

# WORLD TRAVEL MARKET

THOSE THREE WORDS TELL IT ALL!

BY PEGGY BENDEL



This year's record-breaking number of exhibitors and buyers reflects optimism among nearly all destinations that tourism will continue to be an important driver for their economy.

Focusing on a sampling of destinations from around the globe, I interviewed top marketing executives about their outlook for the future, and it is a very positive picture, with several destinations looking to establish a presence in the North American market in the year ahead.

Later this year, we will focus in depth on two rising destinations, Dubai and Chile, for their perspective.

*What is the major opportunity or threat you see ahead of your destination in the next 3-5 years?*

### Opportunities

For Joe Motse, Marketing Services Manager of the Botswana Tourism Board (BTB), opportunities abound. Established in 2006 and fully operational in 2007, the BTB's goal is to make tourism Botswana's #2 industry (after diamonds) in five years. The popular "Ladies #1 Detective Agency" novels by Alexander McCall Smith have drawn much positive attention to the country, to be amplified when the BBC will introduce their viewers to the series in March, followed by the US. "Conservation is our strong suit, with more than 38% of our land reserved for conservation purposes," Motse commented. "We're the size of Texas, with a population of only 1.6 million, so there is plenty of room for people AND animals."

Tourism has increased rapidly in Cape Verde, the archipelago off Africa's West Coast, with 20+% annual growth for the past five years, reported Victor Fidalgo, President of the Cape Verde Investment Promotion Agency. "In 2006, we welcomed 280,000 travelers; by 2010, we expect 500,000, the same as our population," Fidalgo noted. With six new golf courses coming online in the next five years, designed by such greats as Ernie Els and Jack Nicklaus, as well as a half-dozen or so marinas, tourism is poised to continue its increasing importance to Cape Verde's economy, rising from 3% of GDP to its present 18%.

Dominica, known as The Nature Island, is well positioned to capitalize on the

increasing interest in "green travel" and nature-based activities, says Steve Bornn, CEO and Director of Tourism for Discover Dominica Tourism Authority. Heightened interest in our planet's welfare will lead many travelers to place a premium on such locations, Bornn predicts.

Latvia's entry into the EU in 2003 has resulted in a 20-30% annual increase ever since, to a total of 4 million visitors, noted Uldis Vitolins, Director of the Latvian Tourism Development Agency: "Tourists said 'OK, let's go!'" The ensuing lack of capacity is now being remedied with the arrival of such international brands as Marriott and Sheraton. Introducing more travelers to such unique attractions as Rundale, a palace designed by a St. Petersburg architect, and Furmala, formerly

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a resort for the Russian intelligence service, and now enjoyed by many Scandinavians, is another focus.

Namibia's opportunities are in such markets as North America, China and other African countries, says Shareen Thude, Strategic Executive: Marketing and Research with the Namibia Tourism Board. "The market is looking for quality, particularly in eco- and responsible tourism: we're recognized as the best in the world," Thude commented. "We are also looking to expand our season beyond the traditional July-October period, with a focus on growing January-June," she added.

Nepal's tag line is Naturally Nepal. Once is not enough, and Diwaker B. Rana, Manager, Tourism Marketing and Promotion, sees many reasons for travelers to Nepal

to return. Wellness tourism, including spa hotels, medical centers and yoga, is increasing. "Our best years were 1998-99, when we attracted some 500,000 visitors, plummeting to 260,000 in 2003. The settlement of the political situation was a major boost for tourism," he noted. "PATA forecast annual growth of 8%, but our actual growth has been closer to 32%."

Adding new 5-star hotels, while refurbishing others in Lisbon, Madeira and the Algarve, has improved Portugal's product offerings in recent years, said Jose Antonio Preto da Silva, Director of Tourism for the Portuguese Trade and Tourism Office in London.

St. Vincent and the Grenadines attracts a sophisticated clientele, so they are less affected by new US passport regulations than other Caribbean islands, says Vida Bernard, Director of Tourism. "Most of our visitors from the US already held passports, so we saw only a minor decrease," she commented. "There's an opportunity to develop more boutique hotels, in line with our goal of sustainable travel: we're not looking to be a mass-market destination."

Jason Baptiste, Marketing Manager for, the Trinidad and Tobago Tourism Development Company, looks to Latin America – particularly Panama – and Canada, where many Trinidadians live, as markets of opportunity.

### Threats

For several countries (Botswana, Dominica, Slovakia) a lack of direct air service, and often, service within the country, remains a constraint. Namibia shares their concern that airlift must keep pace with growth.

