CBI Tailored Study:

Madagascar Tourism
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<th>Description</th>
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<tbody>
<tr>
<td>AF</td>
<td>Air France</td>
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<tr>
<td>ACM</td>
<td>Madagascar Civil Aviation Authority</td>
</tr>
<tr>
<td>CBT</td>
<td>Community Based Tourism</td>
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<tr>
<td>EIU</td>
<td>Economic Intelligence Unit</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>ITB</td>
<td>Internationale Tourismus-Börse Berlin</td>
</tr>
<tr>
<td>MD</td>
<td>Air Madagascar</td>
</tr>
<tr>
<td>ONTM</td>
<td>Madagascar National Tourism Office</td>
</tr>
<tr>
<td>RSA</td>
<td>Republic of South Africa</td>
</tr>
<tr>
<td>SA</td>
<td>South African Airlines</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organisation</td>
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<tr>
<td>USP</td>
<td>Unique Selling Point</td>
</tr>
<tr>
<td>VIO</td>
<td>Vanilla Islands Organisation</td>
</tr>
<tr>
<td>WTM</td>
<td>World Travel Market</td>
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</tbody>
</table>
Section 1: Introduction

1.1 Research Objective

The tourism sector in Madagascar is heavily dependent on arrivals from France and needs to diversify its source markets. This Tourism Market Intelligence study for Madagascar has been commissioned by the CBI Netherlands to provide the Madagascar National Tourism Office (ONTM) and tourism businesses in Madagascar with a profile of potential source markets.

The objective of this study is to research potential for growth from new markets as well as the traditional French market. The research focuses on 3 areas:
- The potential for tourism growth from the source markets of Germany, Scandinavia (Denmark, Norway, Sweden) and the Republic of South Africa (RSA) to Madagascar.
- The special interest/niche markets of France. France is the main source market for Madagascar; the study examines whether there is room for expansion, and if so, in which segments.
- Air access. The lack of direct air access from key source markets has been identified as a key barrier to tourism growth. The research compares how other island destinations with poor air services and national monopolies have tackled the issue.

1.2 Methodology

The methodology undertaken for the study involved:
- Desk research to provide market data and air access benchmarking
- Consultations with local experts
- Semi-structured qualitative interviews with 17 tour operators in the potential source markets: five in Germany, seven in Scandinavia (Denmark x 2, Norway x 3, Sweden x 2) and five in South Africa
- An analysis of social media analysis conversations amongst independent travellers in each source market.

Specific research was also conducted in the French market:
- The Madagascan product offered by general tour operators was analysed based how it was presented on their company website
- Interviews were conducted with four specialist market tour operators to establish the potential to expand the French market segments.
- A social media analysis to establish the views of independent travellers
- The destination marketing activities in France were reviewed.

A list of the tour operators interviewed is included in Annex 3 and the semi-structured interview template used for the tour operator consultations is provided in Annex 4. The interviews were conducted by phone and the responses were entered into an online survey form by Acorn’s researchers to aid analysis. The responses from tour operators in each country were analysed and compared to identify any differences between markets and the issues that related to all markets.

The template for analyzing the social media conversations is provided with the Interview Guides in Annex 4 and the Internet sites analysed are listed in the Bibliography.

Section 2: macro economic & trade statistics

2.1 Introduction

This report starts by providing an overview of Madagascar’s tourism sector and reviews how it compares to its regional neighbours in both Africa as a whole and in the Indian Ocean. It then considers how tourism has developed over the past decade, the current top source markets, how much visitors spend and why the reasons why tourists visit Madagascar.

2.2 Regional Tourism

In 2014 the growth of international arrivals to Africa was 2.3%, a decrease on the 4.8% growth experienced in 2013\(^1\) and less than half the global rate of 4.7% reported by the UNWTO for 2014.

Sub-Saharan Africa performed better than the continent as a whole with an increase in international arrivals of 3.3% in 2014 compared to 2013. This was less than the growth experienced in 2013 (4.2%) but similar to 2012 when international arrivals grew by 3.4% compared to 2011.

\(^1\) UNWTO World Tourism Barometer Volume 13 January 2015
In 2013 South Africa, the largest destination in the sub region, reported growth of 4% on 2012. In the Indian Ocean the Seychelles reported the strongest growth at +11%. Mauritius experienced growth of +3% while Reunion’s international arrivals decreased by -7%.2

2.3 International Tourist Arrivals

International visitor arrivals to Madagascar have grown substantially since 1986 when it received only 26,085 international arrivals. In 2014 there were 222,374 international visitor arrivals, however the growth of tourism over this period has been punctuated by bouts of political instability.

In 2002 the post-electoral crisis caused international arrivals to drop 64% (from 170,208 in 2001 to 61,674 in 2002)3. The industry recovered quickly and by 2008 international arrivals had grown to a record 375,000.

Further political unrest in 2009 caused a drop in international arrivals of 57% to 162,687. For the following three years to 2012 the annual growth rate of 16.3% brought international arrival numbers up to 255,942. In 2013 increasing crime and in particular, a violent attack on three French tourists in Nosy-Be, resulted in negative publicity, concerns about security and negative foreign travel advisory warnings. Consequently tourist arrivals decreased by 23% in 2013 compared to 2012.

Figure 1: International visitor arrivals to madagascar (2004-2014)

![International visitor arrivals to Madagascar](image)

Source: Ministere du Tourisme, Madagascar, UNWTO

The industry recovered again in 2014 with growth of 13.2% compared to 2013, bringing international visitor arrivals up to 222,374.

In 2014, after a decade of growth and decline, international visitor arrivals had almost returned to the level they had achieved a decade earlier in 2004 (228,784).

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2 UNWTO figures for 2014 were not available at the time of writing this report
3 The World Bank (2013) Madagascar Tourism Sector Review: Unlocking the tourism potential of an unpolished gem
2.4 Tourist Arrivals by Region and Top Source Markets

Europe is the main regional source market for Madagascar’s international visitors, generating 73% of its arrivals in 2014.

Figure 2: Arrivals by region, 2014

Due to the historic and cultural links, together with direct flights from Paris and Marseille, France is the largest single source market both from Europe and internationally, accounting for 44% of market share to Madagascar in 2014.

Italy is the second largest outbound source market for Madagascar after France. In 2014 Italy accounted for 20% of international tourist arrivals, an increase of 47% compared to 2013.

After France and Italy, Reunion Island was the third largest source market accounting for 8.2% of visitor arrivals. ⁴

The next seven largest source markets: USA, Mauritius, South Africa, Germany, China, UK and Comoros each accounted for between 2% and 3% of tourist arrivals.

⁴ Although tourist arrivals from Reunion and France are counted separately, Reunion is an overseas department of France and its inhabitants have French citizenship.
Madagascar’s tourism is highly dependent on tourists from just three countries, which generate more than 70% of tourist arrivals. There is clearly a need to diversify Madagascar’s source markets. The potential new source markets studied for this report are Germany, Scandinavia (Denmark, Norway, Sweden) and South Africa. Individually they currently account for only a very small proportion of Madagascar’s tourist arrivals but they are all considered to be markets with potential for growth. The tourist arrivals figures from these countries are studied in more detail in Section 3.

2.5 Visitor Expenditure

Visitor expenditure rose, along with international tourist arrivals, from 2004 to 2008. It then decreased dramatically from €313.58 million in 2008 to €128.29 million in 2009 due to the political unrest and the consequent reduction in visitor numbers.

Since 2009 visitor expenditure has risen steadily. By 2013 it had returned to a similar level to 2008, despite the drop in visitor numbers in 2013. In 2014 it rose by 36.6% compared to 2013, to a record €402.75 million.
2.6 Purpose of Visit

In 2012 the proportion of tourist arrivals for leisure purposes was 67% and the arrivals for other personal reasons was 15%. Business arrivals accounted for 18% of international tourist arrivals.

**Figure 5: Purpose of visit, 2008-13**

![Purpose of visit graph]

Source: UNWTO

In 2013, the decrease in visitor numbers was mostly due to the drop in leisure visitors (down to 53%) whereas business arrivals remained similar to 2012 (19%) and personal travel for other reasons apart from leisure, increased to 28%.

At the time of writing this report the purpose of visit data for 2014 was not available, however with the 13% increase in international tourist arrivals, it is likely that the proportion of leisure figures will have returned to previous levels of around 60%.

2.7 Summary

Tourism to Africa in 2014 increase by 2.3%, below the global growth rate of 4.7%.
The growth of international arrivals for sub-Saharan Africa in 2014 was 3.3%, higher than for Africa as a whole.
After a decade of intermittent political instability and tourism industry recovery, international visitor arrivals have returned to the level they were at in 2004.
The vast majority of Madagascar’s international tourists come from Europe (73% in 2013)
There is a need to diversify Madagascar’s source markets as the country is highly dependent on just three markets, France (44%), Italy (20%) and Reunion (8%) that accounted for 72% of all international tourist arrivals in 2014.
Visitor expenditure has grown steadily since 2009, despite the decrease in visitor numbers in 2013, to peak at €402.75 million in 2014.
Leisure has accounted for more than 60% of international tourist arrivals since 2008, except for 2013 when it accounted for only 53% of arrivals.

Section 3: potential new source markets

3.1 Introduction

Germany, Scandinavia (Denmark, Norway, Sweden) and South Africa have been identified as potential source markets for Madagascar. This Section presents the research findings for each potential market and assesses the issues that need to be addressed in order to generate market growth.

For each market the following issues have been considered:
Macro Economic and Trade Statistics
Product Definition
Unique Selling Point and Competitor Destinations
Consumer Profile
Product Offer and Specification
Requirements from Local Suppliers
Key Factors for Developing Tours
Booking Trends and Booking Lead Times
Independent Traveller Feedback
Marketing Channels
Barriers to Growth
Summary and Conclusions: Potential for Growth

A summary of the issues affecting all three markets is collated at the end of the Section.

3.2 GERMAN

3.2.1 Macro Economic and Trade Statistics

Macro Economic Statistics
Germany is the largest outbound market in Europe with a population of 81 million and almost 91 million outbound visits taken in 2013.

Figure 6: Macro Economic Statistics For Germany, 2013

<table>
<thead>
<tr>
<th>Macro Economic Statistics, 2013</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (m)</td>
<td>81.0</td>
</tr>
<tr>
<td>GDP per capita (Int $)</td>
<td>41,248</td>
</tr>
<tr>
<td>Annual average GDP growth over past decade (%)</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Germany

Despite the economic problems in Europe, the German economic has shown steady growth over the past decade and is forecast to continue a similar pace of growth until at least 2017. These growth forecasts are expected to have a positive impact on Germany’s long haul tourism.

Tourism Trade Statistics

Germany generates a high volume of outbound tourists and is also a valuable source market, ranking third highest nation for international tourism expenditure after China and the USA in 2013.

Figure 7: Tourism Trade Statistics For Germany, 2013

<table>
<thead>
<tr>
<th>Tourism Trade Statistics, 2013</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outbound visits (m)</td>
<td>90.9</td>
</tr>
<tr>
<td>Average outbound visits per capita</td>
<td>1.1</td>
</tr>
<tr>
<td>International tourism expenditure (US$bn)</td>
<td>85.9</td>
</tr>
<tr>
<td>International tourism expenditure per capita (US$)</td>
<td>1,060</td>
</tr>
<tr>
<td>Global rank for international tourism expenditure</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Germany; Acorn Tourism

Germans are experienced travellers and have an adventurous and explorative nature, which makes them more likely to go to developing country destinations and are among the top 10 EU source markets for travel to Africa.

Outbound Tourism to Madagascar
In 2014, the number of German tourists that visited Madagascar was 5,000 which accounted for 2.25% of Madagascar’s total international tourist arrivals.

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5 Economic Intelligence Unit (EIU) and CBI Product Factsheet: Rural Tourism from France, Germany and the Netherlands to Africa

6 CBI Product Factsheet: Rural Tourism from France, Germany and the Netherlands to Africa
The German outbound market to Madagascar grew from 2009 to reach 6,500 tourists in 2012. The number dropped to 4,000 in 2013 before increasing again in 2014.

There is no data available for the amount German tourists spend in Madagascar.

### 3.2.2 Product Definition: Nature, Culture and Adventure

The German tour operators interviewed for this study considered Madagascar to be primarily a nature destination.

They sell general tours to Madagascar that focus on nature and culture, due to the country’s remarkable fauna and flora and its exceptionally diverse natural landscape. These tours tend to be promoted as adventure tours.

Specialist wildlife, bird watching and trekking holidays are also offered by German tour operators. The more specialist niche market holidays offered included educational tours, motor biking and geological tours.

Although Madagascar is also known for its idyllic beaches, German tour operators do not sell it as a beach destination. Madagascar was only occasionally sold with other destinations, usually South Africa, Reunion Island or Mauritius.

Independent German travellers visited Madagascar to discover the unique natural features, the culture of the Malagasy people and the beaches and water sports. In addition some travellers undertook charity work with local communities or for environmental associations.

### Comments From German Tour Operators - What is the main reason your clients choose to go to Madagascar?

- For the landscape, and for the wildlife and people
- They go to Madagascar because it is different, it doesn't have a directly competing destination, it has culture, wildlife and hiking
- Nature and wildlife
- They go to see animals, and sometimes to go to nice beaches at the end
- For the flora and fauna.

### 3.2.3 USP and Competitor Destinations

German tour operators consider Madagascar’s animals and its landscape to be key elements that make the country different from other destinations. It is Madagascar’s ‘difference’ that makes it appealing to the core consumer segments that are well travelled and looking for new experiences.

Madagascar has to compete against other destinations in the region, such as South Africa and Reunion. For beach holidays Seychelles and Mauritius were considered competitors by some tour operators; and for wildlife, the competitors are the African safari destinations that can offer the ‘Big Five’.

Some German tour operators felt that Madagascar didn’t have any competing destinations because it was different to everywhere else.
Comments From German Tour Operators: What is Madagascar's Unique Selling Point?

- The landscape
- The animals
- The fact that it is so different to anywhere else
- It is undeveloped, which is different to most countries in Africa visited by tourists
- It is not a safari destination, so it doesn’t have to compete with many other African destinations.

Comments From German Tour Operators: Who Are The Competing Destinations?

- Reunion and Cape Verde compete in a very small way, but don’t have good beaches
- South Africa
- Seychelles/Mauritius for the beaches, and all the Safari (Big 5) destinations for animals
- Madagascar doesn’t have any competing destinations

3.2.4 Consumer Profile

German nature, wildlife and adventure travellers are generally well-educated, well-travelled people from the higher socio-economic groups with managerial or profession jobs. They can be divided into three segments:

Empty Nesters (45-64 years old and Retired 65+ years)
Empty Nesters, the largest segment, are in the older age group and mostly travel as couples or in friends’ groups. This segment have children who have left home, leaving them more time, disposable income and flexibility in their travel arrangements than younger groups. Empty Nesters are generally still healthy and they are experienced travellers who want to discover new destinations and participate in authentic experiences. They are willing to pay for these experiences, provided they feel they are getting value of money. They are by far the largest segment of the market, accounting for more than half of the German clients booking holidays in Madagascar though the tour operators contacted for this study.

Germany has an ageing population and the number of travellers aged over 65 years is set to increase in future years. This age group remain healthy and active for longer than previous generations and they are less likely to be restricted by work or family commitments than the younger market segments. The German tour operators consulted for this study reported that around a quarter of their clients to Madagascar were aged 65 years or more.

Young Travellers (18-34 years and 35-44 years)
Young travellers can be differentiated into two key groups:
Young Independent Travellers (18-35 years): mostly backpackers and gap year travellers. They are often in their 20s or 30s and travelling as couples or alone. They may be travelling between their studies or during a career break. They have small daily budgets but travel for extended periods from one month to a year. They prefer cheaper accommodation and want to engage with local communities. They may undertake voluntary work on community or conservation projects during their travels. Young German independent travellers that engage in social media activities and forums tend to be from large cities from all over the country, particularly Berlin, Cologne, Dusseldorf and Hamburg.

Young Professionals (35-44 years) – cash rich and time poor - Young Professional tourists are employed, mostly in professional jobs, and usually travel as couples although there is also a singles market in this group. They have high incomes but limited time. They can afford to pay for comfort, which is important to them, and are looking for ‘once in a lifetime’ experiences. Amongst the tour operators consulted for this study, this segment accounted for a relatively small proportion of German tourists to Madagascar.

Families
The family market is a growing segment in Germany, and it can include parents travelling with their children, grandparents travelling with their grandchildren or several generations travelling together. Family groups can be very price conscious, and demand comfort, good facilities and a combination of safety and fun. The research undertaken for this study found very few German family groups currently travelled to Madagascar with tour operators.

The 2012 visitor survey undertaken by ONTM found that German visitors matched these consumer profiles. The survey identified that a third of German travellers were executives earning an average of €4000 to €5900 per month. They averaged 44 years old and the majority (62%) travelled as a family or as a couple and around a quarter (26%) travelled alone.

3.2.5 Product Specification

Regions Visited
General tours organised by the German tour operators consulted for this study all included the capital Antananarivo, the Central and Southern Regions. Some also included the Western and Northern regions.
Comments From German Tour Operators On The Most Popular Destinations

Nice beaches exist in the North, but many clients choose Seychelles or Mauritius if they want beaches. Our current tour covers the centre, west and south. Clients visit many parts of Madagascar. People visit Madagascar for all sorts of reasons, but they if they want beach holidays they tend to add on another destination. The German Foreign Office has issued a warning about visiting some parts of Madagascar, especially the West. This is over and above the general warning that Madagascar is not a very safe place to travel.

Length and Cost of Tours from Germany

The average length of a tour to Madagascar organised by the German tour operators consulted for this study was 17 days. This is slightly less than the average length of stay for all visitors, recorded by the Ministry of Tourism, which was 21 days. The average cost for a 17 day tour from Germany was €3,190 (or €188 per day) including accommodation, food, internal transport but excluding international airfares.

The type of accommodation used (ie, budget, mid-range or luxury) had the most impact on the overall cost of the tour.

Accommodation

German tour operators used ‘mid-range’ accommodation ie, hotels and guest houses. One company interviewed also offered an eco-lodge and ‘luxury’ accommodation.

Tour operators from Germany commented that accommodation is adequate and generally suitable for their clients. However it was very important to ensure their clients expectations were realistic and that they informed their clients that accommodation in Madagascar is not luxury and does not match international grading standards. Tour groups vary in size; however accommodation providers who can offer around 8-10 rooms of similar quality would accommodate the majority of group sizes.

Independent travellers from Germany used guest houses, hotels, lodges, homestays and B&Bs.

In general visitors were satisfied with the accommodation and in particular with the hospitality offered by the people running the accommodation establishments.

Comments From German Tour Operators on Visitor Accommodation

We always inform clients that accommodation in Madagascar is not luxury
What the clients want is cleanliness, not luxury
Mid-range hotels in Madagascar are decent and are small hotels, not chains, which is ideal for the German clients
Accommodation is adequate
Accommodation is good for our clients
There is not much choice in the East; Takuna Forest Lodge is very nice but there is not much else there that is good. It is sometimes hard to find good accommodation in some regions. The South is OK.

Transport

All German tour operators used internal air transport to travel around Madagascar, combined with either car hire or local bus/ coaches.

Air Madagascar was considered to be the main problem due to its unreliability and safety record. One tour operator stated that they had cancelled tours due to Madagascar due to the unreliability of Air Madagascar.

Independent travellers, who are mostly budget conscious, find internal flights expensive but find it difficult to use public transport.

Comments From German Tour Operators on Local Transport

We just cancelled our planned tours to Madagascar for 2015. This is because of a) safety concerns in parts of Madagascar and b) problems with internal flights. Our company has a very good reputation for safety, and safety management in Madagascar is not up to standard. Also, Air Madagascar flights are not reliable or safe enough for our requirements.

7 Ministere du Tourisme, des Transports et de la Meteorologie, Statistiques du Tourisme 2014
Air Madagascar is the biggest problem with travelling in the country. The time delays, changes and cancellations are very hard. One client has booked a tour for October 2015 already, and the only aspect still waiting to be fixed is the internal flights that Air Madagascar still has not published for October 2015. I don’t know of any other airline that has not published flights for October 2015 by now (December 2014). Roads are poor and in general the infrastructure is not good in Madagascar, which is its main problem with regard to developing tourism. Travel is adequate. Travel is not always on time, but clients are warned about this.

3.2.6 Requirements from Local Suppliers

The most important service that German outbound tour operators required from local suppliers was to have detailed knowledge of the country and the products offered.

