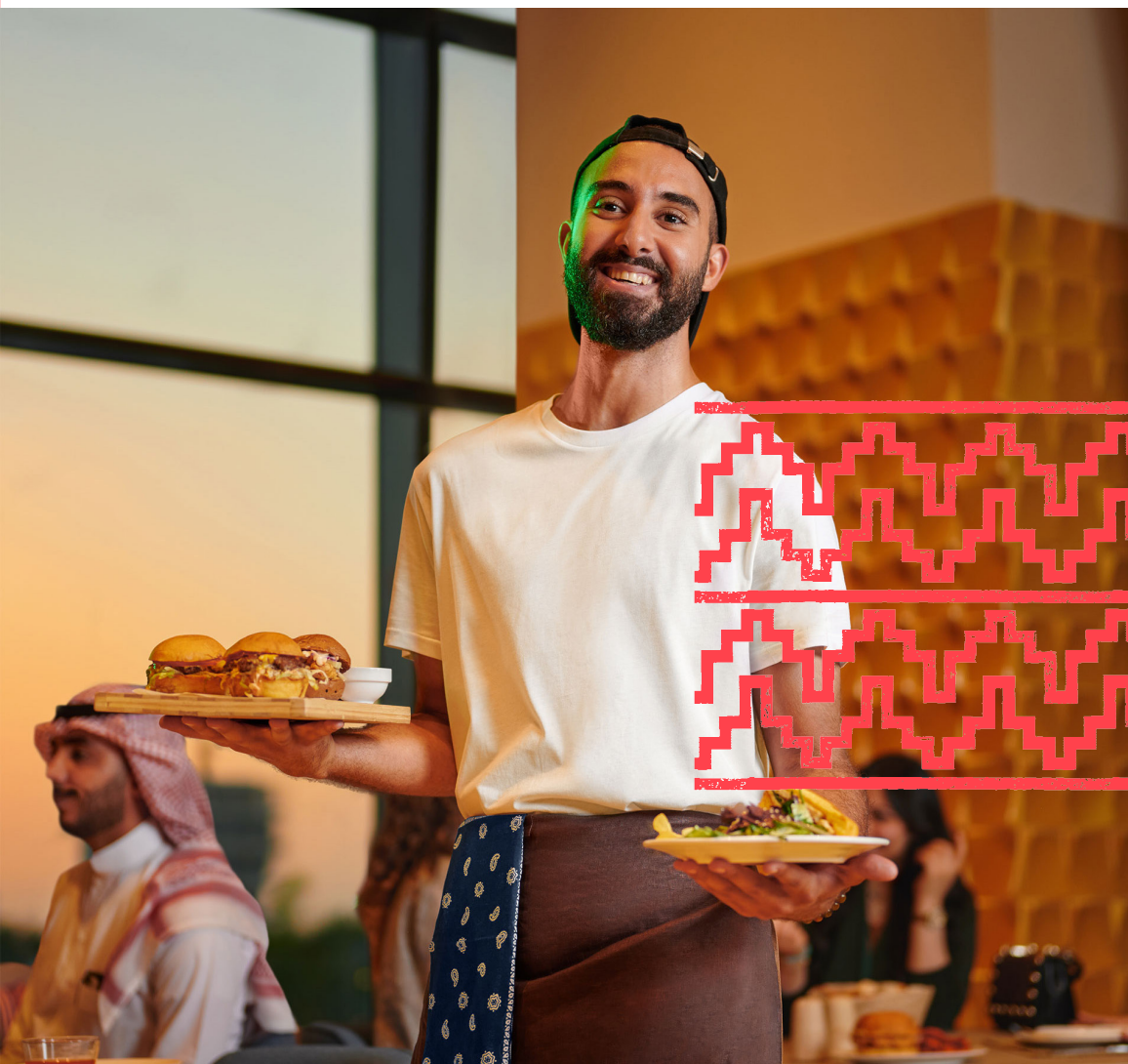


Saudi Tourism

NATIONAL LEVEL CULTURE
TRANSFIGURATION CASE STUDY

Customer Experience...
but for an entire country





MODULE 04

**HOW TO...
ENABLE?**

Build culture
amongst **frontliners**

TABLE OF CONTENTS

00

INTRODUCTION



01

**PILLAR 1:
LISTEN TO UNDERSTAND**



02

**PILLAR 2:
LEARN FROM OTHERS**



03

**PILLAR 3:
GO BEYOND TRANSFORMATION**



National scale culture program:

DEFINING THE NATIONAL TOURISM FRONTLINER BRAND AND SERVICE STANDARDS BASED ON THE HAWAWA, THE SPIRIT OF TRUE ARABIAN HOSPITALITY

Arabian hospitality has been a part of Saudi's culture for millennia. The peninsula and its people have welcomed visitors and pilgrims from all around the world for over a thousand years.

However, in recent decades, the culture and the external perception of the country's culture changed. Many began to see Saudi's culture as less inviting and more closed. In the ever more competitive global tourism industry, the negative experience of one guest could make global news.





In this context, the emerging Saudi tourism industry faced an interesting challenge:

How to develop a frontliner “brand” that is specific to the Kingdom – similar to ‘Pura Vida’ in Costa Rica and speed and excellence in Singapore – resulting in a consistently delightful visitor experience. In other words – how to run a culture program at the national scale as a part of a pioneering next generation Customer Experience (CEX) program for an entire country.

STA took a human centred approach to addressing this challenge. This means the individual visitor as a human being – with their thoughts, feelings, desires, fears and entire psychological makeup – was put at the centre of all design decisions.

