

# What are the opportunities in emerging Eastern European tourism markets?

Due to rapidly growing economies and incomes, an increasing number of Eastern Europeans are travelling abroad. These markets show some of the highest growth rates in trips to developing countries. Poland, the Baltic States, Romania and Slovakia are the most promising source markets for you. Mainstream sun and beach holidays and round trips are most popular, combined with culture and nature. Demand for niche products like wellness tourism is increasing, as well as online booking.

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## 1. Description of the target group

In the past, people in Eastern European countries were unable to travel abroad for political and/or financial reasons. Now, borders are open and economies and incomes are growing. In the coming years, [Eastern European economies are expected to show above-average growth](#). This drives the emergence of Eastern European countries as promising tourism source markets. The increasing demand in turn leads to better prices, making travel affordable for even more people.

This study focuses on Poland, the Baltic States (Estonia, Latvia, and Lithuania), Romania and Slovakia. These countries are considered the most promising emerging Eastern European markets for you. Poland is home to a high volume of potential travellers. The Baltic States have a relatively high disposable income. Romania and Slovakia show excellent economic growth. The Czech Republic is also an interesting market, but has matured over the years and is no longer classed as “emerging”.

Sun and beach holidays have the best potential in Eastern European markets. Round trips also offer opportunities, as many Eastern European travellers are curious about other cultures. Demand for niche products is still relatively small, but interest is expected to increase quickly. This is because the tourism lifecycle has accelerated in Eastern European markets: they quickly jump into new phases. Because they were unable to travel abroad before, they already know their own country and climate well.

### Tips:

If you have a sun and beach destination, include sun and beach elements in your product range. Emphasise these elements in your marketing activities.

Compose attractive round-trip packages that showcase the highlights of your destination.

## Health and safety measures

In general, health and safety is important to European travellers. They often inquire about the safety of their destination. Vehicles and accommodation also have to be safe. Guides should have good local knowledge. They must know which places are safe to visit and which are not.

### Tips:

Pay attention to general safety measures.

Tour operators should for example regularly check vehicles and equipment. Hire experienced guides that know the area and are at least fluent in English. Because the English skills of Eastern European travellers vary, ask your customer what language you should offer. Some may prefer German, or require information in their national language.

Accommodation establishments should have safety measures in place. Think of smoke detectors, fire extinguishers, emergency exits, first aid kits and 24-hour medical assistance.

## Political stability

Safety is important to European travellers, especially because some developing countries are politically unstable. Most commercial tour operators do not offer holidays to countries that their Ministry of Foreign Affairs has declared unsafe. This has led to a drop in tourism arrivals to, for example, Mali, Egypt and Venezuela.

### Tips:

Keep customers and potential customers updated on changes in the safety situation in your area. For example through your website and through your staff.

Share safety experiences from customers on your website. Let them write about how safe they felt, because people value the experience of other travellers.

If your region is “unsafe”, commercial tour operators will probably avoid it. In this case, focus on volunteer organisations and individual travellers. Check your country’s current safety status on the website of your target country’s Ministries of Foreign Affairs, that is countries like [Estonia](#), [Poland](#) and the [Romania](#).

## Poland

### Mainstream holidays

Most Polish long-haul travellers are first-generation travellers interested in mainstream sun and beach holidays. They generally have relatively high incomes and often travel in couples. Many Polish travellers choose all-inclusive sun and beach holidays in 4/5-star hotels, to ensure a high standard.

Besides visiting the beach, Polish travellers also like shopping, dining, sightseeing and visiting historical places. As the market matures, interest in emerging destinations and niche segments like adventure tourism is increasing. Because they may not always be fluent in English, they highly appreciate having information in Polish.

### Tips:

Start with targeting Polish mainstream tourists.

Also cater to the needs of more mature Polish travellers. Compose packages for them with optional special interest activities, like adventure or cultural activities. For more information, see our studies

about [adventure tourism](#) and [cultural tourism](#).

Make your website and information material available in Polish. Also offer Polish-speaking guides, for example by working with freelancers to stay flexible.

## Price promotions

As Polish travellers are very price sensitive; tour operators underline the importance of price promotions. Since 2009, “first minute” offers have gained in popularity. This means that Polish travellers often purchase their next season’s trip in the autumn of the prior year. They are attracted to this strategy because it guarantees a fixed price, regardless of any possible rise in costs.

