What is the demand for outbound tourism on the European market?

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Global outbound tourism continues to recover well, reaching 84% of pre-pandemic levels by the end of July 2023. Germany and the UK are the largest European markets, and demand for outbound travel from these markets is high. Africa and Asia are the most visited regions by Europeans, and Turkey is the most popular destination by some margin. Europeans want to enjoy a wide variety of travel experiences. These include culture, wellness, food tourism, nature tourism and ecotourism, walking and hiking, and community-based tourism (CBT). In developing destinations, Europeans often look for adventure tourism.

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1. What makes Europe an interesting market to target?

Europe is an interesting market to target because it is the largest outbound travel market. As the tourism sector continues its recovery, Europe and the Middle East are bouncing back most quickly. The industry expectation is that tourism will recover to 2019 levels by the end of 2024 or 2025, although this will vary from region to region. Challenges to the sector's recovery include the state of the global economy and the impact of economic developments on personal travel budgets, as well as the ongoing war in Ukraine, which continues to create uncertainty. Longer term, sustainability remains a challenge as the sector strives to meet global net-zero commitments by 2050.

Current status of worldwide tourism after the pandemic

Tourism is proving to be a highly resilient global industry. The sector is on track for a full recovery, with arrivals reaching 84% of pre-pandemic levels between January and July 2023 and 90% in July 2023. Around 700 million tourists travelled internationally between January and July 2023. This is roughly 43% more than in the same months in 2022.

Table 1: Worldwide tourism arrivals in 2022 and Q1-Q2 2023 compared to 2019

Region	% change 2019 vs 2022	% change Jan-Jul 2019 vs Jan-Jul 2023
World	-34%	-16%
Europe	-20%	-9%

Asia & Pacific	-72%	-39%
North America	-30%	-15%
Central America	-15%	2%
South America	-39%	-13%
Africa	-33%	-8%
Middle East	-10%	20%

Source: UNWTO

- The Middle East witnessed the strongest performance between January and July 2023. Arrivals were 20.3% higher than those reported for the same period in 2019. In Q1 2023, the region already saw a 15% increase in arrivals compared to the same quarter in 2019, making it the first to achieve pre-pandemic numbers in a full quarter.
- Arrivals to Europe reached 91% of pre-pandemic levels by the end of July 2023. Recovery was mostly driven by strong intra-regional demand: Europeans preferred to visit neighbouring European countries over long-haul destinations. The Southern Mediterranean region exceeded pre-pandemic levels by 1%.
- Africa also performed strongly, witnessing a return to 92% of pre-pandemic levels. The North Africa subregion in particular exceeded pre-pandemic levels in the first half of 2023 (+8%).
- The Central America subregion also performed strongly in the first seven months of 2023, exceeding pre-pandemic levels by 1.7%. The region was quicker to open up to international tourism following the pandemic, which stimulated faster growth.
- South America recovered to 89% of pre-pandemic levels, led by strong performers such as Colombia, where arrivals are already exceeding 2019 levels.
- Asia was the slowest growing region, recovering to 61% of pre-pandemic levels. Many countries in this region opened up more slowly – China did not reopen its borders to international tourism until March 2023. South Asia, however, enjoyed a stronger recovery (93%) than other Asian subregions.

By destination, several countries exceeded arrivals recorded between January and July 2019, with some even enjoying double-digit growth. Many of these high performers were European countries, including Albania (56%), Andorra (31%), Armenia (31%), Liechtenstein (19%), Serbia (17%), Montenegro (14%) and Iceland (13%). Outside Europe, many developing destinations also saw unprecedented growth in the first quarter of 2023. Arrivals in these countries were much higher than in 2019, as can be seen in the table below.

Source: UNWTO

Figures from the International Air Transport Association also show a strong recovery post-pandemic. By the end of May 2023, global air traffic revenues had recovered to 96% of pre-pandemic levels. Passenger numbers were back at 88%.

Future projections and challenges

The state of global tourism mid-2023 is cause for optimism, and current projections indicate that recovery will continue. International tourism is expected to remain on track to recover to between 80% and 95% of pre-pandemic levels, depending on the region. There is also growing confidence that international tourism will fully recover – to pre-pandemic levels – by the end of 2024. However, this will also vary from region to region.
In October 2023, the International Monetary Fund (IMF) predicted that the global economy would grow by 3% in

2023, an increase of 0.2%. Growth is expected to be driven partly by increased travel after the pandemic, as well as by a strong jobs market and services sector. Still, challenges to this growth remain.

Downturns or slow growth in some of the world's largest economies, including the US, Europe and China, may have a negative impact on tourism performance at a macro level. At a more local level, there are high consumer prices, high inflation and high interest rates, which continue to dent consumer confidence.

Driven by the war in Ukraine, which has pushed up prices, the cost-of-living crisis has affected many countries, including developed nations. The soaring costs of food and energy, along with high inflation rates, are negatively affecting consumer budgets. Other factors that are limiting growth are travel disruptions caused by staff shortages and industry disputes in the travel and transportation sector. These continue to play a role in several destinations.

Besides the war in Ukraine, there are other geopolitical tensions as well. The relationship between NATO and Russia is strained, for instance, as is the one between the US and China. These tensions could also threaten the recovery of the tourism industry. Safety and security are becoming more and more important as tourists actively assess any potential threats to their own personal safety while travelling.

Tips:

Stay up to date on global, regional and national issues that might have an impact on your local tourism sector. Having a good understanding of these issues will help you reassure your buyers if they have concerns. Be sure to take appropriate action to address issues if necessary.

Use the CBI study How to manage risks in tourism to keep your risk management policy up to date. Although the pandemic is officially over, other risks remain.

Sustainability requirements

At a macro level, switching to sustainable business practices to fight climate change has never been more important. Net-zero targets have been adopted by 97 countries, including the EU's 27 member states and the UK. At a micro level, tourists are increasingly concerned about their negative impact on the planet, people and places. Europeans are becoming more eco-conscious and expect tourism businesses to be sustainable. They also want to see evidence that their actions are not damaging the places they visit.

The EU Green Deal was launched in 2019 and involves a series of sustainability measures. The goal of these measures is to help Europe become the first climate-neutral continent by 2050. This will have an impact on European tour operators, who will have to meet certain sustainability standards. These standards will also apply to their partners, including local tour operators.

Tip:

To find out how to make your business sustainable, read the CBI study How to be a sustainable tourism business.

Analysis of outbound tourism volumes from Europe

Europe is the largest source market for outbound tourism, making it an interesting region to target. In 2019, there were 743.9 million international tourist arrivals from Europe (UNWTO). These accounted for just over one half (51%) of global outbound tourism (1.465 billion international arrivals).

