



HOSPITALITY CONSULTING

Serengeti

Safari Lodge Market

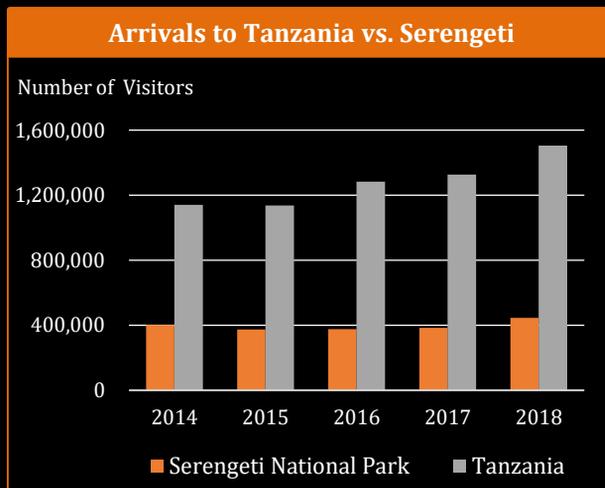
January 2020

Bucket list African safari destination remains highly dependent on legacy upscale traveler profile

Local DMCs continue to be single largest market feeder

“Serengeti National Park, located in northern Tanzania, is renowned for its abundant wildlife and safari activities. It is one of the most famous tourism destinations in Tanzania with an average market share of 31% between 2014 and 2018. Serengeti is the most visited national park in the country, which hosted 446,030 visitors in 2018 (latest data).

Typically tourists travel to Serengeti with local DMCs (destination management companies) on a combined itinerary to other locations within the country. Transportation and logistics are a key challenge to travel inside the park as well as the surrounding area. Serengeti is accessible via road and air only. While most tourists opt for an overland safari with approximately eight hours’ drive, there are also nine airstrips within the park that accommodate flights. As unique as a safari is, the high entrance fee and overnight park charges applied create a barrier to entry, which limits the visitation numbers and prevents overtourism.



Source: Tanzania National Parks (TANAPA) and C9 Hotelworks Market Research

Lodges and tented camps are the main choices of accommodation inside the park, ranging from economy to luxury tiers. While camps have the mobility to follow the migration cycle with fewer key counts, lodges have permanent structures ranging from 50 to 80 keys.”

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Key geographic source markets are the US and Western European countries represented by Germany, UK and Italy.
- While low season is from March to May, demand during the rest of the year has less volatility with July and August being peak months.
- Various tour packages are provided by DMCs, which combine different national parks as well as beach getaway to nearby Zanzibar. Average length of stay in Serengeti is 3 days, 2 nights.

Forward Outlook

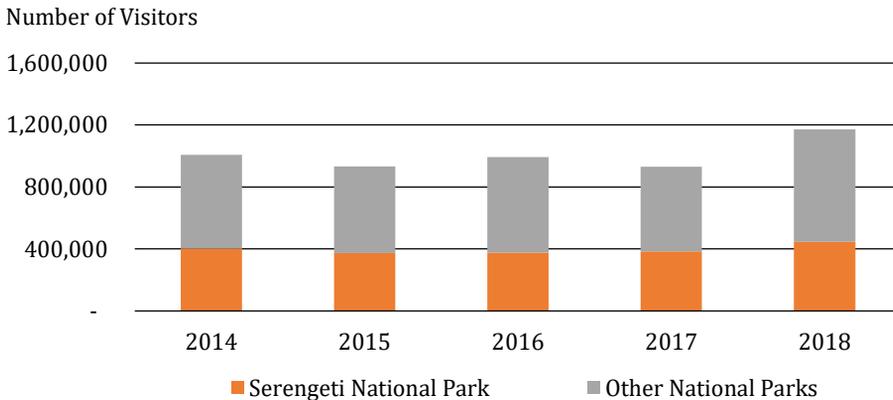
- Extensive travel time within the park continues to be a challenge as no paved roads are allowed inside the park.
- With increasing flight connectivity from Asia, lodging properties are seeing growing demand from this region highlighted by Mainland China.
- Tourism growth is impacted by high park fees and costly tour packages, which target high-end travelers. Strong potential opportunities exist for niche accommodation products.

TOURISM

Demand Indicators

As of 2018 (latest available data), Tanzania national parks hosted 1.17 million visitors in total. Serengeti National Park ranked at the top with 38% of the share. The tourism market in Serengeti is dominated by international visitors which accounts for 61% of the total visitors.

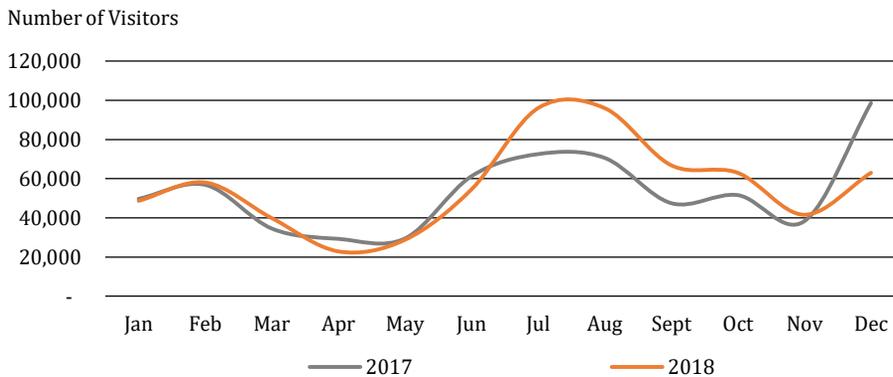
Visitor Arrivals to National Parks in Tanzania



