

DEVELOPING AFRICA AS A LUXURY DESTINATION

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Abstract

Luxury travel has changed and evolved in time. The industry actors have observed that luxury is now not only related to the glamour associated with opulent accommodation and crystal chandeliers, but more importantly with adventure, experience, and authenticity. Nowadays, luxury is not necessarily about money, but about the experience and its perceived value.

The aim of this scientific paper is to investigate the opportunities and the best ways of developing Africa as a luxury and hospitality destination.

The luxury tourism market is a developing one. With the growth of middle classes, rich tourists are now seeking unique tourism products and services. With this in mind, Africa must ensure that it is well equipped so as to meet the needs and desires of this market segment. Hence, the purpose of this work is to analyze the current supply and identify gaps in the market to develop this region as a luxury destination.

Keywords: Africa, luxury, tourism, hospitality, luxury consumerism, luxury tourism, destination management

INTRODUCTION

All over the world, tourism is one of the main industries that stimulate growth and job creation, especially in the emerging countries. In 2019, tourism's contribution to GDP was 2.9 trillion USD¹, at global level, out of which luxury tourism was worth more than half, valued at 1.54 trillion USD². Despite the economic status of a country at a given point in time, luxury tourism is constantly experienced by people with solid material resources.

Luxury is dynamic, which means that tourists' interests and habits change; as we have observed in recent years, in regard to the creation of attracting and successful luxury destinations, tourists become more and more sophisticated and looking for more personalized and high-end services. Moreover, the luxury offering all over the globe is redefined by the fact that millennials in particular value uniqueness and exclusivity in terms of travel experiences. In order to stay ahead of competition, long-term plans should prioritize balancing economic and market demand, by having a clearly defined vision, deliverable in coherent phases. In this aspect, destinations need to continuously innovate.

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¹ Statista.com, *Global tourism industry - statistics & facts*, October 2020 - <https://www.statista.com/topics/962/global-tourism/>

² ILTM, *Luxury travel's true impact on business and employment*, 2020, p. 4 - https://www.iltm.com/RXUK/RXUK_ILTM/2020/Portfolio/ILTM_Luxury_Travel_Universe.pdf

One of the key challenges in developing successful luxury destinations is the need to align the wishes of both public and private stakeholder groups: from hotel, bar and restaurant managers to local planners, taxi drivers, retailers, residents and even tourists.

Even if the tourism industry in Africa is at an early phase of development, as many areas should be advanced in order to attract and accelerate the growth of tourism, this sector is progressing faster than exports of goods on the continent. According to The World Tourism Organization, there were 72.4 million international tourist arrivals to Africa, meaning an increase of 5.4% compared to 2018³, first place being occupied by Morocco, with 12.93 million arrivals, followed by South Africa, which received 10.23 million international tourists.⁴

With a growing luxury offering for visitors and increasing appeal for global tourists looking for adventure and personalized travel, Africa has high chances to become an economic opportunity and catalyst of development. Although the luxury market is well settled in East and South Africa, the industry can begin in way more areas on the continent.

Already known for its possibilities for adventure travel, such as horse trails, safaris, cycling adventures and many more, Africa still has a big gap in terms of luxurious experiences. Over time, the continent increased its openness to new types of tourism for global visitors, with unique, exclusive, unspoiled, and unexplored experiences, away from the masses' reach. Opinions about luxury travel, even beyond Africa, are still extremely focused on wildlife and wilderness, and when it comes to this, Africa has a big advantage.

When it comes to luxury goods and fashion, African nations are lead by five countries: South Africa ("The Established"), Kenya ("The Steady Grower"), Nigeria ("The Burgeoning"), Angola ("The Unexploited"), Ivory Coast ("The Underdog")⁵, which are the gateways to the continent's luxury market and increasingly popular investment destinations due to emerging high-end markets. However, there is a big gap for the other African countries, which should take advantage of future opportunities in order to become luxury destinations.

LITERATURE REVIEW: Where do experts believe that Africa's potential as a luxury destination lies?

According to Prof. Landry Signé, Ph.D. (December 2018), there is a visible gap between Sub-Saharan regions, with Eastern and Southern Africa drawing in by far most tourists, generally from the U.S. and Europe. The tourism markets in these areas are more developed than Central and Western Africa; however, this does not mean that this is an obstacle in the development of luxury tourism. In this aspect, there is generous room for advancement in Africa's tourism market, especially considering current patterns, as

³ UNTWO, *World Tourism Barometer*, August/September 2020, p. 6 - <https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2020.18.1.5>

⁴ Statista.com, *African countries with the largest number of international tourist arrivals in 2019*, September 2020 - <https://www.statista.com/statistics/261740/countries-in-africa-ranked-by-international-tourist-arrivals/>

⁵ CPP-Luxury, *Africa: the luxury market of the future?*, January 2019 - <https://cpp-luxury.com/africa-the-luxury-market-of-the-future/>

international tourists are increasingly interested in developing countries as travel destinations.⁶

