

Report of the 16th ANNUAL KAHC SYMPOSIUM



Theme: **Capacity Building For Sustainable Tourism**

21st-22nd June, 2018
Sarova Whitesands Beach Resort and Spa



Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS & CATERERS



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Abbreviations and Acronyms

CS	Cabinet Secretary
F&B	Food and Beverage
IHTI	International Hotel and Tourism Institute
KAHC	Kenya Association of HotelKeepers and Caterers
KRA	Kenya Revenue Authority
KTB	Kenya Tourism Board
KUC	Kenya Utalii College
TRA	Tourism Regulatory Authority



Summary of Proceedings

The 16th Annual Kenya Association of Hotel Keepers and Caterers (KAHC) Symposium was convened in June 2018 at Sarova Whitesands Beach Resort and Spa, Mombasa under the overall theme, “Capacity Building for Sustainable Tourism.” The Chief Guest of the Symposium was Hon. Najib Balala, Cabinet Secretary for Tourism and Wildlife, as well various tourism stakeholders who included players from the private sector.

Moderated by the KAHC Chief Executive Officer *Mr. Mike Macharia*, the Symposium saw presentations made from the following:



1. Tourism Organisations
2. Hospitality Schools
3. The Private Sector

The focus of the Symposium was also directed towards the following areas, all geared towards strengthening the sector and growing the tourism numbers in the country.

1. E-Learning – The Digital Revolution in Tourism
2. The Sustainability Revolution
3. The role of online marketing in tourism
4. World War 1 as a tourism product

Participants were treated to a Motivational Talk by Dr. Wale Akinyemi whose talk focused on Capacity Building for sustainable tourism and how to align it towards capacity that is relevant towards the customer of today.

In his Introductory Remarks, *Mr. Wasike Wasike*, the KAHC Board Chair gave a brief definition of capacity building and in regard to it, highlighted KAHC’s contribution to the industry. He asserted that the hospitality sector still had key gaps that should be

addressed like the mushrooming of hospitality schools, many of which lacked demo kitchens and restaurants and which produce students that are not ready for the market. Skills gap are also a major concern as a result of which employers are struggling to get good F&B Managers, Pastry Chefs, Barmen and also crafts men (carpenters and masons). He recommended the regulation of the Tourism and Travel institutions, harmonization of the curriculum provided, at both tertiary and university level and recognition of the role of technology and online platforms in education, which would entail moving away from traditional learning systems towards embracing new e-based learning systems. He further asked for government's contribution towards the same.

In his Key Note address *Hon. Najib Balala's* focused on the various areas needed in growing the tourism sector and what his ministry was doing in this regard. Specifically, he noted the industry needs to upgrade the capacity of its staff who form the face, as it were, of the industry, and who then can effectively market the establishment and the country as a destination. He further urged the industry to, i) determine approaches that would increase the number of leading chain hotels into the different counties in Kenya, ii) work together towards building local brands, rather than having many single units, iii) partnering in beach cleanliness, iv) develop a rule for modes of employment, hands-on training and exposure which, he said, has to be driven by the private sector. The government, he said, is ready to partner with the Association to move the industry forward, by among others, investing in infrastructure development including access to the national parks as well as ensuring security and cleanliness is maintained on the beaches. A skills audit of the Kenya Utalii College will be carried out this year to determine whether the institution is compatible with today's trends as well as highlight the areas that need to be improved in the institution. In closing he instructed Brand Kenya to cancel the contract with the Kenya Rugby Union as a result of a breach of contract during the HSBC World Rugby Sevens Series in Paris, France when national team players hid the 'Brand Kenya' logo on their shirts.

Session 1: Presentation by Tourism Organisations who included Kenya Tourism Board, Tourism Fund and the Tourism Regulatory Authority. *Dr. Betty Radier, Managing Director, Kenya Tourism Board (KTB)* focused her presentation towards what the organisation is doing towards building the tourism industry in Kenya. The Tourism Fund CEO Mr. Joseph Cherutoi, spoke on the role of the Fund in financing the development of tourism products in the country; he challenged the sector to be truthful in the declaration of their income. The presentation by *Mr. Kipkorir Lagat, Director General, Tourism Regulatory Authority* took participants through the regulatory processes carried towards the Classification of establishments in the country.

Session 2: Presentations by Hospitality Schools were received from Les Roches and the Kenya Utalii College. Mr Carl Lowasser from Les Roches spoke on how the institution is contributing to the industry through building capacity at the individual level using various approaches that bring out the entrepreneurial abilities in its students. On his part the Principal and CEO of Kenya Utalii College *Mr. Hashim Mohamed, Principal* gave an overview of the college, outlining its key challenges and its planned strategies of moving towards embracing technology in its teaching approaches, revamping its business development model and making it to be a model in hospitality training.

Session 3: The Private Sector: In this Session, presentations were received from Coca

Cola, Equity Bank, Brookside Dairy, and Liberty Insurance. Their presentations focused on the products and customized solutions on offer to the hospitality industry as well as the benefits the industry can accrue from the partnerships.

The Symposium further received presentations around the following subject areas all geared towards tourism promotion in Kenya:

- 1. E-Learning: The Digital Revolution in Tourism:** *Dr. Colin Johnson*, Hospitality and Tourism Department, San Francisco State University highlighted digital transformation in tourism, Social Media Outreach and training as some of the forces behind digital revolution in the tourism sector. On training, he spoke of the huge demand for HTM education and training and a real thirst for knowledge from the industry at all levels.
- 2. Responding to the Sustainability Revolution:** *Ms. Judy Kepha-Gona*, Executive Director, Sustainable Travel and Tourism Agenda (STTA) underscored the need for developing progressive policies around environmental protection, as well as the need to develop responsive training curriculums towards ensuring, i) quality service and ii) a conscious labour force that is aware of the Sustainability Revolution.
- 3. Role of Online Marketing in Sustainable:** Tourism: *Mr Joseph Orwa* of Africa 118 Inc. reiterated the need for the industry to have online marketing strategies to promote sustainable tourism through the use of various online platforms.
- 4. World War 1 as a Tourism Product:** *Mr James G. Wilson*, Author of '*Guerillas of Tsavo*' in his remarks stated that Kenya's culture and heritage is what makes it unique which should be one of its biggest selling points; its tourism product should therefore be diversified to include and promote its culture and heritage. A unique niche that is yet to be exploited in Kenya is Battlefield Tourism which he said is a product that can attract millions of tourists annually. With more than 1 million Kenyans having taken part in the first World War, Mr. Wilson has identified 22 World War 1 sites in and around Tsavo West National Park which all offer fascinating insights into what happened 104 years ago. Visitors look towards hearing the history and experiencing the sensation of the place, and just to stand in the shoes of those who were there. He cited examples of South Africa, Turkey and France, who have taken full advantage of their battle grounds and receive millions of visitors annually.
- 5. Motivation Talk:** The focus of *Dr. Wale Akinyemi* talk was on Capacity Building for Sustainable Tourism and how to align it towards Capacity Building that is relevant and towards the customer of today.

Signing of Memorandum: KAHC and Brookside Dairy

In the Memorandum, Brookside Dairy will provide support to KAHC to the tune of Kshs 6 million and undertake to sponsor its Annual Symposium over the next three years. The signing of the Memorandum was witnessed by Hon. Najib Balala, and Mr. Polycarp Igathe of Equity Bank.



Key Outcomes of the 16th KAHC Symposium

Overall Challenges

1. The mushrooming of hospitality schools, many of which lack demo kitchens and restaurants and which produce students that are not ready for the market.
2. Skills gaps – employers are now forced to seek the services of expatriates thus denying locals the opportunity to work. The academia is ready to partner with the industry players to carry out the research.

Overall Recommendations

1. Regulation of Tourism and Travel institutions.
2. Harmonization of the curriculum provided, at both tertiary and university levels.
3. Recognition of the role of technology and online platforms in education which would entail moving away from traditional learning systems towards embracing new e-based learning systems.
4. The private sector should take the lead in determining the additional skills required for students in the hospitality sector can be trained on before graduating.
5. Need for the establishment of a framework geared towards having international hotel brands that are in Kenya inject their knowledge and experience to students and local brands across all counties in Kenya.
6. Kenya Utalii College should be restructured to be a school of excellence where students from other institutions can attend for specialized training.
7. Review of the Classification processes for purposes of harmonization and sustainability.
8. The requirements and regulations of Kenya Revenue Authority need to be made known in advance to establishments who have been granted the go-ahead to import duty free goods.

Recommendations to KAHC

1. KAHC members participation and contributions towards beach cleanliness and security.
2. Develop a rule for modes of employments, hands-on training and exposure which should be driven by the private sector.
3. Draw up 3 key solutions (big-ticket items) which can be presented to government for implementation, detailing the benefits and cost of each. These three items should then be reviewed during the 2019 Symposium.
4. Attend the Committee meetings of the Tourism Industry/KUC Liaison Committee which acts as the link between the Kenya Utalii College and the hospitality industry.

