Domestic and Regional Product Development

Domestic Tourism
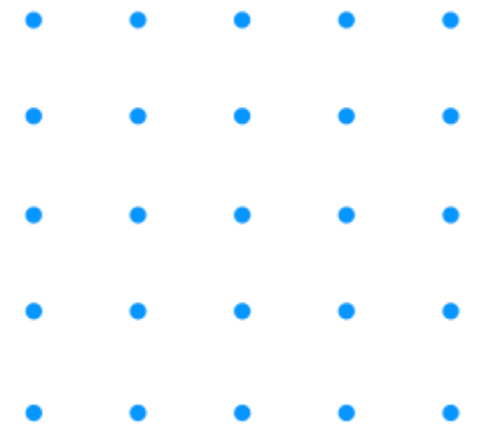
Domestic tourism is tourism involving residents of one country traveling only within that country.

Staycation on the other hand is a holiday spent in one's home country rather than abroad, or one spent at home and involving day trips to local attractions.

# Regional or Intra Africa Tourism

A **region** is an area that can be distinguished of other area's by its own culture and structure.

A **regional tourist** is a traveler visiting a geographical area other than in which she/he has normal residence but within a defined geographical scope. (Africa)

Intra-**African** Trade as the trade in goods and services between or among **African** countries and the flow of goods and services between **Africans**.
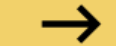
African Travel Demographics
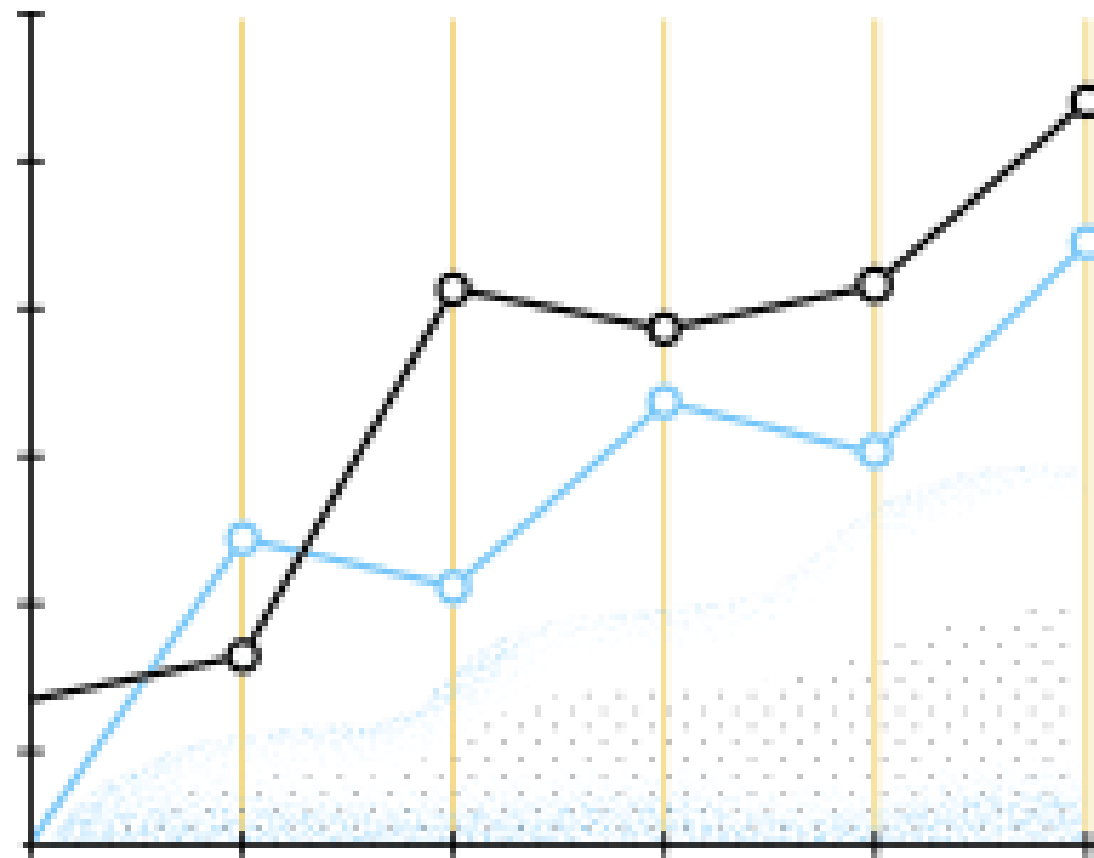
African Population
1.3 Billion - 2019
Africa's population is expected to reach 2.5 Bn by 2050, out of which 1.1 Bn will be part of the middle class.