Africa is ready to catch the lion's share of future development in global tourism, considering its unique history and natural endowments. The most popular sub-sectors for international visitors are beach and safari tourism, central features of the most advanced destinations on the continent, mostly in Eastern and Southern Africa, but spreading rapidly to other areas as well. The nature and adventure tourism market is rich in unique offerings like volcano trekking in the Democratic Republic of Congo, dune-boarding in Namibia, lemur tracking in Madagascar, camel expeditions in Mali and whitewater rafting on the Nile in Uganda. In another of her works, Prof. Signé (April 2020) observed: "This submarket is currently experiencing the most rapid growth in worldwide travel, and the relative under-development of the tourism industry in Africa makes the region particularly appealing to these kinds of travelers".⁷

The World Tourism Organization (October 2019) discovered that Africa's private sector is progressively drawing in investments, with a significant part of the financing originating from Europe and the United States of America. In order to explore these opportunities, African countries should essentially adopt clear procedures dependent on suitable approaches for luxury tourism product development.

There are some essential standards which are the basis of such product development; these suggestions have the purpose of guaranteeing an effective turn of events, by mitigating dangers of creating products which are not suitable to the potential consumers:

- Acknowledging market taste and trends by doing market research;
- Nominating areas for tourism development;
- Tackling broad stakeholder consultations including communities residing in the development regions;
- Pursuing lead improvement opportunities;
- Recognizing opportunities for events, circuits, and other activities;
- Developing full product portfolios and investment plans;
- Assuring that work force has the proper tourism technical competencies at local, regional, and national levels, to ensure the development process is carried out;
- Working on advertising strategies and marketing communications to uphold the tourism product developments.⁸

⁶ Signé, L., *Africa's tourism potential. Trends, drivers, opportunities, and strategies*, December 2012, p. 3 - https://www.brookings.edu/wp-content/uploads/2018/12/Africas-tourism-potential_LandrySigne1.pdf

⁷ Signé, L., *Unlocking Africa's Business Potential: Trends, Opportunities, Risks, and Strategies*, April 2020, p 181 - <https://books.google.ro/books?id=bLaZDwAAQBAJ&printsec=frontcover&hl=ro#v=onepage&q&f=false>

⁸ UNWTO, *Tourism in Africa: A Tool for Development*, October 2019, p. 35 - <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2019-10/AM-Regional-Report-Volume-four-Tourism-in-Africa-A-Tool-for-Development.pdf>

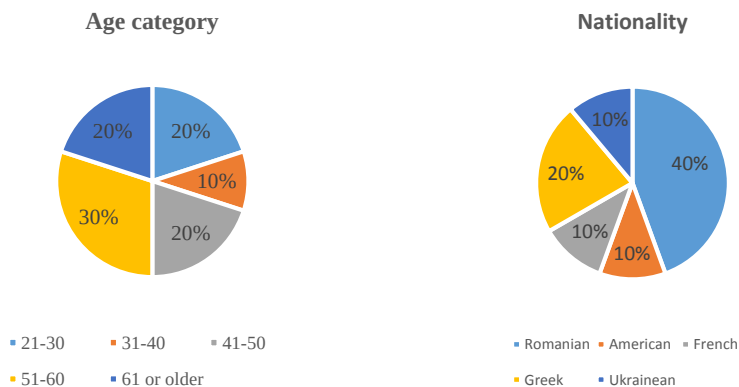
Aviation plays an important role in Africa's social, cultural, and economic life. Taking into consideration the remarkable distances and often challenging landscape everywhere on the continent, flying is frequently the best, and once in a while the only choice for successfully connecting this huge market. It is in the interest of the African countries to ensure a strong aviation sector, as the financial advantages that aviation brings to Africa are about 5.8 million jobs and 46 billion USD in GDP.⁹

Right now, Africa's arising economies are progressing away from dependance on commodities and agriculture towards sectors that provide more development potential, namely services. This strategy has set the travel industry in the center of many nations' plans for future growth. According to Prof. Signé (April 2020), even without significant levels of instruction and professional training, tourism provides high levels of employment, especially for women and young people, the demographic segments most needing opportunities in Africa's formal sector.

RESEARCH METHODOLOGY AND RESULTS

In order to support the findings of the specialists, and to understand the luxury tourists' preferences, a survey was conducted among luxury products and services consumers. The questionnaire was written in English language and was distributed virtually to 10 luxury consumers via Google forms.

