

Country Profile: Kenya 2017

1. Global Tourism Performance of Kenya

- Domestic tourism is the major driving force of the Kenyan tourism sector. The total number of domestic trips rose from 18.1 million in 2009 to 21.1 million in 2013, at a review-period CAGR of 3.82%, driven by an increase in mean household income and the spending power of domestic consumers.
- According to the International Congress and Convention Association (ICCA), Kenya was the second-most-preferred conference and business tourism destination in Africa in 2012. This is a result of the rising number of international meetings and events hosted in Kenya. In 2012, Kenya hosted a total of 29 conferences, of which 22 were in Nairobi.
- During the World Travel Market (WTM) in November 2013, three East African countries – Kenya, Uganda and Rwanda – announced plans to start a single tourist visa policy from January 2014. The aim of the collaboration is to develop the tourism sector in the three countries.
- International arrivals to Kenya increased at a review-period CAGR of 0.74%, from 1.39 million in 2009 to 1.4 million in 2013. However, international arrivals to Kenya fell from 1.8 million in 2011 to 1.6 million and 1.4 million in 2012 and 2013 respectively. This decrease is primarily due to increased terrorist attacks in the country, which have led to several countries such as the US, the UK, Australia and France advising against travel to Kenya.
- Outbound tourists from Kenya rose from 719,362 in 2009 to 920,918 in 2013, at a review-period CAGR of 6.37%. Business accounted for 64.5% of all outbound trips in 2013, making it the leading reason for travel. Trade relations with several countries can be attributed for this growth. For example, the bilateral trade value between Kenya and the UAE reached KES85.0 billion (US\$1.0 billion) in 2012. strengthened trade ties during the Kenya-UAE investor's conference in Nairobi in 2013.
- The governments of the two countries, which initially signed a double taxation agreement in 2011, further strengthened trade ties during the Kenya-UAE investor's conference in Nairobi in 2013.
- The airline market in Kenya performed significantly well during the review period, with total revenue rising from KES61.8 billion (US\$0.8 billion) in 2009 to KES78.6 billion (US\$0.9 billion) in 2013 at a CAGR of 6.20%. The growth in air travel is due to the rising middle-class population, which constitutes 44.9% of the total population, and uses low-cost flights as an affordable means of travel.
- The number of hotel establishments in the country grew from 790 in 2009 to 855 in 2013. The number of rooms recorded growth at a review-period CAGR of 2.55%. Total hotel revenue increased from KES62.4 billion (US\$0.8 billion) in 2009 to KES83.6 billion (US\$1 billion) in 2013. However, total hotel revenue was severely affected during 2012 and 2013 as a result of increasing terrorist attacks, such as the Westgate Mall attack in 2013, which negatively impacted international tourist volumes in the country.
- Kenya's car rental market value increased at a review-period CAGR of 4.66% to reach KES5.5 billion (US\$0.06 billion) in 2013. Overall, 93.7% of car rental revenues were generated at non-airport locations in 2013. Leisure car rentals accounted for 65% of the total car rental value in 2013, as compared to business car rentals with 20.7%. Leisure car rentals also recorded the highest review-period CAGR of 5.87%, driven by domestic demand and a rising number of international events and meetings hosted in the country.



1.1 Global Tourism Market Insights on Kenya

Trendy Aspirants	23%	15-29 years, single, largely male, middle SEC, urban	Educated secondary school and above. Modern in terms of fashion, technology, and willingness to try new products.
Evolving Juniors	22%	15-19 years, middle to lower SEC, rural	Mostly students. Social and want to enjoy time with friends. Traditional and family-oriented. Value affordability. Average consumption of TV, radio and mobiles.
Balanced Seniors	21%	20-45 years, married with children, across all SEC	Studied secondary school and above. Traditional, family-oriented and religious. Buy based on affordability and recommendation.
Progressive Affluents	11%	30-45 years, married with children, higher SEC, urban	Well educated, and employed in managerial jobs. Willing to try new things and pay for quality. Family is important but also tends to be very individualistic. High on media use.
Struggling Traditionals	9%	30-45 years, married with children, lower SEC, rural	Low levels of education - secondary school and below. Rooted in family, traditions and religion. Prime concern is affordability and availability. Not brand conscious.
Wannabe Bachelors	7%	20-34 years, male, middle to low SEC, single, rural	Educated up to secondary school. Mix of blue collar and supervisor level jobs. Influenced by good packaging and advertising.
Female Conservatives	7%	15-29 years, married, lower SEC, rural	Studied up to secondary level. Traditions and family values are important. Not brand conscious. Keen to keep up with fashion and try new products.