Local suppliers also need to offer knowledgeable and trained guides, although German companies did not feel it was essential to have an English speaking guide.

It is important that local suppliers are responsive and communicate efficiently. This was as important having English-speaking guides.

Tour operators considered it important that a supplier could provide adequate insurance, up-to-date health and safety documentation and possess certification of standards of sustainability.

Food needs to be good quality local food with high standards of hygiene. Elaborate western style food is not expected.

Comments From German Tour Operators - What do you require from local suppliers?

We have used the same tour leader, a Madagasy who lives in Germany and is fluent in both German and local Madagasy languages, for many years now. His reputation brings in more business. We have also used the same one agent in Madagascar for many years, and we trust the agent to have up to date insurance and safety certification.

We send own tour guide (German speaking) with each tour. Suppliers need to have high standard certification of sustainability and health/safety. Our experience of working with local suppliers in Madagascar over many years is that communications are in general poor. This is probably due to cultural differences, but it makes it very hard to organise tours.

3.2.7 Key Factors for Developing Tours

German tour operators that develop tours to Madagascar are most concerned about the quality of the product that they can offer their clients. These clients expect to experience Madagascar’s flora and fauna, its diverse landscape and interesting culture. Tour operators need to know that they can deliver these experiences in a way that will satisfy the expectations of their clients.

Figure 9 lists the factors German tour operators consider most important when they plan a tour and also what they think their clients are most concerned about.

Figure 9: Key factors for german tour operators and clients when planning a tour to madagascar
After ‘Quality of the Product’ the most important factor was how easy it is to access the destination, the cost and time involved in travelling there. Security is a major concern, particularly for clients.

### 3.2.8 Booking Trends and Booking Lead Times

Four out of the five German tour operators considered that Madagascar was becoming a more popular destination although booking figures had fluctuated in the past few years. The increase in popularity was thought to be due to increased awareness of the country, through the Internet, the 2005 Dreamworks film ‘Madagascar’ and because Germans are looking for somewhere that is undiscovered and not too touristy.

All of the German tour operators interviewed for this study sent less than 100 clients per year to Madagascar. The company that sold the most holidays specialised in selling Madagascar, for the other more general tour operators Madagascar accounted for less than 2% of their business.

More than three quarters (76%) of Germans, who book a holiday to Madagascar through a tour operator, did so at least 3 months in advance of their trip. Nearly half (44%) book more than 6 months in advance. German tour operators reported that on average nearly a quarter (24%) of their clients book less than 3 months in advance of travelling.

### 3.2.9 Independent Traveller Feedback

Based on an analysis of the conversations taking place on social media independent travellers from Germany were generally positive about their trip in Madagascar. However there were relatively low levels of social media activity amongst German travellers to Madagascar compared to travellers from Scandinavia and South Africa. There was very little discussion and information provided about Madagascar generally or places to visit.

The social media analysis highlighted that German independent travellers are interested in discovering the island completely independently. They are eager to use bush taxis or internal flights to move around.

They are largely discussing security problems and crimes taking place in the country.

These travellers are aware of the poverty of the population and some people are asking other travellers about what kind of gifts they should bring to children.

#### Figure 8: German independent travellers likes and concerns.

<table>
<thead>
<tr>
<th>Source Market</th>
<th>What They Liked</th>
<th>Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Generally comments about their trip are positive.</td>
<td>Environmental protection of the rainforest, Poverty, Security&lt;sup&gt;8&lt;/sup&gt;, Local transport, Cost of domestic airfares</td>
</tr>
</tbody>
</table>

Source: Social Media Analysis, Acorn Tourism

The main concerns raised by travellers were environmental issues, particularly in relation to protection of the rainforest, security, poverty and unsanitary conditions. Their main concern was the difficulty and cost of travelling locally.

It is important to try to generate positive feedback on German social media channels and review sites. Potential German visitors will be influenced by social media commentary, particularly review sites, when they research future holidays and make their buying decisions.

### 3.2.10 Marketing Channels

Germans who choose Madagascar as holiday destination are most influenced in their choice by personal recommendations, according to the tour operators interviewed.

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<sup>8</sup> Mostly based on comments from 2012-13
The influence of Internet research and recommendations from tour operators are also important in choosing a holiday in Madagascar.

PR activities that generate articles in newspapers and magazines, and television programmes, are influential, along with travel brochures and advertisements.

Facebook was considered to be the most influential social media site for German tour operators’ clients. TripAdvisor and Instagram were also named as as influential sites.

ITB (March) in Berlin and WTM (November) in London were attended by 3 of the 5 German tour operators interviewed, who attended in order to meet new suppliers. Some companies also attended Adventure World Summit and shows in Frankfurt, Munich and Stuttgart.

**Marketing activities needed to raise awareness**

In order to increase awareness of Madagascar in Germany, tour operators felt that it was most important to develop the Madagascar tourism brand, supported by the development of the destination website and creation of promotional materials.

**3.2.11 Barriers to Growth**

Concerns about safety and security were the main barriers to increasing the number of tours and bookings to Madagascar from Germany. The cost, unreliability and safety record of the internal air service was also a major barrier to growth for German tour operators.
The overall cost of a holiday to Madagascar from Germany is also a barrier to the development of the family market and for less well off visitors.

Germany tour operators reported that the factors their clients were concerned about and that were negatively affecting bookings were security, political instability and Ebola. Some German tour operators said that Ebola meant that numbers had decreased to all their African destinations, one said that bookings to Madagascar had increased as people felt that as an island it was safe from Ebola.

### 3.2.12 Summary and Conclusions

**German Market Summary**

**Trade statistics:** Germany is the largest outbound market in Europe with a high level of tourism expenditure. Germans are experienced, adventurous travellers and among the top 10 EU source markets for travel to Africa. 5,000 Germans visited Madagascar in 2014, 2.3% of total international arrivals.

**Core product:** A unique nature, cultural and adventure destination

**Niche products:** Specialist wildlife, bird watching, trekking, educational tours, motor biking, geological tours, volunteering.

**USP:** Its landscape, animals and undeveloped tourism make it different from everywhere else

**Competitor destinations:** limited due to Madagascar’s unique landscape, flora and fauna. South Africa and Indian Ocean destinations Reunion Island and for beaches, Seychelles and Mauritius.

**Target markets:** Need to be both cash and time rich due to the time required for a holiday in Madagascar (14-21 days) and the cost of a tour (approximately €188 per day plus international flights)

**Key markets:** Empty nesters.

**Potential for growth:** Retired 65+, niche interest tours, family market, younger travellers.

**Length and cost of tours:** the average length of a tour was 17 days which cost €3,190 (ie, €188 per day) excluding international airfares.

**Accommodation:** Meets the needs of the current German market, who do not expect luxury but require small, personal, clean mid-range hotels. Eight rooms of similar quality would meet the needs of most tour operators.

**Food:** Good quality local food, produced with high standards of hygiene, is expected, not elaborate western food.

**Local transport:** Hampered by the unreliability and safety record of Air Madagascar and by the poor road infrastructure.

**Local suppliers:** Need detailed knowledge of the country, the products available and well-trained guides. They must be responsive, communicate effectively and provide adequate insurance, up-to-date health and safety documentation and certification of sustainability standards.

**Develop new tours:** Tour operators need to be sure they can meet their clients’ expectations of high quality interaction with the wildlife and landscape and with local people and culture. The cost and time involved in travelling to Madagascar and addressing concerns about security and safety are also key factors.

**Booking trends:** Slow growth - Madagascar is slowly growing in popularity in Germany, with an increasing level awareness. Low volume of holidays (less than 100 pax per year) with specialist Madagascar tour operators selling most.

**Booking lead times:** Nearly half of trips to Madagascar will be booked 6 months before departure.

**Independent travellers:** Generally comments were positive. These travellers liked to discover the country completely independently. Concerns were security, environmental protection of the rainforest, poverty, local transport and the cost of internal flights. Germans were less active on social media than Scandinavians or South Africans. Positive online feedback needs to be generated to inspire potential visitors.

**Marketing channels:** Personal recommendations are most likely to influence Germans to take a holiday in Madagascar, followed by the Internet and tour operator recommendations. Facebook was the most influential social media activity, along with Trip Advisor and Instagram.

**Trade Fairs:** ITB and WTM are considered a good way to meet local suppliers but not all tour operators attend, particularly the smaller ones.

**Marketing actions:** Development of a tourism brand is the priority, supported by a destination website and creation of promotional materials.

**Barriers to growth:** Concerns about security, internal transport (cost and reliability), safety. Cost was also inhibiting the growth of the family market. Continued political stability will be key to attracting more Germans to visit Madagascar.
Conclusions: Potential for Growth in Germany

Germany has considerable potential as a source market for Madagascar. It is a large outbound market with a propensity to visit Africa. Germans enjoy holidays that offer outdoor, adventurous activities and the nature and adventure segments are expanding. Germans are also interested in holidays that offer specialist activities such as bird watching, trekking, educational tours, motor biking, geological tours or volunteering.

Madagascar is a new, exciting destination and could appeal to the growing number German empty nesters aged 45+ years, as well as to the retired and still healthy 65+ market and to a the smaller but still significant segments of young travellers and well-off families.

To significantly increase the number of Germans travelling to Madagascar it will be necessary to raise awareness generally and to address their concern about security and safety. This can be done through a well co-ordinated branding, communications and marketing strategy that promotes Madagascar’s unique strengths and communicate positive stories and messages about Madagascar, so that they override negative commentary. However the communications messages will need to be underpinned by product development and quality standards that ensure visitors have an experience in Madagascar that exceeds their expectations and generates positive feedback.

The cost and time to travel to Madagascar are barriers to expanding the market, along with Air Madagascar’s safety record and unreliable service that creates additional costs for German tour operators.
3.3 Scandinavia

3.3.1 Macro Economic and Trade Statistics

Macro Economic Statistics
The Scandinavian countries studied for this report are Denmark, Norway and Sweden. In terms of volume, these countries have small populations compared to the other potential source markets included in this report. The Scandinavian country with the largest population is Sweden at 9.7 million and even the combined population of these countries (20.4 million) is only a quarter of Germany’s population of 81 million and half of South Africa’s population of 48 million people.

![Figure 12: Macro Economic Statistics for Denmark, Norway and Sweden, 2013](image1)

<table>
<thead>
<tr>
<th>Population (m)</th>
<th>GDP per capita (Int $)</th>
<th>Annual average GDP growth over past decade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>5.6</td>
<td>38,917</td>
</tr>
<tr>
<td>Norway</td>
<td>5.1</td>
<td>56,223</td>
</tr>
<tr>
<td>Sweden</td>
<td>9.7</td>
<td>42,624</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Denmark, Norway, Sweden

![Figure 13: Macro Economic Statistics for Scandinavia, 2013](image2)

<table>
<thead>
<tr>
<th>Scandinavia (Denmark, Norway, Sweden)</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population (m)</td>
<td>20.4</td>
</tr>
<tr>
<td>Average GDP per capita (Int $)</td>
<td>45,921</td>
</tr>
<tr>
<td>Annual average GDP growth over past decade (%)</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Denmark, Norway, Sweden; Acorn Tourism Analysis

In terms of value, these Scandinavian countries have stable economies with marginally higher average GDP per capita than Germany and their average annual GDP growth over the past decade has also been higher than Germany.

Tourism Trade Statistics
Due to Scandinavia’s relatively small population compared to other potential source markets, the number of outbound visits and the value of tourism expenditure are relatively low. However, per capita, Scandinavians travel abroad more often and spend more than the Germans or the South Africans.

![Figure 14: Tourism Trade Statistics for Denmark, Norway, Sweden, 2013](image3)

<table>
<thead>
<tr>
<th>Tourism Trade Statistics, 2013</th>
<th>Denmark</th>
<th>Norway</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outbound visits (m)</td>
<td>9.1</td>
<td>11.5</td>
<td>12.9</td>
</tr>
<tr>
<td>Average outbound visits per capita</td>
<td>1.6</td>
<td>2.3</td>
<td>1.3</td>
</tr>
<tr>
<td>International tourism expenditure (US$bn)</td>
<td>10.1</td>
<td>18.4</td>
<td>17.6</td>
</tr>
<tr>
<td>International tourism expenditure per capita (US$)</td>
<td>1,804</td>
<td>3,608</td>
<td>1,814</td>
</tr>
<tr>
<td>Global rank for international tourism expenditure</td>
<td>28</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Denmark, Norway, Sweden

![Figure 15: Tourism Trade Statistics for Scandinavia, 2013](image4)

<table>
<thead>
<tr>
<th>Scandinavia (Denmark, Norway, Sweden)</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of outbound visits (m)</td>
<td>33.5</td>
</tr>
<tr>
<td>Average outbound visits per capita</td>
<td>1.6</td>
</tr>
<tr>
<td>Total International tourism expenditure (US$bn)</td>
<td>46.1</td>
</tr>
<tr>
<td>Average International tourism expenditure per capita (US$)</td>
<td>2,409</td>
</tr>
<tr>
<td>Average Global rank for international tourism expenditure</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for Denmark, Norway, Sweden; Acorn Tourism Analysis

Despite its relatively small population Norway is an interesting outbound market. The average number of annual outbound visits taken by each Norwegian is more than twice the number taken by Germans (1.1). In addition, the amount spent per person in Norway is double the amount spent by people in Denmark and Sweden and is 3.4 times the amount spent by Germans.
Scandinavian outbound trips to developing countries have increased since 2007\(^9\). In addition Scandinavians are more nature orientated than most other EU travellers and enjoy adventurous active holidays\(^{10}\), making them an interesting potential market for Madagascar.

**Outbound Tourism to Madagascar**

Tourists from Scandinavia only started to visit Madagascar in any significant numbers in the past four years. The first recorded trips were in 2011 when the UNWTO reported 1,517 arrivals from Scandinavia. The number of arrivals rose by almost 40% in 2012 to 2,117.\(^{11}\)

*Figure 16: Outbound tourism from Scandinavia to Madagascar 2008-14*

![Graph showing the increase in outbound tourism from Scandinavia to Madagascar from 2008 to 2014.]

Although the volume of arrivals from Scandinavia is very small and only accounted for 0.8% of tourist arrivals to Madagascar in 2012, the potential value of the market and the initial growth in volume is an encouraging indicator for investing in the Scandinavian market.

**3.3.2 Product Definition: Nature, Adventure and Culture**

In Scandinavia Madagascar is primarily sold as a nature destination due to its exceptional fauna and flora and the diversity of its natural landscape. Most tours are sold as general, nature, adventure and/or cultural tours. Madagascar is very rarely sold in combination with any other destination.

Specialist wildlife, bird watching and trekking holidays to Madagascar are also sold. One company interviewed for this study also sold community-based tourism holidays. Despite its idyllic beaches, Scandinavian tour operators do not sell Madagascar as a beach destination.

**For independent travellers** from Scandinavia the rich wildlife and endemic species of local fauna and flora are the main attraction. They visit the National Parks and are particular interested in seeing the lemurs. These visitors are also attracted by Madagascan culture and they visit local villages to discover the local way of life.

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\(^9\) CBI Product Fact Sheet: Wildlife Tourism from Scandinavian Countries  
\(^{10}\) CBI Product Fact Sheet: Nature Tourism from Scandinavian Countries to Latin America  
\(^{11}\) At the time of writing this report, the UNWTO data for arrivals from Scandinavia to Madagascar in 2013 and 2014 was not available.
Comments From Scandinavian Tour Operators - What is the main reason your clients choose to go to Madagascar?

Clients choose to go to Madagascar because it is so different from anywhere else - they have usually travelled widely and want to see somewhere that has not been spoiled. The endemic animals, the landscape and nature. Definitely for the flora and fauna. They choose to go to Madagascar because it is different. 50% of our clients that go to Madagascar have some connection to the country. For the wildlife and nature, and because Madagascar has not succumbed to mass tourism. For the nature and the animals, and then for the beach at the end. Norway has a long tradition of missionaries working in Madagascar, even to the extent of some streets in Madagascar being named after Norwegians. Most people in Norway have some connection, however tenuous, with Madagascar through the missionaries.

3.3.3 USP and Competitor Destinations

Scandinavian tour operators who sell Madagascar consider it to be different from any other destination. It has an exotic appeal partly due to its ‘untouched’ nature and lack of mass tourism, and because of the endemic species of wildlife.

Some Scandinavian tour operators considered that Madagascar had to compete against the African safari destinations, particular South Africa due to its accessibility. Others felt that safari countries were very different and were not direct competitors to Madagascar. Reunion was considered to be exotic and offer similar trekking and wilderness experiences. In terms of a beach destination, Mauritius, Seychelles and Zanzibar were mentioned as possible competitors, but not for people wanting to see the exotic animals.

To differentiate itself from other destinations, Scandinavian tour operators felt that Madagascar must stay different, not open up to mass tourism and be aware of environmental issues.

Comments From Scandinavian Tour Operators - What is Madagascar’s USP?
"You go to Madagascar because it is Madagascar", not just for the beaches or just for the animals. It is exotic. The endemic animal life. The flora and fauna. The lemurs, the untouched nature, a sense of mystery, something 'untouched' about it. The chameleons!

Comments From Scandinavian Tour Operators - How can Madagascar differentiate itself from competing destinations?
Stay different! It is like 'travelling back in time' to visit Madagascar, and this is a selling point in itself. Also there are animals that cannot be seen elsewhere and this needs to be known. It must keep its sense of mystery and the fact that it is not open to mass tourism. Keep undeveloped, be aware of environmental issues.

3.3.4 Consumer Profile

Scandinavian nature tourists are generally well-educated, well-travelled people from higher socio-economic groups. They are motivated by the natural environment of the places they visit and are interested in learning about the communities who live there. Scandinavians are also the most active and adventurous travellers in the EU. There are three important segments for the Scandinavian nature tourism market that are also relevant for the adventure market:

Empty Nesters (45–64 years) and Retired (65+ years)
This is the largest segment, consisting of people aged between 45 to 64 years whose children have left home. Increasingly this segment also includes the 65+ age group. They are still healthy and generally have more time and disposable income to spend on holidays. They are often experienced travellers that enjoy natural, quiet environments and look for new experiences. They are especially interested in nature tourism. They mostly travel as couples and expect good value for money and are willing to pay for authentic experiences. They generally seek higher standards of comfort and make use of more traditional media such as newspapers, literature, guidebooks and television than younger age groups.

Three quarters of the Scandinavian clients of the tour operators interviewed for this study were over 45 years old, with a quarter being over 65 years old. This was very similar to the German market segmentation.
Young Travellers (18-44 years)
The 18-30 year olds and the 31-44 year olds is the second largest segment. They have often travelled or studied abroad in the past and are increasingly interested in exploring new destinations further away. This segment can be differentiated into:

Independent travellers with small daily budgets and extensive time:
Mostly 18-30 year old backpackers and gap year travellers who are travelling between their studies or during a career break. The daily budgets of these travellers are relatively small but they travel for longer than other segments, from one month to one year. They choose cheaper accommodation, look for opportunities to engage with local communities and experience local activities and products. They may undertake voluntary work during their travels, either with local communities or with conservation projects.

Young professionals with high income and little time:
Mostly aged 31-44 years who travel in couples or sometimes as singles. They want to fit in as much as possible into their trip, searching for ‘once in a lifetime’ experiences. Comfort is usually important for them.

The tour operators interviewed for this study reported 22% of their clients were young travellers aged between 18 and 44 years.

Families with children
This is important segment. Scandinavian families typically use the school holidays to be together and to obtain new experiences. They are becoming increasingly demanding, requiring good and child friendly facilities and are particularly interested in holidays that combine fun with cultural enrichment and higher end experiences. All-inclusive holidays are especially popular among this segment due to their convenience and the control over expenditure.

Generally Scandinavian tour operators do not take many family groups to Madagascar. However one Norwegian tour operators said they had seen an increase in demand for family holidays over the past three years. The educational value of the Madagascan experience is considered to appeal to families.

3.3.5 Product Specification

Regions Visited
All the tours organised by the seven Scandinavian tour operators interviewed for this study included Antananarivo, the Central, Eastern and Western regions. All but one tour operator included the South in their tours, whereas only 4 tour operators included the Northern region.

Comments From Scandinavian Tour Operators – Which regions of Madagascar do you visit?
The West is more popular, because of the weather/climate and because the local infrastructure works better there than in the East. There is enormous potential for tourism in the train journey from the Highlands to the East Coast, which passes through stunning landscapes and villages. Currently it is too unreliable, but with careful development, this could be a great asset to tourism in Madagascar. The tours are all tailor-made, so clients can choose where they want to go.

