

Entering the European market for the FIT segment

FIT tourism is a key market for local tour operators in developing countries. The segment offers many opportunities, thanks to its wide demographic range, from backpacking teenagers to wealthy travellers in their seventies. Most FITs use the internet widely to plan and book trips and experiences, so local operators need to build attractive websites to compete effectively in the market.

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1. What are the requirements for travel products in the FIT segment to be allowed in the European market?

European tourism providers are subject to strict regulations to ensure safety and financial protection for FITs travelling abroad. As you will be selling travel products to them, it is important that you understand what these requirements are.

What are the mandatory requirements?

Travel products aimed at the FIT segment in developing countries must comply with the following:

- The European Package Travel Directive
- General Data Protection Regulation (GDPR)
- Liability insurance and insolvency protection

As a first step, read the CBI report on the [requirements for tourism services to be allowed in the European market](#) and familiarise yourself with the comprehensive details of legal, non-legal and common requirements.

What additional requirements do buyers have?

Adopt Standards

FITs like to be in control of the decision-making process in their holidays and trips and they are generally considered to be adventure tourists. As such, they are likely to take part in a range of different activities during a trip abroad. If you are providing an activity to the FIT market, it is preferable that your business also complies with the standards set for the adventure tourism market where possible. Adventure operators commonly comply with these two adventure tourism standards:

- The international standards for adventure tourism [ISO 21101:2014](#) and [ISO 21103:2014](#)
- The British standard for adventure tourism [BS8848:2014](#)

You can find out more about these in the Managing Risk section of the [CBI report about entering the European market for adventure tourism](#).

Tip:

Comply with the adventure tourism standards, if you feel they are suitable for your business.

What are the requirements for niche markets?

Immersive Experiences

FITs have fully embraced the trend for unique, authentic experiences instead of going on traditional holiday packages. FITs want more than just visiting the major tourist attractions among large tour groups. They like to immerse themselves into a different culture and truly experience life like a local. Local tour operators have a unique opportunity to tap into this growing trend by offering authentic tours and trips.

FITs like immersive experiences for several reasons:

- The growth of online booking platforms like [TripAdvisor](#) and [Airbnb Experiences](#) has facilitated the coordination of immersive experiences, allowing FITs the flexibility and spontaneity of booking either before travelling or on the go.
- FITs can meet like-minded people by taking part in immersive experiences and small-group activities.
- FITs like to know they are contributing to helping local economies to grow as well as helping to preserve and protect local cultures. They are also motivated by altruism and like to know they are making a positive impact on other people's lives.
- FITs enjoy seeing how locals live and do everyday things, which often is very different from their own lives.
- Many FITs are time poor, so short immersive experiences that offer a concentrated yet authentic experience may turn out to be the highlight of a trip.

Chart 1: Examples of immersive experiences for FITs

Type	Common Experiences
Activities	Boat trips; landscape photography trips; jeep safaris; walking, cycle, Segway tours; sunrise and sunset trips; farm visits; mountain, jungle, desert or waterfall hikes; visits to caves, canyons, waterfalls, hot springs, geysers or volcanoes; sea turtle monitoring; whale and dolphin watching; horse riding; mountain biking or fat biking; sailing or yachting; windsurfing or kitesurfing lessons; camping
Animal experiences	Observing, playing with or caring for animals; grooming and walking animals; honeybee therapy; hikes with various types of animals; yoga with animals; spotting and visiting animals in the wild; horse whispering; visiting an animal sanctuary; conservation activities
Community-based tourism experiences (CBT)	Visiting local villages or tribal communities; engaging in regional games or sporting events; homestays; cooking or handicrafts classes; home hosting activities
Culinary experiences	Food trails; wine trails; tastings; distillery or winery visits; local markets; gastronomic experiences; local producer visits; hands-on harvesting or farming; cooking classes; food festivals; visits to local tea and coffee shops; organic farms; farm-to-table experiences

Cultural experiences	Sightseeing lesser known sites; local festivals; historic tours or ancient, modern cities or ruins; architecture or design tours; local markets; seasonal traditions; light shows; ghost tours
Music	Music concerts in a private houses, clubs or outdoor locations; music lessons; DJ workshops; dance lessons and typical local experiences
Wellness	Hot springs; sanctuary retreats; forest bathing; meditation, yoga, tai chi, reiki; mindfulness; detox and rejuvenation; spiritual immersion

Source: Acorn Tourism Consulting

Sustainability

Sustainability has become one of the most important issues in the global tourism industry. FITs like to think of themselves as responsible travellers, so if you can show that your activities are sustainable, your product will be appealing for them. Since sustainability applies to most tourism segments, the following CBI studies provide examples of initiatives you can implement:

- [Entering the European market for nature and ecotourism](#) – see the section on Sustainability Certification
- [Entering the European market for sun and beach travel products](#) – see the section on Sustainability in Coastal Destinations.

