

Tourism for Employment and Opportunity (TEMPO) Programme

A Tourism Industry Development Programme of the MSME Project

PROGRAMME SUMMARY



A pilot project of the Federal Government of Nigeria and the World Bank



Introduction

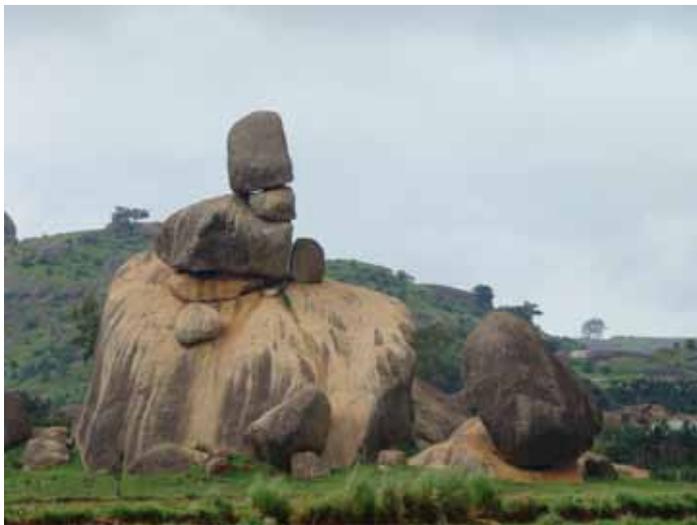
The Tourism Industry Development Programme in Cross River State (CRS), named “Tourism for Employment and Opportunity (TEMPO)”, is a sub-component of the Micro, Small and Medium Enterprise (MSME) Project, a pilot programme of the World Bank and the Government of Nigeria. This subcomponent aimed to improve the competitiveness of firms in the tourism industry by promoting the supply and demand of BDS and strengthening private sector led networking and market linkages. It was implemented by Citizens Development Solutions (CDS), a US-based firm, in collaboration with two local partners – Nextzon Outsourcing and Development in Nigeria. The TEMPO Programme was implemented over a period of 18-months.

As a pilot programme with a short timeline, TEMPO was unique in that it was designed to engage the private sector in what had, to date, been a primarily public sector-driven industry. Through a series of targeted interventions, the TEMPO Programme was able to closely examine and understand the challenges and opportunities faced by CRS’s tourism industry and begin to address them through a combination of business development grants, partnership promotion, and capacity building and training initiatives.

It adopted a value chain approach given that the tourist experience consists of a series of individual experience points provided by multiple different entities from air carriers and hotels to restaurants and tours. Failure to provide a good experience at any point may undermine the entire experience and accordingly destroy the competitiveness of the destination, so providing a holistic, inclusive approach to tourism development was essential. Consistently, it incorporated in-depth diagnostics, engaged every stakeholder group in strategic development, focused on capacity building across the value chain, and ensured implementation by utilizing the technical tools needed to build a robust industry. It was designed to harness the power of tourism in creating long-term, sustainable economic growth in Cross River State.

Tourism in Nigeria and Cross River State

In 2005 the tourism sector was identified as one of the six priority areas for development in Nigeria, and the Federal Government requested assistance from the UNWTO’s ST-EP programme (Sustainable Tourism – Eliminating Poverty) and the UNDP. As a result, Nigeria developed in 2008 a National Tourism Policy that identified CRS as one of two destinations in the country with most potential for development (the other is historic Kano City). Moreover, the current and immediate past governors have placed tourism on the top tier of their development



objectives, and the World Bank has identified CRS tourism as a growth pole for support over the next five–ten years. However, CRS has not yet fulfilled its potential.

On one hand, international tourism remains limited and the situation is unlikely to change anytime soon. Out of three million annual international visitors reported by World Bank, about half are traders from Niger and Benin frontiers and another 1.0–1.4 million are diaspora Nigerians on home visits. The rest, around 200,000, are visitors of foreign origin coming to Nigeria by air, although an over–whelming percentage of these only travel for business purposes, with a large majority remaining in Lagos, Abuja or the oil company enclaves of Port Harcourt, Uyo and

other Niger Delta destinations. On the other hand, most Nigerians who travel for recreation and leisure tend to look to foreign destinations rather than domestic trips. In fact, they only come to CRS to visit family members, attend social events, or enjoy the Calabar Festival.

