Global Travel and Tourism Partnership East Africa

SUSTAINABILITY AND TECHNOLOGY IN TOURISM

Kenya’s Mobile Money Culture, the Best Experience for a Cashless Travel and Tourism in the World.
I am Derrick Rambeka, Form 3 student at St Anthony’s Boys High School Kitale.

Rajwayi John Mark is my name. I am a Form 3 student at St Anthony’s Boys High School Kitale.

This is Mr. Amboka Suleiman. Our Travel and Tourism teacher at St. Anthony’s Boys
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INTRODUCTION TO KENYA

Kenya is a country situated on the eastern part of the African continent, just below the horn of Africa. It covers an area of about 582,646km sq. with the Equator running through. The country is gifted with a beautiful and warm sandy coastline, unique blend of equatorial and tropical climates inland and a snow capped Mt. Kenya. Virtually all climates of the world are found in our country.

It is not only the home to the best climate in the world, but also endowed with lakes, sandy beaches, magnificent wildlife, to the Great Rift Valley with a rich cultural background; that is the backbone of our sustainable economy.

Kenya our Motherland, has warm people who cherish hospitality and are innovative in making our world better. Although our heritage is as diverse as our forty seven counties, we come together to as a hybridized culture of a people in our nation, Kenya! Even with devolution, Kenya still gives you value worth of travelling and staying in this tourist haven.

Map of Kenya
Kitale Town

DEFINITION OF KEY TERMS

- **Sustainability:** - The endurance of systems and processes.
- **Destination:** - A geographical area of visit that includes accommodation, attraction, and supportive services.
- **Technology:** - The collection of tools, including machinery, modifications, arrangements and procedures used by humans.
- **MDGs:** - Millennium development goals.
- **C.B.K:** - Central Bank of Kenya.
- **M-PESA:** - Hybrid concept in mobile phone technology using innovatively “M” as abbreviation for “mobile” or “moving”; in the bracket is a symbol of a mobile phone with paper money (red in color) coming out of the phone “PESA” Swahili word translating to “money”. Together they imply money flies out of the phone. Since the phone uses waves the money moves in this way
- **MMU:** - Money Market for the Unbanked.
- **NPS:** - National Payment System.
- **C.B.D:** - Central Business District.
SUSTAINABILITY AND TECHNOLOGY IN TOURISM - THE KENYAN STORY

This refers to technological innovations adapted by Kenyans and other stakeholders, who enhance travel and tourism in Kenya in order to make tours more thrilling and full of adventure. Kenya is well known for her very good climate, sandy beaches and unique variety of wildlife species. Besides these, Kenya has grown to become an innovative technological hub giving the best of destination.

Embracing advanced mobile phone technology in Kenya may be reflected in the steady rise of our economy and numerous opportunities for any possibilities in our country’s ecosystem. Availability of mobile phone money transfer technology with agents across the country and networks is a fertile ground that enables one to instantly conduct monetary transactions around the country just by a click on a simple mobile phone. This system reduces human risks, delays, tiring trips to banks in urban areas, sometimes far away not forgetting the long queues; and possessing enormous amounts of money, among other unseen costs of conducting business transactions in cash, cheques or even debit cards.
Travel and tourism is a consumer activity and deserves value for time and money. How much more convenient partnerships will all players in the travel and tourism industries require or demand? This system is now well established in Kenya. Kenya’s sustainable money transfer technology and ecosystem is one of a kind on the global map. This hybrid experience is as unique as the destination. The way Kenyans embrace this technological innovation shows the great strides in an area where the world is still making baby strides.

Investors, both foreign and local have not been left behind. They are entitled to a fast and efficient mobile business through **BIASHARA SMART**, a joint venture between the giant mobile money provider **SAFARICOM** and **KCB** that enables one to invest fully in the Kenyan business ecosystem. This has greatly improved the marketing of goods globally besides the local business sector.

