

# Hotel Pricing in Africa: Nairobi Could Be Barring Tourists Due to High Hotel Rates

Security, geographical misconceptions and infrastructure named as some of the factors



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AFRICA INTERNET GROUP

**Summary** **A recent report by STR Global, a hospitality research firm has revealed a number of factors that could be influencing the pricing of hotels across various African capitals. The report majorly noted that despite having some of the continent’s recognized chains as well as renowned global brands; the hotel rate in the Kenyan capital, Nairobi is almost double that of the more advanced South African capital - Johannesburg.**

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**Details** Nairobi - Kenya, September 10, 2015: A recent report by STR Global, a hospitality research firm has revealed a number of factors that could be influencing the pricing of hotels across various African capitals. The report majorly noted that despite having some of the continent’s recognized chains as well as renowned global brands; the hotel rate in the Kenyan capital, Nairobi is almost double that of the more advanced South African capital - Johannesburg.

The report released ahead of the Africa Hotel Investment Forum (AHIF) scheduled to take place by the end of this month notes that in contrast to other major African capitals, such as Lagos, Cairo and Cape Town, Nairobi’s hotel rates have remained fairly stable in the past year despite the low occupancy rates due to the rampant security threats and travel advisories. The industry also suffered greatly due to misconceptions during the Ebola outbreak in West Africa.

Among other factors, infrastructure, ease of transport (airways) and political stability have played a key role in formulating hotel pricing. For instance, Ethiopian capital –Addis Ababa is still grappling with a shortage of quality hotels leading to high rates in the non-competitive market. However, hosting the African Union (AU) headquarters has played a great role in pushing its stand on the Meetings and Conference frontier as well as endorsing the country’s position both on the regional and global tourism scale. As Estelle Verdier, Managing Director for Jovago East & Southern Africa notes, *‘we are moving away from the traditional aspects of tourism to new frontiers such as Meetings, Conferencing and Incentives, Sports and Adventure. It’s important for destinations to invest in the right structure that will support their unique product.’* Ethiopia’s economy is reported to be growing at a rapid rate of more than 10% pa through the last decade, which automatically places it as an attractive field for investors in the sector.

According to the report, travelers can have a good night's sleep in a [Nairobi Hotel](#) for about \$122.30 - almost half the price in Addis Ababa whose rates are marked up to \$231.78. Egypt, which ranks top in the most visited countries in Africa has favorable pricing at only \$72.90 followed by Cape Town at an average \$105.73.

Kenya has been on an intensive marketing campaign for the country's tourism sector with the latest efforts seen through newly launched collaboration between the Kenya Tourism Board (KTB) and the national carrier, Kenya Airways. The country has also received great endorsement through hosting highly regarded and globally recognized conferences such as the Global Entrepreneurial Summit, World Trade Ministerial Conference and upcoming Africa Travel Association.

### **About Jovago**

Jovago.com is an online hotel booking service with offices in Lagos (Nigeria), Nairobi (Kenya), Dakar (Senegal) founded by Africa Internet Group and has MTN and Millicom as investors. Jovago.com, Africa's No.1 booking portal, facilitates the booking process for its users to provide them with the best hotel booking experience with fast, transparent and easy-to-use services. Jovago.com has over 20,000 local hotel listings across Africa and over 200,000 hotels around the world.

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Africa Internet Group, the leading internet platform in Africa, promotes sustainable online growth that benefits both businesses and consumers. Firmly rooted in Africa's startup ecosystem, the group provides easy-to-use services and smart solutions across the African internet sector. AIG is invested in furthering regional entrepreneurship and innovation through a passion for Africa, its culture and its people. AIG is the parent group of ten successful and fast-growing companies in more than 30 African countries. Its network of companies includes Carmudi, Easy Taxi, Everjobs, hellofood, Jovago, Jumia, Kaymu, Lamudi, Vendito and Zando.

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