Total contribution to the GDP
8.5% - in 2018
Africa is the 2nd fastest growing tourism region after Asia-Pacific

Contribution to total Employment
Supported 24.3 million jobs in 2018 from 22 million in 2017

Domestic Tourism – Measured by bed nights

Top 5 popular cities in Africa (By No. of Bookings)

1. Lagos, Nigeria
2. Abuja, Nigeria
3. Nairobi, Kenya
4. Mombasa, Kenya
5. Accra, Ghana

Payment options

Method	2019	2018	%Change
Pay at Hotel	62%	65%	↓ 5%
Credit & Debit Card	26%	21%	↑ 24%
Mobile Money	8%	9%	↓ 11%
Travel Agency	4%	5%	↓ 20%

Africa Hospitality Report 2019
By Jumia

Destination search by regions

East Africa — 28%

West / North Africa — 29%

Central Africa — 43%

Traveller Profile by Gender

Male → 59%

Female → 41%

50 USD 2019 ↓ 14% | **58** USD 2018

Average price by night in most popular destinations in Africa.

100 USD 2019 ↓ 15% | **118** USD 2018

Average booking value per night in the most popular cities.

Domestic Tourism

Traveler Profile by Age

Age	2019	2018	%Change
18-24	9%	8%	↑ 13%
25-34	45%	46%	↓ 2%
35-44	26%	27%	↓ 4%
45-54	13%	12%	↑ 8%
55-64	5%	5%	-
65+	2%	2%	-

Hotels' most popular Amenities

Restaurant	26%	Air Conditioner	10%
Lounge	17%	Airport Transfer	2%
Breakfast	16%	Business Center	1%
Swimming Pool	16%		
Internet	12%		

Africa Hospitality Report 2019
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Africa's E-Tourism Overview

Top Mobile Internet Countries (% Penetration)

Kenya	→ 83%	Mali	→ 63.4%
Liberia	→ 81%	Mauritius	→ 63.2%
Tanzania	→ 72%	Cabo Verde	→ 62%
Seychelles	→ 70%	Morocco	→ 61%
Tunisia	→ 67%	Nigeria	→ 60%

Mobile Industry Contribution to Economy

144Bn ^{USD} → **8.6%**
2018

110Bn ^{USD} → **7.1%**
2017

The mobile industry is estimated to contribute $185 Bn to Africa's economy (9.1% of total GDP) by 2023

Internet Penetration

36% 2019   **35%** 2018

473 million internet users as of January 2019.

Smartphone Adoption

36% 2018   **66%** 2025

There were 255 million connections by the end of 2018 from 250 million in 2017. 690 million smartphone connections are expected by 2025.

Sources of traffic on Jumia (Travel)

74% Mobile   **23%** Desktop   **3%** Tablet

Africa Hospitality Report 2019
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Understanding the domestic and regional traveler

What are their needs?

What makes them feel frustrated when they currently tour ?

How can your product be a Solution

How will your product solve these needs.

What is the unique value proposition

How will you turn an unaware visitor into an interested customer?

Unfair Advantage

What separates your product from competitors? What makes you ahead of the pack?

Customer Segments

Create 3 to 4 personas of the people you can convince to purchase. Visualize these people who will turn to you for the solution.