Useful pointers emerge when comparing Kenya to the African average.

- More Kenyans than the African average visit modern trade, making distribution more accessible for CPG firms.
- Kenyans are more brand loyal than other African countries studied. This can present challenges for new brands.
- Similar to other African countries studied, affordability remains a key driver for Kenyans. Companies can use smaller pack sizes to make products more affordable.
- Kenya has higher usage rates across all mobile phone services. The mobile phone is important for promotion and distribution. The mobile phone can be leveraged across platforms. TV/ print ads that ask consumers to send in text messages as part of a contest is an example. Companies can also use it for online/mobile payments from customers.

Print and online usage rates are higher in Kenya than the African average, making these mediums effective options for reaching consumers, percent), mobiles (85 percent) and newspapers (61 percent of survey respondents). Internet access, at 39 percent, is higher than other African countries studied. Movies, English music, sports and news are popular content. Compared to the African average:

Kenya is strategically positioned as the "gateway to east Africa". Rising GDP per capita indicate increasing consumer incomes. Nielsen's research indicates that Trendy Aspirants and Progressive Affluents account for 34 percent of Kenya vs. 28 percent across Africa. These segments are educated and modern but prefer to buy the same brand. The other 66 percent of consumers are driven more by affordability.

Companies must leverage functional parameters like price, distribution and emotional parameters like family, confidence about the future and even music. Innovation and execution activities centred on these key learnings will enable success. Additionally, more expensive and value adding products may fare better with the larger base of affluent consumers in Kenya than in other African nations



TRENDS TO WATCH

For many, Africa represents the only continent that is offering growth prospects in today's economy.

So how can brands capitalise on the opportunity?

Six key trends:

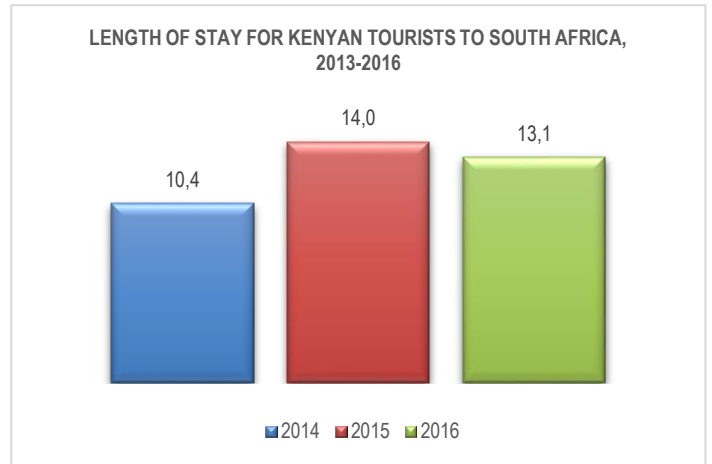
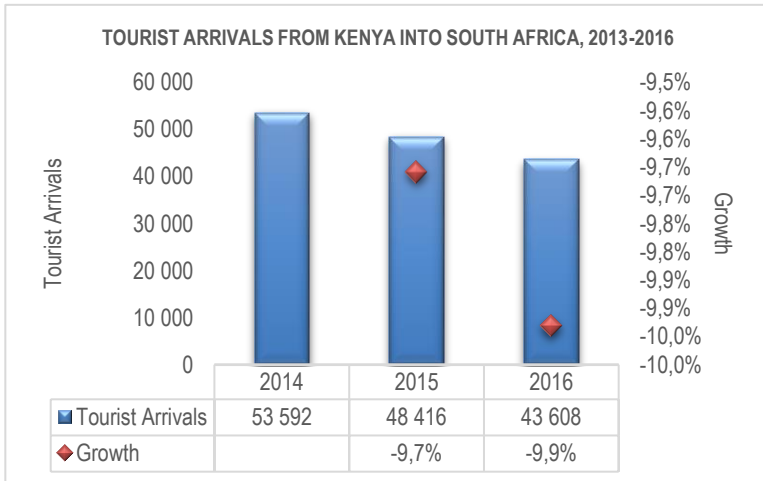
1. Consumer Power Moving Younger
2. Moving up in the World
3. Moving to the City
4. Moving to Mobile
5. Moving in to the Future
6. Moving the Gender Bias