Length and Cost of Tours
The average length of a tour to Madagascar booked with a tour operator in Scandinavia was 17 days.

The average cost for a 17 day tour from Scandinavia was €3,500 (or €206 per day) including accommodation, food, internal transport but excluding international airfares. A tour could cost considerably more depending, primarily, on the type of accommodation used (ie, budget, mid-range or luxury). The length and cost of tours to Madagascar was considered to be one of the main reasons for not selling Madagascar in combination with any other destination.

Accommodation
Scandinavian tour operators used ‘mid-range’ accommodation ie, hotels and guesthouses and some budget accommodation, eco-resorts and luxury 5 star resorts.

Tour operators from Scandinavia commented that although accommodation in Madagascar is adequate and generally suitable for their clients it is important that their clients don’t expect it to match international grading standards. Capacity was sometimes an issue for tour groups who had a demand for several single rooms.

Scandinavian independent travellers used lodges, hotels and campsites, which they reviewed on social media. Reviews were generally positive, and the hospitality of their hosts was commented on.
Comments From Scandinavian Tour Operators – On Accommodation
Accommodation in Madagascar is suitable for Scandinavians, who like small, personal hotels where rooms are clean. They do not seek great luxury. We are an adventure travel company, and clients do not book holidays with them for luxury, but for the different experience. There are not always enough rooms available if there is high demand for single occupancy. There is sometimes not enough space in a hotel for a group of 20 as there are usually several single rooms required, so we have to split a group between two hotels. It is a shame more good hotels aren't owned by Malagasy people (usually French owned). Accommodation in hotels is not a problem, although service needs improving. On the way to the South West, our entire tour group got a stomach bug for 3-4 days presumably from food eaten in a hotel; some guests needed antibiotics.

Transport
All but one Scandinavian tour operator used internal air transport to travel around Madagascar, combined with either car hire or local bus/coaches. One tour operator from Norway included train travel in their itinerary.

Scandinavian tour operators said that Air Madagascar was the main problem due to its unreliability and safety record, causing additional costs to the price of a tour.

Independent travellers find internal flights expensive but also find it difficult to travel around the country using public transport.

Comments From Scandinavian Tour Operators – On Local Transport
Domestic flights are very unreliable, but otherwise travel around Madagascar is fine. We haven’t had one tour in Madagascar that did not have at least one significant delay in travelling around the country. Air Madagascar is very unreliable for internal flights within Madagascar, and sometimes we find flights are cancelled resulting in long car/bus journeys, so we have to build in extra time for travelling in case this happens.

3.3.6 Requirements from Local Suppliers
The most important service that Scandinavian tour operators require from local suppliers is to have a detailed knowledge of the Madagascar and the tourism products that can be offered to Scandinavian visitors.

Scandinavian tour operators place great importance on having knowledgeable and trained guides and a high priority on the availability of English speaking guides.

Local suppliers need to communicate efficiently and be responsive to requests for information. They need to provide adequate insurance, up-to-date health and safety documentation and possess certification of standards of sustainability.

Although Scandinavian clients do not expect elaborate western style food, local food does need to be good quality with high standards of hygiene.

Comments From Scandinavian Tour Operators – What do you require from local suppliers?
It is very important to establish a good relationship with local suppliers. We use a South African company that has offices in Madagascar, as a local agent, and this works very well. We have used the same agent in Madagascar for 10 years, who knows all the drivers of buses/cars that they use. The agent is vigilant about safety and security, makes sure all the buses have seat belts, that drivers don’t drink or have women companions in the buses, and that driving is not done at night. Local guides must know their way around, and the best ways to get to places. Local suppliers must be trained to a high standard, and be reliable.

3.3.7 Key Factors for Developing Tours
The priorities for Scandinavian tour operators, when they develop a new tour, are very similar to the German and South African tour operators. The quality of the tourism product they selling to their clients is paramount, together with ease of access to the destination.

Below lists the factors that Scandinavian tour operators taken into account when developing a tour.
Figure 17: Key factors for Scandinavian tour operators and clients planning a tour to Madagascar

The security, or perception of how secure a destination is, rates highly with clients. The quality of the accommodation is relatively less important.

3.3.8 Booking Trends and Booking Lead Times

Six of the seven Scandinavian tour operators consulted for this study sent less than 100 clients per year to Madagascar and Madagascar accounted for less than one per cent of their business. One company, that sent more than double this number of clients to Madagascar each year, was a specialist company selling other less known African destinations such as Rwanda, Ethiopia and the Cameroon and reported that Madagascar accounted for 45% of their business.

Five of the seven Scandinavian tour operators interviewed thought that Madagascar was growing in popularity as a destination and on average they expected the number of visitors they send to Madagascar to increase by around a third in 2015 compared to five years ago.

More than 8 out of 10 (86%) of Scandinavians who book a holiday to Madagascar through a tour operator do so at least 3 months before they travel. Half to them (43%) book more than six months in advance.

Comments From Scandinavian Tour Operators

Reasons why Madagascar is becoming more popular
- People want to find somewhere that is different.
- Through public awareness via the Internet.
- More people are hearing about it. People have more money.
- Word of mouth.
- As the world becomes ‘smaller’, clients want to go somewhere different, a destination without too many other tourists.

Reasons why Madagascar is not becoming more popular
- Fears of political instability/Ebola/the ‘Black Plague’.
- Recent years have seen a decline in numbers of clients travelling to Madagascar because of the concerns about political infighting and instability in the country.

3.3.9 Independent Traveller Feedback

Scandinavian independent travellers were generally very positive about their trip to Madagascar. However, based on the analysis of comments by Scandinavians on social media, potential travellers were very anxious about security.

Travellers who have visited Madagascar seem very happy with the experience, although they comment that it is easier to visit the country if they can speak French. The difficulty and cost of travelling locally was a topic frequently raised.

Figure 18: Scandinavian independent travellers likes and concerns

<table>
<thead>
<tr>
<th>Source Market</th>
<th>What They Liked</th>
<th>Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandinavia</td>
<td>Loved their experiences and many thought their trip to Madagascar was the best they had ever done</td>
<td>Security</td>
</tr>
<tr>
<td></td>
<td>Richness of the forest, flora and fauna</td>
<td>Unsanitary conditions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental issues</td>
</tr>
</tbody>
</table>

Source: Social Media Analysis, Acorn Tourism
The main concerns raised by Scandinavian travellers were security, environmental issues, particularly in relation to protection of the rainforest, and unsanitary conditions.

3.3.10 Marketing Channels

Personal recommendations, together with Internet research and the recommendation of a tour operator are the greatest influences on Scandinavians choosing Madagascar as a holiday destination.

Figure 19: Influences on Scandinavian’s choice of Madagascar as a destination

![Graph showing the influences on Scandinavian's choice of Madagascar as a destination.]

Source: Acorn Tourism consultations with tour operators in Scandinavia

PR is valuable with exposure on television and articles in newspapers and magazines considered more influential than advertising.

All Scandinavian tour operators promoted themselves using Facebook which they considered to be the most influential social media site followed by tripadvisor and Instagram.

Four of the seven tour operators attended ITB (March) in Berlin and WTM (November) in London to meet new suppliers. Some tour operators felt these big shows were expensive and didn’t bring sufficient business; instead they attended the trade fairs Ferie Fer Alle (February) in Denmark and TUR Fair (March) in Sweden. In addition to the trade fairs some consumer fairs were also attended. One company considered Reiselivsmessen (January) in Oslo to be very important in attracting clients. However there was generally some uncertainty about whether the sales from these consumer shows justified the cost.

Marketing activities needed to raise awareness

The most important action that Madagascar should take to improve its awareness as a destination in Scandinavia is to develop its tourism brand and support this by creating promotional materials and a new destination website.

Figure 20: Main marketing actions to improve awareness in the Scandinavian market

![Graph showing the main marketing actions to improve awareness in the Scandinavian market.]

Source: Acorn Tourism consultations with tour operators in Scandinavia
Comment from Swedish Tour Operator - What marketing activities are needed to raise awareness?

Clients who book a tour to Madagascar have usually visited other countries in Africa before: they need to be told about Madagascar and how different it is from anywhere else so that it is not always the third/fourth/fifth country in Africa that people visit.

3.3.11 Barriers to Growth

Scandinavian tour operators consider one of the key barriers to growth is the poor safety record and unreliability of Air Madagascar, together with the price of flights. Independent travellers also comment on local transport being difficult and costly.

Another important barrier to growing the Scandinavian market is the ability of tour operators to find reliable, knowledgeable local suppliers who can ensure Scandinavian tour operators deliver a quality product for their clients and recommend Madagascar as a destination to future clients.

Potential travellers are concerned about security and are anxious about political instability. Health issues are also a concern for travellers and some tour operators thought bookings were down because of Ebola and concerns about the plague.

Some independent travellers often feel they need to be able to speak French to facilitate their trip.

Comments from Scandinavian Tour Operators - What are the main barriers to you sending more clients to Madagascar?

Political instability in Madagascar; and the price of flights.

More promotion of Madagascar is needed in Norway.

There are so many other places to visit.

We are small and have only just started sending clients to Madagascar, but we believe it will send increasing numbers as word of mouth works its way through.

Ebola has meant a recent drop in sales of tours to East Africa. Also, the expense and infrequency of flights from Sweden via France/Kenya is a barrier.

Prices of flights and, at the moment, fears of Ebola.
3.3.12 Summary and Conclusions

**Scandinavian Market Summary**

**Trade statistics:** Scandinavia, and in particular Norway, is a small volume, high value market. Arrivals to Madagascar were only 2,171 in 2012 but had increased 40% on 2011 and are expected to grow in future. The Scandinavians are among the keenest nature tourists in the EU and enjoy active adventurous holidays.

**Core product:** Scandinavian tour operators sell Madagascar as a general tour that incorporates nature, adventure and culture.

**Niche products:** Includes wildlife, bird watching, CTB and trekking. USP: ‘Untouched’ nature and endemic animal life, flora and fauna; lack of mass tourism make it different from any other destination.

**Competitor destinations:** South Africa plus Botswana, Namibia, Kenya and Uganda for wildlife. Reunion Island for exotic and trekking; Mauritius, Seychelles and Zanzibar for beach but Madagascar is not sold specifically as a beach holiday in Scandinavia.

**Target markets:** Empty Nesters (aged 45-64 years) and Retired 65+ years. They are experienced, well off travellers who are looking for new experiences and are especially interested in nature tourism.

**Potential for growth:** Younger travellers are more likely to travel independently on small daily budgets and for extended periods; they may undertake voluntary work during their trip. Families with children are currently a very small proportion of the market but are considered to be a potentially important segment that could be attracted by Madagascar’s educational appeal.

**Length and cost of tours:** The average length of a tour to Madagascar from Scandinavia is 17 days and costs €3,500 (€206 per day) excluding international airfares. The quality of the accommodation used has the greatest impact on cost.

**Accommodation and Food:** Clean, hospitable accommodation suits the Scandinavian adventure market; luxury is not generally required. Capacity can be an issue for tour groups with demand for several single rooms. Good quality, hygienically prepared local food is preferred to western style meals.

**Local transport:** Air Madagascar was the main problem for internal transport. Its safety record and unreliability caused regular problems resulting in increased costs for tour operators and their clients.

**Local suppliers:** Must have a detailed knowledge of Madagascar and the tourism products on offer. Knowledgeable, well-trained guides that speak English are important for the Scandinavian market. They must communicate efficiently and provide insurance, health and safety documentation and sustainability certification.

**Developing a new tour:** Scandinavian tour operators must know that they can deliver a high quality product that will exceed their client’s expectations. They also take into consideration ease of access to the destination, availability of multilingual guides and security issues that are of particular concern to clients.

**Booking trends:** Tour operators feel that Madagascar is slowly becoming a more popular destination because people are looking for a destination that is different. Specialist tour operators book more holidays to Madagascar than larger more general tour operators.

**Booking lead times:** The majority (86%) book more than 3 months in advance with nearly half (43%) booking 6 months in advance of departure.

**Independent travellers:** Feedback was very positive, many thought it was the best trip they had ever done. Unsanitary conditions and environmental issues were concerns. Potential travellers researching their holiday were concerned about security.

**Marketing channels:** Personal recommendations, Internet presence and recommendations by tour operators are considered to have the most influence on Scandinavians choosing Madagascar as a holiday destination. PR opportunities (TV coverage and magazine articles) are more valuable than advertising. Facebook is considered the most effective social media activity followed by Trip Advisor and, to a lesser extent Instagram.

**Trade Fairs:** Most Scandinavian tour operators attended ITB and WTM but there are doubts about their value and some companies prefer to attend smaller fairs.

**Marketing Actions:** To improve awareness in Scandinavia, Madagascar needs to invest in its tourism brand that highlights Madagascar’s difference from other destinations and support it by creating promotional materials and a destination website.

**Barriers:** Air Madagascar was one of the main barriers to growing the Scandinavian market. The airlines poor safety record and unreliability cause costly disruption for tour operators who may schedule an extra on the tour to accommodate potential delays. This adds additional costs to an already expensive tour.
Conclusions: Potential for Growth in Scandinavia

Scandinavia has potential as a small but high value market. Norway is of particular interest due to the high levels of outbound travel and visitor expenditure and the strong ties it has with Madagascar through its missionary heritage. In addition, Scandinavians are the most nature orientated market in the EU and enjoy active holidays.

There is scope to develop a specialist market focusing on Scandinavian adventure travellers’ interest in the environment, bird watching, community based tourism and volunteering. Local suppliers should focus on identifying specialist Scandinavian tour operators and developing a strong professional relationship with them.

To grow the Scandinavian market Madagascar will need to retain its sense of difference and ‘mystery’. The country will need to be very aware of environmental issues as it develops its tourism industry or it will lose its USP for the Scandinavian market.

The main barriers to developing the Scandinavian market are potential visitors’ concerns about security and Air Madagascar’s unreliable service which increases costs for Scandinavian tour operators and further increases the price and duration of tours.
3.4 South Africa

3.4.1 Macro Economic and Trade Statistics

Macro Economic Statistics
South Africa has a large population, similar to the population of Spain and twice the size of Scandinavia\(^{14}\) and for the past decade has had strong annual average GDP growth rates compared to EU countries.

![Figure 20: Macro Economic Statistics for South Africa, 2013](image)

<table>
<thead>
<tr>
<th>Macro Economic Statistics, 2013</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (m)</td>
<td>48.6</td>
</tr>
<tr>
<td>GDP per capita (Int $)</td>
<td>11,543</td>
</tr>
<tr>
<td>Annual average GDP growth over past decade (%)</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for South Africa

However South Africa’s GDP per capita is around a quarter of Scandinavia’s and outbound travel is mainly undertaken by South Africa’s wealthy citizens, who are mainly white or Indian, although a growing minority of South Africa’s black middle classes are also enjoying higher incomes.\(^{15}\)

Tourism Trade Statistics
Only 11% of South Africans left the country in 2013, including same-day travel. The actual number of tourists is likely to be lower than this.

![Figure 21: Tourism Trade Statistics for South Africa, 2013](image)

<table>
<thead>
<tr>
<th>Tourism Trade Statistics, 2013</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outbound visits (m)</td>
<td>5.4</td>
</tr>
<tr>
<td>Average outbound visits per capita</td>
<td>0.1</td>
</tr>
<tr>
<td>International tourism expenditure (US$bn)</td>
<td>3.4</td>
</tr>
<tr>
<td>International tourism expenditure per capita (US$)</td>
<td>70</td>
</tr>
<tr>
<td>Global rank for international tourism expenditure</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for South Africa; Acorn Tourism

The South Africans that do travel abroad enjoy luxury travel including beach holidays in the Indian Ocean islands of the Maldives and the Seychelles, as well as safaris and cultural trips. South Africans are among some of the biggest spenders in overseas destinations but they are also attracted by value-for-money offers such as affordable beach destinations for example Mauritius and Mozambique.\(^{16}\)

Outbound Tourism from South Africa to Madagascar
The number of tourist arrivals from South Africa declined steadily from 7,842 in 2010 to 3,743 in 2013. However in 2014, arrivals increased to 5,026 to generate 2.26% of Madagascar’s tourist arrivals, a similar proportion as comes from Germany.

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\(^{14}\) The combined population of Norway (4.7m), Sweden (m), Denmark (5.5m), Finland (5.2m) and Iceland (0.3m) was 24.7 million people in 2010.

\(^{15}\) South Africa Outbound, Mintel TTA No. 9, June 2013

\(^{16}\) South Africa Outbound, Mintel TTA No. 9, June 2013
In 2014 South Africa was the sixth largest inbound market to Madagascar, just ahead of Germany and China.

3.4.2 Product Definition: Nature and Adventure

Madagascar’s remarkable fauna and flora and its exceptionally diverse natural landscape make it primarily a nature and adventure destination for South Africans.

Niche tours offered by South African tour operators include: cycling, ecotourism, sailing, scuba diving. Madagascar’s idyllic beaches are popular with honeymooners from South Africa.

Only one tour operator sold Madagascar combined with another destination, which was South Africa and occasionally Mozambique.

Independent travellers want to experience the way of life, taking part in rituals and day-to-day life. They want to experience the environment and visit the reserves and National Parks to see the wildlife. They also have an interest in working with charities or ngos.

Comments from South African Tour Operators: What is the main reason your clients choose to go to Madagascar?

For its nature, nature reserves and culture.
For the unique wildlife, landscapes, diving, sailing, kayaking. People love the indigenous “weird and wonderful” animals, the orchids and the rainforests.
For the uniqueness of Madagascar. The wildlife is its USP, but this is not enough on its own.

3.4.3 USP and Competitor Destinations

All the South African tour operators consulted felt that Madagascar was unique; that it was very different from other destinations and that there was no real competing destination. One tour operator suggested that the Galapagos Islands is the closest to a competitor destination.

The destinations that were suggested as competitors, for specific activities, were:
For wildlife: Namibia, Uganda
For beach: Mauritius, Reunion Island, Seychelles
For exotic destinations: Mauritius, Mozambique, Reunion, Thailand, Zanzibar.
To differentiate itself from competing destinations, South African tour operators suggested that Madagascar should promote its evolutionary story and how different the landscape and flora and fauna is from other countries.

It was also felt that the people of Madagascar are its greatest asset, with their hybrid ancestry making a fascinating cultural mix, and that this was not sufficiently promoted.

Some tour operators felt that too much had been made of the lemurs and that the film Madagascar has generated confusing messages, as visitors wanted to see penguins.

### Comments from South Africa Tour Operators - What is Madagascar’s Unique Selling Point?

- Its uniqueness!
- It is a "living museum' which needs to be preserved.
- "Evolution Stood Still"
- Its uniqueness.
- The wildlife.

### Comments from South Africa Tour Operators – How can Madagascar differentiate itself from competing destinations?

- Not enough is made of the evolutionary/ecological story of Madagascar.
- Its people are its greatest asset.
- By promoting how different the landscape and flora/fauna is from other countries.
- By not becoming overdeveloped. Beach resorts should not become like "Miami Beach".
- It is already different, but it doesn't promote itself as such.
- The people of Madagascar are a "draw card" but are again not promoted enough - their hybrid ancestry is a fascinating mix and culturally very interesting. They are, on the whole, full of charm.

#### 3.4.4 Consumer Profile

The South Africans that visit Madagascar are well-educated, well-off holidaymakers with professional jobs who are seeking new experiences. They can be divided into three main segments:

**Empty Nesters (45-64 years) and Retired (65+)**

The largest segment of South African visitors that booked holidays to Madagascar using a tour operator were the 45 to 64 year old Empty Nesters, whose children have left home. They accounted for around half of bookings made with the South African tour operators consulted for the study. Around a fifth of bookings were from the retired over 65-year olds group.

**Young Travellers (18-44 years)**

The Young Professionals, who are working and have high come but limited time, made up around a quarter of bookings. Honeymooners, who also fall into this segment, are more likely to be looking for a beach holiday. The slightly younger 18 to 24 year olds accounted for 8% of bookings. The younger segment is less likely to be booking through tour operator or travel agent and may be travelling independently.

**Families**

Although families are not currently a core market segment for tour operators in South Africa, two South African tour operators said they had seen an increase in demand for family holidays over the past three years, attracted by the educational value of the Madagascan experience. The product suits families with children aged 10-18 years who can be more flexible in their travel plans than those with younger children.

The average age of South African tourists to Madagascar, as identified by the 2012 visitor survey undertaken by ONTM, was 42 years old and half (52%) of these South Africans were travelling with their families or as a couple.

