

Euromonitor shares key tourism trends in Africa

 By Cari Coetzee

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Over the past few years, Africa's attractiveness as a tourism destination has grown significantly. Speaking at WTM Africa 2017, Christy Tawii, research analyst at Euromonitor International, explored some of the key trends influencing and driving this growth in the African tourism industry, pulling on [Euromonitor research](#) spanning across 100 countries.



Christy Tawii, research analyst, Euromonitor

The global tourism industry has felt the impact of events such as Brexit and the US presidential election - followed by travel bans - as well as an increase in terrorism threats. "What we've seen in past year is that the global economic outlook remains uncertain as most developed countries show sluggish growth while emerging markets struggle to maintain advances." Despite these uncertainties, global travel and tourism have grown consistently and figures indicate that it has no intention of slowing down. "By 2020, it is expected that 1.5 billion international trips will be taken. On average, the world has seen an additional 39 million trips a year," said Tawii.

The online travel space is increasingly popping up globally, said Tawii, where travel product sales are being boosted by the development of new technology and diverse business models across various markets. "Within this online space, mobile has proven to be a game-changer – mobile travel purchases are increasing at an alarming rate and this is being driven by the fact that mobile penetration rates, especially the penetration rate of smartphones, is increasing all over the world." The development of mobile technology has also presented simpler payment methods such as Snapscan, further facilitating travel purchases. "However, offline is still king and dominates travel sales across the globe," said Tawii.

So, where does the African region fit into this global space? According to Tawii, Africa is slowly catching up to the rest of the world. She highlights some of the key tourism trends in Africa:

Inbound travel remains positive despite challenges

Issues such as terrorist threats in regions such as East and West Africa; South Africa's strict restrictions on travelling with minors - which had a negative impact on countries such as Namibia - and visa restrictions (which have been relaxed since early 2016) limited tourism's potential in these regions.

Despite these challenges, the tourism sector in Africa continued to grow as much remains that make it an attractive destination. "Solid economic growth for the continent has seen arrivals and receipts increasing, with both leisure and business travel prospering," said Tawii. Through the growth in inbound tourism and an uptick in domestic tourism, particularly in South Africa, Kenya, and Nigeria, tourism remains resilient.

Increased focus on domestic tourism

There has been a concerted effort across the continent to encourage citizens to get out and explore their own country. A major issue is the lack of a travel culture, with African citizens perceiving travel as expensive and non-essential. To address

this, various tourism campaigns and marketing initiatives have been launched across the region to showcase what countries have to offer their citizens and to position local destinations as affordable travel options.

“As a result, locals are slowly changing their attitude towards domestic travel due to collaborative efforts between industry players and the government to promote domestic tourism by showcasing the incredible adventures that await local travellers,” said Tawii.

Short-term rentals are booming

Value sales for short-term rentals are still considerably behind hotel sales, but in terms of value growth, short-term rentals are outperforming their hotel counterparts said Tawii. With players like Airbnb entering the accommodation industry and shaking things up, “hotels are increasingly coming to terms with the new competition, and are also now investing in short-term rental players, by launching new brands to adapt to changing consumer demands”.

The sharing economy is gaining traction

Sectors such as car rental and lodging are changing fast due to the entry of peer-to-peer brands such as Uber and Airbnb. South Africa is the largest market for such brands in Africa - more South Africans are joining the platform as hosts to generate income from their unused assets - and with consumer awareness growing, the trend is expected to intensify as travellers are increasingly seeking cheaper accommodation options.



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Multi-channel approaches

Despite offline sales remaining more prominent, internet transactions are increasing and the online travel environment continues to record a dynamic performance. “Although by global standards, the online channel is still at its infancy stage in Africa, travel companies across all categories are embracing it to offer travel services,” said Tawii.

Travel industry players are increasingly implementing a multi-channel approach - making use of various platforms to engage with consumers and drive traffic to their sites using social media, meta search engines, affiliate programmes, etc.

Growing competition between low-cost carriers and state-owned airlines

According to Tawii, low-cost carriers recorded the most dynamic retail value growth within the airlines category over the review period, and are stimulating demand in many local airline markets. Due to growing demand, many state-owned airlines are also increasing capacity on popular routes such as Cape Town and Johannesburg in an effort to remain competitive. As competition between low-cost carriers and state-owned scheduled flights increase, so does price competition for local flights.

Expansion and development of luxury resorts and hotels

Africa is witnessing increasing expansion and development of luxury resorts. Driven by the presence of international hotel brands and foreign investment, “hotels led value sales, accounting for 45% of overall lodging value sales,” according to Tawaii. Although Southern Africa has increased in importance, West Africa has represented more than half of the total.

MICE boosting tourism

“The Meetings, Incentives, Conferences and Exhibitions sectors is emerging as a new growth frontier and is one of the fastest growing segments in tourism,” said Tawii. The MICE sector is boosted by a growth in business travel – over 36 billion business trips were taken in 2016 – and is characterised by business travellers spending six times more than leisure tourists.

Many African countries are tapping into this sector and hope to develop it further with conference facilities being built across the continent in major cities such as Cape Town, Johannesburg, Nairobi, Lagos, and Abuja.

Niche tourism is growing

While Africa has traditionally been marketed as a safari destination, African countries are starting to move away from this and are starting to explore other niche categories such as medical tourism, eco-tourism, adventure tourism, etc. Following the trend for personalisation, there is an increase in the development of tailored package holidays, with tailored packages for solo travellers also predicted to be developed and become dynamic niche products.

ABOUT CARI COETZEE

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