REPUBLIC OF KENYA

MINISTRY OF TOURISM AND WILDLIFE



POLICY BRIEF ON

IMPACT OF COVID-19 ON TOURISM IN KENYA, THE MEASURES TAKEN AND THE RECOVERY PATHWAYS

Product Improvement and **Diversification Strategy for Kenya**



www.tourism.go.ke

THIS RESEARCH HAS BEEN COMMISSIONED BY THE NATIONAL TOURISM CRISIS STEERING COMMITTEE UNDER THE MINISTRY OF TOURISM AND WILDLIFE, KENYA

June 2020

PREFACE

The National Tourism Crisis Steering Committee was appointed by the Cabinet Secretary, Ministry of Tourism and Wildlife to among others, "*be the crisis management co-ordination, response and steering organ for any crises in the tourism industry*" and gazetted on 27th March 2020, *Gazette Notice No. 2701*. In execution of its mandate, the Committee in collaboration with several agencies that included Tourism Research Institute, Kenya Tourism Board and the Kenya Wildlife Service as well as the Kenya Tourism Federation, commissioned this study that was spearheaded by Kenyatta University entitled the '*Impact of COVID-19 on Tourism in Kenya, the Measures taken and the Recovery Pathways*'. I therefore wish to thank these institutions, particularly the Kenyatta University team coordinated by Dr. Esther Munyiri, for their invaluable support.

Tourism is one of the key sectors in Kenya's economy and its resilience is critical for socio-economic development and sustenance of livelihoods in the Country. Despite its remarkable growth over the years, the sector has however witnessed unprecedented reversals, not only in Kenya but globally, occasioned by the Corona Virus pandemic. COVID - 19 was reportedly first detected in Wuhan, China in December 2019 and rapidly spread around the world, shutting down the global economy.

This report is a culmination of collaborative efforts by various stakeholders whom despite the current situation in the Country due to the COVID-19 pandemic, participated in this research that was principally aimed at finding ways in which the tourism industry can be reset when the pandemic has been contained.

All stakeholders in the industry were represented during the research journey, and we are truly grateful for their support. We look forward to the continued good working relations not only during this period, but also in the future as we jointly strive to take the sector to greater heights.

The completion of this research could not have been accomplished without the support provided by the Principal Secretary, Hon. Safina Tsungu, CBS, to examine matters that have affected tourism in the wake of the pandemic.

Lastly, I'd like to appreciate the leadership role provided by the Cabinet Secretary, Hon. Najib Balala, EGH, to enhance resilience of Kenya's tourism sector during this period. This will ensure that the gains made so far in the tourism sector are not eroded by the COVID-19 pandemic.



MR. JOSEPH KIPCHIRCHIR BOINNET, MGH
CHIEF ADMINISTRATIVE SECRETARY (CAS)
MINISTRY OF TOURISM AND WILDLIFE

Table of Contents

Table of Contents 3
List of Tables 3
List of Figures 3
1. Introduction to Kenya's Tourism Product 4
1.1 Kenya's Tourism Experiences 4
1.2 Why is Kenya's Tourism Industry Underperforming? 6
1.3 Objective 7
1.4 Product Improvement and Diversification Strategy 7
1.5 Product Improvement and Diversification Recovery Strategy 9
1.5.1 Capturing Experiences and information 9
1.5.2 Information Provision and Geospatial presentation of Tourism resources in Kenya 9
1.5.3 Pricing Revision for Tourism Products in Kenya 10
1.5.4 Identification and promotion of community-based tourism 10
References 10

List of Tables

Table 1: Product Improvement and Diversification Recovery Strategy Implementation Matrix 11

List of Figures

Figure 1: Tourists Visiting Kenya by Purpose of Visit 4
Figure 2: Core tourism experiences in Kenya 5
Figure 3: Secondary tourism experiences in Kenya 5
Figure 4: Tourism experience lifecycle status 6
Figure 5: Product improvement and diversification strategy 8

1. Introduction to Kenya's Tourism Product

Kenya's key tourism products have mainly centred on African Safari and beach destinations. This is due to the fact that, the country is well endowed with a long coastline and a diversity of wildlife species. Over the years, there has been over dependency on the nature-based products as the main source of tourism revenue and over 80 percent of the industry's earnings are driven by nature-based tours. Whilst recognizing the importance of nature-based products, much effort is needed to diversify the industry to include a wide range of other products.