By 2022, the share of international arrivals from Europe had risen to 62% of global outbound tourism, reaching 595 million (80% of the 2019 level). This share may decrease again as tourism returns to normal levels. Still, it remains a good indicator of the strength of the European market. Air passenger traffic also shows that Europe is recovering well from the pandemic. By Q3 2022, it had already recovered to 86% of the 2019 level.

Source: Eurostat

An analysis of travel data reveals that Europeans predominantly visit European destinations. Of 1.1 billion trips taken by European nationals in 2019, 96.3% were to European countries, according to Eurostat. This means that 33.8 million trips were taken to destinations outside Europe. These figures are not surprising. Most Europeans prefer short-haul destinations, and there are many neighbouring countries with excellent tourist attractions that are easily accessible and familiar to European nationals.

But many Europeans also like to explore the rest of the world. Before the pandemic, demand for travel to developing destinations was increasing, and exciting experiences, transformative travel and nature-based travel were becoming more and more popular. This means that there are lots of opportunities for local tour operators to reach this large outbound tourism market.

Asia and Africa are the most popular destinations for trips outside Europe, accounting for 44.3% and 35.1% of trips in 2019 respectively. Central and South America accounted for 16.2% of trips.

Source: Eurostat

The most popular destinations for Europeans have remained the same for many years. Turkey, Egypt, Thailand and Morocco are the countries with the highest number of visitors from the key source markets. Turkey, Egypt and Morocco are medium-haul destinations. They are relatively easily accessible by Europeans from all over the continent and are well served by air, including by low cost carriers (LCCs). These destinations appeal to all kinds of visitors, from budget to luxury tourists.

Thailand is a long-haul destination, but it has drawn European nationals for many years. It offers world-class attractions and extraordinary natural environments, and has a reputation as a good value destination. Like Turkey, Egypt and Morocco, it also has a favourable, warm climate that appeals to Europeans.

Source: UNWTO

In 2019, 33.5 million Europeans travelled to Turkey, making it the top destination by a wide margin. Egypt was the second most visited destination (8.4 million), followed by Thailand (7 million). Turkey was also quicker to recover after the pandemic, welcoming a significant number of visitors in both 2020 and 2021.

Further analysis of arrivals to top developing destinations from key source markets shows that tourists from different European countries prefer different destinations. For instance, the table below shows that in 2019:

- The top destinations for German holidaymakers were Turkey (5 million arrivals) and Egypt (1.7 million).
- British tourists preferred Turkey (2.5 million) and Thailand (1 million).

- French tourists mostly travelled to Morocco (2 million) and Turkey (0.9 million).
- Spanish tourists also preferred Morocco (0.9 million), as well as Mexico (0.4 million).

Language is clearly a factor when it comes to these preferences. Morocco has a high proportion of French speakers, while the national language of Mexico is Spanish. These factors are more fully explored in the section below, Which European markets offer the most opportunities for tourism suppliers in developing countries?

Source: UNWTO

Analysis of global and European value of tourism

International tourism expenditure was €1,335 billion in 2019. After collapsing to roughly a third of the 2019 level in 2020, by 2022 expenditure had recovered to €979 billion, 69% of the pre-pandemic level. Europe accounted for the largest share of global spending in 2022, at 53%.

European countries are big spenders when it comes to outbound tourism. There are six major European markets in the top 15 countries by outbound expenditure, and Germany, the UK and France are the top spending markets after the US and China. Moreover, tourists from Germany, the UK and France spent almost as much in 2022 as they did in 2019, which shows that these markets are on track to make a full recovery.

Table 2: International tourism expenditure by top source markets, 2019 and 2022

Country	2019 (US$ billion)	2022 (US$ billion)	% change 2019 vs 2022
China	254.6	114.8	-54.9%
United States (USA)	132.3	114.9	-13.2%
Germany	93.2	89.4	-4.1%
*United Kingdom (UK)	62.3	58.5	-6.1%
France	50.5	47.7	-5.5%
Russia	36.2	20.3	-43.9%
Canada	35.5	24.4	-31.3%
Australia	35.3	16.3	-53.8%
United Arab Emirates (UAE)	33.4	n/a	n/a
South Korea	32.7	19.9	-39.1%
Italy	30.3	26.3	-13.2%

Spain	27.8	21.4	-23.0%
Singapore	27.0	15.3	-43.3%
India	22.9	25.9	13.1%
Netherlands	20.5	17.7	-13.7%

Source: UNWTO; *ONS

Outside the top 15, Switzerland, Belgium and Norway are the biggest European outbound tourism spenders, making them interesting markets to target.

Tips:

Continue to monitor tourism recovery trends and patterns in your target markets. Google Trends and Looker Studio (previously Data Studio) have a range of free online tools for this. Google Trends shows the popularity of top Google search queries, while Looker Studio creates graphs, charts and tables to help visualise this data. CBI has created several Data Studio Dashboards to help you understand demand and recovery in the biggest outbound markets.

Read the study How to forecast tourism demand with Google Trends & Data Studio? for more information, and watch the video on how to use the dashboard.

2. Which European markets offer the most opportunities for tourism suppliers in developing countries?

The European markets that offer the most opportunities for tourism suppliers in developing countries are Germany, the UK, Italy, France, the Netherlands and Spain. These are the largest outbound overnight tourism markets from Europe. Please note that the UK figures in the chart below also include day visitors.

Sources: UNWTO; OECD (Germany, 2021); ONS (UK)

Research conducted by CBI in 2022 indicates that these source markets have a high preference for travel to developing countries. It is also interesting to note that there was a greater intention to travel to developing countries in the next 12 months, particularly amongst British, Spanish, Italian and French nationals.

Table 3: Europeans’ travel plans in the next 12 months, 2022

Travel habits and plans	Germany	UK	Italy	France	Netherlands	Spain

Have travelled to a developing country in last 12 months	9.4%	14.2%	8.8%	11.8%	13.1%	14.3%
Plan to travel to a developing country in next 12 months	19.0%	24.7%	21.7%	21.7%	19.5%	23.2%

Source: CBI

Germany

Germany has a population of 83 million, the largest of any European country. It also has the largest economy in Europe and the fourth largest in the world. Germans enjoy a high standard of living. Like most of Europe at the beginning of 2023, Germany was affected by high energy costs as a result of the war in Ukraine, and by rising inflation. These factors led to low consumer confidence, which affected consumer spending.