Three pillars were developed to bring the human centred approach to life in the context of the frontliner brand and culture:

|| LISTEN TO
UNDERSTAND

Listening - this is not a culture change program, but a cultural preservation strategy. This is not about changing anyone. It is about clearly articulating and strengthening the essence of the existing generous, hospitable and welcoming Saudi identity – the Hafawa Saudia

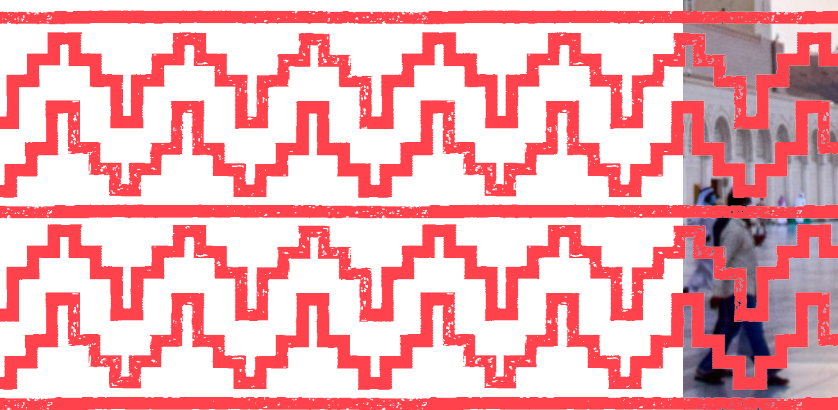
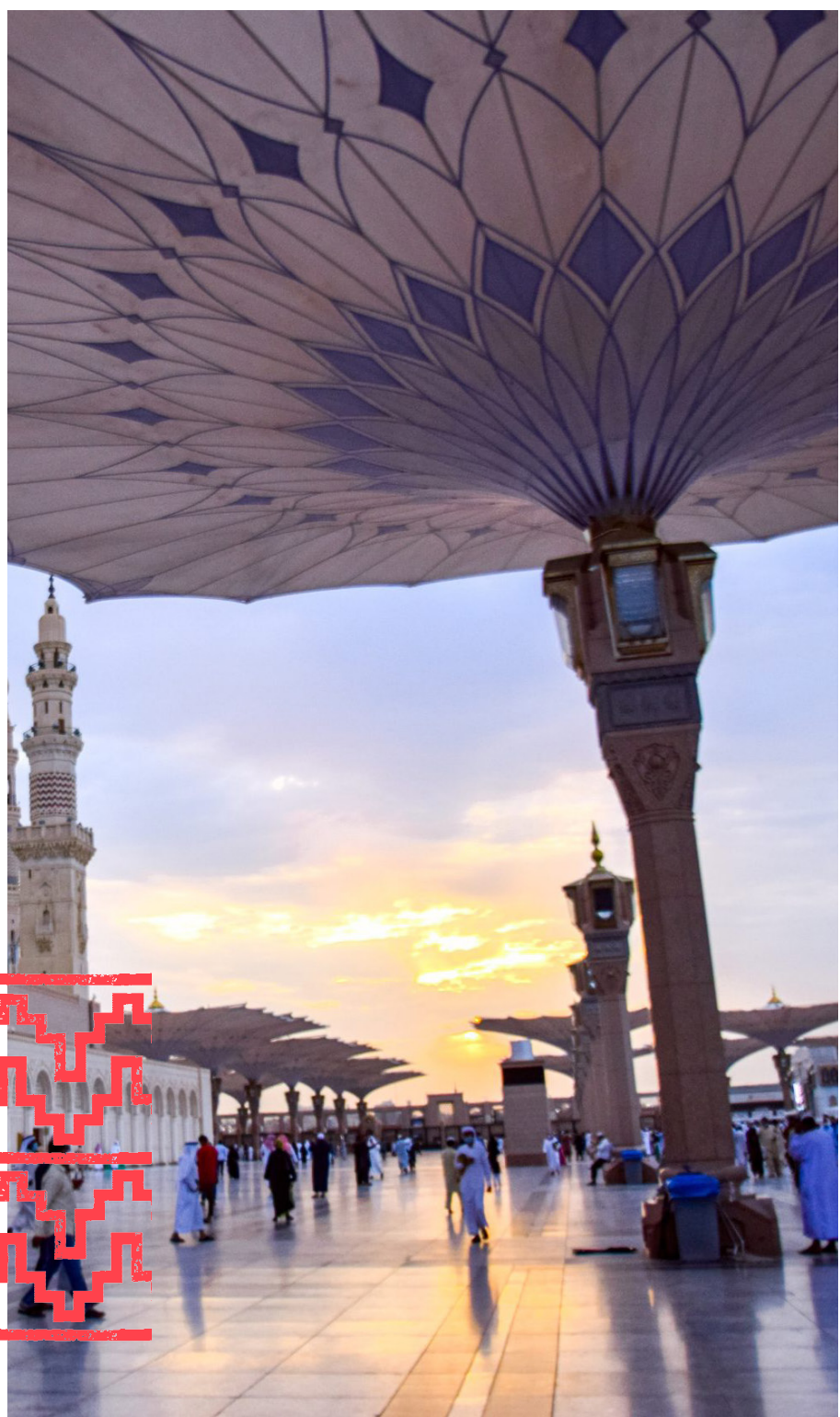
||| LEARN FROM
OTHERS

Learning from the leading global examples over the past 150 years and academic research of culture change at scale to distil the principles, which were then used to define our implementation approach and theory of change: the Hafawa Change Model