Build and Improve Your Website

FITs of all ages use the internet intensively to plan their trips. They may spend many hours researching destinations, finding experiences, activities and assessing suitable accommodation for their needs. Having your own website and updating it will put you in a better position to reach them. There are lots of information online to help you build an effective website for your tourism business. [This article](#), for example, offers tools for building a tour operator website, profiling five of the most common approaches used in the industry. [This blog](#), in turn, highlights tactics for optimising your website to attract more bookings.

To learn more on how to set up your own website, consult these CBI studies:

- [Tips for finding buyers in the European tourism sector](#) – see tip Build your own professional website.
- [Tips for organising your tourism export services to Europe](#) – see tip Promote your business online.

2. Through what channels can your travel products for the FIT segment reach the European market?

How is the end market segmented?

Europe's FIT market comprises a large cohort of travel consumers, including those in Germany and the UK, the continent's largest markets. The FIT market intersects with other consumer groups, including a broad age range from Generation Z teenagers to age baby boomers in their seventies. FITs travel solo, in couples, and in groups with friends and family. However, each group has distinctive characteristics as follows:

- Generation Z (born between 1995 and 2010) – This is the youngest group of FIT consumers. They are typically cash-poor but time-rich backpackers. Their limited budgets take them to popular destinations in developing countries, which are generally cheaper to travel to and around. Naturally adventurous, Gen Z

travellers are keen to enjoy adventure experiences but limited by cost.

- Millennials or Generation Y (born between 1980 and 1995) – Travel is very important to Millennials, currently the world’s largest consumer group. They are a key target group for immersive travel experiences, which they use to offset the stress of their busy lives. They are heavy users of technology and will typically research and book their trips and experiences online. Social networking is second nature to Millennials, who rely heavily on word of mouth in their decision-making processes.
- Generation X (born between 1965 and 1980) – This group of consumers is typically still working full time, so they have less time to travel. Family life is still a priority, so budgets are tighter, although they are keen to have family learning experiences. They are careful how they spend money on travel and will engage in considerable online research. As they age and their children leave home, they have more money to spend on travel. Gen Xers place emphasis on authenticity and skills development in their travel experiences.
- Baby boomers (born between 1946 and 1964) – Although they are ageing, boomers are active, discerning and influential. Many baby boomers are keen FITs, but they may also use a conventional tour operator to help plan a trip. Baby boomers are the wealthiest travellers and still hold much of the world’s wealth. Consequently, prices are less important for them when the experience meets their needs. They are keen to take part in unique experiences and are prepared to pay more for an authentic experience.

Chart 2: Characteristics of European FITs

Demographic	Budget	Mid budget	Luxury	Time rich	Time poor
Gen Z	✓			✓	
Millennials or Gen Y	✓	✓			✓
Gen X	✓	✓	✓		✓
Baby boomers		✓	✓	✓	

Source: Acorn Tourism Consulting

Consider the following:

- If your product is aimed at young backpackers, promote activities that are adventurous and exciting but make sure to take the relevant safety precautions. Young FITs do not want added extras, such as food or beverages which they can supply themselves.
- If your product is aimed at the luxury end of the market, including baby boomers, you must consider the quality of your travel product more than price. Baby boomers will normally demand good standards of accommodation and service levels.
- Your experiences must have good value, good quality and be authentic to attract millennials. Accommodation can be basic, but still meet high cleanliness standards.