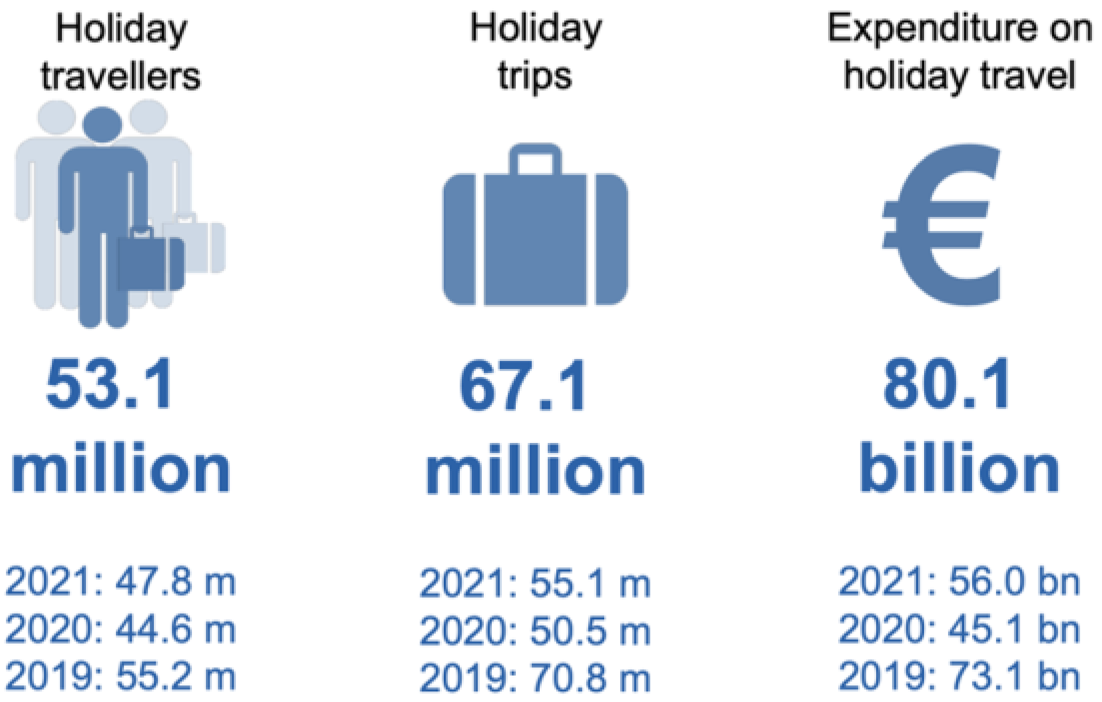
The German economy is strong, but there are still uncertainties about economic growth, consumer confidence and the longer-term outlook. (It should be noted that these uncertainties are not unique to Germany, but also exist in other European countries.) In September 2023, it was reported that the German economy had stagnated in Q2 2023 and was forecast to shrink by 0.4% for the year. Inflation is expected to fall to 6.4% in 2023 and to 2.8% in 2024. Looking ahead, the German economy is forecast to grow by 1.1% in 2024.

German outbound travel market

Germany is Europe's largest outbound travel market. In 2019, German nationals made 99.5 million overnight trips. The market is also predicted to grow over the next 10 years. In 2022, Germany's outbound tourism market was valued at US$95.3 billion, and it is projected to grow to US$241.4 billion by 2032. This represents a compound annual growth rate (CAGR) of 9.7% during the forecast period. Germans are keen travellers and Germany is likely to be one of the first European outbound tourism markets to recover fully from the pandemic.

In 2022, Reise Analyse reported that German nationals took 67.1 million holiday trips of 5+ nights. Of these trips, 73% were to international destinations (49.0 million), only slightly less than in 2019. 2022 was a record year for holiday travel expenditure, with German tourists spending €80.1 billion, €7 billion more than in 2019.

Figure 7: Volume of German holiday travel in 2022



Source: Reise Analyse

Germans like to travel to a variety of destinations, both domestically (27% of all trips) and internationally (73%). Europe is the top destination for German tourists (57%); long-haul destinations account for just 6%. Turkey is the most popular developing destination for German tourists, representing 7.9% of all outbound trips in 2022, a 1.6% increase on 2021. Turkey is conveniently located and well served by a range of scheduled, charter and LCC flights.

Egypt, Thailand, Morocco and South Africa are also popular with German tourists, although German arrivals to these destinations have not fully recovered yet. Before and (to some extent) after the pandemic, other popular destinations for German tourists have included Vietnam, Sri Lanka and Namibia. German is still spoken in in certain areas of Namibia, which adds to its appeal.

Source: UNWTO

German travel behaviour

According to Reise Analyse, the average length of stay in 2022 was 12.6 days, slightly longer than in 2019 (12.4 days). Average spending per trip also increased, from €1,032 in 2019 to €1,194 in 2022. Additional research found that German tourists spent more than one third of their budget on accommodation (35.6%), more than any of the other source markets. This was followed by flights and other transport (23.9%). Activities accounted for 12.8% of German budgets, more than any other source market except France.

Source: CBI

Germans like to book package holidays, more than other European tourists. In the past, they preferred to book directly with travel agents. However, they are increasingly booking their holidays online (49.6%, an increase of 5.6% percentage points). At the same time, face-to-face bookings are falling (36.1%, a decrease of 2.9% percentage points).

German characteristics and travel motivations

Germans are particularly motivated by a desire to experience nature. They enjoy beautiful scenery and wildlife, and going to the beach is a popular activity. They also like to stay active – walking/hiking and cycling are important pastimes. Culture is important to them as well, and visiting cities, shopping and enjoying local food and wine are key activities that appeal to German tourists.

Like many Europeans, German tourists care about sustainability, and they are increasingly looking to minimise their travel impact. Research conducted by the EU in 2021 found that amongst German tourists:

- 54% would choose to consume locally sourced products while on holiday.
- 47% would be prepared to pay to protect the natural environment.
- 45% planned to reduce waste while on holiday.
- 43% would travel to less visited destinations.

United Kingdom

The UK has a large population of 67.3 million, as well as the second largest European economy. Because the British economy is largely service-driven, it contracted more sharply during the pandemic. Although GDP grew by 4% in 2022, it has fallen since then, and the economy is expected to be weak in 2023 and 2024. Inflation and interest rates remain higher than in many other European countries. This directly contributes to the current cost-of-living crisis, which in turn has a negative impact on consumer confidence.

British outbound travel market

The UK is the second largest outbound tourism market in Europe, and British tourists made more than 93 million outbound trips in 2019. Since the end of the pandemic, demand for travel has been very high. In 2022, British nationals took 71 million trips, 76% of the 2019 level. It is most likely that outbound tourism from the UK will recover in 2024 or later, depending on the state of the economy and the spending power of British tourists. An optimistic projection from 2022 suggested that outbound tourism would reach 86.9 million trips by 2024.