However, Nigeria’s growing middle-class, mainly located in major cities (metro Lagos with a 2006 census of 8 million, Greater Port Harcourt of 3.7 million, the national capital at Abuja, and the northern urban center at Kano), offers a great opportunity for tourism in CRS. Cross River State and Calabar, by location and climate, history, government and strategic focus are poised for domestic and regional tourism development and are in a favourable posture to become the domestic destination of choice for Nigeria’s growing middle-class.

What has the project done?

Phase One – Economic and value chain analysis

During Phase I, the programme conducted an extensive visitor survey, asset audit and economic analysis of the value chain throughout Cross Rivers State. More specifically:

- Surveyed 1,200 visitors to develop a profile of visitor activities and spending patterns in CRS.
- Produced the Tourism Products Registry (TPR) and Asset Audit that graded over 450 hospitality assets to evaluate the strengths and weaknesses in the CRS tourism value chain.
- Completed an Economic and Value Chain Analysis to assess the different components of the tourism value chain (information & sales, transportation via air, road and sea modes, lodging, food & beverage, attractions & activities, and facilitating services) to identify key opportunities for the tourism industry.

Box 1: Summary of key findings

- The annual estimated economic impact of the tourism industry in CRS is \$264m.
- The total number of CRS visitors in 2008 was 950,000, of which 40% traveled for pleasure and another 40% for business purposes.
- Attractions include cultural, natural (animal and nature reserves), and historical (museums, an old bridge and old colonial buildings), but they are scattered across the State.
- CRS has over 2,100 rooms used by tourists, three fourths of which are in the greater Calabar area.
- Air arrivals to Calabar Airport increased by 37% from 2007 to 2008.

The analysis allowed the programme to project volume and type of visitor interests, travel patterns, and undertake a SWOT analysis of CRS' tourism potential. Based on this analysis, the programme was able to reveal the challenges and opportunities faced by Cross River State's tourism industry. Some of the most relevant challenges were:

- Many hotels have owners either unfamiliar with hotel operational standards and the general service quality is poor.
- The majority of the current tourism sites have underdeveloped infrastructure and access challenges that hinder the visitor experience.
- Inappropriate pricing of product offerings, including hotel room rates, due to high costs of power.
- Road travel to CRS from key cities like Lagos, Abuja and Port Harcourt has been obstructed for years, hindered by potholes, roadblocks and security concerns.
- Poorly functioning online advance booking and payment systems hinder the use of web booking and payment that is taking over travel industry in much of the world.
- Few of the city's hotels have much experience in organizing events at the quality standard usually expected by organizations in Lagos, Abuja or by international groups.

All these challenges translated into low annual occupancy rates outside of the December Carnival period because most Nigerians who travel for recreation and leisure tend to look to foreign destinations rather than domestic trips.

These findings were presented to over 100 CRS stakeholders (private and public sector) at an April 2009 meeting and six working stakeholder committees were established to develop joint strategies and implementation plans for the CRS tourism value chain in Phase II.

Phase Two – Implementation of specific interventions

As a result of the analysis undertaken in Phase I and the resources available for the TEMPO programme, the programme decided to focus on product development, competitive pricing, service improvements, and cultivation of source markets. This translated into three specific intertwined interventions:

1. The **Ambassadors Promotion Initiative (API)** was rolled out through a real-time one-month promotion during February-March 2010 (a period when hotels and restaurants in CRS are quiet) to draw travellers and tourists from niche markets in Lagos, Port Harcourt, Abuja and Kano/Kaduna to Cross River State. TEMPO and BDS grantees engaged with 67 organizations, including all of Calabar's tier-one hotels, six transportation companies, 13 restaurants and 5 travel agents/tour operators, in order to design and create five unique travel packages that would entice visitors to CRS and offer a broad introduction to the hotels, restaurants and

activities available locally.

