

HOTEL INVESTMENT™  
**CONFERENCE**  
**AFRICA**  
A Focus on Sub-Saharan Africa

## Speaker details

David Frost

The Tourism Strategy Company

# Changing Consumer Travel Patterns – Growing Domestic & Regional Markets



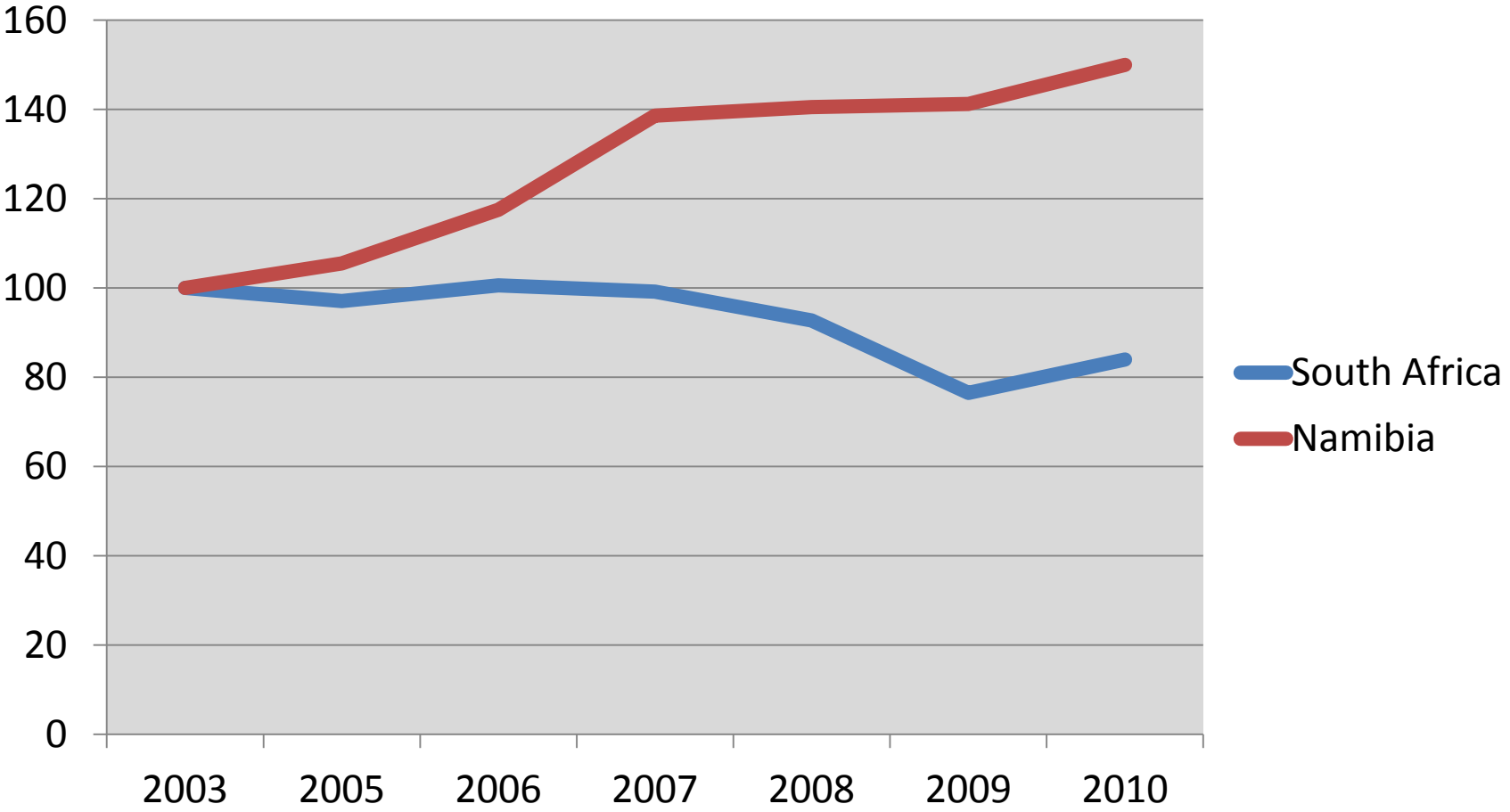
- Actual data on changing consumer travel patterns – scarce
- Official tourism stats out of date and not always disaggregated sufficiently to make sense
- Best source – companies in tourism
- However – may not be that willing to share that data or what tactics they have employed to growth their businesses
- Buzz culture – “The World has Changed” – “Business Unusual” – presents a stark view of the world.
- But the world is not mono-dimensional
- Need to take an encompassing view when considering this topic and how best to respond
- Regional & product differentiation