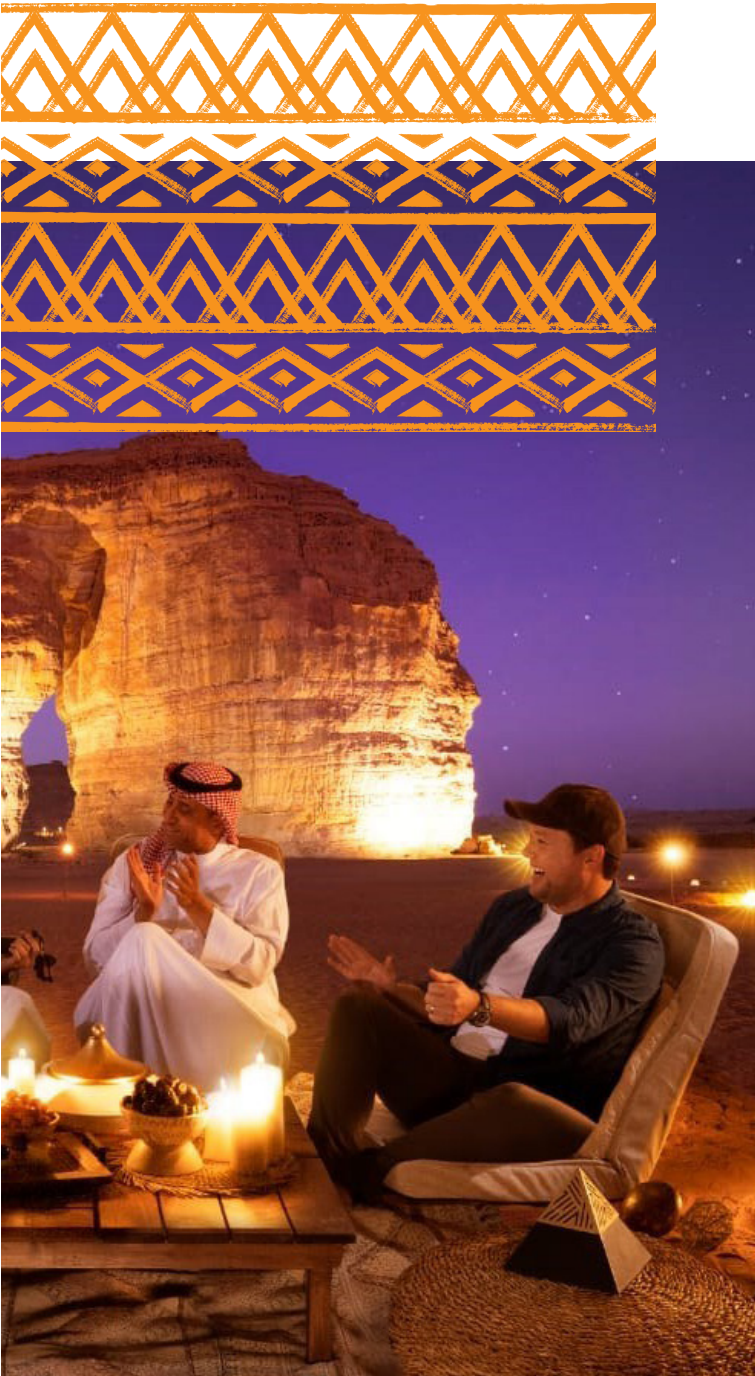
||| GO BEYOND
TRANSFORMATION

Transfiguration, beyond transformation. Using the Hafawa Change Model to take a coherent whole systems approach to understanding our target audience (our tourism frontliners), uncovering their root-cause mindsets and engineering initiatives to amplify the hospitality related aspects of the culture. This module will illustrate ‘how’ STA approached this challenge based on the three pillars outlined

In this document, we have included tools, approaches and frameworks that we have used and that may be helpful to DMCs, small and large businesses as well as governments working on large scale systemic transformation processes in general, and those supporting and enabling the tourism industry in particular.



01 LISTEN TO UNDERSTAND: THIS IS NOT A CULTURE CHANGE PROGRAM, BUT A CULTURAL PRESERVATION STRATEGY



The very first step we took is to ask the question: what does our aspired front-liner culture look like? The clearer we make it to our frontliners how we expect them to behave, the easier it is for them to behave that way.

Informed by the 2nd pillar which is learning from the best global examples, (as we worked on these two pillars parallel), we learned that many tourism leaders already had a clear articulation of their desired culture. Disney has the “Four Keys Fanatic” service standards. Ritz Carlton has their Credo. Costa Rica has the ‘Pura Vida’ - highlighting relaxation and the enjoyment of the little things in life.

We found that the best cultural aspirations articulated a set of values or attributes that are already deeply meaningful to the people and the culture in question. So instead of developing the list of values/principles solely based on leading global examples like Singapore, we decided to look both externally and inward and went on an extensive listening tour and structured sense making process to understand what strengths and beauty already exist in the culture today. This tour covered a diverse set of 9 sources of insight.



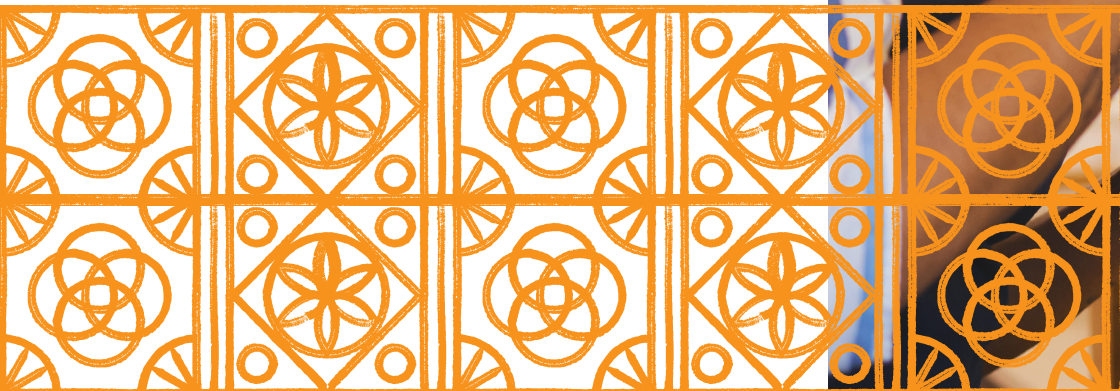
OUR APPROACH INCLUDED THE FOLLOWING 9 SOURCES OF INSIGHT:

- Interviews with the most experienced tour guides from the Saudi Tour Guide Association
- Interviews with representatives from the Saudi tourism ecosystem – including hotels like the Ritz Carlton, transport providers like Uber and Careem and leading tourist attractions/destinations like Al Ula
- A sweep of the global media to capture current international perception of Saudi culture
- Engaging Dr. Abdullah Hamidaddin - author, expert and PHd in Saudi Culture - to understand the myths, stories, and forces that have shaped the Saudi culture over the centuries

- Vision 2030, in particular the National Character Program (NCP) Vision Realization Program (VRP) - which articulates the values transformation enshrined in the Vision (now part of the human capability development program)
- Input from senior leaders in the tourism ecosystem, including His Excellency the Minister
- Survey input from all Saudi Tourism Authority employees
- Values of the leading global tourism destinations - for example speaking to experts on Singapore's tourism industry
- The culture of the leading global tourism related brands - like Disney, where we engaged with Darryl Speech (Disney University and Institute CEX expert) and Carl Holz (former global CEO of Disney Cruises)

We methodologically noted down whenever any of these sources mentioned a specific value or attribute that is already exists in the culture and that relates to creating moments of delight. We summarized the research into a list of over 50 tourism related values/attributes - such as friendliness, sincerity, trust and fairness.

Then we prioritized the list of 50 values or attributes based on frequency of mention across all sources, and presented the results in a heatmap. You can see the process we followed on the next page.





This resulted in three clear meta attributes that were mentioned by virtually all 12 sources Service, Care and Generosity.