quirk

2. National Performance of Kenya in South Africa

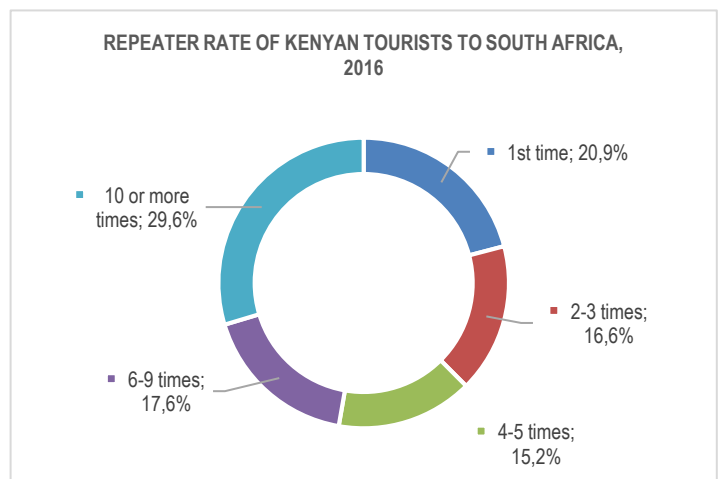
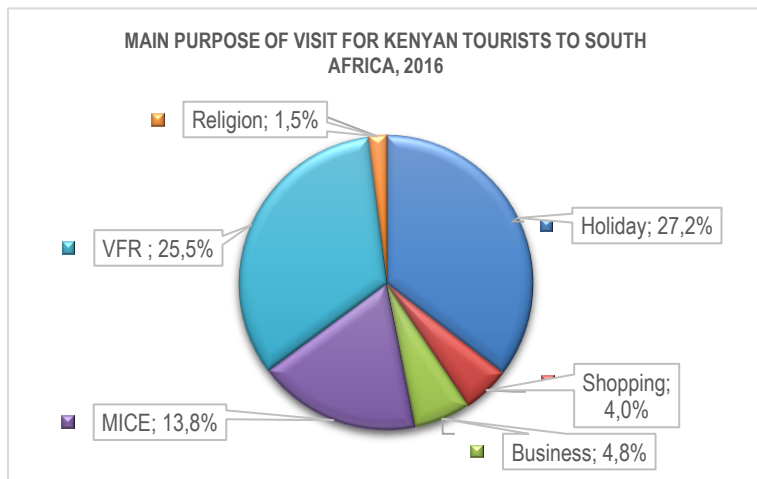
South Africa received the highest tourist's arrivals from Kenya in 2014 since then there has been decline tourist arrivals from Kenya to the country 2015-2016.

Kenyan tourists have one of the longest length of stays amongst African markets to South Africa. They stay in the country over a week. There was also decline in length of stay amongst Kenyan tourists.