# Key Issues

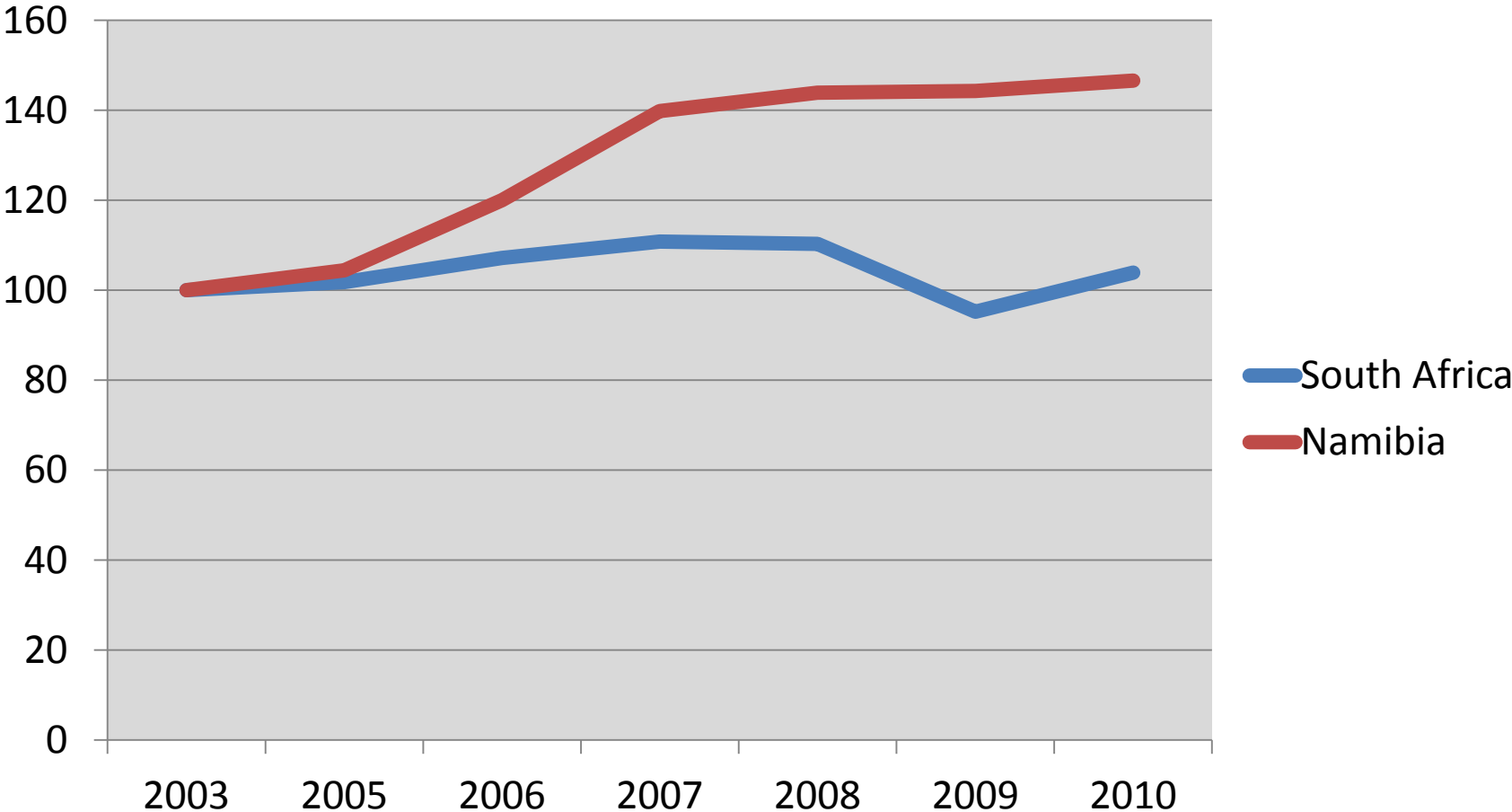


- International trends – how are other destinations responding to attract tourists?
  - Dynamic packaging (Groupon, Travelzoo, etc.)
  - Destinations subsidising tourist arrivals (e.g. St. Lucia)
- Direct bookings v. traditional trade channel?
  - E.g. Newmark Hotels (Cape Town) – 2008 direct business 9% - 2011 risen to 36%
  - Number of tensions – how to manage the process
- Successful models – Namibia