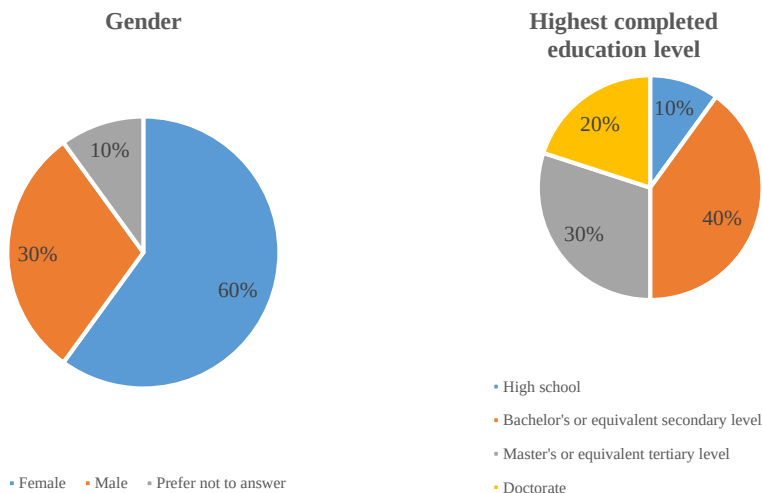
The questionnaire was anonymous, and the following economic and socio-demographic indicators had to be mentioned: age category, gender, nationality, monthly income, level of education, frequency of luxury tourism consumerism. The last question referred to their preference in terms of consuming luxury products and services in Sub-Saharan Africa. This questionnaire was destined to professionals only, 21 years of age and above.



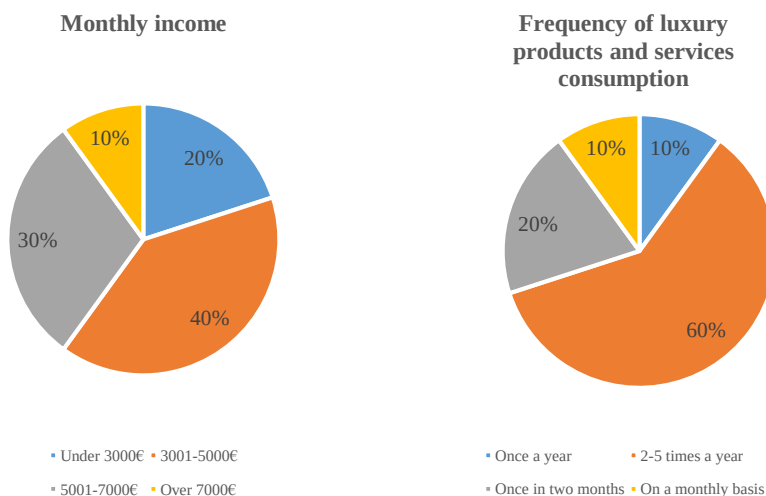
⁹ UNWTO, *Tourism in Africa: A Tool for Development*, October 2019, p. 66 - <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2019-10/AM-Regional-Report-Volume-four-Tourism-in-Africa-A-Tool-for-Development.pdf>

The respondents belonged to the following age categories: 20% were aged between 21-30, 10% between 31-40, 20% between 41-50, 30% between 51-60, 20% 61 years old or over. In terms of nationality, 40% were Romanian, 20% Greek, 10% American, 10% German, 10% French and 10% Ukrainian.

Among them, 60% were women, 30% men and 10% preferred not to disclose their gender. Out of them, as highest completed education level, 10% finished high school, 40% finished bachelor's or equivalent secondary level, 30% finished master's degree or equivalent tertiary level and 20% finished doctorate.



Their monthly income was as follows: 20% earned under 3000€, 40% between 3001-5000€, 30% between 5001 - 7000€ and 10% over 7000€. When asked how often they travel and consume luxury products and services on the way to/at the destination (hotels, spas, restaurants, flights etc.), 10% answered they do so once a year, 60% 2-5 times per year, 20% once in two months, 10% on a monthly basis.



The last question reflected the fact that Africa is getting closer to being a luxury destination. Taking into consideration the uniqueness of the continent, the respondents were asked if they would choose to consume luxury services and products in this area, and more importantly, they had to explain their choice in order to understand their preference. 70% answered they would visit/revisit Africa for luxury tourism based on the following reasons:

- Opportunity to have a taste of the African luxury services;
- Opportunity to be among the first beneficiaries of luxury tourism in new places, especially Central Africa;
- Opportunity to know more about the unique culture in unique places, to get in touch with local people and to find out more about their traditions and history, while enjoying five-star services;
- Opportunity to enjoy again luxury safari itineraries, but in new places.

On the other hand, 30% provided a negative answer, basing their choice on reasons that Africa is not appealing to them, or that they have consumed luxury products and services in places such as Madagascar and Seychelles, but that they would not return, regardless of the development of Africa as luxury destination.

Conclusions

The results of the survey show that, if Africa develops as a luxury destination, there will be a clear raise in luxury tourism consumption in the area. Africa has a major opportunity to exploit the capability of tourism, specifically luxury tourism, to support development and expand its contribution to the global economy.

Moreover, tourism opens doors for millions of host communities on the continent and brings incomes for environmental and social preservation. Developing capacity in Africa to support and manage a competitive tourism offer is essential to making Africa one of the most popular luxury destinations.

There is bounty for the world to come and enjoy in Africa, and luxury is simply one more product that the continent is ready to showcase. Luxury travel offers a poetic experience for tourists on the continent. It is, without question, that the luxury tourism sector will only keep blossoming in Africa to be the destination of the 21st century.

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