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9B18M164

EXTRAORDINARY JOURNEYS:

WILD TIMES IN THE SAFARI INDUSTRY

David Halliday wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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From the deck of Ellerman House, Elizabeth Gordon was watching an impressive sunset over the South Atlantic Ocean. It was April 2017, and the hotel, perched on Lion’s Head mountain in Cape Town, South Africa, was perfectly positioned to catch the last westerly rays of sunlight. Ellerman House was a common stopping-off point for travellers returning from safaris throughout southern Africa, and, in this respect, Gordon’s trip was no different. She had just returned from a whirlwind tour through the best new safari camps in southern Africa. However, Gordon’s trip was not for rest and relaxation; she was there to gather up-to-the-minute intelligence on the safari industry.

As the chief executive officer (CEO) and co-founder of Extraordinary Journeys (EJ), a provider of custom, luxury African safaris, she was “on inspection”—that is, visiting safari camps to test them for future clients. This also involved meeting the camps’ owners and managers and networking with other safari professionals. This was the part of the job that she truly loved, and no matter how busy she was at home, Gordon carved out time to come to Africa at least twice a year. Notwithstanding the 21-hour flight, she had a knack for shrugging off fatigue and jet lag to embrace 5:30 a.m. starts and 16-hour days while she was there.

Founded in 2009, EJ was a leader among a new breed of fully customized safari tour operators that sought to upend the more common group-tour model. As demand for custom safaris grew, EJ’s revenues had grown rapidly, increasing at a 60-per-cent compound annual growth rate (CAGR) through 2016. However, by mid-2017, Gordon was beginning to think that this rapid growth would be difficult to maintain in the face of mounting competitive pressures. Every few months she was seeing advertisements from a new competitor in her industry. While some of these were entrants with scant resources, others were backed by private-equity funds and million-dollar branding campaigns. These competitors were advertising to her potential clients and, in some cases, overtly attempting to drive down prices and profit margins. This suggested a troubling increase in competition that would threaten incumbents. At worst, these changes could threaten the growth and market position she had enjoyed for the past eight years.

Gordon sipped her drink and looked across the Cape Town cityscape. She knew her South African competitors had offices downtown, and she wondered if they were still at work, pondering the future of the safari industry.

SAFARIS: A BROADER VIEW

Introduction to Safaris

The word *safari* came from the Swahili word for an overland journey.[[1]](#footnote-1) While the term had used to predominantly refer to a big-game safari, it had evolved to refer to “travelling, usually in vehicles, into unspoiled or wild areas for . . . game viewing.”[[2]](#footnote-2) One estimate suggested that at least 4.5 million international tourists visited Africa in 2015 to go on safari.[[3]](#footnote-3) Primary destinations for safari goers were often well known. For example, tourists flocked to see the great migration in Tanzania’s Serengeti National Park. There, approximately 1.5 million wildebeest migrated clockwise throughout the region in search of grasses that grew after the seasonal rains.[[4]](#footnote-4) Other top safari destinations included Kruger National Park in South Africa, the Maasai Mara National Reserve in Kenya, the Okavango Delta in Botswana, and Victoria Falls on the border of Zambia and Zimbabwe (see Exhibit 1).

Safari Activities

Most visitors went on safari for anywhere from four to 14 nights. When not on safari, travellers to Africa also went to major cities, such as Cape Town in South Africa, or beaches, such as in Zanzibar in Tanzania. The most popular safari destinations tended to offer big-five game viewing: lions, buffalo, giraffes, leopards, and rhinoceros. Most safari goers planned to stay at either a camp or a lodge. At a lodge, travellers found a permanent building that typically had amenities such as full-time electricity, hot water, and perhaps air conditioning or a swimming pool, if the location had a warm climate. On the other hand, travellers at a camp found more rustic amenities such as fabric-walled tents. However, ultra-luxury camps like Chinzombo in Zambia, with amenities such as indoor bathtubs, private plunge pools, and hand-carved sinks, blurred the lines between upscale camp and lodge.