# Tourist Arrivals from Germany



# Top Six International Markets



# Key Issues



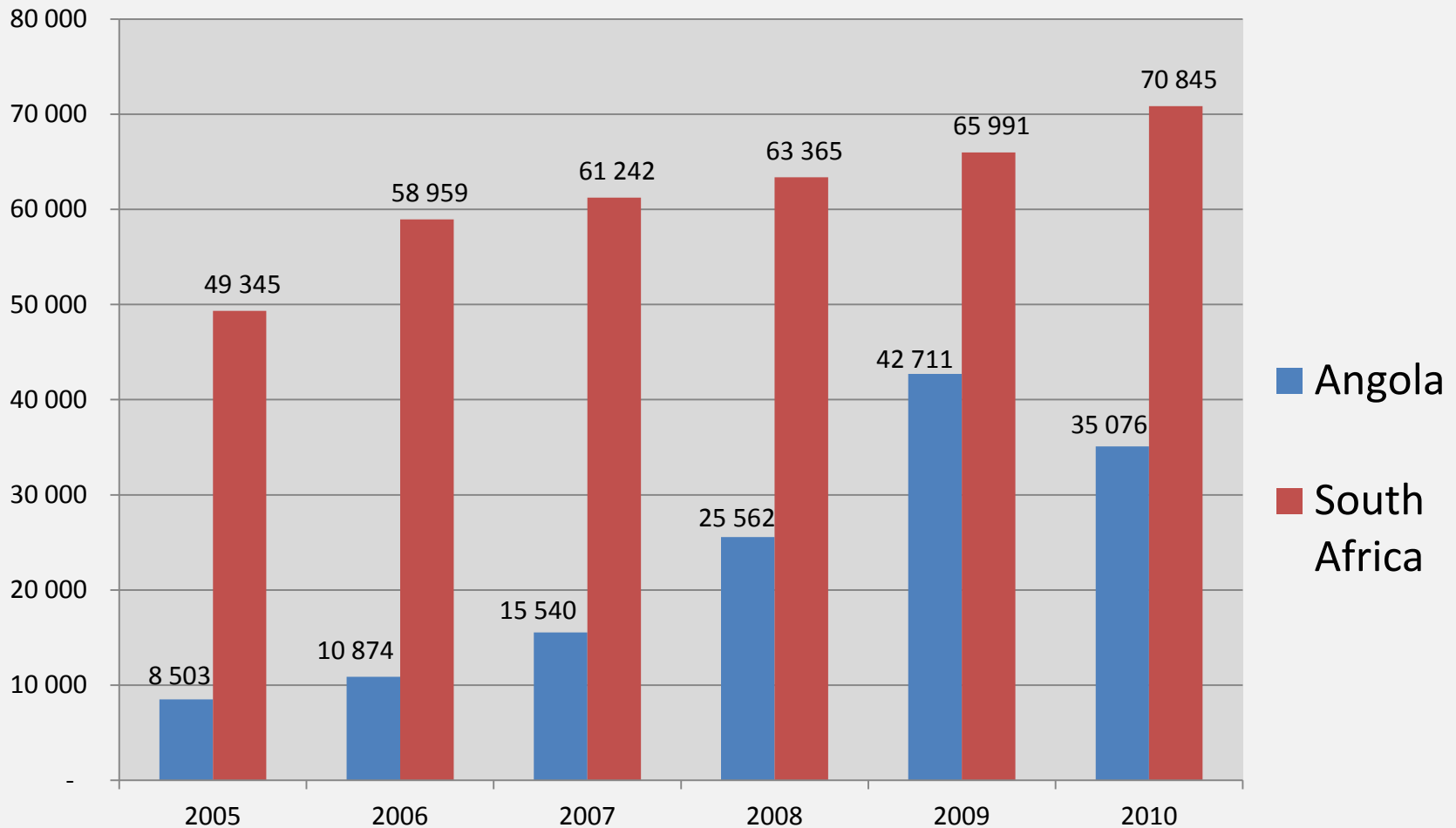
- Leading UK based Regional Tour Operator – average price per person to Southern Africa
  - 2008    £ 3,272
  - 2009    £ 3,455
  - 2010    £ 4,019
  - 2011    £ 4,176

# Key Issues



- Given depressed economic climate in key international source markets - is there untapped tourism potential regionally and domestically?

# Tourist Arrivals (by air) to Namibia





# RSA – Domestic Holiday & Business Travel



	2007	2008	2009	2010
Business trips (million)	2,5	1,65	1,52	1,49
Business spend (R billion)	2,8	3,1	3,8	2,95
Holiday trips (millions)	5,75	5,26	3,64	3,86
Holiday spend	7,4	10,1	4,93	6,5
<b>Total Spend (R billion)</b>	10,2	13,2	8,7	9,5