The importance of strategizing and branding for tourism SMEs in Africa: trends, opportunities and future prospects

A Workshop Presented by

Dr. Salifou Siddo
CEO: SME TradeLinks

Contact: Salifou@smetradelinks.co.za
Session 1: Welcome & Introductions
Welcome and Introductions

Activity:
Working in groups, introduce each other by answering these questions:

• Name and business?
• One area to improve through this training (Expectations)?
Workshop Outline

• Session 1: Welcome and Introductions
• Session 2: Overview of the Tourism Industry in Africa
• Session 3: Structure of the Tourism Industry in Africa
• Session 4: What is Branding?

TEA BREAK
• Session 4 (Cont.): What is Branding?
• Session 5: Benefits and Importance of Branding in Tourism

LUNCH BREAK
• Session 6: Building Winning Tourism Sector Brands
• Session 7: Brand Strategies: Trends, Opportunities and Future Prospects
• Session 8: Workshop Summary and Conclusions
Workshop Objectives

By the end of this workshop, participants will:

• Develop a greater awareness of Tourism and its socio economic impact in Africa
• Understand the importance of branding for tourism SMEs in Africa
• Understand the branding challenges facing tourism SMEs in Africa
• Familiarize themselves with current branding trends for SMEs,
• Familiarize themselves with strategies for creating a strong tourism brand
• Identify branding opportunities for their businesses
• Gain insight into future prospects of brand building for tourism SMEs
Session 2: Overview of the Tourism Sector in Africa
What is a tourist?

• A person who travels for either tourism or other purpose combined with tourism.

• This excludes those travelling to study or work.

• There two type of tourists:
  – Domestic tourists
  – Regional tourists/International tourists
Purposes of tourism/travelling

• Leisure – to have fun.

• Holiday – to enjoy the destination (culture, festivals, activities, attractions, food, etc.)

• Visiting friends and relatives – family activities like weddings

• Business – conferences, meetings, trading, study, etc.
Formal definition of tourism/tourist?

• *Tourism is defined as the activities of persons identified as visitors*

• *A visitor is someone who is making a visit to a main destination outside his/her usual environment for less than a year for any main purpose [including] holidays, leisure and recreation, business, health, education or other purposes*....

  UNWTO
Overview of tourism as an industry

• Travel & Tourism is one of the largest economic sectors in the world (WTTC)

• 1.5 billion tourist arrivals in 2019 (+4% over 2018)

• Africa 73m tourists arrivals in 2019 (+6% over 2018)

• Only 18m tourists in 2020 due to Covid-19 (-75%)

• Travel & Tourism is the hardest hit sector of the global economy
Overview of tourism as an industry
Economic impact of the global industry

• In 2019, Travel & Tourism accounted for:
  ✓ US$8.9 trillion contribution to the world’s GDP
  ✓ 10.3% of global GDP
  ✓ 330 million jobs, 1 in 10 jobs around the world
  ✓ US$1.7 trillion visitor exports
  ✓ US$948 billion capital investment

• Travel & Tourism is a strong driver of economic growth and job creation

• Global losses estimated to be USD1.3 trillion in export revenue in 2020 due to the Covid-19 pandemic.
Tourism performance indicators for Namibia - 2019

- Tourist arrivals: 1.6 m
- Total contribution to GDP: 14.7%
- Total jobs supported: 114600 jobs (15.4% of total employment)
- Tourism Export Earnings: NAD6.4 billion

Sources: Namibia Tourism Board, WTTC
The Birthing of an industry

• Thomas Cook and the birthing of an industry: https://youtu.be/qDY87c2J1oc
Session 3: Structure of the Tourism Industry
Structure of the Industry

• Delivering a tourism product/experience involves various actors both in the public and private sector

• Complex interdependent relationships and activities created by the various actors is called the Tourism Value Chain (TVC)

• TVCs in Africa are dominated by larger national and foreign firms

• Dominance of the TVC by large foreign firms often results in significant value leakages and competiveness issues

• A myriad of SMMEs in the various sub-sectors of the industry

• Accommodation, activities/attractions, food & beverage, transportation, shopping, entertainment, etc.
The Tourism Value Chain