Kenya's international tourism arrivals grew by 3.9% to 2.05 million in 2019, while domestic tourism grew from 3,645,144 in 2017 to 3,974,243 in 2018, recording a 9.03% growth (GoK, 2019). The major purpose of visit within the international market is holiday (73.9%) followed by business and conference tourism (13.3%), visiting friends and relatives (6.7%) and finally other purposes such as sports, medical related purposes and education (6.4%), as shown in Figure 1. Kenya possesses a unique strategic advantage in tourism in Africa over most African countries. As the cradle of mankind and at the equatorial centre of the earth, it provides a unique attraction and a favourable climate all year round. Kenya has to diversify its tourism products away from a near-exclusive focus on beach tourism and wildlife safaris, to other forms of tourism. Therefore, there is need to diversity the product base in order to increase the market share and increase value for money for the tourists.

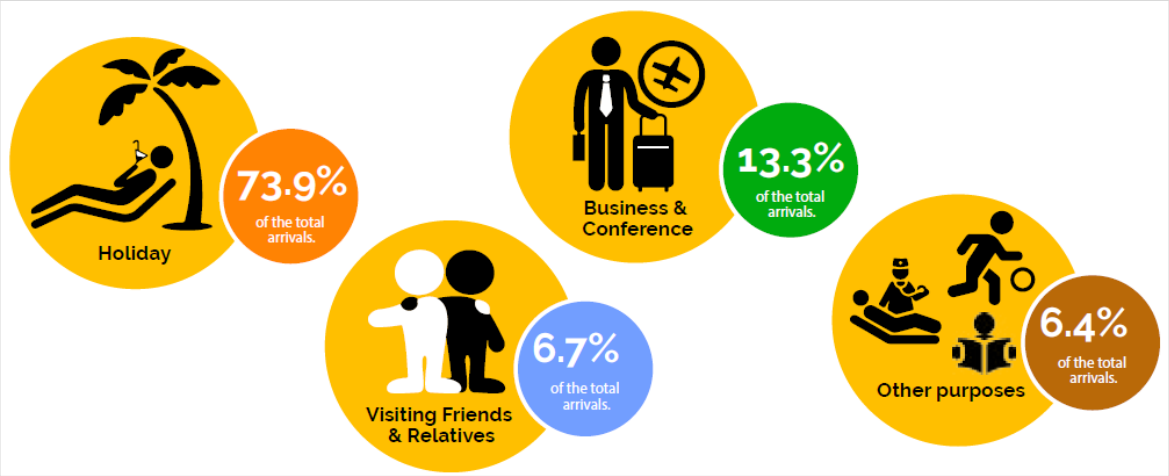


Figure 1: Tourists Visiting Kenya by Purpose of Visit

Source: MoTW (2019)

1.1 Kenya's Tourism Experiences

The KNTB divides Kenya's tourism experiences as core (the main drivers of tourism to Kenya) and secondary (experiences that support the core experiences). The classification is based on the state of readiness of the core tourism experiences based on the supply and quality of tourism products (resources, facilities and activities) in combination with the readiness of the market to consume the available products (MoTW, 2017). The core

and secondary tourism experiences in the country are illustrated in Figure 2 and 3 respectively:



Figure 2: Core tourism experiences in Kenya

Source: MoTW (2017)

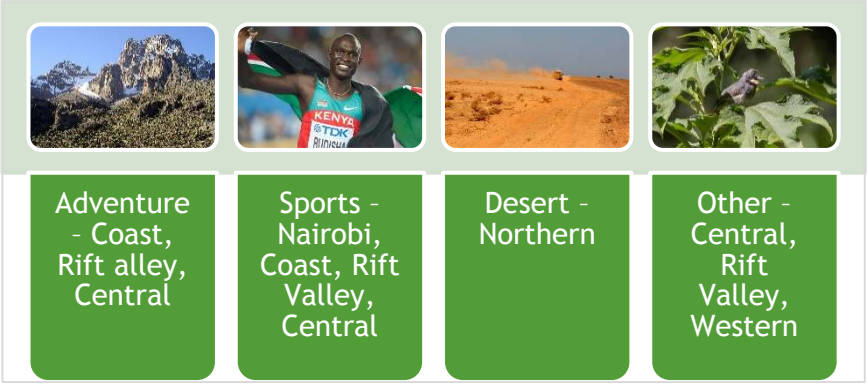


Figure 3: Secondary tourism experiences in Kenya

Source: MoTW (2017)

Most of the core experiences can be classified under consolidation, stagnation and decline and therefore requires innovation and rejuvenation, while most of the secondary experiences are under development stage, which needs to be developed and packaged. The destination life cycle is shown in Figure 4.



