

The importance of Africa's middle-class in the hospitality industry

 By [Josephine Wawira](#)

6 Apr 2017

The African Development Bank (AFDB) defines the “middle-class” as a group of people that spends between \$2 and \$20 a day. This class is mushrooming globally, and its cumulative expenditure is a major contribution to the hospitality industry among other sectors.



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According to the Institute for Security Studies European Union (EUISS), ESPASa, 2011, as quoted by [Integreon Insight](#), “The middle-class will increase in influence as its ranks swell to 3.2 billion by 2020 and to 4.9 billion by 2030. The middle-class will be the protagonist of the universal spread of information societies. Over the coming 20 years, the world will likely evolve from being predominantly poor to mostly middle class, though the change will be geographically uneven”.

An exact number of Africa's middle-class is lacking with some sources quoting more than 300 million and others approximately 18 million. Yet, AFDB estimates by 2060, there will be approximately 1.1 billion middle-class Africans, making the continent one of the biggest beneficiaries of its budding middle-class. This has been contributed to by a vigorous private sector, infrastructural development, income parity across the employment divide as well as a bigger focus on education among Africans.

A McKinsey Global Institute analysis presented by Infinite Potentials Consulting, projects that by 2025, Africa's household consumer spending will reach \$2.1 trillion, representing an increase of 45% from 2015. This presents promising business opportunities in a wide range of consumer-facing industries including hospitality. In one of my [previous articles](#) on *Examining the State of Hotel Development in Africa*, a rising middle-class, especially concentrated in urban areas, is a contributor to the expansion of hotels in the continent. It is estimated that by 2030, Africa's top 18 cities are likely to have combined spending power of \$1.3 trillion. This will prompt more Africans to travel, internationally and domestically.

Catching up to Africa's rising middle-class

Cyrus Onyiego, the country manager of Jumia Travel Kenya, notes that due to its growing disposable income, the middle-class is increasingly demanding for personalised services. “This pushes service providers in the hospitality industry to provide customer facing solutions at all touch points.”

Furthermore, the embracement of technology among the middle-class is seen to develop its skills in the labor force. This, in turn, acts as an attractive feature for more Foreign Direct Investment (FDI) in Africa, as investors seek to capitalise on an energetic and innovative lot in the hospitality industry, both in terms of manpower and expenditure.

While the impact of the rising middle-class in Africa's hospitality industry is almost surely felt, some stakeholders in the sector have a lot of catching up to do in matching up to the class' ever-changing trends and requirements. For instance, embracing tech in their operations, hoteliers can easily create a distinguished experience for their customers.

In its [2016 report](#) on *Creating the Coveted Hotel Guest Experience*, Oracle Hospitality emphasises the impact technology. If well invested in and creatively used, it can help hoteliers to uniquely engage each guest. The report further states that from providing improved booking with customised options to faster check-in/check-out and mobile access to hotel services, technology contributes to customised attention and exceptional service that guests (largely comprised of the middle-class), weary of mass commercialisation, crave more than ever.

ABOUT JOSEPHINE WAWIRA

Josephine Wawira is a consultant in communication and public relations with over six years of progressive writing and broadcast experience. She is currently a writer for Africa's online hotel booking portal, Jumia Travel, focusing in the areas of travel, tourism, and hospitality as it relates to Africa.

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