As with visitors from Germany and Scandinavia, South African visitors surveyed in 2012 were mostly employed (62%) often in profession jobs and a third of them (31%) were earning high monthly salaries of €4,000 to €5,900.

The survey also identified that 6% of South Africans were returning visitors and half (51%) had booked using a travel agency.

**Single Travellers:**

A slightly higher proportion of single South African travellers and friends groups booked through tour operators than from Germany or Scandinavia. The social media analysis conducted for this study indicated that independent South African travellers, both men and women, often travel alone, unlike the European travellers. The 2012 ONTM visitor survey also recorded that 40% of South Africans were travelling alone.

#### 3.4.5 Product Specification
Regions Visited
All five South African tour operators organised tours that visited Antananarivo and the Central and Western regions. The Northern and Eastern regions were visited by four of the tour operators and three visited the Southern region. The most popular areas depended on the type of holiday. Family, beach holidays or honeymoons were more likely to islands such as Nosy Be or Ile Sainte Marie. Eco and adventure tours may visit less developed areas such as the South East.

Comments from South African Tour Operators - Which regions of Madagascar do you visit?
Honeymooners like the beach destinations including Ile Saint Marie. The most developed areas, such as the North and West (Nosy Be) tend to be the most popular as these match the clients' levels of expectations (hotels are often Italian/French run or influenced, and this suits many clients especially families). Andasibe is popular for the rainforest and wildlife especially lemurs. Our favourite area is the South East. We are keen it doesn't become overdeveloped; it has a lot to offer, and is successful for those clients who like canoeing and camping.

Length and Cost of Tours
The average length of a tour to Madagascar booked with a tour operator from South Africa was 12 days.

The average cost for a 12 day tour from South Africa was €2,500 (or €209 per day) including accommodation, food, internal transport but excluding international airfares.

Accommodation
The 'mid-range' accommodation was generally considered to be of a good standard and good value for money. Provided clients expectations were realistic about the type of accommodation available, they were usually satisfied.

Independent travellers from South Africa used hotels, eco-lodges and rural hotels. Their comments on social media indicated that they were generally satisfied with the quality of the accommodation and particularly enjoyed the hospitality of the people operating the hotels and lodges.

Comments from South African Tour Operators - On Accommodation
The best description for some accommodation that the company uses is 'clean and comfortable', but it can be very basic. We point out to clients that Madagascar accommodation grading is not international grading. Clients want clean, safe accommodation with their own bathroom; they are not looking for great luxury. Clients often come back from Madagascar saying how pleasantly surprised they were with the standard of accommodation. Accommodation in Madagascar is good value for money. Young people are fine with the basic accommodation, as they feel this is part of the experience. So when breakfast in a rural hotel is just bread and jam (no butter) or hard-boiled eggs, and tea, they don't mind. We "measure peoples' expectations" especially American clients as they can be so litigious. Food is generally up to standard. However, it is best when accommodation providers serve Malagasy food, as attempts at 'international' cuisine often fail.

Transport
All South African tour operators used internal air transport to travel around Madagascar, combined with either car hire or local coaches.

Air Madagascar was considered to be the greatest problem as it is unreliable and has a poor safety record.

Comments from South African Tour Operators – On Local Transport
Air Madagascar is a real problem for tour operators and clients in Madagascar, with delays and cancellations leading to the operators having to build in extra time for these frequent occurrences. A Belgian tour operator we know has stopped all tours to Madagascar because of the unreliability of internal flights. Air Madagascar is "hopeless". The reason we do not sell as many holidays to Madagascar now is entirely due to the lack of safety provisions and unreliability of Air Madagascar. The importance of having good guides to drive the clients in Madagascar cannot be stressed enough. We don't have problems travelling around Madagascar with clients, as long as everyone is aware there may be delay/cancellations in internal flights. We always book back-up accommodation for at least one night in case of cancelled flights.
3.4.6 Requirements from Local Suppliers

South African tour operators need local suppliers who are very knowledgeable about Madagascar and the tourism products that it can offer South African visitors.

South African tour operators also placed high priority on the availability of English speaking guides and it is very important that guides are well trained and knowledgeable.

Tour operators considered it important that a supplier communicates well and responds quickly to enquiries. Providing adequate insurance, up-to-date health and safety documentation and possessing certification of standards of sustainability are also important.

Comments from South African Tour Operators - What do you require from local suppliers?

The company uses a driver/guide for groups of less than 6, but with 6 or more there is a need for a guide in addition to a driver (English speaking, but they mostly are anyway). This guide is needed to bring people who don't know each other together - so the guides need to be skilled with people. Also the guides have to be competent to be able to rescue situations such as finding alternative accommodation when internal flights are cancelled, and need to have hands-on practicality.

3.4.7 Key Factors for Developing Tours

The quality of the tourism product, the ease of access to a destination and the level of security are the three key factors that South African tour operators take into account when developing a tour for clients.

Figure 23: Key factors for planning a tour to Madagascar from South Africa

The South African tour operators contacted for this study were more concerned about the need for health and safety and insurance than the German or South African tour operators. Along with clients from Germany and Scandinavia, the quality of the accommodation least important compared to sustainability accreditations, price and multi-lingual guides.

3.4.8 Booking Trends and Booking Lead Times

Three of the South African tour operators consulted for this study sent less than 100 clients to Madagascar each year and said that Madagascar accounts for between 0.1% and 15% of their business. The two companies that specialise in selling only Madagascar at least double or three times the number of clients.

All expect one of the tour operators had seen growth in the number of bookings for Madagascar over the past four years.

Three of the five South African tour operators considered that Madagascar was becoming a more popular destination. The BBC David Attenborough wildlife documentary programmes are considered to have had a very positive impact on bookings.

One fifth (20%) of South Africans were likely to book a tour to Madagascar three months or less before they departed and eight out of ten (80%) of booking were likely be made 3 months or more before departure.

Comments From South African Tour Operators

Reasons why Madagascar is becoming more popular
David Attenborough’s wildlife documentaries, the latest BBC series brought in a "flood of enquiries". Articles in the National Geographic are also instrumental in promoting the destination.
More people are hearing about it, more cyclists want to go to unusual destinations. Reasons why Madagascar is not becoming more popular: Internal travel difficulties, political unrest in the country, high cost of travel. Safety issues

3.4.9 Independent Traveller Feedback

The South African independent travellers that were active on social media reported positive experiences; they love to be able to take part in local festivities and share local life. They don’t mind the unreliability and at times lack of electricity; it is considered to be part of the experience.

<table>
<thead>
<tr>
<th>Source Market</th>
<th>What They Liked</th>
<th>Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>Very positive experiences</td>
<td>The Madagascar Experience: Unreliability and power cuts are all part of the experience</td>
</tr>
<tr>
<td></td>
<td>Love taking part in local festivities and sharing local life.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Social Media Analysis, Acorn Tourism

3.4.10 Marketing Channels

Personal recommendations and Internet research are thought to have the most influence on South Africans choice of Madagascar as a holiday destination. Tour operators also consider that their recommendations have considerable influence on where their clients choose to go on holiday.

Television programmes about a destination such as the BBC’s David Attenborough Madagascar series generate increased enquiries about visiting Madagascar and well-placed articles in newspapers and magazines such as the National Geographic are also effective.

Facebook was the social media with most impact on the type of South Africans that might consider visiting Madagascar, according to the South African tour operators.

Three of the South African tour operators contacted for this study attended trade fairs to meet new suppliers. Two companies attended INDABA (May) in Durban and WTM (November) in London and one attended ITB (March) in Berlin. However some tour operators felt these big shows were too expensive and didn’t bring sufficient business to justify attending. One of the South African tour operators attended the smaller trade fairs in Germany rather than ITB, due to the cost.

Adverts in newspapers and magazines were considered to be less influential than other marketing channels.

Marketing activities needed to raise awareness
Developing a tourism brand and destination website were considered to be the most important actions required to raise awareness of Madagascar in South Africa. The brand and website should be supported by building a strong social media presence and creating promotional materials.

**Figure 26: Main marketing actions to improve awareness in the South African market**

![Bar Chart showing the importance of various marketing actions in the South African market.]

- **Tourism BRAND**: 80%
- **Destination website**: 80%
- **Social media presence**: 70%
- **Creation of promotional materials**: 60%
- **Tourism fairs**: 50%
- **Special interest events**: 40%

*Source: Acorn Tourism consultations with tour operators in South Africa*

Social media was considered by the tour operators consulted to be more important in the South African market than it is in the other potential source markets of Germany or Scandinavia.

**Comments from South African Tour Operators - What marketing activities are needed to raise awareness?**

- Promote other aspects of Madagascar than just the lemurs - the people are one of the country’s greatest assets. The people manning the ONTM stands at fairs are very nice, but not knowledgeable or well presented enough. Better promotion is needed all round.

3.4.11 Barriers to Growth

The key reasons raised for tourism to Madagascar from South Africa not growing were focused on the difficulties with internal travel and specifically problems with Air Madagascar, its unreliability, inflexibility, poor safety record and high prices.

Other barriers to growth were considered to be concerns about political unrest in the country, safety issues and poor infrastructure.

One South African tour operator commented that the cost of airfares from South Africa to Madagascar was similar to the fare to London and therefore it was uncompetitive and prohibitively expensive for most South Africans.

**Comments from South African Tour Operators - What are the main barriers to you sending more clients to Madagascar?**

- The ONLY barrier is Air Madagascar - unreliability, inflexibility, lack of routes, high cost. I quote a recent trade magazine article that states “It is useless to promote Madagascar without a reliable national carrier”.
- Safety issues with the national carrier, Air Madagascar.
- The expense of flights to Madagascar and within the country prevents many people from booking.
- Political stability would help make it more attractive - the smallest scare in Madagascar becomes a huge scare in USA so that they warn people not to travel there.

3.4.12 Summary and Conclusions

**South African Market Summary**

- **Trade statistics**: South Africa has a large population but overseas travel is confined to a small proportion of wealthy citizens. Those that do travel overseas tend to be high spenders. In 2014 South Africa was the sixth largest inbound market to Madagascar, generating just over 5,000 arrivals, 2.3% of total tourist arrivals.
- **Core product**: Madagascar is primarily a nature and adventure destination for South Africans, with its beaches appealing to honeymooners and family holidays. It is not usually sold as a single destination holiday.
**Niche products:** cycling, eco-tourism, sailing, scuba diving.

**USP:** The evolutionary history and unique flora and fauna of Madagascar differentiate it from other destinations.

**Competitor destinations:** No direct competitors, except possibly the Galapagos. For wildlife possibly Namibia or Uganda.

**Target market segments:** Empty Nesters, aged 45 to 64, were the key segment booking holidays to Madagascar through the tour operators consulted, together with the over 65 year olds. Most travelled in couples but there were more single South Africans than from Germany or Scandinavia.

Potential for growth: The family market is considered have potential for growth due to the educational value of Madagascar.

**Length and cost of tours:** The average length of a tour from South Africa is 12 days and costs €2,500 (€209 per day) excluding international airfares.

**Accommodation:** Clean, safe and comfortable mid-range accommodation is expected together with good quality local food.

**Local transport:** The unreliability of Air Madagascar causes considerable problems for tour operators who have to build in extra time into a tour.

**Local suppliers:** Need to be very knowledgeable about Madagascar and the tourism products available, be efficient, responsive, and provide adequate insurance, health and safety documentation and sustainability certification.

Guides need to be knowledgeable, well trained and speak English.

Develop new tours: Delivering a high quality experience for their clients, is the most important factor to enable tour operators to develop and sell more holidays. Ease of access to the destination, security concerns and insurance, health and safety are also important factors.

**Booking trends:** Bookings had grown over the past four years for 80% of tour operators. Specialist tour operators that only sell Madagascar sold significantly more holidays in 2014 compared more general tour operators.

**Lead times:** Most holidays are booked 3 months or more before departure although South Africans are more likely than the Germans or Scandinavians to book less than three months before departure.

Independent travellers: Are very positive about their experiences on social media forums particularly local festivals and sharing local life.

**Marketing channels:** Personal recommendations and Internet research have the most impact on South Africans choosing Madagascar as a destination. Tour operator recommendations are also important. Facebook is the most used social media forum.

**Trade Fairs:** Not all tour operators attended the big industry travel fairs, INDABA, ITB and WTM. They were felt to be expensive and don’t bring sufficient business.

**Marketing actions:** To raise awareness of Madagascar in South Africa, a tourism brand and destination website should be developed, supported by a strong social media presence and promotional materials.

**Barriers to growth:** The main barrier was considered to be Air Madagascar due to its safety record and unreliability that causes additional cost to tours and can make them uncompetitive. The cost of international fares in the region also makes Madagascar an uncompetitive destination. Political unrest, safety and poor infrastructure were also considered barriers to growth.

**Conclusions: Potential for Growth in South Africa**

Madagascar needs to be well positioned and clearly branded in South Africa focusing on its unique species of wildlife, its evolutionary history and its strong local culture. By differentiating itself from other African and Indian Ocean destinations it will appeal to the nature and adventure segments of the South African market, which are the segments that will most appreciate and enjoy the Madagascan experience.

There is potential to promote niche adventure activities such as cycling, sailing, and scuba diving to the South African market. These products need to be developed to international health and safety standards and suppliers need to be able to provide relevant insurance.

Eco-tourism, volunteering and community-based cultural activities also have an appeal in the South African market and suppliers will increasingly need to meet the sustainability accreditation expectations of South African tour operators.

Air Madagascar was considered to be the major barrier to increasing the number of tours from South Africa due to its safety record, unreliability and high airfares.
### 3.5 Potential Source Market Summary and Conclusions

<table>
<thead>
<tr>
<th>Market Factors</th>
<th>Germany</th>
<th>Scandinavia</th>
<th>South Africa</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Statistics</strong></td>
<td>Germany is the largest outbound market in Europe with a high level of tourism expenditure. 5,000 Germans visited Madagascar in 2014, 2.3% of total international arrivals. Germans are experienced, adventurous travellers and among the top 10 EU source markets for travel to Africa.</td>
<td>Scandinavia, and in particular Norway, is a small volume, high value market. Arrivals to Madagascar were only 2,171 in 2012 but had increased 40% on 2011. The Scandinavians are among the keenest nature tourists in the EU and enjoy active adventurous holidays.</td>
<td>South Africa has a large population but overseas travel is confined to a small proportion of wealthy citizens. Those that do travel overseas tend to be high spenders. In 2014 South Africa was the sixth largest inbound market to Madagascar, generating just over 5,000 arrivals, 2.3% of total tourist arrivals.</td>
<td>• Germany is the largest potential market with strong nature and adventure segments. • Scandinavia, especially Norway, is a small but high value market with strong nature and adventure segments. • South Africa has a small proportion of well off overseas travellers but they are potentially high spenders.</td>
</tr>
<tr>
<td><strong>Core Product</strong></td>
<td>A unique nature, adventure and cultural destination. Sold as a single destination not combined with other destinations due to the length of tours and cost. General tours that incorporates nature, adventure and culture. Sold as a single destination holiday.</td>
<td>Primarily a nature and adventure destination its beaches appealing to honeymooners and family holidays. It is usually sold a single destination holiday.</td>
<td>Nature, adventure and intangible culture are strong segments for all three potential markets. • Beach and water sports have appeal for South Africans, particularly honeymooners and families.</td>
<td></td>
</tr>
<tr>
<td><strong>Current Niche Products</strong></td>
<td>Specialist wildlife, bird watching, trekking, educational tours, motor biking, geological tours, volunteering</td>
<td>Includes wildlife, bird watching, CBT and trekking. Cycling, eco-tourism, sailing, scuba diving. Community based cultural activities.</td>
<td>Scope to further develop niche products for all potential markets eg, Nature: specialist wildlife, bird watching, geological tours • Adventure: cycling, motor biking, sailing, scuba diving, trekking • Culture: CBT, ecotourism, educational tours, volunteering</td>
<td></td>
</tr>
<tr>
<td><strong>Usp</strong></td>
<td>The landscape, animals and undeveloped tourism make it different from everywhere else. &quot;Untouched&quot; nature and endemic animal life, flora and fauna; lack of mass tourism. Different from any other destination.</td>
<td>The evolutionary history and unique flora and fauna of Madagascar differentiate it from other destinations.</td>
<td>Madagascar is differentiated from other destinations by its unique landscape and its evolutionary history that has created its endemic species of flora and fauna. • The lack of mass tourism is also of great appeal to the current and potential market segments. This needs to be taken into consideration in tourism development strategies.</td>
<td></td>
</tr>
<tr>
<td><strong>Competitor Destinations</strong></td>
<td>Limited competitors due to Madagascar's</td>
<td>South Africa for wildlife, plus Botswana,</td>
<td>No direct competitors except possibly</td>
<td>All potential source markets thought that</td>
</tr>
</tbody>
</table>

Namibia, Kenya, Uganda. Reunion Island for exotic and trekking. Mauritis, Seychelles and Zanzibar for beach but Madagascar is not sold specifically as a beach holiday in Scandinavia.

the Galapagos. For wildlife Namibia and Uganda.

Madagascar was different and if branded well had no direct competitors, with the possible exception of the Galapagos.

- Currently, due to the lack of branding and awareness, it competes against African wildlife destinations (mostly South Africa, plus Botswana, Namibia, Kenya, Uganda) and Indian Ocean beach destinations.

### Target Markets

| Need to be both cash and time rich due to the time required for a holiday in Madagascar. |

| Experienced, well off travellers who are looking for new experiences and are especially interested in nature tourism. |

| Well-off middle class able to afford to travel internationally. |

| Germans and Scandinavians need to have plenty of time available to visit Madagascar due to the length of tours. |

| Potential visitors from all source markets need to be well off. |

| They also need to be in search of new experiences. |

### Key Segment

| Empty nesters (aged 45-64 years). |

| Empty Nesters, mostly couples. |

| Empty nesters aged 45-64. Children have left home; have both time and money to travel. |

### Potential For Growth

| Younger travellers, niche interest tours, family market with children aged 10-18 years. |

| Younger independent travellers; they may undertake voluntary work. |

| Families with children aged 10-18, currently a very small proportion of the market but potentially important segment, attracted by Madagascar’s educational appeal. |

| Singles - more than from Germany or Scandinavia. The family market is considered have potential for growth due to the educational value of Madagascar. |

| Young travellers: independent travellers and young professionals. |

| Special interests within the adventure, nature, community culture segments. |

| Well-off families with children aged 10-18. |

| Volunteers. |

### Length And Cost Of Tours

| Length and cost of tours: the average length of a tour was 17 days which cost £3,190 (€350 per day) excluding international airfares. |

| Average 17 days and costs £3,500 (€206 per day) excluding international airfares. The quality of the accommodation used has the greatest impact on cost. |

| The average length of a tour from South Africa is 12 days and costs £2,500 (€209 per day) excluding international airfares. |

| 17 days from Germany and Scandinavia |

| 12 days from South Africa. |

| Cost of around €200 per day from all source markets including accommodation, food, local transport, excluding international airfares. |

### Accommodation

| Meets the needs of the current German market, who do not expect luxury. |

| Clean, hospitable accommodation suits the Scandinavian market; luxury is |

| Clean, safe and comfortable mid-range accommodation is expected. |

| Mid range accommodation is suitable for the nature, adventure segments from |
but require small, personal, clean mid-range hotels. Eight rooms of similar quality would meet the needs of most tour operators.  