Existing Alternatives

How are these challenges for the African traveler being solved today? This can be a direct competitor to what you are offering or the existing ways people are employing to address their problems.

Key Metrics

How will you measure the success of your product or service?

High Level Concept

How does your product or service fit into the grand scheme of things so as to appeal to this market?

Channels

How will you reach your target consumers? Direct marketing, social media, ads, partnerships — identify the effective ways to reach them.

Early Adopters

What are the specific characteristics of your early adopters?

Cost Structure

What are the fixed and variable costs to launch your product or service? Consider the cost at each stage from setting up production, marketing, and bringing them to consumers.
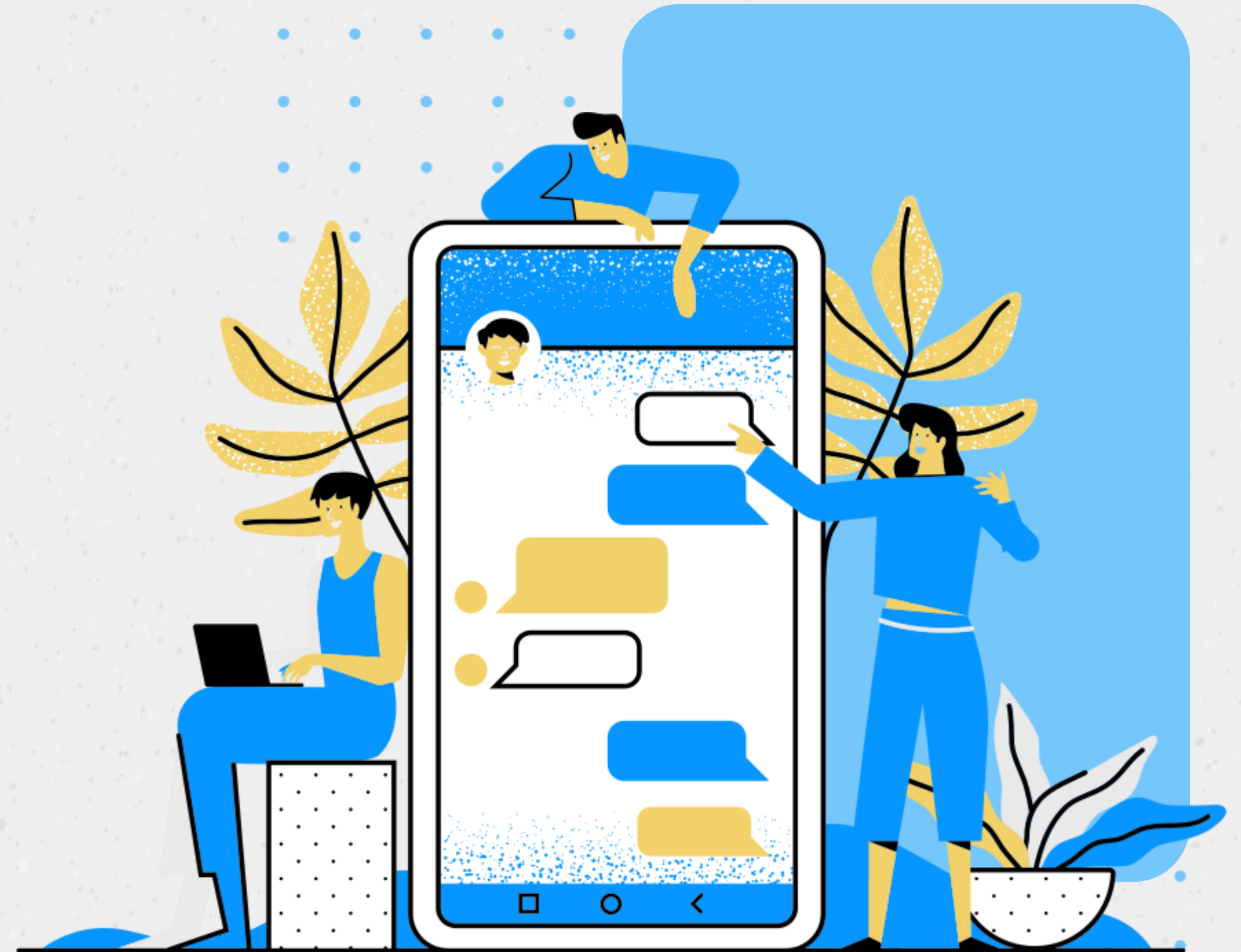
Revenue Streams and sustainable value

How will you generate income? Show a pricing model of your product or service and include other revenue sources, such as sales and subscription fees.

