

## Fostering a culture of travel among South Africans

By Andrew Stark

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The culture of travel begins at home. It starts with a short trip to Cape Town, Durban or Johannesburg. A dipping of one's toes in different waters or a quick city break to hubs serviced by low-cost carriers, services that have made it easier than ever for South Africans to take that first step to become a traveller.



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Local travel remains the bread and butter of our business. It inspires holidaymakers to travel beyond borders and lets us build rapport with our new customers. It gives us a foot in the door and the relationship between traveller and travel agent continues as local journeys become regional and international ones.

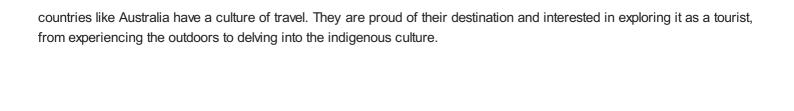
A recent Travel Market Index conducted by Grant Thornton on behalf of the Association of Southern African Travel Agents revealed that air travel accounted for as much as 60% of all travel turnover in South Africa in 2017. Just under a quarter (22%) of the R39bn spent on travel last year was on accommodation and venues, 7% on tour packages and 5% on car hire.

However, I believe this high percentage of travel spend on air will drop in the future.

This is because air travel has become less complicated and distribution has become less complicated. Twenty years ago, you would never have seen a customer walk into Checkers and buy an air ticket. It was complicated and only specialists could sell air. That has changed, and if, as a travel agency, you are still prioritising selling air travel, you are going to close your doors.

## The local tourism opportunity

South African Tourism estimates there are only approximately 350,000 South Africans who are regular local travellers from higher-income brackets. In 2014, domestic tourism contributed only 22% of South Africa's total tourism revenue when the contribution to countries like Australia, Brazil, France and India was 60% or more. That is because, unlike South Africa,



The travel industry and destination marketing organisations like South African Tourism need to do a great deal more work to foster this culture in South Africa. We need to promote what is on offer locally and, more importantly, share how easy these experiences and destinations are to access.

Of the 8.9 million South Africans who can afford to travel, only 2.9 million do. That leaves a massive opportunity of five million target travellers if we build this local travel culture.

Domestic tourism is declining in South Africa, which makes it even more critical, as the travel industry, to work together on providing travel experiences that suit what this market wants and needs.

So little travel from South Africa is for leisure purposes. Based on spend with ASATA-affiliated companies, R7.8bn was spent on leisure travel last year, while corporate travel accounted for 56% of total business (R22-billion) and Government Spend 21% (R8.2bn).

Considering there was only 6.2% growth in turnover from 2016 to 2017, there is a massive opportunity to grow the travel industry through local tourism.

## The shape of the travel industry

A lot of research is generally done into inbound tourism but does not share insights into the outbound travel sector, which is what this research sought to provide. ASATA's <u>Travel Market Index</u> is a good start from an industry perspective, as it is the first of its kind and provides a yardstick against which travel companies can benchmark themselves.

What was encouraging about the ASATA index was the profile of South Africa's travel industry, which, in the past, has been singled out for not being transformed enough.

The results show we are making headway. Close to 9,000 people are directly employed in travel and the sector is well represented by females (73%). Although not yet representative of the racial profile of the country, almost two-thirds (64%) of employees are black, and 45% are black females.

It is good to see this industry performing and transforming. When one considers that every tourist contributes to creating jobs and there are five million potential tourists who are not travelling in South Africa, the opportunity for the country is incredibly exciting.

If you hadn't thought of travelling locally this year, take a moment to consider why 10 million tourists visit our shores annually. It makes you think, doesn't it?

## ABOUT ANDREW STARK

- Andrew Stark is the managing director: MEA for Flight Centre Travel Group.

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