<table>
<thead>
<tr>
<th>Key Factors For Local Transport</th>
<th>Local Suppliers</th>
<th>Food</th>
<th>Local Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>not generally required. Capacity could be an issue for tour groups with demand for several single rooms.</td>
<td>Need detailed knowledge of the country, the products available and well-trained guides. They must be responsive, communicate effectively and provide adequate insurance, up-to-date health and safety documentation and certification of sustainability standards.</td>
<td>Good quality local food, produced with high standards of hygiene, is expected, not elaborate western food.</td>
<td>Hampered by the unreliability and safety record of Air Madagascar and by the poor road infrastructure.</td>
</tr>
<tr>
<td>all the potential source markets.</td>
<td>Must have a detailed knowledge of Madagascar and the tourism products on offer. Knowledgeable, well-trained guides that speak English are important for the Scandinavian market. They must communicate efficiently and provide insurance, health and safety documentation and sustainability certification.</td>
<td>Good quality, hygienically prepared, local food preferred to western style meals.</td>
<td>Air Madagascar was the main problem for internal transport. Its safety record and unreliability caused regular problems resulting in increased costs for tour operators and their clients.</td>
</tr>
<tr>
<td>• Needs to be clean, comfortable, preferably with individual bathrooms</td>
<td>Need to be very knowledgeable about Madagascar and the tourism products available, be efficient, responsive, and provide adequate insurance, health and safety documentation and sustainability certification. Guides need to be knowledgeable, well trained and speak English.</td>
<td>Good quality local food.</td>
<td>The unreliability of Air Madagascar causes considerable problems for tour operators who have to build in extra time into a tour.</td>
</tr>
<tr>
<td>• 8-10 rooms of similar quality for tour groups.</td>
<td>• Tour operators from all potential source markets need local suppliers to:</td>
<td>• Good quality local food prepared with high standards of hygiene is preferred to western food.</td>
<td>• Poor road infrastructure and large distances make tour operators dependent on internal flights.</td>
</tr>
<tr>
<td>• Welcoming, hospitable service</td>
<td>• Be very knowledgeable about Madagascar and the tourism products available.</td>
<td>• Provide well-trained guides, preferably who speak English especially for the Scandinavian and South African markets.</td>
<td>• Air Madagascar’s poor safety record, unreliable service and the cost of internal fares is a major issue for tour operators and independent travellers from all source markets, causing additional costs on an already expensive holiday.</td>
</tr>
<tr>
<td>Key Factors For Developing New Tours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tour operators need to be sure they can meet their clients’ expectations of high quality of interaction with the wildlife and landscape and with local people and culture. The cost and time involved in travelling to Madagascar are</td>
<td>Scandinavian tour operators must know that they can deliver a high quality product that will exceed their client’s expectations. Ease of access to a destination and security were key concerns for clients in planning a trip.</td>
<td>Knowledgeable local suppliers and well-trained guides enable Outbound tour operators to deliver a high quality experience for their clients, which is the most important factor in helping them to develop and</td>
<td>To develop new tours to Madagascar tour operators from all source markets prioritise the importance of being able to deliver a quality product ie, to meet their client’s expectations of high quality interaction with the wildlife, landscape and with local people and cultural experiences.</td>
</tr>
</tbody>
</table>

| Tailored Study Madagascar Tourism |
also important factors and addressing concerns about security and safety are also key factors.

<table>
<thead>
<tr>
<th>Availability of multi-lingual guides.</th>
<th>sell more holidays. Ease of access, security and health and safety were also important issues.</th>
</tr>
</thead>
</table>

- Ease of access to the destination was important for clients and tour operators planning a holiday.
- Security issues were an important factor for both clients and tour operators.
- Availability of multi-lingual guides was important for the Scandinavian market.
- South African tour operators were rated insurance and health and safety highly.

**Booking Trends**

Madagascar is slowly growing in popularity in Germany, with awareness increasing. Low volumes of less than 100 pax per annum.

Tour operators feel that Madagascar is slowly becoming a more popular because people are looking for a destination that is different. Specialist tour operators book more holidays to Madagascar than larger more general tour operators.

Bookings had grown over the past four years for 80% of tour operators. Specialist tour operators that only sell Madagascar sold at least twice the number of holidays to the country in 2014 compared more general tour operators.

- Tour operators from all the potential source markets predict slow growth of sales to Madagascar.
- In Scandinavia and South Africa specialist tour operators sold more holidays to Madagascar than more general tour operators.

**Booking Lead Times**

Three quarters of trips were booked 3 months or more before departure, with nearly half (44%) booked 6 months in advance. Nearly a quarter (24%) booked less than 3 months in advance, more than Scandinavia or South Africa.

The majority (86%) book more than 3 months in advance with nearly half (43%) booking 6 months in advance of departure.

Most holidays (80%) are booked 3 months or more before departure.

- Nearly three quarters of clients from all potential source markets booked their holidays three months in advance; just under a half booked 6 months or more in advance.
- German clients were most likely to book less than three months before departure.

**Independent Traveller Feedback**

Generally positive feedback. Travellers liked to discover the country completely independently. Concerns were security, environmental protection of the rainforest, poverty, local transport and the cost of internal flights. Germans were less active on social media.

Feedback was very positive, many thought it was the best trip they had ever done. Unsanitary conditions and environmental issues were concerns. Potential travellers researching their holiday were concerned about security.

Were very positive about their experiences on social media forums particularly local festivals and sharing local life.

- Independent travellers from all potential source markets were very positive about their experiences. This is very important for feedback for potential visitors researching their holiday.
- South Africans were very positive and enjoyed local festivals.
- Scandinavians were very positive although prospective visitors were worried about security.
- Germans were the least active on social media. They were concerned.
### Marketing Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Influence on Source Markets</th>
<th>Recommendations, Internet and Social Media Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Recommendations</td>
<td>Germans are particularly influenced by personal recommendations</td>
<td>The most influential social media activity in all markets.</td>
</tr>
<tr>
<td>Internet and Social Media</td>
<td>South Africans were heavily influenced by Internet research</td>
<td>Facebook is the most effective social media activity followed by Trip Advisor and Instagram.</td>
</tr>
<tr>
<td>Facebook</td>
<td>All markets</td>
<td>Facebook is the most effective social media activity in all markets.</td>
</tr>
</tbody>
</table>

### Trade Fairs

<table>
<thead>
<tr>
<th>Fairs</th>
<th>Influence on Source Markets</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITB and WTM</td>
<td>All markets</td>
<td>ITB and WTM were considered a good way to meet local suppliers for all markets, however not all tour operators attended due to cost.</td>
</tr>
<tr>
<td>INDABA</td>
<td>South African tour operators</td>
<td>INDABA was attended by some South African tour operators.</td>
</tr>
</tbody>
</table>

### Marketing Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Influence on Source Markets</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of a tourism brand</td>
<td>All markets</td>
<td>There was consensus across all three potential source markets that the most important way to raise awareness was to develop a tourism brand that differentiates Madagascar from its competitors.</td>
</tr>
<tr>
<td>Creation of a destination website and promotional materials</td>
<td>All markets</td>
<td>The tourism brand needs to be supported by a destination website and promotional materials.</td>
</tr>
</tbody>
</table>

### Barriers To Growth

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Influence on Source Markets</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security, safety, internal transport</td>
<td>All markets</td>
<td>Air Madagascar was the main barrier to growth in all the potential source markets. The airline’s poor safety record and</td>
</tr>
<tr>
<td>Costs</td>
<td>All markets</td>
<td>Air Madagascar was the main barrier to growth in all the potential source markets. The airline’s poor safety record and</td>
</tr>
</tbody>
</table>

Concerns about security, safety, internal transport, particularly the cost and Air Madagascar was one of the main barriers to growing the Scandinavian market due to its safety record and Air Madagascar was the main barrier to growth in all the potential source markets. The airline's poor safety record and
Reliability of Air Madagascar. Cost was also inhibiting the growth of the family market. Continued political stability will be key to attracting more Germans to visit Madagascar.

Safety record, unreliability and cost of flights. Independent travellers considered local transport difficult and costly. They also felt that speaking French facilitated their trip. Other barriers to growth were: Concerns about political instability and security. Health issues (Ebola and the plague). Inability to find suitable local suppliers.

Unreliability that causes additional cost to tours and can make them uncompetitive. The cost of international fares in the region also makes Madagascar an uncompetitive destination. Political unrest, safety and poor infrastructure were also considered barriers to growth.

Unreliability causes costly disruption for tour operators who have to schedule an extra day on the tour to accommodate potential delays. This adds additional costs to an already expensive tour.

- Difficult access limits growth - the cost of international airfares from all the potential source markets and lack of direct routes from Germany and Scandinavia.
- Concerns about political stability and security are off putting for potential visitors for all markets.
- Health issues (Ebola, plague) could put off Germans and Scandinavians from visiting Madagascar.
- The inability to find suitable local suppliers limits the growth of the Scandinavian market.
Section 4  traditional market: France - potential for growth

4.1  Introduction

Madagascar is highly dependent on international arrivals from France, which in 2014 accounted for 44 per cent of Madagascar’s total visitor arrivals. Madagascar needs to diversify its source markets and the previous Section reviewed the potential for growth in Germany, Scandinavia and South Africa. However in addition to developing new source markets, Madagascar needs to consider whether there is potential to expand the traditional market from France and if so, how this can be achieved and which niche segments should be targeted.

To establish the scope for expansion of the French market, this Section reviews the overall volume and value of the French outbound market and the number of tourists visiting Madagascar is compared with the number visiting competitor destinations in southern Africa and the Indian Ocean.

A profile of current French tourists to Madagascar is presented, based on the 2012 visitor survey conducted by ONTM. Further insights into the French consumer profile are based on interviews with four niche tour operators who specialise in selling Madagascar.

To identify how Madagascar is currently being sold in France, the websites of mainstream tour operators were analysed. To establish whether there was scope to diversify the market and if so how, four niche tour operators were consulted and asked how they thought the French market could be expanded. In addition, the motivations and preferences of independent travellers visiting Madagascar were reviewed based on their feedback on social media forums.

A review of ONTM’s current marketing activities in France was conducted to help understand which market segments Madagascar is currently targeting and whether a change of marketing strategy could attract a different demographic.

4.2  Macro Economic and Trade Statistics

4.2.1  Macro Economic Statistics

France has a population of 66 million people, the third largest in the EU after Germany and the UK. However the French enjoy taking their holidays within France and the average outbound visits per capita is only 0.7 compared to 1.1 in Germany and 1.6 in Scandinavia.

<table>
<thead>
<tr>
<th>Macro Economic Statistics, 2013</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (m)</td>
<td>66.3</td>
</tr>
<tr>
<td>GDP per capita (Int $)</td>
<td>36,537</td>
</tr>
<tr>
<td>Annual average GDP growth over past decade (%)</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for France

4.2.2  Tourism Trade Statistics

The amount the French spend per capita on their travels aboard is considerably less than the Germans, who spend 60% more, and the Scandinavians, who spend 380% more than the French.

<table>
<thead>
<tr>
<th>Tourism Trade Statistics, 2013</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outbound visits (m)</td>
<td>44</td>
</tr>
<tr>
<td>Average outbound visits per capita</td>
<td>0.7</td>
</tr>
<tr>
<td>International tourism expenditure (US$bn)</td>
<td>42.4</td>
</tr>
<tr>
<td>International tourism expenditure per capita (US$)</td>
<td>640</td>
</tr>
<tr>
<td>Global rank for international tourism expenditure</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Visit Britain Market and Trade Profiles, August 2014 for France; Acorn Tourism

Despite the lower propensity to travel abroad, compared to Germany and Scandinavia, the French are the largest inbound market to Madagascar accounting for 47% of visitor arrivals in 2013 and 44% in 2014.
In 2008 Madagascar was the most popular destination in southern Africa for French tourists. From 2009 to 2012 the number of French visitor to Madagascar was similar to those visiting South Africa but in 2013 South Africa attracted 40,000 more French visitors than Madagascar.

In the French market Madagascar is facing regional competition from South Africa and will need to consider how to retain its position.

**Figure 29: France Outbound Tourism to Southern Africa, 2008-13**

![Graph showing tourism to Southern Africa](source)

Source: UNWTO

In the Indian Ocean Madagascar competes for the French market with Reunion Island and Mauritius.

**Figure 30: France Outbound Tourism to Indian Ocean**

![Graph showing tourism to Indian Ocean](source)

Source: UNWTO

### 4.2.3 Outbound Tourism to Madagascar

French arrivals to Madagascar have broadly followed the trend of Madagascar's total visitor arrivals, with significant decreases in visitor numbers in 2009 and 2013.
Despite the small increase from 2013 to 2014, the number of tourists from France in 2014 had only returned to their 2009 level, of 98,111 arrivals.

4.3 Consumer Profile and Place of Residence

4.3.1 Consumer Profile

The visitor survey conducted by the ONTM in 2012 identified the average French tourist as being 41 years old. They were mostly well-off, experienced travellers with a significant proportion earning €2,000 to €3,999 per month (35%) and having travelled long haul in the past five years (59%).

The French liked beach activities, excursions and national parks visits. They travel with their families or as a couple (50%) or by themselves (38%). The relatively high proportion of single travellers may be due to the high percentage of independent travellers (63%) who responded to the survey. Only around a third of the French respondents used a travel agency to book their holidays to Madagascar.

The French tour operators consulted for this study identified French visitors to Madagascar as being experienced aged primarily between 35-65 year olds. They can be grouped into three key segments:

- **Younger travellers** in their 30’s who chose Madagascar for a honeymooner
- **Empty nesters** aged 40-50 years old who are well off and earn high incomes
- **Retired** over 60s who have time and travel for longer trips, on average 3 weeks.

These visitors are not considered mainstream holidaymakers, they are highly experienced travellers, who have travelled extensively and who are interested in discovering the destination and its people. Many are going to Madagascar to complete their travel 'wish list'.

Madagascar is not a destination chosen by first-time travellers except for honeymooners.

The French often visit Madagascar because they know someone from Madagascar (there is a large Malagasy community in France) or have other word-of-mouth recommendations, or because they have done charity work there.

4.3.2 Place of Residence

The majority of French visitors to Madagascar come from Paris due to the concentration of flights from Paris. However people travel to Madagascar from other areas of France. Two tour companies consulted for the study said that 70% of their clients came from Paris; the other two tour operators thought 50% of their client for Madagascar came from Paris and 50% from other areas of France.

Tour operators suggested that the best way to attract more people from other areas of France would be to increase the number of flights from outside Paris and to improve destination marketing in general.

The study was conducted in August when the percentage of independent travellers is highest.
4.4 Product Specification

4.4.1 Current Tour Operator Product

There are a handful of mainstream tour operators who sell Madagascar; these include Nouvelles Frontières, Look Voyages, Salaun Holidays and Vacances Transat.

The Madagascan product that these companies sell is similar to the tours sold by specialist tour operators who sell unusual destinations and adventure travel.

The greatest demand for Madagascar is from first time visitors who are interested in general tours and the types of holidays offered are based around the nature and adventure product.

Most tours are two weeks long. One tour operator had tried one-week tours, to cater for the market that could not afford a two-week holiday, but these were not successful as they were too short to experience enough of the island.

Madagascar is mostly sold as a single destination tour. A small number of companies offer it jointly with Reunion Island as a beach holiday. However French tour operators operate very few beach only trips as there is little demand. The price is not competitive compared to other Indian Ocean destinations such as Mauritius and clients are interested to discover Madagascar in general, not just the beaches.

French tour operators are already targeting niche markets. For example two of mainstream tour operators offer tours that include community-based tourism, which concentrate on discovering the people and local culture. Some special interest holidays are also sold, for example trekking or sailing tours.

4.4.2 Independent Travel

Independent travellers are looking for the ‘Madagascar experience’, they want to discover the unique landscape and meet local people. Some are also looking for voluntary work so that they can help local communities.

They mostly travel for three to four weeks and stay in hotels, guesthouses or homestays with local people. The majority of independent travellers are booking the services of a local tour guide/driver to drive them around the destination. They look for someone reliable in a destination where they don’t feel comfortable travelling on their own. The backpackers are looking for a total discovery of the country with a real appetite for experiential tourism; they are the minority of independent travellers.

<table>
<thead>
<tr>
<th>What They Liked</th>
<th>Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>They love the contact with locals</td>
<td>Roads are difficult</td>
</tr>
<tr>
<td>They find local guide/drivers very organised, always taking care of their needs and having a good network of other tourism providers</td>
<td>Deforestation is a huge problem that concerns them</td>
</tr>
<tr>
<td>Security is not a big topic however very few travellers talked about visiting the country alone without a guide.</td>
<td>They mention the plague and are unsure about the information given by the media.</td>
</tr>
</tbody>
</table>

Source: Social Media Analysis, Acorn Tourism

The concerns of French independent travellers are about the quality of the road infrastructure, the environment, particularly deforestation. There are some concerns about health issues.

Examples of tours offered by french tour operators

**Nouvelles Frontières:**


- 7 circuits of the country and 2 options in Nosy Be (3* and 4* hotel)
- Circuits are focused on nature, cultural and community tourism.
- This is the only tour operator found in France with such in depth use of community tourism is most of their circuits.
- Community Discovery Tour:
  - Antananarivo, Antsoanfany, Sambaina (14 days).
  - The trip offers to stay with locals (homestays) and discover their way of life (sharing meals, travelling in local taxis)
  - Nature Circuit
  - Antananarivo, Antsirabe, Miandrivazo, Tsiribihina, Ambatomainty, Bekopaka, Bemaraha.
  - Travellers will use boats and 4x4 to discover the country.
Salaün Holidays:

Http://www.salaun-holidays.com/recherche-voyages,madagascar-0-109-0-0.html

They offer 3 different circuits:

1. Beach: A multi destination trip to Madagascar and La Reunion (Vanilla Island): 14 days and 11 nights. Mainly a beach tourism circuit including in Madagascar: Nosy Be, Joffre Ville and Diego Suarez.
2. Nature and Culture: 13 days discovery trip of Madagascar including: Antsirabe, Fianarantsoa, Sahamihetsana, Isalo National Park, Ifaty, Tulear... This circuit is focused on the nature and cultural tourism. One day is dedicated to community tourism.
3. Sustainable and community based circuit in the east coast of Madagascar (14 days). Includes the discovery of Antsirabe, Ambatomanga, Andasibe, Vatomandry, Tamatave, Fenerive, Mantadia, Mantasoa. The aim of this circuit is for the traveller to discover the people and local culture.

Beach tourism is very limited in those circuits except for the Vanilla Island one.

Example of Madagascar Holidays offered by a French specialist Adventure tour operator (Nomad Adventures)

27 circuits are offered in Madagascar of which 19 are group tours and 8 are individual tours (additional days can be added to a group tour). Circuits in include the following activities:

- Travelling in a train dating from the 1930’s
- Travelling in a dugout
- Travelling in a 4x4
- Community experiences
- Trekking day

Specialist trekking or sailing only circuits are offered, examples are:

Trekking circuit: 22 days including 8 days and 6 half days of trekking.
- The circuit is going from Antananarivo, Antsirabe, Ambositra, Fianarantsoa, Ranohira, Beroroha, Ifaty, Tuléar.

Sailing circuit: 15 days including 5 and a half days on a sailing boat and 2 trekking days.
- The circuit covers Nosy Be, Hell Ville, Archipel des Radama, Antsirabe, Vakinakaratra, Matadia.

Unlike most other specialist tour operators combined trips with La Reunion Island and Madagascar are offered.

4.5 Potential Niche Markets

The French market, along with Germany and the Netherlands, has been identified as one of the most promising EU markets for rural tourism to Africa. The niche activities that rural tourism offers includes specialist wildlife watching, boat trips, cycling, cooking and handicraft workshops, horse-riding, fishing, village and plantation tours, walking and trekking. Several of these niche market products are already being sold in the French market. Tour operators commented that before developing new niche market products the priority should be to ensure that the quality of these products is improved to ensure they meet and exceed client expectations and that they are effectively marketed and given more prominence in destination marketing activities. The nature, adventure and community based cultural tourism segments all have potential for growth in France.

4.6 Marketing Activities

Madagascar is currently marketed in France by ONTM and its representation agency TQR Communications. It is also marketed as part of the Vanilla Islands Organisation (VIO). This section reviews the actions and objectives of these marketing activities to assess which market segments are being targeted.

The ONTM does not have an office in France and is represented by the TQR Communications agency that is based in Paris and also represents several other destinations in the French market. TQR Communications is responsible for the PR and marketing and focuses on trade show representation including Destination Nature (Paris), IFTM Top Resa (Paris), Salon International du Tourisme et des Voyages (Colmar).

The Vanilla Islands Organisation (VIO) is a marketing organisation that helps seven Indian Ocean Island to work together: Madagascar, Mauritius, Maldives, Reunion, Seychelles, Mayotte and Comoros. The European Union and the French region La Reunion fund the organisation. Its activities are focused on the new markets of China, India and South Africa as well as France.

18 CBI Product Factsheet: Rural Tourism from France, Germany and the Netherlands to Africa
The goals of the VIO are to:

- Increase the number of visitors by marketing the Vanilla Island destinations online to new markets (South Africa, India, China) and help them to have visibility as a global destination.
- Develop synergies between the different islands to generate more tourism flow by encouraging new transport connections (plane, boat) and creating multi destination packages.
- Improve efficiency by providing training to tourism offices, conducting trend and opportunity research and offering help in crisis management.
- Developing a Quality Assurance Scheme to ensure similar quality standards at each of the destinations and to promote a common quality label for all islands.
- The VIO is also working on a Pass Iles Vanille with Air Austral to increase trips between islands.