The domestic and regional buyer persona

Tip:

Build deep Insights about the customer you want to target by thinking local

Stages of new product development

Finding your competitive
Position

Stage 1 – Idea generation

What is your great big idea?

Stage 2 - Research the market

Is there any other product similar to your big idea in the market?

Stage 3 – Match product with the market

The product that you are developing is it for our new target market? Will it satisfy their travel craving?

Stage 4 – Access in reference to destination

With your target market in mind, does your product have the enabling amenities?

Stages of new product development

Stage 5– Understanding the stakeholder role

Is your product considerate of the local community host? What is the impact to the environment? Inclusivity?

Stage 6– Product building

Creativity , Innovation, Build .

Stage 7– Marketing and Promotion

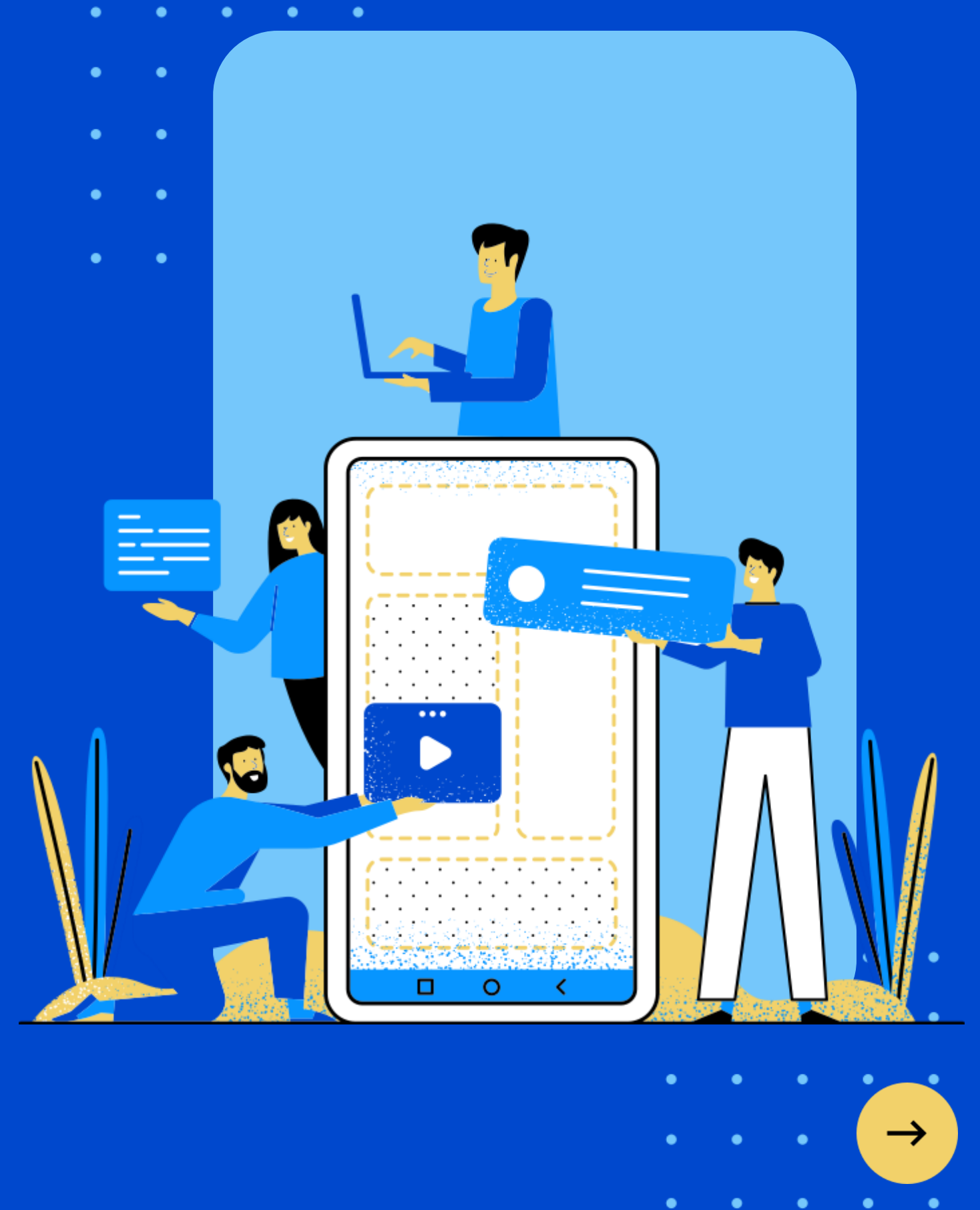How will this market know your product? How will you create demand?