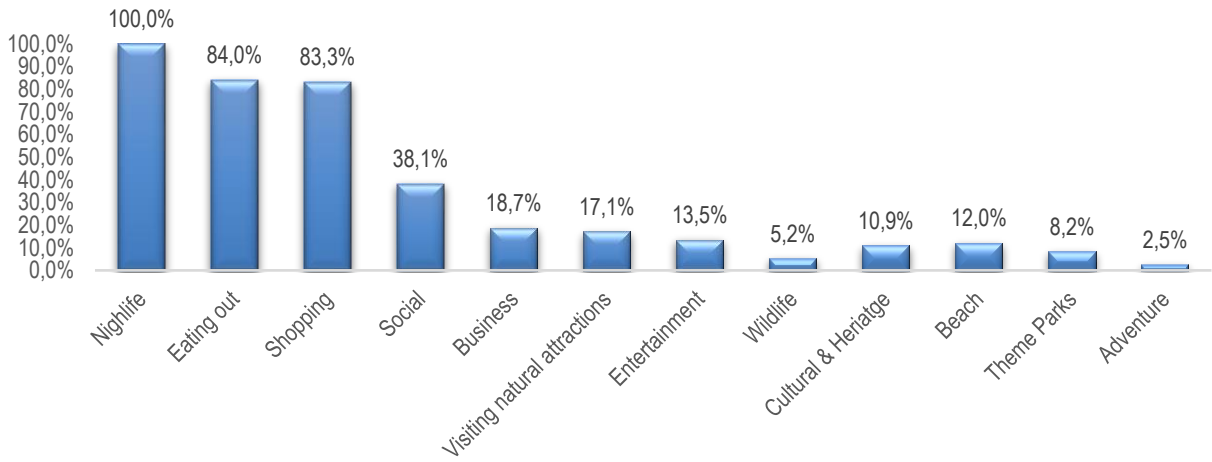
Kenyan tourists predominantly travel to the country for holiday and visiting friends and relatives. Another favourable reason why Kenyan tourists travel to the country is for MICE travel.

The repeater rate of Kenyan tourists shows positive travel to country as these visitors constantly return to the country for holiday for much as 10 or more time predominantly.



South Africa seems be hotspot for nightlife and local cuisine amongst Kenyan tourists. They also enjoy our local shopping experiences and social activities.

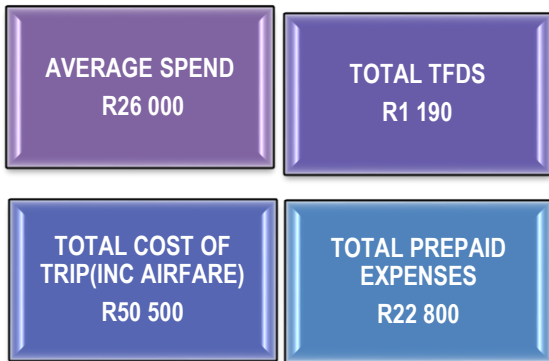
TOP ACTIVITIES BY KENYAN TOURISTS TO SOUTH AFRICA, 2016



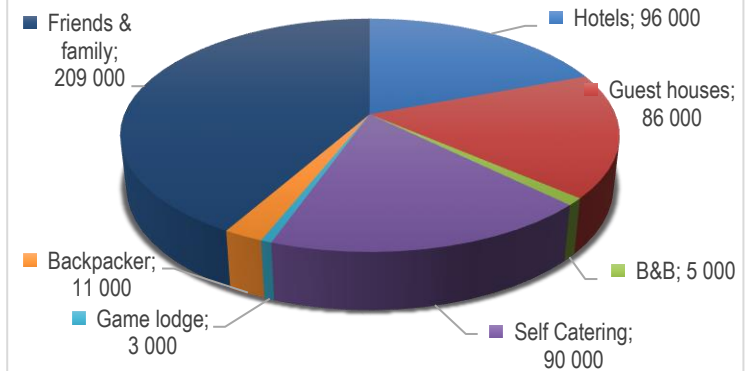
The spend data for Kenyan tourists visiting South Africa illustrate high average spend, the second highest average spend in Africa behind the Democratic Republic of Congo.

The Kenyan tourists prefer to stay with friends and family as their main choice of accommodation, due to the fact that many Kenyan tourists are very family orientated which has influence on their choice of accommodation and VFR is one of their main purposes of visit further validates their main choice of accommodation, followed by hotels and self catering accommodation.