The most popular, even emblematic, safari activity was to participate in game drives, which involved driving in a modified Land Rover or Toyota Land Cruiser to see wild animals.[[5]](#footnote-5) Another common activity was a walking safari, where guests hiked in search of game with well-qualified scouts and guides.[[6]](#footnote-6) Alternative activities were typically offered based on the price range of the lodge or the type of travel the lodge was oriented towards. For example, more luxury-oriented lodges tended to offer horseback riding or mountain biking, while specialty lodges might have offered support for birdwatching or canoeing.

American Safari Travellers

In 2017, the upscale safari market was composed of both luxury and adventure travellers who stayed in higher-end camps and lodges. Within this space, the average spend for EJ clients was approximately US$8,000[[7]](#footnote-7) per person, excluding international airfare. Almost all EJ clients were American, and industry estimates suggested that approximately 110,000 Americans travelled on a luxury safari each year.[[8]](#footnote-8)

For these American travellers, an African safari tended to fall into the “bucket list” trip category.[[9]](#footnote-9) In other words, most travellers did not plan to return to Africa; rather, they hoped to accomplish their safari aspirations so that they could check the trip off their list of lifetime travel goals. As such, potential travellers chose whether to go on safari relative to a number of factors and alternative destinations. For example, the outbreak of Ebola in 2014 caused many travellers to divert the trips they had planned for 2015 to other worldwide destinations such as India, Peru, and Patagonia.

Despite occasional short-term changes in supply and demand, the luxury safari industry had grown quickly since the end of the financial crisis. Safari demand depended heavily on both the current condition of the economy and the current state of the US stock markets. In good economic times, safari bookings and prices tended to increase dramatically. For example, in the luxury segment, between 2010 and 2017, growth averaged an estimated year-over-year CAGR of 10 per cent.[[10]](#footnote-10) However, if the stock market performance were to slow or reverse, the rapid growth could give way to a stagnating or even contracting industry.

Safari industry STRUCTURE

The safari industry, in particular, and the luxury travel industry, in general, tended to function in three distinct layers of operation: (1) tour operators, (2) destination management companies (DMCs), and (3) safari camp managers (see Exhibit 2). Because the safari industry had historically been fragmented throughout the value chain, few, if any, companies dominated the industry. In 2017, the largest firm, Wilderness Safaris, made up no more than 9 per cent of the DMC and camp management industries.[[11]](#footnote-11) No other tour operator was thought to serve more than a small fraction in the luxury market.

Layer One: Tour Operators

Potential US-based travellers hoping to plan a customized safari had a range of choices when selecting a tour operator. There were at least a dozen highly visible firms with more established brand names as well as dozens of other smaller companies (see Exhibit 3). Travellers were able to consult with different firms and request quotes from a number of tour operators to find the best deal or the best match for their particular interests. However, most clients did not shop as extensively as might have been expected because of the high time commitment of working with a safari specialist to generate a custom itinerary.

Custom safari tour operators could be thought of as travel agents with extremely specialized knowledge of African countries, types of safaris, guides, lodging options, and a range of other topics. Tour operators earned their gross profits in the form of sales commissions from safari camps and lodges. These commissions typically ranged from 12 per cent to 25 per cent of the gross trip price, excluding airfare. These relatively high commissions for African safaris attracted a consistent stream of new entrants because commissions for tour operators in other comparable markets such as Patagonia, India, and New Zealand averaged less than 15 per cent.

Safari commissions worked in much the same way as a wholesale price markup. For example, if a camp had a listed price of $1,000 per person, per night, then tour operators typically charged clients $1,000 and then paid the $800 wholesale price to the hotel. They then kept the remaining $200 as gross profit. Wholesale rates were not available directly to consumers, so individual travellers paid approximately the same amount whether they booked with a tour operator or directly with the safari lodge.

Tour Operator Success

To be successful, tour operators needed at least three key resources. The first related to industry knowledge, such as knowing the best safari properties, knowing how to work with suppliers, and knowing what customers wanted. CEOs were expected to have gained this knowledge through experience as a tour-operator sales agent or a safari camp marketing representative, or at a DMC. While people with the required industry knowledge could have been hired from rival safari companies, owners and managers needed sufficient experience to manage this process. The second resource was an appropriate amount of capital. To make a successful entry and remain competitive, a new firm needed an estimated $1 million–$2 million to create an office, hire an experienced team, and build a marketing and a branding campaign. The third resource was the skill to manage the marketing and branding campaign, which was critical to developing awareness and trust in potential clients. Successful “safari-preneurs” needed to manage online direct-to-consumer marketing, engage in direct mailing, and get mentions in top press outlets like *Travel + Leisure* and *Condé Nast Traveler*.