Recommendations to Kenya Tourist Board

1. **Packaging the destination:**
 - a. Be sensitive to the things that directly affect revenue; it should not be about who Kenya's competitors, but about who is packaging their experiences better than Kenya and what they are offering.
 - b. Emphasis is usually on safari and beach hence making the experience incomplete. Not much is being done to promote good entertainment, local foods and the experience of various foods and restaurants in the destinations – this should be incorporated in the marketing of the destinations.
2. **Domestic tourism:** Get information from different stakeholders to see the growth of domestic tourism in Kenya and how best to engage.
3. **Tourism numbers:** Instead of concentrating on the number of tourists, focus should be directed more towards retention and increasing the bed nights per visitor.
4. **Harvesting passengers passing through Jomo Kenyatta International Airport (JKIA):** Approaches should be developed on how best to get at least 50% of the 7.5 million passengers passing through JKIA annually to spend at least two nights in Kenya. Existing barriers, towards this end, should be determined and removed.
5. **The digital platform:** It is a key area that focus should be directed towards in the tourism sector for purposes of maximum outreach.
6. Focus should be directed towards the yield of tourism rather than being fixated on numbers of tourists entering Kenya.
7. The tourism product should be diversified to include and promote its culture and heritage.

Request to Government

1. Facilitation by government to help facelift and renovate some of the facilities.
2. The Ministry to work closely with the counties, and the Association of Architects in coming up with standards and guidelines on construction of facilities.
3. The activation of the Maasai Mara National Reserve management plan, which then can extend to other parks not managed by KWS.
4. Inclusion of KAHC members in Parastatal Boards as their terms near to an end.



Introductory Remarks

By Wasike Wasike, KAHC Board Chair

Mr. Wasike begun his remarks by giving special recognition to the immediate past Chairman of KAHC the late JS Vohra who achieved a lot for the industry and association through his unwavering commitment and ceaseless efforts to see the industry prosper. Further recognition was also given to former KAHC members who passed away in the last one year, they include the late Hon. Ken Matiba, a former KAHC Chair, the late Mwangi Wa Kariuki, Chair of the HR Committee and the late Mrs. Kimotho who was the Company Secretary. A minute of silence was observed by all members for the dearly departed.



In his capacity as KAHC Chair, Mr. Wasike thanked members for their continued support and call of duty towards the association; he further thanked Hon. Najib Balala and Governor H.E. Hassan Joho and all government officials, both at central and county level for their continued support; this cordial interaction, he noted, will ensure that KAHC becomes the leading African Hospitality Association. He further appreciated the government of Kenya on sections of the 2018 budget speech that had direct positive effects on tourism, these include:

1. Kshs 1 billion to scale up promotion of tourism
2. Kshs 340 million for sustaining new markets and sitting booths
3. Kshs 380 million for capital lending to hoteliers
4. Kshs 325 million for the restoration of Fort Jesus

Mr. Wasike congratulated Hon. Najib Balala on the launch of the National Tourism Blue Print and National Wildlife Strategy. These two documents that address most of the concerns of the industry, he said, will be instrumental in upgrading the standards and quality of Kenya's tourism and wildlife.

Tourism, he said, is an important economic engine in many countries. In Kenya, it is estimated that it produces 14 percent of national economic output, and 12 percent of total employment; it therefore is a powerful job creator, providing livelihoods and pathways out of poverty for millions, across genders, ages and skills levels. Globally, one out of every 11 jobs are linked to travel and tourism.

With regards to the Theme of the 2018 KAHC Symposium which is Capacity Building, Mr. Wasike defined it as the process by which individuals and organizations attain, develop, and maintain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently or to a greater capacity. Capacity building, he stated, is composed of staff training, support to local entrepreneurs and tourism business, support for local schools and education, and awareness raising among the local community for shared planning and consultation. In this regard, KAHC has contributed to capacity building of the industry in the following ways:

1. Sitting on the Kenya Utalii College Industry Liaison Committee where it coordinates the management of Management Development Programs, Refresher Courses and National Tourism Competitions.
2. Partnered with other training institutions such as IHTI and Boma Hospitality School.
3. Working with local universities in curriculum formulation and mentorship programs.
4. Availled internship and employment opportunities in the hospitality facilities.

The hospitality sector, he asserted, still has key gaps that should be addressed if it is to move forward in its provision of adequate services, they include the mushrooming of hospitality schools, many of which lack demo kitchens and restaurants and which produce students that are not ready for the market. Another key challenge is the skills gap whereby employers are struggling to get good F&B Managers, Pastry Chefs, Barmen and also crafts men (carpenters and masons). These skills gaps have forced many investors to seek the services of expatriates thus denying locals the opportunity to work. These challenges therefore need to be addressed in order to improve the quality of the standards; this can be through, i) regulation of the Tourism and Travel institutions, ii) harmonization of the curriculum provided, at both tertiary and university level, and iii) recognition of the role of technology and online platforms in education, which would entail moving away from traditional learning systems towards embracing new e-based learning systems.

Towards enhancing the tourism sector, Mr Wasike drew out the following Key Asks to the government:

1. Facilitation by government to help facelift and renovate some of the hotel;
2. The Ministry to work closely with the counties, and the Association of Architects in coming up with standards and guidelines on hotel construction.
3. The activation of the Maasai Mara National Reserve management plan, which then can extend to other parks not managed by KWS.
4. Inclusion of KAHC members in Parastatal Boards as their terms near to an end.

In conclusion, he challenged KAHC members to, i) adhere to sustainable tourism practices by safeguarding the natural environment, ii) have local communities by participate in environment and local heritage protection activities, iii) adhere to the laid down guidelines in the Collective Bargaining Agreement.



Key Note Address

By Hon. Najib Balala, Cabinet Secretary, Tourism and Wildlife

The following are excerpts of Hon. Balala's Address:

1. Kenya Utalii College:

- a. It still maintains the same Vision it had since its establishment in the 1970's. Its strategy and structure need to be re-drawn towards having it produce graduates who are adequately skilled to effectively work within the current trends of the hospitality industry. The private sector should take the lead in determining the additional skills required for the students to be trained on before graduating.
- b. A skills audit of the college will be carried out this year to determine whether the institution is compatible with today's trends as well as highlight the areas that need to be improved in the institution.



2. **Knowledge capacity of hotel staff:** This should be across the board, right from a junior manager, or waiter to the senior staff. He cited an example of Movenpick Hotel whereby a waiter provided all the necessary information to a guest about the hotel. KAHK members should establish effective approaches on imparting knowledge and confidence to their staff to enable them effectively market the establishment.
3. **Entry of international hotel brands:** They are putting Kenya in the global market of tourism. There is need for the establishment of a framework geared towards having them inject their knowledge and experience e.g. for students at the Kenya Utalii College (knowledge sharing). This approach would in turn help local brands across all counties in Kenya gain knowledge and exposure from them and effectively develop a footprint of brands spread out across the country.
4. **Broadening the footprint of international brands in Kenya.** There is need to determine approaches that would increase the number of leading chain hotels into the different counties in Kenya.

5. **Thinking outside the box for local brands:** They need to come up with ways of building their destinations through effective collaboration with other local brands towards developing a chain of hotels in Kenya rather than just having many single units (competing and collaborating at the same time).
6. **The National Blueprint 2030:**
 - a. For tourism in particular two clear products have been identified, the African Safari and the Beach; a team will soon be appointed to determine approaches on how best to improve these two products. With regards to the Beach destination, a Beach Strategy has been developed, it has zoned out the entire coast region into five (Diani, Watamu, Mombasa, Lamu, and Malindi), and which is or should be run purely by the private sector. Every destination should then take lead, together with the private sector and the respective county governments to tap into their respective tourism budgets and develop their destinations as key tourism attractions. The national government will provide support and link them to the national marketing strategy.
 - b. All members of KAHC should have a copy of the Blueprint and determine the role they can play in effectively executing it.
7. **Partnering in beach cleanliness and security:** The government has taken up the initiative to ensure the beaches are clean and secure around the clock. It also is ensuring that law and order is maintained. KAHC members participation and contributions is therefore needed towards this end. Beaches should be opened 24 hours a day. A fund had been developed whereby hoteliers were to contribute US\$1 per night and in return the government gives the hotel free access to the marine park. This should be revived, with both parties managing it.
8. **Kenyan National Parks:** With the merger of Wildlife and the Tourism sectors, Hon. Balala has instructed the Kenya Wildlife Service to begin investing heavily in all national parks to better access them.
9. **Restructuring of Kenya Tourism Board:** This is in terms of digital marketing and investing heavily in marketing Kenya by also realigning every infrastructure development being carried out by the government towards benefiting tourism.
10. **Destination Boards:** They should develop different approaches to sell the product and not just beaches. Activities as well as unique and seamless experiences seem to be lacking; these experiences should actually begin right from the airport to the hotel and throughout the visitors stay.
11. **Training:** The Association needs to develop a rule for modes of employments, hands-on training and exposure which has to be driven by the private sector.
12. **Partnership with the government:** The government is ready to partner with the Association to move the industry forward.

