

South Africans travelling to France is on the up

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More South Africans are diversifying their holidays and are choosing to visit the French Alps during European summer and winter, enjoying the very best of sun and snow holidays, according to the 2019 Club Med Southern Africa French Mountain Holiday Report, supported by Atout France (France Tourism Development Agency). The report looks at the current socio-economic landscape and its impact on South Africans' travel habits; Club Med booking trends for the period 2019/2020; insights into the wellness travel industry and the mountain biking/cycling community and its influence on the 2019/2020 mountain travel season; as well as showcasing the diverse, culturally rich and easily accessible destination of France.

Socio-economic climate and its impact on South Africans' travel habits

According to the World Bank Economic Outlook, the global economy is sluggish and growth for emerging and developing economies is constrained by subdued investment. The socio-economic uncertainty however, has not managed to squash the travel bug. From a global perspective, Club Med enjoyed an impressive 7% year-on-year rise and saw 1.44 million clients, the strongest since 2000.

And though South Africans have had to manage with less disposable income, they have continued to travel and visit Club Med's various All-Inclusive sun and snow resorts worldwide. <u>Club Med Southern Africa</u> saw an increase in the overall number of visitors to their French resorts, and the current trend for 2020 has shown a solid 11% growth in mountain destination travel. To date, of those travelling to France with Club Med, an impressive 77% are heading to the French mountains. One of the most notable shifts is in the number of first-time visitors to the slopes, who now make up 56% of Club Med's snow customer base.

Families accounted for 65% of the Club Med market and there is a rise in popularity of All-Inclusive holidays, particularly amongst young families.

Olivier Hannaert, MD of Club Med Southern Africa, affirms that there has been a marked difference in the way South African travellers book and seek to experience their holiday, with a keen focus on getting more value for their holiday financial investment. "As customers hedge against the potential currency fluctuations of a weak Rand, paying upfront and in Rands for a holiday is a strong consideration, but ASATA figures show that the overall market share of All-Inclusive packages is up and is only expected to continue to perform well as consumers look to closely manage their holiday expenses with no risk of unforeseen costs. Interestingly, and unexpectedly, the volatile Rand seems to have positively influenced the uptake of these full-board holidays and the All-Inclusive holiday model that covers food, accommodation and ski essentials with 57% of people considering All-Inclusive snow holidays as more appealing," says Hannaert.

According to Club Med's booking trends for 2019/2020, most South Africans are opting to take their vacation during the festive weeks of December and January over any other time of the year, and usually book these holidays up to a year in advance. Bookings for March 2020 are at their peak a full 12 months in advance, confirming that purchasers are taking full advantage of early booking bonuses and the discounts that come with advanced bookings on flights, should they be available, and top picks of rooms and dates.

Having said that, there has also been an increase in holidaymakers booking their March vacations in January of the same year and benefitting from discounts that come with last-minute deals. All these trends confirm the fact that, as a market, there is indeed a shift when it comes to being more financially savvy, hunting for a good deal and getting full value for money.

Uptake of wellness and active travel and tourism

One of the key aspects of the report is on wellness travel – which is on the rise worldwide, with travellers increasingly seeking outdoors, sporting and wellness activities as part of their holidays. The '2018 Global Wellness Economy Monitor' report illustrated that the global wellness industry economy grew 12.8% over a three-year period, with wellness travel growing by 6.5% in the same period. That growth exceeded that of global tourism, which grew by 3.2% in those three years. The wellness travel sector is projected to enjoy annual growth of 7.5% into next year.

The same report shows that wellness trips account for 6.6% of all travel, but represent 16.8% of total tourism expenditure – indicating that wellness travellers spend more per trip than the average tourist and this holds true for both domestic and international travellers. In 2017, international wellness tourists on average spent \$1,528 (+- R22 500) per trip - 53% more than the typical international tourist. This is because wellness travellers are typically more affluent, educated and well-travelled, and they tend to be early adopters who are willing to try new and novel experiences. Europe remains the region which attracts the highest number of wellness trips, with an increased interest in visiting the Alps outside of the traditional ski season to take advantage of its myriad adventure opportunities, on the rise.