And then magic happened, as is often the case in deep listening processes. While sharing the results of the listening exercise with an employee of STA, he stood up and said: “I recognize these values. This is the Hafawa... the feeling you have when you visit your grandmother and you feel that everything is taken care of. And as a guest when you leave Saudi, you will feel like you are leaving friends and family behind”.

From this moment on, we no longer spoke about the Saudi frontliner brand values or attributes. The Saudi Hafawa was (re)born – the spirit of true Arabian hospitality. The Hafawa is enshrined in and exemplified by the values of Service, Care and Generosity.



SERVICE, CARE AND GENEROSITY ARE THE 3 ATTRIBUTES THAT DEFINE OUR FRONTLINER TOURISM BRAND - THE AL HAWAWA ASAUDIA

Al Hafawa ASaudia

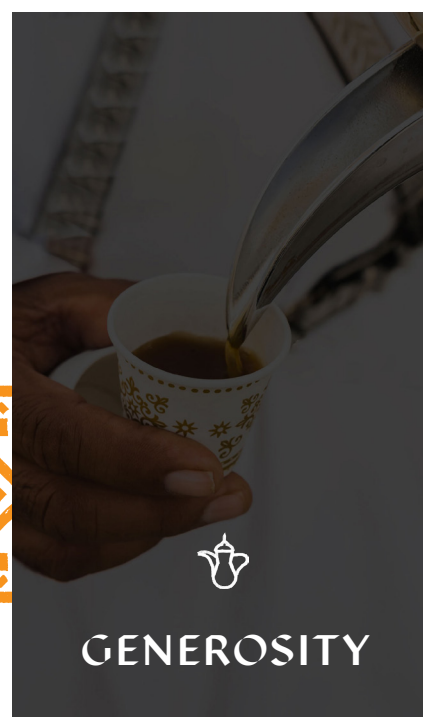
The Spirit of Truest Arabian Hospitality



I am determined & strive for service... ..to exceed guest expectations



I care for and protect my guest ...so my guests feel safe and taken care of



I am generous and hospitable... ..so my guests feel comfortable and among friends

We also learned from the benchmarking exercise (covered in the 2nd pillar, see the next section) that it is not sufficient to just articulate the values. We also need to translate them into specific observable and measurable behaviours. Simple behaviours that create both visitor delight, and are clear and universal enough to be meaningful for diverse frontliner groups covering over a million people. Based on this insight, the 15 Saudi Hafawa behaviours were articulated. You can see them on the opposite page.

WE TRANSLATED THE HAFAWA FRONTLINER BRAND ATTRIBUTES INTO 15 SPECIFIC BEHAVIOURS TO SET THE STANDARD FOR OUR FRONTLINERS



SERVICE



...I am generous and hospitable
so my guests feel comfortable and
among friends

- I leave my guests with a smile and a story to tell*
- I am friendly and smile*
- I am eager to welcome*
- I introduce myself and offer assistance*

CARE



...I care for and protect my guests so
my guests feel safe and take care of

- I listen... I repeat back what I heard
to make sure I understand*
- I treat guest challenges as my own*
- I stand up for my guests*
- I ask and answer questions honestly,
also the hard ones*
- I act predictably and respect personal space*

GENEROSITY



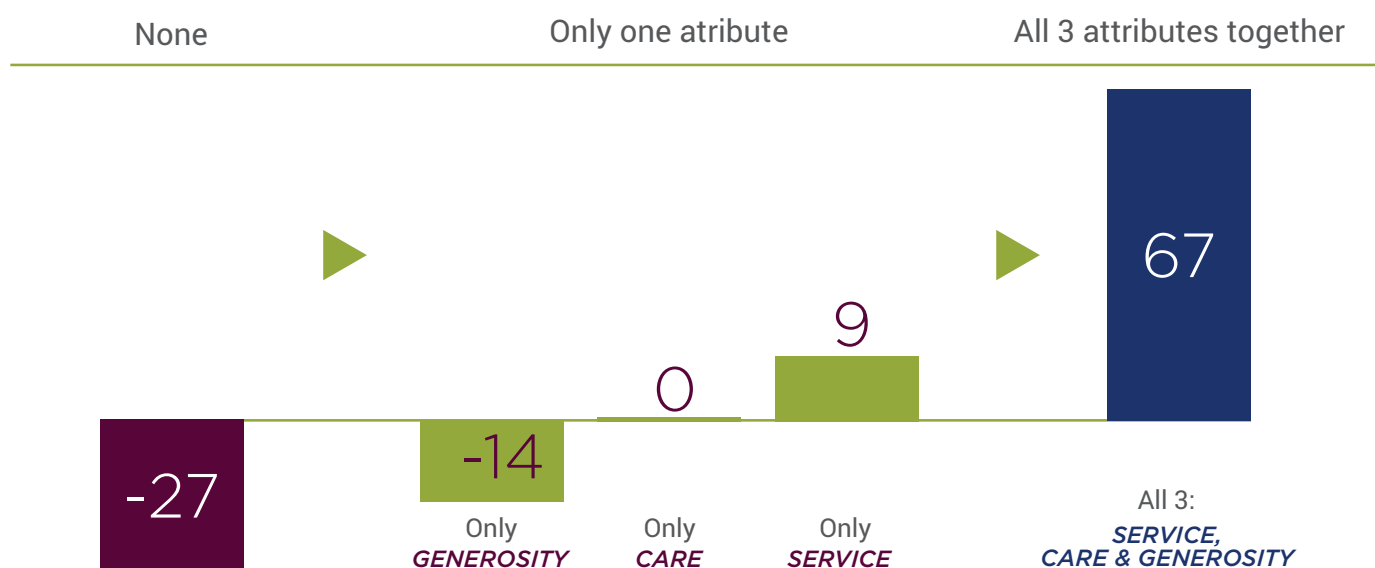
...I am determined & strive for service
to exceed the expectations of my
guests

- I behave as an ambassador to my country*
- If I commit, I do it... If I can't, I explain why*
- I make it better (even if I didn't cause it)*
- I strive to perfect my craft*

THE 3 HAFAWA ATTRIBUTES MAY BE THE MOST POWERFUL EXPERIENCE DRIVERS IN SAUDI TOURISM

Saudi international leisure guest Net Promoter Score (NPS)

Assessed based on Hafawa brand attributes experience



Note: Based on the average result from voice of tourist survey a cross 3 separate measurements (Q4 2020, Q1 2021 and Q2 2021)

And then - validation. Working with the STA measurement team, we included Hafawa across the visitor journey touchpoints research and found that the difference in the NPS of international guests who did (and did not) experience the 3 attributes of the Hafawa varied by a whopping 94 points! Put differently, guests that did not experience any Hafawa attributes had an average NPS score of **-27 points**. And those that experienced all 3 attributes on their visit had an NPS score of **+67 points** - an almost **100 point** difference!¹.

