

Travel industry SMEs urged to invest in understanding the post-pandemic traveller

The South African tourism industry was amongst the hardest hit by the advent of the Covid-19 pandemic and ensuing lockdown restrictions. Job losses, redundancies and pay cuts put hospitality and travel workers through a harrowing two-year ordeal.

Now, a few months after mandatory preventative measures were lifted, the opening of international and local borders has heralded the beginning of recovery for the sector and much-needed relief for small businesses along the value chain.



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Reflecting on what has been a historically unprecedented time for the South African tourism sector is Rene Botha, area manager at Business Partners Ltd. Putting the impact of the pandemic into perspective, she points to the 722,000 South Africans who were directly affected by the crippling of the tourism sector in 2020 as well as countless others who were indirectly impacted.

With the banning of international flights, some tourism SMEs were able to redirect their focus from foreign travellers to the local market in time to recover some losses before the countrywide lockdown. Others were left completely debilitated and faced shutdown and financial ruin.

The impact of lockdown restrictions on hospitality providers is well-documented, as well as its spill-over into the tourism value chain from suppliers of linen to hotels, to souvenir manufacturers and tour bus operators.

Supporting the travel sector

According to Stats SA, foreign arrivals dropped by over 70% in 2020, following a steady rise in international visitors to an average of 16.5 million in 2018 and 2019. The accumulative effect was a dramatic loss of GDP with the sector's contribution falling by 50% and equating to billions of rands.

But, as Botha comments: "Hope is on the horizon. For the countless SMEs that support the travel sector, now is the opportune moment to ride the wave of recovery in the lead-up to the busy festive season."



#TourismMonth: Rebuilding SA's tourism sector

Robin Fredericks 12 Sep 2022



The launch of National Tourism Month saw Minister Lindiwe Sisulu announcing that encouraging prospects lie ahead for the sector, with a 114% increase in domestic trips being reported during the first half of 2022 when compared to the same period in 2021. As Sisulu remarked, this welcomed upsurge in domestic travel has exceeded the number of trips taken pre-pandemic by almost double.

Botha urges existing and emerging entrepreneurs never to "underestimate the potential of the domestic travel market. It's important for tourism SMEs to conduct research in order to understand the unique needs and demands of local travellers.

"We know, for example, that domestic travellers spend an average of three nights at their destination. We also know that South Africans are currently very price-conscious given several macro and micro-economic factors. The focus for local tourism SMEs should therefore be on adding and enhancing value by offering discounted packages on multiple nights, bundled deals on multiple locations and value-add offerings such as free meals or leisure activities."

Inclusive, sustainable tourism sector

Global travel is showing signs of following suit, particularly in the Western Cape, with July 2022 figures showing an almost 90% increase in visitors arriving at Cape Town International Airport's international terminal. Regionally, the 'big five' attractions, which include Robben Island, the Table Mountain cableway and Boulder's Beach have been identified as some of the major drivers behind the recovery of the local sector.

With government's renewed commitment to building a more inclusive, sustainable tourism sector, sights are now set on the thousands of tourism-focused businesses within the township economy, in rural areas and in outlying towns, many of whom have found compelling and creative ways to put their locations on the map.

As Botha suggests, small businesses in the tourism sector need to bear in mind that travel as we know it has been changed indelibly. Along with that change are new consumer demands and expectations. Capitalising on the upward trend in travel rests largely on understanding the new, post-pandemic traveller demographic.

"Travellers are now more hygiene- and safety-conscious. As a travel-related business, you need to take this into account and foreground safety considerations and measures into your unique selling proposition. Your main task now is to restore consumer confidence in your brand and business.

"Furthermore, with a large number of SMEs involved in the rush to recover market share, competition will be stiff. Setting your business apart will require a laser focus on customer service and a return to fundamental principles such as implementing a seamless and hassle-free booking system, providing guests with a personalised level of service, rewarding loyalty and nurturing effective and attentive communication along every step of the feedback loop," she concludes.

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