Besides the sandy beaches and wildlife, Kenya has one more thing that is special: **TECHNOLOGY!** This is yet another lifestyle, and a very good reason to travel here. Have you ever counted the unseen cost of making any payment(s)? For a more thrilling adventure-packed and tech-savvy experience, then Kenya is the place to be.
We believe that in as much as technology has a vital role in sustaining tourism in any destination, embracing new technologies has to deal with underpinning costs to some extent. Our main reason to showcase Kenya’s unique mobile money technology is to sensitize all stakeholders home and abroad over a whole new kind of experience unseen to many. We researched on these unseen consequences involving cash transactions and disturbances of journeying to banks as impacting negatively on costs and risks incurred. We viewed them as unwanted disturbances or energy wastage that mobile technology can effectively conserve to everyone’s satisfaction. How it may sustain tourism and impact on all tourist activities was the strength of our study. We also compared various mobile phone service companies in Kenya during our research. This overview gave us insights on samples of service providers for study. We visited three banks, a 5-star hotel, a restaurant and two supermarkets that collaborated with mobile money services.
Although we went out into the field to collect data, some we obtained from the Internet.

We are set to prove that Kenya has embraced this technology and its potentials to become an empowering destination for tourism through this technology. We also highlighted various business companies that have incorporated the services into their various merchandise. So kindly turn on your high–tech gear as we take you on a thrilling technological adventure in Kenya!!!
KENYA’S TECHNOLOGICAL INNOVATION IN FINANCE AND BANKING

An overview of the mobile banking system shows that it is quite authentic. The CBK partnered banks in a joint venture with mobile money service providers to put up a money transfer system under the draft of the National Payment System (NPS). This allows inter co-operation of mobile money transfer among the four major mobile telecommunication providers; Safaricom, Orange, Yu and Airtel. These companies christened their products as M-PESA, ORANGE MONEY, YUCASH, and AIRTEL MONEY respectively.

As a national security measure, the Government of Kenya required all mobile subscriptions be registered for free. These subscribers can access this money transfer services for FREE! These accounts immediately became the banks for individuals who never had bank accounts. Many Kenyans were attracted by the reliability and security mobile phones provided.
This service has further linked bank account holders in this transaction ecosystem which enables persons to access their bank accounts through the phone; a product known as M-Banking. This is an improvement to the current closed security system since we no longer need to worry about carrying hard currency, or going to the bank quite often.
Tourists can also take advantage and utilize this service since they can now have access to the same services and change their currency without necessarily going to the bank.

The money market for the unbanked (MMU) estimates over 80 similar services available globally, with more in the wings. The most intriguing part is that this resource has been explored by only 20-40 per cent of these populations despite the fact that it is easy, efficient and reliable. This scenario creates an avenue for the tourism sector to venture into this unexploited technological destination of a cashless society.

KENYA'S CASHLESS SOCIETY TAILORED FOR ROAD AND AIR TRAVEL
International Airlines embracing mobile money transfer
Fly with M-Pesa
You can now pay for your Kenya Airways ticket conveniently through M-Pesa

Vodacom
Power to you

Get Tsh 1,000 FREE airtime

Pay your Air Ticket by M-Pesa

Virgin Atlantic Airlines Bill-board

540 pay via

Fly 540 bill-board
Statistics
Kenya has shown tremendous increase in the mobile money transfer services. Research shows that in the first 11 months of 2013, more than 1.7 trillion was transacted through mobile phones. This is also a great improvement from the 1.4 trillion mobile transactions in the year 2012, an enormous amount surpassing our country’s budget by over 6 billion Kenya shillings.

Air and road travel bookings are using M-PESA for advanced or online booking.
Kenya has now moved to a cashless society where money transfer is fast, safe and efficient making the Kenyan market appealing. A report from TANGAZA PESA, a mobile money transfer provider, shows that the new mobile technology has greatly helped Kenya market itself globally.

This is a major milestone in achieving sustainable tourism as one need not carry hard currency around; even the use of plastic money will soon be a thing of the past as the country is bracing itself for the cashless society takeover. This system offers a fast, secure and consumer friendly service.

M-PESA is the most popular of these services. This fact has been affirmed by the over 3 million cash transactions daily. The world has embraced this service and countries such as Britain, the USA and France have adopted this new technology.

And as we would say here in Kenya; UKITUMIA M-PESA, UNAZO PESA MFUKONI!!!
A DAY IN A FIVE-STAR HOTEL: THE MOBILE TECHNOLOGY AT WORK

We were honored to visit the newly opened, jewel of Trans-Nzoia county; Hotel Aturukan, for a day. We can’t say we regret the visit since it was one of the most thrilling experiences of our lives. Everything was up to our expectations, and even surpassed our wildest dreams, from the hospitable staff, unique architectural design, and diverse cuisines which portray the hybrid culture of Kenya.

