



[Which trends offer opportunities on the European outbound tourism market?](#)

The European market for outbound tourism offers you good opportunities. The market is growing steadily, stimulated by the rise of low-cost long-haul carriers. Geopolitical instability doesn't deter European travellers, but influences their choice of destination. Emerging target groups and the search for exclusive, authentic, personalised and sustainable experiences create demand for new products. To successfully attract European travellers, you need a professional online presence.

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1 . Outbound travel is on the rise, but to safer destinations

The European outbound travel market continues to grow steadily, despite recent geopolitical instability worldwide. However, European travellers increasingly choose destinations they consider to be relatively safe. This creates opportunities for unaffected destinations. At the same time, affected regions need to prepare for the recovery of their tourism industry.

An unfortunately continued trend in the travel industry is the effect of geopolitical instability. Countries are increasingly exposed to for example political turmoil, terrorist attacks and natural disasters. Especially developing countries are vulnerable to these events. They are exposed more often, while having fewer resources and mechanisms to cope. Tempered by the effects of geopolitical instability, European outbound travel increased with 2-3% in recent years.

Now the market is picking up again, with [5.5% growth in 2017 and predictions of a 4% increase for 2018](#). It has become clear that geopolitical instability doesn't put Europeans off travelling. They just choose "safer" destinations. For example, they switch from traditionally popular destinations like Egypt, Tunisia and Turkey to comparably sunny destinations like Spain and Portugal. This illustrates how geopolitical instability in some areas may create opportunities for others.

A more hopeful reaction that 2017 reflected for destinations affected by geopolitical instability, is that tourism can recover quickly. For example, [Turkey received 28% more foreign tourists in 2017 than in 2016](#). Similarly, Egypt and Tunisia also rebounded strongly from previous declines.

This illustrates that tourists are eager to come back after European Ministries of Foreign Affairs amend or retract their travel warnings. Repeat customers are often the first to arrive. Destinations should prepare for the return of the tourists. For instance, in 2017 [Egypt launched a two-year tourism recovery plan](#). Another good example is the [NepalNOW](#) campaign, set up after the earthquakes of 2015.

Tips:

- Use our study about [the demand for tourism services in developing countries](#) to identify the best European markets for you to focus on.
- Keep in touch with your visitors to attract repeat customers. Email marketing is an especially useful tool for this.
- See our [10 tips for risk management](#) for more information on dealing with potential crises.

2 . From exclusive and authentic to transformational travel experiences

European travellers continue to search for unique, exclusive experiences that create lasting memories. Part of this trend is an interest in authentic experiences in non-traditional destinations where travellers can interact with local people. Developing country destinations and their unique cultural and natural resources are a perfect match for this trend. For example, travellers can forage for local ingredients and prepare a traditional meal with a local.

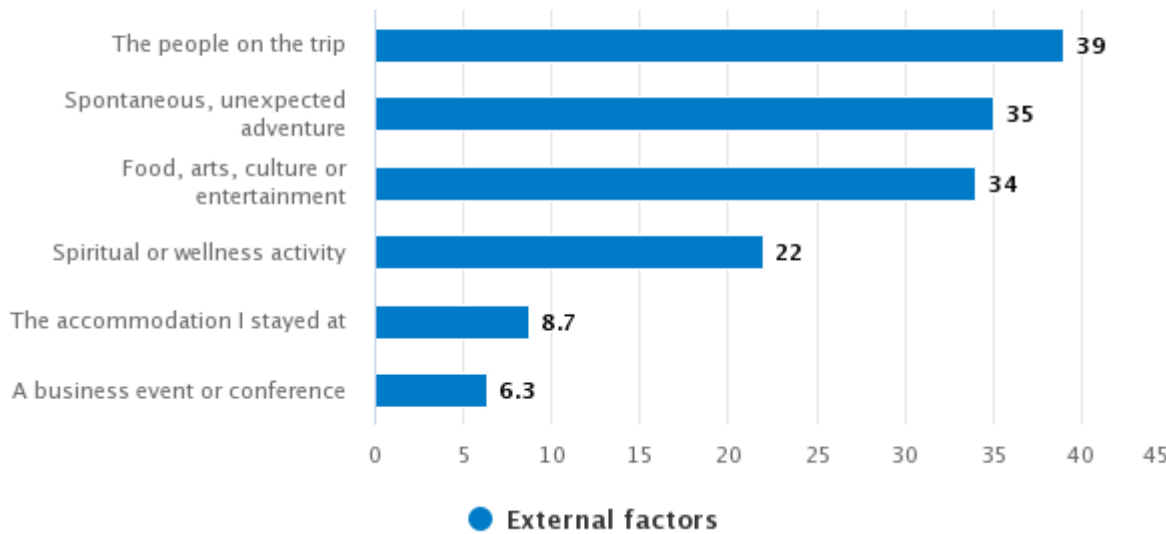
At the same time, there is a movement from an experience economy towards a [transformation economy](#). In a transformation economy, the value of an experience is in its potential to transform and improve consumers' physical or mental wellbeing. This development also leads to an increased interest in transformational or transformative travel.

