



RESEARCH HIGHLIGHTS

The Newsletter of the Market Intelligence Group of the European Travel Commission
No 7 April 2009

CONTENTS

Chairman's foreword	1	Coming soon:	3
Special feature	2	<i>Indian outbound market study</i>	
The role of tourism research at a time of crisis		<i>Handbook on Tourism Destination Branding</i>	
<i>VisitBritain's approach to tourism crisis management</i>		In preparation:	
<i>The global economic crisis and European tourism – ETC analysis</i>		<i>Japanese outbound market</i>	
<i>Eurobarometer consumer survey</i>		<i>Demographic change and tourism</i>	
ETC research activities and publications	3	<i>NTO budgets</i>	
Recently published:		ETC news	4
<i>China and Russia market studies</i>		Market Insights – updates	
		ETC/UNWTO Seminar on Tourism Destination Branding	
		Online market intelligence	
		Dates for MIG diaries	

CHAIRMAN'S FOREWORD

I write this foreword shortly after the highly successful annual meeting of the ETC Market Intelligence Group (MIG) in Ljubljana in February, where the group was expertly and generously hosted by the Slovenian Tourist Board.

The Annual MIG Meeting is the highlight of the group's calendar, bringing together research directors from national tourism organisations (NTOs) all over Europe. It is the forum at which the group discusses and agrees its programme for the coming three-year period.

Yet the MIG meeting is much more than a planning meeting. It also helps to set the wider agenda for tourism research in Europe, involving key players from both the public and private sectors.

This year, as tourism comes to terms with the global recession, we devoted the entire opening afternoon to workshops on how NTOs can use economic modelling and analysis to plan their activities in international tourism markets. These important workshops were led by Tourism Economics, a company that will be working closely with the MIG in 2009 in assessing the financial crisis and its implications for European tourism.

You can read more about this work and the initial assessment produced for ETC late last year on page 2.

While NTOs and destination marketing organisations across Europe are inevitably preoccupied with the current crisis, they must keep their eye on the long term too. The MIG's partner, the World Tourism Organization (UNWTO), has recently started work on its project, *UNWTO Future Vision: Tourism Towards 2030*, and we were delighted to contribute to this by hosting a workshop discussion on the main tourism trends expected over the next twenty years. The workshop was run by the project consultants, Trajectory Partnership, who will also be working with the MIG and UNWTO this year on a study on the impact of demographic change on tourism.

Set these two sessions alongside the MIG's continuing programme of best-practice handbooks, market studies and seminars and you have evidence of a group in excellent health, collaborating on work of immense value both to Destination Europe as a whole and to its constituent countries. This edition of *Research Highlights* will tell you more.

Leslie Vella
Chairman, ETC Market Intelligence Group



MIG meeting in Ljubljana. From left to right: Maja Pak, Slovenian Tourist Board; Leslie Vella, Brian Maher (Vice-Chairman) and Lisa Davies (ETC Head of Marketing); delegates in a workshop session.

SPECIAL FEATURE

The role of tourism research at a time of crisis

Tourism research is not an optional extra. At a time of crisis, just as much as during easier times, the tourism sector has to be aware of the latest trends and developments, and be able to respond effectively to the challenges that they pose.

VisitBritain's approach to tourism crisis management



David Edwards, Head of Research and Forecasting, VisitBritain

VisitBritain recognises the huge value that robust research can deliver during a crisis. Whether as a mechanism to quell the enthusiasm of a crisis-loving media or one that enables VisitBritain and the tourism industry to provide reassurance to consumers through marketing campaigns and PR activities, research is an essential part of tourism crisis management.

During the current recession, VisitBritain is undertaking research to help establish the impact of the economic downturn on prospects for both domestic and inbound tourism. This work enables us both to identify 'recession busting' ideas that will resonate with consumers, and to help

plan for the eventual economic recovery by targeting scarce marketing resources most effectively.

Reacting to an unforeseen major event (natural disasters, terrorist attacks, for example) is another matter. We look both at overseas markets and the UK industry itself:

- Using a pre-designed survey, we ask our 36 overseas office managers to assess the impact of the crisis on consumer and trade sentiment in each market. Their responses and the resulting hard evidence relating to cancellations or falls in the number of advance bookings are vital in allowing us to decide how to tailor our messages to the different markets and to assess which markets need the most reassurance.
- In parallel, we do a survey of our *Domestic Industry Panel* of leading UK industry figures. We ask them to assess the impact on tourism of what they have seen and to tell us what their expectations are for the future. The findings enable us to speak authoritatively to the media, trade and consumers about the scale of impact and the most suitable recovery strategy.