The even better news arrived from the visitor research: **64%** of our current guests were already experiencing all three Hafawa attributes together. That is almost two thirds of all our guests!

These two facts validated our first principle: this is not a culture change program, but a cultural preservation strategy. This is not about changing anyone. It is, however, about clearly articulating the essence of the already existing generous, hospitable and welcoming Saudi identity... and then developing a system to celebrate, encourage and amplify it.

¹ Note: Net Promoter Score (NPS) is measured on a scale of -100 (lowest score) to +100 (highest score)

02 LEARN FROM OTHERS: LEADING GLOBAL CASES AND ACADEMIC RESEARCH ON CULTURE CHANGE AT SCALE



What are the most successful cultural change programs at a national or regional scale in the world over the past 150 years?

We asked this question and were surprised to find out that it seems that not too many others asked this question. As a result, we could not find a lot of readily available knowledge. So we decided to look for it ourselves.

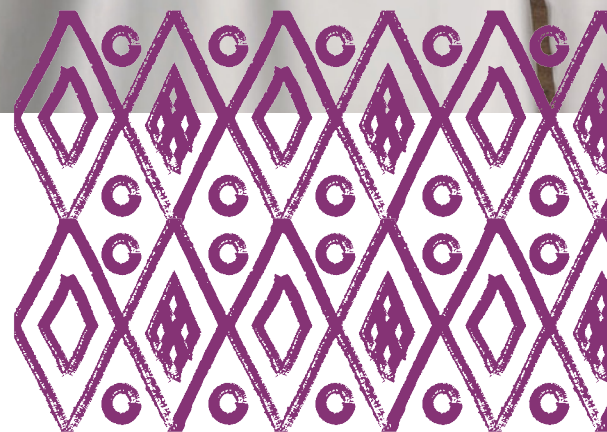
EXPERIENCE: LEADING GLOBAL CASES

As a first step, we identified, studied and spoke to experts to understand almost 20 relevant examples from around the world, including:

- **Candence Lightner**, the founder of Mothers Against Drunk Driving (MADD), an organization which is recognized as catalysing the 50% reduction of deaths caused by drunk driving in the United States over a decade (saving over a million lives!)



- **Garrick Cooper**, senior lecturer in indigenous Studies at the University of Canterbury, to understand how New Zealand shifted from mostly disregarding the Maori to honouring and integrating them as a core part of their national identity
- **Cheryl Lim**, an expert on education in Singapore, to understand how Singapore developed the “21st Century Competencies Framework” anchored around 5 core values – and embedded a character learning goals into every class in every grade in the entire national education system from primary to post-secondary schooling (K-12)
- **Tomas Bjorkmann**, the co-author of “Nordic Secret”, to understand how about 10% of the entire population of the Nordics went through an up to 6 month personal transformation program and retreat to find their “inner compass” and develop their character – catalysing the transformation of the society from a poor and agrarian to one of the most developed regions of the world
- **Paul Hocken**, political analyst and writer, and **Steve Waddell**, author and expert on whole systems change, to understand how Germany got on the path to becoming one of the first major global economies to transition to renewable energy



RESEARCH: LEADING ACADEMIC THEORIES

As a second step, we looked at the available and relevant theory, academic research and leading frameworks that could help us understand and comprehend the success of the examples covered above the team identified 10 relevant theories, including:



- **Otto Schramer's** systems change Theory U, developed at Massachusetts Institute of Technology (MIT)
- **Donella Meadow's** timeless 12 Peverage Points developed in the context of countering global climate change in the 1970s
- **McKinsey's** four quadrant influence model for designing change programs
- **David J. Snowden's** Cynefin complexity framework, to understand that we are dealing with a complex, (not a complicated) problem
- **Many others**, including positive psychology (Martin Seligman), nudge theory behavioural economics (Thaler and Sunstein) and tipping point research (Malcom Gladwell)

INTEGRATING EXPERIENCE AND RESEARCH

In the third step, we brought the practical experience and academic research outlined in the first two steps above together, and articulated a set of 11 principles that shed light on how to create culture change at scale – *in this case on the scale of a G20 nation of 35 million citizens*. The principles we are using are attached below.

11 GUIDING PRINCIPLES SHAPED THE DEVELOPMENT OF THE HAFAWA THEORY OF CHANGE AND CHANGE MODEL



Leverage communication, skill building, role modelling and structures a processes so as to radically increase chances of success



Identify the existing strengths and virtues and use them as building blocks for change



Make the transformation personal to a critical mass of leaders by letting go to letting come, (as per theory U)



Use behaviour as economics (exciters and simplifiers) instead of carrots and sticks when intervening



Co-create at scale by identifying all the stakeholders who are acting for change and involving them in shaping the direction of the change



Maximize feedback loops so as to enable learning from experience



Focus on a few highest impact leverage points and maintain focus over time



Measure progress leveraging advanced analytics to process big data generated by the system (v.s. generating new primary data)



Support the personal transformation 5-10% of individuals in a population who are most ready



Maintain a systems view and work with the ecosystem to build a transformation system that's aligned with existing actors and their initiatives



Take a different approach for different problems by testing and seeing what works, then learn from it



Shifting societal “metanarratives” and “memes” to drive impact through information



“More action learning”, less planning: start small, move fast and learn over time



Please note that although the guiding principles are based on a significant body of theoretical and practical experience, they are not the result of a comprehensive academic literature review.

Finally, we used these principles to develop our unique Theory of Change - one that is rooted in best practice, but tailored to the specific challenge and scale of opening up Saudi Arabia to the world.

Thus the Hafawa Change Model was born - a unique change process that focuses on cultural transfiguration (not just transformation). It is a coherent whole systems approach to support the emergence of Hafawa in line with the existing cultural strengths of the Kingdom. The Hafawa Change Model is implemented through **3 steps**, which are the subject of the next section.