Tips:

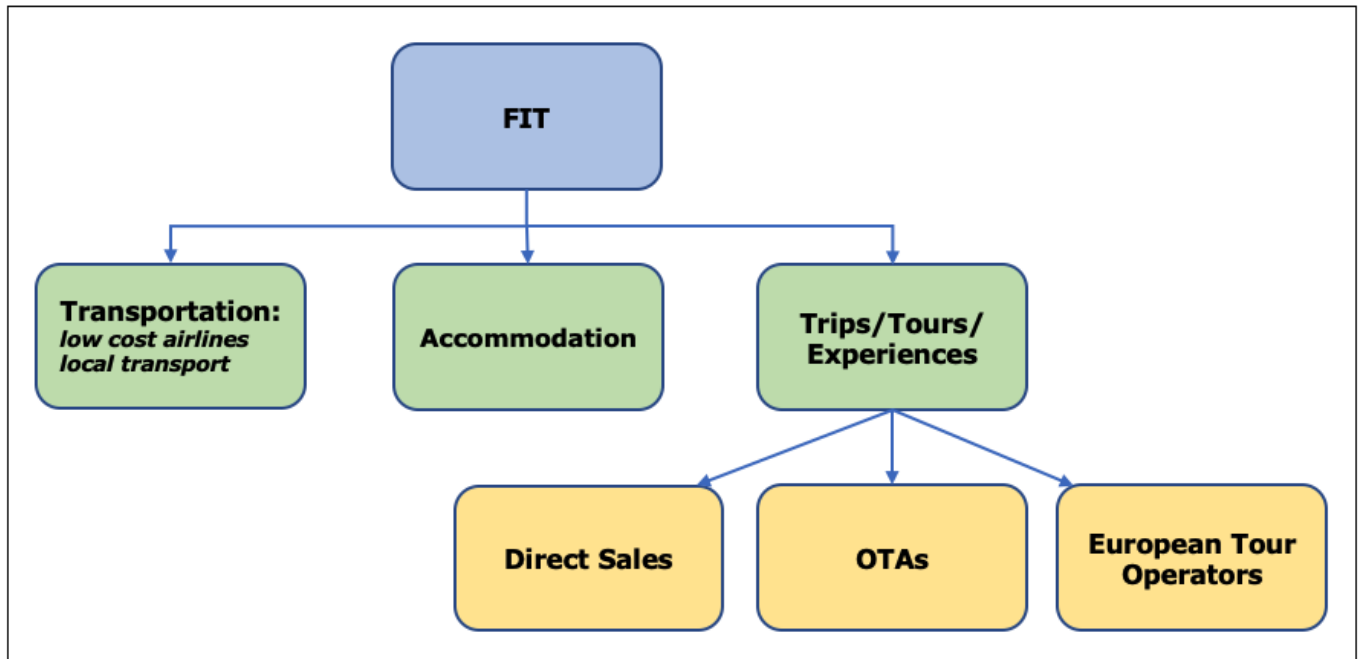
Identify which market is the most relevant, and build the experience and price your product appropriately.

For more information on setting prices, read the CBI’s [tips for doing business with European tourism buyers](#), particularly the tip on [setting a fair price for your services](#).

Through what channels do travel products for the FIT segment reach the end market?

FITs use a variety of online resources to book their travel experiences. The chart below portrays this process.

Chart 3: How European FITs book their trips



- Transportation – FITs look for good value in transportation and like to use low-cost airlines where possible. They often book directly with the airline or other transportation provider and may use a flight finder website like [Expedia](#), [Kayak](#) or [Skyscanner](#) to find the cheapest options.
- Accommodation – FITs often choose accommodation by budget, usually seeking the convenience of one of the large OTAs, such as [Booking.com](#), [TripAdvisor](#) and [Airbnb](#), but sometimes directly with a provider. If you are an accommodation provider, it is important that you have your own website and that you price your product competitively. FITs are enthusiastic users of Airbnb and other similar accommodation providers and they seek good value accommodation.
- Trips, tours and experiences – FITs to research and book their travel experiences in many ways:

Directly with local operators – Your website is your window to the world. Use [SEO \(search engine optimisation\)](#) and make your website look professional and functional to increase traffic from your target market.

OTAs – OTAs (online travel agents) are the fastest growing sales channel for tours, activities, experiences and attractions. Hundreds of OTAs specialise in trips/tours. Website designer Tiger Tourism has [this helpful guide](#) of OTAs for you to browse.

European tour operators – Some European tour operators also offer short breaks in separate packages or as an add-on to a tour, in an effort to compete with OTAs. [Intrepid Travel](#) is one of them, emphasising the independence factor of their short tours.