In conclusion, Hon. Balala instructed Brand Kenya to cancel the contract with the Kenya Rugby Union as a result of a breach of contract during the HSBC World Rugby Sevens Series in Paris, France when national team players hid the 'Brand Kenya' logo on their shirts.



Plenary Discussion

The following were the key outcomes of the discussions:

Delays by the Kenya Bureau of Standards, Kenya Revenue Authority and the Port Authorities: As a result of their cumbersome quality control processes set by Kenya Bureau of Standards, hotels are experiencing long delays on the clearance of their imported items needed for the upgrading of their facilities. This has been reported to the National Treasury for action to be taken as there are some processes beyond the control of the tourism Ministry.

The Ukunda and Malindi Airstrip: Night landing is still not possible as the airstrips is yet to get lighting. The plans are still in place as well as clear strategies already set out for the improvement of the airstrips infrastructure.

Infrastructure development in the coast region: The investment by the national government is well beyond Kshs 100 billion. This has and will open up the coast region towards easing movement of vehicles. Players in the private sector should be ready to absorb the increased number of clients once the investment on the road infrastructure is completed.

Remodeling of Kenya Utalii College: It should be restructured to be a school of excellence whereby students from other institutions can go there for specialized training.

The skills gap: There are still many areas within the training on hospitality and tourism that needs to be researched on at a national level, i.e. problem-based research. These ideas can only be suggested by the industry players and then shared with the institutions of higher learning. The academia is ready to partner with the industry players to carry out the research.

Transparency and accountability: It should not stop with the government alone, all players in the various sectors should play a part in stopping corruption.

Open sky policy: Kenya is a signatory of this and is in the process of implementing it and is committed to it.

Partnering with county governments: There is need for the private sector to engage the county governments with regards to following-up on how the monies allocated to them for the development of tourism has been used.

The Tourism Act: It allows for the formation of a professional body that would influence the curriculum development of the sector through regulation. Members were requested to join the body in order to have more voices needed in streamlining issues around quality.





Session 1

Presentation by Tourism Organisations

1.1 Kenya Tourism Board on Tourism Transformation and County Capacity Building

By Dr. Betty Radier, Managing Director, Kenya Tourism Board (KTB)



Dr. Radier's presentation focused on a project that KTB has undertaken to deliver to its stakeholders; the project was geared towards building capacity through diversity on a regional basis. It is currently being driven at the county level.

The KTB staff present first outlined the roles they each play towards tourism transformation and building capacity at the county level:

1. To put sales kits and tools in the hands of those who sell packages. How one packages and markets determines how transformed the product will be.
2. Develop frameworks that connect the industry, in terms of what it does with regards to value design so that the private sector can tap into the process.
3. Having a synergized brand messaging that incorporates the strength of the different counties.
4. Developing approaches in using technology to market the destinations and obtain data that can help build business intelligence platforms that then can be used to share information.
5. Enhance and build relationships with the various stakeholders and provide them with adequate and reliable information to enable them make informed decisions.

The overall mandate of KTB is therefore to market the destination so that the industry players/investors can make money; this will be through finding the customer, positioning

the destination in a way that is competitive. The marketer must therefore get ahead of where the tourism market is headed.

Dr. Radier stated that the impact or contribution of the tourism sector to the economy can be either direct or indirect and can be categorized as follows:

1. Commodity
2. Industry
3. Sources of spending

KTB has noted indirect, induced, and direct impact on the economy in terms of the numbers of travelers who will spend at least one night in a place where they pay for the bed. A couple of things have come into play that have changed the decision making and consideration of the consumer. At a Stakeholder Forum held in early 2018, KTB as the marketing body, undertook to change the narrative about Kenya which was centred around Safari and Beach, and instead marketing the destination as being more compelling, interesting, and engaging – facilitation of different diversity and experiences while at the coast. Towards this end, KTB has undertaken to carry out to transform capacity by determining how else to be relevant and be able to sustain tourism as a going concern, for Kenya, and for the tourism industry.

Over the last 17 years, there has been a slight gradient in the increase of tourists into Kenya; in 2001, the total arrivals, both international and cross border, was at 993,000. 15 years later, the growth has grown marginally to 1.3 million arrivals. With this dismal level of growth, KTB carried out a research to determine this; the outcomes of which revealed that it is not that people have stopped travelling, it is that they have a lot more options that they are picking from, and Kenya is not in the considered list. In this regard, the sector needs to be transformed, starting off with capacity building of players in the tourism sector to be able to identify those gems within the Kenyan destination that help to amplify the tourism business and hence increase the growth in the numbers of visitors, thereby propelling the economy of the sector. Specifically, KTB will focus its capacity building efforts towards the following areas:

1. Creating or delivering an exceptional tourism experience.
2. Inspiring the world through a powerful destination brand that people will select from around tourism, safari, beach, or adventure.
3. Improving Kenya's competitive position in the sales system; the experience of a tourist is a whole chain that requires a lot of different people to play their part, right from the point the tourist lands in the Kenya to the point they exit.

Focus should be directed to the forces that will shape the future of tourism in Kenya, who include, i) those that are or have been constant tourists into Kenya, ii) generation Y and Z who need to be understood and spoken to, iii) the growing Kenyan middle class and understanding how to treat them so that they can be return visitors, iv) understanding what other destinations are doing that Kenya, as a destination, is not doing. As a tourism body, KTB has identified the following three things:

1. Building on what is already in existence, i.e. beach and safari, thereby ensuring that the coast product returns to its glory.

2. Ensuring that consumers and stakeholders in the sector have the information on what people are looking for.
3. Using technology to drive business.

In terms of capacity building and transforming the tourism sector, KTB focused on the following initiatives:

1. Determining how best to speak to the entire country as a tourist destination and how to build capacity within the different counties, thereby unlocking the monies set aside for tourism towards building a tourism destination through activities, sights, or diversity that is available within the counties.
2. Engaging both the public and private sector towards unlocking funding as well as form strategic partnerships or alliances that can go towards building capacity which then can be directed towards building the products in the different regions thereby providing a broad array of experiences.
3. Taking a paradigm shift in marketing by being in those areas that consumers are able to identify the products available, e.g. social media.
4. Ensuring that Kenyan's, wherever they are in the world, are able to identify what the destination stands for and that what they do could affect the positioning of the destination.
5. Engaging stakeholders and ensuring they are in the know of KTB's approach in bettering the tourism sector.

Ms. Radier noted that there are two opportunities to build capacities through, i) enabling people have top experience potential in their immediate destinations, ii) working with the private sector in developing experiences, and to benchmark them so that they become signature experiences. Stakeholders in the industry therefore need to play a much bigger role in ensuring that the issue that affect the industry are brought to the fore, i.e. making government and other parties aware of the issues

In conclusion, she gave the following recommendations to the tourism stakeholders and investors in the sector:

1. Embrace trends in technology and innovation in business as well as in the way to interact with customers.
2. Embrace social media content as it is becoming real-time – it is the informer of what is going on.
3. Engage constantly with stakeholders and be alert on any new needs or approaches that can then be brought to the attention of the customer.
4. Collaborate towards Kenya's tourism transformation, sustainability and capacity building.
5. Register for the upcoming Magical Kenya Tourism Expo.

1.2 Tourism Fund on Capacity Building for Sustainable Tourism Industry

By Mr Joseph Cherutoi, CEO

The mandate of the Tourism Fund is to mobilise resource, through levy's paid, for a sustainable tourism sector; the levy is used to achieve three major functions, i) in conjunction with the Ministry of Tourism and Wildlife financing the development of tourism products in Kenya, ii) establish, equip and control tourism and hospitality training institutions, including the establishment of a tourism professional association, and partnering with Kenya Utalii College to offer refresher courses for the industry.



Tourism levy is paid by those establishments carrying out regulated tourism activities covered in class A and B of the Ninth schedule – Tourism Act 2011.

Class A	Class A	Class B
• Hotels	• Service Flats	• Restaurants; and
• Members Clubs	• Service Apartments	• Other Food and Beverage services including Supermarkets with Delis
• Motels	• Beach Cottages	
• Inns	• Holiday Cottages	
• Hostels	• Home Stays	
• Timeshares	• Villas	
• Retreat Lodges	• Guest Houses	
• Ecolodges	• Tented Camps	
• Tree Houses	• Safari-Mobile Camps	
• Floatels	• Health and Spa Resorts	

The following are the disbursements in F/Y 2016/2017 and 2017/2018 towards the agencies and institutions the Tourism Fund finances:

Agency/Institution	2016/2017	2017/2018
Kenya Tourism Board	328M	264M
Kenya Utalii College	318M	495M
Ronal Ngala Utalii College Project (TF)	629,984.00	529,849,994.16
Other industry supporting funding	25,232,255.00	4,337,500.00

Request by the Tourism Fund towards stakeholders:

1. Truthful declaration of 2% Tourism Levy
2. Share information on Villas, Apartments and Homestays
3. No bribing inspectors

1.3 Tourism Regulatory Authority on Classification of Tourism and Hospitality and Work Permits

*Mr. Kipkorir Lagat, Director General, Tourism Regulatory Authority
Read on his behalf by Ms. Wilda Ombongi*

The mandate of the Tourism Regulatory Authority is to regulate the tourism sector in Kenya. This entails developing regulations, standards and guidelines that are necessary to ensure all-round quality service delivery in the tourism sector.