• Video: Saving Paradise – A video describing the tourism value chain. [https://www.youtube.com/watch?v=NUen_IEy4-c](https://www.youtube.com/watch?v=NUen_IEy4-c)
Session 4: What is Branding?
The Typical Visitor Journey and the Need for Information

Pre visit image/messages → Pre visit information → Making Bookings → Journey to destination

Places to eat → Places to stay → Information in destination → Initial welcome

Attractions and amenities → Infrastructure and environment → Farewell and return journey → After visit contact and memories
What is Branding?
What is Branding?
Defining Branding

• The most powerful marketing weapon your tourism business has at its disposal

• Represents your Reputation and your Promise to potential customers

• Sum total of ideas and feelings customers and employees have about your business – Brand Essence

• Reflects all of the interactions you have with your customers

• Promise of what customers will experience when doing business with you

• Visually represented by a logo used in all marketing collateral
Origins of Branding

The Evolving Meaning of Branding

What is the purpose of a brand? That depends on when you ask.

3000–1000 B.C.
To Identify Products & Property
- Ancient Egyptians begin branding livestock to symbolize ownership.
- Pyramid brickmakers engrave symbols in stones to distinguish their work from other masons’ bricks and ensure they get paid.
- Artisans from China, India, Greece, and Rome engrave symbols into products to sign their work.

1800s – 1950s
To Convey Quality & Earn Trust
- Factories brand their shipping barrels as a mark of quality and to build familiarity among consumers who are unaccustomed to mass production.
- Passing of the Trade Marks Registration Act in 1875 allows companies to formally own logos and names.

1950s – 1960s
To Differentiate Products & Earn Loyalty
- TV advertising ushers in the “Mad Men” era, when a decent commercial and mass spend turn companies into household names.
- Companies begin to use emotional messaging to brand products and win customers.

1970s – 1990s
To Give the Company a Personality
- Consumers become increasingly brand-conscious.
- Major companies begin to market their brands more than their products.

2017
To Make Emotional Connections
- Consumers are less impressed with brands, and more concerned with price, customer experience, and corporate responsibility.
- Companies use brand storytelling to illustrate their values, demonstrate social responsibility, empathize with customers, and form emotional connections that drive loyalty.
Origins of Branding - Video

• Video
  ✓ What is branding?
  https://www.youtube.com/watch?v=BOQYyUGi5tM
Tea Break
Types of Branding Strategies

- Personal Branding
  - A public persona that accurately communicates your unique personality.
  - Personal branding happens on social media and in face-to-face environments where others’ perception of you can have a massive impact on your professional and social reputation—in a good or disastrous way
  - By cultivating a public persona that directs the people who see you to assign certain traits and values to your character.
Personal Branding

LIKE A VIRGIN
Secrets They Won't Teach You at Business School

RICHARD BRANSON
Types of Branding Strategies

• **Product Branding**
  ✓ Product branding is the action of branding a specific product
  ✓ Product branding shapes how the world perceives your product through deliberate aesthetic choices.
  ✓ With product branding, the goal is to connect the right audience to your product.
Product Branding
Product Branding

naju

100% organic juice

Spinach Almond

Berries Coconut

Mango Lychee
Types of Branding Strategies

- Corporate Branding
  - Corporate branding is how a particular chooses to express its personality
  - Corporate branding communicates a company’s values, its mission, and ideal customer
  - In addition to logo, website design and ads, a corporate brand also includes its corporate citizenship (care for people and the environment)
  - Corporate branding has a huge impact on company culture and its ability to attract and maintain employees
Corporate Branding
Types of Branding Strategies

• Service Branding
  ✓ Tourism is a highly competitive service industry

  ✓ A service is an intangible product and it can be challenging to brand

  ✓ Service branding strategy often focuses on going above and beyond minimum requirements to focus on “extras” such as offering free cookies or apples to guests in the case of hotels

  ✓ Another example of service branding is an insurance company such as OUTSURANCE which pays an OUTBONUS to all their claim-free customers on a 3-year cycle

  ✓ As a tourism services provider you will need to identify the most suitable strategy for branding your services

  ✓ You aim is to connect to your customers on a deeper, emotional level.
Types of Branding Strategies

- **Retail Branding**
  - Refers to the look and feel of the physical brick and mortar premises of a business
  - Retail branding includes design choices such as layout, furnishings and fittings, decor, lighting, the music played, and the overall ambiance of the place.
  - Retail branding is a must-do for any tourism business that operates from physical premises.
  - Uses striking décor and stunning images of the destinations your sell to create a sense of wonder and anticipation for your customers.
  - Flight Centre is an excellent example of an effective use of retail branding.
Retail Branding
Types of Branding Strategies

• Co-Branding
  ✓ Co-branding combines two well-established brands to create a new and unique product or service

  ✓ The characteristics of this new product or service become rooted in the attributes and core competencies of the two cooperating brands.