### Tips:

Have your product offer and prices for the next year ready a year in advance.

Use price promotions, for example first-minute offers or early booking discounts.

## The Baltics

### Combination holidays

Sun and beach holidays are the most popular trips among Baltic travellers. However an increasing number of them want mixed tailor-made trips, combining sun and beach with sightseeing and cultural activities. They are fine with having English-speaking guides, as their English language skills are generally good.

Baltic travellers are generally more interested in niche markets than other Eastern European travellers. There is a dedicated minority of, for example, adventure, golf or diving travellers. Conference and incentive trips to long-haul destinations are also becoming increasingly common. [Most companies use \(online\) travel agencies to book their business travel](#), often as a package. Business travellers like to combine their trip with sightseeing or even a beach holiday.

### Tips

Combine sun and beach packages with sightseeing, cultural and/or adventure activities.

Have English-speaking guides available.

Compose basic travel programmes that include the key highlights of your destination. Also offer optional add-ons with niche activities, such as hiking, golf or diving. This allows Baltic travellers to compose their own package to match their interests.

If you have the capacity and infrastructure, compose attractive tourism packages for conference and incentive trips. For more information, see our study about [MICE tourism](#).

## Quality, comfort and variety

The main requirement of Baltic travellers is to have maximum service and comfort at the lowest price. They also

want a variety of activities, from sightseeing and culture to shopping and sports. According to Baltic agencies their clients often prefer package holidays, especially when it concerns sunny and warm destinations.

### **Tip:**

Focus on providing high-quality services, comfort and competitive pricing.

## **Romania and Slovakia**

### **Varied holidays**

Sun and beach holidays are an important holiday segment in Romania and Slovakia. However, interests are becoming wider, for example also involving nature and the culture of the destination. Romanian travellers are keen on sightseeing and excursions. Slovak travellers are interested in active or sports-related holidays. Travellers from these countries are relatively new to long-haul travel. For their choice of destination they often rely on recommendations by their friends and relatives.

### **Tips:**

Combine sun and beach with nature, culture and sports related activities.

Encourage your customers to recommend your company and destination to their friends and family.

### **Package holidays**

Romanian and Slovak travellers are very price-conscious. For most Romanian travellers, [price is the deciding factor when booking a holiday](#). They would rather save on accommodation than on sightseeing and excursions. The promotion of new long-haul destinations often focuses on the low local prices. Package holidays enable Romanian and Slovak travellers to easily budget and manage their spending. They trust their local travel agencies and tour operators to plan their trips for them.

### **Tips:**

Focus on competitive pricing. Offer packages suitable for various budgets.

Partner with Romanian and Slovak tour operators to sell your products in their local market.

## **2. Which emerging Eastern European tourism markets offer opportunities?**

### **Eastern European countries show highest growth in trips to developing countries**

Some 14 European countries showed a growing number of trips to developing countries between 2011 and 2015. Half of these countries are in Eastern Europe: Estonia, Bulgaria, Hungary, Lithuania, Croatia, Romania and Latvia. This development is expected to continue as Eastern European economies keep growing rapidly.

Therefore, Eastern European markets could offer you interesting opportunities.

### **Tips:**

Do not view Eastern Europe as a single market, but focus on one or two priority countries. Despite similarities, such as market maturity and economic growth, there are differences you should take into account.

If you are already successful in other European markets, consider using that business model as a basis.

## **Three promising clusters**

In terms of opportunities, the Eastern European market can be divided into three clusters holding the most promise:

- Poland: high volume
- Baltics (Estonia, Latvia and Lithuania): relatively high disposable income
- Romania and Slovakia: growing economies.

## **Poland**

The Polish market offers volume, with 2.4 million trips to developing countries in 2015 (Figure 2). This number declined between 2011 and 2015, but that was mainly due to a drop in visits to Ukraine. Many Polish travellers go to Ukraine for business, shopping or visiting family and friends. However, the current geopolitical unrest in Ukraine seems to deter Polish travellers. Trips to other developing countries are relatively stable, at around 1.2 million.

