

e-Tourism to become major driver for SA tourism economy

According to SafariNow, the online accommodation booking site, the country's tourism industry is alive and well - it's simply starting to take on a different form. In fact, when it comes to the online space, the sector's prospects have never looked better.



In the last few months media reports on the traditional travel and tourism sector have painted a relatively bleak picture of slowed growth. But Matthew Swart, CEO and founder of SafariNow, predicts that e-Tourism is set to become one of the strongest players in the South African tourism economy, and that its impact on growth and job creation should not be underestimated.

SafariNow, which has seen 45% year-on-year growth, was launched in 1999 when the idea of using the internet as a travelling tool seemed far-fetched. Today, the company consists of a team of over 100 employees, has over 20,000 establishments listed on its site, and receives almost 1 million unique visits to its website every month.

The next evolutionary step

"The move towards online booking is the next evolutionary step for local travellers and strongly reflects trends already seen in the US, Europe and Asia," explained Swart. "A few years ago, naysayers predicted the fall of the music industry simply because consumers had stopped buying CDs. The reality was that they were making the natural move into the digital space, something that we're now starting to see in the South Africa travel industry."

Better and more cost-effective internet penetration, more confidence in online payments, and a growing middle-class consumer all add up to the rapid growth of the online travel sector.

SafariNow also believes that industry reports citing "bleak" employment prospects may be somewhat alarmist: "Like the travel sector itself, employment opportunities are simply becoming more prevalent in the online space, with the nature of work in the industry changing as a result," said Swart.

"We have more than tripled our employment count in the last three years, but instead of hiring travel agents, we're looking

for call centre agents, customer care teams, software developers and digital marketing experts. As the industry changes, so too do the types of available jobs, and we expect to see an even greater demand for such positions as the online sector continues to strengthen."

A steep upward year-on-year booking trend indicates that South Africans are by no means putting paid to their travel plans. However, given the recent fluctuations in the exchange rate and soaring fuel prices, local travellers are becoming more conscious about how they spend their holiday rands, with the average booking estimated at about R2,300.

"We've seen significant growth in domestic holiday bookings, particularly in destinations within easy driving distance of the major centres," said Swart. "Our data also suggests a growing demand for less traditional and lower-budget accommodation options."

Over the past year, 51% of holidays were booked into self-catering units at an average cost of R1,000 per night, with an average stay length of three nights. The second-most-popular segment by accommodation type was B&Bs and guest houses. Thirty percent of bookings were for this segment at an average cost of R900 per night and an average of two bed nights per booking.

More knowledgeable

With more access to travel information, recommendations and peer reviews, South African consumers are more knowledgeable than ever before, with many preferring to do their own research and bookings rather than taking the more traditional travel agent route.

As much as traditional travel agents still have their place, consumers have acquired a more central role in the travel industry due to more information and choice offered by online travel. The impact of the Internet cannot be ignored, and the local travel sector is arguably in most need of that online focus.

"As technology advances, so do consumers. And so too must travel brands," said Swart who added that SafariNow refreshed their brand in the past year to resonate more strongly with the evolving needs of travel consumers.

"The response from customers has been very positive. By increasing our investment in social media and unique traveller-friendly content, we've been able to improve both conversion rates and customer loyalty.

"Since launching proactive social media campaigns a little over a year ago, our Facebook fan base has increased from a few thousand to over 55 000, while our Google+ follower count now stands just short of 20 000. Our recently launched blog, which provides insightful travelling tips for holidaymakers, has also seen an exponential increase in usership, with unique page views rising by over 200% between October and November."

Although its direct influence on conversion rates might be slim, Swart believes social media will become increasingly essential as a tool through which to generate organic word-of-mouth marketing.

"While we have seen direct sales leads from channels like Facebook and Google+ increasing steadily, the social influence of peer recommendations is, ultimately, more significant. Research shows that consumers are increasingly likely to make purchases based on the buying behaviour of their contemporaries, and as a result we're working to integrate our social channels more seamlessly into our site, with the aim being to make the booking experience easily shareable."

While the majority of South African e-travellers continue to make holiday bookings online via desktop devices, mobile and tablet bookings are increasingly rapidly, with nearly 20% of users now accessing the SafariNow site via mobile phones.

SEO should remain a key priority

"Desktop devices remain the booking platform of choice for the most of our users, but mobile traffic is growing at over

100% year on year, clearly indicating a shift in local travel purchase patterns," explained Swart. "We expect this to continue growing at a rapid rate and, given the social potential of mobile devices, this remains a key consideration for us going into 2014."

He added that SEO should remain a key priority for any travel business wanting to be successful online.

"SEO's value runs deeper than simply being found on Google. The travel consumer's journey to conversion is hinged on their ability to research, discuss and share information, recommendations and reviews. As a result, it's vital for us that our site is optimised to be properly 'read' by Google, exposing not only our accommodation listings, but also our customer reviews, geo-located data, restaurants and things to do."

"Social media is also becoming increasingly influential when it comes to governing search results, and Google is beginning to reward G+ activity in particular, providing additional exposure to popular content."

Yet despite the growth in online, social media and SEO, Swart is adamant that technology needs to be balanced with a human touch. "We receive up to 10 000 enquiries a day, many of which need to be dealt with directly by members of our customer care team. As much as we pride ourselves on being at the forefront of the technological travel revolution, we understand that this human connection is equally important to holidaymakers, particularly those who remain less trustful of the digital landscape."

The return of the road trip

Based on data from bookings made on SafariNow in 2013, the strongest trend is the increase in popularity of destinations that are within a few hours' drive from major city centres. This can be attributed to holidaymakers preferring shorter stays (like weekends and long weekends) where they don't have to spend time recovering from exhausting hours of travel time at airports or on the road.

"It's the return of the road trip. It implies that more people are starting to take shorter but more frequent breaks," explained Swart. "At SafariNow we believe that there's more to life than deadlines and routine - the world will be a much better place if leisure time gains the glory and respect it deserves. And it seems South African travellers agree."

SafariNow recently introduced its Trip Ideas feature, which harnesses the power of social search to show top destinations based on various interest themes as rated by SafariNow travellers. In addition, the Top Weekend Getaways Near Me feature allows travellers to easily see top-rated destinations within a three-hour driving distance of their location.

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