03 GO BEYOND TRANSFORMATION: THE HAFAWA CHANGE MODEL TAKES A WHOLE SYSTEMS TRASFIGURATIONAL APPROACH

Transformations typically focus on developing and deploying a set of initiatives designed to achieve a specific target or goal. The initiatives deployed typically include KPIs and incentive redesign, decision making processes, process optimization, organisation structure redesign, targeted functional skill building, and so on. This is the stuff that most corporate transformations are made of. Most of these transformations are focused on changing structures and processes - in short the external environment with a focus on extrinsic motivation.

However, research from leading theorists and authors on motivation like Dan Pink (building on pioneering research of psychologists Harry Harlow and Edward Deci in 1971) point to the fact that intrinsic motivation is at least as (if not more) powerful than external

motivation - especially for more creative work. From the outset, our theory of change gave equal weight to understanding the internal desires, drives and motivations of our frontliners, as the external ones. We put the individual frontliner at the centre of the design process, so that we can support individual human in strengthening Hafawa related mindsets, thoughts, feelings... which will of course directly impact how they behave in interactions with our guests.

The Hafawa Change Model is based on a **3-step** process: first understanding our frontliners, then understanding their mindsets and finally catalysing a collective movement across the ecosystem to bring Hafawa to life (which includes initiatives focusing on both internal and external motivation). We will briefly outline each of them below.



HAFAWA CHANGE MODEL: STEP 1

Understanding our frontliners

We decided to begin with an understanding of who our frontliners are. For this, we started with the **11 step** visitor journey (from planning the visit to exiting Saudi Arabia at the end of the trip) - which is the backbone of STA's approach to creating a delightful visitor experience across all touchpoints.

For each step, we identified which frontliner groups our visitors will interact with most during their trip. For example, upon arrival our guests will interact with airline staff, airport and immigration staff, transportation companies and hotel check in and concierge staff. This gave us a total of ~70 different and specific types of roles (across thousands of organizations) that the entire tourism ecosystem delivers from the guest's perspective. These roles vary from tour guides to store cashiers and to emergency call centre employees.





We then profiled each of the roles to understand where each of these frontliner groups worked – what the largest ministries and businesses that make up this particular role, and what is their rough size. This analysis generated many insights. For example, we found that there were ~800,000 frontliners working in Saudi tourism at the time of analysis. And that this number was projected to grow to over 2 million by 2030. We also found that some groups were larger than expected (e.g. Uber and Careem, the ride hailing companies, comprised well over a third of the total), while others were smaller than expected.



The team then prioritized the frontliners based on data sources we had access to from the STA measurement team. The two prioritization criteria we used are: 1) the impact of the associated touchpoint in shaping the overall experience of the average tourist and 2) the level of importance of the interaction with frontliners in shaping the overall tourist experience.

Based on this we identified 70,000 priority frontliners in 15 roles. Given we also knew which organizations they worked in and reported to – this analysis also told us who our key stakeholders are.



Finally, to focus further, the team then mapped the frontliners to the behaviours that are most relevant to them – or better said the behaviours that are most likely to generate a visitor moment of delight given the specific frontliner role in question. For example, acting predictably and respecting personal space is critical for a taxi driver, while it may be less important to an immigration officer sitting behind a desk.



HAFAWA CHANGE MODEL: STEP 2

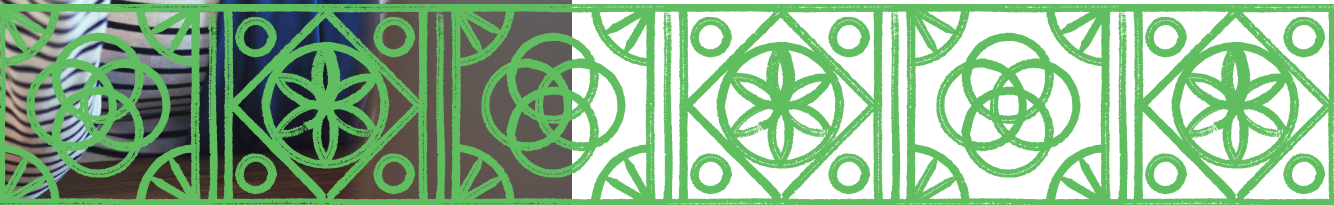


Understanding frontliner Hafawa related mindsets

Transfiguration happens at the root cause mindset level. Therefore, it was critical to invest the time to understand the common cultural mindsets, thoughts and feelings that are related to the 15 Hafawa behaviours in Saudi Arabia. To do this, we engaged with Dr. Abdullah Hamidaddin (mentioned above) to analyze the cultural drivers for each individual Hafawa behaviour.