Product-Market

Introducing the Product – Market Fit concept

The Product -Market Fit concept refers to your business being in a good market with the right product that can satisfy that market needs.

Finding Product-Market Fit is referenced as the difference between struggling to find customers and having them knocking down your door for your product.

This framework will help you identify target customers and their underserved needs and test and change your key market hypotheses to arrive at product-market fit.

Pyramid levels (top to bottom):
- UX
- Feature Set
- Value Proposition
- Product-Market Fit
- Know Needs
- Target Customer

1. Identify your target customer.

Domestic or Regional? Or both ? What are the demographics to develop a persona?

2.Know "undeserved" needs

What needs do they have that are adequately met?

3. Define your value proposition

How you will meet your customers needs better than your competitors? Of all the needs you can address with your product, which ones will you focus on?

4. State your MVP feature set

Build only what is needed to create enough value for your target customers to validate the direction of your product.

5. Make your MVP prototype

Create a version of your product to test . Apply user experience principles to receive feedback and modify to bring your feature set to life for your customers.

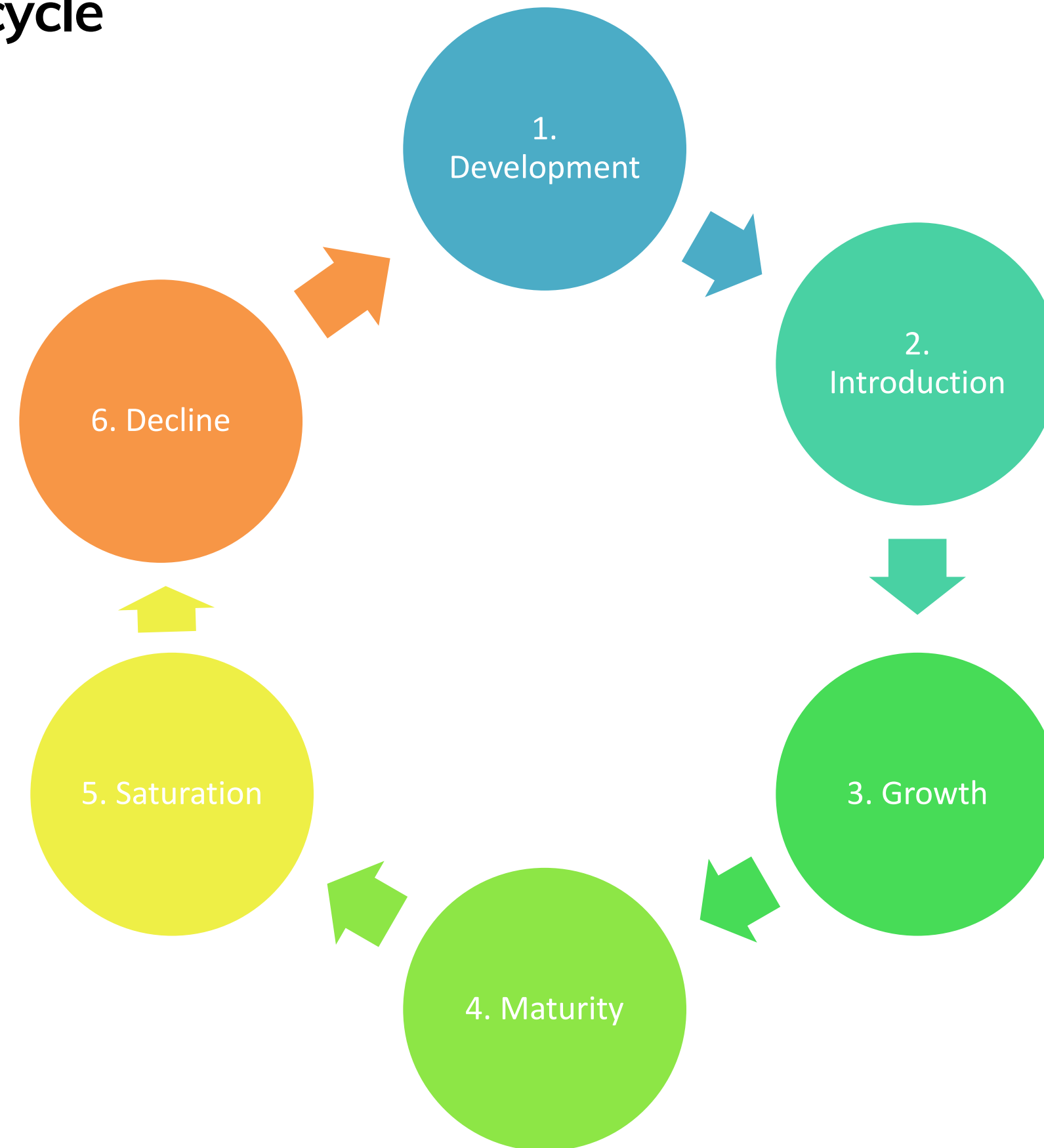## 6. Test it out to your customers

Ensure you are testing with your target market so feedback received will help iterate your product in the right direction.

Stages of a product life cycle

Know the life cycle of your product , this will enable you know when its time to revamp or discard.