Poland remains by far the largest Eastern European source market for trips to developing countries. Combined with the recovering exchange rate of the zloty in 2017, this volume makes Poland a promising target market. Maturing travel patterns, improving economic conditions and a strong increase in international aviation capacity are also expected to drive growth.

Developing countries in Europe are the most popular among Polish travellers (Figure 3). Again, this is mainly because of trips to the neighbouring country Ukraine. Turkey and Egypt are common destinations for leisure holidays. However, geopolitical instability may also influence the popularity of these destinations. Although Polish travellers have so far continued to visit Turkey, the number of trips to Egypt has more than halved since 2012.

Large Polish tour operators are the main drivers of outbound tourism, especially TUI Poland. These companies carefully monitor customer preferences to tailor their offer to travellers' expectations. They also actively promote new destinations. Polish travellers are expected to increasingly visit less known destinations. For example, developing countries in Central and South America are gaining ground.

## **The Baltic States**

The Baltic tourism markets are smaller, at 0.5 million in 2015 (Figure 2). However, Baltic travellers have relatively high and growing disposable incomes. This allows them to spend more on outbound tourism than travellers from most other Eastern European markets, especially Estonians. All three Baltic States are among

Europe's 14 countries with growing tourism to developing countries from 2011 to 2015. With an average annual growth rate of 5.3% Estonia comes second only to Malta, a much smaller market.

The number of trips to developing countries by Baltic travellers is expected to continue growing. Growing economies, maturing travel markets and curiosity about other countries and cultures are key to this development. In addition, the Baltic States have good accessibility. Their alliance with flag carriers like Lufthansa, Scandinavian Airlines (SAS) and Polish Airlines (LOT) increases the number of scheduled flights and makes long-haul destinations more accessible.

Baltic travellers prefer developing countries in Asia (Figure 3). Turkey is by far the most popular, because of distance, direct flights and price. As Turkey and Egypt continue to perform well, Baltic travellers are not greatly influenced by the geopolitical unrest at these destinations. In contrast, travel to Ukraine has decreased considerably.

Long-haul destinations are especially popular in winter. For example, [Estonia's top 10 holiday destinations for the winter of 2017 include Egypt, Thailand and Indonesia](#). A promising development, as in previous years nearby destinations like Finland and Spain dominated this market.

Mainstream tour operators actively promote new destinations, including developing countries. Besides Turkey, popular Asian destinations include Kazakhstan, Cambodia and Sri Lanka. Interest in Central and South America is also increasing. More experienced Baltic travellers are discovering what Africa has to offer.

## Romania and Slovakia

The Romanian and Slovenian travel markets are among the largest in Eastern Europe (Figure 2). In 2015 Romanian travellers took 1.4 million trips to developing countries, compared to 0.7 million for Slovak travellers. Their growing economies make these markets particularly promising. Interest in new destinations is increasing, driving an expected growth in trips to developing countries.

A closer look at the statistics reveals this development is already ongoing. The number of trips from Romania and Slovakia to developing countries since 2011 seems to fluctuate. However, this is mainly caused by a varying interest in some of the most popular destinations.

Overall, the Romanian market performed well with an average annual growth rate of 1.4%. Romanian travellers seem relatively undeterred by geopolitical instability, with the exception of Ukraine in 2014. A decline in interest in trips to Ukraine is the main cause of the dip in trips to developing countries. However, for 2017 industry experts report a significantly declining interest in travel to Turkey and Egypt as well. In contrast, interest in trips to Tanzania and Indonesia is rising.

Similarly, a drop in the number of trips to popular nearby destinations is the cause of the Slovak market's average annual decline of 4.9%. However, Slovak travellers seem considerably more put off by geopolitical instability. If you discount destinations like Ukraine, Egypt and Tunisia, the Slovak market actually grew with 3.2% per year. This shows interest in new destinations is clearly growing. In both countries, Central and South American destinations are becoming increasingly popular.

### Tips:

In Eastern Europe, focus on Poland, the Baltic countries, Romania and/or Slovakia.

Focus on increasing air service. Because the markets are still relatively small, there are few charter operations. Join forces with other local tourism stakeholders to lobby with airlines, tour operators and tourism organisations.

Research the tourism preferences and expectations of Eastern European consumers and adjust your

tourism offer accordingly. Study, for example, the websites of large Eastern European tour operators.