Layer Two: Destination Management Companies

The second layer of the safari industry was DMCs. Tour operators worked directly with DMCs to put together the difficult operational logistics of a custom safari within a specific region—for example, the Serengeti and nearby areas in Tanzania and Kenya. DMCs were based in the geographic region they served and hence acted as the on-the-ground service for safari clients. They helped tour operators book the difficult and/or time-consuming elements of the trip such as arranging local car transportation or chartering planes. For example, travelling to a safari camp might require a charter flight that would be difficult to book directly, such as an eight-seat Cessna aircraft that needed an experienced bush pilot for a dirt landing strip. Camps were often far from each other on dirt tracks or bush roads. This made arranging and coordinating between the camps for each custom trip difficult and dependent on specialized knowledge. DMCs filled a gap in skills and capabilities between tour operators and safari camps and lodges. DMC activities were typically white-labelled, so the client saw DMC services such as ground transportation, luggage transfer, and local troubleshooting as natural extensions of their tour operator and not branded as the DMC itself.

DMCs typically had little pricing power in their operating region. As direct suppliers to the tour operators, they competed by offering a mix of good service and a reasonable price. In competitive markets like Kenya, the Serengeti, and South Africa, DMCs that unilaterally raised prices or stopped providing service for certain properties would find that tour operators had moderate switching costs and were able to find another DMC. The DMC industry was highly fragmented, although in some specific geographic regions, such as Botswana, one firm, such as Wilderness Safaris’ DMC, could have a relatively large market share and exercise some degree of market power.

While most DMCs were independent, some DMCs were part of vertically integrated companies. For example, andBeyond, a large vertically integrated safari DMC and camp manager, also had a competitive tour operator subsidiary in the United States.

Layer Three: Safari Camps and Lodges

In 2017, there were over 300 luxury or high-end camps and lodges throughout Africa. Prices for luxury safaris ranged from moderate to sky-high. Typically, daily fees for a safari were all-inclusive and included room, meals, and safari activities. The fees per person, per night for a mid-range safari started at approximately $350 and continued to in excess of $3,000 per person, per night for ultra-luxury experiences (see Exhibit 4).[[12]](#footnote-12)

The business of managing safari properties was highly specialized and capital intensive. Traditionally, the industry was highly fragmented, and firms that owned lodges and camps were small. From 2000 to 2017, the industry slowly began to consolidate. Some firms, especially those that catered to high-end luxury clients, began building international brand reputations that allowed them to grow in new directions.

For example, Singita, which managed six safari lodges as well as private guest houses, was highly regarded in the industry.[[13]](#footnote-13) Its brand was built on a reputation for uncompromising quality and attention to detail. This overall level of quality had led to nearly 200 awards for its properties, service level, and wildlife conservation efforts, including *Condé Nast Traveler*’s 2015 award for the number-one hotel in the world.[[14]](#footnote-14) On the back of this reputation, Singita had pushed partially into the tour operator space by allowing consumers to book their safaris directly. This allowed Singita to charge full retail price and therefore retain the portion of gross profits that would normally have gone to tour operator partners. Its booking office handled the difficult details of getting travellers to their camps. However, Singita generally provided booking services only for its own properties, and travellers generally preferred to visit a number of different safari camps on their journey.

EXTRAORDINARY JOURNEYS

Elizabeth Gordon, 35, was born in Nairobi, Kenya, to an American family that had been involved in the safari industry since her father founded Park East Tours in 1965. For 35 years, until her family sold the business in 2000, Park East Tours was a leader in the planned-departure group safari business in Kenya and Tanzania. Its primary customer base was college alumni groups. As a lifelong safari industry insider, Gordon had visited every major safari country and stayed in over 100 safari camps and lodges. After college, she worked as a manager at a number of safari camps in Namibia, which helped her gain a new ground-level perspective on the safari industry. She later worked as a consultant in New York City and as a property investor focused on short-term vacation rentals in Buenos Aires, Argentina.