Aturukan is situated on the outskirts of Kitale’s C.B.D. They offer our very own indigenous dishes to the exotic cuisines.

As we spent our day in this prestigious institution, we found some time to interview the Operations Manager who informed us that most of their clients have subscribed to the mobile money transfer service.
The day was a success given that we got to learn more about the money transfer system in the hotel. At the end of our visit, we had made several new friends. We truly envied the manager of this high-end hotel who is comfortably reaping the fruits of his investment.

Visitors at the Reception in Hotel Aturukan during our visit. We noticed the Lipa Na M-PESA with a pay bill number behind the man in the foreground.
KENYAS TOP BUSINESS INSTITUTIONS EMBRACE MOBILE MONEY TRANSFER
In the telecommunication sector the service providers such as Airtel, Telkom –Kenya, Yu and powerhouse, Safaricom have come of age in creating a sustainable mobile technology that is aimed at improving business transactions around the country.

Initiatives like M-PESA, YU-CASH, AIRTEL-MONEY and ORANGE-KENYA have helped to raise the bar on the mobile industry. AIRTEL-MONEY for instance is offering platform whereby the user can send and receive money, pay bills and utilities such as electricity and water services. One can also make bank transfers and purchase airtime, all by the touch of a button.

The same can be said for ORANGE, YU and SAFARICOM who offers similar services. All one needs is a national ID or a passport and one is entitled to the service.
In the transport sector, companies are now embracing the mobile mode of payment. Some of the notable institutions are East African Safari Express (SAX), FLY-540, Msafiri travelers and the national carrier Kenya Airways. These companies are now using mobile money transfer to enable their customers to make payments and book tickets right from the comfort of their homes.

The banking institutions have also joined the bandwagon and are also offering mobile services to their customers.

Equity, KCB and Chase bank are just but a few of the banks that are now using this money platform. This move has recorded an influx in the number of customers hence realizing a profit.

Supermarkets have not been left behind in this revolution. For instance Suam supermarket and Tusky’s supermarkets in Kitale are now offering this service to shoppers. The significance of this service is that one has the convenience of not carrying around any cash.

*Equity Bank has partnered with Airtel money to provide Equitel Services. We shared with Judith and Vivian of Equitel in our town about how the project runs.*
This is safer and more secure. It also reduces lavish spending. So make sure the next time you go shopping, make sure you use this new service offered in the supermarkets.

SUSTAINABILITY AND TECHNOLOGY IN KENYA
Sustainability is defined as the endurance of systems of systems and processes. Sustainable development is a conglomeration of four interconnected domains that include; ecology, economics, politics and culture.

Technology is the art, skill, or entities, materials and immaterial, created by applications of mental and physical effort in order to achieve some value. Technology is a fundamental principle in the achievement of a sustainable society.

In Kenya technology has made headway in promoting sustainability in the society. Mobile networks have embraced new technologies to achieve sustainability in their field of operation. The mobile networks in Kenya include; Safaricom, Airtel, YU, Orange and ESSER.
These mobile operators have embraced mobile money transfer as a platform to achieve a sustainable economy.

Airtel, Orange and YU have begun a cashless platform under the names; Airtel money, YU-CASH and Orange money that have helped enhance tourism sustainability in Kenya.

Independent firms have embraced this new technology. Mobi-Cash and Tangaza Pesa are some of the independent players in the money market across all networks.

M-PESA, a brainchild of Safaricom, was the pioneer of mobile money transfer. Since its inception in 2007 it has registered a steady rise in the number of subscribers in the money market. It has been the pacesetter in this lucrative money business that has set root in Kenya and now spreading across the globe. For example in June 2013 Safaricom launched “LIPA NA M – PESA “a service that enables customers to pay goods and services using M-PESA. This move has so far enlisted 122000 outlets including airlines hotels, supermarkets, and P.S.V transport and oil market.

By the end of the financial year that ended in March 2014 M-PESA, has earned Safaricom 26.56 billion affirming the growing importance of mobile money as a revenue stream.