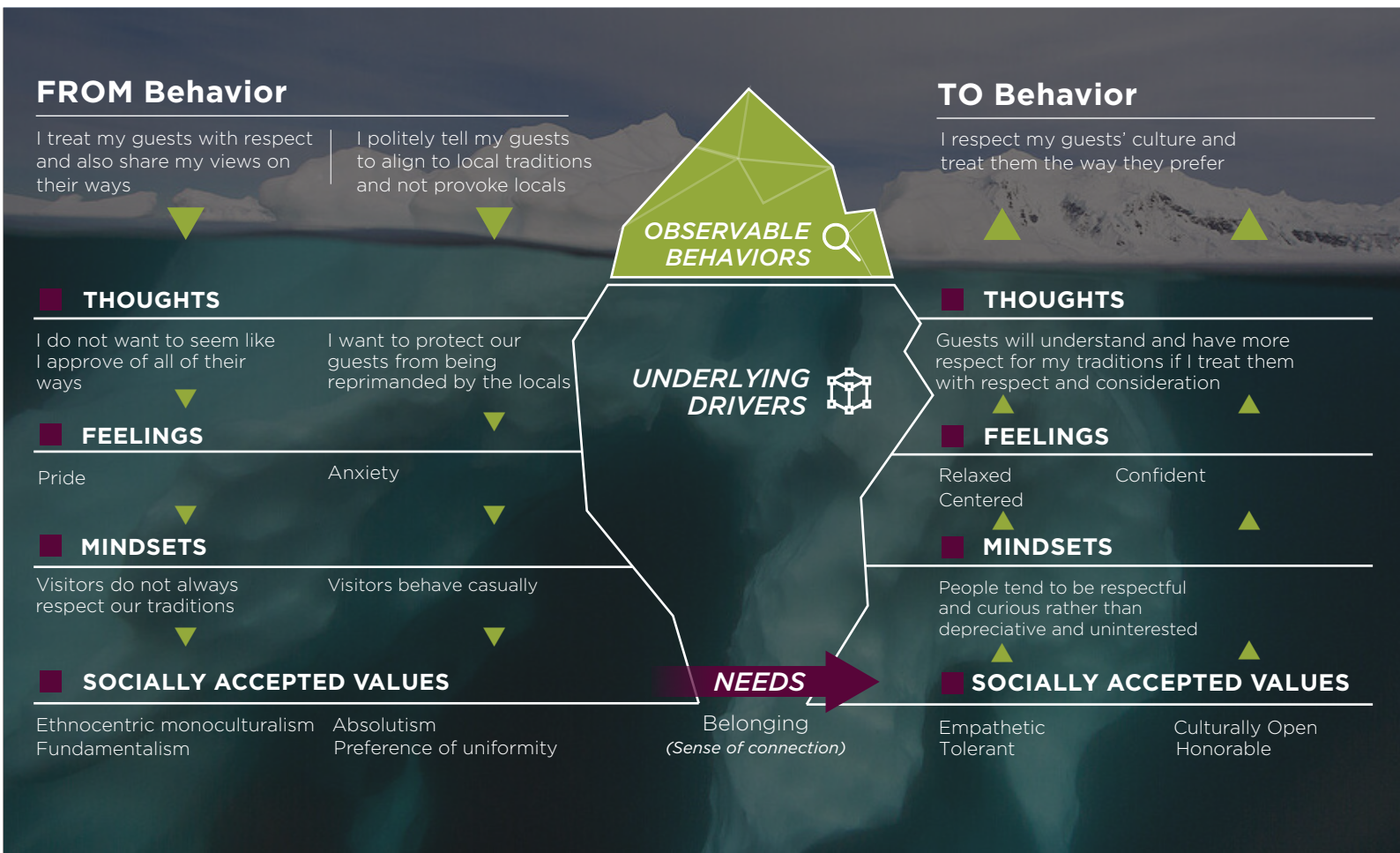
This allowed us to understand the existing cultural narratives related to each specific behaviour. The team used the iceberg tool (see opposite page) to understand what our frontliners may be thinking and feeling when it comes to each Hafawa behaviour.

See an example of how the iceberg tool was used to understand the enabling mindset shift to bring the Hafawa to life for each of our 15 Hafawa behaviours.



Hafawa Behaviour:

“I RESPECT MY GUESTS’ CULTURE AND TREAT THEM THE WAY THEY PREFER”



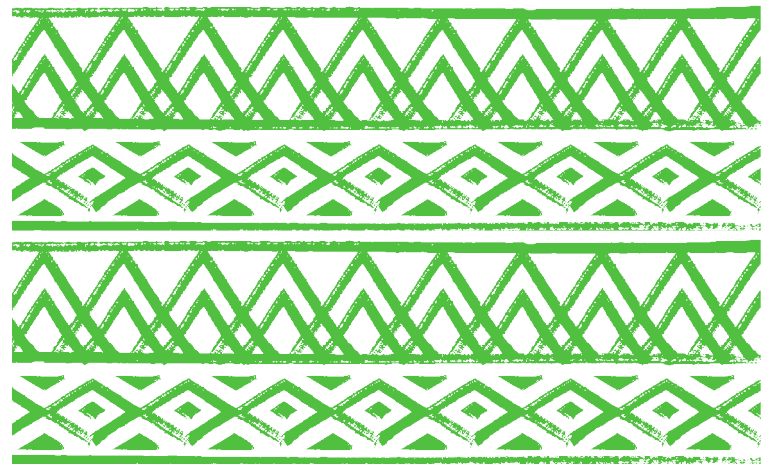
This was a critical step in the process, and one that informed all our work. At this point the academic research - which can be perceived as complex, wide ranging and ‘soft’ - became very concrete and practical. One way in which it became practical is by informing the selection, design and day to day execution of the Hafawa initiatives - which we cover next.



**HAWAWA
CHANGE MODEL:
STEP 3**

Catalysing a collective movement across the ecosystem to bring Hafawa to life

At this point we had a very strong theoretical and analytical foundation, based on which we could move into action. As a next step the team identified the most relevant framework to use to organize our initiatives (based on one of the 11 guiding principles, and designed a set of 16 initiative, grouped in 5 categories...



We covered five categories of initiatives:



- 1 | Helping specific frontliner roles build the Hafawa skills and capabilities focusing on the 2-3 Hafawa behaviours most relevant to their specific role
- 2 | Inspiring the frontliners by two way communication of the Hafawa and engaging them
- 3 | Role modelling the Hafawa by people specific frontliner groups look up to
- 4 | Aligning incentives, policies and processes in a way that will celebrate and reward the frontliners for living the Hafawa
- 5 | Inner development transformation journeys to open the minds, hearts and will of a critical mass of frontliners





We then moved to implementation. It is important to note that **STA** is not the owner of the entire portfolio of Hafawa related initiatives.

As an organization with a few hundred people, STA did not have the capacity to implement a cultural preservation strategy directly targeting almost 1 million people, and indirectly the entire population of over **30** million.

Therefore the implementation approach and governance was structured to reflect the natural structure of the tourism ecosystem. For example, the Human Capital Development team in the Ministry of Tourism was focusing on building skills and capabilities across the ecosystem – and hence they are the natural owner for the capability and skill building related initiatives. All the while STA's focus remained on national orchestration of the Hafawa movement.

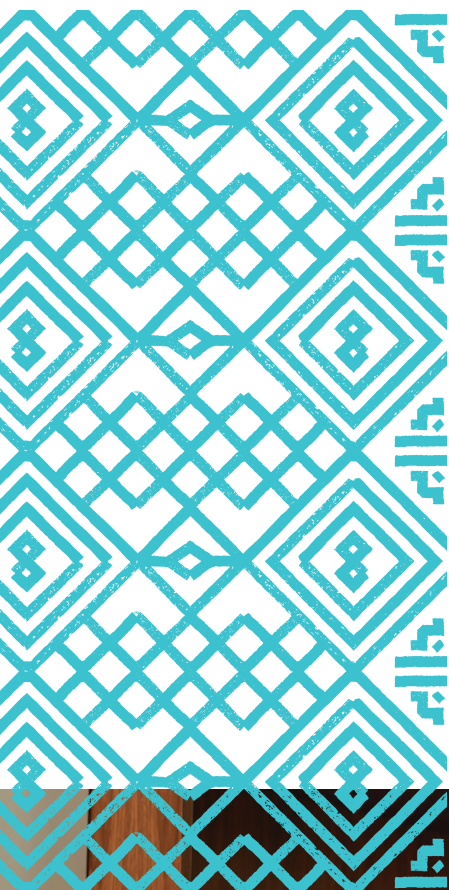
This approach requires a significant degree of willingness of thousands of different tourism actors to work together towards a point goal: For our guests, upon departure, to feel like they are leaving friends & family behind.