Stages of a product life cycle

Stages courtesy of Hubspot
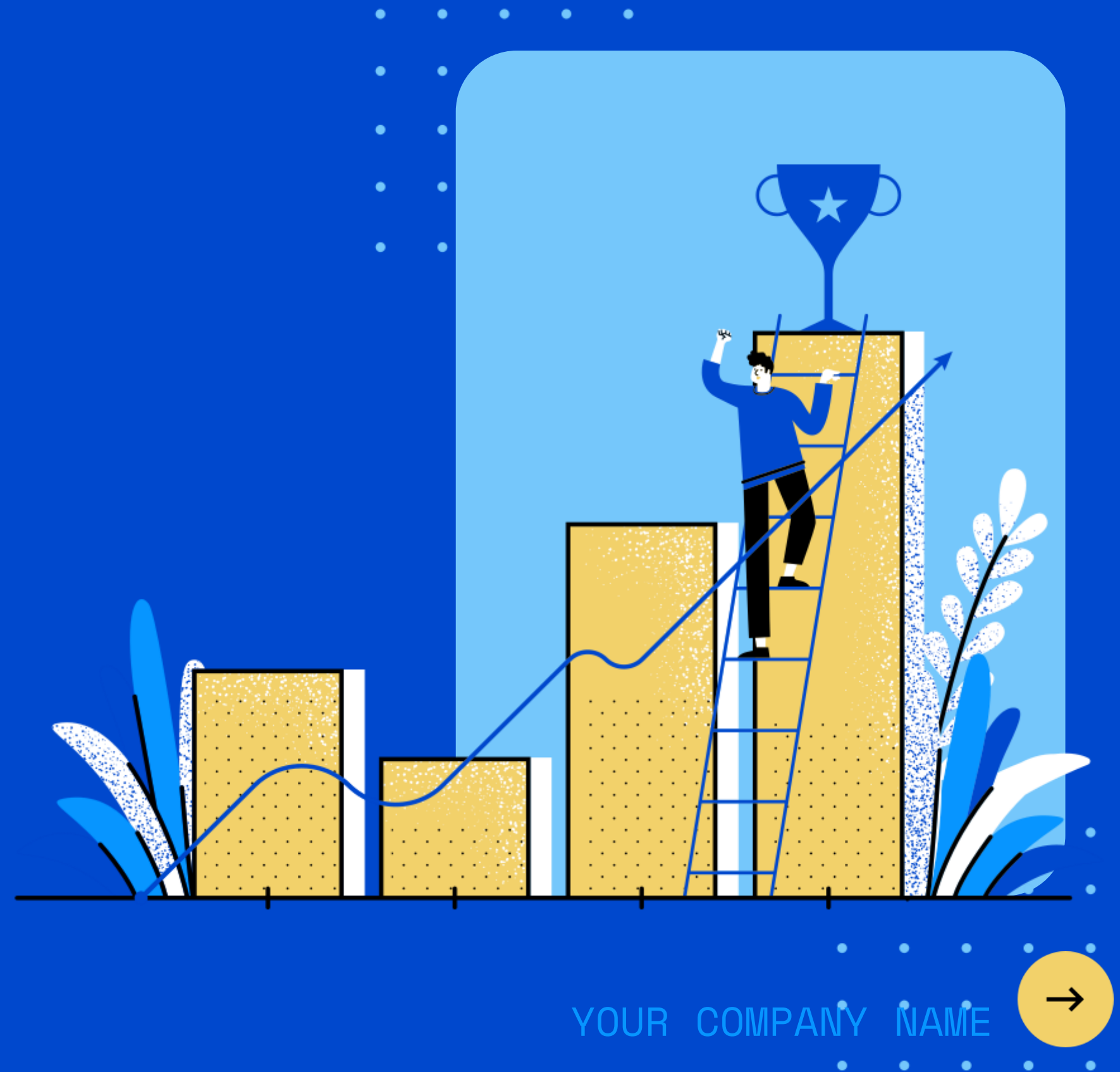
Stages of a product life cycle

Stage 1 - Development
The development stage of the product life cycle is the research phase, the building the idea from concept etc.

Stage 2 - Introduction
The introduction stage is when a product is first launched in the marketplace. This is when marketing teams begin building product awareness and reaching out to potential customers. Typically, when a product is introduced, sales are low and demand builds slowly.

Stage 3 - Growth
During the growth stage, consumers have accepted the product in the market and customers are beginning to truly buy-in. That means demand and profits are growing, hopefully at a steadily rapid pace.

Stage 4 - Maturity
The maturity stage is when the sales begin to level off from the rapid growth period. Usually this is the point where companies begin to reduce their prices so they can stay competitive amongst growing competition.

Stage 5 - Saturation
During the product saturation stage, competitors have begun to take a portion of the market and products will experience neither growth nor decline in sales.

Stage 6 -Decline
Unfortunately, if your product doesn't become the preferred brand in a marketplace, you'll typically experience a decline. Sales will decrease during the heightened competition and are hard to overcome.