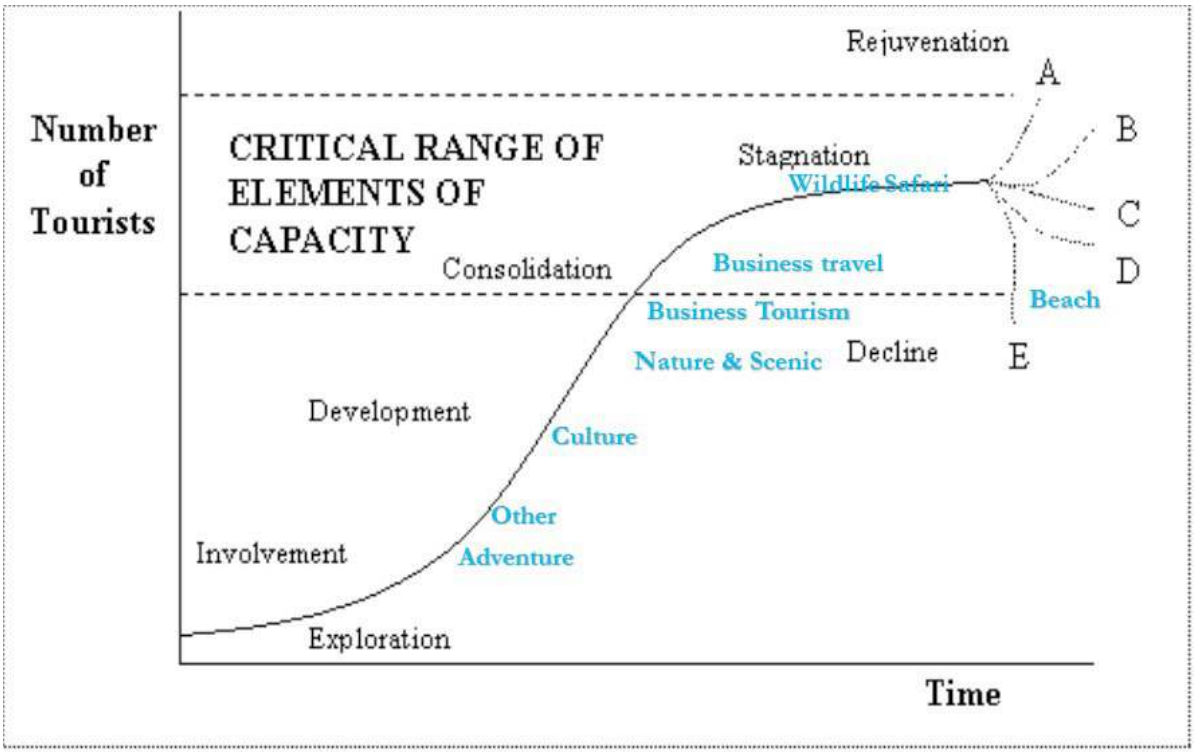


Figure 4: Tourism experience lifecycle status

Source: Butler (1980)

1.2 Why is Kenya's Tourism Industry Underperforming?

According to the Kenya National Tourism Blueprint 2030 (KNTB) developed by the Ministry of Tourism and Wildlife in 2017, the reasons why Kenya's tourism industry is underperforming is:

- Safety and security incidents.
- Failure to adapt and innovate the tourism industry in line with global trends and the changing world (enclavic, lack of flexibility and information).
- Over-reliance on international leisure and a handful of source markets with a reliance on one segment, hence making the industry highly seasonal.
- Expensive and does not offer value for money.
- Much of the accommodation (especially beach resorts and some lodges) are tired and require upgrades and/or maintenance.
- Continuing perceptions of Kenya as an unsafe destination.
- Overall limited financial resources committed to tourism. Tourism and infrastructure budgets often inappropriately allocated.
- Marketing activities are weak.

Most of these factors revolve around the need for product improvement and diversification for the country. The tourism industry currently, is experiencing the most difficult moment across the world from the effects of COVID-19 Pandemic. The crisis has affected all major tourist source market countries as well as domestic tourism in Kenya, and will result in an intense competition which will lead to a decreasing market. There is need for the government to urgently come up with strategies and recovery measures to

sustain the Tourism industry after the impacts of the pandemic. By compensating for the declining contribution of other sectors, tourism sustains Gross Domestic Product in times of economic crisis, particularly given its outstanding resilience compared to other industries and sectors (Weidenfeld, 2017).

1.3 Objective

The main objective of this brief is to propose the "Tourism Product improvement and diversification" as one of the recovery strategies in dealing with the effects of covid-19 in the tourism industry in Kenya.

1.4 Product Improvement and Diversification Strategy

Kenya ought to establish plans to improve, develop, re-package, diversify and promote other tourism products instead of relying solely on Africa safari and beach destinations, as part of efforts to boost the tourism industry domestically, regionally and internationally. There is urgent need to improve Kenya's core products: beach and wildlife tourism to ensure that the country offers value for money to both domestic and international markets.

