



tourism

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Speech by the office of the Minister of Tourism, Mr Marthinus Van Schalkwyk, on the occasion of the launch of the E-Tourism Summit 2013 at the CTICC, Cape

Technology - enabling tourism and promoting continued growth

9 September 2013

It is indeed a great privilege to address you at the 6th Annual E-tourism Africa Summit 2013. As a global sector, tourism has grown exponentially over the past six decades. In 1950, there were only 25 million international tourist arrivals worldwide. In 2012, the tourism sector achieved the milestone of one billion international arrivals, and an unprecedented \$1 trillion in tourism receipts. We expect 350 million new international tourist arrivals by 2020, and by 2030, we expect arrivals to top 1,8 billion.

And most of the new growth will be from and to the emerging markets. When I reflect on our own track record in South Africa, I do so knowing very well that we always need to be innovative to stay ahead of the game at all times.

The rate of transformation and change in the tourism sector, i.e in technological terms, is unprecedented, and shows no signs of abating.

For a brief moment I would like you to consider the following:

- In a world of 7 billion people, $\frac{1}{3}$ is already online, the majority of whom are from the developing world.
- In Africa, half a billion people are potentially connected to travel arrangements through mobile phones.
- It took radio 38 years to reach 50 million users
- It took television 12 years to reach 50 million users
- However, it took Facebook 3.5 years to reach 50 million users
- It took Twitter 3 years to reach 50 million users
- It took YouTube 1 year to reach 50 million users
- It took Google 0.5 years to reach 50 million users
- Gordon Wilson (CEO and President) of Travelport, a leading travel-content aggregator as well as search and booking service, will tell you that his company processes more than a billion transactions per day, 24/7, across 170 countries – and in doing so, they process a couple of petabytes of information per second. Imagine this: A petabyte is equal to approximately 500 million of those old floppy disks that we used in computers a few years ago, or approximately 500 billion pages of standard printed text – all of that processed in a second.

Today, digital marketing platforms and channels are imbued into every aspect of the Tourism industry as a whole. Digital is a central part of all destination marketing efforts, allowing destinations to meaningfully engage directly with their potential travellers and to connect with trade partners.

Travel and tourism is a human experience and therefore, personal links that people choose to make which is enabled by technology, fuels the growing activity on digital and social

media platforms. This in turn serves as a constant reminder of the real and virtual connections that bind all of us together as one global community.

Through South African Tourism we continue to refresh and refine all our marketing activities to get more and more travellers from around the world to consider destination South Africa above any other. SAT is therefore our marketing force, and custodian of our global destination brand to the world. We tell the world about a destination that is truly remarkable, with warm people, breath-taking scenery and unrivaled value for money. We take this message, both online and offline, to the world's consumers and to literally thousands of trade partners over the world.

We use web services to update, inform and even train the travel trade around the world, on destination South Africa. To illustrate- more than 14 000 trade organizations participated in our modular online program called "SA Specialist" between April to July this year alone. We also run extensive campaigns on leading global media partner websites like National Geographic and CNN.

South African Tourism is proud to be one of the leading online Destination Marketing Organization around the world today. By way of example, the growth of people that use Expedia to book their travel to South Africa grew by 32% from January to June 2013, as compared to the same period the previous year. Expedia's growth rate for domestic bookings is up 53% from January to June 2013 compared to the same period last year. These are important indicators and I have no doubt that our ability to have exposure to growth rates like these can only benefit our industry going forward.

Tourism has become an important sector in the global economy, and our common commitment to expand and further refine our ongoing digital activities is one of the keys to escalating the growth that will see South Africa among the Top 20 destinations in the world by 2020.

There is no question that technology is changing the landscape forever and the opportunities that lies within such change are abound – i.e. markets are closer than ever before, cyberspace word-of-mouth over fibre optic cables is a reality, e-visas and e-passports that contain all your biometric data are just around the corner, semantic translation and avatars could soon connect us to customers in new ways, and geo-location and near-field communication are creating new growth and business opportunities.

But, let us not romanticise hyper-connectivity opportunities. Also remember to ask about the hyper-vulnerabilities on the horizon.

Hyper-connectivity will disrupt many current business models, and only those in our industry that move fast to innovate will remain competitive in the era of digital natives. In this hyper-connected world, we have to work harder than ever to control content. Real time reputational risks associated with the social media and internet's amplification of our every move are greater than ever before. Tourists seek ease and satisfaction – and they know there are options just a click away. Two-thirds of people on our continent even now have access to smartphones. We must accept that they are empowered more than before to be at the centre of decision making on travel and tourism options, customisation and the creation of authentic experiences. And when they have bad experiences, they will share these instantly and constantly. But there are also massive other potential disruptions in the age of interdependence, supply chain globalisation and 'big data'. These also include potential disruptions of the cloud-based economy, and trust issues in data security.

Just imagine, for example, what would happen when air traffic navigation systems are scrambled by cyber terrorists with thousands of planes in mid-air, which is something that now occupies our minds in a number of international forums. Similarly, our industry could

suffer heavy losses should the Internet, air traffic booking systems or financial systems fail even just for a week or two in the face of determined cyber sabotage.

In conclusion, travel searches via internet are forecast to continue to grow at a rapid rate because digital solutions are becoming crucial in any customer interaction along the tourism value chain. We must therefore keep our focus on the ever-changing goal post and adapt with it to ensure that we gain maximum benefit.

I wish you all an exciting and productive Summit.

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Issued by The National Department of Tourism