In the late 2000s, however, Gordon began looking for a new entrepreneurial opportunity in the travel industry. After looking at safari industry trends, she recognized that the older, planned departure approach to group safaris had lost its appeal to a new generation of travellers. Prior to the mid-2000s, African safaris, whether upscale or more down-to-earth, were usually conducted as part of a group. Group sizes ranged from a dozen travellers to 50 or more, and the pre-planned format allowed for lower prices and easier transportation options. However, as travellers became more adventurous and the number of flight options increased, clients increasingly sought more customized experiences.

In an effort to modernize the safari experience, Gordon founded EJ in 2009 to cater to the fast-growing segment of American travellers that wanted customized safaris with elements of both luxury and adventure. Customization allowed her to better match customer interests to the actual trip itinerary. Due to EJ’s extensive on-the-ground research at safari camps throughout Africa, it excelled at the process of matching customer interests to safari camps that complemented clients’ personalities. One of Gordon’s key guidelines was to send clients only to destinations where either she or one of the 20 EJ employees had stayed. As the demand for custom safaris grew, EJ’s revenues had increased dramatically. EJ had grown at a blistering pace, averaging a CAGR of over 60 per cent. From 2009, with revenues of $200,000 and no full-time employees, EJ had grown to projected 2017 revenues of over $12 million, with 21 employees.

Extraordinary Journey’s Strategy

“The Extraordinary Journeys method of trip planning starts the minute we pick up the phone to answer a client inquiry,” Gordon said. “The process that we use to create safaris for clients—from the first call until our clients return home—is focused on 360 degrees of trip planning and execution. We want both creativity in trip planning as well as a Ritz-Carlton-level attention to detail at every step of the process, whether it is a $7,000 safari or a $70,000 safari.”

A core principle of Gordon’s trip planning philosophy was that matching client interests to both safari lodges and the overall travel itinerary was the most important part of her safari specialists’ (i.e., her sales team’s) job. In other words, the sales team never directed clients towards high-priced accommodations simply to get a higher commission; the goal was to always match client interests, budget, and tastes to the best trip that matched these criteria. “The sales team is as empowered as possible to use their deep industry knowledge,” Gordon said. “I don’t require them to follow any set itineraries or choose properties with which we have higher gross margins. We do a lot of training to ensure the sales team is up to date, but I hire my team because they are smart, and I make sure they think for themselves.” She cited two examples of her philosophy: a Hollywood star travelling with family was best served by a low-key, family-owned property, whereas two honeymooners on a modest budget stayed at economical bush camps before they splurged on two nights at the luxurious Singita Pamushana Lodge in Zimbabwe.

Thus far, Gordon had guided EJ’s rapid growth based on three primary strategies: (1) a public relations (PR) campaign targeting high-end travel publications, (2) referrals from past clients to their friends, and (3) repeat bookings from past clients.

Each of these strategies had led to a growing brand reputation. EJ had become known for its high-quality customer service and creative safari planning. Thanks to the PR campaign and the support of its most loyal customers, EJ had received coverage from the *Wall Street Journal*, *Travel + Leisure*, *Departures*, and *National Geographic Traveler*. Gordon was awarded *Travel + Leisure*’s A-List travel agent status four times, and in 2016, EJ won *Travel + Leisure*’s Best Safari Outfitter in the World award, coming in second for the magazine’s annual World’s Best competition.

LOOKING FORWARD

As the last blushes of sunset faded from the clouds over the Atlantic Ocean, Gordon realized that she had one of the greatest luxuries of all—a few free minutes to think about the strategy of her company. Between the long days on safari and a few hectic months back at her office in New York, this was her first chance in a long while to sit and think about the future of EJ. She recognized that to maintain her market position, she needed to invest capital and even more effort into her company (see Exhibit 5). She was considering at least three options to leverage EJ’s existing resources: a direct marketing approach, a PR approach, and an optimization and efficiency approach. Unfortunately, her available time to devote to a new project was limited, and she was only able to engage in—at most—one new project for the foreseeable future.