The VIO’s marketing activities are focused on the promotion of the whole destination “Vanilla Islands” and multi destination products that are developed by the tour operators. Their actions include online marketing via a website and social media 19 and traditional marketing including press tours, educational tours, road shows and brochures.

Current ONTM and VIO marketing activities in the French market include:

- The French Madagascar tourism website:
  - First trip options presented: coastal tourism, cultural and community tourism, luxury tourism, nature tourism and sustainable tourism
  - Interactive map leading to tourism attractions of each region
  - Presentation of hotels, restaurants and other tourism businesses
- Promotion campaign from ONTM and the Madagascar National Parks to promote National Parks to potential tourists interested in adventure and nature tourism from Mayotte, South Africa and la Reunion. The campaign is exclusively online, using banner advertisements on high demand websites.
- Strong online representation under the name “Les îles de Vanille”
- Some television documentaries have been filmed in Madagascar such Thalassa, broadcasted in May 2014, a weekly documentary focus on seas and oceans (France 3) and “Echappée Belle” (France 5), a travel documentary, broadcasted in 2013.

The Vanilla Island branding and activities that focus on multi destination packages does not fit well with the French market where Madagascar is primarily sold as a single destination holiday.

There are some current marketing activities that are aimed at attracting the nature, adventure and community-based cultural segments. However tour operators feel that these niche segments should be more prominent in destination marketing activities and that ONTM could do considerably more to develop the French market.

4.7 Barriers to Growth in the French Market

The issues in the France market that are preventing further growth are similar to those identified in the potential source markets. The key issues were highlighted by consultations with tour operators and on the social media were:

Security: The most important issue is the image of the destination. Potential visitors think the destination is very insecure because of the warnings from the French government and due to negative press coverage.

Branding and Marketing: Madagascar is not well positioned in the market and there is a general lack of marketing. Nosy Be is too often used to represent the destination which creates an image of mass tourism. The destination has many unique attractions that should be communicated more effectively.

Access and Local Transport: Airfares are a major drawback to creating competitive package prices and there are many concerns about the management of Air Madagascar. The quality of the infrastructure, particularly the roads, limits reliable, cost effective access around the country.

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19 Facebook 5,600 fans in December 2014
4.8 Summary and Conclusions

French Market Summary

**Trade statistics:** France is a large potential market, with a population of 66 million, although per capita the French travel abroad less frequently and spend less than the Germans and Scandinavian. Historically Madagascar has been the most popular southern African destination for the French however since 2009 the volume of arrivals to Madagascar and South Africa have been similar and in 2013 South Africa attracted 40,000 more French visitors than Madagascar. French arrivals to Madagascar account for 44% of total arrivals in 2014. They decreased in 2009 and 2013 and in 2014 returned to their 2009 level at around 98,111 visitors.

**Competitor destinations:** Madagascar has strong competition for French visitors from regional competitors South Africa, Reunion Island and Mauritius and needs to differentiate itself effectively from these competitors.

**Consumer profile:** French visitors are mostly aged 35–65 years; they are well-off, experienced travellers interested in discovering Madagascar and its people. It is not a destination chosen by first-time travellers, except for honeymooners. The majority of visitors probably come from Paris however tour operators report that a significant proportion of their clientele is from other areas of France.

**Target markets:** Empty nesters, retired and young travellers.

**Product specification:** Both mainstream and specialist tour operators sell general tours to first time visitors and focus on nature tours with additional adventure and community based tourism activities. Most tours are 14-20 days long. Madagascar is usually sold as a single destination holiday and is not sold as a beach destination except for honeymoons, as it is not competitive compared to other Indian Ocean destinations.

**Independent travellers:** There is a high proportion of independent travellers from France who are interested in the nature, landscape and local community culture. They tend to travel for 3-4 weeks and hire a driver/guide for their trip. There is a small proportion of backpackers who travel around without a guide.

**Potential niche markets:** The nature, adventure and community based cultural tourism segments all have potential for growth in France.

**Marketing activities:** The Vanilla Island branding and activities focus on multi destination packages where as Madagascar is primarily sold as a single destination holiday. Other promotion focuses on Nosy Be and creates an image of mass tourism. Some activities are aimed at attracting the nature, adventure, cultural, community and luxury segments. Tour operators feel the niche segments should be more prominent in destination marketing activities and that ONTM could do considerably more to develop the French market.

**Barriers to growth:** The perception of Madagascar as an insecure destination deters potential visitors. The lack of effective branding and differentiation of Madagascar from its competitor combined with the positioning as part of the Vanilla Islands is not helpful in fully developing the nature, adventure and community base cultural tourism segments. Concerns about airfares, Air Madagascar and local road infrastructure are also considered barriers to further developing the French market.
Conclusions: Potential for Growth

The French market has strong potential to expand nature, adventure, community-based cultural and rural tourism to Madagascar.

Currently, the promotion of Madagascar often features Nosy Be, which creates an impression of mass tourism; and on the Vanilla Islands, which promotes multi-destination packages. Tour operators do not consider that these activities reflect the single destination Madagascar product that they sell to the nature, adventure and culture market segments.

To expand the French market, Madagascar requires a clearly defined tourism brand supported by marketing activities that appeal to the nature, adventure and cultural consumer. The brand also needs to differentiate Madagascar from regional competitors, in particular South Africa, Reunion Island and Mauritius.

The niche products that are promoted need to be high quality and meet or exceed visitor expectations. Madagascar needs to ensure that the existing products available are of high quality before developing new ones.

Increasing the number of flights from outside Paris would help to attract people from other areas of France.

There is clearly scope to further develop the French market through a well-defined tourism brand and effective PR and marketing that differentiates Madagascar from its competitors and addresses concerns about security.
SECTION 5: AIR ACCESS – THE KEY BARRIER TO DEVELOPMENT

5.1 Introduction

Air access, both to Madagascar from international destinations and for travelling around the country, has been identified by this study as one of the main barriers to developing tourism in Madagascar.

In 2014 a study was undertaken by ALG to examine how air services to Madagascar could be improved. The report’s recommendations for improving domestic, regional and international services are included in the conclusions to this Section together with the findings of this study.

To examine the issues involved in improving international air access this Section reviews the development of air access to Madagascar, the current airlines and routes operating to Madagascar and compares airfares from the source markets to competing destinations. Three other remote island destinations are compared to understand how they have tackled the issue of poor air access from their source markets and to provide recommendations and strategies to develop air access.

5.2 Development of Air Access to Madagascar

Air Madagascar started services to France in 1963 and to South Africa in 1969. In the late 1970s, services to South Africa were suspended as a result of apartheid, but resumed in 1990. Flights to the Seychelles and Reunion commenced in 1976. Tourism started booming with the introduction of the first charter flights in 1997 and the opening of direct routes to Asia, commencing with Singapore in 1998, a route which was cancelled in 2002, but replaced with direct flights to Bangkok in 2004. Flights to Guangzhou (China) were added in November 2009.

Airfares to Madagascar used to be amongst the highest in the world because of limited capacity and lack of competition. As a consequence, the airfare used to weigh heavily in the total tourist package (at least 50%). The gradual introduction of an open skies policy has brought airfares down since 2004.

Today, there are many airports in Madagascar due to the size of the country, but not all have regular scheduled services and most only offer domestic flights. Air Madagascar, the national airline, lost its monopoly on domestic flights in 1995 as the Government decided to liberalise the market, however few competitors have emerged since and internal flights remain costly and unreliable, with frequent cancellations or rescheduling.

Ivato International Airport near Antananarivo, is the main gateway for international tourist arrivals, as well as the main hub for Air Madagascar. Since 2004, there are also some direct flights from Europe to Fascene Airport on the resort island of Nosy-Be. In May 2013, the first part of a major extension program was completed at Fascene Airport, which is now able to accommodate B777 and A340 aircraft, with a capacity for 350 to 400 passengers. Seven years ago, Ivato International Airport planned large-scale airport expansions and renovations, but these were not executed due to the political unrest in 2009.

5.3 Current Flight Routes and Fares

In 2015 direct flights will operate to 11 international destinations. There are five direct flights to destinations in the Indian Ocean and two direct routes to destinations in Africa (Kenya, South Africa) Asia (China, Thailand) and Europe (France, Italy).

ALG Transportation Infrastructure & Logistics; Etude pour a’amélioration de las desserte aerienne vers Madagascar, June 2014
### Figure 34: Scheduled direct international flight destinations, frequencies and indicative cost

<table>
<thead>
<tr>
<th>Destinations</th>
<th>Carrier(s)</th>
<th>Frequency (2015)</th>
<th>Guide Ticket Price (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Ocean</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comoros (Moroni)</td>
<td>Air Madagascar</td>
<td>6/ week</td>
<td>€370</td>
</tr>
<tr>
<td>Mauritius (Port Louis)</td>
<td>Air Madagascar, Air Mauritius</td>
<td>11/ week</td>
<td>€375</td>
</tr>
<tr>
<td>Mayotte (Dzaoudzi)</td>
<td>Air Madagascar, Air Austral (EWA Air)</td>
<td>13/ week¹</td>
<td>€330²-€440³</td>
</tr>
<tr>
<td>Reunion Island (Saint Denis)</td>
<td>Air Madagascar, Air Austral</td>
<td>23/ week¹</td>
<td>€260</td>
</tr>
<tr>
<td>Seychelles (Mahe)</td>
<td>Air Seychelles</td>
<td>2/ week</td>
<td>€400</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya (Nairobi)</td>
<td>Kenya Airways</td>
<td>5/ week</td>
<td>€850</td>
</tr>
<tr>
<td>South Africa (Johannesburg)</td>
<td>Air Madagascar, SA Airlink</td>
<td>9/ week</td>
<td>AM: €530, Airlink: €420</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China (Guangzhou)</td>
<td>Air Madagascar</td>
<td>2/ week</td>
<td>€1,125</td>
</tr>
<tr>
<td>Thailand (Bangkok)</td>
<td>Air Madagascar</td>
<td>2/ week</td>
<td>€980</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France (Paris,Marseille)</td>
<td>Air Madagascar, Air France, Corsair</td>
<td>17/week³⁴</td>
<td>€760</td>
</tr>
<tr>
<td>Italy (Rome, Milan)</td>
<td>Neos Airlines</td>
<td>1/ week</td>
<td>€950</td>
</tr>
</tbody>
</table>

Source: ACM IATA Summer 2015

Reunion Island, Mayotte and Mauritius in the Indian Ocean have direct flights that operate at least daily. In Africa, Johannesburg and Nairobi provide hubs for connecting flights from Europe. The only direct flights from Europe are from France. Consequently access from any other European source market involves using connecting flights which increases both cost and flight duration.

Figure 35 compares the cost and duration of flights to Madagascar and some of its competitor destinations in Africa and the Indian Ocean from France and the potential source markets.

Prices are based on a return economy fare for one adult from the capital city of the source market. The airfare quoted is for the quickest available route departing 3rd October and returning 17th October 2015, plus or minus a day.

### Figure 35: Airfare and flight duration comparison from source markets to Madagascar and competing destinations

<table>
<thead>
<tr>
<th>Source Market</th>
<th>Madagascar</th>
<th>South Africa</th>
<th>Reunion Island</th>
<th>Mauritius</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Paris</td>
<td>€760</td>
<td>€821</td>
<td>€802</td>
<td>€1,037</td>
</tr>
<tr>
<td></td>
<td>10h30</td>
<td>10h30</td>
<td>11h</td>
<td>12h</td>
</tr>
<tr>
<td></td>
<td>AF</td>
<td>AF</td>
<td>Air Austral</td>
<td>AF</td>
</tr>
<tr>
<td>Germany Berlin</td>
<td>€1,126</td>
<td>€1,071</td>
<td>€1,161</td>
<td>€1,810</td>
</tr>
<tr>
<td></td>
<td>15h</td>
<td>13h30</td>
<td>15h</td>
<td>15h</td>
</tr>
<tr>
<td></td>
<td>AF/Air Kenya</td>
<td></td>
<td>AF/Air Austral</td>
<td>AF/Air Mauritius</td>
</tr>
<tr>
<td>Denmark Copenhagen</td>
<td>€1,750</td>
<td>€1,234</td>
<td>€1,140</td>
<td>€1,837</td>
</tr>
<tr>
<td></td>
<td>15h</td>
<td>13h15</td>
<td>14h45</td>
<td>15h15</td>
</tr>
<tr>
<td></td>
<td>AF</td>
<td>SAS</td>
<td>AF/Air Austral</td>
<td>AF</td>
</tr>
<tr>
<td>Norway Oslo</td>
<td>€1,441</td>
<td>€887</td>
<td>€1,257</td>
<td>€1,821</td>
</tr>
<tr>
<td></td>
<td>15h15</td>
<td>14h15</td>
<td>17h</td>
<td>15h15</td>
</tr>
<tr>
<td></td>
<td>AF/Air Kenya</td>
<td></td>
<td>AF/Air Austral</td>
<td>AF</td>
</tr>
<tr>
<td>Sweden Stockholm</td>
<td>€1,028</td>
<td>€1,656</td>
<td>€206</td>
<td>€1,282</td>
</tr>
<tr>
<td></td>
<td>18h15</td>
<td>13h45</td>
<td>17h15</td>
<td>17h</td>
</tr>
<tr>
<td></td>
<td>AF/MD</td>
<td>Swiss Air/ Lufthansa</td>
<td>AF/Air Austral</td>
<td>SAS/ MD</td>
</tr>
<tr>
<td>South Africa Johannesburg</td>
<td>€508</td>
<td>N/A</td>
<td>€378</td>
<td>€622</td>
</tr>
<tr>
<td></td>
<td>3h</td>
<td></td>
<td>4h</td>
<td>4h</td>
</tr>
<tr>
<td></td>
<td>MD</td>
<td></td>
<td>Air Austral</td>
<td>Air Mauritius</td>
</tr>
</tbody>
</table>

---

21 Based on flight schedules for 1-15 October 2015
22 Based on the cheapest adult return economy fare between 2-23 October 2015 as available on 6 May 2015
23 EWA Air prices for October not available at time of researching prices
24 MD flights to Mayotte leave from two cities in Madagascar: Antananarivo, Diego Suarez; EWA Air leave from Nosy Be, Mahajanga and Diego Suarez
25 Fare to Antananarivo
26 Fare to Diego Suarez
27 Flights to Reunion leave from four cities in Madagascar: Antananarivo, Nosy Be, Sainte Marie, Toamasina
28 12 flights/ week to Paris; 5 flights/ week to Marseille (3 are connecting flight to Paris)
Airfares from France to Madagascar were less expensive than to any of the other competitor destinations.

The cost and duration of flights to Madagascar from all the source markets was in a similar range to flights to Reunion Island and were cheaper than flights to Mauritius. Flights to South Africa from Germany, Denmark and Norway were slightly quicker and less expensive than flights to Madagascar.

The cost of flights to Madagascar, and the duration of the flight, is significantly higher from the potential source markets than from France, from where 17 direct flights are available each week.

Flights to Madagascar from the European source markets are not significantly more expensive than flights to other destinations in the region and in some cases are cheaper.

5.4 International Context – Comparable Benchmarking

To better understand the issues of air access and how other comparable destinations have developed their tourism markets and improved air access, three case studies are included. They compare island destinations that are located far from their sources markets and from other land masses and have a similar climate to Madagascar, being located close to or within the Tropics.

The destinations compared as case studies are:

- Cape Verde: a mid-range destination that developed relatively recently
- Cook Islands: an island nation that has low visitor numbers and relies heavily on tourism as the major contributor to GDP
- Mauritius: a well-established high-end destination in the Indian Ocean

All three destinations offer nature tourism and as well as having a strong beach offer.

For each destination, a description of the tourism product is provided, with a summary of the market position, arrivals data and airport details. The growth of international arrivals is examined in relation to the development of the airport and airlines. The island’s competitiveness is considered, together with the approach to tourism planning. Each case study concludes with the lessons Madagascar can learn from the experience of these destinations.

### Madagascar International Airport Details

<table>
<thead>
<tr>
<th>Name of airport</th>
<th>Antanarivo Ivato (1963)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway length (m)</td>
<td>3,100</td>
</tr>
<tr>
<td>Max. aircraft type</td>
<td>B777-300ER</td>
</tr>
<tr>
<td>No. of carriers</td>
<td>9</td>
</tr>
<tr>
<td>No. of destinations served</td>
<td>11</td>
</tr>
<tr>
<td>Frequency of flights</td>
<td>91 x/ week</td>
</tr>
<tr>
<td>Flight time to nearest major hub</td>
<td>3 hours 10 minutes (Johannesburg)</td>
</tr>
</tbody>
</table>


### Destination case study: Cape Verde

**Description and Market Position**

Cape Verde, a Portuguese colony until 1985, is located 600km off the coast of West Africa, only four to six hours from the main European source markets. An archipelago consisting of 10 main islands with tourism concentrated on four of them, Sal, Boa Vista, Santiago and Sao Vincente.

Cape Verde offered primarily a sun and sea mid-range package model. It now has four international airports and has diversified its product on each island to develop cultural and nature tourism.

The current tourism strategic vision is to develop a high quality, environmentally friendly tourism product in which the cultural heritage plays a key role.

<table>
<thead>
<tr>
<th>Tourism as % of GDP</th>
<th>15.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International Arrivals</strong></td>
<td>482,267</td>
</tr>
</tbody>
</table>
International tourism arrivals, 2012

Source: UNWTO/INE Cabo Verde / Whitebridge Hospitality

<table>
<thead>
<tr>
<th>Cape Verde - International Airport Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of main airport</td>
</tr>
<tr>
<td>Runway length (m)</td>
</tr>
<tr>
<td>Max. Aircraft type and capacity</td>
</tr>
<tr>
<td>No. Of carriers</td>
</tr>
<tr>
<td>No. Of destinations served</td>
</tr>
<tr>
<td>Frequency of flights</td>
</tr>
<tr>
<td>Flight time to nearest major hub</td>
</tr>
<tr>
<td>Other airports</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: Whitebridge Hospitality Research, December 2013
Growth of International Visitor Arrivals

- **1960s** - Tourism started in Cape Verde with the construction of the International Airport Amilcar Cabral on the island of Sal but it was not a high profile destination.
- **1990s** – the global image of Cape Verde as a tourist destination started to make a significant impact
  - Political stability and good governance.
  - Investment opportunities became available for foreign investors, including a five-year tax holiday, exemption on import duties, repatriation of profits and strong property protection laws.
- **2000** – Building boom and strong investment by UK investors
- **2005, 2007, 2009** – 2nd, 3rd and 4th international airports opened on the islands of Santiago, Boa Vista and Sao Vicente respectively
- From 2000 to 2010 visitor arrivals grew from 100,000 to just over 400,000
- Growth of UK to be the largest source market is largely due to the scale of UK investment projects in Sal and Boa Vista.
- Strong growth from 2010 to 2012 (20% per annum) was largely due to improved accessibility, additional services and reduced fares.

Airport Development

- The opening of the new airports increased accessibility and encouraged more direct flights.
- The main airport remains Amilcar Cabral on the island of Sal as it has the longest runway (3,272m). The airport has undergone a €12m redevelopment programme to increase the capacity of the terminal building and improve the visitor experience.
- In October 2014 the government announced a €50 million airport improvement programme.

Competitiveness

- In the Competitiveness Index Travel and Tourism (2013) Cape Verde scored well for business environment, infrastructure and regulatory framework, its was weak on human development, cultural attractions and preservation of the natural environment.

Tourism Planning

- From 1990 foreign private investment was encouraged.
- Strong development and good accessibility attracted mainstream tourism operators. Although this has brought considerable benefits to the economy it is not considered sustainable.
- The four main islands now offer competing models of tourism development:
  - Sal – unregulated sun and sea tourism
  - Boa Vista – more upmarket sun and sea tourism
  - Santiago and Sao Vicente – focus on cultural tourism
  - Santo Antao – community-based tourism
- In 2010 the Strategic Tourism Plan sets out the government’s plans for a more sustainable tourism industry that embraces quality, the environment and culture.

