Promotion Campaign to Focus on New Markets

The Sri Lankan tourism industry surpassed the targets set in the Five-Year Strategic Plan once again and is therefore confident of achieving the goal of 1.25 million tourists in the year 2013. The confidence comes in the wake of priority given by industry and the authorities to properly market as well as promote the destination.

Sri Lanka hit the 2011 target of 800,000 arrivals on December 19 and finished the year with a historic count of 855,975 tourists. In 2012, the tourist arrivals were approximately 1,000,400 according to the Sri Lanka's Tourism Promotion Bureau. On December 18, 2012, the tourist arrivals were more than 950,000 (original target) and the one million mark was breached at the end of December.

According to the officials, targets were decided after an analysis of room availability, infrastructure available and hotel refurbishments, among many other factors.

The authorities added that the popularity of Sri Lanka as a natural and green destination is on the rise and these achievements will help the country realize its 2016 goal of 2.5 million tourist arrivals.

Current and previous presidents of the Inbound Tour Operators Association in Sri Lanka, Mahen Kariyawasam and Nilmin Nanayakkara expressed hope that more campaigns will be launched to promote the destination in 2013. Furthermore, Nanayakkara noted that the problem faced by the tourism industry is not achieving the target tourist arrivals, but managing the numbers. What is necessary is to implement marketing and promotion in the right manner to maintain the same growth rate.

Even though the target set for 2013 is slightly steeper compared to that for the previous years, it is achievable provided the pricing is reasonable and a proper marketing strategy is employed.

Additionally, Nanayakkara noted that the tourism department is currently focusing on both the corporate as well as the public sectors. He added that while it is crucial to explore new markets, efforts should be focused on maintaining the existing markets as well.

Some of the other suggestions he made included strategies to fill the accommodation facilities that are currently available, especially during off-season periods (May to mid-July and September to October) and looking at a new model of business so that regional as well as new markets contribute to filling up the hotels at this time.

He also stressed that the industry should understand the trends in global markets, pricing in regional markets in order to stay competitive and the hotels in the city should work out balanced numbers.

He opined that the industry cannot afford to charge exorbitant rates when major parts of the world are reeling under recession. In addition, he requested authorities to impress upon decision makers the need to stay competitive in the region and find ways to keep the hotel room rates low.

Nanayakkara acknowledged the fact that hotel development costs are very high but there is a need to cut down the prices under heads such as salary, electricity charges, etc. The companies engaged in destination management, authorities and hoteliers have to collectively agree on price standards for various products.

The chairman of Colombo City Hotels, M. Shanthikumar said that the target tourist arrivals can be achieved if the tourism industry conducts promotion campaigns focused on emerging and feeder markets.

The SLTPB official informed that the industry would partake in more road shows and travel fairs this year and target regional markets and the CIS countries. He also said that the Bureau has compiled a plan for the purpose of promotions.

Shanthikumar noted that the increase in the number of arrivals can be handled as new hotels are scheduled to be opened in the capital city as well as its outskirts. These hotels, two in Colombo and ten outside, are expected to add 350 and 600 rooms, respectively. No rooms were added in 2012 and the closure of Ceylon Continental for renovation actually cut down 250 rooms. This hotel will be renamed as The Kingsbury.

Additionally, Shanthikumar noted that the occupancy was 70% in 2012 and the forecasted increase is 10% for 2013. He stressed the need for maintaining the occupancy levels and recommended that the industry must focus on developing human resources because of the dearth of skilled staff. He also said that the Hospitality Institute must make available more students and setting up of catering schools by private entrepreneurs should also be encouraged.

The opinion of the president of the Small and Medium Enterprises in Tourism association, Suresh Del Mel, was that the SME hotel sector growth was higher when compared with the larger sector. He added that there is no proper statistics about the informal SME sector that served lots of tourists. He expressed hope that the SME sector would be encouraged and empowered to provide better service.

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