing in rated hotels and premier parks for the domestic market	• Private Sector • KWS • KTB • TRI • Academia
Providing more affordable and accessible tourism experiences for the domestic traveller	• Design weekend and public holidays packages and discounted packages	• Private Sector • KTB
High quality tourism experience	• Increase value for money for the domestic market	• Private Sector
Sporting events, mega arts, cultural events and religion -based events can easily be used to spur domestic tourism	• Package and advertise relevant events countrywide	• KTB • KNCB • Private Sector • TRI • Academia
Improve residents' perceptions of local holiday making	• Campaigns to impress the importance of travel and tourism to the individual, country's economy, conservation etc.	• KTB • Private Sector • TRI • Academia

Domestic tourism growth Strategies for Kenya implementation matrix

Improved Transport Infrastructure		
Improvements in mobility - improved road network and development of inexpensive mass transport.	• Increase SGR trips • Organized road transport to events and attractions • Share with potential tourist the process of access to tourism transportation	• National Government • MoTW • KTB • Private Sector
Reliable, accessible and affordable transportation for access to the destinations	• Provision of KWS buses to all conservation areas • Creation of awareness on relevant schedules • Development of circuits with specific itineraries	• KWS • KTB • Private Sector
Increased urbanization and ownership of cars by many families	Promote day excursions to urban populations	• National Government • KTB
New and improved infrastructure as this provides the basis for the future expansion of tourism	Plans to open up new destinations e.g. Northern Kenya	• National Government • MoTW
Provision of low- fare airlines - these are significant for the development of weekend, city or short-break tourism. They can radically expand potential destinations as well as "visiting friends and relatives" market	• Construction of airstrips • Creation of awareness on available choices and schedules • Gradual increase of options • Revision of policy on chartered flights to increase availability	• National Government • MoTW

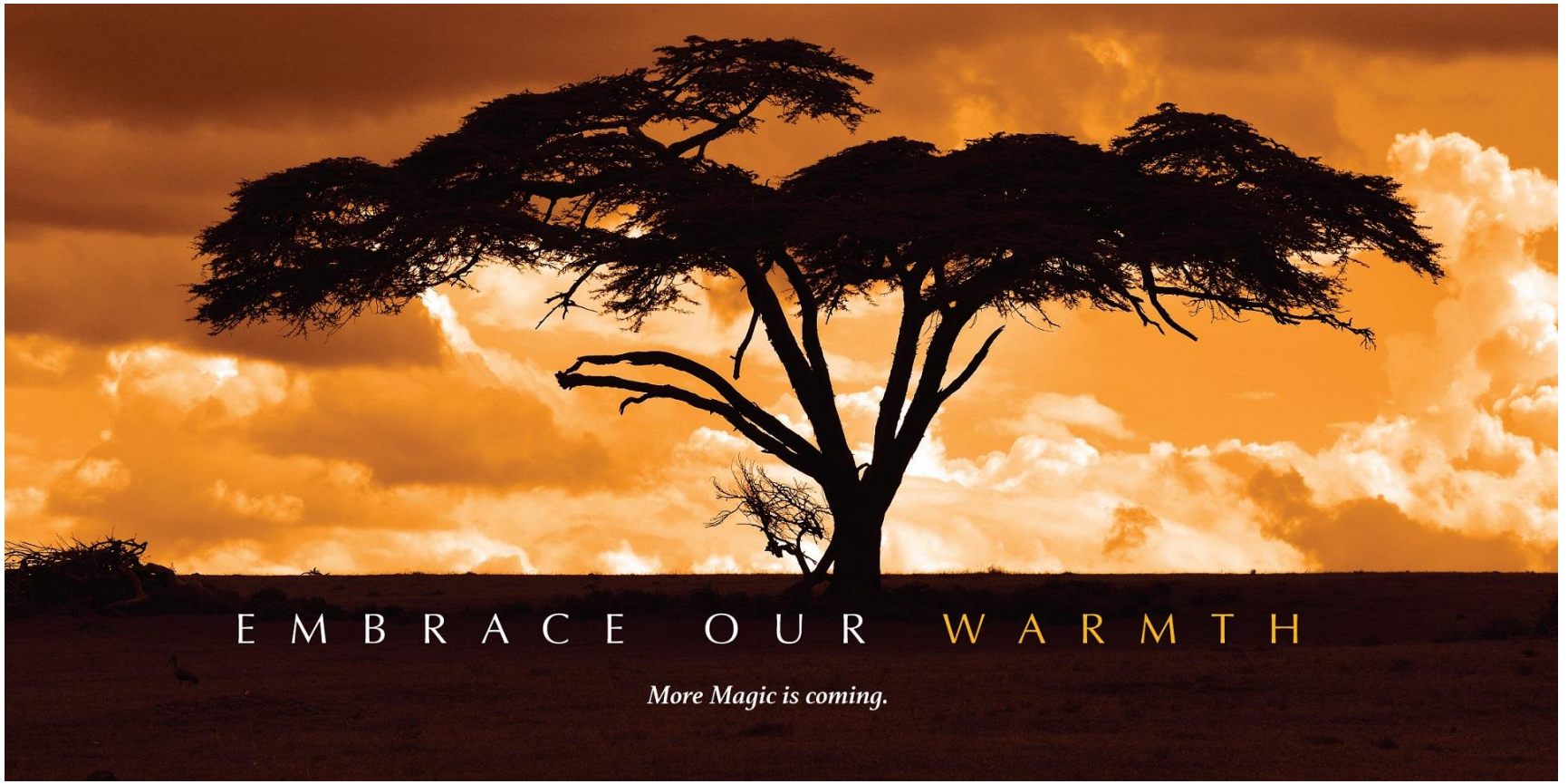
Domestic tourism growth Strategies for Kenya implementation matrix