Tourism product improvement and diversification may further consider various aspects such as strengthening Meetings, Incentives, Conferences and Exhibitions (MICE) tourism, birding, cultural tourism, agro-tourism, adventure tourism, Sports tourism products and many others, in relation to the market demand and the resource base of Kenya. The newly formed Kenya National Convention Bureau (KNCB) is expected to market Kenya as a top Meetings, Incentives, Conferences, and Exhibitions (MICE) destination both locally and internationally. The bureau will focus on strengthening Kenya's position as a preferred meeting destination and enlist support for re-growth the MICE travel by incorporating key markets. Different tourism products should also be value enhanced and developed in order to attract different international and domestic tourists. Cultural festivals and homestays are a growing trend that could be packaged to offer cultural experiences. Generally, this process entails improvement of the existing products, diversifying to other products and markets and sustaining the new and improved products. Figure 5 illustrates the product improvement and diversification strategies.



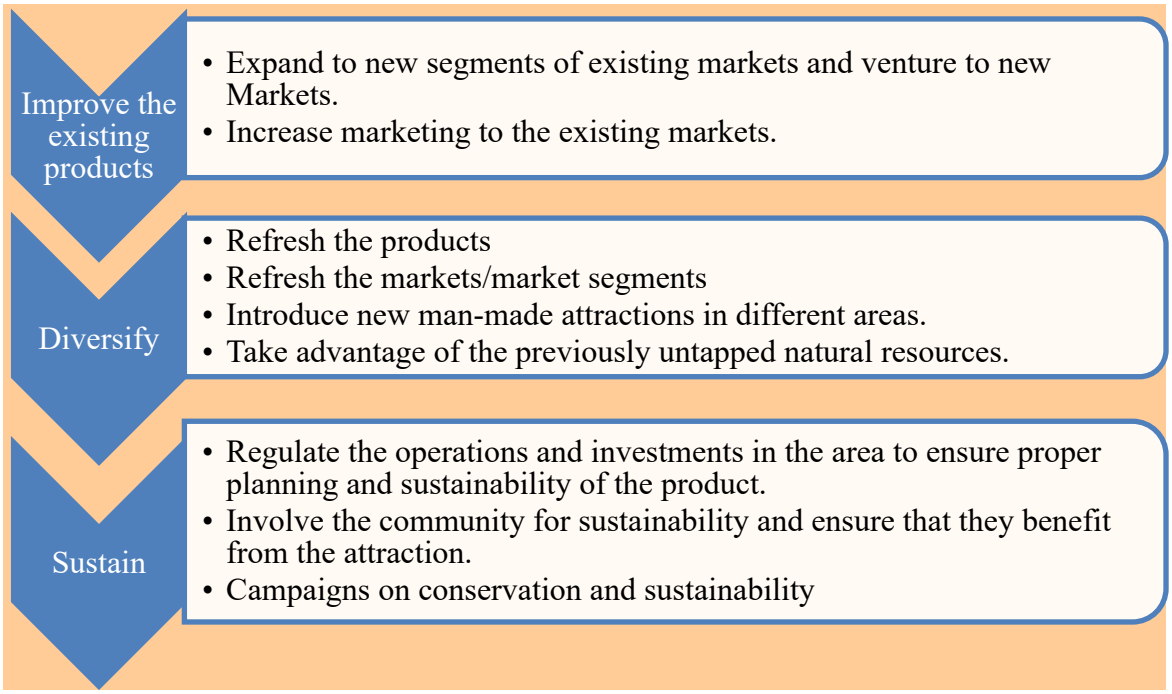
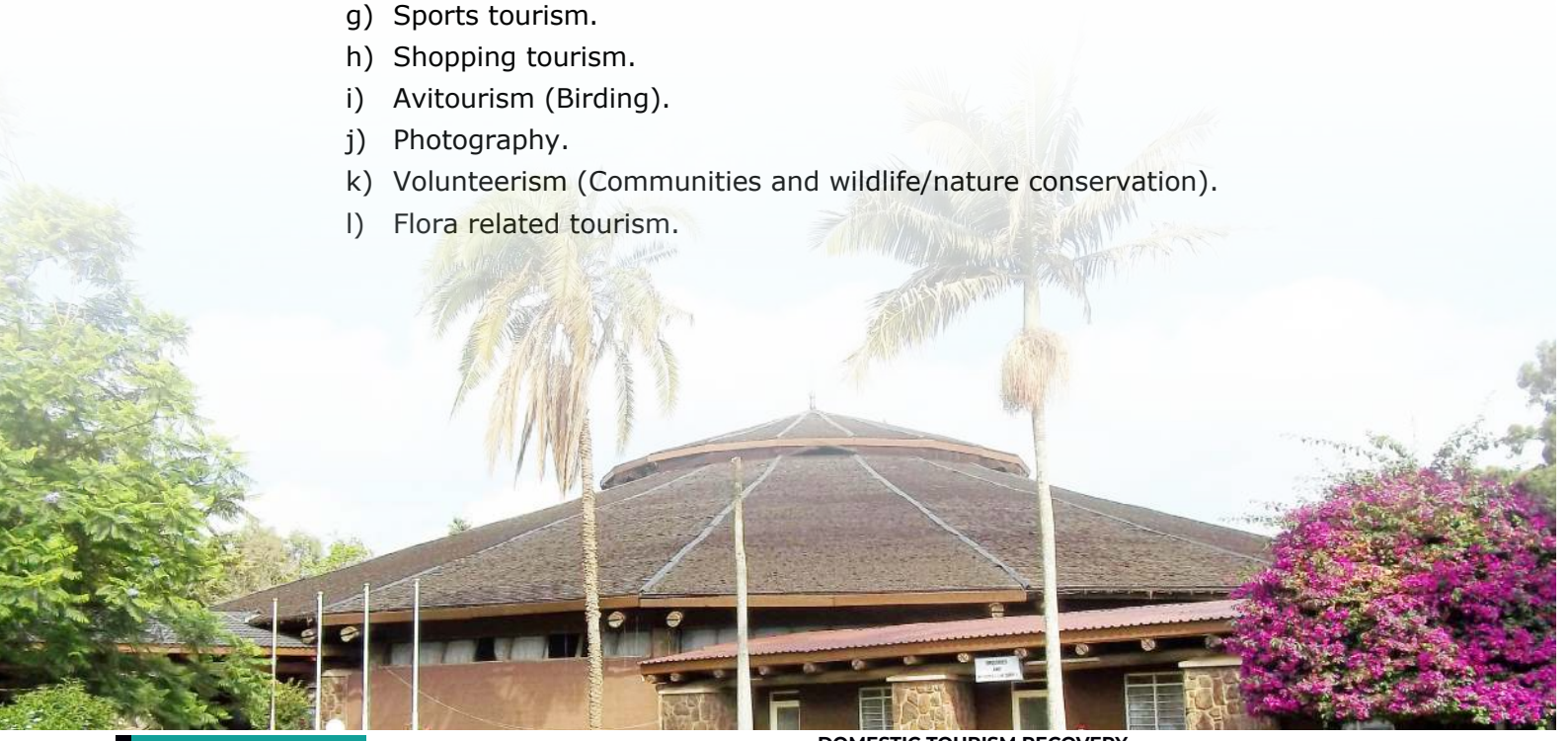