  ✓ Co-branding as a strategy allows each partner to drive revenue, attract new customers, share the risk, and essentially double its advertising budget.

  ✓ Notable examples of successful and enduring co-branding partnerships include McDonald’s and Coca-Cola; and Taco Bell and Pepsi.

  ✓ Example: video Namibia

  https://www.youtube.com/watch?v=CpjT4QjC80
Co-Branding
Types of Branding Strategies

• Geographic and Cultural Branding
  ✓ Geographic and cultural branding are very common in the tourism industry.
  ✓ Geographic branding is branding for cities, states, regions and countries.
  ✓ Also called destination branding (e.g.; Karibu Kenya, Namibia Endless Horizons)
  ✓ Cultural branding focuses on the cultural aspects of a region within a particular geography (e.g., Cape Wine Routes in Western cape, South Africa)
  ✓ Hotels, restaurants, tour & transfer companies, curios and souvenir shops are the main beneficiaries of geographical and cultural branding
Tourism Destination Branding

• Needs for differentiation
• High emphasis on destination attributes
• Increasing emphasis on visitor experience
• Branding as a way of gaining competitive advantage
• Evoking emotions to create attachment
Geographical/Cultural/Destination Branding

Narnibia
Endless horizons
Geographical/Cultural/Destination Branding

Namibia Tourism

Naturally Nepal

New Zealand

Nigeria

Nigeria

The Heart of Africa

Nigeria

Good People, Great Nation

Norway

Oman

Sultanate of Oman

Pakistan
Tourism Destination Branding – Case Studies

• Video: Magical Kenya https://youtu.be/VAqOxM8qeOo

• Video: Brand South Africa "A showcase of South Africa, the Nation Brand." https://www.youtube.com/watch?v=gDBtF9vwAeE
Types of Branding Strategies

• Online Branding

✓ Online branding is branding that happens on the internet.

✓ Online branding is how an entity positions itself on social media, including the kind of online ads it runs, the design elements of its email newsletters, website landing pages, etc...

✓ The key to successful online branding is making sure it fits into your wider brand identity.
Online Branding Tools

Consistency & Repetition
Learning How to Create Ads on Facebook

• Many workshop participants have indicated that one of their expectations is to learn how to create their own ads on Facebook

• Below are some online resources you can use to learn how to create ads for your business on Facebook

• Follow the links and the step by step processes they describe to master the knowledge and skills of creating your own ads online

✓ https://buffer.com/library/facebook-ads/

✓ https://www.facebook.com/business/ads

✓ https://www.youtube.com/watch?v=JQc6KwdOFfM
Types of Branding Strategies

• **Offline Branding**
  ✓ Offline branding happens offline and merchandise and print products are examples of offline branding.

• Examples of offline branding include:
  ✓ Retail/premises branding

  ✓ The personal demeanour you might bring to a client meeting or an industry conference.

  ✓ Your dress code

  ✓ The venue you choose for meetings with clients

  ✓ The make and model you choose for your tour vehicles.
Session 5: Benefits and Importance of Branding in Tourism
Benefits of Branding

• Branding improves recognition

✓ A logo aids people recall and recognize your business instantly

✓ Think of your brand as the face of your business and treat it as such

✓ To maximize awareness and recognition, make sure to apply your logo in all customer touch points (website, e-mails, newsletters, company uniforms, other collaterals)
Brand Recognition – Ultimate Branding Success
Benefits of Branding

• Branding creates trust

✓ Trust is the most important ingredient in building and maintaining a strong brand

✓ In tourism, consumer trust is gained through product/service quality, reliability, and consistency

✓ As a tourism SMME, the more reliable you are, the more consumer confidence and trust you gain

✓ Remember to always deliver what you promise and even more

✓ Attend and be visible at tourism tradeshows, as the more consumers (tour operators) see you, the more their willingness to do business with you
Benefits of Branding