Marketing Strategy

The first option she was considering was to conduct a direct-to-consumer marketing campaign. Considering its rapid growth, it was surprising that EJ had never undertaken a marketing campaign. Recently, however, Gordon had reached out to a number of advertising agencies and specialized marketing companies. There were a few possible marketing channels to explore, and she knew that she would need to operate in a number of these channels to be successful. These opportunities included using direct online marketing through Facebook and Google, direct mail campaigns, search engine optimization, and advertising in high-quality magazines that catered to a wealthy audience. While the advertising agencies promised big results, Gordon was uncertain about these, as advertising for safaris was very competitive and relatively expensive. For example, dozens of firms advertised safaris on Google and Facebook, which drove up the cost for all competitors. Likewise, direct mail campaigns were expensive to mount due to high fixed costs for graphic designers and content development as well as high costs to print and mail. However, the benefit of an advertising-based approach was that the average cost to acquire a new customer could be determined over time. After Gordon determined this information, the advertising campaigns could be increased or decreased over time to fit the available resources in her sales team.

Altogether, Gordon estimated that to test the profitability of an advertising strategy, she would need to spend at least $100,000, and likely closer to $150,000. Due to high fixed costs for graphic design, coding, and agency fees, a lower spend would simply waste resources and limit the ability to draw conclusive results. From her research, she estimated that it would cost at least $800 to acquire each new customer. Relative to the other two proposed strategies, Gordon thought this marketing-based strategy would almost certainly provide a quicker payback period.

Public Relations Strategy

The second strategic option Gordon had outlined was to dramatically increase her commitment to PR and brand building. In 2009, she had signed a contract with a New York City-based PR firm, and she had renewed this annual contract each year since. At the beginning, she had seen a great deal of success from the relationship. For example, she had been covered by the *Wall Street Journal* in 2010 and *Departures*, the travel magazine only available to holders of the American Express Platinum charge card, in 2012. These articles boosted both EJ’s reputation and revenues. Gordon estimated that they had paid back her investment many times over. However, recently, she had begun to see weaker results from the PR firm. She suspected that it was due to the fact that the firm had picked up more lucrative clients and that more tour operators were competing for the limited attention of journalists, editors, and bloggers who covered the safari industry.

To continue competing for press attention, Gordon knew that she would have to dramatically increase the size of her contract to at least $100,000 a year and possibly higher. The added costs would help pay for the types of perks that drew media attention, such as exclusive events in Manhattan, airfare for journalists to Africa, and the sponsorship of luxury events that would attract travel journalists and potential safari clients.

The main difference between the type of earned media coverage gained through PR exposure and the paid exposure gained through advertisements was that PR gains were riskier, with a possibly higher payout and a longer-lasting boost to reputation. For example, spending $100,000 in an advertising campaign could lead to results that were largely consistent throughout the months or years of the campaign. In other words, each quarter would probably have relatively consistent profits. However, investing $100,000 in PR could lead to either an all-but-wasted effort or a mention as a top safari provider in *Condé Nast Traveler*,which could quickly generate millions in revenue and have the long-tail reputation effects of being linked with a pre-eminent luxury travel brand. These long-tail effects included less obvious outcomes such as higher search engine prominence (due to the way Google assigned rankings based on firm prominence). This approach had the longest payback period and the highest risk. However, the leads it generated were likely to be higher-quality leads that were not a burden on the sales team’s time and effort. It could also raise EJ’s visibility within the tour operator industry.

Optimization Strategy

The third strategic option was to engage in an optimization program for her firm’s operations. While this program would not be oriented towards increasing revenues, it would hopefully contribute to increasing profits through cost reductions and increased employee efficiency. As EJ grew at a 60-per-cent annual rate from 2009 to 2017, the systems put in place to manage both the sales process and sales support were often designed as temporary rather than long-term solutions. For example, there was little formalized knowledge management, and much of the firm’s critical knowledge of safari properties, DMC owners, and safari camp managers resided informally with individual employees. Knowledge was transferred ad hoc by requesting information in meetings or via group-chat threads. Gordon hoped to formalize this proprietary knowledge through an internal database that would make the information more easily accessible.

Another ongoing issue was improving communication between sales agents and sales support staff, who were internally called ops managers. Gordon’s vision of having the best customer service necessitated hiring more ops managers than was standard for the industry. They handled trip and booking details, client communications, and client administrative work. EJ used one ops manager for every two sales agents, which was higher than the industry average. But even with a seemingly robust system in place, EJ employees were busier than Gordon would have liked. She firmly believed in keeping her employees to a 40-hour workweek, but had had a difficult time achieving that target with the sustained growth over the past few years.

