

Six trends driving growth and change in African tourism

 By Cari Coetzee

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As Africa's popularity as a tourist destination continues to grow, despite challenges, there are certain forces that are driving growth and change in the continent's tourism and travel industries. Christy Tawii, research analyst at Euromonitor International, provided insight into some of the key trends driving this growth and change at WTM Africa 2018.



Christy Tawii, research analyst, Euromonitor

Global tourism overview

Travel and tourism remain on track globally in terms of growth. Euromonitor predicts continued growth in inbound arrivals, travel receipts and average spend.

According to Tawii, each region is different and coping with different tensions. Mature economies have been struggling to maintain positive growth, and emerging markets have had their own challenges to deal with. However "going forward, by 2022, we're expecting arrivals to reach 1.5 billion trips globally and markets such as Asia and Africa are going to be a key focus during that period."

Greater arrivals are accompanied by greater spend and the average traveller is expected to spend about \$963 per trip.

Travel product sales are dominated by lodging and airlines - both accounted for \$1.2 trillion in 2017 - with attractions, car rentals, spas and medical tourism following.

Companies are trying to capitalise on emerging demands and trying out new business models, says Tawii. With an increase in short-term rentals and low-cost carriers across the globe, it is clear that the industry is shifting focus on capitalising on new trends. "The focus is on new things rather than basically cannibalising opportunities and then trying to find ways to prevent pricing pressures," says Tawii.

Where does Africa fit into the picture?

Long lauded as a boon for the economy and its ability to weather global political and environmental turmoil while driving job creation, the tourism sector continues to contribute significantly to the continent's GDP. According to UNWTO data, tourism receipts amounted to \$30bn in 2017, contributing close to 3% of the region's GDP.

While sub-Saharan Africa has faced multiple challenges impacting travel, the destination has remained popular among travellers and has recorded a 7.1% year-on-year increase in 2017 - a number that is expected to grow as the region takes steps in easing travel such as multiple countries implementing visas upon arrival, greater travel safety, etc. While international travellers flocked to our shores, inter-regional travel was one of the key drivers of tourism on the continent.

Tourism Trends for Africa

Tawii shared some of the key tourism trends in Africa, based on research done. While some of the same trends from last year continue to exert influence on the sector, a few new trends are starting to take shape.



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2018 trends include:

1. Cities at the forefront of tourism growth and innovation

"Cities are becoming more competitive, positioning themselves as attractive destinations as opposed to the national branding or strategy," says Tawii. She says the trend is driven by unique and authentic experiences offering true engagement. Cities like Cape Town, Johannesburg, Nairobi, Egypt, etc. are trying to position themselves as a tourism destination while maintaining a sense of uniqueness, differentiating themselves from other city destinations and offerings.

Cities are investing in the development of various sectors such as retail, entertainment, transport, and MICE to become truly well-rounded destinations and are at the forefront of innovation to meet the needs of travellers - in a sense, becoming the crucibles of new travel trends.

2. Luxury resorts and hotels booming

According to Tawii, the continent is seeing an increase in wealthy travellers due to international hotel brands settling in the region. This increase in wealthy travellers has been happening over several years. According to [a study by An African Anthology](#) in 2016, in a period of 12 months around 43,000 individuals with nett assets of \$10m or more visited the

continent for a holiday.

"All these luxury travellers need to stay somewhere," says Tawii. There's a move within travel companies to come up with more luxury products to cater to this kind of traveller. Therefore, the spend on luxury accommodation will continue to increase.

South Africa specifically attracts its fair share of luxury tourist due to its established retail market - compared to the rest of the region. In the rest of the region, consumers shop in informal markets, but the rich need to spend their money somewhere says Tawii. With the presence of luxury brands opening up stores, South Africa offers a viable alternative to Europe. "A lot of our African brothers and sisters are flocking to the country to come and shop here as opposed to going to Europe and other places," says Tawii.

3. Short-term rentals shaking up lodging

While hotels continue to dominate the lodging space, accounting for about 45% of sales, short-term rentals is the new player in the market and is shaking up the lodging space, says Tawii. In terms of growth, the sector outpaces hotel performance.

Airbnb has become a dominant force in towns, cities and rural areas and has even come to effect long-term rentals in some cities. In response, some hotels are capitalising on the trend and coming up with their own short-term rental offerings.

4. Greater emphasis on domestic tourism

"Yes, disposable income in Africa is increasing but the reality is that there isn't a lot of free money to travel," says Tawii. Coupled with the lack of a travel culture where people believe that travelling is only for foreigners or for the rich as they have greater spending power, domestic tourism remains a largely untapped market.



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The region has seen significant challenges to tourism including the unabridged birth certificate regulations, the Ebola outbreak in West Africa, and travel advisories against visiting Kenya due to the terrorist threat, which saw tourism numbers take a significant hit. Countries with a strategy around domestic tourism, like South Africa, were able to maintain sufficient tourism numbers.

"A lot of the countries have realised that there's a missed opportunity here, hence we've seen a greater emphasis on domestic tourism. A lot of the countries are looking at a national tourism strategy - yes, the focus is still on foreign tourists but a lot more emphasis is put on domestic tourists. Hence, we've seen a lot of campaigns, Shotleft is a good example, promoting domestic tourism."

While we still have a lot of work to do in terms of building domestic tourism, with greater emphasis on the sector, marketing initiatives and collaboration within the industry, the region could achieve a robust domestic tourism sector.



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5. Expansion of online travel continues

"Online - this has been the song of WTM Africa 2018," says Tawii.

While its still early days, when compared to global standards, a lot is happening as a lot more travellers in the region are using digital technologies for their travel planning and purchases.

The internet is leading a revolution in travel and tourism on both the traveller and travel provider side. Tawii says "many companies are actually implementing multichannel approaches to engage with travellers. They are continuously trying to understand who these travellers are, what influences their choices and which devices they are using either to search for or book their adventures."



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It will come as little surprise that mobile is leading the charge in this trend. Mobile is gaining traction - including the expansion and adoption of mobile payment systems such as Snapscan often offered by hotels and other establishments, with some establishments even accepting cryptocurrencies. "A growing mobile app culture is also playing a role in boosting online mobile travel sales in the region," says Tawii.

6. Diversification of tourism products

Africa boasts a basket of niche tourism offerings and we are increasingly seeing the region promote itself as more than just a safari destination. Countries have started to position themselves in terms of their strengths in other sectors including wine tourism, medical tourism, cultural tourism, adventure tourism, sports tourism and more.

"There's a strong drive towards diversification of tourism products, countries are now focusing more on tapping into other tourism products," says Tawii.

Outlook

Where are we heading and can we expect the tourism and travel environment to remain positive?

"Yes," says Tawii, "there's a lot of potential for tourism in the region. There are considerable opportunities for expansion in various tourism strategies."

"We are seen as a last frontier for many industries across the globe. There's a lot of foreign investment happening, lots of projects - whether its infrastructure, energy or retailing. All these are factors that are going to bring more people to our shores."

ABOUT CARI COETZEE

Cari Coetzee is a contributor to Bizcommunity Tourism, Agriculture and Lifestyle.

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