Figure 5: Product improvement and diversification strategy

Post-modern tourists are gradually becoming aware of the negative impacts of mass tourism and are increasingly looking for alternative tourism products that provide a deeper and more meaningful experience. Thus, if Kenya is to rejuvenate its tourism industry there is need for the country to provide a diverse alternative tourism product which are more appealing to the post-modern tourists. Some of the key areas of diversification include:

a) Business and Conference Tourism.
b) Cultural and Heritage tourism.
c) Home Stays, Airbnb and general sharing economy concept.
d) Health and wellness tourism.
e) Medical Tourism.
f) Ecotourism.
g) Sports tourism.
h) Shopping tourism.
i) Avitourism (Birding).
j) Photography.
k) Volunteerism (Communities and wildlife/nature conservation).
l) Flora related tourism.



1.5 Product Improvement and Diversification Recovery Strategy

The following projects could be implemented in Kenya to improve and diversity tourism products:

a) Capturing experiences and information.
b) Information provision and geospatial presentation of tourism resources in Kenya.
c) Pricing revision for tourism products in Kenya.
d) Identification and promotion of community-based tourism.
e) Identification and promotion of new and improved product and link to the market.
f) Packaging tourism products.
g) Interpretation of the tourism product.
h) Digital marketing.
i) Fight against the spread of disinformation.

1.5.1 Capturing Experiences and information

Kenya as a destination needs to package information on tourism products through the process of knowledge capturing. Knowledge capturing is the process of converting the knowledge that resides in people's minds, and elsewhere, into tangible, explicit knowledge assets. This will involve recording experiences from all forms of tourism in Kenya in a format that can be stored, further processed, adapted, and shared within and outside the destination.

The packaged information from knowledge capturing and other sources will then be shared in form of media such as text, audio, videos, images, graphics, etc. Different media could be used that includes website, social media, emails, narratives at the attractions etc. This information will add value in product packaging and marketing, and prolong the product life cycle in line with the recommendations given in the National Tourism Blue Print 2030.

