

Hospitality Confidence Index highlights a thriving tourism sector in Africa

In the run-up to the seventh edition of the Hotel & Hospitality Expo Africa in June, the African Hospitality Confidence Index 2024 shares top insights into the trends shaping the continent's hospitality sector.



Photo by cottonbro studio via www.pexels.com

“The latest Confidence Index paints a vivid picture of a vibrant, positive industry in which the majority, at 80%, of hotel, bar and restaurant operators, along with industry suppliers are looking to the future with growing confidence and optimism,” says Margaret Peters, event manager for Hotel & Hospitality Expo Africa at dmg events South Africa.

“Many businesses have recovered from the pandemic and are entering a new growth phase encompassing greater technological development, increased access to financing and a focus on nurturing industry talent, whereby 55% of respondents now have systems to foster employee satisfaction and loyalty.”

Key trends

Key among trends is implementing Artificial Intelligence (AI), where almost 1-in-4 businesses are reportedly using AI tools to enhance operations. AI offers a wave of innovation, transforming how businesses are operating and easing revenue management and security, among other operational efficiencies.

“Rising interest in AI is part of a wider acceleration in digitisation, emerging during the pandemic, with early adopters seeing great results,” adds Marton Takacs, global sector leader: Hotel and Leisure, Moore Global.

An overwhelming 92% of respondents say ‘bleisure’ accounts for a significant amount of customers. Business and leisure, or ‘bleisure’ tourists have become increasingly popular, fuelled by a mix of pent-up travel demand post-pandemic and growing remote working patterns.

The greater emphasis on work-life balance is set to shape the tourism and hospitality industry even further over the next decade, with the value of the global bleisure market expected to more than double from 2022 levels to \$731.4bn globally by 2032, at a compound annual growth rate (CAGR) of 8.9%.

The Confidence Index provides a deeper understanding of emerging trends from those directly involved.

“The intention is for the industry to have a point of reference of their peers,” adds Peters. This is ideal through the emergence of AI, alongside a more intense focus on Environmental, Social and Governance (ESG) factors amidst the search for customers in a more competitive market.

Some 89% of respondents believe ESG action is vital for the long-term success and viability of the sector, but there is still work to be done to see this take shape. Those that have implemented ESG measures, such as green or renewable energy as well as increased recycling acknowledge the business benefits, with 57% reporting a positive impact on customer satisfaction and loyalty.

The African hospitality industry

The Confidence Index is the most comprehensive, authoritative, and up-to-date snapshot of the African hospitality industry. In its second year, put together by dmg & Kaoun and Moore Global, this new, annual research endeavour captures the evolving perceptions of the industry over time.

Responses grew from 315 respondents in 2023 to 537 (+70%), with the number of African countries represented almost doubling from 17 last year to 30 this year. The Confidence Index added suppliers to the participating respondents for the first time this year, enabling this crucial segment of the industry to share its views.

The African continent is forecast to be the world's second fastest-growing economic region this year, after Asia and it also has the world's youngest and fastest growing population, set to reach 2.5 billion by 2050. A growing middle class and the emergence of megacities hosting more than 10 million people are anticipated, all of which will drive demand for hospitality.

“This growth will lead to an increasingly complex operating environment, particularly as digital transformation and modern measures can boost the bottom line and improve guest experiences,” adds Takacs.

“The industry across Africa remains ambitious, optimistic, and determined to overcome challenges and embrace opportunities.”

The 2024 edition of the Hotel & Hospitality Expo Africa, taking place from 11-13 June 2024 at the Sandton Convention Centre will unite the industry to grow, network and thrive.

Download the Confidence Index [here](#).

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