

Investment from abroad a boost to Africa's online travel market

Travelcheck CEO, Odette Faling says that she is optimistic about growth in the local online travel market and believes that conditions are primed for new entrants to make their mark in an industry by creating new ways of booking. In addition to the increasing number of South Africans who connect to the Internet each year, citizens have reached a point where they are above the global average in terms of how many hours they spend online daily. With South Africans spending more than eight hours per day online there is a visible maturation in the behaviour.



Image source: [Gallo/Getty](#)

"As more Africans come online, it is widely known that online shopping could account for up to 10% of retail sales by 2025," says Faling.

The growth of the South African market has caught the attention of foreign investors and private equity international venture capital funds.

Travelcheck's parent company Smartair recently secured \$6m funding which the Israel-based company will use to expand in developing markets, including South Africa. Smartair founder and Travelcheck shareholder Erez Bousso says: "I'm excited by the rapid growth of digital in emerging economies. Despite the increase in passenger volume, about 80% of travel bookings are still made through travel agents, rather than online retailers. In Africa, we want to accelerate the adoption of online travel services by setting up local websites managed and led by locals."

Bousso believes those who can deliver the right solutions at the right time will win. "We have invested in technology and work processes and have had a lot of success in the Middle East. We want to replicate this in developing markets such as South Africa that have demonstrated limitless potential."

Within Africa's promising digital environment there are outlying travel industry-specific factors in play. IATA estimates that airline passenger numbers in Africa will more than double in the next 20 years, with growth rates currently exceeding the global average of 3.6%.

In addition, trade developments such as the Single African Air Transport Market (SAATM) bode well for creating a more travel-friendly market and analysts predict cheaper flights and greater passenger volumes when SAATM finds traction.

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