The Classification Process: It is three phased, and is categorized as follows:

1. Phase 1: To build capacity within the institution to be able to ensure that the standards set during the time of classification are maintained going forward. Institutions are sensitized; a group of champions are also trained before the classification is done to ensure the standards are maintained
2. Phase 2: Involves onsite inspection of the facility.
3. Phase 3: Analysis of the results and presentation to the classification committee, then o the Board Committee and to the full Board for ratification before it is officially gazetted.



About the classification:

1. So far, a total of 180 classifications have been carried out, with a bed capacity of 22,731. Not all establishments have been classified; it being mandatory, any establishment not classified should work towards ensuring they get the classification within the grace period of six (6) months given by the TRA Chairman.
2. Only classified establishments will get business from the government.
3. Plaques: It is mandatory that establishments display them prominently so that their star rating can be easily determined. It is illegal for any establishment to display a rating that it is not, e.g. a rating of a five-star hotel while it was downgraded to four star.
4. Reapplication of classification is permitted if an establishment feels it received a wrong rating.

Work Permits, Custom Duty Exemption and VAT for Tour Operators:

1. Work Permits: The processing or vetting of expatriate employees in the tourism sector is within the Tourism Act and it is within the mandate of TRA; the Vetting Committee is currently being chaired by the Tourism Permanent Secretary and works in collaboration with the Department of Immigration Services. The aim of vetting expatriate employees is to encourage transfer of skills as well as safeguard investors interests, local employment as well taking care of the country's security concerns.

2. Custom Duty Exemptions: This acts as an incentive to facilities towards encouraging them to carry out renovations and build new establishments. The process involves putting in a request to the Director General (no vetting is done) through TRA, which ensures that all needed attachments are in place. A recommendation is then done to the Cabinet Secretary, who then gives a recommendation to the Kenya Revenue Authority for the request for duty exemption. All imported goods under duty exemption should bear the establishments logo and name.

VAT for Tour Operators:

1. There is an exemption of VAT for locally assembled vehicles for Tour Companies.

1.4 Plenary Discussions

The following were the key outcomes of the discussions:

Achieving 5 million visitors a year into Kenya:

Between 2005 and 2007 the numbers of visitors into Kenya grew from 1.4 million to 1.8 million. The objective to grow it to 5 million was hampered in 2008 by the election violence as well as insecurity in the country thereafter. Kenyans need to be made aware that their actions directly affect the perception of the country by potential visitors.

Licensed establishments in Kenya

Not all licensed establishments qualify for classification. The total number of classifiable hotel estimates is approximately 2800; out of this, only 180 have been audited.

Regulation of Homestays and Apartment Hotels

This is provided for in the Tourism and are therefore regulated. The key challenge however remains on identifying where the Homestays and Apartment hotels are located.

The role of Airbnb and whether they should be regulated or have guidelines on sustainability

They are still not provided for in the Tourism Act and therefore not regulated. There are proposals to amend the Tourism Act of 2011 some of which are to capture businesses like Airbnb, which then will go hand in hand with the classification criteria.

At the global level there is a European Certification Program called Travelife that is in talks with Airbnb and through booking.com to see if sustainability standards can be developed for Airbnb businesses.

Reviewing and harmonization of the Classification criteria

There is an imbalance in the grading on the classification assessment, e.g. a sweet scores 1000 points as compared to F&B and the Front Office which score much less yet these are areas with the greatest impact in terms of guest experience. There is need to incorporate sustainability issues into the criteria since this is the direction the world is moving. Towards this end, the reviewing of the classification processes cannot be gainsaid and feedback from all stakeholders will help towards its harmonization.

Licensing of establishments

If an establishment does not want to be classified then it should not be licensed. This should be anchored in the law.

Work Permits

A lot of young managers coming up in Kenya within the hotel industry do not have hope of becoming General Manager. As the international chain of hotels come into Kenya, TRA should determine exactly how these Kenyans can be absorbed and reach the heights of their careers by minimizing the entry of expatriates into the country.

Tourism Professional Association (TPA)

It seeks to bring the entire tourism and hospitality professionals under one organised body comprising of practitioners and the academia to effectively have holistic representation in the professional diversity of the Tourism Profession. Participants were requested to join the Association.

Child sex abuse cases

Over 70 tourism players at the coast signed the ECPAT to end child prostitution and trafficking in 2006. Most of the reported child sex abuse cases happens outside of the main hotels at villas and unclassified establishments.

Researching on the hotel industry in Kenya

Carrying out research on the hotel industry is extremely difficult because the players in the sector do not share data and information. Players in the sector need to support any academic endeavour that would help enrich Utalii College as well as the students

The MICE (Meetings Incentives Conferences and Exhibitions) market

This market has been seen as the biggest driver of business to destinations and therefore should be strengthened.

Regulation of new tourism establishments

TRA comes in after the hotels have already been established making it complicated to come up with standards.

Requirements of importation of duty free goods

The requirements and regulations of KRA need to be made known in advance to establishments who have been granted the go-ahead to import duty free goods. There are cases where changes are made to the requirements when the goods are already at the port of Mombasa.

Recommendations:

1. Packaging the destination:
 - a. The tourism sector needs to be sensitive to the things that directly affect revenue; it should not be about country's competitors, but rather determining who is packaging their experiences better than Kenya and what they are offering.
 - b. Emphasis is usually on safari and beach hence making the experience incomplete. Not much is being done to promote good entertainment, local foods and the experience of various foods and restaurants in the destinations – this should be incorporated in the marketing of the destinations.
2. Domestic tourism: KTB needs to get information from different stakeholders to see the growth of domestic tourism in Kenya and how best to engage.
3. Tourism numbers: Instead of concentrating on the number of tourists, focus should be directed more towards retention and increasing the bed nights per visitor.
4. Harvesting passengers passing through Jomo Kenyatta International Airport (JKIA): Approaches should be developed on how best to get at least 50% of the 7.5 million passengers passing through JKIA annually to spend at least two nights in Kenya. Existing barriers, towards this end, should be determined and removed.
5. The 2019 KAHC Symposium should take the natural environment as one of its agenda items including what needs to be done to restore it.
6. The digital platform: It is a key area that focus should be directed towards in the tourism sector for purposes of maximum outreach.
7. Focus should be directed more towards the yield of tourism rather than being fixated on numbers of tourists entering Kenya.
8. The hospitality sector should draw up 3 key Solutions (big-ticket items) which should then be presented to government for implementation, detailing the benefits and cost of each. These three items should then be reviewed during the 2019 Symposium.



Session 2

Presentations by Hospitality Schools

2.1 Les Roches on Capacity Building

By Carl Lowasser, Les Roches – Global Hospitality Management, Switzerland

The focus of the presentation was on how Les Roches, which is a leading hospitality school, contributes to the industry through building capacity at the individual level.

Capacity building at the individual level first begins with knowledge or skills set building which is the most important as it is the foundation of building and developing capacity. This is achieved through the establishment of strong education systems, as well as opportunities for continued learning and development. Change at organizational level, in private or public, begins with individual transformation which *Les Roches* carry's out through a clearly defined mission that prepares students for a global career through an approach that is based on transferring knowledge from the faculty towards students which in turn builds competencies and broadens the mind (innovative thinking). This is all rooted in *Les Roches* values on innovation and entrepreneurship.

Les Roches builds competencies in its students by employing different approaches to learning through listening, reflecting, on their respective strengths and weaknesses, an approach which challenges the students to question themselves and develop alternative solutions through critical thinking and analysis.

Entrepreneurship is one of the key values that *Les Roches* imparts on its students; it does this by having in place a startup innovation hub on campus that helps students build their entrepreneurial mind; this is imparted to students at different levels through interactive teaching, as well as digital learning (content is delivered via multimedia) through which their competencies in different aspects of entrepreneurship is built. This has been clearly exemplified by the large number of *Les Roches* graduates who have started off and now run their own successful businesses. 90% of its students who graduate are immediately



employed in the hospitality industry globally or form their own successful businesses. *Les Roches* has been ranked second as the institution worldwide for employer reputation through provision of best talents to the hospitality industry.

Being a global organisation that is based in Switzerland, *Les Roches* has campuses in Spain, China and the USA. During their program, students have the opportunity to experience these different locations as part of their studies and also as part of their internship which is of key importance in their global careers and when working in international hotel groups. It has put in place exceptional high standards around student behavior and attitude which are complementary to the academic and practical standards of the school.

Being a global institution, *Les Roches* is keen on developing partnerships in Africa to have its students involved in local projects.