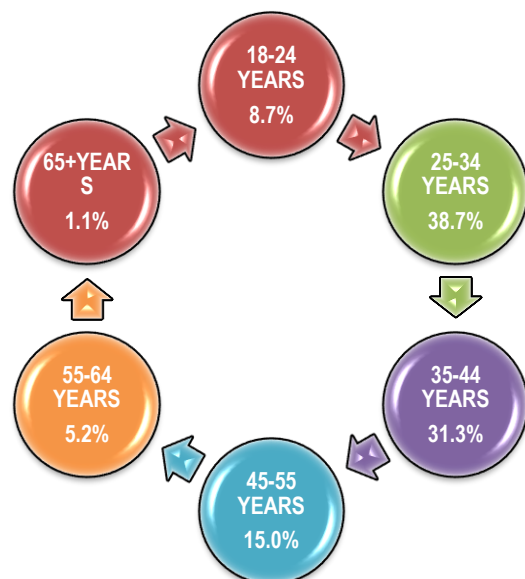
SPEND DATA OF KENYAN TOURISTS TO SOUTH AFRICA



MAIN ACCOMMODATION USED BY KENYAN TOURISTS TO SOUTH AFRICA, 2016



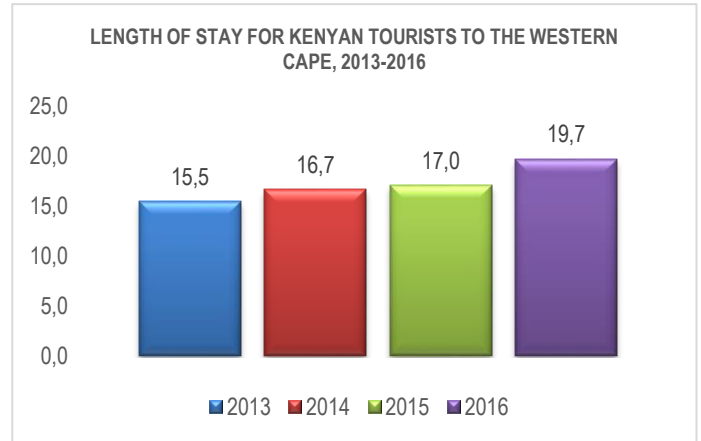
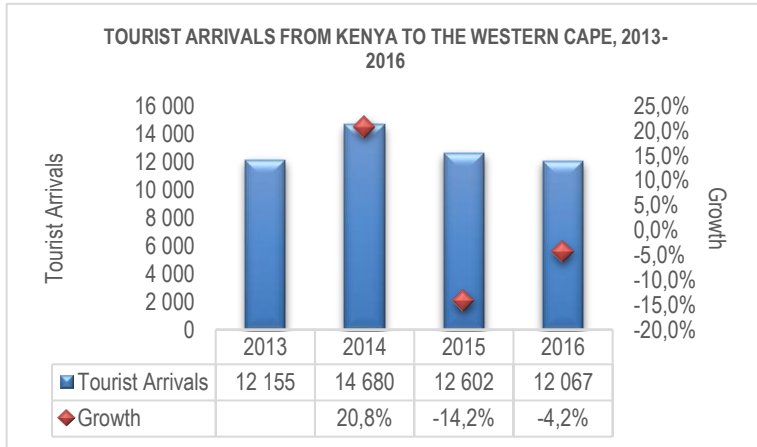
The majority of Kenyan tourists to South Africa are your young to middle aged group with high education and more disposable incomes, which also explains the high average spend by Kenyan tourists.