Invest in positive country branding, as it is vital to increase awareness of your destination among first-generation travellers. Join forces with other local tourism stakeholders and invest in country branding campaigns together.

Identify and focus on your key competitive advantages over other countries. What makes your destination unique? Clearly define the experiences you offer travellers, which they are unlikely to have elsewhere.

For more information on European traveller numbers in general, see our study about [European demand for tourism in developing countries](#).

### 3. Which trends offer opportunities on the emerging Eastern European tourism market?

#### The online presence of Eastern European travellers is growing

Travellers from emerging Eastern European markets are discovering the convenience of online booking. On average, around [70-80% of Eastern European households have internet access](#). This percentage is lower than in western Europe, but growing rapidly. Internet penetration is highest in Estonia at 86%. This drives the online aspects of travel, including online booking and reviews.

In all emerging Eastern European markets, online platforms are becoming increasingly important travel sales channels. Travellers are becoming digitally confident, leading them to plan and book their holidays online. This includes using sources social media for inspiration. For example, [52% of Romanian travellers post travel photos on social media](#). The Eastern European tourism industry is trying to keep up with this trend, for example by organising trade events like the [eTravelConference](#).

Peer-to-peer travel also benefits from Eastern European travellers' growing confidence in online booking. Combined with its relatively low rates, peer-to-peer travel is an attractive option. Platforms like AirBnB and HomeAway are already popular for domestic holidays. Their reach among Eastern European travellers is now expanding to new destinations.

#### Tips:

Consider working with Online Travel Agencies (OTAs) like [Estravel](#) and [Travelplanet.pl](#) to sell your tourism product online. International players like [Booking.com](#) and [Hotels.com](#) are also popular in Eastern Europe.

Maintain a strong internet presence and online marketing strategy, including social media.

Offer direct sales through your website.

For more information on doing business online, see our [10 tips for online success with your tourism company](#).

#### Low-cost carriers and Gulf carriers continue to expand

Lower fares allow more people to travel. On average, [low-cost carriers \(LCCs\) have a 50% market share in](#)

**Eastern Europe.** This is relatively high for European standards. In fact, [the top 6 countries with the highest LCC market share are Eastern European](#). Latvia, Slovakia, Lithuania, Romania and Poland lead with around 50–80%. Their LCC market share is predicted to grow by another 8–15% in the next five years. Ryanair and Wizz Air are Eastern Europe’s leading LCCs.

In addition, Gulf carriers are increasing the accessibility of long-haul destinations for Eastern European travellers. After entering the Eastern European market in recent years, they are continuing to expand their services. Carriers like Emirates, Etihad and Qatar now offer daily connections from Eastern European capitals to long-haul holiday destinations. As they continue adding seats and routes, Gulf carriers are further opening up the Eastern European market for long-haul destinations.

### **Tips:**

Keep track of the developments on the LCC and Gulf carrier market to identify opportunities for your destination.

Offer affordable options for the Eastern European travellers with smaller travel budgets that LCCs and Gulf carriers may bring.

## **The wellness travel trend reaches Eastern Europe**

European travellers are increasingly interested in wellness travel. Spa treatments, yoga courses and other wellness activities can be the focus of a holiday, or an addition. This trend is now also reaching emerging Eastern European markets. Particularly [working women with higher incomes are discovering the benefits of wellness holidays](#) to relax their mind, body and soul. Anti-stress programmes are especially popular.

### **Tips:**

Offer wellness holiday packages, as well as wellness activities that travellers can book separately.

For more information, see our studies on [wellness tourism](#).

## **Luxury travel is on the rise**

The Eastern European outbound luxury travel market has experienced major growth. Popular destinations include the USA, Asia and the Indian Ocean (Mauritius, Seychelles and Maldives), as well as the Middle East (Dubai, Jordan). As the Eastern European tourism markets mature, [Eastern Europeans’ perception of luxury is becoming similar to that of western travellers](#). The upscale market is looking for unknown exclusive services and destinations. There is major interest in private, secluded resorts.

### **Tips:**

To attract the upscale segment, offer luxury accommodation and exclusive experiences.

For more information, see our study about [luxury tourism](#).



For more general industry trends, see our study about [European tourism market trends](#).