Tip:

Remember that FITs are resourceful travellers. They spend many hours researching trips on the internet to make sure they will have the travel experience they seek. The better your website is, the more likely to succeed you are in appealing to them.

What is the most interesting channel for you?

Your own website, OTAs and European tour operators are all important channels for you to consider.

Tips:

Make sure that you can take direct enquiries on your website and, if you are able, direct bookings.

To find out more about working with OTAs, see the CBI's [tips for organising your tourism services export to Europe](#), particularly the tip on [how to drive bookings with OTAs](#).

See the CBI's [doing business with European tourism buyers](#) for tips on working with European tour operators and specialist operators, as well as the CBI's report on [finding buyers in the European tourism market](#).

3. What is the competition like in the FIT market?

Which countries are you competing with?

Destinations that appeal to FITs can be found in many countries, and developing countries are home to some of the best. Therefore, it is a competitive sector. For many FITs, hard-to-reach and remote destinations makes them even more appealing.

Destinations in any of the following countries can be considered as competing destinations for FITs, depending on their motivation to travel and budget:

- Argentina
- Costa Rica
- India
- South Africa
- Thailand
- Vietnam

Argentina

Argentina has become a popular destination with European FIT travellers. Argentina is a large country, so most visitors follow a pattern of visiting Iguazu Falls in the north or going south to Patagonia. Cross-border travel to Bolivia and Chile is also common for European FITs travelling to Argentina. Although Argentina is a good value destination, transportation costs can be expensive because of the long distances.

Costa Rica

Costa Rica has an impressive reputation as an easy country to travel independently. FITs can take part in many different adventures and activities, from visiting active volcanoes, jungles and forests, to experiencing wildlife, birding and other activities, all between two major coastlines. You can read more about independent travel in Costa Rica in travel magazine [Wanderlust's selection of itineraries](#) for exploring the country. Buses are the best way of travelling around Costa Rica, where they are plentiful and cheap, while air travel is less reliable due to weather affecting flying conditions.

India

India is a classic destination for FIT backpackers, who take extended trips or volunteering. It is a good value destination for young travellers that has an exceptionally broad range of tourism products, as described [in this Tripsavvy guide to the 15 best destinations for backpacking in India](#). Domestic air travel in India is widespread,

competitive and growing. Long-distance motorcycling has become a popular mode of transport for FITs, while train travel is an extremely common form of travel in India, particularly for long, overnight journeys.

South Africa

South Africa is the second top African destination in tourist arrivals, after Morocco. Many daily direct flights link European cities, including London and Frankfurt to Johannesburg, Durban and Cape Town, including by low-cost airlines facilitate tourist access. A severe water shortage in Cape Town recently hurt the numbers of international visitors, but the country has a very strong reputation as a good adventure destination for mid-budget and wealthy FITs. An outstanding range of tourism options including safaris and wine tourism in the country, as well as spectacular coastlines for wildlife watching and self-drive adventures.

Thailand

Thailand has long been a popular destination among FITs, one of the world’s leading destinations in tourist arrivals. The north and south of the country offer completely different immersive experiences, which is very appealing to FITs. Jungles, mountains and small communities in the north characterise a more challenging and authentic travelling environment, while in the south, tropical beaches and islands dominate tourism. It is relatively easy to get around Thailand on affordable domestic flights mostly originating in Bangkok. The local bus network is also extensive and reliable, but train travel is also an option for scenic travel.

Vietnam

Vietnam is one of Asia’s emergent tourist destinations, rapidly growing in popularity. It has a less developed tourist infrastructure than neighbouring Thailand, which is appealing to a certain group of FITs. Vietnam has three distinct regions — north, central and south — each with distinct attractions and varying climates. Buses are a common way of travelling long distances, but several domestic low-cost airlines offer options too.

Destinations in several other countries also compete for FITs. Lonely Planet, one of the world’s best-selling guidebooks, publishes an annual Best in Travel list based on opinions from travel writers, editors and social media influencers, according to their newsworthiness, the range of unique experiences available and wow factor. Growing destinations usually feature highly on these kinds of listings.

