

In a post-truth world experiential innovation by hospitality leaders is crucial

By Jonathan Steyn, issued by UCT Graduate School of Business

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To break into the estimated \$115bn annual spend on travel by the Chinese market, South African hospitality leaders must focus on what matters emotionally and culturally for this market.

In the post-truth world facts seldom matter. Nowadays, the lines between fake and real are so fuzzy that most people struggle to tell the difference between the two or are complicit in the fakery (as in reality TV). The truth is that no matter how many features your rooms have or how informative your tours are, if you can't sell the emotional, symbolic or cultural benefits of your experience, you're doomed as a hospitality leader. In the post-truth world people are persuaded by what's meaningful to them and what's meaningful is often intangible. People buy experiences that are memorable, unique and attractive.

Counterintuitively, what also matters in the post-truth world is delivering authentic experiences. Most hospitality guests want to experience transformation and having an insider's view of the host's world often brings about such personal change. This emic perspective is what delivers value to hospitality guests, creating resonance and enduring loyalty.

What matters in particular nowadays is cultural sensitivity because it's a significant emotional trigger. A challenge for hospitality leaders is to create novel ways of cultural connection to influence the emotional state of guests. In the case of the burgeoning Chinese traveller market, several global destinations are actively focusing on this as a differentiator. Dubai, for example, has initiated and promoted programmes to help service industry staff in all areas evolve a protocol-aware understanding of Chinese travellers.

An estimated 130-140 million Chinese travellers are travelling every year, and that number is growing. Chinese tourists spent an estimated \$115bn on their travels in 2017, according to a Forbes report. South Africa currently welcomes around 100,000 people from that country annually, and Chinese Ambassador Lin Songtian's grand vision is to eventually increase Chinese tourist numbers to SA to half a million. But tourism drives will struggle to compete unless the hospitality industry also comes to the party in innovative ways.

To compete for a share of the Chinese tourism market spend, effective hospitality innovation should focus on creating unique, memorable, emic and transformative experiences. Where it hasn't already, the hospitality sector has to embrace the experiential economy as a key consideration in its strategy. That is to say, not to just sell the piece of cake, but also the feeling that accompanies how it is presented and consumed.

What do Chinese people traditionally value? How are they respectfully addressed? What are the protocols and traditions around receiving guests or customers? Importantly, what does research tell us about their travel habits? These are the types of questions addressed by a service industry engaged in an experiential economy. The idea is that in addition to being able to promote local attractions, hospitality staff is able to do so in ways that are <u>familiar</u>, <u>pleasing and attractive</u> to Chinese values. How we begin the experiential cycle is crucial in this respect and WeChat or Ctrip presence (which is more familiar to the Chinese market) may sometimes be more effective than expecting trade from traditional Western avenues like <u>Booking.com</u> or TripAdvisor.

Back in 2018, CEO of Dubai Tourism Issam Kazim said of its <u>strategy to target Chinese travellers</u>: "Our aim is to not only market and promote Dubai as the 'must visit' holiday destination to consumers in China... but also to collectively enhance the Chinese consumer experience through future-focused solutions during their travel to Dubai." <u>It seems to be working.</u> Dubai boasted around 91% of the Chinese traveller component to the UAE in 2017, which in and of itself had grown by some 40% over the three years preceding.

South Africa has more than its fair share of marketable, often unique attractions for tourists - we regularly cite the likes of Cape Point, Table Mountain, the Winelands, and our National Parks. But to take a lesson from <u>Dubai and the UAE</u>, we may ask what specific identity is being conveyed when it comes to the experience of visiting them. How is our service - our hospitality, as it were - attractive compared to other destinations, which may have similar or unique attractions and appeal of their own?

Once travellers are here, we can also look to things like whether our accommodation offerings, websites, location-specific advice or marketing materials are adaptable to Chinese needs. Having Mandarin-speaking staff (as adopted by some traders in Dubai) may be ambitious, but if we're serious about making a Table Mountain visit especially meaningful for the Chinese visitor, perhaps information brochures or pamphlets in Mandarin are an option to consider.

Some hotel chains in the UAE have gone so far as to offer Mandarin and Cantonese TV channels, products and welcome packs. Staff are briefed on Chinese social etiquette and customs, like not assigning visitors to fourth floor accommodations. What may seem like a little thing may translate to a world of difference if customers feel their needs have been considered and catered for.

Technological compatibility is another area in which to expand our offering. Chinese online platforms like WeChatPay or AliPay could prove invaluable to investigate and adopt - by March 2018 more than 870 million users were signed up to Shanghai-based AliPay alone. Travellers often concern themselves with payment solutions when travelling to a foreign country. What better plus than to announce that we already accommodate for it?

In all of this, we must not forget authenticity. The idea is not to completely disguise what makes us different from other destinations. The trick remains in addressing the service needs and sensibilities of this particular traveller, while maintaining our "South Africanness". A lot of these considerations come down to whether hospitality industry leaders see tourism drives and trends as opportunities, and whether they can infuse a desire to provide that elusive once-in-a-lifetime experience in their staff.

Granted, there are caveats. Government and tourism face tough challenges in developing easier travel options, and negative perceptions around our ongoing power and crime situations aren't helping.

But there are <u>concerted efforts</u> to tackle those issues, promote easier travel here and reaffirm South Africa's attractiveness. "We need to make it easier for Chinese tourists to come here," <u>Tourism Minister Derek Hanekom</u> told attendees at a Chinese New Year function in February, referring to initiatives to simplify visa processes, among other things.

Should efforts succeed on a technical and diplomatic front, we also need to make it more personally desirable for Chinese tourists to come. It will fall to the hospitality sector to provide the authentic experiences that justify word-of-mouth marketing and return patronage, to realise Ambassador Lin Songtian's tourism numbers ambition.

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