The future outlook for outbound tourism from the UK is positive, despite economic difficulties. The UK's outbound travel market was estimated to be worth US$76.7 billion in 2022 and is projected to reach US$175.2 billion by 2032, growing at a CAGR of 8.6% during the forecast period. However, continued economic uncertainties may affect tourism's recovery. Affordability is now a major criterion for British tourists in deciding where to go on holiday. British tourists spent £62.3 billion abroad in 2019, and £58.5 billion in 2022 (94% of the 2019 level).

Britons are very keen tourists, and they travel to a diverse range of countries. Compared to the other key source markets, British tourists are most likely to visit developing destinations. Turkey has consistently been the most popular long-haul destination for British tourists for many years, followed by India. India and many African countries like Kenya and Tanzania are traditionally popular destinations for UK nationals, owing to historical ties.

The table below clearly shows that UK arrivals to developing destinations are beginning to recover. In 2022, arrivals to Turkey, Mexico, Nigeria and Egypt surpassed those in 2019, showing robust demand for overseas tourism from the UK.

Source: ONS

British travel behaviour

In 2022, British tourists stayed for an average of 8.7 nights while on holiday, 6.9 nights when travelling for business and 17.1 nights when visiting friends or relatives. In 2019, the average spend per holiday trip was £739, compared to £697 per business trip. By 2022, average expenditure had risen to £887 for a holiday trip and £1,070 for a business trip – an increase of 20% and 46% respectively.

Britons spend almost a third of their travel budget on flights and transport, over a quarter (28.3%) on accommodation and almost a fifth (19.8%) on food and drink. Tourists from the UK spend the least on accommodation compared to other source markets.

Source: CBI

A 2022 study found that online travel agencies (OTAs) were the preferred booking method for British tourists (39%), followed by booking accommodation and flights separately (26%). Tour operator bookings accounted for 16%.

British characteristics and travel motivations

Travel is important to UK nationals and they are experienced overseas tourists. Visiting other countries allows them to escape their daily routine, recharge and have new experiences. While they like immersive experiences, hygiene, accessibility, convenience and safety are still important to them. British tourists also like to take part in activities, which is one of the top factors influencing their final decision. Common activities include visiting natural attractions and wildlife watching.

In 2023, Mintel conducted a study on British holiday intentions in the next 12 months. It found that:

- A summer beach holiday was the most popular planned holiday (47%).
- City breaks were the second most popular (45%).
- 35% were planning a family holiday.
- 23% intended to go on a cultural and historical sightseeing holiday.

British tourists are very sustainability minded. In a recent survey, 86% of British respondents stated that sustainability was important to them. Amongst the 18-24 age group, this figure rises to 95%; in the 65+ age group, it is 75%. Other research revealed that 32% of British travellers avoid flying altogether on account of environmental concerns, and 62% would use more sustainable forms of transport (such as trains) if they were cheaper. Busy destinations are avoided by 59%, who are more interested in travelling to lesser-known places.

All in all, sustainable destinations are more likely to attract British tourists.

Italy

Italy has a population of 60.2 million, the fifth largest in Europe. Its economy – the eighth largest in the world – grew by 3.9% in 2022, driven by domestic demand. This growth is expected to slow down in 2023, however, as a result of high inflation. Most Italians are well educated and enjoy a high standard of living. They tend to speak English to a good level, but appreciate information being made available in Italian.

Italian outbound travel market

Italian tourists made 34.7 million outbound trips in 2019. In 2021, they made 12.4 million outbound trips; this figure rose to 25.1 million in 2022, reaching around 72% of the 2019 level. By the end of May 2023, outbound travel was at 88% compared to 2022, suggesting that recovery in Italy may be slower than in other European countries. Some forecasters estimate that Italian tourism will not fully recover from the pandemic until 2025, and business travel until 2027.

According to the Banco d’Italia, outbound tourists spent €26.0 billion in 2022, just short of the €27.1 billion spent in 2019 (96%).

Domestic travel is very popular in Italy; outbound travel accounts for just 24% of tourism departures. Egypt, Turkey and Morocco are the most popular outbound developing destinations for Italian tourists. There was notable growth in departures to Turkey and Mexico in 2021.

Source: UNWTO

Destinations popular with Italian tourists before the pandemic included Madagascar, Indonesia, Jordan, Vietnam and South Africa.

Italian travel behaviour

The average length of stay of Italian tourists has been increasing. In 2019, the average length of stay while on holiday was 8.3 days; by 2021, this had risen to 12.9 days. It is likely that Italians were keen to make the most of their travel time after the pandemic and opted for longer stays. The average spend per trip in 2022 was €909.63, a 16% increase from 2019 (€780.97). This could be the result of the increased length of stay.

Italians spend the largest share of their travel budget on accommodation and flights (30.6% and 27.1% respectively). Around 12.8% is spent on activities, the highest amongst the source markets along with France and Germany.

Source: CBI

Italian tourists like to book trips well in advance, sometimes up to 11 months. They value recommendations from friends and family very highly (52%) and often use review sites (41%). In general, they like to do a lot of online research before making a decision. Italians are more likely to book their own travel arrangements using online platforms compared to other European countries and tend not to book package holidays.

Italians are tech savvy and spend a lot of time on social media.

Italian characteristics and travel motivations

Italians look for active, cultural holidays and prefer exploration to relaxation. They enjoy nature and like to spend time in the great outdoors, visiting natural attractions and experiencing wildlife. They are also very outgoing and like to eat out and socialise.

Italian tourists have the following characteristics:

- Older, wealthier Italians will travel at any time of the year.
- Italians like guided tours with Italian-speaking guides.
- Security, high-quality accommodation and good food are important to them.
- More than a quarter of Italians like to travel off-season.

While keen on sustainability, Italians are less sustainably minded than other European nations when they travel. However, as a nation of ‘foodies’, they do like to consume locally sourced produce while on holiday (42%). They also prefer to travel outside the main tourist season (27%), offering good opportunities to attract Italians in the low and shoulder seasons.

France

France has a population of 67.6 million people, the third largest in Europe. The French enjoy a high standard of living and above average wages within the European region. France’s economy is the third largest in Europe, after Germany and the UK. Despite the cost-of-living crisis and high inflation, which are affecting most countries in Europe, the French economy is expected to grow by 1% in 2023 and 1.2% in 2024.

