

Cheapflights Compass Report 2017 shows challenge is the mother of opportunity

By [Cari Coetzee](#)

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Cheapflights recently published its [Compass Report 2017](#). We chat to Andrew Shelton, Managing Director of Cheapflights to mine some insights from the report.



Andrew Shelton, Managing Director, Cheapflights

▣ How was the report compiled and what would Cheapflights like to achieve through its publication?

The inaugural Cheapflights Compass Report for South Africa is derived from billions of data points generated by nearly 600,000 hours of flight and travel searches across the Cheapflights website and app by our 4.2m South African users between 1 April 2016 and 31 March 2017.

Our objective in researching and publishing the report is twofold: to provide our growing community of users in South African with insights and information to help them make informed travel decisions in the future, from the best days and times to book flights for the cheapest deals to where the next emerging destination is.

Second, we want to be able to provide actionable insights to our partners and colleagues in the travel industry to help them make intelligent strategic decisions about their marketing. If, for example, our data can tell them when Brits are most likely to be searching for flights to South Africa, or what other destinations Americans will be looking at, then they can use that to inform their thinking about how they promote their own product in those markets.



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▣ What are some the key challenges facing the travel industry as indicated by the report?

The travel industry in South Africa – like other destinations in the world for which leisure and business travel is an economic driver, source, of investment and job creator - faces a range of challenges from political uncertainty to environmental

pressures.

“ *But the Compass also shows that challenge is the mother of opportunity and makes it clear that the South African tourism sector can benefit from uncertainties besetting other destinations.* ”

To do so, however, it must consider how it can broaden its relevance and appeal to travellers coming from the UK, the US, Germany, and to a lesser degree Australia, Hong Kong, China, and Japan. Furthermore, the industry here needs to be more aggressive in targeting tourists from the rest of Europe and Asia.

A second challenge is to encourage multi-destination travel in SA. Currently, most visitors from Germany for example only visit Cape Town, while the majority of Asian visitors only go to Johannesburg.

■ ***Any insights gained regarding why SA’s biggest source markets find SA attractive?***

Interestingly it would seem that Asian tourists primarily visit Johannesburg, likely due to the economic opportunities available in Gauteng, while visitors from the UK, US, and Germany mainly visit Cape Town - probably for leisure purposes. There is a clear division in preference and reasons for visiting South Africa that can guide local tourism bodies in how to target these markets respectively.

■ ***What are some of the main trends players in the travel industry should be aware of and how will it affect their businesses, including Cheapflights?***

A key – and continued – area of growth that we are seeing is in mobile. Over half our searches and revenue derives from mobile devices now, and increasingly consumers are comfortable with making bigger and bigger purchases through that channel. Trust is growing, and every travel business should be considering its mobile strategy and how its product, purpose, and brand translate to the smaller screen. We completely redesigned our app and mobile website a couple of years ago now, and in 2016 introduced one of the world’s first Facebook bots so our users could communicate directly with us without leaving that ecosystem – that’s just two factors which have helped to make mobile become our fastest growing channel.

In broader terms, we’re seeing travellers increasingly prepared to compromise on their travel experience if it means their costs are lower. In aviation, this has seen more and more airlines responding by following the budget travel model and either stripping out products, services, and perks or charging extra for them. In accommodation and transport, we’ve seen an explosion in ‘shared economy’ propositions like Airbnb and Uber disrupt traditional industries and create more empowerment and choice for consumers.

However, with the virtues of lower prices, greater accessibility and more freedom have come capacity issues in popular destinations and the imposition of limits for very popular ‘bucket list’ attractions and places, complications around competition regulation, security concerns and other factors that the industry is struggling to absorb.

The travel industry has always been in a state of near-continuous reinvention, but the pace of change does seem to have accelerated recently as the potential of digital really begins to show.

“ *Businesses in the sector in South Africa must focus on being as nimble as possible as they navigate this changeable landscape, and to think creatively about new partnerships as they follow or attract an increasingly fickle community.* ”

■ **What is the most unexpected and/or interesting thing the report revealed about the South African traveller?**

What surprised is most – pleasantly – is by how much demand for our products has grown in South Africa in the last 12 months, and how many more people are coming to us to search for travel. It strongly hints at a very active market – despite the well-documented economic woes – and one that is determined to continue travelling.

ABOUT CARI COETZEE

Cari Coetzee is a contributor to Bizcommunity Tourism, Agriculture and Lifestyle.

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