2.2 Kenya Utalii College on Hospitality and Tourism Education and Training that meets today's Industry Needs

By Hashim Mohamed, Principal and CEO

The Mission of Kenya Utalii College is to develop highly qualified and globally competitive human resource for the hospitality and tourism industry by providing, i) quality tourism and hospitality education, ii) purposeful research, and iii) consultancy. It runs several courses for the hospitality industry as well as degree programs in collaboration with the University of Nairobi. As an institution, it has developed collaborations and linkages with several learning institutions in Kenya, Rwanda, Uganda as well with hospitality related players worldwide. It has also partnered with hosco which is a hospitality network that brings together all the hospitality industry's top talents and companies into a single online community. The College is also partnering with various county governments in Kenya to take its services closer to the people by providing training programs in terms of service delivery in the hospitality sector.

Utalii College is revamping its learning resource centre and upgrading its IT infrastructure towards e-learning ; it also seeks to change its training approach towards inculcating a business mind to its graduates as well as develop their skills towards having a bigger impact in the industry. So far it has received funding towards having modern training labs, kitchen and laundry facilities for use by the students.

With regards to research and innovation, the college seeks to:

1. Have in place research-based learning towards enhancing creativity through innovation labs.
2. Have student projects that are focused towards problem solving of existing challenges.
3. Establish and coordinate a platform for Academia in hospitality training in institutions



of higher learning by having joint research as well as developing journals and newsletters that are focused in the hospitality industry and which are informative and authoritative.

4. Tap into the National Research fund for grants towards research.
5. Host conferences and workshops; the first conference scheduled to take place in October 2018.

Key Challenges:

1. Students who enroll for the four-year degree programs that Utalii College provides in collaboration with the University of Nairobi graduate with a degree from the University even though Utalii College provides more than 80% of the work.
2. Inadequate capacity with high demand for training places.
3. Faculty training and skills challenges to respond to the changes in the business arena.
4. Absence of a strong and vibrant alumni.
5. Underfunding to meet emerging needs and trends coupled with the rising cost of inflation.
6. Lack of a structured support system by the hotel industry.
7. Low research-based training and orientation.
8. Inadequate career guidance and mentorship programs.

Kenya Utalii College seeks to achieve the following:

1. Gain clarity on its core mandate and focus.
2. Revamp its business development model and consultancies.
3. Build strong and vibrant alumni that is connected to the college's activities.
4. Build a strong relationship with the industry on joint collaborations/partnerships.
5. Revamping Utalii Hotel as an application and business hotel as well as other campuses including its Kisumu and Mombasa campuses.
6. Rebrand itself.
7. Embrace technology in delivery of its courses.

Recommendations:

1. All CEOs of the tourism associations in Kenya should make time to attend the Committee meetings of the Tourism Industry/KUC Liaison Committee which acts as the link between the college and the hospitality industry.











Session 3

Presentation by the Private Sector

3.1 Equity Bank

By: Patrice Kiiru – General Manager Diaspora Banking,

Rebecca Kariuki - Head of Merchant Services

Polycarp Igathe- Chief Commercial Officer



The team from Equity Bank, gave presentations on the products and customized solutions the Bank is offering to the hospitality industry as well as the benefits the industry can accrue from the partnership.

PayPal

This is an online payment service that is in over 200 markets with over 228 million active customer accounts; it allows payments for 20 different currencies and allows for the collection of payments from virtually any country in the world. PayPal processes roughly Kshs 1.8 million every second online, it therefore is the leading online payment provider in the world. These capabilities would therefore help the industry serve its customers even better.

A business loses sales when a potential customer comes to its website and drops off without completing the sale or making a booking. A research carried out by Payments.com which interviewed hundreds of merchants, some of who are in the hospitality industry, revealed that an average of three people out of every hundred actually completed the online sale, while the rest dropped off. Towards increasing the conversion rate and reduce the number of dropouts it is critical for a merchant to choose the right partner to help facilitate any form of online payments and how they would want the integration to happen, the security of the payment and whether it can be completed using a mobile interface.

Customized solutions for card payments

Equity Bank's PDQ solutions support all card payments including American Express. Effective 1st of May 2018 American Express appointed Equity Bank to be their long-term partner on the issuing side of the cards, therefore the only PDQ that an American Card can be processed in Kenya is only through Equity Bank. For a business's operations to be seamless in terms of card payments, then the Equity PDQ will be the solution as it accepts all cards.

Equity Bank has various banking solutions that cater for both Credit and Debit Cards; its revolutionary mobile payments solutions called Eazzy Pay allows a business to receive online payments from its customers into its till, including via Mpesa, Airtel Money, as well as customers from other Banks who are linked to the banks account using Pesa Link. The Eazzy Pay till is therefore interoperable, it collects payments from the various channels being used by the business's customers. The Eazzy Pay solution is provided at no merchant service commission.

For clients who make their booking online the Easy Checkout solution, which is an ecommerce platform, facilitates this process; ecommerce payment solutions have been developed and customized to meet the customers' needs with proper security standards being taken in consideration.

About Equity Bank

Who are we? Equity Bank are Social impact investors, a Fintech Company as well as a Telecommunications Company.

Where we are? 1) Equity Bank is the second largest market capitalized business on the Nairobi Stock Exchange, 2) It is Kenya's most solid bank, with over Kshs 200 billion available for lending, 3) Its asset base is USD 5.2 billion, 4) Has over 30,000 shareholders, 5) Its ecosystem consists of 35,000 bankers created through the banking agency model, 6) has 12 million clients, 7) On its social investment and impact, the bank is educating over 15,000 students at secondary school level, 10,000 of who are at university level, 8) 94% of all equity transactions are taking place via the mobile phone;.

On Individual borrowing: The Bank has the capacity to lend up to Kshs 25 million.

Where we want to go!! To become the number one Kenyan multinational globally.

3.2 Coca Cola

By: Angela Luchivya, Commercial Manager

Peter Chege, National Sales Manager, Campari Group

Kingline Ojal, Campari Portfolio Brand Ambassador



Ms. Luchivya spoke on the way Coca Cola, as an organisation, is changing globally and its change of approach in terms of how to react to consumer shifts and also react to the changing consumer needs in terms of listening to what they want and what they need. Global trends have shown a marked change from people taking carbonated beverages and evolving to wanting to consume more nutrition-based products. Towards this end, Coke is shifting its focus to concentrate on “what it wants to do towards trying to sell what it wants to sell”; it is therefore beginning to listen more to what consumers want and what their tastes and needs are.

In reaction to what the consumer needs are, the company is now focusing on fast-tracking innovation towards natural nutrition-based products that provide delightful goodness such as its Minute Maid product. It is also moving towards having products that have a more nutritive value, such as vitamins and minerals that lead to a healthier life; some of the products launched that have a nutritive value include:

1. Schweppes C+, which is a lemon-flavored drink, infused with Vitamin C was launched earlier in the year and is now in the market.
2. Monster energy drink.

The following are the areas Coca Cola is moving towards addressing or including in the hotel sector:

1. Kirenget water: Coca Cola took it over as a brand and is now focused on addressing the existing issues that have been aired out by businesses, especially those in the tourism industry.
2. Dasani water: Coca Cola geared towards going back to co-branding with the various hotels as well as an improvement on the margins.
3. Juices: The products have now been improved and can be used as a substitute for clients who do not take carbonated soft drinks.
4. Tea's: Coca Cola has introduced the fused tea (strong teas mixed with juice and herbs) and looks towards partnering with the hotel industry to partner and move together in the tea and coffee category.

These changes taking place in Coca Cola globally, in terms of its products, has also led to changes in its structure all geared towards ensuring the needs of its consumers are fully met. Ms. Luchivya further clarified that there are now three Coca Cola bottling organisations

in Kenya, they include:

1. Coca Cola Beverages Africa, who include Nairobi bottlers, Equator bottlers and Crown beverages which sells Kirenetet and the Campari portfolio.
2. Coastal Bottlers
3. Almasi Bottlers

About Campari Group portfolio:

1. From October 2017, Coca Cola took over the Campari Group Portfolio with 40 different brands worldwide.
2. Iconic brands include Campari, Skyy Vodka, Skyy Infusions, GlenGrant, WildTurkey, Bulldog Gin, American Hone, Bulldog Dry Gin, Aperol, Frangelica Liqueur and Cinzano.
3. Coca Cola will help bartenders in the outlets in preparing simple cocktails that one can have with the Campari portfolio. It will also carry out activation of the various Campari products.

Commitment to the hotel industry by Coca Cola:

To provide the businesses in the hotel industry with the total portfolio of beverages at a good price and offering and be able to create value for their businesses as well as for Coca Cola.

3.3 Brookside Dairy on Business Partnership

By: Elias Ocholla, Sales Director, Brookside Dairy Limited

Brookside, which is a market leader in the dairy industry in the region has been driving innovation in dairy products, both milk and milk products, with footprints in Uganda and Tanzania; it also exports its products to Singapore, Middle East as well as to the Far East. In terms of looking at customer needs, Brookside has been engaging with consumers to understand their needs so as to come up with products targeting different market segments of different consumer needs. Its partnership with the hospitality industry is therefore towards offering a service package that is a one stop shop for all milk and milk products needed.