Simply means – Pay with M-pesa
3.1 RESEARCH OBJECTIVES

Below are the objectives we came up with to aid in our research:

- To showcase Kenya’s historic mobile money transfer in sustaining tourism in Kenya.
- To boost tourism both domestic and foreign in various parts of the country through mobile money transfer.
- To enhance technology in tourism management both locally and globally.
- To learn more about technology as stakeholders in tourism.
- To prove that technology in tourism is a major boost to tourist activities in Kenya.
- To identify companies those have figured out benefits of mobile phone money transfer in the industry
- To call out to the Government to sensitize all on the advantages and to strengthen legislations on whoever contravenes this law. Stern measures to be taken on any crimes especially towards any perpetrators.

SIGNIFICANCE OF THE RESEARCH

Technological advancements are a major milestone in boosting our countries economy. Our study revealed that technology is a great asset that will help our country complete favorably on the globe scale.

In this age and era, mobile money transfer services are the way to go. Their ATM’s are long gone and majority of the people are embracing new means of money transfer. The tech-savvy youth of the nation, who make up 60 percent of the country’s population, can use their knowledge and awareness on technology to revolutionize the tourism industry and move a step closer to achieving the country’s Millennium Development Goals (MDGs).
DATA COLLECTION AND ANALYSIS

Our means of data collection were mainly through the use of observation, interview, Internet search and content analysis; besides questionnaires issued to mobile subscribers in tourist destinations and the agents who provide the mobile service to tourists. (Copies of these are contained in the appendix).

The number of tourists who have subscribed to this service has been gradually rising since its inception in the year 2007. Majority of the youth and middle aged citizens in the 18-45 age brackets have migrated to the digital forms of tourism. However the various tourist activities have been hampered by the fact that not many locals use the service and prefer to use hard currency. Most of the respondents were enthusiastic to learn on how to use the mobile money transfer system to enhance tourist activities.

BENEFITS OF MOBILE MONEY TRANSFER TO THE TOURIST

- The tourists does not have to risk unwanted expenditure of travelling all the way to banks to conduct monetary transactions whereas a phone will do the task
- The tourist gets to know more about a destination through technology.
- The tourist gets a chance to interact with the hosts therefore making new friendship ties.
- Tourists get to learn how to use the mobile service to achieve tourist satisfaction.
- Tourist need not carry large sums of currency as it is dangerous, ‘money in a phone’ is safe and more reliable means of money transaction
- It helps the tourist to prevent spending more since one has to go through a series of operations on the mobile phone.
- Access to modern facilities like Hotel Aturukan.
LIMITATIONS OF OUR STUDY

- Interviewees were afraid of disclosing their company’s personal details due to company policies.
- Mainly due to age restrictions we were unable to access some social places.
- Poor network coverage thwarted the continuation of our case study to far – fetched places.

SUMMARY AND CONCLUSION

Through our research we were able to find out that the revolutionary mobile money transfer in Kenya is best suited in sustaining destinations. The tourist is able to appreciate services provided by mobile networks in Kenya thus promoting tourism sector in Kenya. Also the Government has in place mechanism of checking insecurity through accountability and transparency of users. Companies can send back money in case of a problem. Our view is that Kenya is a place to be, especially in tourism programs.

RECOMMENDATIONS

Since Kenya is a tourist hub, the technology now sustains the various tourist destinations. We appeal to the stake holders in Kenya and beyond to embrace the mobile technology. We recommend the government to assist the mobile money network providers; SAFARICOM, AIRTEL, YU AND ORANGE to spread network coverage around Kenya as it is am major challenge in mobile money transfer.

BIBLIOGRAPHY

Mobikash: we had a chance to interview the manager. Unfortunately we could not find clients. However they also serve as agents.

Response was rather hostile. They said they had their own card and accepted international ones like in the background.
This bar and restaurant confirms the spread of M-PESA. Redcorn a popular haven in Kitale

Red Corn: The KITCHEN
Orange Money

M-PESA AGENT'S DAY
HOTEL ATURUKAN IN PICTURES.

Perfect value for money…….

APPENDIX 1

Questionnaire to the Mobile Users.
How old are you?

18-25 □ 26-32 □ 33-45 □ 45+ □

How did you learn about this service?