Participants in the Initiative contributed with hotel rooms, meal vouchers and other services at a reduced rate so that packages could be priced competitively to compete with destinations outside of Nigeria and to encourage first time visitors with discounted offerings. Visitors participating in the promotion were termed “Ambassadors” with the expectation that, having experienced all that Cross River State has to offer through

Box 2: Ambassadors Promotion Packages

As part of the Ambassadors Promotion, there were five packages available for tourists:

- Meet Me in Cross River, designed for MICE (Meetings, Incentives, Conferences, and Exhibitions) travellers.
- Destination Calabar, a Calabar-based leisure package for families.
- Paradise in the Clouds, a trip to the famous Obudu Mountain Resort
- Valentine’s Romance, a romantic weekend getaway for couples.
- Gospel Encounters, to enjoy Calabar’s wonderful religious music

a deeply discounted and well-executed package, they would help spread the message of Cross River tourism. The in kind contribution from these service providers had an estimated value of over \$600,000, demonstrating the commitment and value that industry stakeholders gave to this Initiative.

2. The engagement and development of **Cross River Quality (CRQ), a Destination Management Organization (DMO)**. Cross River Quality was formed as a means to engage the CRS private sector in a way that had not previously been attempted and to create an appropriate partner for joint projects and collaborative activities with the CRS Tourism Board and other public and private entities engaged in the advancement of CRS tourism. The creation of a DMO, a private sector entity that cooperates with the

public sector to perform tasks of mutual interest such as marketing, information collection and data analysis, was of vital importance to engaging the private sector in what had, to date, been a primarily public sector-driven industry.

A total of six workshops with over 231 stakeholder participants took place during the TEMPO Programme to provide guidance on discussions relevant to form the new entity, including technical support to draft a constitution for the new organization. CRQ was finally registered on confirm and include date. Some of its more relevant goals are to:

- Collect, analyse and disseminate relevant data for the tourism industry in CRS that can help develop policies and strategies for the growth of the sector.
- Expand awareness about standards and yield management by tourism service providers.
- Work closely with CRS Tourism Board to delineate roles and responsibilities relating to standards and regulatory matters.
- Build brand awareness in the demand markets of Cross River State and its offerings.

In addition to working with the private sector, TEMPO organized several workshops and capacity building sessions for public sector stakeholders including an asset audit workshop, and an Arts & Crafts Worksho and several meetings with CRS Government officials to discuss policy and development ideas concerning Tourism Development and collaboration with the private sector in Cross River State.

3. The **Business Development Services (BDS) Grant Programme** aimed to use business development services (BDS) as a tool to address constraints within the CRS tourism value chain. Grants from the MSME Nigeria BDS Fund acted as a catalyst to accelerate investment, competitiveness, and growth and to improve value-added services and employment opportunities. The goals of the grant programme were:

- To support the Ambassadors Promotion Initiative (API) as the capstone of the program.
- To enhance the capacity of BDS providers to develop and deliver a range of innovative business support and advisory



services to MSMEs in the tourism industry; and

Ten BDS grantees were selected to implement a targeted approach to promote value chain development. Their activities covered package design and implementation; media engagement; promotion and marketing; hosting of a pre-promotion familiarization trips; production of locally-sourced gift baskets; arts and entertainment management; service quality capacity building initiatives; and the creation and management of an incentive program to encourage quality customer service. The ten BDS grantees were:

- *Caritas Communications* created marketing materials for CRQ and the API, developed and executed a CRQ advocacy and communications management plan, coordinated the Ambassadors' Promotion launch event, and supported subsequent marketing and sales efforts. (Mr. Adedayo Ojo, Managing Director/CEO)
- *Cellulant Nigeria* implemented an SMS Blast marketing campaign for the API and designed and hosted an Interactive Voice Response (IVR) telephony scheme to route incoming calls to a single CRQ phone number. (Mr. Goke Akinboro CEO)
- *Chapleni Nigeria* developed materials for a Training of Trainers (ToT) programme, certified local trainers, and supported training of general managers and front line workers of service providers participating in the API. (Mr. Charles-Godfrey Ibeawuchi, MD)
- *Executive Travels* helped design, supervise the implementation and sell the five visitors travel packages for the API (each package included airport transfers and transport, hotel, meal vouchers and access to sites, attractions and activities). (Mr. Oliver Braide Globe, Chairman)
- *GoBeyond Enterprise* recruited 31 travel agents & tour operators and 5 media representatives to sell the Ambassadors Promotion packages and introduce them to the destination through a four-day familiarization trip to Cross River State. (Mr. Gabriel Rockwell, Business Development Director)
- *Jemi-Alade & Associates* designed, produced and distributed over 130,000 pieces of materials, including flyers, posters, folders, roll-up banners, calendars, notebooks, stickers, luggage tags, and post cards. (Mr. Ladi Jemi-Alade, Managing Director/CEO)
- *ROMEX*, a joint venture of NovaRosta, Rainbow Connexions, Explore Concept and McWalterz, organised the "Uwem Do Festival" and the "Arts and Crafts Exhibit" that were held in conjunction with the API. (Ms. Geraldine Itoe, CEO)
- *Rimallis International Services* helped design, supervise the implementation and sell the five visitors travel packages for the API. Each package included airport transfers and transport, hotel, meal vouchers and access to sites, attractions and activities. (Ms. Rita Ubang Akpanette, Director)
- *Micro-Enterprise Organisation for Rural and Community Development (RUCODEV)*, analysed the available capacity in production of fruit honey, poultry, snails, and grass cutters to supply targeted hotels in the CRQ programme at 30 day intervals. (Emmanuel Monn, Project Manager)
- *Vandom Ventures* developed a service incentive reward programme to create proper rewards structures to underpin the service training activities. (Mr. T. Ndoma Takon, CEO)