People Buy...
From People They Trust
Benefits of Branding

• Branding supports advertising

✓ Brand advertising helps create lasting connections and relationships with clients

✓ When your tourism business looks professional and sophisticated, guests will be more likely to book your services

✓ Brand advertising using sleek brand design makes your business stand out and noticeable and gives it an edge over the competition.
Branding Supports Advertising – who’s ad is it?
Benefits of Branding

• **Branding builds financial value**

  ✓ Branding is a good strategy for growing your small tourism business into a valuable financial asset

  ✓ A strong tourism brand generates referral business and attracts new clients

  ✓ The more efforts you put into building your brand value, the greater the financial returns

  ✓ A well-known brand name will help your tourism business establish itself as a leader in your industry and a boost for growth and expansion
Brands build financial value
Brands build financial value
Benefits of Branding

• Branding inspires employees

✓ A strong and reputable brand instils pride and confidence in employees

✓ Employees, today more than ever, admire companies with strong value systems that go beyond the mere desire for financial returns to include ethics, care for people and for the environment (ESG)

✓ A strong brand embodies the principles a business believes in and serves as a compass for exemplary behaviour for its employees

✓ As a tourism business, care for people and planet should be a founding principle of your brand
Branding inspires employees
Branding Challenges Facing Tourism SMEs

• Lack of budgetary

• Lack of skills and know-how

• Trust deficit

• Tourism SMMEs often ignored in destination branding

• Case Study: Challenges of Promoting Local Tourism in Uganda
  https://www.youtube.com/watch?v=-GVXo9jgkpY

• Online Resource: https://placebrandobserver.com/brand-africa-challenges-opportunities/
Lunch Break
Session 6: Building Winning Tourism Sector Brands
Develop your brand story

• What is your business’s backstory?

• The following questions will help you develop your company’s backstory:
  ✓ How did you start your tourism business?
  ✓ Where did you get your business idea from? What inspired you?
  ✓ How is your company different from your competitors?
  ✓ What does your tourism business strive to do?
  ✓ What makes your team outstanding?

• The answers to these questions will be your brand story and will tell who you are as an operator and what sets you apart

• To be effective, a brand story should be brief, interesting and authentic.
What is your brand’s target audience?

• Match your brand to your target audience

• The following questions will help you match your brand to your target markets:
  ✓ Who is most likely to buy your tourism products/services?
  ✓ Where are they located?
  ✓ How old are they?
  ✓ What’s their lifestyle, interests, and personality?

• The answers to the above questions will provide insights into the demographics and psychographics of your target audience

• Use this information to create a brand identity that your target audience will strongly identify with
Align with your destination brand

• A destination brand is a shared vision to generate visitor interest in a particular destination

• A destination brand promises a unique travel experience based on everything the destination has to offer

• Destination Management Organizations (DMO’s) are the custodians of destination brands and provide direction for local businesses to follow suit
  ✓ South Africa – Inspiring News Ways
  ✓ Namibia – Endless Horizons

• Align your brand to the overarching destination brand

• Make your guests experience the destination through your brand
Align with your destination brand

South Africa

Inspiring new ways
Align with your destination brand
What is your brand voice and tone?

• The brand voice is the way a business expresses and communicates its personality and values system

• A brand voice helps to position your tourism business in the marketplace and in the mind of the target audience

• A brand voice has to be unique, clearly articulated, and consistent

• Tone of voice is variable depending on the communication context

• Serious vs friendly (writing a letter to demand payment that is due to you company vs writing a letter to confirm a booking)

• Your brand voice should be captured in a content style guide with the do’s and don’ts of writing accordingly.
Develop your brand standards

• Logo – The consistent use of your logo is the most important aspect of your brand standards.

• Graphics – Consistently using the same graphic elements will help your customers remember your brand easily.

• Colors – Help customers remember your brand. Choose colors that create the emotions you want to evoke in people.

• Fonts – Use fonts consistently on all your material. As a rule, do not use more than three fonts in a document.

• Illustrative or Photographic style – Will your visuals consist of illustrations or photos?