French outbound travel market

The French like to travel, making 30.4 million outbound trips in 2019 and 13.1 million in 2021. France's outbound tourism expenditure is the third highest in Europe, after Germany and the UK, and in 2019 French tourists spent €56.7 billion overseas. The domestic leisure market proved resilient during the pandemic, and outbound travel is expected to recover in 2024.

The outbound travel market is estimated at US$33.9 billion and projected to reach US$51.6 billion by 2032. This represents a CAGR of 4.3%.

Outside Europe, Africa is the most popular continent for French nationals to travel to. In 2019, Morocco was the most popular destination for French tourists, followed by Tunisia and Turkey. The table below shows that French tourism to most developing destinations still has some way to go before it reaches 2019 levels again. Before the pandemic, Malaysia, Sri Lanka, Chile, Colombia and Costa Rica were popular choices for French long-haul tourists. Countries with historical ties to France, like Senegal and Madagascar, are also favoured.

Source: UNWTO

French travel behaviour

The average length of an outbound trip was 8.45 days in 2019; in 2021, this had fallen to 8.11 days. French tourists spend most of their travel budget on flights and transport (30.2%) and accommodation (29.5%). They also spend a comparatively large amount on food and drink (19.4%). Meanwhile, activities represent 13.1% of their expenditure, more than any other source market.

Source: CBI

French tourists tend to start planning their trips around six months in advance, depending on the destination. They particularly value recommendations from friends and relatives (54%) and use websites to look at reviews and ratings from other tourists (29%). They are also keen users of traditional guidebooks alongside social media platforms. Generally, French tourists prefer to book directly with airlines and hotels (28%), and through online platforms (22%). If possible, they will use personal connections to book through a trusted source (26%).

French characteristics and travel motivations

French tourists are especially interested in the natural environment of a destination, and off-the-beaten-track destinations are becoming more popular. Local cultural offerings are also very important to them.

French people are known for their independent nature. Many French tourists like to make their own decisions and prefer to travel individually rather than as part of a group. The French can be very direct and straightforward in their communication, and they tend to speak less English than tourists from other European countries – if you can speak French to them, it will be appreciated. Reassurance about health and safety precautions are important for French holidaymakers.

French tourists are particularly interested in food, nature and scenery, and experiencing local culture. They like authenticity and immersive experiences. As an ageing country, the 55+ age group is set to be an important consumer group.

As a nation, France is especially concerned with sustainability, and French tourists are more likely to pay more for sustainable travel and accommodation than other Europeans. According to EU research, almost half of French people (48%) feel that sustainably certified accommodations are important. Individually, French tourists are increasingly choosing to travel less and stay longer. They may also look for alternative travel options, for instance taking the train instead of flying. French tourists have a number of strong preferences:

- Eat locally sourced products while on holiday (52%).
- Reduce waste while on holiday (45%).
- Know that more of their money directly benefits local communities (39%).
- Go on holiday outside the main tourist season (39%).

Netherlands

The Netherlands is a small but densely populated country of 17.5 million people. It is a wealthy, highly developed nation with a well-educated population. The Dutch economy is set for moderate growth in 2023. The Netherlands is one of the most environmentally aware and sustainability-minded countries in Europe.

Dutch outbound travel market

Travel is extremely important to the Dutch – 85% of the population travel for personal reasons. In 2019, there were 22.0 million outbound trips from the Netherlands, which is an average of 1.3 trips per person and higher than the European average. The value of outbound tourism was €17.6 billion in 2019 and €7.5 billion in 2021, 60.4% below the level of 2019.

Recent outbound expenditure shows that Dutch people are increasingly keen to travel overseas again. In Q3 2022, outbound Dutch tourists spent more than €8.4 billion overseas, of which €1.4 billion was spent outside Europe. This represents an increase of 9% over the same period in 2019.

Turkey was the most popular destination for Dutch tourists in 2019, and demand for Turkish holidays showed strong growth in 2021. Morocco and Mexico were also popular destinations for Dutch tourists. Other notable destinations for Dutch tourists both before and after the pandemic include Malaysia, Vietnam, India and Colombia.

Source: UNWTO

Dutch travel behaviour

According to Eurostat, the average length of stay of Dutch tourists abroad was 10.2 nights, and they spent €790 per trip. Dutch tourists are price conscious and look for good value. Like tourists from other European markets, the Dutch spend the majority of their travel budget on accommodation (30.2%) and flights and transport (28.2%). They also spend a relatively high proportion of their budget on food and drink (22.2%).

Source: CBI

When planning a trip, the Dutch rely heavily on word of mouth from friends, colleagues and relatives (53%), and they use their own personal experiences to help shape their decisions (40%). As tech-savvy consumers, Dutch tourists also use websites like Tripadvisor to compare customer reviews and ratings, and to gather information.

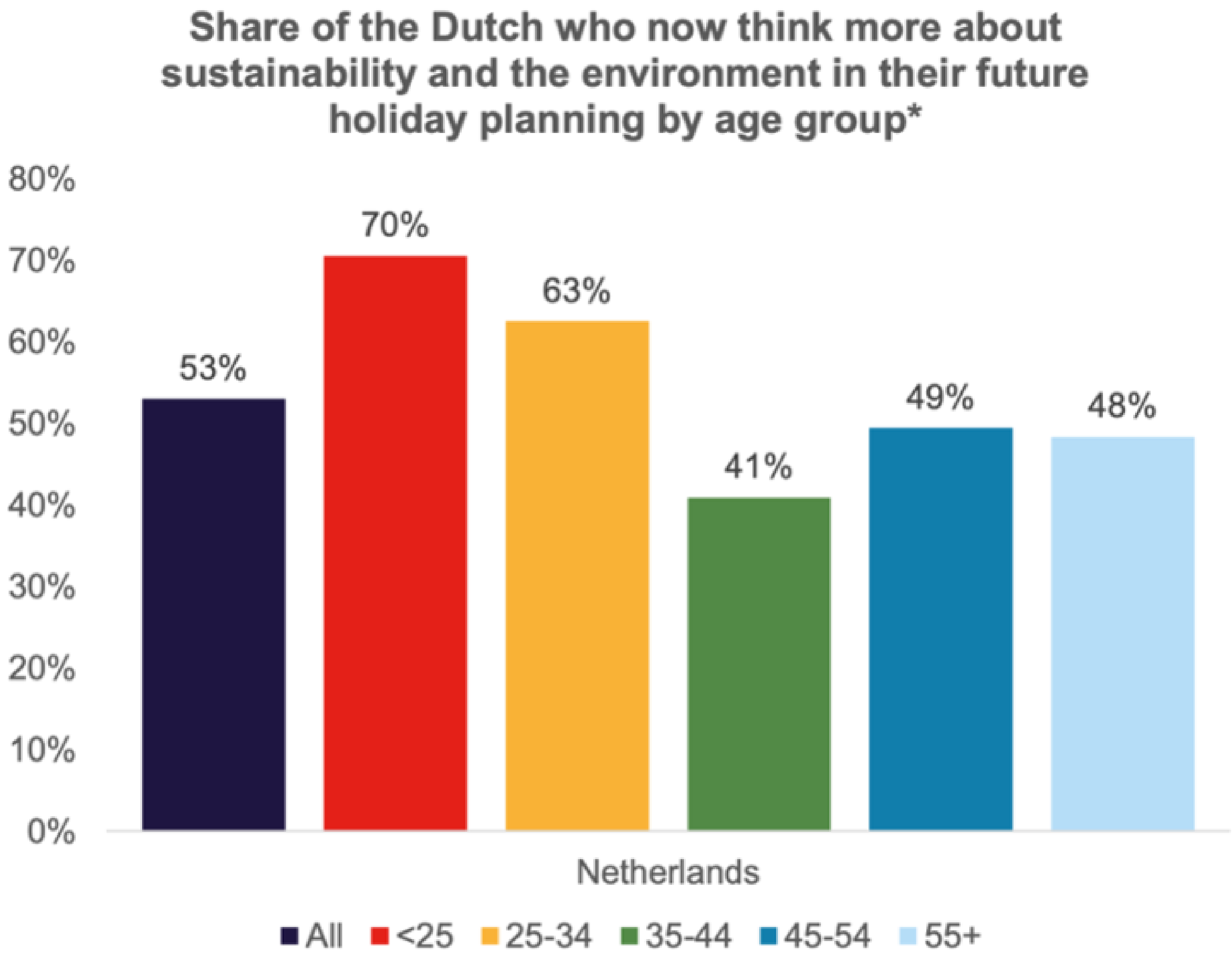
Dutch characteristics and travel motivations