3. Provincial Tourism Performance of Kenya in the Western Cape.

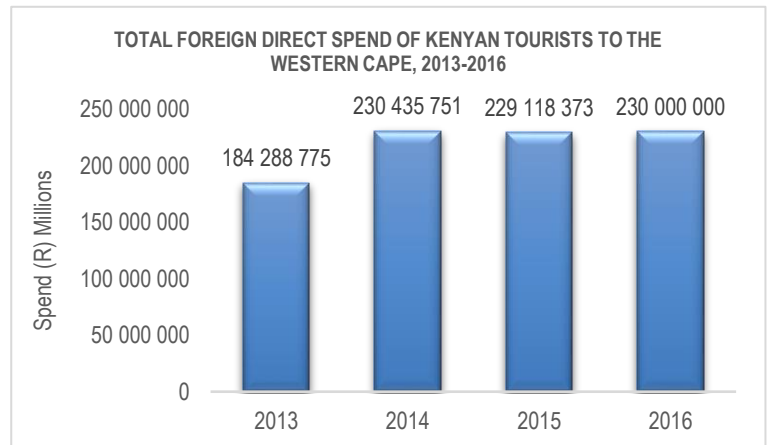
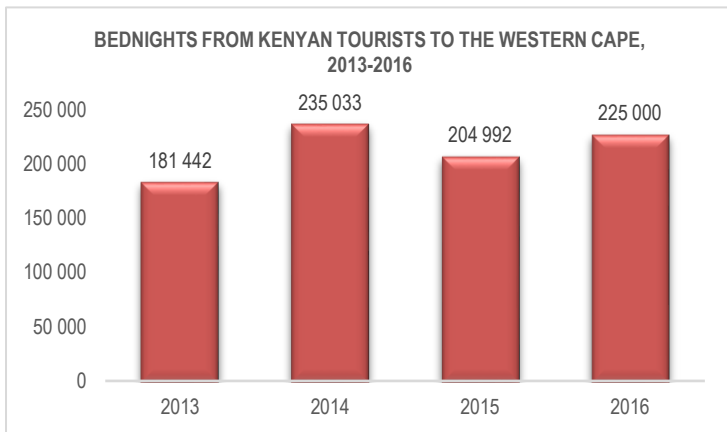
The Western Cape received a decline in Kenya tourists to the province for past two years 2015 and 2016. The Western Cape last recorded growth from Kenya in 2014.

However, the Kenyan tourists stayed between two- three weeks in the province the highest ever length of stay recorded since 2013.

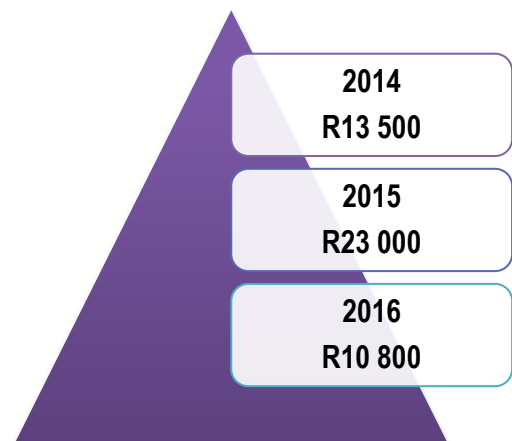


The Western Cape received a positive number of bednights from the Kenyan market in 2016, the second highest bed nights recorded for the province from Kenya since 2014.

In 2016, the total foreign direct spend from the Kenyan market for the province was increase from the previous year's figures making positive contribution to the economy of the Western Cape.



The average spend of Kenyan tourists has shown positive growth since 2014. It increased by R 2200 in 2016 with total of R28 200 when compared to 2015. This positive average spend in the province from Kenyan tourists contributes positive to the economy of the Western Cape.



Recommendations

- Kenya's high growth leads to more appetite to travel amongst Kenyans.
- Kenya is a regional and financial hub and has one of Africa's largest economies, therefore many Kenyans have the disposable income to travel
- Kenyans also have high average spend when compared to other African countries and good target market to increase tourism spend in the province.
- Kenyans stay almost three weeks in the province therefore making big contribution to tourism in the province great tourism potential market.
- The repeater rate of Kenyan tourists are very high they revisit the country over ten times so good sustainable tourism market for the country and province.

List of sources

- United Nations World Tourism Organisation, 2017
- World Travel Trends Report,2016/2017
- World Travel & Tourism Council,2016
- South African Tourism, 2017
- Nielsen's Consumer Media View 2017
- Travel and Tourism in Kenya to 2018,Published By : Timetric & Published Date : Sep 2014