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TOURISM GROUP

Unlocking the untapped Afropolitan market in
domestic tourism

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Transformation

The transformation we champion is not only in ownership, representation at the most senior levels and employment equity: transformation also applies to the composition of the domestic tourism market and our role in serving that market.



Opportunity

Afropolitans remain an untapped source of revenue in domestic tourism.

Why are middle-class black South Africans – Afropolitans – not travelling domestically for leisure in the numbers that they should? And what can we do about it?



The State of tourism in SA

Type of trip	Total number of domestic trips (R million)	
	2014	2015
Day Trips	244,1	224,8 
Tourist Trips	28,0	24,5 

Source: Domestic Tourism Survey 2017, Grant Thornton

Type of trip	Revenue from trips in total (R million)	
	2014	2015
Inbound	R106 728	R108 760
Domestic	R134 440	R140 931

Source: Tourism Satellite Account, StatsSA

Economic Transformation

Radical economic transformation:

TOURISM = vital sector for the South African economy's transformation

TOURISM = job creation.

Therefore: We cannot afford to have an underperforming domestic tourism market

Tourism & employment in SA

Key findings from Tourism Satellite Account for South Africa 2015

Source: Tourism – jobs, the economy and spending, StatsSA

Number of people employed
in the tourism industry

711 746



BROKEN DOWN AS FOLLOW

- 29% ROAD TRANSPORT
- 20% FOOD & BEVERAGE
- 19% ACCOMMODATION
- 16% RETAIL OF PRODUCTS
- 16% OTHER

1 in 22

Employed individuals work
in the tourism industry

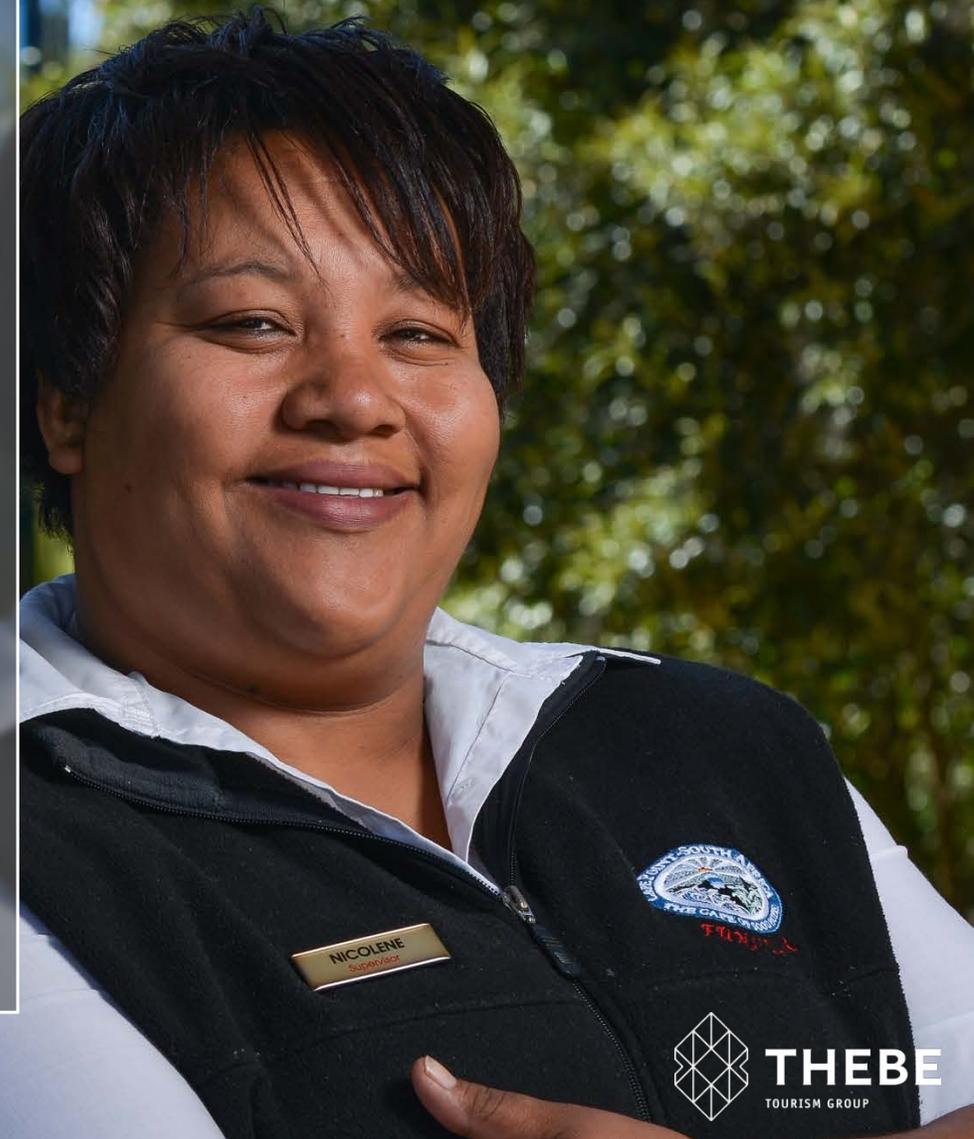


TOURISM
(711*)
*thousands



MINING
(462*)
*thousands

More people employed in
tourism than in mining in
South Africa



Missing in domestic holiday travel

Source:: StatsSA

70% of travellers in 2015 was African/Black **BUT** 82% of these were **VFR**

> **DOUBLE** =

the figure for other population groups

other population groups - primary purpose of the overnight trip:

- leisure
- shopping
- sport



Missing in domestic holiday travel

Source:: StatsSA

LEISURE | SHOPPING | SPORT

2015 TRAVEL

BLACK ←

9% of trips undertaken



took more trips for religious reasons or to attend funerals than they did as holiday makers.

→ **WHITE**

almost 60% of trips undertaken



Domestic daytrips 2015

Source:: StatsSA

NUMBER #1 reason for **day trips** in the black population

SHOPPING | LEISURE | SPORT

→ **>30%**

[VFR was a distant second when it came to the purpose of day trips for this group.]



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Average spend

Average spending per trip by purpose and population

	Black / African	Coloured	Indian	White
Day trip	R1194	R1248	R1377	R1642
Overnight trip	R1068	R1092	R2307	R2065

Data from January – December 2015 | Source: StatsSA

What if we could we convert just 10% of the latent traveller?

24,5 million domestic overnight trips (2015)



17,1m Black travellers



14m currently VFR (visiting friends and/or relatives)