Chart 4: Destinations in developing countries from Lonely Planet’s Best in Travel 2020

Top Countries	Top Cities and Regions	Top Value
Bhutan	Cairo	East Nusa Tenggara, Indonesia
Eswatini	La Paz	Madhya Pradesh, India
Costa Rica	Kochi, India	Azerbaijan
Liberia	Central Asian Silk Road	Serbia
Morocco	Guizhou Province, China	Tunisia
Uruguay	Northeast Argentina	Cape Winelands, South Africa
	Brazilian Amazon	Zanzibar, Tanzania

Which companies are you competing with?

FITs looking for authentic experiences will also be looking for local operators. See below a list of examples of local businesses providing services for FITs in sought-after destinations.

Argentina

[Say Hueque](#) has been offering tours in Argentina and Chile for independent travellers for 20 years. A member of ATTA (Adventure Travel Trade Association) and Sustainable Travel International, Say Hueque offers tours in English and Spanish to Buenos Aires, Iguazu Falls, Perito Moreno Glacier, Patagonia, wine tasting and horseback riding. International guidebooks, like Lonely Planet and Routard, highly recommend them.

Costa Rica

[Costa Rica Itinerary](#) offers day tours and holidays to FITs, such as coffee and chocolate tours, bird watching, ziplining and horseback riding. They currently do not have their own website, but sells tours via Bookmundi, a Danish OTA. Bookmundi also sells for [Foodie Tours](#), a farm-to-table food tour in San Jose.

[Playa Nicuesa Rainforest Lodge](#) offers accommodation, guided and self-guided hikes and birding outings in the coastal rainforest. The lodge also offers packages of 3–7 nights in cabins or guest houses, including guided activities and self-guided hiking, kayaking, paddle boarding, snorkelling and fishing. This operator has a certificate of excellence from TripAdvisor, in addition to sustainability certification.

Companies in India

Many local tour companies in India specialise in independent travel. [Pioneer Holidays](#) offers best price guarantees, professional guides and customer support 24/7, including multiple tours focused on northern India, Delhi, Agra and Goa — all top destinations for FITs. Their website is professional with several customer videos and testimonials and a TripAdvisor banner displaying its five-star rating and recent positive reviews.

[Reality Tours & Travel](#) is an award-winning responsible local operator that offers authentic experiences around Delhi, Mumbai, Kerala and Rajasthan. An 80% share of its profits are fed back into the local communities through its NGO, Reality Gives. They also use guides from local communities and support community educational programmes. Established in 2006, they have received many awards for socially responsible tourism.

South Africa

Based in Cape Town, [African Story](#) offers a daily wine tour of South Africa's leading wine estates in Stellenbosch, Franschhoek and Paarl. It also offers customised, bespoke wine tours, corporate tours and team building tours, including wine and cheese tasting and tours accompanied by professional guides.

[MoAfrika Tours](#) offers tours including safaris, township tours and tours outside of South Africa. Tourists can use online booking, including by WhatsApp. MoAfrika Tours, which was named in the 2017 Viator awards, features TripAdvisor testimonials on its homepage along with prominent endorsements from leading travel publications.

Thailand

[Chiang Mai Street Food Tours](#) offers guided tours of Chiang Mai, giving tourists a chance to learn about street food at markets, food stalls and local restaurants. FITs can sample the local cuisine and learn basic Thai along the way.

[Untouched Thailand](#) offers tours day tours and multiday trips. Its homepage displays TripAdvisor reviews and their TAT (Thailand's tourist board) licence prominently.

Vietnam

[Vietnam Adventure Tours](#) offers tours targeting the FIT market, which can be customised and priced down to match an identical tour from another operator. Their TripAdvisor five-star rating features prominently on their website along with their range of tours and flexible payment terms, which help to attract FITs.