Through the Ambassadors Promotion Initiative, implemented with support from BDS grantees, TEMPO created a targeted approach with very clear goals and a fixed time horizon to promote value chain development and promote the creation of a DMO in CRS. Some relevant results achieved by these interventions have been:

- Training of 195 frontline hotel and restaurant managers/staff and development of a Training-of-Trainers Programme for Service Quality to 14 trainers to improve the CRQ experience - customer service, information technology applications, appropriate pricing and yield management, human capital development,



business operations and finance/accounting.

- Implementation of a Service Incentives Programme, rewarding frontline staff who provided excellent customer service and reinforcing the TEMPO training related to service quality. The complementary Service Incentive Programme provided cash and other prizes to 135 hotel managers and workers for exceptional service as judged by patrons during the API.
- Local sourcing by 115 hotels and restaurants of produce, craft items, furniture and other goods and development of 550 attractive local-sourced gift baskets of Cross Riverian products that were distributed and resold as part of the API.
- Organisation of a familiarization (FAM) trip that preceded the Ambassadors Promotion Initiative for wholesalers (i.e. Travel Agents, Tour Operators, Meeting Planners and Travel Writers) in the target markets to educate them about the state as a destination.
- Extensive reach and quality of media engagement and newspaper coverage prior to the API with 27 substantial articles appearing in most of the major Nigerian print media outlets.



What is the expected impact of the project?

While its short timeline makes it difficult to attribute any measurable impact to the TEMPO program, the activities carried out during its implementation period have paved the way for success in Cross River State's tourism sector. The TEMPO Programme demonstrated how in a relatively short period of time private sector tourism operators could be brought together into a common interest group such as the Cross River Quality Destination Management Organization (CRQ-DMO). Moreover, even though there were several challenges for the implementation of the pilot Ambassador Promotion Initiative and it recorded under one million naira in sales and fewer than 200 bed-nights (albeit a number still significant in a period of very low occupancy), the results of this initiative are very positive because:

- The Ambassadors Promotion Initiative was a catalyst for stakeholder involvement throughout the entire programme to engage and involve both private sector and public sector participants.
- The concept of the Destination Management Organization (DMO) and booking service was introduced to the Nigerian tourism industry for the first time and widely disseminated throughout the industry via the web and other outlets.
- A private sector-created CRQ Website (www.crossriverquality.com) generated 1,497 unique visitors and a total of more than 214,000 hits from November 30, 2009 to March 15, 2010, when the promotion ended and the website was taken down.
- Differential pricing, up-selling, online information, reservations and settlement platforms and their benefits and other global best practices have been introduced to stakeholders through workshops during the planning of the API.
- New resellers were introduced to CRS through a familiarisation trip, Lagos press conference and launch event, and the distribution of materials providing increased visibility for the destination.
- The publicity generated by the promotion introduced and informed a new public-private partnership among TEMPO, ZEEP Travel Services, a Lagos-based online travel agency and the CRSTB resulting in an between ZEEP and CRSTB to package and promote new products and extended dates for the 2010 Calabar Carnival, with options for collaboration for 2011 and 2012.
- The data collected in the first quarter of 2009 and the TEMPO Asset Audit proved to be a solid basis for stakeholder involvement through the API and provided invaluable data for M&E and an examination of bottlenecks in both the tourism products and facilitation value chains.