Transformative travel offers travellers personal growth and enrichment. The purpose is to stimulate self-reflection, development and a new perspective, as well as a deeper connection with nature and culture through travel. Transformational experiences are a key trend within, for example, adventure, luxury and wellness travel.

In 2017, [54% of travellers attached considerable importance to transformative travel](#) (over 7 out of 10). In addition, 52% place increasing value on this type of travel. The most common reasons to consider an experience transformational are gaining a new perspective, learning something new and having a reflective moment. Various external factors influence such transformational moments, some of which you can control, some of which you cannot.

Figure 1: External factors that led to a transformational moment 2017

in %



Source: Skift Survey

Tips:

- Offer unique, exclusive and authentic experiences with the possibility to interact with locals.
- Add potentially transformative aspects to your product offer, for example by focusing on storytelling. However, note that what makes an experience transformational differs from traveller to traveller, making it difficult to guarantee.
- Note that this type of traveller is looking for more in-depth knowledge and information than your average customer. You should carefully select the information, tour guides and tour items you offer them.
- For more information, see our study on [exclusive tourism experiences](#).

3 . Peer-to-peer travel is expanding

Related to exclusive and authentic experiences, peer-to-peer travel continues to expand rapidly. Both in numbers and in segments. Its exact impact on the traditional travel industry can be disputed, but collaboration may offer opportunities.

In peer-to-peer travel, consumers offer travel products to other consumers through online platforms. This allows inhabitants of tourist destinations to sell tourism products to travellers, without involving professional tourism suppliers. It started out with overnight stays at people's homes, followed by dining experiences. This type of travel is booming. For example, Airbnb now has more than 4 million listings.

These platforms can be a threat to you as a traditional tourism supplier. They increase competition and offer individualised choices, often at a lower cost. However, whether or not the peer-to-peer sector has an impact on the traditional travel industry remains a point of discussion. Some industry experts think it does negatively affect the business of traditional accommodation providers. Others

suggest it might have tapped into an additional market.

Now, peer-to-peer travel is expanding into other areas of the travel industry. Travellers increasingly want to book all aspects of their trip, including tours and activities, “on demand”, where and when it suits them. This is leading not only online travel companies like TripAdvisor and Expedia to offer tours and activities, but also peer-to-peer platforms. In November 2016 Airbnb rolled out its Experiences in 12 cities worldwide. With some 60 destinations in 2017, Airbnb intends to expand to 1000(!) in 2018.

Peer-to-peer platforms cleverly play into the continuing travel trend of authentic experiences. The tours and activities they offer have a more local, experiential and unique feel than traditional guided tours. This offers opportunities for locals who can host their own tours and activities, but like in the accommodation sector the impact on traditional travel industry is unclear.

You can respond to this development by diversifying your offer. Add peer-to-peer experiences to your traditional portfolio, which has its own target group. For example, collaborate with locals who can offer an authentic experience from their unique perspective. You can include their existing peer-to-peer experiences in your offer, or develop new peer-to-peer style products together.

Tip:

- Collaborate with local providers of peer-to-peer travel products. Think of individual house owners, dinner hosts or tour and activity guides. This can be mutually beneficial. It allows you to provide a total package with local presence and opens up your business-to-business marketing channels to the peer-to-peer providers.

4 . Mature source markets prefer personalised travel

Personalised travel is becoming increasingly popular among European travellers, especially those from mature source markets. You should offer these travellers the option of building a package according to their personal preferences and budget.