Strong Stakeholder Partnerships		
Partner with local tour operators and hotels in creating and promoting accessible tours	• Campaigns to urge tour operators and hotels to reduce rates for domestic tourists • Create affordable and discounted packages	• KTB • Private Sector
Strong partnership and strong collaborative initiatives among all the tourism and non-tourism stakeholders	• Optimize the resources between private and public stakeholders in relation to marketing tools, collaterals and skills in order to create synergy	• National Government • MoTW • Private Sector • TRI • Academia
Partnership between the national government and the County government in promotion of domestic tourism	• Promotion of domestic tourism across counties	• National Government • County Governments • MoTW
Improvement and Diversification of the Tourism Products		
Major improvements in domestic tourism supply	• Build domestic tourism infrastructure • Investment in renovation of accommodation, food and beverage, transportation, communication, sightseeing, entertainment and shopping	• Private Sector • National Government • County Governments • MoTW
Product improvement and diversification - development of new and customized products that meet the needs and requirements of the domestic market segment	• Diversification of packages from wildlife visits, beach bathing and game parks to adventure, sport, ecotourism, heritage and cultural tourism activities	• Private Sector • KTB • KWS
Research on domestic market preferences	• Identification and prioritization of preferred local destination and attractions for the domestic market	• TRI • Academia

Domestic tourism growth Strategies for Kenya implementation matrix

Policies for Promoting Domestic Tourism

The activities of the citizens' free time should be planned and, wherever possible, executed collectively Better employment benefits including flexible working hours, leave travel concessions and lower government restrictions on internal population	• Propose one week national-wide holiday for all working population during August and December school holidays(prolonged festivals holidays)	• National Government • MoTW
Central role of national and county governments as a partner or stakeholder in expanding the tourism sector and achieving the desired outcomes of national tourism policy on domestic tourism	• Prepare and launch a tourism planning toolkit for national and county governments domestic tourism development and growth programmes	• National Government • County Governments • MoTW
Prioritize tourism policy formulation to allow for strategic development of the domestic tourism	• Revise tourism policy, strategic plan, Act, blue print, etc. to address new perspectives of domestic tourism	• MoTW
The government needs to work with the private sector to promote fair arrangements for consumers after a crisis	• Rescheduling of cancelled holidays and flight tickets and ensuring consumer are fully protected and where possible, alternative mechanisms for settling consumer disputes should be used so as to keep lawsuits to a minimum • Provide vouchers for cancelled bookings	• National Government • MoTW • Private Sector
Government to facilitate quicker recovery after a crisis	• Review all taxes, charges and levies impacting on tourism, transport and related activities. • Temporary suspension or reduction of travel and tourism taxes, charges and levies, including VAT and income taxes as well as of specific tourism and transport charges in a fair, non-discriminatory and transparent manner • Create special incentives to support Micro, Small and Medium Enterprises (MSMEs') short-term business operations and recovery	• National Government • MoTW • TFC
Formulation of sector reopening protocols	• Formulation, publicizing, and implementation of reopening protocols	• MoTW • TRA • Private Sector



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