Further evidence of excellence of the TEMPO Programme is that it was awarded the African Tourism Associations

“2010 Outstanding Achievement in Development of Responsible Tourism in the Continent” Award at their annual conference held in The Gambia in April of 2010.

Lessons learned

After the implementation of the pilot TEMPO programme, a number of lessons learned and recommendations have been identified if a similar programme was to be implemented in the future. The most relevant lessons learnt are:

- There is a need to further develop the tourism assets of CRS. Even though CRS has several tourism assets beyond Tinapa and Obudu (especially natural resources suited to eco-tourism), many of them are still underdeveloped and difficult to access. In addition, there are many historical and religious points of interest in Calabar, but they are also undeveloped and largely unknown. Activities like boat rides, beach visits, horseback riding, shopping and general entertainment activities are still in their nascent stages.
- It is necessary to improve travel infrastructure (road and air). The scarcity of flights to Calabar (only two carriers and only two source markets – Lagos and Abuja) and the fact that travellers from Kano, Port Harcourt or any other major Nigerian market require at least two planes or spend 10+ hours on the road to get to Calabar or Obudu, poses a serious challenge for the growth of the industry based on regional tourism. In many cases, the CRS experience requires the same or more time and money than that required to reach other exotic and rewarding destinations beyond Nigeria.
- It is important to further strengthen public-private partnership. At the time of the TEMPO Programme there was inconsistency in funding levels and shifting priorities at the CRS Tourism Bureau due to an on-going reorganization process.
- Initiatives such as the Ambassadors Promotion are important to demonstrate the importance of collaboration between tourism stakeholders and achieve growth in the tourism sector. Coordinated services to create a seamless positive visitor experience require a sense of timing and coordination along the value chain. From check-in to restaurant wait service and through many training opportunities, TEMPO found challenges to integrate these concepts into the service routine at hotels and other tourism services.
- The implementation of an intervention such as the Ambassadors Promotion Initiative requires extended training/certification of travel agents in Lagos and Abuja to promote travel to CRS. Successful sell-through of the Cross River tourism product did not reach anticipated levels as Lagos travel agents’ main business is outbound international travel with virtually no routine in-bound services offered. Despite the familiarisation trip, there remained reluctance and inexperience among the targeted travel agents, tour operators and other resellers to promote a Nigerian destination.
- The time for implementation of the TEMPO Programme was too limited. Despite being a pilot programme, an 18-month implementation period was not significant enough time to build the necessary public awareness required to demonstrate success in a tourism development programme, which relies heavily on activities that necessarily must take place away from the target geography to attract visitors. Therefore, in future programs, promotional activities should begin as early as possible and additional funds should be allocated for travel to target markets by project staff and for travel to the destination for familiarisation trips by operators in the target markets.



The Micro, Small and Medium Enterprise (MSME) Project (2005-2011) is a pilot programme of the World Bank and the Government of Nigeria. It is being implemented by the Nigerian Investment Promotion Commission (NIPC) through a Project Management Unit (PMU) managed by Nathan Associates London Ltd. and Development Associates Nigeria.

The MSME project was designed to improve performance and employment levels of MSMEs in selected non-oil sub-sectors within three States in Nigeria (Abia, Kaduna and Lagos), although some interventions extended to Cross River and Oyo States. The project aims to achieve increased private sector investment for MSME development by demonstrating how a combination of investment climate reforms, improved access to finance and business development services can transform the rate of growth of MSMEs in Nigeria.

Following international best practices and lessons learned, the project mainly targets those intermediaries that provide services to MSMEs, such as financial and business development support, rather than directly targeting the businesses themselves. In addition, the project aims to improve the business investment environment through policy reform and promoting public private partnerships. This will ensure that MSMEs are able to recap the benefits of the project even after the project is finished.

The MSME Project includes the following components: access to finance, investment climate, business development services and public private partnerships.

Executing Agency



**Nigeria Investment
Promotion Commission**

Project Managed by



**Nathan Associates
London Limited**



Development Associates