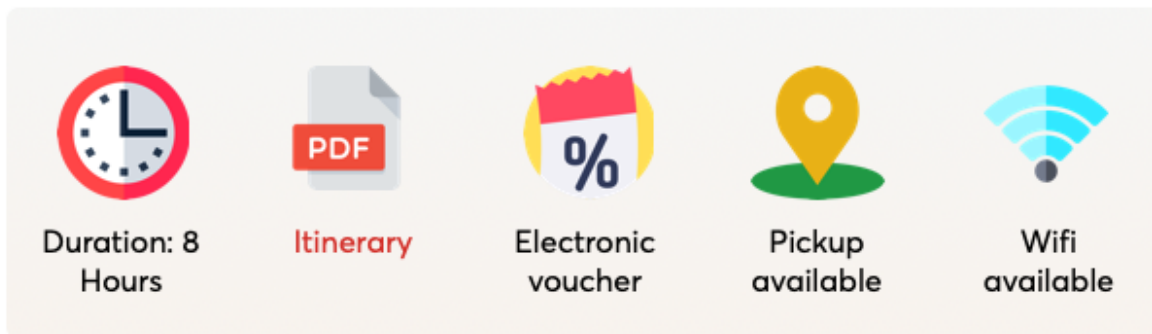
[Hanoi Backstreet Tours](#) is a family-operated motorbike tour company. Travellers ride pillion on vintage Minsk motorcycles through the backstreets and alleys of Hanoi. They donate a portion of their profits to the October Foundation, an NGO that supports local communities, children and families in remote villages.

Which products are you competing with?

Trips and experiences on the broader adventure tourism market are your biggest competitors. There is a huge range of possible trips, tours, activities and experiences on the market for FITs. It is important that you conduct a thorough competitor analysis in your destination, so you can learn about what else is available for travellers to choose from and to learn from ideas which you could adapt for your own business.

FITs often travel on a tight budget. To help them choose your tour, make sure you tell them exactly what is included. Some tour operators use graphics to convey a strong message, like the example below:

Chart 5: What's Included?



What's included

- Free Onboard Uncapped WiFi**
- Transfer in a comfortable, air-conditioned vehicle
- Pickup in Johannesburg
- Informal Settlement walk in shanty town
- Entrance to Hector Peterson Museum and Regina Mundi Church
- Vilakazi Street
- View of Mandela house in Soweto
- View Desmond Tutu House and Winnie Mandela House
- Visit to an information settlement
- View the Soweto cooling towers
- View the Baragwaneth Hospital
- Lunch at traditional Restaurant in Soweto
- Entrance into Apartheid museum

Source: MoAfrika Tours

Tips:

Analyse your own business carefully and honestly, examining its strengths, weaknesses, opportunities and threats. This is known as a SWOT analysis, which is an important planning tool to develop new ideas and activities for your business. Read [this blog post on what is a SWOT analysis and how to do it right](#), for more tips.

To learn more about the adventure market, consult the [CBI report on entering the European Market for adventure tourism](#).

4. What are the prices for FIT products on the European market?

The table below shows the wide range of prices for FIT travel products available on the European market. For more information about pricing, read the CBI report on [doing business with European tourism buyers](#), especially the section on [setting a fair price for your services](#).

Chart 6: Sample prices of travel products for the FIT market

Tour	Country	Duration	Price per person €
<i>Day or part-day trip</i>			
Dharavi Tour and Street Art	India	3 hours	15
Buenos Aires Sightseeing tour	Argentina	3 hours	19
Morning Old City Tour	Thailand	3.5 hours	23
Arts, Handicrafts and Villages	Thailand	4.5 hours	24
Hanoi Food, Culture, Sight and Fun on a Motorbike	Vietnam	4.5 hours	44
Kaheri Caves Tour	India	Day	54
Story of Wine	South Africa	Day	60
Full Day Whale Route	South Africa	Day	60
Delhi to the Taj Mahal	India	Day	63

Bollywood Tour	India	5.5 hours	63
Soweto Apartheid Museum and Lunch Tour	South Africa	Day	73
Canopy Ziplining and Horseback Riding	Costa Rica	Day	77
Hanoi City by Motorbike and Countryside by Jeep	Vietnam	8 hours	77
Perito Moreno Glacier including boat safari	Argentina	Day	91
Chiang Mai Private Tour	Thailand	Day	101
Wildlife Refuge and Cocoa Plantation Tour	Costa Rica	Day	112
<i>Short trip (2-5 days)</i>			
Delhi, Agra and Jaipur	India	3 days	181
Mendoza Andes and Wine	Argentina	3 days	212
Chiang Rai and the Golden Triangle	Thailand	2 days	240
Vietnam Beaches Tour	Vietnam	5 days	339
Playa Nicuesa Rainforest Lodge	Costa Rica	3 nights	732
Kapama River Lodge Safari	South Africa	4 days	1,130

Source: Acorn Tourism Consulting

Notes: Various local tour operator websites in November 2019

This study has been carried out on behalf of CBI by [Acorn Tourism Consulting Limited](#).

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