

Jumia Travel, Accor Hotels report offers insight on Africa' tourism industry

Apart from serving as a major employer, tourism in Africa serves a unique role in cultural integration and intermediation and is essential for both international and intra-border trade. Jumia Travel in collaboration with Accor Hotels and Ethiopian Airlines compiled an in-depth report delving into the continent's travel and tourism ecosystem, including the economic outlook, scale of hotel investment, pricing, air travel and constraints faced by stakeholders in the sector.

[The report](#) which follows a successful series of country-based hospitality reports in countries such as Kenya, Nigeria, Ghana, and Senegal among others, highlighting major tourism, travel, and hospitality trends in Africa therefore giving a panoramic outlook on what the continent has so far achieved, lingering challenges, as well as various factors determining the industry's landscape.



Contributing to 7.8% (&165.6bn) of the continent's GDP in 2016, which is expected to rise to 7.9% of GDP (\$170.5bn) in 2017, the tourism and travel industry still has more untapped potential as expressed by Paul Midy, the chief executive officer for Jumia Travel. Although the report indicates that the market is not even distributed, with top leaders such as Morocco, Egypt, and South Africa dwarfing other economies on the share of international arrivals, it's easy to identify why domestic tourism should be a top priority for respect stakeholders who wish to bolster earnings from the travel trade.

It should be noted that in 2016, domestic travel spending generated 63.7% of Africa's Tourism GDP, as compared to the foreign visitor spending which contributed to 36.3% in 2016 (\$40.7bn). Given these figures, Midy urged stakeholders to invest in the (local/regional travel) sub-sector, observing that it's significantly under-explored, as most stakeholders focus on international visitors.

The e-Factor: smartphones rule Africa

The percentage share of bookings completed through the smartphone on Jumia Travel stands at 68% as compared to 32% carried out on desktops. Mobile bookings are growing, well aided by Jumia mobile app which is readily accessible on both iOS and Android platforms. Another interesting observation on the adoption of mobile use is in the search phase, where an increasing share of 51% of travellers carry out the pre-trip planning and research on a smartphone as compared to 49% operating from a desktop.

Although it's worth noting that mobile adaptation may vary from country to country, an overall internet penetration rate of 27.7 % in Africa's points to the imperative need for hotels to adapt their services to the

demands of the tech-savvy customer. The most active demographic falls between age 25-34 at 40.3% followed by 35-44, at 22%. This perhaps majorly explains the rapid adoption of mobile bookings as the age groups fall in the most tech-hungry of generations.

Africans travelling within Africa



Carmen Nbigira, Regional Coordinator, East Africa Tourism Platform

Again, intra-bound travel which essentially counts on Africans travelling within Africa takes dominance on Jumia Travel at 90%, with international arrivals amounting to 10%. In her commentary covering inter and intra border tourism, Carmen Nbigira, the regional coordinator for East Africa Tourism Platform pressed stakeholders to invest more in developing marketing concepts that appeal and speak to the local market.

Souleyman Khol, head of marketing and revenue management (Africa and Indian Ocean) of Accor Hotels notes that Africa has the fastest growth in hotel development, taking into account both luxurious lines as well as economic establishments. The VP attributes the growing success in the sector to a rising middle class taking part in both business and leisure travel: “this is good news for us, as this emerging group forms a formidable base for intra-travel across the continent.”

Expressing the group’s plan to double its presence in Africa, Souleyman advised hotel investors to adapt their offers to local travel behaviours while also investing in meeting expected standards for the targeted market base.

Affluent demographics, three-star preference, and the gender question

At 40.3%, a more open-minded demographic consisting of 22-34-year-olds leads the pack in travel numbers, with the subsequent age group of 35-44’s taking up 22% of bookings made on Jumia Travel. This can perhaps be explained by the fact that most of the travellers in the earlier group are more likely to be unattached, hence fewer commitments.

Presenting the analysis during the launch, Cyrus Onyiego, country manager, Jumia Travel noted that while most business travellers are unaccompanied and on a restrictive travel schedule, leisure travellers are more likely to travel in a group such as that of family members or friends, thereby explaining the numbers.

On payment models, the question of security, ease, and accountability comes up as pay-at-the-hotel takes the giant's share at 72%, as mobile payments contribute to 6% while card payments share 15%. Bank transfers mostly appeal to corporate programmes, totalling 7%.

Reflecting the economic status of the average population in African countries, three-star establishments attract 44% of total bookings, while four and five-star respectively take 19% and 4%. The key advantage over the competition is that they act as a middle-point for price, service, and amenities. It's interesting to note that men contribute to 62% of bookings on Jumia Travel, while women take up 32%.

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