• Aim for consistency again both in style and color use.
Use your brand throughout your website

• Consistent use of brand on website
  ✓ Voice, look and feel should be consistently the same throughout the website
• Create an About Us page
  ✓ Share your brand story with your audience in the “About Us” section of your website
  ✓ Outline your vision, mission and core values
  ✓ Show what principles your company believes in (Fair Trade, Ethical tourism, care for nature, etc.)
  ✓ Show your membership affiliations
• Use relevant keywords in the copy for your website
  ✓ Once you know your target audience, you can figure out what search queries they frequently use for travel shopping
  ✓ These terms will dictate what long-tail keywords you should sprinkle throughout to optimize your website — which includes page titles, headers, body text, meta-descriptions, image alt-text, and your URLs.
Use your brand throughout your website

• Maintain a uniform design
  ✓ make sure you use the same colour palette, typography, and imagery on every page
  ✓ As well, place your logo at the top, and create a branded favicon (the icon next to the URL) to remind visitors where they’re browsing.

• Remember your brand voice
  ✓ Strengthen your brand by making sure your copy conforms to your brand voice
  ✓ A blog is an effective way of establishing and reinforcing a brand voice
  ✓ Ensure that blog contributors follow your content style guide.
Use your brand throughout your website

• Customize your booking process
  ✓ Make sure your brand is built into your Booking page
  ✓ Don’t let online visitors leave your site when they go to book
  ✓ Use an online booking system that doesn’t lead to a separate domain and allows for some customization.
10 tips for building a winning tourism brand

1. Hire a professional photographer/videographer to take high-quality images and videos of your experiences
2. Partner with a travel influencer that fits your brand
3. Create a social media contest/competition to create hype for your brand
4. Only post content on social media channels that your target audience uses
5. Turn your tour guides/staff into brand ambassadors (branded uniforms, product knowledge, friendly and helpful) and allow them to contribute social media posts
6. Contribute guest posts or opinion pieces to publications within your industry
7. Ask guests what they think of your brand
8. Design templates for your email marketing that follow your brand design
9. Come up with a brand hashtag for your guests to use when posting about their experiences with your business
10. Reward your guests for referrals with a discount code.
Session 7: Brand Strategies for Growing Tourism SMEs - Trends, Opportunities and Future Prospects
Trends, opportunities, future prospects

Growing domestic tourism
• An emerging trend of people traveling closer to their home is gradually taking hold

• Growth in domestic tourism is set to outpace growth in international tourism

• Surrounding, low-risk, areas such as national parks, local zoos, and other nearby attractions are becoming the beneficiaries of the new demand

• To advantage of this growing interest, operators will need to design and market a range of experiences that are appropriately priced to appeal to this market segment

• Tourists will be looking for products/experiences that are safe, flexible and attractive – opportunity to brand and grow your business accordingly

• Video: Because South Africa – Promoting domestic tourism in the context of Covid-19
  https://www.youtube.com/watch?v=urnp9YJeDN4&list=RDCMUCiFclzCVag39Toib-OUAvlw
Trends, opportunities, future prospects

Growing regional tourism

- Africa is blessed with abundant opportunities that the tourism industry could exploit
  - Diversity of cultures and tourism experiences
  - Youthful population
  - Growing middle class that is eager to travel
  - Africa Continental Free Trade Area which is set to free the movement of goods & services and people

- To accelerate the growth of an African regional tourism, countries must
  - Collaborate to promote African experiences
  - Have a standardised approach to Covid regulations for tourists
  - Focus on the big issues such as safety and security, free movement of people, fighting xenophobia, building infrastructure and facilitating airlift

- For tourism SMMEs to take advantage of the trend towards regional tourism, they must
  - Develop a Brand Africa mindset
  - View Africa as an important tourism source market
  - Understand the demographics and psychographics of the African tourists
  - Develop and promote products and services that are authentically African and appealing to the African tourist
Trends, opportunities, future prospects

Digitalization of tourism

• Covid-19 has accelerated the pace of digitalization in the tourism sector

• The digitalization of activities includes:
  ✓ Computerised reservation systems
  ✓ Contactless systems (room keys, QR Codes, checking-in codes, etc)
  ✓ Interacting with suppliers
  ✓ Interacting with government services
  ✓ Analytics tools
  ✓ CRM systems
  ✓ Mobile apps
  ✓ Chat/Instant online advice
  ✓ Online professional networking

• This trend is set to grow and will change the way consumers access tourism products and services.
Digitalization of tourism