Lack of awareness is also an issue for many. "We're still unknown, even among Europe," says Livia Lukacova, Advertising Department Manager for the Slovak Tourist Board. "We're eager for more travelers from the Baltic nations, for example. And we have strong competitors, including Austria, Germany and the Netherlands," she concluded.

For Namibia, skills development that will keep pace with the growth in product and demand is a challenging priority.

Portugal views its threats as those that face

the rest of the Western world, said Preto da Silva: "The price of petrol, terrorism and taxes. Competition is now global: UK travelers can take short breaks in Dubai or New York almost as easily as coming to Portugal."

Trinidad and Tobago's Baptiste sees emerging destinations, such as Dubai, China and Turkey coming on strong, while Cape Verde's competitors are southern Europe, the Canary Islands and the Azores.

*What are the most important changes you anticipate in:*

#### YOUR GEOGRAPHIC OR DEMOGRAPHIC TARGET MARKETS

Top markets for Botswana are UK/Ireland, U.S. and Germany, with visitors to the Okavango Delta skewing older (40+) and adventure travelers concentrated in the 18-35 range. Japan is an emerging market, which has recently shown tremendous increases from the Asian market, with Southern Africa contributing significantly to the African market.

Italian beachgoers from 18 to 40 are Cape Verde's primary market, followed by the UK and the Scandinavian countries. US visitors are usually part of university study groups from East Coast and California universities, driven in part by the Cape Verde diaspora to New England.

Dominican visitors are predominantly from the US, particularly the Northeast and mid-Atlantic states, followed by the UK and other EU countries, primarily Germany and France (there is a ferry from Martinique).

For Latvia, its surrounding neighbors – Estonia, Germany, Russia, Sweden, Finland, Poland – and the UK are prime markets, with the US producing a stable 30,000 visitors annually. Demographic targets include UK adventurers who enjoy the bobsled run, or a static dive (air-supported flight). More traditional products still hold appeal, such as Riga for the culturally-oriented traveler from all markets.

Namibia's primary market is German-speaking Europeans, followed by the UK, South Africa and Angola, the latter mostly US and other business travelers involved with Angola's oil industry who come to

Namibia for R&R. Secondary markets include the Benelux countries, France, Italy and North America. All markets have been increasing annually. Niche markets range from weddings and photography to new cultural activities; incentive groups are a growing segment, too.

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Nepal receives a third of its visitors from India alone, with the UK in second place and the US and Japan more or less tied for third. Trekkers are usually in the 20-40 age range, while the wellness tourism skews older and more upscale.

UK travelers to Portugal focus on the Algarve, with an average length of stay of six days. Families, headed by 35-50 year-olds, and the always-desirable 55+ traveler, as well as golfers and groups, are key targets. Such niche markets as bird watching, wine tasting, gastronomy, city breaks and national parks are a focus, with river cruising in the Douro Valley increasingly popular. Mediterranean cruises often include stops in Lisbon, the Azores and Madeira.

Travelers to Slovakia, growing since the country's entrance into the EU in 2004, are led from overseas countries by the U.S., Japan, China and Korea (the latter mostly business travel). They are usually 50+, visiting from May to October, and enjoying the culture and Slovakia's unique wooden churches. Luxury travel, including spas, is on the rise.

St. Vincent and the Grenadines draws visitors from the UK, the US, Canada and other Caribbean countries; the stronger Canadian dollar is already having a positive effect. Targets include families with preschoolers, couples 40-65, and some honeymooners. Cruise passengers experience organized island tours, though there is no program as yet to lure them back for longer stays. Adventurers can sample the waterfalls, snorkeling and diving; more sedate visitors enjoy the oldest botanic gardens in the Western Hemisphere and traditional cuisine, such as jackfish, stuffed and fried and with farine (made from cassava), the national dish.

For Trinidad, the UK and America are top markets, in part because of the Trinidadian diaspora to both countries, complemented by Germany and Scandinavia. Visitors tend to be well-traveled and somewhat older than is typical for the Caribbean. Niche markets such as diving and ecotourism (particularly bird watching) are important, as are shopping and meetings/conferences.

#### YOUR MARKETING PROGRAM (MORE OR LESS EMPHASIS ON ADVERTISING, PR, INTERNET MARKETING, ETC.)

Through the star grading system, Botswana intends to strengthen its presence in the international market by publishing the ratings on its web site. The Board also continues to encourage industry partners throughout the country to strengthen training and ensure delivery of international service standards at all times. Through media and agents' educational programs to Botswana, the Board will broaden exposure in all spheres.

Trade shows and advertising are working well in Europe for Cape Verde and at the moment, demand outstrips supply, Fidalgo noted.

