

DOMESTIC TOURISM:  
HOME-GROWN GROWTH

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### GETTING ONTO THE LIST

The travel and tourism industry - the golden child of global economic sectors - has been credited for many things. Employment. Earnings. Investment. Trade. Identity. Environmental sensitivity. Economic empowerment. And social unity. The attraction of travelers from across the globe to one's home nation has proven a powerful force for global diplomacy, strengthening understanding of cultures, ideologies and attitudes.

In addition, and without question, the concept of international travel is highly appealing and motivating to travelers themselves for all of the personal benefits. The idea of traveling across the world, across borders and across time zones is exciting, enticing, inspiring, informing, educating, and very sexy. It affords the traveler the opportunity to explore, learn, and grow while away...and to brag once back. Even primary metrics of the sector focus on cross-border travelers: *international arrivals* and *foreign receipts*.

Sadly, the A-list profile and appeal of the International in-bound segment of the tourism sector has meant that Domestic tourism has, for many destinations, been relegated to the B-list. Promotion of the tourism sector to people of the destination itself has, for many nations, become an additional extra within the overall destination growth strategy. Secondary attention is applied, along with secondary budget.

Such second priority approaches are not uncommon. International travellers are deemed to be of significantly greater value, especially for soft currency destinations. They bring with them hard currency, higher rates of spend, and higher hopes and aspirations for the destination where destination ego is concerned. Tourism leaders of destinations boastfully declare International Arrivals when comparing performance. He with the highest number of International Arrivals wins. For a new destination, attraction of international travelers can be interpreted as having made it onto the global tourism stage. The world has heard the destination's invitation. It is these foreign visitors that inspire growth in tourism aspirations, industry activity, investment and pricing levels.

Default thinking is that Domestic travelers simply do not offer the same degree of benefit to the local market. They pay in local currency, are sensitive to local pricing (and tourist-targeted price increases), are less awed by local attractions, and are locals themselves, really, so do not offer the same visitor excitement as foreigners.

Default thinking is, however, needing a serious rethink.

### FINDING INSPIRATION FROM WITHIN

Even in the travel and tourism sector, the old adage remains true: *there is no problem we cannot solve if we look within.*

The economic crisis of 2008-2010 had a dramatic, negative impact on the tourism sector. International travel suffered steep declines, within both the business and leisure segments. Increases in job losses, credit restrictions, fuel prices and budget cuts resulted in severe decreases in travel activity. Especially long-haul travel.

Still, with daily pressures mounting, the need to get away only grew stronger. Holiday seekers not willing to forfeit much needed breaks altogether looked for alternatives. Before long the '*staycation*' became an acceptable form of holidaying. Staying within one's own country for a holiday, exploring one's own backyard became highly acceptable, fashionable, affordable and applaudable. Taking a holiday without a passport put smiles back on travellers' tired faces and salaries back into travel industry employees' pockets.

While international travel was suffocated, the Domestic tourism segment was given oxygen.

Tourism leaders truly understanding the business of tourism leveraged the trend of heightened appeal in domestic tourism. Destinations recognizing the fundamental value of the segment channeled attention and investment towards encouraging nationals to holiday in-country, and see for themselves what foreigners are traveling half way across the world to come and see.

Globally, a number of destinations managed to offset their international inbound tourism losses during the period of recessionary decline by focusing on their domestic tourism offering. With clarity and confidence, strategic plans put the lens on home-growth traveler potential, encouraging nationals to explore their own countries, taking a much-needed break within their own borders.

Two strong examples of such strategic sharpness are two of the BRICS nations – China and South Africa.

As stated by China Daily in mid 2009, when the global recession had its tightest grip on the tourism sector, "*Tourism authorities launched a series of stimulus plans to boost domestic tourism, such as promotion of rural tourism and tourism coupons, which helped buoy domestic tourism. The first half-year saw 1 billion domestic trips, up 10 percent from a year ago, and a revenue of 500 billion Yuan, up 10 percent. Domestic tours were expected to total 1.9 billion for the year, up 10 percent. China's tourism revenue (was) expected to rise 3 percent to 1.2 trillion Yuan (\$176 billion) as rising domestic travel will help offset falling inbound tourism. The total revenue would include \$35 billion earned from overseas tourists, down 5*

*percent from last year, and RMB 950 billion Yuan from domestic travelers, up 8 percent."*

Fast-forward to 2011, and China continues to benefit from domestic tourism attraction, allowing the segment to now breathe deeply. In April of this year, China Economic Net reported that the first quarter of 2011 saw forecasts of domestic tourist arrivals at 760 million, reflecting an increase of 15.2 percent versus prior year.

Similarly, South Africa applies ongoing investment to the domestic market as an ongoing pillar of destination growth and development. As expressed by South Africa's Minister of Tourism, Marthinus van Schalkwyk,:

*"Domestic tourism has historically been, and remains, the largest contributor to tourist volume in South Africa, with 79% of all volume in 2010 derived from domestic tourists. Given the economic conditions after the global financial shock in 2009, we were expecting the domestic tourism figures for 2010 to be rather dire. I am glad to be able to say today that we have not seen significant decreases in any figures compared to 2009, and in fact in some instances, such as the length of trips taken, we have seen positive growth. South Africans are embracing a culture of travel."*

Looking to the future, South Africa seeks to grow domestic tourism from the current estimated seven million travelers, to in excess of 17 million by 2020.

As emphasized by the nation's Tourism Minister, *"For us, investing in domestic tourism remains our critical priority. Domestic tourism is our backbone and the government has now started to realise the role of this sector and it now forms part of the new growth path,"*

### **STRENGTHENING THE METRICS**

Destinations promoting their domestic tourism sectors unlock opportunities for destination growth at several levels.

Benefits of domestic tourism promotion include, to name but a few,:

Seasonality: creation of year-round momentum of traveler activity, lessening the troughs in the seasonality curve, and enabling '365' industry operations.

Revenues: generation of significant revenues as domestic tourists keep their spending money within their home country.

Spread: dispersion of travelers across, and deeper into, the destination, stretching tourism activity and attractions beyond the main city centres.

Participation: increased employment of people of the destination in the tourism economy (both direct and indirect) as a result of increased, ongoing tourism activity.

Security: creation of a tourism culture across the destination (including understanding of the value of the tourism economy to national growth), which naturally creates a responsibility for tourist-protection within local communities.

Solidarity: generation of pride and ambassadorship for one's own country through understanding, experience and appreciation of all of its offerings.

Collectively, the impact of domestic tourism clearly illustrates the segment's rightful place on the A-list.

Domestic tourism, when developed in a meaningful, sustainable and complementary way to international tourism, offers destinations an exceptional platform for year-round tourism economy growth and development. And, as importantly, domestic tourism creates a destination that stands proud as a place for both the people of the world, and those of the destination, to explore and enjoy as their own.

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