1.5.2 Information Provision and Geospatial presentation of Tourism resources in Kenya

In line with making Kenya more resilient to crises, one of the areas that the country could hugely improve on is in the mapping of tourism resources in the country. This will determine the spatial quantity, capacity, quality, status and distribution of tourism attractions, amenities, activities, accessibilities and ancillary services around the country that will be accessible across the world. The ultimate goal is to create an **Integrated Tourism Management System** with updated content from all the stakeholders. This will ultimately increase the country's market share and assist with product diversification. The content will also improve the country's Travel and Tourism Competitiveness Index, which currently stands at position 82.

In this initiative, teams could map tourism resources in the 47 counties using Geographic Information System (GIS). The output would be spatial distribution maps of existing and potential tourism resources with a view of stimulating investment, visitor movement and

tourism development within the Counties. Potential flagship tourism opportunities would be identified in the Counties. This would further provide information for a fully functional and digitized Tourism Information Centre, electronic display books/brochures/catalogues and development of proper signage and a Mobile app.

1.5.3 Pricing Revision for Tourism Products in Kenya

A major challenge facing the tourism industry in Kenya is the relatively high price of the tourism products. There is need for a study to determine the best prices for hotels, parks, attractions etc. through economic models, in order to remain competitive.

Prices for commodities with markets (such as hotel rooms, food/drinks, transport/communication) can easily be derived through traditional business pricing methods. The current pricing methodologies in the country borrow heavily from the Willingness to Pay/Accept concept. Willingness to pay (WTP) is the maximum amount a person would be willing to offer for a good/service. Willingness to accept compensation (WTA) is the minimum monetary amount required for an individual to forgo some good, or to bear some harm. The optimal price of any non-market commodity is any point between a buyer's willingness to pay (tourists/visitors) and a seller's willingness to accept compensation (tourism organizations/institutions). Non-market commodities in tourism include especially nature/environment-based resources such as parks/reserves, recreational spaces, and museums.

A review of such studies based on WTA and WTP will be helpful to Kenya as a destination, since tourism resources such as parks, reserves, and museums are largely non-market based. However, the pricing of human-made facilities/resources such as accommodation and transport can be analyzed using the usual traditional market-based approaches. The three most applied methods for measuring WTP are (i) Contingent valuation (ii) experimental auction and (iii) conjoint analysis.

1.5.4 Identification and promotion of community-based tourism

In support to the MoTW efforts in legislation of homestays in Kenya, the interns will compile a geospatial analysis of homestay facilities in the country. This data will include rural homes that owners would like to avail as tourism facilities. The database of homestays will be connected to nearby tourist attractions. This data will be combined with the Integrated Tourism Management System for ease of access by potential tourists. Table 1 presents product improvement and diversification recovery strategy implementation matrix.

