

New report: SA's local travel industry in for a bumpy ride

Cape Town Tourism has released the first in a series of reports which highlights the impact that Covid-19 and the lockdown has had on consumers. This report takes a deep dive into the macroeconomic and socioeconomic factors of Covid-19 on South African consumers.

"We wanted to understand the current reality of the South African consumer, what the immediate and medium-term impact is on them economically. What was important for us to analyse was if they had any disposable income and if they would be spending this on travel when regulations allow. This would be a critical factor to consider when we move into our tourism recovery programs," says Enver Duminy, CEO of Cape Town Tourism.

"We ultimately need to establish what the impact would be on travel to Cape Town and if they had any plans at all at this stage."



Image source: [Gallo/Getty](#)

Lockdown and its effect on South Africans

The overall sentiment from South Africans who participated in the survey was that the strict lockdown was a necessary step in limiting the spread of Covid-19. A total of 55% felt that the extended lockdown was needed with many indicating that it allowed for a number of positive life changes such as spending more time with family, spending less money, there being fewer perceived road accidents and crime.

However, even with this positive sentiment, there have been a number of challenges as a result of the lockdown and many households have been dealt a massive blow as people across South Africa experience a loss of or decline in income. Other issues that came up in the survey include the struggles of not being able to visit family and friends, the fear of losing loved ones, the anxiety of dealing with a failing economy, and the constant stress of personal physical and mental health, to name a few.

A massive 62% of respondents said that they found lockdown to be an extremely stressful time, with 54% saying that their sleeping patterns have been negatively affected and 41% mentioning that they have been battling with anxiety.

Lack of disposable income will affect the way people travel

Brett Hendricks, chairman of the board of Cape Town Tourism, notes that for the travel industry, the most important part of this survey is how lockdown has affected everyone's disposable income and the psyche of citizens.

"Even before this pandemic and the lockdown, South Africans were struggling in an economy that had recently been downgraded to junk status.

"With the closing of many businesses over the past few months and the rate at which people are losing their jobs, purse strings are being pulled even tighter. This is concerning for us in the travel industry. Travel has always been perceived as a luxury and if our consumers are battling financially it means that travel might not be as high up on everyone's list as before. In essence, we need to start thinking of innovative ways to still attract travelers to Cape Town, and affordability and value-for-money offerings needs to be a top priority for the entire travel and tourism value chain."

This survey showed that only 24% of respondents have disposable income, with most planning to use this money on necessities such as groceries, savings and health. Only 5% are planning on spending money on leisure travel in the near future.

"It is no secret that the tourism industry has been hit the hardest by this pandemic. Looking at the results of this report compiled by Cape Town Tourism, we really have our work cut out for us if we want our industry to bounce back strongly," says Alderman James Vos, MEC for economic opportunities and asset management and tourism.

"Now more than ever we need a smart approach not only to how we market Cape Town as a great local and international destination but also in how we manage the destination.

"As the City, we have been working closely with Cape Town Tourism and other sectors in trying our best to contain the negative impact of lockdown on the local economy and saving jobs that we have been steadily growing across Cape Town.

"Our main focus is how best to move from crisis into recovery by adjusting our plans to be ready for a re-imagined tourism landscape and ensure that as a city, we are ready to welcome visitors back and assure them that Cape Town is a safe and healthy destination. Only through instilling confidence in potential visitors will we be able to woo them back to the Mother City," concludes Vos.