Nature and culture are important to Dutch tourists. They are also adventurous, seeking less crowded destinations with good sustainable credentials. Authentic experiences are important to them as well. They look for relaxation and the opportunity to get away from the stresses of everyday life by enjoying nature and outdoor activities.

Many Dutch people speak multiple languages to a good level, particularly English. They are interested in other cultures and are careful with their money, looking for good value. They are well organised when it comes to planning their holidays, often researching trips up to six months in advance. They are very comfortable using the internet to book their trips; few Dutch tourists use traditional travel agents to book their trips these days.

In general, the Dutch are very concerned about the environment, preferring to travel sustainably. The younger age groups show the strongest intention to change their travel behaviour. These changes include choosing alternative forms of transport to avoid flying and minimising their use of plastics to protect the environment. More and more Dutch people are becoming vegetarians (11% of the population), particularly the younger generation aged 18-24. Destinations with good vegetarian cuisines will be popular choices for conscious consumers.

Figure 18: Importance of sustainability to Dutch tourists



Source: Visit Britain

Additional EU research found that Dutch tourists like to take practical action to travel sustainably, and that they aim to:

- Take holidays outside the main tourist season (45%).
- Eat locally sourced products while on holiday (44%).
- Reduce waste while on holiday (44%).
- Travel to less visited destinations (43%).

Spain

Spain has a large population of 47.2 million people and a well-diversified and resilient economy. It has the 14th largest economy in the world and the fourth largest in the EU. Although the Spanish economy grew by 5.5% in 2022, driven by public spending, it has yet to return to 2019 levels. Moreover, growth is expected to slow in 2023. This means that, like other European tourists, Spanish holidaymakers will be looking for good value experiences as the cost of living continues to influence spending behaviour.

Spanish outbound travel market

In 2019, Spain was the fifth largest outbound tourism market in the EU, with 19.8 million outbound trips. Most of these trips were to European destinations, the most popular being France, Portugal and Italy. Spanish outbound tourists spent a total of €27.7 billion in 2019.

Before the pandemic, Morocco was the most popular developing country for Spanish tourists by some margin, followed by Mexico. In 2021, there was a notable increase in departures to Mexico and Costa Rica from Spain. Both of these countries are Spanish speaking, and Latin America opened up more quickly to tourism than Asia.

Source: UNWTO

Other destinations that appeal to Spanish tourists include Vietnam, Indonesia and India. South Africa is also a trending destination for Spanish holidaymakers, with arrivals in 2022 exceeding expectations by 60.2%.

Spanish travel behaviour

In 2019, Spanish tourists' average length of stay was 7.2 days; by 2021, this had risen to 9.4 days. This most likely reflects a desire to travel again after the pandemic. It is also possible that Spanish tourists saved their holiday leave to go on longer trips. However, expenditure per day fell from US$123.9 in 2019 to US$92.4 per day in 2021. Spanish tourists spend more than half of their travel budget on accommodation (30.3%) and flights and transport (27.5%), in line with other European nations. However, they also spend more than one fifth of their budget on food and drink (20.5%), more than any other source market.

Source: CBI

EU research shows that Spanish tourists value recommendations from friends and relatives, and that they use a variety of online websites to book their trips, including OTAs. Cultural offerings are the most important factor for them, closely followed by nature and price.

Many Spanish tourists book their holidays online, and they typically plan their trips abroad one to six months in advance, depending on the destination.

Spanish travel motivations

Beach destinations are the most popular amongst Spanish outbound tourists (37%), followed by rural/nature destinations (17%). They are also keen on taking part in religious activities, most likely because many Spanish people are Catholic and actively take part in religious festivals and ceremonies – more so than many other European nations. Food and drink experiences, CBT and ecotourism are also increasing in popularity amongst Spanish tourists. Other post-pandemic trends include taking big, once-in-a-life trips, and nomadic travel.

Value for money and authentic experiences with opportunities to interact with local people and cultures are also important factors for Spanish holidaymakers in choosing a destination. However, local cultural offerings (44%) and the natural environment (43%) are the most important factors.

Spanish tourists are amongst the most sustainably minded and proactively look to minimise their impact on destinations when they travel. They like to:

- Consume locally sourced products while on holiday (71%).
- Reduce waste while on holiday (68%).
- Take holidays outside the main tourist season (53%).
- Travel to less visited destinations (52%).
- Reduce water usage while on holiday (52%).
- Contribute to carbon-offsetting activities (52%).

Tips:

To find out more about European markets, do your own internet research. Many countries' tourism organisations publish market profiles and consumer insights, including the UK, South Africa, and Australia. Although these organisations focus on inbound markets, they can still offer valuable information about tourists' characteristics and motivations.