Stages courtesy of Hubspot

Challenges of Domestic or Intra- Africa Travel

1. Airline connectivity
2. Data / specific demographics on the African travel market for Africans by Africans
3. Visa openness
4. High cost of flights
5. Miss-conceptions
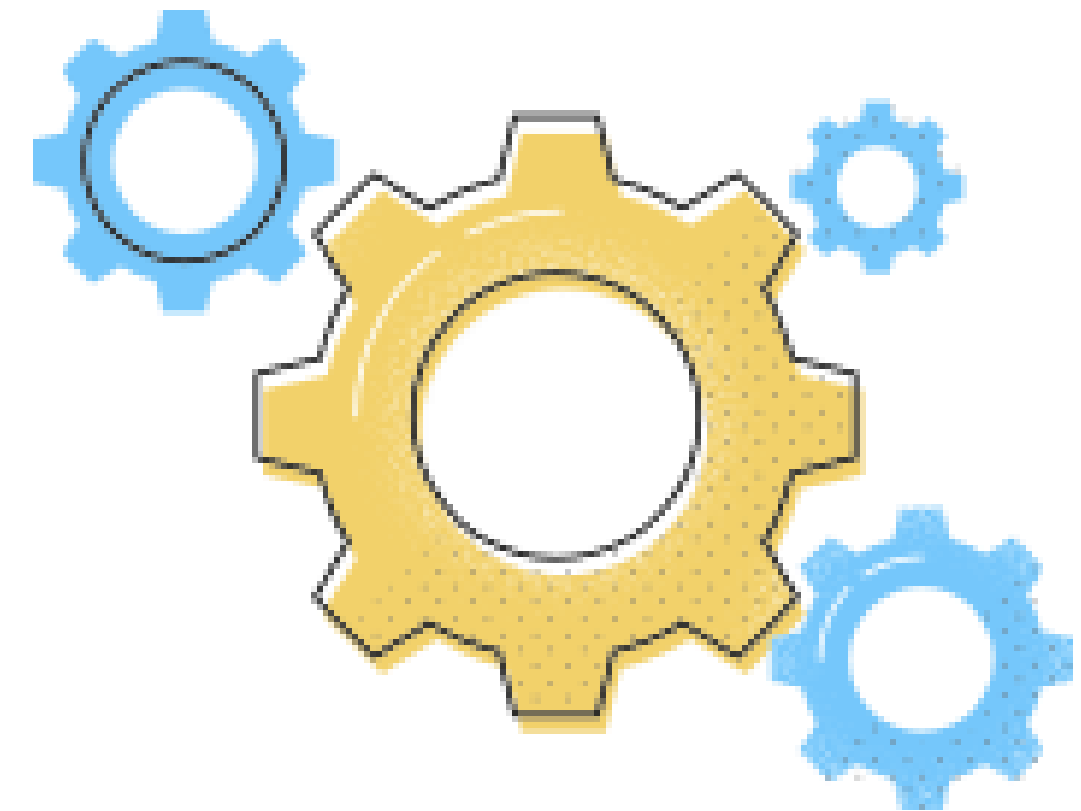
Advantages of Domestic or Intra- Africa Travel

1. Ready market post COVID-19
2. Stability – There will be no "travel seasons", thus can contribute to continuous flow of business
3. Easier to convince e.g. Safety concerns
4. Domestic – No visa restrictions
5. Intra Africa tourism can act as a catalyst to wider economic growth and economic integration
6. Contribute to sustainable development for Africa

Words of wisdom

1. Developing a tourism product means creating value for everyone involved and also an avenue for responsible consumption and production.
2. Consumer is a very important stakeholder in the tourism system.
3. Know your values as well as the consumers values
4. A unique product requires creativity, innovation as well as a thought process.
5. Focus on a specific market.
6. Seek customer feedback to escape product cycle number 6.
7. Copy and paste just doesn't work!

Thank you!

We would love to hear from you…
Any questions???

Email: angela@tierranjaniafrica.com

References:

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Africa Live - http://africalive.net/article/debate-how-can-we-accelerate-the-growth-of-intra-african-tourism/

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Presentation Template by Asha Mayura – Canava.com

Product – Market Fit Concept was developed and named by Andy Rachleff (who is currently the CEO and co-founder of Wealthfront, and is a co-founder of Benchmark Capital). - https://a16z.com/2017/02/18/12-things-about-product-market-fit/