Mr. Ocholla outlined the infrastructure and logistic makeup and reach of Brookside Dairy towards ensuring it reaches its over 2 million consumers and 21,000 outlets daily with its products. Brookside, as a brand, has an infrastructural setup that can guarantee the hotel industry the quality of milk and milk products that meet international standards. Outlined too were the various range of products including fresh products, long life products, fermented products, fruit and natural yoghurt, butter products, cooking creams, ghee, all geared towards meeting the different consumer needs and ages.



Brookside strength is in its regional distribution network, wide range of dairy products, adequate capacity to guarantee 365 days' supply and having in place an international quality

management system – ISO certification. These standards guarantee that the products that will be consumed by hotel guest meet international standards.

3.4 Liberty Insurance

By Martin Mathai, Business Development Manager, Pensions, Liberty Insurance

The presentation provided insights on insurance policies specific for players in the hotel industry sector as well as on retirement planning, including approaches towards attaining financial freedom in one's latter years.

Introduction

Liberty Insurance is part of the Liberty Group which is part of the Standard Bank Group which is the largest financial services group in South Africa. In Kenya, Liberty Insurance was previously known as Alico, and later CFC Life. The Liberty Group's footprint is in more than 15 African countries and has expertise in investment and group risk assurance. Through these products, the hotel industry players can cover their employees to cater for their present and future needs. Liberty Insurance's promise is to offer dependable service by customizing its solutions to suite the industry's needs



About Retirement

Retirees involve themselves in different activities including, volunteering, starting a business, getting into a hobby, and going into business. The key thing about retirement is the ability of an individual to plan well for life after employment through a saving plan that beats inflation.

Planning for retirement:

Age 20's: They are the most advantaged in saving for their retirement as they have time and can maximize on the power of compound interest.

Age 30's: They are the most indebted as they have just acquired cars and property (mortgage) or finished their education all of which may be through loans. They form middle income management and are just beginning their families. At this age group, they should have in place an emergency fund which should consist of six months saving or a life insurance cover and have a well-planned family.

Age 40s: They are in their peak of their careers and it is make or break time for them with little latitude for making mistakes. At this age group, debt is usually avoided, but if so, the debt should not be for more than ten years. The net worth of an individual in this age group should be positive Retirement planning should be the main focus.

Age 50s: At this age, an individual is at their top of their career and most debt paid out. Focus should be directed towards saving for retirement, planning for work after retirement, having a good medical cover, with check-up done annually.

Age 60s: Know your retirement date, where to live, knowing where one's medical costs will come from, having a retirement budget as well as a pension pay check in place and having planned choices.

Gratuity vs. Pension

Pension makes much more sense to the employee as it carries with tax advantages, and funds in a pension fund earns interest on a daily basis. Employee benefit saving solutions: gratuity vs retirement plans; outlined were the different approaches or retirement plans for individuals that would provide the best value.

Key Offering by Liberty Insurance

1. For the hotel industry, the Hotel Protector Policy covers among others, fire, burglary, all risks, money and motor policy. There is also a life insurance that consists of general life insurance (Group Life) as well as retirement benefits.
2. The Employee Benefit Saving Solution: The tourism industry is now seeing more and more people joining in on a contract basis. As a result of this, people end up not contributing towards their retirement and in place get a gratuity or service pay which reward the employee in lumpsum every time the contracts ends. Liberty Life provides a solution for employees who are on contract, one of which is an individual pension plan, which gives them the freedom to save for their own retirement.
3. For companies who are willing to have a retirement scheme but are not willing to go through the process of setting up a standalone retirement plan, Liberty Insurance has an Umbrella scheme that will carry this out on behalf of the company.
4. Provides a standalone Retirement Scheme.
5. Boresha Maisha Retirement Plan: It enables employees and employers to contribute towards the retirement scheme.

3.5 Plenary Discussion

The following were the key outcomes of the discussions:

Recycling of plastic bottles Coca Cola:

Players in the industry, including Coca Cola, have formed and registered a company called Petco that is a recycling company. Its Vision is that between 2025 and 2030 recycling will be carried out at a one for one basis – each plastic bottle taken out of the company will be brought back in for recycling. Towards this end, it has begun working together with the National Environment Management Authority (NEMA).

Capacity Constraints

Kwale county has experienced inadequate supply of some of the Coca Cola brands especially during the festive season. The company is addressing this by ensuring capacity is built towards bettering efficiency and effectiveness in production capacity and product supply. The company is also re-franchising in terms of the bottling organisations that are in the country for effective reach to its customers.

On Contrabands

Coca Cola is working with the Kenya Bureau of Standards (KEBS) and county governments to ensure that its products are not brought into the country illegally from neighboring countries.





Session 4

E-Learning: The Digital Revolution in Tourism

By Dr. Colin Johnson, Hospitality and Tourism Department, San Francisco State University

The focus of Dr. Johnson's presentation was on E-Learning and handling the digital revolution in the hospitality and tourism industries. He began his presentation by asking the following key questions:

1. *Who do you think will be checking in your guests in the next decade or so?*
2. *Who do you think will be cooking the food for them?*
3. *What capabilities do we need to compete in this digital age?*
4. *How best can we harvest our creativity to be able to compete?*



Many of the disrupters in the tourism sector have come from outside of the industry such as Airbnb which is 10 years old, in June 2016 it hosted one million people in their properties throughout the world in June 2016; on the flip side, Marriot hotels which was started in 1929 now has one million rooms. This is an example of the massive influence disruptors such as Airbnb can have.

Digital transformation in tourism

Whichever part of the world one is, the tourism experience is digital where photos are posted and comments made. Towards this end, focus should be directed towards the millennial market; many of the big hotels in the US are focusing their attention on them. 87% of the millennial on Facebook say they use social media to identify travel destinations. Almost 50% of vacationers are more likely to hear about a new travel company or destination on Twitter than anywhere else. Dr. Johnson further pointed out that the use of data from social media can be analysed and used to determine e.g. the impact occurrences relating to a destination e.g. Mombasa.

Social Media Outreach

Marriot Hotels have a command centre through which young people are hired to look at what is being put on social media sites and identify opportunities to making people roving brand ambassadors of the hotel in a simple but yet effective way thereby raising a huge amount of interest in social media (buzz marketing). They therefore capitalize on memorable experiences and real-time events

Training

There is a huge demand for HTM education and training and a real thirst for knowledge from the industry at all levels; there is still very little provision in many developing countries in the hospitality industry with regards to tertiary level hospitality and tourism training. Free online courses on hospitality have been made available by training institutions such as Hong Kong Polytechnic who are now the leading providers of Mook's in hospitality training.



Session 5

Kenya's Tourism Moving Forward – Responding to the Sustainability Revolution

By Judy Kepha -Gona, Executive Director, Sustainable Travel and Tourism Agenda (STTA), Kenya

Key Question to hotel owners:

As a business, do you have a sustainability strategy or report where the interested traveler can see the sustainability standards set by the establishment towards reducing its environmental impact?



About Sustainability Revolution:

1. In order to move tourism forward in Kenya, one of the key things to respond to is the sustainability revolution since there is no disconnect between luxury and sustainability – sustainability is actually the new luxury. The industry therefore needs to change by e.g. beating the plastic revolution by no longer providing plastic bottled water to its guests.
2. The traveler of today is more conscious in response to the sustainability revolution. A 2018 study by booking.com revealed that 87% of their travelers are seeking sustainable travel experiences. Out of this number, 68% intend to stay in an eco-friendly facility; 40% want to reduce their environmental impact when they travel, while another 34% are looking for authentic experiences which provide the traveler with a sense of place that differentiates between facilities. What differentiates one facility from another?
3. In the sustainability revolution the traveler is more conscious and more aware of their rights.
4. The destination competitiveness is changing; it is no longer about how attractive a destination is; it is changing drastically and can easily loose out as a result of e.g. bad

labour practices in the industry, deforestation, etc. In the case of Botswana, it has risen in the Competitive Index Report 2017 as a result of prioritizing of sustainable tourism development and the re-introduction of the black rhino; the country has a Sustainability Tourism Strategy. It is a requirement in the country for tourism businesses to produce a sustainability report to show what they have done for people and planet.

5. In this age of sustainability revolution focus is directed towards holistic management, issues of labour, planet and not just operational efficiency and profits (the economics of tourism).
6. Do not ignore the quality of lives in the tourism destination (the locals). There must be an agenda at the Directors table on the whole aspect of sustainability complete with a sustainability lead. Destinations, suppliers and hotels are fast making the change towards this.
7. Hotels that respond to the Sustainability Revolution stand to benefit more; in a study done on eco certified facilities room occupancy rate versus national room occupancy rates in Kenya revealed that the eco certified rooms occupancy rates were constantly above those that were non-eco rated by 3%.
8. Human capital is the backbone of sustainable tourism as it is the most critical part of business and destinations embracing sustainability. The workforce therefore follows through the interventions that have been put in place and interpret the green practices to guests and investors. Unless the workforce is involved, made aware and engaged, embracing sustainability at the business and destination level will be difficult.
9. To become a responsive and competitive destination, the Sustainability Revolution requires of the industry to have:
 - a. Progressive policies, e.g. the banning of the single use plastic bags, the quantity of water used by a guest per day and the recycling levels of the same water.
 - b. Responsive training curriculum towards ensuring quality service as well as bringing out a conscious and aware labour force that is aware of the Sustainability Revolution. Modules on the Sustainability Revolution will also need to be included in the courses. Those already employed in the industry will also need to be retrained so that they can also be responsive in the new era of tourism
 - c. A conscious business environment.
 - d. Actively manage its destinations if it is to remain competitive e.g. controlling access to certain destination e.g. Masai Mara. Towards this end there will be need to have in place standards, regulations as well as guidelines to sustain the destinations for purposes of remaining relevant and competitive

“Plan to improve the quality of life and people and see how that translates to numbers and revenue; when you start by planning with numbers and revenue, you end up harming people and the environment because you did not think about them.”