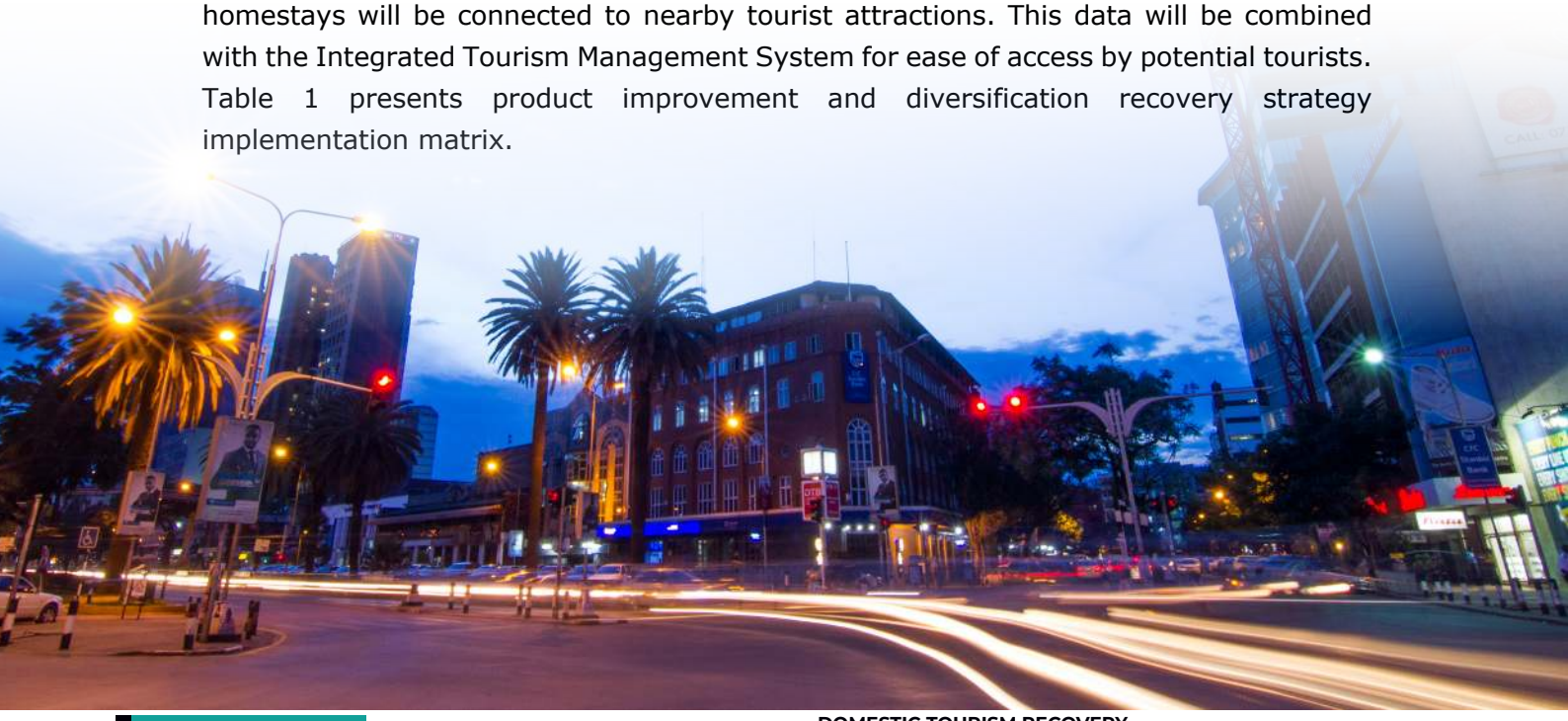


Table 1: Product Improvement and Diversification Recovery Strategy Implementation Matrix

Product Improvement and Diversification Strategies		Implementation	Responsibility
Packaging tourism information and experiences			
1.	Improvement and packaging of existing and new products and markets	Enhance and package the following new and improved products: • Beach tourism • Wildlife Tourism • Business and Conference Tourism • Cultural and Heritage tourism • Homestays, Airbnb and general sharing economy concept • Health and wellness tourism e.g. hot springs, natural forests and products linked to traditional healing, use of natural medicines etc. • Medical Tourism • Ecotourism • Sports tourism • Shopping tourism • Avitourism (Birding) • Photography • Voluntourism (Communities and wildlife/nature conservation) • Flora related tourism	• KTB • County Governments • Private Sector
2.	Develop new facilities and refresh and revamp existing facilities	• Identify gaps in the supply of new types and standards of accommodation, e.g. self-catering and timeshare facilities • Diversify the accommodation base in national reserves/parks and conservation/protected areas, e.g. self-catering, expand and upgrade camping facilities	• Private Sector • County Governments
3.	Enhance and expand types of activities	• Improve on the existing activities and introduce new ones in parks and reserves, such as biking, walking, cultural experiences, special interest tours (e.g. birds, trees, and insects), etc. • Enhance existing adventure activities and expand the types of activities offered at key nodes, e.g. through activity centers, to include: **a.** Mountain/rock climbing **b.** Hiking **c.** Mountain biking **d.** Slackpacking **e.** River rafting **f.** Zip lining/bridge swings/bungee jumping	• KTB • Private Sector • County Governments

		g. Scuba diving **h.** Entomology **i.** Scientific research	
4.	Knowledge capturing	• Capture knowledge from people's minds into tangible, explicit knowledge assets. • Record experiences from all forms of tourism in Kenya in a format that can be stored, further processed, adapted, and shared within and outside the destination. Media formats will include video, images, and graphics. • Include interpretation at the visitor Centers • Integrate story telling into existing tourism experiences	• TRI • Academia • KTB • Private Sector • County Governments
5.	Product packaging	• Development of a comprehensive tourism products and services database • Development of Packages or itineraries which will provide a one stop shop, at one, fairer all-inclusive price. • Create new experiences through packaging, to give a competitive advantage through marketing or advertising The following are a range of products and services that can be linked in a package: • Food and beverage • Accommodation • Built attraction – museum, art gallery, theme park etc. • Natural attraction – waterfalls, scenic vistas etc. • Transportation • Programming – gourmet cooking, tea/coffee tasting, wood carving etc. • Guided tour • Entertainment – theatre performance, stage show, concert • Event/festival • Shopping • Activity – hiking, kayaking, alpine skiing, snowmobiling • Local culture	• KTB • Private Sector
6.	Promotion of tourism products	• Link products to the right market type and segment • Promote the development of authentic Kenyan products	• KTB • Private Sector