For Dominica, the Internet is key for cost – and cost-effectiveness, since their primary market is the US. Public relations is an essential element, says Bornn.

Latvia is experimenting with various tactics, many of which seem to work sporadically, but always need refreshing. "The Internet did not generate the clicks and visits we'd hoped," commented Vitolins, "but in 2007, French TV5 and CNN International were a success, and outdoor worked well in London. We host 300 journalists a year,

many from the US and Japan.”

Nepal complements their web presence with sales missions, brochures and exhibits at trade fairs, supplemented in India with print and electronic advertising. They host some media, though few from the US.

Increased internet marketing, and the development and promotion of sports competitions and cultural events is a focus for Portugal.

Slovakia markets internationally with other members of the “European Quarter:” the Czech Republic, Poland and Hungary. The cooperation with US travel agents is a core element of their marketing, followed by agent fairs, media visits, collateral and their travel agent academy.

PR is the primary tool for St. Vincent & the Grenadines, focusing on national newspapers, supplemented by print advertising and some spot TV. They’ll test the Internet in 2008.

Online marketing for Trinidad and Tobago will increase, says Baptiste, particularly in North America, where they will spend more on Internet advertising, and use e-blasts with greater frequency.

#### **YOUR OVERALL MARKETING BUDGET (UP, DOWN, THE SAME)**

With the appointment of marketing offices in the UK and the US, Botswana’s budget will undoubtedly increase, and this will be reflected in the increased activities in the market, to ensure maximum benefits and exposure are gained by the destination, reported Motse.

Dominica’s budget is currently around \$1 million, with half of that going toward advertising in the U.S. Hopes are high for an increase, Bornn noted,

A stable, small marketing budget with a bigger push every two years has been the pattern for Latvia; partnering with other Baltic countries and sometimes Poland, has been successful in the past.

Namibia’s budget, now about \$4.5 million, is expected to expand next year, when a compact is signed to increase marketing and promotion in North America in 2009.

Nepal’s budget will rise with any increase in visitors, since funding comes not from the government, but from a 500 rupee (about \$US7) tax on each tourist.

Portugal’s Preto da Silva sees increased budgets dedicated to advertising and the creation and promotion of events, such as golf tournaments, designed to lure their target travelers.

Slovakia welcomed an infusion from a special EU budget from 2004 to 2006, and Lukacova expects their budget to rise, possibly including PR in key markets, as well as a road show for tour operators.

“Growing” characterizes St. Vincent & the Grenadines’ budget, while Trinidad’s Baptiste sees a stable budget for the coming year, and growth in the future.

#### ***What new directions are you exploring in your marketing/marketing communications?***

Expanding product development – camel safaris in the Kalahari, increased emphasis on local culture, as well as the promotion of cities such as the capital city Gaborone, as a prime convention destination – will help Botswana spread the benefits of tourism to rural communities.

As Cape Verde’s supply of 4\* hotels expands, there will be a focus on improving staff training and service levels commensurately, to assure guest satisfaction and avoid negative word of mouth.

Dominica has acknowledged the tendency for travelers to trust “people like me,” as shown by recent research in many fields, and their Web site is rich in true stories from past travelers, heightening credibility.

Latvia looks to continue the momentum of travelers from the UK, with an increase in flights from 3-4/week to 7-8 each day, in just the last four years. Looking to India, South and Central America, Namibia’s strategy is to drive trade growth through cooperative marketing with tour operators and other entities, building awareness through PR and consumer promotions.

Nepal will focus on volume (from India) and value (US and Japan), while exploring such emerging markets as China, Korea and the Middle East.

Year-round golf and the delights of the Algarve in winter, from wine-tasting to walking, cycling and painting will be a focus for Portugal, designed to spread business more evenly throughout the year.

Slovakia sees potential in Great Britain and Scandinavia in Europe, and in the Americas, Brazil and Mexico. “We’re also exploring niche markets, from destination weddings – we have many beautiful castles – to outdoor adventures such as Nordic walking, caving, and wooden rafting, complemented by wineries, and exploring waterfalls and gardens,” Lukacova commented. “We’re only 428 km from east to west, so it’s easy to reach all parts of Slovakia, and explore a variety of interests, even on a short break.”

St. Vincent & the Grenadines welcomed their largest property, a Raffles Resort, a few years ago; the first phase of the 250-room Buccament Bay Resort, complete with spa and a major restaurant, will open in 2008.

With Trinidad and Tobago’s economy doubling in the past two years with the price of oil, their #1 industry, “the industry has taken on a new face and shape,” noted Baptiste. “The new 428-room Hyatt on the waterfront in Port of Spain is the first new 100% government supported hotel in 40 years.”

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