Lessons for Madagascar

- Stable political environment and good governance attracts investment.
- Investment incentives for foreign investors drive development.
- On going investment in airport infrastructure attracts airlines.
- Mass tourism brings benefits to the economy but is unsustainable due to its impacts on the environment and local society.
- Long term growth depends on managing growth more sustainably and refocusing on quality, environmental issues, developing local workforce skills, improving value to the local economy, and building nature and cultural tourism.
Destination case study: Cook Islands

Description and Market Position

- The Cook Islands, a network of 15 volcanic islands and coral atolls in the South Pacific 3,000km northeast of New Zealand. Its nearest neighbours are Tahiti (1,160km to the east) and American Samoa (1,532km to the west).
- It competes against the other South Pacific nations. Since 2005 it has differentiated itself by focusing on eco-tourism and ethnic-tourism rather than competing on price with Fiji in the rest and relaxation resort market.
- The Cook Islands offer mountainous jungle and white sandy beaches with coral reefs. Visitors are attracted by the water sports – swimming, snorkelling, diving, sailing and windsurfing and by the opportunities to hike and cycle in land.

Tourism as % of GDP 50%

<table>
<thead>
<tr>
<th>International Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>International tourism arrivals, 2012</td>
</tr>
</tbody>
</table>
Cook Islands - International Airport Details

<table>
<thead>
<tr>
<th>Name of airport</th>
<th>Rarotonga International Airport (1974)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway length (m)</td>
<td>2,328</td>
</tr>
<tr>
<td>Max. aircraft type</td>
<td>B777-200</td>
</tr>
<tr>
<td>No. of carriers</td>
<td>4</td>
</tr>
<tr>
<td>No. of destinations served</td>
<td>13</td>
</tr>
<tr>
<td>Frequency of flights</td>
<td>Daily NZ, 1x/w Tahiti, 1x/w LA &amp; Sydney</td>
</tr>
<tr>
<td>Flight time to nearest major hub</td>
<td>4 hours 5 minutes (Auckland)</td>
</tr>
</tbody>
</table>

Source: Whitebridge Hospitality Research, December 2013

Growth of International Arrivals

- 1983 – direct flights started to Sydney, boosting the number of Australian visitors.
- 1991 – First tourism master plan, since when arrivals have increased by an average of 5.5% per annum.
- 1993 - 20 years after the airport opened visitor arrivals reached 52,868.
- 2000 – Increased air services to North America to Sydney and Auckland and political unrest in Fiji diverted some visitors to the Cook Islands.
- 2009 – The airport was upgraded and Air New Zealand reintroduced a year round direct weekly service from Sydney. Since then, arrivals from Australia have grown by an average of 12% per annum.
- A decrease in visitor arrivals was experienced in 1995 following budget cuts and due to the impact of 9/11 in 2001.
- The Cook Islands aims to reach 150,000 visitor arrivals by 2016.

Airlines and Routes

- Air New Zealand is the main airline servicing the Cook Islands operating a direct weekly service to Los Angeles and weekly return service to Sydney since 2011.
- The Cook Islands Government underwrites these services by USD 13m per year and the Cook Islands Tourism Corporation supports the routes with integrated marketing in each market.
- Without these services being underwritten by the Government, the Cook Islands would be connected to the rest of the world by a short-haul route via Auckland.
- Air Rarotonga, established in 1978, offers scheduled domestic inter-island services and charter flights to French Polynesia, Niue, Samoa and Tonga.
- International air access remains a challenge. There are three international carriers, Air New Zealand, Pacific Blue and Air Tahiti, but no direct flights to Europe. The country remains largely dependent on Air New Zealand.
- The Cook Island Government tendered for the provision of new non-stop long-haul air services to Rarotonga from 2014 to 2018. However the contract was renewed with Air New Zealand in March 2014.
- Underwriting the Los Angeles route has calculated by independent consultants to generate a net economic benefit to the Cook Islands GDP to 2017. However the Sydney route is estimated to make a marginally negative net contribution to economic activity between 2013 and 2017.29

Competitiveness

- The Cook Islands generates sufficient tourism to provide 50% of the country’s GDP despite visitor arrivals of fewer than 150,000.

29 Economic Analysis of Cook Islands Air Route Underwrite Agreements, Covec Ltd 2013
• However it can not compete with other South Pacific countries such as Fiji or Tahiti in French Polynesia for luxury accommodation and there is no international hotel group in the country.

Tourism Planning and Marketing

• Since 1991 when the first master plan was completed, the tourism development objectives have been to aim for balanced and controlled development rather than mass tourism.
• Destination marketing strategy is focused on supporting the airline strategy and route development. Therefore most of its market activities are focussed on Australian and North American markets.

Lessons for Madagascar

• Careful analysis is required to establish the economic benefit of underwriting air services.
• Subsidising of air services needs to be complemented by destination marketing activities in source markets.
• Lack of foreign investment can lead to smaller scale, locally owned development. This has resulted in a higher level of Cook Islanders participating in tourism and acceptable levels of environmental impact.
Destination case study: Mauritius

Description and Market Position

- Mauritius is a volcanic island with white sand beaches, rare tropical fauna and flora, located 2,000km off the southeast coast of Africa.
- It is a top luxury beach destination with upmarket hotels and good air links. It targets the tour operator ‘rest and relaxation’ market.
- The country’s colonial heritage gives it strong connections with the French and British markets.
- Recently it has started to diversify its product to include eco and cultural tourism.

Tourism as % of GDP 13.2%

International Arrivals

International tourism arrivals, 2012 965,441

Source: Statistics Mauritius (Tourism Unit) Whitebridge Hospitality

Mauritius - International Airport Details

Name of airport Sir Seewoosagur Ramgooolam (1942)
Runway length (m) 3,370
Terminal capacity 4 million passengers
Max. aircraft type A380
No. of carriers 15
No. of destinations served 37
Frequency of flights 88x per day
Flight time to nearest major hub 4 hours 35 minutes (Johannesburg)

Source: Whitebridge Hospitality Research, December 2013

growth, averaging around 15% per year, which slowed to an average of 8% per year during the 1990s.
- 2000s – slower but steady growth averaging 3% per year took arrivals to just less than 1 million by 2012. The economic recession in Europe, the main source market, is considered to be the main reason for not hitting the 1 million target.
- The main factors that have contributed to the significant growth in visitor numbers from 1970 – 2012 are:
  - Economic and infrastructure development in Mauritius
  - Since 2005, air liberalisation and a rise in bilateral and code sharing agreements
  - Increased number of rooms
  - Decrease in relative costs of a holiday
  - One of the highest rates of repeat visitors in the world at around 33%.
**Airlines and Routes**

- The one airport in Mauritius, Sir Seewoosagur Ramgoolam, was built in 1942 and has seen continual improvements to enable it to accommodate larger aircraft and more passengers. In May 2013 a new 57,000 sqm terminal was opened with capacity for four million passengers.
- Before 2005 airfares to Mauritius were high due to limited competition and the distance from the source markets. Since 2005 Air Mauritius had developed a range of bilateral and code sharing agreements which has enabled it to bring in around 50% of international arrivals.
- Mauritius now has 15 international carriers, with direct connections to 37 destinations in 20 countries.
- The biggest international markets served by Air Mauritius are Southern Africa and Western Europe, with the top five routes being to Reunion, Paris, Johannesburg, London and Antananarivo.
- A policy to only have scheduled flights and no charters has been engaged to position Mauritius as a high-end destination and maintain product standards.
- The 2005 air policy has been revised and is now focusing on:
  - On routes with growth potential, increasing air seat capacity and competition
  - Routes have been opened up to emerging markets (China and Russia) and those that have potential for growth eg Scandinavia.
  - Scheduled operators can operate additional flights during peak times.
  - Adhoc flights have been permitted on routes with no scheduled carriers.

**Competitiveness**

Mauritius is considered highly competitive for its natural and cultural diversity, racial harmony, political stability and ease of doing business. It is weaknesses were considered to be price competitiveness and environmental sustainability due to the new targets of 2 million tourists by 2020.

**Tourism Planning**

- The tourism strategy has been to focus on the up-market segment. However it is now considered necessary to broaden the mix of market segments it appeals to and to target emerging markets such as China, Russia and India.
- Mauritius plans to differentiate itself from competitors such as the Maldives and the Seychelles by repositioning itself as an ecotourism and cultural destination, opening up its nature reserves and wildlife parks to visitors as well as developing niche markets including weddings and honeymoons, golf, medical tourism and duty-free shopping.
- The 1997 tourism strategy envisaged a maximum of 750,000 visitor arrivals and 9,000 hotel rooms by 2020. However the revised plan in 2002 does not limit the number of arrivals and considers that the environmental and social impacts on the country would remain limited with the current target of 2 million visitors per annum and 20,000 hotel rooms.

**Lessons for Madagascar**

- Well coordinated planning across the sector has enabled Mauritius to develop good infrastructure and deliver a clear air policy strategy that has developed extensive international access.
- It is not necessary to attract charter flights to achieve good air access.
- The decision of whether or not to actively encourage charters flights should be considered in relation to the country’s tourism strategy. Charters can impact on a destination market position: while bringing short-term growth, they can encourage the negative impacts of mass tourism, which will impact on market position.
- Even as a successful sun and sand destination, Mauritius now needs to diversify its product. Madagascar has a very diverse product that should be capitalised on and developed within a strategic context of sustainability. This means that the growth of visitor numbers is quite slow, but this approach is likely to deliver longer term and more
5.5 Strategies to Address Gaps in Air Services

There are three main strategies that destinations can consider to address gaps in air services. They are:

1. Growing the Frequency of Air Services on Existing Routes

It is important to develop good relationships with existing airlines, developing increase routes with current partners is much more cost effective than looking for new partners.

A structured programme of collaboration and relationship development that aims to grow traffic on existing routes would normally include:

- Large scale cooperative marketing of the destination, and joint promotion of services, involving stakeholders from across the industry;
- Provision of high level of industry, political and economic policy support to the airline industry, on matters such as facilitation of air service agreements, taxation policy (particularly airport taxes), infrastructure fees and charges, competition policy etc;
- Subsidisation where necessary – based on transparency and sound economic policy.

These strategies should be applied across all air access development strategies whether for existing or new services.

2. Developing New Direct Services

The development of new services involves many stakeholders and requires a strong degree of partnership working.

Stakeholders include:

- The targeted carrier
- Source market outbound travel industry
- Government policy makers
- Air transport regulators
- Airport operators in both countries
- Inbound travel operators
- Hospitality and tourism sector businesses in Madagascar
- Intermediaries

The activities that need to be undertaken include:

- Identifying the target source markets
- Analysis of the viability of potential air route sectors and clear documentation of this for the airlines and outbound travel industry
- Developing an enabling environment; support funding, improving product standards, skills development, language capability, marketing support
- Identifying target airlines that are interested in the market and have the relevant technical capability
- Preparation of marketing material and detail proposals
- Consideration of any lead-in subsidies, these must be sustainable
- Facilitation of the planning and implementation, with identified carrier, including marketing support.

Key to developing new direct services is identifying origin-destination pairs that have potential to be commercially viable direct services. It would be necessary to identify:

- Source markets that are already a primary target market for destination promotion
• Technically feasible route structure for a given aircraft type, capacity, range.

Madagascar needs to be sufficiently developed, with sufficient bed stock and an experienced tourism industry, including experienced inbound operators.

3. Improving the Efficiency of Indirect Access

If the demand to Madagascar is insufficient to attract direct international flights, an appropriate access strategy may be to enhance indirect access via a regional hub. The main hub for flights from Europe is currently Johannesburg, with some traffic via Nairobi.

To develop indirect access effectively the following issues need to be taken into consideration:

- Good transfer, ticketing, baggage collection and check in procedures
- Good transit times at the hub airport
- Frequency and cost of the hub to end destination service
- Policy and regulator support for hub development
- Streamlined visa regulations.

The number of stakeholders involved in delivering these issues means that improving the efficiency of indirect access will involve commitment from all parties including airlines, airport operators, Governments, the tourism industry.

4. Role of Charter

In many destinations the role of charter flights has been instrumental in the development of new scheduled air services eg, Cape Verde. The same issues apply to attracting charter flights as to attracting scheduled services, although the commercial viability of operating charter can be less onerous as they tend to operate for shorter seasons, optimise the use of aircraft, targeting high load factors as the majority of seats are pre-sold. In addition, the majority of the commercial risk of charters is taken by the sponsor which is usually the outbound operator or a destination-base sponsor, rather than the airline.

However before deciding to increasing charter flights, Madagascar would need to consider very seriously whether the mass tourism model that charter flights attract, fits with its Tourism Master Plan (2004) which emphasises the further development of Madagascar’s eco-tourism as an integral part of the island’s successful development.
5.6 Summary and Conclusions

Air Access Summary

In 2015 direct flights operate from Madagascar to 11 international destinations; five in the Indian Ocean (Comoros, Mauritius, Mayotte, Reunion Island, Seychelles), two in Africa (Kenya, South Africa), two in Asia (China, Thailand) and two in Europe (Europe and Italy).

The comparison of flights to Madagascar from the European source markets identified that flights to Madagascar are not significantly more expensive than flights to other destinations in the region and in some cases are cheaper.

The comparative case studies highlighted the following strategies that are relevant to Madagascar to address gaps in air services:

Stable Investment Climate

- Stable political environment and good governance attracts investment.
- Investment incentives for foreign investors drive development, however lack of foreign investment can lead to smaller scale, locally owned development resulting in a higher level of local participation in tourism and more acceptable levels of environmental impact.

Infrastructure that is Fit for Purpose Airlines are attracted by:

- On going investment in airport infrastructure
- Infrastructure that is fit for purpose and meets international standards and regulations.
- A local workforce that is well trained and that has the required capacity and capability.

Good Planning

- Well coordinated planning across the sector enables the development of good infrastructure and the delivery of a clear air policy strategy that can develop international access.
- An Air Access Strategy is required and should be developed in the context of the national tourism strategy.
- Institutional arrangements need to be in place to ensure the implementation of an Air Access Strategy.

Charter Flights

- Mass tourism brings benefits to the economy but can be unsustainable due to its impacts on the environment and local society.
- The decision to actively encourage charters or not flights should be considered in relation to the country’s tourism strategy. Charters can bring short-term growth, but encouraging the negative impacts of mass tourism, can negatively impact on a destination’s market position.
- It is not necessary to attract charter flights to achieve good air access.

Aviation Agreements and Subsidising Air Services

- Aviation agreements and bilateral code sharing should be maximised
- Careful analysis is required to establish the economic benefits if underwriting air services is to be considered.
- Subsidising of air services needs to be complemented by destination marketing activities in source markets.

Long Term Growth

- Long term growth depends on managing growth sustainably and refocusing on quality, environmental issues, developing local workforce skills, improving value to the local economy, and building nature and cultural tourism. Even established, successful sun and sand destinations now need to diversify their product.

Conclusions: Air Access Strategy for Madagascar

The strategies identified in the Summary above are further developed for Madagascar by the recommendations of the ALG report. The report concludes that a national strategy of the aviation sector is necessary to align the key stakeholders (i.e., ministries, ACM, airports, Air Madagascar) and ensure effective implementation of the priorities identified for each market which are:

Domestic Market

- Adapt the market expectations of Air Madagascar services (in terms of price, regularity and connectivity); the domestic market can be a profitable model for the company.
- Coordinate the development of airport infrastructure to improve the efficiency of the domestic operation.
- Promote code share agreements between Air Madagascar and foreign companies to offer tourists flights between their origin and final destination.
- Encourage small private airlines to serve the “smaller” routes to diversify the tourism offer (eg air taxi from one tourist site to another). For example the creation of regular services operated with smaller aircraft that link National Parks with the greatest tourist potential in each region would improve the itineraries that could be offered to tourists.

Regional Market
• Progressive liberalization of bilateral agreements (especially the entry points) in target markets to stimulate the growth of nearby markets with the most potential. Target markets should be selected based on their value to the tourist industry and the air transport market.
• Develop Air Madagascar to be able to compete in the regional market on the long term.
• Adapt airports chosen to host international traffic to meet international standards.

**Long Haul Market**
• Facilitate the entry of companies operating in Antananarivo targets hubs to improve connectivity between Madagascar and the rest of the world, and to attract traffic.
• Promote the use of Nosy Be, the second country in the international airport.
• Ensure the capacity and functionality Antananarivo airport (for both cargo and passengers).
SECTION 6: RECOMMENDATIONS

6.1 Introduction

The markets studied for this report all have strong potential for further development. To maximize the potential in all markets the key issues that need to be addressed are air services and the lack of a national tourism brand and marketing strategy.

The recommendations of this report focus on addressing these two key barriers to development and on marketing Madagascar to the niche markets with the best product market fit in both the potential source markets of Germany, Scandinavia and South Africa and in France, Madagascar’s the traditional market. A high quality product is needed to support effective marketing and the recommendations conclude with the priority actions needed to develop the product so that it meets the expectations of the market.

6.2 Air Access

A National Aviation Strategy is required, which should be compatible with the priorities of a national tourism development plan; encouraging charter flights for example may not fit with long-term sustainable development. Key stakeholders, i.e. The relevant ministries, ACM, airports and Air Madagascar will need to work together to implement priority actions in the domestic, regional and long haul markets including:

- Air Madagascar’s domestic services urgently need improving and restructuring the business to prioritise domestic service could be a profitable opportunity.
- Airport infrastructure must be improved for domestic and international services; and the capacity and functionality of Antananarivo airport needs to meet passenger and cargo demand.
- Code sharing agreements could help to improve connectivity with source markets.
- Small private airlines could serve the more popular tourist routes.
- Bilateral agreements should be explored in potential source markets such as Germany and Scandinavia.
- Promote the use of the country’s second international airport, Nosy Be.
- Encourage airlines that operate at target hubs to come extend their routes to Madagascar.

6.3 Marketing

6.3.1 Build Awareness: Branding and Marketing Strategy

Madagascar does not have a strong national tourism brand and therefore potential visitors are not aware of what the destination has to offer.

A market-led Branding and Marketing Strategy should be developed, based on Madagascar’s USP, to provide strong marketing messages that differentiate Madagascar from its competitors. It should include a communications strategy to address concerns about political instability and security.

The branding and marketing campaign should include developing a well-branded destination website, communications materials and a digital marketing strategy. It should include training local providers to develop online content for their websites that reflects both their business and the national branding. Consistent use of the brand and messaging across the sector would help to build brand awareness of Madagascar and provide positive content on social media.

6.3.2 Potential Source Markets: Germany, Scandinavia, South Africa

**Germany** has considerable potential as a source market for Madagascar. Marketing activities should focus on this large outbound market where nature, adventure and community-based cultural tourism are expanding. Madagascar should offer special interest activities that appeal to these markets such as bird watching, educational tours, geological tours, motor biking, geological tours or volunteering.

**Scandinavia** has the potential to be a small but high value specialist market. Promotional activities should appeal to Scandinavians’ interest in nature and active holidays; the environment, community culture and volunteering. Close relationships with specialist outbound tour operators should be cultivated to drive sales. Norway should be the priority market if only one country can be targeted.

**South African** nature and adventure markets should be targeted with a well-defined brand that focuses on Madagascar’s unique species, its evolutionary history and distinctive intangible culture. Niche adventure activities such as sailing, scuba diving, cycling that are well developed to meet international standards should be directed at this market along with community-based cultural activities.
6.3.3 Expanding the Traditional Market: France

French tour operators are already targeting the nature and adventure market, which they consider to be the best fit with Madagascar’s product. They believe the tourist potential for these markets is substantial if Madagascar was better marketed in France. There is also a honeymoon market that is primarily beach orientated.

If Madagascar wants to move into the mainstream market, it would need to improve its infrastructure, facilities and services; in particular air access, domestic air services, the road infrastructure and basic infrastructure in the National Parks, such as toilets. Accommodation and the quality of service offered by small tourism businesses would also need to be improved.

Security is a major issue, which is making Madagascar hard to sell. The image is of a very insecure and unsanitary destination. Madagascar was on the orange country list from the Quai d’Orsay for a year or so and it is difficult for the French market to perceive it differently.

Air transportation from airports outside Paris should be improved to attract visitors from a wider area of France.

Until infrastructure issues have been addressed it is recommended that existing nature and adventure products should be improved and developed rather than creating new ones.

The products that have potential for further development are:

- Experiential, learning more about the culture and way of life;
- Eco-tourism and responsible tourism based around the rainforest and deforestation;
- Extreme sports such as yachting, VTT and kite surfing;
- Family products, although the cost could be prohibitive for all but well-off families.

In France potential visitors have heard about Madagascar from word-of-mouth recommendations but they don’t have a good understanding of what it offers. There is an urgent need to improve communications and the image of Madagascar. This should include actions to:

- Make the beautiful landscape of the country a higher priority and promote it.
- Allocate budget to train destination specialists and organise press trips to improve Madagascar’s image in the general public’s mind.
- Set up a digital marketing campaign including a blogging campaign: the most influential travel and adventure bloggers had not been to Madagascar.