VisitBritain has also occasionally commissioned bespoke analysis of the scale of impact provoked by a crisis and the speed with which recovery can be expected. We did this after the July 2005 London bomb attacks, for example. Such analysis, in conjunction with our in-house surveys, provides vital 'hard facts' that can be used as media material, helping to quash unsubstantiated speculation regarding the likely impact of an event.

The global economic crisis and European tourism – ETC analysis

Late last year, ETC's Market Intelligence Group commissioned guidance for NTOs on the impact of the current crisis on European tourism. Prepared by Tourism Economics (a division of Oxford Economics), the guidance is a concise document aimed specifically at NTO directors. It was distributed to NTOs in December.

As expected, the analysis identified faltering tourism performance worldwide with reduced demand from long-haul markets such as the USA and Japan. Further falls in demand were forecast for 2009, although the report also stated that the decline was 'relatively slight in comparison to the expansion of the past five years'.

With the economic environment changing constantly, the MIG has commissioned Tourism Economics to produce quarterly updates throughout 2009. Summary versions intended for circulation to the tourism industry will

be prepared on ETC's behalf by the Travel Business Partnership. They will be published on ETC's corporate website at www.etc-corporate.org.

Eurobarometer consumer survey

The European Commission's Tourism Unit has just published a Eurobarometer survey on the attitudes of European consumers towards tourism during the economic downturn. It provides data on:

- European tourists' behaviour patterns and destination preferences
- Changes in tourism spending (especially from 2007 to 2009)
- Holiday intentions for 2009.

Over 27,000 citizens, aged 15 and over, were selected at random and interviewed in the 27 EU member states in February this year. The results are available on the Tourism Unit's website at <http://ec.europa.eu/enterprise/tourism>.

ETC RESEARCH ACTIVITIES AND PUBLICATIONS

Recently published

China and Russia market studies

ETC has just published new reports on these two important emerging outbound travel markets. Both reports were produced jointly with the UNWTO and focus particularly on Europe's image as a destination. They are essential reading for European companies and destinations looking to generate business in these countries.

Tourism from China and Russia has been growing rapidly in recent years. 2007 expenditure figures published by the UNWTO show that they had reached fifth and ninth place respectively in the list of highest-spending outbound markets. Chinese travellers spent US \$30 billion on overseas travel that year; Russian travellers spent over \$22 billion.

For more information, visit the **ETC Infoshop** at www.etc-corporate.org.



Coming soon

Indian outbound market study

India is another fast-growing market for travel to Europe. With more than 1.1 billion inhabitants, it offers enormous potential for European destinations and tourism businesses.

The new ETC/UNWTO market study is a combination of desk research, interviews with the travel trade, and interviews and focus groups with consumers. It looks at Indians' travel behaviour, trends and propensity to travel and, as with all ETC market studies, it features an in-depth analysis of Europe's image as a holiday destination in the country.

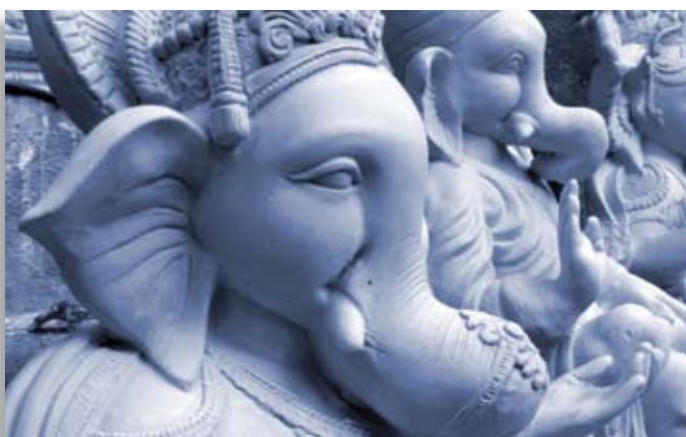


Photo © iStockphoto.com/thefinalmiracle

Handbook on Tourism Destination Branding

The *Handbook on Tourism Destination Branding* is the latest in ETC/UNWTO's acclaimed series of best-practice handbooks. The aim of the handbook is to provide NTOs and local and regional destination marketing organisations with ready-to-use tools and a source of inspiration on why and how destination branding should be adopted.

A seminar will be held in Stockholm on 18th and 19th June to launch the publication of this handbook. See page 4 for more details.



Photo © iStockphoto.com/Supriyono Suharjoto

Branding to meet customer needs and expectations

In preparation

Work continues on three more studies that are due for completion later this year:

Japanese outbound market

It's not only emerging markets that need to be studied. The MIG recognises also the need to keep an eye on mature markets such as Japanese outbound travel to Europe.

In recent years, there have been signs of this market stagnating. The new study will assess the reasons for this and attempt to identify what ETC and NTOs can do to increase tourism from Japan once more.