Newspapers □ Brochures □ Web □

From a friend □ others □
How does the mobile transfer system affect your day to day affairs?

How often do you use the money transfer platform?

Which is your most trusted mobile provider?

What are some of the benefits of this service to you as a consumer?

What are some of the challenges you have faced while using this service?

Does this service live up to your expectations?

What do you think can be done to improve this service?
Appendix 2

Questionnaire to a service provider / agent.
What does this mobile service mean to you?

What do you mostly offer to your subscribers?

What are some of the new products you offer to your subscribers?

How do you advertise your products to the public?

What challenges do you face while offering this service to the consumers?

What are some of the security measures you have put in place to secure your service?

What, in your opinion can be the solutions to these challenges?
HAPA NI NYUMBANI
LIPA NA MPESA
GTTP Case Study Writing Competition

International Conference 2014 Nice, France

THEME OF THE YEAR: SUSTAINABILITY AND TECHNOLOGY IN TOURISM

PREPARED BY DERRICK RAMBEKA & JOHN MARK RAJWAYI

TEACHER: AMBOKA SULEIMAN

TOURISM AND TRAVEL CLASS 2014
Questions Addressed In Reading This Study

1. What is the definition of sustainability?
2. What is the concept of sustainable tourism in the Kenyan? Mention types of tourism available in your country?
3. What is central to sustaining tourism in your country?
4. How is eco-tourism evolving in your country?
5. Which aspect of sustainability of the industry under investigation is addressed?
6. What is technology? How is the state of technology significant in tourism?
7. What technological innovations are available in your country? How does it impact on tourism?
8. What is the strength of understanding your history of sustaining tourism?
9. What challenges have affecting tourism have been studied before?
10. Who is the stakeholder’s currently sustaining tourism in Kenya today? Which technology is playing the leading role?
11. How does this technology sustain tourism?
12. What is the core aspect of tourism that this technology concern?
13. How does this add value to the experience of travel and tourism in Kenya?
14. How does this benefit (i) tourist; (ii) host; (iii) operators; (iv) community; (v) government; (vi) local economy?
15. What is the way forward for possible practices of adopting and adapting this strategy?
16. How does this impact on the destinations sectors e.g. banking, transportation, accommodation, travel agency, host community?
17. How does this case study contribute towards innovations in ecotourism in Kenya through invoking sustainable technology?

Learning Activities Applicable To This Case Study In Your Country

**Induction:** Students are introduced to the early history of growth and development of tourism in Kenya. As a class they go through aspects of sustainability have been undertaken by country. Mention (if possible) the dates and personalities that toured your country. Note that depending on your country’s tourism’s historical background, differences are bound to arise. In the Kenyan context, reference is made to Sustainable Tourism in Kenya: Overview of Kenya Tourism Industry. Purpose of tourism must be acknowledged as a prerequisite for developing the study question or problem.

**Inco-operating Learners’ Experience** Members of the class show understanding of various strategic actions that sustain tourism and point out which stakeholders are responsible. Depending on their views, the students are grouped into panels of at least four members to investigate the initial findings. They should identify elements in the infrastructure and superstructure promoting tourism in their country.

This background knowledge forms the backbone of study. Elements such as accessibility of services and transactions efficiency are key to satisfying the needs and wants and expectations involving the sector. Tourism involves spending and spending is about value. Integrate tourism with other institutions in the economy and Millennium Development Goals. Sustainable economic growth is about empowering all in a situation such as of developing economies, tourism involves governments, multinational companies and wealthy investors in national or local tourism boards, travel agent, hotel operators, airline and attractions.

**Group Project** Students from small working groups of two members with each choosing a technological strategy involving tourism or hospitality that relates to conducting transactions in the country. They seek to find out interferences that may arise in the smooth running of tourism operations. Information of Government acceptance of and partnering in innovative practices encouraging investments facilitating development of new cultural practices that are safe and widespread in the country would score highly in legal and security aspects. The ecosystem of a destination is critical towards opening up destinations and experiences that are worth studying.

**Case Study** The case study should identify new horizon of sustaining tourism outside the traditional natural habitats and wildlife, and seek new opportunities and potentials available. Basing on threats and weaknesses the best study should address all issues and show advantages and solutions towards sustainable tourism using technology.