Look for tourism research published by the EU. The Eurobarometer studies survey public opinion in the EU. The Flash Eurobarometer 499 – Attitudes of Europeans towards tourism was published in 2021.

To keep up with relevant statistics, consult UNWTO and Eurostat's tourism database. UNWTO has a tourism dashboard for statistics, but for more detailed data you will have to pay to get access to the e-library. Eurostat publishes many statistics that can be accessed for free.

3. Which tourism products from developing countries are most in demand in European markets?

The tourism products from developing countries that are most in demand in European markets are closely aligned with the adventure tourism segment. Adventure tourism is defined as tourism that includes at least two of the following three elements: a physical activity, the natural environment and cultural immersion. Developing countries offer some of the world's most exciting and interesting adventure tourism opportunities, which Europeans are especially keen to take part in.

The most popular tourism products amongst European tourists are culture, wellness, food tourism, nature tourism and ecotourism, walking and hiking, and community-based tourism (CBT). All of these segments, which are profiled below, overlap or have links with adventure tourism, which is the primary segment for most developing countries.

Cultural tourism

Cultural tourism involves travel to experience and learn about the culture of a country or region. It includes both the tangible features (built heritage) and intangible features (such as music, local lifestyles, homestays and so on) of a destination's history and heritage, culture, art, architecture and religion that have shaped its way of life.

Cultural tourism is perhaps the largest tourism niche in the world today, valued at up to US$1.1 trillion. It overlaps with many other niches, including CBT, visiting cities, religious tourism and food tourism. According to UNWTO, at least 40% of all tourists worldwide are cultural tourists. Cultural tourism is also set to grow, as tourists seek meaningful, immersive experiences and transformative and experiential tourism have become major trends.

The market for European cultural tourists is large as well, accounting for an estimated 40% of all European tourism. Tourists from Italy, France and the Netherlands are most interested in cultural tourism, while Germany has the largest European cultural tourism market. Cultural tourists have specific characteristics. They are typically well educated, tech savvy and affluent, and they are active and frequent travellers. They also tend to stay longer in a destination, spend more per day and enjoy interacting with local communities.

Figure 21: Enjoying cultural tourism in Machu Picchu, Peru

Source: Unsplash

The quality of a cultural tourism product depends to a large extent on the quality of local guides. They must be able to offer interesting and stimulating information, as well as an authentic and unique experience. Like all tourism products, cultural tourism must be developed based on sustainable, responsible and ethical principles. It must directly benefit local communities, while any negative impact on those communities, and on the environment and local culture, must be minimal.

The market for European buyers is very large. Most European tour operators, including Window to Travel and Nomade Aventure, offer cultural tourism – usually as part of a trip that also involves other forms of tourism. Culture is also a popular theme in tour operators' advertising. There are specialist cultural tour operators as well, such as Martin Randall and Envoy Tours. Online travel agents (OTAs) such as Withlocals and Viator sell huge numbers of cultural products, ranging from short tours to full-day sightseeing excursions. Private guides, cooking classes, guided tours and skip-the-line tickets to major attractions are also popular.

Tip:

- To find out how to attract European tourists, read the CBI study What are the opportunities on the European cultural tourism market?

Wellness tourism

Wellness tourism is another significant niche that has shown particular resilience since the pandemic. Globally, people have been more interested in their own health and wellness, actively seeking ways to stay fit, both physically and mentally. Wellness encompasses many traditional activities, including yoga, meditation, spa treatments, hot springs tourism and eating healthy. However, 'feel good' activities like CBT, walking, cycling and swimming also contribute to wellness, so this is a broad category.

Besides North America, Europe is the largest market for wellness worldwide. European wellness tourists took almost 300 million wellness trips the year before the pandemic, and this market is expected to expand. It was valued at US$814.6 billion in 2023, and over the next seven year it is predicted to grow at a CAGR of 12.4%.

There are two types of European wellness tourists: primary wellness tourists and secondary wellness tourists. Primary wellness tourists usually stay in all-inclusive wellness resorts that are typically luxurious and offer a full wellness package. Secondary wellness tourists are a much larger group, accounting for almost nine in 10 wellness trips, and 86% of total wellness expenditure. They engage in wellness activities as part of a bigger trip and are more interested in the cultural link between a destination and its unique local wellness remedies. This is the group that offers the best opportunities for local tour operators.

Germany, the UK and France are the most important source markets for wellness tourism. The Netherlands, Spain and Italy are other important markets. Germans are particularly experienced wellness travellers who value spending time in nature. British tourists focus on mental wellness and often choose yoga and meditation retreats for their wellness trips. French holidaymakers spend more than their counterparts from other European countries and will often travel further (if they can), favouring French-speaking countries like Madagascar.

There are many specialist wellness tourism providers in the European market, such as Healing Holidays and Wellnessurlaub. OTA platforms like Viator, GetYourGuide and Musement offer an enormous range of wellness trips, tours and experiences. Wellness products sold to European consumers must meet strict regulations around health, safety, cleanliness and qualified practitioners. These are key to ensuring the safety of wellness tourists and confidence in the skills and professionalism of local operators.

Tip:

- To discover more about the European wellness tourism market, read the CBI study What are the opportunities on the European wellness tourism market?

Food tourism

Food tourism is a very large and important tourism niche that has become more and more popular amongst outbound tourists. Estimates of its value vary from US$500 billion to US$1 trillion. It is a very diverse niche spanning many different things, such as food festivals, food museums, cooking classes, wine tastings and artisan producer visits. Through food, tourists can get a true sense of a destination’s culture, heritage and traditions. Local cuisines are often the main factor in choosing a destination.

Europeans who want to have immersive and authentic experiences often choose food experiences. This means that there are lots of opportunities for local operators to develop unique food tourism products and showcase their local cuisine. Food tourism also reaches many more people than just dedicated food tourists. It can also help stimulate year-round tourism by attracting tourists travelling out of season.

The European market is estimated to account for 35% of the food tourism niche. Holidaymakers from Spain are most likely to be food tourists (31%), followed by Italy (22%), France (20%) and Germany (18%). Food tourists spend roughly the same as other tourists during a trip (€1,547).

The European buyer market is a mix of tour operators for longer trips and OTAs for short food experiences. Tour operators like Original Travel and Essential Escapes usually include food experiences as part of a longer trip. There are also a small number of specialist food tour operators, such as Gourmet on Tour. OTAs are the most common platforms for short experiences. This group includes specialist platforms like Traveling Spoon and Eatwith, as well as larger activity-based OTAs like Viator.

- To find out more about the food tourism niche market, read the CBI study What are the opportunities on the European food tourism market?.