This study is being developed for ETC by the Japan Travel Bureau Foundation (JBTF). The European Tour Operators Association (ETOA), a partner of the MIG, will contribute additional consumer research.

Demographic change and tourism

Demography has a profound influence on tourism demand and development. In recognition of this, ETC and UNWTO have commissioned a new study that will allow NTOs and the wider tourism industry to have a better understanding of current and future demographic changes worldwide and their impact on tourism.

The report is being prepared by Trajectory Partnership.

NTO budgets

This new ETC/UNWTO study is a benchmarking exercise intended to provide internationally comparable information on NTO promotion budgets and on national tourism promotion structures. When complete, it will be an invaluable reference manual on the organisation of tourism promotion activities by official bodies.

The Travel Business Partnership is preparing the study for ETC and UNWTO.

ETC NEWS

Market Insights – updates

The MIG is to begin updating its successful series of market profiles, *Market Insights*. Providing concise and practical information about Europe's most important incoming markets free of charge, these profiles are among the most frequently consulted and downloaded documents on **ETC's corporate website**.

The first editions to be revised will be those for the United States, Canada, Brazil and Japan. These were published in 2006.

The other markets profiled so far are Australia, China, India, Mexico, Russia, South Korea, Thailand and the United Arab Emirates.

ETC/UNWTO Seminar on Tourism Destination Branding

The new ETC/UNWTO *Handbook on Tourism Destination Branding* will be launched at a seminar in Stockholm on 18th and 19th June.

Going under the title of *Unlocking the secret of your destination's competitive identity*, the seminar will be fully interactive. Participants will have the opportunity to work together to build their own destination brand step by step, using the techniques demonstrated in the handbook.

There will also be case studies from countries, regions and cities to illustrate the key issues in the handbook.

For more information on the programme and details of registration fees, please visit **ETC's corporate website**. Special reduced rates apply for ETC members and partners.

The registration deadline is Saturday, 18th April.

Online market intelligence



The MIG's colleagues in ETC's Marketing and Technology Network (MTN) have just launched the *New Media Trend Watch*, a service aimed at destination and travel-trade professionals marketing tourism into and within Europe. It replaces the *New Media Review*.

Available at www.newmediatrendwatch.com, the website brings together, in one place, high-quality intelligence from over 70 sources on trends in internet and new-media usage by tourists all over the world. It is available free of charge to all users, who can also subscribe to a free monthly newsletter featuring the latest research, survey results, and facts and figures.

ETC Contact: Lisa Davies, Head of Marketing, ETC, 19A Avenue Marnix (Boîte 25), 1000 Brussels, Belgium.
Tel.: + 32 2 - 548 9000. Fax.: + 32 2 - 514 1843 lisa.davies@visiteurope.com

Editing/co-ordination: Nick Markson nickmarkson@markson.eu

CET Design: Frontline Communication info@frontlinecommunication.co.uk

Disclaimer: whilst every care has been taken in the compilation of this publication and the information and statements contained in it are believed to be correct at the time of going to press, the publishers and promoters of this publication are not liable for any inaccuracies.

Available from ETC

<i>The Russian Outbound Travel Market (2009)</i>	€75
<i>The Chinese Outbound Travel Market (2008)</i>	€75
<i>Handbooks on:</i>	
<i>Tourism Forecasting Methodologies (2008)</i>	€45
<i>E-marketing for Tourism Destinations (2008)</i>	€75
<i>Tourism Market Segmentation (2007)</i>	€75

Reports are free of charge to ETC members; reduced rates apply for ETC partners.

Order through ETC's **Infoshop** on www.etc-corporate.org.

Other ETC reports and studies are available as free downloads from the *Reports & Studies* page on www.etc-corporate.org.

Dates for MIG diaries, 2009

7 – 8 May	MIC Meeting, Brussels
17 June	MIC Meeting, Stockholm
18 – 19 June	Seminar on Tourism Destination Branding, Stockholm
3 September	MIC Meeting, Vienna
3 – 4 September	TourMIS Workshop, Vienna
15 September	Symposium on Tourism in the Green Economy, Gothenburg
4 November	MIC Meeting, Pisa
5 – 6 November	IPK World Travel Monitor Forum, Pisa
5 December (tbc)	MIC Meeting, Brussels

ETC Market Intelligence Group

The members of the MIG are the research directors from ETC's 39 member NTOs. The group provides a forum for the sharing of market intelligence, as well as for the commissioning of new research which benefits 'Europe' as a whole. Its work is steered by the *Market Intelligence Committee (MIC)*, a small sub-committee of volunteers from the full group.

Collaboration with partners such as UNWTO, European Travel & Tourism Action Group, European Cities Marketing and the European Tour Operators Association enables the MIG to augment its budget and maximise its research output.