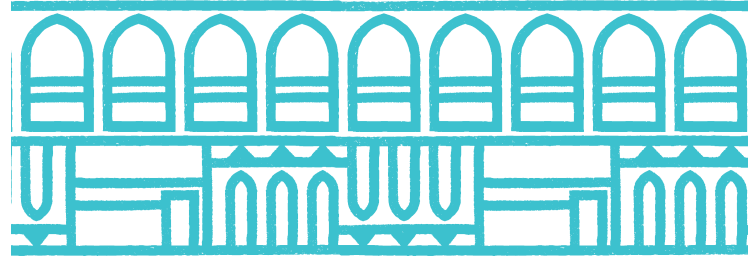
The Initial Impact 2020 and 2021

As a part of pioneering the next generation CX program for an entire country, the Hafawa program is of course only one of the many contributing factors driving forward national and industry level outcomes. This is especially true when major industry segments (like international leisure visitors) are being created from a very low base. Supporting the cultural evolution at the scale

of millions of people is humbling, to say the least. The examples we studied suggest it takes the better part of a decade to see significant results, and multiple decades until the aspired culture is truly embedded. However, we have also learned that you can already see signs of progress within years. And that is indeed what we are starting to see.



Tracking impact of a program of this complexity is challenging. The approach we are currently taking is a multi-level approach - looking at impact through **five different impact lenses**, that expand from the smaller and more tactical lenses to the broader and more systemic perspectives. In some cases, some of the levels also logically link and flow together.



THE IMPACT LENSES ARE:

- 1 | The 16 Hafawa related initiatives STA is implementing
- 2 | How many of our guests experienced the Hafawa attributes during their stay. And if our guests experience the Hafawa more, we would expect the Hafawa to be one of many factors contributing to an increase in the **NPS**
- 3 | The size of the difference between the NPS score of guests that experienced, and did not experience, the Hafawa
- 4 | The actual NPS score reported by our guests, a key indicator of the success of the program
- 5 | The ultimate overall industry metrics - in particular the number of visits and total visitor spend - with the goal of **10%** of the economy (~\$100bn) by 2030

HERE IS HOW WE PERFORMED ON THE 5 IMPACT LENSES IN 2020 - 2022, FOCUSING ON OUR PRIORITY SEGMENT: INTERNATIONAL LEISURE TOURISTS



Many of the 16 Hafawa initiatives launched already in 2020, and some of them have already had significant impact: ~16,000 frontliners have gone through awareness sessions, the Hafawa has been included as one of the main messages in tourism campaigns, Hafawa recognition has started in the largest regions and key industry manuals have been updated with Hafawa attributes (like the Experience Standard Manual)



This contributed to an increase in guest experience of all three attributes of the Hafawa, which increased by 9%³ from end of 2021 to mid 2022



So, did this increase in the experience of the Hafawa lead to an increase in NPS? As mentioned earlier in this paper, we found that guests that did not experience any of the Hafawa attributes had an overall NPS of -27.2. And guests that experienced all 3 attributes had an NPS of +67.2. Therefore, the NPS difference between the guests that experienced, and those that did not experience the Hafawa, is a whopping 94.4 points! Which is almost half of the full NPS scale (which runs from -100 to +100)².

In addition to this, the NPS of the guests who have experienced all 3 Hafawa attributes has increased by 10,5%⁴ – which suggests that the quality of the Hafawa experience in the eyes of our guests has increased significantly.



2 Average across 3 measures between Q4 2021 and Q2 2022

3 From 52.2% to 57.7%

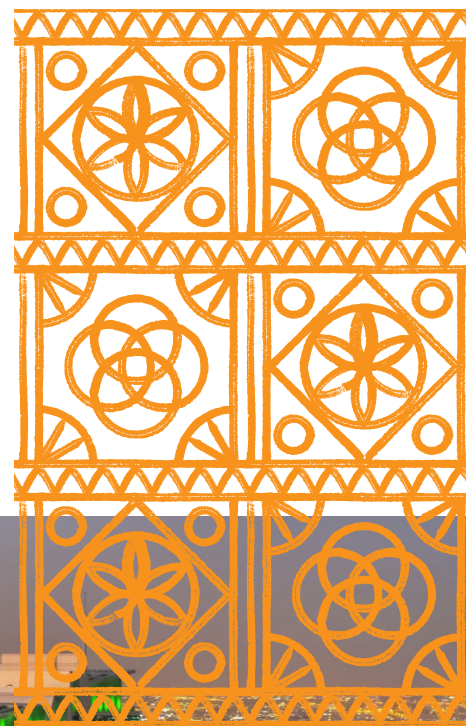
4 From 64.1% to 70.8%



Fourth, did this have an impact on our key KPI the overall NPS score? The overall NPS score has increased by 9.6%¹ in the same time period



And finally, have we started to see an impact on the overall tourism industry outcomes? From 2020 to 2022, the number of domestic and international visits has increased by 263%² and the total visitor spend has increased by 426%³



1 From 35.1% to 38.5%

2 From \$32 to \$84 million

3 From \$61 to \$260 billion

Closing

Of course, we are not able to develop clear correlations between all these measures, and we have to be aware of the contextual factors in each of the metrics and the tourism industry as a whole. For example, whole segments of the Saudi tourism industry are relatively young (while others, such as religious tourism, are well established). Covid-19 has, of course, also had a major impact on tourism globally and in Saudi in 2020 and 2021.

What we do know is that a lot of work has gone into establishing the theoretical and analytical foundation of the Hafawa - based on the leading available academic research, theory and some of the most successful examples of culture change at scale globally over the past two centuries. And we know that we started to implement this approach in 2020.

We have since seen an increase in the number of guests saying that they have experienced Care, Generosity and Service when leaving the Kingdom, that those that did experience these attributes had a significantly higher NPS score. We also know that the overall NPS score has increased significantly in the same period, contributing to more guests coming to the kingdom to experience a profound journey and true Arabian hospitality.



Customer Experience...
but for an entire country