European tourists are becoming experienced travellers. They increasingly want to control the process of selecting and composing their holidays and demand flexibility. As a result, personalised trips and packages are replacing standardised holidays. These customised packages also allow travellers to get the most value out of their holidays.

This trend is especially clear in the more mature tourism source markets in Western and Northern Europe. It is set to continue and expand in the coming years. In Germany and the United Kingdom, [Google is experimenting with dynamic packaging](#) of automated air and hotel combinations. As emerging source markets in Eastern Europe mature, their interest in personalised travel is expected to increase as well. To meet demand across the market, offer customised as well as standard trips.

Tips:

- Be flexible. Offer personalised products and allow your customers to build their own package out of different types of activities and accommodations.
- Familiarise yourself with the requirements and potential consequences of the new [Package Travel Directive](#). For more information, see our study about the [requirements you must comply with](#).

5 . Increasing interest in specialised holidays offers opportunities

European travellers increasingly prefer specialised holidays to general mass holidays, especially those from mature source markets. This is a promising development for you.

Specialised holidays are becoming increasingly popular among European travellers. As a result, tourism companies are specialising in specific tourism segments. This is good news for you. Specialised holidays generally offer tourism companies in developing countries better opportunities than mainstream holidays. This is because specialised holidays are more customised, thus relying more on local tourism providers. Furthermore, margins for specialised holidays are generally higher.

According to industry experts, segments that offer you good opportunities on the European market include:

- [adventure](#) tourism, including [cycling](#) and [diving](#)
- [community-based](#) tourism
- [culinary](#) tourism
- [cultural](#) or [religious](#) tourism
- [nature and eco](#) or [wildlife](#) tourism
- [inner wellness](#) or [physical wellness](#) tourism

This trend is especially clear in the more mature tourism source markets in Western and Northern Europe. Interest in specialised travel from emerging source markets in Eastern Europe is expected to increase as they mature.

Tips:

- Specialise in a specific tourism segment.
- Work with specialised tour operators when focusing on a specific segment.
- Be good at what you do. Although travellers may be willing to spend, they are critical of their travel products and want their money's worth.

6 . Promising new target groups are emerging

Relatively new European target groups are becoming interesting markets. If you can meet their specific needs and preferences, these groups can offer you good opportunities.

As the European population ages and the composition of households changes, new types of travellers emerge. According to industry experts, promising target groups include:

- [senior travellers](#)
- [disabled travellers](#)
- [solo travellers](#)
- [LGBT \(lesbian, gay, bisexual and transgender\) travellers](#)
- [families with older children](#)
- [single parents, millennials and groups](#)

To successfully target these groups, you have to cater to their specific needs and preferences. For example: seniors may require extra comfort and service, whereas single parents like family-friendly

accommodations.

Tips:

- Focus on specific target groups and adapt your products to their needs and preferences.
- Work with specialised tour operators when focusing on specific target groups.

7 . Professional online presence is becoming a necessity

To attract European travellers, your online presence is becoming increasingly important. Social media, review sites and blogs are key channels to communicate with your potential customers. Visual storytelling is an especially effective way to reach them. As [the market share of mobile bookings \(smartphones and tablets\) has reached 33% in Europe](#), your website (and booking tool) must be mobile friendly. For more information, see our [10 tips on how to be a successful tourism company online](#).

Social media and review sites are key in travel planning

Social media have become main sources of travel information before, during and after a trip. Facebook, Instagram, Twitter, YouTube, blogs, forums and review sites play a major role in European travellers' planning. In fact, consumers trust [earned media](#) (people talking about your brand) more than any other form of advertising. This makes User Generated Content a must. In addition to helping companies generate more sales, social media can be a useful tool to manage customer relationships.

Tip:

- For more information, see our tips on how to be present and active on social media and let your satisfied customers speak for you in our study about [being a successful tourism company online](#).

Blogging is developing into a popular travel marketing tool

Travel blogging has become highly popular in Europe. For example, since 2015 the annual Dutch Story Makers event attracts more than 100 participants. Tourist destinations and companies increasingly use blogging as an effective, cost-efficient marketing tool that drives traffic to their website. It allows you to tell your story, create awareness, build an image and reach new target groups. In addition, content is customised, measurable and easier to control than traditional media.