To improve efficiency, Gordon envisioned custom-built customer relationship management (CRM) software that would automatically create customer travel documents and engage in automated client communications. This would save ops managers and sales staff from having to create a number of semi-customized client documents, potentially saving hours of labour from every client inquiry and booking. She knew a capable software engineer who had estimated a cost of $100,000 to build the content management system (CMS). This approach came with a number of risks, such as the software not performing as expected or employees not finding value in the software. On the other hand, Gordon believed that she could expect at least a 5-per-cent boost to employee productivity as well as other benefits such as improved client experience; increased employee retention; and lower stress for her, as the executive who typically had to step in to solve problems.

The Decision

The safari tour operator industry had become more competitive in previous years. The increased pressure had not yet begun to affect EJ’s meteoric growth, but Gordon believed that all signs pointed to difficulties ahead. She wondered how the safari market would play out over the next few years. Should she spend her hard-earned capital by investing in a new strategic project for EJ? If so, in which possible project should she invest?

As she thought about these critical issues, Gordon looked over the lights of the Cape Town cityscape and briefly enjoyed one of the greatest job perks in the world—travelling for business to some of the most beautiful and unique places on the planet.

Exhibit 1: Map of Common Safari Destinations



Note: Rep. = Republic; Dem. = Democratic; countries and national parks mentioned in the case are noted in larger font sizes.

Source: Created by the author using a map from *The World Factbook*, s.v. “Political Africa,” accessed August 1, 2018, https://www.cia.gov/library/publications/resources/the-world-factbook/graphics/ref\_maps/political/pdf/africa.pdf.

Exhibit 2: Value chain of Luxury Safari Industry

Safari Camps

Tour Operators

DMCs

Travellers

Note: DMCs = destination management companies

Source: Created by the author based on an interview with Elizabeth Gordon, and on Michelle Christian, Karina Fernandez-Stark, Ghada Ahmed, and Gary Gereffi, *The Tourism Global Value Chain: Economic Upgrading and Workforce Development*, Center on Globalization, Governance & Competitiveness, Duke University, November 17, 2011, accessed August 1, 2018, https://gvcc.duke.edu/wp-content/uploads/2011-11-11\_CGGC\_Tourism-Global-Value-Chain.pdf.

Exhibit 3: A Selection of Firms in the Safari Tour operator Industry (US$)

|  |  |
| --- | --- |
| Firm | 2016 Revenues |
| Wilderness Safaris | $200 million |
| andBeyond | ? |
| Singita | ? |
| Micato Safaris | ? |
| Ker & Downey | ? |
| Extraordinary Journeys | $9.7 million |
| Thomson Safaris | ? |
| Africa Travel Resource | ? |
| Yellow Zebra Safaris | ? |

Source: Created by the author using interview data from Elizabeth Gordon, and Wilderness Holdings, *Integrated Annual Report for the Year Ended 28 February 2017*, February 28, 2017, accessed July 10, 2018, www.wilderness-group.com/system/assets/201/original/Wilderness\_Holdings\_Integrated\_Annual\_Report\_2017\_4.pdf.

Exhibit 4: Sample List of safari camps and lodges

* Chilo Gorge Safari Lodge (Semi-luxury Lodge): Approximately US$460 per person, per day
  + http://chilogorge.com/
* Ol Malo (Luxury Lodge): Approximately US$795 per person, per day
  + www.olmalo.com/
* Singita Pamushana Lodge (Luxury Lodge): Approximately US$1,650 per person, per day
  + https://singita.com/region/singita-pamushana/
* Mombo (Luxury Camp): Approximately US$3,000 per person, per day
  + <https://wilderness-safaris.com/our-camps/camps/mombo-camp>

Source: Created by the author using data from Chilo Gorge, “Chilo Gorge Safari Lodge Rates,” Zimbabwe Connections, accessed August 1, 2018, www.zimbabweconnections.com/chilolodge-rates/; Ol Malo, *Ol Malo Rack Rates 2017*, accessed August 1, 2018, http://farhorizonsmarketing.com/wp-content/uploads/2015/08/Ol-Malo-Rack-Rates-2017.pdf; Singita, *Singita Pamushana Rack Rates*, December 7, 2017, accessed August 1, 2018, https://469uj5355hpj1cwksq2n1n1a-wpengine.netdna-ssl.com/wp-content/uploads/2016/01/Singita-Pamushana-2018-Rack-Rates.pdf; “Mombo,” Wilderness Safaris, accessed August 1, 2018, https://wilderness-safaris.com/our-camps/camps/mombo-camp/rates.