Plenary Discussion

The following was the discussion outcome:

Consumer education and awareness of all stakeholders

It has to first begin as an internal process, with the employees, then it goes out to the suppliers. They all should know the reason of the awareness creation; right from the suppliers who then will communicate to the client at the booking level as well as at the consumption level, while in the hotel. Disclosure helps an establishment inform their clients; on the other hand, public disclosure whereby an establishment writes its annual sustainability report and posts it on its website, is a powerful tool for telling clients about the establishment in advance and what they stand for in terms of values. Communicating sustainability, customer education and staff involvement is therefore very critical.





Session 6

Role of Online Marketing in Sustainable Tourism

By Joseph Orwa, Africa 118 Inc.

Key facts: In 1993 none of the world's population were online as opposed to 2016 where there was a total of 4 billion people were online. Currently, 26% of Africa's population are online while 28% of them access the internet via their mobile gadgets. By 2020, 500 million will be permanently online.



In this regard, and towards sustainable tourism, there is need for the industry to have strategies in place to meet these people online using various approaches for online marketing such as, i) the use of Google My Business Listing which is a free and easy-to-use tool for businesses and organizations to manage their online presence and can help customers find the business or organization ii) use of social media platforms, iii) websites, and iv) blogs.

About online marketing:

1. It refers to any form of advertising or marketing on the web. It's an all-inclusive term to define promotions via email, social media posts, paid advertisements, search engines, etc.
2. Using data analysis and refinement tools, one can target the most relevant and qualified customers, which therefore means less wasted money and a higher rate of return on the investment.
3. It is inexpensive, interactive, engaging, has long-term results, is measurable and the information disseminated rapidly to the intended consumers who are accessing digital information through their handheld devices. Online marketing can therefore target specific groups of people and engage them directly in conversations.
4. For online marketing to be successful, the following approaches can be considered:
 - a. Use of search engine optimization which can be done during the development of

the businesses website

- b.** Use of search engine marketing where details of the businesses website is pushed to the intended customer
- c.** Using social media marking
- d.** Content marketing

Free training on online marketing can be obtained from www.g.co/digitalskills



Session 7

World War 1 as a Tourism Product

By James G. Wilson, Author of 'Guerillas of Tsavo'

In his speech Mr. Wilson started off by stating that being unique is the easiest way to sell a product. Kenya's culture and heritage are what makes it unique and should be one of its biggest selling points; its tourism product should therefore be diversified to include and promote its culture and heritage. Unfortunately, little attention is being given to these two products that make Kenya stand out from the rest of the destinations, albeit the fact that guests visiting country are curious, want to learn and at the same time experience new and unique things.



Worldwide, travelling to see the remains of battle is a whole industry that has not been fully exploited (Battlefield Tourism); visitors look towards hearing the history and experiencing the sensation of the place, and just to stand in the shoes of those who were there. As case examples,

Mr. Wilson outlined the following countries which have fully exploited their heritage and made Battlefield Tourism into a product that attracts millions of visitors annually:

1. *South Africa:* Embraced Battlefield Tourism about 20 years ago. They have in place a dedicated Battlefield Route complete with its own marketing office, website, and tour guides, all falling under the umbrella of the South African Tourist Board. There is a waiting list of 2 years for people to join tours lead by professional, knowledgeable Battlefield guides.
2. *Turkey:* The Gallipoli Battlefield - In just 10 years the country has seen a 300% increase in visitors during the commemoration days known as the Anzac Day Commemorations. The Turkish authorities and tourism stakeholders have ensured that the Gallipoli story reaches all their school students, providing them with a detailed coverage of Turkish involvement in the first World War.

3. *French/Belgian Border:* Flanders is the place most people around the world visualize when the first World War is mentioned. Two million visitors were expected to visit the memorials and sites of the war alone in 2014. The war cemeteries were recording numbers of up to 4,000 per day during the summer. In 2016, 'Visit Flanders Tourism Board' released statistics showing their arrival numbers hitting 1.9 million visitors, of which 54% were from outside Europe.
4. *France:* 'Tourisme Normandie' estimated that in 2016, 4.6 million visitors went to Normandy specifically to visit the D-Day and Battle of Normandy sites, spending a whopping 1.5 billion euros.

More than 1 million Kenyans took part in the first World War, one in four people were involved at the time. In his research, Mr. Wilson has identified 22 World War 1 sites in and around Tsavo West National Park which all offer fascinating insights into what happened 104 years ago. Three sights worth noting include, i) The 117-year-old original District Commissioner's house, in Taveta, from where the DC fired the first British shots of the East African Campaign, ii) the old stone fortifications on the hill at Maktau, that once stood guard over 20,000 troops, porters and carriers. Of particular interest are the names carved into the stone by some of the British troops who were stationed there, iii) Maktau Station, with the railway tracks still intact. Adjacent to it is a memorial to the troops from India who died in the area. These three sites are part of 12 that have been Gazetted as National Monuments by the Government of Kenya, however, not much has been done to restore them. Other sites of the first World War can be found from the South Coast all the way to Kisii, they include, the war cemeteries, the two naval guns found at the entrance to the old town at Fort Jesus, the memorials to the African forces in Nairobi and Mombasa. Sarova Taita Hills Wildlife Lodge have also unveiled a memorial stone at Mwashoti in the Taita Hills Wildlife Sanctuary in memory of those Kenyans involved in the East African Campaign of the first World War that history has forgotten. Tsavo Heritage Foundation is also going to launch a digital memorial or Roll of Honour to all who lost their lives – European, African and Indian. The online memorial will provide individual stories of those who died and will allow for additions and corrections as information comes to light.

Kenya's history cannot be forgotten or denied, it needs to be embraced holistically; this will only take place once authorities show interest and the potentially economic benefits of the existing 'Battlefield Site', a move that can help spur Battlefield Tourism in Kenya.

In closing, Mr. Wilson stated that Kenya's culture and heritage, both ancient and modern, is its unexploited, unique niche, within its traditional and emerging markets, waiting to be branded. He challenged Kenya's hoteliers to play a key role in protecting the country's culture and heritage. He further requested the national and county governments to set aside budgets towards maintain the cultural sites.



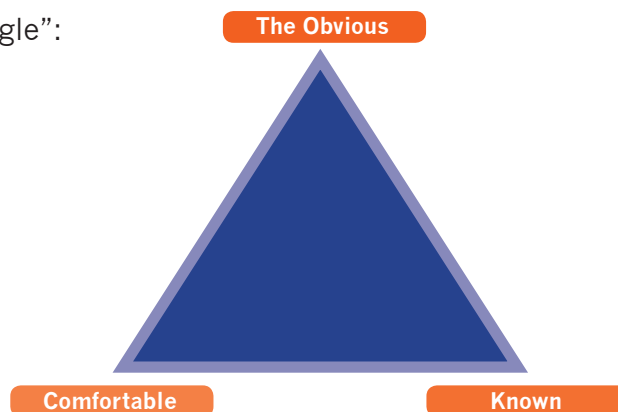
Session 8

Motivation Talk

By Dr. Wale Akinyemi, Consultant, Power Talks Limited

In his motivation talk, Dr. Akinyemi focused on Capacity Building for Sustainable Tourism. The following are the key highlights of his talk:

1. Capacity is the engine of sustainable growth. *How then do we ensure that capacity never runs out?*
2. The fact that you can deliver capacity yesterday does not mean you can automatically deliver capacity tomorrow. The biggest illusion is that one can carry forward yesterday's capacity to today and remain relevant. One may have the capacity, but if it is not relevant, it is no better than the person who did not have capacity. Focus should therefore be directed towards capacity that is relevant and which meets the state of the world today.
3. The "Wale's Triangle":



- a. On each tip of the triangle, there are the things that are *Obvious*, on another, the things that are *Comfortable*, and on the other the things that are *Known*. Most people therefore make their decisions within the context of these three things.

Why is this crucial?



- b. Within the triangle are where limiting statements are found, such as the “industry average” because everybody is reading from the same script.
 - c. Innovation never takes place inside the triangle; innovative thinking takes place outside of the triangle
4. The capacity we require is not the capacity that got you to where you are; many people and businesses are fixated on the capacity that got them to where they are.