French mountain holidays and the wellness traveller

France as a destination has always been a firm favourite for overseas travel, offering many drawcards for South Africans. Besides being easily accessible, the destination offers distinctly different seasons and the possibility of travel all year long. Research shows that South Africans enjoy Paris, Provence, Normandy, the Alps, Strasbourg, the Loire Chateaux, Burgundy and Bordeaux, barging along the canals and cruising on the rivers, cycling, walking, shopping in big department stores and at the local village market. The list is long and varied.

The Club Med mountain destinations found in the French Alps fit perfectly into the wellness travel offering. With a diversity of offerings, snow resorts of all sizes and shapes, guaranteed snow, ski in-ski out, the biggest ski area in the world with slopes for beginners to advanced skiers, and party time during and after skiing – it's a skier's paradise.

With an understanding of the need to offer a year-long mountain experience, the recently launched Club Med Summer Mountain holiday experience in the French Alps offers travellers who aren't avid skiers, an active mountain holiday in the French mountains in summer. Complete with hiking and biking activities, the offering also ticks vital boxes when it comes to All-Inclusive value and getting the most out of a holiday. For South Africans, holidaying in the French Alps during summer is a unique experience which can be enjoyed as a multi-generational family, a group of friends or a couple. There are options to enjoy great food, discover the village, go to a local cheese factory, basically enjoy the mountain lifestyle rather than focusing exclusively on the sport of skiing. The days are longer, and activities are diverse: walking, trail running, orienteering racing, rock-climbing and Via Ferrata, cycling (and you can make it easy on yourself with an eBike), golfing and so much more in the most panoramic settings.

Mountain biking is emerging as an important player in this space and proving a popular pursuit for French Alps summer holiday-makers. In partnership with TREAD Media – one of South Africa's leading authorities on mountain biking - Club Med Southern Africa conducted a survey with 601 respondents to gain greater insight into the mountain biking community. The results were interesting and produced some key takeaways, including the fact that 72% of participants in the survey would travel to Europe to ride (not race) mountain/road bikes, with 54% saying they would go with their partner and/or family.

Hélené Bezuidenhoudt, Director of Atout France South Africa, says that while winter holidays in the French Alps offer South Africans the chance to discover another world and enjoy experiences that just cannot be equalled, summer visits are also hugely appealing. "There is a sense of freedom and absolute quiet where you are surrounded by the mountains. For the climate-sensitive, when it is hot everywhere else, it is always cooler higher in the mountains! Mountain travel is literally a breath of fresh air, in summer or winter, and great for family holidays," she says.

When looking at travellers to the various Club Med resorts in the French Alps, there's a growing clientele that's entirely new:

from South Africa, Russia, the Middle East, Turkey, Lebanon, Israel and farther away like Brazil, Singapore, and China. "It's a growing trend because in those countries it's seen as very exotic to spend a winter holiday in the mountains. Our responsibility (as Club Med) is to welcome them not just as beginner skiers, but as newcomers to the mountain world in general. Because they are coming from very far away, we need to handle all the boring aspects of long-distance travel and the logistics. With us, they don't have to deal with anything, they just book and enjoy. And this is a trend that's just beginning — it's only going to grow," Hannaert adds.

South African travellers heading to France in the European summer (June-October) are choosing <u>Alpe d'Huez</u>, <u>Les Arcs Panorama</u> and <u>Valmorel</u>, while the top three winter resorts are <u>Val Thorens Sensations</u>, <u>Grand Massif Samoëns Morillon</u> – and also <u>Alpe d'Huez</u>.

With all indicators showing that wellness and active holidays are a huge market worth considering and investing in, it makes financial sense for tour operators to discover and capitalise on the destinations and opportunities.

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