Tips:

- Check out the [Professional Travel Bloggers Association](#) for an international list of verified travel bloggers. It also gives you useful information, like [what travel bloggers charge](#).
- For more information, see our [10 tips for travel blogging for your tourism business](#).

Visual content and storytelling are on the rise

Visual storytelling is becoming increasingly important, especially in the travel sector. A picture really does speak a thousand words. Potential customers want to see what tourism companies have to offer, rather than just reading about it. Visual storytelling gives them a taste of the experience. It allows people to picture themselves at the destination, or partaking in an activity. On social media, [visuals result in more than double the engagement](#).

The travel sector is increasingly catching on to the importance of visual storytelling. For example, [72% of adventure travel professionals consider visuals core to how they communicate and tell their brand's story](#). Over two out of three of them expect photography and video content to become even more important in the coming years.

Tip:

- Use photo and video material, both on your website and your social media channels.

Mobile travel bookings are increasing their market share

Europeans are amongst the most digitally savvy travellers in the world. They already make wide-scale use of mobile devices like smartphones and tablets to gather travel information. Now booking through mobile devices is gaining ground, especially for last-minute bookings.

Mobile's share of online travel bookings increased with double figure growth rates in 2017, driven by smartphone bookings. [For Europe as a whole, mobile reached a 33% market share in 2017](#). Northern and western European travellers are the most familiar with mobile travel booking. Sweden, France, Spain, Denmark and the United Kingdom are leading with above average mobile shares of 35-41%. Some markets were lagging behind however, like Germany (23%) and Belgium (28%).

Tips:

- Make your website (and booking tool) mobile friendly. Particularly focus on smartphones.
- Study the option of working with Online Travel Agencies (OTAs). For more information, see our chapter on selling your product through an OTA in our study about [being a successful tourism company online](#).

8 . Sustainability is becoming the norm

The European travel industry increasingly demands sustainability from its suppliers. A sustainable approach is also in your own interest, to ensure the long-term preservation of your destination.

Sustainability continues to be an important topic in the travel industry. The UN declared 2017 the International Year of Sustainable Tourism for Development. It has moved on from being a competitive edge to being the norm. European tour operators increasingly require their suppliers to be sustainable. For example, by 2020 TUI Benelux' accommodation partners must have sustainability certification. TUI also intends to increase their offering of sustainable tours and activities.

This comes at a time when there are increasing reports of destinations dealing with overcrowding.

[In 2030, 57% of international tourist arrivals will be in emerging economies.](#) This is a considerable increase compared to 45% in 2015. To protect and preserve your local environment and community, you need to focus on the sustainable development of your destination.

Tips:

- For more information, see our study about [European tour operators' demand for sustainable suppliers in developing countries](#).
- Consider certification through globally recognised programmes like Travelife. At [WTM 2017](#) and [ITB 2018](#), CBI handed out dozens of Travelife Partner and Travelife Certified awards to tour operators from 4 different continents.

9 . Low-cost long-haul connections create opportunities

The European low-cost long-haul travel market is on the rise. Low-cost carriers are entering the long-haul market and traditional long-haul carriers are launching low-cost alternatives. These connections can significantly stimulate travel to your destination.

Low-cost carriers traditionally serviced short-haul destinations with quick turnarounds. However, relatively low fuel prices create opportunities in the European long-haul travel market. In the Asia-Pacific region, low-cost long-haul flights are already common. Now carriers like Condor, Eurowings and Norwegian also connect Europe with several long-haul destinations at low rates.

Industry experts expect low-cost long-haul travel to keep growing in the coming years. After Lufthansa's Eurowings, some of Europe's biggest long-haul airline groups like IAG and Air France-KLM entered the low-cost market in 2017. At the same time, Gulf airlines are rapidly expanding their route network to service the whole of Europe at attractive rates.

This is a promising development for you. Low-cost long-haul connections increase your accessibility and make long-haul travel more attractive to European travellers.

Tips:

- Follow the developments in long-haul travel to identify opportunities for your destination, for example via [ACI Europe's connectivity reports](#).
- Long-haul budget airlines can also attract European travellers with smaller travel budgets. Offer affordable options for these travellers.

For more quantitative information, see our study about [the demand for tourism services in developing countries](#).

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