Madagascar should be promoted as a single, stand-alone destination, not with the Vanilla Islands. The VIO branding positions it as a beach destination which is detrimental to Madagascar’s market positioning. Clients go to Madagascar for the natural unique features and to meet locals, not for the beach.

6.3.4 Market Segments to Target

Madagascar offers visitors exceptional nature, adventure and community based cultural tourism. The best market fit with this product is experienced well-off Nature and Adventure Travellers.

Tour operators felt that the level of facilities and services in Madagascar were well suited to these market segments, providing client expectations were managed to ensure they were aware of the level of services to expect.

Expanding into more mainstream segments was not felt to be appropriate until the infrastructure of the country; the national airline and the tourism sector in general were more developed.

These niche markets are considered to have potential for growth from all the source markets studied. The priority segments are:
Empty Nesters:
Clients booking through a tour operator are more likely to be ‘Empty Nesters’ and Retired segments whose children have left home and are experienced travellers wanting to discover new destinations and who may want adventure by day but prefer some comfort by night.

Young Travellers:
The independent travellers are more likely to be ‘Younger Travellers’ with more time than other segments but have smaller daily budgets.

Family and Special Interest:
Segments that were considered to have potential for growth were the family, educational and special interest markets. The wealth of geographical, natural, environmental, cultural and historic assets that Madagascar offers is considered to make it suitable to develop a strong educational product that could attract families. However the current cost of airfares would restrict this market, as only a small number of well-off families could afford to pay for a holiday for three or more people.

6.4 Product Development
Focus on developing the current product
There is a broad range of products currently available in Madagascar including nature and wildlife viewing, adventure and sporting activities, trekking, ecotourism, bird watching, scuba diving and community-based tourism. Rather than expand the range of products it was recommended that these existing products should be improved and more fully developed to ensure that all visitors enjoy a high quality experience and these products are of a quality that outbound tour operators are confident to sell.

Experiential tourism: develop the cultural and community based tourism product
Many tour operators commented that their clients want to experience the culture of Madagascar, but on the whole that is not offered. Wildlife and landscapes are offered in plenty, but not so much the culture or ways to gain an understanding of the Malagasy people. Several commented that Malagasy people are Madagascar’s untapped resource.

Activities: Cycling, fishing, sailing, trekking
Further development of specialist activities holidays would appeal to Empty Nesters and Young Travellers with niche interests. It will be necessary to provide insurance and health and safety procedures for these activities that meet international standards.

Individuality: Expand the tailor-made offer
Local inbound tour operators should move towards becoming travel facilitators, offering tailor-made services and a range of different types of activities and accommodation that can be combined into individual itineraries, rather than just offering standard holidays.

Accommodation: ‘Keep Good and Simple’
Overall the level of accommodation was felt to be suitable for the market segments that are currently visiting Madagascar, particularly from Scandinavia. Accommodation needs to be clean and ideally have individual bathrooms. Tour groups usually require 8-10 rooms of similar quality. Welcoming, hospitable service rates highly in visitor feedback. Food needs to be good quality local food with high standards of hygiene.

Good Local Knowledge is a Priority for Local Suppliers
Detailed local knowledge is a priority for outbound tour operators looking for local partners. Outbound operators are highly dependent on local suppliers to enable them to deliver their clients an excellent experience that they will tell their friends and family about. The services outbound tour operators are looking for from local partners are:

- Detailed knowledge of the country and the products offered
- Knowledgeable and trained guides.
- English speaking guides
- Responsive and efficient communication
- Adequate insurance
- Up-to-date health and safety documentation
- Certification of standards of sustainability.
Do not overdevelop

For the current outbound tour operators, who offer primarily nature and adventure holidays, it is important that Madagascar doesn’t become a mass tourism destination.

6.5 Conclusions

A key priority for developing tourism in Madagascar is to produce an air access strategy and improve domestic services.

It is also a priority to produce and deliver an effective Branding and Marketing Strategy, supported by the appropriate budget, in order to generate increased arrivals in the potential source markets and in France.

The markets to target in Germany, Scandinavia, South Africa and in France are the niche nature, adventure and community-based cultural segments in particular Empty Nesters and Retired segments together with Young Travellers and well-off Families.

The key to exceeding visitor expectation is to focus on developing a quality product that is marketed to outbound tour operators and independent travellers by efficient local suppliers. This will create the best opportunity to generate positive word of mouth marketing by visitors to their friends and family, by tour operators to their potential clients and on social media review sites and forums.
ANNEX

1. BIBLIOGRAPHY

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Ministère du Tourisme Madagascar (Mai 2014), Note de Strategie Pour le Developpement du Sector Tourisme

Ministère du Tourisme, des Transports et de la Meteorologie, Statistiques du Tourisme 2014

Mintel South Africa Outbound, TTA No. 9, June 2013


The World Bank (2013) Madagascar Tourism Sector Review: Unlocking the tourism potential of an unpolished gem

Visit Britain Market and Trade Profiles, August 2014 for Denmark, France, Germany, Norway, Sweden, South Africa

UNWTO Nassau Declaration on Tourism As a Key Sector for the Development of Island States

UNWTO Compendium of Tourism Statistics 2009-13

UNWTO World Tourism Barometer Volume 13, January 2015

World Economic Forum The Global Competitiveness Report 2014-15

Sources For Review Of Marketing Activities In France

http://www.vanilla-islands.org/Vision-strategique.html
http://www.groupeexpression.fr/
http://www.tourmag.com/Combines-inter-iles-les-Iles-Vanille-une-passerelle-commerciale-pour-les-T0_a65529.html#
http://www.programme-tv.net/programme/culture-infos/4976-echappées-belles/3895229-madagascar-l-il-riouge/
http://www.programme-tv.net/programme/culture-infos/5214-thalassa/2173826-cap-sur-madagascar/
http://www.france5.fr/emissions/echappées-belles/diffusions/05-01-2011_20997
2. SOURCES FOR SOCIAL MEDIA ANALYSIS

FRANCE

Research done on Social Media and Forums:
- Routard (forum) http://www.routard.com/

Travel Blogs:
There are no or almost no blogs talking about Madagascar. A short interview of the main French Blogger has been conducted to know their view of the destination.
- http://esprit-sauvage.over-blog.com/article-29857719.html = Blog written by a passionate of fauna and flora

GERMANY

Research done on Social Medias and Forums:
- Trip Advisors (site and forum) http://www.tripadvisor.de (few discussions on the forum)
- Madagaskar Forum (Forum dedicated to Madagascar – not only travel) http://www.madagasikara.de/mafo/index.php?Sid=1157c6a20b0984b3f836f9e8eb7126
- Geo Reisecommunity (forum) http://www.geo.de/reisen/community/forum/thema/2030
- Lonely Planet Forum http://www.lonelyplanet.de/forum/showthread.php?2578-Reisef%C3%Bchrer-f%C3%bc-Madagaskar
- Reisefrage http://www.reisefrage.net/tag/madagaskar/1

Travel Blogs:
- Http://www.klaraharden.com = Klara and Karsten went to Madagascar in 2013 to create film that will raise awareness of the environmental issues in Madagascar
- Http://www.bravebird.de/blog/das-soll-madagaskar-sein
- Http://blog.takeoffreisen.de/2014/06/06/madagaskar-schoener-norden
- Http://madareise.wordpress.com

SCANDINAVIA

Research done on Social Medias and Forums:

Denmark:
- Backpacker Planet (forum & blog) : http://www.backpackerplanet.dk/cafe/forum (No topic about Madagascar)
- Jysk rejsebureau forum: http://www.jysk-rejsebureau.dk/rejsetips.asp
- Godtur.dk forum: http://www.godtur.dk/forum/afrika/

Sweden:
- Rese Forum: http://www.reseforum.se/ (only a comment from 2009)
- Rese Guiden: http://www.reseguiden.se/forum/diskussioner/madagaskartips-4815
- Travel Forum: http://www.travelforum.se/destinationer/afrika/madagaskar/

Norway:
- Ferie Forum: http://www.ferieforum.no/ (No topic about Madagascar)
Travel Blogs:
- `http://thebiotrotter.com/destinations/africa/madagascar` (Sweden) = Biologists travellers from Sweden
- `http://www.lolaakinmade.com/2013/04/08/five-places-ive-never-been-and-why-i-want-to-go/` = Global traveller who never been to Madagascar but dream to go

**SOUTH AFRICA**

Research done on Social Medias and Forums:
- Tripadvisor Forum: `http://www.tripadvisor.co.za/showforum-g293808-i9291-Madagascar.html`

Travel Blogs:
- `http://theincidentaltourist.com/tagged/Madagascar`

3. **TOUR OPERATORS INTERVIEWED**

**GERMANY**

Madagaskar travel
Wikinger Travel
Colibri Travel
Marco Polo Reisen
Abendsonne Africa

**SCANDINAVIA**

**Denmark**
Penguin Travel
Viktors Farmor

**Norway**
Dittafrica
Hvitserk
Ravinala

**Sweden**
African Tours & Safaris
Jambo Tours

**SOUTH AFRICA**

African Bikers
Live the Journey
Madagascat Charters & Travel
Pulse Africa
Real Madagascar

**FRANCE**

**Niche Tour Operators Interviewed**
Comptoir des Voyages
Explorator
Nomade Aventure
Voyageur du Monde

**General Tour Operators: Analysis of Madagascar Offer**
Jet Tours (no tours to Madagascar)
Look Voyages
Nouvelles Frontieres
Interviews with Social Media Bloggers
Julie Sarperi from the blog: Carnet de Traverse (http://www.carnets-de-traverse.com/)
Aurélie Amiot from the blog: Madame Oreille (http://www.madame-oreille.com/blog/)
Julien Grenet from the blog: Jaime Le Monde (http://www.jaimelemonde.fr/)

4. INTERVIEW GUIDES

1. Potential Source Market Tour Operator Interview Guide

TOUR OPERATOR INTERVIEW SCRIPT – MADAGASCAR

Name of Tour Operator and Country:

Name & Position of respondent:

Contact Details (Tel/ Email)

Date Interview/Questionnaire completed:

PART A – HOLIDAY DETAILS

1. Do you offer holidays to MADAGASCAR?
   Yes/ No

2. Which COUNTRIES IN AFRICA do you offer?

   A. Botswana  
   B. Kenya  
   C. Malawi  
   D. Mozambique  
   E. Rwanda  
   F. South Africa  
   G. Tanzania  
   H. Uganda  
   I. Zambia  
   J. Zimbabwe

   Other in the REGION, please specify:

3. Do you sell MADAGASCAR combined with other destinations?
   Yes/ No
   If yes – which countries do you sell it with?

4. What TYPE OF TRIPS does your company offer to MADAGASCAR?
   (Check all that apply)
a. General Tours
b. Adventure
c. Bird watching
d. Business / MICE
e. Community based tourism
f. Cookery
g. Cultural tours
h. Eco-tourism
i. Educational tours
j. Festivals and Events
k. Fishing
l. Jungle survival
m. Nature
n. Photography
o. Scuba diving
p. Sun, sea, sand
q. Specialist wildlife
r. Trekking
s. Volunteer tourism

Other (please specify)

5. Has the type of holiday to MADAGASCAR requested by your clients changed, over the last year or two? (eg, more interest in luxury/community based tourism/all inclusive resorts/education/etc)

6. How many tours do you organise to MADAGASCAR each year?

7. Do you organise FIT (Fully Independent Travel) / tailor made tours to MADAGASCAR?
   A. Yes/ No
   B. If Yes, what proportion of your visitors to MADAGASCAR do they account for?

8. What is the average LENGTH OF A TOUR (in days) to MADAGASCAR
9. What is the average COST of a tour to MADAGASCAR, excluding air fares? (Please specify currency/number of days)?

10. Which types of accommodation do your clients stay in?

- Budget (camping, homestays, village stays, hostels, cheap hotels)
- Eco-resorts
- Mid-range (Hotels, guest houses)
- Luxury (5* hotels or resorts)
- Other – please specify

On average, how many rooms do you need to accommodate a group booking?

Do you have any other comments regarding accommodation in Madagascar? (Is there enough choice/are there enough rooms available/are accommodations’ descriptions accurate?)

11. Which types of local transport do your clients use?

- Air
- Boat
- Bus/coach
- Car hire
- Other – please specify
- None

Do you have any comments regarding travelling around Madagascar?

12. Which airlines and air routes do you use for your tours to MADAGASCAR? (ie via which country’s airports/ports?)

Do you have any suggestions about how access to Madagascar could be improved?

Do you have any comments regarding access to Madagascar?

13. Please rate the importance of the following requirements of local suppliers for tours to MADAGASCAR (where 1 is unimportant, 5 is essential):

- Have a detailed knowledge of the country and products offered □
- Can offer guides speaking English □
- Can offer guides speaking French □
- Can offer guides speaking other European languages □
- Can offer knowledgeable and trained guides □
- Can provide up to date, acceptable health & safety documentation □
- Possess certification of standards of sustainability □
- Have adequate insurance □
- Can provide accommodation/activities that offer good Quality food □
- Are responsive and communicate efficiently □
- Other (specify)...........................................................................................................
14. How many PASSENGERS did you send to MADAGASCAR in the last three years? Please estimate if data not available

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Of passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014 (est)</td>
<td></td>
</tr>
<tr>
<td>2015 (est)</td>
<td></td>
</tr>
</tbody>
</table>

Any comments regarding these figures?

15. What proportion is Madagascar of your total business? (Answers are treated confidentially and are not attributable)

PART B – PERCEPTIONS OF MADAGASCAR

How MADAGASCAR compares with other competing destinations

16. What is the main reason that your clients choose to go to Madagascar?

X. What do you consider to be MADAGASCAR’s UNIQUE SELLING POINT (USP) AND WHY? *Ie, the one most important feature that makes Madagascar different from other destinations*

17. Which destination(s) do you consider to be the MAIN COMPETING DESTINATION(S) to MADAGASCAR and WHY?

18. How can MADAGASCAR DIFFERENTIATE itself from competing destinations?

19. A. Please rate which of these factors are most important to you when planning a tour to MADAGASCAR? Where 1 in unimportant and 5 is most important;

   Ease of access
   Quality of the product
   Quality of the accommodation
   Price
   Multi-lingual guides
   Sustainability, accreditation
   Security
   Health and safety including insurance
   Other, please specify
B. Which of these factors are the most important for your clients?

X Do you attend trade fairs to meet new suppliers?
Yes/ No
If yes which ones?

X Do you attend consumer show to sell Madagascar?
Yes/ No
If yes, which ones?

20. WHAT ARE THE MAIN BARRIERS to you sending more clients to MADAGASCAR?

21. What ACTIONS would you like to see MADAGASCAR take to make it more attractive to your clients?

22. A) Is MADAGASCAR becoming a more popular destination? Yes/ No

B) If No, why not?

PART C – YOUR CLIENTS

Key demographics of your clients that book trips to MADAGASCAR

23. What is their AGE group?
(Please provide approximate percentage per age group).

<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 17</td>
<td>%</td>
</tr>
<tr>
<td>18-24</td>
<td>%</td>
</tr>
<tr>
<td>25-44</td>
<td>%</td>
</tr>
<tr>
<td>45-64</td>
<td>%</td>
</tr>
<tr>
<td>65 and over</td>
<td>%</td>
</tr>
</tbody>
</table>

24. What is their GENDER?
(Please provide approximate percentage per gender group)

<table>
<thead>
<tr>
<th>Gender</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>%</td>
</tr>
<tr>
<td>Female</td>
<td>%</td>
</tr>
</tbody>
</table>

25. What is their typical GROUP COMPOSITION
(Please provide approximate percentage per type of group).

<table>
<thead>
<tr>
<th>Group</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>%</td>
</tr>
<tr>
<td>Couples</td>
<td>%</td>
</tr>
<tr>
<td>Family group</td>
<td>%</td>
</tr>
<tr>
<td>Friends group</td>
<td>%</td>
</tr>
</tbody>
</table>
26. **Their EDUCATIONAL LEVEL**

*(Please provide approximate percentage per education group).*

- School education <<%
- University/college education <<%
- Professional qualifications <<%

27. **To the best of your knowledge, what is their INCOME GROUP**

*(Please provide approximate percentage per income group).*

- Below national average <<%
- National average <<%
- Above average <<%
- High earner <<%

28. **And their type of OCCUPATION**

*(Please provide approximate percentage per education group).*

- Managers/ Professional <<%
- Technicians/ Clerical <<%
- Retired <<%
- Student <<%
- Other <<%

29. **Has the profile of your clients to Madagascar changed over the past 3 years?**

Yes/ No

If yes, in what way?

30. **What do you think influence your clients in their CHOICE of MADAGASCAR as a DESTINATION?** *(Please rate from 1 o 5 where 1 in little influence and 5 is very influential).*

- Brochure
- Personal recommendations
- Tour operator recommendation
- Articles in newspapers or magazines
- Adverts in newspapers or magazines
- Television programmes
- Family connections
- Radio programmes
- Guide books
- Consumer travel shows
- Internet research

31. **Which, if any, social media may influence the type of people who may be interested in MADAGASCAR as a destination?**

- Facebook
- Twitter
- Thorntree (Lonely Planet)
- Instagram
- Tripadvisor
- Other

32. **Which booking channels do you feel are the greatest competitors to your business?**

- Independent travel agent
- Booking direct with destination
- Online travel agents (otas)
- Specialist online accommodation booking sites eg, Airbnb
33. **HOW LONG BEFORE travelling, do your clients book holidays to the MADAGASCAR?**

<table>
<thead>
<tr>
<th>Duration</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 month</td>
<td></td>
</tr>
<tr>
<td>2-3 months</td>
<td></td>
</tr>
<tr>
<td>3-6</td>
<td></td>
</tr>
<tr>
<td>More than 6 months</td>
<td></td>
</tr>
</tbody>
</table>

34. **What percentage of your clients have VISITED MADAGASCAR before?**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td></td>
</tr>
<tr>
<td>Once</td>
<td></td>
</tr>
<tr>
<td>More than once</td>
<td></td>
</tr>
</tbody>
</table>

35. **Approximately what proportion of your clients return for A FURTHER TRIP to MADAGASCAR?**
2. Traditional Market (France) Tour Operator Interview Guide

a. Tour operator products for Madagascar

b. Interview transcript

<table>
<thead>
<tr>
<th>Tour operator information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and Position of the respondent:</td>
</tr>
<tr>
<td>What type of Tour Operator is your company?</td>
</tr>
<tr>
<td>Which tourism segments does your company operate in?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Madagascar destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you operate in Madagascar all year around or during a period of the year</td>
</tr>
<tr>
<td>They you operate in Madagascar as:</td>
</tr>
<tr>
<td>What tourism market segment do you operate in Madagascar?</td>
</tr>
<tr>
<td>How long your clientele is staying in Madagascar for in average?</td>
</tr>
<tr>
<td>What are the direct competitors of Madagascar?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Your clientele for Madagascar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
</tr>
<tr>
<td>Income Bracket</td>
</tr>
<tr>
<td>Lifestyle choices</td>
</tr>
<tr>
<td>Where is your clientele for Madagascar coming from?</td>
</tr>
<tr>
<td>If your clientele for Madagascar is mainly from Paris, could we increase clientele from other regions? If yes, how?</td>
</tr>
<tr>
<td>What % of your clients has visited Madagascar before?</td>
</tr>
<tr>
<td>What proportion do you expect to return?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing and Product for Madagascar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which are the main marketing actions that Madagascar should perform, in order to improve the attractiveness to the French market?</td>
</tr>
<tr>
<td>According to you, would it be possible to reach a broader demographic by creating specific products (i.e. Age specific product)?</td>
</tr>
<tr>
<td>Is there a demand for niche products (i.e. Extreme sport), if so which ones?</td>
</tr>
<tr>
<td>Any other comments</td>
</tr>
</tbody>
</table>
3. Social Media Research Template

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where in [Germany/Scandinavia/ South Africa, France] do travellers to Madagascar come from?</td>
</tr>
<tr>
<td>Profile - age, gender, travel group?</td>
</tr>
<tr>
<td>Motivations for travel to Madagascar - what they’re doing?</td>
</tr>
<tr>
<td>Where/ what are they visiting?</td>
</tr>
<tr>
<td>What types of accommodation they are using?</td>
</tr>
<tr>
<td>What are their views, comments, feedback on Madagascar and its facilities?</td>
</tr>
<tr>
<td>SUMMARY</td>
</tr>
</tbody>
</table>