Convert 10% into leisure traveller = 1,4m

Average overnight spend of SA population = R1633



**R2,3 Billion
Revenue**



Impact on jobs in SA
-staff retention
-seasonal staff period lengthened



Understanding the Afropolitan

Afropolitans = roughly **synonymous with the black middle class**.
But middle class is notoriously difficult to define.

- Marxist philosophy “how members of this group view themselves and define their values in relation to the other classes within society. The suburb-dwelling bourgeoisie”
- The World Bank and the African Development Bank’s definition is based on spending: “Middleclass = anyone spending at least US\$2 per day.” based on this definition, 34.3% of Africa’s population were middle class.
- There are also definitions that use income to define middle class, quite literally, as the income band right in the middle.
- UCT Unilever Institute: consumption expenditure to define middle class. Black middle class in South Africa had grown to 4.2 million; that’s more than 3 million white middle class.



Understanding the Afropolitan

Qualitative and quantitative features of the Afropolitan:

INCOME	Earn enough to travel and exhibit spending patterns that suggest holiday travel is within the range of items they'd consider purchasing.
VALUES	Authenticity New realism Cosmopolitanism Community
LIFE-STYLE	Inhabit both traditional and modern values comfortably and challenge aspects of either that they disagree with.
SEG-MENTS	Wide range of living circumstances and world views. Group is broader than black bourgeoisie: black members of economic and political elite



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Segments of the Afropolitan

FORERUNNERS	BORN AFFLUENT	SHAPE SHIFTERS	KASI CERTIFIED
Older consumers lived through Apartheid	Grew up in the suburbs of South Africa or grew up abroad and have returned 'home'.	Strivers, movers & Shakers, social chameleons	Born & bred in the township can afford to live in the suburbs but choose to spend most of their time in the township
RESIDUAL	EMERGENT	DOMINANT	DOMINANT
<ul style="list-style-type: none"> Consumes mainly traditional forms of media Social clubs – jazz socials, golfing events 	<ul style="list-style-type: none"> Back to my roots Working towards my own hustle Being a part of something bigger than yourself Self development – exploring new horizons 	<ul style="list-style-type: none"> Highly driven to succeed – beyond a 9-5 Adapt easily to different social settings Their personal background drives them to make a difference in the lives of those around them. 	<ul style="list-style-type: none"> The most Misunderstood segment Unpretentious Strong sense of self – not easily swayed by trends Passionate about the upliftment of their family and community
			



Getting the Afropolitan travelling

What can we do to entice Afropolitans to visit their own beautiful and diverse country just because they can or because we make them want to?

- We need to offer Afropolitans compelling reasons to shift more trips from VFR to holiday (leisure) trips.
- We also need to get Afropolitans currently not travelling to travel for holiday.