- Digitalization of tourism offers tourism SMME operators the following opportunities:
  - Customer acquisition
  - Improve online brand visibility
  - Expand international reach
  - Improve service quality
  - Increase visitor satisfaction

- Challenges preventing SMMEs from full digitalization include
  - Training on new digital technology
  - Costs and uncertain return on benefits
  - Insufficient knowledge to identify opportunities
  - Insufficient technical knowledge
  - Lack of suitable "off the shelf" products within budget

- Need for government supported programs to help tourism SMMEs go digital.
Trends, opportunities, future prospects

Safety and cleanliness

• Safety and hygiene have become the most important criteria for choosing a holiday destination and activities
  ✓ Tourists will give preference to activities that allow social distancing and promote hygienic conditions as long as Covid-19 prevails
  ✓ The safer clients feel at your establishment, the more their confidence in you and your operation will grow

• Strict implementation of Covid-19 protocols
  ✓ Ensure that covid-19 protocols are properly implemented at your establishment as this is a minimum expectation by clients
  ✓ Ensure that the Covid-19 protocols at your establishment are aligned to the industry’s official Covid-19 protocols - Tourism Business Council of South Africa's Travel Safe Eat Safe programme
  ✓ Take no short cuts.
Trends, opportunities, future prospects

Preference for outdoor experiences in nature

• Tourists will give preference for tourism activities and experiences that take place outdoors as they can easily accommodate social distancing
  ✓ Nature-based tourism such as visits to national parks and other isolated attractions will be appealing to tourists
  ✓ Going forward, tourists will prefer less crowded holiday spots, away from large crowded cities
  ✓ Growing trend of smaller group travel of family and close friends (bio bubbles)

• The key to taking advantage of the growing trend for outdoor tourism is to:
  ✓ offer innovative and creative experiences that meet the requirements for safety while also being fun
  ✓ Improve your capacity to cater to small groups
  ✓ Partner with national parks, game reserves and other remote places to offer clients an opportunity of an outdoors holiday
Flexible cancellation policies

- Covid-19 has made it very difficult for holidaymakers to make travel plans with certainty
  - Under normal circumstances, most establishments will have a cancellation policy that allows guests to get a full refund when they cancel at least 14 days before check-in
  - Under Covid-19 offering the option of a penalty-free booking and cancellation policy has become a necessity due to the numerous government imposed restrictions on travel
- The option to change or cancel a trip without incurring a penalty can encourage potential guests to consider your establishment
  - To adapt to this trend, you will need to adapt your cancellation policy and communicate clearly and abundantly about it
  - Your will also to explain your refund processes clearly and to the satisfaction of the client
  - The more empathy you show clients, the greater their trust in your brand
Trends, opportunities, future prospects

Move towards sustainable/responsible tourism

- A silver lining in the Covid-19 pandemic is a growing trend towards sustainable tourism
  - Tourism that does not harm the environment and that contributes to the economic development of local communities is becoming more and more appealing to tourists
  - This trend can only gain more prominence as mass tourism loses support has lost much of its row going to become an important factor in how tourists go about choosing destinations and establishments where they want stay

- Tourism SMMEs can enhance their brands by
  - Embracing the growing enthusiasm for tourism that environmentally and socially responsible
  - Joining organizations such as Fair Trade Tourism and other labels that help SMMEs comply with principles of sustainable/responsible tourism
  - Using their membership certificates to enhance their brand reputation.
Trends, opportunities and future prospects

Growing appeal of travel that combines business and leisure

- Rest and Recuperation (R&R), Bleisure, Workcation
  - Holiday experiences that allow for regeneration of body and soul will become popular as the world struggles to come to terms with Covid-19 and its devastating consequences
  - Activities such as relaxation, yoga, meditation, nature walks to enjoy the clean air will become popular with tourists
  - So will Bleisure & Workcation, as travellers will consider extending their vacation experience to new locations by staying an extra week or two to work remotely

- In order for tourism SMMEs, particularly accommodation establishments, to take advantage of the growing trend towards bleisure and workcation, they will need to
  - Ensure availability of fast and reliable internet connectivity (wifi) at their establishments
  - Ensure availability of a technician to assist clients with connectivity issues as and when required.
Session 8: End of Workshop Reflections & Conclusions