Source: Tanzania National Parks (TANAPA) and C9 Hotelworks Market Research

The compound annual growth rate of visitors to Serengeti was 2% from 2014 through 2018

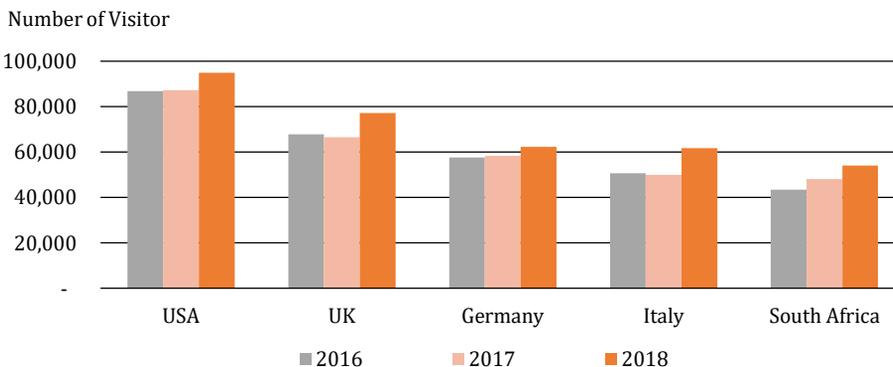
Seasonality



Source: Ngorongoro Conservation Area Authority (NCAA) and C9 Hotelworks Market Research

In 2018, peak months (July - October) experienced strong uplift of 33% compared to the same period in the previous year

Tanzania Top 5 Key International Geographic Source Markets



Source: Ministry of Natural Resource and Tourism and C9 Hotelworks Market Research

All top five international source markets increased with a y-o-y growth rate of 13% in 2018

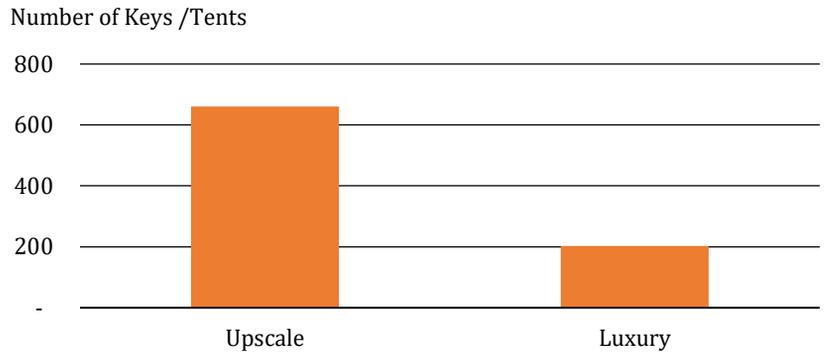
LODGING MARKET

Existing Supply

The majority of the existing accommodation supply is tented properties, with a number within the budget and midscale tiers. The current inventory of properties in the upscale and luxury tiers totals 863 keys. There are three major players in the upscale lodging market, which operate 10 tented camps and lodges inside Serengeti.

While luxury properties are dominated by lodges (62%), tented camps focus on the upscale tier

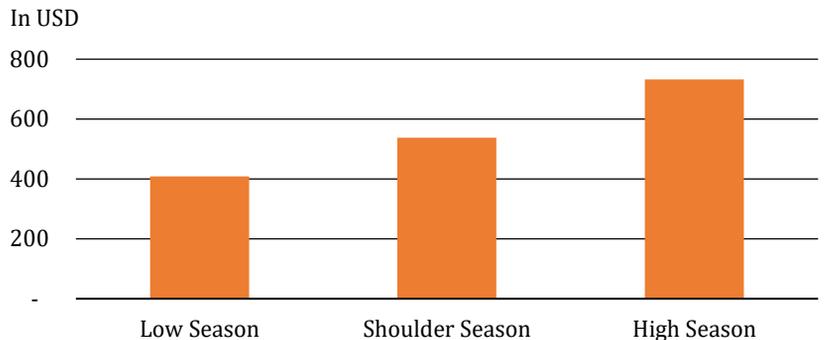
Accommodation Establishments (Upscale & Luxury Tier)



Source: C9 Hotelworks Market Research

Market-wide rate variance between low season, shoulder season and high season averaged 32% and 36%, respectively

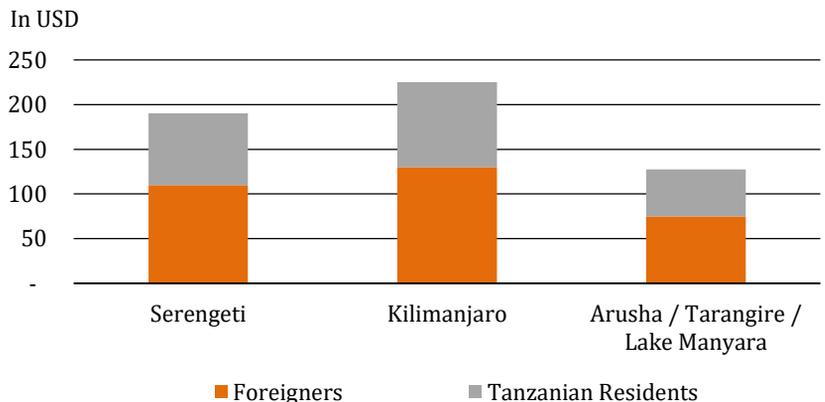
Market -wide Accommodation Rates* (Luxury Tier)



Source: C9 Hotelworks Market Research
*Rates include full-board meal packages

Kilimanjaro has the highest park charges which total USD130 for foreign tourists

Park Entrance s & Concession Fees



Source: Tanzania National Parks (TANAPA) and C9 Hotelworks Market Research

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



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