Exhibit 5: Extraordinary journeys statement of operating income (us$)

|  |  |  |
| --- | --- | --- |
| Safari Revenues |  | 9,667,801 |
| Cost of Goods Sold (COGS) |  |  |
| Credit Card Fees | 107,029 |  |
| Suppliers | 7,835,933 |  |
| Total COGS |  | 7,942,962 |
| Gross Profit |  | 1,724,839 |
| Expenses |  |  |
| Promotions & Public Relations | 108,609 |  |
| Donations | 22,008 |  |
| Total Promotions |  | 130,617 |
| Employee Benefits | 47,738 |  |
| Total Wages | 741,849 |  |
| Payroll Taxes & Fees | 67,288 |  |
| Total Employee Expense |  | 856,875 |
| Travel to Africa for Inspections |  | 94,977 |
| Computer, Internet, & Phone Expense | 22,795 |  |
| Meals and Entertainment | 7,274 |  |
| Bank & Wire Service Charges | 22,100 |  |
| Office Supplies | 7,055 |  |
| Software | 14,061 |  |
| Shipping & Postage | 11,314 |  |
| Professional & Legal Fees | 31,001 |  |
| Office Rent | 32,212 |  |
| Miscellaneous | 17,360 |  |
| Total Office Expense |  | 165,172 |
| Total Expense |  | 1,247,641 |
| Operating Income |  | 477,198 |

Source: Created by author using data from Extraordinary Journeys.

1. Oxford Dictionaries, *Oxford English Dictionary*, 3rd ed., s.v. “safari.” (New York: Oxford University Press: 2010). [↑](#footnote-ref-1)
2. Ibid.; This case only refers to non-hunting, touristic safaris. [↑](#footnote-ref-2)
3. Marco Sholtz, “Why Millions Chose Africa as Their Safari Destination,” The Conversation, January 11, 2016, accessed July 10, 2018, <https://theconversation.com/why-millions-chose-africa-as-their-safari-destination-52503>. [↑](#footnote-ref-3)
4. Elyon Tours, “10 Fascinating Facts about the Great Wildebeest Migration,” Africa Geographic, October 25, 2016, accessed July 10, 2018, <https://africageographic.com/blog/10-fascinating-facts-about-the-great-wildebeest-migration/>. [↑](#footnote-ref-4)
5. “Game Drives,” Basecamp Explorer, accessed July 10, 2018, <https://www.basecampexplorer.com/kenya/safari-dictionary/what-is-a-game-drive/>. [↑](#footnote-ref-5)
6. Mary Holland, “Walk on the Wild Side: What It's like to Take a Walking Safari,” *Condé Nast Traveler*, July 16 2015, accessed July 10, 2018, <https://www.cntraveler.com/stories/2015-07-15/what-its-like-to-take-african-walking-safari>. [↑](#footnote-ref-6)
7. All dollar amounts are in US dollars unless otherwise stated. [↑](#footnote-ref-7)
8. African Development Bank, *Africa Tourism Monitor*, 4, no. 1, December 2016, accessed July 10, 2018, <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa_Tourism_Monitor_2016.pdf>. [↑](#footnote-ref-8)
9. Richard D’Ambrosio, “Authentic Africa Safari Experiences Can Still Be Found,” Travel Market Report, February 8, 2017, accessed July 10, 2018, www.travelmarketreport.com/articles/Authentic-Africa-Safari-Experiences-Can-Still-Be-Found. [↑](#footnote-ref-9)
10. [Ibid.](http://www.travelmarketreport.com/articles/Authentic-Africa-Safari-Experiences-Can-Still-Be-Found); author’s estimates after conducting interviews with safari tour operators in New York and reviewing primary sources. [↑](#footnote-ref-10)
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