Case Example 1: Yahoo Messenger was stuck in the capacity that got them to where they were. With intelligence not being static, Yahoo did not listen to or open to new intelligence, they instead remained with old intelligence which was not relevant; the world moved on with WhatsApp and left Yahoo Messenger behind. If businesses do not open to new intelligence, they will be stuck in the triangle and will be grappling with “Industry Average” when it should be instead redefining the industry. If our intelligence is not meeting the need of our environment then our intelligence is in vain.

Case Example 2: State of the Customer

Yesterday's Customer	Today's Customer
<p>Yesterday's customer was:</p> <ul style="list-style-type: none"> • Ignorant • Loyal • Patient • Had limited options 	<p>Today's customer is:</p> <ul style="list-style-type: none"> • Very knowledgeable • Extremely promiscuous • Very impatient • Has unlimited options

Case Example 3: David Carroll and United Airlines

Musician David Carroll said his guitar was broken while in United Airline's custody by baggage handlers who showed complete indifference when placing the guitar in the cargo area as the Airline did not allow guitar's as carry-on luggage. He then filed a claim with the Airline which then informed him that he was ineligible for compensation of his \$3,500 guitar because he had failed to make the claim within its stipulated “standard 24-hour timeframe”. Carroll said his fruitless negotiation for the Airline to replace his guitar lasted nine months. They did not replace his guitar, and being the customer of today, recorded a song called “United Breaks Guitars”, released it on YouTube and it went viral. All major TV stations picked it up and reported the story. This video eventually cost United Airlines' stock price to drop by 10%, costing stakeholders about \$180 million in value. The world of today therefore gives a voice to nobodies through social media therefore businesses need to come to terms with it and understand the customer of today.

Case Example 4: Snapchat modification to its program

A 21-year-old girl, Kendal Jenner, was upset with the program changes Snapchat had made. She Twitted “anybody still on Snapchat”. In 24 hours, because of that tweet, Snapchat lost \$24 billion.

5. If we do not understand who we are dealing with and build capacity to deal with that customer, we may be building capacity that is relevant to the customer of yesterday and wonder why things are not happening today. Therefore, if the expectation of the customer exceeds the capacity of the provider to deliver, the provider can become irrelevant.

6. The youth culture of today is the same across the world; for them Wifi is critical and taking pictures and posting them on social media. For a hotel it is therefore not how good their service or food is, it is about the provision of basics such as Wifi.
7. The key focus should therefore be towards:
 - a. Building capacity in the right or relevant places and for the right thing and in the right way.
 - b. Determining the strategic partnerships that can be formed.
8. Part of capacity building is in building an environment where geniuses and young people of today can find expression.



Session 9

Signing of Memorandum: KAHC and Brookside Dairy

Signing of Memorandum: KAHC and Brookside Dairy

1. In the Memorandum, Brookside is to support KAHC to the tune of Kshs 6 million and undertake to sponsor its Annual Symposium over the next three years.
2. **Signatories:**
 - a. Mr. Elias Ocholla, representing Brookside Dairy Limited
 - b. Mr. Wasike Wasike, representing KAHC
3. **Witnesses:**
 - a. Hon. Najib Balala
 - b. Mr. Polycarp Igathe, Equity Bank



The 71st KAHC Annual General Meeting



Mr. Mike Macharia, KAHC CEO giving his remarks.



The incoming KAHC Chairperson Mr. Chris Musau being congratulated on his new position.



Mr. Chris Musau the new KAHC Chairman giving his maiden speech.



Presentation of the Audit Report by Sophy Njuguna of Kangethe and Associates.



Participants during the KAHC AGM.



The KAHC Secretariat: L-R Walter Makori, Eddah Soi, Pelagy Rotich, Mike Macharia, Leah Ng'ang'a, Joyce Maina, Lawrence Wafula.

KAHC Gala Dinner



KAHC Golf Tournament





Appendix 1: Programme of the Symposium



Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS & CATERERS

2018 KAHC SYMPOSIUM, SAROVA WHITESANDS BEACH RESORT & SPA

'CAPACITY BUILDING FOR SUSTAINABLE TOURISM'

DAY ONE: THURSDAY 21ST JUNE 2018

TIME	ACTIVITY	ACTOR
08:45 – 09:00 a.m.	Registration	KAHC Secretariat
09:00 – 09:15 a.m.	Welcome Address	Chief Executive Mike Macharia invites KAHC National Chairman to make introductory remarks.
09:15 – 09:30 a.m.	Introduction	National Chairman, Mr. Wasike Wasike. Introduction of KAHC Board; Recognition of Partners & Sponsors; Symposium Highlights.
09:30 – 10:00 a.m.	Welcome to Mombasa County	H.E Hassan Joho, Governor, Mombasa County
10:00 – 10:30 a.m.	Key Note Address	Hon. Najib Balala, Cabinet Secretary, Tourism and Wildlife.
10:30 – 11:00 a.m.	Interactive Session	All
11:00 – 11:30 a.m.	TEA BREAK/TOUR OF THE EXHIBITION STANDS	All
11:30 – 12:00 p.m.	Capacity Building	Mr. Carl Lowasser, Les Roches-Global Hospitality Management, Switzerland.
12:00 – 12:15 p.m.	Presentation	Dr. James Mwangi, Managing Director, Equity Bank
12:15 – 12:45 p.m.	Tourism Transformation and County Capacity Building	Dr. Betty Radier, Managing Director, Kenya Tourism Board
12:45 – 1:00 p.m.	Presentation	Dasani
1:00 – 1:30 p.m.	Interactive Session	All
01:30- 02:00 p.m.	LUNCH BREAK	All
02:00 – 02:40 p.m.	E-learning: The Digital Revolution in Tourism	Dr. Colin Johnson, Hospitality and Tourism Department, San Francisco State University
02:40 – 03:15 p.m.	Presentation	Mr. Elias Ocholla, Sales Director, Brookside Dairy Limited.
03:15 – 03:45 p.m.	Retirement Planning	Mr. Martin Mathai, Business Development Manager- Pensions, Liberty Insurance.
03:45- 04:15 p.m.	TEA BREAK/TOUR OF THE EXHIBITION STANDS	All
04:15 – 04:45 p.m.	Motivation Talk:	Dr. Wale Akinyemi, Consultant, Power Talks Ltd
04:45 – 05:00 p.m.	Interactive Session	All
05:00 p.m.	Wrap up Day One	
07:00 p.m.	Reception Cocktail	All





Making Kenya's hospitality globally competitive
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2018 KAHC SYMPOSIUM, SAROVA WHITESANDS BEACH RESORT & SPA

'CAPACITY BUILDING FOR SUSTAINABLE TOURISM'

DAY TWO: FRIDAY 22ND JUNE 2018

TIME	ACTIVITY	ACTOR
08:45 – 09:00 a.m.	Registration	KAHC Secretariat
09:00 – 09:15 a.m.	Welcome Address	Mike Macharia, KAHC CEO.
09:15 – 09:45 a.m.	Classification and Work Permits	Mr. Kipkorir Lagat , Director General, Tourism Regulatory Authority
09:45– 10:15 a.m.	Kenya's Tourism Moving Forward- Responding to the Sustainability Revolution	Ms. Judy Kepha Gona , Executive Director, STTA, Kenya.
10:15 – 10:45 a.m.	Role of Online Marketing in Sustainable Tourism	Mr. Joseph Orwa , Africa 118 inc.
10:45 -11:00 a.m.	Interactive Session	All
11:00 -11:30 a.m.	TEA BREAK/TOUR OF THE EXHIBITION STANDS	All
11:30 – 11:45 a.m	Presentation	Mr. Mohamed Hashim , Chief Executive Officer, Kenya Utalii College.
11:45 – 12:15 p.m	World War I as a Tourism Product	Mr. James Wilson , Author, Guerillas of Tsavo
12:15 – 12:30 p.m	Presentation	Mr. Joseph Cherutoi , Chief Executive Officer, Tourism Fund.
12:30 – 12:45 p.m	Interactive Session	All
12:45 - 02:00 p.m.	LUNCH BREAK	All
02:00 - 04:00 p.m.	KAHC Annual General Meeting	KAHC Members
07:00 p.m.	Gala Dinner	All

DAY THREE: SATURDAY 23RD JUNE 2018
KAHC CHARITY GOLF TOURNAMENT-NYALI GOLF CLUB

TIME	ACTIVITY	ACTOR
09:00 – 09:15 a.m	Registration	KAHC Secretariat
09:15 - 05:00 p.m	KAHC Golf Tournament	Nyali Golf Club
07:00 p.m	Prize Giving Dinner	Nyali Golf Club





Appendix 2: List of Sponsors





Appendix 3: Exhibitors at the Symposium

1. Tourism Regulatory Authority
2. Heritage Insurance Company
3. Les Roches
4. IHTI
5. Kenya Utalii College
6. Equity Bank/PayPal

Founded in 1944, KAHC is the principal umbrella organisation bringing together hotels, lodges, restaurants, membership clubs and prominent airline caterers whose common theme is to render services in the hospitality industry.



Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS & CATERERS

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