Nature tourism and ecotourism

Nature tourism and ecotourism are closely related. Nature tourism involves travel for the purpose of enjoying natural areas and their biodiversity. Ecotourism involves environment-based experiences that are sustainable, low impact and help to protect or preserve local communities or natural environments. Demand for authentic and immersive experiences in natural surroundings is very high in the European market. This has been driven by the pandemic, which caused tourists to actively seek out less crowded destinations and natural environments.

The nature tourism niche is a significant segment. In 2018, global tourism to protected areas was valued at US$600 billion, while wildlife tourism was valued at US$343.6 billion. In line with sustainability trends, demand from Europeans for authentic, responsible nature trips is high. Germany has the largest market for nature tourists, followed by France and the Netherlands. Ecotourists are often prepared to pay more for experiences if they are meaningful and immersive.

Figure 22: Nature tourism and ecotourism in Costa Rica's rainforests

Source: Unsplash

Sustainability is an essential component in nature tourism and ecotourism. Taking a 'nature positive' approach to tourism development has been identified as crucial in the global effort to halt and reverse biodiversity loss by 2030 and build a better world. EU research from 2021 shows that Europeans want to behave sustainably when they travel, for instance by consuming locally sourced produce and reducing waste.

European tour operators usually offer a range of different experiences as part of nature packages, including trekking, cycling, wildlife safaris and birdwatching. Ecotourism experiences are often included in nature packages, but they can also be sourced directly (such as an ecolodge in the rainforest). Examples of European tour operators that specialise in nature tourism and ecotourism include Better Places, Far and Wild Travel and ASI Reisen.

Tip:

Do your own research on the nature tourism and ecotourism markets. The CBI studies What are the opportunities in the European market for nature tourism? and What are the opportunities on the European ecotourism market? are a good place to start.

Walking and hiking

Walking and hiking are popular all over the world, and they are directly linked to nature tourism and ecotourism. There are all kinds of walking and hiking opportunities, ranging from easy trails over gentle terrain to more challenging routes in more difficult conditions. Trips can last from a few hours to days or weeks, or longer. Walking and hiking tourism encompasses several specialist niche markets, including trekking, Nordic walking, hill and mountain walking, rock climbing and long-distance walking. Many hikers wants to discover remote destinations, immerse themselves in local cultures, and enjoy local cuisines en route.

Walking and hiking are amongst the most popular pastimes across Europe, attracting people of all ages. France has the largest hiking community in Europe – 54% of the population, or 38 million people, identify as hikers. In the UK, social media platforms are driving an increase in walking groups of people in their 20s and 30s. Research in 2018 found that 81% of UK millennials (born between 1980 and 1995, aged 27 to 42 today) would consider taking up hiking as a hobby. In Germany, Spain, Italy and the Netherlands, more and more people are taking to the trails every year.

Additional CBI research has shown that walking tourists usually stay longer at a destination, for an average of 12.6 nights. They also spend more, at €1,657 per trip. Walkers prefer to book their accommodation online, either on specialist platforms like Booking.com, or on platforms that combine services.

Almost half of all European tour operators are active in the walking and hiking niche (49.8%). Many operators specialise in walking holidays, such as Walks Worldwide (UK) and SNP Natuurreizen (Netherlands). Others include walking and hiking as themes within their portfolios. It is relatively easy to develop sustainable walking products that have minimal impact on the local environment and benefit local communities. They can also be less costly to implement.

Tip:

To find out more about the walking tourism niche, read the CBI study What are the opportunities for walking tourism from Europe?

Community-based tourism

Community-based tourism (CBT) involves community-led tourism experiences where communities own, host and manage their own tourism programmes. Local communities benefit from this through economic empowerment and skills development. This form of tourism also inspires tourists and promotes cross-cultural understanding. CBT is a very popular tourism activity today, particularly amongst Europeans seeking authentic and immersive experiences. CBT is directly aligned with the growing demand for indigenous-led tourism experiences.

Sustainability is an essential component of CBT. This means that local CBT tour operators must offer sustainable products. As a result of the EU Green Deal, more and more European tour operators will only work with suppliers that are certified as sustainable. Travelife for Tour Operators, the Good Travel Seal and TourCert are the most widely recognised certification schemes by European buyers.

CBT particularly offers opportunities for small communities to enter the tourism market. CBT leaders like Costa Rica, Vietnam and India have been promoting CBT successfully for many years. But there are also emerging destinations, such as Colombia, which after decades of conflict now offers CBT as a way to develop economic self-sufficiency for remote communities and promote peacebuilding.

Figure 23: Community homestay in remote region of Colombia

Source: Acorn Tourism Consulting

European CBT tourists are adventure tourists, motivated by the ‘feel-good factor’ of immersive, cultural experiences. They want to ‘make a difference’ by helping local communities. CBT tourists can be found across all ages and consumer groups, and many like to travel independently as FITs (fully independent travellers), booking directly with communities or OTAs. Spanish tourists have the highest preference for CBT, followed by the UK, France and the Netherlands.

CBI research shows that CBT tourists stay longer in a destination (11.8 nights) than other tourists (10.5 nights). However, they also spend less than other tourists: €1,294 vs €1,547. CBT experiences are often less expensive than other tourism activities, which may account for the lower spending per trip. But although they spend less, CBT tourists are prepared to pay for experiences that they know will have a positive impact on people, places and the planet.

European tour operators usually sell CBT as part of larger adventure packages, which can either be scheduled or tailor-made tours. They often work with local destination marketing organisations (DMOs). The UK has the largest market for operators that specialise in cultural and adventure trips. Examples include Culture Contact and Nomadic Tribe. OTAs like Earth Changers and I Like Local are major platforms for CBT, offering local providers the opportunity to list their products directly.

Tip:

- To find out more about CBT, read the study What are the opportunities for community-based tourism from Europe?

Other interesting niches to be aware of

Other interesting niches that Europeans are keen on include SAVE (scientific, academic, volunteer and education tourism), water sports, sun and beach tourism, religious tourism, wildlife watching and city breaks.

The business tourism sector is another interesting sector. More and more business travellers are adding leisure to their work trips, also known as 'bleisure'. Other tourists travel mainly for leisure but conduct business at the same time, staying in one place for longer. A new term that has emerged for this kind of leisure/business travel is 'lisness'. These travellers can be compared to digital nomads and have similar communication requirements as they want to make sure they can conduct business efficiently.

To find out more about trends in the tourism industry, read the CBI report Which trends offer opportunities or pose threats on the European market?

You can also read about other niche market segments and target groups on the CBI website.

Acorn Tourism Consulting Limited carried out this study on behalf of CBI.

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