## 4. What requirements should your tourism products comply with to be allowed on the Eastern European market?

On the Eastern European travel market, the same requirements apply as on the European travel market in general. For these requirements, see our study on [what requirements your services should comply with to attract European tourists](#).

When it comes to sustainability, the emerging Eastern European travel market lags behind the western European requirements.

### Sustainability labels

Compared to more mature western European travel markets, sustainability plays a minor role in Eastern Europe. Eastern European travellers are relatively unaware of their impact on the places they visit on holiday. In addition, price is a deciding factor in this market and sustainable holidays are often more expensive. Due to this lack of interest, Eastern European tour operators offer few sustainable trips. As markets mature, demand for sustainability is expected to increase.

#### Tip:

Although sustainability isn't key to Eastern European travel markets yet, you should integrate sustainable elements into your product. This will prepare you for future demand and increase your opportunities in western European travel markets.

## 5. What competition do you face on the emerging Eastern European tourism market?

Competition on the Eastern European outbound tourism market does not differ from the European tourism market in general. For more information, see our study on [what competition you face on the European outbound tourism market](#).

## 6. Which channels can you use to put your tourism products on the emerging Eastern European market?

### Focus on both mainstream and specialised tour operators

Travel distribution in emerging Eastern European markets mainly goes through traditional mainstream players that offer standard products, like TUI or Neckermann. This makes these larger parties an important trade channel, although they are generally quite difficult to engage with. For example, [Poland's ranking of national tour operators](#) provides an idea of the size of their business.

Tour operators specialised in your destination or a specific niche market also offer opportunities. They are generally more dependent on and willing to cooperate with local partners. However, demand for niche products is still relatively small in emerging Eastern European markets. Therefore, the number of niche tour operators is also relatively small. You can identify them via trade associations, events and databases.

For example:

- [ADVENTUR](#) – annual international trade exhibition, January, Lithuania

- [ALTA](#) – Association of Latvian Travel Agents and Operators
- [ANAT](#) – Romanian National Association of Travel Agencies
- [Balttour](#) – annual international travel trade fair, February, Latvia
- [ETFL](#) – Estonian Travel and Tourism Association
- [Polish Chamber of Tourism](#) – travel trade association in Poland
- [Tourest](#) – annual international travel trade fair, February, Estonia
- [TT Warsaw](#) – annual international travel trade show, November, Poland
- [TTR](#) – annual international travel trade fair, November, Romania

## Generating direct sales

The rapidly improving internet access in emerging Eastern European markets creates a huge potential for online distribution. To increase your chances of direct sales, you can promote your product on tourism websites/portals.

Such tourism websites/portals include, for instance:

- [Cestovanie.net](#) – Slovakia
- [Go Travel](#) – Estonia
- [National Geographic Traveller](#) – Poland

### Tip:

As English language skills vary in Eastern European markets, consider translating at least part of your website into the local language. Especially in the case of Poland, Romania and Slovakia. English language skills are generally better in the Baltics.

For an overview of the trade structure for tourism, see our study on [the channels and segments of the European tourism market](#).

## 7. What are the end-market prices for tourism products on the emerging Eastern European market?

Travellers have many destinations and types of holiday to choose from. This makes tourism a relatively price-sensitive and competitive industry. The price of a long-haul trip consists of three dimensions:

1. The exchange rate between the currencies of the country of origin and the destination country.
2. The costs of transport to and from the destination country.
3. The price of goods and services the traveller consumes in the destination country.

European tour operators are not open about the purchasing prices of their tourism products. According to industry experts, their margins vary between 10% and 25%. Prices of holiday packages vary widely as they depend on a lot of factors, such as:

- availability
- destination
- modes of transport
- period of travel
- number of travellers
- length of stay
- type of accommodation
- included activities.

Prices are generally lower on emerging Eastern European markets than in western and northern European countries.

## Tips


Check which countries have cheap flights, preferably direct ones, to your destination, for instance at [Skyscanner](#). This gives you a competitive advantage in those countries.


You can compare prices for travel products online, for example at [Eturia](#).


Tourism Boost has some useful [on-line tools for pricing tours and accommodation](#). These can help you determine the break-even point and ideal retail price of your tourism product.

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