Getting the Afropolitan travelling

Kaya FM Jazz Festival 2015

Video link:

<https://www.youtube.com/watch?v=UsLIqMa2jq4/>



Getting the Afropolitan travelling

Kaya FM Zanzibar 2016

Video link:

<http://www.kayafm.co.za/travel-zanzibar-2016/>



Home of the Afropolitan

Getting the Afropolitan travelling

Kaya FM Alps Ski Trip 2016

Video Link:

<http://www.kayafm.co.za/travel-ski-tour-2016/>



Getting the Afropolitan travelling



We need to do more to cater for group travel



Tourism products designed around the religious and cultural grounds that matter to Afropolitans should also begin to form part of our regular product mix.

Getting the Afropolitan travelling



Appealing to the Afropolitan

The Mercedes Benz advertising campaign #EveryTerrain challenge, which saw big South African personalities paired, venturing across South Africa to create something new while journeying in the range of Mercedes Benz SUVs.

Bra Hugh Masekela and J'Something from Mi Casa took to the Tsitsikamma coastline, to find inspiration to collaborate in writing a song in a 48hour period

Video Link:

<https://www.youtube.com/watch?v=jKZcPx2zP2s>



Appealing to the Afropolitan

The Cast

Lira



SA's Afro-pop star Lira (Lerato Molapo) is loved for her irresistible blend of R&B, Jazz and African style music.

Loyiso Gola



Respected comedian Loyiso is the talent behind the late-night satirical news television series Late Nite News with Loyiso Gola on e.tv and eNCA.

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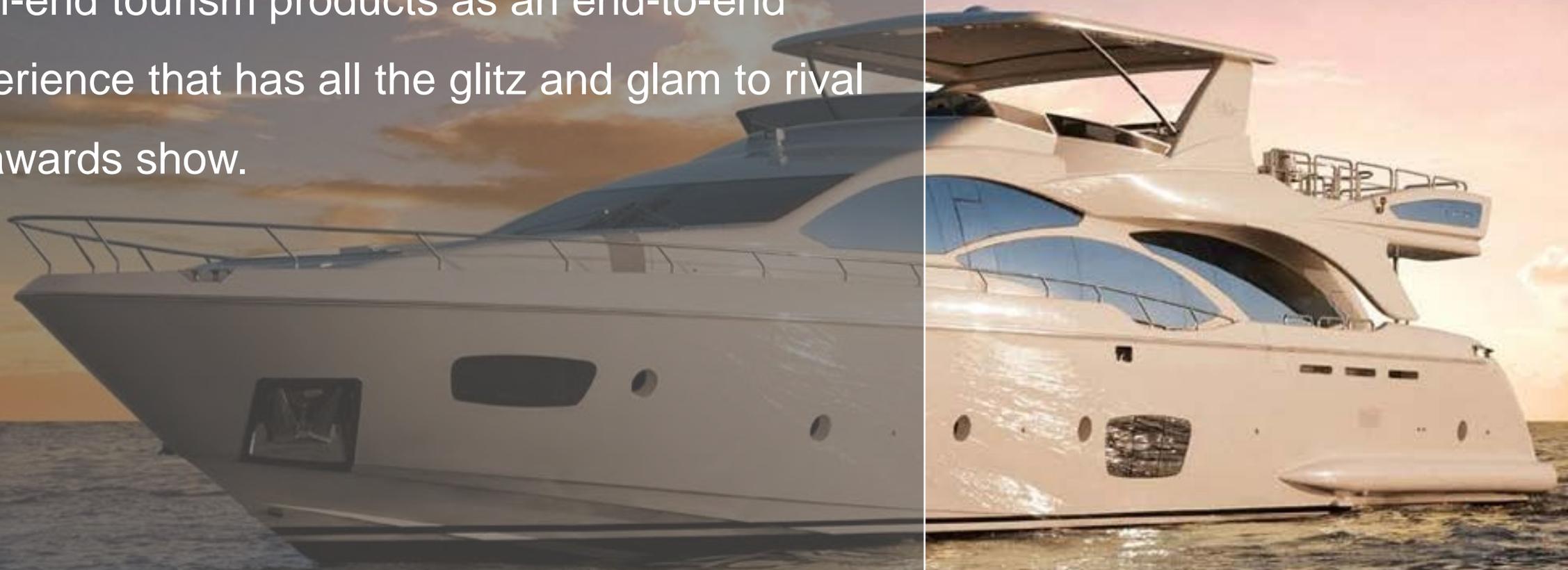
It's all about ferocious performance technical refinement and sports infusion.

Video Link: <https://www.youtube.com/watch?v=WmDnpzl0lOk>



Travel Aficionado

High-end tourism products as an end-to-end experience that has all the glitz and glam to rival an awards show.



Thank You

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