		• Collaboration to assist with bidding for international conferences and meetings • Employ targeted marketing to niche tourism segments such as targeted advertising and packages tailored to each niche segment	
Information provision and Geospatial presentation of Tourism resources in Kenya			
7.	Information provision and Mapping of tourism resources in Kenya	• Determine the spatial quantity, capacity, quality, status and distribution of tourism attractions, amenities, activities, accessibilities and ancillary services around the country that will be accessible across the world • Conduct an inventory assessment of heritage assets and identify existing sites/products that require improvement • Develop a visitor information and interpretive strategy and policy (includes directional, information and interpretive signage). • Improve the extent and quality of visitor information provided for when in the reserve, e.g. improved visitor guides, additional and better-quality maps with suggested routes and travel times • Develop visitor centers at strategic locations to serve as activity hubs (with activity operators and guides), information centers and provide services to visitors (i.e. food • and beverages, shopping such as crafts and basic provisions) • Develop and improve Apps that facilitate and provide comprehensive information across all modes of transportation nationwide. This will make trip bookings, journey planning and navigating around Country easier for free, independent travelers through the use of smartphone apps and other technologies. The App will give suggestions and navigate tourists to attraction sites at ease.	• TRI • Academia • KTB • Private Sector

		• Employ technology in marketing tactics such as devising applications for marketing promotion as well as monitoring and analyzing post-travel reviews and feedbacks on online media, by setting up an entity/a department that will be responsible of all online interactions. • Resolve negative reviews and complement positive reviews, provide incentives for tourists to post reviews, such as discount for entrance fees/at souvenir shops, and conduct analysis and recommendations for the marketing team	
8.	Activities, attractions, amenities, accessibilities and ancillary services mapping	*Case of Activities mapping* **1)** Compile a database of tourism-related activities taking place across Kenya **2)** Classify activities by type and significance (i.e. international, regional, national, local and community) **3)** Identify existing activities with potential to grow in significance and develop strategies to achieve growth **4)** Improve the geographic spread of activities **5)** Improve the spread of activities during the year **6)** Create signature activities **7)** Identify important activities codes that are already established in Kenya **8)** Develop an activities policy (classification of activities, funding mechanisms, support that can be provided at national and county level etc.)	• TRI • Academia • KTB • Private Sector
Pricing Revision for Tourism Products in Kenya			
9.	Set the best prices for non-market commodities	• Non-market commodities in tourism including nature/ environment - based resources such as parks / reserves, recreational spaces, and museums	• MoTW • TRI • Academia • Private Sector • County Governments
10.	Recommend the best prices for commodities with market	• Commodities with markets (such as hotel rooms, food / drinks, transport / communication) that can easily be derived through traditional business pricing methods.	• TRI • Academia • Private Sector
Identification and promotion of community-based tourism			

Identification and promotion of community-based tourism			
11.	Promote community-based tourism	• Identify opportunities for community-based tourism to be developed and improved around wildlife, nature and scenic products • Promote engagement with host communities in development and management of community-based tourism or CBT such as agricultural tourism, horticulture tourism and homestay tourism. • Raise awareness of values and benefits of local heritage among the host communities such as promoting the benefits of tourism industry, training in communication skills, and educating them on how to benefit from their local attractions and cultures	• TRI • Academia • KTB • Private Sector
12.	Adapt the Albergo Diffuso model in rural Kenya	• Development of unutilized rural homes for tourism	• TRI • Academia • County Governments
Institutional structure			
13.	Improve on the role of the National and County Governments in tourism management	• Encourage County governments to be more involved in developing tourism in their counties • Clear identification of roles and responsibilities of the county Tourism departments and clearly define the scope of work and accountability of each entity • Training of County representatives responsible for tourism • Clear reporting mechanism should be designed to streamline the communication process between the National and the county governments by defining reporting lines and monitoring mechanisms including scope and occasion for intervention by national government and the procedure to address project derailment/implementation • Include host communities for inclusivity in tourism development. Hold regular meetings between county governments and the communities to discuss issues related to tourism development.	• MoTW • County Governments
		Online platform for ideas sharing can be explored.	

References

GoK. (2019). Sector plan for Tourism 2013-2017 Nairobi: Ministry of East African Affairs, Commerce and Tourism

GoK. (2018). Kenya Tourism Agenda Government of Kenya (2018-2022) Nairobi: Ministry of Tourism and Wildlife.

GoK. (2017). National Tourism Blueprint 2030. Nairobi: Ministry of Tourism and Wildlife.

Butler, R. W. (1980) the concept of a tourist area cycle of evolution: implications for management of resources, The Canadian Geographer, 24, pp. 5

Weidenfeld, A. (2017) Tourism Diversification and Its Implications for Smart Specialization. Journal of Sustainability.









REPUBLIC OF KENYA



MINISTRY OF TOURISM
AND WILDLIFE

CONTACT US

NSSF Building, Block A
15thFloor, Eastern Wing.

+254-020-2724646

ps@tourism.go.ke

www.tourism.go.ke